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PROCEEDINGS AND DEBATES OF THE 86th CONGRESS, FIRST SESSION

SENATE

WEDNESDAY, MAY 20, 1959

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O Thou God of grace and mercy, pausing in this quiet moment, may there be granted to us some steadying vista of the unseen and eternal.

Confirm our faltering faith, we beseech Thee, in the deep and holy foundations which the fathers laid, lest in foolish futility we attempt to build on sinking sand instead of rock.

In a day of violence and of swift and startling change, when the angry passions of men are bursting anew into the devouring flames of hostility and suspicion, enable these servants of the people in this free land, in the discharge of grave responsibilities of public trust, to be calm and confident, wise and just.

May their faith in the ultimate victory of Thy will for all mankind be as an anchor sure and steadfast—never doubting that out of the ruin and wreck of today, Thou art making all things new.

We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, May 19, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on May 20, 1959, the President had approved and signed the act (S. 1559) to provide for the striking of medals in commemoration of the 100th anniversary of the first significant discovery of silver in the United States, June 1859.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the following bills of the Senate, each with an amendment, in which it requested the concurrence of the Senate:

S. 607. An act for the relief of the estate of Sinclair G. Stanley; and

S. 667. An act for the relief of Pauline D. Kimbrough.

The message also announced that the House had passed the bill (S. 947) for the relief of the estate of Verentes Bent, deceased, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H.R. 1509. An act for the relief of Leon Oswald Dickey;

H.R. 1547. An act for the relief of T. Sgt. Walter Casey;

H.R. 1579. An act for the relief of Basile Ignatios Mavridis;

H.R. 1601. An act for the relief of Thomas A. Howe;

H.R. 1711. An act for the relief of the Galveston, Houston & Henderson Railroad Co.;

H.R. 2011. An act for the relief of Leonora Holmes Mola;

H.R. 2078. An act for the relief of Gannon Boggs;

H.R. 2290. An act for the relief of Ronald Ragnar Long;

H.R. 3096. An act for the relief of Peony Park, Inc., and others;

H.R. 3817. An act for the relief of Jose Santiago Savedra Calza;

H.R. 4120. An act for the relief of Dr. Raymond A. Vonderlehr and certain other officers of the Public Health Service;

H.R. 4242. An act for the relief of certain aliens;

H.R. 5963. An act for the relief of Ivy May Lee;

H.R. 6080. An act for the relief of Forrest E. Decker; and

H.J. Res. 353. Joint resolution to facilitate the admission into the United States of certain aliens.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 902) to provide for the receipt and disbursement of funds, and for continuation of accounts when there is a vacancy in the office of the disbursing officer for the Government Printing Office, and for other purposes, and it was signed by the Vice President.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred as indicated:

H.R. 1509. An act for the relief of Leon Oswald Dickey;

H.R. 1547. An act for the relief of T. Sgt. Walter Casey;

H.R. 1579. An act for the relief of Basile Ignatios Mavridis;

H.R. 1711. An act for the relief of the Galveston, Houston & Henderson Railroad Co.;

H.R. 2011. An act for the relief of Leonora Holmes Mola;

H.R. 2078. An act for the relief of Gannon Boggs;

H.R. 2290. An act for the relief of Ronald Ragnar Long;

H.R. 3096. An act for the relief of Peony Park, Inc., and others;

H.R. 3817. An act for the relief of Jose Santiago Savedra Calza;

H.R. 4120. An act for the relief of Dr. Raymond A. Vonderlehr and certain other officers of the Public Health Service;

H.R. 4242. An act for the relief of certain aliens;

H.R. 5963. An act for the relief of Ivy May Lee;

H.R. 6080. An act for the relief of Forrest E. Decker; and

H.J. Res. 353. Joint resolution to facilitate the admission into the United States of certain aliens; to the Committee on the Judiciary.

H.R. 1601. An act for the relief of Thomas A. Howe; to the Committee on Finance.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Subcommittee on Military Preparedness of the Committee on Armed Services was authorized to meet during the session of the Senate today.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business, to act on nominations on the Executive Calendar, beginning with the nominations to the National Aeronautics and Space Council.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

INTERNATIONAL SUGAR AGREEMENT OF 1958—REMOVAL OF INJUNCTION OF SECRECY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the injunction of secrecy be removed from Executive D,

86th Congress, 1st session, a certified copy of the International Sugar Agreement of 1958, transmitted to the Senate today by the President, and that it be referred to the Committee on Foreign Relations.

The VICE PRESIDENT. Without objection, the injunction of secrecy is removed from the agreement, and the agreement, together with the President's message of transmittal, will be referred to the Committee on Foreign Relations; and the President's message will be printed in the RECORD.

The message from the President is as follows:

THE WHITE HOUSE,
May 20, 1959.

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to accession, I transmit herewith a certified copy of the International Sugar Agreement of 1958, dated at London, December 1, 1958.

I also transmit, for the information of the Senate, the report made to me by the Acting Secretary of State explaining the purposes and provisions of the agreement.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *May 20, 1959.*

(Enclosures: (1) Report of the Acting Secretary of State; (2) Certified copy of the International Sugar Agreement of 1958.)

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. ANDERSON, from the Joint Committee on Atomic Energy:

Paul F. Foster, of Maryland, to be representative to the International Atomic Energy Agency.

The VICE PRESIDENT. If there be no further reports of committees, the nominations on the calendar, beginning with those to the National Aeronautics and Space Council, will be stated.

NATIONAL AERONAUTICS AND SPACE COUNCIL

The Chief Clerk read the nomination of William A. M. Burden, of New York, to be a member of the National Aeronautics and Space Council, to which office he was appointed during the last recess of the Senate.

Mr. JOHNSON of Texas. Mr. President, the Senator from Maine [Mrs. SMITH] reported the nomination; and we are glad to hear from her at this time.

Mrs. SMITH. Mr. President, in connection with the nomination of Mr. William A. M. Burden, I should like to observe that this gentleman appeared before the Aeronautical and Space Sciences Committee on May 19, 1959, and a hearing was held.

Mr. Burden made a statement, supplied the committee with a list of his financial holdings, and was questioned by members of the committee.

Mr. Burden brings to the Space Council a background of public service in the aviation field. He served as Assistant Secretary of Commerce for Air from 1943 to 1947; as a member of the National Advisory Committee for Aeronautics during the period 1942 to 1947; was Special Assistant for Research and Development to the Secretary of the Air Force during the period of 1950 to 1952; and was made a member of the National Aeronautics and Space Council, pursuant to a Presidential recess appointment made September 4, 1958.

Mr. President, the committee voted unanimously that the nomination be reported favorably, and I hope the nomination will be confirmed unanimously by the Senate.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a memorandum of biographical data in connection with the nomination of Mr. Burden.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

BIOGRAPHICAL DATA

Name: Burden, William A. M.

Born: New York, N.Y., April 8, 1906.

Education: Bachelor of arts cum laude, Harvard, 1927; doctor of science (Honorary), Clarkson College of Technology, 1953.

Married: Margaret Livingston Partridge, February 16, 1931.

Children: William A. M. Burden III, December 14, 1931 (Harvard, 1953); married: Leslie L. Hamilton, June 15, 1951; children: William A. M. Burden IV, September 16, 1954; Wendy Lee Burden, December 18, 1955; Robert L. Burden, January 18, 1934 (Harvard, 1955); Hamilton T. Burden, May 17, 1937; Ordway P. Burden, November 20, 1944.

BUSINESS ACTIVITIES

1928–32: Brown Bros., Harriman & Co., New York, N.Y., analyst of aviation securities.

1932–39: Scudder, Stevens & Clark (investment counsel), New York, N.Y., in charge of aviation financial research.

1939–41: National Aviation Corp. (aviation investment trust), New York, N.Y., vice president and director.

1941–47: In Government service (see below).

1947–49: Smith, Barney & Co., New York, N.Y., aviation consultant.

1949– : William A. M. Burden & Co. (a New York limited partnership which is engaged in investing its own funds for its own account), New York, N.Y., general partner.

GOVERNMENT SERVICE

1941–42: Vice president, Defense Supplies Corporation (subsidiary of Reconstruction Finance Corporation) in charge of division of American Republics Aviation.

1942–43: Special Aviation Assistant to Secretary of Commerce.

1943–47: Assistant Secretary of Commerce for Air; member, National Advisory Committee for Aeronautics, 1942–47; member, U.S. delegation, International Civil Aviation Conference, Chicago, 1944; chairman, U.S. delegation, First and Second Assemblies of International Civil Aviation Organization, Montreal, 1946, 1947.

1950–52: Special Assistant for Research and Development to the Secretary of the Air Force.

1958– : Member, National Aeronautics and Space Council pursuant to Presidential recess appointment made September 4, 1958.

DIRECTORSHIPS

Union Oil & Gas Corp., of Louisiana, 1932– ; chairman executive committee, 1954– ; Runnels Gas Productions Corp., subsidiary Union Offshore Corp., subsidiary. The Hanover Bank, 1940– . Cerro de Pasco Corp., 1941– ; member, policy committee, 1954– . American Metal Climax, Inc., 1949– .

Educational, civic, and certain other nonbusiness activities:

President and trustee, the Museum of Modern Art, New York, N.Y.

Governor, the Society of the New York Hospital.

Life, trustee, Columbia University; member, committee on finance; member, special committee on investments.

Director, Council on Foreign Relations, Inc.

Member of council and past president, the Institute of the Aeronautical Sciences, Inc.

Trustee, Institute for Defense Analyses.

Trustee, Foreign Service Educational Foundation (Washington, D.C.).

Chairman, advisory committee for aviation research program, Harvard School of Business Administration.

Member, visiting committee, physics department, Harvard University.

Member, visiting committee, university library, Harvard University.

Member, executive committee, program for Harvard College.

Member, visiting committee, aeronautical engineering department, Massachusetts Institute of Technology.

Trustee, French Institute in the United States.

President and director, France-America Society.

Political affiliation: Republican; chairman, United Republican Finance Committee for the State of New York.

Home address: 820 Fifth Avenue, New York, N.Y.

Office address: 630 Fifth Avenue, New York, N.Y.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to this nomination?

Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Dr. John T. Rettaliata, of Illinois, to be a member of the National Aeronautics and Space Council.

Mrs. SMITH. Mr. President, in connection with the nomination of Dr. John T. Rettaliata, I should like to observe that he appeared before the Aeronautical and Space Sciences Committee on May 19, 1959, and a hearing was held.

Dr. Rettaliata supplied the committee with a list of his financial holdings, and was questioned by members of the committee.

Dr. Rettaliata at the present time is president of Illinois Institute of Technology. He will bring to the Space Council an extensive background in mechanical engineering. Dr. Rettaliata from 1936 to 1945 was with the Allis Chalmers Co., during which time he served as head of the calculation and development division on steam turbines and as manager of the research and gas turbine development division. He has been with the Illinois Institute of Technology since 1945, and has served as professor of mechanical engineering, consultant in mechanical engineering for the Armour Research Foundation, dean of engineering, and president.

Mr. President, the committee voted unanimously that this nomination be reported favorably to the Senate.

I hope the nomination will be confirmed unanimously by the Senate.

I ask unanimous consent to have printed at this point in the RECORD a memorandum of biographical data in

connection with the nomination of Dr. Rettaliata.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

BIOGRAPHICAL INFORMATION, DR. JOHN T. RETTALIATA, PRESIDENT, ILLINOIS INSTITUTE OF TECHNOLOGY

Born: Baltimore, Md., August 18, 1911; parents, Theodore A. and Viola (Hall) Rettaliata.

Married: Barbara Hertha Herman, October 26, 1938.

Children: Brian, March 5, 1943; Stephen, July 19, 1947; Patricia, March 13, 1951.

Education: Johns Hopkins University, Baltimore, bachelor of engineering, 1932; doctor of engineering, 1936; Michigan College of Mining and Technology, Houghton, doctor of engineering (honorary), 1956; Valparaiso University, Valparaiso, Ind., doctor of science (honorary), 1959.

Honor societies: Omicron Delta Kappa, Beta Circle, Phi Eta Sigma, Pi Tau Sigma, Sigma Xi, Tau Beta Pi, Tau Omega.

Academic fraternity: Triangle.

Professional record: Baltimore College Center, Baltimore, instructor in mathematics, 1934–35, head of the department of mathematics, 1934–35; U.S. Department of Agriculture, laboratory technician, 1935; Allis-Chalmers Co., Milwaukee, head of the calculation and development division of steam-turbine department, 1936–44, manager of research and gas turbine development division, 1944–45; Illinois Institute of Technology, professor of mechanical engineering and director of mechanical engineering department, 1945–48, consultant in mechanical engineering for Armour Research Foundation of Illinois Institute of Technology; 1946–48, dean of engineering, 1948–50, vice president of academic affairs, 1950–52; president of Illinois Tech, Armour Research Foundation of Illinois Institute of Technology, and Institute of Gas Technology, 1952– .

MEMBERSHIPS AND ACTIVITIES

Professional memberships: American Association for Advancement of Science, fellow, 1946; American Society for Engineering Education, 1946– , member, Lamme award committee, 1956–60; American Society of Mechanical Engineers, 1939– , chairman of the gas turbine power division, 1948, vice president of region VI, 1950–52; Engineers Society of Milwaukee, 1940– ; Navy League of the United States, 1955– ; registered professional engineer in the State of Wisconsin; Western Society of Engineers, 1946– ; member, Washington Award Commission, 1949–52, chairman, 1956–59; member, board of direction, 1952– ; member, finance committee, 1957–58; treasurer, 1957–58; second vice president, 1958–59; president, 1959–60.

Civic memberships: Air University: member, Board of Visitors, 1955–58; chairman, Board of Visitors, 1957–58; American Council on Education, member, committee on television, 1953–57; American Foundation for Greece, board of regents, 1957; American Legion national convention, 1958, citizen's committee; Argonne National Laboratory, chairman, ad hoc committee, 1956– ; board of education, member, special schools committee, 1952– ; Chicago Central Area Committee, chairman, planning and research committee, 1956– ; Chicago Plan Commission, member, 1957–62; All-Chicago Citizens' Committee, member, 1956– ; Chicago Educational Television Association, member, board of trustees, chairman, educational advisory board, 1953– , member, program policy committee, 1955– ; Chicago Museum of Science and Industry, trustee, 1959– ; Crerar Library, member, board of trustees, 1952– , first vice president, 1953– , chairman, committee on books, 1953– ; the Foundation for Economic Education, Inc., trustee, 1957–58; Governor's Committee on Metropolitan Water and Sanitation, 1954; Hospital Council of Metropolitan Chicago, member, 1957– ; Illinois Society for Medical Research, member, advisory council, 1953– ; Junior Achievement of Chicago, member, advisory council, 1952– , member, advisory board, 1956– ; Lumbermens Mutual Casualty Co., member, Midwest advisory board, 1957– ; Mayor Daley's cultural facilities survey committee, 1958; Metropolitan Housing and Planning Council of Chicago, member board of governors, 1952–58; National Association of Manufacturers, member, education advisory council, 1954 (3-year appointment); National Conference of Christians and Jews, 1952, chairman, educational committee of 1953 Brotherhood Week, State chairman of 1955 Brotherhood Week; National Italian-American Civic League, member, honorary board of trustees, 1952– ; National Scholarship Service and Fund for Negro Students, member, advisory board of college presidents, 1952– ; Newspaper Carriers' Association of Chicago, member, scholarship advisory committee, 1952– ; George M. Pullman Educational Foundation, 1952– ; Railroad Terminal Authority, 1957– ; Rotary Club of Chicago, member, jury of awards, 1953, 1955, 1957; the World Book Encyclopedia, member, editorial advisory board, 1956–59.

Directorships: American Motorists Insurance Co., 1957– ; American Steel Foundries, 1954– ; the Atchison, Topeka & Santa Fe Railway Co., 1957– ; Brunswick-Balke-Collender Co., director, 1956– , bonus committee, 1957– ; Chicago National Bank, 1954– ; DuKane Corp., 1957– ; First Federal Savings & Loan Association of Chicago, 1952– ; International Harvester Co., 1958– ; Peabody Coal Co., 1953; S. C. Johnson & Son, Inc., 1958– ; United Wallpaper, Inc., 1956– ; Western Electric Co., Inc., 1957– .

Special awards: Compiled report on gas turbines for special applications, National Science Foundation, Washington, 1940; American Society of Mechanical Engineers, junior award, 1941; special gas turbine award, ASME, 1951; citation of honor, Indiana Technical College, 1958; Jesuit Centennial Citation, Loyola University, 1957; Pi Tau Sigma gold medal award, 1942; studied British developments in jet propulsion, U.S. Navy, Bureau of Aeronautics, 1943; study and investigation of steam turbines developed by Germany for hydrogen peroxide submarine operations, U.S. Navy, Bureau of Ships, 1945; World War II certificate of commendation from U.S. Navy, 1945; National Conference of Christians and Jews, Chicago group citation, 1955.

Clubs: Beverly Country Club; Chicago Club; Chicago Commonwealth Club; Commercial Club of Chicago; Economic Club of Chicago, second vice president and member board of directors, president, 1957–58; Executives' Club of Chicago, member of executive committee and program committee, director, 1957–58; Tavern Club, member of the Governor's membership committee; University Club; Wayfarers' Club.

Mr. JOHNSON of Texas. Mr. President, I concur wholeheartedly in what the very able Senator from Maine has said in regard to these two very fine nominations. Yesterday the committee—as the Senator from Maine has stated—conferred with these gentlemen personally; and they were subjected to extensive questioning. At the conclusion of the questioning, the committee voted unanimously to report the nominations favorably to the Senate.

I commend the Senator from Maine for the statements she has made; and I think it fair to say that I believe the two nominees are very able men. The entire committee feels as does the distinguished Senator from Maine regarding these nominations.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to this nomination?

Without objection, the nomination is confirmed.

NAVY AND MARINE CORPS NOMINATIONS PLACED ON THE VICE PRESIDENT'S DESK

The Chief Clerk proceeded to read sundry nominations in the Navy and the Marine Corps which had been placed on the Vice President's desk.

The VICE PRESIDENT. Without objection, these nominations will be considered en bloc, and, without objection, they are confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of all these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

EXECUTIVE AND LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, there are three nominations about which I should like to speak briefly: The nomination of Mr. C. Douglas Dillon, of New Jersey, to be Under Secretary of State; the nomination of Mr. Strauss, to be Secretary of Commerce; and the nomination of Mr. George M. Johnson, of California, to be a member of the Commission on Civil Rights.

A short time ago, following action by the Foreign Relations Committee, the Senator from Louisiana [Mr. LONG] asked me not to bring up by motion the nomination of Mr. Dillon for a few days, until the Senator from Louisiana could prepare material which he would like to present to the Senate during consideration of the nomination by the Senate. I asked the Senator from Louisiana how long he thought it would take to assemble the material; and he expressed the hope that he could do so within a week or 10 days.

So I hope that sometime early next week the Senate can proceed to consideration of the nomination of Mr. Dillon.

I am informed that the Committee on Interstate and Foreign Commerce has acted on the nomination of Mr. Strauss, to be Secretary of Commerce. In the committee, there is a very close division on that question; and there was a very close vote. I am also informed that the hearings have been ordered printed, and that the report will be available the early part of next week. As soon as the hearings are available, I shall wish to study them thoroughly, as I know all other Members of the Senate will likewise wish to do, in order to make sure

that equity and justice are done. When the hearings are available, I shall arrange with the minority leader to bring up that nomination by motion at as early a date as possible.

The same will apply to the nomination of Mr. George M. Johnson to be a member of the Commission on Civil Rights.

I should like to inform the Senate that we shall give Senators adequate notice in connection with both the Dillon nomination and the Strauss nomination, once the reports and the hearings are available.

The Treasury-Post Office appropriation bill, I am informed, is likely to be reported tomorrow by the Appropriations Committee. Under the rule, we shall have to wait 3 days before taking it up. But I should like to have all Members know that the committee expects to report that bill tomorrow. If any Senators have objections or suggestions which they would like to pass on to the committee, I know it will be glad to consider them.

The same is true of the District of Columbia appropriation bill. It is understood that it will be reported tomorrow; and, under the rule, it, too, will have to lie over for 3 days.

But I should like to have all Senators on notice that although we have received some of the appropriation bills a little later than usual, we shall proceed with dispatch to act on them as quickly as possible; and we shall hope to dispose of those bills and of as much other business as possible the early part of next week.

Mr. DIRKSEN. Mr. President, will the majority leader yield?

Mr. JOHNSON of Texas. I yield to my friend from Illinois.

Mr. DIRKSEN. With respect to the nomination of George M. Johnson to be a member of the Commission on Civil Rights, some slight question arose with respect to the nominee, but on Monday of this week the Judiciary Committee, or at least a very substantial majority of it, fully satisfied itself with respect to the nominee in question. Consequently the nomination was reported to the Senate by the full committee. There is no disposition to hurry action on the nomination. Members of the committee have some other questions on some matter they wish to go into which bears on the nominee.

I can say, in concurrence with what the majority leader has said on the Dillon nomination, that the distinguished Senator from Louisiana had some concern that there might be an endeavor to rush the consideration of the nomination, and that he could not adequately prepare the case he wanted to make. I gave him assurances on the floor of the Senate that, so far as the minority is concerned, there certainly would be no effort to hurry action on the nomination. We are content to bide our time so the Senator will have an opportunity to present his case fully and completely.

I am fully aware of the fact that there was a rather voluminous record made in the Strauss case and that it will take some time to analyze it and prepare the necessary reports. We fully appreciate that a little time will be required before the nomination can be presented to the Senate for action.

I should like to ask the majority leader a question. In addition to the District of Columbia appropriation bill and the Treasury-Post Office appropriation bill, I thought there would be a disposition to take up the wheat bill and the tobacco bill, which come from the Committee on Agriculture and Forestry. The majority leader may have made reference to those bills while I was off the floor.

Mr. JOHNSON of Texas. We have previously informed the chairman of the Committee on Agriculture and Forestry that we wanted to be ready to take up those two bills. The international health joint resolution is pending before the Senate. There will be a call of the calendar. I am not informed at this moment what the thought of the chairman of the Committee on Agriculture and Forestry is concerning the wheat bill, but we need to take early action.

Mr. DIRKSEN. I gather, then, there will be a call of the calendar, and the Senate will then resume the consideration of the international health joint resolution.

Mr. JOHNSON of Texas. There will be a call of the calendar; then the Senate will proceed to the further consideration of the international health joint resolution; and after that we will determine what business the Senate will proceed to consider from that point.

I do not anticipate that we shall take up the appropriation bills, if there is any objection, before the latter part of the week, if then. I rather think we will take them up the early part of next week. I am informed the agriculture appropriation bill should be ready about May 28.

Appropriation bills, as the Senator knows, have the highest priority. As soon as the rule has been complied with, we intend to call them up by motion.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON COOPERATION WITH MEXICO IN CONTROL AND ERADICATION OF FOOT-AND-MOUTH DISEASE

A letter from the Assistant Secretary of Agriculture, reporting, pursuant to law, that there have been no significant developments to report for the month of April, relating to the cooperative program of the United States with Mexico for the control and eradication of foot-and-mouth disease; to the Committee on Agriculture and Forestry.

AMENDMENT OF SECTION 403 OF HOUSING AMENDMENTS OF 1955, RELATING TO TITLE INSURANCE ON CERTAIN HOUSING

A letter from the General Counsel, Department of Defense, Washington, D.C., transmitting a draft of proposed legislation to amend section 403 of the Housing Amendments of 1955 so as to authorize an alternative procedure which may be utilized in lieu of title insurance on military family housing, and for other purposes (with an accompaning paper); to the Committee on Banking and Currency.

REPORT ON REVIEW OF USE OF CONTRACTOR-FURNISHED DRAWINGS FOR PROCUREMENT PURPOSES, AIR MATERIEL COMMAND

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of the use of contractor-furnished drawings for procurement purposes, Air Materiel Command, Department of the Air Force, dated May 1959 (with an accompanying report); to the Committee on Government Operations.

REPORT ON EXAMINATION OF PROCUREMENT OF SPARE PARTS FROM BOEING AIRPLANE CO., SEATTLE, WASH.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the examination of procurement of spare parts from Boeing Airplane Co., Seattle, Wash., under Department of the Air Force contracts AF 33 (600)-22119 and AF 33 (600)-28223, dated May 1959 (with an accompanying report); to the Committee on Government Operations.

AUTHORIZATION OF USE OF FUNDS ARISING FROM JUDGMENT IN FAVOR OF THE COEUR D'ALENE INDIAN TRIBE

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to authorize the use of funds arising from a judgment in favor of the Coeur d'Alene Indian Tribe, and for other purposes (with an accompanying paper); to the Committee on Interior and Insular Affairs.

ELIMINATION OF TERMINATION DATE FOR NONQUOTA IMMIGRANT VISAS TO CERTAIN ALIEN ORPHANS

A letter from the Secretary, Department of Health, Education, and Welfare, transmitting a draft of proposed legislation to eliminate the date of termination of the provisions of law authorizing issuance of nonquota immigrant visas to certain alien orphans, and for other purposes (with an accompanying paper); to the Committee on the Judiciary.

MILITARY PERSONNEL AND CIVILIAN EMPLOYEES' CLAIMS ACT OF 1955

A letter from the Administrator, Federal Aviation Agency, Washington, D.C., transmitting a draft of proposed legislation to provide for the settlement of claims of military personnel and civilian employees of the Federal Government for damage to, or loss, destruction, capture, or abandonment of, personal property occurring incident to their service, and for other purposes (with an accompanying paper); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Two letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law pertaining to each alien, and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A joint resolution of the Legislature of the State of Colorado; to the Committee on Interior and Insular Affairs:

"SENATE JOINT MEMORIAL 12

"Joint memorial memorializing the Congress of the United States to approve the Curecanti unit of the Upper Colorado storage project, and urging the appropriation of funds by the said Congress for initiation of the construction of the project at the earliest possible time

"Whereas the Secretary of the Interior of the United States has requested the official

opinion of the State of Colorado concerning the construction of the Curecanti storage unit of the Colorado River storage project; and

"Whereas this opinion was requested of the State of Colorado because of the adverse report on the project by the Bureau of Sport Fisheries and Wildlife of the Department of the Interior, which declared that sport fishery would be damaged by said construction; and

"Whereas this conclusion of the Bureau of Sport Fisheries and Wildlife on behalf of preserving stream fishing and wildlife habitat does in fact control, subordinate, and deny other uses, such as those for domestic, municipal, irrigation, industrial, and hydroelectric power purposes; and

"Whereas the fishing and all-family recreation facilities that will result from the Curecanti project will far outstrip the existing fishing, both in terms of numbers of fishermen accomodated and in public accessibility to that fishing; and

"Whereas with full knowledge of the results of the construction of fishing and wildlife values, the Curecanti storage unit project has been earlier approved by the Colorado Department of Natural Resources, the Colorado Game and Fish Commission, the Colorado Water Conservation Board, the Colorado Water Congress, and numerous agencies and citizens' organizations of the Gunnison River Basin; and

"Whereas a report of the National Park Service and the U.S. Forest Service supports the view that there will be a large increase in the recreational use of this water after the construction of the Curecanti unit: Now, therefore, be it

"Resolved by the Senate of the 42d General Assembly of the State of Colorado, the House of Representatives concurring herein, That this general assembly, as a matter of official policy, urges and recommends the approval of the Curecanti storage unit of the Colorado River storage project, notwithstanding the recommendation of the Bureau of the Sport Fisheries and Wildlife, and memorializes the Congress of the United States to appropriate funds for the initiation of construction thereon at the earliest possible time; and be it further

"Resolved, That copies of this memorial be transmitted to the President of the United States, the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, Members of the Congress from the State of Colorado, and to the Honorable Fred A Seaton, Secretary of the Interior of the United States."

A resolution of the Legislature of the State of Nebraska; to the Committee on Agriculture and Forestry:

"LEGISLATIVE RESOLUTION 34

"Resolution memorializing Congress to enact legislation relative to the establishment of a soil and water research laboratory in the Great Plains States

"Whereas there is a tremendous need for additional research in the conservation and development of the soil and water resources of the Great Plains region of the United States of America; and

"Whereas the conservation and development of these two basic resources will do much to stabilize the economy of this vast area, which in the past has been ravaged by drought, duststorms, and floods; and

"Whereas the establishment of a major soil and water research laboratory located in the Great Plains area has been recommended by the Great Plains Agricultural Council, the National Association of Soil Conservation Districts, and a Soil and Water Research Facility Committee appointed by the Secretary of Agriculture of the United States of America; and

"Whereas there are presently pending before the Congress of the United States of America several bills authorizing the establishment of a soil and water research laboratory in the Great Plains area: Now, therefore, be it

"Resolved by the members of the Nebraska Legislature in the 69th session assembled:

"1. That the Legislature of the State of Nebraska is wholeheartedly in support of the establishment of additional facilities for an expanded program of research in soil and water conservation in the Great Plains area;

"2. That the President and the Vice President of the United States and the representatives in Congress of the United States be hereby urged and requested to take all necessary action to provide such assistance as may be necessary to establish a staff, equip, and maintain one major and strategically located laboratory in the Great Plains States to conduct research in soil and water conservation that is not possible or practical through existing programs;

"3. That certified copies of this resolution be promptly transmitted to the President and Vice President of the United States; Secretary of the U.S. Department of Agriculture; President of the U.S. Senate; Speaker of the House of Representatives of the United States; chairman of the Committee on Agriculture and Forestry of the U.S. Senate; chairman of the House Committee on Agriculture; chairman of the U.S. Senate Appropriations Committee; chairman of the U.S. Senate Agricultural Subcommittee on Appropriations; chairman of the House Committee on Appropriations; chairman of the House Agricultural Subcommittee on Appropriations; U.S. Senator ROMAN L. HRUSKA; U.S. Senator CARL T. CURTIS; U.S. Representative PHIL WEAVER; U.S. Representative GLENN CUNNINGHAM; U.S. Representative DONALD F. MCGINLEY; and U.S. Representative LAWRENCE BROCK."

A joint resolution of the Legislature of the State of Illinois; to the Committee on Labor and Public Welfare:

"HOUSE JOINT RESOLUTION 26

"Whereas the Senate and House of Representatives of the United States are now considering legislation to establish a Youth Conservation Corps; and

"Whereas among the most pressing and depressing problems of today are the rise in unemployment, rising relief costs and increase of juvenile delinquency; and

"Whereas it has been established that a Youth Conservation Corps would be a most important resource of combating all of these three undesirable phases of our national life; and

"Whereas such a Youth Conservation Corps could achieve essential public improvements, worth more than the cost entailed; and

"Whereas the work most needed to be done generally lies in national forests, in national parks, or in such projects as flood prevention and prevention of soil erosion, far removed from the cities or States where most of the youths enrolled for such program now reside; and

"Whereas State and local governmental units, including Illinois, have camp programs for youths already under sentence by the courts, while the Federal Youth Conservation Corps should provide only for voluntary enrollment: There, be it

"Resolved by the House of Representatives of the 71st General Assembly of the State of Illinois, the Senate concurring herein, That we respectfully request and recommend that the Senate and House of Representatives of the United States give favorable consideration to the passage of bills creating a Youth Conservation Corps which would provide aid and assistance to youths who are in need of such opportunities through the development of natural resources; and be it further

"Resolved, That suitable copies of this preamble and resolution be forwarded by the secretary of state to the President of the Senate of the United States, to the Speaker of the House of Representatives of the United States, and to the Senators and Congressmen representing the State of Illinois in the Congress of the United States, and to every member of the Labor and Public Welfare Committee of the U.S. Senate, and of the Education and Labor Committee of the U.S. House of Representatives.

"Adopted by the house, April 21, 1959.

"PAUL POWELL,
"Speaker, House of Representatives.

"Concurred in by the senate, May 7, 1959.

"JOHN WM. CHAPMAN,
"President of the Senate."

A joint resolution of the Legislature of the State of New Mexico; to the Committee on Labor and Public Welfare:

"HOUSE JOINT MEMORIAL 13

"Joint memorial memorializing the President of the United States, the Secretary of the Interior; the Speaker of the House and the President of the Senate of the Congress of the United States; the Surgeon General of the Public Health Service; and the Commissioner of Indian Affairs to take notice of the petition of the Zuni Tribe that H.R. 3342 now pending in the House is a measure essential to the health and well-being of the Zuni tribe; and urging the New Mexico delegation in Congress to continue their efforts to secure for the Zuni people the facilities that their health requires

"Whereas the Public Health Service undertook in 1957 at the request of the Zuni tribe of New Mexico a review of health facilities and needs of the tribe and found that a high rate of gastroenteric diseases such as diarrhea has prevailed in the Pueblo of Zuni for years; and

"Whereas a Zuni sewer bill pending before the 85th Congress was permitted to die upon the close of the Congress to the detriment of the people of the Pueblo of Zuni and of New Mexico; and

"Whereas a new bill, H.R. 3342, to achieve the result sought has been introduced by the Honorable THOMAS G. MORRIS, Member of Congress: Now, therefore, be it

"Resolved that this legislature does support and concur fully in the effort of the Zuni people to obtain the sanitary facilities they so badly require, and it therefore respectfully urges the proper officials of the Congress and the executive branch of the Government of the United States to take prompt action to alleviate the poor sanitary conditions of the Zuni Pueblo; and be it further

"Resolved, That copies of this memorial be delivered to the Honorable Dwight D. Eisenhower, President of the United States; the Honorable Fred A. Seaton, Secretary of the Department of the Interior; the Honorable Glenn L. Emmons, Commissioner, Bureau of Indian Affairs; the Honorable LeRoy E. Burney, Surgeon General, Public Health Service; the Honorable Richard M. Nixon, President of the Senate of the U.S. Congress; and the Honorable Sam Rayburn, Speaker of the House of Representatives of the U.S. Congress; and be it further

"Resolved, That copies of this memorial be delivered to the Honorable DENNIS CHAVEZ and the Honorable CLINTON P. ANDERSON, U.S. Senators from New Mexico; and the Honorable JOE M. MONTOYA and the Honorable THOMAS G. MORRIS, Representative at Large from New Mexico.

"ED V. MEAD,
"President of the Senate.

"MACK EASLEY,
"Speaker, House of Representatives.

"Approved by me this 27th day of March, 1959.

"JOHN BURROUGHS,
"Governor, State of New Mexico."

Two joint resolutions of the Legislature of the State of California; to the Committee on Interior and Insular Affairs:

"SENATE JOINT RESOLUTION 17

"Resolution relative to legislation concerning wilderness areas

"Whereas it has come to the attention of the legislature that there is pending before the Congress of the United States legislation whereby the Congress would give sanction to the designation as wilderness of millions of acres of federally owned and controlled public lands; and

"Whereas it appears that such legislation could conservatively encompass at least 17,400,000 acres of such land in the State of California, constituting 17 percent of the total area of the State, in the designation of which the State government would have no say whatsoever; and

"Whereas the continued growth and prosperity of the State of California and other Western States depend on the development of Federal lands within the States on a multiple-use basis; and

"Whereas such legislation could impair present and future payments to the State of California and the other Western States in lieu of taxes on Federal land, now amounting, in the case of the State of California, to the sum of $8,865,673: Now, therefore, be it

"Resolved by the Senate and the Assembly of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the Congress of the United States to withhold all legislative action sanctioning the designation of additional wilderness of vast areas of Federal lands until the National Outdoor Recreation Resources Review Commission can present its recommendations on an orderly procedure for future beneficial use of all national recreation lands, including wilderness areas; and be it further

"Resolved, That the Secretary of the Senate is hereby directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, to the U.S. Secretary of the Interior, and to the U.S. Secretary of Agriculture.

"ASSEMBLY JOINT RESOLUTION 16

"Resolution relative to the Auburn Dam on the American River

"Whereas there is presently pending before the Congress of the United States legislation introduced by Senators CLAIR ENGLE and THOMAS H. KUCHEL and by Congressmen HAROLD T. JOHNSON and JOHN E. MOSS, JR., to authorize the multiple-purpose Auburn Dam on the American River above Folsom Lake for construction by the U.S. Bureau of Reclamation, as a part of the Central Valley Project; and

"Whereas the multiple-purpose project of the Auburn Dam will furnish additional water which can be used in the American River watershed, the Sacramento-San Joaquin Delta region, the San Joaquin Valley, and areas to the south; and

"Whereas the project will produce additional electric power which can be employed to pump water to areas of deficiency in the statewide water program; and

"Whereas the proposed Auburn Dam is a part of the California Water Plan and the project as outlined in the legislation would complement the State's efforts to meet the water requirements of California's rapidly expanding population: Now, therefore, be it

"Resolved by the Assembly and the Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to approve, as soon as possible, the legislation now pending to authorize the Auburn Dam; and be it further

"Resolved, That the chief clerk of the assembly is hereby directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, to W. A. Dexheimer, Commissioner of Reclamation, to Harvey O. Banks, Director of the Department of Water Resources of the State of California, and to B. W. Cassidy, Chairman of the Auburn Dam Project Committee.

A joint resolution of the Legislature of the State of California; to the Committee on the Judiciary:

"SENATE JOINT RESOLUTION 6

"Resolution relative to more than two terms for the President of the United States

"Whereas the 22d amendment to the Constitution of the United States now prohibits a person from being elected more than twice to the Office of President of the United States, or from being elected more than once if he has served for more than 2 years of a term to which some other person was elected President; and

"Whereas the holder of an elective public office is deprived of much, if not most, of his political effectiveness, when it is definitely known that he will not be a candidate for reelection; and

"Whereas consequently, the 22d amendment to the Constitution of the United States materially and substantially reduces the political effectiveness and national leadership of the President of the United States during his second term in office; and

"Whereas the undesirability of this mandatory restriction on the tenure in office of the President of the United States has been publicly recognized by the present incumbent of that office, Dwight D. Eisenhower, who is the first President to be so restricted in his tenure of office, and

"Whereas the two-term tradition started by our illustrious first President, George Washington, was followed in practice for over 140 years and provided an effective discretionary safeguard against a President holding office for too long a time; and

"Whereas it should therefore be left to the electorate in their political wisdom to decide whether or not in a particular instance the two-term tradition should be followed and the President of the United States should be free to seek reelection to more than two terms, if he so desired: Now, therefore, be it

"Resolved by the Senate and the Assembly of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the Congress of the United States to commence proceedings for the repeal of the 22d amendment; and be it further

"Resolved, That the Secretary of the Senate is hereby directed to transmit copies of this resolution to the President and Vice President of the United States, the Speaker of the House of Representatives, and to each Senator and Representative from this State in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Public Works:

"SENATE JOINT RESOLUTION 14

"Resolution relative to Federal highway legislation

"Whereas the California Legislature has previously urged the enactment of Federal highway legislation substantially as set forth in the Federal-Aid Highway Act of 1956 except for the provision limiting the apportionments for each fiscal year for the National System of Interstate and Defense Highways to the amounts available in the highway trust fund as provided in section 209(g) of the act approved June 29, 1956; and

"Whereas it now appears that in the absence of Federal legislation during the current session, due to said provision, there will be no funds available for apportionment for expenditure upon the National System of Interstate and Defense Highways during the fiscal year commencing July 1, 1960, and ending June 30, 1961, and only a very small amount would be available for the National System of Interstate and Defense Highways during the succeeding fiscal year; and

"Whereas as a part of its long-range planning the Division of Highways of the Department of Public Works of the State of California has designed and prepared plans and specifications for a toll bridge spanning Carquinez Strait, and approaches, connecting the cities of Martinez and Benicia, certain of the approaches being included in said National System of Interstate and Defense Highways; and

"Whereas the California Toll Bridge Authority has authorized the issuance of, and is in a position to offer for sale, revenue bonds in an amount sufficient to finance the construction of said bridge and certain minimum approaches, no portion of the cost of which is to be paid by the Federal Government; and

"Whereas in order to gain the fullest and most effective use of said bridge it is essential that the approaches constituting a part of said National System of Interstate and Defense Highways and which will be financed by State and Federal highway funds, and not from bond proceeds, be constructed concurrently with the construction of said bridge; and

"Whereas this project is an outstanding example of the manner in which the orderly prosecution of work already planned will be disrupted by a failure to provide for the continuance of progress on the National System of Interstate and Defense Highways; and

"Whereas the completion of said bridge and all approaches thereto is a matter of vital concern to the people of the State of California: Now, therefore, be it

"Resolved by the Senate and the Assembly of the State of California, jointly, That the Congress is urged to provide for the continuance of the Federal-aid highway program as set forth in the Federal-Aid Highway Act of 1956 with the exception of the provision contained in section 209(g) thereof, including the approval of the cost estimates submitted to the Congress by the Bureau of Public Roads of the Department of Commerce as a basis for the apportionment for the fiscal year ending June 30, 1962, to the end that the Benicia-Martinez Bridge project, as well as all other projects now ready for construction, will not be delayed and the orderly prosecution of planning and construction of the National System of Interstate and Defense Highways will not be disrupted; and be it further

"Resolved, That the secretary of the senate is directed to transmit copies of this resolution to the President and Vice President of the United States, the chairmen of the appropriate committees of the Congress, and to each Senator and Representative from the State of California in the Congress of the United States."

A resolution of the House of Representatives of the State of California; to the Committee on the District of Columbia:

"HOUSE RESOLUTION 238

"Resolution relative to home rule for the District of Columbia

"Whereas there are 826,000 Federal taxpaying residents in the District of Columbia, our Nation's Capital, who have long lacked

any voice in the government of the District of Columbia in which they live; and

"Whereas the taxpaying residents of the District of Columbia are without even a voteless delegate to represent them in the Halls of Congress; and

"Whereas the U.S. Senate has, during the last decade, four times passed legislation granting home rule to the residents of the District of Columbia; and

"Whereas such legislation has four times been killed in the District of Columbia Committee and the Rules Committee of the House of Representatives; and

"Whereas it is a matter of grave injustice to deny American citizens the right even to govern themselves as to matters of local interest, and particularly so when they are obliged to bear the costs of such government: Now, therefore, be it

Resolved by the Assembly of the State of Califronia, That this body favors legislation to grant home rule to the District of Columbia; and be it further

"Resolved, That this body urges the members of the California delegation in the House of Representatives of the United States to sign a discharge petition to bring a bill granting home rule to the District of Columbia onto the floor of the House of Representatives in the event that such a bill is again approved by the Senate and bottled up in either the District of Columbia Committee or the Rules Committee of the House of Representatives; and be it further

"Resolved, That the chief clerk of the assembly is directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A concurrent resolution of the Legislature of the Territory of Hawaii; to the Committee on Finance:

"HOUSE CONCURRENT RESOLUTION 136

"Concurrent resolution requesting the Congress of the United States of America to amend sections 501 through 504 of the 1958 amendments to the Social Security Act (Public Law 85–840) to permit the Territory of Hawaii to again obtain the full benefits of the Social Security Act

"Whereas sections 501 through 504 of the 1958 amendments to the Social Security Act exclude both Hawaii and Alaska from the equalization formula based on per capita income provisions which are applied to the 48 States in determining the amount of Federal funds which would be available for meeting State public assistance expenditures; and

"Whereas it is our understanding that Alaska's exclusion was based on the fact that there is insufficient data on the per capita income in Alaska to include that jurisdiction but the necessary per capita income data is available for Hawaii; and

"Whereas Hawaii was included in section 601 of the said Public Law 85–840 along with the 48 States so far as the provision of said type of matching formula is concerned but Alaska was not so included; and

"Whereas it has been determined that the said exclusion of Hawaii from the subject provisions applying to the 48 States is resulting in a loss to the Territory of about $20,000 per month in Federal funds: Now, therefore, be it

"Resolved by the House of Representatives of the 30th Legislature of the Territory of Hawaii, the Senate concurring, That the Congress of the United States be hereby respectfully requested to amend sections 501 through 504 (public assistance) of the 1958 amendments to the Social Security Act (Public Law 85–840) to provide for the inclusion of Hawaii within the equalization formula based on per capita income, which is applied to the 48 States, during those periods when the Commissioner of Social Security finds that Hawaii's per capita income is below that of the continental United States; and be it further

"Resolved, That certified copies of this concurrent resolution be forwarded to the President of the United States of America, to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, to the Secretary of the Interior and to the Delegate to Congress from Hawaii."

A resolution adopted by the Board of County Commissioners, of Pinellas County, Clearwater, Fla., favoring the enactment of legislation to provide funds for commencement of the West Coast Intracoastal Waterway from the Caloosahatchee River to the Anclote River, Fla.; to the Committee on Appropriations.

The petition of Lillian Burnette, of Marissa, Ill., relating to the repeal of the cabaret tax, and so forth; to the Committee on Finance.

The petition of Ernest L. Garrett, of Thurmond, W. Va., relating to unemployment; to the Committee on Labor and Public Welfare.

A resolution adopted by the Board of Education, Whittier, Calif., protesting against Federal aid to education; to the Committee on Labor and Public Welfare.

CONCURRENT RESOLUTION OF SOUTH CAROLINA LEGISLATURE

Mr. THURMOND. Mr. President, on behalf of myself, and the senior Senator from South Carolina [Mr. JOHNSTON], I present for appropriate reference, a concurrent resolution of the Legislature of South Carolina, memorializing Congress to remove the wartime excise taxes on telegraphic service.

There being no objection, the concurrent resolution was referred to the Committee on Finance, and, under the rule, ordered to be printed in the RECORD, as follows:

CONCURRENT RESOLUTION MEMORIALIZING CONGRESS TO REMOVE THE WARTIME EXCISE TAXES ON TELEGRAPHIC SERVICE

Whereas in 1941 as an emergency wartime measure Congress imposed a 10 percent excise tax on all telegrams for the purpose of supporting the war effort and to discourage the use of telegraphic service during this emergency; and

Whereas telegraphic service has become an essential part of our economy and social life and under no circumstances can it be considered a luxury item tax as such; and

Whereas this tax stands out alone in that other household and business necessities, including electricity, water, and gas are not taxed; and

Whereas placing this high excise tax on such a necessity of life results in the taxation of those citizens who can least afford to pay in the same manner as those of unlimited financial means; and

Whereas the wartime emergency for which this tax was imposed and the restriction of the use of the telegraphic service has long since passed: Now, therefore, be it

Resolved by the senate (the house of representatives concurring), That the Congress of the United States be memorialized to remove the unfair and unequitable excise tax heretofore imposed upon the telegraphic service and that the tax be removed during the present session of Congress; be it further

Resolved, That a copy of this resolution be forwarded by the clerk of the senate to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives, and to the two Senators and each Member of Congress from this State.

(The VICE PRESIDENT laid before the Senate a concurrent resolution of the Legislature of the State of South Carolina, identical with the foregoing, which was referred to the Committee on Finance.)

RESOLUTION OF NEW HAMPSHIRE MEDICAL, LEGAL, AND DENTAL CONFERENCE

Mr. COTTON. Mr. President, I present, for appropriate reference, a resolution adopted at a joint meeting of the New Hampshire Medical Society, the New Hampshire Bar Association, and the New Hampshire Dental Society, at Concord, N.H., May 9, 1959. I ask unanimous consent that the resolution may be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

RESOLUTION FORMALLY ADOPTED BY UNANIMOUS VOTE AT THE NEW HAMPSHIRE MEDICAL, LEGAL, DENTAL CONFERENCE, HELD AT THE NEW HAMPSHIRE HIGHWAY HOTEL, CONCORD, N.H., SATURDAY, MAY 9

On motion of former U.S. Senator Robert W. Upton, the convention gave full approval to this statement:

"Resolved, That the members of this conference hereby endorse the Keogh-Simpson bill, so-called, and favor the early enactment of this bill, or a similar measure, by the present Congress; and further

"Resolved, That our U.S. Senators BRIDGES and COTTON, and Senator BYRD, chairman of the Senate Finance Committee, be informed of the action taken here today, and also that this resolution reflects the unanimous sentiment of this conference."

CLINTON R. MULLINS, M.D.,
Conference Chairman.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HENNINGS, from the Committee on Rules and Administration, without amendment:

S. Res. 115. Resolution to authorize studies as to the effectiveness of present governmental organization and procedures for the development and execution of national policy for survival in the contest with world communism (Rept. No. 302).

By Mr. LANGER, from the Committee on the Judiciary, without amendment:

S.J. Res. 69. Joint resolution proposing an amendment to the Constitution of the United States relative to the equal rights for men and women (Rept. No. 303).

REPORT ENTITLED "BUILDING FOR MUSEUM OF HISTORY AND TECHNOLOGY" (S. REPT. NO. 301)

Mr. ANDERSON, from the Joint Congressional Committee on Construction of a Building for a Museum of History and Technology for the Smithsonian Institution, pursuant to section 4 of Public Law 106, 84th Congress, submitted a report entitled "Building for Museum of History and Technology," which was ordered to be printed.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WILEY:

S. 2004. A bill to eliminate the date of termination of the provisions of law authorizing issuance of nonquota immigrant visas to certain alien orphans, and for other purposes; to the Committee on the Judiciary.

(See the remarks by Mr. WILEY when he introduced the above bill, which appear under a separate heading.)

By Mr. WILEY (by request):

S. 2005. A bill to amend the War Claims Act of 1948, as amended, to provide compensation for certain World War II losses; to the Committee on the Judiciary.

By Mr. JOHNSON of Texas (for himself and Mr. YARBOROUGH):

S. 2006. A bill for the relief of Dr. Wen Jung Chiu; to the Committee on the Judiciary.

By Mr. KEFAUVER:

S. 2007. A bill to amend the National Defense Education Act of 1958 with respect to the determination of amounts to be paid as fellowship stipends under such act; to the Committee on Labor and Public Welfare.

By Mr. SCOTT:

S. 2008. A bill for the relief of Carmen Gallardo Trejo; to the Committee on the Judiciary.

By Mr. HUMPHREY:

S. 2009. A bill to assist voluntary nonprofit associations offering prepaid health service programs to secure necessary facilities and equipment through long-term, interest-bearing loans; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. NEUBERGER (by request):

S. 2010. A bill to save and preserve, for the public use and benefit, a portion of the remaining undeveloped shoreline area of the United States, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. NEUBERGER when he introduced the above bill, which appear under a separate heading.)

By Mr. SYMINGTON:

S. 2011. A bill to permit the transmission as third- or fourth-class mail of medical prescriptions with written or printed instructions for the use thereof; to the Committee on Post Office and Civil Service.

By Mr. BUSH (for himself and Mr. SALTONSTALL):

S. 2012. A bill to amend the Trading With the Enemy Act to provide for the divesting of certain interests in estates and trusts, and for other purposes; to the Committee on the Judiciary.

(See the remarks of Mr. BUSH when he introduced the above bill, which appear under a separate heading.)

By Mr. MAGNUSON (by request):

S. 2013. A bill to amend section 511(h) of the Merchant Marine Act, 1936, as amended, in order to extend the time for commitment of construction reserve funds; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bill, which appear under a separate heading.)

By Mr. LONG (for himself and Mr. MCCARTHY):

S. 2014. A bill to clarify and amend the Capper-Volstead Act (42 Stat. 388, 7 U.S.C. 291–292), and for other purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. LONG when he introduced the above bill, which appear under a separate heading.)

By Mr. LONG (for himself and Mr. ELLENDER):

S. 2015. A bill authorizing the modification of the existing project for Red River below Denison Dam—Levees and Bank Stabilization, Texas, Oklahoma, Arkansas, and Louisiana; to the Committee on Public Works.

(See the remarks of Mr. LONG when he introduced the above bill, which appear under a separate heading.)

By Mr. CLARK:

S. 2016. A bill to provide for the addition of certain property in Philadelphia, Pa., to Independence National Historical Park; to the Committee on Interior and Insular Affairs.

By Mr. CLARK (for himself and Mr. SCOTT):

S. 2017. A bill to provide for the free entry of certain stained glass windows for use in St. Mark's Seminary, Erie, Pa.; to the Committee on Finance.

By Mr. SYMINGTON (for himself and Mr. HENNINGS):

S. 2018. A bill to amend title 10, United States Code, section 2667, to direct the Secretaries of the military departments to lease property for public school use without the reservation of monetary consideration therefor; to the Committee on Armed Services.

(See the remarks of Mr. HENNINGS when he introduced the above bill, which appear under a separate heading.)

By Mr. BIBLE (for himself and Mr. CANNON):

S. 2019. A bill to direct the Secretary of the Interior to convey certain public lands in the State of Nevada to the Colorado River Commission of Nevada acting for the State of Nevada; to the Committee on Interior and Insular Affairs.

By Mr. BEALL:

S. 2020. A bill to provide for the defense of suits against employees of the government of the District of Columbia arising out of their operation of vehicles in the scope of their employment, and for other purposes; to the Committee on the District of Columbia.

By Mr. WILLIAMS of New Jersey:

S. 2021. A bill for the relief of Irene Milios; and

S. 2022. A bill for the relief of Lily Ang; to the Committee on the Judiciary.

CONCURRENT RESOLUTION

EXPRESSION OF SENSE OF CONGRESS AGAINST DISCHARGE OF CERTAIN SEWAGE INTO SOURCES OF PUBLIC WATER IN WASHINGTON METROPOLITAN AREA

Mr. BIBLE submitted the following concurrent resolution (S. Con. Res. 37); which was referred to the Committee on Interstate and Foreign Commerce:

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that no treated or untreated sewage from the facilities of the public airport authorized to be constructed under the provisions of the Act entitled "An Act to authorize the construction, protection, operation, and maintenance of a public airport in or in the vicinity of the District of Columbia", approved September 7, 1950 (64 Stat. 770), should be discharged into any sources of public water supplies in the metropolitan area.

NONQUOTA IMMIGRANT VISAS FOR CERTAIN ALIEN ORPHANS

Mr. WILEY. Mr. President, I introduce, for appropriate reference, a bill to eliminate the date of termination of the provisions of law authorizing issuance of nonquota immigrant visas to certain alien orphans, and for other purposes.

Among the happiest letters I have received in recent days are those from American citizens who became the adopting parents of children brought from other countries. There are many American couples, childless or with children of their own, who are eager to care for deserted children and can provide them with good homes, but find it difficult to obtain such children in this country.

Within the past 10 years, more than 10,000 children have been admitted to this country to join American families. Experience has shown that orphans admitted under earlier special legislation have successfully adjusted to American family life.

The present law exempting such children from the immigration quotas expires on June 30.

The purpose of the bill I am introducing is to provide permanent authority for nonquota immigrant visas for such children. This bill strengthens the provisions of the law that existed and extends to children adopted abroad safeguards similar to those which now exist for children adopted in this country. Such provisions should eliminate any abuses which may have existed in the past.

An American couple wishing to secure a visa for a child adopted abroad would have to give assurances satisfactory to the Department of Health, Education, and Welfare that the child will be well and properly cared for in a suitable home.

Also, a nonquota visa may not be issued to admit children to this country for adoption unless assurances have been given that they will be properly cared for and preadoption requirements, if any, of the State in which the child is to live, have been met.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). The bill will be received and appropriately referred.

The bill (S. 2004) to eliminate the date of termination of the provisions of law authorizing issuance of nonquota immigrant visas to certain alien orphans, and for other purposes, introduced by Mr. WILEY, was received, read twice by its title, and referred to the Committee on the Judiciary.

HEALTH SERVICES FACILITIES ACT

Mr. HUMPHREY. Mr. President, a constant preoccupation for many Americans today is how to pay doctor bills. Countless Americans also face the community problem, particularly in rural America, of how to find a doctor even if the means of paying the bills are available.

For this reason, I again introduce, for appropriate reference, a bill to assist voluntary nonprofit, prepaid health service associations by providing for long-term, interest bearing loans. I firmly believe that this proposal can and should receive favorable action by the 86th Congress.

All over America there have recently been developing the institutions of prepaid health services and the group prac-

tice of medicine. All over our Nation there are American citizens who have found by experience that they can accomplish in a voluntary group what they cannot accomplish individually if they pool their potential need for medical care and agree to prepay the cost of that care through a medical fund.

The State of Minnesota has been the home of many such prepaid services operated on a group and cooperative basis. I have, in recent years, discussed the question of medical care with many of my fellow citizens. They tell me that there are two prerequisites for an effective and well-operated voluntary health program. The first is the need to establish a modern medical office and laboratory which will induce physicians to locate in the community where the citizens need and desire medical service. The second is the necessity to obtain a community pool of funds, derived from prepayments, which will insure adequate income for the physicians in bad times, as well as in good times.

Modern medicine is a very complicated matter. Good facilities for the doctor's workshop are essential. When such facilities are not available, it is difficult to induce good physicians to come to a community to practice medicine. In a number of smaller communities and in a number of large ones, too, adequate medical facilities are simply not available. Neither are minimum hospital facilities available to care for minor medical and surgical cases.

Six years ago, on December 18, 1952, President Truman's Commission on the Health Needs of the Nation reported the results of their intensive study. One of their recommendations was that "Federal loans be made to local organizations desiring to institute prepayment plans associated with group practice, for the purpose of encouraging the establishment of group practice facilities." That is the object of the proposed legislation I have introduced since the 81st Congress and which I introduce again today.

Mr. President, my bill provides that if a group of people in a community where health facilities are inadequate will get together to form a voluntary health plan organization and be prepared to assume the financial responsibility for working out their own problem, then they may apply for low interest, repayable loans from the Surgeon General—under the supervision of the Secretary of Health, Education, and Welfare—to enable them to finance the facilities which their community requires.

This is the essence of my bill and is the essence of voluntary association. My basic aim is to encourage groups of people to take direct responsibility for the solution of their health care problems. The plan which these people develop must, of course, be sound, and warrant the approval of the Surgeon General.

The successful operation of this bill would attract doctors to areas where they are needed and would make it easier for the American people to pay their medical bills. It would bring health facilities to American people just as the principles of cooperative voluntary association brought electricity to rural America.

Voluntary association is the foundation of a democratic society. We are a nation of joiners. Our citizens belong to churches, Rotary Clubs, women's organizations, trade unions, junior chambers of commerce, Knights of Columbus, sewing circles—indeed, to many thousands of religious, fraternal, political, and social organizations. This is what creates the democratic spirit in our country. The process of voluntary association is the essence of freedom. A good government is one which stimulates that kind of association.

If freedom and democracy survive today's crisis, it will, in my judgment, be due primarily to the vigor of democratic people directing their own efforts through voluntary organizations for the solution of their pressing day-to-day problems. The partnership of government with people acting through voluntary associations is the inspiration of practical democracy.

Through bills such as the one I introduce today, we can apply this principle as we seek to solve the health needs of the American people.

The PRESIDING OFICER. The bill will be received and appropriately referred.

The bill (S. 2009) to assist voluntary nonprofit associations offering prepaid health service programs to secure necessary facilities and equipment through long-term, interest-bearing loans, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

ACQUISITION OF SELECTED NATIONAL SHORELINE AREAS TO PRESERVE SITES FOR PUBLIC RECREATIONAL USES

Mr. NEUBERGER. Mr. President, by request I introduce for appropriate reference an administration bill to authorize establishment of three national seashore recreation areas under the U.S. National Park Service.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2010) to save and preserve, for the public use and benefit, a portion of the remaining undeveloped shoreline area of the United States, and for other purposes, introduced by Mr. NEUBERGER, by request, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

Mr. NEUBERGER. Mr. President, the bill provides for administrative selection of the three areas following appropriate studies, consultation and surveys. The sum of $15 million would be authorized for acquisition of land not to exceed a total of 100,000 acres for all three shoreline parks.

I submit this measure at the request of the Secretary of Interior. The bill will be marked to so indicate. However, I wish to state that I am in full accord with the basic purpose of the proposed legislation.

I am also introducing the bill at the suggestion of the distinguished Chairman of the Senate Committee on Interior and Insular Affairs, the Senator from Montana [Mr. MURRAY], who is aware of my long-time interest in helping to conserve, as recreation reserves, some of the magnificent shoreline of our Nation.

A number of bills to establish national shoreline recreation areas are now pending before Congress. One of them is S. 1526, which I introduced in March 25, 1959. It would authorize creation of a National Seashore Park among the famous Oregon Dunes and at the Oregon Sea Lion Caves.

It seems to me that the Congress might well pass the measure which I introduce today during the current session, and then schedule hearings in the recess between sessions to assist in determining which particular seashores, should be established under the authorization proposed by the bill.

Mr. President, I ask unanimous consent that there be printed at this point in the RECORD the text of a press release issued by the Department of the Interior explaining this proposed legislation, news stories from the Eugene (Oreg.) Register Guard and the New York Times discussing this proposal, and the language of the bill which I introduce today.

There being no objection, the press release, articles, and bill were ordered to be printed in the RECORD, as follows:

DEPARTMENT PROPOSES SHORELINE AREA LEGISLATION

The Department of the Interior today sent to the Congress proposed legislation to preserve the remaining undeveloped shoreline area of the United States. The text of the letter of Acting Secretary Elmer Bennett to the President of the Senate follows:

MAY 13, 1959.

Hon. RICHARD M. NIXON,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed herewith is a draft of a proposed bill "to save and preserve, for the public use and benefit, a portion of the remaining undeveloped shoreline area of the United States, and for other purposes."

We recommend that the enclosed bill be referred to the appropriate committee for consideration and that it be enacted. Enactment of this legislation, in our opinion, is urgent and highly desirable in the public interest.

Our views in this regard are based in part upon a survey that we have concluded recently concerning the Atlantic, Pacific, gulf, and lakeshore coasts. This survey was made possible by funds that were donated for that purpose. The object of the survey was to determine the opportunities that remain to preserve outstanding natural shore areas for recreation and other public purposes.

Our survey shows that almost every attractive shoreline area, from the Canadian border to Mexico, that is accessible by road has been developed in some manner, has been acquired for development purposes, or is being considered for its development possibilities. The few accessible and undeveloped beach sites that are left are scattered sparsely along the coasts. These sites are relatively small, and they are going fast. Inaccessible sites, including islands, are almost the only hope for preservation today. Even many of these are now being purchased by real estate interests for subdivision purposes.

The Nation's shores are a limited and diminishing resource of scenic and scientific

interest for which there is no substitute. So many of them have been preempted by commercial and private developments, however, that opportunities for public use and enjoyment of this resource are being rapidly diminished. In the circumstances, we conclude that enactment of this proposed legislation is not only very desirable but urgent for the benefit of present as well as future generations.

In order to accomplish the objectives set forth in this proposed legislation of preserving a relatively small portion of the remaining shoreline area of the United States for public use and benefit, our studies indicate that a program for acquisition and preservation of the shore areas that are worthy of preservation should be undertaken by the Federal Government.

For these reasons, this proposed legislation would authorize the appropriation of $15 million for the purpose of acquiring the property needed to establish not to exceed three national shore areas. As prescribed in section 2 of the bill, the Secretary of the Interior would be required to select not more than three shore areas which he finds possess national significance because of their outstanding natural, public recreation, and scenic or other public values for purposes of the legislation.

We believe this program is needed and will be of material assistance in encouraging the various States to acquire and preserve suitable shore areas before it is too late to acquire such areas. A positive and effective program of acquiring and preserving these areas, in our judgment, should begin as soon as possible. The cost of shore properties will, no doubt, continue to increase with the rapid reduction of available shore property. We are convinced, however, from our surveys, that areas of outstanding significance can yet be acquired for addition to the National Park System if prompt action is taken. Such areas can be acquired and administered as worthy additions to that system.

As prescribed by the act of July 25, 1956 (70 Stat. 652), which requires that certain reports of the executive branch to Congress certain information pertaining to the number of civilian officers and employees required to carry out additional or expanded functions, we have prepared and enclose a statement concerning these matters.

The Bureau of the Budget has advised us that the enactment of this proposed legislation would be in accord with the program of the President.

Sincerely yours,

ELMER BENNETT,
Acting Secretary of the Interior.

STATEMENT TO ACCOMPANY RECOMMENDATIONS OF THE DEPARTMENT OF THE INTERIOR CONCERNING THE PROPOSED BILL TO SAVE AND PRESERVE FOR PUBLIC USE AND BENEFIT A PORTION OF THE REMAINING UNDEVELOPED SHORELINE AREA OF THE UNITED STATES, AS REQUIRED BY ACT OF JULY 25, 1956 (70 STAT. 652)

The following estimate concerning the additional man-years of civilian employment and expenditures for the first 5 years of the program that would be authorized by the proposed legislation recommended by the Department of the Interior. "To save and preserve, for the public use and benefit, a portion of the remaining undeveloped shoreline area of the United States, and for other purposes," is predicated upon anticipated future appropriations to carry out the program as indicated in the table:

	1st year	2d year	3d year	4th year	5th year
Estimated additional man-years of civilian employment: Executive direction:					
Project manager		3	3	3	3
Landscape architect	6				
Engineer		3	3	3	3
Stenographic	3	3	3	3	3
Total executive direction	9	9	9	9	9
Estimated additional expenditures:					
Land acquisition (Federal)	$4,134,000	$4,134,000	$2,934,000	$1,734,000	$1,734,000
Executive direction	60,000	60,000	60,000	60,000	60,000
All other	50,000	50,000	50,000	50,000	50,000
Total estimated additional expenses	4,244,000	4,244,000	3,044,000	1,844,000	1,844,000

[From the Eugene Register Guard, May 14, 1959]

SEASHORE PLAN GETS ADMINISTRATION O.K.

(By A. Robert Smith)

WASHINGTON.—The Eisenhower administration has decided to throw its support behind a movement to preserve national shore areas such as the Oregon Dunes, south of Florence.

Administration support was indicated Thursday, when the Department of the Interior sent Congress a bill that would authorize expenditure of $15 million for acquisition of property for creation of three national shore areas.

The bill did not specify which areas should be preserved, but leaves that to the discretion of the Secretary of the Interior.

He would be required to select outstanding natural, public recreational, and scenic areas under terms of this legislation. Normally, the Secretary of the Interior bases selection of areas to be set aside on the basis of recommendations from the National Park Service.

PLAN OUTLINED

The Secretary's advisory board on national parks has recommended five shore areas for national status, according to Conrad Wirth, Director of the Park Service. They are the Oregon Dunes, the Indiana Dunes, Padre Islands in Texas, Cape Cod, Mass., and Port Reyes, Calif.

The land acquisition fund proposal was outlined in a letter from Elmer Bennett, Undersecretary of Interior, to Vice President Richard Nixon.

Bennett told this reporter that the only reason for limiting the number of national shore areas to three was due to "budgetary reasons."

"VERY DESIRABLE"

"The Nation's shores are a limited and diminishing resource of scenic and scientific interest for which there is no substitute. So many of them have been preempted by commercial and private development, however, that opportunities for public use and enjoyment of this resource are being rapidly diminished. In the circumstances, we conclude that enactment of this proposed legislation is not only very desirable but urgent for the benefit of present as well as future generations."

Administration officials in the past have been cool toward the idea of adding national seashores at this time to the Nation's park system.

ELEVEN AREAS LISTED

This shift of administration feeling comes at a time when the Senate Interior Committee has started hearings on legislation to create a seashore along Lake Michigan at the Indiana Dunes.

Senator Richard L. Neuberger said he hopes the committee will follow up with hearings on his S. 1526, authorizing creation of an Oregon Dunes national seashore.

While the administration proposal did not list any specific areas, an Interior Department official released a list of 11 shore areas that would get the most serious consideration.

Among these were the five recommended by the Interior Secretary's advisory board, plus Cape Flattery, Wash.; Cumberland Island, Ga.; channel islands off the coast of southern California, Santa Cruz and San Miguel; and three areas in Michigan.

The Interior Department proposal outlined a five-year program of private land acquisition. The first and second years would involve expenditure of $4,244,000 with declining amounts in the subsequent three years for a total of $15 million.

Bennett also pointed out that the Bureau of the Budget had cleared these proposed expenditures, another indication of administration support.

[From the New York Times, May 14, 1959]

CONGRESS IS GIVEN A SHORELINE PLAN—ADMINISTRATION'S BILL SEEKS 15 MILLION TO PRESERVE NOT MORE THAN 3 U.S. AREAS

(By Richard E. Mooney)

WASHINGTON, May 13.—The administration asked Congress today to authorize a limited program for the preservation of the Nation's vanishing shoreline.

It was the first official proposal to arise from the several shoreline surveys that the National Park Service has conducted in recent years with privately donated funds.

Elmer F. Bennett, Acting Secretary of the Interior, sent the administration's proposals to Congress with a letter that called the program "urgent and highly desirable." He said there were only a few undeveloped shoreline areas "scattered sparsely along the coast," and that they were "relatively small and going fast."

The administration's bill calls for an authorization of $15 million, plus authority to use privately donated funds and lands, to establish not more than three "national shorelines." The areas would be selected for their "outstanding natural, public recreation and scenic or other public values," Mr. Bennett said.

No areas were named, but the Park Service's advisory board has reviewed and approved a dozen possibilities, including Cape Cod's outer beach, the Oregon sand dunes, the Indiana dunes on Lake Michigan, the channel islands off the California coast, Padre Island, Tex., and Point Reyes, Calif.

PRIVATE FUNDS A FACTOR

The Park Service recently reported in detail on the desirability of preserving the Cape Cod beach, but the Department of the Interior took no position on it.

The price of the Cape Cod project alone has been estimated at $16 million, but it is noteworthy that the administration's proposal today asked for the authority to use private donations.

The reasons for not naming the shoreline areas to be acquired were several: No final choices have been made; the Department wants to have flexibility if it runs into insuperable opposition in an area it has selected, and the Department wants to be able to line up local support in advance, without having announced the boundaries of an area and the price it will pay for land.

Mr. Bennett's letter said that "almost every shoreline area from Mexico to Canada that is accessible by road has been developed in some manner, has been acquired for development purposes, or is being considered for its development possibilities." "Enactment

of this proposed legislation is not only very desirable, but urgent for the benefit of present and future generation," he declared.

Fred A. Seaton, Secretary of the Interior, was in New York today.

S. 2010

A bill to save and preserve, for the public use and benefit, a portion of the remaining undeveloped shoreline area of the United States, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to save and preserve, for purposes of public recreation, benefit, and inspiration, a portion of the diminishing shoreline area of the United States that remains undeveloped, the Secretary of the Interior is hereby authorized to take appropriate action in the public interest toward the establishment of national shoreline areas, including lakeshore areas, as set forth in section 2 of this Act.

SEC. 2. (a) The Secretary shall select not more than three seashore or lakeshore areas that he finds, after thorough investigation, possess national significance and usefulness because of their outstanding natural and scenic features, recreational and other public values, for purposes of this Act: *Provided,* That the total land area, not including submerged lands, to be acquired by the United States pursuant to this section shall not exceed 100,000 acres; *Provided further,* That before selecting such nationally significant areas, the Secretary shall obtain the advice of the Advisory Board on National Parks, Historic Sites, Buildings and Monuments, as well as the advice of the Governors of the particular States in which the areas to be selected hereunder are situated.

(b) Upon the selection of the aforesaid areas, the Secretary is authorized to procure, set aside, and develop in such manner as he finds to be in the public interest, the land and waters, or interests therein, that he considers necessary to assure adequate preservation and public use of such areas in furtherance of the purposes of this Act.

(c) When the Secretary finds that a sufficient quantity of land for each individual area has been procured by the United States for administration and public use, he may declare the establishment of and prescribe an appropriate designation for such area by the publication of notice thereof in the Federal Register. Following such establishment, and subject to the aforesaid acreage limitation, the Secretary may acquire additional lands for the national shoreline areas established hereunder.

(d) The administration, protection, and development of national shoreline areas pursuant to this Act shall be exercised by the Secretary of the Interior, subject to the provisions of the Act of August 24, 1916 (39 Stat. 535; 16 U.S.C., 1952 ed., secs. 1–4), as amended and supplemented, relating to the National Park System, and in accordance with other laws of general application relating to that System as defined by the Act of August 8, 1953 (67 Stat. 496; 16 U.S.C., Supp. III, sec. 1c).

SEC. 3. (a) The Secretary may procure land and water, or interests therein, for the national shoreline areas authorized by section 2 hereof, by donation or by purchase with donated or appropriated funds, and such authority to purchase with donated or appropriated funds shall include authority to condemn under the provisions of the Act of August 1, 1888.

(b) There is authorized to be appropriated, for the procurement of land and interests therein, and incidental costs relating thereto, for the national shoreline areas authorized by section 2 hereof, the sum of $15,000,000.

AMENDMENT OF TRADING WITH THE ENEMY ACT, RELATING TO DIVESTMENT OF CERTAIN INTERESTS IN ESTATES AND TRUSTS

Mr. BUSH. Mr. President, on behalf of myself, and the senior Senator from Massachusetts [Mr. SALTONSTALL] I introduce, for appropriate reference, a bill to amend the Trading With the Enemy Act to provide for the divesting of certain interests in estates and trusts, and for other purposes.

I ask unanimous consent that the bill may lie at the desk until the close of business on Friday of this week so that additional Senators may become cosponsors if they so desire.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Connecticut.

The bill (S. 2012) to amend the Trading With the Enemy Act to provide for the divesting of certain interests in estates and trusts, and for other purposes, introduced by Mr. BUSH (for himself and Mr. SALTONSTALL), was received, read twice by its title, and referred to the Committee on the Judiciary.

Mr. BUSH. Mr. President, I also ask unanimous consent that a statement, prepared by me, in explanation of the bill, may be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BUSH

On behalf of myself and the distinguished senior Senator from Massachusetts, Mr. SALTONSTALL, I have introduced a bill to amend the Trading With the Enemy Act to provide for the divesting of certain interests in estates and trusts, and for other purposes.

The bill is intended to correct the unfair and inequitable operation of the Trading With the Enemy Act pursuant to which income and principal of trusts established by Americans for their children and grandchildren continue to be seized by the Office of Alien Property when the beneficiaries are German nationals, long after the termination of World War II and years after the vesting of present property rights was terminated by Executive order in 1953.

There are a number of such trusts in which citizens of Connecticut are interested. Constituents of mine have criticized the unfairness of this continuing seizure of American property.

The Trading With the Enemy Act was intended to prevent the use of American property in such a way as to aid Nazi Germany during World War II. Today there can be no such possible purpose justifying the continued seizure of income from property located in this country which is lawfully payable to children, grandchildren, and other beneficiaries of American citizens.

The bill which I have introduced is very simple, providing only that income and principal becoming due in the future may be paid by these American trustees directly to the lawful beneficiaries even though they be German nationals. It has no effect on property already seized, nor on issues relating to the large industrial concerns.

I have been informed that the amounts of income and principal involved in these situations are comparatively small, but that they will do much to relieve hardship and suffering which had been caused partly by the war and its aftermath.

The continued seizure of income and principal by the Office of Alien Property of trusts which have been established by American citizens poses an acute problem for trustees. The obligation of trustees under the wills or deeds of gift of American citizens is to carry out the legal dispositions in accordance with the wishes of the persons establishing the trust in conformity with the law of the State where the trust is being administered. This is a basic legal principle in our American jurisprudence. It is completely contrary to the terms of these dispositions by Americans of their property, that, solely by reason of the fact that a beneficiary is a German national, the income and principal continue to be seized by the Office of Alien Property long after the end of World War II. Thus, the efforts of American trustees to carry out their legal obligations under State law are being completely and unjustifiably thwarted by the present application of the Trading With the Enemy Act. The bill which I have introduced would correct this.

At the present time the United States is deeply involved in diplomatic negotiations looking toward the ultimate reestablishment of a unified Germany. The Federal Republic of Germany is now an important friend and ally of the United States. The bill which I have introduced, if enacted, would eliminate a very unfair discrimination which our country is presently making against citizens of the Federal Republic of Germany who are descendents of the U.S. citizens. There is thus every justification from the standpoint of fairness and equity to descendants of American citizens and the best interests of the United States in the conduct of our foreign affairs abroad for the enactment of this bill.

I urge its favorable consideration.

AMENDMENT OF MERCHANT MARINE ACT, RELATING TO EXTENSION OF TIME FOR COMMITMENT OF CONSTRUCTION RESERVE FUNDS

Mr. MAGNUSON. Mr. President, by request, I introduce, for appropriate reference, a bill to amend section 511(h) of the Merchant Marine Act, 1936, as amended, in order to extend the time for commitment of construction reserve funds. I ask unanimous consent that a statement, prepared by me, in explanation of the bill, may be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 2013) to amend section 511(h) of the Merchant Marine Act, 1936, as amended, in order to extend the time for commitment of construction reserve funds, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The statement presented by Mr. MAGNUSON is as follows:

STATEMENT BY SENATOR MAGNUSON

On April 20, 1959, the American-Hawaiian Steamship Co., one of the oldest and, at times, largest of the Nation's intercoastal shipping lines, filed application with the Maritime Administration for insurance on a construction loan and mortgage to cover four vessels to be used in the intercoastal trade.

This bill would merely extend briefly the period during which the company's construction reserve funds must be committed, to permit time for finalizing plans for the projected trailerships in accordance with the most modern shipping concepts.

The company has approximately $11 million in its construction reserve funds under section 511 of the 1936 act which it plans to commit for the new ships. The time within which $1,600,000 of these funds must be committed under present law, expires on July 9, 1959. The balance of the funds must be committed at various times between February and November 1961.

The Federal income tax that would have to be paid if these funds are not invested in new ships amounts to approximately $2,500,000. Such tax, if paid, would be lost forever for investment in new ships.

The purpose of the legislation proposed under the bill is to encourage new construction toward the rehabilitation of our domestic merchant marine. The present plight of the intercoastal trade is a matter of record both in the Maritime Administration and the Interstate Commerce Commission. Government officials have repeatedly stressed the imperative need for a substantial merchant marine of oceangoing vessels to be available in time of war. Our domestic merchant marine today is but a shadow of what it was prior to World War II.

As a result of World War II, American-Hawaiian lost 22 of its 32 oceangoing vessels. The indemnities received are inadequate for a vessel program at present day cost of construction. The only Government aids available to operators in intercoastal trade are those provided under title XI of the Merchant Marine Act of 1936 dealing with mortgage insurance, and section 511 of the act, dealing with construction reserve funds. No subsidy aid is available.

The American-Hawaiian Steamship Co. has had a long and successful history in the intercoastal trade of our country. Its reentry into this trade, with the contemplated fleet of modern trailerships, would be, I am confident, a tremendous boost for this most important segment of our transportation industry. Over the years since 1899 the company has been a leading factor in intercoastal shipping, and its vessels were a potent asset to national security in both world wars.

The American-Hawaiian Steamship Co. came into existence in 1899 and pioneered in the American building of modern, large steam freighters, the first four of which were placed in the intercoastal service in 1900. These vessels were coal burners and the voyages between the east coast and west coast were via the Straits of Magellan. Service was also provided to and from Hawaii.

In 1902, the first oil-burning equipment used by an American-flag vessel was installed in an American-Hawaiian Steamship Co. vessel. By 1907, the intercoastal service of American-Hawaiian Steamship Co. was performed by oil-burning steamers to and from railroad terminals on each coast of the Isthmus of Tehuantepec in Mexico, with the intercoastal traffic shipped across the isthmus by railroad. This operation continued with some minor interruptions until, by 1914, the company had 26 large, steel oceangoing freighters in its service.

In August 1914, American-Hawaiian Steamship Co. began using the Panama Canal but World War I soon caused the suspension of its intercoastal service and in 1917, the Government requisitioned the vessels for the war effort. American-Hawaiian Steamship Co. at the time had about 25 percent of the deadweight tonnage of large oceangoing freighters under U.S. registry. These were of immense value to the war effort.

The intercoastal service was resumed after the war, and by 1939 American-Hawaiian Steamship Co. had 39 vessels in the service, operating regularly scheduled sailings. However, in 1941 its service was disrupted by World War II and again the Government requisitioned the vessels—this time American-Hawaiian Steamship Co. contributed 32 large ocean-going freighters, fully manned, in first-class condition, immediately available for national defense.

During World War II, traffic formerly moving via intercoastal steamer was diverted to overland modes of transportation. Appreciating that the reorientation of this traffic would be a costly process for the intercoastal lines who had suffered total destruction of their trade during the war, the Government concluded to reestablish the services using Government-owned war-built ships, employing the former intercoastal lines as Government agents.

This agency operation began in 1945 and, because of heavy losses, was discontinued in the fall of 1947. Certain of the intercoastal lines, including American-Hawaiian Steamship Co., then chartered Government-owned vessels to continue the service without interruption. This arrangement prevailed until early in 1951, at which time the Government discontinued the chartering of vessels for use in the intercoastal trade. At this point, certain of the intercoastal lines, including American-Hawaiian Steamship Co., purchased vessels from the Government and, again without interruption, continued the service. It soon became apparent that the conventional type freighter was no longer capable of providing a profitable operation. Accordingly, in March of 1953, American-Hawaiian Steamship Co. was obligated to temporarily suspend its intercoastal service in order to conserve its resources.

Subsequently, the fleet of conventional freighters owned by American-Hawaiian Steamship Co. were sold, the last vessel being transferred to its new owners in September of 1956.

On August 26, 1955, American-Hawaiian Steamship Co. applied for mortgage insurance aid in the construction of a fleet of roll-on, roll-off type vessels for the U.S. intercoastal trade. The economics of the operation using roll-on, roll-off vessels, while an improvement over conventional freighters, in light of the high delivered cost of the vessels did not warrant consummation of the plans, and American-Hawaiian Steamship Co. then turned its attention to investigating other shipping concepts.

The present application of American-Hawaiian for vessel mortgage insurance results from investigations of new shipping concepts during the past year and involves the building of four trailerships for the intercoastal trade. Assuming a favorable determination on the application for mortgage insurance and the obtaining of needed financing, contracts would be awarded for ship construction about April 1960. If contracts are awarded about that time, the company estimates that the first ship would be completed near the end of 1962 and the three remaining ships thereafter, at intervals of 90 days, so that all four vessels would be in operation by autumn of 1963.

CLARIFICATION AND AMENDMENT OF CAPPER-VOLSTEAD ACT

Mr. LONG. Mr. President, on behalf of myself, and the Senator from Minnesota [Mr. MCCARTHY], I introduce a bill to clarify and amend the Capper-Volstead Act (42 Stat. 388, 7 U.S.C. 291–292), and for other purposes. I ask unanimous consent that the bill be referred to the Committee on Agriculture and Forestry.

The PRESIDING OFFICER. The bill will be received, and referred to the Committee on Agriculture and Forestry, as requested by the Senator from Louisiana.

The bill (S. 2014) to clarify and amend the Capper-Volstead Act (42 Stat. 388, 7 U.S.C. 291–292), and for other purposes, introduced by Mr. LONG (for himself and Mr. MCCARTHY), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

MODIFICATION OF EXISTING PROJECT FOR RED RIVER BELOW DENISON DAM

Mr. LONG. Mr. President, on behalf of myself and my colleague, the senior Senator from Louisiana [Mr. ELLENDER] I introduce, for appropriate reference, a bill to permit the engineering talent of our Nation to exercise their judgment in the matter of bank protection of the Red River of the South—the Red River that extends through the States of Oklahoma, Arkansas, Texas, and Louisiana.

Back in 1946, the 2d session of the 79th Congress passed a bill to provide for flood control on the Red River and its tributaries. At that time, the people of the Red River Valley were in desperate need for this program of flood control, and they had to take what they could get—they had to take the minimum program the Congress would adopt. That minimum program stipulated that adequate flood control may be provided economically by means of a reservoir-levee plan in conjunction with existing or authorized Federal and non-Federal flood control improvement.

But that program did not go all the way. It did provide for the construction of single-purpose flood control reservoirs at Boswell on Boggy Creek, Hugo on the Kiamichi River, Millwood on Little River, Texarkana on Sulphur River, Ferrells Bridge on Cypress Creek, and Mooringsport near the foot of Caddo Lake. It did provide for the operation of these reservoirs for the conveyance of peak flows of the design flood with a minimum freeboard of 3 feet after the program is completed, but only 1 foot in the interim. And, finally, it did provide for the construction of bank protection works at locations where levee setbacks are impossible or uneconomical.

It is with respect to that last provision—the providing of bank protection works at locations where levee setbacks are impossible or uneconomical—that the program did not go all the way. We are bound to ask ourselves this question: Why is the judgment of our engineers circumscribed in this manner? Actually, there is no reason. Let us look at the record:

In the first place, the Federal Government is responsible for the bank caving that is taking place on the Red River and should assume the responsibility for protecting those banks against the ravages of the river. This is the reason why the Federal Government is responsible for the loss of land that is now going on.

The Red River was formerly a navigable stream and considerable commerce moved upon its waters. This navigation was greatly hampered by the existence of a raft which extended from Natchitoches to a point considerably above Shreveport. In an attempt to improve navigation, the Corps of Engineers, beginning in 1828 and ending in 1872, removed this raft. While allowing for the clear passage of navigation, it also caused the lowering of stages in the river to such an extent that before many years navigation was not possible. It was only after the removal of the raft that the banks of Red River began to cave and the valuable farmlands were lost at an alarming rate.

At the present time, it is estimated that in the State of Louisiana alone, 2,300 acres of land are being lost each year as the result of caving banks.

At the present time, due to restrictions of the 1946 Red River Flood Control Act, it is estimated that Louisiana is losing 9,800 acres each year as the result of levee setbacks.

Adding these two together, 12,100 acres of land are lost each year—more than 1,000 acres each month as the result of the action of the river on its banks and, as the result of the inability of the Federal Government to arrest this intrusion because of the restrictions imposed upon it by the existing law.

Since the removal of the raft on Red River was in the interest of navigation, it would certainly seem that the Federal Government has an obligation to the valley in protecting the banks of Red River from caving.

Secondly, there are other results from the removal of the Red River raft: Once the river was free to flow in its channel, the river began to enlarge and shorten with each succeeding flood. There was a great flood in 1892 and again in 1908, which further shortened and enlarged the river. From 1892 to the present time, the distance along Red River from Natchitoches to the Louisiana-Arkansas line has been shortened from 256 miles to 213 miles, a distance of 43 miles. Obviously, a tremendous amount of loss of bank occurred during this period.

Because of the flood control needs of the Red River Basin, it was necesary for Congress to authorize the construction of reservoirs for the valley. To date, three reservoirs have been constructed: Denison was placed in operation in June, 1944; Texarkana in January, 1958; and Ferrells Bridge in partial operation in August, 1957. There are four other reservoirs—Millwood, Boswell, Hugo, and Mooringsport—yet to be built. It has become obvious that, although they are necessary for flood control, the reservoirs are prolonging the caving stages on Red River and are causing increased bank caving.

The loss of bank on the Red River from Shreveport to the Louisiana-Arkansas line increased from 2,408 acres between 1930 and 1944—when Denison Dam was placed in operation—to 6,598 acres from 1944 through 1958. This shows conclusively the tremendous increase in the rate of caving due to the prolonging of caving stages on the river by reservoirs.

Mr. President, it is high time that we remove the restrictions from our law and permit our engineering talent to exercise their judgment in the matter of saving our land from the ravages of this river. My bill will do just that. It will provide for the construction of bank protection works where they are justified by common sense and sound engineering principles.

When the river takes our land away by eroding its banks, it takes away top soil to a depth of 15 or 20 feet in many cases, but the sand bank it eventually leaves is not an even swap. Usually it takes 50 to 75 years before that sand bank can be converted into useful soil.

On at least two occasions so far, the Senate Appropriations Committee has indicated that it is ready to modernize the language of the old act and give the Engineers the legal authority to protect their investment, rather than to throw away that investment and start over with a new investment.

But because we have not actually changed the language of the law, we must proceed on the old basis. Where has that basis led us? Let us take a look.

There is the case of Vernon Meyer Bend, which might be called a typical example. We made four setbacks there simply because the law said that was all we could do. Finally, the situation got so bad the scale finally tipped the other way and the engineers were able to build a revetment to protect what we had left—but in the process we had lost some 800 acres of fine Red River land that we could be using today to the benefit of the people of this country.

Recently a man came into my office and brought with him some pictures to show the damage the Red River had done to his land. This man came to talk about the bend in Red River that bears his name—Herman Taylor Bend.

According to those pictures, he is losing his land at a fast rate. The Corps of Engineers has gone into his problem, but their hands have been tied by the present law. Under the law, they can put in bank protection, but, before they can do so, a local contribution of some $62,000 will have to be put up. The folks along Red River just do not have that kind of money. As a result, he will continue to lose his land unless we change the law.

Mr. President, I propose to change the law. I propose to change it by eliminating the ridiculous provisions which make it necessary for a setback to be impossible or uneconomical before it is possible for the banks to be protected. I propose to make it possible for the Federal Government to fulfill its obligation to the people along the Red River by stabilizing the banks of that river, and, by so doing, save the 1,000 and more acres of valuable land that are being wasted each month under the present law.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2015) authorizing the modification of the existing project for Red River below Denison Dam—Levees and Bank Stabilization, Texas, Oklahoma, Arkansas, and Louisiana, introduced by Mr. LONG (for himself and Mr. ELLENDER), was received, read twice by its title, and referred to the Committee on Public Works.

LEASING OF CERTAIN PROPERTY FOR PUBLIC SCHOOL USE WITHOUT MONETARY CONSIDERATION THEREFOR

Mr. SYMINGTON. Mr. President, earlier this year the Stella school district building near Neosho, in Newton County, Mo., was destroyed by fire. In order to meet the emergency situation, the Army allowed the school district to use an empty barracks building at Fort Crowder, Mo.

Recently, the Army presented a bill to the district for rental of the building. The district has also been asked to sign a lease covering rental of the facility at Fort Crowder for the next school year, as a new school building will not be completed until the following year.

The Stella district stands ready to pay maintenance expenses for the use of the building at Fort Crowder. But in view of the emergency situation, the expense involved in constructing a new school building, and the fact that the facility supplied by the Army would otherwise go unused, it would seem equitable to allow the Army to lease the property on a rent-free basis in such cases.

Mr. President, so as to give the Department of Defense this authority, on behalf of my colleague, the senior Senator from Missouri [Mr. HENNINGS] and myself, I introduce, for appropriate reference, a bill to amend title 10 of the United States Code. This amendment would provide for rent-free leasing of military property for public school use.

Similar bills have been introduced in the House by the distinguished chairman of the House Armed Services Committee [Mr. VINSON] and the able Congressman from the seventh district in Missouri [Mr. BROWN].

Mr. President, I ask unanimous consent to have printed in the RECORD a short statement by my colleague in support of this bill.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 2018) to amend title 10, United States Code, section 2667, to direct the Secretaries of the military departments to lease property for public school use without the reservation of monetary consideration therefor, introduced by Mr. SYMINGTON (for himself and Mr. HENNINGS), was received, read twice by its title, and referred to the Committee on Armed Services.

The statement of Mr. HENNINGS, presented by Mr. SYMINGTON, is as follows:

STATEMENT BY SENATOR HENNINGS

Earlier this year a sudden fire destroyed the school building at Stella, Mo., leaving school district officials with the problem of building a new school and finding temporary quarters in which to hold classes until the new school could be built.

In searching for a new building, school officials naturally turned to nearby Fort Crowder, deactivated Army installation some 12 miles from Stella. School officials had hopes of negotiating with the Army for the temporary, rent-free use of one of the Fort Crowder buildings. They were disappointed.

The Army first demanded an annual rental of $13,000 for their empty building. Later the Army reduced its demand to $6,200 a year rental. The school district was further forced to pay insurance, lights and water, heating and transportation costs in order to use the Army building and these costs, exclusive of the rental charged, raised the district's current school year costs to some $10,000 over the district's annual budget.

The people of Stella, Mo., are somewhat dismayed.

It is difficult for them to understand why empty Army buildings, bought and paid for by just such taxpayers as those who live in Stella, should not be made available to the people who own them when the same people are faced with an emergency.

Frankly, there is a good deal of anti-Army sentiment in Stella today and, indeed, in all of western Missouri. People who live in the western part of my State remember that the Army spent some $2 million constructing new buildings at Fort Crowder and then, within weeks of completing the construction project, deactivated the fort and walked off and left the buildings, some of which have never been occupied.

This problem, of course, goes far beyond the borders of the Stella school district. School districts all over the Nation are often faced with the need for emergency quarters. It has happened before in Missouri and it will probably happen again.

Fortunately, the junior Senator from Missouri and the very able young Representative from Missouri's Seventh District recognize the national implications of the problems faced by the Stella school district. The Representative from Georgia's Sixth District, the veteran chairman of the House Armed Services Committee, also recognizes the need for corrective legislation. These able gentlemen, along with myself, have introduced a bill which will allow the Army to lease its property without monetary payment provided the property is to be used for public school purposes. The bill also requires that the lessee maintain, protect, repair, and restore the leased property as required by the Secretary of the military departments concerned.

It is a good bill. One which will help the Stella school district and other districts faced with sudden situations of emergency such as that faced this year by the Stella district.

I hope the Senate is able to act quickly upon it.

PRICE SUPPORT FOR TOBACCO—AMENDMENT

Mr. BUTLER. Mr. President, I submit an amendment, intended to be proposed by me to the bill (S. 1901) to amend section 101(c) of the Agricultural Act of 1949 and the act of July 28, 1945, to stabilize and protect the level of support for tobacco, and I ask that it may lie at the desk.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the desk.

Mr. BUTLER. Mr. President, the amendment is needed to correct an oversight in the drafting of the bill. The bill was intended to make no change in the level of parity under the existing law. This amendment will correct this drafting oversight, and will put Maryland tobacco in the same position as other kinds of tobacco.

The authors of the bill, the junior Senator from North Carolina [Mr. JORDAN] and the senior Senator from Kentucky [Mr. COOPER] support the amendment as being consistent with the intent and purpose of the bill.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. MAGNUSON:

Jefferson-Jackson Day banquet address by Senator HUMPHREY.

Jefferson-Jackson Day dinner address by Senator SYMINGTON.

By Mr. DIRKSEN:

Address by Representative HAROLD R. COLLIER on May 17, 1959, at dedication of the Bataan Memorial.

NOTICE OF HEARINGS TO BE HELD BY THE SUBCOMMITTEE ON SECURITIES OF THE COMMITTEE ON BANKING AND CURRENCY

Mr. WILLIAMS of New Jersey. Mr. President, there are pending before the Subcommittee on Securities of the Senate Committee on Banking and Currency the following bills:

S. 1178, introduced by Mr. ROBERTSON, for himself and Mr. CAPEHART, at the request of the Securities and Exchange Commission, to amend certain provisions of the Securities Act of 1933, as amended.

S. 1179, introduced by Mr. ROBERTSON, for himself and Mr. CAPEHART, at the request of the Securities and Exchange Commission, to amend certain provisions of the Securities Exchange Act of 1934, as amended.

S. 1180, introduced by Mr. ROBERTSON, for himself and Mr. CAPEHART, at the request of the Securities and Exchange Commission, to amend certain provisions of the Trust Indenture Act of 1939, as amended.

S. 1181, introduced by Mr. ROBERTSON, for himself and Mr. CAPEHART, at the request of the Securities and Exchange Commission, to amend certain provisions of the Investment Company Act of 1940, as amended.

S. 1182, introduced by Mr. ROBERTSON, for himself and Mr. CAPEHART, at the request of the Securities and Exchange Commission, to amend certain provisions of the Investment Advisers Act of 1940, as amended.

As chairman of the Subcommittee on Securities, I wish to announce that public hearings will be held on these bills beginning on or about June 15, 1959.

All persons who wish to appear and testify at hearings on these bills are requested to notify Mr. J. H. Yingling, chief of staff, Committee on Banking and Currency, room 5300 Senate Office Building, telephone Capitol 4-3121, extension 3921, as soon as possible, and in any event, before the close of business on June 5, 1959.

THE ATLANTIC CONGRESS

Mr. JAVITS. Mr. President, I should like to address the Senate on the theme of the Atlantic Congress, which is scheduled to meet from June 5 to 9 in London. The title which the congress should bear is "The Atlantic Community in the Next 10 Years."

Delegates from all the NATO countries will attend the congress, which is being held under the auspices of the NATO parliamentarians conference, to which, together with other Members of this body, I have had the honor of being a delegate for the last 2 of its sessions.

Six hundred and fifty men and women from the Western world will attend the Atlantic Congress for the specific purpose of offering suggestions on how the Atlantic community might better steer the course of the NATO nations into a more secure and better tomorrow. The objective of these suggestions will not only be the preservation and the improvement of the free world, but the furnishing of help to the less developed areas to achieve their goals of modern living, greater freedom, and greater technological development.

The men and women delegates to the conference are free and independent citizens, bound by no official line, and have been selected from distinguished and responsible citizens in all areas of life in the Atlantic community.

The conference will divide itself into five committees: Atlantic Spiritual and Cultural Committee; Atlantic Political Committee; Atlantic Economic Committee; Free World Committee; and Communist Bloc Committee.

As one of the 130 American delegates who will attend this conference, I have been asked to serve on the Communist Bloc Committee, and specifically as chairman of the Economic Policy Subcommittee.

As the time approaches for us to go to London, I should like to emphasize how vital to the free world and to the very survival of civilized values will be the NATO decisions of the coming decade. I wish particularly at this time to emphasize the importance of the decisions on economic matters—the field in which I have been asked to serve at the conference.

The recommendations of the NATO parliamentarians at the last meeting on economic matters are critically important to the future of the NATO community. I shall ask to have them appended to my remarks.

I close by expressing the hope that the Members of the Senate will give grave attention to the Atlantic Congress. I believe there is a tremendous amount of "meat" in its deliberations, and especially its economic and cultural deliberations, for, as I see it, the days ahead for the Atlantic community will be days of intensive cooperation and deep coordination in the economic and cultural fields. I feel they are the essential preludes to a new order of integration of the political affairs of the NATO countries, which I have little doubt will come as we march forward in the joint effort for the defense of the free world and its values.

Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks the recommendations prepared by the economic section of the General Affairs Committee nearly 8 months ago, at the NATO parliamentarians conference in Paris, to which I was a delegate, and of which I was the rapporteur.

There being no objection, the recommendations were ordered to be printed in the RECORD, as follows:

The flow of capital from the industrial countries of the Atlantic community to the less developed areas of the free world must be substantially increased by an expansion of the resources available to the International Bank. All the countries of the Atlantic community able to contribute should do so.

Technical assistance programs should be strengthened and expanded as a prerequisite for more effective economic development.

The Atlantic countries should support regional authorities for economic development, especially President Eisenhower's proposal for the Middle East, when the countries of a less developed region desire them and are prepared to contribute from their own resources whenever they are able. The International Bank and other United Nations agencies should provide guidance and technical assistance to regional development authorities to insure that they are soundly organized and administered.

The Atlantic countries should substantially increase the flow of private managerial and technical skills and capital to the less developed areas of the free world. To achieve this goal there must be additional incentives for private investment and greater use of the resources of the private economy under Government contract to make available managerial and technical skills. Especially, the Atlantic countries should consider a mutually agreed program to provide guarantees against the risks of oversea private investment.

The Atlantic countries recognize the need for increased growth in the less developed areas within the Atlantic community. The development of these areas can best be promoted by the freer flow of private investment supplemented by regional productivity programs and investment banks or funds to which the European countries would be the primary contributors as provided in the European Common Market Treaty and proposed for wider European free trade area under the OEEC.

THE CALL FOR LEADERSHIP

Mr. McGEE. Mr. President, recently the distinguished senior Senator from Minnesota [Mr. HUMPHREY] appeared in the State of Wyoming. It was my honor to accompany him on that trip and to introduce him on the occasion of his visit to Casper, where he delivered an address.

He called for wide interest in politics at all levels and in all parties. The address was so stirring and so provocative that I ask unanimous consent to have it printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE CALL FOR LEADERSHIP

(Remarks of Senator HUBERT H. HUMPHREY, Democratic Party brunch, Casper, Wyo., Apr. 26)

Sunday is a day for sober thought about the things that are lost sight of in the clatter of the working week—a busy week for all of you as it has been for me traveling throughout this great West of ours.

It is in this respectful spirit of sober thought that I am here to talk about politics—the same kind of politics that sounded this morning from pulpits in Casper, Wyo., and from thousands of others across the land.

Here this morning, and everywhere else, congregations of Americans were called upon to rededicate themselves to two tasks.

The first task was to know the difference between justice and injustice, between freedom and oppression, between order and disorder.

The second and related task, was to act in the right as God gives us the power to know where the right resides.

I feel deeply this summons from the pulpit to unite the mind and the will in social effort.

To play a part in the art of government, to play a part in the mainstream of our political life, is to respond to that great summons.

Politics is a creative social act that must be engaged in by anyone who takes seriously the call to thought and action he hears from the pulpit.

Through the art of politics we define, advance, test, and decide whether this or that proposal can best serve the common interest.

Through the art of politics, public opinion makes its presence felt as a controlling, disciplining, and guiding force in the operations of government.

In this complex world of politics, as well as life itself, not all is sharply black or white, good or evil. People of differing views can have equal depth of conviction.

Neither political party in America is perfect; neither political party is all bad.

But having said that much, I proclaim my pride in being a Democrat.

We are the only national party there is in America—the only party with a representation in the National Government rising from the South as well as the North, from the West as well as the East.

Sure, if we were only a regional party like the Republicans we could talk to each other in whispers. But a national party has special communications problems. It must talk across great spaces, amid the roar of great rivers of humanity, and must overcome great barriers to sight and sound.

When a Democrat in Alabama speaks his heart and mind to a Democrat in Wyoming he has to raise his voice in order to be heard. For a Democrat here in Wyoming to be heard by one in New York he, too, has to raise his voice.

There may at times appear to be differences within our family, as there are on occasion in any family—but it would be a fatal mistake for our political opponents to ever think for a moment that we do not stand shoulder to shoulder together as Democrats for common goals of progress and development.

We have room for and want people of conviction who will speak up for those convictions within our party's framework. We are not a party of thought control or rigid intellectual discipline. We want to be a blend of the best that is in all of us—and all of us have something to contribute.

Incidentally, our new blend seems to have more of a western accent than ever before.

The fact that we Democrats argue among ourselves on occasion says something good and fine about the size and health of our family.

It says that we are the only party with interests that are as varied as the Nation itself. We are the only party that embraces the laborer and the businessman, the farmer and the miner, the rancher and the office-worker, the field hand and the white-collar professional, the young and the old, the consumer and the producer—and a lot more besides.

If we were like the Republicans, resting on but a few strong interests, the strongest of the few could have its way among us without argument. These few could act like the admissions committee for the Union League Club, blackballing any applicant who threatened to breathe the spirit of life into their overstuffed mausoleum.

In an otherwise uncertain world, there is at least one certainty. It is that any single interest in the Democratic Party, which tried to make every other interest act like all were a pack of identical twins, soon would find itself standing all alone in not so splendid isolation. A party in which so many strong national interests are included, will not tolerate dictation by any one or any combination of them. Instead, we are going to keep up a running debate about how best to adjust and resolve conflicts between equally legitimate claims for support by the party as a whole.

This, indeed, is the great single service the Democratic Party has performed for the Nation. We have a two-sided proof of how important this work is.

One side of the proof came in 1860. As of that year, the Democratic Party was the only political force which still held the Union together. But when the Democrats from the North and the South, along with their respective interests, pulled apart until each stood alone, the Government itself was torn apart and we had our Civil War.

The other side of the proof came in the years that followed the Civil War. The regular organs of the Government were then incapable of doing the work of national reunion. But at this juncture, the Democratic Party served the purposes of the Government when Northern Democrats and the pre-Civil War Southern Democrats reknit the broken ends of their national party—to talk and to argue with each other once more, and so to reestablish a sense of community.

Yes, we Democrats are restless as well as argumentative. Yes, we are never content to let well enough alone, but are always restless to get on with the business of exploring new horizons.

We are restless because we know that America cannot stand still and continue to live. It can live only if it grows. We are restless because we do not want to crop our size to the monuments of the national past. We want to honor the monuments of the past by building beyond them to an ever-expanding future.

We are restless because we do not want to be embalmed in the case of a mummy. In Pharoah's Egypt, the whole of the national energy went into the worship of death—but America is not such a Nation. We affirm the goodness of life, and we want to spend our national energy in liberating and purifying life from the corrosive presence of fear, disease, want, ignorance, and intolerance.

We are restless, because we are eager to redefine America as being something more than just a giant plot to make money. We affirm that our economic system can provide a living wage, a proper education, and a decent home for every American.

We are eager to redefine our national purpose in terms of something more than an IBM machine punching holes in a soulless stack of cards. We affirm the vitality of our constitutional principle of equality and the right of every man, woman, and child to human dignity without regard to race, religion, or ancestry.

We are restless because we reject the view that good government is fulfilled merely by good administration, or good bookkeeping. If that was all there was to good government then nobody should be allowed to stand

for public office except certified public accountants.

But to us, as Democrats, with our roots deep in the people, good administration is not a substitute for good policies.

We are restless for the same reason that Democrats were restless in the years immediately preceding the election of Woodrow Wilson in 1912, and the election of Franklin D. Roosevelt in 1932. Both times, the Republicans had held the control of the Executive for a long stretch. Both times in that long stretch, we had a Government dedicated to the postponement and evasion of solutions to urgent domestic and international problems. Both times, the weight of Executive energy was bent to the end that things should stand still.

But Democrats knew that an America which tries to stand still is an America that pronounces a sentence of doom on itself. That is why in 1912 and in 1932 the election of Democratic Presidents ushered in great creative periods in our national life. Under Wilson and again under Roosevelt, we at once leaped forward in a new birth of freedom. Unlike what happened after the change of administrations in 1953, we didn't have to spend 1, 2, 3, 4, 5, 6, and now 7 years just studying problems. From the very day Wilson and Roosevelt took their inaugural oath, they were ready with action programs based on hard study of problems before, and not just after, they asked the people for the trust of the Presidential Office.

Today, once more, and for the same reason, we are restless to get on with the programs we have already formulated to serve America. We want this Nation of ours to breathe again. We are eager to be once more a people on the move, a people who voluntarily assume the yoke—and the glory that goes with it—of advancing mankind's best hopes for justice and peace.

We were in times past, and in a very literal sense, the giver and the protector of light in a sorely troubled world. There is no reason why that should not be the case right now. America still has tremendous, unsurpassed resources in material, strength, in energy, and in creative talents.

Why then have we come to live with a bad taste in our mouth—with a sense that despite our material comforts, we have no inner joy? Why then do we live with fear in our eyes—with the sense that tomorrow may be the day of the apocalypse? Why then do we live with shame in our hearts—with the sense that because of some self-inflicted wound, we have fallen from the heights we once occupied ?

This bad taste, this fear, this shame, all have a common cause. The cause, dating from 1953, is the infectious disease of slothfulness and indifference caught from a breakdown in leadership at the very summit of the Nation.

There may have been a time when the Presidency could serve as a place of dignified retirement in one's old age.

There may have been a time when it could be awarded to a man as a sort of good conduct medal for performance in a lesser station.

There may have been a time when it was enough for a President to do nothing in particular but to do it very well—like some ceremonial figure in an empty pageant of States.

There may have been a time when a President could put himself so far above politics as to become politically invisible or unapproachable.

There may have been a time when the Presidency could resolve itself into a long and tedious exercise in attitudes, platitudes, and beatitudes—to the exclusion of concrete action.

But if ever there was such a time, that time is not now.

Now, the Presidency is the vital place of action—the only staff and command post that can unite and give direction and purpose to three worlds. One is the divided world of our Government proper. The second is the larger world of the whole Nation which encompasses the world of our governmental machinery. And the third is the still larger world beyond our shores—a world whose very survival may depend upon leadership from our own White House.

The Congress cannot do the President's work for him. Under modern conditions, the Congress can lay down general policy lines. It can revise policies it receives in draft form from the Executive. It can veto those policies. Or it can oversee the way they are executed by the President.

But Congress cannot fill the Presidential vacuum. If the President defaults on his role as a national and world leader, there is no force to fill that vacuum. The Congress was not designed to be and cannot be the Commander in Chief of the Armed Forces, the chief initiator of foreign affairs, the head of Government, the leader and interpreter of national and international public opinion.

The Congress is built along constitutional lines to give voice to local and regional interests. It does not have the unified energy, the staying grit, and the operational powers to give momentum to the whole of the national effort, and to that of the free world besides.

By the force of the Constitution, and by inescapable historical necessity, those powers are vested in, and are meant to be exercised by the President in person—though he is responsible to the courts in his legal character, and to the Congress and the people in his political character. If he fails to exercise those powers, every aspect of our political life falls into disarray.

That is exactly what has happened to us of late. What has happened is the reverse side of the truth once voiced by Lord Acton that all power tends to corrupt and absolute power tends to corrupt absolutely. The reverse side is, that the absence of power or its nonexercise under urgent circumstances, can corrupt just as thoroughly. The total default of Presidential leadership is the greatest corrupting influence in our Nation today.

What we have had of late is a caretaker Government, a mark-time Government, a do-as-little-as-you-can sort of Government, an artificial sunlamp government—a Government spouting aphorisms from Poor Richard's Almanac, while the Communists are everywhere on the march with their perverse zeal to remake the world in their own image. What we have had is a Government whose first and last line of defense always is that it means well.

Well, simply to mean well never was and is not now good enough in the affairs of great nations. The graveyard of history is crowded with the bones of peoples who had good intentions but lacked the imagination, the exact knowledge, and the driving energy that could translate those good intentions into specific realities in a formidable world.

Nor is it good enough these days for a great nation merely to wait for events to happen, and then to react to them. A great nation must march at the head of events, and by measures born of foresight, produce the events it wants.

The Democratic Party has absorbed this lesson of history. That is why it is the oldest political party, with the longest unbroken history of any political party in the world today. For the same reason, that is why it is an eternally young party, supercharged with eagerness to release the giant powers of America for greatness in building here, at home, and abroad. And again for the same reason, that is why our party at critical moments in American history has raised from its midst the Presidential leadership that has sounded the call to action stations the Nation was waiting to hear. It is waiting to hear that call right now. And our party is ready.

Mr. McGEE. Mr. President, there has been editorial reaction to the appearance of the Senator from Minnesota [Mr. HUMPHREY] in Wyoming. I have in my hand an editorial from the Wyoming Eagle, of Cheyenne, which passes along the State's judgment of the impact of the Senator's presence. I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HUMPHREY'S TRIP

Minnesota's Democratic Senator HUBERT HUMPHREY recently made a quick trip through several western States, including Wyoming. He spoke at a Democratic meeting at Casper a couple of weeks ago.

When he returned to the Senate floor, Senator HUMPHREY took a couple of minutes to tell his colleagues about his trip to the West. He said, in part:

"As a midwesterner, I can find many common bonds with the people along our west coast and the western mountain country. The pioneer spirit is still evident—the willingness to work together for progress, to take real sense of pride in every civic development and achievement. Perhaps too often some of us come to be too complacent about the underlying spirit of our country. If that is so, let me suggest a trip throughout the West as the tonic needed.

"I want my colleagues from Washington, Oregon, California, Utah, and Wyoming to know how deeply impressed I was with the warm welcome of the people in their States, and with the drive and energy these western people are displaying in tackling complex problems resulting from their rapid growth.

"I am convinced the West is going to make its voice increasingly heard in national affairs. And I am convinced, too, that the voice of the West will be good for the entire Nation—not just the West. For we need infused into our entire national thinking the spirit of progress and expansionism that is symbolized by the West, contrasted with a complacent satisfaction with the status quo that prevails too often in some parts of the country."

Senator HUMPHREY has let it be known that he would be delighted to run for President if Democrats should so decide. He thus can be expected to say nice things about almost everyone he meets during the next year or so.

But we are inclined to believe there is great sincerity in the Senator's remarks about the West. Certainly, there is great truth.

TRIBUTE TO THE LATE JAMES L. WHITLEY

Mr. KEATING. Mr. President, it is my sad duty to report to the Senate the death on Sunday of one of my predecessors in the other body, the Honorable James L. Whitley. He passed away in Rochester, N.Y., following a long and distinguished career in public service and as an attorney.

Mr. Whitley's career in public office began at the turn of the century, and in length it represents a record for legislative service in Monroe County. At varying intervals in his career he served as a State assemblyman, State senator, and Member of Congress.

Elected to Congress in 1928, in my old congressional district, Mr. Whitley served

here for three terms. Among his outstanding accomplishments in the House was his authorship of the first measure to provide insurance for bank accounts and the law to regulate short selling of stocks on the stock market.

Following his return to private life he practiced law in Rochester for many years. He was a recognized leader of the bar and authored several books on legal subjects.

Mr. Whitley, a veteran of the Spanish-American War, was active in veterans' affairs, as well as in numerous civic and fraternal organizations. He was a longtime leader in Republican affairs in the Rochester community, and was on intimate terms with many national political figures.

Jim Whitley was a kindly, understanding man, with a wide circle of friends. When I first came to Congress he was extremely helpful to me with advice and counsel, for which I have always been grateful.

His death is a great loss to the Rochester community, and to his many friends. My thoughts go out at this time to his widow, son, sister, and other relatives, who have my deepest sympathy upon the passing of this fine gentleman.

USE OF ARMED SERVICES PERSONNEL AS SERVANTS

Mr. PROXMIRE. Mr. President, at his news conference on May 13, President Eisenhower charged that if our soldiers, sailors, and marines are not used as servants for the generals and admirals, we would have to hire civilians to do the job and, as he said, "you would probably have to pay a lot more money."

Mr. President, I respectfully suggest to the President that in this mid-20th century world, there is no excuse for the two, three, four or even five servants which too many admirals and generals now have. With labor-saving devices available to everyone in the home, with power steering and push-button control in our automobiles, servants are unnecessary except for the old, the infirm, or those Thorstein Veblen would call the conspicuous consumer, the displayer of the prestige of wealth. Now I suppose there is nothing very wrong with conspicuous consumption. But it should not be done on the taxpayer. And it should not demean an American boy who has been expensively trained to serve his country on the battlefield. If generals and admirals are too feeble to drive their own cars and help their wives wash dishes and with some of the heavy housework, then I suggest they are physically disqualified to serve in their country's Armed Forces.

Mr. President, I ask unanimous consent that the statement of the President to which I have referred be printed in the RECORD at this point.

There being no objection, the statement was ordered printed in the RECORD as follows:

WHAT PRESIDENT EISENHOWER SAYS ABOUT MILITARY SERVANTS

President Eisenhower: "Well, I have had no report on this subject. Now, people are used for this kind of work, and, for example, all of the chauffeurs in the White House, except for my own Secret Service chauffeur, are all from the Army.

"And then there is, in the White House—there used to be a yacht, a big yacht, and the crew for that yacht was used for mess purposes here in the White House. The yacht is no longer in commission, but those people carry on that mess.

"Now, that kind of thing, I assume, goes in big headquarters, every place, in the Pentagon and so on down the line. So I have no report.

"But I imagine this: If we just got these things all done by civilians, you probably would have to pay a lot more money."

UNNECESSARY USE OF TRANSPORTATION FACILITIES

Mr. MAGNUSON. Mr. President, the Committee on Interstate and Foreign Commerce, meeting in executive session on May 13, adopted a committee resolution urging approval of legislation sponsored by the distinguished junior Senator from Florida [Mr. SMATHERS] to repeal the excise tax on travel.

I ask unanimous consent that the text of the committee resolution be printed in the body of the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

SENATE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE—COMMITTEE RESOLUTION

Whereas immediately prior to World War II, the Congress enacted the excise tax on the travel of persons as an emergency measure primarily designed to discourage unnecessary use of the Nation's transportation facilities, so that they could be utilized to a maximum degree for the war effort; and

Whereas at that time the excise tax applied to both domestic and foreign travel; and

Whereas the excise tax on foreign travel has long since been repealed by the Congress, leaving this tax applicable only to domestic travel throughout the United States, and thereby giving a competitive advantage to foreign carriers over domestic carriers; and

Whereas the objective of this tax has long since been achieved and the sole reason for its imposition is that of a questionable revenue producing measure; and

Whereas the continued imposition of this discriminatory tax defeats a major objective of our overall national transportation policy to encourage and promote travel on regulated carriers by acting as an economic obstacle and artificial barrier thereby discouraging such travel; and

Whereas the tax particularly adversely affects low income families throughout the Nation who must of necessity use public transportation facilities; and

Whereas it is essential that economic incentives be provided for our common carriers in order to make it possible for them to combat the financial plight in which many of them now find themselves in order to strengthen and further promote our national transportation system so vital to the defense and economy of this Nation; and

Whereas much of the revenue which will be canceled out in this excise tax removal probably would be regained from added income to be derived from the transportation companies in corporate income taxes: Now, therefore, be it

Resolved, That it is the sense of the Committee on Interstate and Foreign Commerce that the objectives of the excise tax on the travel of persons have since been achieved; that the tax now operates as a discriminatory and regressive tax; that it operates as a drag on the economy; this reduction should be passed on to the fullest possible extent to the users of this transportation and for other reasons heretofore stated in this resolution, should be repealed at the earliest date; and that to this end the committee pledges its support and cooperation and urges the Committee on Finance and the Congress to give prompt and favorable consideration to the Smathers' bill, S. 5, which seeks to achieve this worthy objective.

"THE GALLANT HOURS"

Mr. KUCHEL. Mr. President, great deeds and inspiring personalities in history have provided the theme for countless sermons, books, dramas, and essays which both educate and challenge successive generations of human beings. In this field, the American motion picture on numerous occasions has served as a forceful vehicle for acquainting persons of many nationalities and backgrounds with the accomplishments of those who have rendered unique service to mankind.

A motion picture which holds promise of being of incalculable worth as an object lesson and also as a merited tribute to a truly heroic character has just gone into production in southern California. I am indeed happy to bring to the attention of this body the fact that a film entitled "The Gallant Hours" will bring to theater audiences a powerful cinematic portrait of the illustrious Adm. William F. Halsey, Jr.

Countless thousands of men who wore the uniform of the United States—whether the sweat-stained fatigues of the Marines and Army, the helmet and jacket of the Air Force and naval aviation, or the whites and dungarees of the Navy—know well the indomitable courage, the spirit of sacrifice, determination, and confidence which "Bull" Halsey typified and the auspicious leadership he provided in turning back the merciless forces of Imperial Japan in the grim first year of the war in the South Pacific.

"The Gallant Hours" is conceived as a stirring condensation of the qualities and the achievements of a man of destiny who gave America its first taste of victory in the Pacific and sparked the tenacious resistance which was so vital in holding Guadalcanal.

The script for this motion picture shows imagination and understanding. This is to be expected, inasmuch as the producers are two respected, widely honored veterans of the American film industry, Robert Montgomery and James Cagney. With Montgomery directing and Cagney playing the title role, this picture will have a remarkable cast to portray a number of real-life characters who participated in grueling events related in the picture. Among those represented will be Father Gehring, "the Padre of Guadalcanal"; Vice Adm. Robert L. Ghormley, Maj. Gen. Alexander A. Vandegrift; Maj. Gen. Roy S. Geiger, the colorful Joe Foss and equally dramatic Col. Evans F. Carlson; and many others who have become legends.

Being filmed in part at the Marines' vast Pacific coast installation, Camp

Pendleton, "The Gallant Hours" will reproduce "Bull" Halsey's inestimable contribution to the ultimate victory. Reportedly, the whole treatment is in complete harmony with his classic comment "we are down to a shoestring, so we'll fight with a shoestring."

I wish to inform the Senate about this forthcoming production because I am confident all who ever had the good fortune to know or to serve under the undaunted Admiral Halsey will look forward eagerly to seeing it on the screen.

PROSECUTION AND CONVICTION OF LABOR RACKETEERING

Mr. BUTLER. Mr. President, during the past 2 years the Senate Select Committee To Investigate Improper Activities in Labor-Management Relations has uncovered shocking instances of labor racketeering. However, little has been said about the efforts the Attorney General and his assistants have made to prosecute and convict racketeers engaged in such criminal enterprises; nor has proper tribute been paid to the splendid investigative agencies of both the Justice and Treasury Departments, on whose ability to ferret out the facts all successful prosecutions are based. It is about time that the public be informed of those efforts and the results thereof.

It is for that reason that I rise to cite the record of the accomplishments of our Federal law-enforcement officials. From the very outset, this administration has placed great emphasis upon the prosecution of racketeers who prey upon legitimate business and labor. During the first 6 years these laws were in effect, there were only three convictions for violations of the Hobbs Act and the Taft-Hartley Act; but during the past 6 years under this administration, 134 convictions have been obtained by various U.S. attorneys throughout the country.

The record of this accomplishment has perhaps gone unnoticed, because the Government prosecutors cannot ethically seek publicity in criminal cases, and are restricted in the comments which they may make about any pending case. Local prosecutions of even the most notorious racketeers frequently receive no news coverage outside of the immediate locality involved.

For example, in St. Louis a number of labor racketeers, by threats of work stoppages, work slowdowns, and the final shutdown on the job, compelled contractors to pay them 3 cents a foot on a contract to lay 90 miles of pipeline in the St. Louis area. Prosecutions resulted in the conviction of five labor union officials, each of whom received a sentence of 10 years imprisonment and 5 years probation.

Racketeers, gamblers, and similar operators in all fields of organized crime have been convicted of violations of Internal Revenue laws. Frank Ericson, Frank Costello, Frank Leviorsi, Peter Licavoli, and Paul di Lucia were among those sentenced to imprisonment for income tax violations. One of the most recent convictions for this offense is that of Dave Beck. The successful prosecution of Veto Genovese and 13 others for a huge narcotics conspiracy is a tribute to the ceaseless efforts of the Department of Justice and the Treasury's Bureau of Narcotics against the most vicious and depraved form of racketeering.

The Criminal Division of the Department of Justice has organized and launched a nationwide, coordinated attack against the top hoodlums of the criminal syndicates. Throughout the country, U.S. attorneys have created special staffs to spearhead the attack on the racketeering element.

In order that the Senate may be better aware of the record of the Department of Justice in this field and the fine work done by the FBI and the Internal Revenue Service, I ask unanimous consent to have printed at this point in the RECORD "A Summary of Successful Racketeering Prosecutions, 1953 to 1959," and an article entitled "United States Tries New Approach to Racket Busting," which appeared in the Washington, D.C., Sunday Star on April 26, 1959.

There being no objection, the summary and the article were ordered to be printed in the RECORD, as follows:

A SUMMARY OF SUCCESSFUL FEDERAL RACKET PROSECUTIONS, 1953–59

The seriousness of the threat to the basic fabric of our society which organized syndicated crime represents today can hardly be over-emphasized. The public is only vaguely aware of this threat. You as U.S. attorneys sometimes have come in contact with its uglier manifestations. The full scope of organized crime remains a picture continuously to be developed by law enforcement agencies.

One part of the picture which has attracted little notice is the record of accomplishment by you, the Federal Bureau of Investigation, Internal Revenue Bureau and the Department of Justice during the last 6 years in prosecutions under the Hobbs Act, Taft-Hartley Act, and criminal tax laws. We realize that local prosecutions, even of the most notorious racketeers, receive no great amount of news coverage individually. Rules of decorum in the courtroom forbid television or even the taking of still pictures, and the prosecuting attorneys are restricted in comment they may make about a pending case. Quite properly, these same restrictions do not apply in other proceedings in which these same individuals may be involved.

The record of accomplishment during the past 6 years is a solid basis of experience from which the Department's intensified drive against racketeers can vigorously be pressed forward. The "Handbook for Prosecution of Racketeers," being distributed to all U.S. attorneys today, should help substantially in perfecting the arsenal of ready legal weapons which you can bring to bear on racketeers.

The Department's role in this campaign is to furnish support, guidance, and leadership. But we know the campaign's success depends in the last analysis on the aggregate results of hundreds of battles and skirmishes in the field conducted by U.S. attorneys, the Federal Bureau of Investigation, and other law enforcement agencies throughout our country wherever racketeers are entrenched.

What energetic and thorough prosecution can do in this field can easily be seen from the record of what has been done in the past 6 years. With vigorous, thoughtful, and persistent action on your part, supported and guided by the Department of Justice, more such battles will be fought and won.

The tax prosecutions have resulted in the conviction of racketeers of all classifications. Some of these are listed in the latter part of this summary. One particularly vicious type of racketeering is labor racketeering, which exploits the rights and loots the funds of the workingman. Two special statutes have proved effective in this field. Let's look at the record since January 1953 under the Hobbs Act (18 U.S.C. 1951) and one provision of the Taft-Hartley Act (29 U.S.C. 186). The record is: 1946–52 (approximately 6 years) convictions, 3. January 1953 to March 1959 (approximately 6 years) convictions, 134.

That is the statistical record, which speaks for itself. However, in order to illustrate the full significance of what has been accomplished, we have prepared a summary of some of the typical cases included in the 134 convictions obtained by the Department since 1953. In this summary, the more interesting cases are outlined in terms of the persons convicted, the amount of money involved, and the punishment meted out by the courts. We have also prepared a list of some of the individuals convicted of violations of the internal revenue laws.

Many names will readily be recognized on both lists which follow.

MALCOLM R. WILKEY,
Assistant Attorney General,
Criminal Division.

1. Defendant, Ryan, Joseph P.; sentence, 6 months and $2,500 fine; amount involved, $5,500.

Who he was: Ryan was president of the International Longshoremens Association.

What he did: Ryan, by use of a slow-down, obtained payments of $5,500 from two companies in New York, J. Arthur Kennedy & Son, and Daniels & Kennedy, in return for assurance of labor peace.

(350 U.S. 299 (U.S. Supreme Court, 1956).)

2. Defendant, Dale, Evan R., sentence, 15 years and $10,000 fine; Kristics, John J.; sentence 5 years probation; Bateman, James; 5 years probation and $2,000 fine; amount involved, $1,030,000.

Who they were: Dale was president of the Southern District of Illinois Council, International Hod Carriers, Building and Common Laborers of America. Kristics was with the Hod Carriers, Building and Common Laborers Union. Bateman was business agent for local 160, United Association of Pipe Fitters.

What they did: Defendants conspired to make Ebasco Services Inc. (which had a contract with the AEC to build an electric power plant at Joppa, Illinois) pay them one percent of the contract price for "labor peace."

(223 F. 2d 181 (7th Cir. 1955).)

3. Defendant, Masiello, Philip; sentence 5 years; Stickel, Frances L.; sentence 5 years; amount involved, $64,000.

Who they were: Masiello was business agent for local 445 of the Teamsters Union. Stickel was secretary-treasurer of the same local.

What they did: Masiello and Stickel conspired to extort $64,000 from over-the-road milk haulers in the New York area by means of threats of labor trouble between 1949 and 1953. The chief victims of the conspiracy were milk haulers in the Albany, N.Y., area.

(235 F. 2d 279 (2d Cir. 1956).)

4. Defendant, Stirone, Nicholas A.; sentence, 3 years and $5,000 fine; amount involved, $31,274.13.

Who he was: Stirone was president, local 1058, Hod Carriers, Building and Common Laborers Union of America, in the Pittsburgh area.

What he did: In 1952, William G. Rider obtained the contract to supply ready-mixed concrete for the erection of a steel plant at Allenport, Pa. Stirone, by threats of labor troubles and obstruction of the work, succeeded in having Rider pay him at the rate of 50 cents per yard of concrete. Over a 2-year period this amounted to $31,274.13.

(262 F. 2d 571 (3d Cir. 1958).)

5. Defendant, Hulahan, Paul H.; sentence, 12 years and $8,000 fine; amount involved, $50,000.

Who he was: Hulahan was business agent of local 42 of the Hod Carriers, Building and Common Laborers, in the the St. Louis area.

What he did: Hulahan attempted, by means of labor disputes and work stoppages, to extort $50,000 from M. H. Carpenter, Inc., and two other St. Louis construction companies in return for "labor peace."

(214 F. 2d 441 (8th Cir. 1954).)

6. Defendant, Koonse, Edward; sentence, 3 months and 2 years probation; Hall, J. W.; sentence, 3 months and 2 years probation; amount involved, $1,800.

Who they were: Koonse and Hall were business agents of local 541, International Brotherhood of Teamsters, Kansas City, Kans.

What they did: Accepted payments of $600 per month for 3 months from the Rumsey Bros. Construction Co., which had a contract to lay a natural gas pipeline from a point in Kansas to a point in Illinois. The company official said it had anticipated trouble and made the payments to avoid it.

(U.S. District Court for Kansas (1955).)

7. Defendant, Doyle, Albert; sentence 2 years; Riggi, Emanuel; sentence, 2 years; Murphy, James; sentence, 5 years' probation and $2,500 fine; amount involved $1,960.

Who they were: Doyle was business agent for local 18, Bricklayers, Masons and Plasterers Union. Riggi was business agent of local 394, Hod Carriers, Building and Common Laborers. Murphy was a member of local 18.

What they did: Defendants conspired to extort money from the Chemsteel Construction Co., in connection with the construction of an acid concentrator at Linden, N.J. Acting under threats, the company put two fictitious bricklayers on its payroll and paid their weekly salaries to Doyle.

(265 F. 2d 57 (3d Cir. 1958).)

8. Defendant, Soucie, O.B.; sentence, 5 years and $10,000 fine; Rhodes, Orville; sentence, 5 years' probation and $3,000 fine; Highfill, Henry; sentence, 5 years' probation and $3,000 fine; amount involved, $9,200.

Who they were: Soucie (known as "The Duke of Indiana") was president of local No. 841, International Union of Operating Engineers. Orville (Dusty) Rhodes and Henry Highfill were business agents of the same local.

What they did: Defendants conspired to extort 1 percent of the contract price from two roadbuilding contractors in the East St. Louis area for "labor peace".

(U.S. District Court for the Eastern District of Illinois (1955).)

9. Defendant, Bianchi, Carl; sentence, 10 years and 5 years probation; Poster, William; sentence, 10 years and 5 years probation; Callanan, Lawrence; sentence 10 years and 5 years probation; Thompson, L. A.; sentence, 10 years and 5 years probation; Secor, R. M.; sentence, 10 years and 5 years probation; amount involved, over $70,000.

Who they were: In the St. Louis area, Bianchi was business agent of local 513, International Union of Operating Engineers; Poster was secretary-treasurer of local 110, Hod Carriers, Building and Common Laborers; Callanan was business agent of local 562, Pipe Fitters Union; Thompson was business agent of local 574, International Brotherhood of Teamsters; and Secor was secretary-treasurer of local 916, Hod Carriers, Building and Common Laborers.

What they did: Bianchi, Poster, and Thompson, by threats of work stoppages, slowdowns and a final shutdown on the job, compelled a contractor to pay them 3 cents per foot on a contract to lay 90 miles of pipeline in the St. Louis area. These three, along with Callanan and Secor, obtained $28,000 from another contractor also engaged in the construction of a pipeline in the same area.

(219 F. 2d 182 and 223 F. 2d 171 (8th Cir. 1955.).

10. Defendant, Ricciardelli, Belmont; sentence, 2 years; Leanzo, Alfred; sentence 2 years; amount involved, $5,000.

Who they were: Ricciardelli was president and Leanzo was business agent of local 311, United Industrial Union of the International Toy and Doll Workers, at Jersey City, N.J.

What they did: When defendants failed to organize the employees of Merlin, Inc., North Bergen, N.J., a picket line was set up at the plant and company trucks had sugar put in their gas tanks, tires slashed, ignition wires pulled, etc. Defendants let the company know that the matter could be settled for $15,000. This proposal was rejected; however, the company subsequently agreed to pay $5,000. The defendants accepted with the proviso that $500 be paid on account. The company president then notified the U.S. attorney, who arranged to have agents of the Federal Bureau of Investigation witness the $500 payoff.

(U.S. District Court for New Jersey (1956).)

11. Defendant, Hudson, H. H.; sentence, 10 years; amount involved, $3,000.

Who he was: Hudson was the business agent for local 369, Electrical Workers.

What he did: Hudson extorted money from a construction firm engaged in building industrial plants in the Louisville, Ky., area by means of threats of labor violence. He was convicted under both the Hobbs Act and the Taft-Hartley Act.

(U.S. District Court for the Western District of Kentucky (1956).)

12. Defenfant, Lowe, James; sentence, 3 years and $10,000 fine; amount involved, $20,000.

Who he was: Lowe was business agent for local 11, Bridge Structure and Ornamental Iron Workers Union.

What he did: Lowe, by threats of labor disputes, work stoppages, and other labor trouble, extorted $20,000 from contractors constructing the Big Inch gas pipeline connection in northern New Jersey.

(234 F. 2d 919 (3d Cir. 1956).)

13. Defendant, Cape, Woodrow W.; sentence, 1 year; amount involved, $1,000.

Who he was: Cape was business agent for local 598, Plumbers and Steamfitters Union.

What he did: Cape extorted $1,000 by means of threats of labor disputes and work stoppages from the A. J. Curtis Construction Co., which was engaged in the construction of a natural gas pipeline from Pasco, Wash.

(U.S. District Court for Eastern District of Washington (1959).)

14. Defendant, Varlack, Henry G.; sentence, 5 years; Roche, David; sentence, 5 years; Kavalauskas, Samuel; sentence 5 years; amount involved, over $7,500.

Who they were: Varlack was a delegate of local 1291, International Longshoremen's Association (ILA). Kavalauskas was a business agent for the same local. Roche was on the staff of the ILA.

What they did: Varlack and Kavalauskas approached the American Sugar Refining Co. in Philadelphia and attempted to extort $2,500 each, in addition to an automobile and a place on the weekly payroll of the company, to assure the company that its raw bulk sugar, arriving in Philadelphia by ship, could be unloaded and would not spoil as a result of a strike. The company resisted and the union struck. Roche then came to Philadelphia as a representative of Joseph Ryan, president of ILA, and demanded $7,500, which was paid. Subsequently Varlack and Kavalauskas also received other money and the strike ended.

(225 F. 2d 665 (2d Cir. 1955).)

15. Defendant, Postma, Peter J.; sentence 4 years; McConnon, Joseph; sentence, 18 months; amount involved, $10,000.

Who they were: Postma was business agent for local 294 of the Teamsters Union. McConnon was president of Terminal Trailers, Inc., an Albany, N.Y. concern engaged in transshipping trailers on Hudson River barges.

What they did: Postma was engaged in trucking negotiations with the Highway Transportation Association of upstate New York, an organization of truck operators in the Albany area. McConnon, who was not a member of the association, acted as liaison between the association and Postma, advising the association that Postma would settle a strike for $10,000. After a subsequent demand for $30,000 was rejected, the association paid $10,000 to McConnon who in turn paid it to Postma.

(242 F. 2d 489 (2d Cir. 1957).)

16. Defendant, Pavlat, Edward J.; sentence, 2 years and $5,000 fine; Snyder, Edwin H.; sentence, 2 years and $2,500 fine; Long, Guy T.; sentence, 2 years and $2,500 fine; amount involved, $3,701.

Who they were: Pavlat was secretary, treasurer, and business agent for local 15, International Brotherhood of Teamsters at Galesburg, Ill. Snyder was business agent for local 80 of the Teamsters at Quincy, Ill. Long was president and business agent of local 532 of the Teamsters at Springfield, Ill.

What they did: By a series of strikes, slowdowns, stoppages, and other labor troubles, Pavlat and Snyder compelled the payment of $1,200 by J. L. Cox & Sons Pipe Stringing Corp., which was laying a natural gas pipeline from Oklahoma into Illinois. By similar activities Pavlat and Long compelled the payment of $2,501 by the O. R. Burden Construction Co. of Tulsa, which was engaged in the same project.

(U.S. District Court for the Southern District of Illinois (1955); two cases.)

17. Defendant, Arroyo, Wadelmiro; sentence, 9 months and $2,000 fine; amount involved, $15,000.

Who he was: Arroyo was president of local 178, International Longshoremen's Association, Puerto Rico.

What he did: Arroyo negotiated an agreement with a Puerto Rican company for a welfare fund for its employees with an initial contribution of $15,000 by the employer. The fund was to be administered by a committee of labor-management trustees; however, before they were appointed, Arroyo deposited the money in his personal bank account and used it for his own purposes.

(256 F. 2d 549 (1st Cir. 1958); certiorari granted by the Supreme Court October 13, 1958.)

18. Defendant, Malinsky, Morris; sentence, 3 years; Green, Irving; sentence, 2½ years; Rapkin, Louis; sentence, 1 year, 1 day; Meglino, Joseph; sentence, 3 years suspended, 3 years probation; Pfeffer, Albert; sentence, 3 years; Tillinger, Milton; sentence, 2½ years; Lustigman, David; sentence, 3 years; Schwartz, Isidore; sentence, 2 years; Vogel, Samuel; sentence, 3 years suspended, 3 years probation; amount involved, association dues and union dues.

Who they were: Four of the defendants were with the New York Pickle and Condiment Dealers Association, Malinsky as business manager, Green and Rapkin as past presidents, and Meglino as past business manager. Vogel was president of local 120, Pickle and Condiment Workers, affiliated with Confederated Unions of America. The others were affiliated with local 1648, Condiment and Table Suppliers Union, Pfeffer as secretary, Tillinger as vice president, Lustigman as secretary-treasurer and Schwartz as trustee.

What they did: The complex conspiracy in this case involved an attempt to monopolize the pickle and condiment industry in New York. Concerns in the industry were forced to join the association and to pay

union dues, and those refusing experienced difficulties with the union.

(19 F.R.D. 426 (S.D. N.Y., 1956).)

In addition to those described in detail above, others convicted one or more times under the Hobbs and Taft-Hartley Acts are: Adrian, William; Anderson, William; Bales, William; Baurhenn, Paul; Doyle, Albert; Floyd, Virgil; Ferrebee, Oscar; Flaum, Jack; Franzee, Dominick; Gibbs, Theodore; Geilhausen, Jack; Green, Jack; Hagen, Harry J.; Harmon, Guy M.; Higgins, Peter R.; Jochim, Stanley; Karpf, David; Lowry, Clayton A.; May, Thomas; Meisenhelter, Harry; Nedley, Raymond; Palmiatti, Claude; Patalito, Bruno; Schmidt, Henry; Sweeney, John; Valdario, Mario; Wright, Ralph; McKeever, Thomas; Morrison, Lawrence; Barrett, George; Nemirka, Michael Alexander; Tormas, Carmela; Brennan, Sidney; Connelly, Gerald; Coleman, John; Garcia, Alejandro; Gallagher, Edward; Hudson, H. H.; Jorgesen, Jack; Lowry, C. A.; Medina, R. S.; Moore, J.; Martire, Dante; Nathan, Isaac; Parran, James; Pecora, Thomas; Rodriguez, Ramon Mejias; Ventimiglia, Frank; Weibert, Peter; Williams, Eugene; Reshlian, Robert J.; Eichengrund, Seymour; Siegal, Abraham; Korholtz, Herbert F.; Bierig, Fred W.; Lopp, Cyril J.; Brown, Cecil E.

Labor racketeering is only one segment of racketeering. In addition to the convictions of individuals listed above, many other racketeers, gamblers, and similar operators in all fields of organized crime have been convicted during the past 6 years under the internal revenue laws. In most of the following cases, the defendant willfully evaded income taxes, and in some cases willfully failed to file a return or made false statements to revenue agents:

CONVICTIONS OF KNOWN RACKETEERS, GAMBLERS, ETC., UNDER THE TAX LAWS, JANUARY 1, 1953, TO MARCH 1959

Daniel Smith: Convicted June 5, 1953; sentence, 2 years; Massachusetts gambling wire service operator.

Frank Erickson: Convicted June 16, 1953; sentence, 6 months; New York gambler and known operator of gambling ventures in the country.

L. B. (Benny) Binyon: Convicted September 5, 1953; sentence, 5 years; well-known operator of gambling ventures in Texas.

Arthur H. Samish: Convicted November 17, 1953; sentence, 3 years; longtime lobbyist and representative of liquor industries in California.

Harry Gross: Convicted April 19, 1954; $2,500 fine; New York bookmaker.

Frank Costello: Convicted May 13, 1954; sentence, 5 years; nationally known, notorious New York gambling figure.

George W. Lewis: Convicted May 13, 1954; sentence, 1 year; California gambler.

Alex Birns: Convicted July 28, 1954; sentence, 3 years; notorious Cleveland underworld figure.

Sam Beard: Convicted October 1, 1954; sentence, 5 years; Washington, D.C., gambler and numbers operator.

Louis Berra: Convicted October 1, 1954; sentence, 2 years; St. Louis labor racketeer.

Emmett R. Warring: Convicted December 21, 1954; sentence, 3 years; Washington, D.C., gambler and numbers operator.

John Doyle: Convicted January 29, 1955; sentence, 2 years; Gary, Ind., bookmaker and slot machine operator.

William Giglio: Convicted February 18, 1955; sentence, 15 years; involved in wartime sugar black market.

Frank S. Livorsi: Convicted February 18, 1955; sentence, 15 years; associated with William Giglio in sugar black market.

Howard M. Lawn: Convicted February 18, 1955; sentence, 1 year and 1 day; associate to Giglio and Livorsi in sugar black market.

Louis "Red" Smith: Convicted April 22, 1955; sentence, 1 year and 1 day; St. Louis gambler and racketeer.

Umberto Anastasio: Convicted May 23, 1955; sentence, 1 year; notorious New Jersey racketeer, reputed to have been at one time the executioner for Murder Incorporated.

Evan Dale: Convicted June 24, 1955; sentence, 10 years; Illinois labor racketeer.

Charles Friedman: Convicted November 1, 1955; sentence, 2 years; (suspended) and 3 years probation. Member of the notorious S & G syndicate, one of the largest off-the-track betting enterprises in the South.

John Ward: Convicted March 23, 1956; sentence, 4 years; New York waterfront racketeer.

Michael Bowers: Convicted March 23, 1956; sentence, 5 years; New York waterfront racketeer.

James D. Irving: Convicted May 15, 1956; sentence, 3 years; Chicago numbers operator.

Lionel Dominguez: Convicted October 30, 1956; sentence, 2 years; New Orleans lottery operator.

Frank Nathan: Convicted June 7, 1957; sentence, 3 years probation; notorious Pittsburgh, Pa., influence peddler.

Sidney Brodson: Convicted May 2, 1958; sentence, 2½ years; Milwaukee gambling figure, prominent in the basketball scandals a few years ago.

Peter Licavoli: Convicted May 2, 1953; sentence, 2½ years; reputed leader of the so-called purple gang in Detroit.

Elmer "Bones" Remmer: Convicted June 3, 1958, sentence, 5 years; California and Nevada gambling house operator.

Paul (the Waiter) DeLucia (alias Paul Ricca): Convicted June 12, 1958; sentence, 3 years; one of the alleged successors to Al Capone in Chicago.

Orell B. (Duke) Soucie: Convicted June 12, 1958; sentences, 18 months; Illinois labor racketeer.

Edward W. Curd: Convicted December 10, 1958; sentence, 1 year and 1 day; Lexington, Ky., gambler, who was reputedly the key figure in the Kentucky University basketball scandal several years ago.

John F. O'Neill: Convicted December 10, 1958; sentence, 1 year and 1 day; an associate of the notorious William DeKoning of the Operating Engineers Union in Brooklyn and Long Island.

Glenn Smith: Convicted January 7, 1959; awaiting sentence; Tennessee Teamsters Union official who received $18,000 from his union and contended he paid the money to a judge to fix a criminal case against union members.

Hugh L. Culbreath: Convicted January 23, 1959; $30,000 fine; former sheriff of Hillsborough County (Tampa), Fla.; there was testimony that he received payoffs from the racketeering element in the Tampa area.

Dave Beck: Convicted February 20, 1959; sentence, 5 years; former president of Teamsters Union.

Others: Lorenzo Alagia, Earl Artis, Mateo Azcona, Rozier C. Bayley, Leon C. Chester, Thomas B. Callahan, William Cohen, Edward Copeland, Isadore Eisenstein, Jang Kay Fong, Young Ah Fook, Fred M. Ford, Joseph Frank, John J. Gannon, Martin Hughes, Frank Iaconi, Harold Jackson, John Kampmeyer, Herbert Kaufman, Daniel J. Keating, Joseph Koza, Leo Link, Alfred C. Marshal, Samuel Marosso, John L. McEwen, James D. Robinson, Sanders Scott, Fred Shaheen, Elaine Simpson, Edward Sindelar, Charles P. Spencer, Joe R. Steele, John A. Stewart, Fred Talbot, Justin Tappero, Charles Toye, Harvey Veino, Leroy B. Williams, Carrol Yates.

[From the Washington Sunday Star, Apr. 26, 1959]

UNITED STATES TRIES NEW APPROACH TO RACKET BUSTING

(By Miriam Ottenberg)

The Justice Department is making racket busters of its 94 U.S. attorneys across the country.

That is the latest development in Attorney General William P. Rogers' long-term push against the businessmen of crime—the racketeers.

The Federal prosecutors from Maine to California won't go it alone. Each will have his own rackets section directed and assisted from Washington.

Goal of the new setup is to pit nationwide prosecutive machinery against nationwide crime syndicates. Prime targets are the organized gamblers, narcotics traffickers, extortionists, white slavers, and labor racketeers whose annual take runs into billions of dollars.

The Justice Department's concentration on the racketeers got under way a year ago when M. Rogers set up a special group on organized crime to start a drive against the 100 most notorious underworld businessmen.

THE 100 TOP RACKETEERS

The special group, headed by Milton Wessel, of New York, and working under direct supervision of the Deputy Attorney General, was told to analyze the pool of information available on the 100 top racketeers, seek further investigation from the enforcement agencies, and request convening of investigatory grand juries.

Special group branches were set up in the four major headquarters of syndicated crime—New York, Miami, Chicago, and Los Angeles.

The infamous 100 were never identified publicly but it is known that a considerable dent has been put in the list during the last year. The special group is not directly credited with making the dent because getting at the well-cloaked top racketeers takes many months of investigation.

But the Justice Department thinks its publicized emphasis on the racketeers has had the effect of speeding up prosecutions, stiffening sentences, and keeping the underworld overlords off balance.

Special grand juries, convened at the request of the special group, are reportedly in operation in more than one city. In at least two cities, promising investigations are in the works.

Now, the Justice Department setup has been changed.

Mr. Rogers broke the news to the U.S. attorneys at their Justice Department conference earlier this month. They were told that the special group's operations will be integrated into U.S. attorney's offices, that antiracketeering units will be set up in the rest of the prosecutors' offices and that responsibility for the campaign against organized crime will be shifted from the Deputy Attorney General to the Justice Department's Criminal Division and its Organized Crime and Racketeering Section.

MEANING OF THE SHIFT

In some quarters, the announced shift was viewed with alarm. Was the publicized antiracket campaign petering out as so many similar campaigns have folded? Would the special group's work be halted just as it was beginning to promise results? Would the pin-pointed attack on the racketeers be blunted in the mass of land, tax, civil, and routine criminal cases handled by the U.S. attorneys?

The questions were put to Assistant Attorney General Malcolm R. Wilkey, a veteran prosecutor himself and recently named chief of the Criminal Division. His answers are not likely to comfort the racketeers whose illegitimate empires are threatened.

Instead of 18 attorneys specializing in racket prosecutions, the number will be expanded to many times 18 devoting full time to organized crime.

The special group branch offices chiefs will keep their titles as special assistants to the Attorney General and function as arms of the Justice Department. While, administratively, the special group personnel will

be under the U.S. attorney in each of the four cities where they now operate, they will become the racket section of the prosecutor's office and, as such, will be under the operational control of the Justice Department Criminal Division and its Organized Crime and Racketeering Section. In several offices, the racket sections will get increased staff.

The Organized Crime and Racketeering Section, meanwhile, will be relieved of routine chores and will be strengthened by the addition of several experienced trial attorneys.

RACKET SECTIONS SET UP

In the other prosecutors' offices throughout the country, each U.S. attorney is under orders to name one of his assistants as head of his rackets section. The assistant will have the same status as the heads of other sections of the prosecutor's office.

Mr. Wilkey visualizes the work of the rackets section chiefs this way:

Just as the special group accumulated information on the 100 top racketeers nationally, the racket-section chiefs and the U.S. attorneys they work for will tap the sources closer to home. From FBI, narcotics, Internal Revenue and customs agents, as well as local police, they will compile their own lists of racketeers. A man known to the FBI as a white-slave trafficker may be tagged by narcotics agents as a heroin importer or to Internal Revenue as a numbers king or to customs as a smuggler.

The prosecutor will then sift the combined information in search of the one slip, the one provable law violation in a hitherto unpunished career of lawlessness.

The list of racketeers will become familiar to the prosecutor's entire staff. If a narcotics "pusher" or numbers "runners" up for prosecution in the regular criminal section of the office, should drop a name on the list of racketeers, the chief of the rackets section will be alerted immediately to pursue the lead.

How can prosecutors unfamiliar with organized crime be turned overnight into racket busters?

A PROSECUTION HANDBOOK

Each U.S. attorney has been given a Handbook for Prosecution of Racketeers. Specified in the handbook are the 10 statutes considered the most effective in harassing the racketeers. The detailed analysis of these laws show how they can be applied, what cases have been decided under them, how convictions were won or lost and what facts are necessary to build an effective case. The pitfalls and advantages of the laws granting immunity to witnesses are explored and a flock of decisions are summarized for ready reference.

The Justice Department wants to awaken the prosecutors to all the possible tools to pry the racketeers out of their safe berths. Prosecutors know the tax, gambling, and narcotics laws, but the Justice Department wants to make them more conscious of the application of these laws to the previously untouched racketeers. The Justice Department also wants them to realize the effectiveness of a prosecution weapon which previously has been handled only in Washington—antitrust actions.

Since the racketeers are primarily big businessmen, in both legitimate and illegitimate business, they may well be violating the antitrust laws. This New York indictment is cited as a case in point:

LABOR AGREEMENT

An association of manufacturers had an agreement with a union to supply its labor force but a man on the outside seemed to be in a position of control. He could keep employees on the job or pull them off. He could make life hard or easy for the manufacturers. At first look, he didn't seem to be getting any income from his efforts. Investigation revealed, however, that he owned a trucking line which had expanded to 10 times its original size in just a few years. Through his control of the labor supply, he was forcing manufacturers to ship by his truckline. He was indicted along with the association and the union on charges of suppressing competition.

To encourage the prosecutors in their new assignment, the Justice Department has also distributed a summary of successful Federal racket prosecutions from 1953 to 1959, subtitled "What Has Been Done Demonstrates What Can Be Done."

Reporting 134 convictions of some of the big underworld names during these 6 years, the summary advises the prosecutors that the Department's intensified campaign against the racketeers "depends in the last analysis on the aggregate result of hundreds of battles and skirmishes in the field."

While the individual prosecutors seek the one vulnerable spot in their racketeer targets, the Justice Department is emphasizing two other weapons against the organized criminals—speedier justice and longer sentences.

Mr. Wilkey cited one instance where a big-time racketeer had been under indictment a year but hadn't been tried because of a crowded docket. Another judge has now been sent to the district to try him.

As for sentences, Mr. Wilkey said the Justice Department is advising its prosecutors to tell the judge—and the public—all about the men who have led lawless lives even if they never saw the inside of a jail. Where judges permit it, prosecutors have been told to recommend sentences—and make them long. Mr. Wilkey reported that in almost every recent case judges have thrown the book at the racketeers. He cited the case of 61-year-old Vito Genovese, the rackets king convicted of conspiracy in an international narcotics ring. Genovese drew a 15-year sentence and a $20,000 fine.

TO HARASS CRIMINALS

In urging prosecutors to seek the syndicates behind the small fry, Mr. Wilkey has told them:

"We intend, through continuous investigation and prosecution, to eradicate, eliminate, harass, and generally bedevil the overlords, underlords, underlings, and hirelings of organized crime.

"We have no illusion that we will wipe this out in 1 year or 5 years, or indeed that it can be wiped out completely at all.

"But it can be made very unprofitable. Any businessman—and these are in essence businessmen in organized criminal activity—must calculate the risk he runs compared to the profit he hopes to make. We do our best to raise the risk and at the same time eliminate the profit."

NOMINATION OF LEWIS STRAUSS TO BE SECRETARY OF COMMERCE

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a statement I have prepared as to why in the committee I voted against favorably reporting to the Senate the nomination of Mr. Lewis Strauss to be Secretary of Commerce.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR LANGER

The Senate is being asked to put a stamp of approval on the appointee, Mr. Lewis Strauss, who as head of the Atomic Energy Commission, participated in one of the most gigantic conspiracies ever conceived to wreck a masterpiece of American ingenuity; namely, the Tennessee Valley Authority (TVA), and its companion, REA.

Realizing the significance of this, should this man Strauss be rewarded? Let's look at what took place.

On October 15, 1952, at Memphis, Tenn., President Eisenhower was a candidate and he pledged himself wholeheartedly and without reservation to continuation of TVA, and again in a telegram on November 1, 3 days before the election, through the News-Sentinel at Knoxville, Tenn., he once more reiterated his approval of TVA when he stated: "TVA has served well both agricultural and industrial interests of this region. Rumors are being maliciously spread in TVA areas that I propose not only to decrease the efficiency of the operation but to abandon it, which is grossly untrue and utterly false. If I am elected President, TVA will be operated and maintained at maximum efficiency. I have a keen appreciation of what it has done and what it will continue to do in the future. Under the new administration TVA will continue to serve and promote the prosperity of this great section of the United States."

But, beginning in January 1953, the conspiracy proceeded to take roots and the men who desired to wreck TVA and REA decided to work through one Mr. Lewis Strauss, then head of the Atomic Energy Commission and overnight the propaganda went forth, that instead of TVA being an asset to the American people, it was a form of, as President Eisenhower put it in a speech in South Dakota—creeping socialism.

Only by exceptional watchfulness on the part of a few Senators was this conspiracy nipped in the bud, and I am appalled at the idea that this Senate may reward one of the chief conspirators by confirming him as Secretary of Commerce.

Now that the hearings on Mr. Lewis Strauss are concluded, I must express my surprise and disappointment that a man who seeks to become Secretary of Commerce has continued to thumb his nose at the American people as represented by two committees of the U.S. Senate.

Not only has Mr. Strauss refused to answer questions of a subcommittee of the Senate Judiciary Committee, of which I am a member and former chairman, but he has brazenly refused to answer similar questions propounded by the Senate Interstate and Foreign Commerce Committee.

I had been hoping that in seeking promotion to be Secretary of Commerce, Mr. Strauss would divest himself of the arrogance with which he refused to answer the courteous and constitutional questions asked him by the distinguished Senators KEFAUVER and O'MAHONEY regarding one of the biggest conflict of interest cases in American history—the Dixon-Yates deal. He has not done so.

I do not see how any Member of the U.S. Senate who respects its rights and responsibilities to the people can vote to confirm a man who treats their representatives in the Senate with such insulting disrespect. Certainly I shall not do so.

Surely no Senator who has read the Dixon-Yates hearings and knows of the vicious attempt of Lewis Strauss and his cohorts to wreck the Rural Electrification program (REA) can vote for Strauss' confirmation and then honestly face his REA constituents.

Here is a proposed member of the Cabinet who is so highhanded that he defiantly announces that he would spurn an official opinion by another member of the Cabinet, the Attorney General, to answer questions asked by the Congress.

To confirm Mr. Lewis Strauss under these circumstances would be the seal of approval of his own insolent and self-asserted right to ignore constitutional questions essential to the interest of good government, thereby sealing off from the American people through their representatives in the Senate authority to ask similar questions of other Cabinet officials in the future.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

Mr. JOHNSON of Texas. Mr. President, if there are no Senators who desire to address the Senate prior to the call of the calendar, and if morning business has been concluded, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. NEUBERGER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CALENDAR

The PRESIDING OFFICER. Under the order previously entered, the Senate will proceed with the call of the calendar for the consideration of measures to which there is no objection.

BILLS AND JOINT RESOLUTION PASSED OVER

The bill (S. 1075) to provide for the reimbursement of Meadow School District No. 29, Upham, N. Dak., for loss of revenue resulting from the acquisition of certain lands within such school district by the Department of the Interior was announced as first in order.

Mr. ENGLE. Mr. President, I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 91) to amend the act of September 1, 1954, in order to limit to cases involving the national security the prohibition on payment of annuities and retired pay to officers and employees of the United States, to clarify the application and operation of such act, and for other purposes was announced as next in order.

Mr. KEATING. Mr. President, I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H.R. 213) to provide additional time within which certain State agreements under section 218 of the Social Security Act may be modified to secure coverage for nonprofessional school district employees was announced as next in order.

Mr. ENGLE. Mr. President, by request I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H.R. 4601) to amend the act of September 1, 1954, in order to limit to cases involving the national security the prohibition on payment of annuities and retired pay to officers and employees of the United States, to clarify the application and operation of such act, and for other purposes, was announced as next in order.

Mr. KEATING. Mr. President, by request I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 690) to provide for the increased use of agricultural products for industrial purposes was announced as next in order.

Mr. ENGLE. Mr. President, I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

The joint resolution (H.J. Res. 254) to authorize participation by the United States in parliamentary conferences with Canada was announced as next in order.

Mr. ENGLE. Mr. President, by request I ask that the joint resolution be passed over.

The PRESIDING OFFICER. The joint resolution will be passed over.

REPRESENTATION OF INDIGENT DEFENDANTS IN CRIMINAL CASES

The Senate proceeded to consider the bill (S. 895) to provide for the representation of indigent defendants in criminal cases in the district courts of the United States.

Mr. JAVITS. Mr. President, I wish to be recognized in connection with the consideration of this bill.

The PRESIDING OFFICER. The Senator is recognized for 5 minutes.

Mr. JAVITS. Mr. President, the bill which is now under consideration by the Senate, S. 895, to provide for the representation of indigent defendants, is a historic step forward in implementing the rights guaranteed every accused person under the sixth amendment. It helps assure every individual adequate legal representation in criminal cases, where he is financially unable to secure his own counsel.

This bill is identical with S. 3275, which was passed by the Senate on July 15, 1958, but was not acted upon in the other body. I was proud to be the sponsor of that bill, together with Senators KEFAUVER and WILEY, the sponsors of the present legislation, and reintroduced in the present session, together with Senator KEFAUVER, a bill on this subject, S. 1079, identical with that originally proposed in the 85th Congress. The chief difference between these bills is that S. 1079 contained an additional provision, to make use of the very able and devoted talents of existing legal aid and defender groups and local bar associations, which have carried the burden of representing indigent defendants up to the present time. It would have provided grants for such groups in districts where the need for assistant public defenders or for counsel on a case-by-case basis is lessened by the services of such a group. These provisions had been recommended by the National Legal Aid and Defender Association, the American Bar Association, and by local legal aid and bar associations.

Since the bill reported by the Committee on the Judiciary did not contain such provisions, I contacted the interested bar groups for their views, meanwhile laying on the table proposed amendments to include such grants. The response of the associations was unanimous in the view that this bill represented such a major step forward that its enactment should not be delayed, even for the important additional provisions for grants, which they continue to recommend.

Since I am also of that opinion, I did not call up the amendments which have been lying on the table. However, as soon as this bill has become law, as I hope it soon will be, I intend to submit amending legislation to permit a new consideration of the provisions for grants to existing legal aid groups.

In addition, there has been some concern expressed by legal aid organizations regarding the provisions of this bill, that, when a defendant is unable to employ counsel, the court shall assign the public defender to act as counsel. Their concern is based on the fact that this mandatory provision may operate to exclude continued use of existing legal aid groups, even where the public defender is unable to carry the caseload or where conflicting interests exist among defendants in the same case. I feel that this was not the intent of the sponsor or of the committee—as a matter of fact, the sponsors Senators WILEY and KEFAUVER have indicated to me their willingness to accept a clarifying amendment on this point.

The first problem the bill presents, however—and this is the reason for my seeking recognition—is whether or not it will adequately cover the situation which occurs when legal aid societies or organizations help indigent defendants without cost.

A second problem arises when individual attorneys who may be associated with such legal aid societies or bar associations may be asked by a district court to act as counsel on a case-by-case basis.

It is a fact that I have on the desk amendments to the bill which would have made very clear the ability of the legal aid societies and bar association groups active in this field to operate. I ask that such amendments be printed in the RECORD at this point as a part of my remarks.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

On page 4, between lines 15 and 16, insert the following new subsection:

"(e) Upon the recommendation of the Judicial Conference of the United States, the Director of the Administrative Office of the United States Courts may make grants to legal aid societies, bar associations, or other similar groups providing free legal services to indigent defendants in criminal proceedings in United States district courts. Such grants shall be made in those districts where the need for the appointment of assistant public defenders or, in districts where counsel in particular cases is utilized in lieu of public defenders, the need for the appointment of such counsel is lessened by reason of the volume and quality of the legal services provided by such groups in behalf of indigent defendants in criminal proceedings. The aggregate amount of any such grants made annually in any judicial district shall not exceed $30,000."

On page 4, line 16, strike out the subsection designation "(e)", and insert in lieu thereof the subsection designation "(f)".

On page 4, line 22, immediately after the words "particular cases,", insert the words "and the amount of the grants,".

On page 5, line 1, strike out the subsection designation "(f)" and insert in lieu thereof the subsection designation "(g)".

On page 5, line 5, strike out the closing quotation marks immediately following the period.

On page 5, between lines 5 and 6, insert the following new subsection:

"(g) Nothing contained in this section shall be construed to impair the employment by any court of the United States of the services of any legal aid society, bar association, or other similar group in providing free legal services to indigent defendants in criminal proceedings."

Mr. JAVITS. However, after consulting with the many distinguished associations which are favorable to this proposed legislation, we have all come to the conclusion—in which I concur—that to endeavor to amend this bill would only result in delaying it—perhaps, indeed, it might result in blocking it.

I therefore have decided, with my distinguished colleague from Tennessee [Mr. KEFAUVER], to make a part of the legislative record the answer to two questions which will help us to go as far as we can go now. If the bill should become law, an effort may be made subsequently to amend it more precisely. For present purposes, the answers to these questions might be adequate. I invite the attention of my colleague from Tennessee to the following questions:

First. In the opinion of the Senator from Tennessee, would this bill preclude the use, without compensation, of attorneys from legal aid or defender organizations or bar associations, or other attorneys appointed by the courts to act for indigent defendants, where the interests of justice so demand, as is the case at present?

Mr. KEFAUVER. I am very happy to respond to the question of the Senator from New York. In making this response I wish to advise the Senate that I have gone into the matter very thoroughly with the staff of the Committee on the Judiciary, and with Mr. Olney and with Mr. Gasque of the administrative office of the Supreme Court.

In my opinion the bill would not preclude the use, without compensation, of attorneys from legal aid or defender organizations or bar associations, or other attorneys appointed by the courts to act for indigent defenders, where the interests of justice so demand. As a matter of fact, the office of the Supreme Court encourages the use of attorneys by this kind of appointment, and the bill would not preclude in any way their appointment for this purpose.

Mr. JAVITS. The next question is: In the Senator's opinion would this bill preclude the district court from appointing counsel on a case-by-case basis, where this is provided for, from among attorneys who are members or employees of existing legal aid and defender groups or similar organizations, or those which may be formed?

Mr. KEFAUVER. Mr. President, I have advised on this question also with the staff of the Judiciary Committee and with Mr. Olney and Mr. Gasque. The bill, in their opinion and in my opinion, would not preclude the district court from appointing counsel on a case-by-case basis where this is provided for, from among attorneys who are members or employees of legal aid and defender groups. So my response to the question is that definitely it would not.

Mr. JAVITS. I thank my colleague from Tennessee.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point letters addressed to me by the American Bar Association, the committee on legal aid of the Association of the Bar of the City of New York, the National Legal Aid and Defender Association, the chairman of the committee on Federal legislation of the Association of the Bar of the City of New York and the chairman of the special committee on legal aid in the Federal courts of the Federal Bar Association.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

AMERICAN BAR ASSOCIATION,
STANDING COMMITTEE ON
LEGAL AID WORK.
April 22, 1959.

Hon. JACOB K. JAVITS,
Senate Office Building,
Washington, D.C.

DEAR SENATOR JAVITS: This will acknowledge with thanks the receipt of your letter of April 13 addressed to the chairman of the committee on legal aid work of the American Bar Association. I have read with much interest your bill (S. 1079) "to provide for the representation of indigent defendants in criminal cases in the district courts of the United States."

This bill is along the lines of previously proposed legislation for the same purposes. The purposes themselves have been approved in principle by action of the house of delegates of the American Bar Association, and our committee in the past has gone on record as supporting similar legislation.

With regard to section (e) we favor the inclusion of such provisions in the legislation. However, we feel bound at the same time to state that if such a provision should prove an obstacle to the adoption of the remainder of the bill, we should not be opposed to eliminating section (e). In other words, we believe that the other provisions of the bill are important enough, and their adoption is so urgent, that it would be a mistake to have insistence on section (e) block the adoption of the remaining provisions of the bill.

As for the remuneration for public defenders, it would seem to us that the provisions of the bill as drawn are quite in order.

We appreciate the opportunity of expressing our views, and trust you will be successful in obtaining adoption of your bill.

With best wishes, I am,
Respectfully yours,
RICHARD BENTLEY,
Chairman.

ASSOCIATION OF THE BAR
OF THE CITY OF NEW YORK,
COMMITTEE ON LEGAL AID,
New York, N.Y., May 8, 1959.

Hon. JACOB K. JAVITS,
Senate Office Building,
Washington, D.C.

DEAR SENATOR JAVITS: As chairman of the committee on legal aid of the Association of the Bar of the City of New York, I am responding to your letter of April 13, 1959, in which you ask for our committee's views on your bill, S. 1079, relating to the establishment of a public defender system in the Federal courts.

Since the time of the receipt of your letter, my committee has also learned of the favorable report of the Senate Committee on the Judiciary in support of Senator WILEY's bill, S. 895. We are also advised of your intention to propose amendments to S. 895 when the latter bill is called up on the floor of the Senate.

Let me say at the outset that my committee believes that the passage by the Congress of S. 895 would be a tremendous forward step in dealing with the problem of providing representation for indigent defendants. Our committee has, for some time, supported the need for public defender legislation and we believe that such legislation is long overdue.

However, we enthusiastically support and applaud the features of your S. 1079 which are lacking in S. 895. We particularly support your efforts to have the law provide that the Federal courts may utilize the services of existing legal aid societies, bar associations, and others providing competent free legal services to indigent defendants. Your proposal that grants up to $30,000 per district might be made to such organizations, has our strong endorsement and we believe that in districts such as the southern district of New York, such a provision in the law might well produce a genuine economy.

We also believe that your proposal for payment of up to $16,000 a year as compensation for the public defender and your proposal that assigned counsel might be paid up to $100 a day, are far more realistic in a city such as New York, than the provisions of S. 895 which contain ceilings of $10,000 per year and $35 a day, respectively. Costs being what they are in this city, there are few lawyers who can pay for the necessary secretarial help and pay for their office rent and overhead and have anything at all left for themselves when compensation is limited to $35 per day. However, we are obliged to say that even the figure contained in S. 895 is $35 greater than what is being paid today to lawyers in this city who are assigned to represent indigent defendants in those Federal cases where our local legal aid society cannot act.

In the views which I have expressed above, the members of our committee are unanimous. Some members of our committee suggested that there were several areas in which both S. 895 and your S. 1079 could be improved in order to provide more ideal arrangements for the establishment of a Federal public defender system. However, the committee, as a whole, felt that the current proposals for creation of a public defender system were such a great step forward in and of themselves, that the suggestion of possible improvements might best be deferred until after the Congress has accepted and approved the public defender principle.

I am taking the liberty of sending a copy of this letter to Representative CELLER, so that the Committee on the Judiciary of the House of Representatives may have the benefit of our views in considering companion legislation now pending in the House.

Very truly yours,
J. KENNETH CAMPBELL,
Chairman.

NATIONAL LEGAL AID
AND DEFENDER ASSOCIATION,
Chicago, Ill., May 5, 1959.

Hon. JACOB K. JAVITS,
U.S. Senate, Senate Office Building,
Washington, D.C.

DEAR SENATOR JAVITS: Thank you for sending us a copy of your proposed bill, S. 1079, to provide legal assistance for indigent persons accused of crime in the Federal courts. As you know, the American Bar Association and our association have for many years favored the enactment of public defender legislation for the Federal courts. In those districts where local opinion favors the use of private organizations, such as legal aid societies, voluntary defender associations or bar association committees, it has been our view that such alternative sources of help should be utilized. Therefore, as I believe I

wrote you about a year ago, it appeared to us that the legislation you then proposed (and which is now numbered S. 1079) was well drawn and should be approved.

I am confident that our association continues to favor the inclusion of optional provisions such as are contained in section (E) of S. 1079. At the same time I must tell you that a number of persons have expressed the view that insistence upon these optional provisions may prevent the enactment of any public defender legislation. If this be true, then I believe we would take the position that it would be better to have the legislation without the optional privileges than not to have it at all. If legislation omitting the optional privileges should be enacted, we would hope that amendments would later be made which would include optional privileges along the lines you have proposed.

With best wishes.

Sincerely yours,

ORISON S. MARDEN,
President.

HUGHES, HUBBARD, BLAIR & REED,
New York, N.Y., May 19, 1959.

Hon. JACOB K. JAVITS,
Senate Office Building,
Washington, D.C.

DEAR SENATOR JAVITS: I am writing as chairman of the committee on Federal legislation of the association in response to your request for an expression of our committee's views on Senator Wiley's S. 895 and your S. 1097 to provide representation to indigent defendants in Federal criminal cases. We are advised that the Senate Committee on the Judiciary has favorably reported on S. 895, and that it will shortly be presented on the Senate floor. We are further advised that Congressman CELLER has introduced an identical bill in the House (H.R. 4185) and that hearings have already been held on that bill by a subcommittee of the House Committee on the Judiciary.

The chairman of the committee on legal aid of our bar association has already written you, under date of May 8, 1959, expressing the unanimous view of that committee that both S. 895 and S. 1079 represent a great step forward in what must necessarily be a continuing effort to improve representation for indigent defendants in the Federal courts. Our committee is unanimously in accord with that view. Although we have reservations concerning some features common to both S. 895 and S. 1079, it was felt that practical revisions might better await acceptance of the principles embodied in both bills and a period of experience under whatever legislation is passed.

We do, however, wish to express our support for features of your S. 1079 which are not found in S. 895. We believe that the provision in paragraph (b) of your bill for a maximum salary of $16,000 for public defenders is more realistic than the $10,000 maximum contained in S. 895; we consider the maximum of $100 per diem allowance to assigned counsel in particular cases contained in paragraph (c) of your bill to be both fairer and more realistic than the $35 maximum contained in S. 895.

We understand that you intend, on the Senate floor, to confirm that S. 895 will not prevent district courts from appointing lawyers from established legal aid societies and similar organizations as assigned counsel in particular cases in order to supplement, where necessary, the work of public defenders in jurisdictions where public defenders are appointed. Since we are proud of the work done in this field by the legal aid society in this city, we particularly support your effort to insure that the district courts will not be deprived of the right to continue to avail themselves of the services of such groups. We understand that S. 895 is not intended to have any such result.

Our committee likewise fully supports your proposal that, upon recommendation of the Judicial Conference, the Director of the Administrative Office of the U.S. Courts may make grants to legal aid societies, where such groups may make the work of public defenders and assigned counsel more effective and more economical.

We are taking the liberty of sending a copy of this letter to Senator WILEY and to Congressman CELLER, so that they, too, may have before them the views of our committee.

Very truly yours,

RICHARD W. HOGUE, Jr.,
Chairman, Committee on Federal Legislation.

HEFFNER, BLOCK & BLOCK,
New York, N.Y., May 6, 1959.

Hon. JACOB K. JAVITS,
U.S. Senate, Senate Office Building,
Washington, D.C.

DEAR SENATOR JAVITS: Senate bill 1079, which I understand has been introduced by Senator KEFAUVER and yourself, has just come to my attention and I am writing to you in my capacity as chairman of the special committee on legal aid in the Federal courts of the Federal Bar Association, an organization composed of past and present Government lawyers, in support of the measure.

I was appointed to head this committee in September of 1957 by Hon. Paul W. Williams, who at that time was U.S. attorney for the southern district of New York and president of the Empire State chapter of the Federal Bar Association. Mr. Williams, in creating the committee, did so in the hope of being able to resolve the problem created by the fact that the judges in the U.S. District Court for the Southern District of New York had been unable to obtain counsel for indigent defendants principally in multidefendant cases. In such cases, the Legal Aid Society which regularly serves the court generally finds itself disqualified to act because of the conflict of interest arising from its representation of another defendant in the case.

I was able to form a panel of lawyers willing to take assignments without compensation. However, after 2 years' experience with the task of supplying counsel, I can assure you most emphatically that reliance on the ability of busy practitioners to volunteer their service is not satisfactory. I was wholly unsuccessful in providing counsel in cases involving lengthy trials. It is precisely, however, in such cases where the need for counsel is greatest. The defendant without counsel suffers because he is unrepresented at important preliminary phases and his codefendants suffer through being deprived of their right to a speedy trial.

The solution envisaged by U.S. Senate bill 1079, in my opinion, is sound from every point of view. The proposed maximum figures for the salary of the public defender and the fees for assigned counsel are more realistic than the pay scales fixed in the Senate bill 895, sponsored by Senator WILEY. From my experience, as an assistant U.S. attorney in the southern district of New York over a number of years and as a lawyer in private practice, I feel that the lower pay scales fixed in the Wiley bill will work to the detriment of the rights of defendants. Competent counsel, which it is the right of every defendant to have, cannot, in my opinion, be induced to undertake the difficult and testing task of representing defendants under the scales fixed in the Wiley bill. The same difficulties that arise now will obtain in connection with that grossly inadequate scale. Your bill, in my judgment, will go a long way toward alleviating the present difficult situation.

I am taking the liberty of sending a copy of this letter to Judge Walsh of the Department of Justice.

Sincerely,

FREDERICK H. BLOCK.

Mr. KEFAUVER. Mr. President, this is a very important bill. It is identical with the one which was passed by the Senate during the last session. I hope it will be enacted, because it is greatly needed, and its enactment is urgently requested by the administrative office of the Supreme Court and by the Judicial Conference.

I wish also to say that the distinguished Senator from New York [Mr. JAVITS] deserves a great deal of credit for the progress the bill has made. Both as a Member of the House and as a Member of the Senate he has for a long time strenuously advocated legislation of this kind. He was the principal sponsor before the Committee on the Judiciary of a measure similar to this bill but the bill of the Senator from Wisconsin [Mr. WILEY] was reported. I wished to call attention to the important part the Senator from New York has played in the sponsorship of this proposed legislation.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. JAVITS. I merely wish to express my gratitude for the work which has produced the bill under the leadership of the Senator from Tennessee [Mr. KEFAUVER] and his colleagues on the Committee on the Judiciary, and to state my personal appreciation for his great help.

The PRESIDING OFFICER. The time of the Senator from Tennessee has expired.

The bill is open to amendment. If no amendment is to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title 18 of the United States Code, section 3006, is hereby amended to read as follows:

"§ 3006. Public defenders; representation of indigent defendants

"(a) Each United States district court may appoint a public defender at each place where terms of court are held. Whenever a district court is satisfied that the number of cases assigned to a public defender is greater than can be conveniently conducted by him, it may appoint one or more assistant public defenders. The public defender with the approval of the court may appoint necessary clerks as approved by the Director of the Administrative Office of the United States Courts. Public defenders or assistant public defenders may be full-time or part-time officers as the volume of work in the judgment of the court requires.

"Whenever a court in which there is a public defender is satisfied that a person charged with a felony or misdemeanor, other than a petty offense, as defined by section 1 of this title, is unable to employ counsel, it shall assign the public defender to act as counsel. Where there are indigent defendants with such conflicting interests that they cannot all be properly represented by the same counsel, the court may appoint counsel separate from the public defender for one or more of them and provide for the compensation and reimbursement of expenses of such counsel in the same manner as is provided for counsel appointed under subsection (c) of this section. The public defender shall act as counsel for each defend-

ant to whom he is assigned at every stage of the prosecution, unless after the assignment the court is satisfied that the defendant is able to employ other counsel. Each district court may adopt appropriate rules governing the conduct of public defenders subject to general regulations on the subject, which may be adopted by the Judicial Conference of the United States.

"(b) Each public defender and assistant public defender shall be paid a salary based upon the service to be performed, not exceeding $10,000 per annum, to be fixed by the Judicial Conference of the United States. He shall also be reimbursed for expenses necessarily incurred by him in the performance of his duties when approved by the district court.

"(c) If a district court in a district not having a city of more than five hundred thousand population considers that the representation of indigent defendants in criminal cases can be provided for more economically by the appointment of counsel than by the appointment of a public defender, and no public defender is appointed; or

"If a district court in a district having a city of over five hundred thousand population so considers, the judicial council of the circuit approves, and no public defender is appointed; the court may appoint counsel for indigent defendants in particular cases. Counsel so appointed may be compensated in amounts determined by the court upon the conclusion of the service, at a rate not in excess of $35 a day for time necessarily and properly expended in preparation and trial of the case, and may be reimbursed for expenses reasonably incurred in the representation and approved by the court. The aggregate amount expended for compensation and reimbursement of such counsel in any district may not exceed $5,000 in any fiscal year.

"(d) A public defender or counsel appointed by the court who represents an indigent defendant in a criminal case in the district court shall also represent him in appeal proceedings if either the district court or the court having jurisdiction of the appeal considers that there is reasonable ground for appeal and so directs. Services of the nature specified in this subsection rendered by a public defender are part of his duties and shall be performed without other compensation than his salary. Counsel appointed in the particular case may be compensated for such services in the measure specified in subsection (c) for such counsel and be reimbursed for their expenses. Sums so paid for compensation and expenses of services on appeal are included in the maximum limit of $5,000 in any fiscal year imposed by subsection (c) in the respective districts from which the appeals are taken.

"(e) There are authorized to be appropriated to the United States courts, out of any money in the Treasury not otherwise appropriated, sums necessary to carry out the provisions of this section. The salaries and expenses of public defenders and assistant public defenders and compensation and expenses of attorneys appointed by the courts to represent defendants in particular cases, above provided for, shall be paid out of appropriations available therefor under the supervision of the Director of the Administrative Office of the United States Courts.

"(f) The term 'United States district court' as used in this section shall include the District Court of the Virgin Islands, the District Court of Guam, and the district courts of the United States created by chapter 5 of title 28, United States Code."

SEC. 2. The analysis of chapter 201 of title 18, United States Code, is amended by striking out item 3006 and inserting in its place the following item:

"3006. Public defenders; representation of indigent defendants."

Mr. HRUSKA subsequently said: Mr. President, earlier in the day Calendar No. 220, Senate bill 895, was passed by the Senate. I ask unanimous consent to have printed in the RECORD following the passage of the bill a statement which I have prepared concerning the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HRUSKA

Mr. President, the inequities of the present system of providing representation for indigent defendants in our Federal courts have long been recognized.

No provision is now made to compensate attorneys assigned to represent the indigent. Perhaps even worse, the ordinary expenses that might be incurred in such a defense are not even reimbursed. And while counsel who is chosen may be an acknowledged leader at the bar, more frequently than not it falls to the lot of the younger, less experienced, members to handle such cases.

As a practical matter, therefore, the quality of justice often suffers in the cases of those who cannot afford to hire competent counsel. The problem, furthermore, has grown to such proportions in recent years as to require prompt, effective action on the part of Congress.

S. 895 will furnish the means to correct this deplorable situation. The option of using either a public defender system or the compensated assigned counsel system, which it provides, takes into account the variations in requirements of our Federal courts. Its flexibility of application is vital in this much-needed administrative venture. Likewise, the relative simplicity of its provisions gives the courts the required latitude in applying it to their particular needs.

The bill in its present form, Mr. President, has been approved by the Judicial Conference of the United States and the Department of Justice; it has received the support of many law societies and members of the legal profession; and it was twice approved by the Judiciary Committee and once passed by the Senate.

S. 895 may not, in this form, fulfill all the ambitions or realize all the desires of a public defender system. Experience will reveal through its actual application what additional provisions, if any, are necessary. But to the end that it safeguards and promotes the rights established under the sixth amendment to the Constitution, this bill deserves the unanimous support of the Senate.

REPRINTING OF HOUSE DOCUMENT NO. 451, 84TH CONGRESS

The concurrent resolution (H. Con. Res. 95) authorizing the reprinting of House Document No. 451 of the 84th Congress was considered and agreed to.

PARTICIPATION IN STRASBOURG CONFERENCE

The concurrent resolution (S. Con. Res. 23) authorizing participation in the Strasbourg Conference was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That, in response to an invitation received from the President of the Consultative Assembly of the Council of Europe, not to exceed fourteen Members of Congress shall be appointed to meet jointly with representatives of the Consultative Assembly of the Council of Europe at a Second Strasbourg Conference, to be held at a time when the United States Congress is not in session.

SEC. 2. Of the Members of the Congress to be appointed for the purposes of this resolution, the President of the Senate shall appoint seven Members of the Senate, including the chairman of the Senate group, and the Speaker of the House of Representatives shall appoint seven Members of the House of Representatives, including the chairman of the House group. Not more than four of the appointees from each House shall be of the same political party.

SEC. 3. The expenses incurred by Members of the Senate, Members of the House, and staff members designated by the respective chairman for the purpose of carrying out this concurrent resolution shall not exceed $15,000 for each House and shall be paid from the contingent fund of the House of which they are Members. Payments shall be made upon the submission of vouchers approved by the chairman of the respective Senate or House group.

STUDY OF THE FEDERAL JUDICIAL SYSTEM

The resolution (S. Res. 91) authorizing a study of the Federal judicial system was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. ENGLE. Mr. President, I ask that the resolution go over, by request.

The PRESIDING OFFICER. Objection is heard to the consideration of the resolution. It will be passed over and remain on the calendar.

REFORM OF SENATE RULES AFFECTING APPOINTMENT OF CONFEREES

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article by Robert C. Albright, which appeared in the Washington Post on May 12, and an editorial from the same newspaper of May 15, discussing the resolution (S. Res. 118), recently submitted by the senior Senator from Pennsylvania [Mr. CLARK] on behalf of himself and several colleagues, including myself, which proposes that a majority of the Senate conferees shall reflect the prevailing opinion of the Senate on any bill in conference.

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

[From Washington Post and Times Herald, Tuesday, May 12, 1959]

LIBERALS SEEK ANOTHER REFORM IN SENATE RULES

(By Robert C. Albright)

A new and what could be a significant move to change the Senate rules is picking up strength from a nucleus of liberal-bloc supporters.

Unlike the rules-reform storm that blew in with the new Congress, the latest revision sentiment has nothing to do with limiting Senate debate. Its relation to the time-honored seniority system, as such, is equally remote.

It is aimed, instead, at another and less publicized area, the composition of the

House-Senate Conference Committees, which have the tremendously important function of ironing out differences in conflicting bills passed by the Senate and House.

CLEARCUT PROVISION

In a word, it would write into the Senate rules, a clearcut provision that a majority of those named to a Senate Conference Committee on any particular bill must have indicated by their votes, their concurrence in the Senate's prevailing opinion of the bill.

For as long as anybody can remember, this principle has been acknowledged by the Senate but only as a principle. It is stated in Cleaves' Manual, which is part of the Senate Manual, as follows: "Of course the majority party and the prevailing opinion have a majority of the (conference) managers." But it is not actually a part of Senate rules and it is not always enforced in practice.

As late as March 25—and this is the instance that inspired the latest revision move—four of the five Senators assigned to the House-Senate conference on the temporary unemployment compensation bill had voted against a Senate substitute amendment the Senate had adopted by a vote of 52 to 32. Despite that vote the Senate conferees receded in conference, and the substitute was dropped.

WHAT IT MEANS

Under the proposed amendment to the rules, a majority of the Senate conferees in the future would be required to be chosen from those who have indicated their sympathy with the bill as passed. If it was clear that they did not reflect the Senate majority will, their appointment would be subject to a point of order.

A bipartisan group of four Senators last week announced their intention to seek this change in Senate rules, in letters to Senate colleagues. They were Senators JOSEPH S. CLARK, Democrat, of Pennsylvania, HUBERT H. HUMPHREY, Democrat, of Minnesota, JACOB K. JAVITS, Republican, of New York, and JOSEPH C. O'MAHONEY, Democrat, of Wyoming.

NO EASY MATTER

They announced that their resolution will be introduced in the Senate this week and invited other Senators to become cosponsors. Since that letter went out, 15 Senate colleagues mainly of the so-called liberal persuasion have asked to add their names to the resolution, bringing the total number of sponsors to 19.

It is no easy thing to change the Senate rules, as champions of reform in the past can sadly testify. It may well be, as some have suggested, that the current revision move has little chance. But the rules have been changed in the past after demonstrations of compelling need, and proponents of more representative conference committees now are setting out to make such a case.

They deny the proposed revision is aimed at Senate seniority, even though conference committees under present procedure usually are composed of committee seniors. They say the same custom generally can be followed, without violating the prevailing opinion rule.

Although nearly all of the sponsors are liberals they disavow any relation between the resolution and the recent attack on the Democratic leadership by Senator WILLIAM PROXMIRE, Democrat, of Wisconsin and a few other advanced liberals. A number of the liberal cosigners of the bill are stanch friends and admirers of Senate Majority Leader LYNDON B. JOHNSON, of Texas.

DECISIVE FACTOR

The attitude of the Democratic leadership (as yet unexpressed on this resolution), is bound to be a decisive factor to determining what happens to it. Theoretically it may be possible to change the rules without the leadership's blessing, but as demonstrated as late as last January in tempering the Senate's famed rule 22, it isn't very likely.

Proponents of more representative conference committees quote some distinguished precedents for their position, among them the late Senator George W. Norris, Republican, of Nebraska, Norris resigned from the conference on the Muscle Shoals bill in 1925 because he could not support the Senate version of the bill.

[From the Washington Post and Times Herald, May 15, 1959]

A HOUSE IS NOT A CONGRESS

Senators CLARK, HUMPHREY, JAVITS, and O'MAHONEY are certainly right in their contention that the members of a congressional conference committee ought to reflect the majority sentiment in each House on the legislation before the committee. If the House as well as the Senate would adopt the Senators' proposal and reform its rules to assure such representation, the conference committee could become a much more useful and constructive part of the legislative process.

The present move in the Senate to change the methods of selecting conference committee members is a result of the actions in March of the majority of the Senators assigned to a conference committee on the extension of temporary unemployment compensation benefits. Four of the five Senators on the committee had opposed a liberalizing amendment adopted 52–32 by the Senate and failed to insist on retention of the amendment in the conference committee.

The members of a conference committee are appointed by the Speaker and the presiding officer of the Senate. The committee is usually made up of the ranking Republican and Democratic members of the standing committees which originated the legislation as well as the authors of the bill. Although a conference committee is supposed only to compromise differences between Senate and House versions of the bill under its consideration, sometimes a committee will make substantial changes in the legislation.

The four Senators who are trying to change the procedure for choosing conference committee members would have the support of one of the greatest congressional reformers, Senator George W. Norris, of Nebraska, if he were still alive. To Senator Norris the conference committee constituted a dangerous third house of Congress. Mr. Norris championed the unicameral legislature which has been adopted only in Nebraska, in large part because it offered a sure way to eliminate the evils of the conference committee.

Like the House Rules Committee, a conference committee should be primarily a procedural device—not a policymaking body.

ISRAEL LENDING A WELCOME HAND

Mr. HUMPHREY. Mr. President, I invite the attention of the Senate to a most interesting article by Roscoe Drummond entitled "Israel Lending a Welcome Hand," which appeared in the Washington Post of May 17.

Mr. Drummond tells of the wonderful work Israel is doing in its program of economic aid and technical assistance to other countries.

Mr. President, I ask unanimous consent that this article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post and Times Herald, May 17, 1959]

ISRAEL LENDING A WELCOME HAND

(By Roscoe Drummond)

Numerous Asian and African nations are today turning to a new-found ally and benefactor. This is a development of the greatest significance which is just beginning to gather momentum. It is a development which the free world can view with satisfaction.

The new Afro-Asian ally is Western in outlook, Middle Eastern in geography. It is democratic, anti-Communist and, since it is neither a large nor powerful country, it is basically a neutral source of assistance which gives its recipients no appearance of choosing up sides in the cold war.

I am referring to the young but mature State of Israel, which was reborn only 11 years ago and which is now embarking upon a wide-ranging, diverse program of economic aid and technical assistance where it is most needed.

A nation which has been greatly helped by its own friends, Israel is now helping others—to the advantage of everybody.

Israel's expanding investment assistance and technical aid ranges from Ghana to Burma. Its scope is illustrated by the fact that trainees from Afro-Asian countries and territories are now studying Israeli agricultural settlements and cooperative enterprises.

The best example of the burgeoning economic relationship between Israel and the Afro-Asian nations is what Israel and Ghana are doing together. To begin to finance an expanding two-way trade, Israel has provided Ghana with a $20 million credit over a 4-year period.

Israel is substantially financing—but taking only 40 per cent of the stock—of Ghana's newly organized Black Star Shipping Line and is providing the technical training for Ghanaian personnel to man its merchant marine. It is also helping Ghana develop its building industry by providing the necessary beginning capital and by training Ghanaians in construction techniques.

In other fields of technical skills, Israel is providing training in agriculture, city planning, irrigation, water resources and in consumer and producer cooperatives.

A group of Burmese farmers is now living and working on Israeli cooperative farms and it is not to be overlooked that a Burmese Army contingent is learning how the Israelis defend their frontiers with citizen volunteers who simultaneously till the fields and guard the nation.

There is no spirit of pacifism in Israel and Israel is teaching none to its Asian and African friends. Israeli universities and institutes are taking exchange students from many countries, including some trainees from Thailand, India, and Japan.

Obviously, Israel is not doing all this out of sheer goodness of heart.

For Israel, it has large political as well as economic advantages. The biggest boon from this growing relationship of trust and good will is that it enables Israel to free itself from the physical and psychological isolation of Arab encirclement. Israel's expanding trade and her enlarged horizon of friends mean that she cannot be surrounded either politically or economically by a Nasser blockade.

Israel's new-found allies are also blunting Egypt's efforts to recruit Afro-Asian support in its own cold war against Israel. At the Accra conference of Independent African states a year ago, Ghana almost singlehanded turned back Egypt's effort to aline all Africa against Israel.

Egypt could get nothing but a harmless resolution calling for a "just" settlement of Arab-Israeli disputes.

Because Israel is a small, pioneer-spirited new country, deficient in many physical resources and rich in nearly all human resources, it is in an ideal position to help others. It seems to me that the friends of Israel in the United States might well look for ways to nourish and enlarge what Israel is doing so well in this field.

ADDRESS DELIVERED BY SENATOR HUMPHREY AT THE SECOND NATIONAL CONFERENCE ON WORLD HEALTH

Mr. HUMPHREY. Mr. President, on Friday night, May 8, it was my pleasure to deliver an address before a distinguished assembly of Americans interested in the World Health Organization.

I understand that more than 270 organizations were represented at the conference. The presence of their representatives constitutes a great testimonial to the interest of the American people in WHO, as well as in parallel bilateral and multilateral activity to serve human health throughout the globe.

I should like to commend the officers and board of the National Citizen's Committee for WHO, its executive secretary and all of the cooperating organizations.

INTERNATIONAL HEALTH YEAR

In my judgment, as I indicated that evening, they are called unto a high purpose, in view of the growing responsibilities of this great organization—WHO.

This is especially true in view of the approach of the International Public Health and Medical Research Year which we expect will commence in June of 1961 and about which my distinguished associate from Oregon [Mr. NEUBERGER] helpfully commented last week on the Senate floor. I should like to say that I have noted with pleasure news dispatches from the World Health Assembly in Geneva, concerning leadership by Surgeon General Leroy Burney in connection with plans for the International Health Year.

In the course of May 7–8 citizen's conference, a series of important panel meetings were held. Attention was given, for example, to the proposed vital National Institute for International Medical Research which would be authorized under Senate Joint Resolution 41. This is the joint resolution introduced by the distinguished senior Senator from Alabama [Mr. HILL] and by 60 other Senators including myself.

I know that the passage of this joint resolution is very close to the heart of all those attending this citizen's conference, just as it is of deep interest to all other health-minded individuals throughout our land.

IMPLEMENTING THE HEALTH YEAR

Another panel was devoted exclusively to the International Health Year. I know that the National Citizen's Committee will play an important role in connection with implementing plans for the year here in the United States.

I should like to see a U.S. Committee for the International Health Year established soon. It should be broadly representative of the great medical profession, of leading laymen, and of scientists in the life sciences, in public and private life. Toward that end, I am in contact with the National Science Foundation, the National Academy of Sciences, National Research Council, and leading professional organizations to which our Nation looks for leadership in connection with the year. I send to the desk now two items:

First. An outline of the program of the citizen's conference;

Second. The text of the address which I delivered.

I ask unanimous consent that these items be printed in the body of the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SECOND NATIONAL CONFERENCE ON WORLD HEALTH, SPONSORED BY NATIONAL CITIZENS COMMITTEE FOR THE WORLD HEALTH ORGANIZATION, MAY 7, 8, AND 9, 1959

PROGRAM

Thursday, May 17, 1959

Dr. Milton S. Eisenhower, Conference chairman.

10 a.m. to 2 p.m.: Registration.

During conference: Exhibits.

10 a.m. to 2 p.m.: Film showings; continuous showing of selected WHO and other films.

2:30 to 5 p.m.: Keynote session.

Greetings: Dr. Ernest L. Stebbins,[1] president, National Citizens Committee for the World Health Organization; director, School of Hygiene and Public Health, Johns Hopkins University.

Chairman: Dr. Milton S. Eisenhower, president, Johns Hopkins University.

Speakers: Hon. Andrew W. Cordier, Executive Assistant to the Secretary General of the United Nations.

Dr. Abraham Horwitz, Director, Pan American Sanitary Bureau, WHO Regional Office for the Americas.

Hon. Francis O. Wilcox, Assistant Secretary of State for International Organization Affairs.

Dr. Frank G. Boudreau,[1] president, Milbank Memorial Fund.

6 and 7 p.m.: First reception and dinner session.

Presiding: Dr. Milton S. Eisenhower, president, Johns Hopkins University.

Introducing: Members of the U.S. delegation to the 12th World Health Assembly (convening in Geneva on May 12, 1959); Dr. Leroy E. Burney[1] as chairman of the delegation.

Address: Hon. Arthur S. Flemming, Secretary of Health, Education, and Welfare.

Friday, May 8, 1859

9:30 a.m. to 12 noon: Panel session, World Health for World Peace.

Chairman: Dr. Howard A. Rusk,[1] associate editor, the New York Times; director, New York University-Bellevue Medical Center Institute of Physical Medicine and Rehabilitation.

Panel:

Mr. Leo Cherne, executive director, Research Institute of America; chairman of the board, International Rescue Committee.

[1] Member of policy commtitee, National Citizens for WHO.

Mr. John T. Connor, president, Merck & Co., Inc.

Hon. LISTER HILL, United States Senator from Alabama.

Hon. HUBERT H. HUMPHREY,[1] United States Senator from Minnesota.

Hon. WALTER H. JUDD, M.D.,[1] United States Representative from Minnesota.

Hon. RICHARD L. NEUBERGER, United States Senator from Oregon.

Dr. Thomas Parran,[1] president, the Avalon Foundation; past Surgeon-General of U.S. Public Health Service; past president, National Citizens Committee for WHO.

Mr. John J. Powers, Jr.,[1] president, Pfizer International, Inc.; senior vice president, Chas. Pfizer & Co., Inc.

Mr. P. C. Spencer, chairman of the board, Sinclair Oil Corp.

12:30 p.m.: First luncheon session.

Presiding: Dr. Leroy E. Burney,[1] Surgeon-General, U.S. Public Health Service; chairman of U.S. delegation to 12th World Health Assembly.

Address: Hon. WALTER H. JUDD, M.D.,[1] U.S. Representative from Minnesota.

2:30 to 5 p.m.: Alan Gregg memorial forum sessions.

Six forums running simultaneously in seminar style. Discussion leaders in each forum may enlarge on agenda suggested below and are responsible for preparing a report at the end of the afternoon for presentation in the reporting session at 10 a.m. Saturday forenoon. A stenographer will be on hand in each forum from 2:15 p.m. on and will transcribe her notes during the evening for delivery of the finished report to the designated discussion leaders at the close of the second dinner session that same evening.

Forum 1, Health and the American Image Abroad: How do we through health work add to this image? What is the experience in people-to-people programs? The side effects of international congresses in health and related problems. Factors in selecting and briefing personnel. Responsibilities and efforts of our educational systems in instilling cosmopolitan appreciation, judgment and command of languages.

Discussion leaders: Dr. Leonard W. Larson,[1] chairman; Dr. Peter D. Commanduras, Dr. Horace DeLien,[1] Mr. Frank L. Goffi, Mrs. Jeanne G. Singer.

Forum 2, An International Health Year: Defining concept and outlining potential activities within United States, for research and for health promotion.

(a) Worldwide taking stock of health status nation by nation (as we stand on threshold of space age).

(b) Focusing united intense effort on eradication of those diseases now within our power.

(c) Intensifying research effort and building new bridges of cooperation.

Do both research and promotion concepts fit equally well into the idea of a year? Should some agency or group other than WHO declare an International Health Year?

Discussion leaders: Dr. James E. Perkins,[1] chairman; Mr. Julius N. Cahn, Dr. Albert W. Dent,[1] Dr. James E. Hundley.

Forum 3, International Medical Research Cooperation: New plans and legislation. An international medical research institute. Is public health involved as well as medicine? Relationships to present international health agencies. Experiences and accomplishments as they indicate the potential role of the international agency in research.

Discussion leaders: Dr. Detlev W. Bronk,[1] chairman; Dr. James Shannon, Dr. Leonard A. Scheele,[1] Dr. R. Keith Cannan.

[1] Member of policy commtitee, National Citizens for WHO.

Forum 4, Health and Economic Development: Health in technical assistance programs and economic development, in financial and stabilization programs, in private economic development abroad. Potentialities and practical suggestions for use of local currencies available to United States abroad—Counterpart funds, etc. Industry's contribution to world health.

Discussion leaders: Mr. James P. Grant, chairman; Mr. Glen Leet, Mr. Philip E. Ryan,[1] Dr. Louis L. Williams.[1]

Forum 5, Training and Exchange Programs and Problems: Variety, scope, and volume of training and personnel exchange programs in world health work. Experiences with training abroad and by visiting experts. Training priorities. Selection of fields and skills. Training on installment plan. Infield training. Quality of personnel reservoirs. Experiences of private foundations and industry in training.

Discussion leaders: Dr. Ira V. Hiscock,[1] chairman; Dr. Irvin H. Breslow, Dr. Eugene P. Campbell, Dr. Howard M. Kline, Dr. Irvin Lourie.

Forum 6, Health and Population Dynamics: World health objectives and priorities. Their effects on population well-being, on educational capacities and coverage, on work quality and year-round production. Actual experiences with changing population and changing production available to consumer.

Discussion leaders: Dr. M. C. Balfour, chairman; Dr. Harold F. Dorn, Dr. John A. Gordon, Dr. Clyde V. Kiser, Prof. Frank Lorimer, Dr. Irene B. Taeuber, Dr. Charles L. Williams, Jr.[1]

6 and 7 p.m.: Second reception and dinner session.

Presiding: Dr. Thomas Parran,[1] president, The Avalon Foundation.

Address: Mr. Leo Cherne, executive director, Research Institute of America; chairman of the board, International Rescue Committee; vice president, Freedom House.

Address: Hon. HUBERT H. HUMPHREY, U.S. Senator from Minnesota.

Saturday, May 9, 1959

10 a.m. to 12 noon: Reporting session.

Presiding: Dr. James E. Perkins,[1] managing director, National Tuberculosis Association.

Reports and recommendations from each of the Alan Gregg Memorial Forum sessions held the preceding afternoon will be presented and revised by the conference for the final proceedings.

12:30 p.m.: Policy luncheon session.

Chairman: Dr. Ernest L. Stebbins,[1] president, National Citizens Committee for WHO.

Address: Mr. Clark M. Eichelberger,[1] executive director, American Association for the United Nations.

Mr. Eichelberger as one of the founders of the National Citizens Committee will review committee progress to date and lead into discussion by the audience and recommendations for future activities of the National Citizens Committee and services to sponsoring and participating organizations and their State and local affiliates—informational material, speakers, exhibits, assistance in organizing sessions on world health for regional and annual meetings.

DIRECTORY OF FORUM DISCUSSION LEADERS

Balfour, The Population Council (New York).

Breslow, chairman for international students, University of Pennsylvania School of Medicine.

Bronk, president, the Rockefeller Institute.

Cahn, project director, U.S. Senate Committee on Government Operations.

Campbell, Chief, Public Health Division, International Cooperation Administration, U.S. Department of State.

Cannan, Chairman, Division of Medical Sciences, National Academy of Sciences-National Research Council.

Commanduras, Secretary General, Medical International Cooperative (MEDICO).

DeLien, Chief, Division of International Health, Public Health Service, Department of Health, Education, and Welfare.

Dent, president, Dillard University; vice president, National Citizens Committee for WHO.

Dorn, Chief, Office of Biometrics, National Institutes of Health.

Goffio, deputy director, Cooperative for American Relief Everywhere (CARE).

Gordon, professor (emeritus) of epidemiology, Harvard School of Public Health.

Grant, Assistant Director for Planning, International Cooperation Administration.

Hiscock, chairman, Yale University Department of Public Health.

Hundley, Special Assistant for International Health, National Institutes of Health.

Kiser, technical staff (population), the Milbank Memorial Fund.

Kline, Chief, Educational and Training Branch, Division of International Health, Public Health Service, Department of Health, Education, and Welfare.

Larson, chairman, board of trustees, American Medical Association.

Leet, program director, Save the Children Federation.

Lorimer, professor of sociology, the American University.

Lourie, chief of fellowships branch, WHO Regional Office for the Americas.

Perkins, managing director, National Tuberculosis Association; treasurer and past president, National Citizens Committee for WHO.

Ryan, executive director, the National Health Council.

Scheele, president, the Warner-Chilcott Laboratories.

Shannon, Director, the National Institutes of Health.

Singer, associate director, World Affairs Center; editor of INTERCOM.

Taueber, office of population research, Princeton University.

Williams, C. L., Deputy Chief, Public Health Division, International Cooperation Administration.

Williams, L. L., consultant, Pan American Sanitary Bureau, WHO regional office.

NATIONAL CITIZENS COMMITTEE FOR THE WORLD HEALTH ORGANIZATIONS, INC.—OFFICERS

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Sponsoring and participating organizations (partial list): American Association for the United Nations; American Cyanamid Co.; American Dental Association; American Dietetic Association; American Heart Association; American Hospital Association; American Nurses' Association; American Public Health Association; American Social Hygiene Association; Association of Schools of Public Health; Association of State & Territorial Health Officers; Chas. Pfizer & Co., Inc.; Conference of Municipal Public Health Engineers; Hadassah; David Graham Hall Foundation; Maternity Center Association; National Association for Mental Health; The National Foundation; National Health Council; National League for Nursing; National Society for Crippled Children and Adults; National Tuberculosis Association; Planned Parenthood Federation of America; Shell Chemical Corp.; United Cerebral Palsy Association; U.S. Committee for UNICEF; Wallace & Tiernan, Inc.; Warner-Chilcott Laboratories.

Associated organizations (partial list): Altrusa Club of Essex County (N.J.); Altrusa Club of Springfield (Ohio); Tuberculosis Institute of Chicago and Cook County; Cleveland Health Museum; Borough of Cliffside Park (N.J.); Dutchess County Health Association (N.Y.); Easton Visiting Nurse Association (Pa.); Group Health Cooperative (Minn.); Kalamazoo City-Council Health Department; Kirby Health Center (Pa.); Middlesex Health Association (Mass.); Millbury Women's Guild (N.J.); Montgomery County Tuberculosis and Health Association (Pa.); Mount Vernon Chapter, AAUN; Central Nassau Medical Group (N.Y.); Nebraska Tuberculosis Association; New York League of Business and Professional Women; New York State Nurses Association District; Oak Park District Schools (Mich.); Ohio Tuberculosis and Health Association; Orange County Health Association (N.Y.); Oregon Tuberculosis and Health Association; Philadelphia Tuberculosis and Health Association; United Presbyterian Church; Rochester Tuberculosis and Health Association (N.Y.); San Francasco Chapter, AAUN; Scranton Visiting Nurse Association (Pa.); Syracuse Chapter, AAUN (N.Y.).

[1] Member of policy commtitee, National Citizens for WHO.

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SENATOR HUMPHREY URGES WHO COORDINATION OF RADIATION RESEARCH: ASKS FOR "TOTAL WAR AGAINST DISEASE"

It is a pleasure to appear before this dedicated assembly of citizens in public and private life, seeking to strengthen a great international body—the World Health Organization.

I am particularly happy to pay tribute to the fine American delegation which, commencing next Tuesday, will represent this Nation at the 12th World Health Assembly.

It is a pleasure to share this evening with my friend, the Chairman of the Board of the International Rescue Committee, Leo Cherne. His outstanding work on behalf of "Medico" symbolizes the enormous contributions made by voluntary organizations in our country toward overseas well-being.

CONTRAST OF TWO MEETINGS IN GENEVA

The scene in Geneva next week provides an historic commentary on two parallel developments of our time.

At Geneva, the Foreign Ministers of the Great Powers will meet to attempt solution of the thorny West Berlin crisis and other major East-West issues.

Simultaneously, in Geneva, East and West, instead of disputing, will be joining in this other Conference on World Health.

The contrast between the two meetings is clear.

In the political area, we see, by and large, controversy, suspicion and fear. In the health forum, we see large-scale agreement, faith and eager anticipation for tomorrow's achievements.

In world politics, we see discord; in world health; we see unity.

ANOTHER TYPE OF FALLOUT

I know that it is the hope of everyone in this audience tonight that the type of atmosphere which will be represented at the WHO meetings will be carried over, so to speak into the atmosphere of the Foreign Ministers Conference.

No one need be reminded that there is a physical fallout of dangerous particles in the air from explosion of weapons of fission and fusion.

But now, from these inspiring WHO meetings, let there be a spiritual fallout of the sentiments of harmony, of brotherhood, of determination to find agreement on problems affecting all mankind.

The world feels today concern over the possible effect of ionizing radiation. But there is another type of radiation that the world does not fear.

It is the powerful radiation of man's brotherhood to man. I refer to the radiating good of men and women reaching out across continents—through WHO, UNICEF, FAO, Church Missions, CARE, the Red Cross and other means, to heal the sick, rehabilitate the disabled, feed the hungry, clothe the naked.

NEED FOR COORDINATED RESEARCH ON FALLOUT

On the issue of radioactive fallout as such, I should just like to make a few observations at this point.

In my judgment, the World Health Organization has an unparalleled opportunity for leadership on the radiation problem. WHO is uniquely qualified to play a far larger role than at present in securing a scientific "meeting of the minds" as to the effects on present and future generations of radioactive fallout.

Right now the limited scientific evidence on fallout is a maze of controversy, of charge and countercharge.

There is a multiplicity of national and intergovernmental organizations at work on isolated aspects of the fallout problem.

Internationally there are for example: WHO, the International Atomic Energy Agency, the International Labor Organization (so far as occupational health problems are concerned), the United Nations Committee on the Effects of Radiation.

Here in the United States, among the considerable number of interested agencies, are: The National Committee on Radiation Protection and Measurements, the Department of State, the Atomic Energy Commission, the Department of Health, Education, and Welfare and its Public Health Service, together with its Food and Drug Administration; in addition to the U.S. Weather Bureau, the Department of Defense, the Department of Agriculure, the Coast and Geodetic Survey, the Bureau of Mines, the National Science Foundation, the Department of Interior, the National Bureau of Standards, the National Academy of Sciences, and others.

The sheer number of these agencies, each with its separate pool of technical information and interest, makes it essential that there be coordination on both the national and international scene.

It should not be assumed that no coordination exists at present. Actually, the various staff members of the Division of Biology and Medicine of the Atomic Energy Commission alone have membership on 43 interagency committees.

At thet technical level scientists are striving earnestly. What is needed is top policy coordination and still more intensified research into genetic, leukemia and other problems.

Moreover, there must be more coordinated interpretation as to the results of research.

We need an unadulterated atmosphere of search for scientific truth. This must be a search which does not bend the facts to suit some particular bias or preconceived idea, but rather a search which lets the facts fall as they may and which informs the public promptly and accurately.

Bold new biochemical discoveries are possible and indeed essential in the radiation field. We may find it possible to counteract the harmful effects of radiation in the human body.

Strontium 90, is a vast but not insoluble question mark. However, only coordinated research, preferably under WHO auspices can solve its riddles.

THE WORLD'S BURDEN OF DISEASE

But there are a vast range of other issues in which WHO is called to a high purpose.

The nature of that purpose is illustrated in a series of factual publications which are, as most of this audience is aware, being issued by the subcommittee of the Government Operations Committee of which I am privileged to be chairman.

Next week, this subcommittee will issue a committee print, exclusively devoted to the World Health Organization. This publication will be based on my own intensive study of WHO. It will commend WHO's great contributions to international health within the 11 short years since its creation.

Many in this audience may have noted one of our previous commitee reports, "The Status of World Health." This chart book shows the appalling worldwide incidence of disease confronting the family of man.

Among the figures cited in this chart book are the following: 250 million cases of malaria, 250 million cases of filariasis, 400 million cases of hookworm, 150 million cases of schistosomiasis, 400 million cases of trachoma and infectious conjunctivitis, 50 million cases of yaws.

The blight of these and other widespread and largely avoidable diseases is a disgrace to the 20th century.

It is a blot on the conscience of man.

It is a formidable barrier to a world of progress, peace, and plenty.

DISEASE OBSTACLES BAR WORLD PROGRESS

Far too often, the political leaders of the world, in their attempt to solve major problems have forgotten that in vast regions of the globe—in many areas of Africa, South Asia, the Middle East and, yes, Latin America—we are dealing with largely sick populations.

We cannot solve these area's social and economic problems, without solving their health problems. And we cannot solve their health problems without coming to grips with their socioeconomic problems.

Improving health in the emerging areas means that population will increase, often spectacularly. This means that food and industrial productivity, must simultaneously increase, lest the good effects of better health be cruelly wiped out by mass hunger and unemployment.

EXAMPLES OF HEALTH PROBLEM IN INDIA

Here in Washington, this past week the Committee for International Economic Growth held a very important conference on the subject of the future of one great country, India. It was my pleasure to participate in this conference.

I know, however, that everyone interested in that nation is well aware that disease and disability are part and parcel of the fundamental problems faced by India today.

In India, life expectancy is only 32 years on the average. This is the second lowest rate in the world. (This Northern Rhodesia, life expectancy at birth is still lower, 28.)

India is plagued with malnutrition. In India, 48 kilograms of animal protein are consumed per person, per year (milk, meat, fish). This is estimated to be the lowest rate in the world. (Compared this to the 384 kilograms per person in Norway the highest in the world.)

THE VICIOUS CYCLE

Malnutrition breeds disease, disease breeds poverty, poverty breed disease. Somehow the vicious cycle must be broken with vision, with boldness, and with determination and action.

The fact of the matter is that as great as achievements in world health have been in the past, they have not made more than a slight dent in the backlog of diseases which has accumulated over the centuries.

At the slow rate mankind is coming to grips with certain mass maladies, it will be at best, 10, 20, 30, or 50 years before whole populations will have been relieved of the burden of avoidable diseases.

CONSIGNING PRESENT GENERATION TO ILLNESS

The question is: What do we propose to do about it, starting now?

A halfhearted, half-baked answer will not suffice.

Tens of millions of innocent people are sick and hungry today—at this moment—in India and hundreds of millions elsewhere.

We cannot say to them, "Sorry, we can't help very much. But never mind, the world may be better for your children and your children's children."

We cannot consign the present generation to endless disease and disability. We cannot fold our hands in resignation and pretend that the problem is insoluble within present lifetimes.

The fact is, that simply, from an economic standpoint it is far costlier to the world to tolerate the existence of avoidable disease than it is to seek mass eradication of disease.

Our experience in combating malaria has proven that.

Mere malaria control is infinitely costlier over a long period of time than is an intensified effort absolutely to eradicate malaria.

But if we are to deal effectively with these problems, we must have a long-range program, and we must begin to put it into effect today.

NEED FOR LONG-RANGE PROGRAM

A doctor cannot be trained overnight. The world's acute medical shortage is so severe that nothing short of a bold 10-, 20-, or 30-year program will solve it.

And the same is true in the case of the shortages of other categories of crucial health manpower—nurses, dentists, pharmacists, sanitarians, and various medical auxiliaries.

SIX-POINT CONQUEST OF DISEASE PROGRAM

I have said that we need a program. Let me now suggest a half dozen elements in that program.

1. First and foremost, the 88 members of the World Health Organization should endeavor to break through to a higher level of contributions to that organization.

The overall World Health Organization 1959 budget represented total resources of only around $26 million.

That included $15 million for the regular budget, $6 million for the malaria eradication special account, and $5 million from the expanded program of technical assistance.

Everyone who has studied the financial problem is aware that, particularly in today's inflationary situation, $26 million is grossly insufficient to cope with the problems of world health.

I am well aware that many of the emerging nations are already strained to meet even their present assessed contributions. It seems to me, therefore, that those better endowed nations which have larger financial capacity, particularly the industrialized Western Powers, including the Soviet Union, have a special responsibility to help provide larger financial resources for the World Health Organization.

ONE MILLION DOLLAR AMENDMENT FOR ERADICATION SURVEY

2. Secondly, the program of mass eradication of selected diseases must proceed full speed ahead.

The present antimalaria program must be pursued to final success, particularly in Africa where only a small area has been covered to date.

But we must begin to lay plans for mass eradication of other diseases with which the world has lived far too long.

For that reason I am introducing new amendments to the Mutual Security Act of 1959, S. 1451, under which the United States would contribute to the World Health Organization a sum of $1 million for field trials, surveys, and demonstrations as to the technical feasibility of mass eradication of such diseases as tuberculosis, African trypanosomiasis, schistosomiasis, and other maladies. In that way, we will test whether cure and prevention of such diseases can be placed on an inexpensive, effective, and relatively permanent basis through mass application.

PUBLIC HEALTH SERVICE LEADERSHIP

3. A third essential point is to flash the green light for the U.S. Public Health Service to make available its technical know-how to the world on a more expanded basis than at present.

Toward that end, another amendment which I am introducing to the mutual security bill would, for the first time on the statute books of our Nation, makes unmistakably clear the right of, yes, the mandate to the Surgeon General of the U.S. Public Health Service to join further in the prevention and conquest of disease throughout the world.

The Surgeon General would, of course, exercise this function through the President of the United States and the basic organ of foreign policy, the Department of State.

And the Public Health Service would work in a manner which would complement, and in no way duplicate, the work of the International Cooperation Administration.

FINDING ANSWERS TO CANCER, HEART DISEASE

4. A further element in the program is to accelerate man's search for answers to the riddles of baffling disease which still exact a terrible toll throughout the world.

Most important among these diseases are, of course, cancer and heart disease.

During World War II, 1.9 million people died in the United States of the diseases of the heart and the circulatory system. That represented eight times the loss of life in the Armed Forces.

Cancer in turn killed over twice as many as lost their lives in that war.

When I was in the Soviet Union, I pointed out to Premier Nikita Krushchev on December 1, 1958, that last year a quarter of a million Americans died of cancer (which is one every 2 minutes) and a quarter of a million Russians died as well. I said, let us join hands—bilaterally and through WHO—in warring against cancer. Premier Krushchev agreed. WHO can, therefore play an indispensible part in coordinating East-West research toward the conquest of that dread disease.

Toward this end, too, still another amendment which I am introducing would make available $1 million for WHO research planning in the specific fields of cancer and cardiovascular ailments.

This would be the first such money, the only such money, which the United States has ever designated to the World Health Organization for specific application against these two most universal killers.

And, I might point out, this would supplement the $1 million which the executive branch already proposes for research planning across the board against a vast spectrum of literally dozens of diseases.

Still another element in this program is the passage of legislation which I regard as indispensible on the research front. This is Senate Joint Resolution 41 the "Health for Peace Act," introduced by Senator LISTER HILL and cosponsored by 58 other Senators, including myself. Under this bill, there will be established a National Institute for Medical Research with, we hope, an authorization of not less than $50 million per year.

This Institute would become the channel for research grants overseas, for the support of international medical organizations, exchange of medical information, and other essential purposes.

FULL EFFORT UNDER THE INTERNATIONAL HEALTH YEAR

5. You are all aware that at the Assembly opening next Tuesday, one of the very important items on the agenda is the International Public Health and Medical Research Year.

This Year, which could commence in June 1961, could witness the greatest effort against disease ever waged in the history of man. It could break through to higher levels of governmental and world-wide health activity.

As the sponsor of the Resolution under which the Senate unanimously approved the concept of such a Year, I feel that all possible resources should be mobilized for the success of the Year.

Of course, a 12 month or 18 month period would simply be a beginning. But it could mark a bolder beginning than men have heretofore visualized. And the important aspect is not merely what is begun that year, but rather what is sustained and broadened and expanded thereafter.

PASS FOOD FOR PEACE ACT

6. Finally, I suggest that we use one of the greatest assets in the world today, America's food, for the health of mankind.

Food saves lives, restores lives, enriches lives.

American food sold abroad generates counterpart currencies which can then be reloaned for a wide variety of constructive purposes, including higher industrial and agricultural productivity, better schools, better sanitation systems, better health.

This is why I have introduced the Food for Peace Act, and it is why I shall strive for its passage.

TOTAL WAR AGAINST DISEASE

These six points are but a few elements of an overall program. They add up to one key theme. Let us declare total war against disease. Let us declare a way in which all the world will fight on the same side.

Let us wage this war with the same dedication, the same spirit of self-sacrifice, if need be, the same spirit of doing the impossible, such as occurs in time of military conflict.

The enemy of disease is not simply present in Africa, South Asia, and the Middle East. The enemy is here in the whole world—the bacteria, the viruses, the accidents, which kill and cripple man.

Here, in the United States, there are an estimated 23 million partially or totally handicapped persons, including 14 million with diseases of the heart and arteries, another 14 million with some type of mental problem, 11 million with arthritis and rheumatism.

We Americans would not today think of tolerating such former foes as smallpox, typhoid fever, plague, or pellagra.

So, too, there is no reason why we should adopt an attitude of helplessness in the face of the other types of diseases I have mentioned which now scourge so many of our own and other people.

And so next week, as the statesmen of the great powers meet to remove causes which might otherwise perhaps, lead someday to World War III, let a different type of war be declared simultaneously by the World Health Organization.

Let it be a war against the only enemy mankind seeks—the enemy which limits him, deprives him of his birthright, cuts him down prematurely—disease and disability.

And, let this war be an integral part of an overall war against poverty and malnutrition, unemployment and hopelessness.

This overall war can be won for the first time in recorded history. Mankind can at last gain an upper hand in conquering the foes which have blighted him since he first appeared on this earth.

In winning the war against this enemy, we may help to win against world war III.

In developing vaccines against disease, we may develop a vaccine of peace.

EMPLOYMENT OF SIX ADDITIONAL LABORERS

The resolution (S. Res. 113) authorizing the Sergeant at Arms of the Senate to employ not to exceed six additional laborers was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

FIDEL CASTRO

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point an article entitled "Some Questions for Fidel Castro," appearing in George Todt's column published in the Valley Times, of

North Hollywood, Calif., on Monday, May 11, 1959.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SOME QUESTIONS FOR FIDEL CASTRO

("No one can disgrace us but ourselves."—J. G. Holland.)

Now that the Cuban dictator, Fidel Castro ("all things to all men"), has made off like a whirling dervish from whence he came—wooing and winning certain segments of our more liberal press with answers out of both sides of his beard—we may well ask ourselves if anything was left unsaid by that loquacious worthy in his recent public relations tour of Washington, D.C. and New York City?

As one who has long been suspicious of Fidel's questionable antics in more ways than one, perhaps it would be considered a bit more fair by my readers if I permitted someone else to ask the $64 questions here.

Accordingly, let me bring you the straight-from-the-shoulder queries of a great U.S. Congressman, Representative ALVIN E. O'KONSKI, Republican, of Wisconsin, member of the important House Committee on Armed Services—a forthright man of raw American courage who never fears to speak out in behalf of what he considers to be the truth—as he recently put to Congress some 14 questions which Castro did not answer while he was amongst us.

These, according to the admirable O'KONSKI, are pertinent questions the fellow-traveling dictator didn't quite get around to clarify:

1. You said that in case of war between the United States and Communist Russia, Cuba should remain neutral. Do you not think that such an attitude would work in Russia's favor?

2. The Communist newspaper "Hoy" is now being printed in Havana on presses that you confiscated from their legal owners. Is your government leasing these presses to the Communists, or did you sell them outright, or did you maybe give them to them?

3. Former President Figuero of Costa Rica, said in a speech in Cuba, that in the event of war, that Latin American countries should support the United States. Why did you disagree publicly with Figuero on this point?

4. People of the United States have always been friendly toward Cuba. The U.S. Government made absolutely no effort to intervene in your revolution. Why did you say you were ready to kill 200,000 gringos if the United States stepped in to protect American lives and property they own in Cuba?

5. You have said publicly that news agencies, newspapers, and magazines have lied about you and your government publicly. Would you be specific as to just who lied?

6. Is it true that unemployment has increased to an alarming degree since you took over the government in Cuba? Unemployment in private enterprise as well as government agency unemployment?

7. By the way, why did you recently suspend 2,500 school teachers?

8. When you attacked army barracks in Santa Ana and were captured and then sentenced to 15 years in prison, Batista—then the head of the Cuban Government—let you out in about a year and a half. Since you have become Premier of the provisional government of Cuba, why do you not follow the same policies? Or do you find it easier to shoot your prisoners? Is it probably cheaper?

9. You have been looked upon as a fighter in favor of a democracy, and antidictatorship man. Why, then, do you give orders to your courts—and even ask reversals of decisions from "not guilty" to the "death sentence?" Is that democracy?

10. In the famous trial of the 43 air force pilots which took place in Santiago, is it true that they were acquitted and that you showed your disapproval, and that therefore the attorneys were expelled from the courtroom and detailed, among them a lawyer who once defended you? Is it not a fact that as a result of your orders, a new tribunal was formed under the supervision of your brother, Raul, and that he took the position of the district attorney, as well as the defense minister, and that he then accused his lawyers of being Batista sympathizers?

11. Is it not also true that these acquitted persons were tried all over again and the majority of them sentenced to 30 years at hard labor?

12. During the dictatorship which you fought against, the Embassies in Havana had no trouble whatsoever in getting out of the country those persons who took refuge in them. Why is there such a great contrast between what went on under Batista and what goes on today, regarding the right of refuge and asylum?

13. You have said that the executions in Cuba would not exceed more than 400. Yet there are more than 500 already—and 5,000 are still awaiting trial. Do you think such blood baths and purges are becoming to a democratic government that professes love for humanity?

14. Is it not true that your mother, Mrs. Lina Ruz Castro—your own mother—has said that during the Batista government she not only had personal guarantee of safety, but that her home and family properties were also protected? Would this policy not be better than the one your government presently engages in?

These are questions for the record which Congressman O'KONSKI is asking of the Cuban dictator—and they are valid questions which ought to be asked.

What sort of answers, if any, will be forthcoming from Fidel Castro?

While, as fellow North Americans, the people of the United States have nothing except affection and friendship for the Cuban people, themselves—I think that Joe Doakes, U.S. taxpayer, ought to receive a flock of correct answers to some of the foregoing questions posed by Representative O'KONSKI before being asked to shell out to any questionable "democratic" regime, such as Castro's in Cuba.

How gullible are we "gringos" supposed to be, Comrade?

Shall we stand for morality over expediency here?

Should we extend Castro a helping hand until the day he comes to us with a clean hand instead of a glad hand?

THE NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

Mr. MORSE. Mr. President, I ask unanimous consent that there be printed in the RECORD at this point an editorial from the St. Louis Post-Dispatch entitled "The Senate Should Reject Strauss."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the St. Louis Post-Dispatch, May 7, 1959]

THE SENATE SHOULD REJECT STRAUSS

In the exercise of its constitutional function to confirm or reject the President's appointment of Cabinet officers, the Senate must act with great care. Its Members should not permit differences over policy to control their decision. On policy questions, a Cabinet officer does not speak for the Senate; he speaks for the President. The President is entitled to appoint persons of his own and not the Senate's choice. He is also entitled to a prompt decision on their confirmation.

A decision on Adm. Lewis Strauss as Secretary of Commerce has been delayed much too long. With every day of further delay, the Senate convicts itself of playing politics with this important appointment.

The confirmation power would be an empty ritual, however, if the Senate simply accepted Presidential appointments without applying its own conscientious judgment to them. If a Cabinet officer must have the confidence of the President, he must have the confidence of a majority of Senators as well. Though the majority cannot fairly demand that a nominee agree with its views, it can and should demand that he possess qualifications of character and a record which warrant consent to his nomination.

We believe the Senate should reject the nomination of Admiral Strauss. We base this belief not on his views, with which we have often disagreed, but on his record as Chairman of the Atomic Energy Commission. Three outstanding aspects of that record, in our opinion, disqualify Admiral Strauss for a vote of confidence by the Senate.

1. THE OPPENHEIMER CASE

One of Admiral Strauss' first acts, as AEC Chairman, was to become chief prosecutor and judge in the security investigation of a distinguished scientist, J. Robert Oppenheimer. We believe Dr. Oppenheimer was wronged, and that subsequent events have attested to his loyalty, integrity, and character. As Joseph and Stewart Alsop concluded from a detailed review of the case in 1954, Strauss' key charges represented a gross and flagrant distortion of the truth. His attack on Oppenheimer was both a craven surrender to and an unprincipled exploitation of the spirit of McCarthyism. We find quite plausible the conclusion of the Alsops that Strauss animus to Oppenheimer sprang from personal differences—that Strauss was guilty of venting the bitterness of old disputes through the security system of this country. Regardless of motive, however, the traits of character Strauss showed in the Oppenheimer case are not such as to warrant a vote of senatorial confidence.

2. THE DIXON-YATES CASE

Admiral Strauss was the principal architect of this abortive effort to cripple the Tennessee Valley Authority in partnership with a private utility syndicate. Thus, he used public office for the covert aid of private interests, and in doing so was far from candid with the public and the President. Strauss bears the responsibility for a doctored AEC record of the case which omitted the name of the key person in it, Adolphe H. Wenzell. Strauss misinformed and misled the President into defending for many months a contract which eventually had to be repudiated. He withheld terms of the contract from Congress and the public until this newspaper published it in full. He bludgeoned his fellow AEC Commissioners into accepting the contract against their better judgment. The traits of character he showed in the Dixon-Yates case are not such as to warrant a vote of senatorial confidence.

3. THE NUCLEAR INFORMATION CASE

Senator ANDERSON, of New Mexico, in his closely reasoned and well-documented testimony, demonstrates that Strauss repeatedly violated the law which requires the AEC to keep the joint congressional committee fully informed on atomic-energy developments. He shows that Strauss used devious publicity methods in his effort to discount the seriousness of radioactive fallout and to deceive the

public about a clean bomb. He proves that Strauss not only opposed the export of research isotopes to friendly countries, but has tried to mislead Senators as to what his position had been. From the beginning, Strauss gave the public and Congress a one-sided, inaccurate picture, which is only now being corrected, of the dangers of fallout from nuclear tests. The traits of character he showed in this controversy are not such as to warrant a vote of senatorial confidence.

Many Senators, like the Post-Dispatch, have disagreed with Admiral Strauss on such questions as the suspension of nuclear tests, the best ways to develop nuclear power, the degree of secrecy to be imposed on scientists. Their disagreement on these policies is not enough to warrant rejecting his nomination. But they must consider also the ways in which he sought to carry out his policies, the tactics with which he waged battle, the traits of character he revealed in action. We believe the record in that respect clearly argues against senatorial consent to his nomination.

THE RAILROAD RETIREMENT BILL

Mr. MORSE. Mr. President, as one who has frequently criticized the President of the United States because of courses of action which he so frequently takes which, in my opinion, are not in the public interest, I believe that in fairness I should highly commend him for his signing, yesterday, of the railroad retirement bill.

The Morse-Staggers railroad retirement bill, which passed both Houses by an overwhelming vote, is a bill in the interest not only of the railroad employees, but also of the general public.

I should like to have the President know that I believe he is to be highly commended for signing that bill. I wish to express my appreciation to all members of my committee, particularly to the Senator from Kentucky [Mr. COOPER], on the Republican side, for the good work they did in behalf of the Morse-Staggers bill when it was before the Senate. I want the Republican members of my subcommittee and the Republican members of the full Committee on Labor and Public Welfare to know that I fully appreciate the fact that the Morse-Staggers bill would not have passed the Senate without the fine cooperation they extended to me as chairman of the subcommittee which handled the bill.

I wanted to say these words in commendation because I believe the President in signing the bill yesterday performed an act of statesmanship.

Mr. COOPER. Mr. President, will the Senator yield?

EMPLOYMENT OF SIX ADDITIONAL LABORERS

The PRESIDING OFFICER. The resolution, S. Res. 113, has been announced as next in order. Is there objection to the consideration of the resolution?

Mr. ENGLE. Over, by request.

The PRESIDING OFFICER. Objection is heard. The resolution will be passed over. The next measure on the calendar will be stated.

EXTENSION OF THE PROVISIONS OF THE REORGANIZATION ACT OF 1949

The bill (S. 1474) to make permanent the provisions of the Reorganization Act of 1949 was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

THE RAILROAD RETIREMENT BILL

Mr. COOPER. I should like to comment on the statement just made by the distinguished Senator from Oregon [Mr. MORSE].

First, I thank him for his very generous remarks concerning my part in the development of the amendment to the Railroad Retirement Act, which was approved by the President yesterday. I am very happy that the President signed the bill.

From a technical standpoint, the bill was one of the most difficult bills which had come before the Committee on Labor and Public Welfare. Led by the distinguished Senator from Oregon [Mr. MORSE], the subcommittee considered the subject for more than 2 years.

I believe the bill passed by the Congress, and which has now been approved by the President represents the best bill it was possible to secure after more than 2 years of work. It corrects the deficit in the railroad retirement fund and the unemployment insurance fund, and made them actuarially sound. It corrects many inequities in the present act. It provides benefits which are deserved by railroad employees.

I pay this word of appreciation to the senior Senator from Oregon for his just and patient work and for his full consideration, both of the claims of the railroads and railroad employees.

EXTENSION OF PROVISIONS OF THE REORGANIZATION ACT OF 1949

The PRESIDING OFFICER. Is there objection to the consideration of the bill (S. 1474) to make permanent the provisions of the Reorganization Act of 1949?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Government Operations with an amendment to strike out all after the enacting clause and insert:

That subsection (b) of section 5 of the Reorganization Act of 1949 (63 Stat. 205; 5 U.S.C. 133z–3), as last amended by the Act of September 4, 1957 (71 Stat. 611), is hereby further amended by striking out "June 1, 1959" and inserting in lieu thereof "June 1, 1961".

The PRESIDING OFFICER. The Chair is advised that the amendment is a committee amendment in the nature of a substitute for the bill. The question is on agreeing to the amendment in the nature of a substitute.

Mr. CASE of South Dakota. Mr. President, I wish to observe that we are proposing to pass on the call of the unanimous consent calendar a bill providing for an extension of the provisions of the Reorganization Act of 1949. The records of Congress will show that the initial proposal for the passage of a reorganization act, which would give to the President of the United States the authority to change existing laws and to consolidate, abolish, and amend the plans of the existing branches of the Government, produced much debate. The original Reorganization Act was the subject of considerable controversy. However, it has been developed and revised over a period of time, and it has become customary to extend it, sometimes with amendments.

I note with considerable interest that it is now proposed only to extend the life of the Reorganization Act, and that the amendment would continue the act as it was last amended by the act of September 4, 1957.

I observe on the floor the distinguished senior Senator from Minnesota, who, I understand, reported the bill for the Committee on Government Operations. I should like to have him confirm that it is true that the bill makes no substantive amendment to the present Reorganization Act, other than the extension of the time of its effectiveness.

Mr. HUMPHREY. I respond to the Senator from South Dakota by stating that there is no substantive amendment. The amendment merely provides for an extension of the general duration of the Reorganization Act for 2 years. That is what has been done every 2 years, I believe, during the past 10 years. The amendment permits that type of extension.

The Committee on Government Operations has legislative jurisdiction over this particular type of program, and seeks to review the reorganization program every 2 years to determine whether or not it is desirable to extend it. So there is no substantive change in the act at all.

Mr. CASE of South Dakota. It should be noted, I think, that the passage of the original Reorganization Act developed bitter debate in both the House and Senate. There was considerable question whether Congress was in any sense delegating legislative powers to the executive branch. The formula which was eventually devised provides for the submission of reorganization plans to Congress and allows a certain time for Congress to consider them. Then unless either body adopts a resolution of disapproval, the reorganization plan becomes effective. Is that not correct?

Mr. HUMPHREY. That is correct. On page 6 of the committee report the limitations and powers with respect to reorganizations are listed. They are the limitations in the basic law. We are now merely extending the basic law. On page 5 of the report will be seen the contents of the plans as submitted by the President, and a description of what the President may submit in the form of a reorganization plan.

Mr. CASE of South Dakota. I observe that the bill proposes to extend the authority of the act to June 1, 1961, which will be, substantially, 6 months beyond the date for the inauguration of the next

President of the United States. In doing so, apparently Congress would recognize that any President should have some leeway in effecting the recommendations or the policies he may wish to promulgate; but still an adequate opportunity is provided for Congress to pass upon his proposals.

Mr. HUMPHREY. The Senator from South Dakota is absolutely correct.

Mr. CASE of South Dakota. The matter is put on a nonpartisan plane, because no one today can precisely know who will be the next President of the United States, or from what party he will come.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute.

Mr. LONG. Mr. President, does the distinguished Senator from Minnesota, who is chairman of the subcommittee which handled the bill, not believe it would be a good idea that, at least once in a while, the powers surrendered by Congress should come back to it and temporarily reside in Congress, at least long enough for us to know that we have not surrendered our power forever?

I recall being a member of the committee with the distinguished Senator from Minnesota when we first discussed this matter, when President Truman was given the vast reorganization powers. We then worked what is the present reorganization law extension plan.

It seems to me that if no strong case is made for a reorganization plan, Congress should perhaps retain the powers in its own hands rather than surrender them.

In this instance, if the President has no plan, Congress will be surrendering its powers unnecessarily. I am willing to give the President the power to reorganize the Government when that is necessary. I suggest, however, that the surrender of power by Congress, not knowing whether the power is wanted by the President, creates a bad precedent.

Did President Eisenhower ask that these powers be surrendered for 6 months into the next President's term.

Mr. HUMPHREY. President Eisenhower, through the Bureau of the Budget, asked that the extension be made permanent, with no limitation. The subcommittee on Reorganization of the Committee on Government Operations decided, in keeping with the general philosophy expressed by the junior Senator from Louisiana, that these powers should not be extended on a permanent basis but, rather, that they should come to a halt and be reviewed periodically.

Each time the question of an extension has come up—and it has been my privilege to handle the matter two or three times—the committee has considered carefully how the powers of reorganization should be used under the act.

The committee has had serious discussion about this subject. The distinguished senior Senator from Arkansas [Mr. McCLELLAN] has been keenly interested in the use of the reorganization powers and in the importance of having Congress hold a checkrein on them, so that we may review them periodically.

That is why the extension for only 2 years is proposed.

To have extended it for only 1 year would not have extended it until the completion of the term of the present administration.

To have extended it permanently would seem to me to have been unwise.

To extend it for 2 years will be to extend it until the completion of the term of the present administration and for only a few months into whatever new administration may come in, following January 1961.

Mr. LONG. I did not know the bill was even being considered by the committee. But it seems to me that somewhere along the line the President should show the graciousness of giving up this power for a brief period, in return for the surrender of the power by Congress to the President. Under those circumstances, I do not think it unreasonable to request that the President some day say, "I am willing to surrender the power back to you for a few months."

Why can we not ask President Eisenhower to get along without this power for a few months before the conclusion of his term of office, rather than simply to have the Congress surrender its power permanently or over indefinite or very long periods of time by force of habit?

Some persons expect the Congress to exercise its responsibilities, rather than to pass them on to others forever.

Mr. HUMPHREY. Let me respond politely but affirmatively to the question and the statement of the Senator from Louisiana: We can even consider having the Congress proceed as it did in the case of the proposed extension of the REA Act, in connection with which the Congress by an overwhelming majority voted to reverse a certain plan. But a Presidential veto prevented that. However, the Congress did exercise its prerogatives.

Perhaps the Senator from Louisiana can make a case for extending the act for only 1 year, 7 months, and 13 days, or some such period of time. But on four occasions the Senate has followed precedent by voting for 2-year extensions.

Each time the matter has been reviewed by the committee and by the staff of the committee.

With me today on the floor is Mr. Scull, of the staff of the Senate Committee on Government Operations. Each time the matter has been reviewed by the full committee, and each time the full committee has recommended an extension for not more than 2 years.

I really believe that our recommendation is valid and sound.

I say to the great Senator from Louisiana that this is not a matter which was brought before the committee in a routine way, given only cursory consideration, and then reported by the committee. Instead, this is a matter of the utmost concern to the committee; and it was given the most thoughtful consideration by the members of the committee and by the staff of the committee.

As the Senator from Louisiana knows, the extension now proposed has been recommended not only by this administration, but also by the prior administration, by the Hoover Commission, and, I believe, by most good Government groups.

Mr. LONG. Mr. President, much as I admire the distinguished Senator from Minnesota and applaud his good intentions, I believe he has demonstrated how these reorganization plans can be used completely contrary to the will of Congress, once the Congress has surrendered its power.

The Senator from Minnesota sponsored a bill to protect the REA's, and his bill received the support of two-thirds of the Members of the Senate. The President vetoed the bill. More than two-thirds of the Senate voted to pass the bill, notwithstanding the President's veto. In the House of Representatives, the bill failed by only one vote from being passed over the President's veto. As a result of that situation, the Congress has lost control over that matter, because the congressional power has been surrendered.

Therefore, I think this matter should be studied very carefully. Accordingly, Mr. President, I object to the present consideration of the bill.

The PRESIDING OFFICER. The time available for debate on the bill, under the rule, has expired.

Objection has been heard to the present consideration of the bill; and the bill will go over.

The next measure on the calendar will be stated.

TEMPORARY SUSPENSION OF PROCESSING TAX ON PALM OIL

The bill (H.R. 147) to suspend temporarily the tax on the processing of palm oil, palm-kernel oil, and fatty acids, salts, and combinations, or mixtures thereof, was considered, ordered to a third reading, read the third time, and passed.

FREE IMPORTATION OF CERTAIN CHAPEL BELLS

The bill (H.R. 3681) to provide for the free entry of certain chapel bells imported for the use of the Abelard Reynolds School No. 42, Rochester, N.Y., was considered, ordered to a third reading, read the third time, and passed.

HEALTH FACILITIES FOR INDIANS

The bill (S. 56) to amend the act of August 5, 1954 (68 Stat. 674), and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of August 5, 1954 (68 Stat. 674), is amended by adding at the end thereof the following new section:

"SEC. 7. (a) In carrying out his functions under this Act with respect to the provision of sanitation facilities and services, the Surgeon General is authorized—

"(1) to construct, improve, extend, or otherwise provide and maintain, by contract

or otherwise, essential sanitation facilities, including domestic and community water supplies and facilities, drainage facilities, and sewage- and waste-disposal facilities, together with necessary appurtenances and fixtures, for Indian homes, communities, and lands;

"(2) to acquire lands, or rights or interests therein, including sites, rights-of-way, and easements, and to acquire rights to the use of water, by purchase, lease, gift, exchange, or otherwise, when necessary for the purposes of this section, except that no lands or rights or interests therein may be acquired from an Indian tribe, band, group, community, or individual other than by gift or for nominal consideration, if the facility for which such lands or rights or interests therein are acquired is for the exclusive benefit of such tribe, band, group, community, or individual, respectively;

"(3) to make such arrangements and agreements with appropriate public authorities and nonprofit organizations or agencies and with the Indians to be served by such sanitation facilities (and any other person so served) regarding contributions toward the construction, improvement, extension and provision thereof, and responsibilities for maintenance thereof, as in his judgment are equitable and will best assure the future maintenance of facilities in an effective and operating condition; and

"(4) to transfer any facilities provided under this section, together with appurtenant interests in land, with or without a money consideration, and under such terms and conditions as in his judgment are appropriate, having regard to the contributions made and the maintenance responsibilities undertaken, and the special health needs of the Indians concerned, to any State or Territory or subdivision or public authority thereof, or to any Indian tribe, group, band, or community or, in the case of domestic appurtenances and fixtures, to any one or more of the occupants of the Indian home served thereby.

"(b) The Secretary of the Interior is authorized to transfer to the Surgeon General for use in carrying out the purposes of this section such interest and rights in federally owned lands under the jurisdiction of the Department of the Interior, and in Indian-owned lands that either are held by the United States in trust for Indians or are subject to a restriction against alienation imposed by the United States, including appurtenances and improvements thereto, as may be requested by the Surgeon General. Any land or interest therein, including appurtenances and improvements to such land, so transferred shall be subject to disposition by the Surgeon General in accordance with paragraph (4) of subsection (a): *Provided*, That, in any case where a beneficial interest in such land is in any Indian, or Indian tribe, band, or group, the consent of such beneficial owner to any such transfer or disposition shall first be obtained: *Provided further*, That where deemed appropriate by the Secretary of the Interior provisions shall be made for a reversion of title to such land if it ceases to be used for the purpose for which it is transferred or disposed.

"(c) The Surgeon General shall consult with, and encourage the participation of, the Indians concerned, States and political subdivisions thereof, in carrying out the provisions of this section."

SEC. 2. Section 6 of such Act is amended by striking out the word "This" and inserting in lieu thereof the words "Sections 1 to 5, inclusive, of this".

JOINT RESOLUTION PASSED OVER

The joint resolution (S.J. Res. 41) to establish in the Department of Health, Education, and Welfare the National Advisory Council for International Medical Research, and to establish in the Public Health Service the National Institute for International Medical Research, in order to help mobilize the efforts of medical scientists, research workers, technologists, teachers, and members of the health professions generally, in the United States and abroad, for assault upon disease, disability, and the impairments of man and for the improvement of the health of man through international cooperation in research, research training, and research planning, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

Mr. PROUTY. I ask that the joint resolution go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

The next measure on the calendar will be stated.

ARGYRIOS G. GEORGANDOPOULOS

The bill (S. 554) for the relief of Argyrios G. Georgandopoulos was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Argyrios G. Georgandopoulos shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

CHRISTOS KARTSONIS

The bill (S. 604) for the relief of Christos Kartsonis was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Christos Kartsonis shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

GEORGE A. ZIZICAS

The bill (S. 621) for the relief of George A. Zizicas was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, George A. Zizicas shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee.

ARAM FAYDA AND HIS WIFE

The bill (S. 687) for the relief of Aram Fayda and his wife, Elena Fayda, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Aram Fayda and his wife, Elena Fayda, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

FEIGA ALTMANN ROCK

The bill (S. 770) for the relief of Feiga Altmann Rock was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of the Immigration and Nationality Act, Feiga Altmann Rock shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

STEPHANOS TSOUKALAS

The bill (S. 1042) for the relief of Stephanos Tsoukalas was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of sections 10(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Stephanos Tsoukalas, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Michael Callas, citizens of the United States: *Provided*, That the natural parents of Stephanos Tsoukalas shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

EFTHIMIOS CHONACAS

The bill (S. 1109) for the relief of Efthimios Chonacas was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Na-

tionality Act, Efthimios Chonacas shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

ANGELA MARIA STAIA LABELLARTE

The bill (S. 1192) for the relief of Angela Maria Staia Labellarte was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Angela Maria Staia Labellarte shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

TAXATION OF COSTS

The bill (S. 1643) to amend section 2412(b), title 28, United States Code, with respect to the taxation of costs was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (b) of section 2412, title 28, United States Code, is amended to read as follows: "In an action under subsection (a) of section 1346 or section 1491 of this title, or in an action against a collector or director of internal revenue, a former collector or director, or a personal representative of a deceased collector or director for the recovery of internal revenue taxes, if the defendant puts in issue plaintiff's right to recover, the district court or Court of Claims may allow costs to the prevailing party from the time of joining such issue. Such costs shall include only those actually incurred for witnesses and fees paid to the clerk."

UWE-THORSTEN SCOBEL

The Senate proceeded to consider the bill (S. 32) for the relief of Uwe-Thorsten Scobel, which had been reported from the Committee on the Judiciary with an amendment in line 3, after the word "of", where it appears the first time, to strike out "section 316 of", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of the Immigration and Nationality Act relating to required periods of residence and physical presence within the United States, Uwe-Thorsten Scobel may be naturalized at any time after the date of enactment of this Act if he is otherwise eligible for naturalization under the provisions of the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JOHN MACY

The Senate proceeded to consider the bill (S. 298) for the relief of John Macy, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That, notwithstanding the provisions of the Immigration and Nationality Act relating to required periods of residence and physical presence within the United States, John Macy may be naturalized at any time after the date of the enactment of this Act if he is otherwise eligible for naturalization under the provisions of the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

TATSUO KOCHI

The Senate proceeded to consider the bill (S. 317) for the relief of Tatsuo Kochi, which had been reported from the Committee on the Judiciary with an amendment in line 7, after the words "United States", to insert a colon and "*Provided,* That no natural parent of Tatsuo Kochi, by virtue of such parentage shall be accorded any right, privilege, or status under the Immigration and Nationality Act.", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child Tatsuo Kochi, shall be held and considered to be the natural born alien child of Master Sergeant and Mrs. Russell E. Schwartz, citizens of the United States: *Provided,* That no natural parent of Tatsuo Kochi, by virtue of such parentage, shall be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

STANISLAW (STANISLAUS) NAPORA

The Senate proceeded to consider the bill (S. 463) for the relief of Stanislaw (Stanislaus) Napora which had been reported from the Committee on the Judiciary with an amendment in line 10, after the word "Act", to insert a colon and *"And provided further,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this Act.", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212(a)(1) of the Immigration and Nationality Act, Stanislaw (Stanislaus) Napora may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that Act: *Provided,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said Act: *And provided further,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PETER R. MULLER

The Senate proceeded to consider the bill (S. 510) for the relief of Peter R. Muller, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 7, after the word "visa", to strike out "fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota control officer to deduct one number from the appropriate quota for the first year that such quota is available." and insert "fee: *Provided,* That nothing in this Act shall be construed to waive the provisions of section 315 of the Immigration and Nationality Act.", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Peter R. Muller shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee: *Provided,* That nothing in this Act shall be construed to waive the provisions of section 315 of the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SIGLINDE GINZINGER MAXWELL

The Senate proceeded to consider the bill (S. 755) for the relief of Siglinde Ginzinger Maxwell, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 11, after the word "Act", to insert a colon and *"And provided further,* That if the said Siglinde Ginzinger Maxwell is not entitled to medical care under the Dependents' Medical Care Act (70 Stat. 250), a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act.", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of paragraph (3) of section 212(a) of the Immigration and Nationality Act, Siglinde Ginzinger Maxwell may be issued a visa and be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such Act: *Provided,* That this Act shall apply only to grounds for exclusion under such paragraph known to the Secretary of State or the Attorney General prior to the date of

the enactment of this Act: *And provided further,* That if the said Siglinde Ginzinger Maxwell is not entitled to medical care under the Dependents' Medical Care Act (70 Stat. 250), a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ANTONELLA GAMBINO

The Senate proceeded to consider the bill (S. 756) for the relief of Antonella Gambino, which had been reported from the Committee on the Judiciary with an amendment in line 11, after the word "Act," to insert a colon and *"And provided further,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said Act.", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of paragraph (4) of section 212(a) of the Immigration and Nationality Act, Antonella Gambino may be issued a visa and be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such Act: *Provided,* That this Act shall apply only to grounds for exclusion under such paragraph known to the Secretary of State or the Attorney General prior to the date of the enactment of this Act: *And provided further,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said Act.

The amendments was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SAEKO HIGA AND MASAKO HIGA

The Senate proceeded to consider the bill (S. 855) for the relief of Saeko Higa and Masako Higa, which had been reported from the Committee on the Judiciary with an amendment in line 5, after "section 202(b)", to insert "(3)", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Saeko Higa and Masako Higa shall be deemed to be within the purview of section 202(b)(3) of that Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ANTHONY ELIO MONACELLI

The Senate proceeded to consider the bill (S. 896) for the relief of Anthony Elio Monacelli, which had been reported from the Committee on the Judiciary with an amendment in line 7, after the words "United States", to insert a colon and "*Provided,* That the natural mother of Anthony Elio Monacelli, by virtue of such parentage, shall not be accorded any right, privilege, or status under the Immigration and Nationality Act.", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 203(a)(3) and 205 of the Immigration and Nationality Act, the minor child, Anthony Elio Monacelli, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Elio Monacelli, lawful permanent residents of the United States: *Provided,* That the natural mother of Anthony Elio Monacelli, by virtue of such parentage, shall not be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JURIJ ANTIN NIMYLOWYCZ

The Senate proceeded to consider the bill (S. 1128) for the relief of Jurij Antin Nimylowycz, which had been reported from the Committee on the Judiciary with an amendment in line 10, after the word "issued", to insert a colon and "*Provided,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act". so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Attorney General is authorized and directed to cancel any outstanding order and warrant of deportation, warrant of arrest, and bonds which may have issued in the case of Jurij Antin Nimylowycz. From and after the date of the enactment of this Act the said Jurij Antin Nimylowycz shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued: *Provided,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

APPOINTMENT OF COMMISSIONER FOR GRAND CANYON NATIONAL PARK, ARIZ.

The bill (S. 1164) to authorize the appointment of a Commissioner for Grand Canyon National Park, Ariz., was announced as next in order.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

Mr. LANGER. Mr. President, may we have an explanation of the bill?

Mr. ENGLE. Mr. President, this bill has been recommended by the Administrative Office of the United States Courts and by the Department of the Interior. The Department of Justice has advised the committee that whether the bill should be enacted involves questions of policy on which the Department of Justice prefers to make no recommendation.

The proposed legislation provides that a special commissioner for the Grand Canyon National Park, Ariz., be appointed by the U.S. District Court for the District of Arizona, to hold office for 4 years unless sooner removed by the district court, and to be subject to the general laws and requirements applicable to U.S. commissioners.

The proposed legislation also provides that the jurisdiction of the commissioner in adjudicating cases brought before him shall be limited to the trial, and sentencing upon conviction, of persons charged with the commission of those misdemeanors classified as petty offenses relating to the violation of Federal laws or regulations applicable within the park, with the provision that any person charged with a petty offense may elect to be tried in the district court of the United States; and the commissioner shall apprise the defendant of his right to make such election, but shall not proceed to try the case unless the defendant, after being so apprised, signs a written consent to be tried before the commissioner.

The present difficulty in disposing of cases which involve petty offenses in the Grand Canyon National Park arises from the fact that the nearest U.S. commissioners are located in Kingman and Flagstaff, Ariz., some distance from the park.

The court itself could appoint a commissioner without this authority if it was clear that the Grand Canyon National Park was an area over which either the Congress has exclusive power to legislate or over which the United States has concurrent jurisdiction.

The question of the power of the court to appoint a commissioner without legislation of this kind has arisen because the jurisdiction of the United States over the Grand Canyon National Park is described as "proprietary."

To put the case in a nutshell, the reason why a commissioner is wanted is that in the petty cases which arise, persons involved will not have to travel from Grand Canyon to Flagstaff, Ariz., to have the cases heard. Because of the unusual status of Grand Canyon National Park, which is proprietary in nature, a legal question is raised whether courts would have power, in the absence of legislation of this character, to appoint a commissioner.

Mr. LANGER. How have they been getting along in the past?

Mr. ENGLE. The officers have been going to Flagstaff, Ariz., with the offenders. Not only have the law-enforcement officers been greatly inconvenienced, but the witnesses as well have been.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 1164) to authorize the appointment of a Commissioner for Grand Canyon National Park, Ariz., which had been reported from the Committee on the Judiciary with an amendment on page 1, line 4, after the word "the", to strike out "said national park" and insert "Grand Na-

tional Park, Arizona", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States District Court for the District of Arizona shall appoint a special commissioner for the Grand Canyon National Park, Arizona. The commissioner shall hold office for four years, unless sooner removed by the district court, and he shall be subject to the general laws and requirements applicable to United States commissioners.

SEC. 2. The jurisdiction of the commissioner in adjudicating cases brought before him shall be limited to the trial, and sentencing upon conviction, of persons charged with the commission of those misdemeanors classified as petty offenses (18 U.S.C. 1) relating to the violation of Federal laws or regulations applicable within the park: *Provided,* That any person charged with a petty offense may elect to be tried in the district court of the United States; and the commissioner shall apprise the defendant, of his right to make such election, but shall not proceed to try the case unless the defendant, after being so apprised, signs a written consent to be tried before the commissioner. The exercise of additional functions by the commissioner shall be consistent with and be carried out in accordance with the authority, laws, and regulations of general application to United States commissioners. The rules of procedure set forth in title 18, section 3402, of the United States Code, shall be followed in the handling of cases by such commissioner. The probation laws shall be applicable to persons tried by the commissioner and he shall have power to grant probation.

SEC 3. The commissioner shall receive an annual salary to be fixed by the district court with the approval of the Judicial Conference of the United States and shall account for all fees, fines, and costs collected by him as public moneys. He shall reside within the boundary of the park or at some place reasonably adjacent thereto designated by the Secretary of the Interior with the approval of the district court.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MELANIE HOFFMAN

The Senate proceeded to consider the bill (S. 190) for the relief of Melanie Hoffman, which had been reported from the Committee on the Judiciary, with an amendment, in line 4, after the name "Melanie", to strike out "Hoffman" and insert "Hoffmann", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Melanie Hoffmann shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill for the relief of Melanie Hoffmann."

LEA LEVY

The Senate proceeded to consider the bill (S. 967) for the relief of Lea Levy, which had been reported from the Committee on the Judiciary, with an amendment, in line 4, after the word "Act", to strike out "Lea Levy" and insert "Lea Levi", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Lea Levi shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill for the relief of Lea Levi."

JESSE ISOBEL FOSTER

The Senate proceeded to consider the bill (S. 1037) for the relief of Jesse Isobel Foster, which had been reported from the Committee on the Judiciary with amendments, on page 1, line 6, after the word "of", to strike out "Jesse" and insert "Jessie", and in line 7, after the word "said", to strike out "Jesse" and insert "Jessie", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Attorney General is authorized and directed to cancel any outstanding order and warrant of deportation, warrant of arrest, and bonds, which may have issued in the case of Jessie Isobel Foster. From and after the date of the enactment of this Act, the said Jessie Isobel Foster shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued: *Provided,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill for the relief of Jessie Isobel Foster."

SU-MING TSENG AND HER DAUGHTER

The Senate proceeded to consider the bill (S. 1073) for the relief of Su-Ming Tseng and her daughter, Wu-Mo Tseng, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That, for the purposes of the Immigration and Nationality Act, Su-Ming Tseng shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill for the relief of Su-Ming Tseng."

PRIVATE FISHERY RIGHTS IN PEARL HARBOR

The bill (H.R. 3248) to provide for the payment of just compensation to certain claimants for the taking by the United States of private fishery rights in Pearl Harbor, Island of Oahu, Hawaii, was considered, ordered to a third reading, read the third time, and passed.

EDUARDO PIRES—WITHDRAWAL OF SUSPENSION OF DEPORTATION

The concurrent resolution (S. Con. Res. 30) withdrawing suspension of deportation in the case of Eduardo Pires was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress, in accordance with section 246(a) of the Immigration and Nationality Act (8 U.S.C.A. 1256(a)), withdraws the suspension of deportation in the case of Eduardo Pires (A-7483662) which was previously granted by the Attorney General and approved by the Congress.

EVA GARCIA DE ZEPEDA—WITHDRAWAL OF SUSPENSION OF DEPORTATION

The concurrent resolution (S. Con. Res. 31) withdrawing suspension of deportation in the case of Eva Garcia de Zepeda was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress, in accordance with section 246(a) of the Immigration and Nationality Act (8 U.S.C.A. 1256(a)), withdraws the suspension of deportation in the case of Eva Garcia de Zepeda (A-8769233) which was previously granted by the Attorney General and approved by the Congress.

JOSE POBLET—WITHDRAWAL OF SUSPENSION OF DEPORTATION

The concurrent resolution (S. Con. Res. 32) withdrawing suspension of deportation in the case of Jose Poblet was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress, in accordance with section 246(a) of the Immigration and Nationality Act (8

U.S.C.A. 1256(a)), withdraws the suspension of deportation in the case of Jose Poblet (A-3013924) which was previously granted by the Attorney General and approved by the Congress.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The concurrent resolution (S. Con. Res. 33) favoring suspension of deportation in the case of certain aliens was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation pursuant to the provisions of section 244(a)(5) of the Immigration and Nationality Act (66 Stat. 214; 8 U.S.C. 1254(c));

A-3424896, Grassi, John.
A-4064019, Sierra-Pecina, Plutarco.
A-1039385, Almeida, Jaime Caido.
A-7812725, Bedo, Joseph.
A-4263318, Cruz, Jesus.
A-3569897, Del Gatto, Giovanni.
A-1076121, Diaz-Morales, Matias.
A-5403399, Erenburg, Scheel-Levovich.
A-5539208, Governali, Vincent.
A-2219295, Granados, Rafael Flores.
A-4316081, Guerrero, Odilon.
A-2381741, Hassan, Kassan.
A-10841833, Koon, Wong Gim.
A-5297364, Ludorf, Edward Sebastian.
A-1301717, Mack, Henry Eino.
A-3020033, Medina-Becerra, Remigio.
A-2142402, Ortiz-Cabrera, Masedonio.
A-5635350, Quong, Joe.
A-5961863, Rice, Alvie Earl.
A-2894938, Rubio-Velazquez, Atanacio.
A-8831395, Ruiz, Ramon Guerrero.
A-8521028, Schultz, William.
A-1954680, Vargas, Garcia, Jose.
A-4963711, Weinstein, Arnold.
A-5741406, Femine, Ernest Delle.
A-1148737, Gastelo-Valenzuela, Felipe.
A-1315085, Garcia-Arias, Jose Maria.
A-10432465, Risa, Arne Michael.
A-3945465, Maldonado, Francisco.
A-5119438, Razzari, Guiseppe.
A-1377556, Vieyra-Landeros, Apolonio.
A-1120875, Vincent, Frank Medeiros.
A-11290619, Chin, Bing Kee.
A-5429423, Gutierrez, Joseph.
A-10448499, Hernandez-Perez, Eulalio.
A-5755208, Jacobson, Joseph.
A-5954258, Madonna, Joseph.
A-2539330, Mikkelsen, Hans Christian Gunnar.
A-7923286, McKelligan, Katherine Burke.
A-1933574, Barovai, Philip.
A-451853, Gaenther, Andreas.
A-11161876, Lemon-Barrera, Antonio.
A-6253520, Thomas, Herbert Otto.
A-4933047, Nunez, Baltazar.
A-4961824, Handlovits, Mary Elizabeth.
A-10605548, Madrigal, Sara.
A-9519314, Scordilis, Constantinos.
A-1691409, Tartakoff, David.
A-1981926, Andreini, Amadio Eugenio Giovanni.
A-8845161, Cohen, Henry.
A-5091649, Tereschenko, William Efim.
A-1273266, Gonzalez-Hernandez, Jose.
A-1966028, Lindsay, Harry Fairweather.
A-10293639, Martin, Walter Hans.
A-2931126, Black, Henry Max.
A-2471376, Gee, Chew.
A-5901606, Lukas, Benedict.
A-2427566, Slepnikoff, Michael James.
A-1867473, Guerrero, Salvador Ybarra.
A-5896096, Helmers, Herman Heinrich Gotthold.
A-11403968, Huey, Hong Hen.
A-6249664, Jazer, Taire.
A-4228026, Perrin, Maurice J.

ROCHESTER IRON & METAL CO.

The resolution (S. Res. 117) to refer to the Court of Claims the bill (S. 268) for the relief of the Rochester Iron & Metal Co. was considered and agreed to, as follows:

Resolved, That the bill (S. 628) entitled "A bill for the relief of the Rochester Iron and Metal Company," now pending in the Senate, together with all the accompanying papers, is hereby referred to the Court of Claims; and the court shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28 of the United States Code and report to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States and the amount, if any, legally or equitably due from the United States to the claimant.

STUDY COMMISSION FOR CERTAIN RIVER BASINS

The bill (S. 300) to amend the act of August 28, 1958, establishing a study commission for certain river basins, so as to provide for the appointment to such commission of separate representatives for the Guadalupe-San Antonio River Basins, and a representative of the Texas Board of Water Engineers was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to designate the dam and reservoir to be constructed on the Cumberland River near Carthage, Tennessee, as the 'Cordell Hull Dam and Reservoir' and to establish the United States Study Commission on the Neches, Trinity, Brazos, Colorado, Guadalupe-San Antonio, Nueces, and San Jacinto River Basins, and intervening areas", approved August 28, 1958 (Public Law 85-843; 72 Stat. 1058), is amended by striking out "Guadalupe-San Antonio," where it appears in sections 201(a), 203(a), 203(b)(1), 207, and 208(1)", and inserting in lieu thereof in each such instance the following: "Guadalupe, San Antonio,".

SEC. 2. Section 203(b) of such Act is amended by striking out "fourteen" and inserting in lieu thereof "sixteen".

SEC. 3. Section 203(b)(3) of such Act is amended to read as follows:

"(3) One member, nominated by the Governor of Texas subject to the provisions of subsection (c) of this secton, who shall represent the Texas Board of Water Engineers, and eight members, nominated by the Governor of Texas subject to the provisions of subsection (c) of this section, each of whom shall be a resident of a different one of the following geographical areas of Texas:

"(A) Neches River Basin;
"(B) Trinity River Basin;
"(C) Brazos River Basin;
"(D) Colorado River Basin;
"(E) Guadalupe River Basin;
"(F) San Antonio River Basin;
"(G) Nueces River Basin; and
"(H) San Jacinto River Basin."

SEC. 4. Section 203(g) of such Act is amended to read as follows:

"(g) Nine members of the Commission, of whom at least five shall have been appointed pursuant to subsection (b)(3) or (c) of this section, shall constitute a quorum for the transaction of business."

SALE OF CERTAIN LANDS TO THE STATE OF MISSOURI—BILL PASSED OVER

The bill (S. 692) to authorize the sale of certain lands to the State of Missouri was announced as next in order.

Mr. ENGLE. Over, by request.

The PRESIDING OFFICER. Objection is heard, and the bill will go over.

Mr. MORSE previously said: Mr. President, I must go to an official luncheon tendered by the State Department in connection with my work on the Subcommittee on Latin American Affairs, and will not be here when Calendar No. 265, S. 692, is called. I, therefore, ask unanimous consent that the statement which I now send to the desk on Senate bill 692 be printed in the CONGRESSIONAL RECORD at the point of consideration of that bill. My statement merely bears on the point that the bill in no way violates the Morse formula.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MORSE

S. 692 authorizes the Secretary of the Army to convey not more than 50 acres by quitclaim deed for public park and recreational purposes to the State of Missouri at the fair market value. This land is presently leased to the State of Missouri by the Federal Government for public park and recreational uses.

Under the terms of the bill, the Secretary of the Army has the authority to assure that the State's use of this land will not interfere in any way with the operation of the Table Rock Dam project. S. 692 further provides that all mineral rights would be retained by the Federal Government and that if the land is not used for the purposes specified in the bill within 5 years, the land will revert to the United States.

The bill provides for the payment of the full market value. Therefore, Mr. President, I have no objection to the passage of the bill as it conforms to the Morse formula.

GEORGE EWING LOCK AND DAM

The bill (S. 846) to provide that the lock and dam referred to as the Cannelton lock and dam, near Cannelton, Ind., shall hereafter be designated as the George Ewing lock and dam was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in honor of George Ewing and in recognition of his long and outstanding service in the Revolutionary War where he served with distinction with General George Washington and Baron Steuben at Germantown, Brandywine, and Valley Forge, and in recognition of his other contributions to the history of the United States as the father of Thomas Ewing, twice a United States Senator from the State of Ohio, and Secretary of the Interior under President Zachary Taylor, and as the father-in-law of General William T. Sherman, the Cannelton lock and dam on the Ohio River near Cannelton, Indiana, shall hereafter be known and designated as the George Ewing lock and dam, and shall be designated as the monument to his distinguished public service. Any law, regulation, map, document, or record of the United States in which such lock and dam is

referred to shall be held and considered to refer to such lock and dam by the name of "George Ewing lock and dam."

UTILIZATION OF STORAGE SPACE IN TABLE ROCK RESERVOIR

The Senate proceeded to consider the bill (S. 42) to authorize the utilization of a limited amount of storage space in Table Rock Reservoir for the purpose of water supply for a fish hatchery, which had been reported from the Committee on Public Works, with amendments, on page 1, line 7, after the word "of", to strike out "twenty" and insert "twenty-seven", and in line 9, after the word "exceed", to strike out "twenty-five" and insert "twenty-two", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Table Rock Reservoir project, White River, Missouri, approved by the Flood Control Act approved August 18, 1941, be hereby modified to authorize the Secretary of the Army, acting through the Chief of Engineers, to make available a maximum of twenty-seven thousand acre-feet of storage space in the reservoir to provide a regulated flow not to exceed twenty-two cubic feet per second for operation by the State of Missouri of a fish hatchery without reimbursement on such terms and conditions as the Secretary of the Army may deem reasonable: *Provided,* That nothing herein contained shall affect water rights under State law.

Mr. HENNINGS. Mr. President, the pending bill is one authorizing the utilization, by the State of Missouri, of a limited amount of water to be taken from the Table Rock Reservoir, located near Branson, Mo. The State would be allowed to use the water for supplying a State fish hatchery.

The bill could be explained in highly technical terms involving acre-feet and cubic feet per second of flow, but I do not think such an explanation is necessary.

What is involved is the need of the State of Missouri and the willingness of the Department of the Army, the agency controlling water use in the reservoir, to fulfill that need.

The Department of the Army has agreed to allow Missouri use of the Department's water. Missouri is appreciative and, on behalf of my home State, I urge the Senate to approve the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendments of the committee.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CONSTRUCTION WORK ON HIGHWAY RIGHTS-OF-WAY

The bill (H.R. 4695) to amend section 108(a) of title 23 of the United States Code to increase the period in which actual construction shall commence on rights-of-way acquired in anticipation of such construction from 5 years to 7 years, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

ACQUISITION OF ADDITIONAL LAND ALONG THE MOUNT VERNON MEMORIAL HIGHWAY

The bill (H.R. 2228) to provide for the acquisition of additional land along the Mount Vernon Memorial Highway in exchange for certain dredging privileges, and for other purposes was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. ENGLE. Mr. President, there is an amendment at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 4, line 3, after "D", to change the period to a colon and add the following:

Provided, That nothing contained in this act or any contract entered into pursuant to this act, between the United States of America and the Smoot Sand and Gravel Corporation shall be construed as interfering with the uninterrupted right of the Smoot Sand and Gravel Corporation to dredge in areas "C" and "D" for the periods specified.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from California.

Mr. PROUTY. Mr. President, may I ask for an explanation of the amendment?

Mr. ENGLE. Mr. President, this is a perfecting amendment to clarify and facilitate making the exchange of property between the United States and the Smoot Sand & Gravel Corp.

The amendment, incidentally, has been furnished to me by the Senator from New Mexico [Mr. CHAVEZ], from the Committee on Public Works. It would remove possible restrictions on the sand and gravel company performing dredging operations at only certain seasons of the year, and permit them to dredge sand and gravel at any time. Since most of their dredging will be done in open water areas of the Potomac River, there should be no adverse effect on wildlife from a proper scheduling of their operations.

The amendment has the approval of the sponsors of the bill, the National Park Service, and the conservationists who are interested in protecting the fish and wildlife potentialities of the area.

The PRESIDING OFFICER. Is there objection to the amendment?

Mr. PROUTY. I have no objection.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

ALICE V. TENLY

The bill (S. 1887) for the relief of Alice V. Tenly was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the election made under section 9(h) of the Civil Service Retirement Act by Charles E. Alden to receive a reduced annuity with an annuity payable after his death to his sister-in-law, Alice V. Tenly, shall be valid.

(b) Notwithstanding any other provision of law, benefits payable under this Act shall be paid from the civil service retirement and disability fund.

TRAINING OF POSTMASTERS

The bill (H.R. 4597) to provide for the training of postmasters under the Government Employees Training Act was considered, ordered to a third reading, read the third time, and passed.

ADMINISTRATIVE AUTHORITIES FOR THE NATIONAL SECURITY AGENCY

The bill (H.R. 4599) to provide certain administrative authorities for the National Security Agency, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

EXEMPTION FROM TAXATION OF CERTAIN PROPERTY FOR CHILDHOOD EDUCATION INTERNATIONAL OF THE DISTRICT OF COLUMBIA

The bill (S. 685) to exempt from all taxation certain property of the Association for Childhood Education International in the District of Columbia was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the real property situated in square 1908 in the city of Washington, District of Columbia, described as lots 11, 801, 806, and 807, owned by the Association for Childhood Education International, a District of Columbia corporation, and all personal property located thereon, is hereby exempt from all taxation so long as the same is owned, occupied, and used by the Association for Childhood Education International for its educational and other corporate purposes and is not used for commercial or income producing purposes, subject to the provisions of sections 2, 3, and 5 of the Act entitled "An Act to define the real property exempt from taxation in the District of Columbia", approved December 24, 1942 (56 Stat. 1089; D.C. Code, secs. 47-801b, 47-801c and 47-801e).

AMENDMENT OF DISTRICT OF COLUMBIA REDEVELOPMENT ACT OF 1945

The bill (S. 1370) to amend section 13 of the District of Columbia Redevelopment Act of 1945, as amended, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

Mr. PROUTY. Mr. President, I wonder if we may have an explanation of the

proviso in the bill starting on line 9, page 2.

Mr. FREAR. Mr. President——

The PRESIDING OFFICER. The Senator from Delaware is recognized for 5 minutes.

Mr. FREAR. I shall be glad to attempt to give an explanation to the Senator.

The purpose of the proviso is to except from the provisions of the bill, which creates tax exemption for certain classes of properties in urban renewal areas, properties located within project areas for which redevelopment or renewal plans were approved by the Housing and Home Finance Administrator prior to July 1, 1958. Plans for southwest redevelopment project area B, southwest urban renewal project area C, and southwest urban renewal project area C–1 were approved by the Administration prior to this date. The Administrator has agreed to waive the requirements of local public agency letter No. 112 in connection with these projects and to provide funds for the payment of taxes on all properties acquired by the Agency in these areas, including unimproved properties and those which were tax exempt prior to acquisition.

This bill will, therefore, have the effect of permitting the Agency to pay taxes to the District on all properties in southwest projects between the time they are acquired and the date of their disposition.

In all other project areas, the Agency will pay taxes to the District on all properties except: (a) Properties which were tax exempt prior to their acquisition by the Agency; (b) properties which are unimproved.

Mr. PROUTY. I thank the Senator for his explanation. I have no objection.

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 13 of the District of Columbia Redevelopment Act of 1945, as amended (60 Stat. 799; sec. 5–712, D.C. Code, 1951 edition), is amended by inserting immediately before the period at the end of such section the following: ": *Provided,* That whenever the Agency shall obtain financial assistance from the Housing and Home Finance Administrator pursuant to the provisions of section 20 of this Act, the District Commissioners are authorized, in their discretion, to exempt from District of Columbia taxation, commencing on the first day of the fiscal year following acquisition, real property acquired by and titled in the name of the Agency if such property be clear of any improvements or if such property was exempt from taxation immediately prior to its acquisition by the Agency, but any such exemption to the Agency shall automatically cease upon the leasing or sale by the Agency or such exempt property, and such property shall be liable to taxation by the District of Columbia from the day of such leasing or sale: *Provided further,* That nothing contained in the preceding proviso shall be construed to be applicable to real property acquired or in process of being acquired by the Agency pursuant to a plan approved by the Housing and Home Finance Administrator prior to July 1, 1958".

ACQUISITION OF REAL PROPERTY UNDER THE DISTRICT OF COLUMBIA ALLEY DWELLING ACT

The bill (S. 1159) to facilitate the acquisition of real property under the District of Columbia Alley Dwelling Act was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (d) of section 3 of the District of Columbia Alley Dwelling Act, as amended (D.C. Code, sec. 5–105), is hereby repealed.

SEC. 2. That subsection (a) of section 5 of the District of Columbia Alley Dwelling Act, as amended (D.C. Code, sec. 5–107), is amended to read as follows:

"(a) The Authority shall make a report to the President, which he shall transmit to Congress at the beginning of each regular session, giving a full and detailed account of all operations under the provisions of this Act for the preceding fiscal year, including an itemization of all properties purchased during such fiscal year, setting forth the assessed value of such properties, together with the purchase price therefor.".

CORPORATE POWERS OF THE SISTERS OF THE VISITATION

The bill (H.R. 4282) to supplement and modify the act of May 24, 1828 (6 Stat. 383, ch. CXII), in so far as it relates to corporate powers of the Sisters of the Visitation, of Georgetown in the District of Columbia was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF ACT MAKING APPROPRIATIONS FOR THE DISTRICT OF COLUMBIA FOR THE FISCAL YEAR ENDING JUNE 30, 1911

The bill (S. 866) to amend the act entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1911," and for other purposes, approved May 18, 1910, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second proviso of the first paragraph under the caption "CONTINGENT AND MISCELLANEOUS EXPENSES" of the Act entitled "An Act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June thirtieth, nineteen hundred and eleven, and for other purposes", approved May 18, 1910 (36 Stat. 381; sec. 1–239, D.C. Code, 1951 edition), is amended to read as follows: *"Provided further,* That hereafter no department, board, office, or agency of the government of the District of Columbia shall include any illustration in any annual report prepared by it unless such illustration be authorized under order or regulation approved by the Commissioners of the District of Columbia".

EXTENSIONS OF PROVISIONS OF MERCHANT MARINE ACT, 1936, RELATING TO WAR RISK INSURANCE

The bill (S. 1234) to extend the provisions of title XII of the Merchant Marine Act, 1936, relating to war risk insurance, for an additional 5 years, ending September 7, 1965, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1214 of title XII of the Merchant Marine Act, 1936, as amended (U.S.C., title 46, sec. 1294), is amended by striking out "10 years" and inserting in lieu thereof "15 years".

ORGANIZATION OF THE STATE DEPARTMENT

The bill (S. 1877) to amend the act of May 26, 1949, as amended, to strengthen and improve the organization of the Department of State, and for other purposes was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of May 26, 1949, as amended (5 U.S.C. 151a–151c), relating to the organization of the Department of State, is amended as follows:

In section 2(b), revise the present language to read as follows:

"(b) There is established in the Department of State an Office which shall be entitled as designated by the President, either Under Secretary of State for Political Affairs or Under Secretary of State for Economic Affairs, which Office shall be filled by appointment by the President, by and with the advice and consent of the Senate. The incumbent of such Office shall receive compensation at the rate of $22,000 a year and shall perform such duties as may be prescribed by the Secretary of State. Any provision of law vesting authority in the 'Under Secretary of State for Economic Affairs,' or any other reference with respect thereto, is hereby amended to vest such authority in the Secretary of State."

IMPROVEMENT OF CHANNEL TO PORT MANSFIELD, TEX.

The bill (S. 962) authorizing the improvement of the channel to Port Mansfield, Tex., in the interest of navigation, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. CASE of South Dakota. Mr. President, Calendar No. 281, S. 962, and Calendar No. 282, S.1632, are both harbor improvement bills. Both bills come to the Senate with clearance from the Bureau of the Budget. I do not expect to oppose either bill, but I wish to bring before the Senate and to place in the RECORD some observations with respect to certain principles involved in river and harbor projects, and a recent recommendation from the Bureau of the Budg-

et. This will probably take me more than 5 minutes, and though I could take 5 minutes on each bill I ask unanimous consent that I may be recognized at this time for 10 minutes, 5 additional minutes, rather than separating the presentation to 5 minutes on each bill.

The PRESIDING OFFICER. The Senator from South Dakota has requested that he be allowed to take 10 minutes to speak with respect to Calendar No. 281, S. 962, and Calendar No. 282, S. 1632. Is there objection? The Chair hears none, and the Senator is recognized for 10 minutes.

Mr. CASE of South Dakota. Mr. President, the very day these two bills came before the Senate Committee on Public Works there also came to the committee, by referral from the President of the Senate, a letter from the Director of the Bureau of the Budget proposing on behalf of the President legislation which, in the case of all flood control projects, all watershed projects, and all other water projects except harbor or navigation projects, would require the payment of not less than 30 percent of the cost by local communities or by other non-Federal sources. I shall ask at an appropriate time during my remarks to have that letter and the draft of the bill printed in the RECORD.

Senate bill 962 would authorize the improvement of the channel to Port Mansfield, Tex. Senate bill 1632 would authorize the modification of the existing project for Kahului Harbor, island of Maui, Hawaii.

Both bills came to the committee with the clearance and approval of the Bureau of the Budget, but since we had before us a letter from the Director of the Bureau of the Budget proposing that all projects for flood prevention or flood control, or watershed development should provide for a uniform 30-percent non-Federal payment of the cost, it seemed to me that we ought not to report these bills until we had a comment from the Bureau of the Budget.

S. 962, the bill which deals with the improvement of the channel to Port Mansfield, Tex., involves a total Federal cost of $3,431,000, with no request for a non-Federal sharing of cost. The estimated cost of maintenance is $165,000 annually, all to be Federal.

The total cost of the project at Kahului Harbor, Hawaii, as estimated in the amendment proposed by the Bureau of the Budget, is $944,500 Federal cost and $205,500 non-Federal first cost. The estimated cost of annual maintenance at Kahului Harbor is $5,000 Federal and $1,000 non-Federal. The $205,500, of course, is not exactly 30 percent of the $944,500, but approximates that percentage and apparently would be in keeping with the principle proposed in the letter of the Director of the Bureau of the Budget with regard to water projects not navigational.

Senate bill 962 does not have a similar proposal, but it should be noted, in all fairness, that the report on S. 962, prepared by the staff of the Senate Committee on Public Works, shows an estimate that local interests expended approximately $1,593,000 prior to September 1957. No reference was made to that in the statement by the Bureau of the Budget, but I recognize that if those dollars were expended, a substantial contribution was made from non-Federal sources.

Nevertheless, the proposed legislation which the Bureau of the Budget has recommended to the Congress does not embrace navigational projects. In view of that, I stated to the committee that, no matter what I thought about their merits I had some hesitation about reporting these bills on the same day we received a recommendation from the Bureau of the Budget, if such action could in any sense be interpreted as a sanction by the committee for the clearance of navigational projects, with no local or non-Federal contributions to the cost, and accepting full Federal responsibility for operation and maintenance, when landlocked States such as New Mexico, Oklahoma, Colorado, and South Dakota are to be asked to pay 30 percent of the cost of the water-use projects which concern them.

As a result, I suggested that the bills be not reported until the Bureau of the Budget was given an opportunity to comment on the seeming discrepancy in principle or the discrimination established in regard to the projects which deal with navigation as compared to those which deal with other types of water utilization.

The letter from the Bureau of the Budget transmitting the proposals suggested that there was a lack of uniformity in cost-sharing standards, and on the basis of avoiding discrimination it was proposed that a 30 percent yardstick be adopted for water resource development, which embraced the flood control programs of the Corps of Engineers of the Department of the Army; the Bureau of Reclamation of the Department of the Interior; and the Soil Conservation Service of the Department of Agriculture. I note the Soil Conservation Service particularly, because it would mean that small watershed projects which are attracting a great deal of attention now, and which are being prepared by and sponsored by the Department of Agriculture, would also have the 30 percent rule applied to them. In regard to those projects, as I have learned from examining them, in most cases the non-Federal contribution will exceed 30 percent, but in some cases that is not the fact. Indeed, in some instances it has been noted such projects may have as low as a 9 percent non-Federal contribution.

When we asked the Director of the Bureau of the Budget to submit a statement on the matter, he submitted a statement dealing with the recommendation of the President to provide uniform cost-sharing on certain Federal control projects. I shall ask unanimous consent, Mr. President, that the statement by the Director of the Bureau of the Budget be printed in the RECORD at the conclusion of my remarks.

Mr. President, I should like to read a paragraph or two from the latter part of the statement, which comments directly on the issue which I had raised. The Deputy Director stated:

> Finally, I should like to turn to the question raised in the committee hearings yesterday as to whether the same or similar principles of cost sharing which are recommended by the President for flood control should be applied to navigation and harbor projects.
>
> As a matter of general principle, I think that the answer must be clearly in the affirmative. But we must recognize that the application of the principle of cost sharing to navigation projects is considerably more complicated than its application to flood protection projects. Considerations of transportation policy and of the reciprocal use of harbors in foreign commerce represent two of the more important differences. There is, also, as this committee is aware, the long-standing question of the extent to which Federal investment in navigation and harbor projects should be defrayed through user charges for such waterways.

In that connection, I should like to read from the first Hoover Commission report, which made the following observations:

> Under present methods of developing flood control and navigation works, the immediate beneficiaries often do not have to pay directly any significant part of the cost. Their only contribution is through general taxation. Indeed, they are encouraged by this policy to promote costly projects which cost them nothing. Such subsidy of private individuals from the public treasury is at best unjust. Its greatest evil, however, arises from the removal of any sort of economic measure of value in terms of willingness to pay. It seems reasonable to assume that if the direct beneficiaries refuse to pay any part of the project costs, the economic soundness of the project must indeed be questionable (p. 87).

Also a report by the Presidential Advisory Committee on Water Resources policy in 1955 recommended cost sharing as follows:

> Navigation: Serious consideration should be given to repayment of a portion of the costs of new navigation projects, particularly those which will create navigability where none now exists, by the institution of user charges. Although it would appear logical, in the interest of a completely uniform policy as to the participation of beneficiaries in the costs of water resources developments, that user charges should be instituted which would at least bear the cost of operation and maintenance of such navigation facilities, it must be recognized that the subject of user charges involves not only water policy but also the whole field of transportation, including many other media. Therefore, it is a more appropriate subject for a survey of the entire field of transportation than one of water policy alone (p. 32).

Then the second Hoover Commission made this suggestion:

> For future projects (including future capital expenditures for projects now in operation), the charges should cover all Federal costs, i.e., maintenance, operation, and capital costs. All such charges should apply to regions, or system, rather than to individual projects, so as to avoid discrimination (p. 101).

I do not intend to discuss the subject further. However, these recommendations of the President were transmitted both to the Speaker of the House of Representatives and the President of the

Senate. The draft bill is in the committee. For the convenience of Members of the Senate who may wish to pursue the matter, I ask unanimous consent to have printed in the RECORD, certain additional material which is pertinent to this subject, consisting of statements prepared by the Bureau of the Budget, and by the Commission on Organization of the Executive Branch of the Government. They are pertinent to the discussion which I have made.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MODIFICATION OF KAHULUI HARBOR, ISLAND OF MAUI, HAWAII

DESCRIPTION OF PROJECT

Location: Kahului Harbor is located on the northern shore of the island of Maui in the Hawaiian Archipelago, which extends about 1,500 miles from east to west in the east-central part of the Pacific Ocean. The island of Maui, with an area of about 728 square miles, is second in size of the six largest islands at the eastern end of the archipelago, and was formed by two volcanoes which rose from the ocean floor at a depth of about 18,000 feet below sea level. West Maui, the oldest mountain geologically, has an elevation of about 5,800 feet and the eastern volcano, Haleakala, an elevation of about 10,000 feet. Kahului Harbor is 94 nautical miles east of Honolulu, island of Oahu, 125 miles northwest of Hilo, island of Hawaii, and 2,037 miles west of San Francisco.

Report authorized by resolution of the Committee on Public Works of the House of Representatives, adopted April 21, 1953. The report has been transmitted to Congress and is printed as House Document No. 109, 86th Congress.

Existing project: Provides for a harbor basin 2,000 feet long with a maximum width of 1,450 feet, and an entrance channel 600 feet wide between the breakwaters, all with a project depth of 35 feet. The east breakwater is 2,850 feet in length and the west breakwater is 2,390 feet long. The Federal project was adopted in the River and Harbor Act of June 15, 1910, and modified by subsequent acts. The project was completed in December 1931. The total Federal cost to June 30, 1958, was $4,155,887, of which $1,778,560 was for new work and $2,377,327 for maintenance. Terminal facilities were provided by local interests at a cost of $2,615,700. The breakwaters have been subject to extensive storm damage in the past.

Plan of recommended improvement: Modification of existing project to provide for enlarging the turning basin by dredging an area 600 feet wide and 2,400 feet long, to a depth of 35 feet, in the west end of the harbor.

Estimated costs (February 1958 price level)

Federal 1st cost: Enlargement of turning basin (dredging)	$944,500
Non-Federal 1st cost:	
Construction of dike and revetment	175,300
Cash contribution to construction	30,200
Total non-Federal cost	205,500
Estimated cost of annual maintenance:	
Federal	5,000
Non-Federal	1,000

Local cooperation: (a) Contribute in cash 3.1 percent of the cost of the new work dredging, presently estimated at $30,200, to be paid prior to commencement of construction, or, if an alternative site for spoil disposal is provided, pay any increased cost of disposal plus a cash contribution based on the relationship of net land enhancement benefits to total benefits, the final apportionment of cost to be made after actual costs have been determined; (b) provide without cost to the United States all lands, easements, rights-of-way, and spoil-disposal areas necessary for the construction of the project; (c) hold and save the United States free from damages due to the construction and maintenance of the project; (d) continue to provide and maintain at local expense adequate public terminal and transfer facilities, open to all on equal terms; and (e) accomplish without cost to the United States alterations and maintenance as required in sewer, water, supply, drainage, and other utility facilities.

Project economics

Annual charges	$47,200
Annual benefits:	
Reduction in delays to shipping	6,800
Reduction in marine accidents	3,700
Reduction in groundings	110,900
Reduction in maneuvering time	5,500
Land enhancement	8,300
Total annual benefits	135,200

Benefit-cost ratio, 2.9 to 1.

Benefits: The principal industries of the island of Maui are the production of sugar and pineapples. Commercial fishing, ranching, dairying, poultry raising, and truck farming are also important to the island's economy. The estimated population of the island was 37,600 in 1956. Kahului Harbor is the only deepwater port on the island. The total commerce through the harbor in 1956 was 701,925 tons. The principal items shipped were sugar, canned fruits and juices, and molasses; and the items received were various petroleum products. Barge commerce consisted of about 101,000 tons, which was about 50 percent of the interisland commerce.

Sugar has been Maui's greatest export industry for more than 80 years. In 1956 the island produced 260,176 tons of sugar valued at about $31,221,000. Total production of pineapples in 1956 was about 149,000 tons valued at about $22 million. The livestock industry products were valued at about $2,300,000, and produce from truck farming at about $1,143,000. A small fleet of commercial fishing vessels operate from Maui's small-boat harbors. Nearby channels between the small islands are favorite sportfishing grounds. The annual fish catch handled at Maui was about 480 tons in 1956, which was about half that of previous years. The tourist industry in Hawaii has experienced a phenomenal expansion since 1946, with the volume of tourists visiting the islands increasing from about 15,000 to 150,000 in 1957, with an estimated expenditure of $77 million. The volume of tourists visiting Maui is only a portion of the total visiting Oahu, as Maui has usually been considered as a stopover for tours of people visiting the island of Hawaii. The tours usually spend only a day in Maui and take the evening plane to Honolulu, with less than a third of the tour groups staying overnight. In 1957 the number of tourists visiting Maui was estimated at 31,500, who spent $844,000. Additional tourist facilities, resort hotels, and summer homes are being constructed.

The approach of Kahului Harbor is on a range due south. Vessels entering the harbor area are normally loaded light, which exposes a high freeboard to the prevailing northeasterly trade winds. This condition tends to force vessels toward the shallow water in the west and southerly portions of the harbor. Vessels entering the harbor between the two breakwaters must have sufficient headway to insure adequate steerageway and control, because once through the entrance a hard left turn is required to bring vessels alongside the dock, which turn brings the vessels broadside to the wind. The departure of a vessel from the dock is more difficult than the arrival, as it is necessary for it to back through nearly 180 degrees, turning against the prevailing wind, in order to get into position to head out through the harbor entrance. The present limited space in the turning basin imposes severe restrictions on the handling of vessels, requiring them to proceed at slow speeds and depend more on the use of tugs to turn the vessel rather than full use of the ship's power for steerage, with a longer time required to get a ship under way, and the danger of the wind setting the vessel down into the southwest corner of the basin, or grounding it.

The recommended plan of improvement will reduce the delays of vessel arrivals and departures due to inclement weather by at least 75 percent; permit vessels departing the harbor to be operated safely at greater speeds which would save a minimum of 10 minutes maneuvering time for each ship; prevent grounding of vessels in shallow water adjacent to the turning basin; preventing 75 percent of the marine accidents involving damage to shore facilities and aids to navigation; and provide increased safety to seamen and possible prevention of injury or death due to navigational accidents. Deposition of fill material will create about 32 acres of new land in a presently submerged area.

The proposed improvements will provide sufficient maneuvering space in the turning basin to care for the present and estimated prospective increase in commerce and size of ships using this harbor, where waterborne commerce will continue to be the most practical and economical means of shipping to the mainland and interisland.

GENERAL STATEMENT

The Chief of Engineers recommends modification of the existing project for Kahului Harbor, island of Maui, Hawaii, to provide for enlarging the turning basin by dredging an area 600 feet wide and 2,400 feet long, to a depth of 35 feet, in the west end of the basin, generally in accordance with the plan of the district engineer and with such modification thereof as in the discretion of the Chief of Engineers may be advisable, at an estimated cost of $974,700 for construction and $5,000 annually for maintenance in addition to that now required; provided that, prior to construction, local interests agree to provide without cost to the United States all lands, easements, rights-of-way, and spoil-disposal areas necessary for the construction of the project; hold and save the United States free from damages due to the construction and maintenance of the project; accomplish without cost to the United States alterations and maintenance as required for sewer, water supply, drainage, and other facilities; continue to provide and maintain at local expense adequate public terminal and transfer facilities; and contribute in cash 3.1 percent of the new-work dredging presently estimated at $30,200. With local interests assuming these costs, the cost to the United States for construction and annual maintenance of the recommended plan of improvement is presently estimated at $944,500 and $5,000, respectively.

The Chief of Engineers further recommended that the cash contribution by local interests be paid prior to commencement of construction, or, if an alternative site for spoil disposal is provided, pay any increased cost of disposal plus a cash contribution based on the relationship of cost to be made after actual costs have been determined.

The commerce of the island of Maui is totally dependent on water transportation, and Kahului Harbor is the only deep-draft harbor on the island. During recent years,

a large number of marine accidents and near accidents have occurred in the harbor, due to the inadequate size of the turning basin, which was designed many years ago and was last widened in 1931.

The present trend in the shipping industry is toward the use of larger ships because of the economy of operation. Due to the prevailing strong winds in the vicinity of Kahului Harbor, extreme difficulty in navigating the larger vessels inside the harbor is experienced. As a result, shipping interests have suffered, passenger vessels will not use the harbor, the economy of the area is depressed, and the use of this harbor to the Department of Defense in the event of emergency is drastically reduced.

The recommended plan of improvement for enlarging the turning basin will provide additional manevering area for the harbor, thus alleviating navigation hazards which would prevent ship groundings, eliminate marine accidents and delays, reduce delays in ship arrivals and departures during inclement weather, and reduce the maneuvering time of departing ships. The project modification has a very high benefit-cost ratio of 2.9.

DISCUSSION

The Committee on Public Works held public hearings on S. 1632, and received testimony on the emergency nature of the desired improvements to Kahului Harbor, and the large benefits that would accrue from such improvements.

The committee is aware that Kahului Harbor is the only available harbor on the island of Maui that can accommodate oceangoing and interisland vessels, on which the commerce of the island is dependent, since the only other available transportation by air is obviously unable to handle the large volume of commerce to and from the island.

The committee was advised that the width of the present turning basin is inadequate to permit the larger ships now regularly visiting the port to enter or leave safely under wind conditions usually prevailing. Serious accidents have occurred and costly delays are encountered. These unfavorable conditions cannot be entirely overcome by the service of additional tugs.

The committee was also advised that the risk of serious accident and the economic losses due to delays attributable to the presently inadequate turning basin are such that the larger vessels now in service threaten to bypass Kahului Harbor, and the island of Maui. This move would imperil the employment of many transportation workers, dock employees, and longshoremen, and threaten the entire economy of the island which is maintained and dependent upon ocean transportation.

As the island of Maui possesses great possibilities for agricultural and industrial expansion and continued growth of population, it is available for use for national defense purposes, and, with the increasing number of tourists visiting the island and the expansion of recreational facilities, removal of the hazardous conditions in Kahului Harbor is essential to improve economic conditions on the island and eliminate frequent and expensive maintenance of the existing jetties and harbor facilities.

The committee recommends enactment of this legislation. It feels that the modification of the existing harbor is economically feasible, and that the residents of the island of Maui should not be deprived of the best transportation facilities that can be provided for improvement of their economic life and continued development of the island. The committee further believes that the cost-sharing provisions on this project, including the cash contribution by local interests, is equitable and in conformance with existing policy.

AGENCY COMMENTS

The Department of the Navy commented favorably on House Document No. 109, and urged improvement of Kahului Harbor. Favorable reports of the Bureau of the Budget and the Department of the Interior are as follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., May 11, 1959.

Hon. DENNIS CHAVEZ,
Chairman, Committee on Public Works,
U.S. Senate, Washington, D.C.

DEAR SENATOR CHAVEZ: The Department of the Interior recommends the enactment of S. 1632, authorizing the modification of the existing project for Kahului Harbor, island of Maui, Hawaii, as a matter of urgent necessity.

The need for enlargement of the Kahului Harbor turning basin has become evident during the past few years from the number of near or actual accidents that have occurred.

The navigable portion of the harbor was designed originally for vessels of smaller size than those now in general use. Compared with pre-World War II statistics the increase in the size of the vessels using the harbor has been 100 feet in ship length and between 18.5 and 20 feet in beam. Moreover, the trend in the shipping industry is toward the use of larger ships because of the economy of operation. Unless the harbor, which has not been widened since 1931, is improved, the economy of Maui will suffer to a very great degree.

The difficulty with the present harbor turning basin arises from the prevailing strong winds and the broadside exposure of lightly loaded ships to these winds as they turn sharply past the breakwater into the harbor. The present east-west dimension of the turning basin (1,450 feet) leaves insufficient leeway for the vessels to maneuver at the low speeds necessary inside the harbor without danger of being blown by the winds to the shallows at the west edge of the turning basin. Additional difficulty arises when the departing ships must make a sharp backing turn of almost 180 degrees.

Freight tonnage moving through Kahului has increased by nearly 15 percent since 1951 to a total of 766,483 short tons in 1957 without significant gain in the number of vessels calling at the port. This illustrates the trend toward the use of larger vessels and the increased tonnage that can be expected in future years.

For these reasons, the Department of the Interior strongly supports the Kahului project. Gov. William F. Quinn fully endorses the project and considers it to be a matter of urgency.

The Bureau of the Budget advises that it has no objection to the submittal of this report.

Sincerely yours,

FRED A. SEATON,
Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
April 23, 1959.

Hon DENNIS CHAVEZ,
Chairman, Committee on Public Works,
U.S. Senate.

MY DEAR MR. CHAIRMAN: This is in reply to your letter of April 13, 1959, requesting the views of the Bureau of the Budget on S. 1632, a bill authorizing the modification of the existing project for Kahului Harbor, island of Maui, Hawaii.

The purpose of the bill is to authorize the modification of the existing project for Kahului Harbor substantially in accordance with the recommendations of the Chief of Engineers contained in House Document No. 109, 86th Congress, at an estimated cost of $964,800.

It is noted that the name of the harbor in question is misspelled in the bill. The correct spelling is "Kahului." It is noted also that the cost estimate of $964,800 specified in the bill includes $18,300 for preauthorization studies and $2,000 for aids to navigation, items normally omitted from the estimated cost. Accordingly, "$964,800" on line 8 should be deleted and the following substituted: "$944,500 to the United States for construction."

The Bureau of the Budget would have no objection to enactment of S. 1632 if amended as noted in the preceding paragraph.

Sincerely yours,

PHILLIP S. HUGHES,
Assistant Director for Legislative Reference.

CHANNEL TO PORT MANSFIELD, TEX., GULF INTRACOASTAL WATERWAY

Location: Port Mansfield is located on the southern coast of Texas about 93 miles south of Corpus Christi and 38 miles north of Port Isabel. It is a shallow-draft harbor recently developed on the mainland shore of Laguna Madre, which lagoon is about 115 miles long, and is about 9 miles wide in the vicinity of Port Mansfield, with natural depths of less than 10 feet. It is separated from the Gulf of Mexico by Padre Island, a virtually uninhabited offshore bar formation which ranges from 0.5 to 2 miles wide and from 2 to 16 feet in elevation.

Report authorized by: Resolutions of the Committee on Public Works of the U.S. Senate adopted June 17, 1949, and of the Committee on Public Works of the House of Representatives adopted September 29, 1949, and April 21, 1953. The report has been transmitted to Congress and is published as Senate Document No. 11, 86th Congress.

Existing project: The Federal project for the Gulf Intracoastal Waterway provides for a main channel, 12 feet deep and 125 feet wide, extending from Apalachee Bay, Fla., to Brownsville, Tex., and for numerous connecting channels along the route. Between Brownsville and Corpus Christi, the main channel traverses Laguna Madre throughout its length. A tributary channel 12 feet deep and 125 feet wide extending 1.4 mile to a turning basin 12 feet deep, 400 feet wide, and 600 feet long at Port Mansfield, was completed in 1949 at a cost of $92,600. About $68,000 was expended on maintenance through 1954, including easing of the entrance curves. Local interests have extended the turning basin and have provided further harbor improvements consisting of an additional turning basin; a small-craft basin; a shrimpboat basin; and an outlet channel 10 feet deep and 100 feet wide extending from the existing tributary channel at the Gulf Intracoastal Waterway through Padre Island to a bar channel 16 feet deep and 250 feet wide into the gulf, flanked by concrete tetrapod jetties 1,600 feet long on the north side extending to the 15-foot depth, and 900 feet long on the south side extending to the 10-foot depth in the gulf. The estimated cost for the navigation improvements completed by local interests in September 1957 is reported to be $1,593,000.

Plan of recommended improvement: Modification of the existing project to provide for: (a) An entrance channel from the Gulf of Mexico, 16 feet deep and 250 feet wide to Padre Island; (b) a channel 14 feet deep and 100 feet wide from Padre Island to the Gulf Intracoastal Waterway, with two turnout curves, 12 feet deep and 100 feet wide; (c) a channel 14 feet deep and 125 feet wide from the Gulf Intracoastal Waterway to a turning basin at Port Mansfield, with the entrance curve into the turning basin widened to 200 feet, and with two turnout curves, 12 feet deep and 200 feet wide on the west side of the Gulf Intracoastal Waterway; (d) a turning basin 14 feet deep, 400 feet

wide, and 1,200 feet long with an irregular extension having a maximum width of 1,000 feet; (e) a shrimp-boat basin, 12-feet deep, 350 feet wide, and 1,450 feet long; (f) a small-craft basin, 8 feet deep, 160 feet wide, and 800 feet long; and (g) parallel rock jetties at the gulf entrance 2,300 and 2,190 feet in length.

Estimated cost (May 1958 price levels):

Federal first cost:	
Dredging	$472,000
Jetties	2,959,000
Total	3,431,000

Non-Federal first cost: None.

Estimated cost of maintenance, $165,000 (Federal) annually in addition to that now required.

Local cooperation: (a) Furnish free of cost to the United States all lands, easements, rights-of-way, and spoil-disposal areas necessary for construction and subsequent maintenance of the project; (b) hold and save the United States free from damages due to construction and maintenance; and (c) furnish satisfactory assurances that adequate terminal facilities for handling and icing seafoods will be provided, open to all on equal terms; and provided that no dredging shall be done by the United States within 50 feet of any established pierhead line, wharf, or structure, except in the small-craft basin, where dredging shall not be done within 30 feet of any structure.

Project economics:

Annual charges	$273,000
Annual benefits:	
Increased value of seafood catch	102,000
Reduced cost of transportation of fruit	4,000
Savings in operating costs of fishing vessels	156,000
Savings in operating costs of offshore oil exploration craft	32,000
Reduction in hazards to small craft	22,000
Total benefits	316,000

Benefit-cost ratio, 1.16.

Justification: The area tributary to Port Mansfield consists of about 4,200 square miles, with a population of 108,000. Raymondville, with a 1950 population of 9,136, is the largest city in the area, other communities being small. Most of the tributary area is semiarid but portions of Hidalgo and Willacy Counties are irrigated and produce cotton, citrus fruit, winter vegetables, and grain. Six oil fields, producing at a rate of about 3 million barrels annually, lie within 35 miles of Port Mansfield. Oil exploration is under way in Laguna Madre and offshore in the Gulf of Mexico. Laguna Madre produces large quantities of fish and the Gulf of Mexico has important shrimping grounds nearby. Terminal facilities at Port Mansfield for barges and small craft have been constructed by local interests at a cost in excess of $1,100,000. The Willacy County Navigation District owns about 3 square miles at Port Mansfield, has sponsored the harbor construction, and has extensive plans for future industrial and recreational development.

After completion of the project in September 1957, several severe storms occurred in November 1957, which caused extensive erosion and subsidence of the jetties and shoaling of about 3,000 feet of the Gulf entrance from 12 to 4 feet, which blocked the entrance channels for boats and ships to navigate through the pass, although the inside channel and harbor are in good condition. Redredging of the entrance channel is necessary and new jetties will be required to prevent further shoaling, permit safe navigation, and to confine tidal flows. The navigation district has expended $2,800,000 of local funds for the project. It has a taxable valuation of only $12 million, and cannot support additional revenue bonds for further improvements. The new channel from Port Mansfield to the gulf is badly needed as a harbor of refuge, as it is the only opening in the Barrier Island for 130 miles from Corpus Christi to Port Isabel. This harbor serves the fishing, pleasure, and shrimping fleets, and is used by the boats and rigs for oil exploration in the tideland and on the Continental Shelf. Development of this area will bring additional revenue to the State and Federal Government. Prospective commerce of about 2 million tons annually is anticipated.

This project is considered to be in an emergency category, as the storm damage has rendered the navigation facilities constructed by the Federal Government and local interests of little value, and expansion of these facilities to care for anticipated needs is believed essential. The recommended modification of the project is economically feasible.

STATEMENT BY DEPUTY BUDGET DIRECTOR ELMER B. STAATS IN SUPPORT OF THE PRESIDENT'S RECOMMENDATION TO PROVIDE UNIFORM COST SHARING ON CERTAIN FEDERAL FLOOD CONTROL PROJECTS

In his budget message of January 19, 1959, to the Congress, the President stated that legislation would be proposed to establish uniform cost-sharing standards for flood protection projects. In accordance with the President's recommendation, the Bureau of the Budget transmitted for consideration of the Congress a draft bill to accomplish this purpose.

In elaboration of the letter of the Budget Director of May 5, I should like to read a brief statement.

First, what is the need for uniform cost sharing on Federal flood control projects?

Since the inception of a national flood control program in 1936, flood protection has been provided largely at Federal expense. The largest program has been the construction of flood control reservoirs and works of local protection by the Army Corps of Engineers. The Department of Agriculture also administers a rapidly expanding program for development (including flood protection) of upstream watersheds. This program was authorized by the Watershed Protection and Flood Prevention Act of 1954. It is estimated that in total these flood control and flood prevention programs will involve Federal construction expenditures of about $251 million in 1959 and $272 million in 1960. In addition, the Departments of Army and Interior will spend about $280 million this fiscal year and $330 million next year for construction of large multiple-purpose reservoirs that will provide flood control as well as other benefits.

Present laws require Federal agencies to conduct these various programs under different and inconsistent cost-sharing standards. Some local groups are therefore required to make substantial contributions for flood protection, while others are required to make little or none. Both inequity and disruption of sound administration of water resources development automatically follow. Furthermore, local groups are encouraged to seek projects not on the basis of maximum project worth but on the basis of minimum local financial participation.

In approving the Flood Control Act of 1959, the President stated his belief that the provision of that act requiring local interests to bear 30 percent of the cost of constructing hurricane protection works was equitable and sound. He also stated that it should be extended to all flood protection programs. Such a level of local financial participation is somewhat higher than the present average. For example, local interests now provide about 20 percent of the total cost for Army's local protection works. On the average slightly less is provided for agriculture's watershed projects. Virtually no local participation is now required for major reservoirs providing flood protection benefits. A higher level of local financial participation would increase the effectiveness of the limited Federal funds available for flood protection projects. Moreover, the higher requirement would further strengthen the best test yet devised for measuring project worth—the willingness of local people to invest their financial resources jointly with the Federal Government. It would spread available Federal funds over a larger number of local projects; in the current year this would have amounted to approximately $75 million.

Second, as examples of flood control cost-sharing inequities under existing laws, I cite the following:

(a) Two Public Law 566 projects, both estimated to cost about $1.1 million, required in one case 43 percent local cost sharing (Swan-Buffalo Creek, N. Dak.) and in another case 6 percent local cost sharing (Sulphur Creek, Tex.).

(b) Three Corps of Engineers local protection projects on the Mohawk River, N.Y., require 8 percent local cost sharing in two cases (South Amsterdam and Herkimer) and 53 percent local cost sharing for the third case (Rome).

(c) We have been advised that for local protection projects of the Corps of Engineers local cost sharing ranges between the extremes of 1.3 percent and 62 percent.

Third, why was 30 percent selected as a basis for local cost sharing?

There is, of course, no magic about 30 percent. At the present time non-Federal participation in Corps of Engineers local protection projects averages about 20 percent and something less than this for Agriculture's upstream watershed projects. For the future it was considered that something in the neighborhood of one-third of flood control project costs should be borne locally. The draft bill recently transmitted to the Congress proposes 30 percent local cost sharing in the interests of consistency with the cost sharing standard adopted by the Congress last year for hurricane flood control projects. At the time the President approved Public Law 85-500 he indicated that such local participation was equitable and sound and should be extended to other flood protection projects.

Finally, I wish to emphasize that the principle of greater local and uniform cost sharing for flood control projects is not new nor did it originate with the Bureau of the Budget. The following have made recommendations along these lines in recent years:

(a) The Task Force on Natural Resources of the First Hoover Commission in 1949.

(b) President Truman's Water Resources Policy Commission in 1950.

(c) President Truman's Missouri Basin Survey Commission in 1953.

(d) The Task Force on Water Resources and Policy of the Second Hoover Commission in 1955.

(e) President Eisenhower's Presidential Advisory Committee on Water Resources Policy—1955.

Excerpts from the reports of these groups are included as Attachment B.

Finally, I should like to turn to the question raised in the committee hearings yesterday as to whether the same or similar principles of cost sharing which are recommended by the President for flood control should be applied to navigation and harbor projects.

As a matter of general principle, I think that the answer must be clearly in the affirmative. But we must recognize that the application of the principle of cost sharing to navigation projects is considerably more complicated than its application to flood protection projects. Considerations of

transporation policy and of the reciprocal use of harbors in foreign commerce represent two of the more important differences. There is also, as this committee is aware, the long-standing question of the extent to which Federal investment in navigation and harbor projects should be defrayed through user charges for such waterways. National transportation policy as enunciated in congressional enactments has long included a prohibition against user charges for inland waterways and U.S. foreign policy has long recognized the desirability of encouraging international trade and commerce by keeping charges for the use of commercial harbors at nominal levels. This subject has also been studied by the same groups which studied the problem of flood control cost sharing. Excerpts from their conclusions are included as attachment C.

On the other hand, the principle of cost sharing for flood control projects is clearly recognized in existing law in spite of the many variations in legislative requirements. Moreover, it must be recognized that the problems of inconsistent cost sharing standards for flood control projects is made particularly acute because of the number of Federal agencies involved. Only the Corps of Engineers and the Tennessee Valley Authority have authority to construct navigation projects.

In spite of the above considerations, the Bureau of the Budget believes that additional consideration should be given to the subject of cost sharing by those who receive direct and identifiable benefits from navigation and harbor projects to assure that the principles of non-Federal participation are applied as nearly as possible on the same basis for all types of local water resource projects. Under present practices, local participation in the cost of harbor improvements is required generally where local recreational benefits are involved, where there is a single beneficiary of the improvement, or where it is necessary to provide disposal areas or utility relocations.

The Bureau of the Budget is giving further study to the problem raised by the committee in its discussions yesterday and hopes to be in a position to make recommendations with respect to any changes in existing policy for navigation and harbor projects. We believe that such recommendations must be closely related to the study of transportation user charges and transportation policy now under way in the Department of Commerce. It is our view, however, that action by the Congress on the flood control projects proposal should not and need not await the outcome of these recommendations because of the essential differences between the two problems as set forth above.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., May 5, 1959.

The PRESIDENT OF THE SENATE.

MY DEAR MR. PRESIDENT: In his budget message of January 19, 1959, to the Congress, the President stated that legislation would be proposed to establish uniform cost-sharing standards for flood protection projects. In accordance with the President's recommendation, I am transmitting for consideration of the Congress a draft bill to accomplish this purpose.

Several outstanding commissions that have studied the problems of sound development of our water resources, including the Presidential Advisory Committee on Water Resources Policy, have pointed to the pressing need for setting an equitable and consistent basis on which the costs of flood control or flood prevention projects may be shared by Federal and non-Federal interests, no matter which Federal agency undertakes the work. The lack of uniformity in cost-sharing standards creates, unfortunately, a situation in which local groups may find it to their advantage to play one Federal agency against another in order to reduce the local contribution. This is both unsound and inequitable, since funds provided by the Federal Government are furnished by the general taxpayer and should be made available to local interests on a uniform basis.

The enclosed draft bill applies to the flood control aspects of programs of the major agencies having wide responsibility for water resources development—the Corps of Engineers, Department of the Army; the Bureau of Reclamation, Department of the Interior; and the Soil Conservation Service, Department of Agriculture.

The bill provides that non-Federal interests shall bear at least 30 percent of the first cost of projects allocated to the production of flood control or flood prevention benefits. The value of lands, easements, rights-of-way, and other services which are now, in many cases, required by law to be furnished by local interests, would be counted as part of the non-Federal share. The balance would be payable as construction progresses or, where appropriate, within 50 years with interest. In the case of reservoirs that produce widespread benefits over a large geographical area, the bill requires non-Federal interests to bear at least 30 percent of the costs of providing only those flood protection benefits that are significant and accrue to identifiable groups.

In his signing statement accompanying Public Law 85–500, the President stated his belief that the local financial participation of 30 percent authorized by the Congress for the first projects in the new Federal program for hurricane flood protection, constitutes an appropriate division of costs between Federal and non-Federal interests, and should be extended to other major flood protection programs. The modest increase in the average level of non-Federal financial participation that this cost-sharing standard represents is a desirable strengthening of a truly effective test of project soundness—the willingness of local groups to contribute their own financial resources in a joint undertaking with the Federal Government. Moreover, greater cost sharing by local beneficiaries increases the effectiveness of the limited Federal funds which are available for flood protection programs.

The bill requires non-Federal interests to assume responsibility for the operation and maintenance of flood control or flood prevention projects, or to bear the cost of operation and maintenance if continued Federal operation of the project is found to be in the public interest. In the case of large reservoirs, non-Federal interests will bear a share of operation and maintenance costs found to be equitable in consideration of the benefits received.

In view of the large backlog of authorized projects involving flood protection benefits, it is essential that the cost-sharing standards of this bill be applied to all projects for which construction begins after the date of enactment. To provide otherwise would unduly delay correction of the conditions that this legislation is designed to remedy.

The Nation as a whole gains from programs that result in soundly conceived flood protection projects, even though the benefits of any single project may accrue chiefly to the residents of a relatively small area. The existence of both national and local benefits has been recognized in the various flood control acts, reclamation law, and the recent Watershed Protection and Flood Prevention Act. Similarly, in most cases, the corollary principle that those who benefit from flood protection projects have a responsibility to bear a fair share of the financial burden has also been recognized. This bill strengthens that principle and provides that this responsibility shall be extended uniformly to all identifiable groups who receive flood protection benefits, regardless of the type of project that produces them.

The need for a sound and fair pattern of Federal-local participation in flood protection projects is pressing. That need should no longer go unmet.

Sincerely yours,

MAURICE H. STANS,
Director.

A BILL TO PROVIDE UNIFORM COST-SHARING STANDARDS FOR NON-FEDERAL ENTITIES COOPERATING WITH THE FEDERAL GOVERNMENT IN FLOOD CONTROL OR FLOOD PREVENTION PROJECTS, AND FOR OTHER PURPOSES

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the intent of Congress that non-Federal entities cooperating with the Federal Government in projects providing benefits from flood control or flood prevention shall receive uniform and equitable Federal assistance, and that to this end it is the purpose of this Act to establish a cost-sharing policy applicable to projects which produce flood control or flood prevention benefits.

SEC. 2. For the purposes of this Act—

(a) The term "flood control or flood prevention benefits" shall include but not be limited to (1) reductions in damages or losses from stream flows that exceed the capacity of the channel within which the flow of a stream is normally confined or from abnormally high levels of lakes and coastal waters caused by hurricane and other major storms; (2) reductions in sediment and erosion damages caused by flood runoff; and (3) increases in net return resulting from changed or more intensive use of flood plain property made possible by reduction of flood risks: *Provided,* That the term "flood control or flood prevention benefits" shall not include increases in net return resulting from any change in the average moisture content of the soil, over the growing season, attributable to improved drainage or irrigation.

(b) The term "project" shall mean any separable engineering work or system of closely related engineering works, or works of improvement for flood prevention except land treatment measures, which produce flood control or flood prevention benefits, including such works constructed pursuant to the Flood Control Act of March 1, 1917 (33 U.S.C. 703–704), the Flood Control Act of May 15, 1928 (33 U.S.C. 702), the Flood Control Act of June 22, 1936 (33 U.S.C. 701), and the Reclamation Act of June 17, 1902 (43 U.S.C. 391), and acts amendatory or supplementary to said acts; and such works constructed with Federal financial assistance furnished under the Watershed Protection and Flood Prevention Act of August 4, 1954, as amended (16 U.S.C. 1001–1007), and the Small Reclamation Project Act of August 6, 1956, as amended (43 U.S.C. 422a–422k): *Provided,* That the part of the works represented by the cost allocated to the production of flood control or flood prevention benefits of any multiple-purpose project undertaken pursuant to the acts cited above shall be considered a project.

(c) The term "non-Federal entity" shall mean a State or any public entity created under State law or interstate compact, or any private entity, having authority to cooperate with the Federal Government in the planning, installation, maintenance, and operation of a project.

(d) The term "responsible Federal official" shall mean an official of the Federal Government authorized to carry out the provisions of the acts cited in subsection (b) of this section or acts supplementary or amendatory thereto.

(e) The term "first cost" shall mean all monetary outlays made and the value of goods and services contributed or provided

by various interests for the planning, design, and project construction, including contract work, materials and supplies, labor, and use of equipment; acquisition of lands, easements, rights-of-way, and water rights; relocation of facilities and settlement of damage claims; interest during construction; protection of public health; replacement of or prevention of damages to recreation and fish and wildlife resources; and prevention of loss of or damages to mineral resources and scenic, archeological, historical, and associated values: *Provided*, That the first cost shall not include the cost of investigations, surveys, and planning undertaken prior to authorization of the project or investigations and surveys financed by appropriations to Federal agencies other than the agency responsible for the project or having primary responsibility for furnishing Federal financial assistance for the construction of the project.

SEC. 3. After the effective date of this Act, no Federal agency shall incur any obligation for first cost except planning, design, and acquisition of water rights for a project or provide financial assistance for a project unless a State or, at the discretion of the responsible Federal official, one or more other non-Federal entities shall have entered, in advance, into an agreement satisfactory to said responsible Federal official to fulfill the requirements for operation and maintenance under section 4 of this Act and to assume at least 30 per centum of the first cost of the completed project allocated to the production of flood control or flood prevention benefits, payable as construction proceeds or pursuant to a contract providing for repayment with interest within fifty years: *Provided*, That the actual cost or fair market value, as determined or approved by the responsible Federal official, of such lands, easements, rights-of-way, and work performed or services rendered prior to completion of construction of the project which are furnished, or required by law to be furnished, by a non-Federal entity shall be included in the share of the first cost to be borne by the non-Federal entity: *Provided further*, That where a project provides flood control or flood prevention benefits that are widely dispersed over a large geographic area, non-Federal entities shall be required to bear at least 30 per centum of the share of the first cost attributable only to significant flood control or flood prevention benefits which accrue to identifiable groups of beneficiaries.

SEC. 4. The operation and maintenance of any project coming within the purview of this Act shall be a responsibility of a non-Federal entity or entities bearing the non-Federal share of the first cost thereof under the provisions of section 3 of this Act, or of any group of beneficiaries that the responsible Federal official deems appropriate in accordance with existing statutory requirements: *Provided*, That the flood control beneficiaries shall bear, in any case, their share of the costs of operation and maintenance: *Provided further*, That if the responsible Federal official finds that operation and maintenance of any such project by the Federal Government would be in the public interest, such official may arrange for operation and maintenance by the Federal Government if such non-Federal entity or entities agree to bear the cost thereof: *And provided further*, That where a project provides flood control or flood prevention benefits that are widely dispersed over a large geographic area, the non-Federal entity or entities shall bear that portion of the costs of operation and maintenance which the responsible Federal official determines to be equitable on the basis of the proportion of flood control or flood prevention benefits accruing to such non-Federal entities in relation to the total flood control or flood prevention benefits produced by the project.

SEC. 5. The provisions of this Act shall not be construed to modify any provisions of existing laws except the cost-sharing provisions thereof, nor to apply to any existing project or to any project determined by the responsible Federal official to be under contract or construction as of the effective date of this Act: *Provided*, That the duties, responsibilities, and financial obligations of non-Federal entities under the cost-sharing provisions of existing laws shall not be diminished by the provisions of this Act.

SEC. 6. This Act may be cited as the "Uniform Cost-Sharing Act for Flood Control and Flood Prevention."

Comparison of local cost-sharing requirements for flood protection under present legislation and policy and under provisions of draft legislation

Program and agency	Present legislation and policy			Draft legislation		
	Operation and maintenance	Lands, easements, and rights-of-way	Cash contribution	Operation and maintenance	Lands, easements, and rights-of-way	Cash contribution
1. Upstream watershed projects, Soil Conservation Service, Department of Agriculture.	Local	Local	None required	Local	Local	Local interests must bear 30 percent of first costs; value of lands, easements, rights-of-way, and other services provided locally count toward this requirement.
2. Local protection works (channels, levees, or reservoirs substituted therefor), Corps of Engineers.	do	do	None, except for 50 percent of construction costs allocated to increased land values resulting from changed land use.	do	do	Do.
3. Major reservoir projects (including flood control storage in multiple-purpose reservoirs), Corps of Engineers, Bureau of Reclamation.	Federal	Federal	None required	Local share required on basis of extent that significant flood protection benefits to identifiable groups are produced.	None required, but may be provided to satisfy some or all of required local financial participation.	Local interests must bear 30 percent of first costs of producing benefits to identifiable groups.
4. Hurricane-protection projects, Corps of Engineers.	Local	Local	Local interests must bear 30 percent of first costs; value of lands, easements, rights-of-way, and other services provided locally count toward this requirement.	Local	Local	Local interests must bear 30 percent of first costs; value of lands, easements, rights-of-way, and other services provided locally count toward this requirement.

Other provisions of draft legislation: (1) Proposed cost-sharing requirements, would apply to all projects not under construction as of the date of enactment. (2) Local cash contribution may be paid as construction progresses or over a period of 50 years, with interest. (3) Operation and maintenance may be performed by a Federal agency, with reimbursement, if in the public interest.

COMMENTS AND RECOMMENDATIONS OF VARIOUS COMMISSIONS REGARDING THE NEED FOR UNIFORM COST-SHARING POLICIES WITH PARTICULAR REFERENCE TO FLOOD CONTROL

"Task Force Report on Natural Resources," prepared for the Commission on Organization of the Executive Branch of the Government, January 1949 (First Hoover Commission):

"When the Federal Government first assumed definite responsibility for flood protection in 1936, costs were to be shared by the States and localities benefited, largely through the contribution of lands and rights-of-way. Removal of this condition in 1938 with respect to reservoir projects has had the effect not only of making the Federal Government assume 100 percent of the costs of these flood-control projects, but has removed one of the most effective restraints on the undertaking of projects of doubtful feasibility. States and localities were certain to scrutinize proposed projects with great care when they had to bear a significant share of the cost, but are inclined to ask fewer questions when the Federal Government supplies all the funds" (p. 21).

"The existence of a number of survey and development agencies has encouraged the perpetuation of special-purpose policies and has accentuated statutory inconsistencies. Varying administrative standards of feasibility, benefit-cost evaluation, and cost allocation have added to the confusion in these areas. Interagency rivalry has fostered a sort of Gresham's law with respect to Federal financial policies, the tendency being for higher standards of repayment by State, local, and private beneficiaries to be replaced by lower" (p. 23).

"Although the committee is not prepared to make specific recommendations, it believes that the most pressing need for statutory revision has to do with financial policy. As a general principle, costs should be repaid as far as practicable by the beneficiaries, more so than at present. Federal contributions should be limited to amounts proportionate to the estimated national benefits involved. State and local contributions should be required where practicable as a regular

policy on all projects where localized benefits demonstrably exist" (p. 28).

"A Water Policy for the American People," the report of the President's Water Resources Policy Commission, 1950 (Cooke Commission):

"This proposed reformulation of water resources policy is constructed on a simple framework of principles. These express: * * * The necessity for a system of repayment designed to treat alike all who enjoy the advantages of Federal investment. This will seek reasonable repayment, either through direct charge or assessment, for the opportunity which water resources programs offer for private gain, but will recognize that the great contributions of such programs to the general welfare warrant the assumption by the Federal Government of the remainder of the cost" (p. 9).

"Congress, in drafting new legislation or amending existing legislation, should provide for a uniform national reimbursement policy and specify the principles to be applied.

"Reimbursement procedure should aim, as far as possible, to recover a reasonable portion of the benefits accruing from public expenditures for water resources development. This should provide for charges for benefits where they can be collected, and agreements with interest States under which they would utilize their powers of taxation or assessment to assure reimbursement to the Federal Government for primary and secondary benefits not susceptible to direct collection" (p. 12).

"From the foregoing discussion, it should be clear that the Nation has no consistent reimbursement policy in relation to water resources development. In general, this situation has developed out of piecemeal legislation and administrative decisions dealing with single projects or with single functions within river basins. This procedure has given rise to serious inequities and inconsistencies in reimbursement policy.

"In the case of local flood control works, the local communities directly affected should assume an appropriate share of the cost, which could be apportioned on the basis of property values either by general taxation or by special assessment.

"In the case of extensive flood control works, involving large-scale upstream storage and land management programs, the States should establish special districts with the adequate powers to assume an appropriate share of the cost of providing protection against floods" (p. 85).

"Missouri: Land and Water," report of the Missouri Basin Survey Commission, 1953 (Lawrence Commission):

"Greater local financial responsibility: The general trend toward lower reimbursement requirements should be reversed. The problem is nationwide and application in any basin should obviously be conditioned on revisions being incorporated in national policy. Specifically, the Commission recommends that consideration be given to:

"(a) A general revision in national policy for the division of financial responsibility between Federal, State, and local groups in order to obtain higher contributions toward costs by beneficiaries, more systematic cost-sharing requirements for the various purposes, and greater interest and willingness to assume responsibility by groups immediately affected.

"(b) Provisions in national policy for assigning charges and assessments to specified beneficiaries in accordance with the following general principles: * * *

"Flood control: Primary beneficiaries, communities, and areas directly concerned, including States, should be assigned assessments up to the value of benefits, subject to reliable identification and measurement, with allowance for incentives and repayment ability" (pp. 15–16).

Local contribution to resource development: State and local interests could bear a greater share of the costs of projects from which benefits accrue to them. This is particularly true for flood control and navigation projects which for the most part are charged off as nonreimbursable, with the result that the Federal Government is bearing almost the entire cost.

"However, the entire cast of major projects should not be borne by local groups, despite the fact that the large share of benefits from these projects accrue to local interests. It would be impossible for the local governmental or private bodies to finance the entire, or perhaps even the major share of the costs of such projects. Nevertheless, the Commission is convinced that contribution or repayment policies are in need of revision in order to lessen the burden on the Nation as a whole and to stimulate the local groups within the basin to shoulder a larger portion of the financial burden. The Commission has continually encountered the demand that State and local governments be given a greater share in the determination and administration of the basin program, and it believes that this demand must be accompanied by an explicit willingness to combine administrative responsibility with financial support" (p. 16).

"Cost-sharing policy should promote: Greater consistency in the cost-sharing requirements for the various resource development programs. Some of the variations in current practice cannot be justified in terms of any systematic set of principles" (p. 234).

"Water Resources Policy," a report by the Presidential Advisory Committee on Water Resources Policy, 1955 (summary and major conclusions):

"It is believed that the principle of equal contribution for equal benefits received should be applied to the beneficiaries of all Federal water resources developments, although it is recognized that historically, the programs of the Federal agencies have differed widely as to the contribution required from the beneficiaries of such projects" (p. 3).

"Identifiable beneficiaries should pay an appropriate share of the cost of projects. The Committee believes that in most instances, direct identifiable beneficiaries should pay a larger share of the cost for benefits received than they now do.

"Responsibility for bearing the cost of maintenance and operation of Federal projects and for their management should be turned over to non-Federal interests as soon as it is soundly feasible in consideration of the Federal investment.

"All Federal agencies should use a uniform approach to cost sharing so that the division of costs between the Federal Government and non-Federal interests for any particular project would be the same regardless of the agency undertaking the project" (p. 30).

"The Committee recommends, as a general policy, that all interstate participate in the cost of projects in accordance with the measure of their benefits, and that the Federal Government assume the cost of that part of projects where the benefits are widely dispersed and represent substantial contributions to the general economic growth of the country or region, or to the national defense. The division of costs between Federal and non-Federal entities should be equitably determined on the basis of the degree and character of the respective interests, and the ability to identify direct beneficiaries. There the project is primarily of a local character, and where beneficiaries are readily identifiable, the Federal Government's contribution should be limited, with the non-Federal interests bearing a substantial portion of the construction costs of the project as well as the replacement, maintenance, and operation costs. In cases where projects supply or safeguard national needs, or where there are other special compelling considerations, the Federal Government may bear a larger portion of the cost if found in each case to be justified and consistent with criteria established by the Coordinator of Water Resources" (p. 31).

Task Force Report on Water Resources and Power to Commission on Organization of the Executive Branch of the Government, June 1955 (second Hoover Commission):

"It is recommended, to assure that the Federal payment of project costs is kept within reasonable bounds, and that non-Federal beneficiaries pay or repay costs commensurate with their benefits—

"That the Congress enact legislation to establish cost distribution principles, which 'cohesive and clearly identifiable groups receiving substantial benefits' will be required to observe as a prerequisite of Federal participation in reclamation projects; to require that the appropriate Federal agency report on conformance of local groups in recommending projects to the Congress; and to include the following requirements in the principles:

"(a) That the benefits expected to result from any project be subdivided as follows:

"1. those accruing to groups of cohesive and clearly identifiable recipients of substantial benefits.

"2. all benefits not assignable to such groups.

"(b) That the allocated capital cost be distributed in proportion to the benefits assigned.

"(c) That financially responsible governmental or quasi-governmental agencies representing the groups of cohesive and clearly identifiable recipients of substantial benefits be required, as a condition of Federal participation, to bind themselves to pay at least 50 percent of the cost prorated to them under (b) above with interest.

"(d) That the Federal Government assume all other costs not assumed by such groups.

"(e) That, in general, non-Federal agencies assume the full cost of operation and maintenance" (pp. 98–99).

"Sharing of cost by non-Federal interests: A fair share of the cost of any project which the Federal Government either constructs, or contributes to, should be borne by those to whom substantial benefits accrue. This will reduce the drain upon the Federal Treasury. But it will do three even more important things: It will constitute insurance that the local interests are really convinced of the soundness of the projects; it will result in a more equitable distribution of costs, and; it will preserve the self-respect of the beneficiaries.

"All of the Commissions and other groups which have given mature consideration to water-resources development have supported the principle that beneficiaries should bear an equitable share of costs.

"Nevertheless, present laws are not, in general, in accord with this principle" (p. 758).

COMMENTS AND RECOMMENDATIONS REGARDING REIMBURSEMENT FOR NAVIGATION IMPROVEMENTS

Task Force Report on Natural Resources, prepared for the Commission on Organization of the Executive Branch of the Government, January 1949 (first Hoover Commission):

"Under present methods of developing flood control and navigation works, the immediate beneficiaries often do not have to pay directly any significant part of the cost. Their only contribution is through general taxation. Indeed, they are encouraged by this policy to promote costly projects which cost them nothing. Such subsidy of private individuals from the public treasury is at best unjust. Its greatest evil, however, arises from the removal of any sort of economic

measure of value in terms of willingness to pay. It seems reasonable to assume that if the direct beneficiaries refuse to pay any part of the project costs, the economic soundness of the project must indeed be questionable" (p. 87).

"A Water Policy for the American People," the Report of the President's Water Resources Policy Commission, 1950 (Cooke Commission):

"Reimbursement for various types of benefits from water resources programs should be determined in accordance with the following principles: * * * (c) for navigation it should be determined in connection with a general program for putting charges for all forms of transportation on a cost basis, including interest" (pp. 12–13).

"Decisions as to user charges, or tolls, for waterway commerce should be worked out as a part of the whole problem of reconciling and making workable a coordinated transportation system. But with rates for all forms of transportation based on full costs, an interconnected system of modern waterways, coordinated with land transportation, should be able to sustain itself with tolls based on full costs and yield returns on the public investment while contributing to the most economic use of the Nation's resources" (p. 16).

"Greater local financial responsibility: The general trend toward lower reimbursement requirements should be reversed. The problem is nationwide, and application in any basin should obviously be conditioned on revisions being incorporated in national policy. Specifically, the Commission recommends that consideration be given to:

* * * * *

"(b) Provisions in national policy for assigning charges and assessments to specified beneficiaries in accordance with the following general principles:

* * * * *

"Navigation: An assignment should be made to waterway users and, through agreement, to States and communities to the extent of their benefits, after allowance for incentives. Such assignments may partly be met by toll charges, if and when feasible" (pp. 15–16).

"Water Resources Policy," a report by the Presidential Advisory Committee on Water Resources Policy, 1955."

"Navigation: Serious consideration should be given to repayment of a portion of the costs of new navigation projects, particularly those which will create navigability where none now exists, by the institution of user charges. Although it would appear logical, in the interest of a completely uniform policy as to the participation of beneficiaries in the costs of water resources developments, that user charges should be instituted which would at least bear the cost of operation and maintenance of such navigation facilities, it must be recognized that the subject of user charges involves not only water policy but also the whole field of transportation, including many other mediums. Therefore, it is a more appropriate subject for a survey of the entire field of transportation than one of water policy alone" (p. 32).

Task Force Report on Water Resources and Power to Commission on Organization of the Executive Branch of the Government, June 1955 (Second Hoover Commission):

"It is recommended, to help establish a consistent national water policy, to increase local responsibility, and to fix the limits of Federal activities in the development and conservation of water resources and power.

"That the Congress enact legislation to direct the appropriate Federal agency or agencies to apply the principles of national transportation policy, as expressed in the preamble of the Transportation Act of 1940, to the construction, operation, and maintenance of navigation facilities.

"That the Congress enact legislation to establish a system of user charges relating to the inland and intracoastal waterways, the Great Lakes and connecting channels, and seacoast harbors and channels of the United States. For projects now in operation, such charges should cover all costs of maintenance and operation by whatever agency incurred.

"For future projects (including future capital expenditures for projects now in operation), the charges should cover all Federal costs, i.e., maintenance, operation, and capital costs. All such charges should apply to regions, or system, rather than to individual projects, so as to avoid discrimination" (p. 101).

"Water Resources and Power," report of Commission on Organization of the Executive Branch of the Government, June 30, 1955. (Second Hoover Commission):

"Recommendation No. 8:

"That Congress authorize a user charge on inland waterways except for smaller pleasure craft, sufficient to cover maintenance and operation, and authorize the Interstate Commerce Commission to fix such charges" (p. 85).

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 962) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the modification of the Gulf Intracoastal Waterway-Channel to Port Mansfield, Texas, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers contained in Senate Document 11, of the Eighty-sixth Congress, at an estimated cost of $3,431,000.

SEC. 2. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

The PRESIDING OFFICER. The next measure on the calendar will be stated.

MODIFICATION OF PROJECT FOR KAHULUI HARBOR ISLAND OF MAUI, HAWAII

The Senate proceeded to consider the bill (S. 1632) authorizing the modification of the existing project for Kahului Harbor, island of Maui, Hawaii, which had been reported from the Committee on Public Works with amendments on page 1, line 3, after the word "for", to strike out "Kahuli" and insert "Kahului", and in line 8, after the word "of", to strike out "$964,800" and insert "$944,500 to the United States for construction", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the modification of the existing project for Kahului Harbor, island of Maui, Hawaii, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers contained in House Document Numbered 109, of the Eighty-sixth Congress, at an estimated cost of $944,500 to the United States for construction.

SEC. 20. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill authorizing the modification of the existing project for Kahului Harbor, island of Maui, Hawaii."

BILLS PASSED OVER

The bill (S. 1968) to strengthen the wheat marketing quota and price support program was announced as next in order.

Mr. ENGLE. Mr. President, by request I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H.R. 5674) to authorize certain construction at military installations, and for other purposes, was announced as next in order.

Mr. ENGLE. Mr. President, I ask that all the items from No. 284 to the end of the calendar be passed over.

The PRESIDING OFFICER. The bills will be passed over.

The bills passed over are as follows:

H.R. 5674. A bill to authorize certain construction at military installations, and for other purposes.

S. 1901. A bill to amend section 101(c) of the Agricultural Act of 1949 and the act of July 28, 1945, to stabilize and protect the level of support for tobacco.

S. 218. A bill for the relief of Laurie Dea Holley and the legal guardian of Karmen Lael Holley, minor child.

S. 707. A bill for the relief of Demetrios Pappathakis.

S. 1291. A bill for the relief of Marko Klapan.

MARKO KLAPAN

Mr. KEATING. Mr. President, I ask unanimous consent for the present consideration of Calendar No. 288, Senate bill 1291.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1291) for the relief of Marko Klapan.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Marko Klapan shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

DEMETRIOS PAPPATHAKIS

Mr. KEATING. Mr. President, I ask unanimous consent for the immediate consideration of Calendar 287, Senate bill 707.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 707) for the relief of Demetrios Pappathakis.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. LANGER. Mr. President, reserving the right to object, may I ask for an explanation of the bill?

Mr. KEATING. Mr. President, this bill, which was introduced by the chairman of the Committee on the Judiciary [Mr. EASTLAND], is for the relief of Demetrios Pappathakis, a minor child seeking to be adopted by citizens of the United States.

Mr. LANGER. I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Demetrios Pappathakis, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Paul Apostle, citizens of the United States: *Provided,* That the natural parents of Demetrios Pappathakis shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

Mr. ENGLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HILL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ENGLE in the Chair). Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 4245) relating to the taxation of the income of life insurance companies; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MILLS, Mr. FORAND, Mr. KING of California, Mr. SIMPSON of Pennsylvania, and Mr. MASON were appointed managers on the part of the House at the conference.

INTERNATIONAL HEALTH AND MEDICAL RESEARCH ACT OF 1959

Mr. HILL. Mr. President, yesterday the Senate had under consideration S.J. Res. 41, Calendar No. 232. I ask unanimous consent that the Senate may proceed to the further consideration of that joint resolution at this time.

The PRESIDING OFFICER. The clerk will state the joint resolution by short title for the information of the Senate.

The LEGISLATIVE CLERK. A joint resolution (S.J. Res. 41), the International Health and Medical Research Act of 1959.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Alabama? The Chair hears none, and it is so ordered.

The Senate resumed the consideration of the joint resolution (S.J. Res. 41).

Mr. HUMPHREY. Mr. President, I rise to support strongly the proposed legislation now pending before the Senate, the International Health and Medical Research Act of 1959. I am delighted and feel greatly honored to be privileged to join with the distinguished senior Senator from Alabama [Mr. HILL] in supporting the bill. This fine measure is the handicraft of the Senator from Alabama and his associates on the Committee on Labor and Public Welfare.

I should like to reiterate what I stated on March 10, 1959, when I appeared as a cosponsor of the resolution before a hearing of the Committee on Labor and Public Welfare, presided over by its chairman, the distinguished senior Senator from Alabama [Mr. HILL], the sponsor of the measure.

At that time, as I indicated in the printed hearings, beginning on page 192, I stated that I regard the proposed legislation as one of the foremost landmarks of the 86th or any other Congress.

Senate joint resolution 41 is an inspiring example of humanitarian action by Congress. It is an illustration of enlightened self-interest at work. In strengthening cooperation among the medical scientists of the world, it strengthens the outlook for the health of the entire human family.

As I stated at the hearing, too, one fact is clear: The joint resolution is the proud work of the senior Senator from Alabama. It is his creation, and he deserves the fullest possible credit for it.

Our colleague and associate from Alabama has written many notable statutes for the improvement of human health, notably the Hill-Burton hospital construction law and the health research facilities law. But I venture to predict that when the history of these times is written, few of his great contributions will rank higher than the noble resolution which I know the Senate is about to approve.

The Senator from Alabama has worked on the resolution for a long time. He has sought counsel on it from experts throughout the land. He has unhesitatingly incorporated strengthening and clarifying amendments, for which we thank him. He has demonstrated eagerness at all times to make the resolution as fine and sound an instrument as possible. Some of the finest reading which any Senator could undertake are the hearings on Senate Joint Resolution 41.

When I think of the caliber and quality of the persons who testified, the outstanding professional people who came forward, voluntarily and eagerly, to give testimony in support of the resolution, it should warm the hearts of all Americans to know that there is such a spirit of understanding and humanitarianism in America.

Mr. HILL. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. HILL. As the Senator from Minnesota has said, it would be almost impossible to compile a list of more eminent witnesses than those who appeared in behalf of the resolution. None testified more eloquently or more brilliantly than did the distinguished senior Senator from Minnesota.

Mr. HUMPHREY. I thank the great Senator from Alabama.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Pennsylvania.

Mr. CLARK. I wish to commend the distinguished senior Senator from Alabama for the effective work he has done in bringing the resolution to the floor of the Senate and for the speech he made yesterday in support of it.

It is my good fortune to be a member of the Committee on Labor and Public Welfare and to have had the privilege of attending the hearings to which witnesses from all over the United States brought their support to this most important measure. The resolution has well been called a health for peace resolution.

I know of the great interest which the senior Senator from Minnesota has taken in this matter and the fine testimony he gave in support of it. It seems to me to be almost incredible that there should be opposition in this Chamber to the provisions of the resolution, in view of the almost incalculable amount of good it can do throughout the world, with the very minimum amount of expense which the measure authorizes to be incurred.

I sincerely hope that the resolution will promptly be passed by the Senate and by the other body, and will become law.

Mr. HUMPHREY. I thank the Senator from Pennsylvania for his statement. I know I speak for the Senator from Alabama, as I certainly speak for myself, when I say that it is always gratifying to have the words of commendation and the splendid assistance of the Senator from Pennsylvania [Mr. CLARK]. What he has said here today is indicative of his keen interest in health measures, particularly the international aspects of health.

Mr. HILL. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. HILL. I may say that the distinguished senior Senator from Pennsylvania is one of the sponsors of the resolution, as is the distinguished senior Senator from Minnesota. The senior Senator from Pennsylvania, who is a member of the Committee on Labor and Public Welfare, made really fine contributions to the formulation of the resolution and to the final action on it by the committee.

Mr. CLARK. I thank the Senator from Alabama and the Senator from Minnesota for their kind but quite unmerited words.

Mr. HUMPHREY. Mr. President, America and the world are in the debt of the Senator from Alabama and his committee for this far-visioned measure. The reaction to the resolution has been virtually unanimous in its favor. A little later, I shall cite some of these enthusiastic reactions.

THE DANGER OF "BUDGET-ITIS"

The executive branch has wisely endorsed the principle of the resolution. But there is one factor—one condition—in the executive branch which does cause concern. It is what I call "budget-itis," a condition which spreads like a contagion from the accountants of the Bureau of the Budget. They are myopically more concerned with low but neat figures in the budget document than they are with the high costs of disease. They can see the $50 million ceiling of authorization in the resolution and profess to be alarmed about it. But they cannot see and are not alarmed about the hundreds of millions of dollars which disease is costing the American taxpayers, directly and indirectly, not to mention the incalculable toll in pain, suffering, and premature death.

LESS GUNS, MORE HEALTH FOR LATIN AMERICA

Let me say to the Senate and to the American people as a whole that if there is to be objection to the resolution because it authorizes $50 million—I repeat: $50 million; that is all—and if that $50 million will, somehow or other, work a great injustice upon the so-called balanced budget, I have a way to remedy it. The President's budget for foreign aid provides an increase of $50 million for military assistance to Latin-American countries. We are increasing the amount for military assistance to Latin-American countries to $125 million compared with some $35 million only 3 years ago.

I say to the great Senator from Alabama that if any Senator raises his voice about the cost of the resolution, I can assure him, from what I have heard in the testimony given before the Committee on Foreign Relations, that we will trim more than $50 million from some of the military assistance proposed to be sent to countries which do not need it.

If my voice can be heard in the villages, hamlets, towns, and cities of America, and if the people of the United States have a choice between spending $50 million to fight cancer, or $50 million to mobilize the scientific knowledge of the world against heart disease, and spending $50 million to send guns, planes, and tanks to South America, believe me, if the American people have the right sense and good judgment which I know they have, they will know where to put the $50 million. They will put it into health, by means of this resolution.

If the administration plans to raise any hobgoblins or ghosts by claiming that the $50 million here proposed will put the budget out of balance, we will balance the budget for it, and I will take personal responsibility for doing so. Fifty million dollars worth of guns, bazookas, planes, and tanks are not needed in Latin America. Latin America is fighting enough as it is already. What are needed in Latin America are some schools and some health. The Senator from Alabama, through the resolution, will do more good for Latin America with this $50 million than all the mutual security and military assistance put together.

I know of a few other places where some surplus military aid can be trimmed off. I venture to say that some medical care in certain parts of Asia and Africa will do more good than the sending of some F–86's or some B–47's. The cloak of secrecy compels me, regrettably, not to disclose to the Senate some of the kinds of equipment it is planned to send to some strange places. But it is planned to send military equipment to people who do not even know how to use it. It is necessary to train them to use it.

Mr. President, I want to forewarn anyone who opposes the resolution on the basis of the $50 million authorization that we who sponsor the resolution are prepared to do battle here, military assistance or no military assistance. We will not need bazookas, tanks, guns, or grenades to win this battle, because the American people want the great medical know-how of the U.S. Government and the medical know-how and scientific knowledge of other peoples throughout the world to be pooled in this great crusade against disease.

Think of the thousands and thousands of persons who today are suffering from cancer. Many of them are our neighbors. For all we know, one of us may be next.

When we think of what could be done with $50 million to combat disease on a worldwide basis, it is hard to conceive that any Senator will oppose this measure.

I want to be here to help. I assure the Senator from Alabama that I am here to do battle for this good cause. This is the Lord's work right here. This is doing the kind of work the Congress should be doing. As a matter of fact, I am a little worried that we are authorizing only $50 million. It seems to me that is a rather small authorization. But at least it is a beginning.

Mr. President, I wish to serve warning on the opponents of the joint resolution, because I really think this is the kind of legislation that every Member of Congress should be proud of, and should want to have his name attached to, and should want to vote for, so as to let the whole world know that the Congress of the United States is prepared to wage war on disease, and that all members of Congress are unanimous in that effort, and that we welcome allies from every corner of the world. We have one common enemy; and in the war against that enemy we can put every kind of scientist and doctor into the same uniform. All can unite in the same struggle, for the same purpose, against the same enemy—namely, in the fight for health, and in the fight against disease.

DISEASE HAS INFLATIONARY IMPACT

Mr. President, in speaking of those who have objected to this measure—and I refer in particular to the reports of the Bureau of the Budget—let me say that apparently they cannot see that disease is economically inflationary. It slashes working time and productivity. It raises economic costs. It reduces purchasing power. So, Mr. President, from the standpoint of our U.S. economy and from the standpoint of the U.S. Treasury, a healthy nation is a better and a more prosperous nation.

The Hill bill is an anti-inflationary measure—if we have to view it from the economic point of view—which will serve tangible economic goals, in addition to great humanitarian goals, for our country.

So, Mr. President, I trust that "budget-itis"—which, by the way, is a peculiar kind of disease, of a current and temporary nature, which can be cured by this joint resolution—will not prevail against the bill. I know "budget-itis" will not prevail here in the Senate. Just as I know that the sun rises in the east and sets in the west, I know that the Senate will not be deterred for a single moment—or, at least, not for many moments—from voting in favor of the enactment of this great measure. Likewise, I trust that no "budget-itis" disease will prevail in the House of Representatives. The inoculation against "budget-itis" is to be had by means of truth and knowledge, compassion and understanding.

I know that here in the Senate, thanks to our industrious colleague from Alabama [Mr. HILL], thanks to our distinguished majority leader [Mr. JOHNSON] and our able majority whip [Mr. MANSFIELD] and others, we are ready, willing, and eager to speed this bill intact to victory; and we are determined to retain in the bill the $50 million authorized ceiling.

Mr. President, there may be arguments against the bill, although I have not heard any; but I guarantee that one of them is not based on the $50 million authorization. Actually, more money than that is spent in the Post Office Department in trying to find a kind of glue which will stick. So I hope the $50 million authorization will not be reduced. I hope that no type of bargain-basement economy will be practiced on the $50 million authorization for world health.

AMPLE SAFEGUARD AGAINST OVERSPENDING

With regard to the actual expenditure of that authorized sum or any smaller sum, let me amplify the specific remarks which I made in the hearing of the Committee on Labor and Public Welfare.

In the first place, I am satisfied that Dr. James Shannon and his associates at the National Institutes of Health can be reliably expected to utilize only such sums as are necessary, feasible, and desirable, and to expend them with efficiency, similar to the manner in which they have handled the funds which the Congress has already approved for the domestic operations of the National Institutes of Health.

SOUND ADMINISTRATION AT NIH

Mr. President, the General Accounting Office is able to find all kinds of waste in connection with foreign-aid programs and assistance, military programs, and so forth; but the General Accounting Office has never been able to find any waste in our medical programs. There is not a scintilla of evidence to show that the Surgeon General or the National Institutes of Health have improperly or unwisely used any funds which have been appropriated or made available to them.

This measure is an authorization bill; and later on the congressional appropriations committees will have to determine how much money to appropriate in connection with this authorization—whether the maximum amount of $50 million should be appropriated, or whether a lesser amount should be appropriated. I know our committees will decide on the basis of what they believe to be fair; and I know that the Surgeon General and Dr. Shannon, of the National Institutes of Health, and his associates will spend only what they can spend wisely, prudently, and effectively.

I know that the National Institutes have been giving a great deal of thought to the unique problems and opportunities of this new International Institute. I know that they are not going to relax the high scientific standards which previously have been followed in order to make sure that the American taxpayer gets full value from the money appropriated.

So, too, the new Advisory Council of the International Institute will provide for ample safeguards over the expenditure of the funds.

It is a fact that there are a host of special problems in spending research money abroad, as compared with spending money for research in the United States. Standards of living differ. Costs of manpower differ. Availability of facilities and equipment differs. Availability of technicians differs. Overhead differs. All of these and other conditions will be carefully borne in mind.

A million dollars spent abroad may buy the equivalent of two or more million dollars spent at home; or admittedly it might—theoretically—buy less, depending on the quality of administration. I have full confidence, however, in Surgeon General Leroy Burney and Dr. Shannon and their associates. I know they are going to get full value for the funds provided by the American taxpayers.

RELATIONSHIP WITH FOREIGN POLICY

As a member of the Senate Committee on Foreign Relations, let me state these additional points:

First. I believe that America's overseas health programs represent an important phase of our international relations. Not only do I believe that; I have seen it with my own eyes. I am just completing a report on my visits to the World Health Organization in Geneva, in my capacity as a member of the Foreign Relations Committee and as chairman of the Subcommittee on International Organizations. I visited the laboratories in Paris, in Geneva, in Copenhagen, in Oslo, in Stockholm, in Helsinki, in Moscow, and in London. I talked with administrators of hospitals and medical facilities. I believe that, as one Member of the Senate, I have some working knowledge of the importance of international oversea health programs. One of the reasons why I wanted to be here today and to associate myself with the work of the distinguished Senator from Alabama [Mr. HILL] is that I am one of his followers; I am one of his workers in the vineyard of good health. My only regret—because of the wonderful work his committee does—is that I am not a member of the committee. What good work it does for the people, for the Nation, and for the world.

Because I believe that our oversea health programs represent an important phase of our international relations, last year I drafted amendments to the Mutual Security Act, to strengthen American health programs abroad. This matter comes within the jurisdiction of the Foreign Relations Committee. And this year I am, likewise, offering amendments—which I presented on yesterday—to the Mutual Security Act, to strengthen health programs.

SCIENTIST TO SCIENTIST GRANTS

Second. I disagree, however, with the concept, which has been voiced from the executive branch, to the effect that American medical research grants should be handled on anything but a scientist-to-scientist basis.

If a medical researcher, for example in the United Arab Republic, can make an important contribution toward solving the riddles of a major disease, and if he can use American grants, then I say let him have continuous assistance—I emphasize, continuous assistance—irrespective of whether at any one time we agree with the policies of the United Arab Republic government.

In fact, as I said to Mr. Khrushchev, nothing would make America happier than to have some Soviet scientist discover the answer to cancer. I do not care where it is discovered, so long as the discovery is made.

Science and medicine as healing arts for the benefit of humanity should know no politics; and Americans should establish that standard. If the Soviets want to make their scientists into ideological politicians, let them have that responsibility and burden on their backs. Let America have its scientists and its doctors, people who work for people, people who try to make a better world, people who know no race, creed, color, or national origin, but people who believe God created man in his own image, and who work in that spirit.

In recommending against political interference in health, I am following an overall policy which I have recommended consistently. For it will be recalled that I had protested against the cessation of CARE food shipments to Egypt—an unsound action which had been based on policy differences between ourselves and the Egyptian Government.

The great value of medicine is that it is based upon a universal credo. Ignoring that credo, a totalitarian state might distort medicine to suit its particular objectives. But I see no reason for the democratic Government of the United States to do so.

Third. Let me make it perfectly clear the President of the United States is responsible under the Constitution, for the conduct of foreign policy. The State Department is his chosen instrument.

American activity abroad, whether it be of a health, economic, social, or other character, must naturally be evaluated by the President and by the Department of State from the standpoint of our overall foreign relations. It is they who are responsible for dealing with foreign governments.

But let us proclaim to the world that the National Institute for International Medical Research will be headed by scientists for scientific purposes in accordance with the best scientific standards. Let us not make this into a political propaganda mechanism or a political mechanism of any type.

SENATE INTERNATIONAL HEALTH STUDY CONFIRMS NEED FOR THE BILL

Now, by way of background, let me point out that I approach this subject as one who has long been interested in health, and as one who has endeavored, down through the years, to strengthen the battle against disease through sound new Federal statutes.

It was once my privilege to serve on the health subcommittee which handled certain types of health legislation relating to drugs, pharmaceuticals, and other health measures. I base my views today in one particular capacity. As my colleagues are aware, it is my pleasure to serve on the Senate Committee on Government Operations under the chairmanship of the distinguished senior Senator from Arkansas [Mr. MCCLELLAN]. In that capacity, I serve as chairman of the Subcommittee on Reorganization and International Organizations.

Last year, I introduced Senate Resolution 347, 85th Congress, for a comprehensive study of international medical research and assistance programs. That resolution was approved unanimously by the Committee on Government Operations and by the Senate. Thereafter, the chairman of our committee designated this subcommittee to make the study.

By Senate Resolution 42, 86th Congress, the study was extended until January 31, 1960, and $45,000 was provided.

I will not at the present time attempt to go into great detail on this study. I should like, however, to make one simple point. Everything that I have heard and read in the course of this study confirms fully the need for Senate Joint Resolution 41.

There is hardly a letter which I have received, hardly an interview which I had held in Europe in November and December 1958, with physicians, with Nobel scientists, with heads of State, in which qualified individuals did not indicate that they regard Senate Joint Resolution 41 as an act of American health statesmanship.

I wish to say to the Senater from Alabama [Mr. HILL] and my other colleagues that every place I went I was asked about the Hill bill. The Senator from Alabama may recall the bill introduced in the 85th Congress for the purposes of study, so Congress would have something to review, consider, and survey in the period between the time when the 85th Congress had adjourned and prior to the convening of the 86th Congress.

SCIENTISTS' ON-THE-SCENE COMMENTS IN EUROPE

I had a copy of the bill with me. Hour after hour of testimony was taken on tape recordings of statements by leading scientists of Western Europe in support of my bill—not only the support of leading scientists of the United States, but the leading scientists of friendly nations. They gave us volumes of information on how this bill might best be administered for the benefit of world health. That information was taken down on tape, so no one could have a moment's doubt as to what the leading physicians, health administrators, and scientists of the world think about the measure.

I wish it were permissible, under the rules of the Senate, to play back that testimony and, in addition, the hundreds of feet of film taken in the scientific laboratories and hospitals of Paris, Copenhagen, Stockholm, Oslo, Helsinki, and Moscow.

If any one act can help us make peace in the world, it is this measure which we are now considering.

MANY EXPERT STATEMENTS HAVE COME TO GOVERNMENT OPERATIONS COMMITTEE

Yesterday, the senior Senator from Alabama, in the course of his outstanding address, placed in the CONGRESSIONAL RECORD an inspiring series of quotations from American medical and lay leaders, urging approval of Senate Joint Resolution 41.

I should like to say that, in our independent study in the Government Operations Committee—which, by the way, is not a committee to study substance, but merely administration in the field of international health—we have been pleased to hear from many of the leaders who have been named and from others.

I should like now to invite the attention of the Senate to some of these added comments.

I should like also to set forth some facts as to our overall subcommittee review, showing how, from a separate but somewhat parallel course, we are in the process of objectively developing a series of findings which, in effect, attest to the need for this wise legislation.

QUESTIONS AND ANSWERS ON WORLD HEALTH STUDY

I have prepared a series of questions and answers designed to describe the work of the International Health Study Subcommittee.

I ask unanimous consent that the first of these questions and answers appear at this point in the body of the RECORD:

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BROAD SAMPLING OF WORLD OPINION

Question. Are the scientific reactions referred to in these comments today based upon a broad sampling of opinion?

Answer. Yes. I believe that it is safe to say that few, if any congressional committees have ever attempted so broad a sampling of health reactions throughout the world as has this subcommittee. From the very start of our operations, we set in motion a dragnet, so to speak, for ideas from all possible qualified sources not only in the United States, but abroad. The dragnet has met, I believe, with tremendous success. Scientific reactions have been gratifying and fruitful. Let me list now the many types of sources with whom we have corresponded and whose judgment I summarized:

AMERICAN SOURCES CONTACTED IN INTERNATIONAL HEALTH STUDY

Deans of all leading medical schools.
Deans of all schools of public health.
Many national officers of American Medical Associations.
State American Medical Association societies.
All professional organizations in the healing arts—nursing, dental, pharmaceutical, etc.
Editors of medical journals.
Professional medical organizations in specialized fields.
Executive directors of leading related scientific groups—biology, chemistry, physics.
Executive directors of all leading voluntary health organizations.
Directors of all leading U.S. rehabilitation centers.
Directors of health, interested foundations and institutes.
Leading American hospital administrators.
All leading pharmaceutical companies.
American businesses with substantial health programs for their employees overseas.
All American Ambassadors accredited to foreign nations.
Leading scientists, e.g., winners of Lasker Awards.
Miscellaneous American private organizations.

FOREIGN SOURCES FOR MOST OF THE NATIONS OF THE WORLD

All ministers of health.
All presidents of medical associations.
All presidents of medical academies.
Deans of leading medical schools.
All ambassadors accredited to the United States.
All living Nobel Prize winners in the fields of medicine, physiology and chemistry.

ADDITIONAL SOURCES

A. All U.S. Government agencies concerned with health research

Department of Health, Education, and Welfare.
Atomic Energy Commission.
Veterans' Administration.
Department of Defense—Army, Navy, and Air Force.
Department of Agriculture.
National Science Foundation.
Office of Civil and Defense Mobilization.

B. International governmental organizations with health activities

United Nations (e.g. special scientific committees.
United Nations Technical Assistance.
World Health Organization.
Pan American Health Organization.
United Nations Children's Fund.
Food and Agricultural Organization.
United Nations Relief and Workers Agency (Arab refugees).
United Nations Education, Scientific and Cultural Organization.
International Labor Organization.
South Pacific Commission.
International Atomic Energy Agency.
International Civil Aviation Organization (e.g. health quarantine, etc.).

C. Other intergovernmental organizations

Office for European Economic Cooperation.
Western European Union.
North Atlantic Treaty Organization.
Colombo Plan.

D. U.S. departments and agencies responsible for policy and/or administering of international health assistance programs

Department of State.
International Cooperation Administration.
Department of Health, Education, and Welfare.

E. Others

Inter-Departmental Committee on Nutrition for National Defense.
National Research Council—National Academy of Sciences.

APPROVAL BY FOREIGN EMBASSIES

Mr. HUMPHREY. Now, let us ask, What is the reaction of foreign nations?

The answer is twofold: First, on the basis of my on-the-scene tour of nine European nations, I say unequivocally to the Senate that rarely have I seen a single theme which has been greeted more unanimously and more warmly by different nations than has the subject of our effort covered by the pending measure.

Secondly, as noted in the list of sources cited above, I supplemented the on-the-scene reactions gained from the European tour with correspondence with Embassies on a twofold basis—first, with our American Ambassadors in foreign countries, and, second, with foreign Ambassadors accredited here in the United States.

Here, again, of the scores of replies received from our American Ambassadors abroad, I can state every single one has indicated that, in the judgment of the chief of mission, research cooperation would be well received and would be helpful, directly or indirectly, in the country to which he is assigned.

I am referring in the RECORD today to the work of the Foreign Relations Committee and the work of the Subcommittee on International Organizations, because these committees, while not having legislative jurisdiction, and not being creators of this legislation, can fortify the remarkable record which has already been established for the pending proposal.

Mr. HILL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. HILL. But the Senator can, and does, in his very able, constructive, and devoted manner, investigate the facts, go into them, and arrive at conclusions based on the facts. What the Senator now is doing is bringing to the Senate the result of the studies and investigations and the indefatigable work he has done both as a member of the Foreign Relations Committee and the Subcommittee on International Organizations of

the Committee on Government Operations. Is that not true?

Mr. HUMPHREY. That is my purpose. I hope my work has been indefatigable, and I hope it has been objective. It was the purpose that it be so.

AMBASSADORS HERE SENT EXCELLENT REPLIES

Now with regard to foreign Ambassadors accredited to the United States, here again, the response has been unanimous and approving.

I have had particularly gratifying reactions from the Ambassadors of those nations whose great scientific establishments would carry a heavy share of the load. I refer to their Excellencies from the United Kingdom, Sir Harold Caccia; the Republic of France, Herve Alphand; the Republic of Italy, Manlio Brosio; the Federal Republic of Germany, Wilhelm G. Grewe; the Kingdom of Belgium, Baron Silvercruys; the Republic of India, Mahomed Ali Currin Chagla; the Kingdom of Norway, Paul E. Koht; the Kingdom of Sweden, Gunnar Jarring; the Republic of Finland, Richard R. Seppala; the Kingdom of Denmark, Count Kield Gustav Knuth-Winterfeldt; and to Ambassadors of other nations which have already made strong contributions in medical research.

At a later date, I shall refer in the Senate to the wonderful reactions of these particular Ambassadors.

Mr. President, the files of the Subcommittee on Reorganization and International Organizations contain the letters, the statements, and documents from these countries and their ambassadors in support of the principles and objectives of the proposed legislation. At a later time I shall refer the Senate to the wonderful reaction of those particular ambassadors.

Mr. President, I have selected a series of excerpts from several of the replies from the ambassadors. I have taken the liberty of including only those portions of the letters which I felt might lend themselves to a public statement of this type. The basic viewpoint has been carefully presented.

I have before me copies of the letters, and I shall quote first from the letter of the Peruvian Ambassador, who says, in a letter addressed to me on April 15, 1959:

PERUVIAN EMBASSY,
Washington, D.C., April 15, 1959.

Mr. HUBERT H. HUMPHREY,
Subcommittee Chairman,
U.S. Senate, Washington, D.C.

DEAR MR. HUMPHREY: * * * I have * * * noted with great interest of the manifold and far-reaching effects that may result from the Resolution 41, that you are cosponsoring, which is now under consideration by the Senate Committee of Labor; and also of your purpose to strengthen the health provisions of this year's mutual security bill.

These initiatives, it is heartening to state, are evidence of your preoccupation for the establishment of vital projects of world character, very much in consonance with U.S. international leadership.

* * * * *

While expressing to you my sincerest congratulations on this noble undertaking, may I wish for it a most successful outcome.

Sincerely yours,

FERNANDO BERCKEMEYER,
Ambassador.

I shall next read from a letter from the Ambassador of Saudi Arabia, dated March 30, 1959:

ROYAL EMBASSY OF SAUDI ARABIA,
Washington, D.C., March 30, 1959.

Hon. HUBERT H. HUMPHREY,
U.S. Senator, Chairman, Subcommittee on Reorganization and International Organizations, U.S. Senate, Washington, D.C.

DEAR MR. SENATOR: * * * I personally believe in and agree with you in your views about the importance and the urgency of the need in helping and alleviating the world crises by means of eradicating the ills and the physical diseases of people, especially those coming from the underdeveloped areas of the world, with the United States as the leading country of the world with democratic ideals to sponsor such a magnificent project.

It is indeed gratifying to know that as the elected chairman of this subcommittee, you would do much to work toward this end.

With my kindest regards and best wishes for the success of your most noteworthy project and endeavors, please accept my sincere congratulations on your having given such a wonderful press release concerning this project.

Very truly yours,

ABDULLAH AL-KHAYYAL,
Ambassador.

Mr. President, I received a letter from the Embassy of Guatemala, which is a Latin American Republic. The Ambassador from Guatemala sent me a 2½-page typewritten single-spaced letter which outlines for us in considerable detail the needs of his country. I invite my colleagues to listen to these words:

EMBASSY OF GUATEMALA,
Washington, D.C., April 16, 1959.

Hon. HUBERT H. HUMPHREY,
Subcommittee Chairman, Subcommittee on Reorganization and International Organizations, U.S. Senate, Washington, D.C.

SIR: * * * I have read the material which accompanied your kind letter with great interest, and I am pleased to learn that the Labor Committee of the Senate is currently studying a measure to authorize $50 million for continuing medical research projects in accordance with the resolution which you yourself so aptly cosponsored. I understand also that it is your personal belief that the sanitary and health provisions of the mutual security bill now under consideration should be strengthened, including the provisions covering the use of foreign funds for sanitary and health aid.

World health is an ambitious objective difficult of achievement. Efforts of individual countries in this direction are insufficient to effectively combat the threat of disease. For this reason it is highly desirable that nations coordinate their efforts, combine their knowledge and experience, study jointly the problems, and make available important knowledge and discovery to all mankind. In this way, strong nations can help the smaller countries in the common struggle against disease and ill health.

I share the view that illness and disease are the principal causes of poverty, misery and insecurity in the world today and that not only medical research but also technical assistance in this field, are of basic importance in the struggle to prolong the life expectancy and to improve the mental and physical health of the people. Through international cooperation, medical research activities could contribute to the betterment of all people. And through the medium of an adequate technical assistance program public health services will be strengthened, general hygiene will be improved, and preventive and curative medical efforts will be extended.

My country has many excellent doctors and modern hospital facilities. We are never satisfied, however, with the level of achievement attained. We know we must still do more. Guatemala has one doctor for every 5,500 inhabitants, approximately. Our high birth rate, 51.3 per 1,000 population, is offset by our alarming rate of mortality, 23.2 per 1,000 population. This high death rate is brought about today by numerous illnesses and diseases, the eradication of which is possible if the advances of modern medicine were available. Suffice it to mention, malaria, diarrhea, enteritis, respiratory diseases, and parasitic diseases, whose incidence is usually associated with a relatively low living standard prevalent in a period of economic and social transition.

Guatemala needs international aid in order to develop its own public health services and to achieve a higher health standard which as a logical consequence will bring about greater production and consumption and a corresponding increase in export and import merchandise. For these reasons, my country is very happy to be a working member of the World Health Organization, and its regional establishment, the Pan American Sanitary Bureau.

There is no doubt that the United States is the nation which has contributed most vastly toward the improvement of the health of mankind. A decision on the part of your Government to spread this contribution more widely would be most heartily received by all nations and by all peoples. The coordination of efforts, in accordance with the technical assistance program of the United Nations and in close collaboration with the World Health Organization, the Pan American Sanitary Bureau, and UNICEF and other international organizations, would make the effective aid of this country in the field of medical research and assistance most valuable to the growth and development of underdeveloped countries.

I would like to conclude this letter by congratulating the president of the subcommittee for the outstanding work the committee is doing for the benefit of world health, and I would like to assure him that the efforts he is expending with the Senate Committee on Labor will be highly rewarded through the gratitude of thousands of human beings all over our world whose lives will be made happier and more useful in being shown the road to good health.

With my best wishes, I remain,

Very truly yours,

CARLOS S. ANTILLÓN,
Ambassador.

This is the general tenor of one letter after another. In order to conserve time I shall not read the remaining letters, but I will say they come from all parts of the world—from Asia, from Africa, from Latin America, from Western Europe, and from the Middle East.

I have file cabinets full of records. Never in my experience as a legislator and a person in public life have I witnessed such an outpouring of generous and enthusiastic support as I have witnessed in regard to the pending legislation.

Mr. President, I ask unanimous consent that the other letters be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

EMBASSY OF ICELAND,
Washington, D.C., March 31, 1959.

Senator HUBERT H. HUMPHREY,
U.S. Senate, Washington, D.C.

DEAR SENATOR HUMPHREY: * * * The valuable information contained in your message has been forwarded to the Ministry of Health and Education in Reykjavik, where I am confident it will be received with the greatest interest.

Personally I find the program of increased international cooperation in health most interesting, and such cooperation could lead to the most valuable results for the whole of mankind. I congratulate you on your excellent work in promoting such cooperation.

Sincerely yours,

THOR THORS,
Ambassador.

AUSTRALIAN EMBASSY,
Washington, D.C., April 14, 1959.

Hon. HUBERT H. HUMPHREY,
Subcommittee Chairman, Committee on Government Operations, U.S. Senate, Washington, D.C.

DEAR SENATOR HUMPHREY: * * * Your proposals for support of medical research projects and for the strengthening of the health provisions of the mutual security bill strike me as being most worthy ones which can do much to promote friendly relationships between nations.

* * * * *

Your sincerely,

HOWARD BEALE,
Ambassador.

EMBASSY OF TUNISIA,
Washington, D.C., March 27, 1959.

Senator HUBERT H. HUMPHREY,
Subcommittee Chairman, U.S. Senate, Washington, D.C.

MY DEAR MR. SENATOR: * * * May I first congratulate you on the very humane and happy initiative of conducting the special study on international health cooperation. It is indeed a sore problem which fully deserves your highly appreciated care and concerning which I am eager to contribute as much as I, and the health department in Tunis, possibly can.

The two sides of the problem—strengthening world medical research and improving world medical assistance are intimately linked and could therefore be tackled simultaneously.

It well behooves the United States to take the lead in this program against disease and it is gratifying for us to see considerable efforts devoted to it, which inevitably will be crowned with success.

Mr. M. Essaafi, Secretary of this Embassy, will be very glad to assist the health study staff in any manner he possibly can, and I will, in this matter, remain constantly in touch with him, in the hope of bringing a hearty and spontaneous contribution to your great task.

Sincerely yours,

MONGI SLIM,
Ambassador of Tunisia.

EMBASSY OF PAKISTAN,
Washington, D.C., April 3, 1959.

Hon. HUBERT H. HUMPHREY,
Subcommittee Chairman, Committee on Government Operations, U.S. Senate, Washington, D.C.

MY DEAR SENATOR HUMPHREY: I thank you for your letter of March 20, 1959, about the special study on international health cooperation which is being conducted under your chairmanship by the Subcommittee on Reorganization and International Organizations. I have read with interest the committee print and the release containing your observations on the need for vigorous action against what you have rightly described "mankind's universal enemy"—disease.

The need for international action in this field can hardly be overemphasized. The lead given by your great country in alleviating human suffering in the underdeveloped areas of the world is most heartening. I am greatly impressed by the work that is being done by the subcommittee under your able guidance. I am also confident that keeping in view the importance and magnitude of the problem of combatting disease all over the world adequate provision will be made in the mutual security bill for the purpose.

We are deply interested in the progress of the work of your subcommittee and will be only too happy to be of any assistance. You may, therefore, wish to inform Mr. Julius Cahn, your project director, to get in touch with Mr. Fateh for any help that this Embassy may be in a position to give.

Yours sincerely,

AZIZ AHMED,
Ambassador.

AMBASSADE DU GRAND-DUCHÉ DE LUXEMBOURG,
Washington, D.C., March 27, 1959.

Hon. HUBERT H. HUMPHREY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HUMPHREY: * * * Permit me to congratulate you for drawing the attention not only of the U.S. Congress and of other authorities, but of the world, once again, to the urgent problem of improving health conditions throughout the world, particularly in the less developed countries.

* * * * *

Yours sincerely,

GEORGES HEISBOURG,
Ambassador of Luxembourg.

APRIL 6, 1959.

Hon. HUBERT H. HUMPHREY,
Chairman, Subcommittee on Reorganization and International Organizations, U.S. Senate, Washington, D.C.

MY DEAR SENATOR HUMPHREY: * * * This mission is very interested in the project which it considers of great importance to the welfare of millions of human beings.

The publication, "The Status of World Health," which you kindly sent to me together with your letter, reveals the magnitude of the problem of sickness in the world and the need to multiply the efforts that are being made to solve it. I definitely agree with your statement that "Money for medicine is far more meaningful to mankind than simply more money for machineguns."

I believe that you and the members of your subcommittee deserve the highest praise for what they have accomplished.

* * * * *

With the assurances of my high esteem, I am,

Sincerely yours,

MARCOS FALCÓN-BRICEÑO,
Ambassador of Venezuela.

EMBASSY OF VIETNAM,
Washington, D.C., March 30, 1959.

Hon. HUBERT M. HUMPHREY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HUMPHREY: * * * Please accept my most sincere wishes for the success of your noble undertaking of promoting international cooperation in the field of medical research and assistance.

This cooperation is indeed most helpful, as is illustrated by two recent facts concerning Vietnam:

1. As you may know, the region of Saigon-Cholon has over 2 million inhabitants because of the influx of refugees and is at least as warm all year round as Washington is at the height of summer. It has been suffering for years, however, from an insufficient water supply, and the water has to be cut off for many hours each day. This situation is particularly unpleasant, hard and unhealthy, especially for poor people who cannot afford to have private reservoirs. An improved water supply system has been projected and is going to be built thanks to a loan of $19.5 million which has just been authorized by the Development Loan Fund.

2. Thanks to the private initiative of "Medico" and to the help of the ICA, a small team of American surgeons and nurses is leaving this week for Saigon to help train Vietnamese specialists in lung surgery.

I have asked our cultural officer, Mr. Truong Buu Khanh, to get in touch with Mr. Julius Chan, your project director, and to report to me on the work of your subcommittee.

I shall be most pleased indeed if I can be of any help.

Sincerely yours,

TRAN VAN CHUONG,
Ambassador of Vietnam.

IRANIAN EMBASSY,
Washington, D.C., April 1, 1959.

Hon. HUBERT H. HUMPHREY,
U.S. Senate.

MY DEAR SENATOR HUMPHREY: * * * I most certainly appreciate the idea of a special study on international health cooperation and I realize what a great work your subcommittee is engaged in. Indeed, I cannot but congratulate those who have been instrumental in advancing this idea and who have openly shown their feelings of support.

It will be my pleasure to designate Dr. Hoasein-Ali Esfandiary to be in touch with your health study staff, as you have suggested. Dr. Esfandiary, cultural counselor of this Embassy and supervisor of Iranian students in the United States, is also a medical doctor—familiar with field of medicine in Iran * * *.

Again, may I thank you and wish you every success in this very worthy project.

Sincerely yours,

Dr. ALI GHOLI ARDALAN,
Ambassador of Iran.

APRIL 20, 1959.

Senator HUBERT H. HUMPHREY,
U.S. Senate, Senate Office Building,
Washington, D.C.

MY DEAR SENATOR HUMPHREY: * * * May I offer to you my most sincere congratulations for your noble gesture in cosponsoring the resolution, Senate Joint Resolution 41, which the Senate Committee on Labor is now considering, and if approved, no doubt will lend a helping hand to thousands of health study technicians throughout the world who are now trying to work with inadequate resources, and it would bring many more technicians into areas of the world which do not carry any research work nor keep statistical figures.

Everyone who is conscious of his obligations toward society and the human rights of every member of mankind, cannot but wholeheartedly approve and support the projects contemplated in the U.S. Senate's resolution, Senate Joint Resolution 41, and in your comments expressed when releasing the latest subcommittee 81-page publication entitled "The Status of World Health".

Just as it is a sad truth that hundreds of millions of human beings are plagued by diseases and live in such unhealthy conditions that are degrading to human nature itself, it is also true that to properly and orderly conquer this killer that thrives in human lives through disease and hunger, the health status of every region of the world has to be known through statistical data and the ways of coping with specific diseases known by world medical research.

When this is better known, the medical assistance will be more effective and fruitful.

But as the cry for help from the sick in every corner of this world is heard, and as the research and study is being carried, we must try, each in its own effort, to help eradicate the staggering existence of avoidable diseases, which as you very truthfully said "* * * in this 20th century constitutes a blot on the conscience of civilized man," and I think that if the far-visioned bill that you cosponsor is approved, those funds authorized could be put to work in oversea aid for medical research * * *.

I am certain that this yearly aid from the United States of America would enable many nations of the world to keep up statistical data and to carry out research programs or improve the existing ones, whose results can be made available to other nations and gradually close the gaps that now exist on the research and compilation of data on world health.

Once again I would like to express to you and the other members of the subcommittee my congratulations for your wonderful understanding of human needs and for the practical way in which you are working to obtain the means to eradicate or reduce the human plagues of diseases and hunger.

Sincerely yours,

HECTOR DAVID CASTRO,
Ambassador of El Salvador.

PRAISE OF JOINT RESOLUTION BY NOBEL LAUREATES

Mr. HUMPHREY. Mr. President, what has been the response of the Nobel award-winning scientists? Their response has been similarly enthusiastic.

In Stockholm, at the world famous Karolinska Institute, I had met with Prof. Hugo Theorell, 1955 winner of the Nobel Prize in the field of medicine and physiology, and he had warmly endorsed the concept of expanded cooperation in research.

Now, after extensive correspondence, I have brought together a series of other replies from other Nobel winners. These include comments of Prof. W. M. Stanley, 1946 winner in chemistry; Prof. Selman A. Waksman, 1952 winner in physiology and medicine; Prof. Bernardo Houssay, 1947 winner in medicine and physiology; Prof. Hans A. Krebs, 1953 winner in medicine and physiology; Prof. Glenn T. Seaborg, 1951 winner in chemistry; Sir Alexander Todd, 1957 winner in chemistry; Prof. Joshua Lederberg, 1958 winner in medicine and physiology.

I should like to say that, almost without exception, the comments of the Nobel laureates have been detailed and helpful on a great many phases of the international health study.

For the moment, however, I shall include in the CONGRESSIONAL RECORD only those brief portions of their comments which are especially pertinent to today's consideration of the National Institute for International Medical Research.

However, so many additional worthwhile points were touched upon by these Nobel award winners that their recommendations are now being earnestly studied by the project director of the subcommittee and by myself.

Mr. President, the names I have stated comprise an array of the greatest scientists in the world. Some of these men are Americans. They support the joint resolution of the Senator from Alabama. They support it not because they want some little gift. These are men who give their lives to science. They are not getting rich. This is not some stock dividend deal. We are not splitting stock, and we are not giving tax credits. What we seek to do is to work with the scientists who seek to heal the sick. Every one of these men, without exception, comes forth voluntarily, wilfully, and enthusiastically to say, "Please give us this type of legislation."

Mr. HILL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I am happy to yield.

Mr. HILL. The distinguished Nobel Prize winners, to whom the Senator has referred, not only realize that we need additional, greater, and more intense medical research, but also realize that we need closer cooperation, and collaboration of the scientific communities of the world, so that the scientists throughout the world can work more closely together and can more easily collaborate with one another.

Mr. HUMPHREY. The Senator is correct. I am sure my colleagues realize it is a most factual statement to say that we in America, with all our great achievements in medical science, have no monopoly on the subject. There is great knowledge around the world. As a matter of fact, some of the great discoveries—for example, such as those in regard to hypertension—have come from other countries including, for example, from India.

Mr. HILL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. HILL. The Senator has in mind the drug we know as rauwolfia.

Mr. HUMPHREY. The Senator is correct.

Mr. HILL. The tragedy is that the drug lay dormant for 400 years. When by accident it got into a medical research laboratory at Boston, the testing of it began. It was tested for 5 weeks and did not seem to be effective. The scientists were about to give up on further tests, but said, "We will go along for one more week." They tested the drug the sixth week, and they got the result which the Senator from Minnesota knows so well. This is the most important drug we have today for the control of high blood pressure, and is also about the most important drug we have so far as many types of mental illness are concerned.

Mr. HUMPHREY. The Senator is correct.

Another classic example is penicillin. Had there been previously international medical cooperation of the nature which is now proposed, the great miracle of penicillin might have been in use some 25 or 30 years earlier. Actually, it was being used, but as a mold on bread, by some country doctors who found it by accident. No great research had perfected it at that time.

Mr. HILL. As the Senator well knows, the sulfonamides came from Germany.

Mr. HUMPHREY. Yes.

Mr. HILL. Some assistant in a laboratory failed to pick up some component, and for 16 years we were denied the blessings and the benefits we now receive from the sulfonamides.

Mr. HUMPHREY. These are characteristic examples, as the Senator from Alabama can point out again and again, of what can be accomplished, and what new horizons are yet to be explored. That is what we are talking about—what is yet to be discovered.

Mr. HILL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. HILL. Is it not also true the history of science shows us that often we work and labor to find the answer with regard to one particular disease, though we might not get the answer with respect to that disease, we will get a result which will prove to be beneficial with reference to some other disease?

VITAL MOLECULAR AND PERINATAL RESEARCH

Mr. HUMPHREY. That is very true. I will say to the Senator that when I was in Paris, at the Pasteur Institute, I saw work going on in the field of molecular pathology—biochemistry, biology, and bacteriology which was absolutely fantastic.

I have seen work in prenatal research, care of the yet unborn infant, which touches one's heart. This is an area, by the way, in which much work is being done overseas, from which we could learn a great deal, and to which we could make a significant contribution, notably through our National Institute of Neurological Disease and Blindness with which I am in close contact. The Senator has pointed out the tangential benefits to be expected from such research.

Mr. HILL. The Senator spoke about the advances being made in the field of prenatal diseases. It is only as we have pressed forward in this field that we have become aware of the problem. There used to be an idea which prevailed, that a child in the mother's womb was in a fortress or citadel, and that we need have no concern. However, as we have pressed forward with medical research, we have realized how many things babies suffer from while still in the womb. It is only through medical research that we are making such discoveries today.

Mr. HUMPHREY. The Senator is correct. How good it would make me feel as a U.S. Senator if I could do anything by my vote, word, or action to make the life of a mother a little happier, or the life of a child a little brighter and more healthy. That is what we are discussing here.

IMPORTANCE OF FULBRIGHT PROGRAM IN LIFE SCIENCES

Prof. Joshua Lederberg, for example, in his letter to me touched on a great many significant phases, including his previous experiences as a Fulbright visitor to Australia. I might mention in this connection some words of Professor Lederberg:

> The Fulbright program has been a tremendous benefit.

I might say that one of the great and largely untold stories in world annals is in the contributions which have

been made by the Fulbright program down through the years in the fields of the life sciences. If the Fulbright exchanges had included no other specialties than these—and we know, of course, the program covers the spectrum of human learning—it would have made a contribution of incalculable benefit to the American people and to the world.

It is my hope that in the course of the health study's future publications we will be able to document how indebted this country is to my colleague from Arkansas [Mr. FULBRIGHT] in this particular respect as in so many others.

The legislative jurisdiction for the Fulbright program is, of course, in the Senate Committee on Foreign Relations. But I think that our subcommittee's health study would not be complete if it failed to point out how very important the Fulbright program has been in the life sciences, just as the Smith-Mundt program has also been important.

EXCERPTS FROM NOBEL WINNERS' REPLIES

There follow excerpts of the Nobel laureates' replies which pertain to Senate Joint Resolution 41.

I ask unanimous consent that the excerpts from Nobel Prize winners, which I have used in my documentation, be printed in the RECORD at this point as a part of my remarks.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

UNIVERSITY OF CALIFORNIA,
Berkeley, Calif., Apr. 3, 1959.

HON. HUBERT H. HUMPHREY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HUMPHREY: * * * You mention Senate Joint Resolution 41 proposed by Senator HILL, and I should like at once to indicate my very enthusiastic support of this bill. I have testified before committees under the chairmanship of Senator HILL during the past few years, and I am familiar with the very forward thinking of Senator HILL.

The Virus Laboratory, which I established here at the University of California in 1948, represents the type of organization operating in a new area of medical research which has had a very important influence in virology throughout the world. During the past 11 years approximately 25 percent of our senior scientific staff has consisted each year of representatives from foreign countries. We have had, in all, representatives from 17 different countries who have spent usually 1 but sometimes 2 or 3 years here in training and have then returned to their own countries where in some cases similar research institutes have been started. On the basis of my own experience, I am convinced that a U.S. National Institute of International Medical Research operating on a much broader and more extensive basis could be a great force for good throughout the world.

* * * * *

I believe that foreign aid in the form of medical technical advice and generally along the lines of helping people to help themselves represents by far the best type of aid. A U.S. National Institute of International Medical Research could be a very powerful influence for good not only insofar as direct medical research is concerned but perhaps equally important insofar as fostering better relationships between our country and other countries.

With kindest regards, I am,
Sincerely yours,

W. M. STANLEY.

RUTGERS UNIVERSITY,
New Brunswick, N.J., March 19, 1959.

HON. HUBERT H. HUMPHREY,
U.S. Senate,
Committee on Government Operations,
Washington, D.C.

MY DEAR SENATOR HUMPHREY: * * * The control or perhaps even the potential elimination of infectious diseases has become a reality. Other diseases are attracting our attention. What we have witnessed during the last 20 years has resulted in the elimination of most diseases of childhood, and in the increase in the average lifespan of man by 20 years. We must carry on this battle. It is for us in the United States to take the lead, to set the example; the rest of the world will follow. There is no greater contribution that we can make to the role of democracy in modern society, to the world today, and to the benefits that will accrue to the peoples of the whole world than by concentrating our efforts to control disease and epidemics, and to make the world a better place to live in.

Respectfully yours,
SELMAN A. WAKSMAN,
Professor Emeritus.

UNIVERSIDAD DE BUENOS AIRES,
Buenos Aires, Argentina, March 25, 1959.

HON. HUBERT H. HUMPHREY,
Chairman, Subcommittee on Reorganization and International Organizations, U.S. Senate, Washington, D.C.

DEAR SIR: I am glad to answer your kind letter of March 6, 1959. My reply shall first include certain opinions about the status of international medical research which shall then be followed by my recommendations regarding the proposals put forth in your letter.

1. Medical research is advancing rapidly and is producing a revolution, by prolongation of life, relief of suffering, increase of health and physical and mental abilities.

2. The United States has the leading position in the present world.

3. Today the United States has a prominent position as a center of discoveries and development of science, but some great and significant discoveries are made also in many different places in the world.

4. The insufficient knowledge of the achievements made abroad not only does not allow the utilization of important discoveries, but also develops in many countries the attitude of a lack of justice or disdain by the Americans in the appreciation of their contributions.

5. There is an almost universal feeling that the most advanced countries have a moral obligation and responsibility in the promotion of the advancement of the backward or less advanced countries. This feeling is deeply rooted in your neighbor countries of South America.

WHAT CAN BE DONE?

1. The organization of a U.S. National Institute of International Medical Research deserves my complete approval. It can aid in research projects abroad, in improvement of the most promising men, in support of international symposia, and in collecting and disseminating medical information, etc.

2. Visiting professors must go to other countries. American scientists must give theoretical and practical courses of the most intensive type from 2 to 10 months' duration, especially in branches of science not well advanced. Last year some courses in embryology (Patten), isotopes (Cooper and Hasterlisk), etc., had great success in Argentina. South American scientists can be invited to visit the United States, some of them to explain their original discoveries and others, such as those with leading positions as professors, chiefs of laboratories, etc., will go to acquire firsthand information in modern trends in teaching and research.

3. Fellowships would be most useful if the candidates are well selected and if there is agreement that they will have positions on return to their countries. For those that develop well and are promising men, the Institute could give them equipment to continue their research in their own country and the American professors who have directed them could continue to be advisers by correspondence, or eventually to visit the country if needed.

* * * * *

I hope that these opinions will be useful to your committee.

With best regards, I am,
Sincerely yours,

BERNARDO A. HOUSSAY.

UNIVERSITY OF OXFORD,
May 5, 1959.

Senator HUBERT H. HUMPHREY, *U.S. Senate, Committee on Government Operations, Subcommittee on Reorganization and International Organizations, Washington, D.C.*

DEAR SENATOR HUMPHREY: I wish to thank you for your letter and for sending me a copy of the committee print "International Medical Research." In response to your request I would like to offer the following comments:

I admire the foresight and boldness of your subcommittee, as revealed by your letter and the printed document. Whilst everybody realises that disease knows no national frontiers, few people venture to draw the conclusion that nations must unite if the conquest of disease is to progress most favourably. The global attack on the major killing maladies which you envisage is a thing we sometimes dreamt of but hardly dared to discuss as a feasible proposition.

* * * * *

In reply to your specific question about the steps that should be taken to strengthen medical research and to foster international cooperation in the field of biochemistry I would say that the decision of the United States Government agencies to make grants to selected research workers in foreign countries is a great step in the right direction. I suggest that this policy be developed.

* * * * *

I am,
Yours sincerely,

H. A. KREBS,
Professor of Biochemistry.

THE UNIVERSITY OF CALIFORNIA,
Berkeley, Calif., March 30, 1959.

Senator HUBERT H. HUMPHREY,
Chairman, Subcommittee on Reorganization and International Organizations, Senate Office Building, Washington, D.C.

DEAR SENATOR HUMPHREY: It is a pleasure to respond to your letter concerning the establishment of a U.S. National Institute of International Medical Research. This is indeed a most worthy project, deserving the greatest support.

You have raised a number of specific questions which I will attempt to answer. International cooperation in the field of medical research is essential if we are to make rapid progress in the conquest of disease. Scientific discovery knows no international boundary lines, and basic discoveries once made must be shared with others with all possible speed. We must take full advantage of the existing international scientific organizations, and provide them with the means to extend their activities.

* * * * *

You have my firm support in your project to establish a U.S. National Institute of In-

ternational Medical Research. Wisely administered, it should open further avenues of international cooperation in science.

Sincerely yours,

GLENN T. SEABORG,
Chancellor.

UNIVERSITY CHEMICAL LABORATORY,
Cambridge, March 20, 1959.

Senator H. H. HUMPHREY,
U.S. Senate, Washington, D.C.

MY DEAR SENATOR: I have to thank you for your letter of March 6 and for the subcommittee report which was enclosed with it. I do not know that I have a great deal to contribute at this stage beyond welcoming the action which it is proposed to take through the Hill bill to expand and strengthen medical research at an international level. The general lines of approach which you envisage and which are really a further development of the valuable work which the National Institutes of Health have been doing in recent years seems to cover most of the desirable lines of attack.

* * * * *

Yours sincerely,

Sir ALEXANDER TODD.

STANFORD UNIVERSITY,
Stanford, Calif., March 15, 1959.

Hon. HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D.C.

DEAR SENATOR HUMPHREY: * * * The National Institutes of Health and their programs in support of research in the health sciences are now universally recognized to play an indispensable role in our national welfare. The administration of the NIH has always been responsive (to a remarkable degree) to the needs of our scientists, and I would be happy to recommend your confident reliance on the NIH in speaking for these needs in detail. This is in part a reflection of the important role played by many academic research workers throughout the country in implementing the review procedures and policy development of the NIH through their participation in study sections and advisory councils.

* * * * *

It is of course obvious that the American people will benefit equally from health advances made in other countries as those in the United States. Indirectly we are bound to share in the economic prosperity of other nations (with many of which we now wisely share some of our wealth); more directly, new knowledge and new methods of medical practice are immediately applicable to our personal needs, regardless of the nation in which they originate. Anything we can do to encourage medical research anywhere in the world is an investment in our own security, health and happiness.

These inferences are quite well brought out in the subcommittee print, and I perhaps need not enlarge further on them. However, perhaps there are some who do not fully appreciate the extent and importance of international communication in science, which is simply part of my daily experience in reading scientific papers which bolster and help define my own laboratory work, in my own visits to other laboratories and personal correspondence with scientists abroad, and in visits of foreign students and scientists to my own laboratory. For example, in my own laboratory at this moment I have students and colleagues from several countries (besides the United States) who are making important contributions to our research program—Australia, Japan, India, Great Britain.

* * * * *

As you can already judge from these remarks, international cooperation in medical research has already gone a long way. But it is certainly true that much more can be done both to help support research in other countries, and to foster better communication between scientists of diverse nationality.

* * * * *

A new Institute for International Medical Research could play an important role in the development of policy and as a clearinghouse for new thoughts.

* * * * *

Yours cordially,

JOSHUA LEDERBERG,
Professor of Genetics.

THIS IS NOT A SUBSTITUTE FOR FOREIGN ACTION

Mr. HUMPHREY. Might there be some misinterpretation abroad as to the purposes and procedures of the institute?

As in almost any other such new legislation, there is a chance of foreign misinterpretation.

For that reason, I made certain clarifying points in the course of my testimony before the Senate Committee on Labor and Public Welfare. Chairman HILL emphatically concurred in each of the following points:

First. The new institute would definitely not be designed as a substitute for sound action by foreign governments in fulfillment of their own responsibilities. On the contrary, it would be the hope of the Congress, as I believe foreign ambassadors here realize, that each nation will resolutely face up to its own financial responsibilities to strengthen medical research. This program is not to supplant the work of other countries, but to supplement it. It is a catalytic agent. It is the yeast which will produce more of the good product of medical science.

The United States should aid selected foreign projects, programs, and institutions to the extent that it is feasible and desirable so as to augment their existing capacity in a way which would not otherwise be possible, for example, because of genuine financial limitations in a foreign land.

Second. Funds under the institute would, moreover, in no way, be designed as a substitute for private activity, either in the United States, or in foreign countries.

On the contrary, the institute would be designed to encourage international private efforts by both American private organizations and foreign organizations.

Mr. HILL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. HILL. As the Senator knows, some very distinguished witnesses from private organizations appeared before the committee, emphasizing their determination to carry on with their voluntary, privately financed organization. However, they also emphasized how much this bill would help them to carry on the work which they are doing through free contributions and voluntary privately financed agencies.

Mr. HUMPHREY. I recall that testimony in the record. The representatives of voluntary organizations are as enthusiastic for this measure as was any witness who testified.

Voluntarism is a pattern which is perhaps best exemplified in the United States and in the United Kingdom, but which we would like to see developed further abroad. The institute should be a stimulus to voluntarism and not a substitute for it or a replacement of it.

Later on, I may say, the Senate Government Operations Subcommittee will publish a special report on voluntarism abroad.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. ELLENDER. I was interested in the statement made a moment ago by my good friend from Minnesota, to the effect that this program would supplement the work already going on abroad.

Mr. HUMPHREY. Yes.

Mr. ELLENDER. Where specifically in the bill does this statement appear? This money could be used to construct buildings abroad in order to carry on work, as I understand it.

Mr. HUMPHREY. Yes; within limits and under certain conditions.

Mr. ELLENDER. I was under the impression that this program was to be carried on abroad in conjunction with other nations.

Mr. HUMPHREY. The Senator is correct.

Mr. ELLENDER. On page 22 of the bill we find the following:

(8) provide, through financial grants, loans, or contracts (without regard to the provisions of sections 3648 and 3709 of the Revised Statutes), for the improvement or alteration of facilities, including the erection of temporary facilities, for research and research training purposes when necessary to carry out the purposes of this joint resolution with respect to any project.

Mr. HUMPHREY. That is correct.

Mr. ELLENDER. To my mind this section means that we could go into a country and lend that country such funds as might be necessary to construct new facilities.

Mr. HUMPHREY. I have my own reply, but the author of the legislation [Mr. HILL] is present. This provision was rewritten in the committee.

Mr. HILL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. HILL. We endeavored to make it very clear in the report that this language is not intended to authorize any brick-and-mortar program. It may be that when we go into some place to make a study we shall find that we need some kind of temporary facilities. Or perhaps we have a laboratory, and we need some little alteration or change in equipment. So far as building laboratories is concerned, I can assure my friend from Louisiana that that is certainly not the intent or purpose. I believe he and I, as members of the Appropriations Committee, will see to it that no such thing is done.

Mr. ELLENDER. As the Senator knows, the program would start with an annual appropriation of $50 million. However, over the years I have found out that once we make a start on a program, it continues growing. And before we know it, we are doing things that the people of the nations abroad should do. The net effect has been to have the U.S. Government take over the complete care of projects which more properly should be in the care of those

people who get the most benefit from them—the governments of the countries where they are located.

Mr. HILL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. HILL. Let me say to my friend from Louisiana that the bill provides an authorization of $50 million, but, as the distinguished Senator from Minnesota has said, it will be up to the Appropriations Committee and the Congress to decide how much we shall appropriate through the years for this purpose.

Certainly we cannot appropriate, under the terms of the bill, more than $50 million. The intent and purpose, as clearly brought out in the hearings, and as we sought to make clear in the report of the committee, is that this money shall not in any way be used for the major construction of buildings in foreign countries. The buildings should be constructed by the country in which the work is being carried on. Of course, it is possible that there could be some isolated spot in a country where a research project might need a temporary facility.

Mr. ELLENDER. If the purpose of the measure is as the Senator states, why is it necessary to have available as much as $50 million?

Mr. HILL. The feature to which the Senator is addressing himself is, to my mind, a very small feature of the bill. The idea is that this money should go into research projects, such as those being carried on in the Senator's great State of Louisiana, at Tulane University and also at the medical school of the University of Louisiana. It is research work. We do have the provision in the bill with respect to temporary facilities, and to make some improvements, for example, in existing facilities, because in some places it might be necessary to enable the research project to be carried on.

Mr. ELLENDER. The Senator from Alabama has led the way in providing Federal funds for a great deal of medical research, particularly with respect to heart ailments, cancer, and many other diseases. He is the Senate's expert on these matters, and I wish to compliment him for it.

Mr. HILL. I thank the Senator very much.

Mr. ELLENDER. I wonder to what extent an organization of the type that would be established under the bill would duplicate work already being done by our own people in this country.

Mr. HILL. One of the very reasons we would put the institute at the National Institutes of Health, where we have the other institutes, is to prevent duplication. Out there they have had experience with activities of these kinds and with similar procedures. It is our plan to coordinate the whole effort. I should like to go back to the subject of facilities. The bill provides, "When it is necessary to carry out the purposes of this joint resolution with respect to a project." That means a particular project. That does not refer to the building of any laboratories or buildings.

Mr. ELLENDER. To what extent would this money be used exclusively in the United States?

Mr. HILL. To what extent could all of it be used?

Mr. ELLENDER. To what extent could any of it be used in this country? Suppose we go ahead and appropriate $50 million. Could all of it be spent in the United States?

Mr. HILL. Well, I would say this about it. That would be a matter to be decided by the Council, which would be set up under the joint resolution, together with the Surgeon General of the Public Health Service, subject, of course, to supervision by the Secretary of Health, Education, and Welfare. They would decide as to how best these funds could be expended to get the best results from the medical research.

Mr. ELLENDER. If the purpose of the bill is to more or less develop new methods of treatment, why does it carry the word "international" in its title?

Mr. HILL. It is called international for this very simple reason. It contemplates a cooperative effort on the part of research scientists in the United States and research scientists in other parts of the world. Some of them are carrying on research work of the same nature and looking to the same end that our scientists in the United States are engaged in. The program would bring about a cooperation and a collaboration in many instances.

Mr. ELLENDER. Is it not a fact that this is now being done to some degree?

Mr. HILL. It is, but in a limited manner.

Mr. ELLENDER. But it is being done now.

Mr. HILL. It is done, but in a very limited manner.

Dr. Gunnar Gunderson, president of the American Medical Association, in testifying before our committee, emphasized the fact that it is important that we tie in what we are doing in certain areas with what is being done in other countries. The Surgeon General emphasized the same point. Representatives from the American Dental Association, in testifying in support of the program, also testified to that effect and emphasized that point. Great emphasis was laid on the fact that we must tie all this in if we are to get the results we seek.

Mr. ELLENDER. The difference, then, between what we are now doing and what the Senator proposes we do, is to supplement the work now going on in this country and, in addition, to get a cooperative effort from institutions abroad. Is that correct?

Mr. HILL. I would say that we now get a cooperative effort, as the Senator says, from some institutions abroad. For instance, the laboratories at Tulane University, in the Senator's home State, and at L.S.U., might well tie in their wonderful work with the Pasteur Institute in Paris.

Mr. ELLENDER. As the Senator well knows, many of our colleges and institutions are now receiving substantial sums of money.

Mr. HILL. That is correct.

Mr. ELLENDER. To make studies in certain fields.

Mr. HILL. Yes.

Mr. ELLENDER. This program, as I see it, would supplement the work now being conducted in this country, plus obtaining cooperation from institutions abroad.

Mr. HUMPHREY. Yes.

Mr. HILL. This would, as the Senator says, enlarge our efforts or tie them in much more closely with the efforts of those in other countries. That is the purpose of it.

Mr. ELLENDER. If we were to extend this cooperation abroad, could we expect the various countries to furnish us this information without charge?

Mr. HUMPHREY. Oh, yes.

Mr. HILL. We expect to be partners in this undertaking. I wish to be perfectly frank with the Senator, and I certainly would not want to mislead him. When I say partners, it might be that in some instances the part of the work done by a country abroad would be greater than ours, and in some instances ours might be greater than their work. When we get into the field of research, it is not possible to cut it into neat portions, like cutting a pie, for example.

Mr. ELLENDER. I notice that the money, if the Council should decide, could be used for grants to finance certain studies in medical research.

Mr. HILL. Some of it could be used for that purpose, just as it is now being done in the United States.

Mr. ELLENDER. Yes. As I said, the program would supplement what we are doing.

Mr. HILL. The Senator is correct. It would strengthen what we are doing now. In addition thereto, it would aid kindred or similar work which is going on in other countries.

Mr. ELLENDER. To what extent could any of the money be used to make grants to foreign students to come and study and do research in our country?

Mr. HILL. I would say that would be a matter for the Council and for the Surgeon General and for the Secretary of Health, Education, and Welfare to determine.

Mr. ELLENDER. However, it could be done?

Mr. HILL. It could be done; yes. Surely, it could be done.

Mr. ELLENDER. I have a fear about this program. I think it is a good thing, but a program of this kind will bear watching.

Mr. HUMPHREY. Yes.

Mr. ELLENDER. The first thing that will happen, in my humble judgment, is that we are going to be asked to pay a great deal to foster the education of some people abroad. The Senator knows we are doing that through the Fulbright program and many other programs which are now on the statute books.

Mr. HILL. I should like to say this to the Senator. Any dividends which come from this research will directly and immediately affect the American people. It is not possible to make a discovery which will make any contribution to the cure of, let us say, arthritis or diabetes, or any other disease, with-

out ourselves in the United States becoming beneficiaries of that work.

Mr. HUMPHREY. Every person who suffers from diabetes in the United States owes a debt of gratitude to English and Canadian doctors. We did not discover the cure for diabetes.

Mr. HILL. It came from Canada. As the Senator from Minnesota has stated, penicillin came to us from Great Britain.

Mr. HUMPHREY. And the sulfa drugs came to us from Germany.

Mr. HILL. Yes. Vaccination came to us from England.

The science of bacteriology was developed by Louis Pasteur, in France. The science of antisepsis and asepsis was developed by Joseph Lister, of England. We could go on with a whole list.

Mr. ELLENDER. Our own scientists have done much work in this field themselves, and people abroad have made use of it. I would like to point out that these exchanges did not require a resolution of this kind.

All I say is that programs of this kind will bear watching. If they are not closely watched, the first thing we know, requests will be coming in for money to do this, that, and the other thing. Instead of appropriating $50 million a year to carry on a specific program, the amount might grow like Topsy.

Mr. HILL. If the Senator from Louisiana will join with me today in launching this program, he and I will stand together as members of the Committee on Appropriations to do that which he has suggested, and which should be done, namely, to watch this program carefully.

Mr. HUMPHREY. At the time of my testimony before the committee, I pointed out the very thing which the Senator from Louisiana has so well mentioned here, namely, that there are four separate checks upon the use of these funds. There will be not only the responsibility of the Surgeon General and of the Advisory Council, which the resolution creates, for the approval of any projects or grants, but also the Bureau of the Budget and the committees of Congress, first the authorization committees and then the Appropriations Committees of both Houses.

I thoroughly concur in the view that in this kind of program, as in any other kind of program which lends itself to substantial expenditures overseas, a careful, watchful eye is needed. The Senator from Louisiana is accustomed to and is mindful of that. He has alerted us to a very serious matter.

Mr. ELLENDER. As the Senator from Alabama and the Senator from Minnesota well remember, the foreign aid program, when it was started, was supposed to last 4 years. The total expenditure was to have been about $17 billion or $18 billion. The program has now been in effect since 1945. And from that time through the current fiscal year, almost $80 billion has been spent on that program, $50 billion of this total by way of grants. I think the United States has done its bit to assist the nations abroad in their recovery from the war.

I am very hopeful that this proposed program for medical research will do much good. However, I warn Senators that it must be watched closely. I hope it will never be allowed to grow so large that the countries abroad will cease to work for themselves and instead will depend on us to carry on work which they should do themselves.

Mr. HUMPHREY. As the Senator from Louisiana was entering the Chamber, I was commenting on that very point. The Senator from Alabama and I, in making the legislative history, have said that this is not a program designed to take responsibilities and duties away from other people. It makes my heart warm today to know that the Senator from Louisiana, who has served on the Committee on Labor and Public Welfare, and who has been interested in matters of health and human welfare, sees in this program the possibility for great good. At the same time, he admonishes us with respect to our responsibility for its proper administration. I, for one, am delighted that his participation has indicated his warm interest, and I hope that what he has said will help us greatly in securing the passage of the resolution.

INTERNATIONAL HEALTH YEAR

Mr. President, inquiry has been made about the International Health Year and the proposed new International Institute: What may be stated regarding the relationship between the proposed International Health Year and the newly proposed International Health Institute?

The answer is that the relationship would be an ideal one. The new International Institute would become the foremost single instrument whereby the United States could make the fullest contribution to the success of the International Health Year.

I was very much pleased to read in yesterday's CONGRESSIONAL RECORD, and also in previous issues of the RECORD, the excellent observations made by the distinguished junior Senator from Oregon [Mr. NEUBERGER], who has set forth the great opportunity available to the United States through the International Health Year.

In what better way could the United States signify to the world that we are determined to make the International Health Year a success than by establishing the new International Institute?

Let it be noted that the International Health Year is not simply a medical year; it is a health year—meaning that it will enlist the cooperation of all the life sciences.

So, too, Senate Joint Resolution 41 does not simply provide for a medical institute; it provides for a health institute, for example, including nutrition research.

I may say that along this line I have been in touch with the broad spectrum of U.S. agencies concerned with health.

INTERRELATIONSHIP OF THE TWO SENATE COMMITTEES

Now let us ask, How has the work of the Government Operations Subcommittee interrelated with the work of the Committee on Labor and Public Welfare?

The answer is, We have been working along somewhat parallel lines, at least in general, and we have benefited from the counsel given to us by the chairman of the Labor Committee and his diligent staff.

However, very specifically, let me confirm a few points of differentiation which I mentioned in the course of my testimony before the Senate Committee on Labor and Public Welfare, as may be found on page 192 of the hearings.

(a) The interest of our subcommittee is not in specific substantive legislation; rather it is in the subject of world health in general. By contrast, the Labor Committee bears exclusive responsibility for substantive health legislation.

(b) The Hill bill, Senate Joint Resolution 41, is a medical research bill; by contrast our subcommittee interest is in both medical research and medical assistance.

The fact of the matter is, however, that as I have indicated, virtually everything which our subcommittee has found to date confirms the need for this sound type of legislation. Every single publication which we have issued inevitably substantiates in effect the case for Senate Joint Resolution 41.

FINDINGS IN FOUR COMMITTEE PRINTS

I invite attention to the four committee prints which we have issued to date.

Our first committee print, entitled "International Medical Research," pointed out the great indebtedness of the American people to foreign science.

It pointed out further that already the National Institutes of Health channel $3.6 million in this fiscal year in research assistance overseas.

Let me point out that this committee print was subsequently filed, by unanimous action of the Committee on Government Operations, as Senate Report No. 160, 86th Congress.

Our second committee print was entitled "Statutory Authority for Medical and Other Health-Related Research in the U.S. Government." One of the conclusions of this committee print was that, at present, explicit statutory authority is lacking for U.S. agencies to engage in international medical research activities. While the Surgeon General no doubt has such authority in his broad powers, the committee print recommended that his authority be made explicit.

Our third committee print was entitled "The Status of World Health." This showed the appalling incidence of disease throughout the world. This committee print was subsequently filed as Senate Report No. 161.

Our fourth committee print will be published this Sunday. This will consist of my personal report on the World Health Organization. This report will point out that WHO can work and does work very effectively with the National Institutes of Health in strengthening medical research throughout the world.

Included in this report on WHO will be a new table which will list all of the principal diseases of the world according to the continent in which they appear. And it will indicate a series of

priorities, in the judgment of certain WHO experts, for attacking these diseases—including priorities for research.

I may say that WHO will cooperate very closely with the proposed new International Institute and vice versa. Institute funds will not and may not be used for direct sustaining operations by WHO. However, institute funds could, in my judgment, and should help out in WHO research planning, where necessary, and in WHO research in the testing of new drugs usable in mass eradication efforts against disease.

FUTURE PUBLICATIONS IN PROCESS

A whole series of other committee prints are in the making.

One important committee print, on which data is now being compiled by the National Cancer Institute, will be devoted to the epidemiology of cancer. Other studies may be devoted to the significant geographic incidence of other major diseases throughout the world, with the data being compiled by the other categorical Institutes at Bethesda.

Many of these studies contain important charts, such as Committee Print No. 3 designed to convey quickly and reliably a picture of world health conditions.

Having described the work of the subcommittee of which I am privileged to be the chairman, I wish to state that I have received most excellent cooperation from Dr. James Shannon, Director of the National Institutes of Health, in this work. This cooperation has been characteristic of the assistance to our subcommittee study from its very inception, as extended by Surgeon General Leroy Burney.

I wish to express our appreciation for the cooperation extended by the Chairman of the Atomic Energy Commission, the Honorable John McCone; the Director of the National Science Foundation, Dr. Alan Waterman; the Secretary of Defense, Neil McElroy; and, of course, the Secretary of Health, Education, and Welfare, Dr. Arthur Flemming, among others.

At a later date, I shall report in the Senate regarding other phases of the work of our subcommittee.

I am very happy to have had the privilege today to support this important measure. I hope it will quickly and overwhelmingly be passed.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CARROLL. I have listened with great interest to the excellent presentations made by the distinguished senior Senator from Minnesota and the very able senior Senator from Alabama. I think the resolution is one of the most important measures to come before the Senate at this session.

I observed, as I read the report, that no person appeared to testify against the resolution. Is that correct?

Mr. HUMPHREY. Obviously, it was not possible for me to be present to hear all the testimony, but it is my recollection that there was no direct opposition except on budgetary matters.

Mr. HILL. There was not a single witness who opposed the purpose of the proposed legislation.

Mr. CARROLL. That is my understanding from a reading of the report. The able Senator from Minnesota spoke of the letters which have come from all over the world. I think what is proposed is the finest thing we can do, not only as a matter of humanitarian interest, but also as a matter of foreign policy. It will provide medical and scientific advancement which will benefit all people, not only by way of the cure of disease, but also in the development of preventive medicine.

I commend the distinguished Senator from Alabama and the distinguished Senator from Minnesota for their able presentations.

Mr. HILL. The Senator from Colorado is one of the sponsors of the resolution. He is on the team which is carrying the ball down the field.

Mr. HUMPHREY. The Senator from Colorado is simply too modest.

Mr. CARROLL. My part is that of a supernumerary. It is very small. I commend the Senator from Alabama and the Senator from Minnesota for the great work they have done.

Mr. LANGER. Mr. President, I compliment the Senator from Minnesota upon his statement. I, too, have received letters on this subject from all over the world.

I think this is the appropriate time to call attention to the fact that a distinguished physician who came to this country from Yugoslavia has done outstanding work in the use of Krebiozen for the cure and prevention of cancer. The senior Senator from Illinois [Mr. DOUGLAS] has repeatedly proposed that a study be made of the value of Krebiozen.

Every Senator who fears cancer should study the value of Krebiozen.

During the 18 years I have been a Member of the Senate, the dread disease of cancer has taken its toll among the Members of this body and upon hundreds of thousands of their constituents.

The senior Senator from Illinois has taken the lead in bringing to the attention of the people of this country a drug known as Krebiozen, and requested an impartial investigation to ascertain whether or not Krebiozen may help the sufferers of cancer.

In this connection, I think it is peculiarly pertinent to bring to the attention of the Senate the answer of the Krebiozen Research Foundation to the background paper on Krebiozen of the American Cancer Society, and particularly the work of Dr. Andrew C. Ivy, one of the foremost authorities on cancer in America, and of Dr. Stevan Durovic, who has done such an outstanding job with Krebiozen. Every Senator who fears cancer should study the value of Krebiozen.

I ask unanimous consent that their statement be printed in full at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

ANSWER OF KREBIOZEN RESEARCH FOUNDATION TO THE "BACKGROUND PAPER ON KREBIOZEN" OF THE AMERICAN CANCER SOCIETY

INTRODUCTION

On March 9, 1959, the American Cancer Society released what it calls a "Background Paper on Krebiozen," which has since been reprinted in the Journal of the American Medical Association.

It would be expected that in addressing the public on any matter relating to cancer, the American Cancer Society would exercise an exact regard for truth. Yet this paper is neither honest nor truthful. It misrepresents the facts, omits much pertinent material and makes use of half-truths and falsities in order to discredit Krebiozen and its supporters in the eyes of the public.

The overall aim of this paper is obviously to persuade the public by a variety of strategems that blame for the failure to test Krebiozen rests with Dr. Ivy and the Krebiozen Research Foundation rather than with the agencies which have refused such a test.

As a matter of actual fact, those chiefly concerned with Krebiozen experimentation have sought such a test since 1952.

At that time Dr. Ivy proposed it to the American Medical Association as a means of ending the controversy over Krebiozen. The American Medical Association refused.

In February 1958 in response to public interest, the American Cancer Society invited and the Krebiozen Research Foundation submitted a proposal for the testing of krebiozen. The American Cancer Society stalled this proposal for many months and finally rejected it.

Then in August, 1958, Senator PAUL H. DOUGLAS in a Senate speech proposed that the National Cancer Institute undertake substantially the same test the Krebiozen Research Foundation had submitted earlier to the American Cancer Society and remarked: "This is a fair test. It can do no harm. It might do great good."

The Senator's proposal was immediately accepted by Dr. Ivy and the Krebiozen Research Foundation. The National Cancer Institute and its director, Dr. John R. Heller, rejected it.

Thus, a fair test to determine once and for all whether Krebiozen is active against cancer, has been sought from every responsible agency which could formally conduct it.

The fact that it has been refused by each in turn creates a paradox, very costly to the public, which is not easily explained in view of the extensive search for potential cancer remedies now being sponsored at great expense by two of these same organizations—the American Cancer Society and the National Cancer Institute.

Some 40,000 chemical compounds are being screened each year on the bare chance that they will show anticancer activity. Krebiozen alone—a drug which at the least has the evidence of some 300 doctors that it gives a 70 percent beneficial activity in advanced and terminal cancer patients—is denied a test by the very people who profess to be leading the search for drug remedies against cancer.

The "Background Paper" of the American Cancer Society is an attempt to rationalize this situation by an attack on Dr. Ivy, on Krebiozen, and on all others connected with it.

For purposes of reply, the charges, hints, and insinuations scattered through this document can be grouped under four main headings.

I. Regarding the test proposed by the Krebiozen Research Foundation and Dr. Andrew C. Ivy;

II. Regarding the substance itself, its discoverer, and his associates;

III. Regarding previous purported evaluations of the drug made by the agencies of organized medicine; and

IV. Regarding the attitude of the National Cancer Institute toward a fair test of Krebiozen proposed by Senator PAUL DOUGLAS, of Illinois.

I. REGARDING THE TEST PROPOSED BY THE KREBIOZEN RESEARCH FOUNDATION AND DR. ANDREW C. IVY

The American Cancer Society Paper states that, "The owners and proponents have demanded that the substance (Krebiozen) be tested according to their own terms, which are demonstrably unscientific." The fact is, that we have asked for the most scientific test possible. The double-blind test is standard in the laboratory and is the world over accepted as the best method for evaluating the activity of a drug.

In this connection it should be noted that at one of the meetings with Senator DOUGLAS between Drs. Ivy and Durovic and members of the National Cancer Institute staff, Dr. Durovic asked Dr. Heller if he "considered the double-blind test unscientific."

Dr. Heller answered: "No; of course not. It is our standard of drug evaluation at the National Cancer Institute."

Nevertheless, he admitted in answer to another question that, in his capacity as a director of the American Cancer Society, he had voted a little earlier that the proposal to evaluate Krebiozen by this method should be turned down as "unscientific."

This type of inconsistency has been manifest at every turn in negotiations for a test of Krebiozen. Yet, neither the American Medical Association, the American Cancer Society, nor the National Cancer Institute has ever stated that the type of test proposed by the Krebiozen Foundation would not give clear-cut results as to Krebiozen's activity. Nor could they do so. From Pasteur on, the double-blind test has been accepted in science as the most objective and certain method for evaluating a new therapy, since it rules out subjective impressions of both the physicians giving the treatment and the patients receiving it. Only results based on facts count.

Yet, the American Cancer Society and National Cancer Institute contend for one reason or another that this method should not be used for Krebiozen. One reason assigned for refusing the test, for example, is that its results—under the stipulated conditions—would "not be acceptable to the scientific community."

This is to misinterpret the problem. What is required in the present situation is not to find something "acceptable to the scientific community," but to establish a fact. A fact, once established, compels acceptance. It is not something which can be refused or rejected at the whim or pleasure of a guild or professional group.

And if Krebiozen is of value, who would wish to reject this truth? Surely not the humane and dedicated physicians who together make up the scientific community, and who are saddened almost daily at their helplessness to save patients in the late stages of cancer. It is they who are eager to do more than just lower the opiate curtain over the victims of malignancy.

Entirely invalid is the astonishing opposition to Dr. Ivy's assisting in the administration of the drug on the ground that this would not permit "an opportunity to determine whether physicians generally can obtain the same results." This is to suggest that Dr. Ivy is a magician. It ignores the fact that Krebiozen has been used by more than 300 qualified physicians, under suggestions from Dr. Ivy and his associates, as to the dosages and technique of administration. Dr. Ivy treated only a part of the patients personally. It is on the basis of reports of those physicians as well as Dr. Ivy's observations, that the foundation has ascertained Krebiozen's incontrovertible beneficial effects.

The Foundation has proposed that Dr. Ivy assist in the administration of the drug, because there is no denying that he has more knowledge and experience in its dosage-rates for different types of cancer than anyone else. Furthermore, his presence in administering the drug would be of inestimable value in avoiding possible errors, either intentional or inadvertent, which would make a thoroughly valid test unreliable. Neither Dr. Ivy, nor anyone else, could by serving in this capacity make an inactive drug give positive results. But relative novices in the administration of a new drug could inadvertently, unintentionally or through ignorance make a useful drug appear to be worthless.

II. REGARDING THE SUBSTANCE ITSELF, ITS DISCOVERER AND HIS ASSOCIATES

In its efforts to cast doubt on krebiozen, the American Cancer Society intimates that the very existence of this drug is problematical. And this in the face of certain established evidence of its chemical composition. To this end, it also attempts to create suspicion as to the character, methods and intentions of its discoverer, Dr. Stevan Durovic, and as to the motives and professional competence of physicians taking part in its experimental application.

It ignores and misrepresents the great amount of material published about Krebiozen during the past 8 years—material which includes accounts of the theory on which this drug is based, its process of manufacture, and what has been learned as to its chemistry.

Most glaring of all is the failure of the American Cancer Society even to refer to the great number of patients treated with Krebiozen, many of whom have gained positive results.

Thus, asking the question, "What is Krebiozen?" the American Cancer Society completely balks the true answer and calculatingly or out of ignorance, perverts the issue.

Krebiozen is a substance produced on the basis of a new concept of what cancer is and how it should be treated.

According to this theory, every living cell produces, among other substances, one which regulates its growth. If for any reason a cell is injured (by chemical, or physical means, for instance) so as to impair production of this substance, then such a cell becomes decontrolled and starts to divide. The result is a cancerous growth.

If this autogenous control factor—normally made by the cells themselves—can be supplied artificially, then the cancerous cell may be again controlled.

On the basis of this new approach, cells of healthy horses were stimulated by a growth factor (in this case an extract of actinomyces bovis, which causes rapid cell growth and division) in order to induce them to defend themselves by producing larger than normal quantities of the growth regulatory substance (Krebiozen).

Tried first on spontaneous tumors in animals, Krebiozen was found to be highly active against tumor growth. It was later established to have the same activity against human tumor; clinical trial demonstrating that the active single dose is 0.01 milligram of crude substance, which is dissolved in 1 cubic centimeter of mineral oil for administration.

It is important to note here that at the time of Krebiozen's discovery, no known substance was potent in such small amounts. Some years later, however, an even more potent substance was discovered in Aldosterone, a hormone produced by the adrenal glands and now used in the treatment of edema. In any case however, it has long been known that hormones act in the body in infinitestimal amounts.

On the basis of its biological activity as well as its chemical properties, Krebiozen is classified as a local hormone or autacoid.

The American Cancer Society paper deliberately disregards all of this scientific information and states only that Krebiozen is "an alleged anticancer drug said to have been produced by Dr. Steven Durovic." Nor does the American Cancer Society make any reference to the clinical investigation of Krebiozen, which in the number of patients and physicians involved, as well as in its duration, is probably the most extensive in the history of cancer research.

Since 1950, krebiozen has been used in the treatment of approximately 1,500 cancer patients by some hundreds of physicians in the United States and 29 foreign countries. The results can be summarized as follows:

1. A demonstrated activity in different dosages against all types of cancer.

2. Subjective improvement such as relief or complete abolition of pain in 70 percent of treated cases. Objective improvement ranging from decrease to complete disappearance of tumor in 50 percent of treated cases.

3. Of 500 hopeless patients treated 5 to 9 years, 10 percent have been free of detectible signs of cancer for 3 to 8 years.

The American Cancer Society chooses not to acquaint the public with these facts but continues that in making Krebiozen "Dr. Durovic claims that he injected 2,000 Argentinian horses with actinomyces bovis, a microorganism which causes 'lumpy jaw' in cattle, and from the blood of these infected horses he extracted two grams—about one-half teaspoonful—of a whitish powder which he named 'Krebiozen.'"

This is not accurate. The horses were injected with a sterile extract of actinomyces bovis. Hence the horses were not "infected." With this misleading statement, the American Cancer Society is trying to give the impression that Krebiozen is some concoction brewed from the blood of "infected" horses in impossibly small amounts. It is of a piece with what follows, namely that the "full details of the method of extraction have never been disclosed" and that Dr. Ivy has said that the "process of manufacturing Krebiozen has never been revealed."

These statements are also untrue.

Krebiozen is made by extracting the blood of injected horses with organic solvents (such as ether and benzene). The organic solvents are evaporated and the greasy-oily residue extracted with redistilled water, which when evaporated leaves Krebiozen powder.

These basic scientific steps were disclosed publicly in 1951 and have been published several times since. (Report of the Krebiozen Research Foundation, 1954; Observations on Krebiozen in the Management of Cancer, Ivy, Pick and Phillips, 1956; Medical Therapeutic Improvement of Canine Cataract, annual meeting of the Illinois Veterinary Association, February 1959.)

Dr. Ivy has never stated that this process has not been disclosed. He has said that the laboratory "flow sheet" or manufacturing details for krebiozen have not been revealed. Krebiozen is the property of Duga Laboratories, a pharmaceutical house incorporated in the State of Illinois, which financed the research leading to the drug's discovery. No pharmaceutical company reveals all of its manufacturing details on any substance.

Nevertheless, enough has been published regarding the manufacture of Krebiozen so that Dr. Ivy was able to make a batch of the drug from 46 horses in 1956, or to enable any other competent investigator to do the same thing.

Thus, it can be seen that the allegations of the American Cancer Society in this regard are false and directed not at an honest delineation of the actual situation but used to convince the public that Krebiozen is a "secret remedy." Having made this attempt, the American Cancer Society goes on to intimate that it may also be "nonexistent".

In this connection, it states "Dr. Durovic brought this powder [Krebiozen] to the United States. Here, without prior chemical analysis of the powder, he dissolved it in

No. 9 mineral oil in the ratio of 1 part of krebiozen to 100,000 parts mineral oil." And again, "He [Dr. Ivy] has neither seen or analyzed the original substance in the undissolved state."

Here, the American Cancer Society makes use of two statements which are technically correct to bolster its previous false statement that "the chemical composition of Krebiozen remains unknown" and to mislead the reader as to the scientific competence of Drs. Ivy, Durovic, and associates.

As a matter of fact, Dr. Durovic's procedure in dissolving krebiozen in mineral oil was correct and customary in science. In dealing with a new substance, the usual practice is not to spend time and money on chemical analysis until it is first shown that the product is active. For example, insulin was discovered and introduced in therapy in 1924 but its chemical formula was not established until 1956.

The basic chemical composition of Krebiozen was determined in 1952 and announced in 1953. Additional data was published in 1956. Further chemical analysis showed that Krebiozen is a lipopolysaccharide (a complex sugar linked to a fatty molecule). This gradual accumulation of chemical data regarding Krebiozen is similar to the progress made with insulin and cortisone and is in the best scientific tradition.

It is correct that Dr. Ivy did not chemically analyze Krebiozen powder before it was dissolved in mineral oil. But he did analyze it after it had been reextracted from the mineral oil.

The reader (of the American Cancer Society document), however, is meant to conclude that Krebiozen has never been chemically analyzed and that such analysis is necessary to show that the product is of value in treating cancer patients: none of which is true.

To reinforce the false impression it tries to create regarding Krebiozen, the American Cancer Society points out that two chemists, Drs. Paul Kirk, of the University of California, and Arthur Furst, of Stanford University, testified in 1958 that Krebiozen is nothing but nujol.

Dr. Kirk stated he received six ampules from Dr. Batchelder, chairman of the American Cancer Society division in San Francisco. Dr. Furst testified that he found one ampule at Stanford University and that another ampule was given him by the same Dr. Batchelder (scientific procurement?). As an experimental drug Krebiozen can only be obtained from the Krebiozen Research Foundation. Neither Dr. Kirk, Dr. Furst, nor Dr. Batchelder ever requested Krebiozen and none was ever sent to them by the Krebiozen Research Foundation.

Dr. Kirk also testified that by infrared spectroscopy he detected something other than mineral oil. In the next breath he denied finding anything but nujol.

Dr. Kirk was quick to qualify his testimony by saying, "The net results of these various tests has convinced me that at least the ampules I received—I don't know a thing about any samples except what I examined—but that the samples I received consist of good grade mineral oil." Thus, after this bold yet bland foray denying the very existence of krebiozen, Dr. Kirk sought to exculpate himself from legal consequences by saying, "I don't know anything about any samples except what I examined." He did not wish to be held accountable for any statement about Krebiozen in general but only regarding the six ampules which he used for his purported tests and which are no longer available, thus making it impossible to check the verisimilitude of Dr. Kirk's statements.

Still more striking is the testimony of Dr. Furst that he received only two ampules of Krebiozen, and with these two ampules made the following tests: (1) The ultraviolet spectrum; (2) several chemical tests; (3) extractions; (4) toxicity studies on animals; (5) therapeutic tests against sarcoma 180 in mice; and (6) therapeutic tests on Ehrlich tumor in mice. It is inconceivable that these tests could be done with two ampules of Krebiozen. To show how ridiculous Dr. Furst's statements are, it is enough to point out that only to perform the toxicological test, he would have had to inject 12 animals daily for 1 month. For this one test alone a minimum of 360 ampules of Krebiozen would have been required.

In any case, the testimony of these two chemists, referred to in the American Cancer Society report as "distinguished," is chemically preposterous, if indeed, they analyzed krebiozen ampules as they swore under oath they did. Krebiozen is dissolved in No. 9 light mineral oil. These men testified that the ampules they analyzed contained "nothing but nujol" which is heavy mineral oil. Since Krebiozen never was dissolved in nujol, but only in light mineral oil No. 9, which is quite different, what is to be inferred about the ability of chemists who cannot distinguish light and heavy mineral oil, which are so different that any schoolboy could tell one from the other.

Dr. Ivy challenged this testimony in an affidavit stating that either he or these two chemists were lying. Since statements of all three had been made under oath, he urged that the record of this hearing be submitted to a grand jury for a determination of perjury.

But the most significant point in all this mysterious analysis is the Machiavellian role played by the American Cancer Society. Dr. Batchelder, an official of the American Cancer Society, arranged this analysis. The testimony of Drs. Furst and Kirk was widely publicized in May 1958, just prior to the time when the American Cancer Society was reported ready to announce decision on our proposal for testing Krebiozen. Dr. Ivy's demand for a determination of perjury upset what was apparently a prearranged plan to use this testimony as the basis for the American Cancer Society refusal to test Krebiozen. The final American Cancer Society announcement to this effect was thus delayed until October when it was said that our proposal was "unscientific."

It is precisely this sort of unscientific maneuvering which underscores the need for the controlled "double-blind" test proposed by the Krebiozen Foundation. How incredible it is that the American Cancer Society can affect such concern as to whether the scientific community would accept this type of test, yet does not hesitate to offer testimony of the sort given by Drs. Kirk and Furst as proof that Krebiozen does not merit testing at all.

To bolster the impression that Krebiozen is ineffective, the author of the American Cancer Society paper cites the work of John B. Loeffer, Ph. D., who reported in the Journal of the American Medical Association on May 17, 1952, that Krebiozen failed to affect transplanted mouse leukemia and lymphosarcoma.

Krebiozen does not effect transplanted animal tumors and was never claimed to do so. This was established at the very beginning of our work with this drug and was reported by us in 1951 in the initial publication on Krebiozen. Thus, Dr. Loeffer's work only confirmed our own and if the American Cancer Society publication had been honest, it would have been referred to, if at all, in this sense.

The American Cancer Society paper makes much of the fact that publications concerning Krebiozen research have been privately printed and that Dr. Durovic, a research scientist, has published nothing in U.S. scientific journals during his 10 years in this country. The implication is that there is something blameworthy in these facts.

And indeed there is. But it does not accrue to Dr. Ivy and his collaborators or to Dr. Durovic.

The real fact is that all publication on Krebiozen in the medical literature has been systematically blocked—through the exercise of bureaucratic control by the American Cancer Society and the American Medical Association over the scientific community.

Publication of a report on 40 cases treated with Krebiozen at the Lankenau Institute has not been permitted. Ths report written by the man who treated these patients is still being suppressed.

Dr. Ivy is the author of 1,500 scientific papers, 65 of them accepted for publication since the time he has been working with Krebiozen. Yet he has never succeeded in publishing one article in a medical journal on krebiozen.

The monograph on this subject written by Drs. Ivy, Pick and Phillips was initially accepted by a medical journal but was later returned after pressure was brought to bear on the publisher. It was subsequently rejected by two other journals and in the end was published by a nonmedical publisher, Henry Regnery, Chicago.

If Dr. Ivy, prominent as he is, failed in this regard is it any wonder that Dr. Durovic, a stranger and a man under heavy calculated fire almost since his entry into the United States, could not succeed in securing publication for his articles. The latest attempt by Dr. Durovic to gain scientific publication was in December 1958 when he submitted to General Practitioner a very substantial article on the activity of Krebiozen against spontaneous tumors in animals. The article was rejected.

Needless to say, the American Cancer Society paper omits all reference to these facts. It never fails however, to identify men who have submitted unfavorable reports on Krebiozen as distinguished scientists. Those who have taken part in Krebiozen research are scarcely identified at all.

Dr. John F. Pick, of Chicago, for instance, is dismissed as a plastic surgeon; Dr. Louis R. Krasno, as a researcher in antibiotic dusts.

The American Cancer Society almost pointedly refrains from telling its readers that Dr. Pick is one of America's most eminent plastic surgeons, internationally recognized, author of a standard text "The Surgery of Repair" and well known for his demonstration among prisoners at Stateville penitentiary, Joliet, Ill., of the role of facial deformity in the genesis of criminality. This involved corrective surgery on more than 1,000 men and aided the rehabilitation of most, a feat for which Dr. Pick has been honored by the John Howard Organization, and scientific as well as legal groups the world over.

The American Cancer Society paper also omits mention of the fact that Dr. Krasno's work with penicillin dust won medal awards from both the Illinois State and the American Medical Associations in the year of its presentation. Nor does the American Cancer Society inform its readers that Dr. Krasno, a pioneer in aviation medicine, is currently director of medical research for United Airlines.

In support of its thesis that there is something questionable about those who have developed Krebiozen, the American Cancer Society attempts to indicate that they have avoided customary procedures for the patenting and marketing of substances designed for use in therapy. In this connection the American Cancer Society paper comments (1) on the status of the Krebiozen patent application, and (2) on licensing procedures.

As to the first it states: "Some years ago, the owners of krebiozen applied for a patent but when the U.S. Patent Office returned the

application with request for further information, the owners of Krebiozen failed to supply this information and did not resubmit their application. Hence, there is no patent or new application for a patent on Krebiozen, either the substance or the process, in the files of the U.S. Patent Office, as of January 1959."

This statement is false.

Dr. Durovic first filed for a patent (No. 254985) November 5, 1951. This application has been amended three times and is still pending under continuation dated May 5, 1958, with the serial No. 732785.

The American Cancer Society discussion of the problem of licensing is intentionally misleading, directed at making the reader believe that application to license Krebiozen for sale has never been made.

The facts are as follows:

The matter of whether Krebiozen is subject to the jurisdiction of the Public Health Service, which licenses serums and vaccines, or to that of the Food and Drug Administration, which licenses drugs, is in dispute.

The Duga Laboratories holds Krebiozen, by theory and chemical properties, to be a hormone and therefore subject to the Food and Drug Administration. In 1954 application for license was filed with this agency together with all necessary data for obtaining it. The Food and Drug Administration first accepted this filing under No. 9368, but later refused either to grant or deny a license and advised Duga Laboratories to submit Krebiozen to the jurisdiction of the Public Health Service.

The reasons for the Food and Drug Administration handling of the Krebiozen licensing application are plain to any one who knows the regulations governing the two agencies but they must be explained for the general reader who is not familiar with the technicalities of such procedures.

Under Food and Drug Administration rules, license is granted on a showing that the drug in question is not toxic in the prescribed dose. A showing of activity is not required. Petition for license must be passed on within 60 days. If the petition is not denied in this time, the drug is considered to be licensed. If the petition is refused, the decision is subject to court review if appealed.

Under Public Health Service regulations, however, proof of activity of the substance for which licensing is requested must be given. Furthermore, no time limit is set for decision, making it possible for the Public Health Service to hold up a license indefinitely. And lastly, no recourse to the courts is provided, either to force a decision or to appeal one which is unjust.

In view of the existing controversy over krebiozen and the prejudice against it, we believe that our clinical evidence would not be given consideration on its merits by the Public Health Service. And if this agency rendered an unjust decision, we would have no possibility of court action to rectify it.

This is the true statement of facts which the American Cancer Society distorts in order to convince their readers that the nature of Krebiozen is so questionable that its owners have not dared subject it to scrutiny of Government agencies even for their own protection.

Similarly, the American Cancer Society totally misrepresents the financial aspects of the Krebiozen problem.

As to the Krebiozen Research Foundation, the American Cancer Society paper states: "The Foundation Library Center reports that the Krebiozen Research Foundation has not published a list of officers, a report of activities, or a financial statement."

Under its articles of incorporation, the foundation must submit each year a list of its officers and a statement of its purposes to the Illinois Secretary of State. A financial statement is filed each year with the U.S. Department of Internal Revenue, where it is open for inspection like all income tax reports of not-for-profit organizations. In view of this, it is not at all clear why the American Cancer Society picks out of thin air the Foundation Library Center, as its "authorized" source rather than the official agencies.

For 5 years Krebiozen was given free and the cost of maintaining the office of the foundation, and of packing and shipping the drug to the doctors administering it and supplying forms for clinical reports, were paid by the Durovics.

In 1954, the foundation was told that the Durovics no longer were in a financial position to support the full cost of the foundation, and the foundation then agreed to accept contributions from patients or their relatives and friends who were financially able and willing to contribute toward the cost of supplying the drug. The foundation always had made it clear, however, that if the patient was unable to do so, it still would continue to supply the drug free of charge. Today about 60 percent of patients still receive the drug free. Relatively few contribute the production cost of the drug given them, and whatever revenue is raised from this source is used exclusively to maintain further experimentation.

No official of the foundation has ever received any compensation for his work. They rely on other sources entirely for their livelihood. All this is omitted in the American Cancer Society paper.

As for Dr. Durovic and his brother, who have borne almost alone the full cost of the foundation's activity in making Krebiozen available to those whom it might help, the American Cancer Society remarks:

"These individuals have made clear that they wish to recoup from the sale of the substance an investment claimed to be about $2 million and that they intend to sell the substance for profit as a proprietary drug."

Krebiozen was developed entirely at the expense of Duga Laboratories. If it should prove useful in the treatment of cancer, and commercialized, why should not Duga Laboratories, a pharmaceutical house, at least get back its investment? Is this not customary in every country outside Communist rule, and is it not the very basis of our American system of free enterprize?

In a further personal attack on the Durovics, the American Cancer Society declares: "The owners of Krebiozen have repeatedly petitioned health organizations supported by public funds to underwrite a test of the therapeutic activity of Krebiozen in collaboration with them. They hoped to use public funds to defray the cost, estimated at $500,000 or more, of testing this privately owned substance."

This is not correct.

Indeed, the whole discussion on this point is an intentional misrepresentation of the letter and the spirit of the effort to settle the Krebiozen controversy by means of a definitive test. As a matter of fact, the owners of Krebiozen have never petitioned anyone to test Krebiozen. The American Cancer Society invited the Krebiozen Research Foundation to submit a proposal for a test. Senator PAUL DOUGLAS asked the Public Health Service to give Krebiozen a fair test. Dr. Ivy requested the American Medical Association to cooperate in a fair test of Krebiozen. This is not to deny, however, that Dr. Durovic and his brother are eager to see such a test performed by one or other of these agencies, not in order that they defray the expense, but because they (the Durovics) still believe these agencies ostensibly competent to supervise it.

The indication in the American Cancer Society paper that "unproven methods or substances militate against possible cure of cancer by acceptable methods known at present" is misleading. The methods known at present, including surgery and X-ray, are unfortunately nothing more than palliatives. These are necessary and must be used until something better is found, but they are not in any way the final goal and answer to ultimate cancer therapy.

Krebiozen is a pioneer substance which opens a new approach to the problem of cancer. It is not destined to exclude surgery where it is indicated. As a matter of fact, until now Krebiozen has been used chiefly in cases where all "acceptable methods" have failed.

Unlike the American Cancer Society, Drs. Ivy and Durovic are very conservative about the use of the word "cure." What they do maintain, however, is that Krebiozen represents a very significant advance in the cancer field and that Krebiozen therapy is different in principle from any other now used against cancer.

These are all destructive, and too often self-defeating; as for example, the excision of cancerous tissue by surgery or its destruction by radiation. Krebiozen alone has a reparative function and represents an attempt to solve the biological problem of cancer on a biological basis, by supplying the substance which normally prevents cells from becoming cancerous. ("Observations on Krebiozen in the Management of Cancer," Drs. Ivy, Pick and Phillips, Henry Regnery & Co., 1956.)

Dr. Durovic began the work leading to the discovery of Krebiozen 27 years ago. When Dr. Ivy first presented Krebiozen and the ideas on which it is based in 1951, many serious scientists considered them "nonsensical." Then surgery, X-ray and more powerful forms of radiation, and cell-destroying chemicals were the best hope of cancer research. Today it is a consoling fact to Drs. Ivy, Durovic, and their associates, that their concept of a natural defense against cancer which may be exploited for the benefit of the cancer patient, is accepted in the scientific world by both friends and enemies of Krebiozen. As example we may cite the words of Dr. Warren H. Cole, president-elect of American Cancer Society and man who has twice turned thumbs down on Krebiozen. Writing in the Journal of the American Medical Association of April 11, 1959, Dr. Cole remarked: "Evidence of the occurrence of spontaneous regression of cancer supports the concept of biological control of cancer and reinforces the hope that more satisfactory methods of treating cancer than surgery and/or radiation may be found in future years."

Even more significant is the work reported last year by the Sloan-Kettering Institute. The American Cancer Society ignores its relationship to Krebiozen. Nevertheless this was known to the American Cancer Society, if from no other source, from the following letter sent on July 22, 1958, by Dr. Ivy to Dr. Harold S. Diehl, American Cancer Society vice president for research and medical affairs.

"I have just completed a study of the June 1958 'Progress Report of the Sloan-Kettering Institue for Cancer Research' which reviews their studies on the natural, body defense mechanisms against cancer.

"An understanding of this report emphasizes anew the importance of facilitating the performance of the 'double blind' controlled study of Krebiozen recommended in February 1958 to the American Cancer Society by the Krebiozen Research Foundation. The Sloan-Kettering report, as far as it goes, confirms in detail the theory on which krebiozen was produced, and provides additional evidence showing why our contention, that Krebiozen is therapeutically active in some cancer patients, should be correct.

"Since 1925, I have pointed out to my students that, physiologically, cancer is most likely due to the abnormal repair of an

injury of some type, that the body must have some mechanisms for resistance against cancer, and that the only real hope we possess that cancer can be cured is the observation that perhaps in 1 out of 100,000 cases the body of the patient cures itself of cancer. For this reason, I have maintained since 1945 that great research emphasis should be placed on a study of the body mechanisms which provide resistance to the onset, invasion, and metastasis of cancer. As a member and executive director of the National Advisory Cancer Council, I urged that research on the immunology and virology of cancer be energetically promoted.

"This thinking, however, was not new. As stated in a publication in 1956[1] 'the evidences for the existence of a natural resistance to cancer are numerous.' Many of these evidences were recorded years ago. By 1949 I had reviewed the entire literature to obtain a clue on which to start an investigation of the natural body defenses against cancer.

"It was at this time that Dr. Stevan Durovic came to me with a scientifically rational theory regarding the natural defensive mechanisms of the body against cancer, and a therapeutic product which had caused the liquefaction and disappearance of spontaneous tumors in some dogs and cats. The product was nontoxic per se. I believed a substance which regulated growth, which resisted the abnormal repair of injury, and which was secreted by the reticuloendothelial cells in response to an appropriate stimulation, should be nontoxic.

"Dr. Durovic theorized that 'Krebiozen is present especially in the reticuloendothelial (RE) cells, which as is well known, react to various stimuli. When these cells are appropriately stimulated, Krebiozen, which is not present in the blood (except in traces perhaps) under normal conditions, is released and can be extracted from the blood plasma' [1, 2]. To stimulate the RE cells, he chose an extract of actinomyces bovis, a mold which causes a tumor consisting in part of RE cells. He theorized that since this organism stimulates RE cells to multiply, it should cause RE cells to increase their secretion of an antitumor or anticancer factor into the bloodstream from which it could be extracted. He used an organic or a fat solvent, like benzene or ether, which is logical because certain psysiological active substances in RE cells are soluble in such fat solvents, as well as in water. After evaporating the organic solvent Krebiozen was extracted by water from the fatty residue.

"In our [Ivy, Pick, Phillips] monograph published in 1956 [1], it was stated: 'Since the start of this [the Krebiozen] investigation, and especially since 1951, we have been gratified to note the growing interest in the problem of the mechanisms concerned in providing the body with a natural resistance to cancer and how this resistance may be increased * * *.'

"It is gratifying to read in the Sloan-Kettering report the statement that 'There is reason now to believe that natural defenses against cancer exist. It has proved possible, by manipulating and enhancing these defenses, to cure laboratory animals with some types of transplanted cancer.'

"It is further stated in the Sloan-Kettering report, that 'different kinds of cancer may stimulate a common cancer resistance factor, or that different kinds of cancer have something in common that stimulates bodily resistance.' This agrees with our observations that krebiozen is of value in the treatment of some patients who have different types of cancer.

"More pertinent to the Krebiozen theory and our therapeutic observations are the statements in the Sloan-Kettering report 'that zymosan does not inhibit the cancer directly but acts in some way in mice to enhance their natural defenses, tipping the scales in favor of the endangered host and against the cancer,' and that 'zymosan, unfortunately, is too toxic in many for clinical use.' Zymosan represents a substance extracted from yeast. Actinomyces bovis is a mold, a relative of the yeasts. When an extract of actinomyces bovis is injected into mice with tumors, some tumors liquefy and slough out. But, the extract of actinomyces bovis, like zymosan, is too toxic to use on man. But, Dr. Durovic, to avoid this toxicity, injects horses with the actinomyces bovis extract, making the horses slightly ill, so that the RE cells secrete the resistance factor, 'Krebiozen,' into the blood from which it is extracted, and finally made ready to be given to the cancer patient without making the patient sick. Theoretically, zymosan, if injected into a horse, might also cause the secretion of Krebiozen into the blood.

"It is also very interesting to note in the Sloan-Kettering report that the substance called cytolipin H in cancer cells which stirs up body resistance in a person without cancer consists of 'two molecules of fat hooked to two molecules of sugar.' In 1956 we reported that the microchemical analysis of Krebiozen indicated that it could be a polysaccharide (a sugar-like substance) and a steroid (a fatty-like substance).[2] Since then further studies indicate that Krebiozen is most probably a polyhydroxycarboxylic acid or acids with some evidence of esterification. That is, a polysaccharide joined to or mixed with a fatty substance.

"The Sloan-Kettering report in summary states: 'If the hunches and hopes of the Sloan-Kettering researchers are fulfilled by further work, then these achievements could signal a major triumph.'

"It should now be clearly evident why I stated above that the Sloan-Kettering report emphasizes anew the importance of facilitating the performance of the 'double-blind' test by an arbitration type of committee. If the proposal of the Krebiozen Research Foundation is approved by the society, then the question of the value of Krebiozen can be quickly settled.

"Whereas the Sloan-Kettering report states that as yet no application of their discoveries can be made for the benefit of cancer patients, we believe we have at hand a practical weapon against cancer which was produced on the basis of the same theory on which they are now working. Furthermore, I believe if the financial resources were available that the production of Krebiozen could be markedly improved. I said in 1951, it may prove to be a key to 'the cure' and perhaps the prevention of cancer.

"In view of these considerations I should like to emphasize the great responsibility which now confronts the American Cancer Society. It is and has been my considered and sincere conviction that Krebiozen represents the only presently available fruit of this new understanding of the problem of cancer to which the Sloan-Kettering researchers are contributing so outstandingly.

"Krebiozen has already been withheld unnecessarily for several years from many cancer patients whom it might help, through no fault of our own, but by the excuses of pseudo-critics.

"The decision of the American Cancer Society will determine whether Krebiozen will be withheld still longer from use in cancer therapy until other workers slowly and laboriously duplicate our work in toto. This decision is a grave responsibility."

III. REGARDING PREVIOUS PURPORTED EVALUATION OF THE DRUG MADE BY THE AGENCIES OF ORGANIZED MEDICINE

In the section captioned "Has Krebiozen Ever Been Tested?" the American Cancer Society paper cites (a) the status report on Krebiozen of the AMA committee on research; (b) the report of the committee on cancer diagnosis and therapy of the National Research Council; (c) the report of a committee of six physicians, headed by Dr. Warren Cole, of the University of Illinois, commonly referred to as "the Cole committee report"; and (d) the opinion of Dr. Stanley Reimann, former director of the Lankenau Cancer Institute, Philadelphia, Pa.

All these reports and evaluations are presented in such a manner as to give a misleading impression that Krebiozen was thoroughly, scientifically, and honestly tested by authoritative institutions and found worthless. The American Cancer Society paper gives not the least indication that any of these reports and evaluations have ever been challenged nor of the circumstances surrounding them, though it has in its possession evidence showing how much of pressure, prejudice, and dishonesty went into their writing.

We present the facts in these matters. They are supported by uncontroverted documentation and testimony given under oath.

(a) "The Status Report of the Committee on Research of the Council of Pharmacy and Chemistry of the AMA" dealt with 100 cases allegedly treated with Krebiozen.

One-fourth of this report—24 case histories—was forged. The secretary of the committee, Dr. Paul Wermer, and Dr. Henry Szujewski, a young Chicago physician then only 2½ years in practice, simply elaborated out of whole cloth fictitious clinical histories for these patients. They used the names and diagnoses of patients treated by another physician, who had been sent to Dr. Szujewski along with other patients for enzyme tests, and on this basis they fabricated 24 case histories denying any beneficial effects to Krebiozen and stating that all these patients were dead or dying.

As a matter of fact, these 24 patients were the patients of Dr. William F. P. Phillips, one of the coauthors with Dr. Ivy of the monograph "Observations on Krebiozen in the Management of Cancer." Dr. Phillips treated these patients with Krebiozen, made full clinical records, and regularly reported his findings to the Krebiozen Research Foundation, and his reports on these patients are highly favorable.

When called as an adverse witness before the commission of the Illinois General Assembly investigating the krebiozen controversy, Dr. Szujewski admitted under oath that he had never treated any patient with Krebiozen.

This falsification was discovered when the commission subpenaed the AMA file on Krebiozen, and the patients identified. Ten of those declared dead or dying by the AMA in 1951, then in 1953 appeared before the Commission and filed the following protest:

"The Honorable WILLIAM E. POLLACK,
"Chairman, Krebiozen Investigating Commission, Chicago, Ill.

"DEAR MR. POLLACK: We have learned that Dr. Paul Wermer of the AMA in his affidavit to the commission has referred to Dr. Henry Szujewski who indicated that the Krebiozen patients whose blood was examined by him were dead or dying.

"We the undersigned were among those Krebiozen patients and herewith certify that we are alive and in good health for over 3 years.

"We desire to point out that such a false report could be a source of serious embarrassment to us in our social and business activi-

[1] Ivy, A. C., J. F. Pick, and Wm. F. P. Phillips: "Observations on Krebiozen in the Management of Cancer," published by H. Regnery, Chicago, 1956.

[2] Ivy, A. C.: "Krebiozen: An Agent for the Treatment of Malignant Tumors: Investigation of Clinical Activity," Chicago, 1951.

ties. Accordingly, we desire to file our protest with the commission.

"Yours sincerely,

"Mrs. Julia Howard, 2427 Bernice Avenue; Cecile Luebkemann, 2442 Rosemont; Mrs. Catherine Firnstal, 6205 North Oakley; Irene O. Kibby, 1830 North Byron Street; A. M. Howard; Eleanor Gahan, 1619 West Garfield Boulevard; Helen Arndt; Magda Johansen, 3810 North Roy Street; Evelyn Vogel, 1820 Nelson Street; Irene R. Pietrowicz, 3407 North Lowell Avenue."

Today, after 8 years, seven of these patients, all residents of Chicago, are free of cancer.

Of the remaining 76 cases dealt with in the status report, 40 were so close to death that they survived only long enough to receive two ampules of Krebiozen. (The first two ampules are administered 72 hours apart.) Of the remaining 36 cases, 23 were so close to death that they received only four ampules of Krebiozen. (Our patients have received an average of 80 ampules each.)

Excluding the 24 fabricated cases, the AMA report was based entirely on selected negative cases. Meanwhile, and this is very significant, the AMA had in its possession 140 clinical histories of patients treated in outstanding scientific and medical centers throughout the country, including 6 large university clinics and 2 world-famous medical centers. These reports were almost uniformly favorable to Krebiozen, and had been supplied the AMA in ample time to be included in its Status Report but the AMA did not include one of them. Thus, it is obvious that the AMA never intended that Krebiozen be honestly and scientifically evaluated, but that its report was and is a smear report.

The statement in the American Cancer Society paper that the case records for the Status Report were examined at the request of Dr. Ivy and his associates at the Krebiozen Research Foundation is untrue.

It is ridiculous to say or to suppose that Dr. Ivy or his associates requested that phony case histories should be reviewed or that they intentionally selected 100 negative cases, when our foundation had been regularly receiving favorable reports from some of the finest physicians in this country.

* * * * *

The records of the Legislative Commission show that an attempt to secure financial rights to Krebiozen and control of its commercial exploitation preceded publication of the AMA's Status Report. These facts, taken from sworn testimony and written material accepted in evidence by the Commission, were never denied under oath, though those concerned were given full opportunity to do so.

A group of businessmen headed by Mr. Edwin R. Moore, president of the Bell & Gossett Co., Morton Grove, Ill., attempted to use their acquaintance with the Durovics to gain financial control of Krebiozen. It should be borne in mind that these individuals had in no way contributed to the development of the drug financially or otherwise.

They enlisted the aid of Dr. J. J. Moore, then treasurer of the AMA, who brought pressure on the Durovics to give the financial exploitation of Krebiozen to these men. Dr. Moore had a very bitter discussion on this subject with Mr. Marko Durovic, as was testified to under oath by the interpreter Dr. Moore brought with him on this occasion. Subsequently, the Durovics were warned that the AMA would destroy krebiozen unless they made a financial arrangement with Mr. Edwin Moore.

When this warning was ignored, Dr. George Lull, secretary and general manager of the AMA, stated to the press: "The American Medical Association has begun a critical study of Krebiozen, the experimental cancer drug, and will issue a public report on its findings within the next 6 weeks."

Shortly thereafter, Franklin Bing, a former secretary of the AMA Council on Foods and Nutrition, wrote to Dr. Ivy informing him that he would be ruined unless he offered the AMA for publication a letter stating "Krebiozen has no value in the treatment of cancer." He offered Dr. Ivy a dubious recompense—let him first deny Krebiozen publicly and then he might—if he wished—continue his research on it in secret. Probably no scientist ever received a more astonishing or cynical suggestion. Dr. Ivy refused. This refusal was the real reason why the Chicago Medical Society was stirred up to discipline Dr. Ivy. The formal reasons—those given to the profession and the public—were merely invented and were on their face ridiculous, as the then president of the Chicago Medical Society tacitly admitted when he said the society's action against Dr. Ivy was a big mistake.

Thus the reason for the AMA "Status Report on Krebiozen" is apparent. It was never intended as a true evaluation of this drug. It had only one purpose, to destroy Krebiozen, whatever the consequences to science and humanity.

The transcript of the hearings of the Illinois Legislative Commission investigating the Krebiozen controversy contains the full record of this matter.

* * * * *

(b) As further evidence that Krebiozen has been tested and found worthless, the American Cancer Society paper cites the "Report of the Committee on Cancer Diagnosis and Therapy of the National Research Council," chairmaned by Dr. Ira T. Nathanson, who was also one of the collaborators on the AMA's status report.

The American Cancer Society paper attempts to convey the idea that this National Research Council Committee tested krebiozen. Actually, it did no such thing. It did not make a test. It only endorsed the forged report of the AMA. In 1954, Miss Isabella Wason, executive secretary of the committee, stated: "Dr. Ivy sent us Krebiozen to use in clinical trials, but it was not used."

* * * * *

(c) The society's paper also refers to the committee of six physicians headed by Dr. Warren Cole and known as the Cole committee. The report of this commitee presented as unfavorable to Krebiozen but the American Cancer Society paper omits two salient facts: (1) That this report recognized that krebiozen has some activity in the cancer patient, and (2) that this report was composed of two parts, one of which contradicts the other. The "Summary and Conclusions," which is substantially negative for Krebiozen, except that it recognizes its activity, was given wide publicity. The other part of the report, in which the evidence is analyzed, was marked "confidential," and was not published or released to the public until it was called in by the legislative commission. This part contains favorable evidence regarding the effect of Krebiozen against cancer. Indeed, the conclusions of the report do not seem to follow the findings. Here is one example:

In the published part, in "conclusions," the Cole committee report states: "We have been presented with no histological evidence by Dr. Ivy that the material produced degenerative or regressive changes in tumor cells."

In the confidential findings it is stated: "Microscopic slides were examined on nine patients, of whom six were included in the series of patients demonstrated to us * * * We concurred in the diagnosis of all except one patient. In this patient we considered the slide following Krebiozen therapy was negative for malignancy instead of positive as reported to us. Accordingly this difference in opinion does not reflect disadvantageously on Krebiozen therapy, but might reflect advantageously."

In this connection it should be emphasized that among the slides of the nine patients were, besides the case mentioned above, four others which were negative for malignancy. In other words, of nine patients in the diagnosis of whose slides the committee concurred, a total of five were negative for malignancy.

A fact worthwhile mentioning is that at the time the conclusions of the Cole committee were published, this report bore only the signature of its chairman, Dr. Cole. It was revealed at the legislative hearings that a plain signature sheet had been circulated to the other members, who signed without even reading the report.

* * * * *

(d) As fourth evidence which it seeks to use in establishing the ineffectiveness of Krebiozen, the American Cancer Society "Paper" quotes Dr. Stanley P. Reimann, director of the Institute for Cancer Research, Philadelphia, Pa., as saying, "We now know we have cured no patient [with Krebiozen] and we don't believe the length of life has been prolonged on any we have treated." The files of the Krebiozen Research Foundation reveal that shortly after Dr. Reimann made this statement discounting the effects of Krebiozen, we received a letter from the Institute stating, "We have had quite a bit of pressure here, even to the extent that for the benefit of the press Dr. Reimann felt it necessary to make a statement that we were discontinuing any further extensive clinical evaluation of the material."

At the Lankenau Cancer Research Institute, under supervision of Dr. Reimann, 21 months of experimentation was conducted with Krebiozen on 40 patients. The Institute presented a favorable report to the Krebiozen Research Foundation and the Cole committee, which confirmed the Krebiozen Research Foundation's mounting accumulation of case reports confirming Krebiozen's effectiveness. To show how warped is the view of the Reimann study of Krebiozen as presented by the American Cancer Society, we quote in part from the Reimann report as it was given to the Cole committee for review:

"In view of these observations of biological activity of this material [Krebiozen], we have been extremely interested in future possibilities of investigation.

"Our conclusions on the material to date, though quite preliminary, are that it is nontoxic per se and has definite biologic activity specifically against tumor cells either directly or indirectly, of sufficient degree to warrant continued investigation both clinically and more important from the basic investigation of its mode of action with the hope that improvements may be made or some further knowledge concerning the biologic factors controlling tumor growth may be contributed. Since this represents the first and only nontoxic chemical agent to show definite biologic activity of any degree against tumors of many types, it seems justifiable to encourage as much basic and clinical investigation as possible."

* * * * *

IV. REGARDING THE ATTITUDE OF NATIONAL CANCER INSTITUTE TOWARD A FAIR TEST OF KREBIOZEN PROPOSED BY SENATOR PAUL DOUGLAS, OF ILLINOIS

The American Cancer Society paper ends by expressing the hope that the "Krebiozen Research Foundation, Dr. Ivy, and Dr. Durovic * * * will recognize the integrity of the National Cancer Institute" and calls on us as a matter of duty to accept its proposal for the testing of Krebiozen.

This is a misrepresentation of the whole situation regarding our negotiations with the National Cancer Institute. We are and

have been eager to cooperate with the National Cancer Institute in a test which will determine the merits—if any—of Krebiozen. Unfortunately, the National Cancer Institute is unwilling to make such a test, despite public protestations to the contrary of its director, Dr. John R. Heller.

Since Dr. Heller has seen fit to tell the public and the Congress one thing while telling us another, we believe it our duty to present the record. The following is a summary of our conversations with the National Cancer Institute director undertaken in an effort to implement Senator DOUGLAS' proposal for the testing of krebiozen.

The Krebiozen Research Foundation and Dr. Ivy accepted the proposal of Senator DOUGLAS and at his invitation, Drs. Ivy and Durovic met in Washington with Dr. Heller, other members of the National Cancer Institute staff, and Mr. Frank McCulloch, the Senator's administrative assistant. This was on September 24, 1958.

At this meeting, it was unanimously agreed that the matter of giving Krebiozen a fair test be explored further and Dr. Heller suggested that the committee proposed by the Senator be enlarged to include five members instead of three.

Believing this suggestion was made in good faith, Drs. Ivy and Durovic accepted it since Dr. Heller apparently found no fault with the testing procedure suggested by Senator DOUGLAS. Nor did he at that time appear to question the principle of a joint committee.

At our next meeting on December 5, Dr. Heller for the first time declared that the committee he envisioned must be independent and that for this reason could not include Dr. Ivy, Dr. Heller agreed, however, that Dr. Ivy might serve as its consultant.

But as soon as Dr. Ivy stipulated the conditions under which he would serve this committee as consultant, Dr. Heller introduced a new feature and changed the function of the committee entirely from that of a testing committee to a committee which would decide whether a test of Krebiozen should be made or not.

He told Dr. Ivy in a letter of February 6, 1959, that prior to anything else the independent committee would have to examine the files of the Krebiozen Research Foundation and added:

"The committee could reach one of two major conclusions: (1) That the evidence of Krebiozen's effects is insufficient to recommend further clinical test, or (2) that a clinical test is recommended."

In other words the goal of Dr. Heller's succession of changes was apparently to create a situation which would relieve the National Cancer Institute of testing Krebiozen at all.

Thus, it is clear that in calling on us to comply with the conditions laid down by the National Cancer Institute for the testing of Krebiozen, the American Cancer Society is not advocating a test. What it is really asking is that we agree to accept as final, the opinion of still another committee.

If a sincere desire exists to determine the truth about Krebiozen, why should Dr. Ivy be excluded from such a committee?

Dr. Ivy, formerly executive director of the National Advisory Cancer Council and also a former director of the American Cancer Society, is an outstanding scientist, world-famous as a physiologist and author of hundreds of scientific papers. He represented world medicine as an expert witness at the Nuremberg trials on the subject of medical ethics and clinical investigation. Even his adversaries recognize that his integrity is unquestionable.

Dr. Ivy has experimented with Krebiozen for nearly 10 years. He has more knowledge of the dosage rate and the effect of the drug on various types of tumors than anyone else. In a committee of five, he would have only one vote, which could certainly not be decisive.

If Dr. Ivy had been a member of the AMA committee which prepared the status report on Krebiozen, the falsification and superficiality exhibited in this report would have been impossible.

If Dr. Ivy had been a member of the committe on diagnosis and therapy, this committee could never have issued an opinion indicating that it had tested Krebiozen when in fact it had not done so.

As a member of a committee to evaluate krebiozen, Dr. Ivy would at least safeguard the objectivity of its findings and guarantee their honesty.

If there were nothing else, the American Cancer Society paper in itself is evidence enough that some such guarantee is needed. In this connection we cite Senator DOUGLAS' reply to receipt of a copy of the American Cancer Society "Background Paper on Krebiozen," sent him by Dr. Diehl. We quote:

"Thank you for sending me a copy of the Cancer Society's background paper on krebiozen.

"With the final conclusion, that there should be a fair test, I obviously concur. That is what I have been urging right along.

"Perhaps it is a service to the efforts in this direction to have the summary you have made available.

"But I must respond in all frankness that your memorandum, if intended to be impartial, seems to me seriously deficient in several respects:

"(a) It refers to the results of the tests of Drs. Kirk and Furst (pp. 7–8), but takes no account of Dr. Ivy's rather devastating answer, a copy of which is enclosed;

"(b) It refers to the adverse findings of the AMA group, Dr. Reimann and the Cole Committee (pp. 8–10), without recognizing the critical analysis or rebuttals of these conclusions;

"(c) It gives a fleeting mention of the publications of Drs. Ivy, Pick, Phillips, and Krasno, without either identifying the publications or suggesting the general nature of their findings;

"(d) It makes no reference to the widespread treatment of patients in the intervening years and to the developing number of cases in which some positive results of treatment with Krebiozen have been observed. Some of these case histories, or brief summaries of them were given to Dr. Heller and his associates at the conferences you mention. Others were released in connection with the testimonial dinner to Dr. Ivy in February—when a number of patients who have apparently had amazing results from the treatment were on hand with their doctors;

"I do not assert these cases are a substitute for a fair and scientific test. I only suggest that the omission of any reference to them makes your selection of data for the memorandum appear quite one sided;

"(e) It sprinkles the words "propaganda," "promotion," "alleged," "ostensible," sufficiently through the text to give a rather hostile coloration to it all.

"In short, I regret that the memorandum is not more complete, better balanced and more objective. These deficiencies, I fear, no matter how unwitting, may do more to aggravate the fears and suspicions of prejudice that have made it difficult to reach a basis of agreement on a fair test.

"I end as I began by repeating my hope that we can somehow maximize the possibilities for the desired test—and not be content with rubbing salt in old wounds.

"I shall send a copy of this letter to Dr. Heller so that he may share the knowledge of my reactions to a brief reading of your memorandum."

Our answer shows why the American Medical Association, the American Cancer Society, and the National Cancer Institute—all of which have refused this test—are now insisting that we accept their alternative—a test by a so-called independent committee.

The record of organized medicine's opposition to Krebiozen, which has been outlined in this, our answer to the American Cancer Society, shows plainly that such a committee would be far from independent. Even if the physicians composing it were themselves not prejudiced against Krebiozen, they would be subject to outside pressures which in the past did not scruple to bring false witnesses against Krebiozen, organizations using their power and influence to hold into line men whose very careers depend on compliance.

Obviously, these organizations cannot admit at this late date that the campaign against Krebiozen, Dr. Ivy and his associates, begun by the American Medical Association in 1951 and carried on since by these other arms of organized medicine, was mistaken; that persecution and falsification have been invoked to nullify a genuine scientific effort in the cancer field.

This would be demonstrated beyond any doubt should Krebiozen be proved of value in the treatment of cancer via the double-blind test, where prejudice—for or against—is excluded by the very nature of the test. Hence, the refusal of the American Cancer Society to subject Krebiozen to this time-honored procedure.

Their real aim is to once again discredit Krebiozen without performing any test.

This is the reason behind their demand for an independent committee to pass on the patients' records of the Krebiozen Research Foundation; in fact, to avoid a test.

We submitted our file of 140 cases (all that we had at that time) to the AMA in 1951. The AMA did not use these records. Instead, they preferred to falsify 24 cases for their 100-case report. In 1953 we submitted to the Cole committee for evaluation our file on 500 cases, which were mostly favorable for Krebiozen. The Lankenau Cancer Institute submitted 40 cases to the same committee; the Tumor Clinic at Marquette University submitted 4 cases; 13 patients who were free of cancer after Krebiozen treatment were brought before this committee. All the Cole committee could determine from these highly favorable presentations was that "the substance [Krebiozen] was not entirely devoid of biological activity."

If we now submit our file to another committee controlled by the same people their attitude toward Krebiozen and our past experience would suggest that the only thing which could be expected would be the conclusion that Krebiozen does not merit a further test.

However, the Krebiozen Research Foundation has offered to submit its file to an arbitration type committee, once it has been agreed that this committee will perform the test suggested by Dr. Ivy and Senator DOUGLAS. At the same time the Krebiozen Research Foundation will be glad to present to the committee corresponding patients together with their physicians. We would then urge the committee to study our records as well as those on which the 100 case report of the AMA was based and of which we have photostatic copies. But to give our patient records to a loaded committee in advance of any agreement to test Krebiozen would simply be to write Krebiozen off.

It is significant to point out that most of the records of the Krebiozen Research Foundation are summarized in the monograph "Observations on Krebiozen in the Management of Cancer" published in 1956. This publication which is highly positive for Krebiozen of itself would be enough to indicate the value of Krebiozen and justify its further exploration and perfection. This publication was sent 3 years ago to all of these organizations and has been deliberately ignored.

CONCLUSIONS

1. All of the arguments supporting the negative stand of the American Medical Association, the American Cancer Society, and the National Cancer Institute toward Krebiozen are based on the AMA Status Report of 1951.

This report was based on partially falsified material and on completely superficial and misleading data (see pp. 19–22).

Therefore, this report does not have the most elementary requisite of an honest presentation and cannot serve as a scientific basis for the evaluation of Krebiozen.

2. Meanwhile Krebiozen has been tried clinically by three independent groups on a total of some 1,500 terminal cancer patients.

(a) Dr. Ivy and his group of collaborators in Chicago experimented the material on about 250 cancer patients.

(b) The Lankenau Cancer Institute, Philadelphia, tried the material on 40 patients.

(c) More than 300 physicians in hospitals, university clinics and medical centers throughout the country tested Krebiozen on more than 1,200 patients.

This work was directed by the Krebiozen Research Foundation, Chicago, under the scientific direction of Dr. Ivy and all data regarding these cases are in the files of the Krebiozen Research Foundation.

All three of these groups concluded:

(a) That Krebiozen showed beneficial activity against cancer in 70 percent of treated cases. To date, the Krebiozen Research Foundation can show some 52 previously terminal cases which are free of detectible cancer for the past 3 to 8 years.

(b) That Krebiozen is not toxic.

(3) The impossible situation of sustaining a negative stand against an apparently active anti-cancer agent and withholding it from cancer sufferers on the basis of falsified data from 1951 and without taking into consideration truthful data obtained before and after, is unprecedented and cannot be tolerated.

We respectfully call on the National Cancer Institute to accept the proposal made by Senator DOUGLAS for a fair test of Krebiozen in order to settle the controversy over this drug so that if it is active, as we consider it to be, it may be put at the disposal of cancer sufferers.

J. F. PICK, S.B., M.M.,
M.D., F.I.C.S., D.I.B.S.,
Secretary, Krebiozen Research Foundation.

Mr. LANGER. Mr. President, from this report above it is clear to me that it is the duty of this body in every possible way to back up the distinguished senior Senator from Illinois [Mr. DOUGLAS] in his attempt to have the merits of Krebiozen thoroughly investigated by the appropriate authorities.

Mr. DIRKSEN. Mr. President, a little while ago I looked up a word in the dictionary; I had never encountered it before. It is the word "temerarious," which means "venturesome" or "bold." I suppose it also means "brash." So I suppose I am rather temerarious today to be opposing a measure which is sponsored by 64 or perhaps 67 Senators. But, Mr. President, that is not so unusual; I have done that often in 25 years in the Congress.

Today I oppose the pending joint resolution for what I esteem to be good, sound reasons.

I find comfort in the fact that so often Members of Congress who become sponsors of bills do not quite know the dimensions and the implications of the bills and how far they may go.

Nor do I yield to anyone, Mr. President, in my interest in the subject of human health in its every form and aspect. Having been beset when I was still in Congress by a malady which threatened my eyesight and, in fact, threatened my life, no person with such a background could be indifferent to the whole subject of human vitality and health. I have seen coronaries strike in my own family; I have seen apoplexy strike there; I have seen a great deal of bereavement in my family. So it shall never be said that I am indifferent to the subject of health and what it means to humankind, not only in our own country but in all the other countries of the world.

But, Mr. President, I am not so sentimental or emotional as to believe that the mere expenditure of dollars or the compounding of Federal agencies is peculiarly the answer. Certainly up to a point it is the answer; but I think we also reach the point where ofttimes we waste money and assume responsibilities which grow in almost direct proportion to the lack of good that sometimes is done.

I recall when we had the first appropriation, I believe, for the National Institute of Health—an appropriation of a little more than $2 million. At that time there was only one agency of that sort. I watched it grow; I watched its functions multiply. On one occasion in the Appropriations Committee I raised my voice and said that I should like to see some results for all the hundreds of millions of dollars which had been spent. I received from friends all over the country telephone calls to the effect that I must not talk that way, that I must just vote all the money which was requested.

I asked, "Where are the results?"

I think I heard it said, back in those early days, that 1 out of every 11 living persons would die of cancer. That statement was made 15 years ago. In 1959, 15 years later, I again hear it said that 1 out of every 11 living persons will die of cancer. I might be one of those to die from cancer; I do not know. Of course, I hope not. But then I go back and draw a line, and see all the hundreds of millions of dollars which have been spent for dental research, heart research, cancer research, rheumatism research, neuritis research, arthritis research, and all the rest. And then I ask, "Where are the results?"

Mr. President, I approve of research. I approve of it in its pure form, which sometimes becomes an academic exercise, when a scientist does not even know what he is looking for. I approve of that, too, because, as has been so well said here, good and fruitful things can come from research of that kind.

But I think ever so often we must stop, look, and listen; and I do so now, because—in the language used by my distinguished friend, the Senator from Minnesota—I think I am one of those who has "budget-itis"—which was the term he used.

Mr. President, I must say that I have never had "spender-itis"; I have never had "squander-itis." But I freely admit to having "budget-itis"; and there is a reason for it—because I have watched this Government in its every function grow.

In 1945—and I give only a simple example—the National Institute of Health received an appropriation of $2,835,000. What a modest sum. I have just now checked with the Budget Bureau; and I checked with the report on the Department of Health, Education, and Welfare appropriation bill for the fiscal year 1960. I state the results—just for public health, $294 million, plus $20 million, plus $60 million—or a total of $374 million. That is a long way from less than $3 million 15 years ago.

These agencies have a way of growing. Does anyone think the program now under discussion will stop with the $50 million which is now requested for it? Mr. President, it will do nothing of the kind, unless it belies every experience with which I have become familiar, of every agency in Government over a period over a period of 25 years.

Let us not fool ourselves. This is going to grow. As a matter of fact, the Surgeon General, whose testimony is available, said that as of now he could only estimate $7½ million. But there is authorized in the bill $50 million annually—every year. It makes a difference.

Yes; I have budgetitis. I do not want to see this charge put upon the President's budget, if it can be avoided, or if it can be diminished. So I do not regard budgetitis as a mark of disdain and scorn. No, the President sent Congress a budget with some $70 million on the safe side, and we are in a bad way.

I said I would give Senators the figures before the week was out. I give them the figures now. I think they have been pretty carefully checked. Here is the story. I know how tricky figures can be, but as of now, on the basis of House action, not yet finalized, Congress has already exceeded the President's budget by $1,467 million. Referring to Senate action, we have exceeded the President's budget by $3,296 million.

Here is a very distinguished President struggling to dampen the fevers of inflation—which also has a human aspect. Mr. President, we can wax emotional about health and disease; but do not forget that the value of life insurance policies is involved here and that buying power of pensions is involved. It may be all right to wax sentimental and emotional—I could do it, too—but I would find it difficult to brush off all the changes which have been wrought as a result of inflation, because I know how deeply it strikes into the well-being of every family of America, rich and poor; and I know how it strikes into every life, young and old.

So, Mr. President, when it is said, "If any Senator opposes this joint resolution on the ground"—as my distinguished friend from Minnesota says, and I always like those great cadences of his—"that it involves $50 million, we will take them to task and meet them on the doorstep of every bill that comes on the floor of the Senate."

Well, Mr. President, I am willing. I hope it will be that way, because I shall be here. I say to those afflicted with "spendthriftitis," "squanderitis," budget busting, and "squanderamania," these figures speak for themselves.

They need no amplification from me. I think arithmetic figures are like Solomon's testimony to the lilies of the field. Their beauty needs no human embellishment. And so a figure combined with a dollar sign is one of the most stubborn facts I know.

When an attempt is made to spend more money and "bust" the President's budget further, I raise a very, very simple question. Any citizen can raise it. I say, What for? Why? Then come the waters, as the poet would say, in beautiful and measured cadence. But that is not enough for me. I have got to see the results. I have got to see where we are going. I have got to see where this program is leading.

The Senator from Louisiana [Mr. ELLENDER] was right when he expressed some fears awhile ago. I entertain some fears about this program. So does the Budget Bureau. Oh, I know the Bureau is regarded as cold, hardhearted, mendacious, and made up of persons who have no sentiment, no sympathy, no emotion. But thank God for a few such persons. We still have a government left—a free government—and, God willing, it will be a solvent government.

So last night I burned the incandescent globe for a while to see what was here. I tell you, Mr. President, it is something to behold. It is almost charming in its scope. It is amazing in its dimensions.

I want to find those particular provisions of the resolution which I underlined last night, for when the question is raised as to whether any grant money is authorized by the resolution, I point out that it is almost all grant money. It is that simple.

A look at page 17 of the resolution will reveal a wonderful provision. It states that the international council will be authorized to:

Advise, consult with, and make recommendations to * * * the Surgeon General * * * review applications for financial grants.

"G-r-a-n-t-s," a little word which appears in crossword puzzles, but no one should misunderstand what it means.

The resolution provides for the council to advise and make recommendations to the Surgeon General with respect to research of all kinds.

Now, listen, while I read from page 19:

In carrying out the purposes of this joint resolution, the Surgeon General is authorized to encourage, support, promote the coordination of, and otherwise cooperate and assist in the training for, and the planning and conduct of, in foreign countries and * * * in the United States, research, investigations, experiments, and studies relating to the causes, diagnosis, treatment, control, and prevention of physical and mental diseases—

I say to my colleague the Senator from Maryland [Mr. BUTLER], does that language not speak for itself? I continue to read—

including nutritional and other health deficiencies, or relating to the rehabilitation of the physically or mentally handicapped.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. HUMPHREY. First of all, I realize that in asking a question of my distinguished friend I am likely to get an eloquent and incisive answer.

Mr. DIRKSEN. I will make a most mild one.

Mr. HUMPHREY. Even though the tone of his words makes it seem as though he has pronounced words of doom, when one reads the words in the right spirit and with the right heart, they are words of hope.

I should like to ask the Senator from Illinois what part of the language he is against. I trust he is not against rehabilitation. I think he is interested in combating mental disease and physical infirmities. I am sure he would want a diagnosis. He would want to aid the treatment. He would want to perfect the methods of treating particular diseases. I trust the Senator is against the spread of disease. So he would surely want to look into the possibilities of contagion.

The words which the Senator read in fine, senatorial tones—"causes," "diagnosis," and "treatment"—were emphasized. If one read those words with the spirit of a doctor one would say, "We should study the cause of diseases. We should diagnose diseases. We should have treatment of diseases."

That sounds entirely different. One sounds like a hope, and the other sounds like the end of the line.

I know the Senator is a good man and wants to find a cure for various diseases.

Mr. DIRKSEN. Mr. President, the Senator had an hour or more, and I have heard his question. I am going to pour on a lot of the balm of Gilead.

Mr. HUMPHREY. I did not hear the Senator.

Mr. DIRKSEN. I am not yet ready to answer the question. This is a prelude.

I was talking about the grants, because the Senator from Louisiana [Mr. ELLENDER] raised the question. I do not know whether the Senator received a complete answer.

I go on to the rest of the grant language. May my voice be fairly drooling in hope, Mr. President, as I read:

make financial grants to universities—

Mr. HUMPHREY rose.

Mr. DIRKSEN. I hope my friend will let me finish.

Mr. HUMPHREY. I want to say the Senator does not need to have his voice drooling; it should just be clear.

Mr. DIRKSEN. I want to oblige my friend from Minnesota—

make financial grants to universities, hospitals, laboratories, or other public or private institutions or agencies, or to individuals, in foreign countries or in the United States, or contract with such institutions, agencies, or individuals—

Mr. President, I almost whisper this in tones of awe—

without regard to sections 3648 and 3709 of the Revised Statutes.

We talk about a giveaway program; what I have mentioned is grant money. It refers to individuals at home and abroad, to laboratories at home and abroad, to agencies at home and abroad, to hospitals at home and abroad, and to universities at home and abroad.

Mr. BUTLER. Just give it away.

Mr. DIRKSEN. And for what? For mental illness, for physical illness, for the handicapped, for everything.

Can we measure the dimensions of this program upon which we are asked to venture?

The interesting thing is, Mr. President, that much of the authority proposed to be given is already provided for in the law. This is an effort to sort of bring it all together in one chunk and put an extra dollar sign on it to the tune of $50 million, although the Surgeon General says, as is shown in the hearings, that up to now he can only count up $7½ million, and he had to strain a point in order to do that.

We become pretty careless with the Government's money, I must say.

Mr. LONG. Will the Senator yield?

Mr. DIRKSEN. I am afraid I myself become careless on occasion.

I hope my friend from Louisiana will not chide me now for my carelessness along that line. I know by the glint in the Senator's eye exactly what he is going to say.

Mr. LONG. I was going to ask the Senator: Does he mean an extra dollar sign or an extra decimal point?

Mr. DIRKSEN. The question shows what an able arithmetician the Senator from Louisiana really is.

These are the purposes. The Senator from Illinois is not manufacturing words, but is reading words from the joint resolution itself, as it came from the committee.

Then, along with everything else, we are asked to facilitate the interchange of research scientists and experts between the United States and foreign countries. That is probably a good thing.

Then we are asked to "establish and maintain research fellowships within the National Institutes of Health," and the cute language is "and elsewhere."

It is those words which admit of interpretation which really disturb me a good bit. So we are asked to train research workers "within the National Institutes of Health and elsewhere."

Along with this, I will say to my colleagues, the Surgeon General can establish offices wherever he wants, practically without limit for the only limit being a little phrase in the resolution to the effect that what is done "shall be administered consistently with the foreign policy of the United States as determined by the President and the Secretary of State." The Surgeon General could set up offices anywhere. He could put an international office in the National Institutes of Health. He could bypass the President of the United States.

The language of the resolution says:

This joint resolution shall be administered consistently with the foreign policy of the United States as determined by the President and the Secretary of State.

Would I like that, if I were the President? Would I like to have a domestic agency given an international flare and

permitted to roam the earth to set up offices? That is what is provided in the joint resolution. The language says that the Surgeon General shall have the right to set up offices. I thought the President of the United States was the author and the finisher, so to speak, of our international relations, with the consent of the Senate, of course.

What would have been a proper provision in the resolution? A proper provision would have been to grant the authority to the President and to direct the money to the President, if it were necessary.

This proposed institution will go much further than the International Cooperation Administration, if what I see in those words mean anything for the future. We shall go an extremely long way down that road.

When I say I certainly am not indifferent to our responsibilities in the field of health, I mean I certainly do not yield to anybody in that field, because my immediate and close family has had its share of the burden. I understand the incidence of disease and the burdens of doctor's bills. I have watched the research men. I used to do a little research work myself, once upon a time. I did not do very much, and it was not very complicated, but I did at least enough to know that it has to be done in order to meet problems which arise.

With a joint resolution having such scope as is provided—permitting the setting up of new agencies and additional functions, and granting $50 million a year—I contend it is about time to take a good look at the matter, to see where the President of the United States has been bypassed, except for a few consoling words.

Therefore, I must oppose the joint resolution. I would oppose it in any event, because of the amount of money, since the Surgeon General only counts up $7½ million and $50 million is provided in the resolution. I cannot swallow that, I am sure.

My main purpose, Mr. President, has been to show that while the joint resolution has some 64 sponsors and cosponsors, not including me, there is another side of the story to be told. I felt I had to tell it.

The letter from the Bureau of the Budget is printed in the hearings. I do not know whether I can lay my hands on it at the moment, but I have gone through it pretty carefully to see what the Director of the Bureau of the Budget had to say.

The Director of the Bureau of the Budget tells what the joint resolution would do. He states that it would create a new institute within the National Institutes of Health, that it would establish a National Advisory Council for International Medical Research and that it would authorize annual appropriations of $50 million. The Director also makes four very pointed comments.

He says, first, it will "further add to diffusion within the Government of responsibility for dealing with international problems."

Secondly, he says it will "increase the complexity of U.S. efforts in the field of international health."

Third, he says it would not "be desirable to establish a statutory institute to conduct international health research."

We have not done this before. We are contemplating a statute. Once a statute is enacted, once the resolution is signed, whatever powers have been denied to the President cannot be retrieved unless they are retrieved by the Congress.

Finally, he says that the joint resolution should not be enacted in its present form. There have been changes; but the money is still there. The testimony of the Surgeon General is still there. The diffusion is still there. The circumvention of the President in the field of international relations is there.

I have only one purpose today. I know how futile it would be for me to try to defeat this measure, with so many cosponsors. I wish to be sure that the legislative record is made in the Senate today, notwithstanding the fact that the resolution has such a fetching and alluring title that it is difficult, venturesome, and a little brash for anyone to undertake to stop it.

I know now about the letters which will reach my desk. There will be plenty of them, saying, "What do you mean? How inhuman can you be to oppose this great adventure into the field of human health and vitality?"

I know now what the letters will be like. That makes no difference. That is not my point. My point is that when we establish an agency such as this, we should be sure that it is within the frame of our free Government, that we preserve the traditions and procedures which have served us so well in other days, and that we place some limit on the scope. When we undertake to cope with mental illness, physical rehabilitation, and physical impairment over the whole wide world, we undertake a huge adventure. Our efforts may be spread so thin as to dissipate a great many of the results.

I know what the answer is. I hold in high esteem the distinguished Senator from Alabama [Mr. HILL] for his work in this field. During all the time I have known him, both in the House and in the Senate, he has devoted himself to this field. I believe everyone in the country has reason to be grateful to him. But notwithstanding my gratitude, esteem, and admiration, I still believe that we are on the wrong track in the organizational pattern which is spelled out. We do not need the kind of money proposed to be provided. We set the level, and from there on we move up. The National Institutes of Health today are given appropriations of 130 times larger than was the case 15 years ago. Let no one be under any misapprehension as to whether this program will grow. It will be like Jack's beanstalk, with all that that implies.

What is the answer? The answer is that we must not intrude the Government too deeply. This is no government-to-government program. This is a scientist-to-scientist program, a person-to-person program. All I have to say is that science runs better when it runs upon tracks, notwithstanding all the imponderables, and notwithstanding all the creative aspects. If it were not so, why did we establish a National Science Foundation, with a hard core of responsibility at the top? Because we know that it works better that way under a free government.

When we established the national science education program we established it with the same thought in mind, because in a free government, if it were not so, the effects would in large measure be dissipated. I like to keep government as remote as I can, but I have learned, after 25 years of legislative experience, that unless the guidelines and the tracks are laid out where all can see, we should beware the results of the program.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. NEUBERGER. I have been very much interested in the remarks of the able Senator from Illinois. I should like to ask what I regard as a very pertinent question.

A few moments ago the Senator from Illinois mentioned the fact that the funds for the National Institutes of Health had risen some 130 times in relatively recent years. Does the Senator speak of that critically or favorably?

Mr. DIRKSEN. I speak of it in neither a critical nor a favorable sense. Earlier I made the point that I think our people are entitled to results. I am greatly distressed over the situation. I will tell my distinguished friend why. I was in the House when this program was launched long ago. I recall some of the men who once graced this body, like the late Senator Neely of West Virginia, and my distinguished predecessor, Bob Taft, who occupied this chair. He is here no longer because he was a victim of the dread killer, cancer.

Ever so often I have lifted my voice; ever so often I have drawn a line—before I left the Appropriations Committee. A few years ago I said to some of these gentlemen, "You have had hundreds of millions of dollars in appropriations. You have the facilities. Where are the results?"

I look at the Kettering-Sloan Institute, doing fine special work in the field of leukemia. So far as I know, they receive no public money. They work with far less money than do governmental institutions. I believe we have made more progress in that direction than we have under our own steam.

When I say that, I do not for a moment demean anyone. Perhaps there is something I do not know about. I should like to know about it. But I do know that we have breathlessly waited for results. I do not want to launch out into a program which has almost no limitation, over the seven seas and to the far corners of the earth, unless there are some guidelines and limitations, and unless the program conforms to our whole scheme of government, which, among other things, envisions the President as the leader in the field of foreign affairs and international relations—and it should be so.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. NEUBERGER. Has the Senator measured the increase in funds against the very substantial gains and advances which have been made by the National Institutes of Health in the field of so many diseases, in helping to prolong human life, making gains even in the field of cancer? A higher proportion of cancer victims than ever before are saved. It is my understanding that more than 70 percent of the funds devoted to cancer research go through the National Institutes of Health and other avenues of the Federal Government.

The Senator spoke of the Budget Bureau. I have respect for the Budget Bureau, but I believe the Budget Bureau is interested in saving money rather than in saving lives. When I came to the Senate in 1955, I think the National Cancer Institute was allocated $21 million. Today, I believe, it is allocated $75 million.

Last night I spoke on the telephone with one of the most eminent of cancer researchers, Dr. Sidney Farber of the Children's Cancer Research Foundation and the Harvard Medical School. He told me that they can use at least $109 million in the coming fiscal year, for programs and projects which have been analyzed and subjected to the most critical scrutiny. Therefore, from 1955 to 1960 the funds may have gone up—and I hope they will—from $21 million to $109 million. I dare say the Budget Bureau protested against virtually all those increases. If we had abided by the recommendations of the Bureau of the Budget from the beginning, we would still be at about the level of $21 million, as it was in 1955, rather than in the position of having achieved all the advances which have been made under the leadership of the distinguished Senator from Alabama [Mr. HILL] and his associates.

To save those millions of dollars, apparently the Bureau of the Budget and the Senator from Illinois would be willing to discard all the gains which have been made in improved surgical techniques, in the field of chemotherapy and in the field of radiation with respect to cancer.

My wife and I had a most profound emotional experience before my own bout with this disease. We visited the Children's Cancer Research Foundation, where 350 children—not older people, but children—are under treatment for this disease. Dr. Ferber showed us that gains have been made in chemotherapy. The dread scourge of leukemia has baffled science for ages, but they had managed to keep one little boy suffering from leukemia alive for 8 or 9 years. That is despite the fact that formerly the average length of survival time was about 28 or 30 days after hospital admittance. So they have made some real gains.

It seems to me that when we look at that fact and when we look at the terrible anxiety of the parents whose children suffer from this dread disease, there is no money that we can measure alongside of that.

I know that the Senator from Illinois is just as sympathetic toward these people as is the Senator from Alabama, or I or anyone else. The only point I am making is this. If we had to abide by the Bureau of the Budget, we would still be back at about the minimum program, or no program at all, of many years ago. I do not believe that the Bureau of the Budget should be our principal criterion as to what we are going to do in fields like this.

I respect the Senator from Illinois. He is showing political courage in the discussion today. However, I do not agree with the conclusion that the Budget Bureau should be the criterion as to what we should do in fields like coronary, cancer, and other diseases.

When we consider the fact that it is from our Congress, from Members of the House and of the Senate, like Senator HILL, who have been responsible for these gains, we should not allow the Budget Bureau to be our measuring stick in such a realm. I thank the Senator for his courtesy in yielding to me.

Mr. DIRKSEN. In answer to my distinguished friend, I would merely say that if he will take the trouble to read the letter from the Director of the Bureau of the Budget to the chairman of the committee, he will find that the Bureau of the Budget has expressed no disapprobation or disapproval of the purposes and objectives here involved.

The Bureau of the Budget put its finger on greater diffusion and greater complexity, and on the fact that much authority already exists in law. Those are the things which are designed, of course, to make for an efficient public operation. Never has the Bureau of the Budget said anything about purposes and objectives.

I see no reason why I should labor this point much longer. I close the discussion by saying that I have tried to point out my objections, that the cost will go beyond the estimates of the Surgeon General, and that this matter should have been directed to the President as our national leader in the international field. I believe that some of the proposed authorities should have been carefully circumscribed.

I allude to one more point by merely reading from the resolution. At page 23, line 21, it is provided:

> (d) In carrying out the provisions of this joint resolution the Surgeon General is authorized to establish offices in foreign countries, for such areas as he may deem advisable, and for such purpose appropriations for carrying out this joint resolution shall be available for rental or lease outside the United States of offices, buildings, grounds, and living quarters to house personnel; maintenance, furnishings, necessary repairs, improvements, and alterations to properties owned or rented by the United States Government abroad; and costs of fuel, water, and utilities for such properties.

No ambassador can say, "Stop it. You are going too far." No representative of this Government, under the leadership of the President, can say, "Stop it. You are going too far."

There is certainly something lacking in this bill, particularly when we bypass the President, who in law and under the Constitution has been recognized as the conductor of our foreign affairs, and our representative directly in the field of international relations.

For the reasons stated, Mr. President, although I may be the only one to do so, I shall vote against the joint resolution. I earnestly hope, even though it is almost preordained that the resolution will go through the Senate, that these futile remarks of mine may catch a spark in the other body and that the Members there will take a closer look before the resolution gets out of committee.

I add one thing before I conclude. My deepest regret is that I could not have sat in on the hearings. That is a tragedy for me. I cannot attend four subcommittees of the Committees on Labor and the Judiciary every day, when they meet at one and the same time, and also discharge my duties as minority leader. But I work at it. My briefcase goes home with me every night. It becomes a chore to go through the hearings and read the testimony when I do not have the benefit of hearing the testimony in the committee room. But with all these limitations I try to give attention to those things which are important, particularly those which are important to the President of the United States in terms of authority, as well as the money involved and the purposes and the objectives of a legislative measure.

I have stated my case. I shall not even suggest a record vote, so far as I am concerned. I am quite content to let the matter stand as it is.

Mr. KEATING. Mr. President, first I should like to commend the distinguished minority leader for the presentation he has made. Since I shall disagree with him, I would appreciate having his attention while I say something commendatory.

I believe the distinguished minority leader has done a perfectly magnificent job in attempting to keep expenditures within reasonable bounds. He has made a politically courageous speech today, because the pending measure is a popular one. I commend him for that in the highest terms. Certainly if we are not able to speak our thoughts here and call our shots as we see them, then this body has lost one of its great reasons for existence, and one of the reasons why it has maintained itself as what we like to call the greatest deliberative body in the world.

Mr. President, I am conscious of the need for keeping our expenditures within bounds and for husbanding our resources, and for attempting whenever possible to achieve a balanced budget. I am greatly concerned over the dangers of inflation which have been so eloquently and accurately pointed out by the minority leader.

I am a little fresher from the hustings than some of my other colleagues. In the stress and turmoil of the campaign I was asked whether I am a liberal or a conservative. I have always rather shied away from both those terms. However, in general, I have said that in money matters I am a conservative. I am definitely for achieving a balanced

budget. I think it is extremely important to do so. However, I said that there are two areas where, if I were in doubt about what should be done, I would choose the higher figure of expenditure. Those areas are the areas of national defense and of national and international health. I believe these are two areas in which most of the American people would want us to vote that way.

It seems to me that the matter before the Senate today falls squarely within that area where we should certainly not pinch pennies. For example, I refer to a bill which was before the Senate only the other day. I hesitate to draw comparisons between expenditures; I never like to do it. But when a bill is before the Senate and a Senator says, "I favor spending this amount of money. Let us take it out of the funds for aid to our allies or out of mutual security funds," I do not think we should legislate it that way. I do not draw this comparison except in my own thinking, for such effect as it may have upon those who would share these views.

A bill which was before the Senate recently provided for the expenditure of about $400 million—eight times the amount involved in the resolution now before the Senate. I was one of the few Senators who voted against it, but the bill was passed by an overwhelming majority. I may have been wrong in the vote I cast, but I cast it because I am concerned about balancing the budget.

Mr. HILL. Mr. President, will the Senator yield?

Mr. KEATING. I yield.

Mr. HILL. I call the attention of the Senator to the fact that the $400 million was a direct appropriation to be made at the time the bill was signed by the President; whereas the resolution now before the Senate provides only for an authorization. The Senator from New York knows that that is a different proposition.

Mr. KEATING. I believe that is an accurate statement. Whatever amount is authorized by the resolution is subject to a future survey by the Committee on Appropriations.

I cite this to illustrate the fact that I do not want anything I may say today to be construed as a departure in any degree from what I conceive to be one of the greatest and most important problems our country faces, probably the greatest problem on the domestic front, namely, the control of the inflationary trend.

But as a sponsor of the resolution, I endorse strongly and emphatically the sentiments which have been expressed in the debate by the distinguished Senator from Alabama [Mr. HILL] and by other Senators concerning the worthy objectives of the proposal.

I believe none of us can pay too high a tribute to the distinguished Senator from Alabama, who, over the years, has rendered outstanding service to the cause of fighting disease and improving the health not only of the American people, but of people throughout the world. I can think of no objective which any Senator could have which would be more heartwarming to him or which would bring to him richer rewards than to be in the forefront of such a fight as that.

Mr. HILL. Mr. President, will the Senator yield?

Mr. KEATING. I yield.

Mr. HILL. I thank the Senator from New York for his very generous words, but I call attention to the fact that he also is a sponsor of the joint resolution. He is on the team which is trying to carry the ball to the goal. The efforts which have been made and the work which has been done to advance the cause of medical research have all been the result of bipartisan action. The distinguished senior Senator from Maine [Mrs. SMITH] has been most interested in and devoted to this cause, not only in the Senate, but throughout the whole United States. The advances which have been made in this cause have been made by the efforts of the members of both parties. We have all worked together as a team to promote and advance the cause of health.

Mr. KEATING. I appreciate the remarks of the Senator from Alabama. I know that what has been done has been accomplished through a bipartisan or a nonpartisan effort. But certainly the distinguished senior Senator from Alabama has shown great leadership in this cause, a cause which has meant so much to America and to the world in terms of happiness and health. I know that our hats are off to him for his dedicated efforts.

It may well be that the International Health and Medical Research Act will prove to be LISTER HILL'S greatest contribution to the welfare of his fellow man.

I firmly believe that this measure can mark the opening gun in a great worldwide crusade against disease and pestilence, and against those scourges which throughout the ages have plagued mankind.

Reference has been made to the opposition of the Bureau of the Budget. The objective of the resolution appears to me to be the same as that recommended by President Eisenhower in his state of the Union message in January 1958, when he called for an international campaign against disease. The President's proposal was reflected in an amendment to the Mutual Security Act, in which Congress declared it to be the policy of the United States—

> to continue and to strengthen mutual efforts among the nations for research against disease, such as heart disease and cancer, and in which the World Health Organization is invited to initiate appropriate studies for this purpose.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. KEATING. I yield.

Mr. BUTLER. Is it the opinion of the Senator from New York that the President of the United States, in making that statement, felt that the entire burden of such a program should fall on the United States?

Mr. KEATING. Not at all. No; I do not think so.

Mr. BUTLER. Does the Senator from New York think the President had in mind a measure such as Senate Joint Resolution 41, which would give the Surgeon General of the United States the authority to open offices throughout the world and to make grants to individuals throughout the world without restriction?

Mr. KEATING. I cannot answer for the President of the United States any more than can the distinguished Senator from Maryland.

Mr. BUTLER. The Senator from New York quoted the President of the United States and put some construction on his language.

Mr. KEATING. I quoted from the President's state of the Union message. Certainly he did not intend to convey the impression that the United States would do the entire job, nor is the——

Mr. BUTLER. Does not the Senator believe the resolution should be amended——

Mr. KEATING. Nor is the United States doing the entire job at present; nor is it intended that the United States should do so; nor do I believe the distinguished Senator from Alabama or his committee intends that the United States should do the entire job.

The United States is to cooperate in this effort; and I believe it is in a position to take the lead in an international effort to improve health of people everywhere.

Mr. BUTLER. Was there any testimony before the committee which reflected the viewpoint that other nations were willing to contribute to this program?

Mr. KEATING. I am not a member of the committee. I would have to refer the Senator either to the distinguished Senator from Alabama or to one of the other members of the committee.

Mr. HILL. Mr. President, will the Senator from New York yield?

Mr. KEATING. I yield.

Mr. HILL. This is a scientist-to-scientist program. If the Senator will read the testimony before the committee he will find that the distinguished Senator from Illinois [Mr. DIRKSEN] referred to Dr. Cornelius P. Rhoads, medical director of the Sloan-Kettering Institute, a great cancer research institute. Dr. Rhoads emphasized that scientists in other parts of the world would like to join with scientists in the United States, knowing that through combined, united efforts better results would be obtained than by traveling alone.

This is a scientist-to-scientist program; it is not an international program, a nation-to-nation program. It is not a proposal which smacks of international politics at all.

Mr. BUTLER. Could not the objective be accomplished more perfectly by working through the foreign governments, and asking them to have the people who they thought were most capable of cooperating with us sent here, not through grants from the United States? They do not needs grants. They are as much interested in health as we are. Foreign scientists are working in the field of cancer research. Their governments are perfectly willing to supply them with money to do so.

Why should the United States create an agency within the National Institutes of Health which will empower one man to go throughout the world and to make grants to individuals without any strings attached?

Mr. HILL. The resolution does not empower one man to do any such thing. It provides for a council; and unless the council approves the research grant, the Surgeon General cannot grant any money. In addition, the actions of the Surgeon General are under the direction and supervision of the Secretary of Health, Education, and Welfare.

Mr. BUTLER. Section 6(a) reads:

> In carrying out the purposes of this joint resolution, the Surgeon General is authorized to encourage, support—

And so forth; I do not see any restrictive words—

> financial grants to universities, hospitals, or other public or private institutions or agencies, or to individuals, in foreign countries, or in the United States.

The point I make is that if it is a good effort—and I believe it is—each country certainly is just as much interested in health as is the United States of America. So if it is a good effort, why cannot our Government talk to the governments of countries which also are interested in stamping out disease. Let them send their scientists to the United States, to cooperate with our scientists or have our scientists go to those countries, instead of having the Surgeon General open offices throughout the world, within the amount of the appropriation, to do this work?

Mr. HILL. The language of the joint resolution is very clear, as follows:

> no financial grant made under the terms of this joint resolution shall be approved by the Surgeon General except after review and recommendation for approval by the Council.

Let me also call attention to the fact that all such actions of the Surgeon General are to be under the direction, supervision, and control of the Secretary of Health, Education, and Welfare.

Mr. BUTLER. Who, under the provisions of the joint resolution, will comprise the Council?

Mr. HILL. The members will be appointed by the Secretary of Health, Education, and Welfare.

Mr. BUTLER. Will its membership include citizens of other nations?

Mr. HILL. Oh, no. All of them will be Americans; and they will be appointed by the Secretary of Health, Education, and Welfare.

The committee received testimony from a number of distinguished witnesses, such as Dr. Paul Dudley White, the great heart expert, of Boston; Dr. Sidney Farber, who today is waging the battle against leukemia, and he is professor of pathology at Harvard Medical School; Dr. I. S. Ravdin, who not only is vice president of medical development at the University of Pennsylvania, but also is the head of the surgery department there and is the surgeon who was brought to Washington when President Eisenhower had to be opearted on for ileitis—just as Dr. Paul Dudley White was brought to Washington when President Eisenhower had his heart attack—and many other distinguished surgeons and physicians, including Dr. Gunnar Gunderson, president of the American Medical Association; Dr. Matthew Beadine, representing the American Dental Association; and men of that type. All of them testified that the program now proposed is the way to get the job done—a job which will be of great benefit to the American people.

Mr. BUTLER. But could not it be done just as well by having the Congress by joint resolution express its willingness to appropriate $50 million a year for this purpose, provided other nations that are interested in health and matters relating to health join with our country in a common endeavor?

Mr. HILL. Not at all and I will state why: If we said we would appropriate that amount of money if other nations would do likewise, we would become involved in an international political matter, so to speak. Furthermore, we would then lose control of the projects to be worked on under this program.

As the matter now stands, under the provisions of the joint resolution, our country will make the determination of what projects will be studied.

Mr. BUTLER. I do not agree with the contention of the Senator from Alabama that thereby we would become involved in a political matter. I do not think we would lose anything by having such medical research become the common knowledge of all the world.

Mr. HILL. But the problem is that we want the funds spent in the most economical way and to the best possible advantage; and all the testimony shows that that will be done best by making a scientist-to-scientist approach, rather than a government-to-government approach.

Mr. KEATING. Mr. President——

Mr. COTTON. Mr. President, will the Senator from New York yield to me?

Mr. KEATING. I shall be glad to yield to the Senator from New Hampshire; but, first, I should like to make a comment in addition to what the Senator from Alabama has said.

I see no advantage—in fact, I see a possible disadvantage—in layering on several other Government departments, whose approval would have to be obtained before the money could be spent. If we were to require the approval of the Attorney General, the Department of Defense, the State Department, and several other departments of our Government, I do not believe as much value would be obtained from the funds spent as that which would be obtained by handling the matter in the way now proposed.

At this time I am happy to yield to the distinguished Senator from New Hampshire.

Mr. COTTON. Mr. President, I thank the Senator from New York for yielding to me.

I should like to have the attention of the Senator from Alabama, because I wish to mention a particular matter, and then ask him a question.

Mr. HILL. Certainly.

Mr. COTTON. First, let me say to the Senator from Alabama that I greatly admire his work on the joint resolution. Much as I should like to follow my leader on this side of the aisle, I am inclined to believe that the objections to the joint resolution come late. I believe it would have been better to have offered amendments to the joint resolution. So I expect to support it.

But I cannot refrain from calling the attention of the Senator from Alabama to one fact; and then I wish to ask him a question:

In the 84th Congress, I believe, Senator Flanders, of Vermont, and other Senators, of whom I was one, sponsored a bill which would have changed restrictions on the use of the Hill-Burton funds so as to enable clinics in small, rural communities in the country to receive some assistance—assistance which they cannot now readily receive, because of the liability which would attach to hospitals which would have to take the responsibility for the clinics.

In the 85th Congress, that bill was introduced by Senator Payne, of Maine. Again we made an effort to have the bill enacted into law.

In this Congress—in view of the fact that Senator Flanders, of Vermont, and Senator Payne, of Maine, are no longer Members of the Senate—I introduced the bill, S. 1770. I have been informed by the staff of the Senator's committee that the committee is not likely to consider the bill, but is going to wait another year, at least, before it will take up any changes which might enable the small communities in the mountains and in the rural sections of the country to participate more fully in the Hill-Burton program.

If some of us are willing to still our doubts and our fears of certain provisions of the joint resolution, and since we recognize its fine objectives and have confidence in the distinguished Senator from Alabama and his committee to go on with this work, I hope the committee will exhibit the same solicitude for some of the rural communities in my State, Vermont and Maine, and in some of the other rural States of the Union, and will give us some of the consideration which this joint resolution seeks to give to the peoples of the world.

Let me ask what the chances are of that being done.

Mr. HILL. Would the Senator from New Hampshire like to come before the committee and present this matter to it?

Mr. COTTON. I certainly would.

Mr. HILL. I shall be delighted to have the Senator from New Hampshire come before the committee and do so.

Mr. COTTON. I take it that the Senator from Alabama is going to give me a chance to make a speech. Of course I should be glad to do so. I like the sound of my own voice, but I want something more than the opportunity to hear it. I wish to know whether there is a chance to obtain a little action on this matter.

Mr. HILL. Let me say to the Senator from New Hampshire—and at the same time endeavor to be as modest as pos-

sible—that any matter which deals with hospitals or the health of our people and with human suffering will find a sympathetic hearing by me and sympathetic consideration on my part.

In view of the statement the Senator from New Hampshire has made, I wish to say that of course the pending joint resolution has nothing to do with the construction of hospitals.

Mr. COTTON. Let me assure the Senator from Alabama that I did not mean to speak ironically or with sarcasm. The Senator from Alabama has always given us a sympathetic hearing. But I could not refrain from bringing up this matter now, because I have been informed that the committee has decided that it will not even consider such a bill this year. That would rather shut the door. I hope that in addition to the sympathy and the courtesy which we always receive from the beloved Senator from Alabama, we may receive a little action, too.

Mr. HILL. The Senator from New Hampshire has had no word from me that he would not receive a hearing and consideration of his bill, has he?

Mr. COTTON. No; there has not been any suggestion that we could not receive a hearing. But we understand that no action will be taken on that bill this year.

Mr. HILL. Since the Senator from New Hampshire has referred to me——

Mr. COTTON. Let me say that my reference was to the staff of the committee.

Mr. HILL. The Senator from New Hampshire has raised a question. Perhaps we can settle the matter, because I want to do everything I can to help rural communities whether in New Hampshire or in Alabama or in Kansas or in New York—wherever they may be. The question involved is one of having Federal funds used by any kind of clinic or diagnostic center or hospital that is not strictly a nonprofit organization.

Mr. COTTON. I can assure the Senator that I am not interested in any profitmaking institutions. The purpose of the bill to which I have referred is to try to get medical assistance in very sparsely populated sections, where people are struggling and doing their best to have some medical centers, and where, many times, people literally die because of the distance they have to go and because of the lack of medical facilities.

As the Senator knows, one of the difficulties is that small communities often have great difficulty in sponsoring Hill-Burton applications and the hospitals and medical centers of the larger cities are unwilling, understandably, to sponsor applications for clinics which are located at some distance. My bill seeks to resolve this impasse.

I will not take any more time, but I express the hope that this year action can be taken by the Senate, on a bill, with proper safeguards, which will take care of the situation to which I have referred—which is much nearer home than is the situation with which we are dealing today.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. HILL. The Senator from New York has the floor.

Mr. KEATING. I yield to the Senator from Maryland.

Mr. BUTLER. I should like to ask the Senator from Alabama whether it is his desire that the yeas and nays be ordered on the joint resolution.

Mr. HILL. I understand that is the desire of a great many Senators.

Mr. HUMPHREY. Mr. President, if the Senator will yield, I would say that question should be within the decision of the chairman of the committee.

Mr. HILL. I have talked to the distinguished majority leader. He thinks we ought to have the yeas and nays.

Mr. BUTLER. Will the Senator request the yeas and nays?

Mr. HILL. Mr. President, I ask for the yeas and nays on the passage of the joint resolution.

The yeas and nays were ordered.

Mr. KEATING. Mr. President, permit me to assure the distinguished Senator from New Hampshire [Mr. COTTON] that my personal interest in the health of the people of New Hampshire is at least equal to, and probably greater than, my interest in the health of people in any foreign land. I join with the Senator in the hope that it will be possible to have hearings on the important measure to which he has referred.

All of us recognize that disease knows no national boundary line. No country is immune from the ravages of the great scourges with which our researchers and those in other lands are grappling.

Unfortunately, more often than not, disease strikes those who are least able to combat it and those who are least able to pay for its prevention and cure. At the same time, the technicians and researchers who can hold the key to solving the riddles of disease and pestilence are not concentrated in any one country, but geniuses in this field are found in every land.

One aim of Senate Joint Resolution 41 is to prevent, as much as possible, duplication of effort in the crusade for better health, by means of promoting cooperation and freer flow of information among the medical leaders of the world. It aims to help fill the critical need for international planning, programing, and pursuit of research. I believe it is a strong and firm step in that direction.

There is general agreement among leaders in this field that the great needs in the area of medical research are for a freer flow of knowledge and information among those working in the field, a coordination of efforts to avoid wasteful duplication, an expansion of programs for the exchange of trained personnel and teachers, and an enlargement of programs to train additional technicians and researchers.

This proposal seeks to provide the governmental machinery in the United States so that this country can efficiently and effectively do its part to fill those needs.

It provides procedures and the means by which we can mobilize our research facilities and resources to participate in various international programs which will translate the desire for an international effort to conquer disease into action. Enactment of this measure is essential if the United States is to play its proper role—and it should be a leading one—in this vital work.

It may very well be the wording of the precise approach to this problem can be bettered in the other body; but within the four walls of this measure are to be found provisions which, it strikes me, will be of great help in improving the health of people everywhere and in enhancing our reputation as a nation.

Mr. President, I would be the first to object if I felt that the funds called for by this proposal were to be wastefully expended or were not vitally needed and were not essential. But I feel strongly that leadership by the United States in the crusade against disease can demonstrate anew to the world, in these extremely critical times, that we are a people dedicated to peace and good will.

The positive approach to international health problems envisioned by Senate Joint Resolution 41, with its emphasis on cooperation and coordination of research, will surely capture the imagination of peoples the world over. It will command admiration and respect wherever people are allowed to know about what we are doing and what we are seeking to accomplish.

The enactment of this measure could well be a historical high point in launching America forthrightly and vigorously into the international war against disease. We can cut across national boundaries and through Iron Curtains and we can cut through governmental and political barriers to help the peoples of the world. Mr. President, one of the things I like most about this program is the elimination of too much bureaucracy.

Freedom from disease is an aspiration which all men hold in common. It is a specific freedom for which all men can work in harmony. I, therefore, urge the passage of Senate Joint Resolution 41 as a solid, concrete means by which the talents, energies, resources, and facilities of America can be brought to bear, not only to aid our own people but people the world over who seek good health and a better life. Enactment of this measure will mark a major historic step forward in mankind's unending war on disease.

I hope the vote in favor of the measure will be overwhelming.

Mr. YARBOROUGH. Mr. President, as a member of the Subcommittee on Public Health and of the Committee on Labor and Public Welfare, where I had the privilege of hearing the testimony for a number of days with regard to Senate Joint Resolution 41, I wish to express my appreciation to the senior Senator from Alabama [Mr. HILL], author of the joint resolution, for the leadership he has given to us, to the country, and to the world in this matter. He spoke with regard to this subject in the Senate on August 13 and August 16, 1958. He explained the joint resolution on February 2, 1959. The explanations of the resolution in the RECORD are ample. The purpose of the resolution are known. The

resolution has been thoroughly explained in some 230 pages of testimony before the committee.

The Public Health Service gave three fields of activity in which international health programs could be broken down and in which there should be continued work, including mass control and eradication of communicable diseases, building a strong health service, and development and intensification of scientific and medical research.

Mr. President, I could hardly believe my ears this afternoon when we heard an argument to the effect that the scientific research should not be done if money was to be spent beyond the bounds of the United States. We are reminded that in the early days of this country we had yellow fever in epidemic proportions as far north as Philadelphia. The control of yellow fever was not discovered until within the lifetime of many people now living, but it was discovered as a result of research by United States doctors in Cuba.

Many of the diseases which afflict our people at home and around the world can best be studied in other areas. If we wish to study the effects on the human body of prolonged and intense cold, where could we better study it than in the Antarctic? If we wish to study the effects of nuclear radiation from atomic explosions, where better could we study it than in Japan? These different studies can best be had in different areas.

The argument that we should not spend some of the modest appropriation of $50 million a year in some foreign country overlooks the fact that the object of the joint resolution is to control the diseases which cripple the human race—to control them at home and around the world, to study them where they can best be studied, and discover relief where it can best be found.

We have read a good bit of speculation as to what is going on in Geneva, both on top of the table, and under the table. We have a joint resolution on top of the table here today. It is Senate Joint Resolution 41. It could well mean more to the peace, prosperity, and happiness of mankind than what goes on over the table or under the table at Geneva today.

Mr. President, a yea-and-nay vote has been ordered. I do not think it is necessary to spend further time in discussion of the joint resolution, since it has been thoroughly and adequately explained by the distinguished senior Senator from Alabama and by the distinguished senior Senator from Minnesota. This is one of the finest measures in an international effort of international cooperation, to demonstrate American leadership in this field.

There has been some debate about who is leading the missile race today, but let there be no debate about who is leading in the fight against disease. I invite the attention of my colleagues to the fact that we have had testimony this year before the Public Health Subcommittee that while the United States is graduating some 7,000 doctors per year, the Russians are graduating 16,000 medical doctors a year, of which 2,000 are being trained particularly in the languages, customs, religions, and mores of the underdeveloped countries of the world, where no doubt they will be sent as medical missionaries on behalf of the Russian system of totalitarian control. We need Senate Joint Resolution 41 to extend American medical research and international cooperation in the eradication of disease, to all the world.

Mr. President, I think the joint resolution should be passed without further delay, as an example to the world that our interest is in something besides destruction. We are interested in the upbuilding of the human race. This is proof positive, and a major step for better health for ourselves and others. It means more health and happiness for all the world.

Mr. COOPER. Mr. President, yesterday, I spoke briefly in support of Senate Joint Resolution 41. In view of the fact that objections have been expressed to Senate Joint Resolution 41, since I am a member of the Senate Committee on Labor and Public Welfare, I should like to respond briefly to some of the questions raised in the debate.

The question of cost was raised, was considered by the committee. As has been brought out in the debate, witnesses in the hearings stated that approximately $7½ million to $10 million could be spent now in the various activities which the resolution would cover, and that it would not be possible to determine the cost at this time.

The committee, determined that the authorization of $50 million provided by the joint resolution was a reasonable authorization. I can only say that the committee, led by the distinguished Senator from Alabama [Mr. HILL], entertained the view this authorization would be small, if it would bring about a collaboration of the best scientific and medical abilities in the world. It would enable men and women, working together, in research, to make advances in the great objective of finding the causes behind the diseases which are the killers of mankind, of establishing better preventive medicine, and making possible the full use of the physical and mental capabilities of mankind.

These objectives present the viewpoint from which the joint resolution can be adequately considered, and from this broad purpose it was the almost unanimous judgment of the committee that the authorization proposed is modest.

I wish to reaffirm my support for the resolution.

This measure should not be partisan, and the fact that 16 members of the minority including 4 of the members of the Senate Committee on Labor and Public Welfare have joined in cosponsoring the resolution confirm its wide support. The chief point I desire to emphasize is that the committee considered the present measure to be an approach toward solving one of the great and eternal concerns of mankind.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. HUMPHREY. I merely desire to add, in view of the discussion which took place prior to the comments of the Senator from Kentucky, that there is available to the Members of the Senate an excellent compilation of the activities in the field of international medical research presently underway.

I have in my hand a publication, Report No. 160 of the 1st session of the 86th Congress, published by the Subcommittee on Reorganization and International Organizations, which is a rather extensive and comprehensive statement of the great research activities which are already underway on an international basis, country by country and disease by disease. The importance of additional research efforts is indicated in this study, and there is also indicated what could be done by a little more activity.

In response to the distinguished Senator from Maryland [Mr. BUTLER], I will say that the rewards we would be able to obtain from international collaboration in the field of medical research are literally beyond calculation. At present we have all sorts of evidence as to what has already been achieved, not only by our own scientists, but also by the activity of others. I mention this only as a matter of background and reference for the legislative history of this measure, because it seems to me we can do very much more with just a little extra, as is outlined in the proposal.

Mr. JAVITS. Mr. President, I, too, am a member of the committee which developed this legislation, and I was honored to join as a sponsor of it. But I think it is important for my colleagues to know that the very questions which are being raised on the floor were not only raised in committee, but were determined factually by the witnesses who testified before us.

Rather than to add to the very eloquent pleas which have already been made for the legislation, in principle, by the chairman of the committee and by the Senator from Minnesota [Mr. HUMPHREY], by my colleague from Kentucky [Mr. COOPER], and my colleague from New York [Mr. KEATING], I wish to call attention to certain specifics in the record.

Senators will find, as shown on page 43 of the record, that I questioned Dr. Rusk, from my own city of New York. He is a very distinguished authority on vocational rehabilitation.

I questioned him as to why we could not entrust this program to the Surgeon General, and why we had to have a special institute; also why we could not use counterpart funds, of which we have hundreds of millions in the world, and why we had to have dollars.

Dr. Rusk answered those questions by pointing out, first, that it was not only necessary for us to send scientists abroad who could use counterpart funds in foreign countries, but it was also essential to bring those scientists here to work with our equipment and our scientists, in order to get the best results from international cooperation. Dollars would be required for their living expenses, and also for certain types of equipment.

Second, referring to the Surgeon General's activity, he said:

I think if it is scattered through all of the institutes here, it will be diluted out and lost for the reason I gave, that priority for those should first go to U.S. institutions.

He points out that if we gave priority to the Surgeon General, we could not include the work of the Office of Vocational Rehabilitation and the Children's Bureau.

There are practical and distinct reasons for adopting the administrative machinery contained in the joint resolution, and for providing specific dollar amounts in order to facilitate this activity.

It so happened that one of the witnesses before the committee was a very distinguished doctor, a leader in research, with whom I had the honor to serve in the Army during World War II. I refer to Dr. Cornelius P. Rhoads, medical director of the Sloan-Kettering Institute, probably the world's leading medical institute engaged in cancer research.

Dr. Rhoads, with whom I had personal experience when he was medical director of the Chemical Corps in World War II, and I served as a staff officer, is in my opinion one of the most astute and capable medical administrators living today. He has a great consciousness and a deep understanding of the massing of research means upon the solution of medical problems. Although we have not yet found a cure for cancer, after the manner of the great historic achievement of Dr. Jonas Salk with respect to polio, we have made major progress in many fields of cancer. Many people are being saved today who in earlier days would not have been saved. A great deal of that advance comes from the Sloan-Kettering Institute.

This is the most expert kind of testimony. There is no greater killer than cancer, in terms of a curable disease. Ultimately the world will weep with anguish when a cure is found for cancer, which is a unit disease, susceptible to attach by research means.

We may say that heart disease involves all kinds of strains and varieties, but cancer is a unit disease, which we can conquer.

Dr. Rhoads is the very top authority in the field. He is not only a thorough believer in massing research means to solve individual medical problems, but he testified before the committee on the efficacy of massing international research means, which he said could not be done without legislation of this character, for the reasons which he stated in his testimony.

It seems to me that if only for that reason, if only for the massive attack upon cancer in a worldwide way, if nothing else were involved, with only the faintest hope that a little faster progress could be made by the investment of even the entire sum authorized, $50 million, I doubt if any Member of the Senate, whatever may be our domestic needs, would feel morally justified in voting against the project.

Mr. HILL. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. HILL. First let me congratulate and commend the Senator from New York on the very fine statement he is making, and let me join with him in the tribute he has paid to Dr. Cornelius P. Rhoads, head of the Sloan-Kettering Cancer Institute in New York. Wonderful work is being done by that institute. It receives much money from private sources, by contributions from individuals and private organizations, but it also receives funds from the National Institutes of Health. If the National Institutes of Health did not have such funds, the researchers would not be able to make the progress they have made and are making. They would not be able to do the fine work they are doing today.

In 1958 the Sloan-Kettering Cancer Institute received $1,917,115 from the National Institutes of Health. For the present year it is expected they will receive $1,939,287.

These funds have been combined with funds received from private contributions; and together they have made possible the work of this dedicated man, Dr. Rhoads, and his fine associates on that staff.

Mr. JAVITS. I am grateful to my colleague.

Mr. President, those of us who are members of committees can help our colleagues best by being very specific. On page 88 of the record, Dr. Rhoads points out that there are studying at the institutes which he heads research specialists from all over the world.

I should like to read to the Senate Dr. Rhoads' testimony in answer to two questions which I think can be asked, and which could not be phrased any better by the most conservative Member of this body, regardless of party. I read from page 89 of the hearings:

In discussing this, I would make two points. First, one must be sure that the gains, the advances, in practical terms, fully repay the taxpayers' money which is to be expended; and second, we must be sure that this program will not detract from or interfere with existing programs.

It seems to me that that is the most hardheaded, feet-on-the-ground approach that could be made.

Dr. Rhoads continues:

I have gone to great pains in the past 2 years to think about these matters. I have had at least one member of my scientific staff in Europe in some other area all these past 2 years examining the facts pertinent to these two considerations.

We are satisfied that the potential for progress is enormous. I think I can assure you personally that the real gain in terms of useful scientific advance is worth far more than the money which will be spent.

We do not need to guess about these things. Here is one of the most gifted leaders of the search, who himself put the fundamental question. He went to great pains to arrive at a conclusion based upon the facts.

The Sloan-Kettering Institute is a heavily supported agency. It is one of those which probably needs the least the kind of financial assistance which will come from this measure. It is giving us the best results of its findings, based upon scientific experience and analysis, rather than upon the need of the institute itself, or any personal views.

Dr. Rhoads continues:

Second, we do not believe that this program would detract from or interfere with existing work. It certainly would not do so if properly administered by the procedures established. On the contrary, we know of many situations in Europe, and some in South America, where new work could be immediately complementary to the programs presently underway. We do not see a serious possibility of confusion or handicapping of the work here.

Again, I submit that in this work to find a cure for cancer, or a way to avoid it, when a great scientist tells us that there are things that could be done that we are not doing in connection with cancer research because we do not have the organization and the money, it seems to me that is an absolutely compelling reason in favor of voting for the pending measure.

Finally, I call attention again, in terms of specifics, to the testimony of Dr. Paul Dudley White, who has had a great vogue in this country, and for very understandable reasons. On pages 28 and 29 of the RECORD, he gives us his personal experience, to show that there is a really practical basis for cooperation between the United States and the doctors of the Soviet Union in this field. From his own experience and that of the Senator from Minnesota [Mr. HUMPHREY], he is confident that such cooperation will be forthcoming.

Mr. President, again I submit that at a time when we are trying to build bridges not only of understanding, but also of working together in a practical way for the benefit of mankind, what more durable, what more effective way could there be than through the medical sciences, when there is cooperation available in those sciences?

I know of few measures which have ever come before us which should give us greater gratification in voting for than this one.

To my colleague from New Hampshire and to other Senators who are concerned about local needs, I say, how much better will local needs be served if by employing effectively—and it is obvious that we are not employing them effectively—the scientific resources, we can bring by one day or one month or one year sooner the time when we can deal effectively with cancer. In my view the costs, relative to the results, are so small as to be unworthy of our serious discussion.

Mr. HILL. Mr. President, I addressed the Senate on yesterday on the joint resolution and I do not desire to take further time. I do wish, however, to emphasize what the distinguished senior Senator from New York [Mr. JAVITS] has so well and so eloquently said.

My good friend from Illinois [Mr. DIRKSEN] and I served together in the House in days when pressures were not so great, and when there was more time for relaxed conversation than there is today. We lived in the Mayflower Hotel.

In the lobby of that hotel he and I solved many problems not only for ourselves but for the country and for the world.

In connection with his remarks today, in opposition to the bill, with respect to the expenditures involved, I wish to emphasize what the distinguished Senator from New York [Mr. JAVITS] has said. There is the other side of the picture. We have expended funds for medical research, and we are now expending funds for such research, but we have also received some very good dividends on those expenditures.

Only a few years ago one person out of every three who had cancer was doomed to death. Because of such work as the Senator from New York has spoken of being done today by Dr. Rhodes at the Sloan-Kettering Institute, and by other doctors, instead of one out of three being doomed to death, today only one out of four is doomed to death. Progress is being made against this dread disease.

I do not believe I need to take the time of the Senate this afternoon to call attention to what has been done in the case of cardiac diseases. I am sure Senators will agree with me that there was a time when, if a person had a coronary thrombosis, he was pretty well considered to be at the end of the road.

Because of medical research and because of the work which is being carried on in part, at least, by funds provided by Congress, we know that today there are many persons, who are living normal lives, including some persons in high places in Government, who are subjected to tremendous stress and strain, and are carrying on almost unbelievable work, even though they have suffered some form of heart attack. We know what is being done in the way of heart surgery. A surgeon can take out the aorta, the great blood vessel leading from the heart, and replace it with a plastic substitute.

I could mention disease after disease in which curative progress has been made during the past few years through medical research substantially financed by funds appropriated by Congress.

A year ago, for the first time in the history of our Nation, we stopped the increase in the number of people who had to be committed to a mental institution because they were suffering from some form of mental illness. We know that very definite progress has been made in the treatment of mental cases.

I wish to say again what I said earlier this afternoon, when my distinguished friend from New York [Mr. KEATING] was making an eloquent speech on the joint resolution, and that is that the program of medical research has been supported and advanced by members of both parties, members on the other side of the aisle and members of this side of the aisle, who have constituted the team which has been in such large measure responsible for the funds which have been appropriated for medical research.

An examination of the budget estimates will disclose that most of these funds would never have been granted had not we in Congress, exercising our authority and power as the representatives of the people, seen fit to act on our own independent judgment, instead of following the recommendations of the Bureau of the Budget.

The Surgeon General of the United States Public Health Service, in his testimony before our committee, in a few brief words summed up what the joint resolution is all about when he made this statement:

> Many major problems of disease and disability can be studied effectively only on a worldwide or regional basis.
>
> The worldwide distribution of disease as related to natural and manmade environmental conditions may reveal variations which could provide significant insight into their causation and dissemination. Such variations and contrasts, studied systematically, may provide the key clues to the control or eradication of many diseases.
>
> For example, it is probable that clear understanding of and basic knowledge relating to the phenomena of the viruses, their origin, modification, and distribution, will be achieved only through long-range integrated studies on the part of the world's virologists working through a network of viral laboratories in cooperatively planned and uniformly pursued observation and study.

He closed with these words:

> There are many examples in medical research where knowledge has remained either indecisive or unused for unnecessarily long periods of time because of the lack of collaboration and communication among scientists working individually upon the same problems. Had they combined their efforts—

That is what we are talking about this afternoon—

> rather than continued in isolation, or had there been means for ready access to knowledge of the accomplishment of others, it is probable that more rapid progress would have been made in many important areas of research.

The Secretary of Health, Education, and Welfare, Dr. Flemming, had this to say about the resolution. I read from page 163 of the hearings:

> The aspect of our international health program that is covered by Senate Joint Resolution 41 provides another illustration of steps that can be taken to enable us to exercise meaningful leadership in the total international health field.
>
> Although most of the activities which Senate Joint Resolution 41 would authorize are now authorized under existing laws, it is clear that it would be advantageous, as this resolution does, to bring these authorizations together into one law.
>
> In so doing, we will be underlining the joint support of the executive and legislative branches for these activities.
>
> In addition, we will be taking a significant step in the direction of strengthening these programs as well as improving their coordination and administration.

The president of the American Medical Association, Dr. Gunnar Gundersen, speaking for the doctors of America, the men and women to whom we must look for the care of our health and the health of our wives, children, and other loved ones, said this in support of the resolution:

> Our association feels that medicine has no geographic boundaries, for it is truly an international science for the benefit of everyone. Furthermore, we believe that only through coordinated effort can physicians throughout the world bring to their people the maximal health benefits that modern medicine can provide.
>
> Today more than ever before medical men all over the world are interdependent.

If time permitted, I could go through the list of witnesses. For example, the representatives of the American Dental Association spoke, as did the representatives of the American Medical Association, of the need for the coordinated effort of scientists, whether they be in the United States or wherever else they may be, so that they might pool their efforts and carry on their work together, if we are to get the best results and get the answers in the battle against diseases, the killers and cripplers which have baffled and plagued mankind throughout the centuries.

I spoke earlier of the results of the research which has been carried on. I have just checked with the U.S. Public Health Service and have found that during the last 16 years, as a result of the research which has been conducted, the life span of the average person in this country has been extended more than 7 years. In other words, every man, woman, and child in the United States today can expect to live more than 7 years longer than he would have 15 years ago, before the great program of medical research was really started at the end of World War II.

I shall not delay the Senate longer. The language of the resolution was drafted in close association and collaboration with the Department of Health, Education, and Welfare; and the Secretary of Health, Education, and Welfare, in testifying, said he supported the purposes and objectives of the resolution.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. ELLENDER. I notice that the pending resolution is in the form of a complete substitute for the original language. Were many changes made?

Mr. HILL. No changes were made in the original intent, purpose, and substance, so to speak. We not only consulted with the witnesses who came before us, many of them distinguished physicians, to whom reference has been made in the debate; but also we conferred with the Department of Health, Education, and Welfare, knowing that, under the resolution, the administration of the institute would be under the direction and supervision of that Department, through the Surgeon General of the U.S. Public Health Service. So we sought their best judgment as to the language of the resolution.

Mr. ELLENDER. As I pointed out earlier this afternoon, it is my belief that the general purpose and aim of this resolution is good. But I am trying to ascertain why it is that although this is described as, more or less, a cooperative venture our Government seems destined to be saddled with the entire cost. For instance, in section 6(a), on page 19, it is stated:

> SEC. 6. (a) In carrying out the purposes of this joint resolution, the Surgeon General is authorized to encourage, support, promote the coordination of, and otherwise

cooperate and assist in the training for, and the planning and conduct of, in foreign countries and (when deemed necessary to carry out such purpose) in the United States, research, investigations, experiments, and studies relating to the causes, diagnosis, treatment, control, and prevention of physical and mental diseases and impairments of mankind (including nutritional and other health deficiencies), or relating to the rehabilitation of the physically or mentally handicapped, and to these ends—

(1) make financial grants to universities, hospitals, laboratories, or other public or private institutions or agencies, or to individuals, in foreign countries or in the United States, or contract with such institutions, agencies, or individuals without regard to sections 3648 and 3709 of the Revised Statutes;

What does that envision? The distinguished Senator from Alabama previously stated that the language to which I referred with respect to the building of facilities did not mean the use of brick and mortar, but means, perhaps, the rental of existing facilities or the improvement of existing facilities. Can the Senator tell me just how the authority I have just quoted will be used. It is most broad.

Mr. HILL. Perhaps I can illustrate what is meant by quoting from one of the witnesses, Dr. Sidney Farber, Professor of Pathology at the Harvard Medical School and Children's Hospital, Boston. Dr. Farber has done and is doing dedicated work in the battle against leukemia. In testifying before our committee concerning a great basic research institute in Sweden, he said:

In a great basic research institute in Sweden, the fundamental work of a distinguished pathfinder in research concerning the cell—

I do not want to digress to explain too much, but until more is known about the cell, we may not get the answer we are so desperately seeking concerning the cure for cancer—

could double his research activities, and the number of scientists trained in this field, where trained men are so rare, with a relatively small increase in his budget.

With the approval of the Council, and under the supervision and direction of the Secretary of Health, Education, and Welfare, the Surgeon General of the U.S. Public Health Service could enter into an agreement with the Research Institute in Sweden—I am using that as an illustration—and could make certain grants to carry on this specific work. He could determine what work was to be done to carry on the research in connection with the particular project.

Mr. ELLENDER. If this is to be a cooperative effort by the United States and other countries, why do not the other countries help?

Mr. HILL. It will be cooperative.

Mr. ELLENDER. It will not be cooperative if the United States sustains the costs of the participating nations. I do not call a venture "cooperative" when it involves our sending money abroad to allow other nations to carry on work.

Mr. HILL. No, no. I simply took this statement from the testimony. The institute in Sweden is a going institute today.

Mr. ELLENDER. I understand.

Mr. HILL. If certain work is being done, we may want the work enlarged, or perhaps we may want a little change made; perhaps we would like something more profound to be done, something which the institute is not now doing. We could go to them and say, "If you will continue what you are doing with your personnel and your funds, we will give you a grant—a little more money—so that you may go into some phase of the work which you are not now exploring." That is a procedure being followed today in this country.

I do not know whether the Senator from Louisiana was on the floor when we referred to the Sloan-Kettering Institute, which gets its name from Alfred P. Sloan, chairman of the board of the General Motors Corp., and the great inventor, Mr. Kettering, who first invented the self-starter for automobiles, and made many other important inventions. That institute was begun with funds which they donated. We also provide for utilization of the funds of other institutions, so as to enlarge the work.

Mr. ELLENDER. Mr. President, will the Senator from Alabama yield further to me?

The PRESIDING OFFICER (Mr. WILLIAMS of New Jersey in the chair). Does the Senator from Alabama yield further to the Senator from Louisiana?

Mr. HILL. I yield.

Mr. ELLENDER. As I understand the interpretation given by the Senator from Alabama to section 6(a)(1) of the joint resolution, such grants will be made to increase work which already is being done in certain institutions.

Mr. HILL. Oh, no; if it were already being done, no grants would be made. If it were already being done, there would be no sense in going into that work under the provisions of this measure.

Mr. ELLENDER. But the Senator from Alabama spoke of enlarging these programs.

Mr. HILL. No; the expression used by Dr. Farber was "double the research activities."

If the work were already being done, not one penny of the proposed funds would be used in that connection. But if it were believed that by using that institute and that particular scientist or group of scientists, it would be possible to come nearer to solving the problems which now are being worked on, and for which solutions are now being sought, then that could be done.

Mr. ELLENDER. In section 6(a)(4) I notice the following:

(4) provide to such institutions or agencies, and pay the compensation and expenses of, scientists and experts from the United States and other countries and facilitate the interchange among foreign countries of scientists and experts (including the payment of travel and subsistence for such scientists and experts when away from their places of residence);

This is shotgun language. As I understand the Senator's explanation, the authority I have quoted is designed to permit the exchange of U.S. and foreign research scientists. Yet, the authority I have quoted is sufficiently broad to permit our paying the expenses of sending French scientists to Sweden, or Swedish scientists to Timbuktu, for example.

There, again, our country would be embarking on a program of exchanging scientists—this is as I understand the matter and if I am in error I should like to be corrected—under which the Council would have legal authority to pay all expenses, if it saw fit to do so.

Mr. HILL. If there were in a foreign country an outstanding or distinguished scientist who the Surgeon General and the Council thought could well be brought to the United States and who would make a real contribution to what the Surgeon General and the Council was seeking to do, and if they believed that he would bring knowledge, experience, wisdom, and perhaps in some instances genius to the work of trying to achieve the best results that could be done.

Mr. ELLENDER. I notice section 6(a)(5). As the Senator from Alabama knows, the World Health Organization is a part of the United Nations.

Mr. HILL. That is correct.

Mr. ELLENDER. And in order to pay for the operations of the United Nations, our country's contribution, as I recall, is a little more than one-third of the total U.N. budget. It is my recollection that we also spend additional funds for some of the work of the United Nations.

Why should we contribute further, under the provisions of this measure, for assistance in planning various projects of the World Health Organization? Is it contemplated that our country shall contribute funds to carry out plans which may be suggested by the World Health Organization?

Mr. HILL. Let me read to the Senator from Louisiana from page 20 of the report:

In this respect the committee wishes to emphasize that funds appropriated under the terms of this joint resolution shall not be employed to provide for the direct sustaining operations of the World Health Organization or any other international organization comprised of representatives of national governments.

Is that clear?

Mr. ELLENDER. But in the joint resolution, provision is made for further assistance which can be made available by the——

Mr. HILL. If the World Health Organization were carrying on a research project and if this organization were able to carry on a similar research project, the work of the two could be coordinated. But the joint resolution makes it very definite and clear that none of the funds shall be available for sustaining operations of the World Health Organization.

Mr. ELLENDER. I have one more question; I am simply trying to find out the extent to which these funds could be obligated.

Mr. HILL. I realize that, and I am glad the Senator from Louisiana is asking the questions.

Mr. ELLENDER. I am looking in the joint resolution for provisions which

would lead me to believe that there will be real cooperation on the part of other countries who should be just as much interested in these projects as are we.

Mr. HILL. And they will share in any discoveries which result from this program and from the provisions of this joint resolution.

Mr. ELLENDER. Yes.

In section 6(a)(7), we find the following provision:

(6) encourage and support the coordination of experiments and programs of research conducted in the United States with related programs conducted abroad, by facilitating the interchange of research scientists and experts between the United States and foreign countries and among other countries who are engaged in such experiments and programs of research, including the payment of per diem compensation, subsistence, and travel for such scientists and experts when away from their places of residence, as provided for experts and consultants in subsection (b) hereof;

Does that mean that the United States will pay for the training and expenses of men and women from abroad who might desire to come to the United States to improve their education in scientific fields?

Mr. HILL. Yes; if the Surgeon General and the Council wished them to come to the United States to engage in a research project.

Mr. ELLENDER. But it is my understanding that existing fellowships would help solve this problem.

Mr. HILL. A fellowship involves further training, to make one better prepared.

Mr. ELLENDER. But, as I understand the matter, a fellowship is an advanced course of study in certain facets of medicine or other subjects.

Mr. HILL. That is correct.

Mr. ELLENDER. As I understand this provision of the joint resolution, the purpose would not be for research, but, rather, it would be to train such persons to do research.

Mr. HILL. The Senator from Louisiana is correct as to that.

Mr. ELLENDER. Why should our Government furnish money to enable foreigners to come to the United States?

Mr. HILL. To carry on these projects?

Mr. ELLENDER. No; to come here to further their own training in any particular branch of medicine.

Mr. HILL. If they were needed in connection with certain projects which the Surgeon General and the Council will carry on or if they were interested in them or if they were seeking to find answers in connection with them, some of them have to be trained.

Mr. ELLENDER. I can well understand that the travel expenses of a foreigner who already had been trained, and who was needed in this country for such work, might well be paid. That would be different from what we are now discussing.

But this provision of the joint resolution would permit the expenditure of funds to actually train foreigners in research work. That is the intent of the provision, is it not?

Mr. HILL. I would say that, with the approval of the Secretary and of the Council, if the Surgeon General wished to bring someone to this country, to train him, having in mind the thought that he could do a certain research job, and if it were desired to give him a fellowship, it should be given to him.

Mr. ELLENDER. Would it be used abroad, or in the United States?

Mr. HILL. That would depend upon the location of the project in which they were interested. It might be a particular project at Tulane University or at the University of Alabama or at the Pasteur Institute, in Paris.

Mr. ELLENDER. I can well understand that, insofar as American trainees or fellowships to Americans were concerned. But this provision would extend such assistance to a number of foreigners. Mark my words, Mr. President, there is no question but that under this program many demands would be made on our country—just as are now made under the Fulbright program and other programs. Then, no doubt, good old Uncle Sam would be called upon to pay all the expenses to train foreigners in the art of research and similar things. It is my feeling that this would be all right if they came to this country after they had been trained. But under this provision of the joint resolution, training in this country would be available to them at the expense of our Government. In other words, we could be asked to set up a free training program for medical students from all over the world.

Mr. HILL. The problem is that in some instances, in order to obtain the services of those who would be needed, they would have to be trained.

Mr. ELLENDER. I may say to the Senator I do not see any obligation on us to train people we may want to work here. We will simply open the doors for them to come here and be trained, then they could go anywhere they so desired. That would be my interpretation of the language.

Mr. HILL. That is a matter which the Council, the Secretary of Health, Education, and Welfare, and the Surgeon General would have to decide. They would be expected to operate the program so that persons would receive training which would make them valuable in programs and projects contemplated by the resolution.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. WILLIAMS of New Jersey. It was my privilege to serve on the subcommittee which first considered this resolution. I felt it an honor to be present at the hearings. I recall no adverse testimony at the hearings directed against this proposal. I do not believe there has been any adverse opinion received by the committee in any way, except perhaps the Budget Bureau's report. It seems to me this measure represents a feeling in this country of great hope and promise that it will carry us down the road toward finding the answers to questions about many diseases which have been as yet unanswered.

Mr. ELLENDER. I may say to the Senator from New Jersey I am not opposing the purpose of the resolution—although I must say that I intend to vote against the passage of the resolution.

To my mind, although there can be no doubt that the underlying purpose of the resolution is good and sound, it leaves too many loopholes. The provisions as enumerated in the pending resolution are too broad.

It is my fear that, despite the well-wishings and good spirits with which the agreements with foreign countries would be entered into, the ultimate result would be to have our Government paying the bill for everything.

Through my 23 years in the Senate I have seen this happen more than once. The United States is asked to bear its fair share in a cooperative venture. Yet when the time comes to settle the bill, it is Uncle Sam who is asked to pick up the whole tab.

For some strange reason, these cooperative agreements always end up that way.

It was the understanding of the Senator from New Jersey that there would be cooperation between our country and other countries in this program. Is that correct?

Mr. WILLIAMS of New Jersey. Yes.

Mr. ELLENDER. But, in my opinion, we will ultimately end up by paying all the bills for training and everything else. If that is cooperation, I do not know the true meaning of the word.

Mr. WILLIAMS of New Jersey. I think it will be a two-way street.

Mr. HILL. The Senator from New Jersey is a member of the Subcommittee on Health, and he was most diligent in his attendance on the subcommittee. He heard all the witnesses and all the testimony from eminent doctors and scientists from throughout the Nation and from representatives of great organizations such as the American Medical Association, the American Dental Association, the American College of Surgeons, and other organizations. The Senator asked a number of questions to bring out the facts, so the committee would be satisfied in its own mind that it was putting in the measure safeguards in order that a watchful eye might be kept on the whole program—the matter to which the Senator from Louisiana has called our attention.

Mr. WILLIAMS of New Jersey. I thank the Senator.

Mr. ELLENDER. Mr. President, I wish it were possible for me to support this bill. I would like to do so. I am not unfamiliar with the problems facing American medicine today. One of my brothers is a physician. My only son is a surgeon.

I am sympathetic with the purpose of this bill, and if it were drafted in such a way that those purposes alone would be achieved, I would support it. However, Mr. President, that is not the case.

I have no quarrel with the purpose of this bill. I do believe, however, that the authority it contains is much too sweeping. If the authorization were amended to cover the specific examples cited by the distinguished Senators who have al-

ready participated in debate, I perhaps could support the bill.

I have already discussed with the Senator from Alabama [Mr. HILL] the authority it contains for our Government to give research grants to foreign institutions. It strikes me that with the burdens we are already carrying throughout the world, such financing could and should well be done by those countries which are presently engaged in research activities.

However, as I understand it, if our Government took upon itself to decide that the Swedes were not moving as fast in leukemia research as we would like to see them move, then authority in this bill would permit Uncle Sam to offer the Swedes a little money in order to coax them into more strenuous efforts. It seems to me that we should finance the research work we have going on in our own country, to the maximum possible and feasible, before we embark upon a new program of making grants to foreign countries.

Under this bill, the authority exists for indiscriminate financing of programs involving the exchange of doctors and others between foreign countries—not only between the United States and foreign countries, but among foreign countries themselves.

Authority also exists for further contributions to the World Health Organization. I appreciate the fact that the report on the bill indicates that this authority would be limited in its application, but I remind Senators that the committee report is not the law.

The same is true of almost every other feature of this bill, and while I am in accord with its purposes, I cannot agree that the practically boundless authority it vests in the Surgeon General is either necessary or prudent. Under the terms of this measure, $50 million per year could be used for almost any purpose imaginable. I cannot endorse legislation which is so much broader in its authority than the purposes for which it is designed require.

In this connection, I specifically call attention to the fact that the resolution contains broad power for making expenditures, which ought to be furnished by the people who are supposed to cooperate with us. If the Senator will look at page 23 of the resolution, subparagraph (d), beginning on line 21, it reads:

(d) In carrying out the provisons of this joint resolution the Surgeon General is authorized to establish offices in foreign countries, for such areas as he may deem advisable, and for such purpose appropriations for carrying out this joint resolution shall be available for rental or lease outside the United States of offices, buildings, grounds, and living quarters to house personnel; maintenance, furnishings, necessary repairs, improvements, and alterations to properties owned or rented by the United States Government abroad; and cost of fuel, water, and utilities for such properties.

That is extremely broad authority. I am wondering about the extent to which a section like this will be used to provide facilities for students, rather than for research.

Mr. HILL. Certainly the Council, the Secretary of Health, Education, and Welfare, and the Surgeon General would go far beyond their authority if they did so, I will say to my friend from Louisiana. The facilities must be tied to a research project.

Mr. President, may we have a vote on the committee amendment?

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute.

The amendment was agreed to.

Mr. HILL. Mr. President, may we have the third reading of the joint resolution?

The PRESIDING OFFICER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading, and was read the third time.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceed to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent to have printed in the RECORD a brief statement which I have prepared concerning the joint resolution.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR JOHNSON OF TEXAS

Senate Joint Resolution 41 would mobilize the skills, resources, talents, and capabilities of the health scientists of the world.

This legislation reflects the abiding interest of the distinguished senior Senator from Alabama, LISTER HILL, in the welfare and well-being of humankind. It is another move in the march that has led the last two Congresses to do more to advance medical research than any of its predecessors.

This would be a joining of hands in a scientific project which has neither political, nor military, nor economic objectives.

The need is great. The potential for good is equally large.

There are annually about 90 million births and 49 million deaths in the world.

I am told that in some parts of Africa, the infant mortality rate exceeds one death for every four births.

Infectious disease knows no boundary. One out of seven of the world's population suffers from an infectious eye ailment that threatens possible blindness for many.

This project would demonstrate the good that can come from people working together. It would emphasize to the world our belief that man's mission on earth is to heal and to build and not to hurt nor destroy.

Mr. SYMINGTON. Mr. President, the Senate is now considering Senate Joint Resolution 41, the Health for Peace Act. For the benefit of all mankind, this could be one of the most important measures we will consider this year, and I hope we can give it prompt and favorable action.

Under this proposal, the United States will become an active participant and a leader in a program which will serve all people through cooperative research by the world's best minds.

The credit for the inspiration and work behind this bill belongs to the distinguished senior Senator from Alabama [Mr. HILL]. For many years he has been a leader in the cause of national and international health.

No Member of the Congress has given so much of his time and talent to this fine work. He has served not only the people of his State and his country, but also the people of the world.

Recently, the distinguished senior Senator from Alabama was honored at a health-U.S.A. testimonial luncheon, where he received an award "for distinguished contributions to the health of the American people." It was a deserved tribute for many years of legislative leadership in the field of health. I commend to the attention of my colleagues the acceptance address which Senator HILL made at that time, and which was inserted in the RECORD of May 13.

The resolution which we are considering will create a new National Institute for International Medical Research, within the National Institutes of Health, with an annual authorization of $50 million.

These funds would be used to encourage and support research and the exchange of information, the training of research personnel, and the improvement of research facilities in all parts of the world.

The progressive approach embodied in this measure recognizes the fact that medical research is so complex and interrelated that victory over any disease or disability results only from the research efforts of many scientists throughout the world.

As the eminent physician, Dr. Howard A. Rusk, pointed out recently in the New York Times:

The enthusiastic congressional support of the health for peace bill gives dimension and significance to the aphorism of the late Sir William Osler, who once said: "The great republic of medicine knows and has known no national boundaries."

The passage of this joint resolution will provide the world with a practical demonstration of this country's belief in the dignity of the individual, whoever and wherever he may be. The Health for Peace Act will put the United States at the forefront of a common crusade against the age-old enemies of mankind.

Our country can be dedicated to no more important task.

Mr. PASTORE. Mr. President, in keeping with the mood of the Senate as we consider major measures to help mankind in its constant warfare against disease, I ask unanimous consent to have printed in the RECORD an editorial from the May 14, 1959, issue of the Newport Daily News of Newport, R.I.

The title of the editorial is "Another Manhattan Project" and it asks an all-out battle on cancer as our No. 1 public enemy.

This editorial is written from the heart—from a personal tragedy in the home of the writer whose desire is to lift that shadow from other homes.

The editorial is deeply moving and thought provoking, and it reveals the pattern of thinking throughout our land. It is a distinct contribution to our deliberations.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ANOTHER MANHATTAN PROJECT

In what proved to be a successful effort to beat the Nazis in evolving the atomic bomb, President Franklin D. Roosevelt and his scientific and military advisers resorted to what was called Manhattan project.

Teams of highly qualified experts were given every facility they believed essential to the task set them. Money was no object. If laboratories were needed, these were built. Apparatus, technical impedimenta of all kinds, superexpensive materials—all were supplied without stint or limitation. The only consideration was the goal—produce the bomb. It was produced.

Many believe the time has arrived for this Nation to bring into being a new kind of Manhattan project. Only this time its objective would be not something to destroy life, but something to save life. A cure for cancer.

Cancer is the No. 1 public enemy. Of late the dark shadow of this terrible affliction has been seen in public life. Secretary of State Dulles is slowly dying of it. Arthur Godfrey, one of America's favorite entertainers, has been operated on for it. Gen. Nathan F. Twining, Chairman of the Joint Chiefs of Staff, has just had part of a lung removed, and as this is written it is feared cancer has attacked him.

We appropriate billions of dollars for many things. We spend and spend and spend, sometimes not wisely, but far too liberally. Isn't it time we concentrated on discovering the cause, treatment, and cure of the most horrible disease that attacks the human body? Why not, then, another all-out project, not to destroy, but to save, human beings?

The PRESIDING OFFICER. The joint resolution having been read the third time, the question is, Shall it pass? On this question the yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Illinois [Mr. DOUGLAS], the Senators from Oklahoma [Mr. KERR and Mr. MONRONEY], the Senator from West Virginia [Mr. RANDOLPH], the Senator from Mississippi [Mr. STENNIS], and the Senator from Georgia [Mr. TALMADGE] are absent on official business.

I also announce that the Senator from South Carolina [Mr. JOHNSTON] is absent because of a death in his family.

I further announce that the Senator from Michigan [Mr. HART] is absent because of illness.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Illinois [Mr. DOUGLAS], the Senators from Oklahoma [Mr. KERR and Mr. MONRONEY], the Senator from Mississippi [Mr. STENNIS], the Senator from Michigan [Mr. HART], and the Senator from South Carolina [Mr. JOHNSTON] would each vote "yea."

On this vote, the Senator from Virginia [Mr. BYRD] is paired with the Senator from West Virginia [Mr. RANDOLPH]. If present and voting, the Senator from Virginia would vote "nay," and the Senator from West Virginia would vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Kentucky [Mr. MORTON], and the Senator from Massachusetts [Mr. SALTONSTALL], are necessarily absent.

The Senator from Arizona [Mr. GOLDWATER] is absent by leave of the Senate.

The Senator from Wisconsin [Mr. WILEY] and the Senator from North Dakota [Mr. YOUNG] are detained on official business.

The result was announced—yeas 63, nays 17, as follows:

YEAS—63

Aiken	Fulbright	Magnuson
Allott	Gore	Mansfield
Anderson	Green	Martin
Bartlett	Gruening	Morse
Beall	Hartke	Moss
Bible	Hayden	Mundt
Bush	Hennings	Murray
Byrd, W. Va.	Hill	Muskie
Cannon	Humphrey	Neuberger
Carlson	Jackson	O'Mahoney
Carroll	Javits	Pastore
Case, N. J.	Johnson, Tex.	Prouty
Case, S. Dak.	Jordan	Proxmire
Clark	Keating	Scott
Cooper	Kefauver	Smathers
Cotton	Kennedy	Smith
Dodd	Kuchel	Sparkman
Eastland	Long	Symington
Engle	McCarthy	Williams, N.J.
Ervin	McGee	Yarborough
Frear	McNamara	Young, Ohio

NAYS—17

Bennett	Ellender	Robertson
Butler	Holland	Russell
Capehart	Hruska	Schoeppel
Curtis	Langer	Thurmond
Dirksen	Lausche	Williams, Del.
Dworshak	McClellan	

NOT VOTING—18

Bridges	Hart	Randolph
Byrd, Va.	Hickenlooper	Saltonstall
Chavez	Johnston, S.C.	Stennis
Church	Kerr	Talmadge
Douglas	Monroney	Wiley
Goldwater	Morton	Young, N. Dak.

So the joint resolution (S.J. Res. 41) was passed.

The preamble was amended so as to read:

Whereas it is recognized that disease and disability are the common enemies of all nations and peoples, and that the means, methods, and techniques for combating and abating the ravages of disease and disability and for improving the health and health standards of man should be sought and shared, without regard to national boundaries and divisions; and

Whereas advances in combating and abating disease and in the positive promotion of human health can be stimulated by supporting and encouraging cooperation among scientists, research workers, and teachers on an international basis, with consequent benefit to the health of our people and of all peoples; and

Whereas there already exist tested means for international cooperation in matters relating to health, including the World Health Organization, the Pan American Health Organization, and the United Nations Children's Fund (UNICEF), with which the United States is identified and associated, and it is highly desirable that the United States establish domestic machinery for the maximum mobilization of its health research resources, the more efficiently to cooperate with and support the research, research-training and research-planning endeavors of such international organizations: Therefore be it.

The title was amended, so as to read: "Joint resolution to establish a National Institute for International Health and Medical Research, to provide for international cooperation in health research, research training, and research planning, and for other purposes."

Mr. MANSFIELD. Mr. President, I move that the vote by which the joint resolution was passed be reconsidered.

Mr. HILL. Mr. President, I move to lay that motion on the table.

The motion to reconsider was laid on the table.

SUPPORT LEVEL FOR TOBACCO

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 285, Senate bill 1901.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1901) to amend section 101(c) of the Agricultural Act of 1949 and the act of July 28, 1945, to stabilize and protect the level of support for tobacco.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, for the information of Senators, I wish to state, after consultation with the minority leader, that the tobacco bill having been made the pending business, no action will be taken, and debate will begin tomorrow as soon after the morning hour as possible. There will be no further votes today.

NATIONAL AND PROVINCIAL HEALTH PROGRAMS IN CANADA

Mr. NEUBERGER. Mr. President, frequently we focus our attention many thousands of miles away and forget what is taking place just north of us, in the land of our closest neighbor, Canada. The Oregon Daily Statesman of Salem, for May 15, 1959, published a most comprehensive and informative editorial about the health program now under way under the joint auspices of the Canadian National Government and the governments of 6 out of the 10 Provinces of Canada. Because this editorial provides so much information which has not been published widely elsewhere in the United States, I ask unanimous consent that it be included in the body of the RECORD. I might add that the editor and publisher of the Oregon Daily Statesman is Charles A. Sprague, distinguished journalist and a former outstanding Governor of the State of Oregon. The editorial is especially timely because the Senate today has passed Senate Joint Resolution 41, providing for International Health and Research under the NIH.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CANADA'S HEALTH PROGRAM

Canada, in its own way keeps moving along as a welfare state. Many of the Provinces, perhaps all, have universal old age grants and subventions for births. Now all but one have an insurance system which covers, or will when put into operation, hospitalization including ward accommodations, nursing, drugs, X-rays, surgical supplies and use of operating room. Quebec is the holdout. The Canadian Provinces haven't gone as far as Britain for full socialized medicine—services of physicians and surgeons are not covered under the plan as in the mother country.

The financing is contributory by the public except in Newfoundland and British Columbia where individuals are not assessed. In 6 of the 10 provinces participation in hospital insurance is compulsory. Ontario's plan is partly voluntary but 93 percent of the population are enrolled. There the fee is $2.10 per individual per month and $4.20 per family. These payments cover about a third of the cost. The remaining two-thirds are shared 50-50 by the Province and the Federal Government. The hospital program was launched by five Provinces July 1, 1958. Its spread has been rapid in the subsequent months.

In the United States reliance is still put on voluntary participation in Blue Cross or insurance plans save for such industries where companywide plans cover all employees. No effort has been made since early in the Eisenhower administration to establish a system of health insurance. In 1957 Representative FORAND, of Rhode Island, introduced a bill to have social security extend to provide hospital, surgical and nursing home benefits to the aged. It has been vigorously opposed by the American Medical Association, American Dental Association, and the hospital and nursing home associations. One reason for nonaction was the estimate by the Social Security Administration that the cost of care under the Forand bill would run to $835 million in 1959. Congress did pass a bill in 1958, H.R. 9822, for a White House Conference on Aging. This will be held in January 1961. Also for medical organizations created a Joint Council To Improve the Health Care of Aged, whose purpose was to find ways to get private sources to write health insurance for the aged.

In this country, the immediate concern is over medical and nursing care for the aged, while Canada launches a nearly universal program to provide hospital care for all. Spite of all these benefits, however, Canada still loses some 30,000 a year of its people who emigrate to the U.S.A.

PROPOSED REPEAL OF PRICE SUPPORTS ON ALL FARM COMMODITIES

Mr. CAPEHART. Mr. President, I ask unanimous consent to submit, after the Senate adjourns tonight, an amendment to the so-called wheat bill, Senate bill 1968.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Indiana? The Chair hears none, and it is so ordered.

Mr. CAPEHART. Mr. President, the amendment I propose to submit to the wheat bill, Senate bill 1968, would repeal all price supports on all farm commodities after this calendar year, or beginning January 1, 1960.

It would repeal all price supports on all the commodities the prices of which we are now supporting. It would likewise freeze the surplus or Government stockpile, except for certain purposes as directed by the President.

My amendment would permit sale from the stockpile for export. It would permit sale for the school lunch program. It would permit sales and grants to feed hungry people. The surplus could be disposed of in many other ways.

My amendment would likewise permit the President of the United States to sell in the domestic market anything from the stockpile at 100 percent of parity. If, in the opinion of the President, an emergency existed, if prices of farm products were out of line, if there were a drought, or if there were other circumstances which created an emergency, the President could permit the sale out of the stockpile, but only at 100 percent of parity.

We must do one of two things. Either we must repeal the price support laws, which my amendment would do, or we must go back to 90 or 100 percent of parity, because the system under which we are operating will not work. My amendment will be printed and made available to Senators tomorrow. It is a proposed amendment to the Wheat Act. It would freeze the surplus. We could thereby dispose of the $9 billion to $10 billion worth of surplus commodities which the Government has on hand, and any other commodities which might come into the stockpile during the remainder of the year. The surplus could be disposed of in an orderly fashion. I believe it would require at least 5 years to dispose of it. My amendment would repeal price support laws with respect to all commodities.

Therefore, starting next January, the farmer could start the year as though there never had been any Government farm regulations or laws. We would freeze the $9 billion or $10 billion worth of surpluses and dispose of them in an orderly way.

We cannot continue to spend $5 billion a year on price supports, or $6½ billion a year to operate the Department of Agriculture, when all that is being accomplished is the building up of further surpluses, without doing any good for the farmers. In other words, what is happening at the moment is that the cost is going up, the surpluses are increasing and farm prices are staying at about the same level or are going lower. It is silly and it is ridiculous. It makes no sense.

I introduced an omnibus farm bill about 3 weeks ago. I could not get too much help on it. I am now submitting my amendment to the wheat bill. It would repeal all price support laws, in an effort to be helpful and in trying to solve the so-called farm problem. The farm problem is now getting as troublesome to the taxpayer as it is to the farmers. It is not doing the farmers any good, and it is costing the taxpayers many billions of dollars.

I hope the Committee on Agriculture and Forestry and the Senate and the Congress will give real consideration to the amendment I am submitting. Perhaps there is a better way to solve the problem than my amendment proposes. If there is, let us find out.

However, I say the time has arrived when Congress must face the issue. We cannot afford to delay action until next year. We ought to face the issue this year.

We must either get rid of price supports or we should devise a plan, which is workable and will actually help the farmer, and which will be less costly to the American taxpayer than the present plan.

I am submitting the amendment because I feel we must have some place from which to start. I am doing it so that we may get everyone interested in it and so that we may have a great deal of debate on the subject on the floor of the Senate. I am doing it in behalf of the American taxpayers and the American farmers. They are both vitally interested in it.

Mr. Benson has told us that the present system is not working. The President of the United States has said it is not working. The cost of the program indicates that it is not working. Farm prices indicate that it is not particularly helping the farmer. So I say, Mr. President, let us have the courage to face the issue, because only Congress can change the law, and only Congress can establish new policies.

I repeat that my amendment to the wheat bill would repeal all price supports on all commodities after this year, effective as of January 1 next year. It would freeze the $9 billion or $10 billion surpluses on January 1. It would freeze the stockpile and would permit an orderly disposal of it, so that it would not interfere with what the farmers produce and what the farmers grow from that time forward.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. CAPEHART. I am glad to yield.

Mr. HUMPHREY. I wonder if I clearly understood the Senator. Is he saying that after this crop year, starting in 1960, his amendment, if enacted into law, would repeal the price supports on all farm commodities?

Mr. CAPEHART. That is correct.

Mr. HUMPHREY. Does the Senator offer any alternative?

Mr. CAPEHART. We would freeze the surplus and dispose of it in an orderly way. On January 1, the $9 billion or $10 billion worth of surplus would be disposed of in an orderly way. My best judgment is that it would take about 5 years to do so. We would take the surplus out of competition with what the farmers would start to grow next year. We must get rid of this costly program, which is not helping the farmers. There may be other ways of doing it, but, in any event, this is one way of doing it.

Mr. Benson says the present program is not working. Mr. Benson says we ought to enable the farmers to operate their own farms and conduct their own business. I am sure he would be 100 percent for the amendment. I have not discussed it with him. It is my own idea. However, I am sure that he will be for it, because he has been telling us

the present program is not workable. The President has said so in his annual message to Congress. I am certain that Secretary Benson will support this idea. I say that based on many statements he has made.

Our price supports are becoming so low—and the price supports set the market prices—that the farmers would be better off if we had no price supports at all. I say that because under the law a ceiling is provided. Under the law the Secretary of Agriculture must sell commodities from the stockpile at 5 percent above the existing support price. That means that if the support price on wheat is 75 percent, wheat is sold from the stockpile at 80 percent. That sets the market price. If we are to have support prices, we must at least get rid of that particular law. If we are going to push support prices farther down, as has been suggested by some, and have a law which provides that $9 or $10 billion worth of commodities in the stockpile must be sold at 5 percent above the support price, the program cannot work.

All we are doing is piling up more costs for the taxpayers and building up larger surpluses, and setting the market price at 5 percent above the support price. So I say let us do one of two things. I am submitting my amendment to eliminate price supports effective as of January 1. If Congress in its wisdom does not wish to do that, let us repeal the law which provides that the surplus must be sold at 5 percent above the support price. If we are to have support prices, let us put the support prices on a basis which will be helpful to the farmer. If we are going to tax the taxpayer $5 or $6 billion a year, let us at least make certain that it is going to help the farmer. It is not helping the farmer at the moment. Farm prices are going lower and lower. I shall hand the amendment to the desk in a moment. I have already obtained unanimous consent to file it tonight.

The PRESIDING OFFICER. The amendment will be received and printed and will lie on the table.

Mr. HUMPHREY. Mr. President, I inquired from the distinguished Senator from Indiana as to his proposal, because it is so far reaching that I did not want to misunderstand its implications or its purpose.

I have known for some time that the policy of the administration has been to eliminate support prices. I believe that the Senator from Indiana, with his usual candor and frankness, has stated for us quite clearly what he believes to be the attitude of the Secretary of Agriculture and of the administration.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CAPEHART. Let me say that I have not discussed the matter with Secretary Benson or the administration. I am submitting the amendment on my own initiative.

Mr. HUMPHREY. I understand.

Mr. CAPEHART. I have not discussed it with anyone. I have said—and I now repeat—that the Secretary of Agriculture has said that the present program is not working. He is recommending lower price supports. The President in his annual message said that the program is not working. I have not discussed the proposal I am making tonight with either the President or the Secretary of Agriculture.

Mr. HUMPHREY. I understand. I understand also that the Senator said he thought Mr. Benson would be in favor of it. He indicated quite frankly and honestly that the Secretary does recommend lower price supports.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CAPEHART. I said I thought the Secretary would be for it because he has repeatedly said that what he is trying to do is to get the Government out of the farming business, to permit the farmers to grow what they please and when they wish and how they wish. He has repeatedly so stated. He has said it in every one of his speeches. For that reason, I think he might well be for that proposal.

Mr. HUMPHREY. Mr. President, the Senator from Indiana is always frank and candid. There is a wholesomeness in his presentation.

In reality, the Secretary of Agriculture wants to get the Government out of the farm business. But the Secretary of Agriculture also follows a program of getting the farmers out of the farm business. We are really going through quite a process of elimination. Let us be quite candid about it. Let us be as clear in the statements which we make on agricultural policy as the Senator from Indiana is clear and precise in his amendment.

The administration has its own farm program. In the first 2 years, the administration said it could not be held accountable for the accumulation of surpluses and the rise in the cost of the farm program because until 1954, according to the administration's spokesmen, the administration was allegedly burdened with the policies of the previous administration.

But in 1954 a farm policy or program was adopted—not with my help, I might add—which was along the lines of the administration's proposals. Flexible price supports were written into the law on the theory that if price supports were flexed down, it would be possible to control production. The theory was that if price supports were lower, crop production would be lower.

At that time the administration did not talk about getting the Government out of the farm price-support business. It talked about getting the Government out of the 90-percent price-support program. The administration then wanted a 75- to 90-percent ratio. That was granted. It was not granted happily, but reluctantly. Nevertheless, it was granted.

Two other farm bills have been passed by Congress. Both have been vetoed by the President. Twice Congress has had to pass legislation which met the requirements and the standards of the administration. The price-support program which is now on the statute books is the price-support program which was testified to by the Secretary of Agriculture and his assistants in the Committee on Agriculture and Forestry.

It is true that the Secretary is now before the committee asking that supports be lowered even further, despite the fact that with price supports on oats and rye at 60 to 65 percent of parity, the production of those commodities goes up instead of down; despite the fact that when the supports on corn are lowered, the production of corn goes up instead of down.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. HUMPHREY. Not at the moment; I will yield later.

Despite a $1.10 bushel guaranteed price on corn under the present price-support program, which this administration wanted, and which it propagandized a minimum number of farmers into accepting in a referendum, less than 20 percent of the farmers even voting, the prediction of the Department of Agriculture today is that the corn crop will be the largest in the Nation's history.

I thoroughly concur in some of the statements the Senator from Indiana has made about this matter. He said that support prices are now so low that the prices on the market are going down and down. He continued by saying that if support prices are to be so low, they had better be taken off altogether.

The Secretary of Agriculture has recommended reducing support prices even more, without controls. This is what I call administrative hypocrisy. On the one hand, the administration talks about lowering support prices and removing controls in the face of a body of evidence that by so doing all that happens is to fill the warehouses, increase the amount in storage, and lower the market prices.

The only time a price-support program works is when it is good enough to provide an incentive to the farmer to cooperate in acreage and production controls. Without acreage production and controls, there should not be a price-support program.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CAPEHART. Anyone who farms knows that the lower the price he is to receive for the unit, the more units he must produce in order to create more dollars.

Mr. HUMPHREY. The Senator is so right.

Mr. CAPEHART. Therefore, the lower the price, the more units the farmer will grow in order to get enough dollars to break even or to make a profit.

Mr. HUMPHREY. The Senator from Indiana is correct.

Mr. CAPEHART. The result has been that by lowering the support prices over the past several years, the surplus has gone up, production has gone up, the stockpile of the Government has gone up, and the cost to the taxpayer has gone up. That is why I have offered the amendment. It is designed to get rid of the price supports. We cannot go on as we are.

I do not say I have the answer to the problem; I am simply trying to find the

answer. I introduced an omnibus bill the other day. Now I am introducing this amendment. I have no pride of authorship. I am trying to get the administration, Congress, the public, if you please, the newspapers, and the farm organizations interested in doing something about a situation which, in my opinion, is intolerable.

Mr. HUMPHREY. The Senator from Indiana has stated with clarity and eloquence what I have attempted to state for years without, apparently, the clarity and eloquence of the Senator from Indiana. I have attempted to say that the reduction of price supports could result in only one thing—lower market prices. Lower market prices could result in only one thing—increased production, because the man on the farm—he does not have to be on a farm, he can be in business anywhere else—knows full well that as the unit price goes down, and the cost of production goes up, the only thing he can do to stay in business at all is to produce more. That is exactly what has happened.

I have stated not once, but many times, directly to the representatives of the Department of Agriculture that they were building their own Pandora's box, and that they were opening up the lid of their own Pandora's box, because as they reduced prices, the result could only be increased production. That has happened. Today, $9 billion worth of surplus commodities are in the possession of the Commodity Credit Corporation.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CAPEHART. Neither the able Senator from Minnesota nor myself nor any other Senator needs to stand on the floor of the Senate and talk about this matter. The facts themselves prove what is happening. The record proves it. The cost is going up day by day; surpluses are increasing day by day; the prices the farmers are receiving are staying where they are or are getting lower. So it is not necessary to use oratory, if I may use that expression; the facts speak for themselves.

Technically, it would seem that the opposite should be true: That the lower the price becomes, the less the farmers will raise. That simply is not true in farming. I think it might be true in a manufacturing business. I think it might be true in a retail business. But it is not true in farming, because a year is required to grow most crops.

A farmer has X number of acres. He has a tractor, or more than one tractor, with which he tills the land. The lower the unit price he receives, the larger the crop he will try to grow, and the more fertilizer he will put on the ground to grow more units, because it is the number of bushels multiplied by the price which will give him the dollars.

I am one who has changed his mind in this matter. I am frank to say that I rather liked the idea of flexible price supports when they were begun. I voted for them. I had my doubts about them, but I voted for them. At least, I was willing to go along and try them.

The best answer is not oratory on my part or oratory on the part of any other Senator. The fact is that flexible price supports do not work. No one can show me or anyone else that they have worked.

Mr. HUMPHREY. It has been the contention of some of us who have been members of the Committee on Agriculture and Forestry for a number of years that, of course, the administration's program has not worked. No more potent testimony has been given to the fallacy of the administration's economic theory on agriculture than the testimony of the Senator from Indiana; namely, that reducing price supports does not reduce production. The only way by which production can be controlled is by acreage controls, bushelage controls, marketing controls, and a price structure which will provide a commodity price sufficiently adequate to enable a farmer to afford to reduce his crop production. That has been the theory of some of us who have maintained that if there is to be a price-support program, it ought to be good enough so that regulations which we know are required will be accepted and complied with, because a good price is an incentive. That is all I am saying.

I do not wish to argue the merits of the respective programs any longer except to say that the program now in effect is the program the administration has asked for. The program which is now in effect is the worst program in the Nation's history. The program now in effect is pricing the farmers off the land. It is promoting bigger and bigger farms, at the expense of the family farm.

Finally, Mr. President, let me say that this program is going to be looked into meticulously, objectively, thoroughly, and fearlessly. The operations of the Commodity Credit Corporation and its policies, administration, and activities, and activities related to those of the Corporation are going to be looked into by the Senate Committee on Agriculure and Forestry.

This morning the distinguished Senator from Missouri [Mr. SYMINGTON] was appointed the chairman of a special subcommittee of six members, with a staff provided by the permanent staff of the Senate Committee on Agriculture and Forestry. The subcommittee is going to look into the operations of this program. I predict that when that survey is completed and when the report on it is made, everything the Senator from Indiana has stated here today will be verified—namely, that the lowering of farm commodity price supports has resulted in the building up of mountains of surpluses, and has lowered farm income, and thereby has compelled farmers to produce more and more. I also predict that it will be found that the management of the Commodity Credit Corporation has not been to the benefit of the farm commodity producers or the farm commodity processors, and certainly not to the benefit of the consumers.

I wish to thank the Senator from Indiana for laying before us the most compelling arguments I have ever heard for changing the farm program the administration recommends. By the way, Mr. President, the administration merely recommends more of the same thing. It simply recommends larger doses of the same thing; its representatives say, "Just reduce the supports a little more." As the Senator from Indiana has said, if that is done, the only result will be greater production and increased storage and greater costs.

Mr. CAPEHART. Mr. President, will the Senator from Minnesota yield to me?

The PRESIDING OFFICER (Mr. Moss in the chair). Does the Senator from Minnesota yield to the Senator from Indiana?

Mr. HUMPHREY. I yield.

Mr. CAPEHART. Mr. President, I have prepared amendments in the form of a substitute, and I shall call up the amendments later. I ask unanimous consent that my amendments in the nature of a substitute be printed at this point in the body of the RECORD, as a part of my remarks.

There being no objection, the amendments submitted by Mr. CAPEHART were ordered to be printed in the RECORD, as follows:

Strike out all after the enacting clause and insert in lieu thereof the following: "That (a) notwithstanding any other provision of law, no agricultural commodities, title to which has been or is hereafter acquired by the Commodity Credit Corporation, shall be sold or otherwise disposed of, except as provided in subsection (b).

"(b) Commodities referred to in subsection (a) may be disposed of, in accordance with directions of the President, as follows:

"(1) Donation, sale, or other disposition for disaster or other relief purposes outside the United States pursuant to and subject to the limitations of title II of the Agricultural Trade Development and Assistance Act of 1954;

"(2) Sale or barter (including barter for strategic materials) to develop new or expanded markets for American agricultural commodities, including but not limited to disposition pursuant to and subject to the limitations of title I of the Agricultural Trade Development and Assistance Act of 1954;

"(3) Donation to school-lunch programs;

"(4) Transfer to the national stockpile established pursuant to the Act of June 7, 1939, as amended (50 U.S.C. 98–98h), without reimbursement from funds appropriated for the purposes of that Act;

"(5) Donation, sale, or other disposition for research, experimental, or educational purposes;

"(6) Sale for new or byproduct uses;

"(7) Donation, sale, or other disposition for disaster relief purposes in the United States or to meet any national emergency declared by the President;

"(8) Sales at not less than the current parity price for such commodity, plus reasonable carrying charges, whenever the President determines that because of a shortage of the commodity such sale is necessary to prevent hardship;

"(9) Donations to penal and correctional institutions in accordance with section 210 of the Agricultural Act of 1956;

"(10) Sales for export;

"(11) Dispositions authorized by section 416 of the Agricultural Act of 1949; and

"(12) Sales for the purpose of rotating stocks or consolidating inventories, any such sale to be offset by purchase of the same commodity in a substantially equivalent quantity or of a substantially equivalent value.

"(c) Strategic materials acquired by the Commodity Credit Corporation under paragraph (2) of subsection (b) shall be transferred to the national stockpile established pursuant to the Act of June 7, 1939, as amended, or to the supplemental stockpile established by section 104(b) of the Agricultural Trade Development and Assistance Act of 1954, and the Commodity Credit Corporation shall be reimbursed for the value of the commodities bartered for such strategic materials from funds appropriated pursuant to section 8 of such Act of June 7, 1939, as amended. For the purpose of such reimbursement, the value of any commodity so bartered shall be the lower of the domestic market price or the Commodity Credit Corporation's investment therein as of the date of such barter, as determined by the Secretary of Agriculture. In order to make payment to the Commodity Credit Corporation for any commodities so transferred to the national stockpile or the supplemental stockpile, there are hereby authorized to be appropriated amounts equal to the value of any commodities so transferred. The value of any commodity so transferred, for the purpose of this section, shall be the lower of the domestic market price or the Commodity Credit Corporation's investment therein as of the date of transfer to the stockpile, as determined by the Secretary of Agriculture.

"SEC. 2. Notwithstanding any other provisions of law, all provisions of the Agricultural Adjustment Act of 1938, as amended, and the Agricultural Act of 1949, as amended, relating to acreage allotments, marketing quotas, and price supports for any agricultural commodity shall be ineffective with respect to the 1960 and subsequent crops of such commodities; but any right, claim, or action which accrued under any such provisions with respect to any crop prior to the 1960 crop shall not be affected.

"Amend the title to read as follows: 'A bill to provide for a new farm program.'"

Mr. CAPEHART. Mr. President, again I wish to say that the amendments have only two parts. The first will freeze immediately the so-called stockpile, except for certain purposes.

The second will, on January 1, after this crop year, repeal all agricultural commodity price supports by the Government.

Mr. President, I submit these amendments in the hope that they will start a real argument in the Congress, and will get the administration and the people interested in doing something about this farm problem, because, as the able Senator from Minnesota and I and others have stated, something must be done about it.

I have no pride of authorship; all I seek to do is get people interested in this problem, because the present situation is far from good.

Mr. HUMPHREY. Mr. President, let me say that the Senator from Indiana will not be disappointed; certainly the amendments will generate some arguments, as he knows.

Mr. CAPEHART. Yes, I think they will.

Mr. HUMPHREY. The Senator from Indiana will not be disappointed, for the administration will be interested, because his proposal is the consummation of the culmination of the procedure the administration is following. The only difference is that the Senator from Indiana would come to the point now, whereas the administration would like to drag out the matter a little longer. But the Senator from Indiana proposes that it be done now.

The Senator from Indiana has said he has no pride of authorship. Let me say that I do not blame him [laughter], because although I know the amendments are submitted in good faith, yet I also know that this proposal will only result in much more of what we already have; it will result in ever-expanded production, because the farmers will still have the same number of acres of land and the same amounts of fertilizer and the same number of tractors—or perhaps more—and there will be a substantial population to take care of; and I doubt that it will reduce production or will improve the prices of agricultural commodities.

Mr. CAPEHART. Mr. President, will the Senator from Minnesota yield further to me?

Mr. HUMPHREY. I am happy to yield.

Mr. CAPEHART. I am confident that it will increase the prices of agricultural commodities. Let me say that if the prices of agricultural commodities are going to get lower and lower and lower, and if the farmer is going to be in bad shape, I would prefer to have him be in bad shape in a free market, rather than to have the Government control the prices of agricultural commodities and control the agricultural policies, which today simply are not working properly.

Mr. HUMPHREY. The only change I would suggest is a change in administration, because the present farm program can work; it is not beyond salvation. It can be administered to the benefit of consumers and farmers and the Nation. I must say that it will not be so long before it will be administered in that way—in other words, in about 18 months.

Mr. CAPEHART. Mr. President, if the Senator from Minnesota will yield further to me, let me say that the Congress should proceed now to have it administered in the proper way, for the benefit of the farmers and the taxpayers. Certainly we should not wait 18 months.

Mr. HUMPHREY. We shall try; but every time the Congress attempts to do something constructive in regard to agriculture, Congress not only is threatened with a veto, but actually is met with one. I know about that; I have been serving on the committee which has been handling agricultural program bills. Each time, they are vetoed. I want the record to be crystal clear. I know that the administration would like to have the people believe that the farm program it is administering is one which was foisted upon it against its will. But that is nonsense. The program the administration is now administering is the one it asked for, and the one its representatives testified in favor of, and the one it rammed through—on the basis of a Presidential veto and the threat of a Presidential veto—as the administration's farm program; and today that program, as being administered by the administration, is wasteful, costly, and ineffective; but all that the administration is requesting is more of the same thing.

The Senator from Missouri [Mr. SYMINGTON] and I, as members of the Committee on Agriculture and Forestry, want the administration to come forward with a new farm program which will give recognition to the facts of production and consumption. But the representatives of the administration say that all they want is to lower the price supports and remove the controls. As the Senator from Indiana has said, on the basis of his practical knowledge of business, all that will lead to is more agricultural commodity production and lower agricultural commodity prices; and he is correct.

Mr. CAPEHART. Mr. President, will the Senator from Minnesota yield further to me?

Mr. HUMPHREY. I yield.

Mr. CAPEHART. The amendments in the nature of a substitute which I have submitted to the wheat bill will give the American farmers and the Members of Congress and everyone else involved a chance to choose sides on the question whether they do or do not want the Government in the farming business. We have heard much about the matter; it has been written about a great deal; Mr. Benson has made many speeches in which he has said he wants to get the Government out of the farming business; and others have spoken along the same line. These amendments will bring that issue to a head.

Mr. HUMPHREY. The Senator from Indiana is correct.

Mr. CAPEHART. In the end, I may be sorry that I am the author of the amendments—as the Senator from Minnesota has said. But at least I am laying squarely on the table the questions whether we do or do not want to continue the program in the way it is now going; whether we want to eliminate entirely price supports, commencing January 1st; whether we wish to return to 90 percent of parity; or what else we wish to have done.

In other words, I am now placing those questions on the table; and now let us see who favor and who oppose the various proposals, and whether we mean what we have been saying, and whether we are willing to stand up and be counted and whether we have the courage now to get down to the business of making some necessary changes. Certainly something must be changed, because the present program is not working.

Mr. HUMPHREY. Mr. President, the Senator from Indiana is rendering a real service in bringing this issue to a head. He can rest assured that it will come to a head; the political boil which is the product of rather foolish and reckless administration will certainly be lanced in one way or another. I think we owe the Senator from Indiana a debt of gratitude for having had the frankness and the courage to say point blank that the administration's policies of lowering agricultural-commodity price supports can lead to only one result—namely, increased production and, ultimately, lower prices to be received by the farmers for the agricultural commodities they produce.

The Senator from Indiana has said he wants to get the Government out of the farming business. That is what the Secretary of Agriculture and the administration say they want, too. I should like to have the farmers have a chance to be in the farming business; and one of the ways to get that done is to have a sensible farm program which will provide marketing conditions which will be susceptible to fair prices and will give the farmers an opportunity to control their marketings, so they are not placed at the mercy of dumpings on the market during the harvest period, when the farmers must accept the prices which are offered, and so they will not have greatly reduced income with which to purchase in the nonmarketing periods the articles they need.

Mr. McNAMARA. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. McNAMARA. I thank the Senator from Minnesota for yielding.

Mr. President, I hope the two Senators who are such experts—and I think it is encouraging to note that they agree——

Mr. HUMPHREY. We agree to disagree.

Mr. McNAMARA. I hope they will agree on the steps which need to be taken in order to decrease the surpluses. I think the Senator referred to $9 billion worth of surplus agricultural products. Is that the correct figure?

Mr. HUMPHREY. We are talking about an investment on the part of the Commodity Credit Corporation of some $9 billion in 1959, as compared with $1,200 million in 1952, when there were in effect 90 percent of parity price supports.

Mr. McNAMARA. We have been reading in the newspapers and hearing statements to the effect that we have been shipping the surpluses to needy people throughout the world. Does the Senator say that, despite such a program, there are tied up $9 billion worth of surplus foods?

Mr. HUMPHREY. That is the figure. The Senator's observation is correct. The trouble with our overseas program is that it is a program of limited duration and limited amounts. If it were properly developed, a great deal more would be done.

Mr. McNAMARA. Is the new committee which is to be headed by the distinguished Senator from Missouri [Mr. SYMINGTON] going to take into consideration the fact that there are still throughout the world hordes of hungry people who need the food surpluses? Will the committee give consideration to that fact?

Mr. HUMPHREY. Yes.

Mr. McNAMARA. While large surpluses have existed for 4 or 5 years, they have been building up to tremendous proportions; and yet there are many needy people throughout the world. Is it not correct to say that the problem involved is getting proper distribution of the food surpluses to hungry people, and that consideration of that problem should be brought into the picture?

Mr. HUMPHREY. The Senator is correct. Furthermore, there is involved the question of utilizing our food and fiber as a part of our foreign program for peace and security in the world. Any administration that cannot plan how to use food and fiber for that purpose is, may I say, bankrupt in imagination and initiative.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, May 20, 1959, he presented to the President of the United States the enrolled bill (S. 902) to provide for the receipt and disbursement of funds, and for continuation of accounts when there is a vacancy in the office of the disbursing officer for the Government Printing Office, and for other purposes.

ADJOURNMENT

Mr. SMATHERS. Mr. President, I move that the Senate stand adjourned until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 6 o'clock and 13 minutes p.m.) the Senate adjourned until tomorrow, Thursday, May 21, 1959, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 20, 1959:

THE NATIONAL AERONAUTICS AND SPACE COUNCIL

William A. M. Burden, of New York, to be a member of the National Aeronautics and Space Council, to which office he was appointed during the last recess of the Senate.

Dr. John T. Rettaliata, of Illinois, to be a member of the National Aeronautics and Space Council.

APPOINTMENTS IN THE NAVY AND MARINE CORPS

The nominations of David K. Bishop, and other officers for appointment in the Navy and in the Marine Corps, which were confirmed today, May 20, 1959, were received by the Senate on May 7, 1959, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date, under the caption "Nominations," beginning with the name of David K. Bishop which is shown on page 6912, and ending with the name of Herman B. West, which is shown on page 6919.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MAY 20, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Psalm 118: 24: *This is the day which the Lord hath made; we will rejoice and be glad in it.*

O Thou who hast blessed us with the gift of a new day, may there be nothing in this day's work of which we shall be ashamed, when the sun has set nor at the eventide of our life when Thou shalt call us to Thyself.

Establish within us those loyalties and integrities which cannot be shaken but will be our support in our times of temptation and trial.

May the strength and splendor of our faith in Thee be made manifest as we daily strive to discharge those tasks and responsibilities which Thou hast committed unto us.

Fill us with a deep longing to have a larger part in opening for men and nations everywhere the gateway to the more abundant life.

To Thy name we ascribe all the glory. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 4245. An act relating to the taxation of the income of life insurance companies.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BYRD of Virginia, Mr. KERR, Mr. FREAR, Mr. WILLIAMS of Delaware, and Mr. CARLSON to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 72. An act to authorize the Secretary of the Interior to construct, operate, and maintain the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project as participating projects of the Colorado River storage project, and for other purposes.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 1094) entitled "An act to amend the Bretton Woods Agreements Act," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. FULBRIGHT, Mr. GREEN, Mr. SPARKMAN, Mr. HUMPHREY, Mr. MANSFIELD, Mr. WILEY, Mr. HICKENLOOPER, and Mr. LANGER to be the conferees on the part of the Senate.

JOSE FIGUERES

Mr. PORTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. PORTER. Mr. Speaker, I should like to call attention to the presence in the United States of the distinguished former President of Costa Rica, Jose Figueres, with his lovely American wife, Karen. Pepe, as he is affectionately known by his many friends in the Western Hemisphere and in Europe, has fought, with social, political, economic, and military weapons, against dictators and communism and for democracy and human rights.

Figueres, who is both an idealist and a practical politician, an economist, and a successful farmer, reports that we—the

free world, that is—are losing the cold war in Latin America, even though the fight against dictators is being won. He asks that we make our love of representative democracy better known. He asks that we concentrate on the development of trade, not aid.

I am sure, Mr. Speaker, that we warmly welcome this keen and salty leader of the free world fight in the Western Hemisphere. We respect him. We listen to him with special interest in this time when we want to develop a much more effective and friendly relationship with our good neighbors to the South.

DEPARTMENTS OF STATE, JUSTICE, AND THE JUDICIARY APPROPRIATION BILL

Mr. ROONEY. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tomorrow, Thursday, to file a report on the bill making appropriations for the Departments of State, Justice, and the Judiciary, and related agencies.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BOW reserved all points of order on the bill.

HON. JAMES L. WHITLEY

Mrs. WEIS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mrs. WEIS. Mr. Speaker, it is with a deep sense of regret that I report to the House the passing of a former colleague and one of my predecessors, the Honorable James L. Whitley, of Rochester, who passed away on Sunday evening.

Jim Whitley, who would have been 87 next Sunday, dedicated his entire life to the public service, and his friends and acquaintances among the leading political figures of his day were legion. Presidents, Governors, Senators, Congressman, State legislators—he was close to many of them. Perhaps even more important, he was equally close to a host of party workers and to the little people of our community.

A lifelong Republican himself, Jim Whitley's friendships knew no party bounds, and the late Al Smith, former Governor of New York and the 1928 Democratic Presidential candidate, was one of his closest and dearest friends.

He was a warm, outgoing man, whose greatest source of satisfaction came from serving the people he represented, and he served them long and well, in a variety of posts.

He was first elected to the New York State Legislature in 1906, and in 1918 he moved to the State senate, where he served with distinction until his election to the House of Representatives in 1928 as the Representative from New York's 45th District. In both Albany and Washington his record was a distinguished one.

Mr. Speaker, Jim Whitley was a personal friend of mine, and I know I speak for all of his friends when I say that he will be sorely missed. To his wife, Ora, and his son, Jim—both of whom have my deepest sympathy—I can say only that we who were privileged to know Jim and count him as a friend share fully in your deep sorrow at his passing.

APPROPRIATIONS FOR NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

The SPEAKER. The unfinished business is on the motion to suspend the rules and pass the bill H.R. 7007.

The question was taken.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 294, nays, 128, not voting 11, as follows:

[Roll No. 46]

YEAS—294

Adair	Cohelan	Halleck
Addonizio	Conte	Halpern
Albert	Cook	Hargis
Alford	Cooley	Harmon
Anderson, Mont.	Corbett	Harris
	Cramer	Hays
Anfuso	Curtis, Mass.	Healey
Arends	Daddario	Hechler
Ashley	Dague	Herlong
Aspinall	Daniels	Hess
Avery	Davis, Tenn	Hogan
Bailey	Dawson	Holland
Baker	Delaney	Holt
Baldwin	Dent	Holtzman
Barden	Denton	Hosmer
Baring	Diggs	Huddleston
Barr	Dingell	Ikard
Barrett	Dixon	Irwin
Bass, N.H.	Dollinger	Jennings
Bass, Tenn.	Donohue	Johnson, Calif.
Bates	Dooley	Johnson, Md.
Baumhart	Dorn, N.Y.	Johnson, Wis.
Beckworth	Dorn, S.C.	Jones, Ala.
Belcher	Dowdy	Karsten
Bennett, Fla.	Downing	Karth
Bennett, Mich.	Doyle	Kasem
Betts	Dulski	Kastenmeier
Blatnik	Durham	Kearns
Blitch	Dwyer	Kee
Boland	Edmondson	Keith
Bolling	Elliott	Kelly
Bonner	Everett	Keogh
Bowles	Fallon	Kilday
Boykin	Farbstein	Kilgore
Boyle	Fascell	King, Calif.
Brademas	Feighan	King, Utah
Breeding	Fenton	Kluczynski
Brewster	Fino	Kowalski
Brock	Fisher	Lafore
Brooks, La.	Flood	Lane
Brooks, Tex.	Flynn	Lankford
Brown, Ga.	Foley	Levering
Brown, Mo.	Forand	Libonati
Broyhill	Forrester	Lindsay
Buckley	Frazier	Loser
Burdick	Frelinghuysen	McCormack
Burke, Ky.	Friedel	McDonough
Burke, Mass.	Fulton	McDowell
Burleson	Gallagher	McFall
Cahill	Garmatz	McGinley
Canfield	Gathings	McGovern
Carnahan	Gavin	McSween
Carter	George	Macdonald
Casey	Giaimo	Machrowicz
Celler	Glenn	Mack, Ill.
Chelf	Grant	Mack, Wash.
Chenoweth	Gray	Madden
Chiperfield	Green, Oreg.	Mailliard
Clark	Green, Pa.	Martin
Coad	Griffiths	Matthews
Coffin	Hall	Merrow
Metcalf	Poage	Springer
Meyer	Porter	Staggers
Miller, Clement W.	Powell	Stratton
	Price	Stubblefield
Miller, George P.	Prokop	Sullivan
	Pucinski	Teague, Calif.
Miller, N.Y.	Quigley	Teague, Tex.
Milliken	Rabaut	Teller
Mills	Rains	Thompson, La.
Mitchell	Randall	Thompson, N.J.
Moeller	Reece, Tenn.	Thompson, Tex.
Monagan	Reuss	Thornberry
Montoya	Rhodes, Pa.	Toll
Moore	Riehlman	Tollefson
Moorhead	Riley	Trimble
Morgan	Rivers, Alaska	Udall
Morris, N. Mex.	Rivers, S.C.	Ullman
Morris, Okla.	Rodino	Vanik
Moss	Rogers, Colo.	Van Pelt
Moulder	Rogers, Fla.	Van Zandt
Multer	Rogers, Mass.	Vinson
Mumma	Rogers, Tex.	Wainwright
Murphy	Rooney	Wallhauser
O'Brien, Ill.	Roosevelt	Walter
O'Brien, N.Y.	Rostenkowski	Wampler
O'Hara, Ill.	Roush	Watts
O'Hara, Mich.	Rutherford	Weis
O'Neill	Santangelo	Westland
Oliver	Saund	Whitener
Osmers	Saylor	Wier
Passman	Scott	Willis
Pelly	Selden	Withrow
Perkins	Shipley	Wolf
Pfost	Sisk	Wright
Philbin	Slack	Yates
Pilcher	Smith, Iowa	Young
Pillion	Smith, Miss.	Zablocki
Pirnie	Spence	Zelenko

NAYS—128

Abbitt	Gross	Murray
Abernethy	Gubser	Natcher
Alexander	Hagen	Nelsen
Alger	Haley	Norblad
Allen	Hardy	Norrell
Andersen, Minn.	Harrison	O'Konski
	Hemphill	Ostertag
Andrews	Henderson	Patman
Ashmore	Hiestand	Poff
Auchincloss	Hoeven	Preston
Ayres	Hoffman, Ill.	Quie
Becker	Hoffman, Mich.	Ray
Bentley	Holifield	Rees, Kans.
Berry	Horan	Rhodes, Ariz.
Boggs	Hull	Robison
Bolton	Jackson	St. George
Bosch	Jarman	Schenck
Bow	Jensen	Scherer
Bray	Johansen	Schwengel
Broomfield	Johnson, Colo.	Shelley
Brown, Ohio	Jonas	Sheppard
Budge	Jones, Mo.	Short
Bush	Judd	Sikes
Byrnes, Wis.	Kilburn	Siler
Cannon	Kirwan	Simpson, Ill.
Cederberg	Kitchin	Smith, Calif.
Chamberlain	Knox	Smith, Kans.
Church	Landrum	Smith, Va.
Collier	Langen	Steed
Colmer	Latta	Taber
Cunningham	Lennon	Taylor
Curtin	Lipscomb	Thomas
Curtis, Mo.	McCulloch	Thomson, Wyo.
Davis, Ga.	McIntire	Tuck
Derounian	McMillan	Utt
Derwinski	Magnuson	Weaver
Devine	Mahon	Wharton
Evins	Marshall	Whitten
Flynt	Mason	Widnall
Ford	May	Williams
Fountain	Meader	Wilson
Gary	Michel	Winstead
Griffin	Minshall	Younger

NOT VOTING—11

Barry	Hébert	Nix
Byrne, Pa.	Laird	Roberts
Fogarty	Lesinski	Simpson, Pa.
Granahan	Morrison	

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

Mr. Fogarty with Mr. Barry.

Mr. Hébert with Mr. Simpson of Pennsylvania.

Mr. Morrison with Mr. Laird.

Mr. HARRISON changed his vote from "yea" to "nay."

Mr. PATMAN and Mr. DAGUE changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

TAXATION OF INCOME OF LIFE INSURANCE COMPANIES

Mr. MILLS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4245) relating to the taxation of the income of life insurance companies, together with Senate amendments thereto, disagree to the Senate amendments and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas? The Chair hears none, and appoints the following conferees: Messrs. MILLS, FORAND, KING of California, SIMPSON of Pennsylvania, and MASON.

AGRICULTURAL LOANS

Mr. AVERY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD?

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. AVERY. Mr. Speaker, several Members have questioned the full implication of the amendment I offered in the Committee of the Whole to the appropriation bill for the Department of Agriculture to limit the amount of a loan made to eligible producers by the Commodity Credit Corporation.

The limitation of $50,000 which I have proposed on Commodity Credit Corporation loans is intended as a limitation on the total amount of loans to be made on any one commodity produced on any one farm as the term "farm" is defined by the regulation of the Department of Agriculture.

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DINGELL. Mr. Speaker, I am delighted to find that the House is at last going to have an opportunity to vote on the proposal to limit the amount of price supports which may be made available to any one producer. During the last session of Congress, I introduced H.R. 11905 for this purpose, and on May 18 of this year, I reintroduced this measure. It is H.R. 7182.

For years the farm program, originally intended to protect the family farm, has been used to protect those who grow enormous quantities of foods for storage rather than consumption. I made a study of the largest payments for price support operation and found that for four commodities the following amounts were paid to the largest single producer:

Corn, $138,627.04 in Indiana.

Cotton, $1,446,605.67 in Mississippi.

Wheat, $312,998.02 in Montana.

Rice, $705,648.83 in Texas.

Limitation of the amount payable to any one producer at the rate of $50,000 per year will eliminate payments to less than 1 percent of our farms. According to the Library of Congress, only 134,000 farms, or fewer than 3 percent of all farms, sell products valued at more than $25,000 annually.

The Michigan junior Senator, the Honorable PHILIP A. HART, and my good friend the senior Senator from Minnesota, the Honorable HUBERT H. HUMPHREY, have also long been interested in this matter.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATION BILL, 1960

The SPEAKER. The unfinished business is the motion to recommit offered by the gentleman from New York [Mr. TABER] on the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes.

Without objection, the Clerk will again report the motion to recommit.

There was no objection.

The Clerk read as follows:

On page 27, line 18, strike out the period and insert "*Provided further*, That no funds appropriated in this section shall be used to process a Commodity Credit loan which is in excess of $50,000."

The SPEAKER. The question is on the motion to recommit.

Mr. TABER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 261, nays 165, not voting 7, as follows:

[Roll No. 47]

YEAS—261

Adair	Cahill	Ford
Addonizio	Canfield	Frelinghuysen
Alger	Carter	Friedel
Allen	Casey	Fulton
Andersen, Minn.	Cederberg	Gallagher
Anderson, Mont.	Chamberlain	Garmitz
Arends	Chenoweth	Gary
Ashley	Chiperfield	Gavin
Auchincloss	Church	Giaimo
Avery	Coad	Glenn
Ayres	Coffin	Gray
Baldwin	Cohelan	Green, Oreg.
Barr	Collier	Griffin
Barry	Conte	Griffiths
Bass, N.H.	Cook	Gross
Bates	Corbett	Gubser
Baumhart	Cramer	Haley
Becker	Cunningham	Halleck
Beckworth	Curtin	Halpern
Belcher	Curtis, Mass.	Hargis
Bennett, Fla.	Curtis, Mo.	Harrison
Bennett, Mich.	Daddario	Hays
Bentley	Dague	Hechler
Berry	Daniels	Henderson
Betts	Delaney	Hess
Boggs	Derounian	Hiestand
Boland	Derwinski	Hoeven
Bolton	Devine	Hoffman, Ill.
Bosch	Diggs	Hoffman, Mich.
Bow	Dingell	Holt
Bowles	Dixon	Holtzman
Boyle	Donohue	Horan
Brademas	Dooley	Hosmer
Bray	Dorn, N.Y.	Irwin
Brewster	Dowdy	Jackson
Brock	Dwyer	Jensen
Broomfield	Fallon	Johansen
Brown, Ohio	Fascell	Johnson, Md.
Broyhill	Feighan	Johnson, Wis.
Budge	Fenton	Jonas
Burdick	Fino	Judd
Bush	Fisher	Karth
Byrnes, Wis.	Flynn	Kastenmeier
	Foley	Kearns
	Forand	Keith
Kelly	Monagan	Saylor
Kilburn	Montoya	Schenck
Kilday	Moore	Scherer
King, Calif.	Moorhead	Schwengel
King, Utah	Morris, N. Mex.	Shipley
Knox	Mumma	Short
Kowalski	Nelsen	Simpson, Ill.
Lafore	Norblad	Simpson, Pa.
Lane	O'Brien, N.Y.	Smith, Calif.
Langen	O'Hara, Mich.	Smith, Iowa
Latta	O'Konski	Springer
Lesinksi	O'Neill	Stratton
Levering	Oliver	Sullivan
Lindsay	Osmers	Taber
Lipscomb	Ostertag	Taylor
Loser	Pelly	Teague, Calif.
McCulloch	Pfost	Thomas
McDonough	Philbin	Thompson, N.J.
McDowell	Pillion	Thomson, Wyo.
McGinley	Pirnie	Tollefson
McGovern	Poff	Udall
McIntire	Porter	Utt
Macdonald	Price	Vanik
Machrowicz	Pucinski	Van Pelt
Mack, Ill.	Quie	Van Zandt
Mack, Wash.	Quigley	Wainwright
Magnuson	Rabaut	Wallhauser
Mailliard	Randall	Walter
Martin	Ray	Wampler
Mason	Rees, Kans.	Weaver
May	Reuss	Weis
Meader	Rhodes, Ariz.	Westland
Merrow	Rhodes, Pa.	Wharton
Metcalf	Riehlman	Widnall
Meyer	Rivers, Alaska	Wier
Michel	Robison	Wilson
Miller	Rodino	Withrow
Clement W. Miller, George P.	Rogers, Colo.	Wolf
	Rogers, Fla.	Wright
	Rogers, Mass.	Yates
Miller, N.Y.	Roosevelt	Younger
Milliken	Roush	Zablocki
Minshall	Rutherford	
Moeller	St. George	

NAYS—165

Abbitt	Fountain	Murray
Abernethy	Frazier	Natcher
Albert	Gathings	Norrell
Alexander	George	O'Brien, Ill.
Alford	Grant	O'Hara, Ill.
Andrews	Green, Pa.	Passman
Anfuso	Hagen	Patman
Ashmore	Hall	Perkins
Aspinall	Hardy	Pilcher
Bailey	Harmon	Poage
Baker	Harris	Powell
Barden	Healey	Preston
Baring	Hébert	Prokop
Barrett	Hemphill	Rains
Bass, Tenn.	Herlong	Reece, Tenn.
Blatnik	Hogan	Riley
Blitch	Holifield	Rivers, S.C.
Bolling	Holland	Rogers, Tex.
Bonner	Huddleston	Rooney
Boykin	Hull	Rostenkowski
Breeding	Ikard	Santangelo
Brooks, La.	Jarman	Saund
Brooks, Tex.	Jennings	Scott
Brown, Ga.	Johnson, Calif.	Selden
Brown, Mo.	Johnson, Colo.	Shelley
Buckley	Jones, Ala.	Sheppard
Burke, Ky.	Jones, Mo.	Sikes
Burke, Mass.	Karsten	Siler
Burleson	Kasem	Sisk
Byrne, Pa.	Kee	Slack
Cannon	Keogh	Smith, Kans.
Carnahan	Kilgore	Smith, Miss.
Celler	Kirwan	Smith, Va.
Chelf	Kitchin	Spence
Clark	Kluczynski	Staggers
Cooley	Landrum	Steed
Davis, Ga.	Lankford	Stubblefield
Davis, Tenn.	Lennon	Teague, Tex.
Dawson	Libonati	Teller
Dent	McCormack	Thompson, La.
Denton	McFall	Thompson, Tex.
Dollinger	McMillan	Thornberry
Dorn, S.C.	McSween	Toll
Downing	Madden	Trimble
Doyle	Mahon	Tuck
Dulski	Marshall	Ullman
Durham	Matthews	Vinson
Edmondson	Mills	Watts
Elliott	Mitchell	Whitener
Everett	Morgan	Whitten
Evins	Morris, Okla.	Williams
Farbstein	Moss	Willis
Flood	Moulder	Winstead
Flynt	Multer	Young
Forrester	Murphy	Zelenko

NOT VOTING—7

Colmer	Laird	Nix
Fogarty	Morrison	Roberts
Granahan		

So the motion to recommit was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Laird for, with Mr. Morrison against.
Mr. Fogarty for, with Mrs. Granahan against.

Mr. MACHROWICZ changed his vote from "nay" to "yea."

Mr. BAKER changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

Mr. WHITTEN. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. WHITTEN. Mr. Speaker, in my opinion, by the adoption of this motion the benefits of the farm program are destroyed and it will cost double to the Government. Do I have any discretion as to when I would be required to offer an amendment in accordance with the instructions of the House?

The SPEAKER. Under the motion offered by the gentleman from New York, the gentleman must do it forthwith.

Mr. WHITTEN. Mr. Speaker, pursuant to the instructions of the House on the motion to recommit, I report back the bill H.R. 7175 with an amendment.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

On page 27, line 18, strike out the period and insert:

Provided further, That no funds appropriated in this section shall be used to process a commodity credit loan which is in excess of $50,000.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

HOUSING ACT OF 1959

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (S. 57) to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill S. 57, with Mr. WALTER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the Clerk had read through line 19, page 89, which is the first section of the committee amendment.

Mr. HERLONG. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HERLONG: Strike out all after the enacting clause and insert in lieu thereof the text of H.R. 7117, as follows:

"*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the 'Housing Act of 1959'.

"TITLE I—FHA INSURANCE PROGRAMS

"*Property improvement loans*

"SEC. 101. Section 2(a) of the National Housing Act is amended by striking out 'September 30, 1959' and inserting in lieu thereof 'October 1, 1960'.

"*Section 203 residential housing insurance*

"SEC. 102. (a)(1) Section 203(b)(2) of the National Housing Act is amended by striking out '$20,000' and inserting in lieu thereof '$25,000'.

"(2) Section 203(b)(2) of such Act is further amended—

"(A) by striking out '85 per centum' and inserting in lieu thereof '90 per centum';

"(B) by striking out '$16,000' each place it appears and inserting in lieu thereof '$18,000'; and

"(C) by striking out '70 per centum' and inserting in lieu thereof '75 per centum'.

"(b) Section 203(b)(3) of such Act is amended by striking out 'thirty years' and inserting in lieu thereof 'thirty-five years'.

"(c) Section 203(b)(8) of such Act is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: '*Provided,* That such 85 per centum limitation shall not be applicable if the mortgagor and mortgagee assume responsibility in a manner satisfactory to the Commissioner for the reduction of the mortgage by an amount not less than 15 per centum of the outstanding principal amount thereof in the event the mortgaged property is not, prior to the due date of the eighteenth amortization payment of the mortgage, sold to a purchaser acceptable to the Commissioner who is the occupant of the property and who assumes and agrees to pay the mortgage indebtedness.'

"(d) Section 203(c) of such Act is amended by striking out all that precedes the first colon and inserting in lieu thereof the following:

"'(c) The Commissioner is authorized to fix a premium charge for the insurance of mortgages under this title but in the case of any mortgage such charge shall be not less than an amount equivalent to one-fourth of 1 per centum per annum nor more than an amount equivalent to 1 per centum per annum of the amount of the principal obligation of the mortgage outstanding at any time, without taking in account delinquent payments or prepayments'.

"*Low-cost housing in outlying areas*

"SEC. 103. Section 203(i) of the National Housing Act is amended—

"(1) by striking out '$8,000' and inserting in lieu thereof '$9,000';

"(2) by inserting after '97 per centum' the following: '(or, in any case where the dwelling is not approved for mortgage insurance prior to the beginning of construction, unless the construction of the dwelling was completed more than one year prior to the application for mortgage insurance or the dwelling was approved for guaranty, insurance, or direct loan under chapter 37 of title 38, United States Code, prior to the beginning of construction, 90 per centum)'; and

"(3) by striking out ', and which is approved for mortgage insurance prior to the beginning of construction' and 'the construction of'.

"*Section 207 rental housing insurance*

"SEC. 104. (a) Section 207(c)(1) of the National Housing Act is amended by striking out '$12,500,000' and inserting in lieu thereof '$20,000,000'.

"(b)(1) Section 207(c)(2) of such Act is amended by striking out '90 per centum' each place it appears and inserting in lieu thereof '95 per centum.'

"(c) Section 207(c)(3) of such Act is amended by striking out—

"(1) '$2,250' each place it appears and inserting in lieu thereof '$2,850';

"(2) '$8,100' each place it appears and inserting in lieu thereof '$9,000';

"(3) '$2,700' and inserting in lieu thereof '$3,315';

"(4) '$8,400' and inserting in lieu thereof '$9,500'; and

"(5) '$1,000 per room' and inserting in lieu thereof '$1,250 per room';

"(6) '$1,000 per space' and inserting in lieu thereof '$1,500 per space'; and

"(7) '$300,000' and inserting in lieu thereof '$400,000'.

"(d) The last paragraph of section 207(c) of such Act is amended by striking out '4½ per centum per annum' and inserting in lieu thereof '5 per centum per annum'.

"(e) Section 207 of such Act is further amended by adding at the end thereof the following new subsection:

"'(r) Notwithstanding any other provision of this Act, the Commissioner is authorized to include in any mortgage insured under any title of this Act after the effective date of the Housing Act of 1959 a provision requiring the mortgagor to pay a service charge to the Commissioner in the event such mortgage is assigned to and held by the Commissioner. Such service charge shall not exceed the amount prescribed by the Commissioner for mortgage insurance premiums applicable to such mortgage.'

"*Cooperative housing insurance*

"SEC. 105. (a) Section 213(b)(1) of the National Housing Act is amended by striking out '$12,500,000' and inserting in lieu thereof '$20,000,000'.

"(b) Section 213(b)(2) of such Act is amended to read as follows:

"'(2) not to exceed for such part of the property or project as may be attributable to dwelling use, $2,910 per room (or $9,000 per family unit if the number of rooms in such property or project is less than four per family unit), and not to exceed 97 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed physical improvements are completed: *Provided,* That if at least 50 per centum of the membership of the corporation or number of beneficiaries of the trust consists of veterans, the mortgage may involve a principal obligation not to exceed $2,970 per room (or $9,500 per family unit if the number of rooms in such property or project is less than four per family unit), and not to exceed the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed physical improvements are completed: *Provided further,* That as to projects which consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitation of $2,910 per room to not to exceed $3,395, the dollar amount limitation of $2,970 per room to not to exceed $3,465, the dollar amount limitation of $9,000 per family unit to not to exceed $9,400, and the dollar amount limitation of $9,500 per family unit to not to exceed $9,900, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design: *Provided further,* That the Commissioner may, by regulations, increase any of the foregoing dollar amount limitations by not to exceed $1,250 per room, with-

out regard to the number of rooms being less than four, or four or more, in any geographical area where he finds that cost levels so require: *Provided further,* That in the case of a mortgagor of the character described in paragraph (3) of subsection (a) the mortgage shall involve a principal obligation in an amount not to exceed 90 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed physical improvements are completed: *Provided further,* That upon the sale of a property or project by a mortgagor of the character described in paragraph (3) of subsection (a) to a nonprofit cooperative ownership housing corporation or trust within two years after the completion of such property or project the mortgage given to finance such sale shall involve a principal obligation in an amount not to exceed the maximum amount computed in accordance with this subsection without regard to the preceding proviso: *And provided further,* That for the purposes of this section the term "veterans" shall mean persons who have served in the active military or naval service of the United States at any time on or after April 6, 1917, and prior to November 12, 1918, or on or after September 16, 1940, and prior to July 26, 1947, or on or after June 27, 1950, and prior to February 1, 1955.'

"(e) Section 213(d) of such Act is amended by adding at the end thereof a new sentence as follows: 'Property held by a corporation or trust of the character described in paragraph numbered (2) of subsection (a) of this section which is covered by a mortgage insured under this section may include such community facilities and property held by a mortgagor of the character described in paragraph numbered (3) of subsection (a) of this section which is covered by a mortgage insured under this section may include such commercial and community facilities, as the Commissioner deems adequate to serve the occupants.'

"(d) Section 213 of such Act is further amended by adding at the end thereof the following new subsection:

"'(i) Nothing in this Act shall be construed to prevent the insurance of a mortgage executed by a mortgagor of the character described in paragraph (1) of subsection (a) of this section covering property upon which dwelling units and related facilities have been constructed prior to the filing of the application for mortgage insurance hereunder: *Provided,* That the Commissioner determines that the consumer interest is protected and that the mortgagor will be a consumer cooperative: *Provided further,* That in the case of properties other than new construction, the limitations in this section upon the amount of the mortgage shall be based upon the appraised value of the property for continued use as a cooperative rather than upon the Commisisoner's estimate of the replacement cost: *And provided further,* That as to any project on which construction was commenced after the effective date of this subsection, the mortgage on such project shall be eligible for insurance under this section only in those cases where the construction was subject to inspection by the Commissioner and where there was compliance with the provisions of section 212 of this title. As to any project on which construction was commenced prior to the effective date of this subsection, such inspection, and compliance with the provisions of section 212 of this title, shall not be a prerequisite.'

"(e)(1) Section 213 of such Act is further amended by adding after subsection (i) (as added by subsection (d) of this section) the following new subsections:

"'(j) There is hereby created a Cooperative Management Housing Insurance Fund (herein referred to as the "Management Fund") which shall be used by the Commissioner as a revolving fund for carrying out the provisions of this title with respect to mortgages insured under subsection (a)(1) and subsection (a)(3) pursuant to commitments issued on or after the date of the enactment of the Housing Act of 1959 or mortgage insurance commitments reissued under subsection (n). The Commissioner is directed to transfer to the Management Fund the sum of $2,000,000 from the Housing Insurance Fund established pursuant to section 207(f). General expenses of operation of the Federal Housing Administration relating to mortgages the mortgage insurance for which is the obligation of the Management Fund may be charged to the Management Fund.

"'(k) The Commissioner shall establish, as of the enactment of the Housing Act of 1959, in the Management Fund, a General Surplus Account and a Participating Reserve Account. The aggregate net income thereafter received or any net loss thereafter sustained by the Management Fund in any semiannual period shall be credited or charged to the General Surplus Account and/or the Participating Reserve Account in such manner and amounts as the Commissioner may determine to be in accord with sound actuarial and accounting practice. Upon termination of the insurance obligation of the Management Fund by payment of any mortgage insured thereunder and/or at such time or times prior to such termination as the Commissioner may determine, the Commissioner is authorized to distribute to the mortgagor a share of the Participating Reserve Account in such manner and amount as the Commissioner shall determine to be equitable and in accordance with sound actuarial and accounting practice: *Provided,* That, in no event shall the amount of such distributive share exceed the aggregate scheduled annual premiums of the mortgagor to the year of payment of such share less the total amount of any share or shares previously distributed by the Commissioner to the mortgagor: *And provided further,* That in no event may any such distributive shares be distributed until any funds transferred to the Management Fund pursuant to section 219 have been repaid in full to the transferring fund. No mortgagor or mortgagee shall have any vested right in a credit balance in any such account or be subject to any liability arising out of the mutuality of the Management Fund, and the determination of the Commissioner as to the amount to be paid by him to any mortgagor shall be final and conclusive.

"'(l) There is hereby created a Cooperative Sales Housing Insurance Fund (herein referred to as the 'Sales Fund') which shall be used by the Commissioner as a revolving fund for carrying out the provisions of this title with respect to mortgages insured under subsection (a)(2) and individual mortgages insured under subsection (d) pursuant to commitments issued on or after the date of the enactment of the Housing Act of 1959 or mortgage insurance or commitments reissued under subsection (n). The Commissioner is directed to transfer to the Sales Fund the sum of $1 million from the Housing Insurance Fund established pursuant to section 207(f). General expenses of the operation of the Federal Housing Administration relating to mortgages the mortgage insurance for which is the obligation of the Sales Fund may be charged to the Sales Fund.

"'(m) The Commissioner shall establish, as of the enactment of the Housing Act of 1959, in the Sales Fund, a General Surplus Account and a Participating Reserve Account. The aggregate net income thereafter received or any net loss thereafter sustained by the Sales Fund in any semiannual period shall be credited or charged to the General Surplus Account and/or the Participating Reserve Account in such manner and amounts as the Commissioner may determine to be in accordance with sound actuarial and accounting practice. Upon termination of the insurance obligation of the Sales Fund by payment of any mortgage insured thereunder, the Commissioner is authorized to distribute to the mortgagor a share of the Participating Reserve Account in such manner and amount as the Commissioner shall determine to be equitable and in accordance with sound actuarial and accounting practice: *Provided,* That in no event shall any such distributive share exceed the aggregate scheduled annual premiums of the mortgagor to the year of termination of the insurance: *And provided further,* That in no event may any such distributive share be distributed until any funds transferred to the Sales Fund pursuant to section 219 have been repaid in full to the transferring fund. No mortgagor or mortgagee shall have any vested right in a credit balance in any such account, or be subject to any liability arising out of the mutuality of the Sales Fund, and the determination of the Commissioner as to the amount to be paid by him to any mortgagor shall be final and conclusive.

"'(n) The Commissioner shall be empowered to reissue under the Management Fund or the Sales Fund, as the case may be, commitments or the mortgage insurance for any mortgage insured under this section pursuant to a commitment issued prior to the date of the enactment of the Housing Act of 1959, provided the consent of the mortgagees to such reissuance is obtained, or a request by the mortgagee for such reissuance is received, by the Commissioner within ninety days after the date of the enactment of the Housing Act of 1959; but the mortgage insurance for any such mortgage shall not be reissued under this subsection if on the date of the enactment of the Housing Act of 1959 the mortgage is in default and the mortgagee has notified the Commissioner in writing of its intention to file claim for debentures. Any insurance or commitment not so reissued shall not be affected by the enactment of the Housing Act of 1959.'

"(2) Section 207(f) of such Act is amended by striking out 'and section 213' each place it appears and inserting in lieu thereof 'and (except with respect to mortgages the mortgage insurance for which is the obligation of the Cooperative Management Housing Insurance Fund or the Cooperative Sales Housing Insurance Fund) section 213'.

"(3) Section 213(a)(3) of such Act is amended by striking out the semicolon at the end thereof and inserting in lieu of such semicolon a colon and the following: *'Provided,* That as to mortgages the mortgage insurance for which is the obligation of the Management Fund such stock or interest shall be paid for out of the Management Fund;'.

"(4) Section 213(a) of such Act is further amended by striking out the period at the end thereof and inserting in lieu of such period a colon and the following: *'Provided,* That as applied to mortgages the mortgage insurance for which is the obligation of the Sales Fund, the reference to the Housing Fund in section 207(b)(2) shall refer to the Sales Fund: *Provided further,* That as applied to mortgages the mortgage insurance for which is the obligation of the Management Fund, the reference to the Housing Fund in section 207(b)(2) shall refer to the Management Fund.'

"(5) Section 213 (e) of such Act is amended to read as follows:

"'(e)(1) The provisions of subsections (d), (e), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 shall apply to mortgages insured under subsection (a)(1) and subsection (a)(3) of this section except that as applied to mortgages the mortgage insurance for which is the obligation of the Management Fund pursuant to section 213

(j), (A) all references to the Housing Insurance Fund or Housing Fund shall refer to the Management Fund, and (B) all references to section 207 or 210 shall refer to subsection (a)(1) and subsection (a) (3) of this section.

"'(2) The provisions of subsections (d), (e), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 shall apply to mortgages insured under subsection (a)(2) of this section, except that as applied to mortgages the mortgage insurance for which is the obligation of the Sales Fund pursuant to section 213(l), (A) all references to the Housing Insurance Fund or Housing Fund shall refer to the Sales Fund, and (B) all references to section 207 or 210 shall refer to subsection (a)(2) of this section.

"'(3) The provisions of subsections (a), (c), (d), (e), (f), (g), (h), (j), and (k) of section 204 and subsection (p) of section 207 shall apply to individual mortgages insured under subsection (d) of this section, except that as applied to mortgages the mortgage insurance for which is the obligation of the Sales Fund pursuant to section 213(l), (A) all references to the Housing Insurance Fund or the Housing Fund in subsections (c), (d), and (f) of section 204 and subsection (p) of section 207 shall refer to the Sales Fund, and (B) all references to section 207 or 210 in subsections (c), (d), and (f) of section 204 and subsection (p) of section 207 shall refer to subsection (d) of this section.'

"(6) Section 219 of such Act is amended by striking out 'or the Servicemen's Mortgage Insurance Fund' and inserting in lieu thereof 'the Servicemen's Mortgage Insurance Fund, the Cooperative Management Housing Insurance Fund, or the Cooperative Sales Housing Insurance Fund'.

"Increased mortgage amounts in Alaska, Guam, and Hawaii

"SEC. 106. The first sentence of section 214 of the National Housing Act is amended by inserting after 'maximum or maxima otherwise applicable' the following: '(including increased mortgage amounts in geographical areas where cost levels so require.'

"FHA mortgage insurance authorization

"SEC. 107. (a) Section 217 of the National Housing Act is amended by striking out '$7,000,000,000' and inserting in lieu thereof '$13,000,000,000'.

"(b) Section 217 of such Act is amended, effective July 1, 1959, by (1) striking out 'July 1, 1956' and inserting in lieu thereof 'July 1, 1959', and (2) striking out '$13,000,000,000' and inserting in lieu thereof '$4,000,000,000'.

"Repeal of obsolete provision

"SEC. 108. Section 218 of the National Housing Act is repealed.

"Section 220 mortgage insurance

"SEC. 109. (a) (1) Clause (i) of subsection (d)(3)(A) of section 220 of the National Housing Act is amended by striking out '$20,000' and inserting in lieu thereof '$25,000'.

"(2) Subsection (d)(3)(A)(i) of section 220 of such Act is further amended—

"(A) by striking out '85 per centum' and inserting in lieu thereof '90 per centum';

"(B) by striking out '$16,000' each place it appears and inserting in lieu thereof '$18,000'; and

"(C) by striking out '70 per centum' and inserting in lieu thereof '75 per centum'.

"(3) Subsection (d)(3)(A)(ii) of section 220 of such Act is amended by inserting before the semicolon at the end thereof a colon and the following: '*Provided*, That such 85 per centum limitation shall not be applicable if the mortgagor and mortgagee assume responsibility in a manner satisfactory to the Commissioner for the reduction of the mortgage by an amount not less than 15 per centum of the outstanding principal amount thereof in the event the mortgaged property is not, prior to the due date of the eighteenth amortization payment of the mortgage, sold to a purchaser acceptable to the Commissioner who is the occupant of the property and who assumes and agrees to pay the mortgage indebtedness'.

"(b) Subsection (d)(3)(B)(i) of section 220 of such Act is amended by striking out '$12,500,000' and inserting in lieu thereof '$20,000,000'.

"(c) Subsection (d)(3)(B)(iii) of section 220 of such Act is amended—

"(1) by striking out '$2,250' each place it appears and inserting in lieu thereof '$2,700';

"(2) by striking out '$8,100' each place it appears and inserting in lieu thereof '$9,000';

"(3) by striking out '$2,700' and inserting in lieu thereof '$3,150';

"(4) by striking out '$8,400' and inserting in lieu thereof '$9,500'; and

"(5) by striking out '$1,000' and inserting in lieu thereof '$1,250'.

"Section 221 relocation housing mortgage insurance

"SEC. 110. (a) Section 221(d)(2) of the National Housing Act is amended by striking out '$9,000' and '$10,000' and inserting in lieu thereof '$10,000' and '$12,000', respectively.

"(b) Section 221(d) of such Act is further amended—

"(1) by striking out '$9,000' and '$10,000' in paragraph (3) and inserting in lieu thereof '$10,000' and '$12,000', respectively;

"(2) by striking out 'the Commissioner's estimate of the value of the property or project when constructed, or repaired and rehabilitated" in paragraph (3) and inserting in lieu thereof "the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are completed in the case of a property or project approved for mortgage insurance prior to the beginning of construction, or the Commissioner's estimate of the value of the property or project when the proposed repair and rehabilitation is completed if the proceeds of the mortgage are to be used for the repair and rehabilitation of the property or project';

"(3) by striking out 'and' at the end of paragraph (3) and inserting in lieu thereof 'or'; and

"(4) by redesignating paragraph (4) as paragraph (5) and inserting after paragraph (3) the following new paragraph:

"'(4) if executed by a mortgagor which is not a nonprofit organization, and which is approved by the Commissioner—

"'(i) not exceed $12,500,000;

"'(ii) not exceed $10,000 per family unit for such part of such property or project as may be attributable to dwelling use, except that the Commissioner may by regulation increase this amount to not to exceed $12,000 in any geographical area where he finds that cost levels so require;

"'(iii) not exceed (in the case of a property or project approved for mortgage insurance prior to the beginning of construction) 90 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are completed (the replacement cost may include the land, the proposed physical improvements, utilities within the boundaries of the land, architect's fees, taxes, interest during construction, and other miscellaneous charges incident to construction and approved by the Commissioner, and shall include an allowance for builder's and sponsor's profit and risk of 10 per centum of all of the foregoing items except the land unless the Commissioner, after certification that such allowance is unreasonable, shall by regulation prescribe a lesser percentage); and

"'(iv) not exceed 90 per centum of the Commissioner's estimate of the value of the property or project when the proposed repair and rehabilitation is completed if the proceeds of the mortgage are to be used for the repair and rehabilitation of a property or project:

Provided, That such property or project when constructed, or repaired and rehabilitated, shall be for use as rental accommodations for ten or more families eligible for occupancy as provided in this section: *And provided further*, That the Commissioner may, in his discretion, require the mortgagor to be regulated or restricted as to rents or sales, charges, capital structure, rate of return and methods of operation, and for such purpose the Commissioner may make such contracts with and acquire for not to exceed $100 such stock or interest in any such mortgagor as the Commissioner may deem necessary to render effective such restrictiions or regulations, with such stock or interest being paid for out of Section 221 Housing Insurance Fund and being required to be redeemed by the mortgagor at par upon the termination of all obligations of the Commissioner under the insurance; and' ".

"(c) Section 221(g)(2) of such Act is amended by striking out 'paragraph (3)' and inserting in lieu thereof 'paragraph (3) or (4)'.

"(d) Section 212(a) of such Act is amended by adding at the end thereof the following new sentence: 'The provisions of this section shall apply to the insurance under section 221 of any mortgage described in subsection (d)(4) thereof which covers property on which there is located a dwelling or dwellings designed principally for residential use for ten or more families.'

"Servicemen's housing mortgage insurance

"SEC. 111. Section 222(b) of the National Housing Act is amended—

"(1) by inserting 'or 203(i)' after '203(b)' in paragraph (1); and

"(2) by striking out '$17,100' in paragraph (2) and inserting in lieu thereof the following: '$20,000, except that in the case of a mortgage meeting the requirements of section 203(i) such principal obligation shall not exceed $9,000'.

"Builder's cost certification

"SEC. 112. Section 227(a) of the National Housing Act is amended by striking out clause (iv) and inserting in lieu thereof the following: '(iv) under section 221 if the mortgagor meets the requirements of paragraph (3) or paragraph (4) of subsection (d) thereof,'.

"Mortgage insurance for nursing homes

"SEC. 113. (a) Title II of the National Housing Act is amended by adding at the end thereof the following new section:

"'Mortgage insurance for nursing homes

"'SEC. 229. (a) The purpose of this section is to assist the provision of urgently needed nursing homes for the care and treatment of convalescents and other persons who are not acutely ill and do not need hospital care but who require skilled nursing care and related medical services.

"'(b) For the purposes of this section—

"'(1) the term "nursing home" means a proprietary facility, licensed or regulated by the State (or, if there is no State law providing for such licensing and regulation by the State, by the municipality or other political subdivision in which the facility is located), for the accommodation of convalescents or other persons who are not acutely ill and not in need of hospital care but who require skilled nursing care and related medical services, in which such nursing care and medical services are prescribed by, or are performed under the general direction of, persons licensed to provide such care or services in accordance with the laws

of the State where the facility is located; and

"'(2) the terms "mortgage" and "mortgagor" shall have the meanings respectively set forth in section 207(a) of this Act.

"'(c) The Commissioner is authorized to insure any mortgage (including advances on such mortgage during construction) in accordance with the provisions of this section upon such terms and conditions as he may prescribe and to make commitments for insurance of such mortgage prior to the date of its execution or disbursement thereon.

"'(d) In order to carry out the purpose of this section, the Commissioner is authorized to insure any mortgage which covers a new or rehabilitated nursing home, subject to the following conditions:

"'(1) The mortgage shall be executed by a mortgagor approved by the Commissioner. The Commissioner may in his discretion require any such mortgagor to be regulated or restricted as to charges and methods of operation, and, in addition thereto, if the mortgagor is a corporate entity, as to capital structure and rate of return. As an aid to the regulation or restriction of any mortgagor with respect to any of the foregoing matters, the Commissioner may make such contracts with and acquire for not to exceed $100 such stock or interest in such mortgagor as he may deem necessary. Any stock or interest so purchased shall be paid for out of the Section 207 Housing Insurance Fund, and shall be redeemed by the mortgagor at par upon the termination of all obligations of the Commissioner under the insurance.

"'(2) The mortgage shall involve a principal obligation in an amount not to exceed $1,000,000, and not to exceed 75 per centum of the estimated value of the property or project when the proposed improvements are completed.

"'(3) The mortgage shall—

"'(A) provide for complete amortization by periodic payments within such terms as the Commissioner shall prescribe; and

"'(B) bear interest (exclusive of premium charges for insurance) at not to exceed 5 per centum per annum of the amount of the principal obligation outstanding at any time.

"'(4) The Commissioner shall not insure any mortgage under this section unless he has received, from the State agency designated in accordance with section 612(a)(1) of the Public Health Service Act for the State in which is located the nursing home covered by the mortgage, a certification that there is a need for such nursing home.

"'(e) The Commissioner may consent to the release of a part or parts of the mortgaged property or project from the lien of any mortgage insured under this section upon such terms and conditions as he may prescribe.

"'(f) The provisions of subsections (d), (e), (f), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 shall apply to mortgages insured under this section and all references therein to section 207 shall refer to this section.'

"(b) Section 212(a) of such Act is amended by adding at the end thereof (after the sentence added by section 110(d)) the following new sentence: 'The provisions of this section shall also apply to the insurance of any mortgage under section 229.'

"Technical amendments

"SEC. 114. (a) Section 8(g) of the National Housing Act is amended by striking out 'and (h) of section 204' and inserting in lieu thereof '(h), (j), and (k) of section 204'.

"(b) Sections 220(f)(1), 221(g)(1), 222(e), and 809(e) of such Act are each amended by striking out 'and (j) of section 204' and inserting in lieu thereof '(j) and (k) of section 204'.

"Inclusion of conveyance costs in debentures

"SEC. 115. Section 204(k) of such Act is amended to read as follows:

"'(k) Notwithstanding any other provision of this section or of section 604 or 904 and with respect to any debentures issued in exchange for properties conveyed to and accepted by the Commissioner after the effective date of the Housing Act of 1959 in accordance with such section, the Commissioner may: (1) include in debentures reasonable payments made by the mortgagee with the approval of the Commissioner for the purpose of protecting, operating, or preserving the property, and taxes imposed upon any deed or any other instrument by which the property was acquired by the mortgagee and transferred or conveyed to the Commissioner; (2) include in debentures as a portion of foreclosure costs (to the extent that foreclosure costs may be included in such debentures by any other provision of this Act) payments made by the mortgagee for the cost of acquiring the property and conveying and evidencing title to the property to the Commissioner; and (3) terminate the mortgagee's obligation to pay mortgage insurance premiums upon receipt of an application for debentures filed by the mortgagee, or in the event the contract of insurance is terminated pursuant to section 230.'

"Voluntary termination of insurance

"SEC. 116. Title II of the National Housing Act is further amended by adding after section 229 (as added by section 113 of this Act) the following new section:

"'Voluntary termination of insurance

"'SEC. 230. Notwithstanding any other provision of this Act and with respect to any mortgage covering a one-, two-, three-, or four-family residence heretofore or hereafter insured under this Act, the Commissioner is authorized to terminate any mortgage insurance contract upon request by the mortgagor and mortgagee and upon payment of such termination charge as the Commissioner determines to be equitable, taking into consideration the necessity of protecting the various insurance funds. Upon such termination mortgagors and mortgagees shall be entitled to the rights, if any, to which they would be entitled under this Act if the insurance contract were terminated by payment in full of the insured mortgage.'

"TITLE II—HOUSING FOR THE ELDERLY

"SEC. 201. (a) Title II of the National Housing Act is further amended by adding after section 230 (as added by section 116 of this Act) the following new section:

"'Housing for the elderly

"'SEC. 231. (a) The purpose of this section is to assist in relieving the shortage of housing for elderly persons and to increase the supply of rental housing for elderly persons.

"'For the purposes of this section—

"'(1) the term "housing" means a project or property having eight or more new or rehabilitated living units, specially designed for the use and occupancy of elderly persons;

"'(2) the term "elderly person" means any person, married or single, who is sixty years of age or more;

"'(3) the terms "mortgage", "mortgagee", "mortgagor", and "maturity date" shall have the meanings set forth in section 207 of this Act.

"'(b) The Commissioner is authorized to insure any mortgage (including advances on mortgages during construction) in accordance with the provisions of this section upon such terms and conditions as he may prescribe and to make commitments for insurance of such mortgages prior to the date of their execution or disbursement thereon.

"'(c) To be eligible for insurance under this section, a mortgage to provide housing for elderly persons shall—

"'(1) involve a principal obligation in an amount not to exceed $20,000,000, or, if executed by Federal or State instrumentalities, municipal corporate instrumentalities of one or more States, or nonprofit development or housing corporations restricted by Federal or State laws or regulations of State banking or insurance departments as to rents, charges, capital structure, rate of return, and methods of operation, not to exceed $50,000,000;

"'(2) not exceed, for such part of such property or project as may be attributable to dwelling use, $8,100 per living unit: *Provided*, That the Commissioner may, in his discretion, increase the dollar amount limitation of $8,100 per unit to not to exceed $8,400 per unit to compensate for the higher costs incident to the construction of elevator-type structures and may increase each of the foregoing dollar amount limitations by not to exceed $1,000 per room in any geographical area where he finds that cost levels so require;

"'(3) if executed by a mortgagor, which is a public instrumentality or a private nonprofit corporation, association, or organization acceptable to the Commissioner, involve a principal obligation not in excess of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are completed (the replacement cost may include the land, the proposed physical improvements, utilities within the boundaries of the land, architect's fees, taxes, interest during construction, and other miscellaneous charges incident to construction and approved by the Commissioner);

"'(4) if executed by a mortgagor approved by the Commissioner which is not a nonprofit corporation, association, or organization, involve a principal obligation not in excess of 90 per centum of the Commissioner's estimate of the value of the property or project when the proposed improvements are completed (the Commissioner may in his discretion require such mortgagor to be regulated or restricted as to rents, sales, charges, capital structure, rate of return, and methods of operation, and for such purpose the Commissioner may make such contracts with and acquire, for not to exceed $100, such stock or interest in any such mortgagor as the Commissioner deems necessary to render effective such restriction or regulation. Such stock or interest shall be paid for out of the Housing Insurance Fund and shall be redeemed by the mortgagor at par upon the termination of all obligations of the Commissioner under the insurance);

"'(5) provide for complete amortization by periodic payments within such term as the Commissioner shall prescribe;

"'(6) bear interest (exclusive of premium charges for insurance) at not to exceed 5 per centum per annum on the amount of the principal obligation outstanding at any time;

"'(7) cover a property or project which is approved for mortgage insurance prior to the beginning of construction or rehabilitation, which is specially designed for the use and occupancy of elderly persons in accordance with standards established by the Commissioner, and which may include such commercial and special facilities as the Commissioner deems adequate to serve the occupants.

"'(d) The Commissioner may consent to the release of a part or parts of the mortgaged property from the lien of any mortgage insured under this section upon such terms and conditions as he may prescribe, and shall prescribe such procedures as in his judgment are necessary to secure to elderly persons a preference or priority of opportunity to occupy such property.

"'(e) The provisions of subsections (d), (e), (f), (g), (h), (i), (j), (k), (l), (m),

(n), and (p) of section 207 of this Act shall apply to mortgages insured under this section, and all references therein to section 207 shall refer to this section.'

"(b) Section 212(a) of such Act is amended by adding before the period at the end thereof ', and to the insurance of any mortgage under section 231(c)(4)'.

"TITLE III—FEDERAL NATIONAL MORTGAGE ASSOCIATION

"SEC. 301. Section 302(b) of the National Housing Act is amended by striking out 'exceeds or exceeded $15,000 for each family residence or dwelling unit covered by the mortgage' and inserting in lieu thereof 'exceeds or exceeded, for each family residence or dwelling unit covered by the mortgage, $18,000 in the case of a mortgage to be purchased under section 304 or $17,500 in the case of a mortgage to be purchased under section 305'.

"SEC. 302. (a) Section 301(a) of the National Housing Act is amended by inserting before the semicolon at the end thereof the following: ', and by aiding in the stabilization of the mortgage market'.

"(b) Section 304(a) of such Act is amended by striking out the last three sentences and inserting in lieu thereof the following: 'The Association shall, from time to time, establish and publish prices to be paid by it for mortgages purchased by it in its secondary market operations under this section. The volume of the Association's purchases and sales and the establishment of purchase prices, sales prices, and charges or fees in its sescondary market operations under this section shall be so conducted as to promote the interests of the national economy by aiding in the stabilization of the mortgage market to the maximum extent consistent with sound operation, and within the reasonable capacity of the Association to sell its obligations to private investors. The Association shall buy at such prices and on such terms as will reasonably prevent excessive use of the Association's facilities and permit the Association to operate within its income derived from such secondary market operations and to be fully self-supporting. Notwithstanding any other provision of this section, advance commitments to purchase mortgages in secondary market operations under this section shall be issued only at prices which are sufficient to facilitate advance planning of home construction, but which are sufficiently below the price then offered by the Association for immediate purchase to prevent excessive sales to the Association pursuant to such commitments.'

"(c) The last sentence of section 304(a) of such Act, as amended by subsection (b) of this section, is amended by striking out 'advance planning of home construction' and inserting in lieu thereof 'home financing'.

"SEC. 303. Section 305(e) of such Act is amended—

"(1) by striking out 'which do not exceed $200,000,000 outstanding at any one time' and inserting in lieu thereof 'not exceeding $200,000,000 at any one time, which limit shall be increased by such amounts, not exceeding $75,000,000, as may be specified from time to time in appropriation Acts';

"(2) by inserting after '$20,000,000 outstanding at any one time' the following: ', which limit shall be increased by such amounts, not exceeding $7,500,000, as may be specified from time to time in appropriation Acts';

"(3) by striking out 'a consumer cooperative, and (2)' and inserting in lieu thereof the following: 'a consumer cooperative, which amount shall be increased by such amounts, not exceeding $37,500,000, as may be specified from time to time in appropriation Acts, (2) of the total amount of advance commitment contracts and purchase transactions authorized by this subsection, such amounts not exceeding $37,500,000 as may be specified from time to time in appropriation Acts shall be available solely for commitments or purchases of mortgages where the cooperative involved is a builder-sponsor cooperative, and (3)'; and

"(4) by striking out 'which are not of the type described in clause (1) of this proviso' and inserting in lieu thereof 'other than those certified by the Commissioner as consumer cooperatives under clause (1) of this proviso, which amount shall be increased by such amounts, not exceeding $7,500,000, as may be specified from time to time in appropriation Acts'.

"SEC. 304. (a) That part of the first sentence of section 302(b) of the National Housing Act which precedes the colon is amended by striking out 'to make commitments to purchase and to purchase, service, or sell,' and by substituting therefor 'to purchase, lend (under section 304) on the security of, service, or sell, pursuant to commitments or otherwise,'.

"(b) The first sentence of section 303(b) of such Act is amended by inserting immediately before the period at the end thereof the following: '; and by requiring each borrower to make such payments, equal to not more than one-half of 1 per centum of the amount lent by the Association to such borrower under section 304'.

"(c) The first sentence of section 303(c) of such Act is amended by inserting 'or borrower' after 'seller' each place it appears.

"(d) Section 304(a) of such Act is amended by inserting '(1)' before 'To carry out', and by adding at the end thereof the following new paragraph:

"'(2) To carry out further the purposes set forth in paragraph (a) of section 301, the Association is authorized to make loans which are secured by residential or home mortgages insured or guaranteed under this Act, the Servicemen's Readjustment Act of 1944, or chapter 37 of title 38, United States Code. In the interest of assuring sound operation, any loan made by the Association in its secondary market operations under this section shall not exceed 90 per centum of the unpaid principal balances of the mortgages securing the loan, shall bear interest at a rate consistent with general loan policies established from time to time by the Association's board of directors, and shall mature in not more than twelve months. The volume of the Association's lending activities and the establishment of its loan ratios, interest rates, maturities, and charges or fees, in its secondary market operations under this section, should be determined by the Association from time to time; and such determinations, in conjunction with determinations made under paragraph (1), should be consistent with the objectives that the lending activities should be conducted on such terms as will reasonably prevent excessive use of the Association's facilities, and that the operations of the Association under this section should be within its income derived from such operations and that such operations should be fully self-supporting. The aggregate amount of all loans outstanding at any one time under this paragraph shall not exceed 10 per centum of the Association's total borrowing authority under this section. Notwithstanding any Federal, State, or other law to the contrary, the Association is hereby empowered, in connection with any loan under this section, whether before or after any default, to provide by contract with the borrower for the settlement or extinguishment, upon default, of any redemption, equitable, legal, or other right, title, or interest of the borrower in any mortgage or mortgages that constitute the security for the loan; and with respect to any such loan, in the event of default and pursuant otherwise to the terms of the contract, the mortgages that constitute such security shall become the absolute property of the Association.'

"(e) Section 304(b), section 309(c), and section 310 of such Act are each amended by inserting 'or other security holdings' after 'mortgages'.

"SEC. 305. (a) Sections 304(b) and 306(b) of the National Housing Act are amended by striking out 'and bonds or other obligations of, as bonds or other obligations guaranteed as to principal and interest by, the United States' and inserting in lieu thereof 'and obligations of the United States or guaranteed thereby, or obligations which are lawful investments for fiduciary, trust, or public funds'.

"(b) Section 310 of such Act is amended by striking out 'in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States' and inserting in lieu thereof 'in obligations of the United States or guaranteed thereby, or in obligations which are lawful investments for fiduciary, trust, or public funds'.

"SEC. 306. (a) Section 306 of the National Housing Act is amended by adding at the end thereof the following subsection:

"'(e) Notwithstanding any of the provisions of this Act or of any other law, the Association is authorized, under the aforesaid separate accountability, to make commitments to purchase and to purchase, service, or sell any mortgages offered to it by the Housing and Home Finance Administrator or the Housing and Home Finance Agency, or by such Agency's constituent units or agencies or the heads thereof, after such Administrator has found the acquisition thereof by the Association to be in the interest of the efficient management and liquidation of the mortgages. There shall be excluded from the total amounts set forth in subsection (c) hereof the amounts of any mortgages purchased by the Association pursuant to this subsection.'

"(b) In connection with the sale of any mortgages to the Federal National Mortgage Association pursuant to section 306(e) of the Federal National Mortgage Association Charter Act, the Housing and Home Finance Administrator is authorized, and any other official, unit, or agency selling such mortgages thereunder is directed, to transfer to the Association from time to time, from authorizations, limitations, and funds available for administrative expenses of such official, unit, or agency in connection with the same mortgages, such amounts thereof as said Administrator determines to be required for administrative expenses of the Association in connection with the purchase, servicing, and sale of such mortgages: *Provided*, That no such transfer shall be made after a budget estimate of the Association with respect to the same mortgages has been submitted to and finally acted upon by the Congress.

"TITLE IV—URBAN RENEWAL

"SEC. 401. Section 103(b) of the Housing Act of 1949 is amended by inserting after the first sentence the following new sentence: 'In addition to amounts otherwise authorized to be appropriated for such purpose, there are authorized to be appropriated for the purpose of making contracts, after appropriations therefor, for grants with respect to projects or programs assisted under this title, the sum of $100,000,000 for the fiscal year 1959 and the sum of $250,000,000 for each of the fiscal years 1960 and 1961; and any such sum so appropriated shall remain available until expended.'

"SEC. 402. Section 102 of the Housing Act of 1949 is amended by adding at the end thereof the following new subsection:

"'(h) There are authorized to be appropriated such sums, not to exceed $400,000,000 in the aggregate, as may be necessary, in addition to funds obtained by the Administrator under (and within the limitations of) subsection (e), for loans under this title.'

"TITLE V—COLLEGE HOUSING

"SEC. 501. Section 401(d) of the Housing Act of 1950 is amended—

"(1) by inserting after '$925,000,000' the following: ', which limit shall be increased by such amounts, not exceeding $200,000,000, as may be specified from time to time in appropriation Acts';

"(2) by inserting after '$100,000,000' the following: ', which limit shall be increased by such amounts, not exceeding $20,000,000, as may be specified from time to time in appropriation Acts'; and

"(3) by inserting after '$25,000,000' the following: ', which limit shall be increased by such amounts, not exceeding $20,000,000, as may be specified from time to time in appropriation Acts'.

"SEC. 502. (a) Section 404(b) of the Housing Act of 1950 is amended by striking out 'and (4)' and inserting in lieu thereof '(4)' and by inserting before the period at the end thereof the following: ', and (5) any nonprofit student housing cooperative corporation established for the purpose of providing housing for students or students and faculty of any institution included in clause (1) of this subsection'.

"(b) Section 401 of such Act is amended by adding at the end thereof the following new subsection:

"'(g) In the case of any loan made under this section to a nonprofit student housing cooperative corporation referred to in clause (5) of section 404(b), the Administrator shall require that the note securing such loan be cosigned by the educational institution (referred to in clause (1) of such section) at which such corporation is located; and in the event of the dissolution of such corporation, title to the housing constructed with such loan shall vest in such educational institution.'

"SEC. 503. Section 402 of such Act is amended by adding at the end thereof the following new subsection:

"'(e) The Administrator shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors and subcontractors in the construction of housing assisted under this title shall be paid wages at rates not less than those prevailing in the locality involved for the corresponding classes of laborers and mechanics employed on construction of a similar character, as determined by the Secretary of Labor in accordance with the Act of March 3, 1931, as amended (the Davis-Bacon Act); but the Administrator may waive the application of this subsection in cases or classes of cases where laborers or mechanics, not otherwise employed at any time in the construction of such housing, voluntarily donate their services without full compensation for the purpose of lowering the costs of construction and the Administrator determines that any amounts saved thereby are fully credited to the educational institution undertaking the construction.'

"TITLE VI—AVOIDANCE OF FORECLOSURE

"SEC. 601. Section 204(a) of the National Housing Act is amended by inserting immediately before the last proviso the following: ': *And provided further*, That with respect to any mortgage covering a one-, two-, three-, or four-family residence insured under this title, if the Commissioner finds after notice of default, that the default was due to circumstances beyond the control of the mortgagor and it is probable that the mortgage will be restored to good standing within a reasonable period of time, he may, under such regulations and conditions as he may prescribe, extend the time for curing default and enter into an agreement with the mortgagee providing that if the mortgage is subsequently foreclosed, any interest accruing after the date of the agreement which is not paid by the mortgagor may be included in the debentures'.

"TITLE VII—MISCELLANEOUS

"Reacquisition by former owners

"SEC. 701. (a) Title IX of the National Housing Act is amended by adding at the end thereof the following new section:

"'SEC. 909. Notwithstanding any other provision of law the Commissioner is authorized, in the disposal of properties acquired by him in insurance operations under the provisions of this title, to give former mortgagor-owners a preference and priority of opportunity to reacquire such properties: *Provided*, That such former mortgagor-owners shall be required, under such procedures as may be established from time to time by the Commissioner, to offer prices and terms reasonably commensurate with the value of such properties and not less favorable than prices and terms offered by other prospective purchasers.'

"(b) Section 608 of the National Housing Act is amended by adding at the end thereof the following new subsection:

"'(h) Notwithstanding any other provisions of law the Commissioner is authorized, in the disposal of properties acquired by him in insurance operations under this section, to give former mortgagor-owners a preference and priority of opportunity to reacquire such properties: *Provided*, That such former mortgagor-owners shall be required, under such procedures as may be established from time to time by the Commissioner, to offer prices and terms reasonably commensurate with the value of such properties and not less favorable than prices and terms offered by other prospective purchasers.'

"Surveys of public works planning

"SEC. 702. Section 702 of the Housing Act of 1954 is amended by adding at the end thereof the following new subsection:

"'(f) The Administrator is authorized to use during any fiscal year not to exceed $50,000 of the moneys in the revolving fund (established under section (e)) to conduct surveys of the status and current volume of State and local public works planning and surveys of estimated requirements for State and local public works: *Provided*, That the Administrator, in conducting any such survey, may utilize or act through any Federal department or agency with its consent.'

"Disposal of Passyunk and Newport war housing projects

"SEC. 703. (a) The use of projects PA-36011 and PA-36012 (which were conveyed to the Housing Authority of Philadelphia, Pennsylvania, under section 406(c) of the Housing Act of 1956) for the housing of military personnel and civilians employed in defense activities without regard to their income, and the giving of a preference in respect of 700 dwelling units in such projects for such military personnel as the Secretary of Defense or his designee prescribes, for a period of five years after the date of the conveyance of such projects, is hereby authorized; and such use and the giving of such preferences shall not deprive such projects of their status as 'low-rent housing' as that term is used and defined in the United States Housing Act of 1937 and within the meaning of that term as used in section 606(b) of the Act entitled 'An Act to expedite the provision of housing in connection with national defense, and for other purposes', approved October 14, 1940, as amended. The Housing and Home Finance Administrator is authorized and directed to agree to any amendments to the instruments of conveyance which may be required to give effect to the purposes of this section.

"(b) Section 406(c) of the Housing Act of 1956 is amended by striking out 'three years' in the first proviso and inserting in lieu thereof 'five years'.

"Farm housing research

"SEC. 704. Section 603(c) of the Housing Act of 1957 is amended to read as follows:

"'(c) The authority of the Housing and Home Finance Agency to make grants under subsection (b) shall expire June 30, 1962. The total amount of such grants shall not exceed $300,000 during each of the fiscal years ending June 30, 1958, and June 30, 1959, and shall not exceed $50,000 during each of the fiscal years ending June 30, 1960, and June 30, 1961.'

"Hospital construction

"SEC. 705. (a) Section 605(b) of the Housing Act of 1956 is amended by striking out '1958' and inserting in lieu thereof '1960'.

"(b) Section 605(c) of the Housing Act of 1956 is amended by inserting before the period at the end thereof the following: ', and the sum of $7,500,000 for the purposes of this section for each of the fiscal years ending June 30, 1959, and June 30, 1960.'

"Real estate loans by national banks

"SEC. 706. Section 203 of the National Housing Act is amended by adding at the end thereof the following new subsection:

"'(j) Loans secured by mortgages insured under this section shall not be taken into account in determining the amount of real estate loans which a national bank may make in relation to its capital and surplus or its time and savings deposits.'

"Savings and loan associations

"SEC. 707. (a) Section 5(c) of the Home Owners Loan Act of 1933 is amended by inserting before the colon at the end of the first proviso a comma and the following: 'and additional sums not exceeding 20 per centum of the assets of an association may be used without regard to such area restriction for the making or purchase of participating interests in first liens on one- to four-family homes, except that the aggregate sums invested pursuant to the two exceptions in this proviso shall not exceed 30 per centum of the assets of such association:'.

"(b) Section 5(c) of such Act is further amended by adding at the end thereof the following new sentence: "Participating interests in loans secured by mortgages which have the benefit of insurance or guaranty (or a commitment therefor) under the National Housing Act, the Servicemen's Readjustment Act of 1944, or chapter 37 of title 38, United States Code, shall not be taken into account in determining the amount of loans which an association may make within any of the percentage limitations contained in the first proviso of this subsection.'

"Voluntary home mortgage credit program

"SEC. 708. Section 610(a) of the Housing Act of 1954 is amended by striking out 'July 31, 1959' and inserting in lieu thereof 'July 31, 1961'.

"Housing for migratory farm labor

"SEC. 709. (a) Title V of the Housing Act of 1949 is amended by adding at the end thereof the following new section:

" 'Insurance of farm housing loans made by private lenders

" 'SEC. 514. (a) The Secretary is authorized to insure and make commitments to insure loans made by lenders other than the United States to farmers, associations of farmers, and county governments for the purpose of providing dwelling accommodations and related buildings and structures for migratory farm labor in accordance with terms and conditions substantially identical with those specified in section 502; except that—

" '(1) no such loan shall be insured in an amount in excess of 90 per centum of the value of the farm involved less any prior liens in the case of a loan to an individual farmer, or 90 per centum of the total value

of the structures and facilities with respect to which the loan is made in the case of a loan to an association of farmers or a county government;

"'(2) no such loan shall be insured if it bears interest at a rate in excess of 6 per centum per annum;

"'(3) the borrower shall be required to pay such insurance charges as the Secretary deems proper, taking into account the amount of the loan and any prior liens. The initial insurance charge shall be at a rate not to exceed 1 per centum on the principal amount of the loan, and additional charges annually thereafter shall be at a rate not to exceed 1 per centum of the outstanding principal balance of the loan after each annual installment due date;

"'(4) the insurance contracts and agreements with respect to any loan may contain provisions for servicing the loan by the Secretary or by the lender, and for the purchase by the Secretary of the loan if it is not in default, on such terms and conditions as the Secretary may prescribe; and

"'(5) the Secretary may take mortgages creating a lien running to the United States for the benefit of the insurance fund referred to in subsection (b) notwithstanding the fact that the note may be held by the lender or his assignee.

"'(b) The Secretary shall utilize the insurance fund created by section 11 of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1005a) and the provisions of section 13(b) and (c) of such Act (7 U.S.C. 1005c)(b) and (c)) to discharge obligations under insurance contracts made pursuant to this section, and

"'(1) the Secretary may utilize the insurance fund to pay taxes, insurance, prior liens, and other expenses to protect the security for loans which have been insured hereunder and to acquire such security property at foreclosure sale or otherwise;

"'(2) the notes and security therefor acquired by the Secretary under insurance contracts made pursuant to this section shall become a part of the insurance fund. Loans insured under this section may be held in the fund and collected in accordance with their terms or may be sold and reinsured. All proceeds from such collections, including the liquidation of security and the proceeds of sales, shall become a part of the insurance fund; and

"'(3) one-half of all insurance charges shall become a part of the insurance fund. The other half of such charges shall be deposited in the Treasury of the United States and shall be available for administrative expenses of the Farmers' Home Administration, to be transferred annually to and become merged with any appropriation for such expenses.

"'(c) Any contract of insurance executed by the Secretary under this section shall be an obligation of the United States and incontestable except for fraud or misrepresentation of which the holder of the contract has actual knowledge.

"'(d) The aggregate amount of the principal obligations of the loans insured under this section shall not exceed $25,000,000 in any one fiscal year.

"'(e) Amounts made available pursuant to sections 511 and 513 of this Act shall be available for administrative expenses incurred under this section.'

"(b) The first paragraph of section 24 of the Federal Reserve Act (12 U.S.C., sec. 371) is amended by inserting after 'the Act of August 28, 1937, as amended' the following: ', or title V of the Housing Act of 1949, as amended'."

Mr. HERLONG (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the further reading of the amendment be dispensed with and that it be printed in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. HERLONG. Mr. Chairman, I do not think there is any need to go into a lengthy discussion of this substitute at this time. It was thoroughly discussed, and I believe reasonably well explained during general debate on yesterday.

As I said at that time, I commend the housing subcommittee and its distinguished chairman, the gentleman from Alabama [Mr. RAINS] for the time and effort that they have put into bringing out a housing bill. There are some of us, however, who believe, as is our right, that the bill goes too far at this time. It would be fine if we could give everyone everything that they asked for, not only in this bill, but in all of the other bills that require Federal money. But, we just have not reached a high enough plateau financially to afford that.

Mr. Chairman, what I propose as a substitute is something which is not only within our reach, but will maintain our fiscal responsibility; will be within the budget, and which, more importantly, can become law. The two principal differences between the substitute and the committee bill are the elimination of further authorizations for public housing at this time and the requirement that the new authorization for moneys provided for be cleared by the Committee on Appropriations.

We have enough public housing units already authorized to keep us busy for about 3 years. If it develops next year, or later, that more are needed, the Congress will have an opportunity to work its will on them at that time.

May I also remind the committee that there are 45,000 units in the bill which passed the other body and which will be held in conference with whatever bill the House passes so you are not voting against any possibility of additional public housing units even now if you vote for the substitute.

The principle of requiring the Appropriations Committee to approve all new money authorizations seems to meet with almost universal approval. The only question that has been raised in this connection is—When do we start? I suppose it is just like saving money; there seems to be no convenient time to start. Believe me, I do not defend the action that has been taken so far in this Congress on certain bills to bypass the Appropriations Committee. I agree with the gentleman from Texas [Mr. PATMAN], who said that the principle of going to the Appropriations Committee for all new moneys ought to be applied to everything. But I do not agree that we should continue postponing the application of such a principle. Anyway, the issue is clear, and you will have an opportunity to express your will as to these principles.

Mr. Chairman, rather than submit these amendments one at a time, I have simply included them in one amendment in the nature of a substitute. I submit that there is a great possibility that those of you who are interested in the most liberal possible housing bill will come nearer getting it under this substitute than you will if you go back and amend the committee bill section by section. For example, there is $600 million in my substitute for urban renewal. There are a number of States in the United States including my own State of Florida, that cannot possibly benefit by this provision, and on the direct issue of whether or not there will be any urban renewal in the bill, many Members who could vote for the substitute might have to vote for an amendment to strike the whole title dealing with urban renewal from the bill because their States could not participate.

I regret, Mr. Chairman, that there has been a feeling expressed that what I have done in offering this substitute has been interpreted in some quarters as a lack of appreciation of the splendid work of the distinguished members of the Subcommittee on Housing. Believe me, I do appreciate the fine work that they have done and I think the fact that over 80 percent of the substitute bill which I have offered is exactly like the committee bill proves that that is the fact. There are some of us, however, who differ in philosophy from the majority of the members of that subcommittee, and I have tried to express that difference in my substitute so that there could be a clear-cut choice by the Members. I intended, and certainly hoped, that my offering of this substitute would instead be interpreted as an effective way to break the logjam that was holding up consideration of a housing bill in this House and give us an opportunity to work our will on such a bill. I think all of you know and will certainly agree that that has been accomplished by the offering of this substitute.

Mr. McDONOUGH. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I think yesterday we reviewed the contents of the committee bill and some reference to the substitute bill was made in general debate.

There are some points I think that ought to be emphasized so far as the committee bill is concerned that are very devastating so far as the impact on the budget is concerned. And in spite of the fact that my distinguished chairman of the subcommittee, the gentleman from Alabama [Mr. RAINS], for whom I have a great deal of respect, has implied that it will not increase the budget by more than $100 million, I should like to call your attention to the fact that on the urban renewal section of his bill alone, which provides for $500 million for each year for the next 3 years, you could commit this Nation to $1.5 billion in the next 14 months and tie the hands of the Committee on Appropriations to the point where such commitments are obligations and have to be met with appropriations.

The spending authorizations in the committee bill will increase the deficit in the current fiscal year and will result in increased budget expenditures in every year for the next 45 years because of the public housing section of the bill. The total new authorized budget expenditures impact of the bill is $5.8 billion. The argument has been made that it is less than that or about half that.

The actual figures are that it will total that over the life of the public housing section of the bill.

Another point is, if we should obligate ourselves for the total urban renewal obligations of the committee bill, even if we did that in the next 2 years, that is an offer to the city for additional aid that they may anticipate in future authorizations in a housing bill, and we will be obligating ourselves to rehabilitate the major cities of the Nation for years to come.

I think we ought to give some consideration to the fact that this is, as was stated yesterday by one of the Members in general debate, the first approach to the major spending program of this Congress because you have coming to you from the Committee on Banking and Currency an area development bill which will be an obligation of some $480 million for area development. You have a community facilities bill which amounts to some $2 billion for low-interest, long-term loans for the building of many public facilities that cities, counties, and States may make application for. You have pending in the Labor and Education bill an aid to education bill of some $4,400 million. That has not been reported, but nevertheless it is under consideration. In other words, we should stop and consider how far we are going to go in doing the things that the States, cities, and counties are incorporated to do for themselves. Are we going to build all of the highways and all of the sewage-disposal plants and build all of the public housing facilities—and incidentally, there are a number of States that have their individual independent public housing authorities that are not seeking any aid from the Federal Government. Are we going to take all of these responsibilities and make one large massive Central Government in Washington to dictate to the various political subdivisions throughout the country? Those are the things that I see as a danger in the committee bill as an approach in that direction. The Herlong bill would, on the contrary, offer a reasonable program for a reasonable amount of money to meet the demanding sections of urban renewal for some $600 million for the next 2½ years.

Another feature, I think, that we should not overlook is the tax-exemption privilege of the purchasers of public housing bonds. That is, the local authority can issue bonds to build these facilities and they are offered on the market on a tax-free basis. They are very attractive investments, but the Federal Government in its budgetary obligations must provide not only the substance to support these bonds, but the capital to maintain all of these facilities throughout the United States, and it is now amounting to something like $3 billion, and the added public housing units that will be in the committee bill will add another $3 billion.

Mr. Chairman, I urge the adoption of the Herlong amendment.

Mr. RAINS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in more time than I have now, on yesterday, I attempted to point out the fact that it would be better in this instance to legislate in an orderly manner. I pointed out the fact also that if the gentleman from Florida [Mr. HERLONG] really wanted the amendment which he has mentioned, he would be in a better position to offer individual amendments to the committee bill instead of attempting to disrupt the legislative process by forming a coalition with our friends on the other side of the aisle and accepting a bill which my friends over here opposed in the committee. Practically every single item of title I was opposed by people of the Housing Agency as being inflationary and too liberal. But, in an effort to lure certain free enterprise groups into the snare of bypassing our committee, they accepted these inflationary things which they once so labeled and now come in and say this is wonderful legislation.

In doing it, Mr. Minority Leader, they leave aside the administration bill introduced by request by my friend the ranking Republican member of the Committee on Banking and Currency; and the bill is a bill upon which the present committee bill is in many respects patterned. I do not indeed understand the necessity——

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield to the gentleman from Indiana.

Mr. HALLECK. The gentleman speaks of this being an unusual procedure.

Mr. RAINS. Yes.

Mr. HALLECK. I call the gentleman's attention to the fact that just a few days ago in the case of the Railroad Retirement and Unemployment Compensation Act the House had before it a very good bill worked out by the committee. A substitute was offered and that substitute prevailed in the House, exactly the same thing as the gentleman now complains is wrong.

Mr. RAINS. I will say that is the truth and I voted for the substitute, but it was a substitute which was properly introduced, by the chairman of that committee. In addition to that, it did not come out of thin air like this Herlong substitute, which was not even printed when the rule on the bill was granted, and without even the chairman of the subcommittee being shown the courtesy of seeing it. Is that an analogous case? Absolutely not.

What I want to know is this: Does the minority leader believe that the proper thing is to take a bill not even printed at the time the rule was granted, making this bill in order, and then start holding caucuses and conferences on a bill that was not even printed, much less considered by the Housing Committee of this House?

Mr. HALLECK. Mr. Chairman, will the gentleman yield further?

Mr. RAINS. I do not yield further, not yet. I will say to my friends on this side of the aisle that this is a cleverly contrived deceptive proposition—and I am certain my good friend from Florida [Mr. HERLONG] did not realize it; he does not pose as any housing expert—this is a cleverly conceived piece of legislation aimed at two things: (1) Overthrow of the Democratic leadership in the Congress no matter what we have to take to do it; and (2) to give the private enterprise groups all they want, and at the same time kick the public interest groups in the teeth and give them nothing. That is what this bill is.

I say to you that the people of America are looking for college housing aids to a much greater extent than those proposed in the Herlong bill—they are looking for urban renewal, for public housing, for housing for the old folks that will really work. They do not want one of these hastily concocted, ill-conceived pieces of legislation not dedicated to the purpose of housing to become the law of this land.

And I would like to say that some people apparently do not realize that there is another body in this Congress, and whether we all like or not they will be around here as long as we are. If a substitute like this is sent to the other body, they will have something to say about it and we will have quite a different proposition staring us in the face. I can just imagine what the result will be.

Who is kidding whom? All we are doing now is marching up the aisle and back down again to please just a few people who are interested, I say again, apparently in other things than the overall housing problems and the housing needs of the American people.

Mr. THOMAS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to announce briefly that in case the substitute is voted down I intend to offer some five or six amendments that will take out of the committee bill all of the back-door financing.

Mr. BARRETT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BARRETT. Mr. Chairman, I rise in support of S. 57, the Housing Act of 1959, because it is one of the most comprehensive pieces of legislation ever presented. I take a deep personal pride in having played a role in the months and months of hard work that were necessary to finish this bill for presentation here today. I think both the Banking and Currency Committee and our Housing Subcommittee can be proud of our long and conscientious labors and for our awareness of the legislation we must have to meet the housing needs of our people.

The administration, as you know, is opposed to this bill and has tried to smear it as "inflationary." But do not be fooled. The inflationary argument, which is entirely false, is merely a smoke screen created to block legislation to provide decent housing at a low cost for the American people.

The opponents of this bill do not want us to do anything to provide housing for our low income groups. They do not want us to provide housing which our elderly citizens can afford. They do not want us to adopt measures which will encourage the rental housing and cooperative housing our cities must have. They do not want us to provide additional

funds for the successful college housing program so our young men and women will have a better opportunity to advance their education. The opponents of this bill do not want a program which will stamp out the slums in our cities. Neither do they want legislation that will help FHA homeowners keep their homes when they are unemployed as a result of the recession.

While this bill does not contain all that I would like to see in it, it is on the whole an excellent bill which will help us achieve economic recovery, make progress in eliminating slums, provide housing for our lowest income families, and generally improve the housing standards of the American people.

There are a number of provisions in the bill which will stimulate home construction activity and prevent a slump in homebuilding. The liberalizations of the FHA homeownership program, the special aids to stimulate rental and cooperative housing, are but two examples of measures in the bill which will speed up economic activity and create more jobs. Anyone who is sincerely interested in helping the plight of the unemployed must vote for the housing bill for these job-creating measures alone.

I am especially pleased that the bill will give us new weapons to help us in the constant fight on the terrible slum problem which afflicts Philadelphia and our other American cities.

The $500 million annually for 3 years which the bill will make available for Federal slum clearance grants is all too modest in terms of the size of the job to be done, but at least it is a beginning. Slums are not just concentrations of crumbling stone and rotting wood. They are the homes of people who must have better housing. Our Housing Subcommittee investigations have proved time and again that at least half of the families who live in urban renewal areas have incomes which are just not sufficient for them to afford decent private accommodations. No matter what misinformation on what propaganda you may have heard about the low rent public housing program, you must admit that it is the only program in existence which can take care of the housing needs of these low-income people.

The bill before us will breathe new life into the low rent public housing program. By restoring the unused units originally authorized in the Taft-Ellender-Wagner Act of 1949, the bill would permit the construction of about 140,000 units at the rate of 35,000 units a year. Personally, I think this total is only sufficient to scratch the surface of the problem of our ill-housed low-income families, but it is a step forward and it is a far cry from the completely reactionary, negative policy of the present administration.

I am especially pleased that the bill will liberalize the minimum age requirements for occupancy in low-rent public housing for single women and disabled persons. Presently, elderly single persons are eligible for admission only if they are 65 years of age or over. The bill would not change this age requirement for single men, but it would reduce it to 62 for women and to age 50 for disabled people. This is an excellent amendment and would conform the program to the age requirements of the Social Security Act.

One of the great unmet needs in the cities of our Nation, and particularly in Philadelphia, is the lack of rental housing. The bill seeks to correct this through liberalizing amendments designed to encourage the construction of more rental housing under the regular FHA section 207 rental housing program. Frankly, the rentals in this program are higher than I would like to see them, but at least if we get more construction under this program we will meet the rental housing needs of a substantial segment of our population.

Mr. Chairman, title II of the Housing Act of 1959 is very important and of special interest to me because it would establish an entirely new program of providing housing for our senior citizens. The new program in title II would strike at the root of the problem by permitting long-term 50-year loans to a nonprofit corporation at a very low interest rate. The maximum interest rate would be 3½ percent which is substantially below the 5½ percent which nonprofit sponsors will have to pay under the present program for housing the elderly.

By permitting a longer loan maturity and by reducing the interest cost substantially, we can bring rentals down sharply. For example, in a housing unit renting for $70 under the present program, the new program would reduce the rental to at least $55 and possibly down to $50 a month. With such a program we, for the first time, would really begin to get results and the success of this new program for housing the elderly could serve as a pilot program to point the way toward the middle income housing program which our country urgently needs and ultimately must have.

In closing, Mr. Chairman, I would like to discuss title VIII of the bill which is formally titled "Avoidance of Foreclosure," but which I think should be called the "Save our homes" section of the bill.

When the terrible effects of the economic recession hit the homeowners of the country, thousands were forced to lose everything they had invested because they were unemployed and unable to make their monthly payments. Unlike the GI loan program which has safeguards to prevent a veteran from losing his home because of temporary unemployment, the FHA program does not encourage the lender to extend forebearance and does not provide essential protection against foreclosure.

I am very pleased that the new bill would correct this glaring deficiency in the FHA program. It would do this by two important amendments. One would reduce the incentive on the part of the lender to a hasty foreclosure. The other, and more important amendment, would permit the FHA Commissioner as a last resort to take over the loan and save the borrower's home in cases where the lender is unwilling or unable to cooperate.

Mr. Chairman, this is a great bill and all of its titles have extremely important objectives. It is a bill that will give the American people the advantages to which they are rightfully entitled. I urge its unanimous passage.

GENERAL LEAVE TO EXTEND REMARKS

Mr. KILBURN. Mr. Chairman, I ask unanimous consent that all Members may have the privilege of extending their remarks in the RECORD on the Herlong amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TOLL. Mr. Chairman, Charles Dickens wrote a great story in the 1800's called a "Tale of Two Cities." Today, we of the 86th Congress have the privilege to write an even greater story. As a matter of fact, we have a choice of writing two stories. One could be entitled "The Death of Our Cities" and the other "The Survival of Our Cities." I refer of course, to the Housing Act of 1959. With which story would you, as Members of Congress, want to be identified as the author? It is, to me, somewhat ironic that the decision as to whether a city lives or dies nowadays rests with our national representatives, but this is no exaggeration. The facts of life which necessitate national action in the housing field are as well known to you as to me. And there is no longer any doubt that the cancer of blight is truly eating away at the vitals of our urban centers, large and small. The future of the fourth largest city in America, depends upon the passage of the Housing Act of 1959. Philadelphia, the fine old city whose citizens I represent, is among the cities with the most deep-rooted and widely spread decay in our Nation. We have had nearly 300 years in which to grow from William Penn's "greene countrie towne" to the vital and varied metropolis of today—nearly 300 years in which to accumulate a massive problem of rundown houses, mixed uses, congestion, obsolete industrial buildings, blight in all its forms.

The early builders of the city designed the city well and built good, sound homes. And we have learned, in recent years, to do the same in the context of modern needs. But, in the intervening years, the American approach of moving on to a new house rather than repairing the old one, of building a new factory when the old one got too small, of leaving it to private initiative to supply the many different community needs of the people—this traditional American approach of endless frontiers and endless resources has left us an inheritance which is rich in many ways but which, for the city, adds up to built-in blight.

All our larger, older cities are in the same position. But even the small towns and the relatively new developments have their spots of blight, which will spread and destroy if not eliminated.

The plight of our cities is indeed a national, not a special-interest, problem. Most of us live in cities these days. All of us are dependent on cities for the many services and amenities which only a city can supply.

Everybody needs the cities and the services the cities can give. But, Mr. Chairman, the cities cannot provide these services unless they are efficient, functioning units, geared to today's

needs. And this is not possible unless the cities' total problems are dealt with, not just one type of problem, not just an isolated project here and there, not something this year and maybe something next year. We must have a total program, a continuing program, a program flexible enough to let us strike at the right place at the right time.

The cities are the hearts of our metropolitan areas, and heart failure would be just as disastrous for these metropolitan areas as for the human body.

What is at stake here is not only the life of our cities but our lives. If our cities decay with the cancer of blight, then, Mr. Chairman, we and our constituents will also perish. For, where but in the great medical hospitals and research centers and universities of our cities can the cures for cancer, heart disease, mental afflictions, and the various other medical diseases be discovered?

What type of story do we of the 86th Congress want to write? Will it be one with a happy ending where the vast American urban population is achieving a better life in an improved environment or is it to be called "The Death of Our Cities" and end in decay and ruin for us all?

I should like to talk to you of Philadelphia's problems in housing and urban renewal. They are the same problems as the many other cities represented in the House here today face. We have to learn how to plan and build to meet modern needs. Philadelphia has been one of the cities to lead the way in this learning process. I think we know a good many answers to the problems of eliminating blight today. But the extent to which we in Philadelphia, and others throughout the Nation, can apply the lessons we have learned depends on the extent of Federal help which this Congress extends. The Housing Act of 1959 would supply the wherewithal to move forward in the fight to provide adequate living conditions for our urban dwellers, the bulk of the Nation's population.

Let me tell you a story of how five outstanding Philadelphia Institutions have joined together to combat the blight engulfing them. The University of Pennsylvania, Drexel Institute of Technology and three neighboring institutions are chartering a nonprofit corporation to reclaim blighted residential areas in West Philadelphia. Along with buying, improving, and selling residential real estate, the new corporation, to be called the West Philadelphia Corp., will pool the brains and resources of member institutions to obtain better police protection and enforcement of zoning; rework outmoded traffic and circulation patterns; and help neighboring residential areas to keep pace with the development of one of the Nation's great educational, medical, research and cultural concentrations.

There are three square miles involved in this project. Along with the University of Pennsylvania and Drexel, the institutions chartering the new corporation are the Philadelphia College of Pharmacy and Science, Presbyterian Hospital and the Philadelphia College of Osteopathy. The area within which the corporation contemplates working is bounded by Haverford Avenue on the north, 52d Street on the west, the Schuylkill River on the east and the Media tracks of the Pennsylvania Railroad on the south. This is some three square miles.

The new corporation has been under discussion for 6 months. Planning to date has been done by Sherwood R. Mercer, dean of the Philadelphia College of Osteopathy; John C. Atwood, Jr., executive vice president of Presbyterian Hospital; John E. Kramer, registrar and assistant to the president of the Philadelphia College of Pharmacy and Science; Allen T. Bonnell, vice president of Drexel Institute, and John L. Moore, business vice president of the University of Pennsylvania. The incorporators don't propose limiting membership to just themselves. West Philadelphia is characterized by identifiable residential neighborhoods with constructive evidence of organized citizens' pride and dedication to the community. It is with the neighborhood organizations which have fostered this pride and dedication that the new corporation hopes to work. The institutions emphasized that they don't want to absorb or destroy the identity of these neighborhood groups. The corporation is being created within this framework of demonstrable contribution to the city—of commitment to continued city location and of devotion to Philadelphia's future well-being.

The corporation will operate after a pattern set in Chicago and New York City. Testing has been done successfully in the neighborhood of the University of Chicago—the South East Chicago Commission—and the neighborhood of Columbia University in New York City. What the institutions here envision is a community which holds and attracts institutional and cultural facilities, compatible industrial and commercial uses, standard and marketable residential areas served by adequate schools, parks, churches and shopping, thus providing a supply and range of housing which will appeal to large numbers of the population not now attracted to the area. The boundaries of the area with which the corporation will deal are not rigid.

Although the new corporation's primary interest is in the area in which the five participating institutions are located, the corporation will extend its interest to other nearby areas when it is necessary or appropriate to accomplish its objectives. The institutions hope to obtain a charter in time to begin staffing the new corporation by next fall. Still undecided are questions of initial capitalization and where the corporation will start. Certainly they will have to do a lot of preliminary planning, conduct surveys on housing, incidence of crime, and school, recreation and traffic requirements before they can go to work.

What do you as Members of the 86th Congress have at stake if West Philadelphia becomes a blighted area? Will it affect the Representative from Georgia, California or Alaska?

The answer is that it most certainly will. Philadelphia's West Philadelphia section contains one of the Nation's great educational, medical research, and cultural concentrations. The following insitutions are located in this area:

First. The University of Pennsylvania—from which Dr. Isadore Ravdin came to perform the operation on President Eisenhower.

Second. Drexel Institute of Technology—one of the great engineering schools of the country.

Third. Philadelphia College of Pharmacy and Science.

Fourth. Presbyterian Hospital.

Fifth. Philadelphia College of Osteopathy.

Our university city program, designed to renew a great institutional area, where some of our finest universities and hospitals are clustered, hemmed in by blight at present, will take at least $10 million of Federal funds.

Federal funds are needed to work alongside the builders of the massive new Delaware Expressway which is to cut straight through Philadelphia, so as to offset the blighting effect it may well have in certain pockets which the expressway will cut up or cut off from the rest of the city. Now, suppose the Federal renewal aid authorized is cut in half, as the administration proposes. Then, the shoring up of the slivers created by the Delaware Expressway will just go undone, again with the probability that the inability to time the work with expressway construction will mean a bigger job to be done when the time comes. Under the Housing Act, we can take the necessary steps so that several sections which will be badly cut up by the expressway as it cuts its way through the city, will not be left to fester and decay hopelessly.

The following has so far been completed in the field of expressway development. The removal of the old "el" structure opened the west side of the Schuylkill River for extensive new private development and cleared the way for the $47 million Schuylkill Expressway which was opened last fall from the Pennsylvania Turnpike south to 30th and Market Streets. The Schuylkill Expressway is the first limited access highway to enter Philadelphia. It is part of a $456.7 million network of expressways being planned jointly by the city, the Pennsylvania Department of Highways and the Federal Bureau of Public Roads.

Two of these, the $27.5 million Roosevelt Boulevard extension of the Schuylkill Expressway and the $7.2 million Vine Street extension of the expressway are now under construction.

Both the Schuylkill Expressway and the proposed $200 million eight-lane Delaware Expressway will terminate in South Philadelphia at the approaches to the new Walt Whitman Bridge over the Delaware River, completed 2 years ago by the Delaware River Port Authority. Four main links in the expressway system form the boundaries of the main center city area to be redeveloped. The Schuylkill Expressway forms the western boundary and the Delaware Expressway will be the eastern border. The Vine Street extension, which connects with the Benjamin Franklin Bridge and downtown Camden, N.J., is the north barrier and a

proposed $40 million crosstown expressway some 14 blocks to the south will complete the oblong area.

One of these critical problems is housing for the American people. Our national goal was stated some 10 years ago in the Housing Act of 1949: "A decent home in a suitable living environment for every American family." We have made some progress toward that goal in the last 10 years, but not much. Estimates vary, but it is a fair statement that 10 million American families are presently living in homes which are either unsafe, unsanitary, or both. These are our slums—a national disgrace. Many of these slums are in rural areas, but a large majority of them are in the cities of America. (Senator JOSEPH S. CLARK, February 5, 1959, CONGRESSIONAL RECORD.)

We must have adequate housing into which to relocate people who are displaced through the urban renewal program—or we will simply end up going in circles instead of going forward.

Let me hasten to point out that, even if the Federal renewal aid called for in the Housing Act were voted down, we would still have a displacement problem. First of all, the clearance projects for which Federal funds have already been allocated are just beginning to reach the stage where much displacement will occur all at once. Secondly, we have in Philadelphia a rapidly expanding program of code enforcement, which brings about displacement. As occupancy and facilities requirements of the housing code are enforced, families are forced to move—in numbers averaging about 700 a year. And this program too is just about now moving into high gear. Finally, our program of capital improvements—including the highway program—inevitably displaces people. For example, the Delaware Expressway alone is expected to require relocation of some 5,600 families.

Where are these people going to go? We must recognize that the vast majority of them are in the low-income category. At today's prices they have little choice but to go back into substandard housing if they cannot be placed in low-rent public housing. But the waiting list for our public housing projects continues to be in the neighborhood of 10,000.

Are we, then, going to say that it is all right for the family displaced from one substandard house to go back into another slum we have not yet had a chance to clear? Or to go into a declining older neighborhood and hasten its decline by overcrowding the housing there?

I think that we cannot avoid the fact that urban renewal and public housing are mutually dependent on each other. If we refuse to approve progress in either, we doom the tremendous effort which is going on to save our cities.

At this time Mr. Chairman, I would like to repeat a statement by Joseph T. Kelley, president of the Philadelphia Industrial Union Council, AFL–CIO, during hearings before the Subcommittee on Housing:

Since Philadelphia is an old city its needs are tremendous. In urban renewal and slum clearance alone the city government could and should use some $150 million of Federal grants in the next 6 years. Philadelphia city government schedules its capital improvement program on a 6-year basis and is prepared to provide the local participation in order to qualify for such Federal funds. If these funds are made available to Philadelphia not only will slums be cleared, but older and still desirable neighborhoods will be saved. There are many benefits to our lower income families and to the community as a whole from these programs. One of the major gains is opportunity for increased employment, particularly through private enterprise. If our economy is to be kept healthy construction must be at a high peak, particularly housing. Shelter construction stimulates business opportunities in other industries. The labor movement in Philadelphia is most concerned with the welfare of our less privileged citizens. Until we can wipe out our slums it will always be difficult to get at problems of disease, crime, and family relations. The private housing industry in the country has not been able to meet the needs of many families who would ordinarily not have a problem if they could remain where they are. Until such time as housing prices come down, the Government must take the responsibility of providing sufficient payments to enable decent relocation. It seems to us that operating procedure in between the slum clearance and public housing programs is necessary. Philadelphia labor movement has prepared a community effort to improve Philadelphia through better shelter. We believe it is essential that Federal programs be continued and improved at a far higher level than previously enacted.

Before leaving the subject of public housing, I should note—speaking strictly for Philadelphia—that we support the provision in this bill for extending the arrangements made for housing defense personnel in Passyunk Homes. We had thought the original 3-year period for this arrangement would be adequate, but this has not proved to be the case.

Also, I must speak briefly of three groups in the population whose special needs for better housing are widely recognized but to date only poorly provided for. One such group is the elderly, and I applaud this bill's provision for a new program of direct lending to make adequate housing available for this growing and richly deserving segment of our population. A new program of this type augmented by the housing to be made available to them under the public housing program, should go far to meet their needs.

Less favorable is the picture for the middle-income family—particularly the family in that income limbo between the top limit of eligibility for public housing and the income necessary to purchase adequate housing at today's prices. This family may get some help from the cooperative housing program—particularly as it would be revised by this bill. Or the family may get help through the revised section 203 or 207 FHA mortgage insurance programs. Or our family may fall in that substantial group whose needs neither program can meet. For this group, a special program is needed—preferably one providing for direct Federal loans at low interest rates and on long terms.

Least favorable of all is the picture for the minority group. Individual members of this group too may benefit from one or another of the other programs provided. But it is foolish to think that their problems as a whole will truly be solved until it is a standard requirement of all Government-underwritten housing that no discrimination be practiced in selling or renting the dwelling covered.

The liberalization of section 221 FHA mortgage insurance provided in title I of the Housing Act of 1959 should also be of help in the efforts to solve the relocation problem. This applies to both the increase in the maximum mortgage amount permitted to be insured and in the extension of the program to rental properties held by owners who are in the housing business for normal profitmaking purposes. We have had difficulty in using the section 221 program effectively to date. These changes might well make it possible to provide adequate rehousing for people who are not eligible for public housing and, hopefully, for some who are eligible but might still be able to go into private housing if the monthly costs were brought down far enough. The liberalization of the limitations on section 220 FHA mortgage insurance—which helps provide good housing in renewal areas—and the inauguration of a new program to help house the elderly. Both serve the dual purpose of facilitating the supplying of housing in what might be termed problem categories and thereby facilitate the entire renewal effort.

As a minimum, we should spell out more specifically that the section 220 program requires the FHA to view the house as it will be when the renewal program is complete for purposes not only of insuring the mortgage in the first place but also for purposes of arriving at higher valuations on properties and longer economic life of the property judgments. Even better would be a change to permit calculation of mortgage amounts on the basis of replacement costs, as is provided for new housing, instead of on appraised value, as is presently done for old housing. And perhaps a requirement that the mortgage term be for the full economic life of the property rather than the three-quarters of that period presently provided by FHA regulations. Better still, of course, would be the establishment of a completely new program of direct Federal loans for rehabilitation, on specially advantageous terms. That would really put a shot in the arm of the renewal effort to which we should all be dedicated.

Before I mentioned the section 221 program, which provides FHA mortgage insurance for relocation housing. I should like to go on record as strongly supporting H.R. 2357's adjustments in this program. The increases in mortgage amounts, the inclusion of rental housing owned by profitmaking concerns, the provision to permit insurance on properties near as well as in a community—all these are excellent improvements.

Mr. GREEN of Pennsylvania. Mr. Chairman, we all must realize that we have to get industry into the cities. We are now making a tremendous strive for that and are beginning to succeed. It cannot possibly be done without the aid of a Federal urban redevelopment program. The start which we have made in revitalizing our center city will grind to a halt. We now have an

allocation of Federal funds to do most of the first project in this area and are well on the way to starting the "pick-and-shovel" work itself. But this project is only the starting point. If that is all the work we can do in center city, we must say to our businessmen and downtown residents that they might as well give up any hope of saving the economic and cultural center of the entire metropolitan area. The obsolete buildings, congestion, inability to expand and modernize offices and parking facilities will continue. The possibility of fine new homes and restored colonial homes, to which many people had been hoping they could move, will be gone.

The plans for a new industrial reservation close to center city business facilities will come to nothing. And we will have to say to the businesses which had hoped to relocate in this spot, "go-ahead—leave the city—we cannot help you find the space to put in modern facilities, to expand your plant, to increase your employment." I need hardly point out how vital an issue this loss would be in the current situation of unemployment for the people and inadequate tax resources for the city.

Let us see some of the progress that has already been made in center city redevelopment under the city administrations of Mayor Richardson Dilworth and our now senior Senator of Pennsylvania, JOSEPH S. CLARK, JR.

In 1952, the Pennsylvania Railroad dispatched the last train from its 71-year-old Broad Street station opposite Philadelphia's City Hall and turned the building over to a wrecking crew. The railroad, which spent $22 million to tear down the station and the "Chinese Wall" that supported the tracks leading to it, has now completed about half of its $100 million Penn Center Development.

While the railroad was tearing down the station and the wall, the city was fulfilling its part of an agreement dating back to 1925, by building a tunnel under the Schuylkill River and 12 blocks of new subway for the Old Market Street elevated line that was a blight on the railroad's 30th Street Station on the west bank of the river, now its main passenger terminal.

Penn Center, which now contains three new 20-story office buildings and a 1,000-room Sheraton Hotel, the first in Philadelphia in some 20 years, provided much of impetus for ever-increasing cooperation between Philadelphia businessmen, most of whom are Republicans, and the second Democratic reform administration.

Penn Center, with its new buildings, restaurants, and even a new ice rink, opened last New Years Eve, to match New York's Rockefeller Center.

In August of 1957, the old Philadelphia Development Corp. was formed by a group of center city businessmen to aid in the Washington Square, east project, the first local step in the rebuilding of the overall center city area.

Another group of businessmen formed the Food Distribution Center Corp. to build a $100 million wholesale food center on 376 acres of lowland between the Delaware River and Broad Street in South Philadelphia.

In November 1957, the first wholesalers in the ancient Dock Street market area, slated for demolition as part of the Washington Square, east project, signed leases for space in the new center. With the New Food Center, Penn Center, Washington Square East, and University redevelopment projects at both Temple and the University of Pennsylvania, Philadelphia's urban renewal plan was beginning to turn to the problem of broadening the city's real estate tax base while the city was being improved physically. The administrations of both former mayor, now Senator, JOSEPH S. CLARK, and Mayor Richardson Dilworth has cost Philadelphians increases in wage and property taxes and higher water and sewer rents. But all of these have been applied with remarkably little protest from the citizens of Philadelphia. This is evidence that Philadelphians see where their tax dollar is going and have no objections.

And this line of thought led to a third corporation, the Philadelphia Industrial Development Corp., financed jointly by the normally and always nationally Republican Chamber of Commerce of Greater Philadelphia and the reform Democratic city administration.

In Philadelphia today, it is considered normal for prominent Citizens for Eisenhower to serve as officers or members of any or all of these corporations or other committees designed to further the renaissance of Philadelphia. And this service continues while Mayor Dilworth appears before committee after committee in Washington and scores the Eisenhower administration for slowing down aid to big cities. All of our citizens from the big cities understand and desire this program of urban redevelopment. Shall we, in the 86th Congress, turn our back to their pleas and needs?

In April of 1951, the Philadelphia Redevelopment Authority opened Penn Towne, the first federally aided slum-clearance project in the United States. For some 4 years after Penn Towne, the city administration and the redevelopment authorities were unable to convince private builders that the construction of low or middle priced sales or rental housing on cleared slum land was a profitable venture. So the Philadelphia Housing Authority, which now has more than 10,000 low-rent units, became Philadelphia's principal slum clearance redeveloper and it was a case of the Federal Government subsidizing both the clearance and the construction.

After Penn Towne, the redevelopment authority moved across the street, cleared 5 more acres and the housing authority built its 203-unit Spring Garden Homes project. This was another first for Philadelphia, the first time Federal funds had ever been used under title I of the 1949 Housing Act to acquire and clear land for the construction of Federal low-rent housing.

The redevelopment authority repeated this process three times, twice more in north Philadelphia and once in west Philadelphia, while it preached the gospel of urban renewal to private builders.

Meanwhile, the authority continued to develop plans for Eastwick, the largest redevelopment project in the country, which started last December with the condemnation of 2,300 homes and Washington Square East, the renewal of part of William Penn's original "greene countrie towne," where condemnation is scheduled to start in June.

By late 1956, the authority was working with both the University of Pennsylvania and Temple University on plans for the expansion of both institutions.

A builder was found for a 230-unit low-rent apartment development at 10th and Jefferson Streets in the southwest Temple area. Shortly thereafter, one of two competing builders was selected for the construction of 300 single family homes for sale at about $10,000 in the same area. The authority has plans for 1,500 such homes in this area of north Philadelphia east of Broad Street.

In August of 1957, the authority started to clear 9 acres of land for a non-federally assisted luxury apartment project, along the Vine Street extension of the Schuylkill Expressway. The redeveloper, Parkway Triangle Corp., a syndicate of Philadelphia builders, became the first Philadelphia firm to qualify under FHA 220 financing.

The $125 million Eastwick project is designed as a city within a city and plans call for from 10,000 to 12,000 new homes plus an 80-acre industrial park.

The development will take an estimated 8 years to complete. The city estimates that on completion, the 2,500 acres will have a tax base of $186,250,000.

The existing area is subgrade land, 40 percent of which is now occupied by a wide variety of land uses ranging from junkyards and frame shacks to solid masonry middle-class homes.

The area is not served by sewers and the land and building are now valued for tax purposes at $10,784,315. At the time of condemnation, the city held tax liens for more than $1 million against the properties.

Bids will be asked this year for redevelopers in Eastwick. Before turning the area over to builders, the redevelopment authority will spend more than $30 million to acquire and clear the land and another $10 million to fill it to grade level. The city will spend $20 million for streets and sidewalks and an equal amount for sewers.

Mr. BYRNE of Pennsylvania. Mr. Chairman, Philadelphia is identified in every history book with the Liberty Bell, the First Congress, the Declaration of Independence and the birth of our great Nation. Yet, we have allowed the area of our birth to perish into decay, ruin and filth. Now, we are on our way to make the "Cradle of Liberty and Independence" live again. The renewal of Washington Square will serve to preserve historic sections of the city which have great meaning to all Americans, and whose national significance has been ignored far, far too long already. Would Russia allow the "Red Square" and "Lenin's Tomb" areas to become solid seas of blight. Must we tell the people

of the Nation, "Come to see the birthplace of your national heritage but try to ignore the slums which crowd in upon it, which virtually overshadow it?" Do not look at the historic old residences nearby which have been let go over the years and which we had hoped to restore. They are decaying now and, by the time we may someday get money to save them, it may well be too late. Welb and Knapp, Inc., of New York and the Thomas Jefferson Square Corporation, a national syndicate, have already been selected from among four bidders as redevelopers for the $50 million Washington Square project. Demolition will be selective in this project and, in addition to building a total of six tower apartment buildings, and a number of new town houses, they are charged with rehabilitating existing structures that reflect by their architecture the early history of Philadelphia's growth.

As most of you men and women who have attended law school know, most problems are in the gray area. There is not a simple black and white answer to any problem. The same is true with blighted areas. There are older neighborhoods which circle our badly blighted central section and which are showing the beginning signs of blight. These are some of the gray areas which have been so much discussed of late in the press—the areas which must be saved if our major cities are not to become all blight and ruin. Their people are crying out to be saved. They are willing and able to make the necessary sacrifices. They only ask us for the help with this job. For the program of conservation aimed at saving our fine old neighborhoods from the blight that is starting there will require $60 million of Federal money over the next 6 years.

The signers of the Declaration of Independence would probably be amazed to learn that this great Nation was allowing the site of the cradle of American Liberty to sink into ruin. It was only a few short years back that visitors to Philadelphia would avoid a visit to Independence Hall due to the blight, filth, and ruined environment that it was situated in. Now, there are two separate projects to clear away the blighted buildings surrounding Independence Hall. Before these projects, the Independence Hall section was surrounded and virtually overshadowed by slums. Some historic old residences nearby, which are decaying, such as the home of the great American author Edgar Allan Poe could be restored now. But, if money is not forthcoming now by means of the Housing Act then it may well be too late. The Independence Mall-Franklin project alone calls for some $17 million of Federal money.

The U.S. National Park Service has taken responsibility for Independence Hall and the Federal Government, through the Park Service, is committed to spending some $14 million to clear a landscaped mall area to the east.

The State of Pennsylvania is committed to a like amount for the clearance of a block-wide mall to the north as far as Franklin Square, the plaza at the approach to the Benjamin Franklin Bridge. Both projects are partially completed, but should the flow of Federal funds necessary be stopped or curtailed then the work remaining will stay undone.

After 8 years of labor, toil, and money, Philadelphia's urban renewal program is where it can be seen by almost every citizen regardless of race or income level. At this point, bankers, railroad presidents, university officials, and merchants are as concerned as labor unions and neighborhood civic associations about the job of creating a new city. Would we want the people of our cities to remember the 86th Congress as the one that wrote the unhappy ending, "The Death of Our Cities."

Mrs. GRANAHAN. Mr. Chairman, the University of Pennsylvania is a private nonsectarian institution, devoted to the public service.

The university had its beginning in 1740, as a small local Philadelphia institution founded by Benjamin Franklin. In the intervening years it has grown to become an institution serving the State of Pennsylvania, the United States, and the world.

The many schools of the university offer courses of instruction, including physics, engineering, medicine, and dentistry to a student body in excess of 17,000. Two large teaching hospitals—the University Hospital and the Graduate Hospital—are operated by the university. Research contracts with Government and industry are in excess of $7 million. The university budget for the fiscal year 1958–59 is in excess of $43 million. Sixty-five hundred individuals are employed in all areas of the institution.

The university is located in an area composed of residential and commercial buildings. If the university is to expand it will be necessary to obtain some of the surrounding residential and commercial land areas on which to erect academic structures. The university expects to do its part to assist in providing an educational opportunity for the rising tide of students which will be upon us in the years ahead.

Since 1945, the university has erected academic structures in the amount of $24 million; $14 million of construction is now underway. To provide land area for these structures, the university has used all or most of its available land. The present campus comprises about 140 acres.

During the period 1960–70, it is anticipated that the university will need to increase its plant dollarwise in the amount of $70 million. The deficiency in land required for plant expansion is estimated at 63 acres.

Like many other urban institutions, the University of Pennsylvania is landlocked. It cannot expand unless it is given some instrument to assist it in its endeavors—statement of John L. Moore, University of Pennsylvania, business vice president, from hearings on Housing Act of 1959, Senate Banking and Currency Committee, January 1959.

In an enormous variety of ways, U.S. universities are already striving to meet their new civic-cultural responsibilities. They will need the most talented assistance in architecture, planning, and financial imagination to accomplish their purposes; if they succeed and if they can derive new strength from their more intimate contact with the community, they may provide the cultural focus for history's first great mass civilization.

What if we of the 86th Congress fail to meet our responsibilities to the universities? If we let them become immersed in the sea of blight, what can we expect? We can expect the end of our great research centers. No longer will eager students want to congregate in the city colleges and universities which are located in filth and ruin. They will enroll in new spacious modern schools far from our cities. This means that our present-day great educational and scientific institutions will become stagnant and progress toward the great educational and medical discoveries will be hindered. For example, if the West Philadelphia area already described becomes slum area, the cure for cancer or heart disease now being worked on in the great medical center of Philadelphia may be set back years and years. We must not allow the university section of the city to become unlivable for the teachers and students who come to these institutions not just from Philadelphia, nor even just from Pennsylvania, but from all over the Nation and indeed from all over the world. It is not so long ago that the shocking news was reported that a Korean student—In Oh Ho—at the University of Pennsylvania had been beaten to death by a group of teenage thugs. This took place in the very section our universities hope to renew. It was symptomatic of the deteriorated conditions there which are a disgrace to the American way of life. We will never know how many foreign and American students were deterred from coming to study and live at the University of Pennsylvania due to that shocking murder, and of the loss of possible advancements in research toward a longer and better life as a result thereof. Let us remember the horrible death of the Korean student and approve legislation that will bring life to our cities, colleges, and universities.

Now, what are the problems in Philadelphia alone, that we regard as absolutely essential, that our chamber of commerce regards as absolute minimum needs, that our groups, like our banking groups, our investment banking group, our greater Philadelphia movement all regard as absolute minimum? For the next 10 years we must have $250 million of Federal money. The fact is that unless we can get that kind of aid from the Federal Government, we are going to be absolutely swamped and just will not be able to meet this situation in any way, shape, or form.

The Eastwick project, which has just been described to you, is the biggest redevelopment project that any city has yet attempted. As a result of this redevelopment, we have the tremendous problem of relocation. We find that in a project that big, where we are going to move more than 20,000 people, that

amazing problems and extraordinary cases of individual hardship come up. Much needed are the changes proposed in the title IV provisions for relocation payments—again both in the increase in the amount of payments—from $100 to $200 in the case of family moving expenses and from $2,500 to $3,000 for businesses—and in the authorization of payments to people displaced in renewal areas by other activities than the redevelopment agency's acquisition. This is a matter of simple justice and brings this facet of the renewal program in line with the broadened concept of renewal recognized by the Housing Act of 1954. Similarly, we would welcome title IV's provisions for an increase to 20 percent in the proportion of Federal aid which can go for nonresidential redevelopment, and for the removal of university renewal areas from the area eligibility requirements. These are steps in the right direction—facilitating our efforts to approach renewal on a total city basis.

But there are other problems of hardship brought about by renewal on which I should like to comment specifically. Philadelphia is one of the few cities which has by now accumulated considerable experience with the actual carrying out, as distinct from the planning, of projects, and I think our experience has pointed up these problems.

First of all I should like to comment on the compensation which we are permitted to give to the people whose properties we take in order to renew an area. Some of these people are not adequately compensated under the existing Federal laws. It is true that they receive a fair market value for their properties. But this is not always adequate to enable a homeowner to obtain a comparable dwelling elsewhere. This is especially true to the owner of a house which is sound but surrounded by blight, or a house which is comfortable but obsolescent. Though these represent only a minority of the families displaced by clearance operations, they are special hardship cases and we should be able to give them special treatment—possibly through a revolving fund for direct loans at nominal rates, or some other special device. If Federal housing aids had not for so long a time encouraged the construction of high-priced housing this might not be such a serious problem at the present time.

Another hardship often falls on the small businessman. When he moves, and frequently even before that, he loses a clientele built up over many years. If he is renting the property, he may also lose money on his investment in equipment and facilities and on his lease. Therefore, we need also to give special consideration to this type of situation. Small businessmen should, in my opinion, be reimbursed for some of these intangible losses in addition to physical assets. And there should be a mortgage insurance program designed specifically to help them get reasonable financing for a new place of business..

It is impossible to think of relocation without also thinking, at once, of the importance of the public housing program. I have talked about the special hardship cases which we encounter in the relocation process. But if one considers instead the great mass of the people displaced by renewal, the conclusion is inescapable that the common denominator for Mr. and Mrs. Average Dislocatee is hardship, of a different type—the normal, everyday life of hardship of the poor. These are the slum dwellers, displaced by the law's requirement that each house must meet minimum standards of occupancy as well as facilities. All too often, these are the people who can afford none of the decent housing on the private market today.

Our renewal programs are rolling, all over the country. We are learning how to enforce our housing codes effectively. We are installing the modern community facilities which our cities need. All of this is necessary, important. And all of this means a sharply increasing relocation workload in the near future.

If we are to cope with this increase, we must expand our public housing program.

Mr. NIX. Mr. Chairman, Philadelphia provides a good example of what will happen if we fail to pass the Housing Act of 1959 as recommended by the Committee on Banking and Currency.

Probably the most graphic and clearly immediate result is the effect on renewal activities of a failure to pass this bill in its present form. Under its provisions, we in Philadelphia confidently expect that, in the next 3 years, we can:

First. Complete the work we have well underway in redeveloping our southwest Temple slum area in north central Philadelphia. This is one of the worst slum areas that we have in the city. All told, we have 60,000 slum units in the city of Philadelphia in which 200,000 people live, and when I say slum units, they are units in which you should not ask a dog or pig to live, and in which 200,000 people have to live today—statement of Richardson Dilworth, mayor, city of Philadelphia.

Without more Federal funds the clearance and redevelopment of an entire section of squalid slums in the north central section of Philadelphia will stand incompleted. This is the section where the first redevelopment work in the country started, and we are well on the way with these projects.

We have adequate Federal allocations to complete the work in East Poplar and much of the work in Southwest Temple. But, without new Federal authorizations, the completion of the Southwest Temple projects will just have to be postponed and the fine new buildings there will have to withstand the myriad bad influences of slum jungles in their midst. A symbol of the choice that you as authors decided to write. A story that could have had a happy ending to it if the last chapter was written by the passing of the Housing Act of 1959. It is absolutely necessary that the Housing Act be passed to protect the heavy investment in money, time, and effort which has already gone into this work.

Our program of conserving the older residential neighborhoods where blight is just beginning would just not get off the ground at all. We have Federal allocations to handle one small area—money which will go to remove the scattered spots of hopeless blight in support of citizen activities to encourage rehabilitation and constant upkeep of the dwellings there. Under the Housing Act we could help citizens of five other such areas to save their neighborhoods from sliding on down into slums—and thereby save the taxpayers the eventual cost of completely clearing these areas later on.

A private institution that has been admirably aggressive in its campaign to bring culture to a cramped, industrial city is Philadelphia's Temple University. Eight years ago Temple shocked the city by buying the 80-acre suburban site and preparing to move to it. But last year Temple committed itself to staying in the city by embarking on a 10-year, $55 million campus enlargement and improvement plan first outlined by the Philadelphia Planning Commission, later designed by architects Nolan and Swinburne.

Moreover, although Temple remains today a bumptiously independent private institution, it has been able to get financial assistance from Federal, State, and local government sources. First, Temple demonstrated its faith in its own program by putting up a 50-classroom building, financed entirely—$1.3 million—by university funds. Next it appealed to the HHFA for a Federal loan to build a $1.5 million women's dormitory—completed last year. Now it is concentrating on the planning of a $4 million science building which is to be completed by 1961. One-third of the money for this building's land will come from Pennsylvania's general State authority—a public body established originally to help finance hospitals and other State building projects but recently given the go-ahead to assist higher education's capital spending programs.

The remaining two-thirds of the land costs will come from Federal urban renewal funds channeled through the redevelopment authority of the City of Philadelphia. All the money for the building itself will come as a grant from the GSA.

Thus Temple has already proved that the battle to establish a visible cultural focus in the city is worth waging, worth recruiting allies for—and can be won.

Philadelphia citizens are ready to take on these renewal jobs. But they can take on only part of the job.

Title IV, section 401, permits the utilization of local public agencies which are established by States to operate on a statewide basis in behalf of smaller communities undertaking urban renewal programs. This will allow the Philadelphia urban renewal story to be practiced by smaller municipalities who do not have the source of tax revenue which our large cities have.

The capital grants provision of section 404 which increases the present $1,250 million capital grant authorization by $500 million on date of enactment of the bill is an absolute necessity to continue on with urban renewal projects.

Fellow Members of the House, we have told you half of Philadelphia's story. Now it is up to you to finish it. What title do you want to give it? "The Death of Our Cities" or the "Survival of Our Cities"? Do not forget the future of the fourth largest city in America depends upon the passage of the Housing Act of 1959. Will you, of the 86th Congress, write a happy ending to this Philadelphia story?

Mr. DERWINSKI. Mr. Chairman, it appears obvious to me that due to the emphasis which is placed on the housing bill each year and the time spent in waiting for and vigorously debating the merits of this year's housing bill, most of you have firm convictions and have reached conclusions as to which of the conflicting bills or amendments you will support.

For the sake of the record, I will briefly review the important provisions of the original housing proposals and will emphasize what I feel should be considered.

The FHA title I program should be permanent or at least long-range. The proposals which extend this program for 1 year merely means that we must review it when there is almost unanimous support of the program and the results it has achieved.

Increasing building costs and increasing standards of living across the country indicate a need for increases in maximum mortgage amounts under section 203. From the general consensus of builders, financial institutions, and real estate men throughout the Nation, I think we could set a limitation of $30,000 on one-, two-, and three-family dwellings. I do not believe that we, at this time, ought to extend the maturity period under section 203.

The provisions for increasing new low-cost housing for rural and outlying areas to a maximum insurable mortgage of $9,000 is a sound one.

The general insurance authorizations for FHA for $6 billion for fiscal 1959 and an additional $4 billion for fiscal 1960 is a preferable and practical provision.

One of the greater controversies of this bill is the dollar amounts for capital grants under the urban renewal program. I firmly believe that the proposals under the Herlong bill are sound and under them we will get more urban renewal for less tax dollars.

Probably no greater issue seems to arouse the emotions of Members of Congress as the public housing provisions of this bill. I believe in all sincerity that no amendments whatsoever are needed in the public housing administration section of the bill. Various proposals would give more power to local public housing authorities and there are also the proposals for more public housing units in excess of the 108,000 now in the PHA pipeline. In principle, they would add up to an abandonment of the announced objectives of public housing to house only the lowest income families. We see this entire program developing vastly increased costs in subsidies at the same time that provisions in the original Rains and Sparkman proposals repeal Federal supervision of increasing expenditures.

In the area of college housing, we again see a program which is moving away from its original objective. We also see quite closely another direct withdrawal from the Treasury bypassing the proper appropriations process.

It has not been my intention, Mr. Chairman, to do any more than to point out in the simplest manner possible some of the pertinent sections of the bill.

I cannot conceive the necessity, in a year which indicates will see the greatest number of housing starts in the history of the Nation, a governmental program to thwart the spirit of free enterprise and to inflict huge numbers of socialistic public housing units in direct competition with the homebuilding industry.

In all due respect to the distinguished gentleman from Alabama [Mr. RAINS] this year's housing bill and the bills that he will present to us in the future will obviously fall short of creating a housing utopia. The facts of life are that the only sound, sensible answer to raising the housing standards of the American public to even greater levels lies in the techniques of modern homebuilding and the general rising of productivity in the standard of living of the American wage earner. I would suggest to the gentleman that the best long-range approach to this and other problems is to curtail inflationary proposals so that we might stabilize the value of the purchasing dollar which the average American family has to invest in new and improved homes.

Economic stability in the country will give us the favorable atmosphere needed for a tremendous new boom in housing construction and will give the incentive and confidence to the public to embark on the purchasing and investment in the ever-increasing number of homes that private industry rather than socialistic government should build.

Mr. HOLIFIELD. Mr. Chairman, I rise in opposition to the Herlong amendment.

Mr. Chairman, the Herlong amendment, as the gentleman from Alabama [Mr. RAINS] has explained, has a joker in it which you will find in several instances on page 41, subsections (1), (2), and (3), all of these subsections containing the words "as may be specified from time to time in appropriation acts."

The gentleman from Texas [Mr. THOMAS] has just announced to the House that he will offer an amendment to take out all back-door types of appropriations.

Now, let us see what this is going to do. Over the years the Congress has set up a number of programs and a majority of the Congress has said that these programs are worthwhile. They have provided certain guaranteed loans by the Federal Government, certain debenture arrangements, certain contract arrangements, prior to the receipt of appropriation money. This is a drive and is the same drive that was attempted on the airport bill when they tried to insert the provisions of House Resolution 161, a bill of the gentleman from Virginia [Mr. SMITH]. This to concentrate in the Appropriations Committee all of the power of spending in the House. Let us make no mistake about that, that is what it is for.

Here are the programs it can affect, not only by today's amendment, but this amendment may be offered from time to time on every piece of legislation that comes up for consideration. This is the second time it has been offered. It is going to be offered again on others that may be selected. It may not be on all of them.

There are some of these programs a lot of us will go along on that are not particularly interesting to our district, but we will go along with them just like we did a few minutes ago in voting against the so-called Taber amendment.

Here are some of the programs now authorized by the Congress and financial obligations or loan guarantees authorized by the Congress as a whole and not the Appropriations Committee. Let me read them to you:

The Commodity Credit Corporation.

The Export-Import Bank.

Federal Farm Mortgage Corporation.

The Home Owners' Loan Corporation.

The Housing and Home Finance Administration.

The International Cooperation Administration.

Public Housing Administration.

Rural Electrification Administration, the REA.

The St. Lawrence Seaway Development Corporation.

The Secretary of the Army.

The Secretary of the Treasury, in certain functions which the Congress has directed him to perform.

The Small Business Administration.

The Tennessee Valley Authority.

The U.S. Information Agency.

The Veterans' Administration.

The Defense Materials Procurement Agency.

The General Services Administration.

The Secretary of Agriculture, in certain functions the Congress has directed him to perform.

The Secretary of the Interior.

These are some of the programs that the Congress has set up, the Congress as a whole, not the Appropriations Committee. Concealed in the Herlong bill is the opening wedge to take away from a majority of the Congress their wishes, their desires, and their directions on these important programs. Some of them you may be for and some of them you may be against.

Just remember, when you open the door and you put in your Appropriations Committee all of the power of expenditure in the House, you are opening the door to the same type of amendment for all the programs I have recited.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from New Jersey.

Mr. WIDNALL. Is the gentleman in favor of the housing for elderly persons section of the Rains bill?

Mr. HOLIFIELD. What is that?

Mr. WIDNALL. The housing for elderly persons section of the Rains bill.

Mr. HOLIFIELD. Yes; I am in favor of that.

Mr. WIDNALL. That provides $100 milion of authority. That will have to go through the Appropriations Committee. Does the gentlemen think that would destroy the housing for the elderly persons program?

Mr. HOLIFIELD. I do not know what the Appropriations Committee will do. The Appropriations Committee sometimes pleases me and sometimes it does not. I say that when any committee of this House tries to take unto itself too much authority it is riding for a fall.

I may say to the esteemed members of the Appropriations Committee that they should leave a little bit of the judgment as to the programs which the Congress should accept to some of the legislative committees that have their functions, their privileges, and their responsibilities.

Mr. ASHLEY. Mr. Chairman, I rise in opposition to the substitute.

Mr. Chairman, there is nothing new about the coalition that masterminded the substitute before us.

This alliance has made an annual appearance each year that I have been here—and long before—whenever housing legislation and certain other bills have come to the floor.

The common denominator of this group seems to be a desire to see low-cost public housing wiped off the books once and for all, to cut back and cripple the urban renewal program, and by eliminating the public debt transaction to hamstring the housing program in general.

Mr. Chairman, there is nothing new about the coalition behind this substitute, but it has certainly been a long time since the leadership on the other side of the aisle has gone quite so far as they have this year.

Apparently it has come to the point where they do not even fly their own banner any more, preferring instead to engage in the pretense that they are supporting a Democratic substitute.

From their standpoint the only trouble with this smokescreen is that it is transparent. Nothing could be more obvious than that the Herlong substitute is democratic only to the extent of the name of its sponsor. In effect it is the administration bill with a misleading label.

Mr. Chairman, if there is any question about what is back of this substitute, the answers are not hard to find.

In the first place, there is currently an opportunity to kill the public housing units authorized under the Housing Act of 1949. No one would expect an inviting opportunity like this to be overlooked and passed by—and sure enough the administration announced early in the session that it had had enough public housing, thank you, and was not anxious for any more.

Mr. Chairman, it would not be so bad if the administration and other supporters of this substitute really believed that public housing is no longer needed. But the administration admits that there is both a present and future need for this low-cost housing. It has conceded that half of the families displaced by urban renewal, highway construction, and other public activities cannot be rehoused except in public housing, and it has even gone so far as to estimate that of the 248,000 American families that will be displaced by Government action in fiscal years 1958, 1959, and 1960, 123,000—or nearly half of these families—will have incomes too low to rent or buy decent private housing.

Yet in the very face of these administration estimates the President has requested that public housing be abandoned.

Mr. Chairman, I would like to know where these 123,000 low-income American families are going to live after they have been displaced. The fact is that there is only one thing that they can do, and that is to move into or create new blighted areas and new slums. That is the hope and the helping hand offered by the Herlong substitute which carries out the administration decision to have done with public housing.

And the story behind the urban-renewal provisions in the substitute is not much different. What happened here is that the administration seems to have become disenchanted with the necessary cost of this program to preserve and save our American cities. But here a frontal attack was out of the question; so the administration, instead, came up with a proposal to change the two-thirds-one-third ratio by which the Federal and local governments share the cost of acquiring and clearing urban-renewal property. To scuttle the program, the administration proposed that the local contribution be 50 percent, instead of one-third. I do not think there is a mayor of a single major city in this country that appeared before our committee who did not testify that the local tax bases have been so stretched and strained that it simply would not be possible for them to participate in urban renewal on the proposed 50–50 basis.

Mr. Chairman, if the Herlong substitute is adopted, opponents of public housing and urban renewal will have won their greatest day, not only because these programs will have been killed or crippled, but because there will also have been won the device for keeping these victories intact, namely, the double-jeopardy requirement for Appropriations Committee approval.

Mr. Chairman, I urge defeat of the Herlong substitute.

Mr. RAINS. Mr. Chairman, I ask unanimous consent that all debate on the Herlong substitute and amendments thereto cease at 2:30.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. SMITH of Virginia. Mr. Chairman, reserving the right to object, this is a crucial point in a crucial bill. We have plenty of time. We have been loafing for 4 months in the House, as far as that is concerned. We are probably not going to do anything else this week. I hope the gentleman will not press his request at this time but will permit this debate to run along a little further. For instance, I would like to have a little time. I would want not less than 5 minutes, and I see a great many other gentlemen standing who want to be heard.

The CHAIRMAN. Is there objection to the unanimous-consent request of the gentleman from Alabama [Mr. RAINS]?

Mr. McDONOUGH. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. RAINS. Mr. Chairman, I ask unanimous consent that all debate on the Herlong substitute and all amendments thereto cease at 3 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama, Mr. RAINS?

There was no objection.

Mr. McDONOUGH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McDONOUGH. How much time will that permit each Member?

The CHAIRMAN. Approximately 4 minutes.

The Chair recognizes the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Chairman, for the last several hours I have heard considerable discussion here about the action of the Committee on Rules, on which I have the privilege of serving. I have heard about coalitions, and I have heard about attempts to ram something down somebody's throat, in an unorthodox and irregular manner. Mr. Chairman, nothing could be further from the truth. Let me say to you, in the first place, as one of those on the Committee on Rules who was responsible—and I take my full share of responsibility—for holding up this bill for several weeks, that to the best of my knowledge and information there never was any question in anybody's mind about preventing this House from considering a housing bill. That being true, what did some of us have in mind? We had in mind that if we could hold up this proposed enormous and unnecessary additional drain upon the Treasury of the United States, we might be able to work out something that would give you a housing bill, in the first place; and in the second place, that would be somewhere near the ability of the Treasury of the United States to sustain the impact. The result has been the Herlong bill. Now, what is so undemocratic, what is so unparliamentary about that? If anything, this is the most liberal rule you have had here in many a day. It is not only an outright open rule, but it also points up and provides for the consideration of a package bill such as I have just tried to outline to you that would have those qualifications.

You know, sometimes I wonder what motivates people to come down into the well of this House and talk about the Democratic Party and the Republican Party—and they do it on both sides of the aisle. Somehow I got the conception when I came to the Congress that my people elected me to come here to try to do the best things for the best interests of our great common country. I said to you on another occasion here very recently that I had gone down to

talk to the Secretary of the Treasury about our fiscal condition. I do not have the time to elaborate on that, but I just want to read to you what I said here—to be exact as to the time—on March 19, which is just about a month ago. I quote from the CONGRESSIONAL RECORD as follows:

I was talking with the Secretary of the Treasury, Mr. Anderson. When I started that conversation I was worried about the future of my grandchildren. But, when I got through talking with this man who knows more about that than I do, I was worried about myself and not my grandchildren.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. BOW. Mr. Chairman, I ask unanimous consent that the time allotted to me may be granted to the gentleman from Mississippi.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. MASON. Mr. Chairman, I must object.

Mr. COLMER. Mr. Chairman, I submit the following chart for the RECORD showing an analysis of the Senate bill, the Rains bill, the administration's recommendations, and the Herlong substitute:

Comparison of the financial impact of 1959 omnibus housing bills (including direct Treasury withdrawals, contracting authority for subsidies and grants, public debt transactions and authorizations for future appropriations)

Program	S. 57 as approved by Senate	S. 57 (House Banking and Currency Committee substitute)	Administration program	H.R. 711 (Herlong substitute)
1. Urban renewal capital grants	$2,100,000,000 [1] (5 years) through fiscal 1964.	$1,500,000,000 [1] (2 years)	$1,550,000,000 [1] (6 years with gradual decrease of Federal portion from 66⅔% to 50%.)	$600,000,000 [2] (2 years); on present Federal two-thirds formula.
2. Urban renewal temporary loans	Indeterminate; [3] repeal $1,000,000,000 ceiling on Treasury withdrawals.	Indeterminate; [3] repeal $1,000,000,000 ceiling on Treasury withdrawals.	Indeterminate; [3] repeal $1,000,000,000 ceiling on Treasury withdrawals.	$400,000,000; [2] retain statutory ceiling but authorize raise by appropriation.
3. Urban planning grants	$10,000,000 [2]	$10,000,000 [2]	$10,000,000.[2]	
4. New direct lending program for nonresidential development.			$150,000,000.[3]	
5. New program for Federal cash grants for graduate training of planners and housing technicians.	$1,500,000.[2]			
6. FNMA special assistance	Indeterminate	Indeterminate.		
Special assistance mortgages.	Would require all to be bought at par. FNMA now purchases these mortgages at prices below par.[3]	Would require all to be bought at par. FNMA now purchases these mortgages at prices below par. [3]		
Cooperative housing mortgages under FHA section 213.		$75,000,000; [3] would require par purchase.		$75,000,000;[2] par purchase not mandatory.
7. College loans:				
Direct loans for housing	$300,000,000 [3]	$400,000,000 [3]	$200,000,000 [3]	$200,000,000.[3]
New direct lending program for classrooms, laboratories, etc.	$125,000,000 [3]			
8. "Elderly" housing direct loans		$100,000,000 [3]		But liberalizes FHA Elderly Housing Program.
9. Public housing	$874,500,000 [1] (45,000 units) [4]	$3,700,000,000 [1] (190,000 units) [4]		
10. Veterans' direct loans	$150,000,000 [3]	$300,000,000 [3] (in separate bill, H.R. 2256).		
11. Farm housing research	$225,000 [2] (3 years)	$100,000 [2] (2 years)		$100,000 [2] (2 years).
12. Grants and loans for hospital construction.	$15,000,000 [2]	$15,000,000 [2]		$15,000,000.[2]
Total	$3,576,225,000 (plus indeterminate withdrawals for urban renewal loans, item 2 above).	$6,100,100,000 (plus indeterminate withdrawals for urban renewal loans, item 2 above).	$1,910,000,000 (plus indeterminate withdrawals for urban renewal loans, item 2 above).	$1,290,100,000 (total, no hidden budget impact).

[1] Authorizes irrevocable contracts pledging faith of U.S. Government. Congress is bound to appropriate money in future years.
[2] Subject to Congress appropriating the necessary money.
[3] Direct Treasury withdrawals noted on books of Treasury as "public debt transactions."
[4] Estimated contract amounts under 40-year annual contribution contracts with credit given for reducing contract amounts by excess receipts at fiscal 1958 rate.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, a good many years ago we started this housing program. The Federal Government has already sunk better than $10 billion in it and they have built housing projects all over the United States in places where there was no shortage of housing and where there were good places for people to live. The money has gone out. A great number of people have been employed as a result. But, now we are facing a condition where the deficit today in this fiscal year is $15 billion and at the end of the year it cannot be less than $13 billion. It is time that we began to put on the brakes.

Mr. Chairman, what does this bill do, as it has been reported to us by the committee? It makes available enormous sums of money. The total runs practically to $6 billion in addition to what has already been provided. It is spread out over a period of years. I do not know whether it is because of a lack of confidence in their own operations or what it is, but that money is available for 5 years and some of it is available for 6 years. Further, there is no annual review of what they are doing. There is no control over it in any way anywhere. As a result of the operation of this bill, the Congress of the United States will be abdicating its rights and its functions and its duties. It will be turning over en masse to the Executive the entire operations of the job of handling Government money over a long period of years with no control whatever. There is bound to be trouble and waste and all that sort of thing. The only way the Executive can be kept in line is by careful and continuous review by the Congress. This bill does not provide that review and control. It has no safeguards. It just turns things loose. There is no way of getting anywhere or doing anything to keep the spending of this money in line or to keep the spending under control. It is about time that we stopped doing things that way. The Herlong amendment will provide all that is needed and all that can be used of funds to guarantee mortgages up to $6 billion. It will provide all that is needed in a great many other ways for the operation of any legitimate Federal aid to housing.

I hope the amendment can be adopted.

The CHAIRMAN. The gentleman from California [Mr. ROOSEVELT] is recognized.

Mr. ROOSEVELT. Mr. Chairman, I think it is apparent that the key issue in our discussion of pending housing legislation revolves around the matter of public housing. While I am aware that we shall not have unanimity on other aspects of a housing program, I do believe that where we need a reasonable amount of discussion—for clarification—is in the area of public housing.

First, let me make known my position. I support the public housing provisions contained in the bill reported by the House Committee on Banking and Currency, S. 57. I support these provisions because the public housing program is still needed, and further, any action we take in support of public housing would merely restore a previous authorization.

The public housing authorization contained in S. 57 is not excessive nor a pie-in-the-sky approach. It is a minimum authorization.

Opponents of public housing may pose this question: "Why authorize additional public housing units when not all of the previous public housing authorization

has been used?" I would like to address myself to this self-imposed question.

First, it should be stressed that S. 57 restores the original authorization for public housing enacted in the Housing Act of 1949. S. 57 calls for the construction of approximately 140,000 public housing units, remaining under the authorization made 9 years ago. This would be at a rate of 35,000 units per year, over a 4-year period.

Now it is thus obvious that some public housing units have not been constructed in some communities. Yet this should not be used as evidence to detract from the ever-present need for public housing. Just because some communities have not chosen to undertake a public housing program should not mislead us into preventing other communities from so doing, communities that have demonstrated need and the desire to proceed with a public housing program.

All that S. 57 does is to authorize public housing; hence, public housing construction will only take place where there is an evident need and desire to pursue the program. If no need is demonstrated, no units will be built. But where the need has been and will be shown certainly we should not hamstring community programs by disallowing congressional authorization.

If one checks the cost factor, it will be noted that the aggregate of new expenditures during fiscal 1960 which would result from enactment into law of S. 57 would be less than $100 million. This would represent only thirteen-hundredths of 1 percent of the administration's proposed Federal budget.

While on the subject of Government expenditures, I am impelled to refer to the eloquent plea in behalf of sound Government credit, a plea made yesterday during discussion of the rule by one of the most effective as well as respected—and deservedly so—Members of the House, the Honorable HOWARD SMITH.

In his able presentation he stressed the need not to endanger the credit of the U.S. Government, and he expressed a concern, felt by many of us, about the falling price of Government bonds while the interest rate or cost continues to rise.

The comments offered by my distinguished colleague have, very frankly, greatly disturbed me, because in essence what he intimates is that unless the Federal Government dutifully submits to the terms and conditions laid down by the moneychangers—and, let us face it, the Government borrows money from moneychangers—then the price of Government bonds will reach a new low, while the interest rate will reach a new high.

First, I want to point out that to give in to this type of pressure at a time when the people, the average taxpayers of the country, are forced to pay an exorbitant 4 percent would be an abdication in behalf of the benefit of a very select, a very small but admittedly powerful group, the moneychangers. I further want to point out and to remind my colleagues that it was in 1933 that the affairs of our country had reached such a sorry mess, largely due to our listening to moneylenders to such a degree that they were in control of the financial operation of our Government—the people's Government—and thus indirectly in control of the whole economy. We had a condition of human suffering and misery that I know none of us ever wants to see again.

I am not at all ashamed to quote from the inaugural address of the newly elected President when he said in the year of 1933:

> The moneychangers have fled from their high seats in the temple of our civilization. We may now restore that temple to the ancient truths. The measure of the restoration lies in the extent to which we apply social values more noble than mere monetary profit.

Therefore, the issue before us is simply this: Will this Congress willingly and knowingly bow to the moneychangers on every piece of legislation that comes before it? Will we allow this self-centered, self-contained group, by unreasonable, unjustified and irresponsible demands, to do away with public housing and urban renewal affecting millions of our citizens? If we submit now, forgetting the merits of the subject at hand, will it follow that a pattern of submission will be our mark on other legislation which will be before us?

I fervently hope the answer will be an unmistakable "No." I have no fear that our country will collapse if we do not follow the dictates of the profit moguls.

We will find a way out, as we did in 1933, but while we are finding that way, we cannot continue to overlook the crying needs of several millions today nor can we afford to add to their number, countless more millions.

I join with my able colleague, the gentleman from Texas [Mr. PATMAN], when he said we can take care of the Government bond situation in different ways, and I hope this will be done soon and in an effective manner.

Mr. Chairman, may I conclude by stating categorically that I for one am not going to have any part of such a disgraceful surrender, at this or any other time; I hope with all my heart that my colleagues, on both sides of the aisle, with the lesson of history before them, will turn down the Herlong amendment and vote for the committee bill, S. 57—a bill for the people of our country, not the moneylenders. Let us not allow the measure of our internal strength to be destroyed by allowing mere monetary profit to lessen the nobleness of our social, yes our human, values.

The CHAIRMAN. The gentleman from Michigan [Mr. CEDERBERG] is recognized for 4 minutes.

Mr. CEDERBERG. Mr. Chairman, I rise in support of the substitute offered by the gentleman from Florida [Mr. HERLONG]. I might say that even that with me is a compromise. This business of public housing is something I believe should be stopped right now and a thorough investigation should be made to determine the abuses that exist in this area of housing.

An editorial appeared in the Boston Herald on Monday, April 13, 1959, entitled "The New Elite." It read in part like this:

> Last fall, in a referendum subverting Mayor Hynes' right to determine appropriate municipal pay scales, Boston firemen won pay raises ranging from $790 to $1,050.

These raises were also given to the police department. As a result, many of these no longer qualify for occupancy in low rent public housing.

The editorial continues:

> Now, the Boston Housing Authority is seeking to raise the income ceiling for continued occupancy in State-aided housing projects so that 353 families of Boston police and firemen will not be evicted because of the increased income gained through the referendum.

The editorial states further:

> A better instance of having one's cake and eating it, too, could hardly be imagined.

It goes on further:

> Will the Boston Housing Authority state how many low-income families must stay in shabby tenements so that the fire and police families may remain in public housing?
>
> May we not legitimately ask whether we are on the way, here in Boston, to the establishment of a new elite—a special class of drones for whom those without influence labor unremittingly?

Mr. Chairman, I say that until these things are corrected in the areas of public housing, it should be stopped, because all over the country there are people taking advantage of this low income housing who should not be there, thereby denying those who are eligible to have occupancy in these housing projects.

I had the privilege of serving as mayor of my home city, a city of 55,000 people. The bureaucrats from Washington wanted to put in 485 low rent public housing units in my city. I vetoed the action of the council which would have permitted it and said that "As far as I am concerned we did not need low rent housing." As a result, the very area in which low rent housing was going to go presently is a fine subdivision that is on the tax rolls and is a real asset to the community. All of the citizens in my home town, I believe, are taken care of adequately with housing, maybe some not as good as they ought to be, but they are standing on their own feet.

The more we get into this Government housing and Government assistance, the less reliance we are going to have, the less initiative we are going to have from the individual people.

I have no quarrel with some of the developments in certain of the real large cities. We already have some 587,000 throughout the country. I say we ought to stop it until we investigate what is going on in this area at the present time.

Why, Mr. Chairman, we are even advertising for people to come into these low rent housing units. I think that is an unforgivable thing. We ought to look into this matter before we go any further with these projects.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. POWELL].

Mr. POWELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. POWELL to the amendment offered by Mr. HERLONG: Add a new title as follows:

"TITLE VIII—NONDISCRIMINATION

"SEC. 1007. No insurance, grant, loan, contribution or guarantee or commitment to insure, grant, loan, contribute or guarantee or other assistance authorized under any title of this Act shall be given or made by the Commissioner, Administrator or other governmental official or agency administering the program under which the insurance, grant, loan, contribution, guarantee or commitment or other assistance is to be given or made unless the recipient and beneficiary of such insurance, grant, loan, contribution, guarantee or commitment or other assistance gives assurance in writing that the property for which the insurance, grant, loan, contribution, guarantee or commitment is to be given or made shall be available for sale, lease or occupancy without regard to the race, creed, or color of the purchaser, lessee or occupant.

"In the event that the recipient, beneficiary or any successor in title fails to conform to such written assurance, the Commissioner, Administrator or other governmental official or agency administering the program under which the insurance, grant, loan, contribution, guarantee or commitment or other assistance has been or is to be given or made shall have the authority to deny, withhold, suspend or terminate the insurance, grant, loan, contribution, guarantee or commitment or other assistance."

Mr. COLMER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. COLMER. Mr. Chairman, I raise the point of order that the amendment is not germane because it is too general in its nature, it is not specific in applying to any particular provision.

The CHAIRMAN (Mr. WALTER). The Chair is ready to rule.

The amendment offered by the gentleman from New York [Mr. POWELL] is restricted to any title of this act and is specific, i. the opinion of the Chair.

Therefore the point of order is overruled.

Mr. POWELL. Mr. Chairman, this amendment, in brief, is an amendment which carries out the purposes of the Housing Act of 1949 already on our books, 63 Stat. 413, section 2. The exact language is "to provide a decent home for every American family. It does not say for American families that are Protestant or for American families that are white. It says for 170 million Americans.

Now, we have evidence, which I will introduce in the RECORD later, to show that there is discrimination being practiced in public housing, not against Negroes alone but against Jews, Catholics, Orientals, and Puerto Ricans. There are about 40 million Catholics in this country, about 8 million Jews, about 20 million Negroes, about 3.5 million Puerto Ricans, and about 3 million Mexicans. All together they represent one-half of this Nation, 75 million.

May I refer to Hawaii, for instance, which we recently brought into the Union. We brought Hawaii into the Union because it answered some of the questions of Southeast Asia as regards our democracy. Are we going to refuse housing to the new Hawaiians because many of them are of Oriental descent? Take the Commonwealth of Puerto Rico, one of our showcases in Latin America—Are we going to refuse housing to the Puerto Ricans and disgrace ourselves further in Latin America? Are we going to refuse housing to the Negroes and cause disturbance in our foreign relationships with Africa? We are not only discriminating against one-half of our population, but we are endangering our relationships with a billion five hundred million of these people of Asia, Latin America and Africa. This is the time for simple justice to be effected by this Congress, and this amendment does that. It calls for no discrimination because of race, creed, or color.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield?

Mr. POWELL. I yield to the gentleman from New Jersey.

Mr. WIDNALL. On yesterday in the gentleman's statement he said, "I am going to do everything I can to support that bill," referring to the Rains bill, "and also to defeat the Herlong substitute."

Mr. POWELL. Correct.

Mr. WIDNALL. My question is this: If the Herlong substitute should not prevail, does the gentleman intend to offer this as an amendment to the Rains bill?

Mr. POWELL. Absolutely.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. POWELL].

The question was taken; and on a division (demanded by Mr. POWELL) there were—ayes 48, noes 138.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. WIDNALL].

Mr. WIDNALL. Mr. Chairman, I do not think we can laugh off the financial impact of this bill as some wanted to yesterday after the fine talk made by the gentleman from Virginia [Mr. SMITH]. The security and the welfare of our country largely depends upon the stability of the dollar. Many of the problems today, many of the welfare cases we have today, many of the problems that cause people to write us every day asking to have social security payments enlarged, come because of inflation and rising prices. Any dollar that goes beyond the budget as planned helps to unbalance the budget and helps to create further inflation. I cannot quite understand, as a member of the Subcommittee on Housing over a period of years, with the very eminent and distinguished chairman, the gentleman from Alabama [Mr. RAINS], how in 1 year, when we are having better times, fuller employment, the demands for public housing should go up from nothing in his bill last year to 140,000 units in his bill this year, or 190,000 units, as we contend, or how the demands for urban renewal have in 1 year gone up from $350 million to $500 million each year for 3 years. There has not been that much additional blight added. Is this in the bill for bargaining purposes, or is it what is truly wanted by the committee? I am sure that we can come out of a conference with the Senate with a sound bill that will be agreed upon by both Houses, one that will enable the President to sign it so that we can make progress in the housing program for America. We cannot do it if we go to conference with the Rains bill. It is impossible to do it on that basis. And I feel very sure the President would veto such legislation.

Now, what do we want? Do we want to make progress in these fields? Do we want to continue our college dormitory program? Do we want to continue urban renewal on a sound basis, or do we want to reach for the moon and get nothing?

Mr. Chairman, I would like to call your attention to this, that in the college dormitory section, the appropriations under the Herlong substitute would be $200 million. The last authorization we had was $175 million. That is a $25 million increase over the previous authorization. It seems unrealistic to me today to say that you have to have a $400 million figure.

With respect to urban renewal, I know how well certain people who are interested in urban renewal and selling urban renewal have done the job; they have gone around the United States telling towns that they ought to get on the gravy train, they ought to file their requests. I have seen it happen in my own district. The demands are endless in that field, if you are going to assert that you can get every dollar you want down in Washington.

Mr. Chairman, it seems to me this is a reasonable approach. The best has been taken out of the committee bill and is included in the Herlong substitute. It does not stifle housing. It encourages housing. We will get more housing and a better program, a sounder program and a more stable dollar. The people of the United States will like that bill when it is passed.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. CURTIN].

Mr. CURTIN. Mr. Chairman, I offer an amendment to the substitute.

The Clerk read as follows:

Amendment offered by Mr. CURTIN to the amendment offered by Mr. HERLONG: Page 43, following line 24, insert a new section as follows:

"SEC. 602. Title II of the National Housing Act is further amended by adding after section 231 (as added by sec. 802 of this Act) the following new section:

"'MORATORIUM FOR UNEMPLOYED MORTGAGORS IN ECONOMICALLY DEPRESSED AREAS

"'SEC. 232. (a) For purposes of this section—

"'(1) the term "unemployed mortgagor" means any individual who is a mortgagor under a mortgage insured under this Act, if the Commissioner determines that the loan secured by such mortgage is (or is likely to be) in default because such individual, although willing and able to work, is unemployed through no fault of his own; and

"'(2) the term "economically depressed area" on any given date means an industrial area within the United States in which there has existed unemployment of not less than—

"'(A) 15 per centum of the labor force during the six-month period immediately preceding such date, if the principal causes

of such unemployment are determined not to be temporary in nature, or

"'(B) 12 per centum of the labor force during the twelve-month period immediately preceding such date, or

"'(C) 9 per centum of the labor force during at least fifteen months of the eighteen-month period immediately preceding such date, or

"'(D) 6 per centum of the labor force during at least eighteen months of the twenty-four-month period immediately preceding such date.

The determinations of the duration and amount of unemployment in a given industrial area, and any other determinations which may be required for purposes of this paragraph, shall be made by the Secretary of Labor and certified to the Commissioner not less often than quarterly; and the Secretary of Labor may also certify to the Commissioner, as an economically depressed area for purposes of this paragraph, any industrial area within the United States (even though it does not meet the requirements of subparagraph (A), (B), (C), or (D)) which is determined by him to be an area in which there has existed substantial and persistent unemployment for an extended period of time.

"'(b) Upon application by an unemployed mortgagor residing in an economically depressed area and for the purpose of avoiding foreclosure of his mortgage, the Commissioner, subject to the requirements and conditions contained in this Act, shall assume the mortgagor's obligation to make payments of principal and interest under such mortgage; and while such payments are being made by the Commissioner pursuant to the assumption of such obligation no payment of principal or interest with respect to such mortgage shall be required of such mortgagor.

"'(c)(1) The Commissioner shall assume any mortgagor's obligation under subsection (b) only if—

"'(A) the mortgagor is not in default with respect to any condition or covenant of the mortgage other than that requiring the payment of installments of principal and interest under the mortgage in specified amounts and at stated times; and

"'(B) the mortgagor executes a satisfactory agreement in writing as provided in subsection (d).

"'(2) The assumption or suspension by the Commissioner of a mortgagor's obligation under subsection (b) shall terminate, and the mortgagor shall again be liable for the payment of all amounts due under the mortgage in accordance with its terms, on whichever of the following is the earliest:

"'(A) one year from the date on which such obligation is assumed;

"'(B) the date on which the mortgagor ceases to be an unemployed mortgagor as defined in subsection (a)(1); or

"'(C) the date on which the mortgagor becomes in default with respect to a condition or covenant of the mortgage other than that requiring the payment of installments of principal and interest under the mortgage in specified amounts and at stated times.

"'(d)(1) Prior to the assumption by the Commissioner of any mortgagor's obligation under subsection (b) he shall require the mortgagor to agree in writing to repay to him, after the maturity date of the mortgage but in the same manner and amounts and at the same periodic intervals as were applicable under the mortgage to the period during which such obligation was assumed, the aggregate amount of the payments of principal and interest required under the mortgage during such period.

"'(2) In addition to requiring the mortgagor to execute the agreement described in paragraph (1), the Commissioner shall, prior to the assumption of his obligation under subsection (b), take such action, and require the mortgagor to take such action, as may be necessary or appropriate to insure that the rights and interests of the mortgagee will be adequately safeguarded during and after the period in which such obligation is so assumed.

"'(e) Nothing in this section shall be construed as requiring the mortgagor, at any time during or after the period during which his obligation is assumed by the Commissioner under subsection (b), to make any payments under the mortgage in amounts or at times other than those which are regularly provided in the mortgage and those which are required after the maturity of the mortgage under the agreement executed pursuant to paragraph (1).

"'(f) After the obligation of any individual to make payments of principal and interest under a mortgage has been assumed by the Commissioner under this section, shall not again assume the obligation of such individual to make such payments under that mortgage or assume the obligation of such individual to make such payments under any other mortgage.

"'(g) The Commissioner is authorized and directed to issue such regulations as may be necessary to carry out this section.'"

The CHAIRMAN. The gentleman from Pennsylvania [Mr. CURTIN] is recognized.

Mr. SMITH of Virginia. Mr. Chairman, I make a point of order against the amendment, but I will reserve the point of order so that the gentleman from Pennsylvania may explain his amendment.

Mr. CURTIN. Mr. Chairman, both the committee bill and the Herlong substitute bill make relatively easy the purchase of homes. However, it seems to me that both of these bills leave out a very important factor. They do not adequately cover the retaining of such home after the homeowner has acquired it. In many sections of the country, during the last few years, we have had situations of conscientious and industrious persons losing their FHA insured homes due to the fact that they live in a distressed area and also because they were temporarily out of employment through no fault of their own. The substitute bill, as well as S. 57, seeks to bring the law regarding FHA foreclosures in line with the existing law regarding VA mortgage foreclosures. In other words, the substitute, as does S. 57, provides that if the mortgagor, or homeowner, is in default on his mortgage payments, the Commissioner can, at any time he so desires and, in fact, after a certain time, must, foreclose on the defaulted mortgage, although the Commissioner does have the power to make regulations to ease the conditions of default for a certain period of time. However, the homeowner is still in default and, therefore, there must be a foreclosure unless some payments are made during this period. My amendment would provide that in the event that such homeowner is unemployed, through no fault of his own, and living in such a distressed area, he can secure a moratorium for the length of time that he is unemployed up to, but not to exceed, 1 year, upon the signing of an agreement extending the term of his mortgage for the appropriate period of unemployment. At the conclusion of that period, of course, the payments will resume. This amendment further provides that such mortgagor is not forgiven these 12 payments, or part of the 12 payments if he is not out of work for 1 year, but that such time is tacked on the end of the mortgage term and he must then pay. I submit that this will cost the Government only a relatively small amount of money, because the Government still has the security in the property on which the original commitment was made. The mortgagee already has certain payments that this homeowner has previously made on the mortgage prior to the time of such unemployment. Therefore, at the very most, and I repeat—at the very most, that could happen is the Government would get some deferred payments on an investment which we must assume to be a good one. Therefore, I submit that this is a very necessary addition to this legislation now before us.

The CHAIRMAN (Mr. WALTER). Does the gentleman from Virginia [Mr. SMITH] insist on the point of order?

Mr. SMITH of Virginia. Yes, Mr. Chairman; I insist on the point of order.

The CHAIRMAN. The Chair is ready to rule. The Chair calls attention to the fact that the amendment offered by the gentleman from Pennsylvania is to section 601 which is under title VI of the amendment under consideration. This particular section deals with the avoidance of foreclosure and states the procedures and circumstances under which a foreclosure may be avoided. The amendment offered by the gentleman from Pennsylvania very definitely applies to that section because it states the term "unemployed mortgagor" means any individual who is a mortgagor under a mortgage insured under this act.

The Chair rules that the amendment is germane. The point of order is overruled.

The question is on the amendment offered by the gentleman from Pennsylvania [Mr. CURTIN].

The question was taken; and on a division (demanded by Mr. CURTIN) there were—ayes 31, noes 118.

So the amendment was rejected.

The CHAIRMAN. The gentleman from Ohio [Mr. Bow] is recognized.

Mr. BOW. Mr. Chairman, I had not intended to take part in this debate. The question has been raised as to the intentions of some who are supporting the Herlong amendment. I may say to my colleagues that I am supporting the Herlong amendment because I believe it brings us some form of fiscal responsibility.

My good friend, the gentleman from California, a few moments ago cited language from the inaugural address of 1933. I remember it well; I heard it. It was a good phrase. But I remember that the President who was giving that inaugural address had just won a campaign for the Presidency, based upon economy in government and against the wasteful spending of the administration then in power. He said he would reduce the cost of government by 25 percent. We all know what happened. I say to my friends that if we are going to take those

words of the inaugural speech let us go back to the words of his campaign on fiscal responsibility and the reduction of the high cost of the Federal Government.

In my State of Ohio, and I heard several of my colleagues from Ohio speaking in behalf of S. 57 on the basis that we need it in Ohio. Let me say if we continue to cause this debt to mount, taxes to go up, the Federal Government taking more and more from the people of our States, we are not going to be able to permit the people in Ohio to do these things for themselves.

Let us reduce the cost of Federal Government so we can return to the States these tax dollars and have the things done where they can be done best, and that is in the States.

Let me say further, because some of the Members from Ohio have spoken on this bill, that I do not believe that the people of the 16th Congressional District of Ohio are interested in the continuation of the increasing of the debt and putting us further and further away from the day when we shall be able to do these things for ourselves in the State of Ohio.

The CHAIRMAN. The gentleman from Virginia [Mr. SMITH] is recognized.

Mr. SMITH of Virginia. Mr. Chairman, there has been a lot of talk about committees here and the arbitrary conduct of committees. In fact, I think the gentleman from California [Mr. HOLIFIELD] who attacked the Rules Committee is of the philosophy that all committees except his committee ought to be abolished.

The Rules Committee in this matter did not desire to be arbitrary. There was not much pressure, except from a few people, about bringing out any rule on this bill, and you know it. Very few spoke to me about it. But what we tried to do, knowing there was a clear division and a very close division as to this kind of legislation, was to, if we could, get a bill before the House that the House could express its will on and perhaps enact a housing bill that was needed and one that would stand the test of a veto.

I did not like the committee bill. I know the members of the committee worked long and hard on it. I know it represents several months of work. I have great respect and affection for the members of that committee. Many of them are close friends of mine. But this is a complicated bill, and I do not think any member of the committee with his own hand ever wrote this bill. It is just as full of gimmicks as a dog is with fleas.

I am sorry that the leadership saw fit to cut off this debate because I think it is a subject we could afford to talk about for a long time. I am going to show you several things, and in doing so I am going to have to do a thing that is not very popular around here, and that is to mention the Constitution of the United States.

The Constitution of the United States provides that no money shall be taken out of the Treasury of the United States except by appropriation by the Congress. By the Congress, if you please.

If you have a copy of this bill, I think it would be interesting if you would turn to page 130 and look at the language beginning in line 18, which says:

> To obtain funds for advance and loan disbursements under this title, the Administrator may issue and have outstanding at any one time notes and obligations for purchase by the Secretary of the Treasury in an amount which shall not, unless authorized by the President, exceed $1 billion.

Mr. Chairman, look at that one, will you? Are you going to here vote for a bill that completely abdicates the functions of Congress and the Constitution of the United States and says that the President can authorize expenditures in an unlimited amount by simply going to the Secretary of the Treasury and handing him a note? That is what the bill says. I know that these gentlemen did not mean to do that.

What is the explanation? It specifically authorizes the President to authorize the expenditure of an unlimited sum of money; a function that under express language of the Constitution can only be exercised by the Congress.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Virginia.

Mr. GARY. I understand that under that provision there is nothing to prevent them from borrowing $50 billion from the Treasury if the President authorizes it?

Mr. SMITH of Virginia. That is true, and if some of the folks I have seen advertised in the newspaper as the probable next President of the United States are elected, I think that is just what would happen.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, as I listened to the attacks on public housing coming from the Republican side, I strained my ears to catch any accompanying music that might be coming from the chimes on Bob Taft's Monument. But the chimes were silent.

Public housing is a monument to the lifework of Bob Taft, and today those who with pride and affection had acclaimed him Mr. Republican and had hallowed him to the threshold of the White House, were joined together in verbally ripping to bits the edifice of his erection. No wonder the chimes on the monument of granite built here in Washington to Bob Taft's memory did not ring out. The chimes at least were loyal.

I was very happy in the 81st Congress to follow his leadership in planning a housing future for all our people, even the humblest.

Public housing stands today as the real monument to Bob Taft. How ironical that toward the end of the Eisenhower administration the party of Bob Taft should seek to destroy this monument. How ironical that to defeat this good housing bill which the committee has presented there is even hurled at us the threat of a Presidential veto.

I am not a Republican. I did not agree with Bob Taft on many things, but serious differences in other areas did not blind me to his dedication to decent housing for people, and I followed his leadership in public housing.

I am getting along and cannot expect to be here many years. I do not like to contemplate that men are so quickly forgotten that a decade after the passing of a leader his followers busy themselves in destroying what had been erected by the leader that in his life and power they had professed to admire, adore, and follow. I do not like to contemplate that before the Eisenhower administration is closed there should be any intimation that the man in the White House would veto a housing bill that did not carry the deathblow to the public housing program that forever will be associated with the name of Bob Taft. It would be unfair to put the President in this position.

I wish there could be greater understanding among us here. When I vote for the farmers—and I am from the city—I am trying to understand the other fellow's problems and help him in working them out, because this is our country and what is bad for any part of our country is bad for all of us. Down in Florida they had a problem with their oranges. The author of the substitute bill, my dear friend from Florida, who is not a housing authority, and I came here as freshmen together, and we are warm friends. I did not say to him: "Well, now, wait. I know nothing about growing oranges in Florida, but I will put in a substitute orange bill." I did not say that. I said, "The welfare of Florida means something to the welfare of Illinois," and I voted for that orange bill.

Why cannot you, who do not come from the cities of the North, who do not live with our problems, who have no familiarity with the magnitude of the tasks we face, with our cities bursting at their seams, ever threatened by engulfment in widening slums, ever demanding building and rebuilding to meet the challenge of progress, why cannot you give to us the same ear of understanding that day after day, Congress after Congress, we have bent to you and your problems?

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. BROYHILL].

Mr. BROYHILL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. BROYHILL to the amendment offered by Mr. HERLONG: Page 90, after line 12, insert the following: "(3) Section 203(b)(2) of such Act is further amended by inserting after 'unless the construction of the dwelling was completed more than 1 year prior to the application for mortgage insurance' the following: 'or the dwelling was approved for guaranty, insurance, or direct loan under chapter 37 of title 38, United States Code, prior to the beginning of construction'."

Mr. BROYHILL. Mr. Chairman, my amendment would incorporate in the regular FHA section 203 sales housing program a provision which I think the committee wisely included in its revision of the FHA 203(i) insurance program for low-cost housing in outlying areas. I refer to the provision which would allow the FHA maximum mortgage limitation to apply to an existing property

less than a year old if such property was subject to inspections during construction by either the Federal Housing Administration or the Veterans' Administration. The committee report succinctly explains the provision by stating:

> Your committee believes that the inspection procedure and standards of the two agencies are essentially the same, and sees no reason why either agency should refuse to accept the inspection safeguards of the other.

The Veterans' Administration does accept FHA inspections but under existing law the FHA is not authorized to recognize VA inspections in such cases.

Let me illustrate the hardship of this deficiency in the existing FHA law. For a $13,500 house, FHA inspected, a mortgage of 97 percent of value is permitted resulting in a downpayment of 3 percent or $405. However, if that same house only had VA inspection but is sold FHA within a year, the FHA mortgage may not exceed 90 percent of value resulting in a required downpayment of 10 percent or $1,350. Under my amendment the buyer of this home would only be required to make the 3 percent or $405 downpayment for a FHA mortgage providing the house had been inspected by either FHA or VA during construction.

Since under existing law for the regular FHA sales housing program the 7 point penalty differential applies only to the first $13,500 of value, another bad effect of the provision is that relatively it works the greatest hardship on the buyer of the moderate-priced home. That should be corrected and my amendment will do so.

My amendment will give needed and desirable flexibility permitting builders and buyers to finance the eventual sale under either FHA or VA without penalty to the buyer. Relatively it will benefit most the buyers of moderate-priced homes. It will conform existing law to a good provision proposed in this bill. I hope my amendment will be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. BROYHILL].

The question was taken; and on a division (demanded by Mr. BROYHILL) there were—ayes 113, noes 10.

So the amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. VANIK].

Mr. VANIK. Mr. Chairman, I am opposed to the Herlong substitute. It substitutes a mere title for vital housing needs throughout the country. If we can spend money, as we do, throughout the world for housing and highways and defense, it certainly seems that we ought to be able to spend a little in our own country. After all, in the housing program we are adding to the capital plant of what constitutes America. If today we were to sell the public housing units that are already constructed, the return from such a sale would produce three times the original cost in most instances, which would result in no cost to the Government for their use during the past 20 years in which many of these units have been in existence.

I urge the defeat of the Herlong substitute.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Chairman, the fundamental issue before us today I think was very well presented by the gentleman from Virginia [Mr. SMITH] in his speech yesterday. It is a question of fiscal responsibility.

The gentleman from Illinois [Mr. O'HARA] who preceded me by a few speakers, referred to Senator Taft. I would say this: There was one basic factor in Senator Taft's political and economic philosophy and that was fiscal responsibiilty. And in this regard I believe President Eisenhower joins. And I am very happy to observe that there are many people on the Democratic side who still think that fiscal responsibility is an important issue. And that is the issue before us now.

Mr. Chairman, I want to say this to those who talk about the little man. Fiscal irresponsibility does more damage to the little man than any single thing I can think of. As far as financiers are concerned—and I notice that the gentleman from California used the smear term "money changers"—as far as the financiers of this country are concerned, they can handle themselves pretty well under inflation. It is the little fellow who is hurt. And the issue here is exactly that.

We started our economic hearings this year and the one thing that seemed to disturb the Democrats on the Joint Economic Committee was the unemployment picture. It concerned us and it concerns all of us. But also there was concern over price stability and the need for price stability if we are going to have economic growth which produce the jobs that solve unemployment.

The gentleman from Virginia has pointed out the situation of our Federal bond market. I want to call attention to the fact of the position of the U.S. dollar abroad; that is, that it is so rapidly becoming soft currency. This is no fiction, gentlemen. This is a very, very serious matter and those of us on the Committee on Ways and Means know what is going to face us in the next few weeks when we are going to be asked again to raise the debt limit and might even be asked to raise taxes.

So it is a question of what can we afford at this time? That is an important factor.

The second fiscal aspect of this bill, it has been pointed out, is procedural and it has to do with how do we properly handle legislation and appropriations in the Congress. Bypassing the Appropriations Committee is the surest way to lead to fiscal irresponsibility. That is a basic issue.

I would call attention to a third issue that has not been mentioned and which also concerns the Committee on Ways and Means. On page 61 of the report it is pointed out that vast additional billions of dollars under the committee bill will be made available through tax-exempt bonds. If you want to talk about the rich people and helping the financiers, just create some more of these tax-exempt securities that they can put their money into. That is something that we on the Committee on Ways and Means have been concerned about for many, many years. What are we going to do about this great area that is opened up of tax-exempt securities? It is a very serious constitutional question but nonetheless it is a question that we are faced with here in the housing bill today.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. CLEM MILLER].

Mr. CLEM MILLER. Mr. Chairman, I rise for the purpose of making a correction of fact with regard to the introductory remarks of the gentleman from Florida [Mr. HERLONG]. The correction is somewhat important because we may hear much more about this in subsequent debates. The gentleman from Florida said there were 100,000 units of public housing units available for next year. In other words, the idea or the argument is to defer any action on public housing because we have 100,000 units to play around with. It should be specifically understood, and I do not by any means intend to infer that the gentleman from Florida intended to make any error. He did not have the opportunity to appear before the Committee on Banking and Currency or before the subcommittee, but the 100,000 units of public housing have already been committed. There are no new units, there are no 100,000 units or any other units after June 30. When June 30 comes, those units expire and they will not be built unless they are under contract at that time.

Mr. HERLONG. Mr. Chairman, will the gentleman yield?

Mr. CLEM MILLER. I yield to my colleague from Florida.

Mr. HERLONG. I thought I made it clear to the House, and if I did not, what I meant to say, and I hope I did say it, is that there were 110,000 units in the pipeline which are not under construction at this time.

Mr. CLEM MILLER. And if the contracts are not signed before that time, those units expire and may not be used at any subsequent time. I wanted to make that point clear for the record because great efforts are being made before the Committee to put across the idea that there would be new units after June 30. This is not the case.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. CLEM MILLER. I yield to the distinguished majority leader.

Mr. McCORMACK. Mr. Chairman, the Committee of the Whole in a few minutes will have sharply presented to it two different philosophies. One, the philosophy of the dollar and the other the philosophy of human values. The committee bill is a comprehensive bill. It takes into consideration human values. It takes into consideration the fact that the backbone of our country are human beings—the American people. It takes into consideration the unfortunate. It takes into consideration those who are less fortunate than many

others in America. When this vote is taken, it will mark quite sharply and clearly the difference between the great majority of Republicans and the great majority of Democrats. The entire history of the Democratic Party is one of consideration for human values. When this vote is taken, it will be a straight vote on whether human values are going to be regarded or disregarded.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. McDONOUGH].

Mr. McDONOUGH. Mr. Chairman, I just want to clear up a point that was referred to by my colleague, the gentleman from California, regarding the 110,000 public housing units that are not yet constructed. The construction of those 110,000 units do not depend on the passage of this bill. The money has been authorized and it is up to the Committee on Appropriations to appropriate the money to continue them. In addition to these 110,000 units, there are 30,000 public housing units under construction that are not yet occupied. In addition to that, there is an experience of a 25-percent vacancy each year of the number of units that are now occupied and 25 percent of those total units are being occupied, some 590,000, gives 147,000 units available for new occupants each year. If you add 110,000 to 147,000, you have 247,000 public housing units that will be available whether or not the 110,000 are completed.

Mr. CLEM MILLER. Mr. Chairman, will the gentleman yield?

Mr. McDONOUGH. I yield.

Mr. CLEM MILLER. I believe you will find at page 131 in the record of the hearings that we held that 85,000 units is a more correct figure than 110,000 and that 35,000 units are not under contract and, therefore, we cannot assume that this figure of 110,000 is correct.

Mr. McDONOUGH. Then we can say 85,000 are available. If you want to take your figures, we can say 85,000 units are available plus 25 percent of the total number of units that are now constructed and using those figures, it gives you 147,000 units plus the 85,000 units.

Mr. Chairman, I am sorry I cannot yield further to my colleague because I do not have the time.

Mr. Chairman, with reference to the question of housing for the elderly and this is a sensitive point in this bill, the Herlong bill provides for an FHA insured loan for an unlimited amount of money. The Rains bill provides for $100 million which is subject to the Committee on Appropriations as to how much will be allowed from year to year. If the total amount were allowed, we could build about 10,000 units.

Under the present housing program in the existing bill without any further amendments we have built 9,546. There are some 67 units in operation, and the program is doing very well.

The question as far as the abundance of homes for the elderly is concerned is this: The Herlong bill provides much more abundant units than would be provided in the committee bill. I think that point should be clarified.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from Indiana is recognized.

Mr. HALLECK. Mr. Chairman, I do not know how many votes I might gain for the Herlong substitute at this stage of the debate, but I do not want to lose any.

I rise in support of the Herlong amendment.

Harsh things have been said here by certain Members about some sort of coalition, as they called it. I have not had much to do with the drafting of the Herlong substitute. I am supporting it because I think it is a good bill. But as far as any coalition is concerned, let me simply say, and I suggest this in answer to what the Majority Leader just said, that in my opinion some people in the Congress through recent years have seen fit to stand for things that they believed were right, and I happen to believe that that saved the Republic.

There are those who have a different philosophy. They do not seem to be concerned with the danger that excessive Federal spending will bring about more inflation, with deeper inroads into the value of the dollar.

Let me point out that inflation hits hardest those least able to take care of themselves. Inflation eats away the savings and annuities of millions of elderly citizens in retirement who have no way to keep abreast of a rising cost of living.

The wealthy can take care of themselves; they know how to hedge against inflation.

But the breadwinner on a fixed income, the workingman, and the people living out their remaining years on modest pensions—these Americans have no possible way to hedge against a decline in the purchasing power of their money. They can only stand by and see their standard of living go down and down and down. So that is the challenge as far as I am concerned, and I stand by our great President, Dwight D. Eisenhower, on that proposition.

We have heard a great deal about public housing. One time a few years back I supported an extension of public housing to the great concern of some people, but at the moment I think we have all the public housing we need.

There is complaint that nobody knows what is in the substitute. However, I can offer assurances that from what I have seen of the bill that it is a very well-written bill. It stems from the committee bill. It has been suggested that if the substitute is defeated there will be a lot of amendments to the committee bill. We have had some amendmens to the Herlong substitute, some voted down, some voted into the bill. The gentleman from New York [Mr. POWELL] says he will offer his amendment to the committee bill, and maybe that amendment would have some application to public housing; I do not know. There are other people who want to take certain things out of the bill. Actually I say we have written a good bill and it ought to be adopted as this substitute. It provides for FHA authorization.

It provides adequately for urban renewal.

It provides housing for the elderly.

It provides for college housing.

It does all of the things that need to be done.

Last year it was said that if we did not have a housing bill the building industry would go to the dogs. We did not have any housing bill, yet the record shows that we had more starts for housing in the first quarter of this year than we ever had before. It looks as if we did very well.

I want to refer again to the spending issue. Actually the substitute would seem to cost about $1.3 billion, the other bill $5.8 billion, and the committee bill probably a billion dollars more in the next year, or very substantial amounts more in the next year than the substitute.

The substitute bill is within the budgetary figures offered by the administration. True, there are provisions in there which have been referred to that are not exactly acceptable to the administration.

The gentleman from Illinois, whom I love and respect, says that the minority leader has been hurling threats of vetoes. I never hurled any threat of a veto, but I think I have a right to my personal opinion about what might happen in respect to proposed legislation.

I do not believe that the committee bill can ever become law in this country. I am convinced that the substitute bill can become law and can become law quickly, if we are not taken to the cleaners in the conference. That is the situation that confronts us: an adequate program carefully worked out, carefully considered here in the Committee of the Whole, amendments offered and debated, voted up or down. I say now is the time to settle this matter once and for all by adopting the substitute which is here presented.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. RAINS].

Mr. RAINS. Mr. Chairman, I was not sure I was within the rules until the gentleman from California had spoken in support of the amendment, and I assume that was all right.

In addition, there were two or three remarks made by the distinguished minority leader that I should like to make reference to.

One of them was that I predicted dire things for the housing industry if we did not get a housing bill last year. The distinguished minority leader has a short memory. As a matter of fact, when we were dragging our feet in—I will not call it a Republican depression, I will say a depression—in April of last year, everybody knows that in 30 minutes' time, without a dissenting vote we put a billon dollars into emergency housing legislation. So I say the gentleman must have forgotten. The home builders, the housing industry, people generally, tell me that today they are draining the bottom of the barrel of the billion-dollar emergency legislation. If you read the newspapers and the other financial journals of this country, you will

see that all of them predict hard money and no mortgage credit available immediately.

I am wondering if the minority leader thinks I am right in that statement.

Mr. Chairman, I get tired of hearing the intimated threat about so and so cannot become law. Let me tell you this. I say to you just as emphatically that the Herlong amendment cannot get out of the Congress, much less get to the President's desk.

So I repeat again, the minority leader is in error. Nobody can veto a bill until the Congress passes one, and in order to do that it takes both branches of the Congress. When they talk about so and so cannot become law and say there will be a veto, they are not considering the congressional processes. The truth is it is our duty in this Congress to write legislation, regardless of what any Chief Executive may think about it in advance.

The elected representatives of the American people on both sides of the aisle are not supposed to labor under the threat of a veto from any President, Democrat or Republican. You know, after all, every single individual here has his own responsibility, and I do not think the President of the United States ought to be concerned until it gets to his desk.

I am sure that is the way the legislative processes should work. I say, Mr. Chairman, let us write the best bill we can write and that will be what the American people want us to do.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, I have a suggestion to make. We have laws to govern our procedure. They are respectable laws that have been seasoned by time and ripened by experience. Through the years they have proven to be wise laws and we have operated under them. The methods of procedure provided by those laws have been ignored in this consideration. A rule has been granted that has capped a padlock on the minds of the Members. We have been compelled to consider an amendment, a substitute bill, that has never been referred to any committee, that has never been considered by any committee, that has never been reported. There has been no statement made of the changes the substitute bill would make in existing law, as required by the parliamentary rules under which we are operating. If we adopt this amendment we will have done so without any regard to established legislative procedure. The suggestion I make is that you vote the Herlong amendment down and then resort to the regular parliamentary procedure. We will read the committee bill under the 5-minute rule. You will have an opportunity to consider it under established parliamentary practice. You will have the advantage of the knowledge that the subcommittee has obtained through long experience and long hearings on that bill. Let us see that we do respect the laws of the House and let us vote this amendment down and consider S. 57 as it should be considered.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Florida [Mr. HERLONG], as amended.

Mr. HERLONG. Mr. Chairman, I demand tellers.

Tellers were ordered, and the chairman appointed as tellers Mr. RAINS and Mr. HERLONG.

The Committee divided, and the tellers reported that there were—yeas 177, noes 203.

So the substitute amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE I—FHA INSURANCE PROGRAMS

Property improvement loans

SEC. 101. Section 2(a) of the National Housing Act is amended by striking out "September 30, 1959" and inserting in lieu thereof "October 1, 1960".

Section 203 residential housing insurance

SEC. 102. (a)(1) Section 203(b)(2) of the National Housing Act is amended by striking out "$20,000" and inserting in lieu thereof "$25,000".

(2) Section 203(b)(2) of such Act is further amended—

(A) by striking out "85 per centum" and inserting in lieu thereof "90 per centum";

(B) by striking out "$16,000" each place it appears and inserting in lieu thereof "$18,000"; and

(C) by striking out "70 per centum" and inserting in lieu thereof "75 per centum".

(b) Section 203(b)(3) of such Act is amended by striking out "thirty years" and inserting in lieu thereof "thirty-five years".

(c) Section 203(b)(8) of such Act is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: "*Provided*, That such 85 per centum limitation shall not be applicable if the mortgagor and mortgagee assume responsibility in a manner satisfactory to the Commissioner for the reduction of the mortgage by an amount not less than 15 per centum of the outstanding principal amount thereof in the event the mortgaged property is not, prior to the due date of the eighteenth amortization payment of the mortgage, sold to a purchaser acceptable to the Commissioner who is the occupant of the property and who assumes and agrees to pay the mortgage indebtedness."

(d) Section 203(c) of such Act is amended by striking out all that precedes the first colon and inserting in lieu thereof the following:

"(c) The Commissioner is authorized to fix a premium charge for the insurance of mortgages under this title but in the case of any mortgage such charge shall be not less than an amount equivalent to one-fourth of 1 per centum per annum nor more than an amount equivalent to 1 per centum per annum of the amount of the principal obligation of the mortgage outstanding at any time, without taking into account delinquent payments or prepayments".

Low-cost housing in outlying areas

SEC. 103. Section 203(i) of the National Housing Act is amended—

(1) by striking out "$8,000" and inserting in lieu thereof "$9,000";

(2) by inserting after "97 per centum" the following: "(or, in any case where the dwelling is not approved for mortgage insurance prior to the beginning of construction, unless the construction of the dwelling was completed more than one year prior to the application for mortgage insurance or the dwelling was approved for guaranty, insurance, or direct loan under chapter 37 of title 38, United States Code, prior to the beginning of construction, 90 per centum)"; and

(3) by striking out ", and which is approved for mortgage insurance prior to the beginning of construction" and "the construction of".

Section 207 rental housing insurance

SEC. 104. (a) Section 207(c)(1) of the National Housing Act is amended by striking out $12,500,000" and inserting in lieu thereof "$20,000,000".

(b)(1) Section 207(c)(2) of such Act is amended by striking out "90 per centum" each place it appears and inserting in lieu thereof "95 per centum".

(c) Section 207(c)(3) of such Act is amended by striking out—

(1) "$2,250" each place it appears and inserting in lieu thereof "$2,850";

(2) "$8,100" each place it appears and inserting in lieu thereof "$9,000";

(3) "$2,700" and inserting in lieu thereof "$3,315";

(4) "$8,400" and inserting in lieu thereof "$9,500"; and

(5) "$1,000 per room" and inserting in lieu thereof "$1,250 per room";

(6) "$1,000 per space" and inserting in lieu thereof "$1,500 per space"; and

(7) "$300,000" and inserting in lieu thereof "$400,000".

(d) The last paragraph of section 207(c) of such Act is amended by striking out "4½ per centum per annum" and inserting in lieu thereof "5 per centum per annum".

(e) Section 207 of such Act is further amended by adding at the end thereof the following new subsection:

"(r) Notwithstanding any other provision of this Act, the Commissioner is authorized to include in any mortgage insured under any title of this Act after the effective date of the Housing Act of 1959 a provision requiring the mortgagor to pay a service charge to the Commissioner in the event such mortgage is assigned to and held by the Commissioner. Such service charge shall not exceed the amount prescribed by the Commissioner for mortgage insurance premiums applicable to such mortgage."

Cooperative housing insurance

SEC. 105. (a) Section 213(b)(1) of the National Housing Act is amended by striking out "$12,500,000" and inserting in lieu thereof "$20,000,000".

(b) Section 213(b)(2) of such Act is amended to read as follows:

"(2) not to exceed, for such part of the property or project as may be attributable to dwelling use, $2,910 per room (or $9,000 per family unit if the number of rooms in such property or project is less than four per family unit), and not to exceed 97 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed physical improvements are completed: *Provided*, That if at least 50 per centum of the membership of the corporation or number of beneficiaries of the trust consists of veterans, the mortgage may involve a principal obligation not to exceed $2,970 per room (or $9,500 per family unit if the number of rooms in such property or project is less than four per family unit), and not to exceed the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed physical improvements are completed: *Provided further*, That as to projects which consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitation of $2,910 per room to not to exceed $3,395, the dollar amount limitation of $2,970 per room to not to exceed $3,465, the dollar amount limitation of $9,000 per family unit to not to exceed $9,400, and the dollar amount limitation of $9,500 per family unit

to not to exceed $9,900, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design: *Provided further,* That the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations by not to exceed $1,250 per room, without regard to the number of rooms being less than four, or four or more, in any geographical area where he finds that cost levels so require: *Provided further,* That in the case of a mortgagor of the character described in paragraph (3) of subsection (a) the mortgage shall involve a principal obligation in an amount not to exceed 90 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed physical improvements are completed: *Provided further,* That upon the sale of a property or project by a mortgagor of the character described in paragraph (3) of subsection (a) to a nonprofit cooperative ownership housing corporation or trust within two years after the completion of such property or project the mortgage given to finance such sale shall involve a principal obligation in an amount not to exceed the maximum amount computed in accordance with this subsection without regard to the preceding proviso: *And provided further,* That for the purposes of this section the term 'veterans' shall mean persons who have served in the active military or naval service of the United States at any time on or after April 6, 1917, and prior to November 12, 1918, or on or after September 16, 1940, and prior to July 26, 1947, or on or after June 27, 1950, and prior to February 1, 1955."

(c) Section 213(d) of such Act is amended by adding at the end thereof a new sentence as follows: "Property held by a corporation or trust of the character described in paragraph numbered (2) of subsection (a) of this section which is covered by a mortgage insured under this section may include such community facilities, and property held by a mortgagor of the character described in paragraph numbered (3) of subsection (a) of this section which is covered by a mortgage insured under this section may include such commercial and community facilities, as the Commissioner deems adequate to serve the occupants."

(d) Section 213 of such Act is further amended by adding at the end thereof the following new subsection:

"(i) Nothing in this Act shall be construed to prevent the insurance of a mortgage executed by a mortgagor of the character described in paragraph (1) of subsection (a) of this section covering property upon which dwelling units and related facilities have been constructed prior to the filing of the application for mortgage insurance hereunder: *Provided,* That the Commissioner determines that the consumer interest is protected and that the mortgagor will be a consumer cooperative: *Provided further,* That in the case of properties other than new construction, the limitations in this section upon the amount of the mortgage shall be based upon the appraised value of the property for continued use as a cooperative rather than upon the Commissioner's estimate of the replacement cost: *And provided further,* That as to any project on which construction was commenced after the effective date of this subsection, the mortgage on such project shall be eligible for insurance under this section only in those cases where the construction was subject to inspection by the Commissioner and where there was compliance with the provisions of section 212 of this title. As to any project on which construction was commenced prior to the effective date of this subsection, such inspection, and compliance with the provisions of section 212 of this title, shall not be a prerequisite."

(e)(1) Section 213 of such Act is further amended by adding after subsection (i) (as added by subsection (d) of this section) the following new subsections:

"(j) There is hereby created a Cooperative Management Housing Insurance Fund (herein referred to as the 'Management Fund') which shall be used by the Commissioner as a revolving fund for carrying out the provisions of this title with respect to mortgages insured under subsection (a)(1) and subsection (a)(3) pursuant to commitments issued on or after the date of the enactment of the Housing Act of 1959 or mortgage insurance or commitments reissued under subsection (n). The Commissioner is directed to transfer to the Management Fund the sum of $2,000,000 from the Housing Insurance Fund established pursuant to section 207(f). General expenses of operation of the Federal Housing Administration relating to mortgages the mortgage insurance for which is the obligation of the Management Fund may be charged to the Management Fund.

"(k) The Commissioner shall establish, as of the enactment of the Housing Act of 1959, in the Management Fund, a General Surplus Account and a Participating Reserve Account. The aggregate net income thereafter received or any net loss thereafter sustained by the Management Fund in any semiannual period shall be credited or charged to the General Surplus Account and/or the Participating Reserve Account in such manner and amounts as the Commissioner may determine to be in accord with sound actuarial and accounting practice. Upon termination of the insurance obligation of the Management Fund by payment of any mortgage insured thereunder and/or at such time or times prior to such termination as the Commissioner may determine, the Commissioner is authorized to distribute to the mortgagor a share of the Participating Reserve Account in such manner and amount as the Commissioner shall determine to be equitable and in accordance with sound actuarial and accounting practice: *Provided,* That, in no event shall the amount of such distributive share exceed the aggregate scheduled annual premiums of the mortgagor to the year of payment of such share less the total amount of any share or shares previously distributed by the Commissioner to the mortgagor: And *provided further,* That in no event may any such distributive shares be distributed until any funds transferred to the Managment Fund pursuant to section 219 have been repaid in full to the transferring fund. No mortgagor or mortgagee shall have any vested right in a credit balance in any such account or be subject to any liability arising out of the mutuality of the Management Fund, and the determination of the Commissioner as to the amount to be paid by him to any mortgagor shall be final and conclusive.

"(l) There is hereby created a Cooperative Sales Housing Insurance Fund (herein referred to as the 'Sales Fund') which shall be used by the Commissioner as a revolving fund for carrying out the provisions of this title with respect to mortgages insured under subsection (a)(2) and individual mortgages insured under subsection (d) pursuant to commitments issued on or after the date of the enactment of the Housing Act of 1959 or mortgage insurance or commitments reissued under subsection (n). The Commissioner is directed to transfer to the Sales Fund the sum of $1,000,000 from the Housing Insurance Fund established pursuant to section 207(f). General expenses of the operation of the Federal Housing Administration relating to mortgages the mortgage insurance for which is the obligation of the Sales Fund may be charged to the Sales Fund.

"(m) The Commissioner shall establish, as of the enactment of the Housing Act of 1959, in the Sales Fund, a General Surplus Account and a Participating Reserve Account. The aggregate net income thereafter received or any net loss thereafter sustained by the Sales Fund in any semiannual period shall be credited or charged to the General Surplus Account and/or the Participating Reserve Account in such manner and amounts as the Commissioner may determine to be in accordance with sound actuarial and accounting practice. Upon termination of the insurance obligation of the Sales Fund by payment of any mortgage insured thereunder, the Commissioner is authorized to distribute to the mortgagor a share of the Participating Reserve Account in such manner and amount as the Commissioner shall determine to be equitable and in accordance with sound actuarial and accounting practice: *Provided,* That in no event shall any such distributive share exceed the aggregate scheduled annual premiums of the mortgagor to the year of termination of the insurance: *And provided further,* That in no event may any such distributive share be distributed until any funds transferred to the Sales Fund pursuant to section 219 have been repaid in full to the transferring fund. No mortgagor or mortgagee shall have any vested right in a credit balance in any such account, or be subject to any liability arising out of the mutuality of the Sales Fund, and the determination of the Commissioner as to the amount to be paid by him to any mortgagor shall be final and conclusive.

"(n) The Commissioner shall be empowered to reissue under the Management Fund or the Sales Fund, as the case may be, commitments or the mortgage insurance for any mortgage insured under this section pursuant to a commitment issued prior to the date of the enactment of the Housing Act of 1959, provided the consent of the mortgagees to such reissuance is obtained, or a request by the mortgagee for such reissuance is received, by the Commissioner within ninety days after the date of the enactment of the Housing Act of 1959; but the mortgage insurance for any such mortgage shall not be reissued under this subsection if on the date of the enactment of the Housing Act of 1959 the mortgage is in default and the mortgagee has notified the Commissioner in writing of its intention to file claim for debentures. Any insurance or commitment not so reissued shall not be affected by the enactment of the Housing Act of 1959."

(2) Section 207(f) of such Act is amended by striking out "and section 213" each place it appears and inserting in lieu thereof "and (except with respect to mortgages the mortgage insurance for which is the obligation of the Cooperative Management Housing Insurance Fund or the Cooperative Sales Housing Insurance Fund) section 213".

(3) Section 213(a)(3) of such Act is amended by striking out the semicolon at the end thereof and inserting in lieu of such semicolon a colon and the following: "*Provided,* That as to mortgages the mortgage insurance for which is the obligation of the Management Fund such stock or interest shall be paid for out of the Management Fund;".

(4) Section 213(a) of such Act is further amended by striking out the period at the end thereof and inserting in lieu of such period a colon and the following: "*Provided,* That as applied to mortgages the mortgage insurance for which is the obligation of the Sales Fund, the reference to the Housing Fund in section 207(b)(2) shall refer to the Sales Fund: *Provided further,* That as applied to mortgages the mortgage insurance for which is the obligation of the Management Fund, the reference to the Housing

Fund in section 207(b)(2) shall refer to the Management Fund."

(5) Section 213(e) of such Act is amended to read as follows:

"(e) (1) The provisions of subsections (d), (e), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 shall apply to mortgages insured under subsection (a)(1) and subsection (a)(3) of this section, except that as applied to mortgages the mortgage insurance for which is the obligation of the Management Fund pursuant to section 213(j), (A) all references to the Housing Insurance Fund or Housing Fund shall refer to the Management Fund, and (B) all references to section 207 or 210 shall refer to subsection (a)(1) and subsection (a)(3) of this section.

"(2) The provisions of subsections (d), (e), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 shall apply to mortgages insured under subsection (a)(2) of this section, except that as applied to mortgages the mortgage insurance for which is the obligation of the Sales Fund pursuant to section 213(l), (A) all references to the Housing Insurance Fund or Housing Fund shall refer to the Sales Fund, and (B) all references to section 207 or 210 shall refer to subsection (a)(2) of this section.

"(3) The provisions of subsections (a), (c), (d), (e), (f), (g), (h), (j), and (k) of section 204 and subsection (p) of section 207 shall apply to individual mortgages insured under subsection (d) of this section, except that as applied to mortgages the mortgage insurance for which is the obligation of the Sales Fund pursuant to section 213(l), (A) all references to the Housing Insurance Fund or the Housing Fund in subsections (c), (d), and (f) of section 204 and subsection (p) of section 207 shall refer to the Sales Fund, and (B) all references to section 207 or 210 in subsections (c), (d), and (f) of section 204 and subsection (p) of section 207 shall refer to subsection (d) of this section."

(6) Section 219 of such Act is amended by striking out "or the Servicemen's Mortgage Insurance Fund" and inserting in lieu thereof "the Servicemen's Mortgage Insurance Fund, the Cooperative Management Housing Insurance Fund, or the Cooperative Sales Housing Insurance Fund."

Increased mortgage amounts in Alaska, Guam, and Hawaii

SEC. 106. The first sentence of section 214 of the National Housing Act is amended by inserting after "maximum or maxima otherwise applicable" the following: "(including increased mortgage amounts in geographical areas where cost levels so require)".

FHA mortgage insurance authorization

SEC. 107. (a) Section 217 of the National Housing Act is amended by striking out "$7,000,000,000" and inserting in lieu thereof "$13,000,000,000".

(b) Section 217 of such Act is amended, effective July 1, 1959, by (1) striking out "July 1, 1956" and inserting in lieu thereof "July 1, 1959", and (2) striking out "$13,000,000,000" and insert in lieu thereof "$4,000,000,000".

Repeal of obsolete provision

SEC. 108. Section 218 of the National Housing Act is repealed.

Section 220 mortgage insurance

SEC. 109. (a)(1) Clause (i) of subsection (d)(3)(A) of section 220 of the National Housing Act is amended by striking out "$20,000" and inserting in lieu thereof "$25,000".

(2) Subsection (d)(3)(A)(i) of section 220 of such Act is further amended—

(A) by striking out "85 per centum" and inserting in lieu thereof "90 per centum";

(B) by striking out "$16,000" each place it appears and inserting in lieu thereof "$18,000"; and

(C) by striking out "70 per centum" and inserting in lieu thereof "75 per centum".

(3) Subsection (d)(3)(A)(ii) of section 220 of such Act is amended by inserting before the semicolon at the end thereof a colon and the following: *"Provided,* That such 85 per centum limitation shall not be applicable if the mortgagor and mortgagee assume responsibility in a manner satisfactory to the Commissioner for the reduction of the mortgage by an amount not less than 15 per centum of the outstanding principal amount thereof in the event the mortgaged property is not, prior to the due date of the eighteenth amortization payment of the mortgage, sold to a purchaser acceptable to the Commissioner who is the occupant of the property and who assumes and agrees to pay the mortgage indebtedness".

(b) Subsection (d)(3)(B)(i) of section 220 of such Act is amended by striking out "$12,500,000" and inserting in lieu thereof "$20,000,000".

(c) Subsection (d)(3)(B)(iii) of section 220 of such Act is amended—

(1) by striking out "$2,250" each place it appears and inserting in lieu thereof "$2,700";

(2) by striking out "$8,100" each place it appears and inserting in lieu thereof "$9,000";

(3) by striking out "$2,700" and inserting in lieu thereof "$3,150";

(4) by striking out "$8,400" and inserting in lieu thereof "$9,500"; and

(5) by striking out "$1,000" and inserting in lieu thereof "$1,250".

Section 221 Relocation Housing Mortgage Insurance

SEC. 110. (a) Section 221(d)(2) of the National Housing Act is amended by striking out "$9,000" and "$10,000" and inserting in lieu thereof "$10,000" and "$12,000", respectively.

(b) Section 221(d) of such Act is further amended—

(1) by striking out "$9,000" and "$10,000" in paragraph (3) and inserting in lieu thereof "$10,000" and $12,000", respectively;

(2) by striking out "the Commissioner's estimate of the value of the property or project when constructed, or repaired and rehabilitated" in paragraph (3) and inserting in lieu thereof "the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are completed in the case of a property or project approved for mortgage insurance prior to the beginning of construction, or the Commissioner's estimate of the value of the property or project when the proposed repair and rehabilitation is completed if the proceeds of the mortgage are to be used for the repair and rehabilitation of the property or project";

(3) by striking out "and" at the end of paragraph (3) and inserting in lieu thereof "or"; and

(4) by redesignating paragraph (4) as paragraph (5) and inserting after paragraph (3) the following new paragraph:

"(4) if executed by a mortgagor which is not a nonprofit organization, and which is approved by the Commissioner—

"(i) not exceed $12,500,000;

"(ii) not exceed $10,000 per family unit for such part of such property or project as may be attributable to dwelling use, except that the Commissioner may by regulation increase this amount to not to exceed $12,000 in any geographical area where he finds that cost levels so require;

"(iii) not exceed (in the case of a property or project approved for mortgage insurance prior to the beginning of construction) 90 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are completed (the replacement cost may include the land, the proposed physical improvements, utilities within the boundaries of the land, architect's fees, taxes, interest during construction, and other miscellaneous charges incident to construction and approved by the Commissioner, and shall include an allowance for builder's and sponsor's profit and risk of 10 per centum of all of the foregoing items except the land unless the Commissioner, after certification that such allowance is unreasonable, shall by regulation prescribe a lesser percentage); and

"(iv) not exceed 90 per centum of the Commissioner's estimate of the value of the property or project when the proposed repair and rehabilitation is completed if the proceeds of the mortgage are to be used for the repair and rehabilitation of a property or project:

Provided, That such property or project when constructed, or repaired and rehabilitated, shall be for use as rental accommodations for ten or more families eligible for occupancy as provided in this section: *And provided further,* That the Commissioner may, in his discretion, require the mortgagor to be regulated or restricted as to rents or sales, charges, capital structure, rate of return and methods of operation, and for such purpose the Commissioner may make such contracts with and acquire for not to exceed $100 such stock or interest in any such mortgagor as the Commissioner may deem necessary to render effective such restrictions or regulations, with such stock or interest being paid for out of the Section 221 Housing Insurance Fund and being required to be redeemed by the mortgagor at par upon the termination of all obligations of the Commissioner under the insurance; and".

(c) Section 221(g)(2) of such Act is amended by striking out "paragraph (3)" and inserting in lieu thereof "paragraph (3) or (4)".

(d) Section 212(a) of such Act is amended by adding at the end thereof the following new sentence: "The provisions of this section shall apply to the insurance under section 221 of any mortgage described in subsection (d)(4) thereof which covers property on which there is located a dwelling or dwellings designed principally for residential use for ten or more families."

Servicemen's housing mortgage insurance

SEC. 111. Section 222(b) of the National Housing Act is amended—

(1) by inserting "or 203(i)" after "203(b)" in paragraph (1); and

(2) by striking out "$17,100" in paragraph (2) and inserting in lieu thereof the following: "$20,000, except that in the case of a mortgage meeting the requirements of section 203(i) such principal obligation shall not exceed $9,000".

Builder's cost certification

SEC. 112. Section 227(a) of the National Housing Act is amended by striking out clause (iv) and inserting in lieu thereof the following: "(iv) under section 221 if the mortgagor meets the requirements of paragraph (3) or paragraph (4) of subsection (d) thereof,".

Mortgage insurance for nursing homes

SEC. 113. (a) Title II of the National Housing Act is amended by adding at the end thereof the following new section:

"Mortgage insurance for nursing homes

"SEC. 229. (a) The purpose of this section is to assist the provision of urgently needed nursing homes for the care and treatment of convalescents and other persons who are not acutely ill and do not need hospital care but who require skilled nursing care and related medical services.

"(b) For the purposes of this section—

"(1) the term 'nursing home' means a proprietary facility, licensed or regulated by

the State (or, if there is no State law providing for such licensing and regulation by the State, by the municipality or other political subdivision in which the facility is located), for the accommodation of convalescents or other persons who are not acutely ill and not in need of hospital care but who require skilled nursing care and related medical services, in which such nursing care and medical services are prescribed by, or are performed under the general direction of, persons licensed to provide such care or services in accordance with the laws of the State where the facility is located; and

"(2) the terms 'mortgage' and 'mortgagor' shall have the meanings respectively set forth in section 207(a) of this Act.

"(c) The Commissioner is authorized to insure any mortgage (including advances on such mortgage during construction) in accordance with the provisions of this section upon such terms and conditions as he may prescribe and to make commitments for insurance of such mortgage prior to the date of its execution or disbursement thereon.

"(d) In order to carry out the purpose of this section, the Commissioner is authorized to insure any mortgage which covers a new or rehabilitated nursing home, subject to the following conditions:

"(1) The mortgage shall be executed by a mortgagor approved by the Commissioner. The Commissioner may in his discretion require any such mortgagor to be regulated or restricted as to charges and methods of operation, and, in addition thereto, if the mortgagor is a corporate entity, as to capital structure and rate of return. As an aid to the regulation or restriction of any mortgagor with respect to any of the foregoing matters, the Commissioner may make such contracts with and acquire for not to exceed $100 such stock or interest in such mortgagor as he may deem necessary. Any stock or interest so purchased shall be paid for out of the Section 207 Housing Insurance Fund, and shall be redeemed by the mortgagor at par upon the termination of all obligations of the Commissioner under the insurance.

"(2) The mortgage shall involve a principal obligation in an amount not to exceed $1,000,000, and not to exceed 75 per centum of the estimated value of the property or project when the proposed improvements are completed.

"(3) The mortgage shall—

"(A) provide for complete amortization by periodic payments within such terms as the Commissioner shall prescribe; and

"(B) bear interest (exclusive of premium charges for insurance) at not to exceed 5 per centum per annum of the amount of the principal obligation outstanding at any time.

"(4) The Commissioner shall not insure any mortgage under this section unless he has received, from the State agency designated in accordance with section 612(a)(1) of the Public Health Service Act for the State in which is located the nursing home covered by the mortgage, a certification that there is a need for such nursing home.

"(e) The Commissioner may consent to the release of a part or parts of the mortgaged property or project from the lien of any mortgage insured under this section upon such terms and conditions as he may prescribe.

"(f) The provisions of subsections (d), (e), (f), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 shall apply to morgtgages insured under this section and all references therein to section 207 shall refer to this section."

(b) Section 212(a) of such Act is amended by adding at the end thereof (after the sentence added by section 110(d)) the following new sentence: "The provisions of this section shall also apply to the insurance of any mortgage under section 229."

Technical amendments

SEC. 114. (a) Section 8(g) of the National Housing Act is amended by striking out "and (h) of section 204" and inserting in lieu thereof "(h), (j), and (k) of section 204".

(b) Sections 220(f)(1), 221(g)(1), 222(e), and 809(e) of such Act are each amended by striking out "and (j) of seciton 204" and inserting in lieu thereof "(j) and (k) of section 204".

Inclusion of conveyance costs in debentures

SEC. 115. Section 204(k) of such Act is amended to read as follows:

"(k) Notwithstanding any other provision of this section or of section 604 or 904 and with respect to any debentures issued in exchange for properties conveyed to and accepted by the Commissioner after the effective date of the Housing Act of 1959 in accordance with such sections, the Commissioner may: (1) include in debentures reasonable payments made by the mortgagee with the approval of the Commissioner for the purpose of protecting, operating, or preserving the property, and taxes imposed upon any deed or any other instrument by which the property was acquired by the mortgagee and transferred or conveyed to the Commissioner; (2) include in debentures as a portion of foreclosure costs (to the extent that foreclosure costs may be included in such debentures by any other provision of this Act) payments made by the mortgagee for the cost of acquiring the property and conveying and evidencing title to the property of the Commissioner; and (3) terminate the mortgagee's obligation to pay mortgage insurance premiums upon receipt of an application for debentures filed by the mortgagee, or in the event the contract of insurance is terminated pursuant to section 230."

Voluntary termination of insurance

SEC. 116. Title II of the National Housing Act is further amended by adding after section 229 (as added by section 113 of this Act) the following new section:

"Voluntary termination of insurance

"SEC. 230. Notwithstanding any other provision of this Act and with respect to any mortgage covering a one-, two-, three-, or four-family residence heretofore or hereafter insured under this Act, the Commissioner is authorized to terminate any mortgage insurance contract upon request by the mortgagor and mortgagee and upon payment of such termination charge as the Commissioner determines to be equitable, taking into consideration the necessity of protecting the various insurance funds. Upon such termination mortgagors and mortgagees shall be entitled to the rights, if any, to which they would be entitled under this Act if the insurance contract were terminated by payment in full of the insured mortgage."

Mr. RAINS (during the reading of the amendment). Mr. Chairman, since title I has already been voted upon, I ask unanimous consent that the reading of title I be dispensed with and that it be open for amendment at any point in said title I.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama [Mr. RAINS]?

There was no objection.

Mr. BROYHILL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROYHILL to the committee substitute amendment: Page 90, after line 12, insert the following:

"(3) Section 203(b)(2) of such Act is further amended by inserting after "unless the construction of the dwelling was completed more than one year prior to the application for mortgage insurance" the following: 'or the dwelling was approved for guaranty, insurance, or direct loan under chapter 37 of title 38, United States Code, prior to the beginning of construction'."

Mr. BROYHILL. Mr. Chairman, this amendment is identical to the amendment I offered to title I on the Herlong substitute when it was under consideration. It was approved by the committee rather substantially. As I stated at that time, it is noncontroversial. I have discussed it with several members of the committee, and I said at the time the chairman of the subcommittee raised no objection to the amendment.

Mr. Chairman, I ask for the approval of the amendment.

Mr. RAINS. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield.

Mr. RAINS. Mr. Chairman, as the gentleman from Virginia has said, this is more or less a technical amendment. While I have no authority to accept it on behalf of the committee, since it was adopted a little while ago and since, in my judgment, it would be a good amendment to the bill, I can see no objection to it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. BROYHILL].

The amendment to the committee substitute amendment was agreed to.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, earlier in the day I came in just as the gentleman from California [Mr. ROOSEVELT], who is a member of the Committee on Education and Labor, was making a very appealing plea for homes for people who cannot themselves obtain one such as they desire.

But permit the giving of a few figures which are approximately correct and which come from the Public Housing Administration.

Prior to 1949, the Government had participated in the construction of 210,842 units.

Under the 1949 act, the program called for 236,400 units under management; 30,400 under construction; 85,700 under subsidy contract but not then being constructed, and it had under consideration plans to add, under subsidy contract, by July 1, 1959—that being the end of the fiscal year—31,416—or a total of 594,758, if we count the units prior to the 1949 Act.

That Administration also states that the annual turnover is about 25 percent, and that, by the end of the fiscal year, which, as we all know, is July 1, 1959, there will be on the program approximately 595,000 units. On the basis of a 25 percent annual turnover, more than 148,000 units would be available each year without this or any other new legislation.

As the gentleman from California [Mr. ROOSEVELT] was talking, it occurred to me that he was a little too far ahead of the need for new Federal housing. A home is a very desirable possession, but unless the home owner has an in-

come or a job where he can get the money to buy something to eat, the furnishings he needs, a home is not much good to him.

The gentleman seems to have forgotten the need for labor legislation which will protect the homeowner. This time is taken because sooner or later——

Mr. Chairman, I cannot contend against the noise being made by the majority; hence I appeal to the Chair for order, and the appeal is made not because of any thought in my mind that the Members will listen or follow my advice or suggestions, but because I want it on the record.

The Congress in 1947 by the Taft-Hartley Act failed to make obviously needed corrections in labor legislation. I will not say the practice of extortion is a surprise because it is a customary thing; but the testimony—and you know we did have testimony which has been given to the House Committee on Education and Labor and you have the same thing from the McClellan committee—shows that it is an established fact that the group which defies law enforcement just refuses to permit anyone to transact his or her business in his own legal, lawful way.

The same evil, corrupt practice hamstrings even the largest corporations.

Recently, and this inexcusable—illegal business has been mentioned before—there have been before the Committee on Education and Labor witnesses—and there are thousands of similar cases which demonstrate that the unions now have the power and they are exercising that power to determine that no one, speaking comparatively, shall have a job and collect wages or do business unless he or she or it first pays tribute to the union. Whether the sums collected from some are the result of bribery or extortion is sometimes a question.

Just listen a minute. My friend from California and the other supporters of union racketeering—of course, they do not so intend——

Mr. ROOSEVELT. I hope the gentleman is not saying that I am a supporter of union racketeering.

Mr. HOFFMAN of Michigan. Certainly not. Not knowingly. Of course not. No one in this House so far as I know is, but the result of the refusal to write legislation which will prevent or lessen bribery or extortion is to encourage both. The effect of our refusal is to encourage both. That is neither our purpose nor intention.

This fellow Hoffa—are we by our failure to act supporting him in his threat of a general strike if we legislate to prevent a monopoly by unions? No; of course, we do not so intend—not if we know about it.

If I use the word "you," I am not referring to any particular individual; I am referring to the group which goes along with the opposition to remedial legislation, refuses to enact legislation which will stop or at least minimize the power of union organizers who say, as was said to those three witnesses who appeared before our committee the other day: "You cannot operate this business"—and the largest number of employees employed by any one of them was three—"you cannot carry on this business unless you force your employees to join and pay dues to the union."'

Who has the answer to that practice? That is the fact, and this Congress lacks either the intent, the willingness, or the courage to enact legislation to protect the average citizen or employer.

Mr. KEARNS. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. In just a moment.

Read the testimony. Read the record. It is an established fact that today no one can do business unless he pays tribute to the union if the union in his locality does not want him to. In one case before our committee there were only two employees, and they told the woman who owned the business—who operated the grill—they did not go to the employees themselves, but they went to the boss; they never went to the employees; they never asked the employees if they wanted to join the union, but they went to her and finally put her out of business because she would not comply with their demands to force the employees to pay and join as a condition of further employment.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. HOFFMAN of Michigan. Then I offer a preferential motion.

The CHAIRMAN. The Clerk will report the preferential motion.

The Clerk read as follows:

Mr. HOFFMAN of Michigan moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

The CHAIRMAN. The gentleman from Michigan is recognized for 5 minutes in support of his motion.

Mr. HOFFMAN of Michigan. Yes; and in anticipation that a point of order may be made against my argument, let me say that the point is that there is no use of enacting legislation providing homes unless the homeowner has enough money or an opportunity to earn to get something to eat if and when he gets in the home. That is my argument, and that is the situation of many a worker who cannot either get or hold a job.

Just think a minute, not one Member of this House, if he were working for an industrialist or any business organization, could work if Hoffa, or for that matter, Reuther, said he could not unless he joined and paid dues to the union.

There are thousands of such cases. The organizer does not always go to the employee; he goes to the boss and he says: "You tell your employees that they cannot work unless they join the union."

When Judge Starr, a Democrat, now sitting as judge in the U.S. District Court in the Western District of Michigan Southern Division, was a justice of the Supreme Court of Michigan, he wrote a unanimous decision condemning the practice to which reference is now being made—*Silkworth et al.* v. *Local No. 575 of A. F. of L. et al.* (309 Mich. 746). Among other things the court said:

In the present case we must determine whether or not defendants' picketing of plaintiffs' storage plant was for the purpose of obtaining a lawful labor objective. The motive for the picketing, that is, the result sought to be accomplished, was a question of fact. The testimony is convincing that defendants' real objective was to compel plaintiffs to put their drivers in defendant union by paying their initiation fees, regardless of whether or not the drivers wished to join. This was not a lawful labor objective. Defendants could not use the lawful means of peaceful picketing to accomplish such unlawful purpose.

To hold with defendants' contention, under the facts and circumstances shown by the record, would provide a way whereby employers could be coercively compelled to pay union initiation fees for their employees, regardless of whether or not the employees wished to join the union. Such a course would not be in the furtherance of legitimate union aims and activities, nor would it be for the best interests of unions of employees.

We confine our holding in the present case to the point that defendants could not use the lawful means of peaceful picketing to accomplish their unlawful objective. However, our decision should not be construed as in any way limiting or restraining peaceful picketing in the accomplishment of a lawful labor objective.

I do not believe there is anyone in this House who does not know that the present practices in some of the unions—that is, in those in which officials seek undue power—are to go to the boss and say: "You make your men join the union or we will picket you."

Talk about discrimination? How can you in good faith fail to enact legislation that will bar that practice which is extortion?

Mr. KEARNS. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. Certainly.

Mr. KEARNS. Mr. Chairman, I thank the gentleman from Michigan. May I say that I have introduced a new labor bill. All I want to do is to take Mr. HOFFMAN's time to request each and every Member of Congress to read it, and I will be satisfied.

Mr. HOFFMAN of Michigan. And I am requesting, and the only thing I am requesting is that each Member just stop for about 3 minutes, think over the present situation and practice, then vote on the labor legislation when it comes up as your conscience dictates. I know how Members will vote if they give thought to the present practice. We cannot help but oppose those who are now collecting this tribute from men and women who want to work. Who rules this country? Hoffa? He says he is going to tie up all transportation. If he does, and the Department of Justice does not have people with sufficient ability to convict, let us get one which can.

Give it the necessary funds and learn whether the crooked bosses or the Congress is writing legislation, whether the Justice Department is giving the people equal justice under law.

The CHAIRMAN. The question is on the preferential motion offered by the

gentleman from Michigan [Mr. HOFFMAN].

The motion was rejected.

Mr. HALPERN. Mr. Chairman, I move to strike out the last word.

I would like to direct the attention of the chairman of the Housing Subcommitte to section 102(d) of S. 57. This is the section which amends section 203(c) of the National Housing Act by authorizing the Commissioner to fix a premium charge for insurance at not less than 1 percent and not more than one-quarter of 1 percent of the principal mortgage obligation outstanding at one time.

There is a point which I am uncertain about in this section and which I would like to clear up. My inquiry is one in respect to clarification. I do not intend to offer an amendment.

My question of clarification relates to the application of section 102(d) of the Housing Act of 1959.

The section includes cooperative housing mortgages executed pursuant to section 213 of the National Housing Act, and I am not certain whether the provisions of section 102(d) cover both 213 co-op mortgages executed after the date of enactment of the Housing Act of 1959 and section 213 mortgages executed prior to the date of enactment of the bill.

I feel that there are persuasive reasons for its application to existing co-op mortgages. Since their inclusion in the Housing Insurance Fund in 1950, 213 co-op mortgages have built up an exceedingly favorable insurance-loss experience, losses to the fund totaling only about $30,000 in the 9-year period. This is about one-third of 1 percent of the surplus which they have contributed to the fund.

In addition, since the rate of co-op insurance premium is not a matter of contract between the mortgagors and the mortgagees it can be changed by statute.

The outstanding experience of the existing 213's deserves to be rewarded by extending the proposed new insurance minimum to them. Cooperative housing—middle-income housing—is tremendously important to inhabitants of areas of high-cost housing. These are owner-occupied dwellings which receive the care devoted by owners of individual homes to their own residences. Equity and justice would indicate that owners of existing 213 co-ops receive the benefits of their own very favorable insurance-loss experience.

Mr. Chairman, in view of this record, which certainly justifies it, and in view of the uncertainty regarding the application of the provision, would it be your opinion that the minimum insurance rate provision of section 102(d) of the Housing Act of 1959 applies to 213 co-op mortgages executed prior to the passage of the act?

Mr. RAINS. The simple truth is that the section which the gentleman mentions has been mentioned to me by several members of the committee since we wrote the bill. The answer is "Yes, with certain qualifications," the qualifications being that it could not apply to that part of the mortgage where it would be retroactive and could not apply if the mortgage was in anywise in default and could only apply to the parties mentioned in this particular bill. So, the answer to the gentleman's question is "Yes."

Mr. HALPERN. I thank the gentleman.

Mr. POWELL. Mr. Chairman, I offer two amendments and ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. POWELL: Page 19, after line 4, add the following new subsection:

"(d) Subsection (d)(4) of section 220 of such Act is amended by adding at the end thereof the following new sentence: 'Property covered by a mortgage coming within the provisions of paragraph (3)(B) of this subsection may include such commercial facilities as the Commissioner deems adequate to serve the occupants.'"

Page 51, insert "(a)" after "SEC. 408." in line 5 and insert after line 24 the following new subsection:

"(b) Section 110(c) of such Act is further amended by adding at the end thereof the following new paragraph:

"'Notwithstanding any other provision of this title, commercial establishments existing in an urban renewal area after its development or redevelopment with assistance extended under this title shall, insofar as practicable, be of the same average size (in terms of square feet of commercially utilized floor space) and type as those which existed in such area before the commencement of the project; and the owners and proprietors of the commercial establishments which existed in such area before the commencement of the project shall, under regulations prescribed by the Administrator, be afforded a priority of opportunity to purchase or rent the commercial establishments existing in such area after its development or redevelopment.'"

Mr. POWELL. Mr. Chairman, these are antidiscrimination amendments, but they are not based upon race, creed, or color. They are based upon discrimination against the small businessman. Those of us who come from the large cities find that when slum clearance takes place, large numbers of small businesses are dislocated, and under existing law, when we do build public housing, there is no provision to put stores in public housing. Area after area in my city covered by new housing projects has no local stores. The chain stores move in. How do they get in? They get in by the builder applying to a private lending corporation, such as a bank or insurance company, and they cannot get these loans from the banks or insurance companies unless they submit to the officials a list of the prospective tenants. And, these prospective tenants, as is indicated by a tour of any big city, are the large chains. These amendments do not discriminate against the entrance of the large chains, but they do guarantee that the small-business man, who is being discriminated against everywhere, shall have priority in going into the project. I feel that these are very justified amendments. I feel that this is a very good step; it takes a very good step toward the solution of our small business that the gentleman from Texas [Mr. PATMAN] and my colleague the gentleman from California [Mr. ROOSEVELT] have been working on so assiduously.

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. POWELL. I yield to the gentleman from Tennessee.

Mr. BASS of Tennessee. Does the amendment intend to restrict the sale of land under the urban renewal program to prior owners of commercial business in the area?

Mr. POWELL. No; it does not. It merely allows the public housing projects to now have stores in them. And those men and women who have been dislocated by virtue of slum clearance projects shall have priority in going into these stores.

Mr. BASS of Tennessee. This is in public housing areas, not in urban redevelopment?

Mr. POWELL. That is right.

Mr. MACHROWICZ. Mr. Chairman, will the gentleman yield?

Mr. POWELL. I yield to the gentleman from Michigan.

Mr. MACHROWICZ. Will the gentleman advise me whether his amendment has been submitted to the committee and considered by the committee?

Mr. POWELL. No. I was asked that by the gentleman from Texas just yesterday. I told him that I did not even think of this until over the weekend and I did not have it prepared until Monday. The idea did not even come to me until Friday, to be frank.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. POWELL. I yield.

Mr. PATMAN. I believe there was a misstatement. This is in the urban renewal section, is it not?

Mr. POWELL. Yes; that is right.

Mr. BASS of Tennessee. Then the gentleman's answer to my question should be the opposite of what he said.

Mr. POWELL. That is correct; I stand corrected.

Mr. BASS of Tennessee. In such a case as this it would mean that before an urban renewal site could be resold, priority would go to people formerly located in the area, with the same amount of floorspace as they had before?

Mr. POWELL. Insofar as practical, under rules promulgated by the Commissioner.

Mr. BASS of Tennessee. The gentleman's amendment would be entirely too restrictive for the proper redevelopment of a new area that is growing to serve the community.

Mr. POWELL. It does not limit it, however, to just the original proprietors and storekeepers. It opens it to others, but gives priority to the small businessman. It does not limit it except to small business.

Mr. SANTANGELO. Mr. Chairman, will the gentleman yield?

Mr. POWELL. I yield.

Mr. SANTANGELO. Mr. Chairman, I want to commend the gentleman on his amendment. Coming from an adjoining district to the north, I have seen in these public housing projects and some of the

urban renewals cases of men who had developed goodwill for their stores, who had invested $50,000 to $100,000 in some of their stores, who were suddenly dislocated and thrown out, without getting any payment whatsoever from the city housing authority or any other condemnation group. All they could get out of it would be something for their fixtures. Then when the building comes back, those people do not have the opportunity to continue in their business. They must relocate elsewhere. They have lost their goodwill.

The gentleman's amendment would give these merchants who have developed in a community the opportunity to come back and continue to receive the benefits of the goodwill which they had before they were dislocated.

Mr. RAINS. Mr. Chairman, I rise in opposition to the amendments. In the first place, these are extremely far-reaching amendments. They sound innocent, as though they might not do any harm. But this would mean that the city planners, those in charge, would be completely hamstrung in the development of any particular area. The simple truth of the business is that urban renewal is one area of housing that is extremely complicated. It needs to be studied. I am talking about the legislation that surrounds it. It needs to be studied carefully by the Housing Committee and we have decided that once this session is over we in the committee shall conduct a full study of all the urban renewal housing acts.

For that reason, Mr. Chairman, I sincerely trust that these two amendments, which are very far reaching, will not be adopted at least until we take the time to see what effect they actually would have on an overall city planning urban renewal program.

Mr. Chairman, I hope the amendments will be defeated.

SMALL BUSINESS

Mr. PATMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am very much interested in the amendment offered by the gentleman from New York [Mr. POWELL]. I think he has rendered a great public service in presenting the subject to the House.

I am personally not ready to vote for the amendments because I do not think sufficient committee consideration has been given them. There are so many problems involved. The phrase "insofar as practicable" makes it rather flexible, but I do not know whether it is flexible enough. There are several things in the amendment that I think need more consideration. For that reason I am not ready to vote for it. But I am for something along this line, for the principle.

Every Member of this House has received complaints from small businessmen to the effect that they were unable to get a lease in certain projects. There is usually one reason for that. The people who are building these huge projects are required to get a large amount of money in the market and they get it usually through some bank or financial institution. Many of the financial institutions today have branches, lots of them, and are in holding companies. They have interlocking directorates. They have so many interests that in nearly all these projects, when it comes to the time of submitting a plan, such as that which the gentleman from New York has suggested, if that plan does not have as lessees the national corporate chains—and they too have interlocking connections with these financial institutions—they demand it, and I do not know of any case where they fail. They have more power and they can do more. They have the advantage of the little man. I think it is a terrific problem. It involves small business all over the Nation.

Something should be done about it. We have these huge banking mergers like J. P. Morgan and Guaranty Trust. That is where each of them has dozens and dozens of interlocking connections with all kinds of different firms including chain stores and food firms and businesses like that. Whenever they can consolidate, they double their power and whenever they merge, they get bigger. So this is a problem that should recieve a great deal of careful consideration. I am grateful to the gentleman from New York for bringing it before the committee at this time although I am not ready to vote for it because I feel we should give it more consideration. I certainly think it should be given consideration and I am personally going to see that everything is done within my power in the Committee on Small Business and the Committee on Banking and Currency and any other committee where I have membership and any power, influence, jurisdiction, vote or voice because this is a big problem and it should be settled as quickly as possible.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. ROOSEVELT. May I ask the chairman of the subcommittee [Mr. RAINS], if I understood him correctly, to say that it is his assurance to us that his investigation will specifically take up the problem presented by the gentleman from New York [Mr. POWELL]?

Mr. RAINS. The answer to that is yes because the problem is of paramount concern to small business. The problem of goodwill that was mentioned by the gentleman from New York is one that has given the committee a great deal of concern. Yet, it is not a problem that is easy to solve. You just cannot set a certain limitation on goodwill and make it fit in this place or that. So the Housing Subcommittee is not ready to present any definite answers because we do not have sufficient evidence and experience upon which to base the answers. But, I say to the gentleman from California and to the gentleman from New York, specifically, that we will look into it.

Mr. ROOSEVELT. I thank the gentleman.

Mr. DERWINSKI. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I think the question at issue here is not so much at the moment whether the Housing Subcommittee has given any thought to the problem. We have a principle at stake here. We are aware that we are told we should debate this housing bill in general and we are told, please, do not bring up this situation and let us not discuss it because it is much too complex for the ordinary man, but that the Housing Subcommittee with its genius will solve the problem. I am told that this happens year after year, and yet the genius of the members of the Housing Subcommittee still has not solved the housing problem of the country. The gentleman from New York [Mr. POWELL] has offered an excellent amendment because it is based upon a sound principle. One of the things we have a knowledge of and which we have recognized and are well aware of, whether definitely or not, is in the urban renewal program is that in too many cases the poor unfortunate resident who is pointed at as being the person to be helped by urban renewal developments finds himself displaced and living in another slum and new people are brought in to live in the brandnew urban renewal development so that we are not helping the people who are supposedly to be helped by any program of this type. If we are to follow principles, then as good a point as any to start to follow principle is now. The basic principle being that the man who is to be evicted and forced to move from an area and who is being forced out, whether he be an individual resident or small businessman, should have a priority and protection so far as moving back into the area either as a resident or as a businessman. If we want to keep with principle, then this is the very point that we should start as a foundation.

Mr. RAINS. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield.

Mr. RAINS. The gentleman talks as though he believes the thing to do is to clear out the slums and then move the same slum situation back in the area.

Mr. DERWINSKI. No; I am referring to the people who are forced to move out and should be given priority to move back into the area.

Mr. RAINS. I do not profess to be a genius on the committee except I must say that when you are trying to investigate and look into a problem as big as this problem is, somebody ought to hear some testimony from someone as to what the situation actually is. Has the gentleman himself had any practical experience in the matter?

Mr. DERWINSKI. The point here is not whether we are going to cut off testimony. The point is that we should agree on a principle. We are concerned with the principle involved. I am not arguing over whether you may have to give 1 year or 10 years of serious study to this problem, but I am concerned with the acceptance of the principle involved—the principle being that if a man is a resident in a slum area or if a man is a small businessman in a slum area and if we feel we have to improve his standard of living, we should see to it that when we have finished this urban renewal project, this individual or this small business who was the original subject of our

concern has a better standard of living as a result of our action in spending the taxpayers' dollars.

Mr. RAINS. Of course, that is the end and aim that we have in mind, as the gentleman knows, so far as urban renewal is concerned, but if you are going to hamstring those who have to work out the program by setting aside specific spaces, as I see it, or to rebuild specific types of buildings in size and so forth, you would be inviting back the same kind of situation that you had to begin with. So the end and the aim being an overall urban renewal plan, do you not think that we should first of all consider whether it would fit into the plan to remove the blight conditions and so forth?

Mr. DERWINSKI. May I point out to the gentleman from Alabama that we are speaking or going in two different directions. All I would like to have noted for the RECORD is that the principle involved is the important thing. If the urban renewal program and if the principle involved in it is sound, I do not see how we can refuse to accept this principle if we are to help someone who is supposed to be the object of our original concern, and this amendment that we are now speaking about is as sound in principle as we could have, and I think it should be supported.

The CHAIRMAN. The time of the gentleman has expired.

Mr. McDONOUGH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in reference to this question of returning the people who are displaced in urban renewal projects, it occurred to me that the committee bill has a section reserved for public housing units which provides for replacing the same people in the area they were in before.

Mr. POWELL. Mr. Chairman, will the gentleman yield?

Mr. McDONOUGH. I yield.

Mr. POWELL. The gentleman is exactly correct. We do allow the tenants priority to return to public housing, and that is one of the things that inspired me to write this amendment that we ought to give the same priority to the men and women who had commercial establishments.

Mr. McDONOUGH. I suggest the thought to the Chairman of the committee that he at least indicate whether if we bring back the same people who were there before, we not create the same slums that were there previously? The question then is whether slums are people or whether it is the condition of the buildings in the area that creates the slums. You cannot say it is the people there; it is the condition of the buildings that creates the slums.

Mr. RAINS. Mr. Chairman, will the gentleman yield?

Mr. McDONOUGH. I yield.

Mr. RAINS. The bill has a section in it, does it not, providing they can go back into urban housing, public housing, that certain urban renewal land can be used for public housing space? I point out to the gentleman that the amount of public housing is small. The bill provides for only 35 units a year for 4 years in this country, and I am sure the gentleman thinks that is much too much. Where you take 166,000 people as families, as we are doing, you cannot put them all back in public housing.

Mr. McDONOUGH. I do not agree.

Mr. RAINS. I think the gentleman will agree with me that a subject as complex as this certainly needs more study.

Mr. McDONOUGH. We are displacing certain people in the development of these areas where they have built up their homes and built up their businesses. We are taking away from them the goodwill of the business that they operate when we take out of the area the people who patronize them and put in new people to occupy the same area.

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. McDONOUGH. I yield.

Mr. BASS of Tennessee. But is it not a fact that at the same time you displace a commercial enterprise you are taking away the customers who made up his goodwill? So I do not see where the element of goodwill enters into it in such circumstances.

Mr. McDONOUGH. You would not be taking his customers away if you gave them an opportunity to return.

Mr. BASS of Tennessee. But we do not give them the opportunity to return.

Mr. McDONOUGH. This amendment gives them this priority.

Mr. BASS of Tennessee. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, without belaboring the Committee and taking too much time, I would like to rise in opposition to the amendment.

Before coming to the Congress I served as commissioner of public housing, served as president of the public housing officials in the State of Tennessee, and I happen to have some basic knowledge of the intricate problems involved in reselling a redevelopment area under this program. I know the financial difficulties involved as I foresee the deterioration of the property after it has been reclaimed and the reduction in the price that will be received on the reclaimed property under the urban renewal program.

As to the matter of replacing commercial business in an area that has been cleared out by the Government, while that has been the subject of study under the direction of the chairman of the subcommittee, we should spend more time in the study and development of this sort of problem before this committee decides on it.

I recommend that the amendment be voted down.

Mr. SANTANGELO. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I support this amendment and I would like to point out to the body that there is no study required because the people who administer the public housing program are putting in stores, but the stores they are putting into the projects are the big chainstores. What this amendment will accomplish will be a direction to the administrators that they are to take back the small business people who have been dislocated and who have been forced to move. They have lost their goodwill, they have lost their earning power when they are forced to go elsewhere. Sometimes they are unable to establish a new business. This amendment will be a direction to the Administrator that instead of preferring the chainstores, the large chainstores which have the money, they shall give priority to those storeowners who have suffered economic losses and their business by reason of being displaced.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. SANTANGELO. I yield to the gentleman from California.

Mr. ROOSEVELT. I call the attention of the gentleman and the Committee to the report made in 1958 by the House Small Business Committee under the chairmanship of the gentleman from Texas which spells out the interlocking directorates of these big stores and those financial institutions which organize these projects. The same people who are doing the financing control the giving of the franchises. I heartily concur in what the gentleman said and I hope he will read that committee report.

Mr. POWELL. Mr. Chairman, will the gentleman yield?

Mr. SANTANGELO. I yield to the gentleman from New York.

Mr. POWELL. I am happy that this amendment has caused this discussion. I would like to thank the gentlemen from Illinois, California, and New York for their support.

But with the promise of the chairman of the Small Business Committee, our colleague from Texas, and I am sure with the promise of our subcommittee chairman, the gentleman from Alabama [Mr. RAINS], this question will be explored. I would like to ask unanimous consent to withdraw these amendments now and to insert them later, either this week or next, in the form of a bill.

Mr. SANTANGELO. Recognizing the sincerity of the chairman of the Housing Committee and also the gentleman from Texas, I have no objection to the withdrawal.

Mr. POWELL. Mr. Chairman, I ask unanimous consent to withdraw the amendments.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FARBSTEIN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, in connection with the matter of stores, I would recommend very highly to the committee that inasmuch as I do not believe there is any provision in the public housing law for stores some provision be made to cover that situation because today when public housing is built it has been found necessary for those people who reside within the public housing areas very often to walk six or eight blocks in order to buy their necessities of life. So I would recommend that they consider very closely the question of making provision in the public housing law for the location of commercial establishments within public housing.

The Clerk read as follows:

TITLE II—HOUSING FOR ELDERLY PERSONS

SEC. 201. (a) The purpose of this title is to assist private nonprofit corporations to pro-

vide housing and related facilities for elderly families and elderly persons.

(b) In order to carry out the purpose of this title, the Administrator may make loans to any corporation (as defined in section 204(2)) for the provision of rental housing and related facilities for elderly families and elderly persons, except that (1) no such loan shall be made unless the corporation shows that it is unable to secure the necessary funds from other sources upon terms and conditions equally as favorable as the terms and conditions applicable to loans under this title, and (2) no such loans shall be made unless the Administrator finds that the construction will be undertaken in an economical manner, and that it will not be of elaborate or extravagant design or materials.

(c) A loan to a corporation under this title may be in an amount not exceeding 98 per centum of the total development cost (as defined in section 204(3)), as determined by the Administrator; shall be secured in such manner and be repaid within such period, not exceeding fifty years, as may be determined by him; and shall bear interest at a rate determined by him which shall be not more than 3½ per centum per annum.

(d) There is authorized to be appropriated not to exceed $100,000,000, which shall constitute a revolving fund to be used by the Administrator in carrying out this title. The amount outstanding from such fund at any one time for related facilities (as defined in section 204(8)) shall not exceed $10,000,000.

SEC. 202. In the performance of, and with respect to, the functions, powers, and duties vested in him by this title the Administrator shall (in addition to any authority otherwise vested in him) have the functions, powers, and duties set forth in section 402 (except subsection (c)(2)) of the Housing Act of 1950.

SEC. 203. (a) Housing constructed with a loan made under this title shall not be used for transient or hotel purposes while such loan is outstanding.

(b) As used in subsection (a), the term "transient or hotel purposes" shall have such meaning as may be prescribed by the Administrator, but rental for any period less than thirty days shall in any event constitute use for such purposes. The provisions of subsections (f) through (j) of section 513 of the National Housing Act (as added by section 132 of the Housing Act of 1954) shall apply in the case of violations of subsection (a) as though the housing described in such subsection were multifamily housing (as defined in section 513(e)(2) of the National Housing Act) with respect to which a mortgage is insured under such Act, except that for purposes of this section the Administrator shall perform the functions vested in the Commissioner by such section 513.

(c) The Administrator shall take such action as may be necessary to ensure that all laborers and mechanics employed by contractors and subcontractors in the construction of housing assisted under this title shall be paid wages at rates not less than those prevailing in the locality involved for the corresponding classes of laborers and mechanics employed on construction of a similar character, as determined by the Secretary of Labor in accordance with the Act of March 3, 1931, as amended (the Davis-Bacon Act); but the Administrator may waive the application of this subsection in cases or classes of cases where laborers or mechanics, not otherwise employed at any time in the construction of such housing, voluntarily donate their services without full compensation for the purpose of lowering the costs of construction and the Administrator determines that any amounts saved thereby are fully credited to the corporation undertaking the construction.

SEC. 204. As used in this title—

(1) The term "housing" means (A) new structures suitable for dwelling use by elderly families and new structures suitable for such use by one or more elderly persons, and (B) dwelling facilities provided by rehabilitation, alteration, conversion, or improvement of existing structures which are otherwise inadequate for proposed dwelling use by such families and persons.

(2) The term "corporation" means any incorporated private institution or foundation no part of the net earnings of which inures to the benefit of any private shareholder, contributor, or individual, if such institution or foundation is approved by the Administrator as to financial responsibility.

(3) The term "development cost" means costs of construction of housing and of other related facilities, and of the land on which it is located, including necessary site improvement.

(4) The term "elderly families" means families the head of which (or his spouse) is sixty-two years of age or over; and the term "elderly persons" means persons who are sixty-two years of age or over. The Administrator shall prescribe such regulations as may be necessary to prevent abuses in determining, under the definitions contained in this paragraph, the eligibility of families and persons for admission to and occupancy of housing constructed with assistance under this title.

(5) The term "State" includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the Territories and possessions of the United States.

(6) The term "Administrator" means the Housing and Home Finance Administrator.

(7) The term "construction" means erection of new structures, or rehabilitation, alteration, conversion, or improvement of existing structures.

(8) The term "related facilities" means (A) new structure suitable for use as cafeterias or dining halls, community rooms or building, or infirmaries or other inpatient or outpatient health facilities, or for other essential service facilities, and (B) structures suitable for the above uses provided by rehabilitation, alteration, conversion, or improvement of existing structures which are otherwise inadequate for such uses.

Mr. RAINS (interrupting reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of title II be dispensed with and that it be open for amendment at any point.

Mr. HALLECK. Is that title II?

Mr. RAINS. Title II only.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read as follows:

TITLE III—FEDERAL NATIONAL MORTGAGE ASSOCIATION

SEC. 301. Section 302(b) of the National Housing Act is amended by striking out "exceeds or exceeded $15,000 for each family residence or dwelling unit covered by the mortgage" and inserting in lieu thereof "exceeds or exceeded, for each family residence or dwelling unit covered by the mortgage, $18,000 in the case of a mortgage to be purchased under section 304 or $17,500 in the case of a mortgage to be purchased under section 305".

Mr. THOMAS. Mr. Chairman, I offer an amendment. I have several amendments to titles III, IV, V, and VI, and I ask unanimous consent that they be considered en bloc. I will send the amendments to the desk.

All they do is to change the method of financing, change it from what is commonly called the back door method to direct appropriations. When it comes to the dollar amounts of the authorizations, the authorization is not varied up or down 1 cent, it is just exactly like the committee wrote it. The only change that these amendments make in the four titles is in the method. The method is changed from Treasury authorization to direct appropriations.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas [Mr. THOMAS]?

Mr. MASON. Mr. Chairman, reserving the right to object, does that mean, then, that the whole bill is open for amendment?

The CHAIRMAN. No. It only refers to these four amendments which will be considered together. The title that is being amended now is title III.

Mr. MASON. Mr. Chairman, these refer to titles III, IV, and V?

Mr. THOMAS. That is correct. It refers only to financing, I may say to the gentleman.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Clerk will report the amendments offered by the gentleman from Texas [Mr. THOMAS].

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. THOMAS: On page 123, strike out "by" in line 19 and all that follows down through the end of line 22, and insert in lieu thereof the following: "by such amounts, not exceeding $75 million, as may be specified from time to time in appropriation Acts."

On page 123, strike out "by" in line 25 and all that follows down through the end of line 2 on page 124, and insert in lieu thereof the following: "by such amounts, not exceeding $7,500,000, as may be specified from time to time in appropriation Acts."

On page 124, strike out lines 3 through 13 and insert in lieu thereof the following:

"(3) by striking out 'a consumer cooperative, and (2)' and inserting in lieu thereof the following: 'a consumer cooperative, which amount shall be increased by such amounts, not exceeding $37,500,000, as may be specified from time to time in appropriation Acts, (2) of the total amount of advance commitment contracts and purchase transactions authorized by this subsection, such amounts not exceeding $37,500,000 as may be specified from time to time in appropriation Acts shall be available solely for commitments or purchases of mortgages where the cooperative involved is a builder-sponsor cooperative, and (3); and".

On page 124, strike out lines 19 through 21 and insert in lieu thereof the following: "such amounts, not exceeding $7,500,000, as may be specified from time to time in appriation Acts."

On page 131, strike out lines 12 through 21 and insert in lieu thereof the following:

"(1) by inserting after the first sentence of subsection (b) the following new sentence: 'In addition to amounts otherwise authorized to be appropriated for such purpose, there are authorized to be appropriated for the purpose of making contracts, after appropriations therefor, for grants with respect to projects or programs assisted under this title, the sum of $1,000,000,000 for the period ending June 30, 1960, and the sum of $500,000,000 for the fiscal year 1961; and

any such sums so appropriated shall remain available until expended."

On page 147, strike out lines 21 through 25 and insert in lieu thereof the following:

"SEC. 501. Section 401(d) of the Housing Act of 1950 is amended—

"(1) by inserting after '$925,000,000' the following: ', which limit shall be increased by such amounts, not exceeding $40,000,000, as may be specified from time to time in appropriation Acts';

"(2) by inserting after '$100,000,000' the following: ', which limit shall be increased by such amounts, not exceeding $40,000,000, as may be specified from time to time in appropriation Acts'; and

"(3) by inserting after '$25,000,000' the following: ', which limit shall be increased by such amounts, not exceeding $40,000,000, as may be specified from time to time in appropriation Acts'."

On page 152, after the period in line 14 insert the following new sentence: "Notwithstanding the authorization contained in the preceding sentence or in any other provision of this Act, no contract for annual contributions which binds the Government to pay out money for subsidized housing units shall be entered into after the date of the enactment of the Housing Act of 1959 unless at least the full amount of the contributions required for the first year of occupancy under such contract shall theretofore have been provided in appropriation Acts enacted after the date of the enactment of the Housing Act of 1959."

Mr. THOMAS. Mr. Chairman, none of these amendments vary the bill upward or downward. It does not change the present bill by one penny. I want to make that clear. Incidentally, I told our able and genial chairman, the gentleman from Alabama [Mr. RAINS], this morning that I would offer these amendments. As I stated a while ago, these amendments deal with four subjects: one, FNMA, that is, the Federal National Mortgage Association, to the tune of $75 million. The next one is $1.5 billion for urban renewal. The next one is $400 million for college housing, and the next one, in round figures again, is the tidy little sum of $2 billion for public housing.

So, my colleagues, you are considering here en bloc purely the method of financing these four programs to the tune of $4 billion. As the committee bill now stands, you, and you, and you, every Member of this Congress, has given away the rights of your people. You have absolutely given away the rights of your people to control the purse strings.

Mr. HOFFMAN of Michigan. Mr. Chairman, I make a point of order against the gentleman's talk.

The CHAIRMAN. The gentleman will state the point of order.

Mr. HOFFMAN of Michigan. Well, he says, "You; every one of us." Now, he cannot say that of me.

Mr. THOMAS. The gentleman is right. I hope he is going to vote with us. Well, you do not have to take that too literally.

Mr. HOFFMAN of Michigan. I do not object, really.

Mr. THOMAS. I do not want to put anybody on the spot, but I mean the bill has given away the rights of the Members of Congress to control the purse strings to the tune of $4 billion.

Now, who is going to spend this money? Not a single person who has ever been voted upon by the people will spend this money. Do not say that the President is going to spend it, because the President has too much to think about. It is going to be someone appointed in the various bureaus.

I suggest to you that now is a good time to recoup the authority that the people back home who elected you think that we have, and who think that we are going to represent them.

Virtually what this bill does is this. It gives away control of the purse strings to the tune of $4 billion.

I do hope that these amendments are voted up. They are sound, they are sensible. And then on an annual basis this Congress, the membership of this body, as well as the body at the other end of the Capitol, can pass upon these funds.

Mr. Chairman, these are sensible amendments and it is high time that they be voted up.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I am delighted to yield to my distinguished friend from Michigan.

Mr. HOFFMAN of Michigan. What the gentleman says is probably true.

Mr. THOMAS. Not "probably"; it is true, I will say to my distinguished friend. But please go ahead.

Mr. HOFFMAN of Michigan. The Congress has; but who has been in control of the Congress? The gentleman's party. The gentleman cannot charge that to the Republicans, he knows that.

Mr. THOMAS. Charge it to me, if the gentleman wishes. I am doing my best to rectify this situation and I hope the gentleman will help me.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman.

Mr. McDONOUGH. I understand the gentleman's amendment as it particularly applies to urban renewal, and in the bill there is a provision for $500 million for each year for the next 3 years.

Mr. THOMAS. That is the $1.5 billion that I referred to.

Mr. McDONOUGH. That is right. If the bureau downtown makes commitments to cities for urban renewal to the extent of the total amount for the next 14 months, the hands of the Appropriations Committee are tied, are they not?

Mr. THOMAS. The gentleman is right. In other words, the present authorization is not touched. We do not attempt to do that. That would not be right.

Mr. Chairman, I ask for a vote.

Mr. RAINS. Mr. Chairman, I rise in opposition to the amendment.

You know, Mr. Chairman, when I heard my distinguished friend—and I love AL THOMAS—say "I ask for a vote," and when he was referring to this as just a little, simple amendment, it reminded me of what happened in Alabama one time. I was out on a fishing bank fishing, and saw a little, teeny boy, and he had a fish about that long. That fish was just wiggling and wiggling and wiggling and the little boy said, "Hold still, little fish, I ain't going to do nothing to you except gut you."

What my good friend from Texas offers here would not do anything to housing, but just a minute, once you set the pattern, you have done something. It would not do anything to the housing programs except defeat them, that is all. Some people here may think that would be a good thing.

But I cannot help thinking—and I am looking squarely at my farm friends from the Deep South—and I am one of them, too—just how they would feel about the Commodity Credit Corporation; or just exactly how they would feel about REA; how would they feel about many, many programs—and that includes tobacco in North Carolina under the Commodity Credit Corporation—just how would they feel if we were to cut off the help that has been coming these many years through a public-debt transaction?

Mr. Chairman, I hope the gentleman from Texas does not leave. A friend of mine just handed me a speech that he made on May 18. You know, somebody once said that the best thing to do is never to write a book, and I found out that the best thing to do is never to make a speech, especially if they record it. Now this is what happened on May 18 when we had the space bill up. The gentleman from California [Mr. SISK] had the floor and he yielded to Mr. THOMAS. He said:

I will ask my distinguished friend from California—

You must remember that he had offered a similar type legislation, not quite as hamstringing—

if it is not a fact that the only purpose this language can have—it is brand new language—we do not have it in any other bill outside of this space bill and we have been spending $40 billion a year without it—is to hamstring the administrator?

And the distinguished gentleman from Texas continued:

It is bound to slow him up, and if time is of the essence that is the way to slow him up 3 to 4 months out of each year.

You know if you are going to slow up missiles, and you will no matter what you tack this on, you are going to slow up the program and if it is not good for space, why we have to have houses before we can fly around the moon. We have to have houses before we can have space travel. So we come up here with an amendment aimed at housing and housing only.

Mr. TEAGUE of Texas. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield.

Mr. TEAGUE of Texas. I am sure that if this amendment is adopted, the next step will be a direct loan housing program for the veterans, and I certainly hope this amendment is defeated.

Mr. RAINS. The gentleman from Texas who is the distinguished chairman of the Committee on Veterans' Affairs knows that that is correct, and that it would be in the orderly process of things to fasten it on to every single bill. What I wish we could do would be to

once and for all to bring House Joint Resolution 161 out of the Committee on Rules and lay it on the floor of the House and let us get this bugbear over once and for all instead of just slipping it in and letting it go by and I am looking right in the eye of the distinguished chairman of the Committee on Rules whom I love, but he did not hear me complain about that $4½ billion public debt transaction and how fast it went through the Committee on Rules. So I say to you that we are here at the meat in the coconut and we are picking out housing including the old folks, the poor folks, the college boys and girls and everybody in America, the slum people and we fasten it on that—and it is a bad idea, I will say to my distinguished friend.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. THOMAS. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 2 additional minutes.

Mr. MASON. Mr. Chairman, I must object.

Mr. GARY. Mr. Chairman, I move to strike out the last word and rise in support of the amendment.

Mr. Chairman, what this amendment will do is to stop the backdoor approach to the Treasury of the United States. We are today giving various Government agencies authority to borrow billions of dollars through the Treasury of the United States and to spend those billions of dollars without adequate control by the Congress of the United States. I, for one, Mr. Chairman, certainly believe in human values, but I believe the human values in the United States are absolutely dependent upon a sound fiscal system. If you do not believe it, think back to 1929 when our economy collapsed and money values in this country took a tumble. We did not talk about houses then. Human beings were standing in breadlines holding out their hands for bread. Men and women were standing on street corners of our cities selling apples to try to get money to buy the necessities of life. I am not a prophet of doom because I do not believe there is any necessity for a situation of that kind ever to occur in this country again. But I do want to tell you this, that there are clouds on the horizon today that should cause us to stop, look, and listen. The Treasury is having difficulty today financing the bonds authorized by these backdoor bills. It is a matter of common knowledge that the interest rates have increased tremendously which is increasing the expenditures of our Government. Furthermore, even with the increased interest rates, recently the Treasury had trouble in financing one of its bond issues. If the people of the United States stop buying these bonds, then where are your human values going? They are going down the drain just as they did in 1929.

I remember very distinctly before the economic collapse of 1929, a very famous Virginian, the Honorable Carter Glass, on several occasions issued warnings. They laughed at him. His own people were talking about defeating him for the Senate because he had the courage to stand up and tell them what might happen. But it did happen just as he had predicted.

I certainly am not making any predictions today, but I am saying to you that we should take warning from the difficulties which the Treasury Department has experienced in its recent efforts to finance the Federal debt.

We as Members of the Congress should not surrender our right to control the expenditures for the various purposes for which we provide money. It has been said that this amendment will gut the program. I say emphatically it will not gut the program. We are proposing that this program be handled exactly like the $40 billion defense program. It has not gutted that. We are proposing that it be handled exactly as the $4 billion foreign aid program. It has not gutted that, why should it gut this housing program?

A proposal was made the other day—I have before me a copy of the CONGRESSIONAL RECORD containing proposed amendments to be offered in the other body to the foreign aid bill. And what do they propose? They propose that we give the Development Loan Fund the right to borrow from the United States Treasury a billion and a half a year for 5 years to lend to other countries. If we keep that up who knows where this country will end.

Mr. McDONOUGH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I appreciate the concern that the chairman of the Subcommittee on Housing expressed a moment ago. His concern is whether this is going to slow down the program on housing. But the new bill, the one that is now under consideration, provides authorization of $100 million for elderly housing. In other words, if he talks about slowing down the construction of housing in other respects, that has actually provided for the slowing down of the elderly housing feature in this bill. The substitute that we voted down a moment ago had no limitation and did not require authorization for elderly housing. That is a contradiction of his own statement.

Mr. THOMAS. Mr. Chairman, will the gentleman yield briefly?

Mr. McDONOUGH. I yield.

Mr. THOMAS. I am afraid our distinguished friend from Alabama is a little bit confused about the Space Agency. It has not the slightest connection with the subject under consideration. The point involved was that in providing funds for the Space Agency the legislation authorized all the details of how they should spend this money, every quarter, every penny that they spend. This program is being authorized now; it cannot slow it up in the slightest. All you are dealing with is the method of how they get money, whether they come up here to the Congress to get it or get it from the Treasury.

My friend the gentleman from Texas [Mr. TEAGUE] is also confused a little bit. The program of lending to veterans has been going on for years and nobody has ever attempted to cut it, and certainly there is no intention of cutting it.

Mr. McDONOUGH. I think the committee ought to realize that any cut we authorize in the committee bill we have under consideration certainly applies to the elderly housing section. I wanted to bring that point out. I wanted to make the point when the gentleman was on the floor. If he feels that the amendment of the gentleman from Texas is proper he should then proceed to amend the section of his own bill to remove the authorization of $100 million for elderly housing.

Mr. ASHLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it seems to me that if the committee is to have the power of life and death over legislation that would result if this amendment is adopted, because the power of the Appropriations Committee has not been greatly enhanced, at least such a committee should be pretty responsive to the electorate of this country; and I think it is worth pointing out that the Appropriations Committee is one of three on which the committee ratio did not change probably in the past election.

What we are being asked to do here, it seems to me, is to delegate the jurisdiction of the legislative committees that are responsive to a committee which is not quite so responsive because it is one of three on which the ratio was not changed.

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from California.

Mr. SISK. I simply want to call the Committee's attention to a rather long series of programs under the Veterans' Administration that would not have been possible and would not have gone into effect probably under the proposal offered by the gentleman from Texas [Mr. THOMAS].

I further wish to reiterate that in his answer to the gentleman from Alabama [Mr. RAINS] regarding the space program, there is an analogy here. I certainly have a very high regard for the gentlemen of the Appropriations Committee because we are all under the gun when we start criticizing this very powerful committee, but involved there was a controversy in which they felt that the legislative Committee on Science and Astronautics should not have the right to determine what the Space Agency might have in the way of funds and that the Appropriations Committee was the only one that should have anything to say about it. Of course, if we carry that to its ultimate conclusion, we might as well go home and turn the situation over to the Appropriations Committee. I say that with all the kindness in the world toward my good friends on the Appropriations Committee.

Here as some of the things that would not have been possible in connection with the veterans' program and in all probability would not have gone into effect under the amendments which the gentleman from Texas has proposed.

Grants for specially equipped automobiles for disabled veterans.

Compensation for service-connected disabilities for veterans of the Spanish American War, World War I, World War II, and the Korean conflict, and peacetime service.

Compensation for non-service-connected disabilities, World War I, World War II, and Korean conflict.

Hospitalization service for certain veterans of any war or peacetime service.

Domiciliary car service for certain veterans of any war or peacetime.

Outpatient medical treatment for veterans of any war or peacetime service.

Outpatient dental treatment.

Provide feeding or treatment in the use of prosthetics for veterans of any war or peacetime service.

Free medical examination in connection with applications of other Federal benefits.

Furnishing, repairing, or replacing certain aids for blind veterans entitled to service-connected benefits.

GI bill education and training benefits for veterans of World War II and Korea.

Vocational rehabilitation for disabled veterans.

War orphan education assistance program for children of certain disabled veterans.

GI loan program.

Direct loan program.

Grants of assistance for specially adapted wheel chair homes.

Unemployment compensation benefits furnished veterans of World War II and Korea, administered by Department of Labor.

Mustering out payment of World War II and Korean veterans—administered by the service department.

Guarantee of premiums of commercial life insurance for any person now on active duty.

GI life insurance for veterans.

Dependency and indemnity compensation for service-connected debts on or after January 1957.

Compensation for service-connected debts prior to January 1957.

Compensation for non-service-connected debts of wives and children of veterans.

Reimbursement of burial expenses not to exceed $150.

Furnishing burial flags to the veteran's survivors.

Six months death gratuity for survivors of veterans who died on active duty administered by service department.

Furnishing the headstone or grave marker—administered by Department of the Army.

Burial of veterans and immediate members of their families in national cemetery—administered by Department of Army and Interior.

Mr. Chairman, in conclusion may I say that if these amendments are adopted, as proposed by my good friend from Texas, it will represent a backward step in the legislative processes of this great body. I firmly believe it will set a precedent which will destroy many of the programs that are so vital and important to the American people. I fully agree with the statement made by the gentleman from Alabama [Mr. RAINS] that this has to do with an issue which should be faced as a separate problem.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, perhaps an apology should be offered for bringing up this old, old question of the lack of necessity for private homes if the folks cannot use them. A page just brought down from the Press Gallery a release of the National Small Business Association which reads this way:

"Jimmy Hoffa's threat of a nationwide strike if big unions are placed under antitrust laws certainly emphasizes the imperative need for just such action by the Congress if the American people and their economy are to be protected."

So said Harry E. Brinkman, Cincinnati lithographer and president of the National Small Business Men's Association, today in proposing exactly what such legislation should accomplish.

"Essentially, Congress should return control of labor unions, including collective bargaining, to the local unions where it belongs," stated Mr. Brinkman.

He based his proposals on a study of union monopoly power and its needed legal curbs as featured in the National Small Business Men's Association's current issue of the "Small Business Bulletin." The study for the association was made by Washington attorney John Kilcullen, who represented the Commerce Department on the Attorney General's Committee To Study the Antitrust Laws.

Warning that today's monopoly control of the Nation's labor supply in the hands of a few professional managers poses a much greater threat to the Nation's economic welfare and national security than did the industrial trusts of 70 years ago, Mr. Brinkman suggests immediate legislation which would:

1. Prevent centralized control of bargaining policies by national or international unions and return these functions to the local union level. This would limit pattern bargaining directed by a few national union managers.

2. Prohibit strikes and other forms of coercive action carried out by two or more unions as part of a prearranged plan to impose concerted wage demands and other contract conditions on industries affecting interstate commerce and trade.

3. Prohibit union-imposed restrictions on the use of products and improved methods of work performance or price-fixing arrived at through agreement—either voluntary or coerced—with individual members or groups of employers.

4. Allow local unions to continue use of their traditional economic weapons in bargaining for wages and other employment conditions so long as their use is not part of a concerted plan or combination.

Under such legislation, Mr. Brinkman emphasized that unions' traditional economic weapons in support of legitimate union objectives would be fully preserved and protected while the big power combinations of unions would be broken up—just as the big corporate trusts of the 1890's were broken up under antitrust provisions in the Sherman Act.

"And," he added, "union members themselves would be liberated by such antitrust legislation from being treated as commodities to be bought and sold in the marketplace as a means of creating strangling economic power for such professionals as Jimmy Hoffa of the Teamsters Union."

Probably no single segment of the American community, other than the consumer, is more victimized or hard hit by the present labor monopoly than the Nation's 4.3 million small businessmen who watch wage patterns which they must meet—and over which they have no say—bargained out at the national conference tables, Mr. Brinkman emphasized.

"For this reason, and by an overwhelming 97.3 percent 'yes' vote in a grassroots poll of small businessmen just taken, our association is urging that Congress place unions under the jurisdiction of antitrust laws," Mr. Brinkman concluded.

That brings up again the question of who writes legislation. Is it the unions, is it Jimmy Hoffa? And talking about antitrust legislation applying to labor organizations, such legislation was introduced several years ago, and again this year, by me but no attention was paid to it. Perhaps the best thing we could have is just a little sample of the Jimmy Hoffa dictation. Let him call a nationwide transportation strike, do what he said he will do, cut off all transportation. He is the boss. And Jimmy Hoffa has stated he is going to run the country. What does the steel strike amount to compared to what Jimmy can do—'nothing'. And, bless your dear hearts, I cannot determine why the Justice Department does not put him in jail. If they do not get him in jail pretty soon, that is within a year or two he will clean up on Reuther, and that would not make me too unhappy—then we might give our undivided attention to Jimmy. But this transportation strike will hurt everyone. When Jimmy goes into action and cuts off transportation, including with Bridges' aid water transportation, of course, including the ships coming in from other countries, and he cuts off the lights and the water supply including that for drinking—when he cuts that off and refuses to transport food, what will we do about it? Is it not about time to do something definite. This is Hoffa's announcement that he is dictator.

Personally, I hope Hoffa starts in without delay because it will then convince this Congress he has some of the power he says he has. When we cannot get a drink of water, when we cannot turn the lights on, we cannot do anything we must do, when we cannot get the things we must have or do the things that must be done if we are to live, perhaps we will act. It was not too long ago that we had a transportation tie-up right here in Washington. Hoffa will bring about a situation where we cannot get to the office, the gasoline station cannot get gasoline so we can run our automobiles and we have to walk to Congress, our work, shop, office, or place of employment or business, then back home. Then it will be realized maybe that Jimmie is a menace to each of us as an individual as well as a group.

It is just possible that if we read what Kilcullen has to say about the need—as time and again since 1936 I have tried to tell the House—effective legislation will be written and enforced. But read

on. Here is what was written in the May issue of Small Business Bulletin:

WITH LOCAL AUTONOMY GONE AND BARGAINING DEMANDS NOW FORMULATED AT THE NATIONAL LEVEL, LABOR MONOPOLY POWER IN THE HANDS OF PROFESSIONAL MANAGERS TODAY WIELDS A UNIFIED FORCE WITH ALMOST UNLIMITED POWER OVER ALL INDUSTRIES—THAT'S WHY UNREGULATED AND UNCURBED LABOR MONOPOLY THREATENS OUR FREE ECONOMY SYSTEM

The problem of monopoly, which Congress sought to dispose of by enacting the Sherman Act 70 years ago, has reappeared in a form quite as threatening as that in which it appeared during the late stages of the 19th century.

Then it was the monopoly of the large corporations and the industrial trusts. Now it is labor monopoly. The effect is the same—monopoly prices. And the victim is the same—the consumer.

LABOR EVEN MORE THREATENING

In many respects labor monopoly is far more threatening than the business combinations of the last century. It is more extensive and more powerful. And, because labor is the most important element in costs, its effect upon consumer prices is greater.

Where industrial monopolies regulated the prices of only a few commodities, labor monopoly has its impact upon the price of all commodities. Where the business monopolies were limited to certain industries or areas, labor monopoly wields a unified nationwide force with almost unlimited power over all industries.

Most important of all, labor monopoly is gradually undermining the value of money, a process which—unless curbed—can eventually destroy not only economic welfare but national security as well.

Unfortunately, the labor monopoly subject, and what can or should be done about it has been clouded by emotional and irrelevant arguments. As a result, clear understanding of the subject has been lacking. Spokesmen for organized labor insist that the term "monopoly" can be used only in relation to business and commercial functions—that it has no valid applicability to unions or any of their activities.

LABOR CLAIMS IMMUNITY

By reason of this, they argue, it is unrealistic to consider any union activities or practices within the context of the antitrust laws. Let us proceed to examine whether this is true or not.

Monopoly power may be defined as the ability to set prices and outputs of particular commodities and services at levels which are significantly different from those that would be established by the interaction of the forces of supply and demand in a free market.

MONOPOLIST SEEKS SHELTER

In normal circumstances, monopoly power cannot be exercised unless the monopolist is in some way insulated or sheltered from competitive pressures and the checks and balances provided by natural economic forces.

In the case of business firms which manufacture or sell a product, such insulation is difficult to achieve. If they attempt to set or maintain the price of a particular commodity at an artificially high level the consumer will seek, and probably find, a suitable substitute.

Thus would-be monopolists find themselves in control of a product which has no market. To avoid this they must attempt to prevent the entry of rival products or rival businesses into the competitive market. But here they are stymied by the antitrust laws. Any efforts in this direction are prohibited and subject to severe penalties.

Labor unions, on the other hand, are effectively insulated from competitive pressures because those who require a supply of labor cannot find, except in rare instances, a suitable substitute. They have no alternative than to pay the price demanded by the union which supplies or controls the necessary labor.

Further, by virtue of their immunity from the antitrust laws, unions can protect their control over labor supply and labor prices by preventing the introduction of new and cheaper methods or products whose prices are forced up by increased union labor costs.

TEAMSTERS THREATEN TROUBLE

A case in point is the action taken by the Teamsters Union to prevent piggy-back transportation of truck trailers by rail. This method was developed in cooperation between truck lines and railroads to provide lower freight costs where long-haul shipments are involved.

The Teamsters viewed this cheaper method of transportation as a threat to their control of labor supply in the motor freight industry. Accordingly they notified trucking firms that any firm making use of piggy-back arrangements would face labor trouble with the Teamsters.

When a few trucking firms ignored this threat, the union directed its members to refrain from loading the trailers onto the railroad flat cars and engaged in picketing to prevent others from loading the trailers. Efforts to obtain legal relief from this high-handed interference with interstate commerce were rendered futile when the Supreme Court held that the Teamsters' boycott could not be enjoined.

If any business firm or firms in the transportation industry were to attempt to impose any such restraints upon the piggy-back arrangements they would unquestionably be prosecuted under the antitrust laws.

OTHER EXAMPLES CITED

Many examples of similar unions practices can be found in the building construction industry. There, unions have been successful in pushing wages of the bricklayers, plumbers, plasterers and other crafts to a higher point than almost any other group of industrial workers.

To protect these high wage levels the unions have used various devices to keep competitive products and methods of construction off the market. The Carpenters Union has, for example, outlawed the use of various types of prefabricated door and window sash, wall sections and modular units. These would greatly increase efficiency and cut costs in building construction.

The Plumbers Union has barred the use of plastic pipe, a new and improved product, which would more than cut in half the amount of plumbing labor involved in home construction and reduce costs of construction appreciably.

In some areas the unions closely regulate the entry of firms into a certain line of business, decide what projects a particular firm may be permitted to bid on, and set a minimum amount for any given bid.

In the printing industry the unions have prevented the use of automatic equipment which would permit cheaper and more efficient printing of books, magazines and newspapers.

All of these restrictions have, of course, the objective of preventing competition with the unions' established control over the available labor supply. Needless to say the cost to the consumer is enormous.

Organized labor's apologists willingly admit that unions utilize these various devices to prevent or neutralize competitive factors. But they argue that: (1) Workers are justified in taking these collective measures to obtain the highest possible wages and preserve their opportunities for employment; and (2) labor is not a commodity. Consequently the control of labor supply is not to be equated with the control of the supply or price of a commercial product or service.

The first part of this argument begs the question as to whether any segment of society is justified in taking self-help measures at the expense of all other segments. The producers of a commodity could, by the same token, argue that they have a right to make an adequate profit from their efforts. And, where necessary, they should be permitted to protect their product from price-cutting competition.

In a practical sense the businessman's argument is just as logical and morally justified as that of the union. But in each case, the result is the same—curtailment of competition and higher prices to the public.

IS LABOR A COMMODITY?

The argument that "the labor of a human being is not a commodity or article of commerce" originally found expression in section 6 of the Clayton Act amendments to the Sherman Act adopted by Congress in 1914. The implication was that any attempt to apply the antitrust laws to unions would amount to putting union members in the same category as so many sacks of flour or pairs of shoes or loaves of bread. To even suggest such a notion, the reasoning goes, demonstrates a disregard of human values.

Actually, this argument is more emotional than real. Admittedly, human labor should not be regarded as a commodity or article of commerce. But there is no rational relationship between this premise and the proposition that unions, as organizations, should or should not be subject to the antitrust laws. It is ridiculous to suggest that putting antitrust restraints upon the union would place its members in the category of commodities to be bought and sold in the marketplace.

In actual fact, it would be more accurate to say that just the opposite result would occur—that many of the present practices whereby unions exploit the workers and sell their services to those who can be induced or forced to buy them would be outlawed.

It is a right of workers, individually and collectively, to proffer or withhold their labor as they see fit. But in the vast majority of situations where union economic power is employed to bring about restraints of trade or to force unrealistic or uneconomic costs on production of commodities, the choice of the individual worker to proffer or withhold his labor is not involved. In most such situations the individual union members have little, if any, voice in determining the price to be charged for their labor, or in the determination as to whether their employer is to be permitted or restrained from handling a particular type of product or doing business with another employer.

UNIONS SELL LABOR

These decisions are, for the most part, the decisions of those who manage the union affairs. Consequently, these decisions and the actions which flow from them must be treated as actions of the union as an entity apart from the human beings whose labor is being proffered or withheld.

In this context it becomes apparent that the labor of human beings has become a commodity or article of commerce because the union itself is engaged in the business of trading and selling this commodity. And when the union engages in monopoly practices and restraints of trade, it is not necessarily acting for, or in the interests of, those whose labor is being bought and sold.

The idea of a labor union as an association spontaneously formed by individual employees to equalize their bargaining power and protect themselves from exploitation by a powerful employer is as obsolete as the horsecar.

LOCAL AUTONOMY LOST

This concept was true in years past when unions were local in character. That is, they were composed of workers in a particular area, or plant, or trade who had common interests and objectives.

In that setting the workers had a direct and immediate interest in their union, and the union had many of the aspects of a genuine fraternal self-help organization. The local union formulated its own collective bargaining demands, carried on the bargaining and, when agreement could not be reached, made the decision on whether or not to engage in a strike.

Although the local union was affiliated with a national or international union, this affiliation was a loose one. On policy matters the local union was autonomous and independent.

During the prodigious union growth of the past 25 or 30 years, local union autonomy has long since been thrown overboard. The center of gravity shifted to the headquarters of the national or international union.

There, the major decisions are made and carried out by a group of professional managers. They have taken over the functions of formulating bargaining demands—even conducting negotiations for the local unions.

In many industries the national union negotiates a pattern contract with a major company. The terms of this contract then become the obligatory terms for all local unions and employers throughout the industry. Decisions to strike are likewise made by the national managers with local members having no choice but to comply.

This transfer of the decisionmaking functions from the local members to the national officers has caused, quite naturally, a marked drop in interest of rank-and-file members in union affairs.

For the most part the union member no longer feels a close identification with the union. Studies of union loyalty attitudes have shown a high percentage of members having little, if any, interest in the union other than its periodic efforts to get higher wages, and a generally prevalent feeling of skepticism and lack of trust toward the union officers and their motives. This lack of rank-and-file interest is demonstrated most strikingly by low attendance at union meetings.

COMPULSORY MEMBERSHIP VITAL

In the face of this sharp decline in interest among rank-and-file members, gradual disintegration of many unions would have been inevitable if the union professionals had not had the foresight to demand and obtain compulsory membership provisions in their collective bargaining contracts with industry.

Under these so-called union security clauses the workers are obligated to become, and remain, dues-paying union members as a condition of retaining their jobs. Union managers argue, and have been able to convince the public, that such clauses are necessary to eliminate "free riding" by workers who share the benefits of union collective bargaining activities without paying the cost. But their actual purpose has been to prevent large-scale defections by workers who no longer have any sympathy for, or interest in, the union. This also explains why the professional unionists have thrown almost their total power and resources into the fight against the right-to-work laws.

In the process of change from local union autonomy to the centralized power of the national union, other changes have taken place in regard to union objectives.

The "bread and butter" union objectives of Samuel Gompers have quite clearly been displaced by a broad program of changes in the social and economic system.

The new union managers, almost to a man, maintain no strong sympathy for the competitive enterprise system. They strongly prefer a planned economy. Abundant evidence of this is available from the legislative proposals supported by the AFL–CIO. These include demands for heavier taxes on sources of investment capital, heavy Government spending in the fields of public power and public housing, Federal aid to education, rigid Federal farm subsidies and controls, Federal regulation of natural gas prices and many other programs which would expand the areas of governmental regulation and planning. The ultimate goal is complete Government control over industrial programs, production and prices.

The accomplishment of that ultimate goal has been slowed down to some extent because the American people still are too strongly committed to the competitive enterprise system. The most effective means of overcoming this public resistance and to hasten progress toward the planned economy is to break down the competitive enterprise system and destroy public confidence in it. The most effective tools for accomplishing this are the anticompetitive practices and uneconomic wage costs imposed upon industry by labor unions.

SOLUTION OFFERED

It is futile and unreasonable to expect that labor unions will ever voluntarily, in the public interest, forego their demands for higher and higher wages. Nor when these demands are thwarted by competing forces, will they forego the temptation to strike down the competition. Only when legal restraints are imposed and enforced by the Government will there be any adequate protection of the public interest.

Effective legislation in this field would have to do three things:

1. Prevent centralized control of collective bargaining policies by national or international unions, and return these functions to the local union level.

2. Prohibit strikes and other forms of coercive action carried out as part of a prearranged plan or combination between two or more unions to impose concerted wage demands and other contract conditions upon industries affecting interstate commerce and trade.

3. Prohibit union imposed restrictions upon the use of products and improved methods of work performance, limitations on production, price-fixing, and similar arrangements arrived at through agreement—either voluntary or coerced—with individual employers or group of employers.

Simultaneously, it should be made clear that where an individual union engages in any action in the form of strikes, picketing, or boycotts as a means of obtaining or enforcing a demand for wages or other conditions of employment—and such action is not a part of any concerted plan, combination, or arrangement with any other union—it would not come within the scope of any antitrust or antimonopoly restrictions even where it may result in an interruption of interstate trade or commerce.

Under such legislation the ability of local unions to use their traditional economic weapons in support of legitimate union objectives would be fully preserved and protected. But the big power combinations of unions would be broken up, just as the big corporation trusts of the 1890's were broken up by the Sherman Act.

It should be apparent to those who have a grasp of the economic force now building up within our country and throughout the world, that enactment of such legislation is our only hope of staving off ruinous inflation and the drabness of the welfare state economy that inevitably lies in store for the next generation.

Will somebody, a colleague, tell me why it is that the Congress will not cut off extortion and the apparently unlimited power that some of these union officials have and use? Somebody just write me a nice note. Do not sign it. Just send it to the office and give me the reason why we will not protect the individual—no—not even the union employee?

Tell me, please, and I will repeat it from the floor.

Mr. SPENCE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the method of obtaining funds for carrying out the provisions of this legislation has been for a long time provided by public debt transaction. The Home Owners Loan Act in 1933 was financed in that manner. The Commodity Credit Corporation is financed that way. The Reconstruction Finance Corporation was financed that way. The REA has gotten its funds in that manner. There are a host of other agencies of the Government that have obtained their funds by public debt transaction. It has been criticized that recently you voted for a bill that provided by public debt transaction for more than $4 billion of potential liability, most of which probably will never be called for, for the performance of the functions of the International Bank for Reconstruction and Development and the International Monetary Fund. We made a tentative agreement through our representatives with 68 other nations that we would increase our holdings in those organizations. It was necessary to assure these nations that we could carry out our agreements and that the money would be forthcoming if these agreements were ratified by the Congress.

It would not be advisable under the circumstances now, without further hearings, to prevent the continuance of this method of obtaining funds. It seems to me it is changing the rules in the middle of the game. We followed the precedent for 30 years before this provision was put in the bill. If you do not want this method continued in the future, have a hearing on it, and pass general legislation. Let the people and the Congress, and the world know what our policies are. It certainly is unjust and inadvisable to pick out one bill that has followed the precedent of years, by which method the money has been obtained for this legislation, and say you cannot obtain these funds now or in the future by this method. The Committee on Appropriations is not bound to make appropriations that are authorized by law. They frequently use their own judgment as to what shall be necessary for the program. If you want to put your whole confidence and faith and hope and your power in the hands of two committees, you can do it. I think you ought to be free to legislate as you please. I do not think you ought to be circumscribed in your duties.

I hope you will vote this amendment down.

Mr. RAINS. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. MARSHALL].

Mr. MARSHALL. Mr. Chairman, I am one Member of this body who has supported all housing legislation since I have been a Member of this body. I am going to support this bill. I am going to support this bill whether the amendment offered by my good friend from Texas is adopted or not. I am going to support the amendment of my good friend from Texas. And I am going to support the amendment not because I am a member of the Committee on Appropriations but because I think it is necessary in the interest of the Congress of the United States to maintain control of the purse strings.

Time after time in my service on the Committee on Appropriations I have had Members come to me and ask me to intercede with departments of the executive branch of this Government. Time after time the work that we have done did not show on the record, because we have been able to impress upon the executive departments of the Government that they needed to make some accounting of some of the things that they did. There were numerous injustices done because of a lack of accounting.

It is a fine thing, for example, that the State Department comes before the committee of which my friend, the gentleman from New York [Mr. ROONEY], is chairman, to justify their items in their appropriation bill. It is a fine thing that the Secretary of Agriculture comes before my committee to justify some of the requests which he has submitted in the bill; not from the standpoint of what it means to the Committee on Appropriations. We do not get any glory out of it. It is not in the record. It never shows in the record. But it maintains a responsibility and a respect, if you will, for the Congress of the United States.

We talk about this back-door approach and all of those things that go with it. How can you maintain respectable fiscal accounting in this country with a back-door approach? It is beyond my comprehension.

I repeat, Mr. Chairman, I am going to support this bill whether the amendment of the gentleman from Texas is approved or not. I think the amendment offered by the gentleman from Texas will improve the bill and bring greater respect for the housing programs in the country. I think it is in the long-time benefit of the housing program, and I am going to support it on that basis. I think that we in the Congress of the United States have a responsibility in dealing with the executive department to maintain the fiscal responsibility of this Government and certainly the respect of some of the people who spend our money.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. WIDNALL].

Mr. WIDNALL. Mr. Chairman, I take this time to ask a question of the chairman of my subcommittee, the gentleman from Alabama [Mr. RAINS].

On page 117 of the bill there is a new section, in which there is authorized to be appropriated $100 million in a new housing for the elderly program. My question is this—I ask this, after having heard vehement denunciations of the appropriations procedure, because it would destroy college housing, it would destroy urban renewal, and then later remarks that it would slow up the programs:

Why was $100 million appropriation required in this instance rather than the same procedures for urban renewal and college housing? Was it to slow it up? Was it to destroy the program?

Mr. RAINS. I will say to the gentleman that while I do not have many attributes as a legislator, I try to have the attribute of being practical. I know when I have difficulty and I realize what kind of difficulty I will have with a brandnew program not yet and never before authorized so far as moving it out of the Committee on Rules. For this reason, because it is a new and different program—and I am not talking about programs that have been a part of the legislative history of this Congress for many years—I have taken this position. In this particular instance, I bowed my head and said it is necessary, in my judgment, for the old people of this country to get this type of housing and in order to do it, I bow to the present situation of asking for an appropriation. The practical reality of the situation is why I insist that it be put in as an appropriation. It is a brandnew program, as the gentleman knows.

Mr. WIDNALL. I understand that thoroughly, but again I would like to ask the gentleman from Alabama if this does not destroy housing for the elderly program as proposed by you, if you have to go to the Committee on Appropriations.

Mr. RAINS. I would hope it would not destroy it. I cannot even imagine the Committee on Appropriations saying to people who are on social security with less than $1,800 a year and no place to live and unable to pay rent on FHA houses, "We cannot give you a dollar." I realize that old folks' housing ought to have a little bit more, what shall I say, glamor and romance, but in the desire to get something done—that is why I put it in.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Chairman, I rise in support of the amendment and in defense of the Committee on Appropriations. From what the proponents of this amendment have said on this floor in the last 15 minutes, you would think the Committee on Appropriations appropriated money. As a matter of fact, the chairman of the Committee on Banking and Currency said just that—that the Committee on Appropriations might not appropriate money for this thing. You all know, and it is not necessary for me to repeat it to you, that the Committee on Appropriations cannot do one thing—they cannot appropriate money and they cannot prevent the appropriation of money unless that is the will of the majority of this House. You have an opportunity on every annual appropriation bill that comes up to express your will. We have had a Committee on Appropriations for a long time. This gimmick is comparatively new, but this Congress lived and this country lived and prospered and grew great for 150 years under the old constitutional method of appropriations through the Committee on Appropriations.

Mr. TABER. Mr. Chairman, will the gentleman yield for a suggestion?

Mr. SMITH of Virginia. I yield.

Mr. TABER. This amendment would cure the defect in the bill because it requires an annual review by the Committee on Appropriations of what is going to be spent and that is a good thing, too.

Mr. SMITH of Virginia. Mr. Chairman, I called attention just a little while ago, when I spoke earlier today on this bill, to one provision in this bill, and I am going to do it again, if I have the time. Turn to page 130 and read where you are proposing—I might almost say the dictates of the Committee on Banking and Currency—as long as committees are being criticized—you are proposing to authorize the President of the United States to authorize appropriations in unlimited amounts. Did you know that? Some of you heard me say it a while ago. If you do not know it, look at page 130 and see how crazy we can get, where it says that this appropriation for urban renewal shall be limited to $1 billion—and here is the provision—unless authorized by the President. If you are going to pass this kind of legislation, let us all go on home and send a proxy to Washington and thus save the Government a lot of money.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HOLIFIELD].

Mr. RAINS. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. RAINS. I would say, if I may, to the distinguished gentleman from Virginia that he did not read the section, but he just read the part he wanted to read, and what he did read came out of the administration bill. That is what we took out of the administration's bill. If he will look at it a little more and will check with his friends across the aisle, they might explain that to him a little better.

Mr. HOLIFIELD. Mr. Chairman, I thank the gentleman for his contribution. I spoke once before on this bill today and I read 21 programs into the RECORD that have been authorized by the Congress and which involve debt transactions or guarantees of loans. Those programs include the Commodity Credit Corporation, the Federal Farm Mortgage Corporation, the Federal National Mortgage Association, Rural Electrification Administration, the St. Lawrence Seaway, and I could go on with many others that this House has approved and has authorized the issuance of bonds.

In the main these bonds are repayable. I want to be fair with the House and say that there are provisions in all of these programs which say that if the bonds should default in the full amount that the Treasury would pick up the amount which is defaulted; and, of course, under

this bill there could be some expenditure, but in the main these programs have been self-financing, and in some instances they have actually made money for the Government.

There is another area covered in these 21 programs, and that is the right to authorize contract obligations. This was used in the Defense Department quite extensively. It is used in public and private housing; it is used in the guarantee of veterans' loans; it is used in the matter of loans for slum clearance, the use of the Government's credit to guarantee these bonds and debentures.

This type of amendment was not placed on the 21 programs which the Congress in its wisdom over the years authorized time and again, and there has been no evidence of abuse as a result of this kind of legislating. I say to you these are the things you must consider.

The gentlemen on the Appropriations Committee make a good plea. If I were on the Appropriations Committee I probably would want to get all the power I could; but this Congress has some power, too, in the matter of setting up policies and programs.

I ask you to defeat the amendment.

The CHAIRMAN. The gentleman from New Jersey [Mr. THOMPSON] is recognized.

Mr. THOMPSON of New Jersey. Mr. Chairman, I oppose the amendment.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from Texas [Mr. THOMAS] is recognized.

Mr. THOMAS. Mr. Chairman, let me talk briefly to my colleagues here and just try to talk a little bit of common horsesense. There is nothing to get excited about.

I love my good friend from Alabama. He says this is going to kill the program, and that is just not true. I voted for the gentleman's bill, I voted against the substitute, and, as I said to my friend from Minnesota, I am going to vote for the bill regardless of the outcome of this vote.

All that is involved here is how we handle appropriations. If you will forgive a personal reference, this will come before the gentleman from Illinois and the rest of us on independent offices, and I do not think any Member has said they have suffered too much at our hands.

My good friend from California read a list of veterans' items and said they might be in danger. My friend was confused, because the money for every item he read off, education, pensions, and compensation, and all that, is appropriated every year, and that is all we are asking you to do here, to have the money appropriated by the Congress and not let the agency go to the back door of the Treasury.

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield.

Mr. SISK. I believe the statement of the gentleman from California was to the effect that these programs started as a public debt transaction and may have been adversely affected had they been forced to get their money through the appropriations process. Would the gentleman agree with that?

Mr. THOMAS. Has anybody in this House ever been unfriendly to the veterans' interests? Why, of course not.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield.

Mr. HAYS. I just wonder if the gentleman offered this same amendment to the Export-Import Bank bill, and if he did not, why he did not?

Mr. THOMAS. No, I did not. The gentleman is right. I cannot keep up with my good friends on the Banking and Currency Committee 100 percent; to do it would keep me going 24 hours a day. These brethren are able, and lovable, and quick on their feet, and quick witted, too.

Something was said about the Space Agency. Let us straighten that out. Do you know that every quarter the Space Agency has is appropriated? All you are doing in these amendments is to say that Congress should appropriate the money; that is all.

Mr. Chairman, let us retrieve back the appropriating power of the Congress and put it in Congress' hands. That is where your people want it. They voted for you to handle the purse strings; now, let us handle them.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Chairman, there is no more able or adroit debater in the Congress than my friend from Texas [Mr. THOMAS]. Unless you think objectively, he is liable to lull you to sleep and in your period of sleep convince you to do something that would be responsive to his wishes but would not be carrying out your own views.

There is nothing new in this question before the Committee at this time. We settled it in the airport bill. We had it up at that time. We had the same question in connection with direct loans to veterans. It is involved in the Commodity Credit Corporation where $14,500 million has been authorized by the Congress, where they can issue bonds with provisions for the Treasury, if necessary, to pay the bonds. That is a direct debt transaction.

We do not see any of our friends when legislation comes up relating to the Commodity Credit Corporation offering this sort of amendment, particularly those who come from farm areas. We from the cities appreciate the necessity of direct debt transactions in the case of the Commodity Credit Corporation so that we would not offer such an amendment and we would oppose such an amendment if offered.

There is the Federal Farm Mortgage Corporation, the National Mortgage Association, the Housing and Home Finance Administration, the International Cooperation Administration, and there is the Rural Electrification.

The Congress can work its will. We are working the will of the Congress now. The committee has reported out a bill with certain provisions. The gentleman from Texas has offered an amendment. So we have the opportunity of working the will of the House now, whether we will follow the course in connection with these important activities as provided by the House bill or we will adopt the amendments offered by the gentleman from Texas [Mr. THOMAS]. So the House is going to work its will.

Mr. Chairman, I respect the Committee on Appropriations. I realize the power of the Committee on Appropriations, I realize that money is power, and I have felt the impact of it. But I also believe that the standing committees of the House of Representatives should not be put in a subordinate position to the Committee on Appropriations.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Texas [Mr. THOMAS].

The question was taken, and on a division (demanded by Mr. THOMAS) there were—ayes 135, noes 145.

Mr. THOMAS. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. THOMAS and Mr. RAINS.

The Committee again divided and the tellers reported that there were—ayes 149, noes 145.

So the amendments were agreed to.

Mr. RAINS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 57) to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes, had come to no resolution thereon.

AGRICULTURAL APPROPRIATION BILL

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Mr. Speaker, the amendment to the agricultural appropriations bill submitted by the gentleman from New York [Mr. TABER], and which has just been approved by the House, would utterly and completely destroy the farm program—if it becomes law and accomplishes what it proposes to do.

The injury and the hurt, the privations from loss of income, would fall heaviest upon the family farms of America.

Certainly I am not carrying the torch for large producers. We have more small farmers in my State of North Carolina than in any other State of America. We have more people living on the farm in North Carolina than in any other State. My primary interest is, of course, in little farmers, those who live upon and earn their living upon the family farms of our country. Most of all, I am interested in a successful and well-operated Federal farm program. I know and I understand the far-

reaching and devastating effect of the amendment offered by Mr. AVERY, of Kansas, which was included in Mr. TABER's motion to recommit.

I cannot believe that the author of this amendment intended to make the $50,000 limitation applicable to price-support loans to cooperatives, as well as to individual farmers, but he must admit that that is exactly what the amendment will do.

This is just another illustration and rather dramatic demonstration of the fact that we should never attempt to write legislation into an appropriations bill. I know that this amendment might be very well called a limitation rather than legislation but, after all, it makes a very definite and drastic change in the true intent and meaning of the legislation which has been approved by the Congress and is now a vital part of our farm program.

I am certain that many Members voted for this amendment, honestly and sincerely believing that they were doing the right thing. We are told that the road to hell is paved with good intentions. Regardless of good intention, the fact remains that if this amendment should finally be enacted into law, the farm program will abruptly end.

Moreover, the amendment represents a breach of faith with the farmers of this country. It would prevent the Department of Agriculture from carrying out its price-support obligations on 1959 crops—most of which are already planted.

Under the amendment, no Commodity Credit Corporation price-support loan could be processed which is in excess of $50,000. This would disrupt orderly marketing. It would force dumping of farm commodities upon the markets. It would weaken the price structure of agriculture.

The sponsors of this proposition indicate that their intention is to limit price supports to large farmers. But in doing so, as the Taber amendment has now been approved by the House, the greater hardships would be visited upon the family farmers, who now are hardly able to make ends meet.

Mr. Speaker, I know that many Members of this body who voted for this proposition were persuaded to believe that they were advancing the cause of the family farm system in agriculture, and they believed that farm programs should be drawn and designed primarily to perpetuate this system which in the early years of this Republic established the economic foundation of the free-enterprise system, and which down through the years has contributed so much to our spiritual, social, and political vitality.

Such is my own philosophy, and this is the dominant consideration in all my efforts to create national policies enabling the establishment of a sound and profitable agriculture.

But, Mr. Speaker, I repeat and I reemphasize that this amendment is not helpful—it is inimical, it is adverse—to the interest of the family structure in our agriculture.

The amendment will limit price-support operations not only for big farmers but also for hundreds of thousands of small farmers in every part of the country who receive their stabilization loans through cooperatives.

The amendment places a $50,000 maximum on any loan, including those made to cooperatives, even though the cooperative may represent, as some of them do, virtually all the farmers producing a commodity. It would thus virtually eliminate price-support operations for all those farmers who operate through cooperatives.

Mr. Speaker, even Mr. Benson, with whom I vigorously disagree on most matters relating to agriculture, recognizes the weakness of the proposition as it has been approved by the House.

When the amendment was presented I called upon Mr. Benson for a statement of his position upon it. I have a letter from the Secretary, just handed to me, in which he has this to say:

Before the Congress finally enacts the appropriations bill, consideration will no doubt be given to amendments which would cover purchase agreements as well as loans, to make clear where support operations are carried out through farmer cooperatives that any limitation imposed would not apply to cooperatives, as such, and to other perfecting amendments.

I just have received, also, a telegram from Mr. Herschel D. Newsom, master of the National Grange, one of our greatest farm organizations, and I now read this message to the House:

Even though there may seem to be superficial basis for Taber amendment, Grange vigorously urges its defeat. Such amendment fails to recognize real cause of difficulties and undesirable results of present program.

Until more basic change can be made such amendment would increase rather than diminish the undesirable effects of present method of price support. Grange is determined to make basic changes and corrections in farm program as your committee well knows, but Taber amendment will neither constitute nor improve prospect of sound change.

Mr. Speaker, substantial changes in the farm program are now being drafted by the appropriate legislative committees, in an effort to adjust this program to the changing conditions in agriculture. Drastic changes in the program, if they are to be adopted, should be brought about by careful consideration of this legislation—not by hasty action in the Congress with absolutely no opportunity for debate or consideration.

A great part of agriculture is now in dire circumstances. Mr. Benson tells us that farmers must expect another income cut this year of 5 to 10 percent, at a time when all other elements of our national economy are experiencing unprecedented prosperity. Our farm families deserve better treatment at the hands of their Government. Their problems are entitled to the thorough and sympathetic consideration of the Congress.

The Avery amendment which was incorporated in the Taber motion to recommit was briefly debated and defeated in the Committee of the Whole. At the end of the day and at the end of the debate, the motion to recommit was offered and the previous question was ordered. The House then adjourned and no further debate was possible. I could not even be recognized for a 1-minute speech to explain the effect of the proposition, nor for the purpose of making a point of order. This was the parliamentary situation at the time the vote was taken. I am quite certain that the amendment in its present form, when well understood, will not be approved by the other body—which the Rules of the House will not permit me to mention.

NINETEEN HUNDRED AND FIFTY-SEVEN CROP LOANS

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD, to revise and extend my remarks, and to include tables.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, each year for the past few years former Congressman Brownson, of Indiana, or I have placed in the RECORD a list of the producers receiving the largest amounts in crop loans. The 1957 list for corn, wheat, cotton, and rice was not available until after Congress adjourned and so was not placed in the RECORD last year.

The amount of crop loans has become the subject for the motion to recommit the agricultural appropriation bill; and, accordingly, I believe the RECORD should contain the 1957 list.

It follows:

U.S. DEPARTMENT OF AGRICULTURE, COMMODITY CREDIT CORPORATION

Producers with the largest quantity of corn placed under loan on the 1957 crop

Name of producer and address	Quantity	Amount
	Bushels	
ALABAMA		
T. J. Jones, Jr., Marion	10,168	$14,194.68
Jack S. Butler, Fayette	5,748	8,047.20
Guy L. Gannaway, Lincoln	5,541	7,757.40
Donald L. Pierce, Wetumpka	5,223	7,312.00
W. R. Lingerfelt, Fyffe	5,866	7,215.18
Estimated State average per corn loan		847.33
ARIZONA	*Bushels*	
Jim Veck, Willcox	9,492	14,142.63
Dunagan Bros., Willcox	8,287	12,099.21
Dale G. King, Willcox	7,900	11,770.55
Grant Anderson, Willcox	4,429	6,510.34
B. M. Jacob, Willcox	3,385	5,043.35
Estimated State average per corn loan		6,726.00
ARKANSAS		
C. R. West, Marianna	11,990	16,946.49
Nickey Bros., Memphis, Tenn.	7,434	10,407.60
Cedric Lee, Dumas	7,327	10,275.84
Earl Wells & Son, Helena	6,100	8,540.61
Frank T. Griffen	5,860	8,054.24
Estimated State average per corn loan		2,185.00
CALIFORNIA		
H. H. Peterson and Sons, Inc., Chico	29,637	42,514.28
W. H. Wright, Chico	28,757	40,927.27
George Stutz, Red Bluff	26,057	35,411.46
George M. Beke, Vina	25,833	30,250.98
George M. Stutz, Chico	18,846	27,034.58
Estimated State average per corn loan		27,789.00

Producers with the largest quantity of corn placed under loan on the 1957 crop—Con.

Name of producer and address	Quantity	Amount
COLORADO		
Leonard Feldhousen, Burlington	*Bushels* 26,107	$34,200.17
B. H. & R. K. McConnell, Fort Morgan	20,597	26,213.36
Orville Chapin, Burlington	18,445	24,162.95
Kenneth Hitchcock, Burlington	17,640	23,108.40
Rothe Bros., Greeley	14,617	19,148.27
Estimated State average per corn loan		2,300.00
DELAWARE		
Draper Foods Inc., Milford	5,832	9,039.60
Randall C. Willin, Seaford	3,666	5,682.30
Wilson E. Campbell, Dagsboro	1,850	2,867.50
William I. Handy, Seaford	1,828	2,833.40
W. H. Draper, Milford	1,333	2,066.15
Estimated State average per corn loan		3,575.00
FLORIDA		
B. F. Blanton, Lee	2,228	3,118.65
E. H. Finlayson, Greenville	1,019	1,426.60
R. C. Peacock & Sons, Campbellton	966	1,275.09
G. A. Armistead, Monticello	926	1,296.93
C. W. Whitener, Westville	889	1,137.69
Estimated State average per corn loan		998.00
GEORGIA		
Bateman Co., Inc., Macon	11,880	16,632.00
Logue Bros., Climax	7,616	9,934.48
Gus S. Moore, Resaca	8,115	11,361.00
Waldo Ewing, Fitzgerald	11,080	14,292.70
Wade Plantation, Sylvania	7,642	11,004.65
Estimated State average per corn loan		1,459.21
IDAHO		
R. Joseph Hawes, Grandview	16,779	23,826.18
Elmer C. Barlow, Marsing	12,245	17,387.90
Dale Gilbert, Grandview	10,148	14,410.16
Hipwell Bros., Grandview	9,860	14,001.20
D. O. Bybee, Nyssa, Oreg	6,656	9,451.52
Estimated State average per corn loan		1,418.00
ILLINOIS		
Cote Farms, Inc., St. Anne	64,448	90,871.68
A. T., Jessie, John, and Edward C. Summer, Jr., Milford	58,106	83,672.38
Scully Estate, Dwight	51,603	72,622.73
Martha W. Livingston and F. L. Livingston, Chatsworth	35,200	49,056.00
Rust Farm Co., Bloomington	43,401	48,609.12
Estimated State average per corn loan		2,363.00
INDIANA		
Emil Savich, Rensselaer	141,815	157,414.65
Richard Gumz, North Judson	114,417	161,329.67
Wm. Gehring, Inc., Rensselaer	99,974	140,963.34
Moses Fowler Chase, Estate, Oxford	45,581	64,269.21
Moore Bros., Rensselaer	38,647	42,898.17
Estimated State average per corn loan		2,307.00
IOWA		
Amana Society, Amana	76,919	82,277.09
W. P. Adams Land Trust, Odebolt	48,000	49,440.00
Mary M. Sargent, Lisbon	44,622	48,191.76
J. C. Hamilton, Hampton	35,445	45,697.65
J. R. Paul & Sons, Valley	30,820	42,470.00
Estimated State average per corn loan		1,703.76
KANSAS		
Lloyd Kontny and Wess Gerk, Kanorado	33,180	43,134.00
Oscar Lutz, Mayetta	12,961	18,103.02
Lloyd Kontny and Leon Silkman, Kanorado	12,033	15,642.90

Producers with the largest quantity of corn placed under loan on the 1957 crop—Con.

Name of producer and address	Quantity	Amount
KANSAS—continued		
Charles L. Silkman, Wakeeney	*Bushels* 9,607	$12,489.10
Thomas A. Ryan, Colby	9,771	12,086.55
Estimated State average per corn loan		1,249.00
KENTUCKY		
Anderson Bros., Morganfield	45,093	51,856.95
S. S. Wathen, Owensboro	29,345	39,104.45
J. H. Wathen, Morganfield	23,321	33,815.45
S. D. Broadbent, Jr., Cadiz	15,450	23,484.00
James C. Bower, Evansville, Ind	15,434	22,404.27
Estimated State average per corn loan		2,254.01
MARYLAND		
Roland H. Mullinix, Woodbine	6,516	10,099.80
Ebenspacker Bros., Vienna	5,151	6,438.75
Leslie Bradley, Vienna	2,832	4,389.60
Robert L. Kemp, Easton	2,693	3,366.25
William H. Emerson, Centreville	1,969	2,461.25
Estimated State average per corn loan		1,840.75
MICHIGAN		
Leslie, Robert, and Oliver Mueller, Britton	37,452	45,589.86
Haddix & Sons, Monroe	31,105	36,082.80
N. P. Beebe Farms, Niles	24,117	26,769.87
Upjohn Richland Farms, Richland	17,879	25,925.30
Gerald Wright, Vandalia	21,880	25,381.50
Estimated State average per corn loan		1,116.48
MINNESOTA		
Henry and Thane Bluhm, Mapleton	51,840	52,876.80
Martin Bustad, Austin	44,262	45,147.24
Leslie Boler, Winnebago	40,858	40,858.00
Edwin J., Stanley J., and Edwin J. Potter, Jr., Triumph	36,159	36,159.00
Carlyle Greibrok, Oakland	31,885	32,522.70
Estimated State average per corn loan		1,340.00
MISSISSIPPI		
C. E. Savery, Jr., Holly Bluff	10,159	14,222.60
James Hand III, Rolling Fork	10,131	14,183.40
J. H. Hogue, Yazoo City	8,346	11,683.80
T. E. Fouche, Benton	6,967	9,753.80
W. J. Waits, Goodman	3,821	4,980.71
Estimated State average per corn loan		1,516.00
MISSOURI		
Saline County Farms, Marshall	47,186	67,475.98
Nick and Emil Savich, Sturgeon	41,506	46,901.78
Green Top Farms, Inc., Richmond	22,000	29,040.00
C. O. Donah, Palmyra	23,232	25,787.52
Albert Painton Co., Inc., Painton	15,573	22,736.58
Estimated State average per corn loan		1,795.00
NEBRASKA		
Ernest Hundahl & Sons, Tekamah	106,421	142,331.89
Ned Tyson, Herman	65,420	71,743.70
Cornhusker Farms, Grand Island	60,464	61,528.63
H. F. Klosterman, David City	36,062	48,683.70
Ed Schliep & Sons, Fairfield	38,077	39,980.85
Estimated State average per corn loan		2,090.00
NEW JERSEY		
Edwin H. Brasch, Red Bank	12,852	16,322.04
Albert Bollmeyer, Freehold	3,145	3,994.15
Henry Muller, Freehold	2,400	3,768.00

Producers with the largest quantity of corn placed under loan on the 1957 crop—Con.

Name of producer and address	Quantity	Amount
NEW JERSEY—continued		
Fred Daum, Englishtown	*Bushels* 2,439	$3,097.53
Henry Bibus, Jr., Wrightstown	2,020	2,565.40
Estimated State average per corn loan		2,550.89
NEW MEXICO		
K. B. McCullough, Clovis		37,119.79
Clarence and W. T. Meeks, Farwell, Tex	27,441	5,615.08
Bill Meeks, Farwell, Tex	3,954	3,103.35
Wesley Engram, Texico	2,185	2,235.28
Ival Hesser, Texico	1,681	1,792.52
	1,299	
Estimated State average per corn loan		4,000.00
NEW YORK		
Edward DeGraff, Mount Morris		17,337.60
Anthony Christiano, Leicester	12,040	14,487.84
Julius Westheimer & Son, Middleburgh	10,061	10,820.80
M. Beach Stover, Trumansburg	7,514	8,700.48
George Mosher & Sons, Bouckville	6,042	8,661.60
	6,015	
Estimated State average per corn loan		1,325.35
NORTH CAROLINA		
Romaine Howard, Tarboro		15,451.47
McNair Evans, Laurinburg	10,099	7,420.59
Parrott Farms, La Grange	6,033	6,152.02
J. E. Eagles, Macclesfield	4,184	5,800.23
Zeno Ratcliff, Pantego	3,791	5,017.17
	4,079	
Estimated State average per corn loan		1,112.96
NORTH DAKOTA		
Grotelueschen Bros., Ludden		15,982.21
Gerald C. Olson, Wahpeton	14,157	14,870.52
Anderson Bros., Hillsboro	12,294	12,586.75
Robert Nagel, Wyndmere	10,945	11,560.85
Charles O. Herman, Wyndmere	9,476	10,994.00
	9,560	
Estimated State average per corn loan		1,137.00
OHIO		
Hartman Farm, London		41,745.60
Chaswill Farm, Sabina	28,990	34,450.00
Dale Roe., Rudolph	24,091	31,308.00
Case & Co., Inc., Richwood	21,742	23,512.84
John H. Dunlap, Sr., Williamsport	20,446	22,348.75
	15,519	
Estimated State average per corn loan		1,201.00
OKLAHOMA		
Ralph Manwell, Choctaw	5,675	7,662.16
Homer Saunders, Henryetta	1,066	1,439.10
Albert Kohler, Boise City	1,136	1,432.13
Paul L. Kohler, Boise City	1,610	2,149.35
E. G. Bearden, Boise City	720	972.00
Estimated State average per corn loan		1,850.00
OREGON		
Jerry Cooper, Stanfield	6,631	9,910.33
Jack Zabransky, Stanfield	5,526	8,233.74
Harlan Crawford, Echo	5,259	7,730.73
Jim Gossler and Ted Peterson, Stanfield	4,390	6,585.00
Jim Clayton, Nyssa	4,347	6,390.09
Estimated State average per corn loan		1,807.04
PENNSYLVANIA		
G. W. Huntsberger, Lewisberry	5,573	6,996.25
Penrose Taylor, Glen Rock	2,802	4,343.10
P. V. Ahl, Carlisle	1,980	3,069.00
Carlin Bros., Coatesville	1,836	2,295.00
Zimmerman Bros., Norristown	1,203	1,864.25
Estimated State average per corn loan		1,195.00

Producers with the largest quantity of corn placed under loan on the 1957 crop—Con.

Name of producer and address	Quantity	Amount
SOUTH CAROLINA		
	Bushels	
J. C. Oswald, Allendale	20,749	$35,753.80
Hugh T. Lightsey, Brunson	13,389	18,744.60
N. B. Loadholt, Fairfax	11,036	14,327.76
C. E. Causey, Jr., Furman	10,330	14,462.00
G. C. Forrester, Allendale	7,770	10,191.46
Estimated State average per corn loan		1,269.00
SOUTH DAKOTA		
Clark Bros. & Jay Swisher, Putney	53,720	59,151.19
Connie Hanson, Columbia	43,246	49,671.12
Dean Nelson, Onida	38,531	44,767.57
Clarence Linden, Ipswich	38,328	44,125.51
W. M. Scott Livestock Co., Hecla	28,651	33,235.16
Estimated State average per corn loan		1,614.61
TENNESSEE		
F. E. Bryan, Guthrie, Ky	10,653	16,405.56
Harris & Teeter, Guthrie, Ky	4,336	6,591.42
G. C. Smith, Clarksville	3,104	4,745.96
Geo. A. Washington, Cedar Hill	2,844	4,294.44
J. Kenneth Stackpole, Guthrie Ky	2,412	3,642.12
Estimated State average per corn loan		1,800.00
TEXAS		
Eugene Boggess, Friona	16,519	22,466.33
John Machac, Hockley	11,990	12,868.36
Milburn Haydon, Hart	9,758	12,588.32
Myrle Jackson, Friona	9,375	12,498.76
D. R. Hopkins, Lubbock	9,120	11,764.80
Estimated State average per corn loan		1,939.00
UTAH[1]		
Joseph G. Simpson, Layton	961	1,422.28
Thomas A. Phillips, Layton	436	645.28
Estimated State average per corn loan		1,033.78
VIRGINIA		
A. T. Harwood, Charles City	4,563	7,036.96
G. C. Nicholas, Jr., Northwest	4,559	7,066.67
K. N. Whitehurst, Back Bay	1,972	3,096.04
Earl Hensley & I. Newton Miller, Port Republic	1,968	2,794.56
Mantua Farms, Inc., Heathville	1,974	2,802.94
Estimated State average per corn loan		2,883.05
WASHINGTON		
Sam Kobata, Stratford	18,750	25,312.51
Glen Rowe, Toppenish	16,244	23,554.42
Pete Kwak, Wapato	12,958	18,788.54
Jack Shattuck, Toppenish	12,128	17,586.30
Jno A. Newquist, Toppenish	11,922	17,287.07
Estimated State average per corn loan		3,890.00
WEST VIRGINIA		
Howard G. Buckley, Williamstown	3,469	4,925.98
D. H. Corbin & Norman Ingram, St. Marys	2,344	3,328.48
Oliveboy Stock Farm, Charlestown	1,764	2,734.20
James G. Coe, Parkersburg	1,707	2,423.94
W. H. Potts, Point Pleasant	1,653	2,347.58
Estimated State average per corn loan		2,272.66
WISCONSIN		
Charles Most, Prescott	17,632	19,042.56
Malvin Busse, DeForest	13,334	14,800.74
H. Evers Heilig, Prescott	13,169	14,739.12
Orin F. House, Prescott	10,444	14,412.72
Gaffner-Gumz, Whitewater	12,162	13,499.82
Estimated State average per corn loan		1,248.00

[1] Corn loans made to only 2 producers in Utah.

Producers with the largest quantity of corn placed under loan on the 1957 crop—Con.

Name of producer and address	Quantity	Amount
WYOMING		
	Bushels	
Art Damrow, Torrington	9,051	$11,947.32
Craven & Sons, Yoder	5,880	7,761.60
J. G. Webb, Torrington	5,415	7,147.80
F. B. & Boyd Reid, Torrington	3,616	4,773.12
Hughes & Son Dairy, Torrington	3,352	4,424.64
Estimated State average per corn loan		1,700.00

Producers with the largest quantity of cotton placed under loan on the 1957 crop

Name of producer and address	Quantity	Amount
ALABAMA		
	Bales	
J. B. Hain, Sardis	906	$156,778.95
W. C. Gray, Mathews	245	34,207.18
James Bros., Brent	186	31,534.21
Nolan Drake, Madison	191	25,386.28
W. A. Ganquet, Cuba	142	22,287.97
ARIZONA		
Morrison Bros., Higley	3,040	481,465.32
Charles Urrea & Son, Mesa	2,673	384,380.65
W. R. Neely, Chandler	2,274	362,214.45
Hooper & Rugg, Casa Grande	2,115	325,279.72
Phillips & Ellsworth, Mesa	1,707	302,924.10
ARKANSAS		
J. G. Adams & Son, Hughes	3,024	420,343.70
Miller Lumber Co., Marianna	1,615	223,319.26
Tillar & Co., Tillar	955	119,366.00
St. Francis Valley Farms, Market Tree	760	82,323.29
Lee Wilson & Co., Wilson	700	77,526.90
CALIFORNIA		
Westlake Farms, Inc., Stratford	5,611	854,450.67
W. J. Deal, Mendota	2,419	370,040.84
Frank & Jim Garona, Bakersfield	2,387	350,290.43
Wilco Produce Co., Blythe	2,123	323,164.70
Waldo W. Weeth, Coalings	1,898	282,895.20
FLORIDA		
J. E. Golden, Jay	87	11,433.98
C. O. & Wayne Godwin, Jay	48	6,944.43
W. J. Cooley, Brewton, Ala	33	4,417.73
W. C. Barrineau, Cantonment	27	4,156.71
H. T. Woodruff, Jay	28	4,004.21
GEORGIA		
J. H. Rowland, Midville	358	58,828.10
Quinton Rogers, Waynesboro	390	58,582.73
Singletary Farms, Blakely	322	51,578.95
W. H. Lovett, Dublin	268	42,439.33
R. C. Neely, Sr., Waynesboro	137	20,768.54
KENTUCKY		
Robert Sanger, Hickman	46	5,405.77
E. & H. Tyler, Hickman	36	4,019.91
Jack Lowrence, Tiptonville, Tenn	25	2,560.85
Worden Gray, Hickman	13	1,216.94
Harold Shaw, Hickman	8	842.32
LOUISIANA		
George B. Franklin & Son, Holly Ridge	817	128,118.87
Deltic Farm & Timber Co., Epps	1,003	125,443.04
Hollybrook Land Co., Inc., Lake Providence	611	86,056.75
Estate of M. P. Utz, Tallulah	549	71,107.49
Yerger Bros., Inc., Mound	500	70,753.76
MISSISSIPPI		
Delta & Pine Land Co., Scott	7,919	1,167,502.35
Dan Seligman, Shaw	1,291	173,631.68
Dockery Farms, Cleveland	1,216	171,116.27
Woolfolk Farms, Tunica	1,051	155,787.12
M. S. Knowlton Co., Perthshire	1,066	143,349.70

Producers with the largest quantity of cotton placed under loan on the 1957 crop—Con.

Name of producer and address	Quantity	Amount
MISSOURI		
	Bales	
O. H. Acom, Wardell	367	$37,874.02
Leo A. Fisher, Parma	332	35,360.33
E. P. Coleman, Jr., Sikeston	302	29,506.03
Joyce Emerson, Sikeston	184	19,870.61
Clyde Swiney & Son, Catron	186	19,554.47
NEW MEXICO		
J. F. Apodaca, La Mesa	645	130,391.38
Tony Salopek, Las Cruces	535	119,162.39
Richens Farms, Animas	630	95,344.01
L. G. Guaderrama, Las Cruces	543	93,772.99
E. N. Crossett, Anthony	530	90,661.75
NORTH CAROLINA		
John F. McNair, Inc., Laurinburg	673	87,043.86
Peoples Bank & Trust Co., Rocky Mount	310	45,705.63
Long Bros., Garysburg	210	32,998.49
W. S. Britt, Lumberton	231	32,523.36
T. B. Upchurch, Inc., Raeford	195	30,454.69
OKLAHOMA		
Wayne, Winsett, Altus	297	33,577.28
G. H. Thomas, Altus	184	19,776.62
E. R. Fowler, Roosevelt	179	18,756.53
Clark T. McWhorter, Blair	155	18,556.38
G. O. McDonald, Carter	133	16,799.73
SOUTH CAROLINA		
Coker's Pedigreed Seed Co., Hartsville	476	69,514.34
J. H. Chappell, Chester	373	55,905.67
W. R. Mayes, Mayesville	292	41,183.17
J. E. Mayes, Mayesville	149	22,241.25
J. A. McDonald, Bennetsville	176	18,742.59
TENNESSEE		
H. S. Mitchell, Millington	347	55,368.88
O. M. Carrington, Collierville	154	21,977.57
Jim S. Brock and H. A. Dewberry, Lawrenceburg	155	17,782.14
W. F. Yarbro, Burlison	127	17,179.81
G. H. Sing, Memphis	68	10,910.84
TEXAS		
Kesey Bros., Pecos	1,820	323,914.08
John J. Dorr, Pecos	1,393	253,368.70
Clark & Roberts, Pecos	1,315	237,328.84
Ralph's Farms, San Alizario	1,101	209,417.26
A. L. Cone, Lubbock	1,591	185,566.59
VIRGINIA		
W. H. Ligon, Emporia	51	8,489.30
T. T. Tudor, Garysburg, N.C.	39	5,957.37
B. E. Moore, Emporia	33	5,561.54
B. B. Vincent, Skippers	27	4,437.89
B. A. Moore, Emporia	24	3,853.34

Producers with the largest quantity of rice placed under loan on the 1957 crop

Name of producer and address	Quantity	Amount
ARKANSAS		
	Hundredweight	
Producer's Rice Mill, Inc., Stuttgart	254,075	$1,460,902.11
George Smith & Tenants, DeWitt	55,498	316,362.50
Craighead Rice Milling Co., Jonesboro	34,306	184,894.16
W. B. Bynum Cooperage Co., Dermott	30,538	163,683.68
Alice Sidney Farms, Jerome	22,035	114,416.68
Estimated State average per rice loan		10,079.00
CALIFORNIA		
Heidrick Bros., Woodland	41,420	189,882.20
Robert Amarel, Yuba City	9,156	43,925.03
Thomas Mezger, Woodland	5,597	26,082.02
Archie Danisan and Jack Danison, Live Oak	4,838	21,555.24
Fratus Bros., Oroville	1,192	5,634.85
Estimated State average per rice loan		67,937.00

Producers with the largest quantity of rice placed under loan on the 1957 crop—Con.

Name of producer and address	Quantity	Amount
LOUISIANA	*Hundredweight*	
W. J. Gayle & Son, Gueydan	252,200	$149,977.23
J. A., J. E., and W. B. Layton, Sulphur	19,354	108,420.67
Hood and Hesic Denton, Sulphur	17,887	102,040.77
Brady Oswalt, Lake Providence	14,008	80,120.13
Paul C. Hoffpauir, Crowley	13,465	79,531.40
Estimated State average per rice loan		8,500.00
MISSISSIPPI		
James K. and Cecil E. Greer, Hollandale	29,169	142,057.02
Pee Dee Plantation, Greenwood	19,703	87,115.83
J. R. Dockery, Cleveland	12,96	67,675.82
Patterson Bros., Merigold	9,665	58,818.91
S. L. Reed, Belzoni	10,045	55,849.09
Estimated State average per rice loan		14,175.00
MISSOURI		
Dirl Bagby, Dexter	7,121	36,382.16
Sam G. Jones, East Prairie	1,311	6,290.83
Clyde Lynn & P. M. Vandivort, Benton	949	3,985.80
John L. Cook, Palmyra	1,077	3,781.37
Harold Johnston, Earl Gottman & Nelson & Yates, Palmyra	921	3,380.94
Estimated State average per rice loan		2,509.00
TEXAS		
South Texas Rice Farms, Rosharon	57,226	300,477.68
J. W. Adams & Son, J. H. Tigner, A. Farrer & E. W. Bailey, Jr., Angleton	29,565	161,373.81
Briscoe Production Co., Alvin	23,168	126,721.59
Lazy K Ranch, Garwood	20,489	115,594.75
George P. Nelson, Katy	20,107	100,594.16
Estimated State average per rice loan		11,977.00

Producers with the largest quantity of wheat placed under loan on the 1957 crop

Name of producer and address	Quantity	Amount
ALABAMA	*Bushels*	
Cooper Frazier, Tanner	7,337	$10,932.13
C. E. Moody & Son, Cherokee	4,194	6,471.61
W. L. Rice, Florence	3,778	5,565.69
Robert Winters, Florence	3,094	4,849.45
Leon Lindsay, Tanner	1,759	2,648.78
Estimated State average per wheat loan		1,804.62
ARIZONA [1]		
Allen Marlatt, Wellton	6,572	10,383.76
Floyd Pierport, Gila Bend	2,810	4,289.70
Estimated State average per wheat loan		7,336.73
ARKANSAS		
Wesson Farms, Victoria	22,442	44,811.24
H. T. Dillahunty, Hughes	12,972	26,041.24
Keiser Supply Co., Keiser	11,197	22,617.78
Noble Gill Farms, Victoria	8,361	18,057.87
Chiles Planting Co., Joiner	8,744	17,790.00
Estimated State average per wheat loan		2,962.00
CALIFORNIA		
Christensen Farm Co., Yuba City	11,371	22,685.15
Nic E. Lewis, Santa Margarita	10,115	20,467.70
Pinole Land & Cattle Co., Palo Alto	9,536	19,658.46
W. J. Duffey, Jr., Woodland	7,383	16,980.32
Botts Bros., Bradley	8,309	16,576.46
Estimated State average per wheat loan		14,416.00

See footnote at end of table.

Producers with the largest quantity of wheat placed under loan on the 1957 crop—Con.

Name of producer and address	Quantity	Amount
COLORADO		
J. H.-N. M. Monaghan Farms Co., Derby	*Bushels* 109,945	$214,872.34
Sprague Bros., Holyoke	59,104	112,301.81
Wood Land Co., Dailey	43,141	81,530.57
Tom Bradbury, Littleton	27,558	58,690.34
Moffitt Bros., Derby	31,232	57,695.78
Estimated State average per wheat loan		2,985.00
DELAWARE		
J. Clifford Rhoades, Middletown	1,576	3,316.73
Lilian McMullin, Middletown	1,065	2,224.23
Jas. T. Shallcross, Odessa	1,015	2,128.27
Corbit Collins, Middletown	1,015	2,128.27
S. G. Deats, Middletown	867	1,809.86
Estimated State average per wheat loan		1,240.00
GEORGIA		
F. H. Willie, Louisville	4,090	8,111.55
W. B. Hancock, Louisville	3,671	7,375.14
G. H. Shivers, Sr., Norwood	3,316	7,096.84
A. A. White & Son, Byron	2,779	5,946.46
R. F. Strickland Co., Concord	2,747	5,466.94
Estimated State average per wheat loan		819.84
IDAHO		
Shayne Linderman, Newdale	42,418	72,959.00
Meachan Land & Cattle Co., Culdesac	38,025	71,107.00
Ross & Marie Howard & Madeline Walter, Lewiston	36,162	63,745.00
Ira McIntosh, Lewiston	33,286	58,584.00
A. E. & DeMar Bott, Newdale	30,301	52,054.00
Estimated State average per wheat loan		3,288.00
ILLINOIS		
Richard L. & Albert Coultas, Winchester	9,836	20,065.44
Schaeffer & Losch, East Alton	8,193	17,246.08
Bartels Farms, Inc., St. Marys	8,382	17,165.30
Rapp Bros., Granite City	6,451	12,679.09
Marcella Muncy, Clarence Quintal, agent, Jacksonville	5,715	12,334.30
Estimated State average per wheat loan		999.61
INDIANA		
Graham Farms, Inc., Washington	9,198	18,351.78
A. G. Tebbe, Tipton	5,658	11,655.48
Charles Thompson, Jr., Decker	4,021	8,192.20
Luther Jones & James C. Bower, Vincennes	3,729	7,578.48
Maxwell Farms, Delphi	3,036	6,238.68
Estimated State average per wheat loan		1,321.00
IOWA		
Varro E. Tyler, trustee for Martha P. Cresap, Nebraska City, Nebr	20,325	44,613.36
M. M. Payne estate, M. M. Payne III, administrator, Hamburg	13,466	29,599.38
R. C. Good, Glenwood	5,673	12,480.14
Donald Guttau, Mondamin	5,274	11,628.97
Arthur Guttau, Mondamin	5,274	11,628.24
Estimated State average per wheat loan		1,187.49
KANSAS		
Stewart Farm account, by H. C. Altman, agent, Wellington	34,137	69,931.78
The Garden City Co., Garden City	35,553	68,883.21
Schneider Ranch, by A. G. Schneider, Jr., Stockton	23,250	48,268.96
Pessemier Co., St. Marys	21,830	47,824.28
Andrew E. Larson, Garden City	22,106	44,022.56
Estimated State average per wheat loan		1,499.27

Producers with the largest quantity of wheat placed under loan on the 1957 crop—Con.

Name of producer and address	Quantity	Amount
KENTUCKY	*Bushels*	
E. G. LaMotte, Hopkinsville	4,964	$9,776.90
J. W. Hancock & Son, Morganfield	3,851	8,432.96
Gorrell & Gregory, Guthrie	3,681	7,723.83
Anderson Brothers, Morganfield	3,738	7,662.90
H. R. Vinson, Cadiz	3,292	6,762.82
Estimated State average per wheat loan		990.82
LOUISIANA [1]		
Russel C. Fleeman, Lake Providence	16,921	24,816.94
Estimated State average per wheat loan		24,816.94
MARYLAND		
The B. F. Shriver Co., Westminster	7,930	17,148.24
Samuel B. Firebaugh, New Freedom, Pa	5,633	11,775.97
R. T. White, Gaithersburg	5,510	11,662.57
J. Herbert Carter, Queenstown	3,086	6,475.02
Woodland Farms, C. L. Minker, manager, Perryville	2,857	6,097.47
Estimated State average per wheat loan		1,116.04
MICHIGAN		
Wahat Farms, St. Charles	8,682	19,342.18
Gerald Wright, Vandalia	5,889	12,072.45
Arthur Segerdahl, Schoolcraft	5,018	10,118.77
Claude L. Wood, Brown City	4,849	9,595.03
Glenn McNamara, White Pigeon	4,248	8,629.44
Estimated State average per wheat loan		1,268.30
MINNESOTA		
James & Joe Fanfulik, Angus	20,601	44,178.98
H. R. Peterson, Moorhead	15,298	30,674.90
Emil Rychart, East Grand Forks	10,668	22,365.97
Wm. Sezepanski, Stephen	10,720	21,197.12
Victor Younggren, Hallock	10,069	20,037.31
Estimated State average per wheat loan		1,733.00
MISSISSIPPI		
H. G. Girdley, Itta Bena	2,741	3,673.46
Leo W. Klarr, Hattiesburg	1,549	2,277.03
Ralph Lembo, Itta Bena	826	1,131.41
D. H. Shipp, Benton	799	1,070.35
S. C. Coleman, Yazoo City	770	1,031.33
Estimated State average per wheat loan		1,837.00
MISSOURI		
C. O. Donath, Palmyra	17,250	35,190.00
David M. Barton, Catron	16,263	33,991.40
James H. Pettijohn, Oregon	13,194	26,435.80
Dearmont Oliver, East Prairie	12,962	26,409.63
Parretta Bros., Kansas City	12,879	26,398.89
Estimated State average per wheat loan		805.00
MONTANA		
Campbell Farming Corp., Hardin	184,023	330,267.51
Floyd Warren, Inc., Hardin	48,412	86,626.19
Formanack & Barber, Lodge Grass	48,371	86,559.17
Tom McCracken, Ledger	37,344	66,480.48
Hunsaker Bros., Toston	37,532	66,468.62
Estimated State average per wheat loan		4,795.35
NEBRASKA		
Edward Jelinek, Alliance	48,784	95,162.33
Kjeldaard Bros., Big Springs	46,382	102,037.01
John Hippen, Lodgepole	38,338	73,951.34
Martha W. Jacobson, Alliance	35,672	95,162.33
Robert Elliott, Salvang, Calif	34,545	67,670.00
Estimated State average per wheat loan		2,175.00

See footnote at end of table.

Producers with the largest quantity of wheat placed under loan on the 1957 crop—Con.

Name of producer and address	Quantity	Amount
NEVADA [1]		
	Bushels	
Earnest Clinger, Lovelock	1,060	$1,537.00
Estimated State average per wheat loan		1,537.00
NEW JERSEY		
J. Ernest Snyder, Englishtown	5,811	12,547.39
Wm. D. Clayton, Freehold	5,500	12,100.00
Cross Bros., Holmdel	5,500	12,045.00
Roscoe Clayton, Freehold	3,048	6,707.80
John Probasco, Wrightstown	2,749	6,102.78
Estimated State average per wheat loan		3,118.40
NEW MEXICO		
Roy Williams & Sons, Clovis	24,065	45,722.86
Laura Moore & Sons, Clovis	15,456	29,057.05
Skarda Bros., Clovis	13,472	25,103.26
Lessie Pattison, Clovis	12,426	23,360.26
Roy & Leon Marks, Clovis	12,459	23,174.35
Estimated State average per wheat loan		4,000.00
NEW YORK		
Edward Leathersich, Caledonia	5,569	11,917.66
Everett LaWall, Gainesville	5,197	11,291.10
R. V. Call & Sons, Batavia	3,592	7,739.05
Louis Thomson, Avon	3,524	7,647.08
Gordon Wilson, Jr., Dansville	3,444	7,370.16
Estimated State average per wheat loan		1,813.38
NORTH CAROLINA		
S. P. Jackson, Kinston	3,029	6,131.44
L. P. Lindsley, Williamston	2,174	4,392.55
A. M. Waddell, Rockingham	2,173	4,727.00
Isaac Russell, Albermarle	2,111	4,158.67
J. H. Teague, Hickory	1,738	3,691.34
Estimated State average per wheat loan		828.23
NORTH DAKOTA		
Otto Engen, Minot	41,072	79,059.39
Witteman Co., Mohall	38,680	73,971.46
Ryan Farms, East Grand Forks, Minn	29,185	58,387.57
John D. Kirschman, Lemon, S. Dak	24,325	49,005.49
Peter A. Nygaard, Alexander	23,802	45,014.29
Estimated State average per wheat loan		2,035.00
OHIO		
The Orleton Farm, London	14,369	29,457.82
Agricultural Lands, Inc., London	10,152	19,491.84
Case & Co., Inc., Richwood	7,756	15,821.22
Alpha Realty Co., care of Robert Jackson, manager, Mount Sterling	5,922	11,251.80
Case Farms Co., Prospect	4,887	10,019.03
Estimated State average per wheat loan		1,040.00
OKLAHOMA		
Henry C. Hitch Ranch, Guymon	51,343	101,780.86
A. L. Jackson & Sons, Spearman, Tex	28,266	53,743.19
A. H. Huckaby, Selman	15,545	28,727.64
John W. Webb, Eva	13,344	25,437.74
Ed Tucker, Elkhart, Kans	13,192	25,196.09
Estimated State average per wheat loan		1,831.00
OREGON		
Amanda Duvall, Heppner	52,552	104,988.51
L. S. & Glen Thorne, Pendleton	50,582	92,674.62
Rew & Rew, Pendleton	38,322	72,869.39
Loyd E. Smith & Sons, Mayville	35,219	67,230.70
F. L. Watkins, J. Kenneth Kaseberg, and Helen Korn, Wasco	31,710	64,371.30
Estimated State average per wheat loan		5,981.56

See footnote at end of table.

Producers with the largest quantity of wheat placed under loan on the 1957 crop—Con.

Name of producer and address	Quantity	Amount
PENNSYLVANIA		
	Bushels	
Willow Brook Co., Catasauqua	3,400	$7,071.52
Sam B. Firebaugh, New Freedom	3,245	6,812.48
Maple Lawn Farms, Inc., New Park	3,144	6,602.46
John C. Trexler, Mertztown	2,717	5,652.05
Herman Handwerk, Schnecksville	2,691	5,623.62
Estimated State average per wheat loan		1,030.00
SOUTH CAROLINA		
Garrett Bros. & T. H. Copeland, Mountville	3,704	7,926.56
Carl Porth, Fort Motte	3,567	7,334.73
Hugh W. Perrow, Cameron	2,825	5,774.00
G. C. & N. H. Bull, Cameron	2,736	5,609.00
J. V. Spigener, Allendale	2,680	5,305.77
Estimated State average per wheat loan		1,077.39
SOUTH DAKOTA		
Donald Handcock, Longvalley	40,397	87,215.07
Dennis Anderson, Onida	34,792	69,308.68
Leslie Handcock, Longvalley	30,474	69,172.78
Myrten Jacoby, Batesland	28,727	60,472.74
Hansmier & Son, Bristol	28,500	58,555.00
Estimated State average per wheat loan		2,903.13
TENNESSEE		
Taylor & Teeter, Guthrie, Ky	5,491	10,770.35
C. S. Crockarell & Co., Clarksville	5,011	9,976.11
Holman & Winn Robertson, Springfield	4,222	8,649.84
Harris & Teeter, Guthrie, Ky	3,278	6,711.48
H. A. Dewberry & Jim S. Brock, Lawrenceburg	3,115	5,885.79
Estimated State average per wheat loan		750.00
TEXAS		
Jim Golding, Dimmitt	35,277	75,188.99
Nuckles & Gerald, Chillicothe	27,187	54,373.33
Elizabeth Herring Estate, Amarillo	21,615	45,157.99
A. L. Stovall, Panhandle	22,808	42,932.77
A. C. Witt, Perryton	21,725	39,327.11
Estimated State average per wheat loan		3,073.00
UTAH		
Ralph Bastian, Riverton	10,869	18,625.39
Orlando Allen, Tremonton	9,926	17,171.98
L. S. Capener, Riverside	9,096	14,736.05
Waldo Grant, Howell	8,329	14,409.17
Holmgren Bros. (LeRoy Dell and John), Bear River City	8,768	14,291.30
Estimated State average per wheat loan		3,065.00
VIRGINIA		
Adolph Hula, Charles City	6,707	14,557.28
Evelynton Plantation, Charles City	6,149	13,377.17
Brandon Farm, Spring Grove	4,533	9,347.52
Stanley Hula, Charles City	4,231	9,008.89
Upper Brandon Farm, Spring Grove	3,706	8,039.65
Estimated State average per wheat loan		999.89
WASHINGTON		
L. C. Staley, Pullman	55,613	103,573.72
Bi-County Farms & Horrigan Farms, Prosser	46,481	91,567.57
Don Damon, Cunningham	48,189	90,596.23
Wilbur Security Co., Wilbur	47,685	84,437.70
Edgar W. Smith & Sons, Lancaster	39,488	74,237.16
Estimated State average per wheat loan		6,790.00

Producers with the largest quantity of wheat placed under loan on the 1957 crop—Con.

Name of producer and address	Quantity	Amount
WEST VIRGINIA		
Oliveboy Stock Farm, Charles Town	1,370	$2,928.03
Paul D. Chapman, Rippon	1,012	2,196.76
Willard O. Lloyd, Charles Town	553	1,211.798
Alice J. Knott, Shepherdstown	418	852.72
J. Edgar Day, Shepherdstown	410	816.56
Estimated State average per wheat loan		1,391.35
WISCONSIN		
Kiehlbauch Bros., Sturtevant	3,416	7,310.24
Henry & Chas. Kuiper, Union Grove	1,854	3,967.56
Lester Hribar, Union Grove	1,270	3,717.80
Harry Kingsfield, Union Grove	827	1,769.78
Ronald Brummond, Mayville	814	1,693.12
Estimated State average per wheat loan		1,462.18
WYOMING		
Christy K. Smith, Newcastle	18,513	41,418.00
Conrad Kaufman, Hawk Springs	18,816	37,970.00
Joe Matje, Lagrange	18,751	36,176.00
Lon David, Haw Springs	16,816	36,138.00
Dale Hubbs, Haw Springs	15,724	32,429.00
Estimated State average per wheat loan		3,500.00

[1] Wheat loans made to only 2 producers in Arizona and 1 producer in Louisiana and Nevada.

APPROPRIATIONS FOR NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Mr. THOMAS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMAS. Mr. Speaker, I voted against the authorization bill for the Space Agency for the reasons I have heretofore set forth in the RECORD on pages 8277 and 8291.

I repeat that I think the programs of the Space Agency should be carefully reviewed by the Congress, and this will be done now without section 4 of this bill. Section 4 will slow down the program 3 to 4 months every year.

We have spent in the neighborhood of $40 billion a year for national defense for several years without the requirements of section 4. At least $3 billion or $4 billion of the money goes for research and development in the same field as the Space Agency without the requirements of section 4.

I make these remarks as it is the only way of registering my disapproval to section 4 under the procedure where the bill was brought up under suspension of the rules and could not be amended.

NUCLEAR TEST BAN PITFALLS

Mr. HOSMER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOSMER. Mr. Speaker, under date of May 8, 1959, a document of exceptional importance was submitted to the Joint Committee on Atomic Energy via its chairman, the Honorable CLINTON P. ANDERSON. The document was written by the Honorable Thomas E. Murray, formerly an Atomic Energy Commissioner and at present a valued consultant to the Joint Committee.

The Murray document deals realistically with the subject of bans on nuclear testing, the subject of much current talk at the Geneva Conference of foreign ministers and brings to light many facets of that vital issue which have for too long been ignored in public discussion.

Murray advises that U.S. acceptance in principle of a proposal for permanent cessation of U.S. nuclear testing represent "a step backward in the policy of retreat" which the United States has adopted in disarmament negotiations. He asserts his belief that from the standpoint of American military security and political advantage, the worst thing that can happen is Soviet acceptance of such a proposal.

Citing an "uninformed and frightened world opinion" as the chief weapon of the Soviet Union in the propaganda war, Murray holds that public ignorance in nuclear matters leave the American people unable to debate intelligently either the effects of nuclear testing, the shape of a sound foreign policy, the design of a rational military policy, or the nature of our moral responsibilities.

He cites prior incidents of contradictory positions by the United States on nuclear policy. For instance, as late as December 1957 President Eisenhower was reiterating our former policy that cessation of nuclear tests would endanger the national security. Yet in August 1958 the President unilaterallv ceased U.S. nuclear testing.

The U.S. ban was based on a scientific assumption that nuclear test explosions could be readily detected, and on a political assumption that the United States would score a propaganda victory. Both assumptions, contends Murray were wrong; "the scientific assumption proved completely invalid and the political assumption boomeranged," he says.

Mr. Murray properly points out that throughout the test ban negotiations the immense land area of Red China has been completely ignored, rendering any scientific and political agreement which might be concluded essentially meaningless.

He held that the President's judgment in December 1957 is the right one because American military security demands continued nuclear testing in order to develop weapons for "important defense uses," to develop lower yield weapons for use in limited wars, and in order to make the weapon "more a military weapon and less a weapon of mass destruction." The need for further tests for defense purposes was emphasized by the Argus and Johnston Island outer-space tests, Mr. Murray argues.

He expresses a belief shared by many that there is a moral responsibility, so long as nuclear weapons do exist, to develop them into controllable and discriminate military weapons rather than indiscriminate instruments of massacre. Murray's call is for clear thinking which will bring a return to first principles: moral, political, and military.

Although I do not agree with Mr. Murray in each detail of his statement, and will at later times expand upon my own views, there is "red meat" food for thought in what he says. For that reason and because press coverage of his statement was skimpy, I have asked that his full statement be set forth, as follows:

THE PRESENT UNITED STATES BAN ON NUCLEAR TESTING

(Memorandum to Hon. CLINTON P. ANDERSON, chairman, Joint Committee on Atomic Energy, from Thomas E. Murray, consultant)

In compliance with your request, I am submitting my comments on the present U.S. policy regarding the cessation of nuclear testing.

A new turn was given to the whole complicated issue of nuclear testing by President Eisenhower's most recent letter to Mr. Khrushchev, as reported in the press. The worst thing that can now happen is that Mr. Khrushchev will accept the first proposal made by the President in this latest letter.

The proposal bears on the crucial issue of inspection. It is substantially the proposal made by Prime Minister Macmillan to Mr. Khrushchev and accepted by the latter in principle. It suggests that an agreement be reached to carry out on an annual basis a predetermined number of inspections. These inspections would not be numerous, but should bear an appropriate relationship to scientific facts and detection capabilities. (It is not at all clear what this concept means and implies; at the present moment the scientific facts concerning the capabilities of detection systems, other than atmospheric, are matters of serious doubt. I shall return to this point later.)

From the standpoint of American military security and political advantage, the worst thing that can happen is, I say, that Mr. Khrushchev will accept the Macmillan-Eisenhower proposal. There are four major reasons, whose force is cumulative.

First, an agreement of this kind will put a permanent stop to all U.S. nuclear tests. This, as I shall say later, would be disastrous in the present state of our nuclear armament programs.

Second, this agreement would not necessarily put a stop to Soviet nuclear tests. The Soviet Union could very easily evade the extremely limited capabilities of the proposed system of occasional inspections.

Third, the agreement would therefore have only one effect on the current armament race, namely, it would guarantee that the United States, which may already be behind in the perfecting of needed weapons systems, will fall further behind.

Fourth, these disastrous effects on our military security would not be compensated by any political gains for the United States. On the contrary, the Soviet Union would have won the political victory. It would have driven the United States another long step backward along the lines of the policy of retreat that it has been following with most lamentable consistency.

For about 5 years the United States has been steadily retreating under Soviet pressures and under the pressures, largely generated by Soviet propaganda, of an uninformed and frightened world opinion. Now we are giving way to the ill-advised views of an ally, Great Britain, who presumed to project her views into the current negotiations without prior consultation with the United States. The President's yielding to Prime Minister Macmillan was unjustified and unnecessary. In consequence of it a situation which was already bad has become worse. It will not be difficult to show how bad the situation already was.

Ever since 1945 the Soviet Union has looked upon disarmament negotiations as a major arena in which to wage its cold war against the West. The war on this vital front has moved through several phases; the dominant issue has been nuclear armament. In none of the phases of the conflict has the U.S. Government scored any successes.

A serious failure has been registered at the Geneva conference of the three nuclear powers—the United States, the United Kingdom, and the Soviet Union—which opened on October 31, 1958, and has been dragging on ever since. Having been present in Geneva during the early part of the conference as consultant to Senator ALBERT GORE, one of the official observers for the U.S. Senate, I have followed the course of the negotiations with close attention.

The proceedings of the conference have been reported in the press; but there has been no public argument about the basic issues of American public policy that the conference raises. The public is almost entirely unaware of what these issues are. This is lamentable, since they concern vital aspects of our national security and our cold war strategy. There ought to be vigorous argument about them, as there has been about the missile lag and about other defense policies.

The immediate background of the Geneva conference was an international meeting of scientists, also held in Geneva, during the summer of 1958. The scientists reached an agreement on the design of an inspection system capable of detecting nuclear test explosions. But they had before them inadequate data; in fact, the magnitude of this problem is only now beginning to be understood. Surprisingly, instead of being cautious, they accepted conclusions that were far too optimistic and in several important respects erroneous. Moreover, it is worthwhile noting that politics was subtly present at this scientific meeting; it showed itself chiefly in a tacit agreement to avoid questions that would raise political issues. For instance, it was obvious that the inspection system on which they agreed could have no meaning since it failed to cover the immense land area of China. But this question was not even raised, for obvious political reasons. On all sides there was a determination to agree. I might interject here that the issue of including China in the scope of an inspection system has been consistently and resolutely avoided to this very day; yet the issue is absolutely crucial.

In sharing the determination to agree the Soviet scientists in Geneva were following political instructions, as Soviet scientists always do. They could afford to sign the scientific agreement because it was politically meaningless in view of the higher Soviet policy that the operation of all international system of control must be subject to the rights of national sovereignty and therefore to the veto power. This has been a Soviet policy since 1946 when it was first announced by Mr. Gromyko in the course of the discussions on the Baruch plan for international control of atomic energy. There has been no evidence that the Soviet Union is disposed to relinquish this policy. The political meaninglessness of the scientists' agreement was demonstrated when the political conference met. The Soviet Union quickly de-

manded the right of veto within the control commission that would operate the detection system. During the course of the negotiations it has held to this position, which renders sterile from the outset all political negotiations about international inspection of nuclear tests. I would note here that Mr. Khrushchev's seeming willingness to discuss the Macmillan proposal constitutes no evidence that the Soviet Union is willing to change its veto policy.

The scientific agreement was reached on August 21, 1958. On August 22 President Eisenhower declared a unilateral moratorium on all manner of nuclear tests, to begin on October 31 and to run for 1 year, subject to extension. The action was incredibly rapid. It was also drastic. No satisfactory public explanation of it has been offered by the administration. Yet an explanation was owed to the public because the action raised all sorts of serious issues. In particular, it represented a radical change in American nuclear armament policy, a significant step in the policy of retreat upon which the United States has embarked. In order fully to explain the shift it would be necessary to go into the whole history of armament and disarmament policy; but this is a lengthy and tortuous story. The essential issue will appear if we go back just 1 year.

On August 21, 1957, exactly a year before the test moratorium was announced, President Eisenhower notified the London conference on disarmament that the United States would continue to "conduct such nuclear testing as our security requires," until two conditions were met: first, that all nations agree to stop testing, and second, that serious discussions about international inspection be inaugurated. In the course of the London conference the United States had made substantive concessions to Soviet demands, without obtaining any Soviet concessions in return. For instance, the United States gave up its long-standing position that nuclear tests should not be the first item on the disarmament agenda. More important, it revoked its even more substantive position that the cessation of nuclear tests must be made dependent on the prior installation of an effective inspection system. But the United States still held fast to the absolutely fundamental principle that an agreement on any ban on nuclear tests must be kept subordinate to the demands of American military security. It also held to the position that America would not act unilaterally in the matter.

On October 4, 1957, the President put the American position firmly in a long letter to Prime Minister Kishi of Japan, who had pleaded for a cessation of tests. The President said that "for the time being and in the present circumstances the security of the United States and, I believe, that of the free world depends to a great degree upon what we learn from the testing of nuclear weapons. We are at a stage when testing is required for the development of important defensive uses of nuclear weapons, particularly against missiles, submarines, and aircraft as well as to reduce further the fallout yield from nuclear weapons. To stop these tests in the absence of effective limitations on nuclear weapons production and on other elements of armed strength and without opening up of all principal nations to a measure of inspection as a safeguard against surprise attack in which nuclear weapons could be used, is a sacrifice which would be dangerous to accept."

On December 15, 1957, in a letter to Prime Minister Nehru of India the President made the same argument. "The cessation of tests," he said, "cannot be an isolated step"; it must be accompanied by other measures. He added: "We are at a stage when testing is required particularly for the development of important defensive uses of these weapons." And he concluded: "To stop these tests at this time * * * is a sacrifice which we could not in prudence accept."

Here then the essential issue appears. As late as December 1957 the President argued that a test moratorium would be imprudent, dangerous to the security of the United States and the free world, an unwarranted sacrifice of defensive military strength. He also implied that the United States has laid out a test program with definite objectives whose achievement is essential to the national defense. A bare 8 months later, in August 1958, the President declared a unilateral test moratorium on all kinds of tests. The American test program was brought to a complete halt. The dismaying thing is that this stoppage promises to be permanent, unless a better understanding of the issues is quickly reached; and no efforts are being made to promote this understanding.

The vital questions come to mind immediately. What happened in those 8 months to obviate or lessen the imprudence and danger of stopping nuclear tests? Did the United States suddenly acquire all the requisite designs of nuclear weapons for all "important defense uses," in such wise that no further experimentation was needed? At a press conference on April 25, 1956, the President had said that "the United States is proceeding with tests in order to find out ways and means of limiting nuclear weapons * * * and in general making the weapons more a military weapon and less a weapon of mass destruction." This objective is of supreme importance, both from a military and also from a moral standpoint. Has it been completely achieved? Or has it been abandoned? Has the United States permanently given up its program designed to limit nuclear weapons and make them suitable for properly military uses? Has it completely committed itself to a policy of almost total reliance on the strategy of massive retaliation by multimegaton weapons, which are not military weapons at all but simply instruments of indiscriminate massacre, designed for the annihilation of whole populations? Or possibly, is the United States presently so sure of its superior strength in the field of limited nuclear weapons, suitable for tactical use, that it can afford to stop tests, while the Soviet Union continues its tests, many of which are experiments with weapons of limited yield? Is the United States really ahead of the Soviet Union in this field?

The administration has given no answer whatever to these questions. What is worse, the questions themselves have not been put strongly enough to the administration. It seems to me that the American public is presently in an intolerable position. All it knows it what the President has said and what the President has done. What the President has repeatedly said is that continued nuclear tests are necessary for the national security. What the President has done is to stop the tests that are necessary for the national security. This is a plain contradiction. If the President was right in considering it imprudent and dangerous to stop tests in December 1957, he cannot have been right in stopping tests in August 1958. And if in August the action of stopping tests was prudent and compatible with the national security, the declaration in December was false. What is the public to believe? Neither the administration nor the public can have it both ways.

This is the more true because nothing happened between December 1957 and August 1958 to alter substantially either the international political situation or the domestic armament situation. An agreement was reached on the practicability of an inspection system to police a ban on tests; but this agreement is scientifically invalid and politically meaningless. Moreover the elaborate series of small tests that was rushed through at the Nevada test site in September and October, in order to beat the deadline for the moratorium on October 31, was sufficient testimony to the fact that the technology of lower kiloton, and especially fractional kiloton, weapons is still very imperfect. Limited nuclear weapons have always been the stepchild in our armament program. Our program in this range has hardly begun to move beyond the development stage; and in this stage tests are absolutely necessary in order to improve existent designs and to validate the radically new designs that are still needed. When the moratorium went into effect, the imperative objectives of our test program, as defined by the President, had not been achieved.

There is another alarming aspect to the matter. It came to light when the disclosure of the Johnston Island and Argus series of tests was made. The purpose of these tests was to investigate the effects of nuclear explosions in outer space. This was a radically new and vastly important field of investigation. When the President announced the test moratorium he knew the results of the Johnston Island tests and he also knew that the Argus series was soon to take place. The results of these two series of tests have been sufficient to raise grave questions about the effect of nuclear explosions in outer space on the operation of American weapons systems, communications systems and early warning systems. We must assume that the Soviet Union has conducted similar experiments and may be in a position to exploit their effects to its own advantage in the event of war. Given the meagerness of our knowledge in this area, it is imperatively necessary that the United States should conduct further tests in outer space. Delay is dangerous. But the President's moratorium is denying to the United States the scientific information that is vital to the national defense.

No military man in possession of the facts would have recommended the test moratorium, or consented to it except under heavy pressure. The military judgment today must still be the judgment made by the President in December 1957 that a total shutdown on all tests, small as well as large, underground as well as overground, is imprudent, dangerous to the national security, an unwarranted sacrifice of defensive strength.

Given the plain and public contradiction between the statements and the actions of the administration, it is, I think, altogether necessary that your committee should give immediate attention to the following questions: Is the existent moratorium compatible with the security interests of the United States? This is the major issue raised by the President's statements, quoted above, and by the results of the Johnston Island and Argus tests. In particular, is our present situation and our current progress satisfactory in what concerns the defensive uses of nuclear weapons, uses that are properly military because they envisage military targets (submarines, aircraft, missiles, troops in the field, military installations, etc.). For these uses limited weapons are desirable and necessary. Is our stockpile of these weapons adequate? Are our development programs sufficiently varied? In particular, is satisfactory progress being made toward the President's essential objective of "making the weapon more a military weapon and less a weapon of mass destruction?"

This objective is not only a military necessity but also a moral imperative. It is a military necessity for the reason pointed to by the Rockefeller Bros. special studies panel on national security, lest we be frozen between "the alternatives of yielding to what will seem a marginal Soviet gain or precipitating a worldwide holocaust." It is a moral imperative for the reason that we must have in hand the means of making

the use of force a moral act, an act of justice against injustice. The norms of justice will not sanction a use of force that is not limited and discriminating. They demand that force be directed with fair precision against the opposing force that is the instrument of injustice. They forbid that force be launched wildly against total populations. The moral integrity as well as the military security of the American people are at stake in the field of nuclear armament. It is the prerogative and the duty of your committee to elicit the due measure of public information on both issues.

A great deal of publicity has been given to many other areas of national security. There is an equal public right to candor about the nuclear weapons program in all its aspects, military and moral. Nuclear secrecy is now for the most part an archaic survival from the presputnik era. It has outlived its major usefulness as a means of military security. And in considerable part it has become a menace to another value that is not less important, our moral integrity as a Nation.

For instance, there has been ample information about missiles that will hurtle from 2,000 to 6,000 miles. The people have been informed, altogether vaguely, that these missiles will carry thermonuclear warheads. They may well suppose that the present technological effort is to make these warheads as destructive as possible. But the fact that multimegaton warheads will kill tens of millions of men, women, and children, has not been impressed on the imagination or the moral conscience of the American people. Yet, if these missiles are delivered, it is the American people as a whole, and not merely a handful of officers in the Pentagon, and the President, who will be morally responsible for the death and devastation that ensues. It is high time that the American people were told openly and frankly just what they are to be held morally responsible for. The Department of Defense is committed to the defense of the people not only as a historical people but as a moral entity, a nation under God, whose power, gained from the atom, is to be dedicated to the service of justice.

Given the military imprudence of the American unilateral test moratorium, one must presume that consent to it was obtained within military circles by the classic argument, overriding political considerations. The moratorium and the ensuing Geneva Conference were, in fact, a political maneuver. But the value of a political maneuver is measured by one standard—success. And the sorry fact is that both the moratorium and the Geneva Conference have been a dismal political failure.

Practically the first thing that the Russians did on arrival in Geneva last October was to announce in effect: "You want us to agree to a moratorium on tests for 1 year? That's no good. What we want is an agreement to abolish tests forever. And to abolish all nuclear weapons and nuclear warfare, too." Our propaganda line, that was supposed to capture the approval of world opinion, was topped at the very outset. We were put on the defensive again.

Our political gains from the test moratorium and the Geneva Conference have been zero. Worse than that, our political losses have been considerable. The image of America that we have projected is such as to inspire confidence only in our enemies, not in our friends. Surely the Russians must realize that our test moratorium marked a victory for their 12 years of tough policy and skillful manipulation of world opinion. They have driven us into a policy of retreat. It will take a high degree of political courage to extricate ourselves from its toils, which grow tighter every day.

The initial muddle is in our own thinking. It can only be cleared up by a return to first principles—moral, political, and military.

The first military principle is the security of the United States and the free world. It requires a flexibility of strength through the whole nuclear spectrum. To achieve this the essential demand now is an intensive test program of lower kiloton and fractional kiloton weapons for essential military purposes. This was the President's judgment in December 1957. It is still the right judgment.

This test program can be conducted underground. Therefore it will entail no radioactive contamination of the atmosphere and no hazards to world health from fallout. We have already developed the techniques for controlling and containing dangerous radioactive products from underground explosions. The techniques can be further perfected. On the other hand, tests conducted within the earth's atmosphere, from which contamination and fallout result, are presently not an essential demand of military security. We can afford to forego this manner of testing.

Therefore we are in a position to satisfy the demands of the first political principle, which is a due regard for the legitimate demands of world opinion. The peoples of the world are right in demanding that their health and well-being be safeguarded against possible radioactive hazards that might be created by nuclear tests conducted within the earth's atmospheric envelope. We can and ought to heed this reasonable demand.

The proposal that the United States should make, as a "first step," toward international limitation of nuclear weapons, is already evident from these two premises. The proposal has two parts: first, an agreement to stop all tests that would cause atmospheric contamination and fallout hazards; second, an agreement to inaugurate immediately an international inspection system.

The system is already in existence. Its operation needs only to be internationalized. Over the years the United States has created a system capable of detecting and locating nuclear explosions in the atmosphere, with a high degree of efficiency. We can immediately offer our own detection system for international use, to be manned by scientists from the nuclear powers. We should also propose an expansion of the system to include additional stations around the world, to be likewise manned by international scientific personnel. This expansion would increase the efficiency of the system to the point where it could detect and locate atmospheric nuclear explosions in the low kiloton ranges. This proposal would not call for the "mobile teams" of inspectors to which the Russians have been strenuously objecting at the Geneva conference. The international control teams would not have to inspect the scene of any explosion, either from the ground or from the air. Their work would be done at fixed stations. Therefore this proposal would cut the ground from under the Russian propagandistic evasions of the issues of control.

There is little or no reason to expect that the Russians would agree to this proposal. But whether they did or not, the United States would have improved its own position in two ways. First, it would have declared its freedom to provide for its own security by going ahead with "small" underground tests and with tests of the Johnston Island and Argus type in outer space. Second, it would have cleared its test policy in any honest court of world opinion.

The proposals that I have here suggested seem to be in substantial agreement with those made by the President to Mr. Khrushchev in a letter dated April 13, 1959. At that time the administration finally reached a realistic position compatible with national security and capable of being made the subject of a self-enforcing agreement. Subsequently, Prime Minister Macmillan thrust his unfortunate and dangerous idea into the picture. In his recent letter the President embraced the Macmillan idea and put his own proposal of April 13 into second place, as a secondary alternative to be considered if the Soviet Union rejects the Macmillan idea. This was a mistake. The Macmillan idea can prove to be a snare. But the idea behind the President's April 13 proposals has the merit of realism.

Realism here means a recognition of the fact that at the moment the science and technology of detection systems are developed to the point where only atmospheric explosions are subject to efficient and adequate detection. Formidable technical difficulties remain to be overcome before we can begin to talk of detecting all manner of text explosions. Hence it makes sense to propose a ban on atmospheric tests; this ban can be adequately controlled. It does not make sense to put forward proposals going further than this, unless we are prepared to make a mockery of the principle of inspection, to which we still fortunately cling, despite our continuing policy of retreat. I fear that there is far too little realization of the fact which I am here emphasizing, namely, the technical limitations of methods of inspection. Progress, of course, will be made. The point is that it has not yet been made. And it will be bad business if we let our political maneuvers run ahead of our scientific capabilities, in an area where these latter are decisive. An illusion of inspection would be worse than no inspection at all.

In conclusion, I express the hope that the policy I have suggested on nuclear tests would be the beginning of a recurrence to first moral principles. The fact today is that a vacuum exists in the governmental and public mind with regard to the moral aspects of the uses of force in the service of justice. The use of force is either considered to be inherently evil or else it is regarded as a purely neutral problem in technology. This vacuum of moral understanding and hence of political purpose is our greatest danger today. The chief reason why the threat of all-out war looms over the world is that nuclear technology, operating in a political and moral vacuum, but with appalling efficiency, has developed the capacity to wage it. And the technology continues to develop at a terrifying pace.

Nuclear technology alone cannot solve the dilemma it has helped to create. But it can make one necessary contribution. It can reduce the destructiveness of nuclear weapons to limits that make military and political sense. In the current international crisis recourse to armed violence may become a necessity of last resort. But the use of force must not go to the point of political and moral absurdity. If America is to lay claim to any moral mission in history, it must take the lead in confining the wildly destructive energies of the atom within the bounds set by the canons of justice. A rational test program, safely conducted, would therefore be a means of moral education as well as of military security. It would illustrate a sound philosophy of the uses of nuclear force in the furtherance of the American purpose, which is the organization of the world on the principles of justice and freedom—the principles which God himself has established for the rule of human societies. This test program, if it were intelligently explained to the public, might therefore help to develop in the public mind the right concepts that are presently altogether lacking. It would at least dramatize to the world American recurrence to first principles.

TIMBER RESOURCE REVIEW

Mr. KASTENMEIER. Mr. Speaker, I ask unanimous consent that the gentle-

man from South Dakota [Mr. McGOVERN] may extend his remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. McGOVERN. Mr. Speaker, the State of South Dakota is generally referred to as a "prairie" State with the possible implication that its people, concerned as they are with the agricultural problems of this rich grain and cattle land, have little interest in forest problems. It is significant, however, that 4.4 percent of the total land area of the State, some 2,169,000 acres, is in forest acreage. Harvesting and processing timber ranks third in importance among the three great natural resource industries of South Dakota—behind agriculture and mining. Over 4 billion board feet of live sawtimber now stands in the forests of South Dakota.

Almost 4 years ago Chief Forester Richard E. McArdle released the results of a mammoth study known as the Timber Resource Review which is the most complete evaluation of timber supply and demand ever made. It indicated that significant progress had been made in bringing timber growth and consumption into close equality.

Significant also was its conclusion that standing timber is declining in quality. It is estimated that by the year 2000, the demand will require a timber cut of 95 billion board feet of timber, two-thirds more than the present cut—that is, it will if wood is to occupy about the same place in the national economy that it does now.

Although planting rates have increased greatly in recent years there is a huge planting job ahead. Almost 50 million acres, or some 10 percent of all commercial forest land in the Nation, need planting if they are to become productive within a reasonable time. The Nation's Chief Forester has asked for 48 billion trees to be planted in the next 10 years if the wood requirements of an expanding population are to be met by the year 2000.

Cooperation between private, State, and Federal foresters is needed to meet this demand. Yet in recent years, the Federal Government has allowed its budget requests in this field to decline.

Concurrent resolutions have been introduced in both bodies declaring it national policy to provide a continuing program for the needed reforestation of Federal, State, and private land. The Secretaries of Agriculture and Interior would be asked to lay out a 10-year program beginning on July 1, 1960, which, by accelerating and supplementing existing reforestation programs, will plant 48 million idle and nonproductive acres to the trees we need.

Mr. Speaker, the longer action to build up our timber resources is delayed, the longer and more acute the period of short supply will be. Our goal should be permanent timber abundance. We can make trees and forests serve human welfare forever.

I am happy to join with my colleagues in sponsoring a similar resolution.

AIR MERCHANT MARINE

The SPEAKER. Under previous order of the House, the gentleman from Oregon [Mr. PORTER] is recognized for 30 minutes.

Mr. PORTER. Mr. Speaker, I rise to urge the building up of an American air merchant marine capable of serving the needs of the country in both peace and war.

The country needs more airlift. During a trip abroad just before Easter, I saw in the Paris edition of the New York Herald Tribune, March 28, 1959, an excellent syndicated column by S. L. A. Marshall of the Detroit News—who is a brigadier general in the U.S. Army Reserve—pointing out that although we have developed STRAC, the Strategic Army Corps of four divisions, it would take some 17 days to airlift even the spearhead of one of these divisions, such as the 101st Airborne Division, to a trouble spot abroad such as the Middle East. The Department of Defense at my request commented on General Marshall's article that it would take less than 17 days, but they have not said how much less.

It is common sense that we cannot count on only one brush fire war breaking out in the world at any one time. Would we not be in a dangerous position if we only had enough airlift to fly troops to handle a crisis in the Middle East and if at the same time simultaneous brush fire wars broke out in Vietnam and in Korea? We must be able to deal simultaneously with crises on opposite sides of the globe. Sworn testimony before the Armed Services Special Subcommittee of the 84th Congress, 2d session—page 841—is very revealing:

General GAVIN. The Army in my personal opinion has as a very minimum, the need for a capability to lift one division in each of our major theaters of interest.

Senator SYMINGTON. Simultaneously?

General GAVIN. Yes, sir.

GROSSLY INADEQUATE AIRLIFT

As General Wheeler pointed out later in his testimony, far from having airlift for three divisions for three major theaters of operations, we are presently unable to airlift even one.

In his authoritative book on "Nuclear Weapons and Foreign Policy," Henry A. Kissinger quoted Army General Weyland that it would take some 15 days to move such a spearhead to the Middle East by available airlift and 10 days to move even a regimental combat team to Laos.

This is too slow and it means that our aerial fire brigades are liable to arrive too late to put out the brush fires, and in strength too weak to be fully effective.

Dr. Kissinger has pointed out that most of the airlift would not be available for limited war anyway since it would be earmarked for the Strategic Air Command, and that therefore "it will be necessary to create additional airlift capacity"—page 137.

It is the creation of additional airlift by a tripling of the civil airlift that is the purpose of my speech.

On December 9, 1958, Democratic Advisory Council's state of the Union message declared:

We must build, too, our air transport facilities for a maximum of three to four modernized divisions, to be quickly transported to where they may be needed.

INADEQUACY IS ON THE RECORD

It is a matter of record in testimony before the Appropriations Committee that there is less than enough airlift in combined civil and military hands to move even one division of troops along with their tanks, missiles and other equipment, let alone the three that are called for.

Therefore, obvious defense needs, emphasized by these Army generals and by our party's advisory policy, call for a threefold expansion of the national airlift.

How best can the national airlift be tripled?

It can best be done by a triple expansion of our civil airlift. This way is most in keeping with our free enterprise traditions, it is the cheapest, and it has a long history of success.

We have a sound and historic example in the civilian merchant marine which has been the backbone of sealift in every war in which this country has participated.

In World War II, General Eisenhower gave this salute:

When final victory is ours, there is no organization that will share its credit more deservedly than the merchant marine.

The Navy has never felt it necessary to build up a merchant marine of its own to compete directly with the civilian merchant marine in time of peace so as to have its own merchant marine in war.

SUCCESS OF MERCHANT MARINE

The Navy has always trusted the civil merchant marine to respond to the most dangerous wartime assignment, and this trust has been fulfilled.

If we could count, as we have done, on the sailors and ships of the civilian merchant marine to make dangerous voyages as they did to Murmansk and the Philippines, why can we not count equally well on the crews and planes of our air merchant marine to make emergency flights to Frankfurt, the Middle East, Saigon, or anywhere else in the world?

Is there any reason to suppose that the civilian crews and managements of the U.S. commercial airlines are any bit less courageous or less patriotic than the civilian sailors and management of the U.S. merchant marine?

The Navy, through its Military Sea Transport Service, tries to build up the civilian merchant marine by booking Government cargoes and passengers on the civil vessels wherever possible, instead of building up an empire of their own.

For example, out of each dollar appropriated to the Military Sea Transport Service—MSTS—over 70 cents goes to the U.S. flag civilian merchant marine, whereas by contrast the Military Air Transport Service—MATS—proposes that out of each dollar that they would be given for next year, the fiscal year 1960, they would retain 81 cents for their

own use and award only 19 cents to U.S. flag civil airline industry.

MATS should be encouraging the buildup of the U.S. flag civil air transport industry, and not competing with it in the carriage of peacetime Government traffic, because such competition hinders the buildup of civil airlift. Why should not MATS imitate MSTS and book 70 percent of its traffic on civil carriers?

It is obvious to me that a transport plane, like an ocean vessel, and unlike a tank or a bomb or a gun, is something that has a regular use in peace as well as in war. Therefore, the more transport planes that can be built up by the civil industry, the fewer that will have to be purchased and operated entirely at the taxpayers' expense.

USE COMMERCIAL CARRIERS TO THE MAXIMUM

The bipartisan Hoover Commission unanimously recommended that:

> Only after commercial carriers have been utilized to the maximum practicable extent, should transportation on service carriers be authorized.

This is a sound principle and who can really argue against it?

The Department of Defense itself recognizes the validity of this principle in its Department of Defense Directive 4500.9 which clearly directs that the congressional policy statements in the Transportation Act of 1940 and the Civil Aeronautics Act to be followed, that the resources of the Department of Defense "will not be employed in such manner as will adversely affect the economic well-being of the commercial transportation industry" and directs that, instead of Government transportation, "commercial transportation service will be employed for the movements of personnel or things when such service is available or readily obtainable and satisfactorily capable of meeting military requirements."

This Department of Defense directive is sound. If the Defense Department applied it consistently there would be no problem of Government competition with private, taxpaying air transport enterprise.

But, illogically, the Defense Department has limited the application of its own Department of Defense directive to traffic "within the continental United States." Why should there be a different policy outside than inside the country?

For no good reason, outside the continental United States, Government-owned and Government-operated airlines, in the form of MATS and an equally large fleet of "administrative aircraft" fly parallel to the U.S. flag airlines, and compete daily with them in the carriage of peacetime Government traffic.

NEED FOR LONG-HAUL TRANSPORT PLANES

I say the same policy of noncompetition should govern in the international traffic especially because, first, our U.S. flag carriers abroad have enough to do to fight foreign-flag competition without also fighting a U.S. Goverment airline; second, we should be encouraging the growth of U.S. international civil airlift because the greatest defense need is for long-haul transport planes capable of spanning the oceans.

We can get more airlift at less cost by building up civil airlift than we can by building up Government airlines.

Instead of competing with our international airlines, and forcing them into destructive rate practices, the Defense Department should follow outside, as well as inside the continental United States, its own directive 4500.9 that its huge economic resources "will not be employed in such manner as will adversely affect the economic well-being of the commercial transportation industry."

Our own Appropriations Committee, in House Report No. 2104 of the 84th Congress, 2d session, by Mr. MAHON, stated:

> In this regard, President Eisenhower's Air Coordinating Committee 1954 report on air policy (p. 17) had this to say:
>
> "The Government should to the greatest extent practicable, adjust its use of air transportation so as to use existing unutilized capacity of the U.S. air carriers."
>
> The committee strongly endorses that statement.

How big is the "existing unutilized capacity of U.S. air carriers," to quote our own Appropriations Committee report?

I have taken a survey individually, of all U.S. civil airlines, large, small and medium ones, asking them to tell me how much unused space they expect to have during the fiscal year ending June 30, 1960, to transport additional military traffic.

AMPLE CIVIL AIRLIFT CAPACITY

A tabulation of the replies received indicates that these civil airlines expect to have over 1.3 billion ton-miles of capacity during fiscal year 1960 to carry extra military traffic.

The tabulation shows U.S. flag civil airlines have more than enough airlift to carry all the passengers and cargo now transported by the Military Air Transport Service.[1]

I am inserting this tabulation immediately following my speech. It is noteworthy how many of the airlines point out that they can do the peacetime air transport job cheaper than MATS can, and no one in the Defense Department has seriously challenged these assertions.

We can get more airlift at less cost by building up civil airlift than we can by building up Government airlines.

It impresses me that the more the U.S. civil air fleet can be enlarged the greater will be our national airlift capacity to cope with emergency or wartime requirements.

IMPROVE EFFICIENCY

For example, I am struck by the statement of a former Under Secretary of the Army that if all Army peacetime movements were made by air there would automatically be available for duty at any one time an entire additional division of troops.

Consequently, I feel that the Army, Navy, and Air Force could all, with resultant economies in time, manpower, materiel and money, make far greater use of civil airlift in peacetime than they are now doing.

I do not believe the Defense Department in its peacetime movement of traffic in choosing between surface and air transportation has followed the statement in Senate Report No. 543 of the 85th Congress which was repeated in Senate Report No. 1937 on the present year's appropriation for the Defense Department, namely that:

> In evaluating relative costs of transportation, the Department should recognize the specific monetary value of time saved as an important factor.

Nor has there been sufficient implementation of Army Regulation No. 59–5 specifying the use of air transport as a normal mode of transportation to develop a wartime airlift capability and to save the time of soldiers and officers, and in the case of cargo to reduce the procurement in the amount of cargo and pipeline and stockpile. That this directive is not being implemented fully at the present time is shown by the fact that the services are moving some half million passengers by sea across the Pacific compared to only about 90,000 by air.

I believe the increase in airlift capacity called for by the Army generals and by our party's advisory council statement quoted above can be achieved by a rerouting of peacetime military traffic so as to use civil airlift rather than surface means.

BUILD CAPACITY IN PEACETIME

It is difficult to see how the airlift capacity needed for an emergency will be available if it is not built up in moving peacetime traffic.

If it is desired by the Department of Defense to have on hand for emergency use additional transport planes over and above those which exist or which would be added to the civil fleet if the Defense Department tripled its peacetime use of the civil fleet, then those planes should be considered additional and should not be allowed to take traffic away from the civil carriers.

It is obvious that a Government-owned and Government-operated transport plane will still be available in the event of war whether or not it carries peacetime loads, but one that is employed in commerce has to receive suf-

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[1] MATS lift on MATS (Government-owned and Government-operated) planes for next year—fiscal year ending June 30, 1960—is estimated at—

	Ton-miles per year
Passenger ton-miles	252,998,000
Cargo ton-miles	873,025,000
Total	1,126,023,000

(House Defense Appropriations hearings for fiscal 1960, pt. 4, p. 922.)

The total estimate of the civil airlines replying to my questionnaire as to the ton-miles of unused space available to fly additional military traffic for the same period (fiscal year ending June 30, 1960) show: 1,300,000,000 ton-miles or more than enough unused space to carry all the traffic which MATS is planning to fly.

Based on a similar survey in the House Defense Appropriations hearings for fiscal 1958, pt. 2, pp. 1711–1718, inclusion of those civil airlines which have not yet replied to my questionnaire would double the above estimate of unused civil airlift.

Consequently, it can reasonably be concluded that the whole U.S. civil air transport industry has more than twice enough unused space to fly all the passengers and cargo which MATS will move.

ficient revenues to continue to be operated and failing to receive such revenues these planes are liable, as has been too often the case in the last 2 years, to be sold to foreign companies or foreign countries and so they are lost to the U.S. civil reserve air fleet.

A year ago—CONGRESSIONAL RECORD, volume 104, part 3, pages 3490–3491—I pointed out that MATS competition was forcing certain commercial operators to sell their planes to foreign countries where they would be lost forever to the U.S. Civil Reserve Air Fleet, and subsequently I asked the Chairman of the Civil Aeronautics Board how much it would cost the Government to replace these planes and he wrote me:

Between $9 and $10 million.

One joint civil-military goal should be the development of a large fleet of cargo planes—of types that are economical in peace and effective in war. Of course the planes should be readily adaptable to military use. If there is no war this fleet will add to peace and understanding through greater and faster world trade, and if there is a war this fleet will deliver our troops to the trouble spot overnight instead of some 17 or 15 days later.

MATS has been far too prone to indulge in luxury passenger planes that could not possibly carry Army tanks cr missiles and are difficult to land and take off from small, unprepared areas. What is neded is for the Government to bring about a partnership between the military and civil industry in the development of a large fleet of cargo planes to serve both purposes.

If the Federal Government were to move its traffic on civil airlines, then these lines could buy more planes, and the military would have the use of them in emergencies.

NEED FOR GREATER COORDINATION

What is needed is greater coordination between the Department of Defense on the one hand, and, on the other hand, the civil aviation agencies of the Government and the civil air industry.

A year ago I prompted the Defense Department and CAB into activating this joint working group on military use of civil airlift, but it is apparent that the results have been negligible and that no real cooperation exists.

The Chairman of the Civil Aeronautics Board, which is charged by law with encouraging the development of the civil air transport industry to meet the needs of national defense, has written me that the CAB's suggestions to encourage procurement of needed commercial air cargo airlift were apparently not favorably received by the Air Force.

Since the Defense Department has admitted that the greatest shortage is in overseas cargo planes, you would think that the Defense Department would offer as much of its peacetime cargo to civil operators as possible in order to encourage the development of a large oversea air cargo industry. But that is not being done and the Air Force has admitted that they carry 90 percent of the peacetime Government cargo themselves in their own Government-owned and Government-operated airplanes.

The Chairman of the Civil Aeronautics Board went on in his letter to me saying:

It is apparent that the Board's effectiveness in obtaining a greater share of military traffic for civil air carriers is quite limited.

Then finally, the Chairman of the CAB, Mr. James R. Durfee, wrote me:

In the last analysis, this matter is one which has to be resolved by the Department of Defense and the Congress.

It is embarrassing, Mr. Speaker, when one agency of the Government finds itself unable to cooperate with another agency of the Government in what should be a goal of mutual interest.

DEPARTMENT OF DEFENSE AGAINST CAB

It develops that the Department of Defense not only has not been responsive to the suggestions of the Civil Aeronautics Board for increasing the amount of Government traffic to be offered to civil air carriers, but also the Department of Defense has even officially proposed to our House Appropriations Committee a one-third decrease in the use of civil airlift, while at the same time asking for huge increases to be spent on their own fleet of Government-owned transport planes. The Defense Department opposes any language in its appropriation bill that would assure a stable and reasonable share of the peacetime traffic to civil airlines.

At the very least the Congress should in the appropriation bill which will be coming before us early next month legislate against any cutback in the use of civil air, provide that $80 million of MATS funds, as was done in section 634 of Public Law 85–724, be earmarked for civil airlift only so that MATS cannot spend the money on themselves, and, further, to provide that other Defense Department uses of civil air transportation be set at no less than $300 million per year.

Having forestalled any backward steps in the use of civil airlift we should then point for a tripling in the use of civil airlift to carry out the policy already laid down by the Congress and to carry out the very evident need for additional airlift for national defense.

THE PROGRAM

In summary, building up an effective Air merchant marine requires:

First. The Defense Department should follow the policy already laid down by the last three Congresses that the Government should use the unutilized space on commercial airlines before authorizing use of Government-owned airlines.

Second. This policy could be carried out if the Defense Department broadened DOD Directive 4500.9 against Government competition to include all transportation anywhere. MATS should then follow the lead of its sister service MSTS and book over 70 percent of its traffic on civil carriers. If action along these lines is not done, Congress may have to enact permanent law giving preference to private enterprise.

Third. Certainly Army, Navy, and Air Force should make far more use of airlift for normal movements of passengers, cargo and mail. Time is value. Saving time means saving money.

Fourth. The Defense Department should cooperate wholeheartedly with the civil air agencies of the Government and the civil air industry to develop a fleet of cargo planes to meet both civil and military purposes.

Mr. Speaker, I made a statement before the House Defense Appropriations Subcommittee on the importance of increasing, instead of decreasing, funds for use of civil airlift and I want to praise the committee for having, 3 years ago, started the first thorough congressional hearings of MATS administrative aircraft owned by the Government and civil airlift and for having—each subsequent year—stuck to the principle that private enterprise should be used in preference to Government transportation for the movement of peacetime Government traffic.

Particularly I have been impressed, Mr. Speaker, by the searching interrogation made annually by the distinguished gentleman from Pennsylvania [Mr. FLOOD] and by the adherence to sound principles expressed by Messrs. SIKES, WHITTEN, TABER, LIPSCOMB, and others and by the clear-cut policy statements made on behalf of the subcommittee by its very able and respected chairman, Mr. MAHON, in House Report No. 2104 of the 84th Congress, 2d session, by the chairman's reaffirmation of the language adopted the year before in CONGRESSIONAL RECORD, volume 103, part 6, page 7735, in House Report No. 841 of the 85th Congress, and by the conference report which adopted the defense appropriation bill for the fiscal year 1959.

CONGRESS DESERVES CREDIT

The gains which have been made in reducing Government competition with private enterprise have been made by the Congress, rather than by the executive branch, and by the Committees on Appropriations in particular.

I hope further gains may be made in the fiscal year 1960.

Mr. Speaker, I believe it will be necessary to enact permanent legislation to provide that all passenger, cargo, and mail requirements of the Government of the United States for air transportation shall be procured from U.S. air carriers to the extent the required service is available, is authorized, is adequate, and the rates for such service are reasonable.

I believe that before the Comptroller General of the United States allows credit for expenditures for transportation on Government-owned and Government-operated transport planes, satisfactory proof of the necessity therefor should be furnished by the official authorizing the use of Government air. Of course, I do believe that the applicability of such legislation to a particular department may be temporarily waived whenever the Congress, or the President, declares an emergency exists justifying such temporary waiver.

Throughout our country's history, our Government has built up our civilian merchant marine and relied on it to answer to the most heroic calls of duty in all our wars.

The same treatment which has proved so successful throughout our history should now be accorded to our air merchant marine.

Mr. Speaker, under unanimous consent I am having the following materials printed following these remarks:

First. Summary tabulation of replies which I have received from U.S. flag civil airlines as to the amount of unutilized space which they expect to have available during fiscal year 1960 for flying additional military traffic.

Second. Copy letter to me from Deputy Director of Legislative Liaison, Air Force, showing they have already obligated approximately $71 million for commercial airlift out of the $80 million set aside in section 634 of the Defense Appropriation Act for fiscal 1959.

Third. Syndicated column by S. L. A. Marshall of the Detroit News as it appeared in the Paris edition of the New York Herald Tribune, March 28, 1959.

Fourth. My exchange of correspondence with the Department of Defense and with S. L. A. Marshall—who is a brigadier general, USAR—on above column.

Fifth. Three articles from the Taxpayer, published by the Citizens Public Expenditure Survey.

Summary of replies to Congressman Charles O. Porter's questionnaire on the unused space available on U.S.-flag civil airlines for moving additional military traffic for the year ending June 30, 1960

Company (alphabetical order)	Space available for military traffic for year ending June 30, 1960			Industry comments (extracts from airline telegrams or letters)
	Ton-miles	Dollars	Passengers or cargo and routes	
AAXICO (Florida)	27,000,000 21,000,000		Domestic cargo Overseas passenger or cargo, either Atlantic or Pacific.	MATS should concentrate on the movement of heavy or bulky cargo not suitable for transportation by commercial carriers; on the movement of military personnel and cargo in support of SAC missions; on the movement of secret military cargo and services to remote or secret military installations and on the maintenance of air communications services, rescue services, weather services, photographic and charting services and the like. On the other hand, the civil air carriers should supply the airlift requirements for the movement of dependents, civil service personnel, military personnel for routine replacement, refugees and ordinary air cargo * * * Congress should enact legislation during this session which would require the Department of Defense to utilize civil air carriers for at least 50 percent of their transportation requirements.
Alaska Airlines (Washington).	4,366,624	$2,314,431	75 percent passengers and balance cargo.	The Government's policy of not competing with private business should be extended to the airline industry. In event it is necessary that military operate certain transport aircraft these operations should be confined to noncompetitive routes rather than competitive situation as now exists between Seattle and Fairbanks where MATS carrying 52 percent of all available passenger traffic.
Alaska Coastal Airlines (Alaska).				MATS does not operate in this section of Alaska.
Allegheny Airlines (District of Columbia).	5,500,000	6,000,000		
Aloha Airlines (Hawaii)	2,276,475	2,502,216	Passengers between Honolulu and Hilo, Kona, Maui, and Kauai.	MATS currently carries Armed Forces personnel to rest camp in Hilo * * * Suggest policy that would place civil carriers in better position maintain pool of aircraft and trained personnel.
American Airlines (New York).	333,000,000 175,000,000		Passengers Cargo	Estimates are necessarily theoretical because we need more information on origin and destination of military traffic and cannot predict practical load factors. Policy should be (1) Air Force to determine how much emergency airlift is needed, (2) subtract capacity that can be supplied by civil air carriers, (3) deficit to be met from military sources or "noncarrier" organizations, (4) Air Force should be permitted to fly passengers and cargo as long as "the total daily or monthly flying operation would not exceed the flying hours required for military training and readiness.
Bonanza Air Lines (Nevada)	5,300,000			No significant amount of service by MATS or OTMD LBDFFT is being performed over our routes.
Braniff Airways (Texas)		1,049,000	International passengers and cargo, and mail.	It is obviously to advantage of Government to use existing civil air transport capacity to help assure sound international U.S.-flag operation and avoid possible duplication of cost of both Government operation and civil subsidy.
California Eastern Aviation (District of Columbia).				Company does not have available at the present time any aircraft for transport activities
Central Airlines (Texas)				The conditional proposal of the Defense Department of reduction in civil airlift and greater use of MATS and other Government aircraft could result in a terrific loss of Central's revenue through the following channels: (a) The frequent military traffic to and from over 55 military installations that are located in Central's area. (b) The daily (Monday through Friday) military recruit traffic in conjunction with other airlines coming from Houston, San Antonio, El Paso, and Amarillo to Fort Smith (Fort Chaffee); and from Oklahoma City to San Antonio (Lackland Air Force Base). (c) The seasonal Reserve movements (May 30 to 1st week of September) for the 4th Army area by extra sections and charter movements. (d) The 6 months Reserve traffic (on Sunday only) coming from various points to Fort Chaffee, Fort Sill, Fort Riley, and Fort Carson—all served by Central Airlines. We estimate we can carry as much as 50 percent more military traffic. * * * The military can fly cheaper on Central than on military aircraft.
Central Air Transport (California).	12,300,000	2,500,000	Passengers and cargo, transatlantic (or Pacific).	We suggest that contracts on a 12-month basis be negotiated between the Government and the small cargo carriers.
Chicago Helicopter Airways (Illinois).	364,077	1,227,896	Passengers and cargo, within 60-mile radius Chicago.	We feel Government should not compete with private business in air transport field.
Continental Airlines (Colorado).	135,000,000 50,000,000	40,000,000 12,500,000	Passengers Cargo	Strongly opposed Government competition in air transport field as transport carriers should be strengthened and with CRAF provisions could immediately convert to defense use in the event it was necessary.
Delta (Georgia)	12,325,000		Delta's domestic and international routes.	
Hawaiian Airlines (Hawaii)	10,200,000	2,835,000		Unless there occurs through adoption of the Board's [CAB] new policy by the Department of Defense long-term stability in MATS business at a reasonable price, we will be forced to seriously consider the abandonment of our project.
Hempel Helicopter & Air Taxi (Missouri).				We are saving the Government money and time by operating an air taxi service to and from Scott Air Force Base, Ill. This base is headquarters of the worldwide Military Air Transport Service. At the present time for a 1-way trip we are charging $12 per passenger. I understand that this same trip by staff car had been costing the Government $44 per passenger, and also took 3 and 4 times longer for the passenger to reach his destination. It would seem to me that any business that can be alloted to the civil carriers, whether small operators like ourselves, or larger airlines, would be able to save the Government money as well as keep a constant reserve of trained pilots and equipment that could be converted for use in case of a national emergency.
Mohawk Airlines (New York).				We do believe the greatest possible use of scheduled airlines by the military is essential.
National Airlines (District of Columbia).	152,900,000	81,650,000		Acceptance of these recommendations [ATA letter to Defense Department Nov. 20, 1958] would provide the Nation with an improved emergency airlift capability, efficient utilization of both civil and military air transport resources and a solution to the problem of MATS competition.

Summary of replies to Congressman Charles O. Porter's questionnaire on the unused space available on U.S.-flag civil airlines for moving additional military traffic for the year ending June 30, 1960—Continued

Company (alphabetical order)	Space available for military traffic for year ending June 30, 1960			Industry comments (extracts from airline telegrams or letters)
	Ton-miles	Dollars	Passengers or cargo and routes	
North Central Air Lines (Minnesota).	19,000,000	15,000,000	Passengers and cargo over our entire system.	
Northeast Airlines (Massachusetts).	23,605,000	10,481,000	Cargo	It would be much more economical for the U.S. Government to continue using the services of the scheduled airlines to the maximum extent of available payload to MATS and other Government aircraft. It is our firm belief that if commercial aircraft is used to the maximum extent possible it would help to strengthen the position of the commercial airline industry in the United States and therefore would be in the best interest of the Nation's defense and economy.
	46,418,000	27,387,000	Passenger	
Northwest Airlines (Minnesota).	32,520,000	19,382,000	International and overseas routes. Does not include continental domestic operations. Trans-Pacific; States-Alaska; Seattle/Portland-Hawaii.	In view of the size of our unused capacity figures, we are concerned by the indication in your wire that the Defense Department proposes sizable reduction in civil airlift and greater use of MATS and other Government aircraft. This brings up the traditional MATS argument that carriage by MATS itself is more economical than use of the certificated airline services. The inherent fallacy of this argument is the fact that MATS' operating costs have never been fully analyzed on a basis which would reveal a proper comparison with commercial airline costs. If full MATS' operating costs, including depreciation and total personnel costs, were ascertained, we are certain they would exceed comparable commercial airline costs. * * * we feel strongly that such [MATS] competition has hindered development of a strong civil air transportation system, particularly in the Pacific area where Northwest conducts its international service. We have frequently had occasion to review the published timetables of MATS and find that the frequencies of service and total lift capacity far exceeds that of the 2 certificated flag carriers combined. As noted above, development of certificated air transportation in the Pacific has undergone a much slower growth than in the Atlantic due to the different economic and cultural conditions existing in the Orient. The great stake which the United States has in improvement of economic and social ties with the Orient requires the maximum development of a strong commercial air service in this area. To the extent that development of traffic flow by an extensive military air service, such commercial and economic progress is definitely hindered. Further, to the extent that military air transport services are conducted on a parallel basis with certificated commercial services operating with unused capacity, there is wasteful duplication of expense and, consequently, of the taxpayers' money.
Overseas National Airways, (District of Columbia).	48,000,000	12,000,000	Passengers and cargo, Atlantic or Pacific.	This [increased use of airlift] obviously means that the present [military] force can be more effective, or a smaller force with a smaller payroll can be equally effective.
Pacific Northern Airlines (Washington).	6,361,414	3,367,111	Passengers	
	6,220,500	1,458,707	Cargo	
			On Seattle Anchorage route parallel to McChord AFB, Wash.; to Elmendorf AFB, Anchorage, route of MATS.	
Panagra (New York)	14,741,000	11,358,000	Passenger	Transportation of nonstrategic cargo and personnel can be provided less expensively by commercial carriers than by Government.
	3,159,000	1,658,000	Cargo	
			Mainline route from Balboa, Panama Canal Zone, to Buenos Aires, Argentina, and for its domestic routes in Ecuador and Bolivia.	
Riddle Airlines (Florida)	32,000,000	----------	Cargo, domestic (if MTMA, logair not renewed).	Riddle Airlines negotiating procurement of additional new jet-powered equipment for common carriage operations which would make available in late 1960 an additional 16,000,000 ton-miles capacity through utilization of replaced aircraft.
	9,000,000	----------	Cargo, domestic scheduled routes	
Southern Airways (Georgia)	6,438,900	4,380,000	Passengers and cargo	We appreciate your efforts.
Trans-Texas Airways (Texas)	----------	----------	----------	We are opposed to competition by the Government with private business in the air transportation field.
Trans World Airlines (New York).	31,900,000	18,500,000	Passengers—New York, London, Frankfurt; New York, Paris (both directions).	TWA urges the adoption of a congressional policy directing the military use of civil air transport for not less than 50 percent of military air traffic movement to reduce the serious competitive impact of the MATS operation.
	44,500,000	17,800,000	Cargo—New York, London, Frankfurt; New York, Paris (both directions).	Precedent for such action already exists. Such a split of military traffic surface movement between MSTS and private U.S. ships is in effect. The extension of that sound policy to air movement and the resulting increased use by the military of civil air carriers for peacetime traffic will insure an expanded civil air fleet to serve the national defense in any emergency.
Twentieth Century Airlines (California).	50,544,000	10,108,800	Passengers or cargo. Could cover most any portions of the MATS routes.	MATS should use the civil carriers for the bulk of the normal lift required month in and month out and MATS should then supplement the civil carriers during peak periods.
West Coast Airlines (Washington).	----------	----------	----------	We would object vigorously to an expansion of MATS operations in the event there were plans to install additional operation bases within Idaho, Oregon, or Washington which would have the effect of reducing present military traffic moving via West Coast.
				It would be unwise for the Government to build a bigger and more costly operation for MATS which would be competitive to present airline operations and retard the expansion of this important industry which is not only valuable in peacetime but valuable in time of war.
Wien-Alaska Airlines (Alaska).	1,648,213	1,742,161	Fairbanks to Fort Yukon, Barrow, Galena, Nome, Kotzebue and such beyond points as Cape Lisburne Wales, Northeast Cape.	
World Airways (Washington).	6,000,000	----------	Passengers or cargo	We have been forced to severely curtail our transportation activities during the past year principally because of lack of military contract business * * * We recommend that legislation be enacted which would require DOD to set aside at least 50 percent of its total airlift business for civil air carriers * * * Civil air carriers can serve normal airlift requirements of Army, Navy, and Air Force better than MATS because MATS may abandon normal airlift services in times of crisis.
Zantop Air Transport (Michigan).	7,008,010	1,261,440	Cargo	Through an expanded program of utilizing and building a larger civil aircraft fleet, a network of air logistics could be set up for the combined needs of the Department of Defense and the American public; in so doing mobilization in an emergency would already be in effect offering the ultimate at a critical time when the citizens of this great country are for the 1st time in history digging out of the rubble and havoc brought by enemy destruction.
Total for all airlines replying to questionnaire.	[1] 1,335,596,213	308,462,762	----------	

[1] Ton-miles per year.

DEPARTMENT OF THE AIR FORCE,
OFFICE OF THE SECRETARY,
Washington, April 22, 1959.

Hon. CHARLES PORTER,
House of Representatives.

DEAR MR. PORTER: I refer to your letter of 16 April 1959 in which you requested information on the latest MATS call contract awards for commercial augmentation as announced in "Aviation Daily" of March 26 and April 15, 1959. In addition you asked how much of the $80 million as set aside in section 634 of the Defense Appropriations Act for Fiscal Year 1959 for purchase of commercial airlift has now been obligated.

I am pleased to forward herewith a copy of the Summary of Abstract of Negotiated Call Contract Awards made by MATS for the period April, May and June 1959. You will note that awards made on 23 March 1959 totaled $5.7 million and the awards made on 1 April 1959 totaled $2.2 million. MATS has obligated a total of $70.7 million on commercial augmentation contracts as of 3 April 1959. Attached for your information is a summary and breakout of the fixed, call and common carriage contracts awarded during Fiscal Year 1959.

I trust this information will be helpful to you and if I can be of any further assistance to you, please do not hesitate to call on me.

Sincerely yours,

W. P. FISHER,
Major General, USAF,
Director, Legislative Liaison.

[From the New York Herald-Tribune, Paris edition, Mar. 28, 1959]

THE SCREAMING EAGLES

(By S. L. A. Marshall)

NEW YORK.—There's more to U.S. military policy than meets the eye and less substance in the U.S. military position than might be surmised from poking a finger gently into one of its tougher ribs.

As a showcase for STRAC, the 101st Airborne Division, stationed at Fort Campbell, Ky., reflects the strength of the Army at its present-day best as well as the operational weakness which comes of grudging support from the outside. The President, in his talk about Berlin, boasted that "STRAC is ready and able" to strike promptly.

STRAC is the Strategic Army Corps, the body of four divisions kept within the United States which was formed around the idea of being ready to go anywhere on the globe in a hurry and hit hard.

It was to be the Army's thunderbolt in this atomic age when swift smothering of a small fire could be as important as the power to expand a large one until continents are fried to a crisp.

The Army has labored hard to ripen fully STRAC's early promise. The corps is not shriveling for lack of manpower. In inventory of training facilities and fighting equipment it has been more favored than other Army tactical forces based on the United States.

Even so, of the four divisions, only the 101st today could be honestly labeled: "Relatively Ready for Immediate Use." The 82d Airborne is shaking down, after rotating battle groups to and from Europe. The 1st Division is training packets of men for overseas replacement. Though fleshed out, the 4th Division is not by design a highly mobile, fire-brigade type of instrument.

Without disparaging the others, one may fairly say that as of this hour the Screaming Eagles are as well primed and as ready to go as anything in the Army. The division trains hard; its people look strong and confident. Measured by soldierly appearance, the unctilious salute, the A.W.O.L. rate, and the other customary criteria, the 101st has that polish which spells military fitness.

In fact, one statistic suggests that the Eagles are too ready to die to be content with drillyard routine. In the past year 42 of them have spent their young lives in highway accidents.

In the operations room is a chart showing that the 101st could pack up, become airlifted and, as a body, go on the way to war within less than 24 hours after the gong rings. It is no idle boast. The division could do just that; it has readiness in a degree never before possible in the Army.

But as to what that signifies finally in terms of greater security to the Nation, we had best forget it for it doesn't mean a thing. On the same chart there is another planning figure showing over what period an airlift might be available to pick up and ferry this one spearhead outfit.

The figure is 17 days. Unlike the estimate of division readiness, this is not a real but a synthetic figure, expressing an optimum hope. The fact is that nobody knows the factors in this problem, either at Fort Campbell or among the Joint Chiefs or in Secretary McElroy's office, though from the latter source has come the comforting assurance that the U.S. airlift capacity is adequate.

The Air Force, the Navy, the commercial airlines, the Army itself, all have a part of the cargo-carrying capacity which might be pressed into airlift come a sudden emergency overseas which called for the most as fast as possible. But it is not systematically studied, much less inventoried, regulated and periodically recapitulated so that the commanders and logisticians may know how things stand. Why it is not done remains a mystery, and so long as the mystery lasts the long-range mobility of U.S. combined forces is "X".

But the 17-day figure is worth pondering. In that length of time a division could go by train to a port, board a liner and cross either ocean. So a cynic might comment that, in the realistic terms of movement, the United States, though heavily blessed with flight power in this air age, still lacks a military airlift.

In view of its current role as the vanguard of Army strike power, and in light of the rising threat in Germany, the 101st Division reflects in yet other ways the backing-and-filling in higher policy which creates instability.

It is bad enough that the Army is being cut back as a whole to an extent which will make STRAC anemic; the Congress voices its alarm at the prospect. The little noted, but possibly more ironic fact is that the Screaming Eagle Division—the one sharp Army instrument for immediate use—is replacing trained men which it need not lose with green recruits at the rate of 500 a month.

The imposed policy is perhaps designed to keep the fire brigade administratively flexible; its essence is that if an enlisted member of the division has less than 90 days to serve he can apply for and get immediate discharge.

Because young Americans like any deal where they seem to get something for nothing, the effect of that offer is to prompt an exodus of eligibles who otherwise might do their last 3 months, then try a second hitch. In consequence the reenlistment rate of the division has dropped from 64 to 16 percent. Besides being wasteful of dollars, it superinduces a measure of immaturity in the units which otherwise wouldn't be there.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., March 31, 1959.

The Honorable NEIL MCELROY,
The Secretary of Defense,
Washington, D.C.

DEAR MR. SECRETARY: On my recent trip overseas I noticed the attached article from the Paris edition of the New York Herald-Tribune on March 28 by S. L. A. Marshall.

Is it correct that it would take some 17 days to airlift the 101st Airborne Division, with its equipment, overseas in event of a brush fire war?

In addition to answering this question, I would appreciate your comments on this column together with any indication of what is being done or planned to increase the national airlift.

Sincerely yours,

CHARLES O. PORTER,
Member of Congress.

OFFICE OF SECRETARY OF DEFENSE,
Washington, D.C., April 7, 1959.

Hon. CHARLES O. PORTER,
House of Representatives.

DEAR MR. PORTER: This is in reply to your letter of March 31 to the Secretary of Defense in which you requested verification of a statement appearing in a recent newspaper article asserting that 17 days would be required to airlift the 101st Airborne Division overseas in case of an emergency.

In the column referred to in your letter, the writer has, of course, expressed his own opinions in general terms relative to the matter of airlift. I have obtained the following information from within the Office of the Secretary of Defense.

During the past year, the Secretary of Defense, the Joint Chiefs of Staff, and the three services—Army, Navy, and Air Force—have devoted considerable time and attention to our airlift capabilities and requirements.

In fact, 18 different studies were prepared by the strategic planners of the Joint Chiefs of Staff, working with the strategic planners of the three services, and presented to the Joint Chiefs of Staff, and through them to the Secretary of Defense. These studies were related to various contingencies which might be expected to develop throughout the world and were based upon approved contingency plans for movements of troops to various world areas of possible conflict.

Even though a great deal of progress has been made during calendar year 1958, we are continuing to study our airlift requirements and capabilities, and are working with other agencies of the Government to refine our requirements and improve our capabilities.

Accordingly, it is indeed a misstatement of fact when Mr. Marshall writes in his column, "The fact is that nobody knows the factors in this problem, either at Fort Campbell or among the Joint Chiefs or in Secretary McElroy's office."

In discussing the figure of 17 days in his column, Mr. Marshall states that this is the period over which an airlift might be available to pick up and ferry the 101st Airborne Division. Our contingency plans indicate that we have the capability to lift this division, and other high priority essentials of a classified nature, to selected trouble spots in less than 17 days. Therefore, it is not correct to state that it would take some 17 days to airlift the 101st Airborne Division, with its equipment, overseas in the event of a brush fire war.

Sincerely yours,

CARLTON R. ADAMS,
Captain, USN, Director,
Office of Legislative Liaison.

THE DETROIT NEWS,
Detroit, Mich., April 18, 1959.

Hon. CHARLES O. PORTER,
House of Representatives,
Washington, D.C.

DEAR MR. PORTER: I am grateful for the interest you are taking in this matter. It will take the efforts of many people working in one concerted direction to achieve the essential object.

This is to say that if you are satisfied with the D/D reply, indeed I am not. I have seen too many "bedbug" letters sent off by staff officers in my time; further, I have too many times been on the anxious seat, where

we knew our problem was not solved, but where we were also required to say in response to a restive inquirer that all things were being done adequately and in order.

I would still stand on the figure I gave, because that is the working figure of the logisticians who deal with this problem. My feeling is, however, that it is probably on the optimistic side. But who really knows? At the time of the Lebanon crisis and in the weeks that followed, the commanders who were most vitally concerned in the operation still did not know that what airlift would be available to them if their needs suddenly expanded. They merely knew what they had in hand for the going operation.

From Gen. Maxwell Taylor on down, I do not know one Army officer who feels either that airlift is adequate or that its exact availability in terms of national potential is defined, though it is probably definable. That is plainly implied in General Taylor's speech made at Pasadena in December; yet he is a member of the JCS.

I am not unfamiliar with such problems—meaning those related to large-scale logistical requirements. During World War II, I was Chief Historian, European theater, and again in Korea, some of my responsibilities were in this field. It is never easy to take issue with the establishment. I don't do it to be a gadfly but because I feel that certain of our military shortages are parlous to all we hold dear.

Sincerely yours,

S. H. A. MARSHALL,
Brigadier General, USAR.

OFFICE OF SECRETARY OF DEFENSE,
Washington, D. C., May 4, 1959.

Hon. CHARLES O. PORTER,
House of Representatives.

DEAR MR. PORTER: This letter is in reply to your letter of April 28, 1959, in which you request that we investigate the statements contained in Mr. S. H. A. Marshall's letter of April 18, 1959.

It is regretted that Mr. Marshall is not satisfied with the Department of Defense answer of April 7, 1959. However, the Department of Defense has reviewed our original letter and it is believed that this letter adequately answers Mr. Marshall's request for information.

Most sincerely,

GEORGE W. VAUGHAN,
Assistant to the Secretary (Legislative Affairs).

[From the New York State Taxpayer, June 1958]

INDUSTRIAL FUND PLAN ENDS FREE RIDES ON MATS PLANES

The Military Air Transport Service is finally being placed on an industrial fund operating basis which means, according to Representative DANIEL J. FLOOD of Pennsylvania "there will be no more free rides on MATS. They will have to be paid for by those who are riding on them for official business."

MATS competition with commercial airlines has long been a sore spot with taxpayers. Although it has been repeatedly demonstrated that commercial airlines can carry goods and passengers more efficiently and at less cost to the taxpayers, MATS in recent years has ignored congressional directives and recommendations of the Hoover Commission that it should use "to the greatest extent practicable" the unutilized capacity of the commercial air carriers.

FORCED OUT OF BUSINESS

The effect of this increased Government competition with commercial lines was brought into sharp focus recently by Representative CHARLES O. PORTER of Oregon who declared: "By allowing MATS to take away traffic that should be carried by commercial airlines, the Administration has put several commercial airlines out of business and threatens to cut down several more."

In a House debate on defense appropriations earlier this month, Congressman FLOOD said that he has finally been assured by Assistant Air Force Secretary Dudley C. Sharp that the Defense Department would increase its "purchase of civil airlift on international and overseas routes" by about 20 percent in the next fiscal year.

"WORK IS NOT OVER"

Mr. FLOOD warned Congress, however, that "our work is not over." He noted that the Defense Department "has more transport planes outside MATS than have been coordinated into MATS. So, free rides will, presumably, continue on the other half of the Department of Defense fleet."

He explained that the Air Force has admitted operating some 573 "administrative, executive or special mission" transport planes. "We have ground rules on who can have limousines and chauffeurs at the public expense," Congressman FLOOD declared, "but it looks as if the sky's the limit with these million-dollar aerial limousines.

"AN AWFUL BOONDOGGLE

"Think of it. Why, if you gave two private planes to the President and one to each member of the Cabinet that would only add up to 11 planes. What is the justification for the other 561 executive planes? Who else gets to have one of these plush jobs? This looks like an awful boondoggle.

"They may be fine for taking Assistant Secretaries or high brass in comfort—and at no expense and with no accounting—up to hunting lodges in Alaska or things like that, but I do not think a fleet of this size can be justified.

"WHY A WHOLE PLANE?

"If some general has some genuine official business to be done somewhere, I am sure the Government can buy him a ticket on an airline. The taxpayers don't have to provide him with a whole plane.

"The Hoover Commission stated: 'The number of administrative aircraft should be drastically reduced.'

"The Pentagon disagreed, said they were needed to fly people 'to isolated areas' and 'to move traffic which for security reasons must be transported in these administrative aircraft.'

"HOW MANY SECRET MISSIONS?

"Well, I am sure there are a number of secret missions by Government officials, but not that many.

"And speaking of security, do they not trust the commercial airlines? Do they not trust MATS? Do they mean we have to pay for another fleet of transports in addition to MATS because riding on MATS is not sufficiently confidential?

"I am looking into this whole question. I want the Defense Department to know that.

"WE ARE NOT THROUGH

"The chances are that the Congress will have a lot more work to do in this field. We are not through by any means.

"This type of luxury living does not increase our war potential. It just wastes our money."

[From the New York State Taxpayer, May 1958]

MATS PUTS 'EM OUT OF BUSINESS

Competition by the plush Government-owned and Government-operated airline, the Military Air Transport Service (MATS), is reducing the vital civil reserve air fleet by 14 four-engine planes, Representative CHARLES O. PORTER, of Oregon, declared last month. "By allowing * * * MATS to take away traffic that should be carried by commercial airlines," he stated, "the administration has put several commercial airlines out of business and threatens to cut down several more." If the Government had to replace these planes that are being sold off, mostly to foreign countries, it would cost the Nation's taxpayers between $9 and $10 million.

[From the New York State Taxpayer, June 1957]

UNITED STATES OPERATES LUXURY AIR FLEET

If you were a farmer and gave your daughter $5,000 to go out and buy the best kind of truck to haul farm machinery about in, you would probably rest assured that she would bring home the proper truck and not a plush Jaguar convertible. But, Congressman DANIEL J. FLOOD, of Pennsylvania, pointed out recently that some of the boys in the Pentagon would probably not be equal to such a task.

It seems that the Air Force was given $110 million during the first year of the Eisenhower administration to buy a fleet of planes capable of carrying Army tanks. Well they didn't buy Jaguars, but in a sense purchased their air equivalent, 6 dozen plushed up DC–6 passenger planes instead of the tank-carrying cargo planes. They called it reprograming. Congressman FLOOD labeled the act "misappropriation."

Congressman FLOOD in noting this added that if "our hypothetical farmer's daughter made the mistake of blowing the $5,000 with which she was supposed to buy a farm truck she probably would have a feeling of guilt about it to make amends."

"Not so with the Air Force," the Pennsylvania lawmaker notes.

"They display no sense of shame whatsoever about this boondoggle," he lamented. "When confronted with the recommendations of the Hoover Commission, the directives of our congressional committee inveighing against competition with the private enterprise and general wastefulness of the taxpayers' funds, these gentlemen in the Air Force say. 'Well, we have got them now, and we are stuck with them so we had best fill them up a little bit by taking business away from commercial airlines'."

This is only one example of how the Military Air Transport Service, known affectionately as MATS, has mushroomed in size so that it now operates approximately 1,500 airplanes. This outstrips all of the U.S. domestic commercial airlines with their combined total of 1,212 planes in operation.

The really sad feature of this extravagance is that it costs the taxpayers an estimated $1 billion a year to operate the Government-owned airlines while defense hearings for fiscal 1958 indicated that commercial airlines would have more than $900 million in unused space available for military use for this same period of time.

It has been pointed out that while it cost the Government $795 per hour to operate the military equivalent of the DC–6 the taxpaying civilian airline cost for operating the same plane is $650 per hour. Use of commercial lines, where possible, would not only reduce the size and cost of this mammoth air fleet but also reduce the amount of subsidies required to maintain the private airlines.

The Government operated airline, with total assets over $1.4 billion provides service to practically every corner of the world regardless of the existing parallel routes of commercial airlines.

The Hoover Commission disclosed that an Air Force band was flown once a month from Westover, Mass., to Bermuda. The Air Force justified the flights for morale purposes, noting that there was no band in Bermuda.

Placing the morale issue aside, the Commission noted that two commercial airlines

operated flights that could have carried the same band over the same route at less cost to the taxpayers.

The Hoover Commission has further noted, that the $42.9 million airline subsidy for fiscal 1954 could have been reduced by 88 percent if the airlines had flown only 25 percent of the passengers and 50 percent of the mail moved by MATS over this same period.

The intent of Congress for fiscal 1958 that the Government should, to the greatest extent practicable, adjust its use of air transportation so as to use the existing, unutilized capacity of United States air carriers has been established. It remains now to be seen how the operators of military transportation will try to adhere to this established intent and refrain from trying to build up the plush operations of the military air fleet.

PERSONAL EXPLANATION

Mr. BARRY. Mr. Speaker, on rollcall No. 46 I was unavoidably detained. Had I been present, I would have voted "yea." I ask unanimous consent that the RECORD so indicate.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

LIMITATION OF $50,000 ON CCC LOANS

Mr. MICHEL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MICHEL. Mr. Speaker, I am delighted with the earlier vote today recommiting the agricultural appropriation bill with instructions to write into the bill, in effect, a denial of any funds to process CCC loans in excess of $50,000.

On short notice, it is difficult to get from the Department of Agriculture the figures which could shed some light on precisely what the effect of this limitation would be, but so far as I can determine for only those commodities and States serviced by the Kansas City Data Processing Center 222 loans would be involved, exclusive of cotton and tobacco. These 222 loans total $30,732,000. By simple arithmetic, if we subtract the first $50,000 of each of these 222 loans from the total figure, we have a net figure of $19,632,000 affected by the limitation. The Agriculture Department estimates there is at least this much more involved in those commodities for which exact figures were not readily available. This gives in the overall, then, a dollar figure approximating $40 million.

Mr. Speaker, while this language change is not perfect and will undoubtedly be refined in the other body to exempt farmer cooperatives the intent and purpose of this limitation is good and certainly puts us in the position of taking a step in the right direction. As a matter of fact I am reminded of a message from the President relative to agriculture dated January 9, 1956, which reads as follows:

> The average size of farms in American agriculture, as measured by capital or by acres, has rapidly increased. To the degree that this trend is associated with the development of more economic and more efficient farm units it is in the interest of farm families and of the Nation. To the degree, however, that it has resulted in the removal of risk for large farm businesses by reason of price supports, it is much less wholesome and constitutes a threat to the traditional family farm.
>
> Under the price support machinery as it has been functioning, price support loans of tremendous size have occasionally occurred. It is not sound Government policy to underwrite at public expense such formidable competition wtih family operated farms, which are the bulkwark of our agriculture.
>
> I ask the Congress to consider placing a dollar limit on the size of price support loans to any one individual or farming unit. The limit should be sufficiently high to give full protection to efficiently operated family farms.

The language in the motion to recommit was manifestly an effort to carry out such an objective.

PREVENTING ENCROACHMENT OF HOLDING COMPANIES IN SAVINGS AND LOAN FIELD

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. SPENCE. Mr. Speaker, yesterday I introduced H.R. 7244 to prevent the encroachment of holding companies into the savings and loan field. This measure is identical with H.R. 4135, which passed the House unanimously 2 years ago, after having the unanimous approval of the Banking and Currency Committee. That bill, instead of receiving individual treatment on the Senate side, was included in the omnibus Financial Institutions Act of 1957, which passed the Senate but died in committee on the House side. In light of that history, the measure I have introduced has, in truth, had the approval of both Houses of Congress, but has failed to become law and must be started anew on its legislative course. Then, as now, it had the support of the Federal Home Loan Bank Board and of the two leagues representing the savings and loan business, although I anticipate that these groups may have some recommendations for refinements to the measure.

I am convinced of the urgency behind this bill, and seek the support of all segments in helping me to speed it on its way to become law. Two years ago I called attention to the imminency of developments in the savings and loan field which would militate against the essentially local character of that business. The acquisition of stockownership in the nonmutual associations which are included in the business has posed the threat that groups of such associations would come under central control of financial interests whose primary concern would be the promotion of stock prices rather than the proper development of the capacity of these institutions to properly serve the needs of their respective communities.

The holding company has no place in the savings and loan field. The strength of savings and loan associations, and the high regard they have acquired, is derived from their local management, local responsibility and local operation. The men who manage these institutions must be familiar with their community needs and maintain a civic responsibility. They must continue to think about what is good for the community and for the home owning families, rather than think merely of possible profit involved. We can hardly expect a holding company owned by people thousands of miles from a community to concern itself with the social and economic objectives of the community.

When I first introduced this bill, holding company operation was in its very infancy. In recent months, though, there has been a wave of new activity of holding companies in acquiring and proposing to acquire savings and loan associations. I understand that six holding companies have been formed in California alone within the past 6 months. When we held our hearings 2 years ago there were but two companies. I am further informed that holding companies have now spread their operations from California to Colorado and Texas.

I have heard another estimate that there are now as many as 20 or 30 holding companies either in operation or in the process of formation.

If we are to retain the savings and loan business as we know it and as it has so effectively served the Nation's homeowners, we must act with great speed. We all recall that the passage of legislation to regulate bank holding companies was made infinitely more difficult because the Congress delayed so long that the holding companies were large, powerful, and well entrenched.

My bill is not a complicated one. It would simply prohibit a holding company from acquiring control of more than one insured savings and loan association. It does not contain the complicated regulatory and tax features of the bank holding company bill. It does not affect holding companies in operation at the time of enactment, although it would, of course, prevent them from acquiring further institutions.

I hope that the Congress will act expeditiously on the matter so that the bill can become law this year.

AFRICA FREEDOM DAY

Mr. DIGGS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DIGGS. Mr. Speaker, on April 15 one of the most stirring celebrations of Africa Freedom Day took place at Carnegie Hall, New York. The event in New York was one of like observance held around the world further focusing attention upon the dramatic and phenomenal drive for African nationalism now taking place on that continent. Other sites of similar gatherings were in our Nation's Capital, in London, in Paris,

capitals of independent African States, and elsewhere.

Peoples of all colors, creeds, nationalities and status filled Carnegie Hall to capacity, paying upward of $25 for a seat, and lines of persons were turned away. The Africa Freedom Day celebration in New York represented part of the response to a call for such an observance which emanated from the Conference of Independent African States held at Accra, Ghana, in April 1958. Confirmed at the unprecedented assembly of representatives from 28 African countries at the All-African Peoples Conference which I attended in Accra last December, the call designated that:

April 15 should be set aside and called Africa Freedom Day, which all African countries and all friends of Africa throughout the world shall observe as a rallying point for the forces of freedom.

Tom Mboya, described by Life magazine as "the most powerful political personality in Kenya, and among the most important in all Africa," member of Kenya's Legislative Council and secretary-general of the Kenya Federation of Labor, was the principal speaker for the occasion. As a contribution to the African Freedom Fund, a check for $10,000, partly raised through this effort, was presented Mr. Mboya by the American Committee on Africa, sponsor of the New York celebration.

I should like to call to the attention of my colleagues the speech made by Mr. Mboya and the speech made by Gov. G. Mennen Williams, of Michigan, on this occasion. Both put the African situation and African-American relations in proper context. I urgently commend these speeches to the reading of all citizens that we might come to a full appreciation of our national stake in this African cause:

AFRICAN FREEDOM DAY

(Address by Hon. Tom Mboya, chairman, All African Peoples' Conference, April 15, 1959)

Mr. Chairman, your Excellencies, ladies and gentlemen, I am glad to be in New York to launch today the worldwide celebration of African Freedom Day. April 15 was decided upon as African Freedom Day at the first Conference of the Independent African States held in Accra in April 1958, and was later endorsed by the first All-African Peoples' Conference, also held at Accra in December of last year. These conferences marked the discovery of Africa by Africans. This is in complete contrast to the discovery of Africa by Europeans in the 19th century.

What is this Africa and what do we mean by the word "freedom"? This is what many of us are thinking and talking about today throughout the world. Africa is still associated in the minds of many people in the United States and some European countries with the 19th century. They think of the dark continent, the jungles, the wild beasts, the Africa as presented to them by Hollywood—the fierce, ignorant, or merrily and furiously dancing tribesmen. Little is it realized that Africa, too, shares in what we call the 20th century: modern cities, schools, roads, airfields, houses, cars, and so on. As we celebrate this day, therefore, we might usefully stop and ponder these questions.

Africa desires to be understood and to be recognized from the viewpoint and perspective of her own people. Africa is no longer willing to be referred to as British, French, Belgian, or Portuguese Africa. Africa must create and assert her own personality and speak for herself. She cannot be a projection of Europe nor any longer permit herself to be interpreted or spoken for by self-appointed interpreters.

It was this conviction that moved African statesmen and political and trade union leaders to hold the two conferences at Accra that will no doubt mark out 1958 as Africa's year.

AFRICA EMERGENT

The Conference of Independent African States marked the birth of the African personality. The representatives of the African states at Accra unanimously agreed on the need for Africa to rise and be heard at all the councils of world affairs; and to effectuate this objective they created the Organization of African States, which now consults on all questions affecting Africa before the U.N., and which represents the united will of all Africans on such issues. Equally important was their decision that Africa's total liberation was the task for all Africans.

To implement the latter decision nongovernmental representatives of African people from the entire continent met at the All-African Peoples' Conference in Ghana last December. That conference gave birth to the African community. By unanimous vote all 500 delegates from political parties, nationalist organizations, trade unions, and similar groups from every part of Africa—agreed to work together in full cooperation for the total liberation of all Africa.

Thus both conferences were characterized by a spirit of unity based upon same, predominant concepts and ideals—above all, those expressed in the common purpose: independence for all Africa. There was agreement that the independence of one territory is incomplete and meaningless unless it is accompanied by total independence for all territories. This, indeed, was but the practical application of the moral principle expressed earlier and more elegantly that "no man is an island," and less elegantly but in language every American recognizes that "we must all hang together lest we hang separately."

The year, 1958, also saw the inauguration of the United Nations Economic Commission for Africa at Addis Ababa in Ethiopia. This marked, in fact, the U.N.'s functional recognition of Africa's legitimate place and role in the world's economic and social community and was another useful addition to the 20th century discovery of Africa. It provided a long delayed vehicle for Pan-African economic planning and coordination.

There are those who complain that the discovery of Africa and the African personality and community by Africans is taking place at too fast a pace. Such people should be reminded that Africa is many years behind the rest of the world and that, in these circumstances, we cannot afford the luxury of wasting time. They might well remember the old but true adage that "he who is behind must run faster than he who is in front." In the case of Africa we do not only have to run faster but we have, at the same time, to try to avoid the mistakes and pitfalls of those who "run before us," a considerable addition to our task. Lest any believe we are really running too fast, let me recall to them that colonialism has existed in Africa for over four centuries.

Most people seem to agree that colonialism is on its way out. It is, therefore, doubly difficult to understand why nations which are signatories to the United Nations Charter and which have committed themselves to the Declaration of Human Rights have not found it possible to give effective support to the African's struggle for freedom. Most of them have been noted for their compromising attitude and their desire to please the colonial powers or each other at the expense of democracy and human rights. How can anyone honestly believe that a compromise is possible where human rights, democracy and Christian ideals are concerned and still expect the African to have confidence and faith in him?

Of 220 million Africans only 70 million live in independent states free of white minority domination. The rest have yet to be liberated from colonialism and European domination. Surveying the situation of the 50 million people still not free one will immediately see what the African talks about when he condemns colonialism and European settler domination.

THE KENYAN SITUATION

Take my own country, Kenya. Until the Mau Mau eruption, few people had heard of Kenya, and today few understand its basic problems—most of them created by British colonialism.

Politically speaking, the British Government has, through its colonial office, toadied to the European settlers and condoned if not encouraged their domination of every phase of life. Today 60,000 Europeans are, under the present constitution, represented by the same number of elected members (14) as are the country's 6 million Africans. Although the Europeans have since 1923 voted on the basis of universal suffrage, Africans are restricted to an entirely arbitrary, multiple vote franchise, which is unrelated not only to the standards for white and Asian voters, but also to those set for African voters in surrounding British territories. Thus the bewildered Kenya African may vote if he has an annual income of $336, and may cast no more than two additional votes if he meets certain other requirements, whereas in adjoining Uganda, literacy in the vernacular is enough to qualify an African to vote, but he is, however, never entitled to a multiple vote. On the other hand, the income requirements for African voters are $420 in Tanganyika and $2,100 in the Rhodesias. Such standards, arbitrary in the extreme, have served only to suggest to Africans in Kenya and elsewhere that they are being cheated and frustrated in their basic democratic right of franchise.

Economically, the Government has until recently, forbidden Africans to raise the profitable cash crops (coffee, tea, sisal, etc.), and even now it subjects them to discriminatory licensing, credit, and other restrictions, which are not applied to Europeans. Far more serious to the Africans, the Government has reserved the entire cool, fertile highlands for white settlers only—refusing to allow Africans to farm even unoccupied sections—while as many as 700–900 Africans are crowded per square mile onto the poor semidesert areas not wanted by the whites.

Socially, segregation still prevails in far too many areas, particularly in such presumably public facilities as schools and hospitals. Discrimination in education is singularly frustrating to Africans for they all realize that schools provide the keys to a better and happier life for their children.

Yet while Europeans have compulsory education, education for Africans is neither compulsory nor free. The Kenya government spends $89.60 per year for each European child's education; for each far more needy African child it spends only $14.

To add to other grievances, Kenya Africans are now living their sixth year under the state of emergency proclaimed during the Mau Mau uprising. Since its proclamation, thousands of Africans have been arrested and detained—and restrictions upon movement, assembly and the press are still arbitrarily exercised. Shortly before I left Kenya, the police invaded my house in the middle of the night and searched it, suppressed the newspaper printed by the Nairobi Peoples' Convention Party, and arrested scores of party members. About 2,000 political prisoners remain in detention camps, among them Jomo Kenyatta, despite recent

revelations that two principle Crown witnesses were paid $5,000 and that at least one of them admitted perjuring himself at the trial. To all our representations and appeals, the British Government has turned a deaf ear, and our people, naturally, are becoming more and more restive.

COLONIALISM IN OTHER PARTS OF AFRICA

Unfortunately, many other parts of Africa have even more grim and horrible reports to make on conditions under their colonial governments:

Thus the situation in the Central African Federation must disturb everyone who has faith in democracy. In 1953, a federal constitution was imposed on the three territories composing the Federation despite the unanimous objections of the Africans, who constitute a 20 to 1 majority in the area. Nyasaland and Northern Rhodesia, being protectorates, demanded self-government and rejected any union with the segregation-minded Southern Rhodesia Government, but all in vain. Developments since then have shown that the Federation is indeed moving further and further toward the apartheid policies of the Union of South Africa. Britain has lost control over the territories, and the African now must defend himself; witness the recent shootings of 50 or more unarmed Africans, the declaration of a state of emergency based on the pretext of a murder plot about which not one shred of evidence has been produced, and the arrogant deportation from Northern Rhodesia of a British Member of Parliament. Today all African organizations in Nyasaland and Southern Rhodesia are proscribed and the leaders detained without trial indefinitely, often in distant parts of the Federation.

In adjoining South Africa apartheid and tyranny as yet only suggested in the Federation have come to their full, evil flower, with 3 million white persons brutally suppressing 9 million Africans and nearly 2 million other unfortunate minority peoples. Despite the clear, unabashed history of South African racial discrimination, not one effective step has been taken by Western democratic governments to help the victims of apartheid, and more particularly the millions of south West Africans whose country has been annexed by the Union of South Africa in violation of its mandate agreement, the U.N. Charter, and the decision of the International Court.

In the silent colonies of Angola and Mozambique, a system of repression at least as severe as that in the Union of South Africa is concealed behind the convenient legal fiction that these territories are constitutionally self-governing, the same as Portuguese metropolitan provinces. In these colonies forced labor—slavery—still exists openly, and opposition is brutally suppressed by beating and by shipment of troublemakers to the death island of San Tome, from which they seldom return.

At the north end of Africa self-determination and autonomy are denied 9 million Algerians by the refusal of the 1 million white settlers to permit any political settlement which does not protect their unwarranted political and economic domination. Thousands of lives have been lost, homes have been destroyed, the countryside ravaged, and the whole Mahgreb has been kept from fruitful development by the French colons. Yet the Christian and democratic nations turn away their eyes and see no eveil. How does an African distinguish between oppression of Algerians by the Frenchmen and of Hungarians by the Russians?

Even in West Africa, where self-government is generally advancing with considerable success, colonialism has left its unfortunate heritage: unnatural political boundaries, unrelated to logical geographical divisions or ethnic groupings have seriously hampered the economic and political development of the emerging African states. Thus, for example, the post-World War I division of the German Kamerun colony (itself an artificial unit) between Great Britain and France lay at the heart of the Cameroons question before the U.N. this March, which resulted in such bitterness toward the West among African member states.

Indeed, despite its force as a stimulus to Africa's economic development, colonialism has been the biggest hindrance to the development of the indigenous people. Under colonial rule, little attention has been paid to the need to invest in education, health, technical training, and general community development for Africans. The African's potential as a local market for consumer goods has been ignored. Partition of Africa and the use of territories as sources of raw materials for metropolitan economies have not allowed the planning of continent- or region-wide development. Instead, colonial divisions have treated each territory in isolation from others.

INDEPENDENCE REQUIRED FOR PROGRESS

Africans are convinced that economic and social conditions cannot be considered apart from their political setting. Self-government and independence open great possibilities for economic and social development. Self-government permits people not only to embark on development programs serving purposefully the needs of their own country which they know best, but also enables them to establish relations with other countries on the basis of equality and to coordinate progressively the economy of their country with those of others. Full economic and social emancipation is not possible without political emancipation. Above all, it is through becoming masters of their own fate that the energies of the people are fully released for the arduous task of economic and social development.

The subjection of a people, in any form, including forced labor, apartheid, or colonialism under the guise of assimilation, is wholly inimical to economic and social development. This is our answer to those who argue that we must wait until we have a viable economy and have acquired enough experience before we have the right to demand our freedom.

This argument for delay, which smells of a passive betrayal of democracy, ignores the fact that, so far, experience has shown that it is only after independence that most of our countries have embarked on large-scale economic and educational projects, and that in all cases it is only after independence that the world has begun to be conscious of our economic and social problems. In fact, the foundations for stable government have been laid only after independence, which makes nonsense of the plea of colonial governments that they are training us for self-government. In every case, colonial powers have left their African territories only when the organized pressure of our people has made it impossible for them to govern without serious consequences.

OPPONENTS OF FREEDOM ANSWERED

In addition to crying "Caution," "Go slow," opponents of African freedom have raised other objections. While most of the opposition arises from those who fear that independence will cost them status, economic advantage, or other special privilege, I would like briefly to consider the questions that are posed to me time and again by non-Africans:

For example, I have repeatedly been asked about the use of violence to achieve freedom. To this I can only answer that we are totally committed to nonviolent positive action. Nevertheless, I must call attention to the wise words of the great English reformer, John Bright, who in 1866 declared:

"I have never said a word in favour of force. All I have said has been against it—but I am at liberty to warn those in authority that justice long delayed, or long continued injustice always provokes the employment of force to obtain redress. It is in the ordering of nature and therefore of the Supreme that this is so, and all preaching to the contrary is of no avail. If men build houses on the slopes of a Vesuvius, I may tell them of their folly and insecurity, but I am not in any way provoking, or responsible for, the eruption which sweeps them all away. I may say too that force, to prevent freedom and to deny rights, is not more moral than force to gain freedom and secure rights."

Secondly, there are those, perhaps affected by the guilty conscience which the general record of Western colonialism must unfortunately lead to, who fear that we Africans may yield to the not unsurprising temptation to victimize minorities—particularly the formerly dominant whites—when we gain independence. To them I can only repeat what we resolved at Accra in December: namely, that Africa will be developed toward a democracy where individual rights will be recognized and guaranteed, regardless of race or color. Our quarrel is only with colonialism and European domination. With these we shall never compromise.

Lastly, there are some who are only too ready to try to make capital out of some of our teething problems. They expect perfection from us and lie in wait to ridicule our demand for freedom every time they see—or fancy that they see—any error or misjudgment by an African. I am flattered by these people because whereas they have not yet attained perfection themselves, they believe we are better fitted to achieve it before them. We have nothing to apologize for; but while we will always welcome constructive criticism, we do not and cannot allow interference with the sovereignty of our independent states. Any problems we meet during our early stages of independence reflect on the utter failure of colonialism as a training ground. We have no reason to believe that if the colonial governments had another hundred years the situation would be better.

But is it really necessary for us to justify our demand for freedom or even to answer as to our readiness to shoulder the responsibility of self-government? If so, to whom are we accountable and by what and whose standards are we to be judged? What right has any other person to set himself up as our tutor and judge?

I submit that we have a right to self-determination. It is a birthright which we need not either justify or explain. We know and understand our desires and responsibilities to our people, countries and world peace. The other nations would do well to cooperate with us in our efforts instead of setting themselves up as our judges.

Too often we have heard of those who insist that African freedom involves a risk of communism. To them all I want to say is, that if they spent all their efforts in practicing democracy that they preach they would have nothing to fear from communism.

A POSITIVE PROGRAM PROPOSED

Let us, therefore, join together and match the internationalism of communism item by item, with the internationalism of democracy. Let us cooperate in the effort to eliminate disease, poverty and ignorance from the face of the earth, and we shall have dealt a death blow to the root causes of most of the "isms" that currently bedevil the world.

To those who count, instead, upon military bases, established in colonial areas without the consent of—or even notice to—the local inhabitants, for security against the false prophets of the world, I commend a thorough study of recent events. Military agreements negotiated with colonial powers will necessarily be, as they are today in Morocco, for example, subject to the will and the needs of the African people when they gain

their independence. I humbly submit that only Africans, whatever their color, background, or race, may rightfully decide matters which vitally affect the future of Africa. We African people seek the same peace, stability, security, and well-being that all decent people seek the world over, and we are unwilling to be used willy-nilly as pawns in a great power struggle. For this reason we adamantly oppose the use of any African territory, even the most desolate wastes of the Sahara, as testing ground by non-Africans of their new and ever more devilish instruments of destruction.

What specifically, therefore, is the task of Africans who seek to achieve that standard of well-being which is now recognized to be the decent and proper right of all peoples? It was clearly summarized by Dr. Kwame Nkrumah, Prime Minister of Ghana, when he called upon the African peoples to aim at four stages of advance:

1. The attainment of freedom and independence.

2. The consolidation of that freedom and independence.

3. The creation of unity and community among the Free African States.

4. The economic and social reconstruction of Africa.

To this great fourfold task we shall devote our full energies until a new, proud, free Africa is able to contribute constructively and equally to the great adventures before mankind.

THE UNITED STATES AND AFRICA

This, then, summarizes the situation in Africa today—a situation which the American people and their Government can no longer afford to ignore. Because of its history, its background, and its stand for democracy, the African people have come to expect greatness of the United States. We are therefore often surprised, puzzled, eventually frustrated and disillusioned when we see the United States acquiesce in the French Army's use of American arms, allegedly for NATO, against Algerians; or obstain from voting on the Algerian question in the U.N.; or lead the defense of the Portugese refusal to declare and make reports on her colonies in Africa; or avoid condemning Government brutality in Nyasaland; or refrain from taking any positive steps to bring about the international control of South-West Africa. These faults may appear small to Americans, but in the end they will determine how far Africa's confidence is to be won or retained. Whereas most African leaders support the condemnation of such suppression as occurred in Hungary and now in Tibet, they cannot accept the apparent contradiction in standards and values where Africa is concerned.

Individually and collectively the American people have a way of associating themselves with our cause. Here, tonight, we have a fine example of this association, and I want to take this opportunity, on behalf of our friends in south Africa, to express our sincere appreciation to the American Committee on Africa for its contribution to the treason trial defense fund. I hope that many people will join the committee in this and other future efforts, especially now that we have launched a freedom fund to help in such cases as the pending trials in central Africa and Kenya, and also in such other work as providing for the needy families and dependents of people now detained or in prison. This fund will be used entirely for the purpose of advancing the legitimate aims of the African peoples in the positive, nonviolent achievement of democratic rights.

My friends, our struggle is simple. It is for political freedom, economic opportunity, and human dignity for all Africans, goals which can be opposed only by those who oppose the very concepts of democracy and human rights. Our struggle for freedom will continue without compromise until the liberation of all Africa is achieved.

In this struggle we ask your help: Contribute as you can to the Africa freedom fund. When the permanent secretariat of the All-African People's Conference announces specific plans, join with us to exert the mighty economic and moral pressure of an aroused American public against the Union of South Africa, to compel a change in its abominable racial policies. And support and join those organizations, such as the American Committee on Africa, which are contributing so much to Africa.

You are the descendants of the tiny brave band of men who "fired the shot heard round the world." Its sound has been slow to reach Africa, but now the echoes rebound from every corner of the land. For the same freedom and right to a better life which your ancestors won with so much pain and suffering, we Africans now also strive. To this achievement for every African in every portion of the continent, we too pledge "our lives, our fortunes, and our sacred honor."

EXCERPTS FROM REMARKS BY GOV. G. MENNEN WILLIAMS OF MICHIGAN, AFRICA FREEDOM DAY MEETING, AMERICAN COMMITTEE ON AFRICA, CARNEGIE HALL, NEW YORK CITY, N.Y., APRIL 15, 1959

Good evening friends and fellow Americans, tonight I come to you certainly not as an expert on Africa but nevertheless as one who has visited both Egypt and Africa below the Sahara. Not as an expert but as one who has seen and felt the warmth, the promise, and the problems of a great continent.

As a result of my observations, I have the feeling that Africa is undergoing a great and new exciting experience. There is a promise of manifest destiny for her people alive in the air. There is a new day coming for Africa's people, and by and large, it is the people of Africa who will make it come.

Every day, with every move of life in Africa, the new spirit is imparted to more and more Africans, spreading deeper and deeper into the bush, until soon no African will be without this new spirit—this surge of contagious expectation and enthusiasm.

It is my sincere conviction that this new spirit is fed by three flames. The first is a burning desire on the part of Africans for freedom to control their own destinies. The second is fired by the revolution of rising expectations, and expressed in a determination to enjoy freedom from want—one of Franklin D. Roosevelt's four freedoms. The third is the overwhelming compulsion to achieve racial equality—a compulsion so strong in areas of severe repression that it sometimes understandably breaks out into its own expression of racism.

To be both realistic and helpful, the policies of the United States must be responsive to the deep desire of the people of Africa for self-government, for economic opportunity, and for the dignity of racial equality.

Fortunately, such policies are clearly in line with our fundamental American beliefs and traditions. Unfortunately, our record in African policies in the recent past has not always been completely consistent with what is basic and true in ourselves. But when we live up to our best beliefs and better selves, we are to that degree a better nation, and I have every hope that the United States can, and will, be helpful to the Africans in their development of their destinies.

It is not going to be easy to implement such effective policies for Africa, nor is it going to be easy to keep such policies in step with the great changes taking place in that continent.

As one would expect in a place as large as Africa, with the many diverse geographical and historical conditions which prevail there, the problems are by no means simple or all alike. But the fact that the challenge is immense is no excuse for not trying to meet it. The United States can do it when we make up our minds that we really want it done.

Fortunately, there have been, and are leaders, who recognize what has to be done and are doing something about it. A number of them are here. I want particularly to express my pride and confidence in the work of a personal friend and fellow citizen from Michigan, Congressman CHARLES DIGGS. Incidentally, he is the first Negro member of the powerful House Foreign Affairs Committee. In this important position he can, and is doing a lot to advance America's relations with Africa.

Turning then to the development of an American policy responsive to the realities of Africa, the first challenge is Africa's desire for freedom to control its own destinies.

In this day and age, there can be no question at all but that the people of Africa are entitled to self-government. On this point, the United States should have not the slightest doubt or hesitation.

From the time of our Declaration of Independence, we have recognized that all men are endowed with certain unalienable rights, that to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed. We should always stand forthright and firm on that solid foundation of fundamental principle.

Mindful of all this, I would propose that American policy have as its stated objective the recognition of the principle of African majority rule. I believe that in general, this is the underlying policy of most countries, including our allies. Where this principle is not recognized, or to the extent it is not recognized, we should urge the recognition of the principle of African majority rule by all countries, and we should seek the earliest reasonable implementation of this principle.

With respect to trusteeships where we have a special responsibility, the United States should bring it's influence to bear to assure more substantial progress toward self-government.

Wherever the United States can properly be of assistance economically, or otherwise, it should not hesitate to render such support as it can. Naturally the given circumstances will be a factor in determining what we can do and how we can do it.

This brings me to Africa's revolution of rising expectations and to the second challenge—Africa's desire for freedom from want. Here there is much that America can do to help Africa now and thereby help create a stable and peaceful world.

During the 10-year span between 1944 and 1955, our world foreign aid totaled more than $45 billion, but of this amount only 1.5 percent went to Africa, according to Congressman DIGGS.

In 1958, as a further example, of the $3.3 billion in foreign aid, the United States sent only $77 million to Africa, most of which went north of the Sahara. Obviously, this amount does not represent a serious recognition of the problems the Africans face, nor a comprehensive effort to help solve these problems.

Economic aid for Africa should be constantly increased in scale with Africa's ability to absorb it. I propose that economic aid for Africa be increased up to as much as $1.5 billion a year.

This sum has been estimated by experts to be the amount needed to provide a real growth in wealth equivalent to a net increase of 2 percent in output per head per year.

The combined investment in Africa from its own resources, and from public and private resources outside, figures to about $1.2

billion in 1957, not enough to keep up with the increase in population. An additional $1.5 billion over the $1.2 billion is needed and should be supplied as rapidly as Africa can utilize it.

Last week, I proposed in Toronto that the industrialized free nations of the world undertake a $5 billion a year foreign aid program through the United Nations. I proposed that the cost of this be shared in proportions of about $3 billion from the United States, and $2 billion from the other countries participating. This would provide Africa with the dimensions of economic aid it needs, economic aid up to the $1.5 billion in accordance with Africa's ability to absorb it usefully.

My proposal to utilize the instrumentality of the United Nations would convince the Africans that we want to guarantee the integrity of purpose of the programs and to avoid any suggestion of political exploitation or domination.

The self-interest of the United States and the participating nations is served by the creation of stable self-governing states with viable economies. Such states are less likely to be induced to league against us or to disturb world peace.

Africa's third desire is for human dignity and racial equality. For us of the Judeo-Christian tradition, this certainly presents no problem of principle. Both the Old and New Testaments enjoin upon us the commandment "to love our neighbor as ourself." In the Phillips translation of the Letter of James, it is put felicitously for our purpose here:

"If you obey," James said, "the royal law expressed by the Scripture 'Thou shalt love thy neighbor as thyself' all is well. But once you allow invidious distinctions to creep in, you are sinning, you have broken God's law."

Our Judeo-Christian heritage was incorporated in our American Declaration of Independence, in which our forefathers said for us:

"We hold these truths to be self-evident that all men are created equal, that they are endowed by their Creator with certain unalienable rights."

If our forefathers did so, can we morally do any less?

It would therefore seem to me that the United States must assert leadership in the United Nations for the recognition of equal human rights in Africa.

We should vigorously oppose the policy of apartheid in the Union of South Africa, but we should not stop there. We should, acting in the United Nations, work to bring about a reversal of that policy by whatever means can sensibly be applied.

And in this regard, let us be mindful of our own shortcomings in this area, and be determined to continue to strive to set things right—North, South, East, and West—wherever the problem exists.

In summary then, I propose that the United States declare its full recognition of the principle of African majority rule; that the United States initiate through the United Nations an economic aid program of the size that Africa needs, as much as $1.5 billion yearly as Africa becomes able to absorb it usefully; and that the United States exert leadership against the policy of apartheid, or racism in any form.

America should help the people of Africa because they need our help, and they deserve to have it. Let's give them the kind of economic aid they need to help raise the material standard of their lives. Let's support them consistently and vigorously in the fulfillment of their rightful dignity as men and women.

We in the United States believe in freedom, we believe in self-government, we believe in working for the material and spiritual advancement of people everywhere. Let's practice our beliefs through our policies and programs for Africa.

Let's roll up our sleeves and go to work. Whatever we do for Africa, we do for the future of Western civilization.

THE HONORABLE CLARENCE J. McLEOD

Mr. DIGGS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DIGGS. Mr. Speaker, it is with deep regret that I announce to the House the death on Friday in Detroit of the Honorable Clarence J. McLeod, a former Member of this House from the Thirteenth District of Michigan.

Congressman McLeod served eight terms as a Republican Member of this House, elected for seven successive terms from 1923 to 1937 and again elected for one term from 1939 to 1941.

During his service in Congress, Clarence McLeod was for a number of years chairman of the House District Committee. He was an articulate and vigorous foe of communism and in 1928 led the fight in the House for the Reapportionment Act, adoption of which gave Michigan four additional House seats.

McLeod was also a leader in advocating improvements for the Walter Reed Army Hospital, which, incidentally, this year is marking its golden anniversary.

He was an able and conscientious public servant.

Since his retirement from Congress, Mr. McLeod had practiced law in Detroit.

In behalf of his former colleagues still serving in the House and in behalf of the Michigan delegation, I extend sympathy to Mrs. McLeod and other members of his family.

THE 1959 YOUTH MARCH

Mr. DIGGS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DIGGS. Mr. Speaker, in the CONGRESSIONAL RECORD of April 20, 1959, beginning on page 6352 under the heading "Washington Window," there appear comments and several newspaper articles referring to the April 18, 1959, youth march on Washington for integrated schools. Inserted in the RECORD by the gentleman from Georgia [Mr. FORRESTER], these materials are used in an attempt by implication to link the youth march with Communist Party movement. I should like to set the RECORD straight on this piece of slander.

The 1959 youth march was very fully and objectively covered by Washington and other daily newspapers around the country. It involved nearly 26,000 white and Negro students from all parts of the Nation and outstanding, substantial, national personalities, both white and Negro, from the fields of Government, labor, religion, entertainment, and other interests. It was definitely a large action and, in that respect, indication of the growing demand on behalf of school integration and the enforcement of all constitutionally guaranteed civil rights. A delegation of these youth from the march was received at the White House by Deputy Assistant to the President Gerald D. Morgan, and Presidential Aid E. Frederick Morrow.

By including, among the newspaper clippings in this April 20 discourse, an article published in the Communist Party's Sunday Worker on the subject of the youth march, an attempt is made to infer a connection between the two. Of course, the Communist press would comment upon this march. It, too, is the press and reports on events of national interest. Of course, the Communist Party, through its press, would imply sympathy toward a cause that is humanitarian or just, however feigned its sympathy as a means to its own end. This is the Communist Party tactic—the avowing of itself as the savior for mankind's every just cause. Why else, as a Nation, are we concerned about its attempts to identify with India's, Africa's, China's, the world's needs, its unrelenting efforts to win alinements through expressions of sympathy and profferings of economic, technological, and even military assistance to nations in need? Who denies that there is hunger and disease and slavery and economic oppression and deprivation of human rights in the world and that these are the causes for which communism, on the one hand, is saying, "I am the way to overcome them," and democracy, on the other hand, is saying, "No; I am the way"?

It is ironic that with those who have some vested interest in the continuation of segregation between the races and oppression of the rights of Negro citizens, anything having to do with the democratic ideals of justice, equality, liberty, and opportunity between and for all men must somehow be linked up with communism. It is more ironic that this inference and charge should come from such groups when the truth is it is this groups' very position on race relations and civil rights which is the boom to communism. During my 5 years in Congress, I have observed all kinds of positions on questions of race relations and civil rights. There are those of my colleagues who, while not in favor of integration, at least command respect for their human reasonableness in the level and character of their opposing fight. On the other hand, there is that small band of vitriolic and demagogic diehards whose approach to these issues is so completely divorced of reason and at such an animalistic level that while they defeat their own efforts to sell their blind hatred and bigotry to thinking people, they nevertheless make fodder for the Communist cause. The use of inference as a tactic for hurdling vitriolic unreasoned charges is not subtle and does not escape attention and the evaluation it deserves.

Mr. Speaker, under unanimous consent I include in the RECORD at this point

materials concerning the youth march for integrated schools, including a list of sponsors, a policy statement, a youth march statement, statements by such nationally known personalities as A. Philip Randolph, Roy Wilkins, the Reverend Martin Luther King, Senator Paul Douglas, George Meany, and Walter Reuther, a list of the presidential delegation, a summary of the presidential delegation statement, and news reports from the Washington Post and Times Herald and the Washington Star.

The materials referred to follow:

LIST OF SPONSORS, 1959 YOUTH MARCH FOR INTEGRATED SCHOOLS

Chairmen: Mrs. Daisy Bates, Harry Belafonte, Mrs. Ralph J. Bunche, Rev. Edwin T. Dahlberg, Judge Hubert T. Delany, Rev. Harry Emerson Fosdick, Rev. Martin Luther King, Jr., Father John LaFarge, S.J., Clarence Pickett, Sidney Poitier, Rabbi Joachim Prinz, A. Philip Randolph, Walter Reuther, Jackie Robinson, Rev. Gardner C. Taylor, Norman Thomas, Roy Wilkins, Charles S. Zimmerman.

Youth chairmen: Minniejean Brown, Little Rock, Ark.; Oscar-Mae Gilmore, Montgomery, Ala.; Reginald H. Green, vice president, U.S. National Student Association; Willard Johnson, vice president, U.S. National Student Association; Thomas Lavone Jones, NAACP; Harlon Joye, North American Student Co-op League; Robert R. Kiley, president, U.S. National Student Association; Stuart Langton, chairman, United Christian Youth Movement.

Vice chairmen: Rev. Ralph Abernathy, Juan Avilez, Israel Breslow, C. C. DeJoie, Jr., Hon. Charles C. Diggs, Jr., Eustice Gay, Max Greenberg, Dorothy Height, Oscar Hammerstein II, Jimmy Hicks, Rev. J. Oscar Lee, Dr. Benjamin E. Mays, Joseph Monserrat, Reinhold Neibuhr, Bishop James A. Pike, Jacob F. Potofsky, Hon. Adam Clayton Powell, Rev. Sandy Ray, Ruperto Ruiz, Juan Sanchez, Lillian Smith, Chuck Stone, Harry Van Arsdale, Jr., William O. Walker, Bishop W. J. Walls, Jerry Wurf, Arnold Zander.

POLICY STATEMENT

From its inception, the youth march for integrated schools has maintained a nonpartisan character. In carrying on our activities, we have consistently and publicly made clear that we neither solicit nor accept financial support or participation from any political group as such. Whenever such support or participation was offered, from whatever source, it has been categorically rejected by the committee.

In keeping with this policy, we have on this occasion urged all partisan political groups to refrain from distributing any material along the line of march, at this meeting, and in the armory.

Certain groups have not complied with our request. Thus they have made it necessary for us again to respectfully urge all individuals to comply strictly with this request and urge all persons who have responsibility with the march to make it clear that we dissociate the march from all such partisan political activity and literature. We disapprove of the distribution of such literature and regard it as a disservice to the march and a violation of its spirit.

WHY WE MARCH—YOUTH MARCH STATEMENT

On April 18, thousands of American young people will march in the Nation's Capital in the largest demonstration of youth in our history. They will come from all parts of the country, by bus, plane, train, and car, and will represent all faiths. In Washington, they will be joined together in a great union of protest and action—the youth march for integrated schools.

WE MARCH FOR REAL DEMOCRACY—NOW

For over a century, the American Negro has been brutally and undemocratically denied the rights guaranteed to all citizens by our Constitution. The traditional rights of free speech, of suffrage, of due process, of equal protection under the law have been withheld from millions of Americans. And today, a minority of southern racist leaders is endangering our free educational system. This minority is threatening to close public schools, leaving thousand of our young people stranded, barred from the benefits of sound education.

Is this the way of real democracy?

We march to protest the century-long mistreatment of Negro citizens. They have waited long enough. We march to demand real democracy—now.

WE MARCH IN DEFENSE OF THE SUPREME COURT

Because of its recent decisions in behalf of equal educational opportunities for the Negro, the Supreme Court has been subjected to a battery of vicious attacks. Dangerous attempts have been launched to curb the power of the judicial branch of Government, which has moved courageously to defend the rights of Negroes. We protest against these attacks and call upon the executive and legislative branches to back up the Supreme Court in its reflection of the will of the majority.

WE MARCH FOR CIVIL RIGHTS LEGISLATION

Once again, Congress is being presented with an alternative: either to strengthen American democracy or to retreat before the campaign of the Dixiecrats. The procivil rights majority in Congress, greatly reinforced by the November elections, will have the opportunity to pass the Douglas-Celler-Javits-Powell bill, which goes a long way in helping the Negro and other minorities to achieve equality in all areas of life.

But time and time again, Congress has compromised the will of the people. We march to protest minority rule in Congress, and to demand the passage in toto of the Douglas bill. We march to demand an immediate end to the spectacle of Congressional double-dealing that encourages resistance to the law and deforms the democratic process.

Civil rights legislation is long overdue. We march for just laws—now.

WE MARCH FOR EXECUTIVE ACTION

We march to confront the President directly with the conviction of young people that he must use all of his powers to bring about the speedy integration of the schools. Specifically, we call upon him to speak out morally for the Supreme Court decision of May 17, 1954, and to use his influence to destroy the disease of segregation.

WE MARCH AS PART OF OUR DEMOCRATIC DUTY

When the wheels of government are slow in expanding our democracy (less than 500 students have been integrated in the deep South), when they get bogged down in compromises and maneuvers, we have the moral obligation in a democratic society to register our protest—through action. The essence of democratic government is the participation of the people themselves. Our failure to move against undemocratic practices leaves the field open to forces hostile to democracy.

Throughout our history, dramatic action by deeply concerned people has served to awaken the whole nation to its sense of duty. The power of the democratic idea symbolized by a vast march of sincere, earnest, disciplined, and dedicated people will influence those who have not yet taken a clear stand. Such a demonstration presses forward the cause of democracy and social progress in the courts, legislature, and all areas of American life.

Thus, American young people march not only to demonstrate solidarity with their embattled fellow-students of the South, but for the deepening and reinforcing of our democracy. We demand for every American every single right guaranteed by the Constitution, political, civil, and social; and until we get these rights, we will never cease to protest and assail the ears of America. We will continue to march, to petition, to demonstrate, and to persuade. It is our responsibility to do so.

We march on April 18 for the total victory of equal rights for all. We can no longer endure compromises and delays. We want a program for speedy integration—and we won't take no for an answer.

Come to Washington on April 18.

YOUTH MARCH FOR INTEGRATED SCHOOLS.

STATEMENT OF A. PHILIP RANDOLPH AT YOUTH MARCH FOR INTEGRATED SCHOOLS, WASHINGTON, D.C., APRIL 18, 1959

In the name of the youth march committee for integrated schools, I want to welcome you upon the occasion of this historic demonstration for integrated schools and civil rights legislation in the Nation's Capital.

Let me also, in behalf of our committee, express appreciation for the support of the Negro press, Negro church, NAACP, and various student organizations in the colleges and universities throughout the country in making this demonstration the monumental success it is. Let me express gratitude to certain outstanding leaders for the cooperation they have given this great cause, such as Roy Wilkins, executive secretary, NAACP; George Meany, president, AFL–CIO; Walter Reuther, vice president, AFL–CIO; Jackie Robinson, business executive; Harry Bellafonte, great American artist; Judge Hubert Delany, leader at the bar; Norman Thomas; and others.

We have come again to Washington because the job of achieving integrated schools and civil rights legislation is not yet finished, although some progress has been made.

While the massive resistance movement of Virginia has collapsed, morally and legally, resistance in other areas of the South continues unabated. Thus, until the whole sinister structure of segregation in the United States has been torn down and thrown into the ashcan of history, youth, black and white, Jew and Gentile, Protestant and Catholic, and their allies, the church and labor, must make pilgrimage after pilgrimage to Washington to keep the issue of human dignity alive in America in particular and the world in general.

Youth and their allies have come back to Washington because, in this fleeting moment of history, the problem of integrated schools has become the conscience of the Nation. We have returned to our Nation's Capital today with a democratic participation in a great mass demonstration by youth and adults to indicate the uncompromising commitment of American youth to the principle of the God-given right of every child, regardless of race or color, to secure an education in the public schools free from the insult of discrimination or segregation.

Youth from all sections of the Nation have foregathered here today to register protest against the attacks of Southern States against the National Association for the Advancement of Colored People, the recognized leader of the civil rights movement in America. Efforts are afoot in State after State in the South to outlaw this organization and make it a crime for a citizen to become a member of it. We are here to make it evident, clear, and plain to the Faubuses, Talmadges, Eastlands, and white citizens councils that their struggle to destroy the NAACP will be resisted with all the moral and legal forces of the Negro in

America and by those who believe in justice and freedom.

We have come again to the Nation's Capital to register our protest against a movement, under the banner of States' rights, to hamstring, undermine and ultimately destroy the place of the United States Supreme Court in our American constitutional system. We resist and condemn every bill which has been introduced in the Congress or which will be introduced in the Congress to curb and restrict the power of the United States Supreme Court to interpret the Constitution and the laws of the land.

We have come back to Washington because it is the heart not only of America but of the free world. It is the Capital to which rulers from all nations of the world come to discuss their problems and seek support and cooperation from the President of our country, the most powerful ruler in the world today.

We have come again to Washington because we want to demonstrate that the fight for civil rights and integrated schools is a part of the fight for human rights all over the world.

When Faubus of Little Rock is encouraged and supported in this flagrant attack upon little Negro children's right to attend integrated schools in Little Rock, aid, comfort, and support are being given to the horrors committed by the Russian Communists in Hungary against the people of Hungary and the tragedy visited upon the people of Tibet by Chinese Communist barbarianism.

Because liberty is indivisible, one cannot support colonialism in Africa and racism in the United States without strengthening the hands of communism in its march for worldwide conquest. Thus, the march of youth for integrated schools and civil rights is the march for the preservation of our democratic society and maintenance of our traditions and human values of justice, freedom and equality.

One of the best ways to halt the progress of communism in Africa and Asia and give reality and integrity to our profession of democracy is for the United States to give Negroes their civil rights today. Tomorrow may be too late.

Thus, in this hour of world crisis, the Youth March to Washington seeks to give hope and faith to the nine Little Rock Negro children who seek to enter Central High School, and to express denunciation of the policy of closing public schools to avoid integration.

In order that the Fascist and Communist enemies of democracy at home and abroad may know where we stand, let me state that the Youth March for Integrated Schools is definitely nonpartisan. It is also definitely anti-Communist, but is definitely not nonpolitical.

Finally, in this time of worldwide tension, youth, together with their allies, express unqualified support of President Eisenhower upon the eve of a conference between Communist Russia and the Western democracies to discuss the problem of peace and war, in relation to the Berlin crisis. The cause of democracy must triumph for there can be no civil rights except within the framework of a democratic society. We wish to express appreciation to the Eisenhower administration for the role it has played in advancing the cause of civil rights but urge it to do more.

Let us not be dismayed by the long, hard struggle ahead for we will win if we fight and faint not.

REMARKS OF ROY WILKINS, EXECUTIVE SECRETARY OF THE NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE, AT THE YOUTH MARCH FOR INTEGRATED SCHOOLS, LINCOLN MEMORIAL, WASHINGTON, D.C., APRIL 18, 1959

It is most fitting and proper that the youth of this Nation should make their feelings known in plain fashion on the issue of desegregation in the public schools.

Education has always been a matter of deep concern to young people and their parents and in the age in which the uses of machines have climbed to a new high level, when electronics, engineering, chemistry, and the atom have sent our world forward at unprecedented speed, education is more necessary than ever.

Literally, one must be trained in order to live. The day is long past when what you don't know won't hurt you. Ignorance and lack of skill not only will hurt, but may well destroy.

But the world's mechanical and scientific progress has made more necessary than ever before an adequate education in human relations. The whole world is instantly aware of the revolt in far-off Tibet, where once news from that country might have taken weeks to reach Washington. The Prime Minister of Great Britain can be in Moscow on Sunday and in Washington or Ottawa on Tuesday. An African leader is jailed in Nyasaland and a Japanese prince is married in Tokyo. The stories are in our newspapers and the pictures on our television screens within hours, often minutes. The story of the Montgomery bus protest is on the front pages of papers in Stockholm, Rome, and New Delhi as soon as it is printed in Chicago.

In this kind of a world, it is silly to talk about segregating people because of their color, because they wear robes or veils, because they speak French or Swahili, because they are Buddhists or Moslems, or Presbyterians, or because their spiritual leaders are called ministers or priests or rabbis.

Yet, here in the greatest country in the world, in the country which has grown great in the minds and hearts of mankind everywhere because it has been built on the guarantee of equality and individual liberty, we are engaged in degrading debate on whether American children, regardless of race, shall be educated together in our public schools.

Our highest court has held that they shall be so educated in accordance with the equal protection clause of the 14th amendment to our Constitution. It has said plainly that racial segregation in public schools is unconstitutional and denies to Negro children equality of opportunity in education.

But instead of complying with the Court's opinion and taking advantage of the leeway it had allowed local communities in planning to make beginnings in good faith, several of the States and many localities have refused to obey the ruling. They are defying the Court and tearing up the Constitution.

This resistance is the plan of adults, not of young people. Many of the leaders of the resistance have lived their lives, or are so far along that they cannot, or will not, change. Their world is behind them. They don't understand India any more than Kipling did. They don't know—and don't care—about the difference between Vietnam and Ghana, or between Ecuador and Ethiopia. What is Kenya and where is Leopoldville?

What kinds of people live in these places? What are their colors, their religions, their eating habits? Our segrationists cry, who cares—what do they have to do with the United States?

So, living in their world of yesterday, they fight the uprooting of segregation and inequality which they nurtured in the land of the free. Yesterday it did not matter much to the rest of the world what the Governor of Arkansas did to 9 Negro children, or to 9,000. Today it matters a great deal. When Alabama sentenced a Negro man to death for the robbery of $1.95 the mail flooded into U.S. embassies in every part of the world and mounted to such a volume as to cause the Secretary of State to communicate formally and officially, with the Governor of Alabama. The Jimmie Wilson case damaged the image of America in the eyes of the world—and the image of America in these delicate and dangerous days must be the concern of every citizen.

It is your concern because this is the world in which you will have to grow up and serve. This is the world in which you will choose a career, marry, rear children, govern and be governed. It is a world in which education will be a tool without which men cannot live and function or know happiness, satisfaction and peace.

For education will give us the knowledge of each other, the mutual respect and dedication to the ideal of liberty and equality which will keep us all free. It has been the fashion to talk in terms of the damage which segregation has done to Negro children, and to forget the corrosive injury it has done to white youngsters. No more revealing or tragic story has come out of the desegregation campaign than that from the small town of Clay, Ky., where a white girl of 14 declared: "I'd rather grow up to be an idiot than to go to a school with a nigger in it." The segregated system made this girl a useless citizen for the world of 1970 by the time she had barely reached her teens.

That is why it is not merely silly to talk about maintaining segregation in public education; it is well-nigh suicidal. It could lose us the struggle for the hearts of men, be it cold or hot.

So you are here to say by your presence and in your resolutions that you want integrated schools for all American children. You have every right to say this to your Government and to all among the citizenry who will listen. No one has a better right, for in so speaking, you are demanding only that the high pronouncements and glorious traditions of this beloved bastion of freedom be vindicated, and that we be about the business of building the kind of world in which your generation can preserve freedom.

STATEMENT OF MARTIN LUTHER KING, JR., AT YOUTH MARCH FOR INTEGRATED SCHOOLS, WASHINGTON, D.C., APRIL 18, 1959

As I stand here and look out upon the thousands of Negro faces, and the thousands of white faces, intermingled like the waters of a river, I see only one face—the face of the future.

Yes; as I gaze upon this great historic assembly, this unprecedented gathering of young people, I cannot help thinking—that a hundred years from now the historians will be calling this not the "beat" generation, but the generation of integration.

The fact that thousands of you came here to Washington and that thousands more signed your petition proves that this generation will not take "No" for an answer—will not take double talk for an answer—will not take gradualism for an answer. It proves that the only answer you will settle for is—total desegregation and total equality—now.

I know of no words eloquent enough to express the deep meaning, the great power, and the unconquerable spirit back of this inspiringly original, uniquely American march of young people. Nothing like it has ever happened in the history of our Nation. Nothing, that is, except the last youth march. What this march demonstrates to me, above all else, is that you young people, through your own experience, have somehow discovered the central fact of American life—that the extension of democracy for all Americans depends upon complete integration of Negro Americans.

By coming here you have shown yourselves to be highly alert, highly responsible young citizens. And very soon the area of your responsibility will increase, for you will begin to exercise your greatest privilege as an American—the right to vote. Of course, you will have no difficulty exercising this privilege—if you are white.

But I wonder if you can understand what it feels like to be a Negro, living in the South, where, by attempting to exercise this

right, you may be taking your life in your hands.

The denial of the vote not only deprives the Negro of his constitutional rights—but what is even worse—it degrades him as a human being. And yet, even this degradation, which is only one of many humiliations of everyday life, is losing its ability to degrade. For the southern Negro is learning to transform his degradation into resistance. Nonviolent resistance. And by so doing he is not only achieving his dignity as a human being, he is helping to advance democracy in the South. This is why my colleagues and I in the Southern Leadership Conference are giving our major attention to the campaign to increase the registration of Negro voters in the South to 3 million. Do you realize what would happen in this country if we were to gain 3 million southern Negro votes? We could change the composition of Congress. We could have a Congress far more responsive to the voters' will. We could have all schools integrated—north and south. A new era would open to all Americans. Thus, the Negro, in his struggle to secure his own rights is destined to enlarge democracy for all people, in both a political and a social sense.

Indeed in your great movement to organize a march for integrated schools you have actually accomplished much more. You have awakened on hundreds of campuses throughout the land a new spirit of social inquiry to the benefit of all Americans.

This is really a noble cause. As June approaches, with its graduation ceremonies and speeches, a thought suggests itself. You will hear much about careers, security, and prosperity. I will leave the discussion of such matters to your deans, your principals, and your valedictorians. But I do have a graduation thought to pass along to you. Whatever career you may choose for yourself—doctor, lawyer, teacher—let me propose an avocation to be pursued along with it. Become a dedicated fighter for civil rights. Make it a central part of your life.

It will make you a better doctor, a better lawyer, a better teacher. It will enrich your spirit as nothing else possibly can. It will give you that rare sense of nobility that can only spring from love and selflessly helping your fellow man. Make a career of humanity. Commit yourself to the noble struggle for equal rights. You will make a greater person of yourself, a greater Nation of your country, and a finer world to live in.

DOUGLAS TELEGRAM

APRIL 17, 1959.

A. PHILIP RANDOLPH,
1959 Petition Campaign and Youth March for Integrated Schools, New York, N.Y.

Your support and that of thousands of other sincere believers in equal justice for legislation that will back up the historic desegregation decisions of the Supreme Court is a great encouragement to those of us on the legislative firing line.

The bill, S. 810, which 17 Senators have sponsored will, we believe, give constructive, reasonable, and effective assistance to the efforts to secure compliance with the 14th amendment in America's public schools.

We need to move steadily toward equality of opportunity in education so that all our citizens may enjoy the premise of our basic law, so that the Nation may have the best talents of all its people, and so that the world will have greater confidence in our Nation's leadership for freedom and against Communist tyranny.

Your efforts to awaken the Nation more fully to these vital goals are deeply appreciated. God bless you and keep you.

PAUL H. DOUGLAS.

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS,
New York, N.Y., April 6, 1959.

Mr. A. PHILIP RANDOLPH,
President, Brotherhood of Sleeping Car Porters, New York, N.Y.

DEAR SIR AND BROTHER: This will acknowledge your letter of March 31, in reference to the youth assembly which will be held in Washington, April 18. I sincerely wish it could be possible for me to take part in the program which, I note, will begin at 2 p.m., but regret to advise that my standing commitments will make it necessary for me to be absent from the city on that day.

With all good wishes to you and those associated with you in this assembly, I am,

Sincerely and fraternally,

GEORGE MEANY,
President.

REUTHER TELEGRAM

APRIL 17, 1959.

A. PHILIP RANDOLPH,
Youth March for Integrated Schools, New York, N.Y.:

I regret that I cannot be with you personally on this memorable occasion to support your dramatic appeal to the American conscience and your call for more forthright action by Congress and the administration in keeping with the historic Supreme Court decisions in the matter of school integration. I should be more confident of our capacity to do right by freedom at the center of Europe if there were a greater show of concern for freedom here in the center of Washington.

There has been no real disposition at either end of Pennsylvania Avenue to deal with civil rights in education although the means for dealing with it lie at hand in the form of legislation introduced by Senators DOUGLAS and JAVITS and Congressman CELLER.

The Negro people have been very patient. They have been very reasonable and very orderly and very long-suffering. You might say they have waited since 1619, since 1863, since 1865, since 1896. They have waited much longer than 1954.

America is strong, yet we are not so strong, so indestructible, and so immune to the wear and tear of history that we need not practice here at home, in our everyday life, what we preach so readily to the rest of the world. We had better put our own house in order. We had better look to our credentials as leader of the free world and the prospective leader of the peoples of the world now struggling to be free.

It is imperative that the American people understand that the question of free access to American schools is a basic test of freedom in an area where our troubles are no fault of the Communists. The question of school integration is a national matter. A matter of honoring the Constitution of the United States, and the major responsibility for a solution lies at the Federal center with the men who are now looking the other way at both ends of Pennsylvania Avenue in the crisis of the schools.

Parents are imposing their prejudices on their children. Let the voice of the young people be heard. Let the children lead us. They are ahead of their elders. They are the innocent victims of past wrongs; their real solidarity is with the future. They are ready to start growing up now to the stature and the awareness that they and the Nation will need in order to meet tomorrow's challenge.

You are helping this youth to find its voice. Our great hope is that this voice will reach the conscience of the country.

WALTER P. REUTHER,
President, International Union, UAW.

PRESIDENTIAL DELEGATION

Reginald Green: Age 23, from Walla Walla, Wash., A.B., Whitman College, 1955, summa cum lude. Harvard Graduate School of Arts and Science, A.M. Vice president, National Student Association of America.

Josephine Green Boyd: Age 19, from Greensboro, N.C., the first Negro student to graduate from an integrated school in North Carolina. She is an honor student at Clark University, Worchester, Mass., and secretary of the NAACP.

Sallye Phillips: Miss Phillips is a senior, age 17, at Hartshorne High School, in Hartshorne, Okla. She has been elected as a straight A student, the first Negro valedictorian of her class that graduates in May.

Harlon Joye: Age 26, from Orangeburg, S.C. Now studying at the New School of Social Research, in New York City. Is a representative to the Young Adult Council for the National Student Cooperative League.

YOUTH MARCH FOR INTEGRATED SCHOOLS—SUMMARY OF PRESIDENTIAL DELEGATION STATEMENT

RECOMMENDATIONS

In the light of the considerations which we discuss below, we respectfully urge that you give consideration to the following proposals, which we feel would enable the Federal Government to place its weight behind the movement for the integration of the schools:

1. The Chief Executive should make an explicit moral as well as legal commitment of the full resources of the Federal Government to the objective of achieving orderly, effective, and speedy integration of the schools.

2. The Chief Executive should place his weight behind the passage of a truly effective civil rights bill in the present session of Congress. As far as school integration is concerned, we believe that the Douglas-Javits-Celler bill is by far the most comprehensive and effective piece of legislation before Congress. This bill is bipartisan in its sponsorship. It deserves, we feel, the full support of the administration.

The Douglas-Javits-Celler bill is an historic and statesmanlike proposal. It empowers the Federal Government to move into the center of the school picture and to undertake, on a nationwide basis, careful and constructive planning of the Nation's march toward integration. It provides the expert counseling, the financial aid, and the legal authority necessary to achieve this end.

The several admirable features of the bills introduced on behalf of the administration likewise merit vigorous support, especially those adding to the protection of the right to vote.

3. The Chief Executive should call a White House conference of youth and student leaders, chosen from national and regional organizations, both North and South, to discuss ways in which youth may participate in the implementation of the Supreme Court decision.

4. The Chief Executive should intervene in the case of Asbury Howard, Jr., the 18-year-old Negro youth from Bessemer, Ala., who has been sentenced to the chain gang for 1 year for coming to the defense of his father when the latter was attacked by a mob. Cases such as this must be brought to the attention of the Nation and of the State authorities if a wrong is to be redressed and justice done.

We make these recommendations in the light of the following urgent considerations:

1. Nearly 5 years have elapsed since the Supreme Court ruled that in the field of education "separate but equal" has no place. But today only some 800 of 2,890 biracial school districts in Southern and border States have begun desegregation even on a token basis. In five States, there has been no desegregation in public education. In

the past 2 years, the number of districts instituting new desegregation plans has shrunk to a mere handful.

2. This situation is not acceptable to the youth and the students of the United States. For us, the youth, the question of school integration is the central moral issue of our time. Not only are the rights of minorities at stake; American democracy itself, and the supremacy of our Government, the very survival of the Constitution, are at issue.

We must point out that American youth have made strong and repeated affirmation of their support for the Supreme Court decision and the integration of the schools. Among the most recent demonstrations of this are the following:

(a) In August 1957, when the delegates of over 300 student governments, representing over 1 million students, expressed their belief at the U.S. National Student Association's 10th National Student Congress, that—

Segregation in education by race is incompatible with human equality. It is now also unconstitutional. In the face of ethical concepts, legal requirements, and global ramifications, there can be no justification for delay in the implementation of the Supreme Court decision.

(b) At the National Student Conference of the YMCA and YWCA held last December at the University of Illinois;

(c) At the 1958 convention of the National Federation of Catholic College Students held in San Francisco;

(d) At the 11th National Student Congress last August when delegates from 50 southern campuses expressed their desire for the abolition of segregation;

(e) At the 1958 youth march in Washington, when 10,000 students expressed their moral support for integration.

The petition campaign and youth march for integrated schools, with its 20,000-member march, its quarter of a million signatures, and its nationwide support, has won more support among the young people than any other national campaign or issue in the past 15 years.

3. Concern over the integration of the U.S. schools is not limited to this country. The delegates from the 75 national unions of students outside the Communist bloc, meeting in Lima, Peru, at the International Student Conference this spring, condemned the continued practice of racial segregation in our country. Similar grave concern was expressed at the World Assembly of Youth held in New Delhi last summer.

4. As young Americans, we appreciate the difficulties confronting those who work to implement integration of the schools. We commend the efforts of the courts, the Civil Rights Commission, and members of the administration such as Attorney General Rogers and Secretary Flemming on behalf of integration. Yet, if massive resistance has been defeated in Virginia, it is very much alive in South Carolina, Georgia, Alabama, Mississippi, Louisiana. The leaders of the Deep South do not seek time to accommodate to integration, but to block it altogether. They do not wish to discuss compliance with the law but ways to evade it.

5. The crisis that centers around the integration of the schools is a national question. It affects school systems and national minorities in all parts of our land. It must, we feel, have the fullest attention of the Federal Government if a solution is to be reached, if the Nation is to have the leadership for progress, for the creation of a truer, fuller democracy that it so deeply needs.

[From the Washington Post and Times Herald, Apr. 19, 1959]

INTEGRATION RALLY HERE ASSURED; IKE SEEKS END OF RACIAL BIAS

A student delegation calling for the administration to press for speedy desegregation of the Nation's public schools was assured by the White House yesterday that the President shares their desire to eliminate racial discrimination.

The students, representing more than 25,000 persons from throughout the Nation who met here yesterday to demonstrate public support for faster implementation of the Supreme Court's desegregation decision, received the assurance from Gerald D. Morgan, deputy assistant to the President.

After a 15-minute meeting with Morgan at the White House, they reported that he was friendly and showed interest in their list of proposals for getting the Government to place its weight behind the movement for the integration of the schools.

Morgan read the delegates a statement declaring:

"The President is just as anxious as you are to see an America where discrimination does not exist. * * * We have a long way to travel, but in the past 6 years we have also come a long way. * * * We will never be satisfied until the last vestige of discrimination has disappeared."

Following the White House meeting, a crowd estimated at 26,000 by Park Police paraded in a youth march for integrated schools from Seventh Street on the Mall to the Sylvan Theater on the Washington Monument grounds.

They were addressed by the Reverend Martin Luther King; Roy Wilkins, secretary of the National Association for the Advancement of Colored People, and Tom Mboya, chairman of the All Africa People's Conference.

A four-page newspaper entitled "Workers World" was distributed at the rally. A spokesman for the rally sponsors said they had not authorized distribution of any literature.

A delegation was scheduled to present a petition to an aid of Vice President RICHARD M. NIXON at the Capitol. The meeting was canceled, rally officials said, because they wanted to give the petitions to a Member of Congress who could place them in the CONGRESSIONAL RECORD.

[From the Sunday Star, Washington, D.C., Apr. 19, 1959]

TWENTY-SIX THOUSAND CHILDREN MARCH TO BACK INTEGRATION

Nearly 26,000 school-age youngsters from all parts of the Nation marched along the Mall yesterday in a demonstration for speedy school integration. They gathered for a speechmaking program at the Washington Monument Grounds.

The police had expected the march to end about an hour after its start at Seventh Street and Madison Drive SW. at 2:15, but the last of the marchers finally reached the Sylvan Theater area at 4 o'clock.

Sponsored by the Youth March for Integrated Schools, some 300 busloads—half of them from New York—arrived before noon.

Special delegations appeared at the Capitol and at the White House with petitions containing nearly 250,000 signatures urging "an executive and legislative program to speed integration" throughout the Nation.

MET BY PRESIDENT'S AID

At the White House the group was met by Gerald D. Morgan, deputy assistant to the President, who spoke to them on behalf of Mr. Eisenhower, now vacationing in Georgia.

Mr. Morgan said: "The President is just as anxious as you are to see an America where discrimination does not exist. * * * To reach this goal we have a long way to travel, but in the past 6 years we have also come a long way."

Mr. Morgan added that the President is proud of the progress made—"much of it under his personal leadership"—but the administration will not be satisfied "until the last vestige of discrimination has disappeared."

NEGRO LEADERS SPEAK

The youngsters were addressed at the Monument Grounds by national Negro leaders, including A. Philip Randolph, president of the Brotherhood of Sleeping Car Porters; Roy Wilkins, executive secretary of the National Association for the Advancement of Colored People; and Charles S. Zimmerman, chairman of the AFL–CIO National Civil Rights Committee.

Senator DOUGLAS, Democrat, of Illinois, in a telegram read to the assembly, said the youth march—a repeat of a similar mass integration demonstration here last October—was "great encouragement to those of us on the legislative firing line."

Labor Leader Walter Reuther telegraphed: "Let the children lead us. * * * They are the victims of past wrongs."

The African Negro labor leader, Tom Mboya, of Kenya, told the applauding crowd: "Many millions of people throughout the world in spirit are here with you today. * * * The struggle for human dignity is a universal struggle."

Citations were presented to Jackie Robinson and Mrs. Daisy Bates, NAACP leader in Little Rock, Ark., and the Reverend Martin Luther King, Jr., Montgomery, Ala., Negro leader.

YOUTH MARCH OF 1959

Mr. COHELAN. Mr. Speaker, I ask unanimous consent to extend my remarks immediately following the remarks of Mr. DIGGS.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. COHELAN. Mr. Speaker, where more than in America is free expression and interest in the orderly process of government considered a responsibility of the individual citizen? It is because of its example of this high purpose that I wish to commend the youth march of 1959. It is the democratic way for people to join together for their common good with the interest of the Nation at heart.

Thirty thousand young people of every creed and race from all parts of the United States gathered at the Washington Monument Saturday, April 18, to collectively sound their belief in the principle of equal education for all. Their appointed delegates were received at the White House on behalf of the President of the United States.

In proceedings characterized by orderliness and calm purpose, they recalled the U.S. Supreme Court decision of May 17, 1954, in which it was stated that "segregation in the public schools is unconstitutional and a negation of human rights in a democratic society."

In petitions to the President and the Congress of the United States they said, "Southern young people have suffered indignities, humiliation, and violence in seeking to appease their rights," and that "further efforts to maintain segregated schools threaten the destruction of our system of free public schools and the embarrassment of our professions of democracy around the world." They urged "an executive and legislative program which will insure the orderly and speedy integration of schools throughout the United States."

These petitions carried some 400,000 signatures including Mrs. Ralph J. Bunche, Rev. Harry Emerson Fosdick, Father John Farge, Walter Reuther, George Meany, A. Philip Randolph, Jackie Robinson, and other distinguished citizens from throughout our Nation.

Education of our youth is an important investment in the future of our country. Our hopes for the future of our free society are heartened by the knowledge that our young people care.

TRIBUTE TO JOHN FOSTER DULLES

Under previous order of the House, the gentleman from Iowa [Mr. SCHWENGEL] is recognized for 30 minutes.

Mr. SCHWENGEL. Mr. Speaker, my decision to take the floor today to pay tribute to John Foster Dulles has been prompted by a resolution of appreciation passed by the First District Council of Iowa Republican Women, the district that I have the honor to represent. At the spring meeting of this group in Washington, Iowa, on April 29, the following resolution was unanimously adopted and sent to Mr. Dulles in letter form:

The Honorable JOHN FOSTER DULLES,
Walter Reed Hospital,
Washington, D.C.

SIR: The members of the First Congressional District Council of Iowa Republican Women at their spring meeting in Washington, Iowa, April 29, 1959, unanimously asked that the following message be sent to you:

"We hereby express our sincere and deep appreciation for your loyal and outstanding work as Secretary of State.

"We sincerely believe that no other individual has ever contributed so faithfully of time, energy, and judgment in the endeavor to preserve peace in our Nation and the world, and we earnestly extend our heartfelt wishes for your speedy recovery."

Respectfully yours,
FIRST DISTRICT COUNCIL OF IOWA REPUBLICAN WOMEN,
Mrs. WILLA WELDON,
District President.

Mr. Speaker, just today, I received a copy of another resolution, this one from the National Federation of Republican Women. It was adopted by the board of directors at its meeting in Washington, D.C., April 10 and 11 of this year. That resolution reads as follows:

Whereas John Foster Dulles has served as Secretary of State with rare devotion for more than 6 years; and

Whereas Secretary Dulles has earned the enmity of the Communists and appeasers for his opposition to the international conspiracy which threatens to destroy our Republic; and

Whereas Secretary Dulles has been attacked by some for his so-called policy of "brinkmanship," yet this policy of firmness has been wholly successful in keeping America out of war, while the policies of his predecessors three times took us over the "brink" and into war;

Resolved, That the Board of Directors of the National Federation of Republican Women affirm their support of the anti-Communist foreign policy of Secretary Dulles; and that he will continue his firm policies in resisting Communist strategy and aggression.

Resolved further, That a copy of this resolution be sent to Secretary Dulles and President Dwight D. Eisenhower.

This was one of four resolutions adopted at this meeting, and to me it is one of the most important. The board of directors members who signed these resolutions were: Mrs. J. B. Parks, Colorado, chairman; Mrs. Beth Carmack, Arizona; Mrs. Newell S. Boardman, Illinois; Mrs. Esther D. Holt, Oklahoma; and Mrs. Frederick P. Becker, West Virginia.

To the members of both of these groups and all groups who have paused to do honor to this great American, I offer high praise and commendation. I agree that when a public servant has made a contribution to his country's welfare and at the same time has had such a tremendous influence upon the peace of the world, recognition should be spontaneous and immediate. I want John Foster Dulles to know the place of esteem he holds in the hearts of the people of the United States. He has earned the right to be revered and respected and to receive a pat on the back and a thunderous applause for a job well done.

Mr. Speaker, at this very moment in Geneva there are negotiations going on which promise to reduce the chances for war, while at the same time preserving American principles. The American team at the Geneva Conference is of course led by our new and very able Secretary of State, Mr. Herter, but if good results should come from this conference few people will deny that our former Secretary of State, John Foster Dulles, is the man to whom most of the credit should go.

It is a paradoxical twist of fate that this great man, now lying sick at Walter Reed Hospital, should not have been well enough to lead the American delegation himself, for it seems clear that it would have been the summit of his career as a diplomat and statesman. Here is a man who was veritably in training for the job of Secretary of State since he was a teenager—as far back as the Hague Conference of 1907. In the intervening years Foster Dulles, while gaining prominence as chief partner in the law firm of Sullivan & Cromwell, continued his interest in international affairs, until in 1944, he again became active in foreign policy.

As a leading churchman and Republican, he could not help but be concerned over the postwar role of the United States in the world, and thus, 15 years ago, he came to Washington to offer his counsel to some of the most prominent Members of the other body. This was a good apprenticeship for the job Dulles later took on when our President offered him the post of Secretary of State, for in those early postwar years the United States, no less than our party itself, was undergoing a period of transition regarding America's role in the world.

For it has generally been recognized that John Foster Dulles is the negotiator par excellence, and we know beyond a doubt that this skill helped him in bringing about a good working relationship between such leaders as Vandenberg and Taft and an administration with which they were not in sympathy. Indeed, his skills in this field were so great that Dulles was called upon to serve as a member of the American delegation at the Conference which set up the United Nations, even though he was well known as a leading Republican.

In the years that followed, and before his party won the executive branch, Mr. Dulles assumed other positions of special trust and responsibility. He was a constant consultant on Far Eastern affairs, and of course he is recognized as the architect of one of America's most significant postwar achievements: the peace treaty with Japan. It was also at this time that Mr. Dulles was instrumental in writing our unique alliance with Australia and New Zealand: the ANZUS Treaty.

But, of course, John Foster Dulles will best be remembered for these past 6 years. There are those who say that he will be regarded as the finest Secretary of State ever to hold that office. Certainly, he held office in the most trying of times, and as I have said, it was a time of transition, both for his party and his country during which he held office.

In my humble opinion, Mr. Dulles should go down as the finest, ablest, most effective of all modern Secretaries of State. It is my belief that he has best filled the four roles demanded by that position. He has had the President's supreme confidence in foreign affairs, second-guessed by nobody; he has managed to keep Congress and the people informed of his policies and to gain their support; he has had the very warm support of our leading allies—this became especially clear earlier this year even before his illness; and finally, by his careful but firm diplomacy, he has made America's position crystal clear to its potential enemies, and thus kept the peace.

This is almost too much to ask of any man, thus it is not surprising that Mr. Dulles has had his critics. Some have charged that he spoke out of both sides of his mouth; others said that he was reckless; and many have made the queer claim that Mr. Dulles was too moralistic. It is not my feeling that Mr. Dulles deserved any of these complaints; indeed, it seems to me that those who made those charges simply do not understand the job he had to do. Certainly, all of us would agree that the nations of West Europe, close to the Russian menace, and with perhaps some colonial territories, are bound to look upon the world with different eyes than do the newly independent nations of the world, located often far from the mainstream of events. Yet it was Mr. Dulles' job to help defend both kinds of nations from aggression, and to help such nations understand America's good will toward them. Is speaking to such nations in a language each will best understand to be classed as duplicity? I don't think so—but if it is, then I am all for it.

And then there are those who say that Mr. Dulles was reckless—that he took us "to the brink." But is it not better to have your enemy know pretty well where you stand these days? For these are times when the risks of an accidental war are great, and Mr. Dulles understood this. He did not wish the men of

the Kremlin to have any illusions of where we stand, and thus foolishly apply pressure in the expectation that America would tacitly give in. Instead, his position has been to state America's position with clarity and firmness—but at the same time to seek peace and avoid any unnecessary provocations.

And finally, how can it be claimed that an American Secretary of State was "too moralistic." Can it be denied that there are rights and wrongs in international affairs? Is Mr. Dulles to be chastised because he did not fear speaking of these openly, especially when he knew that our country has traditionally been recognized as the embodiment of men's ideals? No—I say that John Foster Dulles was quite right in spelling out again and again the evil deeds of the Soviet Union in Eastern Europe; of the tyranny that is imposed there, and of the immorality of those deeds. At the same time, I respect him for the restraint that he has shown in times of crisis—for he recognized—as at the time of the Hungarian rebellion, that no American action save nuclear war itself could have any effect on matters which so clearly affected the Russian heartland. He knew that to make war under such circumstances would not help men anywhere, least of all the proud men of Hungary.

As Mr. Dulles lies gravely ill, I join his many admirers all over the free world in hoping and praying that his health will be restored so that he will be able to bring the benefit of his great experience to the aid of his President. Mr. Eisenhower voiced my sentiments exactly when he announced that Mr. Dulles would be commissioned as a special consultant:

I personally believe he has filled his office with greater distinction and greater ability than any other man our country has known, a man of tremendous character and courage, intelligence and wisdom. And, therefore, my determination to keep him close where he can be as useful, both in the State Department and to me,—and indeed, in considering everything that may affect our foreign relations, I think is a very wise and proper thing to do.

Under unanimous consent I include the following editorials:

[From the Richmond Times-Dispatch, Apr. 17, 1959]

HE HELD THE LINE

No man in postwar public life, outside the White House, has had as hard a row to hoe as John Foster Dulles.

Throughout his 6 years as Secretary of State, he devoted every ounce of energy to the service of his country, and of the free West.

After his 1956 operation for intestinal cancer at the age of 68, and after another, 2 years later, he carried on pursuing a strenuous schedule of work and travel that would have tested the endurance of a young man in good health.

He lived up to the code prescribed in Kipling "If":

"If you can force your heart
and nerve and sinew
To serve your turn long
after they are gone
And so hold on, when there
is nothing in you
Except the Will, which says
to them, 'hold on!' "

This was the stamina that enabled him to "hold the line" in the face of the duplicity and attrition of a Red imperialism equally determined to reduce each of the West's diplomatic moves toward peace into an exercise in futility.

The Secretary's resignation was expected; yet the sudden realization that his hand was no longer at the helm of foreign policy came as a shock, especially to the President who had leaned so often and so heavily, during his own attacks of illness, on the sturdy shoulders of his Secretary of State.

Mr. Dulles' policy maneuvers were not always understood, at home or abroad. Some European governments friendly to us looked upon him as "an edgy gambler." Not until the past year did the overall pattern of his strategy come into focus.

Dulles had consistently held, that diplomacy vis-a-vis Moscow must lead from strength in order to be effective. That is why some have called him "the only man on earth feared by the Kremlin."

His withdrawal of a United States offer to help finance Egypt's $1.3 billion Aswan Dam project was regarded as a blunder. Those close to Dulles say that he withdrew the offer because he saw the need of making neutral governments realize the folly of playing the United States against the Soviet Union, in the hope of receiving economic aid from both.

His refusal to condone the Israeli-British-French invasion of Suez caused a rift hard to heal—yet he put his country on record as opposed to military aggression for economic reasons.

The landing in Lebanon was condemned as a needless "show of force," but may have convinced the Near East that we would come to the aid of legally constituted governments asking protection against Soviet attrition.

In his preoccupation with the task of knitting the non-Communist West more closely together, Mr. Dulles may have overlooked the "clear and present danger" of Red infiltration in Latin America; yet anyone trying to keep track of the kaleidoscopic multiplicity of international problems will understand how difficult it must have been to keep them all "under his hat."

The national reaction to his resignation was well expressed by Senate Democratic Leader LYNDON B. JOHNSON:

"Secretary Dulles," said the Texan, "will remain in our hearts as a great American who faced up to difficult and trying tasks with fortitude and resolution."

Similar stock phrases are often used in saluting statesmen forced to retire because of illness or age—but seldom with as much genuine feeling.

[From the Des Moines Register, Apr. 16, 1959]

A DEDICATED STATESMAN

John Foster Dulles hated to resign as Secretary of State, and President Eisenhower hated to see him go. There were tears in the President's eyes when he announced the resignation. The latest medical findings made the resignation inevitable, and Dulles acted promptly.

A Nation's sympathy will go with Dulles in his battle with cancer, and a Nation's gratitude for 6 years of energetic and thoughtful service in an office which has carried the heavy burdens of cold war, the rocket and nuclear arms race, the frustrations of trying to make the United Nations and the tangle of U.S. alliance systems work.

Dulles has unquestionably been one of the hardest working and hardest thinking of American Secretaries of State. Naturally, not everyone has agreed with him—we have not always done so. But in spite of his constant travels and the huge daily press of business, Dulles made a real effort to think through the general principles and the long-term goals of U.S. foreign policy, and to keep on thinking.

In this he had a headstart by virtue of his longtime interest in the subject before his appointment, in the years when he headed the wartime Commission For a Just and Durable Peace of the old Federal Council of Churches, the years when he was foreign policy adviser to Thomas E. Dewey in Dewey's two tries for the Presidency, the years when he was a special negotiator for Democratic President Harry S. Truman.

Some of Dulles' famous phrases lent themselves to misinterpretation and attack: "liberation," "massive retaliation," "agonizing reappraisal," "deeds, not words," "stand firm," for instance.

But Dulles did not think in slogans. In context, these phrases did not mean what his severest critics thought they did, and Dulles explained them again and again, in speeches and press conferences.

He was a great believer in private talks with foreign negotiators, but he was almost always ready to explain in detail for the public what he was trying to do and how things were going.

A Secretary of State gets praised or blamed less for his own performance than for the results. The results are only to a small extent within his control. It is no secret that the U.S. position in the world is more dangerous today than it was 6 years ago, though it is far from hopeless.

People will be arguing for a long time to come whether things would have been better—or worse—if Dulles had taken a different line on the Middle East, the Far East, Berlin, the summit meeting, and so on. But no one can doubt his devotion and his effort. And surely Soviet weapons technology and the revolutionary changes in the underdeveloped countries are the major reasons for U.S. insecurity today.

[From the Charlotte Observer, Apr. 16, 1959]

A BRAVE MAN LEAVES A VOID THAT MUST BE FILLED QUICKLY

Friend and critic alike would find it easy to agree on one thing about John Foster Dulles: He never shirked difficult decisions.

Now he has made perhaps the most difficult one of his career. Wracked by cancer, he has resigned as Secretary of State.

With a remarkable display of courage and determination, Dulles carried on in one of the world's most difficult jobs despite his painful illness until he was clearly incapable of going any further. Many of us think he delayed an inevitable decision too long.

That's water over the dam now. All of us can salute the grit and dedication of a remarkable public servant and regret that his career has been halted at a crucial moment.

Not since the postwar years has the Western Alliance—in which Dulles has been the dominant figure for 6 years—faced greater problems than it does now. In less than a month, allied foreign ministers meet with the Russians in a pre-Summit Conference. Still to be welded together is a firm, coherent answer to the Communist demand that the Western Powers pull out of Berlin.

Because of Dulles' illness, the role of the natural leader of the alliance—the United States—has been sharply reduced. The result has been a leadership vacuum, which Prime Minister Macmillan of Great Britain has tried unsuccessfully to fill. With time running out, Britain and West Germany are wrangling publicly.

At this point, one thing seems imperative. President Eisenhower must name a new Secretary of State quickly, and work with him in offering vigorous, cohesive foreign policy direction in the critical weeks ahead.

The logical choice may well be Acting Secretary Christian Herter, who has been directing our preparation for the Geneva talks. But whether the choice is Herter or someone else, it should be made now.

In times like these, leaders of both parties—in and out of Congress—stand ready to demonstrate this country's essential unity in facing the Communist threat.

The loss of Dulles is a crippling blow, but it must not be a fatal one. If the White House will act quickly and wisely, we can meet this challenge as we have so many others.

[From the San Francisco Examiner, Apr. 17, 1959]

SECRETARY DULLES MAKES THE HARD DECISION

The resignation of Secretary Dulles came with shock and sorrow to the American people, the leaders of both political parties, and our allies. It had been expected, but no amount of anticipation could ease the poignant sadness of President Eisenhower in announcing it, nor the dismay here and abroad.

It is a major misfortune. Mr. Dulles, we are sure, would be the first to protest against calling it a tragedy, and the first to exhort us not to let it turn into one.

He himself made the decision and we can only guess at what cost of agonizing self-assessment. As the President correctly predicted a few days ago, Mr. Dulles could be relied upon—better than anyone else—to determine his ability to remain in office and to decide on the basis of the best interests of our country. Those who thought otherwise underestimated, as usual, his quiet and tremendous courage.

He has set all of us an example to face the coming weeks of crisis with something of his fortitude and intelligence.

In that uncertainty it is heartening that Mr. Dulles will continue as foreign policy consultant to the President and the administration.

[From the Chicago Daily Tribune, Apr. 17, 1959]

UNDEFEATED

Secretary of State John Foster Dulles has fought against the destroying disease of Communist imperialism and a wasting malady that attacked his own body. Against both he displayed a spirit of indomitable fortitude and resolution which could not fail to arouse the admiration of all his countrymen.

Now Mr. Dulles has himself concluded that he is unequal to carrying on the struggle in the world arena while living under what must be recognized as a sentence of death. The duties he discharged with such conspicuous courage and firmness must now pass to other hands, and we all must trust that they will be handled with a sure and unfaltering touch, for at this stage in world affairs irresolution could cause enormous damage.

The conference of foreign ministers to deal with Soviet blackmail demands over West Berlin and the status of Germany lies just ahead, and after that there is a strong likelihood that the spokesmen of the Western nations will be obliged to deal in personal negotiation with Premier Khrushchev. They will need all their wits and all their perseverance in standing off this peasant schemer.

This was a job which Secretary Dulles was admirably suited to discharge. Through years of direct experience, he had come to know the nature of the enemy. He did not scare easily. He was good at bucking up the weaker sisters in the Western coalition. He had no stomach for sell-outs or for compromises leading to surrender on the installment plan.

If our diplomacy is to succeed, it must be conducted with the character, the principle, and the courage that Mr. Dulles brought to the task. Of him it could be said without sentimentality that his strength was as the strength of 10 because he knew his cause was just.

We have often been at odds with Secretary Dulles on questions of policy as well as on his methods of operating. There is little doubt that he was so frequently on the go that our international relations sometimes assumed a frenetic character. He talked much and often, sometimes indiscreetly, as in his "brink of war" statement. Yet, at his best, he was deft, perceptive, and not without wit.

The moral qualities which made him a lay church leader added strength to his diplomacy, but they also detracted from it, for Mr. Dulles was sometimes moved to equate diplomatic problems with moral absolutes—a trait which could be a handicap in a profession which frequently requires devious approaches to attain advantageous ends.

Mr. Dulles' undiscriminating addiction to the prescription of unending foreign aid stemmed from the same impulse—that foreign affairs are hardly to be distinguished in some of their aspects from the do-gooding promptings of social work.

Yet, when all is said and done, Secretary Dulles stood off the Communists, yielded nothing to them, and left them with the sure understanding that the United States was willing to fight, if need be, to preserve a world in which decent people might live. His policy of firmness worked, if it is to be judged by the only possible criterion—that the Communists turned away from the challenge.

This man deserves well in the estimation of his countrymen. They wish him comfort and peace in the days ahead, and they may hope that the example he has provided will live on in the memories of those to whom he must now reluctantly pass the high responsibilities of a post in the front-line against the enemy.

[From the New York Herald Tribune, Apr. 16, 1959]

MR. DULLES RESIGNS

Even though it was clear since his return from Florida on Sunday that John Foster Dulles could not continue to carry the great burden of his office, his resignation is a sorrowful blow to this country. For six long and exhausting years, he has dominated the policies of the Western World, shaping them and prosecuting them in one of the most remarkable careers a Secretary of State has ever enjoyed. His will and his energy left their stamp on almost every government, including that of the Soviet Union. But even his great strength could not overcome a cruel disease. His resignation is the more poignant because it speaks all too clearly of his personal tragedy.

A great part of Mr. Dulles' power as an American statesman has come from his unflinching conviction of the probity of American purpose in the world. It is this quality which set him apart from the traditional image of the diplomat, and which sometimes caused him to be misunderstood, both at home and abroad. There were some things, in his view, that could not be subject to bargaining, and chief among these was moral principle. This position always won him respect, if not agreement. And when he returned from his last, courageous trip to Europe in December and went into the hospital, the prospect of his absence from the international scene filled our allies with dismay. Such is his eminence.

Few Secretaries of State have had such preparation for office. Mr. Dulles attended his first international conference at 19. Even before he joined the Cabinet in 1953, he was an important diplomatic figure. He had a hand in the United Nations Charter. He was the Republican adviser to three Democratic Secretaries of State. He drafted the peace treaty with Japan in 1951—one of his proudest achievements. From the time he took office in January 1953, he embarked on a series of journeys around the world, conducting negotiations with heads of governments in their own capitals. One day in Cairo, another in Saigon, another in Manila, another in Paris, he transformed his office into an instrument of dynamic leadership in international affairs. His presence was perhaps most felt when a turn in the cold war had caused discouragement or sapped initiative. Then, his brave dedication to freedom lifted spirits and sharpened determination. More than any other man, he is responsible for keeping the Communist empire in check.

For all his dedication, Mr. Dulles is a master of diplomacy, and his skill will be missed as much as his strength. Fortunately, his long and intimate relationship with President Eisenhower, and with the men in the State Department, assures us that his methods as well as his basic policies will continue to guide the conduct of our foreign affairs. And, of course, it is cheering to know that he will stay on as foreign policy consultant. In the coming negotiations with the Soviet Union, his advice will be invaluable.

President Eisenhower has led the Nation and the world in paying tribute to Mr. Dulles—his wisdom, his devotion, and his courage. He is, indeed, a great public figure, and nothing that has happened or will happen can alter his stature.

[From the Christian Science Monitor, Apr. 16, 1959]

DULLES, THE DEFENDER

Americans of all shades of opinion will deeply regret the circumstances which have forced Secretary Dulles' resignation. Even those who have disagreed sharply with him on occasion will pay tribute to the devotion, energy, and intelligence with which he has served the Nation for 6 difficult years.

It must be gratifying to Mr. Dulles to note that both at home and abroad there is today wide appreciation of that service. At no point in the 6-year period could he have stepped down with more support for his basic position. This is not merely a new understanding and sympathy for the man; it is a renewed recognition that diplomatic defense of the free world must be resolute. Nikita Khrushchev's deliberate provoking of the Berlin crisis has again awakened millions in both hemispheres who had forgotten too much history.

It has not always been easy to grasp the Dulles day-to-day line. For a man trained as a lawyer in careful use of words the Secretary at times seemed strangely prone to create unnecessary difficulties with things he said. His handling of the Aswan Dam affair has been most widely criticized. And his Goa statement seemed remarkably insensitive to Indian feelings. But generally he has been widely acclaimed as a diplomatic technician. Most of the opposition to Mr. Dulles has arisen among those who felt his basic position vis-a-vis the Soviet was too rigid.

Discussions of foreign policy would get closer to realities if the words "appeasement" and "rigidity" were both eschewed. "Brinkmanship" also is open to misunderstanding. The diplomat taking a stiff bargaining position is not necessarily inflexible. Mr. Dulles showed he could "flex" on Quemoy. Also on free elections for German reunification. Our own chief objection has been that he seemed most of the time to be taking a defensive position, merely countering Soviet moves. But he had to work with allies, and concerting initiatives for an alliance is not easy.

The foreign policy of the United States is far bigger than any man. Much of what

Mr. Dulles has stood for was implicit in the "containment" course followed by Washington since 1947. The President's personal loyalty to Mr. Dulles may have obscured this fact. He will need to make plain now that whoever comes in as Secretary of State has his full confidence and is carrying on not a personal but an American policy.

The time may be ripe for some fresh and imaginative approaches in foreign policy. But it will be well for all to recognize that a basic and bipartisan continuity is essential. The essentials remain—to seek peace unremittingly; to maintain enough military power to deter aggression; to support by moral and economic means the ideals of freedom and justice everywhere.

[From the Washington Post, Apr. 16, 1959]

MR. DULLES AS SECRETARY

It is always sad when a valiant soldier must lay down his burden. The physical necessity for the resignation of John Foster Dulles as Secretary of State has been well understood, but the fact itself occasions a moment of extraordinary pathos. There were tears in President Eisenhower's eyes yesterday, and the sentiment undoubtedly was shared by many around the free world, not necessarily because they have agreed with Mr. Dulles, but because they have admired his courage and unswerving devotion to his principles.

Yet there must be great satisfaction to the outgoing Secretary that he leaves his office at a time when his reputation is at a pinnacle. The storms of previous years that blew around him have largely dissipated, and doubts and discord have been replaced with real affection—as much abroad as at home. No doubt much of this respect has been focused by Mr. Dulles' position on Berlin and the German problem. But much also has stemmed from recognition of his steadfast adherence to his convictions. Perhaps it took the Berlin crisis and Mr. Dulles' illness to demonstrate what a source of strength he has epitomized. He has been the towering figure, not merely in the Eisenhower Administration, but also in the Western Alliance.

It is unnecessary, in a current appraisal of Mr. Dulles' 6 years as Secretary of State, to gloss over the points of past criticism. Mr. Dulles himself would not appreciate that. Some of the disagreements loom small in restrospect. Others represent basic differences of approach. On many points his strategy has seemed better than his tactics.

There was, for example, the much-publicized philosophy of brinkmanship which Mr. Dulles himself must take responsibility for having advertised. Certainly it caused far more apprehension than public expression of the concept was worth, even as a tool for coping with the Kremlin's machinations. There was the doctrine of massive retaliation which, insofar as Mr. Dulles voiced it, has shown itself to be far from an adequate posture of defense. There was the flirtation with "liberation," a phony partisan slogan which disclosed a scarcely creditable side of Mr. Dulles.

There also were such excesses of speech as the Goa statement, Mr. Dulles' various pronouncements about neutralism and his occasionally effusive invocations of morality. There was the silly episode in which he refused to permit American reporters to go to Communist China. There were exercises in legalism and attempts to camouflage old policies with Madison Avenue veneer. There was the justified complaint that Mr. Dulles made too little use of staff and encouraged only negligible long-range planning.

But there also were moments of greatness, as when Mr. Dulles recommended the searingly difficult decision to oppose the British-French intervention at Suez. Having played a part in precipitating the crisis by the blunt manner of his withdrawal of help for the Aswan Dam, and having contributed to the estrangement of Britain and France, Mr. Dulles worked with enormous earnestness to heal the split and repair the damage. His course helped preserve the usefulness of the United Nations, and it may also have prevented world war.

After years of opposition to any acknowledgment of Communist China, last autumn Mr. Dulles did make a major change of policy by disavowing Chiang Kai-shek's ambitions on the mainland. The United States is not yet out of its dubious Quemoy involvement, but in the circumstances the Dulles stand seemed to deter Communist aggression. However unclear the purpose at the time, the American intervention in Lebanon brought a measure of stability in the Near East. Mr. Dulles also must receive applause for what in the net is a good record of economic responsibility in world affairs on the part of the Eisenhower administration.

Finally, of course, there is the issue of Germany. Mr. Dulles combined firmness on the military position with a willingness to discuss various possible approaches to larger agreement. In this he showed awareness of the importance of turning the onus on the Soviet Union. The recent squabbles among the Western Allies illustrate how much Mr. Dulles is missed.

At the same time it can fairly be said that there has been no marked advance in the Western position under Mr. Dulles' leadership. He has been an apostle, as it were, of containment. The various pacts he erected in Asia and the Middle East—pactomania, his policy was called—were aimed at preserving the status quo. There is wide agreement with his thesis that the Communists will make trouble wherever there is weakness, but he displayed little or no initiative to try to roll the Communists back or negotiate a stabilization.

In part Mr. Dulles' approach has appeared to derive from his conviction that because communism is evil the Communist society eventually will crack up. There is little disagreement that communism is evil, but there is little evidence, either, that the Soviet state is in fact cracking up. On the contrary, most of the evidence indicates that it poses an increasing challenge which is still too little appreciated in either economic or military terms.

There have been few settlements under Mr. Dulles, and in some places—notably in Indochina in 1954 and now in Iraq—the Western interest has been set back. Yet containment, or preservation of the status quo, is no mean achievement. Perhaps it is all that could have been achieved. Mr. Dulles' approach has been essentially conservative, but it is useless to argue whether more initiative would have produced happier results. No one can prove his course wrong.

Certainly the Secretary demonstrated the capacity to grow in his job. He fought many unsung battles within the administration, on nuclear tests and other issues, without a word of complaint when his hand was suddenly weakened. If he continued to keep policy too much to himself, to be too much the lawyer engaging in brilliant improvisation, he refined many of his techniques and learned to avoid many of his earlier errors.

He won strong supporters among both parties in Congress after his initial experience in making concessions to the Republican right-wing irreconcilables which he probably did not have to make. He seemed to enjoy his frequent meetings with the press and was more adept than any other Cabinet member at using the news conference as a forum. Although he occasionally sacrificed both issues and personalities, he did a great deal to advance the acceptance of internationalism as permanent American policy.

Mr. Dulles learned early that no effective Secretary of State can expect to be popular. He had a curious affinity on many fundamental points, although neither may like the comparison, with his predecessor, Dean Acheson. Above all, he made broad use of a first-rate mind. Whether or not one concurred with his decisions, it was a joy to witness the exercise of his wit and intellectual power.

It is far too close to Mr. Dulles' service to evaluate the significance of his contribution with any depth of perspective. It is clear, however, that his retirement after a diplomatic career that goes back intermittently 52 years to the Hague Peace Conference of 1907 leaves a vast hole that cannot readily be filled. As he marshals his strength for what everyone will hope can be continued service as an adviser, he can be sure that his conscientiousness, energy, and dedication have won him the profound gratitude of his countrymen.

[From U.S. News & World Report, Apr. 27, 1959]

THE MAN WHO HAS KEPT US OUT OF WAR

(By David Lawrence)

John Foster Dulles will be known in history as the man whose bravery kept his country out of war. For it takes no courage to appease, to retreat, to accept the promises of an unscrupulous enemy at a time when it is being urged that "concessions" and "compromises" are the way to avoid bloodshed.

It takes no courage to argue that, because the Communists are strong militarily and have already achieved a sort of "right of conquest" in Eastern Europe, we must therefore "accept the status quo."

It takes no courage to become so "flexible" as to desert moral principles in international life.

It takes no courage to yield to the temptations of domestic politics and to seek political advantage by claiming to be a crusader for "peace"—even if it's peace at any price.

But it does take courage to fight the insidious doctrines of those, inside and outside of our Congress and the parliaments of the West, who think that the easiest way to deal with your adversary is to appease him.

One reason why John Foster Dulles has been able to see through the deceptive tactics of the Communists is that he has had a long experience in diplomacy—covering perhaps the longest span of any living American.

The critics of the outgoing Secretary have been so preoccupied with one objective in the last 3 years—to force the resignation of Mr. Dulles—that they have discounted his consummate skill in dealing with the ever-changing wiles of the Communists.

Thus there has been no lack of conferences at high level with the Communists on almost every subject— from the question of suspending nuclear tests to the matter of "cultural" exchanges. Even the artificially stimulated campaign to secure the admission of American press correspondents to Red China resulted in Mr. Dulles making a concession only to find, as he had suspected, that the Communists were not sincere. For they immediately insisted on a diplomatic package involving, in effect, the right to send a host of espionage agents into the United States as the price of admitting American newsmen to the Chinese mainland.

The critics have made much of the "liberation" policy advocated by Secretary Dulles. He never implied that America would use force to liberate Eastern Europe, but his opponents mischievously distorted his words in trying to impute such a purpose to him. By upholding the cause of peaceful liberation as a goal, he has kept the fires of freedom burning in the hearts of the peoples of the captive states.

Among those who so often have assailed Mr. Dulles for the phrase "massive retaliation" are many of the unwitting appeasers. They shortsightedly took his words to be an empty threat. They shuddered at a policy of resoluteness. Yet this is the only way to warn a potential enemy not to miscalculate our strength or our purpose.

Today "massive retaliation" is the embodiment of the military power of the West, though there has lately been more frequent use of the phrase "deterrent power." Actually, peace rests today on the knowledge in Moscow that an atomic attack on any country now a member of the North Atlantic Treaty Organization will result in a massive blow from our bombers based both overseas and in this country.

To John Foster Dulles belongs the accolade for having effectively warned the men in the Kremlin of what America would do if they started any general attack. President Eisenhower deserves the greatest credit for his unswerving support of these policies.

The strength of our determination has been tested at Quemoy and in Lebanon and in Indochina and lately in the West Berlin crisis. At no time has there been any doubt that Mr. Dulles would recommend military action in our defense if he thought it necessary. He was chastised in the press for using the phrase "brink of war." This has often been sarcastically referred to as "brinkmanship." Yet it is this basic readiness to fight if necessary—to let your enemy know you are willing to risk war to avoid war—which is the essence of "brinkmanship."

It is to be regretted that in the 1930's we didn't let Hitler know that Britain and France and America would join in fighting him if he started a war. He was convinced that, with the Soviet Union as an ally on his eastern flank, he could quickly finish off the Western countries. It took a tremendous sacrifice of human beings to show the Nazis the error of their way. May no such demonstration of error ever be necessary again.

If a world war is averted in the next decade, it will be because in the United States, irrespective of whether a Republican or a Democratic administration is in power, the principles that have been applied by John Foster Dulles in shaping America's policies in world affairs have been faithfully followed by his successors.

[From Time magazine, Apr. 27, 1959]

JOHN FOSTER DULLES—"A RECORD CLEAR AND STRONG FOR ALL TO SEE"

Sharp at 9 a.m., January 22, 1953, John Foster Dulles showed up for work in his fifth-floor office at the State Department, a tall, austere-looking man, eyes wary, mouth turned down at the corners, shoulders hunched, necktie slightly off-center. He sat down behind a big desk across from a big grandfather clock, surveyed a couple of portraits that he had ordered hung—one of his sideburned grandfather John Watson Foster, U.S. Secretary of State 1892–93 (under President Benjamin Harrison), the other of his uncle Robert Lansing, U.S. Secretary of State 1915–20 (Woodrow Wilson). On a small table within reach of his swivel chair, he laid out three books that through decades of international law and diplomacy he had rarely been without. The books: Stalin's "Problems of Leninism," "The Federalist" papers, the "Bible."

"Soviet Communism," the new Secretary of State had written of Stalin's "Problems of Leninism," "starts with an atheistic, godless premise. Everything else flows from that premise. If there is no God, there is no moral or natural law. * * * Since there is no moral law, there is no such thing as abstract right or justice. Laws are the means, the decrees, by which the dictatorship of the proletariat enforces its will 'for suppressing the resistance of its class enemies.' * * * There is a duty to extend this system to all the world."

"Our founders," the new Secretary had said of the other two books, "represented many creeds, but most of them took a spiritual view of the nature of man. They believed that this Nation had a mission to help men everywhere to get the great opportunity to be and to do what God designed. * * * Freedom cannot be contained—it is all-prevailing. * * * It is the despots who should feel haunted. They, not we, should fear the future."

In the 6 years that followed, it was the contribution of John Foster Dulles to his countrymen and to freedom that he best defined and actively waged the cold war in those terms. "The arena is vast," he wrote in his book, "War or Peace." "It embraces the whole world, and all political, military, economic and spiritual forces within it." And as he handled the unending procession of Communist-made crises—Korea, Indo-China, Formosa Strait, Iran, Guatemala, Jordan, Lebanon, Quemoy, Berlin—he threw into the cold struggle all of freedom's political, military, economic, spiritual strength. Specifically, he:

Developed the NATO collective-defense system from a Europe-first position of strength into a world network of alliances, offered U.S. friends U.S. military and economic help against aggression and subversion if they wanted it, gave millions of freemen a new sureness, a new basis for hope;

Maneuvered U.S. land-sea-air power across thousands of miles, stopped the Communists at the pressure points, slowed down the rate of Communist military adventurers when he warned the Communists that the United States would not necessarily meet the enemy on the enemy's chosen battlefields, but would retaliate, instantly, by means and at places of our choosing;

Threw the whole weight and wealth of U.S. influence behind the big European surge toward private enterprise and middle-class prosperity that mocked the basic Communist doctrine of class struggle, worked continually to bring to Western Europe some form of political-economic unity;

Proclaimed a peaceful Western offensive in the doctrine of liberation—a doctrine, as he wrote in 1952, by which he did not envisage bloody uprisings but hoped to keep alive the nationalist hopes of captive peoples, to the point where the Russians would have to yield increasing amounts of independence to dampen restlessness (setbacks for the doctrine: The 1956 bloodletting in Hungary);

Attempted new approaches to the surging neutralist nations of Asia, Africa, Latin America, but failed—over the short run—to convince them that there could be no neutralism in a universal struggle, was less effective in handling crises in which communism was not directly involved, e.g., his blow-hot, blow-cold performance on U.S. help for Egypt's Aswan Dam.

As he followed his guidelines, Dulles was a superb tactician. Traveling an astonishing 559,988 miles in 6 years, he worked tirelessly to keep diverse peoples and leaders united in common purpose and also to educate himself; he negotiated skillfully at scores of world conferences. When he moved out ahead of public opinion, as he did in trying to push the European Defense Community and to save Quemoy and Matsu, he could yield with a lawyer's tactical skill, always returning to his theme when the times had caught up with him.

But above all, Dulles was the clear, stern conscience of freedom. Said Dulles: "Our Nation must stand as a solid rock in a storm-tossed world * * *. Rededication to the faith of our fathers is * * * what is needed to make apparent the futility of any world program based on the suppression of freedom."

BRINKS OF WAR

From this sure base Dulles faced up to his times with an unusual diplomatic consistency. His first battleground: the Far East. His first decision: the scores of struggles underway along Red China's borders and from Korea to Malaya should be rated and met as one. His first move: the United States ordered the Seventh Fleet, then under orders by President Truman to neutralize the Formosa Strait, to desist from protecting Red China against any Nationalist China attack. At once his critics derided President Eisenhower for unleashing Chiang, but Dulles had the argument of later events on his side. Red China shifted thousands of troops from the North China-Korea theater to the newly threatened coast.

Dulles moved on from there to settle the intolerable situation in Korea, in which the Kaesong-Panmunjom truce talks had dragged on for 18 months while U.S. and U.N. forces suffered thousands of casualties a week. He informed Red China, through India's neutralist Prime Minister Nehru, that it would have to conclude the Panmunjom talks or risk an all-out U.S. drive to win the war. Red China signed. Dulles was improvising, experimenting, learning as he went along. His next move: Indochina. First, Chairman of the Joint Chiefs of Staff Admiral Radford recommended U.S. naval airstrikes to help the beleaguered French, but Dulles was against it, and the President vetoed this plan; subsequently, the French handed over North Vietnam (population: 14 million) to communism. But after that, the United States haltingly, then decisively, threw U.S. support to a shaky new Nationalist government in South Vietnam, helped negotiate and set up a brand new Southeast Asia Treaty Organization ("Pactomania," said the critics) that has faced up to communism in Southeast Asia ever since.

When, in early 1955, the Communists launched concerted attacks against Chinese Nationalist positions up and down the Formosa Strait, Dulles took it as a crucial probe of U.S. intentions. His response was immediate and unmistakable. The President sought and got a congressional resolution of support for U.S. defense of Formosa and the Pescadores; the President followed that up with a personal letter to Nationalist China's Chiang promising support at islands Quemoy and Matsu. Result: the Communists backed off, and the whole Red China offensive, rolling ever since Mao Tse-tung came out of the Yenan caves, was bogged down.

SHOWDOWN 1956

In central Europe the cold war entered another phase. On communism's side of the Iron Curtain Stalin had died, plunging the Kremlin into years of medieval intrigue while Nikita Khrushchev emerged as new dictator. On the Allies' side, the phenomenon was the emergence of Western Europe, through the Marshall plan recovery and its own industry, as a hopeful, prospering showcase of what freemen could do. At Budapest, in October and November 1956, Hungarian freedom fighters, workers, students, soldiers proved the Communist puppet government to be a hollow sham, reveled in 5 days of freedom, looked to the United States and the U.N. for help. The United States had no plan of action, and the revolt was smashed, but with it were smashed Communist pretensions of benevolent big brotherhood and Moscow's hopes for reliance on satellite armies.

One complicating factor in Hungary—which doubtless made Moscow bold—was that simultaneously the West was involved in the tragic affair at Suez. The buildup to Suez: (1) Dulles angered Egypt's Dictator Nasser when he pulled back U.S. aid from the Aswan Dam in retaliation for Nasser's acceptance of Red arms; (2) Nasser seized the Suez Canal; (3) Dulles tried with U.S. allies, with the U.N., to work out a solution and

failed. But when Britain, France, and Israel launched a sudden attack against Egypt without notice to the United States, Dulles took the toughest stand for principle of his career. Said he, extemporaneously, in one of his finest speeches at the U.N.:

"If we were to agree that the existence of injustice in the world * * * means that the principle of renunciation of force is no longer respected, then we would have, I fear, torn the [U.N.] Charter into shreds, and the world would again be a world of anarchy. It is still possible for the united will of this organization * * * perhaps to make it apparent to the world * * * that there is here the beginning of a world of order."

Through 1957, while the United States was in an economic recession, while the U.S.S.R. fired the first ICBM and put up the first space satellite, Dulles was the free world's "unpopular man." "Damned Dulles," swore an Indian lawyer. "He is responsible for the tensions of the world. He is not allowing the Americans to come to terms with the Russians." "Theologian" cried a French Cabinet Minister. "Eisenhower is the mystic. Dulles is the theologian." His critics increasingly rallied behind a "new approach" to world communism based upon (1) recognition of Red China, and (2) disengagement in Germany to make what they called "a thaw in the cold war." Critics' choice: a "parley at the summit," presumably similar to the one in which the Russians had promised to work toward reunification of Germany by "free elections" back in July 1955.

But through 1958, as is history, the tough old Secretary, who in 1956 suffered his first bout with cancer, fought up from his low point, won a limited deterrent victory in Lebanon (Eisenhower doctrine), a strong deterrent victory at Quemoy. Even as Quemoy was being fought out, the Communists opened up a propaganda offensive in Berlin. Dulles' response: (1) The United States would stand fast in the city; (2) the United States would, because some of its allies wanted to, be willing to negotiate on an all-German settlement but would yield on no basic points; and (3) any agreement with the Communists must be self-enforcing.

"There is a lesson," said he. "We have an armistice agreement with the Communists in Korea. But * * * the Communist side violates every provision of that agreement except the one provision that we enforce; namely, that they shall not advance militarily." A thaw in the cold war? Said Foster Dulles, and Tibet and Iraq were proving him a sure prophet as usual: "Well, Mr. Khrushchev is in a much better position to judge than I am. He lives in the north country where the icy blasts come from."

ZEST FOR PEACE

When he stepped down last week, Secretary Dulles knew that his success, for all his efforts, had been limited. The limits: (1) The cold war's boundaries in 1959 were much as they had been in 1953—the rollback had been in men's minds, not real estate; (2) the Communists were still driving hard in the Middle East, threatened to make Iraq their first potential conquest since North Vietnam; (3) the Communists were showing by their scientific achievements that there were many more fronts to the cold war; (4) the West's resolution, amid all the talk about flexibility, disengagement, showed some signs of tiring. But these limits of success as Dulles saw them were only more arguments for more sacrifice, for more devotion to duty to meet a challenge that was sustained.

And as he thus imprinted his wisdom, determination, shrewdness, and dedication on freedom's cause, the Secretary left behind him his last word that successors would walk away from at their—and freedom's peril:

"To deny external successes to international communism is not merely a negative, defensive policy. It accelerates the evolution within the Sino-Soviet bloc of governmental policies which will increasingly seek the welfare of their own peoples rather than exploit these peoples in the interest of world conquest. Freedom must be a positive force that will penetrate. * * * Freedom is still a magnet that atracts. If the non-Communist nations hold fast * * * above all, if they demonstrate the good fruits of freedom, then we can know that freedom will prevail.

John Foster Dulles, great Secretary of State, once added a personal postscript: "This quest for peace can be an enthralling adventure. Everyone has a part to play. We have the opportunity to prevent the suicide of humanity."

It is my prayer and hope, as it is, I am sure, the prayer and hope of every thinking American that somehow this man's life may be spared so that his great talents and influence may continue to be useful to America and to the world.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. SCHWENGEL. I yield to the gentleman from Indiana.

Mr. HALLECK. Mr. Speaker, I count it as one of the greater privileges of my service here in the Congress of the United States to have known John Foster Dulles as a friend.

I will say flatly that in my considered opinion, he has earned a place in the history books as one of America's truly outstanding Secretaries of State.

Few men have served in this capacity during more trying circumstances; none has met his responsibilities with more courage, more wisdom, more patience, or with greater dedication to the interests of our people.

Much has been said and written of his marathon travels in pursuit of understanding among the nations of the world.

It is probably safe to say that at this moment there is no man alive who has a wider personal acquaintance with the leaders of the nations of this earth than Foster Dulles.

He has been willing to go anywhere, and at anytime, to help bring closer to realization that which all men of good will seek—a just and honorable peace.

Of Foster Dulles it may also be justly said that he has given a last full measure of his energies to the cause he has served with such distinction through the years.

I am sure I voice the sentiments of a grateful nation when I say the loss of his experience and great capacities, through physical disability, is a tragic blow to the free world in these critical times.

And I am certain I speak for all of his fellow citizens when I say that we admire the monumental fortitude Foster Dulles is showing in his battle against a cruel illness.

He has set a memorable example of devotion to duty for those of us who must carry on, and we are all richer for the contributions he has made to mankind.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. SCHWENGEL. I yield to the gentleman from Minnesota.

Mr. JUDD. Mr. Speaker, I am grateful that our colleague from Iowa has taken this time to pay high tribute to one of the noblest men, one of the finest public servants and certainly one of the greatest civilian heroes our country or any country has ever had.

John Foster Dulles was brought up as the son of a Christian minister. As a boy he must have read that wistful story in the ancient Scriptures about one of the greatest leaders of all time who after bringing his people through unbelievable privations, difficulties, external enemies and internal storms, was not himself permitted to enter the Promised Land.

It must have been heartbreaking frustration for Moses to lead his people through years of trials and tribulations and not be able to go on with them to the final victory. But there is no record of sadness or resentment on his part. He knew he had made the final victory possible.

There is a similar element of pathos in the story of Mr. Dulles. And I know there is sadness and regret in the hearts of millions of Americans that he is being denied the opportunity to play through to final triumph the world drama in which he has been the single most prominent actor for more than 6 years.

Yet no one can ever feel sorry for John Foster Dulles when one considers the total contribution this man has made to history. What a record of achievement.

I have had the privilege of working rather closely with John Foster Dulles since September 1944. He had one of the finest intellects that I have ever known. He had an extraordinary capacity to grasp total situations and to present the issues involved lucidly, concisely, persuasively. Some people said his was a cold intellect. Yet, I have never heard more moving statements of the reasons why the United States had to stand for certain fundamental principles that were the very foundation stones of its greatness than I have heard from the lips of John Foster Dulles.

He had superb skill in dealing with people, both friends and adversaries. He was trained as an international lawyer and it was his business to prevail for the cause he represented. Some people called his ability to keep his own counsel on occasion, or to shift tactics, deviousness. Well, no quarterback is of much value to his team unless his approach to the opposing quarterback is devious. Mr. Dulles was a chess player; he was champion chess player when a student at Princeton. And, he was dealing with Russian leaders, notoriously champion chess players. No chess player ever explains all his moves to his opponent or to the kibitzers watching over his shoulder if he wants to win the game. He can be a successful quarterback or chess player only if he is devious in his plays. That is why the Communists sought so tirelessly to discredit him. He was as skillfull in working for freedom and justice as they are for the subversion of freedom.

He had indefatigable physical energy and endurance. I have never seen his

equal. He would get in at 10 o'clock in the morning from trips all over the world and be testifying before our committee at 2 o'clock in the afternoon, reporting and interpreting to us in his clear, comprehensive way the key experiences of the trip and the lessons to be learned from them. As the gentleman from Iowa has said, certainly the expenditure without stint of his own vital life force must have contributed to the speed with which his terrible affliction finally broke through his defenses after being apparently dormant for 3 years.

Perhaps the finest and most important quality of John Foster Dulles is his high sense of duty, his dedication to eternal moral values. Some have said that his policy as Secretary of State was rigid and sterile—I suppose because he was not always pursuing the Communists, trying to surrender to them, so to speak. But his policy was not sterile; on the contrary it has been extraordinarily productive. As a result of his steadfastness, it has been the Communists who have been pursuing him, to get us to go to the summit, trying to get us to yield here or there, especially wherever we are strongest. Steadfast adherence to the truth and to human freedom is not a weak reed to lean upon in any human relationship. Mr. Dulles, as much as anybody I have known, has demonstrated a steady, unwavering faith that if you do what is right, the universe is so constituted that the forces in it will be working on your side. You can deny that wood has a grain and you can plane against the grain, if you wish; but John Foster Dulles was certain that there is a grain and our job is to find out how that grain runs, what is the right thing to do, and then patiently and persistently and untiringly go that way.

Mr. Speaker, it is a good thing for us to pause today, not only to pay deserved tribute to Mr. Dulles, but to learn for ourselves some of the secrets of his strength and the reasons for the successes achieved.

Mr. Dulles, along with his faith, or as a result of it, had an unwavering will. Oftentimes people talk about our great power as a Nation; but actually there is no such thing as power without the will to use it, when necessary. Mr. Dulles had such a will, our enemies recognized it, and backed off from the dire things they threatened. His firmness brought his country peace.

Naturally the Communists tried by every means to get rid of him. It always amazed and disturbed me how some Americans took up for a time the Communist chant, "Mr. Dulles must go." When asked for their reason, it generally boiled down to a feeling that we must get as Secretary of State some one whom the Communists liked better—as if their choice would be based on what is good for the United States.

Mr. Dulles took plenty of criticism, even abuse; I am glad that he has lived long enough to know the great gratitude and appreciation that exist today in the hearts of all his countrymen. He has pointed the way which, if we continue in it, I am perfectly confident will lead to an end of this awful nightmare which we are enduring.

Mr. Speaker, I join in hoping that, even though we know it is a malignant disease with which he is afflicted, somehow or other a miracle may still take place and he be spared for his family and his country. Our hearts go out to this dear friend and devoted public servant.

I thank the gentleman from Iowa for yielding to me.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. SCHWENGEL. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Mr. Speaker, on a number of occasions I have expressed the deep respect and the strong admiration that I have for John Foster Dulles. I have admired him for his fine moral outlook on life; his refreshing idealism as well as his grim determination and his courage. I think the finest compliment anyone could pay him was paid him by the leaders in the Kremlin in their various attacks upon him throughout the years, because the fact is that they feared him, because of his grimness and his determination, his courage and his great capacity.

One could talk for a long while about John Foster Dulles and on occasions in the past I have expressed myself more fully than I shall today. But I should like to add my voice to those of the gentleman from Iowa [Mr. SCHWENGEL] and the gentleman from Minnesota [Mr. JUDD], and the minority leader, and to concur in what these gentlemen have said about this great American. In my opinion, as time passes and the historians of tomorrow evaluate and write the history of today outside of the influence of emotionalism, they will record John Foster Dulles as being one of the greatest Secretaries of State of our country.

I hope the present Secretary of State whom I know personally has carried with him to Geneva some of the determination and the grimness of John Foster Dulles. I hope that he knows the Communist mind as John Foster Dulles knew it. Unless one understands that the origin of the Communist mind is hate, he will misinterpret what they say and what they do.

John Foster Dulles knew the mind of the Communist, his origin and his thinking, and from the angle of our country he interpreted the meaning of the expressions of the Communist leaders as well as their actions. He knew that weakness was accepted by them as something to be exploited in their favor. He knew that one could negotiate, but had to negotiate from a position of firmness and not to retreat. John Foster Dulles knew the Communist mind. He knew that any uncertainty of leadership, any uncertainty of policy, was exploited by them. While he negotiated from time to time, he always did so from a position of firmness and he never retreated.

I hope that our representatives at Geneva now will keep that in mind. It is all right to negotiate, but be firm and never retreat; because I consider the meeting going on at Geneva now to be the most important one in this long period of the so-called cold war, and that out of it will come either strength for the free world or weakness for the free world. And weakness on the part of the free world would mean the road to appeasement.

John Foster Dulles knew the dangers of the road to appeasement. We miss him very much at this time. We wish him well, as my friend from Iowa has so beautifully said in his remarks. We sincerely hope that God will shower an abundance of His blessings upon him through the improvement of his health, and that he will be able to give to our country and to mankind the benefit of his genius through advice. His advice is still sorely needed. But more than that, what we need is the spirit of John Foster Dulles, not only in the minds of the officials of our country in the executive and in the legislative branches of the Government, but among our people, because the spirit of John Foster Dulles is nothing but the spirit of the crusaders of old.

Mr. SCHWENGEL. Mr. Speaker, I thank the distinguished gentleman from Massachusetts, the majority leader. I thank the gentleman from Minnesota [Mr. JUDD], whom I consider to be one of the ablest men and one of the best authorities on foreign policy and especially as it relates to the Far East. I also thank the distinguished minority leader.

As these gentlemen were talking, I could not help recalling those lines in that great poem about Abraham Lincoln by Edwin Markham, where he said:

Here is a man to hold against the world,
A man to match the mountains and the sea.

I could not help thinking how well those words and those lines applied to this great American.

Mr. Speaker, there have been hundreds of editorials written about John Foster Dulles. I have taken the liberty to sort out some of them. I have seven editorials here that I think are typical and I should like to ask unanimous consent that they be placed in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

THE POLES AT MONTE CASSINO

The SPEAKER pro tempore (Mr. BOLLING). Under the previous order of the House, the gentleman from Massachusetts [Mr. PHILBIN] is recognized for 20 minutes.

Mr. PHILBIN. Mr. Speaker, on the 15th anniversary of the victorious battle at Monte Cassino which was waged by the 2nd Polish Corps then fighting in Italy with the British Eighth Army, it is most appropriate that we should pause to recognize and commemorate this great victory for liberty, since it contributed materially to the winning of one of our great World War II campaigns.

My distinguished friend, Monsignor Andrew Lekarczyk, Chairman of Our Lady of Czestochowa Foundation of Webster, Mass., has forwarded me an eloquent tract commemorating that notable battle. His remarks are so forceful, well documented and impressive that I proudly make them part of my commemorative speech.

The American people and the allies were deeply touched and very grateful at the time to the gallant Polish boys who fought so courageously and bravely without a thought of themselves in this historic campaign. Their brilliant, heroic performance in this battle has become the living symbol of the bold struggle for freedom waged by the Polish nation, and, particularly in these days, its resistance to Soviet brutality and tyranny.

It is pathetic, however, that the gratitude and admiration felt for our noble Polish wartime Allies should have been followed so soon by ill-fated, diplomatic concessions which turned over the God-fearing, freedom-loving Polish people to the heartless brainwashing and calloused subjugation of Soviet masters.

Time and time again I have protested against the unspeakably shortsighted, ill-timed and ill-advised policy which unceremoniously swept aside the historic guarantees of Polish freedom and self-determination, carved up the historic boundaries of that stricken nation and allowed the Soviet horde to establish a puppet regime ruthlessly suppressing cherished rights of free religion, free conscience, free speech and free press and every other treasured right of free men and women.

How can lasting peace in that country, or any other country, rest upon stark, ruthless oppression and tyranny?

How can the democratic nations professing their love for free institutions expect any self-respecting, liberty-loving nation like Poland ever to buckle under the mailed fist of merciless Red communism?

How can a great people like ourselves, and the other great free peoples associated with us, ever be resigned to the plight of our great comrades in arms suffering under the lash of Soviet ruthlessness and inhumanities to man?

How can we, as the leaders of the free world, remain unmoved and unconcerned about the shackles of slavery that cruelly bind so many noble souls, consigned in so many instances, to living conditions stripping them of every vestige of self-respect, honor, decency and liberty?

How can we, as a free nation, remain untouched by the pleas of these people for liberation from tyranny? The heart of America beats for freedom and I am convinced that it will never cease to beat for those who have been enslaved and enchained.

We must resolve again and again to help these great people, so valiantly struggling for freedom, to find the way to liberation, freedom and democracy and to the reestablishment under God and under principles of justice and right of their time-honored, democratic government for which so many of their noble people have given their lives to preserve.

Let all Americans and lovers of freedom be pledged again to the cause of Poland and other Communist enslaved satellites who are living in terror, dread, and slavery. Let us move to encourage, hearten and assist them in every way we can to regain their rights as free men and women and to ordain once again free governments of their choice.

Monsignor Lekarczyk's brilliant and admirable remarks have very deeply moved me because I know of my own personal knowledge his great, unselfish love for his native land and his adopted land, the depth of his sorrow for Poland's present plight and the strength of his prayerful resolution to continue to strive for her liberation. I am honored and proud to quote in full the stirring words of a great American.

I read as follows:

THE 15TH ANNIVERSARY OF THE BATTLE OF MONTE CASSINO, MAY 18, 1959

This date commemorates the 15th anniversary of the victorious battle at Monte Cassino. That battle was waged by the Second Polish Corps, an integral part of the British 8th Army, then fighting in Italy. The Allied armies' offensive, whose objective was the conquest of Rome, broke down at the Apennines peninsula's narrowest point, from Ortona to Minturna. The German resistance stronghold was situated at the summit of Monte Cassino. For nearly half a year, the combined strength of the Allied armies attempted to conquer the summit, the possession of which would open the road from southern Italy to Rome. The first blows in the Aurunci Mountain areas, as well as at Monte Cassino, were struck by the American Tenth and Second Corps from January 20 to 22, 1944. Despite heavy losses, the attack achieved no positive results. Suffice it to recall that the 36th U.S. Division suffered 1,002 dead and wounded during the assault on the Rapido River. On January 25 the Second U.S. Corps, supported by the French Corps, went into action. In order to soften up the fanatic German resistance, American forces landed simultaneously at Anzio, where they held out in unusually bloody fighting until help arrived in May, after the conquest of Monte Cassino. The Second U.S. Corps' offensive was as unsuccessful as were the subsequent third and fourth blows struck by the New Zealand Corps. After the repulse of these four attacks, the German radio informed the world that Monte Cassino was indomitable. Only at the fifth blow from the Allied forces, carried out by the Polish 2d Corps, was success attained. In this uniquely bloody battle, lasting from May 11 to 18, Poles, under the command of General Anders, broke through the Gustave line and raised the red and white flag over the ruins of the monastery. After the shattering of the Hitler line from the 18th to the 25th of May and the conquest of the fortress of Piedimonte, Road No. 6 leading to Rome was open. The Sixth U.S. Corps, harassed by the Fourth Germany Army near Anzio received its anxiously awaited help. How many American mothers owe thanks to the Second Polish Corps for the lives of their sons. During this heroic fighting, the Second Polish Corps gave the lie to Soviet propaganda which blackened the Poles, saying that they did not want to fight the Germans.

To bring this victory and the Poles' splendid bearing into full prominence, it should be remembered that most of the soldiers of the Second Corps had been confined in Soviet prisons or forced labor camps, or at best deported to Russia, from whence they emerged ill, ravaged by hunger, typhus, and vermin, and that 80 percent of these soldiers were from the Polish eastern territories which in accordance with the Teheran Agreement, were handed over into Soviet bondage. With bitter grief and pain over the treachery he had suffered at the hands of his allies, the Polish soldier went into battle with nazism in order to fight for the dignity of man and the honor of Poland. How justly he did so, was referred to by the commander of the Fifth U.S. Army, General Truscott, who wrote: "Through their love of freedom, Polish soldiers died for man's liberty," and "Monte Cassino has become a symbol to free people." How sad, and how eloquent is the fact, that a decided majority of these soldiers from the Second Corps and the Polish armed forces did not return to Poland as a sign of their protest at the abandonment of their homeland into Soviet slavery. Many of them are now in the United States. We salute these heroes of Monte Cassino.

PANAMA INVASION SIGNIFICANCE

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Pennsylvania [Mr. FLOOD] is recognized for 15 minutes.

Mr. FLOOD. Mr. Speaker, the recent invasion of Panama by some 89 Cuban mercenaries has caused many to ponder that sensationally reported incident of the Caribbean. The questions most frequently asked are: What was its significance and what did we learn?

Complete answers to these queries would be too complicated and voluminous to attempt in a brief statement. But underlying them was, and still is, the ultimate objective of driving the United States from its control of the Canal Zone and Panama Canal. In fact, one part of the plan apparently was to make a token occupation of the Canal Zone.

That the Panama crisis is not over is shown by mountain guerrilla operations since April in the northern part of the Republic, following the pattern of Fidel Castro in Orient Province of Cuba. Were a regime similar to the new Cuban Government set up in Panama, the United States, in view of the abrogation of its guaranty of Panamanian independence and certain other 1903 treaty powers and responsibilities would face a serious situation.

Not for an instant would I wish to criticize Panama or its people, many of whom I treasure as personal friends. But it would be less than candid not to stress that the extreme attitudes and exorbitant demands on the part of its radical leaders as regards the jurisdiction and management of the Panama Canal enterprise and the attempted extension of its maritime waters to surround the Canal Zone, transcend the realisms involved.

It is pertinent to emphasize again that the Republic of Panama grew out of the Panama Canal undertaking, that its independence until 1939 was guaranteed by the United States, and that the isthmus has long been a land of inherent political instability often subjected to the tragedies of revolution. Current press reports would indicate that, despite the efforts of its more thoughtful leaders, this instability still prevails.

Perhaps the most startling revelation of the recent invasion was the failure of Panama, which possesses a National Guard of some 3,000 men, to repel some 89 invaders. Instead, it appealed to the Organization of the American States and the United States to prevent the attempted overthrow of its constitutionally elected government.

One may well ask, if Panama was unable to meet a minor maritime inva-

sion from Cuba how could it repulse an organized attack from adjacent countries? The answer is obvious and emphasizes again the realistic considerations in the Panama situation, if our vital interests are to be adequately safeguarded and the necessity for reassertion of our histcric isthmian policy as set forth in House Concurrent Resolution 33, 86th Congress. Our Government will be grossly derelict if it fails to serve notice on all concerned that it will deal summarily with any attempt by revolutionary forces or methods to invade the Canal Zone or any land or water area vital to the operation and protection of the canal.

Touching all these matters it must be borne in mind that there runs through them the distinct and ominous patterns of Communist policy and endeavor.

Fortunately, two U.S. foreign correspondents whose views are buttressed with vast knowledge, Ralph K. Skinner and Edward Tomlinson, have recently written in revealing manner some of the current aspects of the situation which, under leave to extend, I quote as part of these remarks:

[From the Christian Science Monitor, May 8, 1959]

OPPOSITION BUFFETS PANAMA'S REGIME

(By Ralph K. Skinner)

PANAMA CITY.—The thwarted invasion of this Nation by Cuban mercenaries directed by disloyal Panamanians is seen as another phase—but not the finale—of a crescendo of political opposition here to the incumbent government.

The opposition is of two kinds:

1. Personal antagonism to President de la Guardia himself by political leaders of various groups; and

2. Opposition toward the rule of a family oligarchy system from the middle and lower classes who seek political, social, and economic opportunities denied them by the "super" class ruling Panama.

With the national guard firmly backing President de la Guardia, any revolt would necessarily involve armed strife, but it is undeniable that there is a definite movement here to unseat the chief executive.

CHARGES HURLED

The administration recognizes this and has accused the opposition of using treachery, treason, and foreign mercenaries to accomplish selfish personal ambitions with a complete disregard for the good of the nation.

For their part, opposition groups indict the administration with charges of ineptitude, failure to comply with campaign promises, and failure to provide jobs for the people of Panama. It is claimed that the administration has maintained (sometimes with force) the privileged status of the oligarchy which has ruled Panama for 55 years and stifled the social and economic aspirations of the middle and lower classes. Election frauds, misuse of funds, and political manipulation are charged also.

Some opposition leaders may be mollified by legislation just pushed through the national assembly permitting the registration of political parties other than the two which have held a monopoly.

People here generally believe that the change in registration laws was the result of pressure of mountain rebel forces, invasion threats, bombings, and other disturbances. This sets the precedent for similar civic disturbances to achieve other objectives which the administration has refused.

The invasion placed Panama in a ludicrous position before the world. Panama has been calling on the United States and others to recognize its maturity, to give it increased stature among nations.

RUMORS CIRCULATED

The inability of the Republic of Panama to defend itself became apparent when 85 to 89 invaders without communications, transportation, or reinforcements gave the appearance of stymying the 3,000-man national guard force.

Landing of the invaders at a seashore hamlet caused such hysteria among the political leaders and upper class of Panama that the wildest of rumors were circulated. The ruling class saw themselves threatened with destruction.

The man in the street was excited and disturbed by the obvious anxiety and confusion of Government leaders. The people would have been more apprehensive had they known that some of the very top Government officials moved their wives and children into the Canal Zone for refuge.

Local observers have been aware of the weakness of the national guard as a military unit. Originally a police force of national scope, it was elevated to national guard status by ex-President Remon. As a military unit, it is considered a house of cards.

As an instrument of internal control, it has been effective because (1) the people have been cowed by it traditionally, and (2) the people have no arms with which to oppose it. The national guard is the only armed force in the country.

WEAKNESS EXPOSED

The invasion crisis exposed its weakness to other nations because of the spotlight of publicity on the Cuban invaders who never were challenged in open combat by the national guard.

Even before the Cuban invaders had landed, urgent pleas for assistance had been sent to the Organization of American States.

This organization called on the United States to furnish arms, ammunition, supplies, and the services of airplanes and naval craft. This was done. Some few other OAS nations furnished token aid.

Panama made no pretense of facing the invaders alone. It implored the OAS for aid immediately. Demands for U.S. military assistance in furnishing arms and equipment were urgent.

This is in contrast with Panama's usual fiery nationalism and demand that no other country "interfere" with its activities.

Nationalism in Panama should not be mistaken for patriotism. Patriotism appears lacking in the political turmoil here, which has been reduced to two simple equations; a battle between the "ins" and "outs," and another between the "haves" and "have nots."

The few citizens here who have been able to preserve an objective viewpoint are of the opinion that the "super" class, the ruling oligarchy, will be forced to surrender soon some its special privileges and rights and its immunity from normal treatment, or else be driven out.

MILITIA CALL STUDIED

Panama's working people and aspiring middle class will not tolerate longer a system which withholds any hope of economic or social advancement for them, observers opine. They have been educated beyond the stage of being slaves or servants for the so-called superclass. Observers here do not believe these people presently are competent of self-government but they certainly aspire for it.

The call to citizens to form a sort of unarmed militia here to supplement the national guard is seen as a device to distract public attention and occupy the attention of several thousand men who otherwise might be idle.

The most significant accomplishment of the invasion attempt here is the prompt action of the Organization of American States, almost without aid from the Panama Government. Taking decisive action, it served notice to Caribbean revolutionaries what might be expected in the nature of OAS opposition if they attempt an invasion of Haiti or the Dominican Republic. The cohesiveness of the OAS was demonstrated against what could have becomes a "dry run" of a bigger invasion elsewhere.

CASTRO NAME HEARD

Premier Fidel Castro's name was everywhere in mention of the invasion. The invaders included onetime members of his revolutionary forces; he sent army officers to intercede with the invaders; the invaders said they surrendered because of the request of Dr. Castro. Indeed, the invaders suggested that they would not have surrendered without the intervention of Premier Castro.

[From the Washington Daily News, May 11, 1959]

NEW PERILS BECKON OAS

(By Edward Tomlinson)

The Organization of American States, the peacekeeping body of the 21 American republics, once again has shown that it can be a potent force against political troublemakers in this hemisphere when it asserts its leadership.

Many of its friends felt it had been keeping its head in the sand for the past 6 months while professional revolutionaries in several Caribbean capitals, particularly Havana, threatened.

But it succeeded in acting just in time to prevent a bloody civil war in Panama, and it probably saved the Panama Canal from becoming the center of a nasty international incident.

Unfortunately, hostile forces from Cuba had already landed on the isthmus before the OAS representatives arrived on the scene to investigate. Thanks to quick action on the part of the chairman of the group, Dr. Fernando Lobo, ambassador representative of Brazil, shooting was postponed until the peace emissaries could talk to leaders on both sides.

Meantime, the Panamanian Government had been able to circumvent the movements of Senor Robert Arias, alleged ringleader of the entire movement and lately Panamanian Ambassador to London. Senor Arias may not have been alone in the plot to overthrow the regime of President Ernesto de la Guardia. But ever since the Suez incident he has been demanding the ousting of the United States from the Canal Zone and the internationalization, or nationalization by his country, of the vital waterway.

Some of the members of the ill-fated expedition from Cuba not only have said he masterminded the movement against the Panamanian Government but that it had been a part of the plan to make a token occupation of the Canal Zone.

The initiative and effectiveness of OAS actions, as demonstrated in the Panamanian incident, has had nationwide coverage, but this is not a time for them to rest on their laurels after their accomplishments in Panama. There are several other plots in the making, some of them in Havana, too. There have been open threats to overthrow President Francois Douvalier of Haiti, President Ramon Villeda Morales of Honduras, President Miguel Ydigoras Fuentes of Guatemala, and other duly elected heads of state, as well as the Trujillo regime in the Dominican Republic and the government of President Luis Somoza in Nicaragua.

All these plots are potentially dangerous to the peace of the Caribbean because thousands of revolutionary adventurers and soldiers of fortune in Cuba are now out of jobs

since the triumph of the Castro revolution in that country, and they are ready and anxious to join up with any individual or group if somebody promises to feed and pay them.

[From the Christian Science Monitor, May 14, 1959]

UNITED STATES-PANAMA LINKS FIRM

(By Ralph K. Skinner)

BALBOA HEIGHTS, C.Z.—The invasion of Panama by a small group of Cuban and other Caribbean mercenaries did little to affect Panama-United States relations so far as the Panama Canal or the Canal Zone was concerned.

The United States promptly delivered arms, ammunition, and supplies to Panama's National Guard and furnished aircraft and naval craft to patrol Panama's water approaches. These items added to the U.S. assistance which Panama has accepted as a matter of course during the past 55 years.

Furnishing the arms may have exposed the United States to future trouble. Panama students and opposition groups have accused the United States of furnishing arms and ammunition to help Panama's National Guard maintain an alleged dictatorship or police state in their country.

Within the past year there have been fatalities in clashes between armed national guardsmen and students and reported rebels. Opponents of the administration bitterly resent the supplying of arms and ammunition by the United States to the only armed force in Panama. They hint at a similarity between this and the furnishing of U.S. arms to Batista in Cuba for use against Fidel Castro's rebels.

EQUAL SHARE DEMANDED

The invasion turmoil halted momentarily, but is expected to have no long-term effect on, demands of Panamanian politicians for a 50–50 participation in the gross receipts of the Panama Canal enterprise. This is based on their unilateral assertion that Panama is an equal partner in the U.S.-owned, U.S.-built, and U.S.-operated waterway.

Similarly, the invasion and the various revolutionary outbreaks in Panama preceding it did not have any long-term effect on Panama's claim of territorial jurisdiction for a distance of 12 miles seaward from its shores. This claim has been rejected by the United States because it cuts off the approaches from both oceans to the Panama Canal. In effect, it would force ships transiting the maritime shortcut to pass through Panamanian jurisdiction with possible inspection, delays, and charging of fees for such passage.

OFFICIALS' ACTS WEIGHED

No exercise of rights in the area between 3 and 12 miles offshore has been attempted yet by Panama. Local observers expect that an incident may occur to furnish propaganda for Panama to bring the matter before some international court. An opportunity is eagerly sought by some Panamanian leaders to bring the whole question of Panamanian sovereignty over the Canal Zone and participation in Panama Canal revenues before some international tribunal. Thus far, there has been no success.

During the political upset here, attention was focused on the acts of some top officials of the Panama Government.

Newspapers reported that former Foreign Minister Aquilino Boyd, presidential aspirant and now a deputy to the national assembly, used his immunity as a deputy to outwit the national guard. He is said to have brought two leaders of an armed rebel group to the capital city through reinforced police lines. The fugitives were delivered to political asylum in the Chilean Embassy.

For months, Senor Boyd was the official mouthpiece of the Panama Government. As Foreign Minister he formulated national policy toward the United States. In 1957 he formally opened the Panama University roundtable conference which failed in its attempt to enlist representatives of foreign nations into declaring the United Staes unfair to Panama.

In the United States, the former Foreign Minister is best known as the instigator of the proposal, termed unrealistic by Panama's President de la Guardia, that Panama should receive a 50–50 share of the gross receipts of the Panama Canal enterprise.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to:

Mr. BURNS of Hawaii (at the request of Mr. MCCORMACK) for Wednesday, Thursday, and Friday, May 20, 21, and 22, on account of official business in Hawaii.

Mr. ROBERTS (at the request of Mr. ELLIOTT), on account of death in family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. SCHWENGEL, for 30 minutes, today.

Mr. FLOOD (at the request of Mr. KASTENMEIER), for 15 minutes, today.

Mr. PORTER (at the request of Mr. KASTENMEIER), for 30 minutes, on Thursday next.

Mr. PHILBIN, for 20 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. PELLY and to include extraneous matter.

Mr. FEIGHAN and to include extraneous matter.

Mr. SISK, his remarks in Committee of the Whole and to include a list organizations.

Mr. HOFFMAN of Michigan, his remarks today and to include a letter, a release, and a newspaper article.

At the request of Mr. MICHEL:

Mr. REECE of Tennessee and to include extraneous matter.

Mr. KNOX and to include extraneous matter.

Mr. KEARNS.

Mr. DINGELL and to include extraneous matter.

Mr. BECKER.

At the request of Mr. KASTENMEIER:

Mr. PORTER to include extraneous matter in his special order for today.

Mr. BOWLES and to include extraneous matter.

Mr. MULTER and to include extraneous matter.

Mr. DADDARIO and to include extraneous matter.

Mr. PORTER and to include extraneous matter.

Mr. DULSKI.

Mr. ANFUSO in two instances.

Mr. DENT in two instances.

Mr. STAGGERS and include extraneous matter.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 72. An act to authorize the Secretary of the Interior to construct, operate, and maintain the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project as participating projects of the Colorado River storage project, and for other purposes; to the Committee on Interior and Insular Affairs.

ADJOURNMENT

Mr. KASTENMEIER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 44 minutes p.m.) the House adjourned until tomorrow, Thursday, May 22, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1006. A letter from the Comptroller General of the United States, transmitting a report on examination of the procurement of spare parts from Boeing Airplane Co., Seattle, Wash., under Department of the Air Force contracts AF 33(600)-22119 and AF 33(600)-28223; to the Committee on Government Operations.

1007. A letter from the Board of Directors, Board for Fundamental Education, transmitting the audit and annual report of the Board for Fundamental Education for the year 1958, pursuant to Public Law 507, 83d Congress; to the Committee on the Judiciary.

1008. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated January 21, 1959, submitting a report, together with accompanying papers and illustrations, on Great Lakes harbors study—interim report on Cleveland Harbor, Ohio, requested by resolutions of the Committees on Public Works, U.S. Senate and House of Representatives, adopted May 18, 1956 and June 27, 1956 (H. Doc. No. 152); to the Committee on Public Works and ordered to be printed with two illustrations.

1009. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated March 26, 1959, submitting a report, together with accompanying papers and illustrations, on Great Lakes harbors study—interim report on Toledo Harbor, Ohio, requested by resolutions of the Committees on Public Works, U.S. Senate and House of Representatives, adopted May 18, 1956 and June 27, 1956 (H. Doc. No. 153); to the Committee on Public Works and ordered to be printed with one illustration.

1010. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated December 22, 1958, submitting a report, together with accompanying papers and an illustration, on Great Lakes harbors study—interim report on Marquette Harbor, Mich., requested by resolutions of the Committees on Public Works, U.S. Senate and House of Representatives, adopted May 18, 1956 and June 27, 1956 (H. Doc. No. 154); and ordered to be printed with an illustration to the Committee on Public Works.

1011. A letter from the Comptroller General of the United States, transmitting a report on the review of selected phases of the low-rent housing operations of the Detroit Housing Commission, Detroit, Mich.; to the Committee on Banking and Currency.

1012. A letter from the Assistant Secretary of State, transmitting the texts of ILO Convention (No. 111) and ILO recommendation (No. 111) concerning discrimination in the field of employment and occupation, adopted by the International Labor Conference at its 42d session, at Geneva, June 25, 1958, pursuant to article 19 of the Constitution of the International Labor Organization (H. Doc. No. 155); to the Committee on Foreign Affairs and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ASPINALL: Committee on Interior and Insular Affairs. H.R. 6596. A bill to encourage and stimulate the production and conservation of coal in the United States through research and development by creating a Coal Research and Development Commission, and for other purposes; with amendment (Rept. No. 370). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENTLEY:

H.R. 7264. A bill to amend the Internal Revenue Code of 1954 to permit the withholding of income tax from salaries of certain farm foremen employed by State penal institutions; to the Committee on Ways and Means.

By Mr. KEARNS:

H.R. 7265. A bill to strengthen the protection provided to employees in the exercise of their rights of full freedom of association, self-organization, and designation of representatives for the purpose of dealing collectively, and to assure performance of existing obligations in the field of labor-management relations; to the Committee on Education and Labor.

By Mr. BURKE of Kentucky:

H.R. 7266. A bill to provide annuities payable from the civil service retirement and disability fund in additional cases for certain widows and widowers by reducing the required period of marriage from 5 years to 2 years; to the Committee on Post Office and Civil Service.

By Mr. BYRNE of Pennsylvania:

H.R. 7267. A bill to provide for the addition of certain property in Philadelphia, Pa., to Independence National Historical Park; to the Committee on Interior and Insular Affairs.

By Mr. CELLER:

H.R. 7268. A bill to provide for the settlement of claims of military personnel and civilian employees of the Federal Government for damage to, or loss, destruction, capture, or abandonment of, personal property occurring incident to their service, and for other purposes; to the Committee on the Judiciary.

By Mr. DULSKI:

H.R. 7269. A bill to provide for the reclassification of certain distribution clerks at airport mail facilities, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HEMPHILL:

H.R. 7270. A bill to amend section 610 of the Civil Aeronautics Act of 1938 to prohibit the serving of alcoholic beverages to airline passengers and crews, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HOLTZMAN:

H.R. 7271. A bill to amend the Civil Service Retirement Act to liberalize the standard for determining the earning capacity of disability annuitants and to permit the restoration of disability annuities in certain cases; to the Committee on Post Office and Civil Service.

By Mr. PELLY:

H.R. 7272. A bill to extend the provisions of the so-called Davis-Bacon Act to certain contracts to provide services; to the Committee on Education and Labor.

H.R. 7273. A bill to amend the Tariff Act of 1930 to provide for the free importation of barrelheads made of softwood; to the Committee on Ways and Means.

By Mr. PILLION:

H.R. 7274. A bill to authorize appropriations for the Federal-aid primary system of highways for the purpose of equitably reimbursing the States for certain free and toll roads on the National System of Interstate and Defense Highways, and for other purposes; to the Committee on Public Works.

By Mr. RAY:

H.R. 7275. A bill to authorize appropriations for the Federal-aid primary system of highways for the purpose of equitably reimbursing the States for certain free and toll roads on the National System of Interstate and Defense Highways, and for other purposes; to the Committee on Public Works.

By Mr. STRATTON:

H.R. 7276. A bill to authorize appropriations for the Federal-aid primary system of highways for the purpose of equitably reimbursing the States for certain free and toll roads on the National System of Interstate and Defense Highways, and for other purposes; to the Committee on Public Works.

By Mr. THOMPSON of New Jersey:

H.R. 7277. A bill to prevent discrimination in any public or semipublic place or by any public or semipublic transportation against members of the Armed Forces because of race, color, or creed; to the Committee on the Judiciary.

By Mr. UDALL:

H.R. 7278. A bill to amend the act of April 19, 1950 (64 Stat. 44, 25 U.S.C. 635, 636) to better promote the rehabilitation of the Navajo and Hopi Tribes of Indians; to the Committee on Interior and Insular Affairs.

H.R. 7279. A bill to authorize the establishment of the Hubbell Trading Post National Historic Site, in the State of Arizona, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WILSON:

H.R. 7280. A bill to provide for the admission of certain minor aliens without regard to the exclusionary provisions of the Immigration and Nationality Act relating to certain mental and physical conditions; to the Committee on the Judiciary.

By Mr. BECKER:

H.R. 7281. A bill to authorize appropriations for the Federal-aid primary system of highways for the purpose of equitably reimbursing the States for certain free and toll roads on the National System of Interstate and Defense Highways, and for other purposes; to the Committee on Public Works.

By Mr. BENTLEY:

H.R. 7282. A bill to provide for the establishment of a Commission on Metropolitan Problems; to the Committee on Government Operations.

By Mr. HOLLAND:

H.R. 7283. A bill to amend title II of the Social Security Act to increase benefits, to increase the earnings includible in computing benefits, to eliminate age requirements for spouse's benefits, to reduce retirement age (with full benefits for both men and women) to 60, to reduce the outside earnings permitted without deductions from benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. JONES of Alabama:

H.R. 7284. A bill to amend title 23 of the United States Code in order to increase the amount authorized for bridges over Federal dams; to the Committee on Public Works.

By Mr. KOWALSKI:

H.R. 7285. A bill to prohibit unjust discrimination in employment because of age; to the Committee on Education and Labor.

By Mr. ROGERS of Colorado:

H.R. 7286. A bill to provide for the free entry of a Siemens electron microscope for the use of the University of Colorado Medical Center, Denver, Colo.; to the Committee on Ways and Means.

By Mr. SMITH of Mississippi:

H.R. 7287. A bill to amend title 23 of the United States Code in order to increase the amount authorized for bridges over Federal dams; to the Committee on Public Works.

By Mr. BECKER:

H.R. 7288. A bill to amend section 209 of the Highway Revenue Act of 1956 to provide for an apportionment of not less than $1,400 million annually for the National System of Interstate and Defense Highways; to the Committee on Ways and Means.

By Mrs. GREEN of Oregon:

H.R. 7289. A bill to promote the welfare of the people by authorizing the appropriation of funds to assist the States and Territories in the further development of their programs of general university extension education; to the Committee on Education and Labor.

By Mr. JOHNSON of Colorado:

H.R. 7290. A bill to provide for the striking of medals in commemoration of the 100th anniversary of the settlement of the State of Colorado and in commemoration of the establishment of the U.S. Air Force Academy; to the Committee on Banking and Currency.

By Mr. KASEM:

H.R. 7291. A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of large enterprises engaged in retail trade or service and of other employers engaged in activities affecting commerce, to increase the minimum wage under the act to $1.25 an hour, and for other purposes; to the Committee on Education and Labor.

By Mr. PILLION:

H.R. 7292. A bill to amend section 209 of the Highway Revenue Act of 1956 to provide for an apportionment of not less than $1,400 million annually for the National System of Interstate and Defense Highways; to the Committee on Ways and Means.

By Mr. RIEHLMAN:

H.R. 7293. A bill to amend section 209 of the Highway Revenue Act of 1956 to provide for an apportionment of not less than $1,400 million annually for the National System of Interstate and Defense Highways; to the Committee on Ways and Means.

H.R. 7294. A bill to authorize appropriations for the Federal-aid primary system of highways for the purpose of equitably reimbursing the States for certain free and toll roads on the National System of Interstate and Defense Highways, and for other purposes; to the Committee on Public Works.

By Mr. WALLHAUSER:

H.R. 7295. A bill to extend coverage under the Federal old-age, survivors, and disability insurance system to self-employed physicians; to the Committee on Ways and Means.

By Mr. DENT:

H. Con. Res. 176. Concurrent resolution expressing the sense of Congress in regard to United Nations Charter revision; and for other purposes; to the Committee on Foreign Affairs.

By Mr. CELLER:

H. Res. 268. Resolution to amend the Rules of the House of Representatives; to the Committee on Rules.

By Mr. LANE:

H. Res. 269. Resolution in opposition to any visit to United States by Russian Premier Nikita Khrushchev; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII,

The SPEAKER presented a memorial of the Legislature of the Territory of Hawaii, memorializing the President and the Congress of the United States to amend sections 501 through 504 of the 1958 Amendments to the Social Security Act (Public Law 85–840) to permit the Territory of Hawaii to again obtain the full benefits of the Social Security Act, which was referred to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BREWSTER:

H.R. 7296. A bill for the relief of Arthur K. Jefferson; to the Committee on the Judiciary.

By Mr. DELANEY:

H.R. 7297. A bill for the relief of Cecelia Drucker; to the Committee on the Judiciary.

By Mr. FULTON:

H.R. 7298. A bill for the relief of Montgomery Hyun (Man Kyu Hyun); to the Committee on the Judiciary.

By Mr. HOLTZMAN:

H.R. 7299. A bill for the relief of Jacqueline Abitbol; to the Committee on the Judiciary.

By Mr. HOSMER:

H.R. 7300. A bill for the relief of Jose Lauchengco, Jr.; to the Committee on the Judiciary.

By Mr. KEOGH:

H.R. 7301. A bill for the relief of Dr. Thomas Hwa Young Chun and Dr. Lucia Soondong Lee; to the Committee on the Judiciary.

By Mr. LIPSCOMB:

H.R. 7302. A bill for the relief of Ming Sang Quon (Quon Ming Sang); to the Committee on the Judiciary.

By Mr. McCORMACK:

H.R. 7303. A bill for the relief of Compton Jones; to the Committee on the Judiciary.

By Mr. MONAGAN:

H.R. 7304. A bill for the relief of Antonio Joaquim da Silva Aresta; to the Committee on the Judiciary.

H.R. 7305. A bill for the relief of Teresina Ricca and Giuseppina Costanza Costantino; to the Committee on the Judiciary.

By Mr. MULTER:

H.R. 7306. A bill for the relief of Corradino Francesco Vilardi; to the Committee on the Judiciary.

By Mr. THOMAS:

H.R. 7307. A bill for the relief of Ernest L. Potts, Mildred Potts, and Eileen Potts; to the Committee on the Judiciary.

By Mr. UTT:

H.R. 7308. A bill to authorize the Secretary of the Interior to convey land to the Diocese of San Diego Education & Welfare Corp.; to the Committee on Interior and Insular Affairs.

By Mr. WAINWRIGHT:

H.R. 7309. A bill for the relief of Antonina Salvo; to the Committee on the Judiciary.

By Mr. WILSON:

H.R. 7310. A bill for the relief of Pedro Bigornia Bandayrel; to the Committee on the Judiciary.

By Mr. ZELENKO:

H.R. 7311. A bill for the relief of Wong Kam Yun; to the Committee on the Judiciary.

H.R. 7312. A bill for the relief of Dr. Ebrahim Mojdehi; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

192. Mr. WESTLAND presented a petition of the president and members of the Woman's Christian Temperance Union of Ferndale, Wash., petitioning consideration of their resolution with reference to voicing approval and disapproval of proposed legislation relating to alcoholic beverages, which was referred to the Committee on Interstate and Foreign Commerce.

EXTENSIONS OF REMARKS

Needed: An Investment Attitude

EXTENSION OF REMARKS

OF

HON. WARREN G. MAGNUSON

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Wednesday, May 20, 1959

Mr. MAGNUSON. Mr. President, we in the West know the true worth of the investment made to develop our natural resources, the return which this investment has brought, and the need for a continuation of this attitude and program now.

That is why the Senator from Missouri [Mr. SYMINGTON] struck such a responsive chord when he addressed the Jefferson-Jackson Day dinner in Tacoma, Wash., May 2, 1959.

So that my colleagues may know Senator SYMINGTON'S appraisal of problems besetting us today, I ask unanimous consent to have his Tacoma address set forth in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS OF SENATOR STUART SYMINGTON, DEMOCRAT OF MISSOURI, JEFFERSON-JACKSON DINNER, TACOMA, WASH., MAY 2, 1959

Thank you very much for asking me to be with you here in Tacoma.

It is a privilege to visit your busy and beautiful State, and to meet with so many people who have a hand in developing the rich resources of the Pacific Northwest.

Here in the State of Washington you not only have a rich store of wealth in your mountains, fields, rivers and valleys, but are very fortunate in your geographical position.

The location of the Seattle-Tacoma area on the great circle route between two hemispheres makes it a great gateway for the jet age.

With the forward-looking leadership characteristic of this area, there is no limit to what can be achieved in this wonderful country.

By your choice of Governor and Senators, you have insured yourselves the kind of leadership we need, not only in Washington and the Northwest, but in all America.

I want to pay tribute to your outstanding Governor, Albert Rosellini.

In these days of tightened sources of State income it is not easy to build the kind of record Al Rosellini has made; and this is especially true when you inherit a deficit from the previous administration.

But your Governor has had the vision to write a progressive program, the good sense to face the financial realities, and the courage to put the State on a pay-as-you-go basis.

When the Governor of New York put over his tax program, the newspapers started running him for President. They should look as well to the State of Washington.

May I also pay tribute to your senior Senator, WARREN MAGNUSON. He is the able and experienced chairman of a great committee, and one of the most respected elder statesmen of the Senate.

All of us benefit from his experience, wisdom, and advice.

You always know where MAGGY stands. Invariably it is on the side of progress; i.e., the side of the people.

As for your junior Senator, "SCOOP" JACKSON, I don't have to tell you what I think about him.

SCOOP and I have long been partners in the effort to keep this country strong so it can remain free.

There is no more reliable friend and ally; and I predict that SCOOP will have a great future as a leader of America.

It is a long way from the State of Washington to the city of Washington. But I can report, as a somewhat prejudiced observer, that the Republican Party in the Nation's Capitol is just as bad off there as it is here.

Before the last election, an official at the White House wrote a book, "A Republican Looks at His Party."

Now he is writing a sequel, "A Republican Looks for His Party."

As they look at the calendar, the Republicans become more and more worried.

Next year, they see, is a presidential election year. If they are going to win again, they know they are going to have to pull a very large rabbit out of the hat.

Let me tell you a story I understand actually happened. As you know, the Republicans have now appointed a nationwide committee to try to formulate the true principles of their party.

This committee held a meeting recently; and one member, a sort of newcomer to Republican politics, said he thought what the party needed, more than anything else, was to stop acting like the party of privilege, and start representing the interests of all the people.

But older and more experienced Republican heads intervened.

One of them said in all seriousness, "You are wrong. We are the party of privilege. This has been our role throughout our history, and we should not change."

There is nothing like honest confession—and this confession of philosophy helps explain the Republican policies of today.

A party of privilege is bound to tradition.

It looks backward.

It is opposed to growth and investment.

It perpetuates waste.

It approaches the most pressing problems of the country with timidity, washing them gently with solutions which are 10 years old.

This preoccupation with tradition results in strange inconsistencies in national policy.

As example, the administration is obsessed by the threat of inflation, even though, according to the consumer price index, the last 12 months witnessed no inflation whatsoever.

Yet efforts to eliminate unemployment are ignored, even though that current problem is so pressing.

In your own State it now constitutes 8 percent of the labor force. In some States as high as 15 percent.

The administration justifies its reductions in the budget by asserting it wants to save our children from the burden of interest payments on the national debt.

But what do these reductions actually cut?

They cut funds for better schools, which in the long run would give our greatest resource—these very children—an opportunity to add thousands of dollars to their incomes.

They cut funds for medical research, which would add many useful years to the lives of all citizens.

Because the Republicans have been so preoccupied with tradition and are afraid of modernization, they have failed in their pledge to keep waste out of Government.

From the 99 chauffeur-driven Cadillacs, to the jungle of committees in the Pentagon, to the six different air forces the taxpayer now supports, to the great and growing mess in the Department of Agriculture, there is now mountainous waste in our Government.

We pay for that waste in taxes.

We pay for it doubly, since all these billions of wasted money could be used for what we really need.

My friends, this preoccupation with looking backward, which lends so much to this duplication and waste, is nevertheless not the most serious flaw of this Republican administration.

The people are on to much of this, as the last election showed.

By far the most serious Republican policy—and it is slowly coming to light—is the way this administration has concealed from the people the steady deterioration of our position in the world.

This latter policy is very serious, because it goes to the heart of our democratic system—the people's right to know the facts, and thereupon to act upon them.

If they are lulled into complacency, how can they make the effort necessary to keep us both prosperous and free.

The people want the truth—and because of these misrepresentations, come next year, will turn these Republicans out.

In 1960, at local, State, and National levels, the people will give the Democratic Party the greatest victory in its history.

May I talk briefly tonight about two areas in which we have been misled: national security and economic growth.

First, as to our defenses:

The administration has been telling us that we had defenses we do not have.

As illustration: For a long time the administration withheld the facts about Russian development of intercontinental ballistic missiles.

The American people were led to believe we were in fine shape, maybe even ahead, in both the development and the production schedule of this weapon.

But last January the Secretary of Defense finally admitted that the Russians will soon have a 3-to-1 lead over us in this field.

What happened when we learned the truth about ICBM's?

The people were immediately informed that our weakness there was compensated by strength in other sectors. One of those listed was our intermediate range ballistic missiles, which, we were told, were operational on foreign bases.

But now we learn that none of these IRBM's are operational—and are told the Russians have many hundreds of medium range ballistic missiles that are operational.

And what was the other major part of our defense balance that justified our voluntarily handing over ICBM superiority to the Communists?

It is the Strategic Air Command, which the administration says comprises over 90 percent of our retaliatory capacity.

Under questioning, however, the administration admits that three-fourths of the present Strategic Air Force is obsolescent; and that its 3-year plan for replacement of these old bombers will replace only a very small percent of those now in operation.

In his television address to the Nation a month ago, the Presiednt showed a chart of 17 missiles he said were "now in use by our Armed Forces."

Only one of these missiles could travel farther than from San Francisco to Los Angeles. That one was not operational then, and isn't now.

This entire process reminds me of the used car salesman who wants his customer to look only at the new paint job, because if he examines the car more closely, he will discover it has no clutch, no brakes, and no motor.

Now, about our economy.

The challenge we face from the Sino-Soviet Empire is fully as much economic as it is military.

The Communists are out to outproduce us, dry up our markets, and show the world that they can offer material welfare equal to, and superior to, that of the United States.

They are still behind us in some areas—but they are gaining fast.

Since 1950, the Russians have gone from 34 percent of American steel production to 71 percent; from 46 percent of our coal production to 113 percent; and from 27 percent of our aluminum production to 39 percent.

But does this administration warn the American people of this Russian progress, or take the steps to meet it?

It does not.

In the last Democratic administration, our economy grew at the rate of about 5 percent per year.

In this administration, economic growth has been slowed to a little over 1 percent a year.

Is this the way to provide for a population which will reach 235 million by 1975?

Is this the way to provide for the growth of the West?

Or is it the way to stunt the growth of the West?

If we had been able to keep up the Democratic growth rate between 1953 and 1958, it would have meant: $2,800 more income for each family; $31 billion more for our farmers; 10 million more man-years of employment; and $39 billion more private investment.

Every segment of our economy, every section of our Nation, would have been more prosperous than it is today.

At least as much as most, you in the Pacific Northwest have tasted the bitter fruits of Republican economic contraction.

You have seen the resources wasted by the policy of no new starts on the Columbia River.

You have felt the credit pinch of tight money.

You have felt the drain of unemployment.

You have seen glowing opportunities for the development of this region snuffed out by the indifference of this administration.

What you need is more investment capital to develop the riches that lie at your feet.

This requires a willingness on the part of our Government to make long-term investments instead of continuing to be obsessed with budget balancing on a year-to-year basis.

It requires an administration which is not afraid of growth.

I believe there must be more willingness on the part of Government to conceive and carry out broad economic plans, instead of responding haphazardly and uneconomically to such crises as power shortages and floods.

As we all know, the difference between civilized man and the savage is planning. The difference between men and animals is that men look ahead.

Long-range planning of resource development therefore, on a multistate basis, would enable the West to know where it was going, and how fast.

So, my fellow Democrats, our work between now and the next election would seem cut out for us.

We must set the record straight.

We must tell the people the truth about the world situation—and also about the lost opportunities caused by the policies of these Republicans.

We must convince them, by our record in Congress and in the country, that the Democrats will improve that record.

If we do so we will win; and the Nation will be stronger for the effort we have made and will make in the years to come.

University of Connecticut and Georgetown University Scientific Programs

EXTENSION OF REMARKS
OF

HON. EMILIO Q. DADDARIO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 20, 1959

Mr. DADDARIO. Mr. Speaker, in connection with this week's discussion of appropriations for the National Aeronautics and Space Administration, I should like to call attention to a healthy development in the field of education. This is the move on the part of our academic world to concentrate the spotlight of research on some of the difficult problems that are unfolding in the space sciences.

Two noted universities, one a State university and the other privately endowed, have recently announced studies which underline the reinforced interest in science. One is intended to bring latest information on technology together; the other is to examine the more theoretical aspects of space law.

The University of Connecticut has concluded plans for its second annual institute on missile technology. It is sponsored by the Chief of Research and Development, U.S. Army. The course will run from July 26 through August 7, and will cover all important principles connected with the application of missile technology. It is designed for those seeking fundamental, practical working knowledge in areas related to the development, production, and operation of missiles and components. The course is comprehensive, to provide full coverage of new developments, and is coordinated to facilitate technical understanding and

improvement. A staff of military and civilian experts has been gathered from universities and industries engaged in missile research and development. The fields of study will include such current problems as guidance and ballistics, propulsion theory and design, reliability and astral problems.

Here in Washington, Georgetown University has announced a program at its law school to study both nuclear energy law and space law. An institute has been established to conduct intensive, continuing research into national and international legal problems arising out of the peaceful and military uses of nuclear energy and the exploration of outer space. Acknowledging the interrelation of political, economic, and technological factors, the university is calling on faculties of various universities and departments to combine in an interdisciplinary approach to legal problems of the nuclear-space age. The institute will be under the direction of the law faculty and will have the cooperation of an advisory committee of industrialists, scientists, and lawyers actively engaged in such matters.

Thus America's universities, and particularly these forward-looking institutions I have cited, are marshaling their resources to help study the tremendous potential of the space age. The country needs and welcomes the thoughtful, academic consideration and the broadening of the instruction base that these institutes offer.

Address by Representative Collier at Bataan Memorial Dedication

EXTENSION OF REMARKS
OF
Hon. EVERETT McKINLEY DIRKSEN
OF ILLINOIS
IN THE SENATE OF THE UNITED STATES
Wednesday, May 20, 1959

Mr. DIRKSEN. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the dedication speech by Representative HAROLD R. COLLIER on May 17, 1959, at the dedication of the Bataan Memorial.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Fellow Americans, there is so little one can say or so little that need be said that could possibly reach the deep feelings which prevail on this occasion.

Certainly it would take volumes of words to even approach the emotions, human suffering, deeds of heroism, and love of country which are fully embraced in the history of Company B of the 192d Tank Battalion.

It is, in a sense, a small measure of fulfillment that in solemn gratitude and pride of community and country we dedicate this plaque in honor of a heroic group of soldiers who wrote an indelible chapter in the epic of the Pacific theater in World War II.

We have all learned much of the Maywood Tank Company which was the last of the American forces to cross the bridge from Bataan on the fiery night of January 7, 1942, before it was blown to bits by enemy shells.

The 192d Tank Battalion entered combat early in December of 1941 to engage in the struggle for Clark Field and it continued its fighting for more than a month, moving on to Luzon before its withdrawal into the Bataan Peninsula.

Against great odds it contributed in large measure to the prolonged defense of the peninsula, under the command of Col. Theodore F. Wickford, of Maywood.

It was a member of this company that brought down the first enemy plane to the credit of the armored forces in World War II.

It was here on this site exactly 30 years ago that the 33d Division Tank Company was activated and it was this division that was redesignated as the famous fighting Company B of the 192d Tank Battalion in 1940 when most of the nations of the world were already engaged in conflict.

In November of that year, Company B was ordered to active duty at Fort Knox, Ky., less than 2 months before the sneak attack upon Pearl Harbor which drew the United States into conflict.

The suffering of those who survived the horrible death march of Bataan has been described in the bitter accounts of the early struggle in the Philippines as was the further suffering which came in the Japanese prison camps.

The vicious fighting, the death march, and the maltreatment in the prison camps took their toll and left but few survivors of the original company.

I can't help but recall on this solemn and proposeful occasion, words which Abraham Lincoln uttered at Philadelphia 95 years ago, because no one has ever been able to say in so few words the very thoughts in which we find the true meaning of this ceremony.

It was there he said, "We accepted this war and did not begin it.

"We accepted it for an object and when that object is accomplished, the war will end, and I hope to God that it will never end until that object is accomplished."

So it was with these war heroes of the Maywood Company, when they answered their call to make whatever sacrifice was necessary to remove from mankind the tyrants of that time.

And more significant, in the immortal address at Gettysburg, did Lincoln say those words which could be said in no better phrase or sentiments to fit this very occasion today:

"But in a larger sense," he solemnly declared, "we cannot dedicate, we cannot consecrate, we cannot hallow this ground.

"The brave men, living and dead, who struggled here, have consecrated it far above our poor power to add or detract.

"It is for us, the living, rather, to be dedicated here to the unfinished work they have so nobly carried on."

"It is rather for us to be here dedicated to the great task remaining before us, that from these honored dead we take increased devotion to the cause for which they gave their last full measure of devotion, that we here highly resolve that the dead shall not have died in vain."

And then, we ask, who shall not have died in vain.

In our lifetime it means the hero dead of the great conflicts since the turn of the century.

They died to keep freedom alive.

They gave their all that we might continue to enjoy life, liberty and the pursuit of happiness.

We can make their deaths in vain by ignobly surrendering to those things which do not represent the way of life that has been our God-given heritage.

The hero dead of the last great world conflict and those who were spared from the supreme sacrifice were American patriots, strong of body, strong of mind and spirit, and strong in their belief in God.

They did not hesitate to fight for the right as God gave them to see the right.

For if we but stop to appreciate the true values of our heritage we must, by the same token, concede that there can be no guarantee of life or liberty or the pursuit of happiness unless we know what it means to defend it with the same full measure as the men who fought on Bataan.

For those who died that we might be here today with the same traditions, ideals, and freedoms as the day they left these United States for the Pacific battlefields, the job is done.

And well done it was.

But our work and responsibility to do in our own way what must be done in preserving all of these things remains as a challenge.

For even as we are gathered here today, there are millions of human beings behind the Iron Curtain of communism enslaved as the tyrants of our time would spread its godlessness and suppression of democracy around the world.

May the eternal light which will burn here on this spot after the light of each day has passed, for time immemorial be a reminder to each of us that the light of freedom may flicker and die if we, as Americans, falter in our responsibility to God and country in the years before us.

For those few who gave so much for so many, we must never forget.

Pay Rates for Employees at Airport Mail Facilities

EXTENSION OF REMARKS
OF
HON. THADDEUS J. DULSKI
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 20, 1959

Mr. DULSKI. Mr. Speaker, I am introducing a bill to provide that employees at airport mail facilities who handle high priority airmail should receive the rate of pay which is justified by the complexity of their duties.

Buffalo is proud of its beautiful airport. As a Member of Congress from Buffalo, and as a member of the House Committee on Post Office and Civil Service, I am interested in air traffic at the Buffalo Airport, and also in the quality of postal service that airport is capable of rendering.

The airport mail facility at Buffalo is staffed by a group of devoutly loyal employees of the postal transportation service. Were they to receive double their present rate of pay, their devotion to duty could hardly be increased.

Nevertheless, since having come to Congress, I have learned of the way in which the Postal Classification Act of 1955 was intended to provide equal pay for equal work. By the standards of complexity of duties, by the tension of making sure that mail moves without interruption between the closely connecting air flights, and by the standards of more elaborate as well as more frequently changing scheme requirements, postal employees assigned to airport mail facilities such as that at Buffalo should be granted level-5 pay.

Most distribution clerks in the postal service are assigned to level 4, with a starting salary of $4,035 annually. The starting salary my bill proposes for airport mail facility clerks is $4,275 annually, or just $140 additional per year. This is just 55 cents per working day, or 7 cents per hour.

The Post Office Department has already authorized as high a rate of pay for some people who handle airmail in installations other than airport mail facilities. Under a job description titled "Mail Dispatch Expediter," which the Post Office Department has numbered 2–198, the Department has authorized one level-5 position when distribution is performed in accordance with authorized airmail schemes.

At airport mail facilities, not only is mail distributed in accordance with such schemes, but it also meets the more demanding test of close-coupled contact with airline personnel to insure that connections are accomplished and that the highest priority class of mail suffers no delay.

Because of considerations such as these, I hope that my bill may be given early attention, and that the existing injustices may be corrected.

Maritime Day, 1959

EXTENSION OF REMARKS
OF
HON. FRANK J. BECKER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 20, 1959

Mr. BECKER. Mr. Speaker, on Friday of this week, May 22, we will observe Maritime Day. It seems fitting that in saluting the occasion we pause to consider what this means.

The security and well-being of every citizen depends on a strong merchant marine—traditionally operated as a private enterprise with the aid and cooperation of the Federal Government.

Both in peace and war, a strong merchant marine is essential to the strength of our country. A strong merchant fleet is necessary for the prosperity and stability of America's peacetime commerce and it becomes America's fourth arm of defense in times of national emergency.

During war years, American merchant ships were equipped with antiaircraft and heavier guns and merchant crews shared the gun stations with U.S. Navy gun crews.

In M-day or mobilization day plans, if the need should ever arise, the Navy would be responsible for the utilization and routing of merchant vessels. These ships would become naval auxiliaries for the transport of troops, munitions, fuel, and supplies.

In the security plan of the Nation, the ships of the American merchant marine are of prime importance and trained and efficient personnel for these ships is a natural concern of the Government.

It has been said that a ship is only as good as the men that sail her; therefore, if America is to have good ships, she must have good men aboard these ships.

Congress recognized this some years ago and the Merchant Marine Act of 1936 was signed into law. This called for Federal training of merchant officers and the act has often been referred to as the Magna Charta of the merchant marine. Standards were raised and, consequently, the U.S. Merchant Marine Academy at Kings Point was dedicated in 1942.

THE CAMPUS OF THE SEVEN SEAS

The U.S. Merchant Marine Academy at Kings Point is located on the north shore of Long Island, near the confluence of Long Island Sound and the East River, in sight of the towering skyline of Manhattan.

Built and equipped at a cost of $8 million, Kings Point occupies approximately a 65-acre site on Long Island Sound, a campus of the seven seas.

I have watched Kings Point grow from its very first day, when I attended the opening ceremonies as Nassau County commander of the American Legion, later during my 8 years in the Assembly of New York State as chairman of the military law committee and during my years in Congress; several times, I have served on the congressional Board of Visitors to Kings Point and on each occasion of a visit to the Academy I have been impressed by this "Annapolis of the Merchant Marine," its officers, and the cadets.

Every citizen should visit Kings Point and see this fine institution. Pause in the library and see the records made by cadets during World War 2 and read the tales of heroism.

The Academy's fine gymnasium, O'Hara Hall, is named after Ed O'Hara, a cadet from California. During a battle with a German raider, O'Hara, seeing the Navy gunners downed by enemy fire, took over the gun and dispatched the enemy to the bottom of the sea, but O'Hara was mortally wounded in the courageous action.

President Eisenhower on February 20, 1956, signed the bill that gave Kings Point permanent status, thereby placing it alongside West Point, Annapolis, the Coast Guard, and Air Force Academies as one of Uncle Sam's five Federal Academies for officer training.

It was a happy day for all hands, my fellow colleagues, STEVE DEROUNIAN and STUYV WAINWRIGHT, and I had worked long and hard to insure the final passage of the bill for permanency. John Scherger, chief clerk of the supreme court in Mineola and a very good friend, was president of the Association of Parents and Friends of Kings Point. The association had aided considerably in the battle for recognition.

TOP ADMIRAL, TOP STAFF

The Academy, under the capable direction of Rear Adm. Gordon McLintock, has advanced far in the field of higher education. The faculty is often called on for aid and cooperation in highly technical matters. Presently, several Academy officers are assigned to the building of the *Savannah*, America's first atom-powered ship. Truly a remarkable testimonial to the knoweldge and competence of the Academy staff.

SPARKLING SPORTS STAFF

Kings Point has also advanced in the world of college sports. Under Comdr. James W. Liebertz the Academy presents an intercollegiate sports program unequaled by any school its size.

Commander Liebertz was aide to Capt. Gene Tunney, who was in charge of the Navy's physical fitness program during World War II. The Kings Point athletic director is one of the Nations' most popular men in college athletics and his coaching staff includes two former great athletes from schools here in the Nation's Capitol—Clem Stralka, of Georgetown, and later a great line star with the Washington Redskins, and Tim Stapleton, a three-letter man at George Washington. Harry Wright, All-American from Notre Dame, took over last year as head football coach and the football fortunes started to rise to new heights. Lt. Comdr. Tom Carmody supervises the physical training program that has every cadet participating in physical development.

I might add that in addition to the educational and physical development of the cadet, there are the Academy chaplains, representing the three faiths, to aid the Kings Pointers' spiritual development.

The cadets spend 3 11-month years in residence at the Academy, plus a year of study and work aboard American vessels at sea. Upon successful completion of the course, which almost equals 5 years of regular college study, the degree of bachelor of science is awarded. Kings Pointers also complete courses qualifying them for U.S. Naval Reserve commissions.

The U.S. Merchant Marine Academy in these short, yet action-packed years of existence has served the country well. We hope that Kings Point will continue to provide the young men who will be America's merchant marine officers and ambassadors of good will for many more peaceful maritime days.

Greetings to the Slovak League of America

EXTENSION OF REMARKS
OF
HON. JOHN H. DENT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 20, 1959

Mr. DENT. Mr. Speaker, Slovaks in America have for many years been very active in many phases of our communal life. Through the medium of various organizations they have rendered valuable services. The Slovak League of America, as a leading civic and cultural organization, working primarily in Slovak-American communities, has been known for more than 50 years as the agency for ministering to the material and spiritual needs of these communities, and also

educating immigrant Slovaks in the American democratic way of life. In greeting the 36th Congress of the league, I wish its organizing leaders success in their worthy endeavors.

The Conservation Reserve Authorized by the Soil Bank Act

EXTENSION OF REMARKS
OF
HON. JOHN D. DINGELL
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 20, 1959

Mr. DINGELL. Mr. Speaker, the conservation reserve authorized by the Soil Bank Act is a Federal program, which was supported by members of both parties. The program has been in operation for 3 years and during that time, it has established a remarkable record of accomplishment.

The conservation record is particularly impressive. During the time the program has been in operation, a total of 23 million acres has been placed in the reserve. In 1957, a total of 6 million acres was placed under contract. In 1958, a total of 4 million acres was placed under contract. In 1959, a total of 13 million acres was placed under contract and an additional 7 million acres was offered by the Nation's farmers but could not be placed in the reserve because the Department of Agriculture did not have a sufficient authorization to enter into contracts on this land.

On the first 10 million acres placed in the reserve during 1957 and 1958, establishment of protective cover has largely been completed. On this land, nearly 9 million acres are now covered with flourishing stands of grass which protects the soil from wind and water erosion, conserves the plant nutrients for further generations of Americans, and also contributes to the wildlife populations on this and adjacent lands. A truly remarkable accomplishment in this regard is the fact that in excess of 3 million acres of this grass has been established in the southern Great Plains, usually known as the dust bowl, where wind erosion has been a problem for over 30 years.

Another million acres have been planted to trees—a major contribution to forestry, wise land use, and conservation of soil and water on these lands.

On the 13 million acres placed in the reserve in 1959, final figures are not as yet available. On the basis of a sample projected to the entire acreage, it is estimated that on this land, 3 million acres are already established with a satisfactory cover, 8,500,000 acres are to be planted to grass, 700,000 acres are to be planted to trees, 150,000 acres are to be developed as wildlife cover, and the balance to be established in temporary cover, water conservation measures, etc.

The impact of the program on conservation has equaled or exceeded the highest expectations of the various conservation groups who supported the original legislation.

Among the many favorable aspects of the conservation reserve, one of the most noteworthy is the wildlife phase. It is particularly noteworthy because the benefits of the program to wildlife extends to such a widespread segment of the general public. Both urban and rural people enjoy hunting and fishing. In fact, one of every five Americans over 12 years of age fished and/or hunted during recent years. This army of sportsmen supported the original legislation and has been enthusiastic over the increase in wildlife which has already taken place.

Sportsmen in such States as Ohio, Georgia, South Dakota, Oklahoma, Washington, and Michigan have reported greatly improved hunting on lands in and near conservation reserve acres. Game and fish department figures show almost a 100 percent increase in pheasant population during the past 2 years in North Dakota, South Dakota, Nebraska, Minnesota, and Iowa. Wildlife population increases have been reported in every State where substantial acreages have been placed in the conservation reserve.

Conservationists recognize and approve the wildlife improvements resulting from the program and credit the increase to the 10 million acres placed in the reserve through 1958. Similar benefits are anticipated from the 13 million acres added in 1959. They also expect comparable benefits if the program were carried forward to the ultimate goal of 60 million acres originally contemplated for placing in the conservation reserve.

These conservation interests and sportsmen are unable to understand why a program, so successful and of such widespread benefit, should now be crippled by two actions of the Appropriation Committee.

The limitation on the 1960 authorization to $325 million dollars will almost halt placing additional land in the program. The 2.3 million acres that can be added within this limit will hold the program to 25 million acres—far from the 60 million acre goal.

Even worse is the action of the committee in setting a $3,000 maximum contract limitation. This will in effect make it almost impossible to add any land to the reserve next year.

The conservation reserve program has demonstrated its ability to encourage farmers voluntarily to reduce production. It has made possible a substantial land use adjustment, which contributes to soil, water, forest and wildlife conservation. It deserves continued bipartisan support.

DAV Services in West Virginia

EXTENSION OF REMARKS
OF
HON. HARLEY O. STAGGERS
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 20, 1959

Mr. STAGGERS. Mr. Speaker, an exceptional record of vital rehabilitation services freely extended to thousands of West Virginia citizens has recently been brought to my attention. Again, these splendid humanitarian services are not sufficiently appreciated by those who have benefited thereby, directly and indirectly.

Among the several congressional chartered veteran organizations, which have State departments and local chapters in West Virginia, is the Disabled American Veterans. The DAV is the only such organization composed exclusively of those Americans who have been either wounded, gassed, injured or disabled by reason of active service in the Armed Forces of the United States, or of some country allied with it, during time of war.

DAV SETUP

Formed in 1920, under the leadership of Judge Robert S. Marx, DAV legislative activities have very substantially benefited every compensated disabled veteran. Its present national commander is another judge, David B. Williams, of Concord, Mass. Its national adjutant is John E. Feighner, of Cincinnati, Ohio. Its national legislative director is Elmer M. Freudenberger; its national director of claims, Cicero F. Hogan; and its national director of employment relations, John W. Burris—all located at its national service headquarters, 1701 18th Street NW., Washington, D.C.

Inasmuch as less than 10 percent of our country's war veterans are receiving monthly disability compensation payments for service-connected disabilities—some 2 million—the DAV can never aspire to become the largest of the several veteran organizations. Nevertheless, since shortly after its formation in 1920, the DAV National Headquarters, located in Cincinnati, Ohio, has maintained the largest staff of any veterans' organization, of full-time trained national service officers, 138 of them, who are located in the 63 regional and 3 district offices of the U.S. Veterans' Administration, and in its Central Office in Washington, D.C.

They there have ready access to the official claim records of those claimants who have given them their powers of attorney. All of them being war-handicapped veterans themselves, these service officers are sympathetic and alert as to the problems of other less well-informed claimants.

SERVICE FACILITIES IN WEST VIRGINIA

The DAV maintains a full-time national service officer in West Virginia, Mr. Henry E. Smith, located in the VA regional office, 832 Fifth Avenue, in Huntington. The department commander is Mr. Paul M. Elliott, and the department adjutant is Mr. Gus Loiseau, of Parkersburg.

There are four VA hospitals in West Virginia, in each of which the DAV has a voluntary services representative, as follows: Mr. James B. Taylor, Jr., at Beckley, with 200 beds for general medical patients; Mr. Edward C. Wereley, at Clarksburg, with 184 beds for general medical patients; Mrs. Esther M. Darling, at Huntington, with 180 beds, general medical; and Mr. Earl T. Rosensteel, at

Martinsburg, with 1,400 beds at the VA center.

During the last fiscal year, the VA paid out $63,813,000 for its veteran program in West Virginia, including $17,738,910 disability compensation to its 20,083 service disabled veterans. These Federal expenditures in West Virginia furnish substantial purchasing power in all communities. Only about 8 percent, 1,558, are members of the 35 DAV chapters in West Virginia.

SERVICE ACCOMPLISHMENT BY DAV

This 8 percent is strange, in view of the very outstanding record of personalized service activities and accomplishments of the DAV national service officer in behalf of West Virginia veterans and dependents during the last 10 fiscal years, as revealed by the following statistics:

Claimants contacted (estimate)	42,816
Claims folders reviewed	35,680
Appearances before rating boards	13,276
Compensation increases obtained	1,815
Service connections obtained	786
Nonservice pensions	740
Death benefits obtained	59
Total monetary benefits obtained	$1,000,470.39

These figures do not include the accomplishments of other national service officers on duty in the Central Office of the Veterans' Administration, handling appeals and reviews, or in its three district offices, handling death and insurance cases. Over the last 10 years, they reported 83,611 claims handled in such district offices, resulting in monetary benefits of $20,850,335.32, and in the central office, they handled 58,282 reviews and appeals, resulting in monetary benefits of $5,337,389.05. Proportionate additional benefits were thereby obtained for West Virginia veterans their dependents and their survivors.

SERVICES BEYOND STATISTICS

These figures fail properly to paint the picture of the extent and value of the individual advice, counsel and assistance extended to all of the claimants who have contacted DAV national service officers in person, by telephone, and by letter.

Pertinent advice was furnished to all disabled veterans—only about 10 percent of whom were DAV members—their dependents, and others, in response to their varied claims for service connection, disability compensation, medical treatment, hospitalization, prosthetic appliances, vocational training, insurance, death compensation or pension, VA guaranty loans for homes, farms and businesses, and so forth. Helpful advice was also given as to counseling and placement into suitable useful employment—to utilize their remaining abilities—civil service examinations, appointments, retentions, retirement benefits, and multifarious other problems.

Every claim presents different problems. Too few Americans fully realize that governmental benefits are not automatically awarded to disabled veterans—not given on a silver platter. Frequently, because of lack of official records, death or disappearance of former buddies and associates, lapse of memory with the passage of time, lack of information and experience, proof of the legal service connection of a disability becomes extremely difficult—too many times impossible.

A VA claims and rating board can obviously not grant favorable action merely based on the opinions, impressions, or conclusions of persons who submit notarized affidavits. Specific detailed, pertinent facts are essential.

The VA, which acts as judge and jury, cannot properly prosecute claims against itself. As the defendant, in effect, the U.S. Veterans' Administration must award the benefits provided under the laws administered by it, only under certain conditions.

A DAV national service officer can and does advise a claimant precisely why his claim may previously have been denied and then specifies what additional evidence is essential. The claimant must necessarily bear the burden of obtaining such fact-giving affidavit evidence. The experienced national service officer will, of course, advise him as to its possible improvement, before presenting same to the adjudication agency, in the light of all of the circumstances and facts, and of the pertinent laws, precedents, regulations and schedule of disability ratings. No DAV national service officer, I feel certain, ever uses his skill, except in behalf of worthy claimants, with justifiable claims.

The VA has denied more claims than it has allowed, because most claims are not properly prepared. It is very significant, as pointed out by the DAV acting national director of claims, Chester A. Cash, that a much higher percentage of those claims, which have been prepared and presented with the aid of a DAV national service officer, are eventually favorably acted upon, than is the case as to those claimants who have not given their powers of attorney to any such special advocate.

LOSSES BY REVIEWS

Another fact not generally known is that, under the overall review of claims inaugurated by the VA some 4 years ago, the disability compensation payments of about 37,200 veterans have been discontinued, and reduced as to about 27,300 others at an aggregate loss to them of more than $28 million per year. About 1 percent of such discontinuances and reductions have probably occurred as to disabled veterans in West Virginia with a consequent loss of about $280,000 per year.

Most of these unfortunate claimants were not represented by the DAV or by any other veteran organization. Judging by the past, such unfavorable adjudications will occur as to an additional equal number or more during the next 3 years, before such review is completed. I urge every disabled veteran in West Virginia to give his power of attorney to the national service officer of the DAV, or of some other veteran organization, or of the American Red Cross, just as a protective measure.

The average claimant who receives helpful advice probably does not realize the background of training and experience of a competent expert national service officer.

COSTS OF DAV SERVICES

Measured by the DAV's overall costs of about $12,197,600 during a 10-year period, one would find that it has expended about $3.50 for each claim folder reviewed, or about $8.80 for each rating board appearance, or, again, about $22.70 for each favorable award obtained, or about $123 for each service connection obtained, or about $54 for each compensation increase obtained, and has obtained about $14.10 of direct monetary benefits for claimants for each dollar expended by the DAV for its national service officer setup. Moreover, such benefits will generally continue for many years.

METHODS OF PROVIDING SERVICES

Evidently, most claimants are not aware of the fact that the DAV receives no Government subsidy whatsoever. The DAV is enabled to maintain its nationwide staff of expert national service officers primarily because of income from membership dues collected by its local chapters and from the net income on its Idento-Tag (miniature automobile license tags) Project, owned by the DAV and operated by its employees, most of whom are disabled veterans, their wives, or their widows, or other handicapped Americans—a rehabilitation project in thus furnishing them with useful employment. Incidentally, without checking as to whether they had previously sent in a donation, more than 1 million owners of sets of lost keys have received them back from the DAV's Idento-Tag department, 2,992 of whom, during the last 8 years, were West Virginia residents.

Every eligible veteran, by becoming a DAV member, and by explaining these factors to fellow citizens, can help the DAV to procure such much-needed public support as will enable it to maintain its invaluable nationwide service setup on a more adequate basis. So much more could be accomplished for distressed disabled veterans, if the DAV could be enabled, financially, to maintain an expert service officer in every one of the 173 VA hospitals.

MEMORIAL HONOR ROLL

During the last 10 years, the DAV has also relied on appropriations from its separately incorporated trustee, the DAV Service Foundation, aggregating $3,300,000, exclusively for salaries to its national service officers. Its reserves having been thus nearly exhausted, the DAV Service Foundation is therefore very much in need of the generous support of all service claimants, DAV members and other social minded Americans—by direct donations, by designations in insurance policies, by bequests in wills, by assignments of stocks and bonds and by establishing special types of trust funds.

A special type of memorial trust fund originated about 3 years ago with concerned disabled veteran members of the DAV chapter in Butte, Mont., which established the first perpetual rehabilitation fund of $1,000 with the DAV Service Foundation. Recently it added another $100 thereto. Since then, every

DAV unit in that State has established such a special memorial trust fund, ranging from $100 to $1,100, equivalent to about $4 per DAV member.

As a DAV life member, I am pleased to enroll as one of the benefactors on the memorial honor roll of the DAV Service Foundation, with the realization that only the interest earnings therefrom will be available for appropriation to the DAV for its use in continuing to maintain its national service officer setup in my State of West Virginia.

Each claimant who has received any such rehabilitation service can help to make it possible for the DAV to continue such excellent rehabilitation services in West Virginia by sending in donations to the DAV Service Foundation, 631 Pennsylvania Avenue, NW., Washington 4, D.C. Every such serviced claimant who is eligible can and should also become a DAV member, preferably a life member, for which the total fee is $100—$50 to those born before January 1, 1902, or World War I veterans—payable in installments within 2 full fiscal year periods.

Every American can help to make our Government more representative by being a supporting member of at least one organization which reflects his interests and viewpoints—labor unions, trade associations and various religious, fraternal and civic associations. All of America's veterans ought to be members of one or more of the patriotic, service-giving veterans' organizations: The United Spanish War Veterans, the American Legion, the Veterans of Foreign Wars, Amvets, Military Order of the Purple Heart, and the Disabled American Veterans. All of America's disabled defenders, who are receiving disability compensation, have greatly benefited by their own official voice, the DAV. I am proud to be a member of the DAV, as well as a member of the American Legion, the Veterans of Foreign Wars, and Amvets.

Imports of Canadian Bread in the Detroit Market

EXTENSION OF REMARKS
OF
HON. VICTOR A. KNOX
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 20, 1959

Mr. KNOX. Mr. Speaker, a recent Associated Press news item datelined Lansing, Mich., described a serious problem that has developed in the city of Detroit because of the free importation of Canadian bread. This dispatch quotes two State senators, Harold M. Ryan and Raymond C. Dzendzel, who have urged the Michigan Legislature to appeal to Congress to "rectify the inequity of free bread imports" from Windsor, Canada.

The two senators pointed out that while bread imported from Canada is duty free the Canadian Government levies a tariff on traffic in the other direction. Senator Ryan cited the fact that Canadian bakers work for 85 cents an hour less than the current scale in Detroit and that flour costs $1.25 less per hundredweight in Canada. These basic inequities have naturally created unfair competition for the Detroit bakers. The flood of imported bread has reached the staggering figure of 400,000 loaves every month and it has forced Detroit's bakeries to slash prices drastically in a futile attempt to remain competitive.

While this problem would be serious enough in any American city, it is particularly ominous in Detroit. As you all know, the State of Michigan is one of the leading centers of unemployment in this country with Detroit itself contributing vast numbers to the rolls of the relief-eligible. The unfair competition experienced by the baking industry in Detroit comes on top of an already bad situation in the automobile industry where, despite a favorable rate of auto sales so far this year, many skilled workers are without jobs.

It was not too long ago that one of our most highly esteemed colleagues, the late Honorable Daniel A. Reed, spoke out against the severe domestic problems that were being created by unregulated auto imports. On February 2, 1959, referring to a speech made by Mr. Ernest R. Breech of the Ford Motor Co., Mr. Reed said:

> The next time the free-trade advocates from Detroit express concern over unemployment in that area, they might well give some thought to the fact that the difference between the jobs displaced by imported autos and the jobs created by auto exports showed a net deficit of 28,900 jobs. That conservative estimate is no insubstantial number of unemployed American citizens, the vast majority of them in Michigan.

Our late colleague went on to compute the monetary loss to America caused by this unemployment to be in excess of $200 million for the 12-month period preceding his remarks. Just think of that—$200 million in wages lost because of imported automobiles—and then tell me that our so-called free trade is actually free.

The same lack of reciprocity that is crippling the baking industry in Detroit has been injuring our auto industry for years. In 1957, 2 years ago, the United States imported 95,510 automobiles from the United Kingdom and 100,083 automobiles from West Germany. And how many cars do you suppose we sold in those two countries in the same year? Britain allowed only 265 American autos to be imported and a scant 576 cars of our manufacture managed to hurdle the trade barriers of West Germany. And this is the phenomenon that some of us refer to as reciprocal trade.

Returning to the cross-border competition in the importation of bread my hometown of Sault Ste. Marie, Mich., felt the seriousness of the situation when Our Own Bakery was forced to cease operation and put 60 men out of work. This bakery was confronted with competing with Canadian bread imported from Sault Ste. Marie, Canada.

The 11th Congressional District of Michigan has also suffered because of the importation of hardwood plywood. For many years certain areas of my district have been dependent upon the plywood industry for the employment of its citizens. Up until the year 1951 the domestic industry was not too greatly affected by the imports of plywood, as the imports in 1951 consisted of 67 million square feet, and the domestic consumption at that time was 827 million square feet. But when we look at the statistics of imports we find that 4 years later in 1955 the imports had grown to 628 million square feet. The domestic consumption had increased about 100 percent to 1.5 billion square feet. The ratio of the imports was 10 times greater in the year 1955 over the year 1951. The foreign producers gain has been at the expense of the domestic industry with a consequent loss of jobs for our citizens. The towns of Escanaba, Gladstone, Newberry, and Munising, Mich., have drastically felt the impact of such imports, with some plants forced to close their doors, not temporarily, but permanently.

And remember that the problems presented by foreign imports faces all of us; it is not only the bakers, the unemployed woodworkers, the unemployed automobile workers, or the Treasury Department that must bear the expense of our free trade foreign policy. This policy steals money from the pockets of every single U.S. citizen, from every business concern, and from every American industry.

Something must be done before this wasteful, irresponsible doctrine has stolen our country right out from under us.

The Labor-Management Performance Act of 1959

EXTENSION OF REMARKS
OF
HON. CARROLL D. KEARNS
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 20, 1959

Mr. KEARNS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement:

THE LABOR-MANAGEMENT PERFORMANCE ACT OF 1959

Congressman CARROLL D. KEARNS, ranking Republican on the House Labor Committee, introduced a new labor reform measure in the House today. "Weeks of hearings in the House, together with the public reaction against the Kennedy bill as passed by the Senate, demonstrate the need for a new approach to labor reform," said Congressman KEARNS at a press conference this morning. "I think we've been on the wrong track thus far. We need a new look.

"The heart of the labor reform problem is the breakdown in performance under existing laws. Whether the failure is in the law or its enforcement is an open question. The result is that the fundamental rights of the working men and women of this country definitely are not being protected.

"The breakdown is most serious when it fails to provide lack of protection against internal union abuses and to oust the criminal elements from the union movement. Union members can sometimes obtain relief from internal union problems through use

of the courts but it is a long and expensive process. Few rank and file union members can afford the time or the money. In the criminal area the congressional hearings have clearly exposed an appalling failure of enforcement.

"Nevertheless, the Senate act relies on court enforcement of its watered down bill of rights and on criminal penalties for most of the rest of its provisions. Such legislation is no more than a repetition of the same old theme song: 'Let the house of labor take care of itself.'

"My new bill offers a fresh approach. It is based on the recognition that, if the corrupt element is to be eliminated from the labor movement, the major part of the responsibility rests on the membership of any union to do its own housecleaning. Personally, I think they will do it if they are given the necessary tools and real protection while the job is being done. This bill does exactly that.

"The bill contains a simple but comprehensive bill of rights which will go a long way toward insuring that control of the union will be in the hands of the members rather than the officials. Independently audited financial reports are required but the bill recognizes that regardless of where the reports are filed, only union members will be sufficiently well-informed to question them. Thus it provides that the reports must be given to union members only. By far the great majority of union leaders and employers are honest Americans; therefore, no reports are required of labor officials or employers. Such reports are aimed only at wrongdoers and it is ridiculous to think a criminal is going to write us a report of his crime.

"Enforcement procedure is of paramount importance. The bill contains a simple, well-tested method—the unfair labor practice procedure of the National Labor Relations Board. All the member need do is file a charge of violation of the bill of rights or the reporting provisions, and the NLRB takes over the investigation and prosecution of his case. He is protected from retaliation while the case is processed. The confidence which rank and file workmen have in the Board is amply demonstrated by the fact that last quarter they filed 62 percent of the Board's unfair labor practice cases. The bill also includes important changes in Board structure to speed up its case handling."

Congressman KEARNS stated further, "Any labor reform measure must include restrictions on organizational picketing and secondary boycotts. Emotions run high on these issues, but both unions and employers are inclined to forget the impact of such activities on the working men and women who suffer as a result. Their right to be free of such coercion must be preserved if the freedom of association guaranteed by the Wagner Act is to mean anything.

"My new bill prevents picketing after a union loses an NLRB election and, at the same time, markedly speeds up NLRB procedure for holding such elections. It also stops picketing where the labor organization involved cannot establish that 30 percent of the employes want the union to represent them.

"In the secondary boycott area, there are presently restrictions on inducement of secondary employees. They are retained and a ban on threats, restraint and coercion of any person added. Hot cargo contracts are also outlawed.

"Believe me, the time has come to assure a greater voice to the union member in calling strikes. It is obvious that union officials must compete with each other to get the maximum wage increase for their members. Too often the members lose money as a result, either from lost wages or inflation caused by the increase. Consequently, the bill provides for a secret ballot strike vote to be taken within 7 days prior to commencement of any strike.

"There are many other provisions in the bill, which it is impossible to explain in detail in this release. However, they likewise definitely provide practical methods of protecting the rights of individual workmen.

"The Performance Act of 1959 is the least restrictive on the activities of legitimate unions of any bill presently before the House. It provides far fewer opportunities for harrassment of honest unions. At the same time, in my opinion, it provides the union member with the only practical, realistic method of enfercing his rights that can be found in any of the bills introduced.

"As a Member of Congress for 13 years, serving on the distinguished House Labor Committee, I believe that this bill offers the greatest opportunity for harmonious labor-management relations, and protection to the public, of any approach yet conceived."

The Danger of Nasserism

EXTENSION OF REMARKS
OF

HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 20, 1959

Mr. MULTER. Mr. Speaker, I am pleased to commend to the attention of our colleagues the following article by the distinguished Senator from New Jersey, the Honorable HARRISON A. WILLIAMS, as it appeared in the April 1959 issue of B'nai Zion Voice:

THE DANGER OF NASSERISM

(By Senator HARRISON A. WILLIAMS)

The grave situation in the Middle East constitutes a most serious challenge to the free world today.

As I read the latest dispatches from the Middle East, I am especially mindful of many early warnings against Nasserism and its true character. Instead of facing the unpleasant facts, we helped to build up the Egyptian military adventurer. We fed his imperialistic ambitions in the naive belief that he would, in gratitude, identify himself with the West.

It should have been apparent to anyone who could read Nasser's own words as set down in his book, "The Philosophy of the Revolution," the "Mein Kampf" of pan-Arabism—that Nasser was motivated by violent hatred of the West and by dreams of empire at the very outset of his political career. But our State Department preferred to view the matter otherwise, and we all but begged to be blackmailed.

The inevitable results were the weakening of our prestige and influence throughout the whole area, the perpetuation of the Arab-Israel conflict as Nasser's best instrument for promoting the tensions on which his dictatorship feeds, and the entry of Soviet power on the Middle East scene through Nasser.

Nasser's forces are working overtime to convince the American people that Nasserism and Arab nationalism are synonymous and that we have no choice but to swallow our dislike of Nasser and come to terms with him. This devious argument, which some misrepresent as hardheaded realism, would be more persuasive if one did not know the history of the power struggle within the Arab world and the essential weakness of strong men like Nasser, whose sole strength has been his ability to play off East against West. He has no indigenous strength. Even with the military aid and political support of the Kremlin, he was ignominiously defeated by little Israel, and he is being increasingly resisted and challenged by Arab countries like Lebanon, Jordan, and Iraq.

Add to this the opposition of Turkey and Iran, the growing resentment against Nasserist aims in Libya and Sudan, and the forthright action of President Bourgiba of Tunisia in breaking off relations with Nasser. The picture is not one of an invincible man of destiny marching from conquest to conquest, but of a political mirage going the way of all such fantasies of the desert.

The task before the West is clear. Our previous policy of massive appeasement of Nasser must be permanently replaced by a policy of massive containment.

Let no one intimidate us into believing that by pursuing such a policy we will be standing in opposition to Arab nationalism. America has provided the greatest impetus to Arab nationalism. It was at our initiative and under our leadership that the old imperialism were withdrawn from the Middle East. We fostered the political independence of all the Arab States and have lavished assistance of all kinds on these countries.

We are today prepared to continue our help to the underdeveloped Arab countries and ill-used Arab peoples. But we should not be prepared to equate Nasserism with the legitimate national aspirations of the Arab peoples, which we support.

I have already urged that we set ourselves the goal of establishing a stable economy in the Middle East, on a regional basis. That is the first thing we must do if we are to get peace.

In urging that a program of economic assistance in the Middle East should be pursued, however, I wish to make it clear that I do not believe that such assistance, if applied through the United Nations, should be given to nations which fail to observe the United Nations Charter, which explicitly prohibits economic boycott and belligerency of the kind now being waged by the Arab States against Israel.

At the same time, I believe that countries like Israel, which are clearly and unmistakably linked with the United States, in the worldwide struggle for democracy and against communism, should receive expanded aid directly from the United States on the basis of bilateral agreements.

Where Israel is concerned, even those who had blindly opposed its establishment must now admit that it stands as the major bastion of Western strength in the Middle East.

The moral and material support we have rendered to Israel—and such support has been largely bipartisan in character—must be viewed not only as a matter of aiding justice, but also as an extraordinarily vital expression of enlightened self-interest.

For if—Heaven forbid—Israel should ever fall, the Middle East would be finally opened up to the domination first of Nasserism, and next to the domination of Communist imperialism centered in Moscow. Then the hopes of the free world in that part of the world would vanish—and with them our hopes for Africa, and large parts of Asia, and perhaps even of Europe.

Neither the people of Israel themselves, with their magnificent though small defenses, nor the public opinion of the whole Western World, would ever permit this.

In the light of the bonds by which history and fate have linked the destinies of the peoples of Israel and the United States, is it not time to give full and unqualified public expression to this relationship?

Our Government has shown friendship and support for Israel in many ways—but it has not yet publicly proclaimed our determination to maintain Israel's political independence and territorial integrity, come what may. It makes absolutely no sense to

argue that a declaration by our Government to this effect would tend to stir up resentment and latent hostility against America within the Arab world. Our past reserve on this subject has certainly not served to check the barrage of anti-American propaganda emanating from Cairo.

Indeed, the inhibition we have imposed upon ourselves in order to appease Arab extremists has had the very opposite effect; it has encouraged them to believe that we are not unequivocally committed to Israel's defense and that by hammering away at America for being friendly to Israel, they may induce us to withdraw our support from Israel altogether. I believe, therefore, that a categoric warning that an attack against Israel would be dealt with as a threat to the security of the free world is the best way of tranquilizing the astmosphere surrounding the Arab-Israel conflict.

This policy, forcefully stated and resolutely pursued and implemented by American leadership in the United Nations, would be the prelude to peace and mutual cooperation among the peoples of the area for the benefit of future generations and for the good of mankind.

George Washington Day Dinner, American Good Government Society

EXTENSION OF REMARKS
OF
HON. B. CARROLL REECE
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 20, 1959

Mr. REECE of Tennessee. Mr. Speaker, each year the American Good Government Society calls to memory the enduring contributions of George Washington to good government in this country by holding a public George Washington Day dinner here in the Nation's Capital. On these occasions the society's annual George Washington Awards are presented to two people for their outstanding contributions to good government in our own times.

Among the previous recipients of the George Washington Awards are the late Robert A. Taft, Harry Flood Byrd, Herbert Hoover, Allan Shivers, Howard W. Smith, Robert E. Wood, the late Walter F. George, George M. Humphrey, Karl E. Mundt, William M. Colmer, Richard B. Russell, and William F. Knowland. This year the recipients of the George Washington Awards of the American Good Government Society were JOHN L. MCCLELLAN and Lewis L. Strauss.

The awards were presented at the 1959 George Washington Day dinner attended by more than 700 ladies and gentlemen on Thursday, April 30, the 170th anniversary of the inauguration of the first President of the United States.

On behalf of the trustees of the American Good Government Society, U.S. Senator HARRY FLOOD BYRD, of Virginia, made the presentation to Secretary Strauss and Representative CHARLES A. HALLECK, the minority leader of the House of Representatives, made the presentation to Senator MCCLELLAN.

I offer for the RECORD Representative HALLECK's remarks on making the presentation to Senator MCCLELLAN, the citation from the George Washington Award and Senator MCCLELLAN's response:

Mr. Chairman, all of you folks, I am happy and proud to be a part of this wonderful evening. I would like to say first of all that I note with approval that the purpose of the Good Government Society is to promote the education of the American public in the principles of the Constitution and of free competitive enterprise. Now certainly this is a worthy objective, and I would like to observe, in passing, that good government is government according to these principles.

Tonight it is my singular privilege to present the Society's George Washington Award to a man who has made a unique contribution to the preservation of these principles, the Honorable Senator JOHN L. MCCLELLAN, of Arkansas. If you will pardon a personal note, I have not only worked with him as a colleague in the Congress but I've been hunting and fishing a few times with JOHN, and I mean it when I say that he's a great guy any place you find him. [Applause.]

I think you will all agree that the primary purpose of government under our Constitution is the protection of personal liberty. The Constitution has given Congress the legislative power to provide this protection against both our enemies—those from without and those within our own society who would encroach upon our liberty.

The power to investigate is an essential component of the legislative process if the Congress is to perform its function intelligently and effectively. It is a power, however, which must be used with the utmost fairness and restraint.

As chairman of a select committee, Senator MCCLELLAN has labored long and well to bring to the attention of Congress and the American public the abuses that are today threatening the personal liberty of many hard-working Americans. JOHN MCCLELLAN has won the gratitude and respect of all right-thinking Americans for the fearless and fair manner in which he has carried on his investigations. [Applause.]

In these days when Congress is fair game for everybody, no Member of Congress has done more to enhance public esteem of Congress as a champion of the human rights guaranteed by the Constitution than has Senator MCCLELLAN. [Applause.] And no man has done more to improve the understanding of the investigative functions of the Congress of the United States.

JOHN MCCLELLAN has shown a deep devotion to the Constitution and the free-enterprise system, and so all of us who love him and respect him and admire him applaud him for the great job he has done.

JOHN, [applause] this says: "Resolution and Tribute and Honor.

"JOHN L. MCCLELLAN, lawyer, statesman, and patriot, has devoted a quarter-century to the service of the people of Arkansas and of the United States—as prosecuting attorney, as Representative in Congress, and, the last 17 years, in the U.S. Senate. At 17, having passed the examinations, he was admitted to the Arkansas bar by special act of legislature.

"Among his notable achievements have been the adoption by Congress of many recommendations of the Hoover Commissions—on both of which he served with distinction; the enactment of community property income tax law; and the exposure of corruption and tyranny in labor unions, which deny the constitutional rights of union members. For 20 years he has been an advocate of flood prevention, and the development of the Nation's water resources.

"Courage and integrity, wisdom and suasive power have indelibly marked Senator MCCLELLAN's work for efficient government and for liberty—the sum total of human rights. He is Arkansas' most illustrious son.

"For the board of trustees, American Good Government Society, Burks Summers, president, and J. Harvie Williams, secretary, April 30, 1959."

JOHN, good for you. [Applause.]

SENATOR M'CLELLAN'S RESPONSE

Thank you, CHARLIE. I only regret that you couldn't have started that speech in the Senate, where I could have yielded all the time you want. You have been very generous with your flattery, and I, like all human beings and particularly Irishmen, like it when it is favorable. I wish you might have continued.

Mr. Toastmaster, President Summers, Admiral Strauss, distinguished guests, my colleagues, members of the society, my friends, ladies, and gentlemen, it is not merely difficult—it is just about impossible—for me to express the extent and depth of my appreciation for the high honor which you have so graciously conferred upon me here this evening. To say that I am happily surprised is a gross understatement.

Indeed, I can hardly reconcile this happening with reality, for it had never even remotely occurred to me that I had ever done anything to be worthy of the George Washington Award of your splendid organization or to be deserving of the enviable recognition which you have accorded me tonight. To be so honored by your distinguished society overwhelms me, and I take great pride in it and have a greater appreciation for it when I contemplate what this society stands for, the kind of government that it supports and approves, as has been so ably referred to here and been so ably described in the wonderful address we have just heard by my distinguished colleague, Senator GOLDWATER. [Applause.] This is indeed a marvelous tribute, and it is one that I shall always cherish and treasure.

I accept this notable award with profound gratitude and humility, but I cannot—and I do not—accept it in my own right and for myself alone. But I accept it for and on behalf of my family—for Mrs. McClellan, my loving wife and devoted companion, and for my precious and wonderful children. [Applause.] For, if I have ever done anything to deserve this, if my labors and my feeble efforts have in any way, even in the smallest measure, contributed to good government, the national security, and the public welfare, I readily and proudly acknowledge that the larger share of the credit is due them. Their faith and their abiding trust have constantly inspired and sustained me. Without their confidence and encouragement many, many times I might well have faltered and failed.

Then, too, I should like to accept this award in the name of my native State, the great State of Arkansas, and her people, whom I have the honor to represent in the U.S. Senate. [Applause.] Except for their suffrage, their support, and the trust that they have reposed in me, I could never have had the high privilege of serving or the opportunity to serve in the National Congress; and to them I am eternally indebted and thankful.

And may I say to you fellows, Governor, and all of our friends in Arkansas, I am happy indeed that you have come here tonight. You indeed honor me greatly. [Applause.]

When I meditate upon the affairs of state and reflect upon what constitutes good government, there comes to my mind a story that illustrates to me a great truth and one that maybe we should all relearn, observe, and remember. It is said that on one occasion a minister of a tiny country church asked a celebrated actor, who happened to be present in his audience, to render for the congregation the 23d psalm. The great actor readily agreed. He rose and in a most eloquent manner dramatized the beautiful passages of the 23d psalm. His efforts were an

overwhelming example of forensic oratory. But when he sat down, the minister turned to a humble parishioner, a man of simple words, and asked him if he too would recite the same psalm. The poor parishioner stood up, fully conscious of his plain clothes, his face weather-beaten, and his lack of training in the art of public speaking. But he began reciting, "The Lord is my shepherd * * *" and, as he continued, the congregation listened with consecrated attention. When he ended, there were tears in the eyes of the church members. They had been stirred and moved to a state of reverence and devout worship.

After the services, the minister asked the great actor why it was that the parishioners were more impressed by the words of the simple workingman than they had been by his. The great actor hesitated a moment, and then he said, "Well, I knew the psalm, he knew the psalm, but he also knows the author."

So we hold that governments are instituted among men to secure and maintain certain basic and unalienable human rights. Among those fundamentals that we foster, cherish, and seek to preserve are equality, liberty, and justice for all, under the authority of law that is derived from the consent of the governed, and not by dictatorial powers arrogated by men unto themselves. [Applause.]

If we are to have good government, these words, "equality, liberty, and justice," must have their meaning and be a part of our being. They must live in our hearts as well as in our minds. In short, we must "know the author," for I believe the indestructible principles embodied in these words, "equality, liberty, and justice," have upon them the divine seal, and that "good government" as our highest political aims has the approbation of His divine will.

I have heard my friend speak here this evening. His remarks and his address reminded us of the conditions that prevail in the world today and conditions that unhappily prevail here in our own country. They point out to us the gravity of dangers that may threaten us and the crises that may be impending. Since this is the 170th anniversary of the occupancy of the Presidency of the United States, I think it might be well for us, therefore, to reconsecrate and rededicate ourselves and our lives, our fortunes, and our sacred honor, to the preservation of the land that we love. That is what I shall try to do. Thank you. [Applause.]

The Modern Crusade of the Innocents

EXTENSION OF REMARKS
OF
HON. THOMAS M. PELLY
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 20, 1959

Mr. PELLY. Mr. Speaker, in the near future, Congress by its action in either accepting or rejecting legislation to provide Federal grants to the States for education may well establish a policy which will be far reaching. In fact, historians of the future will probably refer back to this session of Congress and our decision on Federal aid to education as having an important influence on generations to come in America and what is in store for this Nation.

Recently, two Members of the other body with conflicting views discussed the subject, "Is Federal Aid to Education Necessary?" on the "American Forum of the Air." I have a transcript of this debate.

The Senator who was opposed to the Murray-Metcalf bill said it would lead to the Federal Government controlling the schools and in turn it would lead to the Federal Government prescribing the curriculum of our schools.

This Senator said: "When it does that, you've a dictatorship. That is the way Hitler and Mussolini arose in their countries."

The other Senator did not agree. Then he added, and these are his actual words:

"But even if it were true, I would suggest the possibility that it would be the lesser of the evils of not giving our children a decent education."

Mr. Speaker, I found this statement shocking, but even more disturbing to me is the way certain educators themselves ignore history. For example, all my friends in education agree with me and oppose Federal strings and control. Yet they are blind to history and will not see that it is impossible to remove control from the financing of schools. Japan is a good example of this power of the purse and central thought control. There before the war, organizations like chambers of commerce and of course all municipal functions of government were dependent for funds to exist from the Central Government, and why educators, of all people, would naively believe it would be different in America is beyond me.

The latest evidence of a misguided educator came to me in the form of letters forwarded by a teacher.

Hereafter is one of these letters which is typical of them all. After it, is my reply and the accompanying comment to the teacher. I think all three letters form a composite picture which recalls the Children's Crusade in Old World Europe. I wonder if unwittingly this 20th century Pied Piper could not be leading her innocent boy and girl students into oblivion and modern slavery. For myself, I do not consider such a risk the lesser of two evils and in all conscience I shall continue to actively oppose Federal control of our educational system.

These are the letters to which I refer:

The Honorable THOMAS M. PELLY,
Senate Office Building,
Washington, D.C.

DEAR MR. PELLY: Lately I have heard so many good things about you because you are such an outstanding man. So I am telling you from the bottom of my heart to please vote for schools, because we need your help for the Murray-Metcalf bill.

Now would you like to hear something about myself. I have two hobbies, horses and dogs. I have a dog called Susie.

My father works at Peter Thomas Co. My mother doesn't work.

———.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., May 18, 1959.

DEAR THIRD GRADE STUDENTS: Your letters have reached me. When I was your age and in the third grade I went to Summit School. The same building still stands. It is at Union Street and Summit Avenue. Since I am a grandfather, you can tell it is getting to be an old building indeed.

Seattle, just like other places in the United States, needs new school buildings particularly I think to replace portables which get quite stuffy in winter.

The necessary money to construct such new schools and get good teachers of course must come from the citizens who live in Seattle, regardless of whether the city, the county, the State of Washington, or the Federal Government taxes these people to pay for them.

The Constitution of the United States does not call for the National Government to finance education and building of such schools. The Constitution of the State of Washington, on the other hand, accepts responsibility and guarantees an education to you and each other child in Seattle.

The reason our forefathers left education to the individual States was for fear of a dictatorship and a President of a king such as George III of England gaining control of our schools and telling each teacher what to teach. Thus Federal control could come about if special requirements were attached to accepting Federal money.

Before Pearl Harbor the people of Japan were under "thought control" made possible by financing of Japanese schools by the Central Government of Japan.

I have urged the Congress of the United States to recognize the needs of our schools and pass a law so as to have the Secretary of the Treasury send back a part of the income tax paid by each State to that State to be used for schools in the way each State decides it wants to use the money.

Your teacher told you and each member of your class to write me to vote for a different kind of a law. She has told you to tell me to support the Murray-Metcalf bill which would provide Federal grants to the States for use not only in constructing new schools but also for paying her and other teachers higher salaries.

I am sure she deserves better pay and I am sure your parents and the school board members elected to manage the Seattle schools want to increase it. As a matter of fact, if all property was valued and taxed properly and fairly in our State the problem would be simplified.

Many well-intentioned people are now urging Federal aid to education as a solution. But other equally well-intentioned people believe if the Federal Government once starts in granting money for teachers' salaries, its role will be expanded and new Government-selected books and other school needs will be added to these federally financed items. That will in time pave the way, some of us believe, to central control and the way opened for regimentation of all schoolchildren into one pattern of thought. History could repeat itself. We could have a Hitler in America under such a system.

I want you to know that your school and the education of every child in America is very important to me.

As the Representative in Congress of the northern part of Seattle and King County, which has had and will continue to have a huge increase in school population, I intend to do all I can to meet this problem without endangering principles that are basic to our way of life, such as the freedom from any form of "thought control," the right to think and make our own decisions free from any influence, kindly or otherwise.

I have two granddaughters attending McGilvra Grammar School. One is in kindergarten and one in the first grade. In a couple of years they will be in the third grade just like you are and I hope they too will be able to express themselves as eloquently as you have in your letters to me. It goes without saying that I want only the best in life for them, just as I do for you,

and I know this can be accomplished without jeopardizing our intellectual freedom.

Thank you for writing to me as you have.

Sincerely,

THOMAS M. PELLY,
Representative in Congress.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., May 18, 1959.

DEAR MISS: I am enclosing a single reply to the various letters from your third-grade students which you forwarded to me. I am sorry that I cannot talk to your class personally. Instead I hope you will act as my representative in reading the enclosed letter to them.

Children should take an early interest in civics and matters of concern to our country. However, in this instance I believe that perhaps unwittingly you have acted unwisely in using your third-grade students in what amounts to spreading propaganda for legislation in which you have a personal interest and the real implication of which obviously is over their heads. My reaction to their letters would be the same regardless of whether your students were urging support of or opposition to the Murray-Metcalf bill. I am sure you realize that many of the parents of the children attending our public schools are strongly opposed to Federal aid to education. Furthermore, while I do not impugn your motives, to me it is not proper to use children in this way.

The National Education Association, the Washington State Education Association, and on down through the various State and local groups, interested in and dedicated to the improvement and advancement of our educational system, perform an essential service in providing information. I value their help and although I am not always in agreement with the position taken by these various organizations and their representatives, I nevertheless appreciate their objectives and respect their point of view.

That I oppose Federal strings to school dollars is a matter of record. However, I am also conscious of the critical financial need facing our school system. It was in this connection that I initiated H.R. 4079, which would return a percentage of the Federal income tax to the various States to be used in any way those States themselves deem advisable, in the field of education and with no Federal controls of any nature.

Any other type of bill, it is my belief, could result in the Government censoring textbooks, so to speak, and occupying a seat on each school board in America.

I hope you will accept my letter in the spirit in which it is intended. The right to petition is in the Constitution, but this does not include the right of a teacher-guardian to use children in spreading propaganda.

Kind personal regards.

Sincerely,

THOMAS M. PELLY,
Representative in Congress.

States Should Be Reimbursed for Building Modern Highways

EXTENSION OF REMARKS
OF
HON. VICTOR L. ANFUSO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 20, 1959

Mr. ANFUSO. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to insert the text of a statement I submitted to the House Committee on Public Works in connection with its current hearings on legislation to reimburse States for expenditures incurred in the construction of roads which were subsequently incorporated into the Interstate Highway System. Among these measures is also my bill H.R. 6409, which I introduced on April 15, 1959. The text of my statement is as follows:

STATEMENT BY HON. VICTOR L. ANFUSO, OF NEW YORK, TO THE HOUSE COMMITTEE ON PUBLIC WORKS, MAY 19, 1959, ON H.R. 6303 AND H.R. 6409

Mr. Chairman and members of the committee, I appreciate this opportunity to present my views in support of the bill, H.R. 6303, introduced by the distinguished chairman of this committee, my own bill H.R. 6409 which is similar in content, and related bills. The purpose of all these bills is to equitably reimburse the States for toll and free roads which were incorporated into Interstate and Defense Highways of the Nation.

Several years ago Congress had authorized the construction of an interstate system of roads and highways of 41,000 miles extending into all parts of the country, in order to meet present-day highway needs as well as defense needs. This should have been undertaken several years earlier because of the growing needs. Some of our States had the vision and foresight to realize the immensity of our traffic and highway problems and they could not wait until Congress made up its mind. They were confronted with the problems and the only logical solution was to begin construction of roads.

This they did, and they built them well. The upshot was that in numerous instances these roads were later incorporated into the Interstate System and in these past few years they have been carrying a heavy traffic load. Let us not overlook the fact that those States which were the largest contributors to the Interstate System have the heaviest traffic demands and largest use.

Statistics show that a total of 10,954 miles built and financed by States have thus been incorporated into the Interstate System, and the cost of construction of these roads is given as more than $6 billion. The bills under consideration would reimburse the States for this expenditure, but less the States' share of the cost and less Federal payments already made. Thus, the total net reimbursable amount for all States would come to $4,295,600,000, which is roughly about 70 percent of the entire outlay. These reimbursements, however, are not to be made at once, but over a 15-year period, beginning with the fiscal year 1962.

As for my own State of New York, it had been allocated a total of 1,227 miles of roads under the 1956 Federal Aid Highway Act. New York, however, was one of those States that had the foresight to start building modern highways several years before the 1956 measure was enacted. New York took the initiative in the construction of such highways as the New York State Thruway and other roads, but it did so in the expectation that some sort of reimbursement would be made at some future date. In this way, New York was a pioneering State, it had spent about a billion dollars on the thruway alone.

Of the 1,227 miles allocated to New York, 658.2 miles of roads are financed through Federal aid and 568.8 miles were financed by New York State at a cost of $1,036 million. If the Federal Government had contributed 90 percent of the cost, as it has done for all interstate highway construction under the 1956 act, New York would have been entitled to receive $932,600,000 from the Government. Actually, New York received only $133,500,000, which means that it has a legitimate claim for the reimbursement of $799 million.

It is for this very reason that I introduced my bill. I feel that New York is justly entitled to this refund. In fact, 3 years ago when we debated the 1956 Federal Aid Highway Act on this floor, I stated at that time New York was already entitled to a reimbursement of $650 million and that it should not be penalized because it had the initiative to go ahead with its road program and could not wait until the Federal Government determined its course of action.

Mr. Chairman, the New York State delegation in Congress has nearly always shown consistency in support of legislation which is not only beneficial to our State, but to the Nation as a whole. We have never acted in a provincial manner despite the fact that the people of New York contribute nearly one-fifth of the tax collections of the Government. I, therefore, urge you to approve this bill and to reimburse each State to the share to which it is entitled.

Come to Oregon's Party

EXTENSION OF REMARKS
OF
HON. CHARLES O. PORTER
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 20, 1959

Mr. PORTER. Mr. Speaker, my friend and colleague, Senator RICHARD L. NEUBERGER, has written a fine article entitled "Oregon's Big Birthday Party" in the Eagle for June 1959. No one knows better than DICK NEUBERGER how to sing the praises of Oregon.

I hope many of our colleagues and readers of the RECORD will have an opportunity to come to air-conditioned Oregon to join in the celebration of its 100th birthday. Under a previous consent I include the text of Senator NEUBERGER'S article:

OREGON'S BIG BIRTHDAY PARTY

(By RICHARD L. NEUBERGER)

(The author: U.S. Senator from Oregon, and a veteran member of Portland Aerie, FOE)

In that distant year when Hawaii celebrates the first centennial of its statehood, its Pacific Coast sister State of Oregon will be 200 years old. This is another way of emphasizing that 1959 marks the 100th anniversary of Oregon's admission to the Union. While activities celebrating congressional passage of Hawaiian statehood are dying down in the colorful islands, Oregonians are just beginning a festive year full of activities commemorating their admission day, which occurred on the eve of the Civil War.

Vacations on this last great frontier are always exciting, but Oregon, in 1959, is putting forth a special effort to make the tourist season a memorable one. Portland will be the site of a huge exposition and international trade fair from June 10 to September 17 and all Eagle Aeries in the State are participating in the promotion of this event. More than 50 foreign nations will submit exhibits.

Furthermore, such traditional Oregon events as the Portland Rose Festival, Ashland Shakespearean Festival, and Pendleton Roundup will be far more elaborate and extensive in tribute to the fact that Oregon has achieved the ripe old age of 100. Many gala events fight for attention on the crowded centennial calendar.

The Eagle who brings his family to Portland, the State's largest city, in June for the opening of the exposition and trade fair will be caught up in the Mardi Gras-like excitement of the famed Rose Festival. The favorite flower of the city of roses will be the featured attraction—from the new Zoological Gardens, where a miniature streamlined train winds through wooded hills around one of the West's most elaborate garden areas, to the grand floral parade downtown.

On the nearby white slopes of Mount Hood, the flower will be saluted in the Golden Rose ski tournament. Headquarters for this extraordinary climax to a spring celebration is Timberline Lodge. The only inn of its type in the Nation's 153 national forests, Timberline Lodge offers a host of attractions for the winter sports fan or casual visitor, including many examples of native Northwest Indian art, a new steam-heated swimming pool, and, of course, the spectacular ski runs.

July brings a wealth of rodeos and pioneer celebrations as rich as Oregon's western heritage. A variation on the cowboy theme is spotlighted in the Independence Day weekend Albany Timber Carnival. Daring birlers, who compete to stay on twirling logs in a millpond, and high climbers vie for world titles in skills of the industry that has been the bulwark of the Oregon economy.

The world-famous Shakespearean Festival draws crowds to the pleasant southern Oregon community of Ashland through August and early September as renowned performers display the Bard's works in authentic costumes and settings. Amid the rich wheat and cattle country of the broad eastern part of the State, real live cowboys and Indians delight small fry and oldsters alike in mid-September with one of the greatest of Wild West events, the Pendleton Roundup.

The list of festivals and celebrations, many of them sponsored or actively promoted by Aeries, runs to great length. Most of the events share a common debt, however. They are made extraordinary by, or even based solely upon, some aspect of Oregon's natural beauty. No matter how long the list of man-made spectacles, the State's awesome scenery goes the planning committee one better every time.

Numerous regattas and fishing festivals glorify the contribution of the sea to Oregon's picturesque coastal towns. No single celebration, however, can fittingly honor the magnificent 300 miles that a veteran Life photographer once told me was the most beautiful and spectacular of all the world's great seacoasts that he had ever photographed. Fortunately for Oregonians and visitors, every beach on the coast was reserved for public use by the farsighted action of Gov. Oswald West back in 1909.

It was at the northern end of this coast, near Astoria where the great and powerful Columbia River greets the sea, that Lewis and Clark spent the winter of 1805–06 after becoming the first Americans to venture overland to Oregon. The National Park Service is reconstructing their campsite as part of Fort Clatsop National Monument.

Farther down this unparalleled coast lie the vast Oregon dunes, towering billows of sand sheltering tiny clear lakes. I have recently introduced in Congress legislation to have the dunes area further preserved and developed for the public by giving national seashore status to them, and to the famed nearby Sea Lion Caves, where as many as 2,500 of the slippery animals frolic in underground caverns.

Spectacular as the coastline is, it must share honors with the mountain ranges that dominate virtually every Oregon horizon. The Skyline Trail threads along the crest of the Cascade Mountains, which soar as a north-to-south centerpiece. In northeastern Oregon, the Wallowas climb ruggedly from a high plateau, forming America's own little Switzerland around alpine meadows and lakes.

Widely traveled Justice William O. Douglas of the U.S. Supreme Court insists that the Wallowas are more beautiful than European topography to which they are so often compared.

The timbered slopes of Oregon's awesome mountain ranges drink deeply of western slope rains. As a result, many foaming streams rush to the ocean, daring anglers to capture the wealth of steelhead and trout their waters shelter. On the lower stretches of one such stream, southwestern Oregon's beautiful Rogue River, the entire family will enjoy a pleasant day's diversion, traveling from Gold Beach upriver to the little town of Agness and back in the boat that delivers mail.

Father will want to return to cast a fly in the swift Rogue's white water or troll for the big fellows on the bar at the Pacific end of the stream. All along the coast, mothers and children join fathers in surf fishing, a popular year-round, license-free sport.

In every corner of Oregon's abundant scenery—besides the smooth sands of a Pacific Beach, near a high mountain lake or next to a rushing trout stream- the visitor will find room for tents, trailers, or picnics in one of 164 well-kept State parks, more than any other State. Pleasant tourist cabins and motels are set conveniently alongside the good roads and highways.

The challenges of the great outdoors have made Oregon one of the last frontiers of America. But the pioneer spirit of the settlers who brought their belongings painfully to the new country by Conestoga wagon or Cape Horn steamer was not limited only to carving new livelihoods out of verdent forests and rich rangeland. The State has been a cradle for murderous political reform movements and leaders.

The progressive ideas in government long advocated by the Fraternal Order of Eagles find a hospitable reception in Oregon. Our State has been a leader in government reform. Oregon was the first to introduce the initiative and referendum, by which petitions may be used to place any proposal on the ballot for a plebiscite by the people. This machinery has been used to assure Oregon a high standard of old-age welfare and an educational system which ranks high in the Nation. Oregon, for example, was the first State to enact legislation providing maximum hours and minimum wages for women and children in industry.

Furthermore, Oregon led all other States in bringing about the direct election of U.S. Senators. Until Oregon elected a Senator by popular vote, Members of the Senate were appointed by the State legislature. This often encouraged corrupt deals and supremacy of special interests. After Oregon had made the breakthrough, the 17th amendment to the Federal Constitution soon followed, making mandatory the election of all Senators at the ballot box. The famed Senator William E. Borah, of Idaho, said Oregon's people were entitled to the credit for this major reform.

In Oregon the Eagles have found a fertile soil for all their principal causes. The State maintains high standards of health, and Aeries have collected generously of funds for the Damon Runyon Memorial Institute for Cancer Research. Only recently the National Institutes of Health made one of the largest grants in many years—$1,297,000 to be matched by a similar sum from the State—for a medical research center at the University of Oregon Medical School.

Jobs After 40 is also a popular undertaking in Oregon. Because the State has been a mecca for many people nearing normal retirement age, Oregon has a population sympathetic to legislation which would protect people from discrimination in employment due to their later years. The Eagles have accumulated the signatures of thousands of Oregon citizens who support the Jobs After 40 program. As a Senator from Oregon and sponsor of this proposal, I feel that I enjoy the support of most of my constituents in advancing the undertaking.

Many improved highways, supplemented by the State's own fine network of roads, will make it easier for the visitor to travel in Oregon, but the majestic scenery, which dominates all else, will continue to make it difficult for him to leave the State. Eagles who visit Oregon in this centennial year will find that out, and some of the State's Aeries may find their membership rolls fattened with transfer member when the year is over. Eagles, like other visitors, are only human.

Senator Kennedy's Remarks at United States-India Conference

EXTENSION OF REMARKS
OF

HON. CHESTER BOWLES

OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 20, 1959

Mr. BOWLES. Mr. Speaker, earlier this month on May 4 and 5, the Committee for International Economic Growth sponsored a highly significant conference here in Washington on the subject of "India and the United States, 1959."

References have been made previously here in the Congress to the contributions made at the conference by a wide cross section of outstanding commentators on Indian-American relations.

Among the most eloquent and effective of the speeches delivered at the conference was one entitled "The Bases of U.S. Interest in India—Its New Dimensions" by the distinguished junior Senator from Massachusetts, the Honorable JOHN F. KENNEDY.

Senator KENNEDY's interest and concern for the future of free India has been enormously heartening to all of us who feel as he does, that India's success or failure will determine the future of freedom in Asia.

In his conference speech, Senator KENNEDY demonstrated again, as he has on many occasions in recent years, a succinct and imaginative grasp of the economic, political, and strategic role of India in Asia. I think that speech admirably reflects the kind of leadership which Senator KENNEDY is devoting to this subject, both in his legislative capacity in the U.S. Senate, and in his outside contribution to public awareness of this vital question.

Under leave to extend my remarks I include the text of his speech as follows:

THE BASIS OF U.S. INTEREST IN INDIA—ITS NEW DIMENSIONS

(Remarks by U.S. Senator JOHN F. KENNEDY, Democrat, Massachusetts, Conference on India and the United States, 1959, sponsored by the Committee for International Economic Growth, Washington, D.C., May 4 and 5, 1959)

No struggle in the world today deserves more of our time and attention than that which now grips the attention of all Asia. I am not referring to the unhappy tide of events in Tibet, where the world is being

shown once again that man's eternal desire to be free can never be suppressed. Nor am I referring to the intermittent hostilities that endanger the Formosan Strait, or the truce lines in Korea and Indochina. I am referring to another struggle equally fierce but less obvious—less in the headlines but far more significant in the long run.

And that is the struggle between India and China for leadership of the East, for the respect of all Asia, for the opportunity to demonstrate whose way of life is the better.

The battle may be more subtle than loud—it may not even be admitted by either side—but it is a very real battle nonetheless. For it is these two countries that have the greatest magnetic attraction to the uncommitted and underdeveloped world. It is these two countries which offer a potential route of transition from economic stagnation to economic growth. India follows a route in keeping with human dignity and individual freedom, with only haphazard assistance from this country. Red China represents the route of regimented controls and ruthless denial of human rights, with considerable aid from the U.S.S.R.

It should be obvious that the outcome of this competition will vitally affect the security and standing of this Nation. But do we fully realize how it is coming out? Both China and India began their development efforts at about the same time—1950. They started with similar economic structures, similar standards of living and similar problems of skilled labor and natural resources. Actually India had some advantages—in transportation and trained personnel, for example.

But the harsh facts of the matter are that in the last decade China has surged ahead of India in most sectors of its economy. Its gross national output has expanded about three times as fast. In terms of industrial capacity, investment, education, and even household consumption China has slowly pulled up and now moved ahead. Its food production has nearly doubled, while India's has increased by less than 50 percent. By the most authoritative estimates, at present levels of agricultural growth, India will have by 1965 a food production deficit of over 25 million tons, a gap which cannot be filled by any foreign aid or domestic rationing program.

In steel production, China has moved from a position of inferiority to marked superiority. In 1950 China produced as much steel as Great Britain did in 1880. By 1958 China has moved to a point of productive superiority in steel to modern Great Britain today—and is making equal growth in coal and other major ingredients of national strength. Chou En-lai declared at the party Congress this past month: "It took us only 6 years to achieve in steel production what took Britain more than 50 years."

Since 1952 China has tripled the number of engineers and technicians in its industries and added 4 million workers to its skilled labor force.

Last year, China's rate of economic growth was at least three times as high as India's. Perhaps her official figures which claim to have doubled both agricultural and steel production may be discounted—but the fact remains that they are based on a hard record of fact compared to the sagging performance in India—and this is the record which has great appeal to those nations uncertain of which route they should follow.

Within the last year the Chinese have produced their first automobile. Within the next year they may have launched their first earth satellite. Even more seriously, they may well begin to take their place among the select company of nuclear powers. And perhaps equally significant for the future is the fact that China has become a major trading nation, not only in southeast Asia, where she is gradually supplanting Japan, but also in the growing trade movements to Europe and Africa. Indian primary products such as manganese ore and oilseed, for example, now suffer heavily as a result of China's price competition. Red China is now able to repay its loans from the Communist bloc, while India is not only in need of considerable further assistance, but has been forced to drastically reduce its foreign exchange reserves to meet its investment gap.

For the first time in modern history a government appears to have found a way—however brutal its human defects—which appears to solve the problems of large peasant underemployment and labor surplus. The mobilization of the unemployed mass of Chinese rural workers through economic communes, cottage industry, small pig-iron schemes and all the rest is an achievement whose political and intellectual impact in less developed areas is bound to be immense.

For the ambitious goals and growth of both the Russians and the Chinese are major political influences throughout the newly awakened world. The sturdy confidence of the Red Chinese is measured against the uncertainties of the Indian Government. The Chinese leader, moreover, boasts that within the next year China will make still further leaps into the future. He promises that the total value of agricultural and industrial output will rise by as much as 40 percent in 1 year. He hopes, for example, to raise coal output by 110 million tons in 1959 alone.

Even if these hopes cannot be fulfilled, in India—by contrast—targets are wavering. Hopes are set upon maintaining a real rate of growth of only 2 to 3 percent. This year the Indian population will rise. Increased agricultural output may not even feed the nearly 8 million new mouths of India's exploding population this year. It is in this setting that we consider this challenge, not by playing down and depreciating the very real physical achievements of China, but rather by determining to match these achievements in India by a real record of performance consistent with our ideals and democratic methods.

For the struggle is not over, and the potentialities for gain in India are still great. In the Chinese language, the word "crisis" is composed of two characters, one representing danger, and one representing opportunity. The danger now is clear. But let us also make the most of our opportunities. For if they are lost now, they may never come again.

India's population represents 40 percent of the uncommitted world. It is larger than the total populations of the continents of Africa and South America combined. Unless India is able to demonstrate an ability at least equal to that of China to make the transition from economic stagnation to growth, so that it can get ahead of its exploding population, the entire free world will suffer a serious reverse. India herself will be gripped by frustration and political instability, its role as a counter to the Red Chinese will be lost, and communism would have won its greatest bloodless victory.

So let there be no mistake about the nature of the crisis—both the danger and the opportunity. And let there be no mistake about the urgency of our participation in this struggle. It is not enough that we participate on a crash basis, for temporary relief. We must be willing to join with other Western nations in a serious long-range program of long-term loans, backed up by technical and agricultural assistance, designed to enable India to overtake the challenge of Communist China. The tool for this program can well be the Development Loan Fund.

I have joined with Senator FULBRIGHT in proposing that the operations of the Development Loan Fund be stabilized and its scale increased by placing it on a 5-year basis with authority to loan up to $1.5 billion a year. If by next year we can build up the resources of the Development Loan Fund to this level with assurance of continuity, then the United States will be in a position to exercise real leverage on the economic growth of the less developed countries and to give international leadership in the common efforts of the free world. We should embark on these reforms not at some indeterminate date in the future, but this year when there are real opportunities to seize.

Our assistance thus far has been limited to emergency aid to meet immediate crises and existing shortages. We have not met the requirements essential for long-range economic growth—nor have we alleviated the harsh realities which India faced a year ago. Her population continues nearly to outplace her economic development, her shortage of foreign exchange continues to increase, and a general loss of hope and morale continues to spread.

This is the critical year for India. This is the year when the second 5-year plan will prove to be either fruitful or futile. This is also the year when the third plan beginning in 1961 will be designed. This is the year, in short, when India must appraise her future and her relations with the rest of the world.

I do not say that India could not tread water for a few more years before going under. But this is the year the Indians need confidence that they can plan major efforts for long-range progress with some assurance of substantial, long-term assistance from the Western World.

Our aid should, of course, be based upon sound criteria and productive investment. But let us remember economies need time to mature. Our own Nation, in the days of its youth, sold railroad bonds to the British and other Europeans—and these were long-term—40- or 50-year—debentures. With the growth of our productive capacity, we gradually became a creditor nation with the ability to repay these foreign investments. There is no question that the Indians, given proper assurance and assistance, could do the same.

Many of the other governments in Asia and the Middle East are now balanced precariously on the wall of indecision between the East and West. Of course, an adequate program of aid to India is no magic persuader—nor is it a panacea for all of India's difficulties. There is no such solution for these tough problems. The barriers are great. The political and ideological dilemmas are many.

But I am confident that we can recover the initiative, that we can give a doubting world the realization that we—and not Russia and China—can help them achieve real stability and growth.

In short, it is our job to prove that we can devote as much energy, intelligence, idealism, and sacrifice to the survival and triumph of the open society as the Russian despots can extort by compulsion in defense of their closed system of tyranny. We can give a convincing demonstration that we have not a propaganda or crisis interest but an enduring long-term interest in the productive economic growth of the less developed nations.

This year, all over the Western World—and practicularly in an impressive Washington ceremony last month—we commemorate a notable anniversary, the founding of NATO. Whatever its handicaps may be today, this unique and historic association of free nations in a community of effort demonstrated that alliances can prosper on positive, as well as negative, goals.

Let us bear that decision in mind today. For, just as in 1949 the historic front was in West Europe, so in 1959 the gateway to fresh achievement lies in Asia. As Russia cast her ominous shadow across the horizon of our hopes during the last decade, so in the next

decade we must take measure of a new power—China, whose mounting strength is the cardinal political development of this area.

How will we meet the challenge of the next 10 years, between now and 1969? Will we be reminded of a lost journey which ended with the fall of Prague in the spring of 1939, or the new vitality of the democratic alliance which was formed in the spring of 1949?

The answer lies in part in congressional action, along the lines I have indicated, on the Development Loan Fund, our best tool for aiding long-range capital development. But the job should not and cannot be done by the United States alone. We need—as we needed 10 years ago—another historic effort in international collaboration—among the capital exporting nations in the world and India herself.

That is why Senator COOPER and I have recommended the creation of an international joint mission to India to work out with the Indians an accurate appraisal of their needs over the life of the third plan, to weave together the various aid programs of the Western nations, and to give both assuarnce and incentive not only to the Indians but to democratic leaders throughout the underdeveloped world, to demonstrate to them, and to enable them to demonstrate to their political followers, that there is a democratic way of achieving economic development as an alternative to the forced mobilization of men and materials. Once again, the free world can unite on a positive program with positive goals—instead of hanging together only out of fear of evils which we all oppose.

Coalitions of free states impose strains and sometimes handicaps, particularly in a period of peace and apathy. The allies of the U.S.S.R. and China, on the other hand, are rarely critical or uncooperative. They are at the very least silently, if grudgingly, submissive. But in a time of crisis, a free alliance finds unity and strength, even in the free exchange of ideas—while the Red satellites in a time of crisis are sources of anxiety, uncertainty, and trouble.

The situation in India is today a crisis, and it is an opportunity to demonstrate Western unity and strength. The moment is ripe for giving new meaning to the Atlantic Community and relating its peaceful enterprises to the aspirations of the uncommitted world. If the President and Congress give new momentum to our foreign assistance program, then we can expect with reason that the nations of the Common Market and the Commonwealth will also give realization to a larger effort of their own. Both the Secretary-General of NATO, Mr. Spaak, and the world spokesman of the Common Market, Mr. Monnet, have underscored in recent months that the great issues facing the member nations lie outside Europe and preeminently in the underdeveloped areas.

The creditor states of Europe are deeply involved in India's future, as are Japan and other potential members of this common enterprise. Our task now is to harness all of the resources of these nations more effectively, and to work out with the Indian Government the most effective method in participating in their developmental plans.

If the aid which India has received from all sources should remain at its current level, the increase in national income would barely outstrip population growth, bring no significant decreases in unemployment, increase the alarming deficit of food grains, and require sharp curbs on private enterprise in that economy.

If, however, foreign investment in India from all sources can rise to a figure of about $1 billion a year, then we can foresee with some confidence a growth in Indian income in the range of 25 to 30 percent as against a 10 to 12 percent growth in population. Unemployment might be reduced. Provided India takes vigorous measures of agricultural reform, food supply might finally outpace the increase of population, and the private sector of the economy would again reflect the dynamism which it exhibited at the end of the first plan.

But it is not enough merely to provide sufficient money. Equally important is our attitude and our understanding. For if we undertake this effort in the wrong spirit, or for the wrong reasons, or in the wrong way, then any and all financial measures will be in vain.

I have spoken here today about India's race with Red China. We want India to win that race. We want India to be a free and thriving leader of a free and thriving Asia. But if our interest appears to be purely selfish, anti-Communist and part of the cold war, if it appears to the Indian people that our motives are purely political, then we shall play into the hands of Communist and neutralist propagandists, cruelly distort America's image abroad, and undo much of the psychological effect that we expect from our generosity.

We ought to return to the generous spirit in which the original point 4 program was conceived; stress our positive interest in, and moral responsibility for, relieving misery and poverty; and acknowledge to ourselves and the world that, communism or no communism, we cannot be an island unto ourselves. That alone would do justice to the innately decent motives from which most Americans do support foreign aid.

There is considerable talk these days in Washington about distinguishing between military and economic assistance, and emphasizing the latter. I join in that endeavor, and consider it of major importance to the success of this program. But there are other distinctions which must be made—distinctions which are important to public understanding of the issues—and important to the self-respect and sensitivity of recipient nations.

Let us distinguish between lending a helping hand to countries—such as India—which are carrying forward their own development and, on the other hand, underwriting the entire economies of such vital but shaky areas as South Korea, Formosa, and south Vietnam. In one case, we are providing the all-important missing link in a total development effort, but in the other, capital development is only an incidental part of overall budget support.

Secondly, let us distinguish between aid shipments that are geared to the needs of the recipient countries, and those which are more geared to our domestic needs to dispose of agricultural surpluses. Certainly food shipments for famined relief in India and Pakistan are worth while, but where foreign needs and domestic embarrassments do not happen to coincide so nicely, we should not subordinate needs of the recipient country to our domestic political conveniences.

Finally, let us distinguish between foreign aid needed to prop up a faltering friend and aid which is part of a comprehensive, long-range foreign economic policy.

Foreign aid is important to most underdeveloped countries; but for some of them the real life-and-death question is markets for their export commodities; compared to that foreign aid receipts are often desirable incidentals. Many underdeveloped countries, if they had to choose between foreign aid and stable markets, would choose the latter.

The one-commodity nations, such as Bolivia and Ghana, are particularly affected by our business conditions and market policies, but even nations such as India are concerned about the economic cycle in this Nation, about our plans for commodity stabilization, and about our hopes for reciprocal trade agreements with more predictable tariff procedures.

All of this, by way of attitude and action, can be done, and must be done.

The free world cannot shame Russia and China into freedom, but it can inspire democracy to enrich its own freedoms. Freedom's banner will be vindicated or lost not by the test of military strength alone, but by the purity and passion of our commitment to democracy, by our dedication to the advancing hopes of new nations, and by our determination to provide that freedom can lift the haggard burden of poverty from desolate lands. We have not yet conquered the frontiers of fear. But neither have we yet fully explored the horizons of hope.

Slogan and Slowdown

EXTENSION OF REMARKS
OF
HON. WARREN G. MAGNUSON
OF WASHINGTON
IN THE SENATE OF THE UNITED STATES

Wednesday, May 20, 1959

Mr. MAGNUSON. Mr. President, in mid-April the Senator from Minnesota [Mr. HUMPHREY] addressed a Jefferson-Jackson Day banquet in the tri-city area of Pasco, Kennewick, and Richland, Wash.

Favorable reaction is still reaching my office from the searching and penetrating analysis given regional, national, and international issues in his address.

I request unanimous consent that Senator HUMPHREY's address of April 20 be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ENERGY FOR ABUNDANCE—REMARKS OF SENATOR HUBERT H. HUMPHREY, DEMOCRATIC DINNER MEETING, TRI-CITY AREA, WASHINGTON, APRIL 20

Here in this tri-city area you not only stand at the confluence of two great rivers, the Snake and the Columbia, but also at the crossroads of two great historical achievements in man's quest for energy.

Here you receive the benefits of electric energy created by falling water from the multipurpose Grand Coulee Dam on the great Columbia River.

And here you are helping to bring about the most phenomenal of the long line of achievements in the power field—the development of electricity created by atomic power.

One of our greatest needs in America today is energy and more energy—energy to fulfill the infinite needs of man and his environment—energy for abundance.

Why do we need so much power?

We need an ever-increasing supply of power just to maintain our present standard of living. We need it to keep pace with a rapid increase in population—a population which will reach some 260 millions by 1980.

We need an ever-increasing supply of power to support our Defense Establishment.

We need power to remove poverty here at home and increase economic opportunity for all.

We need power to extend a helpful hand to less fortunate neighbors abroad.

We need power to serve as a living example of what free men can do with science and industry.

Whether ultimately we take the road of fission via hydrogen or fusion via nuclear fuels; whether we get our usable electricity

by utilizing heat and turbines for electricity; or whether we achieve direct conversion of heat into electricity without the expense and waste inherent in the use of steam, we still must achieve an abundance of energy which should, in time, make all men free from the gruelling toil of our ancestors, the malnutrition and famine of our contemporaries.

Power is our first line of defense in the cold war.

When I look at the amazing growth in Soviet generating capacity, my biggest concern is that we keep ahead in the kilowatt race—far ahead.

Between 1945—the last year of World War II—and 1958 the total generating capacity in the United States more than doubled. Our total output of electricity almost tripled. This is good, but not good enough.

The generating capacity of the U.S.S.R. jumped from 10.7 million kilowatts in 1945 to 48.3 million in 1957—more than a fourfold increase. Output there rose from 43.3 billion kilowatt-hours to 210 billion—almost fivefold. According to Allen Dulles of the CIA, their output by 1965 will rise to 460 billion kilowatt-hours—more than double in about 8 years—more than 10 times as much as 20 years earlier. In the cold war and the threatened competition in the economic field it is slight comfort to be assured that in 1965 our capacity will still be more than twice that of Russia—when we have quadrupled our capacity while they have multiplied theirs by 10.

I do not take the doctrinaire position that all the electrical energy we need should be public power, or private power. The problem is not that our sources of energy be in private or public hands, but that there be enough of it at economical rates.

I do not want to be misunderstood. In the drive for abundant supplies of low-cost energy there is—there must be—a place for Federal development, for the Federal yardstick in both hydro and atomic power. There is a place for State and local public power systems where the people want them. There is and should be a big place for private enterprise, regulated as a monopoly and stimulated by public competition.

I am not the imaginary "whole hog" strawman at which Mr. Eisenhower shoots somewhat more than imaginary darts in the form of scare words. But I have no doubts whatsoever as to the benefits which would be lost should private monopoly in the power industry be freed from competition by public and cooperative electric systems.

I have no reservations whatsoever about the continued desirability of construction of public generation and transmission facilities and the marketing of Federal power under the preference clause. I say to my friends in the private utility industry: In an economy of abundance, particularly here in the Northwest with your tremendous power potential, if Federal development went forward as rapidly as it should, there would be an abundance of low-cost power for all—from the smallest little cooperative to the largest private power company.

In this country, since 1953, we have been living under the influence of an administration hypnotized by its own sloganmakers. You are all familiar with the expensive slogans of recent years: "Get the Government out of the power business." "Unleash private enterprise to develop the Nation's rivers at no expense to the taxpayers." "Partnership." "Abolish the Federal monopoly on atomic energy and let American private enterprise do the job." "Reduce expenditures." "Reduce taxes." "Enlarge loopholes for the great corporations through accelerated depreciation." "Balance the budget at whatever cost."

Here in the Northwest you have seen the fruits of this policy of slogan and slowdown.

In spite of everything we could do, the Idaho Power Co. has acquired the great Hells Canyon site at an immense cost to the Northwest in terms of flood control, low-cost power, phosphate development, industrial growth, and all of the benefits which would have flowed from that great project.

You have witnessed years of inaction in the authorization of vitally needed projects.

You have witnessed the appointment to the International Boundary Commission of men like Doug McKay—men who speak the same language as the interests that have jeopardized the longstanding international cooperation between the United States and Canada on the full development of the Columbia.

You have been acutely aware of the way in which Federal budget recommendations for power and river development have dropped almost from sight.

The Pacific Northwest has 40 percent of the potential hydropower in the United States and only about a quarter of this has been developed. There is nothing more essential to the well-being of this Nation—yes, and to its security—than that we get on with the task of pushing this development to completion.

You, we, the entire Nation have already lost the equivalent of one Bonneville Dam at Hells Canyon. This is a luxury we can ill afford—even though the Congress was able to force the administration and the Idaho Power Co. to disgorge the $365 million subsidy which the administration had granted to that company after it had pledged it would develop the middle Snake without a cent of the taxpayers' money.

It is time that we got about the business of harnessing the hydropower of the Northwest, increasing the irrigated lands to meet the needs of our growing population, controlling the destructive floods which threaten our lands, industry, commerce, and people.

If the psychology and slogans of the Eisenhower administration had been official policy in the old days, the Lewis and Clark Expedition would have been grounded in St. Louis for lack of funds; the Oregon Trail would have been closed to balance the budget; and the settling of the Northwest would have been postponed indefinitely as a threat to a stable dollar.

In 1954 the administration launched an all-out drive to give away the richest discovery in the history of man. That was the atomic energy program for which the Congress up to that time had voted something like $13 billion.

In Congress, because of the great leadership of your own Senators WARREN MAGNUSON and HENRY JACKSON, we were able to water down the giveaway. We were able to assert a preference right for nonprofit systems; we were able to write in an amendment permitting the Atomic Energy Commission to force the cross-licensing of patents.

But under our form of government, with its division of powers, the Congress—even when the Democrats have a majority—cannot govern the country. And the results of the great battle over the atomic energy program have not been heartening.

Year after year the Democrats in Congress have fought to get the money and Executive support necessary to carry out a crash program on atomic energy. We have been met with a numbers game on what was being accomplished, or planned, or daydreamed, or hoped for, ad infinitum. So that today we are lagging behind England and the Soviet Union in the development of atomic energy.

Last year under the leadership of your Senator JACKSON and Senator MORSE of Oregon, we authorized a dual-purpose reactor for Hanford, to produce both plutonium and electricity—700,000 kilowatts of electricity—two Bonnevilles. But the pressures against this reactor never cease. All we have so far is an installation under construction which can be made dual purpose, but the fight for the power part of the installation is still ahead of us.

There is still another battle we must somehow win. Senator JACKSON and those of us who support him have insisted that power from the Hanford reactor be fed into the Bonneville power grid where it can be utilized to its maximum to supply all of the people with low-cost power. But the Republican administration cannot see this proposal. Their vision stops at private utility stock market quotations.

The Republican administration is blind to the benefits of a giant power grid, which can tie together the generating facilities of an entire region.

The productive power of a modern industrial society is closely related to the cost per kilowatt-hour of electricity. And the economical production and transmission of electricity is inextricably tied to a "giant power" grid, envisioned a generation ago by Gov. Gifford Pinchot. In the Northwest the Bonneville power grid has given you the closest thing in the Nation, with the possible exception of the TVA area, to giant power. But we must build a power grid for the whole Nation which will enable us to tie giant atomic reactors to hydro and steam facilities so that the entire Nation may have the benefits of an abundance of low-cost power, supplied by public and private sources alike.

Taken as a whole, our power system is too much like our highway system 40 years ago. Some of you can remember the days when our highway system was largely a county and city affair. Even the paved roads—and there weren't many of them—looked like something kids in the first grade had drawn for fun. They were a few feet wide; they climbed any hill a team and wagon could climb; they zig-zagged around each farm or other obstruction, real or political. Adequate for a team and wagon, they were a challenge to even the model T and a positive threat to the occasional foolhardy spirit who wanted to push a White Steamer down them at 20 miles per hour.

We just could not have gotten very far into the 20th century with that kind of a highway system. So we did something about it.

But today the Nation's power grid is planned about as scientifically and with just about as much regard for the Nation's requirements as the counties planned highways 40 years ago. Part of the trouble—then and now—was inability of the local units to finance anything better. Part of the trouble—then and now—was an inability to conceive of anything that couldn't be seen from the window of a courthouse.

Our technicians can build a real power grid, and we can afford that kind of a power grid. We ought to have it. And we ought to have it soon.

Five hundred thousand kilovolt transmission lines which are only in the talking stage here are already in operation in Russia. The Russians are planning million-kilovolt lines with direct current transmission over which they can transport power 1,000 miles with only limited loss of energy. These lines will enable them to link giant hydro to giant thermal generators with the latter (if coal fired) built near coal mines. The economies of "hauling coal by wire" will be of great significance in achieving low-cost power.

In this great land peopled by "strangers from a thousand shores," we have moved mankind far in three centuries, blessed by immense natural resources and the greatest individual freedom of any industrial people in the history of the world.

Have we grown weary? Or old? Or afraid? Are we prepared to lay down our burdens and give up our hopes and fall prey to our fears and distrust of each other?

I say "no," and I believe the overwhelming majority of our people say "no." Let us go forward, contending as we may over our honest differences and over our various vested interests, but let us have an end to fears and the slogans of stagnation and sterility.

The highest wisdom, it has been said, is to dare. I believe this and I believe you do, too.

Judge Murtagh's Book on Drug Addiction

EXTENSION OF REMARKS
OF
HON. VICTOR L. ANFUSO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 20, 1959

Mr. ANFUSO. Mr. Speaker, the problem of drug addiction remains a constant menace for our youth. Parents, teachers, welfare workers, civic leaders, and certainly legislators, have given much thought to this problem and possible ways for its solution. In March of this year I introduced a bill, H.R. 5304, to establish a Customs Enforcement Division in the Bureau of Customs to provide stricter enforcement of the antismuggling laws and thus put a stop to the smuggling of narcotics into this country. This would be a great help toward a solution.

The problem of solving drug addiction in the country and the treatment of drug addicts is, of course, a matter which should be solved primarily by our welfare workers, the courts, the enforcement agencies, and others who come in direct contact with the addicts and are thoroughly familiar with their problem.

A very interesting book on the subject has just been published, and I should like to call it to the attention of my colleagues, as well as to members of the judiciary, welfare workers, and others interested in the subject. The name of the book is "Who Live in Shadow," and its authors are Judge John M. Murtagh and Sara Harris. Some time ago they also coauthored a book "Cast the First Stone," which was an exposé of prostitution and the police approach to the problem.

Judge Murtagh is chief magistrate of the New York City Magistrates' Court. I have had the privilege of serving with him before entering Congress when I was a city magistrate in Brooklyn. He is an eminent jurist and a man who does not hesitate to express his views frankly and openly. These views are based in large measure on cases that have come before him or that he encountered in the course of his work on the bench.

"Who Lives in Shadow" is an exposé of another festering sore in American social life, drug addiction. Characterized as an inside view of the phantasmal world of "Narcotics, USA," its victims, racketeers, and police officers, the book uses vivid case histories of users and pushers of all ages and walks of life; and authentic, shocking information on the pathetically futile attempts to hunt dope smugglers and cure the addict. It is an angry, compellingly readable work of no-holds-barred dramatic journalism.

Stiff fines and long jail sentences are not the answer, the authors claim. They only make the unfortunate addict feel more like a criminal. Instead, the authors suggest that clinics be set up to provide hopeless users with enough drugs to keep them from turning to crime and degradation. Take the profit out of dope, they argue, and smuggling will be cut down to almost nothing.

"A punitive, prohibitory approach to the drug problem," the authors say, "has been the official policy of the United States for 40 years. No other country in the world has been so sadistic in dealing with addicts. Still there are more addicts in the United States today than in all Western countries combined, and more juvenile users in New York City than in all Europe."

The authors maintain further that the prohibitory approach as utilized by the Federal Bureau of Narcotics is in direct conflict with the law as stated by the Supreme Court of the United States. "There is nothing in the Harrison Act under which addicts are prosecuted," they say, "which precludes doctors from treating for addiction." Yet the Federal Bureau of Narcotics has, over the years, engaged in a reign of terror among physicians so that they have become intimidated and stopped treating addicts. Lawyers may interpret to doctors, as many of them do, the illegality of the Narcotics Bureau's position. But doctors can hardly be expected to rely on such opinions and to challenge the Narcotics Bureau. They would place in jeopardy their licenses to practice medicine. They would expose themselves to the risk of temporary detention or even prolonged incarceration. And even though ultimately successful, they would meanwhile have incurred the cost and experienced the harassment, humiliation and embarrassment inherent in criminal litigation.

"And so, despite the pronouncements of the Supreme Court, the law of the land tends to be obscured by bureaucratic policy that is contrary to law, and the medical practitioner is effectively prevented from caring for addicts. Addicts must therefore seek their succor from the underworld instead of from legitimate society. And, of course, the price that the underworld exacts from them is so high that they are practically mandated to become criminals. How, except through criminal activity, can people with $30, $40, $50 a day habits and no particular wealth or talent raise the money they need? And when they do what they are driven to, we prosecute them for their illness."

"The fact is," the authors say, "that addicts and petty pushers are practically the only ones being prosecuted today." The big moguls of the trade, who control importation and distribution, are neither caught nor stopped. In a way they must be grateful for the Government's single-minded attitude toward addiction. Our drug laws are immoral in principle and ineffectual in operation.

Calling for the Government to unshackle the medical profession, the authors cite the success of this approach in England. There they state that "there are less than 400 known drug addicts. In England, however, the words criminal addict are never heard. And doctors are allowed to dispense drugs to users and to treat them either in their own offices or in clinics."

But the authors add that due to our policy we must now go beyond mere permissiveness toward the medical profession and evolve more aggressive methods for coping with this illness.

Narcotic hospital facilities under Federal auspicies should be established in all large cities. These would institutionalize addicts for a period of at least 2 months, during which time they would be withdrawn from narcotics and exposed to a rehabilitative program, including contact with doctors, psychiatrists, social workers, vocational and recreational guidance personnel, and so forth.

After their release from the hospital, addicts would become outpatients in the clinical attachment of their hospitals. Efforts at rehabilitation would be continued, with the addicts receiving medical, psychiatric and social service. Those whose hospital withdrawal were successful would be treated without drugs; those who reverted after leaving the hospital and were proved to be in need of drugs, would get at cost the amounts their doctors prescribed for them. Gradual withdrawal would be reattempted with them when their psychiatrists judged the supportive therapy to have taken sufficient hold so that they could rely on it instead of the drug. Those who were considered "incurable" by the clinic professionals would be released from therapy while still receiving indicated dosages of their drug.

Aid to Tito: Proof That We Have No Foreign Policy

EXTENSION OF REMARKS
OF
HON. MICHAEL A. FEIGHAN
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 20, 1959

Mr. FEIGHAN. Mr. Speaker, under leave obtained, I insert in the RECORD my remarks on the subject of "Aid to Tito: Proof That We Have No Foreign Policy":

In our foreign aid program there are admittedly cases where it is not easy to determine whether or not it is in our best interest to give aid, and if aid is to be given, to what extent and under what conditions. But there are cases where it is absolutely beyond any doubt that the aid given is not benefiting the United States, but is being used against us. At the top of this list is the case of aid to the Yugoslav Communist dictator, Tito.

The plain and incontrovertible facts of the Tito case are these:

First. That he never was, nor did he ever pretend to be anything else but a Communist, dedicated to the victory

of Communist imperialism in the world.

Second. That, according to his own admission, his foreign policy has never changed, but remains the same before and after his break with Stalin—June 28, 1948.

Third. That before that so-called break, during the break and after the reconciliation with Moscow—June 1955—Communist Yugoslavia constantly and unchangeably voted in all questions of any substance with the Russian Communist bloc, against the United States.

Fourth. That the internal regime of Communist Yugoslavia has remained the same, and was not in the least affected in any democratic sense by the huge aid which Tito has received from the United States.

Fifth. That only recently Yugoslavia nationalized—i.e., confiscated—all real estate in Yugoslavia with the explanation that Communist Yugoslavia's road was clear and it clearly led to communism. Therefore, private property had to disappear.

Sixth. That Tito repeatedly declared that he was using all the aid from the capitalistic West to build socialism—communism—in Yugoslavia.

Seventh. That Tito time and again declared that there was not and could never be any democracy or freedom for the enemies of communism in Yugoslavia.

Beyond all this, Tito has played and is playing an exceptionally important part in the Communist conquest of Asia. In November 1957 Vice President NIXON called public attention to the decisive role which Asia will play in the final outcome of the contest between human freedom and communism in the world. He then said that if the Communists succeed in winning control over Asia and the Middle East, they will win. Unfortunately, we are not far from that critical point and the man who played the key role in the conquest of the minds of the Asian people for communism is Tito.

How is it possible, in view of this record, that there are still people to tell us that it is in the interests of the United States to help the ruthless tyrant of Yugoslavia and that such is still the foreign policy of the greatest democracy in the world? Let us briefly examine the arguments of the adherents of our aid-to-Tito policy. They can, briefly, be summarized as follows:

First. That Tito is a Communist, but different and independent from Moscow.

Second. That Tito is, moreover, waging political warfare against the Russian Communists and Red Chinese.

Third. That he will, in case of war, be neutral or may fight on our side and, finally,

Fourth. That the people in Yugoslavia have accepted the regime and have reconciled themselves to living under communism.

In reality, all these assertions of Tito's propaganda, skillfully served to gullible Westerners by Communist agents in the free world, have no basis whatsoever in facts.

The fairy tale of Tito's independence was concocted by Yugoslav Communist propaganda and further spread by those who wish to help Tito, not to help the United States. From the first opportunity—Danube Conference in August 1948—after the Stalin-Tito rift until the present, Communist Yugoslavia has adopted the same attitude as the U.S.S.R. on all issues with which world communism is vitally concerned. What kind of independence is it that implies no important differences, but complete identity and conformity with the Russian plan for world conquest? At the VII Congress of the Communist Party of Yugoslavia—April 1958—the Yugoslav Vice Premier, Edward Kardelj, summed up his explanations about Yugoslav foreign policy by saying that "it can be understood only if one bears in mind that Yugoslavia is a Communist country and that its fate depends on the fate of communism in the world."

As for the dissension and feuds between Tito and Moscow and Peiping, they are not completely faked, which means that they are not just staged for the sake of fooling the West. They differ on nonessentials but they all agree on the plan for communism to dominate the world. But, on the other hand, the importance and consequences of those battles of words are no mystery, since Tito and others have often spoken about them and precisely defined their nature. The most outspoken was Edward Kardelj, the chief theoretician of the Yugoslav Communist regime, who said, May 5, 1959, that the differences between Yugoslav Communists and other Communists were "only the expression of the contradictions which are proper to the whole socialist development, that is which do not represent any national specific trait of Yugoslavia." He also laid full emphasis on the fact that the differences were not due to any nationalism on the part of any Communist, nor on any difference of dogma. Finally, he stressed that the Yugoslav Communists were "consistent not only in the building of socialism—Communist—but in the defense of the principle of Socialist—Communist—solidity."

In the light of these facts and Tito's solemn statement in Stalingrad—June 1956—that Yugoslavia would march shoulder to shoulder with the Soviet Union in peace and in war, there is no need to refute the willful and vile contention of Yugoslavia's neutrality in case of a war. The full cooperation between the Yugoslav submarine base in Boka Kotorska and the Russian submarine base in Sasseno—Albania—as well as the Russian-Yugoslav identity of opinions on the creation of the Khrushchev-sponsored zone of peace in the Balkans and the Mediterranean must be explained out of existence before any responsible Western statesman would dare to hope that Yugoslavia would stand in our camp in case of war. Incidentally, there are recent reports that the Russians are building in Kocevje, in northwestern Yugoslavia, a long-range missile launching site. It would certainly pay to investigate this news before giving a single dollar to the Communist oppressor of 18 million human beings in Yugoslavia.

Finally, the claim of the pro-Tito clique among our American opinion makers, that Tito's communism is different and more democratic and thus made acceptable to the people of Yugoslavia, is shattered by the findings of the Zellerbach Commission on Refugees, which issued recently a comprehensive and carefully documented report on the problem of refugees in Europe. In this report the Zellerbach Commission stated that Yugoslavia is the main refugee producing country in Europe. In the last 2 years nearly 40,000 people have escaped from the democracy of Communist Tito.

In view of all these fundamental and irrefutable facts, the policy of aid to Tito is absolutely indefensible. There is not one reason for continuing that policy and there is every reason for immediately putting an end to it. Our present policy of aid to Communist Tito is a policy of national suicide. Khrushchev warned us a year ago in a public statement that the Communists would bury us. By helping Communist Yugoslavia we are hastening the process of our own destruction, helping the spread of communism in the world and thus digging the graves for ourselves, for our children, and for our children's children.

Foreign Trade and Aid: Profit or Peace

EXTENSION OF REMARKS
OF

HON. JOHN H. DENT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 20, 1959

Mr. DENT. Mr. Speaker, the May 11, 1959, issue of the report—American Investments Abroad—gave a few details on governmental policies which are undermining America's strength in the world, policies which are sold to the public as necessary to build our strength.

Policies of the Federal Government have saddled American industry and workers with so much redtape and expense that other nations have begun to equal us in productivity. Many American industries are closing their American operations and building plants overseas, thus creating employment and greater productivity abroad. Governmental policies are making Americans dependent on foreign factories for some goods which America once produced in greater quantity than all other nations combined. Foreign aid programs, taxing American industries to build rival industries abroad. Even the Soviets have begun to capture some of free-enterprise America's foreign markets.

Governmental programs which encourage or force American business to invest and build abroad instead of in America, coupled with foreign aid which reduces production costs in foreign nations while increasing them in America, have caused a dangerous flight of our gold reserves to foreign countries—and the depreciation of American currency throughout the world.

Yet, in 1959, the two programs which the administration exerts the most effort for are the two which will make matters worse: (1) Continuation of foreign aid and (2) special tax and other benefits for Americans who pull up stakes in America and invest abroad.

On May 3, 1959, the New York Times devoted an entire section to the World Trade Fair to be held at the Coliseum in New York, beginning May 8. The Times said:

Manufacturers and producers of raw materials in North and South America, Europe, Asia, and Africa will compete for a share of the world's wealthiest market, the United States.

The amount of (textile) goods coming into America from abroad seems to be increasing, chiefly because countries that previously did not ship here are stepping up their exports.

In 1958, total imports of cotton goods amounted to 143,290,000 square yards, an increase of 16 percent, compared with 1957. And this year there is a rising trend of imports from Hong Kong and Korea.

Both India and Pakistan have received orders from importers here for substantial quantities of sheetings and drills at prices somewhat below those quoted by American manufacturers.

Japan is still by far the largest exporter of cotton goods to the United States. In fabrics alone, the Japanese exports here in 1958 totaling 105,220,000 yards comprised 70 percent of all imports. In addition it is estimated that Japan shipped an additional 130 million yards of cottons in the form of shirts, dresses, and other apparel items.

This year, imports from Japan are expected to be even larger. Japan has negotiated successfully for an increase in its voluntary quota of cottons shipped to the United States.

The Japanese have contended that the previous 235 million yard quota in the form of fabrics and apparel is not "realistic" in the light of its growing industry and reciprocal purchases of raw materials.

Last week, it was announced that the quota had been increased, with the consent of the State Department, to about 247 million yards.

One reason for the remarkable growth of the Japanese textile industry is American foreign aid, building in Japan, at American taxpayers' expense, great plants with modern equipment, superior to what American manufacturers can afford, after paying taxes to help finance fine plants for their Japanese competitors. Another reason is the lower labor costs and taxes in Japan.

The phrase about Japan's "reciprocal purchases of raw materials" is a deception. It implies that, whereas Japan may be capturing our domestic market for finished goods, she is a good customer for our raw materials. What raw materials? Cotton. Japan is using American cotton, because our Government—under the agricultural surplus disposal program—is making American cotton available to Japanese manufacturers at prices lower than American manufacturers have to pay for the same cotton. In fact, our Government sells American cotton to Japan—for Japanese currency, which we spend in Japan to stimulate the Japanese economy—for less than what the cotton actually costs the American taxpayers who—under the Government's domestic farm programs—must buy the cotton from American farmers and put it in storage, or dispose of it abroad, in order to keep cotton prices high in America.

But the American State Department approves of an arrangement to import even more Japanese goods, because this arrangement is more "realistic" for Japan.

It seems quite impossible for American officialdom to consider, ever, what is realistic for America.

A U.S. Senate subcommittee which studied the problems of the American textile industry—under the chairmanship of Senator JOHN O. PASTORE—found that the textile industry is suffering from foreign competition, but said it does not want to change the Government's foreign trade policy.

The Senate subcommittee said:

We do not suggest that our foreign trade policy has been the only cause of the loss of textile jobs, but we do point out that an industry faced with declining job opportunities feels the impact of rising imports more than an industry which is expanding its output and employment.

Thus we recommend that in the administration of our foreign trade program, every effort be made to channel imports into those markets which can most easily absorb production from abroad.

As a guide to positive action, these remarks from PASTORE's committee are, obviously, meaningless. But the attitude they reflect is clear, and significant. What they say, in effect, is: "Let's try to switch some of the unfair foreign competition—unfair, because it is subsidized by American taxpayers—to other American industries, as a possible means of giving the American textile industry a breather, but leave us not change Government policies which are undermining the whole American economy."

This is the personal political weakness that has caused the present condition. New people in public life who are afraid of what someone calls public opinion.

The real public opinion is that of the displaced American worker, his family, his creditors, and soon his local merchants who will have shelves full of foreign goods and streets full of American unemployed.

There is information on other American industries which are in trouble too. The New York Times said:

American makers of transistor portable radio sets may import Japanese receivers for the first time this year, and sell them here under well-known domestic brand names.

The move would be an application of the old saw: "If you can't beat 'em, join 'em." Domestic producers have watched their share of the market dwindle alarmingly and * * * Japanese portables climb more than 200 percent in the last 2 years.

Another Japanese threat to American producers in the near future lies in truly portable television sets.

Although portable radios are the only imported products that are actually nosing American electronic home instrument producers out of their own market so far, the West Germans and Japanese are penetrating here with other devices.

Imports are cutting a wide swath in the U.S. market in home furnishings. Domestic carpet producers are becoming increasingly worried about the rising sales here of carpets from Belgium. American mills also are uneasy about the success of carpets made in Japan.

Dinnerware continues to be a thorn in the side of domestic producers, as Japanese, West German, French, and other foreign makers of dishes, cups, and saucers maintain or increase their already substantial share in the market.

On May 1, 1959, Henry J. Heinz II, U.S. delegate to the United Nations Economic Commission for Europe, meeting at Geneva, told the U.N. Commission that U.S. exports of goods and services to Western Europe totaled $6,800 million in 1958, a decline of $1,200 million from 1957; and that U.S. imports from Western Europe totaled $7,200 million in 1958, an increase of $300 million over 1957.

Mr. Heinz said:

American consumers are tending to spend an increasing portion of their income on those types of goods which European producers are especially well fitted to supply.

This overall trade development—declining production in America, increasing production in Europe—is, Mr. Heinz told the U.N. gathering, "warmly welcome" to the American Government.

What goods are European producers "especially well fitted to supply" the American market, and why are they well fitted?

A survey published in the June 1, 1959, issue of the U.S. News & World Report provides some answers. Here are excerpts from the survey:

The United States through purchases abroad, has made available $190 billion in postwar years. Add that sum to the $107.9 billion in gifts and loans and private investments, and the total becomes $297.9 billion.

What has the outside world done with its $297.9 billion? Those dollars have rebuilt industries and cities. They have been used to purchase the latest in American machinery and to acquire the highest skills with which to make industry abroad fully competitive with American industry. At the same time, nations receiving the billions have used $11 billion to add to their financial reserves in gold and dollars.

This country today finds itself challenged by those it helped.

The American dollar, once a proud currency—the strongest in the world—now is selling at a discount in terms of some foreign currencies. Rumors in the financial centers of Europe are that the dollar may have to be revalued—depreciated in relation to gold. The dollar scarcity that alarmed planners not many years ago has been turned by U.S. generosity into a superabundance of dollars in Europe.

Gold is flowing away from the United States as some countries turn their immense reserves of dollars into gold. Foreigners at this time hold claims to $12.7 billion of the 20.3 billions of gold in the U.S. stockpile. If these foreigners ever exercise those claims, this country could find itself in a severe financial squeeze applied by those who enjoyed so much U.S. generosity.

Goods from abroad are coming into the United States to capture more and more markets. The industry that United States spent billions to revive and that U.S. industry helped to teach efficient mass production is able now to undersell its teachers in a growing number of fields.

In 1958, the industry of West Europe, prostrate 10 years earlier, produced more steel than the United States produced. As many trucks are being produced in Europe as here. Europe's industry last year built 1.9 million new dwellings, or far more than United States. Japan today is producing at double the prewar rate, thanks in part to American aid.

The industry abroad, that American aid did so much to revive, often is able now to undersell the products of American industry both in this country and outside. Many

nations receiving aid from the United States are keeping up their barriers against American products.

So enticing is the prosperity of the world outside the United States that American investors are sending more than $3 billion of private capital abroad each year for investment. A growing number of American companies are entering the foreign field, often to produce goods not only for markets abroad but for sale back in the United States.

All of this is part of the story of success that has grown from American generosity in postwar years. That generosity, in fact, has been so great that it accounts, in part, for the inflation within United States that is making it more difficult for this country to hold its competitive position in the world.

In addition to supplying dollars of aid, the United States has undertaken the principal burden of defense for the non-Communist world. * * * Americans are assuming this burden with no apparent complaint. This country's allies—now strong industrially—are not assuming equal burdens in the defense of the free world.

This survey did not point out what every one with a grain of sense knows; namely, that all of the defense of the free world which we are ruining ourselves to pay for does not provide any defense. We have neglected the vital defenses of our homeland to provide rich loot abroad for the Communists to take over.

On May 25, 1959, a Wall Street Journal editorial said:

An important shift has taken place in the U.S. economic position in the world. * * * foreign subsidiary operation by U.S. firms * * * is multiplying at an accelerating rate. U.S. brand-name goods are now manufactured all over the world. The United States is gradually pricing itself out of the world markets.

Here is what faces many an American business: It cannot make its product here and compete in world markets with the Germans, the British, or the Japanese. The alternative is a drastic reduction in its business or the export of some of its capital resources to another country, the erection of a plant there and the development of its worldwide business from a foreign, not a U.S. base. * * * All around us our economic position in the world disintegrates.

In a remarkable series of public statements in the latter part of April 1959, President Eisenhower said:

First, that inflation is a dreadful threat to the American economy.

Second, that he is making an all-out fight for a balanced budget because a sound dollar is the foundation of America's defense.

Third, and that all American businessmen should work tirelessly to obtain public and congressional acceptance of the President's recommended $3.9 billion of new foreign-aid appropriations for this year.

Senator HUBERT HUMPHREY predicts that the Soviets will soon start pushing America out of world markets in agricultural goods. HUMPHREY's remedy is to enlarge the program which will make this possible. He wants bigger and more extravagant Federal farm programs, which build agricultural surpluses that are so high-priced they cannot be sold even on the domestic market, much less on the foreign market. HUMPHREY wants to increase our program of giving agricultural surpluses away abroad. Satisfy the world demand for agricultural goods by giving ours away, and we will eliminate those markets that the Soviets are going to take away from us.

On May 22, 1959, at a time when every literate person on earth knew that America is in grave danger because inflation, caused primarily by policies of Government, is driving American capital and American gold reserves abroad, causing a relentless shift of industrial and economic strength from America to other nations, Mr. Henry Kearns, Assistant Secretary of Commerce, made a speech in Dallas, to a gathering celebrating World Trade Week.

Mr. Kearns urged U.S. businessmen to invest their money abroad, and recommended legislation, pending in Congress, to give special tax treatment that will encourage American capital to flee overseas.

Will the end result be peace or chaos?

Your knowledge of the situation, fellow Members, is greater than mine since most of you have been here longer than I.

However, my guess is that we are breeding world discontent, fostering false and misleading hopes in our friendly allies and in the end the American people will end up disliked, distrusted, disillusioned, and at a tremendous disadvantage.

We will have to face up to a realistic revenue problem. Our basic tax is the income tax with the large part paid by individuals and limited corporate percentages. As we continue our foolish and dangerous course, we will have less and less personal and corporate income to tax. Will we then shift to consumer taxes completely?

SENATE

THURSDAY, MAY 21, 1959

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Almighty God and Father of all mankind, whose paths are mercy and truth, we come with all our fallible judgments, that in Thy light the immediate might be set in the wide horizons of abiding verities.

We would test our thoughts and words and deeds, not against the faulty background of our fellows, but with our eyes upon the transparent glory of the crystal Christ.

In these dangerous and disturbing days sober us with a solemn sense of personal responsibility, and that Thy call to each one of us is to contribute to the world's good, our own life, strong, clean, honest, trustworthy, and serviceable.

As Thy servants and the people's in this temple of democracy, save us from any perversion of the power that has been entrusted to our hands.

"If, drunk with sight of power, we loose
Wild tongues that have not Thee in awe—
Such boasting as the Gentiles use
Or lesser breeds without the Law—
Lord God of Hosts, be with us yet,
Lest we forget—lest we forget!"

Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, May 20, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

REPORT ON PARTICIPATION IN WORLD SCIENCE PAN-PACIFIC EXPOSITION—MESSAGE FROM THE PRESIDENT

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Foreign Relations:

To the Congress of the United States:

Pursuant to the provisions of Public Law 85–880, providing for participation of the United States in the World Science Pan-Pacific Exposition to be held at Seattle, Wash., in 1961, I am transmitting herewith the report required under section 5(a) of that act.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *May 21, 1959.*

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 7007. An act to authorize appropriations to the National Aeronautics and Space Administration for salaries and expenses, research and development, construction and equipment, and for other purposes; and

H.R. 7175. An act making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and they were signed by the Vice President:

H.R. 147. An act to suspend temporarily the tax on the processing of palm oil, palm-kernel oil, and fatty acids, salts, and combinations or mixtures thereof;

H.R. 3248. An act to provide for the payment of just compensation to certain claimants for the taking by the United States of private fishery rights in Pearl Harbor, island of Oahu, Hawaii;

H.R. 4282. An act to supplement and modify the act of May 24, 1828 (6 Stat. 383, ch. CXII), insofar as it relates to the corporate powers of the Sisters of the Visitation of Georgetown, in the District of Columbia;

H.R. 4597. An act to provide for the training of postmasters under the Government Employees' Training Act;

H.R. 4599. An act to provide certain administrative authorities for the National Security Agency, and for other purposes; and

H.R. 4695. An act to amend section 108(a) of title 23 of the United States Code to increase the period in which actual construction shall commence on rights-of-way acquired in anticipation of such construction from 5 years to 7 years, and for other purposes.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated:

H.R. 7007. An act to authorize appropriations to the National Aeronautics and Space Administration for salaries and expenses, research and development, construction and equipment, and for other purposes; to the Committee on Aeronautical and Space Sciences.

H.R. 7175. An act making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes; to the Committee on Appropriations.

COMMITTEE MEETINGS DURING SENATE SESSIONS

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Antitrust and Monopoly Subcommittee of the Committee on the Judiciary was authorized to meet during the session of the Senate today; and the NASA Authorization Subcommittee of the Committee on Aeronautical and Space Sciences was authorized to meet during the sessions of the Senate today and tomorrow.

On request by Mr. KEFAUVER, and by unanimous consent, the Subcommittee on Constitutional Amendments of the Committee on the Judiciary was authorized to meet during the session of the Senate today.

AMENDMENT OF MUTUAL SECURITY ACT—REFERENCE OF AMENDMENTS TO COMMITTEE ON FOREIGN RELATIONS

Mr. HUMPHREY. Mr. President, on Tuesday of this week I submitted several amendments to the Mutual Security Act. At that time I suggested that the amendments be referred to committee. Since the Mutual Security Act was under consideration in the Committee on Foreign Relations, I also said that in case the amendments were not adopted in committee, I would subsequently call them up for action by offering them separately and independently in the Senate.

There was some confusion in the RECORD—possibly the confusion of the senior Senator from Minnesota. Therefore, I wish to clarify the situation, so that the bill clerk and other responsible officers of the Senate may know that it was my desire to have the amendments printed and referred to the committee. Following referral to the committee, if favorable action is not taken there, then, indeed, I shall offer them in the Senate as new amendments to the mutual security bill as reported.

Mr. President, I ask that the amendments be referred to the Committee on Foreign Relations.

The VICE PRESIDENT. Without objection, it is so ordered.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

LEGISLATIVE AND EXECUTIVE PROGRAMS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that in the statement I am about to make, I may exceed the 3-minute limit.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I should like to announce that today we expect to take up on the floor the tobacco bill.

Unless something unforeseen develops, we expect to bring up by motion the wheat bill, Calendar No. 283, Senate bill 1968. I rather doubt—in light of the fact that I am informed that amendments will be offered—that we shall conclude our action on that bill today; but the session today will continue until a reasonable hour.

I am hopeful that we may be able to obtain clearance from the Senators who desire to discuss the Dillon nomination, before we leave for the Memorial Day weekend—perhaps by the early part of next week, I hope. But I have not yet been able to consult with certain Senators who are involved.

I also expect the nomination to the Civil Rights Commission to be cleared by that time, certainly.

Both the Treasury-Post Office appropriation bill and the District of Columbia appropriation bill should be reported this afternoon.

The Appropriations Committee will work with dispatch in the days ahead, in the hope that soon after Memorial Day several appropriation bills will have reported to the Senate.

With regard to the Strauss nomination, I have talked to the chairman of the Committee on Interstate and Foreign Commerce, and he is agreeable to having the nomination brought up promptly, by motion—as I am informed the minority leader is—as soon as the majority report, the minority views, and the hearings are available from the printer. At a reasonable time—I would say 1 or 2 days, at the most—after the majority report, the minority views, and the hearings are available, that nomination will be brought up by motion.

Mr. President, I wish to make clear that although I, myself, have not come to any conclusion in connection with the Strauss nomination, I do not mind again telling the Senate and the country what standards I will apply in considering the facts with regard to that nomination.

If the only issue were whether the President should have the choice of his advisers, there would be no difficulty for me. I doubt that any President has had more cooperation from the leadership of an opposition party in connection with his nominations than the present President had. Last year the Senate confirm approximately 58,000 nominations. I think that is a tribute, not only to the Senate, but also to the President, in connection with the type of persons he has nominated.

I ask unanimous consert to insert at this point in the RECORD a table showing the nominations confirmed by the Senate since 1953.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

NUMBER OF NOMINATIONS CONFIRMED SINCE 1953

1953	23,420
1954	45,143
1955	39,897
1956	42,797
1957	44,620
1958	58,691
1959 (through May 20)	28,943
Total	283,511

Mr. JOHNSON of Texas. I am one who feels very deeply that the President of the United States is entitled to advice from any source he deems suitable; and I would never vote to deny him an adviser. He has had many advisers whom I would not have selected; but it is not my responsibility to select the President's advisers.

But, Mr. President, I should like to have the Senate know, and I should particularly like to have impetuous pressure groups know, that the Secretary of Commerce is more than an adviser to the President. The Secretary of Commerce is the head of an operating agency of government which administers many laws of the United States which have been passed by the Congress. The Constitution provides that the Senate shall give its advice and consent to nominations made by the President; and unless we are to tear up the Constitution; make it meaningless, unless we are to be hypocrites, we must give our consent; and we must give our consent, based upon the information available.

Mr. President, no man's judgment is any better than his information. It is not difficult for some persons to act in line with the late, eloquent Bob Taylor's story about the billy goat. They have already voted on many things, and they do not need information.

But, Mr. President, so far as the Senator from Texas is concerned, I did not attend a single one of the hearings on the Strauss nomination. I have seen a good many partisan statements; I have read a good many editorials; and I have received a good deal of advice from various sources. I should like to have the liberty—as I would insist every other Senator have—to read what the majority of the committee have had to say in connection with the nomination of Mr. Strauss, and particularly the views of my friend, the senior Senator from Kansas [Mr. SCHOEPPEL], for whom I have great affection and admiration. I have heard

of his statement, but I have never seen it. I will read it—tonight, I hope.

I should like to have an opportunity to review the 1,700 pages of testimony. I should like to study the views of both groups which have strong feelings about the nomination—and that goes beyond the 17 members of the committee who participated in its deliberations—some of whom have what I am told are even violent feelings about the matter. I should also like to consider what the minority of the committee—a group including eight Senators—have had to say about the nomination.

I am not the slightest interested in what the chairman of the Republican National Committee or the Republican caucus or the chairman of the Democratic National Committee has to say about the nomination. I must vote in accordance with what I believe is right and what I believe is fair and what I believe is just. I must satisfy myself on all those scores; and I am going to do so when the printed hearings are available.

In the case of some Senators, a friend of mine told me yesterday that one of my closest long-time friends, who occasionally—well, I would say frequently; in fact, very frequently—votes with the Republicans, said off the record, in the quiet and sanctity of the President's Room, in a kind of low whisper, that he thought it all depended on the majority leader. Well, Mr. President, I consider that in the same way I consider all other propaganda: It is not going to help the nominee, but neither is it going to hurt him, because I hope I am big enough to recognize propaganda when I see it, and heat when I feel it. One who has not had a blow torch applied to him, and has not been able to withstand it, has no business at the desk of the majority leader. Certainly I hope I am going to be able to withstand it.

I wish to stress the fact that Congress has the responsibility of passing the laws of the United States. It has the responsibility of determining whether those laws are properly executed.

The Commerce Department is not something that merely collects statistics, as Republicans reminded me when the nomination of Henry Wallace for Secretary of Commerce was under consideration. The Secretary has control of export licenses. He has control of the Bureau of Standards and the Patent Office. He has responsibility for transportation policies. He dispenses a great deal of Federal money to each State in the Union for the highway program. An unfriendly newspaper might see him as a kind of a bag-man. I do not say that. I mean, Congress has said to him that it must consider him as it considers other agents of the Government. The Congress, for this fiscal year, has granted the Secretary $450 million. I wonder how Harry Hopkins would feel if he had had that much money for the Department. I also wonder how my friends would feel if someone else were dispensing that much money and if they were asked to reach a verdict before the trial instead of after the trial.

I ask unanimous concent to insert at this point in the RECORD an official compilation of the functions of the Department of Commerce.

There being no objection, the compilation was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF COMMERCE,
February 16, 1959.

The Department of Commerce was designated as such by the act of March 4, 1913, which reorganized the Department of Commerce and Labor created in 1903, by transferring out of the former department all labor activities.

The statutory functions of the Department are to foster, promote, and develop the foreign and domestic commerce, the mining, manufacturing, shipping and fishing industries, and the transportation facilities of the United States. Related functions subsequently have been added to or eliminated from the Department from time to time by legislation or Executive order; however, the purposes have remained substantially the same as those for which the Department was established.

The Department of Commerce is composed of the following principal bureaus and offices: Office of the Secretary, Office of Public Information, Coast and Geodetic Survey, National Bureau of Standards, Patent Office, Defense Air Transportation Administration, Maritime Administration, Federal Maritime Board, Bureau of Public Roads, Weather Bureau, Business and Defense Services Administration, Office of Business Economics, Bureau of the Census, Advisory Committee on Export Policy, Bureau of Foreign Commerce, Office of International Trade Fairs.

The Department of Commerce appropriation for the fiscal year ending June 30, 1959, is over $450 million, excluding the Civil Aeronautics Administration (now part of Federal Aviation Agency) and the Civil Aeronautics Board, plus over $2½ billion for Federal-aid highway programs. It has approximately 31,000 employees, and offices throughout the country and territories.

Mr. JOHNSON of Texas. We have the senatorial function of passing on nominations, and that is not merely a perfunctory function, and it ought not to be political. I am going to try to conduct myself in such a manner, in the course of these proceedings, as to see to it that every Senator answers only to his own conscience and expresses only his own conviction, and has ample opportunity to do so.

The responsibility to determine if the powers reposed in the Secretary of Commerce would be misplaced, if he would administer them against the public interest, if he would administer them partially, if he would administer them unfairly, or if he would not have our confidence in charging him with the administration is up to the Senate.

I am not passing judgment on that question until the report is printed, including the majority and minority views, and the hearings.

It has been, and always will be—and I stress this to my friends on this side of the aisle who may have strong feelings in this matter—my policy to lean over backward to permit a President of either party to have the officials he wants.

I remember, when a judge from Virginia was not selected in the right manner, the Senate did not confirm his nomination. I remember what happened when Ed Flynn was named as Ambassador. I remember the furor which took place when Ed Pauley was named as Under Secretary of the Navy.

The Senate has been correct in exercising its rights and prerogatives. I do not pass judgment on the wisdom of its decisions. I merely point out that the Senate has been very careful, and should be now.

I do not think any President of the United States should ever be harassed by denying him his appointments. The Senator from Texas is not going to harass him. But leaning over backward does not mean the Senate should fall down on the job; and in this, as in every other instance, I think each Member of the Senate should check the facts carefully to determine whether there is involved a public interest, and arrive at his own conscientious judgment as to whether confirmation should be denied. If he arrives at that decision, and if he thinks it is in the public interest to do so, and if the facts before him, according to the Senator's own judgment support it, I think he ought to do so. Otherwise, the nomination ought to be confirmed. And I shall certainly so vote if that is the way I resolve the question.

I think it is important, however, to remember that there are two things we must consider. One is that the Senate advises the President. Certainly he is entitled to have the Senate advise him and to give him good advice. The President carries very heavy burdens, and he ought to have the advice of the Senate. We have to consent and we have to confirm the nominations of the President if we think the nominees will carry out the laws in the manner that they ought to be carried out.

Mr. President, I am not prepared to pass judgment on the question when the record has not been printed, when I have not read it, and when I do not know anything about it. Senators may take my statement for what it is worth. Those who do not think I am fair are going to think so, anyway. If I am the only Senator to vote the way I feel—whether it be to postpone action on the nomination, or table it, or anything like that—I am going to do it if I am convinced I should. I am going to do what I think is best for America, because in doing so I think it will be best for the Senate, for my State, and for the Senator from Texas.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. DIRKSEN. First, let me say that if I were commissioned to talk for the President of the United States, I am sure he would expect me to say to the majority leader that he appreciates the cooperation the executive branch has received with respect to the many thousands of nominations that have come to the various Congresses under this administration. There have been difficulties in recent days. In the main, however——

Mr. JOHNSON of Texas. If the Senator will permit me, I do not want the implication to stand that the difficulties are only of recent origin. The President started with those difficulties. I remem-

ber when the nomination of Mr. Wilson to be Secretary of Defense was submitted, and I recall the trouble Senator Taft had in trying to get the Cabinet confirmed. I remember how strongly the Senator from Virginia felt about that nomination for Secretary of Defense, and some of the problems Secretary Wilson had. This difficulty is not recent. These standards have always been applied. I am going to apply them, but without regard to partisanship. I am not going to call the policy committee together and say we are going to vote as a unit. I do not think that is the way confirmations ought to be handled. I am not going to say to my colleague, if I were presumptuous enough—and I am not—"I think you ought to vote this way on this nominee, and if you don't, it won't be in the public interest." I am going to say what I have to say on the floor of the Senate, but I am going to reserve the right to consider the case.

Mr. DIRKSEN. I think the majority leader may have misunderstood me. My statement certainly had no such implication in it. On a recent occasion we took more time on a nomination than we did on other occasions. A myriad of difficulties seemed to have occurred at the time. But I reiterate that I am appreciative of the way the administration has received fair consideration in the matter of nominations. If I may be so bold, I hope it will continue to do so. From time to time, in the most affable way, I have talked to the majority leader about nominations. Never have I found him arbitrary or presumptuous about it.

The other thing I want to say is that the statement the majority leader has made is certainly characteristic of the fair, impartial, and judicious way in which he has taken any question of this kind into consideration. I have deep personal appreciation for his action in doing so. I know full well, from the private conversations we have had, there are no departures from what the Senator from Texas utters on the floor of the Senate. He does not have one standard for his office when he talks to me and another standard when he makes a statement on the floor of the Senate. I am confident he will approach his responsibility in the same considerate and judicial fashion when we come to grips with the question of confirmation of the nomination which will soon be before us. For that we are grateful to the Senator.

Mr. JOHNSON of Texas. I thank the Senator. I do not expect any appreciation for doing my duty. That is all I have done, and all the Senate has done.

I merely pointed to a number of confirmations of nominations which have gone through the Senate as an illustration of the fact that the Senate generally has not attempted to harass the President, and that I was not going to be a party to any movement in that direction.

As soon as the hearings and the reports are available, that nomination will be brought before the Senate.

I sat for days in the hearings on the nomination of Mon Wallgren, the President's friend, the President's adviser, the man the President eagerly sought for the National Security Resources Board. I sat for days with the distinguished Secretary of the Army, the late Secretary of the Air Force Talbott, and Secretary of Defense Wilson. I have been a party to all those hearings.

I remember the trying hours which were spent by the Senator from Georgia [Mr. RUSSELL], the Senator from Virginia [Mr. BYRD], and other Senators in connection with the Rosenberg nomination. One or two Senators made up their minds before the nomination hit the table. Four or five of them issued press releases right away. But it was not until the last few minutes of the hearing, until J. Edgar Hoover brought in the final report, that we were able to establish what amounted to real and exact justice, because a mistake in identification had been made.

A man is on trial here, and the Senate is on trial. This is not a question of Republicanism. I do not like to hear it said that Senators are voting as a body, one way or another. I do not like to hear it said that one man is going to assume the responsibilities of other men. That is not true, and those who make the statement know it is not true, and it ought not to be said. I do not know of a Member of this body, on either side of the aisle, who is going to take any dictation from anybody in connection with doing justice to the nominee—and when I say that I refer to dictation from the President all the way down to the precinct worker. I do not mean to imply that the President has attempted to give any orders, because he has not. He has not called me. He has not written me. So far as I know, he has not called or written anybody else. He has exercised his responsibility. He signed the nomination, pen in hand, and sent it to the Senate. We have to exercise our responsibility.

If this were simply a question of passing merely on an adviser to the President, I would be prepared, already, to vote, but the question is one of passing on an administrator of laws the Congress passes. I desire to learn why the Senator from Kansas [Mr. SCHOEPPEL] and the majority of the committee feel this man's nomination ought to be confirmed. I want to learn why a minority of the committee, headed by the chairman of the committee, feel that his nomination should not be confirmed. I think I am entitled to that right. I am entitled to it without it being said that I am not in too big a hurry. I want to proceed with dispatch, and I am sure the Senate will do so.

The statement the Senator from Illinois made is typical of him. He is always fair. He is just and courageous. I talked to the Senator the moment I came to town—or a few moments later—and told him we would get the reports from both sides, and the hearings, and do just as we do in all other matters; that we would agree when the chairman could be present, and when he could be present we could go ahead. I immediately went to see the chairman of the committee, and he has assured me that as soon as the printer finishes his work we can take up the nomination.

So far as I am concerned, I am prepared to consider the Strauss nomination ahead of the nomination of Mr. Dillon, ahead of the nomination of Mr. Johnson, or of anybody else, if the material we need is available. I want the Senate and the country to know there is no chicanery here, and no one is trying to delay, so far as the proceedings on the floor of the Senate are concerned.

Several Senators addressed the Chair.

Mr. JOHNSON of Texas. I yield first to the Senator from Illinois.

Mr. DIRKSEN. Mr. President, I have only one further observation to make. From the great, logical brain of Herbert Spencer came the sentiment that he could think of no greater departure from basic principle than condemnation without investigation. Today the majority leader, I think, illustrates to the Senate and to the country that he will investigate for himself and judicially approach his responsibility, and that all the Members of the Senate will do likewise. I am confident all Senators will rise to their responsibility.

Mr. JOHNSON of Texas. I think that if each citizen could have the feeling that the Senate would decide this question and all others by the standard that "what is good for America is good for us," it would make it possible for him to sleep better tonight and to feel more comfortable. I hope that is the opinion our citizens can have of this Senate and of all other Senates, because that is the opinion I had of the Senate, and the reason why I wanted to become a Member of it.

I now yield to the Senator from Montana.

Mr. MANSFIELD. Mr. President, I wish to aline myself with the remarks made by the distinguished majority leader, and I should like to ask several questions.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that I may continue to have the floor. I appreciate the understanding and tolerance of the Vice President. I do not want to be in violation of the rule, and I ask for an additional 3 minutes.

The VICE PRESIDENT. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. I assume that when he was discussing the nominations of Mr. Strauss and of Mr. Dillon, the Senator from Texas also had in mind that if and when the nomination of Ogden Reid is reported favorably by the Committee on Foreign Relations it will receive immediate consideration.

Mr. JOHNSON of Texas. I would not say "immediate."

Mr. MANSFIELD. I mean prompt consideration.

Mr. JOHNSON of Texas. It will be handled with dispatch, when the hearings and reports are available. Has the nomination been reported?

Mr. MANSFIELD. No. I refer to the time when it may be reported.

Mr. JOHNSON of Texas. I do not want to anticipate the action of the committee. Any of the oldtimers can correct me if I am mistaken, but I believe

Senators can look at the Executive Calendar to see how long names are kept there after they are put on it. The Vice President can attest to the fact that when there are names on the Executive Calendar we call it every day when the Senate is in session.

We do that for two reasons. First, we think the President is entitled to prompt consideration, such as is consistent with getting the facts. Second, we want to save money in printing. We do not want large calendars to have to be reprinted each day.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. DIRKSEN. I should like to ask the majority leader whether, if we should complete action on the wheat bill today, it is proposed to go over until Monday; or what business will there be for Friday?

Mr. JOHNSON of Texas. I should like to consult with the Senator later. I had hoped we could go over, perhaps from Friday until Tuesday. I am not aware of any controversial bills to be considered Friday.

I will be prepared to make an announcement as soon as I have had the benefit of the collective judgment of my policy committee on the scheduling of several bills, and I am to meet with the committee at 1 p.m. today. The Senator from Illinois will be the first one I shall tell of our conclusions. If the Senator is agreeable to the plan we adopt, we will present it to the Senate. If the Senator is not agreeable, we will attempt to adjust it to suit him.

Mr. DIRKSEN. I thank the Senator.

Mr. MANSFIELD. Mr. President, will the Senator yield further?

Mr. JOHNSON of Texas. I yield further.

Mr. MANSFIELD. Is it not true that on Friday last, when the Senate adjourned to the following Tuesday, the leadership made an unusual unanimous-consent request that notwithstanding the fact that the Senate would meet at 10 o'clock a.m. on Tuesday the Committee on Foreign Relations be given special consideration or dispensation to hold hearings with regard to the nomination of Mr. Reid at that time?

Mr. JOHNSON of Texas. That is correct.

Mr. MANSFIELD. Inasmuch as the distinguished majority leader has stated that he could not or would not seek to impose his will with regard to any measure, nomination, or otherwise, on the policy committee, is it not further the fact that the majority leader has never sought to impose his will, but has always abided by the majority decision, regardless of what the decision has been, as it applied to his own individual thinking?

Mr. JOHNSON of Texas. That is correct. If I were voting on the basis of friendship, and from my knowing people, I would say that I served in the Navy with Admiral Strauss, under Jim Forrestal, for some time. I have never had any unpleasantness in connection with him.

I did not know Mr. Reid. He has called on me, and I was glad to have him call on me. He discussed in a very appropriate and proper manner official business. I will say that I enjoyed the conversation. I await the results of the hearings.

If I were voting from a personal standpoint, I would not have much difficulty with either nomination.

Mr. MANSFIELD. My reason for raising these questions at this time is that there seems to be a sort of planned attack on the Senate in connection with the alleged holding up of nominations. That attack seems to be directed at the Democratic Party in the Senate as a whole.

I wish the record to show that so far as the Democratic leadership is concerned, there has been no holding up of any nominations once they had been reported from committee and the reports and printed records of hearings were available.

Mr. JOHNSON of Texas. The Senator is correct. I think I should say that I do not believe any Congress has ever had a better record or acted more expeditiously, consistent with the facts, than has the present Congress.

However, there have been some nominations of postmasters, and nominations before other committees with respect to which individual Senators have sought information. Such nominations have not been released. The Senator from Texas and the Senator from Illinois cannot say anything about Senator X, from State Y, who says, "I will not at this moment approve these nominations affecting my State."

I have asked some of those Senators to act with dispatch. However, they represent sovereign States, and they have a right to their viewpoint. When I was in my home State attempting to communicate with my people and to create at least as favorable an impression as I could in advance of the 1960 senatorial campaign, I received, in connection with a certain nomination, a communication from a colleague saying, "I want a week or 10 days to consider this nomination. You do not need to give it to me. You can bring up the nomination on motion tomorrow, and I can talk for 10 days."

I said, "Your request is reasonable. You are a member of the committee. You are entitled to review the hearings and read the report. If a week or 10 days is all you want, so far as I am concerned, you will get it." I communicated with the Senator from Illinois [Mr. DIRKSEN], and he agreed. I believe that that course will result in a saving of time.

I wish to remind Senators—I would not say warn them or caution them—that people who live in glass houses should not throw stones. We have a responsibility in our constitutional capacity to act on nominations, and we expect to act upon them. However, it ill behooves some persons to talk about delay in connection with the consideration of nominations, in the light of some of the records which have been written in the Senate, and which are available to all of us, in connection with nominations of postmasters, nominations of judges, nominations of Cabinet officers, nominations of Secretaries of Commerce, nominations to the National Resources Board, and nominations of other top flight officials. Those who feel an urge to apply the lash should stop, look, and listen before doing so. I suggest that in the interest of good government in the country we all love, we should approach this question judiciously, fairly, and reasonably, and allow each Senator to perform the duties which the people of his State selected him to perform.

Mr. GORE. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. GORE. I was very proud of the record of the Senate in connection with the nomination of Christian Herter to be Secretary of State. After the nomination was finally submitted the committee held public hearings, followed by an executive session, and reported the nomination to the Senate; and the Senate confirmed the nomination of Mr. Herter to be Secretary of State, all within 1 day.

The Senate felt, as did the Senate leadership, that it was in the national interest that our Secretary of State have an early and expeditious, overwhelming, and, if possible, unanimous vote confirming his nomination. Fortunately that was accorded him; and as a result Secretary Herter departed for Geneva with support within our own country, and I believe abroad.

The nomination of Mr. Dillon is pending on the calendar. I believe the majority leader and the minority leader acted wisely and with a proper regard for the traditions of this body in delaying action for a week until a member of the Senate Foreign Relations Committee could obtain and assemble facts which he regards as pertinent and important.

I expect to support the nomination of Mr. Dillon on the floor of the Senate, as I did in committee. I not only applaud the majority and minority leaders for according a Senator time in which to prepare his case, but I would insist upon it if the issue should be raised.

Mr. JOHNSON of Texas. Mr. President, I am stimulated by the statement of the Senator from Tennessee. He is helpful and constructive. He has reminded me of an action of which I think all Senators, as well as the country, should be proud.

The Senator from Tennessee, in his characteristic fashion, has brought to the attention of the American people some facts of which they should be reminded. I think that in the days ahead, when we try as conscientiously as we can to perform our duties, as other people try to perform theirs, fairly and justly, those who would apply the lash should stop, look, and listen.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON COMMODITY CREDIT CORPORATION SALES POLICIES, ACTIVITIES, AND DISPOSITIONS

A letter from the Assistant Secretary of Agriculture, transmitting, pursuant to law,

a report of the General Sales Manager on Commodity Credit Corporation sales policies, activities, and dispositions, for the month of March 1959 (with an accompanying report); to the Committee on Agriculture and Forestry.

AMENDMENT OF LAW RELATING TO EXEMPTIONS FROM JURY SERVICE IN DISTRICT OF COLUMBIA

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to amend the law providing for exemptions from jury service in the District of Columbia (with an accompanying paper); to the Committee on the District of Columbia.

REPORT ON REVIEW OF DETROIT HOUSING COMMISSION, DETROIT, MICH.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of the Detroit Housing Commission, Detroit, Mich., Public Housing Administration, Housing and Home Finance Agency, dated May 1959 (with an accompanying report); to the Committee on Government Operations.

RECOMMENDATIONS ADOPTED BY INTERNATIONAL LABOR ORGANIZATION

A letter from the Assistant Secretary of State, transmitting, pursuant to law, recommendations adopted by the International Labor Conference, at Geneva, June 25, 1958 (with accompanying papers); to the Committee on Labor and Public Welfare.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A joint resolution of the Legislature of the State of Illinois; to the Committee on Interstate and Foreign Commerce:

"HOUSE JOINT RESOLUTION 41

"Whereas much is being done by city, county, State, and the Federal governments to strengthen our national defense; and

"Whereas we deem it expedient that all media be explored to make certain that each segment is strengthened to its full potential; and

"Whereas the American railroads in times of crisis have been our most important carrier of men and material from coast to coast; and

"Whereas it is common knowledge that the American railroads have been weakened by inroads upon their business and also by stringent regulations and increased cost of operations; and

"Whereas the Joint Committee on Defense Production, the Office of Civil and Defense Mobilization, has just told Congress that corrective transportation policies should now be adopted to improve their conditions; and

"Whereas the railroads must have adequate equipment to meet peace or wartime conditions: Now, therefore, be it

"Resolved by the House of Representatives of the 71st General Assembly of the State of Illinois, the senate concurring herein, That the President of the United States, the Congress of the United States, and the Interstate Commerce Commission are hereby requested to make, without undue delay, a careful appraisal of the railroads' problems, and take such steps as may be found necessary to strengthen them so that the Nation can have a strong and vital railroad system to meet the requirements of a sound economy and any national crisis that may arise; and be it further

"Resolved, That copies of this resolution and its preamble be transmitted by the secretary of state to the President of the United States, the Secretary of the U.S. Senate, the Clerk of the U.S. House of Representatives, to each Member of the Illinois congressional delegation, and to the Interstate Commerce Commission.

"Adopted by the house, April 29, 1959.

"PAUL POWELL,
"Speaker, House of Representatives.
"CLARENCE BOYLE,
"Clerk, House of Representatives.

"Concurred in by the senate, May 6, 1959.

"JOHN WM. CHAPMAN,
"President of the Senate.
"EDWARD E. FERNANDES,
"Secretary of the Senate.

"Filed May 18, 1959.

"CHARLES F. CARFANTHIES,
"Secretary of State."

Resolutions adopted by the convention of District Grand Lodge No. 3, B'nai B'rith, relating to immigration and civil rights; to the Committee on the Judiciary.

A telegram in the nature of a petition from Julia R. Goodhart, of Chicago, Ill., relating to the actions of James Hoffa in the field of labor; to the Committee on Labor and Public Welfare.

RESOLUTIONS OF STATE AND NATIONAL AFFAIRS COMMITTEE OF ABILENE (KANS.) CHAMBER OF COMMERCE

Mr. SCHOEPPEL. Mr. President, I present, for appropriate reference, and ask unanimous consent to have inserted in the body of the RECORD three resolutions which were adopted by the State and National Affairs Committee of the Abilene Chamber of Commerce, Abilene, Kans., at their meeting on April 30, 1959.

There being no objection, the resolutions were referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

RESOLUTION I

Your committee endorses and recommends to the board of directors of the Abilene Chamber of Commerce that said chamber go on record as being opposed to the Kennedy labor bill as passed by the U.S. Senate and as it will be proposed to the House of Representatives for passage by their body. Your committee further recommends that action be taken in this regard which will make known to the House Committee on Education and Labor that the Abilene Chamber of Commerce favors the Barden bills (H.R. 4473 and H.R. 4474) which contain effective remedial legislation beneficial to both employer and employee.

RESOLUTION II

Your committee endorses and recommends to the Abilene Chamber of Commerce that said body place itself on record as being opposed to any further extension or modification of the Fair Labor Standards Act so as to increase the minimum wage and/or extend the coverage of the minimum wage to occupations and industries not presently covered. Specifically your committee recommends opposition to S. 1046, sponsored by Senator KENNEDY, and H.R. 4488 sponsored by Representative ROOSEVELT.

RESOLUTION III

Your committee endorses and recommends opposition on the part of the Abilene Chamber of Commerce regarding proposed extension of Federal standards upon the States regarding the unemployment compensation program. It is the feeling of your committee that the various States are better able to know and meet the needs of the citizens of the States and that Federal intervention is neither justified nor desired.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PASTORE, from the Committee on Appropriations, with amendments:

H.R. 5676. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1960, and for other purposes (Rept. No. 304).

By Mr. ROBERTSON, from the Committee on Appropriations, with amendments:

H.R. 5805. An act making appropriations for the Treasury and Post Office Departments and the Tax Court of the United States for the fiscal year ending June 30, 1960, and for other purposes (Rept. No. 305).

By Mr. RUSSELL, from the Committee on Armed Services, without amendment:

H.R. 3292. An act to amend title 10, United States Code, to authorize the Secretary of the Navy to furnish supplies and services to foreign vessels and aircraft, and for other purposes (Rept. No. 307); and

H.R. 3366. An act to authorize the extension of loans of naval vessels to the Governments of Italy, Turkey, and the Republic of China (Rept. No. 308).

By Mrs. SMITH, from the Committee on Armed Services, without amendment:

S. 19. A bill to provide a method for regulating and fixing wage rates for employees of Portsmouth, N.H., Naval Shipyard (Rept. No. 306).

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. JOHNSTON of South Carolina, from the Joint Select Committee on the Disposition of Papers in the Executive Departments, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted a report thereon, pursuant to law.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MURRAY:

S. 2023. A bill to provide for amendments to the compact between the people of Puerto Rico and the United States; and

S. 2024. A bill to provide for a Resident Commissioner from Guam and a Resident Commissioner from the Virgin Islands; to the Committee on Interior and Insular Affairs.

By Mr. CARLSON:

S. 2025. A bill to provide for the issuance of a special postage stamp in commemoration of the 50th anniversary of the Camp Fire Girls organization; to the Committee on Post Office and Civil Service.

By Mr. MUSKIE (for himself, Mr. HUMPHREY, Mr. ERVIN, Mr. CASE of New Jersey, Mr. MCCARTHY, Mr. HARTKE, and Mr. COOPER):

S. 2026. A bill to establish an Advisory Commission on Intergovernmental Relations; to the Committee on Government Operations.

(See the remarks of Mr. MUSKIE when he introduced the above bill, which appear under a separate heading.)

By Mr. LAUSCHE:

S. 2027. A bill for the relief of William James Harkins and Thomas Lloyd Harkins; and

S. 2028. A bill for the relief of Candace Elizabeth Lee Johnson (Kyung Hee Lee); to the Committee on the Judiciary.

By Mr. NEUBERGER:

S. 2029. A bill to authorize a per capita distribution of funds arising from a judgment in favor of the Confederated Tribe of Siletz Indians in the State of Oregon, and for other purposes; and

S. 2030. A bill to require the use of humane methods of trapping animals and birds on lands and waterways under the jurisdiction of the United States; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. NEUBERGER when he introduced the above bills, which appear under separate headings.)

By Mr. HUMPHREY (for himself and Mr. YOUNG of Ohio):

S. 2031. A bill to establish a Commission on Country Life, and for other purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. SPARKMAN:

S. 2032. A bill to amend the Small Business Act; to the Committee on Banking and Currency.

By Mr. BIBLE (for himself and Mr. CANNON):

S. 2033. A bill to amend the mining laws of the United States to provide for the inclusion of certain nonmineral lands in patents to placer claims; to the Committee on Interior and Insular Affairs.

By Mr. BIBLE:

S. 2034. A bill to amend the District of Columbia Income and Franchise Tax Act of 1947, as amended, to provide that certain additional specified officers of the executive branch of the Federal Government shall be exempt from such act; to the Committee on the District of Columbia.

By Mr. BIBLE (by request):

S. 2035. A bill authorizing persons maintaining or defending actions in the District of Columbia on behalf of a minor to give releases of liability, and requiring persons receiving money or property in settlement of such actions or in satisfaction of a judgment in any such action to be appointed as a guardian of the estate of such minor; to the Committee on the District of Columbia.

By Mr. McCARTHY (for himself, Mr. CLARK, Mr. DOUGLAS, and Mr. PROXMIRE):

S. 2036. A bill to amend the Internal Revenue Code of 1954 to repeal provisions allowing credit against tax and exclusion from gross income for dividends received by individuals; to the Committee on Finance.

(See the remarks of Mr. McCARTHY when he introduced the above bill, which appear under a separate heading.)

By Mr. PROXMIRE (for himself, Mr. DOUGLAS, Mr. CLARK, Mr. HUMPHREY, Mr. HENNINGS, Mr. MORSE, Mr. McNAMARA, Mr. LAUSCHE, Mr. CARROLL, and Mr. YOUNG of Ohio):

S. 2037. A bill to amend the Internal Revenue Code of 1954 to provide graduated rates of percentage depletion for oil and gas wells; to the Committee on Finance.

(See the remarks of Mr. PROXMIRE when he introduced the above bill, which appear under a separate heading.)

By Mr. PROXMIRE (for himself, Mr. DOUGLAS, Mr. CLARK, and Mr. McCARTHY):

S. 2038. A bill to amend the Internal Revenue Code of 1954 to provide for withholding of tax at source on interest and dividends; to the Committee on Finance.

(See the remarks of Mr. PROXMIRE when he introduced the above bill, which appear under a separate heading.)

By Mr. CLARK (for himself, Mr. DOUGLAS, Mr. PROXMIRE, and Mr. McCARTHY):

S. 2039. A bill to amend the Internal Revenue Code of 1954 to provide for additional information on certain returns; to the Committee on Finance.

(See the remarks of Mr. CLARK when he introduced the above bill, which appear under a separate heading.)

By Mr. CLARK (for himself, Mr. DOUGLAS, Mr. PROXMIRE, Mr. McCARTHY, and Mr. MUSKIE):

S. 2040. A bill to amend the Internal Revenue Code of 1954 to prohibit the deduction of certain expenditures as trade or business expenses; to the Committee on Finance.

(See the remarks of Mr. CLARK when he introduced the above bill, which appear under a separate heading.)

RESOLUTION

Mr. JAVITS submitted a resolution (S. Res. 123) prescribing rules for the standing, select, or special committees and subcommittees of the Senate, which was referred to the Committee on Rules and Administration.

(See the above resolution printed in full when submitted by Mr. JAVITS, which appears under a separate heading.)

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

Mr. MUSKIE. Mr. President, one of the unique contributions which America has made to the art of government is the Federal system. It served, in the first instance, in the Constitutional Convention, as a practical compromise between those who believed in a strong central government and those who believed in a loose federation of autonomous States. It has served since that time as a practical means for governing a varied population spread out over a large land area. It is based on the premise that strong local self-government is essential in a democratic society. At the same time, it has enabled us to deal with the emerging problems of an increasingly complex industrial and urban society as we have realistically adjusted to the functions of each of the three levels of government to the nature and scope of the problems.

I happen to believe that a well-balanced Federal system is essential to broad-based participation by our citizens in the processes of government; and that such participation is a condition to the preservation of our democratic institutions. However, such a balance cannot remain static. The 19th century balance of functions as between the three levels of government would not work today. And tomorrow's balance will depend upon the problems with which we will find it necessary to deal.

Moreover, the three levels of government are not separate compartments insulated from each other. The problems with which each level is concerned, the services which each renders, are all part of our national economic, social, and political fabric. There are areas of exclusive jurisdiction by one level of government. There are areas of parallel activities. There are areas of cooperative effort.

The growth of our population, its increasing concentration in urban areas, the increasing complexity of our economy and our society as a result of the industrial revolution, have inevitably resulted in the growth of government itself. The resulting regulatory activities and governmental services have developed within the framework of the Federal system and have accrued to various levels of government, in accordance with the pressures of varying times and circumstances.

The division of responsibilities thus gradually established has been the subject of scrutiny and controversy for the past half century. There are, of course, strongly held differences of opinion as to whether certain functions are assigned to the proper level of government. Notwithstanding these differences of opinion, and however they may be resolved, we face the fact that the Federal system is performing today's governmental chores and that it is not doing so in all instances as effectively and efficiently as it might. As I have said, this has been a subject of considerable study for some time. One such study was made by the Commission on Intergovernmental Relations, also known as the Kestnbaum Commission, which was established by the Congress in 1953 and which issued its final report in June 1955. That study was concerned chiefly with an evaluation of the philosophy and principles of federalism.

Another recent study, which is still in progress, is being conducted by the Joint Federal-State Action Committee which was organized pursuant to a recommendation by the President made to the Governors' conference on June 24, 1957. The express purpose of the Committee, made up of Governors and Federal officials, is to designate grant-aided functions which States are ready and willing to assume and to determine revenue adjustments needed to enable States to assume such functions.

A third study, conducted by the Intergovernmental Relations Subcommittee of the House Committee on Government Operations, under the chairmanship of Congressman L. H. FOUNTAIN, of North Carolina, has been giving particular attention to the report of the Kestnbaum Commission, giving special emphasis to the Federal grant-in-aid programs.

That subcommittee transmitted its excellent report to the House on August 8, 1958. The report concluded that it is now desirable to concentrate on the practical and continuing problem of seeking to improve the operation of our Federal system, and particularly the design and consistency of the innumerable Federal grants.

To provide an instrument for this purpose, I am today introducing, on behalf of myself and Senators HUMPHREY, ERVIN, CASE of New Jersey, McCARTHY, HARTKE, and COOPER, a bill to establish an Advisory Commission on Intergovernmental Relations. The proposed Commission would not duplicate the work of either the Kestnbaum Commission or the Joint Federal-State Action Committee. Rather, it would serve as a central clearinghouse for information on all aspects of intergovernmental relations; it would serve as a forum for discussion of specific problems and particular programs;

it would give specialized attention, on a continuing basis, to particular intergovernmental problems with a view to promoting greater cooperation among the various levels of government and providing a systematic means for encouraging better relations among them. It would provide technical assistance and make recommendations as to the desirable allocation of government responsibilities and solving particular intergovernmental problems, with particular reference to emerging problems. It would undertake to review existing grant programs with a view to evaluation of their achievements and suggesting the directions in which they should move.

This bill is identical to H.R. 6904, which was introduced in the House by Representative FOUNTAIN and to a companion bill, H.R. 6905, which was introduced by Representative FLORENCE P. DWYER, the ranking minority member on the Fountain subcommittee.

The purpose of the bill, and the function of the proposed Commission, might be illustrated by brief reference to some of the specific problems which were pinpointed by the Fountain subcommittee in its report:

First. Because grant proposals have emerged from various and sundry sources, almost inevitably features have been adopted in individual programs which tend to weaken the grant structure as a whole.

Second. Features such as provision for judicial review of Federal administrative decisions and the degree of equalization contained in grant formulas vary considerably between grant programs.

Third. Increasingly, State per capita personal income is used as an element in grant formulas, and there appears to be a need for a reexamination of the soundness of such a criterion in terms of achieving program objectives.

Fourth. State and local officials ought to have specific information as to how proposed Federal aid programs could be expected to affect their States or localities.

Fifth. As consideration is given to new programs or the amendment of old programs, there is a need for some means of studying such proposals in the perspective of the whole grant system and of obtaining current information as to the needs and views of States and municipalities.

Sixth. There is a need for periodic review of grant programs in order to determine their accomplishments and the extent of unmet needs or to consider whether or not the programs should be continued.

Seventh. There is insufficient data available indicating the relative fiscal effort being made by States and localities in areas of present or proposed Federal grant programs.

Eighth. There is a wide variation in program practices and standards.

I would like to take this opportunity to commend the outstanding report of the Fountain subcommittee. My interest in the subject originates with my experiences as Governor of Maine and my firm conviction that effective and efficient government requires that we work constantly in the job of improving relationships between the three levels of government.

Mr. President, I introduce the bill for appropriate reference and ask unanimous consent that the bill may be printed in the RECORD for the convenience of my colleagues, and that it be held at the desk for 1 week, for the purpose of giving other Senators an opportunity to cosponsor it if they so desire.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, and will lie on the desk as requested by the Senator from Maine.

The bill (S. 2026) to establish an Advisory Commission on Intergovernmental Relations, introduced by Mr. MUSKIE (for himself and other Senators), was received, read twice by its title, referred to the Committee on Government Operations, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

SECTION 1. There is hereby established a permanent bipartisan commission to be known as the Advisory Commission on Intergovernmental Relations, hereinafter referred to as the "Commission".

DECLARATION OF PURPOSE

SEC. 2. Because the complexity of modern life intensifies the need in a federal form of government for the fullest cooperation and coordination of activities between the levels of government, and because population growth and scientific developments portend an increasingly complex society in future years, it is essential that an appropriate agency be established to give continuing attention to intergovernmental problems.

It is intended that the Commission, in the performance of its duties, will—

(1) bring together representatives of the Federal, State, and local governments for the consideration of common problems;

(2) provide a forum for discussing the administration and coordination of Federal grant and other programs requiring intergovernmental cooperation;

(3) give critical attention to the conditions and controls involved in the administration of Federal grant programs;

(4) make available technical assistance to the executive and legislative branches of the Federal Government in the review of proposed legislation to determine its overall effect on the Federal system;

(5) encourage discussion and study at an early stage of emerging public problems that are likely to require intergovernmental cooperation; and

(6) recommend, within the framework of the Constitution, the most desirable allocation of governmental functions and responsibilities among the several levels of government.

MEMBERSHIP OF THE COMMISSION

SEC. 3. (a) The Commission shall be composed of twenty-four members, as follows:

(1) Six appointed by the President of the United States, three of whom shall be officers of the executive branch of the Government, and three private citizens, all of whom shall have had experience or familiarity with relations between the levels of government;

(2) Three appointed by the President of the Senate, who shall be Members of the Senate;

(3) Three appointed by the Speaker of the House of Representatives, who shall be Members of the House;

(4) Four appointed by the President from a panel of at least six Governors submitted by the Governors' conference;

(5) Three appointed by the President from a panel of at least five members of State legislative bodies submitted by the board of managers of the Council of State Governments;

(6) Four appointed by the President from a panel of at least six mayors submitted jointly by the American Municipal Association and the United States Conference of Mayors;

(7) One appointed by the President from a panel of at least two elected county officers submitted by the National Association of County Officials.

(b) The members appointed from private life under paragraph (1) of subsection (a) shall be appointed without regard to political affiliation; of each class of members enumerated in paragraphs (2) and (3) of subsection (a), two shall be from the majority party of the respective houses; of each class of members enumerated in paragraphs (4), (5), and (6) of subsection (a), not more than two shall be from any one political party; of each class of members enumerated in paragraphs (5) and (6) of subsection (a), not more than one shall be from any one State; at least two of the appointees under paragraph (6) of subsection (a) shall be from cities under five hundred thousand population.

(c) The term of office of each member of the Commission shall be two years, but members shall be eligible for reappointment.

ORGANIZATION OF THE COMMISSION

SEC. 4. (a) The President shall convene the Commission within ninety days following enactment of this Act at such time and place as he may designate for the Commission's initial meeting. The President, or his designee, shall serve as the Commission's temporary Chairman pending the election of a permanent Chairman.

(b) The Commission shall elect a Chairman and a Vice Chairman from among its members.

(c) Any vacancy in the membership of the Commission shall be filled in the same manner in which the original appointment was made; except that where the number of vacancies is fewer than the number of members specified in paragraphs 4, 5, and 6 of section 3(a), each panel of names submitted in accordance with the aforementioned paragraphs shall contain at least one name more than the number of vacancies.

(d) Where any member ceases to serve in the official position from which originally appointed under section 3(a), his place on the Commission shall be deemed to be vacant.

(e) Twelve members of the Commission shall constitute a quorum, but two or more members shall constitute a quorum for the purpose of conducting hearings.

DUTIES OF THE COMMISSION

SEC. 5. It shall be the duty of the Commission—

(1) to engage in such activities and to make such studies and investigations as are necessary or desirable in the accomplishment of the purposes set forth in section 2 of this Act;

(2) to consider, on its own initiative, ways and means for fostering better relations between the levels of government;

(3) to submit an annual report to the President and the Congress on or before January 31 of each year. The Commission may also submit such additional reports to the President, to the Congress or any committee of the Congress, and to any unit of government or organization as the Commission may deem appropriate.

POWERS AND ADMINISTRATIVE PROVISIONS

SEC. 6. (a) The Commission or, on the authorization of the Commission, any subcommittee or members thereof, may, for the purpose of carrying out the provisions of this Act, hold such hearings, take such testimony, and sit and act at such times and places as the Commission deems advisable. Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission or any subcommittee or members thereof.

(b) Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies, is authorized and directed to furnish to the Commission, upon request made by the Chairman or Vice Chairman, such information as the Commission deems necessary to carry out its functions under this Act.

(c) The Commission shall have power to appoint, fix the compensation of, and remove a staff director without regard to the civil service laws and the Classification Act of 1949. Such appointment shall be made solely on the basis of fitness to perform the duties of the position and without regard to political affiliation.

(d) Subject to such rules and regulations as may be adopted by the Commission, the Chairman, without regard to the civil service laws and the Classification Act of 1949, and without reference to political affiliation, shall have the power—

(1) to appoint, fix the compensation of, and remove such other personnel as he deems necessary,

(2) to procure temporary and intermittent services to the same extent as is authorized by section 15 of the Administrative Expenses Act of 1946 (5 U.S.C. 55a) but at rates not to exceed $50 a day for individuals.

(e) Except as otherwise provided in this Act, persons in the employ of the Commission under subsections (c) and (d)(1) of this section shall be considered to be Federal employees for all purposes, including—

(1) the Civil Service Retirement Act, as amended (5 U.S.C. 2251–2267),

(2) the Federal Employees' Group Life Insurance Act of 1954, as amended (5 U.S.C. 2091–2103),

(3) annual and sick leave, and

(4) the Travel Expense Act of 1949, as amended (5 U.S.C. 835–842).

(f) No individual employed in the service of the Commission shall be paid compensation for such employment at a rate in excess of $20,000 per annum.

COMPENSATION OF COMMISSION MEMBERS

SEC. 7. (a) Members of the Commission who are Members of Congress, officers of the executive branch of the Federal Government, Governors, or full-time salaried officers of city and county governments shall serve without compensation in addition to that received in their regular public employment, but shall be allowed necessary travel expenses, including subsistence (or, in the alternative, a per diem in lieu of subsistence not to exceed the rate prescribed in the Travel Expense Act of 1949, as amended), without regard to the Travel Expense Act of 1949, as amended (5 U.S.C. 835–842), the Standardized Government Travel Regulations, or section 10 of the Act of March 3, 1933 (5 U.S.C. 73b), and other necessary expenses incurred by them in the performance of duties vested in the Commission.

(b) Members of the Commission, other than those to whom subsection (a) is applicable, shall receive compensation at the rate of $50 per day for each day they are engaged in the performance of their duties as members of the Commission and shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties as members of the Commission, as provided for in subsection (a) of this section.

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

Mr. CASE of New Jersey. Mr. President, I am indeed pleased to join the distinguished junior Senator from Maine [Mr. MUSKIE] and other Senators on both sides of the aisle in sponsoring a bill to establish a permanent Advisory Commission on Intergovernmental Relations. Identical bills have been introduced in the House of Representatives by Representative L. H. FOUNTAIN, chairman of the Intergovernmental Relations Subcommittee of the House Government Operations Committee, and Representative FLORENCE P. DWYER, the ranking minority member on the subcommittee.

Incidentally, Representative DWYER is the occupant of the seat which I held for a number of years in the House, and which, after me, was held by my colleague, the distinguished junior Senator from New Jersey [Mr. WILLIAMS].

For many years the need for continuing attention to the problems of intergovernmental relationships has been widely recognized. Under our Federal system the interrelation of Federal, State, and local governmental units has presented, throughout our history, problems of great magnitude. The rapid growth of grants-in-aid and other cooperative programs in recent decades has only served to increase the complexity of these problems.

In an effort to evaluate and improve the numerous activities pertaining to intergovernmental relations, a number of excellent studies have been made in the past on the subject, notably by the first Hoover Commission and the well-known Commission on Intergovernmental Relations. More recently, the House Committee on Government Operations completed an intensive 3-year survey throughout the country drawing together information and suggestions from officials at all levels of government.

As a result of these studies, both the Hoover Commission and the House Committee on Government Operations have recommended the establishment of a continuing agency or commission on Federal-State relations with primary responsibility for study, information, and guidance in this field.

The bill which I am pleased to cosponsor today, as well as the identical bills already introduced in the House, is a direct outgrowth of this recommendation.

In my opinion, the establishment of a permanent Advisory Commission on Intergovernmental Relations would be a significant step forward in the improvement of our Federal system. Our Federal system cannot function properly if the States and their subdivisions lose their will and capacity to cope with problems traditionally within their purview. By finding better and more efficient methods of administering and controlling cooperative programs between the various levels of Government, the proposed Commission would do much to preserve the health of our States and to insure the continued vitality of our Federal system.

PER CAPITA DISTRIBUTION OF CERTAIN INDIAN FUNDS

Mr. NEUBERGER. Mr. President, I introduce a bill providing for the per capita distribution of funds arising from a judgment in favor of the Confederated Tribe of Siletz Indians in the State of Oregon, and I ask that it be appropriately referred.

In 1959 Congress appropriated in a supplemental appropriation bill a sum of $416,240.85, which represented the recovery made by the Siletz Indians before the Indian Claims Commission for inadequate compensation paid them for lands taken under an 1892 agreement with the United States.

Congress enacted a statute in 1954 providing for the termination of Federal supervision and control over certain tribes in Oregon, including the Confederated Tribe of Siletz Indians. Section 3 of the 1954 act prescribed that a final roll would be prepared containing the names of all tribal members living on the date of the act. That roll was used for the purpose of distributing tribal assets. The bill which I have introduced would provide for the distribution of the judgment fund on the basis of this already prepared tribal roll.

The PRESIDING OFFICER (Mr. MUSKIE in the chair). The bill will be received and appropriately referred.

The bill (S. 2029) to authorize a per capita distribution of funds arising from a judgment in favor of the confederated tribe of Siletz Indians in the State of Oregon, and for other purposes, introduced by Mr. NEUBERGER, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

HUMANE METHODS OF TRAPPING ANIMALS AND BIRDS ON CERTAIN LANDS AND WATERS

Mr. NEUBERGER. Mr. President, I introduce, for appropriate reference, a bill to prohibit the use of inhumane traps for the capture of animals or birds on the lands and waters belonging to, or under the jurisdiction of, the United States of America.

Representative BROOMFIELD, of Michigan, has introduced a companion measure in the other body.

Although trapping no longer plays so significant a role in our economy as it did in the early days of our history, it is, nevertheless, still a substantial industry. It is, therefore, I believe, one of the most unhappy anachronisms of our modern, comfortable civilization that the primitive, cruel, trapping practices of the last century are still in use today.

I have myself seen wild animals exhausted from battling the steel jaws of a relentless leg-hold trap. I have snowshoed over a trap route and seen animals which tried to gnaw off their paws to escape the agony of the traps. Many animals fracture a leg or a bone in these cruel devices. They are held there struggling, often for hours or even days, before being found and killed.

Last year we passed legislation to bring about more humane practices to our

slaughterhouses. We found, in considering the humane slaughter bill, that the technology which has given us push-button automobile transmissions and color television can indeed provide us with civilized means for the necessary slaughter of our food animals. The same wonders of modern technology can give us humane methods of trapping.

In the 2 years since my humane trapping bill was first introduced, amateur and professional trappers have carried on extensive testing, and manufacturers have devoted considerable effort to perfecting of traps which capture animals painlessly or kill them instantaneously. Game commissions and departments of conservation in the various States have conducted many days of field tests with several types of humane traps. The Defenders of Furbearers, a nonprofit organization, has rendered a splendid service in distributing these traps for testing and in compiling results of the tests.

The results of these tests, Mr. President, are most encouraging. Not only do the traps capture the animals with less cruelty, they are also less damaging to the valuable pelts which are sought. Consequently, humane societies and trappers alike have been enthusiastic in their support of the new traps.

My bill proposes only that traps used within the jurisdiction of the United States must either capture animals painlessly or kill them instantly, and that the traps must be inspected and emptied at least once a day. The Secretary of the Interior would have authority to conduct necessary tests and establish necessary standards to give specific application to the objectives of the bill. Violations would be punishable by fines up to $500 or prison sentences up to 6 months.

Such legislation would update commercial trapping practices from primitive cruelty to humaneness consistent with American moral standards of the 20th century.

In conclusion, I ask unanimous consent that the text of the bill be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2030) to require the use of humane methods of trapping animals and birds on lands and waterways under the jurisdiction of the United States, introduced by Mr. NEUBERGER, was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 41 of title 18 of the United States Code is amended by placing the prefix "(a)" before the present section, and by adding at the end thereof the following new subsection:

"(b)(1) Any person who, upon any land or waters owned by or under the jurisdiction of the United States, places or causes to be placed any trap, snare, net or other device designed to trap or capture any animal or bird in any manner by which the animal or bird is not either captured painlessly or killed instantly, or who, having placed a trap, snare, net or other device, fails to inspect and empty it at least once every twenty-four hours, shall be fined not more than $500 or imprisoned not more than six months, or both.

"(2) The Secretary of the Interior is authorized to conduct such tests and to promulgate such standards, rules, and regulations as he may deem necessary to the execution of this subjection.

"(3) No provision of this subsection shall apply in any case in which its application would be contrary to any treaty obligation of the United States to any Indian in effect on the date of enactment of this section."

SEC. 2. The provisions of this Act shall become effective on January 1, 1960.

COMMISSION ON COUNTRY LIFE

Mr. HUMPHREY. Mr. President, on behalf of the Senator from Ohio [Mr. YOUNG], and myself, I introduce, for appropriate reference, a bill to establish a Commission on Country Life.

We all realize that we live in an age of tremendous technological and social changes. Since World War II there have been few areas of our lives untouched by new and sometimes revolutionary advances. These changes have resulted from the outpouring of money and time and scientific devotion to basic and applied research in the fields of science and medicine; manufacturing, and industrial processes; in almost everything that touches our daily lives. In all of these realms, research established the facts upon which to base plans and experiments and growth.

As our cities have grown in response to industrial growth, the increasing population has pushed out into suburbs. Industry itself has in many cases moved from congested metropolitan areas into the surrounding countryside. The expanding network of superhighways that shrinks distances has played an important role in this dispersal of population and industry.

We must remember that more is concerned here than just the financial or convenience values resulting from this decentralization and change. We are concerned with the impact of these things on people. The urbanization of rural areas within a brief time period confronts us with many new human problems. In our rural areas, both the expansion and the shifting of population affect seriously the local institutions. In some States new ghost towns are appearing. These are communities which now find themselves bypassed because new highways induce the residents, both rural and suburban, to travel to other community centers which have developed to fit the changing needs of the people.

Some changes in the rural picture have resulted in improvements; some have brought about pockets of economic stagnation; and all have had an effect, for good or ill, on the people and their institutions—the business community, the churches, the schools, the recreational opportunities, the health facilities, and local governments. In many cases, the average age level of a rural community's population has changed drastically. In some there are demands for new schools to fill the needs of an expanding school-age population. In others, the need is for the consolidation of existing schools, possibly over a wide area, in order to attain the best academic training with the funds available. Some communities are faced with an aging, low-income population which poses special health, recreation, and institutional problems. Churches are confronted with new problems and responsibilities as populations shift and communities change.

The falling farm prices and reduced farm income experienced by family farmers in these past few years have posed special problems for this group. The bare census statistic that there are 800,000 fewer farms in 1959 than there were in 1952 does not by any means give a picture of what this shift means in terms of people and the kinds of lives they live. It means that more and more farmers, and their boys and girls, have left the land and moved to the cities. When they move from low income farming areas where facilities for individual development have been few, they may be inadequately trained in vocational skills to enable them to meet the challenges of new modes of life in ways that will improve their standard of living. Accelerated programs of vocational training are badly needed by these young people.

Of the 4,600,000 families still remaining on the farm, almost one-third have cash incomes from all sources of less than $1,200 a year. We need farm policies and programs designed to improve the lot of this group as well as improved farm legislation to better the income situation of all commercial family farms. Low farm income is not a symptom of inefficiency; it is an evidence of lack of opportunity.

Some rural communities and their institutions may be able to face up to and solve the evolving problems, but anything that is accomplished is done on a haphazard, catch-as-catch-can basis. Secretary of Agriculture Benson's rural development program, while based on a worthy principle, is a hesitant and severely limited approach to an area where much coordinated research and planning are needed.

Our first move should be to establish the facts regarding these rural communities so that intelligent plans for the future can be made—the best social good must be established as a goal, and steps taken to see that community life develops along lines that have a reasonable chance of reaching that goal.

To do this we must turn to that excellent tool of all science, research. This bill which Senator YOUNG and I are sponsoring asks for the establishment of a Country Life Commission, an independent group charged with the responsibility of delineating and giving direction to the task of planning a fact-finding study of country life.

This Commission, as proposed in this bill, would consist of 15 members. I would anticipate that these members would be selected because of their broad understanding of every important phase of rural life. Of special significance would be their knowledge of the changes which are affecting the rural institutions which have been the mainsprings of our

rural culture. I would envisage that rural sociologists and religous leaders and businessmen would play important roles in planning the scope and direction of this study. Differing sections of the Nation would need to be studied and analyzed. The members of the Country Life Commission would set the guidelines; the actual studies then might well be conducted by the State universities and agricultural colleges.

There is an honorable and historic precedent for such a Country Life Commission. It was 51 years ago that President Theodore Roosevelt established such a Commission. Those who have read the three books which came out of that first country life study testify that the information set forth was of exceedingly great value for many, many years.

Mr. President, we need all the light we can get on the present conditions and possible future trends of rural life if the family farmers of America are going to have the chance to adjust to the changing times and share fairly in the expanding opportunities of our time.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2031) to establish a Commission on Country Life, and for other purposes, introduced by Mr. HUMPHREY (for himself and Mr. YOUNG of Ohio), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

RULES OF PROCEDURE FOR SENATE COMMITTEES

Mr. JAVITS. Mr. President, I submit, for appropriate reference, a resolution to establish uniform rules of procedure for Senate committees including several new rules dealing with their conduct of investigations.

The major new procedural rules called for in my resolution would provide:

First. Every witness shall be informed of the subject matter of the investigation in which he is called to testify by a Senate committee prior to his appearance.

Second. No committee investigation can be initiated unless specifically authorized by the Senate or by a majority of the standing, select, or special committee having jurisdiction.

Third. All testimony shall be given under oath or affirmation, thus making witnesses who give false evidence subject to prosecution for perjury.

Fourth. A majority of the committee shall decide whether to accede to a witness' request that television, movie, or other cameras and lights shall not be directed at him during his testimony.

Fifth. Evidence exposing the commission of Federal crimes shall be brought to the attention of the appropriate Federal law enforcement agencies by the committee chairman or a designated member—this rule shall be supervised by the Presiding Officer of the Senate and the Senate Committee on Rules and Administration.

Sixth. Only evidence of probative value shall be received and considered by the committee which shall scrupulously observe the privileged character of communications between clergyman and parishioner, doctor and patient, lawyer and clients, and husband and wife.

The resolution contains one key addition which is an adaptation of part of existing House committee procedure combined with totally new provisions to help safeguard the reputation of any person identified by name in testimony before a committee, or adverse comment made by a committee member or its counsel. Any such individual would be entitled to make as part of the hearing record a sworn statement filed with the committee. With majority approval of the committee, he could testify in person, and under the same provision he could put to those witnesses whose testimony adversely affected him, through the committee counsel, a series of relevant questions and also request the committee to summon a reasonable number of witnesses to testify on his behalf.

The proposed amendment to Senate rule XXV would also make several rules of House committees apply to Senate committee procedures including: First, that the evidence which the committee seeks to elicit from witnesses shall be relevant to the subject of the investigation as it has been set forth prior to the start of the hearings; second, the right of a witness to be accompanied by counsel of his own choosing; and third, that a brief explanation of a "yes" or "no" answer be allowed each witness either orally or by written statement.

I share with so many of my colleagues grave concern over the failure of the Senate to adopt uniform rules of procedure for its standing committees, including rules which will spell out the rights, privileges and obligations of witnesses testifying during their hearings. During the 84th and 85th Congresses, major legislation to fill this gap was introduced by several Senators, including Senators HENNINGS, JENNER, WATKINS, BUSH, KUCHEL, and myself, to enable the Senate to fulfill its responsibility to establish reasonable and fair rules governing the activities of its own committees to ensure that their essential legislative work will proceed fairly and effectively.

In the past decade, there have been repeated instances in which the reputation of individual witnesses and the progress of committee investigations have been jeopardized because insufficient safeguards of fair procedure governed the work of standing Senate committees. There have been 15 cases in the Federal courts since 1949 in which the pertinency of questions asked witnesses before a congressional investigating committee was the issue, with three of these going up to the Supreme Court. In at least 9 of these 15 instances, the contention of the witness was upheld including the Supreme Court decision in 1957 on the Watkins case involving testimony before the House Un-American Activities Committee. This case and the opinion rendered were later referred to in another decision in 1958 when the Supreme Court ruled in the case of Harry Sacher, a witness before the Senate's Internal Security Subcommittee, that the indictment against Sacher must be dismissed on the grounds that his refusal to answer related to questions which were clearly not pertinent to the subject. Once more, a Supreme Court decision substantiated the vital need to amend committee procedures in the Senate where at present no set rule on the subject of pertinency exists.

While adapting the present House rule that the evidence elicited relevant to the subject of any investigation as originally stated before the commencement of hearings, my resolution would also require in just so many words that "the subject matter of the investigation in which he is called to testify shall be stated to each witness prior to his appearance." The other new rules allowing individuals through the committee counsel to, in effect, cross-examine witnesses or committee members who have given adverse testimony about them and to offer character witnesses should go a long way to dispel the doubt about the ability of a witness wishing to do so to defend his character.

The work of Senate investigating committees continually affects the prestige of the Senate. Our experiences range all the way from the storm over the Norman case in which a Canadian diplomat was found dead shortly after the release of unfavorable testimony about him by the Senate's Internal Security Subcommittee to the attacks on the Senate's Select Committee on Improper Activities in the Labor or Management Field which has done such a distinguished job under Senator MCCLELLAN'S chairmanship.

It is dangerous to its functions and responsibility for the Senate to go on living on borrowed time in respect to this matter and I earnestly hope that this session will see the adoption of critically important amendments to rule XXV governing the procedures of standing Senate committees.

The PRESIDING OFFICER. The resolution will be received and appropriately referred.

The resolution (S. Res. 123), submitted by Mr. JAVITS, was referred to the Committee on Rules and Administration, as follows:

Resolved, That rule XXV of the Standing Rules of the Senate is amended by inserting at the end thereof the following:

"5. The following shall be the rules of the standing select or special committees of the Senate and subcommittees thereof, and the term "committee" as used in any part of this subsection except paragraph (b) shall mean any such committee or subcommittee:

"(a) Each standing committee of the Senate (except the Committee on Appropriations) shall fix regular weekly, biweekly, or monthly meeting days for the transaction of business before the committee. Additional meetings may be called by the chairman as he may deem necessary.

"A majority of the members of a committee may call a special meeting of such committee by filing a notice thereof with the committee clerk, who shall notify each member.

"No standing committee of the Senate shall sit, without special leave, while the Senate is in session.

"(b) A subcommittee of any committee shall be established only by a majority vote of the entire membership of such committee.

"(c) Each committee shall keep a complete record of all committee action, including a record of the votes on any question on which a record vote is demanded.

"(d) In any case in which a controversy arises as to the jurisdiction of any standing committee of the Senate with respect to any proposed legislation, the question of jurisdiction shall be decided by the presiding officer of the Senate, without debate, in favor of that committee which has jurisdiction over the subject matter which predominates in such proposed legislation; but such decision shall be subject to an appeal.

"(e) It shall be the duty of the chairman of each such committee to report or cause to be reported promptly to the Senate, any measure approved by his committee and to take or cause to be taken such steps as shall be necessary to bring the matter to a vote.

"(f) Each committee of the Senate, including any subcommittee of any such committee, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to take such testimony and to make such expenditures (not in excess of $10,000 for each committee during any Congress) as it deems advisable. Each such committee may make investigations into any matter within its jurisdiction, may report such hearings as may be held by it, and may employ stenographic assistance at a cost not exceeding 25 cents per hundred words. The expenses of the committee shall be paid from the contingent fund of the Senate on vouchers approved by the chairman.

"(g) All hearings conducted by committees or their subcommittees shall be open to the public, except executive sessions for marking up bills or for voting or where the committee by a majority vote orders an executive session.

"(h) No committee investigation shall be initiated unless specifically authorized by the Senate or by a majority of the standing, select or special committee having jurisdiction. Preliminary inquiries may be initiated by the committee staff with the approval of the chairman of the committee. The chairman of each committee shall from time to time and at the earliest practicable date report to the Senate the general nature of any inquiry or investigation the committee proposes to undertake, or, in any case in which he deems the national security might be endangered by such report, he shall advise the President of the Senate in writing of that fact.

"(i) The subject of any investigation in connection with which witnesses are summoned shall be clearly stated before the commencement of any hearings, and the evidence sought to be elicited shall be relevant to the subject as so stated.

"(j) Each committee conducting investigations shall make available to interested persons copies of the rules applicable therein.

"(k) The authority to issue subpenas or otherwise to require the attendance of witnesses or the production of documentary material may be delegated by majority vote of any committee to the chairman or to any member.

"(l) No testimony shall be taken in executive or public session unless at least two members of the committee are present, unless the full committee, by majority vote, may authorize the taking of testimony by a single member. A witness may waive any objection to testifying before one member.

"(m) The subject matter of the investigation in which he is called to testify shall be stated to each witness prior to his appearance.

"(n) All testimony shall be given under oath or affirmation.

"(o) The interrogation of witnesses at committee hearings shall be conducted on behalf of the committee only by members and authorized staff personnel.

"(p) Witnesses at committee hearings (whether public or in executive session) shall have the right to be accompanied by counsel of their own choosing, who shall have the right to advise witnesses of their legal rights and to make objections concerning the relevancy of questions and to matters of procedure, as well as to submit legal memoranda in support of their objections. A witness may be deemed to have waived this right if, after receiving timely notice of his appearance, he fails to provide himself with counsel.

"Rulings on motions or objections shall be made by the member presiding, subject to appeal to the members present on motion of a member.

"(q) It is the policy of the Senate that only evidence which is of probative value shall be received and considered by a committee The privileged character of communications between clergyman and parishioner, doctor and patient, lawyer and client, and husband and wife shall be properly observed.

"(r) No testimony taken or material presented in an executive session shall be released or used in public session, either in whole or in part or by way of summary unless authorized by a majority of the committee.

"(s) Witnesses shall be permitted brief explanations of affirmative or negative responses, and may submit a concise, pertinent, oral, or written statement.

"(t) Witnesses shall be required insofar as practicable to submit written statements of their proposed testimony in advance of the hearing at which they testify.

"(u) A stenographic verbatim transcript shall be made of all committee hearings. Copies of such transcript, insofar as practicable, shall be available for inspection or purchase at regularly prescribed rates from the official reporter by any witness or person mentioned at a public hearing. Any witness or his counsel shall have the right to inspect only the complete transcript of his own testimony in executive session.

"(v) A witness may request, on grounds of distraction, harassment, physical discomfort, or physical handicap, that during his testimony television, motion picture, or other cameras and lights shall not be directed at him; such request shall be granted or refused by a majority of the committee.

"(w) Any person who is identified by name in a public session before the committee or in executive testimony subsequently made public and who has reasonable grounds to believe that testimony or other evidence given in such session, or comment made by any member of the committee or its counsel, tends to affect his reputation adversely, shall be afforded the following privileges:

"1. To file with the committee a sworn statement, of reasonable length, concerning such testimony, evidence, or comment, which shall be made a part of the record of such hearing.

"2. To appear personally before the committee and testify in his own behalf, unless the committee by a majority vote shall determine otherwise.

"3. Unless the committee by a majority vote shall determine otherwise, to have the committee secure the appearance of witnesses whose testimony adversely affected him, and to submit to the committee written questions to be propounded by the committee or its counsel to such witnesses. Such questions must be proper in form and material and relevant to the matters alleged to have adversely affected the person claiming this privilege. The committee reserves the right to determine the length of such questioning; and no photographs, moving pictures, television, or radio broadcasting of the proceedings shall be permitted while such person or such witness is testifying without the consent of such person or witness unless the committee by majority vote specifically determines otherwise.

"4. To have the committee call a reasonable number of witnesses in his behalf, if the committee by a majority vote determines that justice requires such action.

"(x) The chairman or a member designated by him shall consult with appropriate Federal law-enforcement agencies with respect to any phase of any investigation which may result in evidence exposing the commission of Federal crimes, and the results of such consultation shall be reported to the committee before witnesses are called to testify thereon.

"(y) The application of this rule shall be supervised in the Senate by the Presiding Officer of the Senate and the Senate Committee on Rules and Administration, which shall, in addition to the authority set out in subsection 1(o) of these rules, have the authority to (1) receive and investigate complaints of alleged violations of the rule filed by persons claiming to be aggrieved or by members; (2) to advise committee chairmen of their conclusions and their suggestions; and (3) to present their findings to the Senate with such recommendations for remedial or disciplinary action, if any, as they deem appropriate.

"(z) Committees may adopt additional rules not inconsistent with the rules of the Senate."

STRENGTHENING OF WHEAT MARKETING QUOTA AND PRICE SUPPORT PROGRAM—AMENDMENTS

Mr. HUMPHREY submitted an amendment, intended to be proposed by him, to the bill (S. 1968) to strengthen the wheat marketing quota and price support program, which was ordered to lie on the table and to be printed.

Mr. DIRKSEN submitted an amendment, in the nature of a substitute, intended to be proposed by him, to Senate bill 1968, supra, which was ordered to lie on the table and to be printed.

AUTHORITY FOR COMMITTEE ON APPROPRIATIONS TO REPORT DURING ADJOURNMENTS OR RECESSES OF THE SENATE

Mr. HAYDEN. Mr. President, I ask unanimous consent that during adjournments or recesses of the Senate during the 1st session of the 86th Congress, the Committee on Appropriations be, and it is hereby, authorized to report appropriation bills, including joint resolutions, with accompanying notices of motions to suspend paragraph 4 of rule 16 for the purpose of offering certain amendments to such bills or joint resolutions, which proposed amendments shall be printed.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arizona? The Chair hears none, and it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc.,

were ordered to be printed in the RECORD, as follows:

By Mr. ENGLE:

Address prepared by Senator HUMPHREY for delivery to the California Legislature.

By Mr. SCHOEPPEL:

Transcript of proceedings at dinner in honor of George E. Stringfellow, imperial potentate of the Shrine of North America, at Washington, D.C., on March 9, 1959.

By Mr. JAVITS:

Article entitled "Plan To Aid Our Lagging Culture," written by Senator JAVITS, and published in the New York Times magazine on April 5, 1959.

NOTICE OF HEARING ON SENATE JOINT RESOLUTION 57

Mr. KEFAUVER. Mr. President, the Subcommittee on Constitutional Amendments held hearings last week on Senate Joint Resolution 32, proposing an amendment to the Constitution, which was introduced by the junior Senator from Georgia [Mr. TALMADGE] for himself and eight other Senators. During those hearings we were able to take the testimony of every witness who asked to be heard, except for the junior Senator from Mississippi [Mr. EASTLAND], one of the resolution's cosponsors.

Under unanimous consent previously granted, there will be a meeting of the subcommittee this afternoon at 2:30 p.m., in room 2228 of the New Senate Office Building for the purpose of taking the testimony of the junior Senator from Mississippi. At that time we will close these hearings, although the record will be held open for a few days to receive additional written statements.

Mr. President, one of the witnesses on Senate Joint Resolution 32 was the senior Senator from New York [Mr. JAVITS], who is the author of Senate Joint Resolution 57, which is cosponsored by a number of Senators on both sides of the aisle. This joint resolution embodies a proposed amendment with respect to the appellate jurisdiction of the Supreme Court on constitutional questions.

When he testified on Senate Joint Resolution 32, the senior Senator from New York stated he believed that he and the other cosponsors of Senate Joint Resolution 57 were as entitled to hearings as were the sponsors of Senate Joint Resolution 32. I informed him at that time that the Subcommittee on Constitutional Amendments attempts to give a hearing to any Senator or Senators on their proposals which have been referred to the subcommittee. I told the senior Senator from New York, further, that if he would make his request in writing we would give him every possible consideration. He has now made such a request to the chairman of the full Judiciary Committee and to me as chairman of the Subcommittee on Constitutional Amendments.

It will not be possible to have complete and thorough hearings on Senate Joint Resolution 57 at this time. However, the hearings will begin on May 28, 1959, in room 2228 of the New Senate Office Building at 10:30 a.m. On that day we will hear as many witnesses as possible; the hearings will then be recessed until a later date which will be announced.

I ask unanimous consent that a copy of the joint resolution be printed in the RECORD at this point.

There being no objection, the joint resolution (S. J. Res. 57) was ordered to be printed in the RECORD, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

"ARTICLE—

"SECTION 1. In all cases affecting ambassadors, other public ministers and consuls, and those in which a State shall be party, the Supreme Court shall have original jurisdiction. In all cases arising under this Constitution the Supreme Court shall have appellate jurisdiction, both as to law and fact. In all other cases mentioned in the first paragraph of section 2 of article III of this Constitution, subject to article XI of the amendments to this Constitution, the Supreme Court shall have appellate jurisdiction, both as to law and fact, with such exceptions, and under such regulations, as the Congress shall make.

"SEC. 2. The second paragraph of section 2 of article III of this Constitution is hereby repealed.

"SEC. 3. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission to the States by the Congress."

NOTICE OF CONSIDERATION OF CERTAIN NOMINATIONS REFERRED TO THE COMMITTEE ON FOREIGN RELATIONS

Mr. FULBRIGHT. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that the Senate today received the nomination of John M. Cabot, of the District of Columbia, a Foreign Service officer of the the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Brazil, and the nominations of 70 others for appointment to the Foreign Service.

In accordance with the committee rule, the pending nominations may not be considered prior to the expiration of 6 days.

THE SECONDARY BOYCOTT

Mr. CURTIS. Mr. President, "above the law," Jimmy Hoffa is reported to have said in reference to the passage by Congress of restrictive labor laws, "they talk about a secondary boycott. We can call a primary strike all across the Nation that will straighten out the employers once and for all."

Mr. President, the secondary boycott is economic blackmail. Next to violence it is the worst form of economic warfare. The late Senator Taft said there was no such thing as a good secondary boycott.

Mr. President, we should make no apology for the principle of equality before the law. If it is wrong for competitors and others to boycott a concern out of business and destroy him, it should be wrong for union bosses to do the same thing. Those of us who have advocated the outlawing of secondary boycott have not advocated harsh or punitive measures directed against unions. We have merely taken the position that all segments of our economy should be treated alike.

Mr. President, Jimmy Hoffa's words constitute a challenge. He has not only defied the Congress but he has defied the lawful processes of our society. The Congress should respond by outlawing the secondary boycott. Those union leaders who disapprove of Hoffa and wish to disassociate themselves with him should come out in support of such a measure. We cannot justify the secondary boycott as a weapon in the hands of the Teamster bosses.

AFL–CIO WILL BE MAKING SERIOUS BLUNDER IF IT OPPOSES KENNEDY-ERVIN LABOR REFORM LEGISLATION

Mr. NEUBERGER. Mr. President, I believe the AFL–CIO will be making a serious mistake if it opposes the Kennedy-Ervin labor reform bill in the form in which it passed the Senate by an overwhelming vote of 90 to 1.

This is a fair bill and a moderate bill, Mr. President. It is not an oppressive bill. It poses no threat to trade union leaders or members who are honest and upright. It is a peril only to union corruption and tyranny, not to union integrity and democracy.

As one of the nine Senate sponsors of the modified bill of rights, which is presently included in the bill, I believe that this particular phase of the legislation will guarantee the individual rights and liberties of union members without detracting from the effectiveness and bargaining abilities of the union as a whole. This was our goal when we worked together successfully under the leadership of the Senator from California [Mr. KUCHEL] and the Senator from Pennsylvania [Mr. CLARK], and I believe we achieved that goal.

Of course, Mr. President, any bill can be subjected to captious or frivolous objections—so-called nit-picking. But as a Senator who has been sympathetic with many of the broad humanitarian objectives of organized labor, I believe the labor movement will be guilty of a serious blunder if it flyspecks the Kennedy-Ervin bill in an effort to find some obscure or trifling reasons to justify opposition.

During the 1920's and 1930's, such ruthless utility magnates as Insull and others objected violently to any Government regulation, no matter how moderate. As a result, they got a type of regulation which utility executives have been complaining about ever since.

In my estimation, Mr. President, no unionist of honesty or a fundamental belief in democracy need fear the Kennedy-Ervin bill as passed by the Senate. I trust the House, likewise, will enact the bill.

EXECUTIVE SESSION

Mr. HUMPHREY obtained the floor.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Minnesota [Mr. HUMPHREY] yield, so that I may ask for the consideration for one nomination on the Executive Calendar, with the understanding that the Senator from Minnesota will not lose the floor?

Mr. HUMPHREY. Certainly; I yield for that purpose.

Mr. JOHNSON of Texas. I express gratitude to the Senator for his cooperation and leadership at all times. I hope all other Senators will be as generous as the Senator from Minnesota in yielding the floor for routine matters. I have been requested by several Senators to ask for action on the nomination, since they must leave the Chamber.

Mr. President, I move that the Senate proceed to the consideration of executive business, beginning with the new report.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER (Mr. MUSKIE in the chair). The clerk will state the nomination under the heading "New Report."

INTERNATIONAL ATOMIC ENERGY AGENCY

The legislative clerk read the nomination of Paul F. Foster, of Maryland, to be representative of the United States of America to the International Atomic Energy Agency.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask that the President be immediately notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith of the confirmation of the nomination.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. RUSSELL, from the Committee on Armed Services:

Brig. Gen. John Frank Ruggles, Army of the United States (colonel, U.S. Army), and sundry other officers, for temporary appointment in the Army of the United States; and

Prof. William Weston Bessell, Jr., U. S. Military Academy, for appointment as dean of the Academic Board of the U.S. Military Academy.

By Mr. THURMOND, from the Committee on Armed Services:

William B. Franke, of New York, to be Secretary of the Navy; and

Fred A. Bantz, of New York, to be Under Secretary of the Navy.

By Mr. JACKSON, from the Committee on Armed Services:

Thomas Sovereign Gates, Jr., of Pennsylvania, to be Deputy Secretary of Defense.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

WORLD REFUGEE YEAR

Mr. HUMPHREY. Mr. President, I was most pleased by the President's proclamation of May 19 designating the 12 months beginning July 1 as World Refugee Year in the United States, and also by his sponsorship of the White House conference which is being held today and tomorrow for the purpose of formulating the role which our Government and the American people themselves can play during such year.

The refugee problem is so great as to stagger the imagination. It has been said, and only too accurately, that ours is the century of the homeless man.

It is estimated that in the past 30 years some 150 million men, women, and children have been driven from their homes.

Since the close of World War II alone, 40 million new refugees have been created. Of this number 15 million still remain homeless.

Each year another million people become refugees.

This week there was brought to my attention an article entitled "Report on Refugees" by the Reverend Albert J. Nevins, who recently completed a 5-month trip which took him through refugee centers around the world.

Permit me to quote from one paragraph of Father Nevins' article:

> The Soviet Union has been accused before the bar of international justice of many crimes. But the greatest crime of all—one that cries to heaven for justice—is the tremendous horde of dispossessed it has driven into the free world. Since the Russian Revolution, approximately 64 million people have fled communism, few with more possessions than they could carry on their backs. This total of human suffering is so immense that the mind is not capable of comprehending it. No savagery in the entire history of mankind has wrought the complexity of misery and despair as has a quarter of a century of communism.

It is encouraging to note the mounting interest and concern over the refugee problem which is being generated by the United Nations' General Assembly resolution of December 5, 1958, in support of a World Refugee Year. This resolution was adopted by a vote of 59 to 9. The United States was one of the cosponsors. It is interesting to note that the nine dissenting votes were all cast by the Soviet bloc countries.

In our own country, the U.S. Committee for Refugees has been formed to stimulate efforts on behalf of World Refugee Year. The distinguished chairman of the group is Dean Francis Sayre, of the Washington Cathedral. This committee will, I know, do outstanding work.

The plight of the millions of refugees throughout the world has been of concern to me for many years. I have felt that we in the United States should leave no stone unturned in our efforts to give as much help as is humanly possible to these unfortunate human beings who, through no fault of their own, have been left homeless and impoverished.

First of all, we must realize that the refugee problem is not merely a temporary one. There can be little doubt that the number of refugees will mount in years to come. Therefore, in considering ways to assist refugees, I believe we must discuss and put into operation more long-term programs.

Of course, the United States cannot, acting alone, solve this immense problem; its solution will require concerted international cooperation and international activity. But we can indicate our compassion for the world's refugees by opening our hearts and our doors to at least a portion of these men, women, and children. We have, of course, in the past few years admitted many thousands of such refugees, but only under temporary-type legislation, such as the Refugee Relief Act of 1953.

I have proposed in my bill, S. 952, which now is before the Subcommittee on Immigration and Naturalization, that the Immigration and Nationality Act of 1952 be amended so as to authorize the President to permit up to an estimated 83,000 refugees-escapees to enter the United States each year. I do not think that is asking too much. As a matter of fact, I do not think we can do less in good conscience. The horrible suffering of the refugees demands our full attention. Stop-gap measures will not suffice. I sincerely hope and pray that permanent-type legislation for refugees, such as I have suggested, will promptly be enacted by this Congress.

In conclusion, Mr. President, I ask unanimous consent to have the following newspaper articles and an editorial printed at this point in the RECORD.

A summary of the main areas of refugee concentration, published in the New York Times of May 21 under the title "Thirty-one Nations Unite To Aid Refugees."

An article on the White House conference, written by William J. Jorden, and published in the New York Times of May 21.

An editorial on the White House conference, published in the New York Times of May 21.

An article explaining the background of World Refugee Year, published in the New York Times of May 21.

An article entitled "Ike Sets World Refugee Year—Calls on Americans To Help," written by Elsie Carper, and published in the Washington Post of May 20, 1959.

And, finally, an article entitled "What Is a Refugee?" written by the distinguished columnist Roscoe Drummond, and also published in the Washington Post of May 20.

There being no objection, the articles and the editorial were ordered to be printed in the RECORD, as follows:

[From the New York Times, May 21, 1959]

THIRTY-ONE NATIONS UNITE TO AID REFUGEES—U.N. SPURS DRIVE TO RELIEVE PLIGHT OF HOMELESS MILLIONS

(By Kathleen Teltsch)

UNITED NATIONS, N.Y., May 20.—Thirty-one nations have agreed to make intensive efforts to assist the millions of homeless refugees scattered through Europe, Asia, North Africa, and the Middle East.

The 31, the United States among them, have responded to a United Nations General Assembly resolution that calls on governments and people everywhere to observe a World Refugee Year, beginning in June.

The year is to be devoted to solving these refugee problems that can be solved and helping those refugees who can be helped. Those who will benefit are the many who have been uprooted by war or have fled their homelands for political reasons.

At President Eisenhower's invitation, more than 160 civic, business, and religious leaders will open a 2-day conference tomorrow in Washington to consider what the United States can do to help.

The groundwork already has been laid by the establishment of a U.S. Committee for Refugees, which is headed by the Very Reverend Francis B. Sayre, Jr., dean of Washington Cathedral. Its chief aim is to promote practical measures, such as the use of Federal and private funds to aid the destitute and seek more liberal immigration laws.

SURVEY WAS CONDUCTED

To determine where and how the world's refugee population exists, correspondents of the New York Times made a survey of the main areas of refugee concentration.

Precise estimates of the extent of the problem are not possible. Secretary General Dag Hammarskjold, of the United Nations, has cited estimates that 40 million men, women, and children have become refugees since the end of World War II and that 15 million remain without permanent homes. The United Nations helps 2 million to 3 million. It does not, for example, aid the East Germans pouring into West Germany, because these people have the rights of citizens.

A majority of the 31 countries probably will use funds collected in nationwide campaigns to help those within their jurisdiction. This is the plan of Britain, which will begin a nationwide campaign next month with Queen Elizabeth as patron.

There will not, however, be any cooperation from the Soviet bloc, which would be expected to oppose aid to political refugees in Europe. Most of these refugees fled to the West from Communist homelands. They are now under the protection of the Office of the United Nations High Commissioner for Refugees.

Program covers all

The World Refugee Year campaigns will aid refugees everywhere, whether they are under the care of the United Nations or not.

Correspondents of the New York Times in their survey have covered the camps in Europe, the thousands living outside the camps but getting aid, the Hong Kong area where 1 million anti-Communist Chinese have taken refuge, the Palestinian Arabs living in the Middle East, the Algerians who have swarmed into Morocco and Tunisia and the Tibetans who have followed the Dalai Lama into exile in India.

The area-by-area report that follows is based on their on-the-spot observations and official data furnished by the United Nations or the U.S. Committee for Refugees.

EUROPEANS

"Refugee camps by their nature are havens for unhappy people," reported a correspondent from Greece.

The observation would seem to apply to all 120 camps in Europe—in Greece, Austria, West Germany and Italy—that are maintained for refugees.

Unlike the 200,000 Hungarians, whose dramatic flight in 1956 won them worldwide help and brought resettlement opportunities for 98 percent, the older camp refugees have found few doors open to them. Of the 28,000 still in camps, 18,000 have spent at least 10 years there. Virtually all are refugees from Communist countries, but some older ones were among those taken from their homes in the days of Hitler's mass deportations. A fourth of the refugees are under 14 years old.

Conditions vary from camp to camp. Most camps in Germany and Austria were found to be crowded, but well run. The refugees live in clean, but dreary, rebuilt barracks, which offer at least some semblance of privacy to individual family units. Only 5 to 10 percent have found employment, but most manage to live relatively well because of the generous help coming from church and private welfare sources.

Plight somewhat improved

The plight of the smaller refugee population in Greece and Italy has improved somewhat in the last few years. But many refugees live in cramped and squalid quarters, former factories or even war-damaged and abandoned buildings, which offer little privacy or comfort. There is little chance for work in these countries, which are beset by their own employment problems. Most refugees in Greece are from the Balkan countries. They try to emigrate and thousands have been helped to do so by the Intergovernmental Committee for European Migration. The same applies to the refugees in Italy, who are mostly Yugoslavs.

Dr. Auguste R. Lindt, the Swiss who serves as high commissioner for the United Nations, regards the camp refugees as a top-priority group for help. He is seeking an additional $3,500,000 for his clear-the-camps program. As he sees it, the worst aspect of the problem is the sense of isolation created by camp life—the feeling of living "as a race apart from the world."

If available, funds would go for housing and to train the refugees for new jobs. Small business loans also would be granted to help them make a new start. Additional medical help and institutional care would be given to the aged and infirm.

In addition to the refugees actually in camps, there are 100,000 others living in difficult circumstances in Greece, Germany, Italy, Austria, France, and Turkey.

EUROPEANS IN CHINA

In a special category are the Europeans who fled their homes when the Soviet Government came to power and who have been stranded on the Chinese mainland. In the last 7 years, thousands of these White Russians have been evacuated through Hong Kong to new homes in Australia and Brazil. This has been a joint operation of the high commissioner's office and the ICEM. It is an operation that has often been difficult and politically touchy.

Recently, there have been reports that the mainland refugees were threatened by virtual starvation unless they could be evacuated speedily. It would require visas and an additional $4,500,000 to complete the removal of the remaining 8,000 Europeans.

CHINESE

The 1 million Chinese who have poured into Hong Kong from Communist China have given the little British colony Asia's biggest refugee problem. One of every three persons there is a refugee. Seven hundred thousand live in abject poverty, forming squatter communities of hillside shacks patched together from old pieces of tin, plaited bamboo and bits of wood. Tens of thousands sleep on top of buildings or in doorways or set up housekeeping beneath stairways. Tuberculosis and dysentery are commonplace in these surroundings and one-third of the children die of some form of tuberculosis.

"The problem of human misery is bigger than Hong Kong authorities can cope with," a correspondent wrote, although large sums are going to build barracks for housing, schools and clinics. There is criticism both of the Nationalist Chinese and well-to-do Chinese in Hong Kong for not giving more.

Much of the help that reaches the refugees comes from the United States, which sends $5 million annually in food alone from surplus stocks.

Hopes for a solution to the problem lie mainly in expanding the economy since there is no possibility of mass immigration either to Taiwan or southeast Asian countries. A total of $100 million would be necessary to cover the elementary needs of the poor, but it is recognized that there is little chance of obtaining this amount.

The high commissioner has been authorized by the General Assembly to make a special appeal on behalf of these refugees.

PALESTINIAN ARABS

Of the current refugee problems, that of the Palestinian Arabs is one of the best known because it has remained a major source of conflict between Israel and her Arab neighbors.

The refugees have been living since the Palestine War in 1948 in the Arab lands bordering Israel, but these countries have refused to accept them as permanent residents and have continued to insist on their right to return to Israel. There is little likelihood that Israel, which in recent years has taken in a million refugees, will admit thousands of hostile Arabs.

At the end of last year, there were 963,958 Arab refugees registered with the United Nations Relief and Works Agency. The agency supplies supplementary food to most of them, provides shelter and medical services to those who need it and helps educate the young.

About 570,000 of these refugees live in Jordan, where their presence as an unsettled, destitute multitude adds to the general state of political tensions. Lebanon has 125,000 and the Syrian section of the United Arab Republic has 105,000. About 240,000 live in the Gaza area, a 30-mile strip of desert where the big event is the monthly distribution of the basic ration—flour, oils, fat, sugar, and rice—enough for a 1,500-calorie daily intake summer and 1,600 calories in winter. The agency has replaced most of its tent villages with simple huts that are 10 feet square for a family of five.

The attitude of the Arab governments and refugee leaders has thwarted the agency's efforts to initiate large-scale land development programs on which thousands of refugee families eventually could be resettled.

However, there has been more favorable response to the agency's efforts to make individual refugees self-supporting, either by training them for jobs or giving them small grants. It is along these lines that the agency hopes to make progress if the needed funds are made available. Until now, the United States and Britain have been the major contributors to the agency's budget. Together they supply more than 90 percent of the relief needs which have averaged about $30 million annually.

The United Nations Agency hopes that it can collect $4,100,000 to reactivate the grants and vocational training programs that it was compelled to eliminate because of inadequate funds. Part of this sum would go for new

classrooms and housing to ease overcrowding in Gaza.

The Agency's relief budget would be devoted to continuing the present feeding and welfare work. For this purpose, the 1959 budget will be about $33,400,000.

ALGERIANS

During the last few years, 180,000 Algerians have fled their strife-torn homes and sought refuge in Morocco and Tunisia. Eighty-five percent of these were women and children.

They have been living in desperate need. Most live in caves or gourbis, the native huts of mud and cow dung with straw roofs. Attempts were made to gather the refugees into tent camps, but these were abandoned, partly because adequate health and feeding services were not available.

The refugees receive international aid from the Office of the United Nations High Commissioner and the International Red Cross, as well as direct assistance from other governments that is channeled through Tunisian authorities. The United States, Canada, Britain, Sweden, Yugoslavia, and the United Arab Republic have contributed. This also is one of the few places where Soviet aid has been provided. A gift of 7,000 tons of United States wheat helped keep the refugees alive during the last 3 months. This has now been consumed and many of the refugees get less than 1,600 calories daily.

There are no schools for refugee children, except those improvised by adult refugees.

Drive against idleness

The Algerian rebel government recently launched a "drive against idleness" among the refugees. It sought to encourage refugees to work the land or apply themselves to small crafts. These activities, however, are looked on with some misgivings by Tunisian authorities as a possible economic threat to the local population.

According to on-the-spot reports, living conditions of Algerian refugees in Morocco are even more depressing than in Tunisia. There, too, the United States and other nations have been supplying emergency food. The Swedish Federation for Aid to Children feeds 2,200 daily. The chief problems are undernourishment and lack of housing. Some children have rickets, some adults tuberculosis.

The prospects of employment are described by authorities as "zero." A contributing factor is Morocco's unemployment problem. Another is that French interests control a number of important commercial enterprises and would be unlikely to hire Algerians.

TIBETANS

The suppression of the Tibetan revolt by Communist China has sent at least 12,2000 refugees into the border areas of northern India. Many refugees are still on their way, slowly moving through the jungle and mountain areas toward the Indian plains where emergency camps await them.

Of the thousands who have made the trek, half are Khampas, a tough nomadic people who have stubbornly resisted Chinese efforts to subdue them.

The Indian Government has assumed responsibility for housing, feeding, and supplying first aid to the refugees. A central relief committee also has been formed. Foreign help is being channeled through this committee. Large shipments of food and drugs have been sent by the United States and private American aid agencies.

Indian authorities have said the Tibetans would not be restricted to camps, but would be free to seek their living in a short time. However, it was also made clear that the Government would not assume responsibility for their upkeep.

The high commissioner is known to have the situation under study, but as yet no official move has been made to have the United Nations assume a role.

OTHER GROUPS

There are other groups of refugees needing international help:

France has colonies of Spanish who crossed the Pyrenees 20 years ago and still live in the border areas. Most of them have been integrated, but some are still in need.

There are large groups of Jews who left Egypt after the Suez crisis in 1956. Some sought asylum in Europe. They have been helped by Jewish aid agencies, but a number may require international assistance.

In Asia there are the Korean and Vietnamese refugees. In both places, thousands have left the Communist-controlled northern regions and have sought asylum in the south. As in the case of the East Germans who have fled to the West, these refugees do not qualify for United Nations help because they have the rights of citizens and opportunities for integration.

There are the even larger groups of Pakistanis and Indians who were displaced by the partition of India 12 years ago. Their governments have not applied for international aid, although there is some feeling Pakistan may seek outside help for the unsettled refugees now within her borders.

[From the New York Times, May 20, 1959]

WHITE HOUSE CONFERENCE OPENS TODAY ON WORLD REFUGEE YEAR—MORE THAN 160 EXPECTED AT SESSION TO PLAN U.S. AID TO HOMELESS MILLIONS—FUNDS AND NEW LAWS ARE GOALS

(By William J. Jorden)

WASHINGTON, May 20.—A White House conference on world refugees begins tomorrow.

The 2-day gathering, sponsored by the President, will discuss the role the United States can play in the United Nations' World Refugee Year program that begins in June. More than 160 Americans, representing a wide variety of welfare agencies and charitable groups, will take part.

A message from the President will be read at the opening session by the chairman of the conference, Loy W. Henderson, Deputy Under Secretary of State. Vice President RICHARD M. NIXON will address the group.

Yesterday, President Eisenhower issued a proclamation designating the 12 months beginning July 1 as World Refugee Year in the United States. He urged all Americans to support generously the programs worked out during the period for the assistance of refugees.

On Capitol Hill several Senators called for revision of U.S. immigration laws and the relaxation of barriers to the entry of refugees into this country. The Immigration Subcommittee of the Senate Judiciary Committee is holding hearings on several proposed revisions of immigration statutes.

Senator JACOB K. JAVITS, Republican, of New York, spoke in favor of several major changes in immigration regulations. He urged approval of a series of amendments in the Immigration and Nationality Act that would revise the national quota system by basing it on the 1950 census rather than the 1920 census, permit the pooling of unused immigration quotas for use by those otherwise not eligible, and establish a permanent refugee program under which the President could authorize admission of as many as 60,000 refugees annually.

Senator JAVITS also favored extending for 2 years the law granting nonquota immigrant status to orphans under 14 years old whom U.S. citizens had adopted or were going to adopt.

Senator HARRISON A. WILLIAMS, JR., Democrat of New Jersey, appeared before the subcommittee and charged that present immigration laws discriminated against Jews and Italians. He said the laws also discriminated against Poles and other Eastern Europeans.

"How can we convince the world that we mean what we say about recognition of individual merit and equality of opportunity when our immigration law suggests exactly the opposite?" he asked. "And we carry the hypocrisy to the height of folly when in the case of Europe we base the quotas on place of birth, and in the case of Asia base it on ancestry, regardless of place of birth."

Senator KENNETH B. KEATING, Republican of New York, spoke in a similar vein. He said restrictions on immigration "display a distrust, discrimination, and isolation toward other peoples which are contrary to many of our basic ideals," Senator KEATING is a member of the subcommittee.

Senators HUBERT HUMPHREY Democrat of Minnesota, and RICHARD L. NEUBERGER, Democrat, of Oregon, also spoke in favor of changes in the immigration laws.

Legislative changes affecting the immigration of refugees to the United States will be among the measures to be discussed at the White House conference. Representative FRANCIS E. WALTER, Democrat, of Pennsylvania, chairman of the immigration subcommittee of the House Judiciary Committee, will address the conference on refugees.

Other measures that will get consideration include increased use of surplus agricultural products to help feed refugees and the use of both private and public funds to help support them and assist them in finding new homes.

The conferees will direct their attention particularly to the problems of about 15 million persons who have not been able to establish themselves satisfactorily in the countries where they found asylum.

[From the New York Times, May 21, 1959]

MORE HELP FOR REFUGEES

A conference of more than 160 Americans called by President Eisenhower will begin discussions in Washington today of what the United States can and should do in connection with the forthcoming World Refugee Year. The observance, under United Nations leadership, opens in June.

The American preliminary conference can serve a twofold purpose. First, it can take up proposals and make specific recommendations. Several of these suggest themselves immediately. The United States, through both Government and private channels, will continue to supply funds to aid refugees and it may be necessary to increase these contributions. The United States may be able to use surplus food supplies to meet certain needs. Certainly the relationship of our immigration laws to the ultimate solution of the problem must be discussed.

A second function, both of this conference and of the Refugee Year itself, is once more to call attention to the truly global aspect of the refugee problem. Much effort has been made thus far, but a gigantic task remains to be faced. It cannot be met with small and piecemeal operations, however well meaning and generous.

Millions of people in various parts of the world must still be regarded as refugees. They have been uprooted from their homes and their traditional societies. Their flight has usually been the product of deadly fear, not yet overcome. Their new status, in many cases, has not yet been established or is profoundly unsatisfactory. They represent a continuing challenge to the good will, intelligence and imagination of those who are more fortunate.

The American effort, and that of the Refugee Year, will give first priority to the problem of how best to help those least able to help themselves. In this way it goes far beyond its political and economic aspects and becomes an effort in true humanity. The Refugee Year sprang from a moral impulse and the United States is now making its first move to give this practical form.

[From the New York Times, May 20, 1959]

WORLD REFUGEE YEAR WAS IDEA OF FOUR BRITONS

UNITED NATIONS, N.Y., May 20.—The idea of a World Refugee Year began in the spring of 1958 with four Britons who wrote a series of articles for the British political magazine Crossbow. The four were Christopher Chataway, the British track star, and Colin Jones, Trevor Philpott and Tim Raison.

The idea caught on and a conference of private agencies was set up in London. A planning committee was organized, and finally the government agreed to sponsor the plan in the United Nations.

Its supporters envisioned the program as the humanitarian counterpart to the International Geophysical Year.

Britain, the United States and eight other nations cosponsored the resolution on World Refugee Year. It was approved December 5, 1958, by a vote of 59 to 9, with 7 abstentions. The nine dissenting votes were from the Soviet bloc. The abstentions were by some Asian and Arab members.

[From the Washington Post, May 20, 1959]

IKE SETS WORLD REFUGEE YEAR, CALLS ON AMERICANS TO HELP

(By Elsie Carper)

President Eisenhower proclaimed the year beginning July 1 as World Refugee Year yesterday and called on Americans to support voluntary organizations aiding the homeless people of the world.

The proclamation is part of U.S. participation in the special year designated by the United Nations in a resolution approved last December over the opposition of the Soviet Union and the satellite countries.

Purpose of the year is to focus world attention on the problems of the more than 2 million men, women, and children in need of assistance.

The U.S. cosponsored the resolution in the United Nations. President Eisenhower said yesterday the United States had acted "consistent with its traditional principles of humanity, sympathy and interest in the welfare of other peoples of the world."

To help formulate the role that the American people and the Government will play during the year, 200 prominent Americans will gather at the White House Thursday and Friday. Participants will represent religious, business, labor and civic groups and the entertainment field.

The meeting was called by the President at the request of the U.S. Committee for Refugees, a private organization, made up of voluntary groups interested in refugee problems and headed by the Very Reverend Francis B. Sayre, Jr., dean of Washington Cathedral.

President Eisenhower said he will be unable to personally participate in the meeting but said he was looking to the conference to help formulate specific plans for United States aid.

Vice President RICHARD M. NIXON is to speak at the opening session Thursday morning. The meeting opens at 10:45 a.m. in the Indian treaty room of the executive offices. John W. Hanes, Jr., Administrator of the State Department Bureau of Security and Consular Affairs, will outline Government participation, and Representative FRANCIS E. WALTER, Democrat, of Pennsylvania, chairman of the House Judiciary Subcommittee on Immigration and Naturalization, is to speak on special immigration legislation.

American aid could take three forms—increased contributions from the Government and private groups to international organizations working with refugees, increased donations of surplus food, and a letting down of immigration barriers to make unused immigration quotas available to refugees.

Speakers at the Friday session will include Representative WALTER H. JUDD, Republican, of Minnesota, a member of the House Foreign Relations Committee, and Deputy Under Secretary of State Robert Murphy.

Refugees in need of assistance include 100,000 in Europe who escaped from behind the Iron Curtain, an estimated 1 million Arabs who lived in what is now Israel, 9,500 Europeans in Communist China, more than 5,000 Tibetans now in India, up to 200,000 Algerians in Tunis and Morocco, 3,000 Jews who left Egypt for Europe during the Suez crisis, and others in southeast Asia.

[From the Washington Post, May 20, 1959]

WHAT IS A REFUGEE?

(By Roscoe Drummond)

CONFERENCE URGED TO AID YUGOSLAV ESCAPEES

This week's White House conference, which President Eisenhower called to give impetus and support to the U.N. Refugee Year beginning in June, has a large and urgent agenda.

There are 2,357,500 unassimilated refugees who have sought the asylum of the free world. They have a claim upon our humanitarian instincts and it is in our interest to help in every practicable way.

But I should like to raise a single, specific question which points up an unnecessary conflict within our own foreign policy and which we will need to see as unnecessary if we are to resolve it. The apparent conflict is right here.

We provide considerable economic aid to Yugoslavia on the ground that Tito has achieved independence of Soviet domination and that it is in the interest of the West to help him maintain his country's independence.

We shrink from giving adequate help to resettle the Yugoslav escapees, who are continuing to flee their country, and hesitate to recognize frankly that they are genuine refugees—not just happy-go-lucky, venturesome migrants.

I submit that there is no conflict in reality between a policy of economic aid to Yugoslavia and a willingness to relieve the plight of the Yugoslav refugees.

There is no need to pretend that Marshal Tito's Yugoslavia is anything other than an oppressive Communist dictatorship. We don't need to justify aid to Yugoslavia on any pretense that the Yugoslavs are a free people. We are giving aid despite the fact that they are not a free people and because of the fact that the Tito government is no longer ruled from Moscow, because Titoism is a very real source of trouble for the Kremlin and that it is in our interests to keep it so.

It is also in our interests to help provide asylum for those courageous Yugoslavs who have dared to break from the political and economic persecution of their Communist state.

But thousands of Yugoslav escapees are today being turned back at the frontier and other thousands allowed to languish without resettlement because U.S. officials and others are disposed to label them differently from other refugees, to catalog them as "economic refugees," and, therefore, not eligible for political asylum.

Obviously it is not easy to assess the controlling motivation of every Yugoslav escapee, but it seems to me that these facts show that the 26,000 who left Yugoslavia in 1947, the 12,000 who fled in 1958, and the other thousands who are still making their way across the frontier to the free world are not just looking for a wage increase.

The flow of refugees has increased during the period of somewhat improved economic conditions. In 1955 only 1,492 sought freedom in Austria. In 1956 the number went to 5,337, and 1957 it mounted to 14,200.

They fled despite the knowledge that no jobs were waiting for them in Austria or Italy.

The rate of escape goes up almost in direct proportion to the way the Communist political and economic dictation is clamped down.

Many nationals of Communist countries entered Belgium with legal visas to attend the Brussels World Fair. Of the 282 who asked to remain as refugees, 207 were Yugoslavs. They were from the ranks of the skilled trades and professions. They wanted to get away from communism and so do the others.

True, you can't say that these Yugoslav refugees were persecuted individually. The reason is that they have all been persecuted collectively. They are not personally discriminated against. They all suffer oppression alike.

This is only one facet of the whole range of refugee problems which the White House conference must examine. It seems to me to deserve special consideration.

PRESENTATION TO SENATOR GREEN OF 1959 WORLD TRADE AWARD

Mr. FULBRIGHT. Mr. President, yesterday, May 20, 1959, my immediate predecessor as chairman of the Committee on Foreign Relations, the senior Senator from Rhode Island [Mr. GREEN], was honored at a luncheon meeting held at the Mayflower Hotel here in Washington by the presentation of the 1959 World Trade Award of the Washington Board of Trade. Many members of the diplomatic corps, key businessmen of the area interested in world trade, and officials of the Washington Board of Trade and its world trade committee witnessed the presentation ceremony.

Mr. Victor Schinnerer, president of the Washington Board of Trade, presented an impressive plaque to my distinguished colleague from Rhode Island, which bears the following inscription:

THE WASHINGTON BOARD OF TRADE, 1959, WORLD TRADE AWARD

Presented to THEODORE FRANCIS GREEN, chairman emeritus, Foreign Relations Committee of the Senate, in recognition of his untiring efforts to bring about greater understanding between peoples of the world as evidenced by his service of nearly two decades on the Foreign Relations Committee of the Senate and serving as chairman from 1957 to 1959.

VICTOR O. SCHINNERER,
President.
JOHN C. PYLES, JR.,
Secretary.
WASHINGTON, D.C., *May 20, 1959.*

In acknowledging this tribute, my distinguished colleague spoke forcefully on the subject of world trade, and I ask unanimous consent to have his address printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY U.S. SENATOR THEODORE FRANCIS GREEN, OF RHODE ISLAND, WHEN ACCEPTING AN AWARD GIVEN BY THE WASHINGTON BOARD OF TRADE, WEDNESDAY, MAY 20, 1959, MAYFLOWER HOTEL, WASHINGTON, D.C.

President Schinnerer, the Honorable Jose Figueres, and other distinguished guests, ladies, and gentlemen, I highly appreciate the honor which you have accorded me and the

very generous words you used in presenting me with the 1959 World Trade Award. I shall cherish this award always and shall never forget your kind sentiments which prompted it.

I would like, if I may, to return the compliment to the Washington Board of Trade and to you, the members of the world trade committee. I understand that this year marks the 70th anniversary of the board of trade. Founded in 1889, with a membership of only 200, you have now grown to a membership of 7,000. Today you are not only numerically strong, but you occupy a high position of responsibility in this community. It is significant, moreover, that by virtue of your location here in the Nation's Capital, you have become an effective spokesman not only for the business community, but also for the Nation as a whole—indeed, through the diplomatic corps here in Washington for the world community as well.

I doubt whether in any field your endeavors have proved more rewarding than in the work of your world trade committee. In this international community, this world trade committee has for many years carried high the banner of reciprocal trade and economic cooperation among free world countries. Through it, with a keen sense of our national values, you have spoken with a clear and consistent voice in support of those trade and economic policies which are such an important part of our overall foreign relations.

This year also marks another milestone—the 25th anniversary of our reciprocal trade agreements program. This program—conceived by that great American, Cordell Hull—has been the symbol and major substance of our economic foreign policy for the past quarter of a century. Through it we have sought both to advance our economic welfare and also to build international understanding and friendship.

Because I share with you a dedication to the principles of reciprocal trade, I congratulate you for the fine work that you have done and take special pride in the honor you have accorded me today.

I am honored, too, by the presence here of Señor Figueres and I look forward to listening to him because he is a most articulate and effective spokesman for democracy and hemispheric solidarity. He is a statesman of vision and practicality, an ardent fighter against communism and a true friend of the United States. As such a true friend, he does not hesitate to remind us that friendship carries with it the responsibility of understanding and mutual cooperation.

I would like to say a few words about foreign policy and the average citizen, and can do no better by way of preface than by quoting from a statement made by Señor Figueres to the House Foreign Affairs Committee just a year ago. In commenting on the U.S. foreign policy, he made the astute observation that we "live under a regime of public opinion, and everybody is theoretically responsible for the foreign policies of this country. Actually, responsibility is divided among the executive branch of the Government, Congress, business, labor, and the press. I do not need to point out that this shared responsibility, added to the size and the role of the United States, makes foreign relations exceptionally difficult."

Señor Figueres' observation is well taken. Foreign policy is not a subject reserved to the diplomat and to the governmental specialist: it is not a mysterious business whose secrets are known only to the initiated few. I doubt that it has ever been.

In the days ahead, in my judgment, our foreign relations will become of increasing concern and interest to every citizen. It will be an area of national policy in which the views and actions of the citizen will be of growing importance. For foreign policy is not a matter only of diplomatic conferences, whether at the summit or at the foothills. It is also, and increasingly, a matter of day-to-day contacts—of economic, cultural, and social relations.

I want to emphasize today the economic aspects of our foreign relations because these have come to the fore in recent times. It is a fundamental objective of our foreign policy to promote the development of a functioning economic system in the free world. This means expanded and freer trade. It means investment and assistance for economic development and growth. It means, in short, doing what is necessary through our international economic relations to promote economic progress. This is to our own advantage as well as to the advantage of our free world neighbors.

These objectives of our foreign policy have a validity which we have recognized for many years. However, they are given special point and purpose today by the economic offensive which has been launched against the free world by the Soviet bloc.

It is here where the citizen and especially the businessman can make an outstanding contribution. We believe in private enterprise and economic freedom and so we will not use totalitarian methods to fight the Soviet economic threat, but we will mobilize through private enterprise to expand foreign trade and to increase private investments overseas.

Thus it is that the members of your world trade committee, through the strong and effective support that you have given to a positive foreign economic policy, have become citizen-diplomats working to accomplish the objectives of our foreign policy.

However, there is more to be done. Freer and expanded world trade is still an important objective that requires constant vigilance. Effective cooperation among free-world nations in this area is essential. The General Agreement on Tariff and Trade is the mechanism for such cooperation. It needs strengthening, and one way to do that is to establish the Organization for Trade Cooperation as proposed by the U.S. Government. Your support here, too, is vital.

Expanded private investment abroad is also essential. Several studies in this area have been issued recently by the Government. An important bill containing major recommendations in the tax field to promote investment abroad has been introduced by Congressman HALE BOGGS, the chairman of the House Foreign Trade Policy Subcommittee. It is important for all of us to become familiar with this proposed legislation and the opportunities it affords.

Working for such sound objectives will serve our foreign policy well. It will also bring good returns to ourselves. For expanding trade and investment promotes economic strength and progress, whose benefits will be shared by all. We will all share in the fruits of prosperity and abundance, unless we are so shortsighted as to deny ourselves our share of the fruits of expanded trade.

We have, I fear, on some occasions in the past acted shortsightedly by raising barriers to trade which led to unfortunate psychological and foreign-policy results. One such example was the increase by the administration in 1954 of our duties on Swiss watch imports. Not only did this restrictive Government action tend to undermine our trade objectives and inject a note of uncertainty in the conduct of world trade, but it is ironic that the tariff increase led to further cries for protection and did not meaningfully resolve the issue.

To err is human—but it takes maturity and strength to recognize one's errors and to correct them. If the administration were to do so in the case, it would be a heartening demonstration of our high purpose and good intent in promoting prosperity and understanding in the free world community.

It is appropriate here to conclude by quoting the words of Albert Gallatin, the Swiss-born Secretary of the Treasury under Presidents Jefferson and Madison. With uncommon wisdom, he made the following statement over 100 years ago: "It is commerce which unites the nations of the civilized world * * * it is principally to commerce that we are indebted for modern civilization."

For the work that you yourselves have done and will do in the future in helping to promote commerce among nations, I salute you, the members of the world trade committee of the Washington Board of Trade and once again I express my great pride and satisfaction in the World Trade Award which you have given me today.

Thank you very much.

DEATH OF CARL HOLDERMAN, COMMISSIONER OF LABOR AND INDUSTRY, NEW JERSEY

Mr. WILLIAMS of New Jersey. Mr. President, I would like to take a minute if I may to speak about a man who served as State commissioner of labor and industry in New Jersey until his death today.

Carl Holderman was a remarkable public servant who could understand the human values involved in Government programs. He was a good, hard-working labor official until his appointment to State office, and yet he could, while serving as commissioner work for the good of all groups in the State and not any particular group.

Many persons—his neighbors in Nutley, those who remember him from his childhood days at Hornell, N.Y., those who knew him as president of the New Jersey State CIO from 1943 to 1953—feel today that they have lost a good friend and a remarkable public servant.

We who were fortunate enough to know him personally—and all who knew him as a State official—shall miss his understanding, energy, and imagination. He gave new dimensions to our comprehension of questions affecting labor and management.

The PRESIDING OFFICER (Mr. MUSKIE in the chair). Is there further morning business? If not, morning business is closed.

Mr. JORDAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. COOPER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NEWS BY STOPWATCH IS NEWS BY STATE CONTROL

Mr. CASE of South Dakota. Mr. President, recently I joined with the Senator from Indiana [Mr. HARTKE] and other Senators in cosponsoring a bill to revise the Communications Act of 1934. I did so because I believe that the ever-increasing use of radio and television in

the conduct of elections is highly desirable in that these media provide a means for public information. We need to encourage the fair use of these media, which serve to better inform the citizenry on public issues.

Section 315 of the Communications Act of 1934 endeavored to chart the course for fair broadcasting behavior. It required broadcasters to afford fair and equal opportunities for all candidates to use a broadcasting station. Last February, in the Lar Daly case the FCC interpreted this section to mean that broadcasters must grant candidates equal time in newscasts—not merely on the candidate's political speeches. This decision has rightly met with considerable criticism from broadcasters and newspapermen alike.

Dr. Frank Stanton, president of the Columbia Broadcasting System, attacked the decision as "perhaps the most severely crippling decision ever to be handed down with regard to broadcast journalism." Dr. Stanton said the FCC ruling "attempts to substitute a ridiculous mathematical formula for the responsibility of news editors in handling the news of political campaigns."

Mr. Robert W. Sarnoff, chairman of the board of National Broadcasting Co., similarly warned:

> The danger of Government intervention in the programing process is very real.

Editorial reaction has been equally critical.

At this point, Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Sioux Falls (S. Dak.) Argus Leader of March 25, 1959, entitled "Absurd Restrictions on Newscasts."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ABSURD RESTRICTIONS ON NEWSCASTS

Television and radio stations are in a dither now over a recent ruling of the Federal Communications Commission granting equal time to political candidates on newscasts.

What is disturbing about the new ruling is its scope. It came in connection with an incident in Chicago. The city's mayor, a candidate for reelection, was depicted in a televised newscast while greeting a distinguished visitor at the airport. Another candidate for mayor contended he was entitled to equal time even though there was nothing in the airport newscast about politics or the election. The FCC ruled that he was.

The problem that this has imposed upon the radio and television stations in respect to news reports is obvious. If they present a governor performing some official act during a campaign, they are required to give equal time to all other candidates for governor.

The difficulty imposed herein can be brought close to home by considering the mayoralty campaign in Sioux Falls. If a television or radio station presents Mayor Fay Wheeldon giving an address of welcome to a convention, as he does frequently, they apparently are obligated to give similar time on the air to the three other candidates.

This problem was brought to the attention of President Eisenhower last week and he termed the FCC ruling "ridiculous." And so it is. Obviously radio and television stations will be grossly hampered in their presentation of the news if this ruling is to continue. There are frequently as many as 10 or 12 candidates for an office. In situations such as that the broadcasters and telecasters would be virtually forced to ignore news in which a certain official who is a candidate might be involved.

The basic point involved is the interpretation of the Federal law. The FCC says it is merely doing what the law says it must do. If so, most certainly the law should be changed. No such restriction should apply to the dissemination of news.

Mr. CASE of South Dakota. Mr. President, the President has termed section 315 "ridiculous." Mr. John Doerfer, Chairman of the FCC, has called for repeal of section 315. Attorney General Rogers' recent memorandum urged that the FCC reverse its equal time ruling in the Lar Daly case.

We pride ourselves on freedom of speech and press in this country. But a ruling which can indirectly inhibit the handling of news would be as injurious to a free press and free speech as censorship.

To require equal time for all candidates in the coverage of news is as absurd as requiring of a newspaper equal space to all candidates, including minor factions. It would make candidates the judges of news values; abuse would be inevitable.

An informed electorate is essential in democracy. Feeding the news to the public by a measuring spoon or regulating its quantity by a stopwatch is hardly the way to accomplish this desired objective. Rather, reporting of the news should be left to the discretion of the news media. News by stopwatch would be news by State control.

In our review of this important piece of legislation, I believe that we need to provide assurance that minority groups will be protected. The legislation which has been introduced to revise section 315 recognizes the minority groups with respect to candidates for the Office of President or Vice President of the United States. At the same time, the definitions set forth would not require that equal time be provided for mere publicity seekers who are not bona fide candidates, unless they represent a substantial number of supporters.

I have been concerned with the fact that the proposed legislation does not provide definitions of qualified candidates for State and local offices, including Members of Congress. However, I am assured that this matter is being given further study and that amendments will undoubtedly be offered in committee to cover this field.

I would not wish to see this legislation in anyway infringe upon the rights of legitimate fringe parties who have candidates for any office.

Another section of the bill to revise section 315 would free newscasts and similar type programs which are under the exclusive control of the broadcasting from the equal time requirement. Unless a change of this type is forthcoming, we may well see radio and television forced out of the business of covering political campaigns. This result would be unfortunate indeed for the American people and their right to be informed on public issues.

I hope that in our consideration of the legislation to revise section 315 we can thoroughly review this important subject and provide a sensible solution.

SUPPORT LEVEL FOR TOBACCO

Mr. JORDAN. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the unfinished business, Senate bill 1901.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. The bill (S. 1901) to amend section 101(c) of the Agricultural Act of 1949 and the act of July 28, 1945, to stabilize and protect the level of support for tobacco.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Carolina?

There being no objection, the Senate resumed the consideration of the bill.

Mr. COOPER. Mr. President, I ask unanimous consent that Mr. Frank Ellis, assistant to the Honorable FRANK STUBBLEFIELD, Member of the House of Representatives from the First District of Kentucky, be accorded the privilege of the floor during the consideration of S. 1901. Mr. Ellis has worked on this proposed legislation in the House.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JORDAN. Mr. President, there is an urgent need for the passage of the pending bill, S. 1901.

I say there is an urgent need for a number of reasons.

First of all, this year's tobacco crop has been planted, and farmers in the tobacco growing areas are anxious to know what the level of price supports will be on the 1959 crop.

The intent and purpose of S. 1901 are simple. This bill would prevent for an indefinite period further increases in tobacco prices—further increases which will occur unless the existing law is changed.

Without going into detail, I should like to point out how this proposed legislation came about.

For the past year growers, warehousemen, manufacturers, exporters, and others interested in tobacco have been concerned over steady increases in prices which have resulted from the use of modernized parity in computing price supports.

For some time it has been obvious that important export markets will be seriously endangered unless tobacco prices are stabilized.

As a result of the impending danger to exports, a group of leaders in the tobacco industry began a series of meetings last fall in an effort to work out a sound and reasonable solution to the problem.

It was a matter of stabilizing prices and regaining export markets, or of taking a sharp reduction in acreage.

It was agreed, after a conference with the Secretary of Agriculture, that the growers, warehousemen, manufacturers, and exporters themselves would take the lead in a movement to stabilize tobacco price supports.

I am certain that this willingness on the part of all segments of the tobacco industry played an important part in the decision the Secretary of Agriculture made to continue for 1959 the same marketing quotas which were in effect for tobacco in 1958.

Shortly after Congress convened in January, a bill, H.R. 5058, was introduced in the House of Representatives by Representative JENNINGS. At a hearing in February on this bill, no less than 17 tobacco organizations appeared before the House Subcommittee on Tobacco and supported it unanimously.

After the hearings the bill was slightly modified and approved by the House Committee on Agriculture. S. 1901 is identical to the amended version of H.R. 5058.

The effect of S. 1901 is simple. It provides that there shall be no increase in the dollars and cents level of price supports on most types of tobacco above the 1958 price support level until price support computed under old parity exceeds the 1958 dollars and cents level. It further provides that in the event the price support under old parity exceeds 1958 supports, then the Secretary shall choose between old parity or new parity in setting price supports, whichever is lower.

The practical effect of the bill will be to prevent an increase of about 1 to 2 cents per pound in tobacco prices each year for the next 4 to 6 years.

On a number of occasions, the Department of Agriculture has been asked to give its views on this proposed legislation. There have been several answers. In none of the answers, of which I am aware, is there outright disapproval. In some answers, the Department has said that the pending legislation would be a definite improvement over existing legislation.

The Department's report on S. 1901 was not received until yesterday morning. It is almost identical to other reports on the same legislation, with one exception. In preceding reports, the Department has said such proposed legislation represented an improvement over existing law. In the report yesterday, the Department says the bill does not go far enough.

I ask unanimous consent that a copy of the Department report received yesterday be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

MAY 19, 1959.

Hon. ALLEN J. ELLENDER,
Chairman, Senate Committee on Agriculture and Forestry, U.S. Senate.

DEAR SENATOR ELLENDER: This is in reply to your request for a report on S. 1901, a bill to amend section 101(c) of the Agricultural Act of 1949 and the act of July 28, 1945, to stabilize and protect the level of support for tobacco.

This bill provides that the level of price support for tobacco shall not exceed the 1958 crop support level until such time as 90 percent of parity computed in the manner used prior to the enactment of the Agricultural Act of 1948 exceeds the 1958 crop support level or 90 percent of parity computed as provided in the Agricultural Adjustment Act of 1938, as amended, and that thereafter the support level shall be 90 percent of parity computed in the manner used prior to the enactment of the Agricultural Act of 1948, or computed as provided in the Agricultural Adjustment Act of 1938, as amended, whichever is lower. The bill excepts Connecticut Valley cigar binder types 51 and 52 for which parity was recently redetermined under section 301(c)(1)(F) of the Agricultural Adjustment Act of 1938, as amended, and also excludes those kinds of tobacco for which marketing quotas were not in effect in 1958, namely, Pennsylvania filler type 41 and Puerto Rican filler type 46.

We estimate that the index of prices paid by farmers would have to increase about 16 percent for Burley and 11 percent for flue-cured—our major export tobacco—before the old parity provision would go into effect and the freeze removed. The extent of the increase required on the various types of tobaccos is shown in the attached table.

The Department is convinced that the United States can produce competitively a quality of tobacco which cannot be duplicated anywhere else in the world, and that we should sincerely try to find someway to let our farmers produce it. Tobacco farmers have, under the present rigid program, been sacrificing their longtime best interests for possible temporary gains. At a time when world consumption of tobacco is increasing at the rate of 5 percent a year, our exports have been decreasing relatively at a rapid rate. Although it is generally recognized that the economy of the tobacco grower in many types of tobacco is heavily dependent upon exports, we continue to follow a course that is continuously shrinking our share of the world market.

We believe that the present price support program with its built-in system of constantly increasing support prices will, over the next 10 years cause us to lose most of our commercial export markets and force the domestic industry to 100 percent utilization of the tobacco leaf. While the proposed bill will eliminate or at least minimize the substantial increases in the support levels which otherwise will occur in the next few years under the present support system, we believe that the use of any measuring device for price support purposes which fails to take into account present day production technology, is most unwise. Unfortunately, both old parity and modernized parity rely heavily on price relationships which existed when farming was almost entirely a mule and plow, and a man and hoe, operation.

The Department feels that the tobacco program should be modified on a positive basis designed to achieve increased disappearance of U.S. tobacco with a corresponding opportunity for increased production and higher allotments. A proposal for a positive modification of the tobacco program was outlined in a memorandum dated January 19, 1959, from the Department to the President, as follows:

"Farmers who grow tobacco have been losing markets at home and abroad. As prices of U.S. tobacco increase, foreign buyers change their blends and turn to other sources of supply. They may never be induced to return to our markets. The present old laws result in price supports at continually rising levels. Acreages at home have been severely cut to low levels while acreage and production expand abroad.

"Legislation should be enacted to relate the support price to the market average or, if the parity formula as a basis for price supports is continued in use, to provide wide discretion in the level of supports.

"In addition, modifications of the control program may be in order. Tobacco growers have widely discussed the desirability of modifying the present control system. Their ideas of providing either a poundage quota or a poundage-acreage control have merit."

This bill fails to go far enough in correcting this situation for the following reasons:

1. It would freeze price supports for tobacco at current high levels, thus hampering efforts to expand markets and to curtail foreign production. Instead of such a freeze we need more discretion in setting the support level so that we can regain markets rigid supports have lost for tobacco.

2. It would put back into use a formula which previously was discarded by Congress because it resulted in unrealistic parity prices. Under the old formula parity price for tobacco is based on the level of prices in 1934–38 for Flue-cured and Burley, and 1919–28 for other tobaccos, modified to the extent that prices paid by farmers have changed. Use of this base period some 20 to 30 years ago fails to recognize the changes which have occurred in farm technology since then, and the changes in intercommodity relationships. It was these shortcomings which led Congress to adopt a modernized parity which takes into consideration price relationship in a recent 10-year period.

3. It would result in a dual standard of parity prices. Since old parity is the lower of the two parities, it would be used for tobacco whereas new parity would be used for other commodities. If we are to use parity price as a standard for price support, we should use the same formula for all commodities.

4. It would continue to place tobacco growers at an advantage over producers of other crops. Currently, tobacco is the only price support commodity where the Secretary has no discretion in setting support levels. This level is and has been higher in terms of percent of parity than it has been for other crops where even under present law some discretion is permitted.

This bill, S. 1901, reflects a recognition of the soundness of the administration's position that the present program is destroying markets rather than building them.

This bill, S. 1901, reflects a recognition that the present law can only result in decreased allotments.

The Department feels that the bill is not adequate and that the administration's tobacco program outlined above is far better.

The Bureau of the Budget advised that there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE,
Acting Secretary.

Increase in old parity for tobacco required before 90 percent of parity becomes effective support level under S. 1901

Tobacco types	1958 support level	90 percent of old parity May 1, 1959 [1]	Increase required in old parity before 90 percent of old parity becomes effective support level
	Per pound	*Per pound*	*Percent*
Flue-cured (11–14)	$0.546	$0.492	11.0
Burley (31)	.554	.478	15.9
Maryland (32)	.508	.412	23.3
Dark air-cured (35–36)	.345	.176	96.0
Virginia sun-cured (37)	.345	.237	45.6
Fire-cured (21)	.388	.249	55.8
Fire-cured (22–23)	.388	.217	78.8

[1] Computed in the manner used prior to the enactment of the Agricultural Act of 1948, with revised parity index.

Mr. JORDAN. Mr. President, I hope the Senate will pass the bill unanimously.

Mr. GORE. Mr. President, will the Senator yield?

Mr. JORDAN. I yield.

Mr. GORE. I express disappointment that the Senate Committee on Agriculture and Forestry did not hold hearings with regard to a bill of this importance. I wonder if the Senator from North Carolina is able and willing to tell the junior Senator from Tennessee exactly how much lower the price support would be on the crop for 1959 under the provisions of the bill than it would be if the bill were not enacted into law?

Mr. JORDAN. From 1 to 2 cents.

Mr. GORE. From 1 to 2 cents per pound?

Mr. JORDAN. Yes.

Mr. GORE. Is that on Flue-cured or Burley?

Mr. JORDAN. The Flue-cured and the Burley vary a little.

There were extensive hearings held in the House of Representatives, which I and a number of others attended. Representatives of the Flue-cured and Burley segments of the industry were in attendance, and both segments of the industry were agreed on the bill. They were willing to take a small reduction in price in order to keep the price from going up, a process which is getting them into trouble in the foreign markets.

Mr. GORE. Is the Senator not concerned that the bill would provide for going back to the base period of 20 or 30 years ago for a yardstick on parity?

Mr. JORDAN. This bill, for all practical purposes, would freeze the price support at the 1958 level. It could not go back far enough to hurt the industry.

Mr. GORE. In effect it would freeze the support on an actual dollars-and-cents basis, would it not?

Mr. JORDAN. At the 1958 level.

Mr. GORE. Does that mean that the formula fixed in the bill would have little or no effect?

Mr. JORDAN. It would not have any effect for several years. Next year it can be changed if it works a hardship.

Mr. GORE. I have read the letter of the Secretary of Agriculture. I agree with something he says, and disagree with others. Is it correct that the bill, to the extent that a formula is used, would use a base period of 20 or 30 years ago?

Mr. JORDAN. That is correct—the old parity.

Mr. GORE. Is that not a rather sharp departure? If we are to have a parity formula, should it not be a moving parity formula, one more nearly commensurate with current conditions?

Mr. JORDAN. The trouble with the modernized parity formula which is now being used is that it is more of an escalator. Tobacco prices have been going up steadily every year, because of the new formula. Tobacco is becoming so high priced that we are rapidly losing our export markets. Unless we can export a large proportion of our tobacco, we shall be in serious trouble. The growers, warehousemen, and others agree that there will be another acreage cut unless action is taken. As the Senator knowns, some of the growers have less than one acre. If a farmer has six-tenths of an acre or less, pretty soon he is going out of the tobacco business. It is felt that the bill will stabilize the price of tobacco, to the point where the growers can compete with tobacco produced in other areas of the world, which is becoming a serious threat to the American crop.

Mr. GORE. So long as the cost of living remains reasonably constant, and the cost of production for the farmer does not greatly increase, the tobacco farmer can be reasonably satisfied, I take it, with a price support level frozen, as the bill provides, at the current level. Does the bill which the Senator advocates make any provision for an increase in the price support of flue-cured and other types of tobacco in the event that there should be an increase in the cost of production and in the cost of living?

Mr. JORDAN. As the old parity goes up, the price support will go up with it.

Mr. GORE. I understood the Senator to say, however, that the bill would freeze the price support level at the current dollar-and-cent level of last year's crop.

Mr. JORDAN. Of the 1958 crop.

Mr. GORE. How long would that apply?

Mr. JORDAN. Until the old parity catches up with it. We do not know how long that will be. It is below the 1958 crop level now. The old parity is considerably less, in dollars and cents, than the 1958 level. It could be 6 or 7 years before the old parity catches up with the 1958 level.

Mr. GORE. How would it catch up—by reason of an increase in the cost of the various items which go to make up parity?

Mr. JORDAN. An increase in the cost of whatever goes to make up parity. The Senator knows the items which are used in computing parity.

Mr. GORE. About how much would the cost of living be advanced before the old parity formula reached the level of the current price supports?

Mr. JORDAN. The Senator's guess on that is as good as mine. I do not know.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. JORDAN. I yield.

Mr. COOPER. The testimony was that the costs of the things farmers buy would have to increase 11 percent before parity for flue-cured tobacco would reach the 1958 level. However, I believe the cost of things farmers buy would have to increase 16 percent in the case of Burley before old parity would reach the 1958 level.

Mr. GORE. A 16-percent increase would represent quite a great deal of inflation. So practically speaking, the Senator from Kentucky would agree, I take it, with the statement that the Senator from North Carolina, that for practical purposes the bill would freeze price supports at the level of price supports for the 1958 crop.

Mr. COOPER. No; I would have to disagree with that. It is estimated that if the cost of living should continue to rise at the same rate as it has risen in the past, within a period of from 3 to 5 years old parity would catch up with the 1958 levels of tobacco supports, as they were determined under modernized parity. At that point, assuming that both modernized parity and old parity continued to rise, the lower of the two would prevail, and would fix the level of price supports.

Mr. GORE. I participated in the rewriting of the parity formula, as did the senior Senator from Kentucky, I believe. We thought we were doing the wise and the right thing at the time. Did we seriously err? Or have conditions changed so that we need to return to the formula which we discarded?

Mr. COOPER. The Senator from North Carolina [Mr. JORDAN] was the author of the bill. I remember very clearly when the parity formula was changed, in 1948. In 1949 the Anderson-Gore bill was passed, which reenacted the modernized parity formula of the 1948 law.

The Senator is familiar with the fact that the old parity concept was based upon the principle that the prices tobacco growers received for their tobacco must bear a strict relation to the cost of the goods and services they purchase. There are some 300 items of goods and services taken into consideration in fixing that relationship; and it was based upon a definite base period. The Senator will remember that in 1948, and again in 1949, the parity formula was changed to the so-called modernized parity.

In that formula two factors were introduced which did not obtain in the old parity formula. One was the factor of the continually advancing 10-year period. The base period is a 10-year period which advances yearly. The computation is based upon the average of that 10-year period. If there is a period of continually advancing prices, the effect is that the average automatically goes up on the price side, whether or not there is any advance on the cost side.

The second factor which was introduced into modernized parity was that the parity for any one commodity must bear a relationship to the parity for all other agricultural commodities.

These two new factors have had an influence in advancing the price of tobacco. They bear no relationship to the costs which farmers must pay. One of them is the continually moving base period. The average price during the base period can go up if the price in recent years is rising.

The second factor is that because parity for other farm commodities has decreased, the ratio has automatically caused the parity for tobacco to go up.

That situation, which bears no relation to the cost the farmer is paying, has brought about this steadily increasing and automatically advancing price support for tobacco. The farmer has welcomed it. I recall that when we wrote it into the bill in 1948, we did so because we were afraid that after the war there would be decreases, and we wanted to protect the farmer.

Now, tobacco farmers and their organizations have agreed that their prices are reasonable, and they prefer to have them stabilized at this point. That is the reason why my good friend from North Carolina, the author of the bill, has said that the farmers have proposed that price supports for tobacco be stabilized at the 1958 level. That

level of support would be maintained, as the Senator has so ably pointed out, until old parity catches up.

The reason old parity is written into the bill is that it would bring back into play the very principle the distinguished Senator from Tennessee [Mr. GORE] has mentioned—that is, consideration of costs borne by the farmer.

Mr. GORE. If the Senator from North Carolina will yield further, as I understand, it is proposed to bring the level into play, if need be, and if circumstances are sufficient to bring it automatically into play, for the purpose of giving the farmer some protection against the possibility of an inflationary rise in his own costs. Is that correct?

Mr. JORDAN. That is exactly correct.

Mr. GORE. To that extent I agree that it is good. I am hardly convinced by the explanation of the able Senator from Kentucky, that the factors which have brought about the increase in price supports are intrinsically bad. It seems to me that they have had the very purpose and the very effect of relating the price support on tobacco to the level of our national economy.

Mr. COOPER. I hope the Senator will strike from his remark any reference that I said it was bad. I did not say that.

Mr. GORE. I certainly did not intend to place the Senator from Kentucky in a false light.

Mr. COOPER. I merely pointed out that these factors in the new formula have caused this automatic advance, which tobacco growers believe has reached the point where the price should be stabilized.

Mr. GORE. I certainly did not wish to say anything other than what is desired by the Senator from Kentucky, in referring to what he said. They have had the effect which we intended they should have, and I believe it must be measured, as I understand both Senators to say, by its effect upon the export market.

Mr. JORDAN. Not only the export market, but the domestic market also. Tobacco is the only commodity which is carrying itself. It is not costing the Government any money. The Government does not store tobacco. The tobacco farmers—through their tobacco cooperatives—do that themselves. They naturally do not wish to create a great surplus.

Mr. GORE. I agree that the tobacco price support program has been the most successful part of the price support program.

Mr. JORDAN. Yes.

Mr. GORE. It has been so successful that it alone retains 90 percent of parity in price supports.

Mr. JORDAN. That is correct.

Mr. GORE. It has been so successful through farmer-owned and operated cooperatives that I wish to see it continued. I wish to do what is necessary to continue it. I am raising these questions with that intent and desire. I feel some concern that the bill would abandon for purposes of the export market, a modern parity formula, and substitute therefor a dollar-and-cents freeze. The bill has the advantage, as the Senator has stated, of having in reserve, so to speak, the old parity formula, which will provide some protection for the farmer.

I thank the Senator for yielding to me so generously.

Mr. JORDAN. I wish to add to the very fine statement of the Senator from Tennessee that the growers and warehousemen and exporters are all in favor of the bill. They are thoroughly agreed on it. Not a single tobacco grower organization from any State which produces tobacco was against it. They were all in favor of it.

Mr. GORE. I have a telegram from the American Farm Bureau Federation expressing concern about the bill.

Mr. JORDAN. That is the national organization. That is not the State organization in Georgia or North Carolina or South Carolina or Alabama or Kentucky or Virginia. Also every one of the tobacco farm organizations was represented, and every one of them was in favor of the bill. The bill was written at their request. It passed through the Committee on Agriculture of the House after hearings were held on it. However, the chairman of the Committee on Agriculture of the House, when there was some indication that the farmers did not understand the bill, and perhaps were not in favor of it, went to the various areas. I know he came to North Carolina. He called group meetings to explain the bill to the farmers. The farmers all said, "Yes; we are for it. That is what we want."

Mr. GORE. Is the Senator from North Carolina suggesting that if we must make a choice between the North Carolina organization and the national organization, he will look to his home State organization?

Mr. JORDAN. I have usually taken that attitude on various questions.

Mr. COOPER. Mr. President, I rise to speak in support of S. 1901. It was introduced by the distinguished Senator from North Carolina [Mr. JORDAN], and has been reported to the Senate by the Committee on Agriculture and Forestry, without a dissenting vote. I am very appreciative of the fact that the Senator from North Carolina asked me to join with him in sponsoring the bill. I assume he did so because of my interest in tobacco, and because my State of Kentucky is the largest producer of burley tobacco in the Nation, as the State of North Carolina is the largest producer of Flue-cured tobacco.

I do not wish to take the time of the Senate to discuss the bill at length. However, because of questions which have been raised about the bill, and the apparent misunderstanding on the part of at least some Members of the Senate about its purposes, I wish to take this opportunity to make a record on the bill, in the hope that it will be helpful to Members of the Senate, and helpful in the proceedings which will take place in the House.

As my colleague from North Carolina has said, the pending bill is identical to H.R. 5058, sponsored by Representative W. PAT JENNINGS, of Virginia, which has been reported to the House by the House Committee on Agriculture by an overwhelming majority. I believe there was only one vote against it in the House committee.

I must say frankly that this bill is opposed, as has been stated by the Senator from Tennessee [Mr. GORE], by the American Farm Bureau Federation, or at least by a majority of the directors of the national Farm Bureau organization. To my surprise, I understand that the Secretary of Agriculture has today sent a special message to the chairman of the committee voicing opposition to the passage of the pending bill.

As against this opposition, I point out that during the extensive hearings held by the House Committee on Agriculture representatives of tobacco growers, farm organizations, and tobacco cooperatives and associations in the major tobacco-producing States—States producing Burley, Flue-cured, Dark-fired, Dark Air-cured, and Sun-cured tobacco—testified in support of the bill.

I can say to the Senate that tobacco growers, tobacco warehousemen, tobacco dealers, tobacco export associations—and also the State farm bureau federations in the six major tobacco-growing States, which produce more than 80 percent of all U.S. leaf—support this bill.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a list of the organizations which support the bill. They are 35 in number, and include farm organizations representing tobacco growers in Kentucky, Tennessee, South Carolina, Georgia, Virginia, North Carolina, Wisconsin, Ohio, and Maryland.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

ORGANIZATIONS SUPPORTING TOBACCO BILL

Interstate organizations: Burley and Dark Leaf Tobacco Export Association, Burley Auction Warehouse Association, Bright Belt Warehouse Association, Tobacco Associates, Flue-Cured Tobacco Cooperative Stabilization Corp., National Grange, National Farmers Union, Burley Leaf Tobacco Dealers Association, Leaf Tobacco Exporters Association, Plant Food Institute of North Carolina and Virginia, Association of Dark Tobacco Dealers and Exporters, Conn-Mass Tobacco Cooperative, Inc., National Cigar Leaf Tobacco Association.

Kentucky: Kentucky Farm Bureau, Burley Tobacco Growers Cooperative Association, Western Dark-Fire-Cured Tobacco Growers Association, Stemming District Tobacco Association.

Tennessee: Burley Stabilization Cooperative, Eastern Dark-Fire-Cured Tobacco Growers Association.

South Carolina: South Carolina Farm Bureau, South Carolina Grange, South Carolina Tobacco Warehouse Association.

Georgia: Georgia Farm Bureau.

Virginia: Virginia Farm Bureau, Virginia Farmers Union, Virginia Burley Tobacco Growers Association.

North Carolina: Farmers Federal Cooperative, North Carolina Grange, North Carolina Farm Bureau.

Wisconsin: Northern Wisconsin Cooperative Tobacco Pool, Inc., Wisconsin Tobacco Growers Association.

Ohio: Cigar Tobacco Cooperative.

Maryland: Maryland Tobacco Cooperative, Maryland Farm Bureau.

New York: Leaf Tobacco Board of Trade, New York City.

Mr. COOPER. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD, a statement of the total amount of tobacco produced in the 1958 crop by six of the States mentioned in the list. The table indicates that these States produced almost 85 percent of all tobacco grown in the United States. The tobacco growers in these States support the bill.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Total tobacco produced, by selected States, 1958 crop

State	Number of allotments	Harvested (acres)	Production (thousands of pounds)
Kentucky	175,147	220,200	326,348
North Carolina	139,642	438,300	755,455
South Carolina	27,127	76,000	131,100
Virginia	50,724	83,600	137,678
Georgia	28,842	59,100	91,018
Maryland	6,852	34,000	31,450
Total, 6 States	428,334	911,200	1,473,049
Percent of tobacco produced by 6 States of the United States	[1] 73.9	84.6	84.8
U.S. total	579,964	1,077,600	1,736,204

[1] Growers.

Mr. COOPER. Mr. President, before I speak about the purposes of the bill, I should say that I do not believe the opposition to the bill could be based upon the single and clear purpose of the bill itself, which is to limit the automatic and artificial yearly advance in the level of support prices for tobacco. If the opposition is for any other reason—if it is opposition against the tobacco program itself, or against the 90 percent price supports which Burley and Flue-cured tobacco have enjoyed for years—I do not believe that such opposition is relevant or is supported by the facts.

I myself have supported the existing tobacco program for tobacco growers, including the principle of support prices based on 90 percent parity, for that program has worked well.

In my remarks today, I shall explain the purpose of the bill, which is designed to protect that tobacco program. I shall also explain the reasons upon which the tobacco program rests. It has been the most effective farm program in the United States—for tobacco farmers, for the tobacco industry, and for the protection of the Government itself and the taxpayers, with respect to program costs and the revenue produced by tobacco.

The bill would amend section 101(c) of the Agricultural Act of 1949, which is itself an amendment of the Agricultural Acts of 1938 and 1948.

What is its purpose? The reports of both the House and Senate Committees on Agriculture describe it briefly as an amendment "to stabilize and protect the level of support for tobacco." I believe that is a very good short description.

But specifically, as the Senator from North Carolina [Mr. JORDAN] has said, the bill provides that the 1958 level of price support in dollars and cents—for example, 55.4 cents a pound for burley, determined by the so-called modernized parity formula—shall remain in effect, and shall not be increased until such time as the level of price supports determined by old parity catches up with the 1958 level of price supports. After that time, the level of tobacco supports would be based on the lower of the two computations, whether under old or modernized parity.

The House report estimated that it would be from 3 to 5 years before old parity supports would equal the 1958 dollar-and-cent level of supports. So we can assume that support levels would remain stabilized at last year's level for at least that period—from 3 to 5 years. They could remain stabilized after that time, if the cost of the things which farmers must buy does not continue to advance.

I would like to comment on the differences between modernized parity, enacted by Congress in 1948 and reenacted in 1949, and old parity, which was established under the Agricultural Adjustment Act of 1938, and which prevailed until January 1, 1950.

Perhaps the simplest explanation is that old parity is a formula under which the prices a grower receives for his tobacco bear relationship only to the cost of some 300 products and services he must buy. Modernized parity introduces two additional factors. One is the average price over a constantly moving 10-year period. The second is that the level of prices for all other agricultural commodities is taken into consideration. These factors have no direct relation to the costs a farmer must bear.

The consequence of the modernized parity formula as applied to tobacco has been a steadily advancing level of price supports without relation to costs.

I point out again, as I did a few minutes ago in my colloquy with the Senator from Tennessee [Mr. GORE], that when the modernized formula was written into law, we sought to give assurance that there would not be the great drops in farm prices which occurred after World War I. We were looking to the point of protecting tobacco farmers in the years which were ahead. But it is a fact that the modernized formula, at least with respect to tobacco, has placed tobacco in difficulty, competitively, with the growing volume of foreign-produced tobacco. It could adversely affect the market and sales for tobacco in the United States. If this should occur, it could increase the Government's investment in crop-support loans, and could lead to acreage reductions for tobacco growers. I think we will all agree that tobacco growers cannot stand further cuts in their acreage allotments.

So the bill represents the initiative and voluntary action of tobacco growers and the tobacco industry to avoid these consequences—to prevent artificial increases in support levels, and to improve the competitive position of U.S. tobacco at home as well as abroad.

Failure to enact S. 1901 could result in the accumulation of surpluses by the Government, and in unnecessary cost to the Government and taxpayers. I know this is a matter of interest to Congress, and it should lead to the enactment of the bill.

But essentially—and I emphasize this point—the bill is for the benefit of the tobacco growers. Its purpose is to maintain and protect their tobacco program, to maintain tobacco supports at 90 percent of parity, to encourage stable tobacco supplies and orderly marketing with a view toward maintaining tobacco's competitive position in domestic and world markets, and to prevent further drastic cuts in acreage allotments, something which tobacco farmers cannot stand.

It seems strange that opposition has developed to the bill sponsored by the States which grow tobacco, since it represents a voluntary effort on the part of tobacco growers and their organizations to improve and save their tobacco programs, and to check rising support prices which do not bear relation to the cost of things farmers must buy.

I have a high regard for the American Farm Bureau, having known throughout the years the members and leaders of the Kentucky Farm Bureau, and having supported their programs. The Kentucky Farm Bureau supports this bill. But the American Farm Bureau's opposition, if successful, would result in higher support prices for tobacco than tobacco growers themselves believe in their best interest.

And I think the opposition of the American Farm Bureau is inconsistent with its action toward other farm crops. The American Farm Bureau has advocated and supported legislation representing the judgment and the decisions of growers of other agricultural commodities—notably corn, cotton, and wool—as to the kind of program that is best for them.

Why, I ask, does not the American Farm Bureau accord the same consideration to, and have the same confidence in, the view of the overwhelming majority of tobacco growers that the existing tobacco program is best for them? That is their almost unanimous sentiment.

If, as I have suggested, any opposition to Senate bill 1901 is based upon opposition to the principle of a price-support program for tobacco, and particularly upon opposition to 90 percent of parity supports, or upon opposition to the concept of any price supports based on parity, such opposition is not relevant to this bill. As the Senate knows, support prices at 90 percent of parity for Burley and Flue-cured tobacco, and support for other types, have been in effect for years. Senate bill 1901 does not change this law—that is, price supports for Flue-cured and Burley tobacco at 90 percent of parity. Furthermore, this bill would return the tobacco program in time to the original concept of parity—that is, the relationship of the price the farmer receives for his tobacco to the prices of the materials and services he must purchase, in contrast to so-called modernized parity, which, as I have said, has certain artificial characteristics, and under which prices may rise, even though farmers' costs do not rise.

Today, I shall not elaborate on all of the reasons supporting the parity concept and full 90-percent supports for tobacco. In previous speeches in the Senate, I have set forth in detail those

reasons. But I shall emphasize the reason which makes the parity concept still applicable to tobacco, by saying that it still takes approximately the same amount of hand labor to produce tobacco that it did 25 years ago. With respect to feed growers, five times as much grain can now be produced with the same amount of labor.

A second basic reason is that tobacco has no open market such as other agricultural commodities enjoy. The uses of tobacco are limited. It must be sold to a dozen major tobacco companies and a handful of foreign buyers. If they do not buy, the farmer has no market for his cash crop, and his year's work is lost.

It has been proven by experience that the price paid by tobacco buyers for farmers' leaf tobacco is largely determined by the support price; the support price provides a floor which effectively protects the price of all cigarette leaf tobacco sold. The price paid the farmer for his tobacco is a comparatively small share of the price consumers pay, and the retail price paid for tobacco products bears little or no relationship to the support price for tobacco. The price paid farmers is a small share of the ultimate price of tobacco, and deserves protection.

A 90-percent price support for tobacco was enacted as a temporary program during World War II. When 90-percent supports were about to expire in 1948, I submitted, together with the late Senator Barkley, of Kentucky, the amendment—which was adopted by the Congress—which made 90 percent of parity supports for tobacco a permanent feature of law—or at least until Congress decides otherwise.

I speak now of another controlling argument. The present tobacco program, with price support at 90 percent of parity and strict production controls to match, has worked—as proven by the fact that nearly 100 percent of the tobacco farmers of the United States approve it, and have kept it sound and self-supporting.

Tobacco producers, cooperatives, and farm organizations have taken the lead in regulating and improving their own progress. The results can be quickly summarized; and in that connection I make the following points:

First, in the case of nearly every price-supported crop except tobacco, surpluses have continued to build up despite the best efforts of the Congress and the Department of Agriculture to control and dispose of surplus production. Record surpluses have increased year after year, despite the soil bank, efforts to cut prices, and enormous export and disposal programs—operated at great cost to the Government. And a record all-time high in crop production, except for tobacco, is forecast for this year.

In sharp contract, however, to other farm products and other programs, Burley tobacco growers have reduced Burley tobacco supplies for 4 consecutive years. Under their program, stable marketing unknown in other programs has been achieved. I know of no other farm commodity which in any period for which I have figures has succeeded in reducing its surplus in 4 consecutive years. Current Burley tobacco production is actually below the 1952 and 1956 5-year average. Similarly, growers of the other major cigarette type, Flue-cured, or bright leaf tobacco, have reduced tobacco supplies and have kept production under disappearance or consumption for the last 2 years. Such an achievement is almost unprecedented in these times.

Second, at least in regard to Burley tobacco, the reduction of production below consumption has resulted in an orderly disposal of the surplus from the 1954 crop. Since 1955, Burley stocks have been reduced 70 million pounds.

A third measure of the success of the tobacco program may be determined by reviewing the amount of tobacco which must be handled under price support—for, once price objectives have been reached for growers, it is highly desirable that as much as possible of the crop move into use through normal channels of trade. Support operations are designed to take price-depressing surpluses off the market; but the better the program operates, the smaller the surplus with which it must deal.

In the last 4 years less Burley tobacco has been taken under Government loan than in any period since World War II. Only 5½ percent of the Burley tobacco produced since the record crop of 1954 and the consequent sharp cut in acreage at that time, has required price support. In 1956, 1957 and 1958, price-support loans were made on the remarkably small amounts of 1.2, 3.4, and 2.4 percent, respectively, of Burley tobacco production—or an average of 2 percent of the crop taken under loan. That does not indicate an excess of supply.

Furthermore, even the Burley tobacco which went under loan and was added to pool stocks was offset many times over by larger sales of pool stocks.

I make a fourth point in support of the tobacco program: Department of Agriculture figures show tobacco to be the only price-supported commodity for which the Commodity Credit Corporation has realized a 100 percent rate of recovery on its investment. In this connection, I quote for the RECORD an analysis of tobacco program results from October 1933, to March 1959:

> The March 31 "Report of Financial Conditions and Operations of the Commodity Credit Corporation" shows tobacco price-support program losses of $4.4 million and supply program gains of $4.8 million, or a net gain of $400,000 to the Commodity Credit Corporation in tobacco program operations during this 25-year period.

This tobacco program has demonstrated a record of minimum price-support activity; reductions in surplus stocks; surplus disposal with full returns to the Government, plus interest, without losses; dependable tobacco supplies for the domestic and export trades; and good prices for farmers unparalleled by those of any other farm commodity.

In his agricultural message to Congress on January 11, 1954, the President said:

> Each farm crop has its own problems, and these problems require specific treatment.

In regard to tobacco, the President stated:

> Tobacco farmers have demonstrated their ability to hold production in line with demand at the supported price without loss to the Government. The relatively small acreage of tobacco and the limited areas to which it is adapted have made production control easier than for other crops. The level of support to cooperators is 90 percent of the parity price in any year in which marketing quotas are in effect. It is recommended that the tobacco program be continued in its present form.

I know—and I know this personally, because I have talked about it many times with the Secretary of Agriculture—that the President's recommendation was made with the knowledge and the approval of the Secretary of Agriculture.

I submit that nothing has occurred since 1954 to change the validity and truth of that declaration.

In closing, I point out that this bill will have the twin effect of providing a stable source of tobacco, without reduction in fair prices for farmers; and it will also encourage buyers, foreign and domestic, of tobacco to continue, and even increase, their purchases, because it will result in greater assurance of stabilized and competitive prices in future years.

A vote against this bill will be a vote for supports at a higher level than the growers themselves consider to be in their best interests.

This bill has the solid support of tobacco growers and all their organizations. I urge that the Senate pass it unanimously. I hope the House will soon pass it, and that it will become law.

I thank my colleague, the Senator from North Carolina, for his courtesy.

Mr. KEFAUVER. Mr. President, Senate bill 1901 would amend section 101(c) of the Agriculture Act of 1949. This section is an amendment of the Agriculture Acts of 1938 and 1948. Senate bill 1901 is supported and strongly advocated by tobacco producers. It represents a voluntary action on the part of tobacco producers to hold down support prices.

The modernized parity formula which would be utilized in the absence of enactment of this bill is unrealistically tied to costs and supports of other commodities. This bill will prevent the use of the modernized parity formula from resulting in a distortion of the support price, and will keep the price of tobacco from going too high, and will prevent tobacco becoming noncompetitive and unsalable.

The pending bill provides the following formula: The support price will be either the 1958 level or 90 percent of new parity, whichever is lower, until 90 percent of old parity exceeds either of these levels. Old parity refers to parity existing prior to the 1948 bill.

From here on, the support price will be 90 percent of the old or new, whichever is lower.

The tobacco program, unlike many other farm programs, has beeen successful. It has a record of minimum price-support activity; reductions in surplus; full returns, plus interest, to the Government on surplus disposal; dependable supplies for the domestic and export trades; and good, respectable prices for

tobacco farmers. This bill will allow continuance of this program and this record. I urge the Senate to pass the bill.

Mr. BUTLER. Mr. President, I call up my amendment identified as "5–20–59—A," and ask that it be stated for the information of the Senate.

The PRESIDING OFFICER. The amendment offered by the Senator from Maryland will be stated.

The LEGISLATIVE CLERK. It is proposed in the first section of the bill to strike out "Agricultural Act of 1948" wherever it appears therein, and insert in lieu thereof "Agricultural Act of 1949".

Mr. JORDAN. Mr. President, I accept the amendment as a technical correction of the bill.

Mr. BUTLER. Mr. President, is it in order to have a vote on the amendment, or is the acceptance of the amendment sufficient?

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maryland [Mr. BUTLER].

The amendment was agreed to.

Mr. JORDAN. Mr. President, the distinguished Senator from Virginia [Mr. ROBERTSON] asked me to say for him, because he could not be here at this time, that the Farm Bureau of Virginia and the Farmers Union of Virginia have unanimously requested that this bill be passed. He asked me to state for him that he would make that statement if he were present, and that he would vote for the bill. His people in Virginia are unanimously behind the passage of the bill.

Mr. President, I wish to read from the report a line or two Secretary Benson transmitted to the House Committee:

> This proposal is superior to the present legislation in that it prevents further price support increases for some time. However, the department feels that the bill is not adequate and the administration's tobacco program outlined above is far better.

But the Secretary has not offered anything better; and if the present law is not amended by this bill, tobacco prices are going to continue to go up and the farmers are going to price themselves out of business, or seriously damage themselves.

Mr. President, this is the only group of farmers I have ever seen come before a committee of Congress and unanimously ask that the Congress do something to cut prices. That is certainly unusual, but I think they realize if prices are not stabilized at about their present levels, the farmers will lose much of their market.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. JORDAN. I yield.

Mr. ELLENDER. I wish to say that the Committee on Agriculture and Forestry reported the bill unanimously. All Senators present voted favorably.

I desire to read one paragraph from the report by the Secretary of Agriculture to the House committee. The letter is dated March 10, 1959, and is addressed to Hon. HAROLD D. COOLEY. It states, in part:

> This proposal is superior to the present legislation in that it prevents further price support increases for some time. However, the Department feels that the bill is not adequate and the administration's tobacco program outlined above is far better.

But it is my belief, as my good friend from North Carolina has just stated, that this bill is a step in the right direction, in that it freezes the support price and will not permit it to go higher than it was in 1958, until the parity index rises 11 percent in the case of Flue-cured and 16 percent in the case of Burley tobacco.

Running true to form, the administration, through Mr. Benson, seems to take the position that if they cannot get what they want, they do not want any bill at all. But I think it is a wrong attitude.

I send to the desk a letter I have just received from Mr. Benson, indicating his opposition to the bill, and I ask unanimous consent that it be printed in connection with my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF AGRICULTURE,
Washington, May 21, 1959.

Hon. ALLEN J. ELLENDER,
U.S. Senate.

DEAR SENATOR ELLENDER: Inquiries to the Department indicates there is some doubt as to whether or not the Department favors passage of S. 1901 concerning tobacco price supports.

In order to further clarify our position it should be understood that in our view the bill is inadequate. It will not accomplish the adjustment needed to regain lost markets and preserve existing ones. Therefore, the bill in its present form should not pass.

Sincerely yours,

E. T. BENSON,
Secretary.

Mr. HOLLAND. Mr. President, I suspect that Senators are correct in their statements that this is the best that can be done under the prevailing situation. I am not sure that is the case, but certainly the pending bill will prevent the support prices of both flue-cured tobacco and burley tobacco, the principal varieties which are in trouble, from going up slightly under the present law, as they will this year unless this bill is passed.

My understanding is that there will be an increase in the support price of between 1 cent and 2 cents a pound, which must be announced under the present law, unless this bill is passed. So far as that objectives goes, I think the bill is good, because it is very apparent that the prices at which we have been selling tobacco have been such that we are losing foreign markets.

Mr. President, I should hate to see the tobacco industry fall into the fearful condition into which the cotton industry has fallen, as was recognized by the passage of the remedial legislation last year, and which will have to be improved before we find a permanent solution. Yet that is the direction in which we are going.

Mr. President, I wish that the bill went a good deal further. I share the feeling expressed by the Under Secretary of Agriculture in his letter, to the effect that this proposed legislation does not go far enough, because it is a lamentable fact that we have lost markets under the price supports of last year, which will be continued indefinitely under the provisions of this bill. So it must be clearly apparent that the mere continuation of price supports at that level simply prevents the situation from becoming worse, but does not apply any affirmative approach to the problem.

Mr. President, one of the things which it seems to me is faulty about this bill is that it proposes to give effect at the same time to old parity and to modern parity, and to strike them off as against each other with reference to tobacco, and to take from the two a choice which is made by the provisions of the bill, for an indeterminate time in the future.

Mr. President, if parity is just, and if there is justice in applying it to other basic crops, I think there should be justice in applying it on a fixed basis to this crop. I think it will be very hard to defend and explain why there should be continued this double approach in the case of this one basic crop only.

I think the worst feature of the bill is that it recognizes the fact that the Secretary of Agriculture must cut down acreage allotments, and doing that sounds the death knell to some tens of thousands—and really the numbers might go up to as high as several hundred thousand—of small farmers who produce tobacco on acreages now in the neighborhood of 1 acre, and many of them less than 1 acre. My recollection is that when I saw the burley tobacco figures for the two States of Tennessee and Kentucky a short while ago, they showed an average acreage of about an acre, with something like, to the best of my recollection, 200,000 producers in Tennessee, and I forget the number in Kentucky.

Mr. President, it is tragic to cut the acreage of those very modest farmers for whom the production of tobacco is a family enterprise, since the entire membership of the family works at it, and for whom tobacco is the principal cash crop.

The only alternative left to the Secretary of Agriculture and to the tobacco producers, unless a bill such as is before the Senate is enacted into law, is a forced and sizable reduction of acreage.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. HOLLAND. I have one more point to make and I shall be through, and then I shall be glad to yield.

Mr. President, it would be far from wise, it seems to me, to retain the old measure of parity, the old standard, even if the production of tobacco today were on a level with production in the old years when that was the legal formula prescribed.

Under the improved methods of production the average crop per acre has gone up, up, and up, and is continuing to rise. To me it is completely unrealistic to reach back into the remote past and to attempt to use a standard of computation of parity which was enacted to deal with conditions prevailing a long time ago.

Mr. President, the only thing good about the bill that I can see is the fixation of a price or a ceiling or a frozen support price for tobacco for this year and perhaps for next year. I would

much prefer to have the bill limited to that. If it were so limited, I think the bill would be much more defensible than it is now.

If the Congress continues to move without recognizing the fact that tobacco is losing its markets overseas, thus cutting itself out of a substantial part of its outlet, we are going to find more and more misery in the tobacco industry and less and less realism in the law as it applies to the industry.

I now yield to the Senator from Kentucky.

Mr. COOPER. Mr. President, I appreciate the frendly attitude of the Senator from Florida toward the tobacco growers and their problems.

I understood the Senator to say that as one consequence of this bill he foresaw a reduction in tobacco acreage. I should like to point out that one of the purposes of the bill is to prevent reductions in tobacco acreage and in individual tobacco acreage allotments. It is believed the bill will have an effect in that direction.

As I said before, in each of the past 2 years for Flue-cured tobacco, and in each of the past 4 years for burley tobacco, actual production has been less than disappearance—that is, domestic consumption plus exports.

Mr. HOLLAND. Mr. President, I certainly recognize the highly conscientious motives of the Senator from Kentucky. The Senator and I stood together in 1948 on the Senate floor in fighting for a realistic tobacco program. I think the Senator will find, if he checks the vote, that the votes of the two Senators from Florida were the determining factor on the question of securing a preferred status for tobacco under the price support program, a status to which I think it is entitled because of its peculiar situation in many respects, which we do not need to mention at this time. That has been consistently my position since that time. My voice has been raised in support of that philosophy always. I hope it will continue to be so raised.

The point I am making is that I do not think this bill represents a realistic approach to the problems of the tobacco industry in any particular except the freeze for about 2 years. If I allowed my vote to be an indication of my approval of all the other provisions of the bill, I would certainly not be doing the fair thing to myself or to the growers of my State, who are in doubt about the other provisions of the bill. As a matter of fact, the president of the Farm Bureau of my State has been in touch with me insistently suggesting that we should amend the bill to make it provide only for a 2-year price freeze.

We should let it be distinctly understood throughout this debate, in the reports, and in the conference report and every other place, that this is a stopgap measure, recognizing the fact that the red signals are out, and that we have to improve the program as a whole or it will fall under its own weight.

Mr. JORDAN. Mr. President, I wish to say, in that connection, that the tobacco industry—the warehousemen, the growers, and others interested in tobacco realize this is not a perfect bill. The tobacco industry knows that and is working on the problem. Efforts are being made to bring forth something which would cure the ills, or at least prevent them from becoming worse than they are. The tobacco industry is really not in bad shape at present, but it may be soon unless something is done. I am sure it will be possible to devise a more effective approach, but this is the answer for now, and for next year.

We need to pass the bill presently under consideration so that the buyers will know what they should pay for tobacco and the growers what they should sell it for. Otherwise, the market will be confused.

Mr. HOLLAND. Mr. President, I appreciate the serious, sincere, and conscientious approach of the Senator from North Carolina. I only suggest that, in my opinion, it is a mistake to provide a permanent law—and that is what the bill will become under the wording, as introduced—and to try to continue the two standards of computation of parity, which are not the same and which contrast with each other. I do not believe we should provide that from time to time there shall be a choice or selection, in the case of this one basic commodity, between those two standards. I think every one of us who speaks upon this measure, which is an important measure, should sound a challenge to the industry and to those who are best prepared to guide it, to come forward with something a great deal more meaningful than is the bill now before us.

This bill would stop the support price from increasing further, but it would stop it at a level which has already priced us out of a large part of our foreign markets. I think that is completely unrealistic.

I thank the distinguished Senator.

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. JORDAN. I yield to my distinguished colleague from North Carolina.

Mr. ERVIN. I merely want to commend my able and distinguished colleague and the able and distinguished Senator from Kentucky [Mr. COOPER] for the work they have done in regard to the bill. While the bill is not a perfect measure, it is, it seems to me, a very sensible bill, in view of the conditions which now exist. I thank these two Senators in particular and the other Senators who have supported them in their efforts in the Committee on Agriculture and Forestry, for they all deserve praise for the great work they have done.

Mr. JORDAN. I thank the senior Senator from North Carolina.

Mr. AIKEN. Mr. President, I wish to say that the objectives of the bill are very, very good. No one will question that.

The United States at one time was the world's principal supplier of tobacco. Even up until recent years, 50 percent of our tobacco production was exported. However, during the past few years, though the consumption of tobacco in the world has been increasing at the rate of about 5 percent a year, exports from the United States have been falling off rather rapidly. The tobacco business of the world has been moving to other continents. The reason for that, of course, is the price.

The tobacco growers have realized for some time that they have a difficult future to face. They realize they cannot go on reducing allotments without creating trouble for many thousands of them, as the Senator from Florida has said.

The bill purports to hold the support price for tobacco at not more than its present level. There is some disagreement as to the best means of achieving this end. Personally, I doubt if holding the support price at the present level, or approximately at the present level, would do very much toward recovering world markets, because tobacco can be produced for so much less in other countries. However, to have the support price go higher would undoubtedly be very harmful to the entire tobacco industry.

I am glad that some move has been made toward correcting the situation. Whether it is exactly the right move or not, I hope that we shall continue to face the problem until we improve upon the present situation, and enable our tobacco industry to take steps to recover some of its traditional markets, which will be difficult, at best.

Some reference has been made to a misunderstanding about the bill. I think the reference applies to the fact that there was a feeling among many Members of Congress—even members of the Committee on Agriculture and Forestry—that if the Department of Agriculture did not actually favor the bill, it was not strongly opposed to it. At least, I had that feeling at the time the bill was reported from the committee.

However, I have received a call from the Secretary of Agriculture, stating that the Department is opposed to the bill in its present form, for the reason that it seeks to achieve the objective by permitting tobacco to go back to the old parity formula, with its varied base periods. The base period in each case would be the one which was most favorable to each particular type of tobacco. The Department of Agriculture seems to feel that this would give privileges to the producers of tobacco which would be denied to the producers of other price-supported commodities. It was the varying base periods for different commodities which outmoded the old party formula in the first place, and brought about the adoption of a new parity formula in the year 1948.

I think the new parity formula is very fair to tobacco. It raises the price. When we consider the cost of production in the United States, it undoubtedly costs more to produce tobacco here than formerly. Some commodities are favored by the new parity formula, while others are penalized. Many commodities are produced by new, push-button methods, so that the parity formula hardly applies at all. With respect to certain commodities, a substantial profit can be made at 60 percent of parity, while with respect to others, a producer can hardly break even at 90 percent of parity. The parity formula as a whole has not been able to assimilate technological and biological progress in the

past 10 years, and it is therefore outmoded.

However, the Department of Agriculture takes the position that we would not be making progress by going back to a system permitting producers of each commodity to select a base period which would best serve their purposes. If we are to continue the parity formula as a yardstick, the Department feels that it should be applicable to all kinds of agricultural commodities.

The Department feels that if the bill holds the line at approximately the present level of supports, it will not go very far toward recovering markets which have already been lost. As a result, it will probably mean still further reductions in acreage allotments for tobacco growers with certain sized operations.

I am sure that final approval of the department is very important. In order to overcome the objection of the Department, I wonder if, instead of going back and using different base periods for tobacco, which are out of line with the base periods for any other commodities, the sponsors of the bill would not be willing to freeze the support prices for the various types of tobacco at a dollars-and-cents level not exceeding the present level. I do not know whether the Department would approve that, but I do not see how it could object to it, however. I believe that the prospect of improving the situation, or preventing it from deteriorating would be better if, instead of freezing tobacco parity prices on the basis of different base periods, we would merely freeze support prices for a 2-year period at present levels, and in the meantime try to arrive at some plan which could be approved not only by the tobacco industry, but by the Agriculture Department as well.

I am presenting the case of the Department of Agriculture as it has been given to me. I have before me copies of two letters which were sent to the chairman of the committee. I am sure he has no objection to placing them in the RECORD.

Mr. ELLENDER. I have already placed the Secretary's letter to me, dated today May 21, in the RECORD. I believe the Senator from North Carolina [Mr. JORDAN] has placed the Under Secretary's letter of May 19 in the RECORD.

Mr. AIKEN. The one dated May 19 was not to take a direct position. It did not say positively that the Department disapproved the bill.

Mr. JORDAN. Both letters have been placed in the RECORD.

Mr. AIKEN. The letter of May 21 is specific, and the Secretary signed this one himself. The first letter was signed by the Under Secretary, but the one signed by the Secretary himself is specifically to the effect that the Department does not approve the bill, and therefore, that the bill in its present form should not pass. It would have been helpful, of course, if we had that information earlier.

Also, at least one farm organization was lamenting the fact that it had no opportunity to be heard before the Senate committee.

If we could freeze the support prices at the present dollars-and-cents levels for various types of tobacco, it seems to me that would overcome the objection of the Department.

Mr. JORDAN. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. JORDAN. The tobacco industry has made an extensive study of that very question, and has arrived at this answer. If the support price is frozen for 2 years, every one will know exactly what the price of tobacco is to be for the next 2 years. Purchasers would not buy any more tobacco than they needed for daily use.

Mr. AIKEN. I do not see how the pending bill would lower the support price substantially over the next 2 or 3 years. Some claim that it would require longer than that.

Mr. JORDAN. It might or it might not; but there is no definite price for all the tobacco grades.

Mr. AIKEN. I understand that the Senator from North Carolina and the Senator from Kentucky [Mr. COOPER] are extremely desirous of taking action, and that they have the support of most, if not all, of the tobacco growers in their States.

Mr. JORDAN. Tobacco growers in every tobacco-producing State favor the bill.

Mr. AIKEN. I commend the Senator from Kentucky for working for their States and industries.

Mr. JORDAN. They are the ones who are involved.

Mr. AIKEN. I cannot help but feel that they are putting the wrong foot forward first. I had hoped that there could be something more lasting, and something which would meet the approval of the administration, and at the same time be acceptable to the industry.

Mr. JORDAN. As a member of the committee, I believe the Senator from Vermont will admit that I would be one of the first to go to work on the problem if the Department were to submit a bill. Unless something is done to keep the price from going up, growers will not be able to sell the 1959 crop.

Mr. AIKEN. I felt that the official and final position of the Department of Agriculture should be made clear for the record.

SEVERAL SENATORS. Vote! Vote!

Mr. COOPER. The Senator from Massachusetts [Mr. KENNEDY] has asked me to insert in the RECORD for him a statement in support of the bill. I ask unanimous consent that I may do so.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR KENNEDY

I wish to record my support for S. 1901. Tobacco growers and the grower organizations in the tobacco-producing areas are to be commended for coming forward with this proposal. The foresight, initiative and, in fact, the courage they have shown in this instance is an expression of one of the best reasons for the outstanding success of the tobacco program.

While the types of tobacco produced in Massachusetts are not included under the bill—because action along similar but more drastic lines was already taken at the request of the growers in the Massachusetts and Connecticut area last year—they have advised me of their support for this bill. I would like to quote a sentence from a letter address to me by Mr. Samuel J. Orr, general manager of the Conn-Mass Tobacco Cooperative, on behalf of the officers, directors, and more than 2,000 members of that organization: "The tobacco price support program has always been conducted on a sound basis, and we believe this legislation will help to keep it that way."

I am happy to give my support to the tobacco growers of our country.

The PRESIDING OFFICER. The bill is open to further amendment. If no further amendment is to be offered, the question is on the third reading of the bill.

Mr. DIRKSEN. Is the question on the third reading of the bill or on the amendment of the Senator from Vermont?

The PRESIDING OFFICER. The question is on the third reading of the bill.

Mr. AIKEN. I offered no amendment. I suggested, in the interest of better prospects of getting the bill through Congress, that it be changed in the way I mentioned. The sponsors of the bill did not accept my invitation, as I understand, to make any changes in the bill. Therefore there is no change, and the question is on the third reading of the bill.

Mr. JORDAN. The Senate committee reported the bill, and the Committee on Agriculture in the House reported the bill. This is as good a bill as we can get.

Mr. YOUNG of North Dakota. Mr. President——

Mr. DIRKSEN. I should like to get the RECORD clear. Has the third reading been consummated?

The PRESIDING OFFICER. It has not been consummated.

Mr. YOUNG of North Dakota. Mr. President, I am supporting the bill because it retains the parity concept. If we do away with the parity concept and adopt what the Secretary of Agriculture wants us to adopt, we will have a meaningless price support program. I wish to commend the tobacco producers for retaining the concept, even though it may be necessary to freeze prices at the present level. If the bill proposed to do away with the parity concept, several of us would have to oppose it.

Mr. DIRKSEN. Mr. President, I believe that a slightly round case should be presented with respect to this measure, which relates at once to the whole agricultural program. It was on January 29 of this year that the President sent his farm message to Congress. There were two items of particular interest in it. It is not necessary to examine all the language of the message. However, that message is keyed to one sentence. It is that the "price support and production control program is not working." That was the basis and the theme of the message.

Ostensibly, having stated that, it was necessary, in the interest of some kind of farm program, to submit a recommendation to Congress. I believe the whole recommendation can be compressed into two sentences. The first one is this: "Prices for commodities which are subject to mandatory supports should be related to a percentage of the average mar-

ket price for immediately preceding years."

That was the essence of the recommendation. Then there was a corollary to this effect: "The percentage should be discretionary with the Secretary at a level not less than 75 percent and not more than 90 percent."

If I had to paraphrase the whole message, that would be it; first, that the farm program is not working; second, in the case of commodities on which there are mandatory supports, the program should be related to a percentage of the market price, rather than parity, for the years immediately preceding; furthermore, that there should be an element of flexibility, to be exercised by the Secretary of Agriculture.

With that message came a sort of informative memorandum. Among other things, it contained information with respect to tobacco. I believe that the first important observation in that ancillary memorandum was that in respect to tobacco, we are losing our export markets. That was emphasized by the distinguished Senator from Vermont [Mr. AIKEN]. I need only elaborate a little on that situation. It is a matter of deep concern. It is not only a matter of concern with respect to tobacco, but also with respect to fabricated products and other products. However, since tobacco is the commodity which is before us at the present time, that is where the emphasis should be placed.

We go a little further. We wonder why we may be losing our export markets. This memorandum supplies at least a partial answer. It says that foreign buyers are changing blends and turning elsewhere, and that we may never get those markets back.

That would be pretty serious for tobacco growers; indeed, it would be very serious for the producer of any commodity in this country. It would be serious for the fabricator of any product or commodity in this country, if there were a danger that the market, once lost, could never be retrieved.

The other observation on tobacco was that price supports under the present law continue to go up, domestic acreage goes down, and foreign acreage is expanding.

I recall the long discussions which took place both here and in the other body. I see on the floor the distinguished chairman of the Committee on Agriculture of the House, with whom I served for a long time in the House. He is a gentleman of great distinction. Also present on the floor is a distinguished gentleman from Texas, with whom I also served in the House. I remember the debates we had about losing our cotton markets abroad. It became a matter of deep concern. Here the Department of Agriculture says that we are losing our foreign market, that our domestic acreage is decreasing, and the foreign tobacco acreage is expanding.

That is a rather unhappy prospect. That is a matter for the future. We must look down the road and envision a program which deals not only with the present but also with the future. If our markets are slipping now and they continue to slip, at what point can we effectuate a turnaround and retrieve the situation? If the market is gone, it may be difficult to get it back.

With respect to the tobacco situation, I go back now to the memorandum alluded to a moment ago in the colloquy with the Senator from Vermont [Mr. AIKEN], the memorandum from the Department of Agriculture dated the 19th of May. That was only 2 days ago. In sum, the observation is, first, that world consumption of tobacco is going up at the rate of 5 percent a year. Therefore it cannot be said that tobacco production may be suffering one way or another, because world consumption is going down. If the figures are correct—and I have no reason to dispute them—world consumption of tobacco averages an increase of 5 percent a year.

The second point is that U.S. exports are decreasing at a relatively rapid rate. If it were a minor deterioration in that field, or if it were a rather slow decrease, it might not be a cause for alarm. However, when the Department says it is a relatively rapid decrease, then it becomes a matter of some concern.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. COOPER. On the question of exports, it might be well to get into the RECORD certain facts. I have reports of the Department of Agriculture in my hand. In the first place, even flue-cured tobacco, according to the latest May 1 records of the Department of Agriculture, during the first 9 months of fiscal year 1959 had an increase in exports over the same period last year. So far as burley tobacco is concerned, exports in calendar year 1958 were 40 percent higher than in 1957.

Therefore, all the talk about the serious decline in exports should be met by the record. Mr. President, I ask unanimous consent to insert these tables in the RECORD at this point.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

U.S. exports of unmanufactured tobacco by types and to principal importing countries for specified periods

[Declared weight]

Country and type	Average 1951–55	1956	1957	1958	July–January		
					1957–58	1958–59	1958–59 as percentage of 1957–58
	Million pounds	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Percent*
Flue-cured	405.6	420.4	417.7	398.7	288.4	300.4	104
Burley	27.7	29.2	20.5	28.8	9.5	16.0	168

Source: March, 1959 "Tobacco Situation," AMS USDA.

U.S. tobacco exports, March 1959, with comparisons

[1,000 pounds, farm-sales weight]

Type	March			Fiscal year to date, July–March		
	1959	1958	Percent change	1958–59	1957–58	Percent change
Flue-cured	25,550	29,700	−14.0	377,790	374,700	+0.8
Burley	4,800	4,048	+18.6	25,275	18,546	+36.3

Source: USDA, CSS May 1, 1959.

Mr. DIRKSEN. When I made the statement, I said that the information was contained in the memorandum submitted by the Department of Agriculture. I wish to stand by the words of the memorandum. I am not unappreciative of the fact that when we carry on a subsidy program under the so-called Development and Assistance Act, which is commonly referred to as Public Law 480, that, of course, may account, in part, for the figures mentioned by the Senator from Kentucky. However, I cannot imagine that the Department would have set down in a formal memorandum that our export markets are decreasing unless the statement was based upon the best statistical evidence which the Department of Agriculture could adduce.

The third item was that tobacco for many types is dependent upon exports. That would be consonant with prior statements by the Department.

Then it was said that the present support program—and this is a rather unhappy, but I think an accurate, phrase—with its built-in system of constant increases will, over the next 10 years, cause the loss of most of our commercial export markets and force us to a 100 percent domestic utilization. With that consummated fact, in a 10-year period, I should say that our tobacco growers would be deeply in debt. I lament the thought of the day when we shall be thrown back upon domestic consumption entirely for any crop produced in this country.

If that happens, then it may be that the controls we will see will beggar all description, or else there will be no kind of regulation whatsoever.

But the impact upon the price level may be an unhappy one, indeed. There could be only one offset, and that would be to cut down the supply, if a commodity cannot be sent into the world markets, but must be used in this country.

Tobacco supports must be geared to modern production techniques. There

has been allusion to old parity and modernized parity. As long as I have been laboring with this problem, I still become somewhat confused at times.

Old parity and modernized parity rely heavily on price relationships on the day, formerly on mule and plow, or man and hoe. But this is a different age, with a different technology, and we must recognize that fact.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. YOUNG of North Dakota. The present so-called modernized parity formula still uses the 1910–14 base period. Would the Senator from Illinois favor deleting the 1910–14 base period reference and using the same base period as labor and industry are using, namely, 1947–49?

Mr. DIRKSEN. I do not know whether I would or not, as a matter of fact.

Mr. YOUNG of North Dakota. I do not think the Senator would, because to do so would increase parity.

Mr. DIRKSEN. We have to spell out all the details. When it is reduced to paper, we look at all the figures, we consider the price index on both sides of the ledger, we do a little puzzling, and we come to a conclusion.

Mr. YOUNG of North Dakota. I am one who favors deleting the reference to the 1910–14 base period. I want the formula to be modernized. I want to use the same parity as labor and industry use.

Mr. DIRKSEN. I would not quarrel with that, one way or the other. I simply say that in every case the problem is resolved in language and in terms which can be understood; then we determine whether or not it is acceptable.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. AIKEN. I would not quarrel with what the Senator from North Dakota said. If the period 1947–49 is good for industry, it ought to be good for agriculture. However, the effect would be simply to aggravate the situation we are considering today. Tobacco, instead of being supported at 56 cents or 58 cents, would be supported at a price considerably higher than that.

One reason why the modernized parity formula has increased the parity price of tobacco is that a large part of the production of a tobacco crop still requires the use of much hand labor, the cost of which has gone up. Pushbutton agricultural enterprises, in which there is hardly any hand labor used any more, can do much better at a lower percentage of parity.

But the Senator from North Dakota has a good point. We are using one absolute period on which to base farm prices and another one on which to base industrial prices and wages.

The parity formula, as I have said, is today obsolete for a good share of the crops, because there has been no way found to give a weighting to the use of hormones, weed killers, and all the other new technological inventions. They cannot be woven into the parity formula to give them a weighting. I have been seeking for years to have that done, but I am told there is no way to do it. Nevertheless, those factors have made it possible to produce very large crops at half the cost of 20 years ago.

Mr. DIRKSEN. If it is desired to adopt the most current kind of formula, it should be the one recommended by the Department, namely, a 3-year average of prices for the 3 preceding years. That would be the most current formula which could be adopted.

Mr. YOUNG of North Dakota. If that parity formula had been in effect in 1934, when the average price for wheat for the 3 previous years was 33 cents a bushel, the price would have been 75 percent of 33 cents a bushel, or 26 cents a bushel; and that would meaningless. That is why I oppose such a plan.

Mr. DIRKSEN. That would be for only 1 year. There would be nothing to prevent Congress from examining into the question after that, in 4 or 5 years. That would be a matter of legislative determination. But at least there would be a striking of an average of the preceding years.

From all the observations by the Department, as carried in the memorandum which was submitted, they came to the conclusion that if there is to be legislation, it should follow one of two courses. First, it should relate support price to market price or market average. That is one course.

If it is desired to go back to parity, then the Department says if parity is used, wide discretion should be given to the Secretary with respect to support levels. The bill does not gear itself to average market price, and the discretion is not there. So it is understandable why the Department of Agriculture opposes the bill, and I think it is understandable why the American Farm Bureau Federation opposes the bill.

If I had to assign reasons in very brief compass, they would be, first, that the bill freezes price supports at current high levels. Actually, tobacco prices, if I understand the business, could advance, and probably would advance. The bill sets a limit so that they cannot advance.

It can well be argued in that respect that this is a pretty acceptable approach. I suppose, in terms of the suggestion made by the distinguished Senator from Vermont [Mr. AIKEN], if it were done on a dollars and cents basis for a very limited period, with whatever other qualifications there were as a stopgap, that might be all right.

But if prices are frozen at the current high levels, we certainly will not come to grips with the foreign export problem which now exists. If we try to change the level, get it down, or modify it, we will have difficulty. Meanwhile, if the figures submitted by the Department are correct, it means that there will be a steady deterioration in our export markets, and that the amount of the exports will continue to go down, down, down.

The second reason assigned by the Department is that to go back to parity, both old and new, actually we will be picking up an old, discredited formula, so that there will be one price support formula for one commodity and another formula for another commodity.

The third point is that there would be a dual standard of parity prices.

These, in the main, with the possible exception that some little advantage might be given to tobacco growers over the growers of other commodities, are the basic reasons why the Secretary of Agriculture is opposed to the bill.

I felt, in all fairness, that I had a responsibility to make that case in a rather rounded context. There I shall leave it. But I thought I should express to the Senate the fact that the Farm Bureau Federation opposes the bill. However, in fairness, I think it must be said that some of the State farm bureau federations favor the bill. Very likely in Kentucky the State federation favors the bill. I am not positive of that; I presume they do. But the American Farm Bureau Federation opposes the bill on larger grounds.

The Department of Agriculture opposes the bill, because it does not believe the bill does the job which needs to be done.

That is the case with respect to the bill, as unemotionally made as I can make it. I am content to rest it there.

Mr. KEATING. Mr. President, will the distinguished Senator from Illinois yield to me?

Mr. DIRKSEN. I yield.

Mr. KEATING. Some of these farm problems have to be stated rather simply for the benefit of some of us who are far from being experts in these fields—although I know of the clear grasp the distinguished Senator from Illinois has of these problems, as well as of all others with which he has to deal.

Mr. DIRKSEN. Mr. President, I wish I could be sure of that.

Mr. KEATING. Would it be fair to conclude—or would it be an oversimplification—that the position of the Department is that the present formula would eventually, at least, result in lower prices for tobacco than would be brought about by the proposed legislation now before us; and that, therefore, the tobacco growers and distributors in the United States would be better able to compete in the foreign market?

Mr. DIRKSEN. That would be one factor; but the Department has to look down the road and to think in terms of a period of years, for the benefit of American agriculture. So, as the Department sees the export market decreasing, and—and more important—as it sees the foreign acreage of tobacco expanding, with a possibility that American growers will never get back the market, the question then is, what is the best course to pursue, not only for the American tobacco growers, but also for all those who are identified with the tobacco industry, because the problem is not alone a growers' problem.

Mr. KEATING. No, it is not.

Mr. DIRKSEN. As the Department sees that problem in the large, it believes that, of course, there must be flexibility in the program, and it must not be frozen at a level which would not give the American growers a chance to compete; and the Department believes that the

American producers can successfully compete in the world market, insofar as tobacco is concerned.

Mr. KEATING. I do not wish to seem parochial about the matter. In my State, tobacco is not produced; but in my State there are many persons who are engaged in the distribution of tobacco.

The argument the distinguished Senator from Illinois has advanced impresses me—as does the opposition of the American Farm Bureau, for which I have such high regard—with the fact that probably the interests of the distributors of tobacco would not be served by the enactment of this proposed legislation.

Mr. COOPER. Mr. President, on that point, will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield.

Mr. COOPER. Evidently the Senator from New York is interested in the position of the tobacco export associations. I previously placed in the RECORD a statement showing that 34 tobacco associations, organizations, and representative groups of growers, distributors, and warehousemen support this bill; all of them support it. Among them is the New York Exporters Associations—the Leaf Tobacco Board of Trade in New York City—as well as the Leaf Tobacco Exporters Association to which several New York firms also belong. I know that.

Mr. KEATING. Am I to understand that the dealers in tobacco and the export associations unitedly support this bill?

Mr. COOPER. Yes. I will give the Senator from New York the list which shows that the New York Exporters Associations strongly support this bill. I refer the Senator also to the statement on page 4 of the House committee hearings on March 25 of a representative of the Leaf Tobacco Board of Trade of the city of New York.

Mr. KEATING. I shall be exceedingly interested in seeing it. Is the distinguished Senator from Kentucky able to enlighten us as to the basis for the support of the bill by the exporters associations?

Mr. COOPER. Certainly. The distinguished Senator from North Carolina [Mr. JORDAN] elaborated very clearly on that point only a few moments ago. It is as follows: Under the present modernized parity formula, there is an automatic advance in prices. Evidently the price has reached a point where foreign purchasers think it is too high, and they are now buying from other sources, although they prefer American tobacco.

One point which has not been brought out is that in the tobacco industry the purchasers do not purchase for current use, or even one year's supply; instead, they may stock suppliers for several years in advance of use, because the tobacco has to be aged and processed.

If we were to enact a 1-year or a 2-year freeze, they would not know what would happen. They simply would not buy tobacco; or else they would buy only for their minimum and immediate needs. But if they know the price will be stabilized over a period of years, they will buy more tobacco.

Evidently that is the reason why the tobacco export associations are favoring this bill.

Mr. KEATING. I appreciate the explanation given by the distinguished Senator from Kentucky; and I thank the distinguished Senator from Illinois for yielding.

Mr. DIRKSEN. Mr. President, I have only one other observation to make: As in the case of New York, no tobacco is produced in my State. But that is no reason why I should not be interested in tobacco, because it is a part of the agricultural economy; and that economy moves either up or down in the case of either wheat, soybeans, tobacco, or any of the other commodities which are parts of our overall agricultural economy. I would certainly be distressed if at some time in the future we were to come close to losing our entire export market. In that event, in order to use up the crop on a domestic basis, what would have to impress itself upon the tobacco growers would be, indeed, a very unhappy thing; and it would have to translate itself in terms of the most drastic controls, if any kind of a livelihood were to be made from the production of tobacco. But that could not be done in the case of only one crop without having the effect of such a policy felt by all other crops in the entire agricultural domain.

That is why the problem dealt with by the pending bill cannot be considered apart or isolated from the problems of the rest of our agricultural economy.

Mr. President, I believe I have fairly stated the case; and there I am content to leave it.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1901) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 101(c) of the Agricultural Act of 1949 is amended by deleting the period at the end thereof and adding a colon and the following: "*Provided,* That for any kind of tobacco (other than Connecticut Valley cigar binder types 51 and 52) for which marketing quotas were in effect for the 1958 crop, the level of support computed in dollars and cents for each subsequent crop of such tobacco for which marketing quotas are in effect shall not exceed the level of support computed in dollars and cents applicable to the 1958 crop until 90 per centum of the parity price as of the beginning of the marketing year for a subsequent crop computed in the manner used prior to the enactment of the Agricultural Act of 1949 exceeds the level of support applicable to the 1958 crop or 90 per centum of the parity price computed as provided in the Agricultural Adjustment Act of 1938, as amended, whereupon the level of support for such subsequent crop and each crop thereafter shall be 90 per centum of the parity price as of the beginning of the marketing year computed in the manner used prior to the enactment of the Agricultural Act of 1949, or computed as provided in the Agricultural Adjustment Act of 1938, as amended, whichever computation results in the lower level of support: *And provided further,* That in computing parity in the manner used prior to the enactment of the Agricultural Act of 1949, the parity index as defined in section 301(a)(1)(C) of the Agricultural Adjustment Act of 1938, as amended, shall be used except that in lieu of the period January 1910 to December 1914, inclusive, the base period applicable to the kind of tobacco prior to the enactment of the Agricultural Act of 1949 shall be used."

SEC. 2. Section 2 of the Act of July 28, 1945, as amended (59 Stat. 506; 7 U.S.C. 1312 note), is amended by deleting the proviso at the end thereof and substituting therefor a new proviso reading as follows: "*Provided,* That beginning with the 1959 crop, the level of support for each such kind of tobacco shall not exceed a maximum level of support determined therefor pursuant to the provisos in section 101(c) of the Agricultural Act of 1949, as amended."

Mr. ELLENDER. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. JORDAN. Mr. President, I move to lay on the table the motion to reconsider the vote by which the bill was passed.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

WHEAT ACT OF 1959

Mr. ENGLE obtained the floor.

Mr. ELLENDER. Mr. President will the Senator from California yield to me?

Mr. ENGLE. I yield to the Senator from Louisiana if it is understood that I shall not thereby lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ELLENDER. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 283, Senate bill 1968, to strengthen the wheat-marketing quota and price-support program.

The motion was agreed to; and the Senate proceeded to the consideration of the bill (S. 1968) to strengthen the wheat-marketing quota and price-support program.

Mr. YOUNG of North Dakota. Mr. President, will the Senator from California yield to me?

Mr. ENGLE. I yield, if it is understood that I shall not thereby lose the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. YOUNG of North Dakota. I thank the Senator from California for yielding to me.

Mr. President, wheat surpluses have been mounting. This is largely because of modern mechanized farming, new technology in agriculture, unusually favorable weather conditions, and overseeding of quotas. While production has increased, national consumption for human food purposes remains approximately the same as it has been for the past 30 years. We have sizable exports, but not enough to prevent the buildup of surpluses.

I think everyone recognizes that something has to be done to stop the pileup of wheat surpluses. It is obvious that lower price supports—as being advocated

by many—will not do the job. One look at the new corn program ought to convince any thinking person familiar with farm problems that lower prices do not mean decreased production of field crops. I emphasize field crops, because there is a difference between field crops and perishable commodities. Corn planting this year is up 12 percent, and this year's crop may well be the first 4 billion bushel corn crop in history. By next year, in all probability, corn will be in much greater trouble than wheat is today. This does not mean that we should not do something about wheat now.

The latest wheat program of Secretary of Agriculture Benson would lower price supports from the 1958 level of $1.82 to approximately $1.45 a bushel for the 1960 crop, and lower for succeeding years. Based on a 1,100 million bushel crop—last year's crop was 1,450 million bushels—this would mean a loss in income to wheat producers of over $400 million a year.

Wheat farmers are willing to take a lower price for wheat that is exported, but believe they are entitled to parity or a better price for that portion which is used for human food consumption in the United States. As I previously stated, approximately 500 million bushels of wheat is consumed each year in the United States for human food. Despite the rather severe drop in wheat prices in recent years and a big increase in population, the national wheat consumption remains the same, and surpluses continue to mount.

Secretary Benson's proposals would mean a drop in wheat prices of 37 cents a bushel for next year. This drop of 37 cents a bushel just on the wheat used for human food consumption would mean a loss to farmers of approximately $185 million a year.

While it would be disastrous to farmers, it would be another one of many windfalls the middleman has received in recent years. It would be of no help whatever to the consumers.

This has been the experience year after year. Farm prices have dropped. But still the consumers are paying just as much as they were paying 5 or 10 years ago, or more. For example, the average farm price for wheat in 1947 was $2.29 a bushel, and the average price of a loaf of bread was 12.5 cents. By 1958 the average wheat price had dropped to $1.72 a bushel. Yet, despite this drastic drop in the price of wheat, the price of bread to consumers has risen from 12.5 cents to 19.3 cents a loaf, or about 35 percent, during the very period when wheat prices have dropped about 60 cents a bushel.

Mr. President, I ask unanimous consent to have printed at this point a table prepared by the United States Department of Agriculture, giving detailed information concerning the drop in wheat prices and the parallel increase in bread prices.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Season average price received for wheat by farmers, price of a 1-pound loaf of bread for corresponding periods

Year	Wheat	Bread
1945	$1.49	8.8
1946	1.90	10.4
1947	2.29	12.5
1948	1.98	13.9
1949	1.88	14.0
1950	2.00	14.3
1951	2.11	15.7
1952	2.09	16.0
1953	2.04	16.4
1954	2.12	17.2
1955	1.99	17.7
1956	1.97	17.9
1957	1.93	18.8
1958	[1] 1.72	19.3
1959, 3 months		19.6

[1] Preliminary.

Source: Office of Price, Murray Thompson, USDA.

Mr. YOUNG of North Dakota. Mr. President, never once in the past 15 years has a drop in the price of wheat been reflected, even by a fraction of a cent, in the price of bread, pastries, or other products made from wheat.

After all the experience of the past, it seems unconscionable that Secretary Benson would now propose a still further drop in the price of wheat. Everyone knows full well that it would hurt the farmers badly and be of no help to the consumers.

Mr. President, the present wheat price support bill now on the Senate Calendar contains some good features. It would tighten up on production controls—and this, along with the 80 percent price support feature and a 20 percent cut in quotas, would mean some lowering of production. It provides price supports of 65 percent of parity for farmers who are willing to plant within their present quotas, and 80 percent of parity for those who would reduce their acreage by 20 percent.

Anyone who is acquainted with the wheat farming business would agree, I am sure, that practically all farmers would take the lower price support to avoid a 20 percent reduction in production. For all practical purposes, it is a 65 percent price support bill. This would mean $1.53 a bushel wheat for farmers at a time when the cost of everything they have to buy for their operations is increasing sharply. At best, this bill would result in no more than a 100 to 150 million bushel drop in production. The bill could be considerably improved by adding one additional feature. That is, providing 75 percent of parity supports, or the present level, to farmers who would be willing to reduce their acreage by 10 percent. Even if we retain a provision for 75 percent supports, because of Secretary Benson's change in the parity formula, it will mean 5 cents a bushel less than the 75 percent supports of last year. If farmers reduced their acreage 20 percent, they would still only get 80 percent of parity, or $1.87 a bushel, which is only 5 cents a bushel more than the $1.82 a bushel they received last year under the 75 percent program.

May I again emphasize, Mr. President, that if farmers reduce their acreages by 20 percent under the bill, they would still get only 5 cents a bushel more than they got last year for planting within their quotas.

Providing 75 percent supports—under the new parity formula $1.77 a bushel—for those farmers willing to reduce their production by 10 percent would make this a much more workable, effective, and acceptable wheat program. It would mean a far greater decrease in wheat production. While this would still be far from a good bill, it certainly would be much better than none at all—and immeasurably better than that proposed by Secretary Benson.

The pending bill is intended only as stopgap legislation to help curtail surpluses until a better program can be worked out by the farm organizations, other interested people, Congress, and the Secretary of Agriculture, if he is willing to cooperate.

Mr. President, I would much prefer the domestic parity plan to anything that has been proposed to date. I shall support other Senators who will offer this as a substitute for the pending bill. If this motion should lose, I will then offer amendments to improve the pending bill.

Mr. CARLSON. Mr. President, will the Senator from California yield to me so that I may commend the Senator from North Dakota?

Mr. ENGLE. I yield, with the understanding that I do not lose the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CARLSON. I wish to commend the Senator from North Dakota, who is not only a member of the Senate Committee on Agriculture and Forestry, but is thoroughly familiar with the problem which will soon be under consideration, and that is the wheat problem. Everyone agrees there is a wheat surplus in this country and that the solution of this problem is not an easy one.

I appreciate very much the statement of the Senator from North Dakota that a reduction in acreage and a reduction in price supports will not solve the wheat problem but may aggravate it. It is a question we should deal with on a permanent basis. I hope, before we get through considering this bill, we may be able to adopt a two-price parity system which would provide parity price for wheat produced for domestic consumption, and an equitable price for wheat, other than that needed for domestic consumption.

On February 19, I introduced S. 1170 which is cosponsored by many other Senators from the wheat-producing area.

This bill if enacted into law would stabilize wheat marketing, thereby stabilizing the income of wheat farmers and reduce Government stocks of wheat.

Mr. YOUNG of North Dakota. Mr. President, I appreciate the remarks made by my good friend and one who lives in the greatest wheat-producing State of all and one who has made a thorough study of this problem. Men like the Senator from Kansas [Mr. CARLSON] have spent their lifetimes in the wheat business. They know more about what can be done with a price support pro-

gram than do all the "sidewalk" farmers who have been brought to Washington to try to solve the wheat problem.

I wish we had someone in the Department of Agriculture who had the good, common horse-sense knowledge of wheat that the Senator from Kansas does.

Mr. President, I wish to express my appreciation to the distinguished Senator from California for his courtesy in yielding so that I might make my statement.

Mr. ENGLE. It was a pleasure to yield to the Senator.

Mr. President——

The PRESIDING OFFICER. The Senator from California has the floor.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield?

Mr. ENGLE. Mr. President, I ask unanimous consent that I may yield to the Senator from West Virginia for the purpose of making a statement, without losing my right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California? The Chair hears none, and it is so ordered.

COAL RESEARCH AND DEVELOPMENT COMMISSION

Mr. BYRD of West Virginia. Mr. President, the House Committee on Interior and Insular Affairs has unanimously reported H.R. 6596, which would create an independent Coal Research and Development Commission to encourage and stimulate the production and conservation of coal. The bill is identical to S. 49, which was introduced in the Senate on January 9, by the junior Senator from Illinois, the senior Senator from Montana, the senior Senator from Colorado, the senior Senator from Wyoming, and the Senators from Pennsylvania, Kentucky, and West Virginia.

It is mandatory that one of these measures receive quick and favorable action by the Senate. In order that my colleagues may familiarize themselves with the need for and intent of coal research legislation, I should like to recount briefly the history of this important proposal. In June, 1956, the House of Representatives, alert to coal's prominent role in the Nation's economic structure and mobilization base, approved without a single objection a resolution to undertake a study of the advisability of a coal research program. Hearings were held in Pennsylvania, Virginia, Ohio, and Oklahoma. Witnesses included officials of seven States, representatives of coal, railroad, electric utility, and other allied industries, and members of the United Mine Workers of America. The U.S. Bureau of Mines also took part in the hearings.

By August 1957, the subcommittee conducting the investigation had accumulated adequate information to recommend without qualification that an independent Coal Research Commission be established. The subcommittee based its findings on these principal factors:

First. Coal reserves of the United States are the Nation's greatest mineral resource available for immediate development and use.

Second. An economic stimulant is needed to reduce unemployment in coal areas.

Third. There is a compelling need, from the standpoint of the coal industry's economy and the Nation's future fuel requirements, for a coal research program.

I submit, Mr. President, that conditions which precipitated the House subcommittee report in 1957 have increased in intensity during the intervening period. Unemployment is up in coal communities. Energy demand for the country is increasing. Continued improvement in mining methods, advanced techniques in transportation, and new uses for coal need to be developed to provide more work for our miners and a greater degree of fuels security for the United States in peace and war.

Over the course of the early months of this session of Congress, the senior Senator from West Virginia and I have sought to acquaint the Senate with the factors behind the economic difficulties of an industry representing America's principal source of fuel supply. In our State, where about one-third of the Nation's total coal output emanates, the grim shadow of joblessness continues to darken many communities. A closed mine deprives not only the miners and their families of a means of livelihood. It brings furloughs to railroaders whose jobs depend upon the movement of coal. It affects employees of industries associated with coal and wholesale and retail businesses serving mining and railroading communities. It slashes tax revenue from city hall to State capitol to the U.S. Treasury.

While I do not foresee the creation of a coal research commission as the magic formula through which the economic problems confronting our stricken communities will be automatically resolved, there is no question but that a broad, long-range research and development program will gradually lessen the difficulties which have prevailed throughout most coal regions for an agonizingly long period of years.

A coal research program is not enough in itself. I would be less than frank if I were to covney the impression that this plan for an independent research commission is the complete answer to the problems which beset us. Yet, should the Congress in its wisdom accept the provisions of H.R. 6596 or S. 49, those of our citizens dependent upon a going coal industry will find new hope on a horizon which thus far has been barren and bleak.

Congressional recognition of the need for improving conditions in coal States through a vigorous research effort will be welcomed enthusiastically in all coal regions. It will give official substantiation to analyses by fuel experts who place an increasing reliance upon coal in the years ahead. Of greater significance is the likelihood that, as more and more of coal's potential is developed through science and research, new industries will move into areas of abundant coal reserves.

In 1952 the President's Materials Policy Commission, in its report on "Resource for Freedom," served notification that such electroprocess industries as aluminum would break loose from their long dependence on hydroelectric power to move closer to sources of coal. Within a few short years following publication of that report, aluminum's march into the coalfields was under way. We now have a happy family of the coal, electric utility, and aluminum industries providing substantial employment along the Ohio River in West Virginia. The Commission's report also visualized progressively greater use of coal by the chemical industry and, eventually, in a synthesis fuels industry.

We must never lose sight of the fact that the coal reserves of this Nation make up more than 90 percent of our total energy resources. The diligent efforts of our great petroleum and natural gas industries will continue to produce a substantial flow of energy to meet the requirements of rising population and increased industrial activity. There will come a time, however, when these reserves will be exhausted. When this day arrives, coal must be ready as a substitute fuel. The feasibility of producing liquid and gaseous fuels by synthesis has long been established. The German air force was powered by synthetic gasoline almost exclusively during the closing months of World War II. Experimental plants in the United States have produced gasoline from coal, but only through science and research will maximum economy of operation and utilization be achieved.

From the consumer's point of view, there are numerous other factors involved in a coal research program. Coal is already the basis of countless chemical products. By capturing the gases and tars in metallurgical ovens, the coke and chemical industries have been able to develop explosives, plastics, fertilizers, nylons, and a thousand and one other commodities. Research has been responsible for delivering electric power over greater and greater distances. Vast networks of long distance lines enable our utilities to deliver electricity where it is needed when it is needed with a high degree of efficiency. Officials of the Anaconda Wire and Cable Co. recently announced the opening of a new high-voltage research laboratory at Hastings-on-Hudson, N.Y. The decision to construct the new facilities was prompted because conventional designs for underground high voltage cables have practically reached their maximum capabilities, indicating the need for improved cable-system design.

The New York Times of April 26 described a broiler-fed pump turbine and other developments which are helping to cut down electric bills. Other equipment manufacturers, as well as utilities themselves, are conducting intensive studies of this nature to keep electric power within reach of everyone at the most reasonable rates. The air-conditioning and other modern-day advantages in the home are to be available to middle- and low-income families; the application of technology to the generation and transmission of electric power must be continued with the utmost intensity.

Mr. President, the United States is investing millions of dollars in a program to produce electricity through nuclear fission. I submit that the world's most dependable source of energy—coal—also is worthy of an investment. If only a fragmentary amount of the appropriations channeled into research on atomic electric power were to be applied to coal, I believe that the dividends accruing to the general welfare of our Nation would be extremely beneficial.

We are grateful that our scientists and engineers have made it possible to generate electricity by atomic power. And it is true that, eventually, atomic energy may be able to generate electricity more economically than traditional fuels, but, thus far, coal's economic advantage is still very decisive. For this reason, I do not believe that coal should be neglected. I think it is logical for Congress to be willing to appropriate the comparatively small amount of funds necessary to put a coal research program into operation. It would be an investment which would more than repay itself in a multitude of benefits to our country and our people.

Mr. President, one other factor which should be considered in the case for establishment of a coal research program is the unpleasant reality that, should a national emergency result from present or future world crises, our country would be in immediate need of large, dependable energy supplies. A supreme effort would be required of America's fuel industries. Enactment of a coal research and development program now would help make certain that our Nation's coal industry would be ready for such a supreme effort.

Mr. President, the creation of a coal research and development program is needed for America's security, for the economy of our coal-producing regions, and for a guarantee that our national resources cupboard will be able to meet the demands of future generations. I urge my colleagues in this body to join with me in support of this plan.

OUR CHINA POLICY NEEDS REVISION

Mr. ENGLE. Mr. President, I know there are political dangers in undertaking to discuss our China foreign policy. I am aware of the fact that the State Department regards this area of our foreign policy as one that should not be touched.

I do not see why our policy in China should be any more sacrosanct than our policy in Europe, which has come under continuous discussion and analysis not only on the floor of the Senate, but also in the press and among the people generally in the United States. I know also that this is an extremely complicated and difficult field of foreign policy but it nevertheless requires some public airing. I am convinced that our China policy needs a critical reexamination. I am prepared to dispute the premise that our present policy is adequate and that nothing about it can or should be changed.

I undertake this discussion with the full knowledge that what I say may be misunderstood, misinterpreted and criticized. But we have to start somewhere and I think that this phase of our foreign policy is deserving of more attention and discussion on the floor of the U.S. Senate than it has received. Today, I want to examine the history of our present China policy, the effects of that policy upon our global posture on communism, the effects upon China itself, the effects upon other countries of Asia, and the effects upon Formosa. I propose to make some positive suggestions as to areas of discussion and change that might be the subject of negotiation with Red China.

There was a time when the United States looked out upon the rest of the world through the front door and we did not see much beyond Europe. We looked at the Far East through the back door—when we bothered to look at it at all. Our knowledge of peoples and cultures and forces at work in the Far East and south Asia was meager. We had some vague impressions but it was not until Pearl Harbor that the realization became general that the United States faces the Pacific as well as the Atlantic. During World War II, and since, formidable changes have come about in Asia at a pace we may not yet have grasped. In some respects we are still the victims of a time-lag, and to the extent that our foreign policy is dependent upon the wholehearted support of public opinion, our policy in Asia may be the victim of a lack of general public knowledge of what is happening in Asia.

To be sure, in a general way we are aware that the sleeping Asian giant has awakened; that colonialism is dead; that a revolution is in progress—a revolution basically to replace suppression with freedom, which is what the people really want, regardless of the form the revolution takes. They want to replace poverty with plenty and to replace inequality with equality. What we may not have understood too well is that regardless of the many forms this revolution has taken, there is an underlying community of interest among the peoples of Asia. Most of the peoples of Asia have the same hopes and aspirations. We cannot dispose of this community of interest by attaching labels to the effect that this or that country is Communist, or neutral, or a staunch ally. Irrespective of these labels the motivations of the people remain similar though the forms of government may differ.

Our problem has been to determine the best means by which we can identify ourselves with this upheaval, to aid and guide the processes of change. The assumption that we can and should guide this change in our own image in itself is a denial of the very equality and right of self-determination these nations of Asia are seeking. As we have faced this dilemma our policy has coined stock responses to stock labels. If the label is "staunch ally" the response is to subsidize the economy, give unequivocal support to the leadership and conclude a defense assistance agreement. If the label is "neutralist" the response is to toy along, give a restrained support, and alternate wooing with wrist slapping. If the label is "Communist" the response is to retreat into a defensive posture of containment and threats of massive retaliation. These widely diverse responses have become the stock policy formulas, irrespective of the fact that all Asian peoples in our pigeonholed categories are seeking nearly the same ultimate objectives, irrespective of the same underlying pressures, and irrespective of the fact that many of the countries of Asia are under authoritarian government, though with notable exceptions.

While our policy in all of Asia is interrelated, China policy is central, affecting not only the nature of our relationships throughout Asia but also affecting the balance of power and the potential peace of the world. Mr. President, since China policy has such an important bearing on our future in Asia, I should like to take that policy off the shelf where it has been gathering dust since 1949; take a look at it, and ask some questions about it.

I do this because of a conviction that this China policy is based on a reaction to the past, rather than a calculated look into the future. I am impressed with the fact that our present China policy is compounded of a lack of understanding of the processes which have been simmering in China since the Boxer Rebellion. To this is added our embarrassment emanating from not having been able to save China in 1949, and from our unwillingness to decisively defeat Communist China in Korea. Add to this our emotional and moral revulsion for mass executions on the mainland, the reprehensible brainwashings, the excesses of revolution—add further the fact that a number of U.S. citizens have been held imprisoned in China—the net result of this affront to our moral sense and our prestige has been a China policy of absolute containment plus pressure. The policy calls for not recognizing the existence of the regime, for sealing off the regime and the 600 million people of China, for a ring of military defenses surrounding China, for an absolute trade embargo, and for a boycott on all travel and exchanges. The psychological warfare aspects of present policy call for measures not only to deter any aggression but to pose a threat of implied eventual liberation by a refugee government on an island 100 miles from the mainland. The presumed objective of this policy of containment, insulation and psychological compression is to serve the national interests of the United States.

My purpose is not to contend that these extremes of policy should be replaced by the opposite extremes. I do not contend that we can or should recognize the Mao government under the conditions of hostility which now prevail. Before any two-way recognition can take place many changes will have to be made in relationships between the United States and China. I cannot take the position that the Mao government should represent China in the United Nations until changes take place which now bar the Mao government from representing China. Instead of replacing the extreme of present policy with any policy of giving the Chinese everything they seek in the hope of winning

their affection, I would suggest the need for examining the many possible alternative middle courses affecting the relationship—courses which may serve the national interest 10 years from now far better than our present policy.

Mr. President, I know that many of my colleagues have given thoughtful attention to our relations in the Far East and southeast Asia. I would hope that those who have made a careful study might provide answers to some of the questions I intend to raise. In particular, it would be gratifying to hear the views of the distinguished chairman of the Committee on Foreign Relations. Undoubtedly Senator FULBRIGHT gained a valuable insight as a result of his extensive tour of the Far East last summer. The Senator always weighs these vital issues in the light of the many complex relationships affecting our foreign policy. Some Members of the Senate are affiliated with the Committee of One Million. It may be that they can provide some logical, unemotional evidence to show how the present policy is going to benefit the national interest 10 years from now. I must say, however, if the evidence which may be forthcoming is only a repetition of the platitudes and stock justifications advanced by the Department of State for our China policy, it will leave much to be desired.

For some time we have been aware of the delicacy of public discussion of China policy. Perhaps in part this has been due to the pitch of emotion which existed over what we could or should have done in the past in China. This reluctance to discuss China policy may also have been an outgrowth of the recent era during which fear ruled out debate on policy toward communism. To some extent the Congress may consider that it has abdicated its responsibility to evaluate the broad implications of China policy as a result of relinquishing Quemoy policy under the Formosa resolution. I would hope that we would not allow Quemoy policy or even Formosa policy to obscure an evaluation of our total China policy. Quemoy and Formosa are but single pieces of the scrambled puzzle of total China policy.

To some extent the administration has fostered the view that the advocate of any policy other than the present rigid policy of total insulation is guilty of un-Americanism or appeasement. We have insulated ourselves from all direct knowledge of what is transpiring in China. Through this policy of insulation we not only deprive ourselves of intelligence and of the benefits of two-way communication, but we also make it possible for the Mao government to whip up the fears of the unknown—the fears of the U.S. colossus beyond the wall the Mao government and we, together, have built around China. Thus, the United States conveniently provides the external threat used by the regime to justify greater and greater demands upon the people. And if the lack of contact creates an exaggerated fear of the aggressive designs of the United States, I suggest that it may also contribute to our fear of the aggressive designs of China.

I am not among those who believe that simply by furthering exchanges we are going to convert the Chinese leaders to democracy, nor do I believe they would convert us to communism. Nor do I believe that such relations could wean China overnight from its present association with the Soviet Union. I do believe, however, that over a period of years contacts between the American and Chinese people would wear off the sharp edges. It would reduce our differences to the real differences, ruling out the specious, artificial, unrealistic images which many Americans hold of China and which the Chinese now hold of the United States.

I am fully aware of the fact that Americans who have suggested such a course have been charged with a lack of knowledge of the nature of communism. I can assure Senators that the evils of communism are well understood. On the evidence available, there can be little doubt that the capacity of China to cause mischief in the world will have expanded manyfold in 10 or 15 years. The issue is not whether China constitutes a potential danger. On this there is wide agreement. The question, rather, is: What is the best course of action the United States should take now to support our national and international interest 10 or 15 years hence?

It is simplicity itself to respond to a threat by attempting to build a military, economic and psychological wall around China. This response of containment, not supplemented by other positive measures, is the Maginot line response. It is the "moat" psychology of medieval days. It is a negative and defensive posture. It denies the United States the advantage of those relationships essential to affect change—and there is no reason why such active relationships could not be maintained concurrently with our present determined measures to deter China from committing aggression. I can see no incompatibility between a policy which would build up the capacity of the free countries of Asia to resist any Communist aggression while at the same time make an effort to reestablish relations with the people and government of China. It is said that such a course of action would involve calculated risks. I believe it is time for the American people to be alerted to the calculated risks if the present policy continues for another 10 years. We cannot dispose of the reality of Communist China through either a wall or a vacuum between us. The reality of China will still exist.

ADVERSE EFFECTS OF PRESENT POLICY

Mr. President, in questioning our present China policy in terms of where it may be leading us, may I state frankly some of the consequences as they appear to me.

Our present policy does not reduce China's present or potential power. It drives China into a closer relationship with the Soviet Union than otherwise might exist. It creates an economic dependence of China upon the Soviet Union which serves to amalgamate a relationship which otherwise in all probability would be one of differences and frictions. It maintains an atmosphere of war in which solutions in our interest remain impossible. It helps to keep the fires of anti-Americanism alive in China, permitting the regime to use the so-called American Threat as a justification for forcing the Chinese people into ever-increasing depths of bondage. Among most of our allies and the neutral nations of Asia it puts the United States in the ludicrous position of weakness and artificiality. We appear in the position of attempting to escape behind the flimsy curtain we have created, rather than facing the reality of Communist China and dealing with it with the manly forthrightness becoming the world's leading military and economic power. These allies seem embarrassed at being compelled to defer to the efforts of the United States to keep alive the myth that Communist China does not exist.

At the opposite extreme, two allies—the Republic of Korea and the Republic of China on Formosa—hold an interest in having the United States involved in a total war with Communist China. They not only benefit by the illusion that Communist China does not legally or factually exist, they employ every device and opportunity available to identify the United States with the eventual liberation of the mainland. The United States is placed in the position of being the dog wagged by the tail.

This present China policy not only alienates many of our allies, but it perpetuates a psychological state of war when our interest demands peace. It places on us the onus of preventing the relaxation of tensions necessary if there is ever to be a solution of such basic problems as the reunification of Korea and the permanent status of Formosa. But above all, it prevents the free world from making a concerted effort to open the windows of China. It prevents the people of China from seeing the non-Communist world as it is. It compels the United States to get its information from translations of the mainland censored press or from Canadian, Japanese, Indian or other foreign correspondents in China. The United States is in the pathetic position of depriving itself of direct information on what is happening in the most populous country in the world.

National security, and indeed international security in the Far East as in the Middle East, Europe and elsewhere, depends upon more than military defenses. To be sure, military strength is necessary in the world in which we live. As a matter of national policy we prepare not only for the eventuality of total nuclear war but also for localized conventional war. However, we do not assume the inevitability of either kind of war to the extent that we rule out the use of other instruments to attain the national objectives. Among these other instruments employed is the constant effort to arrive at areas of mutual agreement with the Soviet Union. I do not refer only to the agreements for exchange of persons, cultural, agricultural exchanges, and so forth. While these undoubtedly are proving to be beneficial, we have not been reluctant to search for more substantive agreements

affecting the world's security. I think the administration is to be highly commended for its patient negotiation with the Soviet Union and other powers seeking an enforceable inspection system as an integral part of any disarmament or arms control agreement. There has not been agreement, but we cannot say that the effort to reach agreement has been in vain. In the current negotiations on Berlin and European security we are pursuing the search for areas of mutual agreement at the Foreign Minister level, and, if necessary, at the head of state level. In sharp contrast, our China policy for all practical purposes rules out the use of instruments other than ultimate recourse to war. I say this in the belief that if any mutual understandings are to be reached with China, they must be reached with Mao Tse-tung, Chou En-lai or Chen Yi and not with Ambassador Wang Ping-nan in Warsaw. The extent to which the United States has crippled the prospects for broader solutions by this China policy was borne out recently in testimony before the Subcommittee on Disarmament. I refer to the testimony of Charles Burton Marshall, formerly of the State Department Policy Planning Staff, and of A. Doak Barnett, of the Council on Foreign Relations. Even Assistant Secretary of State for Far Eastern Affairs Walter Robertson—who has since retired—testified to the effect that the participation of China would be necessary if any arms inspection system were to be effective. Since all Members may not have read this testimony, which is too lengthy to insert in the RECORD, perhaps the distinguished Senator from Minnesota [Mr. HUMPHREY] who is the chairman of the Subcommittee on Disarmament—and who has an intimate knowledge of the importance of the participation of China in any inspection system—would give us the benefit of his extensive knowledge in this field. Congressman CHET HOLIFIELD, of California, a member of the Joint Committee on Atomic Energy and one of the leading experts in the country in the atomic energy field, recently stated in a nationwide television program that an international inspection system for the purpose of detecting nuclear testing would be ineffectual without some kind of an arrangement whereby inspections could occur on the mainland of China.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. ENGLE. I am happy to yield to my friend from Pennsylvania.

Mr. CLARK. I should like to commend the distinguished junior Senator from California for the splendid speech he is making with respect to the deficiencies in our China policy. I note with great pleasure the commonsense attitude which my good friend is taking toward this intensely difficult problem. Without wishing to be either unkind or discourteous to his predecessor in the Senate from the great State of California, I should like to point out how much more realistic the speech of the present Senator from California is than was the attitude of his predecessor.

I should like to recall to my friend's mind the comment he made a minute or two ago about the ludicrous position in which our present China policy places the United States. It is not good for a world power of our stature to be made ridiculous in the eyes of most thinking people with respect to its policy toward another great nation, no matter how much we may deplore and indeed despise its social system.

I should like to commend my friend for tearing away the veil of unrealism from our present China policy, and for pointing out to the country how shortsighted it is. I should also like to commend my friend for his view on the inherent stupidity of relying solely on force as the only weapon.

Finally, I should like to commend him with equal strength on his pointing out so clearly that if we are to come to any meaningful agreement with respect to suspension of the testing of nuclear weapons, we dare not ignore China, a nation with a territory so vast that a number of control posts will have to be located there if the vital inspection system to insure compliance with a suspension system is to be effective.

Mr. ENGLE. It is obvious that any inspection would have to include the mainland of China. Otherwise the Soviet Union would simply transfer its tests to the mainland of China. We have no relations whatever with China. What kind of inspection system could we get?

Mr. CLARK. My friend is quite correct. I will not detain him further, other than to say that I shall await with interest the remainder of his speech, and to express the hope that his remarks will receive the attention it deserves, not only by the Department of State, but also by our Foreign Relations Committee.

Mr. ENGLE. I appreciate the comments of my friend from Pennsylvania. As I said earlier in the speech today, I am not suggesting that we trade one extreme for another. There are middle ground alternatives which can be adopted, and which may open up the way, so that if we ever get an inspection system, it will have some chance of being effectual, because we can apply it to the large area of the mainland of China.

Let me go one step further. So far we have not been able to convince anyone in the State Department that it is necessary to revise or reconsider the present China policy. That is why, in the next few minutes of my remarks I wish to examine this policy specifically with reference to how it has operated during the past 10 years. We must lay a foundation for a change if it is agreed—and I assert it is true—that our Government's policy is inadequate and needs revision, before we can talk about what should be done. I have some suggestions to make in that particular.

Mr. CLARK. Mr. President, will the Senator yield again briefly?

Mr. ENGLE. I gladly yield to my friend from Pennsylvania.

Mr. CLARK. It occurs to me that one of the great values of the Senator's speech is its timeliness. The speech comes at the right time, when the Assistant Secretary of State, Walter S. Robertson, a dedicated and patriotic American, who has given a large part of his life to the service of his country, but whose policy, to my way of thinking, with respect to China, has been totally wrong, is retiring; and when there has been installed a new Secretary of State who, I am confident, is going to give some attention to the advice of many able persons not only in the State Department but throughout the country, who feel that, unless we change our China policy in line with the middle ground suggestions which my friend from California is making, we are headed for disaster.

Mr. ENGLE. I thank the Senator from Pennsylvania for his further remarks.

EXCHANGE OF CORRESPONDENTS

Mr. President, it has been of some interest to note a meaningless concession in our China policy, made by the administration in August 1957. As a gesture to the growing sentiment in the United States for reopening the doors into China, the administration agreed into China. Only one of these has been to authorize passports for the entry of some selected American correspondents able to secure an entry visa from the Peking government. The Department now contends that it has taken the initiative in this test case and the responsibility rests upon Peking for the denial of entry visas. The Peking government maintains that the reason for not granting visas to American newsmen is because the United States refuses to grant visas to Chinese correspondents. China says, in effect, that if tensions are to be reduced by this measure it must be on the basis of reciprocity and equality. The administration in turn has justified its position on grounds that the Chinese are free to apply for a visa if they desire, but none have applied. The administration also contends that we can give no blanket agreement in advance because the immigration laws require that visas be granted on the merits of the individual cases. It seems apparent that here is a situation in which the administration is continuing to enforce a blackout on contacts with China while making it appear that the responsibility rests either with China or with Congress for not having made the immigration laws more flexible.

The same immigration laws are flexible enough to admit Soviet citizens. The same immigration laws once kindled the hatred of the Chinese and fed fires of nationalism and communism with their Asiatic exclusion provisions.

We erased a stain when we abolished the exclusion provisions, but now again we are feeding the same fires of ultranationalism and hatred by not making a forthright statement to the effect that we would welcome Chinese correspondents on the basis of equality with American correspondents sent to China. This the administration has not been willing to do because of a fear that it might enhance the prestige of China and cause all of our allies to jump on the Communist bandwagon. The irony is that the British, Canadians, Australians, Japanese, Pakistanis, and most of our other allies already have their correspondents in China.

VALIDITY OF ARGUMENTS AGAINST CHANGE IN PRESENT POLICY

Mr. President, let us examine the validity of the major lines of argument which have been advanced in opposition to any change in present China policy. Insofar as I can determine, the basic arguments apply to, first, the effects upon our global posture toward communism; second, the effects upon China itself; third, the effects upon the other countries of Asia; and fourth, the effect upon Formosa.

GLOBAL EFFECTS

It has been contended often that no change can be made in China policy because communism is a global threat; that therefore we must combat it with a global policy. The position is often stated that we must remain firm at all points; that if we change in any manner at any point, the entire free world security will collapse. In particular, this argument is used to oppose any change in China policy. What we have done has been to reduce the challenge to a simplified version, when in fact the challenge is multiple and complex. We have then reduced our response to the challenge to the simple negative formula of remaining firm and unbending on all fronts. The question I would raise is: Are we really acting in our own interest by deluding ourselves that communism is a single threat to be dealt with by a single formula? I will not deny that the theory of world domination captivates the imagination of every good Communist Party member.

But it does seem to me that in determining our response to communism, we should be guided by a realistic assessment, not only of the ideological likenesses but also of existing differences. We should be sensitive to the domestic compulsions of national interest which motivate China and the Soviet Union, compulsions which sometimes take priority over the theory of communism.

We know that China and the Soviet Union have followed different paths to communism. We know that they have followed different roads to industrialization. We know, for example, that the Soviet Union has rejected China's program for establishing communes. Since 1949 we have witnessed a procession of changes within both countries. The strategy and tactics of Stalin were modified under Malenkov and to an even greater degree under Khrushchev.

In China, since 1949, changes have taken place constantly as the Mao government has launched new programs to meet new interpretations of what constitutes their national interest. We know that the relationships between China and the Soviet Union have undergone varying degrees of strain; that the nature of cohesion has vacillated depending upon the changing compulsions of their respective national interests, both domestic and international. If there is any single factor that both have in common which has not changed, it is their flexibility.

The import of this is that the behavior of both China and the Soviet Union is founded on their own conception of their own national interest as interpreted through their Leninist-Stalinist-Marxist spectacles—and this is in constant process of change. How, then, can we oppose any change in our China policy on grounds that we face a monolithic threat which can only be met by a single policy which we choose to call global? The better course of action would appear to be to adopt on its merits whatever China policy is best calculated to serve our long-term interests.

In a sense, we now disregard our own theory of the solid, unbending, unchanging front, in that we apply different policies to the Soviet Union, China, and the satellites. If considerations of future national interest of the United States point to the advisability of a change in China policy, then the argument that China policy cannot be changed because no differences can exist in our global posture does not appear to be well grounded.

EFFECTS UPON CHINA

The second major justification for our China policy relates to the effects of our policy upon China, but this has never been clearly enunciated. While several different hopes have been entertained we have never spelled out exactly what we hope to accomplish with respect to the full effects of our policy upon China. We aim at preventing aggression. This is a worthy objective, but the measures we have taken go beyond the requirements of preventing aggression. Such aspects of our relations as the trade embargo; the boycott on travel; our refusal to negotiate on questions of substantive importance at a level higher than the Ambassador level; our efforts to deny or ignore the existence of the Mao government; and our measures which have been interpreted as threatened liberation—all these go beyond what would be necessary to halt any aggression. In carrying out these measures there is even good reason to believe that to some extent we are provoking potential aggression.

Why have we taken such steps as these that go beyond the requirements necessary to halt aggression? There are a few persons, not many, who look forward to a preventive war; who seriously believe that we might liberate the mainland. I have not heard any responsible military officer support the view that the United States could or should attempt to liberate the mainland of China. A few weeks ago, President Eisenhower ruled out fighting a ground war in Europe. How much more reason for ruling out a ground war in the vast expanse of China? If this is not our aim, then what is our purpose? A larger number of Americans seem to accept the view that by applying extreme pressure to China we will be able to cause such discontent that the masses in China will rise up against their rulers. The tangent of this is the view that by applying extreme pressure we will intensify the economic dependence of China upon the Soviet Union; that the frictions thus created will cause a split between China and the Soviet Union; that then China might become more amenable.

Whatever the reason used to justify a policy which goes beyond preventing aggression, two questions are pertinent: What can we expect to be the outcome of this policy if we pursue it for another 10 years? Secondly, is there any other policy which would offer a better prospect for the peace of the world? The developments of the past 10 years give us a fairly reasonable basis for forecasting the trend of the future. Several conclusions are evident:

First. During the past 10 years our policy has not prevented the Mao government from fastening its control over the China mainland. It has not made life so miserable for the Chinese people that they have risen up in rebellion against their masters. While there is some evidence of resistance, that resistance is not on a large scale or well organized. The Mao regime has shown its capacity to put down resistance in the past, even in outlying Tibet. With each passing day, it will have a greater capacity to put down resistance in the future. If we are to be realistic, it would seem that a continuation of our policy will not be any more likely to influence this effective control than it has in the past. Instead of fostering revolt, as was the belief of some persons, our present policy provides the external threat used by the regime to rally the support of the people.

Second. During the past 10 years, our policy has not been able to affect in the slightest degree the determination of the Mao government to bring about rapid economic change in China. Whether we disapprove of the forms or the methods of economic change, the reality is that economic development is taking place at a rate many economists would not have believed possible. Here again, our present policy cannot be expected to influence the future course of economic development, except as it compels a continuing economic interdependence between China and the Soviet Union—an interdependence which is bound to enforce political and military unity between the two Communist powers.

Third. During the past 10 years, our policy has not been successful in bringing about a split between China and the Soviet Union. Looking to the future, it appears reasonable to conclude that the continued application of pressure upon China will further reinforce the unity of the Communist bloc. It will enforce that unity because it deprives China of any alternative. It compels China to subordinate its independent role and status in consequence of its dependence and enforced reliance upon the Soviet Union.

The industrial and economic progress of China has led some persons to believe that China can produce enough food to take care of its own people. I am one of those who believe that there is a grave question as to the capability of Red China to raise enough food to take care of its teeming millions. There simply are not enough acres for the production of food to divide among present and growing millions of the Chinese population. If those who believe that China will face serious food problems in the years ahead are right, what alternatives are left to Red China? There are three: Red China will necessarily either,

first, turn to Russia to supply its need for food; second, trade with us; or third, move for food in the direction of southeast Asia. It would seem to me that Red China would not want to become more dependent upon Russia for food, either for the lands to raise it or by direct importation. As to the second alternative, I do not believe that Red China would want to become dependent upon us for its necessary supply of food. This leaves the third alternative as the logical one which will be adopted by Red China, namely, a push into southeast Asia by economic and perhaps by military means, to secure the necessary sources of food. How can it be stopped? Certainly we cannot stop it with military intervention and ground troops. If it is to be stopped at all it will be stopped by Asians; and we must help them to achieve the necessary unity to maintain their territorial and political integrity against what, in my view, will be a certain move by the Red Chinese to find the land for food production to meet the needs of their population. Here, too, lies the basic weakness of the present economic program in China. And the problem of food affords the United States and the rest of the free world some bargaining room with the China leadership.

If our measures of the past 10 years—that is, the measures which go beyond the needs of containment—have not served the national interest; if a prolongation of those measures can reasonably be expected to intensify the hatreds, the buildup of military power, the enforcement of greater demands upon the people of China, and the solidarity of the Communist bloc, what evidence is there that a change in our policy would produce any different results?

I have no positive proof to offer. Indeed, in all probability, in the first instance China would be suspicious of any change. My guess is that any initial effort on our part to bring about a more realistic relationship would probably be spurned by China. I fully recognize that if a workable relationship is to be established, in the long run it will require the desire and effort of China, as well as of the United States; and it will have to take place over a period of time. Can there be definite proof of the benefits of any alternative policy a decade hence, unless an attempt is made to test that policy? It has taken us 10 years to discover that the present policy is not in our interest. I would be the last to suggest change simply for the sake of change; but in this instance there is evidence that the present policy has not served our purpose, and there is reason to believe that a more realistic relationship would serve our interest.

To be specific, for example, there is the question of the present trade embargo. If the embargo deprives China not only of the implements of war, but also of all other items, it compels Peiping to go to Moscow for these items. This one act not only closes the doors to contacts with the non-Communist world, but also places Peiping in a position of dependence upon Moscow. It creates a future reliance upon Moscow for technicians and for spare parts. It serves as a reason for a small army of Soviet technicians in China. It makes it possible for the Soviet Union to demand a political quid pro quo. The question now is this: If China were relieved of this dependence upon the Soviet Union, can it be proved, in advance, that China would trade outside the Communist bloc, and that that would be in our interest? No, Mr. President, it cannot be proved. But on the basis of the epithets directed by high-ranking Chinese officials toward the Soviet Union during the Hundred Flower experiment; on the basis of the evident hard bargaining which accompanies each Sino-Soviet trade agreement; on the basis of China's needs, compared to the capacity of the U.S.S.R. to export; and on the basis of overtures which already have been made by China to discuss trade with the United States, there is fairly good reason to assume that in the matter of nonstrategic trade, during the next 10 years a normal working relationship could be established; that even though China continued to maintain a close relationship with the Soviet Union, the ties binding the Communist bloc together would be weakened and China's ties with the free world would be strengthened. In like manner, there is no positive proof that a change in policy which would permit such measures as negotiations at a higher level, the exchange of news correspondents, and so forth, would serve our future interest. I cannot but feel, however, that war 10 years from now, if it comes, may depend as much upon the extent to which we and China continue to maintain the present hostility as upon China's future capacity to make war.

EFFECT UPON OTHER COUNTRIES OF ASIA

Mr. President, a third major justification for our China policy has been that it is a necessary one in order to prevent aggression, infiltration, subversion, and to prevent communism from becoming the wave of the future in Asia. In denying that the policy in its present extreme form is necessary in order to accomplish these objectives, I do not want to be misinterpreted. I believe my determination to halt communism is as strong as that of any other American. If, however, a part of our China policy serves this purpose, and if another part nullifies this purpose, then I say that we should be prepared to change the part that operates against our long-term interest. I question the thesis that any change would inevitably result in the fall of all Asia to communism. Since President Eisenhower first voiced his fears of the "falling dominoes," at the time of the partition of Vietnam, the toppling of Asian states, one by one, has been identified with any change in China policy. As usually presented, this theory maintains that, after Vietnam, Laos, Burma, Indonesia, and the Philippines had fallen, an outflanked Japan would be the next to fall; and that after losing the industrial strength of Japan, it would then follow that Europe and the United States would fall like ripe plums.

That makes good oratory; but, Mr. President, I raise this question: If such a chain reaction is to be prevented, will our present China policy prevent it, or will present policy aggravate it? We can agree that our alliances with South Korea, Japan, the Republic of China, the Anzus Pact, and SEATO are useful instruments to prevent aggression and subversion. We can agree that our military aid is useful. There is general agreement that to the extent that we can aid in developing economies and strengthening the emerging political institutions, communism will cease to be a wave of the future in Asia. It would be in the unrest of peoples seeking a better livelihood and the fruits of their newfound independence that communism would incubate as a wave of the future in Asia. For our part, we are assisting the governments of those countries in their efforts; and, after having made considerable headway in recent years, I trust that we shall continue to provide economic, military, and technical assistance. But what possible relationship does our China policy have to these measures?

The Communist-led Hukbalahaps were not defeated in the Philippines because the United States had an embargo on trade with China or because we had a boycott on travel to China, or because we refused to permit American newsmen to enter China, or even because we did not recognize China. They were defeated as the result of the energetic measures taken by the late President Magsaysay. The Huks ceased to be a threat in the Philippines as the result of a police action, coupled with the grant of homesteads and other economic measures to improve the livelihood of the people. But irrespective of the reason, U.S. China policy had little to do with the outcome.

In Vietnam, following the partitioning of 1954, order was restored by the Diem government with our assistance. The new government weeded out the Communist inspired agents of the Vietminh who had infiltrated into the south. By bringing Vietnam, Laos, and Cambodia within the protective mantle of SEATO, it was made clear that any aggression by Communist China would not be tolerated. But having done this, and having established a large-scale military and economic-aid program, are we to presume that President Diem would have been any less determined in his opposition to communism if the United States had maintained a different relationship in its dealings with China?

In Burma, the red flag and white flag Communists were subdued without assistance from the United States. The status of our relations with China had no bearing whatsoever upon that outcome. In Malaya the Communists were defeated as a result of the punitive campaign led by General Templer, plus other positive measures taken by Britain prior to the grant of independence. United States-China policy was irrelevant to this outcome. In India in the last elections the Communist Party won control in the State of Kerala. Are we reasonably to assume that this outcome would have been affected in any way by U.S. China policy, or is it more reasonable to assume that this was the result of impoverished economic conditions or other local reasons?

The conclusion I reach is that United States-China policy in the larger sense has very little indeed to do with the willingness of the people of Asia to resist Communist aggression and subversion. But the argument is advanced that the people of Asia are prepared to resist communism only if they are assured that the United States will stand by them; that if we changed our China policy it would be interpreted that we would not stand by them; that therefore they would have no alternative but to permit Communist China to dominate them. This again makes good oratory, but it assumes that someone has an omniscient insight into what motivates the people of Asia. I do not claim such an insight, but I get a different answer from the people who are close to the thoughts of Asians.

For one thing, it is not possible to lump all Asians together. Perhaps 90 percent, or an even greater percentage, of the people of non-Communist Asia do not have even the vaguest notion that Communist China exists or that the United States exists. They are immersed in the village life—in the struggle for survival, in how to get enough to eat. If they are to be shielded from any temptation to adopt communism, the factor of least relevance is U.S. policy toward China. Therefore, those who warn of the dangers are referring to the thin strata of leaders and potential leaders. But even here there is little room for generalization.

Rather than the flat conclusion that a change in our China policy would cause this group to submit to communism, the more valid conclusion would seem to be that the majority would continue a determined resistance to any Communist aggression. At the same time, many would prefer that the United States adopt a more realistic relationship with China. It goes without saying that a change would not cause the Republic of Korea, the Republic of China on Formosa, Japan, the Philippines, or the Republic of Vietnam to go Communist. Thailand and Pakistan would hardly weaken their resistance, particularly since each has come under the rule of temporary military governments that are keenly alert to any Communist subversion. But what of the so-called neutral states, India, Indonesia, Burma, and Ceylon? It is with these states that our relations suffer most as a result of the extreme nature of our China policy. All of these states are prepared to prevent Communist aggression. They supported the United Nations in Korea. They all have embarked on economic development programs which, if successful, would curb the incubation of communism at the source. But while being wary of potential Communist aggression, they also oppose the extreme aspects of United States-China policy. In this they find considerable support from Japan, Thailand, and Pakistan.

The reason why our China policy has caused a strain is not the legitimate measures to prevent aggression, but largely because of our insensitivity to what has caused communism to emerge in China, and our negative, sterile method of dealing with it. Being of Asia; having lived under Western domination; having felt the same pressures of nationalism which underlie communism in China; having felt, with China, the sting of racial discrimination, the desire for equality, international prestige, and recognition; and having shared with China the embarrassment of poverty and the same determination for economic betterment—these neutral nations of Asia have weighed the arguments and have concluded that the United States is not completely right and China completely wrong. They appreciate the circumstances under which revolution occurred in China. They are sensitive to the various courses the revolution can take, and they are convinced that our China policy is aggravating Communist excesses and is perpetuating threats to the peace of Asia. Whether they are right or wrong, it is evident that a change in our China policy would not cause these nations to capitulate to communism. They have already established their relationship, as well as their resistance, to China.

But there is still another argument usually advanced to support the idea that any change in China policy would start a chain reaction of falling dominoes. There are some 11 to 13 million oversea Chinese in Southeast Asia. It is contended that if we were to change our China policy, these oversea Chinese would have no place to turn to other than China; so, it is argued, for some unclear reason, they would all become Communists. The patent argument is that they would then constitute a built-in springboard for subversion and aggression throughout Southeast Asia.

I frankly am a bit surprised that this justification has survived. It is true, the oversea Chinese are scattered throughout Southeast Asia. In every country they are a small minority without significant political power, with the possible exception of Malaya. Most of these are third- or fourth-generation Chinese. Like the Chinese in Hawaii, their roots and ties are in the present homeland. There are a few, however, who still have relatives in China. Their contact with China has been in the form of sending remittances to these remote relatives. A few have sent their sons to be educated in China.

Now what has happened? After the Communists came into power the oversea Chinese soon discovered that their remittances were being confiscated by the state. Since the establishment of communes, the flow of remittances has been reduced to a trickle. Several years ago the overseas students who went to China numbered in the hundreds, mostly from the Singapore area. Now the number has dwindled. Instead of returning to Indonesia, Singapore, Vietnam, or elsewhere, to become a "springboard" for subversion, these students have practically all remained in China. The picture is usually portrayed as a choice in which the overseas Chinese can pay loyalty only to Chiang Kai-shek or to the Communists; that any change in policy would deny Formosa to the oversea Chinese and would compel them to embrace the mainland. The fact is that the vast majority of the oversea Chinese have little concern either for the Chinese Communists or the Nationalists. Those who might pay loyalty to Peking have already done so. Those who look to Taipei would not necessarily be prevented from continuing their present loyalty merely because of a change in U.S. policy, assuming that we would make no change which would abandon Formosa to the Communists.

Mr. GORE. Mr. President, will the Senator yield?

Mr. ENGLE. I am delighted to yield to the Senator from Tennessee.

Mr. GORE. As I have listened to the able, provocative address of the distinguished junior Senator from California, I have been impressed by the fact that time and again he has pictured present policy as a defense of the status quo, as a resistance to change. How, I ask the Senator, can we hope ultimately to win by defending the status quo in a world that is in constant change?

Would it not be the better part of wisdom to undertake to influence the change, which is inevitable? Would success not be more likely if we had a moving policy sufficiently flexible to meet changing conditions?

Mr. ENGLE. I appreciate the Senator's remarks, and for the greater part of an hour I have been talking about that precise proposition.

The contention is made that we cannot change our China policy, and various arguments have been advanced with reference to why we cannot change that policy. The last argument is the one I am currently discussing; that is, that somehow or other a change in our policy would turn all of the oversea Chinese—the Chinese who are off the mainland of China and scattered throughout the various parts of Asia—into Communists overnight, and that a change of policy, therefore, cannot be tolerated.

I am dealing with these arguments, because it is necessary to convince not only our own Government but also the people of this country that we must be prepared to make a change before any kind of a change will even be considered. I am dealing with that proposition at the present time. I hope to establish the premise that change must occur, and then I propose to offer some suggestions as to areas in which change might be considered and might be negotiated.

It does appear the argument that we cannot change our China policy because of the oversea Chinese does not carry much weight. What we have been saying, in effect, is that we choose not to make any gestures which might lead to a more realistic relationship with 600 million people, because a mere handful of oversea Chinese might do what the others have already done—turn to communism.

Mr. GORE. Mr. President, will the Senator yield?

Mr. ENGLE. Yes, I am glad to yield to the Senator from Tennessee.

Mr. GORE. I hope the Senator will understand that I make no pretense of

expert knowledge as to the oversea Chinese problem, so-called. I have seen many of the so-called oversea Chinese. I believe that is the way they are described.

Mr. ENGLE. Yes. They are in the Philippines and throughout Asia.

Mr. GORE. Throughout Southeast Asia.

Mr. ENGLE. They are also in Hawaii.

Mr. GORE. They have become citizens of Hawaii, and are playing a responsible and admirable part as responsible citizens.

Mr. ENGLE. They certainly are.

Mr. GORE. That was the suggestion I was about to venture. These people should be encouraged to become citizens of Laos and should be encouraged to become citizens of Thailand and the other countries. As such, it would be natural to expect that they would have a loyalty to the country of their citizenship. Would the Senator think that is one possible avenue for change?

Mr. ENGLE. That is certainly true. These are third- and fourth-generation Chinese. Their loyalties are to their present homelands.

What happens with reference to our policy with respect to China is not going overnight to make these Chinese dedicated Communists, who peddle communism throughout Southeast Asia.

So, Mr. President, on balance, it would appear, then, that there is something wrong with the argument that any change in China policy would result in communism becoming the wave of the future in Asia. The vast majority of the peoples of Asia would not mind being closely identified with the United States if it could be on a basis of reality and equality. They would like to move forward in association with us in a positive way to shape better living conditions, better institutions, and to bring Asia to its rightful place in world councils. But when the United States justifies its relationship with all of Asia almost exclusively on the basis of halting communism; when the United States pursues an unrealistic, fruitless policy of extremism toward one of the largest states of Asia and the world; when the United States chooses to focus its key Asian policy so as to coincide with the personal ambitions of President Chiang Kai-shek—we go far toward alienating the respect and trust of the balance of Asia. I pose this question—even apart from our long range interest in terms of the effect of our relations upon China, does our interest lie in permitting this China policy to undermine such influence as we may have throughout the great expanse of Asia beyond the tiny island of Formosa? Insofar as I can see, the answer to that question is clear. In the long run if any U.S. policy is to be successful it must identify our interests and purposes with the interests of the countries of all of Asia. In the long run the world balance of power will not be determined by the degree to which we cater to the whims of the refugee government in Formosa—it will be determined by our relationship to the balance of free Asia, and indeed, to the relationship of free Asia to China.

Free Asia endorses the legitimate measures of the United States to prevent Communist aggression. But when the balance of Asia opposes those provocative aspects of U.S. policy which go beyond the need of containment, when the balance of free Asia registers even a partial lack of confidence as a result of the failure of the United States to establish more constructive relations with China, the evident conclusion is that some change in our China policy would not result in the Communist domination of all Asia. To the contrary, such change is necessary if we are to have the continued confidence of the peoples of Asia. If we do not retain that confidence, then our present policy could lead to a disastrous shift in the balance of power.

EFFECTS UPON FORMOSA

This leads to the final major argument which has been advanced in opposition to change in China policy. Even though it would appear conclusive that our relationship to China and the other countries of Asia would benefit from a change in China policy, the question still remains, what effect would it have upon Formosa?

The usual interpretation is that the slightest change in our China policy would mean that we would abandon our wartime ally and stanch opponent of communism, President Chiang Kai-shek; that we would abandon our security interest in Formosa to the Communists; and that we would have to abandon our treaty commitments to the Nationalist Government. The conclusion usually reached is that we would not do any of these things for security or moral reasons, that, therefore, we cannot make any change in our China policy. The flaw in this line of thought is that all of these consequences might follow if we are thinking of the Nationalist government as the legal and legitimate Government of all of China. The conclusion does not follow, however, if we face up to the reality that the Nationalist government is not the Government of China. I think we have to make a distinction in our thinking between our obligations to the Nationalist government as a government on Formosa and to this same government as the Government of all China. In sorting out what is realistic, on the one hand, and what is fictional, on the other, the reality is, first, that the Nationalist government has a legitimate right at present to govern Formosa; and, second, that it has lost the mainland and has no early or practical prospect of regaining the mainland. If the Communist government were to be overthrown, it is hardly likely that the people of China would restore the Nationalist government to power; in a realistic sense, Formosa exists as a separate state; in our defense treaty we do not guarantee the defense of China, but the defense of Formosa, thereby acknowledging the de facto existence of a separate territorial entity.

In a realistic sense then, our obligation to the Nationalist government is an obligation to that government on the Island of Formosa. The fictional side of the ledger is that the Nationalist government controls China; that it might regain control of China; that it represents China; and that the United States has some sort of obligation to restore its control over the mainland. If we recognize the reality for what it is, then we have no obligation, legal or moral, which should prevent a change in our China policy provided we recognize that de facto existence of Formosa as a separate entity and provided we remain loyal to our treaty obligation to defend Formosa. It is the preservation of the fiction that the Nationalist government is the legitimate government of all of China that makes it possible to jump to the conclusion that any change in China policy would mean the sacrifice of Chiang Kai-shek and Formosa. We cannot compel President Chiang to declare the independence of Formosa. We can, however, make it unmistakably clear that our treaty responsibility is restricted to Formosa; that we do not recognize the Nationalists as the de facto government of mainland China; that we intend to move forward, seeking to establish workable relationships with the Mao government. To the extent that we move forward in establishing such relationships, to that extent the separate status of Formosa will become a fact, even to the Communists and the Nationalists; to that extent the masquerade of the past will give way to a realistic approach to the future.

POSITIVE SUGGESTIONS

If we recognize, as I think we should, that our present Chinese policy is not adequate, we should be prepared to negotiate for some specific changes. Our policy, and what we propose, should be flexible, depending to some degree upon how far the Red Chinese are willing to make concessions in our interest in the Far East. These steps should be taken one at a time and we should not be in too big a hurry about it. But there are certain areas in which we should be willing to negotiate and talk with the Red Chinese with a view to concessions to be made on their side.

As a start, we should be willing to negotiate the entrance of Chinese correspondents to the United States on a basis of reciprocity and equality with U.S. correspondents admitted to Red China. We should be willing to place the issuance of visas to the Chinese on the same basis and under the same controls as now apply to the citizens of the Soviet Union provided that the Chinese are willing to admit American correspondents to the mainland of China. At the present time we are dependent upon foreigners and members of the foreign press as to what is going on in China. We should certainly have no reluctance to admitting Chinese citizens and correspondents in this country under the same restrictions applicable to citizens of the Soviet Union.

Second, we should be willing to discuss with Red China the possibility of placing our trade with Red China on the same basis as our trade with the Soviet Union. Why should they be different? There are many concessions with reference to trade in the Far East that might be advantageous to us and our friends if this kind of an arrangement is carefully negotiated.

Third, we should make it plain that although we intend to maintain our treaty obligations with reference to Formosa, we have no intention of supporting military adventures against the mainland of China—with its consequent danger of setting off a major war. This kind of discussion could be the basis of relaxing the military tensions in the Far East.

Fourth, we should assume the initiative in placing the defense of Formosa on a broader international base than it is at present and lay the foundation for the long-range status of Formosa. We have been criticized in the United Nations for the position that we have taken on Formosa and our failure to advocate any affirmative program to change the status quo there. Time is running out. Both Chiang Kai-shek and his soldiers are growing older and sooner or later we have to face up to a new status for Formosa. Why should we not place the matter squarely before the United Nations, offer to refrain from participation in the discussions if the other interested parties in the Far East stay out also, and ask a committee of the United Nations comprised of Asians, or on which Asians are predominantly represented, to come forth with some positive suggestions? This action should not detract from our commitment to defend Formosa. And in the interim, during these discussions we should make it perfectly clear that we do not intend to see the situation deteriorate. On the other hand, this action, perhaps more than any other, would convince the people of Asia and particularly the people of China that we intend to seek progressive and long-range solutions to the problems in the Far East.

In addition, it would put the onus of going forward with affirmative suggestions upon the United Nations, where there has been criticism for not moving as fast as it was thought we should.

Fifth, we should consider the possibility at some stage during these proceedings, especially if the Mao government shows any willingness to meet us halfway, to negotiate with the Mao government on issues of substance at a level higher than the present ambassadorial talks in Warsaw. This, it is true, would lead us nearer to practical recognition of the Mao government, but it is still 1 or 2 steps removed.

Finally, all these negotiations throughout should be on a quid pro quo basis, and we should make it clear that our determined aim is to halt any Communist aggression in the Far East. We should give substance to this determination by continuing to strengthen military and economic defenses, but at the same time we should permit the countries of Asia to participate with us in progress made in economic and cultural relations with China rather than follow our past practice of penalizing and frowning upon such efforts.

This is not an easy program to undertake. It proceeds from the assumption that our present policy is getting us nowhere and that we ought to try new means and new methods. It presupposes the active and good-faith cooperation of the Red Chinese themselves in a step by step exploration in each of the separate areas I have mentioned. It will take time and patience but it can be done and eventually the necessity of doing it has to be faced, and so let us face it now.

The challenge to our foreign policy in the next decade is to prevent the total marriage of China and the Soviet Union. The resulting economic, political, and military colossus would include nearly one-third of the world's population. Stretching in one unbroken, tightly controlled Communist federation from Berlin to Canton, it offers a chilling prospect. Some people think that has already occurred, but I do not agree. I think there are basic ideological frictions at the present time. China is in no sense a satellite of Soviet Russia, as are Hungary, Poland, Czechoslovakia, Bulgaria and Rumania. China is big enough and important enough to stand alone, and the Chinese leaders know that. Our policy should move in the direction of preventing a complete dependence of Red China on Soviet Russia and a total marriage of the two on the basis of the Chinese necessity. Our present policy does not move in that direction. For those reasons, I raise these questions and make these suggestions in the hope that we can get started now with a new and more vigorous approach to a policy that will move in the right direction.

Mr. DODD. Mr. President, will the Senator yield?

Mr. ENGLE. I yield.

Mr. DODD. I congratulate the Senator from California for a truly remarkable speech. It is characteristic of him.

I was privileged to serve in the other body with the Senator from California. I remember the demonstrations in that body of his good mind, his great courage and his wonderful intellectual integrity. These are precious qualities in the kind of world in which we live.

I agree with most of what the Senator has said. I may disagree with some parts of his speech; but the important thing is that he has had the courage and intellectual honesty to raise these questions and frankly discuss them.

I hope no one will suggest that there has been some meddling, or that what has been said may impair the responsibilities of those in the executive department. That has been said on occasion, and I think it is regrettable. We must be careful not to restrict our constitutional responsibility with respect to questions of foreign policy. We need more discussion of this kind.

For those reasons, I commend my colleague from California. I believe he has made a valuable contribution. I hope other Senators will join in this kind of discussion. The Senator from California has invited other Senators to express their views and make their contributions. The least we can do is support him and thank him for his leadership. In this way we can get a better policy. No one can disagree, certainly, that our present policy is inadequate and that it must be changed; that we must find a way to improve it and make it more meaningful. I commend the Senator from California.

Mr. ENGLE. I thank my friend from Connecticut for his comment. I should like to make this observation. The situation in Europe has been the subject of continuing debate on the floor of the Senate and elsewhere throughout the United States. However, for some reason or other the impression has been created that we cannot talk about our foreign policy in the Far East, particularly with respect to China. I submit that it is about time we ventilated that subject a little by some discussion on the floor of the Senate.

That was the purpose of my effort this afternoon. The position which I take is one which suggests possible areas of negotiation, and that we need not trade one extreme of policy for another extreme of policy, but that these matters be developed over a period of time by discussion.

Mr. GORE. Mr. President, will the Senator yield?

Mr. ENGLE. I am glad to yield to the Senator from Tennessee.

Mr. GORE. I wish to join the Senator from Connecticut in his expression of commendation. The Senator from California has shown courage and ability and imagination. We must in some way move in a moving world. We cannot remain static and expect to be on the wave of the future. The Senator has made no pretense of having a tried and proven formula for the solution of the vexatious problem of our policy in the Far East, with particular reference to China. However, he has shown the weakness of the existing policy, and he has demonstrated convincingly that there is in existence a policy which shows resistance to change, and has made certain proposals which, in the opinion of the junior Senator from Tennessee, deserve careful consideration.

Mr. LONG. Mr. President, will the Senator yield?

Mr. ENGLE. I shall be happy to yield in a moment. First, I should like to say to my friend, the junior Senator from Tennessee, that over a period of weeks we have been attending meetings in which experts in various fields of vital interest to Members of the United States Senate have appeared, for the purpose of trying to improve our information and our grasp of these great problems.

I believe that we have had three very renowned spokesmen in the foreign policy field appear before us, and most of their discussions dealt with problems on the continent of Europe.

We are all grateful to the junior Senator from Tennessee for arranging those wonderful symposiums, which have been highly informative and helpful. I hope he can bring before us some persons who will talk to us about the problem with respect to our foreign policy in the Far East, if not during this particular series, then perhaps during a later one, when the Senator follows out the program, as I know he intends to do.

I am now happy to yield to the distinguished Senator from Louisiana, a member of the Committee on Foreign Relations.

Mr. LONG. Mr. President, I wish to congratulate the Senator from California

for his thought-provoking presentation this afternoon. Some of us have felt for some time that our policy toward China was absolutely frozen on dead center. Certainly it needs the benefit of a very thorough analysis.

The Senator has made a very worthy contribution to the type of analysis and thinking which is necessary from the standpoint of what our policy should be in the future, instead of being directed only to the past.

Undoubtedly there has been too much repetition of certain flat statements which really cannot withstand thorough critical analysis. The Senator has clearly pointed out a number of reasons why the arguments that we cannot consider any change in our China policy, when analyzed, oftentimes mean very little. I commend the Senator for the fine contribution which he has made this afternoon. It is a contribution which we should study in our effort to find a better approach to the China problem.

Mr. ENGLE. I appreciate the kind remarks of the Senator from Louisiana. Being a new Member of the Senate, who takes a very keen interest in foreign policy problems and foreign trade problems involved in the Far East, I shall from time to time call on him for his good advice and help.

Mr. President, I yield the floor.

Mr. PROXMIRE. Mr. President, I too wish to commend the distinguished Senator from California for what I think is a remarkably fine speech, particularly because he discussed an issue which is badly in need of discussion. A curtain of silence has been drawn over the subject of China, not only in the Senate but also in the press of the United States. Particularly in the past year or two there has been very little consideration of how our policy can be changed. There has been an unfortunate polarization of an "either or" attitude. Either one is for Formosa or he is for the Chinese Communists. I believe that either policy offers very little.

The Senator from California, with thoughtfulness and imagination, has given us a remarkable analysis, not only by way of criticism but also by way of solid, constructive suggestions, as to where we might go in a careful and thoughtful way in order to solve this serious problem.

Mr. MORSE subsequently said: Mr. President, earlier today the Senator from California [Mr. ENGLE] made a very able speech on the China problem. It was my privilege to read the manuscript of his speech before he delivered it. Unfortunately, I could not be on the floor of the Senate during the time when he delivered the speech; at that time I was required to be at a hearing of the Foreign Relations Committee, at which I examined at some length, this afternoon, a series of witnesses.

I ask unanimous consent that the remarks I am now making be printed in the RECORD immediately following the speech delivered earlier this afternoon by the Senator from California.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORSE. Mr. President, I wish to say that, in his speech of today on the so-called China policy, the Senator from California presented, in the main, a position which I have taken for some years past—in fact as early as 1950—and which I emphasized over and over again in my 1956 campaign, when in the early part of that campaign the opposition said that was one of the positions which would cause my defeat in that campaign; and it is the position which I emphasized in 1955, here on the floor of the Senate, in my opposition to the Formosa resolution.

It happens that recently I was asked to make a statement summarizing the position I had taken in the Senate on China policy; and I set it forth in a letter under date of May 15, 1959. Because the letter corresponds—interestingly enough—to so many of the points which were raised by the Senator from California [Mr. ENGLE] in the exceedingly able speech which he delivered in this Chamber this afternoon, I ask unanimous consent that a copy of my letter of May 15 be printed at this point in the RECORD. Let me say that I have stricken out the name of the person to whom the letter was sent; but I ask unanimous consent that the full contents of the letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MAY 15, 1959.

DEAR SIR: The following is in response to your request for my views on recognition of the Communist government of China and on what should be done about Formosa and the Nationalist Government there.

Ever since the establishment of the Communist government in China, I have taken the position that we should not recognize it diplomatically until it fulfilled the three historic criteria of recognition that we have applied to new governments. They are: (1) the new government must be one that actually controls the territory and machinery of the government over which it claims jurisdiction; (2) it must represent the great majority of people over which it claims control. This does not mean that it necessarily represents those people, at least in the beginning, with their approval. Dictatorships seldom do. It does mean, however, that the new government seeking recognition must control and govern the population living in the territory over which it claims jurisdiction.

Third, we have insisted historically that a new government must satisfy us that it can be counted on to fulfill its international obligations.

Applying these three criteria to the Communist government of China, we see that the first two are met by it. There is no doubt that the Communist government controls the mainland of China. It is likewise true that they control and govern more than 600 million people. Of course, you and I know how they control them. The Communist Chinese Government controls them by police state methods, and the evidence is abundant that any attempt upon the part of anyone or any group to oppose the Communist government results in liquidation or imprisonment.

However, in respect to the third historic criterion, the Communist government of China has completely failed to date to make a record that entitles it to American diplomatic recognition. The Communists have failed time and again to fulfill their international obligations and keep their international commitments. In proof of that, one need only point to their record of aid that the Communist Chinese have given the North Korean Communists in their many violations of the Korean truce.

Many nations, including Great Britain, do not insist upon the same criteria in diplomatic recognition that the United States has followed. Both Great Britain and Canada have recognized Red China. But it doesn't follow that we should copycat the policies of such friendly nations in respect to recognition policies. To the contrary, I think we have an obligation to hold fast to our recognition requirement that before a nation is entitled to diplomatic recognition by the United States, it must satisfy us that it can be counted on to fulfill its international obligations.

Of course, our recognition policy has not always been consistently applied. Sometimes we have been very quick to recognize a new government following a revolution, before there has been time to determine whether it can be counted on to keep its commitments—Iraq, for example. Likewise, we have extended quick diplomatic recognition to some Latin American regimes. Nevertheless, I believe we should continue to say to Red China, "We will extend diplomatic recognition if, as, and when you demonstrate to the world that your commitments can be relied on."

At the same time, I think it should be made very clear to the American people that we cannot wish out of existence the 600 million Communist-ruled people of China. We must face up to the reality in world affairs that the Red Chinese Government is here to stay for a considerable time, perhaps, in some form, for centuries.

Therefore, the question arises, should we have any relationships with Communist China short of diplomatic recognition? As I have said for the past few years, I think we should.

In my 1956 campaign for the Senate, I favored trade with Red China in non-war goods. In fact, for several years before 1956, I expressed comments in favor of trade with her in nonstrategic goods. There are many reasons why I favor trade with Red China in such goods as textiles, flour, and other foodstuffs, medicines, and other goods for civilian use that would help us reach a better understanding with the masses of China.

One is the purely economic reason. Oregon and other western States have carried on for many decades an historic pattern of trade with China. The refusal of Secretary Dulles to agree to any trade has shut us off, only to have other countries gobble up the economic advantages of trade. So from the standpoint of our long-time international economic interest, I think we should seek to revive trade with China.

A second, more compelling reason is the moral one. I think we are following an immoral policy in refusing to trade with Red China in nonwar goods. What we are really doing is trying to impose upon the people in Red China economic privation unless they do our political bidding by overthrowing a form of government that we, with very good cause, do not like. This adamant position has cost us dearly in prestige and standing and public-opinion support among millions of people in Asia and Africa. They charge us with hypocrisy in that we prate about our high moral standing and then follow a very immoral policy toward China in respect to trade.

It is said by some that diplomatic recognition is a condition precedent to trade. However, that is not the case; Japan, for example, trades with China without recognizing her. It would be much easier to carry on trade in the channels of international commerce opened by diplomatic recognition.

However, we can trade with Red China without recognizing her, and it might very well be that such trade would hasten recognition because it might cause the leaders of Red China to appreciate that they should live up to their international commitments.

Another facet of our policy toward Red China which disturbs me very much and that is the growing danger of a nuclear war. We know that Red China is fast becoming a nuclear power; we also know that there is no hope of any effective control of nuclear testing unless we can reach some agreement with both Russia and China for an effective inspection system. If we do not bring nuclear testing under control and do not work out an effective system for control of nuclear weapons, if not complete nuclear disarmament, the danger of nuclear war is very real.

Such a war would be unthinkable; it would be inexcusable; it would be wholly immoral. I so characterize a nuclear war because we all know that such a war would visit on mankind irreparable injury to civilization for many, many centuries to come. Therefore, Red China presents to us a very ugly reality. The free nations of the world are going to have to deal with her whether we like it or not in respect to the control of nuclear testing, weapons, and disarmament.

Here again, I think the United Nations offers the best vehicle for negotiations with Red China. They should be carried on through the U.N. rather than bilaterally between the United States and Red China, at least until such time as we feel that Red China is deserving of our diplomatic recognition.

Now as to your questions about Formosa. You may remember that in 1955 when the Formosa resolution was before the U.S. Senate, I agreed that Formosa be placed under a United Nations trusteeship accompanied by a pledge from the United States that we could defend Formosa and the Pescadores from any attack of China or Russia until such time as the question of Formosan sovereignty could be determined from the application of the international law procedures of the United Nations. Nothing has changed since 1955 which would change my opinion in regard to the Formosa issue. I continue to say that we must protect Formosa and the Pescadores from a Communist blood bath. At the same time, we should make clear to the world that we claim no sovereignty rights over Formosa and we recognize that the sovereignty of Formosa should in the long run be determined through the procedures of the United Nations.

One of the sad historic facts about our record in Formosa that many people in other countries, particularly in Asia and Africa, point out is that the United States helped impose Chiang Kai-shek's regime upon some 6 or 7 million native Formosans who never had any voice in the matter at all. Thus, in many parts of the world, Chiang's government is referred to as the puppet government of the United States. It seems to me that we can and should protect Formosa from attack from the Communists but we ought to turn the question of Formosa's sovereignty over to the United Nations by urging the establishment of a United Nations trusteeship.

That is my view in Formosa, irrespective of what we do about recognizing Communist China.

Sincerely,

WAYNE MORSE.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H.R. 3681) to provide for the free entry of certain chapel bells imported for the use of the Abelard Reynolds School No. 42, Rochester, N.Y., and it was signed by the President pro tempore.

TAX REFORM

Mr. PROXMIRE. Mr. President, I am introducing two tax reform bills. The senior Senator from Illinois [Mr. DOUGLAS] is the principal author of one of them, and in his absence I am introducing it in his behalf. I am the principal author of the other bill.

Both bills are in direct response to the solemn promise, made in our Democratic platform at the last National Democratic Convention, when our party freely promised the people of America that "the immediate need is to correct the inequities in the tax structure."

The Democratic Party has an overwhelming control of this Congress, and we have a duty to try to keep our promises. These bills attempt to do that. They are both based squarely on the principle that persons with equal income should pay equal taxes. They will both raise a substantial amount of badly needed Federal revenue without increasing by a nickel the taxes of the citizen who is already paying his full share. They will help balance the budget, retire the debt, and meet the pressing obligations our Government faces. In doing this, these measures will help restrain inflation.

Mr. President, on behalf of the senior Senator from Illinois [Mr. DOUGLAS] the Senator from Pennsylvania [Mr. CLARK], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Missouri [Mr. HENNINGS], the Senator from Oregon [Mr. MORSE], the Senator from Michigan [Mr. MCNAMARA], the Senator from Ohio [Mr. LAUSCHE], the Senator from Colorado [Mr. CARROLL], the Senator from Ohio [Mr. YOUNG], and myself, I introduce for appropriate reference, a bill which would reduce the existing 27½ percent depletion allowance for oil and gas to 15 percent for those who receive income from oil and gas properties in excess of $5 million a year; from 27½ percent to 21 percent for those who receive income from oil and gas properties between $1 million and $5 million a year; but which would keep the existing rate of 27½ percent for those with income from oil and gas properties below $1 million a year.

I ask unanimous consent, Mr. President, that the text of this bill be printed at this point in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2037) to amend the Internal Revenue Code of 1954 to provide graduated rates of percentage depletion for oil and gas wells, introduced by Mr. PROXMIRE (for Mr. DOUGLAS, himself, and Senators CLARK, HUMPHREY, HENNINGS, MORSE, MCNAMARA, LAUSCHE, CARROLL, and YOUNG of Ohio), was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 613 of the Internal Revenue Code of 1954 (relating to percentage depletion) is amended—

(1) by striking out, in subsection (a), "specified in subsection (b)" and inserting in lieu thereof "specified in subsection (b) and (d)";

(2) by striking out paragraph (1) of subsection (b) and inserting in lieu thereof the following:

"(1) Oil and gas wells.—The percentage applicable under subsection (d) (1).";

(3) by redesignating subsection (d) as (e), and by inserting after subsection (c) the following new subsection: "(d) Oil and Gas Wells.—

"(1) Percentage depletion rates.—In the case of oil and gas wells, the percentage referred to in subsection (a) is as follows:

"(A) 27½ percent—if, for the taxable year, the taxpayer's gross income from the oil and gas well, when added to (i) the taxpayer's gross income from all other oil and gas wells, and (ii) the gross income from oil and gas wells of any taxpayer which controls the taxpayer and of all taxpayers controlled by or under common control with the taxpayer, does not exceed $1,000,000.

"(B) 21 percent—if, for the taxable year, the taxpayer's gross income from the oil and gas well, when added to (i) the taxpayer's gross income from all other oil and gas wells, and (ii) the gross income from oil and gas wells of any taxpayer which controls the taxpayer and of all taxpayers controlled by or under common control with the taxpayer, exceeds $1,000,000 but does not exceed $5,000,000.

"(C) 15 percent—if, for the taxable year, the taxpayer's gross income from the oil and gas well, when added to (i) the taxpayer's gross income from all other oil and gas wells, and (ii) the gross income from oil and gas wells of any taxpayer which controls the taxpayer and of all taxpayers controlled by or under common control with the taxpayer, exceeds $5,000,000.

"(2) Control defined.—For purposes of paragraph (1), the term 'control' means—

"(A) with respect to any corporation, the ownership, directly or indirectly, of stock possessing more than 50 percent of the total combined voting power of all classes of stock entitled to vote, or the power (from whatever source derived and by whatever means exercised) to elect a majority of the board of directors, and

"(B) with respect to any taxpayer, the power (from whatever source derived and by whatever means exercised) to select the management or determine the business policies of the taxpayer.

"(3) Constructive ownership of stock.—The provisions of section 318(a) (relating to constructive ownership of stock) shall apply in determining the ownership of stock for purposes of paragraph (2).

"(4) Application under regulations.—This subsection shall be applied under regulations prescribed by the Secretary or his delegate."

(b) The amendments made by subsection (a) shall apply only with respect to taxable years beginning after the date of the enactment of this Act.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the Douglas oil depletion bill may also lie on the desk for a week so that any Senator who may wish to cosponsor it may do so.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I am introducing the bill for the senior Senator from Illinois [Mr. DOUGLAS], and I

shall read into the RECORD a statement which he has prepared to accompany the introduction of the bill:

DEPLETION ALLOWANCE AMENDMENT

Unjust tax differentials in the aggregate cost the Government several billion dollars a year in revenue. They have increased over the years so that the tax structure of the country is now seriously eroded.

Among the most serious of these inequities and evasions is the excessive depletion allowances in oil and gas. Unless Congress cures this and other erosions and injustices, they will continue to spread like a cancer through our tax system.

Mr. LONG. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the distinguished Senator from Louisiana.

Mr. LONG. Do I understand the Senator to say that he is now reading a statement prepared by the senior Senator from Illinois [Mr. DOUGLAS]?

Mr. PROXMIRE. That is correct.

Mr. LONG. When he talks about the revenue——

Mr. PROXMIRE. I should like to interrupt the Senator at this point. I have very carefully gone over the statement, and I may indicate some of my own thoughts as I go along. The amendment was submitted by me last year, as the Proxmire amendment. I am delighted that the senior Senator from Illinois should submit it this year.

Mr. LONG. The Senator is reading a statement prepared by the Senator from Illinois. I hope he is not associating himself with the high interest rate policy of the Senator from Illinois, which as the Senator knows, is costing us $3 billion a year in additional costs to help finance the national debt, partly as a result of the great leadership of the Senator from Illinois, among others, in imposing so-called freedom on the Federal Reserve to raise interest rates. I hope the Senator from Wisconsin is not supporting that proposal, which has thrown the budget out of balance and has resulted in heaping on the working people a hidden tax to the extend of $15 billion a year.

While it is true that there might be some need for tax revision, I think the first thing which should be done is to remove the hidden tax of $15 billion a year which has been imposed in line with the general philosophy of the senior Senator from Illinois. While there should be equitable taxation, I do not think the $15 billion of hidden taxes should be imposed on the poor people of the Nation. High interest rates operate as a hidden tax, unjust socially, and unfair. I should like to have such taxes removed before getting around to increasing the tax paid by some of those engaged in the oil industry.

I hope the Senator from Wisconsin, in fighting for fair tax treatment, will do all that he can to help to remove the unfair hidden tax of $15 billion which the working people must pay to the well-to-do classes for the privilege of having a Republican in the White House.

Mr. PROXMIRE. The Senator from Louisiana knows that I have strenuously and vigorously, on the floor of the Senate, opposed the hard money policy. Only recently, I pointed out how expensive it is to the Federal taxpayer. Because of hard money the refunding process will cost in the neighborhood of $1 billion a year more in taxes than it should. I agree that that is only a part of the tax. The hidden part is greater, because everyone who pays interest, which is a large portion of the American public, will have to pay more.

In defense of the Senator from Illinois, he believes in using monetary policy as an instrument of price stability. He is far better trained in economics than I am and, I think, than most other Senators are.

The senior Senator from Illinois, in the report of the Joint Economic Committee, criticized the Federal Reserve Board for its monetary policy during the recession. He believes that at a time when many persons are unemployed and there is much idle plant capacity, interest rates should not be pushed up, but should be pulled down. So he cannot very well be blamed for the present policy.

Mr. LONG. As the Senator from Wisconsin knows, every time someone tries to do something to reduce high interest rates, he is confronted by the policy of a man like Randolph Burgess, who has spent 20 years in this particular field, and who pulls out the previous statements made by the senior Senator from Illinois.

This all proves one thing. One has to be for the people all the time, or else forget about them, because if he is for the people only a part of the time, his words will be used constantly against his good intentions under different conditions. A person cannot be for high interest rates on one occasion and low interest rates on another and make his position understood. He must be consistent. He must be on one side of the fence or the other; otherwise, he will be victimized, as the senior Senator from Illinois has been. His words will be used to help further such a policy as has been imposed on the people; in some instances for more than 20 years to come.

The people will be paying high interest rates years from now on long-term bonds. I suppose my own little children will be paying high interest rates on bond issues to build schools in Louisiana when their own children are going to the same schools 20 years from now.

Mr. PROXMIRE. I feel very strongly that the senior Senator from Illinois is for the people all the time. His judgment on monetary policy may differ greatly from that of the Senator from Louisiana and that of the junior Senator from Wisconsin. But I know of no Senator who believes more deeply in the welfare of all the people, especially in the little people, and that the little people should have every consideration, than does the senior Senator from Illinois. The fact that we may disagree with him is a matter, I am certain, of judgment, and not of where his heart is.

Mr. LONG. I am certain the Senator from Wisconsin does not approve of the part which the great Senator from Illinois played in putting over the so-called independence of the Federal Reserve Board. There is no more independence there now than there was before. It is unfortunate that the Federal Reserve Board is now in a position to heed the advice of the Wall Street banker friends who desire a higher interest rate policy so that the people of the country will have to pay them more when people must borrow money.

Mr. CLARK. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. CLARK. I should like to ask the Senator from Louisiana if he does not think an attack on the senior Senator from Illinois would be in better taste if the Senator from Illinois were here to defend himself.

Mr. LONG. Inasmuch as the Senator makes the point, I may say that I have tried to get the Senator from Illinois to discuss this point on this floor time and again. Perhaps we should wait until he is here, and I shall be glad to do that. But I have suggested to him time and again that once he had helped to put into effect the program, on which Mr. Burgess spent 20 years in sending pamphlets across America seeking to support, the United States will be saddled for many years to come. I do not think a Democrat is serving the public when he is supporting that kind of program.

Mr. PROXMIRE. The senior Senator from Illinois has made a great record in the Senate, and even before he was elected to the Senate, in fighting for the interests of all the people against special interests. He has been very consistent in doing that. I think that is apparent. If the Senator from Louisiana disagrees with the position which the Senator from Illinois and I take on the depletion allowance, he is perfectly free to discuss this issue, and we will welcome his discussion of it. We shall be delighted to have him oppose our proposal on the merits of the issue. If he wants to discuss monetary policy at another time, I shall be delighted to join with him in doing all I can to achieve a much wiser monetary policy than we now have.

Congress is confronted with an extremely serious problem. Congress, which is responsible for the Federal Reserve Board, seems to have its hands tied.

I have heard the Senator from Louisiana say, again and again, that huge amounts of hidden taxes are imposed upon the little people. I agree with him. But I have tried to do all I can to persuade outstanding economists and outstanding Senators to draft proposed legislation which will permit Congress to do something about this, and to do it now. It has been very hard to achieve any results. We can make speeches about it, but we have not been able to have passed bills which would correct or cure the trouble.

When some are given favored treatment, others chafe at the additional burdens imposed upon them and demand similar exemptions. Loopholes widen into huge apertures; a breed of skilled tax lawyers develops, skilled in helping

wealthy clients avoid taxes in return for big fees. The general taxpayer, too public spirited or too uninformed to obtain similar tax favors, is left bearing the burdens. Democratic government is itself weakened by the unfairness of the whole setup. Just as injustices in the collection of taxes helped to undermine the Roman Republic and the ancient regime in France, so similar practices serve to breed discontent here at home and undermine men's faith in their Government.

I should like to say, in my own behalf, that there is no loophole in the tax law which is more widely recognized, which has become more notorious, and which I think is more indefensible than the oil-depletion loophole. If there is any loophole which would persuade the ordinary citizen, the loyal, taxpaying citizen, to have less regard for his Government and less concern for paying his taxes honestly, it is this loophole. He has heard so much about it, and he knows how hard the big oil boys have worked and lobbied and campaigned and entertained to persuade Congress to keep this privilege on the books, that the impact on the ordinary American citizen has been very serious.

Mr. LONG. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. LONG. Does the Senator, in his tax proposals, plan to do anything about the capital gains treatment on the sale of assets?

Mr. PROXMIRE. Last year I proposed that kind of an amendment, and I expect to do so again this year. A number of Senators are introducing different kinds of tax bills. I may say that this is not the end of the matter; it is only the beginning. We certainly expect to introduce reforms of that kind.

I think the capital gains provision has been badly abused. The Treasury has called our attention to it. There is no question that it is a way to compensate executives by enabling them to receive income and enjoy tax privilege by paying a small tax.

Mr. LONG. Certainly a case can be made to support the capital gains treatment. I was curious to know if the Senator had in mind changing the capital gains law, because if he had, he would find that today a person having the benefit of the 27½-percent depletion allowance is really no better off than he would be if he had simply sold his oil and gas property, once he had discovered oil on his property, or sold the mineral rights to it and took the capital gains benefit on the income which was derived from installment payments for his property.

Mr. PROXMIRE. I think I can show shortly that the oil operators are infinitely better off than if they had to pay a 25-percent tax. In one particular case a man had an income of $14 million, but paid only approximately $80,000 in taxes—in other words, a great deal less than 25 percent; approximately six-tenths of 1 percent, in fact. That is the kind of advantage this tax loophole permits.

Mr. LONG. I do not know the case the Senator from Wisconsin has in mind. But I am sure he is referring to a number of other factors which do not appear in the example he has given. For instance, he probably is referring to a case in which a person drilled a large number of wells, and wrote off the cost of all the wells—which such a person is permitted to do—in the same year in which he drilled them. In other words, by including his intangible drilling costs, he thereby could reduce his taxable income, because of the additional costs he incurred. If it is because of the intangible drilling costs that such a person is not paying a substantial amount of tax, I do not think the Senator from Wisconsin has proven his point.

Mr. PROXMIRE. Mr. President, of course the junior Senator from Louisiana is correct; the capital gains and the intangible drilling cost provisions of the law are extremely valuable—as I shall point out—to the oil companies. The depletion allowance is only one of a number of special privileges they have. If the junior Senator from Louisiana will help us eliminate the oil depletion allowance abuse, we certainly shall be happy to cooperate with him in eliminating some of the other advantages.

Mr. LONG. Of course the Senator from Wisconsin knows that in order for the United States to have oil, it is necessary for those who are producing oil to be able to make a profit from that business; in fact, they must be able to make enough profit to offset the risk that they will not find any oil at all.

Methods have been improved; but in the case of discovery wells, the ratio still seems to be eight dry holes out of every nine attempts; and even for the overall drilling, if the development of previously discovered fields is included, I believe it will be found that a very high percentage—between 25 and 50 percent—of all wells drilled result in dry holes.

Somewhere in the picture there must be some allowance for the fact that while a man may drill at great expense, and may find oil, on the other hand he may, after drilling at great expense, find nothing. So some allowance must be made to offset the fact that his investment—which might amount to as much as $1 million for a single hole—might all be lost. As a matter of fact, he might have to drill a number of wells before he would find any oil. The risk he takes must be offset by some factor; and that requires more than merely a deduction for a particular loss, because, in a great many cases, many of the independents must go out of business unless they find oil on their first or their second attempt. Although it might be all very nice to have a deduction allowed later on, in order to cover that cost, if there is not some allowance to cover the risk undertaken, they would not find it very attractive to go into the business; in fact, it would be very unattractive.

Mr. PROXMIRE. Mr. President, it has been stated that eight dry holes in nine attempts is the experience of the oil companies. This is true on discovery wells, but it seems to me that the most recent statistics indicate a far better record than that, 25 percent at least work out. But even if eight of nine dry were the case, I may point out that no one is saying that the dry-hole costs should be ignored. Of course they should be allowed for; of course the operators should be allowed to write them off. We simply question whether all intangible costs should be written off entirely in one year; or whether that advantage, plus the advantage of writing off all the intangible costs—which amount to from 75 to 90 percent of the total costs, should be permitted to be written off at once—as they are. But even this privilege is not challenged in this amendment.

Let me also point out to my good friend, the Senator from Louisiana, that insofar as the independents are concerned, in the case of those who might be damaged by such a loss, this bill will not affect them, because any firm or individual with a gross of less than $1 million will not be affected by the proposal we make; and any firm with a gross of between $1 million and $5 million will be only very modestly affected, because our proposal is to reduce the depletion allowance from 27½ percent to 21 percent—which still would allow a great advantage over those who produce metals, for whom there is a 15 percent depletion allowance. Only the giants—those with a substantial income of $5 million or more—will be fully affected by this measure. These are persons who obviously drill a great many more than 10 or 20 wells a year, but they can spread their losses over their good production and therefore are not seriously affected.

Mr. LONG. Mr. President, will the Senator yield further

Mr. PROXMIRE. I yield to the Senator from Louisiana.

Mr. LONG. The argument the Senator makes, of course, has considerable appeal, and indicates the Senator from Wisconsin wants to be fair. Yet the independent producer in many instances is out of business if he fails in his first attempt to find a productive well.

One trouble about the proposal of the Senator to put allowances in brackets, according to the size of a company, poses this problem: Let us take a stockholder, Grandma Jones, who holds 6 shares in a company which may have $5 million or $6 million worth of assets. She would be denied the benefit of the 27½ percent depletion allowance, under the Senator's proposal; while, on the other hand, an independent producer who might be worth $1 million would, under the Senator's proposal, be permitted the benefit of that allowance, even though he was in better financial shape than Grandma Jones, who had inherited 6 shares of stock. Why should not the old lady, who happened to own 6 shares of stock in a substantial company, receive the same tax treatment as the independent who might be worth $1 million?

Mr. PROXMIRE. It is interesting, Mr. President, that whenever Standard Oil Company or other corporate enterprises which have such enormous advantages are mentioned, it is always Grandma Jones who is said to have a little

stock and who would be seriously affected. The fact is that all stockholders, whether Grandma Jones or a wealthy stockholder, have the same protection the big corporations have. Grandma Jones is in the same position, as a stockholder, as all the other stockholders of corporations, which can spread their losses over their gains. They can diversify. The problems of the costs of explorations and bringing in dry holes would not adversely affect Grandma Jones. The fact is that the big oil companies pay far less in taxes than do other comparable corporations, that their risks are less than those of comparable corporations, and that the case for giving them special tax treatment cannot be rationally justified on the basis that there are stockholders of the company whose incomes are modest.

On that basis, justification could be made for a complete exemption, I presume, for any corporation, because it could be found that a widow or an orphan depended on that company for income. Therefore, it could be said that when that corporation was forced to pay the same taxes as every other company, we were hurting the poor orphan or widow.

Mr. LONG. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. LONG. The Senator knows I have been fairly consistent in my efforts to favor Grandma Jones. My efforts to provide welfare increase and adequate social security payments should show that my heart is in it.

Mr. PROXMIRE. Grandma Jones has no better friend than the distinguished junior Senator from Louisiana.

Mr. LONG. While the Senator from Wisconsin attempts to be eminently fair to the independent producer, one point that occurs to me is that in a number of cases the practical application of his proposal would mean stockholders—in many instances small stockholders—would be denied, because of the type of corporation in which they have stock, the same treatment, which the Senator describes as favored tax treatment, which the Senator would accord to some very substantial producers in the oil and gas industry.

I point that fact out to the Senator to show him the complexities of the problems to which his proposal is directed. If all the stockholders of Standard Oil Co., for example, were millionaires, I think the Senator's proposal would not present this problem. A problem is presented when one recognizes the fact that the vast majority of stockholders are not wealthy. Perhaps it may be that the ownership of most of the stock is in the hands of the wealthy, but I know that the vast majority of stockholders are not wealthy, and they could, with good grace, claim tax treatment as favorable as that which the Senator would seek to accord to the independent producer of oil and gas.

Mr. PROXMIRE. What we are trying to do is to put all stockholders on the same basis, whether they have stock in oil corporations, steel corporations, or automobile corporations. We are attempting to eliminate discrimination. If some tax benefit should accrue to the independent entrepreneur who owns an oil company, it seems to me there is some justification for it—and the Senator from Louisiana is much more familiar with the field than I am—because the entrepreneur takes risks, he goes out and does the work, and he has the imagination and initiative, and perhaps he should have that extraordinary reward.

It is important, therefore, that we not only stop further erosion of the tax structure, but that we begin to undo some of the damage already done. It would be plainly impossible to cure all the defects at once. But a start can, and should, be made.

SPECIAL PROVISIONS FOR OIL AND GAS

The most conspicuous of these abuses is the 27½ percent depletion allowance on income from oil and gas. Under the present law, a host of costs and special allowances are deductible from gross income even before the depletion allowance applies. These are:

First. Operating costs.

Of course, this is a deduction every industry has, but perhaps it is the only deduction every industry has which is not a special deduction for the oil industry.

This is aside and apart from the depletion allowance. There is this terrific advantage of the fast writeoff, which many experts say is more advantageous than even the oil depletion allowance.

Second. Intangible drilling and development costs. These can be written off in 1 year and not spread over a period of years, as is the case in other industries. It has been estimated that between 75 and 90 percent of all costs can be written off in 1 year in this manner. We have, therefore, accorded to this industry virtually the ultimate in accelerated depreciation and fast tax writeoffs.

Third. Unsuccessful or dry holes, of course, can be written off.

Mr. LONG. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. LONG. When the Senator talks about intangible drilling costs, he is referring to the taking of depreciation at one time. A man drills an oil or gas well. Assuming the well is successful, the cost can be depreciated over a long period of time, it is true; but it is also possible for a person, if he desires it, to elect to take his depreciation at one time, particularly his intangible cost. That cost might include the labor he hired to drill the well, as an example. That labor is gone. The pipe in the ground is not intangible. That is an asset which will remain there, but the labor to help turn the rotary rig is used up at the time the well is drilled.

Unless the person has a vast amount of money to keep tied up in capital over a long period of time, he has to have the advantage of a fast tax writeoff in order to drill more wells. But once he takes the depreciation, it is gone; he cannot take it again.

Mr. PROXMIRE. The enormous advantage to which I have referred is an advantage with which I am familiar to some extent, as a small businessman. We spent a lot of money in getting our printing company going, and our development costs were substantial. It would have been wonderful if we could have written the costs off at once. Businesses all over America have that problem. It would be a great advantage if such little businesses could have a fast writeoff of such costs, but they cannot. They are required by the internal revenue laws to spread those costs over a period of years. As the Senator from Louisiana has pointed out, that is a disadvantage, because they have to have their money tied up. A fast writeoff is another special benefit that the oil industry has. We are not trying to eliminate that advantage; but we are trying to put it in its proper perspective.

Mr. LONG. I hope the Senator realizes that the problems of an oil or gas producer differ, and very widely, from those in other manufacturing industries. The oil and gas industry is very speculative and risky.

I wonder if the Senator has looked at the study made by the Chase National Bank, which indicates that for domestic producers in this country, even when we consider the 27½ percent depletion allowance and the intangible drilling cost, the profits have been just about the same as those for the average manufacturing industry in America. Does the Senator know that?

Mr. PROXMIRE. I was aware of that. The fact is, of course, that in all industries one tends to get an equalizer, because if there is an industry which has great advantages, as the oil industry has, what happens is that the stock is bid up, more people enter the industry, and competition becomes greater. Therefore, the privilege becomes capitalized into the industry itself. Then when one attempts to eliminate this privilege one encounters the problem of having a capitalized advantage which it is necessary to overcome. I recognize that, certainly.

Mr. LONG. Perhaps the Senator is touching upon the economic theory known as the free-flow-of-capital theory. That is one of the hidden secrets of the capitalistic system which makes it work. In other words, if a business is very profitable, there is a tendency for large numbers of people to go into it. The competitive effect is that it tends more or less to equalize conditions as between industries. The fact that the oil industry today is not producing the full requirements of the Nation for fuel, on the one hand, and the fact that even with these incentives it does not appear to be any more profitable than the average of the manufacturing industries would certainly at least tend to support the argument that this industry, with the tax advantages it is permitted, is really about on the same basis as the average manufacturing industry. I am curious to know the Senator's reaction to that point.

Mr. PROXMIRE. My reaction is that I am astounded and astonished. It is my understanding that in Texas they are now up to 12 days of production a

month, and last year they were down to 7 days of production a month. We have a tremendous amount of oil. We do not need more. The President recently imposed quotas, over the strenuous objections of some of us. We have tried to do what we could to have those quotas rescinded.

We are not in a situation where we desperately need more oil. The situation is almost the same as with the farm problem. We have an embarrassing abundance of oil.

Mr. LONG. Perhaps the Senator realizes there is a problem with respect to limiting the amount of oil which is produced in Texas, and the same thing is true in Louisiana. This relates to the fact that there is only so much storage capacity above ground. If one takes more oil out of the ground than there are tanks in which to store it, all that can be done is to pour the oil on the ground and waste it. It would be better to keep the oil in the ground than to pour it on the ground and watch it evaporate after it has been extracted from the earth. Underneath the ground the oil is in a subterranean reservoir from which it can be extracted. Once it is taken from the ground, if there is no storage in which to put it, the oil is simply lost. That being the case, it makes no sense to waste our resources. I know the Senator is a conservationist and would not want to waste the oil.

Mr. PROXMIRE. I agree with the Senator from Louisiana completely. That is why it seems to me to be ridiculous to provide tax incentives to provide for the exploration and the development of this precious natural resource at a more rapid rate than necessary.

Mr. LONG. Assuming that we were cut off from the Venezuelan oil in the event of war, and assuming we were cut off from the Saudi Arabian oil, does the Senator know that the productive capacity of all the wells in America is just about that which is needed to provide our own requirements for fuel?

Mr. PROXMIRE. It think this is the most eloquent argument there is, perhaps, for us not to provide incentives for the more rapid exploration and development of the oil we have. We have only so much in the reserves in this country, and if we provide incentives for developing that potential more rapidly, making them proved reserves, with incentives for keeping out the importation of foreign oil, we will use up this precious resource, and in the event of a national catastrophe and emergency we will be in a far less powerful position.

Mr. LONG. Is the Senator familiar with the fact that in this Nation we have enough oil, which can be discovered, to provide our oil requirements for the next 100 years, but that one cannot produce the oil unless we have the wells? The President's committee made a study of the matter. The reason the committee proposed limiting oil imports was that the number of new wells was falling off, as the old wells were being depleted, to such an extent that failure to maintain the domestic industry could mean over a period of time that we would not be able to provide the domestic requirements in the event of a national emergency. I thought the Senator was familiar with that.

Mr. PROXMIRE. Mr. President, I was familiar with that, and was also familiar with the fact that we have great potential oil development. I am not sure it is a 100-year supply, for that is not exactly the figure I had heard. The length of supply varies somewhat, depending upon the usage of oil as fuel, and other sources of consumption. It might well be that the supply would last 100 years, but it might last for longer than that or for less than that, because of other factors.

One point is fundamental and very simple. If we are going to preserve our natural resources, we cannot do it by providing tax laws to encourage immediate or more rapid exploitation of the resources we have.

Mr. LONG. Does the Senator ever think about the matter from another point of view? Suppose we have to fight for survival in a national emergency. Then the steel we have could not be put into the oil wells, because the steel would be needed for tanks, for ships, for planes, for guns, and for all the various requirements of a war economy. Under those conditions we would need the oil production, but we could not allot steel for it. We need to have the wells at the time the fighting starts. Under the proper conditions, rather than being months or years away from being able to produce the essential fuel requirements, we would be in a position to produce them when the emergency arose.

The administration wisely recognized that point, and that is the basis of the concept upon which the administration is seeking to maintain the fuel industry.

I hope the Senator also knows that if we consider shale, which is a practical source for fuel production even now, and which exists in tremendous quantities in the Western States such as Colorado and Wyoming, there is enough potential fuel in the known shale reserves to last this Nation 1,000 years. There is that much oil which can be extracted from the shale. So far as a danger of running out of oil is concerned, that danger does not exist. The danger is in not being able to produce the oil when it is needed.

I hope the Senator will give some thought to that phase of the question, and I think that phase is where so many people fail to understand the problem. The ability to produce the oil when it is needed is the essential point of the whole problem. It is not a question of the ability to produce the oil ultimately.

Mr. PROXMIRE. Mr. President, to continue my remarks, the next advantage is:

Fourth. The 14-point reduction in the tax itself—or a reduction from 52 percent to 38 percent on taxable income—for income derived from operations abroad in the Western Hemisphere; Venezuela, Canada, Mexico, and so forth.

Fifth. Royalty payments abroad, particularly in the Near East, may be disguised as income tax payments for which the foreign tax credit is then available so that a company then escapes liability for U.S. tax by being allowed to take a tax credit for payment which a domestic taxpayer would be permitted only to deduct from gross income rather than to take as a credit against tax.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. Moss in the chair). Does the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Texas.

ORDER OF BUSINESS—UNANIMOUS CONSENT AGREEMENT TO VOTE ON WHEAT BILL

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the distinguished Senator from Wisconsin may yield to me for the purpose of proposing an order for the Senate, with the understanding that the Senator from Wisconsin will not lose his right to the floor by so doing.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum, and I shall ask that the order be rescinded very shortly.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I am informed that my colleagues, the Senator from Wisconsin [Mr. PROXMIRE], the Senator from Pennsylvania [Mr. CLARK], and the Senator from Minnesota [Mr. MCCARTHY] have brief statements which they desire to make, which are unrelated to the wheat bill. In order to accommodate certain Senators who expect to be absent from the Senate late tomorrow evening, I have attempted to arrive at a unanimous-consent agreement with the minority leader concerning the wheat bill. Therefore, at a later time, I shall again ask the indulgence of my friend, the Senator from Wisconsin, to propose a unanimous-consent agreement which, in effect, would be as follows: That at the conclusion of the statements of the Senator from Wisconsin, the Senator from Pennsylvania and the Senator from Minnesota, 30 minutes, to be equally divided, be allotted on all amendments to the wheat bill, an hour to Senators in favor of the bill, and an hour to Senators opposed to the bill.

If such an agreement were entered into, I should expect the Senate to remain in session for a reasonable time this evening—perhaps until 7 or 7:30 p.m., or even as late as a quarter to 8, so as to have as much discussion as possible. We would not expect final action on the bill.

I would then ask the Senate to assemble tomorrow at an early hour—say

10 o'clock—in the hope that amendments could be offered, a motion to recommit could be made, and a vote on final passage could be obtained at an hour which would permit Senators to keep speaking engagements tomorrow evening.

I know that all Senators, whether they come from wheat-producing States or not, realize the necessity of early action on the bill. I understand there is an expiration date. Most members of the committee feel that the Senate should take very prompt action, because less than 2 weeks are left.

Certain Senators are on their way to the Chamber. I do not wish to ask the Senator from Wisconsin [Mr. PROXMIRE] to indulge me further at this time. Later, if he will permit me to do so, when certain other Senators arrive in the Chamber, I shall submit a proposed unanimous-consent agreement.

I thank the Senator from Wisconsin very much for his courtesy and consideration.

Mr. DIRKSEN. Mr. President, will the Senator from Wisconsin yield for a question of the majority leader?

Mr. PROXMIRE. I yield.

Mr. DIRKSEN. In order that I may have a clear understanding of the proposal of the majority leader, would it allow an hour on each amendment, to be equally divided?

Mr. JOHNSON of Texas. No. It would allow 30 minutes on each amendment, to be equally divided, and 2 hours on the bill, to be equally divided.

Mr. DIRKSEN. There was no suggestion as to whether or not there would be any votes tonight. My understanding was that there would be no voting tonight.

Mr. JOHNSON of Texas. I shall be glad to agree to that.

I wish to have the Senate complete action on the bill, and I wish every Senator to have an opportunity to say what he wishes to say. This is an important piece of legislation. I have the responsibility of guiding through the Senate proposed legislation reported by the committees. I myself would not object to a vote as late as 7:30 p.m., but if the Senator from Illinois feels that he does not want a vote at 7:30, I am prepared to yield to his desires.

Does the Senator wish to ask me any further questions?

Mr. DIRKSEN. No; but the Senator from Delaware [Mr. WILLIAMS] has just come into the Chamber.

Mr. JOHNSON of Texas. I shall be glad to yield to him, or to resume later, when the Senator from Indiana [Mr. CAPEHART] is present in the Chamber.

Mr. WILLIAMS of Delaware. Mr. President, what is the proposed unanimous-consent agreement?

Mr. JOHNSON of Texas. Mr. President, when the Senator from Indiana [Mr. CAPEHART] and other Senators who are interested reach the Chamber, I expect to propose a unanimous-consent agreement that, following brief statements by certain Senators, there be an agreement as to time, which would allocate 30 minutes on amendments, to be equally divided between the proponent and the opponents, and 2 hours on the bill, to be equally divided. That arrangement seemed to be satisfactory to the minority leader. He came to me and stated that certain Senators on his side of the aisle from wheat-producing States find it necessary to be away from the city tomorrow afternoon, but he was willing to have the Senate convene at an early hour tomorrow. I have spoken with the Senator from Minnesota [Mr. MCCARTHY] who is the author of one amendment, and he seems to think that would be agreeable to him. If no Senator objects, I should like to have that order entered tonight.

Mr. CAPEHART. Mr. President, I have just entered the Chamber. I understand that the majority leader was discussing a proposed unanimous-consent agreement.

Mr. JOHNSON of Texas. Let me explain the circumstances to my friend.

The Senator from Illinois [Mr. DIRKSEN] states that certain Senators on his side of the aisle from wheat-producing States, who are vitally interested in the bill, need to leave the city tomorrow afternoon. He would like to attempt to arrive at an arrangement under which there will be no votes on Friday. I do not believe that we can arrange not to have a vote on Friday, Monday, or any other day—certainly not on any 2 or 3 days.

Certain proponents of amendments will be unable to be present on Friday. Friday and Monday are both bad days, as Senators know. On those days, there is a high absenteeism.

I suggest that we consult the Senator from Minnesota [Mr. MCCARTHY] who has two amendments, and see if he would be agreeable to having the Senate convene early tomorrow, with a time limitation of 30 minutes on amendments and 2 hours on the bill, to be equally divided. The Senator from Illinois could yield 15 minutes to any proponent of an amendment, and I could do the same on my side. That arrangement is satisfactory to the Senator from Minnesota [Mr. MCCARTHY]. I believe it would be satisfactory to other Senators who are interested. If it is satisfactory to the Senator from Delaware and the Senator from Indiana, I shall propose such an agreement.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. AIKEN. The Senator from Kansas [Mr. CARLSON] had a speech.

Mr. JOHNSON of Texas. The Senator from Kansas spoke with me earlier in the day, and expressed the hope that we would not attempt to pass the bill tonight. He would like to have it go over until tomorrow. I assured him that that would be satisfactory, and that I would be glad to consult him and ascertain how much time he desired.

Mr. AIKEN. If we have a limitation of an hour to a side on the bill, and the Senator from Kansas wished to speak for 45 minutes, as I have heard he desires to do, that would leave only 15 minutes on his side.

Mr. JOHNSON of Texas. He would have 15 minutes for an amendment. If that were defeated, he could offer another amendment, and then he could have time yielded to him on the bill.

Mr. AIKEN. I am sure we will use up all the time that is allowed on the bill.

Mr. JOHNSON of Texas. I am fearful of that. That is why I want to provide for a minimum of time, so that Senators who have engagements on Friday evening may keep them. I have been reading about a do-nothing Congress, and I want to do something to accommodate as many Senators as possible.

Mr. AIKEN. I have not heard a word about a do-nothing Congress in the past 11 years.

Mr. JOHNSON of Texas. The Senator should read some of the slick magazines.

Mr. AIKEN. Members of a do-nothing Congress do not have the time to read magazines.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. CURTIS. May I inquire when the limitation of time would begin?

Mr. JOHNSON of Texas. At the conclusion of the statements by the Senator from Wisconsin [Mr. PROXMIRE], the Senator from Minnesota [Mr. MCCARTHY], and the Senator from Pennsylvania [Mr. CLARK].

Mr. CURTIS. In other words, if a Senator desired to speak on the wheat bill this evening, it would be under controlled time.

Mr. JOHNSON of Texas. Yes; if the Senator got to it tonight. I doubt that he could get to it this evening.

Mr. CURTIS. I have been waiting since 12 o'clock to speak on the bill.

Mr. JOHNSON of Texas. I appreciate the Senator's situation. However, I have nothing to do with the rules. A Senator spoke on the China policy. Any Senator, merely by saying "Mr. President," may be recognized, and he has the floor from then on until he finishes with whatever he wishes to say. I am a little hesitant about telling any Senator just when he should speak. I understand the Senator's situation. I do not anticipate that we will have any votes on the wheat bill this evening. I should like to work out an arrangement which will suit the Senator from Illinois, the minority leader, who said two or three Senators on his side had to leave late tomorrow. Therefore, I thought that we could meet at 10 o'clock tomorrow. We could accommodate several Senators. Of course it is entirely immaterial to me. I have no engagement, and I am able to remain here.

Mr. CURTIS. I was going to suggest that perhaps nothing could be gained by operating under a limitation of time this evening. If some of us were able to speak on the wheat bill this evening without limitation, we might simplify matters. Perhaps that could be done.

Mr. JOHNSON of Texas. I believe that is a reasonable suggestion. The Senator is always reasonable.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. CAPEHART. I have a substitute for the bill.

Mr. JOHNSON of Texas. Does the Senator desire——

Mr. CAPEHART. I should like to make a very brief statement. I have a substitute for the wheat bill. I doubt that any bill which could come before Congress could be quite so important to each individual Senator as the substitute I shall offer. The substitute I shall offer to the wheat bill would repeal all farm price supports beginning with the acreage year 1960, which means January 1. It would likewise freeze the so-called Government surplus of from $9 or $10 billion worth on the day the bill would take effect, if it should be passed. It would then permit an orderly disposal of the surplus.

Mr. JOHNSON of Texas. I am familiar with the amendment. I do not want to impose on the other Senators who are waiting to make some remarks by having the Senator explain his amendment at this time. I wish to be courteous to all Senators. If the Senator objects——

Mr. CAPEHART. I object to any unanimous-consent agreement unless I can state what I want to do.

Mr. JOHNSON of Texas. I will not ask my good friend the Senator from Wisconsin to wait until the Senator has made an explanation of his amendment. I have no objection to increasing the time and to follow the suggestion of the Senator from Nebraska not to have the unanimous-consent agreement go into operation this evening, but to have it start tomorrow. I wish to accommodate the minority leader, who told me that two or three Senators on his side had to get away tomorrow. I wanted to make sure that we would have an early vote tomorrow.

Mr. CAPEHART. I was merely endeavoring to impress upon Senators that my substitute would repeal, beginning January 1, 1960, all price supports, and that they ought to have some time to think about it. They ought to have some time to debate it.

Mr. JOHNSON of Texas. How much time does the Senator suggest?

Mr. CAPEHART. I would agree to 3 hours on my substitute, with an hour and a half to each side, and 2 hours of debate on the bill.

Mr. JOHNSON of Texas. Does the Senator believe that an hour and a half will be needed on his side?

Mr. CAPEHART. I do not know, but let me say——

Mr. JOHNSON of Texas. Would the Senator agree to a unanimous-consent agreement if we provided 30 minutes to each side on an amendment, and 2 hours on the Capehart amendment, with the 2 hours to be equally divided, and 2 hours for debate on the bill? A part of the time on the bill could be yielded to the Senator if he needed more time.

Mr. CAPEHART. I would think that all 98 Senators would want to be heard on the substitute, which would repeal all price supports. I am perfectly willing to agree to a unanimous-consent agreement, but I am not certain that all Senators would agree, and 80 percent of the Senators are not present this evening. I would be willing to agree to a unanimous-consent agreement if it provided for 3 hours of debate on my substitute and 2 hours on the bill, and whatever other time is required on other amendments.

Mr. JOHNSON of Texas. Very well. I ask unanimous consent that when the three statements previously referred to have been concluded, that we have a time limitation of 30 minutes on each amendment, to be equally divided between the proponent and the opponent, with the exception of the Capehart substitute amendment, on which 3 hours is to be allowed, to be equally divided; that we have 2 hours of debate on the bill, to be controlled by the majority leader and minority leader; that the time limitation shall begin at the conclusion of the morning hour tomorrow; and that the Senate meet tomorrow morning at 10 o'clock.

I am told that the Senator from Illinois wants 3 hours of debate on the bill. I modify my request accordingly.

Mr. WILLIAMS of Delaware. Do I understand correctly that the agreement provides time on each and every amendment?

Mr. JOHNSON of Texas. Yes; I have made it very clear, and I told the attachés of the minority to inform the Senator from Delaware that the Williams formula was being followed, so that he need not come to the Chamber. However, they told me that he was already on his way.

The PRESIDING OFFICER. Is there objection?

Mr. DIRKSEN. I expect the Senator from South Dakota [Mr. MUNDT] to walk in at any moment.

Mr. JOHNSON of Texas. I thought he was the one we were trying to accommodate.

Mr. DIRKSEN. I wonder if we could defer the agreement for a few minutes.

Mr. JOHNSON of Texas. If it is not satisfactory to the Senator from South Dakota I will ask that it be reconsidered.

Mr. DIRKSEN. Very well.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement? There being no objection, the order is entered.

The unanimous-consent agreement, as subsequently reduced to writing, is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective on Friday, May 22, 1959, at the conclusion of routine morning business, during the further consideration of the bill S. 1968, to strengthen the wheat marketing quota and price support program, debate on any amendment (except an amendment by Mr. CAPEHART in the nature of a substitute for the bill, designated as "5-20-59-B," upon which there shall be a limit of 3 hours' debate), motion, or appeal, except a motion to lay on the table, shall be limited to one-half hour, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 3 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

Mr. JOHNSON of Texas. It is clear that we will have no votes on the wheat bill this evening. I wish to thank my friend from Wisconsin, my friend from Pennsylvania, and my friend from Minnesota for indulging me. I shall ask for a reconsideration of the unanimous-consent agreement if it is not satisfactory to the Senator from South Dakota [Mr. MUNDT].

Mr. President——

The PRESIDING OFFICER. The Senator from Texas.

ORDER FOR ADJOURNMENT TO 10 A.M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until 10 o'clock tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

TAX REFORM

DEPLETION ALLOWANCE

Mr. PROXMIRE. In addition to all these provisions which would seem to be quite generous, a further allowance is permitted called the percentage depletion allowance. In the case of gas and oil, this amounts to an additional 27½ percent of gross income up to one-half of net income. This allowance is, moreover, permitted in perpetuity as long as there is any flow of oil or gas from the well. It is not limited to recapturing the cost of the well in question, most of which cost—as we have seen—is recovered for tax purposes in the year the outlay is made through the intangible drilling and development cost deduction.

As a matter of fact, competent geologists and economists have estimated that the cost to be recaptured averages some 19 times the cost of the wells; not twice or 3 or 5 times, but 19 times as valuable as the depreciation allowance would be. This allowance is in addition to all other deductions and it continues through time without relationship to the taxpayer's investment in the venture and whether or not that investment has been recovered for tax purposes.

The beginnings of this allowance go back a little over 30 years when an effort was made to revise the prevailing discovery depletion provisions.

Mr. LONG. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am happy to yield, but I wish to say that the Senator from Pennsylvania, the Senator from Nebraska, the Senator from Indiana, and other Senators wish to speak tonight, and, because the hour is late, I must say that I will be able to yield to the Senator only once.

Mr. LONG. Mr. President, did I understand the Senator to say that the

depletion allowance permitted a person to recover the value of his investment 19 times over in a single case, or did he say that in the average case it permits that recovery?

Mr. PROXMIRE. I said that a competent economic study of the cost of the well—not the value, of course, because that is something else—indicated that, on the average, the depletion allowance had permitted oil operators to take 19 times the cost of the well in depletion deductions.

Mr. LONG. Will the Senator make available the study to which he has referred?

Mr. PROXMIRE. I shall be delighted to make it available. I do not have it with me at the time, but I shall certainly make it available in the future.

Mr. President, although by my own limitation I cannot yield further to the Senator from Louisiana, I thank him very much for his extremely helpful colloquy. He has certainly demonstrated, as before, his tremendous knowledge of this subject.

From its inception, the percentage depletion allowance has been 27½ percent. As corporation income taxes have risen from 14 percent to the present 52 percent, the value of this allowance has grown. Not only is this true but it has brought in its train a host of similar deductions on virtually everything else that is extracted from the earth and sea, including oystershells, clamshells, sand and gravel. There would seem to be no danger of dry holes here. It is almost a perfect example of a case where instead of closing a loophole in the law, an attempt has been made to make the loophole universal.

These deductions for depletion allowances in the extractive industries were $3 billion in 1956, the latest year for which official figures are available. For oil and gas alone, the deductions came to over $2 billion in that year.

OIL COMPANIES EFFECTIVE TAX RATES LESS THAN HALF NORMAL RATE

The results of investigations which appear in the compendium on Federal tax policy, published by the Joint Economic Committee in 1955—see page 902—show that in 1954, the effective tax rate paid by one major oil company was only 9.2 percent.

As I shall show, the average company which is not engaged in the oil industry paid an average effective tax of 48 percent. In other words, this oil company paid about one-fifth of the tax which other nonoil companies paid.

For another company, the rate was 16.3 percent, while another paid only 18.5 percent. The effective tax rate paid by 24 large petroleum companies was only 22.6 percent, while all other corporations in that year paid taxes at an effective rate of 48.1 percent. In other words, the fact is that the oil industry pays less than half the taxes which other industries pay.

Mr. LONG. Mr. President, will the Senator yield?

Mr. PROXMIRE. I should like to yield; but as I have explained to the Senator from Louisiana, I cannot yield further because of the limitations I have imposed upon myself. I shall be delighted, at some later time, to engage in a colloquy on this subject with the Senator from Louisiana.

A study which the Senator from Illinois [Mr. DOUGLAS] has made of 27 producing companies dealing in oil and/or gas shows that many paid infinitesimal fractions of their profits in taxes.

In 1951, the Secretary of the Treasury published official statistics on certain unidentified individuals in the oil and gas industry which showed that one individual operation, having net income in the years 1943–47 of $14.3 million, paid income taxes of only $80,000 in this period.

In other words, he paid $6 in taxes for every $1,000 of income.

Mr. President, a table submitted by the Secretary of the Treasury in the House hearings on the Revenue Act of 1950 gives examples of the excessive income tax deductions from the depletion allowance and the allowance for drilling and development costs. I ask unanimous consent that a table showing income, deductions, and tax liabilities of 10 selected individual oil and gas operators for the 5-year period 1943–47 be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Income, deductions, and tax liabilities of 10 selected individual oil and gas operators, for the 5-year period 1943–47

[Money figures in millions]

Individual operator	Net income			Special deductions		Taxable net income	Income tax liability	
	From oil and gas [1]	From other sources	Total	Percentage depletion [2]	Development costs [3]		Amount	Percent of total net income
A	$10.5	$3.8	$14.3	2.2	$13.0	[4]—$0.9	$0.08	0.6
B	5.0	.8	5.8	3.1	2.1	.6	.5	8.6
C	3.9	.5	4.4	3.2	4.4	[4]—3.2	.15	3.4
D [5]	9.3	.3	9.6	2.7	0	6.9	6.1	63.5
E	2.7	.8	3.5	1.0	.3	2.2	1.4	40.0
F	1.7	1.4	3.1	.8	1.5	.8	.6	19.4
G	7.7	—1.3	6.4	3.5	2.1	.8	.5	7.8
H	2.1	3.6	5.7	1.0	.6	4.1	2.2	38.6
I	1.7	.1	1.8	.5	1.0	.3	.2	11.1
J	8.0	—.7	7.3	2.9	1.7	2.7	2.2	30.1
Total	52.6	9.3	61.9	20.9	26.7	14.3	13.93	22.5

[1] Income after deductions for operating expenses, depreciation, adjusted-basis depletion, exploration costs and losses on abandonment.

[2] Excess of percentage depletion over adjusted-basis depletion.

[3] Development costs are expenditures for the preparation of mineral properties for production, which are deducted as expenses in the year incurred. Consequently, these expenditures are not included in the tax basis of the property and future cost or adjusted-basis depletion is correspondingly reduced. The treatment of development costs as a current expense, however, does not diminish percentage depletion in subsequent years, since the latter is determined on the basis of income in those years.

[4] While special deductions more than offset the total net income for the 5 years, some income tax was paid because there were deficits only in some years. A deficit caused by excess percentage depletion cannot be carried over against net taxable income of other years.

[5] Includes only 4 years, 1943–46.

Source: Bureau of Internal Revenue, special tabulation.

Mr. PROXMIRE. Mr. President, while no such statistics have been published by the Treasury in recent years, there is no reason to suppose that the facts are any different or any better now.

The justification given for such a high deduction is that it is a needed inducement for exploration and drilling. There is something to this contention, but not enough to justify the added allowance of 27½ percent of gross revenue.

In the first place, the other tax features provided for the industry—as we have seen—are extremely liberal and, in addition to this, the capital gains treatment, which I have not gone into, gives even further advantages.

WHAT THE BILL DOES

I am, therefore, proposing this bill which would reduce the depletion allowance of 27½ percent to 15 percent if the taxpayer's gross income from oil and gas wells exceeds $5 million in any one year, but that the allowance be reduced only from 27½ percent to 21 percent for those with a gross income from oil and gas wells of between $1 million and $5 million, and that the depletion allowance remain at 27½ percent for those whose gross incomes from oil and gas wells does not exceed $1 million per year.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. PROXMIRE. Under the same limitation which I imposed before, I am happy to yield to the distinguished Senator from Texas.

Mr. YARBOROUGH. As I understood the explanation by the distinguished Senator from Wisconsin, the differential in percentages of allowance which the bill would establish is not based upon the net profit of any operator, but upon the gross income.

Mr. PROXMIRE. That is correct.

Mr. YARBOROUGH. So the smaller operator might actually be losing money, but still have the proposed reduction in the depletion allowance apply to him.

Mr. PROXMIRE. That is correct. It is not the net income; it is the gross income figure. But it would rarely happen that a million-gross operator would lose money.

Mr. YARBOROUGH. One other question: Does the Senator from Wisconsin, in the proposed change in the depletion

allowance, draw any distinction between the development of foreign oil and domestic oil? Would he apply the law the same way for oversea production as he would to production from wells drilled in the United States?

Mr. PROXMIRE. That is correct; it is the same for both—overseas and domestic.

Mr. YARBOROUGH. Would oil produced by the Arabian-American Co. in Saudi Arabia receive the same treatment as oil produced in America by an American company?

Mr. PROXMIRE. If the income were brought back to this country and depletion were taken, it would receive the same treatment.

Mr. YARBOROUGH. Can the Senator from Wisconsin tell us on what basis the Arabian-American Oil Co. pays taxes to the United States on oil which it sells?

Mr. PROXMIRE. The Senator from Texas has touched on another interesting loophole which the big oil corporations enjoy. What they do is to pay taxes in lieu of royalties. They pay taxes in such a way that in many cases—perhaps in most cases—they pay virtually no taxes to the Federal Government.

Mr. YARBOROUGH. The Senator is speaking, is he, of oil which is produced abroad?

Mr. PROXMIRE. That is correct. That is a loophole I would be delighted to plug. If the Senator from Texas will introduce a bill to do so, I shall be happy to support it.

Mr. YARBOROUGH. I think it should be plugged. I point out to the Senator from Wisconsin that his proposed amendment would put the American independent producer in a worse competitive position with foreign oil than he is in now with respect to the depletion allowance. The independent producer in America has to compete with those who can produce oil abroad and put it down at dockside in the United States for a dollar a barrel cheaper than the American oil producer can sell it, and the foreign producer pays virtually no taxes to the U.S. Government. Yet the foreign producer is treated in this proposed change in the depletion allowance just like a domestic producer who pays taxes to his local county or State or school district, and his income taxes to the United States.

It seems to me that any tax plan which sought to do justice to the independent producer in America would not place him in a worse competitive position with respect to the foreign producer. It would not worsen his competitive position with respect to American or foreign companies overseas—and most of the companies producing oil overseas are really American companies.

Mr. PROXMIRE. I could not agree more wholeheartedly with the Senator from Texas. On the other hand our bill in no way aggravates that disadvantage. The foreign producer does have an advantage in the present law. There is no way I can see of preventing it without additional legislation. Let us introduce it. I would favor the Committee on Finance holding hearings on that matter. I would be delighted to have the whole subject considered in detail. I think a tax system could be provided which would procure equitable taxes from oversea operations as well as from domestic operations.

Mr. YARBOROUGH. I express appreciation to the Senator from Wisconsin for frankly stating what is the fact, namely, that under his proposed law the independent American producer, who has his capital invested in the United States and who employs his help in America and pays his taxes here, will be worse off, competitively with foreign oil, than he is right now. The domestic producer will be in a worsened position, competitively with imported foreign oil, in his struggle for existence than he would be without the Senator's proposal.

Mr. PROXMIRE. The small independent, of course, is taken care of by the graduation in the tax. He is not touched if his gross income is $1 million or less.

Mr. YARBOROUGH. He may not have any profit.

Mr. PROXMIRE. He can go broke on his gross income. But the small producer whose gross income is $1 million or less is not touched; and $1 million is a lot of money.

Mr. YARBOROUGH. But it costs a quarter of a million dollars to drill one oil well, I point out. With a million dollars, an operator might drill four wells on a lease, but he would be a very small oil operator.

Under the allowable system, which limits the producer to 20 barrels per well a day, and that is where the allowable is put to keep the domestic producer in business in competition with foreign oil, the independent American oil producer has a hard job to survive, even under the existing tax structure.

Mr. PROXMIRE. Until he grosses $5 million, he still enjoys a fat 21-percent depletion allowance under our bill. Of course, no tax law can help the man who loses money. That is a sad, but true, fact of life.

My second point is that if income is brought in from abroad, a tax has to be paid on it.

Mr. YARBOROUGH. On imported oil?

Mr. PROXMIRE. Yes. If an American company brings back to the United States its income, it will have its depletion allowance lowered, too.

Mr. YARBOROUGH. Under the provisions of the Senator's bill?

Mr. PROXMIRE. That is correct.

Mr. YARBOROUGH. But the foreign oil importer is already getting a credit on its U.S. income taxes for the income taxes paid abroad; and under an arrangement with Saudi Arabia the company is allowed to pay income taxes in lieu of royalties. That gives oil importers a great advantage, because it is not now paying very much in the way of income taxes to the United States. To increase the tax of the American independent producer, in the face of competition from foreign oil, is to cripple the domestic producer in that competition.

Mr. PROXMIRE. The whole argument of the Senator is correct, because he is talking about the notorious "golden gimmick," the advantages which the really big oil companies have had; and their most profitable operations have been their foreign operations. I could not agree more with the Senator. I am pointing out that I shall join him in correcting this inequity.

But I do not see the logic of not introducing proposed legislation which will plug the loophole which presently exists in the law, or the logic of deferring the consideration of such proposed legislation or not considering it at all, simply because it will not plug all of the loopholes.

Mr. YARBOROUGH. But instead of plugging the big loophole—which occurs in the case of the imported foreign oil—the Senator's proposal would simply worsen the position of the American operators who drill for oil here in the United States, produce the oil here, and who pay their taxes in the United States.

Mr. PROXMIRE. Mr. President, the fact is that this proposal will plug a very large and a very serious loophole.

This amendment is not a punitive one, for, first, it does not do away with the depletion allowance altogether; and second, it would not affect at all the small wildcat driller or the small producer, except to his competitive advantage.

BILL PROTECTS SMALL PRODUCER

There is a good reason for this last provision. Drilling for oil and gas involes some risk. It is estimated that only about one in nine wells which are drilled actually produce gas or oil. The small driller, with only a few wells over which to spread this risk, does not have enough wells to assure that he will hit the 1 in 9 and may, in fact, drill 20 or 30 dry holes before hitting oil or gas. Consequently, without a great number of wells over which to spread the risk, he takes a greater risk than the large driller, who will average 1 in 9 successful wells if he drills 100 or 200 wells a year. It is only proper that this fact be recognized in the law. This is precisely what my amendment is intended to accomplish.

The Treasury estimated a year ago that the adoption of this amendment would result in a net revenue increase to the Federal Treasury of $305 million to $310 million per year. At the present time I believe this amount would be at least $320 million. Others have estimated that it would bring in as much as $400 million to $500 million additional revenue a year. I may say that the latter estimate—the more substantial estimate—is one made by the Library of Congress.

Mr. President, I ask unanimous consent that three tables showing the amount of depletion which corporations took as income tax deductions in the period 1946 to 1956, these same deductions by total asset classes for the years 1946–55, and a further table showing corporate depletion deductions and net income by total asset classes for the years 1952 to 1955, be printed in the RECORD at this point in my remarks.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE 1.—*Selected corporate business deductions, all corporations, 1946–56*

[Dollar amounts in millions]

Deduction	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956
Compensation of officers	$5,143.1	$6,026.4	$6,733.3	$6,743.0	$7,606.8	$8,122.0	$8,430.0	$8,776.7	$9,113.2	$10,480.7	$11,045.1
Interest paid	2,251.0	2,501.4	2,758.7	3,045.1	3,211.9	3,700.5	5,013.2	5,680.9	6,270.6	7,058.4	8,281.0
Taxes paid	5,830.5	6,892.9	7,481.7	8,361.3	9,013.2	11,030.8	11,696.8	12,194.9	12,476.9	14,202.6	15,038.5
Contributions or gifts	213.9	241.2	239.3	222.6	252.4	343.0	398.6	494.5	313.8	414.8	418.0
Depletion	798.9	1,210.3	1,711.3	1,476.2	1,709.3	2,085.1	2,126.5	2,301.8	2,358.6	2,805.5	3,084.3
Depreciation	4,201.7	5,220.1	6,298.6	7,190.5	7,858.1	8,829.0	9,604.4	10,410.6	13,691.5	13,418.8	14,952.9
Amortization	64.5	58.9	38.9	30.6	43.3	291.9	831.3	1,515.3		2,590.3	2,625.9
Advertising	2,408.3	3,032.2	3,466.0	3,772.7	4,097.0	4,552.9	5,026.8	5,480.9	5,770.2	6,601.8	7,061.6
Amounts contributed under pension plans, etc.[1]	834.6	1,038.3	1,153.5	1,216.1	1,660.9	2,326.9	2,551.8	2,936.3	2,840.3	3,296.2	3,645.5
Other[3]	5,892.1	7,338.4	8,062.8	7,998.7	8,371.3	9,709.7	[2] 860.9 10,493.6	[2] 860.9 11,520.5	[2] 910.6 11,445.5	[2] 1,146.9 12,959.1	[2] 1,302.9 14,325.4
Total selected deductions	27,638.6	33,560.1	37,944.1	40,056.8	43,824.2	50,991.8	56,803.4	62,273.3	65,191.2	74,975.1	81,781.1

[1] Deductions claimed under sec. 23(p) of the Internal Revenue Code for amount contributed by employers under pension, annuity, stock-bonus, or profit-sharing plans, or other deferred compensation plans.
[2] Contributions under employee welfare plans.
[3] Includes bad debts, repairs, and rent paid on business property.

Source: Internal Revenue Service, Statistics of Income, Corporation Income Tax Returns.

TABLE 2.—*Corporate depletion deductions by total assets classes, 1946–55* [1]

[Millions of dollars]

Assets classes	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
Under $50,000	$3.3	$3.9	$4.9	$3.7	$4.0	$3.5	$3.1	$4.7	$4.2	$5.7
$50,000 and under $100,000	3.7	4.6	5.5	4.0	4.4	3.7	5.2	3.7	4.3	5.2
$100,000 and under $250,000	10.8	14.7	16.1	11.9	12.6	12.1	13.5	13.5	15.7	27.2
$250,000 and under $500,000	12.8	18.9	21.4	16.1	17.1	21.4	21.2	21.4	22.6	26.0
$500,000 and under $1,000,000	23.2	31.8	40.8	21.4	31.5	41.4	35.1	38.6	32.2	45.1
$1,000,000 and under $5,000,000	71.3	108.3	126.1	101.0	120.8	160.8	150.3	154.0	147.4	191.5
$5,000,000 and under $10,000,000	38.3	54.3	72.5	57.5	68.5	83.8	85.7	83.3	73.7	80.0
$10,000,000 and under $50,000,000	130.7	165.5	245.2	213.1	278.9	318.9	297.7	306.1	290.3	351.2
$50,000,000 and under $100,000,000	38.6	85.7	89.7	92.8	115.2	120.8	131.2	119.8	134.0	178.1
$100,000,000 or more	445.0	713.8	1,076.5	895.1	1,038.8	1,299.3	1,370.0	1,539.3	1,517.9	1,869.0
Total	777.7	1,201.4	1,698.9	1,426.5	1,691.8	2,065.8	2,112.9	2,284.3	2,242.4	2,779.0
	Percentage distribution									
Under $50,000	0.4	0.3	0.3	0.3	0.2	0.2	0.1	0.2	0.2	0.2
$50,000 and under $100,000	.5	.4	.3	.3	.3	.2	.2	.2	.2	.2
$100,000 and under $250,000	1.4	1.2	.9	.8	.7	.6	.6	.6	.7	1.0
$250,000 and under $500,000	1.7	1.6	1.3	1.1	1.0	1.0	1.0	.9	1.0	.9
$500,000 and under $1,000,000	3.0	2.6	2.4	2.2	1.9	2.0	1.7	1.7	1.4	1.6
$1,000,000 and under $5,000,000	9.2	9.0	7.4	7.1	7.1	7.8	7.1	6.7	6.6	6.9
$5,000,000 and under $10,000,000	4.9	4.5	4.3	4.0	4.1	4.1	4.1	3.6	3.3	2.9
$10,000,000 and under $50,000,000	16.8	13.8	14.4	14.9	16.5	15.4	14.1	31.4	12.9	12.6
$50,000,000 and under $100,000,000	5.0	7.1	5.3	6.5	6.8	5.8	6.2	5.2	6.0	6.4
$100,000,000 or more	57.2	59.4	63.4	62.7	61.4	62.9	64.8	67.4	67.7	67.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

[1] All returns with balance sheets.

Source: Internal Revenue Service, Statistics of Income, pt. 2.

NOTE.—Detail may not add to totals because of rounding.

TABLE 3.—*Corporate depletion deductions and net income by total assets classes, 1952* [1]*–55*

[Dollar amounts in millions]

Assets classes	1952			1953			1954			1955		
	Net income[2]	Depletion deductions	Depletion deductions as percent of net income	Net income	Depletion deductions	Depletion deductions as percent of net income	Net income	Depletion deductions	Depletion deductions as percent of net income	Net income	Depletion deductions	Depletion deductions as percent of net income
Under $50,000	$382.5	$2.6	0.7	$370.6	$3.2	0.9	$354.9	$3.3	0.9	$422.6	$4.7	1.1
$50,000 and under $100,000	577.0	4.7	.8	539.3	3.1	.6	518.1	2.9	.6	631.3	4.1	.6
$100,000 and under $250,000	1,364.9	11.2	.8	1,251.1	11.2	.9	1,281.3	13.3	1.0	1,571.8	20.8	1.3
$250,000 and under $500,000	1,336.0	17.5	1.3	1,228.0	18.0	1.5	1,252.2	17.5	1.4	1,589.6	22.0	1.4
$500,000 and under $1,000,000	1,644.7	27.4	1.7	1,473.2	28.8	2.0	1,459.3	23.9	1.6	1,871.0	37.0	2.0
$1,000,000 and under $5,000,000	4,716.4	129.2	2.7	4,331.5	120.1	2.8	4,172.5	120.8	2.9	5,293.6	155.2	2.9
$5,000,000 and under $10,000,000	2,319.1	64.6	2.8	2,188.6	70.2	3.2	2,025.7	59.5	2.9	2,410.3	65.5	2.7
$10,000,000 and under $50,000,000	6,105.7	250.9	4.1	6,123.9	263.6	4.3	5,555.0	245.0	4.4	6,736.3	305.1	4.5
$50,000,000 and under $100,000,000	2,806.5	122.4	4.4	2,854.4	106.5	3.7	2,873.8	113.4	4.0	3,174.9	157.6	5.0
$100,000,000 or more	19,105.5	1,350.5	7.1	21,384.2	1,515.6	7.1	20,085.6	1,489.9	7.4	26,568.5	1,835.9	6.9
Total	40,358.3	1,980.9	4.9	41,750.9	2,140.3	5.1	39,518.4	2,089.3	5.3	50,270.9	2,608.1	5.2

[1] Returns with balance sheets and net income.
[2] Compiled receipts less compiled deductions as shown in Statistics of Income.

Source: Internal Revenue Service, Statistics of Income, pt. 2.

Mr. PROXMIRE. Mr. President, the first table shows that in 1956, the total amount of deductions for depletion by all corporations was in the amount of $3,084,300,000. The second table shows that some $1,869 million of the corporate depletion deductions in 1955, or some 67.3 percent of them, were taken by corporations with net assets of over $100 million. Thus, the really big corporations took the giant's share—two-thirds—of the depletion allowances.

Mr. President, back in 1950, Secretary of the Treasury Snyder came before the House Ways and Means Committee and urged that it reduce the depletion allowances. He made a very cogent argument for his position, and he further placed in the RECORD a great many facts and figures which were informative and persuasive. I ask unanimous consent that his testimony and exhibits, which appear in the hearings of the Ways and Means Committee on the Revenue Revision of 1950, volume 1, February 3, 1950, be printed in the RECORD at this point.

There being no objection, the testimony and exhibits were ordered to be printed in the RECORD, as follows:

REVENUE REVISION OF 1950—TESTIMONY OF SECRETARY OF TREASURY SNYDER

[From Hearings, Ways and Means Committee, 81st Cong., 2d sess., vol. 1., February 3, 1950]

SPECIAL DEPLETION ALLOWANCES

Depletion in ordinary accounting usage is intended to permit taxpayers to recover the cost of mineral properties over the producing life of the properties. Depletion is the counterpart of depreciation which is intended to permit recovery of the cost of other assets over the period of their useful life. When the original investment has been recovered, no further depreciation is allowed for tax purposes. However, in the case of depletion, special provisions which allow recovery of more than the cost of mineral properties have been in the law since 1918.

Under present law, special allowances are granted on the basis of specified percentages of gross income for different types of minerals. The percentage of gross income allowed is 27½ percent for oil and gas, 23 percent for sulfur, 15 percent for metals and a large number of nonmetallic minerals, and 5 percent for coal.

Percentage depletion continues for the life of the property and generally results in the tax-free recovery of many times the cost. It is granted to those purchasing properties as well as to those operating properties they have developed. The allowances have become more valuable as tax rates have been increased.

Furthermore, the benefits from percentage depletion are increased by provisions which permit development costs to be deducted as an expense in the year incurred instead of being treated as a capital cost to be recovered later through depletion deductions. This is equivalent to a double deduction for the same costs, once when they are incurred and again under percentage depletion. In the oil industry during 1946 and 1947, for every $3 million allowed as percentage depletion, another $2 million was deducted as development costs.

The combination of percentage depletion and the expensing of development costs provides a mechanism for pyramiding extensive holdings in oil assets with payment of little or no income tax.

As the President has indicated, millions of dollars are made annually from operating oil properties on which little or no income tax is paid. The President mentioned one outstanding example. You will find others in the attached material (exhibit 2). In the examples cited, annual incomes, on the average, of over $1 million were obtained on which an average tax of only 22½ percent was paid. This is the rate now paid by persons with incomes of less than $25,000.

These illustrations suggest how much additional revenue the Government would gain by limiting some of these special allowances.

You will find from an examination of the materials I am submitting to assist the committee in considering revision of these provisions that:

First, the estimated revenue loss is between 400 and 500 million dollars annually. This is as much as the yield of all the retail excises.

Second, the allowance is especially excessive in the case of oil and gas and exempts a higher proportion of the earnings of this industry which may expense more of its development costs than the other mineral industries.

Third, the provision has been found to be of little benefit to small prospectors on whose behalf it is so frequently supported.

Fourth, these deductions enable high-income individuals to reduce to negligible proportions taxes on income from sources totally unrelated to these industries.

There are a number of ways in which the necessary revision of present allowances can be accomplished. In general, these involve either the limitation of percentage depletion or the termination of the option to expense development costs. The benefits of expensing development costs are confined to the finding of new properties. Percentage depletion on the other hand may be obtained on established as well as new properties, and regardless of whether the recipient contributed to the development of the property. The reduction of percentage depletion would tend to reduce windfalls while protecting incentives for exploration.

A reasonable way to reduce the excessive benefits would be to limit the percentage of gross income which might be deducted as depletion. A reduction in the present net income limitation would leave the more excessive allowances untouched while reducing the benefits on the small, less profitable properties.

Specifically it is proposed that percentage depletion for oil, gas, and sulfur be reduced to 15 percent of gross income and that percentage depletion for nonmetallic minerals be reduced to 5 percent. The existing 15 percent rate for depletion allowed to the metals would be left unchanged.

It is further proposed that oil and gas operators who elect to expense intangible drilling and development costs be required to reduce income from the property by the amount of such expensed costs in computing their depletion allowance. This requirement will reduce the extent of the double deduction now enjoyed by oil and gas enterprises with respect to certain of their capital costs.

Together these proposals would remove the more obvious inequities of the present system without interfering significantly with production incentives.

EXHIBIT 2

SPECIAL DEPLETION ALLOWANCES FOR MINERAL PROPERTIES

One of the major avenues of escape from income tax is the special depletion allowance now accorded mineral properties. This subject has received consideration by congressional committees on a number of occasions.

Nearly 25 years have passed, however, since the date of the investigation of depletion costs on which present allowances were established. In the intervening years there have been important basic changes in those industries.

This study presents current information on the basic aspects of this problem and discusses the considerations affecting the desirability of the present allowances.

I. PRESENT PROVISIONS

The Federal income tax recognizes depletion of wasting mineral assets as a deductible cost in determining net taxable income. The purpose is to allow the taxpayer to recover tax free the capital he has invested in the mineral property. Special allowances in excess of cost are granted to certain groups of taxpayers. In most cases these special allowances are based on a percentage of gross income. Of less importance are special allowances based on discovery value.

(a) Percentage depletion

Percentage depletion is computed as a specified percentage of gross income, without regard to the capital cost of the property. The rates range as high as 27½ percent of gross income in the case of petroleum, but the deduction is limited to 50 percent of the net income (computed without regard to depletion) from the particular property. The following percentages of gross income are allowed different minerals under present law.

Mineral:	*Percentage rate on gross income*
Oil and gas	27½
Sulfur	23
Metals	15
Coal	5
Bauxite, fluorspar, flake graphite, vermiculite, beryl, feldspar, mica, talc (including pyrophyllite), lepidolite, spodumene, barite, ball, sagger, and china clay, phosphate rock, rock asphalt, trona, bentonite, gilsonite, thenardite, and potash	15

Percentage depletion continues to be deductible even after 100 percent of the invested capital has been retrieved tax free. The total tax-free recoveries may be substantially in excess of the cost of the property, and in a large number of cases amount to many times the capital investment.

(b) Discovery depletion

Those minerals which are not eligible for percentage depletion may qualify for discovery depletion, under certain conditions. Owing to the wide range of minerals excluded because they are eligible for percentage depletion, and the special conditions attaching to the use of discovery depletion, it applies only to certain nonmetallic substances and is of limited significance at the present time.

Under discovery depletion, a taxpayer who discovers a mine on an unproven tract, the value of which is materially larger than the cost to the taxpayer, is allowed depletion deductions designed to amortize the appreciated discovery value over the economic life of the mine. As in the case of percentage depletion, the annual deduction for discovery depletion is limited to 50 percent of the net income from the property. However, aggregate tax-free recoveries under this method are limited to the discovery value.

(c) Cost or adjusted-basis depletion

Percentage depletion is one of the most complex provisions in the tax law. Depletion allowances are computed with respect to each individual mineral property. Mineral-tax payers commonly own several, and in many cases thousands of properties. Each year for each property the taxpayer takes the largest depletion deduction allowable. Both gross and net income must be determined for each separate property to compute percentage depletion. Moreover, a corporate-tax payer's accounting for each property entitled to percentage depletion must reflect each of the three different depletion concepts: (1) Allowable depletion, including percentage or discovery, (2) adjusted-basis depletion, and (3) strict cost depletion.

In all cases the taxpayer is allowed depletion based on cost as a minimum. The annual cost depletion (usually termed adjusted-basis depletion) is computed by spreading the original cost, less amounts previously recovered tax free, over the estimated remaining life of the property, measured in units of mineral product. Increased deductions for percentage depletion reduce the remaining cost or adjusted basis more rapidly Therefore, the adjusted-basis depletion, which represents the minimum annual deduction, must be recomputed at a lower figure each year after percentage depletion is taken.[1] When the original cost is exhausted

[1] In addition to determining the minimum annual allowance, the adjusted-basis depletion is important in computing the net operating loss deduction. Under the present 2-year carryback and 2-year carryforward of net operating losses, the loss to be carried over is reduced by the excess of percentage over cost depletion (and similar tax-exempt

through depletion allowances the adjusted-basis depletion is reduced to zero, although percentage depletion may continue to be deducted.

Corporations also account for annual cost depletion computed without regard to amounts recovered from time to time through percentage depletion, in determining their net profits for reports to stockholders and other purposes. Cost depletion in this sense is also recognized for tax purposes in connection with the treatment of liquidating dividends in the hands of the stockholders.[2]

For purposes of determining gain or loss upon sale or other disposition of a depletable property, the tax basis is reduced by the total amount of allowable depletion (percentage, discovery, or adjusted-basis depletion) in previous years.[3] While percentage depletion may continue even though more than 100 percent of the basis has been recovered tax free, the basis for determining gain or loss is reduced only to zero.

(d) Expensing of capital costs

In addition to depletion allowances, certain capital costs of developing mineral properties are treated as expenses incurred in doing business and allowed as deductions in the year incurred. This expensing treatment does not reduce allowable percentage depletion in future years, which is based on the income from the developed property. This results in a double deduction for recovery on the same capital investment.

Owners of oil or gas wells have wide opportunities for expensing capital costs incurred in developing their properties. At their option, they may treat intangible drilling and development costs of wells (including expenditures for labor, supplies, repairs, and hauling) as current expenses deductible from taxable income from any source. For example, 90 percent of an oil operator's capital outlay, exclusive of depreciable items, may be for intangible drilling and development costs. If this is deducted as a current expense, and thus recovered tax free at the outset, only 10 percent of the investment remains to be recovered through depletion allowances. Hence, depletion allowances based on the entire income in effect overlap the initial deduction of a large portion of the capital outlays.

In the case of mines, development costs can be immediately offset against income only to the extent that there are receipts derived from the mine during the development period. However, if considerable quantities of ore are taken out while developing a mine to full producing status, it is possible for a taxpayer to recoup, tax free, immediately a large part of the capital costs of development.

II. BACKGROUND AND DEVELOPMENT OF SPECIAL DEPLETION ALLOWANCES

The original income-tax legislation provided a "reasonable allowance," not to exceed 5 percent of gross income, for wasting mineral assets. This was later changed to a more specific allowance of depletion based on cost, or 1913 value.

Allowances in excess of cost depletion were first granted in the form of discovery depletion in 1918 as a measure to stimulate mineral exploration for war purposes and to lessen tax burdens on small-scale prospectors who made discoveries after years of fruitless search. Discovery depletion deductions allowed the discoverer of any new mineral deposit to retrieve not only his costs but also the materially larger appreciated value of the property at the time its profitability was established. Since no limit was placed on the discovery depletion deduction, in many cases the deduction was in excess of the income from the discovered property and served to offset income from other sources. To prevent such excessive discovery depletion allowances, the annual deduction was limited in 1921 to 100 percent of the net income from the mineral property. In 1924, the limit was reduced to 50 percent of the net income from the property, in order to provide for the taxation of at least one-half of the income from these properties.

Percentage depletion was substituted for discovery depletion in the case of oil and gas properties in 1926 and extended to metals, sulfur, and coal in 1932. The original percentage-depletion rates, still embodied in present law, were in general fixed at levels which would permit the respective industries approximately the same total annual depletion they had previously enjoyed under discovery depletion.

Despite the recommendation of the Treasury in 1942 that percentage depletion be eliminated, it was extended in 1942 and 1943 as a temporary measure to certain nonmetallic minerals at the 15-percent rate applicable to metals. In 1947 the temporary wartime extensions were made permanent, and in addition some items not previously covered were granted the special allowance. Since 1947 a wide range of nonmetallic producers who have not been granted percentage depletion have sought similar preferential tax treatment.[4]

III. SURVEY OF DEPLETION AND RELATED ALLOWANCES

Information on percentage depletion and other special allowances for mineral producers has been recently developed through a special survey of 350 corporation income-tax returns. These returns accounted for about three-fourths of all corporation income-tax allowances for depletion for the year 1946 (table 1). Although the survey group does not necessarily represent a cross-section of the mineral industries, the high proportion of tax allowances for depletion provides reliable information on the mineral-depletion provisions. The statistical data obtained in the course of this survey are presented in tables 1 to 10.

While the survey covers corporations only, it is estimated that corporations account for more than 80 percent and individuals for less than 20 percent of all depletion deductions.

(a) Excess depletion and resulting revenue loss

The allowable depletion deducted by the corporations included in this survey amounted to $555 million in 1946 and $839 million in 1947. Of these amounts only 10 to 15 percent represented adjusted-basis depletion which would have been required to recover orginal investment cost.[5] The remaining 85 to 90 percent constituted the excess allowance attributable to the special depletion provisions for mineral industries (table 2).

The indicated revenue loss for all corporations in the survey due to excess depletion was about $180 million in 1946 and $290 million in 1947 (table 3). On the basis of these findings it is estimated that the total revenue loss for all corporations due to excess depletion was nearly $250 million in 1946 and $400 million in 1947.

(b) Distribution of excess depletion by industry groups

The excess of percentage depletion over cost or basis depletion was correspondingly high for most industry groups. Relatively low excess depletion for a few industries, such as coal and the stone, clay, and glass group, reflects either a low-percentage depletion rate (5 percent for coal) or ineligibility of important components of the industry for percentage depletion.

A high proportion of the excess depletion shown in table 2 was received by corporations whose major activity was other than mining and quarrying. In 1946, for example, $345 million or more than 70 percent of the total excess was deducted by manufacturing enterprises (notably in the petroleum field) representing large integrated firms whose predominant industrial activity was not mineral extraction.

(c) Distribution of special depletion and related allowances by mineral products

Survey data for 1946 and 1947 showing the distribution of depletion allowances (including deductions for development costs) classified by the principal mineral products are presented in tables 4 and 5. As shown in these tables, the bulk of the benefit of percentage depletion in excess of basis depletion was derived by the oil and gas group. They received almost 85 percent of the excess depletion compared with 55 percent of the gross income for corporations included in the survey.

Total deductions for development costs by the selected corporations were $394 million in 1946 and $486 million in 1947. Comparison of the development-cost deductions with the excess of percentage over basis depletion for these 2 years indicates that for every $3 allowed as percentage depletion another $2 was deducted as development costs. In addition, substantial deductions were taken for exploration costs and losses on abandonment, amounting to $204 million in 1946 and $255 million in 1947.

Nearly all of the development-cost deductions were taken by oil and gas producers, and these producers also claimed most of the allowances for exploration and losses on abandonment.

Substantial variations are also shown by tables 4 and 5 in the relative tax benefits derived from special depletion allowances among different types of mineral producers, due in large part to disparities in the rates of percentage depletion. In 1947, for example, allowable depletion was about equivalent to basis depletion for nonmetallics not entitled to percentage depletion, about 3 times basis depletion for coal, 5 times basis depletion for metals, and 16 times basis depletion for oil. Sulfur producers were entitled to virtually no basis depletion, yet more than one-third of their aggregate net income was excluded from taxation through excess percentage depletion.

The relative importance of special depletion allowances for different type of mineral producers is presented in table 6. As shown in this table, all the corporations included in the survey had depletion deductions equal to about 40 percent of their net income before depletion in the years 1946–47. By contrast, the amount of basis depletion required to recover remaining cost ratably over the useful economic life was only 6 per-

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items) in the year in which the loss occurs. Similarly, the amount of the loss which is deductible is reduced by the amount of such exempt income in the year to which the loss is carried.

[2] Under existing law dividends to stockholders are taxable to the extent they are paid out of earnings and profits. For this purpose, earnings and profits are computed on the basis of cost depletion.

[3] For years prior to 1932 the excess of percentage over cost depletion was not applied to reduce the tax basis.

[4] Within the past 3 years bills have been introduced in Congress to extend percentage depletion to amblygonite, oil shale, tripoli, marble, pumice, scoria, limestone, crushed stone, perlite, diatomaceous earth, granite, borax, calcium and magnesium carbonates, shell, sand, gravel, stone, and all other nonmetallic clays and minerals.

[5] In most cases the adjusted-basis depletion was approximately equal to cost depletion.

cent of net income in 1946 and 3.6 percent in 1947. Significant variations are shown among mineral products. Thus, depletion allowances in 1946 amounted to 49 percent of net income in the case of oil and gas compared with 1½ percent for nonmetallic products not entitled to percentage depletion, and 18 percent for all nonmetals.

(d) Depletion allowances in relation to size of firm

The distributions of various mineral-depletion allowances in dollar amounts and in relation to income, by size of firm, for 1946 and 1947, are shown in tables 7 and 8.

As shown in table 7, about three-fourths of the total depletion allowances and of the excess of percentage over basis depletion was received by very large corporations, with assets of at least $100 million. By contrast these firms received slightly less than two-thirds of the total gross income from mining.

The percentage of income excluded from taxation through depletion allowances tends to be greater for larger corporations (table 8). In 1947, for example, firms with assets of $100 million and over had depletion allowances of 20 percent of their gross and 38 percent of their net income, as against 9 percent of gross income and 34.5 percent of net income for corporations with assets between $100,000 and $1 million. The benefits of special depletion allowances, reflected in the ratio of allowable depletion to basis depletion, also tend to increase with the size of the firm. In 1947, for example, the allowable depletion of corporations with assets of $100 million and over was 13 times their basis depletion as compared with about 8 times for corporations with assets between $1 million and $10 million.

IV. ILLUSTRATIVE CASES SHOWING TAX EFFECTS OF SPECIAL ALLOWANCES

In connection with the survey of special depletion and related allowances, the effect of these provisions on the tax liabilities of particular taxpayers was studied.

Substantial reductions in income taxes were obtained by a number of individual oil and gas operators for the 5 years 1943 to 1947. In 10 illustrative cases, summarized in table 9, the effective rate of tax on net economic income (based on cost or basis depletion) varied from 63.5 percent to as low as six-tenths of 1 percent. This represents a striking difference between the effective rates of tax actually paid and the general statutory rates on such income, which ranged as high as 90 percent in these years.

During the 5-year period these 10 individual taxpayers received a total economic net income of $52.6 million from oil and gas properties. This net income was computed after all deductions for operating expenses, depreciation, basis depletion, exploration costs, and losses on unsuccessful ventures. These taxpayers also received a total of $9.3 million of net income from other sources. Of their aggregate net income from all sources, totaling $61.9 million, 77 percent was eliminated for tax purposes through the special deductions.

Similar information for 20 corporations taken from income-tax returns for 1947 is shown in table 10.

(NOTE.—In the following tables figures are rounded and will not necessarily add to totals. Percentages were computed on the basis of unrounded figures.)

TABLE 1.—*Percentage of allowable mineral depletion included in survey of selected corporations, 1946*

[Money figures in millions]

Industry group [1]	Allowable depletion for all corporations [2]	Allowable depletion for selected corporations [2]		Industry group [1]	Allowable depletion for all corporations [2]	Allowable depletion for selected corporations [2]	
		Amount	Percent of industry total			Amount	Percent of industry total
Mining and quarrying:				Manufacturing:			
Metal mining	$46.1	$35.1	76.0	Chemicals and allied products	$14.4	$9.7	67.1
Coal	51.0	17.6	34.4	Petroleum and coal products	388.0	350.6	90.3
Crude oil and natural gas	124.1	72.7	58.6	Iron, steel, and products	21.0	17.3	82.3
Nonmetallic mining	15.8	12.8	80.8	Nonferrous metals and products	23.5	14.5	61.8
Mining not allocable	.3	.1	32.0	Stone, clay, and glass products	2.1	.1	7.1
				Other manufacturing	3.3	0	0
Total mining and quarrying	237.3	138.1	58.2	Total manufacturing	452.4	392.2	86.7
				Other groups	55.5	24.5	44.2
				Total all groups	745.1	554.9	74.5

[1] The industry classification is the business activity reported on the tax return. When multiple businesses are reported, the classification is the business activity which accounts for the largest percentage of total receipts.
[2] Allowable depletion is the deduction permitted for income tax purposes, and is the larger of either adjusted-basis depletion or percentage depletion.

Source: Statistics of Income for 1946, pt. 2, preliminary, for all corporations; Bureau of Internal Revenue, Statistical Division, special tabulation, for the selected corporations.

TABLE 2.—*Mineral depletion allowances for selected corporations, by industry groups, 1946 and 1947*

[Money figures in millions]

Industry groups [1]	1946				1947			
	Number	Allowable depletion [2]	Excess over basis depletion [3]		Number	Allowable depletion [2]	Excess over basis depletion [3]	
			Amount	Percent of allowable depletion			Amount	Percent of allowable depletion
Mining and quarrying:								
Metal mining	68	$35.1	$28.7	82.0	66	$64.0	$54.9	85.9
Coal	53	17.6	10.5	59.9	52	21.6	14.9	69.2
Crude oil and natural gas	66	72.7	62.0	85.4	60	110.5	100.2	90.9
Nonmetallic mining	18	12.8	12.5	98.1	17	16.0	15.8	98.8
Mining not allocable	1	.1	(4)	5.0	1	.1	(4)	23.3
Total mining and quarrying	206	138.1	113.8	82.4	196	212.2	185.8	87.6
Manufacturing: Chemicals and allied products	14	9.7	7.3	75.5	14	$11.7	9.4	80.3
Petroleum and coal products	45	350.6	321.9	91.8	44	538.7	509.0	94.4
Iron, steel, and products	14	17.3	11.0	63.4	16	25.9	17.2	66.3
Nonferrous metals and products	8	14.5	5.1	34.8	8	17.5	10.4	59.4
Stone, clay, and glass products	5	.2	(4)	32.5	5	.2	.1	56.3
Total manufacturing	86	392.2	345.3	88.0	87	594.0	546.1	91.9
Other groups	60	24.5	20.8	84.9	61	32.6	28.0	86.0
Total all groups	352	554.9	479.9	86.5	344	838.7	759.9	90.6

[1] The industry classification is the business activity reported on the tax return. When multiple businesses are reported, the classification is the business activity which accounts for the largest percentage of total receipts.
[2] Allowable depletion is the deduction permitted for income-tax purposes, and is the larger of either adjusted-basis depletion or percentage depletion.
[3] Basis depletion is the deduction necessary to recover the unamortized portion of the taxpayer's depletable property over its estimated remaining useful life. The unamortized portion, or adjusted basis, is reduced each year by the amount of allowable depletion.
[4] Less than $50,000.

Source: Bureau of Internal Revenue, Statistical Division, special tabulation.

TABLE 3.—*Computed revenue loss resulting from excess mineral depletion deductions, selected corporations, by industry groups, 1946 and 1947* [1]

[In millions]

Industry group [2]	1946 (352 returns)	1947 (344 returns)	Industry group [2]	1946 (352 returns)	1947 (344 returns)
Mining and quarrying:			Manufacturing—Continued		
Metal mining	$10.9	$20.9	Petroleum and coal products	$122.3	$193.4
Coal	4.0	5.7	Iron, steel, and products	4.2	6.5
Crude oil and natural gas	23.6	38.1	Nonferrous metals and products	1.9	3.9
Nonmetallic mining	4.8	6.0	Stone, clay, and glass products	[3]	[3]
Mining not allocable	[3]	[3]	Total manufacturing	131.2	207.5
Total mining and quarrying	43.3	70.6	Other groups	7.9	10.6
Manufacturing:			Total all groups	182.4	288.8
Chemicals and allied products	2.8	3.6			

[1] Computed at the standard corporation rate of 38 percent.
[2] The industry classification is the business activity reported on the tax return. When multiple businesses are reported, the classification is the business activity which accounts for the largest percentage of total receipts.
[3] Less than $50,000.

TABLE 4.—*Mineral depletion and related allowances for selected corporations, by principal mineral products, 1946*

[Money figures in millions]

Principal mineral products	Number of corporations	Income subject to depletion		Depletion		Other capital recovery deductions	
		Gross [1]	Net [2]	Allowable [3]	Basis [4]	Development costs [5]	Exploration costs and losses on abandonment [6]
Metals:							
Iron	20	$335.0	$56.2	$18.9	$5.6	$6.1	$0.1
Copper	12	240.4	91.2	23.3	12.0	.6	1.0
Lead and zinc	22	68.9	21.0	10.5	2.5	5.0	.3
Gold and silver	14	47.1	16.0	6.1	.3	.9	.1
Other metals	8	37.8	7.2	3.3	[7]	.1	[7]
Metals not allocable	9	32.1	8.5	3.0	.3	[7]	.2
Total, metals	85	761.3	200.2	65.0	20.8	12.7	1.8
Coal:							
Anthracite	17	209.6	27.7	8.1	5.0	[7]	
Bituminous, lignite, etc	52	432.8	44.5	16.2	5.0	[7]	[7]
Total, coal	69	642.4	72.2	24.3	10.0	[7]	[7]
Oil and gas	163	1,837.6	904.2	447.1	41.9	381.2	161.3
Sulfur	8	66.2	34.5	12.3	[7]		20.7
Nonmetals:							
Entitled to percentage depletion [8]	19	90.4	20.0	5.9	2.0		0.1
Not entitled to percentage depletion	8	56.1	13.4	.2	.2	0 .3	20.0
Total nonmetals	27	146.6	33.3	6.2	2.2	.3	20.2
Grand total	352	3,454.1	1,244.4	554.9	74.9	394.2	204.0

[1] Gross income subject to depletion represents the amount for which the taxpayer sells, or could sell, in the immediate vicinity of the mine or well, the crude mineral output thereof.
[2] Net income subject to depletion represents the gross income subject to depletion less the allowable tax deductions attributable to the particular mineral property.
[3] Allowable depletion is the deduction permitted for income-tax purposes, and is the larger of either adjusted-basis depletion or percentage depletion.
[4] Basis depletion is the deduction necessary to recover the unamortized portion of the taxpayers' depletable property over its estimated remaining useful life. The unamortized portion, or adjusted basis, is reduced each year by the amount of allowable depletion.
[5] Development costs are expenditures for the preparation of mineral properties for production, which are deducted as expenses in the year incurred. Consequently, these expenditures are not included in the tax basis of the property and future cost or adjusted-basis depletion is correspondingly reduced. The treatment of development costs as a current expense, however, does not diminish percentage depletion in subsequent years, since the latter is determined on the basis of income in those years.
[6] Tax deductions for exploration costs represent expenditures which are made in the search for mineral deposits but which cannot be attributed to the capital costs of particular depletable properties. Abandonment losses represent tax deductions for recovery of capital invested in particular mineral properties which are abandoned before recovery of adjusted basis. Both exploration costs and abandonment losses represent tax deductions for capital recovery in addition to depletion deductions.
[7] Less than $50,000.
[8] The following nonmetallics are entitled to percentage depletion: Fluorspar, ball and sagger clay, rock asphalt, potash, flake graphite, vermiculite, beryl, feldspar, mica, talc, lepidolite, spodumene, barite, bauxite, china clay, phosphate rock, bentonite, trona, gilsonite, and thenardite.

Source: Bureau of Internal Revenue, Statistical Division, special tabulation.

TABLE 5.—*Mineral depletion and related allowances for selected corporations, by principal mineral products, 1947*

[Money figures in millions]

Principal mineral products	Number of corporations	Income subject to depletion		Depletion		Other capital recovery deductions	
		Gross [1]	Net [2]	Allowable [3]	Basis [4]	Development costs [5]	Exploration costs and losses on abandonment [6]
Metals:							
Iron	21	$310.8	$90.3	$26.7	$7.5	$7.2	$0.3
Copper	11	432.1	224.3	45.3	12.1	.9	.9
Lead and zinc	23	99.4	35.3	14.6	3.1	4.8	.1
Gold and silver	12	66.8	24.3	9.1	.2	1.1	1.6
Metals—Continued							
Other metals	7	$45.5	$7.5	$3.0	[7]	.1	[7]
Metals not allocable	12	54.6	17.6	5.5	.4	.1	.3
Total metals	86	1,009.2	399.2	104.2	$23.3	$14.3	$3.2

See footnotes at end of table.

TABLE 5.—*Mineral depletion and related allowances for selected corporations, by principal mineral products, 1947*—Continued

[Money figures in millions]

Principal mineral products	Number of corporations	Income subject to depletion: Gross [1]	Income subject to depletion: Net [2]	Depletion: Allowable [3]	Depletion: Basis [4]	Other capital recovery deductions: Development costs [5]	Other capital recovery deductions: Exploration costs and losses on abandonment [6]
Coal:							
Anthracite	16	$211.6	$18.3	$7.5	$4.7	(7)	
Bituminous, lignite, etc.	55	612.5	87.2	25.4	6.2	$.1	$.3
Total coal	71	824.1	105.4	33.0	10.9	.1	.3
Oil and gas	153	$2,691.5	$1,544.9	$677.7	$42.6	$471.1	$199.9
Sulfur	8	80.3	43.8	14.9	(7)		25.8
Nonmetals:							
Entitled to percentage depletion [8]	17	$68.7	$20.2	$8.7	$1.8	(7)	.2
Not entitled to percentage depletion	9	102.2	53.4	.3	.3	$.4	$25.1
Total nonmetals	26	170.9	73.6	9.0	2.1	.4	25.4
Grand total	344	4,775.9	2,166.9	838.7	78.8	486.0	254.5

[1] Gross income subject to depletion represents the amount for which the taxpayer sells, or could sell, in the immediate vicinity of the mine or well, the crude mineral output thereof.

[2] Net income subject to depletion represents the gross income subject to depletion less the allowable tax deductions attributable to the particular mineral property.

[3] Allowable depletion is the deduction permitted for income-tax purposes, and is the larger of either adjusted-basis depletion or percentage depletion.

[4] Basis depletion is the deduction necessary to recover the unamortized portion of the taxpayers' depletable property over its estimated remaining useful life. The unamortized portion, or adjusted basis, is reduced each year by the amount of allowable depletion.

[5] Development costs are expenditures for the preparation of mineral properties for production, which are deducted as expenses in the year incurred. Consequently, these expenditures are not included in the tax basis of the property and future cost or adjusted-basis depletion is correspondingly reduced. The treatment of development costs as a current expense, however, does not diminish percentage depletion in subsequent years, since the latter is determined on the basis of income in those years.

[6] Tax deductions for exploration costs represent expenditures which are made in the search for mineral deposits but which cannot be attributed to the capital costs of particular depletable properties. Abandonment losses represent tax deductions for recovery of capital invested in particular mineral properties which are abandoned before recovery of adjusted basis. Both exploration costs and abandonment losses represent tax deductions for capital recovery in addition to depletion deductions.

[7] Less than $50,000.

[8] The following nonmetallics are entitled to percentage depletion: Fluorspar, ball and sagger clay, rock asphalt, potash, flake graphite, vermiculite, beryl, feldspar, mica, talc, lepidolite, spodumene, barite, bauxite, china clay, phosphate rock, bentonite, trona, gilsonite, and thenardite.

Source: Bureau of Internal Revenue, Statistical Division, special tabulation.

TABLE 6.—*Allowable and basis depletion related to income, selected corporations, by principal mineral products, 1946 and 1947*

[Percent]

Principal mineral products	1946: Percent of gross income: Allowable depletion [1]	1946: Percent of gross income: Basis depletion [2]	1946: Percent of net income: Allowable depletion [1]	1946: Percent of net income: Basis depletion [2]	1947: Percent of gross income: Allowable depletion [1]	1947: Percent of gross income: Basis depletion [2]	1947: Percent of net income: Allowable depletion [1]	1947: Percent of net income: Basis depletion [2]
Metals:								
Iron	5.6	1.7	32.6	9.9	8.5	2.4	29.5	8.3
Copper	9.6	4.9	25.5	13.1	10.4	2.7	20.1	5.3
Lead and zinc	15.2	3.5	50.0	11.7	14.6	3.0	41.3	8.6
Gold and silver	12.8	.5	37.8	1.5	13.6	.3	37.4	.9
Other metals	8.6	(3)	44.3	.3	6.6	(3)	40.3	.1
Metals not allocable	9.4	.9	35.6	3.7	10.0	.7	31.0	2.2
Total metals	8.5	2.7	32.2	10.3	10.3	2.3	26.0	5.8
Coal:								
Anthracite	3.8	2.3	29.0	17.9	3.5	2.2	40.8	25.6
Bituminous, lignite, peat	3.7	1.1	35.5	11.0	4.1	1.0	28.7	6.9
Total coal	3.7	1.5	33.1	13.6	3.9	1.3	30.8	10.1
Oil and gas	24.3	2.2	49.3	4.6	25.1	1.5	43.8	2.7
Sulfur	18.6	(3)	35.7	(3)	18.5	(3)	33.9	(3)
Nonmetals:								
Entitled to percentage depletion [4]	6.5	2.2	29.7	10.1	12.6	2.6	43.0	8.9
Not entitled to percentage depletion	.3	.2	1.5	1.2	.3	.2	.6	.4
Total nonmetals	4.2	1.4	18.4	6.5	5.2	1.2	12.2	2.8
Grand total	16.0	2.1	44.4	6.0	17.5	1.6	38.6	3.6

[1] Allowable depletion is the deduction permitted for income-tax purposes, and is the larger of either adjusted-basis depletion or percentage depletion.

[2] Basis depletion is the deduction necessary to recover the unamortized portion of the taxpayer's depletable property over its estimated remaining useful life. The unamortized portion, or adjusted basis, is reduced each year by the amount of allowable depletion.

[3] Less than 0.1 of 1 percent.

[4] The following nonmetallics are entitled to percentage depletion: fluorspar, ball and sagger clay, rock, asphalt, potash, flake graphite, vermiculite, beryl, feldspar, mica, talc, lepidolite, spodumene, barite, bauxite, china, clay, phosphate rock, bentonite, trona, gilsonite and thenardite.

Source: Bureau of Internal Revenue, Statistical Division, special tabulation.

TABLE 7.—*Mineral depletion and related allowances for selected corporations, by size of total assets, 1946 and 1947*

[Money figures in millions]

Total assets classes [1] (in thousands)	Number of corporations [1]	Income subject to depletion: Gross [2]	Income subject to depletion: Net [3]	Depletion: Allowable [4]	Depletion: Basis [5]	Other capital recovery deductions: Development costs [6]	Other capital recovery deductions: Exploration costs and losses on abandonment [7]
1946							
$100 under $1,000	$20	$22.7	$5.3	$2.0	$0.1	$0.1	$0.1
$1,000 under $5,000	105	207.3	47.3	18.9	3.8	9.2	2.0
$5,000 under $10,000	46	135.4	47.7	18.9	3.4	5.3	2.3
1947							
$100 under $1,000	$20	$25.8	$6.7	$2.3	$0.1	$0.1	(8)
$1,000 under $5,000	101	268.3	72.5	26.8	3.4	11.0	$1.8
$5,000 under $10,000	42	160.1	60.0	23.5	3.1	7.4	3.6

See footnotes at end of table.

TABLE 7.—*Mineral depletion and related allowances for selected corporations, by size of total assets, 1946 and 1947*—Continued

[Money figures in millions]

Total assets classes [1] (in thousands)	Number of corporations [1]	Income subject to depletion		Depletion		Other capital recovery deductions	
		Gross [2]	Net [3]	Allowable [4]	Basis [5]	Development costs [6]	Exploration costs and losses on abandonment [7]
1946							
$10,000 under $50,000	$96	$670.0	$190.7	$81.8	$13.4	$49.4	$19.3
$50,000 under $100,000	17	283.1	88.6	35.9	8.7	15.7	8.9
$100,000 and over	64	2,129.3	861.3	395.7	45.4	313.2	171.2
Total	348	3,447.8	1,241.0	553.2	74.8	392.9	203.7
1947							
$10,000 under $50,000	$97	$870.2	$301.7	$118.4	$14.4	$59.0	$25.8
$50,000 under $100,000	14	353.3	117.2	51.4	10.7	16.5	13.2
$100,000 and over	68	3,108.7	1,604.8	614.3	47.1	390.8	209.6
Total	342	4,768.6	2,162.9	836.8	78.8	484.8	254.1

[1] Total asset classes are based on the net amount of total assets after reserves for depreciation, depletion, amortization and bad debts, as of the close of the taxable year 1946. Only corporations with balance sheets are included. Consequently, the number of corporations differs slightly from that in the tabulations by industry groups and by principal mineral products.

[2] Gross income subject to depletion represents the amount for which the taxpayer sells, or could sell, in the immediate vicinity of the mine or well, the crude mineral output thereof.

[3] Net income subject to depletion represents the gross income subject to depletion less the allowable tax deductions attributable to the particular mineral property.

[4] Allowable depletion is the deduction permitted for income tax purposes, and is the larger of either adjusted-basis depletion or percentage depletion.

[5] Basis depletion is the deduction necessary to recover the unamortized portion of the taxpayers depletable property over its estimated remaining useful life. The unamortized portion, or adjusted basis, is reduced each year by the amount of allowable depletion.

[6] Development costs are expenditures for the preparation of mineral properties for production, which are deducted as expenses in the year incurred. Consequently, these expenditures are not included in the tax basis of the property and future cost or adjusted-basis depletion is correspondingly reduced. The treatment of development costs as a current expense, however, does not diminish percentage depletion in subsequent years, since the latter is determined on the basis of income in those years.

[7] Tax deductions for exploration costs represent expenditures which are made in the search for mineral deposits but which cannot be attributed to the capital costs of particular depletable properties. Abandonment losses represent tax deductions for recovery of capital invested in particular mineral properties which are abandoned before recovery of adjusted basis. Both exploration costs and abandonment losses represent tax deductions for capital recovery in addition to depletion deductions.

[8] Less than $50,000.

Source: Bureau of Internal Revenue, Statistical Division, special tabulation.

TABLE 8.—*Allowable and basis depletion related to income, selected corporations, by size of total assets, 1946 and 1947*

Total assets classes [1] (in thousands)	Percent of gross income		Percent of net income	
	Allowable depletion [2]	Basis depletion [3]	Allowable depletion [2]	Basis depletion [3]
1946				
$100 under $1,000	8.9	0.4	38.2	1.7
$1,000 under $5,000	9.1	1.8	39.4	8.4
$5,000 under $10,000	13.9	2.5	39.7	7.1
$10,000 under $50,000	12.2	2.0	42.5	6.9
$50,000 under $100,000	12.6	3.0	40.4	9.7
$100,000 and over	18.5	2.1	45.8	5.2
Total	16.0	2.1	44.4	6.0
1947				
$100 under $1,000	9.0	0.3	34.5	1.0
$1,000 under $5,000	9.9	1.2	36.8	4.6
$5,000 under $10,000	14.6	1.9	39.1	5.1
$10,000 under $50,000	13.6	1.6	39.2	4.7
$50,000 under $100,000	15.3	3.1	43.8	9.1
$100,000 and over	19.7	1.5	38.2	2.9
Total	17.5	1.6	38.6	3.6

[1] Total asset classes are based on the net amount of total assets after reserves for depreciation, depletion, amortization and bad debts, as of the close of the taxable year 1946. Only corporations with balance sheets are included. Consequently, the number of corporations differs slightly from that in the tabulations by industry groups and by principal mineral products.

[2] Allowable depletion is the deduction permitted for income tax purposes, and is the larger of either adjusted-basis depletion of percentage depletion.

[3] Basis depletion is the deduction necessary to recover the unamortized portion of the taxpayers depletable property over its estimated remaining useful life. The unamortized portion, or adjusted basis, is reduced each year by the amount of allowable depletion.

Source: Bureau of Internal Revenue, Statistical Division, special tabulation.

TABLE 9.—*Income, deductions, and tax liabilities of 10 selected individual oil and gas operators, for the 5-year period 1943–47*

[Money figures in millions]

Individual operator	New income			Special deduction		Taxable net income	Income tax liability	
	From oil and gas [1]	From other sources	Total	Percentage depletion [2]	Development costs [3]		Amount	Percent of total net income
A	$10.5	$3.8	$14.3	2.2	$13.0	[4] −$0.9	$0.08	0.6
B	5.0	.8	5.8	3.1	2.1	.6	.5	8.6
C	3.9	.5	4.4	3.2	4.4	[4] −3.2	.15	3.4
D [5]	9.3	.3	9.6	2.7	0	6.9	6.1	63.5
E	2.7	.8	3.5	1.0	.3	2.2	1.4	40.0
F	1.7	1.4	3.1	.8	1.5	.8	.6	19.4
G	$7.7	−$1.3	$6.4	3.5	2.1	$0.8	$0.5	7.8
H	2.1	3.6	5.7	1.0	.6	4.1	2.2	38.6
I	1.7	.1	1.8	.5	1.0	.3	.2	11.1
J	8.0	−.7	7.3	2.9	1.7	2.7	2.2	30.1
Total	52.6	9.3	61.9	20.9	26.7	14.3	13.93	22.5

[1] Income after deductions for operating expenses, depreciation, adjusted-basis depletion, exploration costs and losses on abandonment.

[2] Excess of percentage depletion over adjusted-basis depletion.

[3] Development costs are expenditures for the preparation of mineral properties for production, which are deducted as expenses in the year incurred. Consequently, these expenditures are not included in the tax basis of the property and future cost of adjusted-basis depletion is correspondingly reduced. The treatment of development costs as a current expense, however, does not diminish percentage depletion in subsequent years, since the latter is determined on the basis of income in those years.

[4] While special deductions more than offset the total net income for the 5 years, some income tax was paid because there were deficits only in some years. A deficit caused by excess percentage depletion cannot be carried over against net taxable income of other years.

[5] Includes only 4 years, 1943–46.

Source: Bureau of Internal Revenue, special tabulation.

Mr. PROXMIRE. Mr. President, in 1955, the Joint Economic Committee asked a number of tax experts to participate in its study of Federal tax policy for economic growth and stability. One of the finest papers which was presented to the Committee was that by William F. Hellmuth, Jr., of Oberlin College, who wrote on the subject of the "Erosion of the Federal Corporation Income Tax Base." This paper appears on pages 888 to 917. I ask unanimous consent that a section of that paper, which appears on pages 897 to 903 and which deals with the percentage depletion question, be printed at this point in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

DEPLETION

Present depletion deductions are probably the most glaring and most widely condemned source of erosion in the corporate income-tax base. These deductions may also be the ones which have been most liberalized and extended over the past 15 years.

Corporations have been permitted a tax deduction for the exhaustion of oil and mineral resources since 1913. In economics and in our tax law, the principle is well established that the gradual exhaustion in use of a well or mineral deposit represents a cost of production for which deductions should be allowed in computing net income. Controversy exists as to timing and total amount of depletion deductions allowable.

On the basis of tax neutrality between different industries and economic activities, deductions from income over the life of a property would be limited to original cost, with annual tax-free recovery reflecting the portion of the total deposit which is extracted during the year. Using the business-income yardstick, there would be depletion deductions based on actual cost or in some cases no deductions at all for depletion.[1] Full recovery of actual cost under cost depletion would correspond to tax treatment of depreciation or amortization for other capital assets.

Existing legislation allows taxpayers owning an economic interest in mineral deposits the choice of a depletion deduction based on cost or percentage depletion. Percentage depletion gives an annual deduction equal to the smaller of a statutory percentage of gross income from mineral property or 50 percent of net income from the property before any allowance for depletion. Total tax-free deductions under percentage depletion are not limited or even necessarily related to capital cost. Annual percentage depletion deductions are related to production, prices, net income, and statutory percentages. There is no ceiling on the total amount of these deductions and over the life of a property they may total many times a taxpayer's actual investment costs. Thus percentage depletion deductions diverge from allowable deductions which conform either to tax neutrality or to business-income concepts and are an important element of erosion.

The dollar estimate of the excess of percentage over cost depletion is based on Treasury studies of those corporations which accounted for 75 to 80 percent of all depletion allowances claimed by corporations during 1946–49.

[1] Smith and Butters, op. cit., pp. 80–84 Some businesses make no deduction for depletion due to the difficulty of estimating the future life of a deposit accurately.

Year	Number of corporations	Allowable depletion	Adjusted basis depletion	Excess of allowable over basis		
				Amount	Percent of allowable	Percent of net income
1946	352	$555	$75	$480	86.5	38.4
1947	344	839	79	760	90.6	35.0
1948	260	1,291	77	1,214	94.0	36.3
1949	260	1,120	61	1,059	94.6	40.1
Total		3,805	292	3,513		
Weighted average					92.3	

NOTE.—See also an interpretation of the 1946–47 data by D. H. Eldridge, Tax Incentives for Mineral Enterprise. Journal of Political Economy, June 1950, pp. 222–240.

Sources: 1946 and 1957 data from Revenues Revision of 1950, hearings before the Committee on Ways and Means, House, 81st Cong., 2d sess., vol. I, pp. 194, 197; 1948 and 1949 data from E. E. Oakes, Incentives for Mineral Industries, the President's Materials Policy Commission, Resources for Freedom, vol. 5, pp. 14–15. Admittedly adjusted-basis depletion is not identical to cost depletion but is based on cost less allowable depletion (larger of percentage or cost depletion) in prior years.

This table indicates that total allowable depletion deductions were at least 10 times depletion deductions based on cost. As legislation in 1951 and 1954 further liberalized percentage depletion and extended the opportunity to expense (currently or deferred) exploration and development costs so they never are charged to a depletion basis, allowable depletion may now be nearer 20 times cost depletion. These figures conceal a wide variation between individual products. Percentage depletion deduction as a multiple of cost depletion during 1946–49 varied from a high of over 200 for sulfur to 19 for oil and gas down to about 3½ for copper and coal. Note that oil and gas accounted for more than 80 percent of all depletion deductions:

Allowable depletion compared with adjusted basis depletion for certain products, 1946–49 combined

[In millions]

	Allowable depletion	Adjusted-basis depletion	Allowable as multiple of adjusted basis	Product percent of total allowable
All products	$3,805	$292	3.7	100.0
Oil and gas	3,143	167	18.9	82.8
Sulfur	60	(1)	(1)	1.6
Coal	136	38	3.5	3.6
Copper	182	49	3.7	4.8

[1] Allowable depletion for sulfur was less than $300,000 for all 4 years combined. Individual years' totals were too small to be reported in tables. Thus allowable depletion for sulfur was at least 200 times the amount of adjusted-basis depletion and possibly much more.

Source: Computed from Treasury depletion studies of several hundred large companies for 1946–49, op. cit.

The most recent Statistics of Income indicate corporate depletion deductions of $2,126 million for 1952. Corporate depletion in 1955 might amount to $2,500 million, assuming increased dollar volume and another $100 million for the liberalization of depletion by the 1954 code. Ninety percent of this total gives $2,250 million as the conservatively estimated amount of corporate income excluded from taxable income due to overgenerous percentage depletion.[2]

Erosion of the tax base due to depletion has been rapid in recent years and perhaps has now come to a position of equilibrium, at a position of great liberality, with percentage depletion now available to every metallic and nonmetallic mineral from anorthosite to zinc, including even oystershells and peat. Under section 613(b) of the 1954 Code, only soil, sod, dirt, turf, water, and mosses, or minerals from sea water, the air, or similar inexhaustible sources are not eligible for percentage depletion.

But this hope—that there will be no further erosion from depletion—is probably too optimistic. Industries entitled to a low rate of percentage depletion are continually pressing for higher rates; pass-through of depletion deduction opportunities to corporate stockholders in extractive industries has been requested. A Federal circuit court recently held that the value of finished brick could be used in the income measure for percentage depletion.[3] If this view prevails for brick, other industries will push for equal treatment, possibly even to the value of gasoline for a vertically integrated oil company.

The statutory history of depletion is a superb example of at least three types of tax changes which erode the corporate tax base.

The initial break from cost depletion came in 1918 when Congress allowed, to the discoverer only, tax-free deductions based on value of property at the time of the discovery or within 30 days thereafter. This was probably the first instance under the Federal income tax where increment of value after 1913 was not taxed. Usually, of course, discovery of oil or minerals increases the value of a property substantially over cost. This higher value was justified as an incentive to exploration and discovery to meet the World War I emergency. A comparable situation arose during World War II when percentage depletion, restricted until then to oil and gas (1926), and sulfur, metal mines, and coal (1932), was extended in 1942 to 3 nonmetals and in 1943 to 10 additional nonmetallic minerals. This expansion of percentage depletion was limited to the period of the war emergency to encourage production of minerals believed to be scarce for meeting the wartime demands. After both wars, these incentive features first introduced to meet temporary emergencies were not rescinded nor allowed to expire, but instead remained permanently in the tax structure. The first generalization is that temporary tax incentives are difficult or impossible to terminate.

A second observation from experience with depletion is that simplification of tax administration is often advanced at the expense of revenue or equity or both. To overcome administrative difficulties from the use of discovery value,[4] percentage depletion was

[2] Since corporations account roughly for 80 percent of all depletion, an additional $500 to $600 million of depletion erosion would be estimated for the 1955 individual income-tax base. Revenue Revision of 1950, hearings before the Committee on Ways and Means, House, 81st Cong., 2d sess., vol. I, p. 180.

[3] *Cherokee Brick & Tile Co.* (122 Fed. Supp. 59 (5 CCA, 1954)).

[4] Such questions as what was a new discovery, determination of value just after the discovery, and whether the owner was the discoverer plagued tax administrators.

allowed in 1926 for oil and gas wells. A figure of 27½ percent of gross income was chosen, apparently to give approximately equal dollar deductions under the new method as had been available under the discovery value method. But this percentage method became more valuable as tax rates rose far above the 1926 corporate rate of 13.5 percent and as price levels increased, causing a high revenue cost to the Treasury and arousing the envy of other industries still restricted to cost or discovery value depletion. And the percentage depletion method, as noted above, unlike the cost and discovery value methods, has no overall limit so that deductions continue as long as a property is producing income.

A third lesson is that it is difficult to limit tax favors to just those who discover a new oil or mineral deposit or even to a few selected entire industries, however justified this special incentive is on grounds of relative risks or probable scarcity relative to needs for economic growth and national security. The other extractive industries regarded the availability of percentage depletion at liberal rates to a few industries as unfair discrimination and a tax deduction to which they were equally entitled. Politically the have-nots broke the dikes against percentage depletion in 1947, 1951, and again in 1954. Coverage was extended, percentage rates were raised, processes covered were broadened, and even mine residues were made eligible for percentage depletion. Apparent discrimination against certain industries was ended by extending the liberal deductions to all.[5] Companies exploiting sand and gravel pits and oystershells now qualify for percentage depletion along with oil companies and uranium prospectors, though at different rates.

The incentive value of percentage depletion for certain scarce minerals has been blunted by extending the favors to all. One problem is that there are no yardsticks to indicate the incentives needed to get the socially desired amount of investment in different fields. Congress has no guide to determine which industries are entitled to percentage depletion and what depletion rates produce the needed amount and distribution of investment in the extractive industries.[6]

The economic defense of generous percentage depletion results from national policy to provide an incentive or subsidy for certain selected minerals for reasons of national security. But on grounds of tax neutrality, tax equity, and conformity to business income accounting practice, the excess of percentage over cost depletion reflects erosion in the income-tax base. In fact from the standpoint of accounting or economics, it is questionable whether these deductions are properly called depletion since they do not relate to any capital sum which is being exhausted. In some cases the income against which the statutory percentages apply includes not only extraction but also processes which are essentially manufacturing in character, such as finished brick or industrial talc.

The excess of percentage over cost-depletion deductions reduces corporate taxable net income by about $2¼ billion in 1955 and this figure, under existing legislation, will tend to increase with an expanding economy.

EXPLORATION AND DEVELOPMENT COSTS

Exploration and development costs are closely allied with the problem of depletion for mineral and oil producers. Current tax legislation allows these producers the option of capitalizing or expensing development and, with qualifications, exploration costs.

Oil and gas producers have enjoyed this option since 1917, first by Treasury regulation, now codified by the 1954 Internal Revenue Code. Intangible drilling and development costs include all costs of labor, fuel, repairs, materials, and construction, except cost of assets which have a salvage value, the latter assets being depreciated. The development costs eligible for expensing account on the average for about 75 percent of the costs incurred in bringing in a well.[7]

The Revenue Act of 1951 extended this option even more fully to mining. A taxpayer with mining interests may now decide each year for each mine to expense or capitalize development costs. Mine exploration and development costs can be deducted currently or set up as deferred expense to run over the life of ore benefited. In either case a deduction in lieu of cost depletion is given, but percentage-depletion deductions continue undiminished. Before 1951 all development costs in excess of current net income from a property during the development stage had to be capitalized.

This option to expense what are essentially capital costs is another loss to the tax base. Tax neutrality and conformity to business accounting would require that these costs be capitalized and amortized over the life of the assets or, if the assets cannot be moved, over the life of the mineral deposit, if it will be exhausted before the assets are fully depreciated.

The erosion here is twofold. First, the option to expense development costs allows deductions to be taken sooner than if these costs were capitalized and deducted gradually over a period of years. This means that total deductions to any given date are larger than if these costs were spread over several years. Secondly, expensing of development costs combined with percentage depletion allows double deductions for the same costs. To the extent that development costs are expensed, there is no need for depletion to recover investment. If 75 percent of the cost of an oil well is expensed, only the remaining 25 percent remains to be recovered tax free through cost depletion. But with percentage depletion, the annual and total deductions bear no direct relation to capital costs but depend on gross and net income. The dollar amount of deductions under percentage depletion is not influenced by the election to capitalize or expense.

Thus, with the expensing of development costs, percentage depletion becomes more than ever an additional deduction which must be justified on grounds other than recovery of costs for these are recovered through expensing. Leasehold costs cannot be expensed but they are usually in the form of royalty payments. Development costs may be offset against income from all sources, a feature which has attracted corporations (and individuals) primarily interested in other industries to finance new oil wells, thus reducing or even eliminating their taxable income while building up their capital assets.[8]

The Treasury study for 1946–47 cited above reported that 96.8 percent of all corporate development costs were claimed by oil and gas producers and that these deductions were about two-thirds of the excess of percentage over cost depletion. Applied to 1955, this suggests about $1.5 billion of costs which are expense in addition to being recovered through percentage depletion. Without percentage depletion, to avoid any erosion these costs would still not be expense but would be capitalized and deducted gradually over the life of the assets or the life of the well, whichever is shorter; from this point of view erosion would be at least $1.1 billion a year at first, declining gradually as annual depreciation charges accumulate for all such property in use.

The great value of these tax-saving features to the oil industry is documented by published 1954 annual reports. The following table compares the tax position of 3 companies which specialize in crude-oil production, 24 large oil companies combined (whose annual reports were available), and all corporations. Note that the effective tax-rate increases from 9.2 percent for Tidewater, to 22.6 percent for 24-company aggregate, to 48.1 percent for all corporations.

Federal taxes and effective tax rates for oil companies and all corporations, 1954

	Net income before tax	Federal income tax	Effective tax rate	Per share	
				Earnings before tax	Federal income tax
	Millions	*Millions*	*Percent*		
Tidewater Associated Oil Co	$38.0	$3.5	9.2	$3.45	$0.32
Humble Oil & Refining Co	174.8	28.5	16.3	4.86	.79
Skelly Oil Co	36.1	6.7	18.5	6.28	1.16
24 large petroleum companies	2,541.0	575.0	22.6		
All corporations	34,042.0	16,369.0	48.1		

Source: Annual reports: Department of Commerce estimate of corporate profits and Federal tax liability.

Since the Revenue Act of 1951, mining companies may expense a limited amount of exploration costs, even if for a productive property. The limit on such costs of a mining taxpayer was raised to $100,000 a year and $400,000 total by the 1954 code. The cost here is relatively small, although taxpayers are increasing their tax saving by incorporating each mine separately. Exploratory expenses above these limits by mining corporations must be capitalized. Only exploratory expenses which lead to dry holes may be expensed currently by the oil and gas industry. This conforms to neutrality and accounting concepts.

Mr. PROXMIRE. Mr. President, among other points he makes is that in 1954, one major oil company paid taxes at an effective rate of 9.2 percent, another at 16.3 percent, and still another at 18.5 percent. He shows further that 24 large petroleum companies paid taxes at an effective rate of only 22.6 percent.

[5] No reduction in depletion rates has ever been voted by Congress. In 1954 every amendment extending percentage depletion was passed in the Senate. It was impossible even to get the necessary 10 Senators to request a record rollcall on any of these votes. See CONGRESSIONAL RECORD, vol. 100, pt. 7, especially pp. 9301–9319.

[6] The President's Materials Policy Commission, op. cit., vol. I, pp. 33–35. The Commission recommended that percentage depletion be retained because of its strong inducement to risk capital to enter the minerals field. It also recommended that no depletion rates be raised above the 1952 level and that recent additions to minerals eligible for percentage depletion be reexamined to see if incentives are needed for their production.

[7] Oakes, op. cit., p. 17.

[8] J. K. Butters, L. E. Thompson, L. L. Bollinger, Effects of Taxation: Investments by individuals, pp. 201–202 (1953). Some investors regard investments in the oil industry as a source of tax exempt income, competitive with State and municipal securities.

TAX RATES OF SPECIFIC COMPANIES

Mr. President, I, myself, have been collecting some facts and figures on the taxes paid by oil and gas producing companies. I have collected figures for these 27 companies since 1945; and I have figures which show the amount of income taxes they have paid, compared with their net income before taxes. As we all know, since World War II, these taxes for most corporations have been in the neighborhood of 47 to 52 percent. However, these oil and gas companies have paid taxes at a considerably lower rate than what one would believe they should pay, and what other corporations actually pay.

I am calling these companies company A, company B, company C, and so forth, for they have done nothing illegal, and I do not wish to condemn them, but merely wish to condemn the principle of percentage depletion. Thus, I have not reason to go after any of the individual companies; but I do wish to illustrate the effects of the great many legal tax avoidance provisions of the tax code on the taxes which these companies actually pay.

Mr. President, I ask unanimous consent to have tabulations in that connection printed at this point in the RECORD.

There being no objection, the tabulations were ordered to be printed in the RECORD, as follows:

Company A

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$22,485,135	(1)	$22,485,135	
1957	35,208,979	$5,260,000	29,948,979	14.94
1956	29,523,395	3,024,000	26,499,395	10.24
1955	28,143,673	2,780,000	25,363,673	9.88
1954	21,029,684	1,252,000	19,777,648	5.95
1953	18,812,590	367,000	18,445,590	1.95
1952	16,550,361	654,000	15,896,361	3.95
1951	17,369,652	1,073,000	16,296,652	6.17
1950	18,467,607	3,068,000	15,399,607	16.61
1949	14,759,193	375,000	14,384,193	2.54
1948	27,367,252	4,725,000	22,642,252	17.27
1947	17,749,626	2,830,000	14,919,626	15.94
1946	10,130,975	1,275,000	8,855,975	12.59
1945	5,611,770	215,000	5,396,770	3.83

[1] Not available.

Company B

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$4,371,094	$525,000	$3,846,094	12.01
1957	5,392,505	150,000	5,242,505	2.78
1956	6,975,382	1,095,000	5,880,382	15.70
1955	5,975,382	485,000	4,965,220	9.90
1954	3,291,733	38,172	3,253,561	1.16
1953	5,594,074	1,552,500	4,441,574	27.75
1952	4,436,030	669,500	3,766,530	15.09
1951	5,561,770	714,880	4,846,890	12.85
1950	5,709,537	1,023,900	4,685,637	17.93
1949	3,259,928	163,040	3,096,888	5.00
1948	6,295,858	898,900	5,396,958	14.28
1947	4,011,073	1,023,126	2,987,947	25.51
1946	2,089,932	417,000	1,672,932	19.95
1945	2,321,605	205,908	2,115,697	8.87

Company C

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$5,402,894	$481,413	$4,921,481	8.91
1957	5,561,652	640,635	4,921,017	11.52
1956	4,770,495	261,837	4,508,658	5.49
1955	4,826,687	417,388	4,409,299	8.65
1954	4,625,759	336,889	4,288,870	7.28
1953	4,391,404	179,114	4,212,290	4.08
1952	3,588,107	91,660	3,496,447	2.55
1951	3,934,107	399,397	3,534,710	10.15
1950	3,696,584	847,072	2,849,412	22.91
1949	3,373,448	679,553	2,693,895	20.14
1948	4,542,842	982,540	3,560,302	21.63
1947	2,284,109	529,781	1,754,328	23.19
1946	161,816	212	161,604	.13
1945	33,895	256	33,639	.76

Company D

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$156,130	[1] $13,000	$169,130	0
1957	271,515	5,000	266,515	1.84
1956	472,556	35,000	437,556	7.41
1955	549,093	15,000	534,093	2.73
1954	309,405		309,405	
1953	303,453	11,332	292,121	3.73
1952	159,084	25,686	133,398	16.15
1951	415,948	8,234	407,714	1.98
1950	277,514	1,500	276,014	.54
1949	177,187	1,000	176,187	.56
1948	526,061	35,000	491,061	6.65
1947	399,643	52,000	347,643	13.01
1946	139,923	1,000	138,923	.71
1945	140,101	1,500	138,601	1.07

[1] Credit.

Company E

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$8,108,706	$800,000	$7,308,706	9.87
1957	11,303,747	1,600,000	9,703,747	14.15
1956	11,379,241	1,900,000	9,479,241	16.69
1955	8,509,136	1,500,000	7,009,136	17.63
1954	5,320,750		5,320,750	
1953	6,420,968	1,048,000	5,372,968	16.32
1952	5,601,723	1,400,000	4,201,723	24.50
1951	5,866,052	2,000,000	3,866,052	34.09
1950	4,951,476	1,500,000	3,451,476	30.29
1949	4,928,459	1,020,000	3,908,459	20.70
1948	5,766,543	960,000	4,806,543	16.65
1947	3,650,374	600,000	3,050,374	16.44
1946	3,248,813	200,000	3,048,813	6.16

Company F

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$54,865,371	$7,400,000	$47,465,371	13.49
1957	51,273,749	4,550,000	46,723,749	8.87
1956	67,517,000	15,700,000	51,817,000	23.25
1955	56,259,000	9,900,000	46,359,000	17.60
1954	50,383,000	8,700,000	41,683,000	17.27
1953	55,775,000	14,900,000	40,875,000	26.71
1952	52,488,000	14,400,000	38,088,000	27.43
1951	58,593,000	17,300,000	41,293,000	29.53
1950	57,407,000	15,000,000	42,407,000	26.13
1949	46,487,000	10,390,000	36,097,000	22.35
1948	74,080,000	19,863,000	54,217,000	26.81
1947	40,655,000	9,298,000	31,357,000	22.87
1946	22,599,000	3,585,000	19,014,000	15.86
1945	16,371,000	1,228,000	15,143,000	7.50

Company G

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$804,716	$50,000	$754,716	6.21
1957	1,167,546	115,000	1,052,546	9.85
1956	560,753		560,753	
1955	832,765		832,765	
1954	785,624		785,624	
1953	730,699		730,699	
1952	968,287	69,022	899,265	7.13
1951	935,134	137,220	797,914	14.67
1950	892,552	147,275	745,277	16.50
1949	969,991	204,860	765,131	21.12
1948	872,719	150,367	722,352	17.23
1947	654,922	160,452	494,470	24.45
1946	471,923	135,664	336,259	28.75
1945	461,448	180,808	280,640	39.18

Company H

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$1,760,794	0	$1,760,794	0
1957	2,176,226	$160,000	2,016,226	7.35
1956	2,647,058	93,000	2,554,058	3.51
1955	1,994,072	86,000	1,908,072	4.31
1954	2,276,415	238,329	2,038,086	10.47
1953	1,899,343	156,039	1,743,304	8.22
1952	1,998,758	370,291	1,628,467	18.53
1951	1,992,234	411,166	1,581,068	20.64
1950	1,270,271	72,843	1,197,428	5.73

NOTE.—Records available only for last 9 years.

Company I

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958 [1]	$7,076,455	[2] $23,352	$7,099,807	0
1957 [1]	9,079,022	[2] 5,860	9,084,882	0
1957	9,078,922	[2] 5,860	9,084,882	(3)
1956	8,886,172	151,000	8,735,172	1.69
1955	8,106,746	429,075	7,677,671	5.29
1954	6,769,145	196,335	6,572,810	2.90
1953	5,414,053	26,156	5,387,897	.48
1952	5,067,243	410,539	4,656,704	8.10
1951	4,477,673	404	4,477,269	.01
1950	3,456,001	202,087	3,253,914	5.85
1949	2,949,585	72,628	2,876,957	2.46
1948	2,774,079	201,176	2,572,903	7.25
1947	3,172,001	504,487	2,667,514	15.90
1946	755,220	258,488	496,732	34.23
1945	102,860	65,966	368,946	64.13

[1] 12 months ended June 30.
[2] Credit.
[3] Credit taxes.

NOTE.—In total analysis 1956 equals 1957 on this company, etc.

Company J

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$2,950,700	$90,000	$2,860,700	3.05
1957	3,154,900	20,000	3,134,900	.63
1956	3,168,549	75,000	3,093,549	2.37
1955	3,656,274	150,000	3,506,274	4.10
1954	3,570,162	360,000	3,210,162	10.08
1953	3,363,964	500,000	2,863,964	14.86
1952	2,561,162	267,461	2,293,701	10.44
1951	3,971,370	965,230	3,006,140	24.30
1950	2,302,729	519,263	1,783,466	22.55
1949	1,551,586	104,000	1,447,586	6.70
1948	1,344,021	150,000	1,194,021	11.16
1947	1,230,364	50,000	730,364	4.06
1946	409,171		409,171	
1945	328,260		328,260	

Company K

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$14,145,331	$2,300,000	$11,845,331	16.23
1957	17,938,378	3,400,000	14,538,378	18.95
1956	16,316,268	2,500,000	13,816,268	15.32
1955	15,599,264	1,900,000	13,699,264	12.18
1954	11,541,464	1,278,154	10,263,310	10.01
1953	11,762,519	1,590,080	10,172,439	13.52
1952	9,218,224	1,875,000	7,343,224	20.34
1951	10,327,002	2,400,000	7,927,002	23.24
1950	8,723,484	2,000,000	6,723,484	22.93
1949	8,716,231	1,800,000	6,916,231	20.65
1948	17,245,547	4,000,000	13,245,547	23.19
1947	9,301,386	2,300,000	7,001,386	24.73
1946	5,321,560	1,010,000	4,311,560	18.98
1945	4,235,097	257,000	3,978,097	6.07

Company L—Liquidated Apr. 11, 1957

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1954	$7,762,785	$1,275,000	$6,487,785	16.42
1953	8,494,844	1,785,000	6,709,844	21.01
1952	7,844,057	1,500,000	6,344,057	19.12
1951	8,553,640	1,500,000	7,053,640	17.54
1950	8,086,702	1,983,000	6,103,702	24.52
1949	7,805,345	1,900,000	5,905,345	24.34
1948	7,512,733	1,726,006	5,786,727	22.97
1947	7,667,536	1,575,000	6,092,536	20.54
1946	5,146,094	1,100,000	4,046,094	21.38
1945	3,209,359	831,500	2,377,859	25.91
1944	3,519,208	1,068,760	2,450,448	30.37

Company M

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$152,543,223	$16,000,000	$136,543,223	10.49
1957	192,910,393	17,000,000	175,910,393	8.81
1956	212,961,000	34,000,000	178,961,000	15.97
1955	215,997,000	41,000,000	174,997,000	18.98
1954	174,803,000	28,500,000	146,303,000	16.30
1953	207,757,854	43,500,000	164,257,854	20.94
1952	175,792,000	30,500,000	145,292,000	14.68
1951	220,981,000	51,500,000	169,481,000	23.30
1950	161,360,000	32,000,000	129,360,000	19.83
1949	138,480,000	18,000,000	120,480,000	13.00
1948	240,069,000	54,000,000	186,069,000	22.49
1947	153,207,000	29,100,000	124,107,000	18.99
1946	79,332,000	7,500,000	71,832,000	9.45
1945	80,395,000	9,500,000	70,895,000	11.82

Company N

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$5,378,973	0	$5,378,973	0
1957 [1]	7,972,558	$1,727,910	6,244,648	21.67
1956	5,378,994	699,000	4,679,994	13.00
1955	2,502,867	18,000	2,484,867	.72
1954	1,603,682	23,923	1,579,759	1.49
1953	3,077,447	4,724	3,072,723	.15
1952	2,334,532	99,844	2,234,688	4.28
1951	1,209,045	31,250	1,177,795	2.58
1950	282,202	49,750	232,452	17.63
1949	1,225,576	6,949	1,218,627	.57
1948	1,395,517	29,053	1,366,464	2.08
1947	359,903	15,000	344,903	4.17
1946	[2] 106,098	200	[2] 106,298	----------
1945	1,537,551	406,500	1,131,051	26.44

[1] 12 months ended June 30.
[2] Deficit.

NOTE.—In totals analysis, 1956 equals 1957 on this company, etc.

Company O

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	(1)	(1)	(1)	----------
1957	$1,573,165	----------	$1,573,165	----------
1956	1,034,094	(2)	1,034,094	----------
1955	1,006,718	(2)	1,006,718	----------
1954	1,690,567	$42,130	1,648,437	2.49
1953	1,873,226	50,000	1,823,226	2.67
1952	1,502,077	40,000	1,462,077	2.66
1951	2,714,277	30,000	2,684,227	1.11
1950	2,692,947	40,000	2,652,947	1.49
1949	3,382,140	42,323	3,382,140	1.25
1948	4,236,057	348,900	3,887,157	8.24
1947	1,517,480	48,919	1,468,561	3.22
1946 [2]	689,609	10,241	679,368	1.51
1945 [2]	664,526	4,103	660,423	.62
1954 [3]	2,205,837	42,130	2,163,707	1.91
1953 [3]	2,600,271	50,000	2,550,271	1.92
1952 [3]	2,202,835	40,000	2,162,835	1.81
1951 [3]	2,623,191	30,000	2,593,191	1.14
1950 [3]	3,744,852	40,000	3,704,852	1.01
1949 [3]	4,158,672	42,322	4,116,350	1.00
1948 [3]	4,353,435	348,900	4,004,535	8.01

[1] Not available.
[2] Not reported.
[3] Figures for 1954–48 restated as result of revision of estimates of recoverable oil and gas reserves.

NOTE.—Company O felt not liable for Federal income tax in this period.

Company P

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$6,135,363	$470,000	$5,765,363	7.66
1957	6,611,110	660,000	5,951,110	9.98
1956	6,277,997	478,000	5,799,997	7.61
1955	6,211,916	470,000	5,741,916	7.56
1954	6,209,385	470,000	5,739,385	7.57
1953	6,761,834	515,000	6,246,834	7.62
1952	7,023,582	540,000	6,483,582	7.69
1951	7,008,444	535,000	6,473,444	7.63
1950	6,616,103	415,000	6,201,103	6.27
1949	4,940,029	270,000	4,670,029	5.47
1948	5,679,055	333,000	5,346,055	5.86
1947	2,827,824	159,000	2,668,824	5.62
1946	2,532,718	151,000	2,381,718	5.96
1945	2,522,301	157,075	2,365,226	6.23

Company Q

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$16,144,274	$3,271,000	$12,873,274	20.26
1957	19,137,735	4,500,000	14,637,735	23.51
1956	10,590,947	2,703,000	7,887,947	25.52
1955	13,034,071	1,852,000	11,182,071	14.21
1954	14,484,813	1,967,000	12,517,813	13.58
1953	12,815,586	1,143,000	11,672,586	8.92
1952	9,570,934	602,000	8,968,934	6.29
1951	8,190,680	385,000	7,805,680	4.70
1950	6,263,638	400,000	5,863,638	6.39
1949	5,183,830	210,000	4,973,830	4.05
1948	7,713,057	407,623	7,305,434	5.28
1947	3,896,936	85,000	3,811,936	2.02
1946	1,614,888	65,000	1,549,888	4.02
1945	997,075	40,000	957,075	4.01

Company R

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$3,620,312	[1] $968,000	$4,588,312	----------
1957	6,908,969	882,000	6,026,969	12.77
1956	10,595,588	2,640,000	7,955,588	24.92
1955	8,052,718	1,164,559	6,888,159	14.46
1954	8,395,561	1,636,500	6,759,061	19.49

[1] Credit

Company R—Continued

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1953	$11,536,428	$3,477,350	$8,059,078	30.14
1952	13,532,095	3,884,000	9,648,095	28.70
1951	14,940,795	4,645,000	10,295,795	30.11
1950	10,850,226	2,351,801	8,498,425	21.68
1949	6,470,610	299,023	6,171,587	4.62
1948	8,229,656	1,635,000	6,594,656	19.87
1947	4,773,864	576,444	4,197,420	12.07
1946	2,475,239	370,000	2,105,239	14.95
1945	1,983,259	252,500	1,730,759	10.27

Company S

Year [1]	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958 [1]	$3,337,324	[2] $236,642	$3,100,682	7.09
1957 [1]	4,712,841	330,000	4,382,841	7.00
1957	4,712,841	330,000	4,382,841	7.02
1956	4,060,798	260,000	3,800,798	6.40
1955	4,284,521	220,000	4,064,521	5.13
1954	5,241,179	43,000	5,198,179	.82
1953	5,525,948	583,000	4,942,948	10.55
1952	5,618,762	1,425,000	4,193,762	25.36
1951	5,280,578	964,000	4,316,578	18.26
1950	2,944,322	191,000	2,753,322	6.49
1949	4,736,153	342,000	4,394,153	7.22
1948	4,213,001	266,000	3,947,001	6.31
1947	3,200,034	160,000	3,040,034	4.99
1946	1,809,404	30,000	1,779,404	1.66

[1] 12 months ended June 30.
[2] Includes credit of $171,642 prior years' tax adjustment.

NOTE.—In total analysis 1956 equals 1957 for this company, etc.

Company T

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$1,011,165	[1] $235,320	$1,246,485	0
1957	701,822	0	701,822	0
1956	949,659	138,000	811,659	14.53
1955	1,385,335	185,000	1,200,335	13.35
1954	542,208	2,500	539,708	4.61
1953	408,107	----------	408,107	----------
1952	431,569	----------	431,569	----------
1951	273,473	----------	273,473	----------
1950	183,116	5,000	178,116	2.73
1949	[1] 6,000	----------	[1] 6,000	----------

[1] Credit.

Company U

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	(1)	(1)	(1)	----------
1957	$11,719,324	$560,482	$11,158,842	4.78
1956	9,568,842	200,000	9,368,842	2.09
1955 [2]	9,340,810	900,000	8,440,810	9.64
1954	7,805,307	335,000	7,470,307	4.29
1953	7,140,132	600,000	6,540,132	8.40
1952	7,715,591	1,000,000	6,715,591	12.96
1951	10,239,600	2,900,000	7,396,000	28.32
1950	7,659,000	1,200,000	6,459,000	15.67
1949	6,656,347	875,000	5,781,347	13.15
1948	9,030,713	2,250,000	6,780,713	24.91
1947	7,191,002	1,250,000	5,941,002	17.38
1946	3,400,586	400,000	3,000,586	11.76

[1] Not available.
[2] Restated to conform with accounting practice effective Jan. 1, 1956—method of charging intangible development costs was changed. 1956 net income would have been $1,470,000 less without such change.

Company V, liquidated

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1954	$4,173,767		$4,173,767	
1953	3,951,367	$350,000	3,601,367	8.86
1952	4,414,623	660,000	3,754,623	14.95
1951	3,112,871		3,112,871	
1950	1,904,836	526,000	1,378,836	27.61
1949	[1] 592,448	7,500	584,948	1.26
1948	461,640	2,400	459,240	.52
1947	416,506	4,100	512,406	.98
1946	328,052	11,282	316,770	3.44
1946 [2]	176,841	5,250	171,591	2.97
1945 [2]	293,539	6,127	287,412	2.00

[1] Before $653,408 loss on wells abandoned.
[2] 12 months ended Apr. 30. In 1946, the company changed to a calendar year basis so 1946 taxes are shown both ways.

Company W

Year [1]	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$16,726,337	[2] $175,000	$16,551,337	1.05
1957	18,877,389	0	18,877,389	0
1957	18,877,389		18,877,389	
1956	5,040,752		[3] 5,040,752	
1956 [4]	([5])		([5])	
1955	3,395,446		3,395,446	
1954	10,260,388	[6] 100,000	10,360,388	([7])
1953	11,500,382	[6] 500,000	12,000,382	([7])
1952	12,100,165	200,000	11,900,165	1.65
1951	15,195,639	1,900,000	13,295,639	12.03
1950	7,128,542	200,000	6,928,542	2.81
1949	7,483,443	200,000	7,283,443	2.67
1948	17,917,474	3,000,000	14,917,474	16.74
1947	5,266,897	400,000	4,866,897	7.59
1946	1,844,156		1,844,156	
1945	5,422,254	450,000	4,972,254	8.29

[1] 12 months ended Aug. 31.
[2] Foreign income taxes.
[3] Same for both consolidated and co. only.
[4] Consolidated.
[5] Same.
[6] Credit.
[7] Credit taxes.

NOTE.—In total analysis, 1956 equals 1957 on this company, etc.

Company X

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$4,642,978	$670,023	$3,972,955	14.43
1957	7,670,654	840,709	6,829,945	10.96
1956	6,057,708	400,000	5,657,708	6.60
1955	6,720,029	400,000	6,320,029	5.95
1954	5,245,527		5,245,527	
1953	4,470,659	240,000	4,230,659	5.37
1952	3,635,498	450,000	3,185,498	12.38
1951	3,702,765	550,000	3,152,765	14.85
1950	3,770,706	696,200	3,047,506	18.46
1949	4,022,266	640,907	3,381,359	15.93
1948	4,731,952	901,906	3,830,046	19.06
1947	2,940,750	597,621	2,343,129	20.32
1946	1,394,512	163,973	1,230,539	11.75
1945	666,557		666,557	

Company Y

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$6,231,481	0	$6,231,481	0
1957	7,802,218	$570,000	7,232,218	7.31
1956	7,859,694	650,000	7,209,694	8.27
1955	8,449,374	500,000	7,949,374	5.92
1954	8,256,034	400,000	7,856,034	4.85

Company Y—Continued

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1953	$8,874,068	$1,275,000	$7,599,068	14.37
1952	8,101,335	1,255,000	6,846,335	15.49
1951	8,009,124	1,185,000	6,824,124	14.79
1950	7,047,367	1,050,000	5,997,367	14.89
1949	7,048,753	710,000	6,338,753	10.07
1948	9,186,038	1,725,000	7,461,038	18.78
1947	4,883,907	760,000	4,123,907	15.56
1946	2,428,249	315,000	2,113,249	12.97
1945	1,934,850	175,000	1,759,850	9.04

Company Z

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$2,065,816	0	$2,065,816	0
1957	2,215,290	0	[1] 2,215,290	0
1956 [2]	746,447		746,447	
1956 [3]	1,602,988		1,602,988	
1955	1,262,177		1,262,177	
1954	1,720,086		1,720,086	
1953	1,508,988		1,058,988	
1952	1,547,048		1,547,048	
1951	703,747		703,747	
1950	151,488		151,488	
1949	154,707		154,707	
1948	134,881		134,881	

[1] Adjusted.
[2] 7 months ending Dec. 31.
[3] In totals analysis, May 31 ending years used.

NOTE.—Years end May 31 prior to 1957.

Company A–Z

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$909,982	0	$909,982	0
1957	891,025	0	891,025	0
1956	783,082		783,082	
1955	981,994		981,994	
1954	647,516		647,516	
1953	1,008,416	$80,000	928,416	7.93
1952	768,664		768,664	
1951	1,143,004	283,000	860,004	24.76
1950	969,156	264,774	704,382	27.32
1949	394,227		394,227	
1948	874,306	173,000	701,306	19.79
1947	655,239	73,000	582,289	11.14
1946	227,789		227,789	
1945	322,232		332,232	

Company B–Z

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	[1] $31,647,420	[2] $4,074,902	$33,825,276	
1957	35,009,503	[2] 1,827,610	35,669,759	

[1] State and foreign income taxes included.
[2] Credit.

Mr. PROXMIRE. Mr. President, we have already seen some of the methods which are used to bring about this great tax advantage for those who invest in oil and gas properties. I have asked that further explanations of some of these methods be prepared, so that I might also place them in the RECORD.

The first is a comparison of the tax advantages which come from an investment in an oil property, as compared with an investment in depreciable facilities, or what would be called ordinary investment. I ask unanimous consent that this comparison be printed at this point in the RECORD.

There being no objection, the comparison was ordered to be printed in the RECORD, as follows:

COMPARATIVE TAX BENEFITS IN INVESTMENT IN OIL PROPERTY AND IN DEPRECIABLE FACILITIES

Taxpayer A invests $100,000 in developing an oil property. Taxpayer B invests $100,000 in, say, a manufacturing enterprise through purchase of $100,000 of depreciable facilities.

In the year in which these investments are made, Taxpayer A in computing his Federal tax liability, may claim a deduction for that portion of the $100,000 outlay which goes into intangible drilling and developments costs, i.e., costs of labor, fuel and power, materials and supplies, tool rental, repairs of drilling equipment, etc., incurred during the drilling of wells and their preparation for production. Such outlays may aggregate two-thirds of the total capital outlay in bringing the well into production. Of his initial $100,000 outlay, therefore, Taxpayer A will have recovered, for tax purposes, all but one-third in the first year, through the privilege of expending certain capital costs. Most if not all of this remaining one-third will represent depreciable facilities, e.g., drilling rigs, structures, etc., which are subject to depreciation allowances for tax purposes. Assuming the average useful life of these facilities is, say 10 years, Taxpayer A may claim, for tax purposes, an additional deduction of about 6⅔ percent of his capital outlay.[1] Together with the intangible drilling and development cost deduction, therefore, he may claim in the year of his investment close to 75 percent of his outlay.

Taxpayer B, on the other hand, can claim as a tax deduction, with respect to his capital outlay in the year the investment is made, only the amount allowable as depreciation on the facilities he acquired. Assuming the average economically useful life of these facilities is, say 10 years (and ignoring salvage value), the most liberal depreciation he can claim would be 20 percent of his outlay.

Assuming both A and B are corporate taxpayers, taxpayer A will enjoy a tax advantage of $28,000 (=52 (.75×100,000−.20 ×100,000)) in the year in which the investment is made with respect to direct capital recovery charges.

In addition, however, taxpayer A can claim a percentage depletion allowance equal to 27½ percent of the gross income produced by the oil property up to 50 percent of the net income therefrom. If, conservatively estimated, the oil property produces an annual gross income of $50,000 and a net income of, say, $25,000, annual depletion allowances will be $13,750. Accordingly, taxpayer A's total deductions for intangible drilling and development costs, depreciation, and percentage depletion will exceed his actual $100,000 investment in less than 2 taxable years. Over the same 2 years, taxpayer B's capital recovery deductions through depreciation will total 36 percent of his investment. In 2 years' time, therefore, taxpayer A will enjoy a tax advantage compared to taxpayer B of $33,713, or more than one-third of the original capital outlay.

Since total percentage depletion allowances which may be claimed are not limited by the unrecovered investment in the prop-

[1] Using the double declining-balance depreciation method, the first year's depreciation deduction would be 20 percent of $33,333, or $6,666.

erty, taxpayer A may continue to claim percentage depletion so long as the well continues to produce. In this example, therefore, he will be able to claim, during the remaining 8 years of production by the well, additional deductions of $110,000, or total deductions over the 10 years of about $210,000, more than double his actual investment.

Taxpayer A's actual savings, with a 52 percent corporate tax rate, will amount to almost $110,000, or 10 percent more than his actual investment. On the other hand, taxpayer B's actual tax savings will be $52,000, less than half taxpayer A's.

Mr. PROXMIRE. Mr. President, one of the really major loopholes in the tax code—and this one was discussed in part of the colloquy in which I engaged, or was raised in the colloquy which I had, with the Senator from Louisiana [Mr. LONG]—is the method by which capital gains may be applied to oil and gas properties. As this subject is little understood, I have again asked that a memorandum be prepared concerning it; and I ask unanimous consent that this memorandum, entitled "Application of Capital Gains Treatment to Income From Oil and Gas Properties," be inserted at this point in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

APPLICATION OF CAPITAL GAINS TREATMENT TO INCOME FROM OIL AND GAS PROPERTIES

A taxpayer owning rights in an oil and gas property may sell a fractional share in these rights and claim capital gains treatment with respect to the excess of the proceeds from the sale over his adjusted basis in the fractional share sold. The character of the fractional share as a capital asset within the meaning of section 1221 of the Internal Revenue Code of 1954 is not and has not been seriously questioned. The distinguishing characteristic of such fractional shares is that the original owner permanently divests himself of all interests therein, i.e., no provision is made for a return of the rights to him after a specified period of time, or after a specified volume of production or number of dollars of royalties realized with respect to the fractional share.

On the other hand, for some considerable time past there has been considerable confusion about the tax treatment of "carved out" oil payments. These differ from assignment or sale of fractional shares in that the taxpayer does not permanently relinquish rights to income in the oil and gas property but merely assigns or sells some portion thereof for a limited period of time. For example, he may sell the next 2 years' production, or the next 100,000 barrels, or the next $1 million worth of output. Upon satisfaction of these conditions, the rights revert to the taxpayer. Numerous court decisions, at variance with Treasury rulings, maintained that the proceeds from such sales should be treated as capital gains.

Quite recently, however, the U.S. Supreme Court in the Lake case, ruled that proceeds from sale or exchange of carved-out oil payments were to be construed as realization of future income and therefore subject to ordinary income-tax treatment. The Treasury Department apparently feels that the Supreme Court ruling is sufficiently broad and sufficiently definite as to preclude further dispute about the tax treatment of carved-out oil payments. However, the ingenuity of the American taxpayer must never be underestimated.

Mr. PROXMIRE. Mr. President, in addition, I ask unanimous consent that a paper by Paul Haber, J.D., Ph.D., entitled "Writeoffs, Cost Depletion, and Percentage Depletion—An Appraisal," be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WRITEOFFS, COST DEPLETION, AND PERCENTAGE DEPLETION—AN APPRAISAL

(By Paul Haber, J.D., Ph.D.)

INTRODUCTION

Our Federal tax system is supposed to be based on the principle of progressive taxation or "ability to pay"—the higher the net income, the higher the rate of tax. In the case of taxpayers who engage in the business of crude oil, however, this principle is made to work in reverse—the higher the net income from the production and sale of crude oil, the lower the rate of tax.

There seems to be considerable misconception as to the true value of the tax subsidy to crude oil. It is generally assumed that it consists of "percentage depletion" only, which is supposed to be worth about $1.5 billion a year. Those who are acquainted with the subject know that the "writeoffs" subsidy is worth at least $7 billion more. Nobody, however, seems to be aware of the fact that "cost depletion" also represents a subsidy to crude oil. Because this last subsidy is concealed in a provision of the code which on the surface seems to have nothing to do with depletion, it seems to have escaped everybody's attention. It is the "sleeper" subsidy and it is costing the country at least $5 billion a year.

WHO ENTERS THE CRUDE OIL BUSINESS?

Consider the tax situation of individuals in the following groups:

1. The stockholders who own large blocks of stock in the corporations listed on the various stock exchanges, who receive fabulous incomes from dividends;

2. The active heads of these listed corporations, who receive substantial salaries for their services and dividends on any stock they may own in the corporation;

3. The professional advisers for these corporations, who receive large fees for their services;

4. The movie stars and other independent professional men who earn large salaries and fees;

5. The more than 150,000 partners, stockholders and sole proprietors, who own the thousands of medium-size businesses in this country, who derive substantial income from dividends, salaries, interest, or profits.

The more than 200,000 individuals who comprise these 5 groups derive incomes anywhere from $100,000 to $25 million a year, are subject to taxes in the very top brackets. Would it be reasonable to assume that if these people are smart enough to earn such large incomes, they are naive enough to pay it out in taxes? Especially, when the tax laws applicable to crude oil offer them a safe and sure way out by transforming the "progressive tax rates" into "regressive tax rates," so that instead of paying out 90 percent of their incomes in taxes and keeping 10 percent they are able to keep 90 percent and pay out 10 percent?

THE WRITEOFFS SUBSIDY

Mr. Smith, whose income is $1 million a year, decides to avail himself of the tax subsidies to crude oil instead of paying a 90-percent tax on the income. He spends his income buying fractional interests in a large number of pools or joint ventures which engage in the search for oil. In this manner, he spreads the risk over a large number of drilling operations, one or more of which are bound to find oil.

The million dollars thus spent by Mr. Smith is costing him $100,000, because the tax laws permit him to write off the cost of the search for oil, irrespective of whether the search results in a dry hole, a commercial producer, or a gusher. Only a small fraction of the cost of the search must be capitalized, less than 12 percent, when the well finds any oil at all. Thus, as far as the costs of the search are concerned, the odds are 9 to 1 in favor of Mr. Smith, because Mr. Smith is drilling for oil with money which would otherwise have gone to pay the income tax on the million dollar income. These 9-to-1 odds in favor of Mr. Smith more than make up for the risk of not finding oil. In actual practice, because the risk is spread over a great many drilling operations, the overall odds in favor of Mr. Smith are 20 to 1 that he will come out a happier man drilling for oil than he would be paying income taxes. When a taxpayer enters the crude-oil business, he forgets about income taxes; there simply are not any to pay, as we shall see below.

The best evidence as to Mr. Smith's probabilities of becoming a happy and prosperous oilman can be attested by the more than 55,000 wells which are being drilled each year in this country, at an average cost of $150,000 per well, or a total cost of $2,250 million a year. We are drilling in this country 6 times as many wells as the rest of the world does, even though our oil reserves are less than one-sixth the world's reserves (our 30 billion barrels to the world's 200 billion barrels).

Drilling for oil is like playing dice with the Treasury: "Heads I win, tails you lose," with the Treasury always on the losing end. As a matter of fact, high tax rates are a boon to the crude-oil industry rather than a burden, because the higher the rate of tax the lower the net cost (the after-tax cost) of the drilling operation. This explains why the American Petroleum Institute does not support the National Association of Manufacturers in its fight to reduce the top tax bracket from 90 percent to 40 percent. If the rate were reduced to 40 percent, the search for crude oil would fall off tremendously, because the taxpayer's share of the cost of the search would have been increased from 10 percent (100 percent less 90 percent tax) to 60 percent (100 percent less 40 percent tax). As a matter of fact, the phenomenal growth of the crude-oil industry dates back to the year 1940, the year in which the wartime rates were first brought into the statute.

It is evident from the above that taxwise it is far more profitable when the drilling operation is done by a taxpayer (as an individual) who is in the 90 percent tax bracket than by a corporation which is subject to the 52 percent tax bracket. That is why at least 40,000 wells a year, out of the total of 55,000, are drilled by individual taxpayers and only 15,000 are drilled by the major oil companies. On this altogether plausible assumption, the value of the "writeoffs" subsidy is $6,557 million, computed as follows:

90 percent of 40,000 wells multiplied by $150,000	$5,400,000,000
52 percent of 15,000 wells multiplied by $150,000	1,157,000,000
Total value of tax subsidy	6,557,000,000

THE "COST DEPLETION" SUBSIDY

Having gotten rid of his original income in the search for oil, the taxpayer's next problem is to get rid of the income from the oil property after an oil discovery. Since the taxpayer has no cost basis in the oil property (having previously written off the cost of the search through "writeoffs"), the taxpayer cannot compute the deduction for depletion on the basis of full discovery value of the property. His deduction for depletion is limited to "percentage depletion" (27½ percent of the gross income from the property, not to exceed 50 percent of the net income from such property). This, however, would leave him with a substan-

tial amount of income from oil, subject to ordinary income tax rates. To relieve him of such excess income the code contains a "sleeper" provision which makes it possible for him to convert the income from the oil property into capital gain without his giving up ownership in the property.

During the hearings conducted by the Senate Committee on Economic Growth ("Federal Tax Policy for Economic Growth," 84th Cong., 1st sess., Joint Committee on the Economic Report), neither Prof. Horace M. Gray nor Prof. Arnold C. Harberger, nor Prof. James R. Nelson—who argued against the depletion subsidy—were aware of the "sleeper" provision in the code. Messrs. Henry B. Fernald, Lowell Stanley, and Arthur A. Smith, who argued in favor of depletion, were, of course, careful to keep the "sleeper" provision well hidden under cover.

The "sleeper" provision

Section 1239 of the 1954 code, which corresponds to section 117(o) of the 1939 code, provides as follows:

"(a) In the case of a sale or exchange, directly or indirectly, of property described in subsection (b)—

"1. Between a husband and wife; or

"2. Between an individual and a corporation more than 80 percent in value of the outstanding stock of which is owned by such individual, his spouse, and his minor children and minor grandchildren; any gain recognized to the transferor from the sale or exchange of such property shall be considered as gain from the sale or exchange of property which is neither a capital asset nor property described in section 1231.

"(b) This section shall apply only in the case of a sale or exchange by a transferor of property which in the hands of the transferee is property of a character which is subject to the allowance for depreciation."

In simple English, this section states that when property which is subject to depreciation, such as real estate, patents, etc., is sold to a spouse or to a corporation controlled by the transferor (and/or the transferor's spouse, minor children, and minor grandchildren), the gain realized on the sale is ordinary income not capital gain. The same rule applies when the sale is from one corporation to another corporation, if the selling corporation owns 80 percent or more of the stock of the buying corporation. The purpose of this provision in the code is to prevent fictitious sales, for the sole purpose of establishing a higher depreciation basis in the hands of the "related" transferee by the payment of a capital-gains tax on the part of the transferor.

Section 1239, however, does not apply to property which is subject to depletion, as distinguished from property which is subject to depreciation. Consequently, a taxpayer (whether an individual or a corporation) who has no cost basis in an oil property (such costs having been previously written off from the taxpayer's income) is not limited to the deduction of 27½ percent of the gross income from the property ("percentage depletion"). The income from the property can be made fully deductible through "cost depletion" by the sample device of a "sale" of the property for its full discovery value to one's spouse or to one's "controlled" corporation. The 25-percent capital-gains tax incurred on the transaction is then reported on the installment basis, spread over the life of the oil property. In this way the income from the oil property automatically is limited to a maximum tax rate of 25 percent, payable as, when, and if the oil is produced.

The value to the crude-oil industry of this loophole in the law is approximately $5 billion a year. Since the value of all the oil minerals produced in this country each year is $8 billion (see "Facts and Figures for 1956," p. 149, published by the American Petroleum Institute), the depletion, if it were computed on the "percentage depletion" basis, would have amounted to $2.2 billion (27½ percent of $8 billion). Computed on a "cost depletion" basis, the depletion is automatically increased from $2.2 billion to $8 billion, at a tax savings of some $5 billion.

PERCENTAGE DEPLETION

This subsidy, which has been assumed generally to be the principal villain in our tax laws, is by comparison with the last two subsidies a small handout. Its principal purpose is to scoop up the tax leftovers to which the taxpayers in the crude oil business may unexpectedly be exposed to. Thus, if the property should be found to contain oil after the deductions have been taken under the "cost depletion" methods, "percentage depletion" steps in to absorb the excess income with which the taxpayer is inconvenienced. "Percentage depletion" may be said to act as a sort of basket for any leftover income, left after the "cost depletion" subsidy has been fully availed of.

The value of "percentage depletion" subsidy to the crude oil industry is comparatively small, less than half a billion a year, as compared with a total of some $12 billion from the "writeoffs" and "cost depletion" subsidies. This being the case, why does the crude oil industry so bitterly resist any cut in the 27½-percent rate?

Is it because by resisting a cut in the very smallest subsidy the people's attention remains focused on "percentage depletion" as the apparent villain and is thus diverted from the real villains—"writeoffs" and "cost depletion"—which are worth at least 25 times as much? There is no other explanation.

THE GROWTH OF THE INDUSTRY

As would be expected, an industry which is the beneficiary of three tax subsidies aggregating close to $13 billion a year would grow fast and big. The crude oil industry has grown very fast and very big. The shares of the listed oil companies are worth more than $50 billion, or more than the combined value of all the listed shares of the steel, chemical, and automobile industries. This does not include the value of the tens of thousands of unlisted companies, the stock of which is held by the hundreds of thousands of spouses, minor children, and minor grandchildren of the top bracket taxpayers engaged in the crude oil business. And to think that less than 20 years ago the crude oil industry was a small industry by comparison with either steel, chemicals, or automobiles.

The rate of the crude oil industry's growth may be better appreciated when the stock splitups of a few of the major oil companies are taken into consideration. Humble Oil Co., the second largest subsidiary of Standard Oil of New Jersey, has split its stock 5 times since 1922; 4 shares for 1 in 1922; 3 shares for 1 in 1933 (a depression year); 2 shares for 1 in 1943; 2 shares for 1 in 1951; 2 shares for 1 in 1957. Thus, each share of the 1922 vintage stock is today 96 shares, and this does not take into account the many stock dividends voted by the company from time to time. The stock is selling for approximately 100 times its earnings after taxes. What makes this stock so valuable? When 90 percent of a corporation's true income (concealed in the writeoffs and cost depletion) is exempt from income taxes and only 10 percent is subject to tax, a stock is bound to sell for 100 times the amount of earnings. In reality, however, the value of the stock reflects the fact that 90 percent of the company's true earnings are exempt from tax.

Standard Oil Co. of California split its stock twice in recent years: 2 for 1 in 1951 and 2 for 1 in 1956. The same is true of Texas Co. Standard of New Jersey had 2 recent splitups: 2 for 1 in 1951 and 3 for 1 in 1956. The latter company now has more than 200 million shares outstanding, selling around $50, or a total of more than $10 billion.

It may be interesting to observe that after each stock splitup the price of the postsplit stock soon catches up with the price of the presplit stock. Apparently you cannot keep a crude oil stock down. When a stock remains unsplit, as in the case of Superior Oil Co. of California, its prize zooms to fantastic heights. This stock has recently been selling at $1,800 per share, even though its earnings are about $10 a share. Thus, the stock is selling at 180 times its net earnings. For the 5-year period from 1952 to 1956, the company wrote off on the average $36 million a year; its net income before depletion was $9 million a year, on the average; the average amount of income tax paid by it was $40,000 a year. Even a religious organization could not ask for more.

The Oil Record, published by the Petroleum Institute Projects, lists several hundred oil companies, giving their financial operations for the 5-year period from 1952 to 1956. These results, of 25 companies selected at random, are reproduced in the table below. To appreciate the significance of the figures in the table, it is suggested that they be examined carefully, reading each line across rather than down.

Name of company	Writeoffs	Net income	Income tax paid
Union Oil & Gas Co. of Louisiana	$7,000,000	$3,000,000	$30,000
Superior Oil Co. of California	36,000,000	9,000,000	40,000
Texas Pacific Coal & Oil Co	6,000,000	7,500,000	800,000
Franco Wyoming Oil Co	1,650,000	1,500,000	160,000
Kewanee Oil Co	7,000,000	2,000,000	75,000
Crown Central Petroleum Co	1,700,000	1,750,000	500,000
General Crude Oil Co	6,000,000	3,500,000	200,000
Bishop Oil Co	600,000	350,000	18,000
Humble Oil Co	130,000,000	160,000,000	33,000,000
Tidewater Oil Co	35,000,000	35,000,000	4,000,000
Sunray Mid-Continent Oil Co	44,000,000	42,000,000	16,000,000
Phillips Petroleum Co	90,000,000	85,000,000	22,000,000
Reserve Oil & Gas Co	850,000	700,000	100,000
Skelly Oil Co	30,000,000	30,000,000	10,000,000
Eason Oil Co	700,000	600,000	45,000
Kerr-McGee Oil Industries	7,500,000	3,500,000	350,000
Anderson-Pritchard Oil Co	7,750,000	4,750,000	500,000
Argo Oil Co	2,750,000	4,000,000	225,000
Drilling & Exploration Co	2,900,000	750,000	22,000
Petroleum Exploration	500,000	750,000	80,000
Getty Oil Co	5,000,000	10,000,000	1,500,000
Aztec Oil & Gas Co	650,000	600,000	----------
Weststates Petroleum Co	575,000	150,000	30,000

Is it any wonder that the growth in the ranks of oil millionaires keeps pace with the growth in the ranks of unemployed? Such crude distortion of the principle of progressive taxation in the case of crude oil is bound to cause periodic depressions. When the people's purchasing power is being drained by high taxes in order to make up the loss of $13 billion in revenue which should come from the crude oil industry, there is bound to be unemployment. Some people in high office say that the current depression is temporary—the economy is catching its breath. A more correct explanation for the current condition would be: The people are taking a rest to get up more strength to pay the taxes which should be paid by our largest industry.

How can we fight the battle of peace with any degree of success, when our own house is in such disorder? Our cause is not too convincing so long as people are allowed to bore into the vitals of our national economy through excessive drilling, to add to the

swollen ranks of oil millionaires and the swollen ranks of jobless.

In order to eliminate one of the principal causes of periodic depressions and to restore a modicum of social justice, the following changes in our tax laws are proposed:

1. The deduction for intangible drilling costs should be limited to situations where the well finds no oil;

2. Intangible drilling costs should be capitalized when the well does find oil;

3. The loophole in section 1239 should be plugged, to discourage fictitious sales to related taxpayers or a controlled corporation, to prevent a stepped-up depletion basis based on cost;

4. Enact legislation to prevent the tens of thousands of reciprocal sales from one taxpayer to another, for the twofold purpose of establishing capital gains and cost-depletion basis. Apply the dealer rule to sales of oil properties which now applies to sales of real estate;

5. Eliminate percentage depletion as an unwarranted handout.

The above changes in our tax laws would discourage tax drilling and encourage scientific drilling. It would bring many billions of revenue to the Treasury.

The world's known oil reserves are estimated at 250 billion, enough to last us more than 100 years. Why not start using them?

The crude oil industry now enjoys a $3 monopoly price per barrel of oil and a $13 billion tax subsidy. The people can make it give up one or the other through reduced consumption of gas and oil.

Mr. PROXMIRE. Finally, Mr. President, I ask unanimous consent that correspondence between Dean Erwin N. Griswold, of the Harvard Law School, and Mr. Rex G. Baker, who was then general counsel of the Humble Oil & Refining Co., which first appeared in the Harvard Law Review, volume 64, No. 3, January 1951, and which was reproduced by the Joint Economic Committee in the Compendium on Federal Tax Policy, for Economic Growth and Stability, be printed at this point in the RECORD.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

PERCENTAGE DEPLETION—A CORRESPONDENCE[1]

(By Rex G. Baker, general counsel, Humble Oil & Refining Co.; Erwin N. Griswold, dean, Harvard Law School)

(EDITOR'S NOTE.—On September 18, 1950, Dean Erwin N. Griswold made a speech before the tax section of the American Bar Association,[2] in which he referred to "gross inequities of the law in favor of the oil and gas interests." A number of newspaper accounts of the speech reported this as an attack on the percentage-depletion provision of the Internal Revenue Code.[3] On the basis of these reports, Mr. Rex G. Baker, general counsel of the Humble Oil & Refining Co., wrote the letter that began the correspondence reproduced herein. Neither author had any intention to publish these letters at the time they were written. No revisions have been made except to eliminate those parts irrelevant to the percentage-depletion controversy and to add footnotes where it has been thought useful to refer to source materials.)

SEPTEMBER 22, 1950.

DEAR DEAN GRISWOLD: You will recall our conversation in Washington concerning the percentage-depletion allowance for oil and gas wells.

Your remarks before the tax section regarding the depletion allowance received widespread publicity, and I am afraid they will be very damaging to the producers of oil and gas in view of your reputation and the responsible position you occupy in the education world.

Both in peace and in war the country must have and is very dependent upon oil and gas. Our civilian economy and the national safety would be jeopardized if we failed to maintain adequate reserves of petroleum and a backlog of reserve producing capacity. This means that it is essential to our country's welfare and safety that the exploration for oil and gas within the United States be continued at an accelerated rate due to increasing demands for petroleum and its products year after year.

The exploration for petroleum is an extremely costly and hazardous business. Oilmen must lease vast areas, must spend large sums in geophysical operations, must drill very expensive wildcat wells, of which 4 out of 5 on the average are dry holes, and must then make enormous expenditures of money in developing proven or semiproven acreage. Risk capital is not invested unless there is hope of reward.

The producer of oil depletes his capital asset. If he is to stay in the business he must find and develop new sources of supply. If the depletion allowance were taken off, our present tax laws would tax away a large portion of his capital.

It must be remembered that a large percentage of exploratory activity is carried on by the independent wildcatter. He often spends a lot of money and goes broke without finding anything. To say that he would be protected by charging off losses ignores the fact that until he finds oil he has no income against which to charge off his losses. This is quite typical of the wildcatter. If he finally succeeds in finding oil he creates new capital and must be rewarded for the risks he has taken. This reward can be adequate only if the depletion allowance is maintained.

The fact of the matter is that the oil industry has consistently spent in exploratory effort a good deal more than the 27½-percent depletion allowance. It has thus had to look elsewhere for funds with which to help finance its quest for oil.

The 27½-percent depletion allowance was established in 1926. Congress has made searching inquiries on several occasions since as to the necessity for the depletion allowance and the wisdom of maintaining it at 27½ percent. Each time after full investigation and inquiry it has sustained the 27½-percent allowance. This fact alone should, it seems to me, cause anyone to be sure of his ground before he launches an attack upon the depletion allowance.

Herewith I enclose some material which I believe you will find helpful in your future consideration of this matter: a booklet entitled "Let's Keep on Hunting Oil," some statistical data which will show that the 30 leading oil companies have found it necessary to secure new capital by issuing stock and borrowing, that their net worth has consistently been lower than the comparable figures of manufacturing companies, that a large percentage of the net investment of the 30 leading oil companies is in oil and gas producing facilities, data showing the ratio of dividends to net income, the cost of replacing crude petroleum, this cost having steadily risen, financial information for the 25 leading oil companies which shows moderate incomes, and a chart showing a comparison of petroleum prices with the price of coal and all commodities. This chart shows that the public have been the beneficiaries of the depletion allowance in the form of low prices for petroleum products.

Your attention is also invited to the hearings before the Committee on Ways and Means of the House of Representatives relating to the 1950 revision of the revenue laws.[4]

Yours sincerely,

REX G. BAKER.

SEPTEMBER 25, 1950.

DEAR MR. BAKER: Thank you very much for your letter of September 22, which has reached me this morning. I particularly appreciate its fair and restrained tone. This is in considerable contrast with the attitude which is often taken on this matter by others in your area.

As a matter of fact, I said nothing at all in my speech in Washington about percentage depletion. My remarks were directed entirely to the so-called in-oil payment provisions which had been added to the bill by the Senate.[5] This seemed to me, and still seems to me, to have been a rather clear matter of special privilege. Naturally, I am pleased that it was finally eliminated by the conference committee.

As I have indicated, I did not talk about percentage depletion and had no thought of doing so. There is lots to talk about there, though. In the first place, I would want to make it plain that I have never advocated eliminating the depletion allowance. That would be taxing capital. There would be no more sense in it than in eliminating the depreciation allowance.

Nor do I disagree with you at all as to the importance of oil in our economy, and the desirability of encouraging the industry, particularly with respect to exploration. I do think, though, that there is real reason to question whether the present 27½-percent depletion allowance is not excessive, whether it does not cost more than other ways of achieving the same results, and whether a very large proportion of the benefits do not now go in fact to persons who are not the ones who do the exploring and take the risks.

How about direct subsidies to explorers, for example? Might this not be a better way, and at the same time, a cheaper way? We use subsidies in maritime shipping and elsewhere in our economy. It might be a much more effective stimulus than the present backhanded way of doing it through the depletion allowance.

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[1] This correspondence appeared in the Harvard Law Review, vol. 64, No. 3, January 1951, and is reproduced here with the permission of the authors and the Harvard Law Review.

[2] Sec. 86, A.B.A.J. 999, 1057 (1950).

[3] Internal Revenue Code, sec. 114(b)(3), provides as follows: "In the case of oil and gas wells the allowance for depletion under sec. 28(m) shall be 27½ percent of the gross income from the property during the taxable year, excluding from such gross income an amount equal to any rents or royalties paid or incurred by the taxpayer in respect of the property. Such allowances shall not exceed 50 percent of the net income of the taxpayer (computed without allowance for depletion) from the property, except that in no case shall the depletion allowance under sec. 23(m) be less than it would be if computed without reference to this paragraph."

[4] Hearings before Committee on Ways and Means on H.R. 8920, 81st Cong., 2d sess., 49–60, 100–101, 119, 133–134, 177–309, 733–740, 818–895, 901–926, 1267–1269, 1282–1286, 2975–2983, 2999–3001, 3017–3026, 3028–3029, 3040–3046 (1950).

[5] The Revenue Act of 1950, as reported by the Finance Committee of the Senate, provided that the amount received from the sale of the right to obtain a stated amount of production from an oil, gas, or mineral property, while retaining a continuing interest in such property, should be treated as proceeds from the sale or exchange of a capital asset. H.R. 8920, 81st Cong., 2d sess., sec. 214 (1950) (as passed by Senate); see S. Rept. 2375, 81st Cong., 2d sess., 66, 91 (1950).

For example, may I call your attention to the sentence in your letter which reads as follows: "To say that he would be protected by charging off losses ignores the fact that until he finds oil he has no income against which to charge off his losses." I think you will agree that this is really no argument, since it is equally applicable to the percentage depletion deduction. The wildcatter gets no depletion deduction until he finds oil. In other words, the method I suggested then, as far as this point is concerned, would be just as effective, indeed, even more effective (because I would allow a 100-percent deduction until all principal costs had been recovered while percentage depletion allows only a 27½-percent deduction) than is the percentage depletion allowance.

You must know of situations where the present system of taxing oil production works out outrageously. I hear about actual cases from time to time, and they must come to your attention much more frequently. What I would like to see us do is to work out a system which would maintain adequate incentive and stimulate further production of oil without granting enormous tax advantages to drones and others who take little or no risk. I think it is a very real problem, and it would be a great contribution if people in your area, who are familiar with the situation, would devote themselves toward developing a sound and sensible solution to it.

At any rate, having the benefit of percentage depletion, it would seem to me to be the heart of wisdom for persons interested in the oil industry not to jeopardize that advantage by seeking to get additional tax favors which are less warranted. I refer, of course, to such things as the in-oil provision, and others which are suggested from time to time. There is a good deal of feeling about percentage depletion but it is very likely that nothing can or will be done about it. I would point out, though, that the community property problem was finally solved, though it seemed for many years at least as difficult. The surest way that I can think of to focus attention of other parts of the country on the percentage-depletion situation, and possibly to produce fairly strong reaction, is to push it even more in the way of tax privileges.

Very truly yours,

ERWIN N. GRISWOLD.

OCTOBER 11, 1950.

DEAR DEAN GRISWOLD: I did not have an opportunity to hear your speech in Washington. My information came from remarks made by people who did hear it and from press reports. It is reassuring to be told that you had nothing to say in your speech about percentage depletion. As for the "in-oil" payment provision referred to, I quite agree with you that this proposed legislation was not justified. I do not know who sponsored it. It is my belief that no responsible person in the oil industry did so. I, too, am pleased to know that the conference committee eliminated this measure from the bill that was finally passed.

It helps clarify our thinking for you to state that you have never advocated elimination of the depletion allowance. I agree with you that to do so would amount to taxing capital. The question is at what point the depletion allowance should be placed in order to encourage the generation of risk capital so essential in finding oil. Those of us in the oil industry who have lived close to the subject believe that the 27½-percent depletion allowance is more than justified.

The rate of 27½ percent for the depletion allowance has resulted over a period of years in a depletion which has been very nearly equal to the actual expenditures for finding oil by the industry. A survey by the Mid-Continent Oil and Gas Association of companies producing approximately half of the oil in the United States showed that in the period 1925–48 the expenditures for finding oil were within 10 percent of the allowable depletion. In 3 of the 5 years, 1944–48, the expenditures for finding oil exceeded the allowable depletion of this group of producers and for the 5-year period, 1944–48, allowable depletion was within about 6 percent of the expenditure for finding oil. These close relations indicate that the allowable depletion does have a direct effect on expenditures for finding oil and that the amount is not excessive in relation to the capital risked in the search for oil.

The rate of 27½ percent for depletion was determined by Congress after study of experience on the part of the industry in the years immediately prior to 1926 when this method was first adopted. The rate has been reexamined subsequently a number of times and approved by Congress in spite of attack by the Treasury Department. The depletion provision has encouraged the search for oil, resulting in great discoveries and supplies. Even if the rate of 27½ percent had been too high at one time, it has become part of the industry's cost and price structure so that any change in the rate now would tend to affect supply and price.

You have raised the question whether the 27½ percent depletion allowance does not cost more than other ways of achieving the same results. Percentage depletion probably costs less than any other way which could be devised to compensate for the risks involved in the exploration for oil and to encourage the necessary amount of exploration. This is probable from an economic standpoint, because the provision stimulates efficiency on the part of operators, since depletion is limited to 50 percent of the net profit margin. The operator has, in addition to the normal simulus of profit from efficiency, the further attraction of a tax incentive under the present law. The depletion provision also attracts into the search for oil some capital that otherwise never woud be risked in the industry, some of which adds to the discovery of oil and some of which is lost forever.

Direct subsidies to explorers probably would cost more and be less effective than percentage depletion. In the year 1949 there were 14,109 dry holes drilled in the United States. The average cost of these wells was at least $50,000 and the total cost was about $700 million. The Treasury Department has never claimed that taxes could be increased by any amount approaching such a figure through a change in percentage depletion. Even if Government subsidies involved paying only part of the cost of dry holes instead of the complete cost, the cost of the program might be greater than $700 million a year because of the additional number of dry holes that could be encouraged by the subsidies. A drilling contractor, unable to find sufficient work to keep all of his rigs busy, for example, very probably would be led by subsidies into drilling wells even if he did not expect to establish production. Efforts to limit the cost of the subsidy by controlling the drilling location of wells would involve the Government in endless details and expense regarding geology, geophysics, and other matters, and subject the industry to stifling controls by men in Government who know nothing about the business of finding oil.

Subsidies in maritime shipping are closely related to the fact that the Government has imposed regulations on the shipping industry which result in high costs relative to the merchant marine of foreign countries. There is no comparable reason for subsidies in petroleum production. The oil-producing industry feels that it is entitled to reasonable tax treatment to avoid the taxation of the capital which it creates through the discovery of new reserves, but it does not seek subsidies which at best would be destructive of efficiency, difficult of interpretation and administration, and extremely expensive to the taxpayers. Oilmen are by nature individualists and are opposed in principle to Government subsidies.

You further inquire whether a very large portion of the benefits from the depletion allowance does not go to persons "who are not the ones who do the exploring and take the risks." Statistics cited by the Treasury Department in its latest proposal to reduce percentage depletion make it clear that the great majority of the benefits go to the companies—both small and large—which are now engaged in exploration and development.[6] All of the large oil companies which produce more than half of the oil in the United States, are engaged in extensive and expensive exploration and development programs. A review of the annual reports of these companies demonstrates the vast sums of money, running into the billions of dollars, which have been poured into the search for and development of new reserves within the past few years. The small operators, similarly, are spending sums proportionately as large considering their production. It is not true, as is sometimes alleged, that the small operator searching for oil today sells his property upon development of production. Occasionally some operators sell producing properties, principally to put their estates in liquid conditions to pay inheritance taxes, but the great majority of the operators, who discover production today develop their properties and produce them. Such operators are receiving the benefits of the reasonable tax provisions applicable to oil production as a result of taking risks in exploration and development.

The purchaser of a proved property, who is still taking considerable risks with respect to the amount of recoverable oil and the future price, generally pays a price which means that percentage depletion is of no benefit to him because it is less than cost depletion. At the present time, for example, developed oil reserves in the ground generally sell for about $1 a barrel which exceeds the percentage depletion, amounting to a maximum of 71 cents a barrel on the present price of $2.58 a barrel. If the percentage depletion provision is applicable and appears to place the purchaser in a position to save taxes, it influences the price he is willing to pay for the property and so results in a benefit to the operator who found and developed it. An inflationary trend which raises the price of all commodities may result in tax benefits even to a purchaser whose cost depletion at the time of the purchase exceeded the prevailing percentage depletion, but that is the reason for criticism of the conditions which bring about inflation and not for criticism of the operator who purchased an oil property on the basis that it was a reasonable investment at the prices then prevailing.

Perhaps the criticism that the benefits of percentage depletion go to persons who are not the ones who do the exploring and taking of risk is meant to apply to royalty owners. Even the royalty owner, however, may take risks and there are, in fact, many royalty owners who are also engaged in exploration and drilling. In fact, many independent operators regularly buy royalties as part of their business. Basically, however, the reason for application of percentage depletion even to the royalty interest is to protect the capital of the royalty owner which arises from the discovery and development of oil. The royalty owner, as much as the producer, has a known capital value as soon as production is established and is entitled to protection of that capital value before his income is subjected to the ordinary tax rates.

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[6] Hearings before Committee on Ways and Means on H.R. 8920, 81st Cong., 2d sess., pp. 49–60 (1950).

In your comments relative to the "in oil" provision you seem to imply that percentage depletion is an advantage amounting to a tax favor, even though you can see it is warranted more than the provision regarding oil payments.[7] In the opinion of the oil industry the percentage depletion provision is merely a recognition of the penalties inherent in the risks involved in finding oil, and is necessary to avoid a tax penalty amounting to taxation of its capital to which it should not be subjected. Percentage depletion merely places the oil industry, insofar as the taxing of capital is concerned, on an equal footing with other industries which do not create new capital through discovery of hidden resources.

Yours sincerely,

REX G. BAKER.

OCTOBER 14, 1950.

DEAR MR. BAKER: The figures which you cited in your last letter are interesting and significant. However, they do not, I believe, take account of the fact that a large proportion of these expenses are deducted in computing income taxes, in addition to the percentage depletion deduction. I am referring, of course, to the optional deduction allowed for intangible drilling costs, and other similar deductions.[8] The figures you give would be more persuasive to me if they showed a comparison between the costs on the one hand and the aggregate deduction on the other. By aggregate deduction, I mean not only percentage depletion, but also the deduction allowed for intangible drilling costs and other expenses. I do not believe that the comparison would be nearly as favorable as the figures you give indicate. Indeed, I should think this might be a major weakness in your argument.

Now let me turn to the last paragraph of your letter. The basic difficulty here, it seems to me, is one which is rarely disclosed in discussions from the oil country. This is the "discovery" allowance which is implicit in percentage depletion. I know of no other area in our tax law where very large increments in capital value are wholly exempt from taxation. You say that percentage depletion is necessary to enable the industry to preserve its capital. But this is obviously using capital in a double sense, and in a sense which is not applicable to other taxpayers. For other taxpayers, that capital, recoverable through depreciation, or on sale, or otherwise, is their investment in the property. Only in the oil business do "discoveries" become capital for tax purposes. Frankly, I find some trouble seeing why this should be so.

You suggest that this is necessary because of the risks involved in finding oil. I do not minimize these risks. I know that in a sense, they are very great. However, I think a pretty good case can be made for the proposition that large outfits, like the Texas Co., or the various Standard Oil companies do not take very substantial risks, except in a sense analogous to that in which it is said that the New York Life Insurance Co. takes risks. Or, to put it another way, when the operations are on a large scale, as in the life insurance business, the probability that things will come out somewhat as planned is very great. I do not mean to say that the probability is nearly as great in the oil industry as in the life insurance business. Nevertheless, experience has shown over the past 20 years that the big oil companies stand a high probability of success. They have no difficulty recovering the costs of their unsuccessful ventures from the products of their successful ones. I really seriously question whether it can be shown that percentage depletion is a necessary compensation for risks taken in these cases. The situation with respect to wildcatters, and the problem of stripper wells, are quite different. But the big companies account for a very large proportion of the production. It is far from clear to me that percentage depletion is ever necessary either (a) to compensate them for risks taken or (b) to safeguard their capital investments.

Very truly yours,

ERWIN N. GRISWOLD.

OCTOBER 16, 1950.

DEAR DEAN GRISWOLD: Enclosed is a section of yesterday's Houston Chronicle which contains a good deal of information concerning the oil and gas industry.[9] It will give you some idea of the enormous cost involved in finding and developing oil and gas, and of the tax burdens borne by the industry.

Yours sincerely,

REX G. BAKER.

OCTOBER 20, 1950.

DEAR MR. BAKER: It was good of you to send me the oil progress section of last Sunday's Houston Chronicle. I have looked at this with much interest.

I must confess, though that I am still not impressed by the tax burdens borne by the industry. I have no doubt that the industry presents many problems and bears a good many burdens. But its tax burdens would surely seem to be lighter than those carried by most other industrial enterprises. Take a look someday at the proportion of taxes to net income of three large oil companies, on the one hand, and three large nonoil industrial enterprises on the other. The figures are astounding.

If you say that you are not talking about the big companies, but about the little fellows, then I think we might meet on common ground. But a very high proportion of the tax benefit goes to the big companies.

Very truly yours,

ERWIN N. GRISWOLD.

OCTOBER 26, 1950.

DEAR DEAN GRISWOLD: It is a pleasure to receive your letters of October 14 and 20 on the subject of taxes paid by the oil industry. Your interest in this subject leads me to set forth a few additional points about the operations of the oil industry, for it seems that the lack of general understanding of the peculiarities of oil production is one of the principal reasons why the tax provisions relating to oil production are often criticized.

A crucial point, as brought out in your letter of October 14, is the question of contribution of the developer of oil production and the measure of the capital which he is entitled to recover free of tax. Two points seem pertinent on this question.

In the first place, let us consider two individuals investing $500,000 each, one in the search for oil and the other in an office building. The individual searching for oil may spend $100,000 on each of five different leases and establish production on only one of the leases. The other individual erects an office building with his $500,000. Would it be fair to allow the oil operator to recover as capital on his productive lease only the $100,000 that he put into that lease? If the individual is to risk his money in the search for oil it would seem that he would do so only with the prospect that he would recover more than the $500,000 spent on all of his ventures if he is successful. There is always the chance that he may find no production with his investment and all of his capital may be lost. To offset that risk there must be the attraction of a reward commensurate with his success if he finds oil. Another individual might venture $500,000 in the search for oil and discover twice as many barrels of reserves as his competitor, due to skill and good fortune. In this latter case he has made a contribution to society which is worth twice as much as that of his competitor. As soon as the oil is discovered and developed it can be sold in place, without being produced, for a known capital value, and, in case of such sale, taxes are on the basis of capital gain rather than current income.

The second point is that a producer of oil realizes two distinct kinds of income; namely, a capital gain on the sale of an asset which has been held for a long period of time and a short-term income on the operation of a producing property. The capital gain is measured by the difference between his investment in establishing the production and the price at which he could sell the oil in place and turn it over to someone else who would then make the current profit on the operation of the producing property. The percentage-depletion provision results in substantially the same rate of taxation as would result from the separation of income into its two component economic parts and the taxation of one part as capital gains and one at current income-tax rates. In the absence of such consideration in the income-tax laws, operators discovering and developing oil would be encouraged to sell their oil in place rather than to continue in business. It would seem to be in the public interest for tax policy to permit and encourage successful operators to stay in the business rather than to sell their properties to others who may have been less successful in the search for oil.

You raise the question whether the operations of large oil companies do not in effect reduce the risks of this business to those comparable with a life-insurance company and suggest that the probability that things will come out somewhat as planned is very great. I am sure you would find that the life-insurance companies do not consider their business in any way comparable with that of oil production, else with their large funds they would already have entered this business. A life-insurance company not only knows the risks but also the precise amount of money which it is going to spend and take in. The company engaged in the search for oil has not such assurance. It only knows that if it has average experience more than 1 out of 3 wells that it drills will be dry, but it has no way of knowing how much oil its productive wells will develop or what the value of that production will be when the oil is produced over a period of 20 or 40 years. A decline in the price of crude oil, for example, such as occurred between 1926 and 1933, can wipe out the apparent profits anticipated on the basis of cost and price realizations at the time of the investment. Naturally, the investments of the oil companies made during the depression seem very successful, but so do practically all other investments made at the same time. That fact does not provide any assurance against a decline in prices. The big oil companies are definitely taking very substantial risks which may break them as well as make them in the future. The Humble Oil & Refining Co., for example, has spent millions of dollars in Florida and to date established only a very small production. Unless our efforts and luck in that area improve, we stand to lose a very large sum of capital that Humble has risked in the venture. If we do lose our investment, we can deduct it in calculating our income-tax payments just as any other business could deduct its losses on an unsuccessful investment, but that does not return to us the capital which Humble has risked. In the year 1949 alone Humble's dry-hole costs were $32,267,000, and even after consideration of the reduction in income taxes due to such loss it is clear that we risked and lost a very substantial sum of money. We can have no

[7] See p. 365, supra.

[8] U.S. Treasury Regulation III, sec. 29.23 (m)—16 (b) 1943.

[9] Houston Chronicle, Oct. 15, 1950, sec. E.

hope of realizing a return on that investment. Indeed, the investment itself is wiped out.

One final observation may help to throw additional light on the question of the oil industry's risks and the relation between its costs and deductions. I mentioned in the previous letter that a survey by the Mid-Continent Oil & Gas Association showed a close relation between the expenditures for finding oil and the allowable depletion. In your letter of October 14 you ask about the optional deduction allowed for intangible drilling costs. The same study previously referred to shows that the investment of the companies included in the survey in drilling and equipping productive wells exceeded their expenditures for finding oil. The sum of the expenditures for finding oil and for drilling and equipping productive wells was approximately twice the total allowable depletion of the companies for the period 1925–48. The investment in drilling and equipping productive wells was recovered only once as a deduction of intangible drilling costs and depreciation of tangible drilling costs. I did not mention this fact in my previous letter because percentage depletion relates to the depletion of the oil itself and, therefore, to the expenditures incurred in the search for oil rather than to the tangible and intangible investments in drilling, which are recovered through the option to expense intangible drilling costs and the depreciation of other drilling costs. This evidence is quite significant on the point which you considered a weakness in my previous argument.

In your letter of October 20, 1950, you suggest that we look at the proportion of taxes to net income for three large oil companies on the one hand and three industrial enterprises on the other. The point you are referring to can be illustrated from the comparison of the reports of United States Steel and Humble. In 1948 United States Steel showed a net income before Federal income taxes of $239 million, compared with Humble's net income on the same basis of $240 million, while United States Steel paid Federal income taxes of $109 million and Humble paid $54 million. In 1949 United States Steel paid $126 million in Federal income taxes on a net income before taxes of $292 million, whereas Humble paid Federal income taxes of $18 million on an indicated net income before taxes of $138 million. The explanation of the difference in the effective rate lies, of course, in the fact that a considerable part of Humble's net income really represents capital gain on the sale of its oil, and this capital gain should be taxed at 25 percent rather than at the normal corporate income tax rate, also in the fact that Humble is taking its depreciation on intangible drilling costs as it makes such investment rather than spreading the depreciation over the life of the properties. If Humble were to quit drilling or to reduce its drilling operations, the effective income tax rate would materially increase. Over a period of time the only difference between the effective tax rate on a steel company and an oil-producing company would be because of the percentage depletion, which is thoroughly justified in order to afford fair treatment of the capital gains realized on the sale of oil as it is produced.

I have taken the liberty to write at length on points suggested by your letters because you have shown a genuine interest in an objective inquiry about the facts with respect to the tax provisions on oil production. We find in our own operations that the business of exploration for and development of oil and gas is very complicated and not always fully understood even by some of the operators engaged in this business. It has been my endeavor to set forth information which may help to give you a better picture of the problems of oil production. We believe that the problems and peculiarities of the oil-producing business warrant and require the tax provisions now applicable with respect to percentage depletion and the option to expense intangible drilling costs.

Sincerely yours,

REX G. BAKER.

NOVEMBER 6, 1950.

DEAR MR. BAKER: Please let me thank you for your letter of October 26. I have read it with much interest, and I would like to make certain observations.

In the first place, it seems to me entirely clear that the costs of any oil operations should be fully deductible from income, including subsequent income from other operations, where there is no current income against which the costs may be deducted. Taking as an example the situation given near the beginning of your letter, if a person spent $100,000 on each of five different leases, and established production on only one of the leases, I would allow the full $500,000 to be deducted against income, other current income from any source if there was such income, or against subsequent income from any source. This could be done by a system of carryovers. If the present 5-year limit [10] on carryovers is not enough, I would have no objection to its being extended. I am entirely in favor of taxing no more than the net income of oil operations. I still find it somewhat difficult to see why we should tax less than that net income, which may be, and often is, the result of the 27½ percent depletion allowance, which goes on without limit, and without relation to (a) actual depletion sustained or (b) the aggregate amount invested by the taxpayer in oil production.

The rest of your letter is devoted to what seems to me to be the heart of your argument. In substance, you seem to be saying that all income from oil production should, in effect, be taxed as capital gain, and that this gives an adequate justification for the present depletion allowance. This argument, I must confess, I find very hard to follow.

Is it not clear that income derived from oil production is business income? Is there any other sort of business income which is taxable as capital gain? When the grocer sells you a can of peas, he sells you property, but the gain is taxable as ordinary income, no matter how long he has held the peas. The same is true of a manufacturer, or of a real-estate operator. Indeed, the same is true of every other sort of business income. Why should income derived from oil production be treated in any other way? Perhaps the answer is that all income should be treated as capital gain. That would, of course, be attractive, and it would not result in discrimination between different types of business activity, as is the situation now. But it would hardly produce the revenue which, for better or for worse, is necessary under current conditions.

You mention the fact that in the year 1949 alone Humble's dry-hole costs were $32,267,000. But every nickel of that was deducted against other income, and Humble was not taxed on anything in excess of its net income. On the contrary, Humble paid taxes on much less than its economic net income, as can easily be shown by comparing the company's net income, in its reports to stockholders, and the much lower figure for net income which was undoubtedly given on its income tax return as a result of the 27½-percent depletion deduction. It is true that Humble risked and lost a lot of money on dry holes. But it is also true that it made even more money on other activities. And no one suggests that it should be taxed on anything more than its net income, after making full allowance for all the losing ventures. Frankly, I find it very hard to see why the dry-hole costs, fully allowed as tax reductions, have any bearing on the justification of the depletion allowance. There are many other industries which have to risk large sums, without any immediate or current tax deduction. I need to refer only to the steel industry for an illustration. There, large sums must be spent which are capital costs, and not deductible at all, except through carefully measured and limited depreciation deductions. In this respect, it seems to me that the oil industry has a great tax advantage, quite apart from the unlimited depletion deduction.

When all is said and done, your argument seems to boil down to the proposition that income from oil production should be taxed as capital gain. This appears near the end of your letter when you state that the percentage depletion deduction "is thoroughly justified in order to afford fair treatment of the capital gains realized on the sale of oil as it is produced." This arguement seems to me to be clearly unsound. I can see no reason why, if valid at all, it would not be equally valid to all other income from production. Take, for example, the income from farms or from manufacturing. The farmer produces property. The manufacturer produces property. Yet no one has ever seriously argued, I believe, that their gains on the sale of this property should be taxed as capital gains, or that they are capital gains. The income from the conduct of the business is clearly business income. Oil production is clearly a business. I can see no reason why the income derived from the business of oil production should not be taxed as ordinary income. I repeat that I refer only to the net income, after full allowance for all costs incurred and for all capital actually invested in the business. But the percentage depletion deduction goes far beyond this. It gives a very large deduction, which bears no relation either to costs or to actual capital investment. I am still puzzled why anyone should think that it has a proper place in a fair and equitable tax system.

I have no hostility to the oil industry. On the contrary, I admire its great achievements, and its great contributions to the country, its economy, and its defense. But there are also many other forms of activity which contribute greatly to the country, its economy, and its defense. Why should they not all be treated the same? Why should the oil industry be the recipient of a tax deduction, enormous in the aggregate, which bears no relation to its costs, or to the capital invested in oil production?

Very truly yours,

ERWIN N. GRISWOLD.

NOVEMBER 8, 1950.

DEAR DEAN GRISWOLD: Your letter reveals the difficulty that even a man of your ability has in understanding the real nature of the oil business and the risks involved in finding and producing oil. After all, the basic principle involved in the depletion allowance is rather simple. The man who explores for oil must invest vast sums of risk capital. He may lose this capital altogether on unsuccessful ventures. He may through luck or skill succeed in finding an oilfield. If he does, he creates new capital. In producing that oil he depletes the corpus, and if the taxing away of his capital is to be avoided he must have a depletion allowance. Only in this way can he, under our existing tax rates, have enough left with which to do further exploratory work with the hope of finding new reserves to replace those depleted by production.

There is no way to compare his real situation with that of the steel manufacturer or the farmer mentioned in your letter. The man who builds a steel mill can depreciate

[10] Internal Revenue Code, sec. 122.

every dollar of his investment in time, and through depreciation get his capital investment back tax-free. The farmer who raises a crop does not deplete the corpus of his farm, for he is able to grow a new crop year after year. Therefore, any sums he may realize from the sale of his crops are ordinary income. Of course, he can charge off depreciation on his tools and equipment because they wear out and must be replaced.

Thus in its essentials depletion does nothing more than afford the oilman an opportunity to replace his capital. This is exactly what is done with the owner of the steel mill who is allowed depreciation on his plant investment. To me this analysis is simplicity itself and I cannot see how its validity can be questioned.

I sincerely hope that you will be able to come to Texas some day. Perhaps you would enjoy a trip to the oilfields and an opportunity to witness the widespread wildcat operations which are taking place in this part of the country. Then I believe you could better understand why the enormous risk capital involved in operations must be regenerated out of the depletion allowance on the oil that is found and produced.

Sincerely yours,

REX G. BAKER.

NOVEMBER 27, 1950.

DEAR MR. BAKER: It seems to me that your position boils down essentially to one matter; namely, that oil producers are entitled to special tax treatment because their income is essentially capital gain.

The argument that the present percentage depletion allowance is necessary to enable you to recover your actual cost will not stand up, particularly as applied to a company like yours. I have made it plain that you, or any other oil producer, should be able to recover all of your actual investment before any tax liability is incurred. As a matter of fact, though, the combination of the deduction of intangible drilling costs plus percentage depletion gives you, and most oil producers, a deduction far in excess of your costs. I have no doubt, for example, that the aggregate of these two deductions taken by Humble in the years since percentage depletion became available is far in excess of the aggregate of Humble's actual costs in those years. There is no other type of business enterprise in this country which receives deductions in excess of costs through depreciation or otherwise.

In the case of certain independent wildcatters, it may be that a succession of dry holes will produce costs which cannot be offset, under present laws, against subsequent income. This should be largely taken care of, however, by the present provision of the law allowing losses to be carried forward for 5 years. If this is not enough, I would have no objection whatever to any change in the law which would make it plain that no oil producer was subject to tax until he had received deductions equal to all of his costs which had not previously been effectively deducted from gross income.

Let us try to test your capital gains argument. Suppose we had a tax, like the English tax or the Canadian tax, in which capital gains are not taxed at all. Could you successfully maintain the position that income from oil production is not subject to tax at all, because it is capital gain? It seems to me that the answer to this is quite plainly "No."

The tax systems which do not tax capital gains all draw the line closely between what they regard as capital gain and profits from trade or business. It is clear that the operations of oil production are a trade or business, within this concept, as well as under our own law.

We do not have to speculate about this. The Canadian income tax is a clear example. Under that law, capital gains are not taxed. But it has never been seriously suggested, as far as I know, that the income from the production of oil and gas in Canada should be wholly exempted from tax on the ground that it is capital gain. On the contrary, it is clear that it is regarded as income from trade or business, and subject to tax as income. It is true that there is special allowance for depletion under the Canadian tax law. This may, however, be a reflection of the special deduction allowed in the United States law.

On the whole it seems to me that the best position you have developed is the capital-gain one. Even on that basis, though, I think you claim too much. Under our law capital gains are taxed, though at a maximum rate of 25 percent. But the percentage depletion deduction is supposed to reflect the old discovery-value allowance. The effect of this was to make the capital gain on the discovery of oil (or other minerals) wholly exempt from tax. In other words, discovery value—and, therefore, percentage depletion, to some extent—clearly goes too far. I think I could understand a provision which said that income from oil and gas production should be taxed as capital gain, and which, accordingly, completely eliminated the percentage-depletion deduction. Trying to get both capital-gain treatment, and the percentage-depletion deduction, as in the recently defeated provision about in-oil payments, is clearly trying to get too much. And if income from oil production was taxable as capital gain, I should feel that, under current conditions, the present 25-percent rate was far too low.

However, it still seems to me that taxing income from oil production as capital gain would be quite wrong. Such income is clearly income from the conduct of a trade or business and is not capital in its nature, even though it arises, in a sense, out of increases in the value of property. After all, the income of any manufacturer or retailer likewise arises out of increases in the value of property; namely, the property which is manufactured or sold. Such income, however, is clearly not capital gain. There is no better reason, as far as I can see, why the business income of oil producers should be taxed as capital gain merely because it is derived by selling the property that they produce.

You suggest at various places in your letters that the oil producer should be able to get tax free the capital he has produced. I do not know any other line of activity in which a person recovers tax free any capital he may have produced. Even in the case of capital gains, the basis for determining gain or loss will be only the amount actually invested in the property. It is only the oil industry which gets a return free of tax in excess of its actual capital investment.

Thus, the percentage depletion allowance turns out to be nothing more than a special subsidy. If that fact were more generally understood, I cannot help wondering whether the present allowance would be continued unmodified.

Very truly yours,

ERWIN N. GRISWOLD.

DECEMBER 12, 1950.

DEAR DEAN GRISWOLD: As I interpret your letter of November 28, you insist that oil producers receive special and unwarranted tax treatment and that all their income should be taxed as ordinary income, despite the fact that in your letter of September 25, you concede that oil producers are entitled to a depletion allowance, merely questioning the advisability of placing it at 27½ percent. Actually, the depletion allowance is applicable to relatively few oil-producing properties. In practice, cost depletion applies to the poorer properties. Furthermore, percentage depletion is limited to 50 percent of net income derived from a producing property. Thus, in general, it is improper to refer to 27½ percent depletion rate as applicable to all oil properties.

The producer of oil receives two different kinds of income. He realizes a capital gain or loss on the sale of an asset held over a long period of time and a normal income on the operation of a producing property. The income-tax law authorizes the taxation of income and not capital. Therefore, any capital gain from the sale of an asset held over a long period of time should not be taxed as normal income. Only the income derived from producing operations can justly be taxed as normal income. Consequently, the depletion allowance, which makes it possible to avoid the taxing away of capital, does not give special treatment to the oil industry and is completely justified. This is proved by the fact that the profit figures for the oil industry clearly follow the same pattern as for other industries.

There is no evidence that the tax provisions have resulted in advantage for oil producers as compared with businesses in general. The fairness of a tax cannot be judged by merely looking at the most successful operators, but must be tested by considering the average results for all operators.

The function of such profits as are realized after taxes is to direct investment capital into different activities in proportion to need. There is no evidence that profits have been so high as to attract any more capital into the oil industry than is needed. While the oil industry has constantly expanded, the expansion has contributed greatly to the maintenance of low prices for fuels, to economic progress, and an expanding economy. If the profit rate on oil production had been reduced by higher taxes, the capital attracted into the industry would have been reduced; additions to oil reserves would have been less. The smaller supply of energy would have retarded economic progress in the United States, and the price of gasoline and other petroleum products to the consuming public would have been materially increased.

Thus, it seems clear that the wisdom of the depletion allowance is more than justified, and experience has demonstrated that the depletion allowance is not excessive but has been only enough to generate new risk capital required in exploring for oil.

Yours sincerely,

REX G. BAKER.

Mr. PROXMIRE. Mr. President, that completes my presentation on the oil-depletion-allowance question.

Mr. CLARK. Mr. President, will the Senator from Wisconsin yield briefly to me?

Mr. PROXMIRE. I yield.

Mr. CLARK. In connection with the comments made by the Senator from Wisconsin on the oil depletion allowance, I wonder whether he noticed an article entitled "A Plan For Tax Reform," which was written by Robert Lubar, and was published in the March 1959, issue of Fortune magazine. The article sets forth, under a subheading "That Famous 27.5 Percent," a presentation of the depletion question which refers to the present rate of depletion allowance as "the classic example" of "peferential treatment" in the code. I wonder whether he will be willing to have an excerpt covering the section on depletion allowance printed in the RECORD immediately following the insertions he has made.

Mr. PROXMIRE. Mr. President, I shall be delighted to have that done. I think it extremely significant that Fortune magazine—which is primarily written for top executives in big industry, and subscribed to by them—has recog-

nized the inequity of this tax privilege and the fact that it has very little justice to it. The article speaks eloquently on that point.

Mr. CLARK. Then, Mr. President, I request unanimous consent that the cited excerpt from the article be printed at this point in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

THAT FAMOUS 27.5 PERCENT

Let us consider some of the most important of the preferential treatments now lodged in the tax structure. The classic example is the percentage depletion allowance given producers of oil and gas and virtually every other natural resource. Since most of the benefits of percentage depletion go to corporations rather than to individuals, the subject will be more fully discussed later in this series, in the article on the corporation tax. But the points at issue are important to a discussion of personal-income taxation.

There were good grounds in public policy for the special stimulus that the 27.5 percent allowance gave to oil exploration, as Fortune argued in an article 9 years ago ("The Depletion Uproar," April 1950). But there have been a good many changes in the United States and the world since then. In that pre-Korea day, for one thing, the Federal revenue requirement was only half as big as it is today, and the Nation could more easily afford preferential treatment of certain forms of income. Today the depletion allowance puts $700 million of personal income out of reach of taxation. A second change is that the defense argument for percentage depletion is not so weighty as it once was, for nobody any longer expects the kind of war in which proved oil reserves will play a decisive part. And finally, there is a political and emotional reality that must be taken into account: the depletion allowance has become the very symbol of special tax treatment. It cannot be overlooked in any program that undertakes to introduce broad principles of uniform taxation. If the depletion allowance remains untouched, the case against other kinds of preferential treatment collapses at the start. In a reformed tax system, therefore, the allowance for depletion of a natural resource should be based on full recovery of the developer's initial investment—and no more. The step down in the allowance would have to be gradual, of course, so as not to have the retroactive punitive effect of destroying property values already set up on the basis of percentage depletion.

WITHHOLDING AT THE SOURCE ON DIVIDENDS AND INTEREST

Mr. PROXMIRE. Mr. President, I ask unanimous consent to introduce, on behalf of myself, the Senator from Illinois [Mr. DOUGLAS], the Senator from Pennsylvania [Mr. CLARK], and the Senator from Minnesota [Mr. MCCARTHY] a bill to withhold at the source on dividends and interest, as is now done in the case of wages and salaries.

It is often forgotten that while the basic income tax is withheld at the source for those who earn wages and salaries, that is not true for dividends and interest. Consequently, vast sums which are received by individuals as dividends and as interest—and which should be treated as ordinary income—are never reported on the tax returns of these individuals, and no tax is paid on these sums. In fact, this is one of the most glaring examples of actual tax avoidance which is to be found in our tax structure.

The latest conservative estimate from thoroughly competent and authoritative tax experts which we have is that approximately $1.5 billion in dividends paid out are never reported as income. Thus, there is this large gap between the dividends which individuals receive and the dividends which are reported and on which income tax is paid. Even if as much as one-fifth of this amount—and this is certainly a generous estimate—is paid to those who need not report their income because they have incomes which are below the level—$600 a year—on which income tax is paid, that still leaves approximately $1.2 billion in dividends which are paid, but on which no tax is collected.

Withholding the basic tax of 20 percent at the source would thus bring in an estimated $240 million a year. In addition, if the basic tax were withheld, the individual who received the dividends would then not be able to escape or evade the full tax, and he would have to report the receipt of this income on his return. Since the great bulk of dividends go to those in the upper income groups, and since it has been estimated that the average rate of income tax which is paid by those who receive dividends is at least 40 percent, this part of the bill would, in fact, bring in additional revenue in the neighborhood of $500 million a year. Of course, I have been dealing only with that part of the bill which has to do with withholding on dividends at the source.

In addition to that, Mr. President, the bill provides for withholding at the source of certain interest payments. Daniel Holland and C. Harry Kahn estimated that for the taxable year 1952, the difference or gap between the interest which was received by individuals and that which was reported on tax returns was $3.4 billion. They estimated that something like 60 percent of interest receipts were not reported in that year.

Of course, a greater proportion of interest payments are received by low-income groups than are dividend payments, and, in addition, there are numerous administrative difficulties involved in collecting and withholding interest at the source. Consequently, at least $250 million could be derived in additional income to the Government from this part of the bill, and if ways and means can be devised—and, we hope, with the help of the Treasury itself—to solve some of the administrative problems, much greater sums than this could be recouped.

Such a system as is proposed in this bill to withhold taxes on certain dividend and interest income would help very much to improve compliance with the law of the land. From the point of view of those people who do not want to break the law, this bill would have the very good effect of helping them to be as honest as they would wish to be. From the point of view of the deliberate evader of income tax payments on dividends and interest, this bill would produce a great gain in revenues above those from the actual withholding itself, as this type of person is more often than not in a bracket much higher than the one from which the basic or minimum rate is withheld. It would further have the virtue of reducing the rewards for deliberate dishonesty.

Mr. President, I see no reason whatsoever why this bill or a similar bill should not be passed by the Congress of the United States. Further, it ought to have the very active support of the administration, which, while it is very vocal in its opposition to inflation and deficits, nonetheless has refused to use its powers of persuasion to effect any really equitable change in our tax laws and has thus, by its neutrality, aided and abetted those who now escape taxation altogether on income which is properly taxable.

There will be those who will say that we should not withhold on interest and dividends. But the best answer to that opposition is that we now do withhold on personal incomes and on wages and salaries at the source. This is not too cumbersome and as a result, only 5 percent of wages are not reported as income, compared to 60 percent in the case of interest and vast sums received as dividends. If it can be done in the case of the wage earner, it certainly can be done in the case of those who receive income from dividends and interest.

Mr. President, I ask unanimous consent that two memorandums and a table dealing with the question of withholding on interest and dividends be printed in the RECORD at this point in my remarks.

There being no objection, the memorandums and table were ordered to be printed in the RECORD, as follows:

WITHHOLDING INDIVIDUAL INCOME TAX ON DIVIDENDS AND INTEREST PAYMENTS

I. THE NEED FOR WITHHOLDING

A. Extent of dividend and interest gap

Virtually every study made of income reporting for the Federal individual income tax shows a significant gap between the amount of dividends and interest which should be reported and the amount actually reported on individual tax returns. The extent of this gap cannot be measured with precision for the following reasons:

1. The basic data are taken from the Internal Revenue Service's Statistics of Income, part 1, and the Department of Commerce series on personal income. Since the income concepts in these two sources differ, adjustments to reconcile these differences must be made before an estimate of nonreported income can be arrived at. While the character of those adjustments is fairly clearly established, the specific data required to express them quantitatively is not always available. For example, the commerce series includes in personal income dividend and interest receipts of nonprofit organizations and of self-insured corporate pension funds. Such receipts on behalf of individuals need not be reported in the individual taxpayer's return, and therefore, must be subtracted from the commerce total as one step in arriving at the "to be reported" income-tax total. The measurement of these receipts, however, is imprecise at best, since no regular statistical series contains this information.

2. Even after the difference between the Commerce Department and Statistics of Income tables is approximated, there is a problem in allocating the remaining nonreported dividends between individuals required and those not required to file tax returns and then between taxable and nontaxable returns. Some of the nonreported dividends and interest, for example, undoubtedly are received by individuals with less than $600

in gross income (income tax definition of gross income) who need file no tax return. Some individuals with gross income less than $600 do file returns as a means of claiming refunds for taxes withheld on wages. At present, one can only guess at the amount of dividends and interest received but not reported by these individuals. In addition, some dividends and interest are received by individuals required to file tax returns but who pay no tax because their exemptions and deductions exceed their adjusted gross incomes. How much of the nonreported interest or dividend receipts go to people in this situation?

Recognizing these difficulties, it is, nevertheless, possible to make a fair approximation of the amount of dividend and interest income which should, but does not appear on tax returns. Daniel Holland and C. Harry Kahn estimated the dividend and interest gap at $1.1 billion and $3.4 billion, respectively, for the taxable year 1952. About 13 percent of properly reportable dividends and 61 percent of interest receipts were not reported for that year. This compares with a 5-percent gap for wages and a 30-percent gap for entrepreneurial income (cf. Daniel M. Holland and C. Harry Kahn, Comparison of Personal and Taxable Income, Federal Tax Policy for Economic Growth and Stability, papers submitted by panelists appearing before the Subcommittee on Tax Policy, Joint Economic Committee, November 1955, pp. 313–338, especially pp. 318–320 and 336–337). The Holland and Kahn results accord closely with the estimates of Selma F. Goldsmith for the taxable years 1944–46 (cf. Selma F. Goldsmith, Appraisal of Basic Data for Constructing Income Size Distributions, Studies in Income and Wealth, vol. 13 (National Bureau of Economic Research, 1951)).

More recently, in a paper presented to the American Finance Association, December 29, 1957, Holland estimated the dividend "gap" for the taxable year 1955 to be about $1.235 billion, or about 12.1 percent of total dividend receipts adjusted for comparability with tax returns. Even if one assumes that 20 percent of this "gap"—about $250 million—were the dividends received by individuals not required to file returns and/or by individuals required to file returns but not taxable (because deductions and exemptions exceeded income), there remains about $1 billion of dividends which should have appeared, but did not, on taxable individual returns in 1955.

Using the techniques developed by Goldsmith, Rechman, Holland, and Kahn, the interest gap for 1955 appears to be about $4.6 billion. Again assuming that 20 percent of this amount was received by individuals not required to file returns and/or by individuals filing nontaxable returns, there remains about $3.7 billion of personal interest receipts which should have been reported, but were not, on taxable individual returns in 1955.

B. Revenue loss attributable to nonreporting of dividends and interest

Determination of the revenue loss involved in nonreporting of dividends and interest is complicated not only by the statistical vagaries in measuring the dividend and interest gap but also by the lack of persuasive evidence concerning the distribution by taxable income brackets of the nonreported income. The $1 billion dividend gap estimated above, for example, may imply a revenue loss as little as $150 million or as much as, say, $350 million (and conceivably the upper amount could be significantly larger).

The Bureau of Internal Revenue conducted an extensive investigation of the amount and kind of error appearing on individual tax returns for the taxable year 1948. This audit control program indicated some concentration of nonreporting at the lower end of the income distribution and, in addition, a relatively larger rate of underreporting at the lower than at the upper ranges of the income distribution. These results can hardly be taken as definitive, but suggest that the average effective rate which would be applicable to dividends and interest not now reported would be somewhat lower than that in fact applicable to reported dividends and interest receipts. Even supposing that the appropriate effective rate were only 20 percent in the case of dividends, however, nonreporting of this income in 1955 probably resulted in a $200 million revenue loss to the Treasury. If one applies a 15 percent effective rate (allowing for the effect of exemptions and deductions) to nonreported interest, the revenue loss in 1955 from this source appears to be about $475 million. Even allowing a 50-percent margin of error in computing the dividend and interest gap leaves a revenue loss of about $350 million. This amount should certainly be regarded as a rockbottom estimate.

C. Reasons for nonreporting

Three sets of reasons may be adduced for the failure of taxable individuals to report the full amount of their taxable dividend and interest income. The principal reason probably is deliberate evasion. Holland's most recent study of the dividend gap shows a good positive correlation of the size of the gap with tax rates over time. A second reason is honest forgetfulness. It is a reasonable assumption, for example, that many taxpayers do not know and make no regular effort to determine the amount of interest credited to their savings accounts, and simply overlook this income item in preparing their tax returns. Taxpayers receiving relatively small quarterly dividends from a number of corporations, similarly, may easily forget one or more such receipts because of poor bookkeeping. A final reason for nonreporting may be ignorance of the law's requirements. The accrued interest on U.S. savings bonds, for example, need not be reported on the taxpayer's return until the bonds are redeemed. It is quite possible that many taxpayers are not aware that they must include such realized interest in their gross incomes for tax purposes. Conjecturally, some taxpayers may reason that since U.S. savings bond interest need not be reported until the bond is redeemed, it is not required to report savings account interest until withdrawn.

Whatever the reason for nonreporting of interest and dividends, a system of withholding on such incomes would contribute materially to improving compliance with the law's requirements. From the point of view of the taxpayer who is not a willing evader of the law, dividend and interest withholding has the positive virtue of assisting him to be as honest as he would wish to be. From the point of view of the deliberate tax evader, withholding, by substantially reducing the rewards of dishonesty, might well produce a net gain in revenues above those from the withholding itself.

II. WITHHOLDING PLANS

Three major efforts have been made to provide for withholding on dividends and interest.

A. The 1942 plan

The first of these was in connection with the introduction of withholding on wages and salaries in 1942. The plan then proposed would have withheld tax at the rate of 10 percent on dividends and interest payments in excess of the amount of such payments determined to be nontaxable on the basis of withholding exemption certificates to be filed with the payor by the dividend or interest recipient. The paying corporation would have been required to file quarterly returns showing dividend and interest payments and to furnish the dividend or interest recipient a receipt for the tax withheld, very much like the withholding receipt provided wage and salary earners. When the dividend or interest payment was made to a nominee of the recipient, rather than to the recipient directly, the paying company was, nevertheless, to be required to withhold the tax.

In rejecting this proposal, major emphasis was placed on the compliance problems raised by the proposed requirement for a withholding exemption certificate. It was pointed out that a relatively much larger number of such certificates would call for no withholding of tax (whether or not tax was actually payable) than in the case of wage and salary certificates. The payor organization, it was argued would incur substantial costs in soliciting exemption certificates from each stockholder or interest recipient of register on the payment date, in maintaining a file of such certificates, and in collating interest and dividend payments with the taxable status of each recipient.

In addition, the proposed withholding scheme could hardly be applied in the case of coupon bond interest. Transactions in the coupons, it was argued, would not in all cases involve the bond-issuing organization so that a substantial volume of such interest might be realized without opportunity for a withholding agent to withhold the tax due.

B. The 1950 plan

The proposal in 1950 would have provided for withholding tax at the rate of 10 percent from dividends only. No provision was made for exemption certificates, although certain types of payor organizations were to be exempt from the withholding requirement. The withholding company was to be required to provide the dividend recipient a withholding receipt although this might take the form of a notation on the dividend check or check stub of the amount of tax withheld. As in the 1942 plan, the paying company was to be required to withhold tax where the dividend payment was made to the shareholder's nominee. Provision for returns by witholding companies was to be made in regulations.

The 1950 plan was criticized primarily on the basis that it would require withholding on dividends paid to both nontaxable individuals and tax-exempt organizations. Moreover, it was argued, the plan would involve a good deal of expensive paperwork by the payor corporation with respect to very small amounts of dividend payments, a significant proportion of which would be nontaxable in any case. Furthermore, it was maintained that proper administrative procedures, for which adequate provisions were made in then existing law, would greatly increase taxpayer compliance. Specifically, the Bureau of Internal Revenue was directed to make fuller use of the information return, form 1099, which all payor corporations were required to file for all dividend payments in excess of $100.[1] The administrative problems of collating such information returns, many of which showed nominees or street addresses as payees, with individual tax returns, of determining any difference in aggregate dividend payments between amounts reported on the information return and those reported on the taxpayers' returns, and of determining the amount and collecting any tax due on the basis of such differences were not adequately or persuasively delineated to the tax-writing committees.

For example, take the not unreasonable case of an individual taxpayer owning shares, in, say, 10 companies, each of which makes a quarterly dividend payment. Some of these payments might well be below the minimum

[1] Currently, the payor corporation must file a form 1099 for all dividends which exceed $10 annually.

amount for which the payor is required to file an information return. Suppose, therefore, that 30 of the 40 payments involve the filing of an information return. Suppose, moreover, that in some of these cases, the taxpayer's minor child is registered as a coowner of the shares and the dividend is addressed to the child. With an adequate investment in machinery, the problems of collating the information returns, of associating them with the taxpayer's income tax return, and of determining the amount of any tax deficiencies would not be insuperable. Such machinery was not available to the Bureau of Internal Revenue in 1950, however, and is not now.

C. The 1951 plan

In connection with the Revenue Act of 1951, the Treasury proposed withholding on dividends, interest, and royalties at a 20 percent rate. As in the 1950 proposal, no exemption certificate was to be filed by the dividend, interest, or royalty recipient, although certain specified classes of payments were to be exempt from the withholding requirement.

On this occasion, the Committee on Finance spelled out its objections to the plan in considerable detail (S. Rept. No. 781, 82d Cong., 1st sess., pp. 65–67).

1. The committee indicated that although there may be substantial underreporting of dividend, interest and royalty income, it was not impressed by the results of the investigation presented to it and accordingly did not feel that a solution of the problem as drastic as that contained in the House bill was warranted. Specifically, the committee report pointed out that no information was available with respect to the number of persons receiving dividends, interest and royalties who do not file a tax return. Accordingly, accurate information was not available with respect to either (1) the number of individuals now required to file returns and who would be required to file for refunds or (2) the number of individuals who should file returns but do not do so. "Information of this type is essential to any appraisal of the need and the desirability for legislation in this area."

2. Withholding would impose expensive administrative burdens upon withholding agents and would work great hardships on many taxpayers. This hardship would be particularly severe with respect to nontaxable individuals and tax-exempt organizations who would be deprived of the use of amounts of tax withheld until such time as claims for refunds were processed and refunds were paid. The committee observed that no adequate system for providing quick refunds had yet been called to its attention.

3. The 20-percent withholding rate would be applied to dividends, interest, and royalties without allowance of personal exemtions. This would impose greater hardship on recipients of investment income, particularly those with large families, than is involved in the withholding on wage earners.

4. Substantial administrative burdens would be imposed upon withholding agents even though the proposed plan would not require payor corporations to notify stockholders of amounts withheld from dividends. Thus payor corporations, in the interest of good stockholder relations, would in practice be required to indicate to dividend recipients why dividend payments have suddenly been reduced and what the amount of tax withheld was in each case.

5. The plan would have required withholding on royalty payments. The committee was skeptical of the need for withholding in this area and assumed that virtually complete reporting was the practice.

6. The Senate Finance Committee asserted that more effective use of the information returns then required by the law would substantially improve taxpayer compliance in reporting receipts of dividends and interest.

The legislative history of efforts to withhold taxes on dividends and interest shows the following major objections:

1. The extent of under- or non-reporting of dividend and interest income has not been accurately or adequately expressed by those favoring withholding.

2. Statistical investigations have not adequately revealed the type of problems with respect to underreporting of dividends and interest, on the one hand, and of overwithholding on dividends and interest, should a withholding plan be adopted, on the other.

3. Compliance problems for withholding agents would be very great even if the withholding plan did not require the payor to furnish payees with formal withholding statements.

4. Any withholding plan would require development of a system of quick refunds for dividend and interest recipients who are either not taxable or who would have too much tax withheld. No adequate plan for such quick refunds has yet been presented.

III. A PROPOSAL FOR DIVIDEND AND INTEREST WITHHOLDING

The principal stumbling block to withholding on dividends and interest appears to be the problem of avoiding overwithholding on nontaxable individuals and tax-exempt organizations without imposing substantial compliance burdens on dividend and interest payors. The 1951 plan went far in the direction of eliminating compliance burdens for withholding corporations by requiring no withholding receipt and no elaborate return form to be filed with the Government at the time of remission of withholding taxes. Elimination of the receipt and return form requirements, however, necessarily involved across-the-board withholding at a uniform rate on the gross amount of dividends and interest paid. This necessarily involved overwithholding on payments made to tax-exempt organizations, nontaxable individuals, and individuals the effective rate of tax on whose total income is less than the withholding rate.

A compromise between considerations of avoiding overwithholding on the one hand and minimizing compliance burdens for withholding corporations on the other, therefore, is highly desirable. The following plan might well represent such a compromise without sacrifice of substantial improvement in compliance by individual dividend and interest recipients.

A. The basic withholding plan would be identical with that proposed in 1951

The payor company would withhold a flat percentage of dividend and interest payments. At present tax rates, this withholding rate would be 20 percent, i.e., the first bracket rate.[2] The payor would not be required to keep records of each dividend or interest payment or of the amount withheld with respect to each payment. The payor would not be required to submit withholding receipts to the individual at the end of each quarter. The payor would remit to the Internal Revenue Service 20 percent of the gross dividend and interest payments made (subject to the exceptions provided in the 1951 plan: cf. Revenue Act of 1951, H.R. 4473, sections 201–204). The dividend or interest recipient would make the following entries on his tax return: (1) the net amount of dividends and interest he received after withholding, (2) one-quarter of the net amounts received (i.e., if the withholding rate were 20 percent, the amount withheld),[3] (3) the sum of 1 and 2, which is the total dividend or interest received before withholding.

The taxpayer would compute his tax on his total taxable income including the amount in 3 and would take a credit against his final tax liability for the amount computed in 2.

B. The payor corporation would attach to the dividend or interest check, if the check were in an amount less than, say, $1,000, a simple refund claim form on which the dividend or interest recipient would indicate exemptions from tax on nontaxability either because of inadequate gross income, or deductions or exemptions in excess of income

The dividend or interest recipient completing this form would send it to the paying corporation, upon receipt of which the paying corporation would immediately refund the tax withheld. The quick refund, in other words, would be provided by the payor corporation rather than the Internal Revenue Service. The payor corporation would remit these refund claim forms to the Treasury quarterly as a basis for reimbursement by the Treasury for the refunds of overwithheld tax. The refund claim forms would then be used by the Internal Revenue Service as a check against individual tax returns. This would, of course, require elaboration of existing machinery for collating information returns with individual tax returns. Since such collating would be required only where the dividend or interest recipient actually claimed a refund, it may be fairly assumed that the magnitude of the collating task would be substantially less than that presently involved in tracing information returns to tax returns.

Further simplication might be achieved by requiring the payor corporation to attach refund claim forms only to the first quarterly or semiannual dividend or interest payment and to determine whether tax should be withheld on subsequent payments within the year on the basis of the dividend or interest recipient's response to the first payment.

The proposal to make payor corporation attach the refund claim form only in the case of dividend or interest checks in amounts less than the suggested $1,000 takes into account the fact that where dividend or interest payments exceed this amount the likelihood of overwithholding would be at best remote. In the case of interest payments this proposal might not materially reduce the load on the paying company in view of the likely concentration of interest payments at the lower end of the income distribution. In the case of dividends, however, providing that the quick refund mechanism would be available only with respect to dividends less than $1,000 could be expected to reduce paying corporations' compliance burdens quite significantly below what they would be if the refund claim form were to be attached to all dividend checks.

Admittedly this proposal would involve additional accounting burdens for dividend and interest payors. The magnitude of these burdens is clearly less than would be the case under a withholding plan involving filing of exemption certificates by the interest or dividend recipient. They are somewhat, but presumably only moderately, greater than those involved in the 1951 plan.

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[2] If allowance were to be made for the standard deduction in order to minimize overwithholding, the withholding rate would be 18 percent, as in the case of wage and salary withholding.

[3] If tax were withheld at 18 percent the amount of tax withheld to be reported by the taxpayer in this step would be 22 percent of the net dividend or interest receipt. The formula for determining this amount is T equals t_w divided by the quantity 1 minus t_w (net interest or dividend receipt), where t_w equals the withholding tax rate.

The possibility of eliminating the overwithholding problem by use of this device while substantially improving revenue collections from dividend and interest sources, however, must surely be more persuasive than the modest additional cost which would be incurred by dividend and interest payors.

WITHHOLDING INDIVIDUAL INCOME TAX ON DIVIDENDS AND INTEREST PAYMENTS

1. TECHNICAL FEATURES IN PROPOSAL FOR DIVIDEND AND INTEREST WITHHOLDING

Since, with the exception of the provision for quick refund, the dividend and interest withholding proposal outlined in the principal memo is substantially identical to the 1951 plan, the technical problems discussed in connection with that plan should be reviewed in connection with this proposal.

A. Coverage

As originally proposed, the 1951 plan was to apply to virtually all dividend and interest receipts of individuals. As passed by the House, however, the plan excluded withholding on interest on bank deposits and series E bonds even though these are the most important sources of interest for individuals.

Presumably, the basis for these exclusions was the complaint received from bank representatives that withholding on savings account interest would discourage savings by individuals. It was also argued that withholding on interest included in redemption proceeds on series E bonds would be regarded by holders of E bonds as a reduction in net interest yields and would, therefore, discourage E-bond sales.

Certain types of dividend and interest payments were specifically excluded from the 1951 plan either because the practical problems of withholding were too great or because the recipient was not generally subject to income tax. The specific exclusions were:

(a) Stock dividends or stock rights.

(b) Distributions to shareholders in connection with corporate reorganization and the redemption of outstanding stock.

(c) Dividends paid by Federal Reserve banks, Federal land banks, Federal home loan banks and cooperative banks.

(d) Dividends paid by a corporation, all the stock of which is owned by one or more (a) governments; (b) political subdivisions thereof; (c) international organizations; or (d) wholly owned instrumentalities or agencies of any of the foregoing if such instrumentalities or agencies are exempt from tax.

(e) Dividends and interest paid by a foreign corporation.

(f) Dividends and interest paid by one corporation to another corporation if both corporations are members of the same affiliated group which is required to file a consolidated return for the taxable year, or which did file a consolidated return for the preceding taxable year.

(g) Interest payments by State and local governments.

(h) Interest payments made by individuals.

(i) Interest paid on open accounts, notes, and mortgages.

(j)) Interest on equipment trusts.

(k) Tax-free covenant bond interest as defined in section 1451 (1954 Code).

(l) Interest and dividends subject to withholding under section 1441 (1954 Code).

(m) Dividends and interest on corporate obligations, issued prior to effective date of the withholding proposal enactment, paid pursuant to a lease under which the obligor is required by the terms of the contract to absorb the tax.

(n) Patronage dividends of cooperatives.

B. Withholding on bank deposit and series E bond interest

As noted above, withholding on bank deposit and series E bond interest was dropped from the 1951 plan on the basis that such withholding would discourage these forms of savings. The argument, in effect, assumes that the volume of such savings depends on illicit tax exemption for their interest accruals rather than on the rate of such accruals. Whatever objections may be raised to withholding on this type of income, certainly no serious consideration should be given to this argument.

Little difficulty is to be anticipated in withholding on individuals' bank deposit interest. The bank would reduce credit to individuals' accounts by the amount of tax to be withheld. These amounts would, of course, be remitted to the Treasury by the bank. The computation by the individual on his tax return for the amount of tax withheld on bank deposit interest would be the same as in the case of dividends. All the individual taxpayer would need to know would be the net amount of interest credited to his account annually.

There was some fear in 1951 that withholding on series E bonds would involve mechanical difficulties. The Treasury, however, submitted a plan whereby banks and other agents authorized to redeem E-bonds would be provided with tables showing gross redemption values, the amount of interest included in this redemption value, the income tax to be withheld on the interest and net amount to be paid at redemption. For example, the redemption of a $50 face-amount bond at maturity would include $12.50 interest on which tax in the amount of 18 percent would be withheld, resulting in a net redemption of $47.75. The individual taxpayer would, of course, gross up the $10.25 interest (equals net redemption proceeds minus original purchase price of $37.50) in the same manner that he would gross up net dividends receipts.

Additional tax or refund due on selected amounts of dividends, assuming integrated withholding and dividend received credit

Wages or salaries and amount withheld ( ) on such income	$100 ($14 withheld)		$500 ($70 withheld)		$1,000 ($140 withheld)		$10,000 ($1,400 withheld)	
	Tax liability	Additional tax due or refund ( )	Tax liability	Additional tax due or refund ( )	Tax liability	Additional tax due or refund ( )	Tax liability	Additional tax due or refund ( )
	A. Single person, no dependents							
0 (--)	----------	($14)	----------	($70)	$13	($127)	$1,683	$283
$1,000 ($60)	$67	(7)	$123	(7)	193	(7)	1,989	529
$2,000 ($240)	247	(7)	303	(7)	374	(6)	2,301	691
$5,000 ($780)	826	32	901	51	998	78	3,370	1,190
	B. Married person, 2 dependents							
0 (--)	----------	($14)	----------	($70)	----------	($140)	$956	($444)
$1,000 (--)	----------	(14)	----------	(70)	----------	(140)	1,154	(246)
$2,000 (--)	----------	(14)	----------	(70)	$6	(134)	1,365	(35)
$5,000 ($420)	$420	(14)	$476	(14)	546	(14)	2,067	247

NOTE.—Tax computation assumes deductions equal to 10 percent of gross income after dividend exclusion.

Mr. PROXMIRE. Mr. President, I further ask unanimous consent that the bill may lie on the desk for a period of 1 week, so that any Senator who may desire to do so may cosponsor it.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Wisconsin.

The bill (S. 2038) to amend the Internal Revenue Code of 1954 to provide for withholding of tax at source on interest and dividends, introduced by Mr. PROXMIRE (for himself, Mr. DOUGLAS, Mr. CLARK, and Mr. MCCARTHY), was received, read twice by its title, and referred to the Committee on Finance.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Pennsylvania.

Mr. CLARK. I wonder if the Senator would be willing to include in his material on withholding of taxes on dividends and interest, a reference to an exhaustive study made by Selma F. Goldsmith, of the Department of Commerce, entitled "Appraisal of Basic Data Available for Constructing Income Size Distributions." The study was published in volume 13 of the Conference on Research in Income and Wealth Studies by the National Bureau of Economic Research (1951) showed that 63 percent of all interest, 23 percent of all dividends, and only 5 percent of all civilian wages and salaries are not reported for income tax purposes.

Mr. PROXMIRE. I thank the Senator. I think the reference is a useful one. The facts cited from the study further demonstrate how much can be recovered by our Federal Treasury by providing for this very, very simple reform. From the standpoint of simple justice if a wage earner has his income tax withheld, certainly the recipient of dividends or interest should have his tax withheld.

THE SITUATION AT THE CAPE CANAVERAL MISSILE RANGE

Mr. HOLLAND. Mr. President, I believe that on yesterday all Senators noted a news item to the effect that all of the unions whose members are employed at the huge guided-missile base at Cape Canaveral, other than the one union which was striking, declined to honor the picket line, and did so on the ground of the importance of the work being done there. The necessity of protecting the tremendously important

national interest in that connection suggested their doing so.

A few minutes ago, I noted the following item on the Associated Press ticker:

CAPE CANAVERAL, FLA.—An attempt by striking carpenters to halt all union activity at the missile test center apparently failed today.

Other union workers refused to honor the carpenters' picket lines despite a show of strength by most of the 115 strikers.

A few hours later, business agents of other unions represented at the cape failed to show up at a meeting called by the carpenters.

The carpenters summoned the business agents to ask them to keep their union members off the job at the missile launchang area and nearby Patrick Air Force Base. However, only carpenters union representatives attended the session.

A carpenter spokesman expressed disappointment, but declined further comment. He said the union may still get the business agents together.

Mr. President, I wish to compliment the agents of the other unions and the members of the other unions for recognizing the supreme importance to the Nation of continuance of the vital guided-missile tests which are being conducted there, and for the action they have taken in refusing to recognize that picket line.

Mr. President, in a little lighter vein, let me say that at almost the same time, there came over the ticker the following item, also from Cape Canaveral:

CAPE CANAVERAL, FLA.—America's seven candidates for a trip to outer space today were given their first look at the launching site from where one of them will be blasted aloft in a rocket sometime in 1961.

The mercury astronauts arrived unheralded late last night "for familiarization of the Atlantic missile range and its facilities," an Air Force spokesman said.

Their schedule and the length of their stay was not announced immediately, but it was expected to be only several days.

Mr. President, it seems to me that nothing could more appropriately punctuate the point made by the earlier comment that the Nation's vital activities are involved in the operations there than the arrival of the astronauts there, today.

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, RELATING TO REPEAL OF PROVISIONS ALLOWING CERTAIN TAX CREDITS

Mr. McCARTHY. Mr. President, earlier today, on behalf of myself, the Senator from Pennsylvania [Mr. CLARK], the Senator from Illinois [Mr. DOUGLAS], and the Senator from Wisconsin [Mr. PROXMIRE], I introduced a bill which provides for the repeal of section 34 and section 116 of the Internal Revenue Code of 1954. This is the section which allows credit against tax and exclusion from gross income for dividends received by individuals. It is estimated that the removal of this privilege will produce approximately $400 million a year in additional revenue for the Federal Government.

Members of the Senate are familiar with the background of these provisions in the Internal Revenue Code. In the early years of income tax legislation, a situation arose under which a man who received income from salary and wages payed a smaller tax than the man who received the same amount of income from dividends. This disparity was eliminated by the Tax Adjustment Act of 1943, when the law was changed so that those with incomes from dividends paid a tax which was equal to that paid on similar incomes derived from wages and salaries. In 1954, the tax bill, which was passed with the strong support of Secretary of the Treasury George Humphrey, gave preferential treatment to those with incomes from dividends. The act of 1954 provided a $50 deduction for dividend income in addition to the regular deductions which were given to all taxpayers, and it provided for a straight deduction from income taxes of an amount equal to 4 percent of the dividend income up to 4 percent of the individual's taxable income. The original bill proposed by the Treasury proposed a tax deduction which would have risen to 10 percent. The amount was reduced to 4 percent. This provision, it should be noted, is not a deduction from taxable income, but a tax credit; in other words, a deduction from the tax itself, and is determined in this way: After the tax liabilities of taxpayers are determined, a man with income from dividends is permitted to subtract from this amount an amount equal to 4 percent of the amount of his dividends, with a top limit of 4 percent of his taxable income. A man who receives an income from salary or wages has no such privilege.

The arguments advanced for this preferential treatment included, first, the argument that the tax laws had been devised to punish success since the tax laws encouraged people to invest in tax-exempt rather than in risk-capital through stock purchases. In my opinion, this point was never proved, but if it were true in 1954, the proper action, it seems to me, should have been by way of removing the tax exemption from bonds. In any case, no one could call the stock market sluggish today. On the contrary, if there is need for incentive, it is to encourage people to buy government securities, either State or Federal.

The basic question is whether special treatment should be given to the man whose income comes from investments in corporate securities, as against a man whose income comes from wages and salaries. There is nothing in my bill which discriminates against the investor, and it is not a soak-the-rich proposal. The man who invests is entitled to his income. Investment capital is needed in our economy just as labor is needed. The question, however, which is important here, is whether or not income from investments is to be given preferred tax status as against income from labor. It is my opinion that income gained in the way of wages and salaries should not be taxed more heavily than income from investments.

The second argument which was advanced for the administration bill of 1954 was that section 34 and section 116 would decrease the burden of double taxation. The argument was that, since corporations had already paid a tax on profits, it would be double taxation if individual investors should pay individual taxes on their dividends.

We must recognize that nearly all particular taxes are compromises of competing claims—economic or social desirability, plus consideration of ease of administration, and, in some cases, political expediency.

It also should be noted that the imposition of two or more taxes on the same income has considerable precedent, and is not necessarily unjustified.

A person is taxed once on income he receives, and again when he spends it on any of the many items that carry excise taxes—cars, gasoline, jewelry, tobacco, and so forth.

A farmer pays a property tax on the value of his land, and the size of the tax is closely related to the income the farm will yield. Then he is taxed by the Federal Government, and, in many States, by the State government on the income the land produces.

When a man with income from salary or wages hires help for his family, the wages he pays were first taxed as his income, and are then subject to tax on his employee's income.

Of course, legally, the corporation tax and the tax on dividends to individuals do not result in double taxation. The corporation and its stockholders are, by law, different persons from the individuals who are taxed on their dividend income.

But even in the economic sense, the taxation of dividends is not usually double taxation in the strict sense of the term. In the case of the large corporation, it requires little imagination to note the separation of the stockholders and the corporation. Taxing both the profits of the public corporation and the dividends received by the stockholders is not so much double taxation of the same income as separate taxation of the income of two related economic entities. It is on this basic that undistributed profits of a public corporation are not included in the taxable income of the stockholders. None of the supporters of the dividend credit are urging that undistributed profits of corporations be assigned to stockholders annually, and thus become subject to personal income tax rates.

Richard Goode, in his excellent work on the corporation income tax, points out that the validity of the double taxation criticism is limited also by the effect of the corporation tax on the prices of stocks. The corporation income tax should be reflected in the market price of stocks. An anticipated increase in corporation income tax should be reflected in a decline of the price of stocks. An anticipated reduction should normally be reflected also in an increase in the market price of stocks. A corporation tax is, in effect, a one-time levy on stockholders. It immediately depresses the value of the stock. Stockholders who later buy the stock escape the tax. And since stock ownership changes so

frequently, it seems unlikely that many present owners are subject to double taxation.

Actually, the corporation profits tax is largely a regressive tax. Its cost is ultimately paid by the consumer who purchases the company's goods or services—and to this extent it is more of a sales tax than a corporation tax. In effect, corporations tend to price their goods to the level that they will be able, after taxes, to pay dividends comparable to what the investors would receive even if there were no tax. The pertinent question for the Senate is whether the corporation profits tax is inequitable, whether it actually is so high as to injure the economy. If so, the proper step is to reduce the corporation tax.

We all recognize that overlapping of taxation is inevitable whenever revenues come from more than one source. If paying a tax on dividends is double taxation, then there is scarcely a taxpayer who cannot complain of double taxation in comparable instances. The fact is that the individual investor pays only one tax on his personal income. If we decide to give deductions for every claim of so-called double taxation, there will not be much left of the local, State, and Federal tax structure.

Finally, there is no evidence that those who benefit by the dividend credit and exclusion section are in need of special tax relief. In 1955, for instance, 75 percent of all reported dividends were contained in only 2.2 percent of the returns filed. No studies have indicated that this small percentage of our population is in greater need than those who make their income by working for wages or salary.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table drawn up last year by the Senator from Illinois [Mr. DOUGLAS].

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Married taxpayer with two children and income of $10,000 per year

JOINT RETURN OF TAXPAYER A—ALL INCOME FROM WAGES AND SALARY

Income	$10,000.00
Less 10 percent standard deduction	1,000.00
Income after deduction	9,000.00
Less personal exemptions	2,400.00
Taxable income	6,600.00
Tax owed	1,372.00

JOINT RETURN OF TAXPAYER B—ALL INCOME FROM DIVIDENDS [1]

Income from dividends	$10,000.00
Less dividend exclusion	100.00
Income after dividend exclusion	9,900.00
Less 10 percent standard deduction	990.00
Income after 10 percent standard deduction and dividend exclusion	8,910.00

[1] Stock on which dividends paid owned jointly by husband and wife.

Married taxpayer with two children and income of $10,000 per year—Continued

Less personal exemption	$2,400.00
Taxable income	6,510.00
Tax liability before credit	1,352.20
Less 4 percent of dividends up to 4 percent of taxable income	260.40
Tax owed	1,091.80
Difference between taxpayer A and taxpayer B	280.20

Mr. McCARTHY. Mr. President, this table illustrates the tax difference between a family which receives $10,000 a year from salaries as compared with the tax of a similar family with the same income from dividends. The tax advantage to the family living on dividends is $280.20, or 20.4 percent. My bill will remove this disparity. I believe that the Congress will be acting responsibly in taking this step to put taxpayers on an equal basis—and at the same time raise an estimated $400 million in revenue.

The PRESIDING OFFICER. The bill will be received and appropriately referred and, without objection, the bill will lie on the table, as requested by the Senator from Minnesota.

The bill (S. 2036) to amend the Internal Revenue Code of 1954 to repeal provisions allowing credit against tax and exclusion from gross income for dividends received by individuals, introduced by Mr. McCARTHY (for himself, Mr. CLARK, Mr. DOUGLAS, and Mr. PROXMIRE), was received, read twice by its title, and referred to the Committee on Finance.

Mr. McCARTHY. Mr. President, I ask unanimous consent that the bill I have introduced may lie on the table for a week so that other Senators may sponsor it if they wish to do so.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. PROXMIRE. First, I should like to commend the Senator from Minnesota for what he has done. I think he is completely right. There is no question that the present dividend exclusion is discriminatory and favors the dividend recipient. There is no reason for it. The fact that corporation income is taxed is no ground for excluding dividend income from taxation. It is just as illogical to say that, because a corporation pays an income, the same income should not be taxed when it goes in dividends to a stockholder, as it is to say that an individual who owns a home and pays an income tax to the Federal Government should not have to pay a tax to the local government on the property he owns because that tax is just as much a tax on his income. True, it is in a different form, but the fact is that the tax reduces his income, and comes out of his income, and has to be related to his income. Therefore, as the Senator from Minnesota has so well said, there is a combination and a cascading of taxes on some incomes. When a person pays a sales tax or an excise tax, the same thing occurs.

Mr. McCARTHY. The Senator from Wisconsin is exactly correct. The point the Senator makes applies even more pertinently to the whole area of sales taxes. This is the most obvious case of double taxation. Since a man's income is taxed when he receives it, if, when he spends what is left, he is assessed a sales tax, it is clearly a case of double taxation.

Mr. PROXMIRE. I should like to ask the Senator from Minnesota a further question. Is it not true that the corporate income tax, in the judgment of many economists, does not fall exclusively on the stockholder, but falls in many cases on the customer and falls to some extent on the wage earner who works for the particular corporation? All the people who contribute to the corporate entity, whether they contribute as customers, wage earners, or stockholders, have their income diminished.

Mr. McCARTHY. I will say to the Senator from Wisconsin that in the opinion of most of the tax economists it is essentially a regressive tax. It is my opinion that is the reason why, at the time the particular exclusion was given in the way of dividend income—when Congress had the easy choice of reducing, if they wished to, the rate of tax of corporate income—the choice was made, because the corporate income tax is essentially regressive and is in the nature of a sales tax.

Mr. PROXMIRE. I thank the Senator from Minnesota.

AMENDMENTS OF THE INTERNAL REVENUE CODE

Mr. CLARK. Mr. President, I am happy to join with the senior Senator from Illinois [Mr. DOUGLAS], the junior Senator from Wisconsin [Mr. PROXMIRE], and the junior Senator from Minnesota [Mr. McCARTHY] in sponsoring these bills to close tax loopholes.

On the 5th of March I made a speech on the floor outlining my views as to why the budget of the President was inadequate and insufficient to meet the needs of our national defense and of our domestic economy. At that time, I suggested 11 specific tax loopholes which, if closed, would raise an additional $7 billion of revenue, or enough to permit additional appropriations of from $4 billion to $5 billion in the coming fiscal year and still leave a substantial surplus to make a payment on the national debt.

The bills which have been introduced this afternoon are the first step to achieve that result.

I wish to state how grateful I am to my colleagues for joining in the introduction of these bills. I wish to be the first to acknowledge that the Senator from Wisconsin and the Senator from Illinois were ahead of me in introducing the bill reducing the oil depletion allowance—and this is no doubt true of several other Senators.

Before very many more weeks have passed, there will be additional bills introduced to close other loopholes. Next week when the Treasury-Post Office appropriation bill comes before the Senate,

we shall have an opportunity to provide funds to increase the number of internal revenue enforcement personnel, and, by virtue of the additional verifications and audits of tax returns which the increased personnel can perform, obtain many hundreds of millions of dollars in additional revenue.

Mr. President, the purposes for which revenue raised by closing loopholes could be used are threefold. First, it would provide funds for additional publice services, such as schools, urban renewal and housing, area redevelopment, hospitals, medical research, and the like. Second, it would make available sums for debt retirement. Third, it would permit, eventually, I hope, tax reforms which would make our tax system more equitable than at present.

Mr. President, we had in mind presenting these loophole-closing bills in the form of amendments to the insurance tax bill which passed the Senate earlier this week, but we did not wish to complicate that bill with amendments which had not been adequately discussed in the Senate at this session. Accordingly we determined on the procedure we have followed this afternoon.

I hope our friends on the Finance Committee, to which I assume these bills will be referred, will give them careful consideration and will indeed hold hearings on them, because, Mr. President, it is our intention to bring these bills forward as proposed amendments to later tax legislation, in the constitutional manner provided by law, when proposed tax legislation comes to the Senate after having been passed by the House of Representatives.

We hope very much that when we do propose these bills as amendments to pending tax legislation we shall not be met with the argument that this is a matter being raised for the first time, or that the committee has had no opportunity to consider the proposals; because the bill which is before the Senate may have to be passed within 1, 2, or 3 days in order to prevent existing tax legislation from expiring. So that such may not be the fact, we are bringing these bills before the Senate and engaging in this discussion of them on the 21st day of May, in order that about 6 weeks of notice can be given before the bills are actually brought to a vote in the form of amendments.

Mr. President, on behalf of myself, the Senator from Illinois [Mr. DOUGLAS], the Senator from Wisconsin [Mr. PROXMIRE], the Senator from Minnesota, [Mr. MCCARTHY], and the Senator from Maine [Mr. MUSKIE], I introduce for appropriate reference, two bills dealing with deduction for expense account spending; the first to amend the Internal Revenue Code of 1954 to provide for additional information on certain returns, and the second to amend the Internal Revenue Code of 1954 to prohibit the deduction of certain expenditures as trade or business expenses.

I ask unanimous consent that the bills lie on the table for 1 week in order that additional Senators may have an opportunity to join as sponsors.

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The PRESIDING OFFICER. The bills will be received and appropriately referred; and, without objection, the bills will lie on the table for 1 week.

The bills, introduced by Mr. CLARK (for himself, Mr. DOUGLAS, Mr. PROXMIRE, Mr. MCCARTHY, and Mr. MUSKIE), were received, read twice by their titles, and referred to the Committee on Finance, as follows:

S. 2039. A bill to amend the Internal Revenue Code of 1954 to provide for additional information on certain returns; and

S. 2040. A bill to amend the Internal Revenue Code of 1954 to prohibit the deduction of certain expenditures as trade or business expenses.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield to the Senator from Texas.

Mr. YARBOROUGH. I wish to commend the Senator from Pennsylvania for his announced determination to seek additional funds for the Internal Revenue Service, so that there may be a reasonable number of agents provided and so that a reasonable check may be made with regard to some of the loopholes which have been discovered and with regard to the failure of certain persons to file adequate tax returns.

Mr. CLARK. I thank my friend for his support, and I look forward to working with him on the floor next week in an effort to have that done.

Mr. President, it appears that from $5 to $10 billion are being spent annually on expense accounts, which are claimed as business expense deductions for income tax purposes, at an estimated revenue loss of from $1 to $2 billion. It is my view that a large portion of these expenditures should not be allowed as deductions, and I estimate that the enactment of these bills would raise at least an additional $800 million in taxes a year.

Most of these expenditures are in the following categories: Entertainment at nightclubs, theaters, sporting events, maintenance or operation of yachts or seasonal or vacational lodges or houses, gifts, dues or initiation fees in social organizations, and traveling expenses to conventions outside the United States.

A well-advised individual quoted in an article by V. Henry Rothschild and Rudolph Sobernheim in the July 1958 issue of the Yale Law Journal stated, with respect to the expense account aristocracy:

In cities like New York, Washington, and Chicago it is safe to say that at any given moment well over half the people in the best hotels, restaurants, and nightclubs are charging the bill as an expense of their company.

Uncle Sam pays 52 percent of the cost of the theater tickets or nightclub performances, all on the theory that this is a justifiable business expense.

I make the statement that permitting this type of tax deduction lowers public moral standards and results in an utterly unjustifiable reduction of the revenue which the Federal Government is entitled to receive.

Mr. President, the two bills I am introducing at this time have a common objective: to raise a substantial amount of public revenue by ending tax abuses permitted by that popular business device—the expense account.

As I stated before, expense account spending has been estimated by a Revenue Service spokesman to total between $5 and $10 billion a year, and the annual total has been increasing sharply in recent years. Deductions claimed for these sums have been computed to result in an annual revenue loss of from $1 to $2 billion.

The Internal Revenue Code permits expense account spending to be deducted by corporations and business executives as "ordinary and necessary expenses in carrying on a trade or business," if certain broad administrative standards are met.

This general rule permitting deductions of "ordinary and necessary" business expenses has probably been the subject of more tugging and hauling by taxpayers and tax lawyers on one side and internal revenue representatives and courts on the other than any rule of comparable length ever devised by Congress. Under the circumstances it is scarcely surprising to find that the words "ordinary and necessary" have been tortured to cover some rather "extraordinary and unnecessary" deductions.

Thus in one recent case the $17,000 cost of a 6-month big game safari to Africa by the head of a dairy company and his wife was held to be an "ordinary and necessary" business expense of the dairy because of the promotional value to the business of the game and film brought back. The facts that this fortunate couple were "both experienced hunters" and that their trip included stopovers in London, Paris, and Rome on the way to Africa were not considered to contradict the tax ruling in any way.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. YARBOROUGH. Is the Senator from Pennsylvania of the opinion that shooting lions and elephants in Africa increased the yield of milk of the cows of the dairy owner who charged the safari trip to his expense account?

Mr. CLARK. It is for the very reason that I have hesitated to accept that theory that I have introduced the proposed legislation.

Mr. President, the situation is so ridiculous that it almost speaks for itself. My good friend from Texas, who comes from a cattle-producing and dairy State, can judge far better than I what the effect of the safari on the milk yield of the cows in question would be. I think he is correct in assuming that it would be very little, indeed.

In another case a prominent movie actress was allowed to deduct as ordinary and necessary business expenses, the costs of gifts of a $775 oil painting to her agent, a $920 silver tea set and coffeepot to her dialog director, and an $810 gold necklace and gold clips to her dress designer. In each instance, the actress certified and the tax authorities found that the gift was made solely for business, not personal reasons, and that its

value was commensurate with the services rendered. One may be permitted a doubt as to whether similar gifts by a surgeon to his operating room staff or a school principal to his teachers would have been held deductible.

I wonder what the national bank examiners would have done if the president of a bank had made similar gifts to customers of the bank and attempted to charge them off as business expenses. Mr. President, permitting the cost of gifts between businessmen to be charged as tax deductions is a racket, and the Congress should put an end to it.

Other rulings have allowed as deductible business expenses part or all of the costs of food and liquor at nightclubs, tickets for hit musicals, expenses of attending the Kentucky Darby, the Mardi Gras, football games, country club dues and initiation fees, the costs of maintaining seasonal residences, yachts, and hunting lodges.

In almost all of these instances the auditing agent is faced with a well-nigh impossible task of determining whether the entertainment expense was undertaken primarily for reasons of personal pleasure or for reasons of duty and business and then of allocating costs accordingly.

I contend, Mr. President, that the Government should cease to subsidize the yacht and lodge owners, the Stork Clubs, and the theatrical and sporting events in America by this indirect means. If the privileged few in business circles who enjoy the luxuries permitted by the expense accounts wish to continue to do so, let them do it at their own expense as in the case of the overwhelming majority of other taxpayers.

Expense account spending would be nondeductible on income tax returns under one bill I am sending to the desk on behalf of the senior Senator from Illinois [Mr. DOUGLAS], the junior Senator from Wisconsin [Mr. PROXMIRE] and the junior Senator from Minnesota [Mr. MCCARTHY], if the money has been used for entertainment at night clubs, theaters and sporting events. Similar tax prohibitions would cover spending for maintenance of yachts and hunting lodges, gifts between businessmen, country club dues and travel to conventions outside the United States.

It will be said that tighter administration of existing tax laws could rule out most claims for deductions in these cases, and that no change in the law is necessary. This may be true in theory, but it belies the facts.

Once an extension of deduction privileges for expense account spending is conceded it tends to become considered as a fixed and definite right by all taxpayers affected. Administrative attempts to tighten the rules and exclude such expenditures from privileged tax status raise immediate and overpowering opposition.

The tax amendment proposed would prevent a corporation or business executive from claiming as deductions the sums spent for items on which the return to the taxpayer in terms of personal services is apt to be high and the business purpose subordinate or indistinguishable. To force auditing agents to pass on the reasonableness of claims when the personal and business purpose of the expenditures are almost sure to be blurred is totally unrealistic.

I do not pretend that the list of items cited in this bill will eliminate all tax abuses in the expense account field. It would eliminate some of the worst. Perhaps hearings will indicate that the list should be lengthened or revised. I hope very much that such hearings will be scheduled on this and other bills dealing with tax loopholes bills to be introduced.

The second bill which I am introducing at this time on behalf of Senators DOUGLAS, PROXMIRE, MCCARTHY and myself is designed to enable the Internal Revenue Service to enforce existing rules regarding all expense account deductions more thoroughly.

Corporations and other employers are today required to file information returns in the case of compensation payments of more than $600 per person. The amounts included on those returns, however, are only those which the employer regards as compensation. The purpose of this bill is to permit the Internal Revenue Service to acquire information as to employer payments whether or not the employer regarded them as compensation. In this way the payments would be identified, and the Service could independently consider payments taxable to the employee or nontaxable reimbursements of expenses.

Two exemptions are contained in the bill. The first would eliminate reporting of payments totaling less than $200 to any person per year, and the second exempts disclosure of payments made equally available to all employees or class of employees, unless the group consists primarily of officers, shareholders, or highly compensated employees.

The additional control that this proposal would give over expense account deductions would act as a brake on loose use of this item on tax returns.

Anyone who doubts the effectiveness of such a move should review the history of a recent proposal in this field. In 1957 the Treasury Department put out a tax form containing a new line 6–A to require total reimbursed expenses to be reported in the employees gross income and claimed business expenses to be deducted with appropriate itemization. Strong protests from many quarters led to the abandonment of this requirement in short order. "You have no idea of the pressure that was brought on the Service from people who get expense account money" said one official of the Internal Revenue Service.

The proposal made in this bill was favored by the Treasury in the past—H.R. 7893, 82d Congress, 2d session, section 104—and the exemptions which are included make the proposed requirement entirely reasonable.

Mr. President, I enjoy luxuries as much as does the next man, but I see no reason why such services should be subsidized by the U.S. Treasury. It is no longer open to question that expense accounts, which are enjoyed by the privileged few, are widely and flagrantly abused. These bills will eliminate some of the worst abuses and provide the administrative means to eliminate others.

Mr. President, I yield the floor.

IRRESPONSIBLE STATEMENT BY JAMES HOFFA

During the delivery of Mr. CLARK'S speech,

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. CLARK. Mr. President, I ask unanimous consent that I may yield to the Senator from Delaware without losing my right to the floor and that his remarks may be printed in the RECORD after the conclusion of my remarks, since I should like to have my remarks connected with the remarks of the Senator from Minnesota and of the Senator from Wisconsin.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania? The Chair hears none, and it is so ordered.

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an editorial which was published in today's issue of the Wall Street Journal entitled, "The Public Be Damned."

This editorial calls attention to the recent irresponsible statement by James Hoffa, when he threatened Congress and the American people with a nationwide strike as a protest against any law he did not like.

This statement by Mr. Hoffa demonstrates the great need for Congress to pass adequate legislation curbing the power of such arrogant and irresponsible individuals.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE PUBLIC BE DAMNED

It was a long time ago that one of our leading tycoons, questioned about the public interest in a private decision he had made, was quoted as saying, "The public be damned."

Nonetheless, the phrase has passed into history as a symbol of arrogance and ruthlessness on the part of private power over the public weal. It is usually encountered in schoolbooks under a Nast cartoon portraying the stereotyped "robber baron" of the turn of the century.

Yet the Goulds, the Fisks, the Vanderbilts, the Rockefellers and all the rest had in their day not so much power all combined as one or two men each now holds in their little fingers. And just the other day, one of these men, Jimmy Hoffa, told us how he might use that power, though later he promised not to use it right now.

Mr. Hoffa, the durable boss of the Teamsters Union, envisioned one solitary strike throughout the United States to tie up all the employers of the Nation at one time. And his threat was given a rousing endorsement by William Bradley, president of the International Longshoremen's Union.

Now the cause of all this is the fact that the Congress of the United States is considering legislation to regulate labor unions. In one much discussed bill the regulation is so mild it would hardly affect Mr. Hoffa's power at all; even in another form it would seek only to apply to the conduct of some labor unions the same legal restrictions, such as the antitrust laws, that apply to other types of economic organizations of people, such as shareholders in a business.

But Mr. Hoffa disapproves. So does Mr. Bradley. Disapproving, they are prepared to show employers a thing or two. And the Congress. And the public. For a general strike is a strike against everybody, big employers, little employers, housewives, and employees everywhere who may not share the Hoffa views but who are put out of work just the same.

Technically speaking, the Messrs. Hoffa and Bradley may not be able to order the steelworkers or the bakery workers not to work. But they can order the longshoremen not to load cargo and the truckdrivers not to carry it, and when the members do as they are told it will not be long before there is no steel in the shops and no bread in the stores.

Now the disturbing part of all this is that under our present laws no one can say "nay" to the Messrs. Hoffa and Bradley. Or to Mr. McDonald if he wants to shut down all the steel mills. Or to Mr. Reuther if he wants to shut down all the auto factories.

And the shocking part of it is that the public has not only let this power grow but seems to be apathetic about its continuance. People can get excited when some labor official, as many have, dips his hand in the union till or has somebody knocked in the head. Very few show concern about the power of unions to knock the country in the head.

Perhaps it's just one of those cases where people ignore a threat until it becomes a real disaster; a "Mein Kampf" always seems too arrogantly fantastic to be true. If so, no one ought to be surprised if one day a Jimmy Hoffa says "the public be damned"—and the public finds that it is.

WHEAT ACT OF 1959

The Senate resumed the consideration of the bill (S. 1968) to strengthen the wheat marketing quota and price support program.

Mr. CURTIS. Mr. President, I wish to speak briefly on the pending legislation, Senate bill 1968, a bill dealing with the support price on wheat and the wheat program.

I regret that this bill is before us. It seems to me that we should have a better program for our wheat farmers. I offer no criticism of individual members of the Committee on Agriculture and Forestry, or of individuals in the Department of Agriculture; but it seems to me that the bill falls far short of being of value to the wheat farmers and the consumers of bread, or to the U.S. Treasury.

As I understand, the bill would call for a reduction of the support price on wheat to 65 percent of parity unless the farmer should choose to cut his acreage by 20 percent.

It is debatable how many farmers would choose to cut their acreage by 20 percent. Some would. Perhaps all of them would be compelled to increase their production per acre. The costs to a farmer are so great that he must produce every bushel he can in order to remain in business.

I do not believe that the passage of the bill would reduce the amount of wheat production. It would lessen the income of our wheat farmers. This is particularly true if the farmers, as individuals, find it impossible to apply the 20 percent acreage reduction.

We should bear in mind that the acreage has been reduced and reduced, year after year. We should also bear in mind that the proposed legislation would in no sense reduce the cost of bread or of other food made from wheat. For many years we have seen the price of wheat go down. Likewise, we have seen the price of bread go up. That situation is true now, and it has been true for some years. If we should lower the price of wheat—and the support price does fix the price of wheat—when we know that such action would not lower the price of bread, who would gain?

The economics of the bill need further scrutiny. The bill in its present form is of very doubtful value. I am unable to state exactly how much wheat the Federal Government owns. It is reported to be in excess of a billion bushels, perhaps a billion and a third. If the support price fixes the market price of wheat, and Congress lowers the support price of wheat, we will also lower the value of the wheat owned by the Government by several hundred million dollars. Again I say that the economics of the bill need some attention. I cannot see how it will benefit the farmers, the consumers, or the Federal Treasury.

Mr. President, I would have no right to criticize the proposed legislation if I did not suggest something else. The organized wheat growers of the country and many individual wheatgrowers favor what is called the domestic parity plan. It is before the Senate. It has been offered by the distinguished Senator from Kansas [Mr. CARLSON]. Other Senators have joined as cosponsors. Many persons believe it would work, and a sizable group of wheat producers want it enacted. It will lessen the cost to the Federal Treasury. It will increase the income of wheat farmers. It is based on the principle that that part of our wheat production which is consumed in our country should have a fair American price, and that if production goes over that, a lower price should prevail in order to export the wheat and use it for other purposes.

That is my first suggestion.

My second suggestion is that the Government ought to be about the business of providing greater uses for the products of farms. About 3 years ago I sponsored legislation which created a Presidential commission to recommend industrial uses of our farm surpluses. They made an excellent report. The Senate last year passed a bill to implement that report. The Committee on Agriculture and Forestry has again reported such a bill. It has not yet been called up. I am sure it will be.

However, the entire program has not moved forward as it should have done. Bureaucracy is not excited about it. All through the years, ever since the Department of Agriculture has been created, the bureaucrats have made no noticeable efforts to find new uses for what the farmers produce. They have resisted the creation of the President's bipartisan commission to find new uses. The bureaucracy have not backed legislation to implement the recommendations of the commission as they should. They will go along if they are forced to do so, provided every little nook in the bureaucracy can have something to do with it and maintain or enlarge its domain.

What we need, Mr. President, is to have someone become excited about the farm program, and do something for agriculture, rather than to maintain the status quo in the Department of Agriculture, or to enlarge the scope of the Department of Agriculture and the various sections of it, because people are interested in having bigger and better jobs.

Mr. President, the hour is late. I merely wish to recite a few illustrations. I hold in my hand a piece of paper. We are short of paper in this country. We must import it. Quite often the publishers of the country become concerned about the short supply of paper.

We could add to the present ingredients of paper about 10 percent by the use of starch made from farm products. However, if we folded the paper it would be brittle and would crack. Scientists tell us it is a small undertaking in research to overcome the brittleness. Yet nothing is being done about such research, because our program of research and pilot development and finding new uses is stalled on dead center. Were we to put 5 percent of starch from our farm surpluses into the paper used in the country, it would take 100 million bushels of grain.

That is only one use.

At the present time there is a great need in industry for industrial alcohol, plastics, fuels, and everything else that is derived from alcohol. It is not made from farm products, because it can be made cheaper from petroleum.

That does not have to be the answer. The way alcohol is made now from farm products is through the fermentation process. After the starch is taken out of the surplus grains and alcohol is made from it, the residue is not fit for human consumption. It is a high protein and very good for livestock, but it is a waste product so far as human food is concerned.

It is believed by many capable scientists that, with a little research, we can separate the starch from the protein in our surplus grain and have remaining a protein residue which is fit for human consumption. That protein residue then will have a very high value. It will sell by the pound, instead of by the ton. It will no longer be a waste product.

Second, the starch which is turned into alcohol will be a byproduct. It will be much cheaper. It will compete with alcohol made from other sources.

I might add, Mr. President, that there is no surplus of protein in the world. Our surpluses are in starch. All the foreign countries want protein. If the required research and development could be carried on, so that we could have a concentrate of protein, there would be a market for it throughout the world. At this time Italy realizes that a diet of macaroni and spaghetti has its deficiencies, even though it is very tasty, and that the Italian people need more proteins. We could take our farm surpluses, remove the starch from them, turn them into industrial uses, and have a concentrate of protein, with a great sale value and a worldwide market.

Mr. President, the recommendations of the Welsh Commission, the bipartisan Commission appointed by the President, call for a program of broad research and pilot testing and trial commercialization. These things are the answer not only to the wheat problem but also to the problems of agriculture generally.

The task force on sugar, potatoes, and all the other products pointed out that industry can use our surplus agricultural products. The earth produces 250,000 plants; but not more than 150 have ever been domesticated—not 150,000, but 150. It remains for research to find industrial uses for the rest of those plants, whether those uses be for paints and varnishes, or drilling muds, or paving materials, or what not. Thus they will have a value. Also, the good earth will produce things besides food.

The bill before the Senate continues up the same blind alley of not bringing relief to farmers, not enlarging markets, not saving the Federal Government money, and certainly not doing the consumer any good.

Mr. President, I am disappointed with the bill. I hope its basic premises can be reexamined. I hope the amendment which will be offered by the distinguished junior Senator from Kansas [Mr. CARLSON], providing for the domestic parity plan, will be adopted.

I urge, although it is not a part of the proposed legislation, that the program of industrial uses for farm products move forward. It is my hope that someone wil rise up in the bureaucracy and decide that Government agencies have a responsibility to find markets for the farmers of the country.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

The PRESIDING OFFICER. Pursuant to the order previously entered, the Senate will stand adjourned until 10 o'clock tomorrow morning.

Thereupon (at 6 o'clock and 51 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Friday, May 22, 1959, at 10 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate May 21, 1959:

DIPLOMATIC AND FOREIGN SERVICE

John M. Cabot, of the District of Columbia, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Brazil.

The following-named persons for appointment as Foreign Service officers of class 4, consuls, and secretaries in the diplomatic service of the United States of America:

Harry Grossman, of California.
Paul Kelly, of Pennsylvania.
Edward W. Lawrence, of Virginia.
Robert F. Lent, of New York.
Henry C. Martin, of Virginia.
George Lewis Warren, Jr., of Connecticut.

Miss Emily C. Cox, of South Carolina, for appointment as a Foreign Service officer of class 5, a consul, and a secretary in the diplomatic service of the United States of America.

The following-named persons for appointment as Foreign Service officers of class 6, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Mrs. Erna V. Beckett, of California.
Miss Evelyn Blue, of New York.
Miss Jean M. Chisholm, of Minnesota.
Miss Edna Grenlie, of Wisconsin.
Clement J. Mulligan, of Maryland.
William E. Paul, of Pennsylvania.
Rafael F. Torres, of Texas.
Mrs. Marguerite Whitehead, of Washington.
Deering E. Wilson, of Indiana.

The following-named persons for appointment as Foreign Service officers of class 7, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Robert G. Adam, of California.
Josiah H. Brownell, of Iowa.
Maurice C. Burke, of Massachusetts.
Allen Cooper, of New York.
John M. Curry, of New York.
Charles S. Hellyer, of Florida.
Miss C. Patricia Junk, of Ohio.
James E. Kiley, of California.
Miss Loreice E. Lutfy, of Michigan.
Paul B. McCarty, of Massachusetts.
Miss Carmen McKee, of Washington.
Louis M. Marrano, of California.
Miss Georgiana M. Prince, of Illinois.
John Susko, of Pennsylvania.
Miss Martha E. Turnbull, of Ohio.
Elwin T. Vangas, of New Hampshire.
Robert E. Waska, of Texas.

The following-named persons for appointment as Foreign Service officers of class 8, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Robert L. Bruce, of California.
Homer M. Byington III, of Connecticut.
Thomas J. Carolan, Jr., of Maryland.
Allen E. Caswell, of New York.
Gordon A. Cornell, of Massachusetts.
William O. Dingwall, of Maryland.
Frazier Draper, of Florida.
Brandon H. Grove, Jr., of New York.
James T. Hackett, of California.
Keith M. Heim, of Nebraska.
Henry A. Holmes, of the District of Columbia.
Miss Carolyn E. Kingsley, of Minnesota.
William H. Mansfield III, of Connecticut.
Frank Micelotta, of New York.
William G. Miller, of Massachusetts.
Gerald Joseph Monroe, of New York.
Albert W. Noonan, Jr., of Illinois.
William Ophuls, of New York.
Nicholas Platt, of the District of Columbia.
Russell O. Prickett, of Minnesota.
Walter F. Schepp, Jr., of New York.
Robert Siegel, of New York.
Miss Helen M. Steiner, of New York.
James P. Sullivan, of Pennsylvania.
T. Elkin Taylor, of Georgia.
Thomas M. Tonkin, of Illinois.

The following-named Foreign Service Reserve officers to be consuls of the United States of America:

Robert E. Boies, of the District of Columbia.
Joyce R. Herrmann, of Indiana.
Robert G. Mahon, of California.

The following-named Foreign Service Reserve officers to be vice consuls of the United States of America:

Robert H. Lupton, of New York.
David L. Milbank, of California.
Richard J. Shugrue, of Virginia.

The following-named Foreign Service Reserve officers to be secretaries in the diplomatic service of the United States of America:

Robert G. Bent, of Maine.
Robert G. Brewster, of Illinois.
William D. Carey, of Virginia.
Morris H. Lax, of Maryland.
Frank H. Oram, Jr., of the District of Columbia.

TENNESSEE VALLEY AUTHORITY

Brooks Hays, of Arkansas, to be a member of the Board of Directors of the Tennessee Valley Authority for the remainder of the term expiring May 18, 1960, vice Frank James Welch, resigned.

APPOINTMENTS IN THE NAVY AND MARINE CORPS

The following-named midshipmen (Naval Academy) to be ensigns in the restricted line of the Navy, subject to qualifications therefor as provided by law:

James A. Kelly
Peter S. VanNort

Daniel E. Ralston, midshipman (Naval Academy) to be an ensign in the Supply Corps of the Navy, subject to qualifications therefor as provided by law.

Richard M. Krol (Naval Reserve Officers' Training Corps) to be an ensign in the line of the Navy, subject to qualifications therefor as provided by law.

Alan G. Brown (Naval Reserve Officers' Training Corps) to be an ensign in the Supply Corps of the Navy, subject to qualifications therefor as provided by law.

The following-named Reserve officers to be lieutenants in the Medical Corps of the Navy, subject to qualifications therefor as provided by law:

Donald J. Conlon
Fredrick Y. Durrance, Jr.
Hugh A. Klotz

The following-named Reserve officers to be permanent lieutenants (junior grade) and temporary lieutenants in the Medical Corps of the Navy, subject to qualifications therefor as provided by law:

George R. Hilty III	George W. Oden
John L. Ickler	Vincent J. Scavo
Richard A. Lockwood	Donald E. Willard, Jr.

The following-named Reserve officers to be permanent lieutenants and temporary lieutenant commanders in the Medical Corps of the Navy, subject to qualifications therefor as provided by law:

Fred R. Edens
George F. Monahan, Jr.

Daniel P. DeLave, Reserve officer to be a lieutenant in the Medical Corps of the Navy and to be promoted to lieutenant commander when his line running mate is so promoted, subject to qualifications therefor as provided by law.

The following-named (Naval Reserve aviators) to be lieutenants (junior grade) in the Navy, subject to qualifications therefor as provided by law:

Julian R. Abbott	Daniel G. MacIntyre
James B. Aucoin	Charles H. McNeil
Richard B. Baumstark	Wendell E. Miller
Clyde A. Beagle, Jr.	Charles K. Moran, Jr.
Dennis G. Bisek	Charles P. Muhl, Jr.
Ronald R. Boyle	Joe R. Newsom
Brian K. Bryans	George R. Persons
Richard W. Burt, Jr.	Ronald T. Pollard
William L. Cain	Ronald L. Ream
Carl E. Campbell	Duane O. Schumacher
Donald V. Davis	Norman T. Self
Jimmy W. Davis	Allen F. Spousta
Robert V. Dean	David R. Streeter
James F. Dorsey, Jr.	Theodore R. Swartz
James M. Ferry	James W. Thomas
Charles R. Foster	Richard A. Walker
John K. Gardella	Jerry D. Walston
Thomas V. Golder	Harold B. Walter
Lewis S. Gray	Charles T. Wells
Jim F. Hagan	John V. Wheeler
Sam H. Hawkins	William L. Wilke
Jack M. Jackson	Benjamin B. Woodworth
Milton L. Jines	A. Courtney Yelle
William D. Kiper	
Christian A. Lange, Jr.	

The following-named officers in the Medical Corps of the U.S. Navy for permanent promotion to the grade of rear admiral:

Allan S. Chrisman
Calvin B. Galloway

Bernard D. Garrett, U.S. Navy, for temporary promotion to the grade of lieutenant, subject to qualification therefor as provided by law.

Robert M. Stanford, U.S. Navy, for permanent promotion to the grade of lieutenant (junior grade), subject to qualification therefor as provided by law.

William D. Munsey, U.S. Navy, for permanent promotion to the grade of lieutenant (junior grade), subject to qualification therefor as provided by law.

The following-named officers of the Navy for permanent promotion to the grade indicated:

LIEUTENANT COMMANDERS, LINE

Wayne E. Spainhour
Jacob P. Smith
John L. O'Neill
Paul J. Cunningham
Robert B. Read
Leland E. Kirkemo
Robert L. Clarke
George R. Gill
Robert Cummings
Harold O. Richards
Joseph L. Delaware
Harold K. Matthes
Robert F. Byrnes
Joseph Casco
Robert P. Buerger
John C. McKee
William C. O'Brien
Roman V. Maraszek
Donald W. McMaster
James C. Skipper, Jr.
William P. Pendery
John C. McCabe
Walter Scott
Daniel V. Marshall, Jr.
Fred W. Woessner, Jr.
Robert S. Sutherland
Lester M. Heller
George F. Bean
Melvin W. Jasper
James L. Mullen
John H. Brandenburg
Edward F. Roth
Gordon R. Barnett
Jimmie C. Jones
John Grentzer
Shuler H. Mayes
Alfred C. Dinnel
William E. Hubert
Marvin S. Blair
Henry S. Morgan, Jr.
Lincoln H. Lippincott, Jr.
Thomas J. Murray
Warren H. Miles
Myrtis B. Smith
Calvin R. Davis
David D. Work
Jack A. Jester
David D. Ditzler
Robert A. Moore
Ray L. Humphries
Rembrandt C. Robinson
William R. Trotter
Donald J. Hanson
Sam K. Irving
Ernest C. Connelley, Jr.
Henry E. Sodke, Jr.
Charles D. Everhart
Harold L. Cravens
Richard A. DuVall
Thomas J. Quarton
Phillip F. Mohr
Robert S. Hoyle
Richard R. Justice
Carl Durtche, Jr.
Paul J. Hoffman
Dewitt L. Freeman
Kenneth L. Melin
Lyman L. Andrews, Jr.
Joseph N. Malnerich
Leo B. Marx, Jr.
Homer K. Cooley, Jr.
James B. Shaffer
Erving L. Gordon
Morrell E. French
Roy E. Forbis
Warren D. Cress
Walter T. Laws
William E. Haney
Paul L. Spargo
Leonard J. Reinhart
Paul Moore
Robert E. Curry
Rutherford "B" Morgan
Robert W. Edwards
John M. Sands, Jr.
Jack H. Cranton
Billy F. Dunlap
James K. Burton
George A. Parker
Richard R. Carlson
Robert H. St. Clair, Jr.
Elton V. Conger
John F. Condren
Robert F. Roemer
Richard J. McAndrew
Gerald Johnson
Francis E. Rivers
George Elmies
William P. Becker
Stephen E. Gamwell
Robert J. Blaisdell
Mahlon H. King
Eugene N. Berglund, Jr.
John A. Jenkins
George H. Garbark
John W. Hamilton
John L. Howard
Jack Caldwell
Prentice J. Custer
Ray D. Schmoranc
Robert R. Ellis
Stuart T. Faulkner
Willoughby W. Penney
Edward Ciulis
Robert A. Burt, Jr.
Francis N. Masuen
Robert F. Wheeler
Herbert A. Yarbrough
Albert W. Bradbury
Arthur W. Price, Jr.
Lester H. Boutte
John H. Capistran
John P. Blair
"D" Hunt Williams
Lawrence E. Willson, Jr.
John J. Dulhagen
Frederick J. Brown
Billy D. Howard
Jack N. Lindsley
Ernest "G" Greene
Albert C. Lauer
Gordon W. Bailey
George "L" Ayers, Jr.
William W. R. Meyring
Joseph W. Brown, Jr.
Marvin D. Montgomery
Robert Tull
Earl R. Bergsma
William J. Vaught
Robert H. Lenson, Jr.
Frank C. Brtek
Robert A. Du Biel
Isaac N. Pell, Jr.
Milton E. Fife
Francis Y. Thigpen
Burke W. Stout
Laurens W. Youmans, Jr.
Burke D. Lucas, Jr.
Frederick T. Rooney
David B. Holland
Clell Stewart
Robert V. Rasko
Richard D. Herman
Julius H. Moessner
John J. Gallagher
Harry W. Cook
Bruce W. Robertson
Melvin A. Feher
Hugh W. Smith
Philip P. Doyle
Joseph P. Gregonis
Joseph L. Reilly, Jr.
Harry M. Wagner
Robert Heiderer
Donald D. Whitney, Jr.
Albert T. Holt
Horace G. Smith, Jr.
Robert J. Sadler
John D. Nevins
John S. Grischy
Robert E. Brownlee, Jr.
Albert H. Folensbee
Robert G. Wallace
Walter T. Broughton II
Robert J. Baker
George E. Barton
Cletus A. Albright
Carl W. Moses
Edward F. O'Brien, Jr.
Walter H. Weimer
Robert A. Kidd
Obed R. Quelland
Robert J. Born
Myron J. Abbott
Robert B. Phillips
John N. O. Mork
John W. Sugden
Francis E. Vincent
Merion W. Croft
Robert Friedman
Earle T. McFarland
Hubert K. Adkisson
Robert D. Sante
Jerome R. Lanzit
Clayton E. Risley, Jr.
Philip S. Callihan
John W. Brown
Royal W. Baker
Ernest J. Mills
James D. O'Shaughnessy
Carson R. Tallent
Henry L. Newbill III
Harvey Black
James A. Beaubouef
Wayne J. Pike
William R. Dolan, Jr.
William L. Burns
George J. Webb
Charles P. Gehrmann, Jr.
John B. Warfield
John C. Humphreys
Keith E. Bailey
Robert H. Hunter
Kenneth R. Karr
Robert A. Norin
George D. Quinn, Jr.
Herman G. McGrath, Jr.
George D. Hudson
Frank J. Last, Jr.
Richard T. Zettel
Howard D. Mentzer
Gerald W. Smith
George E. Richards
Leroy V. Aitz, Jr.
Howard N. Martin
George H. Edmondson
Edward J. McCarthy
James E. Odom, Jr.
Louis J. Collister
Frank T. Hemler
Paul D. Diamantides
Harold L. Jones
Joseph M. Schneiders
James C. Wilkins, Jr.
Edward L. Carpenter
Thomas L. Tranter
Wayne F. Smith, Jr.
William H. Veit
Joseph C. Finnigan
Andrew A. Tonkovic
Harry C. Scarborough, Jr.
Willard M. Mound
Paul E. Spencer
Henry J. Airey
Burna D. Levi, Jr.
Wallace E. Sharp
George J. Rehe
Robert M. Gardner
Hoyt P. Maulden
Max A. Zesiger
William J. Forgy
Wayne C. Shepard
Harold R. MacMillan
Donald C. Oliver
Harold R. Miller
George M. Miller
Howard N. Wegmet
Henry F. De Ment
Lachlan B. Popplewell

LIEUTENANT COMMANDERS, SUPPLY CORPS

Elgie L. Burrus
John M. O. Jones
Emil Anderson
Alfred R. Kallaus, Jr.
Dean C. Stafford, Jr.
Robert W. Stewart
Garnett "E" Howard
Francis Roche
Raymond A. Jones
Walter H. Bray
Charlie B. Aycock, Jr.
James A. Hart, Jr.
Frederick R. Nordengren
Wilfred A. Cooper
John W. Elmore
Donald J. Churchill
Henry E. Little
Charles F. Bach, Jr.
Harry L. Conner
Allan H. Josselyn, Jr.
Wallace F. Rodgers
William Karchere
Jesse McDugald

LIEUTENANT COMMANDERS, CHAPLAIN CORPS

William T. Kennedy
Calvin H. Elliott, Jr.
Marshall E. Brenneman
Bashford S. Power
Arnold P. Spohn
Ross H. Trower
Reginald A. Berry
John A. Keeley
Edward T. Madigan
Robert W. Radcliffe
Robert L. Deal
Milton U. Ray

LIEUTENANT COMMANDERS, CIVIL ENGINEER CORPS

Jason M. Patrick
Townsend H. Cushman, Jr.
David P. Cunning
Frank M. Laurenzano
Lawrence H. Eding
Bernard L. Hansen
Richard L. Divoll
David L. Flynn
W. J. Blevins
Richard D. Mitchell
John P. Theriault
Alan C. Gault
Paul Bixby
John C. Allen
Robert B. Bartlett

LIEUTENANT COMMANDERS, DENTAL CORPS

Ernest E. Davies
June L. Cox

LIEUTENANT COMMANDERS, MEDICAL SERVICE CORPS

Calvin "F" Wallace
James O. Atkinson
Woodrow C. Manley
Stewart P. Tipton
Jack A. Chapdelaine
David J. McLellan
William H. Shepherd
Robert W. Eastman
Thomas A. Boyd, Jr.
Nova Longest
Thomas L. Hollis
Byron C. Raybourn
Joseph A. Guidry
Manfred W. Coggburn
Chester C. Fennell
Harry E. Sinclair
Omar A. Tunks
Lucian L. Haggard
Joe W. Russell
Euris J. Brooks
Robert L. Cannon, Jr.
Harry W. Le Bleu
Claude T. Hopson
George J. Sabbag

The following-named (Naval Academy graduate) for permanent appointment to the rank of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Arthur E. Archambault

The following-named (Army Reserve Officers Training Corps) for permanent appointment to the rank of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Robert M. Hall

CONFIRMATION

Executive nomination confirmed by the Senate May 21, 1959:

INTERNATIONAL ATOMIC ENERGY AGENCY

Paul F. Foster, of Maryland, to be representative of the United States of America to the International Atomic Energy Agency.

HOUSE OF REPRESENTATIVES

THURSDAY, MAY 21, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Romans 14: 19: *Let us therefore follow after the things which make for peace.*

Eternal God, inspire us in this moment of prayer with a wholehearted desire to meet and discharge faithfully the duties and demands of our high vocation.

Grant that we may define and interpret the meaning and significance of our life in terms of the service that we are rendering to establish the kingdom of righteousness on the earth.

May our minds and hearts be filled with glorious hopes and longings for the coming of that day when all men and nations shall seek and follow those ways which make for peace.

In Christ's name we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On May 19, 1959:

H.R. 5610. An act to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes.

On May 20, 1959:

H.R. 5916. An act making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills and a concurrent resolution of the House of the following titles:

H.R. 147. An act to suspend temporarily the tax on the processing of palm oil, palmkernel oil, and fatty acids, salts, and combinations, or mixtures thereof;

H.R. 3248. An act to provide for the payment of just compensation to certain claimants for the taking by the United States of private fishery rights in Pearl Harbor, Island of Oahu, Territory of Hawaii;

H.R. 3681. An act to provide for the free entry of certain chapel bells imported for the use of the Abelard Reynolds School No. 42, Rochester, N.Y.;

H.R. 4282. An act to supplement and modify the act of May 24, 1828 (6 Stat. 383, ch. CXII), insofar as it relates to the corporate powers of the Sisters of the Visitation, of Georgetown in the District of Columbia;

H.R. 4597. An act to provide for the training of postmasters under the Government Employees Training Act;

H.R. 4599. An act to provide certain administrative authorities for the National Security Agency, and for other purposes;

H.R. 4695. An act to amend section 108(a) of title 23 of the United States Code to increase the period in which actual construction shall commence on rights-of-way acquired in anticipation of such construction from 5 years to 7 years, and for other purposes; and

H. Con. Res. 95. Concurrent resolution authorizing reprinting of House Document 451 of the 84th Congress.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 2228. An act to provide for the acquisition of additional land along the Mount Vernon Memorial Highway in exchange for certain dredging privileges, and for other purposes.

The message also announced that the Senate had passed bills, a joint resolution, and concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. 32. An act for the relief of Uwe-Thorsten Scobel;

S. 42. An act to authorize the utilization of a limited amount of storage space in Table Rock Reservoir for the purpose of water supply for a fish hatchery;

S. 56. An act to amend the act of August 5, 1954 (68 Stat. 674), and for other purposes;

S. 190. An act for the relief of Melanie Hoffmann;

S. 298. An act for the relief of John Macy;

S. 300. An act to amend the act of August 28, 1958, establishing a study commission for certain river basins, so as to provide for the appointment to such Commission of separate representatives for the Guadalupe and San Antonio River Basins, and of a representative of the Texas Board of Water Engineers;

S. 317. An act for the relief of Tatsuo Kochi;

S. 463. An act for the relief of Stanislaw (Stanislaus) Napora;

S. 510. An act for the relief of Peter R. Muller;

S. 554. An act for the relief of Argyrios G. Georgandopoulos;

S. 604. An act for the relief of Christos Kartsonis;

S. 621. An act for the relief of George A. Zizicas;

S. 685. An act to exempt from all taxation certain property of the Association for Childhood Education International in the District of Columbia;

S. 687. An act for the relief of Aram Fayda and his wife, Elena Fayda;

S. 707. An act for the relief of Demetrios Pappathakis;

S. 755. An act for the relief of Siglinde Ginzinger Maxwell;

S. 756. An act for the relief of Antonella Gambino;

S. 770. An act for the relief of Feiga Altmann Rock;

S. 846. An act to provide that the lock and dam referred to as the Cannelton lock and dam, near Cannelton, Ind., on the Ohio River, shall hereafter be known as and designated as the George Ewing lock and dam;

S. 855. An act for the relief of Saeko Higa and Masako Higa;

S. 866. An act to amend the act entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1911, and for other purposes," approved May 18, 1910;

S. 895. An act to provide for the representation of indigent defendants in criminal cases in the district courts of the United States;

S. 896. An act for the relief of Anthony Elio Monacelli;

S. 962. An act authorizing the improvement of the channel to Port Mansfield, Tex., in the interest of navigation and other purposes;

S. 967. An act for the relief of Lea Levi;

S. 1037. An act for the relief of Jessie Isobel Foster;

S. 1042. An act for the relief of Stephanos Tsoukalas;

S. 1073. An act for the relief of Su-Ming Tseng;

S. 1109. An act for the relief of Efthimios Chonacas;

S. 1128. An act for the relief of Jurij Antin Nimylowycz;

S. 1159. An act to facilitate the acquisition of real property under the District of Columbia Alley Dwelling Act;

S. 1164. An act to authorize the appointment of a commissioner for Grand Canyon National Park, Ariz.;

S. 1192. An act for the relief of Angela Maria Staia Labellarte;

S. 1234. An act to extend the provisions of title XII of the Merchant Marine Act, 1936, relating to war risk insurance, for an additional 5 years, ending September 7, 1965;

S. 1291. An act for the relief of Marko Klapan;

S. 1370. An act to amend section 13 of the District of Columbia Redevelopment Act of 1945, as amended;

S. 1632. An act authorizing the modification of the existing project for Kahului Harbor, Island of Maui, Hawaii;

S. 1643. An act to amend section 2412(b), title 28, United States Code, with respect to the taxation of costs;

S. 1877. An act to amend the act of May 26, 1949, as amended, to strengthen and improve the organization of the Department of State, and for other purposes;

S. 1887. An act for the relief of Alice V. Tenley;

S. J. Res. 41. Joint resolution to establish a National Institute for International Health and Medical Research, to provide for international cooperation in health research, research training, and research planning, and for other purposes;

S. Con. Res. 23. Concurrent resolution authorizing participation in the Strasbourg Conference;

S. Con. Res. 30. Concurrent resolution withdrawing suspension of deportation in the case of Eduardo Pires;

S. Con. Res. 31. Concurrent resolution withdrawing suspension of deportation in the case of Eva Garcia de Zepeda;

S. Con. Res. 32. Concurrent resolution withdrawing suspension of deportation in the case of Jose Poblet; and

S. Con. Res. 33. Concurrent resolution favoring suspension of deportation in the cases of certain aliens.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the Joint Select Committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States No. 59–10.

CERTAIN WORK PLANS UNDER WATERSHED PROTECTION AND FLOOD PREVENTION ACT

The SPEAKER laid before the House the following communication, which was read by the Clerk and, together with the accompanying papers, referred to the Committee on Appropriations:

HOUSE OF REPRESENTATIVES, U.S.,
COMMITTEE ON AGRICULTURE,
Washington, D.C., May 13, 1959.

Hon. SAM RAYBURN,
The Speaker, U.S. House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the provisions of section 2 of the Watershed Protection and Flood Prevention Act, as amended, the Committee on Agriculture has today considered the work plans transmitted to you by Executive Communication 921 and referred to this committee and unanimously approved each of such plans. The work plans involved are:

STATE AND WATERSHED

Alabama: Little Paint Creek.
Iowa: Big Park.
Tennessee: Jennings Creek.
Utah: American Fork-Dry Creek.

Sincerely yours,

HAROLD D. COOLEY,
Chairman.

PERSONAL PRIVILEGE

Mr. CANNON. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman will state it.

Mr. CANNON. The statement was made recently by Mr. Lewis L. Strauss that I have altered the records of the Committee on Appropriations.

The SPEAKER. The gentleman from Missouri is recognized on the question of personal privilege.

Mr. CANNON. Mr. Speaker, I have addressed to the Senator from Washington, Mr. MAGNUSON, chairman of the Senate Committee on Interstate and Foreign Commerce, the following letter——

Mr. BYRNES of Wisconsin. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BYRNES of Wisconsin. Is the gentleman now laying the foundation for a question of personal privilege?

The SPEAKER. The gentleman has stated the matter of personal privilege; he has been recognized and has the floor. The gentleman from Missouri will proceed.

Mr. CANNON. Mr. Speaker, I have addressed to Senator MAGNUSON, chairman of the Senate Committee on Interstate and Foreign Commerce, the following letter:

MAY 20, 1959.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce, U.S. Senate, Washington, D.C.

DEAR CHAIRMAN MAGNUSON: My attention has been invited to the fact that Lewis L. Strauss, Secretary-nominee of Commerce, in his testimony before your committee on the afternoon of Thursday, May 14, 1959, made misstatements which reflect against me and also against the Committee on Appropriations of the House of Representatives of which I am chairman. From a reading of the transcript, it appears that Mr. Strauss impugned my integrity and the integrity of the Appropriations Committee. I also noted that you stated during the colloquies that I would formally submit a statement for your record. It is the purpose of this letter to supplement my earlier letter to you of March 2, 1959, which you have placed verbatim in your record and also to supply for your record what obviously is vital and necessary information.

The pertinent portions of your transcript are page 1646 to the top of page 1679. Within these pages are contained several serious misstatements by Mr. Strauss which should be answered.

At page 1652, Mr. Strauss states that a minority report of the House Appropriations Committee in report No. 2849, 84th Congress, 2d session, dated July 20, 1956, had stated "that the record had been altered * * *." In response to your question, Mr. Strauss stated that by "the record" was meant: "The record of the hearings."

On the following page, page 1653, Mr. Strauss stated to your committee:

"I should think that your suspicions would be aroused against the man who provided you with this document and told you that it was a committee report. It is not and it never has been."

Senator ENGLE had stated a little earlier, and immediately replied, that it was I who had supplied your committee with the document, stating:

"The chairman of the House Committee on Appropriations, Mr. CANNON, says that it is the subcommittee official report."

Thereupon, Mr. Strauss volunteered:

"Had I known this subject was coming up I would have brought the documentation. I have it."

Mr. Strauss repeated this gratuitous offer at the bottom of page 1653 and the top of page 1654, saying:

"I will not say who is wrong. I will say that I am right and I will provide you with the complete documentation."

I, too, am vitally interested in the complete documentation of this matter, and I enclose it herewith, with the request that you print it in your record of the hearings at the place where this subject is discussed. At the same time, I trust that you will accept the volunteered offer made by Mr. Strauss, and obtain from him either what he designates "the complete documentation," or a statement to you that he has no complete documentation to furnish your committee or anyone else. In this connection, I wish to invite your attention to the fact that you yourself within the pages of your transcript which I mentioned at the outset, pages 1646–1679, placed in the record both House Report No. 2849, 84th Congress, 2d session, and the official report of the Subcommittee on Public Works which is headed, "Committee Print," as well as my letter to you of March 2, 1959.

Mr. Strauss addressed himself at some length to the section of House Report No. 2849 headed "Duplicitous Letter of Atomic Energy Commission, Acknowledged by Mr. Strauss To Be His Responsibility." This section of the report says in part:

"The committee examined the letter in detail. An opinion was obtained from the legislative counsel of the House of Representatives. This opinion authoritatively warrants the conclusion that the letter was willfully duplicitous."

At page 1666 of your transcript, you read to Mr. Strauss the following colloquy, which is printed at page 318 of the hearings of the House Appropriations Subcommittee on Public Works held in June and July 1956:

"You do not have the authority but the letter which you prepared and which you have stood by all this time——

"Mr. STRAUSS. You bet I stand by it. I would like to take full responsibility for having asked the general counsel of the Commission to prepare the letter."

Mr. Strauss' response to you was:

"This is not what I said. I did not ask to have the letter prepared. I did not know what the letter contained. I did assume responsibility for it."

Then this colloquy immediately followed (pp. 1666–1667):

"The CHAIRMAN (Senator MAGNUSON). Are you saying this record is not correct?

"Secretary STRAUSS. I say that I did not say what I am here quoted as saying.

"The CHAIRMAN. The portion I read to you is not correct?

"Secretary STRAUSS. No; I don't deny that what you read is correct as printed, but not correct as attributed.

"The CHAIRMAN. In other words, you say you did not say what it says you said here.

"Secretary STRAUSS: No; and you can bring down Dr. Libby and Mr. Mitchell and ask them whether I ordered the letter prepared. They will testify I did not, I could not have."

In denying the truth and accuracy of the printed hearing record of the House Appropriations Subcommittee, Mr. Strauss is implicitly impugning the integrity of the subcommittee, and the full committee of which the subcommittee is a part. Mr. Strauss has likewise implicitly impugned my own integrity since I was the chairman of both the subcommittee and the full committee.

In a matter of such grave import, I have had the official reporter who reported the hearings which Mr. Strauss has questioned retranscribe his original stenotype notes which he (the reporter) personally made in June and July 1956, without any changes or corrections whatever. Those printed hearings were quite lengthy, covering 377 printed pages. Therefore, I had the offical reporter transcribe only the entire subject matter surrounding the denial by Mr. Strauss of the letter, as quoted above. This transcription extends from page 305 to page 323 of the printed hearings, and it is enclosed herewith with the suggestion that you print in your hearing record pages 305–323 of our hearings, immediately followed by this official retranscription by the official reporter. This will establish conclusively that the record is a true and truthful record, and that Mr. Strauss' denial of it is completely without justification or excuse.

In this connection, I wish to point out that the custom and practice of the Appropriations Committee in 1956, and for many, many years prior thereto, and at the present time, is that the typewritten transcript of the hearing record is made available to the witnesses and to the committee members for editing, but not, of course, for changes in substance. This particular transcript was made available for this purpose to the Atomic Energy Commission witnesses and to committee members. Editing changes were made in the transcript which later was printed at pages 305–323 of our hearings by the following:

Lewis L. Strauss, Chairman of the Atomic Energy Commission.

Willard F. Libby, a Commissioner of the Atomic Energy Commission.

William Mitchell, General Counsel of the Commission.

K. E. Fields, General Manager of the Commisison.

Congressman JOHN TABER.

Congressman JOHN PHILLIPS.

Congressman BEN JENSEN.

Chairman CLARENCE CANNON.

However, I want to make it abundantly clear that no changes made were a change of substance; that to the contrary, the changes were changes in the normal and regular process of editing which takes place every day in the CONGRESSIONAL RECORD and in all congressional hearings, both Senate and House. This statement is verified very simply—the reader can readily compare the printed record, pages 305–323, with the official retranscription furnished herewith.

Respectfully,

CLARENCE CANNON,
Chairman, Committee on Appropriations.

NUCLEAR TEST BAN ISSUE—A COURSE FOR U.S. ACTION

Mr. HOSMER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOSMER. Mr. Speaker, I take this means to call attention to my remarks in this RECORD following the day's legislative business under title "Nuclear Test Ban Issue—A Course for U.S. Action." They set out the moral, practical, and military reasons for a four-point program suggested for U.S. action involving—

First. Announcement of indefinite cessation of the only kind of nuclear testing producing fallout, namely, testing in the atmosphere, attaching reasonable conditions regarding problems arising from future actions by other powers.

Second. The diligent seeking of international agreements amongst the nuclear powers, including Soviet Russia, likewise to ban atmospheric tests, as proposed by President Eisenhower to Premier Khrushchev.

Third. The declaration of a moratorium on talks aimed at banning below-ground and above-atmosphere testing until the air is cleared of emotion, propaganda, and misinformation regarding fallout, until the problem of detecting

violations is understood, and until the other military and moral questions inhering in the issue are debated and answered.

Fourth. The candid release to the public of data regarding testing, detection, and other aspects of nuclear weaponry which are not properly of a restricted security classification.

A BRIDGE INTO SPACE

Mr. FULTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include a letter.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FULTON. Mr. Speaker, under unanimous consent I include the following letter to the Bureau of Standards:

MAY 21, 1959.

BUREAU OF STANDARDS,
Washington D.C.:

We have never had an exact method of correlating earth measurements and distances from one agreed initial point on the earth's surface or from a scientifically determined center point. We have never had a method of correlating exact earth time with sidereal or astronomical time from a point in time that is scientifically set, and easy to state mathematically in current time usages.

We have never had an exact location of the first point of Aries at the vernal equinox, at any fixed point of time and place.

It is now necessary to have the bridge developed between exact earth measurements of time and distance with those of outer space. We actually don't know how far we are from any point on or in the earth or space, or how long we are from any standard point of reference in time.

I am proposing to prepare a resolution to provide a basic standard for measurement of time and distance in relation to the earth and outer space, so that the standards of the two systems are exactly correlated and integrated.

We can then move from an exact point in time and location on earth to time, points, and distances in space.

Congressman JAMES G. FULTON,
Member, House Committee on Science and Astronautics.

WORLD SCIENCE PAN-PACIFIC EXPOSITION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Foreign Affairs:

To the Congress of the United States:

Pursuant to the provisions of Public Law 85–880, providing for participation of the United States in the World Science Pan-Pacific Exposition to be held at Seattle, Wash., in 1961, I am transmitting herewith the report required under section 5(a) of that act.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *May 21, 1959.*

CALL OF THE HOUSE

Mr. McDONOUGH. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 48]

Cook	Laird	Powell
Fogarty	Moulder	Roberts
Jackson		

The SPEAKER. On this rollcall 426 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

HOUSING ACT OF 1959

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (S. 57) to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill S. 57, with Mr. WALTER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the Clerk had read through section 301 of title III, ending on line 20, page 121, of the committee amendment. If there are no amendments to this section, the Clerk will read.

The Clerk read as follows:

SEC. 302. (a) Section 301(a) of the National Housing Act is amended by inserting before the semicolon at the end thereof the following: ", and by aiding in the stabilization of the mortgage market".

(b) Section 304(a) of such Act is amended by striking out the last three sentences and inserting in lieu thereof the following: "The Association shall, from time to time, establish and publish prices to be paid by it for mortgages purchased by it in its secondary market operations under this section. The volume of the Association's purchases and sales and the establishment of purchase prices, sales prices, and charges or fees in its secondary market operations under this section shall be so conducted as to promote the interests of the national economy by aiding in the stabilization of the mortgage market to the maximum extent consistent with sound operation, and within the reasonable capacity of the Association to sell its obligations to private investors. The Association shall buy at such prices and on such terms as will reasonably prevent excessive use of the Association's facilities and permit the Association to operate within its income derived from such secondary market operations and to be fully self-supporting. Notwithstanding any other provision of this section, advance commitments to purchase mortgages in secondary market operations under this section shall be issued only at prices which are sufficient to facilitate advance planning of home construction, but which are sufficiently below the price then offered by the Association for immediate purchase to prevent excessive sales to the Association pursuant to such commitments."

(c) The last sentence of section 304(a) of such Act, as amended by subsection (b) of this section, is amended by striking out "advance planning of home construction" and inserting in lieu thereof "home financing".

SEC. 303. (a) Section 305(b) of such Act is amended—

(1) by striking out "August 7, 1958" and inserting in lieu thereof "September 30, 1960 (except in the case of mortgages purchased pursuant to contracts made on or after August 8, 1958, and prior to the date of the enactment of the Housing Act of 1959)";

(2) by striking out "1½ per centum" and inserting in lieu thereof "1 per centum"; and

(3) by striking out "one-half" and inserting in lieu thereof "one-fourth".

(b) Section 305(e) of such Act is amended—

(1) by striking out "which do not exceed $200,000,000 outstanding at any one time" and inserting in lieu thereof "not exceeding $200,000,000 at any one time, which limit shall be increased by $25,000,000 on the date of the enactment of the Housing Act of 1959 and by an additional $50,000,000 on July 1 next occurring after such date";

(2) by inserting after "$20,000,000 outstanding at any one time" the following: ", which limit shall be increased by $2,500,000 on the date of the enactment of the Housing Act of 1959 and by an additional $5,000,000 on July 1 next occurring after such date";

(3) by inserting after "a consumer cooperative," the following: "which amount shall be increased by $12,500,000 on the date of the enactment of the Housing Act of 1959 and by an additional $25,000,000 on July 1 next occurring after such date, and the amount of $12,500,000 shall be available solely for commitments or purchases of mortgages where the cooperative involved is a builder-sponsor cooperative, which amount shall be increased by $25,000,000 on July 1 next occurring after the date of the enactment of the Housing Act of 1959,"; and

(4) by striking out "which are not of the type described in clause (1) of this proviso" and inserting in lieu thereof "other than those certified by the Commissioner as consumer cooperatives under clause (1) of this proviso, which amount shall be increased by $2,500,000 on the date of the enactment of the Housing Act of 1959 and by an additional $5,000,000 on July 1 next occurring after such date".

SEC. 304. (a) That part of the first sentence of section 302(b) of the National Housing Act which precedes the colon is amended by striking out "to make commitments to purchase and to purchase, service, or sell," and by substituting therefor "to purchase, lend (under section 304) on the security of, service, or sell, pursuant to commitments or otherwise,".

(b) The first sentence of section 303(b) of such Act is amended by inserting immediately before the period at the end thereof the following: "; and by requiring each borrower to make such payments, equal to not more than one-half of 1 per centum of the amount lent by the Association to such borrower under section 304".

(c) The first sentence of section 303(c) of such Act is amended by inserting "or borrower" after "seller" each place it appears.

(d) Section 304(a) of such Act is amended by inserting "(1)" before "To carry out", and by adding at the end thereof the following new paragraph:

"(2) To carry out further the purposes set forth in paragraph (a) of section 301, the Association is authorized to make loans which are secured by residential or home mortgages insured or guaranteed under this Act, the Servicemen's Readjustment Act of 1944, or chapter 37 of title 38, United States Code. In the interest of assuring sound operation, any loan made by the Association

in its secondary market operations under this section shall not exceed 90 per centum of the unpaid principal balances of the mortgages securing the loan, shall bear interest at a rate consistent with general loan policies established from time to time by the Association's board of directors, and shall mature in not more than twelve months. The volume of the Association's lending activities and the establishment of its loan ratios, interest rates, maturities, and charges or fees, in its secondary market operations under this section, should be determined by the Association from time to time; and such determinations, in conjunction with determinations made under paragraph (1), should be consistent with the objectives that the lending activities should be conducted on such terms as will reasonably prevent excessive use of the Association's facilities, and that the operations of the Association under this section should be within its income derived from such operations and that such operations should be fully self-supporting. The aggregate amount of all loans outstanding at any one time under this paragraph shall not exceed 10 per centum of the Association's total borrowing authority under this section. Notwithstanding any Federal, State, or other law to the contrary, the Association is hereby empowered, in connection with any loan under this section, whether before or after any default, to provide by contract with the borrower for the settlement or extinguishment, upon default, of any redemption, equitable, legal, or other right, title, or interest of the borrower in any mortgage or mortgages that constitute the security for the loan; and with respect to any such loan, in the event of default and pursuant otherwise to the terms of the contract, the mortgages that constitute such security shall become the absolute property of the Association."

(e) Section 304(b), section 309(c), and section 310 of such Act are each amended by inserting "or other security holdings" after "mortgages".

SEC. 305. (a) Sections 304(b) and 306(b) of the National Housing Act are amended by striking out "and bonds or other obligations of, or bonds or other obligations guaranteed as to principal and interest by, the United States" and inserting in lieu thereof "and obligations of the United States or guaranteed thereby, or obligations which are lawful investments for fiduciary, trust, or public funds".

(b) Section 310 of such Act is amended by striking out "in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States" and inserting in lieu thereof "in obligations of the United States or guaranteed thereby, or in obligations which are lawful investments for fiduciary, trust, or public funds".

SEC. 306. (a) Section 306 of the National Housing Act is amended by adding at the end thereof the following subsection:

"(e) Notwithstanding any of the provisions of this Act or of any other law, the Association is authorized, under the aforesaid accountability, to make commitments to purchase and to purchase, service, or sell any mortgages offered to it by the Housing and Home Finance Administrator or the Housing and Home Finance Agency, or by such Agency's constituent units or agencies or the heads thereof, after such Administrator has found the acquisition thereof by the Association to be in the interest of the efficient management and liquidation of the mortgages. There shall be excluded from the total amounts set forth in subsection (c) hereof the amounts of any mortgages purchased by the Association pursuant to this subsection."

(b) In connection with the sale of any mortgages to the Federal National Mortgage Association pursuant to section 306(e) of the Federal National Mortgage Association Charter Act, the Housing and Home Finance Administrator is authorized, and any other official, unit, or agency selling such mortgages thereunder is directed, to transfer to the Association from time to time, from authorizations, limitations, and funds available for administrative expenses of such official, unit, or agency in connection with the same mortgages, such amounts thereof as said Administrator determines to be required for administrative expenses of the Association in connection with the purchase, servicing, and sale of such mortgages: *Privided*, That no such transfer shall be made after a budget estimate of the Association with respect to the same mortgages has been submitted and finally acted upon by the Congress.

Mr. RAINS (interrupting the reading of the section). Mr. Chairman, I ask unanimous consent that the further reading of title III be dispensed with and that it be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. GROSS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD and to include certain letters

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, yesterday the gentleman from Alabama [Mr. RAINS] used the phrase "the meat in the coconut." I would like to call your attention to some of the meat in the coconut in the bill now pending before the committee which does not meet the eye. Our statutes contain what is known as Public Law 801 of the 84th Congress, which requires that Congress be apprised of the manpower implications of pending or proposed legislation involving annual expenditures of appropriated funds in excess of $1 million. Now the Subcommittee on Manpower Utilization of the Committee on Post Office and Civil Service, of which I am a member, addressed an inquiry to Mr. Norman P. Mason, Administrator of the Housing and Home Finance Agency, asking him the estimated additional manpower requirements of S. 57. Our Manpower Utilization Subcommittee was advised that for the years 1960, 1961, 1962, 1963, and 1964, in other words, the next 5-year period, S. 57 would require 4,100 additional employees at a cost of $30,225,000.

I simply want to put the Members of the House on notice that there is some expensive meat in this coconut which does not meet the eye in this bill, and one of many reasons why I am opposed to it.

The following information ought to be of interest to those who are unaware of some of the hidden costs that are projected into the future:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON POST
OFFICE AND CIVIL SERVICE,
March 6, 1959.

Hon. NORMAN P. MASON,
Administrator, Housing and Home Finance Agency, Washington, D.C.

DEAR MR. MASON: I wish to call your attention to Public Law 801, 84th Congress, which requires that Congress be apprised of the manpower implications of pending or proposed legislation involving annual expenditures of appropriated funds in excess of $1 million.

In view of the continuing interest of our committee in all matters relating to Government employment, and since you no doubt have already accumulated the necessary figures, it would be appreciated if you would furnish us with the following information:

(a) The number of additional personnel needed by your agency were S. 57, the Housing Act of 1959, as reported out of the House Committee on Banking and Currency, to become law.

(b) The total personnel cost to your agency per year for the first 5 years, if this bill were to become law.

The expeditious handling of this request will be appreciated.

Sincerely yours,

JAMES C. DAVIS,
Chairman, Subcommittee on Manpower Utilization.

HOUSING AND HOME FINANCING
AGENCY,
Washington, D.C., April 2, 1959.

Hon. JAMES C. DAVIS.
Chairman, Subcommittee on Manpower Utilization, Committee on Post Office and Civil Service, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I am glad to comply with the request in your letter of March 6, 1959, for certain personnel estimates in connection with housing legislation pending before the House of Representatives. The estimates are contained in the attached summary table. As you requested, the figures are based on S. 57, as reported by the House Committee on Banking and Currency. They would, of course, be different if related to the bill as passed by the Senate since there are substantial differences between the two versions.

For the purpose of these estimates we have assumed that the Housing Act of 1959 will be enacted prior to the close of the current fiscal year, and the 5 years of individual estimates were considered to begin with the fiscal year 1960. In no case have we assumed the enactment of additional new obligational authority beyond that contained in the administration's legislative proposals or in S. 57 during the period under consideration. While this naturally produces some distortion in the estimates for the latter years, there appears to be no basis for speculating, for this purpose, as to the content of possible additional legislation in the future.

In order to make estimates of additional manpower requirements and expenses it is necessary, of course, to establish a base to which such estimates will be related. For this purpose, it is not feasible to assume the enactment of no legislation at all, since that would imply that most of these major national programs would come to a complete stop, and would completely distort comparison with the effects of S. 57. Accordingly, we have used as a base a rough projection of estimated manpower requirements in the event of enactment and continuation of the legislative proposals recommended by the President in the 1960 budget and the administration's housing bills. The figures in the accompanying table therefore represent our estimates of the additional manpower and costs which would result if S. 57 were enacted, as compared with those under the proposals made by the administration.

I am sure you will understand that the figures transmitted with this letter are not budget estimates in the sense that this term is applied to estimates submitted to request appropriation action by the Congress. When and if it becomes appropriate to submit supplemental budget estimates for the fiscal year

1960 based on new housing legislation, careful analysis will be given to the provisions of the legislation at that time, with due account taken of changes in legislative provisions, workload assumptions, and other pertinent factors. These estimates will then, of course, be submitted to the Bureau of the Budget in the regular way. It is entirely possible, therefore, that they will differ in some respects from these transmitted with this letter. However, I believe the present figures are reasonable and representative indications of the additional manpower and expenses which would be required if S. 57 were to become law.

The attached summary of additional personnel requirements and costs covers only those which arise out of provisions of the bill directly affecting the Housing and Home Finance Agency. Thus, it does not include, for example, the increased expenses (if any) of the Veterans' Administration under the provisions of S. 57 as passed by the Senate or of H.R. 2256, passed by the House on February 4, 1959.

Sincerely yours,

NORMAN P. MASON,
Administrator.

HOUSING AND HOME FINANCE AGENCY—PROPOSED HOUSING LEGISLATION

Estimated net additional personnel costs which would result if S. 57 (House committee bill) were enacted in lieu of administration bills

Fiscal year	Estimated additional requirements		
	Positions	Man-years	Cost
1960	390	290	$2,525,000
1961	750	625	5,400,000
1962	1,000	830	7,400,000
1963	1,010	840	7,625,000
1964	950	790	7,275,000
5-year total	4,100	3,375	30,225,000

Mr. JOHANSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to support the statement just made by the gentleman from Iowa [Mr. GROSS], a member of the Manpower Utilization Subcommittee of the House Committee on Post Office and Civil Service. I should like to direct attention to the fact that if it is not the strict letter of the law, it is certainly the spirit of the law as provided in Public Law 801 which this Congress enacted a short 3 years ago that the legislative committee of the House and the House itself should acquaint itself fully with the personnel implications, both in terms of number of personnel and of personnel cost, of new legislation of this type. And, as the gentleman from Iowa [Mr. GROSS] has pointed out, it is intended that this information be made available to the Members of the House, and I respectfully direct their attention to it.

We on the Manpower Utilization Subcommittee act under a mandate of this House to police the matter of personnel increases and the matter of the efficient utilization of those personnel. And we, as members of that committee, are constantly badgered with reminders by the agencies and their representatives from downtown that the reasons for the increases in personnel are because of legislation, because of duties and assignments created by the legislation of this House. It seems to me a moral obligation of this House to recognize clearly and fully the import of this particular legislation in this area.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. JOHANSEN. I am glad to yield.

Mr. GROSS. And we will not take kindly to the suggestion, if this bill is passed and there is an increase of 4,100 employees and an additional cost of $30 million to administer it, that all of this occurred in the Eisenhower administration, and, therefore, is chargeable to the Eisenhower administration.

Mr. JOHANSEN. The gentleman is entirely correct, because this legislation is not advocated by and is, indeed, opposed by the administration.

Mr. Chairman, when I was a boy in country school I learned a poem with some lines that are very familiar to all of you, and that may be appropriately paraphrased with respect to this problem of deficit financing and constantly mounting costs of Government. It is not just the big items, it is not just the big appropriations, but it is the incidental costs which pyramid and pile up; and, to paraphrase those lines—

Deficits are not reached by a single bound,
But we build the ladder by which we rise
From the lowly earth to the vaulted skies,
In terms of fiscal obligations and commitments,
And we mount to that awful summit round by round.

Mr. Chairman, this is one of the rounds by which we mount still higher to the peak of deficit financing.

The CHAIRMAN. If there are no further amendments to title III, the Clerk will read.

The Clerk read as follows:

TITLE IV—URBAN RENEWAL

Statewide planning

SEC. 401. Section 101(b) of the Housing Act of 1949 is amended by adding at the end thereof the following new sentence: 'The Administrator shall particularly encourage the utilization of local public agencies established by the States to operate on a statewide basis in behalf of smaller communities within the State which are undertaking or propose to undertake urban renewal programs whenever that arrangement facilitates the undertaking of an urban renewal program by any such community, or provides an effective solution to community development or redevelopment problems in such communities, and is approved by resolution or ordinance of the governing bodies of the affected communities."

Clarifying amendment

SEC. 402. Section 102(a) of the Housing Act of 1949 is amended by striking out in the second sentence the words "as part of the gross project cost" and inserting in lieu thereof "for such purposes".

Borrowing by local agencies

SEC. 403. (a) Section 102(c) of the Housing Act of 1949 is amended by—

(1) inserting "feasibly, as determined by the Administrator," after "obtain";

(2) striking out 'it may do so with the consent of" and inserting in lieu thereof "it shall do so under terms approved by"; and

(3) striking out "repayment of" and inserting in lieu thereof "repayment of the principal of and the interest on".

(b) Section 102(e) of such Act is amended to read as follows:

"(e) The total amount of loan contracts outstanding at any one time under this title shall not exceed the aggregate of the estimated expenditures to be made by local public agencies as part of the gross project cost of the projects assisted by such contracts. To obtain funds for advance and loan disbursements under this title, the Administrator may issue and have outstanding at any one time notes and obligations for purchase by the Secretary of the Treasury in an amount which shall not, unless authorized by the President, exceed $1,000,000,000, it being the intention of this section that, to the fullest extent determined to be feasible by the Administrator, local public agencies shall obtain loan funds from sources other than the Federal Government, including such funds obtained in accordance with subsection (c). For the purpose of establishing unpaid obligations as of a given date against the authorization contained in the preceding sentence, the Administrator shall estimate the maximum amount to be required to be borrowed from the Treasury and outstanding at any one time with respect to loan commitments in effect on such date."

Capital grants

SEC. 404. Section 103 of the Housing Act of 1949 is amended—

(1) by striking out the first sentence of subsection (b) and inserting in lieu thereof the following: "The Administrator, on and after July 1, 1949, may, with the approval of the President, contract to make capital grants, with respect to projects assisted under this title, and to make grants pursuant to subsection (d) of this section, aggregating not to exceed $1,350,000,000, which limit shall be increased by $500,000,000 on the date of the enactment of the Housing Act of 1959 and on July 1 in each of the years 1959 and 1960.";

(2) by striking out the period at the end of the second sentence of subsection (b) and inserting in lieu thereof a colon and the following: *Provided*, That any amounts so appropriated shall also be available for repaying to the Secretary of the Treasury, for application to notes of the Administrator, the principal amounts of any funds advanced to local public agencies under this title which the Administrator determines to be uncollectible because of the termination of activities for which such advances were made, together with the interest paid or accrued to the Secretary (as determined by him) attributable to notes given by the Administrator in connection with such advances, but all such repayments shall constitute a charge against the authorization to make contracts for grants contained in this section: *Provided further*, That no such determination of the Administrator shall be construed to prejudice the rights of the United States with respect to any such advance."; and

(3) by adding at the end thereof the following new subsections:

"(c) Notwithstanding any other provision of this or any other Act, if financial assistance authorized by this title to be made available to a locality or local public agency may be made available to any locality or local public agency within the limitations provided in sections 102(e), 103(b), and 106(e) and the second paragraph following the paragraph numbered (6) of section 110(c), the amount of such financial assistance made available to any locality or local public agency upon submission and processing of proper application therefor shall not otherwise be restricted and, so long as such financial assistance is so available, applications therefor submitted by localities and local public agencies shall be processed, so far as practicable, in the order of their receipt, and there shall not be imposed any limitations upon the size of any urban renewal project which otherwise meets the requirements of this title.

"(d) The Administrator may contract to make grants for the preparation or completion of community renewal programs,

which may include, without being limited to, (1) the identification of slum areas or blighted, deteriorated, or deteriorating areas in the community, (2) the measurement of the nature and degree of blight and blighting factors within such areas, (3) determination of the financial, relocation, and other resources needed and available to renew such areas, (4) the identification of potential project areas and, where feasible, types of urban renewal action contemplated within such areas, and (5) scheduling or programing of urban renewal activities. Such programs shall conform, in the determination of the governing body of the locality, to the general plan of the locality as a whole. The Administrator may establish reasonable requirements respecting the scope and content of such programs. No contract for a grant pursuant to this subsection shall be made unless the governing body of the locality involved has approved the preparation or completion of the community renewal program and the submission by the local public agency of an application for such a grant. Notwithstanding section 110(h) or the use in any other provision of this title of the term 'local public agency' or 'local public agencies', the Administrator may make grants pursuant to this subsection for the preparation or completion of a community renewal program to a single local public body authorized to perform the planning work necessary to such preparation or completion. No grant made pursuant to this subsection shall exceed two-thirds of the cost (as such cost is determined or estimated by the Administrator) of the preparation or completion of the community renewal program for which such grant is made."

Public improvements by Federal agencies in urban renewal areas

SEC. 405. Section 105(b) of the Housing Act of 1949 is amended by adding the following before the semicolon at the end thereof: "; *And provided further*, That, with respect to any improvements of a type which it is otherwise authorized to undertake, any Federal agency (as defined in section 3(b) of the Federal Property and Administrative Services Act of 1949, as amended, and also including the District of Columbia or any agency thereof) is hereby authorized to become obligated in accordance with this subsection, except that clause (ii) of this subsection shall apply to such Federal agency only to the extent that it is authorized (and funds have been authorized or appropriated and made available) to make the improvements involved".

Relocation payments

SEC. 406. (a)(1) The first sentence of section 106(f)(2) of the Housing Act of 1949 is amended to read as follows: "As used in this subsection, the term 'relocation payments' means payments by a local public agency to individuals, families, and business concerns for their reasonable and necessary moving expenses and any actual direct losses of property except goodwill or profit (which are incurred on and after August 7, 1956, and for which reimbursement or compensation is not otherwise made) resulting from their displacement from an urban renewal area made necessary by (i) the acquisition of real property by a local public agency or by any other public body, (ii) code enforcement activities undertaken in connection with an urban renewal project, or (iii) a program of voluntary rehabilitation of buildings or other improvements in accordance with an urban renewal plan: *Provided*, That such payments shall not be made after completion of the project or if completion is deferred solely for the purpose of obtaining further relocation payments."

(2) No relocation payments under section 106(f) of the Housing Act of 1949 shall be made for expenses or losses incurred prior to the date of the enactment of the Housing Act of 1959, except to the extent that such payments were authorized by such section as it existed prior to such date.

(b) Section 106(f)(2) of such Act is further amended by striking out "$100" each place it appears and inserting in lieu thereof "$200", and by striking out "$2,500" and inserting in lieu thereof "$3,000".

Low-rent housing in urban renewal areas

SEC. 407. Section 107 of the Housing Act of 1949, as amended, is hereby amended to read as follows:

"Payment for land used for low-rent public housing

"SEC. 107. When it appears in the public interest that land to be acquired as part of an urban renewal project should be used in whole or in part as a site for a low-rent housing project assisted under the United States Housing Act of 1937, as amended, the site shall be made available to the public housing agency undertaking the low-rent housing project at a price equal to the amount, as determined by the Administrator, which would be charged if it were disposed of to private enterprise for rental housing with physical characteristics similar to those of the proposed low-rent housing project, and such amount shall be included as part of the development cost of such low-rent housing project: *Provided*, That the local contribution in the form of tax exemption or tax remission required by section 10(h) of such Act with respect to the low-rent housing project into which such land is incorporated shall (if covered by a contract which, in the determination of the Public Housing Commissioner, and without regard to the requirements of the first proviso of such section 10(h), will assure that such local contribution will be made during the entire period that the project is used as low-rent housing within the meaning of such Act) be accepted as a local grant-in-aid equal in amount, as determined by the Administrator, to one-half (or one-third in the case of an urban renewal project on a three-fourths capital grant basis) of the difference between the cost of such site (including costs of land, clearance, site improvements, and a share, pro rated on an area basis, of administrative, interest, and other project costs) and its sales price, and shall be considered a local grant-in-aid furnished in a form other than cash within the meaning of section 110(d) of this Act."

Requirements for urban renewal plan

SEC. 408. Section 110(b) of the Housing Act of 1949 is amended by inserting after "to indicate" in clause (2) the following:", to the extent required by the Administrator for the making of loans and grants under this title,".

Nonresidential redevelopment

SEC. 409. Section 110(c) of the Housing Act of 1949 is amended by striking out the second paragraph following the paragraph numbered (6) and inserting in lieu thereof the following:

"Financial assistance shall not be extended under this title with respect to any urban renewal area which is not predominantly residential in character and which, under the urban renewal plan therefor, is not to be redeveloped for predominantly residential uses: *Provided*, That, if the governing body of the local public agency determines that the redevelopment of such an area for predominantly nonresidential uses is necessary for the proper development of the community, the Administrator may extend financial assistance under this title for such a project: *Provided further*, That the aggregate amount of capital grants contracted to be made pursuant to this title with respect to such projects after the date of the enactmetn of the Housing Act of 1959 shall not exceed 20 per centum of the aggregate amount of grants authorized by this title to be contracted for after such date."

Local grants

SEC. 410. Section 110(d) of such Act is further amended by adding at the end thereof the following new paragraph:

"Notwithstanding any other provision of this subsection, in any community for which there exists a community renewal program meeting the requirements of the Administrator established pursuant to section 103(d), no subsequent donation or provision of a public improvement or a public facility of a type falling within the purview of this subsection shall be deemed to be ineligible as a local grant-in-aid for any project in conformity with such community renewal program solely on the basis that the construction of such improvement or facility was commenced prior to Federal recognition of such project, if such construction was commenced not more than five years prior to the authorization by the Administrator of a contract for loan or capital grant for the project."

Credit for loss of interest

SEC. 411. Section 110(e) of the Housing Act of 1949 is amended by striking out the first sentence and inserting in lieu thereof the following: "'Gross project cost' shall comprise (1) the amount of the expenditures by the local public agency with respect to any and all undertakings necessary to carry out the project (including the payment of carrying charges, but not beyond the point where the project is completed), and (2) the amount of such local grants-in-aid as are furnished in forms other than cash. There may be included as part of the gross project cost, under any contract for loan or grant heretofore or hereafter executed under this title, with respect to moneys of the local public agency which are actually expended and outstanding for undertakings (other than in the form of local grants-in-aid) necessary to carry out the project, in the absence of carrying charges on such moneys, an amount in lieu of carrying charges which might otherwise have been payable thereon for the period such moneys are expended and outstanding but not beyond the point where the project is completed, computed for each six-month period or portion thereof, at an interest rate to be determined by the Administrator after taking into consideration for each preceding six-month period the average interest rate borne by any obligations of local public agencies for short-term funds obtained from sources other than the Federal Government in the manner provided in section 102(c): *Provided*, That such amount may be computed on the net total of all such moneys of the local public agency remaining expended and outstanding, less other moneys received from the project undertaken in excess of project expenditures, in all projects of the local public agency under this title, and allocated, as the Administrator may determine, to each of such projects. With respect to a project for which a contract for capital grant has been executed on a three-fourths basis pursuant to the proviso in the second sentence of section 103(a), gross project cost shall include, in lieu of the amount specified in clause (1) above, the amount of the expenditures by the local public agency with respect to the following undertakings and activities necessary to carry out such project:

"(i) acquisition of land (but only to the extent of the consideration paid to the owner and not title, appraisal, negotiating, legal, or any other expenditures of the local public agency incidental to acquiring land), disposition of land, demolition and removal of buildings and improvements, and site preparation and improvements, all as provided in paragraphs (1), (2), (3), (4), and (6) of section 110(c); and

"(ii) the payment of carrying charges related to the undertakings in clause (i) (including amounts in lieu of carrying charges

as determined above), exclusive of taxes and payments in lieu of taxes but not beyond the point where such a project is completed;

but not the cost of any other undertakings and activities (including, but without being limited to, the cost of surveys and plans, legal services of any kind, and all administrative and overhead expenses of the local public agency) with respect to such project."

Uniform date for interest rate determination

SEC. 412. Section 110(g) of the Housing Act of 1949 is amended—

(1) by striking out of the first sentence "is approved" and inserting in lieu thereof "for any project under this title is authorized";

(2) by inserting in the second sentence after "Any" the word "such"; and

(3) by striking out of the second sentence "contract is revised or superseded by such later contract" and inserting in lieu thereof "later contract is authorized".

Conforming amendments

SEC. 413. The Housing Act of 1949 is amended—

(1) by striking out the word "capital" in section 100, in the second sentence of section 103(b), and in sections 106(a)(3), 106(b), 106(c)(6), 106(c)(8), and 106(e);

(2) by inserting in section 101(a) after the word "title" in the first place where it appears therein "or for grants pursuant to section 103(d)"; and

(3) by adding at the end of section 110 the following new subsection:

"(k) 'Federal recognition' means execution of any contract for financial assistance under this title or concurrence by the Administrator in the commencement, without such assistance, or surveys and plans."

Urban renewal areas involving colleges or universities

SEC. 414. Title I of the Housing Act of 1949 is amended by adding at the end thereof the following new section:

"Urban renewal areas involving colleges or universities

"SEC. 112. In any case where an educational institution is located in or near an urban renewal area and the governing body of the locality determines that, in addition to the elimination of slums and blight from such area, the undertaking of an urban renewal project or projects in such area will further promote the public welfare and the proper development of the community (1) by making land in such area available for disposition, for uses in accordance with the urban renewal plan, to such educational institution for redevelopment in accordance with the use or uses specified in the urban renewal plan, (2) by providing, through the redevelopment of the area in accordance with the urban renewal plan, a cohesive neighborhood environment compatible with the functions and needs of such educational institution, or (3) by any combination of the foregoing, the Administrator is authorized to extend financial assistance under this title for an urban renewal project or projects in such area without regard to the requirements in section 110 hereof with respect to the predominantly residential character or predominantly residential reuse of urban renewal areas: *Provided*, That the aggregate amount of any expenditures made by such educational institution (either directly or through a redevelopment corporation) for the acquisition, from others than the local public agency, of land and buildings and structures within the area of any urban renewal project undertaken by the local public agency in such urban renewal area or within the urban renewal area and adjacent to, or in the immediate vicinity of, the area of any such urban renewal project (which land and buildings and structures is or are to be retained and redeveloped or rehabilitated by such educational institution for use or uses in accordance with the urban renewal plan), and for the demolition of such buildings and structures (including expenditures made to assist in relocating tenants therefrom) if, pursuant to the urban renewal plan, the land is to be cleared and redeveloped, as certified by such educational institution to the local public agency and approved by the Administrator, shall be a local grant-in-aid in connection with any urban renewal project being undertaken by the local public agency in such urban renewal area: *Provided further*, That no such expenditures shall be deemed ineligible as a local grant-in-aid in connection with any such project if made not more than five years prior to the authorization by the Administrator of a contract for a loan or capital grant for such urban renewal project: *And provided further*, That the term 'educational institution' as used herein shall mean any educational institution of higher learning, including any public educational institution or any private educational institution, no part of the net earnings of which shall inure to the benefit of any private shareholder or individual."

Urban planning

SEC. 415. (a) Section 701 of the Housing Act of 1954 is amended—

(1) by inserting after "planning agencies" in the first sentence the following: ", or to an agency or instrumentality of government designated by the Governor of the State and acceptable to the Administrator as capable of carrying out the intent of this section,"; and

(2) by striking out the language in the first sentence after the parenthetical clause and inserting in lieu thereof the following: "to (1) cities and other municipalities having a population of less than 50,000 according to the latest decennial census, and (2) any group of adjacent communities, either incorporated or unincorporated, having a total population of less than 50,000 according to the latest decennial census and having common or related urban planning problems resulting from rapid urbanization."

(b) Section 701 of such Act is further amended by inserting after the second sentence the following new sentence: "The Administrator is further authorized to make grants to State planning agencies for statewide comprehensive planning work including research and coordination activity directly related to urban needs."

(c) The last sentence of such section 701 is amended by striking out "$10,000,000" and inserting in lieu thereof "$20,000,000".

(d) Section 701 of such Act is further amended by inserting "(a)" immediately after "SEC. 701.", and by adding at the end thereof the following new subsection:

"(b) As used in this section the term 'comprehensive planning' means—

"(1) long-range physical planning for all public facilities by the planning agency analyzing functional needs over a twenty- to thirty-year period based upon general planning data and future land use patterns integrated into an overall and composite plan;

"(2) long-range fiscal planning by the planning agency and governmental fiscal authorities analyzing long-range fiscal requirements; and preparing a fiscal program to meet the development costs;

"(3) capital improvement programing by the planning agency and governmental fiscal authorities to achieve a scheduling of improvement projects that comprise the first five to six years of the long-range physical and fiscal plans based on a determination of relative urgencies;

"(4) integration and coordination of all functional plans of the interested governmental departments or subdivisions by the planning agency;

"(5) coordination of intergovernmental planned activities by the planning agency to achieve a reconciliation of planning activities among adjacent States, political subdivisions thereof, and authorized planning agencies; and

"(6) preparation of regulatory and administrative measures and programs in support of the foregoing.

No grants made under this section shall be used to defray the costs of administration or enforcement of such measures or programs."

Mr. RAINS (interrupting the reading). Mr. Chairman, this is title IV, the urban renewal title; and I ask unanimous consent that it be considered as read and open for amendment at any point in the title.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. SISK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SISK: On page 138, line 23, insert "(a)" after "SEC. 410."

And on page 139, after line 13, insert the following new subsection:

"(b) The requirement in section 110(d) of the Housing Act of 1949 that the assistance provided by a State, municipality, or other public body under that section, in order to qualify as a local grant-in-aid, shall be in connection with a project on which a contract for capital grant has been made under title I of that Act, shall not apply to assistance provided during the period from July 1, 1957, through December 31, 1957, in connection with urban renewal activities which were extended Federal recognition within 60 days after the provision of such assistance was initiated."

Mr. SISK. Mr. Chairman, this amendment actually will affect, I think, possibly two urban renewal projects within the States, both of which are quite small. This particular language covering this provision is now included in the bill passed by the other body, and it was my understanding it was believed by the Committee on Banking and Currency that it would be covered in the language at the top of page 139 of the pending bill. Actually, the proposed language is much narrower than that. However, through a technicality, these two projects would not be covered unless this language is adopted.

Mr. RAINS. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield.

Mr. RAINS. As a matter of fact, the amendment offered by the gentleman from California is more in the nature of a technical clarifying amendment; is that not correct?

Mr. SISK. That is correct. As I understand it, it is strictly a technical or clarifying amendment to make certain that these one or two projects are covered.

Mr. RAINS. While I have no authority as chairman of the committee to accept the amendment, personally I have no objection to it.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield.

Mr. McDONOUGH. The gentleman from California submitted a copy of the

amendment to me before offering it. I realize the problem that he is attempting to correct. We have no objection to the amendment on this side.

Mr. SISK. I thank the gentleman from Alabama [Mr. RAINS] and the gentleman from California [Mr. MCDONOUGH], both of whom have been most cooperative and courteous, both here on the floor and in committee, in assisting my efforts to help the people of the city of Mendota in my district of California in going forward with their urban renewal program. I think the Members should know that their favorable action on this amendment is going to encourage and assist and make possible a most courageous and forward-looking civic improvement project by the people of Mendota, which is, I am informed, the smallest city in the country undertaking an urban renewal program, and which found itself blocked by technical difficulties beyond its control. This House will win the undying gratitude of these people, who are improving their city in the face of financial and other local difficulties beyond its control. This House will prise the more commendable.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. SISK] to the committee amendment.

The amendment to the committee amendment was agreed to.

Mr. RAINS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RAINS: On page 136, after line 8, insert the following new section:

"HOTELS AND OTHER TRANSIENT HOUSING

"SEC. 407. Section 106 of the Housing Act of 1949 is further amended by adding at the end thereof the following new subsection:

"'(g) The provision of assistance under this title is intended to bring about the redevelopment of urban renewal areas for permanent residential use; and no provision permitting the new construction of hotels or other housing for transient use in the redevelopment of any such area shall be included in the urban renewal plan unless the community in which the project is located, under regulations prescribed by the Administrator, has caused to be made a competent independent analysis of the local supply of transient housing and as a result thereof has determined that there exists in the area a need for additional units of such housing.'"

And redesignate the succeeding sections accordingly.

Mr. RAINS. Mr. Chairman, in explanation of the amendment I point out that this amendment was approved both in subcommittee and in the full committee. It was the full intention to put the direction as to making this survey with reference to hotels in the committee report. Through inadvertence, and only through inadvertence, this was left out. For this reason, since it was the intent of the committee both times to do this, I offer the amendment which would make it necessary for a survey to be made before a new hotel could be built in an urban renewal area. Of course, anybody would know that such a survey should be made to see whether or not such a hotel was needed.

Mr. MCDONOUGH. Mr. Chairman, we discussed the amendment in subcommittee and have no objection to the amendment on this side.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. RAINS] to the committee amendment.

The amendment to the committee amendment was agreed to.

Mr. LINDSAY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LINDSAY: On page 135, after line 4, insert the following new section:

"PUBLIC DISCLOSURE BY REDEVELOPERS

"SEC. 406. Section 105 of the Housing Act of 1949 is amended by adding at the end thereof the following new paragraph:

"'(e) No contract or commitment of any nature whatever shall be made between the local public agency and any person for redevelopment of any part of an urban renewal area unless—

"'(1) such person shall have theretofore submitted to the local public agency, at such time and in such manner and form as such agency (under regulations of the Administrator) may require, a prospectus setting forth in detail—

"'(A) the name of the person proposing to redevelop the area and the names of its members, officers, and principal investors or shareholders;

"'(B) the proposed financing and estimated total cost of any redevelopment to be carried out by such person;

"'(C) the schedule of estimated rents per room or sales prices per unit, as the case may be, to be charged, and the estimated profit or rate of return to be derived, by such person with respect to all housing proposed for such redevelopment; and

"'(D) such other information as the local public agency may require in order to insure that all interested parties in possession of such prospectus may be in a position intelligently to evaluate the proposed redevelopment before any such contract or commitment is made; and

"'(2) the local public agency shall have theretofore made copies of such prospectus fully available to the public in such manner and for such period as the Administrator by regulation may prescribe.'"

And renumber the succeeding sections accordingly.

Mr. LINDSAY. Mr. Chairman, this proposal would require full public disclosure of redevelopment proposals submitted by private redevelopers of title I land before any contract or commitment of any kind could be made between the redeveloper and the local public agency.

Mr. Chairman, I am a firm supporter of urban renewal, and my city has benefitted very substantially from Federal urban renewal.

But the fact is that urban renewal in New York City is rapidly getting a black eye and suffering loss of public confidence because so much of what goes on is shrouded in secrecy. In some cases the result in a title I housing project is quite different from that which was advertised. There is no point in taking the time of the committee in citing examples but I can say, and I am sure that many of the gentlemen from New York City will agree, that what has been happening is that the redeveloper—the person or organization ultimately acquiring the renewal area by markdown sale—is being selected by the local public agency without an adequate opportunity being provided to other potential redevelopers or to the public at large to study his proposals. Commitments are being made under circumstances operating to conceal from the public just who is redeveloping, what it will cost, what the rents will probably be, and what profit is anticipated.

I can cite an unhappy example. In Manhattan the Washington Square title I project has torn down low-rent apartments and lofts, and uprooted small businesses, only to build a string of luxury apartment houses, renting for better than $75 per room per month—in some apartments for more. Nothing beyond the vaguest information as to the anticipated rents was made available when the commitment with the redevelopment syndicate was made. The names and interests of the investors in this project—which was made possible by grants of $8 million of Federal funds—were shrouded in mystery.

This amendment would require as a prerequisite to any redevelopment commitment the filing and public availability of a prospectus containing certain basic information which ought to be made public. It would require no more. It would not introduce on local autonomy—it would facilitate it.

It seems to me, Mr. Chairman, absolutely clear that when we are dealing with large sums of taxpayers money that the least the public is entitled to is basic information as to who is being made a part of a development program, the names of the members of the syndicate—who stand to benefit—the proposed financing and estimated total cost, plus a requirement that such a proposal be open to the public for inspection in advance of any formal or informal commitment being made. If this is not done, I can assure you that public mistrust of this whole program will multiply, and damage it where it shouldn't be damaged. We need developers in this business, not promoters. And bona fide developers will be thought of as promoters unless the lid of secrecy is removed.

Hence, my amendment would require that no contract or commitment whatever shall be made between the local public agency and any person for redevelopment, of any part of an urban renewal area unless such person shall have submitted in advance a simple prospectus setting forth the name of the person proposing to redevelop the area and the names of its members, officers, and principle stockholders, the method of financing and estimated cost, and, if housing is proposed, the estimated rents per room and the estimated profit or rate of return to be derived. The local public agency may require any other information in order to insure that all interested parties in possession of such a prospectus may be in a position intelligently to evaluate the proposed redevelopment before any commitment is made.

Copies of the prospectus would be made available to the public in advance in such manner and for such a period as the administrator by regulation may prescribe.

Mr. Chairman, I cannot see how anyone could be opposed to this proposal. It seems to me it would safeguard the

public interest, and if there are practices in existence now which need correction or exposure, this will do much to correct and to expose. In any event, it will curb growing public mistrust as to means and methods for which developers are selected. I urge its adoption.

Mr. RAINS. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield.

Mr. RAINS. The distinguished gentleman from New York presented a copy of the amendment to me on yesterday. While I have some doubt about the exact application of his amendment, the goal he seeks to achieve, I must confess, is one that needs to be achieved. Therefore, I have no objection personally, I speak again, to accepting his amendment with the understanding that we would want to consider it carefully in conference as between the House and the Senate to see what could be worked out languagewise and otherwise. As I say, his objective, I think, is good, but I believe there might have to be a little change in language here and there. So I have no objection to the amendment.

Mr. LINDSAY. I am grateful to the gentleman for his suggestion.

Mr. McDONOUGH. Mr. Chairman, we have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. LINDSAY].

The amendment was agreed to.

Mr. SMITH of Virginia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Virginia: On page 130, line 22, strike out the words "unless authorized by the President."

Mr. SMITH of Virginia. Mr. Chairman, this is a matter that I mentioned in debate on yesterday and to make it clear I will have to read the sentence involved which is on page 130, line 18.

Mr. RAINS. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Alabama.

Mr. RAINS. I do not want to keep the gentleman from making a good speech, but as I have said before, this was taken from the bill that came from the administration. I agree with the gentleman completely. That language ought to come out. I have no objection to the gentleman's amendment.

Mr. SMITH of Virginia. Mr. Chairman, I found early in the practice of law that when you have won your case it is a bad thing to make further speeches. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The amendment was agreed to.

Mrs. GRANAHAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. GRANAHAN: Page 135, lines 11 and 12, strike out the words "any actual direct losses of property except goodwill or profit" and insert in lieu thereof "any actual direct losses of property except profit."

Mrs. GRANAHAN. Mr. Chairman, this is one of two amendments I intend offering today to S. 57 as reported by the Committee on Banking and Currency. The second one will deal with the question of maximum relocation payments to businesses forced to move from redevelopment or other taking areas. The two amendments I have stand separately but they are both directed at the same problem.

The amendment I have just submitted would repeal a present provision of the urban renewal title of the housing laws which prohibits the payment of any money to a business for goodwill when it is forced out of a present business locality and required to move to another location because of urban renewal activity or for other reasons covered in section 406 of this bill.

The problem was brought very forcibly to my attention recently as a result of the tremendous redevelopment program we have undertaken in Philadelphia in the Eastwick area, which is in my congressional district. I understand it is the biggest redevelopment project that any city has yet attempted. We must move out more than 20,000 people and many small businesses. Under the bill as reported by the committee, relocation payments for the displaced families, covering moving expenses, and so on, would be raised from a present maximum of $100 to $200, and for businesses from $2,500 to $3,000. In my next amendment, I intend to seek to raise that maximum for businesses to $5,000.

But the amendment right at this moment before us, however, is to remove a very discriminatory feature of the present law which the committee bill does not touch on. It is the fact that businesses—small businesses, particularly—which have been located for many years in a particular locality, have built up over the years a great asset in goodwill which is destroyed—wiped out—by a vast project such as Eastwick. But it is by no means confined to this project in Philadelphia. The same problem exists in every redevelopment area, or taking area, where operators of small shops and craftsmen and other small businessmen have invested a lifetime in building up their businesses, only to be ordered out with no indemnity for the value of their businesses.

They must start out anew in new areas—start out laboriously all over again to establish themselves in new neighborhoods. This is a terribly hard thing for a small businessman to do, especially today when small business suffers from so many problems. And the later in life this dislocation occurs, the harder it is to readjust.

I urge adoption of this amendment which would permit some consideration to be given when relocation payments are being determined to the good will built up by the businessman forced to relocate. It is only simple justice, only simple decency. Few of these small firms will have the opportunity to reestablish in the redeveloped areas, and those which do will probably be in the same situation of having to start out all over again with an altogether new and different clientele.

This amendment would not cover the true value of good will lost through this program—but it would provide at least a token acknowledgment that the small business involved has made a real sacrifice. I ask that it be adopted.

Mr. RAINS. Mr. Chairman, I regretfully, and I mean that sincerely, oppose the amendment offered by the gentlewoman from Pennsylvania. She presented this matter to the committee and to me personally with many people from her area who are vitally concerned about the problems which she has spoken about here. The problems are great, there is no doubt about it, in any urban renewal program. Where there are a great many people that must be uprooted and moved, there is no doubt but what great problems arise; however, as I said, this bill increases the amount for business moving from $3,000 to $3,500. This amendment would increase it to $5,000. It goes too far, it is too much, and would at the present time greatly injure the urban renewal program.

The proposition of goodwill in business is difficult to measure in any urban renewal program. So, Mr. Chairman, I am compelled, regretfully, to oppose the amendments at this time, with assurance to the gentlewoman from Pennsylvania and those who are interested in this matter that we not only intend to study this problem in Washington as a committee but we expect once again to go to the grassroots of the country, to cities like Philadelphia, Chicago, and other places in the country and look at the urban renewal programs there in the hope that we may find some better answer.

Mr. Chairman, I ask that the amendment be defeated.

Mr. McDONOUGH. Mr. Chairman, I call the attention of the Committee to the fact that this is one of the instances of the whole complex urban renewal program in this bill in which we provide $1,500 million for the next 3 years that has not been thoroughly studied. We are entering into a comparatively new field with a large amount of money, and although we have been operating for 10 years under urban renewal, there have been problems after problems pile up and pile up in connection with urban renewal that we are not sure of. There is involved the invasion of private property rights, the dispossession of people and certain commercial interests, with no assurance of full redemption, the question of invading the jurisdiction of cities and counties as far as their basic laws are concerned. Even in the bill that the other body passed, there is a fund provided for planning to educate the cities and counties to plan for urban renewal.

I submit that the amount of money in this bill for urban renewal to the extent of $1,500 million where problems such as the gentlewoman from Pennsylvania has presented have arisen—and that is only one of many—is an indication of the obligation we are assuming in the passage of this bill.

I am not arguing against the amendment, but I agree with the chairman of the subcommittee that this section of the bill needs a great deal of study before we finally adopt it.

The CHAIRMAN. The question is on the amendment offered by the gentle-

woman from Pennsylvania [Mrs. GRANAHAN.]

The amendment was rejected.

Mrs. GRANAHAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. GRANAHAN: On page 136, line 8, strike out "$3,000" and insert in lieu thereof "$5,000."

Mrs. GRANAHAN. Mr. Chairman, this amendment is intended to further assure fair treatment for the small businesses forced to vacate long-established business locations as a result of redevelopment activities or other acquistion of their properties by public agencies. While it supplements the amendment I offered on the previous page dealing with goodwill payments, it stands on its own merits in applying to all businesses affected.

Present law provides for relocation payments for families and businesses occupying quarters in areas to be taken over for redevelopment. Under present law, a family can receive up to $100 for relocation expenses and a business up to $2,500. The committee bill now before us raises these amounts to $200 maximum for a family and $3,000 maximum for a business. My amendment would further increase the maximum for a business to $5,000.

Now this is not an automatic payment that would go to every business. This $5,000 figure would be the maximum payment, just as the committee bill would make $3,000 the maximum. The testimony before the subcommittee, as reported by the committee, is that in most instances the actual payments made to families and businesses which are relocated have been substantially below the present maximums of $100 and $2,500. So it is not automatic. But the testimony also shows that the present limitations are a hardship in many cases, and I would say the Eastwick project in Philadelphia is a perfect example of the kind of hardship situation the committee report refers to.

The businessmen forced to move by this huge project have appealed to me for help in securing a fair break considering the trouble and expense and loss of future earnings they are being put to in the great forward movement of progress in our city. This problem confronts every city where there is a redevelopment project. I was able to arrange a meeting of the Eastwick businessmen with Chairman RAINS of the Housing Subcommittee, and I appreciate deeply the help and encouragement he gave, and the provision in the committee bill now before us to raise the maximum relocation payment for businesses from $2,500 to $3,000.

But $3,000 is hardly a munificent sum to hand over to a businessman who is literally wiped out by redevelopment after a lifetime of building up his business in a stable and profitable location. Eastwick, incidentally, is no slum.

Since the actual amounts which would be paid over would, in each case, have to be worked out on the merits of the individual businessman's situation, and since the evidence shows most payments are now even below the current maximum of $2,500, my amendment to raise the maximum to $5,000 would apply only in those extreme hardship cases where the businessman was clearly entitled to the higher payment. In other words, it would not raise costs—just as the committee proposal of $3,000 would not raise costs—except in those individual hardship cases where justice cries out for better treatment than either the present law or the committee amendment would permit. Every small businessman affected should be entitled to justice in this matter.

Mr. Chairman, I hope that this amendment will be adopted.

Mr. ROOSEVELT. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I will not take the 5 minutes, but I simply want to concur heartily and congratulate the gentlewoman from Pennsylvania [Mrs. GRANAHAN], on what she has just said. I have had personal experience in my district with similar situations. This is a very serious thing for the small businessmen who are displaced, and I cannot help but feel that this is a problem which I hope, as the chairman of the subcommittee, the gentleman from Alabama [Mr. RAINS], has said, will be studied in the future and that early action may be taken on it if the amendment is not adopted. I personally, of course, will vote for the amendment, because I think that whatever small additional cost it may bring to the program is more than justified by the needs of the situation.

Mr. RAINS. Mr. Chairman, I rise in opposition to the amendment. I mentioned the reasons in my former discussion concerning the amendment offered by the gentlewoman from Pennsylvania. We have given some increase in the relocation cost in this bill, and to take this drastic step and increase it all at once would, in my judgment, be extremely detrimental to the program. I agree with the ranking minority Member, the gentleman from California [Mr. MCDONOUGH], that certain things, such as cost and goodwill and whether or not they should be able to move back on the place, insofar as the urban renewal program is concerned, are matters that we should know more about. I think this amendment would be too expensive and would endanger the bill. So, I regretfully have to oppose it.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Pennsylvania [Mrs. GRANAHAN].

The amendment was rejected.

Mr. ALGER. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, as one who heartily opposes urban renewal, let me say that I had to go through a campaign with stanch opposition from those who wanted money from the Federal Treasury; I had said, "No, local problems deserve local solutions and not Federal programs or Federal money." Then, having paid the price in the campaign and having won the contest, on that basis I want to ask several questions of the chairman of the subcommittee. I hope the gentleman is in the Chamber; I would regret it if he has left.

Mr. RAINS. I am present, but may I say to the gentleman, that I do not care to engage in one of these question-and-answer periods, unless it has to do with the legislation immediately before us.

Mr. ALGER. It is not my purpose to engage in a question-and-answer period as such, but I did want to put to the chairman of the subcommittee some questions, and I hoped to get some answers. I had hoped to get a more courteous response, because I do think this is important.

Mr. RAINS. Mr. Chairman, I did not mean to be discourteous. I do not know to what part of the bill the gentleman wishes to refer.

Mr. ALGER. We are on urban renewal, and, if the chairman will permit, I should like to ask several questions which I do think are pertinent.

First of all, let me say that I was under the impression from the chairman's remarks yesterday, that the committee is aware of certain things in urban renewal that need to be studied.

Mr. RAINS. That is correct.

Mr. ALGER. And yet, I recognize, as does the chairman, that even before this study is made, we are being asked to appropriate $1.5 billion. This is cart before horse. Now, my questions are these.

Does the chairman of the subcommittee understand that private property, contrary to the Constitution which says that private property can be taken only for public use and with just compensation—does the chairman understand that private property can now be taken unconstitutionally for private use, under present urban renewal practices?

Mr. RAINS. The answer to that is "No."

Mr. ALGER. That it cannot be taken for private use?

Mr. RAINS. I do not understand that it can be taken unconstitutionally.

Mr. ALGER. I understand the chairman's answer, and I flatly contradict it, very respectfully, if I may say so, by saying that private property is presently being taken, and any of our citizens who own private property, commercial or residential property, can be taken from them at this time.

Mr. RAINS. If the gentleman will yield, we could get into a great deal of discussion involving a lot of lawyers' terms here, but I do not think it would shed too much light on the particular subject. But the gentleman understands that there is the right of eminent domain in local governments, which is a rather paramount right. From my limited knowledge of the law I would assume that all of these takings that the gentleman is talking about, by the municipalities, or the planning agencies that operate them in certain States, as they have done in my State, are done constitutionally. That is, under the right of eminent domain. So what the gentleman is talking about has nothing to do with the point at issue.

Mr. ALGER. Mr. Chairman, may I respectfully disagree with the chairman of the subcommittee by pointing this out. The gentleman has just mentioned eminent domain. I meant to use that term myself. I must call the chairman's attention to the case of Berman against

Parker, in which decision that point was made. So I repeat my statement made earlier on that first question, that private property can now be taken for private use, which is unconstitutional.

My second question is this. This relates to the law—and I am certain that the chairman is acquainted with the law far more completely than I am, since he has been a student of this subject far longer than I. In that decision of the Supreme Court—and I think every Member of this House should be aware of this—does not the gentleman understand that private property can be taken under the power of eminent domain for urban renewal, for esthetic and spiritual reasons, as determined by the Redevelopment Board?

Mr. RAINS. I have not read the decision, I must confess. I am too busy being a legislator to spend too much time reading Supreme Court decisions. I do not know what the decision says, but I do know that the right of cities to proceed under the urban renewal program is not unconstitutional. How far they can go, the gentleman would have to ask some judge about that.

Mr. ALGER. Mr. Chairman, while I respect the gentleman's answer, I might say that I have said on the floor of this House and I now repeat—and I wish I had the exact language here and shall, at the proper time, ask unanimous consent to put it in the RECORD—but I am saying to the gentleman that the Redevelopment Board under existing practice has the right to take your home, your property, your commercial property—and the liberals should understand this—for esthetic and spiritual reasons, as members of the Redevelopment Board deem wise. And this is the decision of the Supreme Court. How this House, or any members of either political party can condone that, or not fully understand it, to me is unthinkable. I simply register my protest to the gentleman and say that I do not believe additional sums for urban renewal should be provided, so long as property can be taken from us in the way that I have described. I do not think that is right or just. Of course, I think this section should be stricken from the bill. Admittedly, I prefer the Herlong substitute as the lesser of two evils, and that is why I am voting for the Herlong substitute. I now include the Supreme Court decision showing the new definition of eminent domain.

SUPREME COURT OF THE UNITED STATES—NO. 22—OCTOBER TERM, 1954—SAMUEL BERMAN AND SOLOMON H. FELDMAN, EXECUTORS OF THE ESTATE OF MAX R. MORRIS, DECEASED, APPELLANTS, VERSUS ANDREW PARKER, JOHN A. REMON, JAMES E. COLLIFLOWER, ET AL.—ON APPEAL FROM THE U.S. DISTRICT COURT FOR THE DISTRICT OF COLUMBIA—NOVEMBER 22, 1954

Mr. Justice Douglas delivered the opinion of the Court.

This is an appeal (28 U.S.C., sec. 1253) from the judgment of a three-judge District Court which dismissed a complaint seeking to enjoin the condemnation of appellants' property under the District of Columbia Redevelopment Act of 1945 (60 Stat. 790, D.C. Code, 1951, secs. 5–701–5–719). The challenge was to the constitutionality of the act, particularly as applied to the taking of appellants' propery. The District Court sustained the constitutionality of the act (117 F. Supp. 705).

By section 2 of the act Congress made a "legislative determination" that "owing to technological and sociological changes, obsolete lay-out, and other factors, conditions existing in the District of Columbia with respect to substandard housing and blighted areas, including the use of buildings in alleys as dwellings for human habitation, are injurious to the public health, safety, morals, and welfare; and it is hereby declared to be the policy of the United States to protect and promote the welfare of the inhabitants of the seat of the Government by eliminating all such injurious conditions by employing all means necessary and appropriate for the purpose." [1]

Section 2 goes on to declare that acquisition of property is necessary to eliminate these housing conditions.

Congress further finds in section 2 that these ends cannot be attained "by the ordinary operations of private enterprise alone without public participation"; that "the sound replanning and redevelopment of an obsolescent or obsolescing portion" of the District "cannot be accomplished unless it be done in the light of comprehensive and coordinated planning of the whole of the territory of the District of Columbia and its environs"; and that "the acquisition and the assembly of real property and the leasing or sale thereof for redevelopment pursuant to a project area redevelopment plan * * * is hereby declared to be a public use."

Section 4 creates the District of Columbia Redevelopment Land Agency (hereinafter called the Agency), composed of five members, which is granted the power by section 5(a) to acquire and assemble by eminent domain and otherwise real property for "the redevelopment of blighted territory in the District of Columbia and the prevention, reduction, or elimination of blighting factors or causes of blight."

Section 6(a) of the act directs the National Capital Planning Commission (hereinafter called the Planning Commission) to make and develop "a comprehensive or general plan" of the District, including "a land-use plan" which designates land for use for "housing, business, industry, recreation, education, public buildings, public reservations, and other general categories of public and private uses of the land." Section 6(b) authorizes the Planning Commission to adopt redevelopment plans for specific project areas. These plans are subject to the approval of the District Commissioners after a public hearing; and they prescribe the various public and private land uses for the respective areas, the "standards of population density and building intensity," and "the amount or character or class of any low-rent housing" (sec. 6(b)).

Once the Planning Commission adopts a plan and that plan is approved by the Commissioners, the Planning Commission certifies it to the Agency (sec. 6(d)). At that point, the Agency is authorized to acquire and assemble the real property in the area. Id.

After the real estate has been assembled, the Agency is authorized to transfer to public agencies the land to be devoted to such public purposes as streets, utilities, recreational facilities, and schools (sec. 7(a)) and to lease or sell the remainder as an entirety or in parts to a redevelopment company, individual, or partnership (sec. 7(b), (f)). The leases or sales must provide that the lessees or purchasers will carry out the redevelopment plan and that "no use shall be made of any land or real property included in the lease or sale nor any building or structure erected thereon" which does not conform to the plan (secs. 7(d), 11). Preference is to be given to private enterprise over public agencies in executing the redevelopment plan (sec. 7(g)).

The first project undertaken under the act relates to project area B in Southwest Washington, D.C. In 1950 the Planning Commission prepared and published a comprehensive plan for the District. Surveys revealed that in area B, 64.3 percent of the dwellings were beyond repair, 18.4 percent needed major repairs, only 17.3 percent were satisfactory; 57.8 percent of the dwellings had outside toilets, 60.3 percent had no baths, 29.3 percent lacked electricity, 82.2 percent had no wash basins or laundry tubs, 83.8 percent lacked central heating. In the judgment of the District's Director of Health it was necessary to redevelop area B in the interests of public health. The population of area B amounted to 5,012 persons, of whom 97.5 percent were Negroes.

The plan for area B specifies the boundaries and allocates the use of the land for various purposes. It makes detailed provisions for types of dwelling units and provides that at least one-third of them are to be low-rent housing with a maximum rental of $17 per room per month.

After a public hearing the Commissioners approved the plan and the Planning Commission certified it to the Agency for execution. The Agency undertook the preliminary steps for redevelopment of the area when this suit was brought.

Appellants own property in area B at 712 Fourth Street SW. It is not used as a dwelling or place of habitation. A department store is located on it. Appellants object to the appropriation of this property for the purposes of the project. They claimed that their property may not be taken constitutionally for this project. It is commercial, not residential, property; it is not slum housing; it will be put into the project under the management of a private, not a public, agency and redeveloped for private, not public, use. That is the argument; and the contention is that appellants' private property is being taken contrary to two mandates of the fifth amendment: (1) "No person shall * * * be deprived of * * * property, without due process of law"; (2) "nor shall private property be taken for public use without just compensation." To take for the purpose of ridding the area of slums is one thing; it is quite another, the argument goes, to take a man's property merely to develop a better balanced, more attractive community. The District Court, while agreeing in general with that argument, saved the act by construing it to mean that the Agency could condemn property only for the reasonable necessities of slum clearance and prevention, its concept of "slum" being the existence of conditions injurious to the public health, safety, morals, and welfare (117 F. Supp. 705, 724–725).

The power of Congress over the District of Columbia includes all the legislative powers which a State may exercise over its affairs. See *District of Columbia* v. *Thompson Co.*, 346 U.S. 100, 108. We deal, in other words, with what traditionally has been known as the police power. An attempt to define its reach or trace its outer limits is fruitless, for each case must turn on its own facts. The definition is essentially the product of legislative determinations addressed to the purposes of government, purposes neither ab-

[1] The act does not define either "slums" or "blighted areas." Sec. 2(r), however, states: "'Substandard housing conditions' means the conditions obtaining in connection with the existence of any dwelling, or dwellings, or housing accommodations for human beings, which because of lack of sanitary facilities, ventilation, or light, or because of dilapidation, overcrowding, faulty interior arrangement, or any combination of these factors, is in the opinion of the Commissioners detrimental to the safety, health, morals, or welfare of the inhabitants of the District of Columbia."

stractly nor historically capable of complete definition. Subject to specific constitutional limitations, when the legislature has spoken, the public interest has been declared in terms well nigh conclusive. In such cases the legislature, not the judiciary, is the main guardian of the public needs to be served by social legislation, whether it be Congress legislating concerning the District of Columbia (see *Block* v. *Hirsh*, 256 U.S. 135) or the States legislating concerning local affairs. See *Olsen* v. *Nebraska*, 313 U.S. 236; *Lincoln Union* v. *Northwestern Co.*, 335 U.S. 525; *California State Association* v. *Maloney*, 341 U.S. 105. This principle admits of no exception merely because the power of eminent domain is involved. The role of the judiciary in determining whether that power is being exercised for a public purpose is an extremely narrow one. See *Old Dominion Co.* v. *United States*, 269 U.S. 55, 66; *United States ex rel. T.V.A.* v. *Welch*, 327 U.S. 546, 552.

Public safety, public health, morality, peace and quiet, law and order—these are some of the more conspicuous examples of the traditional application of the police power to municipal affairs. Yet they merely illustrate the scope of the power and do not delimit it. See *Noble State Bank* v. *Haskell*, 219 U.S. 104, 111. Miserable and disreputable housing conditions may do more than spread disease and crime and immorality. They may also suffocate the spirit by reducing the people who live there to the status of cattle. They may indeed make living an almost insufferable burden. They may also be an ugly sore, a blight on the community which robs it of charm, which makes it a place from which men turn. The misery of housing may despoil a community as an open sewer may ruin a river.

Here, Mr. Chairman, is the critical part, a redefinition of eminent domain.

We do not sit to determine whether a particular housing project is or is not desirable. The concept of the public welfare is broad and inclusive. See *Day-Brite Lighting, Inc.* v. *Missouri*, 342 U.S. 421, 424. The values it represents are spiritual as well as physical, esthetic as well as monetary. It is within the power of the legislature to determine that the community should be beautiful as well as healthy, spacious as well as clean, well-balanced as well as carefully patrolled. In the present case, the Congress and its authorized agencies have made determinations that take into account a wide variety of values. It is not for us to reappraise them. If those who govern the District of Columbia decide that the Nation's Capital should be beautiful as well as sanitary, there is nothing in the fifth amendment that stands in the way.

Once the object is within the authority of Congress, the right to realize it through the exercise of eminent domain is clear. For the power of eminent domain is merely the means to the end. See *Luxton* v. *North River Bridge Co.*, 153 U.S. 525, 529–530; *United States* v. *Gettysburg Electric R. Co.*, 160 U.S. 668, 679. Once the object is within the authority of Congress, the means by which it will be attained is also for Congress to determine. Here one of the means chosen is the use of private enterprise for redevelopment of the area. Appellants argue that this makes the project a taking from one businessman for the benefit of another businessman. But the means of executing the project are for Congress and Congress alone to determine, once the public purpose has been established. See *Luxton* v. *North River Bridge Co., supra;* cf. *Highland* v. *Russell Car Co.*, 279 U.S. 253. The public end may be as well or better served through an agency of private enterprise than through a department of government—or so the Congress might conclude. We cannot say that public ownership is the sole method of promoting the public purposes of community redevelopment projects. What we have said also disposes of any contention concerning the fact that certain property owners in the area may be permitted to repurchase their properties for redevelopment in harmony with the overall plan. That, too, is a legitimate means which Congress and its agencies may adopt, if they choose.

In the present case, Congress and its authorized agencies attack the problem of the blighted parts of the community on an area rather than on a structure-by-structure basis. That, too, is opposed by appellants. They maintain that since their building does not imperil health or safety nor contribute to the making of a slum or a blighted area, it cannot be swept into a redevelopment plan by the mere dictum of the Planning Commission or the Commissioners. The particular uses to be made of the land in the project were determined with regard to the needs of the particular community. The experts concluded that if the community were to be healthy, if it were not to revert again to a blighted or slum area, as though possessed by a congenital disease, the area must be planned as a whole. It was not enough, they believed, to remove existing buildings that were insanitary or unsightly. It was important to redesign the whole area so as to eliminate the conditions that cause slums—the overcrowding of dwellings, the lack of parks, the lack of adequate streets and alleys, the absence of recreational areas, the lack of light and air, the presence of outmoded street patterns. It was believed that the piecemeal approach, the removal of individual structures that were offensive, would be only a palliative. The entire area needed redesigning so that a balanced, integrated plan could be developed for the region, including not only new homes but also schools, churches, parks, streets, and shopping centers. In this way it was hoped that the cycle of decay of the area could be controlled and the birth of future slums prevented. Cf. *Gohld Realty Co.* v. *Hartford*, 141 Conn. 135, 141–144, 104 A. 2d 365, 368–370; *Hunter* v. *Redevelopment Authority*, 195 Va. 326, 338–339, 78 S.E. 2d 893, 900–901. Such diversification in future use is plainly relevant to the maintenance of the desired housing standards and therefore within congressional power.

The district court below suggested that, if such a broad scope were intended for the statute, the standards contained in the act would not be sufficiently definite to sustain the delegation of authority (117 F. Supp. 705, 721). We do not agree. We think the standards prescribed were adequate for executing the plan to eliminate not only slums as narrowly defined by the district court but also the blighted areas that tend to produce slums. Property may of course be taken for this redevelopment which, standing by itself, is innocuous and unoffending. But we have said enough to indicate that it is the need of the area as a whole which Congress and its agencies are evaluating. If owner after owner were permitted to resist these redevelopment programs on the ground that his particular property was not being used against the public interest, integrated plans for redevelopment would suffer greatly. The argument pressed on us is, indeed, a plea to substitute the landowner's standard of the public need for the standard prescribed by Congress. But as we have already stated, community redevelopment programs need not, by force of the Constitution, be on a piecemeal basis—lot by lot, building by building.

It is not for the courts to oversee the choice of the boundary line nor to sit in review on the size of a particular project area. Once the question of the public purpose has been decided, the amount and character of land to be taken for the project and the need for a particular tract to complete the integrated plan rests in the discretion of the legislative branch. (See *Shoemaker* v. *United States*, 147 U.S. 282, 298; *United States ex rel. T.V.A.* v. *Welch, supra*, 554; *United States* v. *Carmack*, 329 U.S. 230, 247.)

The district court indicated grave doubts concerning the agency's right to take full title to the land as distinguished from the objectionable buildings located on it (117 F. Supp. 705, 715–719). We do not share those doubts. If the agency considers it necessary in carrying out the redevelopment project to take full title to the real property involved, it may do so. It is not for the courts to determine whether it is necessary for successful consummation of the project that unsafe, unsightly, or insanitary buildings alone be taken or whether title to the land be included, any more than it is the function of the courts to sort and choose among the various parcels selected for condemnation.

The rights of these property owners are satisfied when they receive that just compensation which the fifth amendment exacts as the price of the taking.

The judgment of the district court, as modified by this opinion, is affirmed.

The CHAIRMAN. The time of the gentleman from Texas [Mr. ALGER] has expired.

Mr. MOSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman and members of the Committee, I had not planned to enter the discussion on this legislation, but as a result of the colloquy which has just taken place, I think it is time, perhaps, that we stop and bring this matter into perspective. The gentleman from Texas [Mr. ALGER] has just undertaken through interrogation of the chairman to instruct the Committee, but I think it might be well to instruct the gentleman from Texas in the fact that the procedures which he finds so onerous are procedures which are taken under the laws of the respective States and are not matters upon which this Committee is called on to legislate at this time. I happen also to have had this issue injected in a recent campaign. I stand in the well of this House as the nominee of both my Democratic and my Republican Parties so my position could not have been so very difficult for the voters to understand. In my community of Sacramento, we have an urban renewal program under way and we are looking to it to make a very important contribution to the strengthening of property values and to the rebuilding of property values. I would submit to the members of this Committee that in a great many cities faced with decay and with the decline of important portions of the tax rolls that only through a program of redevelopment, the taking if you please of private property for a private purpose, but above all for a greater public purpose, can we hope to bring about the rebuilding of our community. I am not unfamiliar with the role that property plays in the economy of a community. Before becoming a Member of the House of Representatives, I was a real estate broker, and I learned to have a tremendous respect for private property. But, I have a far greater respect for the need of sound rebuilding or rehabilitation of many of the great American communities.

Mr. ALGER. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield.

Mr. ALGER. The gentleman from California understands that two of the States at least have found the eminent domain provision that I was discussing unconstitutional according to their own State constitutions; is that not correct?

Mr. MOSS. I certainly do know that, and that again is a matter for the States to decide and not for this House or for this Committee. That is their determination and not ours.

We are not doing anything here but providing the means for them to aid themselves, if they desire to take advantage of that aid. We are not forcing anything on them. We are not requiring them to do anything. We are here to give them assistance, if they desire it.

Mr. ALGER. Does the gentleman feel that it is right and proper for us, at a time when we are discussing a law, that possibly might have a Federal-State conflict, not to take a position if we feel that the eminent domain provision under the State law is violating the Constitution since we took the oath at the outset to support the Constitution?

Mr. MOSS. Oh, I think the gentleman is stretching and groping and grabbing for something to maintain an untenable position.

Mr. ALGER. I am trying to ask a question.

Mr. MOSS. It is not our business to determine here. We are not a judicial body. If the States have acted contrary to their constitutions, let their courts speak out and let their people seek redress of their grievances in those State courts, but we are not here a judicial body and we are not sitting here and determining whether a law of the States is constitutional or not. I sought election as a member of a legislative body. I did not seek membership on a judicial bench.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield.

Mr. McDONOUGH. As a Californian, I think we are both familiar with the water problem out there. In the course of the Federal Government's participation in assisting the State of California with reference to water, there was an invasion of the California water rights and an insistence that the 160-acre theory be applied, which affected a great many of us in the State of California. Now this is of a similar nature.

Mr. MOSS. No, it is not. Mr. Chairman, I yielded for a question and I did not yield to permit the injection of a completely alien issue into this debate. The gentleman knows that the law requires the Federal Government to proceed in conformity with the laws of the State with reference to water. Sometimes we disagree as to whether or not they are doing so, but they still have to follow the courts. So let us stick to the issue that we have here before us.

Mr. RAINS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not care to engage in a philosophical or judicial discussion about which, as a matter of fact, I do not know too much. But, Mr. Chairman, I have had handed to me an opinion from the Legislative Reference Service of the Library of Congress with reference to the question that the gentleman raised, and he is, as I thought he was, in error, and, therefore, I will submit this opinion for the RECORD and I shall obtain permission in the House to include it at this point in the RECORD because it is too lengthy to read at this time.

The matter referred to is as follows:

EMINENT DOMAIN—NECESSITY OR CONVENIENCE—GOODWILL AND PROFIT

I. COMMUNITY REDEVELOPMENT PROJECTS

It is now a well-established rule that private property may be taken under eminent domain to promote any constitutionally authorized program. If the project for which the land is sought is constitutional then the use is a public one, whether the program is a matter of absolute necessity or a matter of convenience.

In *Berman* v. *Parker*, 348 U.S. 26 (1954), the plaintiffs had sought to enjoin Parker and other Government officials from prosecuting condemnation proceedings on the grounds that the District of Columbia Redevelopment Act was unconstitutional, particularly as applied to plaintiff's commercial properties which were not slum dwellings. The Court held that public ownership is not the sole method of promoting the public purposes of a community redevelopment project and that it is not beyond the power of Congress to utilize an agency of private enterprise for this purpose or to authorize the taking of private property and its resale or lease to the same or other private parties as part of such a project. The rights of these property owners are satisfied when they receive the just compensation which the fifth amendment exacts as the price of the taking.

II. JUST COMPENSATION

The fifth amendment of the Federal Constitution provides that no person shall "be deprived of life, liberty, or property without due process of law; nor shall private property be taken for public use, without just compensation."

Most States have included like provisions in their constitutions.

The necessity for the valuation of property which is the subject of an exercise of the power of eminent domain is predicated upon the constitutional limitation upon such power which assures "just compensation" to the owner of the property. The weight of authority holds that "just compensation" to which such an owner is entitled is the value of the property at the time it is acquired pursuant to an exercise of the sovereign power. All elements of value which are inherent in the property merit consideration in the valuation process. (*Olson* v. *U.S.*, 292 U.S. 246).

The criteria for the determination of such compensation and the elements which command consideration have not become unalterably fixed, and consideration must be given to the nature of the affected property and the extent of the interest acquired. (*Cudahy Bros. Co.* v. *U.S.*, 155 Fed. 2d 905.)

III. "GOODWILL" AND "PROFITS"

Goodwill in an established business is not generally held to be by itself property in the constitutional sense. (*Howard* v. *Taylor*, 90 Ala. 241.) Generally speaking it is well settled that when land which is occupied for business purposes is taken by eminent domain, the owner or occupant is not entitled to recover compensation for the destruction of his business or injury thereto by its necessary removal from its established location. (*Union Steamboat Co.* v. *Chicago*, 39 Fed. 723.)

In *Lehigh Valley Coal Co.* v. *Chicago* (26 Fed. 415) the Court held that as the business is entirely distinct from the value of the land upon which the business is conducted, it is not considered in determining the value of such land except so far as it illustrates one of the uses to which the land may be put.

It is also well settled by the weight of authority that the owner of such business is not entitled under the constitution to recover the anticipated profits of his business which are lost by the taking of the land upon which it is carried on. (*Laflin* v. *Chicago, etc. R. R. Co.*, 33 Fed. 415.)

However, it was held in *Banner Milling Co.* v. *State*, 240 N.Y. 533, that when a business is directly taken over as such by the public, the plant is valued as a going concern and the good will so far as it adds value to the franchise and other property is included in the award of compensation.

IV. THEORIES FOR THE RULE

Various theories have been advanced for judicial justification for the denial of compensation for the goodwill of a business forced to move under eminent domain. In *Ranlet* v. *Concord RR. Co.*, 62 N.H. 561, the court held that damage to a business was not compensable by virtue of the fact that neither the business nor its goodwill were taken in the exercise of eminent domain.

Another theory is based on the argument that business is less tangible in nature and more uncertain in its vicissitudes than the rights which the Constitution undertakes to protect. (*Sawyer* v. *Commonwealth*, 182 Mass. 245.)

Other courts adhere to the concept that such losses were not within the contemplation of the eminent domain clause of the Constitution. (*Becker* v. *Philadelphia, etc.* v. *R. Co.*, 117 Pa. 252.)

V. RULE AS TO COMPENSATION IN ENGLAND AND CANADA

Even though in the United States it is uniformly held that the loss or diminution of the goodwill and profits of a business, caused by the condemnation of the land on which the business is located, is not an element of damages or compensation, it seems that a contrary rule obtains in the courts of England and Canada.

In *In re McCauley* (18 Ont. Rep. 416), it was held that the owner who had carried on a trade on land condemned for a militia drill shed, could include goodwill as an element of compensation.

In *Senior* v. *Metropolitan R. Co.* (159 Eng. Reprint 107), it was said that goodwill was part of the plaintiff's interest in the premises, and was an element of his compensation when the land was condemned.

VI. STATUTORY AUTHORITY LIBERALIZING COMPENSATION

In more recent years, there seems to be a slight trend relaxing this steadfast rule within the States. The increasing demand for adequate water supplies, highways, redevelopment programs, etc., has made it necessary to condemn vast tracts of land. In many instances persons who had built up an established business were thus deprived of their means of livelihood without any redress being afforded by the general laws. While such persons had no constitutional right to compensation for goodwill, in many cases the need for justice has appealed to the State legislatures and in some instances they have made special provisions for the payment of such damages for the destruction of an established business.

These State statutes have been liberally construed by the courts, and the right to such compensation has not been limited to the destruction of purely mercantile operation.

Earle v. *Commonwealth*, 180 Mass. 579, applied these statutes to a doctor; *Allen* v. *Commonwealth*, 188 Mass. 59, applied the

statutes to a farmer who sold his produce; and *Bruhans* v. *New York*, 198 N.Y. 439, to a boarding house keeper.

In the Federal courts, in the absence of a specific statutory authorization by the Congress for payment, injury to or destruction of a business conducted upon lands taken by eminent domain do not constitute elements of just compensation under the terms of the usual constitutional provision (*Joslin Mfg. Co.* v. *Providence*, 262 U.S. 668; *Mitchell* v. *U.S.* 267 U.S. 431).

In volume 18 American Jurisprudence, page 899, it is said:

"It generally has been assumed that injury to a business is not an appropriation of property for which compensation must be made. There are many serious pecuniary injuries which may be inflicted without compensation. It would be impractical to forbid all laws which might result in such damage, unless they provided a quid pro quo. No doubt business may be property in a broad sense of the word, and property of great value. It may be assumed that there might be such a taking of it as required compensation. But a business is less tangible in nature and more uncertain in its vicissitudes than the rights which the Constitution undertakes absolutely to protect. The dimunition of its value is a vaguer injury than the taking or appropriation with which the Constitution deals. A business might be destroyed by the construction of a more popular street into which travel was directed, as well as by competition, but there would be as little claim in the one case as in the other. The case stands no differently when the business is destroyed by taking the land on which it was carried on, except so far as it may have enhanced the value of the land."

In *United States Gypsum Co.* v. *Mystic River Bridge Authority*, 106 N.E. 2d 677, it was held that the legislature is not limited, in providing compensation, to damages which the landowner is entitled to receive as a matter of constitutional right but may extend compensation to instances where an exercise of eminent domain would result in a real hardship to one whose property has been damaged or injured if he were deprived of compensation.

In *Philbrook* v. *Berlin-Shellburne Power Co.*, 75 N.H. 599, it was held that the fact that flooding a portion of a tract of land had made it less available for the summer boarding-house business was an element to be taken into consideration by the jury in assessing damages.

In *In Re Board of Water Supply*, 167 N.Y.S. 529, it appears that in determining the value of a farm condemned for flooding as part of a reservoir site, the value of the boarding-house business was recovered as a part of the damages.

In *In Re Bensel*, 125 N.Y.S. 872, where a large body of land was flooded for a reservoir, it was held that the statute contemplated that claims for decrease in value of an established business should be determined as far as practicable in the original proceedings taken to acquire the property affected, and that a telephone company could recover for injury to its business.

In *Earle* v. *Commonwealth* (57 L.R.A. 292), the court held that a statute requiring payment of damages for injuries to a business through the taking of property for public use is not unconstitutional on the ground that taxes cannot be levied on such purpose and a doctor having an office in and a practice extending throughout the town in which land is taken for a public purpose is within the protection of a statute providing for compensation to any individual owning an established business on land within the town which is injured by the taking.

VII. NATIONAL HOUSING ACT

In the Housing Act of 1956 (70 Stat. 1091; 42 U.S.C. 1456(f)), the Congress provided for relocation payments to individuals, families, and business concerns for reasonable and necessary moving expenses and direct losses, but specifically prohibited payments to be made for losses relating to goodwill or profit of businesses.

S. 57, 86th Congress, the Housing Act of 1959, which is now before the House Rules Committee, increases the amount of relocation payments, but still specifically prohibits payment for goodwill and profits for business concerns condemned.

VIII. RÉSUMÉ

While the Congress and the legislatures are powerless to diminish the constitutional standard of just compensation, there is nothing which stands in the way of an extension of such compensation, within the limits of equity and justice, so as to include rights otherwise excluded.

Unquestionably the rule prohibiting the payment of compensation under eminent domain for the loss of goodwill and profit works great hardship in many cases. Many small businesses are forced out of business, destroying the livelihood of many persons whose business was well established in such localities.

Since there seems to be no constitutional bar, it would seem that the Congress might specifically grant compensation for goodwill and profit to small businessmen required to relocate elsewhere because of redevelopment projects, if it were convinced of the equity and justice of such compensation.

Mr. ALGER. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield.

Mr. ALGER. Since the very distinguished gentleman so quickly concluded that the gentleman from Texas is in error; would the gentleman care to tell us please where the error is.

Mr. RAINS. I have just offered the proof of that and I know the gentleman will enjoy reading it in the RECORD.

I do not care to take up an extraneous matter any further in connection with this debate. I will be glad for the gentleman to read it.

Mr. ALGER. The gentleman will be glad to read it. I am sorry only that other Members of the House will not have this information at this time.

Mr. RAINS. I want the gentleman to understand that I did not write the brief; I do not know that much about it.

The CHAIRMAN. Is the gentleman from Alabama seeking to insert this matter at this time?

Mr. RAINS. I must get that permission in the House, I may say to the Chair.

Mr. WIDNALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WIDNALL: Strike out all of section 415, beginning on page 145, line 9, and ending on page 147, line 19, and insert in lieu thereof the following:

"URBAN PLANNING

"SEC. 415. Section 701 of the Housing Act of 1954 is amended to read as follows:

"'URBAN PLANNING

"'SEC. 701. (a) In order to assist State and local governments in solving planning problems resulting from increasing concentration of population in metropolitan and other urban areas, including smaller communities, to facilitate comprehensive planning for urban development by State and local governments on a continuing basis, and to encourage State and local governments to establish and develop planning staffs, the Administrator is authorized to make planning grants to—

"'(1) State planning agencies, or (in States where no such planning agency exists) to agencies or instrumentalities of government designated by the Governor of the State and acceptable to the Administrator as capable of carrying out the planning functions contemplated by this section, for the provision of planning assistance to (A) cities, other municipalities, and counties having a population of less than fifty thousand according to the latest decennial census, (B) any group of adjacent communities, either incorporated or unincorporated, having a total population of less than fifty thousand according to the latest decennial census and having common or related urban planning problems resulting from rapid urbanization, and (C) cities, other municipalities, and counties referred to in paragraph (3) of this subsection and areas referred to in paragraph (4) of this subsection;

"'(2) official State, metropolitan, and regional planning agencies empowered under State or local laws or interstate compact to perform metropolitan or regional planning;

"'(3) cities, other municipalities, and counties which have suffered substantial damage as a result of a catastrophe which the President, pursuant to section 2(a) of "An Act to authorize Federal assistance to States and local governments in major disasters, and for other purposes", has determined to be a major disaster;

"'(4) to official governmental planning agencies for areas where rapid urbanization has resulted or is expected to result from the establishment or rapid and substantial expansion of a Federal installation; and

"'(5) State planning agencies for State and interstate comprehensive planning (as defined in subsection (d)) and for research and coordination activity related thereto.

Planning assisted under this section shall, to the maximum extent feasible, cover entire urban areas having common or related urban development problems.

"'(b) A grant made under this section shall not exceed 50 per centum of the estimated cost of the work for which the grant is made. All grants made under this section shall be subject to terms and conditions prescribed by the Administrator. No portion of any grant made under this section shall be used for the preparation of plans for specific public works. The Administrator is authorized, notwithstanding the provisions of section 3648 of the Revised Statutes, as amended, to make advances or progress payments on account of any planning grant made under this section. There is hereby authorized to be appropriated not exceeding $20,000,000 to carry out the purposes of this section, and any amounts so appropriated shall remain available until expended.

"'(c) The Administrator is authorized, in areas embracing several municipalities or other political subdivisions, to encourage planning on a unified metropolitan basis and to provide technical assistance for such planning and the solution of problems relating thereto.

"'(d) It is the further intent of this section to encourage comprehensive planning for States, cities, counties, metropolitan areas, and urban regions and the establishment and development of the organizational units needed therefor. In extending financial assistance under this section, the Administrator may require such assurances as he deems adequate that the appropriate State and local agencies are making reasonable progress in the development of the elements of comprehensive planning. Comprehensive planning, as used in this section, includes the following, to the extent directly related to urban needs: (1) preparation, as a guide for long-range development, of general physical

plans with respect to the pattern and intensity of land use and the provision of public facilities, together with long-range fiscal plans for such development; (2) programing of capital improvements based on a determination of relative urgency, together with definitive financing plans for the improvements to be constructed in the earlier years of the program; (3) coordination of all related plans of the departments or subdivisions of the government concerned; (4) intergovernmental coordination of all related planned activities among the State and local governmental agencies concerned; and (5) preparation of regulatory and administrative measures in support of the foregoing.

"'(e) In the exercise of his function of encouraging comprehensive planning by the States, the Administrator shall consult with those officials of the Federal Government responsible for the administration of programs of Federal assistance to the States and municipalities for various categories of public facilities.'"

Mr. WIDNALL (interrupting the reading). Mr. Chairman, I ask unanimous consent that the amendment may be considered as read.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. WIDNALL. Mr. Chairman, may I preface my remarks by saying that I have always supported urban renewal. The argument concerning urban renewal has been over the pace at whch it should be programed, and, further, the budget impact that goes with the urban renewal expenditures.

This bill as reported and the amendment would make four principal changes in existing law on urban planning grants.

First, it would raise the authorization for planning grants from $10 million to $20 million;

Second, it would permit grants to State planning agencies to help localities up to 50,000 population—the limit is now 25,000—and to help groups of adjacent communities up to 50,000 population;

Third, it permits grants to State planning agencies for "comprehensive planning" related to urban needs; and

Fourth, in States with no State planning agency, it permits grants to a governmental agency designated by the Governor and acceptable to HHFA.

How does the amendment differ from the proposal in the Rains bill?

The amendment would also make the following changes the bill would not make:

First. It would authorize HHFA to encourage and to some extent compel State and local governments to develop broader, coordinated plans such as, by cooperation between adjoining communities, or coordination of various departments within a single city, or by planning on a longer-term basis.

Second. It would make counties eligible for grants. The law now covers only "cities and other municipalities." HHFA has interpreted "municipality" as covering some counties, but not all.

Third. It would allow grants for "comprehensive planning" to planning agencies set up under interstate compact. The reported bill may cover these but language is not clear.

Fourth. It would authorize technical assistance; that is, advice and help from HHFA personnel, as opposed to grants, to encourage metropolitan area involving several communities to develop unified plans.

Fifth. It would require HHFA, in encouraging "comprehensive planning," to consult with other Federal agencies carrying out programs of State and local aid.

Sixth. It would make other simplifying, clarifying changes.

Mr. RAINS. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman.

Mr. RAINS. As I understand, the amendment the gentleman now proposes is a language rewrite almost completely of the amendment the gentleman offered along this line having to do with urban planning in communities. Is that correct?

Mr. WIDNALL. That is substantially correct.

Mr. RAINS. As I look at the amendment it seems to me to be a very brilliant improvement over the amendment we had previously, and I want to say to the gentleman that personally I do not have any objection to it. I think it improves the bill language-wise considerably.

Mr. WIDNALL. It presents a workable plan and certainly it is a salutary amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. WIDNALL].

The amendment was agreed to.

The Clerk read as follows:

TITLE V—COLLEGE HOUSING

SEC. 501. Section 401(d) of the Housing Act of 1950 is amended by striking out "$925,000,000", "$100,000,000", and "$25,000,000" and inserting in lieu thereof "$1,325,000,000", "$140,000,000", and "$65,000,000", respectively.

SEC. 502. (a) Section 404(b) of the Housing Act of 1950 is amended by striking out "and (4)" and inserting in lieu thereof "(4)" and by inserting before the period at the end thereof the following: ", and (5) any nonprofit student housing cooperative corporation established for the purpose of providing housing for students or students and faculty of any institution included in clause (1) of this subsection".

(b) Section 401 of such Act is amended by adding at the end thereof the following new subsection:

"(g) In the case of any loan made under this section to a nonprofit student housing cooperative corporation referred to in clause (5) of section 404(b), the Administrator shall require that the note securing such loan be cosigned by the educational institution (referred to in clause (1) of such section) at which such corporation is located; and in the event of the dissolution of such corporation, title to the housing constructed with such loan shall vest in such educational institution."

SEC. 503. Section 402 of such Act is amended by adding at the end thereof the following new subsection:

"(e) The Administrator shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors and subcontractors in the construction of housing assisted under this title shall be paid wages at rates not less than those prevailing in the locality involved for the corresponding classes of laborers and mechanics employed on construction of a similar character, as determined by the Secretary of Labor in accordance with the Act of March 3, 1931, as amended (the Davis-Bacon Act); but the Administrator may waive the application of this subsection in cases or classes of cases where laborers or mechanics, not otherwise employed at any time in the construction of such housing, voluntarily donate their services without full compensation for the purpose of lowering the costs of construction and the Administrator determines that any amounts saved thereby are fully credited to the educational institution undertaking the construction."

Mr. RAINS (interrupting the reading). Mr. Chairman, this is the college housing section. I ask unanimous consent that it may be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read as follows:

TITLE VI—LOW-RENT PUBLIC HOUSING

Declaration of policy

SEC. 601. Section 1 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new sentences: "In the development of low-rent housing it shall be the policy of the United States to make adequate provision for larger families and for families consisting of elderly persons. It is the policy of the United States to vest in the local public housing agencies the maximum amount of responsibility in the administration of the low-rent housing program, including responsibility for the establishment of rents and eligibility requirements (subject to the approval of the Authority), with due consideration to accomplishing the objectives of this Act while effecting economies."

Central administrative office facilities

SEC. 602. The last sentence of paragraph (5) of section 2 of the United States Housing Act of 1937 is amended—

(1) by inserting after "1949" the following: ", or in cases where the public housing agency and the local public agency for purposes of such title I operate under a combined central administrative office staff,"; and

(2) by striking out "its functions as such local public agency" each place it appears and inserting in lieu thereof "the functions of such local public agency".

Rents and income limits

SEC. 603. (a) Paragraph (1) of section 2 of the United States Housing Act of 1937 is amended to read as follows:

"(1) The term 'low-rent housing' means decent, safe, and sanitary dwellings within the financial reach of families of low income, and developed and administered to promote serviceability, efficiency, economy, and stability, and embraces all necessary appurtenances thereto. The dwellings in low-rent housing shall be available solely for families of low income. Income limits for occupancy and rents shall be fixed by the public housing agency and approved by the Authority after taking into consideration (A) the family size, composition, age, physical handicaps, and other factors which might affect the rent-paying ability of the family, and (B) the economic factors which affect the financial stability and solvency of the project."

(b) Paragraph (7)(b) of section 15 of such Act is amended by inserting after "a gap of at least 20 per centum" the following: "(or 10 per centum in the case of any family entitled to a first preference as provided in section 10(g)."

Minimum age for admission of single persons and elderly families to low-rent projects

SEC. 604. The second and third sentences of paragraph (2) of section 2 of the United States Housing Act of 1937 are amended to read as follows: "The term 'families' means families consisting of two or more persons, a single person who has attained retirement age as defined in section 216(a) of the Social Security Act or who has attained the age of fifty and is under a disability as defined in section 223 of that Act, or the remaining member of a tenant family. The term 'elderly families' means families the head of which (or his spouse) has attained retirement age as defined in section 216(a) of the Social Security Act or has attained the age of fifty and is under a disability as defined in section 223 of that Act."

Low-rent housing authorization

SEC. 605. (a) Section 10(i) of the United States Housing Act of 1937 is amended to read as follows:

"(i) Notwithstanding any other provision of law, the Authority may enter into new contracts for loans and annual contributions for not more than thirty-five thousand additional dwelling units after July 1, 1958, which limit (within the limit provided by subsection (e)) shall be increased by thirty-five thousand additional dwelling units on the first day of each fiscal year beginning after such date, and may enter into only such new contracts for preliminary loans in respect thereto as are consistent with the number of dwelling units for which contracts for annual contributions may be entered into hereunder. Notwithstanding any other provision of law, no new contract for annual contributions for additional dwelling units shall be entered into after July 31, 1956, except with respect to low-rent housing for a locality respecting which the Housing and Home Finance Administrator has made the determination and certification relating to a workable program as described in section 101(c) of the Housing Act of 1949, as amended."

(b) The last proviso under the heading "Public Housing Administration, Annual Contributions" in title I of the First Independent Offices Appropriation Act, 1954 (67 Stat. 307), is repealed.

Payment for services

SEC. 606. Section 15 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new paragraph:

"(10) Notwithstanding any other provision of law or any contract or other arrangement made pursuant thereto, any public housing agency which utilizes public services and facilities of a municipality or other local governmental agency making charges therefor separate from real and personal property taxes shall be authorized by the Authority (without any amendment to the contract for annual contributions or deductions from payments in lieu of taxes otherwise payable) to pay to such municipality or other local governmental agency the amount that would be charged private persons or dwellings similarly situated for such facilities and services."

Amendment of existing contracts

SEC. 607. The United States Housing Act of 1937 is amended by redesignating sections 30 and 31 as sections 31 and 32, respectively, and by inserting after section 29 a new section as follows:

"SEC. 30. Upon the request of any public housing agency the Authority is authorized and directed to amend any or all of its contracts with the public housing agency so as to bring such contracts into conformity with the amendments made to this Act by the Housing Act of 1959: *Provided*, That contracts may not be amended or superseded in a manner which would impair the rights of the holders of any outstanding obligations of the public housing agency involved which are secured by any of the provisions of such contracts."

Mr. RAINS (interrupting reading of the bill). Mr. Chairman, this is the low-rent public housing section. I ask unanimous consent that the title be considered as read and open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. FINO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FINO: On page 152, strike out the sentence beginning in line 14 and insert the following: "Notwithstanding any other provision of law, no new contract for annual contributions for additional dwelling units shall be entered into after July 31, 1956, except with respect to low-rent housing for a locality respecting which the Housing and Home Finance Administrator has made the determination and certification relating to a workable program as described in section 101(c) of the Housing Act of 1949 and, where such locality is a city having a population of 1,000,000 or more according to the most recent decennial census, except with respect to low-rent housing in an urban renewal area (as defined in section 110(a) of the Housing Act of 1949) respecting which there is in effect an urban renewal plan (as defined in section 110(b) of such Act)."

Mr. FINO. Mr. Chairman, this is a simple but yet, a very important amendment to the Housing Act of 1959. This amendment, which is applicable to cities with populations of a million or more people, proposes to restrict the use of public housing for slum clearance and community redevelopment programs only. This amendment will affect only New York City, Baltimore, Chicago, Detroit, Los Angeles, and Philadelphia.

It is because I feel so strongly about the ever-growing blighted areas, slums and depreciating land values in our large cities that I sponsor and urge this amendment.

Since 1949, when the Housing Act of that year was enacted, most Members of Congress have been under the erroneous impression that public housing would be included in urban redevelopment areas. As a matter of fact the Committee report on page 2 states "Your committee wishes to emphasize that low-rent public housing and urban renewal are inseparable." It was honestly believed that this type of program would bring about the clearance of our slum and substandard areas and the rejuvenation of our large cities.

But it seems that exactly the opposite has happened. Most of the large cities, like New York City, have avoided the use of urban renewal sites for public housing.

As a matter of fact this bill S. 57 encourages the use of urban renewal sites for low-rent housing.

In order to facilitate the use of urban renewal sites for public housing, this bill makes urban renewal land available to low-rent housing at exactly the same price as if it was sold to private developers.

The committee report on page 23, in recommending use of urban renewal sites for low-rent housing, says:

This is highly desirable since it will in many cases provide a suitable use for such sites, and will enable low income families to continue to live in neighborhoods to which they are accustomed and which are convenient to their employment.

As the result of this failure to undertake this kind of urban renewal programing, our cities are being scarred by growing slums and terribly marred by blight—all to the detriment of the health, safety and morals of our city people.

Right in my own city of New York, based on recent reports of our city planning commission, there are approximately 280,000 housing units that are below decent standards of living—these are houses that violate health, fire, and safety standards.

These are the buildings that should and must be torn down.

There are 100,000 housing units in New York City that are shamefully overcrowded. These are houses where whole families live together in one single room unfit for human beings. The committee on slum clearance in New York City admits that the total area of slums is from 6,000 to 8,000 acres. I am sure, proportionately, the same condition exists in other large cities.

In spite of all the public housing we have authorized, our slums and blighted areas have become the shame and disgrace of every large city throughout this Nation.

While we in Congress have been greatly alarmed by the rise in crimes and juvenile delinquency in this country, we have failed to realize that our slums are the greatest contributors to this disturbing problem.

Reliable figures tell us that nationwide, slums produce 45 percent of the major crimes, 55 percent of the juvenile delinquency, 50 percent of the arrests, 60 percent of the tuberculosis, 50 percent of other diseases, and 35 percent of the fire hazards.

Yet, instead of building and constructing low-rent public housing projects in slum, blighted and deteriorated sections in our large cities, many of these projects are being built in nonslum, good wholesome locations. In fact these housing structures are being erected in outlying suburban areas—in decent residential sections. Why?

One of the reasons advanced by the New York City Housing Authority is that it would be cheaper to build on vacant land and, further, that the use of vacant land would create no problems of relocation of tenants.

This disturbing position poses the following questions:

Are we setting land value instead of a deteriorated condition of an area as the criteria in building public houses?

Are we accomplishing our purpose of cleaning slum and substandard areas when we avoid use of urban renewal sites?

Since when have we become so greatly concerned with problems of relocation of tenants from urban renewal sites?

Have not our highway construction and other public activities increased the volume of family displacements? Have the authorities shown any deeper concern in this problem of relocation? Why the sudden tears? Would not we be more humane and more understanding of the needs and problems of our people if we were to relocate families from unsanitary, unsafe and hazardous dwellings? Or do we have to wait until these dilapidated, dangerous, firetraps burn down and destroy lives before relocating and rehousing these families of low income?

In permitting the construction of public housing projects in nonslum areas, we are in effect condoning the failure of the large cities to use urban renewal sites for public housing.

In constructing public houses in nonslum areas we are taking good valuable property off the tax rolls and at the same time tearing down and further depreciating the land values of the slum and blighted areas.

In following the course we have—which is certainly the wrong approach to this problem, we are spreading and not eliminating and tearing down the slums in New York City and in other major cities throughout this Nation.

If we are sincerely concerned with striking at the base of most of the juvenile delinquency; if we are interested in cutting down the high percentage of crimes that our slums produce; if we are interested in rebuilding our communities free from unrest, diseases, and antisocial attitudes which are dangerous to our people, then this amendment would be a step in that direction.

If we are vitally concerned with our ever-growing blighted areas, slums, and depreciating land values; if we are interested in bringing new life in these communities; if we are interested in preventing further deterioration of slum areas; if we are sincerely interested in the elimination of slums in our cities; if we are interested in providing healthy and sound living conditions for our city folks, then, the adoption of this amendment is essential.

Only by accepting this amendment can we be sure that our slums and blighted areas will be replaced with adequate housing; only by the adoption of this amendment can we be certain of the rehabilitation of these slum areas; only by agreeing to this proposed amendment can we be sure of the immediate elimination of our slums and the restoration of healthy living conditions in these surroundings.

I urge the Members of this House to give serious and favorable consideration to this important amendment. In urging its adoption, I would like to quote a sentence taken from page 20 of the committee report. It says:

> If our cities are to continue through their manufacturing and commercial activities to contribute to the wealth and prosperity of our Nation, your committee is convinced they must be given the help they need to eliminate the slums and blighted areas which now cruelly afflict them.

My amendment leads the way toward accomplishment of this goal.

I ask for the adoption of my amendment.

Mr. RAINS. Mr. Chairman, will the gentleman yield?

Mr. FINO. I yield to the gentleman from Alabama.

Mr. RAINS. As I understand the gentleman's amendment, and I think I am correct in this statement, the law as presently written on urban renewal and public housing only affects cities of a million population and up; is that correct? Does the gentleman understand that this would apply only to those cities that have urban renewal and public housing tied together?

Mr. FINO. That is correct.

Mr. RAINS. That means, then, of course, that a great many other public housing projects throughout the Nation would not come under this particular amendment you are offering; is that correct?

Mr. FINO. That is correct. The amendment specifically provides that it be applicable to cities of 1 million or more.

Mr. RAINS. Let me ask another question. Do I understand that your amendment does limit the building of public housing only on urban renewal lands; is that correct?

Mr. FINO. That is right.

Mr. RAINS. If the population of the city is 1 million or more?

Mr. FINO. That is correct.

Mr. RAINS. I thank the gentleman.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. FINO. I yield to the gentleman from Illinois.

Mr. YATES. Did I understand the gentleman correctly to answer in the affirmative when he said that under his amendment public housing units could only be built on land that had been cleared for urban renewal?

Mr. FINO. That is correct.

Mr. YATES. It could not be built in any part of the city other than that which had been declared an urban renewal area?

Mr. FINO. This amendment is applicable to cities of 1 million or more. Let me explain to the gentleman from Illinois that the purpose of this amendment is to restrict the use of public housing for slum clearance and community redevelopment programs only. That was the original intent of this Congress back in 1949, to clear away our slums, and we have failed in that responsibility. What has happened in New York City and apparently has happened in Chicago and all the other large cities, is that there has been a tendency on the part of the public housing authorities to build these public housing projects in suburban areas, allowing the slum areas to continue; to remain as they are.

Mr. YATES. I understand that the gentleman would limit public housing to those cities of 1 million or more which have urban renewal projects, but would his amendment restrict the construction of public housing projects to construction within areas which have been designated as urban renewal areas?

Mr. FINO. Yes.

Mr. YATES. It would do that?

Mr. FINO. Yes.

Mr. YATES. It would limit it only to those projects, and they could not be built in other sections of the city?

Mr. FINO. That is correct.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. FINO. I yield to the gentleman from California.

Mr. McDONOUGH. Could a situation of this sort exist under your amendment? In an urban renewal project in a city of over one million in which the whole area that was cleared up was to be used then for public housing, there would be no commercial replacement or displacement or anything of that sort; the whole area that was cleaned up would be used for public housing. Now, if that condition should exist, that means that that area in which the city has contributed one-third of the cost and the Government two-thirds of the cost would become a tax-free area, because there is no taxation on the land State or federally owned.

Mr. FINO. That might be the case, but what I am trying to do under this amendment is to take these public housing projects which are going into the suburban areas and move them back into the urban areas so that we can clear up the slums that presently exist.

Mr. Chairman, I urge the adoption of my amendment.

Mr. RAINS. Mr. Chairman, I think because of the interest of the great cities, other than the city of New York, who may have similar interests or who may not have similar interests, as a matter of fact, that it would certainly be unwise to accept this amendment today, because I do not think the people know whether that would suit the urban renewal program of Chicago, Los Angeles, or the other cities above a million, and as such I think we ought to have further information before we make a very complete change about limiting public housing to any one specific field.

So, regretfully, I say to my distinguished colleague on the committee, I think the amendment ought to be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. FINO].

The question was taken; and on a division (demanded by Mr. FINO) there were—ayes 38, noes 130.

So the amendment was rejected.

Mr. COLMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. COLMER: Strike out all of title VI beginning on page 149, line 14, and ending on page 154, line 6.

Mr. COLMER. Mr. Chairman, if I may have the attention of the Members I assure them I shall not detain them very long.

Mr. Chairman, this is the so-called public housing amendment, and it would strike out all of the public housing in the committee bill.

I am not laboring under any delusions. I think I know what the situation is here. I think I know that the roll has already been called, practically, on this and other amendments that would seek to cut this bill down to something near size. But I

am going through with it because I feel compelled in good conscience to do so.

I have opposed this legislation from its very inception. This House, on several occasions, has cut public housing out of the bill, only to have it go to the other body and come back from conference with some modification. We have an unusual situation this time. Usually the House is modest and talks about 35,000 units and leaves it to the other body to put in the big figure. But this time the situation has been reversed. We have 140,000 units in the House bill and only 35,000, I believe it is, in the Senate bill.

I say that I recognize the futility of this. I base that on what I have seen going on around here, not only with respect to this bill, but many other bills. There seem to be some people, and they seem to predominate, who think that there is a limitless quantity of money that can be dished out from this capital, and spread out all over the United States and all over the world without its having any impact whatever upon the sound fiscal condition of this country. Oh, how I wish I could subscribe to that theory and be happy, as some of you seem to be.

What is public housing? To begin with it is a misnomer. It is about the most expensive housing that you can have. Already you have got about $10 billion invested in so-called public housing. But under this bill we are going to put in another $3.7 billion. Oh, no, we are not going to put it all in this year, but over a period of 4 years. But if we are going to put it in for 4 years, why not put it in for 10 years or 15 years or 20 years? As a matter of fact, it would be cheaper in the long run to go ahead and build them now before the impetus of this and other bills will have been given to inflation. And you can build them cheaper now than you can later.

Because the first that you built cost—and I have forgotten the exact figure now—but they cost about $5,000 or $7,000 per unit. The advocates are now talking about $17,500. The Committee, I think, estimates $13,500 per unit. I am not so concerned about that. As a matter of fact, I would rather see you right now provide in this bill that you build these houses and turn them over to these people and give them to the people and let the Federal Government have no further obligation, and you would save money in the long run and you would have homeowners which would be preferable to tenants. What is the program going to cost under the new bill? Under the old bill, they cost the Government $23.50 a month for subsidy. I wonder if these gentlemen over here on my right are interested in what I am trying to say. The 440,000 first units only cost an average of $23.50 a month for subsidies at the expense of the taxpayers. But, under this bill according to the Housing and Home Finance Agency, you are going to have to subsidize them for $40.50 a month per unit, 12 months in the year, for 40 years, which will cost the taxpayers of this country a total of $3,700 million.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. ASHLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the purpose of this amendment, of course, is clear. It is to eliminate public housing from the bill before us; to kill public housing, in short. There are a number of Members of this body who have expressed an interest in the public housing section of this bill. It has been their understanding, as they have related it to me, that there is outstanding at the present time 105,000 or 110,000 units of public housing which will be and can be made available in the months and years ahead. They have asked the question: If that is the case, why then should we not eliminate public housing from the bill this year? I think we have to understand, Mr. Chairman, that the 110,000 plus units of public housing that have been referred to are units that have been committed. It is extremely important to understand this. They are units that are either under contract now—some 30,000 of them—or the remaining 80,000 are units that have been contracted for. This means there are 110,000 units that for all intents and purposes are located at the present time. They may not be in existence, but they are located. What this means is that there are presently these 105,000 public housing units that are meeting the needs for today and meeting the needs for yesterday, but come the first of June there will be no new public housing units whatsoever for the purpose of absorbing the low-income families who will be displaced as the result of the Federal Government's highway program, urban renewal, and the myriad programs of the Federal and State Governments that will result in the future displacement of our citizens. I said yesterday, and the figure, I think, has become established, that there are some 250,000 families in the 3 years—1958, 1959, and 1960—who will be displaced as a result of governmental actions. The administration admits that half of these families are low-income families whose incomes are so low that they qualify for public housing. This means they will simply go into new slums unless public housing—that is new public housing—is available for them. It is on this basis that the Committee rejects the amendment and the philosophy of the amendment that has been proposed to kill and stamp out public housing. If we are going to have programs in this country for the betterment of our people, we simply cannot strap one hand behind us and pretend that we are doing any kind of a job. These units are provided for in the bill. Let me say, Mr. Chairman, this is not 140,000 units. It is at the rate of 35,000 units per year—that is a minimum figure. If we are to go ahead and do the things that the Congress has undertaken, we simply have to provide for these units for our future and for the future generations to come.

Mr. McDONOUGH. Mr. Chairman, the argument is being made here that if we do not approve of the public housing units that are in the committee bill, we will have no public housing units for the next fiscal year.

That is a fallacious argument for the reason that we will have to go to conference on this bill. The Senate bill provides 45,000 new units, and 110,000 units have been referred to as being in the pipeline, so called, should take care of many of the people referred to by my committee colleague from Ohio.

The argument is, and it seems to be the philosophy, that the more public housing units we build the more low income people exist in the United States. There is no thought that these people ever get out of public housing. But, according to the Administrator of Public Housing, Mr. Slusser, in discussing his problem before the Independent Offices Subcommittee recently indicated that there was a 25-percent turnover in occupancy. If that is the case there are 47,000 units made available each year.

The amendment offered by the gentleman from Mississippi certainly is in order under the circumstances because we are not saying in effect that there will be no public housing units provided at all; the conference is certainly going to come up with something, because the other body provided 45,000 units.

Mr. YATES. Mr. Chairman, will the gentleman yield with respect to the Slusser statement?

Mr. McDONOUGH. I yield.

Mr. YATES. With respect to Mr. Slusser's statement in his testimony before the Independent Offices Subcommittee, he did say that there was a 20-percent turnover, but he went further and stated that there is a 98.5 percent level of tenancy in the public housing units of the country. So they are all completely filled now.

Mr. McDONOUGH. They are occupied. As a matter of fact this section of the bill requires a lot of thorough investigation, because we have had information that the rentals on public housing units are in excess of earning capacity and remain there. There was read to the Committee yesterday by the gentleman from Michigan, a statement of a public housing project in Boston in which by referendum over the objection of the mayor, there was an increase in pay to the firemen and policemen, and these firemen and policemen live in public housing units. They were faced with eviction because they earned more than the maximum permissible for occupancy in the unit, and then it was decided to increase the maximum so as not to force them out.

There are a lot of things that should be considered. I am not opposed to providing homes for people who, through no fault of their own are bound to be in the low income groups of the Nation, but we cannot continue to build units for such people and encourage them to remain in those units. The philosophy of public housing was to give these people a chance to live for a while and, while there, put themselves into a better earning position and then move out. That is being done to a large extent.

These 47,000 units which figure in the annual occupancy turnover plus 110,000 that are coming up in the pipeline and

30,000 now under construction makes a total of 287,000 units for the next fiscal year. The committee wants to add 35,000 each year until the total amount authorized in the 1949 act is consumed. That means 35,000 public housing units each year until 714,000 are constructed.

I think the amendment offered by the gentleman from Mississippi is a sound one and I urge its adoption.

Mr. BOGGS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have long since ceased generally to take the time of the committee when a matter arises from a committee of which I am not a member. I make an exception to that rule today, however, because I served for a good many years as a member of the Committee on Banking and Currency, and I was one of the authors of the original so-called Taft-Ellender-Wagner bill.

I remember back in the 81st Congress I had the privilege of presiding over the House when we debated these basic concepts. Today, as I see it, we can appraise what we did then and judge what we face today.

First, I cannot believe that this is any radical program. This program had its principal sponsorship under the great Senator from Ohio, Robert Taft, to whom we dedicated a monument here quite recently. This was one of his great programs. I had the privilege of talking with him about this particular section of the bill on many occasions.

The senior Senator from my own State was one of the cosponsors of the legislation, and I will say that he has not been described generally as being a radical. The other sponsor in the other body has gone to his reward. Since that time both the Democratic and Republican administrations have endorsed this program, the only exception being that of degree, the only exception being in the number of units. There was never any real complaint about the general principle involved, and as far as I know this is the first time the administration has wanted to make a change.

I hope, Mr. Chairman, that we defeat the Colmer amendment and I say that for a variety of reasons.

First, because, in my judgment, this program has disproved the arguments which were made here 10 years ago almost to the day that these units would become the habitat for lazy people who had no interest in advancement. Those arguments have certainly been disproved because if you will gather the statistics from the metropolitan areas of our country, you will find that almost without exception when a family involved in one of these units is able to move on, so to speak, and to acquire better housing conditions, better facilities, operated by private enterprise or owned by themselves, they have invariably done so.

Second, the idea that these units would grow beyond control has certainly been disproved. As a matter of fact, I doubt seriously if we have kept pace, and I say that advisedly. I say that because every student of population knows that we have had a great movement in our country—whether good or bad it is a fact—it is just as true as the fact that a river flows downstream and not upstream—from the country into the cities and in turn we have a great movement from the centers of the cities into the suburbs. These are the facts of mid-20th century America.

We have had a great influx of dispossessed farm people, tenants, or however you want to describe them, most of them unskilled, untrained, uneducated, moving into the heart of the great cities of America, and moving out of the heart of the great cities of America have been people who have acquired skill, training in the trades or professions, out into the suburbs. So we have increased two problems, the problem of community facilities for the suburbs and the problem of the low-income people in the cities, plus the declining values in the city, and the continued creation of slums.

I am tremendously interested in the problems of urban America. I do not think it possible for our country to prosper unless we have a strong, progressive, intelligent citizenry living on the farms; but I cannot imagine a greater cancer in our country than the re-creation of slums within the cities of our country. The vast majority of the population is now concentrated in the cities and suburbs, and if these people do not have a proper appreciation of America and what it stands for and what it believes in, then the farm population having declined to the point where it now is, we will have less than a majority of the people of this country who understand these principles.

I hope the amendment is defeated.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. BOGGS. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

Mr. MASON. Mr. Chairman, I object.

Mr. RAINS. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, this section no doubt is the most controversial section—it is always. I am sure that what I have to say here, as my good friend the gentleman from Mississippi [Mr. COLMER] said about his remarks, will not change too many votes because the Members have their minds made up as to how they are going to vote on this particular issue.

May I say, though, there is something more in this section which the distinguished gentleman seeks to cut out by his amendment than just numbers of public housing units. Actually, he is cutting out a real good States' rights section that I have a great deal of pride in, that would allow the folks at home to run their own housing authorities, to have a little more to say about what they are doing, and with a little less control by centralized government in Washington. I hope that the gentleman's amendment will not carry. I regret that he included that section along with numbers.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield to the gentleman from Mississippi.

Mr. COLMER. If the gentleman refers to the section that I think he does, that is the section that lets down all of the bars and opens the thing wide to where the local housing authority does not have to follow any criteria. Under that provision they can just run along on the Federal Government's subsidies without any regulation and decide who can occupy these houses without qualifying on a need basis.

Mr. RAINS. That is not correct, I will say to the gentleman, and he apparently did not read it carefully, because what it says is that people in your home town, most of them bankers, lawyers, outstanding citizens; I know who constitute these housing authorities in America. They are men who could sit with grace in the seats we occupy, and as the result they are the people in whom we are trying to place some handling of the local community's business. I remind the gentleman that these houses are not built with Uncle Sam's money; these houses are built with local bond money, just like your city hall is built. These houses are not federally subsidized in the building of the house itself. Sure, there is a guarantee on the payment. How about the guarantee on my FHA house? There is one on that, also. So, if it is socialism to guarantee the payment on those bonds, it is to guarantee the payment on an FHA mortgage house for anybody. So, I think the point we get confused about, we get some idea we are supporting federally subsidized housing. The truth is there is subsidy in this bill; there always has been, and I do not have to go back to say who wrote it. I did not write it. The gentleman was a good disciple of some people who did write it.

Mr. COLMER. Mr. Chairman, will the gentleman yield further?

Mr. RAINS. I yield.

Mr. COLMER. I have heard a lot about the late deceased gentleman from Ohio being one of the original authors of this bill. I want to say to the gentleman and everybody else now that I was on the Committee on Rules then, as I am now, and I opposed public housing then as I oppose it now. And, while I am talking to the gentleman, I want to ask him further——

Mr. RAINS. Wait. You are about to take all my time.

Mr. COLMER. After all, you brought me into this debate.

Mr. RAINS. I did not bring you in for a speech. I brought you in for some questions.

Mr. COLMER. All right, will the gentleman permit me to ask him a question?

Mr. RAINS. Yes, indeed.

Mr. COLMER. When you were giving this so-called local States rights authority to the local authorities—and I do not apologize for or deny that I am a States righter—but did the gentleman make any provision that would do away with the Supreme Court decision that says that they cannot have segregation in this public housing?

Mr. RAINS. The gentleman raises a question that is dear to his heart, and he does not have a better vote on that issue than I have, so there is no need for us to argue. I will say this to the gentleman. He happens to live in a city whose public schools are operated in great degree by Federal taxpayers' money under 815 and 871. How about

that? Do they have any control of that money? The gentleman voted for that.

Mr. COLMER. That is right.

Mr. RAINS. Correct.

Mr. COLMER. Yes; the gentleman from Mississippi voted for that because it is part of the national defense program, just like he votes for all the other billions for national defense. But, the gentleman now attempts to answer my question by trying to divert me to another question. Does the gentleman want to answer my question?

Mr. RAINS. I answered your question.

Mr. COLMER. I do not think you did.

Mr. RAINS. On that issue I have the very same vote that the gentleman has.

Mr. COLMER. I say to the gentleman that under the Supreme Court decision the gentleman cannot have segregated housing in his town any more than I can or than they can in New York.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. RAINS. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto cease at 3 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

Mr. McDONOUGH. Mr. Chairman, reserving the right to object—and this is just for information—does that apply to the public housing title of this bill?

The CHAIRMAN. It applies to the entire title, as the Chair understands it.

Mr. McDONOUGH. This amendment and all amendments to the public housing title?

The CHAIRMAN. All amendments to this title.

Mr. McDONOUGH. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. CLEM MILLER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is with some hesitancy that I follow the spirited debate between the distinguished subcommittee chairman, the gentleman from Alabama [Mr. RAINS] and the gentleman from Louisiana [Mr. BOGGS]. It seems as though I am scheduled to be the committee mathematician, and as one who could scarcely get a B in school, I do not know whether I am fully qualified. But I feel I must take on the job, following the remarks of the distinguished gentleman from California [Mr. McDONOUGH] and straighten out the arithmetic on this question of public housing. I ask the Committee to give particular attention to these figures which are official figures.

The 597,000 units of public housing which has been referred to by the gentleman from California do not exist. Actually the number of public housing units in operation is 441,000, and the vacancy rate is not 287,000.

I should like to inform my friends and colleagues that the turnover rate is not a vacancy rate. The turnover rate, as a matter of fact, in this country is less than 100,000 of public housing units, and the vacancy rate is only 2 percent. Therefore, this 287,000 figure that has been mentioned as the vacancy rate on public housing simply does not exist. Actually it is only 2 percent. You cannot go into any public housing unit in the country and find anything like 20 percent or 25 percent of vacancies.

I would like to refer to what are the important figures in this public housing question. I mentioned them the other day. The key figure is 166,000. That is the number of units which the Federal Government is destroying every single year to make way for urban renewal, for the Federal highway program and other programs of this sort. In other words, the 35,000 units in the Rains bill will only fill a very small portion of the units which are destroyed by the Federal Government each year in our highway and urban renewal programs.

I should like to say to the gentleman from Louisiana [Mr. BOGGS] that probably these figures are dull, but what I am trying to do is to straighten out the RECORD, because of these other figures that have been mentioned previously. I merely wish to correct these figures for the RECORD, because it seems to me to be important.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. CLEM MILLER. I yield to the gentleman from Louisiana.

Mr. BOGGS. I will say to the gentleman that I do not find his figures at all uninteresting. I think they are very interesting. And I might say further, when you examine this whole issue, it is very difficult to put it in proper context by simply looking at figures. When you start talking about costs, on the plus side you have got to put the decrease in crime, the decrease in disease, the plus in health, the plus in safety and all of the other advantages that you get from decent housing as compared to slum housing.

Mr. CLEM MILLER. I certainly endorse what the gentleman has said. I was just suggesting in my role as the committee mathematician that with respect to the 166,000 units which we are destroying in the United States every year, we owe it as a matter of principle, as the gentleman from Illinois [Mr. DERWINSKI] said yesterday, to make housing available to those individuals and their families who are displaced by our Federal programs. The Rains bill, I think, is inadequate; 35,000 units a year would not even begin to do the job of replacing this lost 166,000.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. CLEM MILLER. I yield to the gentleman.

Mr. McDONOUGH. I appreciate the gentleman's ability to give us the figures on this matter, but in the last Congress before the gentleman was a Member, the bill reported to the House from the same committee, under the same chairmanship, the gentleman from Alabama [Mr. RAINS], did not have a single public housing unit in it. There was no need, evidently. The number of units under construction was going to take care of all of our needs for the next fiscal year. You could not possibly build 35,000 more units in the next fiscal year and occupy them. There is not the demand from the cities. And furthermore, it is a prerequisite of all public housing in any municipality, and that is there must be a resolution of the governing body before they can be built. And there was no request for public housing last year.

Mr. CLEM MILLER. I should like to comment on that, Mr. Chairman.

The CHAIRMAN. The time of the gentleman from California [Mr. CLEM MILLER] has expired.

Mr. YATES. Mr. Chairman, I am as reluctant as my friend, the gentleman from Louisiana, to speak on bills which come to the floor through another committee than my own; but I am a member of the Appropriations Subcommittee which reviews justifications and recommends appropriations for the Housing and Home Finance Agency. The Independent Offices Subcommittee's bill came to the floor recently and in connection with that bill, our subcommittee made a very careful review of the statistics pertaining to the public housing program. The figures which have been quoted by the gentleman from California [Mr. McDONOUGH], to indicate that no demand exists at the present time for public housing, are not correct, according to the information submitted by the Public Housing Administrator to our subcommittee. The gentleman made the point that if 35,000 units were authorized today they could not be used, that there would be no demand by tenants to fill them.

The data furnished our subcommittee is to the contrary. There were 70,000 public housing units authorized by the Housing Act of 1956, to be constructed over a 2-year period at the rate of 35,000 per year. A cutoff date of June 30 of each year was established to rescind the authority for the construction of any units which had not been committed by that date. This resulted in the loss of 10,000 units in the first year because, for one reason or another, applicant cities could not obtain approval of their applications by the cutoff date.

The Public Housing Administration now has under consideration the question of the approval of applications for the final year. It has more than 43,000 applications to cover the 35,000 units now authorized so it is obvious that there is a greater demand for public housing units than are available. I should state, too, that there is a possibility that all of the 35,000 units may not be utilized, because of the impossibility of meeting certain conditions precedent to commitment by the next cutoff date.

So many conditions have been imposed in connection with applications for public housing units that it is amazing that any applications can be approved within a reasonable time.

It has been pointed out time and again this is supposed to be a housing bill for all Americans, for all segments of our population of all income classes. The committee recognized this goal in providing for public housing for people of low incomes who cannot afford to buy other housing at today's high cost. Public housing is logically a part of a bill

which provides incentives for the construction of housing for people of higher incomes, for fulfilling the needs of students at colleges, for our elder citizens, and to assure the continued operation of mortgage financing. Is it fair for us to vote guarantees to construct houses which are valued at $25,000, which is a part of this bill, and to strike out the provision for the construction of housing for low-rent housing? Are not people who live in the slums—and there are still many of them in all the cities of America—are these Americans not entitled as well to the beneficent consideration of their country, and to its assistance in helping raise their children under decent conditions?

The conscience of America requires equal treatment for all citizens, not just the favored ones who can afford to buy the beautiful homes constructed under the guarantees of the FHA. Let us not strike from this bill the only means still available to provide a place to live for our own families of low incomes.

But even though I favor the public housing program, I believe its administrators must have a much more reasonable and sympathetic attitude toward the problems of cities. In Chicago, for instance, the trend is toward high-rise projects. To my mind it is unconscionable to construct high-rise public housing projects to shelter families having more than three or four children. Public housing, like any other housing, is intended for family living and to require families with a large number of children—some of the families have as many as seven or eight children—to require them to live where they cannot readily move in and out of their homes, where they are almost literally enclosed in high-rise buildings, is a distortion of the program. I certainly trust this will receive the attention and action of both the Public Housing Administration and the Chicago Housing Authority.

Mr. Chairman, the Colmer amendment should not be accepted. I urge that it be voted down.

Mr. MORRIS of Oklahoma. Mr. Chairman, I move to strike out the last word and rise in opposition to the amendment.

Mr. Chairman, every Member of the House of Representatives, I am sure, has a decent place in which to live. Let us be our brother's keeper and provide in a reasonable, American and constitutional way for many of our good citizens who do not have a decent place in which to live. I believe that private industry should always be given the first preference for supplying public needs. But, where private industry cannot go or will not go in order to supply a great public need, then I believe that good government must go—or else it will not be good government. Private industry either cannot go or will not go into the field of supplying decent homes either for sale or for rent to many of those of our good citizens who are in the very low income brackets. That is our problem here, Mr. Chairman. I believe that the Constitution should always be observed. This committee bill is a constitutional bill, as I view it. Is there any field where the Government can more legitimately and with better graces go than into the field of providing in a constitutional way for decent places for our people to lay their heads when night falls. Unless we do provide for more decent homes, then we cannot, I am afraid, hope to continually and effectively hold ourselves out as the true leaders of democracy in this world. I am afraid our free world leadership will suffer greatly. It is just that simple, Mr. Chairman. Either we wipe out our slums or else our claim to democratic world leadership may become as clanging cymbals or sounding brass in the minds of too many people in the world. God forbid that such a calamity should befall us. A decent place in which to live for our people is essential here in America. It is essential to a high order of civilization. We are civilized; let us proceed as civilized people.

When a child or elderly person, or anyone, for that matter, gets sick, God evidently cares for that soul and what a travesty upon justice and decency it is for us, the most prosperous people in all the world, to witness doctors or neighbors going into thousands of so-called homes to wait upon or give kindly attention to such persons living in piano boxes or other substandard dwelling places called "home." Think of the embarrassment and shame of those of the family who receive a doctor or neighbor under such circumstances—and how can life be as it should be in our great and beautiful country for those who are forced to live in such types of homes. Who is at fault? Of course, on occasions it might be the individual, but who can deny that on most, or at least many occasions, it is the fault of us who are more fortunate, in not providing, by wholesome constitutional laws, better opportunities for them. No, the question is not, Can we afford this committee bill, for we can, but the real question is, Can we afford longer to do without this type of legislation? Without this title 6? I think we cannot. I, therefore, oppose the Colmer amendment that would strike out title 6. Let us keep America strong and beautiful and keep it a land full of sunshine.

London is a man's town with power in the air;
Paris is a woman's town with flowers in her hair;
Oh, it's great to stay in Venice and it's grand to study Rome,
But when it comes to living, there's no place like home.
Oh, it's home again, and home again; America for me.
I want a ship that's westward bound
To plow the rolling sea
To that blessed land of room enough beyond the ocean's bars,
Where the land is full of sunshine and the flag is full of stars.

Mr. RAINS. Mr. Chairman, I wonder if we can agree on a limitation of debate? I ask unanimous consent that all debate on this title and all amendments thereto close at 3:15.

Mr. BALDWIN. Mr. Chairman, reserving the right to object, if this request is granted, how would a Member who is possibly not in the Chamber but wants to offer an amendment be recognized for that purpose?

The CHAIRMAN. The Chair will try to recognize all Members seeking recognition.

Mr. BALDWIN. But if the Colmer amendment is pending and not voted on what would be the case?

The CHAIRMAN. Is it a perfecting amendment?

Mr. BALDWIN. It is not.

Mr. RAINS. Mr. Chairman, I modify my request and make it 3:30.

Mr. McDONOUGH. Mr. Chairman, reserving the right to object, I suggest that the time be limited to 2:45 for this one amendment.

Mr. RAINS. Mr. Chairman, I object to that and I move that time for debate on this title and all amendments thereto be limited to 3:35.

The CHAIRMAN. The question is on the motion of the gentleman from Alabama.

The motion was agreed to.

Mr. WIDNALL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WIDNALL. As I understand, anyone who was absent from the floor of the House at the time the motion was made would not have the opportunity to offer an amendment. Is that correct?

The CHAIRMAN. Any Member recognized is recognized for any purpose, which includes, of course, the offering of an amendment.

Mr. WIDNALL. But only those who were standing at the time the request was submitted.

The CHAIRMAN. So far as time for debate is concerned, yes.

Mr. TABER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TABER. Is it not a fact that an amendment may be offered after debate has concluded? Any one has a right to offer an amendment even after debate has concluded.

The CHAIRMAN. The Member may offer an amendment after time for debate has expired; and the amendment may be reported and voted on, but it may not be debated.

Mr. HALLECK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HALLECK. Suppose a Member has an amendment which might or might not be offered depending on the action taken on the pending amendment and he had informed the Chair of the situation, could not his time be allotted to him after the pending amendment is disposed of?

The CHAIRMAN. If debate goes beyond 3:35, then, of course, he could not be recognized for debate.

Mr. HALLECK. I understand, but if he was standing and was one of those who would be entitled to part of the time allotted, could not the Chair, under the circumstances, refrain from recognizing him until such time as the pending amendment were disposed of?

The CHAIRMAN. The Chair has no way of telling for what purpose a Member rises, certainly not until he stated the purpose for which he sought recognition.

Mr. HALLECK. Suppose the Chair was informed as to what the Member's purpose was?

Mr. RAINS. Mr. Chairman, may I make the suggestion that the Chairman recognize those who want to speak on the Colmer amendment before he recognizes those who want to speak on other amendments?

The CHAIRMAN. The Chair is not a mind reader and has no way of telling who wants to speak for or against any amendment.

Mr. HARRIS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HARRIS. Do I understand that under the motion which was adopted that all debate on this title and all amendments thereto cease at 3:35 means that the vote on the Colmer amendment will not occur until 3:35?

The CHAIRMAN. Not necessarily, but the Chair would like to remind the membership at this time that the time is running on and is being consumed by these inquiries.

Mr. HARRIS. I think we are in the situation where a lot of Members felt that under the action of the committee they will not vote until 3:35 and they would not be back here until that time.

The CHAIRMAN. Of course, that is a risk that they take.

The Chair recognizes the gentleman from New York [Mr. SANTANGELO].

Mr. SANTANGELO. Mr. Chairman, I oppose the pending amendment vehemently. As a member of the Committee on Appropriations I interest myself in facts and figures. A great deal of talk has taken place as to the effect of this public housing program. The Federal Housing Administrator has indicated that 35,000 units at $500 per unit would cost only $20,600,000 in annual subsidy.

Who pays this $20,600,000? Who pays the taxes of this country?

Let us look at some facts and figures and see whether or not the people of Mississippi or the farm States are going to pay them or whether we people in the State of New York, in the State of California, in the State of Illinois, or in the State of Pennsylvania are carrying the burden and paying the tab, we in the cities are the people who want it most. We vote for your agricultural bills and we now ask you to vote for legislation that is necessary to the cities.

Who is going to pay the taxes?

In 1958, Mr. Chairman, the tax collections in the United States were over $79 billion. We in the State of New York paid toward that amount over $15 billion, or 19 percent of the tax collections in the United States. The four States, California, Illinois, Pennsylvania, and New York, paid over 42 percent of the tax collections in the United States.

Where does this amendment emanate from? It emanates from the State of Mississippi. What does the State of Mississippi contribute to the tax collections of these United States? What did it contribute in 1958?—$176 million last year, and the State of Mississippi, with all of its boondoggling, soil conservation, highway assistance, relief assistance and other grant-in-aid programs, received aid from the Federal Government in an amount of over $100 million.

Here in the committee bill we are asking that we in the city be provided decent housing to eliminate the slums, to reduce juvenile delinquency, and permit the people to live as good Americans should. We support your programs and we ask you to support the programs of the city and State of New York. That is all we ask.

Do not come in here and say this is going to bankrupt the country. We in the big cities are paying the taxes. All we are asking is that we get a fair share of the allocation of the money that is going into the Treasury, part of which is paid by the State of New York and those other big cities.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. SANTANGELO. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, I would prefer that the gentleman restrict his remarks in speaking of the large cities and States to his own city and State, since as a Member from Chicago and from the great State of Illinois, I would like to have it known for the record that the people of my State and my district and my city want less Government spending. Speak only for your State, please.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. SANTANGELO. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, let me suggest to the gentleman from Illinois who just spoke that he does not speak for the city of Chicago or the State of Illinois. He speaks for only a very small number of people in his district in the city of Chicago and the State of Illinois. I am sure that more Representatives from the city of Chicago will vote the other way on this amendment.

Mr. SANTANGELO. I spoke to some other Members of the State of Illinois, and they are definitely for this public housing program. I say to you Members from the farm States whom we have supported time and time again that this policy of Government aid is a two-way street. We want you to support us to the same extent we supported you. I urge the defeat of this amendment to eliminate public housing.

The CHAIRMAN. The time of the gentleman from New York has expired.

The Chair recognizes the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, the question of public housing in my particular district is not an active one, although there are some public housing units that were built there several years ago. I know of none that is contemplated now. But, I do live in the great industrial area of the city of Los Angeles, and there are a lot of people who live in that area that work in the industries until they are too old to work any longer. Many of them are in a low economic class, many of them need a little bit of assistance, and sometimes that assistance is very well offered in giving them a decent place to live instead of forcing them to live in slums. Now, I have on my desk I do not know how many dozen wires from the real estate men in the city of Los Angeles, builders and all, to get this guarantee out on FHA; increase the ability to loan. Why? Because the Federal Government's credit since 1949 has contributed to private enterprise in the United States approximately $71 billion worth of guarantees to enable the real estate men to sell their houses, the builders to build their houses, and the people to buy their houses on decent terms. How much in that time period have we devoted to guarantees for the low-income group? Not expenditures; guarantees of bonds which are put out by the local public housing authorities. State enacted legislation authorizes all these authorities to issue bonds that have to be paid for by the people of the State that issues the bonds. Well, the guarantees of the Federal Government have been approximately $10 billion, $1 out of $8; $7 for the private enterpriser and $1 to help people in the low-income brackets. What are we talking about? Are we talking about socialism? I will tell you, the builders in Los Angeles, their tongues are hanging out of their mouths to get the guarantees that we have in this bill, and we will have a depression in Los Angeles, in that entire area, if you stop construction. We want to give the people employment. We want to build homes that the people can buy, and we want to let a few crumbs drop off the free enterprise table. And, remember the free enterprise people build this public housing. These houses are all built by private enterprise, and they get their profit out of such building. So, we just want a few little crumbs to drop off for the people who are in the low-income brackets where they cannot pay the price to buy a VA or FHA house. That is all we are asking for, and we ask your consideration in that respect.

The CHAIRMAN. The time of the gentleman from California has expired.

The Chair recognizes the gentleman from Tennessee [Mr. BASS].

Mr. BASS of Tennessee. Mr. Chairman, without thinking for a moment that I could change any vote on this bill, I take this time merely for the record to show that during this session of the Congress that I was here to support public housing. I do not support public housing because I am a rural Congressman or because I am a city Congressman or because I happen to come from a certain section of the country. I support public housing because I believe in the general philosophy that public housing portrays in America, and that is, providing better homes for the citizens of our country. I do not support public housing on the basis of giving homes, public homes or low-cost homes, to the heads of the families. I support it on the theory that it is necessary for the well-being of the youth of America. I do

not think it is possible to properly rear a child in poverty and in filth, if that word is acceptable, to be a real good citizen. I believe the way to make the youth of America better citizens for the future of our country is to rear them in good homes, and I believe that as a Member of the Congress it is my responsibility, when I have the privilege, to vote for funds or for programs that will provide better homes in which to rear the youth of America. When I served as Commissioner of Public Housing, I made an inspection of houses in my home town in Tennessee.

I did not realize that we had slums, that we had people living in houses with dirt floors, no inside plumbing facilities. I did not realize that we had children being reared under conditions where they had no outlook for the future. The only feeling they could possibly have was bitterness for the present, bitterness for the conditions under which they had to be reared, which breeds bitterness toward family, neighbors and countries. Therefore, I am happy today, as a Member of this great body, to cast my vote for better homes for the youth of America, by means of public housing and the other programs that are being recommended in this bill. Therefore, I sincerely hope that the committee will reject this amendment which would have the effect of eliminating public housing from the bill before us today.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Chairman, I suppose it is no news to old Members of this House that I am opposed to public housing. It is no news to us that this House has been opposed to public housing; has been opposed to it historically ever since it started. We have struck it out here time and time again. Of course, when we have these evils on us, after awhile we begin to live with them, and I reckon that is the theory behind this bill now.

We have never had a bill like this before, where we took the lid off completely and said, "Go ahead; go your way; build 140,000 more units without any strings on them by Congress." And that is what this bill does.

But I am not going into the details, because I have only 3½ minutes, although I have been standing on my feet for an hour trying to get 5 minutes. Just let me remind you of the houses already built; your taxpayers and mine are paying a subsidy to people on their rent of $40 a month per unit, and are paying today a total of $185 million a year for other people's house rent.

The distinguished chairman of the committee was complaining a while ago that the Colmer amendment took out the right of local communities to put anybody they wanted in these houses. That is the very thing I think is good about the Colmer amendent, among other things.

I really took this time only to remind you of something that all of you have probably received in recent days. It is an extract from an editorial in the Boston Herald. Briefly, that says that in the city of Boston today there are 353 firemen and policemen of the city living in these low-priced houses. Now, you have seen these tears shed today, and people have said, "Please do something to take care of these poor, downtrodden people." There are 353 of them, and the reason this editorial comes out is that they have recently increased their salaries by $1,000 a year, and now they are trying to figure out a way by which they can still keep them in these low-priced houses. And these are middle-class, middle-income people. I suppose through political influence, doubtless, they will try to do that and permit these people to get rent which you and I and the rest of us are subsidizing at the rate of $40 a policeman every month. That is the kind of thing that is in this bill.

I know that there is nothing that I say that is going to make any difference. You are going to pass this bill. But let us stop and think about some of these things. This charity business is fine; it is wonderful to give everybody everything they want. But I get a little tired of these speeches, of men getting up and screaming about how we must do it. You are not doing it. You are not furnishing the money that does this. Your taxpayers are furnishing it. Do we not owe our constituents who are paying these tremendous subsidies of $185 million a year—stop and think a minute; do we not owe them anything?

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, to my mind this is a constructive amendment designed to improve the bill. I know thousands and thousands of people who live in their own homes which they bought and paid for themselves because they were thrifty enough to make the payments on them. This bill means that we will be taxing those people to give special privileges to the people who will be allotted these so-called low-rent houses. Most of them only pay about two-thirds of the rent that they ought to be paying to make the thing go. Most of them do not pay more than just about enough to pay the operating expenses or just a little more than that. This is an extra burden on the people who keep this country going. I do not know why it is that every time we get a chance to stick a needle into the people who are really keeping the country going and who are really doing the work and paying their own way that that is exactly what we do. Is it not about time we stopped it? There are even a great number of these housing units that have not yet been let for contract and we do not have any business getting into it in such a way as is proposed in this bill. If we were really interested in the people of this country and in the poor people of this country who work for a living, we would not be for this program at all. It is one of the worst things that has ever been proposed. It is one of those backward steps that impose a terrific burden on the average working people of America. Let us adopt this amendment and improve the bill.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. DERWINSKI].

Mr. DERWINSKI. Mr. Chairman and members of the Committee, I rise to speak in favor of the amendment. It is quite obvious, as the distinguished gentleman from Texas [Mr. THOMAS] has often stated, that he recognizes the temper of the House and I think we can recognize here that there seems to be a misconception, or shall we say, a lack of awareness of the socialistic principles contained in this public housing section, and that, therefore, the House may look upon it with favor. For the purposes of the RECORD, I wish to make one or two things clear.

First of all, in reading the morning newspaper here in Washington, in the last week, I noted an implication that the so-called Herlong amendment which we debated and decided yesterday was actually sponsored and promoted by the administration. For the sake of the RECORD and the reputation of independent thinking Members of Congress, I would like to point out specifically that the fact that the so-called Herlong amendment was so identical in its structure to President Eisenhower's request, merely proves better than any other current example that great minds run in the same channels.

Mr. Chairman, I cannot speak as a veteran legislator but I can speak as a student who not so long ago was attending college and as such made a study of history. My study of history tells me that back in the thirties, public housing was originally proposed as a shot in the arm to the economy. Actually, it turned out that public housing was not a shot in the arm for the economy and it took a war to bolster the economy. We were told later that we needed public housing to take care of the unfortunate folks in the cities who just did not have adequate housing. We have been told that for about 10 years and we still have people without adequate housing. Now we are told that because of the Government's road building program, we must have public housing to house the people displaced by Federal highways. This leads me to the conclusion that we will some day be told that the Government must tear down more homes in cities and construct highways in order to force people to occupy the public housing units. That is the logic of the proponents of the wild spending programs.

Not too long ago, a newspaper which is rather commonly read in the Chicago area injected into a political campaign the theme of "creeping socialism." For the sake of the RECORD, I would like to point out to the Members of the House that the spending provisions and the paternalistic provisions of this public housing section are not creeping socialism, they are galloping socialism. The point was made earlier by the gentleman from New York that the people of his city and the people of large cities and States want this public housing. In response to instructions from the distinguished minority leader, I went home at the Easter recess and took the pulse of the people of my district and my city and I found what they want is less Government spending—less Government paternalism and less Government control.

They definitely do not want a socialistic housing measure.

For whatever it is worth I inject this little thought: The philosophy contained in bills such as this is to make the Government larger and the little man smaller. We must remember that as Government becomes larger, individuals become smaller.

Our great Nation was built by the utmost application of personal initiative and the desire of free men to create a better life for themselves and their families. We have a great Nation and a prosperous free people as a result of the traditional American concept of encouraging, rather than restricting, individual responsibility.

Let me state specifically my intense interest in housing for the so-called low-income citizen. Numerous remarks have been made on the floor with heart-rending emotion concerning the need for low-income housing. The plain fact of the matter is that by insisting on huge socialistic public housing projects, we strip the residents of these projects of the natural born sense of self-reliance and initiative. The answer to an overall solution to the housing needs of the country lies in increasing productivity and the standard of living of our citizens. We do this by encouraging expansion of private home building, encouraging private home ownership, and by encouragement through tax reduction and through Government policies in favor of individual initiative rather than Government policies restricting the rights of individuals.

The legislative intent obvious in congressional action is to create for all America a greater Nation, free as much as possible from the hardships of disease and economic suffering. I subscribe to such a philosophy. This housing bill—and specifically the issue now before us of the Colmer amendment—gives an opportunity to emphatically state that the American public will have the finest living conditions in the world under the free enterprise system but not with the dread weight of socialism. The low-income man who is the target of heart-rending concern by pseudo-liberals will receive the greatest consideration from constructive, conservative-thinking legislators who recognize them. The way to solve the problems of low-income people is to raise their income—not to subject them to the dead hand of government paternalism.

The CHAIRMAN. The gentleman from California [Mr. McDONOUGH] is recognized.

Mr. McDONOUGH. Mr. Chairman, I wish to reserve my time to discuss another amendment after the pending amendment has been disposed of.

The CHAIRMAN. Are there any Members who desire to speak to the Colmer amendment?

Mr. CURTIS of Massachusetts. I wish to be recognized on the Colmer amendment, Mr. Chairman.

The CHAIRMAN. The gentleman from Massachusetts [Mr. CURTIS] is recognized.

Mr. CURTIS of Massachusetts. Mr. Chairman, I have asked for this time in order to ask a question to the distinguished chairman of the subcommittee, the gentleman from Alabama [Mr. RAINS]. My question raises a very far-reaching point and that is as to who really pays for these Federal housing projects. I do not know whether there was a misunderstanding on my part, but I understood the gentleman to compare the Federal role in public housing to the guarantee of an FHA mortgage. I had always understood it was entirely different.

Mr. Chairman, I understood that there was a Federal contribution extending over the life of these bonds, under which the Federal Government is obligated to pay the debt service on these bonds, principal and interest, so that in the end, sir, the Federal Government has paid for this housing, and the locality had not paid for this housing. If I am wrong, I would like to be corrected; if I am right, I would like to have the record clarified.

Mr. RAINS. As I understand, I will say to the distinguished gentleman from Massachusetts, the Housing Act itself provides that these local housing authorities set up by State law, not by Federal law, shall make the application for these units and shall float a bond issue in the private bond market for the purpose of constructing them; and that the Federal Government guarantees the principal and interest of the bonds.

There is a Federal subsidy, and the gentleman from Virginia stated it approximately correctly awhile ago, for the purpose of subsidizing the rents of those who are unable to pay what is called an economic rent. So the subsidy goes to the rent side, as I understand it, and the other is strictly a private transaction.

Mr. CURTIS of Massachusetts. Mr. Chairman, I understood that this subsidy went also to pay costs of construction, the principal of the bonds; and I ask again, Who really in the end pays for the cost of these projects? Is it the Federal Government or the locality?

Mr. RAINS. I would like to have you understand that not all of the rent is subsidy. Therefore, I will answer the gentleman's question this way: Unless there is a default the Federal Government does not pay for the construction.

Mr. CURTIS of Massachusetts. Do I understand that the Federal Government does not pay for these projects and that the localities do pay for them? Because those two things go together.

Mr. RAINS. I do not say the localities; I say the people who live in them. The rents go to the amortization of the bonds floated by the local public housing authorities.

Mr. CURTIS of Massachusetts. And would those rents be sufficient without Government subsidy?

Mr. RAINS. Absolutely not. That is why there is the subsidy.

The CHAIRMAN. The gentleman from Massachusetts [Mr. McCORMACK] is recognized.

Mr. McCORMACK. Mr. Chairman, I am going to proceed upon the assumption that there are some Members of this House on both sides of the aisle whose minds are still open on this question. In addressing myself to them I am not excluding my other colleagues.

I call attention to the fact that those of us who have served in this House with many of the Members who have spoken on this amendment and who have been here for years, know that down through the years there have been the same faces, the same voices, the same arguments, always opposing, opposing, and opposing. I sometimes wonder whether they, parading in the guise of human beings, have a heart. We are taking care of the big fellow in this to the tune of $6 billion, but when it comes to Americans, human beings who are living under substandard conditions, they are forgotten. Some are willing to take care of the dollar values, but when it comes to the human values they forget them; and I cannot understand how throughout the years they can constantly oppose legislation that concerns itself with human beings and human values.

If there is one thing I have learned from my 31 years' service in this body, it is that the Government in practical operation functions for the weak. The strong do not need it. The weak does not mean somebody out of a job or somebody living under substandard conditions. It means the small, independent businessmen also. It meant years ago before the public utilities and railroads were given preferential status to some business concerns operating to the disadvantage of other business concerns.

I have sat in this House and have supported farm tenant legislation. I fought shoulder to shoulder with my good friend, the late Speaker, Mr. Bankhead, who led the fight. I did not live on a farm but I knew what they were up against. I knew there was a problem and we were trying to meet it in accordance with the democratic processes of government.

They called that socialism. In Federal aid, which they called socialism, unemployment insurance, social security, the same voices were down here in the well calling those programs socialism.

Do you think America of 1959 is the same as the America of 1859? Those are some of the problems, those are some of the questions involved.

I am glad I heard the gentleman from Tennessee [Mr. BASS] speak. He made that speech from the heart. In the consideration of this question, it is idealistic, and we should follow our hearts and consider human values.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Chairman, as I was trying to say earlier in this debate, it seems to me that somewhere along the line those who are concerned about the fiscal condition of this country had better stop, look, and listen.

There are human values, but with those human values there must be taken into consideration for the welfare of those human beings in the long run the condition of the Treasury of the United States. If that is not done, then of course human values cease to exist.

I want to repeat here what I have said in the well of this House for 12 years now, that Russia wants neither war nor peace. She wants to destroy the

economy of this country according to the Lenin blueprint, and then move in and take over in the ensuing confusion and chaos. That is their real objective. Once you destroy the value of your dollar and you have in this country what has happened repeatedly in the other countries of the world. A situation where you take a wheelbarrow load of money down to bring back an armful of groceries.

We hear a lot about the 10-cent dollar. We are faced with a 10-cent dollar. What is going to happen? When the economy of this country is destroyed through inflation, where are your poor people that you talk about going to be? What is going to happen in this country when that situation happens and hungry bellies ensue as a result of it? That is when you are going to lose this Republic. It is not through an armed invasion. I repeat I fear inflation worse than I fear an armed invasion by Russia.

Now, Mr. Chairman, for the benefit of those who believe in maintaining segregation and particularly for the benefit of those of my section who want both public housing and segregation of the races therein, I want the record to be crystal clear that you cannot have both. You do not have to have a Powell amendment. The Court has already decided that issue. Here it is:

HOUSING AUTHORITY OF SAN FRANCISCO *v.* BANKS (260 P. 2D 668)—RACIAL SEGREGATION IN PUBLIC HOUSING

Two Negroes, Mattie Banks and James Charley, Jr., residing in San Francisco, Calif., petitioned the Federal district court for a writ of mandamus to the San Francisco Housing Authority for—

1. Admission to any units in any permanent public low-rent housing development under respondents' ownership and control, subject only to the same rules, regulations, and preferences applicable to other applicants, and without regard to race or color.

2. To institute forthwith a policy and practice of applying the same set of standards in determining eligibility to all applicants for permanent public low-rent housing developments and without regard to race or color.

The district court issued the writ holding that the neighborhood pattern policy of the Housing Authority was illegal and void and in violation of the equal protection clause of the 14th amendment. The Housing Authority appealed.

On August 26, 1953, the District Court of Appeal, First District, Division I, California, affirmed the decision of the lower court, and rejected the Housing Authority's defense that "there is no constitutional prohibition against segregation by races if the facilities offered or the protection afforded are separate but equal." The Court of Appeals held that the Housing Authority's action in selecting tenant applicants for various projects on the basis of race (white, Negro, and oriental segregated projects) was violative of the 14th amendment.

The Housing Authority petitioned the U.S. Supreme Court for a writ of certiorari. The U.S. Supreme Court on May 24, 1954, denied the petition, thereby, in effect, affirming the decision of the Federal Appeals Court in California.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. COLMER].

The question was taken; and on a division (demanded by Mr. COLMER) there were—ayes 91, noes 175.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. MCDONOUGH].

Mr. MCDONOUGH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MCDONOUGH: On page 152, after line 25, insert the following new section:

"OBLIGATIONS OF LOCAL AGENCIES

"SEC. 606. (a) Section 5(e) of the United States Housing Act of 1937 is amended by adding at the end thereof the following new sentence: 'The preceding sentence shall not apply with respect to any obligations which are secured by a pledge of rights of the public housing agency under a loan contract entered into pursuant to section 9 or by a pledge of annual contributions under an annual contributions contract entered into pursuant to section 10, if such obligations are issued in connection with a project or projects for which any Federal-aid contract (other than a preliminary loan contract for surveys and planning) is entered into on or after the date of the enactment of the Housing Act of 1959.'

"(b) Section 10(c) of such Act is amended by adding before the period at the end thereof the following: ', except that in the case of any project with respect to which the obligations of the public housing agency are subject to the last sentence of section 5(e), the fixed contribution may exceed such amount by 1½ per centum of development or acquisition cost'."

And renumber the succeeding sections accordingly.

Mr. RAINS. Mr. Chairman, I intend to make a point of order against the amendment, but shall reserve that point of order at this time.

Mr. MCDONOUGH. Mr. Chairman, I expected a point of order would be raised on this. However, the point of order probably attempts to indicate that this is an amendment to the Internal Revenue Code instead of the Housing Act. It is an amendment to the Housing Act, not to the Internal Revenue Code.

This amendment would make the interest on public housing bonds taxable. At the present time they are exempt. As a matter of fact, in the sale of public housing bonds in the finance markets, the bond houses and the brokers use a letter to the Preseident of the United States from the Attorney General, in their advertisements, indicating that the public housing bonds are an obligation and a pledge of the Federal Government, and not an obligation on the local authority that issues them.

As we discussed previously, whenever a public housing authority issues bonds, to build a facility for public housing, they are sold on the open market and represent a preference as far as investment is concerned because of the tax-exempt feature. But they would not become a debt obligation on the city or the county. They become an obligation on the Federal Government to sustain the differential in the cost of the operation of the Public Housing Authority. In other words, if the rental paid by the occupants of the public-housing unit is not sufficient to amortize the cost of the project, the Federal Government contributes the difference. And in the 444,000 public-housing units that are now in operation we are making a contribution of about $280 million a year.

If we go ahead with the present number of public-housing units provided in the bill before us, 35,000 each year until a total of about 190,000 additional units are constructed, we will have another annual contribution added to the cost of the maintenance of those units of nearly $100 million a year.

In other words, this should not be confused—that is, this attempt to make the interest on these bonds taxable, should not be confused with municipal bonds or with State bonds that are issued for the purpose of building a public building or a highway or any other facility within the political jurisdiction, because these are not a debt obligation upon the city or the county, but are a Federal obligation in dollars and cents of the Federal Government.

I think that it is in order that as to the public housing units provided by this bill the tax-exemption feature should be removed and they should become taxable.

Mr. RAINS. Mr. Chairman, after looking at it, I withdraw my point of order.

The CHAIRMAN. The gentleman from Alabama withdraws his point of order.

Mr. MASON. Mr. Chairman, I rise in support of the amendment of the gentleman from California.

Mr. Chairman, I am coming over on this side because the audience looks much bigger. As to the suggestion on this side that they look more intelligent, I question that on the way they vote.

Mr. Chairman, public housing is not my field, but taxation is my field. The proposal of the gentleman from California is a tax proposal, as I see it, and I want to talk in favor of the proposal of the gentleman from California.

For 22 years I have witnessed this House and the other body, so far as that is concerned, whittling away at the base of our taxes, whittling away to the extent that one-fourth of the land in these United States belongs to Uncle Sam and is tax free; whittling away to the extent that many of the bonds authorized by the Congress have been made tax free in competition with bonds that pay taxes. That has become so serious that it is time to stop, look, and listen, because the credit of Uncle Sam today is just one-fourth of what it was a year ago, figuring that the bonds that people were glad to buy from Uncle Sam last year at 1¼ percent they now turn down at 4 percent—the same, identical bonds.

Uncle Sam's credit has been whittled away so seriously that we are facing a financial crisis in this country and it is about time this House and the Congress took cognizance of the fact and thought twice before whittling away that credit a great deal more by issuing tax free bonds and by squandering billions of dollars for public housing and other things not needed. However desirable these things may be—and many of them

may be desirable—we should wait until we can afford them and not continue to destroy the credit of Uncle Sam more than we have done so already.

Mr. RAINS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment is very close to taxing municipal bonds. That issue has been before the House many, many times. This is a local housing authority bond set up by State laws, and if we are to give tax exempt status to other local municipal bonds, I see no reason to pick on the public housing bonds with this type of amendment. Therefore, I oppose the amendment and trust it will be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California.

The question was taken; and on a division (demanded by Mr. McDONOUGH) there were—ayes 70, noes 199.

So the amendment was rejected.

Mr. BALDWIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BALDWIN: On page 154, after line 6, insert the following new section: "SEC. 608. In the selection of tenants for admission to and continued occupancy of dwelling units in low-rent housing assisted under the United States Housing Act of 1937, there shall be no discrimination against any individual on account of his race, creed or color."

Mr. BALDWIN. Mr. Chairman, it was mentioned earlier in the debate that under some court decisions there can no longer be any segregation in public housing. This amendment simply provides by act of Congress that there shall be no discrimination in the selection of occupants for any low-rent housing projects on the ground of race, color, or creed.

I hope the amendment is approved by this House so we can express clearly the legislative intent of Congress upon this issue.

Mr. RAINS. Mr. Chairman, I oppose the amendment.

I ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California.

The question was taken, and the Chair announced that the noes appeared to have it.

Mr. HALLECK. Mr. Chairman, I ask for tellers.

Tellers were ordered and the Chair appointed as tellers Mr. BALDWIN and Mr. RAINS.

The Committee divided, and the tellers reported that there were—ayes 115, noes 205.

So the amendment was rejected.

Mr. HARDY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARDY: On page 152, after line 25, insert the following new subsection:

"(c) Notwithstanding the amendments made by this section, the Public Housing Administration shall not enter into any new contract for a loan or for annual contributions under section 10(i) of the United States Housing Act of 1937 (unless such contract could have been entered into under such section as in effect immediately prior to the enactment of this Act) until such Administration has first come to an agreement with the Committees on Banking and Currency of the Senate and House of Representatives (after the enactment of this Act) with respect to the need for and desirability of entering into such contract."

Mr. HARDY. Mr. Chairman, I am prompted to offer this amendment because under the existing system there is no congressional review or screening, or consideration of any kind of the public housing projects prior to their approval. In other words, under the system now in force the agency enters into contracts with local housing authorities which commit the Government to make loans, and over a long period of years to make annual contributions. I am not sure what the total amount is, but I heard a figure during debate today indicating that under the program already in force some $185 million is required annually to meet these obligations.

The Congress should have some definite information about these projects before such funds are committed. I would prefer that there be consideration of the need and desirability by the entire Congress on an individual project basis just as we now make line item authorization in various bills, notably in construction bills. I recognize the impracticality of that with respect to public housing projects because the agency is not in a position to recommend specific projects until after much planning has been done at the local level, and official requests have been received from local authorities.

As a consequence it seems appropriate to provide that the agency come into agreement with the Banking and Currency Committees before making a firm commitment. This will not entail any serious delay, and it will provide an opportunity for Members of the Congress to present their views to the committee on projects of which they have knowledge.

I am grateful to Chairman RAINS for indicating acceptance by the committee of this amendment. It will not entail a tremendous amount of work, and it should assure much better congressional participation in this most important program.

Mr. RAINS. Mr. Chairman, I merely rise at this time to say that this amendment would confer more power on the Committee on Banking and Currency than it wants, but I have no objection to the amendment itself.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. HARDY].

The amendment was agreed to.

The Clerk read as follows:

TITLE VII—ARMED SERVICES HOUSING

SEC. 701. (a) Section 803(a) of the National Housing Act is amended by striking out "June 30, 1959" and inserting in lieu thereof "September 30, 1960".

(b) The second sentence of section 803(b)(3) of such Act is amended by striking out "have a maturity not to exceed twenty-five years" and inserting in lieu thereof "but not to exceed thirty years from the beginning of amortization of the mortgage".

(c) Section 803(c) of such Act is amended by adding at the end thereof the following new sentence: "The Commissioner is further authorized to reduce the amount of the premium charge below one-half of 1 per centum per annum with respect to any mortgage on property acquired by the Secretary of Defense or his designee if the mortgage is insured pursuant to provisions of this title as in effect prior to August 11, 1955."

(d) Section 803 of such Act is further amended by adding at the end thereof the following new subsection:

"(k) The Commissioner shall not insure any mortgage under this title unless the principal contractor or contractors engaged in the construction of the project involved file a certificate or certificates (at such times, in the course of construction or otherwise, as the Commissioner may prescribe) certifying that the laborers and mechanics employed in the construction of such project have been paid not less than one and one-half times the regular rate of pay for employment in excess of eight hours in any one day or in excess of forty hours in any one week."

SEC. 702. (a) The first sentence of section 404(a) of the Housing Amendments of 1955 is amended to read as follows: "Whenever the Secretary of Defense or his designee deems it necessary for the purpose of this title, he may acquire by purchase, donation, condemnation, or other means of transfer, any land or (with the approval of the Federal Housing Commissioner) (1) any housing financed with mortgages insured under title VIII of the National Housing Act as in effect prior to August 11, 1955, or (2) any housing situated adjacent to a military installation which was (A) completed prior to July 1, 1952, (B) certified by the Department of Defense, prior to construction, as being necessary to meet an existing military family housing need and considered as military housing by the Federal Housing Commissioner, and (C) financed with mortgages insured under section 207 of the National Housing Act."

(b) Section 404(b) of the Housing Amendments of 1955 is amended (1) by striking out "constructed under the mortgage insurance provisions of title VIII of the National Housing Act (as in effect prior to the enactment of the Housing Amendments of 1955)", and inserting in lieu thereof the following: "described in clause (1) or (2) of subsection (a) of this section"; and (2) by inserting before the period at the end thereof the following: "or a military installation which the Secretary or his designee determines to be a permanent part of the military establishment".

(c) Section 407(f) of the Act entitled "An Act to authorize certain construction at military installations, and for other purposes", approved August 30, 1957, is amended to read as follows:

"(f) This section shall have no application to any housing described in clause (1) or (2) of section 404(a) of the Housing Amendments of 1955, as amended."

SEC. 703. (a) The fourth sentence of section 404(c)(1) of the Housing Amendments of 1955 is amended by striking out "shall give full consideration to all elements of value in accordance with existing law" and insert in lieu thereof the following: "shall give full consideration to replacement cost, fair depreciation, and such other elements of value as can be applied with respect to such property in determining just compensation".

(b) Such section 404(c)(1) is further amended by adding at the end thereof the following new sentence: "Efforts to acquire the property involved by negotiation may be continued by the owner and the Secretary of Defense or his designee after the institution of condemnation proceedings pursuant to this section; and if after the institution

of such proceedings and at any time prior to the final judgment therein they succeed in negotiating an agreement for the acquisition of such property and notify the Attorney General thereof, the Attorney General shall take such steps as may be necessary for the dismissal of such proceedings and for the surrender and return to the Secretary of Defense or his designee of jurisdiction to acquire such property under this section in accordance with such agreement."

(c) The amendments made by this section shall apply only with respect to condemnation proceedings, instituted either before or after the enactment of the Military Construction Act of 1958, in which the final adjudication of just compensation is made on or after the date of the enactment of this Act.

SEC. 704. (a) Section 404(c)(2) of the Housing Amendments of 1955 is amended—

(1) by inserting before the period at the end of the first sentence a semicolon and the following: "but the amount of such deposit for purposes of this sentence shall be determined in good faith and shall in no case be less than an amount equal to the Federal Housing Commissioner's estimate of the replacement cost of the housing and related property (not including the value of any improvements installed or constructed with appropriated funds) as of the date of final endorsement for mortgage insurance (which estimate shall be furnished the court and the owner by the Commissioner), reduced by the amount of the principal obligation of the mortgage outstanding at the time possession is surrendered to the United States"; and

(2) by striking out the third sentence.

(b) The amendments made by subsection (a) shall apply only with respect to condemnation proceedings in which the final adjudication of just compensation is made after the date of the enactment of this Act.

SEC. 705. Section 404(e) of the Housing Amendments of 1955 is amended by adding at the end thereof the following new sentence: "The Secretary or his designee may, in the case of any housing acquired or to be acquired under this section, assume or acquire subject to any existing mortgage on such housing."

SEC. 706. (a) Title VIII of the National Housing Act is amended by adding at the end thereof the following new section:

"SEC. 810. (a) Notwithstanding any other provision of this title, the Commissioner may insure and make commitments to insure any mortgage under this section which meets the eligibility requirements hereinafter set forth.

"(b) No mortgage shall be insured under this section unless the Secretary of Defense or his designee shall have certified to the Commissioner that (1) the housing which is covered by the insured mortgage is necessary in the interest of national defense in order to provide adequate housing for military personnel and essential civilian personnel serving or employed in connection with an installation of one of the armed services of the United States, (2) there is no present intention to curtail substantially the number of such personnel assigned or to be assigned to the installation, (3) adequate housing is not available for such personnel at reasonable rentals within reasonable commuting distance of such installation, and (4) the mortgaged property will not so far as can be reasonably foreseen substantially curtail occupancy in any existing housing in the vicinity of the installation if such housing is covered by mortgages insured under this Act. Any such certificate issued by the Secretary of Defense or his designee shall be conclusive evidence to the Commissioner of the eligibility of the mortgage for insurance in accordance with the requirements of this subsection.

"(c) The Commissioner may accept any mortgage for insurance under this section without regard to any requirement in any other section of this Act that the property or project be economically sound.

"(d) The Commissioner shall require each project covered by a mortgage insured under this section to be held for rental for a period of not less than five years after the project or dwelling is made available for initial occupancy or until advised by the Secretary of Defense or his designee that the housing may be released from such rental condition. The Commissioner shall prescribe such procedures as in his judgment are necessary to secure reasonable preference or priority in the sale or rental of dwellings covered by a mortgage insured under this section for military personnel and essential civilian employees of the armed services, and employees of contractors for the armed services, as evidenced by certification issued by the Secretary of Defense or his designee. Such certificate shall be conclusive evidence to the Commissioner of the employment status of the person requiring housing and of such person's need for the housing.

"(e) For the purpose of providing multifamily rental housing projects or housing projects consisting of individual single family dwellings for sale, the Commissioner is authorized to insure mortgages (including advances on such mortgages during construction) which cover property held by a private corporation, association, cooperative society, or trust. Any such mortgagor shall possess powers necessary therefor and incidental thereto and shall until the termination of all obligations of the Commissioner under such insurance be regulated or restricted as to rents or sales, charges, capital structure, rate of return, and methods of operation to such extent and in such manner as to provide reasonable rentals to tenants and a reasonable return on the investment. The Commissioner may make such contracts with, and acquire for not to exceed $100 such stock or interest in, any such corporation, association, cooperative society, or trust as he may deem necessary to render effective such restriction or regulation. Such stock or interest shall be paid for out of the Armed Services Housing Mortgage Insurance Fund, and shall be redeemed by the corporation, association, cooperative society, or trust at par upon the termination of all obligations of the Commissioner under the insurance.

"(f) To be eligible for insurance under this section, a mortgage on any multifamily rental property or project shall involve a principal obligation in an amount (1) not to exceed $5,000,000 or (2) not to exceed, for such part of such property or project as may be attributable to dwelling use, $2,250 per room (or $8,100 per family unit if the number of rooms in such property or project is less than four per family unit), and not to exceed 90 per centum of the estimated value of the property or project when the proposed physical improvements are completed. The Commissioner may increase any of the foregoing dollar amount limitations per room contained in this paragraph by not to exceed $1,000 per room in any geographical area where he finds that cost levels so require.

"(g) To be eligible for insurance under this section a mortgage on any property or project constructed for eventual sale of single family dwellings shall involve a principal obligation is an amount not to exceed $5,000,000 and not to exceed a sum computed on the basis of a separate mortgage for each single family dwelling (irrespective of whether such dwelling has a party wall or is otherwise physically connected with another dwelling or dwellings) comprising the property or project equal to the total of each of the maximum principal obligations of such mortgages which would meet the requirements of section 203(b)(2) of this Act, if the mortgagor were the owner and occupant who had made the required payment on account of the property prescribed in such paragraph.

"(h) Any mortgage insured under this section shall provide for complete amortization by periodic payments with such terms as the Commissioner may prescribe but not to exceed the maximum term applicable to mortgages under section 207 of this Act and shall bear interest (exclusive of premium charges for insurance) at not to exceed the rate applicable to mortgages insured under section 207, except that individual mortgages of the character described in subsection (g) covering the individual dwellings in the project may have a term not in excess of the maximum term applicable to mortgages insured under section 203 of this Act or the unexpired term of the project mortgage at the time of the release of the mortgaged property from such project mortgage, whichever is the greater, and shall bear interest at not to exceed the rate applicable to mortgages insured under section 203. The Commissioner may consent to the release of a part or parts of the mortgaged property from the lien of the mortgage upon such terms and conditions as he may prescribe and the mortgage may provide for such release, and a mortgage of the character described in subsection (g) of this section may provide that, at any time after the release of the project from the rental period prescribed by subsection (d), such mortgage may be replaced, in whole or in part, by individual mortgages covering each individual dwelling in the project in amounts not to exceed the unpaid balance of the blanket mortgage allocable to the individual property. Each said individual mortgage may be insured under this section. Property covered by a mortgage insured under this section may include eight or more family units and may include such commercial and community facilities as the Commissioner deems adequate to serve the occupants.

"(i) The aggregate number of dwelling units (including all units in multifamily projects or individual dwellings) covered by outstanding commitments to insure and mortgages insured under this section shall at no time exceed four thousand dwelling units.

"(j) The provisions of subsections (d), (e), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 of this title shall be applicable to mortgages insured under this section except individual mortgages of the character described in subsection (g) of this section covering the individual dwelling in the project, and as to such individual mortgages the provisions of subsections (a), (c), (d), (e), (f), (g), (h), (j), and (k) of section 204 shall be applicable; *Provided*, That wherever the words 'Fund', 'Mutual Mortgage Insurance Fund', or 'Housing Insurance Fund' appear in section 204 or 207, all such reference shall refer to the Armed Services Housing Mortgage Insurance Fund with respect to mortgages insured under this section.

"(k) The provisions of sections 801, 802, 803(c), 803(i), 803(j), 804(a), 804(b), and 807 and the provisions of section 803(a) relating to the aggregate amount of all mortgages insured and the expiration date of the Commissioner's authority to insure under this title shall be applicable to mortgages insured under this section.

"(l) If the Commissioner determines that insurance of mortgages on any housing of the type described in this section is not an acceptable risk, he may require the Secretary of Defense to guarantee the Armed Services Housing Mortgage Insurance Fund from loss with respect to mortgages insured pursuant to this section. There are hereby authorized to be appropriated such sums as may be necessary to provide for payment to meet losses arising from such guaranty."

(b) Section 808 of such Act is amended by striking out "The" and inserting in lieu thereof the following: "Except in the case of mortgages on multifamily rental housing projects insured under section 810, the".

(c) Section 212(a) of such Act is amended by striking out "or under title VIII" and inserting in lieu thereof "or under section 803 or 810 of title VIII".

Mr. RAINS (interrupting the reading of the title). Mr. Chairman, I ask unanimous consent that title VII be considered as read and be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. RAINS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RAINS: Page 156, strike out "(1)" in line 4, and strike out the semicolon in line 9 and all that follows down through the end of line 12 and insert in lieu thereof a period.

Strike out section 703, beginning on page 156, line 20, and ending on page 157, line 22.

Strike out section 704, beginning on page 157, line 23, and ending on page 158, line 18.

Strike out section 705, beginning on page 158, line 19, and ending on page 158, line 24.

And on page 159, line 1, strike out "706" and insert in lieu thereof "703".

Mr. RAINS. Mr. Chairman, this particular amendment has to do with the Wherry housing section of the military housing title of the bill. It leaves the Capehart military housing program still in the bill, continued for 1 year. It would strike out that provision that has to do with the acquisition of Wherry housing for these reasons. Due to an agreement between the chairman of the Committee on Armed Services, the gentleman from Georgia [Mr. VINSON], the Speaker, and myself, hearings are now being held before the Kilday subcommittee looking toward requiring an early and speedy purchase of the remaining Wherry housing units. It was done simply because it was believed to be a better and quicker way to get action on that particular section, which is an extremely complicated one, to let the Armed Services Committee check into the remaining ones and then report or suggest legislation to get it done. That is all it does.

Mr. WIDNALL. Mr. Chairman, I rise to ask some questions in connection with the amendment. Now, it seems to me that this is an extremely important change and approach to the Wherry housing program. The subcommittee on which I have the honor to serve with our able chairman, the gentleman from Alabama [Mr. RAINS], has for years studied this subject and has endeavored, to the best of its ability, to try to find a program for the acquisition of these Wherry units. Now, it seems to me that that is all being thrown out the window for a new committee to enter into the picture and start new hearings and a new approach. Now, if this is going to be done for one section, why is it not done for the other sections?

Mr. RAINS. Mr. Chairman, if the gentleman will yield, I will say to the gentleman, as he knows, the Armed Services Committee has always had the right to say how many units of Capehart military housing will be built, and the Wherry housing program was tied in to the building of Capeharts, so that if Capeharts were built, it was mandatory to purchase the Wherrys. Our difficulty, as the gentleman will agree—and he has been a great help to our committee—has been to get the Army—and we might as well get it straight—to get the Army and the Navy to participate in the buying of these units as well as the Air Force, which has participated in the acquiring of these Wherry units. Therefore, since the Committee on Armed Services has a great deal to do with the military services, it was thought that it would be well for them to hold a hearing, and I am sure that any legislation which is suggested, if it amends the National Housing Act, will be reported to our committee. But, it is believed that this matter can be wound up completely in the very near future. Now, I have said that I was present at a conference between the Speaker and the chairman of the Committee on Armed Services, and I am authorized to make that statement that that would be the fastest and best way to do what we have been trying to get done.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Georgia.

Mr. VINSON. Mr. Chairman, as has been said, this is a very important matter. There were originally 283,000 Wherry houses built. At the end of this fiscal year 1960 the military departments will have acquired some 70,990 units. There were 4,784 that went by default. Therefore that leaves 8,216 units that are now being inquired into by the subcommittee which I designated, headed by the distinguished gentleman from Texas [Mr. KILDAY], with the objective of seeing if some plan cannot be worked out, not in connection with legislation, where some needs can be found by the Department to utilize these 8,216 houses. If it becomes necessary to pass legislation, the Committee on Armed Services will prepare the legislation, but it will have to come from the committee headed by the gentleman from Alabama [Mr. RAINS].

The CHAIRMAN. The time of the gentleman from New Jersey [Mr. WIDNALL] has expired.

The question is on the amendment offered by the gentleman from Alabama [Mr. RAINS].

The amendment was agreed to.

PROGRAM FOR THE WEEK OF MAY 25

Mr. HALLECK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time for the purpose of inquiring of the majority leader as to the program for the balance of this week and for next week.

Mr. McCORMACK. In the event we dispose of this bill today, arrangements have been made for the general government matters appropriation bill for 1960 to be brought up on Monday.

If the pending bill is disposed of today I shall ask unanimous consent at the proper time that the House go over until Monday. In any event, I would not bring up the general government matters appropriation bill after the disposition of this bill today. It will not be in order on tomorrow, so there would be no legislation for tomorrow, anyway.

The program for next week is as follows: Monday is District Day, but no bills are scheduled.

Then we will take up H.R. 7176, the general government matters appropriation bill for 1960.

Following that will be the appropriation bill for the Departments of State, Justice, and the judiciary for 1960.

I might say that because of primaries in Kentucky, if there are any record votes asked for on Monday or Tuesday, outside of a rollcall on a rule, with the permission of the House, those rollcall votes will go over until Wednesday.

As to next Tuesday, Wednesday, and Thursday—and I limit it to next Thursday, because May 30 comes on Saturday—I am hopeful that we shall finish our legislative program next week by Thursday at the latest, recognizing that many Members have speaking commitments for May 30 in their districts and elsewhere. So that, as I say, I am hopeful of disposing of our legislative business by Thursday of next week at the latest.

For Thursday we have the Department of Commerce and related agencies appropriation bill for 1960. I am informed that they will be able to dispose of that bill on that day. In any event, that is the intention and I hope they will, because as I have said, I want to make arrangements for us to go over on Thursday and not meet on Friday, the day before May 30.

In anticipation of a meeting of the Rules Committee on Monday—the chairman has kindly indicated to me that he would call such a meeting—in the event they report out any rules, I should like to schedule some legislation for Tuesday and Wednesday that we can dispose of. In any event, if they should report out rules on any of the following bills, they would be in order.

H.R. 5140, to amend the Reorganization Act of 1949; that is, to extend the reorganization powers of the President 2 years.

H.R. 7246, a wheat quota and price support bill.

H.R. 5752, a Federal employees legal holidays bill.

H.R. 7086, to extend the Renegotiation Act of 1951.

H.R. 3160, the water pollution bill.

H.R. 5432, a grain feed price support bill.

If rules are reported out on any or all of these bills, they will be considered, not necessarily in the order in which I have named them on this occasion. I do want to give preferential consideration after the disposition of the appropriation bills, to extending the Reorganization Act because that expires, I think, the first of next month.

The usual reservations are made, that any change in the program will be announced later, and conference reports may be taken up at any time, and so forth.

Mr. HALLECK. I thank the gentleman.

Mr. McDONOUGH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McDONOUGH: Page 154, after line 15, insert the following:

"(c) Section 803(b)(3) of such Act is further amended by adding at the end thereof the following: 'The property or project may include such nondwelling facilities as the Commissioner deems adequate to serve the occupants.' "

And redesignate succeeding subsections accordingly.

Mr. McDONOUGH. Mr. Chairman, this is a provision to allow the Commissioner to add to the dwelling facilities or any Capehart project housing that there may be, to make them more adequate for living conditions.

Mr. RAINS. Mr. Chairman, we have discussed this amendment. The same provisions that the gentleman from California has asked for Capehart military housing on bases is already in cooperatives and in many other branches of the housing program. I see absolutely no objection to this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. McDONOUGH].

The amendment was agreed to.

Mr. ALGER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to keep the record straight because earlier today I asked some questions of the chairman of the committee, and I was rather summarily dismissed as being in error. The question, Mr. Chairman, that I was directing at that time was as to whether private property—picture your own home or your own business or that of any of your constituents—if private property were taken from you for private use whether that would be unconstitutional. Now, as the Constitution reads, private property cannot be taken except for public use and with just compensation. I want to make the statement now, and I am not any longer asking questions, that private property, your property, can indeed be taken from you through the power of eminent domain for private use. This is a constitutional question and the gentleman endeavoring no doubt to the best of his ability, to answer me quickly, said that I was in error and that he had a study by the Library of Congress Reference Service to show this. I was told I might see it. I went over and asked for it. There was no copy. I asked the clerk to whom it had been given. I was told that it had gone downstairs. So I went about getting my own, and I hold it in my hand. Here it is. Let me say this answer completely begs the question, which I asked concerning the constitutionality of eminent domain.

This Library of Congress study has to do with just compensation rather than constitutionality as such. Now, as I see it, we have a constitutional question before us. Many of you take issue with the Supreme Court in other decisions. I have here the Supreme Court decision of Berman against Parker, October term 1954, and I must tell you that public welfare has been redefined. I say to all of you, including our liberals, wherever you may be on either side, that public welfare has been redefined under eminent domain so that your property can be taken from you for esthetic and spiritual values and for matters of beauty and spaciousness. Fifteen men on a redevelopment board can take your property from you unconstitutionally. It is true the attorneys will say it is the law of the land because the Supreme Court has so ruled. This House has corrected the Supreme Court before. I have before me the CONGRESSIONAL RECORD of March 17, page 4363. At that time I took the floor of the House and set forth these views, which I happen to know many of you share. You may be unaware that the Supreme Court decision came on an appeal from the district court.

I say to the gentleman from Alabama, subcommittee chairman, who told me I was in error, whom I questioned, that I hold here the district court decision, the Supreme Court decision, the informative rulings of the Florida and Georgia Supreme Courts who decided that this definition of eminent domain was unconstitutional according to their State constitutions. I repeat now my earlier remarks that under eminent domain, property can now be taken from our citizens for private, not public use, and that this is unconstitutional.

The gentleman from Alabama, the chairman of the committee, has said he knows that there needs to be a study made of urban renewal. I repeat that this is a rather peculiar time to put in another $1.5 billion, that is $1,500 million, into the hands of Government to be used to take private property unconstitutionally, under urban renewal before this study is made. I am opposed to it. First, let us make this study of urban renewal before we vote more money for it. I call this to your attention and I want the RECORD to show that I believe this action to be wrong. Because the gentleman has said that I was in error, I shall ask permission when we are in the House to extend these views with documentary evidence for the information of my colleagues.

The private ownership of property is a basic right to be jealously guarded as we do our personal freedom. We are most aware of this when we are confronted by the power of eminent domain, by which law, property can be condemned and taken. Basic protection is given individuals by the fifth amendment to the Constitution which says:

No person shall be * * * deprived of * * * property * * *, without due process of law—

And second—

nor shall private property be taken for public use, without just compensation.

The Constitution thus assures protection of individuals and minorities from majority rule.

The Supreme Court upset this protection in 1954, in the case of Berman against Parker—in reinterpreting the traditional application of eminent domain.

In this case in a district court, the owner of a department store challenged the validity of the act which gives the local redevelopment authority the right to condemn property which is not substandard or slum property merely because the property is part of an overall redevelopment plan.

The Supreme Court then upheld this right to take property because in its concept of public welfare—now get this: Speaking of public welfare they said:

We do not sit to determine whether a particular housing project is or is not desirable. The concept of the public welfare is broad and inclusive. See *Day-Brite Lighting, Inc.* v. *Missouri*, 342 U.S. 421, 424. The values it represents are spiritual as well as physical, esthetic as well as monetary. It is within the power of the legislature to determine that the community should be beautiful as well as healthy, spacious as well as clean, well balanced as well as carefully patrolled. In the present case, the Congress and its authorized agencies have made determinations that take into account a wide variety of values. It is not for us to reappraise them.

Mr. Chairman, I say losing your property under eminent domain because of someone else's judgment of a spiritual or esthetic value is unconstitutional and wrong. I say it is quite contrary to the fifth amendment.

Further, this decision means that the courts, generally the final repositories of the people's rights against arbitrary action of the legislature, are not available to you when your property is taken and destroyed for redevelopment purposes. The remedy is in the legislature which may impose whatever restrictions on redevelopment authorities it may deem necessary. So the Supreme Court seems to switch the historic roles of the legislature and judiciary as we have criticized them in the past by their own language in ruling on this matter of eminent domain.

I am sure many of you would be interested in reading the entire Supreme Court's opinion, which I shall not take the time to read at this time.

The district court, whose decision the Supreme Court reversed, said this:

We are of the opinion that the Congress, in legislating for the District of Columbia, has no power to authorize the seizure by eminent domain of property for the sole purpose of redeveloping the area according to its, or its agents', judgment of what a well-developed, well-balanced neighborhood would be. This amounts to a claim on the part of the authorities for unreviewable power to seize and sell whole sections of the city.

That was the district court, whose decision was reversed by the Supreme Court. Here is the more complete decision:

Third, we have the problem of the area which is not a slum but which is out-of-date, called by the Government blighted or deteriorated.

We are of opinion that the Congress, in legislating for the District of Columbia, has no power to authorize the seizure by eminent domain of property for the sole purpose of redeveloping the area according to its, or its agents', judgment of what a well-developed, well-balanced neighborhood would be; lest this sentence be misconstrued out of context, we repeat our hypothetical assumption for the purposes of this first phase of section III of our opinion

that no slum exists on the hypothetical property or in the area and that the seizure is not for a public use.

* * * * *

The Government says that it has determined that project area B in the case at bar is an appropriate area for redevelopment, that slums exist in that area, and that therefore it may seize the title to all the land in the area and, having replanned it, sell it to private persons for the building of row houses, apartment houses, commercial establishments, etc. In essence the claim is that if slums exist the Government may seize, redevelop, and sell all the property in any area it may select as appropriate, so long as the area includes the slum area. This amounts to a claim on the part of the authorities for unreviewable power to seize and sell whole sections of the city.

It covers about 15 square city blocks. It lies within a census tract in which slum conditions are said to exist, and it contains properties upon which slum conditions are said to exist. Its western boundary is an irregular line which runs around lots, encompasses some establishments along a street and excludes others on the same side of the same street, moves from east to west as it runs north. It excludes certain properties, and under it certain other properties would be sold back to the present owners or be retained by them. The key to the plan, apart from slum clearance, is the opinion of the Government authorities that residential neighborhoods should be "well-balanced" and that the area should contain housing for all income groups. * * *

No acute housing shortage is to be met. In fact the plan provides for no more residents than presently occupy the area. No pressing economic condition, apart from the slums, is sought to be dealt with by this plan. No purpose of housing for the needy—low-rent housing—is the motivation. No rearrangement of streets is contemplated or provided. The streets throughout project area B are exactly the same as are the streets in all parts of the District of Columbia, lettered streets running east and west and numbered streets running north and south, in continuous lines across the entire District. The plan provides that certain streets shall be widened somewhat and that an expressway and a greenway shall be built. The only restrictions as to future use are the requirements as to the type of houses to be built (row, apartment, etc.) and as to the percentage of rentals for the low-income group.

In sum the purpose of the plan, in addition to the elimination of slum conditions, is to create a pleasant neighborhood, in which people in well-balanced proportions as to income may live. The Government is to determine what conditions are pleasant, what constitutes the "most appropriate" pattern of land use, what is a good balance of income groups for a neighborhood, how many poor people, how many moderately well-to-do people, how many families of two, how many of four, etc., should be provided for in this neighborhood, and what the proper development of a community should be.

Of course the plan as pictured in the prospectus is attractive. In all probability it would enhance the beauty and the livability of the area. If undertaken by private persons the project would be most laudable. It would be difficult to think of a village, town, or city in the United States which a group of artists, architects, and builders could not improve vastly if they could tear down the whole community and rebuild the whole of it. But as yet the courts have not come to call such pleasant accomplishments a public purpose which validates Government seizure of private property. The claim of Government power for such purposes runs squarely into the right of the individual to own property and to use it as he pleases. Absent impingement upon rights of others, and absent public use of compelling public necessity for the property, the individual's right is superior to all rights of the Government and is impregnable to the efforts of Government to seize it. That the individual is in a low-income group or in a high-income group or falls in the middle of the groups is wholly immaterial. One man's land cannot be seized by the Government and sold to another man merely in order that the purchaser may build upon it a better house or a house which better meets the Government's idea of what is appropriate or well-designed.

We hold that Congress did not in the Redevelopment Act confer power to seize property beyond the reasonable necessities of slum clearance and prevention, the word "slum" meaning conditions injurious to the public health, safety, morals, and welfare.

This was the decision reversed by the Supreme Court in its redefinition of public welfare.

A congressional committee then commented about the inequities and injustices involved. Here is an excerpt from a report of the Subcommittee on Government Procurement, Disposal, and Loan Activities, to the Select Committee on Small Business, 84th Congress, 1st session, House Report No. 1588, entitled "Washington Square Southeast Slum Clearance Project":

Despite our holding in this matter under the Housing Act of 1949, as amended, we cannot and do not approve the obvious inequities and injustices involved. Our sympathies lie with the small businessmen upon whom the greatest amount of inequities fall and with the tenants of dwellings who will be compelled to vacate what may be termed better-than-average homes.

Such changes in the law which would neither restrict local agencies in their development plans nor unreasonably harm those people who must feel the greatest impact of such projects must be submitted to and passed upon by the House Banking and Currency Committee which has jurisdiction over that legislation. That phase of such legislation is distinctly not within the jurisdiction of this committee. * * *

It is the unanimous opinion of this committee that the Washington Square Southeast slum clearance project is valid under title I of Public Law 171, 81st Congress. It is apparent, however, from the extensive hearing conducted by this committee that, although this project cannot be invalidated in this instance, certain changes must be made in the existing law to prevent the recurrence of such inequities to small-business concerns.

Obviously there were misgivings even then about the inequities of urban renewal and eminent domain.

Among the considerable thoughtful comments generated by the Supreme Court decision is this editorial by the Urban Land Institute:

HOW HIGH IS UP?—THE SCOPE OF LEGISLATIVE DETERMINATION

One of the most far-reaching legal decisions affecting the field of urban planning and development was rendered by the U.S. Supreme Court on November 22, when it unanimously upheld the constitutionality of the District of Columbia Redevelopment Act in the case of *Berman* v. *Parker*.

The significance of the decision lies not only in its position on the case in question and redevelopment generally, but on the extent to which the Court went in broadening the concept of the police power and of eminent domain. In certain respects this decision is as important as was the Euclid, Ohio, decision in 1926, which established the constitutionality of zoning.

The case itself revolved around the right of the District of Columbia Redevelopment Land Agency to condemn a small department store in a duly established redevelopment project area for reuse by private enterprise, although the store itself was not slum housing but commercial, was not a health hazard, and, according to the plaintiffs, could not be taken merely to develop a better balanced, more attractive community.

Portions of the Court's opinion are worth quoting here at length for, as the writers see it, they go far beyond the question of redevelopment and cut across all of the powers of States and cities in such matters as zoning, subdivision regulation, and municipal esthetics.

SUPREME COURT SPEAKS

Said the Court about the police power: "An attempt to define its reach or trace its outer limits is fruitless, for each case must turn on its own facts. The definition is essentially the product of legislative determinations addressed to the purposes of government, purposes neither abstractly nor historically capable or complete definition. Subject to specific constitutional limitations, when the legislature has spoken, the public interest has been declared in terms well-nigh conclusive. In such cases the legislature, not the judiciary, is the main guardian of the public needs to be served by social legislation, whether it be Congress legislating concerning the District of Columbia or the States legislating concerning local affairs. This principle admits of no exception merely because the power of eminent domain is involved. The role of the judiciary in determining whether that power is being exercised for a public purpose is an extremely narrow one."

The scope of public welfare was also enlarged when the Court said:

"The values it represents are spiritual as well as physical, aesthetic as well as monetary. It is within the power of the legislature to determine that the community should be beautiful as well as healthy, spacious as well as clean, well balanced as well as carefully patrolled. * * * If those who govern the District of Columbia decide that the Nation's Capital should be beautiful as well as sanitary, there is nothing in the fifth amendment that stands in the way."

On the question of the public taking of land for private development as a public purpose, appears the statement that:

"Here one of means chosen is the use of private enterprise for redevelopment of the area. Appellants argue that this makes the project a taking from one businessman for the benefit of another businessman. But the means of executing the project are for Congress and Congress alone to determine, once the public purpose has been established. The public end may be as well or better served through an agency of private enterprise than through a department of government. * * * We cannot say that public ownership is the sole method of promoting the public purposes of community redevelopment projects. What we have said also disposes of any contention concerning the fact that certain property owners in the area may be permitted to repurchase their properties for redevelopment in harmony with the overall plan."

The Court also disposes of the right to take properties within a redevelopment area which are not slum or blighted by saying:

"Property may, of course, be taken for this redevelopment which, standing by itself, is innocuous and unoffending."

Two items, and two only, control the constitutionality of the police power and eminent domain according to the decision:

"(1) No person shall * * * be deprived of * * * property, without due process of law; (2) nor shall private property be taken for public use, without just compensation."

We believe the conclusions of the Court represent a distinct advance in outlining the scope of public authority which can be directed toward making and keeping our communities better places in which to live and work. But we cannot help wondering how far it is leading us away from the traditional American concepts of individual rights. Some exploration seems in order.

The Richmond News Leader had this to say on February 4, 1956:

A HARD LOOK AT REDEVELOPMENT

Delegate Delamater Davis, of Norfolk, is on exactly the right track when he urges that a thorough study be made of Virginia's laws dealing with the condemnation of private property.

"Private property is losing its importance," he said, and indeed it is. Before the deliberate onslaught of socialist forces that are more concerned with vague public benefits than with solid personal responsibilities, old guarantees of property ownership have lost their vitality.

Mr. Davis is especially concerned with the condemnation of private property for slum clearance purposes when the property is later sold to private owners for development. In brief, he is concerned with what the Federal Housing Act terms "urban redevelopment," and a great many persons share his concern. This mischievous program has made a mockery of the fifth amendment, and left all property ownership subject to the whims of the social planners.

The Founding Fathers nailed into the Constitution a flat provision that no person shall be deprived of his property without due process of law, and so there would be no misunderstanding of the phrase, or so they thought, they added this: "Nor shall private property be taken for public use without just compensation."

For more than 100 years, that language seemed sufficiently clear: Public use meant precisely that—something used by the public, and Government's awesome power of eminent domain was employed to acquire land for public streets and public buildings, for schoolhouses, parks, sewerlines, and the like.

Where the power of eminent domain was exercised otherwise, it was by public service corporations, whose rates are subject to public control.

But as in the case of the States and their public-school systems, the Supreme Court in November 1954 found it could not let a mere Constitution stand in the path of what it viewed as social progress. The Court could not wait for the States to amend the Constitution. It amended the fifth amendment itself, to make it read, in effect:

"*Provided, however,* That 'public use' shall be construed to mean whatever a legislative body conceives to be 'public benefit.'"

With that decision, involving an urban redevelopment project in the District of Columbia, private property rights went down the drain. "The concept of public welfare is broad and inclusive," said Mr. Justice Douglas blandly. He cast a cool eye at the little department store involved in the litigation, and agreed that it violated no laws of public health or public safety. But "if those who govern the District of Columbia decide that the Nation's Capital should be beautiful as well as sanitary, there is nothing in the fifth amendment that stands in the way." So they ran the bulldozers through Frank's Department Store at 712 Fourth Street SW.

The object in the Washington case, as the Court itself summarized it, was to take one businessman's property and sell it to another businessman. The land was not to be used by the public; it was to be sold for commercial redevelopment. But Frank's Department Store, by the Court's condemnation, was not "well-balanced."

This same travesty upon the Constitution is in prospect in the Carver redevelopment project here in Richmond; it is involved in an even larger redevelopment scheme in Norfolk. Whole blocks of generally blighted property are to be swept bare by the bulldozer state. And if in the middle of it all there stands a clean and decent home, well-kept, proudly maintained, and the owner does not want to sell? Then to hell with the owner, and seize his house anyway. Who says a man's home is his castle? There is nothing in the fifth amendment that stands in the way.

If the study proposed by Mr. Davis can suggest ways and means for preserving plain constitutional rights here in Virginia, it will be a most worthwhile investigation. Our own Virginia constitution declares that citizens of this sovereign State "cannot be deprived of, or damaged in, their property for public uses without their own consent." It is high time that we recurred to this fundamental principle of a free society, and restored individual rights to the high pedestal they once occupied.

Very significant are the decisions of the Supreme Courts of Florida and Georgia, both of which declared "eminent domain" in urban renewal to be unconstitutional according to their respective State constitutions. Here are these decisions, in part:

MEMORANDUM ON FLORIDA SUPREME COURT CASE ON THE USE OF POWER OF EMINENT DOMAIN FOR REDEVELOPMENT

The court ruled that the power of eminent domain to take private real estate and resell or lease it to private business was unconstitutional under the Florida constitution. The notes on the case follow:

"ADAMS *v.* HOUSING AUTHORITY OF CITY OF DAYTONA BEACH ET AL.—SUPREME COURT OF FLORIDA EN BANC.—AUGUST 12, 1952—REHEARING DENIED OCTOBER 21, 1952

"Taxpayer's suit aaginst city and city's housing authority to restrain defendants from acquiring by purchase or eminent domain certain real estate for redevelopment and resale or lease to private enterprises, and to adjudicate the constitutionality of a statute authorizing such procedure. The Circuit Court, Volusia County, H.B. Frederick, J., granted decree for defendants and plaintiff appealed. The Supreme Court, Mathews, J., held that acquisition of real estate for such disposition was not for public use or purpose, and that the statute authorizing such procedure was unconstitutional.

"Reversed with directions.

"Terrell, J., dissented.

"1. Eminent domain: Power of eminent domain, authorizing sovereign to take property for public use or purpose when just compensation is made therefor, is clearly distinct from the police power, whereunder Government may destroy or regulate use of property in order to promote health, morals and safety of a community, without making compensation for the impairment of use of property or decrease in value resulting therefrom.

"2. Eminent domain: A city has sufficient police power, under general laws relating to cities and towns, to remove or abate a blighted area without resorting to power of eminent domain. * * *

"3. Eminent domain: Under power of eminent domain, city could condemn houses which are unsafe, unsanitary, or breeding grounds for disease, and leave the real estate for owners to redevelop or use within limits of a zoning ordinance.

"4. Eminent domain * * * municipal corporations: Where plan of city housing authority called for sale or lease of redeveloped land to private individuals, associations, or corporations, for private commercial and industrial purposes, acquisition of title to blighted residential area to be so redeveloped was not primarily for public use or purpose, and housing authority was precluded from acquiring title by eminent domain or purchase.

"5. Eminent domain: The question of whether constitutional provisions against taking a private property for private use have been violated is ultimately for the courts.

"6. Eminent domain: Incidental benefits accruing to the public from the establishment of some private enterprise are not sufficient to make establishment of such enterprise a public purpose justifying employment of power of eminent domain.

"7. Eminent domain: When the taking of private property is for a public use or purpose, courts will not review the determination of the necessity for such taking, in the absence of fraud, bad faith, or gross abuse of discretion.

"8. Constitutional law * * * eminent domain * * * municipal corporations: Statute empowering city housing authority to acquire by purchase or eminent domain realty in blighted areas and make it available under certain conditions for redevelopment by private enterprise or by public agencies, denied right of citizen to acquire, possess and protect property, authorized taking of private property for private use, authorized expenditure of public funds for private purpose and authorized appropriations of public funds for private gain and profit, in violation of Florida constitution."

Further quotations and data from the decision itself follow:

"On its face it is a 'redevelopment' plan and a mere inspection of the plan shows it to be a real estate promotion."

The plan prohibits residential use in the project area. Seventy residential structures containing 75 dwelling units and 5 nonresidential structures were to be acquired. It was asserted that "the majority of the structures are in such a dilapidated condition that they are dangerous to the occupants and not worth the consideration of being rehabilitated."

Property was to be used for industrial railroad siding, retail uses, parking areas, wholesale and restricted industry including warehousing, furniture and sheet metal shops, bottling works, cold storage and laundry plants.

All occupants in the area were Negroes. The housing authority stated that 52 of the families were eligible for public housing and that new public housing under construction would be available for all those in the lower income bracket that wanted to apply.

"It is inconceivable that any one would seriously contend that the acquisition of real estate for the declared purposes set forth in the proposed redevelopment plan is for a public use or purpose. No one has ever heard of any corporation, association or individual going into any of the above mentioned businesses except for profit or gain. If the municipalities can be vested with any such power or authority, they can take over the entire field of private enterprise without limit so long as they can find a blighted area containing sufficient real estate. * * *

"Incidental benefits accruing to the public from the establishment of some private enterprise is not sufficient to make the establishment of such enterprise a public purpose. In the article on eminent domain, 18 American Jurisprudence, section 45, page 675, the author states: * * * 'Every legitimate business, to a greater or less extent, indirectly

benefits the public by benefiting the people who constitute the State, but that fact does not make such enterprises public businesses.'"

(NOTE.—References have been deleted. Source: Southern Reporter, November 6, 1952 (60 So. 2d 663)).

And the Georgia decision, an excerpt:

Insofar as the redevelopment plan here in question is concerned, it affirmatively appears that there is now ample housing for the people to be displaced and not one dwelling house will be erected. It follows, the object here sought is not to provide more housing for people of low income or for anyone else, and is not to relieve a housing shortage of any kind. The object is to clear away slum or blighted areas and then to have the property redeveloped by private individuals for private purposes in such manner as the city and housing authority determine to be best.

The power of eminent domain is to be exercised to accomplish this result. The property is to be sold to people who could have no interest in acquiring the property other than as a means to make money. If the property of one individual can be taken from another for this purpose, where does the power of eminent domain stop?

Article 14, section 2, paragraph 1 of the Constitution of Georgia Code section annotated, 2-2501, provides: "The exercise of the right of eminent domain shall never be abridged, nor so construed as to prevent the General Assembly from taking property and franchises, and subjecting them to public use." It follows, the exercise of the power of eminent domain provided and sought to be applied here, if sustained must be for a public use. The property here in question is admittedly to be used to provide industrial sites for private use and private gain. "Public use" means just what it says and means that the power of eminent domain can never be exercised to acquire property to be used by private individuals solely for private use and private gain.

While Georgia modified its constitution later, the basic reasoning of the Georgia Supreme Court decision was not altogether set aside.

Another example which illustrates the inequities of eminent domain's use is found in the Washington renewal agency where they took property from one private business, as I understand this case, a warehouse I believe it was belonging to Standard Oil, and transferred it to another private businessman, an auto parts dealer. Although constitutionally private property cannot be taken for public use without just compensation, here a private business was taken from a private businessman and transferred to another private businessman. The major damage, therefore, is the taking of private property for private use, which is unconstitutional, as I see it, no matter how you slice it.

Mr. RAINS. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and be open for amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The remainder of the bill is as follows:

TITLE VIII—AVOIDANCE OF FORECLOSURE

SEC. 801. Secton 204(a) of the National Housing Act is amended by inserting immediately before the last proviso the following: ": *And provided further*, That with respect to any mortgage covering a one-, two-, three-, or four-family residence insured under this title, if the Commissioner finds, after notice of default, that the default was due to circumstances beyond the control of the mortgagor and it is probable that the mortgage will be restored to good standing within a reasonable period of time, he may, under such regulations and conditions as he may prescribe, extend the time for curing default and enter into an agreement with the mortgagee providing that if the mortgage is subsequently foreclosed, any interest accruing after the date of the agreement which is not paid by the mortgagor may be included in the debentures".

SEC. 802. Title II of the National Housing Act is further amended by adding after section 230 (as added by section 116 of this Act) the following new section:

"Acquisition of mortgages to avoid foreclosure

"SEC. 231. Upon receiving notice of the default of any mortgage covering a one-, two-, three-, or four-family residence heretofore or hereafter insured under this title, the Commissioner, in his discretion and for the purpose of avoiding foreclosure of the mortgage, may acquire the loan and the security therefor upon issuance to the mortgagee of debentures having a total face value equal to the unpaid principal balance of the loan plus any accrued interest and any proper advances theretofore made by the mortgagee under the provisions of the mortgage; and after the acquisition of such mortgage by the Commissioner such mortgagee shall have no further rights, liabilities, or obligations with respect thereto. The provisions of section 204 relating to the issuance of debentures incident to the acquisition of foreclosed properties shall apply with respect to debentures issued under this subsection, and the provisions of section 204 relating to the rights, liabilities, and obligations of a mortgagee shall apply with respect to the Commissioner when he has acquired an insured mortgage under this section, in accordance with and subject to regulations (modifying such provisions to the extent necessary to render their application for such purposes appropriate and effective) which shall be prescribed by the Commissioner."

TITLE IX—MISCELLANEOUS

Reacquisition by former owners

SEC. 901. (a) Title IX of the National Housing Act is amended by adding at the end thereof the following new section:

"SEC. 909. Notwithstanding any other provision of law the Commissioner is authorized, in the disposal of properties acquired by him in insurance operations under the provisions of this title, to give former mortgagor-owners a preference and priority of opportunity to reacquire such properties: *Provided*, That such former mortgagor-owners shall be required, under such procedures as may be established from time to time by the Commissioner, to offer prices and terms reasonably commensurate with the value of such properties and not less favorable than prices and terms offered by other prospective purchasers."

(b) Section 608 of the National Housing Act is amended by adding at the end thereof the following new subsection:

"(h) Notwithstanding any other provision of law the Commissioner is authorized, in the disposal of properties acquired by him in insurance operations under this section, to give former mortgagor-owners a preference and priority of opportunity to reacquire such properties: *Provided*, That such former mortgagor-owners shall be required, under such procedures as may be established from time to time by the Commissioner, to offer prices and terms reasonably commensurate with the value of such properties and not less favorable than prices and terms offered by other prospective purchasers."

Surveys of public works planning

SEC. 902. Section 702 of the Housing Act of 1954 is amended by adding at the end thereof the following new subsection:

"(f) The Administrator is authorized to use during any fiscal year not to exceed $50,000 of the moneys in the revolving fund (established under subsection (e)) to conduct surveys of the status and current volume of State and local public works planning and surveys of estimated requirements for State and local public works: *Provided*, That the Administrator, in conducting any such survey, may utilize or act through any Federal department or agency with its consent."

Disposal of Passyunk and Newport war housing projects

SEC. 903. (a) The use of projects PA-36011 and PA-36012 (which were conveyed to the Housing Authority of Philadelphia, Pennsylvania, under section 406(c) of the Housing Act of 1956) for the housing of military personnel and civilians employed in defense activities without regard to their income, and the giving of a preference in respect of 700 dwelling units in such projects for such military personnel as the Secretary of Defense or his designee prescribes, for a period of five years after the date of the conveyance of such projects, is hereby authorized; and such use and the giving of such preferences shall not deprive such projects of their status as "low-rent housing" as that term is used and defined in the United States Housing Act of 1937 and within the meaning of that term as used in section 606(b) of the Act entitled "An Act to expedite the provision of housing in connection with national defense, and for other purposes", approved October 14, 1940, as amended. The Housing and Home Finance Administrator is authorized and directed to agree to any amendments to the instruments and conveyance which may be required to give effect to the purposes of this section.

(b) Section 406(c) of the Housing Act of 1956 is amended by striking out "three years" in the first proviso and inserting in lieu thereof "five years".

Farm housing research

SEC. 904. Section 603(c) of the Housing Act of 1957 is amended to read as follows:

"(c) The authority of the Housing and Home Finance Agency to make grants under subsection (b) shall expire June 30, 1962. The total amount of such grants shall not exceed $300,000 during each of the fiscal years ending June 30, 1958, and June 30, 1959, and shall not exceed $50,000 during each of the fiscal years ending June 30, 1960, and June 30, 1961.

Hospital construction

SEC. 905. (a) Section 605(b) of the Housing Act of 1956 is amended by striking out "1958" and inserting in lieu thereof "1960".

(b) Section 605(c) of the Housing Act of 1956 is amended by inserting before the period at the end thereof the following: ", and the sum of $7,500,000 for the purposes of this section for each of the fiscal years ending June 30, 1959, and June 30, 1960".

Real estate loans by national banks

SEC. 906. Section 203 of the National Housing Act is amended by adding at the end thereof the following new subsection:

"(j) Loans secured by mortgages insured under this section shall not be taken into account in determining the amount of real estate loans which a national bank may make in relations to its capital and surplus or its time and savings deposits."

Savings and loan associations

SEC. 907. (a) Section 5(c) of the Home Owners Loan Act of 1933 is amended by inserting before the colon at the end of the

first proviso a comma and the following: "and additional sums not exceeding 20 per centum of the assets of an association may be used without regard to such area restriction for the making or purchase of participating interests in first liens on one- to four-family homes, except that the aggregate sums invested pursuant to the two exceptions in this proviso shall not exceed 30 per centum of the assets of such association:".

(b) Section 5(c) of such Act is further amended by adding at the end thereof the following new sentence: "Participating interests in loans secured by mortgages which has the benefit of insurance or guaranty (or a commitment therefore) under the National Housing Act, the Servicemen's Readjustment Act of 1944, or chapter 37 of title 38, United States Code, shall not be taken into account in determining the amount of loans which an association may make within any of the percentage limitations contained in the first proviso of this subsection."

Voluntary home mortgage credit program

SEC. 908. Section 610(a) of the Housing Act of 1954 is amended by striking out "July 31, 1959" and inserting in lieu thereof "July 31, 1961".

Housing for migratory farm labor

SEC. 909. (a) Title V of the Housing Act of 1949 is amended by adding at the end thereof the following new section:

"Insurance of farm housing loans made by private lenders

"SEC. 514. (a) The Secretary is authorized to insure and make commitments to insure loans made by lenders other than the United States to farmers, associations of farmers, and county governments for the purpose of providing dwelling accommodations and related buildings and structures for migratory farm labor in accordance with terms and conditions substantially identical with those specified in section 502; except that—

"(1) no such loan shall be insured in an amount in excess of 90 per centum of the value of the farm involved less any prior liens in the case of a loan to an individual farmer, or 90 per centum of the total value of the structures and facilities with respect to which the loan is made in the case of a loan to an association of farmers or a county government;

"(2) no such loan shall be insured if it bears interest at a rate in excess of 6 per centum per annum;

"(3) the borrower shall be required to pay such insurance charges as the Secretary deems proper, taking into account the amount of the loan and any prior liens. The initial insurance charge shall be at a rate not to exceed 1 per centum on the principal amount of the loan, and additional charges annually thereafter shall be at a rate not to exceed 1 per centum of the outstanding principal balance of the loan after each annual installment due date;

"(4) the insurance contracts and agreements with respect to any loan may contain provisions for servicing the loan by the Secretary or by the lender, and for the purchase by the Secretary of the loan if it is not in default, on such terms and conditions as the Secretary may prescribe; and

"(5) the Secretary make take mortgages creating a lien running to the United States for the benefit of the insurance fund referred to in subsection (b) notwithstanding the fact that the note may be held by the lender or his assignee.

"(b) The Secretary shall utilize the insurance fund created by section 11 of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1005a) and the provisions of section 13 (b) and (c) of such Act (7 U.S.C. 1005c (b) and (c)) to discharge obligations under insurance contracts made pursuant to this section, and

"(1) the Secretary may utilize the insurance fund to pay taxes, insurance, prior liens, and other expenses to protect the security for loans which have been insured hereunder and to acquire such security property at foreclosure sale or otherwise;

"(2) the notes and security therefor acquired by the Secretary under insurance contracts made pursuant to this section shall become a part of the insurance fund. Loans insured under this section may be held in the fund and collected in accordance with their terms or may be sold and reinsured. All proceeds from such collections, including the liquidation of security and the proceeds of sales, shall become a part of the insurance fund; and

"(3) one-half of all insurance charges shall become a part of the insurance fund. The other half of such charges shall be deposited in the Treasury of the United States and shall be available for administrative expenses of the Farmers' Home Administration, to be transferred annually to and become merged with any appropriation for such expenses.

"(c) Any contract of insurance executed by the Secretary under this section shall be an obligation of the United States and incontestable except for fraud or misrepresentation of which the holder of the contract has actual knowledge.

"(d) The aggregate amount of the principal obligations of the loans insured under this section shall not exceed $25,000,000 in any one fiscal year.

"(e) Amounts made available pursuant to sections 511 and 513 of this Act shall be available for administrative expenses incurred under this section."

(b) The first paragraph of section 24 of the Federal Reserve Act (12 U.S.C., sec. 371) is amended by inserting after "the Act of August 28, 1937, as amended" the following: ", or title V of the Housing Act of 1949, as amended."

Mr. BERRY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BERRY: On page 175, following line 21, add a new section 515 as follows:

"No amounts may be appropriated, or withdrawn from the Treasury of the United States, pursuant to the authority contained in this Act, or any of the amendments made by it, until legislation has been enacted providing sufficient revenue to equal, or exceed, the amounts by which the total of such appropriations, and the amounts authorized to be withdrawn from the Treasury, exceed the amounts requested for such purposes in the budget submitted to the Congress by the President on January 19, 1959."

Mr. VANIK. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN. The gentleman from Ohio reserves a point of order on the amendment.

The gentleman from South Dakota is recognized on his amendment.

Mr. BERRY. Mr. Chairman, this amendment simply adds a new section which provides that—

No amounts may be appropriated, or withdrawn from the Treasury of the United States, pursuant to the authority contained in this Act, or any of the amendments made by it, until legislation has been enacted providing sufficient revenue to equal, or exceed, the amounts by which the total of such appropriations, and the amounts authorized to be withdrawn from the Treasury, exceed the amounts requested for such purposes in the budget submitted to the Congress by the President on January 19, 1959.

In other words, this amendment simply places a restriction upon the executive branch of the Government, directing that none of this money shall be spent, unless and until Congress levies sufficient taxes to cover the cost of this program.

How can we stop this spiral of inflation if we continue to heap more pump-priming and Federal aid spending logs onto the already leaping inflationary flames.

In some of the European countries the lawmaking body is prohibited from passing spending legislation unless, in the same bill, there is provided a tax that will increase the revenues equal to the amount of the expenditures provided in the legislation.

If we had such a legal or constitutional requirement here, it would relieve the pressures upon Congress to continue passing spending bills, adding it to the Federal debt and paying it only through the most insidious of all taxes—inflation.

Unless, and until there is such a limitation placed upon a heedless, wreckless Congress, and until and unless there is such a limitation placed upon the people who are making these limitless demands upon Congress for spending, there is no chance of stopping this sort of legislation—and there is no chance of saving the financial structure of this Nation from ruin.

Senator BYRD of Virginia, placed in the CONGRESSIONAL RECORD Tuesday an article he prepared for publication in the Reader's Digest entitled, "Can We Escape Ruinous Inflation?" This article should be must reading for every Member of Congress.

Among other things he said:

If we are sincerely looking for places to economize, there is no lack of them. Let us look at a few.

Then he sets out six places, where Congress can and must meet the issue headon. The second, he says:

Stop launching new spending programs. This includes such projects today as Federal aid to school building, and the recent crash highway-building appropriations. And it applies to the new State-aid programs generally. Sad experience shows that a new activity of the Federal Government, once started, is practically never stopped. The 18 State-aid programs of 1934 had grown to 57 State-aid programs in 1957. Where the 18 programs of 1934 cost a total of $126 million, the 57 programs of 1957 cost more than $4 billion.

Senator BYRD could have added that bills now in the legislative machinery—and which, I hasten to add, will be passed at this session—including, public housing, civil airports, area redevelopment, Federal aid to education, community facilities, and water pollution—will add $16.3 billion to this already staggering total—unless Congress itself has the intestinal fortitude to place limitations upon these bills, such as the limitation provided in this amendment—which would simply prohibit the spending of this money unless sufficient taxes were levied to cover the cost.

Throughout the arguments on the amendments which have been offered on

this bill, the committee has referred to many of them as "crippling amendments." This is not a crippling amendment—it does not "gut" the bill as our chairman said yesterday—it does not in any way preclude the Congress from spending any amount in any way it desires—all it does is to say to the administrative branch that this money cannot be spent, until money has been placed in the Treasury through taxation or some other source—from which to spend it.

It is true this amendment does have a limiting effect. It places the bill on a cash basis. But, what is so wrong with Congress, in its wisdom, attempting to balance the budget, attempting to live within its income? Is that wrong? Is it wrong for us to want to maintain fiscal responsibility? Is it wrong for us to want our Government to operate, as we are required to operate our own business? Is it wrong for us to say to the people who are demanding these benefits—"all right, we will provide them, as you ask—but we must at the same time pay for them as we spend?"

Instead of printing bonds, and issuing more currency—driving the interest rate up and making our money less valuable—is it not proper, and right, and just, and honest, to simply say "Yes, you can have all these things, but we must pay for them as we spend?"

That is all this amendment does—it is simply a start in the right direction.

If the local governments are in trouble—if they cannot finance their schools, their slum clearance, their city sewage—on the local tax base, that is left for them, after the Federal Government usurps the income and excise tax base—then possibly it is necessary for them to come to Congress—I do not admit that it is—but when they do Congress has got to face up to the fiscal facts of life—it has got to say—"If we take over these obligations of the local governments, we must levy additional taxes to cover the additional cost."

It is just that simple—we must not, in this session—add another $16.3 billion to the national debt to drive interest rates still higher and the value of the dollar still lower.

Is it wrong for us to say to the people who demand these things, "We will provide them for you but you must at the same time pay for them?"

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. VANIK. Mr. Chairman, in connection with the point of order which I raised to this amendment, I point out that the amendment is not germane to the bill because it seeks to make the bill a revenue raising bill rather than a strictly housing bill.

The CHAIRMAN (Mr. WALTER). The Chair is ready to rule.

The Chair is constrained to feel that this amendment is not germane because it requires the enactment of other legislation in order to make the action taken here effective. This requires action not only by another committee of the Congress but also by the executive branch of the Government.

For the reasons stated, the Chair sustains the point of order.

Mr. SISK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SISK: On page 170, after line 17, insert the following new section:

"SEC. 905. Paragraph (1) of sec. 1803(d) of title 38, United States Code, is amended by striking out 'thirty years' and inserting in lieu thereof 'thirty-five years'."

The subsequent remaining sections of the bill are to be renumbered respectively.

Mr. SISK. Mr. Chairman, this simply places the same maximum payout period of 35 years on GI insured loans as the bill provides for FHA insured loans and brings the two programs into conformity.

I now yield to the gentleman from Alabama [Mr. RAINS] for such comment as he might desire to make on this amendment.

May I say that I have secured the concurrence of the chairman of the Veterans' Affairs Committee before I offered this particular amendment.

Mr. RAINS. Mr. Chairman, this is a good amendment, I will say to the gentleman, and I only hesitate about it because I did not want to get into a jurisdictional dispute with the gentleman's committee. This would help the veterans housing program considerably and I know of no reason why it should not be in the bill.

Mr. McDONOUGH. Mr. Chairman, the point is, does it invade the jurisdiction of another committee? I do not disagree with the gentleman from California. He submitted this amendment earlier in the debate, and I think it is a proper thing to do. But that question remains.

Mr. SISK. I might say to the gentleman that I conferred with the chairman of the Veterans' Affairs Committee about this matter, and it is my understanding that he is agreeable to this amendment.

I shall be glad to yield to the chairman of that committee.

Mr. TEAGUE of Texas. Mr. Chairman, of course it invades the jurisdiction of the Veterans' Affairs Committee, but after what the other body has done as far as veterans housing is concerned, I do not see that it makes any difference.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California, Mr. SISK.

The amendment was agreed to.

Mr. HAGEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to ask the able and learned chairman of the subcommittee, the gentleman from Alabama [Mr. RAINS] one or two questions about section 810 which has been added to the act. It is on page 159 of the bill, under section 706.

Mr. RAINS. Section 810 is added to the bill on what is strictly FHA insurance for base housing for military and other personnel engaged in military activities. We ran into a good many places throughout the country, perhaps in the gentleman's district, where the Capehart program was not sufficient, in that they were not eligible to get into those houses. This is a start to try to take care of military and civilian personnel.

Mr. HAGEN. Would the gentleman answer this question? This provides for a special type of FHA guarantee with the contingency that under certain circumstances the Commissioner could demand further guarantees from the Secretary of Defense. Does the gentleman contemplate that in a normal situation these guarantees from the Secretary of Defense would not be demanded?

Mr. RAINS. I would say that was put there for just what the gentleman stated. It would be a strictly abnormal situation, and in a normal situation it would not be demanded.

Mr. HAGEN. Well, I have a particular situtation in my district where section 809 housing has not proved workable to date. I would like to ask the gentleman, if this is a fair question, what gap this new section would fill in that area in addition to the aspect of being partially for rental units and partially for sales, the latter in the discretion of the Secretary of Defense before the lapse of a 5-year period.

Mr. RAINS. That provides for FHA insurance under the usual FHA program, and I think would fill the gap of civilian personnel who cannot live on the base but could have a private house built off the base. I believe it would fit into the gentleman's situation.

Mr. HAGEN. I thank the gentleman. I would like to point out to the House the value of this new section of the Housing Act, section 810, in facilitating the development of privately built housing to serve employees of military installations located in areas which do not meet the economic soundness criteria historically applied by the FHA to conventional section 203—sales housing—and section 207—rental housing—mortgage guarantees. These criteria have blocked such guarantees and left whole areas of housing need with a total dependence on conventional financing and consequent higher downpayments and higher monthly payments as a block to home purchase. I am particularly concerned with this situation as it applies the defense complex area in the Mojave Desert of Kern County involving Edwards Air Force Base and the naval ordnance test station and the communities of Ridgecrest, Inyokern, Mojave, Boron, and Rosamond. Currently there is a delicate situation in the NOTS-Ridgecrest area caused by the condemnation of station housing coupled with the inability to provide substitute private housing because of the lack of section 203 eligibility. I am hopeful that the proposed section 810 will become law because it should do much to help this situation.

Section 810 is the result of conversations I and other Members of Congress have had with the gentleman from Alabama [Mr. RAINS], about the need for providing FHA guarantees for privately built housing in such areas. He and his committee are to be commended for this

forthright, early response to such information.

The proposed section 810 provides for 4,000 units of housing in both single family and multifamily categories. It would be constructed pursuant to an FHA mortgage guarantee on terms almost identical with those of section 203 houses with the major exception of the elimination of the requirement of economic soundness and the establishment of a requirement of certification of need by the Secretary of Defense. At the outset it would be classified as rental housing with certain regulations as to the rental charge and certain other aspects of control including certification for occupancy. These units could, after the lapse of a 5-year period, be offered for sale without any hindance and within the 5-year period could be reclassified from rental to sale housing in the discretion of the Secretary of Defense.

This new section goes beyond the current 809 section because it is directed at housing which could be both for rental and sale and should present a more flexible program from the standpoint of private investment.

I personally have quarreled with the FHA application of the criteria of "economic soundness" to the portions of the Mojave Desert area that I have mentioned but to date my protestations have brought no substantial change of application of such criteria. Section 810, therefore, represents a route around that policy and should produce housing without disturbing FHA administrators to any great extent. I know that the entrepreneurs of housing in my district will endeavor to make this new statute work not only for their own benefit but also for the benefit of those persons in their communities who desperately want satisfactory housing and for the benefit of the whole of those communities.

There are other sections of this well-considered housing bill on which I would like to comment but my time has run out.

Mr. McGOVERN. Mr. Chairman, this week we have witnessed a magnificent performance by the gentleman from Alabama [Mr. RAINS]. As the author and floor manager of the comprehensive, vital housing legislation on which the House has worked its will, the gentleman from Alabama [Mr. RAINS] has demonstrated a rare combination of knowledge, parliamentary skill, and oratorical genius.

As I listened to the gentleman from Alabama plead his case for decent housing for the American people, I felt a profound appreciation for the privilege of sitting in the same legislative body with this fine Congressman.

Last week we were all impressed by the splendid work of another Alabama colleague [Mr. JONES]. His keen knowledge of river and power development accounted in considerable part for the House passage of the TVA bill.

I have been impressed since my first week in the Congress with BOB JONES' superior committee work, his dedication to the public good and his kindness to his colleagues.

A third member of the Alabama delegation with whom I have been privileged to work very closely is the distinguished coauthor of the National Defense Education Act of 1958 the gentleman from Alabama [Mr. ELLIOTT]. With the close cooperation of his great Alabama colleague, Senator HILL, who has been responsible for so much humanitarian legislation, CARL ELLIOTT led the way last year for a solid contribution to American education.

As a new Member of Congress 2 years ago, I was assigned to Mr. ELLIOTT's Subcommittee on Special Education. There I came to appreciate the qualities of patience, intelligence, warm humor, and strength of character that make up a great Member of the House of Representatives.

Mr. Chairman, the State of Alabama must be proud of these superior representatives to the Congress. I have not yet had the privilege of working in the same close association with the other fine members of the Alabama delegation. But to Congressman ALBERT RAINS, BOB JONES, and CARL ELLIOTT, I want to express my own warm appreciation for the inspiration they have provided to me as a comparatively new Member of the Congress. It is a high privilege to be their colleague.

Mr. PUCINSKI. Mr. Chairman, Chicago ranked high among the dozen cities having the highest residential construction costs in the country recently in a private survey of homebulding costs. In the same grouping were New York City, Cleveland, Detroit, Pittsburgh, St. Louis, Philadelphia, Minneapolis, Boston, Washington, D.C., San Francisco, and Cincinnati.

Therefore, it is particularly significant to my area in Chicago and it should be important to those who represent other high-cost areas that the pending housing bill, S. 57, will very substantially aid in the financing of housing in these areas. Let me cite a few illustration of this.

Title I of S. 57 improves current programs for the FHA insurance of loans on houses in a way that especially aids high-cost areas. The maximum amount of mortgage loan which FHA can insure is raised from $20,000 to $25,000. The cash downpayments required are reduced by a change in the ratio of loan-to-value so that buyers of homes valued at $17,000 and above are materially benefited.

For example, today a home valued at $20,000 in order to obtain FHA financing must by law require a cash downpayment of almost $2,000 or almost 10 percent. An FHA insured home valued at $23,000 must by law today require a downpayment of $3,000 which under the pending bill would be reduced to just a little more than $2,100. This reduces the percentage of downpayment from 13 percent to just over 9 percent.

Now these are not luxury homes by any means in my area of Chicago or in the other high-cost areas of the Nation. They are homes which families of moderate circumstances should aspire to. A home valued at $26,000 under existing law must require a downpayment of $6,000 if it is to be financed with an FHA insured mortgage. Under the pending bill this required downpayment would be cut to $2,855 which is a slash from 23 percent to 11 percent. There is a table on page 5 of the committee report which gives further details on these changes.

You should realize that the required cash downpayment is only one of the expenses involved in the purchase of the new home. Home buyers in addition to their downpayment must also have available the cost of closing the loan which in high-cost areas of the country sometimes varies from $300 to $600 or more. Also they must have the expenses of moving into and furnishing a new home in cash which ordinarily ranges from $800 to $1,200 or more.

Let me make one other point clear. Many homes today are being built in high-cost areas at valuations from $20,000 to $30,000. These are not luxury homes but they are being financed with conventional loans plus very dangerous second and third trusts or mortgages. The interest rates and charges for secondary loans which are necessary in order for a family to buy a home with conventional financing are not permitted under the FHA system.

Unless the FHA cash downpayment requirements are cut as in the pending bill, it is impossible for the average family to do anything but finance their new home with a conventional loan plus a second or third mortgage. In this way they are prohibited from using a system which has benefited most other areas of the Nation to bring to prospective home buyers lower interest rates and a more liberal way of financing homes.

There are other provisions in the pending bill which also benefit high cost areas of the country. The extension of the FHA term from 25 years to 30 years will lower the required carrying charges for home buyers under the FHA system. The increased purchase limits for the Federal National Mortgage Association will make it possible for the first time for housing in high cost areas to be benefited through this mortgage financing system. In addition, the bill contains increased maximum mortgage amounts per room and per unit for all types of rental housing and for the FHA section 222, servicemen's housing program.

For these reasons, therefore, I urge all Members from areas which historically have been and are higher cost areas of the Nation to pay particular attention to this housing bill. It is the first housing measure in many years which carries substantial benefits in the private construction and financing of homes to the larger metropolitan areas of the country.

I urge support of this measure also because it provides funds for development by private builders of housing for our Nation's senior citizens. We all know that the older people of America are today caught in the squeeze between fixed incomes from pensions or social security and mounting inflation. This legislation would help private developers build low rent housing for our senior citizens.

This legislation also provides assistance to the cities of America in their urban renewal programs. Unless the

cities can carry out their urban renewal programs, and this includes my own city of Chicago, and through this urban renewal, restore to the tax rolls large areas now yielding little or no real estate taxes, the homeowners of many cities will have to carry a disproportionate share of the cost of their cities.

I represent a district made up largely of single family dwellings. I am very disturbed over the fact that my constituents must carry an ever growing burden of taxes because of the spread of blight in other parts of my city. Unless we help the cities arrest the spread of blight through adequate urban renewal projects, the people of my district and many other large city districts will have to continue paying ever increasing taxes.

One other provision of this legislation which warrants your support is the provision that the local FHA administrator may delay foreclosure proceedings against a homeowner who has a good record of keeping up his payments and then falls behind because of temporary unemployment or some other legitimate reason. This is an extremely important provision in my opinion and will go a long way in helping the average homeowner save his home in the event of temporary economic catastrophe.

Mr. Chairman for these reasons I urge passage of this legislation.

Mr. REES of Kansas. Mr. Chairman, I regret I shall vote against the so-called housing bill. The total amount of cost to the taxpayers is estimated at $6 billion. Much of the bill should be approved. It goes too far. The item for public housing amounts to almost $1 billion. There are thousands of public housing units incompleted. Why not complete them before building more.

The cost of this measure should be reduced by at least one-third. That would leave $4 billion to be charged to the taxpayers that will be paid for by increased taxes.

Furthermore, Mr. Speaker, we may as well be realistic. I just do not believe, in view of the amount of cost, that this measure will be enacted into law. If we had a balanced budget the situation might be different. The people have about all they can stand in the amount of indebtedness right now.

Mr. DONOHUE. Mr. Chairman, since being privileged to become a Member of the Congress, the problem of providing an adequate housing program for the American people has been one of my prime concerns, and I have consistently supported reasonable housing legislation over these past several years.

Out of all the statistical information and enlightening discussion of the measure now before us, S. 57, one fundamental thing remains clear, and that is that the housing needs of our people have not yet been adequately met.

I, therefore, hope and urge that this House will accept and approve, without crippling amendments, the bill that is being presented to us by the Housing Subcommittee of the Banking and Currency Committee.

I firmly think that the members of this important committee, and particularly our colleagues on the subcommittee, with their most able chairman, should be extended our thanks for the diligence and industry which they have expended in trying to bring before the House a reasonable measure to keep our housing program on the move.

The provisions of the bill have been fully explained by the distinguished subcommittee chairman, and I do not intend to unduly enlarge upon the complete information that is already on the record.

As you all know, the bill provides, in substance, moderate housing encouragement to our low-income groups and our elderly citizens. It permits a moderate continuation of the successful college housing program, and the need for this type of housing help is beyond any doubt, as evidenced by the testimony of the leaders of the educational world. The program for urban redevelopment and slum clearance is continued in perhaps a too modest manner, and there are further provisions enabling FHA homeowners to keep their homes during times of unemployment and periods of recession.

If these and other objectives in the bill are not in accord with our boasted march of American progress, that we hold up to the world as an example of democracy in action, then I confess I do not know what is.

As you very well realize, we have been called upon in the past, and we will soon be called upon again, to approve the granting to and the loaning of billions of dollars for the rehabilitation of peoples in foreign nations and assistance to underdeveloped countries. If we can afford to continue and expand upon that program, then certainly, we can afford to carry on a moderate housing program to alleviate the desperate needs of the American people for decent housing and slum clearance. Without a high morale among our own people neither our foreign aid program nor any other program can be successfully maintained.

I urge you, then, to extend reasonable consideration for our own people here at home and adopt this bill without further delay.

Mr. FARBSTEIN. Mr. Chairman, since the advent of the public housing programs, there have been many valuable accomplishments on the part of the Government. The collective activity of the Federal and local governments have made an imprint upon some areas in our country which has proven very helpful.

As a Representative of the 19th Congressional District of New York, I take pride that New York has pioneered in programs which utilize the resources of both city and State to produce low and moderate rental housing. Major support; however, must still be obtained from the Federal Government.

Although S. 57 does not contain all the features I would have liked to see enacted, it is a forward-looking bill which will provide a good foundation for attacking the most urgent housing and redevelopment needs of the Nation. Five hundred million dollars a year for 3 years, authorized for urban development, is needed to permit metropolitan areas to carry out slum clearance and city rebuilding projects. Thirty five thousand low-rent public housing units a year are essential to our housing. An imaginative new low-cost program for the elderly is envisioned and the effectiveness of cooperative housing would be continued.

In concentrating its opposition on the alleged costs of the housing bill the Republican leadership is careful not to mention what the bill will accomplish in meeting the housing needs of our people. They never mention that the bill will maintain a healthy construction industry and prevent a slump in the home building industry, that it will maintain an effective fight against our disgraceful slum problem and meet the needs of our lower-income families. A good housing bill would put more people to work than any other legislation we could pass and would provide a decent place for people to live.

At the rate we are building now, we are building fewer houses per capita than in 1925. As a matter of fact, the percentage of public housing contained in S. 57 is only approximately 2 percent of the amount of housing built last year. Why there is so much concern about so small an item as public housing is beyond my comprehension. Even the Republican administration admits that at least half of the families displaced by slum clearance operations cannot afford decent private housing.

All this talk about the inflationary impact on the economy of this country is strictly a smokescreen thrown up by those who do not want anything in the way of housing to meet the needs of the American people.

This bill would increase home ownership and stimulate housing construction. It would set new housing for the elderly loan program besides the provisions for public housing. Actual expenditures under the general housing bill would be less than $100 million in fiscal year 1960.

Those who have lived through the growth of public housing are most aware of its benefits. I represent a district which probably has as much slum as any in the country. Public housing has not alone cleaned up part of the devastating slum areas, but has prompted other building in the area. Today in my district in New York County we have attained what can be called "balanced" housing. Alongside low-cost housing there are medium-income housing and cooperative ventures. What was formerly a blighted area is now a blooming neighborhood. Certainly such an experience would make me remiss in my obligation to my constituency and the people of America if I did not support the housing bill known as S. 57, containing many other provisions for public housing.

Mr. Chairman, I hope this bill will pass.

Mr. GALLAGHER. Mr. Chairman, as this Nation has prospered and expanded in the post World War II years, we have seen the greatest building boom in history. Our cities and our countryside are

crowded with great and modern industrial plants. We have pushed our skyscrapers to heights never dreamed of and made of them aluminum and steel shafts of dramatic architectural design. Whole new suburban communities have come into being.

We have seen the construction of many attractive and functional new school buildings in which we educate the children who live in the lovely ramblers and ranch houses that make up our new suburbia and the fine new residential sections of our cities.

Of all this we may be proud, especially proud that so much of it was made possible with the aid of the Federal Government. The Congress at the very outset of our tremendous postwar expansion and development saw the need for programs that would satisfy the demands of our citizens for adequate housing.

There is danger that we should fail now to see these worthwhile programs through. For the task is nowhere near finished. The tragedy is that despite the Nation's great prosperity and the healthy postwar economic boom and expansion there are still hundreds of thousands of our citizenes living in substandard housing. Nearly everyone of our cities is blighted by sprawling slum areas. I am conscious, as I am sure we all are, of the great cost of programs to alleviate these conditions. But so long as hundreds of thousands of Americans live in substandard areas and are denied the privilege of adequate housing; so long as college students are forced to live in basements and firetrap garrets, we have a responsibility to do everything in our power to bring about the elimination of such conditions. Until we do this, not through an inadequate and long drawn out program, but in a speedy and efficient manner, the housing task the Government tackled some years ago is unfinished business.

In addition to meeting the required demand for housing, it will serve to promote construction and also serve to stimulate the economy in economically distressed areas.

I urge that we face up to this challenge by the final adoption of S. 57, the housing bill.

The CHAIRMAN. The question is on the committee amendment as amended.

The committee amendment as amended was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 57) to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes, pursuant to House Resolution 264, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment adopted in the Committee of the Whole to the committee amendment?

Mr. HALLECK. Mr. Speaker, I demand a separate vote on the so-called Thomas amendments.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The Clerk will report the amendments on which a separate vote has been demanded.

The Clerk read as follows:

On page 123, strike out "by" in line 19 and all that follows down through the end of line 22, and insert in lieu thereof the following: "by such amounts, not exceeding $75 million, as may be specified from time to time in appropriation acts."

On page 123, strike out "by" in line 25 and all that follows down through the end of line 2 on page 124, and insert in lieu thereof the following: "by such amounts, not exceeding $7,500,000, as may be specified from time to time in appropriation acts."

On page 124, strike out lines 3 through 13 and insert in lieu thereof the following: "(3) by striking out 'a consumer cooperative, and (2)' and inserting in lieu thereof the following: 'a consumer cooperative, which amount shall be increased by such amounts, not exceeding $37,500,000, as may be specified from time to time in appropriation Acts, (2) of the total amount of advance commitment contracts and purchase transactions authorized by this subsection, such amounts not exceeding $37,500,000 as may be specified from time to time in appropriation Acts shall be available solely for commitments or purchases of mortgages where the cooperative involved is a builder-sponsor cooperative, and (3); and".

On page 124, strike out lines 19 through 21 and insert in lieu thereof the following: "such amounts, not exceeding $7,500,000, as may be specified from time to time in appropriation Acts."

On page 131, strike out lines 12 through 21 and insert in lieu thereof the following: "(1) by inserting after the first sentence of subsection (b) the following new sentence: 'In addition to amounts otherwise authorized to be appropriated for such purpose, there are authorized to be appropriated for the purpose of making contracts, after appropriations therefor, for grants with respect to projects or programs assisted under this title, the sum of $1,000,000,000 for the period ending June 30, 1960, and the sum of $500,000,000 for the fiscal year 1961; and any such sums so appropriated shall remain available until expended."

On page 147, strike out lines 21 through 25 and insert in lieu thereof the following: "SEC. 501. Section 401(d) of the Housing Act of 1950 is amended—

"(1) by inserting after '$925,000,000' the following: ', which limit shall be increased by such amounts, not exceeding $40,000,000, as may be specified from time to time in appropriation Acts';

"'(2) by inserting after '$100,000,000' the following: ', which limit shall be increased by such amounts, not exceeding $40,000,000, as may be specified from time to time in appropriation Acts'; and

"(3) by inserting after '$25,000,000' the following: ', which limit shall be increased by such amounts, not exceeding $40,000,000, as may be specified from time to time in appropriation Acts'."

On page 152, after the period in line 14 insert the following new sentence: "Notwithstanding the authorization contained in the preceding sentence or in any other provision of this Act, no contract for annual contributions which binds the Government to pay out money for subsidized housing units shall be entered into after the date of the enactment of the Housing Act of 1959 unless at least the full amount of the contributions required for the first year of occupancy under such contract shall theretofore have been provided in appropriation Acts enacted after the date of the enactment of the Housing Act of 1959."

The SPEAKER. The question is on the amendments offered by the gentleman from Texas [Mr. THOMAS].

Mr. HALLECK. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 222, nays 201, not voting 10, as follows:

[Roll No. 49]

YEAS—222

Abbitt	Fenton	Moore
Abernethy	Fisher	Mumma
Adair	Flynt	Murray
Alexander	Ford	Natcher
Alford	Forrester	Nelsen
Alger	Fountain	Norblad
Allen	Frelinghuysen	Norrell
Andersen, Minn.	Fulton	Osmers
Andrews	Gary	Ostertag
Arends	Gathings	Passman
Ashmore	Gavin	Pelly
Auchincloss	Glenn	Pillion
Avery	Griffin	Pirnie
Ayres	Gross	Poff
Baker	Gubser	Quie
Barden	Haley	Rabaut
Barry	Hall	Ray
Bass, N.H.	Halleck	Reece, Tenn.
Bates	Harris	Rees, Kans.
Baumhart	Harrison	Rhodes, Ariz.
Becker	Hébert	Riehlman
Belcher	Hemphill	Riley
Bennett, Fla.	Henderson	Rivers, S.C.
Bennett, Mich.	Herlong	Robison
Bentley	Hess	Rogers, Colo.
Berry	Hiestand	Rogers, Mass.
Betts	Hoeven	Rogers, Tex.
Blitch	Hoffman, Ill.	St. George
Boland	Hoffman, Mich.	Saylor
Bolton	Holt	Schenck
Bosch	Horan	Scherer
Bow	Hosmer	Schwengel
Bray	Hull	Selden
Brewster	Jackson	Short
Brock	Jarman	Sikes
Brooks, La.	Jensen	Siler
Broomfield	Johansen	Simpson, Ill.
Brown, Ohio	Johnson, Md.	Simpson, Pa.
Broyhill	Jonas	Smith, Calif.
Budge	Jones, Mo.	Smith, Kans.
Bush	Judd	Smith, Miss.
Byrnes, Wis.	Kearns	Smith, Va.
Cahill	Keith	Springer
Cannon	Kilburn	Steed
Cederberg	Kirwan	Stratton
Chamberlain	Kitchin	Taber
Chelf	Knox	Taylor
Chenoweth	Lafore	Teague, Calif.
Chiperfield	Landrum	Thomas
Church	Langen	Thompson, La.
Collier	Lankford	Thomson, Wyo.
Colmer	Latta	Tollefson
Conte	Lennon	Tuck
Cook	Lipscomb	Utt
Corbett	McCulloch	Van Pelt
Cramer	McDonough	Van Zandt
Cunningham	McGinley	Vinson
Curtis, Mass.	McIntire	Wainwright
Curtis, Mo.	McMillan	Wallhauser
Dague	McSween	Watts
Davis, Ga.	Mack, Wash.	Weaver
Denton	Magnuson	Weis
Derounian	Mahon	Westland
Derwinski	Mailliard	Wharton
Devine	Marshall	Whitener
Dixon	Martin	Whitten
Dooley	Mason	Widnall
Dorn, S.C.	Matthews	Williams
Dowdy	May	Willis
Downing	Meader	Wilson
Dwyer	Michel	Winstead
Everett	Miller, N.Y.	Withrow
Evins	Milliken	Younger
Fallon	Mills	
	Minshall	

NAYS—201

Addonizio	Gallagher	Morris, N. Mex.
Albert	Garmatz	Morris, Okla.
Anderson, Mont.	George	Moss
	Giaimo	Multer
Anfuso	Granahan	Murphy
Ashley	Grant	Nix
Aspinall	Gray	O'Brien, Ill.
Bailey	Green, Oreg.	O'Brien, N.Y.
Baldwin	Green, Pa.	O'Hara, Ill.
Baring	Griffiths	O'Hara, Mich.
Barr	Hagen	O'Neill
Barrett	Halpern	Oliver
Bass, Tenn.	Hardy	Patman
Beckworth	Hargis	Perkins
Blatnik	Harmon	Pfost
Boggs	Healey	Philbin
Bolling	Hechler	Pilcher
Bonner	Hogan	Poage
Bowles	Holifield	Porter
Boykin	Holland	Powell
Boyle	Holtzman	Preston
Brademas	Huddleston	Price
Breeding	Ikard	Prokop
Brooks, Tex.	Irwin	Pucinski
Brown, Ga.	Jennings	Quigley
Brown, Mo.	Johnson, Calif.	Rains
Buckley	Johnson, Colo.	Randall
Burdick	Johnson, Wis.	Reuss
Burke, Ky.	Jones, Ala.	Rhodes, Pa.
Burke, Mass.	Karsten	Rivers, Alaska
Burleson	Karth	Rodino
Byrne, Pa.	Kasem	Rogers, Fla.
Canfield	Kastenmeier	Rooney
Carnahan	Kee	Roosevelt
Carter	Kelly	Rostenkowski
Casey	Keogh	Roush
Celler	Kilday	Rutherford
Clark	Kilgore	Santangelo
Coad	King, Calif.	Saund
Coffin	King, Utah	Shelley
Cohelan	Kluczynski	Shipley
Cooley	Kowalski	Sisk
Daddario	Lane	Slack
Daniels	Lesinski	Smith, Iowa
Davis, Tenn.	Levering	Spence
Dawson	Libonati	Staggers
Delaney	Lindsay	Stubblefield
Dent	Loser	Sullivan
Diggs	McCormack	Teague, Tex.
Dingell	McDowell	Teller
Dollinger	McFall	Thompson, N.J.
Donohue	McGovern	Thompson, Tex.
Dorn, N.Y.	Macdonald	Thornberry
Doyle	Machrowicz	Toll
Dulski	Mack, Ill.	Trimble
Durham	Madden	Udall
Edmondson	Merrow	Ullman
Elliott	Metcalf	Vanik
Farbstein	Meyer	Walter
Fascell	Miller, Clem	Wampler
Feighan	Miller, George P.	Wier
Fino		Wolf
Flood	Mitchell	Wright
Flynn	Moeller	Yates
Foley	Monagan	Young
Forand	Montoya	Zablocki
Frazier	Moorhead	Zelenko
Friedel	Morgan	

NOT VOTING—10

Curtin	Morrison	Scott
Fogarty	Moulder	Sheppard
Hays	O'Konski	
Laird	Roberts	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Curtin for, with Mr. Fogarty against.
Mr. Laird for, with Mr. Roberts against.
Mr. Scott for, with Mr. Sheppard against.

Until further notice:

Mr. Morrison with Mr. O'Konski.

Mr. BREEDING changed his vote from "yea" to "nay."

The SPEAKER. The question is on the committee amendment as amended.

The committee amendment as amended was agreed to.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time, and was read the third time.

Mr. KILBURN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. KILBURN. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. KILBURN moves to recommit the bill S. 57 to the Committee on Banking and Currency with instructions to report the same back to the House forthwith with an amendment as follows: Strike out all after the enacting clause and insert in lieu thereof the text of H.R. 7117, with an amendment at page 2 after line 12:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the 'Housing Act of 1959'.

"TITLE I—FHA INSURANCE PROGRAMS

"Property improvement loans

"SEC. 101. Section 2(a) of the National Housing Act is amended by striking out 'September 30, 1959' and inserting in lieu thereof 'October 1, 1960'.

"Section 203 residential housing insurance

"SEC. 102. (a)(1) Section 203(b)(2) of the National Housing Act is amended by striking out '$20,000' and inserting in lieu thereof '$25,000'.

"(2) Section 203(b)(2) of such Act is further amended—

"(A) by striking out '85 per centum' and inserting in lieu thereof '90 per centum';

"(B) by striking out '$16,000' each place it appears and inserting in lieu thereof '$18,000'; and

"(C) by striking out '70 per centum' and inserting in lieu thereof '75 per centum'.

"(3) Section 203(b)(2) of such Act is further amended by inserting after 'unless the construction of the dwelling was completed more than 1 year prior to the application for mortgage insurance' the following: 'or the dwelling was approved for guaranty, insurance, or direct loan under chapter 37 of title 38, United States Code, prior to the beginning of construction'.

"(b) Section 203(b)(3) of such Act is amended by striking out 'thirty years' and inserting in lieu thereof 'thirty-five years'.

"(c) Section 203(b)(8) of such Act is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: *'Provided,* That such 85 per centum limitation shall not be applicable if the mortgagor and mortgagee assume responsibility in a manner satisfactory to the Commissioner for the reduction of the mortgage by an amount not less than 15 per centum of the outstanding principal amount thereof in the event the mortgaged property is not, prior to the due date of the eighteenth amortization payment of the mortgage, sold to a purchaser acceptable to the Commissioner who is the occupant of the property and who assumes and agrees to pay the mortgage indebtedness.'

"(d) Section 203(c) of such Act is amended by striking out all that precedes the first colon and inserting in lieu thereof the following:

"'(c) The Commissioner is authorized to fix a premium charge for the insurance of mortgages under this title but in the case of any mortgage such charge shall be not less than an amount equivalent to one-fourth of 1 per centum per annum nor more than an amount equivalent to 1 per centum per annum of the amount of the principal obligation of the mortgage outstanding at any time, without taking in account delinquent payments or prepayments'.

"Low-cost housing in outlying areas

"SEC. 103. Section 203(i) of the National Housing Act is amended—

"(1) by striking out '$8,000' and inserting in lieu thereof '$9,000';

"(2) by inserting after '97 per centum' the following: '(or, in any case where the dwelling is not approved for mortgage insurance prior to the beginning of construction, unless the construction of the dwelling was completed more than one year prior to the application for mortgage insurance or the dwelling was approved for guaranty, insurance, or direct loan under chapter 37 of title 38, United States Code, prior to the beginning of construction, 90 per centum)'; and

"(3) by striking out ', and which is approved for mortgage insurance prior to the beginning of construction' and 'the construction of'.

"Section 207 rental housing insurance

"SEC. 104. (a) Section 207(c)(1) of the National Housing Act is amended by striking out '$12,5000,000' and inserting in lieu thereof '$20,000,000'.

"(b)(1) Section 207(c)(2) of such Act is amended by striking out '90 per centum' each place it appears and inserting in lieu thereof '95 per centum.'

"(c) Section 207(c)(3) of such Act is amended by striking out—

"(1) '$2,250' each place it appears and inserting in lieu thereof '$2,850';

"(2) '$8,100' each place it appears and inserting in lieu thereof '$9,000';

"(3) '$2,700' and inserting in lieu thereof '$3,315';

"(4) '$8,400' and inserting in lieu thereof '$9,500'; and

"(5) '$1,000 per room' and inserting in lieu thereof '$1,250 per room';

"(6) '$1,000 per space' and inserting in lieu thereof '$1,500 per space'; and

(7) '$300,000' and inserting in lieu thereof '$400,000'.

"(d) The last paragraph of section 207(c) of such Act is amended by striking out '4½ per centum per annum' and inserting in lieu thereof '5 per centum per annum'.

"(e) Section 207 of such Act is further amended by adding at the end thereof the following new subsection;

"'(r) Notwithstanding any other privision of this Act, the Commissioner is authorized to include in any mortgage insured under any title of this Act after the effective date of the Housing Act of 1959 a provision requiring the mortgagor to pay a service charge to the Commissioner in the event such mortgage is assigned to and held by the Commissioner. Such service charge shall not exceed the amount prescribed by the Commissioner for mortgage insurance premiums applicable to such mortgage.'

"Cooperative housing insurance

"SEC. 105. (a) Section 213(b)(1) of the National Housing Act is amended by striking out '$12,500,000' and inserting in lieu thereof '$20,000,000'.

"(b) Section 213(b)(2) of such Act is amended to read as follows:

"'(2) not to exceed for such part of the property or project as may be attributable to dwelling use, $2,910 per room (or $9,000 per family unit if the number of rooms in such property or project is less than four per family unit), and not to exceed 97 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed physical improvements are completed: *Provided,* That if at least 50 per centum of the membership of the corporation or number of beneficiaries of the trust consists of veterans, the mortgage may involve a principal obligation not to exceed $2,970 per room (or $9,500 per family unit if the

number of rooms in such property or project is less than four per family unit), and not to exceed the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed physical improvements are completed: *Provided further,* That as to projects which consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitation of $2,910 per room to not to exceed $3,395, the dollar amount limitation of $2,970 per room to not to exceed $3,465, the dollar amount limitation of $9,000 per family unit to not to exceed $9,400, and the dollar amount limitation of $9,500 per family unit to not to exceed $9,900, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design: *Provided further,* That the Commissioner may, by regulations, increase any of the foregoing dollar amount limitations by not to exceed $1,250 per room, without regard to the number of rooms being less than four, or four or more, in any geographical area where he finds that cost levels so require: *Provided further,* That in the case of a mortgagor of the character described in paragraph (3) of subsection (a) the mortgage shall involve a principal obligation in an amount not to exceed 90 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed physical improvements are completed: *Provided further,* That upon the sale of a property or project by a mortgagor of the character described in paragraph (3) of subsection (a) to a nonprofit cooperative ownership housing corporation or trust within two years after the completion of such property or project the mortgage given to finance such sale shall involve a principal obligation in an amount not to exceed the maximum amount computed in accordance with this subsection without regard to the preceding proviso: *And provided further,* That for the purposes of this section the term "veterans" shall mean persons who have served in the active military or naval service of the United States at any time on or after April 6, 1917, and prior to November 12, 1918, or on or after September 16, 1940, and prior to July 26, 1947, or on or after June 27, 1950, and prior to February 1, 1955.'

"(e) Section 213(d) of such Act is amended by adding at the end thereof a new sentence as follows: 'Property held by a corporation or trust of the character described in paragraph numbered (2) of subsection (a) of this section which is covered by a mortgage insured under this section may include such community facilities and property held by a mortgagor of the character described in paragraph numbered (3) of subsection (a) of this section which is covered by a mortgage insured under this section may include such commercial and community facilities, as the Commissioner deems adequate to serve the occupants.'

"(d) Section 213 of such Act is further amended by adding at the end thereof the following new subsection:

"'(i) Nothing in this Act shall be construed to prevent the insurance of a mortgage executed by a mortgagor of the character describd in paragraph (1) of subsection (a) of this section covering property upon which dwelling units and related facilities have been constructed prior to the filing of the application for mortgage insurance hereunder: *Provided,* That the Commissioner determines that the consumer interest is protected and that the mortgagor will be a consumer cooperative: *Provided further,* That in the case of properties other than new construction, the limitations in this section upon the amount of the mortgage shall be based upon the appraised value of the property for continued use as a cooperative rather than upon the Commissioner's estimate of the replacement cost: *And provided further,* That as to any project on which construction was commenced after the effective date of this subsection, the mortgage on such project shall be eligible for insurance under this section only in those cases where the construction was subject to inspection by the Commissioner and where there was compliance with the provisions of section 212 of this title. As to any project on which construction was commenced prior to the effective date of this subsection, such inspection, and compliance with the provisions of section 212 of this title, shall not be a prerequisite.'

"(e)(1) Section 213 of such Act is further amended by adding after subsection (i) (as added by subsection (d) of this section) the following new subsections:

"'(j) There is hereby created a Cooperative Management Housing Insurance Fund (herein referred to as the "Management Fund") which shall be used by the Commissioner as a revolving fund for carrying out the provisions of this title with respect to mortgages insured under subsection (a)(1) and subsection (a)(3) pursuant to commitments issued on or after the date of the enactment of the Housing Act of 1959 or mortgage insurance commitments reissued under subsection (n). The Commissioner is directed to transfer to the Management Fund the sum of $2,000,000 from the Housing Insurance Fund established pursuant to section 207(f). General expenses of operation of the Federal Housing Administration relating to mortgages the mortgage insurance for which is the obligation of the Management Fund may be charged to the Management Fund.

"'(k) The Commissioner shall establish, as of the enactment of the Housing Act of 1959, in the Management Fund, a General Surplus Account and a Participating Reserve Account. The aggregate net income thereafter received or any net loss thereafter sustained by the Management Fund in any semiannual period shall be credited or charged to the General Surplus Account and/or the Participating Reserve Account in such manner and amounts as the Commissioner may determine to be in accord with sound actuarial and accounting practice. Upon termination of the insurance obligation of the Management Fund by payment of any mortgage insured thereunder and/or at such time or times prior to such termination as the Commissioner may determine, the Commissioner is authorized to distribute to the mortgagor a share of the Participating Reserve Account in such manner and amount as the Commissioner shall determine to be equitable and in accordance with sound actuarial and accounting practice: *Provided,* That, in no event shall the amount of such distributive share exceed the aggregate scheduled annual premiums of the mortgagor to the year of payment of such share less the total amount of any share or shares previously distributed by the Commissioner to the mortgagor: *And provided further,* That in no event may any such distributive shares be distributed until any funds transferred to the Management Fund pursuant to section 219 have been repaid in full to the transferring fund. No mortgagor or mortgagee shall have any vested right in a credit balance in any such account or be subject to any liability arising out of the mutuality of the Management Fund, and the determination of the Commissioner as to the amount to be paid by him to any mortgagor shall be final and conclusive.

"'(l) There is hereby created a Cooperative Sales Housing Insurance Fund (herein referred to as the "Sales Fund") which shall be used by the Commissioner as a revolving fund for carrying out the provisions of this title with respect to mortgages insured under subsection (a)(2) and individual mortgages insured under subsection (d) pursuant to commitments issued on or after the date of the enactment of the Housing Act of 1959 or mortgage insurance or commitments reissued under subsection (n). The Commissioner is directed to transfer to the Sales Fund the sum of $1 million from the Housing Insurance Fund established pursuant to section 207(f). General expenses of the operation of the Federal Housing Administration relating to mortgages the mortgage insurance for which is the obligation of the Sales Fund may be charged to the Sales Fund.

"'(m) The Commissioner shall establish as of the enactment of the Housing Act of 1959, in the Sales Fund, a General Surplus Account and a Participating Reserve Account. The aggregate net income thereafter received or any net loss thereafter sustained by the Sales Fund in any semiannual period shall be credited or charged to the General Surplus Account and/or the Participating Reserve Account in such manner and amounts as the Commissioner may determine to be in accordance with sound actuarial and accounting practice. Upon termination of the insurance obligation of the Sales Fund by payment of any mortgage insured thereunder, the Commissioner is authorized to distribute to the mortgagor a share of the Participating Reserve Account in such manner and amount as the Commissioner shall determine to be equitable and in accordance with sound actuarial and accounting practice: *Provided,* That in no event shall any such distributive share exceed the aggregate scheduled annual premiums of the mortgagor to the year of termination of the insurance: *And provided further,* That in no event may any such distributive share be distributed until any funds transferred to the Sales Fund pursuant to section 219 have been repaid in full to the transferring fund. No mortgagor or mortgagee shall have any vested right in a credit balance in any such account, or be subject to any liability arising out of the mutuality of the Sales Fund, and the determination of the Commissioner as to the amount to be paid by him to any mortgagor shall be final and conclusive.

"'(n) The Commissioner shall be empowered to reissue under the Management Fund or the Sales Fund, as the case may be, commitments or the mortgage insurance for any mortgage insured under this section pursuant to a commitment issued prior to the date of the enactment of the Housing Act of 1959, provided the consent of the mortgagees to such reissuance is obtained, or a request by the mortgagee for such reissuance is received, by the Commissioner within ninety days after the date of the enactment of the Housing Act of 1959; but the mortgage insurance for any such mortgage shall not be reissued under this subsection if on the date of the enactment of the Housing Act of 1959 the mortgage is in default and the mortgagee has notified the Commissioner in writing of its intention to file claim for debentures. Any insurance or commitment not so reissued shall not be affected by the enactment of the Housing Act of 1959.'

"(2) Section 207(f) of such Act is amended by striking out 'and section 213' each place it appears and inserting in lieu thereof 'and (except with respect to mortgages the mortgage insurance for which is the obligation of the Cooperative Management Housing Insurance Fund or the Cooperative Sales Housing Insurance Fund) section 213'.

"(3) Section 213(a)(3) of such Act is amended by striking out the semicolon at the end thereof and inserting in lieu of such semicolon a colon and the following: *'Provided,* That as to mortgages the mortgage insurance for which is the obligation of the

Management Fund such stock or interest shall be paid for out of the Management Fund;'.

"(4) Section 213(a) of such Act is further amended by striking out the period at the end thereof and inserting in lieu of such period a colon and the following: *'Provided* That as applied to mortgages the mortgage insurance for which is the obligation of the Sales Fund, the reference to the Housing Fund in section 207(b)(2) shall refer to the Sales Fund: *Provided further,* That as applied to mortgages the mortgage insurance for which is the obligation of the Management Fund, the reference to the Housing Fund in section 207(b)(2) shall refer to the Management Fund.'

"(5) Section 213(e) of such Act is amended to read as follows:

"'(e)(1) The provisions of subsections (d), (e), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 shall apply to mortgages insured under subsection (a)(1) and subsection (a)(3) of this section except that as applied to mortgages the mortgage insurance for which is the obligation of the Management Fund pursuant to section 213 (j), (A) all references to the Housing Insurance Fund or Housing Fund shall refer to the Management Fund, and (B) all references to section 207 or 210 shall refer to subsection (a)(1) and subsection (a)(3) of this section.

"'(2) The provisions of subsections (d), (e), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 shall apply to mortgages insured under subsection (a)(2) of this section, except that as applied to mortgages the mortgage insurance for which is the obligation of the Sales Fund pursuant to section 213(1), (A) all references to the Housing Insurance Fund or Housing Fund shall refer to the Sales Fund, and (B) all references to section 207 or 210 shall refer to subsection (a)(2) of this section.

"'(3) The provisions of subsections (a), (c), (d), (e), (f), (g), (h), (j), and (k) of section 204 and subsection (p) of section 207 shall apply to individual mortgages insured under subsection (d) of this section, except that as applied to mortgages the mortgage insurance for which is the obligation of the Sales Fund pursuant to section 213(1), (A) all references to the Housing Insurance Fund or the Housing Fund in subsections (c), (d), and (f) of section 204 and subsection (p) of section 207 shall refer to the Sales Fund, and (B) all references to section 207 or 210 in subsections (c), (d), and (f) of section 204 and subsection (p) of section 207 shall refer to subsection (d) of this section.'

"(6) Section 219 of such Act is amended by striking out 'or the Servicemen's Mortgage Insurance Fund' and inserting in lieu thereof 'the Servicemen's Mortgage Insurance Fund, the Cooperative Management Housing Insurance Fund, or the Cooperative Sales Housing Insurance Fund'.

"Increased mortgage amounts in Alaska, Guam, and Hawaii

"SEC. 106. The first sentence of section 214 of the National Housing Act is amended by inserting after 'maximum or maxima otherwise applicable' the following: '(including increased mortgage amounts in geographical areas where cost levels so require.)'

"FHA mortgage insurance authorization

"SEC. 107. (a) Section 217 of the National Housing Act is amended by striking out '$7,000,000,000' and inserting in lieu thereof '$13,000,000,000'.

"(b) Section 217 of such Act is amended, effective July 1, 1959, by (1) striking out 'July 1, 1956' and inserting in lieu thereof 'July 1, 1959', and (2) striking out '$13,000,000,000' and inserting in lieu thereof '$4,000,000,000'.

"Repeal of obsolete provision

"SEC. 108. Section 218 of the National Housing Act is repealed.

"Section 220 mortgage insurance

"SEC. 109. (a)(1) Clause (i) of subsection (d)(3)(A) of section 220 of the National Housing Act is amended by striking out '$20,000' and inserting in lieu thereof '$25,000'.

"(2) Subsection (d)(3)(A)(i) of section 220 of such Act is further amended—

"(A) by striking out '85 per centum' and inserting in lieu thereof '90 per centum';

"(B) by striking out '$16,000' each place it appears and inserting in lieu thereof '$18,000'; and

"(C) by striking out '70 per centum' and inserting in lieu thereof '75 per centum'.

"(3) Subsection (d)(3)(A)(ii) of section 220 of such Act is amended by inserting before the semicolon at the end thereof a colon and the following: *'Provided,* That such 85 per centum limitation shall not be applicable if the mortgagor and mortgagee assume responsibility in a manner satisfactory to the Commissioner for the reduction of the mortgage by an amount not less than 15 per centum of the outstanding principal amount thereof in the event the mortgaged property is not prior to the due date of the eighteenth amortization payment of the mortgage, sold to a purchaser acceptable to the Commissioner who is the occupant of the property and who assumes and agrees to pay the mortgage indebtedness'.

"(b) Subsection (d)(3)(B)(i) of section 220 of such Act is amended by striking out '$12,500,000' and inserting in lieu thereof '$20,000,000'.

"(c) Subsection (d)(3)(B)(iii) of section 220 of such Act is amended—

"(1) by striking out '$2,250' each place it appears and inserting in lieu thereof '$2,700';

"(2) by striking out '$8,100' each place it appears and inserting in lieu thereof '$9,000';

"(3) by striking out '$2,700' and inserting in lieu thereof '$3,150';

"(4) by striking out '$8,400' and inserting in lieu thereof '$9,500'; and

"(5) by striking out '$1,000' and inserting in lieu thereof '$1,250'.

"Section 221 relocation housing mortgage insurance

"SEC. 110. (a) Section 221(d)(2) of the National Housing Act is amended by striking out '$9,000' and '$10,000' and inserting in lieu thereof '$10,000' and '$12,000', respectively.

"(b) Section 221(d) of such Act is further amended—

"(1) by striking out '$9,000' and '$10,000' in paragraph (3) and inserting in lieu thereof '$10,000' and '$12,000', respectively;

"(2) by striking out 'the Commissioner's estimate of the value of the property or project when constructed, or repaired and rehabilitated' in paragraph (3) and inserting in lieu thereof 'the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are completed in the case of a property or project approved for mortgage insurance prior to the beginning of construction, or the Commissioner's estimate of the value of the property or project when the proposed repair and rehabilitation is completed if the proceeds of the mortgage are to be used for the repair and rehabilitation of the property or project';

"(3) by striking out 'and' at the end of paragraph (3) and inserting in lieu thereof 'or'; and

"(4) by redesignating paragraph (4) as paragraph (5) and inserting after paragraph (3) the following new paragraph:

"'(4) if executed by a mortgagor which is not a nonprofit organization, and which is approved by the Commissioner—

"'(i) not exceed $12,500,000;

"'(ii) not exceed $10,000 per family unit for such part of such property or project as may be attributable to dwelling use, except that the Commissioner may by regulation increase this amount to not to exceed $12,000 in any geographical area where he finds that cost levels so require;

"'(iii) not exceed (in the case of a property or project approved for mortgage insurance prior to the beginning of construction) 90 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are completed (the replacement cost may include the land, the proposed physical improvements, utilities within the boundaries of the land, architect's fees, taxes, interest during construction, and other miscellaneous charges incident to construction and approved by the Commissioner, and shall include an allowance for builder's and sponsor's profit and risk of 10 per centum of all of the foregoing items except the land unless the Commissioner, after certification that such allowance is unreasonable, shall by regulation prescribe a lesser percentage); and

"'(iv) not exceed 90 per centum of the Commissioner's estimate of the value of the property or project when the proposed repair and rehabilitation is completed if the proceeds of the mortgage are to be used for the repair and rehabilitation of a property or project:

Provided, That such property or project when constructed, or repaired and rehabilitated, shall be for use as rental accommodations for ten or more families eligible for occupancy as provided in this section: *And provided further,* That the Commissioner may, in his discretion, require the mortgagor to be regulated or restricted as to rents or sales, charges, capital structure, rate of return and methods of operation, and for such purpose the Commissioner may make such contracts with and acquire for not to exceed $100 such stock or interest in any such mortgagor as the Commissioner may deem necessary to render effective such restrictions or regulations, with such stock or interest being paid for out of Section 221 Housing Insurance Fund and being required to be redeemed by the mortgagor at par upon the termination of all obligations of the Commissioner under the insurance; and'.

"(c) Section 221(g)(2) of such Act is amended by striking out 'paragraph (3)' and inserting in lieu thereof 'paragraph (3) or (4)'.

"(d) Section 212(a) of such Act is amended by adding at the end thereof the following new sentence: 'The provisions of this section shall apply to the insurance under section 221 of any mortgage described in subsection (d)(4) thereof which covers property on which there is located a dwelling or dwellings designed principally for residential use for ten or more families.'

"Servicemen's housing mortgage insurance

"SEC. 111. Section 222(b) of the National Housing Act is amended—

"(1) by inserting 'or 203(i)' after '203(b)' in paragraph (1); and

"(2) by striking out '$17,100' in paragraph (2) and inserting in lieu thereof the following: '$20,000, except that in the case of a mortgage meeting the requirements of section 203(i) such principal obligation shall not exceed $9,000'.

"Builder's cost certification

"SEC. 112. Section 227(a) of the National Housing Act is amended by striking out clause (iv) and inserting in lieu thereof the following: '(iv) under section 221 if the

mortgagor meets the requirements of paragraph (3) or paragraph (4) of subsection (d) thereof,'.

"Mortgage insurance for nursing homes

"SEC. 113. (a) Title II of the National Housing Act is amended by adding at the end thereof the following new section:

"'Mortgage insurance for nursing homes

"'SEC. 229. (a) The purpose of this section is to assist the provision of urgently needed nursing homes for the care and treatment of convalescents and other persons who are not acutely ill and do not need hospital care but who require skilled nursing care and related medical services.

"'(b) For the purposes of this section—

"'(1) the term "nursing home" means a proprietary facility, licensed or regulated by the State (or, if there is no State law providing for such licensing and regulation by the State, by the municipality or other political subdivision in which the facility is located), for the accommodation of convalescents or other persons who are not acutely ill and not in need of hospital care but who require skilled nursing care and related medical services, in which such nursing care and medical services are prescribed by, or are performed under the general direction of, persons licensed to provide such care or services in accordance with the laws of the State where the facility is located; and

"'(2) the terms "mortgage" and "mortgagor" shall have the meanings respectively set forth in section 207(a) of this Act.

"'(c) The Commissioner is authorized to insure any mortgage (including advances on such mortgage during construction) in accordance with the provisions of this section upon such terms and conditions as he may prescribe and to make commitments for insurance of such mortgage prior to the date of its execution or disbursement thereon.

"'(d) In order to carry out the purpose of this section, the Commissioner is authorized to insure any mortgage which covers a new or rehabilitated nursing home, subject to the following conditions:

"'(1) The mortgage shall be executed by a mortgagor approved by the Commissioner. The Commissioner may in his discretion require any such mortgagor to be regulated or restricted as to charges and methods of operation, and, in addition thereto, if the mortgagor is a corporate entity, as to capital structure and rate of return. As an aid to the regulation or restriction of any mortgagor with respect to any of the foregoing matters, the Commissioner may make such contracts with and acquire for not to exceed $100 such stock or interest in such mortgagor as he may deem necessary. Any stock or interest so purchased shall be paid for out of the Section 207 Housing Insurance Fund, and shall be redeemed by the mortgagor at par upon the termination of all obligations of the Commissioner under the insurance.

"'(2) The mortgage shall involve a principal obligation in an amount not to exceed $1,000,000, and not to exceed 75 per centum of the estimated value of the property or project when the proposed improvements are completed.

"'(3) The mortgage shall—

"'(A) provide for complete amortization by periodic payments within such terms as the Commissioner shall prescribe; and

"'(B) bear interest (exclusive of premium charges for insurance) at not to exceed 5 per centum per annum of the amount of the principal obligation outstanding at any time.

"'(4) The Commissioner shall not insure any mortgage under this section unless he has received, from the State agency designated in accordance with section 612(a)(1) of the Public Health Service Act for the State in which is located the nursing home covered by the mortgage, a certification that there is a need for such nursing home.

"'(e) The Commissioner may consent to the release of a part or parts of the mortgaged property or project from the lien of any mortgage insured under this section upon such terms and conditions as he may prescribe.

"'(f) The provisions of subsections (d), (e), (f), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 shall apply to mortgages insured under this section and all references therein to section 207 shall refer to this section.'

"(b) Section 212(a) of such Act is amended by adding at the end thereof (after the sentence added by section 110(d)) the following new sentence: 'The provisions of this section shall also apply to the insurance of any mortgage under section 229.'

"Technical amendments

"SEC. 114. (a) Section 8(g) of the National Housing Act is amended by striking out 'and (h) of section 204' and inserting in lieu thereof '(h), (j), and (k) of section 204'.

"(b) Sections 220(f)(1), 221(g)(1), 222(e), and 809(e) of such Act are each amended by striking out 'and (j) of section 204' and inserting in lieu thereof '(j) and (k) of section 204'.

"Inclusion of conveyance costs in debentures

"SEC. 115. Section 204(k) of such Act is amended to read as follows:

"'(k) Notwithstanding any other provision of this section or of section 604 or 904 and with respect to any debentures issued in exchange for properties conveyed to and accepted by the Commissioner after the effective date of the Housing Act of 1959 in accordance with such section, the Commissioner may: (1) include in debentures reasonable payments made by the mortgagee with the approval of the Commissioner for the purpose of protecting, operating, or preserving the property, and taxes imposed upon any deed or any other instrument by which the property was acquired by the mortgagee and transferred or conveyed to the Commissioner; (2) include in debentures as a portion of foreclosure costs (to the extent that foreclosure costs may be included in such debentures by any other provision of this Act) payments made by the mortgagee for the cost of acquiring the property and conveying and evidencing title to the property to the Commissioner; and (3) terminate the mortgagee's obligation to pay mortgage insurance premiums upon receipt of an application for debentures filed by the mortgagee, or in the event the contract of insurance is terminated pursuant to section 230.'

"Voluntary termination of insurance

"SEC. 116. Title II of the National Housing Act is further amended by adding after section 229 (as added by section 113 of this Act) the following new section:

"'Voluntary termination of insurance

"'SEC. 230. Notwithstanding any other provision of this Act and with respect to any mortgage covering a one-, two-, three-, or four-family residence heretofore or hereafter insured under this Act, the Commissioner is authorized to terminate any mortgage insurance contract upon request by the mortgagor and mortgagee and upon payment of such termination charge as the Commissioner determines to be equitable, taking into consideration the necessity of protecting the various insurance funds. Upon such termination mortgagors and mortgagees shall be entitled to the rights, if any, to which they would be entitled under this Act if the insurance contract were terminated by payment in full of the insured mortgage.'

"TITLE II—HOUSING FOR THE ELDERLY

"SEC. 201. (a) Title II of the National Housing Act is further amended by adding after section 230 (as added by section 116 of this Act) the following new section:

"'Housing for the elderly

"'SEC. 231. (a) The purpose of this section is to assist in relieving the shortage of housing for elderly persons and to increase the supply of rental housing for elderly persons.

"'For the purpose of this section—

"'(1) the term "housing" means a project or property having eight or more new or rehabilitated living units, specially designed for the use and occupancy of elderly persons;

"'(2) the term "elderly person" means any person, married or single, who is sixty years of age or more;

"'(3) the terms "mortgage", "mortgagee", "mortgagor", and "maturity date" shall have the meanings set forth in section 207 of this Act.

"'(b) The Commissioner is authorized to insure any mortgage (including advances on mortgages during construction) in accordance with the provisions of this section upon such terms and conditions as he may prescribe and to make commitments for insurance of such mortgages prior to the date of their execution or disbursement thereon.

"'(c) To be eligible for insurance under this section, a mortgage to provide housing for elderly persons shall—

"'(1) involve a principal obligation in an amount not to exceed $20,000,000, or, if executed by Federal or State instrumentalities, municipal corporate instrumentalities of one or more States, or nonprofit development or housing corporations restricted by Federal or State laws or regulations of State banking or insurance departments as to rents, charges, capital structure, rate of return, and methods of operation, not to exceed $50,000,000;

"'(2) not exceed, for such part of such property or project as may be attributable to dwelling use, $8,100 per living unit: *Provided*, That the Commissioner may, in his discretion, increase the dollar amount limitation of $8,100 per unit to not to exceed $8,400 per unit to compensate for the higher costs incident to the construction of elevator-type structures and may increase each of the foregoing dollar amount limitations by not to exceed $1,000 per room in any geographical area where he finds that cost levels so require;

"'(3) if executed by a mortgagor, which is a public instrumentality or a private nonprofit corporation, association, or organization acceptable to the Commissioner, involve a principal obligation not in excess of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are completed (the replacement cost may include the land, the proposed physical improvements, utilities within the boundaries of the land, architect's fees, taxes, interest during construction, and other miscellaneous charges incident to construction and approved by the Commissioner);

"'(4) if executed by a mortgagor approved by the Commissioner which is not a nonprofit corporation, association, or organization, involve a principal obligation not in excess of 90 per centum of the Commissioner's estimate of the value of the property or project when the proposed improvements are completed (the Commissioner may in his discretion require such mortgagor to be regulated or restricted as to rents, sales, charges, capital structure, rate of return, and methods of operation, and for such purpose the Commissioner may make such contracts with and acquire, for not to exceed $100, such stock or interest in any such mortgagor as the Commissioner deems necessary to render effective such restriction or regulation. Such stock or interest shall be

paid for out of the Housing Insurance Fund and shall be redeemed by the mortgagor at par upon the termination of all obligations of the Commissioner under the insurance);

"'(5) provide for complete amortization by periodic payments within such term as the Commissioner shall prescribe;

"'(6) bear interest (exclusive of premium charges for insurance) at not to exceed 5 per centum per annum on the amount of the principal obligation outstanding at any time;

"'(7) cover a property or project which is approved for mortgage insurance prior to the beginning of construction or rehabilitation, which is specially designed for the use and occupancy of elderly persons in accordance with standards established by the Commissioner, and which may include such commercial and special facilities as the Commissioner deems adequate to serve the occupants.

"'(d) The Commissioner may consent to the release of a part or parts of the mortgaged property from the lien of any mortgage insured under this section upon such terms and conditions as he may prescribe, and shall prescribe such procedures as in his judgment are necessary to secure to elderly persons a preference or priority of opportunity to occupy such property.

"'(e) The provisions of subsections (d), (e), (f), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 of this Act shall apply to mortgages insured under this section, and all references therein to section 207 shall refer to this section.'

"(b) Section 212(a) of such Act is amended by adding before the period at the end thereof ', and to the insurance of any mortgage under section 231(c)(4)'.

"TITLE III—FEDERAL NATIONAL MORTGAGE ASSOCIATION

"SEC. 301. Section 302(b) of the National Housing Act is amended by striking out 'exceeds or exceeded $15,000 for each family residence or dwelling unit covered by the mortgage' and inserting in lieu thereof 'exceeds or exceeded, for each family residence or dwelling unit covered by the mortgage, $18,000 in the case of a mortgage to be purchased under section 304 or $17,500 in the case of a mortgage to be purchased under section 305'.

"SEC. 302. (a) Section 301(a) of the National Housing Act is amended by inserting before the semicolon at the end thereof the following: ', and by aiding in the stabilization of the mortgage market'.

"(b) Section 304(a) of such Act is amended by striking out the last three sentences and inserting in lieu thereof the following: 'The Association shall, from time to time, establish and publish prices to be paid by it for mortgages purchased by it in its secondary market operations under this section. The volume of the Association's purchases and sales and the establishment of purchase prices, sales prices, and charges or fees in its secondary market operations under this section shall be so conducted as to promote the interests of the national economy by aiding in the stabilization of the mortgage market to the maximum extent consistent with sound operation, and within the reasonable capacity of the Association to sell its obligations to private investors. The Association shall buy at such prices and on such terms as will reasonably prevent excessive use of the Association's facilities and permit the Association to operate within its income derived from such secondary market operations and to be fully self-supporting. Notwithstanding any other provision of this section, advance commitments to purchase mortgages in secondary market operations under this section shall be issued only at prices which are sufficient to facilitate advance planning of home construction, but which are sufficiently below the price then offered by the Association for immediate purchase to prevent excessive sales to the Association pursuant to such commitments.'

"(c) The last sentence of section 304(a) of such Act, as amended by subsection (b) of this section, is amended by striking out 'advance planning of home construction' and inserting in lieu thereof 'home financing'.

"SEC. 303. Section 305(e) of such Act is amended—

"(1) by striking out 'which do not exceed $200,000,000 outstanding at any one time' and inserting in lieu thereof 'not exceeding $200,000,000 at any one time, which limit shall be increased by such amounts, not exceeding $75,000,000, as may be specified from time to time in appropriation Acts';

"(2) by inserting after '$20,000,000 outstanding at any one time' the following: ', which limit shall be increased by such amounts not exceeding $7,500,000, as may be specified from time to time in appropriation Acts';

"(3) by striking out 'a consumer cooperative, and (2)' and inserting in lieu thereof the following: 'a consumer cooperative, which amount shall be increased by such amounts, not exceeding $37,500,000, as may be specified from time to time in appropriation Acts, (2) of the total amount of advance commitment contracts and purchase transactions authorized by this subsection, such amounts not exceeding $37,500,000 as may be specified from time to time in appropriation Acts shall be available solely for commitments or purchases of mortgages where the cooperative involved is a builder-sponsor cooperative, and (3)'; and

"(4) by striking out 'which are not of the type described in clause (1) of this proviso' and inserting in lieu thereof 'other than those certified by the Commissioner as consumer cooperatives under clause (1) of this proviso, which amounts shall be increased by such amounts, not exceeding $7,500,000, as may be specified from time to time in appropriation Acts'.

"SEC. 304. (a) That part of the first sentence of section 302(b) of the National Housing Act which precedes the colon is amended by striking out 'to make commitments to purchase and to purchase, service, or sell,' and by substituting therefor 'to purchase, lend (under section 304) on the security of, service, or sell, pursuant to commitments or otherwise,'.

"(b) The first sentence of section 303(b) of such Act is amended by inserting immediately before the period at the end thereof the following: '; and by requiring each borrower to make such payments, equal to not more than one-half of 1 per centum of the amount lent by the Association to such borrower under section 304'.

"(c) The first sentence of section 303(c) of such Act is amended by inserting 'or borrower' after 'seller' each place it appears.

"(d) Section 304(a) of such Act is amended by inserting '(1)' before 'To carry out', and by adding at the end thereof the following new paragraph:

"(2) To carry out further the purposes set forth in paragraph (a) of section 301, the Association is authorized to make loans which are secured by residential or home mortgages insured or guaranteed under this Act, the Servicemen's Readjustment Act of 1944, or chapter 37 of title 38, United States Code. In the interest of assuring sound operation, any loan made by the Association in its secondary market operations under this section shall not exceed 90 per centum of the unpaid principal balances of the mortgages securing the loan, shall bear interest at a rate consistent with general loan policies established from time to time by the Association's board of directors, and shall mature in not more than twelve months. The volume of the Association's lending activities and the establishment of its loan ratios, interest rates, maturities, and charges or fees, in its secondary market operations under this section, should be determined by the Association from time to time; and such determinations, in conjunction with determinations made under paragraph (1), should be consistent with the objectives that the lending activities should be conducted on such terms as will reasonably prevent excessive use of the Association's facilities, and that the operations of the Association under this section should be within its income derived from such operations and that such operations should be fully self-supporting. The aggregate amount of all loans outstanding at any one time under this paragraph shall not exceed 10 per centum of the Association's total borrowing authority under this section. Notwithstanding any Federal, State, or other law to the contrary, the Association is hereby empowered, in connection with any loan under this section, whether before or after any default, to provide by contract with the borrower for the settlement or extinguishment, upon default, of any redemption, equitable, legal, or other right, title, or interest of the borrower in any mortgage or mortgages that constitute the security for the loan; and with respect to any such loan, in the event of default and pursuant otherwise to the terms of the contract, the mortgages that constitute such security shall become the absolute property of the Association."

"(e) Section 304(b), section 309(c), and section 310 of such Act are each amended by inserting 'or other security holdings' after 'mortgages'.

"SEC. 305. (a) Sections 304(b) and 306(b) of the National Housing Act are amended by striking out 'and bonds or other obligations of, as bonds or other obligations guaranteed as to principal and interest by, the United States' and inserting in lieu thereof 'and obligations of the United States or guaranteed thereby, or obligations which are lawful investments for fiduciary, trust, or public funds'.

"(b) Section 310 of such Act is amended by striking out 'in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States' and inserting in lieu thereof 'in obligations of the United States or guaranteed thereby, or in obligations which are lawful investments for fiduciary, trust, or public funds'.

"SEC. 306. (a) Section 306 of the National Housing Act is amended by adding at the end thereof the following subsection:

"'(e) Notwithstanding any of the provisions of this Act or of any other law, the Association is authorized, under the aforesaid separate accountability, to make commitments to purchase and to purchase, service, or sell any mortgages offered to it by the Housing and Home Finance Administrator or the Housing and Home Finance Agency, or by such Agency's constituent units or agencies or the heads thereof, after such Administrator has found the acquisition thereof by the Association to be in the interest of the efficient management and liquidation of the mortgages. There shall be excluded from the total amounts set forth in subsection (c) hereof the amounts of any mortgages purchased by the Association pursuant to this subsection.'

"(b) In connection with the sale of any mortgages to the Federal National Mortgage Association pursuant to section 306(e) of the Federal National Mortgage Association Charter Act, the Housing and Home Finance Administrator is authorized, and any other official, unit, or agency selling such mortgages thereunder is directed, to transfer to the Association from time to time, from authorizations, limitations, and funds available for administrative expenses of such official, unit, or agency in connection with the same mortgages, such amounts thereof

as said Administrator determines to be required for administrative expenses of the Association in connection with the purchase, servicing, and sale of such mortgages: *Provided,* That no such transfer shall be made after a budget estimate of the Association with respect to the same mortgages has been submitted to and finally acted upon by the Congress.

"TITLE IV—URBAN RENEWAL

"SEC. 401. Section 103(b) of the Housing Act of 1949 is amended by inserting after the first sentence the following new sentence: 'In addition to amounts otherwise authorized to be appropriated for such purpose, there are authorized to be appropriated for the purpose of making contracts, after appropriations therefor, for grants with respect to projects or programs assisted under this title, the sum of $100,000,000 for the fiscal year 1959 and the sum of $250,000,000 for each of the fiscal years 1960 and 1961; and any such sum so appropriated shall remain available until expended.'

"SEC. 402. Section 102 of the Housing Act of 1949 is amended by adding at the end thereof the following new subsection:

"'(h) There are authorized to be appropriated such sums, not to exceed $400,000,000 in the aggregate, as may be necessary, in addition to funds obtained by the Administrator under (and within the limitations of) subsection (e), for loans under this title.'

"TITLE V—COLLEGE HOUSING

"SEC. 501. Section 401(d) of the Housing Act of 1950 is amended—

"(1) by inserting after '$925,000,000' the following: ', which limit shall be increased by such amounts, not exceeding $200,000,000, as may be specified from time to time in appropriation Acts';

"(2) by inserting after '$100,000,000' the following: ', which limit shall be increased by such amounts not exceeding $20,000,000, as may be specified from time to time in appropriation Acts;' and

"(3) by inserting after '$25,000,000' the following: ', which limit shall be increased by such amounts, not exceeding $20,000,000, as may be specified from time to time in appropriation Acts.'

"SEC. 502. (a) Section 404(b) of the Housing Act of 1950 is amended by striking out 'and (4)' and inserting in lieu thereof '(4)' by inserting before the period at the end thereof the following: ', and (5) any nonprofit student housing cooperative corporation established for the purpose of providing housing for students or students and faculty of any institution included in clause (1) of this subsection.'

"(b) Section 401 of such Act is amended by adding at the end thereof the following new subsection:

"'(g) In the case of any loan made under this section to a nonprofit student housing cooperative corporation referred to in clause (5) of section 404(b), the Administrator shall require that the note securing such loan be cosigned by the educational institution (referred to in clause (1) of such section) at which such corporation is located; and in the event of the dissolution of such corporation, title to the housing constructed with such loan shall vest in such educational institution.'

"SEC. 503. Section 402 of such Act is amended by adding at the end thereof the following new subsection:

"'(e) The Administrator shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors and subcontractors in the construction of housing assisted under this title shall be paid wages at rates not less than those prevailing in the locality involved for the corresponding classes of laborers and mechanics employed on construction of a similar character, as determined by the Secretary of Labor in accordance with the Act of March 3, 1931, as amended (the Davis-Bacon Act); but the Administrator may waive the application of this subsection in cases or classes of cases where laborers or mechanics, not otherwise employed at any time in the construction of such housing, voluntarily donate their services without full compensation for the purpose of lowering the costs of construction and the Administrator determines that any amounts saved thereby are fully credited to the educational institution undertaking the construction.'

"TITLE VI—AVOIDANCE OF FORECLOSURE

"SEC. 601. Section 204(a) of the National Housing Act is amended by inserting immediately before the last proviso the following: ': *And provided further,* That with respect to any mortgage covering a one-, two-, three-, or four-family residence insured under this title, if the Commissioner finds after notice of default, that the default was due to circumstances beyond the control of the mortgagor and it is probable that the mortgage will be restored to good standing within a reasonable period of time, he may, under such regulations and conditions as he may prescribe, extend the time for curing default and enter into an agreement with the mortgagee providing that if the mortgage is subsequently foreclosed, any interest accruing after the date of the agreement which is not paid by the mortgagor may be included in the debentures.'

"TITLE VII—MISCELLANEOUS

"Reacquisition by former owners

"SEC. 701 (a) Title IX of the National Housing Act is amended by adding at the end thereof the following new section:

"'SEC. 909. Notwithstanding any other provision of law the Commissioner is authorized, in the disposal of properties acquired by him in insurance operations under the provisions of this title, to give former mortgagor-owners a preference and priority of opportunity to reacquire such properties: *Provided,* That such former mortgagor-owners shall be required, under such procedures as may be established from time to time by the Commissioner, to offer prices and terms reasonably commensurate with the value of such properties and not less favorable than prices and terms offered by other prospective purchasers.'

"(b) Section 608 of the National Housing Act is amended by adding at the end thereof the following new subsection:

"'(h) Notwithstanding any other provisions of law the Commissioner is authorized, in the disposal of properties acquired by him in insurance operations under this section, to give former mortgagor-owners a preference and priority of opportunity to reacquire such properties: *Provided,* That such former mortgagor-owners shall be required, under such procedures as may be established from time to time by the Commissioner, to offer prices and terms reasonably commensurate with the value of such properties and not less favorable than prices and terms offered by other prospective purchasers.'

"Surveys of public works planning

"SEC. 702. Section 702 of the Housing Act of 1954 is amended by adding at the end thereof the following new subsection:

"'(f) The Administrator is authorized to use during any fiscal year not to exceed $50,000 of the moneys in the revolving fund (established under section (e)) to conduct surveys of the status and current volume of State and local public works planning and surveys of estimated requirements for State and local public works: *Provided,* That the Administrator, in conducting any such survey, may utilize or act through any Federal department or agency with its consent.'

"Disposal of Passyunk and Newport war housing projects

"SEC. 703. (a) The use of projects PA–36011 and PA–36012 (which were conveyed to the Housing Authority of Philadelphia, Pennsylvania, under section 406(c) of the Housing Act of 1956) for the housing of military personnel and civilians employed in defense activities without regard to their income, and the giving of a preference in respect of 700 dwelling units in such projects for such military personnel as the Secretary of Defense or his designee prescribes, for a period of five years after the date of the conveyance of such projects, is hereby authorized; and such use and the giving of such preferences shall not deprive such projects of their status as 'low-rent housing' as that term is used and defined in the United States Housing Act of 1937 and within the meaning of that term as used in section 606(b) of the Act entitled 'An Act to expedite the provision of housing in connection with national defense, and for other purposes', approved October 14, 1940, as amended. The Housing and Home Finance Administrator is authorized and directed to agree to any amendments to the instruments of conveyance which may be required to give effect to the purposes of this section.

"(b) Section 406(c) of the Housing Act of 1956 is amended by striking out 'three years' in the first proviso and inserting in lieu thereof 'five years'.

"Farm housing research

"SEC. 704. Section 603(c) of the Housing Act of 1957 is amended to read as follows:

"'(c) The authority of the Housing and Home Finance Agency to make grants under subsection (b) shall expire June 30, 1962. The total amount of such grants shall not exceed $300,000 during each of the fiscal years ending June 30, 1958, and June 30, 1959, and shall not exceed $50,000 during each of the fiscal years ending June 30, 1960, and June 30, 1961.'

"Hospital construction

"SEC. 705. (a) Section 605(b) of the Housing Act of 1956 is amended by striking out '1958' and inserting in lieu thereof '1960'.

"(b) Section 605(c) of the Housing Act of 1956 is amended by inserting before the period at the end thereof the following: ', and the sum of $7,500,000 for the purposes of this section for each of the fiscal years ending June 30, 1959, and June 30, 1960.'

"Real estate loans by national banks

"SEC. 706. Section 203 of the National Housing Act is amended by adding at the end thereof the following new subsection:

"'(j) Loans secured by mortgages insured under this section shall not be taken into account in determining the amount of real estate loans which a national bank may make in relation to its capital and surplus or its time and savings deposits.'

"Savings and loan associations

"SEC. 707. (a) Section 5(c) of the Home Owners Loan Act of 1933 is amended by inserting before the colon at the end of the first proviso a comma and the following: 'and additional sums not exceeding 20 per centum of the assets of an association may be used without regard to such area restriction for the making or purchase of participating interests in first liens on one- to four-family homes, except that the aggregate sums invested pursuant to the two exceptions in this proviso shall not exceed 30 per centum of the assets of such association:'.

"(b) Section 5(c) of such Act is further amended by adding at the end thereof the following new sentence: 'Participating interests in loans secured by mortgages which have the benefit of insurance or guaranty (or a commitment therefor) under the National Housing Act, the Servicemen's Read-

justment Act of 1944, or chapter 37 of title 38, United States Code, shall not be taken into account in determining the amount of loans which an association may make within any of the percentage limitations contained in the first proviso of this subsection.'

"Voluntary home mortgage credit program

"SEC. 708. Section 610(a) of the Housing Act of 1954 is amended by striking out 'July 31, 1959' and inserting in lieu thereof 'July 31, 1961'.

"Housing for migratory farm labor

"SEC. 709. (a) Title V of the Housing Act of 1949 is amended by adding at the end thereof the following new section:

"'Insurance of farm housing loans made by private lenders

"'SEC. 514. (a) The Secretary is authorized to insure and make commitments to insure loans made by lenders other than the United States to farmers, associations of farmers, and county governments for the purpose of providing dwelling accommodations and related buildings and structures for migratory farm labor in accordance with terms and conditions substantially identical with those specified in section 502; except that—

"'(1) no such loans shall be insured in an amount in excess of 90 per centum of the value of the farm involved less any prior liens in the case of a loan to an individual farmer, or 90 per centum of the total value of the structures and facilities with respect to which the loan is made in the case of a loan to an association of farmers or a county government;

"'(2) no such loan shall be insured if it bears interest at a rate in excess of 6 per centum per annum;

"'(3) the borrower shall be required to pay such insurance charges as the Secretary deems proper, taking into account the amount of the loan and any prior liens. The initial insurance charge shall be at a rate not to exceed 1 per centum on the principal amount of the loan, and additional charges annually thereafter shall be at a rate not to exceed 1 per centum of the outstanding principal balance of the loan after each annual installment due date;

"'(4) the insurance contracts and agreements with respect to any loan may contain provisions for servicing the loan by the Secretary or by the lender, and for the purchase by the Secretary of the loan if it is not in default, on such terms and conditions as the Secretary may prescribe; and

"'(5) the Secretary may take mortgages creating a lien running to the United States for the benefit of the insurance fund referred to in subsection (b) notwithstanding the fact that the note may be held by the lender or his assignee.

"'(b) The Secretary shall utilize the insurance fund created by section 11 of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1005a) and the provisions of section 13(b) and (c) of such Act (7 U.S.C. 1005c) (b) and (c) to discharge obligations under insurance contracts made pursuant to this section, and

"'(1) the Secretary may utilize the insurance fund to pay taxes, insurance, prior liens, and other expenses to protect the security for loans which have been insured hereunder and to acquire such security property at foreclosure sale or otherwise;

"'(2) the notes and security therefor acquired by the Secretary under insurance contracts made pursuant to this section shall become a part of the insurance fund. Loans insured under this section may be held in the fund and collected in accordance with their terms or may be sold and reinsured. All proceeds from such collections, including the liquidation of security and the proceeds of sales, shall become a part of the insurance fund; and

"'(3) one-half of all insurance charges shall become a part of the insurnce fund. The other half of such charges shall be deposited in the Treasury of the United States and shall be available for administrative expenses of the Farmers' Home Administration, to be transferred annually to and become merged with any appropriation for such expenses.

"'(c) Any contract of insurance executed by the Secretary under this section shall be an obligation of the United States and incontestable except for fraud or misrepresentation of which the holder of the contract has actual knowledge.

"'(d) The aggregate amount of the principal obligations of the loans insured under this section shall not exceed $25,000,000 in any one fiscal year.

"'(e) Amounts made available pursuant to sections 511 and 513 of this Act shall be available for administrative expenses incurred under this section.'

"(b) The first paragraph of section 24 of the Federal Reserve Act (12 U.S.C., sec. 371) is amended by inserting after 'the Act of August 28, 1937, as amended' the following: ', or title V of the Housing Act of 1949, as amended'."

Mr. KILBURN (interrupting the reading of the amendment). Mr. Speaker, this is the Herlong substitute together with the Broyhill amendment. I ask unanimous consent that the further reading be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER. The question is on the motion to recommit.

Mr. KILBURN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 189, nays 234, not voting 10, as follows:

[Roll No. 50]

YEAS—189

Abbitt	Chiperfield	Hoffman, Mich.
Abernethy	Church	Holt
Adair	Collier	Horan
Alexander	Colmer	Hosmer
Alford	Conte	Hull
Alger	Cramer	Jackson
Allen	Cunningham	Jensen
Andersen, Minn.	Curtis, Mo.	Johansen
	Dague	Jonas
Arends	Davis, Ga.	Jones, Mo.
Ashmore	Derounian	Judd
Auchincloss	Derwinski	Kearns
Avery	Devine	Keith
Ayres	Dixon	Kilburn
Barden	Dooley	Kilgore
Barry	Dorn, S.C.	Kitchin
Bass, N.H.	Dowdy	Knox
Bates	Downing	Lafore
Baumhart	Fascell	Landrum
Becker	Fenton	Langen
Belcher	Fisher	Latta
Bennett, Fla.	Flynt	Lennon
Bennett, Mich.	Ford	Lipscomb
Bentley	Forrester	McCulloch
Berry	Fountain	McDonough
Betts	Frelinghuysen	McGinley
Blitch	Gary	McIntire
Bolton	Gathings	McMillan
Bosch	Gavin	McSween
Bow	Glenn	Mack, Wash.
Bray	Griffin	Mahon
Brock	Gross	Martin
Brooks, La.	Gubser	Mason
Broomfield	Haley	Matthews
Brown, Ohio	Hall	May
Broyhill	Halleck	Meader
Budge	Harrison	Michel
Burleson	Hébert	Miller, N.Y.
Bush	Hemphill	Milliken
Byrnes, Wis.	Henderson	Minshall
Cahill	Herlong	Mumma
Casey	Hess	Murray
Cederberg	Hiestand	Nelsen
Chamberlain	Hoeven	Norblad
Chenoweth	Hoffman, Ill.	Norrell
Osmers	Scherer	Van Pelt
Ostertag	Schwengel	Vinson
Passman	Selden	Wainwright
Pelly	Short	Weaver
Pillion	Siler	Weis
Pirnie	Simpson, Ill.	Westland
Poff	Simpson, Pa.	Wharton
Quie	Smith, Calif.	Whitener
Ray	Smith, Kans.	Whitten
Reece, Tenn.	Smith, Va.	Widnall
Rees, Kans.	Springer	Williams
Rhodes, Ariz.	Stratton	Willis
Riehlman	Taber	Wilson
Riley	Taylor	Winstead
Robison	Teague, Calif.	Wright
Rogers, Fla.	Thompson, La.	Young
Rogers, Tex.	Thomson, Wyo.	Younger
St. George	Tuck	
Schenck	Utt	

NAYS—234

Addonizio	Fulton	Morris, Okla.
Albert	Gallagher	Moss
Anderson, Mont.	Garmatz	Multer
	George	Murphy
Andrews	Giaimo	Natcher
Anfuso	Granahan	Nix
Ashley	Grant	O'Brien, Ill.
Aspinall	Gray	O'Brien, N.Y.
Bailey	Green, Oreg.	O'Hara, Ill.
Baker	Green, Pa.	O'Hara, Mich.
Baldwin	Griffiths	O'Neill
Baring	Hagen	Oliver
Barr	Halpern	Patman
Barrett	Hardy	Perkins
Bass, Tenn.	Hargis	Pfost
Beckworth	Harmon	Philbin
Blatnik	Harris	Pilcher
Boggs	Healey	Poage
Boland	Hechler	Porter
Bolling	Hogan	Powell
Bonner	Holifield	Preston
Bowles	Holland	Price
Boykin	Holtzman	Prokop
Boyle	Huddleston	Pucinski
Brademas	Ikard	Quigley
Breeding	Irwin	Rabaut
Brewster	Jarman	Rains
Brooks, Tex.	Jennings	Randall
Brown, Ga.	Johnson, Calif.	Reuss
Brown, Mo.	Johnson, Colo.	Rhodes, Pa.
Buckley	Johnson, Md.	Rivers, Alaska
Burdick	Johnson, Wis.	Rivers, S.C.
Burke, Ky.	Jones, Ala.	Rodino
Burke, Mass.	Karsten	Rogers, Colo.
Byrne, Pa.	Karth	Rogers, Mass.
Canfield	Kasem	Rooney
Cannon	Kastenmeier	Roosevelt
Carnahan	Kee	Rostenkowski
Carter	Kelly	Roush
Celler	Keogh	Rutherford
Chelf	Kilday	Santangelo
Clark	King Calif.	Saund
Coad	King, Utah	Saylor
Coffin	Kirwan	Shelley
Cohelan	Kluczynski	Sheppard
Cook	Kowalski	Shipley
Cooley	Lane	Sikes
Corbett	Lankford	Sisk
Curtis, Mass.	Lesinski	Slack
Daddario	Levering	Smith, Iowa
Daniels	Libonati	Smith, Miss.
Davis, Tenn.	Lindsay	Spence
Dawson	Loser	Staggers
Delaney	McCormack	Steed
Dent	McDowell	Stubblefield
Denton	McFall	Sullivan
Diggs	McGovern	Teague, Tex.
Dingell	Macdonald	Teller
Dollinger	Machrowicz	Thomas
Donohue	Mack, Ill.	Thompson, N.J.
Dorn, N.Y.	Madden	Thompson, Tex.
Doyle	Magnuson	Thornberry
Dulski	Mailliard	Toll
Durham	Marshall	Tollefson
Dwyer	Merrow	Trimble
Edmondson	Metcalf	Udall
Elliott	Meyer	Ullman
Everett	Miller, Clem	Vanik
Evins	Miller, George P.	Van Zandt
Fallon		Wallhauser
Farbstein	Mills	Walter
Feighan	Mitchell	Wampler
Fino	Moeller	Watts
Flood	Monagan	Wier
Flynn	Montoya	Wolf
Foley	Moore	Yates
Forand	Moorhead	Zablocki
Frazier	Morgan	Zelenko
Friedel	Morris, N. Mex.	

NOT VOTING—10

Curtin	Morrison	Scott
Fogarty	Moulder	Withrow
Hays	O'Konski	
Laird	Roberts	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Curtin for, with Mr. Roberts against.

Mr. Laird for, with Mr. Fogarty against.

Mr. Scott for, with Mr. Hays of Ohio against.

Mr. Withrow for, with Mr. Moulder against.

Until further notice:

Mr. Morrison with Mr. O'Konski.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. ASHLEY. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken and there were—yeas 261, nays 160, answering "Present" 2, not voting 10, as follows:

[Roll No. 51]

YEAS—261

Addonizio	Edmondson	Lindsay
Albert	Elliott	Loser
Anderson, Mont.	Everett	McCormack
	Evins	McDowell
Andrews	Fallon	McFall
Anfuso	Farbstein	McGovern
Ashley	Feighan	Macdonald
Aspinall	Fino	Machrowicz
Ayres	Flood	Mack, Ill.
Bailey	Flynn	Mack, Wash.
Baker	Foley	Madden
Baldwin	Forand	Magnuson
Baring	Forrester	Mailliard
Barr	Fountain	Marshall
Barrett	Frazier	Matthews
Bass, Tenn.	Friedel	Merrow
Baumhart	Fulton	Metcalf
Beckworth	Gallagher	Meyer
Bennett, Mich.	Garmatz	Miller, Clem
Blatnik	George	Miller, George P.
Blitch	Giaimo	
Boggs	Granahan	Mitchell
Boland	Grant	Moeller
Bolling	Gray	Monagan
Bolton	Green, Oreg.	Montoya
Bonner	Green, Pa.	Moore
Bowles	Griffiths	Moorhead
Boykin	Hagen	Morgan
Boyle	Halpern	Morris, N. Mex.
Brademas	Hardy	Morris, Okla.
Bray	Hargis	Moss
Breeding	Harmon	Multer
Brewster	Harris	Murphy
Brooks, Tex.	Healey	Natcher
Brown, Ga.	Hébert	Nix
Brown, Mo.	Hechler	Norblad
Broyhill	Hemphill	O'Brien, Ill.
Buckley	Hogan	O'Brien, N.Y.
Burdick	Holifield	O'Hara, Ill.
Burke, Ky.	Holland	O'Hara, Mich.
Burke, Mass.	Holtzman	O'Konski
Byrne, Pa.	Huddleston	O'Neill
Canfield	Irwin	Oliver
Carnahan	Jarman	Patman
Carter	Jennings	Perkins
Celler	Johnson, Calif.	Pfost
Chelf	Johnson, Colo.	Philbin
Chenoweth	Johnson, Md.	Pilcher
Clark	Johnson, Wis.	Poage
Coad	Jones, Ala.	Porter
Coffin	Jones, Mo.	Powell
Cohelan	Judd	Preston
Cook	Karsten	Price
Cooley	Karth	Prokop
Corbett	Kasem	Pucinski
Daddario	Kastenmeier	Quigley
Daniels	Kearns	Rabaut
Davis, Tenn.	Kee	Rains
Dawson	Kelly	Randall
Delaney	Keogh	Reuss
Dent	Kilday	Rhodes, Pa.
Denton	King, Calif.	Riley
Diggs	King, Utah	Rivers, Alaska
Dingell	Kirwan	Rivers, S.C.
Dollinger	Kluczynski	Rodino
Donohue	Knox	Rogers, Colo.
Dooley	Kowalski	Rogers, Mass.
Dorn, N.Y.	Landrum	Rogers, Tex.
Downing	Lane	Rooney
Doyle	Lankford	Roosevelt
Dulski	Lesinski	Rostenkowski
Durham	Levering	Roush
Dwyer	Libonati	Rutherford
Santangelo	Teller	Wallhauser
Saund	Thomas	Walter
Selden	Thompson, La.	Wampler
Shelley	Thompson, N.J.	Watts
Sheppard	Thompson, Tex.	Westland
Shipley	Thornberry	Whitener
Sikes	Toll	Wier
Sisk	Tollefson	Willis
Slack	Trimble	Wolf
Smith, Iowa	Udall	Wright
Spence	Ullman	Yates
Staggers	Vanik	Young
Steed	Van Zandt	Zablocki
Stubblefield	Vinson	Zelenko
Sullivan	Wainwright	

NAYS—160

Abbitt	Fascell	Milliken
Abernethy	Fenton	Mills
Adair	Flynt	Minshall
Alexander	Ford	Mumma
Alford	Frelinghuysen	Murray
Alger	Gary	Nelsen
Allen	Gathings	Norrell
Andersen, Minn.	Gavin	Osmers
	Glenn	Ostertag
Arends	Griffin	Passman
Ashmore	Gross	Pelly
Auchincloss	Gubser	Pillion
Avery	Haley	Pirnie
Barden	Hall	Poff
Bass, N.H.	Halleck	Quie
Bates	Harrison	Ray
Becker	Henderson	Reece, Tenn.
Belcher	Herlong	Rees, Kans.
Bennett, Fla.	Hess	Rhodes, Ariz.
Bentley	Hiestand	Riehlman
Berry	Hoeven	Robison
Betts	Hoffman, Ill.	Rogers, Fla.
Bosch	Hoffman, Mich.	St. George
Bow	Holt	Saylor
Brock	Horan	Schenck
Brooks, La.	Hosmer	Scherer
Broomfield	Hull	Schwengel
Brown, Ohio	Ikard	Short
Budge	Jackson	Siler
Burleson	Jensen	Simpson, Ill.
Bush	Johansen	Simpson, Pa.
Byrnes, Wis.	Jonas	Smith, Calif.
Cahill	Keith	Smith, Kans.
Cannon	Kilburn	Smith, Va.
Casey	Kilgore	Springer
Cederberg	Kitchin	Stratton
Chamberlain	Lafore	Taber
Chiperfield	Langen	Taylor
Church	Latta	Teague, Calif.
Collier	Lennon	Teague, Tex.
Colmer	Lipscomb	Thomson, Wyo.
Conte	McCulloch	Tuck
Cramer	McDonough	Utt
Cunningham	McGinley	Van Pelt
Curtis, Mass.	McIntire	Weaver
Curtis, Mo.	McMillan	Weis
Dague	McSween	Wharton
Davis, Ga.	Mahon	Whitten
Derounian	Martin	Widnall
Derwinski	Mason	Williams
Devine	May	Wilson
Dixon	Meader	Winstead
Dorn, S.C.	Michel	Younger
Dowdy	Miller, N.Y.	

NOT VOTING 10

Barry	Laird	Scott
Curtin	Morrison	Withrow
Fogarty	Moulder	
Hays	Roberts	

ANSWERED "PRESENT"—2

Fisher Smith, Miss.

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Roberts for, with Mr. Scott against.

Mr. Fogarty for, with Mr. Laird against.

Mr. Morrison for, with Mr. Withrow against.

Mr. Moulder for, with Mr. Fisher against.

Mr. Hays of Ohio for, with Mr. Smith of Mississippi against.

Mr. CASEY changed his vote from "yea" to "nay."

Mr. SMITH of Mississippi. Mr. Speaker, I have a live pair with the gentleman from Ohio [Mr. HAYS]. If he were present, he would vote "yea." I voted "nay." I, therefore, withdraw my vote and vote "present."

Mr. FISHER. Mr. Speaker, I have a live pair with the gentleman from Missouri [Mr. MOULDER]. I voted "no." If the gentleman from Missouri were present, he would vote "yea." Therefore, I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. RAINS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

APPOINTMENT OF CONFEREES ON S. 57

Mr. RAINS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 57) to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes, with an amendment of the House thereto, insist on the House amendment and request a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Alabama? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. SPENCE, BROWN of Georgia, PATMAN, RAINS, MCDONOUGH, WIDNALL, and Bass of New Hampshire.

BLANK CHECK TO INTERNATIONAL LABOR ORGANIZATION

Mr. SCHERER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SCHERER. Mr. Speaker, prior to the second session of the 85th Congress the contribution of the United States to the International Labor Organization for its operating expenses was fixed each year by a separate resolution of the Congress. The amount had been increased from year to year after Congress had an opportunity to review, consider, and evaluate the ILO program.

Last year, without warning, there was slipped into the mutual security bill for the first time a provision which committed the United States to pay 25 percent of whatever budget the International Labor Organization should adopt, without any dollar limitation.

We have heard so much lately about Congress surrendering its constitutional authority over the purse strings. There has been serious objection by the Members of the House, in instance after instance, to giving various agencies of the Government, including the President, discretionary authority to expend money

for various programs without specific appropriations for individual items, even though a dollar limitation or ceiling has been fixed by the Congress on the total amount to be expended for the various programs. We have time and time again referred to this as "getting into the Treasury through the back door."

However, we now have given a blank check to an international organization in which the United States is only one out of 79 members—a blank check which has no dollar limitation. We have said to this international organization in which we have only 1 vote out of 79, "We will pay 25 percent of whatever you decide to spend for these worldwide programs."

The Members of this House would literally jump up and down if we suggested giving the President of the United States discretionary authority to expend whatever he wanted on the mutual security program without fixing any limitation whatsoever. Yet today by law we have given, as I have said, to an international organization now controlled and dominated by the Soviets and their satellites, such a right to spend U.S. taxpayers' dollars, a right we would never give to the President of the United States or any of the agencies of this Government. Furthermore, we have given this right to an international organization over which this Congress has no control for programs, the nature, size, and objective of which are also beyond the control of the Congress or the Government of the United States.

Let me assure you that many of the activities and programs of the International Labor Organization are such and will be such that the great majority of the American people and of this Congress would never support them.

It should be remembered that, while we have only one-seventy-ninth of the votes, we are paying one-fourth of the costs. Now that is bad enough.

When Russia came back into ILO in 1954, she did so in a big way. She came as three countries, the U.S.S.R., the Ukraine, and Byelorussia. Consequently, Russia alone has three times the voting strength of the United States.

One of the basic principles of ILO was that each member country was to have one representative of labor, one of employers, and one of government. Since there are no free labor unions in Russia nor free management in Russia, the Soviets and the rest of the Communist bloc actually have 36 government votes, completely dominated by the Kremlin.

No one can disagree with the original objectives of the International Labor Organization when it was set up in 1919. Its stated purpose was to promote a voluntary cooperation of nations to improve labor conditions and to raise living standards. As I said, no one can disagree with such an objective.

Today, however, it is actually being used to promote international socialism and to belittle and destroy the American system of free enterprise. In recent years it has become the sounding board and propaganda instrument for the Communist and Socialist countries. While the Soviets use summit conferences as propaganda forums once or twice in a decade, the International Labor Organization is used by them, year in and year out, as a vehicle for the promotion of the Communist ideology. The irony is that we are committed by law to pay 25 percent of whatever this international group decides to spend for such purposes.

While I feel, as I have said before on the floor of this House, that Congress should make a careful investigation of the International Labor Organization as it is today, I realize that such an investigation will not be made until the grassroots in America understand what is happening and demand that we take another look. In the meantime, there is no excuse for continuing to hand them a blank check.

I have, therefore, introduced a bill today as a stopgap measure which will place a dollar limitation on our annual contribution to ILO. Such a dollar limitation will keep this crowd from increasing their budget as they see fit for the type of programs I have referred to.

NUCLEAR TEST BAN ISSUE—A COURSE FOR U.S. ACTION

Mr. HOSMER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOSMER. Mr. Speaker, why does the Soviet Union so earnestly seek a ban on all nuclear weapons tests? What would the consequences of such a ban be to the United States and the free world? What would be the consequence of a Soviet violation of a test ban agreement? Would a ban end in psychological and military disarmament of the West? What if testing occurred on the land mass of Red China, in French Africa, or elsewhere on territory of nations not signatories to any agreement? Do we have a moral responsibility so long as nuclear weapons stockpiles do exist to make them more a discriminate military weapon and less an indiscriminate weapon of mass destruction? Do we have a moral responsibility to protect Western concepts of freedom, democracy, and civilization from Communist extinction utilizing all the forces at our command?

These and many more fundamental moral, political, and military questions are inherent in the nuclear test ban issue. They deserve the most searching public discussion so that answers can be found rationally and wisely by an informed public opinion. This cannot be done amidst the tremendous emotional confusion, misinformation, and propaganda the subject of fallout has engendered. Nor can it be done unless the public receives information which has so far been withheld regarding the difficulty of detecting test ban violations occurring either below ground or above the earth's atmosphere.

It is fairly certain that almost any tests conducted anywhere in the world within the earth's atmosphere are subject to detection by existing machinery and therefore a ban on such tests would be relatively self-enforcing. It is also certain that tests within the atmosphere are the only nuclear tests which cause fallout.

Under these circumstances there appears a clear and definite moral responsibility that the United States proceed thusly:

First. Announce indefinite cessation of the only kind of nuclear testing producing fallout, namely, testing in the atmosphere, attaching reasonable conditions regarding problems arising from future actions by other powers.

Second. Diligently seek international agreements amongst the nuclear powers, including Soviet Russia, likewise to ban atmospheric tests, as proposed by President Eisenhower to Premier Khrushchev.

Third. Declare a moratorium on talks aimed at banning below-ground and above-atmosphere testing until the air is cleared of emotion, propaganda, and misinformation regarding fallout, the problem of detecting violations is understood, and other military and moral questions inhering in the issue are debated and answered.

Fourth. Candidly release to the public data regarding testing, detection, and other aspects of nuclear weaponry which are not properly of a restricted security classification.

I am satisfied that recent hearings of the Joint Committee on Atomic Energy give reasonable assurance that no more than minimal and acceptable fallout hazards have been created by testing so far conducted. They do, however, indicate that our 15-year experience with the subject is insufficient to project that assurance into the future against unrestricted future testing which may add to fallout. Therein rests the moral responsibility upon which my first two recommendations for U.S. action are based.

With the concern over fallout thus disposed of, action proposed by my third and fourth recommendations will permit analysis with reasonable objectivity of whether or not a ban also applicable to testing below the ground and above the atmosphere, i.e., a complete ban on testing, would be of help or hindrance in achieving Western civilization's age-old goal of peace between sovereign nations based on mutual respect for and observance of international law. To this end, I have requested our State Department to declassify existing important scientific studies regarding the difficulties of detecting violations.

AMBASSADOR ABBA EBAN

Mrs. CHURCH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Illinois?

There was no objection.

Mrs. CHURCH. Mr. Speaker, there departs tomorrow from our American shores an Ambassador, recently resigned,

who leaves behind him lasting memories of giant mental capacity, integrity, and unassailable loyalty to his own country and to the ideals, as well, of our great Nation.

I am referring, of course, to Ambassador Abba Eban, recently retired as Israeli Ambassador to the United States, who today is leaving with his family to enter the political field in his own country. With Ambassador Eban go the good wishes of a multitude here who hail the unparalleled development of Israel during the 11 short years since her founding; and who have witnessed the Ambassador's own contribution to better understanding between our two Nations—Nations dedicated to principles of freedom and human dignity and to the maintenance of free institutions.

It has twice been my privilege to visit Israel and to witness there the progress made by a country created on such principles. Only 2 years passed between these visits; and even I, who have always had faith in the capacity and destiny of that new country, could not but marvel at the progress made in the brief interim period. It was especially gratifying to note how the deep social consciousness of the people and its leaders gave signs of working miracles in building settlements, hospitals, and institutions of learning. Equal progress had been made in the assimilation of the homeless that Israel has welcomed. Everywhere were signs of agricultural expansion and significant economic development. It is to such a scene that Ambassador Eban now returns. We are told that he plans to enter actively into the political life of Israel. Those of us who know him and who can bear witness to the height of his work here for his own country and for free men everywhere shall miss in this Capital his kindly and intelligent counsel. We can, however, congratulate his own country, which he goes to serve with continued inspired leadership and selfless dedication.

ADDITIONAL ASSISTANT, OFFICE OF ATTENDING PHYSICIAN

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 270) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That, until otherwise provided by law, there shall be paid from the contingent fund of the House of Representatives the sum of $75 per month to provide for an additional assistant in the office of the Attending Physician, United States Congress.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SPECIFYING SALARY RAISE FOR VARIOUS HOUSE EMPLOYEES

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 271) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That, effective June 1, 1959, there is hereby created the position of a paper clerk, Stationery Room, office of the Clerk of the House, at the basic salary rate of $3,000 per annum.

SEC. 2. Effective June 1, 1959, one position of Clerk, House Stationery Room, at the basic salary rate of $2,160 per annum, is hereby vacated.

SEC. 3. Effective June 1, 1959, the positions hereinafter listed in the office of the Clerk of the House shall be at the following basic salary rates per annum; two positions of Assistant to Bill Clerk, $3,000 each.

The additional sums necessary to carry out the provisions of this resolution shall be paid from the contingent fund of the House until otherwise provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ADJOURNMENT TO MONDAY, MAY 25

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourns to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday of next week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SMALLER BUSINESS ASSOCIATION OF NEW ENGLAND PROPOSALS FOR CONGRESSIONAL ACTION

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks at this point in the RECORD, and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, during the past few years a truly represenative group of small businessmen of New England have come to Washington to meet the Members of the Congress and some of the committees for the purpose of focusing attention on urgent problems confronting a vital sector of the Nation's economy and making certain suggestions for remedial action. That small business is the backbone of the Nation's economy is a truism that none can deny, and the necessity for maintaining its well-being is universally acknowledged.

Today I have had the pleasure of hearing the current proposals for congressional action from the Smaller Business Association of New England. Its presentation was so excellent that I wish to give it wider attention. The fact that it came from a group from the northeasterly part of the country does not in the least give it a sectional character inasmuch as the problems confronting small business are prevalent throughout the Nation. Under leave to extend my remarks, I wish to include that association's presentation in the pages of the CONGRESSIONAL RECORD. It is as follows:

SMALLER BUSINESS ASSOCIATION OF NEW ENGLAND PROPOSALS FOR CONGRESSIONAL ACTION FOR THE YEAR 1959

FIGURE 1.—*Total U.S. population*

	Millions
1830	12.9
1850	23.2
1870	39.8
1890	62.9
1910	92.0
1930	122.8
1950	151.1
1970 (estimated)	213.8
1975 (forecast)	235.2
Work force:	
1830–1959 (approximate)	1.0–55.0
1990	120.0

This morning we shall discuss a subject which is more important than the question of who will be our next president, which nation will be the first to land on the moon, or any other item currently in the newspaper headlines. Our subject deserves this emphasis because it affects the future welfare of every man, woman and child in the United States.

When the Federal Constitution was established in 1792, our 13 original States had a population of less than 4 million people, approximately the population of Long Island today (fig. 1). Look at what happened in succeeding years. These are Bureau of Census figures: 12.9 million in 1830, 23.2 million in 1850, 39.8 million in 1870, 62.9 million in 1890, and 92 million in 1910.

Up to this point we were pleased. Our country was growing. We were assuming our rightful place in the world. But by 1930, we had reached 122 million; in 1950, 151 million, and now we are told that our population as of 1970 will soar to 213.8 million, with 235 million forecast for 1975.

What does this population increase mean? In 1830 we probably had 1 million people employed in our working force. Their labor was sufficient to provide that population with food, clothing, and all the other necessities of life. Please note that as the population increased, the working force increased too, but not at the same rate. We can trace the rise in the standard of living of the people of these periods, by noting that a relatively smaller work force was able to sustain a relatively larger population. This trend must continue.

Look at the forecast of the work force in the years ahead, as prepared by the Census Bureau. By 1990 there should be a total of approximately 120 million people in our work force—almost as many people working, as there were living, in 1930.

Figure 2, chart, not printed.

The birth rate is largely responsible for the sudden upturn in population since 1940. According to the Department of Labor, the rate has risen from 2½ million per year in 1940 to better than 4 million at present, an increase of 60 percent. In the meantime, medical science has lengthened the life span of the average American. The result is a net population increase of 8,000 per day, or 3 million per year (Nation's Business, April 1959). If one-third of this number enters the work force, we must organize the equivalent of four General Electric companies per year to provide jobs for these 1 million new workers.

Figure 3, chart, not printed.

Our population is supported by what the economists call our gross national product. Let's take a look at the gross national product of the United States, as computed by the Department of Commerce since the year

1910. Our gross national product grew from approximately 100 billion to 400 billion in 1950. But in the past 5 years it has only increased 2.3 percent. Yet, merely to sustain our exploding population, our gross national product must rise at a rate of at least 3 percent per year (Rockefeller Bros.' report).

FIGURE 4.—*A gross national product of $560,000,000,000 in 1965 will require the employment of 74,000,000 people*

Year	Number employed (millions)	Gross national product (billions), 1955 dollars	Value of goods and services per worker
1930	45.5	165	$3,620
1940	47.5	208	4,370
1950	60.0	322	5,370
1955	63.2	391	6,190
1965 (estimated)	74.0	560	7,500

Here is a Department of Labor table which indicates that in the year 1930, there were 45 million people employed (fig. 4). The gross national product was 165 billion. The value of goods and services per worker was $3,620. In 1955, 63.2 million were employed; gross national product was 391 billion; and the value of goods and services per worker was $6,190. Observe that this increase in the gross national product was not achieved by the increase in the number of people employed, but by improved efficiency of the worker. We must continue to improve this factor, because a growing percentage of our population is under or over employment age. Higher output must be achieved by the individual worker to merely maintain our present standard of living, let alone raise it.

FIGURE 5

[From Newsweek, Apr. 13, 1959]

WILL NATIONAL GROWTH BRING CHEAPER DOLLARS?

"To all of these basic problems, there is a single answer: Faster growth for the United States. Just to absorb the 1 million new people added to the work force each year, the economy must grow $10 billion; in a sense, it would be standing still."

This is a direct copy of a quotation from the April 13, 1959, issue of Newsweek (fig. 5). Our economy must grow at a rate of 10 billion per year just to absorb the 1 million people per year who reach working age. If we do not achieve this rate of growth, our average standard of living must be reduced.

Where can we find a sound and efficient way to develop the necessary increase in our gross national product? May we suggest the answer? In the great potential capacity of the small businesses of America. We believe that it is in the national interest to make it possible for small business to develop its production potentials.

FIGURE 6

"Small business has the following advantages:

"1. It can start faster.

"2. It is widely diversified.

"3. It is usually rooted in smaller communities.

"4. Its management is strongly motivated.

"5. It is seldom engaged in speculation.

"6. It is uniformly distributed throughout the country.

"7. Its capital requirements are low.

"8. Its personnel and labor problems are fewer."

How? Note the elements in favor of small business which are not possessed by any other phase of our economy (figure 6):

Small business can accelerate more rapidly than big business. There is less inertia and not as much horsepower is required to start moving.

Diversification is a primary advantage. Check the huge businesses of this country. You will find that they are concentrated in specific consumer markets; whereas small businesses are found in practically every field of operation, either as a direct supplier, or as a vendor to one of the major industries, such as aircraft or automobiles.

You usually find small business in the small cities and towns which form the backbone of America. The large businesses are unable to utilize the work resources of scattered small communities, because they must have a large pool of employees within commuting distances.

Most small businesses are owner-operated. Since the prosperity of the owner's family is completely dependent upon the success of his business, he has a direct personal incentive which is sometimes lacking in the management of huge concerns.

If you read the financial section of the daily newspaper, you often find as much discussion of the price of stock of the big businesses, as you see reports on how much they contributed to the gross national product. That is not true of small business. Small business ownership seldom changes. There is little speculation. To the average owner and operator, his business represents his best efforts to support himself and his family, by meeting a need for goods or services.

Small business is not localized as is the automotive industry in the Detroit area or the aircraft industry in southern California. At any crossroads of New England you will find some type of factory. Go into the smaller communities of the Middle West and the Far West and you will see small businesses flourishing.

It takes literally billions of dollars to organize a General Electric or a Boeing Aircraft, but you can frequently start a small business with personal funds from the savings bank, and additional operating capital is usually the direct result of the operation of the business itself.

The small business operator is personally acquainted with his employees and is not subject to the massive labor and personnel problems which are integral parts of big business operations.

May we remind you at this point that operators of small businesses are not small in intelligence, ability or imagination, and that their operational efficiency is not necessarily lower than that of big business. Remember that small business is the acorn from which the oak of big business grows.

FIGURE 7

[In percent]

	Share of national sales	Share of manufacturing profits	Small business profit on sales
1957	13.5	4.7	1.70
1958	14.5	3.4	1.00

NOTE.—Average profits as a percentage of sales are approximately 1 percent.

Here are some figures compiled by the Securities and Exchange Commission and the Federal Trade Commission which show the relationship of small business to the entire economy of the Nation (fig. 7). In the year 1957, small businesses were responsible for 13.5 percent of national sales, a respectable percentage. You might think, therefore, that small business was entitled to 13.5 percent of the profits. Did they get it? No. Small business received only 4.7 percent of the profits of the businesses of the United States as a whole. The average profit of small business (which contributed nearly one-seventh of the entire output of the country) was only 1.7 percent of its sales in 1957. In 1958, the situation improved as far as national sales were concerned. Small business produced 14.5 percent of the total national output. Instead of earning an increased share of the economy's profits, however, small business' share dropped to 3.4 percent, and its profit on sales dropped to 1 percent.

Obviously, small business needs help if it is to play its important role in increasing our gross national product to the point required to take care of our exploding population.

FIGURE 8—TAXATION

"1. Tax deduction for plowback investments.

"2. Identical depreciation rates on purchases of new and used equipment.

"3. Uniform criteria for State taxation of interstate sales.

"4. Uniform application of judicial decisions by Bureau of Internal Revenue.

"5. Tax exemptions for voluntary retirement plans by self-employed individuals, or members of partnerships."

We believe that the following program of the Smaller Business Association of New England offers at least a partial solution to this vital problem (fig. 8).

A small business is handicapped from the beginning by its relatively small working capital. The fact that it cannot take any tax deductions for money which it pours back into the business in the form of reinvestment in capital assets aggravates this situation.

The Government can be likened to the majority stockholder in a family-owned business. In a very real sense this is the case, since it receives a large portion of the earnings of American business.

If the Government removes all of its share of the profits, it is as unwise as a stockholder who does the same. If the majority stockholder leaves some of his earnings in the business in the form of working capital, the company can grow and prosper.

A small business may need a new printing press, for example, and that printing press will increase its output. It will employ people; it will contribute to the essential increase in the gross national economy; but the printer must take money for the press out of his earnings, and he receives no tax credit, except for future depreciation. His tax on earnings varies from 32 to 52 percent, so if the press costs $5,000, it would be necessary for him to earn as much as $10,000, before taxes, to have $5,000 available to pay for the press. In other words, he could pay as much to the tax collector as to the manufacturer of the press.

Wouldn't it be a profitable investment in our future to encourage small business to expand the gross national product, by allowing tax deductions for capital plowed back into the business? Bills are currently in the House and Senate which provide for such allowances. We urge you to adopt this legislation this year.

Legislation passed last year provides for accelerated depreciation of new equipment. We recommend that the same depreciation schedule be allowed on used equipment. We submit that all equipment is new to a man who has not used it before. We believe that the present law seriously discriminates against small businesses which are the principal purchasers of used equipment.

In trying to do business in the various States, any small business runs into a veritable forest of regulations which hedge in effective operation across State lines. The ideal situation would be remedial legislation to prevent multiple taxation on companies doing business in several States, but if this is not feasible at present, we recommend, at least, corrective legislation to establish uniformity of State tax forms, and levying

formulas and procedures. The high cost of preparing a multiplicity of forms and reports discourages sales expansion across State lines.

The Bureau of Internal Revenue frequently produces uncertainty in business operations by refusing to be bound by decisions of the lower courts concerning enforcement of tax laws. We urge passage of legislation which will require uniform recognition of existing judicial precedents by the Bureau, thereby reducing this uncertainty which hampers business growth.

This last tax recommendation is concerned with basic fair play. The self-employed should be entitled to the same kind of security provided to those who are employed by others. At present, it is impossible for professional men, or others who are self-employed, to make any tax deductions for amounts that are set aside under due legal criteria for their retirement use. A dentist's brother may be working as an employee of the telephone company, for instance, and he has a perfect right to have tax-exempt amounts credited to him by his company for retirement. But the dentist cannot claim a tax reduction, because he is his own employer. We believe that this situation deserves correction.

FIGURE 9—PROCUREMENT

"1. SBA representation in Government procurement agencies.

"2. Require SBA approval of 'facilities contracts.'

"3. Incentives to prime contractors for subcontracting to small business.

"4. Standardization and use of 'off the shelf' items."

At recent hearings before the Senate Small Business Committee, a considerable body of testimony indicated that small business is not getting a fair share of defense contracts. Senator SMATHERS is quoted as saying that "while the greatest hope for small business participation is in the field of subcontracting, the committee is of the belief that small firms' share of military subcontracts is not any greater than its inadequate share of prime contracts." We believe that it is in the best interest of the Government to investigate this situation for the purpose of determining how our Defense Department can take advantage of the capability and flexibility of small businesses. Small business is not asking for favors; it merely wants an opportunity to demonstrate that it can produce many defense items as efficiently and at a low, or lower, cost than big business.

This association recommends that the Small Business Administration have representation in Government procurement agencies (fig. 9). We submit that small firms need a "friend at court" who understands their capabilities and who can help them to interpret the rules and regulations required by procurement agencies. SBA would also be assisting these agencies by providing new sources of supply with which they now have no contact. Such an arrangement would also help SBA to study the effect of the current weapons systems contracts on small business.

At present, it is possible for a large company to submit a bid for a huge contract, claiming that it has facilities for all of the required operations. These facilities may include machine shop operations, and the large firm may only have partial facilities. But, to meet the delivery requirements, it is a common practice for the large concern to go back to the Government, after receiving the contract, and to request the Government to expand his facilities by providing more floor space and/or by supplying additional machine tools. In many cases, all of the necessary facilities could have been provided by small businesses. If the contractor subcontracted some of the work to small qualified firms in his area, the investment of the Government's capital funds could be eliminated, and the contract could be completed at a lower cost. SBA approval of facilities contracts would accomplish this objective.

We believe that prime contractors should be encouraged to subcontract more work to qualified small businesses. The solicitations themselves might well specify which components are to be subcontracted and suggest where the subcontracts could be placed. In other words, show prime contractors how they can increase efficiency and lower costs by giving more work to smaller firms, and make it worth their time to negotiate subcontracts.

Many items which are supplied to the ordinary consumer would, from every standpoint, serve military use just as well as specially designed, made-to-order items. We suggest that before any off-the-shelf item is rejected, and a special item is substituted, that the special item be completely justified on the basis of actual end use. We also suggest that elaborate and ridiculously cumbersome specifications for simple items be reviewed and rewritten. We recommend that national trade associations of manufacturers be consulted when specifications are written for off-the-shelf items.

FIGURE 10—LABOR

"1. Authorize State jurisdiction in labor cases when NLRB is unwilling, or unable, to act promptly.

"2. Outlaw organizational picketing, secondary boycotts, 'hot cargo' clauses."

Although small business may not be confronted with the same complex labor problems as big business, it is continuously harassed by complicated labor legislation and perversions of legal labor activities (fig. 10). We urge you to take steps to alleviate these labor problems which are seriously hampering small business. For example, we suggest that when the National Labor Relations Board is unwilling, or unable, to take a labor case that it turn the case over to State jurisdiction, instead of letting it drag on for months, thereby involving the operator of the business in a situation from which there is no escape. Every State has its own labor department with effective conciliation agencies which could settle such cases promptly and to the satisfaction of both parties. This is a situation to which an old adage can well be applied: "If you can't do it yourself, let somebody else have a chance to do it."

We have emphasized the word "outlaw" in connection with the following practices because we believe that they have no justification by any standard of ethics or fair-play, and should be removed from the protection of the law. Organizational picketing. This is picketing of establishments as a means of forcing the management to sign a contract. Such picketing is often conducted even though the employees have not expressed a desire to be organized. This is nothing less than blackmail.

Secondary boycotts. Here is an effort on the part of a union, which has no direct interest in a dispute, to cripple the operation of a business which is negotiating with a separate union. Yet the business has no recourse to the courts. Certainly, secondary boycotts have no place in the scheme of fair-play that the American considers distinctly his own. We urge tightening up of the provisions of section 8b of the National Labor Relations Act to correct this violation of the spirit of the act.

So-called hot cargo clauses in transportation union contracts, preventing carriers from handling shipments of a company involved in a labor dispute, are other particularly vicious forms of secondary boycott. We hope that the legislation initiated in the Senate to ban these clauses will be passed in the House.

The Smaller Business Association of New England would like to make known its position in regard to the Small Business Investment Act. We believe it is too soon to evaluate this act objectively. We recognize the probable need for modification and for clarification. We have confidence in the ability of the Small Business Administration to recommend the necesary modification.

Small business is not asking for special privileges. All we ask is equal opportunity for all businesses, regardless of size. Small business needs this opportunity if it is to play its essential role in the expansion of our gross national product.

We appreciate the consideration you have shown small business in the past, and we offer our sincere thanks for the time and attention which you have given us today.

Thank you from the Smaller Business Association of New England.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following communication, which was read by the Clerk:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., May 21, 1959.

Hon. SAM RAYBURN,
Speaker, House of Representatives.

DEAR MR. SPEAKER: I hereby submit my resignation as a member of the Post Office and Civil Service Committee.

Respectfully submitted.

ROBERT LEVERING,
Member of Congress.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

THE LATE DUDLEY A. BUCK

The SPEAKER. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 10 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I would not speak at this late hour but I want to bow my head in sorrow and regret at the passing of a fine man and an illustrious citizen at Wilmington, Mass., Dudley A. Buck. In his short span of life he made a very great contribution to the world in his scientific discoveries.

I include as a part of my remarks the following press release by the AP:

WINCHESTER, MASS.—Dudley A. Buck, 32, one of the Nation's most brilliant electrical engineers, who had been working on a project designed to house a room-size computer in a space no larger than the human brain, died unexpectedly today.

Assistant professor of electrical engineering at Massachusetts Institute of Technology, he 2 years ago developed the cryotron, an incredibly tiny replacement for the transistor—which in turn had supplanted the vacuum tube in many uses.

Stricken with virus pneumonia, he was taken from his home in Wilmington to the Winchester Hospital, where he died.

My deepest sympathy goes to his lovely wife and three young children under 3 years of age. Dudley A. Buck was beloved in Wilmington, where he lived. Devoted to his church and to many civic duties he is a tremendous loss to his town.

His loss to science cannot be measured especially in this space age and the cold war.

THE FREIGHT CAR SHORTAGE

The SPEAKER. Under previous order of the House, the gentleman from Oregon [Mr. PORTER] is recognized for 30 minutes.

Mr. PORTER. Mr. Speaker, the basic industries of Oregon, as well as the whole Pacific Northwest, are again confronted with the perennial freight car shortage. The difference is that the shortage has assumed serious proportions earlier this year than usual.

Shippers have grown accustomed to the yearly prospects of chaos in the freight car situation during the annual grain harvest season but the shortages currently facing the area threaten to cancel the recent economic gains which are bringing the region into a more favorable position.

As early as February a shortage of the type of boxcars required for shipping plywood developed, with a wait of 3 or 4 days for any type of boxcar. The lumber and plywood industry of Oregon and other Pacific Northwest locations is finding it increasingly difficult to obtain boxcars suitable for shipping its products; we face the worst freight car shortage in nearly 50 years.

DOUBLE DOOR CARS ARE BEST

Lumber and plywood can be shipped in various types of boxcars. The cars best suited to this traffic, however, are the large 50-foot cars with double doors or extra wide single doors. This type of car, in good condition, is needed by the lumber industry for various reasons, chief among them being that mechanical loading devices have been developed for loading and unloading the wide-door boxcars which are not adaptable for use with the smaller cars. These loading devices are in wide use and save the shipper from $25 to $40 on each car of plywood loaded or unloaded.

Lack of these special cars cost the shippers more than $1 million last year when they were 20,000 cars short of their needs.

Last year there was a slowing down of economic activity, a recession if you will. It dealt a particularly severe blow to the economy of Oregon. Now there is a definite upswing, but the prospects for securing freight cars sufficient in number and of the type necessary to handle the increased business are not bright.

In 1950 a severe car shortage resulted in curtailment of production and employment in the lumber industry, particularly plywood, and a repetition threatens in 1959. Western Oregon is especially dependent upon the lumber industry and plywood producers in particular are concerned at the prospects of possible plant shutdowns resulting from lack of freight cars to move the products.

LUMBER PRODUCTS MUST BE SHIPPED PROMPTLY

Unless lumber products can be shipped promptly, plants must close, throwing men out of work and bringing consequent irretrievable losses to the not-too-diversified economy of the area.

Predictions of a most serious car shortage are based on several factors. Market conditions have improved. Prospects are favorable for a considerable upswing for the lumber and plywood industry this year, provided car shortages do not interfere with disposing of production.

Carloadings for the entire Nation have been increasing. For the week ending May 2, 1959, carloadings were 26.4 percent above the same period last year; shipments of lumber products from the Pacific Northwest are expected to increase during the second quarter of this year by 18.3 percent for plywood, 6.3 percent for fir lumber and 6.6 percent for pine lumber over last year.

Plywood shippers have forecast their freight car needs for the next 3 months at 9,650 cars, which is 4,634 cars more than they needed in the same period in 1958. If the railroads cannot handle shipments now available, what will be the situation when the industry has even more to ship?

FORTY PERCENT SHORTAGE PREDICTED

The supply of freight cars is expected to fall 40 percent short of the needs of the lumber industry in the Northwest before the year is ended.

The government of the State of Oregon has recognized the seriousness of the impending situation and has set up an emergency transportation committee. The committee is working toward a method to alleviate the emergency and to try to find a method of resolving the problems of these recurrent shipping shortages.

The extent or exact timing of the impending car shortage cannot be accurately predicted but spokesmen for both the lumber industries and the railroads expect a 1959 car shortage which will exceed the average daily shortage at the peak of the 1955 traffic. They foresee the possibility of a situation like that of 1950 and 1951 when the national average daily shortage was near 40,000 cars for weeks at a time.

Such an event could destroy the hopes of the lumber industry for 1959, particularly if the shortage develops as early as now seems probable, and deal a severe blow to the economy of Oregon and of other lumber-producing States in the Pacific Northwest.

WHY A FREIGHT-CAR SHORTAGE?

Why should there be a freight-car shortage which may well cost the lumber industry alone many millions of dollars besides losses to many other segments of the economy by reason of noncompletion of projects dependent upon prompt delivery of lumber?

The immediate reason for shortages is the inadequate ownership of freight cars by the various railroads.

Added to this is inadequate maintenance of the existing car fleets. Depleted earnings because of the recent recession are cited as the cause of failure to purchase new cars and deferred maintenance of old cars. But the boxcar shortages have been with us far longer than over the past few years or so. Moreover, the average age of cars in some of the largest fleets is over 20 to 30 years.

UNEQUAL CAR MAINTENANCE FOUND

Several of the railroads have maintained fleets of cars more nearly adequate to handle their own volume of traffic than have others. Generally, the eastern railroads have less adequate car fleets. Western shippers have maintained they have suffered because of failure of some roads to return cars promptly to the owning railroad's lines.

If the volume of freight originated and terminated in each area were about the same and each railroad owned an adequate number of freight cars to handle its own business the interchange of cars would work out satisfactorily. The present charge for use of off-line cars is $2.75 per day regardless of the type or condition of the car. This charge for the use of equipment costing from $10,000 to $20,000 makes operating off-line cars less expensive than buying new equipment for railroads using them.

Whatever the reasons, the railroad freight car fleets are in the worst condition in years.

Some railroads have placed substantial orders for new cars and are accelerating repair and reconditioning of unserviceable cars. Railroadmen do not expect their efforts to result in an adequate number of freight cars of all types to meet peak needs this year. According to various spokesmen for the industry, if carloadings should be 10 percent above those for 1958 the anticipated serviceable freight car fleet on July 1 would not be adequate by approximately 50,000 cars, and late in March a shortage was predicted within the next 30 days. The greater portion of the new cars on order will not be delivered until late in 1959 and in 1960.

There is currently an increase in carloadings but the size of the freight car fleet is not increasing. The serviceable fleets of the class I railroads are at the lowest point since June 1941. Some of the latest statistics of the industry relative to freight cars are indicative of some of the conditions governing car supplies.

As of March 1, 1959, class I railroads owned 1,721,800 freight cars, 28,387 cars less than 1 year previously. As of March 30, 1959, the serviceable fleet of these class I railroad freight cars numbered 1,563,930. The bad-order backlog is currently the highest in 19 years; 157,870 cars, or 9.2 percent of total ownership.

As a result of retirements and deferred repairs, the number of serviceable freight cars has declined by 80,000 in the past year. The ICC reported about 160,000 cars out of service for want of repair, a number which is considered to be 100,000 too many out of service, enough to make the difference between a shortage and a near adequate supply.

THE GREATEST STRAIN

The greatest strain on the West is said to be the dominance of a few eastern railroads as car owners and generators of traffic; also the high proportion of their fleets which are bad-order cars and unserviceable. The situation is illustrated by brief résumés of ownership and condition of fleets as follows:

New car construction for 1959 is estimated at 25,000 units with 65,000 units to be junked in the same period. During 1958 a total of 17,546 new cars were ordered but at the same time 41,000 were

retired and over 150,000 were in bad order and on sidetracks awaiting repair. Of this total, 21.1 percent of the ownership of six eastern and Allegheny lines were in unserviceable condition.

The six eastern and Allegheny carriers own 25.8 percent of all freight cars. The unserviceable cars of these carriers represented 56.7 percent of the total unservicable cars being held on March 1, 1959. Eastern district railroads had 29,410 cars, or 10.1 percent of total ownership, in bad-order condition on March 1; Allegheny district carriers had 74,089 cars or 22.1 percent bad order; Pocahontas district lines had 9,552 cars or 5.4 percent awaiting repair; southern district lines had 13,172 cars or 5 percent of ownership in unserviceable condition. Individual railroads are in worse shape, with bad-order cars on some lines as high as 25 percent of ownership.

CONTINUING DECLINE OF SERVICEABLE BOXCARS

All class I railroads in the western districts had a combined total of 31,647, or 4.8 percent of ownership, in unserviceable condition.

Most important to Oregon and the Pacific Northwest is the situation with respect to boxcars, which the lumber industry must have. The number of serviceable boxcars has declined 4 percent in a year. In 1958, the total number of boxcars awaiting repairs increased from 34,731 to 50,721, and the total ownership of boxcars declined from 736,442 to 722,732, leaving the boxcar fleet in worse shape than at any time in the past 10 years.

The Oregon economy is dependent upon a relatively small number of basic industries, principally agricultural and forest products. Both of these main industries require good boxcars for shipment of their products, and it is imperative to both that facilities for prompt shipment are available during the period when production is ready for shipment.

Periodic shortages of the freight cars needed by these industries have persisted for years. Last year, in the face of a nationwide recession and economic slowdown in Oregon, a shortage of freight cars developed, especially during the grain harvest season, when the same types of boxcars are needed for grain there and also in the Midwest and other grain-producing areas.

The upswing in the economy this year and a grain harvest which promises to be even larger than in 1958, demand a large number of boxcars to handle the increased production. The freight-car supply is less adequate than last year to handle this volume unless the number of bad-order cars is drastically reduced and a far larger number of new cars delivered than now seems probable.

THE NEED OF THE RAILROAD

The National Association of Shippers Advisory Boards has stated that in order to supply shipping requirements the railroads need—

First. To place a minimum of 10,000 new cars per month in service.

Second. To build up the fleet in the next 5 years to at least 2 million cars, while holding bad orders to 3 percent of the total ownership.

Some of the railroads have started car building programs and the western roads are attempting to improve the situation for western shippers. The Southern Pacific freight car fleet is about 26 percent boxcars with wide doors and they have 1,300 of these cars on order for 1959. They are taking delivery of 500 during April. They also have the lowest bad-order ratio in the United States. The Northern Pacific has 1,000 large sliding door boxcars in their building program and 800 50-foot plug-door cars are on order, these being the type of cars which are especially adaptable to shipments for Northwest grain, plywood or special kinds of lumber; but they will not be built until the second and third quarters of this year.

Nearly all the railroads serving the Pacific Northwest have stepped up maintenance of boxcars and started building programs but these programs will hardly be sufficient to forestall a freight car shortage in the next year.

THE SUPPLY COULD BE IMPROVED

In the meantime the freight car supply situation, especially for the Oregon lumber and plywood industries, could be improved by prompt return of western owned boxcars to the home lines. Some cars do receive special order treatment. Coal gondolas used in the Allegheny coalfields invariably are returned to the point of origin for special use.

It is just as important to the northwestern plywood industry to have double-door full capacity boxcars returned promptly to that area for use.

An increase in the per diem charges is suggested by many shippers and several railroads, particularly the western group, as an inducement for each railroad to contribute its fair share to the national freight-car supply. The ICC also recommends that legislation be enacted expressly giving the agency authority—

First. To assess penalty charges against railroads that unduly detain off-line cars in periods of tight supply; and,

Second. To assess higher per diem rates for use of off-line cars.

The eastern railroads have been harder pressed for working capital in recent years and have allowed their fleets to get into worse condition both as to number and condition of freight cars. Existing per diem charges have been and continue to be too low to provide any incentive for car ownership, and so long as this situation continues construction will be held to a minimum by many of the railroads.

Merely increasing the per diem charges will not solve all the problems of freight-car shortages and the related problems of the railroads, but making operation of off-line freight cars less profitable would provide greater incentive to car repair and ownership. The national freight-car supply would increase automatically through the operation of economic forces.

A BOXCAR SHORTAGE DAMAGES ECONOMY

It is of vital importance to the State of Oregon that all possible measures be taken immediately to end the freight-car shortage which now exists and which is rapidly assuming alarming proportions.

A severe car shortage this year will retard the economic recovery which is now so well underway. A severe boxcar shortage would inflict incalculable damage not only to the industries primarily affected but also to related areas of the economy. The impact will be felt in areas far removed from the Pacific Northwest. Failure to receive shipments will delay or preclude projects depending upon products from Oregon and her neighbors.

The urgency of this problem prompted me to meet recently with the chairman of the Interstate Commerce Commission, Kenneth H. Tuggle, and the ICC director of safety and service, Charles W. Taylor.

These gentlemen are aware of the existing problems. They are hopeful that the shortage will not be as bad as available statistics which I have just cited would indicate. However, they are proceeding as though the freight-car shortage is likely.

Let me tell you about the six points which these two gentlemen discussed with me.

WHAT THE ICC IS DOING

First. The Interstate Commerce Commission has instructed its 70 field force members to watch the unloading of the cars. These ICC representatives are instructed to hurry the cars on their way. The 60 safety men with the Commission are available to bolster the force. The facts of the existing picture were outlined to them when they met here in Washington not long ago.

Second. The Interstate Commerce Commission is pushing the railroads to repair their bad-order cars. I was told that as of April 1 there were 150,000 bad-order cars in a 700,000-car force. The ICC cannot force the railroads to repair the cars but it can order them to take these cars out of service.

Third. The ICC has drafted proposed legislation which would penalize railroads on a per diem basis in time of car shortage. This legislation has been introduced by the Honorable Oren Harris, chairman of the Interstate and Foreign Commerce Committee, and other members. I have introduced such legislation.

Chairman Tuggle informed me that while eastern roads do not have enough boxcars, western roads do not own enough open top cars. Obviously the blame is not centralized. He feels this pending legislation would help speed the return of cars not in use. Too often cars are idle as the railroads wait for loads. I believe the low penalty would not prevent this practice but I do believe that a penalty eventually will stimulate the railroads, prick them, if you will, into realizing that the penalty could be negated if more cars were built.

Fourth. The ICC is aware that the shipment of grain causes conflict with the shipment of lumber. Chairman Tuggle points out that the Commission could suspend existing regulations with the thought in mind of holding hearings throughout the country. The ICC does not feel that small railroads should pay

the same penalty the larger railroads pay.

Fifth. Chairman Tuggle believes that the slow routing of transit shippers causes great losses in car service. I doubt this and believe further facts should be considered. Chairman Tuggle says this is a rebate. He referred to the legal action taken by the ICC in Omaha, Nebr., to put a stop to the practice.

Sixth. ICC Chairman Tuggle feels that congressional hearings on the pending legislation would help resolve the existing dilemma. I agree.

COOPERATION IS NEEDED

A severe boxcar shortage or a slight boxcar shortage will affect this Nation's economy which just now has begun to climb out of a period of recession. Grain must be shipped. Timber must be shipped. These products and their distribution are vital blocks in the building of this Nation's economy.

The solution to the boxcar shortage does not come with one carrier holding back another carrier's cars. We need more boxcars and more cooperation. Higher penalties against boxcar pirates would tend to correct the situation.

The statistics I have cited today have been prepared by the Legislative Reference Service of the Library of Congress.

The impending shortage was of prime concern to the 1959 State Legislature of Oregon and was the subject of that group's Joint Memorial 8 which under unanimous consent I placed in the RECORD at the close of my remarks.

Under unanimous consent I also include with my remarks today a copy of an editorial relating to this problem which appeared in the May 12, 1959, issue of the Portland Oregonian.

The memorial and editorial follow:

ENROLLED HOUSE JOINT MEMORIAL 8

To His Excellency the Honorable Dwight D. Eisenhower, President of the United States; to the Honorable Senate and House of Representatives of the United States of America in Congress Assembled; and to the Interstate Commerce Commission:

We, your memorialists, the 50th Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent as follows:

"Whereas the Oregon economy is directly dependent upon a relatively small number of basic industries; and

"Whereas the agricultural and lumber products of our State are vital to the health, welfare, and defense of our country; and

"Whereas, due to circumstances beyond our control, the aforementioned industries have for years suffered from periodic railroad-car shortage; and

"Whereas the western railroads which serve this State have been and are building cars in larger numbers than are the eastern railroads; and

"Whereas the failure of eastern railroads to produce sufficient cars for their own needs stems from obvious financial difficulties; and

"Whereas this lack of cars leads the eastern railroads to delay return of western cars for extended periods of time; and

"Whereas the solution to this problem cannot be obtained locally, but lies in the hands of the Federal Government, the Interstate Commerce Commission, and the eastern railroads: Now, therefore, be it

"Resolved by the House of Representatives of the State of Oregon (the Senate jointly concurring therein), That the President of the United States, the Congress of the United States, and the Interstate Commerce Commission are hereby requested to take appropriate action to improve our national defense capabilities and the economic condition of our State by (1) assuring the return of rail cars to the railroad holding title thereto with the least practicable delay; (2) deferring action on any national legislation which would increase railroad cost of operation; and (3) making every reasonable effort to aid the railroads to develop a car-construction program of sufficient size to increase materially the national car supply; and be it further

"Resolved, That copies of this memorial be transmitted to the President of the United States, the Secretary of the U.S. Senate, the Clerk of the U.S. House of Representatives, to each member of the Oregon congressional delegation, and to the Interstate Commerce Commission."

Adopted by house April 17, 1959.

RUTH RENFROE,
Chief Clerk of House.
ROBERT B. DUNCAN,
Speaker of House.

Adopted by senate April 23, 1959.

WALTER J. PEARSON,
President of Senate.

[From the Portland Oregonian, May 12, 1959]

GIVE ICC THE POWER

There obviously is only one solution to the perennial freight car shortage which harasses lumber and grain shippers in the Northwest: More cars. Persuading the railroads to build new ones, or to go to the expense of repairing "bad order" cars, presently is difficult because of the low $2.75 per diem rate at which a railroad can make use of freight cars owned by another road. Since the earning power of a car per day is much larger than this small sum, some railroads have found it advantageous to rent the cars of others rather than contribut their own fair share to the national car supply.

Two bills introduced by Senator WARREN G. MAGNUSON of Washington at the request of the Interstate Commerce Commission would do much to remedy this situation. Senate bills 1811 and 1812 would require the ICC to set per diem rates high enough to act as an incentive to railroads to construct and maintain an adequate fleet of cars, and affirm the ICC's power (upset by a 1947 court decision) to assess special charges against a car-deficient carrier, payable to the owning carrier, in addition to per diem payments for car rental.

It is difficult for the ordinary citizen or shipper to identify the real villians in the piece. The public relations departments of all the railroads loudly proclaim the virtue of their employers in the matter of freight car supply. But the fact remains that there aren't enough. The ICC is the one agency that can establish the blame, and it should have the power to take appropriate action.

NONDISCRIMINATORY AMENDMENT

The SPEAKER. Under previous order of the House, the gentleman from California [Mr. KASEM] is recognized for 5 minutes.

Mr. KASEM. Mr. Speaker, as the Speaker well knows, I am a new Member and I am not learned in the art of parliamentary tactics and strategy, and for this reason I seek to be counseled in reference to certain events that I have observed during consideration of the housing legislation.

I observed that when the gentleman from New York [Mr. POWELL] introduced his amendment, in which he sought to require a written guarantee on nondiscrimination, and he offered that amendment to the so-called Herlong bill, the Members on the minority side of the aisle overwhelmingly, I think with five exceptions, voted against that nondiscrimination amendment.

When we were considering the committee bill today, the Members on the minority side of the House, with the exception of, I believe, four Members, supported such an amendment.

Am I to conclude, Mr. Speaker, that during the night the minority members had a revelation or a great change of heart in their attitude in this regard, or am I to conclude, Mr. Speaker, that the minority Members sought to exploit a great racial problem, a great social problem, in order to defeat the vital legislation that was contained in the housing bill?

Mr. Speaker, I think I know the answer. I do not think there was a great revelation.

I do not think that there was a great change of heart. Mr. Speaker, in my innocence I feel that the RECORD should show to what extremes the minority will go in order to defeat the majority's wish or the will of the Congress, so to speak. They have here sought to burden a piece of vital legislation with a remotely related issue upon which they know that the majority is seriously divided in order to defeat legislation on which the people's majority was not seriously divided.

Mr. BYRNES of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. KASEM. I yield to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. If the gentleman is seeking information, I would like to suggest one place where the gentleman might get information. The gentleman from New York [Mr. POWELL], who, during the consideration of the Herlong bill offered an amendment, said that he was also going to offer it to the committee bill. But, there must have been a change of heart by the gentleman from New York [Mr. POWELL] because that was not offered. Also I might suggest to the gentleman that the amendment the gentleman from New York [Mr. POWELL] offered was to all phases of the bill, whether it be FHA financing, private financing, housing, or what have you, whereas the amendment proposed by the gentleman from California on this side of the aisle related to the matter of public housing. The gentleman well knows, or at least we should go to the extent of saying that when the Government builds housing there should be no discrimination. The chairman of the committee pointed out during the debate on the Powell amendment the impossibility of administering it. There is no such question of impossibility of administering the amendment offered by the gentleman from California. The gentleman's inquiry may be proper, but I suggest there are other proper answers

to it, and I also suggest that many Members on the gentleman's side of the aisle who supported the Powell amendment when it was offered to the Herlong bill but opposed it to a man when offered to the bill reported by the committee. That might call for an explanation.

The SPEAKER. The time of the gentleman from California has expired.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. KASEM] may proceed for 2 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. KASEM. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The very remarks of the gentleman from Wisconsin, who is one of the leaders of the Republican Party, show a guilty conscience. The gentleman from California [Mr. KASEM] in making his maiden speech in this House, has certainly made a penetrating one to cause the distinguished and experienced gentleman from Wisconsin, the chairman of the Republican Policy Committee, to rise with such indignation. The very fact that the Republican Party, as admitted by the gentleman from Wisconsin, confined the amendment to public housing shows political insincerity. The gentleman from California has exposed the marked political inconsistency of the Republican Party, and the remarks of the gentleman from Wisconsin are a complete confirmation of the position taken by the gentleman from California, and show that the gentleman from Wisconsin, speaking for the Republican Party, as he is now, is guilty of a guilty conscience.

Mr. BYRNES of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. KASEM. I do not know that we have any more time. I think the gentleman from Massachusetts has eloquently concluded. However, I yield.

Mr. BYRNES of Wisconsin. The gentleman from Massachusetts, the majority leader, a Democrat, I imagine can explain to us how it happened that the membership, although it supported the Powell amendment when proposed to the Herlong substitute, opposed that amendment to a man when offered to the bill reported by the committee.

Mr. McCORMACK. The gentleman from Wisconsin is not deceiving anybody. He is not kidding anybody.

Mr. BYRNES of Wisconsin. I do not think the gentleman from Massachusetts is, either.

Mr. McCORMACK. Everybody knows he voted against it at one stage in the Herlong bill and then he voted for it in the committee bill, and then if it was going to be adopted he was going to offer a motion to recommit and the minority was not going to have it included. The gentleman from New York [Mr. POWELL] acted wisely and constructively and as a statesman, and he was not going to be a decoy for political deception of the Republican Party.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. STRATTON, from May 25 to June 5, on account of active Naval Reserve duty.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PATMAN, for 15 minutes, today.

Mr. KASEM, for 5 minutes, today.

Mr. COLLIER (at the request of Mr. MICHEL), for 15 minutes, on Tuesday, May 26.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. MARSHALL and to include extraneous matter.

Mr. MAGNUSON and to include extraneous matter.

Mr. OLIVER and to include extraneous matter.

Mr. HOSMER.

Mr. RAINS to revise and extend remarks he made in Committee of the Whole and to include extraneous matter.

Mr. RIVERS of Alaska and to include extraneous matter.

Mr. RABAUT and include extraneous matter.

Mr. PUCINSKI and include extraneous matter.

Mr. JENNINGS (at the request of Mr. MCCORMACK) and include extraneous matter.

Mr. COLLIER.

Mr. ALGER (at the request of Mr. MICHEL), to revise remarks he made in the Committee of the Whole in two instances and in each include extraneous material.

(At the request of Mr. MICHEL, and to include extraneous matter, the following:)

Mr. MASON.

Mr. CAHILL.

Mr. KEARNS.

(At the request of Mr. KASEM, and to include extraneous matter, the following:)

Mr. ANFUSO.

SENATE BILLS, JOINT RESOLUTIONS, AND CONCURRENT RESOLUTIONS REFERRED

Bills, a joint resolution, and concurrent resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 32. An act for the relief of Uwe-Thorsten Scobel; to the Committee on the Judiciary.

S. 42. An act to authorize the utilization of a limited amount of storage space in Table Rock Reservoir for the purpose of water supply for a fish hatchery; to the Committee on Public Works.

S. 56. An act to amend the act of August 5, 1954 (68 Stat. 674), and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 190. An act for the relief of Melanie Hoffmann; to the Committee on the Judiciary.

S. 298. An act for the relief of John Macy; to the Committee on the Judiciary.

S. 300. An act to amend the act of August 28, 1958, establishing a study commission for certain river basins, so as to provide for the appointment to such commission of separate representatives for the Guadalupe and San Antonio River Basins, and of a representative of the Texas Board of Water Engineers; to the Committee on Public Works.

S. 317. An act for the relief of Tatsuo Kochi; to the Committee on the Judiciary.

S. 463. An act for the relief of Stanislaw (Stanislaus) Napora; to the Committee on the Judiciary.

S. 510. An act for the relief of Peter R. Muller; to the Committee on the Judiciary.

S. 554. An act for the relief of Argyrios G. Georgandopoulos; to the Committee on the Judiciary.

S. 604. An act for the relief of Christos Kartsonis; to the Committee on the Judiciary.

S. 621. An act for the relief of George A. Zizicas; to the Committee on the Judiciary.

S. 685. An act to exempt from all taxation certain property of the Association for Childhood Education International in the District of Columbia; to the Committee on the District of Columbia.

S. 687. An act for the relief of Aram Fayda and his wife, Elena Fayda; to the Committee on the Judiciary.

S. 707. An act for the relief of Demetrios Pappathakis; to the Committee on the Judiciary.

S. 755. An act for the relief of Siglinde Jinzinger Maxwell; to the Committee on the Judiciary.

S. 756. An act for the relief of Antonella Gambino; to the Committee on the Judiciary.

S. 770. An act for the relief of Feiga Altmann Rock; to the Committee on the Judiciary.

S. 846. An act to provide that the lock and dam referred to as the Cannelton lock and dam, near Cannelton, Ind., on the Ohio River, shall hereafter be known and designated as the George Ewing lock and dam; to the Committee on Public Works.

S. 855. An act for the relief of Saeko Higa and Masako Higa; to the Committee on the Judiciary.

E. 866. An act to amend the act entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1911, and for other purposes", approved May 18, 1910; to the Committee on the District of Columbia.

S. 895. An act to provide for the representation of indigent defendants in criminal cases in the district courts of the United States; to the Committee on the Judiciary.

S. 896. An act for the relief of Anthony Elio Monacelli; to the Committee on the Judiciary.

S. 962. An act authorizing the improvement of the channel to Port Mansfield, Tex., in the interest of navigation and other purposes; to the Committee on Public Works.

S. 967. An act for the relief of Lea Levi; to the Committee on the Judiciary.

S. 1037. An act for the relief of Jessie Isobel Foster; to the Committee on the Judiciary.

S. 1042. An act for the relief of Stephanos Tsoukalas; to the Committee on the Judiciary.

S. 1073. An act for the relief of Su-Ming Tseng; to the Committee on the Judiciary.

S. 1109. An act for the relief of Efthimios Chonacas; to the Committee on the Judiciary.

S. 1128. An act for the relief of Jurij Antin Nimylowycz; to the Committee on the Judiciary.

S. 1159. An act to facilitate the acquisition of real property under the District of Columbia Alley Dwelling Act; to the Committee on the District of Columbia.

S. 1164. An act to authorize the appointment of a commissioner for Grand Canyon National Park, Ariz.; to the Committee on the Judiciary.

S. 1192. An act for the relief of Angela Maria Staia Labellarte, to the Committee on the Judiciary.

S. 1234. An act to extend the provisions of title XII of the Merchant Marine Act, 1936, relating to war risk insurance, for an additional 5 years, ending September 7, 1965; to the Committee on Merchant Marine and Fisheries.

S. 1291. An act for the relief of Marko Klapan; to the Committee on the Judiciary.

S. 1370. An act to amend section 13 of the District of Columbia Redevelopment Act of 1945, as amended; to the Committee on the District of Columbia.

S. 1632. An act authorizing the modification of the existing project for Kahului Harbor, island of Maui, T.H.; to the Committee on Public Works.

S. 1643. An act to amend section 2412(b), title 28, United States Code, with respect to the taxation of costs; to the Committee on the Judiciary.

S. 1877. An act to amend the act of May 26, 1949, as amended, to strengthen and improve the organization of the Department of State, and for other purposes; to the Committee on Foreign Affairs.

S. 1887. An act for the relief of Alice V. Tenley; to the Committee on the Judiciary.

S.J. Res. 41. Joint resolution to establish a National Institute for International Health and Medical Research, to provide for international cooperation in health research, research training, and research planning, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. Con. Res. 23. Concurrent resolution authorizing participation in the Strasbourg Conference; to the Committee on Foreign Affairs.

S. Con. Res. 30. Concurrent resolution withdrawing suspension of deportation in the case of Eduardo Pires; to the Committee on the Judiciary.

S. Con. Res. 31. Concurrent resolution withdrawing suspension of deportation in the case of Eva Garcia de Zepeda; to the Committee on the Judiciary.

S. Con. Res. 32. Concurrent resolution withdrawing suspension of deportation in the case of Jose Poblet; to the Committee on the Judiciary.

S. Con. Res. 33. Concurrent resolution favoring suspension of deportation in the cases of certain aliens; to the Committee on the Judiciary.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 147. An act to suspend temporarily the tax on the processing of palm oil, palmkernel oil, and fatty acids, salts, and combinations or mixtures thereof;

H.R. 3248. An act to provide for the payment of just compensation to certain claimants for the taking by the United States of private fishery rights in Pearl Harbor, Island of Oahu, Territory of Hawaii;

H.R. 3681. An act to provide for the free entry of certain chapel bells imported for the use of the Abelard Reynolds School No. 42, Rochester, N.Y.;

H.R. 4282. An act to supplement and modify the act of May 24, 1828 (6 Stat. 383, ch. CXII), insofar as it relates to the corporate powers of the Sisters of the Visitation, of Georgetown, in the District of Columbia;

H.R. 4597. An act to provide for the training of postmasters under the Government Employees Training Act;

H.R. 4599. An act to provide certain administrative authorities for the National Security Agency, and for other purposes; and

H.R. 4695. An act to amend section 108(a) of title 23 of the United States Code to increase the period in which actual construction shall commence on rights-of-way acquired in anticipation of such construction from 5 years to 7 years, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H.R. 147. An act to suspend temporarily the tax on the processing of palm oil, palmkernel oil, and fatty acids, salts, and combinations and mixtures thereof;

H.R. 3248. An act to provide for the payment of just compensation to certain claimants for the taking by the United States of private fishery rights in Pearl Harbor, Island of Oahu; Territory of Hawaii;

H.R. 4282. An act to supplement and modify the act of May 24, 1828 (6 Stat. ch. CXII), insofar as it relates to the corporate powers of the Sisters of the Visitation, of Georgetown, in the District of Columbia;

H.R. 4597. An act to provide for the training of postmasters under the Government Employees Training Act;

H.R. 4599. An act to provide certain administrative authorities for the National Security Agency, and for other purposes; and

H.R. 4695. An act to amend section 108(a) of title 23 of the United States Code to increase the period in which construction shall commence on rights-of-way acquired in anticipation of such construction from 5 years to 7 years, and for other purposes.

ADJOURNMENT

Mr. KASEM. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 49 minutes p.m.), under its previous order, the House adjourned until Monday, May 25, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

1013. Under clause 2 of rule XXIV, a letter from the Assistant Secretary of Agriculture, transmitting the report for March 1959 of the General Sales Manager, concerning the policies, activities, and developments, with regard to each commodity which the Commodity Credit Corporation owns or which it is directed to support, was taken from the Speaker's table and referred to the Committee on Appropriations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. THOMPSON of New Jersey: Joint Committee on the Disposition of Executive Papers. House Report No. 371. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. BURLESON: Committee on House Administration. H.R. 6435. A bill to amend section 105 of the Legislative Appropriation Act, 1955, with respect to the disposition upon the death of a Member of the House of Representatives of amounts held for him in the trust fund account in the office of the Sergeant at Arms, and of other amounts due such Member; with amendment (Rept. No. 372). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 3735. A bill to make the Policemen and Firemen's Retirement and Disability Act Amendments of 1957 applicable to retired former members of the Metropolitan Police force, the Fire Department of the District of Columbia, the U.S. Park Police force, the White House Police force, and the U.S. Secret Service; and to their widows, widowers, and children; with amendment (Rept. No. 373). Referred to the Committee of the Whole House on the State of the Union.

Mr. FRIEDEL: Committee on House Administration. House Resolution 270. Resolution providing for an additional assistant in the Office of the Attending Physician; without amendment (Rept. No. 374). Ordered to be printed.

Mr. FRIEDEL: Committee on House Administration. House Resolution 271. Resolution specifying salary rates for various House employees; without amendment (Rept. No. 375). Ordered to be printed.

Mr. ROONEY: Committee on Appropriations. H.R. 7343. A bill making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1960, and for other purposes; without amendment (Rept. No. 376). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HARRISON:

H.R. 7313. A bill to exempt from the excise tax on general telephone service certain leased wires used by common carriers or communications companies in their trade or business; to the Committee on Ways and Means.

By Mr. ANFUSO:

H.R. 7314. A bill to provide for the issuance of a special postage stamp, of the freedom fighter series, in honor of the memory of Giuseppe Garibaldi; to the Committee on Post Office and Civil Service.

By Mr. COLLIER:

H.R. 7315. A bill to amend the Passport Act of July 3, 1926, to authorize certain restrictions and limitations with respect to the issuance and validity of passports; to the Committee on Foreign Affairs.

By Mr. DEROUNIAN:

H.R. 7316. A bill to amend section 209 of the Highway Revenue Act of 1956 to provide for an apportionment of not less than $1,400 million annually for the National System of Interstate and Defense Highways; to the Committee on Ways and Means.

By Mr. FISHER:

H.R. 7317. A bill to provide greater protection against the introduction and dissemination of diseases of livestock and poultry, and for other purposes; to the Committee on Agriculture.

By Mr. HIESTAND:

H.R. 7318. A bill to amend section 304 of the Tariff Act of 1930 to require that all cast iron soil pipe and fittings imported into the United States be marked with the name of the country of its origin; to the Committee on Ways and Means.

By Mr. McINTIRE:

H.R. 7319. A bill to extend section 17 of the Bankhead-Jones Farm Tenant Act for 2 years; to the Committee on Agriculture.

H.R. 7320. A bill to authorize the Secretary of Agriculture to grant easements for rights-of-way over national forest lands and other lands under the jurisdiction of the Department of Agriculture, and for other purposes; to the Committee on Agriculture.

By Mr. MATTHEWS:

H.R. 7321. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

H.R. 7322. A bill to equalize the pay of retired members of the uniformed services; to the Committee on Armed Services.

By Mr. PELLY:

H.R. 7323. A bill to provide for the payment of bounties on dogfish sharks to control the depredations of this species on the fisheries of the United States; to the Committee on Merchant Marine and Fisheries.

By Mr. RAY:

H.R. 7324. A bill to provide credit for sick leave in automatic separation cases under the Civil Service Retirement Act; to the Committee on Post Office and Civil Service.

By Mr. RIVERS of South Carolina:

H.R. 7325. A bill to amend title 10, United States Code, with respect to Reserve commissioned officers of the Armed Forces; to the Committee on Armed Services.

By Mr. SCHERER:

H.R. 7326. A bill to amend Public Law 843, 80th Congress, as amended by Public Law 477, 85th Congress; to the Committee on Foreign Affairs.

By Mr. STRATTON:

H.R. 7327. A bill to amend the act of June 22, 1936, relative to flood control, and for other purposes; to the Committee on Public Works.

By Mr. TAYLOR:

H.R. 7328. A bill to amend section 209 of the Highway Revenue Act of 1956 to provide for an apportionment of not less than $1,400 million annually for the National System of Interstate and Defense Highways; to the Committee on Ways and Means.

By Mr. DANIELS:

H.R. 7329. A bill to provide for Federal grants and contracts to carry out projects with respect to techniques and practices for the prevention, diminution, and control of juvenile delinquency; to the Committee on Education and Labor.

By Mr. GIAIMO:

H.R. 7330. A bill to provide for Federal grants and contracts to carry out projects with respect to techniques and practices for the prevention, diminution, and control of juvenile delinquency; to the Committee on Education and Labor.

By Mr. HOFFMAN of Michigan:

H.R. 7331. A bill to protect trade and commerce against unreasonable restraints by labor organizations; to the Committee on the Judiciary.

H.R. 7332. A bill to amend the National Labor Relations Act, as amended; to the Committee on Education and Labor.

By Mr. LAFORE:

H.R. 7333. A bill to provide for Federal grants and contracts to carry out projects with respect to techniques and practices for the prevention, diminution, and control of juvenile delinquency; to the Committee on Education and Labor.

By Mr. COAD:

H.R. 7334. A bill to amend title 38, United States Code, to provide pension at the monthly rate of $100 for veterans of World War I, and to increase the pension paid to widows of veterans of World War I by $25 monthly; to increase the income limitations applicable to the payment of such pensions; and for other purposes; to the Committee on Veterans' Affairs.

By Mr. ELLIOTT:

H.R. 7335. A bill to provide for Federal grants and contracts to carry out projects with respect to techniques and practices for the prevention, diminution, and control of juvenile delinquency; to the Committee on Education and Labor.

By Mr. KOWALSKI:

H.R. 7336. A bill to amend title III of the act of March 3, 1933, so as to prevent injury to domestic industries resulting from purchases of certain imported articles, materials, and supplies by the Federal Government; to the Committee on Public Works.

By Mr. LANE:

H.R. 7337. A bill to provide a method for regulating and fixing wage rates for employees of Portsmouth, N.H., Naval Shipyard; to the Committee on Armed Services.

By Mr. MOORE:

H.R. 7338. A bill to repeal the tax on transportation of persons; to the Committee on Ways and Means.

By Mrs. PFOST:

H.R. 7339. A bill to authorize the use of funds arising from a judgment in favor of the Coeur d'Alene Tribe, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. RODINO:

H.R. 7340. A bill to provide for the issuance of a special postage stamp, of the freedom fighter series, in honor of the memory of Giuseppe Garibaldi; to the Committee on Post Office and Civil Service.

By Mr. WAINWRIGHT:

H.R. 7341. A bill to amend section 209 of the Highway Revenue Act of 1956 to provide for an apportionment of not less than $1,400 million annually for the National System of Interstate and Defense Highways; to the Committee on Ways and Means.

By Mr. BOYLE:

H.R. 7342. A bill to provide for the issuance of a national health research stamp for the support of the National Institutes of Health; to the Committee on Post Office and Civil Service.

By Mr. ROONEY:

H.R. 7343. A bill making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1960, and for other purposes.

By Mr. WALTER:

H.J. Res. 397. Joint resolution to enable the United States to participate in the resettlement of certain refugees; to the Committee on the Judiciary.

By Mr. ASPINALL:

H. Con. Res. 177. Concurrent resolution declaring the sense of Congress on the depressed domestic mining and mineral industries affecting public and other land; to the Committee on Interior and Insular Affairs.

By Mr. BARING:

H. Con. Res. 178. Concurrent resolution declaring the sense of Congress on the depressed domestic mining and mineral industries affecting public and other lands; to the Committee on Interior and Insular Affairs.

By Mr. EDMONDSON:

H. Con. Res. 179. Concurrent resolution declaring the sense of Congress on the depressed domestic mining and mineral industries affecting public and other lands; to the Committee on Interior and Insular Affairs.

By Mrs. PFOST:

H. Con. Res. 180. Concurrent resolution declaring the sense of Congress on the depressed domestic mining and mineral industries affecting public and other lands; to the Committee on Interior and Insular Affairs.

By Mr. POWELL:

H. Con. Res. 181. Concurrent resolution declaring the sense of Congress on the depressed domestic mining and mineral industries affecting public and other lands; to the Committee on Interior and Insular Affairs.

By Mr. ROGERS of Texas:

H. Con. Res. 182. Concurrent resolution declaring the sense of Congress on the depressed domestic mining and mineral industries affecting public and other lands; to the Committee on Interior and Insular Affairs.

By Mr. SAYLOR:

H. Con. Res. 183. Concurrent resolution declaring the sense of Congress on the depressed domestic mining and mineral industries affecting public and other lands; to the Committee on Interior and Insular Affairs.

By Mr. ULLMAN:

H. Con. Res. 184. Concurrent resolution declaring the sense of Congress on the depressed domestic mining and mineral industries affecting public and other lands; to the Committee on Interior and Insular Affairs.

By Mr. FINO (by request):

H. Res. 272. Resolution requesting the President of the United States to propose to the United Nations an amendment to the Charter of the United Nations relative to the right to wage aggressive war; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. EVINS:

H.R. 7344. A bill for the relief of Resa Ordoubadian; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 7345. A bill for the relief of William F. McCauley; to the Committee on the Judiciary.

H.R. 7346. A bill for the relief of George K. Lee, Sophie Lee, and Mary Lee; to the Committee on the Judiciary.

By Mr. HERLONG:

H.R. 7347. A bill for the relief of Mrs. Evelyn Joyce (Miller) Disney and her son, Christopher Michael Basil Disney; to the Committee on the Judiciary.

By Mr. SMITH of Iowa:

H.R. 7348. A bill conferring jurisdiction upon the U.S. District Court for the Southern District of Iowa to hear, determine, and render judgment on the claims of William R. Hartung against the United States; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

193. By Mr. BETTS: Petition of the Ohio Department, Reserve Officers Association of the United States, supporting the leadership of J. Edgar Hoover and the entire agencies of the Federal Bureau of Investigation in defense activities; to the Committee on the Judiciary.

194. By the SPEAKER: Petition of Marcia C. J. Matthews, president, The Legion for the Survival of Freedom, Inc., McAllen, Tex., petitioning consideration of their resolution with reference to transmitting a resolution in the defense of American freedom; to the Committee on Foreign Affairs.

EXTENSIONS OF REMARKS

Address by Senator Humphrey Prepared for Delivery to the California Legislature

EXTENSION OF REMARKS
OF
HON. CLAIR ENGLE
OF CALIFORNIA
IN THE SENATE OF THE UNITED STATES
Thursday, May 21, 1959

Mr. ENGLE. Mr. President, the California Legislature extended to our colleague, the Senator from Minnesota [Mr. HUMPHREY] an invitation to address its membership on Friday, April 24, 1959. His speech was keenly awaited, and it was with genuine disappointment that the legislators received word that Senator HUMPHREY could not appear before them because of his hasty return to Washington for the Senate debate on the labor bill.

Senator HUMPHREY'S remarks prepared for that occasion are a salute to our growing State, and call attention to California's increasing importance in the American scene. I believe that his text will interest Members of Congress and other readers of the RECORD, and I ask unanimous consent to have it printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS PREPARED FOR DELIVERY TO THE CALIFORNIA LEGISLATURE BY SENATOR HUBERT H. HUMPHREY, SACRAMENTO, APRIL 24

It is a pleasure to return to California.

Actually I—along with thousands of other Democrats—have plans to be out here in July, 1960—in Los Angeles, to be specific. But I find the magnetism of California irresistible, and, like many other Minnesotans who have been drawn to your State, I decided not to wait.

It is one of the greatest honors of my public life to appear before the California Legislature, and I am deeply grateful for your invitation.

As a fellow legislator, I can well appreciate the tremendous problems that face a legislative body in a dynamic and fast-growing State. Representative government finds its heart in legislatures, which most directly represent the people.

You and I know that the process of legislation is one of the most delicate and difficult in the art of government.

I am tremendously impressed, as are many millions of Americans, by the magnificent record Governor Brown has established in his first few months in office. He has faced up to what is obviously a serious fiscal problem, and with your cooperation and counsel, I am sure that together you will solve it. Surely Governor Brown will rank among the great Governors of the Golden State.

And I enthusiastically acknowledge to you here today, again in common with many, many Americans, that the roster of great Governors of California—indeed, of great American leaders—carries the name of the present Chief Justice of the United States, the Honorable Earl Warren.

You have given us many fine leaders and public servants in both political parties. We in the Senate welcome your capable and energetic new junior Senator, CLAIR ENGLE, whose previous congressional experience has been recognized in his assignment to two major committees so vital to California's future—the Senate Committee on Armed Services and the Committee on Interstate and Foreign Commerce.

I might add, in a nonpartisan spirit, that I was pleased that our Republican colleagues have honored one of your former members, Senator THOMAS KUCHEL, by making him assistant Republican leader in the U.S. Senate.

It has been my good fortune within the past few days to visit the States of Washington and Oregon. Very soon I shall stop off in Utah and Wyoming on my way back to Washington, D.C. But no trip to the West is complete—does not even begin, some might say—until one visits California.

To me California symbolizes America's future, her greatest hopes.

For California is a social cross section of the Nation. Here are gathered peoples of all races, religions, and origins, living together with a remarkable absence of strife or friction.

You have marked geographic diversity in your State—towering mountains and flat, fertile valleys; lakes and deserts.

You even have a North and a South, but happily you exhibit—to the visitor at least—no sign of civil war.

California's way of life is an example to the rest of America. Indeed the strength, vigor, and pioneering spirit which it represents is the answer to the repressiveness and deadness of spirit of the Soviet Union.

The answer to the Russian Bear is the Golden Bear of California.

You here in the West—and particularly in California—have cared about and mastered the problems of living with other people, respecting their opinions and traditions, fostering and taking pride in the diversity of your people. For this, you deserve the respect of the Nation and of the world. This is America at her finest.

Symbolic of this is the passage by this legislature, under the leadership of Governor Brown, of a measure to assure equal opportunity in employment for every person, be he rich or poor, black or white, Catholic, Protestant, or Jew. For this effort, I salute both you and Governor Brown.

I respect and admire your vitality and your eagerness to meet and solve problems. You seem unhampered by convention or shibboleth or by the doubters who so facilely catalog the obstacles but seem incapable of devising the answers.

To me the doubters hold sway altogether too much in America today. Their appeal is to the timid and the cautious in us, not to the venturesome or the daring.

This Nation and this State face new problems, big and difficult problems very different from those we overcame in the past.

These problems will not be solved without looking ahead, without planning for the future.

For everyone except the Federal Government, planning is considered a virtue.

Parents plan for the education and security of their children.

Businessmen look ahead to plan new expansion, new products, to anticipate new conditions.

More and more localities have their planning commissions and staffs.

But at that point, the logic of planning seems, to many people, to come to an abrupt stop. Planning by the Federal Government seems tantamount to original sin. The same is true, to a degree, of planning by the States.

We will yield to such thinking only at our peril and to our future regret. For problems of the future will not solve themselves.

But I have faith in America's ability to solve them—and particularly in California's capacity to meet them.

For the spirit of California is still one of enterprise, of pioneering. Your continued growth is inevitable. Your material success is assured.

But I raise this question with you: How will you grow? How will America grow?

We can build the material things. Given proper leadership, we can reach levels of adequate housing for all, enough school buildings to house all our children, maximum development of natural resource potentials. Science and technology inevitably will make greater inroads on disease and untimely death, hunger, and intolerable living conditions. These will eventually be conquered through physical changes in the material conditions of life.

If we live in the grandest houses and attend the most modern schools, but still have not learned to live with each other, to respect differences of opinion, to honor intellectual attainments, we have built upon sand and not rock.

I speak, in short, for building on the inner qualities of our people—those qualities of mind and spirit that encourage man to live at peace and in harmony with himself and his brothers.

There is much unfinished business to take care of in this country. As we go about it, new issues will arise. The human enterprise never finally solves its problems, so long as it remains a going concern. Progress involves not merely the solution of old problems, but the discovery of new ones.

But even if we solved all our domestic problems, our troubles as a nation would not be over. The paradise of our domestic security, as a noted theologian, Reinhold Neibuhr, recently said, would still be suspended in a hell of global insecurity.

So, as we strive to put our house in order, let us not forget our neighbors in other lands. Our material accomplishments must not become ends in themselves, but the means to achieve the ideals we share with peoples elsewhere. Our goal must always be to bolster the faith of peoples everywhere in free institutions and the democratic way of life.

True Champions

EXTENSION OF REMARKS
OF
HON. WILLIAM T. CAHILL
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 21, 1959

Mr. CAHILL. Mr. Speaker, I am happy to announce to the House that today members of the 1929 championship basketball team of Camden Catholic High School, Camden, N.J., are attending a reunion in Washington in celebration of their 30th anniversary.

These men have been fast friends throughout the years—all reside in the same general area of New Jersey where they lived during their high schools days and all are contributing to the general well-being of their community, State, and Nation by taking a real interest in community, State, and national affairs.

This group has maintained throughout the years a vital interest in their

alma mater and played a dominant role in the reestablishment of the athletic program at their high school in 1946 which has brought not only credit to the school but inestimable benefits to the students and the community at large.

The members are accompanied by three men who helped guide them in their youth and have been their warm personal friends during manhood. These men are Rev. Paul N. Fairbrother, formerly athletic director at Camden Catholic and presently pastor of St. Patrick's Church, Woodbury, N.J.; Elmer "Al" Hertzler, former basketball coach and now associated with the Army Engineers here in Washington, and Thomas Ryan, former baseball coach and now sports editor of the Camden Courier of Camden, N.J.

The members of the 1929 team, most of whom have joined in this reunion, are William "Pat" O'Brien, Wallace "Bud" Sheehan, Rev. Peter N. Budniak, Matthew Slapkowski, John Flood, Lawrence Crevey, John Bach, Joseph Lloyd, Joseph Sascovitz, J. Edward McGowan, Charles Woods, and William "Reds" O'Brien. The team managers were James Campbell and Harry Kelleher.

All of these men have, by their accomplishments in their respective fields of endeavor, been a credit to their school and community and have by their friendship and loyalty to each other through the years, demonstrated the great spirit and teamplay that carried them to championship heights in 1929.

Of such stuff is America built.

Section 318 Amendment Is Not Necessary for VHF Translators

EXTENSION OF REMARKS
OF
HON. DON MAGNUSON
IN THE HOUSE OF REPRESENTATIVES
OF WASHINGTON
Thursday, May 21, 1959

Mr. MAGNUSON. Mr. Speaker, on April 13 the Federal Communications Commission announced that it would proceed with the licensing of VHF television translator facilities, to enable many isolated communities throughout the country to receive satisfactory television at a reasonable cost, provided the Congress enacts two amendments to the Communications Act of 1934.

I wish to commend the Commission for taking, at long last, what appears generally to be a sensible approach to this problem.

By requesting amendments to the Communications Act, the Commission has tossed the ball to Congress, and I hope that Congress speedily will enact such statutory amendments as are necessary to permit the Commission to proceed.

The first amendment requested by the Commission would amend section 319 of the Communications Act of 1934. That section now prohibits the Commission from granting licenses to any facility which was constructed without first receiving a construction permit from the Commission. Without such an amendment, the Commission could not license the many hundred VHF translator facilities now in operation in most of the Western States.

The proposed amendment to section 319 is embodied in section 2 of H.R. 6471, a bill introduced by the chairman of the House Committee on Interstate and Foreign Commerce. I fully support this amendment and hope that it is enacted well before the adjournment of the 1st session of the 86th Congress.

The second amendment requested by the Federal Communications Commission applies to section 318 of the Communications Act. The language of the proposed amendment, as drafted by the Commission, is embodied in section 1 of H.R. 6471. I do not feel that this proposed amendment is necessary or desirable; in the proposed form it clearly is irrelevant to the VHF translator problem and goes far beyond it.

My views on the proposed amendment to section 318 are supported, I feel, by a recent exchange of correspondence I have had with the Federal Communications Commission. So that my colleagues in the House may be more fully informed on this issue I have set forth below my letter to the Commission of April 27 and the Commisson's reply of May 6:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., April 27, 1959.

Mr. JOHN C. DOERFER,,
Chairman, Federal Communications Commission, New Post Office Building, Washington, D.C.

DEAR MR. DOERFER: I wish to take this opportunity to commend you and the other members of the Federal Communications Commission for your decision of April 13 to proceed with the licensing of VHF television translator stations upon the enactment by Congress of technical changes in the Communications Act of 1934.

From my reading of the public notice issued on April 14, I feel the Commission has taken a generally sensible approach to this somewhat difficult problem.

You certainly may count on my support in the House of Representatives for enactment of the requested amendment to section 319 of the Communications Act. As a matter of fact, a similar proposal was included as section 2 of my bill, H.R. 3737, which I introduced on January 29, 1959.

I am somewhat puzzled, however, by your request for an amendment to section 318 of the Communications Act. In that connection, I have two specific questions which I should appreciate having your answers to.

First, I should like to know why you feel that any amendment to section 318 is necessary. From what I can learn from reading your public notice and from talking with members of the staff, it is my understanding that you contemplate requirements for the operation of VHF translator stations which are essentially similar to your requirements for operation of UHF translators. The UHF translator rules were issued almost 3 years ago and under those regulations, I believe some 200 licenses have now been granted. If an amendment to section 318 was not necessary in the case of the UHF translators, it is difficult for me to understand why an amendment is necessary before VHF translator rules can be issued.

Second, assuming that some logical justification exists for amending section 318 at all, I should like to ask if it is not true that the amendment you have proposed to Congress is considerably broader than is necessary to accommodate the proposed VHF translator operations. I have examined H.R. 6471 and S. 1741 which embody your proposed amendment. These bills, if enacted, would empower the Commission at its discretion to waive the statutory operator requirements for all broadcast stations. By waiving the existing statutory requirements for all broadcast stations, the proposed language goes far beyond the announced intention of achieving a technical amendment supposedly necessary to accommodate just the tiny VHF translators. In view of this, I should like to know if the Commisison would have any objection to confining the proposed amendment solely to the operation of VHF translator stations.

Sincerely yours,

DON MAGNUSON,
Member of Congress.

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D.C., May 6, 1959.

Hon. DON MAGNUSON,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN MAGNUSON: Your letter of April 27, 1959, addressed to our chairman, John C. Doerfer, arrived during his absence from the city on official business.

We appreciate your commendation and support for the proposed amendments to sections 318 and 319 of our act in connection with extending VHF television service (47 U.S.C. 318, 319).

The Commission felt that it could appropriately authorize translator stations and probably also the booster stations without having an operator on duty, but that it would be advisable to remove any possible doubt on this point by appropriately amending section 318. Present section 318 was enacted in 1934 and has not been amended since. However, in the meantime there have been wide technicological improvements in broadcast operations. In the Commission's judgment it is appropriate to amend section 318 to dispense with the statutory requirement of an operator in the broadcast services, letting rules and regulations provide for the varying requirements necessary to protect the public interest. Specifically we would prefer to have the amendment to section 318 broad and not confined solely to the operation of VHF translator stations, although we initiated it primarily for them.

We appreciate your interest in our efforts to solve these problems and hope if there is any further assistance we can render you will not hesitate to call on us.

Sincerely yours,

ROSEL H. HYDE,
Acting Chairman.

Alaska

EXTENSION OF REMARKS
OF
HON. RALPH J. RIVERS
OF ALASKA
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 21, 1959

Mr. RIVERS of Alaska. Mr. Speaker, highlighting the recent graduation exercises at the University of Alaska was the presence of our distinguished colleague, the Honorable LEO W. O'BRIEN, from Albany, N.Y., on which occasion the University of Alaska conferred upon

him an honorary degree of doctor of laws. This was done in recognition of the inspired, dedicated, and brilliant work of Representative O'BRIEN in support of the Alaska statehood bill during the 85th Congress. I wish to join in this expression of gratitude from the people of Alaska, and further take this opportunity of extending a hearty salute to the whole Congress for the passage of the statehood legislation which has reaffirmed the basic American principles upon which our great Union is founded. I also wish to make available to my colleagues the meaningful and significant message of LEO O'BRIEN in his address to the 1959 graduating class of the University of Alaska, as the thoughts so vividly expressed in that speech are pertinent to the problems with which the people of America are confronted and to the hopes and ideals for which we all stand. The text of the address of our distinguished colleague, Dr. LEO W. O'BRIEN, follows:

President Patty, members of the board of regents, distinguished guests, members of the class of 1959, ladies and gentlemen, I am deeply moved by the great honor you have conferred upon me today, although I realize that in recognizing in this distinguished way the part played by two men in the creation of a new State you have also extended that recognition, in absentia, to many who had vital roles in this historic endeavor.

It is a signal honor, too, to be permitted to address the first college graduation class in the history of the State of Alaska.

You were only freshmen in the fall of 1955 when I paid my first—and until now my last visit to Alaska. I was then, as now, Chairman of the Subcommittee on Territorial and Insular Affairs.

We came to Alaska to investigate the readiness of that great Territory for statehood. Many committees, through the years, had journeyed here on similar missions and, if some of those who greeted us in 1955 were a trifle bored or disillusioned, I did not and do not blame them. Only a few months before we arrived, the House had killed, by a margin of 48 votes, a bill granting statehood both to Hawaii and Alaska.

I have a confession to make. When I came to Congress in 1952, it was a matter of complete indifference to me whether Alaska would or would not become a State. I neither sought nor relished a place on the Interior Committee, dealing as it does with places farther from my home city, Albany, N.Y., than are London, or Paris, or Berlin.

How, then, did the congressional freshman of 1952, who thought only of an early escape to a committee dealing with problems closer to my district, become in 1958 the author and House floor manager of the bill which added the 49th star to our flag?

My first stir of interest in statehood came with the realization that, as chairman of a somewhat obscure committee in Congress, I, a man from Albany, had, in a sense, more power over your affairs than your elected Delegate and your elected legislature. And I had never seen this great land over which I had so much authority.

Then came resentment. Some of you may recall the famous fight over whether the Territory of Alaska should be given control over the treatment of its own mentally ill or whether we should continue a system of Federal control which smelled of the Dark Ages.

The issue seemed simple and those of us who fought for Alaska control over Alaska's mental health program believed we were doing the right, the decent, the American thing.

But, from a dark depth in our national life I did not know existed, there came wild, excited cries of subversion and treason. The hate groups of our land joined forces and carried with them an army of the unthinking and the neurotic. I, who wanted only to help the unfortunate, found myself in the well of the House answering claims that we were part of a sinister plot to create in Alaska a million-acre concentration camp to which loyal people could be whisked in the dead of the night, no matter where they might reside.

Absurd? Yes. Childish? No. Many believed those things and the knowledge that they did, not only saddened me, but lighted a torch of anger which made me resolve that a Territory which could be attacked because it sought only simple justice should be rid of the shackles which led some to believe that Alaska was a colony populated by serfs and inferiors.

I shall not detain you with a repetition of the strategy which won the statehood battle. It all lies in the record for our children to read.

Rather, I should like to speak of the pride most Americans feel that the United States now reaches to the very border of Siberia and 2,000 miles out into the Pacific.

Why were our people so excited when we admitted the largest State in the Union and, later, the exotic place which is Hawaii? I think it was their realization that our feet were not cemented in the status quo and that the United States was not frozen into the past.

The responsibility of the other 48 States did not end when their representatives in Congress voted to add the 49th State.

When I and others pleaded with our colleagues last year to give Alaska the dignity of statehood, we said that the resulting economic benefits would flow through the entire Nation. We painted a glowing picture of things to come from the bowels of the great land.

But, this State is very new. Its rich resources will not pop from the earth and leap to market by themselves.

We have taken to us a new brother, but he must be helped as he struggles with the immense new problems of statehood.

But, I am very sure, that every ounce of help we give Alaska, financial, and otherwise, will be repaid in pounds or even tons.

Alaska, in my considered judgment, will, in the lifetime of our children, be one of the greatest and richest States of them all.

I have talked so far of new geographical frontiers. My special message to these young men and women today has to do with the desperate need to establish a new frontier of the American mind.

A great scientist, such as Dr. Teller, and great educators, such as those who have brought you to this point in your desire to know, can give you facts by which you can walk toward fuller knowledge.

A politician, such as I, must deal with less solid things. His life, in large measure, has been spent in the observation of human moods and shifting sentiments. During that period of observation, which included 30 years as a political writer, I have come to the considered conclusion that the ugliest word in our language is mob.

Its employment raises unclean pictures in our minds, pictures of temporarily maddened men, with hatred and blood lust in their eyes, killing fellow men because of their color or creed, pictures of hypnotized throngs swaying to the frenzied words of a dictator or demagog.

But I do not speak of those things today. I speak rather of mob thinking, of huge masses of our people bemused before television sets buying their ideas as they would toilet soap.

I speak of mass fixations, the acceptance of unproven facts that all scientists are crackpots, that all politicians are rogues, that all educators are eggheads, that new ideas are subversive.

We are approaching a point in our national thinking where indictment is conviction and a charge is a proven fact. Those who rebel and dare to challenge commit the cardinal sin of questioning the status quo and, therefore, must be anti-American.

We substitute labels, labels such as radical and reactionary, for ideas. Every man must have a pigeon hole and in he goes, though he be round and the hole square.

One of the cynical bits of advice given a freshman Congressman is that he participate sparingly in debate.

"The things you don't say can never be used against you," he is warned.

What a commentary on our times. Remain silent or the mob will throw your words back in your teeth. Repress the expression of new ideas, lest the mob turn on you for disturbing its complacency. Wave your flag but be very careful about defending those parts of our Constitution which stand in the path of mob action. Assert your own patriotism, but don't bother to defend that of persons unjustly accused. The mob may not like it.

Who are responsible for this sorry state of affairs? What elements among us have developed this passion for conformity?

We have, in this great Nation of ours, a group of self-righteous, self-appointed people who believe they, or their leaders, are the keepers of the public conscience.

They say they are against sin, so all who disagree with their views on anything from a local ordinance to foreign policy, are for sin.

They say they are 100 percent American, so all who fight their ideas are automatically trying to destroy our country.

In their arrogance, they would pin the label of treason on our highest officials, our courts, our President, and our Congress if they make a single move contrary to the dicta of their leaders.

They are the annointed of the Lord, the saviors of democracy, the referees of public morals, the last voices of freedom in the land.

I do not suggest that these people are in the majority, but they are dangerous as long as the majority of us remains indifferent and allows their policy of sterility to go unchallenged.

Most of us have had the experience, at a baseball game, of being humiliated by the crudeness and cruelty of a few loud-voiced booers.

We have cringed but remained silent, giving the impression that all of us are ignorant.

That was my experience during the contest over the Alaskan mental health bill. I knew the great body of decent American opinion would be on our side, given the facts, but I still had to go through the strain and heartbreak of false accusations, because the good people were silent and left the arena to the booers.

I know not where life will lead you graduates of today. You will follow many different paths. Some of you will never see one another again.

But it is my earnest hope, as you leave here with your diplomas, that you will also take away a common resolve, to speak up when the self-righteous attack unfairly; to defend new ideas; to avoid—as a very pestilence—condemnation without knowledge.

If you do this, you will be keeping open the most important frontier our Nation has, the American mind.

Poland's Constitution Day

EXTENSION OF REMARKS
OF

HON. ROMAN C. PUCINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1959

Mr. PUCINSKI. Mr. Speaker, recently the people of Chicago had the pleasure of playing host to a distinguished Member of the U.S. Senate, Senator HUBERT HUMPHREY of Minnesota, who delivered the major address at the commemorative services observing the 168th anniversary of Poland's Constitution, sponsored by the Polish National Alliance and its president, Mr. Charles Rozmarek.

An estimated 100,000 citizens of Chicago assembled to hear Senator HUMPHREY speak on this historic document, which for the first time in history introduced to the people of Europe, and specifically to the people of Poland, in 1791, those principles of freedom and constitutional law which had been adopted by our own Nation only 4 years earlier.

I have the pleasure of introducing into the CONGRESSIONAL RECORD today the text of Senator HUMPHREY's remarks which follow:

ALLIES BEHIND THE IRON CURTAIN

(Excerpts from remarks of Senator HUBERT H. HUMPHREY, prepared for delivery before the Polish National Alliance, Chicago, Ill., May 3, 1959)

I am pleased to join you in celebration of the 168th anniversary of Poland's adoption of the Constitution of May 3, 1791. This great document, so much like our own basic charter, stands as a beacon light in the darkness of Soviet oppression. It inspires the hope that a free Poland will one day live again.

Few people on earth have over the years shown a greater love of liberty than the Polish people. Neither partition nor persecution has been able to stamp out the flame of liberty.

No American citizen can recount the glory of the American Revolution without paying tribute to those two great men who contributed so much to the success of Washington's armies—Generals Kosciusko and Pulaski.

Poland has been called a pioneer in European liberalism. Certainly freedom-loving peoples everywhere in the world must take satisfaction from this passage in the Constitution which you commemorate today:

"All power in civil society should be derived from the will of the people, its end and object being the preservation and integrity of the state, the civil liberty, and the good order of society, on an equal scale and on a lasting foundation."

Yes; the peoples of the world know and respect the aspiration of the Polish people for liberty, and are bound in spiritual ties with all the unfortunate peoples who remain behind the Iron Curtain. I can assure you that during my recent visit in the Soviet Union, I did not and could not forget the plight of the 100 million people of eastern Europe who suffer under the cruel yoke of atheistic and imperialistic communism.

The American people will never forsake them. The American people honor the peoples of Poland, Czechoslovakia, Rumania, Bulgaria, Hungary, the Baltic States, and East Germany for their devotion to the cause of freedom and independence.

But, above all, our thoughts go out to the devout and patriotic people of Poland—that brave country which was first to take up arms in the defense of freedom in World War II, the country which was subjugated not by one oppressor, but by two; yet, the country whose spiritual voice still speaks so eloquently, so courageously through Cardinal Wyszinski.

Yes; our hearts go out to Joseph Cardinal Mindzenty too, and to all the people in martyred Hungary.

The Polish people, too, have eloquent voices speaking for them here in the United States. Certainly none has been more effective in molding the thinking of the U.S. Senate on the problems of central and eastern Europe than Mr. Z. Stypulkowski, Vice Premier of the Polish Government in London, and representative of Free Poland in Washington. His insights and wisdom have stimulated much constructive thinking among my colleagues in the Senate.

Yes, the plight of the captive nations is a subject close to the hearts of all of us.

It is unthinkable that we in the West should abandon these great peoples behind the Iron Curtain. There will come a day of eventual emancipation, and we must take all prudent steps necessary to hasten that day.

And it is not enough simply to voice this hope and declare our dedication to their cause. The peoples of the captive nations need something more tangible to give them faith for the future.

The peoples of the captive nations need a charter of hope from the West—a declaration of intent and concern from the leadership of the West.

First of all, we should place the fate of Poland and other countries behind the Iron Curtain on the agenda of every conference called to consider the problems of European security. We must never let the captive peoples nor their Soviet masters forget that we do not accept as right or final the imposition of Russian Communist rule in Eastern and Central Europe.

in Eastern Europe with our own insistence

Secondly, we should actively counter Soviet demands for recognition of the status quo that Soviet occupation forces withdraw and that free and democratic elections be held in accordance with our solemn wartime pledges.

Yes, our constant objective must be the withdrawal of the Red army from Eastern Germany and central Europe.

Third, we must not permit ourselves to bargain with the freedoms of other peoples in order to maintain a conqueror's peace. We must remain loyal to our highest principles—that all peoples have an inalienable right to life, liberty, and the pursuit of happiness.

Fourth, we must never lose the opportunity to point out to the world the monstrous hypocrisy of Soviet imperialism and colonialism. The Soviet leaders, who shed crocodile tears over the remnants of Western colonialism, have imposed in eastern Europe the most savage and brutal colonialism the world have ever known.

Finally, the charter of hope to the captive nations must include the unwritten assurance of courage on the part of the West—the demonstration that the Western democracies will not yield in the face of force or terror, will never submit to blackmail, and will always stand firmly on what we know to be right for us and for all men.

Speaking of Poland, I have already proposed the establishment of a binational Polish-American Foundation—to put to work the funds which have accumulated to the credit of the United States in the form of zloty, these funds from sale of our agricultural commodities. This foundation should be devoted to the building of creative institutions for the welfare of the Polish people.

As we approach the one thousandth year of Polish Christianity what greater contribution could the West, and particularly the United States make, than to assist in the reconstruction of Poland's historic capital city—Warsaw?

There are many concrete things we could do in historic Warsaw which would stand as living symbols of American concern, and vivid demonstration of American friendship for the courageous peoples of Poland.

I am thinking, for example, of the rebuilding of Warsaw's famous Royal Castle—nearly destroyed during the Nazi siege of the capital city in 1939, and reduced to rubble during the Warsaw uprising in 1944. The plans for rebuilding this ancient castle in Poland's five-year economic plan have had to be abandoned for lack of funds. Let us step forward with an offer from Poland's friends in the West to rebuild the castle in recognition of Poland's great contribution to European civilization.

A second undertaking could be the provision of a home for national army veterans. While the present Polish regime has changed the policy of persecution of the underground army of World War II, nothing has been done to improve the conditions under which hundreds of thousands of these veterans live. These men and women were "our companions in arms" equally against the tyranny of Nazism, and the oppression of the Soviet armies.

We could undertake a great humanitarian task in the building and financing of a large modern hospital in Warsaw—perhaps a children's hospital. Not only would it give direct aid to many tens of thousands, but it would be another symbol of American compassion and friendship in a nation suffering from the effects of Soviet colonialism—a nation disastrously short of hospitals and medicines.

How dramatic it would be to replace the war-damaged buildings that now face the monument of Stalin in a public square in Warsaw with a children's hospital—a permanent reminder to the Polish people of the blessings of freedom—directly across the square from Stalin's tragic reminder of oppression.

Yes, and we could build workers' settlements based on western models—yes, homes for workers and yet displays of western living, western concern for people, western initiative.

These things we could do. These concrete acts of friendship for the Polish people we could undertake. No Communist leader would be able to explain them away. Every Polish man and woman and child would know they came out of the open hands and heart of America.

Yes, indeed, I believe that Poland will one day be free again.

I believe the whole world will one day be free of Communist oppression. I believe that mankind has the capacity to live in peace and justice.

But this will not come just by wishing for it. What we must do is to prove to the world—to the free peoples and the subjugated peoples, too—that our free system can beat the Russian system on every front.

What we must do is compete with the Russians—in fact, out-compete them. This competition is being forced on us by the many faceted Soviet challenge.

We must meet and overcome the Soviet challenge in every area—economically, culturally, militarily, and in the important field of international persuasion.

Competition with Russia will be a long, hard pull. We cannot hope to win with a business as usual attitude. We must have a new sense of urgency and purpose. The struggle is, after all, a struggle between freedom and tyranny.

We cannot win this struggle alone with H-bombs and missiles and the other engines of war—we need also machines, farm products, technology, economic assistance, and

above all a renewed devotion to the human values that will endure.

We will do it by helping to create an atmosphere which gave birth to the Polish Constitution of 1791 and the American Constitution of 1789.

How can we prevail in this mighty struggle with Russia?

First, we must compete effectively in the fields of science and technology.

Let us not make the error of underrating Soviet advances in these fields. While we and our allies are still ahead, we must admit the gap is narrowing, and they are breathing down our necks.

We cannot afford to be complacent. We must build the greatest educational system ever known to free peoples and we must do it now.

Second, we must compete in the field of international persuasion, and by this I mean not only mere words, but words backed by deeds.

The propaganda of the deed, such as the launching of a tangible food for peace campaign, will be far more convincing than 10 million words beamed to the world by shortwave radio.

There is no reason why our agricultural surpluses should pile up in storage bins while millions of human beings are suffering from undernourishment and stark hunger? That is the heart of the food for peace plan which I am sponsoring in Congress. According to my plan America's abundance of food and fiber should be used as a positive instrument of foreign policy and a construtive force for peace.

Third, we must compete with Russia economically.

The dollar competes with the ruble not only in the production race, but also in providing development capital for impoverished economies in the politically uncommitted areas of the world. We cannot compete effectively with more than 4 million workers unemployed and with our industrial plants operating considerably below capacity.

Finally, we must compete militarily. We and our allies must be strong—yes, have superior strength. We will help our allies to maintain adequate forces. Measures of military strength—missiles, nuclear power, strategic and tactical aircraft, and naval forces—will weigh in our favor if we make sure the defense budget is based on the power we need and not trimmed to meet somebody's conception of a balanced budget.

I have always supported adequate funds for the military defense of this Nation and the West. Indeed, without a strong shield of military strength we would be helplessly at the mercy of the Soviet Union.

Incidentally, one of the great deterrents to military action by the Soviet Union is its lack of confidence and distrust of the situation in Eastern Europe. The Soviet leaders know that they would have to keep scores of thousands of troops tied up to protect their rear and their supply lines from the freedom fighters of the captive nations if they launched a military attack on the West.

But military strength can in the long run only buy the time for more constructive approaches to peace.

I have spoken about the accumulation of Polish zlotys which has built up in past years—now useless—which has reached more than $150 million in value. And I have proposed a Polish-American Foundation to put these zlotys to work in the interest of improving relations between the Polish peoples and their friends in America, through such projects as the participation in the rebuilding of Warsaw.

But there is far more that we could do, in a less dramatic fashion—but, nevertheless, in ways that would build hope and friendship for the West in Poland.

The foundation would stimulate programs of travel between the two countries. The best way for us to tell our story to the people of Poland and for them to tell their story to the people of America is by personal visits on a people-to-people basis. And there are no better ambassadors from our side than the Polish-Americans who know and love the democratic processes of our great country.

Yes; through such a foundation we could help in many ways to provide medical education, public health facilities, medicine for children, school lunch programs—deeds, and not just words, in the finest tradition of Western civilization and American ideals.

It is the people we must reach. Yes, it is the people of Poland and the other captive nations whom we must hold to the West, shield from despair, show the light of eventual freedom.

Here and now we must rededicate ourselves to strengthening America's ties to these peoples in the darkness of Soviet tyranny, these brave peoples whose tenacious courage has never failed in the face of repeated invasions and tyranny, and who hold silently to the hope of freedom yet again.

Let us take inspiration from these silent allies, from their courage, from their determination, from their toughness and tenacity. They are our brothers: we shall never forget them or give up working for their freedom.

Their cause is the cause of every man and woman in the world who loves liberty.

Nuclear Test Ban Issue—A Course for United States Action

EXTENSION OF REMARKS
OF
HON. CRAIG HOSMER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 21, 1959

Mr. HOSMER. Mr. Speaker, I take this means to call attention to my remarks in this RECORD following the day's legislative business under title "Nuclear Test Ban Issue—A Course for United States Action." They set out the moral, practical and military reasons for a four-point program suggested for United States action involving:

First. Announcement of indefinite cessation of the only kind of nuclear testing producing fallout, namely, testing in the atmosphere, attaching reasonable conditions regarding problems arising from future actions by other powers.

Second. The diligent seeking of international agreements amongst the nuclear powers, including Soviet Russia, likewise to ban atmospheric tests, as proposed by President Eisenhower to Premier Khrushchev.

Third. The declaration of a moratorium on talks aimed at banning below-ground and above-atmosphere testing until the air is cleared of emotion, propaganda and misinformation regarding fallout, until the problem of detecting violations is understood, and until the other military and moral questions inhering in the issue are debated and answered.

Fourth. The candid release to the public of data regarding testing, detection and other aspects of nuclear weaponry which are not properly of a restricted security classification.

I also call attention to the following related materials to be found in the RECORD:

"The Case Against the Nuclear Test Ban," an editorial from Air Force magazine, Wednesday, April 29.

"Communist Diplomatic Perfidy," my compilation of Soviet treaty violations and reasons therefor, Thursday, May 14, at pages 8210–8213.

"Nuclear Test Ban Pitfalls," a memorandum by Joint Atomic Energy Committee Consultant Thomas E. Murray evaluating the United States inconsistencies regarding the issue of nuclear test bans, Wednesday, May 20, at pages 8679–8682.

Townsend Plan, H.R. 4000, Is the Essence of the Golden Rule

EXTENSION OF REMARKS
OF
HON. JAMES C. OLIVER
OF MAINE
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 21, 1959

Mr. OLIVER. Mr. Speaker, I would like to call my colleagues' attention to a report recently issued by the Heller Committee for Research in Social Economics of the University of California. The researchers found that in 1958 a wage earner with two children needed $6,086.88 a year if he lived in a rented home, or $6,435.11 a year if he owned his own home, in order to give his family the standard of living that public opinion currently recognizes as necessary to health and reasonably comfortable living.

To put it another way, the man who rented his home should have had $117 a week and the man who owned his home needed $123.75 a week. The actual average weekly earnings of factory workers in California in 1958 was $83.71—a far cry from the standard the Heller committee deems desirable.

It is quite obvious that even people who are engaged in gainful employment are victims of the gap which separates income and the costs of living—this despite the fact that employed persons often are able to adjust to some extent by obtaining increases in wages and salaries.

The Heller report, it seems to me, also serves to dramatize a situation with which it is not even concerned. I refer to the plight of persons who are retired and are living on fixed incomes such as social security benefits. There is no way for these people to adjust to increasing costs of living.

I am familiar with the argument that the 85th Congress took cognizance of rising costs by increasing social security benefits an average of 7 percent. But this was a "cost-of-living adjustment" in name only, for at the time we passed the bill, costs already has risen by 8 percent since the previous social security increase, and since last summer they have continued to rise, with the result

that social security benefits were outdated before the increases became effective. Moreover, the old level of benefits was so palpably inadequate that the tiny 7 percent increase amounted to scarcely more than a drop in the bucket.

This whole problem of relating income to living costs has achieved the dimensions of a national challenge. People still on a payroll may perhaps enjoy some protection, but those already retired are at the mercy of an expanding society. Naturally, we want our economy to expand, but expansion seems to bring with it, higher prices. Surely we are not going to accept the blessings of expansion by penalizing those who are helpless to accommodate themselves to the price spiral.

I believe there is an answer to the problem and that it is contained in H.R. 4000, introduced by our colleague, Congressman BLATNIK of Minnesota. This proposed legislation, more familiarly known as the Townsend Plan bill, would correct what I believe to be one of the major shortcomings of the present Social Security Act. It would create a system under which retirement benefits would keep pace with the cost of living. H.R. 4000 proposes a modest tax on gross receipts. In times of high prices, and thus a high volume of gross receipts, the tax naturally would raise more revenue, and since this revenue would be immediately distributed in the form of benefits, it would enable recipients to cope realistically with the higher level of payments.

We have accepted the principle of parity for farmers; why should we not also provide parity for pensioners? We have been unable to do this under the present social security system, and the result has been grave discrimination against those saddled with fixed incomes. But we can provide a measure of parity with H.R. 4000.

It is the only retirement proposal I know of which has a built-in system to guarantee that pensioners will always, and at any given time, receive benefits in terms of purchasing power geared to price structure at the time the benefits are received.

It was over 25 years ago, Mr. Speaker, that I first was convinced that a retirement income or old-age pension system, as you may prefer to label it, could be the vehicle for the distribution of dollar dividends which would mean security for our senior citizens and jobs for our youth. Since then and to some substantial extent because of the organizational work of the national Townsend leadership, social security was enacted. Today, even though inadequate, this social legislation is the sole support and hope of millions of our worthy citizens. But we need to do more. We can do more. Our economy will prosper to such extent as we improve the living standards of those of our people who are now only existing on poverty-ridden and disease-infected levels. While in Maine recently, I was continuously approached by my constituents in the retirement-age brackets, asking when could they expect more realistic pension incomes.

The principle outlined in H.R. 4000 is a humanitarian principle. It is the essence of the Golden Rule written into a legislative proposal. But, more than that, it has the economic promise of a social dividend taken from the top of our gross national product, which would serve as a most effective built-in stabilizer against recessions, unemployment, and stagnation of our economy. H.R. 4000 means real security for our retired citizens and growth and expansion for all.

Michigan: A Study in Character Assassination

EXTENSION OF REMARKS
OF
HON. LOUIS C. RABAUT
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 21, 1959

Mr. RABAUT. Mr. Speaker, I am moved to make this statement by my grave concern over the increasing—but completely unwarranted—assaults on the good name of the sovereign State of Michigan. As a citizen and Representative of the State of Michigan, I feel it my duty to come to her defense and to clear the air of the smoke from the various barrages which have been leveled against her. For whether these attacks are merely misguided, misinformed commentary or the conscious, self-serving efforts of some who would reap gains at Michigan's expense, they have the single effect of a deliberate character assassination of the fair State of Michigan.

Even a brief consideration of the charges to which I refer will readily show them to be not only unwarranted but, in large part, untrue, or at best, highly distorted versions of the real facts. Allow me, then, to take up the most prominent of these anti-Michigan allegations and see how they hold up under examination.

One frequent assertion is that Michigan is a welfare State—this with a derogatory intonation. This accusation has a twofold meaning to the critics who make it. First, of all these accusers mean to point a contemptuous finger at what the Los Angeles Times has termed the "highly advanced concept of paternalism" in Michigan and the invasion of local responsibilities they say it involves. Second, they point to a 100-percent rise in State spending in Michigan over the past decade and proceed, by implication, to attribute this increase to the support of various welfare programs by the State. From here it is an easy jump for these critics to assert that the State is broke and that this bankruptcy is directly due to Michigan's welfare activities. These are harsh and harmful words, indeed. Let us examine them. If they are accusing Michigan of being interested in the well-being of her citizens, Michigan gladly and readily admits to her guilt. The only real fact to be found in this diatribe is that State spending has doubled in Michigan in the past decade. However, this would seem to compare rather favorably with the fact that State spending—for all States—now totals more than 5 times as much as it did in 1946. Consider also that, in terms of dollars and cents, welfare costs each Michigan citizen $16.30—State and local taxes combined. According to a new U.S. Census report, this figure puts Michigan 34th among all the States in this respect—lower than 33 others.

Another charge, "taxes are out of line," can easily be disproven in the same fashion. The dollars and cents total of State and local levies in the State of Michigan is $181.13 per citizen. In terms of cash outlay this figure ranks 12th in the Nation. However, this same figure, when considered as a percentage of personal income, is 31st on the national scale—behind 30 of her sister States.

There is a companion allegation that the tax burden in Michigan is stampeding business out of the State. This is patently false. Industry in Michigan spent $110 million for expansion in 1958. This represented a jump of nearly $30 million over the 1957 figure and placed Michigan fourth among all the States in industrial construction in 1958.

The epithet, "unhealthy business climate," is another fusilade of the anti-Michigan invective. This is hardly worthy of our consideration since it is too vague to have any real meaning. If this charge has not already been rendered completely without substance by what I have said thus far, let me point out a few simple facts that will complete the annihilation. The well-known Big Three of the automobile world alone have invested in excess of $3½ billion in Michigan facilities since 1950. The announced intentions of but a few of the leading businesses in Michigan have earmarked in excess of $425 million for investment and expansion in Michigan. Does all this smack of an unhealthy business climate? Hardly. Rather these are the past facts and the future plans of the leading business leaders of the country who, better than anyone else, are able to gage the business climate in which they exist.

It must, by now, be abundantly clear to all that the charges leveled against the State of Michigan in all of these areas are simply untrue. With States, as with men, no possession is more precious than a good name. I sincerely hope that in demonstrating the utter falsity of the attacks on the good name of the State of Michigan I have fully vindicated her character and integrity in the eyes of the whole Nation.

Big Labor Union Power a Growing Menace

EXTENSION OF REMARKS
OF
HON. NOAH M. MASON
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 21, 1959

Mr. MASON. Mr. Speaker, big labor union bosses are wielding too much po-

litical and economic power today. Organized by Samuel Gompers, the "Grand Old Man" of union labor, to combat the power of the industrial barons of 40 years ago, big labor has gotten out of hand and some of its unscrupulous present-day leaders are wrecking our national economy.

Inflation has been speeded up by the exorbitant wage demands of these union leaders. Prices of American-made goods have soared. Imports from cheap-labor countries are pouring into the United States as never before. American exports have been drastically reduced because we have been priced out of world markets. American production machinery has been slowed down, with the result that many American workers have lost their jobs.

Why? Mostly because of the unchecked political and economic power of the leaders of big labor.

The rank and file of labor union members have little or nothing to say about all this. Policies and programs of the big labor unions are determined by the labor bosses—not by the labor union members.

The rank and file of labor union members have no way to protect themselves from the corruption, the misappropriation of union funds, the dictatorial methods of their self-perpetuating leaders—abuses and corruption recently revealed by the McClellan Senate committee.

Samuel Lubell, a noted political and economic writer, interviewed a wide cross section of steelworkers on the eve of their leaders' negotiations for a new contract. Man after man told him: "We don't want higher wages. And we don't want to strike because a strike means a loss of pay that we'll never make up."

The magazine U.S. News & World Report confirmed Mr. Lubell's findings in its issue of May 25, saying:

> It is being pointed out that the rank and file of steel workers are not in a mood to strike. They are not keen for wage increases that vanish in higher prices and taxes.

Yet the big union leaders continue to insist: Higher wages or we strike.

Mr. Speaker, what will that mean? More inflation. What has it meant in the past? Well, featherbedding and increased wages out of all proportion to increased productivity. These are factors that enable cheap foreign-made goods to undersell American-made goods in world markets and in our own American markets.

For the first time since 1865—almost 100 years—British exports to the United States exceed her imports from the United States. And the same situation is rapidly becoming true in our commerce with Japan, Germany, Belgium, and other nations.

Mr. Speaker, because the cost of production—wages—has been pushed so high by the labor leaders, American goods are in less and less demand in world markets. The downward trend of American sales in foreign countries is becoming increasingly serious. Our prices for goods are entirely out of line with the prices of similar goods produced by exporting nations with which we have to compete. When American prices are too high for American buyers—as they are today—they are far too high for low-wage foreign people to buy.

Summed up, all this means fewer jobs for American workers and more jobs for foreign workers.

Is that good, I ask, for American workers generally?

Virginia Rescue Squad Week

EXTENSION OF REMARKS
OF
HON. W. PAT JENNINGS
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 21, 1959

Mr. JENNINGS. Mr. Speaker, the people of Virginia are observing Rescue Squad Week during this week of May 17–23, and I wish to call this special observance to the attention of my colleagues in the House.

As far as can be determined, Virginia is the only State known to honor each year the humanitarian work of organized rescue and first aid groups.

Because of the extreme importance of the work carried on by this volunteer organization in assisting those in need and distress, I take this occasion to commend the many squads in Virginia and their many, many devoted members.

The Governor of Virginia, the Honorable J. Lindsay Almond, has issued the following proclamation on this special observance. It is included as a part of these remarks:

RESCUE SQUAD WEEK

> The people of Virginia are grateful for the fine service being rendered in a great variety of emergencies by members of the lifesaving and rescue squads. These groups, day or night, are available to answer calls from their fellow citizens and also give generously of their time in presentation of demonstrations in first aid and safety measures. They also constitute a corps of readily available personnel for civil defense service in event of major disaster.
>
> I salute these crews and members of the Virginia Association of Rescue Squads and their Ladies Auxiliaries and invite the citizens of the Commonwealth to join in tribute to them by appropriate observance of Rescue Squad Week May 17–23, 1959.
>
> J. LINDSAY ALMOND, JR.,
> *Governor.*

Mr. Speaker, I have introduced a bill in this session of Congress to materially assist the rescue squads of the Nation in their work. This bill is H.R. 105 and would provide that surplus Federal property could be donated to rescue squads; it is presently pending in the Subcommittee on Donable Property of the Government Operations Committee.

Recently, the International Rescue and First Aid Association—IRFAA—endorsed the provisions of H.R. 105. I called attention to this endorsement in the RECORD of March 12, 1959.

The IRFAA has now advised me that endorsement of H.R. 105 has also come from the Minnesota Rescue and First Aid Association. The Minnesota endorsement is the latest of several endorsements from such State organizations.

It is my sincere hope that hearings will soon be held on H.R. 105 and the measure reported to the House.

There is printed in the International Rescuer, monthly publication of IRFAA, the following quotation from the Bible:

> And a certain Samaritan * * * going up to him bound up his wounds, pouring in oil and wine; and setting him upon his own beast, brought him to an inn and took care of him. (Luke 10: 33–34.)

This perhaps sums up the spirit that is typical of the rescue squads in the Nation as they go about their dedicated work of assisting people in distress.

I know that each of my colleagues joins me today in paying this brief tribute to the rescue squads of Virginia and America during Virginia Rescue Squad Week.

Postage Stamp in Honor of Garibaldi

EXTENSION OF REMARKS
OF
HON. VICTOR L. ANFUSO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 21, 1959

Mr. ANFUSO. Mr. Speaker, I am today introducing a bill to provide for the issuance of a special commemorative postage stamp, of the Freedom Fighter series, in honor of Giuseppe Garibaldi, the famous 19th century Italian patriot under whose courageous leadership the people of Italy achieved national unity and independence. My colleague, the gentleman from New Jersey, the Honorable PETER W. RODINO, JR., joins with me in cosponsoring this legislation.

Giuseppe Garibaldi was born at Nice, France, on July 4, 1807, exactly on the date only 31 years after the United States had declared its independence. There is no doubt that he was greatly inspired by our concept of liberty and national independence, and used it to encourage the people of Italy to learn from our example. He died in Italy on June 2, 1882, at the age of 75.

Garibaldi came from a poor fisherman family and received little education in his youth. He was a sailor on various trading vessels and became a strong supporter of Mazzini to set up a Republic in Italy. In 1834 he was condemned to death for his support of Mazzini, but he succeeded in escaping from Italy and made his way to South America. He entered the service of the Republic of Rio Grande and aided the people of Montevideo in their struggle for independence. He was the leader of a famous Italian legion and eventually earned the title of "Hero of Montevideo."

At the outbreak of the revolutions of 1848 in Europe, particularly the uprising against Austria which then controlled important parts of northern Italy, Garibaldi decided to return to Europe and join his countrymen in the struggle for Italian independence. He raised a group of volunteers and harassed the Austrians,

but his efforts at this time did not succeed. He then proceeded to Rome where he was appointed by Mazzini to command the forces of the Republic. He fought against overwhelming odds and desperately defended Rome against the Austrian onslaught for 30 days, but finally had to retreat. As a result of this struggle he became known as the defender of Rome.

Garibaldi was once again forced to leave Italy, and this time he decided to come to the United States, which already then was regarded by the nations of the world as the champion of liberty and freedom. To Garibaldi, as to many others after him, America was both a place of refuge and strength; consequently, it was natural for him to turn to this country for support in his struggle to achieve freedom for his people.

He arrived in this country on July 30, 1850, and landed at New York, where his arrival had been eagerly awaited by people of all walks of life, not only those of Italian descent. Already at this time he had a great reputation as a fighter for freedom. On the day of his arrival in New York, the newspaper New York Tribune wrote as follows of him:

> The ship *Waterloo* arrived here from Liverpool this morning, bringing the world renowned Garibaldi, the hero of Montevideo and the defender of Rome. He will be welcomed by those who know him as becomes his chivalrous character and his services in behalf of liberty.

A huge demonstration had been planned for him, including an official welcome at the Battery, greetings by the mayor of New York, and a parade up Broadway to the Astor House—as we are in the habit of welcoming great heroes in our own day. But Garibaldi refused this honor on the ground he was only an exile from his native land and did not wish to cause this country political embarrassment. In a letter to the committee planning the demonstration, he said:

> No such public exhibition is necessary to assure me of the sympathy of my countrymen, of the American people, and of all true Republicans. * * * Though a public manifestation of this feeling might yield much gratification to me, an exile from my native land, severed from my children and mourning the overthrow of my country's freedom by means of foreign interference, yet believe me that I would rather avoid it, and be permitted to * * * await a more favorable opportunity for the redemption of my country from foreign and domestic oppressors.
>
> Next to the cause to which I have devoted myself, I value nothing so highly as the approbation of this great people, and I am convinced I shall enjoy that when they become satisfied that I have honestly and faithfully served the cause of freedom, in which they have themselves set so noble an example to the world.

Garibaldi remained in the United States only for about 10 months. During this time he refused to become a burden to his friends and insisted on doing menial work in order to support himself and to send money to his wife and children in Italy. He finally obtained a job in a candle factory on Staten Island—and to this day the great vat where this Italian patriot stirred tallow alongside his American coworkers has been preserved because of its historical interest and its significance for United States-Italian relations.

From the United States, Garibaldi proceeded to South America and ultimately made his way back to Italy again to fight for its freedom and independence. He participated in the war of 1859 in which he scored important victories in the Alps region. He helped free Sicily in 1860, occupied Naples, and joined the two Sicilies with Italy, but declined all honors for himself. He then retired to his farm on the island of Caprera, where he made his home for the remainder of his life. From there he came forth on few special occasions, such as in 1864 when he made a visit to Britain where he received an enthusiastic welcome; in 1870 when he offered his help to the French Republic in the war against Germany; and again in 1875 when he was seated in the Italian Parliament after Italy had become a united and independent nation.

Garibaldi is sometimes described as "the George Washington of Italy." Surely, a man of his caliber and his achievements, who was instrumental in winning freedom and independence for his people, deserves the title of "Freedom Fighter" and as such should be included in our list of those to be honored by special postage stamps. The issuance of such a stamp would add to the good will and the strengthening of friendship between the United States and Italy, which is one of our most important allies in the world.

In conclusion, I wish to express my appreciation to the Italian Historical Society of America for bringing this matter to my attention and for suggesting the issuance of a stamp in honor of Garibaldi. The society deserves to be commended for this proposal. I know that millions of Americans of Italian descent would welcome the issuance of such a stamp and would feel proud of this honor bestowed upon a man who has contributed so much to further the cause of freedom in Italy and in the world.

Wheat Legislation

EXTENSION OF REMARKS
OF
HON. FRED MARSHALL
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 21, 1959

Mr. MARSHALL. Mr. Speaker, under leave to extend my remarks, I wish to include correspondence between the Honorable ROY W. WIER, Representative of the Third District of Minnesota, and Mr. M. W. Thatcher, general manager of the Farmers Union Grain Terminal Association and president of the National Federation of Grain Cooperatives.

In response to a telegram received by a number of us from Mr. Thatcher, Congressman WIER wrote a letter which goes to the heart of the present trouble in agriculture. Once again, he displays an understanding of farm problems which has made him a true friend of agriculture in the House of Representatives.

The telegram and letter follow:

ST. PAUL, MINN., *May 18, 1959.*

Representative ROY W. WIER,
Washington, D.C.:

Last week the House Agriculture Committee gave the President what he asked for—a wheat bill to meet an impending disaster in wheat. The bill recommended that wheat acreage be cut 30 percent next year and the price support be boosted as much as 20 percent. While this would reduce the wheat surplus there is some question as to whether the price increase is enough to protect family-farmer income.

But since then there has been too much jockeying around—too much backing and filling—and too much evidence of retreat in Congress. The House Agriculture Committee has recalled its bill. The Senate Agriculture Committee has reported out a bill that is unsatisfactory to farmers—and could well play into the hands of the Secretary of Agriculture.

Congress ought to know how farmers feel. No wheat farmer can willingly accept a big cut in acreage unless he is sure of a substantial increase in the support price—to protect his income. Every farmer knows the Senate Agriculture Committee bill will not reduce production by a single acre or a single bushel. It only cuts the farmer's pay. This kind of a bill is doing just what the Secretary of Agriculture wants. It is the kind of a bill that will help kill all price supports. Farmers in our spring wheat States expect their Congressmen to stand up and be counted. They expect something more from the Agriculture Committee members than committee room politics. To say that this bill—or that bill—will not pass Congress or get by the President's veto will not satisfy farmers.

Farmers expect the House and Senate Agriculture Committees to agree on a sound and reasonable wheat bill that will protect the income of producers and reduce wheat production. Anything less is unsatisfactory. At the moment, farmers are wondering whether many of the committee members do not know what they want, or are pliable to pressure from the Department of Agriculture. To argue that a good farm bill is not politically acceptable is no argument at all. Let the farm committee members do the best job they can and then let Congress decide whether the bill will give farmers a fair break. Then it is up to the President to decide whether or not he will veto a fair break for farmers, then the record is there—for everyone to see.

M. W. THATCHER,
General Manager, Farmers Union Grain Terminal Association and President, National Federation of Grain Cooperatives.

MAY 19, 1959.

M. W. THATCHER,
General Manager, Farmers Union Grain Terminal Association, St. Paul, Minn.

DEAR SIR: I have read your telegram of May 18 covering the agricultural situation as it exists today with a great deal of interest. As one who watched the agricultural decline and crash in the 1920's and the early 1930's, I cannot help but be deeply concerned at the present agricultural trend. Following the last crash, when the farm land, to a large extent, fell into the hands of the mortgage holders and the big insurance companies as well as the State of Minnesota through its Rural Credits Act, the farmers to a large degree thanks to their industry, thrift, and energy, were able to pull themselves out.

Just what the results of the present situation will be is something for one gifted with prophecy. I hesitate to contemplate it as

I have no desire to be known as an apostle of gloom. Nevertheless, if the farmer is able to pull out of this one that is now pending due to the 6 years' efforts of the present administration led by Mr. Benson to destroy the very minimum of protection the farmers might enjoy, is beyond my capacity to foretell.

Sometimes I wonder just how many beatings the farmer can take and still hold up his head and be recognized as a desirable citizen. Wherever communism might hold sway in the world, nothing in my estimation has been more unjust in economic effects than the treatment of our American farmers.

Not being a member of the Agriculture Committee, I have little to do with the formulating of a program calculated to meet the present emergency; but I assure you, and I think that you will recognize this from the record, that I shall at all times be found in their battle, for the farmer when the chips are down. And I must say that I feel a deep appreciation to you and the Farmers Union for helping and guiding me through the better than 10 years I have been in Congress in matters affecting our agriculture.

Very truly yours,

ROY W. WIER,
Member of Congress, Third District, Minnesota.

Plan To Aid Our Lagging Culture

EXTENSION OF REMARKS
OF

HON. JACOB K. JAVITS

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Thursday, May 21, 1959

Mr. JAVITS. Mr. President, on April 7 I introduced for myself and the senior Senator from Pennsylvania [Mr. CLARK], the U.S. Arts Foundation Act (S. 1598) to establish a U.S. Arts Foundation designed to stimulate throughout the United States the study and advancement of the performing arts. The Foundation would assist and encourage productions of plays, concerts, ballet and other performances by marshaling professional advice, compiling registers of theaters and personnel, and providing modest subventions to help with the difference between box office receipts and costs, both from its own appropriations and from contributions made by private sources.

Appended hereto is an article from the April 5, 1959, issue of the Sunday New York Times magazine describing this Foundation, the need for it, and what it could accomplish to stimulate artistic achievements in the United States, both for the sake of communities now neglected and for the benefit of our position in the world.

I ask unanimous consent to have the article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PLAN TO AID OUR LAGGING CULTURE

(By JACOB K. JAVITS)

WASHINGTON.—Culture only too often has been a suspect word in the American language. At the very beginning of the Nation, we acquired a reputation—now undeserved—for being crude and "rock-ribbed." As far back as 1842, when the New Orleans musical prodigy, Louis Moreau Gottschalk, applied for permission to study piano at the Paris Conservatoire, he was laughed down. He had come from America, and that was enough. "America is a country of steam engines," snorted the famous Prof. Pierre Zimmerman, who refused to take Gottschalk as a pupil.

The old traditions linger. We as a Nation are still, sometimes, looking for a practical return on a cultural investment. Unless something will "pay off" concretely, we often will have none of it. This attitude has long tended to persist in the thinking of our Government on cultural matters, and since the notes of a Beethoven symphony cannot be weighed and assessed, since the tread of an actor's foot on a stage does not rock the earth, our cultural institutions have been left by our Government largely to shift for themselves. Whatever men and women have done in the arts, they have done largely on their own.

Except for some tentative help during the WPA days, our Government has never given official recognition to the arts. Where most other civilized nations in the world have lent a helping hand to their artists, we have stood aloof. That our culture is in as healthy a state as it is remains a miracle. For, with practically no Government help, we have created symphony orchestras, dance groups and a theater that the world regards with respect. Certainly it is a tribute to our people, and a testament of their aspirations toward the better things in life, that they have accomplished so much on their own.

But in a country of our size, the sum total of artistic accomplishment is not nearly what it should be. A few great orchestras in a few great cities, with large sections of the country foreclosed to serious performances of music, dance, and theater—this does not make for cultural adequacy. Our culture needs help and needs it badly. The time has come when the Federal Government must lend a hand, in accordance with the widely accepted Lincolnian philosophy that the Federal Government has the responsibility to help people do those things that they cannot do for themselves.

I believe that we can best accomplish this objective of strengthening American culture through the establishment of a U.S. Arts Foundation that would bring the prestige of the Federal Government to bear to develop more fully and to disseminate more widely our cultural heritage. To that end, I will shortly introduce in Congress a bill calling for the establishment of such a Foundation.

Never has the time demanded such a project more urgently. In self-defense, if for no less selfish reason, we must be prepared to meet the cultural challenge of our competitors. Private enterprise has done a noble job up to now, but we found private funds could not do the job in the international arena. And private funds cannot take care of nurturing all the talent we now have, nor assure the next generation of every possible chance to develop itself to its full potentiality. If we are to measure up to the stature of leader of the free world, we must act as such; and a nation's civilization is equated in many places with its degree of culture.

Our performing arts need support in virtually every area. Our major opera, symphony, and ballet groups struggle from year to year with deficits that become increasingly hard to meet only with private funds. Our young artists and creators must fight all kinds of obstacles to make careers; and many give up the fight. A helping hand must be extended to talent. A correspondent to the New York Times, writing about the woeful lack of string players in this country, points out that "the American Federation of Musicians will hold a string congress in Oklahoma this summer. We have almost 180 million people in the United States, and 50—yes, 50—children will have scholarships to the congress. It should be 5,000."

The American Federation of Musicians is doing all it can, and so are other worthy groups devoted to helping the musician, actor, and dancer. But ars longa, vita brevis—and their efforts are a pail of water in the ocean. The cultural surge in America is too big and private funds alone cannot keep up with all the needs of the national interest. For every city that has a theater movement, there are 20 that need one. Opera, even on a semipermanent basis, is missing from all but six or seven cities in America (even the proud Metropolitan, our leading opera house, operates only about 6 months of the year, whereas most opera houses in Europe have much longer seasons, often 11 months).

The ballet renaissance in America has seen the emergence of lively groups in representative sections of the country, but all of them, even our three big touring companies, work gallantly on a shoestring and would go out of existence if private funds were not wearily dredged up, funds that are not nearly sufficient to give the companies a sense of security or scope.

It should not be left to private enterprise alone to integrate the arts on a full-time communal basis, no more than it should be the job of private enterprise alone to support all the museums and libraries. It is true that, in a relatively few metropolitan centers, we have developed a rich and flourishing cultural activity. But the majority of Americans around the country face a meager cultural fare and, indeed, are blacked out of professional cultural activities for a good part of the year.

We are probably the only large nation in the world that does not have a Government-sponsored opera, theater, or symphony. England and Canada have their arts councils, Russia supports well over 30 full-time opera houses, not to mention orchestras, theaters, and dance groups. Nearly every country in Latin America pitches in to help its cultural organizations, often with results that achieve worldwide fame. Because Mexico, for example, engaged in a large-scale program of commissioning murals for its public buildings, the Mexican school of mural painting was stimulated to a point where it developed into one of the most significant contemporary artistic manifestations.

In Italy, one cannot go far without encountering a subsidized opera house. Virtually every city in Germany has its state opera, theater, and orchestra, financed by grants from the federal, state, and local governments. In France, the Opéra and Opéra-Comique enjoy grants the size of which would make the director of our major opera house turn cartwheels of glee down Broadway.

Last year Austria spent $5,800,000 on its four state theaters in Vienna and plans a slight increase for 1959. This was larger than the sum Austria paid to its entire foreign service. Imagine: $5,800,000 out of a total national budget of $1,500 million.

Thus, while the proposed bill for an Arts Foundation might be considered precedent-shattering in the United States, it would be taken for granted nearly anywhere else in the world. An Arts Foundation in this country can be instrumental in helping to create a truly national establishment of theater, music, opera, and dance. It would give assistance to both professional and amateur segments of the performing arts. It would encourage performances of the best we have in great areas of the country where little is now available. And it would encourage widespread training and teaching of the arts

so that more young people may receive encouragement and direction in realizing to the full their artistic potential.

The bill would provide for Federal assistance to private, nonprofit theater, opera, symphony, dance, and other arts groups; to accredited nonprofit colleges and universities and municipally sponsored arts councils and commissions for the presentation of and instruction of the living arts.

After the program is under way, it is estimated that expenditures under the bill would not exceed $5 million annually. (There is every indication that this amount would stimulate as much as $50 million in private activity in the performing arts, over and above what is now being spent.)

Responsibility for making the necessary artistic judgments and for channeling the funds would be in the hands of panels of specialists in the various arts, functioning under a 12-member board of trustees composed of distinguished private citizens appointed by the President. Those trustees would select the chief officer of the Foundation. Naturally, the Foundation would be expected to function with complete freedom. Politics can and must be kept out of its operations, as politics has been kept out of the International Exchange Program of the American National Theater and Academy under the aegis of the State Department.

Such a program would, of course, be only a modest start. I do not envisage a series of Government-sponsored theaters and musical organizations. Nor would the Arts Foundation compete with existent organizations. It would instead complement them in the nonprofit field. College theaters would be given small supplementary grants for tours to localities seldom visited by the large organizations. Small cities would be encouraged to set up cultural projects along the lines established by the New York City Center of Music and Drama. Perhaps a grant to some of our important musical organizations would enable them to extend their tours of the Nation. If the box-office receipts did not cover the costs, the Government would help to meet a loss.

Professional help could be supplied to some of the more than 2,000 community theaters in the country. Eventually some of those theaters might become the nucleus of professional companies able to support a full season of theater. Traveling repertory companies would be established. Scholarships could be provided to some of the talented students of the more than 400 colleges and universities that offer degrees in the drama. Young musicians could also be helped by scholarships. Above all, so many neglected audiences of America could have the chance to breathe some of the cultural air they now lack. Who knows but that such exposure to the arts might stimulate the emergence of an American Mozart or Corneille?

The initial sum of $2,500,000 is, as noted, small—about one three-hundredth of 1 percent of the proposed Federal budget for 1959–60. But, small as it is, it would be a tremendous stimulus to the arts in America, if only by assuring the artist—and the whole world—that the American Government has taken, for the first time, an affirmative position toward our cultural heritage.

Perhaps the events of the last few years may have prepared our legislators for the creation of an Arts Foundation. For, within the last decade, our Government has lent a helping hand to art and artists through the international exchange program, supplying financial assistance to get them overseas. We were, indeed, almost forced to do so. For it is a moot question whether the Government would have been able to get the money, even at this late date, to show the world some of our cultural resources had not our great rival, Russia, started sending battalions—no, divisions—of its cultural armies all over the world.

It is not the specific purpose of the proposed Arts Foundation to send American artists abroad. But the Arts Foundation could certainly help to create such a renaissance of cultural activity in the United States as to increase materially our cultural stature in the international arena. The Russian artists, of course, do a tremendous propaganda job. Everywhere they go—and they go everywhere—they instill in the minds of their hosts, by word or deed, the argument that Russia, far from being a warlike nation, is interested primarily in peace and culture; that the great Russian bear would spend all his time and energies sniffing flowers if given the chance.

Repeated often enough, any message begins to be believed. The fact remains that the cultural message is international, and Russia spends enormously more on its culture than we do on ours, to the applause of people throughout the world, and to our detriment. Of course, the cry will go up in certain quarters that the Federal Government has no business engaging in an arts program, just as similar objections were raised against all of the new programs that the Government entered into to keep pace with the times and with the development of America.

Critics blasted the social security program as Government encroachment upon free enterprise and the private lives of our citizens. Critics blasted the establishment of Federal minimum wage laws as a violation of industry's prerogatives. Critics blasted the advent of unemployment compensation, of Federal aid to hospital construction, of the Rural Electrification Administration and of the Federal Reclamation Service as unwarranted interference by the Federal Establishment with the national economy or the rights of the individual. Yet today all those programs are accepted and regarded as integral parts of our society.

There are peripheral arguments against an Arts Foundation, some of them well-meaning but certainly refutable. Federal participation in the arts, some lament, means the suffocation of the creative genius of the artist. As if Beethoven, or Van Gogh, or any creative artist who ever lived was in the habit of turning down commissions.

An artist will create best when given the most opportunities, and happily, as long as he has entire freedom to create what he wants. He is his own master, not the servant of the state. In Russia, where the creative artist is the servant of the state, the esthetic worth of much of that country's serious art has been highly dubious during the last generation. As long as America remains America, that cannot happen here.

And what about Federal competition with private industry? The musicians in America will respond to this with hollow laughter. "What private industry?" they will ask. Virtually all serious, large-scale musical organizations in America today are nonprofit and are run at a loss. As for so-called competition with the private theater, the proposed Arts Foundation will not be interested in the big cities, where the commercial theater operates, but in the smaller communities, where it does not. The aim is to build up an audience away from New York—and a body of performers and creators—that will in the long run help the commercial theater.

In short, the Arts Foundation, which will not be controlled by a Federal bureaucracy but by distinguished private citizens active in the arts, will operate within the framework of private enterprise and voluntary association, strengthening and supplementing their efforts. It is our duty to help the living arts flourish at home so that they may flourish abroad, demonstrating to ourselves and the world the enlightenment and maturity we have and should enjoy.

We have already begun to recognize the fact that the world judges us as much by our culture as by our machinery, perhaps more so. The times are ripe for such an undertaking. Some Congressmen say that only 4 years ago they could not have supported an arts program without being laughed at back home. Practically nobody is laughing any more.

Housing Legislation

EXTENSION OF REMARKS
OF
HON. HAROLD R. COLLIER
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 21, 1959

Mr. COLLIER. Mr. Speaker, in view of the vote on S. 57 earlier today, I am simply going to take about 2 minutes to make a matter of record facts pertinent to the housing legislation. Now that the action has been taken, it is ironical to note that there is today in the United States more than 6 percent vacancies in rental apartments and more than 1 percent in vacant houses. Percentagewise these may seem like minute figures but actually the number of vacancies across this Nation are many times over the number of units which are provided for in this budget-busting legislation. What many of us think was more reasonable and rational legislation in this area met overwhelming opposition on this floor today.

Certainly, everyone is aware of the fact that the building of houses and apartments are proceeded on a larger scale this year than last year so that at the end of this year we will have an oversupply of housing in this country.

I just wonder if anyone has stopped to consider how many rental property owners will be caught squarely in the squeeze by the vacant housing units and skyrocketing real estate taxes.

Speaking for that part of my district which reaches into the city of Chicago, it is interesting to note that statistics show that in the metropolitan area permits alone last month were issued for 695,000 homes. The largest number for any 1 month since the boom month of April 1956.

In the city of Chicago, home and apartment construction during the past month showed gains of 97 percent over levels of 1 year ago. Apartment building permits alone in the city of Chicago last month were up 119 percent over a year ago.

The seasonally adjusted annual rate of Chicago area residential buildings last month climbed to a 1959 high of 62,285 units. Last year's actual production was 40,587 units and in the suburban area of Chicago apartment building has risen to an alltime high, while suburban home building soared sharply, too.

The April statistics show that suburban apartment building for the first 4 months of this year nearly doubled the number of the corresponding 1958 period.

In the face of these figures which I suspect are quite parallel to those of

other metropolitan areas, we bring forward the most extravagant housing bill in the history of this country.

I received a letter today from the Greater Chicago Property Owners Council presenting some of the figures I have cited and containing a warning of the squeeze in which property owners whose taxes support the necessary Government revenues face.

It just seems to me we have embarked on a binge to create surpluses of every nature and description from the farm to the cities and most everywhere in between and with each ambitious program we create greater fiscal deficits in the Federal Treasury. Now, if one of these days we dedicate our legislative activities to creating a little surplus in the Federal Treasury and applied it against the astronomical national debt, I am sure that many good folks in this country would enjoy a feeling of gratitude and security and, particularly, the folks on pensions and fixed incomes whom we stroke gently on one side of the face while firmly bashing them firmly on the other.

The Labor-Management Performance Act of 1959, H.R. 7265

EXTENSION OF REMARKS
OF

HON. CARROLL D. KEARNS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1959

Mr. KEARNS. Mr. Speaker, yesterday, May 20, 1959, I introduced my new labor bill, H.R. 7265. I am submitting herewith an explanation of this bill which I hope each and every Member of the Congress will read.

THE LABOR-MANAGEMENT PERFORMANCE ACT OF 1959—H.R. 7265

Weeks of hearings in the House, together with the public reaction against the Kennedy bill as passed by the Senate, demonstrate the need for a new approach to labor reform.

The heart of the problem is the breakdown in performance under existing laws. Whether the failure is in the law or its enforcement is an open question. The result is that the fundamental rights of the working men and women of this country definitely are not being protected.

The breakdown is most serious when it fails to provide protection against internal union abuses and to oust the criminal elements from the union movement. Union members can sometimes obtain relief from internal union problems through use of the courts, but it is a long and expensive process. Few rank and file union members can afford the time or the money. In the criminal area congressional hearings have clearly exposed an appalling failure of enforcement.

Nevertheless, the Senate act relies on court enforcement of its watered-down bill of rights and on criminal penalties for most of the rest of its provisions. Such legislation is no more than a repetition of the same old theme song, "Let the House of Labor take care of itself."

H.R. 7265 offers a fresh approach. It is based on the recognition that, if the corrupt element is to be eliminated from the labor movement, the major part of the responsibility rests on the membership of any union to do its own house cleaning. They will do it if they are given the necessary tools and real protection while the job is being done. H.R. 7265 does exactly that.

The bill contains a simple but comprehensive bill of rights which will go a long way toward insuring that control of the union will be in the hands of the members rather than the officials. Independently audited financial reports are required, but the bill recognizes that regardless of where the reports are filed, only union members will be sufficiently well informed to question them. Thus it provides that the reports must be given to union members only. By far the great majority of union leaders and employers are honest Americans; therefore, no reports are required of labor officials or employers. Such reports are aimed only at wrongdoers, and it is ridiculous to think a criminal is going to write us a report of his crime.

Enforcement procedure is of paramount importance. H.R. 7265 contains a simple, well-tested method—the unfair labor practice procedure of the National Labor Relations Board. All the member need do is file a charge of a violation of the bill of rights or the reporting provisions, and the NLRB takes over the investigation and prosecution of his case. He is protected from retaliation while the case is processed. The confidence which rank-and-file workmen have in the Board is amply demonstrated by the fact that last quarter they filed 62 percent of the Board's unfair labor practice cases. The bill also includes important changes in Board structure to speed up its case handling.

Any labor reform measure must include restrictions on organizational picketing and secondary boycotts. Emotions run high on these issues, but both unions and employers are inclined to forget the impact of such activities on the working men and women who suffer as a result. Their right to be free of such coercion must be preserved if the freedom of association guaranteed by the Wagner Act is to mean anything.

H.R. 7265 prevents picketing after a union loses an NLRB election and, at the same time, markedly speeds up NLRB procedure for holding such elections. It also stops picketing where the labor organization involved cannot establish that 30 percent of the employees want the union to represent them.

In the secondary boycott area, there are presently restrictions on inducement of secondary employees. They are retained, and a ban on threats, restraint, and coercion of any person added. "Hot cargo" contracts are also outlawed.

The time has come to assure a greater voice to the union member in calling strikes. It is obvious that union officials must compete with each other to get the maximum wage increase for their members. Too often the members lose money as a result, either from lost wages or inflation caused by the increase. Consequently, the bill provides for a secret ballot strike vote to be taken within 7 days prior to commencement of any strike.

There are many other provisions in the bill, which are explained in the following summary and explanation. They likewise provide practical methods of protecting the rights of individual workmen.

The Performance Act of 1959 is the least restrictive on the activities of legitimate unions of any bill presently before the House. It provides far fewer opportunities for harassment of honest unions. At the same time it provides the union member with the only practical, realistic method of enforcing his rights that can be found in any of the bills introduced.

SUMMARY AND EXPLANATION OF H.R. 7265—POLICY

Section 2. (a) The policy of Congress originally stated in the Wagner Act and in the Taft Hartley Act, is repeated. Briefly, it is to encourage the practice and procedure of collective bargaining and to protect the exercise by workers of full freedom of association, self-organization, and designation of representatives of their own choosing, for the purpose of negotiating the terms and conditions of their employment or other mutual aid or protection.

PERSONS SUBJECT TO RAILWAY LABOR ACT

Section 102. To assure uniform treatment of all union members, with a minimum of interference with existing law, persons subject to the Railway Labor Act are made subject to the bill of rights and reporting provisions only.

DEFINITION OF "LABOR ORGANIZATION"

Section 103(c). The definition of "labor organization" is amended to include intermediate labor bodies.

REVISION IN THE STRUCTURE OF THE NATIONAL LABOR RELATIONS BOARD

Section 104. The addition of new unfair labor practices will increase the caseload of the NLRB. To increase the Board's capacity and to provide faster processing of NLRB cases, three changes the NLRB structure are made:

First. Section 104(a): The Board is increased from five to seven members with terms of office increased to 7 years. The additional members will increase the capacity of the Board substantially by permitting use of more three-man panels.

Second. Section 104(b)(1): The Board is authorized to delegate to its regional directors the processing of representation cases. Such cases account for more than 50 percent of the Board's workload. During the early years of the NLRA, the Board undoubtedly needed to handle these cases itself. More than 20 years later the rules of decision are well established and nearly all of the cases are decided on established precedent. To make certain Board policy is followed by regional directors, provision is made for appeal to the Board. Action of the Director is not stayed pending the appeal, however, to avoid the taking of an appeal as a delaying technique. This

change of procedure will materially decrease the time spent in processing representation cases and eliminate advantages which parties have long sought to obtain by delays. It should therefore encourage consent elections and reduce the number of formal proceedings.

Third. Section 104(b)(2): The Board is made a truly quasi-judicial body and the General Counsel is made responsible for the administration of the agency. The estimated saving in Board workload is 15 percent. Historically, there has been serious conflict between the Board and the General Counsel sufficient to impair the efficiency of the agency. Most of the conflict has arisen over administrative matters. The proposed change will eliminate the major reason for disagreement and, with administrative responsibility centered in a single individual rather than in a group, a more efficient operation will result. Full control of all judicial functions of the Board, including its rulemaking power, remain with the Board.

Section 104(c): Provision is made for an Acting General Counsel. At present, certain functions of the General Counsel, including the issuing of complaints in unfair labor practice cases, cease when there is a vacancy in the office. The bill will permit appointment of an Acting General Counsel in order that the business of the agency may be carried on.

"HOT CARGO" CONTRACTS

Section 105(b). It is made an unfair labor practice for an employer to enter into any agreement, including a "hot cargo" contract, to engage in a secondary boycott.

UNION DISCRIMINATION AGAINST NONMEMBERS

Section 106(a): Although a strong bill of rights is included, the right of a union to refuse membership to persons it believes undesirable is recognized. An amendment to section 8(b)(2) of the LMRA precludes the union from causing an employer to discriminate against such persons.

SECONDARY BOYCOTT AMENDMENT

Section 106(b): The present language of section 8(b)(4) of the LMRA is left in effect and inducement of secondary employees continues to be an unfair labor practice. In addition, a ban is placed on "threats, coercion, or restraint" of any person where the object is one of those proscribed by section 8(b)(4) and contracts which cause an employer to engage in a secondary boycott are outlawed. Thus peaceful persuasion of secondary employers would be permitted but could not be carried to the point of threat or made part of a contract. The line drawn is the one between peaceful persuasion by the union and "strong arm" tactics.

ORGANIZATIONAL PICKETING

Section 107(b): Picketing to force an employer to recognize or bargain with a union after the union has lost an NLRB election is banned by amending section 8(b)(4)(C) of the LMRA. The amendment would permit picketing prior to the election except where the union is unable to establish that 30 percent of the employees affected want the union to represent them. As in the case of the secondary boycott amendment, the line drawn is that between peaceful persuasion and force. Picketing prevented by the amendment has but one effect. That is to force employees to accept as their bargaining agent a union which they have shown they do not want. Whatever educational value the picket line has is, at that point, far outweighed by its coercive effect on the employees and its interference with their freedom not to associate for collective-bargaining purposes, a freedom which Congress has specifically guaranteed in section 7 of the LMRA.

ENFORCEMENT OF BILL OF RIGHTS AND REPORTING PROVISIONS

Section 104(c): Violations of the bill of rights and the reporting provisions of the Performance Act are enforced through the unfair labor practice procedure of the National Labor Relations Board. As stated previously, inadequate performance under existing law is a large part of today's labor reform problem. Many, if not most, of the evils sought to be corrected can be reached through criminal laws or by private civil suits. Neither remedy is of real practical value to the rank-and-file union member. For conviction, a crime must be proved "beyond a reasonable doubt." Because of this burden, enforcement officials will try only clear-cut cases. Few cases are clear where, as here, so many witnesses are afraid to testify.

In the past the right to civil remedies, while helpful in some instances, has been beyond the reach of the average workman because of the cost. He cannot afford to hire a lawyer and go through the long procedures necessary, particularly when he must first exhaust his internal remedies within the union which may take years in itself.

The unfair labor practice procedure is a much more practical method of enforcement. It is thoroughly tested in the courts, eliminating procedural uncertainty. It can be uniformly applied because, even while the substance of the new unfair practices is being tested, a uniform policy will be followed. The injunctive remedy is available but, based on past experience, the Board can be expected to use it very sparingly. Also, if used, a uniform policy may be expected. While the Board has very broad powers to tailor remedies to correct unfair labor practices, it does not award damages. Cases instituted for harassment purposes will be inexpensively disposed of through the power of the general counsel to refuse issuance of a complaint.

The individual workman will clearly benefit by use of the unfair labor practice procedure. Where he believes he has been wronged, he need only file a charge with NLRB and the expense of investigating and processing will be borne by the Government. He will also have the power of the Government to protect him and any witnesses who testify for him from retaliation. NLRB's interest will be in securing relief as quickly and effectively as possible, preferably by settlement.

Enforcement by the Secretary of Labor was considered unwise for two major reasons. First, an entirely new enforcement agency within the Department would have to be established and its procedures tested in the courts—an expensive, time-consuming process. Second, it is unsound to ask the Cabinet Member whose real function it is to cooperate and work with labor to be a policemen over labor. If factionalism in the labor movement were to increase, a Secretary sympathetic to one faction could seriously harass the other.

BUILDING AND CONSTRUCTION INDUSTRY PROVISIONS

Section 107(a), (b) amends section 9(c)(1) of the NLRA to permit prehire contracts in the building and construction industry. Two safeguards are included: (1) There must have been a history of collective bargaining, and (2) if more than 30 percent of the employees in the bargaining unit object, an election will be held.

Because of the temporary nature of employment in this industry, the election provisions of the NLRA have not been practical. Employers and unions have been forced into technical violations of present unfair labor practice law, but no general counsel of NLRB has issued complaints in such cases, recognizing the equities involved. For the protection of all concerned, however, the law should be changed.

Permitting such prehire agreements handles the problem but, if employees are to be protected in the freedom guaranteed by the act, the two safeguards are essential. With no history of bargaining required and no chance for the employees to object, the "sweetheart" contract could effectively be used in many areas where there are substantial numbers of nonunion workmen. It will not interfere with established building trades unions because they have acquired the necessary history and an overwhelming number of members of the bargaining units are loyal union members.

ECONOMIC STRIKERS

Section 107(c). Economic strikers not entitled to reinstatement are permitted to vote in NLRB elections for a period of 6 months. A cutoff date has been used to avoid problems of former employees continuing to return indefinitely to influence the results of elections. The 6-month limit is believed to be adequate to cover any but most unusual situations.

REPORTING REQUIREMENTS OF SECTION 9(F) AND (G) OF LMRA

Section 107(d) repeals the reporting requirements of section 9(f) and (g) of the LMRA. This section required reports of union constitutions, bylaws, etc., and of financial transactions. No reports to the Secretary of Labor are required by the Performance Act and there are no prerequisites to use of NLRB. In the past, these reports have been of little, if any, value and provide many possibilities for raising procedural technicalities in NLRB cases.

NON-COMMUNIST AFFIDAVITS

Section 107(d) repeals the requirement of filing non-Communist affidavits as a prerequisite to use of NLRB. While this section may have served a

useful function at one time, its advantages at present are far outweighed by its disadvantages. The present requirement can be used as a procedural device to interfere with NLRB processes. The clerical problems in handling the paperwork are many and expensive. To add an employer requirement of such affidavits would be of no practical value and would merely increase the waste of money and effort. The problem of ousting Communists from the union movement is handled by a criminal provision in section 308.

UNFAIR LABOR PRACTICE CHARGES

Section 108 contains necessary amendments to section 10 of the NLRA. Present law permits any person to file an unfair labor practice charge. To avoid possible use for harassment, the amendment limits to the members of the particular labor organization charged the right to file a charge of violation of the reporting provisions. The amendment further requires that, upon notification of filing of the charge, reports which were furnished to members under the reporting provisions must be furnished to the general counsel with an affidavit certifying their accuracy. To protect rank-and-file members, the identity of the charging party in such cases will not be disclosed without his permission.

BILL OF RIGHTS

Testimony of rank-and-file union members before both the McClellan Committee and the House Education and Labor Committee clearly demonstrates the need for clarify the rights of union members within their own labor organizations. While the great majority of unions and union officials are a credit to the labor movement, a small fringe of dishonest and corrupt officials have seriously interfered with the rights of individual workmen.

Section 109 provides a simple, yet effective, statement of the basic rights which union members should have. It preserves to the union, however, an unlimited right to deny membership regardless of reason. The rights listed will not interfere with the operation of legitimate unions but will provide members with the means to rid themselves of dishonest officials. It should be borne in mind that this section will be enforced through the NLRB unfair labor practice procedure. Therefore, some of the requirements are not set forth as precisely as in other bills introduced. NLRB, as an administrative agency, can take into consideration all of the facts and circumstances in a particular case and determine whether the rights of the individuals have been impaired. In other words, the agency can assess the conduct in the light of the surrounding circumstances and within the guidelines laid down in the section.

Section 20(1) requires each labor organization to have a constitution and bylaws.

Section 20(2) guarantees the right of free speech and assembly within the union subject to reasonable restrictions.

Section 20(3) guarantees every member equal rights within his union.

Section 20(4) guarantees the members adequate notice and a chance to vote on all matters pertaining to dues and initiation fees.

Section 20(5) protects the members in the right to use the courts and administrative agencies without retaliation.

Section 20(6) guarantees due process to members charged with violations of union rules.

Section 20(7) requires that each member of a bargaining unit be furnished a copy of the collective bargaining agreement.

Section 20(8) bans the use of union dues for political purposes within the union or in the election of public officials.

Section 20(9) guarantees members against threats or acts of violence by any other member.

Section 20(10) prevents employer delay in forwarding checked-off dues from being used to discriminate against members.

Section 20(11) guarantees free and uncoerced election of union officers while still providing labor organizations with flexibility in establishing their own election procedures to meet their individual requirements.

Section 20(12) assures members of a bargaining unit of a secret ballot strike vote within 7 days prior to the commencement of the strike.

Section 20(13) guarantees fair and just administration of trusteeships while permitting flexibility in their operation and length of existence.

Section 20(14) establishes the fiduciary character of union officers with regard to union funds.

Section 20(15) safeguards union funds by requiring bonds of those handling union moneys.

REPORTS BY LABOR ORGANIZATIONS

Section 109, section 21 sets forth the reporting requirements of the bill. These are that labor organizations report only to their members, not to the public or any agency.

The Senate bill and all bills previously introduced in the House have required labor organizations to submit detailed reports to the Secretary of Labor and for him to make public disclosure of the reports. Such requirements will be of limited value in labor reform and will provide a prolific source of harassment of unions in their legitimate activities. A union's primary responsibility is to its members and they in turn should have primary responsibility for seeing that it operates in accordance with their desires and within the framework of law. While unions also have a duty to the public because of their broad impact on the activities of every individual, this duty does not require that every act must be disclosed or explained to the public. Only the members are entitled to such information.

The reports in other bills are comprehensive and will probably number in the hundreds of thousands. It would be most unrealistic to think that any Federal agency or department would be able adequately to analyze the reports and determine which are questionable. From a practical standpoint, the enforcement agency will have to be altered to investigate particular reports, and it is only reasonable to expect that the impetus in such cases will uniformly be from interested members of the organization. Even public disclosure will be of little value to other than the members. Only they are likely to have sufficient knowledge of the true facts to raise questions concerning the reports.

Therefore, reports to the members will provide those who must raise questions of impropriety with necessary information. And the unfair labor practice machinery will provide a simple, inexpensive method by which an investigation may be set in motion. At the same time, reports to members only will require the great majority of unions to do nothing more than they do at present. These are the honest, properly conducted unions. There is no reason for the public or a Federal agency to become involved with their internal affairs.

Section 21(a) sets forth general information which the union must provide to its members, including lists of officers, amount of fees, and complete information on internal union procedures and rights of members.

Section 21(b) requires that the information be kept current.

Section 21(c) lists the financial information which the union must supply to the members.

Section 21(d) requires that copies of the foregoing reports, together with the union constitution and bylaws, must be furnished to the members.

Section 21(e) provides that the labor organization must keep for 5 years records on which the reports are based and must make them reasonably available to members.

VIOLATIONS OF REPORTING REQUIREMENTS

Section 109, section 22. While the principal method of enforcing the reporting requirements is through the NLRB, criminal provisions are also included in the case of knowing and willful violations. This section, a counterpart of which can be found in all of the bills introduced, is designed to be used in those few cases where the violations are so flagrant as to make a criminal remedy the only practical method of terminating the conduct permanently.

NONEXCLUSIVENESS OF REMEDIES

Section 109 includes an amendment to the LMRA (sec. 23) which provides that the rights and remedies included in the bill of rights and reporting provisions are in addition to any existing rights and remedies. If present remedies were adequate this bill would, of course, be unnecessary. The purpose of the bill is to add, rather than take away, protection for the individual worker. Therefore, Congress should not, as a part of the bill, impair present remedies.

PAYMENTS TO EMPLOYEE REPRESENTATIVES

Section 110, amends the LMRA to make it unlawful for an employer, directly or indirectly, to pay off (1) any representative of his employees, (2) any person or organization seeking to represent his employees, (3) any employee to influence other employees in the exercise of their rights to deal collective, and (4) any union official with the intent to

influence him in his capacity as a representative of the union. It is also made unlawful for any person to seek such a pay off.

This provision is intended to prevent sweetheart agreements and other types of payments which interfere with employee rights. It goes to one of the serious evils disclosed by the McClellan committee.

EXTORTION PICKETING

Section 110 also makes extortion picketing a crime. Such conduct is already an unfair labor practice but, because of the criminal nature of the conduct, the provision is added.

EMBEZZLEMENT

Section 110 (sec. 306) makes embezzlement of union funds a Federal crime.

LOANS TO OFFICERS AND EMPLOYEES OF LABOR ORGANIZATIONS

Section 110 (sec. 307) also forbids loans in excess of $5,000 by a union to its officers or employees, and by an employer to a representative of his employees in any amount. Such loans have been demonstrated to be one of the most common devices for abuse by criminal elements in unions and in union-employer relations.

EX-CONVICTS AND COMMUNISTS BARRED FROM UNION OFFICE

Section 110 (sec. 308) prohibits any person convicted of a felony at any time within the previous 5 years from serving as a union official. The section is intended as a further step in ridding the union movement of the criminal element which has crept into a few unions. It also bars Communists from holding union office.

NO MAN'S LAND

Section 112 permits State or Territorial courts or agencies to exercise jurisdiction over labor disputes regardless of the jurisdiction of NLRB unless there is a direct and positive conflict between the Federal and State or Territorial law. Where the Board declines to assert jurisdiction, a State or Territorial court or agency has jurisdiction irrespective of such conflict.

Tributes to George E. Stringfellow, Imperial Potentate of the Shrine of North America

EXTENSION OF REMARKS

OF

HON. ANDREW F. SCHOEPPEL

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Thursday, May 21, 1959

Mr. SCHOEPPEL. Mr. President, on last March 9 a former colleague of ours here in the Senate, Albert W. Hawkes, of New Jersey, gave a reception and dinner in honor of the Imperial Potentate of the Shrine of North America, Sir George E. Stringfellow, at the Sheraton-Carlton Hotel here in Washington.

Senator Hawkes tried to have all the Masons and Shriners in both branches of Congress present, but the pressure of business permitted only 58 Members of the House and approximately 23 Members of the Senate to be present with many of the outstanding officers of the Masonic fraternity and the Shrine throughout the United States. In Senator Hawkes' invitation he recounted that he had become a Mason at 71 years of age and a Shriner at 72, and while in the Senate he was impressed by the fact that George Washington was a devout Mason and gave much credit to his teachings in Masonry for the maintenance of principle on the battlefield and in public office. It was recounted that a majority of all those who signed the Declaration of Independence were Masons, and a majority of those who signed the Constitution of the United States were Masons, and his theory was that inasmuch as our Masonic forefathers had so much to do with the creation of our American form of liberty and opportunity, perhaps we, as the benefactors of their work, might do our share in helping to preserve our American constitutional government and way of life.

Briefly, I wish to call attention to the fact that the Shriners Crippled Children's Hospitals draw no lines based on color, race or creed in their splendid work to help those with physical infirmities get the most possible out of life.

Senator Hawkes tells me he has in mind bringing together all of the Masonic and Shrine Members of the Congress and many of those in the Executive and Judicial branches of our Government once a year in the hope that this group of well-intentioned citizens can be of greater benefit in their public services to the Nation and every group of citizens composing it.

Mr. President, I ask unanimous consent that the transcript of the minutes of the dinner in honor of the Imperial Potentate of the Shrine of North America, Sir George E. Stringfellow, of East Orange, N.J., may be printed in the CONGRESSIONAL RECORD, although it is estimated by the Public Printer to be over two pages and will cost $283.25 to insert.

There being no objection, the proceedings were ordered to be printed in the RECORD, as follows:

RECEPTION AND DINNER GIVEN MARCH 9, 1959, IN HONOR OF THE IMPERIAL POTENTATE OF THE SHRINE OF NORTH AMERICA, SIR GEORGE E. STRINGFELLOW, AT THE SHERATON-CARLTON HOTEL, WASHINGTON, D.C.

Hon. ALBERT W. HAWKES. Will you all please stand for the invocation by my very dear friend, Dr. Frederick Brown Harris, the Chaplain of the U.S. Senate? I want to say about Dr. Harris that our friendship has been one of the choice things in my life. I consider him one of the most unselfish ambassadors of Christ on earth and one of God's chosen servants. He is also a Mason and has been a working Knight Templar for years. Dr. Harris, will you please offer the invocation?

Dr. FREDERICK BROWN HARRIS. Let us lift our hearts in prayer. Our Father, God, who hath made and preserved us a Nation, our fathers trusted in Thee and were not confounded. In Thee we trust. Thou hast made us to love truth and beauty and goodness. May Thy truth make us free, free from pride and prejudice and from all the ugliness of disposition that does so easily beset us.

Lift us, we pray Thee, above the mud and scum of mere things with the holiness of Thy beauty so that even the common task and the trivial may be trimmed with crimson and gold. Lead us in Thy paths of righteousness for Thy name's sake.

Enrich us, we pray Thee, with those durable satisfactions of life so the multiplying years may not find us bankrupt in those things that matter most, the golden currency of faith and hope and love.

In these desperate and dangerous days, when the precious things we hold nearest in our hearts are threatened by sinister forces without pity or without conscience, help us to give the best that is in us against the wrongs that need resistance and for the right that needs assistance and to the future in the distance and the good that we may do.

We ask it in that Name that is above every name. Amen.

Hon. ALBERT W. HAWKES. Now, gentlemen, will you please remain standing for just a moment while we have the national anthem?

(The assembly joined in singing the national anthem.)

Hon. ALBERT W. HAWKES. Be seated, gentlemen.

(The assembly was seated and dinner was served.)

(Selections by the quartet of Crescent Temple.)

Hon. ALBERT W. HAWKES. Gentlemen, I was supposed to say a few words of welcome, but I thought that everybody acted so much at home that it wasn't necessary. [Applause.] I do want to say this: that I am particularly happy that you very busy men, who have great burdens on your shoulders (and I know something about them) have seen fit to come out tonight to honor our distinguished imperial potentate, Sir George E. Stringfellow, of the Shrine of North America. [Applause.]

Now I know you don't want to hear very much from me, but I must say this: that I hope the fact that we can come here as free men tonight shows, regardless of what party we belong to, or what our ideas regarding some of the chosen representatives of the American Government may be, still we are free agents to come and go as we choose and show to each other brotherly love and consideration. I hope the fact that you can do that will never be out of your minds when you are voting and working to keep good in the saddle as against evil that is trying to control the world. I want you to know that I think we are living in the greatest country that God ever helped man to develop, and I trust that no man in our Congress will ever fail to have the courage to vote to preserve the American system of free men. Thank you very much. [Applause.]

(Selections by the quartet of Crescent Temple.) [Applause.]

Hon. B. CARROLL REECE. Mr. Chairman, may I offer a toast? We have great men in public life and private life. In public life we have none greater than Albert W. Hawkes, who served so faithfully and devotedly in the U.S. Senate for what made America great; and in private life we have none who has served his country more faithfully and devotedly than our imperial potentate, Sir George E. Stringfellow, and to the Masons and Shriners and their purposes of good will to all mankind.

(The assembly participated in the toast.)

Hon. ALBERT W. HAWKES. Thank you very much, my friend CARROLL, for your fine toast.

Senator MUNDT, would you like to make a few remarks now? If you would, I invite you to the microphone. KARL, what you say is worth hearing, and I would like to have you come up here. [Applause.]

Hon. KARL E. MUNDT. Our genial and beloved host Al, and imperial sir, this is indeed a surprise to me, but I have never yet known a Senator who would decline the op-

portunity to say a few words. Usually we like to get the food before we talk, because then we are sure of being fed, but it is a pleasure to address such a distinguished group at any time.

I would like to say for those assembled, if I may speak for you all, that this is in many ways one of the most delightful occasions that I have been able to attend for a long time. It is good to be here with Al Hawkes and his good neighbor, who have no axes to grind and who would like to have the same America we all believe in. I think it is nice to come out to a banquet and not be pressured in this direction or that direction, but just be with good fellows who are enjoying good fellowship and who, being members of the shrine, as we are, have this opportunity to pay a tribute to the imperial potentate whom we have all watched through the many years that one has to go through the chairs before he reaches that distinguished position.

I have met George Stringfellow many times as I have traveled around the States trading a cool speech for a cold steak. I met him in Shreveport and all through the South. To me he typifies what the shrine stands for, that wonderful spirit of comradeship, that genuine affection for his fellow man. He carries out that concept for which Shriners stand with great credit to our craft.

So, Al, I want to thank you as one member of this company for your thoughtfulness in inviting us to meet and pay our respects to a man who is doing a great job as the head of a great organization.

I have known George Stringfellow and his wife for a long time, and it has been my privilege to visit with him in his home.

I know he is respected in his hometown, as he is throughout shrinedom, as a man with the courage of his convictions and a man whose convictions can always be found on the right side as far as the concept of preservation of America is concerned.

Thank you for the privilege of saying what I have felt for a long time. I never expect to be surrounded by two better Americans than Al Hawkes and George Stringfellow. [Applause.]

Senator HAWKES. I know the Imperial Potentate joins me in thanks to you for your fine remarks.

(Selections by the quartet of Crescent Temple). [Applause]

Hon. ALBERT W. HAWKES. I am going to ask my very good friend, Senator BOURKE HICKENLOOPER, of Iowa, if he would like to make a few comments—you can say the limit about our good friend, the imperial potentate. [Applause.]

Hon. BOURKE HICKENLOOPER. Noble Al, Imperial Sir, Al came around just a moment ago and asked if I would like to say a few words. I said, "Not necessarily." He said, "Would you?" And I said, "Yes."

This gathering tonight is a meeting of people who are dedicated not only fraternally but politically, regardless of partisan politics, to the preservation of the American system of government, and I think it is remarkable. A great patriot once said, "My country, may she always be right but right or wrong, my country." I think those of us who are gathered here under the banner of the Mystic Shrine may say, "My politics, may they always be right, but right or wrong, may they lead to the preservation of my country." This is the thing we hold most dear.

Tonight I am delighted to be here, and not only be with my dear and noble friend, Al Hawkes, who is one of the most dedicated Americans I have ever known, but to be with Imperial Sir George E. Stringfellow whose acquaintance and friendship I have enjoyed for a good many years. To all of you, I say that the renewal of this fraternal association, which most of us renew so infrequently, is a stimulus and a pleasure. Al, all I can say is that I, for one, thank you for this opportunity to meet with George Stringfellow, with you, and with the others who have made the Mystic Shrine one of the greatest humanitarian organizations that the country knows. Thank you. [Applause.]

Hon. ALBERT W. HAWKES. BOURKE, we all appreciate very much your kind and thoughtful remarks.

Now my very dear friend, a Democrat—I have some very good friends who are Democrats—Senator JOHN SPARKMAN is going to say a few words from the South, which is in my opinion, one of the finest American sections of the United States that we have left. Thank God we have the South. [Cheers and applause.] I am talking right from the heart now. I think we ought to thank God that we have the Americanism that is in the South of this country. I don't say the South is always right, but I do think the South has as many and as deep convictions of the fine things of the American system of freemen and our constitutional form of government, as we can expect to find anywhere in our country.

Senator SPARKMAN, come up here, will you? [Applause.]

Hon. JOHN J. SPARKMAN. Thank you, Al Hawkes. I am delighted to have this opportunity, but I want to explain one thing before I start. There is one reservation I have about making this speech. He said, "Just a few words." We southerners don't accept a speech on that basis.

I think it is a great occasion to be here tonight. I was delighted when I had a letter from Al Hawkes some time ago telling of his plan to set up this get together honoring our imperial potentate, whom we are glad to have with us tonight. By the way, Al, he is a great southerner from the State of Virginia. Of course, I have no idea of drawing the line tonight. I am just carrying out what you suggested by your remarks. There is no line with Shriners.

I had the pleasure of serving in the Senate with Al Hawkes. He sat on the other side of the aisle, but I never knew a person of greater integrity or finer friendship than this man from New Jersey. By the way, I can tell you a little practical incident that happened after he got out of the Senate. One day I had a telephone call from him while I was down in Huntsville, and he asked me about a little business in my part of the State. The business was in trouble, and somehow it had gotten to him; I don't know how. Well, he pulled it out of the ditch and it is doing all right today.

It is great to be here tonight. By the way, we from Alabama are particularly pleased to have here with us the imperial chief rabban, George Mattison, and the imperial captain of the guard, Orville Rush, so I think we are doing pretty well in this lineup.

I am glad to be here to pay tribute to George Stringfellow and the tremendous job that he has been doing as imperial potentate. We are delighted to be with you. We are glad to have this chance to be with one another without any mention of legislation. You know, the only word I heard about legislation I got when I rounded the table down there, and it was from EVERETT DIRKSEN whispering to me. He didn't want me to take advantage of this microphone on some of the things we have been talking about on the Senate floor. But it is great to be here, and I appreciate the privilege of being with you.

By the way, a toast was drunk to our imperial potentate. That reminded me of an incident when I was in London one time with a small group. We were having a little luncheon in London County. We had this master of ceremonies, a great stately fellow. He had a great time announcing us every time, but he was scared to death that these Americans were going to smoke before the King had been toasted. Well, he managed to keep them from smoking, but just as quick as the King was toasted he made this announcement: "Ladies and gentlemen, the King being drunk, you can smoke." So George Stringfellow "has been drunk."

I would like to propose a toast, if I may, Mr. Chairman. I would like to ask you to lift your glasses and drink with me to the hundreds of thousands of crippled children who are receiving benefits by reason of the existence of our organization and the great leadership of Imperial George Stringfellow.

Thank you, sir. [Applause.]

(The assembly joined in the toast.)

Hon. ALBERT W. HAWKES. JOHN, both the imperial potentate and I thank you very much, and we are very happy you are here tonight, very happy. [Applause.]

(Selections by the quartet from Crescent Temple.) [Applause.]

Hon. ALBERT W. HAWKES. I want to thank the quartet from Crescent Temple of Trenton for the rendition of these fine songs, and tell them how much I think they have added to our pleasures.

Gentlemen, I want to introduce one of our most distinguished Members of the Congress of the United States, a man who is chairman of one of the most important committees in the House of Representatives, the Appropriations Committee, CLARENCE CANNON, from the wonderful State of Missouri, which attracted me enough so I went down there and found a bride almost 58 years ago. She and I will have been together 58 years on the 15th of the coming May, if we are both alive at that time.

There is a strange thing about Missourians. They never forget each other. If you once know them, you will always like them.

So, CLARENCE CANNON, I am going to ask you if you would like to say something about our fine imperial potentate, and the wonderful shrine which has contributed so much to the welfare of those who are afflicted. Mr. CANNON. [Applause.]

VOICES. Our chairman. [Laughter.]

Hon. CLARENCE CANNON. Mr. Toastmaster, and if I may paraphrase Senator MUNDT's salutation, my lightheaded and lighthearted friends:

It is always a pleasure to salute the nobility. And it is a special privilege tonight on this happy occasion as the guest of Noble Hawkes and in honor of the imperial potentate of the Mystic Shrine. Sir George E. Stringfellow is not only the imperial potentate of the Mystic Shrine, but he is one of the profound philosophers and one of the greatest philanthropists of our times.

Among the many notable and extraordinary things about our host is that he became a Mason when he was 71 years old. I think he is the only man I have ever known in my life who has that distinction. I trust every member here tonight will be present when we award him his 50-year pin.

You know, Al, Mr. Toastmaster, the Shrine is the playground of masonry, but even the Shrine has its serious side and its inalienable responsibilities. Just now we are at a critical period in national affairs, a critical time in world affairs, requiring the thoughtful attention of noble and brother.

For there is one thing about freemasonry, freemasonry never dodges an issue. You always know where freemasonry stands. In time of greatest stress its lights burn brightest. There can be no doubt as to where freemasonry stands on world issues at this critical time—a time at which we may expect every man to stand up and be counted.

Every dictator who has sought to establish a despotism has initiated his campaign by destroying all local units of Freemasonry. Hitler drove Freemasonry from Germany and Mussolini exterminated every Freemason he could lay hands upon. Hitler and Mussolini have passed on—and with them the tyrannical dynasties which they created. But Freemasonry still stands a power and an influence for democracy and freedom.

Washington enlisted the benevolent and majestic influence of Freemasonry and established the greatest Nation and most enduring civilization of all time.

You will be interested to know that at the Capitol today we uncovered the cornerstone of the Capitol laid by Brother George Washington with Masonic ceremonies. You may be certain, Brother Toastmaster, that we depend on you and our imperial potentate as sentinels and guardians on the watchtowers of Freemasonry, who like the keepers of Israel neither slumber nor sleep.

Whether through the vicissitudes of the day or across the burning sands of the desert, we know we may follow you safely and securely. [Applause.]

Hon. ALBERT W. HAWKES. We appreciate your very fine remarks, and I am very happy that you have emphasized what would happen to Freemasonry and the Shrine if dictators and slavedrivers are ever allowed to take over the control of world affairs. Our deep thanks to you for giving up this evening to be with us, CLARENCE CANNON.

We have at this table a man whom I have known for many years, and with whom I served in the U.S. Senate for 6 years. I think he exemplifies America at its best. I am one of those who believes an American who is conservative enough to try and save his country as an example to the rest of the world of what freedom under God can do, is a liberal. We call a lot of people liberals but I think of true Americans as liberals in the interest of the freedom of man.

STYLES BRIDGES is the senior Republican Senator in the U.S. Senate at the present time. He is a very dear friend of mine, and I am one of the fellows who is only 80 years old, but is going to work as hard as I can to keep him where he is as long as he is willing to serve and sacrifice, as he is doing. [Applause.]

I would like my dear friend, STYLES BRIDGES, to say a few words about our imperial potentate. [Applause.]

Hon. STYLES BRIDGES. Mr. Toastmaster, it is a pleasure for me to be here this evening to say a few words on this occasion, not only in tribute to our imperial potentate, but also to our host of the evening.

Our host, Al Hawkes, is one of the men who was wise enough to retire from public life to spend some time enjoying himself, after devoting years of service to his country in the U.S. Senate. He has continued, however, to work for his country which he loves so much. Most Senators, as you know, stay in the Senate until they are either defeated or have to be carried out. He is one of the rare exceptions to the rule. Al is a great patriot. He is one of the great patriots of our time.

Now, as to our imperial potentate, Sir George Stringfellow, he is a man who has been successful in business. In recent years, he has devoted more and more of his time to civic and fraternal affairs, and he has made great contributions to Masonry.

You and I know the most important thing to every American today is the survival of this Nation. Freemasonry had a great deal to do with the building of this Nation in the early days. George Stringfellow is the type of leader in Masonry and in the Shrine who is attempting to continue the same patriotic spirit established by our early brothers and built upon a sturdy foundation.

I think it is fitting for the Members of Congress of the United States, of both political parties, of both Houses of Congress, to come here this evening to pay tribute to this great Masonic leader, the Imperial Potentate of the Shrine, and to one of the most beloved patriots of America, our host, Al Hawkes. [Applause.]

Hon. ALBERT W. HAWKES. STYLES, I thank you very much. You know, it isn't too often that a fellow, who can't help standing for what he believes in, gets any plaudits or accolades from anybody, so I deeply appreciate those kind remarks and I am sure the imperial potentate, George Stringfellow, appreciates them also.

We have with us tonight Justice Tom C. Clark, of the Supreme Court of the United States, whom I considered one of my good friends when I was serving here in the U.S. Senate, for he was trying to keep corporations functioning in line with legal requirements and fair American practice. We are highly honored that he would give up an evening in a busy life to pay his respects to the imperial potentate, and as an old friend of mine, I am going to call upon him to make a few remarks relative to Shrinedom and our imperial potentate. Hon. Mr. Justice Tom C. Clark. [Applause.]

Mr. Justice TOM C. CLARK. Senator Hawkes, my good friend and brother Shriner, George Stringfellow, and fellow Masons. Unaccustomed to public speaking as I am after a decade on the Court, I cannot forego this opportunity afforded by our genial host to say a few words concerning our guest of honor. In so doing, I break a long precedent started when I went on the Bench; namely, to be a good listener. The Lord gave us two ears and but one tongue so we might listen twice while talking once. Perhaps the world would be happier if each of us had the same capacity for silence as we have for speech. Thomas Vaux put it clearly when he said, "He speaks best that hath the skill when for to hold his peace."

In fact, our honored guest, our imperial potentate, was reared in that school. Taught by the great inventor, Thomas A. Edison, with whom he was associated at Menlo Park, he has practiced the true virtues. Edison, Brother Stringfellow tells me, was a man of few words devoting some 18 to 20 hours of each day to the development of discoveries that brought much to his fellow man. He instilled in our honored guest this indefatigability for work and so today he devotes long and arduous hours to the betterment of our democratic system. In this he is but the chosen instrument of the thousands of us brothers who have crossed the sands and entered the mystic order. It is said that we are but the playground of Masonry, but if that be so, our answer is that it is there that most of life's lessons are learned. The rules of the playground soon become the laws of men, and if we have learned our lesson well in the first, it follows—as the night the day—that we will obey those of the latter. Our distinguished guest well knows this for today he tours the country as a crusader for our democratic form of government as contrasted with that of the totalitarian Soviet. His message has been one of devotion to our principles, or understanding of the realities of life today and the use of a firm hand and determined mind in protecting ourselves from such destructive forces.

Personally, I have learned much from Masonry. In its deep reverence for those spiritual values that weave the tapestry of our life together it places the strong cord of respect for constituted authority so necessary in the attainment of that ordered liberty to which we aspire. In the inner sanctum of my being it has placed a seed, that of understanding—understanding for human souls—and in so doing, it has taught me how we may obtain for each of them that freedom and justice the attainment of which brought our country into being. It is in this effort that I am happiest and in it that I am most serviceable.

And so to the success of your crusade, Imperial Potentate, Sir George Stringfellow, we drink; to your continued good health each of us brings our prayers; and to that ordered liberty which you support we lend our arms in firm salute. So mote it always be. [Applause.]

Hon. ALBERT W. HAWKES. Thank you for your fine remarks, Mr. Justice Clark. I don't know very much about Washington any more, but I heard from a lady, who knew you were going to be here tonight, that you were doing a great and effective work in connection with the Patrick Henry Clubs. I congratulate you on this work.

Now, I am going to call on Senator EVERETT MCKINLEY DIRKSEN to say a few words. He is from Illinois, the State of my birth, you know. EVERETT, come up here where we can see and hear you. [Applause.]

Hon. EVERETT M. DIRKSEN. My old friend, Al Hawkes, fellow Democrats—and I should make special reference to my old friends, CLARENCE CANNON and JOHN SPARKMAN—I am delighted to be here as your guest. I just asked Eddie Rickenbacker how long you might want to be here, before I rose to my feet, and he said, "Not too long, why?" I replied, "Because I thought I might make a speech on housing or some other appropriate subject."

Al—and I like to call you Al, it is truly a delight to be here as your guest. I was a sort of freshman tenderfoot when I came to the Senate and you were still here. As a pupil I used to sit at the feet of the master—meaning you—and imbibe wisdom and understanding in the hope that I would follow a proper and durable path.

I used to sit at the feet of my old friend, STYLES BRIDGES also, who is here tonight. He is our senior Republican in the Senate and a great citizen. I probably have been in the Congress a little longer but STYLES is our ranking Republican. He is such a two-fisted American that he deserves a big hand. [Applause.]

I could wax quite philosophical tonight and especially so when Dr. Harris, the Senate Chaplain, is here. What an inspiration it is to hear his invocational prayers when the Senate session opens each day. On occasions some people become cynical about the opening prayer, as indicated by the old story of a father and his young son in the Gallery. The son inquired of the father who the man was standing up before the Senate and his father said, "That is the Chaplain," and then added, "He takes a look at the Senate and then prays for the country."

Such are the moods of cynicism that sometimes engulf us, and over and over we must search for appropriate and durable answers. I find much of the answer in what I have received from Masonic teachings. In a way, I am not too good a Mason in the sense that I have not attended Blue Lodge for a long time. Manifestly, long sessions in Washington make it difficult to attend lodge back home. I try to make up for it by going to the Grand Masters' meetings which are held here and to neighboring Blue Lodges in the hope that I can expiate and wash out the sins of neglect.

When I reflect on what I have gotten out of the Masonic Order it goes back to one fundamental principle, and that is that the hope of the universe and the hope of society reposes in the individual, in his integrity, his dignity, his peace of mind and the power that he can wield in the area where he lives and serves.

A great many years ago a visiting chaplain came to open a session of the House of Representatives. His prayer impressed me. I made inquiries about him. They said his name was Joshua Liebman, a Jewish rabbi from Boston. He was then only 43. I visited with him. About 10 days later while in Chicago my eye caught the title of a book in a bookshop by Joshua Liebman. The title was "Peace of Mind." In the very first pages of the first chapter Rabbi Liebman spoke of an old, distinguished rabbi who had been sought out by a younger man who was so ill at ease and uneasy about the world. He had certain objectives in life. The good rabbi told him to make out a list, which he did. Together they examined the list and after a time the old rabbi struck out every item, such as fame, security, acquisition, glory, and at the bottom he wrote one great, golden

and glorious objective, and that was peace of mind.

How does one achieve peace of mind? I believe one gets it best through service to his fellow men. That goes right back to the individual. What else is there when all is said and done? The individual in his community from the days of his youth, the radiance and influence which he can shed, his exemplification of the teachings of our craft, becomes a massive radiating force that goes out into the community even as common coronary attacks quickly race into the arms and legs of one who suffers this distress.

Every day we read of someone, especially people close to us, who have had a heart attack. Just what does happen? It is rather simple. Something touches that life-giving pump and pains begin to radiate into the members of the body. There is pain and agony, and it is this little difference, this little affliction to the pump, to the auricles and ventricles that spells the difference between life and death.

The individual in his relation to the social system and for that matter to the whole country and the whole world is like that. One person radiating and exemplifying in the community where he lives the things he absorbed in the lodge room and the amplification of the teachings which he gathers as he goes along life's course does become the last and best and noblest hope of mankind.

Think of the things that men have tried to reduce to paper in the form of treaties and agreements and sanctions and codes of conduct and ethical standards in the hope that leaders in their thoughts and actions everywhere would respond to this kind of discipline.

The arch leader of the Soviet Union, Nikita Khrushchev, is a case in point. Only late this afternoon the press called me for comment on the fact that Khrushchev has changed his mind again. His latest fulmination seems to be that he was willing to guarantee the security of Berlin either through the troops of neutral nations or the troops of major nations acting in concert. It was the seventh or eighth time that he has changed his mind in recent weeks.

Somehow in our search for peace in the world we constantly go back to a personality in whose actions and words there reposes not only much of peace for mankind, but whether there will be a thaw in the cold war.

This in itself should be a great lesson for us who are identified with a craft that goes back to Hiram Abiff. Each of us in one dimension or another, and in one degree or another, can by exerting the power of influence and personality, condition the communities where he lives and radiate a degree of integrity and confidence which must manifest itself upon his fellow beings.

At the convention in Chicago in 1952 a thought came into my mind. It was from Solomon. He was supplicating the Lord and the greatest thing he asked was this. He said, "Give them Thy servants an understanding heart." The understanding heart is but a part of individual equipment. In proportion as we understand and reflect that understanding, we become tremendously influential in the reconstruction of society and the reconstruction of the world.

In our search for words to put on pieces of parchment in the hope that the desirable objectives so uttered may not be ephemeral and a vain thing, we must never forget that salvation in every facet of human experience goes back to the simple fundamentals of our craft because all of the emphasis is on the individual and his constant efforts at perfection.

Illustrious Imperial Potentate, that is what I got in the simplest unit of our craft; namely, the Blue Lodge. I came to Washington 25 years ago with several suitcases full of clothes and a suitcase full of ideals. The clothes have long disappeared and changed and been replaced. I feel pretty sure that the ideals are still intact, and among the ideals is this abiding and constant conviction that the salvation of the universe leads to the door of the individual. How else shall we regenerate society, except to start with a nucleus, and that nucleus is the individual? There is in him a spiritual nuclear power of undreamed influence and effect.

At the grand masters' breakfast meeting one morning recently, I mentioned that 19 centuries ago there was a great light in the sky as a star directed humble people. It was early in the morning, when there was a touch of darkness. That light directed the shepherds to the manger where that great event, the birth of Christ, took place. Ever since then He has, through His teachings, His disciples, and His followers, shed light and hope and dissipated the darkness in every corner of the earth.

It took 19 centuries for another light to illuminate the sky in the semidark of early morning in July of 1945. It was in that dreary desert area of New Mexico and the light that illuminated the countryside that morning ushered in the nuclear age and the age of fission. Through it there quickly developed an instrument of destruction that destroyed an estimated 80,000 people in Hiroshima and Nagasaki, and brought to an end one of the most terrible conflicts ever visited upon mankind.

In this concatenation of events there should be another light. Nineteen centuries ago came the light to generate hope. Then came the nuclear light to bring end to conflict. What we need now is another light in the field of spiritual fission to carry on and through the individual and the fission of that power which lights in the individual spirit to bring reconstruction and good will. It is impossible to believe that the mind which created such a destructive force in 1945 cannot also generate a spiritual force in accord with all Masonic doctrine, which will bring new hope and peace and understanding and brotherhood.

I pray for the day when these things which constitute the living force in the human heart and the human mind can be directed to resolving the problems which beset us today. It will eclipse everything ever achieved at Alamogordo and ever since by the expenditure of billions to perfect and make even more powerful this nuclear force, and that spiritual fission is the very essence of our craft and of the things that I learned in the Blue Lodge long ago.

So, Illustrious Potentate, no matter what the degrees to which we address ourselves, all of us must go back to the foundation truths which we learned in the simplest foundation unit of the fraternity. That is where we get our philosophy. That is where we secure the real drama of truth and that is where these truths are so deeply imbedded in our consciousness to make us proof against all frustrations and disappointments. It will come as it must come in proportion as these basic truths are applied.

You, Illustrious Potentate, have a great responsibility, and I know you will discharge it well. As a humble member of our craft, I shall try to help in my modest way. I thank you. [Applause.]

Hon. ALBERT W. HAWKES. Thank you very much, Senator DIRKSEN, for those wonderful remarks which will long remain in our minds as coming from one of the most loved and respected men in our Congress.

Now we have with us tonight one of the great Americans, I think, of my generation; I am a little beyond him in years, but I always think of him as being a great American World War I veteran. He has since been a captain of industry. He has served well in whatever he has done and in accord with American tradition. I refer to Captain Eddie Rickenbacker. [Applause.]

Eddie, if you would like to come here and say just a few words, we would be happy to have you. [Applause.]

Capt. EDDIE RICKENBACKER. I think you are wonderful, Al. I think you are wonderful, too. [Patted Imperial Potentate Stringfellow on the shoulder.] I never had the privilege of being associated with so many Communists at one time in all my life. [Laughter.] All I have heard tonight is communism being preached. I am amazed that my good friend—what is his name? He is from Illinois—would think such thoughts. All right, EVERETT.

I am grateful for the privilege, seriously, of being present. I have known George and I have known Al for a great many years. I hope the good Lord will permit me to know them for many more. I am sure that all of us in these trying times, when the fate of our Nation is in balance—regardless of how you may think, it is, and it can go in either direction in the not too distant future—we realize it will depend upon men like you, men that you individually have expressed yourselves about here this evening and your convictions and your courage to follow them, whether we go the right way or whether we go the wrong way.

All of you in my opinion, regardless of your party, are Americans. You are Patrick Henrys, give me liberty or give me death, and that is Americanism. It is the American way of life and I hope when the candle of my life dwindles to the flickering stage that I will be blessed, George, as you are being blessed tonight, with the presence of a group of friends that have no equal. Thank you. [Applause.]

Hon. ALBERT W. HAWKES. Thank you, Eddie, for your very fine remarks. We all love and respect you.

I was expected to say a few serious things about Masonry and our beloved country.

The essence of Masonry and the Shrine and their purpose and objective is to help good prevail over evil in our actions to exemplify and prove the fatherhood of God and the brotherhood of man. That is all the people of the United States have been trying to do in spending their material resources and sacrificing the finest blood of the Nation the greater part of this century. How wonderful it is that we have men in public office who may have tremendous differences of opinion in connection with the domestic issues, who belong to different political parties, and yet are big enough to realize that the international situation and cold war confronting us requires our complete and undivided attention, and so they are willing to put all these domestic differences in second place and be a harmonious united people in resisting all outside forces that would destroy us and our government of free men.

When the men at Valley Forge were deserting, and George Washington was about as blue as he ever was in his life, Tom Paine went to him and said, "General, may I talk to these men about their desertions?" George Washington said, "Yes, Colonel. If you can say anything to them to stop their desertions, it will be wonderful." Colonel Paine went to them. We could go into great detail. He went to these men who had deserted, and some of whom had come back, and to the ones contemplating desertion because they had empty bellies, ragged clothes, were not being paid, and were in misery. He said this one thing, and I say it to you. He said, "If you desert this great cause and we lose our fight for freedom, I want to ask you, where are you going from there?" Most of the men came back and won our liberty.

And I say to every American that if there ever was a time it is now when a psychiatrist is needed for the well intentioned American people who can't recognize the difference between our great God-given liberty and the misery and suffering of living under a tyrant and a thing like communism.

I just can't understand any people not realizing that we have to give our lives, our fortunes and our sacred honor; and everything to preserve our system of human freedom for mankind. Remember, gentlemen, you can't be sorry afterward. It will do no good. You have to take the right action now on time.

I take my hat off to the distinguished majority leader, LYNDON JOHNSON, in the U.S. Senate, and the distinguished Speaker of the House of Representatives, SAM RAYBURN, who both immediately and without delay, publicly announced that we are a united nation on the Berlin crisis and that they support the stand of our Republican President and his advisers in this crisis. [Applause.] Gentlemen, we must stand together. There is no hope for us if we don't stand together. I know we have differences that are tremendous, but we can solve them if we keep our liberties. If we can't solve them, then our way of life, that I have always loved, is not as strong as I thought it was. But with intelligence, time and cooperation we will find a solution, because time is the balm in Gilead that heals all wounds.

We must find leaders not only with intelligence, but with courage and leaders who realize that we all get our true source of power from God Almighty, as Abraham Lincoln did. That reminds me of a little story about him. When he was about to sign the Emancipation Proclamation, a group of powerful clergymen called on him and told him he was making a serious mistake. The reason they were sure was that they were men of the cloth and on their knees asking guidance from God. Lincoln replied, "I have no doubt about your sincerity in asking me not to sign the Emancipation Proclamation but, gentlemen, I am likewise on my knees several times each day asking God for guidance. If there is a God, and I certainly believe there is one, then He knows I am President of the United States and you are not, and if He has any guidance to give, He will give it to me and not to you. Thank you, gentlemen. [Applause.]

Few people have ever expressed more succinctly and clearly the danger surrounding a government or state of free people in this world than did Lord Byron when he said, "A thousand years scarce serve to form a state; an hour may lay it in the dust." I think it is one of the choice statements of all time. How true this is and how certainly history records nation after nation where people toiled for centuries to create a state, and then a single mistake laid it in the dust. Let us not make that mistake. There is no use in our discussing for the moment what mistakes we have made by overplaying the hand of charity, consideration, and generosity, because right now the big thing before us is to win the cold war without spending the Nation into bankruptcy. I repeat that. To win the cold war without spending the Nation into bankruptcy. We can do it if we will to do it, and if we are willing to pay the price to preserve liberty and opportunity—the most precious things in life. I say we can do it if we will to do it; by that I mean if we have faith in ourselves.

Here I give you John Freeman Clark's classic definition of faith, and I think it is one of the choice definitions of all time.

"All the strength and force of man comes from his faith in things unseen. He who believes is strong. He who doubts is weak. Strong convictions precede great actions. The man strongly possessed of an idea is the master of all who are uncertain or waivering. Clear, deep, living convictions rule the world."

Masonry means to me the resolution to observe, so far as possible, the Commandments of God in our dealings with our fellow man. It means the recognition of the brotherhood of man. It means the reaching out of a helping hand when one is down and needs our help and one is in a position to give that help. It does not mean the carrying of one's burdens who is able to carry his own, but in the case of the Masons it means help to those in distress, and in the case of the Shriners it means to supply aid to the crippled children in the hope that it will bring to them some of the enjoyments of life. It means the invoking of the Golden Rule which is the foundation of all equity. Take any rule of equity and you will find it in the Golden Rule.

After watching for 65 years of my 80 years of life, and noting the trends of people's efforts, I believe unless we can put back into first place in our lives as a free people the building of character and maintenance of moral standards, and take the mad race for money, place, and power out of first place, and put it in second place where it belongs regardless of its importance, then, in my opinion, we are doomed to follow the course of other great nations which have become leaders of the world only to lose their power and disappear on the horizon of history. The time of life is brief at best. The objective should be to help good predominate over and destroy evil, thus adding to the improvement of the quality of man and civilization.

I salute you chosen representatives of the people and our public officials and the imperial potentate and the members of our Masonic order and Shrine, and I hope, in the words of George Washington, the Father of our country, that inasmuch as you are on guard in a critical situation facing our beloved country you will, none of you, be found wanting in the wisdom, fidelity, and courage which may be necessary to do your duty at this difficult time. One of the finest things Robert E. Lee ever said is in nine words, "Duty is the sublimest word in the English language." Let that sublimest word be emblazoned in the hearts and minds and souls of all Americans. Let us remember when bad men join hands to destroy the inalienable rights of men under God those of good intent and purpose must unite and pledge their lives, their fortunes, and their sacred honor in support of good and the destruction of evil. Unless we do that, the lamp of liberty and opportunity will be temporarily extinguished. Let us all answer that evil shall not prevail. [Applause.]

After all—I would leave this admonition with this group and every American group—our national character can be no greater than the composite of the individual character of our citizens. This leads to the conclusion that our biggest job is to get hold of ourselves and see that we each are doing our duty; that we each are making our contribution in such a way as not only to save all the fundamentals in the American system and way of life, but to improve those things which need improvement, at a rate of speed which will not destroy the house while we are making the repairs.

This is the need of the Nation; this is your need; this is the need of your family; and this, if carried into effect, will write a page on history which you will be proud to have posterity read.

In closing, let us ask God to give us the patience to accept those things which we cannot change; the courage to change, when we can, those things requiring change; and the wisdom to know the difference.

Now, gentlemen, I have the honor and privilege to introduce to you the potentate of Crescent Temple at Trenton, N.J. I was amazed to find that a man who has accomplished as much as he has is still under 40 years of age. He is a man worthy of the best there is in Masonry and the Shrine. He served his country in the war. He came out with honors and the oak-leaf cluster and a Bronze Star. He is at the head of many organizations, and the thing I like best about him is that his biography shows as fine advancement of a young man as I have ever seen, and yet he sent it to me and said: "Dear Senator: These are some of the things in my biography. Use them all or none. Either way will be perfectly agreeable to me." That is why he has done a job, gentlemen, because he hasn't wasted his time looking for praise.

I want to tell you that this young man has been elevated to the honor of 33d-degree Mason. Without more ado, Lee, I am proud to introduce you. [Applause.]

Noble LEE WILEY. Thank you, Senator Hawkes and imperial sir.

It seems almost like carrying coals to Newcastle for me to speak after so many fine and distinguished speakers, but I do want to say a few words about a very good friend of ours. It is a great honor for me, as potentate of Crescent Temple, the 10th-largest temple in Shrinedom, to greet you and to extend to you the best wishes of our temple. With over 11,400 members, including such dignitaries as our good friend Senator Hawkes here, Norman Vincent Peale, and our imperial chaplain, Dan Poling, we feel that we enjoy a very enviable position.

But lately we have had one more jewel added to our crown. A member of Crescent Temple is our imperial potentate. We are proud that we can number among our nobility a person such as George Edward Stringfellow. That he is imperial potentate is only part of the story. You know many aspire and reach high positions, but most of the time they are done with cruelty and selfishness and they add little but tarnish to the world in which they live. Fortunately, there are men, like George Stringfellow, who are lifted up by the willing hands of their friends to high positions who remove the tarnish and add new luster.

There are many things about our genial Virginia gentleman that cause men to look up to him and respect him. I heard someone talking about our Virginia man here but actually we consider him a New Jerseyite and we have adopted him as such and I hope he has adopted us.

I think the things you think of when you refer to George can be best summed up in two little words, "He cares." He cares about others. In the Shrine we all know his extraordinary interest in our Shrine hospitals but beyond that his care for disabled veterans in the New Jersey Home for Disabled Veterans is also well known. He has cared that Protestants, Catholics, and Jews should know, understand, and respect one another. He has cared that there be better understanding between labor and management. He has cared for the health of others with his great work in the American Cancer Society. And he cares that this great country of ours should maintain its wonderful way of life. In any and every field of endeavor he has and is showing that he cares. Moreover and most important, he backs his care and concern with positive action.

It so happens that I am a president of the Rotary Club of Trenton and unfortunately I have found one flaw in George's character. He is a Kiwanian. And shame of shames, he has even been president of the New York Kiwanis Club for two terms. One credit I can give to Kiwanis, when they finally found a good man, they knew it.

But seriously, may I quote to you something written by Louis Austin in "This I Believe":

"Our Maker gave us two hands, one to hold to Him, the other to our fellow man. If our hands are full of—or struggling for—possessions, we can hold to neither God nor humanity. If, however, we hold fast to Him who gave us life, who is our ever-present Partner, His loving Spirit will flow through us and out to our neighbor. That is the way of joy, love, achievment, and inner peace."

This then is the way of George Stringfellow, with one hand in God's hand and the other for his fellow man, he walks his quiet way, serving others unselfishly in countless ways because he cares. Thank you. [Applause.]

Hon. ALBERT W. HAWKES. Thank you, Potentate Lee Wiley, for those stimulating remarks.

Gentlemen, it looks as though we are going to get under the wire in the time I agreed upon. I want to introduce our distinguished guest in a few moments, but I do want to thank the quartet from Crescent Temple for the fine songs and music they have given us.

May I say to you that we are not going to have any benediction because the beloved Chaplain of the House, Dr. Bernard Braskamp, is in the hospital tonight, and so is our distinguished and beloved chaplain of the Shrine, Dr. Daniel A. Poling, in the hospital for a very major operation. We wish them both speedy and complete recovery. We are going to ask our quartet, which rendered such beautiful service tonight, to close the meeting after the imperial potentate speaks, with the song "I Believe," which is a benediction in itself.

Now we come to my very dear friend, George Stringfellow, who is a regular human being. He has virtues and faults like all of us, but his virtues strongly predominate. He has done a wonderful service in the world. I have watched George for a great many years. I could take your time by introducing him with the words in the biography I sent to all of you, but a man who has really done things for his fellow men to a great extent doesn't need much eulogy, even from a friend.

You know, George, when I think of you I think that you were born in a wonderful State, Virginia. My great friend, HARRY BYRD, has represented that State for many years, and he and I have had a relationship for many years that very few men have had in this world.

You gained your educational experience, as I did, in the school of hard knocks. You graduated from what my friends call "Knocks College." You have rendered great service to the free enterprise system. You have rendered great service to your fellow men, not only through the Shrine, but through every department in business and as a member of the Cancer Society, Tax Payers Association, on the board of trustees and directors of several colleges and churches, and other institutions of note.

I was thinking of you this afternoon, George, and the story they told me out in California about Sam Goldwyn. You went up to see Thomas Edison. Most everybody thought you wouldn't make much impression, but you did because you were honest and had the courage to criticize things, and he liked you because you had that honesty and courage and ability. Out in California this young fellow wanted to see Mr. Goldwyn, and tried to get to his office but never could. Finally he got a very influential man to make an appointment. This man took him down to the office and Sam said, "I will give the young man 10 minutes and that is all." Well, the young man went in and the older man stayed outside waiting for him. He waited more than an hour. Finally the door opened and the young man and Sam came out. Sam patted him on the back and said, "I hope to see you again." So the old gentleman and the young man started down the walk. Sam had two or three vice presidents sitting on the porch. He said, "You see that young man going down there?" They said to him, "Yes, Mr. Goldwyn." He said, "That young man is a genius; and smart, too." [Laughter.] And that is what Edison said. You are a genius; and smart, too.

George, we love you for what you understand about humanity. We love you because you have that faculty that Henry Drummond spoke about in his wonderful sermon called The Greatest Thing in the World, Love. He said, "In my opinion, on the Resurrection Day, when all souls appear before their Maker for judgment, the great question will not be so much have you violated the Commandments, but what have you done to help your fellow man? When it has been your privilege to reach out a helping hand to someone who has fallen and needs help to stand on his own feet again, have you given that hand and given that help?" Sir George, this group knows you have.

Now with those few remarks, Mr. Imperial Potentate, and my very dear friend of many years, who bled and almost died with me when I ran for the Senate, I present you to this audience. [Standing applause.]

Imperial Potentate Sir GEORGE E. STRINGFELLOW. Senator Hawkes, Mr. Justice Clark, Senators, Congressmen, and other distinguished guests, I bring to you the greetings and the good wishes of the board of trustees of the Shriners Hospitals for Crippled Children, and I bring to you the good wishes and the greetings of the 830,000 Shriners of North America, which I have the privilege to represent.

I thank you sincerely for your most complimentary introduction and I certainly thank you for the warmth of your reception. You have made me feel at home in this Nation's Capital where I had the privilege of spending my childhood. I am deeply grateful to my good friend, the Honorable Albert W. Hawkes, who has served the people of this Republic in many ways, always effectively and always with integrity. It is through his generosity and it is through his desire to promote our way of life that he has assembled here tonight a great group of citizens who have, to a large extent, in the palm of their hand our way of life. I have yet to address a group of citizens who have a greater influence and, therefore, a greater responsibility than those of you who are assembled here tonight. For there is in your hands peace with honor, and there is in your hands the right to declare war to preserve our honor.

Our forefathers gave us our way of life, but it wasn't without cost that they labored and many of them gave their blood and their lives that we might live in liberty. The question that should be in the mind of every American is this: Are we worthy of our heritage? And if we are worthy of our heritage, we will all stand up and be counted. I know of no man who has ever taken the obligations of Masonry and who has implemented those obligations in his daily life who is not worthy of our heritage.

I should like to point out that I have felt for a long time that the 4 million Freemasons in the United States have a greater responsibility to keep America American than any other group of citizens, for the reason that our way of life to a large extent was born in the atmosphere of Masonic lodges. It is a historic fact that a majority of those who signed the Declaration of Independence, and a majority of those who signed the Constitution of the United States were Masons—more than any other group. Therefore, if we are worthy of our heritage, if we live up to our obligations, we will stand courageously for what is right and be counted. The time has arrived in America when we must stand for principle, or we will fall for everything.

Now, the Shrine is a great organization, for it incorporates into its membership only those men who have been thrice tested and approved by their fellow men. First, they must pass the rigid requirements of honor, integrity and brotherhood of the Blue Lodge of Freemasonry. Then they must pass the additional tests to enter into the realm of either the Scottish or York rites of Freemasonry. And of course, finally, they must be accepted once again by those who already have passed the tests of the Shrine. And I say to you that nowhere in the world does the spirit of brotherly love, honor, integrity, charity, and freedom of man beat stronger than in this organization which it is my privilege to head this year.

Since I was elected to this office last July, I have traveled up and down and across this Nation, visiting the temples of this order. I have talked with the officers of the temples. I have talked with the nobility. I have talked with many of the grand masters and the heads of other Masonic orders. And wherever I have gone, there has come to me the plea that I speak forth in the name of the Shrine for a more militant Masonry, a militancy that in some manner must restore—or help to restore—those freedoms for which Masons sacrificed so dearly.

I cannot and do not, however, speak for Masonry or the Shrine in their attitude toward political philosophy. But I can speak to you as a Mason and as a Shriner on what I have learned to be their moral philosophy as it may be applied to the world we live in.

Freemasonry is the oldest secret fraternity in the world, and it is predicated on the fatherhood of God, the brotherhood of man and the dignity of the individual. Freemasonry is therefore outlawed whenever dictators seize control. The lamp of liberty burns low today throughout the world. Two out of every five of the citizens of the world are directly or indirectly under the heel of communism. And if communism in any form or by any other name should come to this Nation, you may be assured that the first group to know its venom will be the Freemasons, for the dearest tenet of Masonic thought is freedom. And by freedom, I mean the right to do what we want to do so long as what we do does no harm to the brotherhood of man. And we can lose that freedom, not only to an invading horde from the Kremlin, but also to Americans who may have succumbed to the mysterious drug of power, and through that power maintain control over their fellow men.

Our brother Masons who helped to found this Nation foresaw such a calamity and they sought to protect the future liberty of the people against the machinations of such power-mad people. Our Constitution, as originally written and with the addition of the Bill of Rights, was, as Gladstone said, the greatest instrument ever conceived by the minds of men. And why? Because, my brethren, such men as Washington, Franklin, Revere, Hancock, Madison, Henry, the Lees, and hundreds of others, had learned at the altars of Masonry the holy tenet of freedom.

Washington once said that "the Masonic lessons I learned on my admission to Masonry and my contact in conversation with prominent Masons thereafter were of great encouragement in after years when I encountered and was under severe trials, especially those of the commencement and during the Revolution." He continued by saying that "There is no doubt in my mind that Masonry and its lessons were helpful throughout the Revolution both on the battlefield and in the legislative halls."

In further reference to Masonry, Washington, who became master of his lodge said: "Friendly counsel reached my ears that some of the men regarded me as an aristocrat. I decided to dispel such thoughts from my comrades' minds and on one occasion, I sat in a Masonic lodge in Cambridge in which an orderly sergeant was the master. I made it a point to meet upon the level"—and that means much to every Mason—"and part upon the square with all my comrades regardless of rank and regardless of position. My reward was the loyalty and friendship of all far beyond my expectations."

We citizens today, in my opinion, can do no better than to emulate our Founding Fathers, who did so much to bring us freedom. Freedom is our greatest asset, but freedom must be earned anew by each succeeding generation, if in fact it is to be retained. Freedom is not something that can be taken for granted. Freedom is not free. Freedom is costly, but slavery is more costly. Freedom can be crushed by treachery from within as well as from without. Freedom can be weakened and finally destroyed by apathy of the people; and many of you in public

life have witnessed in the last few years apathy to a degree that has been serious.

Many of us today are confused by the complexities of life. We sometimes think that if we could get back to the simplicity of life as Jesus knew it in the quiet hill country and by the shores of Galilee, that life indeed would be easy, but I would remind you that life in Palestine 2,000 years ago was neither serene nor simple. Confusion and strife then, as now, was suffered by the people. Tyranny then, as now, existed.

Our Constitution in its wisdom specifically begins the Bill of Rights by saying "Congress shall make no laws respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances." There was a reason. The people had just fought a war for independence from one tyrannical government, and wanted no other from those among them who might wish to resort to tyranny. The Constitution also says that: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people." And listen to the ninth amendment: "The enumeration in the Constitution, of certain rights, shall not be construed to deny or disparage others retained by the people."

Despite these statements, and over the protests of many citizens of this land, ever so gradually, but nevertheless surely, the power of Government has been and is being transferred to an oligarchy, controlled from Washington, the extent of which no one knows.

Woodrow Wilson pointed out many years ago that freedom never comes from the government, but rather from the subjects of government. It is a fact that as government grows larger, it grows away from the people. To preserve themselves in office, elective or appointive, some of our officials kneel down, bow their heads and do the will of those sections of our society which control the vote or have been organized by power-hungry individuals for their own aggrandizement.

Those of you who have studied the history of this Nation must be aware of the drift to socialism that began in the middle of the 19th century and is moving ever-more rapidly as each year passes. You say this isn't true? That there is no such thing as socialism in America? Consider, my friends and brethren: The Government operates the biggest business in the world. It is in competition—direct competition—with taxpaying electric companies. It owns the nuclear program. It owns farms and forests. The Government forces participation for most of the citizens in various insurance programs. Is there freedom of the individual if he is forced to take insurance that may not be wanted or needed? Is it freedom that we are forced to collect taxes from our fellow men so that the fuzzy minds may redistribute to less qualified but more expediently important voters, the rewards of our sweat?

My brethren, the great American experiment of 1787 has been almost lost because there are too few great American leaders like Washington and Randolph and Calhoun who will raise their voices to tell the truth that equalization is against all the laws of nature; leaders unfearful of the jibes and taunts of those who by political chicanery have reached positions of affluence; great leaders who put their intellectual integrity above the cries of those who seek and promise something for nothing. [Applause.]

Alexander Pope says, "Order is heaven's first law; and this confessed, some are and must be greater than the rest. More rich, more wise, but who infers from hence that such are happier shocks all common sense. Condition—circumstance, is not the thing; bliss is the same in subject or in king." There is no socialism in God's plan for life.

The answers to all of these conflicts in my opinion, is the application of the principles of Freemasonry so ably set forth by the junior U.S. Senator DIRKSEN, of Illinois a few moments ago. The fatherhood of God and the brotherhood of man is what is needed in the world today. Spiritual light is needed today behind the Iron Curtain and in our own Nation. We must by our conduct and example create a moral climate which will sustain free institutions.

We were very fortunate in the early days of our history when we had a small group of leaders whose like had not been seen before, and I regret to say, not enough of them have been seen since. We who love our country are justly thrilled by the courage of our Founding Fathers. They had granite in their character, and they had iron in their background. Individual enterprise, courage, daring, and incentive were the order of the day. Individual freedom and dignity of the individual were uppermost in their minds. Patrick Henry's declaration that "I know not what course others may take, but as for me, give me liberty or give me death" represented the atmosphere in which our way of life was born. And if we are to be worthy of our heritage, and if we are to continue to enjoy our liberties, we must recreate that atmosphere. You know, there is something greater than life—our fathers told us what it was—and that is liberty. If we are to save our country and make our contribution to the peace of the world, we must emulate St. Paul, who, finding that the days were evil, labored to improve them. We must not follow Hamlet, who cried that the days were evil and cursed them. Nor should we forget William Penn's assertion, when in his wisdom he said, "People who are not governed by God, will be ruled by tyrants." Penn's statement has been true from Herod to Hitler. Our way of life and our fraternity are held together by a spiritual thread the Communists would sever. I believe in the traditions of America established by Washington, the Master Mason. I believe that unless and until we return to the principles of Washington and those other great men who gave us our heritage, we will lose it and will be unable to perform our duty to pass it on to our children.

More than 2,000 years ago, Confucius said, "With righteousness in the heart, there will be beauty in the character. With beauty in the character, there will be harmony in the home. With harmony in the home, there will be order in the Nation. With order in the Nation, there will be peace in the world." [Applause.]

Every Shriner, whether he knows it or not, subscribes to that proverb. I submit there is no group of men in the world which is more interested in producing a righteous peace—a peace with honor—than the Free Masons and the Shriners. They are interested in freedom, justice, and happiness, for all men and women, regardless of color, race, or creed.

We cannot compromise with principle, for whenever we compromise with principle, we lose honor and liberty. Often the temptation to compromise is great, but the reward is always the same—heartaches and tears.

Alexander Pope, in his "Essay on Man," said these few meaningful words regarding compromise with principle—"What then is the reward of virtue—bread? What nothing earthly gives or can bestow, the soul's calm sunshine and the heartfelt joy—is virtue's prize."

I am sure if we keep faith with the vows we took in Masonry and in the Shrine, our conduct will be helpful in building a better world for all. "So mote it be." Thank you. [Applause.]

(The quartet of Crescent Temple sang "I Believe" as the benediction.)

Hon. ALBERT W. HAWKES. Gentlemen, I want to thank all of you for coming here. I hope that some good has come from this meeting. It is fine for me to be back here with so many of my friends and meet some new friends. I am going to try to bring together once a year as many of the Masons and Shriners in Congress and the executive and judicial branches of the Government as care to join together in the hope it may be beneficial for us all. "So mote it be." [Applause.]

(Adjournment at 10:40 p.m.)

SENATE

FRIDAY, MAY 22, 1959

The Senate met at 10 o'clock a.m.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father, God: Immersed and enmeshed as we are in the baffling perplexities which vex the world of human relationships, in this daily quiet moment when we blot out all but Thee, we face our greatest problem—ourselves. In the stillness, as all other voices are hushed, we would face the paramount question of Thy Holy Word—"For what shall it profit a man, if he shall gain the whole world"—much less the pitiably small part of it we commonly do gain—"and lose his own soul?"

Help us to see that either here or hereafter our souls are our best and our most abiding selves, and that we lose them in whatever makes us less or other than we should become.

Save us, we beseech Thee, from the supreme futility of grasping for the world and finding at last that powers rich in promise are dwarfed or blasted.

To Thy will may all our potentialities and passions be harnessed, as we give to the world the best we have, knowing that then the best will come back to us and, through us, will help heal earth's open sores.

We ask this in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, May 21, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

REPORT ON ACTIVITIES UNDER REORGANIZATION PLAN NO. 1 OF 1958—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate the following message

from the President of the United States, which, with the accompanying report, was referred to the Committee on Public Works:

To the Congress of the United States:

I have the honor to transmit herewith a report of activity under authority of Public Law 875, 81st Congress, as amended, and required by section 8 of such law.

Funds which have been appropriated to accomplish the Federal assistance determined eligible under this authority are specifically appropriated to the President for purposes of disaster relief.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *May 22, 1959.*

EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Reorganization Subcommittee of the Committee on Government Operations, the Constitutional Rights Subcommittee of the Committee on the Judiciary, and the Foreign Relations Committee were authorized to meet during the session of the Senate today.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I should like to remind Senators of the unanimous-consent agreement which appears on the front of the calendar of business. A copy of the calendar of business is on the desk of each Senator. Under the unanimous-consent agreement, debate for not to exceed 3 hours is allowed on the Capehart amendment. I am not informed as to how much time the proponents of the amendment will use, although I hope they will not use the entire hour and a half at their disposal. The time in opposition to that amendment will be under the control of the majority leader. I hope that a considerable amount of that time can be yielded back. So I should like to have the Senate attachés on both sides of the aisle inform Senators that they should be prepared to vote before the 3 hours are consumed.

I am also of the opinion that the Senate will not use the entire 3 hours which are available, under the agreement, for debate on the question of the final passage of the bill. It is hoped that the Senate will be able to conclude its action on the wheat bill at least by late afternoon.

The PRESIDENT pro tempore. Morning business is in order.

JOINT RESOLUTION OF LEGISLATURE OF OREGON

Mr. MORSE. Mr. President, the 50th Legislative Assembly of the State of Oregon has recently adopted Senate Joint Memorial No. 2 memorializing the Congress of the United States to amend the Military Pay Act to allow members of the Armed Forces retired prior to June 1, 1958, to have their retired pay computed at the increased rate.

It is my pleasure to be a cosponsor of legislation introduced by my distinguished colleague from Arizona [Mr. GOLDWATER] for the purpose of correcting the inequities in the military pay law which affect retired personnel. I continue wholeheartedly supporting the effort to equalize retired military pay in the belief that such action would be in the best interest of all members of the Armed Forces, active and retired, who are serving or have served their country with honor.

Mr. President, I ask unanimous consent that this joint memorial of the Legislative Assembly of the State of Oregon be printed in the RECORD and appropriately referred.

There being no objection, the joint resolution was referred to the Committee on Armed Services, and, under the rule, ordered to be printed in the Record, as follows:

SENATE JOINT MEMORIAL 6

To the Honorable Senate and House of Representatives of the United States of America, in Congress assembled:

We, your memorialists, the 50th Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent as follows:

Whereas the 85th session of Congress enacted a new military pay law, Public Law 85–422, concerning an increase in the basic and other pay of Armed Forces personnel; and

Whereas this law denies to those retired after June 1, 1958, including those retired because of disability incurred in line of duty, to have their retired pay computed at the increased rate; and

Whereas retired members of the Armed Forces of the United States reside in every portion of our country, and the State of Oregon is privileged to have many retired personnel who have served their country faithfully and with distinction; and

Whereas there appears to be no basis for this gross discrimination against retired personnel, who by reason of past meritorious services are equally entitled to benefits granted active duty members of the Armed Forces and survivors of military personnel; and

Whereas the circumstances of retirement should not penalize these members of our society, who must meet the present increased cost of living the same as active duty personnel and survivors: Now, therefore, be it

Resolved by the Senate of the State of Oregon, the House of Representatives jointly concurring therein, That the Congress of the United States be memorialized to amend Public Law 85–422, or any similar legislation, to include presently retired members of the Armed Forces within the provisions increasing the basic pay of members of the Armed Forces, so that their retirement benefits will be increased accordingly, and to enact this legislation in such amended form; and be it further

Resolved, That copies of this memorial be transmitted to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to all Members of the Oregon congressional delegation.

Adopted by senate April 17, 1959.

MEDA COLE,
Chief Clerk of Senate.
WALTER J. PEARSON,
President of Senate.

Adopted by house April 22, 1959.

ROBERT B. DUNCAN,
Speaker of House.

ONE HUNDRED AND SIXTY-EIGHTH ANNIVERSARY OF POLISH CONSTITUTION—RESOLUTION

Mr. FREAR. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted at a gathering of Americans of Polish descent, assembled at Modjeska Hall, Wilmington, Del., May 3, 1959, under the auspices of the Council of Polish Societies and Clubs in the State of Delaware, and of the Delaware division of the Polish American Congress, to commemorate the 168th anniversary of the adoption of the Polish Constitution, and to pay homage to the memory of Polish patriots who were responsible for its drafting and adoption.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

We, Americans of Polish descent assembled at Modjeska Hall, Wilmington, Del., this 3d day of May A.D. 1959, under the auspices of the Council of the Polish Societies and Clubs in the State of Delaware and of the Delaware division of the Polish American Congress, to commemorate on this 168th anniversary of the adoption of the Polish Constitution of May 3, to pay homage to the memory of Polish patriots who wrote the Polish Constitution of May 3 and who were responsible for its adoption; and

Whereas the world lives today under the threat of war for Berlin; and

Whereas in Europe the causes of unrest is on the one side the continuing enslavement of central Europe by Soviet Russia and the fear of revival of German territorial appetites; and

Whereas the enslavement of central European nations by Soviet Russia, perpetually fosters cold war paralyzing the will and strength of the Western nations; and

Whereas while the rights of nations are taken for granted, all over the world nations and empires collapse or are transformed, the West still accepts the subjection of the nations of central Europe; and

Whereas the lasting disengagements between East and West will only be achieved by bringing into being a wide wall of free central European nations between Germany and Russia; and

Whereas until the nations of central Europe are able to live their independent lives in accordance with their desires and traditions, the threat of war will hang over the world; and

Whereas no half measures reducing the forces in Germany or creating corridors on either side of Berlin will remove the main

sources of disturbance. On the contrary, they might increase them by creating artificial boundaries and new points of friction bringing about a very doubtful contribution to peace; and

Whereas the Soviets, who have broken every agreement and treaty they have ever made, who have violated their pledges for free elections in Poland and in other enslaved nations, their sole aim now being to get American recognition for the status quo of those enslaved nations: Therefore be it

Resolved, That we, assembled at this meeting commemorating the 168th anniversary of the adoption of the Polish Constitution of May 3, express that before the proposed conference of the Foreign Ministers of Great Britain, France, the Soviet Union, and the United States, the West must establish what it is going to require of Russia and not merely what it will defend, otherwise the negotiations will end at least in the maintenance of the status quo; and be it further

Resolved, That the question of Berlin should be considered only as a part of the wider question of the future of Germany and of European security as a whole, which is bound up with the liberation of central Europe; and be it further

Resolved, That the main real guarantee against Germany is the definite recognition by the Western Powers of her present eastern frontier on the Oder and western Neisse, depriving her of her assault gate to the east and averting the rebirth of Prussia, which drew its aggressive strength largely from lands taken from Poland over the centuries, regaining of this land is not regarded as a compensation for the loss of eastern Poland's territories, but as a return on the old part of Poland enabled by the defeat of Germany in World War II to which Germany launched the world in association with Russia in 1939; and be it further

Resolved, That a copy of this resolution be forwarded to the President of the United States, Department of State, Representative, and both Senators representing the State of Delaware in the U.S. Congress.

CHARLES L. PARUSZEWSKI,
Chairman.

Attest:

VINCENT J. KOWALEWSKI,
Secretary.

LETTER RELATING TO FARM PRICES

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from Mr. and Mrs. Art C. Hefta, of Mayville, N. Dak., relating to farm prices.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MAYVILLE, N. DAK., *April 27, 1959.*

Mr. WILLIAM LANGER,
Washington, D.C.

DEAR BILL: We greatly appreciate all you have done and are doing for we farmers, but our present prices with exception of beef cattle is hopeless.

We are not going to be able to withstand this for very much longer. It takes so much capital to get into beef cattle; but are trying to do so gradually.

Eggs are selling for 17 cents a dozen at present time and have been 17–20 cents per dozen for about a year.

Our wheat acreage is cut so horribly that not too much profit can be derived from that. Our overhead increases each year so tremendously. Repair parts are so extremely high and labor is high—$200 per month cash plus board and room and clothes washing. Machinery goes up by leaps and bounds, try not to buy new, but parts being as they are, we are forced to.

Do appreciate your understanding the needs of the small farmer.

Never before have we had vacant farm buildings in our territory, but people are moving off the farms; living in towns and cities—both members of household working at jobs in town, besides putting in crop.

We enjoy maintaining a nice farm home—surroundings, lawn, etc., but find it hard to make ends meet even when we do all our own work with help of youngsters.

Nothing is nicer than to go for a ride in country and view nice farm places which are well kept—all this will soon be just a memory.

Do hope your wife is feeling much better.

Sincerely yours,

Mr. and Mrs. ART C. HEFTA.

P.S.: Our present prices would be okay if other items would be priced in accordance. Everything we must purchase is on the upgrade.

Our only salvation has been our heavy crops—one lean year and we are through.

Kindly mail bulletins we have checked.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. MURRAY, from the Committee on Interior and Insular Affairs, with an amendment:

S. 53. A bill to amend the acts approved April 16 and July 27, 1906 (34 Stat. 116 and 519), so as to authorize the Secretary of the Interior to convey certain lands on the Huntley reclamation project, Yellowstone County, Mont., to school district No. 24, Huntley Project Schools, Yellowstone County, Mont. (Rept. No. 311).

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs, without amendment:

S. Res. 121. Resolution appointing the chairman of the Committee on Interior and Insular Affairs, Mr. MURRAY, as an ex officio member of the Select Committee on National Water Resource (Rept. No. 310).

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, without amendment:

H.R. 1306. An act to provide for the sale of Columbia Basin project lands to the State of Washington, and for other purposes (Rept. No. 309).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HUMPHREY (for himself, Mr. MAGNUSON, Mr. MCNAMARA, Mr. MORSE, Mr. MURRAY, and Mr. PASTORE):

S. 2041. A bill to declare certain rights of all persons within the jurisdiction of the United States, and for the protection of such persons from lynching, and for other purposes; to the Committee on the Judiciary.

By Mr. SCHOEPPEL:

S. 2042. A bill relative to the distribution of automobiles in interstate commerce; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. SCHOEPPEL when he introduced the above bill, which appear under a separate heading.)

By Mr. CHAVEZ:

S. 2043. A bill to authorize the disposal of surplus equipment, materials, books, and supplies under section 203(j) of the Federal Property and Administrative Services Act of 1949 to the New Mexico Boys' Ranch; to the Committee on Government Operations.

By Mr. ERVIN:

S. 2044. A bill for the relief of Sallie B. Dickens; to the Committee on the Judiciary.

By Mr. MURRAY (by request):

S. 2045. A bill to authorize the use of funds arising from a judgment in favor of the Coeur d'Alene Indian Tribe, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. DIRKSEN (by request):

S. 2046. A bill for the relief of Max Kotscha; to the Committee on the Judiciary.

(See the remarks of Mr. DIRKSEN when he introduced the above bill, which appear under a separate heading.)

By Mr. HRUSKA:

S. 2047. A bill relative to the distribution of automobiles in interstate commerce; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. HRUSKA when he introduced the above bill, which appear under a separate heading.)

DISTRIBUTION OF AUTOMOBILES IN INTERSTATE COMMERCE

Mr. SCHOEPPEL. Mr. President, on May 19 I made a statement on the floor of the Senate indicating my interest in problems affecting the marketing of automobiles.

At that time I indicated I was taking the matter under advisement, and in the very near future would make a recommendation to the Automobile Marketing Practices Subcommittee of the Interstate and Foreign Commerce Committee of which I am the senior minority member.

As of the present, my inquiry into this subject has led me to believe that there are several possible legislative approaches to the matter. One of these approaches has already found expression in S. 997, introduced by my distinguished colleague, the senior Senator from North Dakota [Mr. LANGER].

This bill has been referred to the Interstate and Foreign Commerce Committee. I am introducing at this time a bill addressing itself to this problem, which I request be referred to the Committee on Interstate and Foreign Commerce.

It is my hope and recommendation to the Automobile Marketing Practices Subcommittee that immediate hearings be held on the bill which I am now introducing, as well as on S. 997, and any other measure dealing with this subject which may be before this committee.

The purpose of the bill I am now introducing is to insure and preserve the availability of the dealer franchise method of distributing and servicing automobiles.

The bill provides, in substance, that when a franchise agreement expressly or specifically provides that a dealer or dealers undertake to develop the sale of automobiles of the manufacturer in a defined geographical area, it shall be lawful for the manufacturer and its dealers to agree, or for the manufacturer to sell on the expressed condition that, in the event the dealer makes sales which infringe territories where other dealers have similar obligations, the infringing dealer shall make certain required payments to or for the account of the dealers whose areas of responsibility

have been infringed. This system has been rather widely used.

Under some interpretations of existing law, manufacturers and dealers operating under the franchise system cannot lawfully effect a normal and reasonable control of the distribution and service of automobiles. This presents an anomalous situation since, if this view of the law is sustained, the manufacturer, responsible for its products by law and custom, can lawfully control every aspect of the distribution of its products provided it relies on its own distribution organization or agents but cannot do so if it relies on other independent business concerns. This bill clarifies the law and mitigates this inequity.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). The bill will be received and appropriately referred.

The bill (S. 2042) relative to the distribution of automobiles in interstate commerce, introduced by Mr. SCHOEPPEL, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

MAX KOTSCHA

Mr. DIRKSEN. Mr. President, by request, I introduce, for appropriate refence, a bill for the relief of Max Kotscha.

During World War II, Max Kotscha, the beneficiary of this measure, and several other Germans, who were hiding from the Russians, stole some food. They were arrested and fined, which makes him inadmissible under existing law.

We obtained copies of the court records which show that the short sentence and fine were suspended and that his record was cleared on the basis that the food was stolen in order to exist.

Since that time he has a clear record, has married, and has two children. His mother and other members of the family came here as displaced persons.

We have character references, and other good supporting evidence.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2046) for the relief of Max Kotscha, introduced by Mr. DIRKSEN, by request, was received, read twice by its title, and referred to the Committee on the Judiciary.

DISTRIBUTION OF AUTOMOBILES IN INTERSTATE COMMERCE

Mr. HRUSKA. Mr. President, exactly 1 year ago, May 21, 1958, I had the privilege of cosponsoring with several of my colleagues in the Senate S. 3865, a bill relative to the distribution of automobiles in interstate commerce.

Hearings were held on this legislation later in the year, but the 85th Congress adjourned prior to the time full consideration could be given to this subject, and the needs of the automobile industry to which this legislation was directed.

On February 6, 1959, the distinguished senior Senator of North Dakota [Mr. LANGER] introduced S. 997 which is concerned with the same general subject in my bill of last year.

Today, the distinguished senior Senator of Kansas [Mr. SCHOEPPEL] introduced S. 2042 addressed to the general subject of the normal and reasonable administration of the distribution and service of new automobiles and trucks under the franchise dealer system.

My continuing interest in the subject has prompted me to introduce my bill again, today, and it is my hope this proposal will be referred to the Interstate and Foreign Commerce Committee for consideration along with S. 997 and S. 2042, and any other proposed legislation which may be pending on this general subject. It is my understanding that S. 997 and S. 2042, while having a common objective, approach the problem from somewhat different points of view. In my opinion, there is yet a third valid approach to this subject; namely, that adopted by the bill which I am introducing.

One of the features in the business relationship between automobile manufacturer and automobile retail dealer is a requirement that the automobile dealer maintain adequate facilities to perform the vital services necessary to the preparation of an automobile for sale, and for its maintenance in usable and safe operating condition throughout its usable lifetime. Confusion has crept into the law with respect to the nature of this business relationship. This bill is designed to clarify the situation. The bill is also intended to allow the manufacturer to make it economicaly possible for the dealer to perform these essential and indispensable services in the best interests of the public.

A further obligation assumed by automobile dealers is that of maintaining an adequate stock of parts and factory-trained mechanics and to purchase elaborate testing equipment required by the intricate modern automobile for maintenance purposes.

Although there is no statutory law nor judicial interpretation that prohibits such business arrangements as contemplated under this bill, there does linger in the minds of some the belief that business arrangements contemplated under this bill would be in conflict with presently existing law. If enacted, this bill would completely eliminate any question as to the legality of such arrangements.

Mr. President, I introduce the bill for appropriate reference and I ask unanimous consent that its text be printed at the conclusion of my remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2047) relative to the distribution of automobiles in interstate commerce, introduced by Mr. HRUSKA, was received, read twice by its title, referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That no provision of law shall render unlawful (a) any provision of any contract or agreement between any manufacturer or distributor of automobiles and any franchised retail dealer in automobiles produced by such manufacturer or distributed by such distributor under which such manufacturer or distributor (1) establishes any system of incentive payments to compensate such dealer for the making of sales of such automobiles at retail within a specified geographical area designated as the area of sales and service responsibility of such dealer with respect to such automobiles, (2) requires such dealer to render with respect to such automobiles specified services and for that purpose to maintain specified facilities, or (3) makes provision for the compensation of such dealers for the rendition of such services or the maintenance of such facilities; or (b) any act taken to carry into effect any such provision.

TREASURY-POST OFFICE APPROPRIATION ACT, 1960—AMENDMENTS

Mr. CLARK submitted amendments, intended to be proposed by him, to the committee amendments to the bill (H.R. 5805) making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States for the fiscal year ending June 30, 1960, and for other purposes, which were ordered to lie on the table and to be printed.

YOUTH CONSERVATION ACT OF 1959—ADDITIONAL COSPONSOR OF BILL

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the name of the junior Senator from Colorado [Mr. CARROLL] be added as a cosponsor of Senate bill 812, the Youth Conservation Act of 1959, which I introduced on January 29, 1959, on behalf of myself and several of my colleagues.

The PRESIDING OFFICER. Without objection, it is so ordered.

PAYMENT IN LIEU OF TAXES—ADDITIONAL COSPONSOR OF BILL

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the name of the senior Senator from New York [Mr. JAVITS] be added as a cosponsor to Senate bill 910, the so-called payments-in-lieu-of-taxes bill, which I introduced on February 3, on behalf of myself and several of my colleagues.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles and so forth, were ordered to be printed in the RECORD, as follows:

By Mr. MAGNUSON:

Address delivered by Senator SALTONSTALL at the Propeller Club of the United States, Washington, D.C., May 21, 1959.

By Mr. SCOTT:

Statement by him, with tables, regarding domestic donations of surplus foods during first 9 months of fiscal year.

By Mr. DIRKSEN:

Address delivered by the Secretary of Agriculture, Hon. Ezra Taft Benson, at the annual farmer-businessmen dinner, at Cedar Rapids, Iowa, on May 21, 1959.

AMERICA AND FALLOUT: A CHALLENGING SERIES BY NAT S. FINNEY ON OUR PREPAREDNESS FOR AN ATOMIC ATTACK

Mr. KEATING. Mr. President, Nat S. Finney, the able and astute Washington correspondent of the Buffalo Evening News, recently completed an interesting and challenging series of articles on this Nation's readiness for an atomic attack. Particularly in the light of recent revived interest in the problems and dangers of fallout, this series deserves wide reading and careful study. I ask unanimous consent to have it printed in the RECORD following my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

AGENCY SNARL KEEPS A SIMPLE DETECTION DEVICE FROM PUBLIC—TEN MILLION COULD DIE OF RADIOACTIVITY IN AN ATOMIC ATTACK UNLESS DISPUTE IS RESOLVED

(By Nat S. Finney)

WASHINGTON, April 29.—If a full-scale atomic attack should hit America the day after tomorrow, 10 million Americans who might otherwise be saved could die miserably because two Federal agencies are snarled up about a simple gadget to detect fallout.

The gadget has been perfected, and Dr. Willard F. Libby, the scientific member of the Atomic Energy Commission, is making a hard try to get it accepted before he leaves the AEC and goes back to teaching.

But acceptance of the gadget, which wouldn't cost the Federal Government a dime, is blocked by a Gordian knot of policy-making and bureaucratic snafu as fantastic as anything Washington oldtimers have ever seen.

The risk of atomic war is real enough to justify spending $47 billion a year for national defense.

MILLIONS WOULD SURVIVE

The face of danger to the civilian population in the event of atomic attack is clearly seen. There is no longer any argument about it.

Lives—millions of them—could be saved if ordinary citizens possessed a simple, reliable device that would tell them whether they were caught in the unseeable, unfeelable but deadly radioactivity that would spread across many thousands of square miles downwind from the atomic explosions.

The device exists, but the Government won't let it be placed in the hands of its citizens.

To undertsand why it is essential for ordinary citizens to have some home gadget to detect radioactivity, it is necessary to look straight at the face of atomic war.

POWER SUPPLY WOULD GO

If waged at all, it would be waged with bombs and warheads that would make the nuclear weapons dropped on Hiroshima and Nagasaki seem like popguns. Few persons, civilian or military, caught in the target areas actually hit by these "megaton-range" explosions would survive.

America's intricate communications system and the grids and central stations that supply electric power would be disrupted if not destroyed. Wall-plug dial-telephone living would cease. Not much radio and no television could stay in operation.

The bombs or warheads that snuffed out life and spread devastation where they hit would be "dirty" bombs—dirty because they were made that way, and dirtier because they would explode in close contact with the earth.

FEW SAFE AREAS

Downwind from each explosion, the poisonous dust and essentially invisible radioactive atoms born of the explosion would spread across the countryside in patterns as chancy as the fickle breezes and the tilt and dips of the earth itself.

If the attack were all out—and that is the present probability—there would be few places on the surface of America that would be untainted by the radioactivity of fallout. The few clear places would be priceless ground.

Yet the pattern of intensity would be variable. At some spots a little caution would permit people to avoid radioactivity sickness or death. A hundred yards or more away might be extremely dangerous.

PROTECTIVE WALL NEEDED

Radioed reports about the intensity of radioactivity from fallout at some distant airport—if they came over the ether, which is doubtful—would be worthless or worse than worthless. They could cause panic.

If caught in fallout from atomic attack, the individual person or family would begin to live by feet and inches, by hours and minutes, not by miles or days.

The instant, compelling problem of survival would be to escape exposure to radioactivity as much as possible. The problem would be to get as much dirt, brick, cement or other substance as possible between the living body and the source of redioactivity, to find the spot that offered the most protection.

BAGS OF DIRT WOULD HELP

The problem of survival is "Root, hog, or die" because the damaging effects of exposure to radioactivity are cumulative—every addition to exposure adds up and every minute in which exposure is reduced or avoided betters the chance of survival.

A fine $4,000 undsrground shelter, well stocked and ventilated, could be survival de luxe, but a dozen gunny bags of dirt stacked on the living-room floor over a basement hideaway could also save lives. A Sunday stroll around a suburban neighborhood will disclose a lot of places where a human being could crawl under 3 or 4 feet of earth.

The difference between life and death needn't be comfortable or pretty.

But where is safe—or at least safer?

Without some simple gadget he can use himself, how can the stranded survivor of atomic attack know?

STIFF REQUIREMENTS BY UNITED STATES PUT DETECTOR OUT OF PUBLIC'S REACH—AEC STRESSES NEED FOR CHEAP FALLOUT DEVICE, BUT MANUFACTURERS CAN'T GET APPROVAL

(By Nat S. Finney)

WASHINGTON, April 30.—For the past 5 years Dr. Willard F. Libby, of the Atomic Energy Commission, has been ding-donging in speeches and in testimony before congressional committees on the need for a simple instrument with which ordinary citizens could know whether they were caught in fallout.

Dr. Libby has recommended at least 50 times that a way be found to build this simple radioactive detector into battery radios—which would probably be the ordinary citizen's only way of getting instructions if nuclear war broke out.

Dr. Libby was the originator of "atomic dating," which requires extremely sensitive measurements of radioactivity. He has worked at radioactivity detection all his professional life.

OCDM HAS AUTHORITY

He is one of the world's foremost experts on radioactivity, as well as the sole scientific member of the AEC.

But the power to do something about putting a simple radioactive detector in the hands of American citizens is held by the Office of Civil and Defense Mobilization—the OCDM.

Dr. Libby could recommend, and did, over and over again.

But the OCDM has never run out of reasons for doing nothing about these recommendations.

Last July 1, after a long and careful study, the National Academy of Science's Advisory Committee on Civil Defense handed the OCDM a report containing these words:

"The final effectiveness of shelters depends upon occupants of any small shelter having a simple, rugged and reliable dose-rate meter to measure the fallout dose rate outside the shelter.

MEASUREMENTS VITAL

"People will not remain in shelters on blind faith that someone in authority will eventually supply them with information on a danger which the individual cannot sense or personally measure.

"Systems for post-attack monitoring are essential, but they will rely upon the functioning of communcations. Therefore a simple instrument is needed for on-the-spot measurements of the dose rate by small groups and family units isolated by breakdowns in communications.

"There is no such instrument at present, nor is there a widespread program of education to provide the individual family with necessary skill to maintain and use the most complex instrument now available."

The OCDM's response to these recommendations from the country's highest scientific body has been to discourage every attempt to develop and produce the needed simple, rugged and durable device the National Academy recommended.

COMMITTEE APPOINTED

This is the judgment of industry people who have watched the whole rigamarole.

At last summer's Atoms for Peace Conference in Geneva, Switzerland, Dr. Libby made a special effort to interest American atomic instrument manufacturers in developing the device themselves.

The result—usually fatal to getting anything done—was to appoint an ad hoc committee to review the problem. The ad hoc committee had before it a survey by the Johns Hopkins operational research division on how much citizens would spend out of their own pockets for a gadget to detect fallout.

The survey showed that many Americans—not all, but many—would spend 10 percent to 15 percent more for a portable battery radio if it incorporated a radioactivity detector. This would be $4.50 to $7.

AT LEAST $75 RETAIL

The ad hoc committee included representatives of the OCDM, the AEC, and atomic instrument manufacturers. When it met, the representatives of the OCDM submitted a memorandum of requirements the gadget would have to meet to win OCDM's approval. This was OCDM's prerogative as the responsible Federal agency.

When the OCDM's requirements were examined it was apparent the device would have to cost a minimum of $75 retail, that it would belong to the complex instrument category described by the National Academy, and that no manufacturer would have any chance of selling the gadget to the public in any quantity.

"The OCDM chopped the project's head off right then and there," says a manufacturer's representative who was present.

The connection between cause and effect in the labyrinths of Federal Government is often obscure.

AEC MAKES DECISION

But, after this attempt to get OCDM going on a home radioactivity detector had failed, strange things began to happen at the AEC.

The AEC has no responsibility for civil defense except to advise the OCDM when the OCDM asks for advice. The directives are clear on this point.

But at Dr. Libby's recommendation, the atomic energy commissioners formally resolved that the AEC has civil defense responsibility for its own people and for the people of its laboratory towns (Hanford, Wash.; Los Alamos, N. Mex., and Oak Ridge, Tenn.) and for the people of some of its contractors.

The AEC decided that in discharging this responsibility it had an obligation to develop adequate equipment—including a device with which AEC personnel could tell whether they were caught in fallout after an atomic attack.

To a crass outsider it could appear this involved a vote of no confidence in the OCDM by the AEC. No one inside would voice such a horrid thought.

BANSHEE DEVICE EMITS SQUEALS IN PRESENCE OF DANGEROUS FALLOUT—TRIGGERING ACTION NEEDED FROM TOP TO GET IT CLEARED AND INTO PUBLIC'S HANDS

(By Nat S. Finney)

WASHINGTON, May 1.—What Atomic Energy Commissioner Willard F. Libby wanted in a home radioactivity detector was something that could be built into battery radios to automatically warn their users of the presence of dangerous fallouts.

He found the basic element in this gadget in some research work sponsored by the Office of Naval Research on the use of crystals as semiconductors. This research was closely related to the development of transistors, which have revolutionized electronic equipment.

The crystal that interested Dr. Libby is a cadmium sulfide crystal that will conduct electricity only when it is exposed to what the experts call ionizing radiation.

ASKED DEVICE BE DEVELOPED

The damage done by fallout is caused by ionizing radiation (radioactivity) thrown off by "hot" atoms split off by atomic fission.

On his own initiative and a teaspoonful of public money, Dr. Libby got Tracerlab, Inc., a Waltham, Mass., company that specializes in atomic instruments, to see if its experts could tie a cadmium sulfide crystal into battery radio circuits in a way that would produce a warning signal.

For Tracerlab, Inc., the job was essentially a favor to Dr. Libby. No patent rights could be involved. Tracerlab doesn't manufacture radios and doesn't intend to. It isn't even interested in manufacturing units to be incorporated in other manufacturers' radios.

IT IS A VERY SIMPLE GADGET

After 2 years of work, however, Tracerlab came up with a cadmium sulfide crystal unit it has christened the Banshee. It has manufactured sample models that pass all tests, and is now at work on two dozen prototype production models ordered—not by the OCDM but by the Atomic Energy Commission.

Leaving out the electronics jargon, Banshee is a very simple gadget. It is either plugged into existing radios or built into new ones with no knobs to turn or dials to read. If the radio is on, Banshee is on watch.

It uses no current and in no way interferes with the operation of the radio until dangerous radioactivity is present.

BEGINS TO SQUEAL

The setting for the level at which radioactivity is dangerous is built in at the factory and can't be changed.

When and if radioactivity reaches a danger level, the Banshee-equipped radio's loud speaker begins to put out an unmistakable squeal, low in tone and soft while the danger level is just reached, but higher in tone and louder as the level of radioactivity becomes more dangerous.

The ordinary citizen who would use Banshee in the event of atomic attack simply moves his portable radio around to find a spot where it stops squealing or, if he can't find such a place, to a spot where the squeal is lowest in tone and softest in intensity.

BATTERY RADIO BETTER

Banshee works as well in pitch dark as in bright light. It puts out a warning anyone can understand.

It could be—this is not to say it will be—built into portable tube or transistor radios on public sale, and these Banshee-equipped radios could be sold for $5 more than the same radio not equipped with Banshee.

Or, if the average American citizen preferred to buy an adapter, the Banshee gadget could be slipped into the radio he now owns. It would be better if that radio ran on batteries. But the adapter can be put into either radios or television sets running on wall-plug current.

It is Dr. Libby's fervent hope that radio manufacturers will offer Banshee-equipped radio sets to the public, and soon. He believes this is the best way to get radioactivity detectors into a lot of American households fairly soon.

BELIEVES OCDM WILL MOVE

The AEC's scientific member, soon to leave the Commission, strongly believes there is no more time to waste, if for no other reason than the peace of mind millions of Americans would feel if they knew they had not been caught in fallout after an atomic attack.

Dr. Libby has some confidence the OCDM and the electronic industry will move, now that a usable gadget has been perfected. He got the AEC to contract with Tracerlab for manufacturing prototypes to make doubly certain the OCDM and industry can move if they're willing to move.

It is fair to say Dr. Libby's confidence that the OCDM and the electronics industry will move is not widely shared in Washington. A real push will have to be put behind the Banshee gadget if anything is to happen.

TOP LEVEL PUSH NEEDED

The push will have to come from top level in the Federal Government—from Leo A. Hoegh, Director of the Office of Civil and Defense Mobilization, and probably from President Eisenhower personally.

It will have to come from the top because the electronics industry has not had good experience with the Federal civil defense agencies that have tried to develop a workable program during the past 10 years.

It will have to come from the top to surmount the bureaucratic snafu at which is sometimes called the working level of Government.

LIBBY HOPES TO FORCE OCDM INTO SHOWDOWN ON FALLOUT DETECTOR—SEC COMMISSIONER, LEAVING HIS POST SOON, FEARS THE BANSHEE MAY BE "IFFED" TO DEATH

(By Nat S. Finney)

WASHINGTON, May 2.—Leo A. Hoegh, the former Governor of Iowa who has headed Federal Civil Defense the past 2 years, says he will back Dr. Willard F. Libby's fallout warning gadget—if it passes tests for suitability and reliability.

OCDM Director Hoegh declares he'll order 5,000 Banshee-equipped sets—if they'll do the fallout warning job to the satisfaction of Civil Defense experts.

Mr. Hoegh says he has given Dr. Libby, the Atomic Energy Commission's sole scientific member, every encouragement in having the Banshee gadget developed by Tracerlab, Inc., even though the OCDM hasn't put any money into the Banshee gadget or even checked in at the Tracerlab plant in Waltham, Mass., to see how development was coming along.

HOEGH NOT A SCIENTIST

Somehow, the officers at Tracerlab who have stuck their necks out to help develop a device that can cause radios to sound an automatic warning in the presence of fallout have the impression that OCDM has given them every discouragement.

Mr. Hoegh, the top official at OCDM, is the man who reports back and forth from the White House. Like any other top official, Mr. Hoegh is flanked and backed by a lot of people at staff and working levels. Mr. Hoegh isn't a scientist.

He cheerfully agrees it will be his experts who will look after the "ifs" he attaches to his pledges of support for the gadget Dr. Libby has developed.

An inquiry to one of these experts about the Banshee uncovered a flock of objections to it.

DEVELOPERS NONPLUSSED

"You have to load it up with $10 worth of extra batteries," he said. "And besides, those cadmium sulfide crystals form irregularly and there's a big and expensive sorting job to do."

A long-distance check with Tracerlab found its officers nonplussed at this comment.

"No extra batteries are used," one said, "and we long since did the statistical check you always have to make for any transistor-like device. Around 75 percent of the crystals are usable, and we take full account of that in the cost."

Then, after a pause: "I wonder if he could be talking about an experimental model we had about 18 months ago? We did put some extra batteries on that."

OFF ON A DIFFERENT TRACK

Backcheck to the OCDM expert. No, he hadn't taken a further look at the Banshee gadget for about 18 months. This is by no means the only sample of the every encouragement Dr. Libby has been getting from OCDM.

The simple facts obtainable at working levels are that OCDM is off on a different track, and that this track never reaches the kind of device Dr. Libby and the National Academy of Sciences—and ostensibly Mr. Hoegh—believes is required.

OCDM has a big program for training radioactivity monitoring teams and supplying them with the complex instruments the National Academy's report says won't do for the individual family. A lot of Federal money is being spent on equipment for these postattack procedures teams.

DELAY IS DANGEROUS

They're needed. No one doubts that. But they won't tell the individual citizen huddling in his communications-isolated home a single thing about how much fallout is hitting him where he is and now.

By the time—if ever—they could reach that individual citizen he could have taken a lethal dose of radioactive fallout without knowing it. Or, worse, he might have fled in panic from a reasonably safe place to a hotspot where his chances for survival were small.

The OCDM stoutly claims to be working on a gadget of its own that could be helpful. (Meanwhile it has been leaving the Banshee development strictly up to Dr. Libby and the AEC.)

This "working on" turns out to be hypothetical. There are no progress reports. Nobody will guess when the OCDM's gadget might be ready.

SEEKS A SHOWDOWN

About the only thing that's certain is that the OCDM's gadget won't be ready until it

is triple certain the gadget couldn't be misread by mistake and bring a hoorah down on OCDM's head.

Dr. Libby says he is going to try to get a showdown on the Banshee gadget before he leaves the Government for teaching at the University of California at Los Angeles.

To knowledgeable Government observers it seems doubtful whether a real showdown can come that soon. The 25 manufacturing prototypes of Banshee-equipped radio sets cannot be ready by the midsummer date when Dr. Libby will step out at the AEC.

The best Dr. Libby can hope to do is make certain those 25 prototype sets will be used to plague OCDM into action when the sets are ready. Otherwise the warning gadget Dr. Libby has fathered will get "iffed" to death.

WHEAT ACT OF 1959

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed; and the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 1968) to strengthen the wheat marketing quota and price-support program.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NEUBERGER. Mr. President——

Mr. JOHNSON of Texas. Mr. President, I yield 3 minutes on the bill to the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 3 minutes.

REDUCTION OF SERVICE ON SHASTA DAYLIGHT TRAINS NOT IN BEST INTERESTS OF PACIFIC NORTHWEST

Mr. NEUBERGER. Mr. President, I desire to enter a protest against the recent decision of the Interstate Commerce Commission in allowing the Southern Pacific Railroad to reduce to three round trips a week the operation of its famous Shasta Daylight streamlined train between San Francisco, Calif., and Portland, Oreg. That decision is unwise, for five fundamental reasons:

First. It came at a time when the Southern Pacific has just increased its net revenues for the first quarter of 1959 to $18,182,062, as contrasted with $12,023,488 during the first quarter of 1958.

Second. It curtails a basically popular passenger train which has been carrying an average of more than 200 men, women, and children on each trip.

Third. It is a blow to the tourist trade and general transportation services of northern California and the Pacific Northwest, and it adds to unemployment in the railroad industry.

Fourth. It confirms such backward Southern Pacific practices as moving ticket offices to sixth-floor locations in office buildings, in an obvious effort to discourage passenger traffic.

Fifth. In the long run, it will be adverse to the railroad industry itself, because passenger service is the only genuine contact between the industry and the American public.

I have tried to be a friend of the hard-pressed railroads, Mr. President, in taking the lead in such efforts as passage of the Smathers railroad-relief bill and in bringing about repeal of the onerous 3 percent Federal freight tax. But I conscientiously believe and fear that many railroads are committing harakiri in their campaign to get out of the passenger business, and to become only freight lines, with little or no personal contact with most American citizens.

Finally, Mr. President, I ask unanimous consent to have printed in the RECORD an article describing the adverse effects of the ICC ruling in regard to the Shasta Daylight train, which was published in the May 20 issue of Labor, the weekly newspaper of the various railroad brotherhoods in the United States.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RAIL UNIONS BLAST ORDER ALLOWING TRAIN SLAUGHTER—RLEA SAYS TRAIN CUT BY SP SHOWS NEED FOR AMENDING RELIEF LAW

(By Edward P. Corwin)

A ruling by Division 4 of the Interstate Commerce Commission permitting the Southern Pacific to reduce the "Shasta Daylight" train service between San Francisco and Portland was assailed last week by the Railway Labor Executives' Association, in a strong statement issued by Chairman G. E. Leighty.

The Division—Commissioners Richard Mitchell, Anthony Arpaia, and Laurence Walrath—went along with the carrier's plea for a reduction from daily to thrice-weekly operation for more than 7 months of the year, finding that daily service is not required by public convenience and necessity and will unduly burden interstate commerce.

The SP plea was heavily opposed by west coast Senators and Congressmen, the California State Senate and the Utility Commissions of California and Oregon, as well as the rail unions.

PUBLIC FLOUTED

"Not only is the public convenience and necessity flouted here, but the case reeks as the most flagrant example of how the railroads are using a provision of the Transportation Act of 1958, which was pased as railroad relief legislation, to dry up passenger business," Leighty declared. "Furthermore, it shows an imperative need for amendment of the law."

The RLEA, he pointed out, is pressing bills in Congress which would plug the holes in the law so as to prevent wholesale elimination of passenger service and give the ICC jurisdiction over train abandonments similar to the jurisdiction it already has over abandonment of railroad lines. This would empower the Commission to impose conditions protecting the public interest and the interests of employees adversely affected.

"The Commission's own report," Leighty went on, "shows the Shasta trains are being utilized by the public, with an average of more than 200 passengers each trip. When that many people use a train it is just unbelievable that public convenience and necessity do not require the service.

"'DRYING UP' BUSINESS

"It demonstrates clearly our contention that the railroads are endeavoring to dry up passenger business so that trains can be taken off."

Citing the alleged cost of operating the trains, Leighty further pointed out that the Southern Pacific's figures were challenged by a California Public Utilities Commission official, who testified that the trains were actually operated at a profit, rather than the loss alleged by the carrier.

In order to make the showing as bad as possible, the carrier even threw in such fantastic figures as estimates of savings from a reduction in "meets" between the passenger trains and freight trains under the thrice-weekly schedule.

Moves by the SP to discourage rather than encourage public use of the trains were also cited. Among them were drastic reductions in car cleaning and services at the Portland terminal, reduction in ticket office and waiting room hours, reduction of ticket office employees and porters on the trains, discontinuance of passenger agents, inability to procure advance reservations on the trains, and the inconvenient location of the downtown Portland ticket office.

CONTRARY TO NORMAL PRACTICES

Cited also is the sale of airline tickets in SP stations "without compensation and without reciprocation, at the solicitation of the carrier, in competition with the Shasta Daylight trains." The ICC said that such activity by one carrier on behalf of competing carriers when no reciprocation is involved at least is contrary to normal practices.

As Labor has reported, other moves by the Southern Pacific to abandon certain intrastate passenger service in California were recently halted by the State commission. The majority of the California Commission stressed: "We are aware that many of the railroads throughout the Nation complain of the alleged burden which the rendition of passenger service casts upon the entire operations of the railroads.

"It is our view that the position of the railroads vastly exaggerates the problem. Be that as it may, the fact remains that the railroads must furnish reasonable passenger service as a part of their public duty, and it is the responsibility of this commission, as it is of all regulatory bodies, State and Federal, to see to it that duty is performed by the railroads."

In an effort to get around the California Commission order, the SP has also taken the intrastate case to the ICC under the Transportation Act of 1958.

NEEDED: EARLY HEARING ON COUNTRY LIFE COMMISSION

Mr. WILEY. Mr. President, my colleagues will recall that earlier this session I introduced a bill, S. 265, for the establishment of a Country Life Commission.

The Commission was designed to reevaluate our problems and challenges in agriculture and make recommendations for long-range planning, to provide improved programs and policies for the future.

Across the country, the idea of establishing such a Commission is sparking a great deal of interest, not only among agricultural groups, but also in educational and other fields. I am, therefore, hopeful that our colleagues on the Senate Committee on Agriculture and Forestry, will find it possible to hold hearings on this measure for the establishment of a Country Life Commission.

Not a completely new idea, the Country Life Commission would be a successor to a similar Commission, established by Theodore Roosevelt about 50 years ago.

The earlier 1909 study established guidelines for development of an agricultural program which proved invaluable during the intervening years.

The May issue of Rural Education News, published by the National Education Association, contains excerpts from the reports of the earlier Commission, which have served as the basis for development of improved agricultural programs.

To indicate the growing interest in the establishment of the Country Life Commission among educational, and other groups, I request unanimous consent to have the article printed at this point in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FIRST COUNTRY LIFE COMMISSION REPORT EXCERPTS

The interest in a second Country Life Commisison, as proposed in S. 265, and H.R. 5022, and H.R. 5012 has reawakened interest in the first Country Life Commission appointed by Theodore Roosevelt in 1908. The deliberations, on-the-spot research, and recommendations of this Commission have had a profound effect on American country life during the 50 years since the report was made.

The following excerpts are from the report, first published as Senate Document 705, 60th Congress, 2d session, in 1909; later published in book form (150 pp.) in 1910, reprinted in 1911, 1917, and 1944 by the Chapel Hill Press of the University of North Carolina. Rural leaders will recognize some of these statements as the forecast of much we now take for granted—and others as hopes as yet unfulfilled:

"The correctives for the social sterility of the open country are already in existence or under way, but these agencies all need to be strengthened and especially to be coordinated and federated; and the problem needs to be recognized by all the people" (p. 114).

"One of the most promising of these newer agencies is the rural library that is interested in its community. The libraries are increasing, and they are developing a greater sense of responsibility to the community, not only stimulating the reading habit and directing it, but becoming social centers for the neighborhood. A library, if provided with suitable rooms, can afford a convenient meeting place for many kinds of activities and thereby serve as a coordinating influence" (p. 115).

"The subject of paramount importance in our correspondence and in the hearings is education. In every part of the United States there seems to be one mind, on the part of those capable of judging, on the necessity of redirecting the rural schools. There is no such unanimity on any other subject. It is remarkable with what similarity of phrase the subject has been discussed in all parts of the country before the Commission. Everywhere there is a demand that education have relation to living, that the schools should express the daily life, and that in the rural districts they should educate by means of agriculture and country life subjects. It is recognized that all difficulties resolve themselves in the end into a question of education" (p. 121).

"To accomplish these ends, we suggest the establishment of a nationwide extension work. The first or original work of the agricultural branches of the land-grant colleges was academic in the old sense; later there were added the great field of experiment and research; there now should be added the third coordinate branch, comprising extension work, without which no college of agriculture can adequately serve its State. It is to the extension department of these colleges, if properly conducted, that we must now look for the most effective rousing of the people on the land.

"In order that all public educational work in the United States may be adequately studied and guided, we also recommend that the U.S. Bureau of Education be enlarged and supported in such a way that it will really represent the educational activities of the Nation, becoming a clearinghouse, and a collecting, distributing, and investigating organization" (p. 129).

"Farmers seem to be increasingly feeling the pressure of the organized interests that sell to them and buy from them. They complain of business understandings or agreements between all dealers from the wholesaler and jobber to the remote country merchants, that prevent farmers and their organizations from doing an independent business.

"The greatest pressure on the farmer is felt in regions of undiversified one-crop farming" (p. 131).

"The obligation to keep as many youths on the farms as are needed there, rests on the home more than on the school or on society" (p. 145).

"The complacent contentment in many rural neighborhoods is itself the very evidence of social incapacity or decay" (p. 147).

COMMUNICATION BY SENATOR NEUBERGER OPPOSING AUTHORIZATION OF NEZ PERCE DAM

Mr. NEUBERGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter which I have addressed to the Multnomah County Labor Council in Portland, Oreg., regarding proposals favoring authorization of the Nez Perce Dam. I trust that the letter makes clear my opposition, at this time, to construction of a dam which would imperil the survival of the great Chinook salmon runs of the Columbia River Basin.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON PUBLIC WORKS,
April 23, 1959.

Mr. GORDON SWOPE,
Acting Secretary, Multnomah County Labor Council, AFL–CIO, Labor Temple, Portland, Oreg.

DEAR GORDON: I have your communication of April 6, on behalf of Multnomah County Labor Council, urging me to favor authorization of the Nez Perce Dam.

On numerous occasions, I have supported the recommendations of organized labor in my home community. I think you folks are entitled to be informed when I believe your proposals are unwise or in the wrong.

I do not agree with you on Nez Perce Dam.

Thousands of working men and women in our State secure employment as commercial fishermen, cannery workers, etc. Thousands of others are employed in the tourist industry, which depends in considerable measure upon people who visit Oregon for the sports fishing.

Construction of Nez Perce Dam could imperil all this. Over 60 percent of the great spring Chinook salmon runs of the Columbia River system spawn above Nez Perce Dam, in the Salmon River watershed of Idaho. I am informed by leading biologists of the Fish and Wildlife Service—as well as by those in private life—that no certain means have yet been found for passing migratory fish either upstream or downstream past a barricade the height of Nez Perce Dam.

Your resolution suggested a provisional authorization of Nez Perce, with "construction deferred until a solution is found for the fish problem." Who is to decide this? Is it to be the Fish and Wildlife Service or the Army Engineers or the public-power movement or private utilities, or what?

Provisional authorizations of the sort you propose are without precedent in our country. One might as well have recommended licensing of Brownlee Dam pending solution of the private power company problem, or authorization of Echo Park Dam pending solution of the National Park problem, or authorization of the Bruces Eddy Dam pending solution of the elk and wildlife problem. What would the members of Multnomah County Central Labor Council think of a proposal to reduce wages pending solution of the inflation problem?

It seems to me far wiser than urging authorization of Nez Perce Dam for all of us to work hard for adequate Federal funds for fisheries research, so that learned men can apply their skill and knowledge to the question of safe passage for salmon past a barrier of this size. That is what I am doing, and I have had some success thus far in obtaining such funds.

I should like to remind Central Labor Council that only recently it opposed State acceptance of Federal billboard standards, which I had sponsored in Congress, on the grounds that this could do damage to the jobs of some sign painters erecting these billboards. It seems curious, in view of this, that Central Labor Council now proposes authorization of a dam which might jeopardize the jobs of so many Oregon residents in the commercial and sports fishing industries.

I hope Multnomah County Central Labor Council will give serious consideration to these views.

With good wishes, I am

Sincerely,

RICHARD L. NEUBERGER,
U.S. Senator.

ADDRESS BY SENATOR RUSSELL AT DEDICATION OF NATIONAL GUARD MEMORIAL, WASHINGTON, D.C.

Mr. SALTONSTALL. Mr. President, I ask unanimous consent to have printed in the body of the RECORD the text of an address delivered by the distinguished senior Senator from Georgia [Mr. RUSSELL], at the dedication of the National Guard Memorial in Washington. In his address, the Senator from Georgia epitomizes the principles of the National Guard and the services which it has rendered to our country both in national defense and for the assistance of the States throughout the years.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

IN ITS PROPER PERSPECTIVE

(By the Honorable RICHARD B. RUSSELL, chairman, Armed Services Committee, U.S. Senate)

Since the earliest days of the Republic, our defense structure has been predicated upon the doctrine of supporting an active duty force with a well-trained militia standing in reserve.

It was this concept of the citizen-soldier standing ready to take up arms at the side of the full-time soldier that gave this country the military might to achieve victory in every war in which we have been engaged.

Even today, in the dramatic and dynamic space age, this concept stands as an integral part of the overall security program of our country.

The National Guard, now as in the past, is an irreplaceable component of the Nation's Defense Establishment. It is a vital part of the total security effort.

Unfortunately, there has been too little general understanding of the history and nature of the National Guard. But the brave performance of its units and the unselfish sacrifice of its members in the service of our country in time of armed conflict stands as monumental evidence of its contributions to our national security.

George Washington first developed the concept of supporting active duty forces with an organized militia. The Founding Fathers attached so much importance to the concept that they provided for the training and maintenance of a militia in the basic law of our country, the Constitution of the United States.

The militia clause of the national charter gave to Congress the power to provide for organizing, arming, and training of the militia according to the discipline prescribed by Congress. But the Constitution reserved to the individual States the appointment of officers and the training of the militia.

It was under this clause that the modern counterpart of the militia, the National Guard, developed. But it was not until the National Defense Act of 1916 that the National Guard of the several States attained a statutory basis as a component of the Army of the United States when in military service.

Since that time, the guard has advanced to its present recognition in the Armed Forces Reserve Act as an integral part of the first line of defense of this Nation. It should also be remembered that the declaration of congressional policy in the Universal Military Training and Service Act provides that "it is essential that the strength and organization of the National Guard, both ground and air, as an integral part of the first line defenses of this Nation, be at all times maintained and assured." Despite this constitutional and statutory recognition, it frequently has been difficult to assure the strength and organization of the guard. This difficulty is in no way the result of any lack of dedication or enthusiasm by members of the guard. It is, in my opinion, the result of a lack of appreciation and understanding in some quarters of the high quality of the guard forces and of the determination of guardsmen to share in the defense of our country.

Anyone with a rudimentary knowledge of the guard knows that it has both a Federal and a State mission. The Federal mission of the guard is to provide Reserve units that are adequately organized, trained, and equipped for utilization in the event of mobilization into national service. The State mission is to provide a trained and equipped military organization for utilization by State authorities in performing the police powers of protecting life and property and preserving peace, order, and public safety.

I am grateful for this opportunity to pay tribute to the patriotism, devotion, and courage of those who serve their country as members of the National Guard. And I congratulate the National Guard Association upon the dedication of the National Guard Memorial. These splendid facilities will enable the association to better serve the guard.

WHEAT ACT OF 1959

The Senate resumed the consideration of the bill (S. 1968) to strengthen the wheat marketing quota and price support program.

The PRESIDENT pro tempore. The bill is open to amendment.

Mr. JOHNSON of Texas. Mr. President, the distinguished Senator from Minnesota [Mr. HUMPHREY] and the distinguished Senator from Indiana [Mr. CAPEHART] have amendments. I want to protect them and give them an opportunity to offer them, but if they find it impossible to come to the Chamber, there is not anything to do but proceed with the consideration of the bill.

I am going to suggest the absence of a quorum again, but I ask the attachés to notify Senators, if they have amendments, to come to the Chamber and offer them.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I yield 3 minutes on the bill to the Senator from Vermont [Mr. AIKEN].

SPEECH BY SECRETARY OF AGRICULTURE BENSON ON REA

Mr. AIKEN. Mr. President, this morning's press reports a speech made yesterday by Secretary of Agriculture Benson before the Cedar Rapids (Iowa) Chamber of Commerce, in which he advocated doing away with the REA and creating a privately owned bank to take over the financing of this important rural program.

This proposal, Mr. President, could more properly have come from the corporate utility monopolies. I am sure it will have their full approval.

The effect of the Secretary's proposal would be to put the rural people of America at a still further disadvantage in what is still a competitive economy in this country.

It would put them still more under the thumb of giant banking and other corporate interests.

It would force possibly one-third of the REA cooperatives to give up the ghost and sell out to the utility interests.

Why did not the administration raise its voice when the corporate utilities were getting a subsidy in the form of rapid tax writeoffs to the tune of more than $3½ billion?

Why does it not protest the rising cost of interest charges to our Government, which now exceeds the costs of all farm and allied programs by over $2 billion?

Why does it not speak out strongly against practices that are throwing the economy of America more and more into the hands of a few giant corporations and farther and farther from the control of the people of the Nation.

Why does it concentrate an attack on farmers and other rural people who are banding together simply to protect themselves and their families?

I dissociate myself completely from this attack by the Secretary upon the REA. I shall do all I can to prevent his recommendation from being acted upon favorably at this session.

A few weeks ago I voted to sustain the President's veto of a bill which affected the REA in a minor way. I called it poor legislation, as it was.

However, if I had known at that time that the Secretary had planned to make this attack upon the REA, I doubt if I could have resisted the impulse to vote with the majority of this body.

I thoroughly resent every move to put the farm people of America under the domination of monopolistic interests.

The American farmer was not born to be a servant, and so long as I can help prevent it, he never will be.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. JOHNSON of Texas. I commend the very able Senator for the statement he has made. Like him, I was shocked when I read of the proposal to which he has alluded. I think it could more properly have come from a private bank rather than from a public official selected to serve the agricultural interests and the farmers. I thank the Senator for the position he has taken, and for the position he has always taken on behalf of the farmers.

WHEAT ACT OF 1959

The Senate resumed the consideration of the bill (S. 1968) to strengthen the wheat marketing quota and price support program.

Mr. DIRKSEN. Mr. President, on the bill, I yield 20 minutes to the Senator from Kansas [Mr. CARLSON].

The PRESIDING OFFICER. The Senator from Kansas is recognized for 20 minutes.

Mr. CARLSON. Mr. President, I expect to discuss the pending farm bill regarding wheat, but I wish to commend the Senator from Vermont for the statement he has just made with respect to the REA, which is one agency in this Nation which has meant very much to the rural sections of our country. I not only share the Senator's views, but I also appreciate his making his statement this morning on the floor of the Senate.

Mr. President, I think we must look at the agricultural problem on the basis of a long-term program—at least for a period of from 5 to 10 years. Our difficulty is we like to look at the immediate situation, which seems to be one of an increasing amount of surpluses, stored at Government expense.

We do have a farm problem, and it is a problem of overproduction, or surpluses, which has resulted in a serious situation for the farmers, but from the view of the general public it is not a problem at all, it is a record of magnificent achievement.

It is now time for Congress to write a prescription for more permanent remedies than those which have served the farmers for the past 25 years. In fact, Congress has the prescription for handling the wheat problem before it now,

I believe, in a bill to which I shall refer in the latter part of this statement.

The programs which have been instituted in the period I have mentioned have taught us a great deal. We are much wiser for our experiences, and we have accumulated data on which our agriculture economists may draw to formulate new programs. It is no time to abandon the patient, which seem to be the conclusion reached by so many of our city-born-and-bred editors, who persistently wring their editorial hands over the farm problem and the cost of our farm programs.

COMMONSENSE IS CALLED FOR

A little commonsense would perhaps be in order on the part of those who despair about our ability to handle our agriculture surpluses—which is the heart of the problem.

One thing badly needed is for the public to come to know the true meaning of some of the terms which are used as scare words to create a distorted and utterly untrue picture of the farmer in the minds of his city cousins. If we can focus our attention on the semantics here involved, then perhaps we can evaluate more clearly some of the patterns and proposals which show promise of evolving into a sensible and long-term farm program. Perhaps an exploration of some of the common charges frequently leveled at the farmer and the present role the Government plays in the farmer's economic life is in order.

"Support prices," "parity," and "surpluses" are terms of scorn as used by many of the severest critics of current farm programs. In this unfortunate connotation, "support prices" becomes a term implying that tax money collected from the general public is lavished on the farmer so that he may winter in Sarasota or Pasadena; "parity" comes to mean a sly formula used to pry the lid off the National Treasury, and "surpluses" represent in this parlance a shovel with which to scoop out the money.

If I am guilty of overstatement, my margin of exaggeration is but a few degrees different from that employed by those who eternally thunder their opposition to any constructive farm program. Even some of the more reasonable and respected writers on occasion join in echoing the more monotonous and threadbare cliches. As a mild example, I cite a top journalist writing in one of our most reliable and eminent daily newspapers.

Richard L. Strout, in the Christian Science Monitor, fell into this common error, which characterizes so much of the editorializing on the farm problem. After noting, with some discernment, that "the United States has the world's greatest technical farm revolution by the tail and still does not know how to let go," Strout avers that "farmers are producing ever-cheaper goods but the Government says the consumers can't have them cheap." He adds, further on in his piece:

> The Government is trying to balance the budget but is paying out billions for a subsidy. It supports free enterprise but is interfering massively in the economy. It is trying to halt inflation but subsidizes farm prices to keep them up.

Then becoming more specific, he says the fault is that the Government is "trying to do two different things at the same time; stabilize agriculture while encouraging soil fertility." And he explains:

> The city consumer pays taxes so that his food will cost more at the corner market.

The American people have no worries about being short of food. The American consumer is getting not only a large quantity of high quality foods, but he is also getting them at the cheapest cost in our Nation's history, based on his average earnings.

The agricultural commodities are the consumers' best buy. It takes only 1.2 hours of factory labor to buy 1 pound of beefsteak as compared to 1929, when it took 2 hours of factory labor to purchase 1 pound.

Let us consider bread, for instance. In 1929 1 hour of factory labor purchased 6.4 loaves of bread. In 1958 this same hour of factory labor purchased 11 loaves of bread.

I ask unanimous consent to have printed in the RECORD a table from the Agricultural Marketing Service of the U.S. Department of Agriculture, giving additional information on the amount of labor required to purchase certain commodities. There being no objection, the table was ordered to be printed in the RECORD, as follows:

Consumers—Quantities of foods purchased by 1 hour of factory labor

	In 1929	In 1958
Bread.....loaves..	6.4	11.0
Steak.....pounds..	1.2	2.0
Milk.....pints delivered..	7.8	16.8
Butter.....pounds..	1.0	2.9
Bacon.....do....	1.3	2.7
Eggs.....dozen..	1.1	3.5
Potatoes.....pounds..	17.7	33.8
Oranges.....dozen..	1.3	2.8

Source: Agricultural Marketing Service, U.S. Department of Agriculture.

Mr. CARLSON. Referring again to Mr. Strout's article, Mr. President, Mr. Strout fails to see the major objective behind the farm program as it has operated for nearly 25 years, to keep the farmer within respectable economic range of the other segments of our society—the business people, professional classes, white-collar workers, and skilled laborers. This is what parity seeks to do. The great depression demonstrated that when the farmer's income drops the entire country suffers. Parity developed as a system to retard this descent, with controls an integral part of the plan.

One would also infer from the journalist's words that no attempt should be made to improve agricultural techniques and soil fertility while we attempt at the same time to stabilize the farm economy. This logic is like saying that there should be no improvement in making steel as long as 50 percent of plant capacity lies idle. A strange concept, indeed.

To support his view, the journalist quotes the celebrated Harvard economist, Prof. Sumner H. Slichter. I have not read the text from which the professor is quoted, but the excerpts imply that Dr. Slichter sides with those who consider price supports an unmitigated evil, keeping consumer food prices high at the expense of the taxpayer.

If Senators have listened to one of the many luncheon club speakers addressing himself to the farm problem, they know that his urban audience has applauded most enthusiastically when price supports were denounced, parity was attacked, and our surpluses were bemoaned. These speakers level the accusing finger at the farmer and place on his head a multiple charge. The budget deficit, the high cost of living, and the decline in the value of the dollar are the farmer's fault, they would have us think.

I have never been able to find that those who keep reiterating the theme that the taxpayers are being gouged by farmers through a system which includes parity, supports, and surpluses—which, they insist, hikes our taxes and inflates the price of the food we buy—were contributing in any way to a more constructive farm program. Their performance convinces me that perhaps the wheat farmers could teach these people a great many lessons about the farm problem and how it may be solved—if they would only listen.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. CARLSON. I am happy to yield.

Mr. YOUNG of North Dakota. I think the Senator is performing a real service for the Senate of the United States and for the public in general by trying to put agriculture in a more fair and accurate light. I have read many of the same editorials and articles which condemn the farm programs. They are articles written, I think, by sincere people, but certainly by those who are misinformed. Many of the stories are so far from the truth that it is hard to understand how anyone could believe them, but unfortunately millions do. I think many do not realize that farm commodities are perhaps the only things the consumer can buy today at lower prices than he had to pay for them 10 years ago, that is, at the farm level. In between are high costs added by middlemen, processors, and so forth.

While farm prices have dropped drastically, the consumers are paying more today for food than they ever paid before. That is something which is usually not brought out in the articles.

I think the farmers would be perfectly willing to do away with all Government programs if there were some other means of securing even a semblance of a fair price. I believe farmers dislike Government programs perhaps more than any other group in the world. How are farmers going to compete when labor is so highly organized and when industry is so highly organized? All other segments of the economy can pretty well fix prices, but millions and millions of farmers are competing against each other, and they are supposed to go it alone? I think the farmers would be perfectly willing to go it alone if the rest of the country were willing to do the same.

I commend the Senator from Kansas for his courage in rising in the Senate to defend the farmers against these unfair accusations.

Mr. CARLSON. Mr. President, I appreciate very much the remarks of the Senator from North Dakota. I am in accord with the Senator's views. I think the farmers would appreciate very much being relieved from the restrictions, the marketing quotas, the allotments, the acreage limitations and all the other things which are tied together to make up the farm program, if they did not have to buy in a market in which are involved minimum wages, and great subsidies for practically every form of business, including even the Post Office Department. Therefore the farmers are in a difficult situation, at a time when all other industry and individuals seem to have the benefit of Government support.

Mr. YOUNG of North Dakota. Mr. President, I believe the Senator from Kansas feels, as does the Senator from North Dakota, that none of us votes for farm programs because of the political angle. I would rather not have to work for any kind of farm program—and I would take that course regardless of politics—if I thought such a course meant anything but starvation for farmers and a depression not unlike that which we faced in the late 1920's and 1930's. Farmers and those who handle farm products represent about 40 percent of the income in the United States, and about 40 percent of the labor force. I do not see how we could allow these prices to drop to very low levels, as some would advocate.

Mr. CARLSON. I appreciate the comments of the distinguished Senator from North Dakota, and I agree with him.

SPECIALIZATION HAS COME TO THE FARM

Almost any wheat farmer would first remind his critics that there have been many changes in American agriculture. Today's farmer is a specialist. The pattern becomes clear if one visits a typical wheat grower's operation in my home State of Kansas, the leading wheat producing State of the Union.

On today's farm the barn has become a machine shop—indisputable evidence of the tremendous technological revolution that has swept the farm. Inside the farmer's home, one finds the same appliances and modern conveniences that characterize the urban home—another phase of the technological revolution which has electrified over 90 percent of American farms. The bread on the farmer's table very likely was baked in the city, and the milk was probably bottled by a dairy in the nearest town—that dairy, in turn, supplied by specialists. In the morning a bus picks up the farmer's children and hauls them to school in town, where they study and play with the town youngsters.

Today's farm worker, by and large, is now a man trained to operate and repair trucks and tractors. The hired hand of a past generation, who rose before dawn, slopped the hogs, milked the cows, cleaned the stable and rationed oats to hungry horses is as scarce today as the coal oil lamp which gave him light. Today's mechanized agriculture, with men working in shifts, makes of seed time and harvest an around-the-clock operation on many great wheat ranches of the Great Plains and the West.

And one cannot consider the technological changes that have been brought about on the farm through the great mechanization of the past 20 years without giving recognition to another all-important factor. Today's farm, and particularly a wheat operation, represents a much greater capital investment than was ever called for on the conventional self-sufficient unit of past generations. Figures compiled by statisticians who have investigated the subject report that the average wheat ranch represents an investment of from $40,000 to $50,000 in equipment. In fact, on the cash-grain farms of the Pacific Northwest, where crops other than wheat occupy a little over one-fourth of the land, the capital investment, including land, buildings, livestock and machinery, will average $134,661, according to the 1954 Census of Agriculture, reissued jointly by the Departments of Agriculture and Commerce.

THE CONSUMER AND THE PRICE OF WHEAT

The second thing the wheat farmer would make clear to the critic would be the fact that the price of wheat, as with so many of our agricultural products, has little relationship to the price of the wheat products the consumers buy. The price of wheat is probably the factor having the least effect on the price of your bread, doughnuts, cake or cereal. Were the farmer to give his wheat away the price of a loaf of bread would show little decline.

To stress this point further, the wheat farmer need only turn to the Department of Agriculture. He can quote from a study published in the Marketing and Transportation Situation, February 17, 1954, which concluded flatly that "no matter what happens to the price of wheat in the future, it will have little effect on the cost of wheat products to the consumer."

The wheat farmer could enlighten the consumer on what he is paying his money for when he carries the next bag of groceries from the store. The farmer could tell him that the experts who figure these things have estimated that of every dollar spent for food last year a little less than 40 cents went to the farmer. The rest of the dollar left at the supermarket covered the cost of handling, processing, transporting, packaging, and so forth. The consumer would also discover that while there was a price decline in the things the farmer produces, the prices of things he had to buy were increasing substantially.

One can almost agree that in recent years it is nearer the truth to say that the farmer has actually been subsidizing the consumer. Between 1952 and 1958, the market price of wheat dropped from $2.11 to $1.76 a bushel. During this period, while the cost of wheat in a pound loaf of bread was declining, the retail price of a loaf of bread increased more than 20 percent.

One could go on marshaling the facts which should conclusively show that, so far as wheat is concerned, parity, price supports and surpluses have very little influence on the price of wheat products. A similar case can be made for many other agriculture commodities. The costs attributable to processing, packaging, handling, and transporting account for the major share of the consumer's costs. Only among perishable commodities does this seem to be the exception rather than the rule. Because storage of these commodities by their very nature is limited prices sometimes skyrocket over night.

A killing frost, such as that which struck the citrus groves of Florida in December of 1957, can send prices soaring like they had been launched at Cape Canaveral. However, more than a year later, with no notable scarcity to influence supply and demand, prices on citrus products to the consumer have yet to return to the lower levels which prevailed prior to the freeze. The consumer might accept this situation more gracefully if he were assured that the producers were enjoying an equitable share of the higher price in the marketplace.

On the other hand, when a kind providence produces an abundance, as in the case of the Appalachian apple crop in 1958, the producers may be paid the lowest prices in 13 years, not even covering cost of production, but the housewife buying apples and applesauce would never guess from the prices she pays that the bottom had gone out of the apple market. Does it not seem that the farmer should be cleared immediately of any charge that he is responsible for the high cost of living?

BUT WHAT ABOUT SURPLUSES

"But," one may protest, "we will dismiss the case against the farmer as concerns consumer prices, Senator, but you cannot deny that the farmer's surpluses are costing the taxpayer a tremendous sum, especially the storage costs on wheat."

I agree to this only in part. Let us suspend judgment and look at some further facts before we condemn the wheat grower or the producers of other commodities in surplus. The wheat growers have been proposing to do something about this for the past 4 or 5 years. They believe that they have a solution for curing the surplus, eventually eliminating the high storage charges, maintaining prices at a parity level, and doing so without throwing the burden on either the consumer or the taxpayer—if there is a difference between these two.

I incorporated the proposals of the wheat growers into a bill which I introduced in the Senate on February 19, 1959. Joining me in the sponsoring of this measure, known as S. 1484, are Senators from nearly all the great wheat-producing States and representing both of our major political parties.

The distinguished Senator from North Dakota [Mr. YOUNG] has been most interested in this proposal.

In introducing the bill, I had in mind the thought that the Congress and the wheatgrowers themselves must consider changes in our present farm program dealing with wheat. S. 1484 provides for a wheat marketing-control program instead of production-control program,

which characterizes existing farm programs. In other words, this is a program that would preserve the wheatgrower while at the same time it would provide a solution to the wheat problem and at a lower total cost than the present wheat program.

It is my contention that the most important problem of the wheatgrower today is that of maintaining sufficient income to permit the purchase of the products of industry and labor and still retain a satisfactory standard of living in the face of reduced acreage, lower farm prices, and rising costs of production.

I contend, further, that lower prices for wheat do not aid in solving the problem of excess supplies, by either reducing production or by increasing consumption, but serve only to increase the marketing cost margins between the producers and the consumers.

I think the history of farm legislation proves that although the allotment acreage and marketing quotas served well their original purpose, they have not solved the surplus problem. I have said on the floor of the Senate on frequent occasions that the farm problem will not be solved by either flexible or inflexible parity prices. I know of no farm organization, or any wheatgrower, who holds that permanent solutions are to be achieved in that way. The process of making an adjustment to a new program should not include the liquidation of the grower.

Before the Senate Agriculture Committee, Mr. Floyd Root, of Wasco, Oreg., the president of the National Association of Wheat Growers, countered the thought that reducing the incentive would curtail production when he said:

> We believe, during this period of cost-price squeeze in agriculture, that lower prices will force wheat producers to plant the maximum acres permitted and to increase his efficiency in order to remain solvent.

Voicing further the opinion of the majority of the Nation's organized wheat farmers, Mr. Root added:

> Reducing acres to control production has not solved the problem and is a negative approach. Acres shifted from wheat are producing surpluses in other crops, and acres shifted from other crops are producing surplus wheat.

The PRESIDING OFFICER (Mr. CLARK in the chair). The time of the Senator has expired.

Mr. CARLSON. I wonder whether the distinguished minority leader would yield me a few more minutes.

Mr. DIRKSEN. I yield another 10 minutes to the Senator on the bill.

Mr. CARLSON. Mr. President, what are we doing? Are we simply stalling for time? We are waiting for 1975 or the year 2000, when we hope our population can consume our agricultural production. Even then, through technological progress, production may still exceed consumption.

The National Conference of Commodity Organizations Committee on Field Crops made a similar statement on price supports in 1958:

> We are absolutely firm in our conviction that lowering price supports which lower prices as a means of adjusting production will not be effective, but will only increase production, and proof of this is now available for any realistic appraisal.

Since the farmer cannot increase his acreage, he finds that to maintain his income he must increase his efficiency and produce a greater yield on the acres which he can plant to wheat, while on his remaining acreage he plants feed grains and adds further to the extensive surplus in that category.

NO GREAT EXPANSION OF WHEAT MARKET FORESEEN

The information supplied by Department of Agriculture statisticians indicates that new markets for wheat hold little hope for increasing the utilization of wheat for some time to come. Only a year ago they reported that even by 1975, the annual utilization of wheat for both domestic use and exports probably will be only slightly higher than the estimates of 1960, unless special measures are taken to encourage use of wheat for livestock feed, or industrial use is stimulated greatly.

We must plan a program to solve the wheat problem based on an estimate of what reasonable demand may be for this abundant grain. The experts, quoted above, basing their projections on Bureau of the Census figures and studies, tell us that the figure will be roughly 900 million bushels per year. That is 500 million bushels less than we produced in 1958. Although most discussions of agricultural problems usually end with the statement that increases in population will in time take care of our farm surpluses, we can see that this is not likely to occur for a good many years in the case of wheat.

At the same time, perhaps because of the increased use of red meat in the American diet, there has been a decline in per capita consumption of wheat, offsetting the increase one would have expected with the immense growth in population.

Yet sometime, somewhere, requirements and production will have to balance and, until they do, adjustments in production will remain a continuing problem. This is further confirmation that our productive capacity is elastic at a time when our consumptive capacity is inelastic.

One of the factors which makes some of our students of the problem think a balance between production and consumption may be a long time coming is that our capacity to produce has consistently outrun our demand, except in times of war and drought. And the problem of overproduction in wheat has been a recurrent one for more than 30 years.

The past year has given ample evidence, too, that more than a curtailment of acreage planted is needed to meet the wheat problem. Today the total national acreage sown to wheat is approximately the same as in 1910, with about 1 of every 6 acres of U.S. cropland producing wheat. The golden ocean of wheat is much smaller than it was in 1951. Its shores have been contracted by the allotment plan which in less than 10 years has cut the total back 18 million acres.

But consider this fact. In 1958, the second largest crop of winter wheat in the Nation's history was produced. The average yield of 27 bushels an acre was a new record production. And for the Nation as a whole it was the largest crop on record. U.S. wheatgrowers produced almost 1.5 billion bushels on fewer than 54 million acres. Only a few years ago, 1952 and 1953, they harvested 69 million acres to obtain 1.2 billion bushels.

To see the full significance of what this greater production per acre means to the individual wheatgrower, we must not overlook the fact that when he is faced with a reduction in farm income because of acreage allotments and lower prices, the grower naturally intensifies his effort to increase the efficiency of production. He must reduce costs per unit of production while increasing production per unit of cost. With the important part mechanization plays in the process, it becomes obvious that to obtain a volume which will produce an adequate income, the farm unit today must be substantially larger than before.

THE HONORS SHOULD GO TO THE WHEAT PRODUCERS

A part of the credit for this production record should go to the occurrence of favorable weather. But much credit must go to the wheat producers for their rapid adoption of technological advances and improved land management programs in recent years.

Twenty years ago, wheat yields averaged only 13 bushels per planted acre. In the 1940's, yields had increased to nearly 16 bushels per planted acre; and in the early 1950's the average had moved up to 18 bushels. In 1956 and 1957, average yields were still higher—almost 20 bushels per planted acre. Then in 1958, with a beneficent nature blessing the wheatgrower with ideal weather, wheatgrowers outdid themselves, and produced almost 26 bushels per planted acre, or 27.3 bushels per acre harvested. This combination has filled the wheat bins of America to overflowing and as a result we are being told on all sides that the No. 1 farm problem this year is our wheat surplus.

In his agriculture message to the Congress, the President pointed to the tremendous surplus of wheat and said:

> We already hold such huge stocks of wheat that if not one bushel of the oncoming crop were harvested we would still have more than enough for domestic use, export sales, foreign donation and needed carryover for an entire year.

Actually, present indications are that the stock of Government surplus wheat will exceed 1,300 million bushels on next June 30. The Government will have in excess of $3 billion invested in that surplus stock, plus an additional cost of more than half a million dollars a day for storage of the wheat.

But this surplus of wheat should not be looked upon as a weight around the taxpayer's neck. It is, if viewed in proper perspective, one of our Nation's tremendous assets, a fact to which I will make reference further on. We should heap high honor on the wheat producers

of America for this amazing performance. This is a production record achieved by few comparable groups in America, this is a production record of which to be proud. And, as said on the floor of the Senate, I repeat here, I am not one of those who consider the current wheat situation a terrible national headache. I rejoice in the great productive capacity of our wheat producers. I consider it a national asset that we can produce far more wheat than that needed for domestic food and export. What a national and even worldwide tragedy it would be if we did not have this productive capacity. The stabilization plan authorized by S. 1140 recognizes this situation and deals with it in a way which is fair and equitable to wheat producers, domestic consumers, feed-grain and livestock producers and to producers in other exporting nations. Surely these farmers are entitled to a price support program that assures them a fair reward for outstanding services rendered.

I am fully aware that the production record I have just cited, in combination with the outmoded price supports now in effect, have created serious surpluses and have caused program costs to skyrocket. I realize that much of the criticism heaped on the Department of Agriculture, on Congress and on the farmer, too, for that matter, stems from the fact that we now find the programs, which were supposed to be temporary, too costly. We know that we cannot continue them indefinitely, that we must find a less costly, more equitable, long-term solution to the price and income problems faced by our agricultural producers. And we must find it promptly. But the record should be clear on one point: Wheat producers for several years have recommended giving up the present outmoded program for wheat. I reiterate, for at least 5 years they have been urging the adoption of domestic parity proposals as a replacement for the program which has piled up surpluses and inflated Government costs.

THE WHEAT PROBLEM CAN BE SOLVED

In my judgment, there would be no wheat crisis today if we had had the vision and the wisdom to adopt the domestic parity program for wheat several years ago. I am, indeed, proud of having been the one to introduce such legislation in the Senate on several occasions.

Mr. NEUBERGER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Oregon?

Mr. CARLSON. I yield.

Mr. NEUBERGER. I know the Senator from Kansas is under controlled time; therefore I shall not impose on him unduly. I merely wish to thank him for the leadership he has taken in sponsoring the domestic parity plan as presently contained in S. 1484. I wish to assure him of my support and, I am sure, also of the support of most of my colleagues from the Pacific Northwest, if not all of them. We are grateful to the able Senator from Kansas for having been the spearhead and the leader in the effort somehow to adjust our wheat program fairly and equitably. I believe that his domestic parity bill does that by reducing the Government's financial obligation, by tending gradually to eliminate surpluses, and by helping to free some wheat for the feed market, where it will help many people who are raising poultry, turkeys, and so forth. It is a desirable bill.

I also wish to commend the Senator from Kansas for his endorsement of the defense of the Rural Electrification Administration voiced earlier by the able Senator from Vermont [Mr. AIKEN]. I was not able to join in the discussion at the time because I was presiding over the Senate. I therefore wish to concur in what the Senator from Kansas said in that respect in support of the REA.

Mr. CARLSON. Mr. President, I appreciate very much the comments of the junior Senator from Oregon. There has been no more able or stronger supporter of proposed legislation which will maintain the wheatgrowers' income than the Senator from Oregon. He has not only cooperated in that effort, but we have worked closely together, and it has been a pleasure to work with him.

Mr. NEUBERGER. I thank the Senator from Kansas for his characteristic graciousness.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. LANGER. I am delighted to hear the speech the Senator is making, with which I thoroughly agree. Perhaps, however, we should emphasize one factor; namely, that the price of wheat the farmer gets has nothing to do with the price of bread, and that monopoly factors enter into the price. In Pittsburgh, for example, a few years ago there were 24 independent bakeries. Today there are five. The same is true with respect to National Dairy Products, which has a complete monopoly of ice cream production. Therefore, in arriving at the price of bread we should take the monopoly situation into consideration. I know my friend has done so. I wish to compliment him for his very able discussion of the situation. I am supporting his amendment.

Mr. CARLSON. I know that the wheatgrowers of America never had a stronger supporter than the senior Senator from North Dakota [Mr. LANGER], who has been working for many years in this field and in the whole field of agriculture.

Mr. President, in drafting a new, improved bill, one which would be even more comprehensive than the domestic parity plans which previously won congressional support, there were four basic considerations we kept in mind. These were, first, the new high levels of productivity must not be allowed to bankrupt the wheat-producing industry; second, the building of Commodity Credit Corporation wheat stocks must be stopped, and they must gradually be reduced to a normal level; third, a further reduction in the acreage of wheat must not result in additional acres shifted to other crops; and, fourth, increased yields per acre must not be reflected in increased Government holdings of wheat.

This plan sets an annual national marketing quota of wheat based on the estimated domestic consumption plus exports, after withdrawing 75 million bushels from Commodity Credit Corporation stocks. It provides for loans on wheat, within this marketing quota, at 65 percent of parity. Each producer would be provided with income stabilization certificates equal to his share of the domestic food market—in bushels—which would be redeemable in an amount equal to 35 percent of parity, the difference between the loan level on national quota wheat and the parity price. However, to qualify for the certificates, the producer must place in a conservation reserve, acreage equal to at least 20 percent of his base wheat acreage.

Processors would purchase these certificates at no less than their face value to accompany wheat milled for domestic use. At the same time a defense stockpile of 500 million bushels of wheat, stored under 5-year contracts to effect a substantial saving over current rates, would be established. Restrictions on production and use of nonquota wheat would be removed except for domestic food and for export.

Thus the producer would receive a fair return while at the same time having fuller control of his operation. Only the best quality wheat would be marketed for domestic food use and for export, through regular commercial channels.

The plan would reduce by $400 million or more a year the estimated Government cost of wheat price supports as well as reducing by $500 million or more a year the total Government outlays. And by increasing the conservation reserve 12 to 14 million acres of wheatland, an excess of 5 to 8 million acres of wheat would be eliminated. At the same time foreign trade in wheat would be protected and stabilized through marketing quota provisions, including the interests of Canada and other wheat exporting nations.

OUR SURPLUSES A GREAT WEAPON IN THE COLD WAR

This program could strengthen American economic foreign policy in the underdeveloped area of the world, enabling our surpluses to become a powerful weapon in checking the spread of communism in less fortunate world areas. I can think of no wiser use of our surpluses—wheat being but one of them, although the one in greatest supply—than to help end hunger in world neighborhoods where famine is the accepted way of life. These are the people whose friendship we would win in the world of tomorrow and we must remember that the Soviet power has never underestimated the importance of food as an ideological and propaganda weapon. I am sure that this wheat stabilization program can implement the food for peace portion of the President's message when he expressed a characteristic American attitude with these inspiring words:

As we move to realistic farm programs, we must continue our vigorous efforts further to expand markets and find additional outlets for our farm products, both at home and abroad. In these efforts there is an immediate and direct bearing on the cause of world peace. Food can be a powerful instru-

ment for all the free world in building a durable peace. We and other surplus-producing nations must do our very best to make the fullest constructive use of our abundance of agricultural products to this end. These past 4 years our special export programs have provided friendly food-deficit nations with $4 million worth of farm products that we have in abundance. I am setting steps in motion to explore anew with other surplus-producing nations all practical means of utilizing the various agricultural surpluses of each in the interest of reinforcing peace and the well-being of friendly peoples throughout the world—in short, using food for peace.

In a cold war that may grow hot before it grows colder our surplus is our greatest weapon—our farms our greatest arsenal.

AGRICULTURE CAN BE A BRIGHT PICTURE

I am optimistic about the future of the American farmer. I am not gloom ridden when I am told that while production per acre soars and farm units expand, the number of farmers grows less and less. When I am told that farm employment has plunged to the lowest level since the Department of Agriculture began keeping records on the subject nearly 50 years ago, I, too, am concerned. It is significant that in the report issued by the Department of Agriculture it is stated that in the last full week of January only 5,269,000 persons were employed on farms. We must recognize the fact that this reflects an inevitable trend to expand farms to a size that will support a family operation, under modern conditions. Just how far this trend will lead depends on the kind of farm legislation we enact. We recognize the inherent dangers faced by the family-unit farm if the trend is not arrested.

The number of farmers may decline and percentagewise he may not be as large a part of our burgeoning population as in the past, but mark these words carefully, America will always find that on the Nation's farms will be found the characteristics, the spirit, the qualities, and the resourcefulness that makes our country great. In the course of our history the American farmer has always been able to outpull anybody else when it came to lifting oneself by his own bootstraps. As proved in the proposals offered by practical, realistic farmers, they still are lifting their weight with a firm grip on the straps.

I take my hat off, especially, in paying my respects to our commodity groups for their constructive, self-disciplined approach to their problems. The dominant note in all their programs is their desire to be free of dependence on Government and all outside sources. This was illustrated superbly by the National Association of Wheat Growers at their Denver convention this past December when they recommended a shift from acreage allotment to bushel limits for controlling wheat production. Such a proposal—and it is incorporated in my bill—means that the wheat growers are restricting their own possibilities for immediate gain in view of what they can produce with the improved fertilizers, better varieties and other technological advances now available to them. This we must acknowledge is a splendid example of self-discipline. No one can charge the wheatgrowers with adhering to a "have your cake and eat it too" philosophy.

The farmer, rather than his critics, is providing a great measure of common sense in approaching the farm problem. He will continue to feed his critic with the most wholesome and the biggest supply of food the world has ever known. But in the process, the farmer insists on enjoying a standard of living on a level maintained by his brothers in town and perhaps almost as good as that enjoyed by his critics.

We have learned that a healthy agriculture is essential to the American economy. Let us be guided by what we have learned. May it never again be necessary for the wheat farmers to sell their wheat for a pittance—or, moved by hopelessness and wrath, to dump it angrily in the street.

Mr. President, in the May issue of Capper's Farmer, published at Topeka, Kans., which is a magazine inaugurated by a former Member of the Senate, the distinguished late Senator Arthur Capper, there is published an editorial entitled "Let's Try Domestic Parity." It is a very timely editorial, and I therefore ask to have it printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LET'S TRY DOMESTIC PARITY

Capper's Farmer believes the domestic parity plan for wheat should be tried in an effort to solve our serious wheat dilemma. We urge that Congress pass the domestic parity bill and that President Eisenhower reconsider and sign it.

Honestly, we don't know whether domestic parity is the answer to the wheat industry's worsening over-production problems. But we do know this: The present system of acreage allotments and marketing quotas has failed. So it's time to try something else—if for no other reason than a new plan would offer hope, a virtue the present program sadly lacks.

Last year our efficient wheat farmers raised 1.5 billion bushels of wheat—about three times what we need for domestic food requirements. And some 1.3 billion bushels are piled up in Government storage bins.

If we don't use courage and imagination, the accumulating wheat surplus will smother wheat farmers. What's more it will knock the bottom out of feed-grain prices and break the backs of livestock farmers.

As we understand the domestic parity plan, here's how it would work:

It would allow the wheat crop to move in an open market and provide the grower a parity price for the portion we need for domestic consumption.

It would replace acreage allotments and marketing quotas with national marketing allotments in bushels. The national allotment would be based upon domestic wheat needs for food, plus estimated exports.

(Had the plan been in effect in 1958, the national allotment would have been 915 million bushels—485 million for domestic food needs and 450 million for export. To work off the CCC stocks, the allotment would have been reduced by 75 million bushels.)

Domestic parity would be self-financing. Each grower would be issued domestic food-use certificates for his share of the domestic allotment. Each miller or processor of wheat would purchase certificates of the amount of wheat he processed for food.

Cost of the certificates would become a part of the cost of the processed foods and would not be paid by the Government.

To be eligible to participate in the domestic parity allotment, the grower would have to put at least 20 percent, but not more than 30 percent, of his base acreage in conservation reserve.

At least 500 million bushels of the CCC stocks would be placed in a national defense stockpile. This would be the responsibility of the Government and would be held at Government expense.

As their part of the bargain, growers would reduce the national allotment by 75 million bushels a year until the surplus above the 500-million-bushel reserve has been absorbed.

Biggest argument for domestic parity from the public standpoint is that it would save the Government a half-billion dollars a year. That figure includes loss on CCC stocks, reduction in storage charges, elimination of export subsidies, and savings in administration costs.

Some of the objections offered to the plan we think are unfounded; some even unfair. Here are three most frequently raised objections:

That it would become a bread tax. Answer: Cost of the domestic food-use certificates would replace the present cost of Government price supports.

For the wheat that goes into a loaf of bread, the grower gets about 2½ cents under the present price-support system. Domestic food use certificates would add less than a penny to the cost of wheat in the bread loaf. And this would be more than offset by eliminating the present supports paid out of taxes.

Opponents say the Corn Belt fears the domestic parity plan would put wheat into greater competition with corn and other feed grains. Answer: The whole domestic parity plan is directed toward reducing wheat production without increasing feed-grain acreage. Only by reducing his basic wheat acreage with conservation reserve could the grower participate in the plan.

If participation in the plan were high, it is estimated 12 to 14 million acres would come out of grain production in the Wheat Belt. That would cut total feed-grain production 5 million to 8 million tons a year.

That's small in comparison to total feed-grain output. But it's big when we consider the threat of wheat to other feed grains if we should remove allotments and let wheat prices drop to feed-grain levels.

Other countries would accuse us of dumping our surplus. Answer: We would allot only as much as we could normally expect to export. Nonquota wheat would be ineligible for export. Furthermore we would get away from the presently subsidized export movement, which in itself creates pressure to dump or sell as cheaply as possible.

Domestic parity is not a scheme trumped up overnight. Both the National Grange and the National Association of Wheat Growers have put years of effort in developing the plan. They offer it in all sincerity as a sensible and dignified way back to realistic wheat production. We believe wheat farmers will want to try it.

THE EDITORS.

Mr. ELLENDER. Mr. President, I yield myself 15 minutes.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum, with the understanding that the time for the quorum call be not charged to either side.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ELLENDER. Mr. President, Congress today is faced with a most vexing problem—the problem of finding ways and means to reduce wheat surpluses. Efforts were made last year by the Committee on Agriculture and Forestry to deal with this problem. Unfortunately, we were unable to make any progress in that direction.

Last year, during the closing days of the 85th Congress, a bill dealing with corn, feed grains, cotton, and rice was passed. This bill was acceptable to the administration. During discussion of that bill, the committee concluded that since there was a great difference of opinion as how best to solve the wheat problem, it would be better to postpone action on that commodity until this year.

Soon after Congress convened in January, the President sent to the Congress a message in which he indicated what he thought should be done with respect to wheat, tobacco, and peanuts. He touched on other phases of the farm problem, and made certain suggestions in regard to them.

Soon after the message was referred to the Committee on Agriculture and Forestry, the committee convened, and invited the Secretary of Agriculture, Mr. Benson, to appear before it. During his appearance before the committee, Secretary Benson promised to present to the committee his Department's version of what should be done with respect to wheat. But, unfortunately, no specific bill was sent to the committee. What we got were more or less highly generalized objectives ultimately followed by specific, but alternative suggestions as to programs.

The first alternative proposed was relaxation of controls for the years 1960, 1961, and 1962. In short, the Secretary asked that we give him either the authority to fix support prices at from 75 percent to 90 percent of the average market price of wheat for the past 3 years, or a support price ranging from zero to 90 percent of parity, with the specific support level to be left completely to his discretion.

With respect to acreage allotments, it was suggested that the present 55-million-acre national minimum be more or less withdrawn, and that the Secretary be given the right to increase this minimum by as much as 50 percent, if he so desired. It was also suggested that after 1963 acreage allotments be entirely removed. Other suggestions were made—for instance, to do away with the 30-acre limitation under which farmers can plant that many acres in wheat if the wheat is consumed on the farm.

The second alternative proposed by the Department was a tightening of controls, in complete contrast with its suggestion of removal of all controls. Under the second alternative, price supports would be either 90 percent of a 3-year average price, or from zero to 90 percent of parity. Authority to fix specific support levels would be left to the Secretary, irrespective of the amount of wheat on hand. He would be given more or less carte blanche authority to fix price supports at his discretion. The second alternative also suggested that the 55-million-acre minimum national acreage be repealed, and the national allotment be reduced—under the formula suggested—to approximately 40 million to 45 million acres of wheatlands.

Then a provision was suggested in regard to the penalty for overplanting.

Many wheat farmers have, under the law, planted wheat in excess of their quotas, and have paid a penalty on the excess wheat produced. But instead of being realistic in regard to these penalties, by forcing a farmer to pay a penalty in line with the production derived from the excess acres, the penalty was based on the average amount of wheat produced per acre in the county or the area where the farm was located. Thus, in the past, it has been entirely possible for a farmer to plant 100 acres in excess of his quota and, if the average yield in his area was 12 bushels an acre, his penalty would be computed at that rate, even though he produced 30 bushels on each of his excess acres.

In his alternative suggestion, the Secretary suggested that the penalty provisions of the law be tightened. I wish to say this is done in the bill which is now before the Senate.

Mr. CARLSON. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. CARLSON. I appreciate very much the statement the Senator from Louisiana is making in regard to the production of feed wheat. I have before me the Agricultural Adjustment Act of 1938; and, as I read the bill which has been reported by the committee, it does not provide for any change in the provision in regard to the acreage which does not exceed the 30-acre limitation. Is that correct?

Mr. ELLENDER. That is correct.

Mr. CARLSON. The bill retains the 30-acre limitation for feed wheat, does it not?

Mr. ELLENDER. That is correct.

Mr. CARLSON. I wonder whether the chairman of the committee will be willing to consider an amendment to strike out the section which deals with the 30-acre limitation, and thus permit a farmer to grow any amount of wheat he wishes to grow for the 1960 and 1961 crops. As I understand the bill, it is a stopgap measure, a temporary measure for a 2-year period.

Mr. ELLENDER. Yes; it is.

Mr. President, I wish to say that the proposal to do what the Senator from Kansas has suggested was considered by the committee. The committee refused to accept it. Furthermore, I wish to say to my good friend, the Senator from Kansas, that, as I shall indicate in a moment, the committee spent many hours in simply trying to get agreement on a bill to report to the Senate. I am frank in stating that the bill now before the Senate is the best which could be obtained. We discussed the very provision the Senator from Kansas is now making; there was opposition to it. If it had been included in the bill chances are that the present bill would not have been reported to the Senate from the committee.

Mr. CARLSON. Mr. President, will the Senator from Louisiana yield further to me?

Mr. ELLENDER. I yield.

Mr. CARLSON. I sincerely hope the distinguished chairman of the Committee on Agriculture and Forestry will not think I am critical of the bill he has reported from the committee. Of course, I do not approve of many of its features; but at the same time I realize how difficult and complicated is the subject with which we are dealing at this time on the floor of the Senate; and I commend the Senator from Louisiana for having taken the time and for having had the patience to listen to the conflicting views which were presented on a problem of such magnitude.

Mr. ELLENDER. The Senator from Kansas might well emphasize the word "patience," because a great deal of it was required.

Mr. CARLSON. I certainly do so, Mr. President.

Mr. ELLENDER. A great deal of patience was required even to get the committee to act on the bill which is now before the Senate.

Mr. CARLSON. Mr. President, will the Senator from Louisiana yield further to me?

Mr. ELLENDER. I yield.

Mr. CARLSON. I appreciate the courtesy of the Senator from Louisiana in yielding in connection with the matter of the feeding of wheat to animals on a man's own farm—a matter which received so much unfavorable publicity in connection with the experience of Mr. Yankus. I do not like to see such a situation develop; neither do I like to have the Congress enact legislation under which criminal penalties are imposed on a farmer for wheat which he grows to feed to animals on his own farm. That is why I have brought up this question.

Mr. ELLENDER. Does the Senator from Kansas desire to eliminate any limitation on the acreage which could be planted to wheat to feed to animals or to use for human consumption on the farm?

Mr. CARLSON. It was my hope that, if we changed the law, the farmers would be able to grow the wheat they wanted to grow for animal feed at home. However, I have brought up the matter for debate.

Mr. ELLENDER. Of course the Senator from Kansas has the privilege of submitting an amendment. I do not know what the Senate will do about it; but I certainly think I should tell him of the attitude of the committee with respect to his proposal.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from North Dakota.

Mr. YOUNG of North Dakota. I wish to commend the chairman of the com-

mittee, who has made persistent efforts to try to get a wheat bill reported by the Senate Committee on Agriculture and Forestry and have it acted upon by the Senate previous to the wheat quota vote in June. As all Senators know, an announcement has to be made by the first of June.

The committee has had a very difficult, uphill job. Every farm organization has a different viewpoint. For the most part, the organizations want their programs or none at all. The Secretary of Agriculture has still some other views, and he is as immovable as the rocks; and he wants his program or none at all.

After 2 months of efforts by the chairman of the committee, I am not so sure that we shall even get a bill through Congress. If every farm organization is able to hold its little flock together, we shall not be able to pass any bill, and we shall wind up with a worse situation by the end of next year than we have now.

I was very much disappointed in the report on the bill submitted by the Secretary of Agriculture—a completely erroneous report. No one who has an iota of knowledge of the wheat problem would submit a report of that kind. Most of the conclusions are completely erroneous and deceiving. What kind of attitude is that? This is a field in which the Congress of the United States is trying to legislate, and it is an almost impossible situation.

Mr. ELLENDER. The Senator from North Dakota is entirely correct. He will recall that on 2 or 3 occasions we called upon the officials of the Agriculture Department to sit with us, in order to try to get a bill that might be acceptable to the Department. But the position taken by the Secretary of Agriculture, as I would interpret it, was, "Give me what I want or else get nothing."

Mr. YOUNG of North Dakota. I do not think there could be found any group of grain traders in the United States or any group of actual farmers that would agree with the conclusions of the Department of Agriculture at all. It is the most absurd, ignorant statement I have seen issued. It is inconceivable that such a statement could come from the Department of Agriculture. I shall deal with it point by point at a later time today.

Mr. SCHOEPPEL. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield to the Senator from Kansas.

Mr. SCHOEPPEL. I wish to say to the distinguished chairman of the Committee on Agriculture and Forestry that he has been laboring, as he knows, under severe handicaps. Some of the difficulties were mentioned a while ago by the Senator from North Dakota [Mr. YOUNG].

The most confusing situation the committee had to face in the several months we were laboring on this bill arose from the divergencies of opinion on the part of responsible leaders of farm organizations, who themselves, in their own judgment, could see only certain phases of their programs.

The PRESIDING OFFICER. The time yielded to the Senator from Louisiana has expired.

Mr. ELLENDER. Mr. President, I ask for 10 more minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 10 more minutes.

Mr. SCHOEPPEL. I wish to ask the distinguished Senator from Louisiana if it is not a fact that this is a compromise of the rankest sort, with the hope that we can get some legislation enacted by Congress before the deadline.

Mr. ELLENDER. The Senator is entirely correct. I will demonstrate that fact in a few moments, and present to the Senate the various steps we took in order to get some kind of legislation dealing with wheat before the Senate.

Mr. SCHOEPPEL. I may say to the distinguished Senator I hesitated to vote for this measure, but I wanted it to come to the floor of the Senate for a discussion, frankly, and openly, as we are trying to do. However, there is one phase which was presented by the Senator from North Dakota [Mr. YOUNG] that the Senate ought to consider if we are going to pass this bill, or another proposal. The Senator from North Dakota offered in committee a proposal on the basis of 75 percent of parity on a 10-percent reduction in acreage. I think that is the best and most practical approach to this problem. By providing 75 percent supports under the new parity formula, $1.77 a bushel, many farmers, I believe would be willing to reduce their production by 10 percent. The committee rejected this approach. I feel the committee was in error, for there must be some inducement offered to have a great majority of farmers feel they can reduce their acreage.

One thing is certain—we cannot continue to cut acreage and the support price at the same time and have the average farmer continue to live, especially under present cost of materials, and supplies of all kinds.

Even with this change, if made, this measure is far, far from a good bill. I fear, unless that proposal is included, that much support, even in a spirit of compromise would be lost.

Mr. ELLENDER. I thank the Senator.

At this point, Mr. President, I ask unanimous consent to place in the RECORD a résumé of the administration's wheat proposals.

There being no objection, the résumé was ordered to be printed in the RECORD, as follows:

RÉSUMÉ OF ADMINISTRATION WHEAT PROPOSALS

ALTERNATE I. ABANDONMENT OF CONTROLS

(1) Price support:

(a) For 1960, 1961, and 1962: 75 to 90 percent of previous 3-year average market price or 0 to 90 percent of parity.

(b) For 1963 and thereafter: 90 percent of previous 3-year average market price or 0 to 90 percent of parity.

(2) Acreage allotments:

(a) For 1960, 1961, and 1962: Authorize Secretary to increase national allotment by up to 50 percent.

(b) For 1963 and thereafter: Discontinue allotments and quotas.

(3) Remove 30-acre limit on feed wheat exemption.

ALTERNATE II. TIGHTENING OF CONTROLS

(1) Price support at 90 percent of previous 3-year average market price or 0 to 90 percent of parity.

(2) Repeal 55 million acre minimum.

(3) New national allotment formula:

(a) If carryover is not less than 500 million bushels, the national allotment would be that calculated to produce quantity equal to domestic consumption and exports for dollars (not including Public Law 480 exports)—about 40 to 45 million acres.

(b) If carryover is less than 500 million bushels, the national allotment would be that calculated to produce a quantity, which with carryover and imports would provide a normal supply.

(4) Penalty imposed on actual yield of excess acres (double normal if actual production not shown).

(5) Prohibit adjustment of planted acres to comply with allotment where excess acreage exceeds larger of (i) 10 percent of allotment or (ii) 3 acres.

(6) Increase penalty to basic loan rate.

(7) Repeal 15-acre and 200-bushel exemptions.

(8) Repeal 30-acre limit on feed wheat exemption.

(9) Base eligibility to vote in referendum on past production of wheat.

Mr. ELLENDER. Mr. President, pursuing the subject introduced by my friend from Kansas a moment ago, just as soon as the Agriculture Committee received the President's agricultural message, it asked for the views of Mr. Benson. He waited several weeks before he sent us his proposals as to what should be done about wheat. Within a matter of days after we received those proposals, the committee began holding hearings which continued for over a week, and heard the views of representatives from all farm organizations and the Department.

The committee was unable to agree on any particular proposal made by any of the farm organizations, or even by the Department. In an effort to reach agreement, a subcommittee was ordered to begin new efforts to achieve a wheat bill. It prepared its own version of what ought to be done, a version, I must add, which, while far from perfect, did manage to receive some support by the full committee membership.

The full committee then proceeded to hold hearings on the committee print. Later the committee sat for 4 successive days, as I recall, trying to reach a conclusion as to what ought to be done.

Of course, during the discussions, there was a great deal of give and take, so that we could arrive at a bill that would receive a majority vote of the committee. This is the bill which is now before the Senate and, in my judgment, it appears to be the best one that could be presented.

I am not going into detail, but at this point I ask unanimous consent to have printed in the RECORD, a résumé of committee consideration of wheat legislation, in order to show the efforts put forth by the committee to report the bill which is now before the Senate.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

COMMITTEE CONSIDERATION OF WHEAT LEGISLATION

January 29, 1959: President's message on agriculture received by Congress.

February 4, 1959: Committee met and chairman reported he had invited the Secretary of Agriculture to meet with the committee on that day, but that the Secretary had prior commitments. Committee discussed date for hearings and since many Members of the Senate would be out of the Senate on the week of February 9, it was decided to hear the Secretary the week of February 16.

February 16 and 17, 1959: Secretary of Agriculture appeared before the committee to explain the President's program and was requested to submit proposal in bill form.

March 12, 1959: Administration proposals received in bill form.

March 13, 1959: Committee met in special executive session, discussed administration proposal and decided to make immediate arrangements for wheat hearings.

March 18, 1959: Executive session called to consider wheat bills, but a quorum was not obtained.

March 19 through 25: Hearings on various wheat legislative proposals held. Witnesses presented divergent views.

April 11, 1959: Confidential committee print presented for consideration by committee. Would—

(1) Reduce farm acreage allotments by 5 percent of first 200 acres, 10 percent of acreage over 200 acres;

(2) Place penalties on an actual yield basis;

(3) Increase penalty rate to 65 percent of parity;

(4) Reduce 15-acre exemption to 10 acres; and

(5) Limit wheat price support to $35,000 per person per year.

April 15, 1959: Executive session. Discussed committee print and suggested changes.

April 16, 1959: New committee print issued. New print differed from previous print in—

(1) Was restricted to 1960 and 1961 crops;

(2) Reduced price limitation to $25,000 per person per year; and

(3) Repealed authority for noncompliance supports on any crop.

Agreed to hold hearings on this print.

April 22, 1959: Hearings held on committee print of April 16. Divergent views again expressed.

April 29, 1959: Committee met in executive session. Discussed wheat and ordered a new committee print.

April 30, 1959: Committee Print No. 2 issued. Print No. 2 differed from Print No. 1 in that it would—

(1) Reduce farm acreage allotments by 7 percent of the first 200 acres and 12 percent of the balance;

(2) The penalty rate would equal the basic level of price support;

(3) The 15-acre exemption was reduced to the smaller of (i) 12 acres, or (ii) the highest acreage planted to wheat in any one of the 3 preceding years;

(4) The limit on wheat price support was set at $20,000 per person per year; and

(5) Permanent repeal of noncompliance price support was provided for.

April 30, 1959: Committee considered wheat legislation in executive session, ordered the preparation of a new committee print, and ordered the reporting of a joint resolution to defer the proclamation of quotas and allotments.

April 30, 1959: Senate Joint Resolution 94 reported to Senate to defer proclamation of quotas and allotments.

May 2, 1959: Committee Print No. 3 issued. Would—

(1) Give each farmer a choice of (A) support at 65 percent of parity with wheat acreage equal to the farm allotment, (B) 75 percent of parity with not more than 90 percent of the allotment, and (C) 80 percent of parity with not more than 80 percent of the allotment;

(2) Limit wheat price support to $35,000 per person per year;

(3) Put penalties on an actual yield basis;

(4) Increase the penalty rate to the choice (B) support price (75 percent of parity);

(5) Reduce the 15-acre exemption to 12 acres and restrict it to farms which received wheat in 1957, 1958, or 1959; and

(6) Repeal authority for noncompliance price support.

Except for repeal of the noncompliance support provision, the print would be effective only to the 1960 and 1961 crops.

May 5, 1959: The committee considered wheat legislation and informal report of Department on Committee Print No. 3 in executive session and agreed that a special subcommittee meet with representatives of the Department at 3 p.m. that afternoon to discuss wheat.

May 5, 1959: Special subcommittee met with Department representatives, but failed to agree on a bill.

May 6, 1959: Committee in executive session ordered the preparation of another committee print.

May 7, 1959: Committee Print No. 4 issued. This print would—

(1) Raise the support price to 85 percent of parity and reduce farm allotments 20 percent;

(2) Limit wheat price support per person per year to $35,000;

(3) Put marketing penalties on an actual yield basis;

(4) Raise the penalty rate to the basic level of price support;

(5) Reduce the 15-acre exemption to 12 acres and restrict it to farms producing wheat in 1957, 1958, or 1959;

(6) Remove the 30-acre limitation on the feed-wheat exemption; and

(7) Repeal the authority for noncompliance price support for any commodity.

Except for the repeal of noncompliance price support, the print would have been effective only to the 1960 and 1961 crops of wheat.

May 11, 1959: Senate Joint Resolution 94 passed the Senate.

May 12, 1959: Senate Joint Resolution 94 passed House.

May 15, 1959: Senate Joint Resolution 94 signed by President.

May 15, 1959: Committee in executive session ordered wheat bill reported.

May 18, 1959: S. 1968 reported under authority of the order of the Senate of May 15.

Mr. ELLENDER. Mr. President, this bill follows the theories advocated by the Secretary of Agriculture, and if these theories prove correct, should reduce production by about 120 million to 200 million bushels per year, depending, of course, upon which selection is made by the wheatgrowers under the provisions of the bill. The program would be in effect for 2 years, covering the 1960 and 1961 crops.

Let me describe very briefly the chief provisions of the pending bill. Farmers who choose to plant their full acreage allotments, based on a 55 million acre minimum national allotment, would receive price support at 65 percent of parity.

If, however, a farmer agrees to cut his allotment by 20 percent, he would get a price support of 80 percent of parity.

We have stiffened the penalties on wheat produced on acreage in excess of allotments. The penalty is realistic, in that it would be applicable to all wheat actually produced on excess acreage, without regard to what may be the average yields in the area. If the production on the farm, let us say is 30 bushels per acre, but average production in the area is only 20 the penalty will be based on 30 bushels per acre, not 20 bushels. Furthermore, the penalty assessed would not be 45 percent of the support price, as is now the law, but 100 percent of 65 percent of parity.

We also reduced the 15-acre exemption to 12 acres, and specified that no farmer could have more than one 12-acre exemption. What we had in mind was preventing farmers from going around the countryside and renting 12 acres in one spot, 12 acres in another spot, ad infinitum. The farmer is limited to 12 acres, and cannot get as many 12-acre allotments as he may desire.

The bill also provide that farmers who did not take advantage of the existing 15-acre provision in any one year of the crop years 1957, 1958, or 1959 would not be entitled to a 12-acre allotment in 1960 or 1961.

The bill eliminates the 200-bushel exemption.

Mr. President, that about sums up what the bill contains. I hope the wheat farmers of the country are realistic enough to realize that something must be done to reduce production and begin reducing the wheat surplus if the wheat program keeps on as it is now, and if production is such that surpluses continue to pile up, the entire farm program will be placed in jeopardy.

My hope is that, if this bill is enacted into law, wheat farmers will abide by its spirit, as well as its specific provisions.

I am hopeful wheat farmers will choose the 65 percent of parity alternative. If they do, then, according to the theories advanced by Mr. Benson, production will be reduced and consumption increased.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. ELLENDER. I yield myself 1 additional minute.

Mr. President, I ask unanimous consent to have four tables printed in the RECORD.

The first table shows CCC losses and costs related to disposition and exportation of wheat and wheat flour by fiscal years.

The second shows CCC price support investment in wheat and wheat flour.

The third shows the actual acquisitions and dispositions of wheat under the CCC price support program by fiscal years from 1951 to 1958, and the estimated acquisitions and dispositions for 1959 and 1960.

The fourth table shows wheat production, yield per acre, domestic consumption, exports, 1951 through 1958.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Wheat and wheat flour CCC losses and costs related to disposition and exportation by fiscal year

[In thousands of dollars]

Fiscal year ended June 30—	Program losses [1]		CCC donations	Cost of International Wheat Agreement [2]	Public Law 480 title I [2] net costs [3]	Public Law 480 title II [2] total costs
	On price support sales	On commodity export program				
1951	18,990			180,371		
1952	7,719			171,312		
1953	18,896			130,786		
1954	71,280	26,087		58,975		
1955	126,976	49,575		99,718	85,800	56,115
1956	88,251	69,576	11,087	92,313	216,600	33,181
1957	91,134	133,176	43,983	90,071	214,100	43,645
1958	40,563	85,000	86,128	82,418	319,600	40,145
1959 (estimate)	71,832	68,200	86,190	64,773	(4)	39,352
1960 (estimate)	100,103	71,000	81,250	(5)	(4)	37,905

[1] CCC reimbursed by capital restoration.
[2] CCC reimbursed by special appropriations.
[3] Total cost less foreign currency collected.
[4] No estimate available.
[5] Agreement in process; no estimate made.

Wheat and wheat flour: CCC investment in price support program

Fiscal year ended June 30—	CCC investment at end of fiscal year	
	Quantity	Cost value
	Thousand bushels	*Thousand dollars*
1951	207,659	505,320
1952	165,628	411,124
1953	514,399	1,284,210
1954	865,641	2,169,108
1955	990,696	2,579,225
1956	995,847	2,625,655
1957	838,146	2,294,243
1958	872,445	2,371,385
1959 (estimate)	1,239,000	3,074,000
1960 (estimate)	1,442,000	3,469,000

USDA

Wheat: Acquisitions and dispositions under CCC price support program, by fiscal year, 1951–58 actual and 1959 and 1960 estimated

[In thousands of bushels]

Fiscal year ended June 30—	Price support	
	Acquisitions	Dispositions
1951	54,768	185,995
1952	85,614	138,708
1953	385,667	58,979
1954	432,835	128,243
1955	452,751	251,416
1956	260,812	286,037
1957	147,651	274,428
1958	155,777	144,802
1959	501,697	137,000
1960	370,000	160,760

Wheat production, yield per acre, domestic consumption, exports

[Bushels]

Year	Production	Yield per acre	Consumption		
			Domestic use	Exports	Total
	Millions		*Millions*	*Millions*	*Millions*
1951	988	16.0	689	475	1,164
1952	1,306	18.4	660	318	978
1953	1,173	17.3	634	217	851
1954	984	18.1	611	274	885
1955	935	19.8	601	346	947
1956	1,004	20.2	587	550	1,137
1957	951	21.7	588	402	990
1958	1,462	27.3	619	450	1,069

The PRESIDING OFFICER. The bill is open to amendment.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Illinois desire to ask unanimous consent that the time for the call of the roll not be charged to either side?

Mr. DIRKSEN. That is correct, Mr. President.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAMS of Delaware. Mr. President, on behalf of the Senator from Connecticut [Mr. BUSH] and myself I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add the following new section:

SEC. 5. The Agricultural Act of 1949, as amended, is amended, effective beginning with 1960 production, by inserting after section 420 the following new section:

"SEC. 421. The total amount of price support extended to any person on any year's production of agricultural commodities through loans or purchases made or made available by the Commodity Credit Corporation, or other agency of the U.S. Department of Agriculture, shall not exceed $35,000. The term 'person' shall mean any individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity or a State, political subdivision of a State, or an agency thereof. The Secretary shall issue regulations prescribing such rules as he determines necessary to assure a fair and effective application of such limitation, and to prevent the evasion of such limitation."

Mr. WILLIAMS of Delaware obtained the floor.

Mr. DIRKSEN. Mr. President, will the Senator yield for a question?

Mr. WILLIAMS of Delaware. I yield.

Mr. DIRKSEN. Would the limitation apply to all commodities?

Mr. WILLIAMS of Delaware. It would.

Mr. DIRKSEN. Mr. President, this matter is of such importance that I believe we ought to have a quorum present.

Mr. President, I ask unanimous consent that I may suggest the absence of a quorum and that the time necessary for the call of the roll not be charged to either side.

Mr. HUMPHREY. Mr. President——

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. HUMPHREY. I should like to know whose time would be used for the call of the roll.

Mr. DIRKSEN. The time would not be charged to either side.

The PRESIDING OFFICER. The request is that the time needed for the call of the roll be not charged to either side.

Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CLARK in the chair). Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, if the distinguished Senator from Delaware [Mr. WILLIAMS], who has the floor, will yield for 2 minutes, with the understanding that he shall not lose his right to the floor, I should like to yield 2 minutes on the bill to the distinguished Senator from South Dakota [Mr. CASE].

The PRESIDING OFFICER. Does the Senator from Delaware yield with that understanding?

Mr. WILLIAMS of Delaware. I yield; but first I wonder if the yeas and nays cannot be ordered on my amendment. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. DIRKSEN. I now yield 2 minutes on the bill to the Senator from South Dakota [Mr. CASE].

OTTAWA FOR SUMMIT CONFERENCE

Mr. CASE of South Dakota. Mr. President, if the necessary progress is made at Geneva, a summit conference of the great states will be held.

In the belief that the necessary progress will be made, Mr. President, I venture the suggestion today that the city of Ottawa, capital of the Dominion of Canada, be selected as the site for the meeting.

In support of this suggestion I cite these points:

First. Ottawa is near the home of the United Nations in New York City. Clerks interpreters, technical advisers, libraries and files would be readily available for each nation and on every subject.

Second. The facilities of a capital city of a great country would be most helpful. I have in mind meeting halls, committee rooms, communications, hotels and transportation.

Third. For security, Ottawa not only would have the means available to a seat of government but individual nations could utilize whatever they provide for their delegations at UN headquarters.

Fourth. Ottawa would be readily accessible not only for the heads of state but also for staffs, reporters, and visitors.

Fifth. Finally, delegates accustomed to one or the other of the principal internationally used languages, French or English, would find no language problem. The Canadian Parliament which meets in Ottawa is bi-lingual. Thousands of the city's residents speak French as well as English. And President De Gaulle could find himself very much at home at a great hotel which invites its guests and advises them with signs in French.

Mr. President, this suggestion of Ottawa for the summit conferense is respectfully called to the attention of the State Department in the hope that Secretary Herter may find it useful in current negotiations.

WHEAT ACT OF 1959

The Senate resumed the consideration of the bill (S. 1968) to strengthen the wheat marketing quota and price-support program.

The PRESIDING OFFICER. The Senator from Delaware has 15 minutes on his amendment. How much time does he desire to allot to himself?

Mr. WILLIAMS of Delaware. I yield myself 5 minutes. I offer the amendment on behalf of the Senator from Connecticut [Mr. BUSH] and myself. The purpose of it is to limit price support assistance on all crops, not only wheat, but also cotton, rice, peanuts, tobacco, corn, and all combinations of such crops, which are grown on any individual farm or any corporate farm.

Several instances have been pointed out to the Senate of substantial payments which have been going to corporate type operations. I do not believe that any agricultural bill of any description, which is passed in the name of the small American family-type farmer can justify payments of several hundred thousand dollars or even millions to large corporate farmers.

Only a few weeks ago there was placed in the RECORD an instance of one corporation having received a little more than a million and a half dollars in support payments in one calendar year. I was interested to note, going back in the record, that the same corporation, the Delta Pine & Land Co., of Scott, Miss., had received a little more than $9½ million in price support loans on the cotton and rice which the corporation had grown in the past 10 years. In addition to that, it received several hundred thousand dollars in payments from the Federal Treasury for not growing rice and cotton. The interesting part of it is that these particular payments went to a company which is not even American-owned. It is an entirely British-owned corporation. Yet we have been subsidizing their operations in the name of the American farmer.

I do not believe that there can be any possible justification for any such payments being made out of the Federal Treasury.

I have placed in the RECORD evidence to show that in the year 1957, 10 companies received price support loans of more than $3½ million. At the same time the same 10 companies received $557,000 in soil bank payments for not growing wheat, cotton, and corn on 10,000 acres which they own. In other words, we paid them a little more than a half million dollars for crops they did not grow and paid them $3½ million in price support payments for crops they did grow.

I believe that the time is long past due when this situation must be corrected. I have on several occasions offered a similar amendment. Although they were adopted by the Senate, they were always rejected by the House. It is encouraging to note that the House this week did go on record as endorsing the principle of limiting the amount of the loans which can be made.

I believe that my amendment will unquestionably limit all such payments to any individual corporation, firm, or partnership, and so forth. It will limit the amount that they can get on any price support loan or purchase agreement, or any combination of them, on all crops being produced by the same person.

I certainly hope that the amendment will be overwhelmingly adopted by the Senate.

Mr. BUSH. Mr. President, will the Senator yield to me some time?

Mr. WILLIAMS of Delaware. I yield 3 minutes to the Senator from Connecticut.

Mr. BUSH. Mr. President, I am happy to join the Senator from Delaware in the sponsorship of this particular amendment, because I believe it will improve the proposed legislation very substantially if the bill is passed.

My concept of the agricultural support program has always been what it was originally intended to be, namely, a guarantee to farmers against disaster. That is the same principle I was in favor of some 25 years ago, when the farmers faced disastrous situations, and I am still sympathetically disposed toward that type of ultimate protection and guarantee against disaster.

Mr. President, I have long been opposed to legislation which is designed to guarantee prosperity to the farmer. I do not believe we should single out in our economy one element to which the Government itself will guarantee prosperity by buying enough of its product to make the guarantee good.

So, while I do not believe, necessarily, that the amendment offered by the Senator from Delaware, in which I enthusiastically join him, is the ultimate answer to the farm problem, I do believe that it will have the effect of improving the legislation if the bill should pass.

I intend to support the amendment to be offered later by the distinguished Senator from Indiana [Mr. CAPEHART] which I believe comes even more to grips with the desperate situation we face. The surpluses which are piling up have catastrophic possibilities for the economy of the United States. Any amendment which is designed to limit or cut back the surpluses should have the support of the Senate.

For that reason, and believing that the amendment of the Senator from Delaware is designed to reduce production and reduce surpluses, I enthusiastically support the amendment.

Mr. DIRKSEN. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS of Delaware. I yield.

The PRESIDING OFFICER. How much time does the Senator from Delaware yield to the Senator from Illinois? The Senator from Delaware has 8 minutes remaining.

Mr. WILLIAMS of Delaware. I believe the Senator desires to ask a question. I yield myself 5 minutes. I yield to the Senator from Illinois.

Mr. DIRKSEN. I should like to ask the Senator from Delaware whether the $35,000 limitation would be applied to the individual farmer and to every commodity, so that no matter what he grows, the top amount he could receive would be $35,000.

Mr. WILLIAMS of Delaware. That is correct.

Mr. DIRKSEN. Would it apply to crops now growing, or is it postdated, so that it will apply only next year?

Mr. WILLIAMS of Delaware. It will apply only to 1960 production and years thereafter. The reason for that is that the crops which are presently planted, whether we approve of the payments or not, could be interpreted as having been planted under a law wherein we have a contractual obligation with the farmers who planted them. Therefore, the amendment is applicable to all crops which will be planted for the 1960 production.

Mr. DIRKSEN. Therefore, it could not be said that the amendment would involve a breach of faith with those who have already moved under existing law and the limitations that apply.

Mr. WILLIAMS of Delaware. No; it could not. That is why the amendment is so dated.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. AIKEN. In the case of farmers pooling their crops in a cooperative marketing association, is it intended to apply the limitation to each farmer or to the association?

Mr. WILLIAMS of Delaware. To each farmer.

Mr. AIKEN. To each farmer.

Mr. WILLIAMS of Delaware. Yes. If there is a group of farmers operating as a cooperative, it would apply to each individual farmer as a part of the association, because the fact that two or three or a dozen farmers got together in an association it would not mean that the amendment would limit their individual total. The limitation would apply to each farmer. What they receive through the cooperative, however, would count against them as individuals.

Mr. CASE of South Dakota. Mr. President, I wonder whether the Senator would be good enough to read the definition of person in the amendment.

Mr. WILLIAMS of Delaware. I read from the amendment:

> The term "person" shall mean any individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity, or a State, political subdivision of a State, or an agency thereof. The Secretary shall issue regulations prescribing such rules as he determines necessary to assure a fair and effective application of such limitation, and to prevent the evasion of such limitation.

Mr. CASE of South Dakota. That is a very good statement.

Mr. WILLIAMS of Delaware. It was the intention to provide that they could each get the maximum under the limitation, but it was also intended to provide a safeguard so that they could not get more.

We want the amendment to be fair to each farmer but at the same time we do not want to have any loopholes.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. SCOTT. In the House at this time I note that a measure which also touches on farm price supports is under discussion, and that measure would limit loans to $50,000. However, as I read it, there would be nothing to prevent a farmer or a farm corporation from applying for more than one loan. Therefore the limitation seems to me to be illusory, if not evasive.

Is the $35,000 limitation in the Senator's amendment so phrased that a corporation would not be permitted to divide its holdings and get another $35,000 on some other part of the holdings?

Mr. WILLIAMS of Delaware. The amendment is worded so that that definitely cannot be done.

Mr. SCOTT. I thank the Senator. Would the Senator please read the first sentence?

Mr. WILLIAMS of Delaware. The first sentence reads:

> The total amount of price supports extended to any person in any year's production of agricultural commodities.

In other words, it is the total amount of all agricultural commodities—all of them together. It is on the basis of the production of each individual. The amendment is definitely worded so that it could not be applied and is not intended to be applied otherwise. I had that thought in mind when the provision was worded in this manner.

Mr. SCOTT. I thank the Senator. His explanation permits me to support the amendment.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. CAPEHART. Will the amendment apply in an instance where a landowner leases his land to a tenant under an arrangement whereby the landowner is to receive 40 percent of the corn grown, and the tenant 60 percent? Would each of them be entitled to a $35,000 loan?

Mr. WILLIAMS of Delaware. No; they would not. The last sentence of the amendment is worded in such a manner as to prohibit the practice, which is developing under the land bank limitation, of landowners subdividing their farms in order to get around the limitation. However, the amendment would not prevent a bona fide sale of a piece of property, and the man buying it would have the right to do what he pleased with it and if it was a bona fide transaction the buyer could be eligible for price supports.

The PRESIDING OFFICER. The time of the Senator from Delaware has expired. The Senator from Delaware has 3 additional minutes.

Mr. WILLIAMS of Delaware. I yield myself the 3 minutes.

The amendment does not prevent bona fide sales, but it does provide the Secretary with the authority to issue regulations to prevent transactions, alleged sales, or otherwise which are obviously intended as a circumvention of such limitations. Certainly we do not want to make it profitable for a man to break his land down into multiple groups of units for the sole purpose of circumventing the ceiling.

Mr. CAPEHART. Will the $35,000 limitation apply if a farmer is growing wheat, corn, soybeans, and tobacco, and may even be participating in the soil bank? Can he participate up to $35,000 on each of those items?

Mr. WILLIAMS of Delaware. The amendment has no connection with the soil bank. The $35,000 applies only to price support operations through crop loans and purchase agreements.

Mr. CAPEHART. The amendment definitely prohibits both the renter and the landowner from participating up to more than $35,000?

Mr. WILLIAMS of Delaware. That is correct.

Mr. CAPEHART. They are considered as one person?

Mr. WILLIAMS of Delaware. If a man is operating alone or if the operation is a joint venture, the amendment would apply.

If it is a bona fide transaction, one not having a purpose of evasion, the farmer buying the land would be eligible. Otherwise, he could be disqualified.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. LANGER. Does the amendment include soil bank payments on agricultural land?

Mr. WILLIAMS of Delaware. No, it does not affect them at all. That is taken care of under another bill. The amendment here deals only with price support operations.

Mr. CASE of South Dakota. On that point, the Senator's amendment is very clear, because it applies only to sales or purchases made, or to commodities made available by the Commodity Credit Corporation. The Commodity Credit Corporation, of course, does not administer the soil bank.

Mr. WILLIAMS of Delaware. I think the purpose of the amendment is very clear.

Mr. CAPEHART. Suppose a farmer makes a loan on his crop—let us say it is corn—of 50,000 bushels. Then suppose that 6 months, 30 days, or 10 days later he pays off the loan. The transaction has not cost the Government 1 cent. The farmer has simply made a loan under the program and has paid off the loan later. Would the $35,000 limitation apply to such a transaction?

Mr. WILLIAMS of Delaware. In my opinion, it would. The amendment provides:

> The total amount of price support extended to any person or individual.

Once the person had used the total amount of his assistance, which would be $35,000 for 1 year, he would not be entitled to any more.

Mr. CAPEHART. If the farmer made a loan and paid it off later, he would have exhausted the $35,000?

Mr. WILLIAMS of Delaware. In that 1 year, yes.

The PRESIDING OFFICER. All time of the Senator from Delaware has expired.

Mr. ELLENDER. Mr. President, I yield myself 15 minutes.

I oppose the amendment, not only because the committee has had no opportunity to consider it, but also because I sincerely believe that it is contrary to and would completely frustrate the purpose and concept of the present farm program. The stories which have been appearing in the Nation's newspapers detailing how "vast subsidies" have been paid to certain farmers are very misleading. The truth of the matter is that such payments did not emanate from the price support program; most of them resulted from the conservation reserve and acreage reserve soil bank programs. I might point out that these programs were enacted at the behest and request of the present Secretary of Agriculture.

When that bill was presented to Congress, the administration itself opposed any limitation of payments. I agreed with that proposal.

We were told that the reason for placing the acreage reserve program on the statute books was to remove from cultivation and production as many acres of cultivated land as possible, in order to reduce production of the basic crops, and to reduce surpluses by drawing upon CCC stocks to meet consumptive requirements.

Thus, since reduced production was the objective of the acreage reserve program, the source of land placed in the acreage reserve was immaterial. As a matter of fact, since large farming units usually have higher per-unit yields, it was actually deemed desirable to entice operators of such units to withdraw their land from production.

In any event, payments made under Mr. Benson's soil bank program have been confused with price support loans in the press, and this confusion is responsible in large measure for the sentiments which provoke amendments such as that now offered by the Senator from Delaware.

The price support program does not involve direct payments to farmers for either producing or not producing crops on their land. Basically, the theory is as follows: To obtain price supports—

and price supports are loans, not payments—farmers must comply with the law, providing for acreage limitations designed to curtail production should surpluses accumulate.

If a farmer complies with the acreage allotted to him, he can borrow from the CCC, and pledge his crop produced from such allotted acres as collateral to secure his loan. The amount he is permitted to borrow depends on the loan rate, expressed as a percentage of parity.

Most crops mature at about the same time. Because of this, and because most farmers, especially small farmers, operate on a cash basis, a practice had grown up prior to the enactment of the present law, whereby farmers sold their crop as soon as it was harvested. Since nearly all farmers harvested the crops they produced at about the same time, this practice meant that huge amounts of cotton, corn, wheat, and other commodities were dumped on the market within a very short period of time.

In order to stabilize prices, and to permit farmers to spread their marketings throughout the year, instead of compelling them to dump their harvest on the market at one time, the Congress authorized the loan program I have already described. Through this program, farmers have been able to borrow money to tide them over until such time as prices recovered from harvest-time gluts. It is the theory of the program that as prices stabilize after harvests, farmers can redeem their crops from the Commodity Credit Corporation by repaying their loans plus carrying charges, and sell at a more advantageous price.

It is true, of course, that because production has far outstripped consumption of some commodities, and because acreage allotments have not produced the desired reductions in production, many farmers have been unable to repay the loans advanced them by CCC. As a result, because the borrowers were in default, the Commodity Credit Corporation has had to, in effect, foreclose on the crops pledged as security for CCC loans, just as the mortgagee of any property usually seizes the mortgaged property when the mortgagor-debtor fails to pay on time.

Our present surpluses have resulted from these foreclosures, or takeovers, as they are more properly described. They have not, generally speaking, been acquired by the Government under a purchase program, or by the Government making direct payments to farmers.

What the amendment offered by the Senator from Delaware would do is to deny to large producers the opportunity to place their crops under loan.

Because it would have this effect, the large-farm operators, who have the highest per-unit yields, will have no place other than the market for disposing of their harvests. Thus, it is my belief that the amendment will have the opposite effect of that desired by the Senator from Delaware. It will result in huge amounts of crops being dumped on the market at one time. Prices will tumble; the difference between the value of the loans CCC would still be able to make, and the market price, would be increased. The Government, of course, would be saddled with further losses.

If the present program were a true subsidy program, as opposed to a market stabilization device, there might be a place for the amendment of the Senator from Delaware. However, such is not the case. Furthermore, I fear that the amendment may well have the further effect of converting the present program, a program based upon market stabilization, into a form of direct subsidy program, something which I do not believe would benefit farmers, consumers, taxpayers, or the Government.

Let me also state that losses on the farm price-support program are not nearly as high as some newspapers and slick-paper magazines would have the public believe. For instance, the newspapers have been saying that the Government's losses on the support program will be approximately $4,500 million this year. Mr. President, that is more like the amount required to run the entire Department of Agriculture, than it resembles price-support losses. Last year the losses—although the newspapers said they would be in excess of $3 billion—aggregated $1,100 million. Since 1933 the losses sustained by the Government on the price-support program have amounted to $5,500 million. I am sure that Senators will agree that this was not a wasteful amount to pay to assure the people of the country all the food and fiber they could use.

Mr. President, let us handle our agricultural program in a sound, efficient manner. The amendment offered by the Senator from Delaware is a far-reaching one. It applies to the entire loan program, and here today we are discussing wheat. Today is no time to try to write long-range farm legislation on the floor. Our most pressing problem is wheat. We must do something now to help solve that problem. Wheat is in a bad way; there is a great excess of it. There is no doubt about that. But in attempting to find some solution to our wheat problem let us not destroy the effect of the present law; let us not make it necessary for the larger producers of wheat, corn, and other agricultural commodities to dump their crops on the market, thus driving down market prices, increasing price-support losses, turning the loan program into a direct subsidy program, and further increasing costs.

Mr. President, if an amendment of this character were to be adopted, in my humble judgment, the Congress might have to change the present law so as to give the Government the authority to dispose of all surpluses on hand without regard to price.

As Senators know, at the present time, under the law, no commodity owned by the Government can be sold for less than 105 percent of the support price, plus carrying charges, interest, and other charges. Everyone should know that if the market were to go down the Government could not advantageously handle in such a situation the agricultural commodities it now owns. In such a situation, instead of average losses of 30 percent of investment, the losses might increase to 40 percent or 50 percent—or even higher since there would be no floor under the market.

Mr. President, I hope very much the amendment will be rejected.

Mr. President, how much time remains under my control?

The PRESIDING OFFICER (Mr. McGEE in the chair). The Senator from Louisiana has 4 minutes remaining under his control.

Mr. DIRKSEN. Mr. President, I yield 3 minutes to the Senator from Florida [Mr. HOLLAND].

The PRESIDING OFFICER. The Senator from Florida is recognized for 3 minutes.

Mr. HOLLAND. Mr. President, no one is more able or more dedicated in this field than our distinguished friend, the chairman of the Committee on Agriculture and Forestry, the Senator from Louisiana [Mr. ELLENDER]. Heretofore, I have strongly supported the position he has taken in this field—namely, to avoid limitations on payments—because in those instances we were dealing with a single price support.

But in the pending bill we are dealing with two price-support levels—namely, 65 percent, in the case of those who plant the allotted acreage; and 80 percent, in the case of those who cut the allotted acreage 20 percent. That one fact changes the situation materially, I believe, from that which has prevailed in all previous debates on this subject, because certainly a very large corporate producer or a very large individual producer could—in planting thousands of acres in wheat—easily cut the allotted acreage 20 percent, and then could claim the 80 percent price support, unless there were some reasonable limitation upon the amount of price support which such producers could claim from the Government.

Mr. President, I do not favor such an arrangement, because if it were put into effect, first, it would result in the making of extremely large payments to some of the large producers; and, second, it would force up the amount of wheat which the Government would have to take in the price-support operations.

Mr. President, without laboring the question—because I realize there is room for a difference of opinion—let me say that it seems to me that two price supports as different as the 65 percent and the 80 percent allowed under the provisions of the pending bill should not be permitted. I believe the Congress should not offer to growers who are planting thousands of acres an inducement to reduce their allotted acreage 20 percent, and thereby be able to claim the 80 percent price support. I think such an arrangement would very greatly increase the amounts the Government would be called upon to pay.

For that reason, Mr. President, I support the amendment submitted by the Senator from Delaware [Mr. WILLIAMS], who, as I understand, has now modified his amendment so that it applies not to this year's plantings—because the contracts for this year have already been made—but to next year's plantings.

Mr. ELLENDER. Mr. President, I yield myself one-half minute, to answer my good friend from Florida.

Let me inquire whether the Senator from Florida is aware that the pending amendment applies not only to wheat, but also to cotton, corn, other grains—to all of the price-supported agricultural commodities.

Mr. HOLLAND. No; I did not know that. I understood that the amendment applies only to the commodity dealt with by the pending bill.

Mr. ELLENDER. No; the amendment applies to all agricultural commodities which receive price support.

Mr. HOLLAND. Mr. President, the point I have just now made would have to apply to cotton, because there are two price-support levels for cotton, also, under the present arrangement; and the point I have made would have to apply to any of the other basic agricultural commodities for which there is such an artificial arrangement of two price-support levels.

I hope that the Senator from Delaware will modify his amendment so that it will apply only to basic commodities which have a dual price support.

Mr. CAPEHART. Mr. President, will the Senator from Louisiana yield me 4 minutes?

Mr. ELLENDER. I yield 4 minutes to the Senator from Indiana.

The PRESIDING OFFICER. The Senator from Indiana is recognized for 4 minutes.

Mr. CAPEHART. Mr. President, no one can quarrel with the principle involved in the Williams amendment. However, I think it should be pointed out that the purpose of the price support program is to reduce farm production or induce farmers to reduce the number of acres they plant or sow.

If we do what is recommended by the able Senator from Delaware, then we shall simply eliminate the larger farmers who are participating in the program, which I am sure they will be delighted to have Congress do. Then they will be in a position, without violating any law, to till every acre they care to till, and throw their products upon the market and sell them.

Senators seem to forget that the purpose of the program is to reduce production so that farm prices on the open market will be satisfactory to farmers. The program was not intended to help particularly the little farmer, or the big farmer, or the farmer in between. The purpose of it was to say to a farmer, "If you will reduce the number of acres you till, we will guarantee you X amount for your product per unit when you are ready to market it."

The hope was that, as a result of the reduction in production, the market price would be above the support price, so that all farm products would move into the free market. The other purpose, of course, was to have orderly disposal of farm products.

The Williams amendment makes the best argument in the world for the substitute I intend to offer a little later, to completely eliminate price supports on January 1, and freeze the surpluses and dispose of them in an orderly way.

If the Williams amendment were modified so that no farmer could participate beyond the extent of $1,000 or $5,000, for example, the same purposes would be accomplished as would be accomplished by the substitute I shall propose a little later today. All farmers would be eliminated from participating in the program.

Mr. CASE of South Dakota. Mr. President, will the Senator yield for a question?

Mr. CAPEHART. Yes.

Mr. CASE of South Dakota. Would the Senator say that a fair interpretation of the Williams amendment is that it would establish a two-price system, one price to be that which those who can qualify for the loan, up to $35,000, in price supports, would have, and the other price to be that which the large operator would get if he sold on the world market?

Mr. CAPEHART. There might well be a two-price system. The support price might be lower than the market price, or vice versa. It might well be a two-price system.

The weakness of the Williams amendment is that the Senator limits the price support to $35,000 for any one farmer. For example, in Indiana, a farmer who grows corn, wheat, and soybeans——

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

Mr. ELLENDER. Mr. President, I yield 1 minute on the bill to the Senator from Indiana.

The PRESIDING OFFICER. The Senator from Indiana is recognized for 1 additional minute.

Mr. CAPEHART. For instance, an Indiana farmer may grow wheat, corn, and soybeans. Under the Williams proposal he could participate in the program only to the extent of $35,000 on all three crops. In reality he would not be able to participate in the program at all, because in order to participate to the limit of $35,000, he would have to reduce his acreage drastically. Therefore, he would not participate.

I am merely guessing, Mr. President, but, as a result of adoption of the Williams amendment, I would estimate that possibly 75 percent of the farmers in the United States would be eliminated from participating in the program at all. That number of farmers would be out of the program, and they would be able to till all the acres they wanted to and grow all the products they wanted to and sell them on the open market.

It would help the proposal of the Senator from Delaware a great deal if it were provided that a farmer could borrow as much as he wanted to if he participated in acreage allocation, and then, if he delivered his products to the Government he could participate in the program to the extent of not more than $35,000. That would allow him to participate in the loan program. Then he could keep his crops on the farm, or dispose of them in an orderly way.

The situation is the best proof that the farm program has completely broken down, and ought to be discontinued.

Mr. DIRKSEN. Mr. President, I yield 1 or 2 minutes to the Senator from South Dakota [Mr. MUNDT].

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

Mr. MUNDT. Mr. President, I rise in support of the Williams amendment. I offered an amendment in the committee room to provide for a limitation of $35,000 on wheat; but on the day the bill was voted on by the committee, there was barely a quorum of the Committee on Agriculture and Forestry present. My amendment was defeated by only one or two votes. While I voted against S. 1968 in committee because I do not think its overall approach as to wheat is satisfactory, I offered the amendment on the $35,000 top limitation. It fell short of approval by a narrow margin but I am fairly convinced in my own mind that if all the members of the committee were present, the amendment would have been adopted.

It seems to me unless Congress provides a top limitation on the amount of support prices farmers can get, the whole program will be pushed underground. Multi-million-dollar payments to just a few great corporation-type farmers are destroying the support program for those who actually need it.

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Mr. DIRKSEN. Mr. President, I yield the Senator 1 additional minute.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 1 additional minute.

Mr. MUNDT. Here is an opportunity at least to start in the direction of putting some limitation on the amount any one farmer can receive and of eliminating from the program farmers who are getting hundreds of thousands of dollars in price supports by raising crops which the country presently does not need.

Providing a top limitation will be an attempt to break down the very large farms into smaller and family-sized farms, and thus furnish opportunities for veterans and other young farm families to go into farming. Under the present law a man can lay out a whole county and participate in the price-support program. I think it is time Congress recognized the situation. The President has recommended that something be done about it.

I shall vote for the Williams amendment as a step in the right direction.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time taken for the quorum call be not charged to either side.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CAPEHART. Mr. President, I ask unanimous consent that I be permitted not to vote on the amendment, for the simple reason that I farm on quite a large scale.

The PRESIDING OFFICER. The time is under allotment. Debate is not in order.

Mr. CAPEHART. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CAPEHART. Do I not have a right to state the reasons why I ask unanimous consent not to vote?

The PRESIDING OFFICER. The absence of a quorum has been suggested.

Mr. CAPEHART. I am sorry.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS], for himself and the Senator from Connecticut [Mr. BUSH].

Mr. HUMPHREY. Mr. President, I ask that the chairman of the committee yield me 2 minutes from the time on the bill, so that I may make an inquiry.

Mr. ELLENDER. Mr. President, I yield 2 minutes to the Senator from Minnesota.

Mr. HUMPHREY. Mrs. President, as I understand the amendment offered by the Senator from Delaware, it is an amendment which applies across the board, with a $35,000 maximum limitation on loans for all commodities. Is that a correct understanding?

The PRESIDING OFFICER. The Chair understands that is correct.

Mr. COTTON. Mr. President, may we have order, so that we can hear the Senator?

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Minnesota may proceed.

Mr. HUMPHREY. Mr. President, it was the intention of the Senator from Minnesota to offer an amendment which included a $35,000 limitation on wheat, since the measure before the Senate is a wheat bill. The amendment of the Senator from Minnesota also included provisions relating to the price-support levels, as compared to the bill reported by the committee.

I regret that the Senator from Delaware has seen fit to offer an amendment so broad as the amendment he has offered, since it goes beyond the scope of the particular proposed legislation before us.

I believe strongly in the $35,000 limitation. I believe that the limitation ought to be applied.

I ask the Senator if he would permit an amendment to be offered, which would take unanimous consent, of a broader nature, including price-support levels along with the $35,000 limitation? If the Senator does not want to do that, then I shall offer an amendment in the nature of a substitute, to deal only with wheat.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota?

Mr. WILLIAMS of Delaware. Mr. President, I do not think the offering of a substitute by the Senator from Minnesota would be appropriate at this particular point, because my amendment deals solely with a limitation on crops and adds an entirely new section. I notice that the substitute proposed by the Senator from Minnesota would strike out language on page 1, line 5, and following, and would insert a new section, which is broader than the language of my amendment, and includes an increase from 75 percent to 85 percent of parity.

I think we should follow an orderly procedure. The debate has been held. It would be much more in order to vote on my amendment, after which the amendment of the Senator from Minnesota in the nature of a substitute for the language in the bill would still be in order. I think that would be a much more orderly procedure. I wonder if we cannot simply vote on the pending proposals.

Mr. HUMPHREY. Mr. President, my amendment was lying on the table last evening. The amendment of the Senator from Minnesota is geared to the $35,000 limitation as a fundamental part, but relates to wheat. It does not relate to all commodities. Therefore, since I feel as I do, I shall offer the language of my amendment as a substitute for the pending amendment, and I ask that it be stated.

Mr. BUSH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BUSH. I believe this requires unanimous consent. As a cosponsor of the amendment offered by the Senator from Delaware, I object.

Mr. HUMPHREY. May I respectfully state that the offering of a substitute does not require unanimous consent, since the substitute relates to a provision before the Senate and the substitute is germane and relevant.

Mr. BUSH. I will ask the Presiding Officer to rule.

The PRESIDING OFFICER. The Parliamentarian advises that the substitute amendment for the pending amendment is in order.

Mr. BUSH. Mr. President, is my objection invalid?

The PRESIDING OFFICER. The objection is invalid.

The substitute amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. In lieu of the language proposed to be inserted by the Senator from Delaware [Mr. WILLIAMS] it is proposed to insert the following:

The total amount of price support made available under this act to any person for each of the crops of wheat harvested in 1960 and 1961, respectively, through loans or purchases by the Commodity Credit Corporation, or other agency of the United States Department of Agriculture, shall not exceed $35,000. In the case of any loan to, or purchase from, a cooperative marketing organization such limitation shall not apply to the amount of price support extended to the cooperative marketing organization, but the amount of price support made available to any person through such cooperative marketing organization shall be included in determining the amount of price support extended to such person for the purpose of applying such limitation. The term "person" shall mean any individual, partnership, firm, joint stock company, corporation, association, trust, estate, or other legal entity or a state, political subdivision of a state or any agency thereof except that in the case of a partnership made up of two or more separate families or households each such family or household may be considered at its option as a "person" for purposes of this subsection. The Secretary shall issue regulations prescribing such rules as he determines necessary to assure a fair and effective application of such limitation, and to prevent the evasion of such limitation.

Mr. HUMPHREY. Mr. President, I do not believe we need to have much discussion of this amendment. I regret the procedure, to be frank, but unless we apply this procedure there is no way one can hold the bill accountable to the commodity which is before us, namely, wheat. I feel that since we are considering a commodity-type bill we should apply the rules relating to the particular commodity.

I do not like this kind of individual commodity legislation, as the chairman of the committee knows. I pay tribute to the chairman for his infinite patience, wisdom, and good judgment in these matters.

We had no other choice, if we were going to meet the deadline of the marketing quota elections. The pending bill relates to one particular commodity. Since the bill does relate to one particular commodity, and since my amendment is designed to affect one particular commodity, I feel this is the time to bring it before the Senate for consideration.

My overall proposal, to which I shall refer as soon as the votes are completed, would provide for a higher level of supports in order to assure some reduction in production. The best curb on production of wheat is to make it crystal clear that an individual producer will get $35,000—period—as a maximum amount of loan.

Let me add for the benefit of the senior Senator from Pennsylvania [Mr. CLARK], who asked me a question earlier, that the $35,000 limitation means the whole amount the Government may loan any individual producer upon a crop which is eligible under the Agricultural Adjustment Act of the price-support program for commodity credit loan purposes. In other words, we would limit the amount of funds the Government of the United States would be obligated to make available for loan purposes.

Mr. CLARK. Mr. President, will the Senator yield for two questions?

Mr. HUMPHREY. I yield.

Mr. CLARK. First, does the Senator's proposal with respect to the $35,000 limitation apply only to wheat?

Mr. HUMPHREY. The Senator is correct.

Mr. CLARK. Second, can the Senator give us any facts and figures by which we can determine whether the Senator's substitute would cost the Federal Treasury less money than the committee proposal?

Mr. HUMPHREY. In this particular instance the obligation of the Treasury under the price-support provisions would be a maximum of $35,000, in terms of an

individual producer, as defined in the amendment. Therefore it is bound to limit or reduce the total obligation of the Government in terms of loans.

Mr. CLARK. As I understand, the Senator's present proposal would not increase the price support to 85 percent of parity.

Mr. HUMPHREY. The Senator is correct. I do not prefer to proceed in that manner, but there was no way procedurally to deal with the other question until after the Senate voted on the $35,000 limitation offered by the Senator from Delaware. That limitation did not apply solely to wheat. Therefore it did not seem to me that it was proper in this bill.

Mr. CLARK. Does the Senator object to the amendment offered by the Senator from Delaware on a procedural basis?

Mr. HUMPHREY. The objection is basically procedural, but his amendment is broader in its overall concept.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. NEUBERGER. As I understand, the Senator's amendment would limit price support in any one year only to wheat.

Mr. HUMPHREY. My amendment applies to wheat loans under the price-support provisions, a maximum of $35,000.

Mr. NEUBERGER. Since reading the amendment I asked my staff to have prepared for me an amendment which would apply a similar limitation of $35,000 to any crop supported by the Government, including cotton, corn, tobacco, rice, peanuts, and any other commodities within the scope of the Senator's proposal. Wheat alone should not be singled out. Would the Senator join me in supporting such an amendment?

Mr. HUMPHREY. I am for that objective. I think it is a very good proposal. But the measure before us is a wheat bill. My point is that we are trying to legislate commodity by commodity, which is almost unfortunate. Therefore, I think we should keep it on that basis.

Mr. NEUBERGER. I did not intend to offer the amendment today.

Mr. HUMPHREY. Indeed, I will support it.

Mr. NEUBERGER. I did not make myself explicit enough, and I apologize.

When I have my amendment prepared, to apply a $35,000 limitation to the other crops, will the Senator join me, with his great influence and support?

Mr. HUMPHREY. Certainly. As a matter of fact, the Senator from Minnesota proposed the same thing in committee, in terms of overall price-support limitations in bills previously reported by the committee, but at that time the administration opposed it.

I commend the Senator for his observation.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MORTON. I have the prepared mimeographed statement of the Senator. I am sorry I could not hear the colloquy very well. As I understand, in the amendment now offered as a substitute, the Senator from Minnesota has eliminated points 6 and 7, and he intends to deal with them later?

Mr. HUMPHREY. The Senator is absolutely correct.

Mr. DIRKSEN. Mr. President, I yield 5 minutes to the Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, in explaining his amendment in the nature of a substitute, the Senator from Minnesota has accurately pointed out the difference between his amendment and my amendment. His amendment would restrict price-support assistance to any one individual to $35,000 on wheat alone. My amendment would include a limitation on all commodities.

My point is that if we are to establish a limit of $35,000 assistance to any one individual, the limit should apply on all commodities. Why single out wheat?

The Senator from Minnesota says he favors a limitation on all commodities, "but"—and we have been sitting around here for 10 years and drifting into trouble on the agricultural program. If Senators favor a limitation on all commodities, let them not be satisfied to just speak in favor of it, but vote for it. If they favor the $35,000 limitation with respect to all commodities, let them vote for it, and defeat the amendment of the Senator from Minnesota.

As I indicated earlier, the U.S. Treasury advanced $9½ million, in price-support loans on cotton and rice grown during the past 10 years by one corporation which is entirely British owned. Not a dime of it is owned by an American citizen. I refer to the Delta Corporation, in Mississippi. In addition, it received several hundred thousand dollars in payments from the Federal Treasury for not growing rice and cotton on some other lands. This corporation received a little more than a million and a half dollars in support payments in 1 calendar year.

This situation is utterly ridiculous. It is time to stop it. Members of Congress say in their speeches that they are for the proposed limitation on all commodities. Then let us vote for such a limitation and defeat the amendment of the Senator from Minnesota.

Mr. NEUBERGER. Mr. President, will the Senator yield for a question?

Mr. WILLIAMS of Delaware. I yield.

Mr. NEUBERGER. The amendment of the Senator from Delaware would apply the limitation of $35,000 to any supported crop, be it cotton, tobacco, peanuts, wheat, corn, or any supported crop? Is that accurate?

Mr. WILLIAMS of Delaware. That is correct. If we are to establish a limitation, why should we not apply it to all crops, or any combination of such crops? If a man were growing $25,000 worth of wheat and $10,000 worth of corn, that would give him $35,000.

Mr. NEUBERGER. That would be his maximum?

Mr. WILLIAMS of Delaware. That would be his maximum. Under the amendment offered by the Senator from Minnesota [Mr. HUMPHREY] he could get $35,000 on wheat and an additional $35,000 on various other crops. If we are to establish such a limitation, let us do it, and stop talking about it. We have done too much piecemeal legislating on the farm program. If we are for this limitation, there is no better time to express ourselves than when we are voting.

Mr. CARROLL. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Mr. DIRKSEN. Mr. President, I yield 5 additional minutes to the Senator from Delaware.

Mr. WILLIAMS of Delaware. I yield to the Senator from Colorado.

Mr. CARROLL. The junior Senator from Colorado finds himself in a very curious position. I represent thousands of wheat farmers. I am asked to support the Humphrey amendment, which, I understand, applies only to the wheat farmer, on the very engaging prospect that at some time in the future there may be a bill before us limiting support payments to $35,000 on all commodities. It seems to me that such a measure should originate with the committee, and such a limitation should apply across the board.

Mr. WILLIAMS of Delaware. My amendment does apply across the board. I have an amendment pending upon which the yeas and nays have been ordered. The Senator from Minnesota [Mr. HUMPHREY] has offered a substitute, which is in order; but if the substitute is defeated, the next vote will be on my amendment which applies across the board, to all commodities.

Mr. CARROLL. The Senator from Delaware did not permit me to finish. I was trying to develop some thinking for myself and those of us who come from wheat-producing States. I do not know why we in the wheat States should be singled out for special treatment.

If the limitation is to apply across the board, the proposal should originate with the Committee on Agriculture and Forestry. If we are to deal with this problem, let us deal with it properly, instead of imposing a limitation only on wheat, and asking Senators, without opportunity for proper study and debate, to vote against the interest of their own States by placing a restriction upon them.

Mr. WILLIAMS of Delaware. I will say to the Senator——

Mr. CARROLL. Let me continue for a moment. I agree with the Senator's premise that if we are to establish such a limitation it should apply across the board. The only question in my mind is, should we do it now? Why not postpone action at this time and defeat both proposals. Let us do as the distinguished Senator from Oregon [Mr. NEUBERGER] has suggested. Let us deal with the subject through a bill which applies across the board, rather than dealing with it piecemeal.

The PRESIDING OFFICER. The time of the Senator from Delaware has again expired.

Mr. DIRKSEN. Mr. President, I yield 1 additional minute to the Senator from Delaware.

Mr. WILLIAMS of Delaware. These proposals were both offered in the committee. They were both rejected by the committee, and neither proposal is before us as a committee amendment. One proposal is the Williams amendment, and the other is the Humphrey amendment. They were offered in the committee. On two previous occasion the Senate has approved the very amendment I have pending today. It has been voted upon and approved by the Senate on two previous occasions. Therefore we are not voting on new legislation. The only difference in the amendments is that my amendment covers all commodities while the amendment of the Senator from Minnesota covers only wheat.

Mr. CARROLL. Do I understand correctly that the Senate has approved this same limitation on two other occasions?

Mr. WILLIAMS of Delaware. Yes; and it was rejected by the House.

Mr. CARROLL. Then, it seems to me, if the Senate has taken action on it, we should bring it before the Senate again. Coming from a wheat producing State, I do not want to stand here all alone and see one farm area of the country discriminated against, when we ought to treat the subject as it has been treated on two previous occasions.

Mr. WILLIAMS of Delaware. What I say is that if you want the job done it must be done by defeating the Humphrey amendment and voting for my amendment. That would do what the Senator says he wants to have done. My amendment imposes a limitation on all crops. I say again that if we are to do anything along this line we must vote for it, not merely talk about it.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Mr. DIRKSEN. I yield 1 minute to the Senator from South Dakota.

Mr. CASE of South Dakota. Coming from a wheat State, I believe it is time to do something. If we are to have a limitation, let us set it before the farmers start planning the winter wheat crop. We must act now.

The PRESIDING OFFICER. Eight minutes.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DIRKSEN. Mr. President, how much time do I have remaining?

Mr. DIRKSEN. I yield 1 minute to the Senator from Ohio.

Mr. LAUSCHE. I will use the 1 minute to ask a question of the Senator from Minnesota. In the statement the Senator from Minnesota has made, that he will subscribe to the imposition of the $35,000 limitation, is that in accord with the proposal made by the Senator from Delaware?

Mr. HUMPHREY. No; not at all.

Mr. LAUSCHE. The Senator from Minnesota suggests $35,000 for each crop?

Mr. HUMPHREY. A maximum of $35,000 for each. The Senator from Delaware suggests a combination.

Mr. LAUSCHE. A combination of all.

Mr. HUMPHREY. That is right. Under the Williams amendment if a farmer grows soybeans, wheat, corn, or any other crop, the maximum he could get for all crops would be $35,000. Such a program would be more difficult to operate than a limit on each commodity, as I propose.

Mr. LAUSCHE. That is the principle advocated by the Senator from Minnesota. Is that substantially different from the proposal made by the Senator from Delaware?

Mr. HUMPHREY. Yes.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield 1 minute to the Senator from Oregon.

Mr. NEUBERGER. I should like to ask several questions of the Senator from Delaware, because on this vital issue I believe the RECORD should be unmistakably clear. Do I understand correctly that his proposal for a $35,000 limitation on all price supports in one operation was voted on in the Committee on Agriculture and Forestry, and was rejected?

Mr. WILLIAMS of Delaware. It has been offered several times in committee. Both proposals were offered in committee. My proposal was also offered on the floor of the Senate on two occasions, and was adopted by the Senate. I believe the proposal was for a $50,000 limitation, but the principle was the same.

Mr. NEUBERGER. The difference between the proposal of the Senator from Delaware and the proposal of the Senator from Minnesota is that under the proposal of the Senator from Minnesota the $35,000 limitation would apply only to wheat. Is that correct?

Mr. WILLIAMS of Delaware. That is correct.

Mr. NEUBERGER. The limitation of the Senator from Delaware would apply to all price supports paid to any one operation?

Mr. WILLIAMS of Delaware. That is correct. I realize that, while we are dealing with the wheat program, we are also dealing with the farmers of America. If we are going to impose a limitation, we should impose it across the board on all crops.

Mr. NEUBERGER. I certainly intend to vote for the Senator's proposal.

Mr. HUMPHREY. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Minnesota has 9 minutes remaining.

Mr. HUMPHREY. I should like to call to the attention of the Senator from Delaware what I consider to be one of the fundamental weaknesses of his proposal. The maximum limitation of $35,000, to which the Senator from Oregon has referred, is a fair and just limitation on price-support loans, but I say most respectfully, in terms of costs of modern agriculture, the $35,000 total loan limitation, for a combination of all crops, is unrealistic. It is as unrealistic as the $300,000 loaned and the $500,000 loans which are presently available under the price-support program. The Senator from Delaware can make his amendment very palatable to all of us if he will modify its language to the point where it does not provide a limitation, on a combination of crops, or where the $35,000 is the maximum, total limitation on a farmer. It is not possible to operate that kind of farm program. My proposal is for a $35,000 limitation on wheat. I believe there ought to be a maximum set on any one commodity. It seems to me that the Senator from Delaware would be wise in his effort if he would try to put the maximum limitation on the one commodity, rather than to put it on a combination of all of them. I wonder whether the Senator from Delaware has given any thought to that.

Mr. WILLIAMS of Delaware. Yes; I have given some thought to it. If we are going to talk about the family-type farm, let us pass some legislation for the family-type farm. If my amendment should be rejected, it would be in order to change the limitation. If we are going to put a limitation on crops, let us establish a limitation, and be realistic about it, by applying the limitation across the board to all commodities. If we do not do that, it will be possible for a farmer to raise $35,000 worth of cotton, and the same amount in rice and peanuts and tobacco, and any other commodity he chooses to grow. If we do that we get completely away from the family-type farm proposition. There has been a great deal said about it. The President of the United States has recommended limitations in the program on three different occasions in his messages to Congress.

My amendment has been recommended by the Secretary of Agriculture. It has been favored by practically every Member of the Senate at various times. All it needs now to make it effective is a vote at the proper time. Today is the time.

I wish the Senator from Minnesota would withdraw his amendment at this time and let us have a vote on the proposal to provide a limitation across the board.

I do not believe that the way to do it is to single out one particular crop. Therefore I ask the Senator from Minnesota to withdraw his amendment at this time, and offer it later if my amendment is not adopted. If there are sufficient votes to adopt an amendment dealing with all commodities, his amendment would be defeated anyway.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Florida.

Mr. HOLLAND. I do not like to differ with my friend from Delaware, but the fact is that we are dealing with this program on a commodity by commodity basis. We began it last year by offering remedial programs in three fields.

Farmers have gone into these programs in good faith. For instance, in the case of cotton, there are farmers who have gone along with the program under which they have surrendered the right to higher price supports, with the understanding that there would be no change in the limitation of the amount.

Obviously, it is not fair to change the rules in the middle of the game. I hope the Senator from Minnesota will leave his amendment as it is, which is in

accord with what I understood we were debating, and in accord with what was advanced by the Senator from Delaware and other Senators in the Committee on Agriculture and Forestry. In committee there was no thought whatever of making an amendment apply across the board. We were talking only about a wheat bill. I indicated that I would be glad to support this type of amendment because with two support prices, one at 65 percent and one at 80 percent, it is very obvious that we are not in the same situation we would be in if we had one price support, because, unless a limitation were provided, every inducement would be offered to a grower who is producing wheat to come under the 80-percent price support, which means that a great many more millions of dollars would be paid out.

Mr. WILLIAMS of Delaware. Will the Senator from Minnesota yield me 1 minute?

Mr. HUMPHREY. I yield.

Mr. WILLIAMS of Delaware. I thank the Senator from Minnesota. I should like to say, in reply to the Senator from Florida, that my amendment does not affect any contract which the Government has with a farmer. The amendment is applicable only to the production of the 1960 crops. I fully agree with the Senator from Florida that those crops which have been planted in accordance with the laws which exist today, whether we like those laws or not, were planted under an obligation or contract, so to speak. The amendment does not violate any agreement. It applies only to the 1960 production.

Mr. HUMPHREY. I wonder whether the Senator from Delaware would be willing to accept to his amendment an amendment providing that the $35,000 limitation shall apply as a maximum to any one price-supported crop.

Mr. WILLIAMS of Delaware. No; I could not accept such an amendment. If such an amendment were offered, I would oppose it, although I would say that it would be better than nothing. I believe we should effectively deal with this matter now. The $35,000 proposal is a realistic one.

Mr. HUMPHREY. Mr. President, I withdraw my amendment. I offer as an amendment to the amendment offered by the Senator from Delaware a direction that there be a maximum limitation of $35,000 of crop loans on any one price-supported crop.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. At the appropriate place in the bill it is proposed to strike out "agricultural commodities" and insert in lieu thereof "any one agricultural commodity."

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield.

Mr. LAUSCHE. Into what amount, in the aggregate, could one farmer design his planting so as to receive the greatest amount of funds possible? If he has a large piece of land and wants to get the most money possible for it, into what amounts could be accumulate his planting?

Mr. HUMPHREY. There are a number of price-supported crops, but I cannot imagine a cotton farmer selling his cotton equipment simply to be able to produce some oats and get another price-supported crop. I cannot imagine a tobacco farmer of 25 or 30 years' experience selling his equipment simply to produce another price-supported crop.

My point is that today farmers have substantial investments. It is proposed to limit a loan to $35,000 for a whole farm. The purpose of the loan provision is to insure orderly marketing. The whole purpose of the price support law is to bring about marketing of crops in an orderly fashion; otherwise, the whole program will be seriously jeopardized.

As I said to the Senator from Oregon [Mr. NEUBERGER], I agree that if we are going to legislate with respect to wheat, we ought to legislate with respect to other commodities. The pending measure happens to be a wheat bill. We had before us yesterday a tobacco bill. There will be other bills for other commodities.

This is a foolish way to legislate; but apparently is the only method by which we can get bills out of the committee and before the Senate, because of what has happened at the administration level.

I suggest that we should be fair to all other commodities, which is really what we are talking about. We are not providing crop loans on farms, but on crops. If there is to be a $35,000 limitation, let it be on a commodity, not on a farm. After all, there are producers who grow soybeans. There are producers who raise cotton.

If it is desired to have a farm program which is ineffective, if what is wanted is inefficient farm production, the best way to accomplish the objective is to have the kind of marketing structure we are now discussing.

Mr. LAUSCHE. The Senator from Minnesota has not answered my question. Let us forget the amount of farmland. Let us eliminate cotton and tobacco. What can a farmer do to get the maximum amount of loan? I am not asking what is the prudent or feasible thing to do.

Mr. HUMPHREY. Let us consider the Senator's State of Ohio or my State of Minnesota. What are the crops? I do not think tung nuts are produced in Ohio.

Mr. LAUSCHE. We do not have large farms in Ohio. We have 100-acre farms. The proposal of the Senator from Delaware limits the total amount of a loan to $35,000. What can a farmer accumulate under the proposal of the Senator from Minnesota—$200,000?

Mr. HUMPHREY. That depends on the size of the farm.

Mr. LAUSCHE. Will the Senator from Minnesota add up the amounts and state what can be accumulated?

Mr. HUMPHREY. I will use my own State of Minnesota for the computation. Minnesota produces corn, wheat, barley, oats, rye, grain sorghums, soybeans, and flax which are crop supported.

Mr. LAUSCHE. How many crops is that?

Mr. HUMPHREY. Eight.

Mr. LAUSCHE. Suppose a farmer had a farm large enough to grow each of those crops. Could he get a $35,000 loan on each one?

Mr. HUMPHREY. Possibly.

Mr. LAUSCHE. The amount for that farmer would be $280,000, as compared with $35,000 under the proposal of the Senator from Delaware.

Mr. HUMPHREY. That is correct, if he had a farm large enough; but there is not a farm large enough in Minnesota, and there is not likely to be.

Mr. LAUSCHE. If that is not a danger, why not accept the program proposed by the Senator from Delaware?

Mr. HUMPHREY. I do not say the program proposed by the Senator from Delaware is unworkable; I simply say it is not as good as it could be. The Senator from Delaware says the limitation will be $35,000. If the farm produces only one crop, the Senator from Delaware is perfectly willing to have a $35,000 limitation for the one crop. That is what his amendment provides. But the Senator also says that if other crops are produced on the same farm, the maximum amount for the farm is still $35,000.

What is the purpose of a price support program? The purpose of a price support program is to enable a farmer who produces corn, wheat, cotton, oats, rye, or whatever other commodity he grows, to get a crop loan during the harvest period, so that he will not have to dump his crops onto the free market and take depressed prices. That is the whole purpose of a price support program. Under present law, a farmer can spend up to $1 million—or $10 million, so far as that is concerned—on any one crop. But the amendment offered by the Senator from Delaware would put the price support program on a greatly restricted basis.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. SYMINGTON. If a man had shares of stock in three different companies producing the same type of product he would receive tariff protection on all three of his holdings, would he not?

Mr. HUMPHREY. That is correct.

Mr. SYMINGTON. He would not be penalized for having diversified his holdings, would he?

Mr. HUMPHREY. He would get a depletion allowance upon the oil he happened to have; he would receive a depletion allowance on iron; he would get a small depletion allowance on sand and gravel; he would get a depletion allowance on something else. We do not say that the total depletion allowance for all commodities will be a certain figure. No. The depletion allowance is granted commodity by commodity. Justly or unjustly, that is the way the law operates.

From the point of view of public relations, from the point of view of Life magazine, it may be wonderful to set $35,000 as a maximum for a farm. But I ask Senators: Do we want a farm program or a headline? Do we want a

farm program which deals with commodities, or with the prices for an individual farm? It is not farms which are being marketed; it is crops which are being marketed. The purpose of a crop loan is very simple. It is to give a farmer the opportunity to borrow some money by putting his crop up as a collateral asset, so that he will not have to market all of it in Minnesota in August, because if he starts to market it in Minnesota in August, the price will go down. We would like to give him a little time. We would like to have a farm program under which there is a ceiling on farm loans.

I am opposed to $500,000 loans and $400,000 loans. I am for the family farm. But I remind Senators who are interested in the family farm that many farms today which are eligible for a crop loan of more than $35,000 are still family farms.

What we should be talking about is a program which will work. I do not know what is produced in Delaware or some other States, but I know what is produced in the breadbasket of America. I observe the junior Senator from Texas on the floor. If a $35,000 limitation were placed on a farm in Texas, the farm could be washed down the Rio Grande.

Mr. YARBOROUGH. Such a limitation would bankrupt 80 percent of all the cotton farmers in the Pecos Valley.

Mr. HUMPHREY. Sugar beets, wheat, and feed grains are grown under price supports in Colorado, where it is necessary to have large farms because of a lack of water. Sometimes the soil is not so productive because of arid conditions.

I do not believe in having a wide-open gate. I believe in equity and justice. I am opposed to the nth degree to what I call country club farmers. But I am for a farm program which will give some semblance of decency and some semblance of order to a crop loan program.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CARROLL. I commend the Senator from Minnesota for withdrawing his original amendment, for the very reason he is now expressing. I feel that the proposal of the Senator from Delaware would work a great hardship on the farmers of Colorado. In some of our area, farmers can raise only wheat. They are dryland farmers; they cannot rotate the crops.

I agree with the Senator from Minnesota that his latest amendment is a more sensible approach. It is too bad that we have to legislate in this fashion. But in the absence of a more constructive program, we shall have to adopt the amendment which has been submitted by the distinguished Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I am very grateful to the Senator from Colorado.

Mr. ELLENDER. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 5 minutes.

Mr. ELLENDER. Mr. President, I am opposed to this amendment for the same reasons I oppose the amendment of the Senator from Delaware [Mr. WILLIAMS].

It is my belief that the pending amendment is a little more palatable than the Williams amendment—for the reason suggested by many Senators who oppose the Williams amendment. But, Mr. President, as I stated a short time ago, if the pending amendment were to be adopted, it would, in my humble opinion, destroy the present farm program.

It is my belief that many Senators do not understand the philosophy behind the present farm program. As I pointed out earlier today, many of our difficulties arise from the soil bank—acreage reserve, and conservation reserve programs—under which direct subsidies were paid to farmers for not planting. As I have pointed out, efforts were made to limit those payments. I opposed those proposals, and so did the Department of Agriculture—for the simple reason that the intent of the law was to get acres out of production, and whether those acres came from small farms or from large farms made no difference. After all, the purpose of the programs was to reduce the surpluses of corn, wheat, cotton, and other agricultural commodities.

Mr. President, the present law has been on the statute books for more than 20 years, although from time to time it has been amended. But, as I pointed out this morning, under the loan program farmers do not receive direct subsidies from the Government. As my good friend, the Senator from Minnesota, stated only a minute ago, the purpose of the act is to avoid compelling the farmer to dump his crop on a depressed market. Yet, if the pending amendment is adopted, farmers will be compelled to do just that. In effect, we will be turning the clock back two decades if this amendment is adopted.

Mr. President, let me point out to my good friend, the Senator from Ohio [Mr. LAUSCHE], that we are told that at the end of this year the Government will have on hand almost $10 billion worth of agricultural commodities.

Mr. LAUSCHE. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I shall be glad to yield in a moment.

If prices fall as the result of large farm dumping, the value of all commodities the Government now has in storage would be affected adversely.

Let me say to my friend, the Senator from Ohio, that up to now the losses on the commodities the Government has in storage have amounted to approximately 30 percent of the investment. The entire losses the Government has sustained from the inception of the program in 1933——

The PRESIDING OFFICER. The time the Senator from Louisiana has yielded to himself has expired.

Mr. ELLENDER. Mr. President, I yield myself an additional 3 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for an additional 3 minutes.

Mr. ELLENDER. Mr. President, as I was about to say, the entire losses which the Government has sustained from the inception of the program in 1933 to December of last year have amounted to a little more than $5 billion. As I said earlier, this is a small enough price to pay in order to assure our people an adequate supply of food and fiber at reasonable prices.

Mr. President, the farmers of the Nation do not ask for favors. They would be delighted, I believe, to do away with all Federal assistance, provided everyone else starts from scratch. But today's efforts are being made to raise the minimum wage to $1.25. If that increase is voted, the farmers will have to pay for part of it; everything they buy will be affected by it. Even the farmers' own labor bills may be increased.

Mr. President, unless we provide the farmer some form of protection, I fear he will go under. I believe it can readily be shown that whenever the farmer is hit by economic disaster we can expect to see disaster visit our national economy. We cannot discriminate against those who produce our food and fiber.

Mr. President, the principal purpose of the pending bill——

The PRESIDING OFFICER (Mr. Moss in the chair). The additional 3 minutes the Senator from Louisiana has yielded to himself have expired.

Mr. ELLENDER. Mr. President, I yield myself 2 more minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 2 additional minutes.

Mr. ELLENDER. Mr. President, as I was about to say, the principal purpose of the pending bill is simply to reduce the production of wheat. As I said this morning, if the pending bill is enacted into law, the production of wheat during the coming year may be cut by between 120 million and 200 million bushels. That is the chief purpose of the bill.

Mr. President, it strikes me that what the Senate should do is pass the bill as reported by the committee. The Senate should not add to the bill amendments which would affect crops which are not now included in the bill.

Mr. President, it is true that the pending bill is a stop-gap measure. But our committee is continuing its studies, in trying to solve this phase of our vexing farm problem. If and when we are able to agree on legislation affecting the various other agricultural commodities, that will be the time for the Senate to proceed to act in the field covered by the pending amendment.

Mr. President, consider the amendment of the Senator from Delaware [Mr. WILLIAMS]: It would limit to $35,000 all loans on all crops that are supported. That is a very small limitation for all the protected agricultural commodities. As between the Williams amendment and the Humphrey amendment—although, of course, I oppose both of them—I believe, as I have said, that the Humphrey amendment is the more palatable.

Mr. President, at this time I yield 5 minutes to my good friend, the Senator from Delaware [Mr. WILLIAMS].

Mr. WILLIAMS of Delaware. Mr. President, I hope the Senate will reject the Humphrey amendment, for I do not believe it will do the job intended. It provides a limitation of $35,000 on each and every crop. I am glad to note that the Senator from Minnesota has at least

come around to favoring my suggestion that if this job is to be done, it should be done in the case of all farmers alike; at least the Senator from Minnesota has gone that far in the right direction.

But I wish to go the full way, and help do this job in the right manner—the one we have been advocating for a number of years.

The Humphrey amendment would limit—not to the $35,000 which we propose—but to a quarter of a million dollars, in many cases the payments which could be made. There would be no limitation in regard to the various crops as to which the farmer could qualify for the $35,000 payments. There is no limitation on the number of crops as to which a man could qualify under the program. If we adopt his proposal, we are telling the American people we are putting into effect a limitation of $35,000 but, and at the same time, shooting the bill full of loopholes so that people can get around the ceiling. Let us do it right or not at all.

We had an example of that last year when we tried to put a $5,000 limitation on soil-bank payments. The Comptroller General called our attention a few weeks ago to the fact that farms are being broken down so that people can get around the $5,000 limitation. He said there is one farm in the West which is going to collect close to half a million of soil-bank payments.

Therefore, I cannot support this proposal in view of the loopholes it contains. If we are going to provide a $35,000 limitation, let us enact a limitation which is effective. If we are not going to do that, let us defeat it and take the lid off and let large corporation-type farmers take what they can get.

Let us at least not kid anyone as to what we do here today.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. KEATING. I want to commend the Senator from Delaware for focusing our attention on this problem. The American people are up in arms about paying such huge funds to large corporate farmers. It is rather amusing to me to hear many of those who have gone up hill and down dale condemning huge payments now seeking to get out from under the amendment of the Senator from Delaware and trying to find some excuse for not coming to grips squarely with this problem.

First we have an amendment, from the Senator from Minnesota, which proposes to limit the program to wheat only. When the debate on that proposal gets under way and demonstrates its utter inadequacy, that proposal is withdrawn and a new amendment, the Humphrey millionaire amendment, is offered to allow $35,000 to be paid as to each commodity, which, as the Senator from Delaware has pointed out, may result in payments of $200,000 or $300,000 to a large corporate farmer. Such a farmer, if his land would permit it, would put that land in production of all the crops on which he could receive payments of $35,000, as to each crop, from the taxpayers of this country.

Most of the farmers in this land do not share payments on basic crops. They do not get any of this money. They pay for the program the way all the rest of the taxpayers pay for it, and the consumers of the products pay for it. We now have a chance to deal with a problem which is fast assuming, if indeed it has not already assumed, the proportions of a national scandal. Those who want to match their pious expressions with action will vote against the Humphrey millionaire amendment and for the Williams amendment and thus place a realistic limitation on the total amount which any one farmer can get from the Federal Government for crops grown on his land.

Mr. WILLIAMS of Delaware. I thank the Senator from New York for his support. I may say the amendment, which provides for a maximum of $35,000 on all crops, will not affect 90 percent of the farmers of this country. The other 10 percent can afford to do their own farming without dipping into the Federal Treasury. These are large operations and it is time they get their hands out of the Treasury.

As I said before, even the Senator from Minnesota has advocated the principle of my proposal. It is always said, "This is not the time." I most respectfully say that the time for action is when the roll is called and the vote is taken.

I wish the Senator from Minnesota would withdraw his amendment so there can be a clear-cut vote on the amendment as originally offered.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. I support the views advanced by the Senator from Delaware. I should like to say that if the definition of a family farmer is one who produces $35,000 worth of products, then probably there are not more than five such farmers in Ohio.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LAUSCHE. Will the Senator allow me 1 more minute?

The family farmer in Ohio is one with an average annual income of about $5,500. When a proposal is made that a farmer shall be eligible for a loan of not more than $35,000 on each product, so far as Ohio is concerned, it refers to the nonexistent farmers, because Ohio has practically none of them.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HUMPHREY. Mr. President, may I inquire how much time remains to me.

The PRESIDING OFFICER. Six minutes remain to the Senator from Minnesota.

Mr. HUMPHREY. I shall not spend much time on this amendment, but I am rather surprised to see the lack of understanding of what the farm program is all about. May I relieve the mind of the Senator from Ohio? If farmers do not produce more than $5,500 worth of products, they will not get $35,000.

We are not talking about payments; we are talking about loans. There must be collateral for a loan. The collateral is the commodity. If a farmer does not produce $35,000 worth of commodities, he does not get $35,000, whether he is in Ohio, in Minnesota, or in another State.

The purpose of the price support program is not to give somebody who rents out golf club acreage, payments under the acreage reserve, or payments under any other kind of program. The purpose of the price support program is to keep on the farm the man who is in the business of agricultural production as a means of making a living, as a livelihood. The purpose of the price support program also is to provide orderly marketing.

Some of us have lived in a part of the country where, as youngsters, we saw wagons loaded with wheat come to market in July or August. By the time the last wagon got through on the very first day of marketing, the price of wheat had gone down 20 cents, and it was dumped. That took place in the 1920's.

The purpose of the program is to give a farmer a crop loan for 1 year, at a maximum of $35,000, under my amendment. At the end of the year, he can either redeem the loan or let the commodity go by default. That is what my amendment does. That is the way the Hecht store in Washington sells somebody a washing machine. The purchaser makes time payments—which is the same as getting a loan—and if he cannot pay for the washing machine by the end of the year, Hecht's store gets back the washing machine. It is an old American custom. It is what we call the credit system. But at least retailers have some idea of how many washing machines are going to be purchased. I am trying to get some semblance of order under the price support program. The price support program should be designed to help legitimate agricultural producers.

The Senator from Delaware has proposed an amendment which is just as open to loopholes as is any other amendment. Under the agricultural reserve program, it has been found that there are plenty of legal minds who can find ways to evade the limitation by an individual farmer.

Therefore, many persons would be clever enough to find loopholes in the amendment of the Senator from Delaware, and that amendment is no better than any other amendment. All the Senator from Minnesota is saying is that if we want a price-support program, it should be an effective one.

The Senator from Delaware is against price supports. He has not voted for a farm program. He does not believe in one. Now he proposes an amendment which, while I do not say it will wreck the farm program, will make it much more difficult to have an effective one.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. HUMPHREY. There is a difference between surgery and assassination. There is one way in which one can cut the "innards" out of a person. That is not surgery; that is homicide. Or one can pare off tissue that is tumorous or malignant in an attempt to save a life.

I say price-support payments of $400,000, $250,000, $1 million have brought

disfavor, shame, and discredit to this program. I want to stop that, but in the process of stopping it, I do not want the program killed by the sidewalk farmers and those who have literally gouged the program. I do not believe in choking the program or killing it. I believe we ought to have a workable program. That is what we are attempting to do.

I do not know whether $35,000 is a magic figure. In the House, the figure $50,000 was proposed. I am no "Johnny-come-lately" on this proposition. I proposed similar amendments in this body in 1954, in 1955, in 1956, in 1957, and in 1958.

I did not have much support from the administration or anybody else.

The Senator from Delaware has been a consistent supporter of his proposal. He has an idea which I think is fair. The idea is to limit price supports. I plead that in the process of limiting price supports we not eliminate farmers. Mr. Benson is doing that pretty well right now. He does not need help from us.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. HUMPHREY. I understand all time for debate has expired.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. CAPEHART. Mr. President, will the Senator yield me 2 minutes from the time on the bill?

Mr. DIRKSEN. Mr. President, I yield the Senator 1 minute from the time on the bill.

Mr. CAPEHART. Mr. President, the purpose of the bill is to reduce production to such a point that the free markets in which the farmers sell will provide prices higher than the price supports. If we have that kind of a situation always, there will not be a nickel's worth of surplus in the Government stockpile, and it will not cost the Government one nickel.

What we really are talking about is the deliveries to the Government, instead of the loans. It is proposed to limit the loans to $35,000, but we really are talking about deliveries. If the farmer gets a loan on his crop, he gets it at the local bank, and he pays interest on it. That does not cost the Government one penny. The only cost to the Government comes when the farmer delivers the commodities to the Government. Therefore, we really ought to provide a limit of $35,000 worth of commodities delivered to the Government, because the loans have absolutely nothing to do with the matter.

The PRESIDING OFFICER. The time of the Senator has expired.

All time on the amendment has expired.

Mr. DIRKSEN. Mr. President, I yield myself 1 minute from the time on the bill.

In that minute I think I can persuade my friend from Ohio that he is absolutely correct.

Mr. LAUSCHE. I thank the Senator.

Mr. DIRKSEN. What the Senator is interested in is the type of loan such as the Mississippi Delta and Pine Lumber Co. got, $781,000. When such a loan is not repaid it becomes a subsidy.

The President in 1956 sent Congress a message in which he said he was interested in a dollar limit on the payment of price supports to any individual. He said that the limit should be sufficiently high to give full protection to efficiently operated family farms. That is what he was interested in.

How many family farms are there? My friend from Minnesota should know this better than I.

Mr. HUMPHREY. And I do.

Mr. DIRKSEN. Perhaps the Senator does, but it has not been evident.

I have only 1 minute, and I cannot yield. Only 3 percent of American farms last year——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DIRKSEN. Mr. President, I yield myself 1 additional minute from the time on the bill.

Only 3 percent of American farms last year had a gross income of $25,000. There are fewer than 3 percent which had a gross income of $35,000.

We are interested in all of them. That is the purpose of the Williams amendment. The Humphrey amendment, on a commodity basis, will take the little thin crust from the top. That is the crust we have been trying to get at for a long time, where the abuses are.

The Humphrey amendment ought to be defeated, and the Williams amendment ought to be adopted, if we want to do a good job today.

Mr. HUMPHREY. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ELLENDER. Mr. President, I yield 3 minutes from the time on the bill to the distinguished Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 3 minutes.

Mr. HOLLAND. I simply invite attention to the fact that we are operating on borrowed time, in an attempt to help a distressed industry. We passed a 15-day resolution, which extended for 15 days the time in which Congress could pass some emergency legislation affecting wheat.

Both of the amendments proposed seek to reach out and bring in all price-supported commodities. I think the approach is as wrong as it can be. I think the proposed amendments seek objectives far different from the objectives of the bill. If seriously considered, they are going to defeat the very salutary intentions of all concerned on the Committee on Agriculture and Forestry, who are trying to bring some relief to the wheatgrowers and to the public from a program which is piling up more than a billion and a quarter bushels of surplus wheat.

Mr. President, it seems to me completely clear that the only limitation we should consider is the one advanced by the Senator from Delaware and other Senators in the committee, which was a $35,000 limitation applicable only to wheat, and based upon the conception, that, for the first time, we were having two price support levels on wheat, one at 65 percent for those who planted all their allotments, and the other at 80 percent, for those who took a 20 percent cut.

The proposal to apply the limitation to wheat only has merit, but a proposal applying to the entire field defeats the legislation. It defeats the efforts of the committee, which met six times in an attempt to bring forth remedial legislation. The adoption of either of these amendments would do just that.

Mr. DIRKSEN. Mr. President, I yield 2 minutes to the Senator from Vermont [Mr. AIKEN].

Mr. AIKEN. Mr. President, as between these two amendments, if we have the interest of the small farmer at heart, we will take the Williams amendment. The Humphrey amendment would be of help to the millionaire farmer. He would be permitted to take $35,000 on wheat, $35,000 on corn, $35,000 on tobacco, $35,000 on peanuts, $35,000 on naval stores, $35,000 on tung oil, and so forth. It would be the greatest boon imaginable to diversification. But I am afraid it would not be of much benefit to the small farmer.

Mr. HUMPHREY. Mr. President, will the Senator from Louisiana yield me 30 seconds?

Mr. ELLENDER. Mr. President, I yield 30 seconds to the Senator from Minnesota on the bill.

Mr. HUMPHREY. I only hope the Senator from Vermont [Mr. AIKEN] has under control the climatic conditions which would provide the variety of crops for a single farmer that he is discussing. It is very interesting. It would almost require omnipotence to provide the variety of temperature and climatic conditions which would enable a single farmer to raise wheat, corn, tobacco, peanuts, naval stores, tung oil, and so forth, all at one time. It is wonderful.

Mr. LAUSCHE. Mr. President, will the Senator from Louisiana yield me half a minute on the bill?

Mr. ELLENDER. I yield half a minute on the bill to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, if what the Senator from Vermont describes cannot be done, why not support the proposal that $35,000 shall be the maximum cumulative benefit? The Senator from Minnesota [Mr. HUMPHREY] says that what the Senator from Vermont describes cannot be done. If it cannot be done, then the amendment of the Senator from Delaware should be supported.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota [Mr. HUMPHREY] to the amendment offered by the Senator from Delaware [Mr. WILLIAMS], for himself and the

Senator from Connecticut [Mr. BUSH]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FREAR (when his name was called). On this vote I have a pair with the senior Senator from Mississippi [Mr. EASTLAND]. If he were present and voting he would vote "yea." If I were at liberty to vote I would vote "nay." I therefore withhold my vote.

The rollcall was concluded.

Mr. HENNINGS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Idaho [Mr. CHURCH], the Senator from Mississippi [Mr. EASTLAND], the Senators from Alabama [Mr. HILL and Mr. SPARKMAN], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senators from Oklahoma [Mr. KERR and Mr. MONRONEY], the Senator from Montana [Mr. MANSFIELD], the Senator from Rhode Island [Mr. PASTORE], the Senator from Georgia [Mr. TALMADGE], and the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

I further announce that, if present and voting, the Senator from Alabama [Mr. HILL] would vote "yea."

On this vote, the Senator from Virginia [Mr. BYRD] is paired with the Senator from Montana [Mr. MANSFIELD]. If present and voting, the Senator from Virginia would vote "nay," and the Senator from Montana would vote "yea."

On this vote, the Senator from Idaho [Mr. CHURCH] is paired with the Senator from Massachusetts [Mr. KENNEDY]. If present and voting, the Senator from Idaho would vote "nay" and the Senator from Massachusetts would vote "yea."

On this vote, the Senator from Rhode Island [Mr. PASTORE] is paired with the Senator from Georgia [Mr. TALMADGE]. If present and voting, the Senator from Rhode Island would vote "nay," and the Senator from Georgia would vote "yea."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT], the Senator from California [Mr. KUCHEL], and the Senator from Vermont [Mr. PROUTY] are absent on official business.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Maryland [Mr. BUTLER], the Senator from Kentucky [Mr. COOPER], and the Senator from Indiana [Mr. CAPEHART] are necessarily absent.

The Senator from Arizona [Mr. GOLDWATER] is absent by leave of the Senate.

If present and voting the Senator from Utah [Mr. BENNETT], the Senator from Kentucky [Mr. COOPER], and the Senator from Vermont [Mr. PROUTY] would each vote "nay."

The result was announced—yeas 24, nays 52, as follows:

YEAS—24

Cannon	Humphrey	McNamara
Carroll	Jackson	Morse
Clark	Johnston, S.C.	Moss
Gore	Langer	Murray
Green	Long	Muskie
Hart	Magnuson	Smathers
Hartke	McCarthy	Symington
Hennings	McGee	Young, N. Dak.

NAYS—52

Aiken	Ellender	Neuberger
Allott	Engle	O'Mahoney
Anderson	Ervin	Proxmire
Bartlett	Fulbright	Randolph
Beall	Gruening	Robertson
Bible	Hayden	Russell
Bush	Hickenlooper	Saltonstall
Byrd, W. Va.	Holland	Schoeppel
Carlson	Hruska	Scott
Case, N.J.	Javits	Smith
Case, S. Dak.	Johnson, Tex.	Stennis
Chavez	Jordan	Thurmond
Cotton	Keating	Wiley
Curtis	Lausche	Williams, Del.
Dirksen	McClellan	Yarborough
Dodd	Martin	Young, Ohio
Douglas	Morton	
Dworshak	Mundt	

NOT VOTING—22

Bennett	Frear	Monroney
Bridges	Goldwater	Pastore
Butler	Hill	Prouty
Byrd, Va.	Kefauver	Sparkman
Capehart	Kennedy	Talmadge
Church	Kerr	Williams, N.J.
Cooper	Kuchel	
Eastland	Mansfield	

So Mr. HUMPHREY'S amendment to the amendment offered by Mr. WILLIAMS of Delaware, for himself and Mr. BUSH, was rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS].

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CAPEHART (when his name was called). I ask to be excused from voting on this amendment. I farm on a large scale. If I vote against the amendment, it will be thought that I am doing so for my own personal gain. I cannot vote for the amendment, because I think it will make the farm situation worse rather than better. I withhold my vote.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Indiana [Mr. CAPEHART] that he be excused from voting? The Chair hears none, and the Senator from Indiana is excused from voting.

The legislative clerk resumed and concluded the call of the roll.

Mr. HENNINGS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Idaho [Mr. CHURCH], the Senator from Mississippi [Mr. EASTLAND], the Senator from Alabama [Mr. HILL], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senators from Oklahoma [Mr. KERR and Mr. MONRONEY], the Senator from Montana [Mr. MANSFIELD], the Senator from Rhode Island [Mr. PASTORE], the Senator from Alabama [Mr. SPARKMAN], the Senator from Georgia [Mr. TALMADGE], and the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

I further announce that, if present and voting, the Senator from Virginia [Mr. BYRD], the Senator from Idaho [Mr. CHURCH], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Georgia [Mr. TALMADGE] would each vote "yea."

On this vote, the Senator from Mississippi [Mr. EASTLAND] is paired with the Senator from Maryland [Mr. BUTLER]. If present and voting, the Senator from Mississippi would vote "nay," and the Senator from Maryland would vote "yea."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT], the Senator from California [Mr. KUCHEL], and the Senator from Vermont [Mr. PROUTY] are absent on official business.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Maryland [Mr. BUTLER], and the Senator from Kentucky [Mr. COOPER] are necessarily absent.

The Senator from Arizona [Mr. GOLDWATER] is absent by leave of the Senate.

The Senator from Maryland [Mr. BUTLER] is paired with the Senator from Mississippi [Mr. EASTLAND]. If present and voting, the Senator from Maryland would vote "yea," and the Senator from Mississippi would vote "nay."

If present and voting the Senator from Utah [Mr. BENNETT], the Senator from Kentucky [Mr. COOPER], and the Senator from Vermont [Mr. PROUTY] would each vote "yea."

The Senator from Indiana [Mr. CAPEHART] was excused from casting his vote by the Senate.

The result was announced—yeas 57, nays 20, as follows:

YEAS—57

Aiken	Frear	Morton
Allott	Gore	Moss
Bartlett	Green	Mundt
Beall	Gruening	Muskie
Bible	Hart	Neuberger
Bush	Hartke	O'Mahoney
Byrd, W. Va.	Hickenlooper	Proxmire
Cannon	Hruska	Randolph
Carlson	Humphrey	Robertson
Carroll	Jackson	Saltonstall
Case, N.J.	Javits	Schoeppel
Case, S. Dak.	Keating	Scott
Clark	Langer	Smathers
Cotton	Lausche	Smith
Curtis	Magnuson	Thurmond
Dirksen	Martin	Wiley
Dodd	McGee	Williams, Del.
Douglas	McNamara	Young, N. Dak.
Dworshak	Morse	Young, Ohio

NAYS—20

Anderson	Hennings	McClellan
Chavez	Holland	Murray
Ellender	Johnson, Tex.	Russell
Engle	Johnston, S.C.	Stennis
Ervin	Jordan	Symington
Fulbright	Long	Yarborough
Hayden	McCarthy	

NOT VOTING—21

Bennett	Eastland	Mansfield
Bridges	Goldwater	Monroney
Butler	Hill	Pastore
Byrd, Va.	Kefauver	Prouty
Capehart	Kennedy	Sparkman
Church	Kerr	Talmadge
Cooper	Kuchel	Williams, N.J.

So the amendment of Mr. WILLIAMS of Delaware was agreed to.

Mr. WILLIAMS of Delaware. Mr. President, I move that the Senate reconsider the vote by which the amendment was agreed to.

Mr. DIRKSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WILLIAMS of Delaware subsequently said: Mr. President, the senior Senator from Kentucky [Mr. COOPER] was unavoidably absent today. On his behalf, I ask unanimous consent to have printed in the body of the RECORD a statement which he has prepared in

support of my amendment which was agreed to earlier today. I ask that the statement be printed at the appropriate place in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR COOPER

A commitment to attend the Southern Baptist Convention in Louisville, Ky., required my absence from Washington today. I had been invited some time ago to appear on the program at this convention with my friend, Brooks Hays, formerly Congressman from Arkansas and now a Director of the Tennessee Valley Authority, and was very happy to do so. However, I did not anticipate that the Senator from Delaware [Mr. WILLIAMS] would offer an amendment to the wheat bill today to place a limit on price support payments to farmers and to corporations engaged in farming.

I strongly support the principle of establishing reasonable limits on the amount of Government price support payments, and on price support loans which, when unredeemed, amount to Government payments. While I recognize the fact that price support activities are effective in helping to protect the price for all farmers, regardless of the size of the operation of the individual producer who benefits first and most directly, I am opposed to large payments which in effect encourage production for Government-owned stocks rather than for the market.

Limits are already established by administrative regulations, or by law, for several other kinds of farm programs such as the soil bank, the agricultural conservation program, and the like. The principle I support is properly applied first to these direct payments, and I hope the Congress will continue to review the level of these limitations. Price support loans differ sharply from direct payment plans, for under the loan programs the farmer puts up his crop as collateral for the loan, and if forfeited the Government takes title to this collateral. The crop has value, the Commodity Credit Corporation inventories are not a loss to the country but an asset belonging to the Government, so the amount of the loan is by no means a measure of any subsidy or loss on the support operation.

However, in my opinion the price support programs are designed primarily for the protection of family farms, and especially to help smaller farmers. In my own State of Kentucky, there are very few large or corporate farm operations. The typical Kentucky farmer must work a smaller acreage, and in fact has less income from his farm than the average farmer in the United States. These small family farms must be protected. The bill to establish a second Country Life Commission, which I introduced last year and on which I testified before the House Committee on Agriculture, is designed to encourage and protect family farms and to recognize the importance of rural life to the entire Nation.

It is apparent, from the evidence presented by the Senator from Delaware and others that huge Government payments are being made to a few individuals under present price support programs. The benefits of our price support programs must continue to be directed primarily toward the farmers who need help most—rather than to highly mechanized farms which have large resources of their own, which are in the best position to produce efficiently and at low unit cost, and which therefore have far less, if any, need of Government price supports.

I have asked that I be recorded in favor of the amendment offered by the Senator from Delaware, Mr. WILLIAMS. If I had been present I would have voted against the substitute offered by the Senator from Minnesota, Mr. HUMPHREY, even though it represented a step in the right direction, in order to have the opportunity of voting for the Williams amendment, which goes further.

I particularly want to point out that in the operation of the tobacco price support program, the Commodity Credit Corporation makes price support loans to farmers' cooperative marketing associations—commonly known as the tobacco pools—which in turn make the price support advances to individual tobacco growers. I am certain that the amendment of the Senator from Delaware, which has been overwhelmingly adopted by the Senate, does not contemplate applying any limit to loans made to these cooperative associations, which are under contract to the Commodity Credit Corporation as its agents in extending tobacco price supports to farmers. I appreciate the action of the Senator from Vermont, Mr. AIKEN, in making this point clear during the debate, as well as that of the Senators from Delaware and Minnesota in clarifying the language of the amendment adopted by the Senate.

Mr. HUMPHREY. Mr. President, I offer an amendment which I ask to have read.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. At the proper place in the bill, it is proposed to insert:

In the case of any loan to, or purchase from, a cooperative marketing organization, the limitation of $35,000 shall not apply to the amount of price support extended to the cooperative marketing organization; but the amount of price support made available to any person through such cooperative marketing organization shall be included in determining the amount of price support extended to such persons for the purpose of applying such limitation. The term "person" shall mean any individual, partnership, firm, joint stock company, corporation, association, trust, estate, or other legal entity or a State, political subdivision of a State or any agency thereof except that in the case of a partnership made up of two or more separate families or households each such family or household may be considered at its option as a person for the purposes of this subsection. The Secretary shall issue regulations prescribing such rules as he determines necessary to assure a fair and effective application of such limitation, and to prevent evasion of such limitation.

Mr. HUMPHREY. Mr. President, this matter was discussed with the Senator from Delaware [Mr. WILLIAMS] and the Senator from Vermont [Mr. AIKEN] when the $35,000 proposal came up. We discussed whether it applied to a cooperative collectively or to the members of the cooperative individually. The Senator from Delaware responded in the affirmative—namely, that the limitation is not upon the cooperative marketing association, as such, but is upon the individual members.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. WILLIAMS of Delaware. What the Senator from Minnesota has said is correct; that was the definite understanding—namely, that my amendment applies the limitation to each individual.

Mr. HUMPHREY. That is correct.

Mr. WILLIAMS of Delaware. As I said, I was trying to provide that each individual shall be allowed to receive that much, but no more.

Mr. HUMPHREY. That is correct.

Mr. WILLIAMS of Delaware. If two or three market collectively, each will be allowed to receive that much, but not a duplication of it.

Mr. HUMPHREY. That is correct.

Mr. WILLIAMS of Delaware. I do not think the language now proposed is necessary. But if it is necessary, I have no objection to spelling out the intent.

The amendment is rather long, and I do not believe all of it is necessary. Will the Senator from Minnesota withhold the amendment temporarily? If, upon further study, we find that such an amendment is necessary, I am sure we can reach agreement in regard to it because, as I told the Senator from Vermont, the amendment already agreed to imposes an overall limitation of $35,000 on the amount which any one person can receive, and provides the mechanics for his receiving it.

So I should like to have a chance to examine further the proposal of the Senator from Minnesota. After we have examined it further, if we then believe it to be necessary, the Senator from Minnesota can offer it later.

Mr. HUMPHREY. Mr. President, I appreciate the attitude of the Senator from Delaware. A number of Senators represent States in which the cooperatives are very important to both agricultural distribution and agricultural production. I realize that the debate which occurs here is a part of the legislative history; but I also realize that debate is not a substitute for statutory language. I hope this amendment will be adopted. If any difficulty about it should develop, the amendment could be clarified in conference, in connection with whatever bill was finally passed by both Houses, rather than to have to rely on an explanatory statement in the RECORD.

I believe there is everything to be gained by pinning down this matter, I say to the Senator from Delaware that my objective is the same as his, and his objective is the same as mine; all of us agree on this point. But I believe statutory language is necessary in this instance, rather than to rely on what we might call the overtones of legislative history. So I believe the amendment should be adopted. After it is adopted, if we find that it needs to be modified, then, as a member of the Committee on Agriculture and Forestry, I say that it can be modified in conference in such a way as to provide for accomplishment of the purpose on which both of us agree.

Mr. WILLIAMS of Delaware. Again, I say there is no difference between what the Senator from Minnesota wants specifically spelled out in the bill and what I want specifically spelled out in the bill.

I do not believe his amendment is necessary; but if there is any doubt about that in the minds of some, I have no objection to spelling out what we intend.

But I ask the Senator from Minnesota to withhold his amendment, so we can study further the proposed language before we vote on it, because I wish to be

sure that we do not open up the matter beyond what we are trying to do.

I repeat that in connection with the amendment as prepared and as offered, there was a definite understanding that under all circumstances each man, each producer, could receive the maximum credit allowed by the preceding amendment, regardless of whether he marketed his crop individually or collectively.

So, Mr. President, if the Senator from Minnesota will withhold his amendment, so we can study it further later in the day, I shall appreciate that very much.

Mr. HUMPHREY. Mr. President, I shall withdraw the amendment—with the option of resubmitting it later—so other Senators may have an opportunity to study it.

Mr. WILLIAMS of Delaware. I thank the Senator from Minnesota.

Mr. HUMPHREY. But I wish to have the amendment agreed to, in order to clarify the preceding amendment.

So, Mr. President, I shall now withdraw my amendment. I shall appreciate it if the Senator from Delaware will look into the amendment and will check on it with the Department. I am asking the staff of the Committee on Agriculture and Forestry to check on the amendment, in order to make sure that it will fulfill the objective on which both the Senator from Delaware and I agree.

Mr. WILLIAMS of Delaware. I thank the Senator.

Mr. HUMPHREY. Accordingly, Mr. President, I now withdraw the amendment temporarily.

The PRESIDING OFFICER. The amendment of the Senator from Minnesota is temporarily withdrawn.

Mr. HUMPHREY. Mr. President, I submit another amendment, which I ask to have stated; it is my amendment which relates to the price support levels on the production of wheat, including the reduction in acreage.

The PRESIDING OFFICER. The amendment submitted by the Senator from Minnesota will be stated.

The LEGISLATIVE CLERK. Beginning on page 1, in line 5, it is proposed to strike out all of section 106, and to insert in lieu thereof a new section 106.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the amendment I am now offering—it is a portion of the amendment which has been printed—be printed at this point in the RECORD, so a formal record of it will be made. Then I wish to explain the purpose of the amendment.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from Minnesota will be printed at this point in the RECORD, without being read in full.

The amendment submitted by Mr. HUMPHREY is as follows:

Beginning on page 1, line 5, strike out all of section 106 and insert in lieu thereof the following:

"SEC. 106. (a) Notwithstanding the provisions of section 101 of this Act, for each of the 1960 and 1961 crops of wheat price support shall be made available as provided in this section. The support price for each such crop shall be 85 per centum of the parity price therefor. Wheat of any such crop shall be eligible for price support only if (1) the farm on which the wheat is produced is in compliance with the farm wheat acreage allotment for such crop, and (2) the total acreage on the farm devoted to the production of crops supported under the Agricultural Act of 1949, as amended, which would normally be harvested in the calendar year in which the wheat crop for which the producer applies for price support is normally harvested, does not exceed the total average annual acreage on the farm devoted to the production of such price supported crops for harvest in 1957 and 1958, less an acreage equal to 20 per centum of the farm acreage allotment for the crop of wheat for which application for price support is made which would be in effect for the farm except for the reduction thereof as provided in section 344(c)(2) of the Agricultural Adjustment Act of 1938, as amended: *Provided, however,* That a farm shall be deemed in compliance with the foregoing requirements for price support for wheat if no crop other than wheat supported under the Agricultural Act of 1949, as amended, is produced on the farm for harvest in 1960 or 1961, whichever is applicable, and the farm is in compliance with the farm wheat acreage allotment. In accordance with regulations prescribed by the Secretary, the acreage of such price supported crops for 1957 and 1958 may be adjusted for abnormal wheather conditions, established crop-rotation practices for the farm, diversion under soil bank programs, and to reflect history acreage preserved under section 377 of the Agricultural Adjustment Act of 1938, as amended, to the extent of any unused allotment not diverted to the production of such price supported crops. For the purposes of this section a producer shall not be deemed to have exceeded the farm acreage allotment or the acerage of permitted price supported crops for the farm unless the producer knowingly exceeded such allotment or permitted acreage. In addition, for the 1960 or 1961 crops of wheat, if the producers on the farm meet the foregoing requirements for price support and, in accordance with regulations prescribed by the Secretary, designate an acreage on the farm equal to the 20 per centum reduction in the farm acreage allotment required under section 344(c)(2) of the Agricultural Adjustment Act, as amended, for the particular crop of wheat and do not produce any crop thereon which is normally harvested in the calendar year in which the particular crop of wheat is normally harvested and do not graze such acreage during such year, such producers shall be entitled to a wheat payment in kind from Commodity Credit Corporation stocks equal in value to one-third of the average annual yield in bushels of wheat per harvested acre on the farm for the three years immediately preceding the year for which the designation is made, adjusted for abnormal wheather conditions and as determined under regulations prescribed by the Secretary, multiplied by the number of designated acres. Such wheat may be marketed without penalty but shall not be eligible for price support. The payment in kind shall be made by the issuance of a negotiable certificate which Commodity Credit Corporation shall redeem in wheat equal in value to the value of the certificate. The certificate shall have a value equal to the number of bushels determined as aforesaid multiplied by the basic county support rate per bushel for number one wheat of the crop normally harvested in the year for which the acreage is designated and for the county in which the designated acreage is located. The wheat redeemable for such certificate shall be valued at the market price thereof as determined by Commodity Credit Corporation. The Secretary shall provide by regulation for the sharing of a certificate among producers on the farm on a fair and equitable basis. The acreage on the farm which would otherwise be eligible to be placed in the conservation reserve program for 1960 or 1961 shall be reduced by an amount equal to the required reduction of 20 per centum under section 344(c) of the Agricultural Adjustment Act of 1938, as amended, for the wheat crop of the corresponding year. Price support at 85 per centum of parity under this section shall be made available only to cooperators and only if producers have not disapproved marketing quotas for the crop.

Mr. HUMPHREY. Mr. President, Senators have on their desks my printed amendment to Senate bill 1968.

First, Mr. President, the purpose of the amendment, beginning in line 25, on page 4, and extending through page 5, has already been accomplished by the amendment submitted by the Senator from Delaware [Mr. WILLIAMS]—that is to say, in the case of the limitation of $35,000.

Second, the proposal relating to cooperative marketing organizations was offered for purposes of debate, but was momentarily or temporarily withdrawn until some of my colleagues have an opportunity to examine it more thoroughly.

Therefore, Mr. President, the amendment now before the Senate is the one on pages 1, 2, and 3, of my printed amendment, and down to and including line 25 on page 4, together with a technical modification which I have sent to the desk—namely, in section 2 of the bill, in subsection (b), on page 5, after the word "producers", in line 11, strike out the word "electing", and in line 12 strike out the word "choice." The striking out of those words, which now appear on page 5 of the bill, is necessitated by the amendment to the first section of the bill. That amendment on page 5 of the bill is simply a technical, clarifying amendment in the part of Senate bill 1968 to which my amendment is offered.

Mr. President, I wish to call the attention of the Senate to the purpose of my amendment. I shall address my remarks to the Senators who now are in the Chamber—who are limited in number, but are not at all limited in quality; the quality is extremely good.

Mr. President, the purpose of the pending wheat bill should be to limit wheat production, on the one hand—because of the excess supply—and, on the other hand, to improve the income position of the farmer who is a wheat producer.

I know there has been a great deal of talk to the effect that we must enact a wheat bill, so the Department of Agriculture can do something about this situation. But, Mr. President, the enactment of a wheat bill is needed because we must do something about the 1 billion bushels, approximately, of surplus wheat which now are in the possession of the Commodity Credit Corporation; and we need to enact a wheat bill which will permit the wheat farmer to have sufficient income from his production to at least permit him to enjoy a reasonable standard of living.

The Senator from Indiana [Mr. CAPEHART] stated, the other evening, with his usual candor and frankness, a truism; he said that a reduction of the price supports of agricultural commodities

would not decrease production; instead, the result would be to increase production. Then he spelled that out. He pointed out that when the price the farmer receives for his agricultural production goes down, the farmer simply produces a little more, in order to obtain the income he needs to have in order to be able to supply the wants of his family and of his business.

Mr. President, my amendment is predicated on the assumption that if we wish to cut back production, we must provide a price-support program which will offer an incentive for farmer compliance.

We would not succeed in cutting back production if we were to provide for 65 percent of parity; instead, there would be greater production. Production would not be decreased by providing for 80 percent of parity and a 20-percent acreage reduction, because farmers would not accept 80 percent of parity, along with a 20 percent acreage reduction, when they could have 65 percent of parity and could produce all they wanted to produce on the 55 million allotted acres.

The purpose of the Humphrey amendment is made all the more evident by the action which the Senate has just taken in limiting the amount of price support loans to $35,000, in this instance to any one farm.

I tried to point out a while ago that it is not likely that a cotton farmer, for example, will engage in rice production or wheat production overnight, because there is such a large investment in any one particular kind of farming. Therefore, my amendment was offered on the basis of putting a ceiling of $35,000 on crop loans for any one major commodity. I believe in a ceiling on crop loans.

The Senate having acted so decisively in restricting to $35,000 the maximum crop loan that any one farm or any one farmer can have, there is an extra incentive provided in my amendment in terms of cutting production. Furthermore, there surely are some guarantees as to how much money the taxpayer will have to put into this program.

My amendment will, in the first place, reduce production. It will reduce acreage 20 percent. My amendment provides a price support loan of 85 percent of parity on the bushels of wheat to be produced on the remaining acres. But the limitation of $35,000 has already been voted into the bill, so there is an extra protection to the taxpayer in terms of any obligation on the part of the Federal Government with regard to crop loans.

I had provided for all this in one amendment. The amendment which I had placed at the desk last evening provided that acreage allotments would be cut 20 percent.

It provided a limitation of $35,000 in price support loans to any one person in any one year.

It provided a payment in kind for diverted acres not used for a harvested crop or for grazing.

It prevented planting of any price supported crop on diverted acres.

My amendment, which was proposed to the committee bill, imposed penalties on the actual yield of the excess acres, or double the normal yield, if the actual yield was not shown.

It provided a price support at 85 percent of parity, to encourage participation.

The amendment increased the marketing penalty to the basic support rate, which was 85 percent of parity.

My amendment reduced the 15-acre exemption to 12 acres, and restricted it to farms which planted wheat in 1957, 1958, or 1959.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CARROLL. I wish to commend the Senator from Minnesota for the clear statement he has made. As a result of the reduction in income, farmers will have to produce more in order to get as much income as they previously did.

If I may, I should like to talk about the bill for a moment, because I think my statement will fully support the position which has been taken by the Senator from Minnesota.

Let us use a hypothetical case which, however, is based on actual data. I have before me the number of farms by allotment acres in the three principal wheat crop reporting districts in the State of Colorado. The report covers 17,153 farms.

Let us assume that the yield of wheat per acre is 22 bushels. I think the 1959 support is 75 percent of parity, which today amounts to $1.82 a bushel.

Let us assume a Colorado farm with a 500-acre wheat allotment, 250 acres of which go into planting and 250 of which go into summer fallow. Two hundred and fifty acres at 22 bushels an acre equals 5,500 bushels. At a support price of $1.82, that amounts to $9,955. Earlier in the debate the distinguished Senator from Minnesota talked about 500 acres. I am now talking about a Colorado wheat farm with a 500-acre wheat allotment.

Let us look at plan A.

Mr. HUMPHREY. Does the Senator refer to plan A in the committee bill, providing 65 percent of parity?

Mr. CARROLL. Yes, 250 acres at 22 bushels an acre gives a total of 5,500 bushels. If wheat is supported at 65 percent of parity, which is $2.37, it amounts to $1.54 a bushel; $1.54 times 5,500 bushels gives us $8,470.

I am referring to a dry land area, where there is no opportunity for diversification or rotation of crops. The farmer in that area today is struggling because of the price-cost squeeze.

Under this proposal, that farmer's income would be reduced $1,485, or from 12 to 14 percent, under plan A of the bill.

Mr. HUMPHREY. But if the farmer selects that particular option, there will be no reduction in production.

Mr. CARROLL. The Senator is exactly correct. So the proposal does not go to the core of the problem, as the Senator from Minnesota has said. The question involved is how to reduce production. The proposal does not go to that problem at all. As a matter of fact, it will stimulate production, because of the tremendous loss in income to the farmer.

Under plan B, which is 80 percent of parity, if the farmer takes a 20-percent acreage cut, on the same 250 acres, the number of acres left in production will be 200. The farmer will be cutting production in order to get 80 percent of parity. Eighty percent of $2.37 is $1.90. But the number of bushels produced has been reduced from 5,500 to 4,400.

What does the Senator think the loss to the hypothetical farmer will be? Under plan B, the loss will be greater than it will be under plan A, because his loss will be $1,595.

As I understand the amendment of the distinguished Senator from Minnesota, it is designed to increase the percentage parity. It also contains a cutback in production. Is that correct?

Mr. HUMPHREY. Yes.

Mr. CARROLL. I have not had an opportunity to compute the figures, but I am afraid that the adoption even of the amendment of the Senator from Minnesota will result in reducing the income of the 500 acre farmer in Colorado to which I have referred.

I did not want to interrupt the statement of the Senator from Minnesota, but his explanation was so lucid, namely, that our problem is how to cut production and still not destroy some of the family farms in America, that I thought I should interrupt.

Mr. HUMPHREY. I will say to the Senator, his figures are most helpful in terms of gaining better understanding of what we are talking about. We are talking about dollars and cents, about bushels, and about acreages.

The Senator has discussed the committee bill, in part. The Senator has discussed the provision for 65 percent of parity at the full acreage allotment of 55 million acres. The Senator has discussed the option of 80 percent of parity with a 20-percent reduction in the allotted acreage.

My proposal is different. My proposal is that if a farmer cuts 20 percent of his acreage he will receive 85 percent of parity. If he does not, there will be a greater reduction. If the farmers do not vote for marketing quotas—in other words, if the farmers turn back the program of a 20 percent reduction in acreage in order to obtain 85 percent of parity—then the farmers will receive only 50 percent of parity for production on the allotted acres.

I want the Senate to understand that the wheat bill which is before us is a tough bill. Let us make no mistake about it. The pending wheat bill, Mr. President, will do a lot of things. It will reduce the 15-acre exemption to 12 acres. That is a 20 percent reduction for the small farmer. The bill will increase the marketing penalty to the basic support rate, which will mean the farmer will have a real penalty if he overplants or overmarkets. The bill will impose penalties on the actual yield on any extra acres.

The present law, as an example, imposes penalties, but not upon the actual yield, only upon a small percentage of the actual yield.

Furthermore, Mr. President, the bill provides that there shall be no price supports whatsoever for those who do not cooperate with the program under allotments or marketing agreements.

Speaking now with respect to the committee bill, regardless of what we do as to the price support levels, the bill will tighten up the present law. It will reduce the 15-acre exemption to a 12-acre exemption. It will increase the penalties. It will lift the amount of penalty for the actual production on excess acres. Furthermore, it will take price supports away from those who do not comply, or who are noncooperators.

Mr. President, I will conclude my argument as to the amendment by asking a series of questions, which I think have built within them the answers.

What is the purpose of the Senate in dealing with proposed wheat legislation? We already have wheat legislation on the books. The purpose of the Senate is to design legislation which will reduce production and will start to reduce the great wheat inventory in the Commodity Credit Corporation stocks, at the same time without imposing a heavy penalty upon the farmers who are complying with the program by causing a sharp drop in farm income.

Furthermore, the purpose of the farm program which we are talking about today is to see to it that as we curb wheat production we do not inflate other production. The Senator from Minnesota has proposed the only amendment which has what we call cross-compliance. I will say to my friends, I have heard much loose talk, in Congress and out, in the press and in the magazines, about the fact that when we ask farmers to divert acres, to take acres out of production of wheat, the farmers put those acres into the production of sorghums or of some other type of feed grain. The Humphrey amendment has strict cross-compliance, and when 20 acres are taken out of production it will mean 20 acres will be out of production even to the point where there will be no grazing, and nothing will be planted on them.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HUMPHREY. What else do we wish to do for the farmer who takes acres out of production? We plan to give him one-third of his average yield on such acres, to be taken out of the Commodity Credit Corporation stocks.

In other words, let us assume that 20 acres are taken out of production, and the average production is 20 bushels to the acre. That would be 400 bushels; 400 bushels would be the average production on the 20 acres taken out of production. We would then give to the farmer one-third of those 400 bushels, to be taken out of the Commodity Credit Corporation stocks, for a payment in kind because he complied with a farm acreage and production reduction program.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. HUMPHREY. In other words, the farmer will receive approximately 133 bushels as a payment in kind for a real compliance.

If we want to have a production cut we will have to get tough about it, or we will not get it done. I hope the Senate will have as much courage in cutting production as it has had with regard to income.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. HUMPHREY. Mr. President, will the Senator from Louisiana yield me some additional time, from the time on the bill?

Mr. ELLENDER. Mr. President, I yield 5 minutes to the distinguished Senator from Minnesota from the time on the bill.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Oregon.

Mr. MORSE. I shall take only a minute.

First, I wish to say that I shall support the amendment of the Senator from Minnesota because it is better than what we have before us. However, I much prefer the wheat stabilization program for wheat, which the Senator from Kansas and I have supported in the Senate for some time. I understand that the wheat stabilization amendment of the Senator from Kansas will be offered later this afternoon. I have to make a decision now as to what I shall do with regard to the Humphrey amendment. I shall support the amendment, because even if we adopt the amendment we will not close the door, necessarily, to the wheat stabilization program.

Mr. President, I should like to state briefly my reasons for supporting the Humphrey amendment. It has become increasingly evident that action is necessary to reduce the wheat inventory carried by the Commodity Credit Corporation. Intelligent action demands, however, that we assure ourselves that what we do will accomplish our objective. The bill, as reported by the committee, will not, in my judgment, do what its supporters want to accomplish. Therefore, for the purpose of strengthening the chances of effective operation, I shall support the amendment of the Senator from Minnesota to provide for an 85 percent of parity price support with a 20-percent reduction in the allotted acreage. I say that as a Senator from one of the great wheat producing States of America.

To do otherwise would mean that we expect the farmers to absorb all the financial burden. How can we expect the farmer willingly to cut his own economic throat? We must provide some sort of an incentive for the farmer.

I understand that even if the Humphrey amendment is adopted the income of the farmers will be slightly less than the income they receive under the present 75 percent of parity support prices. My own inclination is for a stronger incentive, along the line of the proposal for a 30-percent reduction in acreages with 90 percent of parity price supports. Certainly we ought to provide some sort of economic umbrella for the protection of the wheat farmers.

Mr. President, I close by saying to the wheat farmers of my State that Mr. Floyd Root, of Wacco, Oreg., president of the National Association of Wheat Growers, is present at the Capitol and has been listening to the debate. I have consulted with him on various occasions during the debate. Although he and I stand shoulder to shoulder in favor of the wheat stabilization plan, which will be proposed later this afternoon by the Senator from Kansas, he agrees with me that the Humphrey amendment would improve the committee bill in that it would permit less wheat production, but at the same time an improved parity price. In view of the clear case which exists for the need for some change in the wheat program, I am pleased to notify the Senator from Minnesota that I shall support his amendment because it will deal with the problem temporarily without seriously reducing the wheat farmers' income.

Mr. HUMPHREY. I am very grateful to the Senator from Oregon.

Mr. President, I ask unanimous consent to have my explanation of the amendment printed in the RECORD at this point.

The PRESIDING OFFICER (Mr. CLARK in the chair). Is there objection to the request of the Senator from Minnesota?

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

HUMPHREY WHEAT AMENDMENT—BRIEF EXPLANATION OF S. 1968 AS AMENDED BY SENATOR HUMPHREY

The bill as amended would accomplish four major objectives:

1. Curb production of wheat and thus hold down the inventory of Commodity Credit Corporation;

2. Curtail tax expenditures through reduced takeover and limitation on size of loan;

3. Establish a price support at a realistic level that will encourage compliance with the allotment reduction without a drastic reduction in farm income;

4. Provide program benefits only to those who comply with the regulations.

This bill, with respect to the 1960 and 1961 wheat crops, would—

1. Reduce farm acreage allotments 20 percent;

2. Limit price support to any person in any year to $35,000;

3. Provide a payment in kind for diverted acres not used for a harvested crop or for grazing;

4. Prevent planting of any price-supported crop on diverted acres;

5. Impose penalties on the actual yield of the excess acres (or double the normal yield, if the actual yield is not shown);

6. Provide price support at 85 percent of parity, to encourage participation;

7. Increase the marketing penalty to the basic support rate (85 percent of parity);

8. Reduce the 15-acre exemption to 12 acres and restrict it to farms which planted wheat in 1957, 1958, or 1959.

In addition, it would permanently repeal authority of Secretary of Agriculture to support prices to noncooperators for wheat, cotton, rice, peanuts, or tobacco.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield now to the Senator from Colorado.

Mr. CARROLL. Let me say to the distinguished Senator that I have talked about plan A and plan B, as contained in the proposed legislation. I now examine the so-called Humphrey amendment. I observe a much better position with reference to the loss of income to the farmer. Why? Because he would get 85 percent of parity; although I think the record should be clear that that still represents a loss of income to the farmer.

Mr. HUMPHREY. The Senator is saying that it represents a loss on the basis of a crop loan; but the purpose of the Humphrey amendment is to raise the market price. The crop loan is not supposed to be a ceiling, but rather a minimum. Is the Senator referring to the loss of income in terms of price support loans?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CARROLL. Mr. President, may I have an additional minute to propound a question to the Senator from Minnesota?

Mr. ELLENDER. I yield the Senator from Colorado 2 minutes out of my time.

Mr. CARROLL. I thank the distinguished Senator from Louisiana.

Mr. President, some of us do not understand what is meant by payment in kind. This amendment may enhance the value of the legislation to the farmer.

Mr. HUMPHREY. The amendment does provide better income on price support loans than the other proposals before us.

Second, I think the Humphrey amendment would raise the market price. I have in my possession—and I hope to be able to present it later in the debate—an article showing how the market price is affected by the 105 percent of the price support price which the Commodity Credit Corporation has as its disposal price in the free market. When the Commodity Credit Corporation sells, it must sell at 5 percent above the price support loan price.

Therefore, when the farmer gets 85 percent of the price support, it is a better market price in the free market than an 80 percent price support.

Payment in kind means an added benefit to the farmer. It represents not dollars to the farmer, but wheat which he can use as feed on his farm. We give him one-third of the average annual production on what we call his lost acres, or diverted acres. If 50 acres go out of production, and the average production is 20 bushels to the acre, that represents 1,000 bushels. So the farmer gets one-third of 1,000 bushels, or 333⅓ bushels, as a gift from the Commodity Credit Corporation, or as an incentive payment to comply with strict cross-compliance.

My program is a cross-compliance program. We do not take 20 percent of wheat acreage out of production and put it in grain sorghums. We put nothing on those acres. In other words, we reduce production by helping price; and in helping price, we help income. At the same time, we take from the Commodity Credit Corporation a substantial amount of grain as payment in kind.

Mr. CARROLL. I thank the distinguished Senator for his explanation. There is no doubt in my mind that his amendment is far superior to the pending bill, and would be better for the farmer. It would be better from the standpoint of income. Also, I sincerely hope that it will curb production to some extent.

As the distinguished Senator has said, this is a difficult problem. I feel that the Senator's amendment is a step toward solution of that problem.

Mr. President, I shall vote for the Humphrey amendment.

Mr. HUMPHREY. Mr. President, I thank the Senator from Louisiana for his generosity in yielding additional time to me. He is very kind.

Mr. ELLENDER. Mr. President, I understand that I have 13 minutes remaining.

The PRESIDING OFFICER. The Senator is correct.

Mr. ELLENDER. I yield myself 8 minutes.

Mr. President, the pending bill would reduce the support price for all farmers who plant the full amount of their allotted acreage. Those who agree to reduce their acreage by 20 percent would obtain an 80 percent of parity price support.

The Humphrey amendment is very cleverly drawn. In my judgment, it would seem to give the farmer more money than he would obtain if the program were to continue as it is now in operation. The 65 percent formula written into the pending bill would give to the producer a price support of $1.53 a bushel. Those who elect to plant all their acreage would receive $1.53 a bushel. Those who reduced their acreage 20 percent would receive, under the terms of the pending bill, $1.89 a bushel, whereas, under the Humphrey amendment, those who reduced their acreage 20 percent—and that reduction would be made obligatory, by the way—would receive $2.01 a bushel.

Aside from receiving a larger support price on the 20 percent of the acreage which is not planted to wheat, if the farmer desires not to utilize the land at all, either for pasture or for any other purpose, he would, under the Humphrey amendment, receive a payment in kind from the excess surplus wheat we have on hand, equal to a third of what the farmer would have produced if he had planted those acres.

I am quite certain that the farmer would follow the same course which has been followed in the past. With a reduced acreage, the farmer uses a little more fertilizer and plants a little more wheat. With a price support of $2.01, it would probably pay him to do that. I feel confident that the result would be that we would end up with almost as much wheat as we now produce at a greater cost to the Government.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HUMPHREY. The Senator is not unmindful of the $35,000 limitation on crop loans, is he? This is the real lid on the total cost to the Government.

Mr. ELLENDER. Nevertheless, the cost to the Government would be increased, whether we had a limitation or not, on smaller farms whose production is less than the $35,000 limitation.

I did not hear the distinguished Senator say anything on this point, but his amendment provides that in the event the farmer chooses to plant to other crops the number of acres which he does not plant to wheat he could do so, provided such alternative crop is not subject to price supports. That is correct; is it not?

Mr. HUMPHREY. Yes; if the Senator can think of one.

Mr. ELLENDER. There is alfalfa hay, broom corn, vegetables, particularly potatoes for example.

Mr. HUMPHREY. Carrots, spinach.

Mr. ELLENDER. Yes; and other crops. He could also produce chickens, and eggs. The point I am trying to make is that the farmer has two alternatives; either he can leave the 20 percent unplanted or he would receive from the Government a third of the wheat that he would have produced on those acres. Then if we take the value of that wheat and add to it the value of the increased crop that would be produced on 80 percent of his allotment, my guess is that the farmer's income would be much greater than if he complied with the law as it now exists.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CARROLL. I agree with the Senator, that not only under the Humphrey amendment but under the language of the bill the same thing would be true. For example—and I shall be very brief—let us take plan A, with 65 percent of parity. I have used a farm situation in my own State to show what that would mean to a small farmer. In my example it would mean that whereas he would get $9,955 today, under plan A, with 65 percent of parity, he would lose 15 percent. Under plan B, the same farmer with a 20 percent acreage cut, would lose much more than under plan A. The reason I am for the Humphrey amendment is that, even though we would pay him $2 as the support price, we would also reduce his production, and, instead of taking a 15 percent loss, he would be taking a 10 percent loss. That is the small farmer who is struggling to get by.

The committee bill will not reduce production at all.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. I have pointed out that the pending bill offers the prospect of a reduction in the production of wheat by 130 million bushels to as much as 200 million bushels—or, in other words, production about equal to consumption, plus exports and seed.

Mr. CARROLL. Mr. President, will the Senator yield further? Is it not a part of the Democratic party's philosophy——

Mr. ELLENDER. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 4 minutes remaining.

Mr. CARROLL. I merely wished to ask a question. I always thought it was a part of the Democratic Party's philosophy that cutting a farmer's acre-

age does not necessarily mean that production on that farm will be cut, because he will apply more fertilizer and work harder to make up his production. I have always thought that was the Democratic Party's philosophy.

Mr. ELLENDER. If the Humphrey amendment is agreed to, that will be the case. I yield 2 minutes to the Senator from Kansas.

Mr. CARLSON. Mr. President, I appreciate the fact that the distinguished Senator from Minnesota has offered an amendment which he feels will be helpful in the wheat producing area. I cannot support it. It makes a mandatory 20-percent reduction in the present allotment of acres. I wish the RECORD to show that the wheat farmers in Kansas and in the wheat States are complying with our allotment program. The Kansas wheatgrowers planted 17.8 million acres, or approximately 18 million acres in 1951. The allotment acreage for Kansas wheatgrowers is 10.5 million acres. If they took a cut of 20 percent, it would reduce the allotment acreage to approximately 8 million acres. Our farmers cannot take that large a cut.

That is one reason.

The second reason is that I do not believe it will reduce production. I believe it will build up our surpluses and will continue to build them up. I have great doubt that the bill as proposed by the committee will reduce production. I believe I am safe in predicting that we will have a surplus of at least 75 million bushels under the committee bill.

Therefore, I am unable to support the bill or the proposal submitted by the Senator from Minnesota.

I hope to offer this afternoon an amendment providing for domestic parity, at which time I shall discuss it.

Mr. ELLENDER. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. One minute.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. Does the Senator yield back his remaining time?

Mr. MUNDT. I have been yielded 4 minutes by the minority leader. He is not in the Chamber.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 4 minutes.

Mr. MUNDT. Mr. President, I rise in support of the Humphrey amendment. I voted against S. 1968 in committee because it is a bill which, while it is designed, perhaps, to reduce wheat production by a little bit, it certainly would reduce the income of the wheat farmers substantially. If we are to compel a reduction in production in a man's livelihood, in the factory that he owns as his farm, we must provide some compensatory factors which will not necessitate the farmer himself taking all the loss of money because of the necessity of reducing production.

Consequently, as between the two alternatives—and I am not very happy with either one of them—the Humphrey amendment and S. 1968—I shall support the Humphrey amendment, because it at least moves in the direction of providing compensation to the farmer for the fact that he is reducing his income when he reduces his acres.

Since we are compelling him in S. 1968 to take the Hobson's choice between struggling along with 65 percent parity, while maintaining his farming operation within the allotted acreage, which seriously would curtail his income, and plan B, under which he would receive only 80 percent of parity if a 20-percent reduction is made in his acres, I prefer the Humphrey substitute, which at least raises that second figure to 85 percent of parity.

Even so I point out that with the change in the parity formula we are not talking about giving any bonus to the wheat farmer when we talk about giving him 85 percent of parity. He will be lucky if he can maintain his level of income, because he would have reduced by 20 percent the production on which he received that 85 percent of parity.

I really believe that with the alternatives before us, the domestic parity proposal, which I understand will be put forward in the form of an amendment by the Senator from Kansas [Mr. CARLSON], is the optimum choice.

We are confronted with the urgent necessity of doing something about wheat, because we have this tremendous surplus on hand.

I point out that the surpluses are a national problem. Consequently we must bring into focus national resources in solving it. My major point of disagreement with S. 1968 is that we would, under it, try to solve a national problem through the pocketbook of the individual farmer. That is neither good economics nor good ethics, because the individual farmer is not responsible for the fact that under prevailing laws and programs we have this bounty of wheat which we have been unable to dispose of profitably, nor for the good weather which has given us an all-time high production in the crop year immediately past.

I believe that the farmers, under a temporary stopgap measure, can live with the Humphrey substitute. I do not believe it will give them what they should have. Neither will it give them the parity income to which they are entitled. It will not do for them what Congress has already done for labor in writing a minimum wage bill.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MUNDT. May I have the minute which was yielded to me conditionally?

Mr. AIKEN. I yield 1 minute on the bill.

Mr. MUNDT. It will not do for the farmer what Congress has done for the maritime industry. It will not do for the farmer what Congress has done for the publishing industry. It will not do for the farmer what Congress has done for the aircraft industry. But it will give recognition to the fact that if curtailment in production is made mandatory by law, at least some compensation should go to the farmer by way of a little higher percentage of parity than he would otherwise receive. I urge Senators to support the Humphrey amendment.

The PRESIDING OFFICER. The Senator from Louisiana has 1 minute remaining on the amendment.

Mr. AIKEN. I will yield back the time remaining to me if the Senator from Louisiana will yield back the remainder of his time.

Mr. ELLENDER. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

Mr. SYMINGTON. Mr. President, I offer an amendment which I ask to have read.

The PRESIDING OFFICER. The question first comes on the amendment offered by the Senator from Minnesota [Mr. HUMPHREY]. All time for debate having expired, the question is on agreeing to the amendment of the Senator from Minnesota.

Mr. SYMINGTON. Mr. President, I offer an amendment to the amendment of the Senator from Minnesota to reduce farm acreage allotments by 22 percent instead of 20 percent.

The PRESIDING OFFICER. The amendment to the amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. Wherever it occurs, in the amendment of the Senator from Minnesota, it is proposed to strike out "20 percent" and insert in lieu thereof "22 percent."

The PRESIDING OFFICER. The amendment of the Senator from Missouri to the amendment of the Senator from Minnesota is to reduce farm acreage allotments 22 percent. The Senator from Missouri has 15 minutes.

Mr. SYMINGTON. Mr. President, few would deny the seriousness of the present wheat situation.

The Commodity Credit Corporation as of March 31, 1959, had more than $3 billion invested in wheat. More than $2.1 billion of this is owned by the Government and is stored in warehouses, bins, Liberty ships, and elsewhere throughout the country.

Last year, with especially favorable weather conditions, wheat production established an all-time record of 1,462 million bushels. The estimate for the 1959 wheat crop is some 1,200 million bushels. At the same time, our needs for domestic and export purposes are approximately 1 billion bushels.

This means that in 1959, based on the Department of Agriculture's estimate of production, some 200 million bushels will be added to the present supplies. Storage costs on this inventory are phenomenal.

This situation cannot continue; something needs to be done. Public feeling over the failure of this program is increasing.

The Secretary of Agriculture has failed to present to Congress realistic proposals to meet the situation. Despite the fact that the past 6 years have proved that his lower price theory for solving the farm problem has not worked, all his recommendations involve further cutting of the price for wheat.

The Committee on Agriculture and Forestry has worked long and hard in trying to come forth with a sound program for dealing with the wheat crisis.

It is faced with an almost impossible task of molding the divergent views of the farm organizations.

Mr. President, the problems faced in solving this wheat situation can be capsuled into three or four areas.

First, we must take positive action to bring production in line with realistic need. There are two alternative ways of accomplishing this. One is to increase the use of wheat There are millions of hungry people throughout the world for whom our wheat would be a godsend. It is toward this end that I introduced a bill to require 25 percent of our foreign aid funds to be in the form of surplus agricultural commodities.

It is also toward this end that I joined the distinguished Senator from Minnesota [Mr. HUMPHREY] in sponsoring the food-for-peace bill.

As too often has been the case, the administration has opposed these bills, as well as other constructive approaches introduced both in the Senate and in the House.

Nevertheless, I am confident the leadership in Congress will take action on these and other measures designed to use greater quantities of wheat and other commodities as a blessing instead of an economic curse.

The best efforts along this line are not enough to utilize the productive capacity of the American wheat farmer. Therefore, it is essential that we take action to adjust production more nearly in line with requirements.

According to Department of Agriculture technicians, a reduction in acreage of approximately 20 percent below the 55 million national allotment now in effect would, under normal weather conditions, bring an approximate balance to supply and demand.

Mr. President, unless we take action and reduce production by at least this much, we will not have effectively dealt with the brunt of the wheat problem. Any lesser reduction will only add to the inventory. Wheat farmers, through their organizations, have indicated a willingness to make such a reduction.

As with all farmers, the wheat farmer is faced with high fixed and increasing variable costs. In order to meet his obligations and maintain a minimum standard of living for his family, he needs a certain minimum number of dollars. Volume times price minus costs gives him this minimum number of dollars. If his volume is to be reduced 20 percent, the wheat farmer needs a commensurate increase in price.

These are the basic economic facts of life facing the American farmer and which the administration in the Department of Agriculture has ignored during the past 6 years.

Therefore, if we are to solve the wheat problem, if we are to bring production into line with demand, then we must reduce allotments. To encourage compliance, price supports will be increased by 10 percent.

This is the type of proposal which I presented to the Committee on Agriculture and Forestry, and which a number of the members of the committee supported. It is now pending as an amendment to the bill.

This approach has the support of the National Association of Wheat Growers, the Farmers Union, and I believe the vast majority of the commercial wheat farmers in the United States.

If we really want to solve the wheat problem, the adoption of this amendment is of paramount importance.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. SYMINGTON. I am glad to yield.

Mr. HUMPHREY. It is always gratifying to have the active support of the distinguished Senator from Missouri in matters of agricultural policy, and in other matters, as well.

The Senator from Missouri has discussed not only the amendment which is now before the Senate, but also the whole farm problem in its broadest dimensions. The truth is that once in this country when a farmer received some price support he complied with the program; he engaged in acreage reductions and marketing quotas; he limited his productive capacity; and the Nation had a good farm program.

This administration has sold the American people a bill of goods—and cheap goods, at that. It has proposed a pretty lousy bill, too; namely, that by reducing prices and price supports, production will be reduced. I challenge the administration to produce one scintilla of evidence in behalf of so fallacious an assumption.

What is more, the administration's program is bent in one direction—namely, toward lower price supports with, at the same time, no controls.

A referendum was taken among corn farmers in all the commercial corn areas of the Nation. They are spread throughout the Nation. The referendum was participated in by less than 20 percent of the eligible voters. Only 20 percent participated, because those who were eligible did not really have anything to vote on; they had only a choice between two bad programs. So they took the one that imposed the least control and provided a guaranteed price of approximately $1.10 a bushel.

Mr. President, if nothing else comes out of this debate, I want to go on record as follows: More corn will be produced this year than in any other year in the Nation's history, unless an act of God results in a drought or unless some pestilence limits production in the corn-producing areas.

Mr. President, in the State of Minnesota, which is known for its corn production, the largest acreage has been planted to corn this year in the history of the State. So there will be more corn production than ever, and under what terms? Under the terms of the administration's program; and although the administration says its program will result in a decrease in production, actually it will cut the heart out of the agricultural economy. Mr. President, more limitations of that sort are being proposed year after year. But, thank goodness, some of us are standing up and fighting to provide the agricultural minority of the people of the country with some protection and some help.

I thank the Senator from Missouri for yielding to me.

Mr. SYMINGTON. Mr. President, I thank the Senator from Minnesota for his remarks in regard to protecting the agricultural segment as well as other segments of the country's economy.

Mr. President, in February of this year the Secretary of Agriculture promised the distinguished chairman of the Committee on Agriculture and Forestry that he would submit an omnibus bill. That was 4 months ago, Mr. President; and the Secretary of Agriculture has not yet fulfilled that promise.

Mr. President, it has become clearer and clearer that the basic concept of price support and production adjustment are being disregarded. Certainly production controls are not being enforced. And certainly there cannot be price supports unless the controls are enforced.

Mr. President, I yield to the distinguished chairman of the Committee on Agriculture and Forestry the remainder of the time available to me.

Mr. HUMPHREY. Mr. President, at this time will the Senator from Missouri yield to me, so that I may ask that the yeas and nays be ordered on the question of agreeing to my amendment?

Mr. SYMINGTON. Mr. President, I have already yielded to the Senator from Louisiana the remainder of the time under my control.

Mr. ELLENDER. Mr. President, I yield 10 minutes to the distinguished Senator from Colorado [Mr. ALLOTT].

The PRESIDING OFFICER. The Senator from Colorado is recognized for 10 minutes.

Mr. ALLOTT. Mr. President, I am very happy to speak on a subject which probably is as close to my heart as any subject in the world. But I must decry some of the reasoning which Senators have stated in regard to what is a minority of the population of the country; and it has been becoming an increasing smaller and smaller minority, not only during the Republican administration of the last 6 years, but also during the preceding years since 1930, and even prior to that time.

Mr. President, I do not wish to discuss this subject on a political basis; but neither am I willing to remain silent when I hear the administration castigated. Instead, I rise to its defense.

I am sorry the Senator from Minnesota has had to leave the floor for a moment. I hope he will return before I conclude my remarks, because I wish to address myself particularly to some of the remarks he made.

Unfortunately, Mr. President, in dealing with this matter Senators have used false syllogistic reasoning. As you will recall, Mr. President, a syllogism includes a major premise, a minor premise, and a conclusion. Senators have stated fairly well the major premise; but when they came to the minor premise and the conclusion, they have fallen into error.

For many years we had what is known as a high, fixed parity in the case of wheat and other agricultural commodities. Then we provided for flexible supports. I believe the theory of all who supported the flexible supports, espe-

cially in connection with the soil bank program, was that the combination of the two would bring about a balance of demand and supply which would tend to raise the prices of the agricultural commodities over the supported prices.

The statement—which has been made over and over again on the floor of the Senate—about what will happen simply by raising the support prices of these agricultural commodities is false. Because the flexible supports have been accompanied by increases in production, it is assumed—and this is where Senators fall into error in their reasoning—that if the supports are raised, the quantity of agricultural production will be reduced.

Mr. President, that is the greatest mistake any person who approaches this problem could possibly make. The reduction of the support prices is not the only cause of the increase in agricultural production. Another cause is the improved technology which has been applied to farming, and has permitted farmers to produce more and more and more from the same acreage as time has passed. That has been true, not only in the case of wheat, but also in the case of corn, cotton, and potatoes.

So, Mr. President, this problem should not be approached on the basis of a belief that simply by raising the support prices it will be possible to take care of some of the major problems—namely, the huge surpluses now in the hands of the Government and also the overproduction of goods.

Mr. President, I was going to submit an amendment—which I shall not submit now—but one of the weaknesses of the amendment of the Senator from Minnesota is that it calls for payments in kind. Mr. President, what would become of those payments in kind? It is true that, under his amendment, they would not be subject to a support price. But what would the farmer do with the wheat paid to him in kind? The wheat producer is not a cattleman; and—contrary to what we sometimes hear—wheat does not make good feed; at best, it is only a substitute feed for cattle. So what would become of the wheat?

In other words, under such a program, nothing would be done about the oversupply of wheat, because the wheat would still be in sight, whether it was in the storage bins or whether certificates for it had been given by the Government agency to the farmer; in any case, the wheat would still be there; nothing would have been done with it.

Mr. CARLSON. Mr. President, on that point, will the Senator from Colorado yield to me?

Mr. ALLOTT. I yield.

Mr. CARLSON. I believe the Senator from Colorado has made a very pertinent statement in regard to the provision of the Humphrey amendment for payments in kind. The Senator from Colorado knows as well as I do that in the Wheat Belt such payments in kind could not be fed; all the farmers could do would be to sell the wheat or use it; as I understand, they would not be allowed to obtain a loan for it, but only to sell it or use it.

Mr. ALLOTT. The farmer could sell it, but he could not obtain a support loan on it.

Mr. CARLSON. And, of course, that would have a serious effect on the market for wheat, provided the payments in kind were substantial.

Mr. CARROLL. Mr. President, will my colleague yield to me?

Mr. ALLOTT. I yield.

Mr. CARROLL. I asked the Senator from Minnesota that very question, because I did not understand what he meant by "payment in kind." I may be mistaken; but I understand that the wheat could be given to the farmer from the wheat in the Commodity Credit Corporation warehouses; and, if the information which I have received is correct, the farmer could sell the wheat on the open market for the market price.

Mr. ALLOTT. Yes, he could sell the wheat or he could feed it or he could do anything else he wanted to do with it, except receive the support price for it.

The PRESIDING OFFICER. The time yielded to the Senator from Colorado has expired.

Mr. ALLOTT. Mr. President, will the Senator from Louisiana yield 5 additional minutes to me?

Mr. ELLENDER. Mr. President, I yield 5 additional minutes to the Senator from Colorado.

The PRESIDING OFFICER. The Senator from Louisiana has 11 minutes remaining under his control, inasmuch as the Senator from Missouri [Mr. SYMINGTON] yielded 6 minutes of the time available to him to the Senator from Louisiana.

Mr. ELLENDER. Mr. President, I yield 5 additional minutes to the Senator from Colorado.

The PRESIDING OFFICER. The Senator from Colorado is recognized for 5 additional minutes.

Mr. ALLOTT. I thank the Senator from Louisiana.

The question of payment and repayment in kind is not new. It is a question which has been discussed at farm meetings all over the country. But the proposal will have a secondary effect which can be quite dangerous as far as the bill is concerned. If the great wheat producing areas of the country were to reduce acreage by 20 percent and the farmers were paid back in kind, the only thing they could do with the wheat is put it on the market as secondary feed. When they do that, it immediately affects prices of other grains and grain feeds, especially grains which are used as substitute feed in the great wheat producing areas. So not only would grain feed prices be affected, but we would get into the question of what would happen to the price of livestock.

I have discussed the latter problem with many economists. None of them are able to predict what will happen. The ones I have talked to think that eventually there will be a lowering of cattle prices, which at the present time are pretty good.

I agree that the purposes enumerated by the Senator from Minnesota are good. The objective is to cut back production, keep up income, reduce surpluses and Government stockpiles, and not support other surplus crops.

However, if the amendment of the Senator from Minnesota were adopted—and, of course, I am not in favor of the 22 percent provision for the same reasons the Senator from Kansas said he could not support the 20 percent provision—we would not be helping the problem of Government surpluses one iota. Instead, we would be opening a Pandora's box of other troubles with respect to secondary problems which would then plague us.

The Senator from Minnesota has said he will stand up and fight to protect the minority. Let me say to my friends in the Senate this is not a political question. The farmers of Louisiana are small farmers, as are the farmers of Colorado, the farmers of Kansas, the farmers of Indiana, and the farmers of other States. This is not a political question. The minute we put this question on a political basis, we shall get no farm legislation.

So far as making the administration the whipping boy on the question, let me say it is the responsibility of Congress to legislate on this subject. For 4 years, while I have been in the Senate, we have seen this problem growing and expanding. Congress has not legislated on the matter. I, for one, will not see the administration made the whipping boy when it is the responsibility of Congress to legislate in this field and when, so far, it has not done so.

I thank the Senator from Louisiana for yielding time to me.

Mr. SYMINGTON. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator from Missouri has 6 minutes remaining to him.

Mr. SYMINGTON. Mr. President, I favor the pending amendment because I believe it offers a real opportunity to reduce the current wheat inventory and, under the bill as it is now proposed, we do not have that opportunity.

Mr. ALLOTT. Mr. President, will the Senator yield for a question?

Mr. SYMINGTON. I yield for a question.

Mr. ALLOTT. If the Senator can show me how inventories can be reduced by paying back to the farmers in kind, to be disposed of as they see fit, I will concede him the point.

Mr. SYMINGTON. If we raise the price supports and reduce the allotments by 20 percent, the net inventory will be reduced. That is my position after studying the wheat situation. Therefore, I support the amendment proposed by the Senator from Minnesota and withdraw my amendment and yield back the time remaining to me.

The PRESIDING OFFICER. The Senator from Missouri has withdrawn his amendment.

Mr. MURRAY. Mr. President, I shall vote for the Humphrey amendment to the wheat bill, and will support the wheat bill if it is adopted, although I do not consider the level of price support being given the farmers—85 percent of parity—an adequate amount in view of the farmers' obligation to reduce wheat acreage by 20 percent.

We are asking the farmers, in effect, to pay for Ezra Taft Benson's blunders. Benson told us that lower price supports would result in decreased production of price-supported crops. Instead, there have been record crops as farmers have planted more acres in an effort to avoid bankruptcy. Wheat stocks are at an all-time high, and there is an obvious and urgent need for production control. But to cut the farmers' income further, after 6 years of continuing effort to subsist under Benson, will inevitably mean that many more families will have to leave the land.

I have long voted for 90 percent of parity farm price supports. The wheat farmers, for their part, have accepted acreage restrictions prescribed by law.

Now we are asking farmers to take deeper-than-usual acreage reductions and offering them, not 90-percent supports, but only 85-percent supports if they will accept the cuts. The offer should be 100 percent, but I recognize the impossibility of getting a bill which would be equitable to the farm people signed by the President and finally enacted into law.

In supporting the Humphrey amendment, I do so only because I believe it may prevent the complete collapse of a Federal wheat program, which appears to be the goal of the present administration.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota [Mr. HUMPHREY].

All time on the amendment having been yielded back, the question is on agreeing to the amendment of the Senator from Minnesota.

Mr. ELLENDER. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota [Mr. HUMPHREY]. The yeas and nays having been ordered, and all time on the amendment having been yielded back, the clerk will call the roll.

The legislative clerk called the roll.

Mr. HENNINGS. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Virginia [Mr. BYRD], the Senator from Idaho [Mr. CHURCH], the Senator from Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senators from Oklahoma [Mr. KERR and Mr. MONRONEY], the Senator from Montana [Mr. MANSFIELD], the Senator from Maine [Mr. MUSKIE], the Senator from Rhode Island [Mr. PASTORE], the Senator from Alabama [Mr. SPARKMAN], and the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

On this vote, the Senator from Alaska [Mr. BARTLETT] is paired with the Senator from Oklahoma [Mr. MONRONEY]. If present and voting, the Senator from Alaska would vote "nay" and the Senator from Oklahoma would vote "yea."

On this vote the Senator from Virginia [Mr. BYRD] is paired with the Senator from Massachusetts [Mr. KENNEDY]. If present and voting, the Senator from Virginia would vote "nay" and the Senator from Massachusetts would vote "yea."

On this vote, the Senator from Idaho [Mr. CHURCH] is paired with the Senator from Rhode Island [Mr. PASTORE]. If present and voting, the Senator from Idaho would vote "yea" and the Senator from Rhode Island would vote "nay."

On this vote, the Senator from Mississippi [Mr. EASTLAND] is paired with the Senator from Oklahoma [Mr. KERR]. If present and voting, the Senator from Mississippi would vote "nay" and the Senator from Oklahoma would vote "yea."

On this vote, the Senator from Maine [Mr. MUSKIE] is paired with the Senator from Alabama [Mr. SPARKMAN]. If present and voting, the Senator from Maine would vote "nay" and the Senator from Alabama would vote "yea."

On this vote, the Senator from Montana [Mr. MANSFIELD] is paired with the Senator from Vermont [Mr. PROUTY]. If present and voting, the Senator from Montana would vote "yea" and the Senator from Vermont would vote "nay."

I further announce that, if present and voting, the Senator from Tennessee [Mr. KEFAUVER], would vote "yea."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT], the Senator from California [Mr. KUCHEL], and the Senator from Vermont [Mr. PROUTY] are absent on official business.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Maryland [Mr. BUTLER], and the Senator from Kentucky [Mr. COOPER] are necessarily absent.

The Senator from Arizona [Mr. GOLDWATER] is absent by leave of the Senate.

The Senator from Utah [Mr. BENNETT], is paired with the Senator from Kentucky [Mr. COOPER]. If present and voting, the Senator from Utah would vote "nay" and the Senator from Kentucky would vote "yea."

On this vote, the Senator from Vermont [Mr. PROUTY] is paired with the Senator from Montana [Mr. MANSFIELD]. If present and voting, the Senator from Vermont would vote "nay" and the Senator from Montana would vote "yea."

The result was announced—yeas 30, nays 48, as follows:

YEAS—30

Carroll	Jackson	Mundt
Case, S. Dak.	Johnson, Tex.	Murray
Clark	Johnston, S.C.	Neuberger
Douglas	Langer	O'Mahoney
Gore	Magnuson	Proxmire
Hart	McCarthy	Schoeppel
Hartke	McGee	Symington
Hennings	McNamara	Yarborough
Hill	Morse	Young, N. Dak.
Humphrey	Moss	Young, Ohio

NAYS—48

Aiken	Dworshak	Long
Allott	Ellender	Martin
Anderson	Engle	McClellan
Beall	Ervin	Morton
Bible	Frear	Randolph
Bush	Fulbright	Robertson
Byrd, W. Va.	Green	Russell
Cannon	Gruening	Saltonstall
Capehart	Hayden	Scott
Carlson	Hickenlooper	Smathers
Case, N.J.	Holland	Smith
Chavez	Hruska	Stennis
Cotton	Javits	Talmadge
Curtis	Jordan	Thurmond
Dirksen	Keating	Wiley
Dodd	Lausche	Williams, Del.

NOT VOTING—20

Bartlett	Eastland	Monroney
Bennett	Goldwater	Muskie
Bridges	Kefauver	Pastore
Butler	Kennedy	Prouty
Byrd, Va.	Kerr	Sparkman
Church	Kuchel	Williams, N.J.
Cooper	Mansfield	

So Mr. HUMPHREY's amendment was rejected.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the bill (S. 57) to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes, with an amendment, in which it requested the concurrence of the Senate; that the House insisted upon its amendment to the bill; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SPENCE, Mr. BROWN of Georgia, Mr. PATMAN, Mr. RAINS, Mr. MCDONOUGH, Mr. WIDNALL, and Mr. BASS of New Hampshire were appointed managers on the part of the House at the conference.

HOUSING ACT OF 1959

Mr. ROBERTSON. Mr. President, I ask the Presiding Officer to lay before the Senate the message from the House of Representatives with regard to Senate bill 57, the Housing Act of 1959.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 57) to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes, which was to strike out all after the enacting clause and insert:

That this Act may be cited as the "Housing Act of 1959".

TITLE I—FHA INSURANCE PROGRAMS

Property improvement loans

SEC. 101. Section 2(a) of the National Housing Act is amended by striking out "September 30, 1959" and inserting in lieu thereof "October 1, 1960".

Section 203 residential housing insurance

SEC. 102. (a)(1) Section 203(b)(2) of the National Housing Act is amended by striking out "$20,000" and inserting in lieu thereof "$25,000".

(2) Section 203(b)(2) of such Act is further amended—

(A) by striking out "85 per centum" and inserting in lieu thereof "90 per centum";

(B) by striking out "$16,000" each place it appears and inserting in lieu thereof "$18,000"; and

(C) by striking out "70 per centum" and inserting in lieu thereof "75 per centum".

(3) Section 203(b)(2) of such Act is further amended by inserting after "unless the construction of the dwelling was completed more than one year prior to the application for mortgage insurance" the following: "or the dwelling was approved for guaranty, insurance, or direct loan under chapter 37 of title 38, United States Code, prior to the beginning of construction".

(b) Section 203(b)(3) of such Act is amended by striking out "thirty years" and inserting in lieu thereof "thirty-five years".

(c) Section 203(b)(8) of such Act is amended by striking out the period at the

end thereof and inserting in lieu thereof a colon and the following: *"Provided,* That such 85 per centum limitation shall not be applicable if the mortgagor and mortgagee assume responsibility in a manner satisfactory to the Commissioner for the reduction of the mortgage by an amount not less than 15 per centum of the outstanding principal amount thereof in the event the mortgaged property is not, prior to the due date of the eighteenth amortization payment of the mortgage, sold to a purchaser acceptable to the Commissioner who is the occupant of the property and who assumes and agrees to pay the mortgage indebtedness."

(d) Section 203(c) of such Act is amended by striking out all that precedes the first colon and inserting in lieu thereof the following:

"(c) The Commissioner is authorized to fix a premium charge for the insurance of mortgages under this title but in the case of any mortgage such charge shall be not less than an amount equivalent to one-fourth of 1 per centum per annum nor more than an amount equivalent to 1 per centum per annum of the amount of the principal obligation of the mortgage outstanding at any time, without taking into account delinquent payments or prepayments".

Low-cost housing in outlying areas

SEC. 103. Section 203(i) of the National Housing Act is amended—

(1) by striking out "$8,000" and inserting in lieu thereof "$9,000";

(2) by inserting after "97 per centum" the following: "(or, in any case where the dwelling is not approved for mortgage insurance prior to the beginning of construction, unless the construction of the dwelling was completed more than one year prior to the application for mortgage insurance or the dwelling was approved for guaranty, insurance, or direct loan under chapter 37 of title 38, United States Code, prior to the beginning of construction, 90 per centum)"; and

(3) by striking out ", and which is approved for mortgage insurance prior to the beginning of construction" and "the construction of".

Section 207 rental housing insurance

SEC. 104. (a) Section 207(c)(1) of the National Housing Act is amended by striking out "$12,500,000" and inserting in lieu thereof "$20,000,000".

(b)(1) Section 207(c)(2) of such Act is amended by striking out "90 per centum" each place it appears and inserting in lieu thereof "95 per centum".

(c) Section 207(c)(3) of such Act is amended by striking out—

(1) "$2,250" each place is appears and inserting in lieu thereof "$2,850";

(2) "$8,100" each place it appears and inserting in lieu thereof "$9,000";

(3) "$2,700" and inserting in lieu thereof "$3,315";

(4) "$8,400" and inserting in lieu thereof "$9,500"; and

(5) "$1,000 per room" and inserting in lieu thereof "$1,250 per room";

(6) "$1,000 per space" and inserting in lieu thereof "$1,500 per space"; and

(7) "$300,000" and inserting in lieu thereof "$400,000".

(d) The last paragraph of section 207(c) of such Act is amended by striking out "4½ per centum per annum" and inserting in lieu thereof "5 per centum per annum".

(e) Section 207 of such Act is further amended by adding at the end thereof the following new subsection:

"(r) Notwithstanding any other provision of this Act, the Commissioner is authorized to include in any mortgage insured under any title of this Act after the effective date of the Housing Act of 1959 a provision requiring the mortgagor to pay a service charge to the Commissioner in the event such mortgage is assigned to and held by the Commissioner. Such service charge shall not exceed the amount prescribed by the Commissioner for mortgage insurance premiums applicable to such mortgage."

Cooperative Housing Insurance

SEC. 105. (a) Section 213(b)(1) of the National Housing Act is amended by striking out "$12,500,000" and inserting in lieu thereof "$20,000,000".

(b) Section 213(b)(2) of such Act is amended to read as follows:

"(2) not to exceed, for such part of the property or project as may be attributable to dwelling use, $2,910 per room (or $9,000 per family unit if the number of rooms in such property or project is less than four per family unit), and not to exceed 97 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed physical improvements are completed: *Provided,* That if at least 50 per centum of the membership of the corporation or number of beneficiaries of the trust consists of veterans, the mortgage may involve a principal obligation not to exceed $2,970 per room (or $9,500 per family unit if the number of rooms in such property or project is less than four per family unit), and not to exceed the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed physical improvements are completed: *Provided further,* That as to projects which consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitation of $2,910 per room to not to exceed $3,395, the dollar amount limitation of $2,970 per room to not to exceed $3,465, the dollar amount limitation of $9,000 per family unit to not to exceed $9,400, and the dollar amount limitation of $9,500 per family unit to not to exceed $9,900, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design: *Provided further,* That the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations by not to exceed $1,250 per room, without regard to the number of rooms being less than four, or four or more, in any geographical area where he finds that cost levels so require: *Provided further,* That in the case of a mortgagor of the character described in paragraph (3) of subsection (a) the mortgage shall involve a principal obligation in an amount not to exceed 90 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed physical improvements are completed: *Provided further,* That upon the sale of a property or project by a mortgagor of the character described in paragraph (3) of subsection (a) to a nonprofit cooperative ownership housing corporation or trust within two years after the completion of such property or project the mortgage given to finance such sale shall involve a principal obligation in an amount not to exceed the maximum amount computed in accordar ce with this subsection without regard to the preceding proviso: *And provided further,* That for the purposes of this section the term 'veteran' shall mean persons who have served in the active military or naval service of the United States at any time on or after April 6, 1917, and prior to November 12, 1918, or on or after September 16, 1940, and prior to July 26, 1947, or on or after June 27, 1950, and prior to February 1, 1955."

(c) Section 213(d) of such Act is amended by adding at the end thereof a new sentence as follows: "Property held by a corporation or trust of the character described in paragraph numbered (2) of subsection (a) of this section which is covered by a mortgage insured under this section may include such community facilities, and property held by a mortgagor of the character described in paragraph numbered (3) of subsection (a) of this section which is covered by a mortgage insured under this section may include such commercial and community facilities, as the Commissioner deems adequate to serve the occupants."

(d) Section 213 of such Act is further amended by adding at the end thereof the following new subsection:

"(i) Nothing in this Act shall be construed to prevent the insurance of a mortgage executed by a mortgagor of the character described in paragraph (1) of subsection (a) of this section covering property upon which dwelling units and related facilities have been constructed prior to the filing of the application for mortgage insurance hereunder: *Provided,* That the Commissioner determines that the consumer interest is protected and that the mortgagor will be a consumer cooperative: *Provided further,* That in the case of properties other than new construction, the limitations in this section upon the amount of the mortgage shall be based upon the appraised value of the property for continued use as a cooperative rather than upon the Commissioner's estimate of the replacement cost: *And provided further,* That as to any project on which construction was commenced after the effective date of this subsection, the mortgage on such project shall be eligible for insurance under this section only in those cases where the construction was subject to inspection by the Commissioner and where there was compliance with the provisions of section 212 of this title. As to any project on which construction was commenced prior to the effective date of this subsection, such inspection, and compliance with the provisions of section 212 of this title, shall not be a prerequisite."

(e)(1) Section 213 of such Act is further amended by adding after subsection (i) (as added by subsection (d) of this section) the following new subsections:

"(j) There is hereby created a Cooperative Management Housing Insurance Fund (herein referred to as the 'Management Fund') which shall be used by the Commissioner as a revolving fund for carrying out the provisions of this title with respect to mortgages insured under subsection (a)(1) and subsection (a)(3) pursuant to commitments issued on or after the date of the enactment of the Housing Act of 1959 or mortgage insurance or commitments reissued under subsection (n). The Commissioner is directed to transfer to the Management Fund the sum of $2,000,000 from the Housing Insurance Fund established pursuant to section 207(f). General expenses of operation of the Federal Housing Administration relating to mortgages the mortgage insurance for which is the obligation of the Management Fund may be charged to the Management Fund.

(k) The Commissioner shall establish, as of the enactment of the Housing Act of 1959, in the Management Fund, a General Surplus Account and a Participating Reserve Account. The aggregate net income thereafter received or any net loss thereafter sustained by the Management Fund in any semiannual period shall be credited or charged to the General Surplus Account and/or the Participating Reserve Account in such manner and amounts as the Commissioner may determine to be in accord with sound acturial and accounting practice. Upon termination of the insurance obligation of the Management Fund by payment of any mortgage insured thereunder and/or at such time or times prior to such termination as the Commissioner may determine, the Commissioner is authorized to distribute to the mortgagor a share of the Participating Reserve Account in such

manner and amount as the Commissioner shall determine to be equitable and in accordance with sound actuarial and accounting practice: *Provided,* That, in no event shall the amount of such distributive share exceed the aggregate scheduled annual premiums of the mortgagor to the year of payment of such share less the total amount of any share or shares previously distributed by the Commisisoner to the mortgagor: *And provided further,* That in no event may any such distributive shares be distributed until any funds transferred to the Management Fund pursuant to section 219 have been repaid in full to the transferring fund. No mortgagor or mortgagee shall have any vested right in a credit balance in any such account or be subject to any liability arising out of the mutuality of the Management Fund, and the determination of the Commissioner as to the amount to be paid by him to any mortgagor shall be final and conclusive.

"(1) There is hereby created a Cooperative Sales Housing Insurance Fund (herein referred as to the 'Sales Fund') which shall be used by the Commissioner as a revolving fund for carrying out the provisions of this title with respect to mortgages insured under subsection (a) (2) and individual mortgages insured under subsection (d) pursuant to commitments issued on or after the date of the enactment of the Housing Act of 1959 or mortgage insurance or commitments reissued under subsection (n). The Commissioner is directed to transfer to the Sales Fund the sum of $1,000,000 from the Housing Insurance Fund established pursuant to section 207(f). General expenses of the operation of the Federal Housing Administration relating to mortgages the mortgage insurance for which is the obligation of the Sales Fund may be charged to the Sales Fund.

"(m) The Commissioner shall establish, as of the enactment of the Housing Act of 1959, in the Sales Fund, a General Surplus Account and a Participating Reserve Account. The aggregate net income thereafter received or any net loss thereafter sustained by the Sales Fund in any semiannual period shall be credited or charged to the General Surplus Account and/or the Participating Reserve account in such manner and amounts as the Commissioner may determine to be in accordance with sound actuarial and accounting practice. Upon termination of the insurance obligation of the Sales Fund by payment of any mortgage insured thereunder, the Commissioner is authorized to distribute to the mortgagor a share of the Participating Reserve Account in such manner and amount as the Commissioner shall determine to be equitable and in accordance with sound actuarial and accounting practice: *Provided,* That in no event shall any such distributive share exceed the aggregate scheduled annual premiums of the mortgagor to the year of termination of the insurance: *And provided further,* That in no event may any such distributive share be distributed until any funds transferred to the Sales Fund pursuant to section 219 have been repaid in full to the transferring fund. No mortgagor or mortgagee shall have any vested right in a credit balance in any such account, or be subject to any liability arising out of the mutuality of the Sales Fund, and the determination of the Commissioner as to the amount to be paid by him to any mortgagor shall be final and conclusive.

"(n) The Commissioner shall be empowered to reissue under the Management Fund or the Sales Fund, as the case may be, commitments or the mortgage insurance for any mortgage insured under this section pursuant to a commitment issued prior to the date of the enactment of the Housing Act of 1959, provided the consent of the mortgagees to such reissuance is obtained, or a request by the mortgagee for such reissuance is received, by the Commissioner within ninety days after the date of the enactment of the Housing Act of 1959; but the mortgage insurance for any such mortgage shall not be reissued under this subsection if on the date of the enactment of the Housing Act of 1959 the mortgage is in default and the mortgagee has notified the Commissioner in writing of its intention to file claim for debentures. Any insurance or commitment not so reissued shall not be affected by the enactment of the Housing Act of 1959."

(2) Section 207(f) of such Act is amended by striking out "and section 213" each place it appears and inserting in lieu thereof "and (except with respect to mortgages the mortgage insurance for which is the obligation of the Cooperative Managament Housing Insurance Fund or the Cooperative Sales Housing Insurance Fund) section 213".

(3) Section 213(a)(3) of such Act is amended by striking out the semicolon at the end thereof and inserting in lieu of such semicolon a colon and the following: *"Provided,* That as to mortgages the mortgage insurance for which is the obligation of the Management Fund such stock or interest shall be paid for out of the Management Fund;".

(4) Section 213(a) of such Act is further amended by striking out the period at the end thereof and inserting in lieu of such period a colon and the following: *"Provided,* That as applied to mortgages the mortgage insurance for which is the obligation of the Sales Fund, the reference to the Housing Fund in section 207(b)(2) shall refer to the Sales Fund: *Provided further,* That as applied to mortgages the mortgage insurance for which is the obligation of the Management Fund, the reference to the Housing Fund in section 207(b)(2) shall refer to the Management Fund."

(5) Section 213(e) of such Act is amended to read as follows:

"(e)(1) The provisions of subsections (d), (e), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 shall apply to mortgages insured under subsection (a)(1) and subsection (a)(3) of this section, except that as applied to mortgages the mortgage insurance for which is the obligation of the Management Fund pursuant to section 213(j), (A) all references to the Housing Insurance Fund or Housing Fund shall refer to the Management Fund, and (B) all references to section 207 or 210 shall refer to subsection (a)(1) and subsection (a)(3) of this section.

"(2) The provisions of subsections (d), (e), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 shall apply to mortgages insured under subsection (a)(2) of this section, except that as applied to mortgages the mortgage insurance for which is the obligation of the Sales Fund pursuant to section 213(l), (A) all references to the Housing Insurance Fund or Housing Fund shall refer to the Sales Fund, and (B) all references to section 207 or 210 shall refer to subsection (a)(2) of this section.

"(3) The provisions of subsections (a), (c), (d), (e), (f), (g), (h), (j), and (k) of section 204 and subsection (p) of section 207 shall apply to individual mortgages insured under subsection (d) of this section, except that as applied to mortgages the mortgage insurance for which is the obligation of the Sales Fund pursuant to section 213(l), (A) all references to the Housing Insurance Fund or the Housing Fund in subsections (c), (d), and (f) of section 204 and subsection (p) of section 207 shall refer to the Sales Fund, and (B) all references to section 207 or 210 in subsections (c), (d), and (f) of section 204 and subsection (p) of section 207 shall refer to subsection (d) of this section."

(6) Section 219 of such Act is amended by striking out "or the Servicemen's Mortgage Insurance Fund" and inserting in lieu thereof "the Servicemen's Mortgage Insurance Fund, the Cooperative Management Housing Insurance Fund, or the Cooperative Sales Housing Insurance Fund".

Increased mortgage amounts in Alaska, Guam, and Hawaii

SEC. 106. The first sentence of section 214 of the National Housing Act is amended by inserting after "maximum or maxima otherwise applicable" the following: "(including increased mortgage amounts in geographical areas where cost levels so require)".

FHA mortgage insurance authorization

SEC. 107. (a) Section 217 of the National Housing Act is amended by striking out "$7,000,000,000" and inserting in lieu thereof "$13,000,000,000".

(b) Section 217 of such Act is amended, effective July 1, 1959, by (1) striking out "July 1, 1956" and inserting in lieu thereof "July 1, 1959", and (2) striking out "$13,000,000,000" and inserting in lieu thereof "$4,000,000,000".

Repeal of obsolete provision

SEC. 108. Section 218 of the National Housing Act is repealed.

Section 220 mortgage insurance

SEC. 109. (a)(1) Clause (i) of subsection (d)(3)(A) of section 220 of the National Housing Act is amended by striking out "$20,000" and inserting in lieu thereof "$25,000".

(2) Subsection (d)(3)(A)(i) of section 220 of such Act is further amended—

(A) by striking out "85 per centum" and inserting in lieu thereof "90 per centum";

(B) by striking out "$16,000" each place it appears and inserting in lieu thereof "$18,000"; and

(C) by striking out "70 per centum" and inserting in lieu thereof "75 per centum".

(3) Subsection (d)(3)(A)(ii) of section 220 of such Act is amended by inserting before the semicolon at the end thereof a colon and the following: *"Provided,* That such 85 per centum limitation shall not be applicable if the mortgagor and mortgagee assume responsibility in a manner satisfactory to the Commissioner for the reduction of the mortgage by an amount not less than 15 per centum of the outstanding principal amount thereof in the event the mortgaged property is not, prior to the due date of the eighteenth amortization payment of the mortgage, sold to a purchaser acceptable to the Commissioner who is the occupant of the property and who assumes and agrees to pay the mortgage indebtedness".

(b) Subsection (d)(3)(B)(i) of section 220 of such Act is amended by striking out "$12,500,000" and inserting in lieu thereof "$20,000,000".

(c) Subsection (d)(3)(B)(iii) of section 220 of such Act is amended—

(1) by striking out "$2,250" each place it appears and inserting in lieu thereof "2,700";

(2) by striking out "$8,100" each place it appears and inserting in lieu thereof "$9,000";

(3) by striking out "$2,700" and inserting in lieu thereof "$3,150";

(4) by striking out "$8,400" and inserting in lieu thereof "$9,500"; and

(5) by striking out "$1,000" and inserting in lieu thereof "$1,250".

Section 221 relocation housing mortgage insurance

SEC. 110. (a) Section 221(d)(2) of the National Housing Act is amended by striking out "$9,000" and "$10,000" and inserting in lieu thereof "$10,000" and "$12,000", respectively.

(b) Section 221(d) of such Act is further amended—

(1) by striking out "$9,000" and "$10,000" in paragraph (3) and inserting in lieu thereof "$10,000" and "$12,000", respectively;

(2) by striking out "the Commissioner's estimate of the value of the property or project when constructed, or repaired and rehabilitated" in paragraph (3) and inserting in lieu thereof "the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are completed in the case of a property or project approved for mortgage insurance prior to the beginning of construction, or the Commissioner's estimate of the value of the property or project when the proposed repair and rehabilitation is completed if the proceeds of the mortgage are to be used for the repair and rehabilitation of the property or project";

(3) by striking out "and" at the end of paragraph (3) and inserting in lieu thereof "or"; and

(4) by redesignating paragraph (4) as paragraph (5) and inserting after paragraph (3) the following new paragraph:

"(4) if executed by a mortgagor which is not a nonprofit organization, and which is approved by the Commissioner—

"(i) not exceed $12,500,000;

"(ii) not exceed $10,000 per family unit for such part of such property or project as may be attributable to dwelling use, except that the Commissioner may by regulation increase this amount to not to exceed $12,000 in any geographical area where he finds that cost levels so require;

"(iii) not exceed (in the case of a property or project approved for mortgage insurance prior to the beginning of construction) 90 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are completed (the replacement cost may include the land, the proposed physical improvements, utilities within the boundaries of the land, architect's fees, taxes, interest during construction, and other miscellaneous charges incident to construction and approved by the Commissioner, and shall include an allowance for builder's and sponsor's profit and risk of 10 per centum of all of the foregoing items except the land unless the Commissioner, after certification that such allowance is unreasonable, shall by regulation prescribe a lesser percentage); and

"(iv) not exceed 90 per centum of the Commissioner's estimate of the value of the property or project when the proposed repair and rehabilitation is completed if the proceeds of the mortgage are to be used for the repair and rehabilitation of a property or project:

Provided, That such property or project when constructed, or repaired and rehabilitated, shall be for use as rental accommodations for ten or more families eligible for occupancy as provided in this section: *And provided further,* That the Commissioner may, in his discretion, require the mortgagor to be regulated or restricted as to rents or sales, charges, capital structure, rate of return and methods of operation, and for such purpose the Commissioner may make such contracts with and acquire for not to exceed $100 such stock or interest in any such mortgagor as the Commissioner may deem necessary to render effective such restrictions or regulations, with such stock or interest being paid for out of the Section 221 Housing Insurance Fund and being required to be redeemed by the mortgagor at par upon the termination of all obligations of the Commissioner under the insurance; and".

(c) Section 221(g)(2) of such Act is amended by striking out "paragraph (3)" and inserting in lieu thereof "paragraph (3) or (4)".

(d) Section 212(a) of such Act is amended by adding at the end thereof the following new sentence: "The provisions of this section shall apply to the insurance under section 221 of any mortgage described in subsection (d)(4) thereof which covers property on which there is located a dwelling or dwellings designed principally for residential use for ten or more families."

Servicemen's housing mortgage insurance

SEC. 111. Section 222(b) of the National Housing Act is amended—

(1) by inserting "or 203(1)" after "203(b)" in paragraph (1); and

(2) by striking out "$17,100" in paragraph (2) and inserting in lieu thereof the following: "$20,000, except that in the case of a mortgage meeting the requirements of section 203(i) such principal obligation shall not exceed $9,000".

Builder's cost certification

SEC. 112. Section 227(a) of the National Housing Act is amended by striking out clause (iv) and inserting in lieu thereof the following: "(iv) under section 221 if the mortgagor meets the requirements of paragraph (3) or paragraph (4) of subsection (d) thereof,".

Mortgage insurance for nursing homes

SEC. 113. (a) Title II of the National Housing Act is amended by adding at the end thereof the following new section:

"Mortgage insurance for nursing homes

"SEC. 229. (a) The purpose of this section is to assist the provision of urgently needed nursing homes for the care and treatment of convalescents and other persons who are not acutely ill and do not need hospital care but who require skilled nursing care and related medical services.

"(b) For the purposes of this section—

"(1) the term 'nursing home' means a proprietary facility, licensed or regulated by the State (or, if there is no State law providing for such licensing and regulation by the State, by the municipality or other political subdivision in which the facility is located), for the accommodation of convalescents or other persons who are not acutely ill and not in need of hospital care but who require skilled nursing care and related medical services, in which such nursing care and medical services are prescribed by, or are performed under the general direction of, persons licensed to provide such care or services in accordance with the laws of the State where the facility is located; and

"(2) the terms 'mortgage' and 'mortgagor' shall have the meanings respectively set forth in section 207(a) of this Act.

"(c) The Commissioner is authorized to insure any mortgage (including advances on such mortgage during construction) in accordance with the provisions of this section upon such terms and conditions as he may prescribe and to make commitments for insurance of such mortgage prior to the date of its execution or disbursements thereon.

"(d) In order to carry out the purpose of this section, the Commissioner is authorized to insure any mortgage which covers a new or rehabilitated nursing home, subject to the following conditions:

"(1) The mortgage shall be executed by a mortgagor approved by the Commissioner. The Commissioner may in his discretion require any such mortgagor to be regulated or restricted as to charges and methods of operation, and, in addition thereto, if the mortgagor is a corporate entity, as to capital structure and rate of returns. As an aid to the regulation or restriction of any mortgagor with respect to any of the foregoing matters, the Commissioner may make such contracts with and acquire for not to exceed $100 such stock or interest in such mortgagor as he may deem necessary. Any stock or interest so purchased shall be paid for out of the Section 207 Housing Insurance Fund, and shall be redeemed by the mortgagor at par upon the termination of all obligations of the Commissioner under the insurance.

"(2) The mortgagor shall involve a principal obligation in an amount not to exceed $1,000,000, and not to exceed 75 per centum of the estimated value of the property or project when the proposed improvements are completed.

"(3) The mortgage shall—

"(A) provide for complete amortization by periodic payments within such terms as the Commissioner shall prescribe; and

"(B) bear interest (exclusive of premium charges for insurance) at not to exceed 5 per centum per annum of the amount of the principal obligation outstanding at any time.

"(4) The Commissioner shall not insure any mortgage under this section unless he has received, from the State agency designated in accordance with section 612(a)(1) of the Public Health Service Act for the State in which is located the nursing home covered by the mortgage, a certification that there is a need for such nursing home.

"(e) The Commissioner may consent to the release of a part or parts of the mortgaged property or project from the lien of any mortgage insured under this section upon such terms and conditions as he may prescribe.

"(f) The provisions of subsections (d), (e), (f), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 shall apply to mortgages insured under this section, and all references therein to section 207 shall refer to this section."

(b) Section 212(a) of such Act is amended by adding at the end thereof (after the sentence added by section 110(d) the following new sentence: "The provisions of this section shall also apply to the insurance of any mortgage under section 229."

Technical amendments

SEC. 114. (a) Section 8(g) of the National Housing Act is amended by striking out "and (h) of section 204" and inserting in lieu thereof "(h), (j), and (k) of section 204".

(b) Sections 220(f)(1), 221(g)(1), 222(e), and 809(e) of such Act are each amended by striking out "and (j) of section 204" and inserting in lieu thereof "(j) and (k) of section 204".

Inclusion of conveyance costs in debentures

SEC. 115. Section 204(k) of such Act is amended to read as follows:

"(k) Notwithstanding any other provision of this section or of section 604 or 904 and with respect to any debentures issued in exchange for properties conveyed to and accepted by the Commissioner after the effective date of the Housing Act of 1959 in accordance with such sections, the Commissioner may: (1) include in debentures reasonable payments made by the mortgagee with the approval of the Commissioner for the purpose of protecting, operating, or preserving the property, and taxes imposed upon any deed or any other instrument by which the property was acquired by the mortgagee and transferred or conveyed to the Commissioner; (2) include in debentures as a portion of foreclosure costs (to the extent that foreclosure costs may be included in such debentures by any other provision of this Act) payments made by the mortgagee for the cost of acquiring the property and conveying and evidencing title to the property to the Commissioner; and (3) terminate the mortgagee's obligation to pay mortgage insurance premiums upon receipt of an application for debentures filed by the mortgagee, or in the event the contract of insurance is terminated pursuant to section 230."

Voluntary termination of insurance

SEC. 116. Title II of the National Housing Act is further amended by adding after section 229 (as added by section 113 of this Act) the following new section:

"Voluntary termination of insurance

"SEC. 230. Notwithstanding any other provision of this Act and with respect to any mortgage covering a one-, two-, three-, or four-family residence heretofore or hereafter

insured under this Act, the Commissioner is authorized to terminate any mortgage insurance contract upon request by the mortgagor and mortgagee and upon payment of such termination charge as the Commissioner determines to be equitable, taking into consideration the necessity of protecting the various insurance funds. Upon such termination mortgagors and mortgagees shall be entitled to the rights, if any, to which they would be entitled under this Act if the insurance contract were terminated by payment in full of the insured mortgage."

TITLE II—HOUSING FOR ELDERLY PERSONS

SEC. 201. (a) The purpose of this title is to assist private nonprofit corporations to provide housing and related facilities for elderly families and elderly persons.

(b) In order to carry out the purpose of this title, the Administrator may make loans to any corporation (as defined in section 204(2)) for the provision of rental housing and related facilities for elderly families and elderly persons, except that (1) no such loan shall be made unless the corporation shows that it is unable to secure the necessary funds from other sources upon terms and conditions equally as favorable as the terms and conditions applicable to loans under this title, and (2) no such loan shall be made unless the Administrator finds that the construction will be undertaken in an economical manner, and that it will not be of elaborate or extravagant design or materials.

(c) A loan to a corporation under this title may be in an amount not exceeding 98 per centum of the total development cost (as defined in section 204(3)), as determined by the Administrator; shall be secured in such manner and be repaid within such period, not exceeding fifty years, as may be determined by him; and shall bear interest at a rate determined by him which shall be not more than 3½ per centum per annum.

(d) There is authorized to be appropriated not to exceed $100,000,000, which shall constitute a revolving fund to be used by the Administrator in carrying out this title. The amount outstanding from such fund at any one time for related facilities (as defined in section 204(8) shall not exceed $10,000,000.

SEC. 202. In the performance of, and with respect to, the functions, powers, and duties vested in him by this title the Administrator shall (in addition to any authority otherwise vested in him) have the functions, powers, and duties set forth in section 402 (except subsection (c)(2)) of the Housing Act of 1950.

SEC. 203. (a) Housing constructed with a loan made under this title shall not be used for transient or hotel purposes while such loan is outstanding.

(b) As used in subsection (a), the term "transient or hotel purposes" shall have such meaning as may be prescribed by the Administrator, but rental for any period less than thirty days shall in any event constitute use for such purposes. The provisions of subsections (f) through (j) of section 513 of the National Housing Act (as added by section 132 of the Housing Act of 1954) shall apply in the case of violations of subsection (a) as though the housing described in such subsection were multifamily housing (as defined in section 513(e)(2) of the National Housing Act) with respect to which a mortgage is insured under such Act, except that for purposes of this section the Administrator shall perform the functions vested in the Commissioner by such section 513.

(c) The Administrator shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors and subcontractors in the construction of housing assisted under this title shall be paid wages at rates not less than those prevailing in the locality involved for the corresponding classes of laborers and mechanics employed on construction of a similar character, as determined by the Secretary of Labor in accordance with the Act of March 3, 1931, as amended (the Davis-Bacon Act); but the Administrator may waive the application of this subsection in cases or classes of cases where laborers or mechanics, not otherwise employed at any time in the construction of such housing voluntarily donate their services without full compensation for the purpose of lowering the costs of construction and the Administrator determines that any amounts saved thereby are fully credited to the corporation undertaking the construction.

SEC. 204. As used in this title—

(1) The term "housing" means (A) new structures suitable for dwelling use by elderly families and new structures suitable for such use by one or more elderly persons, and (B) dwelling facilities provided by rehabilitation, alteration, conversion, or improvement of existing structures which are otherwise inadequate for proposed dwelling use by such families and persons.

(2) The term "corporation" means any incorporated private institution or foundation no part of the net earnings of which inures to the benefit of any private shareholder, contributor, or individual, if such institution or foundation is approved by the Administrator as to financial responsibility.

(3) The term "development cost" means costs of construction of housing and of other related facilities, and of the land on which it is located, including necessary site improvement.

(4) The term "elderly families" means families the head of which (or his spouse) is sixty-two years of age or over; and the term "elderly persons" means persons who are sixty-two years of age or over. The Administrator shall prescribe such regulations as may be necessary to prevent abuses in determining, under the definitions contained in this paragraph, the eligibility of families and persons for admission to and occupancy of housing constructed with assistance under this title.

(5) The term "State" includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the Territories and possessions of the United States.

(6) The term "Administrator" means the Housing and Home Finance Administrator.

(7) The term "construction" means erection of new structures, or rehabilitation, alteration, conversion, or improvement of existing structures.

(8) The term "related facilities" means (A) new structures suitable for use as cafeterias or dining halls, community rooms or buildings, or infirmaries or other inpatient or outpatient health facilities, or for other essential service facilities, and (B) structures suitable for the above uses provided by rehabilitation, alteration, conversion, or improvement of existing structures which are otherwise inadequate for such uses.

TITLE III—FEDERAL NATIONAL MORTGAGE ASSOCIATION

SEC. 301. Section 302(b) of the National Housing Act is amended by striking out "exceeds or exceeded $15,000 for each family residence or dwelling unit covered by the mortgage" and inserting in lieu thereof "exceeds or exceeded, for each family residence or dwelling unit covered by the mortgage, $18,000 in the case of a mortgage to be purchased under section 304 or $17,500 in the case of a mortgage to be purchased under section 305".

SEC. 302. (a) Section 301(a) of the National Housing Act is amended by inserting before the semicolon at the end thereof the following: ", and by aiding in the stabilization of the mortgage market".

(b) Section 304(a) of such Act is amended by striking out the last three sentences and inserting in lieu thereof the following: "The Association shall, from time to time, establish and publish prices to be paid by it for mortgages purchased by it in its secondary market operations under this section. The volume of the Association's purchases and sales and the establishment of purchase prices, sales prices, and charges or fees in its secondary market operations under this section shall be so conducted as to promote the interests of the national economy by aiding in the stabilization of the mortgage market to the maximum extent consistent with sound operation, and within the reasonable capacity of the Association to sell its obligations to private investors. The Association shall buy at such prices and on such terms as will reasonably prevent excessive use of the Association's facilities and permit the Association to operate within its income derived from such secondary market operations and to be fully self-supporting. Notwithstanding any other provision of this section, advance commitments to purchase mortgages in secondary market operations under this section shall be issued only at prices which are sufficient to facilitate advance planning of home construction, but which are sufficiently below the price then offered by the Association for immediate purchase to prevent excessive sales to the Association pursuant to such commitments."

(c) The last sentence of section 304(a) of such Act, as amended by subsection (b) of this section, is amended by striking out "advance planning of home construction" and inserting in lieu thereof "home financing".

SEC. 303. (a) Section 305(b) of such Act is amended—

(1) by striking out "August 7, 1958" and inserting in lieu thereof "September 30, 1960 (except in the case of mortgages purchased pursuant to contracts made on or after August 8, 1958, and prior to the date of the enactment of the Housing Act of 1959)";

(2) by striking out "1½ per centum" and inserting in lieu thereof "1 per centum"; and

(3) by striking out "one-half" and inserting in lieu thereof "one-fourth".

(b) Section 305(e) of such Act is amended—

(1) by striking out "which do not exceed $200,000,000 outstanding at any one time" and inserting in lieu thereof "not exceeding $200,000,000 at any one time, which limit shall be increased by such amounts, not exceeding $75,000,000, as may be specified from time to time in appropriation Acts";

(2) by inserting after "$20,000,000 outstanding at any one time" the following: ", which limit shall be increased by such amounts, not exceeding $7,500,000, as may be specified from time to time in appropriation Acts";

(3) by striking out "a consumer cooperative, and (2)" and inserting in lieu thereof the following: "a consumer cooperative, which amount shall be increased by such amounts, not exceeding $37,500,000, as may be specified from time to time in appropriation Acts, (2) of the total amount of advance commitment contracts and purchase transactions authorized by this subsection, such amounts not exceeding $37,500,000 as may be specified from time to time in appropriation Acts shall be available solely for commitments or purchases of mortgages where the cooperative involved is a builder-sponsor cooperative, and (3)"; and

(4) by striking out "which are not of the type described in clause (1) of this proviso" and inserting in lieu thereof "other than those certified by the Commissioner as consumer cooperatives under clause (1) of this proviso, which amount shall be increased by such amounts, not exceeding $7,500,000, as may be specified from time to time in appropriation Acts".

SEC. 304. (a) That part of the first sentence of section 302(b) of the National Housing Act which precedes the colon is amended by striking out "to make commitments to purchase and to purchase, service, or sell," and

by substituting therefor "to purchase, lend (under section 304) on the security of, service, or sell, pursuant to commitments or otherwise,".

(b) The first sentence of section 303(b) of such Act is amended by inserting immediately before the period at the end thereof the following: "; and by requiring each borrower to make such payments, equal to not more than one-half of 1 per centum of the amount lent by the Association to such borrower under section 304".

(c) The first sentence of section 303(c) of such Act is amended by inserting "or borrower" after "seller" each place it appears.

(d) Section 304(a) of such Act is amended by inserting "(1)" before "To carry out", and by adding at the end thereof the following new paragraph:

"(2) To carry out further the purposes set forth in paragraph (a) of section 301, the Association is authorized to make loans which are secured by residential or home mortgages insured or guaranteed under this Act, the Servicemen's Readjustment Act of 1944, or chapter 37 of title 38, United States Code. In the interest of assuring sound operation, any loan made by the Association in its secondary market operations under this section shall not exceed 90 per centum of the unpaid principal balances of the mortgages securing the loan, shall bear interest at a rate consistent with general loan policies established from time to time by the Association's board of directors, and shall mature in not more than twelve months. The volume of the Association's lending activities and the establishment of its loan ratios, interest rates, maturities, and charges or fees, in its secondary market operations under this section, should be determined by the Association from time to time; and such determinations, in conjunction with determinations made under paragraph (1), should be consistent with the objectives that the lending activities should be conducted on such terms as will reasonably prevent excessive use of the Association's facilities, and that the operations of the Association under this section should be within its income derived from such operations and that such operations should be fully self-supporting. The aggregate amount of all loans outstanding at any one time under this paragraph shall not exceed 10 per centum of the Association's total borrowing authority under this section. Notwithstanding any Federal, State, or other law to the contrary, the Association is hereby empowered, in connection with any loan under this section, whether before or after any default, to provide by contract with the borrower for the settlement or extinguishment, upon default, of any redemption, equitable, legal, or other right, title, or interest of the borrower in any mortgage or mortgages that constitute the security for the loan; and with respect to any such loan, in the event of default and pursuant otherwise to the terms of the contract, the mortgages that constitute such security shall become the absolute property of the Association."

(e) Section 304(b), section 309(c), and section 310 of such Act are each amended by inserting "or other security holdings" after "mortgages".

SEC. 305. (a) Sections 304(b) and 306(b) of the National Housing Act are amended by striking out "and bonds or other obligations of, or bonds or other obligations guaranteed as to principal and interest by, the United States" and inserting in lieu thereof "and obligations of the United States or guaranteed thereby, or obligations which are lawful investments for fiduciary, trust, or public funds".

(b) Section 310 of such Act is amended by striking out "in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States" and inserting in lieu thereof "in obligations of the United States or guaranteed thereby, or in obligations which are lawful investments for fiduciary, trust, or public funds".

SEC. 306. (a) Section 306 of the National Housing Act is amended by adding at the end thereof the following subsection:

"(e) Notwithstanding any of the provisions of this Act or of any other law, the Association is authorized, under the aforesaid separate accountability, to make commitments to purchase and to purchase, service, or sell any mortgages offered to it by the Housing and Home Finance Administrator or the Housing and Home Finance Agency, or by such Agency's constituent units or agencies or the heads thereof, after such Administrator has found the acquisition thereof by the Association to be in the interest of the efficient management and liquidation of the mortgages. There shall be excluded from the total amounts set forth in subsection (c) hereof the amounts of any mortgages purchased by the Association pursuant to this subsection."

(b) In connection with the sale of any mortgages to the Federal National Mortgage Association pursuant to section 306(e) of the Federal National Mortgage Association Charter Act, the Housing and Home Finance Administrator is authorized, and any other official, unit, or agency selling such mortgages thereunder is directed, to transfer to the Association from time to time, from authorizations, limitations, and funds available for administrative expenses of such official, unit, or agency in connection with the same mortgages, such amounts thereof as said Administrator determines to be required for administrative expenses of the Association in connection with the purchase, servicing, and sale of such mortgages: *Provided*, That no such transfer shall be made after a budget estimate of the Association with respect to the same mortgages has been submitted to and finally acted upon by the Congress.

TITLE IV—URBAN RENEWAL

Statewide planning

SEC. 401. Section 101(b) of the Housing Act of 1949 is amended by adding at the end thereof the following new sentence: "The Administrator shall particularly encourage the utilization of local public agencies established by the States to operate on a statewide basis in behalf of smaller communities within the State which are undertaking or propose to undertake urban renewal programs whenever that arrangement facilitates the undertaking of an urban renewal program by any such community, or provides an effective solution to community development or redevelopment problems in such communities, and is approved by resolution or ordinance of the governing bodies of the affected communities."

Clarifying amendment

SEC. 402. Section 102(a) of the Housing Act of 1949 is amended by striking out in the second sentence the words "as part of the gross project cost" and inserting in lieu thereof "for such purposes".

Borrowing by local agencies

SEC. 403. (a) Section 102(c) of the Housing Act of 1949 is amended by—

(1) inserting "feasibly, as determined by the Administrator," after "obtain";

(2) striking out "it may do so with the consent of" and inserting in lieu thereof "it shall do so under terms approved by"; and

(3) striking out "repayment of" and inserting in lieu thereof "repayment of the principal of and the interest on".

(b) Section 102(e) of such Act is amended to read as follows:

"(e) The total amount of loan contracts outstanding at any one time under this title shall not exceed the aggregate of the estimated expenditures to be made by local public agencies as part of the gross project cost of the projects assisted by such contracts. To obtain funds for advance and loan disbursements under this title, the Administrator may issue and have outstanding at any one time notes and obligations for purchase by the Secretary of the Treasury in an amount which shall not exceed $1,000,000,000, it being the intention of this section that, to the fullest extent determined to be feasible by the Administrator, local public agencies shall obtain loan funds from sources other than the Federal Government, including such funds obtained in accordance with subsection (c). For the purpose of establishing unpaid obligations as of a given date against the authorization contained in the preceding sentence, the Administrator shall estimate the maximum amount to be required to be borrowed from the Treasury and outstanding at any one time with respect to loan commitments in effect on such date."

Capital grants

SEC. 404. Section 103 of the Housing Act of 1949 is amended—

(1) by inserting after the first sentence of subsection (b) the following new sentence: "In addition to amounts otherwise authorized to be appropriated for such purpose, there are authorized to be appropriated for the purpose of making contracts, after appropriations therefor, for grants with respect to projects or programs assisted under this title, the sum of $1,000,000,000 for the period ending June 30, 1960, and the sum of $500,000,000 for the fiscal year 1961; and any such sums so appropriated shall remain available until expended.";

(2) by striking out the period at the end of the second sentence of subsection (b) and inserting in lieu thereof a colon and the following: *"Provided*, That any amounts so appropriated shall also be available for repaying to the Secretary of the Treasury, for application to notes of the Administrator, the principal amounts of any funds advanced to local public agencies under this title which the Administrator determines to be uncollectible because of the termination of activities for which such advances were made, together with the interest paid or accrued to the Secretary (as determined by him) attributable to notes given by the Administrator in connection with such advances, but all such repayments shall constitute a charge against the authorization to make contracts for grants contained in this section: *Provided further*, That no such determination of the Administrator shall be construed to prejudice the rights of the United States with respect to any such advance."; and

(3) by adding at the end thereof the following new subsections:

"(c) Notwithstanding any other provision of this or any other Act, if financial assistance authorized by this title to be made available to a locality or local public agency may be made available to any locality or local public agency within the limitations provided in sections 102(e), 103(b), and 106(e) and the second paragraph following the paragraph numbered (6) of section 110(c), the amount of such financial assistance made available to any locality or local public agency upon submission and processing of proper application therefor shall not otherwise be restricted and, so long as such financial assistance is so available, applications therefor submitted by localities and local public agencies shall be processed, so far as practicable, in the order of their receipt, and there shall not be imposed any limitations upon the size of any urban renewal project which otherwise meets the requirements of this title.

"(d) The Administrator may contract to make grants for the preparation or completion of community renewal programs, which may include, without being limited to, (1) the identification of slum areas or blighted, deteriorated, or deteriorating areas in the community, (2) the measurement of the

nature and degree of blight and blighting factors within such areas, (3) determination of the financial, relocation, and other resources needed and available to renew such areas, (4) the identification of potential project areas and, where feasible, types of urban renewal action contemplated within such areas, and (5) scheduling or programing of urban renewal activities. Such programs shall conform, in the determination of the governing body of the locality, to the general plan of the locality as a whole. The Administrator may establish reasonable requirements respecting the scope and content of such programs. No contract for a grant pursuant to this subsection shall be made unless the governing body of the locality involved has approved the preparation or completion of the community renewal program and the submission by the local public agency of an application for such a grant. Notwithstanding section 110(h) or the use in any other provision of this title of the term 'local public agency' or 'local public agencies', the Administrator may make grants pursuant to this subsection for the preparation or completion of a community renewal program to a single local public body authorized to perform the planning work necessary to such preparation or completion. No grant made pursuant to this subsection shall exceed two-thirds of the cost (as such cost is determined or estimated by the Administrator) of the preparation or completion of the community renewal program for which such grant is made."

Public improvements by Federal agencies in urban renewal areas

SEC. 405. Section 105(b) of the Housing Act of 1949 is amended by adding before the semicolon at the end thereof: ": *And provided further*, That, with respect to any improvements of a type which it is otherwise authorized to undertake, any Federal agency (as defined in section 3(b) of the Federal Property and Administrative Services Act of 1949, as amended, and also including the District of Columbia or any agency thereof) is hereby authorized to become obligated in accordance with this subsection, except that clause (ii) of this subsection shall apply to such Federal agency only to the extent that it is authorized (and funds have been authorized or appropriated and made available) to make the improvements involved".

Public disclosure by redevelopers

SEC. 406. Section 105 of the Housing Act of 1949 is amended by adding at the end thereof the following new paragraph:

"(e) No contract or commitment of any nature whatever shall be made between the local public agency and any person for redevelopment of any part of an urban renewal area unless—

"(1) such person shall have theretofore submitted to the local public agency, at such time and in such manner and form as such agency (under regulations of the Administrator) may require, a prospectus setting forth in detail—

"(A) the name of the person proposing to redevelop the area and the names of its members, officers, and principal investors or shareholders;

"(B) the proposed financing and estimated total cost of any redevelopment to be carried out by such person;

"(C) the schedule of estimated rents per room or sales prices per unit, as the case may be, to be charged, and the estimated profit or rate of return to be derived, by such person with respect to all housing proposed for such redevelopment; and

"(D) such other information as the local public agency may require in order to insure that all interested parties in possession of such prospectus may be in a position intelligently to evaluate the proposed redevelopment before any such contract or commitment is made; and

"(2) the local public agency shall have theretofore made copies of such prospectus fully available to the public in such manner and for such period as the Administrator by regulation may prescribe."

Relocation payments

SEC. 407. (a) (1) The first sentence of section 106(f)(2) of the Housing Act of 1949 is amended to read as follows: "As used in this subsection, the term 'relocation payments' means payments by a local public agency to individuals, families, and business concerns for their reasonable and necessary moving expenses and any actual direct losses of property except goodwill or profit (which are incurred on and after August 7, 1956, and for which reimbursement or compensation is not otherwise made) resulting from their displacement from an urban renewal area made necessary by (i) the acquisition of real property by a local public agency or by any other public body, (ii) code enforcement activities undertaken in connection with an urban renewal project, or (iii) a program of voluntary rehabilitation of buildings or other improvements in accordance with an urban renewal plan: *Provided*, That such payments shall not be made after completion of the project or if completion is deferred solely for the purpose of obtaining further relocation payments."

(2) No relocation payments under section 106(f) of the Housing Act of 1949 shall be made for expenses or losses incurred prior to the date of the enactment of the Housing Act of 1959, except to the extent that such payments were authorized by such section as it existed prior to such date.

(b) Section 106(f)(2) of such Act is further amended by striking out "$100" each place it appears and inserting in lieu thereof "$200", and by striking out "$2,500" and inserting in lieu thereof "$3,000".

Hotels and other transient housing

SEC. 408. Section 106 of the Housing Act of 1949 is further amended by adding at the end thereof the following new subsection:

"(g) the provision of assistance under this title is intended to bring about the redevelopment of urban renewal areas for permanent residential use; and no provision permitting the new construction of hotels or other housing for transient use in the redevelopment of any such area shall be included in the urban renewal plan unless the community in which the project is located, under regulations prescribed by the Administrator, has caused to be made a competent independent analysis of the local supply of transient housing and as a result thereof has determined that there exists in the area a need for additional units of such housing."

Low-rent housing in urban renewal areas

SEC. 409. Section 107 of the Housing Act of 1949, as amended, is hereby amended to read as follows:

"Payment for land used for low-rent public housing

"SEC. 107. When it appears in the public interest that land to be acquired as part of an urban renewal project should be used in whole or in part as a site for a low-rent housing project assisted under the United States Housing Act of 1937, as amended, the site shall be made available to the public housing agency undertaking the low-rent housing project at a price equal to the amount, as determined by the Administrator, which would be charged if it were disposed of to private enterprise for rental housing with physical characteristics similar to those of the proposed low-rent housing project, and such amount shall be included as part of the development cost of such low-rent housing project: *Provided*, That the local contribution in the form of tax exemption or tax remission required by section 10(h) of such Act with respect to the low-rent housing project into which such land is incorporated shall (if covered by a contract which, in the determination of the Public Housing Commissioner, and without regard to the requirements of the first proviso of such section 10(h), will assure that such local contribution will be made during the entire period that the project is used as low-rent housing within the meaning of such Act) be accepted as a local grant-in-aid equal in amount, as determined by the Administrator, to one-half (or one-third in the case of an urban renewal project on a three-fourths capital grant basis) of the difference between the cost of such site (including costs of land, clearance, site improvements, and a share, prorated on an area basis, of administrative, interest, and other project costs) and its sales price, and shall be considered a local grant-in-aid furnished in a form other than cash within the meaning of section 110(d) of this Act."

Requirements for urban renewal plan

SEC. 410. Section 110(b) of the Housing Act of 1949 is amended by inserting after "to indicate" in clause (2) the following: ", to the extent required by the Administrator for the making of loans and grants under this title,".

Nonresidential redevelopment

SEC. 411. Section 110(c) of the Housing Act of 1949 is amended by striking out the second paragraph following the paragraph numbered (6) and inserting in lieu thereof the following:

"Financial assistance shall not be extended under this title with respect to any urban renewal area which is not predominantly residential in character and which, under the urban renewal plan therefor, is not to be redeveloped for predominantly residential uses: *Provided*, That, if the governing body of the local public agency determines that the redevelopment of such an area for predominantly nonresidential uses is necessary for the proper development of the community, the Administrator may extend financial assistance under this title for such a project: *Provided further*, That the aggregate amount of capital grants contracted to be made pursuant to this title with respect to such projects after the date of the enactment of the Housing Act of 1959 shall not exceed 20 per centum of the aggregate amount of grants authorized by this title to be contracted for after such date."

Local grants

SEC. 412. (a) Section 110(d) of such Act is further amended by adding at the end thereof the following new paragraph:

"Notwithstanding any other provision of this subsection, in any community for which there exists a community renewal program meeting the requirements of the Administrator established pursuant to section 103(d), no subsequent donation or provision of a public improvement or a public facility of a type falling within the purview of this subsection shall be deemed to be ineligible as a local grant-in-aid for any project in conformity with such community renewal program solely on the basis that the construction of such improvement or facility was commenced prior to Federal recognition of such project, if such construction was commenced not more than five years prior to the authorization by the Administrator of a contract for loan or capital grant for the project."

(b) The requirement in section 110(d) of the Housing Act of 1949 that the assistance provided by a State, municipality, or other public body under that section, in order to qualify as a local grant-in-aid, shall be in connection with a project on which a contract for capital grant has been made under title I of that Act, shall not apply to assist-

ance provided during the period from July 1, 1957, through December 31, 1957, in connection with urban renewal activities which were extended Federal recognition within 60 days after the provision of such assistance was initiated.

Credit for loss of interest

SEC. 413. Section 110(e) of the Housing Act of 1949 is amended by striking out the first sentence and inserting in lieu thereof the following: "'Gross project cost' shall comprise (1) the amount of the expenditures by the local public agency with respect to any and all undertakings necessary to carry out the project (including the payment of carrying charges, but not beyond the point where the project is completed), and (2) the amount of such local grants-in-aid as are furnished in forms other than cash. There may be included as part of the gross project cost, under any contract for loan or grant heretofore or hereafter executed under this title, with respect to moneys of the local public agency which are actually expended and outstanding for undertakings (other than in the form of local grants-in-aid) necessary to carry out the project, in the absence of carrying charges on such moneys, an amount in lieu of carrying charges which might otherwise have been payable thereon for the period such moneys are expended and outstanding but not beyond the point where the project is completed, computed for each six-month period or portion thereof, at an interest rate to be determined by the Administrator after taking into consideration for each preceding six-month period the average interest rate borne by any obligations of local public agencies for short-term funds obtained from sources other than the Federal Government in the manner provided in section 102(c): *Provided*, That such amount may be computed on the net total of all such moneys of the local public agency remaining expended and outstanding, less other moneys received from the project undertaken in excess of project expenditures, in all projects of the local public agency under this title, and allocated, as the Administrator may determine, to each of such projects. With respect to a project for which a contract for capital grant has been executed on a three-fourths basis pursuant to the proviso in the second sentence of section 103(a), gross project cost shall include, in lieu of the amount specified in clause (1) above, the amount of the expenditures by the local public agency with respect to the following undertakings and activities necessary to carry out such project:

"(i) acquisition of land (but only to the extent of the consideration paid to the owner and not title, appraisal, negotiating, legal, or any other expenditures of the local public agency incidental to acquiring land), disposition of land, demolition and removal of buildings and improvements, and site preparation and improvements, all as provided in paragraphs (1), (2), (3), (4), and (6) of section 110(c); and

"(ii) the payment of carrying charges related to the undertakings in clause (i) (including amounts in lieu of carrying charges as determined above), exclusive of taxes and payments in lieu of taxes but not beyond the point where such a project is completed;

but not the cost of any other undertakings and activities (including, but without being limited to, the cost of surveys and plans, legal services of any kind, and all administrative and overhead expenses of the local public agency) with respect to such project."

Uniform date for interest rate determination

SEC. 414. Section 110(g) of the Housing Act of 1949 is amended—

(1) by striking out of the first sentence "is approved" and inserting in lieu thereof "for any project under this title is authorized";

(2) by inserting in the second sentence after "Any" the word "such"; and

(3) by striking out of the second sentence "contract is revised or superseded by such later contract" and inserting in lieu thereof "later contract is authorized".

Conforming amendments

SEC. 415. The Housing Act of 1949 is amended—

(1) by striking out the word "capital" in section 100, in the second sentence of section 103(b), and in sections 106(a)(3), 106(b), 106(c)(6), 106(c)(8), and 106(e);

(2) by inserting in section 101(a) after the word "title" in the first place where it appears therein "or for grants pursuant to section 103(d)"; and

(3) by adding at the end of section 110 the following new subsection:

"(k) 'Federal recognition' means execution of any contract for financial assistance under this title or concurrence by the Administrator in the commencement, without such assistance, or surveys and plans."

Urban renewal areas involving colleges or universities

SEC. 416. Title I of the Housing Act of 1949 is amended by adding at the end thereof the following new section:

"Urban renewal areas involving colleges or universities

"SEC. 112. In any case where an educational institution is located in or near an urban renewal area and the governing body of the locality determines that, in addition to the elimination of slums and blight from such area, the undertaking of an urban renewal project or projects in such area will further promote the public welfare and the proper development of the community (1) by making land in such area available for disposition, for uses in accordance with the urban renewal plan, to such educational institution for redevelopment in accordance with the use or uses specified in the urban renewal plan, (2) by providing, through the redevelopment of the area in accordance with the urban renewal plan, a cohesive neighborhood environment compatible with the functions and needs of such educational institution, or (3) by any combination of the foregoing, the Administrator is authorized to extend financial assistance under this title for an urban renewal project or projects in such area without regard to the requirements in section 110 hereof with respect to the predominantly residential character or predominantly residential reuse of urban renewal areas: *Provided*, That the aggregate amount of any expenditures made by such educational institution (either directly or through a redevelopment corporation) for the acquisition, from others than the local public agency, of land and buildings and structures within the area of any urban renewal project undertaken by the local public agency in such urban renewal area or within the urban renewal area and adjacent to, or in the immediate vicinity of, the area of any such urban renewal project (which land and buildings and structures is or are to be retained and redeveloped or rehabilitated by such educational institution for use or uses in accordance with the urban renewal plan), and for the demolition of such buildings and structures (including expenditures made to assist in relocating tenants therefrom) if, pursuant to the urban renewal plan, the land is to be cleared and redeveloped, as certified by such educational institution to the local public agency and approved by the Administrator, shall be a local grant-in-aid in connection with any urban renewal project being undertaken by the local public agency in such urban renewal area: *Provided further*, That no such expenditures shall be deemed ineligible as a local grant-in-aid in connection with any such project if made not more than five years prior to the authorization by the Administrator of a contract for a loan or capital grant for such urban renewal project: *And provided further*, That the term 'educational institution' as used herein shall mean any educational institution of higher learning, including any public educational institution or any private educational institution, no part of the net earnings of which shall inure to the benefit of any private shareholder or individual."

Urban planning

SEC. 417. Section 701 of the Housing Act of 1954 is amended to read as follows:

"Urban planning

"SEC. 701. (a) In order to assist State and local governments in solving planning problems resulting from increasing concentration of population in metropolitan and other urban areas, including smaller communities, to facilitate comprehensive planning for urban development by State and local governments on a continuing basis, and to encourage State and local governments to establish and develop planning staffs, the Administrator is authorized to make planning grants to—

"(1) State planning agencies, or (in States where no such planning agency exists) to agencies or instrumentalities of government designated by the Governor of the State and acceptable to the Administrator as capable of carrying out the planning functions contemplated by this section, for the provision of planning assistance to (A) cities, other municipalities, and counties having a population of less than 50,000 according to the latest decennial census, (B) any group of adjacent communities, either incorporated or unincorporated, having a total population of less than 50,000 according to the latest decennial census and having common or related urban planning problems resulting from rapid urbanization, and (C) cities, other municipalities, and counties referred to in paragraph (3) of this subsection and areas referred to in paragraph (4) of this subsection;

"(2) official State, metropolitan, and regional planning agencies empowered under State or local laws or interstate compact to perform metropolitan or regional planning;

"(3) cities, other municipalities, and counties which have suffered substantial damage as a result of a catastrophe which the President, pursuant to section 2(a) of 'An Act to authorize Federal assistance to States and local governments in major disasters, and for other purposes', has determined to be a major disaster;

"(4) to official governmental planning agencies for areas where rapid urbanization has resulted or is expected to result from the establishment or rapid and substantial expansion of a Federal installation; and

"(5) State planning agencies for State and interstate comprehensive planning (as defined in subsection (d)) and for research and coordination activity related thereto.

Planning assisted under this section shall, to the maximum extent feasible, cover entire urban areas having common or related urban development problems.

"(b) A grant made under this section shall not exceed 50 per centum of the estimated cost of the work for which the grant is made. All grants made under this section shall be subject to terms and conditions prescribed by the Administrator. No portion of any grant made under this section shall be used for the preparation of plans for specific public works. The Administrator is authorized, notwithstanding the provisions of section 3648 of the Revised Statutes, as amended, to make advances or progress payments on account of any planning grant made under

this section. There is hereby authorized to be appropriated not exceeding $20,000,000 to carry out the purposes of this section, and any amounts so appropriated shall remain available until expended.

"(c) The Administrator is authorized, in areas embracing several municipalities or other political subdivisions, to encourage planning on a unified metropolitan basis and to provide technical assistance for such planning and the solution of problems relating thereto.

"(d) It is the further intent of this section to encourage comprehensive planning for States, cities, counties, metropolitan areas, and urban regions and the establishment and development of the organizational units needed therefor. In extending financial assistance under this section, the Administrator may require such assurances as he deems adequate that the appropriate State and local agencies are making reasonable progress in the development of the elements of comprehensive planning. Comprehensive planning, as used in this section, includes the following, to the extent directly related to urban needs: (1) preparation, as a guide for long range development, of general physical plans with respect to the pattern and intensity of land use and the provision of public facilities, together with long-range fiscal plans for such development; (2) programming of capital improvements based on a determination of relative urgency, together with definitive financing plans for the improvements to be constructed in the earlier years of the program; (3) coordination of all related plans of the departments or subdivisions of the government concerned; (4) intergovernmental coordination of all related planned activities among the State and local governmental agencies concerned; and (5) preparation of regulatory and administrative measures in support of the foregoing.

"(e) In the exercise of his function of encouraging comprehensive planning by the States, the Administrator shall consult with those officials of the Federal Government responsible for the administration of programs of Federal assistance to the States and municipalities for various categories of public facilities."

TITLE V—COLLEGE HOUSING

SEC. 501. Section 401(d) of the Housing Act of 1950 is amended—

(1) by inserting after "$825,000,000" the following: ", which limit shall be increased by such amounts, not exceeding $400,000,000, as may be specified from time to time in appropriation Acts";

(2) by inserting after "$100,000,000" the following: ", which limit shall be increased by such amounts, not exceeding $40,000,000, as may be specified from time to time in appropriation Acts"; and

(3) by inserting after "$25,000,000" the following: ", which limit shall be increased by such amounts, not exceeding $40,000,000, as may be specified from time to time in appropriation Acts".

SEC. 502. (a) Section 404(b) of the Housing Act of 1950 is amended by striking out "and (4)" and inserting in lieu thereof "(4)" and by inserting before the period at the end thereof the following: ", and (5) any nonprofit student housing cooperative corporation established for the purpose of providing housing for students or students and faculty of any institution included in clause (1) of this subsection".

(b) Section 401 of such Act is amended by adding at the end thereof the following new subsection:

"(g) In the case of any loan made under this section to a nonprofit student housing cooperative corporation referred to in clause (5) of section 404(b), the Administrator shall require that the note securing such loan be co-signed by the educational institution (referred to in clause (1) of such section) at which such corporation is located; and in the event of the dissolution of such corporation, title to the housing constructed with such loan shall vest in such educational institution."

SEC. 503. Section 402 of such Act is amended by adding at the end thereof the following new subsection:

"(e) The Administrator shall take such action as may be necessary to ensure that all laborers and mechanics employed by contractors and subcontractors in the construction of housing assisted under this title shall be paid wages at rates not less than those prevailing in the locality involved for the corresponding classes of laborers and mechanics employed on construction of a similar character, as determined by the Secretary of Labor in accordance with the Act of March 3, 1931, as amended (the Davis-Bacon Act); but the Administrator may waive the application of this subsection in cases or classes of cases where laborers or mechanics, not otherwise employed at any time in the construction of such housing, voluntarily donate their services without full compensation for the purpose of lowering the costs of construction and the Administrator determines that any amounts saved thereby are fully credited to the educational institution undertaking the construction."

TITLE VI—LOW-RENT PUBLIC HOUSING

Declaration of policy

SEC. 601. Section 1 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new sentences: "In the development of low-rent housing it shall be the policy of the United States to make adequate provision for larger families and for families consisting of elderly persons. It is the policy of the United States to vest in the local public housing agencies the maximum amount of responsibility in the administration of the low-rent housing program, including responsibility for the establishment of rents and eligibility requirements (subject to the approval of the Authority), with due consideration to accomplishing the objectives of this Act while effecting economies."

Central administrative office facilities

SEC. 602. The last sentence of paragraph (5) of section 2 of the United States Housing Act of 1937 is amended—

(1) by inserting after "1949" the following: ", or in cases where the public housing agency and the local public agency for purposes of such title I operate under a combined central administrative office staff,"; and

(2) by striking out "its functions as such local public agency" each place it appears and inserting in lieu thereof "the functions of such local public agency".

Rents and income limits

SEC. 603. (a) Paragraph (1) of section 2 of the United States Housing Act of 1937 is amended to read as follows:

"(1) The term 'low-rent housing' means decent, safe, and sanitary dwellings within the financial reach of families of low income, and developed and administered to promote serviceability, efficiency, economy, and stability, and embraces all necessary appurtenances thereto. The dwellings in low-rent housing shall be available solely for families of low income. Income limits for occupancy and rents shall be fixed by the public housing agency and approved by the Authority after taking into consideration (A) the family size, composition, age, physical handicaps, and other factors which might affect the rent-paying ability of the family, and (B) the economic factors which affect the financial stability and solvency of the project."

(b) Paragraph (7)(b) of section 15 of such Act is amended by inserting after "a gap of at least 20 per centum" the following: "(or 10 per centum in the case of any family entitled to a first preference as provided in section 10(g))".

Minimum age for admission of single persons and elderly families to low-rent projects

SEC. 604. The second and third sentences of paragraph (2) of section 2 of the United States Housing Act of 1937 are amended to read as follows: "The term 'families' means families consisting of two or more persons, a single person who has attained retirement age as defined in section 216(a) of the Social Security Act or who has attained the age of fifty and is under a disability as defined in section 223 of that Act, or the remaining member of a tenant family. The term 'elderly families' means families the head of which (or his spouse) has attained retirement age as defined in section 216(a) of the Social Security Act or has attained the age of fifty and is under a disability as defined in section 223 of that Act."

Low-rent housing authorization

SEC. 605. (a) Section 10(i) of the United States Housing Act of 1937 is amended to read as follows:

"(1) Notwithstanding any other provision of law, the Authority may enter into new contracts for loans and annual contributions for not more than thirty-five thousand additional dwelling units after July 1, 1958, which limit (within the limit provided by subsection (e)) shall be increased by thirty-five thousand additional dwelling units on the first day of each fiscal year beginning after such date, and may enter into only such new contracts for preliminary loans in respect thereto as are consistent with the number of dwelling units for which contracts for annual contributions may be entered into hereunder. Notwithstanding the authorization contained in the preceding sentence or in any other provision of this Act, no contract for annual contributions which binds the Government to pay out money for subsidized housing units shall be entered into after the date of the enactment of the Housing Act of 1959 unless at least the full amount of the contributions required for the first year of occupancy under such contract shall theretofore have been provided in appropriation Acts enacted after the date of the enactment of the Housing Act of 1959. Notwithstanding any other provision of law, no new contract for annual contributions for additional dwelling units shall be entered into after July 31, 1956, except with respect to low-rent housing for a locality respecting which the Housing and Home Finance Administrator has made the determination and certification relating to a workable program as described in section 101(c) of the Housing Act of 1949, as amended."

(b) The last proviso under the heading "Public Housing Administration, Annual Contributions" in title I of the First Independent Offices Appropriation Act, 1954 (67 Stat. 307), is repealed.

(c) Notwithstanding the amendments made by this section, the Public Housing Administration shall not enter into any new contract for a loan or for annual contributions under section 10(i) of the United States Housing Act of 1937 (unless such contract could have been entered into under such section as in effect immediately prior to the enactment of this Act) until such Administration has first come to an agreement with the Committees on Banking and Currency of the Senate and House of Representatives (after the enactment of this Act) with respect to the need for and desirability of entering into such contract.

Payment for services

SEC. 606. Section 15 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new paragraph:

"(10) Notwithstanding any other provision of law or any contract or other arrangement made pursuant thereto, any public housing

agency which utilizes public services and facilities of a municipality or other local governmental agency making charges therefor separate from real and personal property taxes shall be authorized by the Authority (without any amendment to the contract for annual contributions or deductions from payments in lieu of taxes otherwise payable) to pay to such municipality or other local governmental agency the amount that would be charged private persons or dwellings similarly situated for such facilities and services."

Amendment of existing contracts

SEC. 607. The United States Housing Act of 1937 is amended by redesignating sections 30 and 31 as sections 31 and 32, respectively, and by inserting after section 29 a new section as follows:

"SEC. 30. Upon the request of any public housing agency the Authority is authorized and directed to amend any or all of its contracts with the public housing agency so as to bring such contracts into conformity with the amendments made to this Act by the Housing Act of 1959: *Provided*, That contracts may not be amended or superseded in a manner which would impair the rights of the holders of any outstanding obligations of the public housing agency involved which are secured by any of the provisions of such contracts."

TITLE VII—ARMED SERVICES HOUSING

SEC. 701. (a) Section 803(a) of the National Housing Act is amended by striking out "June 30, 1959" and inserting in lieu thereof "September 30, 1960".

(b) The second sentence of section 803 (b)(3) of such Act is amended by striking out "have a maturity not to exceed twenty-five years" and inserting in lieu thereof "but not to exceed thirty years from the beginning of amortization of the mortgage".

(c) Section 803(b)(3) of such Act is further amended by adding at the end thereof the following: "The property or project may include such nondwelling facilities as the Commissioner deems adequate to serve the occupants."

(d) Section 803(c) of such Act is amended by adding at the end thereof the following new sentence: "The Commissioner is further authorized to reduce the amount of the premium charge below one-half of 1 per centum per annum with respect to any mortgage on property acquired by the Secretary of Defense or his designee if the mortgage is insured pursuant to provisions of this title as in effect prior to August 11, 1955."

(e) Section 803 of such Act is further amended by adding at the end thereof the following new subsection:

"(k) The Commissioner shall not insure any mortgage under this title unless the principal contractor or contractors engaged in the construction of the project involved file a certificate or certificates (at such times, in the course of construction or otherwise, as the Commissioner may prescribe) certifying that the laborers and mechanics employed in the construction of such project have been paid not less than one and one-half times the regular rate of pay for employment in exces of eight hours in any one day or in excess of forty hours in any one week."

SEC. 702. (a) The first sentence of section 404(a) of the Housing Amendments of 1955 is amended to read as follows: "Whenever the Secretary of Defense or his designee deems it necessary for the purpose of this title, he may acquire by purchase, donation, condemnation, or other means of transfer, any land or (with the approval of the Federal Housing Commissioner) (1) any housing financed with mortgages insured under title VIII of the National Housing Act as in effect prior to August 11, 1955, or (2) any housing situated adjacent to a military installation which was (A) completed prior to July 1, 1952, (B) certified by the Department of Defense, prior to construction, as being necessary to meet an existing military family housing need and considered as military housing by the Federal Housing Commissioner, and (C) financed with mortgages insured under section 207 of the National Housing Act."

(b) Section 404(b) of the Housing Amendments of 1955 is amended by striking out "constructed under the mortgage insurance provisions of title VIII of the National Housing Act (as in effect prior to the enactment of the Housing Amendments of 1955)", and inserting in lieu thereof the following: "described in clause (1) and (2) of subsection (a) of this section".

(c) Section 407(f) of the Act entitled "An Act to authorize certain construction at military installations, and for other purposes", approved August 30, 1957, is amended to read as follows:

"(f) This section shall have no application to any housing described in clause (1) or (2) of section 404(a) of the Housing Amendments of 1955, as amended."

SEC. 703. (a) Title VIII of the National Housing Act is amended by adding at the end thereof the following new section:

"SEC. 810. (a) Notwithstanding any other provision of this title, the Commissioner may insure and make commitments to insure any mortgage under this section which meets the eligibility requirements hereinafter set forth.

"(b) No mortgage shall be insured under this section unless the Secretary of Defense or his designee shall have certified to the Commissioner that (1) the housing which is covered by the insured mortgage is necessary in the interest of national defense in order to provide adequate housing for military personnel and essential civilian personnel serving or employed in connection with an installation of one of the armed services of the United States, (2) there is no present intention to curtail substantially the number of such personnel assigned or to be assigned to the installation, (3) adequate housing is not available for such personnel at reasonable rentals within reasonable commuting distances of such installation, and (4) the mortgaged property will not so far as can be reasonably foreseen susbtantially curtail occupancy in any existing housing in the vicinity of the installation if such housing is covered by mortgages insured under this Act. Any such certificate issued by the Secretary of Defense or his designee shall be conclusive evidence to the Commissioner of the eligibility of the mortgage for insurance in accordance with the requirements of this subsection.

"(c) The Commissioner may accept any mortgage for insurance under this section without regard to any requirement in any other section of this Act that the property or project be economically sound.

"(d) The Commissioner shall require each project covered by a mortgage insured under this section to be held for rental for a period of not less than five years after the project or dwelling is made available for initial occupancy or until advised by the Secretary of Defense or his designee that the housing may be released from such rental condition. The Commissioner shall prescribe such procedures as in his judgment are necessary to secure reasonable preference or priority in the sale or rental of dwellings covered by a mortgage insured under this section for military personnel and essential civilian employees of the armed services, and employees of contractors for the armed services, as evidenced by certification issued by the Secretary of Defense or his designee. Such certificate shall be conclusive evidence to the Commissioner of the employment status of the person requiring housing and of such person's need for the housing.

"(e) For the purpose of providing multifamily rental housing projects or housing projects consisting of individual single family dwellings for sale, the Commissioner is authorized to insure mortgages (including advances on such mortgages during construction) which cover property held by a private corporation, association, cooperative society, or trust. Any such mortgagor shall possess powers necessary therefor and incidental thereto and shall until the termination of all obligations of the Commissioner under such insurance be regulated or restricted as to rents or sales, charges, capital structure, rate of return, and methods of operation to such extent and in such manner as to provide reasonable rentals to tenants and a reasonable return on the investment. The Commissioner may make such contracts with, and acquire for not to exceed $100 such stock or interest in, any such corporation, association, cooperative society, or trust as he may deem necessary to render effective such restriction or regulation. Such stock or interest shall be paid for out of the Armed Services Housing Mortgage Insurance Fund, and shall be redeemed by the corporation, association, cooperative society, or trust at par upon the termination of all obligations of the Commissioner under the insurance.

"(f) To be eligible for insurance under this section, a mortgage on any multifamily rental property or project shall involve a principal obligation in an amount (1) not to exceed $5,000,000 or (2) not to exceed, for such part of such property or project as may be attributable to dwelling use, $2,250 per room (or $8,100 per family unit if the number of rooms in such property or project is less than four per family unit), and not to exceed 90 per centum of the estimated value of the property or project when the proposed physical improvements are completed. The Commissioner may increase any of the foregoing dollar amount limitations per room contained in this paragraph by not to exceed $1,000 per room in any geographical area where he finds that cost levels so require.

"(g) To be eligible for insurance under this section a mortgage on any property or project constructed for eventual sale of single family dwellings shall involve a principal obligation in an amount not to exceed $5,000,000 and not to exceed a sum computed on the basis of a separate mortgage for each single family dwelling (irrespective of whether such dwelling has a party wall or is otherwise physically connected with another dwelling or dwellings) comprising the property or project equal to the total of each of the maximum principal obligations of such mortgages which would meet the requirements of section 203(b)(2) of this Act, if the mortgagor were the owner and occupant who had made the required payment on account of the property prescribed in such paragraph.

"(h) Any mortgage insured under this section shall provide for complete amortization by periodic payments within such terms as the Commissioner may prescribe but not to exceed the maximum term applicable to mortgages under section 207 of this Act and shall bear interest (exclusive of premium charges for insurance) at not to exceed the rate applicable to mortgages insured under section 207, except that individual mortgages of the character described in subsection (g) covering the individual dwellings in the project may have a term not in excess of the maximum term applicable to mortgages insured under section 203 of this Act or the unexpired term of the project mortgage at the time of the release of the mortgaged property from such project mortgage, whichever is the greater, and shall bear interest at not to exceed the rate applicable to mortgages insured under section 203. The Commissioner may consent to the release of a part or parts of the mortgaged property from the lien of the mortgage upon such terms and conditions as he may prescribe

and the mortgage may provide for such release, and a mortgage of the character described in subsection (g) of this section may provide that, at any time after the release of the project from the rental period prescribed by subsection (d), such mortgage may be replaced, in whole or in part, by individual mortgages covering each individual dwelling in the project in amounts not to exceed the unpaid balance of the blanket mortgage allocable to the individual property. Each such individual mortgage may be insured under this section. Property covered by a mortgage insured under this section may include eight or more family units and may include such commercial and community facilities as the Commissioner deems adequate to serve the occupants.

"(i) The aggregate number of dwelling units (including all units in multifamily projects or individual dwellings) covered by outstanding commitments to insure and mortgages insured under this section shall at no time exceed four thousand dwelling units.

"(j) The provisions of subsections (d), (e), (g), (h), (l), (j), (k), (l), (m), (n), and (p) of section 207 of this title shall be applicable to mortgages insured under this section except individual mortgages of the character described in subsection (g) of this section covering the individual dwellings in the project, and as to such individual mortgages the provisions of subsections (a), (c), (d), (e), (f), (g), (h), (j), and (k) of section 204 shall be applicable: *Provided*, That wherever the words 'Fund', 'Mutual Mortgage Insurance Fund', or 'Housing Insurance Fund' appear in section 204 or 207, all such reference shall refer to the Armed Services Housing Mortgage Insurance Fund with respect to mortgages insured under this section.

"(k) The provisions of sections 801, 802, 803(c), 803(i), 803(j), 804(a), 804(b), and 807 and the provisions of section 803(a) relating to the aggregate amount of all mortgages insured and the expiration date of the Commissioner's authority to insure under this title shall be applicable to mortgages insured under this section.

"(l) If the Commissioner determines that insurance of mortgages on any housing of the type described in this section is not an acceptable risk, he may require the Secretary of Defense to guarantee the Armed Services Housing Mortgage Insurance Fund from loss with respect to mortgages insured pursuant to this section. There are hereby authorized to be appropriated such sums as may be necessary to provide for payment to meet losses arising from such guaranty."

(b) Section 808 of such Act is amended by striking out "The" and inserting in lieu thereof the following: "Except in the case of mortgages on multifamily rental housing projects insured under section 810, the".

(c) Section 212(a) of such Act is amended by striking out "or under title VIII" and inserting in lieu thereof "or under section 803 or 810 of title VIII".

TITLE VIII—AVOIDANCE OF FORECLOSURE

SEC. 801. Section 204(a) of the National Housing Act is amended by inserting immediately before the last proviso the following: ": *And provided further*, That with respect to any mortgage covering a one-, two-, three-, or four-family residence insured under this title, if the Commissioner finds, after notice of default, that the default was due to circumstances beyond the control of the mortgagor and it is probable that the mortgage will be restored to good standing within a reasonable period of time, he may, under such regulations and conditions as he may prescribe, extend the time for curing default and enter into an agreement with the mortgagee providing that if the mortgage is subsequently foreclosed, any interest accruing after the date of the agreement which is not paid by the mortgagor may be included in the debentures".

SEC. 802. Title II of the National Housing Act is further amended by adding after section 230 (as added by section 116 of this Act) the following new section:

"Acquisition of mortgages to avoid foreclosure

"SEC. 231. Upon receiving notice of the default of any mortgage covering a one-, two-, three-, or four-family residence heretofore or hereafter insured under this title, the Commissioner, in his discretion and for the purpose of avoiding foreclosure of the mortgage, may acquire the loan and the security therefor upon issuance to the mortgagee of debentures having a total face value equal to the unpaid principal balance of the loan plus any accrued interest and any proper advances theretofore made by the mortgagee under the provisions of the mortgage; and after the acquisition of such mortgage by the Commissioner such mortgagee shall have no further rights, liabilities, or obligations with respect thereto. The provisions of section 204 relating to the issuance of debentures incident to the acquisition of foreclosed properties shall apply with respect to debentures issued under this subsection, and the provisions of section 204 relating to the rights, liabilities, and obligations of a mortgagee shall apply with respect to the Commissioner when he has acquired an insured mortgage under this section, in accordance with and subject to regulations (modifying such provisions to the extent necessary to render their application for such purposes appropriate and effective) which shall be prescribed by the Commissioner."

TITLE IX—MISCELLANEOUS

Reacquisition by former owners

SEC. 901. (a) Title IX of the National Housing Act is amended by adding at the end thereof the following new section:

"SEC. 909. Notwithstanding any other provision of law the Commissioner is authorized, in the disposal of properties acquired by him in insurance operations under the provisions of this title, to give former mortgagor-owners a preference and priority of opportunity to reacquire such properties: *Provided*, That such former mortgagor-owners shall be required, under such procedures as may be established from time to time by the Commissioner, to offer prices and terms reasonably commensurate with the value of such properties and not less favorable than prices and terms offered by other prospective purchasers."

(b) Section 608 of the National Housing Act is amended by adding at the end thereof the following new subsection:

"(h) Notwithstanding any other provision of law the Commissioner is authorized, in the disposal of properties acquired by him in insurance operations under this section, to give former mortgagor-owners a preference and priority of opportunity to reacquire such properties: *Provided*, That such former mortgagor-owners shall be required, under such procedures as may be established from time to time by the Commissioner, to offer prices and terms reasonably commensurate with the value of such properties and not less favorable than prices and terms offered by other prospective purchasers."

Surveys of public works planning

SEC. 902. Section 702 of the Housing Act of 1954 is amended by adding at the end thereof the following new subsection:

"(f) The Administrator is authorized to use during any fiscal year not to exceed $50,000 of the moneys in the revolving fund (established under subsection (e)) to conduct surveys of the status and current volume of State and local public works planning and surveys of estimated requirements for State and local public works: *Provided*, That the Administrator, in conducting any such survey, may utilize or act through any Federal department or agency with its consent."

Disposal of Passyunk and Newport war housing projects

SEC. 903. (a) The use of projects PA-36011 and PA-36012 (which were conveyed to the Housing Authority of Philadelphia, Pennsylvania, under section 406(c) of the Housing Act of 1956) for the housing of military personnel and civilians employed in defense activities without regard to their income, and the giving of a preference in respect of 700 dwelling units in such projects for such military personnel as the Secretary of Defense or his designee prescribes, for a period of five years after the date of the conveyance of such projects, is hereby authorized; and such use and the giving of such preferences shall not deprive such projects of their status as "low-rent housing" as that term is used and defined in the United States Housing Act of 1937 and within the meaning of that term as used in section 606(b) of the Act entitled "An Act to expedite the provision of housing in connection with national defense, and for other purposes", approved October 14, 1940, as amended. The Housing and Home Finance Administrator is authorized and directed to agree to any amendments to the instruments of conveyance which may be required to give effect to the purposes of this section.

(b) Section 406(c) of the Housing Act of 1956 is amended by striking out "three years" in the first proviso and inserting in lieu thereof "five years".

Farm housing research

SEC. 904. Section 603(c) of the Housing Act of 1957 is amended to read as follows:

"(c) The authority of the Housing and Home Finance Agency to make grants under subsection (b) shall expire June 30, 1962. The total amount of such grants shall not exceed $300,000 during each of the fiscal years ending June 30, 1958, and June 30, 1959, and shall not exceed $50,000 during each of the fiscal years ending June 30, 1960, and June 30, 1961."

SEC. 905. Paragraph (1) of Sec. 1803(d) of title 38, United States Code, is amended by striking out "thirty years" and inserting in lieu thereof "thirty-five years".

Hospital construction

SEC. 906. (a) Section 605(b) of the Housing Act of 1956 is amended by striking out "1958" and inserting in lieu therof "1960".

(b) Section 605(c) of the Housing Act of 1956 is amended by inserting before the period at the end thereof the following: ", and the sum of $7,500,000 for the purposes of this section for each of the fiscal years ending June 30, 1959, and June 30, 1960".

Real estate loans by national banks

SEC. 907. Section 203 of the National Housing Act is amended by adding at the end thereof the following new subsection:

"(j) Loans secured by mortgages insured under this section shall not be taken into account in determining the amount of real estate loans which a national bank may make in relation to its capital and surplus or its time and savings deposits."

Savings and loan associations

SEC. 908. (a) Section 5(c) of the Home Owners Loan Act of 1933 is amended by inserting before the colon at the end of the first proviso a comma and the following: "and additional sums not exceeding 20 per centum of the assets of an association may be used without regard to such area restriction for the making or purchase of participating interests in first liens on one- to four-family homes, except that the aggregate sums invested pursuant to the two exceptions in this proviso shall not exceed 30 per centum of the assets of such association:".

(b) Section 5(c) of such Act is further amended by adding at the end thereof the following new sentence: "Participating interests in loans secured by mortgages which have the benefit of insurance or guaranty (or a commitment therefor) under the National Housing Act, the Servicemen's Readjustment Act of 1944, or chapter 37 of title 38, United States Code, shall not be taken into account in determining the amount of loans which an association may make within any of the percentage limitations contained in the first proviso of this subsection."

Voluntary home mortgage credit program

SEC. 909. Section 610(a) of the Housing Act of 1954 is amended by striking out "July 31, 1959" and inserting in lieu thereof "July 31, 1961".

Housing for migratory farm labor

SEC. 910. (a) Title V of the Housing Act of 1949 is amended by adding at the end thereof the following new section:

"Insurance of farm housing loans made by private lenders

"SEC. 514. (a) The Secretary is authorized to insure and make commitments to insure loans made by lenders other than the United States to farmers, associations of farmers, and county governments for the purpose of providing dwelling accommodations and related buildings and structures for migratory farm labor in accordance with terms and conditions substantially identical with those specified in section 502; except that—

"(1) no such loan shall be insured in an amount in excess of 90 per centum of the value of the farm involved less any prior liens in the case of a loan to an individual farmer, or 90 per centum of the total value of the structures and facilities with respect to which the loan is made in the case of a loan to an association of farmers or a county government;

"(2) no such loan shall be insured if it bears interest at a rate in excess of 6 per centum per annum;

"(3) the borrower shall be required to pay such insurance charges as the Secretary deems proper, taking into account the amount of the loan and any prior liens. The initial insurance charge shall be at a rate not to exceed 1 per centum on the principal amount of the loan, and additional charges annually thereafter shall be at a rate not to exceed 1 per centum of the outstanding principal balance of the loan after each annual installment due date;

"(4) the insurance contracts and agreements with respect to any loan may contain provisions for servicing the loan by the Secretary or by the lender, and for the purchase by the Secretary of the loan if it is not in default, on such terms and conditions as the Secretary may prescribe; and

"(5) the Secretary may take mortgages creating a lien running to the United States for the benefit of the insurance fund referred to in subsection (b) notwithstanding the fact that the note may be held by the lender or his assignee.

"(b) The Secretary shall utilize the insurance fund created by section 11 of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1005a) and the provisions of section 13 (b) and (c) of such Act (7 U.S.C. 1005c (b) and (c)) to discharge obligations under insurance contracts made pursuant to this section, and

"(1) The Secretary may utilize the insurance fund to pay taxes, insurance, prior liens, and other expenses to protect the security for loans which have been insured hereunder and to acquire such security property at foreclosure sale or otherwise;

"(2) the notes and security therefor acquired by the Secretary under insurance contracts made pursuant to this section shall become a part of the insurance fund. Loans insured under this section may be held in the fund and collected in accordance with their terms or may be sold and reinsured. All proceeds from such collections, including the liquidation of security and the proceeds of sales, shall become a part of the insurance fund; and

"(3) one-half of all insurance charges shall become a part of the insurance fund. The other half of such charges shall be deposited in the Treasury of the United States and shall be available for administrative expenses of the Farmers' Home Administration, to be transferred annually to and become merged with any appropriation for such expenses.

"(c) Any contract of insurance executed by the Secretary under this section shall be an obligation of the United States and incontestable except for fraud or misrepresentation of which the holder of the contract has actual knowledge.

"(d) The aggregate amount of the principal obligations of the loans insured under this section shall not exceed $25,000,000 in any one fiscal year.

"(e) Amounts made available pursuant to sections 511 and 513 of this Act shall be available for administrative expenses incurred under this section."

(b) The first paragraph of section 24 of the Federal Reserve Act (12 U.S.C., sec. 371) is amended by inserting after "the Act of August 28, 1937, as amended" the following: ", or title V of the Housing Act of 1949, as amended".

Mr. ROBERTSON. Mr. President, I move that the Senate disagree to the amendment of the House, agree to the request of the House for a conference on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. SPARKMAN, Mr. FULBRIGHT, Mr. DOUGLAS, Mr. CLARK, Mr. WILLIAMS of New Jersey, Mr. MUSKIE, Mr. CAPEHART, Mr. BENNETT, and Mr. BUSH as conferees on the part of the Senate.

DEATH OF HON. OSWALD D. HECK, SPEAKER OF THE NEW YORK STATE HOUSE OF REPRESENTATIVES

Mr. JAVITS. Mr. President, on behalf of my distinguished colleague [Mr. KEATING] and myself, I regret to announce to the Senate the death in Schenectady, N.Y., of the speaker of the State assembly, Oswald D. Heck, who was very well known to Members of the Senate. He was the speaker of our State assembly for 22 years, the longest period of service in that office of anyone in New York. He was a most enlightened legislator, a leader, and a man of great wit, who gave our State very liberal leadership, which placed the State of New York in a position of leadership among the States of the Nation in connection with such measures as compulsory auto insurance. He was one of the leaders in the fight for antidiscrimination statutes, in which field New York has led the other States of the Union. He was also active in connection with workmen's disability compensation laws, and other forward-looking measures.

I believe it is fair to say that among his colleagues in New York his rank in their affections was equal to that of the famous JOE MARTIN and "Mr. SAM" RAYBURN.

The State of New York has suffered a great loss, and I believe our Nation has suffered a great loss in losing this very distinguished, lovable, and extremely able citizen.

I ask unanimous consent to have printed in the RECORD as a part of my remarks an article from the New York Times on his death, and editorials eulogizing him from the New York Times, the New York Herald Tribune, and the New York Daily Mirror.

There being no objection, the article and editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times]

OSWALD HECK DIES, SPEAKER 22 YEARS—CHIEF OF ASSEMBLY, 57, HAD SET A RECORD IN POST—LED GOP LIBERALS

(By Douglas Dales)

Oswald D. Heck, speaker of the assembly for 22 years, died of a heart attack yesterday morning at Ellis Hospital in Schenectady, N.Y. He was 57 years old.

A Republican and a lifelong resident of Schenectady, Mr. Heck had been presiding officer of State's lower house longer than anyone else. His ability to muster support for controversial measures made him a dominant figure on the Albany scene.

The speaker had been in the hospital for most of the period since the legislature adjourned late in March.

In the last 2 years, he had suffered periods of ill health resulting from a circulatory ailment. He was hospitalized at Boston for 3 weeks during the last legislative session.

Mr. Heck's greatest aspiration, one he never realized, was to become Governor. He was an avowed candidate last year, but swung his support early in the preconvention period to Nelson A. Rockefeller.

AIDED GOVERNOR

With the election of Mr. Rockefeller the two worked closely in putting the administration program through the legislature. One of the speaker's toughest assignments was gathering the Republican votes needed to enact the Governor's tax program.

Mr. Rockefeller visited Mr. Heck at Ellis Hospital just before leaving May 6 for a vacation at his farm in Venezuela. He learned of the speaker's death yesterday afternoon as he returned from a horseback ride up a mountain ridge near his Monte Sacro farm.

The Governor immediately dictated a tribute in which he referred to Mr. Heck's service as unique and unprecedented.

"His passing leaves a void in the Republican Party and in our legislature which will take years to fill," he said.

Mr. Rockefeller is scheduled to arrive at New York International Airport, Idlewild, Queens, this morning.

The death of Mr. Heck confronts the Governor with a major political problem in the election of a successor. The speakership is filled by a majority vote of the assembly.

Mr. Heck was the leader of a liberal wing of the party dominating the northeast quadrant of the State. That group, in alliance with downstate liberal forces, was able to dominate the assembly under Governors Thomas E. Dewey and W. Averell Harriman.

Assemblyman Joseph F. Carlino, of Long Beach, Long Island, who was appointed majority leader by Mr. Heck in 1954, is the leading candidate for speaker. But opposition from upstate rural counties may put his election in doubt.

Potential rivals for the speakership include Assemblymen Robert Main, a relative newcomer, from Franklin County; Charles Schoeneck, of Onondaga, also a relative newcomer, who helped stem the revolt against

Governor Rockefeller's tax program last winter; Charles Cusick, of Auburn, now chairman of the banking committee; and Julius Volker, of Erie, one of the leaders of the tax revolt at the last session.

In Mr. Carlino's favor is the fact that he comes from a New York City suburban county, Nassau. The suburban counties constitute a main source of Republican strength now. Mr. Rockefeller's margin in Nassau, Suffolk, and Westchester wiped out Mr. Harriman's New York City margin.

Whether the speakership will be filled before the next regular session of the legislature in January was uncertain yesterday. One view was that the statutory duties of the office made it necessary to fill the post as soon as possible.

If the office is filled before the session, it could be achieved by the circulation of a petition among Republican assemblymen. The selection would become effective by filing the petition with the clerk of the assembly.

WIELDED WIDE POWER

As speaker of the assembly for more than two decades, Mr. Heck wielded more power over more years than any other man in New York's legislative history.

Elected speaker in 1937, he was the 92d person to hold the office. His predecessors over a period of 160 years had averaged less than 2 years in office. The longest tenure had been 6 years.

Mr. Heck enjoyed a bipartisan popularity that is not commonly the lot of such powerful politicians. This was demonstrated in the spring of 1956 when 2,500 Republicans and Democrats turned out for a testimonial dinner in his honor at the Waldorf-Astoria Hotel. The affair was regarded generally as the opening gun of his bid for the Republican nomination for Governor in 1958.

Never coy about his ambition, Mr. Heck desired to top his public career in the executive mansion. He was often mentioned for membership on the public service commission and for secondary spots on State tickets. These did not interest him.

His political star was in the ascendency in the late thirties at a time when another young Republican, Thomas E. Dewey, was moving into the forefront as a result of his prosecution of rackets in New York City.

In his second year as Speaker, Mr. Heck had hoped to be his party's choice for Governor in 1938, but the nomination went to Mr. Dewey. Mr. Heck was permanent chairman of the convention and later was chosen by Mr. Dewey as his upstate campaign manager.

AN AVOWED CANDIDATE

Mr. Heck made no move to get the nomination in 1954, when Mr. Dewey elected not to seek a fourth term, but 2 years later, he became an avowed candidate for the nomination in 1958. However, in the spring of the election year, another political star, Nelson A. Rockefeller, began to rise.

A portly man, nearly 6 feet tall, Mr. Heck tipped the scales at 265 pounds until, on the advice of his physicians, he trimmed down to 225. He was an able, persuasive and articulate speaker, with a facility for wit, which he frequently used to lighten the atmosphere of the assembly.

The source of his power was his authority to name the chairmen of all assembly committees and his role as chairman of the Rules Committee, which controls the fate of all legislation during the closing weeks of the session.

Mr. Heck was a progressive Republican. For this reason, he frequently was at odds with Senate Majority Leader Walter J. Mahoney, a conservative, who was his Republican counterpart in the upper house. Mr. Heck strongly supported the compulsory automobile insurance bill for several years before Mr. Mahoney finally capitulated. He steered the telephone bill—designed to prevent a rate increase—through the assembly twice, only to have Mr. Mahoney kill it in committee.

[From the New York Times, May 21, 1959]

OSWALD D. HECK

He was one of the finest public servants of New York State. A member of the assembly since 1932, speaker since 1937—the longest service in that office by far for any man—Oswald D. Heck enjoyed the respect and affection of members of both sides of party aisle. He was a man of high principle, yet shrewd in the art of politics. Jolly and companionable, he was nevertheless deeply serious about issues that mattered, ready to take the floor with a strength of conviction that carried the day when a question of importance was at stake. He stood courageously for the liberal cause in lawmaking. Governors came and went; he remained as one of the few symbols of permanence on the Albany scene, a stanch defender of common sense, always to be depended on. He was, to a degree unusual in political life, a man of character.

[From the New York Herald Tribune, May 22, 1959]

OSWALD D. HECK: A LIFE OF SERVICE

Few other political figures in our State will be mourned more deeply or sincerely than Oswald D. Heck, who died yesterday in Schenectady at the untimely age of 57. For 23 years he was speaker of the assembly—longer than any individual had served in that job before him, or is likely to do in years to come. It was a job that Ozzie Heck held with pride, independence and a profound sense of responsibility. Being an official of his State was nothing casual or incidental to Mr. Heck. It was his life.

It was a measure of his personal character and his political skill that Mr. Heck held not only the respect but the affection of members of both parties—as was reflected yesterday in the tributes paid to him. Being speaker of the assembly is a partisan job, but Mr. Heck knew how to be partisan and a square-shooter at the same time. Some evidence of how successful he was came at a testimonial dinner at the Waldorf in 1956, when 2,000 guests, Republicans and Democrats alike, cheered him on this 20th anniversary as speaker.

Oswald Heck had an ambition to be Governor of New York, and a very good one he would have made. Political fortunes and, in recent years, his own health, ruled otherwise and he never made the campaign. But he could look back, as few men could, to a lifetime of devoted service, memorialized both in achievement and friendship.

[From the New York Mirror, May 22, 1959]

A POLITICAL HERO

Oswald D. Heck, 57, died too soon yesterday. Speaker of the New York State Assembly for a record 22 years, Ozzie Heck was a politician in the finest sense of the word.

He was skilled in the arts of government. He served the people. His honesty was legendary, although few men of his age have lived long enough to create legends.

Leaders of his own Republican Party and the Democratic opposition have rushed to pay tribute to his virtues.

There is evidence that his fatal illness may have been occupational. He had suffered from circulatory troubles, had undergone an operation for a related foot infection, and finally succumbed to an acute coronory attack.

Politics, too, has its heroes. Ozzie Heck was one of them.

Mr. KEATING. Mr. President, I desire to join my distinguished colleague in paying tribute to Oswald D. Heck, who served for so many years as speaker of the New York State Assembly.

He was for a long time a close associate of my predecessor in the Senate, Irving Ives, who is known and beloved by many Members of this body. They rose in the State legislature together. I believe Mr. Heck succeeded Irving Ives as both Republican floor leader and speaker.

As my colleague has pointed out, Speaker Heck sponsored much important legislation, and was one of the architects of legislation which placed New York State in the forefront of the progressive States of the Nation. He was a hard fighter for the things in which he believed, but he was able to fight in a manner which in no way detracted from the high regard and affection which was felt for him by members of all parties.

He was, to an unusual degree, a man of character in public life. I join in this tribute to him, and in extending to Mrs. Heck and the other members of his family our deepest sympathy.

WHEAT ACT OF 1959

The Senate resumed the consideration of the bill (S. 1968) to strengthen the wheat marketing quota and price support program.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. CAPEHART. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause and insert in lieu thereof the following:

That (a) notwithstanding any other provision of law, no agricultural commodities, title to which has been or is hereafter acquired by the Commodity Credit Corporation, shall be sold or otherwise disposed of, except as provided in subsection (b).

(b) Commodities referred to in subsection (a) may be disposed of, in accordance with directions of the President, as follows:

(1) Donation, sale, or other disposition for disaster or other relief purposes outside the United States pursuant to and subject to the limitations of title II of the Agricultural Trade Development and Assistance Act of 1954;

(2) Sale or barter (including barter for strategic materials) to develop new or expanded markets for American agricultural commodities, including but not limited to disposition pursuant to and subject to the limitations of title I of the Agricultural Trade Development and Assistance Act of 1954;

(3) Donation to school-lunch programs;

(4) Transfer to the national stockpile established pursuant to the Act of June 7, 1939, as amended (50 U.S.C. 98–98h), without reimbursement from funds appropriated for the purposes of that Act;

(5) Donation, sale, or other disposition for research, experimental, or educational purposes;

(6) Sale for new or byproduct uses;

(7) Donation, sale, or other disposition for disaster relief purposes in the United States or to meet any national emergency declared by the President;

(8) Sales at not less than the current parity price for such commodity, plus reasonable carrying charges, whenever the President determines that because of a shortage

of the commodity such sale is necessary to prevent hardship;

(9) Donations to penal and correctional institutions in accordance with section 210 of the Agricultural Act of 1956;

(10) Sales for export;

(11) Dispositions authorized by section 416 of the Agricultural Act of 1949; and

(12) Sales for the purpose of rotating stocks or consolidating inventories, any such sale to be offset by purchase of the same commodity in a substantially equivalent quantity or of a substantially equivalent value.

(c) Strategic materials acquired by the commodity Credit Corporation under paragraph (2) of subsection (b) shall be transferred to the national stockpile established pursuant to the Act of June 7, 1939, as amended, or to the supplemental stockpile established by section 104(b) of the Agricultural Trade Development and Assistance Act of 1954, and the Commodity Credit Corporation shall be reimbursed for the value of the commodities bartered for such strategic materials from funds appropriated pursuant to section 8 of such Act of June 7, 1939, as amended. For the purpose of such reimbursement, the value of any commodity so bartered shall be the lower of the domestic market price or the Commodity Credit Corporation's investment therein as of the date of such barter, as determined by the Secretary of Agriculture. In order to make payment to the Commodity Credit Corporation for any commodities so transferred to the national stockpile or the supplemental stockpile, there are hereby authorized to be appropriated amounts equal to the value of any commodities so transferred. The value of any commodity so transferred, for the purpose of this section, shall be the lower of the domestic market price or the Commodity Credit Corporations investment therein as of the date of transfer to the stockpile, as determined by the Secretary of Agriculture.

SEC. 2. Notwithstanding any other provisions of law, all provisions of the Agricultural Adjustment Act of 1938, as amended, and the Agricultural Act of 1949, as amended, and any other Act of Congress, relating to acreage allotments, marketing quotas, and price supports for any agricultural commodity shall be ineffective with respect to the 1960 and subsequent crops of such commodities; but any right, claim, or action which accrued under any such provisions with respect to any crop prior to the 1960 crop shall not be affected.

Amend the title so as to read: "A bill to provide for a new farm program."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART].

Mr. CAPEHART. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. It is my understanding, under the unanimous-consent agreement which was reached last evening, that 3 hours are to be allowed on the Capehart substitute, to be equally divided.

The PRESIDING OFFICER. The Senator is correct.

Mr. DIRKSEN. I should like to ask the Senator whether he expects to make an extended general statement at this time on his amendment.

Mr. CAPEHART. Ordinarily I do not talk too long. I do not think I shall require very long, unless there are interruptions. I hope there will be considerable discussion of the amendment, because it is certainly far-reaching, and it should be debated. However, I do not believe I shall take much time.

Mr. DIRKSEN. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. I make this inquiry only in the interest of Senators.

Does the Senator from Indiana expect all the time on the substitute to be consumed?

Mr. CAPEHART. I cannot answer that question, because I do not know what questions will be asked, and I do not know which direction the debate will take. However, I should say not. If I can explain what I am trying to do, perhaps we can get through in a fairly short time.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. YOUNG of North Dakota. As a matter of clarification, would the Senator abolish all types of aid on all agricultural commodities, including dairy products, sugar, and wool?

Mr. CAPEHART. The Senator is correct.

Mr. President, I am not unmindful of the fact that my amendment is a very far-reaching one, and Senators will want to give very careful consideration to their votes on the amendment.

The proposed legislation before us as amended up to this time makes the situation much worse than it was before. In other words, the pending legislation, as amended by the so-called Williams amendment, does not do the small farmer any good at all. The small farmer will not have any more corn or peanuts or wheat or cotton to sell or to put under loan or deliver than he had before we adopted the amendment. It will hurt the middle-class farmer or the large farmer, because it practically takes him out of participating in the so-called price support program. Therefore, outside the crops on which there are mandatory acreages, he will be in the position of growing as much as he wishes, and till as many acres as he wishes, and grow as much as he wishes to grow. It affects the large farmer and the fairly large farmer. I am delighted that it has happened, because heretofore I have felt duty-bound to cooperate in the program by participating in the program and because no longer will I personally feel in conscience that I should participate in the program, which reduces my acres of soybeans, wheat, and other things, if I participate.

What the Senate has done in my opinion, has not helped the small farmer. We have increased the production, and we will further lower the farmer's prices. The pending bill calls for 65 percent of parity on wheat. Yet there is a law on the statute books which provides that the Commodity Credit Corporation, the Department of Agriculture, is authorized to sell at 5 percent above the existing support price. That means that the market price on wheat will be set at 70 percent, plus a little interest and some carrying charges.

That means, if history repeats itself, as it always does, that the small farmer will have about 20 percent of parity. With 1,300 million bushels of wheat in the hands of the Government, out of a total of 1,600 million bushels of visible supply, plus what is raised this year, we will further reduce to the farmer the price of wheat. We will further increase the surplus. We will further make the program more unworkable than it has been heretofore.

I wish the RECORD to show that the Williams amendment, in my opinion—and I refrained from voting on it by reason of the fact that I farm on a rather large scale—is the best reason why the Senate should adopt my amendment.

We are further complicating the farm problem and further reducing the farmers' prices and likewise increasing the surpluses.

My amendment would do this: It would freeze the currently Government-held $9 billion to $10 billion farm surplus. It would repeal, as of January 1, 1960, or at the end of the current crop year, all agricultural price support programs.

It would in effect, Mr. President, remove the depressing price effect of the current surplus and, more importantly, let the American farmer conduct his own business.

No one disputes the fact that the currently held surplus is one of the principal reasons why farm prices are too low.

Whether the Senate adopts my amendment or does not adopt it, whether the Senate passes the pending bill or whether it does not pass it, there is one thing, in my opinion, that we must do, and that is to repeal the part of the law which provides that the Commodity Credit Corporation can sell at the minimum of 5 percent above the existing support price. We set the market price, when we reduce the support price. With a support price of 65 percent, when we say to the Government, "You can sell it at 70 percent or 5 percent above the existing support price," we set the market price. That is particularly true so long as the Government has control of 1,300 million bushels of wheat of a visible supply of 1,600 million bushels. The same is true of corn, soybeans, and other crops, although it is not true quite to the degree that it is of wheat.

We will never get the market price to the farmers above the support price so long as we have that provision in the law.

My amendment would freeze the surplus—$9 billion or $10 billion worth, or whatever it is—which we will have on hand at the end of this year. Price supports would not be eliminated until the first of January, but we would say to the President of the United States, "You can dispose of the $9 billion or $10 billion surplus in an orderly way. You can sell it in export trade. You can sell it through the school lunch program. You can give it to hungry people in the United States. You can give it to hungry people

anywhere. You can sell it under Public Law 480. You can dispose of it in all the ways you can dispose of it now."

My amendment would say to the President that in case of an emergency, such as the price of agricultural commodities going too high, or in case of a drought, he could sell it in the domestic market; but he could sell it only at 100 percent of parity, because the purpose of the amendment is to take the stockpile completely out of competition with what the farmers grow beginning January 1 of next year. Under the amendment, on January 1 of next year, the farmers would start as though there had never been any farm programs. The Government would be permitted to sell commodities from the stockpile in the export market. It could likewise sell any merchandise from the stockpile which is deteriorating or spoiling. However, if it did that, it would have to buy an equal amount of the commodities in the open market at the market price to replace it.

The operation of the plan may take 5 years, in order to dispose of the surpluses. However, in the meantime we would eliminate the surpluses from competing with the farmers and competing with the farmers' prices.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. ELLENDER. I am sure the Senator would not want to leave the impression that the wheat under the control of the Commodity Credit Corporation at the present time, if the bill should be enacted, would be sold at 70 percent of parity.

Mr. CAPEHART. It would be sold at 5 percent above the existing support price.

Mr. ELLENDER. Evidently my good friend has overlooked the last sentence of the first paragraph on page 4 of the bill, which reads:

> For the purposes of section 407 of the Agricultural Act of 1949 the current support price shall for each of the 1960 and 1961 crops of wheat be deemed to be a price determined on the basis of a level of support of 75 percent of the parity price as of the beginning of the marketing year.

Mr. CAPEHART. At what percent?

Mr. ELLENDER. 75 percent.

Mr. CAPEHART. It would sell at 5 percent above 75 percent.

Mr. ELLENDER. Yes.

Mr. CAPEHART. The Senator agrees with me that under existing law the Commodity Credit Corporation is authorized to sell it at 5 percent above the existing support price.

Mr. ELLENDER. That is correct.

Mr. CAPEHART. That was all right when the support price was 90 percent. It meant that it could be sold at 95 percent. But as support prices are pushed down and the law is maintained, then, in my opinion, the market price will be pushed down. And what private businessman will pay more than 5 percent above the support price? He will not pay even that much when he knows that he can buy commodities out of the big stockpile at any time he wishes, at 5 percent above the support price.

Mr. ELLENDER. Mr. President, will the Senator further yield?

Mr. CAPEHART. I yield.

Mr. ELLENDER. I am certain the Senator recalls that the law further provides that to this price are added——

Mr. CAPEHART. Interest and carrying charges.

Mr. ELLENDER. Yes; interest and carrying charges, which amount to a considerable sum.

Mr. CAPEHART. That is correct; I should have said that. It is 5 percent of the total amount.

Let me give an example of what I am talking about. I had a visit from a friend the other day. He sat opposite me at my desk. He has a grain elevator and a feed mill, and he is a successful businessman.

I asked him, "How much Government grain do you have on hand?"

He said, "I have only corn. I have 100,000 bushels of Government-stored corn. The Government pays me a cent a bushel a month for storing it and 7 cents a bushel for moving it in and out. So in the first year I made 19 cents a bushel on 100,000 bushels."

Then I asked him, "How much corn do you have for your own purposes? How much do you own? You have a fairly large feed mill."

He replied, "I have only 30,000 bushels."

I asked, "Why don't you buy 100,000 bushels?"

He said, "Why should I buy 100,000 bushels when the Government is paying me 1 cent a bushel a month for storing it and 7 cents a bushel for moving it in and out? I know I can buy it at any time I want it at 5 percent above the support price plus some interest and carrying charges, and the corn is in my elevators."

I then asked him, "What do you pay the farmers for corn?"

He said, "We are certainly not going to pay any more than the support price for corn. That is what is being paid."

Mr. President, that will always be the situation. If the support price were 90 percent, the buyer would pay 90 percent. If the support price were 60 percent, he would pay 60 percent. This program is not working. It cannot possibly work.

What is happening is that the Government is paying private enterprises all over the United States 1 cent a bushel to store shelled corn. I think the Government pays more than that on wheat, to carry the inventory which in former years private enterprise carried itself. Yet under the law we are putting a ceiling on the free market price.

If my amendment to eliminate price supports is not adopted, the Committee on Agriculture and Forestry at this session of Congress should propose to repeal the law which freezes or sets a ceiling on the free market price at 5 percent plus interest and carrying charges above the support price.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. CASE of South Dakota. Whatever else may be accomplished by the Senator's presentation and his amendment, I trust the Senate and the country will not lose sight of the point he has brought out by relating his experience with his friend the other day. As the law now stands, a new business has been built into the economy, the business of storing surplus commodities. A vested interest has been created in that field. So long as the law stands as it is today, the man to whom the Senator from Indiana referred will have a good business if he can collect storage fees on 100,000 bushels.

Mr. CAPEHART. One hundred thousand bushels of shelled corn.

Mr. CASE of South Dakota. He will have a vested interest in the perpetuation of a system which supplies grist for his mill, to wit, the storage of this commodity.

The Senator's illustration dealt with corn. The same illustration could be applied to wheat. I think a vested interest has been built into the present economy through the storage of wheat. It has been some time since I saw the figures, but, as I recall, the Government is paying about 18 cents a bushel for the storage of wheat. That amount does not go to the farmer.

Mr. CAPEHART. I think the estimate is that it costs about a billion dollars a year to store the surplus, and the farmer gets none of that amount.

Mr. CASE of South Dakota. It costs about a billion dollars a year to store all surplus commodities.

Mr. CAPEHART. Yes, and the farmer gets none of that.

Mr. CASE of South Dakota. He might if he had some storage facilities on his farm and could store the surplus there. But the wheat charge alone is about $500,000 a day.

To that extent, I think the Senator's presentation certainly is worth while, because it ought to drive home to the country the fact that there is a new business in the farm program, namely, the business of storing the surplus, which is now large and is growing larger.

There is one point I hope the Senator will bring out in his discussion; that is, what he thinks the price of wheat would be under the amendment he has offered. He has indicated what he thinks it would be under the bill now before the Senate. But under the amendment in the nature of a substitute, what clue can he give us as to the price of wheat?

Mr. CAPEHART. My best judgment is that it will not have any effect this year. But beginning next year, when the surplus has been frozen and can only be sold in the domestic market for 100 percent of parity, when the Government has about 1,300 million bushels, and 1,600 million bushels are left, and nearly 300 million bushels in the visible supply are for private enterprisers to buy, my guess is that the price will go up very substantially. It will have to go up very substantially.

I remember that years ago—and so do most other Senators—one could pick up a newspaper and read occasionally that the visible supply of wheat or corn in the United States was so much or so many bushels. That meant the number of bushels on farms, other bushels in the

elevators, and a number of bushels in boxcars. That was the visible supply.

Now it is called surplus. I am inclined to believe that $9 billion or $10 billion of surplus commodities may be a good thing. Perhaps that is not too large a surplus. But the trouble is that we try to help the farmer by buying his commodities and putting them in surplus, and then pass a law providing that they can be sold at 5 percent above the support price, which is entirely too low. That is the weakness of the whole proposition.

The amendment I am offering has two parts to it. I repeat: The surplus would be frozen and disposed of in an orderly way, so that it would not interfere with that which the farmers grow, beginning next January 1. The Government would keep the surplus. Perhaps that is a good thing.

We then say to the President, "If the price of wheat gets too high, or if there is a drought and a part of the wheat is needed, you may sell a portion of it at 100 percent of parity." That is provided so as not to run down the price of the farmer's commodity in the open market.

I am certain that Senators realize that if the free market price during the past 6 years had been higher than the support price, there would not be a nickel's worth of commodities in the so-called Government surplus pile. It is only when the support price is higher than the free market price that the commodities are put into the stockpile.

Therefore, what Congress ought to do is to enact legislation and adopt policies which will keep the market price above the support price. Then the farmer sells his commodities in the open market. That is what we ought to try to do. That is the kind of legislation we should have.

This legislation in the beginning, back in 1938, never was intended to help the small farmer, the big farmer, or the in between farmer. The size of the farms had absolutely nothing to do with the question. It ought never to have anything to do with it today.

The purpose of the agriculture legislation in 1938 was to reduce the farmer's production by saying to him, "If you will reduce the number of acres you till, we will lend you X amount a bushel or a pound. You can sell the commodity you produce in the open market and pay off your loan at any time you wish. Or if the support price is higher than the market price, you can deliver the merchandise or commodities to us, and we will pay off your bank loan." It was not a program to help the little fellow or the big fellow; it was a program to keep up the prices of agricultural commodities.

The original idea was to keep the prices of agricultural commodities within 100 percent of parity. Parity is a formula which is based on keeping the prices of agricultural commodities comparable to the prices the farmers have to pay for all the things they buy. That was the only purpose. But to judge by what some Senators say today, the program was enacted to help the small farmer. Today Senators talk about helping the small farmers. Of course, I am in favor of helping the small farmers. But today, by means of an amendment which the Senate has adopted, the maximum amount which can be received by any farmer who participates in the program has been limited to $35,000.

Yet the statistics show that the large farmers, who constitute 25 percent of the entire number of farmers, produce 75 percent of all agricultural commodities grown in the United States, and farm 75 percent of the total acreage. So what the Senate has done is to remove 75 percent—the exact figure may be somewhat larger or somewhat smaller; in any event, it is a very large amount—completely from the program, with the result that those who farm 75 percent of the total acreage will be allowed to produce as much as they wish.

Mr. President, the present farm program has outlived its usefulness. Something is wrong with it. There is ample proof of that.

Mr. President, I am amazed that so few Senators are on the floor to listen to the debate. What is wrong with Senators? Are they afraid of the issue? Are they afraid to face the facts in connection with a program which has proven to be a failure?

Mr. President, what is this program? It has been voted for by both Democratic Members of Congress and Republican Members of Congress. In 1938 the Democratic Party gave us the price support law. Later on, Mr. Benson proposed the soil-conservation law; and it was added to the price-support law. Both of them had the same purpose, namely, to reduce agricultural commodity production by reducing the number of tillable acres, in order that the free market prices of agricultural commodities might be comparable to the prices the farmers had to pay for the things they had to buy.

So, Mr. President, this program is not a partisan one, because all of us have been involved in it. But the program is not working.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from Indiana yield to me?

The PRESIDING OFFICER (Mr. CANNON in the chair). Does the Senator from Indiana yield to the Senator from South Carolina?

Mr. CAPEHART. I yield.

Mr. JOHNSTON of South Carolina. Have any hearings been held on the bill?

Mr. CAPEHART. Of course they have.

Mr. JOHNSTON of South Carolina. I refer to the proposal of the Senator from Indiana which now is before us.

Mr. CAPEHART. Hearings were held on the amendment of the Senator from Minnesota [Mr. HUMPHREY], which was submitted yesterday. My amendment was printed and was lying on the table yesterday, and was before the committee yesterday morning, when the committee met; and hearings could have been held on it.

Mr. JOHNSTON of South Carolina. But I do not think the Committee on Agriculture and Forestry has held any hearings on it; neither has the committee looked into the Senator's proposal, to see just what it would do.

Mr. CAPEHART. Of course, I think perhaps the wisest thing to do would be to return the wheat bill to the committee, and have the committee study it further.

Mr. JOHNSTON of South Carolina. But my question is whether the Senator's amendment has been studied in connection with hearings.

Mr. CAPEHART. No; I do not think hearings have been held on it. About a month ago I introduced an omnibus farm bill; and I do not think any hearings have been held on it.

Mr. CARLSON. Mr. President, will the Senator from Indiana yield to me?

Mr. CAPEHART. I yield.

Mr. CARLSON. The Senator has discussed the effects of some of the farm legislation. I wonder whether it dates back to the attempts of the Government to assure production during the emergency war period; and, later, the surpluses built up, and we got into the program of restricting the acreage.

Mr. CAPEHART. Undoubtedly that is true.

Mr. President, let us consider the facts regarding the existing situation; let us forget who was responsible for the program in the first place. I do not know that, and I do not care. But I do know that, as one of the 98 Members of the Senate, I have a responsibility to the taxpayers of the Nation, including the farmers of the Nation, to try to reach a proper solution of this problem, which at present is the subject of a very expensive program.

It is a fact that this year the Department of Agriculture will spend $6,500 million—approximately $5 billion of it to support farm-commodity prices—in order to support a net income of all farmers in the Nation which last year amounted to $13 billion; and the Department of Agriculture tells us that this year their net income will be $1 billion less. Yet the stockpile or the surplus has increased to between $9 billion and $10 billion worth. In other words, under the existing program the cost to the taxpayers is rising every year, the surplus is increasing every year, and the expenses of the Department of Agriculture are increasing; but agricultural commodity prices are remaining where they were, or are going down; and, at least, Mr. President, the farmers' net income this year will be $1 billion less than it was last year.

Furthermore, since 1953, and through 1958—and for the first time in the history of the Nation—the increase in the farmers' income has been less than the increase in the income of the rest of the American people. The farmers received $2 billion less income.

Furthermore, since 1933 the Government has spent, in supporting the prices of agricultural commodities, $30 billion. Yet $15 billion of that has been spent in the past 6 years.

Mr. President, those are facts. Yet today the Senate is considering a bill which calls for the same, old program; it calls for no change except one which would make the program even worse.

I heard Senators talk about their desire to help the small farmers; and they thought the small farmers would be helped by imposing a limitation of $35,000 on the amount which could be

loaned to any one farmer. Mr. President, how would that give any farmer an additional bushel of wheat or corn or an additional pound of cotton or peanuts? It would not help the farmers any, although it might reduce the cost to the taxpayers.

But I predict that unless there is a drought this year, the prices of agricultural commodities will go down.

As we know, the agricultural commodities which are supported by means of this program constitute only a very small percentage of the total of agricultural commodities, in terms of the total income of the farmers. Three commodities—corn, wheat, and cotton—are responsible for 85 percent of the total of $10 billion.

On the other hand, the prices of livestock and poultry—which are responsible for approximately 75 percent, more or less, of the income of the farmers—are not supported. The prices of livestock and poultry are fairly satisfactory; at least, hog prices and cattle prices are.

Mr. President, why do Senators hesitate to change something which they know is wrong? Why is this Chamber almost empty at this time? Why do not Senators have the courage to face the issue? Is it a political issue?

Mr. President, all Senators are doing now is sweeping their troubles under the bed—in the way a housewife may sometimes sweep a little dirt under the bed, and think she has cleaned the room.

This problem will be back to haunt Senators next year, in my opinion, in a bigger way than it is haunting them this year—or, if not next year, then certainly in 1961 or 1962.

The only thing that could possibly save us, in this situation, would be a severe drought or a great many floods which would prevent very much production for several years. Certainly that would be an exteremely cruel way to correct the situation. It might be corrected on that basis; but certainly it will not be corrected otherwise, under the present program.

Mr. President, what is the answer? Why do not the Senate and the House of Representatives do something to correct the situation? Why does not the Democratic Party, which is so much interested in the farmers—and I say that sincerely—do something to correct it?

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. CAPEHART. Yes, I am happy to yield.

Mr. DOUGLAS. I wanted to know about the grammar used by the Senator from Indiana. Did he say the "Democratic Party," which is the proper term or "Democrat Party"?

Mr. CAPEHART. Either one; whatever name one calls it by——

Mr. DOUGLAS. Hereafter would the Senator from Indiana please stick to the rules of correct grammar and please say Democratic Party?

Mr. CAPEHART. Very well, I will say Democratic Party. I am not trying to be critical. I would say the same thing if those on this side of the aisle were in the majority. We are talking about $5 billion. I get letters from all over the United States, mostly from Indiana, saying to me, "Reduce expenditures. Cut taxes. Cut the foreign aid program." They do not seem to understand we have a Department of Agriculture which is spending $6 billion, $5 billion of that for price support, all of which, in my opinion, could be eliminated in a short time.

I would not regret the expenditure of $5 billion, and I do not think the taxpayers would, if the prices of the grains we are supporting were at figures comparable with the prices farmers have to pay for the things they buy. But that is not so. So, if we are going to do something about this program, now is the time to do it.

When I sent my amendment to the desk to be printed, which I think was on Wednesday, the able Senator from Minnesota, in a colloquy with me, said, "Well, we will take care of this in 18 months." I presume he meant that when we get a Democrat President they will take care of it. The problem ought to be taken care of today.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. CAPEHART. Yes.

Mr. DOUGLAS. Once again the Senator has violated the rules of syntax by saying "Democrat" President, whereas the word should be "Democratic" President. The Chairman of the Republican National Committee, our good friend the Senator from Kentucky [Mr. MORTON], has observed the rules of politeness, and refers to the "Democratic" Party. I want to congratulate our colleague from Kentucky. I say to my friend from Indiana, please do not downgrade your opposition by dropping off the last two letters, "i-c." We are the "Democratic" Party and not the "Democrat" Party.

Mr. CAPEHART. I do not think the farmers or taxpayers care whether I say "Democrat" or "Democratic," so long as the farmers can get higher prices and the taxpayers can get some tax relief.

Mr. DOUGLAS. Will the Senator yield?

Mr. CAPEHART. I have said several times I was not blaming any particular party.

Mr. DOUGLAS. Will the Senator yield?

Mr. CAPEHART. But I am appealing to the people who control the votes and saying that if we do not do something about this problem, we are going to be in very great trouble.

Mr. DOUGLAS. Will the Senator yield?

Mr. CAPEHART. Yes.

Mr. DOUGLAS. The Senator from Illinois is trying to save the grammatical reputation of the Senator from Indiana, and yet the Senator from Indiana persists in making the same blunder over and over again.

Mr. CASE of South Dakota. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. CAPEHART. Let me say to the able Senator from Illinois that I would much prefer not to be saved by him, since I do not consider it will add to my reputation in the least to be helped or saved by him, because he possibly is one who does not have the courage to face this issue. Like a good lawyer, when he does not want to face the issue, he wants to divert attention in other directions.

I am talking about a farm program which, in my opinion, is not working, and there is not a Member of the U.S. Senate who will not admit it is not working.

Let me quote the last sentence of President Eisenhower's message to Congress on January 29. Some people said to me the other day, "Well, you are a Republican and you are saying that this program is not working and won't work," and so forth.

Let me quote what the President said last January:

> Continuation of the price support and production control programs in their present form would be intolerable.

That is what the President of the United States said on January 29. In a few moments I shall read some other statements he has made.

Mr. CASE of South Dakota. Mr. President, if the Senator will yield, I am not sure that the rules of the Senate require one to be either grammatical or to speak in accordance with any rules of syntax; but if we are going to get down to fine points, I think we ought to know, when we use the term "Democratic," whether it should be spelled with a capital "D" or a small "d."

Mr. CAPEHART. Let me say to the Senator that no two persons have any more enjoyment out of getting into a colloquy than do the Senator from Illinois and myself. We thoroughly and completely understand each other. I always derive great enjoyment from his feeble attempts to correct the Senator from Indiana, and I know he gets much enjoyment from my feeble efforts to correct him.

Mr. CASE of South Dakota. Mr. President, since the Senator from Indiana has used the word "feeble" in referring to himself as well as to the Senator from Illinois, I trust it will not be regarded as violating the rule that a Senator must not speak disrespectfully of a colleague.

Mr. CAPEHART. I am sure in this instance the word "feeble" was meant to be praise both on my part and the part of the Senator from Illinois.

Mr. CASE of South Dakota. It was a term indicating modesty.

Mr. CAPEHART. Yes.

I now read something else the President said about this question:

> The price-support and production-control program has not worked.

Is there a Senator who believes it has? Is there a newspaper that believes it has? Is there a farmer who believes it has worked?

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. YOUNG of North Dakota. The Senator knows, does he not, that the average production of wheat for the past 4 years, under quotas, despite the unusually big crops of last year, has been about 300 million bushels a year less than previous to the imposition of quotas?

Mr. CAPEHART. Yes. The overall production is somewhat greater today than it was 20 years ago, but the produc-

tion is not any greater in proportion to the increase in population in the United States and the increase in the standard of living of our people. It is, therefore, better proof and more proof of the fact that the program is not working.

Mr. CASE of South Dakota. Mr. President, will the Senator yield to me for a serious observation with reference to his proposal?

Mr. CAPEHART. I yield 2 minutes to the Senator from South Dakota, or such time as he may find necessary.

Mr. CASE of South Dakota. I think what the able Senator from Indiana overlooks or does not credit is the value of a price support program in taking care of seasonal gluts in marketing. I agree with him that the big surplus on hand has got to be disposed of and has got to be taken out of the market. It is hanging over the market. But, without any price support program at all, what does the Senator think would happen to prices in the market if there were no way of putting crops into storage or diverting the marketing of products at harvest time?

Mr. CAPEHART. I think if our present surpluses could be eliminated, or at least the great bulk of them, so that they would not compete with what the farmers will grow next year, the prices of farm products would be much higher than they are now.

I am one who believes that prices of farm products would increase if we could get rid of the $9 billion worth of surplus products and started all over again.

Mr. CASE of South Dakota. Unquestionably that would be true for a short period of time; that is, if we could be sure that none of the present surpluses were going to be available to the market, except at 105 percent of parity, there should be some bringback to the market. However, it seems to me a device is needed to protect the farmer against the drop in price which would take effect during the glut of seasonable marketing at harvest time.

Mr. CAPEHART. Perhaps, a lower floor under the price of farm products is needed; but I am not one who particularly believes that the present surplus is too large, big as this Nation is today, and with as many people in it as there are.

The trouble with the present surplus is that we have low support prices, and we permit sales from the surplus stocks at 5 percent above the support price, which sets the market price. That is the trouble.

Years ago those engaged in private enterprise carried the inventory or the surplus. Today the Government has it. The Government either has under its own control in outright ownership or under loan 1.3 billion bushels of the 1.6 billion bushels of supplies of wheat. That leaves only 300 million bushels under private control.

Mr. CASE of South Dakota. That is not the proposal the able Senator from Indiana is making. The Senator is not making a proposal that we freeze or set aside the current stock, but the Senator has proposed a section 2.

Mr. CAPEHART. That is correct.

Mr. CASE of South Dakota. Section 2 would wipe out all price supports.

Mr. CAPEHART. That is correct.

Mr. CASE of South Dakota. If the Senator would strike out section 2 of his substitute he would be presenting a proposition more in line with the description he just gave.

Mr. CAPEHART. In the statement I prepared I said that if any Senator has a better idea I hope he will say so.

The problem simply cannot be ignored any longer. I said, when I introduced the omnibus bill a month ago, I think, and the other night when I submitted this particular proposal, that I have no particular pride of authorship. All I have been trying to do is accomplish something.

I have tried for some 5 years to get through the Senate and through the Congress a bill to spend $100 million a year on research to find new uses for farm products and new markets, and I could not get the bill passed primarily because the Department of Agriculture was opposed to certain features of it.

I care not how we handle this situation, so long as we handle it. I have offered my proposal. Let us hear the other ideas. Perhaps others have better ideas than my own; I do not know. There is not a man who knows the facts who can successfully contradict the statement that the present program is not working. It is getting worse instead of better.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. YOUNG of North Dakota. I will agree that the present program is not working as well as it should, but I think to abolish all price supports would be far worse. All we have to do is look back to see what happened in the 1920's and the 1930's. We had no price supports then. Oats were selling at about 6 cents, and corn at about 12 to 15 cents, but that did not solve the surplus problem or the cash price problem.

Mr. CAPEHART. I will say to the able Senator that the Senate voted this afternoon to eliminate price supports for a great number of our farmers in the United States, when the Senate put a limit of $35,000 on their participation. Those who grow products worth more than $35,000 were eliminated from participating in any price supports.

If such a procedure is good for the fellow who grows products worth more than $35,000, then my best judgment is it would be better for the fellow who grows products worth less than $35,000.

A farmer cannot participate in price support programs unless he reduces his production. The small farmer is in no position to reduce his production. He has too few acres on which to produce as the situation is. When we ask him to reduce X number of the acres he has, and the price is very low, we put him in a bad position.

We voted this afternoon to remove completely from participation in price supports every farmer who grows products worth more than $35,000. I do not have the figures here—I wish I had—but my best judgment is that we took action with respect to at least 60 percent of the acres in the United States when we adopted that provision. That figure perhaps is too high, but possibly it is too low. That is what we did this afternoon. Why did we do it? I think one of the reasons why we did it was that there was a mistaken idea that the farm program we have under consideration will be of help to the small farmer. It will not necessarily help him. The way we could help the small farmer is by providing a program which would keep the free market price up to the point where it should be, namely, around 100 percent of parity in respect to the things the farmer buys. Then we would be helping the small farmer.

We did not help the small farmer today, because we did not help him grow a single bushel of corn or wheat, or peanuts or cotton. We did not do anything to enable him to have an extra bushel or an extra unit to sell. We did not do that at all. We merely turned the big farmers loose. They are the farmers who till possibly 60 or 75 percent of our acreage. We said, "No longer do we expect you to participate. You can till all your acres. You can grow all you want. You can run up a big production and run down the free market price, so that the small farmer will get less and less and less."

The chances are that the small farmers—at least those who are in Indiana—do not have granaries in which to store the grains when they harvest them. They cannot seal them. If they seal the grain in elevators it will cost them about 1½ cents a bushel a month to store the wheat, which is 18 cents a bushel a year. If I am not correct on that figure it can be corrected.

There are many peculiar ideas about the farm program. I participated in the program for many years. I did so because I thought I ought to cooperate with the Government and with the other farmers in attempts to decrease production. I have been criticized for doing it. I understand the program.

For example, I suggested that the $35,000 be limited to the commodities which the farmers deliver to the Government, for the commodities which go into the stockpile. That proposal was turned down. The Senate wanted the language to refer to loans.

When the farmer gets a loan on his corn or his wheat or his cotton, it is at the local bank, and the farmer pays interest on it. The farmer might pay off the loan in 30 days, 60 days, or 90 days.

Why do we want to limit this restriction to loans? If we did as suggested, we would permit the larger farmers to hold the commodities back and market them in an orderly fashion.

I agree with the statements made about the delivery of huge amounts of farm commodities to the Government. I think those deliveries ought to be limited. However, there is a great deal of misunderstanding about this program.

I should like now to refer to another matter. There are many who will not like the statement, and perhaps that is one reason why there are so few Senators present to listen to me, but we had better face the issue. I say to Senators, as a farmer who has been a farmer all his life, the lower we reduce the support prices the more products the farmer, as

a farmer, is going to be forced to grow. If the farmer has an 80-acre field, or a 160-acre field, or a 40-acre field, and if we reduce the support prices, he will work harder. Those who say that by reducing support prices—getting them low enough—we can discourage the farmer from growing commodities, are not correct.

Will any Senator undertake to tell me that if a farmer has an 80-acre field, and has a tractor and does the work himself, he is going to plant only 40 acres of that 80-acre field because the price is low? He will not put the tractor in the corner and plant only 40 acres. He will plant the 80 acres, and he may even plant another 20 acres.

Why will the farmer do that? He will do it because he has to have a lot of production, multiplied by a smaller amount per unit, in order to get the money he needs to meet his banknote or to pay his farm expenses.

It does not work the way it has been stated. The theory is, of course, 100 percent true in the manufacturing business. If I, as a manufacturer, am losing money, or if I cannot sell my products, because there is no market for them, I will quit. I will close down the factory. If I am a retailer and I cannot sell what I have, I will quit until I can sell it. The same is true of the wholesalers. However, it is not true of the farmer.

It takes a year to produce most farm commodities. The farmer has his equipment. If I am a farmer, and if I am doing my own work, as many farmers do, I am going to make the farm produce. What else can I do? I simply cannot quit, and I will not quit. I will not say, "I will not plant my 100 acres because the price is low." I have to plant the 100 acres. I am forced to plant the 100 acres. I will possibly even use additional fertilizer on the land, and possibly will try to raise more on the same acreage. The theory which has been stated is simply a mistaken one. I wish we could print it in bold type in the CONGRESSIONAL RECORD.

We should do what I am recommending today, or we should go back to 90 or 100 percent of parity price supports. We should at least repeal the law which provides that the Commodity Credit Corporation may sell at 5 percent above the support price, plus interest and carrying charges. That sets the market price. I ask Senators to get out their pencils and go through the figures for the various years, as I have done, and see if that is not what sets the market price. Why should a private enterpriser pay more than that? When we set the support price, we set the floor, at 75 or 80 percent on wheat. Then, when we say to the Commodity Credit Corporation, "You can sell at 5 percent above that price, plus certain costs," we set a ceiling. If there is a great deal of grain in storage, we know that that must be the answer.

This is what the President said, in his message of January 29, 1959, on the agricultural program:

> When the 1958 crops have come into Government ownership, the costs, in terms of storage, interest, and other charges, of managing our inventory of supported crops, for which commercial markets do not exist at the support levels—

He says "markets do not exist at support levels"—

> will be running at a staggering rate, in excess of a billion dollars a year.

Those are not my words. They are the words of the President of the United States. Some of my colleagues have criticized me for saying some of the things I said the other day. The President said them. Secretary Benson has said repeatedly that the present program is no good. I do not know how he would correct it. He has not come forward with a program as I have. I wish he would. He says he wants to get the Government out of the farming business and return it to the farmers, so that they may have freedom of action. Here is a plan which would give them 100 percent freedom of action. It would freeze surpluses.

The President says:

> Unless fundamental changes are made, this annual cost will rise.

The President continues:

> Heavy costs might be justifiable if they were temporary, if they were solving the problems of our farmers, and if they were leading to a better balance of supplies and markets. But unfortunately this is not true.

Those are the words of the President of the United States in a message to Congress on January 29 of this year.

I do not know whose back the monkey will be on if we in Congress do not come forward with some sort of plan to solve this problem. I do not know who will be responsible. I do not believe the farmers or the taxpayers will care much, because I think they are looking to us for action.

The Farm Journal, which I believe is the largest of our farm magazines, recently conducted a poll. The poll showed that 55 percent of the farmers were in favor of no supports, no controls, no floors; free market prices; and getting the Government out of the business of farming.

Fifteen percent favored emergency supports to prevent disaster from a huge crop or sudden loss of markets; floors set at, say, 50 percent of parity, or 75 percent of the average 3-year market price, and no controls. Eight percent were in favor of adjustment supports, such as 90 percent of the average 3-year market price. Fourteen percent were in favor of high price supports, 90 percent to 100 percent, on a graduated scale.

Eight percent voted for production payments.

Mr. President, I ask unanimous consent to have this chart printed in the RECORD at this point as a part of my remarks.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

THE FARM PLAN YOU VOTED FOR

(By Claude W. Gifford)

Eight out of ten Farm Journal readers want lower price supports and fewer controls in the future—instead of higher price supports and strict controls.

And more than half (55 percent) want the Government to get clear out.

That's the way farmers voted who mailed in ballots printed on page 41 in the February issue. The article accompanying the ballot sized up the situation this way:

Farm productive capacity is racing ahead faster than the growth in population and demand. This tightens the squeeze on farm prices. At the same time, support programs are piling up Government surpluses at an alarming rate. So, the article asked, which of five general directions (see choices left and below), do you think future Government price support policy should take?

Results from the first 10,000 ballots mailed by farmers show that 78 percent favor the first three choices—each of which calls for less support and more freedom than past or present support programs. By all odds the most popular choice is to chuck all supports and get the Government clear out—let farmers' own decisions and management ability determine who'd produce what.

This poll reveals that the South's Farm Journal readers are no longer the "high price support and strict control" advocates they were once assumed to be. Midwestern States gave high price supports a larger vote than the other three regions—but still only one midwestern farmer out of five favors 90 percent to 100 percent of parity. It may surprise you that Iowans, who are often held up as typical of all farmers, are less inclined to "kick the Government out" than farmers in any other State.

Among the different commodities, farmers specializing in either poultry, beef, or fruit and vegetables are the most inclined to chuck supports. Wheatgrowers and feed grain producers are least disposed to do this—although nearly half of them think it's the thing to do.

How dependable are these figures? Statisticians say, "they're sound." The ballot tabulations were checked in these ways:

Tentative percentages were figured after the first 2,000 ballots were counted. These "percentages" proved highly accurate when 10,000 had been tabulated.

Farm Journal statisticians say that counting several thousand more ballots wouldn't change the regional and national percentage figures except possibly by one or two points here and there. Percentage figures from the small States with fewer farms have the best possibility of being nonrepresentative.

The results are a pretty good barometer of farm thinking across the Nation for these reasons:

Farm Journal's circulation—a whopping 3.1 million—covers all parts of the country.

The number of ballots mailed is amazingly close to the proportion of circulation in each State—there was no run on the ballot box from one State or region to upset the final percentages.

When the vote of readers is adjusted for the actual number of farms in each region (1954 census figures), the final percentages are almost identical to the ones from our sample. The difference: 2 percent more in favor of the no-support choice, and 1 percent fewer in favor of high supports.

As a further check a 14-State survey was made among fathers of vocational agriculture students—some Farm Journal readers, and some not. Eight out of ten (82 percent) favored the first three choices (compared with 78 percent by mail).

This poll also checks closely with a survey made in the December 1957 Farm Journal when 50 percent of the readers responding voted that the Government should get clear out of farming.

Age makes little difference in the attitude of the readers voting. The slight difference is that young farmers in the 20- to 30-year-old bracket and farmers 60 and over are slightly more in favor of lower supports and fewer controls.

Two ballots were returned from Alaska, one by a haygrower and one by a potato

grower—both voted for no supports. One Illinois corngrower mailed his ballot from Canada. The oldest voter was an Idaho wheatgrower at an even 100 years. Five said their most important farm product is children.

HOW THE UNITED STATES VOTED ON THE FIVE CHOICES

No supports—no controls, no floors; free market prices; get the Government clear out: 55 percent.

Emergency supports—to prevent disaster from a huge crop or sudden loss of markets; floors set at, say, 50 percent of parity, or 75 percent of the average 3-year market price. No controls: 15 percent.

Adjustment supports—such as 90 percent of the average 3-year market price. Permits gradual adjustment to normal markets. Moderate production control when necessary to ease adjustments: 8 percent.

High price supports—90 percent to 100 percent of parity. Cross-compliance and tight production controls to restrict output to available markets—bushel-and-pound allotments to limit what you could sell: 14 percent.

Production payments—let markets fall, then pay farmers in cash to make up the difference between the market price and the support level. Extend supports to perishables, such as beef, pork, eggs, and fruit. Strict bushel-and-pound controls to hold down costs of the program: 8 percent.

[In percent]

	No supports	Emergency	Adjustment	High supports	Production payments
Connecticut	50	25	5	0	20
Delaware	91	5	0	4	0
Maine	71	9	5	4	11
Maryland	70	19	8	2	1
Massachusetts	77	18	5	0	0
New Hampshire	62	33	5	0	0
New Jersey	84	7	1	3	5
New York	78	12	5	2	3
Pennsylvania	80	13	3	2	2
Rhode Island	57	43	0	0	0
Vermont	72	28	0	0	0
West Virginia	75	17	6	0	2
Eastern States	77	14	4	2	3
Illinois	44	20	7	20	9
Indiana	57	13	8	12	10
Iowa	24	17	13	33	13
Kansas	46	20	10	19	5
Michigan	66	14	8	5	7
Minnesota	30	15	13	25	17
Missouri	52	15	7	15	11
Nebraska	38	15	13	25	9
North Dakota	34	14	11	31	10
Ohio	71	12	4	8	5
South Dakota	39	16	9	26	10
Wisconsin	45	12	13	14	16
Central States	47	16	9	18	10
Alabama	61	15	9	8	7
Arkansas	56	18	9	9	8
Florida	79	9	2	8	2
Georgia	62	3	16	11	8
Kentucky	51	6	22	16	5
Louisiana	51	17	20	5	7
Mississippi	57	14	14	12	3
North Carolina	61	4	6	23	6
Oklahoma	53	22	5	14	6
South Carolina	71	17	7	5	0
Tennessee	65	8	7	11	9
Texas	54	12	10	13	11
Virginia	72	15	2	10	1
Southern States	59	13	9	12	7
Arizona	48	21	24	4	3
California	73	13	6	3	5
Colorado	58	11	5	18	8
Idaho	51	15	9	16	9
Montana	55	17	5	18	5
Nevada	90	5	5	0	0
New Mexico	55	21	13	6	5
Oregon	63	12	7	6	12
Utah	71	9	9	6	5
Washington	70	15	6	6	3
Wyoming	53	18	8	18	3
Western States	63	14	7	10	6

What different commodity groups want

CENTRAL

[In percent]

Kind of farmers	No supports		Emergency		Adjustment		High supports		Production payments	
	United States	Central	United States	Central	United States	Central	United States	Centra.	United States	Central
Beef	69	59	14	15	6	8	7	11	4	7
Dairy	59	50	14	13	8	9	9	13	10	15
Feed grains	50	44	14	15	7	8	20	22	9	11
Fruit and vegetables	69	63	12	15	6	8	5	8	8	6
General	66	55	12	12	7	10	9	16	6	7
Hogs	44	40	19	19	11	12	14	16	12	13
Poultry	77	73	14	14	1	2	3	5	5	6
Sheep	64	42	14	29	6	3	6	13	10	13
Wheat	43	41	18	16	9	11	24	25	6	7

EAST

Kind of farmers	United States	East	United States	East	United States	East	United States	East	United States	East
Beef	69	76	14	22	6	2	7	0	4	0
Dairy	59	68	14	19	8	7	9	2	10	4
Feed grains	50	87	14	6	7	2	20	4	9	1
Fruit and vegetables	69	80	12	8	6	5	5	2	8	5
General	66	86	12	12	7	2	9	0	6	0
Hogs	44	88	19	6	11	0	14	0	12	6
Poultry	77	80	14	14	1	1	3	3	5	2
Sheep	64	81	14	8	6	4	6	0	10	7
Wheat	43	78	18	17	9	5	24	0	6	0

WEST

Kind of farmers	United States	West	United States	West	United States	West	United States	West	United States	West
Beef	69	77	14	11	6	5	7	3	4	4
Cotton	41	33	17	33	16	21	15	9	11	4
Dairy	59	62	14	15	8	7	9	7	10	9
Feed grains	50	68	14	12	7	3	20	11	9	6
Fruit and vegetables	69	65	12	14	6	6	5	6	8	9
General	66	68	12	12	7	8	9	7	6	5
Poultry	77	76	14	12	1	3	3	0	5	9
Sheep	64	70	14	10	6	8	6	5	10	7
Wheat	43	44	18	20	9	8	24	23	6	5

SOUTH

Kind of farmers	United States	South	United States	South	United States	South	United States	South	United States	South
Beef	69	78	14	13	6	5	7	2	4	2
Cotton	41	43	17	13	16	15	15	15	11	14
Dairy	59	72	14	14	8	3	9	8	10	3
Feed grains	50	68	14	11	7	5	20	10	9	6
General	66	64	12	8	7	9	9	6	6	13
Peanuts and rice	42	39	21	18	21	23	12	16	4	4
Poultry	77	74	14	17	1	2	3	2	5	5
Tobacco	60	51	2	2	16	19	21	26	1	2
Wheat	43	49	18	22	9	4	24	21	6	4

Mr. CAPEHART. So we have the problem of doing something about a bad situation.

I think I made the statement a moment ago—and I wish to repeat it—that the period 1953 to 1958, inclusive, is the only period in history when agriculture did not share in the increase in national income. In fact, during those years agriculture received $2 billion a year less than it did in 1952.

Is not that fact alone proof that the present farm program is not working? What further proof do we need that the program is not working, than the fact that the farmers received $2 billion a year less in the period referred to than they did in 1952? Agriculture did not share in the national increase.

In my opinion the time has come to make some changes. At least the time has come for this Congress, before it adjourns in 2 or 3 months, to change the so-called farm law. I am hopeful that Senators will have the courage to vote their convictions, because my best judgment is that their political future would be much better served by facing this issue than by trying to avoid it.

I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks a statement by me in regard to the amendment I submitted earlier today.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR CAPEHART

Before the Senate is an amendment in the form of a substitute for the bill under consideration.

This amendment, introduced by me on Wednesday evening just before we recessed, represents a sincere effort to help the American farmer in particular, and the American taxpayer generally, by taking the Federal

Government completely out of the farm business.

It provides for:

1. Freezing the currently Government-held $9 billion to $10 billion farm surplus.

2. Repealing as of January 1, 1960, or at the end of the current crop year, all agricultural price support programs.

It would, in effect, remove the depressing price effect of the current surplus and, more importantly, let the American farmer run his own business.

Why?

1. Nobody disputes the fact that the currently held surplus is one of the principal reasons farm prices are too low.

2. The system of price supports we have had, in one form or another, for many, many years in this country is not working.

President Eisenhower recognized this fact when he said to the Congress in his annual message:

"Continuation of the price support and production control programs in their present form would be intolerable."

Whether or not you agree with his methods, Secretary of Agriculture Benson always has announced as the aim of his administration the removal of all Government control from the farming business.

Here is a way to do both—discontinue "intolerable" price support and production control programs and get the Government completely out of the farming business.

Let me make it clear here that the proposal I have made is wholly mine and has not been discussed with either the President or the Secretary of Agriculture.

We cannot go on spending $6½ billion a year to finance a program of the Department of Agriculture under which—

1. Farm surpluses continue to increase.

2. Farm prices continue to be too low.

3. Net farm income drops, as it has estimated that it will this year from $13 billion to $12 billion or a drop of $1 billion.

4. The cost of approximately $6½ billion to the taxpayers of running the Department of Agriculture continues to increase primarily because of the increasing cost of price support programs.

My substitute bill provides the orderly method of disposing of the surplus under methods which have been approved time and again by the Congress and which are in the present law—for export, for distribution under Public Law 481, to the needy at home and abroad, for school lunch programs, for distribution to charitable organizations and, under certain emergency conditions, for sale on the market. It can be done, for all practical purposes, within 5 years.

The American farmer wants to be free.

The American taxpayer wants relief.

If the Congress adopts my substitute, the American farmer will be free to run his own business, plant what he wants, in any amount he wants to, when and where he wants to.

The American taxpayer will be relieved of the more than $5 billion annual expense of a price support program which has been working to the detriment of both the farmer and the taxpayer generally.

To adopt such a program takes statesmanlike courage.

If any Senator has a better idea, I hope he will say so. This problem simply cannot be ignored any longer.

Mr. ELLENDER. Mr. President, I yield myself 2 minutes.

I cannot believe that my good friend from Indiana is serious in offering this amendment. The Congress enacted new legislation some time ago relating to rice, cotton, and corn, and other feed grains, which had the blessing of the President as well as of the Secretary of Agriculture. This amendment is so sweeping that it would even repeal the Sugar Act, the Wool Act, and many other similar programs.

Section 2, on page 4, reads in part as follows:

> Notwithstanding any other provisions of law, all provisions of the Agricultural Adjustment Act of 1938, as amended, and the Agricultural Act of 1949, as amended, and any other act of Congress relating to acreage allotments, marketing quotas, and price supports for any agricultural commodity shall be ineffective with respect to the 1960 and subsequent crops—

And so forth. I have nothing further to say except that I hope the amendment will be voted down.

I now yield back all my remaining time.

The PRESIDING OFFICER. Does the Senator from Indiana yield back his remaining time?

Mr. CAPEHART. I do.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART].

Mr. DIRKSEN. Mr. President, I yield 2 minutes on the bill to the Senator from Delaware [Mr. WILLIAMS].

Mr. WILLIAMS of Delaware. Mr. President, I have long contended that the present price-support program was not working. I think we should long ago have started to roll back support prices until we can get back once more to a free American farm. I look forward to the day when we can eliminate all subsidies, not only on the farm program but subsidies to all segments of our society.

Ten years ago we had about a $1 billion inventory, and then I suggested that we should repeal some of these price supports. Today we have an inventory of about $10 billion. We cannot suddenly stop this program by repealing all supports in the face of such inventory. It would demoralize every market in the country. In the face of a $9 billion or $10 billion inventory, I am fearful that a chaotic condition would be created, not only in the domestic market, but also in the international market. The way to do this is to start a systematic reduction in support levels. It is like driving down the highway at 80 miles an hour. It is too fast but if we wish to stop, we should slow down before applying the brakes. You just cannot afford to suddenly dump $9 billion in inventories on the market regardless of how we feel on price supports.

I shall support amendments to reduce support prices. I have supported such amendments in the past. I think we should work toward the goal the Senator from Indiana wishes to reach, but I do not advocate doing it all at once.

I make that statement as one who has never supported the high price supports for agriculture commodities. In my opinion all subsidies, those being paid to agriculture as well as those being paid to all segments of industry, should be rolled back. Certainly we cannot repeal them overnight; but we can start a systematic reduction. Later today I shall support the administration's farm proposal which will be offered by the senior Senator from Illinois [Mr. DIRKSEN] as a substitute for the pending bill.

This proposal will be a start in the right direction by lowering these support prices.

If this proposal is rejected I shall vote against the pending bill because I do not feel that the bill as reported by the committee effectively provides a solution to our problem of surpluses. However, I earnestly hope that the administration's bill will be accepted for the good of American farmers as well as for the good of the taxpayers. I repeat, regardless of how one may feel as to the price support program you just cannot stop overnight and turn $9 billion in inventory loose overnight.

It is all right to say we will freeze it but that does not mean it will vanish. It is still there.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. KEATING. The Senator from Delaware has exactly stated my sentiments. The objectives of this amendment are directly in line with what I feel should be done. However I would be reluctant to see it all done at once. If we did it all at once it might result in more harm than good. I shall support the efforts which the administration is making to reduce the parity figures along the lines set out by the Senator from Delaware.

Mr. WILLIAMS of Delaware. I fear its effect on the domestic situation, as well as its international effects.

The PRESIDING OFFICER (Mr. CANNON in the chair). The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HENNINGS. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senators from Oklahoma [Mr. KERR and Mr. MONRONEY], the Senator from Montana [Mr. MANSFIELD], the Senator from Maine [Mr. MUSKIE], the Senator from Rhode Island [Mr. PASTORE], the Senator from Alabama [Mr. SPARKMAN], and the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

I further announce that, if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Mississippi [Mr. EASTLAND], the Senator from Tenessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senators from Oklahoma [Mr. KERR and Mr. MONRONEY], the Senator from Montana [Mr. MANSFIELD], the Senator from Maine [Mr. MUSKIE], the Senator from Rhode Island [Mr. PASTORE], the Senator from Alabama [Mr. SPARKMAN], and the Senator from New Jersey [Mr. WILLIAMS] would each vote "nay."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT], the Senator from California [Mr. KUCHEL],

and the Senator from Vermont [Mr. PROUTY] are absent on official business.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Maryland [Mr. BUTLER], and the Senator from Kentucky [Mr. COOPER] are necessarily absent.

The Senator from Arizona [Mr. GOLDWATER] is absent by leave of the Senate.

The Senator from Massachusetts [Mr. SALTONSTALL] and the Senator from Wisconsin [Mr. WILEY] are detained on official business.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from Kentucky [Mr. COOPER], and the Senator from Vermont [Mr. PROUTY] would each vote "nay."

The result was announced—yeas 5, nays 69, as follows:

YEAS—5

Bush	Cotton	Scott
Capehart	Hayden	

NAYS—69

Aiken	Green	Martin
Allott	Gruening	Morse
Anderson	Hart	Morton
Beall	Hartke	Moss
Bible	Hennings	Mundt
Byrd, W. Va.	Hill	Murray
Cannon	Holland	Neuberger
Carlson	Hruska	O'Mahoney
Carroll	Humphrey	Proxmire
Case, N.J.	Jackson	Randolph
Case, S. Dak.	Javits	Robertson
Clark	Johnson, Tex.	Russell
Curtis	Johnston, S.C.	Schoeppel
Dirksen	Jordan	Smathers
Dodd	Keating	Smith
Douglas	Langer	Stennis
Dworshak	Lausche	Symington
Ellender	Long	Talmadge
Engle	McCarthy	Thurmond
Ervin	McClellan	Williams, Del.
Frear	McGee	Yarborough
Fulbright	McNamara	Young, N. Dak.
Gore	Magnuson	Young, Ohio

NOT VOTING—24

Bartlett	Eastland	Monroney
Bennett	Goldwater	Muskie
Bridges	Hickenlooper	Pastore
Butler	Kefauver	Prouty
Byrd, Va.	Kennedy	Saltonstall
Chavez	Kerr	Sparkman
Church	Kuchel	Wiley
Cooper	Mansfield	Williams, N.J.

So Mr. CAPEHART'S amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HART. Mr. President, I offer an amendment which I ask to have read.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 7, after line 24, insert a new subsection, as follows:

(h) Section 335(f) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out the semicolon at the end of item (1) and adding "and shall not apply to other farms with respect to the 1960 and 1961 crops;".

Mr. HART. Mr. President, this amendment would remove the 30-acre limitation that now exists on the amount of wheat a farmer can grow to be used for feed and seed purposes on his own farm during the crop years 1960–61.

An agricultural control program presents enough problems to the American farmer and to the American public and goes to the post with enough handicaps without the added burden of having to explain why a farmer, by Federal law, cannot grow on his own land such wheat as he can use to feed his own livestock.

How does the 30-acre limitation now work? Under the present provisions, a farmer makes application to the Department of Agriculture to grow up to 30 acres of feed wheat. For the crop year 1959, 2,546 applications were made to the Department by farmers desiring to grow feed wheat under this limitation or exemption. The total acreage involved was about 56,179 acres, or about 22 acres to be grown on each farm.

We have not found any magic answer to the wheat problem. Neither the present law nor the one we are now debating has the complete answer. I think none of us will suggest that either of them does. But as I see it, the American farmer and our American economy require continuation of this basic approach until we can come up with the long-term answer. But the continuance of any wheat program is jeopardized by the 30-acre limitation. Those who would destroy the wheat program are capitalizing on this provision. They are dramatizing this issue. Whatever slight problem might be created by removing the 30-acre limitation would be much easier to live with than America with no wheat program at all. I emphasize that this amendment will apply to the crop years 1960–61 only.

Many Senators must know of a constituent of mine. His name is Yankus. Let us be clear about this. Mr. Yankus' problem did not arise under the 30-acre limitation, but prior to the time the 30-acre provision was adopted. The Yankus case has been used by the opponents of the wheat program and the whole farm program to build in the public mind the specter of the omnipotent Federal Government dictating to every farmer the amount of wheat which can be grown for use on his own farm.

Actually, the damage that has been done by this limitation can certainly be overcome without any substantive harm to the program by the adoption of my amendment. There is no particular reason to believe that a great deal more wheat would be grown on farms if the 30-acre limitation were removed. To take a few typical States for example: In my State of Michigan, for the crop year 1959, the Department of Agriculture received 36 applications from farmers to grow an average of 22 acres of wheat for farm purposes. In South Dakota, there were nine applications to grow an average of 23 acres per farmer. In North Dakota, there were five applications to grow an average of 26 acres. In Illinois, there were 64 applications to grow an average of 24 acres.

It is my hope that by the removal of this provision of the wheat program in this stopgap legislation we are debating, it will be possible to remove at least one of the factors which unfortunately has been used so successfully by the opponents of any reasonable farm program to distort the farm picture in the American public's mind. In addition, I believe it is only a matter of fair play that a farmer should be able to grow all the wheat he can use for feed purposes, if he restricts that use to his own farm. It is because most Americans have this basic feeling, this instinctive belief that a man should be able to feed his stock from grains grown on his own soil, that the continuance of the 30-acre limitation jeopardizes the whole farm program. The amendment will get rid of this unfair limitation, and the time to accomplish this result is now.

Mr. President, I hope the amendment will be adopted.

Mr. ELLENDER. Mr. President, the committee considered the amendment submitted by the Senator from Michigan. The membership of the committee was divided regarding the amendment.

Since the submission of the amendment, I have had occasion to talk again with several members of the committee.

Inasmuch as any wheatgrower who desires to plant wheat for feed must obtain permission from the Department of Agriculture—and whether the acreage involved is 30, 75, or 100 makes no difference, because the wheat cannot be used for any other purpose—it is my hope that if the amendment is adopted the Secretary of Agriculture will do a better job in administering it than has been done in the past with the 30-acre limitation.

Mr. President, so far as I am concerned—and I believe I speak for the majority of the committee—we accept the amendment.

Mr. YOUNG of North Dakota. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. YOUNG of North Dakota. Mr. President, I would have no objection to the amendment, either, if the Department strictly enforced it.

I understand there are now quite a few cases involving farmers who have planted with the intention of feeding the grain, but some of the grain finds its way into the marketplace for human consumption.

If the Department of Agriculture will strictly enforce this provision, I believe it will be a good one.

Mr. DIRKSEN. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. DIRKSEN. Mr. President, I believe I am authorized to say that the Department not only has no objection to the amendment, but favors the amendment.

Mr. ELLENDER. That is correct.

Mr. DIRKSEN. Because in the substitute which I shall offer, there is a comparable provision.

I need only add that, on occasion, the Department has been thoroughly embarrassed by some of the cases which have arisen. In one case the Department had to proceed against a monastery, because of wheat which was grown on the grounds of the monastery. Such cases are extremely awkward.

I believe I express the feeling of the Secretary of Agriculture when I say that he has no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Michigan [Mr. HART].

The amendment was agreed to.

Mr. CARLSON. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment submitted by the Senator from Kansas will be stated.

Mr. CARLSON. Mr. President, my amendment calls for striking out all of Senate bill 1968 following the enacting clause, and substituting therefor the text of Senate bill 1484.

The PRESIDING OFFICER. The amendment submitted by the Senator from Kansas will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause of Senate bill 1968, and to substitute in lieu thereof the text of Senate bill 1484, entitled "To amend the Agricultural Adjustment Act of 1938, as amended."

Mr. CARLSON. Mr. President, I ask unanimous consent that the reading of the text of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed at this point in the RECORD.

The amendment submitted by Mr. CARLSON is as follows:

Strike out all after the enacting clause, and insert the following:

"That this Act may be cited as the 'Wheat Stabilization Act of 1959'.

"SEC. 2. Title III of the Agricultural Adjustment Act of 1938, as amended, is amended (1) by designating subtitles D and E as subtitles E and F, respectively, and (2) by inserting after subtitle C a new subtitle D as follows:

"'SUBTITLE D—MARKETING QUOTA AND INCOME STABILIZATION PLAN FOR WHEAT

"'*Legislative findings*

"'SEC. 379a. Wheat, in addition to being a basic food, is one of the great export crops of American agriculture and its production for domestic consumption and for export is essential to the maintenance of a sound national economy and to the general welfare. The movement of wheat from producer to consumer, in the form of the commodity or any of the products thereof, is preponderantly in interstate and foreign commerce. That small percentage of wheat which is produced and consumed within the confines of any State is normally commingled with, and always bears a close and intimate commercial and competitive relationship to, that quantity of such commodity which moves in interstate and foreign commerce. For this reason, any regulation of intrastate commerce in wheat is a regulation of commerce which is in competition with, or which otherwise affects, obstructs, or burdens interstate commerce in that commodity. In order to provide an adequate and balanced flow of wheat in interstate and foreign commerce thereby assist farmers in obtaining parity of income by marketing wheat for domestic consumption at parity prices and by increased exports at world prices, and to assure consumers an adequate and steady supply of wheat at fair prices, it is necessary to regulate all commerce in wheat in the manner provided by this subtitle.

"'*National marketing quota*

"'SEC. 379b. Not later than May 15 of each calendar year, the Secretary shall proclaim a national marketing quota which shall be in effect with respect to the marketing of wheat during the marketing year beginning on July 1 of the next succeeding calendar year. The national marketing quota for any marketing year shall be a number of bushels equal to the sum of the number of bushels which he determines will be consumed as human food in the continental United States, or outside the continental United States by members of the Armed Forces, during such marketing year and the number of bushels which he determines will be exported during such marketing year, less seventy-five million bushels.

"'*Apportionment of national marketing quota*

"'SEC. 379c. (a) The national marketing quota for wheat, less a reserve of not to exceed 1 per centum thereof for apportionment as provided in this subsection, shall be apportioned by the Secretary among the several States in such manner that the quota of any State will bear the same ratio to the national quota as a figure determined by multiplying the base acreage of such State by its average yield bears to the corresponding figure for all of the States. For the purpose of this subsection, the base acreage of a State shall be the average number of acres planted to wheat in such State for the 1952 and 1953 crops, and the average yield of a State shall be the average, weighted by the county base acres, of the average yields of the counties in the State as determined in accordance with subsection (b) of this section. The reserve set aside herein for apportionment by the Secretary shall be used to make increases in quotas apportioned to counties under subsection (b) of this section, on the basis of the relative needs of counties for additional quota because of reclamation and other new areas coming into the production of wheat after 1953.

"'(b) The State marketing quota for wheat, less a reserve of not to exceed 2 per centum thereof for apportionment as provided in subsection (c) of this section, shall be apportioned by the Secretary among the counties in the State in such manner that the quota of any county will bear the same ratio to the State quota as a figure determined by multiplying the base acreage of such county by its average yield bears to the corresponding figure for all of the counties in such State. For the purpose of this subsection, the base acreage of a county shall be the average number of acres planted to wheat in such county for the 1952 and 1953 crops, and the average yield of a county shall be the highest annual average number of bushels of wheat per acre harvested in such county during five consecutive years within the twenty-five year period immediately preceding the year in which the first such apportionment is made.

"'(c) The county quota shall be apportioned by the Secretary, through the county committees, among the farms within the county on which wheat has been planted during any one of the three marketing years immediately preceding the marketing year in which the apportionment is made and on which wheat was planted for the 1952 or 1953 crop, in such manner that the quota of any farm shall bear the same ratio to the county quota as a figure determined by multiplying the base acreage of such farm by its average yield bears to a corresponding figure for all of the farms in such county entitled to receive a farm marketing quota for wheat. For the purpose of this subsection the base acreage of a farm shall be the average number of acres planted to wheat on such farm for the 1952 and 1953 crops, with adjustments for abnormal weather conditions during such years, tillable acres, crop rotation practices, type of soil and topography. The average yield of a farm shall be the average annual yield in bushels per harvested acre of such farm for the five years immediately preceding the year in which such apportionment is made on the basis of actual or estimated yields for such years with appropriate adjustments as prescribed by regulations issued by the Secretary, for abnormal weather or other conditions affecting yields in any of the years. Not more than 2 per centum of the State quota shall be used for apportionment to farms on which wheat has been planted during any of the three marketing years immediately preceding the marketing year in which the apportionment is made but upon which wheat was not planted for the 1952 or 1953 crops. The Secretary may by regulations provide for the distribution of the farm marketing quota among individual producers on the farm on the basis of their respective shares in the wheat crop, or the proceeds thereof.

"'*Marketing of wheat*

"'SEC. 379d. (a) For the purposes of this subtitle, wheat marketed by a producer with respect to a farm after the beginning of the first marketing year for which a marketing quota and stabilization program is in effect under this subtitle shall be considered to be marketing quota wheat if—

"'(1) the amount of such wheat when added to any other wheat marketed by the producer with respect to such farm as marketing quota wheat subsequent to the beginning of the first marketing year for which a marketing quota and stabilization certificate program is in effect under this subtitle, does not exceed the total amount of wheat allotted to such farm as farm marketing quota (or portion thereof distributed to such producer) under this subtitle for such year and any subsequent marketing year or years up to and including the marketing year which begins in the calendar year in which the wheat is marketed: *Provided*, That such quota or quotas have been determined as herein provided, and a marketing card or cards or similar instruments for such quota or quotas have been issued to the producer, or

"'(2) such wheat was harvested prior to the calendar year in which the first marketing year for which a marketing quota and stabilization certificate program is in effect under this subtitle begins, and could have been sold prior to the beginning of such marketing year without payment of a marketing penalty under Act of May 26, 1941 (7 U.S.C. 1340), and

"'(3) such wheat is identified by such producer and by any subsequent seller or other transferor as marketing quota wheat in such manner as shall be prescribed by regulations of the Secretary.

"'(b) For the purposes of this subsection, wheat marketed prior to the beginning of a marketing year shall be considered to have been marketed subsequent to the beginning of such marketing year if it is harvested during the calendar year in which such marketing year begins.

"'(c)(1) Except as provided in this subsection and in section 379g, nothing contained in this subtitle shall be construed to prohibit or restrict the transfer or use of wheat other than marketing quota wheat.

"'(2) Any person who, in connection with the sale or other transfer of wheat, represents such wheat to be marketing quota wheat and such wheat does not meet all the applicable requirements of subsection 379d (a) hereof, shall forfeit to the United States a sum equal to three times the number of bushels of wheat involved in such misrepresentation, multiplied by the price support per bushel in effect under section 379m hereof for the marketing year in which the misrepresentation occurs. Such forfeiture shall be recoverable in a civil suit brought in the name of the United States.

"'(d) Beginning with the first day of the first marketing year for which a marketing quota and stabilization certificate program is in effect under this subtitle, no person who first processes wheat into food products composed wholly or partly of wheat for domestic food consumption or export, shall process any such wheat, and no person shall export unprocessed wheat, unless such person has in

his possession evidence satisfactory to the Secretary that such wheat is either (1) marketing quota wheat, (2) imported wheat, (3) wheat sold by the Commodity Credit Corporation, or (4) wheat which was marketed by the producer thereof prior to the beginning of the first marketing year for which a marketing quota and stabilization certificate program is in effect under this subtitle, and is not considered to have been marketed in such marketing year under the provisions of subsection (b) hereof.

"'Domestic food quota

"'SEC. 379e. Not later than May 15 of each calendar year the Secretary shall determine and proclaim the domestic food quota for wheat for the marketing year beginning in the next calendar year. Such domestic food quota shall be that number of bushels of wheat which the Secretary determines will be consumed as human food in the continental United States, and outside the continental United States by members of the Armed Forces, during such marketing year.

"'Stabilization certificates

"'SEC. 379f. (a) The Secretary shall prepare for each marketing year stabilization certificates which shall be issued for each farm to which a farm marketing quota has been assigned under section 379c(c) for such year, and on which an amount of acreage equal to not less than 20 per centum or more than 50 per centum of the wheat base acreage of the farm under section 379c(c) has been placed in the conservation reserve under the Soil Bank Act for such year: *Provided*, That no farm shall be ineligible for receipt of stabilization certificates by reason of the placing of more than 50 per centum of the wheat base of such farm in the conservation reserve if the placing of such acreage was provided for under a contract entered into prior to the beginning of the first marketing year for which a marketing quota and stabilization certificate program is in effect under this subtitle. The certificates issued for any farm shall be in an amount which bears the same ratio to such farm marketing quota as the domestic food quota proclaimed under section 379e bears to the national marketing quota proclaimed under section 379b for such year. Stabilization certificates shall not be issued with respect to any farm in an amount in excess of the number obtained by multiplying the acreage planted to wheat by the average yield of such farm determined in accordance with section 379c(c). The stabilization certificates for a farm shall be issued to the farm operator, but the Secretary may authorize the issuance of stabilization certificates to individual producers on any farm on the basis of their respective shares in the wheat crop, or the proceeds thereof, produced on the farm. The Secretary shall also issue and sell stabilization certificates to processors and importers in such quantities as are required by them in order to meet the requirements of subsections (a) and (b) of section 379g. Stabilization certificates shall be transferable only in accordance with regulations issued by the Secretary.

"'(b) When the domestic food quota is proclaimed for any marketing year pursuant to section 379e hereof, the Secretary shall determine and proclaim the estimated parity price for wheat as of the beginning of the marketing year for which the domestic food quota is proclaimed. The value of any stabilization certificate issued for such marketing year shall be equal to 35 per centum of such estimated parity price of wheat per bushel, multiplied by the number of bushels of wheat with respect to which it is issued. The value of any stabilization certificate so determined shall remain constant and shall remain in effect until redeemed.

"'(c) The Secretary is authorized and directed through the Commodity Credit Corporation to buy and sell stabilization certificates issued for any marketing year at the value proclaimed pursuant to subsection (b) of this section. For the purpose of facilitating the purchase and sale of certificates, the Secretary may establish and operate a pool or pools and he may also authorize public and private agencies to act as his agents, either directly or through the pool or pools. Certificates shall be valid to cover sales and importations of products made during the marketing year with respect to which they are issued and after being once used to cover such sales and importations shall be canceled by the Secretary. Any unused certificates shall be redeemed by the Secretary at the price established for such certificates.

"'Acquisition of stabilization certificates by processors

"'SEC. 379g. (a) Beginning with the first day of the first marketing year for which a marketing quota and stabilization certificate program is in effect under this subtitle and except as provided in subsection (d) hereof, no person shall process wheat into food products composed wholly or partly of wheat for domestic food consumption or export in excess of the quantity for which stabilization certificates issued pursuant to section 379f hereof have been acquired by such person.

"'(b) Beginning with the first day of the first marketing year for which a marketing quota and stabilization certificate program is in effect under this subtitle, and except as provided in subsection (d) hereof, no person shall import or bring into the continental United States any food products containing wheat in excess of the quantity for which stabilization certificates issued pursuant to section 379f of this Act have been acquired by such person.

"'(c) Upon the exportation from the continental United States of any food product containing wheat, with respect to which stabilization certificates as required herein have been acquired, the Secretary shall pay to the exporter an amount equal to the value of the certificates for the quantity of wheat so exported in the food product. For the purposes of this subsection, the consignor named in the bill of lading, under which the article is exported, shall be considered the exporter: *Provided, however*, That any other person may be considered to be the exporter if the consignor named in the bill of lading waives claim in favor of such other person.

"'(d) Upon the giving of a bond satisfactory to the Secretary under such rules and regulations as he shall prescribe to secure the purchase of any payment for such stabilization certificates as may be required, any person required to have a stabilization certificate in order to process wheat or import a food product composed wholly or partly of wheat may process or import any such commodity without having first acquired a stabilization certificate.

"'(e) As used in this section and section 379d(d), (1) the term "food" means human food but shall not be deemed to include liquor or beverages, and (2) the term "export" shall not be deemed to include the shipment of food products for consumption by the Armed Forces of the United States outside the continental United States.

"'Conversion penalties

"'SEC. 379h. The Secretary shall ascertain and establish conversion factors showing the amount of wheat contained in food products processed wholly or partly from wheat. The conversion factor for any such product shall be determined upon the basis of the weight of wheat used in the processing of such product.

"'Civil penalties

"'SEC. 379i. Any person who violates or attempts to violate, or participates or aids in the violation of any of the provisions of subsections (a) or (b) of section 379g, or of subsection (d) of subsection 370d hereof, shall forfeit to the United State a sum equal to three times the number of bushels of wheat involved in such violation, including the wheat in any product composed wholly or partly of wheat, multiplied by the price support per bushel in effect under section 379m hereof, for the marketing year in which such violation occurs. Such forfeiture shall be recoverable in a civil suit brought in the name of the United States.

"'Adjustments in national marketing and domestic food quotas

"'SEC. 379j. If the Secretary has reason to believe that because of a national emergency or because of a material increase in demand for wheat, the national marketing quota or the domestic food quota for wheat should be increased or suspended, he shall cause an immediate investigation to be made to determine whether the increase or suspension is necessary in order to meet such emergency or increase in the demand for wheat, If, on the basis of such investigation, the Secretary finds that such increase or suspension is necessary, he shall immediately proclaim such finding (and if he finds an increase is necessary, the amount of the increase found by him to be necessary) and thereupon such quotas shall be increased or shall be suspended, as the case may be. In case any national marketing quota is increased under this section, each farm marketing quota for wheat shall be increased in the same ratio. In case any domestic food quota for wheat is increased under this section, the amount of the stabilization certificates for each farm shall be increased in the same ratio.

"'Reports and records

"'SEC. 379k. (a) The provisions of section 373(a) of this Act shall apply to all persons, except wheat producers, who are subject to the provisions of this subtitle, except that any such person failing to make any report or keep any record as required by this section or making any false report or record shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than $2,000 for each such violation.

"'(b) The provisions of section 373(b) of this Act shall apply to all wheat farmers who are subject to the provisions of this subtitle.

"'Referendum

"'SEC. 379l. In the first referendum, held pursuant to section 336 hereof, following the enactment of this subtitle for the purpose of determining whether farmers eligible to vote in such referendum and voting on the question favor a marketing quota and stabilization certificate program under this subtitle in lieu of marketing quotas under subtitle B hereof, the Secretary shall submit on separate ballots the question of whether such farmers favor a marketing quota and stabilization certificate program under this subtitle in lieu of marketing quotas under subtitle B. If the Secretary determines that a majority of eligible farmers voting on such question favor such marketing quota and stabilization certificate program under this subtitle D, the Secretary shall, prior to the effective date of the national marketing quota proclaimed under subtitle B, hereof, suspend the operation of such quota and place into effect a marketing quota and stabilization certificate program for the crop with respect to which the referendum is held and subsequent wheat crops under the provisions of this subtitle, in which event the provisions of subtitle B relating to marketing quotas and acreage allotments for wheat shall no longer be in effect. If a majority of such farmers do not favor such program the provisions of this subtitle shall be of no further force or effect. The determinations of the Secretary pursuant to this section shall be final and not subject to judicial review.

"'*Price support*

"'SEC. 379m. Notwithstanding any other provision of law—

"'(a) whenever a wheat marketing quota and stabilization certificate program under this subtitle is in effect, price support for wheat shall be determined in accordance with the provisions of subsection (b) of this section;

"'(b) the Commodity Credit Corporation is directed to make available, through loans, purchases, or other operations, price support to producers of wheat at a level not less than 65 per centum of the parity price for wheat as determined by the Secretary of Agriculture as of May 1 prior to the beginning of the marketing year on the amounts of the farm marketing quotas of such producers for such year.

"'*Security reserve for wheat*

"'SEC. 379n. (a) The Secretary is authorized and directed to establish a security reserve for wheat, and to transfer to such reserve five hundred million bushels of wheat owned by the Commodity Credit Corporation. Wheat placed in such reserve shall remain the property of the Commodity Credit Corporation and, except for rotation to prevent spoilage, shall not be removed from such reserve except in case of war or other national emergency proclaimed by the President.

"'(b) The Commodity Credit Corporation shall enter into contracts for the storage of wheat placed in the reserve established by this Act for such periods of time and on such terms as will result in the most economical cost. Such contracts shall be awarded on a basis which will provide adequate dispersal for security purposes among the producing States, having regard for the proportionate production of such State. Such contracts shall provide for the rotation of stocks to prevent spoilage and for such purpose shall contain a schedule of premiums and discounts for differences in quality.

"'SEC. 379o. The provisions of sections 361 to 368, each inclusive, shall apply to farm marketing quotas established under this subtitle D'."

Mr. CARLSON. Mr. President, today the Senate has been considering a temporary bill dealing with the problem of wheat. The chairman of the Senate Committee on Agriculture and Forestry has stated on several occasions that this measure is a temporary one, and that it will apply for 2 years, namely, 1960 and 1961.

It is my contention that if we are to deal with this situation, we need a program which will be more permanent.

It is for that reason that I have submitted this amendment, based on the bill which now involves what is known as a two-price system.

Accurately and correctly stated, this is a marketing-control measure, rather than a production-control measure.

I believe the Senate should be reminded of the fact that today we have actually begun a two-price system for agricultural commodities, by adopting the amendment of the Senator from Delaware [Mr. WILLIAMS]. From now on, there will be one price—the supported price—for such commodities, subject to the $35,000 limitation, for any individual farmer or organization that produces that amount; and there will be another price—a market price, probably a world price—for such agricultural commodities as will be supported above the $35,000 limitation.

The bill I have submitted as an amendment to the pending bill—and let me state that Senate bill 1484 was introduced on March 20, by me, on behalf of myself, the Senator from Oregon [Mr. MORSE], the Senator from Washington [Mr. MAGNUSON], the Senator from Oregon [Mr. NEUBERGER], the Senator from Nebraska [Mr. CURTIS], The Senator from South Dakota [Mr. CASE], the Senator from Washington [Mr. JACKSON], the Senator from New Mexico [Mr. CHAVEZ], and the Senator from North Dakota [Mr. YOUNG]—will, I contend, solve the wheat problem; and I also predict that that problem will not be solved until we actually adopt a program of this type.

Mr. CASE of South Dakota. Mr. President, will the Senator from Kansas yield to me?

Mr. CARLSON. Mr. President, I have only 5 minutes; I yield myself only 5 minutes. I neglected to state that when I began to speak. However, I yield briefly to the Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, I do not wish to trespass on the time available to the Senator from Kansas.

However, I wish to state that I am happy to be associated with him in sponsoring the bill which he has now submitted as an amendment to the pending bill. As he has stated, I was one of the co-sponsors of Senate bill 1484.

I wish to point out that it is impossible successfully to control production. As the Senator from Kansas has well stated, the measure he has submitted is a plan to control marking. Marketing can be controlled; production cannot be controlled.

Mr. AIKEN. Mr. President, will the Senator from Kansas yield to me?

Mr. CARLSON. I am very happy to yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, I do not wish to say anything about the merits of this proposal; I simply desire to point out that only 1 week remains for the enactment of legislation to affect the crop for 1960. For that reason, it would be impossible to put into effect the proposal of the Senator from Kansas, even if it were passed by both Houses of Congress, because more time than the amount of time available would be required to set up the necessary machinery.

I suggest that the Congress enact legislation in this field within the coming week, if possible; and that must be legislation which will be signed and go into effect in time to alleviate the situation beginning with the 1960 crop.

Then, if the Congress is willing to take up the proposal of the Senator from Kansas, and if the Congress approves it, it could be put into effect the following year. But that simply could not be done within the 1 week which remains.

I am not expressing any opinion in regard to the merits of the Senator's proposal; I am pointing out the mechanical difficulties involved in putting such a program into operation in time to affect this year's plantings for the 1960 crop.

Mr. CARLSON. Mr. President, I am well aware of the problem to which the Senator from Vermont has referred; and it is a problem of immediate concern.

However, I did not want the RECORD of today's proceedings to be closed without advancing this proposal, which I believe must be adopted if the problem is ever to be solved.

Mr. President, in view of the high production costs of today and the high taxes which farmers have to pay and the present high cost of farm machinery, I believe we cannot expect the farmer to operate on a basis other than one which will give him the protections which must be given to him.

Mr. JACKSON. Mr. President, will the Senator from Kansas yield to me?

Mr. CARLSON. I yield.

Mr. JACKSON. Mr. President, I wish to commend the Senator from Kansas for taking the leadership in offering this amendment in the nature of a substitute. I believe it is the only answer to this most difficult problem.

Mr. CARLSON. I thank the Senator from Washington.

Mr. YOUNG of North Dakota. Mr. President, will the Senator from Kansas yield to me?

Mr. CARLSON. I yield.

Mr. YOUNG of North Dakota. I, too, wish to commend the Senator from Kansas for submitting his amendment in the nature of a substitute, which comprises the text of Senate bill 1484. If time permitted me to do so, I would deal at length with the merits of this proposal. I do not think the wheat producers of the Nation will ever be satisfied until this proposal has been tried out. To me it makes more sense than any other proposal which has been suggested.

Mr. AIKEN. Mr. President, will the Senator yield so I may make a correction of my statement?

Mr. CARLSON. I yield to the Senator from Vermont.

Mr. AIKEN. In the statement I just made, I said it could not be put into effect in time to affect this year's crop. I should have said this year's planting, because the Secretary has just 1 week left to issue allotments for this year's planting, beginning with the fall season.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. CARLSON. I yield to the Senator from Oregon.

Mr. MORSE. I should like to have the RECORD show that once again I stand shoulder to shoulder with the Senator from Kansas in support of the so-called domestic parity wheat program.

I agree with the comment which was made by the Senator from North Dakota [Mr. YOUNG]. I do not believe we will reach a successful solution of the wheat production problem until we adopt the domestic parity program.

I thought the Senator from South Dakota [Mr. CASE] put his finger on the true situation when he said we are not going to solve the problem of wheat from a production standpoint at all;

we are going to have to face up to it from the marketing standpoint.

That is what our proposal over the years, which the Senator from Kansas is now urging again, has sought to do.

The record will show—and I shall not take the time to do more than make a passing reference to the position I took last year—that, as a member of the Foreign Relations Committee, I have urged this proposal as a very important foreign policy proposal, because, in my judgment, here is a potential program which will make it possible for us to make use of our surplus of wheat, until we need it ourselves, as one of our most effective weapons against the threat of communism in the underdeveloped areas of the world where the lack of food is really the major foreign policy problem that confronts the world.

As I said last year, and I repeat it today, the Senator from Kansas and I traveled together in India a couple of years ago, and we saw with our own eyes what happens when a wheat-consuming program is set up in that part of the world. Once the people become accustomed to wheat as a part of their diet, they will not go back to rice, because they see the great advantage of wheat.

Here we have proposed a program which is certainly worth a trial. I hope, if we are not successful today because of any such procedural problem as the Senator from Vermont [Mr. AIKEN] has raised, there will not be foreclosed a further consideration of this proposal before the end of this session, because we are not going to settle the wheat problem today by any stopgap program.

In closing, I wish to add, with regard to the need for wheat, that we ourselves are going to need the wheat in the not too distant future. Once agricultural production patterns are destroyed, they are not easily revived. We keep talking about surplus wheat, and yet all our population experts point out to us that it is not going to be many years before the real problem confronting the United States will be whether we can raise enough food to meet the population needs of our own people.

I look at the surplus wheat as a great storehouse which ought to be emptied into the empty stomachs of people in the underdeveloped areas of the world as a foreign policy program of the United States, until such time as our own people need the wheat.

I am proud again to join the Senator from Kansas in urging the adoption of the domestic parity wheat program.

The PRESIDING OFFICER. All time yielded to the Senator has expired.

Mr. CARLSON. Mr. President, may I inquire if I have used all 15 minutes.

The PRESIDING OFFICER. The Senator from Kansas has 5 minutes remaining to him.

Mr. CARLSON. I yield the 5 minutes to myself.

Does the Senator from Washington [Mr. MAGNUSON] wish me to yield to him?

Mr. MAGNUSON. I wanted to have a little time. I know the Senator from Louisiana wishes to make a statement. I wished to add something to what has been said about the proposal of the Senator from Kansas, in which, as he knows, I have been deeply interested for some time. As a matter of fact, the Senator from Kansas and other Senators will remember that the U.S. Senate passed the very essence of this proposal as a solution for the wheat problem some 2½ years ago.

Mr. CARLSON. If the Senator does not mind my interruption, the vote was 55 to 32.

Mr. MAGNUSON. The vote was 55 to 32, and at that time there were many expressions made on the floor of the Senate by Members who were deeply interested in agricultural matters and by members of the committee to the effect that, in looking over all the plans which had been suggested for the wheat problem, although that proposal might not have been perfect, the domestic parity wheat plan, as proposed by the distinguished Senator from Kansas, myself, and other Senators, looked like the best hope for the solution of the problem.

In the meantime, the situation has worsened, and that proposal still looks like the best hope. However, the Senator from Kansas, I, and many other Senators appreciate that we are running into a time problem. I assume, and I am sure the sponsors of the proposal of the Senator from Kansas also assume, that the plan the Senate is about to adopt today as a solution of the problem is of a seasonal or temporary nature only, and that the sooner we can get to a permanent solution regarding the whole wheat surplus problem, the better it will be. I know the members of the committee, including the chairman, feel that way about it. I hope that will be done. I feel when they get into the domestic parity proposal, they will agree it is about the only hope.

I remember that some Senators, when the proposal was adopted by the vote which has been mentioned by the Senator from Kansas, suggested probably that it was the answer with regard to the problems relating to other basic commodities. I am hopeful the committee will consider the matter.

There have been many discussions relating to the proposal. I know there has been great feeling on the part of those who are experts on the matter, and who are better informed than many of us, that this may be the solution.

I am hopeful that the proposal of the Senator from Kansas will be considered by the Committee on Agriculture and Forestry, and that the committee will regard it as a solution of the problem.

Mr. President, inasmuch as the Senator from Kansas has yielded to me, I ask unanimous consent to have printed in the RECORD an analysis of the wheat stabilization program.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

WHEAT STABILIZATION PROGRAM

WHAT IT IS?

A program developed to stabilize wheat marketing, thereby stabilizing the income of wheat producers and reducing Government stocks of wheat.

WHO DEVELOPED IT?

The National Association of Wheat Growers, recognizing the precarious position of the wheat industry, the drain on the Federal Treasury, and the continuing accumulation of wheat and feed grains in Government stocks under the present program is presenting this plan for consideration of Congress.

WHAT IT WILL DO FOR THE WHEAT PRODUCER

1. Stabilize producers' income at reasonable levels.
2. Allow freedom to plant and harvest crops best adapted without Government interference.
3. Permit producers to carry reserve for short crop years.
4. Prevent wheat prices from reaching disastrously low levels.
5. Enable wheat producers to market best quality wheat in domestic food and export market, and lower grades in feed market.

WHAT IT WILL DO FOR THE FEED-GRAIN PRODUCER

1. Prevent shifting of diverted wheat acreage to feed grains.
2. Materially reduce feed-grain production on wheat farms.
3. Make a substantial contribution to the balancing of feed-grain supplies with demand.
4. Aid in an orderly reduction of present surplus feed-grain stocks.

WHAT IT WILL DO FOR THE AMERICAN PUBLIC

1. Materially reduce cost of wheat program to the taxpayer.
2. Stop build-up of Government holdings and start orderly reduction.
3. Insure adequate supply of high quality wheat for domestic food and export at reasonable prices.
4. Contribute to orderly marketing of highest quality wheat through regular commercial channels.
5. Insure continued ability of wheat producers to buy the products of industry and labor.
6. Stabilize incomes of small businesses in rural communities.

HOW THE PROGRAM WORKS

This is a marketing control, rather than production control program, which:

1. Eliminates acreage controls.
2. Limits wheat marketed in commercial channels for domestic food and export by establishing a national marketing quota.
3. Establishes the national marketing quota at less than the domestic food and export requirements by 75 million bushels, which would be removed annually from CCC stocks.
4. Provides a support price to all producers at 65 percent of parity, only on the amount of the marketing quota.
5. Provides for the use of income stabilization certificates valued at 35 percent of parity, for the domestic food portion of the crop to be issued to cooperating producers.
6. Requires placing at least 20 percent of wheat base acreage in the conservation reserve of the soil bank to be eligible for income stabilization certificates.
7. Allows producers freedom of choice to plant and harvest best adapted crops without Government restrictions.

SAVINGS IN COST

It is estimated that under the present program 200 million bushels will be added to CCC stocks annually. The wheat stabilization program stops the build-up of CCC stocks and provides for the reduction of CCC stocks by 75 million bushels annually, reduction in export subsidies of an estimated 20 cents per bushel, and savings in storage costs on the defense stockpile of approximately 6 cents per bushel. These features will result in a reduction in Government costs of $178 million and a net decrease in CCC stocks of $610 million annually.

	Present program	Wheat stabilization program
1. Price support operations:		
Amount taken over by CCC (annual increase)—bushels	200,000,000	(1)
Estimated acquisition cost per bushel	$2	
Total annual investment	$400,000,000	
Interest on investment, at 2.5 percent	$10,000,000	
Storage charges, at 0.17 cents	$34,000,000	
2. Reduction of CCC stocks:		
Annual reduction—bushels		75,000,000
Present inventory value (acquisition costs and storage charge)	(2)	$2.80
Reduction in present investment		$210,000,000
Saving in interest annually		$5,250,000
Saving in storage cost annually		$12,750,000
3. Export subsidy costs:		
Estimated domestic price (terminal)	$1.90	$1.70
Estimated world price (terminal)	$1.40	$1.40
Export—bushels	430,000,000	430,000,000
Estimated total subsidy	$215,000,000	$129,000,000
Total, items 1, 2, and 3:		
Total difference in CCC inventory		$610,000,000
Total cash savings		148,000,000
Total net difference in CCC inventory and cash savings		758,000,000
4. Reduced storage costs on defense stockpile (recommended 5-year contracts on competitive bid basis):		
Storage rate per bushel—cents	17	11
Annual cost on 500,000,000 bushels	$85,000,000	$55,000,000
Cash savings in storage costs		$30,000,000
Total, items 1, 2, 3, and 4:		
Total net difference in CCC inventory and cash savings (items 1, 2, and 3)		$758,000,000
Cash savings (item 4)		$30,000,000
Total cash savings plus net CCC inventory reduction		$788,000,000

[1] Net reduction, 75,000,000 per year.
[2] CCC stocks increased 200,000,000 bushels annually.
NOTE.—The losses incurred in disposing of 200,000,000 bushels annually would average an estimated $250,000,000.

REDUCTION IN FEED GRAIN SUPPLIES

Under normal conditions this program will reduce feed grain production an estimated 12.7 million tons annually. Such a reduction would not only prevent the continued buildup of feed grain surpluses, but would start an orderly substantial reduction in the annual carryover of feed grain stocks.

The reduction in feed grain production would result from:

1. Increased participation in the conservation reserve of the soil bank by wheatgrowers.

2. Lower feed grain production per acre by shifting acreage of feed grains to wheat for feed.

Corn and feed grain producers have expressed the fear that under the wheat stabilization program substantial increases would occur in wheat produced for feed. This example is based on the assumption that wheat producers take full advantage of the provisions of the program to increase wheat production for feed purposes.

	Millions
I. Increased participation in conservation reserve:	
(a) Estimated acreage, conservation reserve from wheat farms, acres	13.7
(b) Estimated 1958 acreage in conservation reserve on wheat farms, acres	1.3
(c) Estimated increase in conservation reserve on wheat farms, acres	12.4
(d) Reduction in feed grain at 0.8 ton per acre, tons	9.9
II. Shift from feed grains to wheat for feed:	
(a) Estimated maximum wheat acreage under wheat stabilization programs, acres	70.5
(b) 1958 wheat acreage, acres	56.4
(c) Acreage shifted to wheat from feed grains, acres	14.1
(d) Reduced feed grain production at 0.2 tons per acre (average feed grain yield 0.8 ton per acre, average wheat yield 0.6 ton per acres), tons	2.8
III. Total reduction in feed supplies, tons	12.7
IV. Normal annual increase per year in feed grain stocks under present programs, tons	6.8
V. Normal annual reduction in feed grain stocks, under wheat stabilization program, tons	5.9

It should be pointed out that if wheat producers now producing feed grain on excess acres, did not shift to the production of wheat for feed, there would be no change in feed grain production from the present program.

Mr. MAGNUSON. Mr. President, I also ask unanimous consent to have printed in the RECORD an article entitled "A Workable Wheat Plan," written by Clancy Jean, and published in the Farm Management magazine.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE GROWERS' OWN PROGRAM: A WORKABLE WHEAT PLAN

(By Clancy Jean, executive vice president, Oregon Wheat Growers League)

The word "wheat" used to have an admirable meaning—"the staff of life." Today that same word has quite a different meaning. The mere mention of it is a reminder of what some people call a national scandal—the current wheat program that spends billions of taxpayers' dollars and encourages increasingly vast surpluses.

No one realizes this better than the wheatgrowers themselves. And no one has launched a more constructive effort to correct this than have those same wheatgrowers with a new bill they recently put before Congress.

Traditionally, organized wheatgrowers have advocated the domestic parity plan for wheat. Last December when the National Association of Wheat Growers met in Denver, growers developed and approved what they call a stabilization plan for wheat. It is a modification of the domestic parity plan and contains several features that should be given serious consideration as a new approach to the wheat problem.

BEFORE CONGRESS

The growers' proposal is now before Congress; in late February, Senator FRANK CARLSON, Republican, of Kansas, introduced the plan as Senate bill 1140. Senator CARLSON told the Senate that this bill offers some changes "* * * not simply changes in a new 1959 model of the old bill. They are changes in engineering, which result in a wheat price stabilization plan that deals effectively with the current excessive accumulations of wheat and feed grains." Joining with Senator CARLSON in cosponsoring the wheatgrowers' plan are Senators MORSE and NEUBERGER, Oregon; MAGNUSON and JACKSON, Washington; CURTIS, Nebraska; and CASE, South Dakota. Simultaneously, a number of identical bills were introduced in the House by western Congressmen.

In developing their plan, the wheatgrowers have kept four basic concepts in mind:

BASIC CONCEPTS

1. Wheatgrowers' net income must be maintained if they are to reduce production below the current level.

2. The buildup of CCC stocks must be stopped and gradually reduced to a normal level.

3. Further reduction in acreage of wheat must not be shifted to other crops.

4. Increased yields per acre must not be reflected in increased Government holdings of wheat.

What is needed, the growers say, is to stop the buildup of Commodity Credit's stocks and even reduce them while also reducing production through a program that takes increased yields into consideration and prevents diverted wheat acres from creating problems with other crops, do these things and maintain growers' income.

To accomplish this, the wheat producers are proposing a production and income stabilization plan.

BUSHEL ALLOTMENTS ADVOCATED

Eliminate acreage allotments and checking of compliance along with current marketing quotas—and substitute for these a marketing allotment expressed in bushels. They want marketing allotments based on the wheat base acreage for average of the 1952–53 planted acreage. Each farm would receive a bushel allotment. This would be arrived at by multiplying the base acreage by the normal yield per acre, factored to the county allotment. Normal yields, they say, should be based on the period that provides the most equitable relationship between counties and States.

NATIONAL ALLOTMENT IN BUSHELS

For example, it would work out this way for 1958 (millions of bushels):

1. Estimated amount used for food in the United States	485
2. Estimated amount of U.S. exports	+430
Estimated demand	915
3. Less amount of wheat to be moved out of CCC stocks each year	−75
National marketing allotment	840

The plan calls for price supports at 65 percent of parity for the national marketing allotments. This allotment, as shown, would be spelled out for each farm in bushels and there would be a price support on this amount of about $1.53 per bushel. Marketing cards, similar to those now used, would be issued to each grower for his bushel allotment. In addition, certificates would be issued on each grower's share of the 485 million bushels used for food in the United States.

CERTIFICATES

These certificates would be redeemable in an amount equal to 35 percent of parity on that portion of his production. Using 1958 as an example, food uses of wheat are equal

to about 60 percent of the national marketing allotment suggested by the growers. Certificates would be sold to processors. This provision is taken from the domestic parity plan, long advocated by wheat growers. This would relieve the taxpayers of a major part of the costs of the stabilization plan. Wheat growers have long held that they are entitled to full parity for at least that portion of their crop that is used for food consumption in the United States. There is little relationship between the price of wheat and the price of bread. In the past 6 years, wheat prices have dropped 35 cents per bushel while the price of a 1-pound loaf of bread increased 3.2 cents.

CONSERVATION RESERVE

But, in order to be eligible to receive these certificates, the grower would have to put at least 20 percent of his wheat base in the conservation reserve. This would increase the conservation reserve by 12–14 million acres of wheatland that now produce from 5 to 8 million tons of wheat or feed grain yearly.

While the stabilization plan would control the amounts of wheat to be marketed for domestic food uses and exports through its bushelage allotment and certificate features, there are no restrictions on the production of nonquota wheat. Neither is there any price support for this wheat. Anything in excess of the bushel allotment quota produced would have to be either fed on farms where produced, sold to other farmers or sold to bonded feed processors.

This feed wheat provision would enable many wheatgrowers to return to producing their best crop. Under the present program, commercial wheatgrowers have been forced to produce feed grains as an alternative crop. This has caused serious production and economic problems for the wheatman and it has contributed to the feed grain producer's problem. In the west coast area, this would mean less barley produced on wheat farms; in other areas, growers would turn to wheat in place of sorghum. A supply of feed wheat on the west coast, for example, would contribute to a more balanced supply of local feed grains.

SAVINGS TO TAXPAYERS

Compared with present and projected costs of the current wheat program, growers' stabilization plan would save the Federal Treasury an estimated $788 million annually. This is to be accomplished through: (a) Lowering cost of price support operations; (b) reducing CCC stocks; (c) lowering export subsidies; (d) placing CCC stocks on 5-year storage contracts.

Presently about 200 million bushels are added to CCC stocks annually. The stabilization plan stops the buildup of CCC stocks and actually provides for a 75 million bushel removal each year for export. It is expected that export subsidies will be reduced about 20 cents per bushel. The growers' plan calls for setting aside 500 million bushels of present CCC stocks as a defense stockpile. By letting Government storage contracts out for competitive bids on a 5-year basis, there would be an estimated saving of 6 cents per bushel. As the accompanying table shows, these features would result in an annual cash saving of $178 million and achieve a net decrease in CCC stocks of $610 million annually.

INCOME SOURCES

To the grower, the proposed program offers income from four sources:

(1) He would receive at least 65 percent of parity (about $1.53 at present) on his bushel allotment. The bushel allotment would provide that only 840 million bushels could be marketed in this manner nationally. By controlling amount moving into the markets, there is reason to believe that producers of high quality and specialty milling wheats who market effectively would receive more than this price for their wheat.

(2) About 60 percent of a grower's bushel allotment would be covered by certificates which, when redeemed, would return him an amount equal to 35 percent of parity. Thus, on this amount of his wheat, he would receive 100 percent of parity.

(3) As a prerequisite to receiving a bushel allotment, the grower would be required to put at least 20 percent of his base acreage into the conservation reserve, for which he would receive the customary payments.

(4) Should his production exceed his bushel allotment, he could only market this wheat through livestock on his own farm, by selling to other farmers or by selling this wheat to bonded feed dealers—at open market prices.

The national bushel allotment of 840 million bushels appears to be quite realistic, particularly when compared with the 1958 wheat crop of 1.49 billion bushels. This plan would stop the buildup of present stocks and even reduce them. It provides for substantial savings in storing present Government stocks. It embodies many of the advantages of multiple pricing. Wheatgrowers believe it approaches the problem realistically.

Senator CARLSON said in introducing the bill: "This is a marketing control, not a production control program."

Program that will save $788 million

	Present program	Wheat stabilization program
1. Price support operations:		
Amount taken over by CCC (annual increase)—bushels	200,000,000	(1)
Estimated acquisition cost per bushel	$2	
Total annual investment	$400,000,000	
Interest on investment, at 2.5 percent	$10,000,000	
Storage charges, at 0.17 cents	$34,000,000	
2. Reduction of CCC stocks:		
Annual reduction—bushels		75,000,000
Present inventory value (acquisition costs and storage charge)	(2)	$2.80
Reduction in present investment		$210,000,000
Saving in interest annually		$5,250,000
Saving in storage cost annually		$12,750,000
3. Export subsidy costs:		
Estimated domestic price (terminal)	$1.90	$1.70
Estimated world price (terminal)	$1.40	$1.40
Export—bushels	430,000,000	430,000,000
Estimated total subsidy	$215,000,000	$129,000,000
Total, items 1, 2, and 3:		
Total difference in CCC inventory		$610,000,000
Total cash savings		$148,000,000
Total net difference in CCC inventory and cash savings		$758,000,000
4. Reduced storage costs on defense stockpile (recommended 5-year contracts on competitive bid basis):		
Storage rate per bushel—cents	17	11
Annual cost on 500,000,000 bushels	$85,000,000	$55,000,000
Cash savings in storage costs		$30,000,000
Total, items 1, 2, 3, and 4:		
Total net difference in CCC inventory and cash savings (items 1, 2, and 3)		$758,000,000
Cash savings (item 4)		$30,000,000
Total cash savings plus net CCC inventory reduction		$788,000,000

[1] Net reduction, 75,000,000 per year.
[2] CCC stocks increased 200,000,000 bushels annually.

NOTE.—The losses incurred in disposing of 200,000,000 bushels annually would average an estimated $250,000,000.

Mr. MAGNUSON. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point a letter I received from J. T. Ledgerwood, of Pomeroy, Wash., who, I think, has set forth this whole problem in the most succinct and intelligent manner I have seen stated on paper for a long time. Mr. Ledgerwood is a wheat farmer. He farms 800 acres of wheat. He has been giving this matter a great deal of study for a long time, and he has come to the conclusion that the wheat stabilization plan is the only answer.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

POMEROY, WASH., *May 17, 1959.*

Senator WARREN G. MAGNUSON,
Washington, D.C.

DEAR WARREN: According to the papers Congress is trying to do something about the wheat surplus. You fellows are bogged down in wheat, and so are the wheat farmers. This letter is not offering a foolproof plan to control the surplus, but only to give some reasons why the present plan has not worked. If Congress knows the weakness of the present plan it may help them in working out something better.

You may remember me from our days in the legislature back in the 1930's. I am a wheat farmer in Garfield County. I own and operate something more than 800 acres of wheat land. I was born here and have lived here all my life, so I think I know something about the farm problem so far as it applies to this area. In particular I want to express myself concerning the wheat surplus.

I was a member of the county committee which set up the original wheat allotment plan here several years ago. We were told then that, since the country was producing more wheat than it could use and sell, it was necessary for us to reduce production. We started off the first year by reducing wheat acreage by 15 percent. Since then the percentage of reduction of acreage has varied, mostly upward, until now it is about 34 percent, but the wheat crop increased steadily. There are several reasons for the increase:

1. With reduced acreage the farmers, being human, wanted to grow as much as possible on the limited acreage, so, with the very capable assistance of the State college, they found new varieties of wheat which were more smut-resistant, winter hardy, shatterproof and all around more productive.

2. For the first time the farmers of this county began to use commercial fertilizers. Fertilizer business has grown to enormous size and must amount to millions in eastern Washington.

3. Mechanized farming has displaced the horses, hence no more feeding of wheat hay

to horses as was the practice from pioneer times.

4. The use of faster modern machinery has enabled the farmers, especially in the lighter soils, to conserve moisture that was formerly dissipated by sun and wind and has thereby added greatly to the wheat yields.

5. Weeds in wheat are no longer the problem they used to be. Chemical sprays have practically eliminated them. This, alone, has added much to wheat production.

When the allotment laws went into effect the county of Garfield held the highest average per acre wheat production in the State; about 27 bushels per acre. In 1958 it was 45.6. The State college is presently working on a new wheat, which they expect will produce as much as 100 bushels per acre.

At the beginning of the wheat program some of us asked "Why not limit the amount of wheat each farmer is allowed to sell, based on his production history (which was already in the hands of the county committees), instead of limiting only the acreage he was allowed to seed?"

Since that time we have asked the same question repeatedly, pointing to the fact that our elevators are filled with bushels, and not with acres, and that limiting the acreage was, at best, a left-handed attempt to do the obvious thing, which was to reduce production.

The Department of Agriculture, having started off on the wrong foot, was not about to admit it's mistake; but the immense stocks of wheat which have accumulated prove how wrong they were. Something will have to be done or the so-called "wheat surplus" reduction plan will soon fall under the weight of accumulating surpluses.

The Department of Agriculture apparently fails to see that further reductions in acreage will call for increased efforts to grow more wheat per acre, hence more fertilizers, more search for high-yielding wheat and increased efforts to attain the 100 bushels per acre.

The persistent effort to carry on with the acreage reduction plan requires the county committees to measure the land constantly to make sure the farmer has the correct number of allotted acres and diverted acres. This costs money and doesn't prove anything except that the farmer is producing his surplus wheat on the acreage prescribed by the Department of Agriculture.

The only way to reduce surplus wheat is to reduce the bushels produced. The committees have, or should have, the figures on each farmer's production. Why not give him a quota of bushels. If he produces more than his quota, let him keep it, not sell it. The quotas could be set at a figure that would reduce the surplus and maintain it at a reasonable level. Why insist on trying to do it the hard way? Especially when the hard way has proved to be such a dismal failure.

Yours very truly,

J. T. LEDGERWOOD.

Mr. MAGNUSON. Mr. President, I am sure the Senator from Kansas will permit me to place in the RECORD a statement by the Senator from Kansas which appears starting on page 61 of the hearings on S. 1140, setting forth the basis for the amendment. I think the statement makes good reading with respect to the wheat problem. I wish it would be read by those at the other end of Pennsylvania Avenue.

I ask unanimous consent, with the permission of the Senator from Kansas, to have the statement printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

A FAIR AND EQUITABLE SOLUTION TO THE WHEAT PROBLEM

Mr. President, I have today introduced S. 1140, a bill which provides a fair and equitable solution to the wheat problem confronting our farmers and our Government.

This bill, authorizing a comprehensive wheat stabilization program, is similar in many respects to S. 774 which I introduced for myself and on behalf of Mr. NEUBERGER, Mr. MORSE, Mr. CASE of South Dakota, Mr. CHAVEZ, Mr. BARRETT, Mr. MAGNUSON, Mr. JACKSON, Mr. YOUNG, Mr. CURTIS, Mr. HUMPHREY, and Mr. LANGER in the first session of the 85th Congress. It is more comprehensive than my earlier bill, however, and is substantially improved in two important respects. In addition to maintaining prices and incomes for wheat producers at fair levels, S. 1140 provides a definite program for reducing excessive Commodity Credit Corporation stocks of wheat and definite proposals for holding down wheatgrowers' feed grain production. These are not simple style changes in a new 1959 model of the old bill. These are basic changes in engineering which result in a wheat price stabilization plan that deals effectively with the current excessive accumulations of wheat and feed grains.

Mr. President, wheatgrowers in 1958 produced the largest crop on record. They produced almost 1.5 billion bushels on fewer than 54 million acres. Only 6 years ago, in 1952 and 1953, they harvested 69 million acres to obtain 1.2 billion bushels. This is a production record of which to be proud.

A part of the credit for this production record should go to the occurrence of favorable weather. But much credit must go to the wheat producers for their rapid adoption of technological advances and improved land management programs in recent years.

Twenty years ago wheat yields averaged only 13 bushels per planted acre. In the 1940's yields had increased to nearly 16 bushels per planted acre and in the early 1950's the average had moved up to 18 bushels. In 1956 and 1957 average yields were still higher, almost 20 bushels per planted acre. Then in 1958, with the weatherman cooperating, wheatgrowers outdid themselves and produced almost 26 bushels per planted acre or 27.3 bushels per acre harvested.

This is a production record achieved by few groups in America. The wheat producers of America are entitled to high honors for this amazing performance. They surely are entitled to a price support program that assures them a fair reward for outstanding services rendered. S. 1140 which I have introduced does just this.

Mr. President, I am fully aware that the production records I have just cited, in combination with the outmoded price supports now in effect, have created serious surpluses and caused program costs to skyrocket. But the record should be clear on this point. Wheat producers for several years have recommended giving up the present outmoded program for wheat. For at least 5 years they have been urging the adoption of domestic parity proposals as a replacement for the program which has piled up surpluses and inflated Government costs.

And in all seriousness, I want to say that in my judgment there would be no wheat crisis today if we had had the wisdom to adopt a domestic parity program for wheat several years ago.

NINETEEN HUNDRED AND FIFTY-NINE WHEAT STABILIZATION PLAN EXPLAINED

As I said earlier, S. 1140 which I have just introduced is an improved and more comprehensive version of earlier domestic parity plans for wheat which twice passed the House and once passed the Senate.

Those of us interested in the welfare of the wheatgrowers approached the drafting of a new bill to deal with the 1959–60 wheat situation, with the following four basic considerations in mind:

(1) The new high levels of productivity must not be allowed to bankrupt the wheat-producing industry. This is a real threat in the absence of an effective program to stabilize prices and production.

(2) The buildup of Commodity Credit Corporation wheat stocks must be stopped and they must gradually be reduced to a normal level.

(3) A further reduction in the acreage of wheat must not result in additional acres shifted to other crops.

(4) Increased yields per acre must not be reflected in increased Government holdings of wheat.

These basic considerations guided the drafting of S. 1140:

It (1) sets up an annual national marketing quota of wheat equal to estimated domestic consumption plus exports minus 75 million bushels which are to be withdrawn from Commodity Credit Corporation stocks.

(2) Provides for loans on wheat within this marketing quota at 65 percent of parity, which at current parity prices would be $1.53 per bushel.

(3) Provides for income stabilization certificates for each producer equal to each farm's percentage share of the domestic food market (in bushels) which would be redeemable in an amount equal to 35 percent of parity, the difference between the loan level on national quota wheat and parity price. However, each producer, to qualify for income stabilization certificates, must place an acreage equal to 20 percent but not more than 30 percent of his wheat acreage base in the conservation reserve.

(4) Requires that the certificates be purchased by processors to accompany wheat milled for domestic use at a price equal to their face value (35 percent of the parity price of wheat).

(5) Authorizes a defense stockpile of at least 500 million bushels of wheat to be stored under 5-year storage contracts (at substantial savings as compared with current rates).

(6) Removes restrictions on production and use of nonquota wheat, except for domestic food and for export.

These, gentlemen, are the major provisions of S. 1140. While it is a fairly long bill, in many ways it is a simple bill.

It provides a fair return to wheat producers.

It gives producers fuller control of their farming business.

It enables producers to market only their best quality wheat for domestic use and for export.

It provides adequate current supplies of wheat for domestic use and for export at stable prices.

It facilitates orderly marketing of the highest quality wheat through regular commercial channels.

It provides an adequate defense stockpile of wheat.

It provides for an orderly reduction of current surplus wheat stocks at the rate of 75 million bushels a year.

It reduces the estimated annual Government cost of wheat price supports by $400 million or more a year.

It reduces total Government outlays including investment in inventories by $500 million or more a year.

It provides for an increase in the conservation reserve of 12 to 14 million acres of wheatland which otherwise each year would add 5 to 8 million tons of wheat or feed grains to current excessive feed supplies.

Finally, it protects and stabilizes foreign trade in wheat, including the interests of Canada and other wheat exporting nations through its marketing quota provisions.

Mr. President, S. 1140 is not a perfect bill. When it is studied in detail by the members of the Committee on Agriculture and Forestry—and I hope it will be so studied in the very near future—it may be possible to make improvements in the wordings of some sections. I do not want the record to show, however, that I am not one of those who consider the current wheat situation a terrible national headache. I rejoice in the great productive capacity of our wheat producers. I consider it a national asset that we can produce far more wheat than is needed for domestic food and for export. S. 1140 authorizes a wheat stabilization plan which recognizes this situation and deals with it in a way which is fair and equitable to wheat producers, domestic consumers, feed-grain and livestock producers, and to producers in other exporting nations.

POSSIBLE OBJECTION TO NATIONAL WHEAT STABILIZATION

From past experience, I anticipate this national wheat stabilization plan will encounter objections on three grounds. These objections, however, are based on unfounded fears.

Fear No. 1: Midwest feed-grain and livestock producers may fear that large quantities of wheat will be produced for livestock and feed under the proposed wheat price-stabilization program, seriously depressing feed-grain and livestock prices.

However, this plan specifically provides that each producer must put at least 20 percent of his wheat base acreage in the conservation reserve to qualify for income stabilization payments. This assures that an acreage of wheat or feed grains equal to 20 percent of the wheat acreage base on each farm must be retired to the conservation reserve by each producer who qualifies for full economic benefits under the new program.

Assuming high participation in the program, some 12 to 14 million acres of cropland capable of producing 5 to 8 million tons of feed grains will be retired from production. This will not solve the feed-grain problem. But it certainly will not aggravate it. As compared with continuing the current program, it means 5 to 8 million fewer tons of wheat which ultimately may be used for livestock feed because there is no other use for it, or 5 to 8 million fewer tons of feed grains produced on land diverted from wheat production.

Throughout the Plains States land devoted to feed grains produce more pounds of feed per acre than when devoted to wheat, even though the wheat is fed. In the Corn Belt States feed grains produce fully one-half more pounds of feed per acre than wheat.

Only in Washington, Oregon, and Idaho do wheat yields exceed feed-grain yields in pounds per acre. In all other States, any expansion in wheat acreage, or nonmarket quota wheat under the national wheat stabilization plan, will result in an equal or greater reduction in the production of other feed grains. I am attaching a statement which shows wheat and feed-grain production per acre for selected States in 1957 and 1958.

Fear No. 2: Some people fear that this program will result in an unreasonable increase in the cost of bread. On occasion it has been referred to as a bread tax plan in favor of wheat producers. This is a most unfair characterization of the program. The sugar program includes a small tax on sugar to make possible income stabilization payments to sugar beet and sugarcane producers in United States. The wool program is based on protective tariffs on imported woolens which increase the domestic cost of woolen textiles and a large part of these funds are utilized to make income stabilization payments to domestic wool producers.

In all fairness I ask you, is it unreasonable to ask consumers to pay 3¼ cents for the wheat in a loaf of bread instead of 2½ cents as at present? Especially, if by doing so we can provide a fair and equitable income stabilization program for wheat producers, and at the same time reduce Government costs, hence other taxes by an even greater amount.

Let me repeat, this wheat price stabilization plan utilizes precisely the same principles as the sugar and the wool price stabilization programs. All who supported these programs should favor the wheat price stabilization program as an extension of the same principles and equity considerations to wheat producers.

Moreover the cost of the income stabilization certificates which must be paid by the millers, if fully passed on to the consumers, would be about $100 million less than the additional annual cost of continuing the present outmoded price support program for wheat.

I believe consumers are willing to pay a fair and equitable price for their food. Between 1952 and 1958 the market price of wheat dropped from $2.11 to $1.76 a bushel. During this period, while the cost of wheat in a loaf of bread was declining, the retail price of a loaf of bread increased from 16 to 19.2 cents. In view of these facts I think we should not hesitate to ask consumers to accept an increase in the cost of the wheat in a loaf of bread by ¾ of 1 cent—or from 2½ to 3¼ cents; especially when this increase is the result of a program which achieves more than offsetting reductions in other Government costs.

Fear No. 3: Some people fear that this program will be considered a form of export dumping by our foreign friends. However, S. 1140 specifically provides that the Secretary of Agriculture shall set a marketing quota each year which includes the estimated amount of wheat for domestic food use and for export. It provides for loans, at 65 percent of parity on quota wheat. Nonquota wheat will not be eligible for export under S. 1140. Exports of quota wheat will require a small subsidy equal to the difference between 65 percent of parity and the world price level. The only difference between the anticipated exports under S. 1140 and exports at the present is the requirement of much smaller subsidy payments under S. 1140. Otherwise exports for dollars and exports under Public Law 480 will be continued on exactly the same basis as at present.

Mr. President, in closing I want to return to my statement that the wheat price stabilization program authorized by S. 1140 will reduce Government costs by $400 million or more a year while maintaining wheat-producers' incomes at fair and equitable levels.

Under the present outmoded price support program for wheat, the Commodity Credit Corporation has acquired 1.3 billion bushels of wheat in the last 5 years and is expected to acquire another 500 million bushels from the 1958 bumper crop.

The Commodity Stabilization Service estimates that the average storage and interest charge on the wheat in CCC stocks is now 69 cents a bushel, which must be added to an acquisition cost of $2.11 a bushel. Hence, even though this wheat is sold for dollars, sold under Public Law 480, or under any other programs at the world market price of about $1.40 per bushel, net at shipping point, the average loss is $1.40 per bushel on all wheat acquired by the Commodity Credit Corporation.

Although, because of the lower support levels, the cost of wheat acquired in 1958 and 1959 will be a little lower than in earlier years, one can expect a net loss of at least $1.25 a bushel on every bushel acquired by the Commodity Credit Corporation. Net losses will be even greater on any wheat which must be disposed of as livestock feed.

S. 1140 provides loans at only 65 percent of parity on that quantity of wheat which will be used for domestic food and for export, minus 75 million bushels which must come from CCC stocks. This assures that there will be no further buildup in Government stocks; rather, that there will be an orderly reduction in existing stocks.

It is this feature of the national wheat stabilization program which will result in annual savings of $400 million or more a year.

Production per acre of wheat and of feed grains in pounds, selected States, 1957 and 1958

	1957		1958	
	Wheat	Feed grains	Wheat	Feed grains
Pacific Coast States:				
California	1,320	2,172	1,320	2,064
Oregon	2,160	1,614	2,064	1,562
Washington	2,224	2,007	2,184	1,619
Average, Pacific coast	1,901	1,931	1,856	1,748
Mountain States:				
Colorado	1,470	1,638	1,524	1,883
Idaho	2,280	1,816	2,064	1,825
Montana	1,164	1,240	1,386	1,413
Average Mountain	1,638	1,565	1,658	1,707
Plains States:				
Kansas	1,140	1,216	1,650	1,846
Nebraska	1,620	2,197	1,980	2,527
North Dakota	1,120	1,137	1,386	1,260
Oklahoma	750	852	1,560	1,316
South Dakota	1,212	1,499	1,434	1,404
Texas	870	1,552	1,320	1,705
Average Plains	1,119	1,409	1,556	1,676
Midwest States:				
Illinois	1,260	3,000	1,890	3,373
Indiana	1,530	2,860	1,920	3,182
Iowa	1,662	2,113	2,070	2,979
Michigan	1,740	2,212	2,280	2,523
Minnesota	1,356	2,327	1,884	2,450
Missouri	1,380	2,092	1,680	2,685
Ohio	1,320	2,546	1,860	2,921
Average Midwest	1,464	2,450	1,941	2,873
Average above States	1,451	1,899	1,761	2,134

Mr. CARLSON. The Senator from Washington pays me a great compliment.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. CARLSON. I yield to the Senator from South Dakota.

Mr. MUNDT. I thank the Senator.

The PRESIDING OFFICER. The time of the Senator from Kansas has expired.

Mr. CARLSON. Mr. President, I ask the distinguished chairman of the committee if he will yield me 5 minutes.

Mr. ELLENDER. Mr. President, I yield 5 minutes to the Senator from Kansas.

Mr. CARLSON. I thank the distinguished chairman.

Mr. MUNDT. I should like to congratulate the distinguished Senator from Kansas for his perseverance in bringing this proposal before us once again. As a member of the Committee on Agriculture and Forestry, I wish to say that of all the various plans and programs proposed, from a variety of sources, for solving the extremely difficult and prodigious problem involving wheat, the domestic parity program and the domestic parity

suggestion seems to be the most persistent and seems to be the one which is steadily gaining momentum and accumulating friends. This year for the first time the Wheat Growers' Association in South Dakota had a very distinguished wheat farmer from Bennett County come to the Capitol to meet with members of the committee and to advance the cause.

I sincerely hope before the present session of Congress is over—even though the procedural problems outlined by the distinguished Senator from Vermont may make it impossible to agree to the amendment today, because of the urgency of the situation—that something can be done. If we are not able to take action today it will not mean that we cannot legislate later in the session on the wheat problem, looking toward a permanent-type solution.

An idea embraced, endorsed, and supported by so many groups and by so many individual farmers over so wide a territory as this two-price system or domestic parity system is supported, seems to me to deserve a trial. Perhaps by trying it in the laboratory of life with regard to wheat, from experience we can learn something to make it operative in the field of rice or corn or some other commodity at a later date.

I shall support the Senator's proposal, and I again congratulate the Senator for bringing it to our attention.

Mr. CARLSON. The Senator from South Dakota has always been interested in agriculture and very helpful in trying to secure legislation of value to the wheatgrowers.

Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks a short statement on the wheat stabilization program.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

WHEAT STABILIZATION PROGRAM

WHAT IT IS

A program developed to stabilize wheat marketing, thereby stabilizing the income of wheat producers and reducing Government stocks of wheat.

WHO DEVELOPED IT?

The National Association of Wheat Growers, recognizing the precarious position of the wheat industry, the drain on the Federal Treasury, and the continuing accumulation of wheat and feed grains in Government stocks under the present program is presenting this plan for consideration of Congress.

WHAT IT WILL DO FOR THE WHEAT PRODUCER

1. Stabilize producers' income at reasonable levels.

2. Allow freedom to plant and harvest crops best adapted without Government interference.

3. Permit producers to carry reserve for short crop years.

4. Prevent wheat prices from reaching disastrously low levels.

5. Enable wheat producers to market best quality wheat in domestic food and export market, and lower grades in feed market.

WHAT IT WILL DO FOR THE FEED GRAIN PRODUCER

1. Prevent shifting of diverted wheat acreage to feed grains.

2. Materially reduce feed grain production on wheat farms.

3. Make a substantial contribution to the balancing of feed grain supplies with demand.

4. Aid in an orderly reduction of present surplus feed grain stocks.

WHAT IT WILL DO FOR THE AMERICAN PUBLIC

1. Materially reduce cost of wheat program to the taxpayer.

2. Stop buildup of Government holdings and start orderly reduction.

3. Insure adequate supply of high quality wheat for domestic food and export at reasonable prices.

4. Contribute to orderly marketing of highest quality wheat through regular commercial channels.

5. Insure continued ability of wheat producers to buy the products of industry and labor.

6. Stabilize incomes of small businesses in rural communities.

HOW THE PROGRAM WORKS

This is a marketing control, rather than production control program, which:

1. Eliminates acreage controls.

2. Limits wheat marketed in commercial channels for domestic food and export by establishing a national marketing quota.

3. Establishes the national marketing quota at less than the domestic food and export requirements by 75 million bushels, which would be removed annually from CCC stocks.

4. Provides a support price to all producers at 65 percent of parity, only on the amount of the marketing quota.

5. Provides for the use of income stabilization certificates valued at 35 percent of parity, for the domestic food portion of the crop to be issued to cooperating producers.

6. Requires placing at least 20 percent of wheat base acreage in the conservation reserve of the soil bank to be eligible for income stabilization certificates.

7. Allows producers freedom of choice to plant and harvest best adapted crops without Government restrictions.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. CARLSON. I am glad to yield to the Senator from Colorado.

Mr. ALLOTT. Mr. President, I wish to congratulate the Senator from Kansas for again making this proposal.

I am concerned about the fact that because we cannot act for another week we may be thus deferring action on the matter for a year. In my opinion, the amendment of the Senator from Kansas probably offers the best prospect for success of any proposal we have before us. I have had some reservations about it, but I say that we will have to take drastic action if we are to keep the wheat program, and perhaps other programs, from collapsing entirely.

I certainly join with the Senator in supporting the passage of the proposal today.

Mr. CARLSON. Mr. President, in conclusion I simply want to say that the Committee on Agriculture and Forestry has done an outstanding job of studying the problem. I do not believe that a solution will be reached until some time in the future. I had hoped we could reach the solution today, and that we would adopt a program to give a parity price for the amount of wheat consumed at home, and another price for the world market and for the feed area of the Nation.

Judging from the statement made by the Senator from Vermont, evidently we are confronted with a very difficult situation. I hope the distinguished chairman and the committee will, at a very early date, look at this proposed program.

Mr. ELLENDER. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 3 minutes.

Mr. ELLENDER. Mr. President, I dislike to oppose my friend the distinguished Senator from Kansas, but for the past 15 years the Committee on Agriculture and Forestry has had before it bills similar to the provisions of the amendment the Senator has offered. I refer to the so-called two-price system.

Three years ago, in order to test the two-price system concept, the Congress enacted a bill vesting the Secretary of Agriculture with authority to institute a two-price system for rice. We did not make that authority mandatory—only discretionary.

I personally tried my best to get the Secretary of Agriculture to exercise that authority and to test the two-price concept on rice, but I was never able to succeed.

The Department is now, as it evidently was then, violently opposed to the two-price concept.

As was pointed out by my good friend from Vermont awhile ago, if the amendment were to be agreed to, it would result in a veto of the bill, without question.

I am very hopeful that my good friend from Kansas will withdraw the amendment and will permit us to proceed to consider the bill reported by the committee. As I stated this morning, the bill which is before us is more or less stopgap legislation. Unless we act by June 1, the program will have to be announced on June 30, under the present law, and that will mean 75 to 90 percent price supports with a minimum acreage of 55 million acres.

What the committee tried to do was to submit a stopgap proposal, in the hope that by having the bill passed the wheat surplus would be reduced.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. ELLENDER. I hope that my good friend will withdraw the amendment. I give the Senator my assurance that the Committee on Agriculture and Forestry will continue its studies on remedial farm legislation. The Senator will admit that we have a mighty tough job. It is most difficult to find a real solution.

Mr. President, I yield to the Senator from Kansas.

Mr. CARLSON. I wish to state to the distinguished chairman of the Senate Committee on Agriculture and Forestry that the Senators from the wheat-growing States are very practical. We have reached the point, in the consideration of the proposed legislation, judging from the statement of the Senator from Vermont and also from the statement of the chairman, that it is essential that we act and act immediately. I appreciate that position.

On the other hand, I have some deep convictions as to what we are doing today, when we pass a bill such as is before the Senate, the bill which was reported by the committee.

I inquire of the distinguished chairman if I may have some assurance that the proposal I have suggested, together with any other bill which would promote a domestic parity price for wheat, will be given further consideration at an early date.

Mr. ELLENDER. I give the Senator that assurance.

Mr. CARLSON. I appreciate the Senator's statement. On the basis of that statement, Mr. President, I am going to withdraw the amendment.

Mr. MAGNUSON. Mr. President, before the Senator withdraws the amendment, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. MAGNUSON. I do not say this because I am not appreciative of the difficult job the members of the Committee on Agriculture and Forestry have, but I do not believe the members of the committee believe the bill which is before us is any solution to the wheat problem. Therefore, it seems to me that the committee members themselves will be desirous of studying this terrific problem, and will want to consider the domestic parity bill as soon as possible. I believe the members of the committee feel that way, judging from private conversations with many of them.

I am willing to join with the Senator from Kansas at this time, because of the situation, and to agree that we should withdraw the amendment. The members of the committee themselves know the bill under consideration is absolutely no answer, and never will be, to the wheat problem. We must have something else.

All those who come from the States which raise wheat—those from the State of my friend from Kansas, from my own State, and from other States—are pretty much in agreement that the domestic parity proposal looks like the only hopeful solution, even though it may have some defects.

Mr. CARLSON. Mr. President, if the chairman will yield, I have always appreciated his help. He has been most kind and courteous in connection with this and other matters dealing with agriculture.

I ask that the amendment be withdrawn.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. NEUBERGER. Mr. President, will the Senator from Louisiana yield to me?

The PRESIDING OFFICER. There is no time left. The amendment has been withdrawn.

Mr. ELLENDER. I yield 1 minute on the bill to the Senator from Oregon.

Mr. NEUBERGER. Let me say to the Senator from Louisiana that I join with the Senator from Washington [Mr. MAGNUSON], as a Senator from one of the wheat-producing States of the Pacific Northwest in saying that we trust the domestic parity plan will receive genuine consideration. We have quite a heritage of study in our State behind this plan. The late Senator Charles L. McNary came from our State. I think he was the original author of the McNary-Haugen farm plan, which President Coolidge vetoed twice after it was passed by the Congress. That was the real beginning of the so-called domestic parity plan for wheat.

While I agree with the Senator from Washington that there are some possible defects in it, I think domestic parity offers considerable promise in meeting this very difficult situation.

I thank the Senator from Louisiana for assuring us that the plan will receive study and consideration, and that there will be effort in his committee to bring it to the floor of the Senate later on in this session.

Mr. YOUNG of North Dakota. Mr. President, on behalf of the Senator from Kansas [Mr. SCHOEPPEL], the Senator from South Dakota [Mr. MUNDT], the Senator from Minnesota [Mr. HUMPHREY] and myself, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, between lines 4 and 5, it is proposed to insert the following:

(B) reducing the acreage of wheat below the farm acreage allotment by not less than 10 per centum of such allotment with price support at 75 per centum of the parity price therefor, or.

On page 2, line 5, it is proposed to strike out "(B)" and insert "C)".

On page 2, line 10, after "choice (B)" it is proposed to insert "or choice (C)".

On page 2, line 13, it is proposed to strike out "choice (B)" and insert "either choice (B) or choice (C)".

On page 2, line 16, it is proposed to strike out "and choice (B)" and insert a comma and the following: "choice (B), and choice (C)".

On page 3, line 1, after "choice (B)" it is proposed to insert "or choice (C)".

On page 3, line 19, after "choice (B)", it is proposed to insert "or choice (C)".

On page 4, line 3, after "choice (B)" it is proposed to insert "or choice (C)".

Mr. YOUNG of North Dakota. Mr. President, if Senators will give me their attention, I shall require only 3 or 4 minutes to explain the amendment.

It would add one further provision to the bill as it stands. As it now stands the bill provides 65 percent supports for those who are willing to abide by their quotas, that is, to plant within their quotas.

Those who were willing to cut their acreage by 20 percent would receive 80 percent supports. This amendment would add another proviso, to give 75 percent supports to those who would cut their acreage by 10 percent.

If no legislation at all is passed, the farmers will receive 75 percent supports with their present quotas. This amendment would mean a 10 percent reduction in their quotas. As Senators know, because of a change in the parity formula by the Secretary of Agriculture, price supports will come down 5 cents a bushel, regardless.

The reason I am offering the amendment is this:

According to my own feeling, the pending bill, speaking from the standpoint of one who has been in the wheat business all his life, is, for all practical purposes, a 65 percent price support bill. Most farmers would elect to take 65 percent supports, no reduction in acreage. But if we add another proviso, as I suggest, for 75 percent supports, if they are willing to cut 10 percent, there will be a sizable reduction in production. It is pretty tough for any farmer to cut his acreage 20 percent. I believe this amendment would result in a much more workable bill, and that we would wind up with a cash price probably a little less than we have now. This is not an easy position for me to take. I am only doing it because something has to be done to curb surpluses and save the program.

It is not easy for a Senator from a wheat-producing State to stand on the floor of the Senate and propose a cut in acreage without any increase in price, as this amendment proposes. It will make it a more acceptable bill though.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. CASE of South Dakota. I should like to suggest to the distinguished Senator from Louisiana, chairman of the committee, that he see if this amendment cannot be accepted and taken to conference. It is a very reasonable proposal; and in my personal judgment it would be more effective in accomplishing a reduction of production than would the terms of the bill now before the Senate.

Mr. ELLENDER. Mr. President, let me say to my good friend from South Dakota that the committee considered the proposal which he has propounded.

What this proposal does is simply to add another bracket of wheat producers. Under the bill as it now stands, those who desired to plant their full allotted acreage would receive 65 percent of parity. Those who would take a 20 percent cut would receive 80 percent of parity. The committee felt that approach would make administration of the bill much easier.

The proposal made by the distinguished Senator from North Dakota would insert an additional bracket, to the effect that whoever would take a 10 percent cut in his acreage allotment would receive 75 percent of parity as his price support. Personally I would have no objection to this procedure, except, as I have said, that the committee felt that it would be cumbersome, and would make the administration of the law more difficult.

Mr. YOUNG of North Dakota. Mr. President, the committee was trying to meet the objections of the Secretary of Agriculture, in the hope that by eliminating the 75 percent provision the bill would be more acceptable to him, and he could get a bill passed. Since that time the Secretary has come forth with a report using exactly the same words to object to the present bill as he did to object to the provision which I had offered in the committee, providing for 65, 75, and 80 percent of parity. Let me read the statement of the Secretary:

While the bill provides for 65 percent and 80 percent of parity support levels for wheat,

it is bound to result in a market price for wheat close to 80 percent of parity.

I wish I could believe that. I do not feel so enthusiastic about the bill. One can go anywhere in the United States and consult with wheat farmers and men in the grain business, and they will tell him that it would have no such result.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. YOUNG of North Dakota. I yield.

Mr. MUNDT. Let me say that the critique made by the Department of Agriculture with respect to this proposal is certainly a stimulating reason why Senators should wish to vote for this additional choice, because if, indeed, this will bring about a market price of wheat up to 80 percent, who will be hurt? Certainly not the consumer, because it has been demonstrated over and over again that the relationship between a bushel of wheat and a loaf of bread is purely theoretical. The transportation, advertising, handling, labor, and other costs determine the price of bread.

The consumer would not be hurt. The farmer would not be hurt if he received 80 percent of parity at the market price. The taxpayer would not be hurt, because he would not have to buy wheat and pay the cost of storing it.

If the dire predictions made by the Secretary are indeed true, this is a most promising step, and we are closer to the solution of the wheat problem than anybody had dared to believe. The farmer would be benefited, the consumer would be benefited, and the taxpayer would be relieved.

In view of the analysis, and in view of what it is said the amendment would accomplish, I believe it is an amendment which the Senate should adopt.

We changed it, as the chairman knows, because we thought perhaps by simplifying it, the Department of Agriculture would like it and give it its approval. However, they did not do so. I certainly believe that this is the third choice that we ought to give to the American farmer. Let us hope the Department of Agriculture's analysis is correct. I am afraid it is wrong.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. YOUNG of North Dakota. I yield.

Mr. CARLSON. I should first like to plead with the distinguished chairman of the committee to accept the amendment. We are trying to pass legislation today to reduce some of the production of wheat. It is my honest opinion, coming from a wheat-producing State, which produces one-fourth of the winter wheat grown in the Nation, that the proposal the committee brought in will still produce surpluses of wheat over and above what we will consume and export.

This third step makes the difference between the farmers who are going to plant the full allotment of 65 percent and the limited number who will plant 80 percent. I believe it will be of benefit to the taxpayers if we accept the amendment. I sincerely hope the chairman will accept it and take it to conference.

Mr. YOUNG of North Dakota. If I may add just one more word, I should like to say from the wheat farmer's standpoint, if there is no legislation at all, he does not have to reduce his acreage in 1960, and he gets 75 percent. If we accept the amendment, he must cut his acreage. I could understand why a wheat farmer might not favor it, but I do not understand why the Secretary of Agriculture opposes it, if he knows anything about wheat.

Mr. ELLENDER. Mr. President, I yield 2 minutes to the distinguished Senator from Vermont.

Mr. AIKEN. With regard to the amendment offered by the Senator from North Dakota, I wish to say, that if it is added to the bill, there would not be much incentive to plant the full allotment of 65 percent, or 80 percent of the allotment at 80 percent of parity, because 75 percent would pay better than either 65 percent or 80 percent.

I would prefer not to see the 20 percent reduction and 80 percent supports in the bill. At any rate, there would not be too much incentive to take the 20 percent reduction in acreage even at 80 percent of parity, if a farmer could get 75 percent with a 10 percent reduction. I have figured it out. At 80 percent of the allotment, multiplied by 80 percent of parity, it comes to 6,400. If he takes 100 percent of the allotment at 65 percent of parity, it comes to 6,500. If he takes 90 percent of the allotment at 75 percent of parity, he gets 6,750.

Mr. YOUNG of North Dakota. I think, too, that this would force the farmers to take the 65 percent figure. Most of them would believe that the price might be better, perhaps, and they would be hoping that the cash price would be better. Farmers are always hoping that their price will be better.

Mr. AIKEN. I know they are pretty good at using their pencil and paper. If they went strictly according to their calculations, they would take 65 percent instead of 80 percent.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. YOUNG of North Dakota. I yield.

Mr. CASE of South Dakota. I doubt that very many farmers would take a cut of 20 percent in order to get 80 percent of parity.

Mr. AIKEN. They probably would be better off with 75 percent supports and a 10 percent reduction in acreage.

Mr. ELLENDER. Mr. President, I yield back the remainder of my time.

Mr. YOUNG of North Dakota. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. DODD in the chair). The question is on agreeing to the amendment offered by the Senator from North Dakota [Mr. YOUNG].

The amendment was agreed to.

Mr. DIRKSEN. Mr. President, may I inquire if any other amendments are to be offered? First, I should like to say to the Senate, as a matter of general information, that I have one short amendment and then I have a substitute amendment. The substitute amendment represents the position taken by the Department of Agriculture. Actually, I shall not discuss it very long. I offer the short amendment, dealing with voting in the wheat referendum.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 8, after line 2, it is proposed to insert a new section, as follows:

SEC. 4. (a) Subsection (f) of section 335 of the Agricultural Adjustment Act of 1938, as amended, is amended by deleting the last sentence thereof.

(b) Section 336 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

"SEC. 336. Between the date of issuance of any proclamation of any national marketing quota for wheat and July 25, the Secretary shall conduct a referendum, by secret ballot, to determine whether farmers are in favor of or opposed to such quotas. Farmers eligible to vote in such referendum shall be farmers who were engaged in the production of the crop of wheat normally harvested in the calendar year immediately preceding the calendar year in which the referendum is held. If more than one-third of the farmers voting in the referendum oppose such quota, the Secretary shall, prior to the effective date of such quota, by proclamation suspend the operation of the national marketing quotas with respect to wheat."

Mr. DIRKSEN. Mr. President, on the 1st of June, under existing law, the Secretary of Agriculture must proclaim the allotments and quotas; then, on the 25th of July, the referendum is held.

It seems to me that voting in the wheat referendum takes on a bit of the character of the farcical. The reason for it is that a farmer cannot vote in the wheat referendum unless he grows more than 15 acres. As a result, this is the picture we have: 1,800,000 farmers in the country grow wheat, but only 585,000, or about a third, are eligible to vote in the referendum. If we take two-thirds of that number, it means that out of 1,800,000 wheatgrowers, 390,000 determine what the result is to be. That looks to me like discrimination in law.

Every cotton farmer votes, even if he has only as much as 10 acres of cotton. Every tobacco farmer votes, even if he has only a city lot of tobacco. For instance, in North Carolina, 9 out of every 10 wheat farmers are disqualified from voting in the referendum because they have less than 15 acres. In Idaho, two out of every three wheat farmers are disqualified.

This is a common problem. If we are going to do the decent thing and have no discrimination, why should not every wheat farmer vote, just as every cotton farmer and every tobacco farmer votes?

That is the whole situation in a nutshell. I believe that in the interest of fairness and equity the amendment ought to be adopted. I might say that the amendment has the endorsement of the Department of Agriculture.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. MUNDT. The difficulty is in trying to determine who should vote in accordance with the number of bushels of wheat he produces. There would be no objection to the suggestion the Senator has made, if we could solve that problem.

If we permit all the small garden spot farmers and flower box farmers, who grow a few bushels of wheat, to vote in the referendum, and in that way deter-

mine what will happen to the wheat farmer, who makes, if not the majority, at least a substantial portion of his income from wheat farming, it would not represent very sound democratic procedure. We would permit the result to be determined by persons who are very slightly affected by what happens to wheat.

Mr. DIRKSEN. Why should the small farmer be excluded from voting under the law? What we are doing is letting the large wheat farmers finally determine the result of the referendum. If that is democracy, I do not know the meaning of the word.

Mr. MUNDT. We would have the wheat farmer whose livelihood depends on it vote in the referendum and make the determination, rather than let someone who does not belong to the church become a deacon.

Mr. DIRKSEN. Then why does not the Senator favor changing the law to exclude small tobacco and cotton farmers, on the same basis?

Mr. MUNDT. Tobacco is a business of small producers. It is not a business of the great, large producers.

Mr. DIRKSEN. From the standpoint of principle, that argument will not stand up.

Mr. YOUNG of North Dakota. No one can raise even one-eighth of an acre of tobacco unless he has an allotment. Wheat is the only basic commodity in the United States which gives everyone a free ride. Wheat is raised all over the United States. Anyone can raise 15 acres of wheat and sell it free of penalty. Now everyone will be able to raise all he wants.

Mr. DIRKSEN. Apply that to the cotton farmers along the Mississippi Delta, in California, and elsewhere.

Mr. YOUNG of North Dakota. If the Senator will apply the same provision to all the other basic commodities, I will vote with him.

Mr. DIRKSEN. I did not make the law; but the law is effective in that respect. I am simply trying to cure it so far as wheat is concerned. From the standpoint of principle, no one can argue successfully against what is involved in this amendment.

Mr. MUNDT. It is necessary to consider the evidence before deciding whether an argument is successful or unsuccessful. From my standpoint, the argument the Senator from Illinois advances is entirely unsuccessful.

Mr. DIRKSEN. It is not unsuccessful. What the Senator from South Dakota is trying to do is to keep in the hands of the big wheat farmers the control of the referendum. That is just as transparent as crystal.

We took a barge at the big farmers in the Williams amendment today. This is a good time to take a second blow from the standpoint of principle. How can we exclude the wheat farmer if he qualifies by having been a wheat producer the year before? In the case of farmers having 14 acres, 13 acres, 12 acres, and less, 81 percent of the farmers of my State are disqualified from voting. Nine out of ten farmers in North Carolina are disqualified from voting. Ninety percent of the farmers in Pennsylvania are disqualified from voting under the existing law. Seventy-seven percent of the farmers in Utah are disqualified. Those are the figures. In New York, the situation is the same.

Mr. MUNDT. The Senator from Illinois has attributed to me a statement which is entirely out of context. I am not advocating that the decision be made entirely by the big wheat farmers. It depends entirely on how the word "big" is defined.

The Senator from Illinois, with a lot of oratorical flourish, prolonged by oratorical "oomph," gestures, emphasis, and all those things, makes the situation seem at first as though we are limiting the referendums to the decisions of farmers having a thousand or 10,000 acres of wheat. Actually, all we are trying to do is to have the decisions made by the farmers who are a part of the wheat industry and who depend on it for a livelihood.

Mr. DIRKSEN. The Senator from South Dakota is by all odds one of the most skillful debaters I have ever known. He wrote a handbook on debating. The first thing one learns in college debating is how to beg the question. The Senator is doing a classical job this afternoon. He is so far from principle that it is not even funny. But I am willing to close the case right here.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. LAUSCHE. Will the Senator, from the figures he has, tell me——

Mr. DIRKSEN. Does the Senator want to know how the great Buckeye State stands with respect to voting in the wheat referendum?

Mr. LAUSCHE. Yes; how does the great Buckeye State stand?

Mr. DIRKSEN. I shall certainly tell the Senator, because I have the figures here.

Ohio has approximately 157,000 farms. One hundred and twenty-seven thousand farmers would be eligible, normally, to vote. Eighty-one percent of the farmers of Ohio are disqualified under existing law because of the 15-acre limitation.

Mr. President, I shall not ask for a yea and nay vote. I simply make the case on principle. I am ready to stand by it.

Mr. LAUSCHE. What was the percentage in Ohio, please?

Mr. DIRKSEN. Eighty-one percent of the farmers of Ohio are disqualified. In Illinois 77 percent cannot vote under existing law. This is the list of farmers who were growers of wheat in the prior calendar year.

Mr. LAUSCHE. Is it possible that the large number of wheat growers in Ohio—81 percent—who are disqualified grow a substantial acreage of wheat?

Mr. DIRKSEN. Oh, yes; they grow a substantial acreage of wheat in Ohio, just as is the case in Illinois.

Mr. LAUSCHE. So the amount might comprise 127,000 times 14 acres?

Mr. DIRKSEN. That could very well be; I do not know. But it is necessary for a farmer to have 15 acres in order to be eligible to vote. That leaves the wheat referendum program in the hands of the large producers. If that is "democratic," I eat it.

Mr. AIKEN. Mr. President, before voting on this question, there is one matter which should be cleared up. Under the bill as reported by the committee, the amount of wheat which a farmer can raise without a quota is reduced from 15 acres to 12. It is my understanding that those who are reduced to 12 acres from 15 will have the right to vote in referendums. There will be added 90,000 voters, if I am correctly informed. I have not verified the figures. But those whose acreage allotments are arbitrarily reduced from 15 to 12 acres will be permitted to vote. I should like to ask the chairman of the committee if that is not his understanding.

Mr. ELLENDER. Those farmers whose allotments exceed 12 acres will be eligible to vote.

Mr. AIKEN. That is correct. So if a farmer has 13, 14, or 15 acres, and above, he will be entitled to vote.

Mr. HOLLAND. Mr. President, will the Senator yield for a comment?

Mr. ELLENDER. I yield.

Mr. HOLLAND. I am happy the Senator from Illinois has offered this amendment, because in the discussion it has been made perfectly apparent, first, that the wheat program is not democratic and never was intended to be; second, that the artificiality of the program has forced the production of wheat into areas and amounts which would never have been the case but for such an artificial, man-made and surplus-producing program; and third, that this is simply a fair illustration of what has happened not only in this field, but also in the field of corn, small grains, and other commodities.

For instance, last year in my State of Florida five counties became commercial corn counties. Nationwide, there were 38 new commercial corn counties for the first time last year, most of them in areas which never should have been heavy corn-producing counties. This situation was created by the artificiality of a program which has never been democratic and has never been fair to the people and to the lands which were traditional and natural producers on the most economical basis possible.

I am happy that the Senator from Illinois has brought out the point so clearly evidenced by those opposing him—those whose States have large farms producing wheat—that to admit a democratic revision in the voting plan would mean the death of the wheat program. That, I think, is an end which we shall all wish may be attained, before very long. I believe that the majority of Americans already feel that way. My own feeling has been very keenly in sympathy with the frustrations so clearly evidenced by the Senator from Indiana [Mr. CAPEHART] in speaking to his amendment. I think, however, we should attack the problem a step at a time. I believe the step which the Senator from Illinois is suggesting is but one of the steps by which a more successful solution of the problem may be

reached. I commend him warmly for having offered the amendment.

Mr. DIRKSEN. I thank the Senator from Florida.

Mr. ELLENDER. Mr. President, I yield 5 minutes to the Senator from North Dakota.

Mr. YOUNG of North Dakota. I am wondering why the sponsors of the amendment, who are being so democratic this evening, do not go all the way and follow all the proposals made by the American Farm Bureau Federation and the Secretary of Agriculture.

Mr. DIRKSEN. I shall do so later.

Mr. YOUNG of North Dakota. Since they are proposing this amendment, they should go a step further and adopt the 15-acre provision entirely. If the Senator from Illinois wants to go all the way, I will go with him. That would be good for the wheat farmers of the United States. But I do not know why it is desired to pick out one particular commodity, which the Farm Bureau and the Secretary want, and not go all the way and abolish all the other controls which they want abolished, too. Will the Senator from Illinois answer?

Mr. DIRKSEN. I have no answer to that. I simply take up one thing at a time. If a proposal is founded in hard truth and principle, what is wrong with it? Why not accept it? Then we will get around to the other matters.

I am not even a member of the Committee on Agriculture and Forestry, strangely enough; yet I find myself today presenting the administration's program. I shall present it directly. I am sorry it comes at the end of the day.

We have had a two-price system. We have had a suggestion from the Senator from Indiana [Mr. CAPEHART] to freeze great hoards of commodities and to give the President the authority to dispose of them; then to wipe the slate clean of allotments and price supports, and all the rest.

We have also had the Humphrey proposal today. Now I am about to present the administration's proposal.

Mr. YOUNG of North Dakota. The Senator is talking on my time.

Mr. DIRKSEN. I am sorry.

Mr. YOUNG of North Dakota. Does the Senator from Illinois favor the farm bill proposal of the Secretary of Agriculture which would abolish the 15-acre provision for wheat?

Mr. DIRKSEN. To abolish it?

Mr. YOUNG of North Dakota. Yes.

Mr. DIRKSEN. He would not abolish the 15-acre provision.

Mr. YOUNG of North Dakota. Yes, as proposed by both Secretary Benson and the American Farm Bureau Federation.

Mr. DIRKSEN. I can only say to my friend that in the amendment which bears my name, the marketing quota exemption is up to 15 acres.

Mr. YOUNG of North Dakota. But both of them recommended to the committee the abolishment of the 15-acre provision. I think that is a step in the right direction; if we wish to consider your note proposal, we should go all the way with the recommendation, and should not simply pick out something that would help Illinois or some other State.

Mr. DIRKSEN. Why did the committee bring in the provision? I did not write the bill.

But, Mr. President, I will willing to yield back the remainder of the time available to me, and to have the vote on the amendment taken.

Mr. CARLSON. Mr. President, the distinguished Senator from Illinois has greatly stressed the democratic processes, and has called attention to the great harm and injustice being done to the 15-acre wheat growers in Ohio, Illinois, and Indiana. That is one of the problems in the entire picture; but I point out that the 15-acre wheat growers have no marketing quotas and no penalties applied to them, whereas any grower who is not in the 15-acre area is subject to quotas and penalties; and he cannot even grow wheat for feed, outside his quota. So there is a great difference, in terms of democracy, between the restrictions to which they are subjected and permitting those who are not subjected to any such restrictions to be free to grow wheat—to be freeloaders, so to speak.

Mr. HUMPHREY. Mr. President, does the Senator from Illinois intend to have the penalties for overplanting applied to farmers who have quotas of 10 acres or less?

Mr. DIRKSEN. The amendment will leave the law exactly where it is now.

Mr. HUMPHREY. But at the present time the law does not apply a penalty to them. The ones with less than 12 acres are not allowed to vote on marketing quotas—simply because the law exempts them from any penalty.

Mr. DIRKSEN. Their status will continue to be the same as it is now.

Mr. HUMPHREY. Not under the amendment of the Senator from Illinois. Under his amendment, those with 12 acres or less would be able to determine the penalties to be applied to those with 12 acres or more, but would not be required to accept any penalties themselves for overplanting on their quotas. In other words, the amendment of the Senator from Illinois would permit such farmers to say, "I want all the benefits of price supports and programs; but if I cheat, don't penalize me; only penalize those with 12 acres or more." That is what the Senator's amendment would do.

Mr. DIRKSEN. Mr. President, in view of the Senator's feeling that this is democratically desirable, why do not Senators take care of this provision in the committee?

Mr. HUMPHREY. There is a good reason.

Mr. DIRKSEN. Why?

Mr. HUMPHREY. Because the committee has reviewed for about 20 years the matter of the 12-acre limitation and the 15-acre limitation; and in that 20-year period the committee has had a fairly good idea of what it was doing. The small farmer with 15 acres or less primarily uses what he produces on his own farm, merely for his own purposes; and he is not what could be called a genuine producer, in the sense of taking his crop to the elevator or marketing it. So he has been exempted from the penalty provisions of the program.

Since he was exempted from the penalty provisions of the program and was not considered to be an active participant, and because he was not subjected to the penalties, he was not included among those who were allowed to vote on the program.

Mr. President, I do not think that a farmer with 80 acres in Minnesota is considered a big farmer. Of course, whenever there is big business, it is considered as efficiency. I have heard wonderful statements in this body about General Electric, General Motors, General Foods, and some other generals—five star generals. But when a farmer has 100 acres, all at once he is considered to be a big, big farmer; and, somehow or other, that is considered to be quite bad. But to me, it is quite good.

Mr. DIRKSEN. Mr. President, I am at a loss to know what General Motors has to do with 15 acres of wheat.

Mr. HUMPHREY. One never can tell. [Laughter.]

Mr. DIRKSEN. Mr. President, all that is merely a lot of cheese paring.

The choice to be made is on the question of whether to give the 15-acre wheat farmer a chance to vote in the referendum. Let Senators vote for or vote against the amendment, as they wish. I have no pride of authorship in it, except as a matter of principle.

The amendment of the Senator from Michigan [Mr. HART], which was adopted earlier this afternoon, would remove the 30-acre limitation which resulted in Mr. Yankus' going to Australia. So the Senate has voted to remove one lid; and I propose that the other one be removed.

Mr. LAUSCHE. Mr. President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield.

Mr. LAUSCHE. For 20 years this problem has been studied; and I should like to ask whether during that time the situation of the wheat farmers and the other farmers has been improved.

Mr. DIRKSEN. Mr. President, I want the Senator from Ohio to be here when I offer my other amendment, because in that connection I wish to read a paragraph which is 21 years old.

Mr. President, I yield back the remainder of the time available to me on the pending amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois [Mr. DIRKSEN]. [Putting the question.]

The "noes" appear to have it; and the "noes" have it, and the amendment is rejected.

Mr. DIRKSEN. Mr. President, I submit an amendment in the nature of a substitute, which I send to the desk.

Mr. HUMPHREY. Mr. President, will the Senator from Illinois be so kind as to withhold that amendment until we can submit a technical amendment upon which we have agreed?

Mr. DIRKSEN. Certainly.

Mr. HUMPHREY. Mr. President, I send to the desk a technical amendment for which I request immediate consideration.

Let me say that the amendment is the substance of the amendment which the

Senator from Delaware [Mr. WILLIAMS], the Senator from Vermont [Mr. AIKEN], and I discussed earlier today; it relates to the cooperatives under the $35,000 limitation.

I now understand from the Senator from Delaware that this amendment has been checked with the technicians in the Department, as well as with his own staff and with the committee's staff, and that the revised amendment, as the Senator went over it, is acceptable. Is that correct?

Mr. WILLIAMS of Delaware. I have talked with the Department; and while they do not think that additional language is necessary, since question was raised on the floor, there was no objection to including it. It merely spells out specifically what we intended to do.

Mr. HUMPHREY. That is correct.

Mr. WILLIAMS of Delaware. It does not go beyond that.

I understand that the Senator from Minnesota is offering the first phase only of his proposal.

Mr. HUMPHREY. Yes. Mr. President, I should like to have the amendment read at this time, so Senators may be familiar with it.

The PRESIDING OFFICER. The amendment submitted by the Senator from Minnesota will be stated.

The LEGISLATIVE CLERK. Following the period at the end of the amendment of Mr. WILLIAMS of Delaware, it is proposed to insert the following:

In the case of any loan to, or purchase from, a cooperative marketing organization the limitation of $35,000 shall not apply to the amount of price support extended to the cooperative marketing organization, but the amount of price support made available to any person through such cooperative marketing organization shall be included in determining the amount of price support extended to such person for the purpose of applying such limitation.

Mr. HUMPHREY. Mr. President, this amendment is the revised version which eliminates some of the language which I believe could have been interpreted—according to the Department technicians—as being somewhat difficult to handle. For example, the word "partnerships" is now excluded.

Mr. WILLIAMS of Delaware. No; the amendment merely adds a provision at the end of my amendment; the pending amendment does not eliminate any of the language of the other amendment.

Mr. HUMPHREY. I was referring to the amendment I previously offered, and then withdrew.

Mr. WILLIAMS of Delaware. Oh, yes.

But this amendment provides that if a group of individuals wish to operate as a cooperative group, they can still receive the benefit of the $35,000 ceiling.

Mr. HUMPHREY. Yes, as individuals.

Mr. WILLIAMS of Delaware. That is correct—as individuals.

However, if a farmer is a member of a cooperative, and if he markets $15,000 of his products through the cooperative, he will then have remaining only $20,000; in other words, all his transactions, whether individual transactions or transactions through the cooperative, on all commodities will be totaled; and his total transactions will not be allowed to exceed the $35,000 ceiling.

As I have explained, the amendment I submitted subjected all his transactions to the $35,000 ceiling; and the pending amendment will not in any way change the application of the $35,000 ceiling to the farmer's total transactions.

Mr. HUMPHREY. That is correct.

Mr. President, I yield back the remainder of the time available to me.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota [Mr. HUMPHREY].

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, I thank the Senator from Illinois for his courtesy in permitting me to have that amendment acted on at this point.

Mr. DIRKSEN. Mr. President, I submit the amendment which I send to the desk. The amendment is in the nature of a substitute. I ask unanimous consent that the amendment be printed in the RECORD, without being read by the clerk.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment submitted by Mr. DIRKSEN is to strike out all after the enacting clause and insert the following:

That this Act may be cited as the "Agricultural Act of 1959."

TITLE I—WHEAT

Discontinuance of acreage allotments and marketing quotas on wheat

SEC. 101. The Agricultural Adjustment Act of 1938, as amended, is amended—

(1) by amending subsection (f) of section 335 by deleting item (1) and renumbering items (2), (3), and (4) as items (1), (2), and (3), respectively;

(2) by adding the following new section:

"SEC. 339. Notwithstanding any other provision of law, acreage allotments and marketing quotas shall not be established for the 1963 and subsequent crops of wheat."

Price support

SEC. 102. Title I of the Agricultural Act of 1949, as amended, is further amended by adding at the end thereof the following:

"SEC. 106. Notwithstanding the provisions of section 101 of this Act, price support for wheat shall be as follows:

"(a) The level of price support to cooperators for the 1960 crop, the 1961 crop, and the 1962 crop of wheat, respectively, if producers have not disapproved marketing quotas for such crop, shall be 75 per centum of the average price received for wheat by farmers during the 3 marketing years immediately preceding the marketing year for such crop. Price support for each such crop of wheat in case marketing quotas are disapproved, in the case of noncooperators and in the case of cooperators outside the commercial wheat-producing area shall be as provided in section 101(d)(3), (5), and (7).

"(b) The level of price support to producers for the 1963 crop and each subsequent crop of wheat shall be 90 per centum of the average price received for wheat by farmers during the 3 marketing years immediately preceding the marketing year for such crop.

The Secretary shall determine and announce the price support level for each crop of wheat in advance of the planting season on the basis of the statistics and other information available at that time, and such price support level shall be final."

TITLE II—CONSERVATION RESERVE PROGRAM

SEC. 103. The Agricultural Act of 1949, as amended, is amended, effective beginning with 1960 production, by inserting after section 420 the following new section:

"SEC. 421. The total amount of price support extended to any person on any year's production of agricultural commodities through loans or purchases made or made available by the Commodity Credit Corporation, or other agency of the United States Department of Agriculture, shall not exceed $35,000. The term 'person' shall mean any individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity or a State, political subdivision of a State, or any agency thereof. The Secretary shall issue regulations prescribing such rules as he determines necessary to assure a fair and effective application of such limitation, and to prevent the evasion of such limitation."

SEC. 202. Section 109 of the Soil Bank Act is amended—

(1) by amending subsection (a) to read as follows:

"(a) The Secretary is authorized to formulate and announce programs under this subtitle B and to enter into contracts thereunder with producers during the eight-year period 1956–1963 to be carried out during the period ending not later than December 31, 1972, except that contracts for the establishment of tree cover may continue until December 31, 1977.";

(2) by striking out in subsection (c) "$450,000,000", and substituting in lieu thereof "$500,000,000".

TITLE III—EXTENSION OF PUBLIC LAW 480

SEC. 301. The Agricultural Trade Development and Assistance Act of 1954, as amended, is amended as follows:

(1) Sections 109 and 204 of such Act are amended by striking out "1959" and substituting in lieu thereof "1962".

(2) Section 103(b) of such Act is amended by striking out "1959" and substituting in lieu thereof "1962" and by striking out "$2,250,000,000" and inserting in lieu thereof "$6,750,000,000".

(3) Section 203 of such Act is amended by striking out "$800,000,000" and inserting in lieu thereof "$1,500,000,000".

Mr. DIRKSEN. Mr. President, I shall be very brief, I hope, and if I do not get into a complicated colloquy, I think I can complete my remarks in short order.

As sort of a test, I am going to use the question raised by our distinguished friend from Ohio [Mr. LAUSCHE] when he asked, "Has there been any improvement in all this in the past 20 years?"

I review the legislative findings relating to the Agricultural Adjustment Act of 1938. I was a Member of the House when that bill was enacted into law, and the distinguished Senator from New Mexico [Mr. ANDERSON] may have been there at the time. Our distinguished friend from Washington [Mr. MAGNUSON] was there.

Here are the legislative findings. This started 21 years ago:

Abnormally excessive supplies overtax the facilities of interstate and foreign transportation, congest terminal markets and milling centers in the flow of wheat from producers to consumers, depress the price of wheat in interstate and foreign commerce, and otherwise disrupt the orderly marketing of such commodity in such commerce.

Such surpluses result in disastrously low purchasing power of grain producers for industrial products, and reduce the value of

the agricultural assets supporting the national credit structure.

That sounds like the statement which was made here this afternoon. So after all these years this program has been pretty much of a failure.

It seems to me, after all the efforts which have been made, the sensible thing would be to leave the department charged with the responsibility over agriculture to have its substitute adopted in the form of permanent legislation.

This is what the substitute does. I shall not weary Senators with long detail.

It is proposed as a permanent law, to have 55 million acres for 1960, 1961, and 1962, and after that the allotments would be eliminated.

Seventy-five percent of parity supports are proposed, based upon the immediately preceding 3-year average prices, until 1962. Then allotments would come off, and parity supports or average market supports would go to 90 percent.

The marketing quota exemption would be up to 15 acres, with general authority in existing law to take care of and control diverted acres.

It is estimated that if we follow that program we shall save from $200 million to $250 million a year, and more in later years.

So much for wheat.

The proposal also relates to the conservation reserve program, which will expire on December 31, 1960. This proposal would extend the control authority for 3 years.

Maximum annual payments would be raised from $450 million to $500 million in any calendar year.

There was contained in one paragraph specific authority to permit discouraging wheat production in given States and regions. I struck that out. Frankly, I do not know what was contrived there, but I want to be sure I am not in the corner of those trying to discourage any State or region. So I struck it out.

Then there is a provision which extends Public Law 480. The expiration date is December 31, 1959. We would extend it 3 years.

The amendment would increase the amount authorized to be expended under title I of the Public Law 480 by $4,500 million.

It would extend title II of the act for 3 years.

It would increase the amount authorized to be expended under title II of such act from $800 million to $1,500 million.

So there is included in the proposal changes in Public Law 480, the conservation reserve program, and the wheat program, plus the Williams amendment.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. CAPEHART. The proposal is to increase the amount to be expended under title I by $4 billion. Is that correct?

Mr. DIRKSEN. Yes; it would increase the amount authorized to be expended under title I by $4,500 million, and, under title II, from $800 million to $1,500 million.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. ELLENDER. Is the proposal to extend the program for 3 years?

Mr. DIRKSEN. Is the Senator speaking of Public Law 480 or the conservation reserve?

Mr. ELLENDER. Title 3 of Public Law 480.

Mr. DIRKSEN. The proposal is to extend title 1 for 3 years.

Mr. ELLENDER. Congress usually extends it year by year.

Mr. DIRKSEN. It is proposed to extend it for 3 years.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. LAUSCHE. The proposal is to extend it to 1962. Is that correct?

Mr. DIRKSEN. Yes.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. HUMPHREY. How much does the proposal provide for each year?

Mr. DIRKSEN. I do not have it broken down in that way, but, under title 1, the amount to be authorized to be expended would be increased by $4,500 million. Title 2 of Public Law 480 would be extended for 3 years. Then, under title 2, it is proposed to increase the amount authorized to be expended from $800 million to $1,500 million.

Mr. HUMPHREY. May I ask the Senator if this is the administration program?

Mr. DIRKSEN. Yes.

Mr. HUMPHREY. When did the administration change its mind, because the last notice we had was a 1-year extension? I ask the question only as a matter of interest, because I am pleased with the proposed 3-year extension.

Mr. DIRKSEN. I do not know when or if the administration changed its mind. All I know is what I have before me.

Mr. HUMPHREY. The Senator is reading from a paper. The committee had recommendations from the Secretary for a 1-year extension. I wondered if the Secretary had changed his mind. If so, I wanted to stand up and congratulate him and wish him well. We hope to be able to extend the authority for 3 years.

Mr. DIRKSEN. The Secretary has never indicated to me anything other than a 3-year extension.

Mr. HUMPHREY. In his testimony his recommendation was a 1-year extension.

Mr. DIRKSEN. I was not there.

Mr. HUMPHREY. I gather his testimony was rather official, or was he merely visiting with us?

Mr. DIRKSEN. I would not know.

Mr. HUMPHREY. I would like to know when he is merely visiting with us, because we have such pleasant visits.

Mr. DIRKSEN. All I know is what I know.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. LAUSCHE. Is the Senator able to tell, from the report he had from the Department of Agriculture, whether the bill as now pending before the Senate, without the amendment offered by the Senator from Illinois, will increase the existing cost of the support program?

Mr. DIRKSEN. The best estimate I have is that the Department believes this proposal will increase the cost from $150 million to $200 million. I do not have the figures broken down. I have to rely entirely on the personnel who worked on the program.

Mr. LAUSCHE. My question is whether the bill which is now pending, without the amendment of the Senator from Illinois, will lower the cost to the taxpayers or increase it.

Mr. DIRKSEN. The Department takes the position that it will increase the cost.

My friend the Senator from Louisiana [Mr. ELLENDER] shakes his head and indicates "no" to that statement, but the figures I have in front of me are all I have, and they are not broken down. They indicate the cost would be increased, whereas the administration proposal would decrease the cost by from $200 million to $250 million.

Mr. LAUSCHE. Am I to understand that the bill now pending before the Senate, if passed, will increase the cost by $50 million, while the amendment proposed by the administration will decrease the cost by $200 million?

Mr. DIRKSEN. On the basis of representations and figures that have been submitted to me, the Senator from Ohio is correct, although the chairman of the committee, the Senator from Louisiana [Mr. ELLENDER], shakes his head to indicate that is probably not the fact. But I base my statement entirely on the figures that have come from the Department of Agriculture.

Mr. LAUSCHE. Then, if one is inclined to reduce the cost to the taxpayers——

Mr. DIRKSEN. He would vote for my substitute.

Mr. LAUSCHE. And that would reduce the cost by $200 million, as declared by the Department of Agriculture. Is that correct?

Mr. DIRKSEN. Yes, and more in later years. It also has the advantage of extending Public Law 480.

Mr. LAUSCHE. I should like to ask one other question. Does the bill pending before the Senate in any way control what shall be done with the acreage taken out of production in order to qualify?

Mr. DIRKSEN. I think that question would almost have to be addressed to the chairman of the committee. The Senator is talking about the diverted acres, and whether they shall be controlled so far as other price supported commodities are concerned.

Mr. LAUSCHE. Under the existing bill, can a farmer say, "I will go under the price support program and take out 20 percent of my acres, but I am going

to plant the 20 percent of the acres to other subsidized products"?

Mr. DIRKSEN. I think the bill which came from the committee, even if it might not clear, undertakes to make sure that diverted acres will not be diverted to price supported crops.

Mr. LAUSCHE. I do not think that is the case.

Mr. DIRKSEN. If I am mistaken, the Senator will have to ask the chairman of the committee.

Mr. ELLENDER. That is not correct.

Mr. DIRKSEN. It is not?

Mr. ELLENDER. No. The amendment presented by the distinguished Senator from Minnesota provided that the diverted acres could not be planted to a crop for which price support is available, but the amendment provided further if the farmer did not use the land at all, he would receive a payment in kind, equal to one-third of the crop the land would produce if planted to wheat or corn, for instance.

Mr. LAUSCHE. My question is, does the pending bill in any manner give the Secretary of Agriculture the right to prohibit the planting of the withdrawn acreage?

Mr. ELLENDER. It does not change the existing law in that respect.

Mr. LAUSCHE. So the farmer can get the increased subsidy payment by taking the acreage out of production of wheat, and then plant other products?

Mr. ELLENDER. He could plant anything he desired.

Mr. LAUSCHE. So while we would be reducing the wheat planting we would allow the farmer to increase his planting on the total acreage?

Mr. ELLENDER. The farmer could plant corn, if he desired, or almost anything else.

Mr. JAVITS. Mr. President, will the Senator yield to me?

Mr. DIRKSEN. Mr. President, I yield the Senator from New York 2 minutes or 3 minutes from the time on the bill.

Mr. JAVITS. Mr. President, I, in part, represent a State which is essentially a consumer of farm products, both with respect to urban and suburban population, and with respect to farming population, which is largely engaged in dairying, poultry raising, and similar activities.

Mr. President, I shall support the substitute proposed by the minority leader on the part of the administration.

I do not hesitate to speak with regard to this bill, though it is an agricultural bill. When I was a Member of the other body I did the same thing. I deprecate the fact that unfortunately the representatives of consumers in this body and in the other body do not feel an adequate interest in proposed farm legislation. There is nothing which has greater influence upon the cost of living for the average family, which pays about 30 percent of its total income for food and food products. There is nothing which has greater influence upon the average family than the farm program. I think it is very sad that consumer representatives do not speak out about the farm programs.

Mr. LAUSCHE. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. JAVITS. Mr. President, my mail this particular year has been enormous with regard to this question. People do a lot of talking about economy, yet when one plumbs the correspondence and communications one determines it is really not so much a question of cost as it is a question of hopelessness with regard to what we are spending and the results which are being achieved. There are remarkable paradoxes, with mounting costs and mounting surpluses—with tremendous costs for storage, which are about a billion dollars a year now—and constantly accumulating surpluses.

As we can observe from a study of the pending bill, this is a tremendous problem. The committee tells us frankly that as of July 1, this year we shall have a carryover of roughly one-third more than we had as of July 1 last year. This is some kind of a cul-de-sac in which we are, from which it is high time we extricated ourselves. We may have to do it drastically.

I believe the attitude of the consumer is that he is perfectly willing to spend what he is spending now in order to help the farmer over the hill. A problem may arise because of the fact that we need large farms and more mechanization. However, the consumer is absolutely opposed to spending more in the blind alley in which I think the committee bill will take us, and in which the whole farm program as designed in the Congress—in this body and in the other body—constantly has taken us. At least Ezra Taft Benson is brave enough and willing enough to take a beating to try to break the matrix in which we seem to have caught ourselves.

My presentation to my colleagues in the Senate, I think, should do this: I deeply believe we can find a way out, if we are willing to spend as much money in using food as an instrument of foreign policy, which is the purpose of extending Public Law 480 and increasing the amount available for it; using agricultural commodities as instruments for industrial production, in the great research program proposed; using surplus food for the indigent and the distressed, as my colleagues the Senator from Kentucky [Mr. COOPER] and the Senator from Minnesota [Mr. HUMPHREY] and others have suggested; and seeking to retrain the farm population, even paying the farmers compensation in the process.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. JAVITS. Mr. President, will the Senator yield me 1 additional minute?

Mr. DIRKSEN. Mr. President, I yield 1 minute to the Senator from New York from the time on the bill.

Mr. JAVITS. We could even pay the farmers while they are being retrained, so that they may be moved off the farms into other areas where they will be more productive in terms of the entire economy.

The idea that we can have a yeomanry in the United States is completely archaic. Many of us would like to keep it alive, sentimentally, but we are talking about a situation which has lasted for 10 or 20 or 30 years. I feel that the consumers want us to face reality. I think we face reality a little more accurately with the administration substitute than with the committee bill, which I think would result in the same hopeless situation we have faced for years.

I, for one, do not feel I want to accept the situation insofar as 16½ million consumers in New York are concerned.

Mr. HUMPHREY. Mr. President, will the Senator from Louisiana yield to me? I wish to read a clipping for my good friend from New York.

Mr. ELLENDER. Mr. President, I yield 1 minute to the Senator from Minnesota.

Mr. HUMPHREY. I, of course, share with the Senator from New York a deep and constant interest in the welfare of the consumers. I should like to have the Senator from New York to listen as I read an Associated Press dispatch regarding a Department of Agriculture survey, taken at the end of 1958. The article reads:

> An Agriculture Department market study shows that even if farmers had donated their wheat, consumers still would have had to pay 16.9 cents for a pound loaf of white bread in 1958.
>
> As it was, the retail price averaged 19.3 cents a pound. Thus, farmers got 2.4 cents for the wheat used in a pound of bread that netted the retailer 3.1 cents.
>
> The study showed that bread prices have risen every year since 1945. During much of this period, there has been a decline in wheat prices.
>
> Other farm-produced ingredients in a pound of bread—lard, sugar, and dried milk—brought producers six-tenths of a cent last year.
>
> The study said the increase in bread prices had reflected higher marketing margins, mostly involving the baker. The Department cited higher wage rates and higher costs for wrapping materials.

Mr. President, I want my good friend from New York to know that if every wheat farmer in the United States decided to produce wheat as the Nation's No. 1 Santa Claus, and to give it to all the bakers of New York, it would save the consumers only 2.4 cents a loaf on their bread, and the consumers would still be paying 16.9 cents a loaf, though the farmer never received one penny.

All the talk about what effect the passage of the bill, whatever may be the results of its passage, will have on the consumer, I will say, is really redundant. The truth is that, if we should raise the price supports 5 or 10 cents, it would not be reflected in a cost of more than one-half of 1 cent to the consumer.

Mr. JAVITS. Mr. President, will the Senator yield for an instant, since he has referred to me?

Mr. HUMPHREY. Indeed, I will yield to my friend.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. DIRKSEN. Mr. President, I yield 1 minute to the Senator from New York from the time on the bill.

Mr. JAVITS. We do not want to argue at cross-purposes. This is no time for extended debate. I should like to emphasize that we are dealing with the taxpayers, who are also the consumers, who are very resentful about paying billions of dollars when the situation seems to be hopeless. What the Senator himself has said emphasizes its hopelessness.

I say to the Senator, let us see if we humanly can break this matrix. That is all I plead for; and any right-minded consumer only asks for that. Let us not go into the details of whether it will or will not save a penny. The situation looks hopeless. That is all I say to my friend.

Mr. HUMPHREY. I will say to my friend, we can break the matrix with a change in administration.

Mr. ELLENDER. Mr. President, the Committee on Agriculture and Forestry gave very careful consideration to the program which has been submitted by my good friend from Illinois.

The program he is suggesting would mean that in 1960 the price of wheat could go down to $1.41; in 1961, to $1.29; and in 1962 to $1.14.

With all due deference to my distinguished friend from Illinois, I must state that I am somewhat amazed at the package he offers the Senate. Part 1 of his substitute is the administration's wheat program. This program was studied by the committee, and studied carefully, considering the delay involved from its initial announcement in extremely general terms by the Secretary, and its final submission in bill form to the committee. I do not intend to dwell in any great detail on this approach. Suffice it to say that the committee considered it, and found it wanting. It would not, in my opinion, do anything more than offer the prospect of further increases in production, lower farm income, aggravated surpluses and increased costs to the Government.

The Senator's substitute would also greatly broaden the conservation reserve program of the soil bank. I need not remind Senators that this is the second phase of the soil-bank program, a program which has already given a black eye to the entire farm program. I am most reluctant to increase and expand a program involving direct payments to farmers for taking their land out of production for long periods of time. It may be that we will ultimately be reduced to taking such a program, but I urge Senators to withhold cramming any such scheme down the throat of American agriculture until our committee has at least had a chance to examine this latest proposal in detail.

Earlier today, in connection with the amendment offered by the Senator from Delaware, I took great pains to point out that the direct payments feature of the soil bank, including both the acreage and conservation reserve, has contributed much toward creating and fostering the prevailing misunderstanding of the price support program. Thanks to the press, and others, the public has been given the impression that payments made under the soil bank program are part and parcel of the price support program. Before extending the soil bank, before embarking upon a bigger, costlier, conservation reserve, I do believe that the Committee on Agriculture and Forestry should be given a chance to see where the Department wants to lead us in what is apparently an effort to move down the direct payments road, even though such payments in this case are soil bank payments.

The third part of the substitute offered by the Senator from Illinois involves a 3-year extension of Public Law 480, the so-called Surplus Disposal Act. As Senators well know, the committee has generally insisted that Public Law 480 be extended only on a year-by-year basis. We have endeavored to keep it a temporary program. Here we have a proposal to extend it for 3 years, at an annual expenditure of $1½ billion.

Title II, donations, would be increased from $700 million to $1½ billion.

To a large extent, I am mystified by what is apparently the administration's position on this matter. The Secretary of Agriculture, indeed, the President himself, have both stated on several occasions that Public Law 480 sales for foreign currencies, and the other disposal authorities contained in that law, should not be regarded as long-range programs—that such sales should not be regarded as real consumption of agricultural commodities any more than, in their words, warehouses should be considered markets.

In the light of the past reluctance of the Congress to embark upon long-range authorizations for Public Law 480, and in view of Secretary of Agriculture's past position on this matter, I urge Senators to join me in opposing a 3-year extension of this program.

Mr. President, I ask that the amendment offered by the Senator from Illinois be defeated.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CASE of South Dakota. I trust the chairman will give us assurance that the extension of Public Law 480 will be considered by the committee.

Mr. ELLENDER. Certainly. We expect to consider it.

I yield back the remainder of my time on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Illinois [Mr. DIRKSEN].

Mr. NEUBERGER. Mr. President, I ask for the yeas and nays on this amendment.

The yeas and nays were not ordered.

Mr. LAUSCHE. Mr. President, may I have 3 minutes?

Mr. DIRKSEN. I yield 3 minutes on the bill to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, I wish to offer my support to the proposal of the administration with respect to the farm program.

By June 30, 1960, there will be $3½ billion worth of wheat in the bins. From 1954 to 1958 the cost to the taxpayers was $2,533 million. Statements have been made to the effect that 20 years of study have been devoted to this problem for the purpose of solving it. At the end of 20 years we are worse off than we were in 1938.

Arguments are made to the effect that no benefit will come to the consumer in the city. All I know is that there is $9 billion worth of surplus food in the bins, costing the taxpayers $1 billion a year for storage and administration.

Finally, I cannot understand why the Committee on Agriculture and Forestry, when it says it is necessary to take wheat out of production in order to reduce the surplus, inserted no provision in the bill to the effect that when a farmer is paid for taking out of production his acreage of wheat, he shall be prohibited from using it for other crops. I cannot understand why the committee failed to include such a provision in the bill.

We shall be committing a swindle upon the consumers of the country when we tell them, through the existing bill, that wheat will be taken out of production, unless we also tell them that we have told the farmer, "Take your wheat acreage out of production and then plant it to other crops."

I will support the administration proposal, and vote against the committee bill.

Mr. DIRKSEN. Mr. President, I yield back the remainder of my time on the pending amendment.

The PRESIDING OFFICER. All time on the amendment has been exhausted or yielded back on both sides.

The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DIRKSEN]. [Putting the question.] The "noes" appear to have it.

Mr. LAUSCHE. Mr. President, I ask for a division.

On a division, the amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. SYMINGTON. Mr. President, will the Senator from Illinois yield me 2 minutes on the bill?

Mr. DIRKSEN. I yield 2 minutes on the bill to the Senator from Missouri.

Mr. SYMINGTON. Mr. President, the Senate is now considering a wheat bill primarily because the present program has failed.

It has failed to bring production in line with need.

It has failed because it has piled up over $3 billion of wheat in Government investment and inventory.

It has failed because it has cost the American taxpayers many millions of dollars.

It has failed because it has not helped the family farmer to earn a fair standard of living for his family.

Since the majority of the farmers will elect to plant their present allotment and receive 65 percent of parity, as against the 75 percent under the present law, farm income will be decreased through the passage of this bill.

Furthermore, with the same allotments, but a lower price, farmers will make every effort to increase present production per acre. Therefore, total wheat production will increase.

With the same or more production, hundreds of millions of bushels will be added next year to the already bulging Government inventory.

And what happens to the small farmer, who under the present law, can plant 15 acres of wheat?

It will cut his exemption 20 percent.

In other words, this bill will not cut the big wheat farmer—only the small wheat farmer.

Last year the Congress made special provision to help the small cotton farmer. I supported that action. Now we are about to vote on a wheat bill in which the small wheat farmer is the one hurt.

I am aware of this wheat situation, and agree that something must be done. But S. 1968 will not solve the surplus problem. It will not reduce the cost of the farm program. In addition, it will further reduce the income of the small family-sized operator.

Therefore, Mr. President, I am against the bill.

Mr. ELLENDER. Mr. President, I yield back the remainder of my time on the bill.

Mr. DIRKSEN. Mr. President, I yield back the remainder of my time on the bill.

The PRESIDING OFFICER. All time on the bill has been exhausted or yielded back.

The bill is open to further amendment. If there is no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? [Putting the question.]

Mr. JOHNSON of Texas. Mr. President, I ask for a division.

On a division, the bill was passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title 1 of the Agricultural Act of 1949, as amended, is amended by adding the following new section:

"SEC. 106. Notwithstanding the provisions of section 101 of this Act, for each of the 1960 and 1961 crops of wheat price support shall be made available as provided in this section. The Secretary is authorized and directed to offer the operator of each farm for which an allotment is established under the Agricultural Adjustment Act of 1938, as amended, a choice of—

"(A) complying with the farm acreage allotment determined pursuant to the Agricultural Adjustment Act of 1938, as amended, with price support at 65 per centum of the parity price therefor, or

"(B) reducing the acreage of wheat below the farm acreage allotment by not less than 10 per centum of such allotment with price support at 75 per centum of the parity price therefor, or

"(C) reducing the acreage of wheat below the farm acreage allotment by not less than 20 per centum of such allotment with price support at 80 per centum of the parity price therefor.

To be eligible for price support, producers who elect choice (B) or choice (C) must not knowingly exceed the wheat acreage for the farm applicable under such choice. Any person operating more than one farm, in order to be eligible for either choice (B) or choice (C), must elect such choice for all farms for which he is the operator. The Secretary shall determine and announce the support price for producers who elect choice (A), choice (B), and choice (C), respectively, in advance of the planting season on the basis of the statistics and other information available at that time, and such support price shall be final. As soon as practicable after such announcement, the Secretary shall cause the operator (as shown on the records of the county committee) of each farm for which an allotment is established under the Agricultural Adjustment Act of 1938, as amended, to be notified of the alternative choices available to him. The operator of each farm, within the time prescribed by the Secretary, shall notify the county committee in writing whether he desires choice (B) or choice (C) to be effective for the farm. If the operator fails to so notify the county committee within the time prescribed, he shall be deemed to have elected choice (A). The choice elected by the operator shall apply to all the producers on the farm. Price support under this section shall be made available only if producers have not disapproved marketing quotas for the crop. In case marketing quotas are disapproved, price support to cooperators shall be as provided in section 101(d)(3). Whether marketing quotas are approved or disapproved, price support shall be made available only if acreage allotments under the Agricultural Adjustment Act of 1938, as amended, are in effect for the crop and only to cooperators. No price support for wheat shall be made available to producers outside the commercial wheat-producing area. The acreage on any farm which is determined under regulations of the Secretary to have been diverted from the production of wheat in order to be eligible for price support as provided in choice (B) or choice (C) shall be considered acreage devoted to wheat for the purposes of establishing future State, county, and farm acreage allotments under the Agricultural Adjustment Act of 1938, as amended. In applying the provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340(6)), and section 2(f) of the Wheat Act of 1959, relating to reduction of the storage amount of wheat, the acreage of wheat determined by the Secretary to have been diverted in order to be eligible for price support as provided in choice (B) or choice (C) shall be regarded as wheat acreage of normal production on the farm. For the purposes of section 407 of the Agricultural Act of 1949 the current support price shall for each of the 1960 and 1961 crops of wheat be deemed to be a price determined on the basis of a level of support of 75 per centum of the parity price as of the beginning of the marketing year."

SEC. 2. (a) In lieu of the provisions of item (1) of Public Law 74, Seventy-seventh Congress, as amended, the following provisions shall apply to the 1960 and 1961 crops of wheat:

"(1) The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to double the normal yield of wheat per acre established for the farm multiplied by the number of acres planted to such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established the farm marketing excess shall be such actual production less the actual production of the farm wheat acreage allotment. Actual production of the farm wheat acreage allotment shall mean the actual average yield per harvested acre of wheat on the farm multiplied by the number of acres constituting the farm acreage allotment."

(b) Notwithstanding the provisions of item (2) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340 (2)), the rate of penalty on wheat of the 1960 and 1961 crops shall be a rate per bushel equal to the support price per bushel established for producers electing choice (A) under section 106 of the Agricultural Act of 1949, as amended.

(c) In lieu of the provisions of item (3) of Public Law 74, Seventy-seventh Congress, as amended, the following provisions shall apply to the 1960 and 1961 crops of wheat:

"(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts of wheat to be delivered to the Secretary shall be computed upon double the normal production of the excess acreage. If the farm marketing excess so computed is adjusted downward on the basis of actual production, the difference between the amount of the penalty or storage computed on the basis of double the normal production and as computed on actual production shall be returned to or allowed the producer or a corresponding adjustment made in the amount to be delivered to the Secretary if the producer elects to make such delivery. The Secretary shall issue regulations under which the farm marketing excess of wheat for the farm shall be stored or delivered to him. Upon failure to store, or deliver to the Secretary, the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary the penalty computed as aforesaid shall be paid by the producer. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce."

(d) Item (7) of Public Law 74, Seventy-seventh Congress, as amended, is amended to read as follows:

"(7) A farm marketing quota on any crop of wheat shall not be applicable to any farm on which the acreage planted to wheat for such crop does not exceed fifteen acres: *Provided, however,* That a farm marketing quota on the 1960 and 1961 crops of wheat shall be applicable to—

"(i) any farm on which the acreage of wheat exceeds twelve acres;

"(ii) any farm on which any wheat is planted if no wheat was planted on such farm for harvest in the calendar years 1957, 1958, and 1959; and

"(iii) any farm on which any wheat is planted if any of the producers who share in the wheat produced on such farm share in the wheat produced on any other farm."

(e) Item (12) of Public Law 74, Seventy-seventh Congress, as amended, shall not be applicable to the 1960 and 1961 crops of wheat.

(f) In lieu of the provisions of section 326(b) of the Agricultural Adjustment Act of 1938, as amended, the following provisions shall apply to the 1960 and 1961 crops of wheat;

"(b) If a farm is in compliance with its farm acreage allotment for any crop of wheat and the actual production of such crop of wheat on the farm is less than the normal

production of the farm wheat acreage allotment; an amount equal to the deficiency may be marketed without penalty from wheat of previous crops stored by the producers on the farm to postpone the payment of marketing quota penalties."

(g) Section 335(d) of the Agricultural Adjustment Act of 1938, as amended, shall not be applicable to the 1960 and 1961 crops of wheat.

(h) Section 335(f) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out the semicolon at the end of item (1) and adding "and shall not apply to other farms with respect to the 1960 and 1961 crops;".

SEC. 3. Section 101(d) of the Agricultural Act of 1949, as amended, is amended by striking out paragraph (5).

SEC. 4. The Agricultural Act of 1949, as amended, is amended, effective beginning with 1960 production, by inserting after section 420 the following new section:

"SEC. 421. The total amount of price support extended to any person on any year's production of agricultural commodities through loans or purchases made or made available by the Commodity Credit Corporation, or other agency of the U.S. Department of Agriculture, shall not exceed $35,000. The term 'person' shall mean any individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity or a State, political subdivision of a State, or any agency thereof. The Secretary shall issue regulations prescribing such rules as he determines necessary to assure a fair and effective application of such limitation, and to prevent the evasion of such limitation. In the case of any loan to, or purchase from, a cooperative marketing organization the limitation of $35,000 shall not apply to the amount of price support extended to the cooperative marketing organization, but the amount of price support made available to any person through such cooperative marketing organization shall be included in determining the amount of price support extended to such person for the purpose of applying such limitation."

SEC. 5. This Act may be cited as the "Wheat Act of 1959".

Mr. JOHNSON of Texas. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. ANDERSON. Mr. President, I move to lay that motion on the table.

The motion to reconsider was laid on the table.

Mr. HUMPHREY. Mr. President, I wish to state for the RECORD that while we have had a very extended argument on the bill today, I believe the amendment of the Senator from North Dakota [Mr. YOUNG] improved the bill substantially. However, I must say in all candor that the bill is still an income reducing bill. I wish to make a prediction, which we shall have an opportunity to review next year, that the total production of wheat will not be substantially reduced, if reduced at all, and income will be reduced.

I do not think this is a particularly good bill. I think it is a bill which will not lend itself to saving the taxpayer money; nor will it improve the economic condition of the American wheat producer.

Our gratifying feature of the bill is that at least there are some limitations imposed, in terms of the total amount of crop loans. Second, there is a stiffening of penalties for noncompliance. The features of the bill which are notable relate to no price supports for noncompliers, improvements in penalties for violators, and the part which the Senator from North Dakota contributed to the bill, providing for 75 percent of parity with a 10 percent reduction in acreage.

I am sorry that this kind of legislation comes to us commodity by commodity. I will say for Mr. Benson that he has been a most effective political figure. He has been able to divide the forces in the Congress which once stood together in behalf of good farm policy.

Furthermore, I wish to say that the administration's farm program is a colossal, unmistakable failure. It is the most costly peacetime operation of domestic civilian government that we have. It has eliminated thousands of farmers from the land. It has placed upon the American people a tremendous burden of cost for a farm program.

The Department of Agriculture has more employees today than it has had in any time in its history, save in wartime. The county committee system is a shambles. The Commodity Credit Corporation is loaded down with inventories.

The prices of the crops of farmers are coming down. Where the administration program has worked its full will, production has zoomed, prices have gone down, and inventories have gone up. I feel that it is imperative to say this again and again, because the monkey is on the back of this administration. It has mismanaged its farm program.

I am grateful that the Senator from Missouri [Mr. SYMINGTON] will conduct an objective and far-reaching and searching study. It is long overdue. I say to the Senate that it is my belief that this kind of program needs to be analyzed.

It was said a while ago that the program has been getting worse each year. I remind the Senate that on January 1, 1953, there was less than $1,250 million worth of supplies in the ownership of the Commodity Credit Corporation. I remind the Senate that at that time the Department of Agriculture spent less than $1,100 million a year. At that time there were 18,000 fewer employees in the Department of Agriculture than there are today. This department today spends 6 times as much money. It has 7 times the amount of inventory. It has 18,000 more employees. There are hundreds of thousands fewer farmers today. Farm prices have gone down.

When I heard concern expressed about the consumers, I could not help think that the farmer's share of the food dollar which the housewife spends in the market place is smaller than it has been at any time since the depression of the 1930's.

Some persons call this a farm program. We have a great deal more to do, when it comes to a farm program, than this bill. There will be a day when there will be one which will be worthy of its name—if there are left any farmers for whom to have a program.

Mr. DIRKSEN. Mr. President, I thought we had passed the bill. Evidently the echoes of frustration are still with us. I should amend the statement made by the distinguished Senator from Minnesota by saying that the farm program is the most colossal inherited failure of previous administrations and the Democratic Congresses that have preceded us. It is a bitter inheritance, and now it is here. However, we will not put the monkey on our own backs. We will put it where it belongs. It comes with poor grace to castigate one of the most courageous Secretaries of Agriculture who has ever held that office.

ORDER FOR ADJOURNMENT TO TUESDAY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until 12 o'clock noon on Tuesday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. DODD obtained the floor.

Mr. DODD. Mr. President, I hope I shall not be too long, but I have prepared an address which I wish to make, on the state of our mineral resources. I shall be glad to yield to the Senator from Oregon and other Senators who may have short statements to make. My statement will be somewhat lengthy, but I must make it today.

Mr. MORSE. I do not want the Senator to yield to me until he fully understands that it will take me about 5 minutes to say what I wish to say.

Mr. DODD. I am happy to yield to the Senator from Oregon. I do not wish to detain him or other Senators if they want to make short statements.

THE FREE LUNCH PROGRAM IN THE DISTRICT OF COLUMBIA

Mr. MORSE. Mr. President, I note that Senate Report No. 304, filed in connection with H.R. 5676, the 1960 appropriation bill for the District of Columbia, provides for only $133,000 to finance a free lunch program for 1,000 hungry school children. The House of Representatives has approved of a $266,000 program covering 2,000 boys and girls. Evidence before my Subcommittee on Public Health, Education, Welfare, and Safety of the Senate District Committee satisfied me that there are a minimum of 7,000 children who need and can with great advantage to their health and behavior use one square meal a day at school.

As only one statistic of the many which were presented to the subcommittee I cite the fact that some 11,500 families with 45,755 children have an annual income of less than $3,000 a year, here in the Capital of the richest Nation in the world.

I made my position clear to the Appropriations Committee in testimony which I later brought forth on the floor of the Senate. It can be found on pages 5231 through 5236 of the CONGRESSIONAL RECORD.

I ask unanimous consent, Mr. President, that my remarks, found on those pages, be printed at this point in my statement.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

PUBLIC WELFARE PROBLEMS OF THE DISTRICT OF COLUMBIA—HUNGRY CHILDREN IN THE DISTRICT OF COLUMBIA

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD the text of a statement I made today before a subcommittee of the Committee on Appropriations under the able chairmanship of the distinguished Senator from Rhode Island [Mr. PASTORE] concerning the school lunch program and other public welfare problems confronting the District of Columbia.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

"STATEMENT OF SENATOR MORSE BEFORE THE DISTRICT OF COLUMBIA SUBCOMMITTEE OF THE SENATE APPROPRIATIONS COMMITTEE, WEDNESDAY, MARCH 25, 1959

"Mr. Chairman, you will recall that 2 years ago I met with your subcommittee upon an errand similar to the one I am on today. My appearance then, and my appearance today, followed hearings before the Subcommittee on Public Health, Education, Welfare, and Safety on the problems of hungry children in the District.

"In preface to my recommendations, I wish to extend to you and your colleagues, my commendation for the positive action made possible by the funds supplied by you. Testimony before my subcommittee shows clearly that the assistance given by the Appropriations Committees of the House and the Senate has enabled progress to be made in the beginning of an attempt to solve the very difficult and complicated problem of poverty and its social concomitants in the District.

"One good measure of accomplishment so far is the table which I now present to you contrasting relief payments and cases in January 1956 with January 1959. Reflected in these figures is the abolition of the 83 percent of need limit which formerly prevailed. This is a significant step forward in ridding our welfare program of extraneous restrictions which have no relationship to what should be our primary concern—prudent but speedy provision of adequate financial assistance to those in our population who are destitute, the aged, the fatherless, the disabled and the blind.

"Relief cases and payments, District of Columbia

Type	January			
	1956	1957	1958	1959
ADC:				
Cases	2,050	2,221	2,889	3,610
Persons	8,858	9,650	12,731	16,267
Children	6,817	7,385	9,733	12,509
Average grant:				
Per family per month	$109.39	$114.08	$123.24	$146.71
Per person per month	$25.32	$26.26	$27.97	$32.56
Old-age assistance:				
Cases	3,064	2,980	3,131	3,135
Average grant per month	$53.61	$56.51	$56.13	$60.09

	Monthly grant, percent change per case, 1956–59	Increase in monthly grant, 1956–59
ADC:		
Family	134.1	$37.32
Person	128.6	7.24
OAA (case)	112.1	6.48

"NOTE.—In 1956 grants had an 83 percent of budgetary need limitation. In 1959 grants should reflect 100 percent of need, because of newly adopted standards.

"General cost of living in the District increased, according to BLS index, from 115.9 in 1956 to 121.5 in 1958 (November data) or an increase of 5.6 points or 104.8 percent of the 1956 base.

"The surplus food distribution program, made possible by funds supplied by your subcommittee, is of major importance to the 44,434 low-income individuals who are eligible.

"Because of your interest, and that of your colleagues in the House, it begins to look as though some needy elementary school children will, next year, be given one square meal a day through the wise use of public funds.

"I say this by way of preface, Mr. Chairman, because I believe that credit should be given where and when it is due.

"I am sure however, that none of us is laboring under the misapprehension that what has been done is the complete and final answer to the problem, either in terms of quality or quantity. We have but begun to till the soil of social justice for these less fortunate human beings; the harvest of humanity to man is far in the future. Much remains to be done.

"It should be a matter of commonsense that a hungry child will be restless and irritable. Every parent knows that. Certainly such was my own observation with my own children when traveling across the country and we missed our regular dinner hour or when for one reason or another dinner was late at home. But in order to document the relationship which exists between nutrition and ability to learn in school, I asked the Library of Congress to search the literature of scientific investigation for published material on the problem. In the space of 2 days the Library had developed some 24 citations plus 4 masters' theses devoted to the subject. The conclusions are as might be expected—that there does exist a close relationship between ability to learn and an adequate diet.

"Marian C. Behr, in the School Executive, reported, for example: 'Achievement tests taken before and after a lunch program was provided in school show great improvements when lunches have become a regular routine. When a county gives its schools achievements tests, the ones serving a balanced lunch to most of their children invariably have the highest scores.'

"Jane M. Leichsenring, in the Minnesota Journal of Education, stated: 'In the St. Paul schools, where nutrition clinics for undernourished children have been a part of the program for many years, the teachers observed greater classroom achievement in 43 percent or more of the children studied, improved scholarship in 53 percent, attentiveness in 56 percent.'

"House Report 684, 79th Congress, in 1945, reported:

"'U.S. CONGRESS—HOUSE COMMITTEE ON AGRICULTURE—SCHOOL LUNCH PROGRAM

"'(Report to accompany H.R. 3370, Washington, U.S. Government Printing Office, 1945 (79th Cong., 1st sess., House Report No. 684, pp. 2, 9))

"'Statistical surveys, including physical and mental tests conducted under controlled conditions, have shown, as indicated in appendix A, measurable benefit to the children when an adequate lunch is provided at school, not only in their physical development, but in their educational progress. This improvement takes place on all income levels, inasmuch as an adequate lunch at school or adequate nutrition is not necessarily assured by the higher income of the parents or the rise in the national income as a whole. The increase of working mothers, consolidation of schools, greater travel time to schools, and rising scale of food costs, together with fixed incomes for many large groups, make the school lunch program, in which those who can pay are permitted to pay and those who cannot pay need not pay, the appropriate answer. It should be remembered that a child may be malnourished yet not hungry.

* * * * *

"'EXHIBIT A—WAR FOOD ADMINISTRATION COMMODITY CREDIT CORPORATION (OS)

"'Effects of school lunch upon scholastic status, Camden, Mo.

	Scholastic grade points [1]			Percent change
	Without lunch, 1938–39	Without lunch, 1939–40	With lunch, 1939–40	
Group I (52 children)	1,056	1,055	-------	−0.09
Group II (75 children)	1,614	-------	1,763	9.23

"'Effect of school lunch upon attendance, Camden, Mo.

	Percent daily attendance of enrollment			Gain in percent attendance
	Without lunch, 1938–39	Without lunch, 1939–40	With lunch, 1939–40	
Group I (10 schools)	69.18	70.54	-------	1.36
Group II (10 schools)	79.99	-------	84.34	13.35

"'[1] A system of grade points was used in determining scholarship. An excellent mark was given 4 points; superior, 3; average, 2; poor, 1; failure, 0.'

"I do not wish unduly to prolong this line of testimony, Mr. Chairman, and I shall conclude with a citation from a study carried on in an adjoining State:

"'Todhunter, Elizabeth Neige. "Everyday Nutrition for Schoolchildren." University of Alabama, Extension Division, 1949, pages 42–43.

"'Dr. Ruth Harrell of Columbia University studied the learning ability of a group of children in Virginia. The children all lived in an orphanage where the diet was not adequate. The children were divided in two groups, matched as evenly as possible for age, height, weight, family background, and IQ. Group A received a nutritional supplement in tablet form each day. Group B were also given a tablet each day but it contained no nutritive value. None of the children knew which ones were receiving the added nutrient material. In a series of objective tests, in arithmetic, word matching, writing, etc., carried out over a period of weeks, group A in every instance had the higher average score. In this carefully controlled experiment the children with the dietary supplement showed greater learning ability as attested by their scores on all tests.

"'Diet does make a difference.

"'Diet makes a difference in both old and young but more particularly in the growing child.'

"Having laid this basis, I now pose the question: Granted that an adequate diet will improve the learning situation, to what extent ought the lunch program in the District elementary schools be expanded?

"Seven hundred are now being given cold lunches on a pilot program from voluntary contributions. The Commissioners are asking that the program be limited to 1,000 children. The Board of Education asks you for funds to meet the need of 7,000 children. In arriving at your determination, I ask you to be mindful of the fact that there are, according to a study made by Gizella Huber, the economic consultant to the Junior Village project, 11,520 families with 45,775 children living in the District, whose family income is less than $3,000 per year.

"A table incorporated in our hungry children hearings is of especial significance in this regard. Of 285 non-public-assistance families certified for surplus food in September, 27 families had no income because

both parents were unemployed. In 48 families the mother was the head and she was unemployed and there was no income. I submit the full analysis for your inspection, with the thought that children being cared for by aunts and grandmothers whose own income is about $60 to $69 a month might very possibly need a free lunch at school.

"Average monthly income of 285 non-public-assistance families certified for surplus food, September 1958

Type of family	Number of families	Average income
Families with 2 parents	155	
Fathers and mothers working	4	$235
Fathers only working or in the armed services	101	209
Fathers unemployed but getting income [1]	13	112
Mothers only working	10	91
Parents unemployed and without income	27	
Mother-headed families	125	
Mothers working and also getting support from fathers of children	5	155
Mothers working	36	145
Mothers' income from wages plus other sources [2]	9	136
Survivor benefits, unemployment compensation, etc	8	109
Absent fathers contributing	19	60
Mothers not working and without income	48	
Other homes	5	
Grandmother caretakers [3]	2	
Uncle and aunt caretakers [4]	1	60
Aunt caretakers working [5]	1	147
	1	69
Total number of families	285	

" [1] 10 unemployed fathers are getting unemployment insurance or compensation; 2 are getting veteran's benefits; and 1 is getting a Government pension.

"[2] Survivor benefits from deceased husbands or old age insurance of mother's parent living in the home.

"[3] 1 grandmother is taking care of 3 children while the mother, who was their sole support, is in jail. Another grandmother is taking care of her daughter's 2 children. The latter does not live in the home and makes only sporadic contributions toward her children's keep. The grandmother (42 years old) is unable to work; her boy friend pays the rent.

"[4] This couple is caring for 4 children whose mother deserted and whose father is in a veterans' hospital. The only income of the home is a $60 monthly veterans' benefit payment to the uncle.

"[5] 1 aunt, caring for a young nephew, earns around $69 a month, her sole income. (Her husband is in jail.) She applied for public assistance, but was rated ineligible.

"In these matters, I hope that the subcommittee will, as a minimum, provide the funds requested by the school authorities for this program, because, in my judgment far more than public assistance children need and can profitably use the free school lunch.

"Which brings me to the second point in this area. I confess to a bias in favor of the teacher who is in daily contact with the child as being a good judge of whether the child is, or is not, in need of nourishment. I would suggest to the subcommittee that in the procedure established for determining eligibility for the lunch program that the presumption be that a child certified by the school is eligible and that he or she be given the lunches during the period that a social work investigation is carried on. In matters of this type, it is better to err upon the side of overfeeding rather than underfeeding the child. I think that there is no basic incompatibility between the school and the welfare authorities. Each supplements the work of the other.

"I also wish to submit a table prepared by the Department of Agriculture showing the number of free or reduced-cost meals served children in the various States. Particularly, I feel that with this background, no criticism could be leveled at the committee if a full program were financed.

"Comparison of free or reduced price meals with total meals served, by States and area, 1957–58

State	Total meals served	Free or reduced price meals	
		Number	Percent of total
	(1)	(2)	(3)
Northeast:			
Connecticut	17,755,368	608,692	3.4
Delaware	3,115,760	95,075	3.1
District of Columbia	10,668,191	131,024	1.2
Maine	10,106,488	1,136,237	11.2
Maryland	25,400,258	1,166,418	4.6
Massachusetts	39,053,357	3,350,005	8.6
New Hampshire	5,652,083	424,421	7.5
New Jersey	23,403,599	1,813,093	7.7
New York	124,264,410	34,040,120	27.4
Pennsylvania	78,027,069	4,272,606	5.5
Rhode Island	4,555,766	154,534	3.4
Vermont	3,685,770	427,547	11.6
West Virginia	26,607,444	3,806,223	14.3
Area	372,295,563	51,426,015	13.8
Southeast:			
Alabama	52,281,844	3,772,903	7.2
Florida	65,415,646	3,653,138	5.6
Georgia	71,466,046	5,884,927	8.2
Kentucky	48,954,380	6,302,093	12.9
Mississippi	33,936,153	3,255,218	9.6
North Carolina	86,371,362	5,956,762	6.9
Puerto Rico	41,407,242	41,316,305	99.8
South Carolina	46,179,228	4,681,901	10.1
Tennessee	56,502,900	6,840,508	12.1
Virginia	51,396,193	3,921,485	7.6
Virgin Islands	813,546	813,546	100.0
Area	554,724,540	86,398,786	15.6
Midwest:			
Illinois	69,531,506	3,846,810	5.5
Indiana	47,566,176	2,322,377	4.9
Iowa	38,682,951	1,426,264	3.7
Michigan	49,410,723	4,989,912	10.1
Minnesota	48,341,637	2,071,759	4.3
Missouri	51,780,238	2,751,025	5.3
Nebraska	12,170,638	778,327	6.4
North Dakota	8,459,575	1,086,321	12.8
Ohio	85,685,483	3,692,139	4.3
South Dakota	6,287,379	771,778	12.3
Wisconsin	33,535,684	2,606,992	7.8
Area	451,451,990	26,343,704	5.8
Southwest:			
Arkansas	31,209,159	2,913,575	9.3
Colorado	17,296,500	791,245	4.6
Kansas	23,074,507	407,340	1.8
Louisiana	88,159,296	13,084,732	14.8
New Mexico	9,404,143	1,024,042	10.9
Oklahoma	29,558,004	3,601,612	12.2
Texas	90,200,776	6,706,604	7.4
Area	288,902,385	28,529,150	9.9
Western:			
Alaska	1,227,401	123,824	10.1
Arizona	14,942,522	1,557,308	10.4
California	96,067,096	4,166,836	4.3
Guam	96,141	1,301	1.4
Hawaii	15,837,813	544,665	3.4
Idaho	8,944,635	400,875	4.5
Montana	7,040,631	428,538	6.1
Nevada	1,671,744	250,050	15.0
Oregon	20,334,226	651,536	3.2
Utah	13,756,484	597,890	4.3
Washington	31,540,819	1,359,419	4.3
Wyoming	3,736,209	101,131	2.7
Area	215,195,721	10,183,373	4.7
Total	1,882,570,199	202,881,028	10.8

"The $831,000 needed to finance the school lunch program is a large item for a tight budget. I understand that the House has approved some $266,000 for the lunch program. I urge that the full amount requested by the Board of Education for the school lunch program be allowed. In addition, I ask that the funds for this purpose be independently earmarked. Certainly any reallocation of funds which will take from the teaching staff teachers needed to reduce the number of part-time classes would be false economy. One major reason for having children well fed is so that they may profit from the education being provided. To nullify this worthy objective by providing fewer teachers is most shortsighted.

"Where should the money come from? This question is basic to your work. My first answer would be from the Federal payment. Here is one Senator who does not believe that the Federal payment is adequate as it has been appropriated in the last decades. I do not share the philosophy that the payment should be geared to real estate tax equivalents either. As the Senator from Rhode Island will recall in a floor colloquy upon the fiscal 1959 appropriation bill, I set forth my reasons for believing that the full authorized Federal payment should be appropriated. These reasons were based in part upon the limitations of the District with respect to taxing the principal employer in the District—the Federal Government. Other restrictions, such as the height of buildings which may be built, because this is the Capital of the Nation cannot be changed by the District government and hence revenue from private operators otherwise available in other areas, cannot be realized by the District government. There is the undeniable fact, that middle and upper income families whose income is derived from employment in the District yet who live in the suburbs, cannot be effectively reached by tax levied by the District. The District cannot extend its boundaries, as can other metropolitan cities. For all of these reasons and others which involve the Federal Government, I would hold that of all the impacted areas in the country, this child of the Union, deserves and should have liberal financial treatment from the Congress in the matter of a full Federal payment.

"With the permission of the subcommittee, at this point in my prepared statement, I wish to digress for a moment to discuss testimony presented this morning to the Public Health Subcommittee by Mr. Shea of the Department of Public Welfare of the District.

"It concerns, not the regular appropriation bill, but the supplemental bill which passed the House yesterday. Mr. Shea informs us that to live within the money provided by the supplemental it will be necessary for his department to curtail public assistance grants by 15 percent for the months of April, May, and June.

"To do this would be to place on those unfortunate families, the children and the aged the burden of making up for the money that the Congress does not appropriate under an existing authorization. This is just not morally right in my opinion. We created the deficit by legislation, we ought to pay the cost. I realize that this subcommittee does not have the supplemental before it at this time, but it will be before the Senate Appropriations Committee in the near future, and I shall appreciate very much your bringing to the attention of the committee at the time it does consider the supplemental request my remarks this afternoon.

"The question will be asked, Why cannot the savings be made in personnel costs rather than from the welfare budget? Testimony given to my subcommittee was to the effect that curtailment of services and an austerity program was initiated last February when it was foreseen that the present year's appropriation for welfare cost would be insufficient to meet the need. To further curtail personnel services would have the same result as the reduction in the welfare grant. It would come out of the service on a minimum basis that is now provided.

"When, for example, you have 2 employees looking after 82 congenital mentally deficient hospitalized patients now in a 24-hour day, is it reasonable to suppose that you can, without inviting tragic consequences, reduce this number of employees to one?

"A $12,500 item budgeted for homemaker service to families where the mother has been hospitalized or incapacitated was necessarily diverted by Mr. Shea to the welfare

payment funds as part of the austerity program. What are the future costs, Mr. Chairman, of the disruption of a family in this category? If the children are taken to the District institution, testimony shows that because of overcrowding it was necessary to transfer these dependent children to a juvenile delinquent institution. Is this the training and rehabilitation we want? I ask in all sincerity, that when you consider the dollars and cents involved you keep in mind the human beings that make up the budget statistic.

"I certainly feel quite strongly that wherever the Congress, by act, has increased the cost of operations, as we did when we raised the salaries of employees last session, we have a duty to provide funds to meet such costs. To place the health, education, protection, sanitation, and welfare services of a city in jeopardy through denial of funds this late in the operating year is shocking. I would certainly add my voice to those who are and will be asking for a restoration of these vitally needed funds. I hope that the House will take corrective action to restore them, but in the event that this does not occur, I trust that together with your colleagues you will seek to do so when the supplemental bill comes before your full committee.

"As I have said, my first suggestion and I would urge it as strongly as I can, is that the needed funds be made available from the Federal payment using if necessary all of the authorization of $32 million. Only, if this is absolutely impossible do I advance the thought that the subcommittee explore with care other items now approved.

"Particular attention may with profit, perhaps, be given to the highway construction program, badly needed thought it may be. I am advised that although the Federal participation in construction and condemnation costs make this an attractive area for expenditure, it does have the effect of removing from the tax rolls property now paying real estate taxes. A modest postponement in this area could realize, from presently existing revenues, sufficient funds to defray the school lunch program costs.

"My values may be challenged by some, but I believe that our children are more important resources for the future of the Nation than would be the construction of a parking facility for State Department employees, originally asked for by the Commissioners. The cost of each program is about $800,000. Surely, if the site for a parking place is to be secured for the use of the Department of State this is a charge to be borne by the State Department appropriation rather than the District.

"There are other areas in the budget for the District which are curtailed for which I would ask your sympathetic reconsideration, but I especially plead for adequate funds and employees to do the major job of taking care of our children in the schools, both educationally and nutritionally, and in the home through meeting the welfare needs for the underprivileged groups upon a basis which is at least consistent with health and decency. Prenatal clinics to reduce our shocking infant mortality rate will, I am confident, receive your attention as will the provision of a high standard of medical care for our indigent.

"I appreciate having had the opportunity to appear before you."

Mr. MORSE. Mr. President, I have placed my statement in the RECORD in order to emphasize a very sorry condition which confronts the District of Columbia, caused for the most part, in my opinion, by the dereliction of Congress to perform its clear duty, due in part, as my statement points out, to a failure on the part of the Commissioners of the District of Columbia to recommend a program of the magnitude which common humanity calls for, a program to feed hungry children.

Two years ago, the Subcommittee on Public Welfare, Health, Education and Safety of the Committee on the District of Columbia, of which I am the chairman, conducted hearings which lasted several weeks. The hearings succeeded in focusing the attention of Congress and of the Nation, for that matter, on the sordid but true fact that many children in the District of Columbia were living out of garbage cans, refuse dumps, and table leavings, when they could find them, of families in their areas who threw away scraps of food.

At first it was hard to believe that such a condition existed. When the witnesses who came before my subcommittee first so testified, there was a reaction on the part of many to the effect: This simply cannot be true. But it was true. Our committee hearings demonstrated it beyond question of doubt.

It will be recalled that 2 years ago, as a part of our hearings, my subcommittee made a tour of inspection during a period of several days of some of the slum areas of the District of Columbia. We saw with our own eyes proof of the testimony which had been submitted to our committee.

Mr. CLARK. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. CLARK. I have been very much interested in the splendid statement the Senator from Oregon is making on the subject of hungry children within a stone's throw of the Nation's Capitol in the District of Columbia.

During the 85th Congress I had the privilege of serving on the Committee on the District of Columbia and on its subcommittee on Public Welfare, over which the Senator from Oregon presided with distinction as chairman. I accompanied him on the tour of which he has just spoken. I can vouch personally that every word he has said is true. It was spoken without exaggeration; in fact, it was a conservative statement of what I would not hesitate to call a sinful condition which Congress, to its shame, has permitted to continue over a period of time far longer than I care to contemplate.

Mr. MORSE. From the bottom of my heart I thank the Senator from Pennsylvania. The record should show that the results which the subcommittee obtained 2 years ago never would have been obtained had it not been for his assistance. At first it was an uphill fight; but the Senator from Pennsylvania never failed either in the Committee on the District of Columbia, before the Committee on Appropriations, or on the floor of the Senate, to point out courageously the facts we discovered concerning this deplorable condition in the District of Columbia.

Mr. CLARK. Mr. President, I thank the Senator from Oregon for his kind words. Although I do not think they are justified by the facts—the Senator is far too kind—my interest in this subject continues despite the fact that I am no longer a member of the Committee on the District of Columbia. I should like to do everything within my power as one Senator to support the senior Senator from Oregon in the effort he is now making to further the fine work he started 2 years ago.

Mr. MORSE. I thank the Senator very much.

I desired to speak about this problem today because appropriations are pending in both Houses dealing with the question of financing such programs in the District of Columbia. As a result of the work of our committee and the action taken by Congress, some progress was made in 1957, as I said to the Subcommittee on District Appropriations today. I think credit ought to be given where it is due. The subcommittee headed by the distinguished junior Senator from Rhode Island [Mr. PASTORE] did excellent work in 1957, in that it recommended a somewhat larger amount of appropriations so as to make it possible to afford some relief to these very unfortunate fellow human beings.

As I stated in my testimony, as will be seen in the RECORD tomorrow, we still have a long way to go. Much still needs to be done in order to carry out the principle of humanity to man in the District of Columbia.

HEARINGS REVEAL STARVATION IN DISTRICT OF COLUMBIA

It is about some of the facts which I presented to the Committee on Appropriations this afternoon that I wish to comment now. For the past 3 weeks, intermittently, my subcommittee has been conducting further hearings concerning the problem of the hungry children in the District of Columbia. The situation is so bad that we cannot take very much comfort from the progress which has been made since 1957. I shall let the record speak for itself, but I shall mention a highlight or two from the record as borne out by witness after witness after witness who came before my subcommittee in the past several weeks to testify. Those witnesses came from the welfare agencies, from the school system, from the neighborhood houses, and, yes, from the District of Columbia government itself.

One shocking fact which we in Congress had better consider is that a minimum of 7,000 little boys and girls of grade school age in the District of Columbia, to say nothing of several thousand more who have not reached grade school age, simply do not have enough to eat. Think of it. In the Capital City of the United States a minimum of 7,000 little boys and girls are not getting enough to eat. The record before my subcommittee leaves no room for doubt about it.

So long as I remain in the Senate and have responsibilities in connection with any committee on which I serve, and so long as such conditions exist, I intend to do everything I can to place the facts before Congress, before the District of Columbia, and before the people of the Nation. Such a condition cannot be justified by any standards.

Mr. President, it cannot be justified by the great teaching that each of us is our brother's keeper.

It was a great disappointment to me when the Commissioners of the District of Columbia made to the Congress a recommendation for an appropriation with which to finance an experimental program which would provide lunches for 1,000 of the 7,000 hungry schoolchildren. Certainly old King Solomon would not have proposed such a thing, Mr. President. I am at a loss to understand why the District of Columbia Commissioners, knowing that in the District of Columbia there are a minimum of 7,000 underfed schoolchildren, would recommend an appropriation for lunches for only 1,000 of them. Consider the rationale of that proposal; it is the old, bewhiskered one of "that this will give us an opportunity to get our feet on the ground."

Mr. President, the Commissioners should have had their feet on the ground for years, if their feet are not on the ground now.

Their argument is, "It will give us time to get our feet on the ground, so as to do a little experimental work on this matter."

Mr. President, this matter is not a complex one. It is simply a question of dollars, of providing the necessary funds for the feeding of 7,000 hungry schoolchildren. If the necessary funds are provided, those hungry children will be fed.

I say to the President of the United States, "Mr. President, this is no issue for you to talk about in terms of balancing the budget. Instead, before Easter, in the name of the Master, raise your voice in support of the position of the Senator from Oregon that the

necessary funds for the feeding of these 7,000 hungry schoolchildren must be provided."

BUDGET CONSIDERATIONS SHOULD NOT BE PUT AHEAD OF HUMAN NEED

Only a moment ago I read on the news ticker that Mr. Stans, of the Bureau of the Budget, while in North Carolina, announced to the country that the President is not going to yield on the question of balancing the budget. He said the country should stand fast against what he called special interest troopers.

I ask the President of the United States, "What is your answer to the need to feed these 7,000 hungry schoolchildren in the District of Columbia? Do you think they are 'special interest troopers'? Do you want them fed? If you do, will you join me in recommending that the Congress provide the necessary funds for the feeding of these 7,000 children?"

If we have a President who will not join in support of such a humanitarian cause, then I want the 174 million Americans to know it now; and that goes for all the rest of the budgeteers, because if the moral responsibility of the Congress is not met, then I find no difference between a budgeteer and a racketeer.

If, in the name of a balanced budget, it is proposed that we walk out on a moral responsibility such as that of feeding the 7,000 hungry schoolchildren in the District of Columbia, then let us tell the American people so.

To the Democratic leadership of the Senate let me make clear that what I say goes for them, too. For once, I should like to see in the Congress a united Democratic leadership in support of a moral issue of this kind.

Mr. President, for several years I have seen the budgeteers get by with their propaganda. So far as I am concerned, they can no longer get by with it without challenge. I intend to challenge them at every step from now on, by comparing their so-called dollar savings with the great human losses and the great losses in human values which the budgeteers will be guilty of causing, and which they will cause, if we let them get by with their failure to recognize their moral responsibilities.

I have no intention of supporting any Democratic leadership which will be a party to Dwight D. Eisenhower's sacrifice—in the name of a balanced budget—of these human values. I do not intend to support a so-called balanced budget at the expense of human welfare in the Nation, because I know that the economy of the country is strong enough to support the kind of general welfare legislation the liberal Members of this body urge the Congress to enact.

TIME FOR REDEDICATION TO HUMAN VALUES

Nor do I intend to weaken either the economic fabric or the moral fabric of our Nation by placing a dollar sign above the cross. Any argument from any spokesman of this administration or from any leader of my party that is made in an effort to justify failing to appropriate for the District of Columbia the funds which are necessary in order to feed 7,000 hungry schoolchildren is a sinful argument at any time, but it is a particularly inexcusable argument at Easter.

So, Mr. President, I insert this testimony in the RECORD because I do not intend to let the Congress forget its responsibility. As I said this afternoon, before the Appropriations Committee, I have no intention of supporting the District of Columbia Commissioners, when, apparently under the whiplash of an economy drive from the White House, they recommend a District of Columbia budget that is totally inadequate to meet human needs in the District of Columbia.

CONGRESS ITSELF IMPOSED FINANCIAL RESTRICTIONS ON DISTRICT

To the Congress I repeat: You cannot justify your parsimonious attitude toward the District of Columbia by failing to appropriate a fair share of the funds that are required if the cost of running the District of Columbia is to be met.

Mr. President, what are some of the politicians saying now? Just listen to them: "What about the tax rates in the District of Columbia? Why not have higher real estate taxes in the District of Columbia?"

Are they ready to eliminate the zoning requirements which the Congress has imposed upon the District of Columbia—for example, the one which regulates the height of buildings in the District of Columbia, with the result that the owners of property in the District cannot erect buildings high enough to be as profitable economically as they otherwise would be—profitable enough to result in the payment of greater taxes?

Of course, Congress is not going to eliminate those zoning requirements; and Congress should not do so, because it has a responsibility to keep the Capital City beautiful. That is why such restrictions were imposed in the first place.

Is Congress ready to remove the restrictions which make the District of Columbia inaccessible to heavy industry? Is Congress ready to permit heavy industry, and the accompanying payrolls, to be brought into the District of Columbia, with the result that additional tax dollars will flow into this city?

Of course, to do so would be to bring over the Capital City a smoke screen different in type from that which usually hovers over it. It would be a screen of industrial smoke, instead of a screen composed of the type of forensic smoke which so much of the time hovers over this city—in fact, a good deal of it is based on the type of forensics which is indulged in by those who oppose the appropriation of sufficient funds to permit the District of Columbia to be operated in the way in which it should be operated.

No, I am not going to support the District of Columbia Commissioners in their failure to recommend funds for an adequate school lunch program. So long as I serve in the Senate, Mr. President, I shall continue to fight for fair play for the taxpayers and the residents of the District of Columbia.

THE DISTRICT PROBLEM

As I said, in substance, to the Appropriations Committee this afternoon, "Remember, this local government cannot take in the suburbs. What in our own States happens to be metropolitan areas develop in the suburbs? Before we know it, we have taken the suburbs into the city, and we have brought their tax resources into the city. We cannot do that here. The District of Columbia cannot annex Virginia and Maryland."

Yet, many thousands of the people who work in the District of Columbia sleep in Maryland and Virginia. Maryland and Virginia are their bedrooms. The District of Columbia, Mr. President, has a very difficult tax situation.

There is much unsoundness in some of the speeches being made which seek to compare the tax situation in the District of Columbia with the tax situation in areas of similar size elsewhere in the United States, because Congress has put into effect some of the restrictions which make the comparisons fallacious.

WHY SHOULD TEACHERS SUBSIDIZE WELFARE NEEDS?

Mr. President, I do not intend, either, to support any proposal which would cause the teachers of the District of Columbia to subsidize the welfare program which ought to be financed by the Congress of the United States. That is what Congress is asking them to do by the attitude now prevailing with regard to the District of Columbia budget. What are we doing? Even to feed the 1,000 children, instead of the total 7,000, it is proposed to utilize money transferred from other educational funds, which ought to go into classrooms, or into teachers' salaries, or into employing more teachers, so the teaching load could be lighter, or other needed educational costs.

It is just too bad there is no home rule in the District of Columbia, so that if any mayor or city council proposed any such atrocious suggestion, the people would be able to take care of them at the polls. We have placed ourselves in the position, Mr. President, of not being subject to any electoral discipline by the citizens of the District of Columbia. Therefore, about all they can do is come before a committee such as mine and present their evidence and their protests. Those of us who hear the evidence and the protests have an obligation to act in their behalf. That is what I have been trying to do this afternoon.

PRAISE FOR THE WASHINGTON PRESS

I have been pretty critical, now and then, of the press, both here and elsewhere; but I also have never hesitated to commend the press when I thought it deserved commendation, although I recognize, unfortunately, justifiable occasions are too rare.

I desire this afternoon to commend the local press, all three of the newspapers, for the fine job I think they are doing in getting the facts to the people of the District of Columbia and to the Congress with regard to the public welfare problem, the hungry children problem, and the educational problem.

I close this part of my remarks with the plea that from the President of the United States on down through the Government, in every office where there is any responsibility connected with District of Columbia affairs, we be given some backing and some support for a large enough appropriation to feed the 7,000 hungry youngsters who, the record of my committee shows, are now suffering from want of food.

The evidence is overwhelming as to the cost of the failure to supply the needed food to the District of Columbia children. If anyone in our Government thinks we are saving money by not providing funds necessary for lunches to feed these youngsters, he ought to read the transcript of the testimony before our committee. Such a so-called saving produces a greater cost from the standpoint of juvenile delinquency and hospitalization resulting from illness that occurs from malnutrition.

SHOCKING TESTIMONY

Mr. President, if you want the kind of evidence that startles you, but is a fact, let me tell you that there are, in a home for 82 mentally defectives, 2 attendants. Those two attendants have to maintain a 24-hour supervision of those unfortunates.

Mr. President, do you think it would be economy to cut the number of attendants to one? And yet, without knowing the facts, I submit there are Members of this Congress who, in recent days, in speaking about District of Columbia fiscal policies, have suggested that savings ought to be made on personnel.

My answer to them is, "Put up or shut up. Where are you going to make the savings on personnel? Come on, give us the list of people who can be eliminated from their jobs in safety to good government in the District of Columbia."

Do we want to reduce the number of those two attendants at the home for the mentally defective, or do we want to justify an over-

crowded situation for dependent children? This situation is so bad in the District of Columbia that the record before my committee shows we are sending dependent children in the District of Columbia—I repeat, dependent children—to homes for juvenile delinquents.

Just think of it. All Members of Congress who are parents of children ought to understand my meaning. How in the world can a Member of the U.S. Congress talk about economizing on personnel when there already are such overcrowded conditions and there is such a shortage in this whole field of public welfare work that we are now sending some dependent children to homes for juvenile delinquents because there is not enough room for them in the juvenile dependency institution?

Mr. President, could it possibly be that unexpressed and latent in the thinking of those who are arguing for false economy in the District of Columbia budget is the idea that, after all, an idiot is not a human being, or that, after all, a little dependent child can be dispensed with, or that a juvenile delinquent should not receive the rehabilitation care a moral society is expected to provide?

I would not like to think, Mr. President, that such a cold, asocial attitude could possibly exist in the breast of any Member of Congress. Yet as I conduct the hearings and have submitted to me in the record statements of attitudes which have been expressed in the budget fight for the District of Columbia I am almost forced to the conclusion that at least it is fair to say, in view of the sordid conditions which exist, that those who make an argument for economy in public welfare in the District of Columbia have walked out on their obligations.

I make this speech on this subject today, Mr. President, in the hope that it may stir up a little support from some groups in this city which in my judgment are notefully cognizant of the seriousness of the situation. I say that in appealing to the ministerial association of every church group in the District of Columbia; Catholic, Protestant, and Jew. I say to the clergy of the Catholics, of Protestants, of the Jews, and of all other faiths who believe in a Creator, now is the time to be of great moral assistance to those in the District of Columbia who are trying to get some action from the Congress of the United States by way of a sufficient appropiration to meet these governmental needs.

I know, Mr. President, if the service groups, if the ministerial association, if the Parent Teacher Associations, if the citizens groups and all the many public-minded organizations in the District of Columbia knew how deplorable the conditions are they would make the rafters of the White House shake before they finished with their presentation of this great moral issue.

Mr. MORSE. Mr. President, the argument has been made that the 1,000 pupil program, costing $133,000 is but a pilot program to gain experience in this field. I deny the validity of the argument on the basis that a pilot program financed by voluntary contributions, at present existing in the school system, is now taking care of some 700 children. Why, for an additional 300 it is necessary to get a pilot, I fail to see. The pilot program excuse is a pretty thin one.

Mr. President, what we need is full steam ahead to meet this human need of 7,000 hungry children in the District of Columbia. The Committee on Appropriations of the Senate recommends a parsimonious $133,000 to feed nearly a thousand hungry children out of a total of 7,000. What is happening to us in the Senate of the United States?

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MORSE. I promised the Senator from Connecticut that I would be very brief. I wish the Senator would let me finish my statement. Perhaps then the Senator from Connecticut will yield. I know the Senator wants to help.

Mr. HUMPHREY. I merely wish to associate myself with the Senator's remarks.

Mr. MORSE. I understand that the Senator from Minnesota wishes to associate himself with me on this subject and I thank him. I am very saddened by this performance on the part of the Appropriations Committee. There is no justification for it from the standpoint of the human need of 7,000 hungry children in the District of Columbia.

I send to the desk three amendments which I have had drafted to meet the need which, in my judgment, exists. I request that my amendments be printed. I accompany them with a notice in writing of my intention to move to suspend the rules in order to achieve their adoption. Rule XL of the Senate Rules calls for such written notice. I therefore send my amendments and the written notices to the desk, and ask that they be printed at this point in the RECORD as a part of my remarks.

The PRESIDING OFFICER. The notices of motion to suspend the rule and the amendments will be received and printed and will lie on the table; and, without objection, they will be printed in the RECORD.

The notices and amendments submitted by Mr. MORSE are as follows:

NOTICE OF MOTION TO SUSPEND THE RULE

Mr. MORSE submitted the following notice in writing:

"In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph (1) of rule XVI for the purpose of proposing to the bill (H.R. 5676) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1960, and for other purposes, the following amendments, namely:

"On page 2, line 1, strike out '$27,000,000' and insert in lieu thereof '$27,700,000'.

"On page 6, line 23, strike out '$517,000' and insert in lieu thereof '$1,217,000'."

Mr. MORSE also submitted the following amendments to the bill (H.R. 5676) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1960, and for other purposes, viz: On page 2, line 1, strike out "$27,000,000" and insert in lieu thereof "$27,700,000".

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On page 27, line 22, strike out "$18,039,000, of which $17,409,000" and insert in lieu thereof "$17,159,000, of which $16,529,000".

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On page 6, line 23, strike out "$517,000" and insert in lieu thereof "$650,000".

Mr. MORSE. Mr. President, I feel strongly that additional money for the Federal payment can provide the financing, but if that should not prove to be the case, I for one am willing to defer some perhaps desirable but nonurgent highway construction and apply the savings to the children's lunch program. By a coincidence I have noticed one such project, the proposed Glover-Archbold Parkway construction whose price tag, according to the Appropriations Committee, amounts to $880,000. I hope that working with my good friends upon the committee as we consider my amendments next week, perhaps I can convince them that filling hungry children's stomachs is as important for the future of this Capital City as is the construction of a highway through a natural and unspoiled recreation area.

Mr. President——

The PRESIDING OFFICER. The Senator from Oregon.

THE PRESERVATION OF WATER RIGHTS

Mr. MORSE. Mr. President, I received a letter today from the Honorable Walter J. Pearson, president of the Oregon State Senate transmitting senate joint memorial 8 relative to the preservation of water rights; senate joint memorial 9 urging the establishment of a single vital statistics registration center by the Federal Government; senate

joint memorial 11 urging Congress to appropriate funds to improve the Tualatin River Basin.

I ask unanimous consent that the memorials be included in the CONGRESSIONAL RECORD at this point in my remarks.

There being no objection, the memorials were ordered to be printed in the RECORD, as follows:

SENATE JOINT MEMORIAL 8

To the Honorable Senate and House of Representatives of the United States of America, in Congress assembled:

We, your memorialists, the 50th Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent as follows:

Whereas it is believed that the Congress of the United States, the Federal courts and all Federal departments and agencies concerned should recognize the importance and sanctity of water rights of individuals and of the several States; and

Whereas it is feared that failure to recognize and acknowledge the importance of such rights may develop into a pattern of Federal usurpation of individual and States' rights over water: Now, therefore, be it

Resolved by the Senate of the State of Oregon (the House of Representatives jointly concurring therein), That the Congress of the United States be and it respectfully is memorialized to take all necessary action:

(1) To preserve the water rights of the individual and of the States and to prevent Federal usurpation of those rights;

(2) To see that legislation is initiated and supported to reestablish to the individuals and to the States such rights as may have been taken from them by either the Federal courts or any department or agency of the United States; and

(3) In every way possible to reaffirm, renew and defend the concept that water rights are property rights and that these established rights to the use of water, by a State or an individual, should not be taken away without due process of law and adequate compensation; and be it further

Resolved, That copies of this memorial be sent to the President and Vice President of the United States, and to those Members of the House of Representatives and the Senate representing the State of Oregon.

SENATE JOINT MEMORIAL 9

To the Honorable Senate and House of Representatives of the United States of America, in Congress assembled:

We, your memorialists, the 50th Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent as follows:

Whereas 1½ million American citizens are visiting, working, and living in foreign countries; and

Whereas no governmental agency makes permanent birth, death, marriage, divorce, adoption, and other vital records for these citizens comparable to those obtainable by citizens resident in the continental United States through State offices of vital statistics; and

Whereas vital events affecting many United States citizens go unregistered, and the lack of proof of the facts of such events make difficult the collection of insurance, qualification for inheritance, obtaining veterans' benefits, and proof of United States citizenship; and

Whereas the forms and procedures used by the State Department make no allowances for errors and an incorrect State Department report of birth cannot be corrected or changed; a child of American citizens adopted by other American citizens in a foreign country can never have a birth certificate in his new name; an American woman bearing a child out of wedlock can never obtain a new birth certificate for her child if she marries; American citizens adopting foreign children overseas cannot obtain a new birth certificate for their child from the Federal Government until they have returned the child to this country; and

Whereas overseas births to American parents not registered with the State Department must be judged on an individual basis by the Immigration and Naturalization Service of the Department of Justice for the possible awarding of a certificate of citizenship, and neither this certificate nor the State Department report of birth is comparable to a standard certificate of birth issued by the State governments within the United States; and

Whereas a number of persons have been denied passports because either (a) the official State-delayed certificates of birth which they present in evidence of their American citizenship are not acceptable to the State Department; or (b) they are adopted persons who have subsequently received new birth certificates in their adopted names when their status was legally changed; even though such certificates meet required national registration standards and clearly show the types of records used to establish conclusively the date and place of birth of the registrant and the names of his parents; and

Whereas all State registration offices recognize the principle that a person should have a birth certificate in his legal name and that such certificate should make no reference to his previous status: Now, therefore, be it

Resolved by the Senate of the State of Oregon (the House of Representatives jointly concurring therein), That action be taken to establish in the Federal Government a single vital statistics registration office with responsibilities, duties, and scope of activities similar to those of offices of vital statistics now existing in every State, such central Federal office of vital statistics registration to prepare, register, and issue necessary certified copies of birth, death, marriage, divorce, adoption, and allied records of such occurrences to American citizens visiting or living outside the United States and its Territories; be it further

Resolved, That the proposed Federal vital statistics office should receive from the Immigration and Naturalization Service the facts of vital events concerning all naturalized citizens necessary to the preparation and filing of vital records and the issuance of certified copies thereof; and be it further

Resolved, That copies of this memorial be sent to the President and Vice President of the United States and to all Members of the Oregon congressional delegation.

SENATE JOINT MEMORIAL 11

To the Honorable Senate and House of Representatives of the United States of America in Congress assembled:

We, your memorialists, the 50th Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent as follows:

Whereas the Tualatin River and its tributaries, located in northwestern Oregon, form a basin for an area of land covering approximately 711 square miles; and

Whereas in the past, due to the absence of any flood control and irrigation facilities, adjoining lands have been adversely affected by inundation during winter months and lack of adequate supplies of water during summer months; and

Whereas there is contained within the Tualatin River Basin many and varied interests urgently in need of preservation and protection, such as fish, wildlife, extensive recreational facilities, agricultural pursuits, and many other needs vitally affected by the presence or lack of water; and

Whereas the Bureau of Reclamation, Department of the Interior in the course of an investigation and report submitted in 1956 did recommend an extensive plan of improvement for the Tualatin River Basin; and

Whereas the report of the Bureau of Reclamation did recommend immediate construction of Scoggin Dam and Reservoir to provide 46,000 acre-feet of usable storage space; and

Whereas due to the accelerated increase in population since 1955 within the Tualatin River Basin, with its attendant additional demands in uses of land, natural resources, and recreational facilities, the conditions requiring flood control, irrigation and other protective measures in said area have become acutely aggravated: Now, therefore, be it

Resolved by the Senate of the State of Oregon (the House of Representatives jointly concurring therein), That immediate action be taken by the Congress of the United States and the Federal Government to appropriate the necessary funds and to authorize and direct immediate consideration of suitable facilities, including but not limited to, a dam, reservoir, channel improvement and such other reasonable and necessary facilities and improvements in the Tualatin River Basin, Oreg., to provide and preserve adequate and safe flood control, irrigation and recreational facilities as will contribute to the betterment of fish and wildlife conditions and to the welfare of those citizens of the United States and the State of Oregon vitally affected and concerned thereby; and be it further.

Resolved, That copies of this memorial be sent to the President and Vice President of the United States, and to all Members of the Oregon congressional delegation.

SPAIN'S COMING ORDEAL

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD, a most remarkable, critical article from the May issue of Esquire magazine—an article entitled "Spain's Coming Ordeal." It is by a former speechwriter for an administrative assistant of President Eisenhower. This is Emmett John Hughes, chief of foreign correspondents for Time and Life. During World War II he was press attaché at the U.S. Embassy in Madrid. He is the author of two books, "The Church and Liberal Society," published in 1944, which was a Catholic Book-of-the-Month Club selection, and "Report From Spain," a penetrating analysis of the origins and practices of the Franco dictatorship in Spain, published in 1947. He has returned to Spain twice for further research since writing the latter book. I urge my colleagues to read Mr. Hughes' article.

I wish also to have printed in the RECORD two newspaper articles relating to the present situation in Spain: one which appeared in the St. Paul, Minn., Dispatch of May 18, and four other Ridder newspapers; and the other from the Washington Evening Star of May 20.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From Esquire magazine, May 1959]

SPAIN'S COMING ORDEAL—AS THE ANTI-FRANCO TIDE SWELLS, U.S. DIPLOMACY CONTINUES ITS SIESTA

(By Emmet John Hughes)

For a decade now in this divided world, both Western policy and U.S. diplomacy dis-

played, too often, one classic mark, one chronic weakness. This has been—with many a crisis, in many a nation—to rise to meet each occasion only when the chance or challenge is sufficiently lost to prevent its being surely won, and thus to snatch delay from the jaws of defeat. This is troublingly true in Spain today, where U.S. diplomacy is enjoying a singular siesta time. The consequences could be costly. And the final result could be tragic—alike for the people of Spain and the policy of America.

Ever the land of paradox that Galdós describes, Spain today boasts surface signs of well-being that obscure the sobering truth. In its foreign relations, it has been the beneficiary of nearly $2 billion in U.S. economic and military aid. Militarily, Spain will eventually inherit the $400 million worth of U.S. Strategic Air Command bases recently completed. Economically, the face of the land here and there shines with some show of progress: long, low aqueducts watering thousands of arid acres in the south; Madrid's new de luxe hotels and workers' apartments, attesting to the city's great postwar building boom; the miles-long rows of firs and acacias lining the highways, mute witnesses to the biggest reforestation program in modern Spanish history. And to the eye of many an American, striving to assess the grander strategy of the struggle for the world, the whole national scene in Spain sometimes seems a great comfort: Here no fractious parliament, such as has so often filled the air of France with pretentious and contentious nonsense. Here no open, organized, massive Communist Party, such as afflicts Italian democracy. Here, rather, rises the glowing image: a firmly united nation, a Government of order, surely a loyal and secure fortress of the West.

Three facts fatally mar this image. Spain is not united. Its Government is confused and fearful of its own future. And little in the land is notably secure. This is the true state of this nation two decades after the end of its catastropic civil war and the ascent to power of that rather remarkable personality, the Caudillo of Spain, Generalissimo Francisco Paulino Hermenegildo Téodulo Franco Bahamonde.

How can there be so sharp a contrast between appearance and reality in this land?

Perhaps because there is so much truth in the old cliché that Africa begins at the Pyrenees, the understanding of many an American or European seems to end at the same frontier. And today Spain's paradoxes multiply and bewilder.

Here is a military dictatorship decisively dependent upon army and police power, committed to the firm denial of such democratic devices as freedom of assembly or freedom of press—but solemnly allied with the United States in covenants proclaiming the common cause of freedom.

Here is a head of state whose personal popularity is so insignificant that not even his fondest admirer pretends that his power could survive a free expression of national opinion—yet a man whom a considerable majority of the people have preferred to see in office rather than face an unknown, undefined alternative.

Here is a totalitarian state where the single national party, the Falange, faces no political challenge or competition—and yet that party fears it is heading toward total extinction.

Here is a regime that designates itself Catholic with a fervor and truculence unique in the world—and which reserves its most abusive language for the vilification of all Catholic-led Christian democratic movements in Europe.

Here is a regime which, with passionate sincerity, ever proclaims the decadence and evil of both capitalism and political democracy—and whose most crucial political assets today are the friendship and aid of the U.S. Government.

These anomalies, in recent months, have assumed clear shape—and made ominous news. Behind the smooth political façade, both Socialist and Communist underground activity has been quickening; its centers are in the areas of traditional strength in the north: Bilbao, the Asturias, Barcelona. On another political front, Franco police have had to round up scores of moderate and monarchist opposition leaders—students, lawyers, doctors, journalists. And behind the economic façade has persisted the flight of as much as $300 million in currency to safekeeping in foreign banks. This last, of course, represents no treasonous act by radical enemies of the regime—but the prudence (or the panic) of many of the nation's biggest and richest leaders: bankers, industrialists, cabinet ministers, members of Franco's own family. Yet—through all such travail and despite all such omens—the adulatory rhetoric of the controlled press of Spain has droned on, as with Arriba's salute to Franco on the most recent anniversary of his assumption of power: "The moral qualities of Francisco Franco as a ruler are infinitely superior to those of Emperor Augustus, Charles V, and Napoleon."

The most elemental facts of economic life give key clues to the nation's contradictions and conflicts. The misery of centuries persists, with per capital income averaging less than $300 per year. Drought still is king in the land of clay and sand, and the loss of a year's wheat crop can cost—and has cost—more than the sum of a whole year of U.S. economic aid. An antiquated rail system stumbles along with locomotives whose vintage goes back to the 1880's. Foreign trade remains the smallest (per capita) in Europe: in the first 9 months of 1958, the country bore a trade deficit of $263 million, and gold reserves dipped so near totally vanishing that the nation could barely find ways to pay for the crude petroleum it must import each year.

Such facts make any honest economist shudder, but they bring sharper pains to the millions in Spain's countryside. The lives of these millions can be judged by one statistic: While the total population has risen almost 20 percent (from 25 million to nearly 30 million) in the last 20 years, the value of agricultural production has remained exactly the same. For uncounted scores of thousands, especially in the countryside and villages, this simple statistic means hunger, tuberculosis, and home in a slime-filled cave. The cave population around Madrid alone numbers some 20,000.

To blame one political regime for the need of millions would be a foolish slander; but the bold boasts of the Government's social program only summon attention to the sham and fraud which are that program's plainest marks. The splendid new highway running out of Madrid to Barajas Airport obviously meets the scrutiny of hordes of tourists—so the "welfare program" in this area has consisted of building neat, red-brick walls across inhabited caves so that foreign visitors are spared their troubling sight. There also exists a vaunted "resettlement" program for such cave dwellers. This program consists of asking the family its place of origin, shipping it there, and dumping it at the local station. As a result, cave dwellers around the capital now refuse to confess any place of origin other than Madrid itself. As for the vast funds of social security, they have been looted by no one knows how much, through a succession of financial scandals.

Neither graft nor the pompous lie is any newer to Spanish Government than disillusion and suffering are to its people. Yet it is doubtful if the presence of such annoying phenomena has rudely forced itself upon the attention of visiting U.S. Congressmen, Cabinet officers, generals, or admirals, whose sweeping firsthand view of the Spanish scene generally ranges from the splendid new Government buildings to the Palace bar, and to the sumptuous dining terrace of the Ritz Hotel. And these half-hidden facts of economic life prepare one for the deeper, subtler contrasts between reality and appearance which spell the political life of Franco Spain.

THE PERILOUS BALANCE OF HATE AND FEAR

For 20 years now, fear has been the source of strength for the Franco regime—sharp and vivid fear of renewal in any form of the civil war of the thirties that cost more than a million lives, wracked and devastated the country, grimly augured World War II, and invited both Fascist and Communist political invasion. It is, in fact, well to remember the rather awesome omen that Spain was two decades ago. The fact has some bearing on present and future.

This popular fear—which the regime has systematically enjoyed and exploited—scarcely knows any limit in political or ideological terms. Socialists, Republicans, Monarchists, as well as the mass of the uncommitted or apolitical, all have tended to share common acquiescence in any political formula sparing the ordeal of civil strife. What would happen were Franco to die tomorrow? The question brings a shudder not only to servants of the regime, but scarcely less to his opponents. "I suppose if we had 2 months of political freedom here," a Madrid lawyer speculated to me when I last visited him, "the surest thing to expect would be the sight of Franco's body being dragged by a mule down the Gran Via." Within the government, no apologist seriously pretends that the regime has any significant popular strength beyond the people's fear of what will happen when it ends. No official will even bother to try to persuade one that Franco's power could survive any test of the popular will. Free elections? Each official echoes the question with honest astonishment. "But they are impossible." Thus, in a bizarre way, the very unpopularity of the regime serves as candid rationale for its methods.

Every Spaniard I know describes, in only slightly varying ways, this perilous balance of national hate and fear. As fair a conception as any is that privately expressed, not by any fanatic enemy of the regime, but by one of its ranking ambassadors. "The feeling about Franco," he murmurs, "that you foreigners so often find incomprehensible—it is not very complicated. It is all summed up in an old folk rhyme of ours about love:

> " 'Neither with you, nor without you,
> Have my sufferings relief;
> With you, because you kill me,
> Without you, because I die.' "

And such security as is not provided by this inhibition of public passion, or the suppression of serious public discussion, is furnished by force. Army, civil guard and police add up to a total of more than half a million men always under arms: a remarkable, as well as revealing, statistic—in a nation of 29,500,000 people. It is enough to suggest (if such suggestion is necessary) that fear alone is a poor guarantor of perpetual civil peace.

While the Franco regime has continued to achieve domestic order by its own special devices, it has performed an even more remarkable tour de force on the international stage. Here, in a few swift years, Franco Spain has rushed back from diplomatic ostracism, by a hostile world, to the strong and consoling embrace of the United States. In the first postwar years, the Western Powers joined in excoriation of the Spanish Government for its origin, its nature, its record and its close association with the aggressor states, followed by the Anglo-French-American demand in 1946 for the peaceful

withdrawal of Franco. That era of bold and vain rhetoric ended officially in September of 1953 with the signing of a mutual defense agreement by Spain and the United States. And lest anyone deceive himself that this agreement hinted any reform or liberalization in the nature of his government, Franco told his Cortes with pride: "If the Spanish nation * * * has undertaken to cooperate closely with the United States, it has done so maintaining intact its ideology."

If this revolution in foreign relations (and the dollar benefits deriving therefrom) has been extravagant, even more startling has been the review of the event taken by Spain's leaders. Essentially—and publicly—Franco and his counselors give credit neither to the United States, nor to the exigencies of U.S. policy confronting Soviet aggression, but to their own virtue and sagacity. This view of recent history begins with the curious notion that all Western nations stand in debt to Spain for the Franco government's decision to limit its military assistance to Nazi Germany to the Spanish Blue Division that fought on the Russian front. This thesis—that one nation's failure to attack another puts the latter under deep moral obligation—not only suggests a kind of international ethics unknown outside the Communist world, but also colors all interpretation of present and future. Thus, as the year 1959 began, both Spanish press and Spanish officialdom, in all their utterances, largely ignored the very existence of U.S. aid. Franco's annual yearend speech—all 8,000 words of it—contained not a single reference to the United States. Instead, he uttered this not-immodest judgment upon himself and his regime: "Over the course of 22 years * * * nothing has been freely vouchsafed us excepting the aid and assistance of the Almighty." There are surely Members of the U.S. Congress, notably on the Appropriations Committee, who, without being impious, would question the accuracy of this declaration.

Meanwhile, the entrance of America upon the Spanish national stage has been on the grand scale. The great base-building program spans the country: from the huge docks of the Navy base at Cadiz to the splendidly modern SAC bases outside Sevilla, Madrid, and Zaragoza—linked by an almost 500-mile-long oil pipeline slicing clear across the peninsula. Close to 20,000 Americans have taken up residence in Spain in connection with the military program. American tanks and jets spearhead the Spanish ground and air forces—while the Spanish Government hopes to get more U.S. assistance in a $400 million program to modernize its five-division army.

Not surprisingly, in all of this U.S. enterprise and investment, Spanish officialdom has been eagerly cooperative. Rather surprisingly, this spirit has inspired U.S. officers and diplomats in Spain with a warm sense of gratitude, at times seeming to border on euphoria. As a ranking U.S. officer told me on my last visit to Madrid: "These Spanish officials just couldn't be nicer—not a bit like the goddam French." One of the men in charge of the U.S. Military Mission in Madrid exulted to me: "Why this Government does not even hold the War of 1898 against us." One day, walking away from a Spanish Victory Day military parade, the wife of a top U.S. diplomat in Madrid deplored American ignorance about the true nature of the Franco regime: "Why, how can people back home talk about this being a dictatorship—all those tanks we saw in that parade were ours." In some similarly fatuous mood of fraternity, the Pentagon, when visited by Defense Minister General Agustín Muñoz Grandes, World War II commander of the Spanish Blue Division, fighting beside the Nazis, felt moved to award him the Legion of Merit.

Paradoxically (as always) even as the Spanish regime has achieved this triumphant rapprochement with America, its own essential and profound isolation in the world has become ever more apparent. This isolation is not dictated from without, but bred from within. It is ensured by a political discourse and a national press that effectively keep the people in ignorance of the simplest world affairs. "We are a closed society," a leader of Spanish Catholic Action concludes sadly. "The mind of Spain for 15 years now has been drugged with nonsense of the Government's invention. I know a pathetic Falangist leader who went traveling for a month in Italy and France, and came back weeping. Why? 'Now I know,' she said, 'the lies we live on in Spain—Communists are not running wild in the streets of Paris and Rome.'"

From minds thus sealed against truth, there comes a view of the world and a conduct of foreign affairs often so anachronistic or warped as to be scarcely believable. In all seriousness, the Foreign Office in Madrid has in the past called upon the French Ambassador to prove his interest in friendly relations by seeing that "remarks hostile to Spain" were no longer uttered by deputies in the French Assembly. In its English-language broadcasts to the United States, Radio Nacional's Voice of Spain beguiles American listeners with such sermons as: "Democracy as a system of government has proved a failure * * * and the United States and Germany have moved away from it." And Madrid officialdom occasionally seems unable to realize that Chancellor Konrad Adenauer is not the pure-blooded political heir of Adolph Hitler: German Embassy officials in Madrid are commonly nonplused by Falangist leaders telling them how deeply they regret "your" loss of World War II.

From all these facts of Spanish political life—the rule by fear and force, the twisted vision of the world itself—there emerge questions posing, once again, the possibility of tragedy for the Spanish people. And they address sharp issues to the makers of U.S. policy.

What is the ultimate meaning—and the ultimate risk—of intimate alliance with this regime? Is it prudent that its fate be allowed also to be the fate of U.S. policy? And what can its fate be? After Franco—what?

THE POST-FRANCO REGIME: WHAT WILL IT BE?

The dilemma for Spain is clear and imminent. And time for its resolution is fast slipping away. Not long ago one of the highest officials of the government told me his candid fear: "I have not been so worried since 1936."

Franco himself is neither so idle nor foolish a man as to be unaware of the fateful issue. He has, however, been fumbling with it for a decade now. By the law of succession of 1947, Spain at that date became officially a kingdom, albeit without a king. It took 7 years for the first gesture toward serious action—and this a rather abortive one. Late in 1954 Franco met near the Portuguese border with Bourbon Pretender Don Juan—the symbol, for monarchists, moderates, most Republicans within Spain, of the last hope for peaceful transition toward freedom. The result of that meeting was the bringing to Madrid of Juan's son, Prince Juan Carlos, to be tutored in the ways of royalty. The attempt was transparently obvious: to find a royal figure who could be indoctrinated in the ways of the regime, who would not be so alien as the pretender to Falangist totalitarian doctrine, who might somehow, some day, lend some monarchist respectability, a touch of legitimacy, to a post-Franco regime, unreformed and unrepentant. The 3 years spent in this effort have only made it more than ever clear that Juan alone stands as the only successor to Franco whom the people would take seriously. Not even the young Juan Carlos himself can see any other king for Spain but Juan. Yet 3 precious years have passed—and nothing happens.

A monarchic restoration, on its political face, looks sensible to the point of being inescapable. The institution traditionally commands the loyalty of Spain's army, decisive arbiter of Spanish politics. The fears of army and church—as well as the nervous skepticism of great masses of the people—make impossible any thought of an immediate republican restoration. And the conferring of a crown is a simple-sounding political act capable of quick execution.

The full truth, unhappily, is by no means so simple. As one fretful government leader observes with accuracy: "Monarchy—a fine-sounding word. But what does it mean? We cannot revert to 18th century absolution, so presumably it means a parliamentary monarchy. Parliament? But this means political parties. What parties? How do you decree them into existence? With what freedoms? The man who thinks that monarchy means merely capping the present structure of government with a splendid crown is a fool."

Precisely here—at this critical point and moment—the Spanish regime must pay the full price for a decade and a half of political temporizing and expediency. For, in the most literal political sense, the Government of Spain has never been formed and does not exist. What exists—and all that has ever existed—is a political alliance of three key national forces: Church, army, and Falange. These three are united in nothing more fundamental than the resolve to guard what they conceive to be their respective rights. As the peace of Spain is essentially a truce, in like manner these forces are less true allies than chance cobelligerents. One rather notorious demonstration of this fact occurred, 4 years ago, when the Falange presided over what is called elections to the Madrid city government, i.e., publication of a single party-approved list for popular ratification. After Madrid monarchists stunned the party by presenting their own candidates, the Falange assured itself a comfortable 80 percent of the vote by such devices as: Total party control of press and radio; free rein for Falangist thugs to attack monarchist observers at the polls; and party-controlled arithmetic that, in some sectors, recorded a Falangist vote greater than the number of all registered voters. All this was duly hailed by the Falangist press as proof of an extraordinary political maturity.

Only the consummately adroit political tactics of Francisco Franco have held these forces together so well for so long. Yet not even he can make a bishop who cherishes the monarchy, a Falangist who despises it, and a general who is happy with the present life all rejoice in change—the same change.

The roots of this fatal conflict in the regime go back to the civil war, even beyond. For the Falange Party, these roots are radical and fiercely anticlerical: one of the founders of the party has written of his pleasure at watching the Communist mobs of 1931 burn Jesuit churches in Madrid. Countless key Falangists—like Juan Aparicio, until recently government boss and censor to the nation's press for more than a decade—came to Spanish Fascism out of the ranks of anarchism. The Falange's red-and-black flag itself preserves the traditional colors of Spanish anarchism. The party's greatest strength lies in those rural areas that today as always know greatest poverty and hold greatest danger of flaring revolution. Such origins and history explain the common Spanish aphorism that the blue-uniformed Falange is "azul por fuera y rojo por dentro" (blue on the outside, red on the inside). For many of these men—however time or hunger for survival may

temper their pure zeal—the prospect of a Bourbon's return seems as intolerably incongruous as would have been a fanatic Nazi's cheering of a Hohenzollern restoration.

The Spanish church hierarchy, while scarcely less bound into the regime than the Falange, has scarcely more in common with the diehard core of the party than it has with the Socialist underground. Over the years, many a bishop has clashed bitterly with the Falange on all issues that traditionally plague the church in a one-party state: education, social welfare, and the press. Occasionally and with ringing force, a church voice has been raised in protest against the very strategy and premises of Falangist rule. One such voice has been that of Jesuit Father Jesús Iribarren, founder and director of Ecclesia, official organ of Spanish Catholic Action. Four years ago Father Iribarren wrote a scathing attack upon the suffocating censorship: "A Catholicism must be weak and a national unity shattered, which have to be protected day by day with * * * imposed commentary and the order of obligatory silence * * *. It is said that there are things which cannot be told because the people are mental minors * * *. But * * * the answer would be valid only if steps were being taken simultaneously to make adults of the people. Not long after, Father Iribarren was removed from his post, and most of the hierarchy relaxed back into the embrace of the regime which is pledged to guard its welfare.

But if the great part of the hierarchy tends so to slumber, a great part of the Catholic laity knows no such facile peace. One Catholic Action leader has told me what he thought would be the fate of the church upon the fall of the Franco regime: "1936 again—churches made into bonfires—probably worse." To such people, the return of a monarchy, the breaking of Falangist power, and a modicum of civil freedom in Spain are more than political wishes. They are the imperative—the only—hopes for escaping sure eventual disaster.

Beside Falange and Church, there stands the army: the decisive monolith—and political enigma. Ever since 1898 and the disappearance of the Spanish Empire, the army has been, in Ortega y Gasset's phrase, like a loaded gun, finding no target but the domestic politics of Spain. Ten to fifteen years ago, one could have said confidently that the army would encourage—might even someday precipitate—a monarchic restoration. But the key traditionalist generals have died. The vioce of the army is now heard to rise only in murmur over its inadequate pay. In a sudden national crisis, what would the army do? The knowing Spaniard shrugs his unhappy, "Quien sabe?" (Who knows?).

Within these forces, and through all the people, there stirs today's struggle in the shadows. Only rarely is a public sound uttered, a public blow struck—for the moment. Yet, ranged on one side are the stubborn Falangist, the content reactionary, the privileged general, the apolitical or unaware bishop or industrialist. And in anxious array against them stand the ever more desperate reformistas—many a liberal, many a monarchist, many a Catholic—who dread that time is running out. For these last see ahead a political point-of-no-return, fast approaching. That can come with the black moment when even the monarchic idea has become hopelessly tainted with Falangism. Or it could come with Franco's sudden death. Or it could come with sudden, savage violence in the streets. And as the month—and the year—passes, the hopeful point of light at the end of the tunnel seems to get smaller, smaller.

Of such fears, and of this looming struggle, comes the sense of total suspense that hovers in the air of Spain today. When will Franco act? In time? How? Will an authentic parliamentary monarchy be allowed to come to life? Or will the price that a king pays for his crown be a guarantee to perpetuate the privileges of the Falange?

To these questions, only one man knows the answers—if he himself has decided. And no friend or foe knows this man truly well.

Francisco Franco is a Gellegan. Notoriously, all men of this northwesternmost Spanish province bear the traditional marks of Latin peasant character: they are stubborn, shrewd, cautious, patient, suspicious. All these are marks of the man and his political methods.

Like the country he rules, the man seems a living paradox: an unassimilated mixture of lofty mysticism and cold pragmatism. Not only is his personal Catholic devotion deep in intensity and scrupulous in observance, he believes with utter sincerity that he has borne and still bears a solemn mission to "save" Spain. Yet he can execute political maneuvers with the cool skill of a Tammany politician; he has more than once let personal vendettas in his cabinet seethe until he could seize the right moment to dismiss both antagonists, frighten whatever sides were forming to draw an issue, and bury the nagging problem in the spurious excitement of a government reshuffle.

There is much in this man (beyond his profound dislike of bullfights) that is not in common keeping with the Spanish temper. He is a stranger to fierce passion. As a young (and brilliant) officer fighting in Morocco or as a mature commander in the civil war, he could always bear bad news with stoic calm. He meets any political crisis with the same poise, the same impenetrable coolness. For all his impassioned patriotism, he occasionally reveals a sadly cynical view of the people he rules. In the weary tone of a father dismayed by haplessly wayward children, he once remarked: "We used to do one thing well—fight bulls. And now even that is no longer so." And some who have watched him for years hold that all his political attitudes—his cold dispatch, his skepticism, his passionless cunning—were born of his formative years battling Moor, playing off one tribe against another, maneuvering and weaving and dodging with tireless skill and improvisation. Thus, at least, has he ruled his own people.

He is, in morals and manners, a man of discipline edging on ascetism, order verging on fastidiousness. He is known for singularly un-Latin fidelity to his wife; to her and his three grandchildren his devotion is warm and complete. He does not smoke or drink, even wine. He has a passion for punctuality and for personal neatness. At work, he is feverishly industrious, maddeningly meticulous, and stubbornly secretive. At the Palace of the Pardo, he stays at his desk in disdain of hourly routine, often lunching as late as 5 or 6 in the afternoon. At Cabinet sessions, he has shown himself able (until recently) to sit from 5 p.m. to 3 a.m. without stirring, without even sipping a glass of water (while colleagues with weaker kidneys or stronger appetities miserably slide in and out to satisfy their needs). Discussion at Cabinet delves to the most minute details, but when he faces serious decisions he listens to many and confides in none.

He is, plainly, a man alone, if not lonely. Ill at ease with people generally, boasting no intimate and trusting no confidant, he seemingly has ever lived so. The family into which he was born brought strangely little warmth to his life. He was never close to his father, and of his two brothers, the younger, Ramon, was a dashing aviator hero in the republican days; a career of fighting Francisco's armies in the civil war ended with a fatal crash in 1936. Now, more than 20 years later, in the Palace of the Pardo, the cold and quiet older brother ponders what finally to do with the victory he wrought, for he alone knows what he proposes to do with his country.

But many a citizen of Spain, these days, wonders: Does he know?

WILL THE FUTURE BE TRAGIC?

Neither for the people of Spain nor for the diplomacy of America do there exist brisk and simple answers to present dilemmas or future dangers. No simple axiom rules, no neat epigram reveals, no slick syllogism can resolve the nation's problems. Yet it would not seem too much to ask of U.S. policy that it begin, at least, to show some awareness that the dilemmas and the dangers exist.

The issue can be neither evaded nor concealed by diplomatic genuflection to the sovereignty of Spain, as a thing that must be untouched and unmoved by U.S. pressure or influence. For no matter how passionately the United States professes a policy of noninterference in domestic Spanish affairs, the fact is that both its military and its economic investment in Spain does profoundly affect these affairs. In essence, the U.S. military presence casts America in a clear role on the Spanish scene—as an almost indispensable ally and friend of the Franco regime. As a politically temperate and dispassionate Madrid friend of mine recently remarked, coolly and without much rancor: "You know, of course, that you now have become the great strength of this regime. We are all, in a real enough sense, dependents of the Pentagon."

If Washington is unaware or unconcerned, Moscow is not. The Communist underground in Spain is thriving. Its efficiency can be judged from the speed with which Radio Moscow reports and comments on local Spanish developments. Its number of trained agents has increased precisely as the development of U.S. bases has summoned Soviet attention. And its propaganda shows the new zeal and force that might be expected, now that it has become so simple and plausible to identify the will of America with the rule of Franco.

The worst, indeed, may not happen. Time may not, perhaps, run out before chaos comes again. The Falange may be forced to tolerate slow emergence of new political groupings, the monarchy may be restored before it has become hopelessly compromised by Falangist sponsorship, and a measure of civic freedom may let in some saving air for a people to breathe.

Yet the chance of all this happening spontaneously—and in time—scarcely seems the kind of rock upon which a provident diplomacy builds. For, in a near and rather fearful future, it is entirely possible that the following events could come to pass:

Spain could erupt in turmoil—with tens of thousands of U.S. soldiers and civilians, scores of U.S. bombers and jets, caught on the chaotic scene.

Forces of reform or revolution could swiftly gravitate toward the extreme left, to begin a reenactment of the tragedy of the 1930's.

This time there would and could be no U.S. "neutrality" for the whole military posture of the Western allies could be put in jeopardy.

And—once again—U.S. policy would be forced, by rude exigency of the moment, into actively defending a kind of status quo hard to reconcile with American professions of political principle.

None of these can be called an imminent prospect. But the pertinent question is: must U.S. diplomacy abjure all clear sense of purpose until such propects are imminent—or inescapable?

If it is American purpose to slow the pace of political change in Spain as much as possible, all is well—for this is the end

now being served by the entire weight of the U.S. presence in Spain, the full spirit of U.S. conduct.

If it becomes American purpose to encourage and urge change—in the name of the hope of peace and some freedom for the Spanish people—then U.S. diplomacy must soon find its tongue and its will.

Such a new sense of purpose might serve—and save—a number of things. It might, for example, save America and its allies a tormenting future crisis. It might spare the people of Spain infinite unwanted suffering. And it might spare freedom yet another national casualty, needlessly left to die.

[From the St. Paul Dispatch, May 18, 1959]

WITH EMPTY PORTFOLIO—FRANCO FOE VISITS STATE DEPARTMENT

(By Robert E. Lee)

WASHINGTON.—A European prime minister with a practically empty portfolio but plenty of hope checked in quietly with the State Department last week on a deliberately unheralded visit.

He was Felix Gordon Ordas, first minister of the Spanish republican government-in-exile which looks toward the day when a bloodless revolution of the ballot box will return it to power.

Neither the Department nor Gordon Ordas acknowledged that the informal meeting took place. It was reliably reported, though, that it did occur, as have other sessions when Gordon Ordas and other exiled Spanish republicans were in town.

Meetings of this nature are delicate as the United States has recognized the government of Generalissimo Franco since the end of the 3-year Spanish Civil War in 1939. However, the State Department regards the government-in-exile represented by Gordon Ordas as probably the largest and certainly the most legitimate of the forces hoping for Franco's demise.

Gordon Ordas has no misapprehensions about the difficulty of the task confronting the loosely-knit, prodemocratic opposition to Franco, which includes various shades of exiled republicans and assorted groups within Spain. The latter consist of an underground, some union and student groups, Basque nationalists and others adding up to a force of questionable size and political influence.

THOUSANDS AT WORK

But the Prime Minister claims the adherence of some 200,000 republican exiles in France where his government is based at Paris—and 100,000 elsewhere in the world, mostly in Latin America. He says "many, many thousands" of Spaniards are actively at work in the underground. That the underground numbers more than a handful is indicated by the Franco government's virtual admission that it has more than 1,000 political prisoners.

According to Gordon Ordas, the internal opposition to Franco also includes influential military people who have become disenchanted with the regime, important priests and a small but very active cadre of Communists.

There are also many neo-royalist Spaniards who hope to install the pretender, Don Juan, or his son, Don Carlos, on the throne vacated by Don Juan's father, King Alfonso, in 1931. There have been recent reports that Franco, now 66, is considering setting up a monarchist successor to himself, although he said in February that monarchy was out during his own lifetime.

While Franco appears to be in good health and going strong, according to Gordon Ordas and others who should know, everyone with something at stake is speculating on the possibilities should he die soon or for some other reason abandon his position. It appears that nothing can be done while he lives and rules, except plan and plot.

It also appears that no Spaniards, within or without the country, want a repeat of the 1936–39 bloodbath in which 1 million of the 26 million Spaniards then living there were killed.

LIKELY PROSPECT

A likely prospect, in the view of U.S. observers, is that power would pass to the chief of the military staff, Augustin Munoz Grandes, who shares with Franco the distinction of wearing five stars. Grandes, so the speculation goes, might decide to bring back Don Juan or Don Carlos and set up a limited, constitutional monarchy with a parliament chosen in a mildly democratic manner.

Another possibility is that one or more military leaders would seize power after Franco's fashion or form a junta and try to maintain the status quo.

But Gordon Ordas, a prominent member of Parliament during the precivil war days of the Republic, says his government-in-exile is counting on free elections, in which he claims the Republican Party could win "more than 80 percent of the votes."

By Republican Party he means a combination of the anti-Franco and anti-Royalist forces with whom the Paris government has agreed to form a single party of the left after dissolving itself. If this united front ever came about it would be liberal but not necessarily Socialist, according to U.S. sources.

Gordon Ordas has firmly rejected collaboration with the Communists and he also rules out any accommodations with the Royalists, saying their approaches to the Paris government have already been rebuffed.

RELYING ON PRIESTS

Because of the possibility of political persecution in Spain, he is vague about what kind of an underground organization would be awaiting the fall of Franco.

He hints strongly at a working agreement with military elements, and places heavy reliance on priests of the Roman Catholic Church.

"The priests in the Basque are all Republicans," he says, "and so are many in Madrid. Elsewhere in the country their loyalties are divided."

He places much stock in a recent move of Pope John XXIII—the overturn of an arrangement Pope Pius XII had with Franco under which Franco had a strong voice in naming Spanish bishops.

Gordon Ordas insists that the United States' $400 million Navy and Air Force base program in Spain not only helps Franco but also gives the Communists political ammunition. He insists we don't need the bases from a military standpoint.

[From the Evening Star, May 20, 1959]

REBELS FIGHT IN SPAIN, CUBAN ADVISER SAYS

(By Neal Wilkinson)

HAVANA, May 20.—Armed rebels have been fighting the Franco regime in Spain for more than a month in a revolution directed by veterans of Fidel Castro's July 26 movement, according to a highly informed source here.

The resolution, according to Gen. Alberto Bayo, technical adviser to the armed forces of Cuba, began on schedule on April 14. He revealed details and tactics of the revolution, known as the "14th of April movement," in an exclusive interview with the North American Newspaper Alliance.

The general, known as "El Gran Bayo" to revolutionary forces in Latin America and in Spain, where he led Loyalist forces during the Spanish civil war of the 1930's, said that he was elected leader of the April 14 movement several months ago at a convention of Latin American revolutionaries in Caracas, Venezuela. Cuban and Venezuelan leaders have been the most vigorous opponents of Latin dictatorships in recent months.

TRAINED CUBAN REBELS

General Bayo is the man who trained Fidel Castro and his original followers in guerrilla tactics in Mexico 3 years ago. He is credited with the master plan for the overthrow of the regime of Fulgencio Batista.

The Spanish revolution which allegedly began on April 14 is confirmed by other sources here. The Cubans claim:

1. A train was dynamited, on the evening of April 14, at the entrance to a tunnel near Puerto de Pajares. The dynamiting allegedly was done by a band of guerrillas led by Antonio Rodriguez, who is a Cuban and a veteran of the Spanish civil war.

2. Government troops in Catalonia and Andalucia are engaging the rebels;

3. Fighting is particularly heavy in the region between Lavinana, Mieres, and La Felguiera, where miners have fled to the hills carrying with them supplies of dynamite;

4. That rebel strongholds have been established in Asturias and Barcelona;

5. Two weeks ago a plane crashed near Madris, killing all 28 passengers. The Cubans claim the crash was caused by an act of sabotage by the rebels.

SPANISH ENVOY PROTESTS

Juan Pablo de Lajondio, Spanish Ambassador to Cuba, has protested to the Cuban Ministry of State regarding these claims, particularly regarding the plane crash 2 weeks ago. The Ambassador conceded that a plane did crash but objected to the claim that rebel sabotage was involved.

General Bayo, in the exclusive interview with this reporter, pointed out that General Batista also denied every claim of rebel success during his regime. By the time the rebel claims in Cuba had been verified, he said, the revolution had been won.

"Franco is keeping the truth from the world, just as Batista did," he said. "But our intelligence is very accurate, although it takes several weeks sometimes, for reports to reach us." Other sources reported here that Spanish Loyalists in Latin America have maintained a courier service to Spain and a network of spies there for nearly a quarter of a century.

General Bayo insists that he is not sensationalizing:

"We would be very stupid indeed to make false claims. The people who live in these (Spanish) regions would know that we were lying, the word would spread and if our words proved false the revolution would be lost before it had begun."

CALLS CRASH SABOTAGE

He said that the plane crash unquestionably was the work of sabotage. "We issued many warnings before that," he said. Don't fly on Franco's airlines. This is total war. They will be sabotaged." The only reason General Franco acknowledged the disaster, he said, was that the news of an air crash is difficult to suppress.

"A filed cable concealed by thick grease is most effective" in sabotaging planes, he added.

General Bayo said that the April 14 movement probably would be branded as Communist. "The Russians were an ally of the Spanish Republic and we are blamed for their sins," he said. "Franco was backed by Hitler and Mussolini. Russia later became your ally against them in World War II. Does that make the United States 'Communist'?"

The general also said that he valued United States understanding of revolutionary problems, both in the Americas and in Spain, but that contained U.S. support of dictators had backfired militarily by creating alliances between democratic revolutionists and Communists.

ALIBI IKE, RUNNING TRUE TO FORM

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "Alibi Ike, Running True to Form," written by Samuel B. Gach, and published in the California Jewish Voice.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ALIBI IKE, RUNNING TRUE TO FORM

(By Samuel B. Gach)

She did not know that her remark would hit the press and become public.

This astonishing immoral alibi was part of what Ike told newsmen Wednesday when questioned about the propriety of Clare Booth Luce's below-the-belt punch at Senator MORSE of Oregon.

Ike explained that though her crack about MORSE being kicked in the head by a horse may have been ill advised, it was human and made in privacy.

This hypocritical regime has for 6 years been pointing to what it termed the lack of ethics and downright immorality of Ike's predecessor Harry Truman and his administration. We also recall every pledge Ike made when running and every snide crack he made against the people who made him.

We weren't blinded by shining brass then nor are we any more disillusioned now. The outfit was phony to begin with and hasn't changed a bit. It hasn't kept its pledges and its morals are low.

The crack about Luce's remark not having been meant for public consumption is the code to the high principles which have governed our country since 1953. It spells that everything goes, but don't get caught.

Ike tore the hide off of Truman and blamed him because a few supernumeraries latched on to a free icebox. Ike, in turn, was forced by exposures to ask for resignations from several of his top people, including his first aid Sherman Adams, for deeds done or in the works on every Commission which would have robbed the taxpayer blind.

Did he flinch, stammer or blush? No. Upon a return from his usual weekend of golf or from his more frequent longer vacations, he would don the halo, attend services Sunday, and tell the world what a good boy am I.

Now the whole free world is rejoicing in Harry Truman's 75th birthday coming up May 8 and with respect and affection recalls the simplicity, straightforwardness, good humor, his uninhibited consideration for his fellow man and his genuine piety.

Unlike his successor, Truman never felt comfortable with the millionaire class which Ike has cultivated. The people and their problems were his prime concern. And to this day he is tireless in his interest in the welfare of our country.

History will say that though the mantle of leadership was thrust upon him, Harry Truman, humble citizen, intuitively made the right decisions at moments of crisis in history.

And what will they say about Ike and his administration? One thoroughly experienced judge of events, past and present, has said it for American listeners just this week. We share his opinion wholeheartedly. The remarks of Britain's Field Marshal Viscount Montgomery on a Murrow telecast deserve to be rebroadcast.

In a nutshell, Monty labeled Ike's leadership in war and peace as timid, weak and ill. And which unbiased and unblinded American can, after 6 years of administration fumbling, deny the truth of this charge?

A quick rundown: They hate us in Canada and South America. Since permitting the Reds to enter the Middle East, by our coddling of the Arabs and giving them Suez, we are distrusted in Europe.

We lost considerable of southeast Asia to the Reds and our former friends, Burma and Indonesia, don't want us around. India doesn't like us and North Africa hates our guts. The Middle East is seething and heads of kings have hit the dust. All this and Eisenhower too.

Monty was right and Truman was great. So history shall say. You can understand Ike's hatred of Truman. The previous administrations gave him the boost to where he is. But he is placing himself where in history he will be.

THE WHEAT BILL

Mr. NEUBERGER. Mr. President, I believe the distinguished Senator from Delaware [Mr. WILLIAMS] deserves great credit for his persistence in seeking to place a limitation on the amount of the price support payments which any one farm operation can receive in a given calendar year.

Since I became a Member of the Senate, in 1955, I believe I have consistently supported the Senator from Delaware in every effort he has made in this respect. I believe that his success today is a signal accomplishment, and I was greatly pleased to be able to associate myself with him in that cause.

I feel that it is desirable that this limitation apply across the board to any one operation, rather than to have it apply to a single crop or commodity, which could then result in many times $35,000 being paid. I hope that the amendment of the Senator from Delaware, which the majority of the Senate supported, will be retained in conference and will be sent to the desk of the President for his signature.

I think the record should note one other thing: When I requested a yea-and-nay vote on the administration's alternative farm program as offered by the distinguished minority leader, I received very little support from the Senate in that respect. I think this raises some doubts about the offering of the proposal. When something so important as the administration's farm program is offered as a substitute for the bill before the Senate, there should be a yea-and-nay vote on it, so that there will be an accurate determination of senatorial sentiment in that regard.

LONG-RANGE WHEAT SOLUTION NEEDED

Mr. President, I regret that the Senate has not seen fit to adopt a comprehensive, long-range approach to problems involving the production of wheat.

As a cosponsor of S. 1484, authorized by the Senator from Kansas [Mr. CARLSON], which would provide a wheat stabilization plan containing the two-price concept, I had hoped that the principle of the domestic parity plan would receive more extensive consideration by the Senate.

Earlier this year I pointed out to members of the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices of the Committee on Agriculture and Forestry the reasons why I believe that S. 1484 provides an excellent starting point for necessary revision of portions of our Federal agricultural program. I have noted that S. 1484 would:

First. Assist in reducing huge wheat surpluses held by the Commodity Credit Corporation.

Second. Provide savings to the Treasury of over $750 million in decreased storage and price support payments.

Third. Permit adoption of a wheat program favored by a majority of wheat farmers, including the Oregon Wheat Growers League in my State.

Mr. President, I think that S. 1484 represents a workable and realistic wheat program. While the urgencies of the present situation demand immediate action, I hope that the Senate will not regard the present legislation as a final solution, but will reexamine the triple benefits which I believe that S. 1484 will supply to the public and the farmer.

The wheat stabilization embodied in S. 1484 recognizes four basic and vital concepts.

First. The expansion of CCC wheat stockpiles should be halted and holdings reduced to a normal level.

Second. A decrease in the net income of wheat farmers does not necessarily mean a reduction in wheat production.

Third. Solution of the overall farm problem is not aided if reduction in wheat acreage results in a shift to other crops which may be in surplus.

Fourth. Greater yields per acre should not be automatically reflected in larger Government stores of wheat.

I believe that these basic premises are sound. S. 1484 provides the administrative details which would make their implementation reality. The bill should be enacted and the program given a trial.

Mr. President, I think that we should recognize that wheat surpluses represent an opportunity as well as a problem. Our abundance can mean freedom from hunger for countless thousands in less fortunate countries. This is why I am happy to be a cosponsor of the comprehensive food for peace bill introduced earlier this year by the senior Senator from Minnesota [Mr. HUMPHREY]. This legislation would permit the United States to more effectively aid underdeveloped nations to feed their citizens and to promote economic progress. I think that this proposal has great significance for wheat. Many Western and Asian nations now suffer from inability to produce an adequate food supply—including bread—for their citizens. Within the past few years Oregon wheat growers have demonstrated that wheat can become an important food in the diet of Oriental peoples.

Mr. President, on May 17, 1959, the Sunday Journal of Portland, Oreg., published an excellent editorial entitled, "Wheat Surplus and World Market." The editorial discusses the need for the creation of a program which will more adequately assist in channeling our excess wheat production into the world's hungry mouths. I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Portland (Oreg.) Sunday Journal, May 17, 1959]

WHEAT SURPLUS AND WORLD MARKET

The U.S. wheat surplus problem would be much easier to deal with were it not inextricably involved in foreign policy.

To the average American, it makes sense to take wheat out of bulging bins and ship it abroad. The United States has been doing this in recent years to a greater degree than ever before under special surplus disposal programs.

But these programs, which have sometimes been described as a fire-sale approach, do not sit well with other friendly wheat-producing nations. The United States has been accused of undercutting other nations in world markets, and this has been a principal source of irritation with Canada.

Just recently a joint Canadian-U.S. research committee came up with a report to the effect that U.S. wheat surplus disposal programs have harmed Canada and will continue to do so for some time to come. The authors said the United States had definitely captured wheat markets from Canada in Cuba, Brazil, Colombia, and Venezuela. The United States can sell cheaper abroad because its producers are subsidized, while Canadian wheat men produce largely for the world market price.

The research committee is gloomy about the future, predicting that the excessive world carryover of wheat is going to be greater than ever. Its figures at the beginning of the 1957–58 marketing year said Canada and the United States had enough wheat on hand to supply their own needs, plus three-fourths of the entire world trade for 2 years.

We assume that what is meant by world trade is limited to that which moves normally in commercial trade channels without relationship to actual need in underdeveloped countries. Nobody that we know of has come up with figures showing what dent would be made in the world surplus if the needs of hungry people could be met.

Recently a new wheat utilization committee was formed in Washington, with representatives from five wheat-producing countries, the United States, Canada, Argentina, Australia, and France, as the result of a food for peace conference, to study future wheat disposal plans. Such a conference had been proposed earlier by President Eisenhower to study ways of channeling surplus grains to needy nations.

Press reports indicated the conference showed greater concern over the protection and expansion of commercial markets than over finding ways to feed the hungry.

Still some positive steps were taken toward the latter goal, including plans to improve emergency wheat distribution by establishing stockpiles around the world and to develop a feeding system for classrooms and refugee camps. Representatives of the five nations agreed also to discuss plans for the acceptance of payments in the so-called soft currencies.

To put wheat products into hungry mouths makes more sense than to continue paying enormous storage costs for wheat we don't know what to do with. An international approach is necessary to accomplish this goal. Let us hope plans initiated at the five-nation conference will be vigorously carried forward.

CLARIFICATION AT GENEVA—NEW SECRETARY OF STATE HERTER DOES WELL

Mr. JAVITS. Mr. President, while the debate among military experts may be as to whether U.S. armament for war is superior to that of the Soviets, there is no doubt that American armament for peace is by far the better. The West has come to Geneva with a sincere and workable plan for reunifying Germany and promoting the peace; our side is willing to compromise on some of the details but we have made clear the goal we seek and our determination to achieve it through negotiation; we have equally made clear that we will not turn to appeasement. The Soviets on their part remain intransigent; they cling stubbornly to their old policies of relentless pressure, a policy which leads only to future Berlin crises, to future Quemoy-Matsu incidents, to future stresses.

Will Rogers, more than three decades ago, observed that the United States has never lost a war nor ever won a peace conference. Times have changed. The next war, which could be a nuclear conflict, can in effect be won by neither side—its end result would be near universal devastation, the experts say.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial entitled "Clarification at Geneva," published in the New York Times of May 21, 1959. The editorial analyzes well the U.S. position at Geneva.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, May 21, 1959]

CLARIFICATION AT GENEVA

The Geneva Conference of Foreign Ministers has already produced one important result: It has brought about a necessary and enlightening clarification of both the aggressive and dictatorial Soviet designs and the real significance of the Western peace plan. The clarification is an essential first step toward a true appraisal of the situation, and it should dispel a lot of muddled Western thinking that has been playing into Soviet hands.

As expounded by the Western Foreign Ministers, they have come to Geneva with the high purpose of engaging in serious and meaningful negotiations not only to cope with the Berlin crisis precipitated by the Soviets but also to pave the way to a just and lasting peace. To that end they have agreed on a peace plan which, as Secretary Herter emphasizes, is hailed throughout the world. It has ended the Western practice of merely responding to Soviet challenges and has not only given the West the initiative but has also put the Soviets on the defensive.

Furthermore, in a direct indictment of the Versailles Treaty that ended the First World War, this plan renounces peace by dictation and discrimination against whole nations and envisages instead a peace based on consent. Such a peace calls first of all, as the "key to everything," for German reunification under a freely elected all-German Government able to sign a peace pact freely negotiated. The Western Powers have again solemnly pledged their support to it and Premier Khrushchev's assertion that "nobody wants German reunification" can henceforth be echoed in the West only by accusing the Western Powers of perpetrating a cruel hoax on the world.

Finally, the plan proposes a system of European security and armament control to meet professed Soviet concern and assure the peace and safety of both East and West Europe, including Soviet Russia and Germany, under mutual obligations freely negotiated and therefore acceptable in the common interest.

In contrast, the Soviets, far from merely seeking Western recognition of the status quo, evil and dangerous as it is, really propose to change it in order to win a new basis for Russia's century-long expansion to the west. To that purpose they are trying to impose not only on Germany but on the whole West, and by a victor's "diktat" backed by rocket threats, a so-called German peace treaty which would definitely dismember and neutralize Germany, take West Germany out of NATO and not only render it defenseless against the East to the detriment of Western defenses but also force American and British withdrawal from the European continent, leaving it to Soviet mercies.

The Soviets already proclaim the annexation of Greater Berlin to their East German puppet state, and give the West the alternative of either withdrawing its forces from West Berlin or admitting Soviet troops to it, a third proposition of the United Nations forces in West Berlin being ruled out by Secretary General Hammarskjold himself.

Finally the Soviets pay lip service to German reunification by the will of the German people and by free elections. But they prevent the German people from expressing that will and present as spokesmen for the East Germans Soviet citizens and commissars who in German eyes are renegades and traitors ready to Sovietize all Germany.

Unless the Soviets abandon these aims, the prospects at Geneva are dark indeed.

DETERIORATION OF GETTYSBURG NATIONAL SHRINE

Mr. YOUNG of North Dakota. Mr. President, Jess Gorkin, editor of Parade magazine, has done all of us a service by writing an open letter to the Members of the Senate concerning the Gettysburg Battlefield. The letter was published in Parade magazine for May 17, 1959.

I feel as much ashamed of the condition into which this national shrine has fallen as Mr. Gorkin does. By arousing millions of readers to the situation at Gettysburg, Mr. Gorkin has made it mandatory for Congress to take action. We should preserve our shrines in the best possible condition. By doing so, future generations can see Gettysburg as a beautiful memorial.

I ask unanimous consent that Mr. Gorkin's open letter to the Senate be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

IT'S NOT TOO LATE TO SAVE GETTYSBURG

THE MEMBERS OF THE U.S. SENATE,
Senate Office Building
Washington, D.C.

Gentlemen: The battle of Gettysburg and the memory of the men who fell here moved Abraham Lincoln in 1863 to deliver a simple, eloquent address that continues to stir men's souls. In it Lincoln spoke with feeling of the brave men who had consecrated the battleground with their blood. He described it as "fitting and proper" that the Nation dedicate a portion of the field to their memory.

Now that shrine is in danger. Last December 14, Parade described the march of commercialism across the slopes where 160,000 Confederate and Union troops fought the Civil War's bloodiest battle. Thus began a new battle of Gettysburg, which President

Eisenhower, whose farm overlooks the battlefield, and his Congressman, JAMES M. QUIGLEY, Democrat of Pennsylvania, carried to the committees of Congress. They sought $750,000 to buy land within Gettysburg National Military Park before private owners could exploit it. But the House Appropriations Committee denied them the money.

Now it is up to you in the Senate. And for each day lost, a part of our heritage is lost. Next year, or the year after, may be too late to save Gettysburg.

I wish I could guide you over these historic acres. I would point out a rusting auto that marks the spot where Gen. George Meade, the Union commander, set up his field headquarters. You would see a free museum and souvenir shop near the scene of the first fighting. Another souvenir stand and gas station stand near the place General Barksdale was killed at the head of his Mississippians. The left flank of Confederate artillery was dug in where the Sweet Kiss shop now stands.

Or you can follow the route of Pickett's historic charge: across an auto junkyard, past a new motel on the left flank, beyond plots for a housing subdivision. Finally, you should pause at the cemetery where Lincoln spoke his memorable words. Within 100 yards of this hallowed resting place may rise an industrial plant for the land is owned by a large steel corporation.

The memory that inspired Lincoln's stirring words must be worth more to America than the $750,000 needed to stop the advance of commercialism. How will you vote, gentlemen of the Senate?

Respectfully yours,

JESS GORKIN,
Editor, Parade.

PROPOSED ABOLITION OF CAPITAL PUNISHMENT IN DISTRICT OF COLUMBIA

Mr. KEATING. Mr. President, the Judicial Conference of the District of Columbia Circuit today adopted a resolution recommending that mandatory capital punishment be abolished in the District of Columbia. The resolution was adopted by an overwhelming vote of 89 to 8, following the submission of a report on the subject by a special committee appointed to study the problem. The special committee consisted of a cross-section of eminent lawyers who have practiced on both sides of criminal cases. Only 1 of the 30 members of the committee dissented from its report.

This action represents a great forward step in the continuing process of bringing up to date the criminal laws of the Nation's Capital. The present mandatory death statute in the District of Columbia for first degree murder cases is unique. No other State in the Union has such a harsh inflexible provision. New York State, for instance, years ago agandcned the mandatory death sentence.

Such rigid justice is self-defeating. It does not protect the public because it often leads to acquittal of the guilty to avoid the death penalty. At the same time it can lead to an indefensible meting out of the ultimate penalty without regard to the particular facts and circumstances in a given case. The ends of justice are not served by any such mechanical formula for punishment.

Mr. President, I have today requested the legislative counsel to draft a bill to remove this archaic requirement from the District of Columbia Code. I shall present the proposed legislation to Congress in the very near future. I am hopeful that Congress will be spurred by the recommendations of the judicial conference to quick action on this measure.

MUTUAL SECURITY PROGRAM—STATEMENT BY AMERICAN FARM BUREAU FEDERATION

Mr. DWORSHAK. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement by the American Farm Bureau Federation with regard to the mutual security program. The statement was presented to the Committee on Foreign Relations on May 22, 1959, by John C. Lynn, legislative director, and Herbert E. Harris II, assistant legislative director, of the Federation.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF THE AMERICAN FARM BUREAU FEDERATION BEFORE THE SENATE FOREIGN RELATIONS COMMITTEE WITH REGARD TO THE MUTUAL SECURITY PROGRAM PRESENTED BY JOHN C. LYNN, LEGISLATIVE DIRECTOR AND HERBERT E. HARRIS II, ASSISTANT LEGISLATIVE DIRECTOR, MAY 22, 1959

The American Farm Bureau Federation appreciates this opportunity to present its views with regard to several aspects of the mutual security program.

Farm Bureau supports in principle the mutual security program; however, we believe substantial savings can be made in the $3,930 million requested by the administration without impairing the effectiveness of the program. The proposed savings we recommend in the mutual security program will still provide authorizations at about the level of the appropriations made by the Congress for this year.

We recognize the need for sound fiscal policy and a balanced budget, and will continue to make recommendations for appropriations dealing with other parts of the budget consistent with sound fiscal policy. We have recommended to the Appropriations Committees dealing with agriculture substantial reductions in the forward authorization for programs directly affecting farmers.

It is becoming increasingly clear that inflation is our most serious economic problem. Farmers and ranchers have experienced in recent years a price-cost squeeze. Since increased costs rather than reduced receipts have been the principal element in this squeeze, farmers are determined to work aggressively for a balanced Federal budget. They know an unbalanced budget is a major factor contributing to this inflationary threat which should be of concern to all citizens.

We will encourage labor and business to work with us toward a balanced budget, feeling as we do that all of us must make sacrifices to check inflation and to achieve a sound economy. We emphasize agriculture's readiness to bear its share of the adjustments which must be made. We will continue to press for action in the Congress, where the major responsibility lies, to modify agricultural legislation so as to steadily reduce the role of Government in individual farming operations.

Farm Bureau's 1959 policies adopted by the voting delegates in 48 States, Puerto Rico, and Hawaii state:

"The United States must demonstrate to the world that a dynamic, expanding, competitive capitalism is a major factor contributing to the more abundant life that people everywhere are seeking. For an economy to be dynamic and expanding, goods and capital must flow freely. This requires world trade and world investment."

We feel that one of the paramount factors that will give strength to the free world is a high-level, mutually advantageous international trade. We have given vital support to the reciprocal trade agreements program and continue our firm belief that two-way mutually advantageous trade is preferable to unilateral transfers by the United States through grants or excessively long-term credit.

Private investment is essential to the development of the free world. We sincerely hope that proposals to encourage the expansion of U.S. private investment will be carried out in such a manner as to expand the opportunities for private investment. We do not believe the ready availability of public funds in the nature of long-term soft loans is compatible with this objective. Countries who refuse or do not see the necessity to establish economic and political policies which encourage private investment should not have recourse to public funds. The availability of public funds under such conditions does receiving countries an injustice by encouraging them to continue unsound economic policies that discourage private investment and economic growth.

Farm Bureau's 1959 policies directly relating to the mutual security program state:

"The mutual security program represents an effort to unite the nations of the free world as partners in the struggle for a lasting peace. We should continue to stand ready to support constructive assistance to (1) friendly countries that show a willingness to use such assistance properly and (2) peoples in other areas of the world who are striving to obtain their freedom, provided such assistance will help them gain their freedom and not perpetuate their oppression. Programs should be designed to assist in the development of projects that will make a lasting contribution to the economy of the cooperating country.

"Proper safeguards should be taken (1) to avoid waste and the disruptive effects of projects not geared to the economies of cooperating nations, and (2) to prevent the initiation of projects which encourage socialism and stifle free enterprise.

"Assistance to underdeveloped countries must emphasize those political and economic principles which foster individual initiative.

"Economy is essential. We, therefore, support this program only to the extent that it is directed toward the effective achievement of its primary purpose of securing lasting world peace."

For several years Farm Bureau has presented annually to this committee a very detailed and comprehensive statement regarding the mutual security program. Each year we have made concrete recommendations to the committee that we thought would be helpful in improving this program. In our statement this year we are including specific recommendations for further improvement in the program. We are suggesting a total appropriation of $3,100 million. This is a reduction of $830 million from the request made by the administration. (See attachment: Recommended authorizations for mutual security program.)

We believe that there could be a better utilization of the funds accumulating as a result of the Public Law 480 program (the Agricultural Trade Development and Assistance Act) and that more consideration should be given to the proper utilization of such funds. According to our best information there is over $1,900 million in foreign currencies accumulated under this program that could be used for economic aid. In determining the level of econmic aid, it should be borne in mind that these funds are available for loans and, where possible,

the mutual security dollar appropriations should be decreased.

We commend the Congress for giving added emphasis to loans rather than direct economic aid. It seems to us that there is little need for direct economic aid except in unusual circumstances.

MILITARY ASSISTANCE

Military aid should assist our allies to build their own defense resources and thereby reduce their dependence on the United States for military goods and personnel.

The administration requests $1,600 million; we recommend $1,500 million. For the last several years we have recommended and Congress has appropriated funds for military assistance substantially less than has been requested by the administration. For example, last year the administration requested $1,800 million. Farm Bureau recommended $1,500 million and Congress appropriated $1,515 million. It is truly remarkable that even with the reduced appropriations each year since fiscal year 1955, expenditures for military assistance under the program have remained almost constant, ranging from $2.2 to $2.6 billion. Despite the $300 million reduction in military assistance last year, the estimated expenditures were $100 million over the expenditures in fiscal year 1958. The carryover at the end of fiscal year 1958 was $3.4 billion.

Farm Bureau has stated in the past that the carryover on this program was excessive. As this committee recalls, fiscal year 1954 began with a carryover of $8.5 billion. The substantial reduction in this carryover illustrates the soundness of Farm Bureau's position. We recognize the progress which has been made in reducing this carryover to reasonable proportions. We believe that the administration request can be reduced by $100 million without impairing the effectiveness of the program. We further recommend constant vigilance in this program to assure that military equipment be provided so as to strengthen the military posture of the free world's defense against Communist aggression. We are sure that this committee is aware of examples where this equipment could be utilized in a vastly different manner. Certainly we must guard against the increasing possibility of the friction between countries of the free world by expanding their armaments through U.S. grants.

DEFENSE SUPPORT

We recognize that defense support is by and large direct economic aid under another name. The administration's request of $835 million for fiscal year 1960 is $85 million more than was appropriated for the current fiscal year. Farm Bureau recommends that the authorization for this item be $520 million. We have seen the authorization for defense support remain at a consistently high level for a number of years. We doubt that such vast sums of U.S. capital can be injected into the economy of the principal recipients of this aid with beneficial results.

From July 1, 1945 to June 30, 1958, for example, total Government grants and credits to Korea, Taiwan, and Vietnam have exceeded $4.4 billion excluding all direct military assistance programs. Usually waste follows a program which is based on the unsound principle that the United States can somehow insure the economic stability of countries, irrespective of the domestic economic policies it adopts.

There may be, for example, instances where countries insist on maintaining a larger military establishment than that recommended by our own Defense Department. Under such situations, we feel that defense support funds should be withheld from them on a proportionate basis. Otherwise, we are placing the United States in the position of supporting the maintenance of military establishments in excess of the needs that are determined by our own military experts.

So long as the U.S. Government continues to show a willingness to provide these tremendous grants of aid on a continuing basis, we cannot expect the recipient countries to assume an increasing share of the responsibility for defense or economic growth.

We believe that an appropriation of $520 million for this purpose for the forthcoming fiscal year, if properly utilized, is adequate.

DEVELOPMENT LOAN FUND

We supported the establishment of the Development Loan Fund because it was our understanding that it would be used sparingly and that other sources of credit would be utilized to the maximum before request was made through this source.

The administration last year asked for $625 million for this Fund. The Congress appropriated $400 million. In spite of this action by the Congress—which we supported—the administrators of this Fund, for all practical purposes, committed $625 million. We were disappointed that the Congress adopted a supplemental appropriation of $150 million. We believe that the $400 million appropriated last year was sufficient; and we believe that the administration was wrong in committing this Government to more than the Congress had appropriated, even though the conference report seemed to go a long way in giving the administration a green light to commit more funds than were appropriated. Since this tended to commit a new Congress, we think this is unsound legislative procedure.

The budget request is for $700 million. We recommend $500 million with the understanding that the supplemental appropriation made for the current fiscal year be deducted from this amount.

Economic aid should emphasize loans rather than grants. It should be made clear that public loans are limited and that such loans are an unsatisfactory substitute for private investment. The Development Loan Fund, established under the mutual security program, should be used only after it has been clearly demonstrated that financing is not available through private investment, the World Bank, the International Finance Corporation, or the U.S. Export-Import Bank. Development loan funds should be made available only where it is clearly demonstrated that the repicient country is prepared to follow national economic policies which promote private enterprise investment to the maximum extent. We believe that there are now established sufficient sources of credit, both bilateral and multilateral, to meet the needs of countries desiring loans for economic development. Where credit in the nature of economic aid is provided, the United States should exercise direct control over disbursements.

Farm Bureau policies have long recognized the fundamental importance of private investment to economic development of underdeveloped countries. Where public funds are provided they should be in the nature of supplements rather than substitutions. We have visualized the Development Loan Fund as a method by which additional bankable loans would be made possible.

We recommend that the Development Loan Fund only make credit available when such credit can be used as a means of making additional financing available through private investment or through established "bankable loan" institutions. "Soft loans" are an expedient and must be administered with caution and prudence, otherwise, a disservice may be done to the recipient.

In addition to limiting funds available for loans from the Development Loan Fund, we recommend that section 202(a) be amended by inserting before the period the following: ", first priority shall be given to loans for projects where it can be clearly demonstrated that such loans will, in fact, make possible additional financing through private investment, the Export-Import Bank, or the International Bank for Reconstruction and Development."

The additional language suggested in section 202(a) would give first priority to loans for projects that will make possible additional financing through the established banking institutions, both public and private. For example, country "A" needs a fertilizer plant. This country might have a deposit of phosphate rock where the plant should be located, but there would need to be built 20 miles of railroad line into such a site. We will assume that neither the International Bank, nor private investors would want to build the railroad; however, the above institutions might have indicated that they would finance the development of the phosphate deposit and build the necessary fertilizer plant, if the country in question would provide the rail facilities. Under the proposed amendment to section 202(a) the Development Loan Fund would give first priority to a loan for the construction of the rail facilities.

By "first priority" it is intended to mean—and we believe the committtee report should so indicate—that even though there are pending other loans where the Development Loan Fund would be required to put up all of the financing, such a loan as described above would take priority over all other applications. This is using the Development Loan Fund for true economic development by assisting in the generation of bankable, repayable loans. This would be a demonstration of how Government financing, through the Development Loan Fund, could bring together governments and private investors in a most appropriate way.

We have grave concern that due caution is not being exercised to avoid the making of loans for projects which could have been financed through other established lending agencies. We urge the committee to make a thorough examination of this point.

During the present session of Congress, Farm Bureau has supported the increase in the U.S. quota to the International Monetary Fund of $1,344 million. This would bring the U.S. share to $4,125 million. We further have supported the increase in the U.S. subscription to the World Bank from $3,175 million to $6,350 million. In 1955 we supported the establishment of the International Finance Corporation with an available capital of some $100 million. We believe these institutions provide important sources of credit to the countries of the free world.

Farm Bureau has given vigorous support to the Export-Import Bank. The Bank is now authorized to have loans and guarantees outstanding at any one time of $7 billion. The Export-Import Bank became the first public agency, either national or international, to arrange credits for large scale economic development throughout the world. It has authorized loans of over $10 billion in some 1,600 individual credits and encouraged more than $1 billion, in private investment abroad.

All of these institutions have been tested by time. They have proved successful largely because of the sound operating procedures which they have established. They are, in most cases, making sound, bankable loans.

It is our view that unless the funds available through the Development Loan Fund are reasonably limited, the effectiveness of the lending institutions which are making sound, bankable loans will be severely impaired and curtailed. The careful work being done, for example, by the Bank, the Fund, and the Export-Import Bank of persuading countries to adopt reasonable economic and political policies could be negated through an abundance of soft loans too freely given through the Development Loan Fund.

Despite the fact that the Development Loan Fund was originally presented as a means to provide private enterprise with needed capital, we would estimate that not more than 10 percent of the loans made by the Development Loan Fund have been, in fact, to private enterprise.

Section 202(b) of the Mutual Security Act of 1954, as amended, states:

"The Fund shall be administered so as to support and encourage private investment and other private participation furthering the purposes of this title. * * * The provisions of section 955 of title 18 of the United States Code shall not apply to prevent any person, including any individual, partnership, corporation, or association, from acting for or participating with the Fund in any operation or transaction, or from acquiring any obligation issued in connection with any operation or transaction, engaged in by the Fund."

We believe that Congress adopted this language for the specific purpose of encouraging loans to private enterprise rather than on a government-to-government basis. We feel that this principle is still sound. It has not been properly implemented. We believe that the committee will agree that at least 25 percent of the funds provided in fiscal year 1960 for the Development Loan Fund should be used for loans to private investors. The Development Loan Fund should not be used as a means to encourage socialism by expanding the nationalization of industries in underdeveloped countries. The Farm Bureau feels that private competitive enterprise has been the basis for the tremendous strides that the United States has taken in the economic field. We feel that the underdeveloped countries of the world should be encouraged to take the maximum advantage of the benefits of this system that has worked so well for us. The United States must not be a part of leading underdeveloped countries down the dead-end street of socialism. We, therefore, recommend that this committee's report make clear that at least 25 percent of the funds provided in fiscal year 1960 for the Development Loan Fund should be used for loans to private enterprise.

BILATERAL TECHNICAL COOPERATION

Technical assistance should be continued as an important part of our foreign policy. The primary objective of this program should be to aid underdeveloped countries to develop their manpower and natural resources and expand their production and commerce through improved technology and practices rather than by loans or grants. Maximum emphasis should be on the development of industries which complement national economies rather than on agricultural development.

As we understand the technical cooperation program, it is the exchange of American know-how and show-how. Farm Bureau believes that one of the most effective means by which we can assist other countries in achieving their desires of economic development is through such a program properly administered.

While such a technical cooperation program should be limited largely to technical demonstration of know-how and show-how, there is another aspect to which we would like to give emphasis. We firmly believe that one of the fundamental reasons for the tremendous economic growth in the United States has been our economic system of free, competitive enterprise. The climate has been provided by our governmental policies that encourages opportunity and individual initiative, which we think is essential to real economic development in any country.

The proper selection and training of our personnel who are to go into the field on technical cooperation programs is of the utmost importance. They are more than technicians. They should be ambassadors for the American way of life. The understanding and friendship which they can create will be of lasting importance to the United States and to the free world alliance. We cannot force advanced technical methods upon other peoples—we can simply give them the opportunity to know about them. We should not attempt to force any political and economic system on other peoples. However, we can and should give them the opportunity to know about the advantages of the system which has contributed so greatly to the economic development of the United States.

SPECIAL ASSISTANCE PROGRAM AND CONTINGENCY FUND

We recognize that the President should have available funds that can be used for emergencies, such as natural disasters abroad. Since there is presently authority in the bill to transfer some funds from one category to another and since Public Law 480 provides substantial authorization which can be used by the President for these types of emergencies, we recommend that the contingency fund be eliminated. This will be a savings of $200 million.

We do not have specific recommendations for reductions in the special assistance program category. However, we urge that every effort be made in these individual projects to effect needed economies.

MULTILATERAL TECHNICAL COOPERATION AND THE SPECIAL FUND

Farm Bureau recommends that the authorization provided in this bill for U.S. contributions to the so-called United Nations Special Fund be deleted. For a number of years there has been considerable pressure brought, at least partially, by the Soviet Union and her satellite countries to establish a Special United Nations Fund for Economic Development (SUNFED). Last year the General Assembly of the U.N. adopted a resolution which established a United Nations Special Fund. This Fund was described in the resolution as being for the purpose of providing "systematic and sustained assistance in fields essential to the integrated technical, economic, and social development of the less developed countries." This language could be interpreted as encompassing every conceivable type of program or project in any country that might be affected. We feel that this program is contrary to stated U.S. policy, and that it does, in fact, inaugurate SUNFED. The managing director of the fund has stated that richer nations should be expected to contribute $35 billion toward this program over the next 10 years.

Farm Bureau is opposed to channeling large sums of the U.S. money or food through the U.N. and subjecting them, in any degree, to the influence of Soviet Russia. We will do the underdeveloped countries of the free world a disservice if we allow this to happen. We feel that it is a matter of real urgency that prompt action be taken by the Congress to prevent the United States becoming "trapped" by the device of the U.N. Special Fund.

The present mutual security bill proposes to increase the amount of money the United States should pledge for this fund. Despite the fact the Congress authorized and appropriated only $20 million last year for the United Nations technical assistance program and the special fund combined, the United States pledged $38 million, subject to the 40 percent limitation which Congress placed in the act last year. Other countries failed to pledge sufficient funds even to meet this requirement, and it is now estimated that the United States will be required to contribute only $23 to $25 million of the $38 million we pledged.

The following table may be helpful in explaining the situation:

United Nations expanded technical assistance program and special fund

	Million
Fiscal year 1959:	
Requested and appropriated	$20
Pledged for calendar year 1959	38
Amount matched (estimated)	23
Fiscal year 1960:	
Requested	30
Plan to pledge	40
Amount matched	?

We stand on our recommendation that this so-called special fund should be terminated immediately. However, we also understand that a number of commitments have been made at the United Nations which make it very difficult for Congress to legislate on this matter. We believe Congress should make a careful study of U.S. policy before additional U.S. funds are committed. In view of the serious implications and long range effects of this action, certainly pending this study, the authorization for the special fund at least should be held at the current level and not expanded.

We reiterate our position that the U.S. contribution to the U.N. expanded technical assistance program should be reduced to 33⅓ percent. Farm Bureau's 1959 policies state:

"We shall continue to insist that funds made available by the United States for the specialized agencies of the United Nations be appropriated directly to the agencies. The administration of such funds should be the primary responsibility of these agencies."

INVESTMENT GUARANTEE PROGRAM

The investment guarantee program was designed to insure investors against some of the abnormal risks they encounter in many foreign countries, such as expropriation or confiscation, inconvertibility of foreign currency investment receipts into dollars, and loss of investment for reason of war. We support the administration's request to broaden the guarantee to include revolution, insurrection, and civil disturbance arising therefrom. We also support the requested increase in issuing authority from $500 million to $1 billion.

Recommended authorizations for mutual security program

[Millions of dollars]

	Administration request, fiscal year 1959	Farm Bureau recommendation, fiscal year 1959	Appropriation, fiscal year 1959	Administration request, fiscal year 1960	Farm Bureau recommendation, fiscal year 1960
Military assistance	1,800	1,500	1,515	1,600	1,500
Defense support	835	725	750	835	520
Development Loan Fund	625	400	[1] 400	700	[1] 500
Bilateral technical cooperation	142	142	150	719.5	179.5
Multilateral technical cooperation	21.5	17	22	31.5	16.5
Contingency fund	200	212	155	200	272
Special assistance	212		200	272	
Other programs	106	106	106	112	112
Total	3,941.5	3,102	3,298	3,930	3,100

[1] Less supplemental appropriation for fiscal 1959.

The recommendations that we have made are designed to (1) bring more soundness into the mutual security program and (2) recognize the critical need for reducing Federal expenditures in order that we might help balance the Federal budget. We recognize that the unsettled conditions in the world today require the continuation of expenditures for mutual security, and we feel reasonably sure that the request being made by the Defense Establishment takes into consideration the military aspects of our mutual security program. We believe the recommendations made herein will not impair the essential operations of the mutual security program. We urge the Congress to adopt these recommendations.

ALCATRAZ

Mr. HRUSKA. Mr. President, the Omaha World-Herald recently published a series of articles on Alcatraz, perhaps the Nation's most famous penitentiary.

The articles were written by Mr. Bill Billotte, an experienced and proven newsman, who spent several days on the island prison gathering material about its purpose and operation for his firsthand, well-written report.

Alcatraz holds a certain fascination for each one of us. The World-Herald recognized the value of a factual report for this very reason. It has performed an important public service in undertaking and executing this assignment.

The public ought to be informed about the remarkable work which is being accomplished, and at the same time ought to be disabused of popular misconceptions which have gained acceptance through the years.

Alcatraz is especially susceptible of misunderstanding since its mission is to handle the worst offenders in our entire penitentiary population.

The public needs to have a critical evaluation of our penal institutions from candid sources. If our prisons are to enjoy the confidence of the public, it is necessary for us to know about their objectives, the people who operate them, and their success in achieving the desired goals in their proper administration.

Such appraisals, furthermore, should come not only in the wake of prison riots or disorders. They should be made continuously. It is our responsibility to determine whether the prisons have adequate facilities and are properly staffed. It is equally our responsibility to ascertain that their programs are intelligently, humanely, and effectively administered. Only in this manner can we justify and assure the improvement of our penal institutions.

In short, we ought to have available at all times a realistic account of what our prisons are like and whether they are fulfilling their purposes.

Mr. President, throughout the years, many thoughts were planted in my mind concerning Alcatraz. Some of these thoughts, I now know, rested on fact, while others were fed by too much imagination.

Recently, I visited Alcatraz as a member of the Committee on the Judiciary. The opportunity to observe the plant at work and to discuss its problems at firsthand with the staff served to dispel many erroneous impressions and brought into sharp focus its factual side.

By the very nature of the institution, however, not very many persons can have the experience of viewing the workings of the prison so directly. It is, therefore, especially important that accurate, intelligent reports be made available. For this reason, I was very much interested in reading reporter Billotte's ably written articles. I found them vividly done, and factual. Moreover, they contained valuable insights applicable not only to this institution and the men confined there, but to our prisons generally.

P. J. Madigan, warden of Alcatraz, said that Mr. Billotte's stories "presented our institution in its true light without the glamour or ruthlessness which sometimes creeps into articles about Alcatraz."

I am confident that this kind of reporting will be of benefit to those who administer such institutions. They will be equally of value to all those who recognize the importance of such work and seek its steady improvement.

Mr. President, I ask unanimous consent that the series of articles referred to be printed in the body of the RECORD following my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the World-Herald, Apr. 19, 1959]

ALCATRAZ MAKES CONS TREMBLE

(By Bill Billotte)

ALCATRAZ ISLAND, SAN FRANCISCO BAY.—Six men in prison blue shuffled with queer, jerky motions up the ramp from the green and white launch bobbing at the dock.

Their handcuffed wrists were shackled to a chain around their waists.

They wore felt slippers. Leg irons caused their jerky walk.

Four of the men were whipcord-lean, one was heavy-set and the other had the build of a bank clerk watching his diet.

HARD-EYED STARE

They were preceded by three armed men who had moved to strategic spots on the small dock as the prisoners hobbled to a standstill.

All six prisoners had the hard-eyed stare of soldiers after too many days in combat.

One man looked back toward the huge rock looming out of the early-morning mist halfway across the harbor.

Slowly he turned his head toward the magnificent San Francisco skyline.

He breathed deeply, then said almost inaudibily:

"Man, oh man. Just look at it."

EARNED RIGHT TO LEAVE

This man and his shackled companions had earned the right to leave the 12-acre Rock.

The name of that Rock is Alcatraz. The names have become synonymous.

It is a name that makes the strongest of criminals tremble.

Later authorities told about the six. They had served an aggregate of 45 years on the Rock.

They were getting off because correctional officers, who had watched them during the years, said they were ready for another try in a regular prison.

Those six seemed as relieved as the average convict going home after completing a sentence.

Why do they feel that way?

TOUGHEST 1 PERCENT

Is it necessary for a free Nation to have a prison as tough as Alcatraz?

Is the expense, admittedly high, justified for 300 men when a prison such as Leavenworth can take care of more than 2,500?

Are the correctional officers at Alcatraz brutal?

How can they keep these men in line and eventually send them back to the prisons from which they came with a new slant on prison life?

What manner of men are these who comprise the toughest 1 percent of the entire Federal prison population of more than 20,000?

These articles will give you the answers.

[From the World-Herald, Apr. 20, 1959]

ON THE ROCK—NO-NONSENSE PRISON HOLDS "MOST RUTHLESS" CRIMINALS

(By Bill Billotte)

ALCATRAZ ISLAND.—What manner of men are confined on this natural rock fortress?

Cold statistics and the men responsible for holding them in custody will tell you they are the most ruthless criminals in America.

Two men who can provide most of the answers about the men at Alcatraz are Warden Paul J. Madigan and W. P. Irving, training officer.

Mr. Irving was senior correction officer more than 10 years. Warden Madigan is a solidly built man with steady blue eyes.

These officers tell you straight off that Alcatraz is a no-nonsense prison.

Warden Madigan said a new prisoner is told the same thing the day he checks in.

Correction officers are highly conscious that the inmate population of Alcatraz is made up of the problem prisoners of all other Federal institutions.

For a decade some Members of Congress have made an issue of the tax money required to operate Alcatraz.

They point out that it takes $10.34 per day to sustain an inmate.

For all other Federal institutions the average is $4.58.

Critics further claim that Alcatraz is the white elephant of the Federal prison system because it is not centrally located. The cost of transporting prisoners is high.

They say the constant battering of the sea corrodes installations. And one prison employee is required for every three prisoners.

The critics also say it is impractical to have a prison so isolated that even the fresh water has to be brought in by tanker.

But Warden Madigan answers:

"I think the money is well spent. We take the pressure off all other Federal correctional institutions. The men they send to us are all problem cases.

"Other Federal prisons have extensive rehabilitation programs. If these programs are to function properly, those prisons must be relieved of the tensions created by men who think of nothing but escape."

As the worst troublemakers in each prison are weeded out, they are sent to Alcatraz, said the warden.

Prisoners are not sentenced to this prison.

"They earn their way on and they earn their way off," Warden Madigan said.

Millions of dollars probably have been saved at other institutions because prisoners who would have led rebellions have been sent on to Alcatraz, Warden Madigan said.

[From the Omaha World-Herald, Apr. 21, 1959]

ON THE ROCK—ALCATRAZ COUNTS MEN CONSTANTLY

(By Bill Billotte)

ALCATRAZ ISLAND.—One word describes the security measures in this prison:

Incredible.

Aided by nature, which sends riptides swirling around these 12 acres of solid rock, Federal authorities have taxed their ingenuity to provide other safeguards.

The 300 prisoners are counted every 25 minutes, day and night.

About the island and in the cell blocks, there are innumerable "snitch boxes" which locate any metal object on you.

There are no trusties. No prisoner walks anywhere on his own.

There is no commissary—a great privilege of the inmates of other prisons.

The men of Alcatraz can buy nothing, read no newspapers. They may talk only during specified periods.

Relatives are permitted to visit prisoners 1 day each month but must arrange the visit in advance. Attorneys with legal business may visit by prearrangement with prison officials.

Tear-gas bulbs set in the ceiling of the dining hall hang over the prisoners' heads as they eat.

All the security buildings are located on the crest of the Rock. A steep road circles upward to that peak.

There is a huge gate with bars of steel as you step through the door into the main building. The gate is controlled by an officer locked in the control room.

Only he has the key to this room. It is a protection against convicts ever taking over the prison.

The control room is a closed cubicle protected by 2½-inch bullet-proof glass with closed gun ports which can be opened only from the inside.

Pistols, machineguns and tear gas are locked in a vault accessible only from the control room.

The officer on duty passes out rifles and revolvers to the armed correction officers. No officers who come in contact with the prisoners carry weapons.

The control room also has an elaborate communications system to all parts of the prison. This includes the eight guard towers and the Coast Guard.

Beyond two more locked gates in the center of the prison are the cell blocks—A, B, and C. Cell block A is never used because it is made of soft steel, a carryover from the days when Alcatraz was an Army disciplinary barracks.

The other two blocks have a total of 336 cells. Each block has three tiers of one-man cells. Each row is locked from a control box at the end.

Here is one example of the security on Alcatraz:

As I was preparing to leave the island I was taken to the dock by an officer. He stood away from the launch and signaled a tower.

The man in the tower sent a key sliding down the cable to the officer below. The officer took the key and unlocked the cable that was mooring the launch to the dock.

Then the launch was searched. Meanwhile every prisoner on the island was counted.

A whistle was sounded on the launch. Only then was I permitted to step onto the boat for the trip across the bay.

ON THE ROCK—MANY HAVE TRIED; NONE ESCAPED

(By Bill Billotte)

ALCATRAZ ISLAND.—Seven inmates and three officers have died in daring but futile escape attempts from the Rock.

The bloodiest and most tragic in the 25-year history of the prison started on the afternoon of May 2, 1946. It ended 36 hours later.

When the last gun smoke and tear gas drifted off the island, 3 convicts and 2 guards were dead, and 15 others wounded.

The two ringleaders were bank robbers. The escape had been planned for months.

Joseph Paul Cretzer, killer of a U.S. marshall and perpetrator of nine daylight bank robberies, made most of the plans.

He had been sent to Alcatraz after he and another convict had captured a dump truck on McNeil Island Prison. They used its uplifted body as a shield to drive through a hail of gunfire to crash the main gate.

His companion was Bernard Coy, who had a record of escape and who boasted that no prison could hold him.

He was right.

Both he and Cretzer went off the Rock at the end of the break. But they went in plain pine boxes.

Five other convicts joined Cretzer and Coy in the plot.

Success in the opening stages depended upon capturing guns from an officer, stationed in a cage and gun gallery. He kept order in the main cell block.

The time was 2:30 p.m.

Coy made a bold, acrobatic climb to the cage and pried his way in with a bar made of plumbing fixtures. In this gun gallery was Officer Burt Burch armed with a .30-caliber rifle and a .45-caliber automatic pistol.

The opportune moment came when Officer Burch was at one end of the gallery. Coy slipped in through the pried opening in the bars, surprised Officer Buch and knocked him unconscious.

Coy stripped Officer Burch of his coat, took gas grenades, the rifle, automatic and some gas masks. He kept the rifle and gave Cretzer the automatic.

Both men still had the weapons when they were killed.

The courage of one correction officer, H. W. Miller, thwarted the escape.

Despite a savage beating and fatal gunshot wounds, Officer Miller hid the one vital key that would have permitted Cretzer and Coy to enlist the aid of other convicts.

The prison launches and Coast Guard boats circled the grim Rock throughout the siege. A contingent of Marines was brought in.

Although Cretzer knew within the first few minutes the escape attempt had failed, he held out for 36 hours.

Shouting curses and threats at the authorities, Cretzer told his fellow convicts:

"We are as far away from San Francisco as ever."

There were many other escape attempts. Watchful sentinels on the Rock believe there will be more.

But they are betting on the Rock.

[From the Omaha World-Herald, Apr. 24, 1959]

ON THE ROCK—SELFISHNESS KEY TRAIT AT ALCATRAZ

(By Bill Billotte)

ALCATRAZ ISLAND.—"These men demonstrate every day why they were sent here."

The speaker was square-jawed Training Officer W. P. Irving who has spent 13 years with America's most dangerous criminals.

Selfishness is the basic emotion of the men confined on Alcatraz, he said, adding:

"Do you know why we could never have a good band or a baseball team on this island?

"I'll tell you why. Each guy in the band has to play a solo—he doesn't care anything about harmony. He wants to be the lead instrument.

"It is the same in baseball. They don't care which team wins the game. Each one just wants to prove that he is top dog. He will run over a teammate to make the play."

Officer Irving smiles when you mention the desperate loyalty one inmate has for another as portrayed on television and in the movies.

"These men care nothing for each other," he said. "I have heard them joke about an inmate minutes after he died out there in the bay.

"I have watched them when one was telling another about some small good fortune that had come his way. Always the one who was listening was impatient. He wanted the other to finish so he could start talking about himself.

"The first reason for which they were sent to prison was because they were so egotistical they would not obey the rules of society. The reason they are on Alcatraz is because that first fall meant nothing to them. They tried to run the prison.

"Here, their kind is a dime a dozen. When they start to realize that they are just another bunch of Federal prisoners doing time they have taken the first step back."

Lt. James T. Mitchell walked into the room. He was in civilian clothes ready to return to San Francisco after finishing his 8-hour shift.

He is a huge man with a round jovial face. He has been a correctional officer for 12 years. "When you come into contact with these men day after day you have to guard against letting them win your confidence," he said, "They will go for days trying to make you think you are working at a boys' reformatory.

"Then the minute you relax—wham. And when they hit, they hit hard."

Officer Irving laughed when Lieutenant Mitchell left.

"There's a guy who has fooled many an inmate. Notice how big and soft he looks? Well, Jim is as hard as nails. He can sprint like nobody's business and climb like a monkey."

[From the Omaha World-Herald, Apr. 24, 1959]

ON THE ROCK—LAW MOST POPULAR READING IN STIR

(By Bill Billotte)

ALCATRAZ ISLAND.—What do the inmates do to keep from going stir-crazy?

Not even the authorities who run things on this barren rock pretend that the men have an easy time.

At certain hours of the day and night when the convicts are locked in their cells they can read or listen to restricted radio programs through headphones.

All have periods when they can exercise in the recreation yard. It measures 45 by 90 yards.

Most of the men work in shops making gloves, furniture, clothes or brushes. Those who do not work get no time off for good behavior.

The convicts are locked in their single cells about 5:30 p.m. and remain there until 7:15 a.m.

What is their favorite reading?

Law books.

There are probably more authorities on the writ of habeas corpus than in some law schools.

That is the law which Webster's will tell you "inquires into the lawfulness of the restraint of a person who is imprisoned or detained in another's custody."

"And, believe me, that is a law the boys out here never tire of exploring," said Training Officer W. P. Irving.

"There have been times when I thought the Rock was getting me. A prisoner comes up and says 'I know they can't hold me and you know it—I'll be long gone in a couple of weeks * * * I have a writ of * * *'

"Well, 3 years later the same guy walks up to me and gives me the same line for the umpteenth time. But he is still here.

"One of the few things a convict can spend money on is legal help from the outside."

The records on the Rock show that more than 1,700 convicts have filed appeals since the prison became the top security institution of the Federal system in 1934.

A number of them have gone as far as the U.S. Supreme Court.

How many succeeded?

Eleven.

A few were sent back to trial courts for further action.

But the curiosity of the inmates spreads into many fields. Although they are not allowed to read newspapers, each may subscribe to eight magazines.

Every prisoner uses the privilege to the fullest. Some magazines that appear on the convict lists are surprising:

Good Housekeeping, Successful Farming, Fortune, New Yorker, American Builder, Better Homes and Gardens, Ebony, American Chess Bulletin, Motor Trend, Metronome, Down Beat, Field and Stream, the Reader's Digest, the Cattlemen, Bridge World, Yachting, Supreme Court Reporter, Federal Reporter, U.S. News & World Report, American Pigeon Journal, and Pacific Poultryman.

Officer Irving said that although only a few inmates have finished high school before coming to the rock, they read an average of 80 books a year.

[From the Omaha World-Herald, Apr. 26, 1959]

ON THE ROCK—"SERVE POOR FOOD AND YOU HAVE TROUBLE IN PRISON"

(By Bill Billotte)

ALCATRAZ ISLAND.—The basic concept for the treatment of prisoners on Alcatraz has changed little since the prison's start in 1934.

Shortly before that the country became shocked and frightened by kidnapings, bank robberies, gang killings, and other atrocious crimes.

Congress passed a number of new laws giving the Federal Bureau of Investigation and some other Federal law-enforcement agencies jurisdiction over some offenses previously under the States.

Attorney General Homer Cummings led a vigorous drive to capture and severely punish the criminals.

It was decided that as a part of the campaign an institution should be established which would feature maximum security and minimum privileges.

Thus Alcatraz, which had been a military disciplinary barracks, became a Federal prison.

Then and now, authorities say, the intention was to deflate the big-shot, impress upon him that he is a tinhorn misfit who hasn't the courage to make a legitimate living.

The rules are laid and the prisoners follow them. The authorities are too impersonal to be brutal. But if an inmate swings at an officer he ends on the floor.

And he loses some of his few privileges. The cells in D block, which are called the special-treatment cells, await those who want to do it the hard way.

The food is as good as is served in the average middle-class home.

Here is a lunch I ate:

Mock veal cutlets, boston baked beans, fried cabbage, buttered beets, catsup, mustard, tossed salad with dressing, bread, cabinet pudding, fruitade and hot tea.

A typical supper:

Cream of tomato soup, roast ham, celery dressing, natural gravy, snowflake potatoes, creamed corn, hot rolls, braised spinach, chocolate milk, combination salad, coffee, applesauce, bread, butter, ice cream with butterscotch sauce.

The meals, as any penologist will tell you, loom as large events in a prisoner's life.

"Serve poor food and you've got trouble," is the answer to anyone who criticizes the grocery bills.

What tortures the men on the Rock, the authorities say, are the fleeting glimpses of San Francisco's skyline through a lifting fog, the glittering lights that change it into a multicolored necklace flung up against the sky on a clear night.

They can see it. But they can't touch it.

THRONG OF YOUNGSTERS GROWING UP ON ALCATRAZ ISLAND

(By Bill Billotte)

ALCATRAZ ISLAND.—Not all who live here are criminals shut off from the world because of their violent acts against society.

Here, too, live the families of many of the men who run the prison.

Every morning a throng of fresh-faced youngsters with lunch buckets and books heads for the dock to take the Alcatraz trolley for San Francisco and a day in school.

Some of these youngsters have lived on the Rock all their lives. They grow under a set of rules that other youngsters their age could not even comprehend.

Their playgrounds are surrounded by high wire fences. But they are well equipped.

The gleeful shouts of the kids mingle strangely with the mournful hoots of the freighters and Navy fighting craft that nose their way cautiously through the fog of the bay.

The youngsters have been briefed carefully about their behavior on this off-beat 12-acre island. They cannot wander at will, although the mystery that broods over the Rock must sometimes entice the more adventurous.

If any of the children were seized as hostages, the convict would have a strong bargaining position.

The children, ranging from five to those in high-school age, board the launch *Warden Johnston* shortly after 8 a.m. on school days. They are transported 1½ miles across the bay.

Usually there is a scattering of officers' wives riding with the kids. The women may spend the day shopping, have a date at the beauty shop or to take in a movie.

Wives skip movies of the gangster type. Families on the island do save money. Rents range from 16 to 35 dollars a month.

Prison authorities approve because the officers are immediately at hand should there be a break. All officers are subject to emergency call but those living off the Rock would be delayed in reaching their posts.

About one-third of the employees live on the south end of the island. Clustered about the old parade ground that once resounded to bugle calls are small bungalows, apartment buildings and bachelor quarters.

The playgrounds are nearby.

In the fall of 1956, the Rock became the site of a wedding.

Pretty 17-year-old Ann Burrows was married to Willis J. Palm, 26, a plumbing-supply firm employeee who refused to let the difficulties of an Alcatraz courtship discourage him.

They met "right where the boat comes in" at San Francisco, from the Rock. They dated frequently, each time requiring recognition from the tower officer when Ann was escorted home.

"There wasn't much chance of fooling any one about what time you got in," said Ann.

ON THE ROCK—AVERAGE STAY IS ONLY 5 YEARS

(By Bill Billotte)

ALCATRAZ ISLAND.—There are several popular misconceptions about this most-talked-of prison in the Federal system.

Probably the oftenest mentioned is that the oldest installations on the island were built by the Spaniards.

Interesting but untrue, says Warden Paul J. Madigan, a student of Alcatraz history.

Just about the time members of the American Congress were completing the first draft of the Declaration of Independence, a Spanish brigantine dropped anchor to windward of the island.

A helmeted conquistador, Lieut. Juan Manuel de Ayala, and part of his crew rowed ashore. They took possession for Spain.

Lieutenant Ayala looked long at the birds that were making the bleak rock their home and wrote on his map "Isla de Los Alacatraces," the "Isle of the Pelicans."

For 70 years it remained just a refuge for sea birds. In 1948 the last Mexican Governor of California granted it to a man named Julian Workman, with the understanding that he establish "a light which may give protection on dark nights to the ships and small vessels which may pass there."

His heirs gave the island to the U.S. Government in 1850 when California became a State.

It was made into a highly fortified spot against enemies who might want to attack from the Pacific. It remained a fort until the end of the century.

Alcatraz then became a disciplinary barracks for the military. During the Indian Wars many a bonneted chief spent gloomy days staring into the foggy bay.

Warden Madigan was a guard in the early Federal Prison days when inmates were not even permitted to talk to each other.

"I have a hard time convincing people that the men who are sent to Alcatraz do not spent their lives here." Warden Madigan said. "As a matter of fact the average stay is 5 years.

"It is all up to the prisoner. Once we are convinced he can rejoin the prison population in another institution and behave himself, he is sent on his way."

No playing cards are allowed on Alcatraz.

But the prisoners have worked out a system using dominoes.

They carry the dominoes in bags, have a board they erect in front of the dominoes so the other participants in the game can't see their "hand."

"We have bridge players who could hold their own in fast tournaments on the outside," said Training Officer W. P. Irving. "You can hear the prisoners arguing the merits of the Culbertson or some other system as they walk back and forth in the yard."

[From the Omaha World-Herald, Apr. 28, 1959]

ON THE ROCK—CAPONE RACKETS STOPPED AT WALL

(By Bill Billotte)

ALCATRAZ ISLAND.—Has Alcatraz fulfilled the mission for which it was intended when an aroused Congress struck against big-time crime in the early thirties?

Those who run the prison say it has.

When Al Capone, probably the all-time kingpin of American crime, arrived at Alcatraz he became just another bewildered crook.

An authority explained:

"In the Atlanta Prison Capone abused the privileges extended to the inmates as an integral part of an overall reformative program. He tried to capitalize on them by getting officers to work with him.

"In other words, he sought to carry on rackets from inside the prison. Upon his commitment to Alcatraz, it was necessary to admonish him several times.

"For he found the discipline more rigorous than in other prisons. After his initial tenseness had passed, however, Capone made an average adjustment."

And that is the story of the Machinegun Kellys and all the rest of the hoodlums who carried their underworld influence into other prisons before coming here.

Now an $185,000 improvement program is well on its way and other plans are on the drawingboard for Alcatraz.

The general opinion is that Alcatraz will be the top security prison for many years.

Nebraska Senator ROMAN HRUSKA, who visited the institution on behalf of the National Penitentiaries Subcommittee of the Judiciary Committee, said:

"Throughout the years many thoughts were planted in my mind concerning Alcatraz. Frankly some were good and some were not. Some rested upon fact and others came from a lively imagination.

"The opportunity to inspect the institution and to discuss its problems with custodial staff and the administrative personnel served to dispel many erroneous impressions.

"Of course, I was immensely impressed by the intense efforts which were pursued to maintain maximum security standards.

"After an inspection, it was readily apparent to me why there is such a high maintenance cost at Alcatraz."

Senator HRUSKA said that although the geographical location and physical equipment of the prison make it expensive to operate, the "Bureau of Prisons considers it so important as a crime deterrent that its continued operation is planned." He added:

"The warden and his staff have a grim task to perform. You leave the place with a genuine respect for the resoluteness and yet the humanity with which they daily carry out their duties."

CONSERVATION OF NATURAL RESOURCES

Mr. DODD. Mr. President, although the hour is late, I feel an obligation to make a statement concerning the conservation of our natural resources, since the press has been notified of my intention to speak on this subject today.

The PRESIDING OFFICER (Mr. Moss in the chair). The Chair interrupts the Senator from Connecticut to say that he has read the statement which is about to be made by the Senator. The Chair commends him highly for his presentation of the problem and his approach to it.

Mr. DODD. I thank the Presiding Officer, the distinguished Senator from Utah. That was a very generous and kind thing for him to say.

I feel this is a matter of grave importance. It is not a dramatic subject. I did not expect, when I prepared my remarks for delivery, that it would capture the headlines or attract any attention at all as a speech made in the Senate. But it is a matter about which we cannot say enough, because I believe it is one of grave importance for all of us; and because it is a grave matter, we must all put our minds to it.

I am especially hopeful that somewhere, somehow, it will be possible to attract attention among those who will take the time to read what has been said. Then perhaps we can get action. I hope the statement will receive attention in the White House, first of all, and later, I hope, in Congress, at the time when studies are made of our mineral resources, but principally and more properly studies of our natural resources.

Mr. President, the mineral resources of this planet are limited; but the appetite of man, while the earth endures, is unlimited. Herein lies a great enigma, an apparent contradiction which casts a fearful shadow over prospects for continued human advance.

The succeeding stages of civilization, the ages of stone, bronze, and iron, are delineated by, and named after, man's progressive mastery of the use of minerals.

Logic dictates that at some point in time, unpredictable, but no less certain, the falling curve of mineral deposits will intersect the rising curve of mineral consumption. When that point arrives, unless man has evolved another material basis for his civilization, his brief hour of abundance and progress will signify just another temporary phenomenon, an interesting curiosity, a cheerless footnote in the endless geological history of our planet.

How close are we to that point of mineral exhaustion?

Not until this century did men unlock the secrets of the earth sufficiently to challenge the adequacy of its resources.

It was not until the era of Theodore Roosevelt that alarm over natural-resource depletion resulted in a national conservation movement. And since the death of Theodore Roosevelt in 1919, more of the earth's mineral resources have been consumed than during the entire period of man's existence on earth prior to that time.

At midcentury, President Truman appointed a distinguished commission, headed by William S. Paley, to draw up a balance sheet of our total mineral assets, contrasted with our foreseeable needs.

On June 2, 1952, this President's Materials Policy Commission published one of the most significant Government reports ever made. The exhaustive survey of the Commission sought to answer this question: Has the United States of America the material means to sustain its civilization?

The answer, spelled out in five volumes, was conditional. If we embark upon a comprehensive program of conservation of present mineral resources and development of new sources of supply, we can sustain our civilization. If we do not, our days as a secure and prosperous people are numbered. That was the message of the Paley Commission.

Seven years have passed since the publication of that definitive study. While significant accomplishments have been made in some areas, the comprehensive national program called for in the Paley report has not been devised or enacted. The diminution of our natural resources has proceeded at an accelerated pace.

So the time has come, Mr. President, I believe, to restate this urgent problem, to renew the plea that long overdue remedial action be taken, and to suggest some lines of attack.

I do not pretend to speak as an expert on conservation. I have no special qualifications in this field. To the many people who have spent a lifetime studying this question, my remarks today may seem quite elementary. But though my concern with conservation has been as a layman, it has been nevertheless the concern of a lifetime. My interest started when, as a schoolboy, I studied the writings and deeds of Theodore Roosevelt, Gifford Pinchot, and the other early leaders of the conservation movement. That interest has continued through the years. At this moment I recall particularly the writings of the late Bernard de Voto, who for so many years eloquently and tirelessly pleaded this great cause.

Mr. President, as I speak of him, I am reminded that when I was in the House of Representatives he called on me and he counseled with me. We spent long hours together, talking about this great problem. I owe him a great debt for stimulating the interest I had at that time and for increasing my interest in this whole subject. He was a great man, and a leader of those who believe in conservation.

Mr. President, I have come to feel that in the long run there is probably no program more important to the future of this country and to the welfare of future generations than a dynamic program of conservation.

The facts I shall state are not new. The suggestions I make are not original. But we shall not act with urgency and decisiveness until the truth of these facts and the soundness of these suggestions have been pointed out so often that the Nation will no longer delay.

This is the motive that impels me to speak today.

Here are the facts:

Ninety percent of our virgin timber stand in the commercial forest area has been cut. We are using up our inventory of saw timber at a rate of 40 percent faster than its annual growth.

The erosion of our soil and the destruction of our agricultural lands have been a national disgrace, and may become a national clamity.

Even our supply of water, once considered unlimited, is now proving inadequate in widespread sections of the country, due in considerable measure to soil erosion.

Our annual consumption of minerals is more than 6 times what it was in 1900, at the beginning of the conservation movement.

The United States, once a large exporter of raw materials, has for some time been a large importer. Last year, more than 10 percent of our raw materials came from foreign sources. This year, that figure must increase. Next year, it will increase further.

At one time, we were huge exporters of copper, lead, and zinc. Now we are the world's largest importers of these materials. Our imports of iron ore are

constantly increasing. Only the artificial, restrictive policy of the administration prevents our petroleum imports from skyrocketing.

As of today we are at least partially dependent upon foreign sources for every basic basic metal except magnesium and molybdenum.

Turkey and the Philippine Islands are now our chief sources of chrome. Africa and South America provide a large part of our copper. We are dependent upon the Far East and Bolivia for our tin. We have been importing large amounts of petroleum from South America and the Middle East. Much of our iron ore comes from Liberia and Labrador. With each passing year, our dependence upon more and more foreign sources of supply will grow.

Of 100 minerals in common industrial use, only one-third are entirely supplied by domestic producers. Another one-third, including such basic minerals as iron, petroleum, copper, and lead, are obtained partly from abroad and partly from home. The final one-third are provided almost entirely by foreign sources.

Some may draw comfort from the fact that the forecasts of mineral exhaustion in past decades have been proven unwarranted by discoveries of vast new reserves and by technological advances. But that comfort should dissolve when we speculate for a moment upon the fantastic increase in mineral consumption which has taken place and which will take place in the immediate future if present trends continue.

Three principal factors cloud the future: First, in the past 40 years we have consumed more minerals than those consumed during all the prior period of life on earth. Second, population experts tell us that more people will live in the 20th century than the total of all those who have lived previously since the creation of man. Third, up to now only a very small percentage of the earth's population has been responsible for this tremendous consumption of minerals. But as the drive for industry gathers steam in the underdeveloped nations, consumption figures will multiply at rates that are almost impossible to comprehend.

The United States is peculiarily dependent upon mineral resources.

Our national goal is an ever expanding standard of living for an ever growing population. Our society, more than any other in the world, is dependent upon the constantly increasing consumption of raw materials. Our people use eight times more of these materials per capita than do the other peoples of the world. At present, the average American consumes 18 tons of raw materials each year.

Let us for a moment speculate on our approximate materials position as it will probably be in the year 1980, based on a projection of present trends.

By 1980, the United States will be consuming 50 percent more raw materials annually than it does today. Mineral consumption will be 90 percent greater than today. Our consumption of nonferrous minerals will be 85 percent greater; our use of mineral fuels will be 97 percent greater; that of construction materials, 35 percent greater; and that of nonmetalic minerals, 133 percent greater.

Our population will be in excess of 225 million. Our gross national product will exceed $600 billion.

To expand our economy at present average rates will require doubled and redoubled supplies of many raw materials which already are in short supply.

Our dependence on foreign sources for the 26 most important materials, from antimony to zinc, will range from 25 percent to 100 percent. All supplies of such vital minerals as chrome, corundum, industrial diamonds, graphite, quartz, nickel, and tin will have to come from overseas. As a matter of fact, this is largely the situation right now.

How long will foreign sources of supply prove sufficient for our deeds? More than 2½ billion tons of 30 leading minerals are mined annually throughout the free world. This amount is irreplacable; once removed from the earth, it is gone forever.

There are no exact figures on worldwide mineral resources; and we do not know exactly how much is being consumed.

The experts say that at present there are no critical shortages of vital materials. But they also say that shortages are inevitable, even if present rates of consumption are maintained—and we know that these rates will be sharply increased.

And even if foreign resources were adequate for the foreseeable future, how long will these foreign sources of supply continue to be available to us? That depends on what action we take in the months and years ahead.

Our growing dependence upon foreign supplies will greatly change our position in world affairs.

Four dangers to the United States are posed by the problems I have just outlined.

The first is the military danger. As our great industrial machine becomes more and more dependent upon foreign sources of supply, our national defense becomes more and more vulnerable. If a protracted global war is still possible in this nuclear age, the danger of a cutoff of vital supplies is paramount; and this weakness could well be our Achilles heel.

A second, and more likely, danger is that Communist penetration into resource areas of the world, combined with the future reluctance of newly industrializing nations to provide us with the raw materials they will need for themselves, may so reduce our supplies as to progressively impair and undermine our economy and, with it, our military strength.

The third danger is related to the second. Mere availability of raw materials is not enough. They must be available at prices low enough to make their use possible. For instance, we already know how to convert salt water into fresh water. But we cannot do it economically enough to justify the use of this process.

As our native resources become less and less accessible, and as the competition for worldwide resources becomes keener, the cost of obtaining these materials will become greater and greater. A principal ingredient in our prosperity has been cheap energy and cheap sources of raw materials; and these increased costs would inevitably and remorselessly force down our standard of living.

The fourth danger, and the one most distant, is that the world's expanding rate of materials consumption will at length exhaust the earth's supply of minerals, one by one. If technology does not succeed in developing substitutes, if our material civilization is unable to change its base, then that civilization will disappear, and man's abundance will vanish with the natural resources that made it possible.

These, in brief, are the dangers that we face. Fortunately, there are many in this country and in the world who are aware of them, and who have sounded the alarm. We have been given ample advance warning.

But the warning has not been adequately heeded. Seven years after the publication of the Paley report, these dangers loom more imminent than they did at the time when the report was made.

What shall we do?

Before we can act, we must have up-to-date, current figures and estimates upon which to base our action.

Therefore, Mr. President, I recommend that a new Materials Policy Commission be appointed by President Eisenhower. I recommend that the Commission undertake a study commensurate with the study of the Paley Commission; and that, unlike the Paley Commission, the new Commission emerge with a comprehensive program of specific legislative proposals.

Almost 10 years have passed since President Truman decided to appoint the first Materials Policy Commission. I believe that such a time interval is the maximum that should be allowed between definitive studies of a problem so fundamental, complex, and changing.

No individual Senator has the competence or the staff facilities to make the extensive investigation and the comprehensive evaluation that this problem requires. So many problem areas are involved, and the jurisdiction over these areas is so widespread among the agencies of the executive branch of Government and among the committees of Congress, that the individual agencies and committees are not equipped to adequately tackle this question. The Bureau of Mines, for instance, has an extensive and many-sided program for conserving mineral resources, which includes yearly estimates of reserves, exploration for new reserves, the development of substitutes for scare minerals, and other activities. But even this program, considerable as it is, involves only a small area of the total natural-resources problem.

That is why I advocate a new Materials Policy Commission, with authority to examine all aspects of this problem, with sufficient facilities to accomplish

this task, and with the responsibility for recommending a specific, balanced, and fully integrated legislative program.

While we are waiting for authoritative recommendations, we need not stand idle. The suggestions of many past commissions and committees and the dictates of our own commonsense outline a course of action which we can pursue.

We must develop and expand all available foreign sources of raw materials. Our foreign-aid program has a special role to play in this. Aid to underdeveloped areas, to assist in the development of untapped resources, should have high priority. This is the most important and effective type of foreign aid. This is the kind of aid that will do most to help our friends around the world, and to help ourselves as well.

Through the World Bank, the Export-Import Bank, the International Finance Corporation, and other such agencies, more capital must be channeled into resource development.

We must take a long, hard look at our attitudes and policies regarding foreign trade. Within a few years the United States will become just as dependent upon imports as many European nations are today. Consequently, we shall find it absolutely essential to sell abroad ever-increasing amounts of manufactured goods, in order to pay for imports of raw materials. Before long we shall have as great a need for foreign currencies as other nations now have for American dollars.

Foreign trade is now, and will continue to be, the lifeline for the United States and for the rest of the free world. A liberalization of our reciprocal trade policy is as essential to conservation of vital resources as it is to the growth of commerce.

The protectionist policies of our country which have discouraged imports of some raw materials must be reexamined. No temporary advantage for any particular industry should be placed above the national interest. This national interest is best served by encouraging imports of the raw materials of which adequate domestic supplies are not guaranteed for the foreseeable future.

It is often argued that if increased imports of certain raw materials were allowed, the domestic industries engaged in mining those resources would go out of business, exploration for new deposits would then cease, and our country would become totally dependent upon foreign supplies.

This reasoning has frequently been accepted by Congress; but it should now be reexamined. If we discourage imports of relatively scarce materials until we have exhausted our domestic supplies, we shall indeed become dependent on foreign supplies, and that dependence will be total and final.

I suggest three alternative lines of action which I think offer hope of a more prudent solution to the problem.

We can expand our stockpiling program to the extent necessary to provide adequate supplies of critical materials to tide us over any reasonable emergency period. We can promote various methods of Government assistance to these resource industries, so as to keep them in working operation on a level sufficient to permit rapid expansion to meet the needs of a prolonged emergency.

And we can provide that in the case of such industries the Federal Government will assume a substantial responsibility for carrying on the search for new sources of materials within our own borders, a search that would otherwise end if domestic producers went out of business or sharply curtailed their activities. I realize that this is an extremely difficult and complicated question, and that each industry is entitled to individual consideration of its case. I hope the proposed Materials Policy Commission study will thoroughly probe these questions.

The success with which we acquire, for our own use, the raw materials of the world will bring its own problems. While underdeveloped nations need the money we have to pay for their raw materials, they cannot help but feel resentment at the loss of materials they may need for their own future development. Eight percent of the non-Communist world cannot go on using up 50 percent of the resources production of that world without arousing a fierce resentment. As knowledge of the shortage of resources spreads throughout the world, we can well understand the feelings of leaders of underdeveloped nations who see their raw materials being exploited to sustain what must seem to them a fantastically extravagant mode of living in the United States.

For practical and moral reasons, we must work out a policy for exploiting natural resources that is for the benefit of the entire free world, and not just for the fortunate minority that lives in the United States.

Our conservation program must therefore call for the most careful use of our own resources while we strive to develop a technology that will make possible man-made substitutes that will solve not only our own problems, but those of the whole world.

A great contributing factor to the decline of our resources has been the enormous waste in extracting them. About 50 percent of the commercial grades of coal are left in the ground during the process of mining. More than one-half of the petroleum in a pool is never recovered. Enough natural gas is wasted each year to supply the needs of millions of homes.

Here we come face to face with a basic question of government philosophy.

During the 50 years that we have had National and State conservation programs, their effect has been limited largely to the public domain. Where regulations have been imposed on private property, the usual purpose is to protect adjoining property holders from injury.

We have never clearly defined the legitimate interest which the Nation and future generations have in the conservation of all natural resources, whether publicly or privately owned. In most States a timberland owner is still permitted to wantonly destroy forests. A coal operator may mine only 5 or 10 percent of a vein. Farmers may destroy or abuse their property at their own pleasure.

As we leave the era of abundance and enter the era of scarcity, all of our national resources take on a national importance that transcends commercial rights or private whims. We must devise a body of National and State laws which will preserve our national heritage from private ignorance and private neglect.

This will not be easy, and the first step is to promote public awareness of the danger we face, because regulatory laws will never be passed and enforced until there is public acceptance of the principle behind them.

What is that principle?

It is, I think, that while men have a right to use natural resources, they have no right to abuse them. With the right to use, goes the obligation to protect the same right to use for future generations.

And when the scarcity of resources reaches the extent that their conservation becomes a vital national interest, then the Nation is compelled to enact regulatory laws to protect that interest.

The discovery of new resource reserves offers the most hopeful immediate remedy. We must push ahead in completing topographical and geological surveys of our own country. We need not assume that the United States has been just about explored out. As of recent date, available geological maps cover only about one-seventh of our country, and topographical maps cover less than half of its land area. It is generally agreed that undiscovered mineral sources may well be far greater than those already found and exploited.

The 85th Congress enacted legislation which makes an advance toward an adequate program of Government-sponsored exploration, in partnership with business. But this year the House Appropriations Committee failed to grant the modest appropriation requested by the Interior Department. I hope that we shall deal more adequately with the needs of this vital program in the Senate.

Our remaining publicly owned timber resources, waterpower sites, and grazing lands must be zealously protected from selfish exploitation by special interest groups.

Thus far we have dealt with methods of conserving known resources, developing foreign supplies, and discovering reserves which exist but have not yet been found.

These activities, important as they are, are really only delaying actions in the fight against scarcity.

The essential element in any successful conservation program is the element of creativity. Technology offers the only final solutions.

The Government must expand its research assistance to business in developing ways to use lower quality materials. Only a comparative handful of known minerals are useful to industry today. Silicon, for example, is the most abundant metal in the earth's crust, but its industrial application is still very limited. Scientific research will find uses for many of these unused materials. This is one of the principal hopes we

have for sustaining man's material progress in an age when stores of present industrial minerals are declining.

Only recently, an important breakthrough was made in converting oil shale, of which we have an almost limitless supply, into petroleum.

We are only at the beginning in our efforts to tap the vast mineral sources of the ocean and to make ocean water useful to agriculture and industry. Such research as this is essential to the future of this Nation and should be encouraged and assisted in every way by both Government and industry.

We must improve our methods of industrial reclamation. It is almost impossible to overestimate the potential of scrap of all kinds. Private industry is developing better and better methods to reclaim metals, and as these methods are developed, National and State regulations may be necessary to insure that proper use is made of them.

Government must also further encourage the development of synthetic materials.

We are faced, within the next generation, with the fantastically complex problem of developing artificial minerals and synthetic products to take the place of declining natural resources. To do this will require a technology far beyond what we have now, and a people possessing technical skills far superior to those which they possess today.

This technology is not the task of a few scientists. It is a task which cannot be accomplished without great numbers of professionally trained people and skilled technicians.

Our greatest undeveloped resource is the intellectual potential of our children. At present we are not even beginning to produce the quality and quantity of students needed for the future. Improved public and private systems of education are an essental part of an adequate conservation effort, and the Federal Government has a vital role to play in this improvement.

As a Nation, we are not making the needed effort either to build an adequate education plant or to properly provide for our teachers. But an effective program of education means more than erecting additional buildings and matriculating ever larger numbers of students.

We must place greater emphasis on the value of education in our national life, and we must insist upon higher standards in our schools.

The beaux ideals of American life today are not the men of learning, the Dr. Salks, or the Dr. Tellers. If financial reward and public acclaim are any indications, we seem to reserve this niche for our athletes, for movie stars, for rock and roll singers, and for others who contribute to national entertainment, but not to national improvement. We, the parents of this country, by our deeds, have not placed the proper value upon education. How then can we expect our children to?

And we have failed to set up adequate standards of excellence for our schools to meet. The United States is the only advanced Nation in the world which does not have national standards of excellence in education. A high school diploma here can represent 4 difficult years of scholastic achievement, or it can represent 4 easy years of poor grades in a watered-down course of study which includes such subjects as driving, cooking, grooming, etiquette, and the other commonplaces of daily life that should be learned at home.

A university degree may represent years of disciplined mastery of the arts, the sciences, and the humanities, or it may represent little more than a high school education.

All of those who employ the products of our colleges are well aware that it is possible to graduate from many American universities without knowing how to spell or how to write clearly or coherently, without competence in any foreign language, without a fundamental knowledge of mathematics, and without any real knowledge of the literature, culture, and history of our own people.

This is a strong indictment, but those who have had experience with the products of our system will agree that it is a fair indictment.

We shall have to do better than this if we are to solve the technical problems that now begin to press us on all sides.

Our use of the earth's resources has enabled us to attain a standard of living and a technological potential which makes it possible for us to succeed in the technical goals which I have been discussing.

We have a heavy obligation to future generations and to the peoples of the world whose resources we have exploited. We can meet this obligation by freeing mankind, through scientific progress, from its dependence on the earth's limited mineral wealth.

The most important manmade substitutes developed thus far are synthetic nitrogen, synthetic rubber, and atomic energy. It is no coincidence that these products resulted from Government programs. Private enterprise exists for current profit, and while it invests in research projects which it hopes will result in future profit, it cannot be expected to carry the main burden for the Nation. The past indicates that development of essential substitute products will have to be initiated and largely sustained as a result of Government programs, until these substitutes are commercially feasible.

This is one area where foresight on the part of the Government is essential to survival.

Man's ingenuity has solved many problems. One of the most important tasks of Government today is to see to it that man's ingenuity is mobilized and given sufficient encouragement and assistance to solve this one.

I take an optimistic view of man's prospects for meeting this challenge of the future.

I believe that geological discoveries will expand known reserves beyond our present imagining. Science will develop uses for minerals in the earth's crust which are now unusable and of which there is an almost limitless supply. Technological advances will completely alter all present estimates.

But we cannot wait idly for these developments to automatically take place. They will come about only as a result of great effort, expense, and planning. Government has an inescapable responsibility to help initiate, sustain, and support these activities. Private interests must regard their stewardship of natural resources as a public trust. Individuals must, in an attitude of self-discipline, reexamine buying habits that have meant consumption of precious resources for show, rather than for use.

Our continuance as a prosperous Nation, and as the hope of freedom in the world, may well depend upon our response to the challenge of our vanishing natural resources.

MAJOR LEGISLATION PASSED BY THE SENATE SINCE JANUARY 7, 1959

Mr. HUMPHREY. Mr. President, there have been some rather uncomplimentary remarks concerning the record of the Senate thus far in the 1st session of the 86th Congress. The partisan and editorial comment has laid a smoke screen over the record of the Senate's achievements. That record is significant and substantial. Remember, too, Mr. President, the first session has several weeks yet to run.

The Democratic majority will present to the people a record that is responsible, comprehensive in program, and geared to the needs of the Nation and our role of world leadership.

Here is the record, Mr. President; it speaks for itself. I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MAJOR LEGISLATION PASSED BY SENATE SINCE JANUARY 7, 1959

Cloture: Liberalized the cloture rule by providing that two-thirds of the Senators voting may close debate on any measure, including rule changes; and affirmed the fact that the Senate is a continuing body.

Hawaii: Provided for admission of Hawaii to the Union as the 50th State.

REA: Restored authority of REA administrator to approve or disapprove loans without supervision by Secretary of Agriculture. Vetoed.

Draft: Extended draft to July 1, 1963; extended Doctor Draft and Dependents' Assistance Acts, and the suspension of personnel strength limitation on Armed Forces.

Space: Authorized $48.3 million supplemental appropriations for fiscal 1959 to expedite projects of National Space Agency.

Modern Navy: Authorized $110 million construction program of modern naval vessels for 1960.

World Bank: Increased U.S. subscription to the International Monetary Fund by $1.375 billion and the World Bank by $3.175 billion.

Economic study: Provided $200,000 for a major study of the Nation's economy by the Joint Congressional Economic Committee.

Depressed areas: Authorized a new Federal program with an initial authorization of $389,500,000 in loans and grants for industrial redevelopment in economically depressed areas.

Housing: Provided for a $2.7 billion housing program over a 6-year period, emphasizing low-cost housing, college housing, urban renewal, and a more realistic building program for the elderly.

Airports: Authorized $465 million 4-year airport construction program, including discretionary funds for expansion to handle jet planes.

Labor: Labor-Management Reporting and Disclosure Act to curb undemocratic and racketeering practices in labor unions and labor-management relations.

Temporary unemployment extension: Extended benefits of Temporary Unemployment Compensation Act of 1958 for 3 months to jobless whose State payments expired before April 1, 1959.

Railroad retirement: Provided for a 10 percent increase in benefits under Railroad Retirement and Unemployment Compensation Acts.

TV education: Authorized grants up to $1 million to each State for purchase of TV facilities and equipment upon their agreement to provide land, building, and operate and maintain an educational channel.

Insurance taxes: Provided for a permanent and more realistic formula for taxation of life insurance companies.

Unemployment problems: Established a Commission on Unemployment Problems of 11 members, 5 to be appointed by the President and 6 by Congress, to make a study of the problems and report in 60 days.

Health for peace: Authorized a $50 million a year program to improve health conditions through international cooperation in research training and planning.

Bank mergers: Requires that bank mergers have the approval of Federal Reserve Board, Comptroller of Currency, or Federal Deposit Insurance Corporation to assure against monopoly.

ADJOURNMENT TO TUESDAY

Mr. DODD. Mr. President, in accordance with the order previously entered, I move that the Senate stand adjourned until 12 o'clock noon next Tuesday.

The motion was agreed to; and (at 7 o'clock and 18 minutes p.m.) the Senate adjourned, under the order previously entered, until Tuesday, May 26, 1959, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 22, 1959:

IN THE AIR FORCE

The following-named officers for temporary appointment in the U.S. Air Force under the provisions of chapter 839, title 10 of the United States Code:

TO BE MAJOR GENERAL

Brig. Gen. Wendell W. Bowman, 596A, Regular Air Force.

Brig. Gen. Harold H. Twitchell, 19034A (colonel, Regular Air Force), U.S. Air Force, Medical.

Brig. Gen. Harry C. Porter, 976A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Dale O. Smith, 1074A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Robert M. Stillman, 1114A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Daniel E. Hooks, 1166A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Benjamin O. Davis, Jr., 1206A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Albert P. Clark, 1218A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Von R. Shores, 1236A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Conrad F. Necrason, 1246A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. J. Stanley Holtoner, 1283A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Lewis L. Mundell, 1286A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Robert Taylor III, 1347A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Robert J. Friedman, 1397A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Waymond A. Davis, 1470A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Marcus F. Cooper, 1543A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Sam Maddux, Jr., 1561A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Frank E. Rouse, 1595A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Osmond J. Ritland, 1731A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Beverly H. Warren, 1768A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Keith K. Compton, 1849A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Horace M. Wade, 1872A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. David A. Burchinal, 1936A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. James F. Whisenand, 1945A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Glen W. Martin, 1955A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. William W. Momyer, 1964A (colonel, Regular Air Force), U.S. Air Force.

To be brigadier general

Col. Norman L. Callish, 951A, Regular Air Force.

Col. Clair L. Wood, 1157A, Regular Air Force.

Col. James R. McNitt, 1183A, Regular Air Force.

Col. Robert S. Brua, 19063A, Regular Air Force, Medical.

Col. Charles H. Morhouse, 19057A, Regular Air Force, Medical.

Col. Theodore C. Bedwell, Jr., 19101A, Regular Air Force, Medical.

Col. Frederick Bell, 1223A, Regular Air Force.

Col. William G. Lee, Jr., 1234A, Regular Air Force.

Col. John N. Ewbank, Jr., 1381A, Regular Air Force.

Col. Harold K. Kelley, 1408A, Regular Air Force.

Col. Henry C. Huglin, 1436A, Regular Air Force.

Col. Robert F. Burnham, 1534A, Regular Air Force.

Col. Clyde Box, 1535A, Regular Air Force.

Col. Irving L. Branch, 1557A, Regular Air Force.

Col. John S. Samuel, 1638A, Regular Air Force.

Col. Henry C. Newcomer, 1641A, Regular Air Force.

Col. Frederic C. Gray, 1729A, Regular Air Force.

Col. John A. Pechuls, 1754A, Regular Air Force.

Col. Horace D. Aynesworth, 1771A, Regular Air Force.

Col. William E. Elder, 1772A, Regular Air Force.

Col. John A. Rouse, 1807A, Regular Air Force.

Col. Theron Coulter, 1819A, Regular Air Force.

Col. Gladwyn E. Pinkston, 1828A, Regular Air Force.

Col. James B. Tipton, 1854A, Regular Air Force.

Col. John A. Dunning, 1855A, Regular Air Force.

Col. Milton H. Ashkins, 1876A, Regular Air Force.

Col. Harvard W. Powell, 1921A, Regular Air Force.

Col. Gilbert L. Pritchard, 1974A, Regular Air Force.

Col. Reginald J. Clizbe, 2004A, Regular Air Force.

Col. Joseph A. Cunningham, 2054A, Regular Air Force.

Col. Dorr E. Newton, Jr., 2055A, Regular Air Force.

Col. Thomas R. Ford, 2065A, Regular Air Force.

Col. Walter R. Graalman, 2274A, Regular Air Force.

Col. Charles H. Terhune, Jr., 3424A, Regular Air Force.

Col. Harold E. Humfeld, 3857A, Regular Air Force.

Col. Selmon W. Wells, 3991A, Regular Air Force.

Col. William T. Seawell, 4034A, Regular Air Force.

Col. George S. Brown, 4090A, Regular Air Force.

Col. Grover C. Brown, 4144A, Regular Air Force.

Col. Seth J. McKee, 4279A, Regular Air Force.

Col. Loran D. Briggs, 4412A, Regular Air Force.

Col. John C. Meyer, 4496A, Regular Air Force.

Col. Jack J. Catton, 4719A, Regular Air Force.

EXTENSIONS OF REMARKS

Domestic Donations of Department of Agriculture—Surplus Foods Up 42 Percent in First 9 Months of Fiscal Year

EXTENSION OF REMARKS

OF

HON. HUGH SCOTT

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Friday, May 22, 1959

Mr. SCOTT. Mr. President, I hold in my hand some data with regard to donations of surplus foods which I think are of considerable interest, and I ask unanimous consent that a statement I have prepared in regard to this subject be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

DOMESTIC DONATIONS OF USDA SURPLUS FOODS UP 42 PERCENT IN FIRST 9 MONTHS OF FISCAL YEAR

More than 2¼ billion pounds of surplus foods have been donated by the U.S. Department of Agriculture during the first three-fourths of the current fiscal year, for use in school lunch programs and by charitable institutions in this country and by needy persons in this country and abroad.

Total distribution of 2,252,500,000 pounds represented an increase of 42 percent in donations to recipients in this country over the same period a year ago, and a decline of 15.9 percent in the volume of donations to foreign recipients.

The donated foods were acquired by the Department in the operation of price support and surplus removal programs, and were donated through the direct distribution program of USDA's Agricultural Marketing Service. Not included in these figures are foods which the Department has purchased specifically for schools participating in the national school lunch program.

Surplus foods donated through the program were used during this period by more than 14 million schoolchildren taking part in school lunch programs, and by about 1.4 million persons in charitable institutions. In addition, they were being distributed in March to 5,741,298 needy persons in this country.

Distribution of surplus foods to schools and institutions is made in all the States, the District of Columbia, and in five Territories. Forty-four States, the District of Columbia, Puerto Rico, and the Trust Territory of the Pacific Inlands are currently taking part in distribution of surplus foods to needy persons. Not all areas in all participating States take part, however; in March, 1,214 counties and 164 separate cities took part—a slight increase over December participation.

The following table shows the number of needy persons in family units receiving donated foods in March 1959:

Alabama	13,210
Arizona	60,956
Arkansas	295,378
California	52,445
Colorado	26,370
Connecticut	1,025
District of Columbia	34,185
Georgia	38,488
Illinois	85,687
Indiana	103,654
Iowa	91,094
Kansas	12,107
Kentucky	294,874
Louisiana	178,925
Maine	60,541
Maryland	45,827
Massachusetts	4,198
Michigan	514,851
Minnesota	51,252
Mississippi	400,920
Missouri	122,466
Montana	13,012
Nebraska	2,010
Nevada	1,247
New Hampshire	8,992
New Jersey	17,695
New Mexico	42,057
New York	405,013
North Carolina	739
North Dakota	12,820
Ohio	67,504
Oklahoma	257,368
Pennsylvania	858,791
Puerto Rico	605,666
Rhode Island	12,312
South Carolina	1,886
South Dakota	38,531
Tennessee	171,041
Texas	143,051
Utah	25,778
Vermont	15,157
Virginia	41,580
Washington	7,151
West Virginia	301,264
Wisconsin	65,142
Wyoming	9,688
Trust Territory	4,050
Total United States	5,741,298

With the increase in the number of recipients, the donation of foods to needy persons increased by 80.2 percent over the same period a year ago. Distribution to charitable institutions was up 15.8 percent, and distribution to schools for lunch programs was increased 1.3 percent.

After all requests for donations of foods in this country have been met, remaining foods are made available to voluntary U.S. relief agencies for distribution to needy persons abroad. During the past quarter-year, 19 of these agencies distributed USDA surplus foods to needy persons in 78 foreign countries.

Most of the foods donated during the past quarter-year again were cereal products, including flour, cornmeal, and rice; remaining foods distributed were principally dairy products.

The following tables show the surplus foods donated, the quantities of each, and their costs. Figures cover the 9 months of July 1958 through March 1959, with comparisons to the entire 12 months of the preceding fiscal year (July 1957 through June 1958):

Quantities of surplus foods donated for domestic and foreign use, fiscal year 1958 and estimated July–March fiscal year 1959

[Million pounds]

Commodity	Domestic								Foreign distribution		Total distribution	
	Schools		Institutions		Needy persons		Total					
	Fiscal year 1958	July–March 1959	Fiscal year 1958	July–March 1959	Fiscal year 1958	July–March 1959	Fiscal year 1958	July–March 1959	Fiscal year 1958	July–March 1959	Fiscal year 1958	July–March 1959
Beans, dry	17.9	4.1	0.3	(1)	1.0		19.2	4.1			19.2	4.1
Butter	68.9	55.6	29.0	20.0	12.9	41.8	110.8	117.4			110.8	117.4
Cabbage		3.4		.9				4.3				4.3
Cheese	32.9	31.1	14.4	8.2	68.9	50.8	116.2	90.1	193.4	[2] 38.5	309.6	128.6
Corn									62.5	31.5	62.5	31.5
Cornmeal	16.6	14.0	8.6	6.0	96.1	107.8	121.3	127.8	298.2	182.8	419.5	310.6
Eggs, dried	4.6						4.6				4.6	
Flour	58.6	64.2	72.6	60.7	149.0	187.3	280.2	312.2	769.7	667.0	1,049.9	979.2
Grapefruit, canned	6.5						6.5				6.5	
Milk, nonfat dry	21.1	23.0	14.7	12.6	87.3	97.0	123.1	132.6	549.7	376.6	672.8	509.2
Peanut butter	4.9	6.8					4.9	6.8			4.9	6.8
Rice	19.8	18.7	8.7	9.4	56.3	59.8	84.8	87.9	59.6	46.3	144.4	134.2
Wheat									39.9	26.6	39.9	26.6
Total	251.8	220.9	148.3	117.8	471.5	544.5	871.6	883.2	1,973.0	1,369.3	2,844.6	2,252.5

[1] Less than 50,000 pounds.

[2] Includes requests approved prior to July 1, 1958.

Cost of surplus foods donated for domestic and foreign use, fiscal year 1958 and estimated July–March fiscal year 1959 [1]

[Million dollars]

Commodity	Domestic								Foreign distribution		Total distribution	
	Schools		Institutions		Needy persons		Total					
	Fiscal year 1958	July–March 1959	Fiscal year 1958	July–March 1959	Fiscal year 1958	July–March 1959	Fiscal year 1958	July–March 1959	Fiscal year 1958	July–March 1959	Fiscal year 1958	July–March 1959
Beans, dry	1.6	0.4	(2)	(2)	0.1		1.7	0.4			1.7	0.4
Butter	42.6	34.3	17.9	12.4	8.0	25.8	68.5	72.5			68.5	72.5
Cabbage		.1		(2)				.1				.1
Cheese	13.1	12.8	5.7	3.4	27.5	21.0	46.3	37.2	80.6	[3] 15.9	126.9	53.1
Corn									3.0	1.7	3.0	1.7
Cornmeal	1.1	.7	.6	.3	6.5	5.5	8.2	6.5	21.6	11.1	29.8	17.6
Eggs, dried	5.2						5.2				5.2	
Flour	4.6	4.2	5.6	3.9	11.6	12.2	21.8	20.3	60.0	47.9	81.8	68.2
Grapefruit, canned	.9						.9				.9	
Milk, nonfat dry	3.8	3.8	2.7	2.1	15.8	16.0	22.3	21.9	101.6	65.0	123.9	86.9
Peanut butter	.8	1.2					.8	1.2			.8	1.2
Rice	2.3	2.1	1.0	1.1	6.4	6.9	9.7	10.1	3.5	3.0	13.2	13.1
Wheat									2.2	1.7	2.2	1.7
Total	76.0	59.6	33.5	23.2	75.9	87.4	185.4	170.2	272.5	146.3	457.9	316.5

[1] Represents total cost to the Federal Government. Includes commodity cost, warehousing, transportation, processing, repackaging, and miscellaneous handling charges.

[2] Less than $50,000.

[3] Includes requests approved prior to July 1, 1958.

New Maritime Developments

EXTENSION OF REMARKS
OF

HON. WARREN G. MAGNUSON

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Friday, May 22, 1959

Mr. MAGNUSON. Mr. President, many promising new developments in ship design, navigation, and expediting cargo shipments were discussed at length in the address my colleague, Senator LEVERETT SALTONSTALL, of Massachusetts, delivered last night May 21, 1959, before the Propeller Club of Washington, D.C.

Because of the new light cast upon this vitally important subject, I ask unanimous consent that Senator SALTONSTALL'S address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR LEVERETT SALTONSTALL, OF MASSACHUSETTS, BEFORE THE PROPELLER CLUB OF THE UNITED STATES, WASHINGTON, D.C., MAY 21, 1959

Control of the sea—a watchword of the past—is still today synonymous with world leadership. Ocean commerce is the very lifeblood of the world. Nations aspiring to world leadership always sought to promote their own trade through ocean commerce, and it is more than coincidence that through the ages world leaders have been strong maritime nations.

Today commerce consists not only of trade upon the sea, but above it in the modern jet airplanes now just going into trans-Atlantic service. One jet passenger liner makes the round trip from New York to Paris in the course of a day.

Can we draw a historical parallel from those nations which preceded us in leadership of the world's activities upon the sea? Each of these nations conquered a new frontier of commercial enterprise. The Phoenicians explored the Mediterranean from end to end, passing the Pillars of Hercules and reporting back what they found beyond. The Romans carried this further, exploring down the coast of Africa and up the coast of Europe. The Vikings and Venetians further expanded the realm of man's knowledge of the world around him.

Henry the Navigator of Portugal sent men around the Cape of Good Hope. Isabella of Spain financed Columbus. Following these acts, Spain and Portugal became the leading centers of western commerce, until leadership was wrested away from them by the seadogs of England.

A century ago the United States was making a bid for maritime leadership with packets and clipper ships. Much of the ship development was done in East Boston by our own Donald MacKay, who took large risks by building ships on speculation. The courage of the captains was legendary. However, our western expansion halted this growth, and British steamers soon took over the sea.

Again, later, in the last throes of sail, the most unusual schooner ever built, the *Thomas W. Lawson*, was launched in Quincy. She was an effort to create a minimum cost collier. She suffered two collisions in her career with steamers whose captains did not realize she was moving faster than they were.

The First World War wiped the sailing ship from the sea for good. During it, we built up a large merchant fleet of Hog Islanders and other ships. Our great trouble was that we let our sea leadership go back to Europe after the war. Until the Maritime Commission programs of the 1930's little was done to expand U.S. activities on the sea.

During World War II the United States again inherited the responsibility of leadership in the defense of freedom. With it came leadership in world commerce. Whether we like it or not, we must face up to the challenge and shoulder the responsibility it imposes. We have begun to do that already, with our ship replacement program, but more must be done. Today we must seek out the new frontiers and conquer them.

Time is our new frontier—not geography. Today time is money more than ever before. Magellan's crew took 3 years to circumnavigate the world. Now a satellite does it in 90 minutes or less. The cargoes of today need to be carried at greater speeds. The turnaround of the vessels carrying them must be cut. Now the battle is not to the discoverer, but to those who take the risks of new investment, of new research and development, and make those risks pay off. Our American forefathers on the sea risked all they had on their voyages of discovery of new markets in the spice islands and the Near East.

In recent years man has broken the sound barrier and speed has become a vital and precious commodity in exploiting the medium of the air. But man has yet to break the sea barrier to any like degree. Through the years there has been no dramatic improvement in the speed of surface vessels from the days of square riggers to our most modern nuclear-powered vessels. If ocean commerce is to remain vital and strong, competition demands that ocean vessels achieve faster, improved speeds. For speed is the key to both economical operation and the quick service which today's world demands.

Here in the United States we are testing the nuclear possibilities of a general cargo ship, the NS *Savannah*, shortly to be launched at Camden. Her namesake predecessor taught the world many of the advantages of steam. While the first *Savannah* had difficulties with her fuel supply, this *Savannah* will have none.

But nuclear propulsion raises another difficulty of its own—great weight. The shielding required to surround a nuclear powerplant takes up much valuable cargo space, so it is probable that for the present it will only be feasible for larger vessels.

Partly to solve the problem of getting more productive space, our research people have under test a gas turbine engine which, though it requires fuel, is relatively economical in the use of that fuel. It can be built cheaply of standard parts, so that the entire powerplant is relatively light in weight for the power it delivers.

I am told that our gas turbine Liberty ship, the *John Sargent*, has made 20 knots—light, of course. What would this have accomplished had it happened during World War II? It could well have shortened the war, for these gas turbine engines can be mass produced. I am told that they are very similar to a Pratt and Whitney J–57 but with another turbine wheel attached; put together they cost about $225,000 to produce 16,000 horsepower and only weigh about 6,000 pounds. With intercooling, I understand it can equal a diesel in fuel economy and is actually more efficient on cold days at sea level than it is at high altitudes, because of the greater density of the air.

Speed is the way to today's fast-moving world. What are we doing to increase the speed of our vessels?—not by just a few knots—but by double or triple the present possibilities? No displacement vessel has yet, to my knowledge, exceeded 45 knots, not even submarines which do not meet surface resistance.

But there are possibilities—for example, of hydrofoil craft which go far beyond 45 knots. Hydrofoils, in principle, are nothing more than miniature airplane wings, terribly strong, operating just below the surface of the water in a medium 800 times as dense as that supporting an airplane. The foils actually lift the hull out of the water, thus enabling the vessel to achieve greatly increased speeds. It derives obvious advantages from the density of water. Anyone who has ridden on an aquaplane or water skiis knows how this principle works. Last year I had the opportunity to manipulate one of the Navy's experimental hydrofoil vessels, and what a thrill it gave me.

The Maritime Administration is experimenting and private research is investing in hydrofoil craft to learn their possibilities and their limitations. They may hold the key to increased speed for ocean travel and commerce. A few years ago the Congress appropriated $1 million for hydrofoil research. Yet the money was never spent. Fortunately, farsighted officials of the Maritime Administration embarked last year upon a thorough research project designed to investigate the possibilities of hydrofoil application to maritime vessels. I quote from Clarence Morse, Maritime Administrator, when he made this announcement a year ago last January:

"We intend to take a closer look at the possibilities of hydrofoils for larger ships. In the air, aeronautical scientists have broken the sound barrier. Why shouldn't we break the sound barrier on the surface? Why should we continue to think in terms of 30–35 knots? Why shouldn't we think in terms of Mach II, or better, at sea?"

He also said:

"We will still have a merchant marine when the rocket boys are landing on the moon—and we will have a merchant marine which is far more efficient than our existing fleet."

Again, let us look at our competition. In the Western World, a few hydrofoil passenger craft are now operating—in Italy, Switzerland, Puerto Rico, and elsewhere. But, Russia, our chief competitor, has them in regular use on inland canals. I have been shown photographs of Russian hydrofoil vessels which operate at high speed on her inland canals in less than a meter depth of water.

Other hydrofoils are being tested on the ocean, where it has been found that they can maintain high speed in spite of rough seas. By lifting the hull of the ship 14 feet or more above the water, which is entirely practical in the open ocean, seas of up to 20 feet in height—or over 90 percent of those encountered in the North Atlantic—can be passed over without difficulty.

Airplanes may carry the most expensive types of cargo, but here may be a vessel which carries the intermediate merchandise—not ore or oil—but general cargo. Time is money, and the investment in a cargo delivered in 3 days is far less than the investment in a cargo delivered in 2 weeks.

Delivery, however, involves more than just moving things from place to place across the oceans—it involves cargo handling with its high manpower costs. What new advances are contemplated here? We all know of the roll-on, rolloff ships, which though not yet perfected may still have great potential. We know that conveyer belts and forklift systems are now standard on docks and piers. Tomorrow new systems may make these standard in ship's holds. Ships have been ordered that use cranes rather than masts and booms for cargo hoists. Expanded use of specially designed vessels to transport solids in a liquefied state offer great possibilities (sugar and sulfur are present examples). Container ships, which though expensive, have obvious advantages, are being studied. New equipment purchases for the piers of our ports must be encouraged, and

ships fitted to make best use of them. Many well-known efficiencies in time and laborsaving devices are well known, but have not been put into practice to any extent.

Nowadays a ship spends from 35 to 50 percent of her time in port. Since she earns only while moving, any speedup of the turnaround in port can generate new profit.

Much can be done in the way of voyage planning with the new data processing equipment. Cargo stowage plans can be worked out and optimum voyages and schedules predicted far in advance, making better use of our investment in ships. An idle or empty ship is an expense, not an earner.

So much for the present. Research is the key to the future. Research is now going forward on those advances which I have discussed tonight and many more with which you are better acquainted than I.

But research is worthless unless the idea is tried. Some ideas can be tried inexpensively, such as the new layout of the navigation bridge which has been suggested. Others are tried by the Government which has already made the major investment in some navigation systems for the benefits of our armed services. These new developments in navigation will provide greater safety and thereby greater opportunity to operate at greater speed.

Take, for example, space research now under way.

Navigational satellites may soon be circling our earth which will enable a mariner to determine his position within a small fraction of a mile on any place on the earth. This will eliminate the need for Loran and other equipment which requires stations closely spaced around the globe. Once in orbit, these satellites may make the investment for the shipowners much less costly in time saved and accidents avoided. One collision or one wreck costs the whole industry money, for it comes out of insurance premiums. We taxpayers can assist in many ways, but eventually the burden of the responsibility to maintain our Nation's supremacy on the sea will fall on you people.

Just as the railroads have lost much of their more valuable cargo to the trucklines which provide greater flexibility of service, you are endangered by the airplane with its greater speed and opportunity to land closer to the point of destination. The railroads have not been replaced in the carrying of iron ore and coal, but they have lost much of their miscellaneous tonnage.

Flexibility, efficiency, greater speed, lower cost, and less weight. These are all goals toward which we must strive. There is no reason why you and I should not consider looking forward to turbine or nuclear powered hydrofoil craft crossing the Atlantic at speeds in excess of 100 knots, carrying medium-size general cargoes, turning around in less than a day. This will accomplish in sea transportation many of the gains which have been accomplished in the last 30 years by the trucking industry on land. Ships will no longer be economically restricted to hauling large cargoes along relatively fixed routes due to the need for large terminal facilities and deep harbors. Smaller craft will be operating at greater speeds, with more frequent service to many more ports, including those on our Great Lakes which have opened a new market to the salt water shipper. Other new markets in Africa, in South America, in Southeast Asia, and in India are only just now being developed.

If we are willing to take the risks of developing new ideas, many of which are already known and well established, we can look forward to closer contact by our own ships with our neighbors across the sea and within our own Nation.

I believe we are prepared to take these risks. Already our Maritime Administration is doing much research, our Navy is looking at new ideas, and, best of all, our shipping companies are building new ships.

This work needs more effort and more coordination. The National Academy of Sciences is presently making oceanographic studies, a subject closely related to shipping. This study should be expanded or a parallel one instituted to coordinate and expedite research on commercial ships, setting up a fund to which private companies and Government bodies could contribute men, ships, and material.

Private cooperation with Government is the key to this work. An example in which I take some pride is the way in which work has been carried out under the Saltonstall-Kennedy fisheries research program, where privately owned ships have experimented with new types of nets and equipment supplied by the Government.

Under a similarly coordinated program, I can visualize private lines operating their own ships with experimental engines, paid for by the Government, or a small hydrofoil cargo ship being built by the Government and privately operated between the United States and Hawaii. These are merely examples of what an amateur can conceive.

Research must be carried on and development must follow. The burden of carrying forward America's present world leadership will fall largely upon you. I am sure that in a few years we will see the American flag in many new ports to pick up cargoes that are hardly known today, in ships that stay only a few hours, and ships that bear small resemblance inside and out to those that now ply the seas.

But they must be American-flag ships, or our children will inherit far less from us than we inherited from our forefathers.

Address Delivered by Secretary of Agriculture Ezra Taft Benson

EXTENSION OF REMARKS

OF

Hon. EVERETT McKINLEY DIRKSEN

OF ILLINOIS

IN THE SENATE OF THE UNITED STATES

Friday, May 22, 1959

Mr. DIRKSEN. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD, the text of the address delivered by Secretary Benson last night at Cedar Rapids, Iowa, at the annual farmer-businessmen dinner at Cedar Rapids, Iowa. The address was alluded to on the floor of the Senate earlier today. It is possible that the full text of the address was not available at the time to show exactly how the Secretary actually treated the REA matter. Therefore I submit the entire text for inclusion in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SECRETARY OF AGRICULTURE EZRA TAFT BENSON, ANNUAL FARMER-BUSINESSMAN DINNER, CHAMBER OF COMMERCE AGRICULTURAL BUREAU AND LINN COUNTY FARM BUREAU, CEDAR RAPIDS, IOWA, MAY 21, 1959

I am delighted to have this opportunity to visit with you in your beautiful city. I am grateful to the Chamber of Commerce Agricultural Bureau, the Linn County Farm Bureau, and to all of you for making this visit possible.

Coming here has aroused a flood of happy memories. I love the State of Iowa. It seems only yesterday—although my grandchildren and the calendar make me realize it was actually 32 years ago—that Mrs. Benson and I first came to Iowa in an old Ford pickup. We had been married only a few days when I enrolled as a graduate student at Iowa State Agricultural College.

My modest scholarship of $70 a month seemed adequate for a young couple who had heard somewhere that two could live as cheaply as one.

During my first year at Iowa State I rode on a special 4-H Club train en route to the international show in Chicago. On that train trip we sang the proud Iowa song, "That's Where the Tall Corn Grows."

The cornstalks with which we kept time to the music, as I recall, were tall enough and husky enough to discourage any who might have doubted our claims.

Today the cornstalks in Iowa may not be as tall as those we remember, but they produce more bushels to the acre. And the farmers have the same vision and the same quiet faith which gave strength to their ancestors who pioneered these rich fields.

So it is good to be back with you. And it is inspiring to see city people and country people sitting at table together. If this gathering results in just a little better appreciation of American agriculture by our people in the cities, and a little better appreciation of American business, industry, and the professions by our farmers, it will have accomplished much.

Tonight I want to set the record straight on some important points concerning our American agriculture. These are the points I have particularly in mind:

First, the so-called farm problem is not just a farm problem—it is a national problem, an American problem.

Second, farmers are not to be blamed for this problem. On the contrary, we should be unstinting in our praise of the American farmer's productive ability. Never in history have so many been fed so well by so few.

Third, this problem cannot be solved by continuing the old outmoded price support, acreage control program—to do so will only make the problem worse.

Fourth, to achieve and maintain a prosperous, expanding, and free agriculture, we must solve the farm problem.

We all know the major elements of this problem.

Vast surpluses of a few commodities exert a depressing influence in the market.

Farm people are caught in a cost-price squeeze.

Half our farms have gross incomes of under $2,500 a year.

Some producers are struggling with acreage allotments which are too small to permit them to farm efficiently.

The costs of maintaining Government farm programs are at an alltime high, and rising.

These are the major elements.

Now, I say to you that this is not just a farm problem. It is an American problem—it is our problem. Whether you live on a farm or in the city, whether you operate a thousand acres or grow a few plants in a windowbox, whether you run a tractor or a machine in a mill, whether you have your money invested in a corn-hog operation or in a business on First, Second, or Third Avenue, whether you are an agricultural producer in one of Iowa's 99 counties or a professional men in one of Iowa's thriving cities and towns—this is our problem, yours and mine.

We taxpayers—and let's all remember that farmers are heavy taxpayers, too—have $9 billion tied up in surplus farm products—most of it corn, wheat, and cotton. We are paying $1 billion a year in storage, interest, and handling charges on these surpluses. Though these costs are assessed against agricultural appropriations, very little of this money goes to our farmers.

But it is not only because all of us are taxpayers that the farm problem is our problem. It is our problem—yours and mine—because past efforts to deal with it have carried us far along the road to Government regimentation and control over agriculture. Many farmers are no longer free to plant, to compete, to market, and to make their own decisions.

Proposals are now being made which, if adopted, would go far to socialize agriculture—to make farmers depend for much of their income on direct payments from the U.S. Treasury. This threatens not only the freedom of agriculture—it threatens the free American economic system in general.

Each one of us, moreover, depends upon agriculture for sustenance. I have heard it said that the economic life of this Nation fluctuates with the ups and downs of the automobile industry. Well, I recall that practically everybody in this country got along from 1942 to 1946 without a new car. But I'd hate to see this Nation try to go without food for 5 days much less 5 years.

The farm problem is our problem because it has a bearing not only on our taxes—not only on our freedom—but on the very food of life itself.

My second point is that the farm problem was not caused by farmers. It is the outgrowth principally of two factors:

The technological revolution in agriculture; and

The continuance of an outmoded price support, acreage control program long after this program had ceased to serve a useful purpose.

Here is what I mean by the technological revolution. For the Nation as a whole, an average acre that produced 28 bushels of corn in 1940 produced 52 bushels last year—nearly double.

An average acre that produced about 15 bushels of wheat in 1940 produced 27 last year—nearly double.

An average acre that produced about 250 pounds of cotton lint in 1940 produced 469 pounds last year—nearly double.

The old price support program was built on the false premise that production can be effectively controlled through acreage allotments and marketing quotas. The experience of the past 25 years has demonstrated that this is not true.

Congress will not legislate, farmers will not accept, and no Secretary of Agriculture could enforce acreage allotments so low as to achieve market balance at 90 percent of parity based on a formula which goes back 45 years.

Under the formula in the old law do you know what the national acreage allotment for wheat would have been this year? Zero—no wheat production whatsoever.

Do farmers want this kind of a program? No. The big majority of farmers do not want Government handouts and Government regimentation.

A recent nationwide poll by the Farm Journal showed that 8 out of 10 farmers responding want greater freedom and less Government in agriculture.

In the referendum of December 1956, 61 percent of the corn farmers voted for lower support and increased acreage.

Last November corn farmers voted by almost 3 to 1 to eliminate corn acreage allotments and lower the level of price supports.

Obviously the farm problem is not the fault of our farmers.

My third point is: We cannot solve the farm problem by continuing the outmoded programs. This is obvious from the current situation.

Producers of cattle, hogs, poultry, fruits, vegetables, and various other products which are not price supported or controlled have had growing markets. We do have temporary gluts in the market. We are having trouble with eggs now, and we are using sound means to relieve the situation. But we are not going to repeat the fiasco of 1950 by putting Government into the egg business.

The so-called basic crops—corn, cotton, wheat, rice, peanuts, and tobacco—the one-fifth of our agriculture that is not free—the crops that have depended the most on supports and controls—these are in the most trouble.

And they will continue to be in trouble, barring some emergency, until they are priced and promoted to sell. History reveals that these crops were baled out of trouble by two wars. None of us wants war as a solution.

The last Congress enacted some badly needed legislation for corn, cotton, and rice. It was a limited move in the direction of common sense. But it came too late to avoid serious surplus troubles and loss of markets. And nothing was done about wheat, tobacco, and peanuts.

That is why corrective farm legislation is doubly important now.

We are facing a very grave crisis in wheat and a serious situation in tobacco and peanuts.

By July 1960 our wheat carryover will be about 1½ billion bushels. Converted into bread, that would provide 515 loaves for every man, woman, and child in this country. We will have $3½ billion of taxpayers' money tied up in wheat alone.

But that is not all. If we continue the present program, it will mean a further buildup of the surplus by 200 million bushels or more a year. I say to you in all sincerity that this could end in disaster of a magnitude such as we have not seen before in our American agriculture.

A ground swell of antifarm program sentiment is developing that endangers the whole price support idea. An editorial in Life magazine urges wiping out the whole program. "The whole farm support program," it says, "is a colossal failure. The only sensible thing to do about it is to get rid of it, stop it. Why go on pouring good money after bad?"

Not for a moment do I believe this is a sound approach. I cite it simply to show the danger that exists—the resentment that is steadily growing against paying tremendous costs for a program that makes the problem worse.

My fourth point is: To have a prosperous, expanding, and free agriculture, we must solve the farm problem.

The huge surpluses have cost farmers billions of dollars in lost income—up to $2 billion a year. This is not the path to prosperity.

Our commodities have been forced out of some of their traditional markets. This is not the road of expansion.

Too many farmers have lost the right to make their own decisions. This is not the highway to freedom.

If we want a prosperous, expanding, and free agriculture, the first necessity is to face the facts—these facts:

The old price support, acreage control program has failed.

The failure is due to the program itself—the program required by old legislation.

Therefore, the remedy lies in changing the legislation—which means changing the program itself.

President Eisenhower has sent four special agricultural messages to the Congress. The latest was in January of this year. Officials of the Department have spent many hours testifying before committees of the House and Senate on the details of our recommendations. I testified in February before the House Agriculture Committee and the Senate Committee. We submitted legislative language for needed changes in the wheat law the forepart of March. The President made two more appeals for action on wheat last week. The date for announcing the 1960 wheat acreage allotment and marketing quota has been extended from May 15 to June 1.

We have recommended that price supports should be based not on the old outmoded parity of half a century ago, but on a percentage of the average market prices for the immediate preceding years. So far as wheat is concerned we have urged that all acreage allotments and marketing quotas should be eliminated as soon as price supports are adjusted to realistic levels. This is the kind of program that corn farmers voted for overwhelmingly in the corn referendum last November.

In this competitive world farmers must be free to make adjustments and commodities must be priced to sell—otherwise surpluses pile up in Government warehouses—and a Government warehouse is not a market. When we do price to sell, markets increase. Here, for example, are some very interesting figures on feed grain consumption for the 6 months ending March 31.

Compared with the same months a year earlier, corn consumption was up 244 million bushels—or 12 percent.

Consumption of grain sorghum was up 93 million bushels—or 42 percent.

Consumption of oats was up 97 million bushels—or 17 percent.

This is a sound development.

We must always remember, however, that balance in agriculture involves good judgment. There is now underway a strong trend toward building up cattle herds. The reduced rate of slaughter indicates an increase in the cattle inventory this year of possibly 4 to 5 million head. I urge cattlemen to make production plans that will avoid overexpansion with undersirable results later on.

Hog producers are increasing production, and returns this year will reflect the larger supplies. Here again, I strongly urge farmers to make wise production decisions.

Our approach is sound. The overwhelming majority of agricultural economists, like the majority of farmers, endorse what we are trying to do as sound and best for agriculture.

A recent survey of agricultural economists of our 49 land-grant colleges has just been been published. Of the 37 economists replying, 4 out of 5 say that, "any laws further hamstringing the free market will hurt the farmer, the consumer, and the Nation."

We cannot price abundant farm products as if they were scarce without piling up surpluses.

The evidence of 25 years says that we cannot balance supply and demand by means of present acreage controls. The economics of the farm problem are simple—we need less government in farming. We must quit trying to fix prices unrealistically. This is the source of the twin evils of production for Government warehouses and Government control over farmers. We must emphasize markets, increased efficiency, and competitive selling. We must eliminate Government's stranglehold on agriculture.

Until this is done, agriculture will be burdened with too much Government, too much politics, and too little common sense.

The longer this situation continues, the more we all have to lose—for this is our problem. But the biggest losers are farmers themselves.

Now I want to say something about another aspect of the farm situation.

In recent months we have been in the middle of a debate about rural electrification.

When I was a youngster on a farm in Idaho many years ago I milked cows by hand, fetched water by the bucket, and studied my lessons by the light of a kerosene lamp. We had no radio or television, no refrigerator or freezer, no milking machine or water pump, no electric lights or telephone.

Later, electric power brought light, a telephone, and running water to the farm. We hailed it enthusiastically, as an emancipator—it freed us from drudgery.

I know what it meant to my mother to have electric power at her fingertip. I know what it means to farm boys and girls to have enough light to read or study by at night. I have seen the worn and tired faces of farm men and women glow with new life at the mere prospect that electric power would soon be available.

Nobody has to sell me on the great work of the Rural Electrification Administration.

I am gravely concerned, however, about a growing national attitude of dependence on government. The tendency seems to be to look to Washington for the solution to every problem. There is no surer way to lose our American heritage of freedom than to let this tendency grow unchecked.

Few of our people realize how far we have already gone on this path. Here is an instance—a contrast—that may help to open our eyes. Back before the turn of the century the Congress passed a bill providing for free gifts of seed to farmers. It involved only a small amount of money—about $10,000 I believe. But the bill was vetoed by President Grover Cleveland—a Democrat—because it also involved a big principle. He expressed the principle thus: "Though the people support the Government, the Government should not support the people."

We are in danger of forgetting those words today. Powerful forces are pushing us toward a planned and subsidized economy which weakens initiative, discourages industry, destroys character, and demoralizes the people.

Now, how does this bear on the debate over rural electrification?

It comes down to this. I believe, and so does President Eisenhower, that REA and the rural electric cooperatives have now come of age. They are strong enough and mature enough to begin to stand more on their own feet. Because I have plainly said so, many ridiculous charges have been made against me.

It has been suggested, for example, that I am against cooperatives. Nothing could be more untrue.

I grew up with cooperatives. I have had the privilege of working for and with hundreds of them, and I have never for a moment lost my faith in cooperative organizations. I am a co-op booster—always have been—and I am proud of it. Sound co-ops have proven their place in the free enterprise system.

Now here is what raised the tempo of the debate in recent months. President Eisenhower in his 1960 budget message proposed a change in REA financing. Since 1944 REA has had an interest rate of 2 percent. This does not cover the costs of the money to the Government. The President suggested that this 2 percent interest rate be replaced by a rate which will cover the current cost to the Treasury of equivalent term borrowing and other reasonable costs. This would apply to new loans only. Further, he suggested that legislation be enacted to broaden the sources of capital for the REA programs. This would assist borrowers in obtaining from private sources funds to finance needed expansion.

I find these proposals just and reasonable. So do most Americans who have the facts.

I want you to know the facts. Decisions about the future of the rural electrification and telephone programs need to be made. These are important programs, far too important for their future to be decided in terms of political expediency.

I have a proposal for a permanent financing plan for the REA electric and telephone systems. Here it is:

1. Authorize these rural systems to have their own bank—their own lending institution—which they may operate and ultimately own entirely.

2. Let them have their own national policy board to direct the affairs of their bank. Members of this board would be nominated by the rural electric and telephone borrowers. Plans for organizing and operating the REA bank should be carefully developed to meet the particular capital requirements of the electric and telephone borrowers.

This system is operating successfully in the Farm Credit Administration with its banks and local lending institutions which are farmer-owned and operated.

When these Farm Credit institutions were first organized, skeptics said that they'd never succeed. Well, the record has been outstanding. The farmer-members and their cooperative service organizations now borrow nearly $3½ billion annually from their own Farm Credit institutions—that's almost as much every year as the whole 24-year total of REA loans.

Farmers have invested more than $287 million capital in their credit institutions. Through careful and prudent management, they have accumulated net earnings of more than $361 million. They have an orderly retirement plan in effect to return their remaining Government capital to the Treasury.

These long-range plans for the Farm Credit System were worked out over a period of time through consultation with representatives of the local and district Farm Credit institutions. That is the way a permanent financing system for the rural electric and telephone borrowers should be developed.

I am very proud of the accomplishments of the rural electric and telephone systems. They are strong and healthy. They should now start formulating plans which would enable the users of these systems ultimately to own and operate their own national financing institution.

The REA programs are among the best investments ever made by the American people.

Let's keep REA and all farm programs sound and fair—fair to farmers and fair to all our citizens.

Our farm people are the salt of the earth. They have always come first with me. As a farmer, the son of a farmer, yes, the grandson of a farmer, and as a former county agent, it is natural that I should feel this way. And I shall continue to speak out for what is right for farmers, and right for America, as long as God gives me life and a voice to do so.

Now, let me return briefly to some of the wild charges that have been made.

It has been said that I have interfered with the administration of REA. This is utterly false.

The Secretary of Agriculture has been responsible for the general direction and supervision of REA since 1939. When I became Secretary in 1953, I made no change in REA's internal policies or procedures.

In 1953, President Eisenhower transmitted to the Congress, a reorganization plan. This plan as it affected REA, was substantially the same as one sought unsuccessfully by the Truman administration. It transferred to the Secretary all functions of REA. It authorized the Secretary to delegate the performance of transferred functions to any other agency of the Department.

After the reorganization plan took effect, I delegated the REA functions to the Administrator of REA to be exercised under the general direction and supervision of the Secretary. To assist me in carrying out this and other responsibilities in connection with our credit programs in agriculture, I designated a Director of Agricultural Credit Services.

In June 1957, I asked the REA Administrator to submit certain loan applications to the Director of Agricultural Credit Services of the Department for his information and possible discussion—for his counsel. I'm just old-fashioned enough to believe that there is safety in counsel. This arrangement did not affect the loan-making authority of the REA Administrator in the slightest degree. He has continued to make all loans.

It has been suggested that I interfered with the approval of a particular loan application—a $42 million generation and transmission loan application submitted to REA in 1957 by Hoosier Cooperative Energy of Indiana.

This, too, is false. I have never interfered with any REA loan application, including the Hoosier application. The so-called $42 million Hoosier loan application has never been disapproved. The fact is that REA has no proper application from Hoosier Cooperative Energy on which it can take action. If and when REA gets such an application, you can be sure it will be processed like any other.

Some people would like the country to believe that I am engineering a weird master plan to wreck REA. Here is a sample of their language.

"That crowd (I assume that includes me) is hell-bent on handing us over to the Wall Street bankers—the Wall Street control power companies, and they are not going to rest until they do it."

Well, let's look at the record—the record of REA progress during the past 6 years.

The REA has been in existence for about 24 years. Almost one-third of all its electric loans have been made in the past 6 years.

The telephone program has been in existence about 10 years. Four-fifths of all telephone loans have been made in the past 6 years.

On January 1, 1953, 45 REA borrowers were delinquent in payments; in April 1959, just one was delinquent.

The net worth of REA electric borrowers has more than doubled in the past 6 years.

The authority of REA to make generation and transmission loans is a vital part of the rural electrification program. Since January 1, 1953, these loans have accounted for almost 31 percent of the total loaned for rural electrification, compared with 19 percent before that date.

If I had plotted a conspiracy to harm REA, you can see that I have failed miserably.

The core of the debate is that I consider it politically, economically, and morally wrong for successful organizations like REA borrowers, with sizable reserves and increasing revenues, to keep dipping into the Federal Treasury at the taxpayers' expense to the tune of millions of dollars per year for interest payments alone.

Surely that makes sense.

But, no matter how many facts are presented, a vocal and organized minority continue to dredge up phony issues. They pursue one of their favorite pastimes—taking potshots at me. They continue to play politics with REA.

When you cut away all the rhetoric, all the noise and fury, here is what they are asking:

"Why single us out to pay our own way? We were doing all right as we were."

The answer is simple. This is not 1935, when only 11 percent of our farms were electrified. This is not 1944, when fewer than half were receiving central-station service. This is 1959, and over 95 percent of our farms are electrified. The backbone electric system to serve nearly all of rural America has been completed; one of the principal objectives of the rural electrification program has been achieved.

REA borrowers will continue to need large amounts of capital funds to meet their increasing load demands. A large part of this continuing need for capital is coming from the increasing loads of nonfarm consumers.

Over one-half of the power sales of REA borrowers is now to nonfarm consumers. That trend will continue. The ratio of new nonfarm consumers to farm consumers is now 3 to 1.

We want to see that these borrowers obtain the additional capital funds they need and continue to prosper as independent community service organizations, paying their own way.

REA borrowers have demonstrated their ability to pay their own way.

I am certain that the majority of the directors, managers, and members of rural electric cooperatives want to pay their own way. They do not want to rely on Government support. This is in keeping with the best of American traditions.

I have full confidence in the judgment of an informed American people. That is why I consider it such a privilege—and such a grave responsibility—to meet with you tonight.

We must build solidly for the future of our agriculture. To do this, I repeat, is not just a farm problem. It is an American problem—our problem.

I pledge to you and through you to all the farm and city people of America that I will continue to do all in my power to develop and maintain a prosperous, expanding, and free agriculture. And I also pledge to you that I will never support any policy or program which I believe is not in the best interest of our farmers and fair to all of our people, regardless of political pressure.

Our goal, I repeat, is a prosperous, expanding, and free agriculture.

We need such an agriculture to help our Nation confront at full strength those on the international scene who are eagerly scanning our economy for a sign of weakness. We need such an agriculture to meet the inevitably expanding demands of our rapidly growing population.

Let us seek the solutions we so sorely need. There is no room for blind partisanship, for prejudice, for bitter bias. Agriculture is neither Republican nor Democrat. It is American.

As Americans all, let us get on with the job. God willing, the progress, prosperity, and strength of our American agriculture are now only in their beginnings.

HOUSE OF REPRESENTATIVES

MONDAY, MAY 25, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Joel 2: 21: *Fear not, O land, be glad and rejoice; for the Lord will do great things.*

O Thou whose presence is our shield in the stillness of the night and our strength in the struggles of each new day, help us to feel and appreciate more fully how wonderful it is that daily we may enter into communion and counsel with the God of all grace and goodness.

Inspire us with a faith that never wavers and a courage that never falters as we seek to fulfill the high and holy mission which Thou hast entrusted unto us.

Grant that we may authenticate the glory and grandeur of the ideals and principles of democracy by incarnating them more completely in our own personal life.

May we accept its declarations and demands and strive to make them regnant in all the various spheres of human relationships.

Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of Thursday, May 21, 1959, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1901. An act to amend section 101(c) of the Agricultural Act of 1949 and the act of July 28, 1945, to stabilize and protect the level of support for tobacco; and

S. 1968. An act to strengthen the wheat marketing quota and price support program.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 57) entitled "An act to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes," agrees to the conference requested by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SPARKMAN, Mr. FULBRIGHT, Mr. DOUGLAS, Mr. CLARK, Mr. WILLIAMS of New Jersey, Mr. MUSKIE, Mr. CAPEHART, Mr. BENNETT, and Mr. BUSH to be the conferees on the part of the Senate.

ELECTION TO STANDING COMMITTEES

Mr. MILLS. Mr. Speaker, I offer a privileged resolution, House Resolution 273, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the following-named Members be, and they are hereby, elected members of the following standing committees of the House of Representatives:

Committee on Agriculture: ROBERT W. LEVERING, Ohio.

Committee on Post Office and Civil Service: JAMES C. OLIVER, Maine.

The resolution was agreed to.

A motion to reconsider was laid on the table.

DEPARTMENT OF COMMERCE AND RELATED AGENCIES APPROPRIATIONS, 1960

Mr. PRESTON, from the Committee on Appropriations, reported the bill (H.R. 7349) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1960, and for other purposes, report No. 377, which was read a first and second time and, with accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. BOW reserved all points of order on the bill.

COMMITTEE ON AGRICULTURE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight to file a report on H.R. 7246, the wheat bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

THE LATE HONORABLE JOHN FOSTER DULLES

The SPEAKER. The Chair recognizes the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. McCORMACK. Mr. Speaker, the death of John Foster Dulles takes from our midst not only a man whose nobility of character, whose love of country and love of God and neighbor profoundly impresses us, but a great American, a man who will go down in history as one of our great Secretaries of State. John Foster Dulles served our country in many capacities during a most trying period of the world's history. As Secretary of State he served our country and the free world with outstanding ability, with a discerning mind, and with great courage.

While he has left us, the spirit of John Foster Dulles will always remain in America, for the spirit of John Foster Dulles was the spirit of a government of laws and not of men; the spirit of independence of nations and free people everywhere. His spirit was the spirit of peace on earth. His whole life was dedicated to this great cause. He served as our Secretary of State during one of the most trying periods of our Nation's history, and of the world's history. His superb leadership has been a powerful factor in stopping in the world of today the forces of evilness and destruction in their dastardly intent of the domination of the world and enslavement of all peoples. John Foster Dulles was the spirit of deep faith, of strong courage, of intense love of America and of a grim determination and courage to preserve our institutions of free government and for the people of other nations to preserve their free institutions of government.

While in body John Foster Dulles has left us, his spirit will always remain with all generations of Americans.

Mrs. McCormack and I extend to Mrs. Dulles and her loved ones our profound sympathy in their bereavement. We know that Mrs. Dulles and her loved ones will derive great consolation in their sorrow in the knowledge that John Foster Dulles, husband and father, led such a life and gave such leadership as to command the respect and affection of all persons, without regard to race, color, or creed who believe in God and His law.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to my distinguished friend, the gentleman from Indiana [Mr. HALLECK], the minority leader.

Mr. HALLECK. Mr. Speaker, I thank the gentleman from Massachusetts, and first ask unanimous consent to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. I take it the gentleman from Massachusetts will ask permission for all Members to extend their remarks.

Mr. McCORMACK. I will.

Mr. HALLECK. Mr. Speaker, in my time on this earth, before I came to Congress and since I have been in the Congress of the United States, it has been my privilege to know many men whom I considered truly great, dedicated men, capable men, men of balanced judgment and strength and courage. I can honestly say of John Foster Dulles that he was one of the greatest I ever knew.

Now that he is gone I am happy indeed that in his lifetime I expressed those thoughts to him. I am sure he knew I was sincere in what I had to say.

As the gentleman from Massachusetts has so well said, John Foster Dulles served as Secretary of State in some of the most troublesome years the Republic has ever seen. He served well. On occasion it was said he was too flexible; on other occasions it was said he was too inflexible; but he could be flexible when something was really to be gained for the interests of the free world, for the security of our people and the advantage of our people. However, he had a remarkable capacity for determining the things that were true, honest, and sincere, and the things that were not in that category. When he discovered that the blandishment, the statements, or pronouncements of people with whom he had to deal, were not to be accorded that degree of consideration that go with sincere and honest statements of position, he could be as adamant as the Rock of Gibraltar. I think therein lay his great strength and his capacity in these difficult years.

He was my personal friend, as I was his personal friend. I knew John Foster Dulles long before he ever became Secretary of State. In whatever capacity I have known him I found him to be a rugged, honest, dedicated man, and with it all an aptitude for hard work and diligent effort that is absolutely essential if anyone, no matter what his ability, is to be of any real good in the world. So we all mourn his passing.

The worldwide reaction to his death speaks more eloquently of his stature than any words I might employ.

It is a matter of particular pride to me that the man whose name Secretary Dulles bore so proudly—and with such distinction—his grandfather, John Watson Foster, was born in my home State of Indiana.

It is a matter of record that John Watson Foster, himself a noted diplomat of his time, first kindled in his grandson, John Foster Dulles, an interest for public service in this field.

I find it difficult to adequately express my feelings on this melancholy occasion.

What can be said in tribute to John Foster Dulles that has not already been said so well by so many?

I have lost a valued friend whom I shall miss sorely.

America has lost a dedicated son, a wise and indefatigable servant of her people.

And all humanity has lost a courageous fighter for freedom.

I believe sincerely we are too close to the life and work of John Foster Dulles to assess the full magnitude of his greatness.

With equal sincerity I express my confidence that posterity will rank him with the true giants of this Nation's history.

To the widow and family of our beloved associate I extend my heartfelt sympathies in their bereavement.

Mr. BYRNES of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. Mr. Speaker, the death of John Foster Dulles has deprived our Nation of one of its finest citizens and one of its greatest Secretaries of State.

Secretary Dulles devoted his life to the service of his beloved country. Even in his final days, he put Nation above self, giving us unstintingly the benefit of his rare talents and wisdom.

He will go down in history as a man of true courage, pursuing always the course he felt right no matter how severe the criticism at home or abroad. His courage stemmed from a deep conviction and faith in his God, his country, and the American way of life.

We have all suffered a great loss. Our hearts go out to his family. We extend to them our prayers and deepest sympathy in their hour of sadness.

Mr. LINDSAY. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the distinguished gentleman from New York.

Mr. LINDSAY. Mr. Speaker, the death of John Foster Dulles last Sunday morning has saddened the world, on which he left his mark. I presume to take the floor this morning for a few minutes for very special reasons. Others across the Nation and in every continent have spoken eloquently and with far greater right than I of the loss to all humanity in the passing of this just and courageous man. My brief words are added here chiefly in behalf of old friends, neighbors, and professional associates of Mr. Dulles, and I speak for them.

The Dulles family were residents of the 17th District of New York, which I am honored to represent. He was my constituent in the brief period that I have been here. They had a happy home in New York during all those years because there was love and honor in it, and we were all the better for it.

Mr. and Mrs. Dulles and my parents were old friends and contemporaries. I remember my father once saying, "I never think of Foster without thinking of Janet by his side." So to his old friends and to his young ones, and to his neighbors in New York, a city which he loved, his death is a special loss. An old and dear friend has left them.

For his professional associates and colleagues in New York who shared with him a common devotion to their common profession, Mr. Dulles' death also carries a special personal meaning.

Dudley B. Bonsal, president of the Association of the Bar of the City of New York, of which Mr. Dulles was always a leading and active member, has today issued the following statement:

The Association of the Bar of the City of New York notes with the deepest sorrow the passing of its most distinguished member, John Foster Dulles. Mr. Dulles was vice president of our association from 1943 to 1945 and served on the executive committee from 1928 to 1931. He was chairman of our association's committee on administrative law from 1939 to 1941 and served for 20 years on the association's committee on international law and was its chairman for the years 1944 and 1945.

In June 1944 the committee on international law, during Mr. Dulles chairmanship, produced a report on international law and order. This report presaged Mr. Dulles' later philosophy on international law. The committee's report stated:

"We emphasize that just and durable peace can never be achieved by diplomatic expedients or by balances or concerts of power, or by league or councils which are only paper organizations or forums for national maneuvering. Such things may provide an interlude from war. But that interlude must be intelligently and industriously used to achieve the essential to lasting peace, namely, a way to produce legal and equitable principles. There has never yet existed any relationship between the nations which served to produce such principles in form and substance adequate to the needs of a changing world. To develop such relationship is the great task of our time, and it is a task wherein lawyers have a peculiar duty of leadership."

To young men Mr. Dulles' life was an inspiration. There have been many who were trained under him and who had the good fortune to work with him, both in and out of government.

If I may be allowed a personal note, I shall always treasure the memory that Mr. Dulles took a personal interest in my own campaign for Congress last fall, when his duties were perhaps more burdensome than ever, and I treasure the two letters which he took time out to write me during this period.

To Mrs. Dulles, to their children, to his brother Allen, to his sister Eleanor and to all his loved ones go the prayers and sympathies of their friends and neighbors.

Mr. McCORMACK. Mr. Speaker, I yield to the gentlewoman from New York [Mrs. ST. GEORGE].

Mrs. ST. GEORGE. Mr. Speaker, our country and the world have lost a great fighter for peace and for freedom in the loss of John Foster Dulles.

It was my privilege to know the Dulles family well for many years, and my heart and our hearts go out in deep sympathy to Mrs. Dulles in these sad hours. I have never known a couple who were such an admirable team. Theirs was, indeed, a beautiful family life, an example to our country and an example to the world.

Above all his other talents, John Foster Dulles was a good man. When he was derided, when he was criticized, he never allowed it to embitter him in any way. He never answered back. He went forward doing what he thought was right and in the end he was vindicated, for now we hear on all sides nothing but praise and admiration for his work.

True, he did not push communism back, but at least he did not let it come any farther. John Foster Dulles had a difficult task. Mistakes had been made by others, but he never spoke of those mistakes and he never named those who had made them.

In his passing, in his suffering, he could say as that great valedictory of St. Paul said:

I have fought a good fight, I have finished my course. I have kept the faith.

Mr. McCORMACK. Mr. Speaker, I yield to the distinguished chairman of the Committee on Foreign Affairs, the gentleman from Pennsylvania [Mr. MORGAN].

Mr. MORGAN. Mr. Speaker, the people of the United States and many millions throughout the world are saddened by the death of the courageous and dedicated servant of mankind, Hon. John Foster Dulles.

For a decade John Foster Dulles has made an important contribution to the shaping of American foreign policy. During his Secretaryship he has led the free world's fight against international communism. No one was more dedicated to peace and to his country. Some of his policies were notably successful, but even in the face of criticism, nothing could sway him from his relentless determination to make this world a better place in which to live. Even the Russians respected him as a formidable adversary and were aware that he possessed the fortitude and devotion of a true statesman.

John Foster Dulles had an extraordinary human side. He was warm, witty and considerate in individual relationships. His religious convictions were exemplified in his daily action.

He abounded with an indefatigable energy which carried him to the far corners of the earth in the pursuit of freedom for mankind.

His entire life was spent in preparation for the position he undertook in 1953. Integrity and competence in all his actions were the principles that guided him in his long career. His intellect was something to be admired by everyone who came in contact with him.

As Secretary of State, no man ever gave more of himself to his office. John Foster Dulles will be missed. We, who have known him and worked with him, have lost a close friend and a great American. To Mrs. Dulles and her family, I extend my deepest sympathy.

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. CHIPERFIELD] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. CHIPERFIELD. Mr. Speaker, it was with profound sorrow and a sense of great personal loss that I learned of the passing of John Foster Dulles. Because of his recent illness the country lost not only one of its most able Cabinet members, but now because of his death we have lost his valuable services as a special adviser to the President and one of the most highly respected and hard-working public servants.

Because of my long tenure on the Foreign Affairs Committee it was my privilege to come in contact with Secretary Dulles perhaps more often than the average Member of Congress. It is impossible at this time for me to dwell in detail on the various facets of his life and his services, but if I could characterize him in any single outstanding way it would be he was one of the greatest Secretaries of State in our entire history. Because of his great ability in the field of international affairs he made an indelible and abiding impress not only upon the affairs of this country but the entire world. He marched resolutely upon a single course that had as its goal—peace.

History will write a fuller picture of this man than can be given now, but all realize he was an astute scholar, a great statesman and an outstanding authority on international affairs. Few men in our history have been so widely versed.

A short time ago I read a very fine tribute to him in an editorial appearing in the New York Times entitled "A Veteran Goes on Furlough." I only wish this was still so. By transposing this editorial to the past tense it well expresses my thoughts:

John Foster Dulles valiantly served the people of this country and of the free world since he became Secretary of State in January 1953, and for a long time before that. He did not spare himself. His travels, mostly by air, ran into the hundreds of thousands of miles. The strain of his journeys, the labors of his long days and sleepless nights may have hastened the breakdown of his health. Yet all of us well know that if he could have foreseen this result he would still have done precisely as he did.

Mr. Dulles came to the Department of State with as wide and deep a knowledge of international affairs as any man in our history. He came with conscience and with ideals. He came with utter devotion to the cause of his country, of his country's allies, and of peace. He had some of the Puritan qualities that run through all the great religions. For more than 6 years he, more than any other man, directed and represented our foreign policy. He made what some critics consider mistakes of judgment. He was firm when others might have been conciliatory. But our policy, under his direction, has been consistent in its aims.

John Foster Dulles gave all of his unusual talents to the country he loved so well. He will be mourned not only by all the people of the United States, but by freedom-loving people everywhere. Let us take up the torch he has laid down and with renewed faith and determination find strength and peace through unity among nations for which he worked so diligently.

Mr. McCORMACK. Mr. Speaker, I yield to the gentlewoman from Ohio [Mrs. BOLTON], a distinguished member of the Committee on Foreign Affairs.

Mrs. BOLTON. Mr. Speaker, we have all come into this House today with very saddened hearts. John Foster Dulles, who so recently was our Secretary of State, has fought a good fight in so many areas of his living. Certainly, the battle he put up for peace and for freedom will be remembered down through the ages. The fight he made for life through unthinkable pain and auguish is something that all of us may well have to try to emulate someday. That he is released, that he is relieved of the pain and suffering, is a matter for which we can only rejoice. Our hearts go out to his faithful wife, always beside him, always smiling, always aiding and abetting him in everything he wanted to do. I feel sure that all Members will want to join me in gratitude to the Infinite that this loyal, courageous, consecrated public servant was released while he slept. May his soul rest in peace.

Mr. McCORMACK. Mr. Speaker, I yield to the distinguished minority whip, the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Speaker, I, too, with all the untold number of friends of John Foster Dulles, mourn his passing. As was said a moment ago, he was one of the great Secretaries of State. I would like to go somewhat further and say that in my humble opinion he was one of the greatest Secretaries of State this Nation has ever been privileged to have. John Foster Dulles was a man of Christian character; a man who practiced Christianity in his personal life as well as in his official capacity as Secretary of State. He has set a shining example for all of us to follow. He truly practiced the admonition of "turning the other cheek." It has been my great privilege to know him for many years. Likewise, I have been privileged have on occasion been in his home; a most wonderful home surrounded by exemplary family life; a place where you quickly understood that fundamental goodness was the motivating spirit of the place, where in sitting around and visiting with this man you would hear him expound his philosophy of life and what he believed the service of a man should be to his fellowmen and nations throughout the world. He was dedicated to the service of peace. Peace was his goal. Many years ago I recognized that this man's qualities were outstanding, and I am pleased that it was my opportunity at many times to mention publicly the greatness of Foster Dulles which is recognized not only in this country but throughout the free world. He was, I repeat, a man of great character, a man of Christian principles, a man of devoted service, a man who did so much for not only the people of this country but for the free people everywhere in his endeavor to bring about permanent peace on earth. Surely it might be said of him: "Blessed are the peacemakers for they shall be called the children of God." Mrs. Arends and I express our sympathies to Mrs. Dulles and her fine family. I am sure God has placed the hand of comfort on them in their hour of bereavement.

Mr. McCORMACK. Mr. Speaker, I yield to the gentleman from Washington [Mr. PELLY].

Mr. PELLY. Mr. Speaker, Members of the House of Representatives and Americans everywhere are mourning the death of John Foster Dulles.

Mr. Dulles' service to the Nation, and especially as Secretary of State, are such as to assure him the grateful memory of the living as well as the admiration and respect of future generations. Especially this will be true because of his contribution toward the preservation of freedom and the free world.

The influence of John Foster Dulles in world affairs included his part in the creation and operation of the United Nations, the Japanese Peace Treaty, the Southeast Asia Treaty Organization and the NATO Alliance. However, Mr. Speaker, the aspect of his career which appeals most to me was his firm and unyielding position against communism. His deep religious convictions and spiritual and intellectual qualities were an inflexible fortress against compromise in any way, shape or form with the imperialistic, godless forces of the Communists.

There is no honor too great to justify the debt this Nation owes Mr. Dulles. Time and history will pay him the real compliment he deserves. Meanwhile a sorrowing Nation mourns his loss.

Mr. McCORMACK. Mr. Speaker, I yield to the gentleman from New Jersey [Mr. AUCHINCLOSS].

Mr. AUCHINCLOSS. Mr. Speaker, the whole world mourns the passing of John Foster Dulles. This great outstanding American of our time carried high the banner of honest dealing, of constructive thinking, and of enduring peace so that all the peoples of the world knew and respected our country's high principles. The impact of his character and his courageous stand for that which was honest and of good report will long endure. The like of him will not be seen again for a long time.

It was my privilege to have known Foster Dulles for a number of years, having worked with him on various business problems when he was practicing law in New York City. One of the outstanding qualities of his remarkable mind was his clear vision which was never clouded by temptations of expediency. He steadfastly refused to be swayed by any compromise with that which was unworthy of his high ideals, his sense of justice and fair play. His penetrating mind would go to the root of every problem before him and he would speak his mind clearly and firmly. Businessmen respected him highly and considered his judgment sound and unassailable.

These great talents of his were carried with him into his public life and he gave of them without stint for the everlasting good of his beloved country and indeed of mankind. All who came in contact with him recognized his wisdom, his zeal, and his patience, together with his spirit of truth, honor, and humility. The world is better for his having lived in it, and those of us who knew him personally are conscious of the loss of his influence on our lives.

My sincere sympathy goes to the widow and family at this time of their sorrow, and I feel sure they find comfort in the memory of this beautiful Christian soul that has gone to its rich reward.

Mr. McCORMACK. Mr. Speaker, I yield to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Speaker, in the passing from this life of our eminent Secretary of State, the late John Foster Dulles, America has lost one of its greatest of statesmen, and the free world, as well as the people in all nations, has lost a most powerful champion of peace. Secretary Dulles was a man of wide knowledge and great experience. He has lived through times that have illustrated war is not an effective answer to international controversy. Knowing this full well, Secretary Dulles dedicated his entire strength and energy in trying to settle international problems that might lead to war, and in this way preserve the peace of the world.

Regardless of the nations they represent, all political leaders, although they may have disagreed with Secretary Dulles, respected him for his honesty, forthrightness, integrity, and overwhelming desire to remove the causes of international friction and make it possible for mankind throughout the world to enjoy a full life, confident of the future in a world at peace.

This genuine belief of Secretary Dulles, that permanent peace is possible during these times, fired his determination to work with all his energy and ability to bring this noble objective into reality. This was a gigantic undertaking. Because of his constant labor and his great contribution, however, I am positive this gigantic objective is much closer to reality.

If the complex international problems in these times are negotiated into international agreement and are constructively settled short of war, the people of all nations, not only in the free world, but in all of the nations, will indeed owe their thanks and appreciation to the patient, striving, constant, dedicated labor of Secretary John Foster Dulles.

For many years I have had the honor to know personally Secretary Dulles, his wonderful wife, and his devoted family. My heartfelt sympathy goes to them now. Theirs is a highly respected family everywhere. It is a devoted family, a Christian family. Noble and honorable, it is an American family.

When the history of these times is finally recorded and appreciated, the wisdom, the counsel, the objectives of Secretary of State John Foster Dulles will stand out in the great part they exercised in the molding of events. Just as the inspiring Washington Monument seems to extend above our complex daily problems and difficulties, the great contributions to international peace of Secretary of State John Foster Dulles constitute his monument to the world of these times, and it reaches high into the heavens.

At this time, Mr. Speaker, I should like to include in my remarks an editorial which appeared today in the Boston Daily Record. The editorial is entitled "Mr. Dulles." Following is a drawing of Father Time recording the history of this world. On the left hand page of the open book is written:

The incalculable contributions of John Foster Dulles to peace and freedom.

Under this quotation, Father Time has filled the pages of his history. Following is the editorial:

MR. DULLES

If the free world had to name the one man who more than any other has been the architect of peace and liberty in these years of Red aggression, the name would have to be John Foster Dulles.

If the designers of world conquest in Moscow and Peiping had to name the one man who more than any other has frustrated their plans, the name would have to be John Foster Dulles.

A deeply religious man, Mr. Dulles lived his faith both in the fortitude of his private life and in the high ideals which guided him as Secretary of State.

The works of this far-seeing statesman are a more enduring epitaph than words can be. If words can contribute, President Eisenhower has said them well. The occasion was on last April 15, in announcing the resignation of Mr. Dulles, stricken down by the malignancy which has now claimed his life. The President said then, and a sorrowing Nation echoes now:

"* * * He has filled his office with greater distinction than any other man our country has known. A man of tremendous character and courage, intelligence and wisdom."

Mr. McCORMACK. Mr. Speaker, I yield to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Speaker, surely no one here can feel sorrow at the final release of John Foster Dulles from the physical suffering through which we know he had been going in recent weeks. It is for ourselves and our country that we mourn today—and for a free world that had come to depend more than we realize, perhaps, on his steadfastness of character and his superb leadership and skill in dealing with the enemy of everything we believe in, stand for, and care about.

Yesterday morning when I heard of his passing in his sleep, I thought how extraordinarily appropriate it was that a man who all his life since boyhood had been going on Sunday morning to the church to worship, the church of which his father was a minister, had gone on a Sunday morning to be in his Heavenly Father's home eternally.

Just last week, in a colloquy here with the distinguished majority leader and several other Members, we spoke more fully of the great gifts, the disciplined mind, the tactical resourcefulness, and above all, the selfless dedication to country and to high principle which enabled this extraordinary man to make such extraordinary contributions to the land he loved and the peoples of the earth everywhere.

I do not want to repeat that at this time nor shall I try to say anything additional except one point. Mr. Dulles, as has already been stated here, never wavered in his conviction that there is in the world a moral order. There are such things as right and wrong. There are such things as truth and falsehood. There are such things as good and evil. Men can live in harmony with these principles or men can live against them,

but the principles endure. You and I can violate the principles; but we cannot break them. In the end if we violate the principles, they break us.

We do not have to chart our course by the North Star—but there is a North Star. We can chart our course by it, if we wish.

It was the deep, abiding faith and conviction of this man's life that God is, and that God's world is dependable. Therefore, it was not his task, or ours, to speculate about whether or not there are principles which are eternal and abiding and which in the end will prevail—the only question was how to discover these principles and to live by them; how to be sure what they are and how to put them into practice in concrete situations.

Mr. Dulles, as much as any person it has been my privilege to know, had this capacity. It was always inspiring to those who had the opportunity to meet with him as we in the Committee on Foreign Affairs frequently did, to hear him once in a while, perhaps in response to a question, bring forth an extemporaneous but movingly worded statement of his fundamental faith in man and in the basic goodness of the universe. He refused to believe evil would win, if we and others would be steadfast.

So often men say, "peace on earth, peace on earth, good will to men," as if saying it will produce it. We forget that that promise was given subject to a condition. Mr. Dulles never forgot the condition. The condition was "glory to God in the highest." Then will come "peace on earth, good will to men." There is no assurance of lasting peace on earth and good will to men except as or until men have at the heart of their lives and at the root of their motivations, "glory to God in the highest," that is, to the eternal truth that is in the very nature of the universe.

Communists avow their belief that there is no God, there is no moral order. But our society was founded by men who wrote, "We hold these truths to be self-evident, that all men are created equal,". There is a Creator. That was the first great act of faith from which all the best and the most enduring in our country have flowed. Not "glory to God in the highest" in a sectarian sense or in a professionally pious sense, but the same deep faith in eternal values which motivated our forefathers; the steady conviction that there is in this world a moral order. And truth, not wrong, will triumph if we stick to it.

Our task is to find the truth and to adhere to it patiently and persistently, as we strive to apply the eternal principles in our everyday living—as individuals, as families, as communities, as nations and as one humanity.

I do not know when again we will be privileged to know and work with a man who so deeply understood these principles and so well exemplified them in his faith at work, and who, therefore, was so almost indispensable to a world which today is floundering because of loss of faith in or adherence to these essential truths. I join with everyone here and in a grateful nation in extending to his devoted widow and their family our deepest sympathy.

Mr. McCORMACK. Mr. Speaker, I yield to the gentleman from Michigan [Mr. BENTLEY].

Mr. BENTLEY. Mr. Speaker, it is with deep regret and sadness that I join millions of my fellow Americans, as well as hundreds of millions of freedom loving people throughout the world, in mourning the passing of John Foster Dulles.

No man in recent history has pursued a more dedicated and devoted labor for international peace and freedom for mankind everywhere. His great and unselfish service to this cause and his able conduct of our foreign policies during the last 6 years will live in the grateful hearts of his countrymen forever.

It is truly one of the great tragedies of our time that such a noble and selfless public servant could not have been spared, either to continue to lend his talents to our Government in these critical days or to enjoy a few well-deserved years of retirement. John Foster Dulles was indeed a patriot who made the supreme sacrifice in his country's service just as truly as the thousands of our honored dead whom we will be commemorating this coming Saturday, May 30. It is my hope, Mr. Speaker, that the example of his life and the nobility of his tragic death will inspire all of us to carry on his labors in behalf of a just and honorable peace for which he so tirelessly strove during his entire adult years. At the same time, we should be equally inspired to continue his work for the liberation of enslaved peoples everywhere, realizing that that course of action not only offers our best hope for peace but also is essential for our national security and survival.

I hope that his sorrowing family will take consolation in the fact that a life such as his, based firmly on the principles of Christian faith and truth, will always serve as an inspirational model for men of good will throughout the world. Our prayers and thoughts go out to Mrs. Dulles and all those who have suffered a personal loss in his passing, as indeed we all have in a greater sense. It is my earnest hope that the solemn pride in his accomplishments which must be theirs will help ease the burden of grief which they are also bearing at this time.

John Foster Dulles has not only made his mark in the world's history, he has also, through his irreproachable conduct, indeed built up treasure for himself in the Kingdom of Heaven. I am certain that his Creator has already greeted him there with the words "Well done, thou good and faithful servant: Thou hast been faithful over a few things, I will make thee ruler over many things: Enter thou into the joy of thy Lord."

Mr. McCORMACK. Mr. Speaker, I yield to the gentleman from Indiana [Mr. ADAIR].

Mr. ADAIR. Mr. Speaker, not too frequently is it that we find a man who makes an outstanding success of two careers. Such a man was John Foster Dulles in the field of law and in the field of diplomacy or statesmanship. Most of his life was given to either one or the other of these worthy pursuits. From his young manhood we are told he studied with a great and particular interest the proper arts of diplomacy, the efforts to bring nations and men closer together, and to achieve peace on earth. To these good ends he devoted his years as Secretary of State.

During that period of service, Mr. Speaker, I am quite sure that we would all agree he grew in stature, and wisdom, and learning; certainly, he dedicated himself and his physical capabilities to the utmost to the service of our Government. Many of us who serve on the Committee on Foreign Affairs have seen him appear before that committee obviously suffering from great fatigue, but thinking that it was his duty as Secretary of State to make a report of what he had done to the representatives of the people. Hence, in spite of his fatigue he would appear and give us the benefit of knowledge and his thinking. He was a tower of strength in opposition to communism and in support of free men and free nations. He has been a very great Secretary of State.

We Hoosiers are all particularly proud of the fact that he did have Indiana forebears.

Our prayers and our sympathy go to his widow and the other members of his family.

Mr. McCORMACK. Mr. Speaker, I yield to the distinguished majority whip, the gentleman from Oklahoma [Mr. ALBERT].

Mr. ALBERT. Mr. Speaker, a great oak has fallen; one of the towering giants of our generation has passed on to join that group of immortals whose lives and works have been indispensable in the struggle for liberty down through the ages.

John Foster Dulles was a big man. To be with him was to sense the presence of greatness. He was big by any standards of measurement. In both private and public life he adhered at all times to the highest traditions of Christian morality. He was a man of enormous capacity. He had great and detailed knowledge of the things that were going on in this world. He knew the diplomatic problems of our country from one end to the other and around the world. He not only knew them, he understood them; he understood them in relation to our fight with atheistic communism. Certainly the great strides which this country has made in assuring for mankind human freedom in the years to come are linked closely and unmistakably to the service, work, and character of John Foster Dulles.

The whole world recognizes that it has lost one of its greatest servants and all men are grieved in that loss. I join all others here in extending to Mrs. Dulles and her children our deepest sympathy.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may extend their remarks at this point in the RECORD.

The SPEAKER. Without objection, it so ordered.

There was no objection.

Mr. RAYBURN. John Foster Dulles was a man of character, and of great ability. His work was of worldwide importance and will live long. To his gracious wife I extend my sincerest sympathy.

Mr. KILBURN. Mr. Speaker, John Foster Dulles has an especially warm place in my heart. He certainly was one of the greatest Secretaries of State that this country has ever had. He not only had extreme ability but had courage to match it.

Before he went to Princeton he attended the high school in Watertown, N.Y., the biggest city in my district. His father was the minister of the Presbyterian church in that city and Mr. Dulles always throughout his life kept connection with us in northern New York. His summer home at Duck Island, in the Thousand Islands, was in my district and occasionally I used to fly up that way with him.

I remember the thrill I got when he was appointed to the U.S. Senate because I knew how ably he would represent our State. I never will forget last year when Mrs. Kilburn and I joined the President and Mrs. Eisenhower and the Dulles' on a trip on the St. Lawrence Seaway. At that time I had a visit with him and told him how much I resented the carping criticism of him from his opponents and assured him that every intelligent, patriotic citizen of this country realized what a great job he was doing for our country and I wanted him to know that. He replied that he never read criticisms of himself—how smart he was—that he just went along and tried to do the best job he could. Another thing that interested me was that when I said to him that I could not see how he could stand the long trips and the traveling he did, he replied, "Those long plane trips are the best rest I have. I have no trouble sleeping, no one can get me on the telephone, and I really rest."

He was a great man and I am glad that I knew him even slightly. Mrs. Kilburn and I extend our deepest sympathy to Mrs. Dulles.

Mr. ZABLOCKI. Mr. Speaker, I want to join with my colleagues in paying well-deserved tribute to the late Hon. John Foster Dulles. His tragic death has touched the hearts of the American people across the breadth and width of our continent. In his death, our Nation has lost a great American, and an experienced and devoted public servant.

There is little that I could add to what has already been said about Secretary Dulles' tremendous contribution to our Nation—a contribution which included his best efforts over a period of half a century. He was associated with the conduct of our foreign relations for more than 40 years. He began his service to our country in this field during the negotiations of the Treaty of Versailles, and he rose to become the Secretary of State. His efforts over the years left an indelible mark upon the policies of our country.

Years will pass before history will give its verdict of John Foster Dulles' stewardship of our foreign policy. At this time, one thing is clear: He stood unbending under Communist pressure, working for the unity of the free world in the face of our common danger. He pursued the goal of world peace with singular determination, ignoring every personal cost and sacrifice.

Secretary Dulles' personal integrity and devotion to his work have won him wide acclaim. The tragic circumstances of his retirement stirred the hearts of his friends and foes alike. Today our whole Nation grieves at his passing away, and so do men everywhere who believe in justice and who strive for world peace.

I want to extend to Mrs. Dulles, and to all members of the Dulles family, my deepest sympathies. May they derive some measure of consolation in this sad hour from the thought that our Lord has called him to be among His very own.

Mr. HOEVEN. Mr. Speaker, in the passing of John Foster Dulles, the entire world mourns the loss of one of its greatest exponents for peace in our time. Posterity will long acclaim him for his untiring efforts toward a better understanding among the commune of nations.

John Foster Dulles was a fighter for the right. No one was more dedicated to those ideals and virtues which have made our beloved country the leader among the nations of the world today. He truly was a great statesman. Now he has gone to his deserved reward in "that house not made with hands, eternal in the heavens."

Mr. HENDERSON. Mr. Speaker, we are saddened by the news of the death of a great American, John Foster Dulles. Our sorrow at his passing weighs heavily upon us. We mourn a loss that is not only America's but is the loss of the entire free world. In the midst of our sorrow we are comforted somewhat by the realization that our moment of tribute here on the floor of Congress is directed toward a great, a noble, and an esteemed public figure. It gives each one of us a great sense of pride to know that we have been the beneficiaries of his outstanding career. His service ranks with that of our greatest names in American history. During his tenure in office, our Nation has been beset by difficulties—difficulties greater and more complex than any which has faced it. John Foster Dulles' service to his country which ended only brief weeks before his passing was concluded in an America stronger, greater, and with a higher reputation among the nations of the world than it had when he first assumed the office of the Secretary of State. The fact that the United States increased in stature in these perilous years is to a great extent attributable to the devoted service of our great Secretary of State.

His devotion to duty, his creed of service above self, to the end of his days, stand as an example of conduct for all men in public life. He leaves us a rich heritage, in a nation that is not only momentarily preeminent, but one which will continue in a position of world leadership, served by many in the Department of State and elsewhere throughout the Government who have been schooled and inspired by his example and precept.

The people of the 15th District of Ohio join me today in extending to Mrs. Dulles and to the Dulles family our heartfelt sympathy.

Mr. WEAVER. Mr. Speaker, along with every other American, I was distressed Sunday when I heard of the passing of our great statesman and Secretary of State, John Foster Dulles. America has lost a great and good servant; the free world has lost one of its most important leaders; humanity has lost the services of a fine and noble character and a dynamic fighter for freedom and human rights.

Mr. Dulles was a man of principle and integrity, a man whose dedication to America was second only to his dedication to the belief that war is not the only solution to human differences, that through undying and tireless effort, man can find a better solution. In his lifelong search for this solution Mr. Dulles had a fine disregard for the criticism and contumely so often heaped upon him personally by those who did not understand his principles and ideals or, understanding, for their own personal and selfish reasons, opposed them.

Few men in the history of our Nation have done so much and have given so completely of their time, talent and energy as did John Foster Dulles. When the final page of history is written, his name will loom large in his fight for freedom from war and freedom from individuals. His name already stands out in our own time in these efforts.

In closing, Mr. Speaker, I would like to extend to the family of this great man my own sincerest condolences and deepest sympathy, along with those of Mrs. Weaver.

This Nation has lost a great man, and so has the world. He will be sorely missed.

Mr. TABER. Mr. Speaker, I have known John Foster Dulles for more than 50 years. As a young man in his teens, his family moved to Auburn, where I live, and he lived about a block away from me.

Later on, I came to know him when he was the head of Sullivan & Cromwell, the largest law firm in New York City at that time.

At the end of the First World War, he accompanied his grandfather, John W. Foster, to Paris, and they were the ones who had charge of the drafting of the treaty of peace.

He quickly rose to a position of real eminence among the lawyers in New York, handling an enormous volume of very important cases.

In the last 15 years, he has spent most of his time in the public service, first assisting the State Department in its efforts to handle our foreign affairs. Among other things, he prepared and negoiated the treaty of peace with Japan. He became Secretary of State on March 4, 1953, and continued down to within a few days of his death.

He and his wife, Janet, have made a magnificent record for themselves in the work that they have done to promote the welfare of mankind and the peace of the world. I doubt if anyone in our history has ever accomplished so much to keep

the United States at peace and the world at peace.

My sympathy goes out to Mrs. Dulles and all of the family.

Mr. CURTIS of Massachusetts. Mr. Speaker, with a heavy heart I join in tributes to the late Secretary of State and expressions of sympathy to his family.

The memory of his life of service, and of his wise and firm leadership, will be a source of strength to countless of our citizens for years to come.

One of Secretary Dulles' last appearances on Capitol Hill prior to his relapse, was before the House Committee on Foreign Affairs. He impressed me as one of the best witnesses I ever heard. His answers to questions were frank, well expressed, and gave evidence of vast knowledge and great intellectual power.

On another occasion I heard him describe one way of dealing with the Soviets. It was to confront them with stern alternatives—so to arrange matters that if they were to gain a point, they would have to accept counteraction which would make the effort unprofitable.

His policies for meeting the Communist challenge were his greatest contribution. He was never taken in. He realized how useless and dangerous it was to place any reliance on Soviet fairness or collaboration.

He was not swayed either by Soviet threats or Soviet blandishments. He believed that if we negotiated from a position of strength, and a position of right, and stood firm, we would prevail. He had the courage to put these policies to the test, and they have won a large measure of success.

Mr. BARRY. Mr. Speaker, as previously stated on the floor of the House, at the time of Mr. Dulles' retirement as Secretary of State, I knew the Secretary as a man of deep spiritual conviction. Surely his magnificent contributions to our hope for a peaceful world were divinely inspired. His name will linger forever as a monument to justice, through strength, based on moral conviction. We have lost a great and good man.

Mr. PIRNIE. Mr. Speaker, the cause of freedom and justice throughout the world has lost its most devoted advocate in the death of John Foster Dulles.

Prompted by an inspiring family tradition and intensive study, this great man moved into a field of responsibility for which he had carefully prepared. His retentive mind amassed a background of tremendous knowledge, sifted by discriminating analysis and kept current by alert perception.

As a fulfillment of his own plans, yet with a timeliness of divine providence, he entered upon the world scene, as a fearless champion of peace and an unrelenting foe of communism. With rare courage and keen judgment, he continued his fight until struck down by his fatal illness.

As a fitting benediction, his last months, so racked with pain, were made more bearable by messages of admiration and gratitude from around the world. He died knowing that the life he had given to his country had become a symbol of integrity of purpose in the resistance of the forces of evil. Just as his great energy and disarming mind provided inspiring leadership during his lifetime, so may his noble character and devotion to truth remain as a guiding spirit for our Nation in the years ahead.

His family will find consolation in his release from pain and justifiable pride in his enduring contribution to mankind. They will remember the intimate blessings of his unique personality within the family circle.

A great and good man has moved among us, leaving the impact of his mind and character upon the destiny of humanity. His principles are eternal, his fight will continue.

Mr. MACK of Washington. Mr. Speaker, John Foster Dulles was a good and a great man.

He gave the major portion of his adult life to fighting mankind's greatest enemy—war. During his 6 years as Secretary of State, the most troublesome and dangerous years internationally in our Nation's history, Secretary of State John Foster Dulles kept our people from involvement in armed conflict—an achievement that many 6 years ago predicted would be impossible.

He laid firm foundations for the future peace of our Nation and the world, and in so doing was a great benefactor of all mankind. His death was a great loss to our Nation and to the world. His accomplishments were great, and his tireless and ceaseless work for peace an example for future statesmen of our own and other nations to emulate. John Foster Dulles will be rated by historians as one of the greatest statesmen of his century.

Mr. OSTERTAG. Mr. Speaker, we have suffered the loss of a great American and Secretary of State with the passing of John Foster Dulles. Few men have dedicated their lives more earnestly and unselfishly to the cause of peace, freedom, and justice. The entire free world stands forever in his debt for the great courage, steadfastness, and integrity which he brought to the cause of freedom in these past 6 years.

Mr. Dulles, who grew up in my home State of New York, served our country in international diplomacy over a period of more than 50 years. He served with equal skill and devotion under many Presidents and many administrations of both political parties. Mr. Dulles was especially skilled in diplomatic negotiation, and one of his major achievements was the negotiation of the Japanese Peace Treaty even before he assumed the position of Secretary of State.

Mr. Dulles established a strong and firm position for dealing with communism throughout the world. He understood very clearly the cunning intellect and expansionist ambition of communism and set us on a firm course to meet these threats to democracy and freedom. He was a heroic fighter against tyranny.

With all this, Mr. Dulles was a Christian gentleman, a man of great moral integrity. He was a great American, a brilliant Secretary of State. His outstanding achievements will stand as a monument to his wisdom, devotion, and understanding. One of our best tributes to him is our pledge of determination to remain on the course of strength and firmness which he has charted.

Mrs. KELLY. Mr. Speaker, the world was saddened by the death of John Foster Dulles. I join with my colleagues in expressing deep sympathy to his wife and family. His devotion to his family, to his country and to the peoples of the world was well known. His life's work was devoted not only to strengthening the family, but also to strengthening the family of nations. I trust the following prayer will give solace to his family:

> We seem to give them back to Thee, O God, who gavest them to us. Yet as Thou didst not lose them in giving, so do we not lose them by their return. Not as the world giveth, givest Thou, O Lover of souls. What Thou givest, Thou takest not away, for what is Thine is ours also if we are Thine. And life is eternal and love is immortal, and death is only an horizon, and an horizon is nothing, save the limit of our sight. Lift us up, strong Son of God, that we may see further; cleanse our eyes that we may see more clearly; draw us closer to Thyself that we may know ourselves to be nearer to our loved ones who are with Thee. And while Thou dost prepare a place for us prepare us also for that happy place, that where Thou art we may be also for evermore.—Prayer used by Fr. Bede Jarrett, O.P.

Mr. MERROW. Mr. Speaker, John Foster Dulles is one of the greatest Secretaries of State in the history of the Republic. The United States and the free world have sustained a heavy loss in his passing. He is mourned all over the world by those who love freedom and cherish the ideals of liberty.

Secretary Dulles, who was a great diplomat, a statesman and leader, displayed unparalleled ability in shaping the foreign policy of the United States as an effective instrument in countering the expansion of international communism and the spread of tyranny. His positive approach to, and his intimate knowledge of, international problems enabled him to make an imperishable contribution to the welfare of all mankind. His penetrating understanding of world affairs, his deep analytical insight, his broad vision, and his completely unselfish dedication to public service enabled him to conduct the foreign affairs of the United States in such a manner as to be of enduring benefit to our country and to the free world.

His was a life dedicated to winning the peace. Secretary Dulles laid a sure foundation for the development of our policy in this nuclear era and the people of this generation, as well as those who are to follow, will always be indebted to him for his untiring labors in constructing a better world. His loss is universally felt but there is consolation in knowing that his achievements constitute a beacon of inspiration and hope for all those who love peace and freedom and who are dedicated to the continuation of the work which he so nobly began.

I extend my deepest sympathy to Mrs. Dulles and her family in their great loss.

Mrs. WEIS. Mr. Speaker, I should like to associate myself with all of the sentiments which have been expressed today regarding the passing of John Foster Dulles. My few remarks may not possess the eloquence with which he has

been eulogized by others; at this moment words do not come to me which adequately express the greatness of this man. It is enough, perhaps, to say that John Foster Dulles was one of that rare breed of men who, in the finest Christian tradition, find fulfillment in life by devoting their entire energies to the service of others.

Perhaps Mr. Dulles could have prolonged his life by retiring sooner. He chose not to do so. Perhaps he could have waged a more diligent battle against the cancer which finally claimed his life. He chose not to do so. Putting aside his own personal struggle for survival, he chose instead to engage in what he saw as the larger struggle for world peace and the survival of the dignity of mankind. He chose to sacrifice his life in the hope that others might be spared the necessity of living theirs under the heavy hand of Communist imperialism.

My sympathies go out to Mrs. Dulles and her sons, and to all the Dulles family, as they mourn his passing. But they can gain renewed strength in the knowledge that the work of John Foster Dulles will never be forgotten so long as those things for which he battled so valiantly remain a part of our way of life.

Mr. DADDARIO. Mr. Speaker, it has been said of John Foster Dulles that he never stopped fighting. He showed in his battle against death the same courageous will and determination that had marked his career of public service.

One cannot look at the biographical sketches of Mr. Dulles without being impressed by the lifetime of public service that he contributed to his Nation. A distinguished career in international law seemed just an apprenticeship.

The public image of Mr. Dulles was one of a man of moral righteousness, inflexibile in negotiation, bound to legal skirmishing of an intellectual nature. There are elements of truth to this image. But there is nothing wrong about morally righteous faith in the good and the true. He believed that peace was a goal worth defining and insisting upon.

He established in the office of Secretary of State a precedent of personal diplomacy that seemed to fit the aerial times in which we live. He covered more than half a million miles during his time in the Cabinet, visiting our allies and meeting, face to face, those whose policies had created the situations he was enlisted to solve. It could be said that this weakened the network of Ambassadors, but it will be difficult for any successor to go back, in this age of swift, jet travel, to written communications to meet crises where action must be decisive.

If Mr. Dulles' travels and his difficult assignments took an increasing toll of his energies, you could not tell it from his high good humor in public. He maintained his interest and zeal in unflagging proportion. He seemed, at moments, to be racing against time in his pursuit of peace. He leaves a heritage of accomplishment to his successor, and a code of principles that deserves to be remembered. He will live on in memory as one who gave his life in the cause of peace and his country. No greater tribute can be paid.

Mr. BROOMFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD, and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BROOMFIELD. Mr. Speaker, few men have had the privilege of being recognized for their greatness in their time. One of these few was John Foster Dulles.

History will bear out, I feel certain, that he has been the greatest Secretary of State in our Nation's history. Few men at any time have matched his keen intellect, his quick grasp of the realities of diplomacy, his forthright drive along the path to peace and world understanding.

Mr. Dulles was forced to compromise many times during his 6 years as Secretary of State, but he never compromised principle. He believed in the rightness of our cause, in the essential goodness and dignity of his fellow men. He had an unshakable faith that sooner or later the world would come to recognize these principles of freedom and individual choice as common goals, and that these goals would triumph over anthill societies which subjugate man to the role of tool to a central government.

It is interesting to note that most of Mr. Dulles' critics opposed not any lack of principle on his part, but rather his devotion to principle and moral courage. Some thought it more expedient to sacrifice some of these basic freedoms for short-range gains.

But none knew better than Mr. Dulles that it is possible to win a battle and lose a war in the field of diplomacy. He knew that hesitancy by our Nation to stand up for the things in which we believe at any point could only cloud our relations with those nations who depended on us for courageous leadership.

Mr. Dulles was an airborne leader, not a chairborne leader. Like any good general—and that is exactly what he was in our cold war struggles with the Communist world—he knew the value of surveying a situation at close range. He knew that an ivory tower existence for the Department of State would mean that theories would be developed which would have little or no relation to practical realities. He knew that the best way to find out what was going on was to have a look for himself.

His journeys by air took him more than a half million miles and to some 47 different countries. During these trips, he was able to talk over situations with his farflung Foreign Service officers and take up delicate matters directly with the heads of both friendly and enemy governments.

This new air-age concept of the role of Secretary of State no doubt will become accepted practice in the future, not only for our Nation, but for foreign ministers of many other nations as well.

Mr. Dulles has mapped out the strategy for our Nation to follow in its dealings with the Communist world. He has plotted the courses for us in general terms which have proved their effectiveness against the Communist threat. He has shown our Nation and its people that we must deal with the sometime grim realities and practicalities of situations, but that we should never lose sight of our eventual goal of peace and freedom for the world.

The dedicated devotion which John Foster Dulles has shown to his Nation and its people is an object lesson to all of us. His brilliant mind, his indisputable logic, his quick grasp of the realities of a situation are traits which are all too seldom found in one individual. Mr. Dulles has achieved his goal of peace everlasting, and has made it easier for us to attain this goal here on earth.

Even some of Mr. Dulles' severest critics—such as the Washington Post—admired him. On the day following his resignation as Secretary of State, because of the spread of cancer through his body, the Post published an editorial which outlined many of his contributions to our Nation and the cause of world peace, the towering greatness of the man and his goals for world understanding.

[From the Washington Post, Apr. 16, 1959]

MR. DULLES AS SECRETARY

It is always sad when a valiant soldier must lay down his burden. The physical necessity for the resignation of John Foster Dulles as Secretary of State has been well understood, but the fact itself occasions a moment of extraordinary pathos. There were tears in President Eisenhower's eyes yesterday, and the sentiment undoubtedly was shared by many around the free world, not necessarily because they have agreed with Mr. Dulles, but because they have admired his courage and unswerving devotion to his principles.

Yet there must be great satisfaction to the outgoing Secretary that he leaves his office at a time when his reputation is at a pinnacle. The storms of previous years that blew around him have largely dissipated, and doubts and discord have been replaced with real affection—as much abroad as at home. No doubt much of this respect has been focused by Mr. Dulles' position on Berlin and the German problem. But much also has stemmed from recognition of his steadfast adherence to his convictions. Perhaps it took the Berlin crisis and Mr. Dulles' illness to demonstrate what a source of strength he has epitomized. He has been the towering figure, not merely in the Eisenhower administration, but also in the Western Alliance.

It is unnecessary, in a current appraisal of Mr. Dulles' 6 years as Secretary of State, to gloss over the points of past criticism. Mr. Dulles himself would not appreciate that. Some of the disagreements loom small in retrospect. Others represent basic differences of approach. On many points his strategy has seemed better than his tactics.

There was, for example, the much-publicized philosophy of brinkmanship, which Mr. Dulles himself must take responsibility for having advertised. Certainly it caused far more apprehension than public expression of the concept was worth, even as a tool for coping with the Kremlin's machinations. There was the doctrine of massive retaliation which, insofar as Mr. Dulles voiced it, has shown itself to be far from an adequate posture of defense. There was the flirtation with liberation, a phony partisan slogan which disclosed a scarcely creditable side of Mr. Dulles.

There also were such excesses of speech as the Goa statement, Mr. Dulles' various

pronouncements about neutralism and his occasionally effusive invocations of morality. There was the silly episode in which he refused to permit American reporters to go to Communist China. There were exercises in legalism and attempts to camouflage old policies with Madison Avenue veneer. There was the justified complaint that Mr. Dulles made too little use of staff and encouraged only negligible long-range planning.

But there also were moments of greatness, as when Mr. Dulles recommended the searingly difficult decision to oppose the British-French intervention at Suez. Having played a part in precipitating the crisis by the blunt manner of his withdrawal of help for the Aswan Dam, and having contributed to the estrangement of Britain and France, Mr. Dulles worked with enormous earnestness to heal the split and repair the damage. His course helped preserve the usefulness of the United Nations, and it may also have prevented world war.

After years of opposition to any acknowledgment of Communist China, last autumn Mr. Dulles did make a major change of policy by disavowing Chiang Kai-shek's ambitions on the mainland. The United States is not yet out of its dubious Quemoy involvement, but in the circumstances the Dulles stand seemed to deter Communist aggression. However unclear the purpose at the time, the American intervention in Lebanon brought a measure of stability in the Near East. Mr. Dulles also must receive applause for what in the net is a good record of economic responsibility in world affairs on the part of the Eisenhower administration.

Finally, of course, there is the issue of Germany. Mr. Dulles combined firmness on the military position with a willingness to discuss various possible approaches to larger agreement. In this he showed awareness of the importance of turning the onus on the Soviet Union. The recent squabbles among the Western allies illustrate how much Mr. Dulles is missed.

At the same time it can fairly be said that there has been no marked advance in the Western position under Mr. Dulles' leadership. He has been an apostle, as it were, of containment. The various pacts he erected in Asia and the Middle East—pactomania, his policy was called—were aimed at preserving the status quo. There is wide agreement with his thesis that the Communists will make trouble wherever there is weakness, but he displayed little or no initiative to try to roll the Communists back or negotiate a stabilization.

In part Mr. Dulles' approach has appeared to derive from his conviction that because communism is evil the Communist society eventually will crack up. There is little disagreement that communism is evil, but there is little evidence either, that the Soviet state is in fact cracking up. On the contrary, most of the evidence indicates that it poses an increasing challenge which is still too little appreciated in either economic or military terms.

There have been few settlements under Mr. Dulles, and in some places—notably in Indochina in 1954 and now in Iraq—the Western interest has been set back. Yet containment, or preservation of the status quo, is no mean achievement. Perhaps it is all that could have been achieved. Mr. Dulles' approach has been essentially conservative, but it is useless to argue whether more initiative would have produced happier results. No one can prove his course wrong.

Certainly the Secretary demonstrated the capacity to grow in his job. He fought many unsung battles within the administration, on nuclear tests and other issues, without a word of complaint when his hand was suddenly weakened. If he continued to keep policy too much to himself, to be too much the lawyer engaging in brilliant improvisation, he refined many of his techniques and learned to avoid many of his earlier errors.

He won strong supporters among both parties in Congress after his initial experience in making concessions to the Republican right-wing irreconcilables which he probably did not have to make. He seemed to enjoy his frequent meetings with the press and was more adept that any other Cabinet member at using the news conference as a forum. Although he occasionally sacrificed both issues and personalities, he did a great deal to advance the acceptance of internationalism as permanent American policy.

Mr. Dulles learned early that no effective Secretary of State can expect to be popular. He had a curious affinity on many fundamental points, although neither may like the comparison, with his predecessor, Dean Acheson. Above all, he made broad use of a first-rate mind. Whether or not one concurred with his decisions, it was a joy to witness the exercise of his wit and intellectual power.

It is far too close to Mr. Dulles' service to evaluate the significance of his contribution with any depth of perspective. It is clear, however, that his retirement after a diplomatic career that goes back intermittently 52 years to the Hague Peace Conference of 1907 leaves a vast hole that cannot readily be filled. As he marshals his strength for what everyone will hope can be continued service as an adviser, he can be sure that his conscientiousness, energy and dedication have won him the profound gratitude of his countrymen.

Mr. DAGUE. Mr. Speaker, the Nation stands with bowed heads as we mark the passing of one of the greatest statemen of our time and it is no small thing to have lived through the years when his contributions toward the peace and security of the world come to fullest flower.

To us who stand in sorrow at his bier it seems that his usefulness came to an end at the very time when he is needed most. And yet we are persuaded that as a great Christian layman he laid down his life quite content that he had done his best, and with confidence that succeeding generations would set their seal of approval on the dynamic program formulated under his direction which has kept us at peace for the last 6 years.

John Foster Dulles was a great man and his true greatness was revealed in that steadfast refusal to return in kind the vilification that was heaped upon his policies; that these detractors for the most part have reversed themselves and now acclaim him for what he was—the greatest Secretary of State in our time—indicates that in this first instance their opposition was largely political and not of the heart.

My admiration for our late Secretary became firmly established when he refused to retract his contention that the true art of diplomacy lies in the ability to skirt the brink of a world cataclysm without plunging in. In simple language this means that we must always be prepare to call the other's bluff—which under his leadership we did on several notable occasions—and the peace we enjoy today is attributable to that policy.

We stand with our President in salute as this great American is laid at rest in that sacred spot reserved for the Nation's heroes. And to his beloved wife and the members of his family goes our deepest sympathy and the prayerful hope that his service to the world will be the shining light that will guide them along the pathway of sorrow which they now must tread.

Mr. COHELAN. Mr. Speaker, I wish to convey deepest sympathies to the family of John Foster Dulles—from my constituents in the Seventh District of California and for my family and myself.

We sense that people throughout the world, in a quiet moment, have paused to look toward Washington where John Foster Dulles has passed away. In that alone there is greater tribute than we can pay here.

PUBLIC LAW 875, 81ST CONGRESS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. No. 157)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Public Works and ordered to be printed:

To the Congress of the United States:

I have the honor to transmit herewith a report of activity under authority of Public Law 875, 81st Congress, as amended, and required by section 8 of such law.

Funds which have been appropriated to accomplish the Federal assistance determined eligible under this authority are specifically appropriated to the President for purposes of disaster relief.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *May 22, 1959.*

WE MUST NOT LET THE RUSSIANS WIN BY DEFAULT

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. FEIGHAN. Mr. Speaker, has our American Government departed from our traditional foreign policy of recognition of the right of all nations to national self-determination? At the Foreign Ministers meeting, no voice has been raised on behalf of the rights of the people of the captive non-Russian nations now illegally dominated and controlled by the Russians. Worldwide attention has been diverted from the plight of the enslaved nations. As a consequence, the enslavement of the captive nations is being accepted as status quo on a "de facto" basis. By our failure to insist that the status of the captive nations must be considered on the agenda, the Russians are winning a victory to maintain the status quo, by default. The Russians are trying to break the will to resist of the people in the subjugated nations. We must not, by default, or in any manner, assist the Russians in their determined efforts to

break the will to resist of the subjugated people.

I urge President Eisenhower to instruct Secretary of State Herter to demand that the Communist-enslaved non-Russian nations be permitted to determine their own destiny by the use of free elections, including multiple political parties, the secret ballot, together with international supervision to guard these basic requirements.

SUBCOMMITTEE ON IRRIGATION AND RECLAMATION OF THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. ROGERS of Texas. Mr. Speaker, I ask unanimous consent that the Subcommittee on Irrigation and Reclamation of the Committee on Interior and Insular Affairs be permitted to sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. BONNER. Mr. Speaker, I ask unanimous consent that a subcommittee of the Committee on Merchant Marine and Fisheries of the House may be permitted to sit in the city of Chicago, hold hearings and take testimony on the 26th, 27th, and 28th of this month during sessions of the House.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

GENERAL GOVERNMENT MATTERS APPROPRIATION BILL, 1960

Mr. ANDREWS. Mr. Speaker, I move that the House resolve itself into the Commitee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7176) making appropriations for the Executive Office of the President and sundry general Government agencies for the fiscal year ending June 30, 1960, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from Pennsylvania [Mr. FENTON] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Alabama [Mr. ANDREWS].

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 7176, with Mr. ALBERT in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. ANDREWS. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, this bill provides funds for the Executive Office of the President and sundry agencies. There are 14 appropriation items in the bill.

Appropriation, 1959	$12,644,870
Supplemental appropriations, 1959	520,500
Total available, 1959	13,165,370
Estimates, 1960	13,608,500
Recommended in bill	13,338,500
Recommended decrease in estimates	270,000
Increase over 1959	173,130

The committee is recommending the full amount requested in the budget estimates for all except two items. The two exceptions are the item for "Expenses of management improvement" and the item for "Salaries and expenses of the Subversive Activities Control Board." These items will be discussed in more detail in a moment, but it should be noted now that the reductions recommended by the committee will not in any way cut back on the work to be carried out under these funds in fiscal year 1960.

AVERAGE EMPLOYMENT

Average employment paid from funds included in this bill will decline from 1,623 in the current fiscal year to 1,561 in fiscal year 1960. This reduction of 75 in average employment was planned in the estimates submitted to the Congress in the President's Budget, and the committee has not recommended any further reductions in personnel. Significant reductions in average employment will occur: In the American Battle Monuments Commission—minus 42—as the construction program nears completion; and in the Foreign Claims Settlement Commission—minus 32—which will be completing action during fiscal year 1960 on five different claims programs.

THE EXECUTIVE OFFICE OF THE PRESIDENT

The committee is recommending the full amount requested in the budget estimates for the Executive Office of the President. This includes the compensation of the President, the White House Office, special projects, the Executive Mansion and Grounds, the Bureau of the Budget, the Council of Economic Advisers, the National Security Council, and the President's Advisory Committee on Government Organization. The total amount of $10,255,500 is an increase of $343,630 over the comparable amount for the current fiscal year. Practically all of this increase is required to pay increased salaries of existing employees, and there is no increase in average employment—988 in both 1959 and 1960.

EMERGENCY FUND FOR THE PRESIDENT, NATIONAL DEFENSE

The bill includes $1 million, the amount requested for the item "Emergency Fund for the President, National Defense." There is some doubt that the use of this fund has been restricted to instances of bona fide emergency, but such a fund should be available in case a real need should arise.

EXPENSES OF MANAGEMENT IMPROVEMENT

The committee is recommending that no appropriation be made this year for the item "Expenses of management improvement." This recommendation is based entirely on the carryover of funds already available for this purpose. The budget document shows that an unobligated balance of $211,000 will be on hand in this fund at the beginning of fiscal year 1960, and only $161,000 is planned to be obligated during that year. Actual figures for the current fiscal year show that only $89,928.91 was expended through the first 9 months, leaving an unexpended balance of $336,193.85 in this fund as of April 1, 1959. Thus, it appears that the balance on hand will be more than adequate to take care of any requirements there may be in fiscal year 1960.

In the words of the Director of the Bureau of the Budget, "This is an appropriation aimed at saving money, not spending it." The committee recognizes the value of this program of management improvement, but can see no useful purpose in appropriating funds at this time "to restore unallocated funds to approximately the level of the original appropriation of $500,000" as requested in the budget justification.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman from Iowa.

Mr. GROSS. Now, what has been accomplished substantially by the money that has been spent on this organization? I have read the hearings of the gentleman's subcommittee, and I cannot find where they can show any real accomplishment for the money expended and the money that you are presently making available as a carryover.

Mr. ANDREWS. I will say to the gentleman that the Director of the Budget stated that this is a very essential commission or agency and that it has resulted in substantial savings. He was asked to supply for the record a list of the savings achieved.

Mr. GROSS. Mr. Chairman, if the gentleman will yield further, that list is to be found on page 180, and one of the heaviest expenditures from this fund in the past has been $207,721 for organization and management of the General Services Administration, and yet on page 181, where Mr. Stans submits the accomplishments, he neglects to say one word about the General Services Administration or any improvement in the management of the General Services Administration, among the so-called notable accomplishments that have accrued from this spending. Can the gentleman explain why?

Mr. ANDREWS. No; I cannot. I will say to the gentleman that the committee is not writing the budget request for this agency.

Mr. GROSS. That was by all odds the largest expenditure from this fund in the past, and yet it is not even mentioned. As a matter of fact, I think the gentleman is probably aware that the General Services Administration is today and has been hiring consultants to tell them what

to do about office space in the Federal Government.

Mr. YATES. Mr. Chairman, will the gentleman yield for a question?

Mr. ANDREWS. I yield.

Mr. YATES. With respect to the appropriation item of $10,255,500 for the Executive Office of the President, is this the highest amount ever appropriated for the White House?

Mr. ANDREWS. I think it is. I believe the gentleman from California will explain that item in his statement.

Mr. YATES. Is it higher than the amount appropriated for this office at the time Mr. Truman was President?

Mr. ANDREWS. It is my recollection that it is.

THE AMERICAN BATTLE MONUMENTS COMMISSION

An appropriation of $1,295,000 is included in this bill for the American Battle Monuments Commission. This is the amount requested in the budget, and an increase of $27,000 over the comparable amount for 1959. This appropriation finances all costs of operation and maintenance of the American military cemeteries and memorials located in foreign countries and two memorials erected by the Commission in the United States. Sixty-one installations in 11 foreign countries and the United States are involved.

The unobligated balance of funds heretofore appropriated for construction of memorials and cemeteries will be sufficient to complete the program. Average employment is decreasing, from 122 in 1958 to 85 in 1959 and to 31 in 1960. This decrease is partially offset by smaller increases in the operation and maintenance account, for an overall decrease of 42 in the American Battle Monuments Commission for 1960.

The committee has included new language beginning on page 6, line 13, which will permit the Commission to use a portion of the unobligated balance in the construction account for appropriate dedications of World Wars I and II memorials.

FOREIGN CLAIMS SETTLEMENT COMMISSION

The committee is recommending a direct appropriation of $408,000 for the Foreign Claims Settlement Commission, to be augmented by $50,000 from the war claims fund. Average employment will decline from 78 in the current fiscal year to 46 in 1960. The Commission is scheduled to complete its Soviet, Rumanian, Hungarian, Bulgarian, and Italian claims programs this summer. The major activity for fiscal year 1960 will be the comparatively small but technical Czechoslovakian program.

SUBVERSIVE ACTIVITIES CONTROL BOARD

The bill includes $380,000 for the Subversive Activities Control Board. This is $20,000 less than requested in the budget, and an increase over 1959 of $5,000. This reduction is made possible by dismissal of one of the Board's cases since the budget was made up. The workload of the Board depends on the number of cases brought by the Attorney General or by organizations or individuals; the Board has no control over its own workload. The dismissal of this one case will result in less cost of travel and may make it possible for the Board to get along with one less hearing examiner.

GENERAL PROVISIONS

The committee is recommending the continuation of several general provisions with no change from the present act. We have deleted the old section 208, which required the Bureau of the Budget to make an annual report to the Congress of operations under the Bureau's Circular A–45 which establishes a rent policy for quarters supplied to Federal personnel and sets forth certain procedures for the administration of rents and service charges for such quarters.

We have included a new provision in the bill, section 210, to eliminate annual agency reports under section 1311(b) of the Supplemental Appropriation Act, 1955. These reports were necessary to put section 1311 in effect and make it work, but have served their purpose and are no longer needed.

Mr. FENTON. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman and Members of the Committee, the chairman of our subcommittee, the gentleman from Alabama [Mr. ANDREWS], has explained the items contained in this bill and I join with him and the other members of the committee in urging its approval.

This is, as you know, the smallest of all our appropriations bills.

I enjoyed the hearings and was especially pleased to welcome three new members to the minority, Mr. WEAVER, of Nebraska; Mr. MINSHALL, of Ohio; and Mr. MICHEL, of Illinois.

We were also fortunate in securing the services of James Burris as our staff assistant and who as a first termer did a fine job.

The chairman, Mr. ANDREWS, as usual was most courteous to all of us as were all the members of the majority side.

The bill comes to you with a unanimous report of the committee.

I believe that most of the questions asked by the members of the committee received forthright answer from the witnesses; and, especially do I appreciate the manner in which Mr. Stans and his associates in the Bureau of the Budget responded to all the questions, as the record will show.

But as insignificant as this appropriation appears, and probably is, in respect to the billions of dollars handled in other subcommittees, there is one basic, fundamental item that to my mind is very important. I refer to the item that has to do with the work of the Subversive Activities Control Board.

I shall go into detail on the item a little later but will refer you to the hearings—pages 98 to 122, inclusive—which gives you a complete picture of the work that has been done by this Board and the obstacles that they have encountered.

The funds for the general Government matters bill for fiscal year 1960 as recommended by the Bureau of the Budget is in the amount of $13,608,500. The Subcommittee on Appropriations granted the budget allowance in all instances except two—namely, the item of $250,000 for "Expenses of management improvement" which it disapproved in full and the Subversive Activities Control Board from a request of $400,000 to $380,000, or a cut of $20,000.

The committee therefore allowed $13,338,500 for all activities under the heading of "General Government Matters," which is an increase of $173,130 over fiscal 1959 and $986,130 over fiscal year 1958.

The increase in dollar requirements comes about in spite of continuing reductions in employment in the agencies included in this bill. As an example of the reductions in personnel which have been accomplished over the years, let me cite the case of the Bureau of the Budget. This Bureau has reduced its employment by approximately 100 positions in the last 8 years. If anything, its workload and the complex of the problems it must deal with have increased over that span of time. The agencies included in this appropriation bill are doing a difficult and most important job with an absolute minimum of personnel and operating expense.

As you know the agencies for which these appropriations are made are in the main in the Executive Office of the President which includes, of course, the compensation of the President, the White House Office, special projects, the Executive Mansion and grounds, the Bureau of the Budget, Council of Economic Advisers, National Security Council, and the President's Advisory Committee on Government Organization. These agencies were allowed a total of $10,255,500 which is $800,000 more than fiscal 1959.

Other funds requested in this appropriation is the usual $1 million for the Emergency Fund of the President—which was allowed in full—and "Expenses of management improvement" for $250,000 which the committee disallowed.

Therefore the funds allowed the President for his salary, Executive Offices and his Emergency Fund and his expenses of management improvement are $11,255,500 out of a request of $11,505,500.

GENERAL GOVERNMENT AGENCIES

There are three other agencies in this appropriations request, namely, the American Battle Monuments Commission for which $1,295,000 was asked and allowed; the Foreign Claims Settlement Commission for which $408,000 was asked and granted; the Subversive Activities Control Board for which $400,000 was asked and $380,000 granted, a reduction of $20,000.

As heretofore stated the committee disallowed the $250,000 requested for the item "Expenses of management improvement."

The original appropriation for this item was in 1954 in a supplemental request for $500,000; in 1955 the second appropriation was made, via the independent offices appropriation of that year; the third appropriation for this item was made in 1957 through the General Government Matters Appropriations Act.

Nothing was appropriated in the years 1956, 1958, or 1959.

Each appropriation was made available until expended.

Consequently there is expected to be an unobligated balance of $211,000 on June 30 of this fiscal year.

These funds are to enable the President to have studies conducted of the organization and operations of the executive branch and to develop and install improvements therein.

Since these appropriations were originated in 1954, 18 projects have been financed through authority of the Bureau of the Budget delegated by the President to that agency.

The Director of the Bureau of the Budget testified that—

> A number of the projects have reached a point where accomplishments and savings, which are verified by the agencies concerned, can be identified.
>
> Some of the accomplishments have resulted in definitely identifiable dollar savings. Others have provided improvements in the effectiveness and efficiency of Government agencies and have enhanced the capacity of executive officials to manage the programs for which they are responsible.

One of the accomplishments from one of the projects that have been completed is the recent reorganization of the Defense Mobilization and Civil Defense programs. The principal recommendation was that functions should be vested in the President which had been vested by statute in other officials of the executive branch and that a new agency should be established in the executive office of the President by the merger of the Office of Defense Mobilization and the Federal Civil Defense Administration. This agency would assist the President in formulating policies and coordinating planning for nonmilitary defense functions.

In April of last year, 1958, the President transmitted to the Congress Reorganization Plan No. 1 of 1958 which became effective on July 1, 1958. This new consolidation and merger is now known as the Office of Civil and Defense Mobilization.

Some savings have been affected by this consolidation but the long-run effect will be through reductions in expenditures made possible through the more effective carrying out of programs which had been insufficiently coordinated.

Five projects are currently under way and are expected to be completed in the near future.

Emphasis will be placed on those projects which will produce definite and identifiable savings or other concrete and measurable results.

Therefore, in view of the nature of this item it is not possible to indicate a specific program of matters that will be studied, specific allocations and agencies to which they may be made, or the manner in which particular studies will be conducted.

However, since the unobligated balance June 30 is expected to be $211,000 and an estimate of $161,000 is forecast for 1960 there would be a balance of $50,000 at the end of fiscal 1960 if no new money was provided for 1960.

In light of the benefits to be derived from the management improvement program there was some disagreement in the committee in denying the $250,000 requested for 1960.

Of course, if the $211,000 is insufficient then it would be necessary to come back for a supplemental.

SUBVERSIVE ACTIVITIES CONTROL BOARD

This Board made a request for $400,000. The committee allowed $380,000.

This Board was established by the Subversive Activities Control Act of 1950. It is composed of five members appointed by the President by and with the advice of the Senate.

Since 1951 the Board has received $2,619,905 in appropriations. With the granting of funds for fiscal 1960 they will have received practically $3 million to carry out the intent of the Subversive Activities Control Act.

The subcommittee is greatly concerned about the evident standstill that has resulted from the action of the Supreme Court in remanding the case to the Board on credibility questions involving Government witnesses, and in so doing, declined to pass on the constitutionality of the act.

As our report points out:

> Pending final judicial determination on the basic question of constitutionality, the control board and the lower courts cannot proceed with other cases.

According to the information given us there have been 24 cases docketed from the inception of the Board to April 30, 1959.

Of these, nine have been dismissed, including the United Electrical, Radio, and Machine Workers of America, six on motion of the Attorney General, one dissolved by the State of New York, and two were dissolved before service.

Twelve cases were ordered to register as Communist front organizations. Eight of the cases are pending judicial review in the U.S. Court of Appeals for the District of Columbia Circuit.

Four cases were ordered by the Board in April of 1959 and have 60 days' time to file a petition for appellate court review.

Two cases are pending completion of hearings, and of course we have the case of the Communist Party versus the United States.

I should like to say a further word about the Subversive Activities Control Board. This Board serves in a quasi-judicial capacity in adjudicating cases brought before it under the Internal Security Act of 1950. The Board has no power to conduct investigations and initiate cases itself. The cases are brought by the Attorney General or by other organizations or individuals.

In its first case, that involving the Communist Party of the United States, the Board found that there exists a world Communist movement, substantially as described in the statute, organized and directed by a foreign government. The Board detailed the history of the Communist Party in the United States and its relation to the world Communist movement. The U.S. Court of Appeals for the District of Columbia Circuit affirmed the Board's order against the Communist Party and in so doing held that all pertinent sections of the statute were constitutional.

The Communist Party case has twice been sent back to the Board. The first was a remand by the Supreme Court resulting from challenges to the testimony of three Government witnesses. The second was a remand by the court of appeals requiring the production of documents in line with the principles of the then recent decision of the Supreme Court in Jencks against United States.

After the remand proceedings, the Board in both instances reaffirmed its determination as to the Communist Party. The report of the Board on the second remand was issued and sent to the court of appeals on February 9 of this year. Work in connection with supporting and defending the Board's order through the appellate process, including ultimate decision by the Supreme Court, will be an important item in the 1960 fiscal year activities. It is only after the Supreme Court affirms the constitutionality of the statute and affirms the Board's determination as to the Communist Party that the full force of the statute comes into play. In other words, the act isn't in full play really until the Supreme Court has passed on the principal case against the Communist Party, because all the front cases presuppose that that has been the ultimate finding.

The committee is recommending an appropriation of $380,000 to the Subversive Activities Control Board which is a reduction of $20,000 in the estimate. However, the chairman of the Board in testimony before the committee indicated that this reduction was possible because of the dismissal of one of the major cases of the Board and that the remaining workload will be handled adequately with the reduced appropriation. The committee does not intend this action to restrict in any way the ability of the Board to carry out its responsibilities under the Subversive Activities Control Act and, in fact, is hopeful that the Supreme Court will take early action to rule on the question of constitutionality, thereby making it possible for the Internal Security Act to become effective.

From this history you can see how frustrating it must be—not only to the committee but to everybody concerned with this problem.

Until a decision is made by the Supreme Court so that the lower courts can act we will continue to have this problem of inaction.

In the meantime the Communists go merrily on with their dilatory tactics.

I believe that the Board has been doing a splendid job and I do not like to see it hampered.

EMERGENCY FUND FOR THE PRESIDENT—NATIONAL DEFENSE

The committee allowed the full amount requested—$1 million.

These funds enable the President to provide for emergencies affecting the national interest, security, or defense at his discretion.

Consequently there has been disbursed to date $885,000 of which $300,000 is to be paid back by the State Department when they receive their supplemental appropriations.

The projects for which this money was used were:

First, Department of Commerce—December 20, 1958—$60,000 to be used to make a study required by law—Public Law 85-880—of the extent to which the Federal Government should participate in the World Science-Pan Pacific Exposition to be held in Seattle, Wash., in 1961.

Second, Department of Defense—December 23, 1958—to cover expenses of the President's committee—Draper Committee—to study the U.S. military assistance program, $400,000.

Third, Department of Commerce—January 15, 1959—to provide the Commerce Department with a staff of transportation experts to evaluate the Nation's transportation needs and problems, $100,000.

Fourth. Department of State—February 17, 1959—to defray costs of participation in international conferences. These were not budgeted in their regular bill, $100,000.

Fifth. Department of State—March 10, 1959—for the same purpose as the other, $200,000.

Sixth. To Commission on International Rules of Judicial Procedure—to investigate and study existing practices of judicial assistance and cooperation between the United States and foreign countries with a view of achieving improvements, $25,000.

With the allocation of $885,000 it will leave a balance of $115,000. However, with the State Department receiving its supplemental it will repay the $300,000 utilized which will leave a balance of $415,000.

It is my opinion that this fund is being carefully administered after hearing all the testimony.

AMERICAN BATTLE MONUMENTS COMMISSION

The American Battle Monuments Commission was granted the full amount of its request of $1,295,000 for salaries and expenses.

Since their appropriations are continued and the construction program is virtually completed they have not asked for any construction money.

This is the 11th year of a construction program of U.S. military cemeteries in foreign countries and memorials to commemorate the services of the American Armed Forces in World War II at 15 locations in foreign countries. The program also includes memorials on the east and west coasts of the United States and in Hawaii.

The Commission estimates that the present program will be completed by April 1961, with all projects except the memorials in New York City and Hawaii to be completed by June 1960.

The estimated cost of construction has now been revised downward to about $35 million as against the original estimate of $39 million.

The unobligated funds for construction as of December 31, 1958 was $4,238,664. Out of this balance, in addition to completion of construction it is estimated that $160,000 could be appropriated and made available for necessary expenses of appropriate dedications of World War I and II memorials, and so forth, in July 1960, the beginning of fiscal 1961.

Gen. Thomas North, the Secretary, and Col. Charles B. Shaw and their staff are to be commended for the fine work they have done.

One of the outstanding features of this program, to my mind, is the picture and pamphlet of the cemetery and grave of their loved one to the next of kin.

Thus far the commission has had requests for 3,754 pictures, many of them for cemeteries which are to be photographed this year. They have been able to send out and furnish 2,102. Many beautiful letters of acknowledgment and appreciation have been received from grateful recipients.

These American military cemeteries and memorials represent an investment of more than $39 or $40 million by the United States. The cemetery sites have been carefully selected and magnificently developed; the memorials and instructive and decorative features have been thoughtfully conceived by outstanding American architects and artists and have been skillfully executed. These peaceful cemeteries and impressive memorials constitute most appropriate commemoration of those American service men and women who have given their lives in the cause of freedom, as well as of the achievements of the American Armed Forces. They are viewed each year by thousands of visitors, a great many of them Europeans and people from other continents. They make a highly important psychological contribution to the furtherance of our international ideals, recalling so vividly as they do that our countrymen have paid the price in lives as well as in treasure. Their standard of maintenance evokes unvaryingly favorable comment and appreciation of the high regard paid by our Government to the memory of those who died in the service of their country.

There is included in the bill a new proviso which will permit the Commission to expend, not to exceed $160,000 of the balance remaining in the construction fund for appropriate dedications. This proposal was not included in the original budget as submitted to the Congress but has been incorporated in this bill as the result of recent developments. The Commission and the President have recently agreed that arrangements should be made well in advance for the dedication of remaining oversea cemeteries in the summer of 1960. It will be important not to delay these dedications as construction will then have been completed; it will then have been 15 years since the end of the war; relatives are pressing the Commission for dates of dedication to permit them to make their plans; the lighting fixture presented by the Queen of Holland is being installed at Margarten and will be ready for the dedication ceremonies.

For these reasons the President has approved the Commission's proposal that $160,000 of the balance in the construction fund be allotted to expenses for dedications and the committee has concurred in this recommendation.

PRESIDENT'S ADVISORY COMMITTEE ON GOVERNMENT ORGANIZATION

This Commission was established by Presidential Order 10432 in January 1953, to advise him with respect to changes in the organization and activities of the executive branch of the Government which, in its opinion, would promote economy and efficiency in the operation of that branch.

Their request for $57,500 was granted in full.

During 1958 fiscal year, and so far during the current fiscal year, several major organizational actions were taken in which this Commission has taken part.

Some of the reorganizations are:

First. Reorganization of the Department of Defense.

Second. Establishment of the National Aeronautics and Space Agency, replacing the National Advisory Committee for Aeronautics.

Third. Establishment of the Office of Civil and Defense Mobilization, merging and replacing the former Office of Defense Mobilization and former Federal Civil Defense Administration.

Fourth. Establishment of the Federal Aviation Agency replacing the Civil Aeronautics Administration, the Airways Modernization Board, and so forth.

The committee was assured by Dr. Flemming, the Chairman of the President's Advisory Committee on Government Reorganization, that there was no duplication whatever between the work of his committeee and that of the work being done in the item "Expenses of management improvement."

NATIONAL SECURITY COUNCIL

The committee allowed the full budget estimate of $792,000 for the National Security Council—an increase of $32,600 over 1959 fiscal year.

This money takes care of structures under the National Security Council such as Council itself, the Operations Coordinating Board and the Planning Board.

COUNCIL OF ECONOMIC ADVISERS

The budget estimate of $395,000 was allowed by the committee.

The Council of Economic Advisers analyzes the national economy and its various segments; advises the President on economic developments; recommends policies for economic growth and stability; appraises economic programs and policies of the Federal Government; and assists in preparation of the annual report of the President to Congress.

BUREAU OF THE BUDGET

The budget estimate of $4,665,000 was granted in full by our subcommittee.

This is an increase of $76,000 over the 1959 appropriation of $4,051,970, and $384,000 will be proposed as a supplemental appropriation to meet pay act costs.

This amount of money will allow the Bureau to continue with the same amount of personnel and positions as the current year and would pay for the additional day in 1960 over and above the number of days which occur in fiscal 1959, together with the full-year costs in 1960 of grade promotions made in 1959

together with the related costs such as contribution to the retirement fund.

I believe it is significant to note that there are the same number of people working in the Bureau as of the current year and 99 less than 10 years ago.

FOREIGN CLAIMS SETTLEMENT COMMISSION

The Foreign Claims Settlement Commission's estimate of $408,000 for direct appropriations in addition to $50,000 from the War Claims Fund was granted in full.

This is a reduction from the current year's appropriation of $244,300 of which $41,800 is attributable to reduced transfer from the War Claims Fund, and $202,500 represents a decrease from the general funds of the Treasury.

Beginning on page 88 of the hearings you will find an account of the history of this Commission, the claims completed and from which funds they were paid; the current claims programs and the Commission procedures.

Also the various bills pending before the Congress.

This information was given by Mr. Whitney Gillilland, Chairman of the Commission before a Subcommittee on Interstate and Foreign Commerce of the House on April 16, 1959, about 2 weeks before testifying before our committee.

Scheduled for completion August 9, 1959, are five programs of claims; namely:

First. Soviet.
Second. Rumanian.
Third. Hungarian.
Fourth. Bulgarian.
Fifth. Italian.

The major activity in fiscal 1960 will be the start of the Czechoslovakian claims program. The last date for filing is August 1, 1959.

Already, 3,800 requests for forms have been received and 712 claims have been filed for a total of approximately $30 million.

This program is scheduled for completion August 1, 1962.

A staff reduction of 46 is contemplated.

Then there is the probability of nationalization claims of Americans against Poland and war damage claims against Germany and Japan.

In my opinion Mr. Gillilland and his staff have done a good job over the years.

Mr. MACHROWICZ. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield.

Mr. MACHROWICZ. I would like to ask a question of the gentleman with regard to section 202 of title 2 regarding which I spoke to him a few moments ago. That is the section which prohibits the use of any of the moneys appropriated herein for the payment of compensation to any employee of the Government other than a citizen of the United States with the four exceptions listed; and on page 9 one of the exceptions in line 5 is "or is an alien from the Baltic countries lawfully admitted to the United States for permanent residence."

I understand the Department of Agriculture has a shortage of veterinarians and wish to employ a certain number of Polish officers who are citizens of Poland, but who are veterinarians. The phrase "or from Poland" was not put in the bill. The gentleman from Pennsylvania [Mr. BYRNE], was to offer an amendment to include the phrase "or from Poland", but I understand the amendment would not be germane.

I had the pleasure of discussing this matter with the gentleman from Pennsylvania, also the gentleman from Alabama [Mr. ANDREWS]. May I confirm the understanding that if such an amendment is offered in the Senate the gentleman from Pennsylvania would have no objection to its being included?

Mr. FENTON. I may say to the gentleman from Michigan that I appreciate the matter he speaks of, that he mentioned it to me just a moment or two before we began consideration of the bill. I have not had a chance to talk with the other members on my side of the committee. It has not been considered in the committee, and I just could not at this moment bind my fellow committee members. Personally I am not opposed to it.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield.

Mr. ANDREWS. The gentleman from Michigan and the gentleman from Pennsylvania discussed the matter of this language change with me. Should it be inserted during consideration of the bill in the Senate, as far as our side is concerned we would go along with it.

Mr. MACHROWICZ. I thank both the gentleman from Alabama and the gentleman from Pennsylvania.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield.

Mrs. CHURCH. I wish to direct the gentleman's attention to page 6 of the report and ask if he would be kind enough to explain the reasons for the proposed changes in existing law as contained on page 13, line 10, of the pending bill and reading as follows:

SEC. 210. (a) Section 1311(b) of the Supplemental Appropriation Act, 1955 (68 Stat. 830; 31 U.S.C. 200 (b)) is amended to read as follows: "Hereafter, in connection with the submission of all requests for proposed appropriations to the Bureau of the Budget, the head of each Federal agency shall report that any statement of obligations furnished therewith consists of valid obligations as defined in subsection (a) hereof."

Mr. FENTON. I might say to the gentlewoman from Illinois that that refers to a change which was suggested to our subcommittee. As I understand, the committee inserted this language to eliminate the annual agency report. The gentlewoman will find an explanation on page 5.

Mrs. CHURCH. Do I understand that this will in no sense weaken the obligation of the Executive Branch to report?

Mr. FENTON. I understand it will not weaken it at all. This really gets rid of a duplication of effort. It will eliminate a lot of extra work for the Bureau of the Budget and the agencies concerned. You will notice the following statement on page 5:

The proposition in the bill is to substitute for the present reports a simple report to the Budget Bureau, when submitting requests for appropriations, that statements of obligations furnished therewith consist of valid obligations in accord with definitions in subsection (a) of Section 1311.

All they have to do is verify that the statements sent are true.

Mrs. CHURCH. Will the same complete statements be sent?

Mr. FENTON. As I understand it, that is so.

Mr. Chairman, I would like to take another minute on the Subversive Activities Control Board. This Board made a request for $400,000 and was allowed $380,000.

The Board was established by the Subversive Activities Control Act of 1950. It is composed of five members appointed by the President by and with the consent of the Senate.

Since 1951 the Board has received $2,619,905 in appropriations. With the granting of funds for fiscal 1960 they will have received practically $3 million to carry out the intent of the Subversive Activities Control Act.

The subcommittee is greatly concerned about the evident standstill that has resulted from action of the Supreme Court in remanding a case to the Board upon credibility questions involving Government witnesses and in so doing declining to pass on the constitutionality of the act.

Our report points out:

Pending judicial determination of the basic question of constitutionality, the Control Board and the lower courts cannot proceed with other cases.

According to the information given us, there have been 24 cases docketed from the inception of the Board to April 30, 1959. Of these, 9 have been dismissed, including the United Electrical, Radio, and Machine Workers of America; 6 were, on motion of the Attorney General, dissolved by the State of New York; 2 were dissolved before service, and 12 cases were ordered to register as Communist-front organizations.

Mr. ANDREWS. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. SHELLEY].

Mr. SHELLEY. Mr. Chairman, I want to call the attention of the members of the Committee of the Whole to information contained on pages 124 to 147 of the hearings. Set forth on those pages are tables showing the cost of the operation and the upkeep of the White House and the various staffs assigned to work at the White House Executive Offices during the past 20 years.

The committee has given to the President, as has been customary, the amount he asked for.

During the past year or so there have been any number of articles written in various magazines and questions put forth by columnists, some of which I have noted, which asked questions about or commented on the increases in staff for and expenditures by the White House. It is not the desire of the committee at this time to belabor this point or to make a great issue of it, at least not until it can be reviewed and studied in more detail by the committee. The figures brought out are extremely interesting, partially due, of course, to the increase in the cost of materials and services over that period.

I cannot help but comment that in the services provided the White House there are any number of services which do not show in the White House budget. There are boats supplied by the Navy which are not shown specifically anywhere, either in the Navy budget or in the White House budget. It is somewhere in a lump sum in the Navy budget. There are planes and helicopters supplied by the Air Force which do not show in the Air Force budget specifically, nor are they shown anywhere, or is there any reference to them in the White House budget or the budget request. It is somewhere in a lump sum for transportation for the White House.

There are automobiles which do not show, there are individuals whose services are used, such as crews to man boats and men to man the planes, and mess attendants at the White House. All of these figures should be compiled and shown in the information supplied to the Congress by way of this committee. The Congress and the American public certainly should know every cent that goes directly or indirectly to the support of the White House, its maintenance, repair, travel funds, and repair and upkeep and manning of vehicles, staff and consultants, and all of the special funds in other appropriations used by the White House.

The figures produced by the reference section of the Library of Congress gave the committee a basis upon which to ask certain questions of the Director of the Bureau of the Budget who appeared on behalf of the White House to make the presentation on their request. He was asked to review these figures and submit his tables. Both tables are set forth in the hearings for the first time for the use and information of the general public to the extent that we were able to adduce them at that time. And, I am sure that the committee next year will want to go further into this matter and develop some of these figures that do not show anything in these specific budgets. I call that to your attention simply to point out that the cost of government is increasing just as much at the White House as people say it is increasing in other fields of government.

Mr. FENTON. Mr. Chairman, I yield 1 minute to the gentleman from Nebraska [Mr. WEAVER].

Mr. WEAVER. Mr. Chairman, it is with real pleasure that I rise today to support passage of H.R. 7176 without amendment. Known as the general Government matters bill, this provides funds for the Executive Office of the President, as well as for a few other independent agencies.

First of all, let me say that my service on the subcommittee handling H.R. 7176 has been a most pleasureable one. The committee chairman, the Honorable GEORGE ANDREWS, of Alabama, has served capably and well and with complete fairness to all members of the committee whether in the majority or minority. I consider myself fortunate, indeed, to have worked under his leadership.

The bill was thoroughly discussed in committee. Every item was pored over by committee members and the staff. We feel that we have come up with a good bill, one which provides an adequate amount of money for the various offices concerned, and one which provides at the same time a considerable saving, in percentages, to the taxpayers.

As is noted in the report accompanying H.R. 7176, we have made several reductions from the budget estimates. These reductions were made with some hesitation and only after careful study. The principal reduction was in funds for the Battle Monument Commission and the Foreign Claims Settlement Commission, both of whose workload is fast diminishing.

Additionally, we trimmed some $250,000 from the budgetary requests made by the Executive for the operation of these offices. This money came from requests for management improvement surveying. It is not that the committee felt this is not a worthwhile project, but rather because we found that the Executive Office already had sufficient funds in a carryover status available for this project.

Witnesses appearing before the committee could not justify additional funds of this kind in view of the carryover.

The total for this bill is $13,338,500, an increase of $173,130 over the 1959 fiscal year figure. This is a reduction of $270,000 from the President's requests. I have already outlined the areas in which cuts were made.

I would also like to bring to the attention of the House one other item which, although it does not appear in this bill, is still of considerable interest to the taxpaying public. This involves the methods selected for guarding certain sections of the Executive Office Building. The National Security Council area of this building is guarded by the General Services Administration—and its costs are contained in that appropriations bill. However, another small portion of the building is guarded by personnel hired for that purpose by the White House Police Force and are part of that contingent. It seemed odd to the committee that it would be necessary to guard one portion of the building with men hired by one agency, and other part of the same building by men hired by another agency and wearing different uniforms. The discrepancy becomes particularly apparent when we discover that there are no more secret or confidential papers contained in the one section than in the other.

In closing I would like to ask for wholehearted support for this bill. I think it has been cut where cuts were found to be necessary by the committee. I do not think further cuts would be justified, nor do I think any of the figures contained in the bill should be increased.

I urge its passage.

COMPARATIVE COST DATA ON THE PRESIDENCY AND FUNCTIONS RELATING THERETO, FISCAL YEARS 1938–60

(Prepared by the Library of Congress)

The data relating to Executive Office of the President in the tables showing appropriations and number of positions was secured from annual budget documents and appear to be accurate. However, there are a number of points about the report which should be considered.

We believe comparisons of 1960 estimated appropriations and number of positions with those for 1938 are of doubtful value. The problems faced by the Federal Government today are of such greater magnitude that comparison of the Executive Office of the President of today with that of 1938 is of little more than academic interest unless the reasons for the change in the Executive Office are also analyzed. Population increases, the tremendous advances in science, threats to our security, and the greatly increased role of the United States in world affairs, are a few of the changes since 1938 which necessarily make the role of the Federal Government, and the Executive Office of the President, radically different from what it was in 1938. Changes of this nature account in large measure for increases in White House staff and White House Police, as well as for the addition of other units to the Executive Office of the President.

There is another possible reason why White House office appropriations and personnel have increased substantially since 1938. Although we are unable to document it, veteran Bureau of the Budget employees state that until 1947 the White House secured a large proportion of its staff by detail from other agencies. These employees were paid from appropriations to the agencies providing the personnel to the White House. The substantial increase in the White House appropriation for 1947 over 1946, from $342,588 to $883,660, and in number of positions, from 52 to 210, would appear to support statements that large details of personnel to the White House had previously been the practice. Appropriation hearings and committee reports are silent as to the reason for the increase in 1947.

The report also notes that personal service cost for the White House office has increased 16 times and for the White House Police 7 times since 1938, without mentioning the substantial salary increases that have occurred. The fact that White House office personnel have increased only six times and White House Police personnel only two and eight-tenths times is a measure of the effect which salary increases have had in increasing appropriations. Using data on tables 2, 3, 5, and 6 of the Library of Congress report, average salary for 1938, 1952, and 1960 has been computed for White House office and Executive Mansion and grounds by dividing number of positions into personal services cost. From these average salaries we obtain percentage increases in average salary, 1960 compared to 1938 and 1952, as follows:

	Average salary			Percent increase	
	1938	1952	1960	1960 over 1938	1960 over 1952
White House office	$3,206	$5,541	$7,166	123	29
Executive Mansion and grounds	1,844	3,570	5,036	173	41

On page 4 of the report, there is a table showing appropriations and number of positions for 1938, 1952, and 1960 for compensation of the President, White House office, Executive Mansion and grounds, and White House Police. Included in the White House office total for 1960 is the special projects appropriation. These are described as funds appropriated for the immediate support of the President and his staff.

It is our view that a comparison based on total Executive Office of the President appropriations and personnel provides a better measure of increases or decreases in presidential staff than does a comparison using

only certain portions of the Executive Office. Each President tends to organize and use the Executive Office somewhat differently so that comparisons of appropriations and personnel have some validity only if comparisons take into account the total Executive Office. However, we believe that it is appropriate to exclude from this comparison the Federal Civil Defense Administration, which is now a part of the Office of Civil and Defense Mobilization, but in 1952 was a separate agency outside of the Executive Office.

Attached is a table prepared on a total Executive Office basis, comparing 1938, 1952, and 1960. The figures used are those contained in the Library of Congress report, except for the addition of two accounts, the emergency fund for the President and the President's Committee on Fund Raising in the Federal service. This table indicates that the number of positions in the Executive Office, excluding the recently added Federal Civil Defense Administration positions, has declined by 96 since 1952.

EXECUTIVE OFFICE OF THE PRESIDENT

Appropriations and number of personnel, fiscal years 1938, 1952, and 1960

	1938		1952		1960 (estimate)	
	Appropriations	Number of positions	Appropriations	Number of positions	Appropriations	Number of positions
Compensation of the President	$75,000	1	$150,000	1	$150,000	1
White House office	211,380	45	1,883,615	261	2,221,000	272
Executive Mansion and grounds	210,098	57	335,600	71	475,000	72
White House Police	150,650	60	652,000	170	1,055,000	170
Bureau of the Budget	220,000	45	3,608,000	515	4,665,000	435
Council of Economic Advisers			341,800	47	395,000	31
Emergency fund for the President			5,580,100	[1] 82	1,000,000	[1] 5
National Security Council			160,000	23	792,000	77
National Security Resources Board			1,627,000	135		
Office of Defense Mobilization			1,711,250	199		
Office of Civil and Defense Mobilization					86,970,000	1,768
Special projects					1,500,000	101
President's Advisory Committee on Government Organization					57,500	5
President's Committee on Fund Raising in the Federal Service					49,000	4
Total	867,128	208	16,049,365	1,504	99,329,500	2,941
Deduct: Civil defense activities					−84,685,000	[2] −1,533
Total, adjusted for comparability	867,128	208	16,049,365	1,504	14,644,500	1,408

[1] Represents average number of personnel on a full-year basis; number of positions not available.
[2] It is estimated that 235 positions and $2,285,000, the amount of the 1959 Office of Defense Mobilization appropriation, are applied to functions of the former Office of Defense Mobilization.

Mr. ANDREWS. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Chairman, in 1950 the Congress of the United States passed the Internal Security Act of 1950. Section 2 of the act set out the reasons for its enactment. I shall just read you very briefly one of the reasons which, to my mind, is paramount and sufficient:

The Communist organization in the United States, pursuing its stated objectives, the recent successes of Communist methods in other countries, and the nature and control of the world Communist movement itself, present a clear and present danger to the security of the United States and to the existence of free American institutions, and make it necessary that Congress, in order to provide for the common defense, to preserve the sovereignty of the United States as an independent nation, and to guarantee to each State a republican form of government, enact appropriate legislation recognizing the existence of such worldwide conspiracy and designed to prevent it from accomplishing its purpose in the United States.

That is the purpose of the Internal Security Act of 1950 as declared by the Congress of the United States. The act required the registration of Communist organizations under certain circumstances. It required the registration of members of a Communist organization under certain circumstances. It then created the Subversive Activities Control Board to determine when those circumstances had been established and when there should be registration. The operation of that Board has cost the people of the United States approximately $400,000 a year. The appropriation for the Board in this bill is $380,000.

Now, to tell you just what happened, I shall not use my own language, but I shall quote a Justice of the Supreme Court. I shall read to you from the dissenting opinion of Mr. Justice Clark, with whom Mr. Justice Reed and Mr. Justice Minton concurred, in the case of Communist Party of the United States of America, petitioner, against Subversive Activities Control Board. Mr. Clark said:

On November 22, 1950, the Attorney General petitioned the Subversive Activities Control Board for an order directing the Communist Party to register as a Communist-action organization, pursuant to the provisions of the Internal Security Act of 1950. On April 20, 1953, the Board unanimously directed the Communist Party to register, finding "upon the overwhelming weight of the evidence, * * * [the Communist Party] is substantially directed, dominated, and controlled by the Soviet Union * * * and * * * operates primarily to advance the objectives of such world Communist movement."

Nearly 2 years later, while the matter was before the Court of Appeals, the Communist Party filed a motion for leave to adduce additional evidence under section 14 (a) of the Internal Security Act.

The "new evidence" attacked the credibility of witnesses Crouch, Johnson, and Matusow, 3 of the 22 witnesses for the Government. The motion charged that Crouch and Johnson had perjured themselves in their testimony in such other cases as *United States* v. *Kuzma, United States* v. *Bridges, In re Bruck,* and *United States* v. *Weinberg.* It also charged that Matusow had recanted his testimony in Communist cases and was writing a book entitled "Blacklisting (or Blackmailing) Was My Business."

The Board opposed the motion, stating that the testimony of the three witnesses could "be ignored in toto and the ultimate determination * * * will remain amply supported by evidence both testimonial and documentary in character * * *. The [Communist Party] would still be found a Communist-action organization by overwhelming evidence."

The Court of Appeals denied the motion without opinion.

* * * * *

The Communist Party brought the case here on April 13, 1955, by petition for certiorari. The relative unimportance of this motion in the eyes of the party is shown by the fact that its 131-page petition devotes but 2 pages to a discussion of this point. The party's brief devotes only 4½ of its 270 pages to the motion. Still the Court now says the Court of Appeals "erred" in its denial of the motion and remands the case directly to the Board for it to determine again the credibility of these three witnesses. It refused to pass on the important questions relating to the constitutionality of the Internal Security Act of 1950, a bulwark of the congressional program to combat the menace of world communism. Believing that the Court here disregards its plain responsibility and duty to decide these important constitutional questions, I cannot join in its action.

Then again the decision continues:

I abhor the use of perjured testimony as much as anyone, but we must recognize that never before have mere allegations of perjury, so flimsily supported, been considered grounds for reopening a proceeding or granting a new trial. The Communist Party makes no claim that the Government knowingly used false testimony, and it is far too realistic to contend that the Board's action will be any different on remand. The only purpose of this procedural maneuver is to gain additional time before the order to register can become effective. This proceeding has dragged out for many years now, and the function of the Board remains suspended and the congressional purpose frustrated at a most critical time in world history.

Ironically enough, we are returning the case to a Board whose very existence is challenged on constitutional grounds. We are asking the Board to pass on the credibility of witnesses after we have refused to say whether it has the power to do so. The constitutional questions are fairly presented here for our decision. If all or any part of the act is unconstitutional it should be declared so on the record before us. If not, the Nation is entitled to effective operation of the statute deemed to be of vital importance to its well being at the time it was passed by the Congress. I would decide the questions presented by this record.

That was the statement of the minority decision of the Supreme Court. What happened? The case was remanded to the Board which expunged the testimony of the three witnesses and redecided the case. It was again appealed to the Circuit Court of Appeals. While pending decision there the Supreme Court decided the case of Jencks against United States. In accordance with this decision the Circuit Court of Appeals again remanded the case to the Board. The Board has now decided it for the third time, and it is again on its way back to the Supreme Court and a decision is hoped for in 1960, 10 years after the passage of the law.

What has been the effect of this decision? Let me read you from the testimony adduced before our committee. Mrs. Dorothy McCullough Lee is the Chairman of the Subversive Activities

Control Board. On page 118 of the testimony is this question:

Mr. GARY. Mrs. Lee, I understand that because of the decisions of the U.S. Supreme Court you are now operating in an atmosphere of uncertainty, suspension, and hopelessness. Is that correct?

Mrs. LEE. Sir, I would say that ever since I have been on the Board—and I went in on September 1956—it has been an atmosphere of uncertainty, but as far as I am concerned I have never felt any hopelessness about it. It seems to me that the purpose behind the Internal Security Act of 1950 as it affects this Board, the purpose of Congress was a very effective one; the purpose or revelation; the purpose of registration in the war against internal communism.

Mr. Chairman, then I said, "Unless the act is declared constitutional your work is hopeless." And she said, "It is difficult to anticipate that decision."

Then I said, "Let us say then confusion and frustration."

She admitted, "I would not say there was no frustration, sir."

Mr. Chairman, I have in my hand a clipping from yesterday's paper in which it says that two additional sources warn against the Communist activities in the United States.

Senator EASTLAND, chairman of the Senate Internal Security Committee, released a documented staff study Saturday saying the Comintern has been revitalized as the "Conference of Communist and Workers' Parties."

Another warning of the Communist threat came from FBI Director J. Edgar Hoover, who said:

Communists in the United States have renewed their drive to form a new youth group and to infiltrate basic American industries.

Mr. Chairman, I maintain the only conclusion that can be drawn from this record is that the Supreme Court of the United States fiddles, and the Subversive Activities Control Board cools its heels while America burns.

Mr. FENTON. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I am disappointed in this bill in that the President did not set the example of cutting back rather than calling for increased expenditures for the White House as compared to a year ago. Certainly this appropriation bill is less than the budget estimates, but it is an increase over the moneys appropriated for this purpose a year ago. I am disappointed that the President of the United States did not set the example of cutting back expenditures in his own shop.

Mr. FENTON. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. FENTON. The gentleman realizes, of course, that many of these increases are due to increases in salaries.

Mr. GROSS. Yes, and I will say to the gentleman that the White House staff, it seems to me on the basis of the evidence adduced at your hearings could very well have cut back on some of the personnel employed over there to take care of the salary increases, with something to spare.

Now, I would like to ask the chairman of the committee a question. Am I correct in that $400,000 was taken from the President's emergency fund to finance the so-called Draper report?

Mr. ANDREWS. Approximately that amount.

Mr. GROSS. I thank the gentleman.

Mr. ANDREWS. And if you will read the report, you will note that the committee raised the question as to whether or not the fact was that there was an emergency within the meaning of the law. But, after all, the President is the sole judge of what that money is to be spent for and how it shall be spent.

Mr. GROSS. I will only say to the gentleman that I have a couple of amendments when we come to the consideration of the bill under the 5-minute rule, and I will go into that further at that time.

Now I do want to call attention to the Council of Economic Advisers. I believe that there is $395,000 appropriated for the Council of Economic Advisers in this bill; is that correct?

Mr. ANDREWS. It is $393,000.

Mr. GROSS. Yes, that is $393,000 for the Council of Economic Advisers with three members of the council being paid $20,000 per year and according to your hearings, it is probably one of the highest paid outfits in the Government man for man and person for person, and yet we find on the White House staff in addition to the Council of Economic Advisers, two or three more economists. Now, how in the world can you justify the maintenance of a Council of Economic Advisers, reporting directly to the President, three of whom are paid $20,000 a year, and still have two or three economists on the White House staff. I just do not understand it.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. MICHEL. The gentleman made a point of the increase in salaries for the Council of Economic Advisers which the President has had over a number of years. Some of these increases certainly emanated from the executive pay raise bill which was approved and authorized by the gentleman's own Committee on Post Office and Civil Service.

Mr. GROSS. Does the gentleman not think that the President with three $20,000 a year men, plus 11 economists on top of the 3 top people, plus the hire of consultants, is rather excessive? Does not the gentleman feel the President could well dispense with the economists on his staff?

Mr. MICHEL. I think the Council of Economic Advisers serves a very useful purpose. I believe the President should be counselled in this regard and that he has need for them.

Mr. GROSS. There is no question but what he needs economic advisers, but does the gentleman not think that somewhere down the line on this item the President could effect some economies?

Mr. MICHEL. The President has effected economies. If the gentleman will yield further I would like to point out to him that there are as a matter of fact fewer employees at the White House now than there were back in 1953 when he assumed the office.

Mr. GROSS. I cannot argue with that, but at that time we did not have a $288 billion public debt.

I just happen to think that with this huge staff of economic advisers the President does not need others on his personal staff probably drawing $20,000 or $22,000 a year.

Mr. FENTON. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. It was not my intention, Mr. Chairman, to take the time of the Members of the House during general debate on this bill, for I thought the committee was in pretty unanimous agreement. I do, however, want to point out some very significant figures that I think have a place in this debate. As I pointed out to the gentleman from Iowa there has been an increase in the average salary of White House personnel from an average of $5,441 in 1952 to an average of $7,166 in the projected year 1960. This comes about as the result of some of the actions we have taken here on the floor of this House of Representatives in raising salaries of civil service employees generally.

Then when you take into consideration the Executive Mansion and the grounds, and the increase in salaries that must pe paid to the employees tending the mansion and grounds, there has been an increase from an average of $3,570 in 1952 to an average of $5,036 in the fiscal year 1960.

However, the number of employees at the White House has actually decreased from 1,504 in 1952 to a total of 1,408 in the fiscal year 1960.

Mr. WEAVER. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield.

Mr. WEAVER. Will the gentleman kindly tell us the source of the information he is using for the year 1960 and the year 1952?

Mr. MICHEL. My source is the Library of Congress as shown in the hearings on this bill, page 138 of the printed hearings.

I would like to remind the Members of this House that we are experiencing the same thing right here in the House of Representatives in the care and upkeep of the Capitol grounds and in the increases in the salaries of the employees here. Do you gentlemen realize that the Congress had as of January 31, 1959, 1,081 more employees than on June 30, 1954?

In 1953 it cost something like $23 million for the operation of the House of Representatives; in 1958 it cost us something like $39 million. This reflects the increased cost of government. It not only affects the White House but also affects us here in the Congress.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield.

Mr. PELLY. Referring to the question raised by the gentleman from Iowa [Mr. GROSS] with regard to economists, I wonder if the gentleman will agree that the end result of the employment of

these economists actually reflects a savings of billions of dollars in our continuing fight against inflation.

Mr. MICHEL. I would certainly agree with the gentleman 100 percent. As a matter of fact, on the subject of management improvement again, while some of the remunerative benefits are not shown in black and white, in dollars and cents values, it is good business practice. Private industry realizes the savings that can be effected by the retaining of good management counselors.

Mr. O'HARA of Michigan. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield.

Mr. O'HARA of Michigan. Is it the gentleman's understanding that the appropriations requested for the administration of the White House have increased each year since 1953.

Mr. MICHEL. Yes; I believe in a general sense it has increased slightly up to the point I mentioned for today. But I would remind my friend that if he would care to go back 15 or 20 years he would find a steady increase of much greater proportions through the Roosevelt and Truman administrations.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. ANDREWS. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. O'HARA].

Mr. O'HARA of Michigan. Mr. Chairman, I would like to ask the gentleman from Illinois if it is not a fact that there has been a yearly increase in the White House budget, and yet every year they have come in for supplemental appropriations?

Mr. MICHEL. Yes; but I do not know that there has been an increase every year, certainly in some years it has been more than others, but the same thing is true in the case of every agency of the Government, they have come in for supplemental appropriations also. I will say this last one was due to the salary increases which the Congress itself authorized.

Mr. O'HARA of Michigan. Does the gentleman not feel this is a rather poor example of economy? Should we not have a better example from the White House?

Mr. MICHEL. I would simply say to the gentleman that I think the White House has done much better than we have done right here on the Hill.

The CHAIRMAN. There being no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

President's Advisory Committee on Government Organization

Salaries and Expenses

For necessary expenses of the President's Advisory Committee on Government Organization, established by Executive Order 10432 of January 24, 1953, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), at rates not to exceed $50 per diem for individuals, $57,500.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 4, strike out all of lines 9 through 17.

Mr. GROSS. Mr. Chairman, I offer this amendment simply to get rid of what I consider a perfectly useless setup in the White House. I refer to page 9 of the hearings where Mr. ANDREWS, chairman of the subcommittee, tried hard to find some reason for the continuance of this particular group. He could not.

Let me read to you some of the testimony given before the committee. This is Mr. ANDREWS addressing his questions to Mr. Flemming, who apparently is Chairman of this President's Advisory Committee on Government Organization:

Mr. ANDREWS. Could you give us some opinions as to how much, if anything, has been saved the taxpayers by the operation of this Committee?

Mr. FLEMMING. Mr. Chairman, I could not.

Mr. ANDREWS. You stated that one of your major actions was in connection with the reorganization of the Department of Defense. Do you think it has been reorganized in such a way that savings have accrued to the taxpayers?

Mr. FLEMMING. Mr. Chairman, I would not make that allegation. I do not think it is possible to support a statement one way or the other regarding it.

Mr. ANDREWS. Could you give an example of one instance like that?

Mr. FLEMMING. I do not think I could offhand.

Nowhere in the testimony given before the subcommittee is there any real substantiation for the need or necessity for this so-called advisory group or of any substantial contribution that it has made to governmental reorganization.

Mr. Chairman, I am not going to belabor the issue. I just think this is an excellent place to save $57,500; therefore I urge the adoption of my amendment.

Mr. FENTON. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Iowa [Mr. GROSS].

Mr. Chairman, this Advisory Committee was requested by the President himself, and I would say that its continuance, as stated by Mr. Flemming, in our hearings would depend entirely on whether or not a President of the United States felt that such a Committee would be of help to him in considering the various reorganization matters he is called upon to consider. The President apparently feels that he has a need for this Committee. He has felt it has been helpful to him. Another President may not think the same way and that would be his privilege.

Mr. Chairman, this amendment would hamper the President and is not altogether in conformity with the real reasons this Committee was created.

I therefore ask the Committee of the Whole to reject the amendment.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield to the gentleman from Illinois.

Mr. MICHEL. This is one of the very few agencies which has not requested an increase in appropriations over what we allowed them for fiscal 1959?

Mr. FENTON. That is right.

Mr. WEAVER. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield to the gentleman from Nebraska.

Mr. WEAVER. Is it not true Mr. Flemming and his agency also was the only agency within the appropriation under consideration that reduced the number of its employees?

Mr. FENTON. Yes.

Mr. WEAVER. It was only by one, but that is very important.

Mr. FENTON. That is right.

Mr. GARY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is not often that I oppose my very warm friend, the gentleman from Iowa [Mr. GROSS], particularly when he is trying to strike out expenditures of the Government. At the same time, I think it ought to be borne in mind in this instance that this is the Committee which was headed by Mr. Rockefeller up until the time he resigned to run for Governor of the State of New York. The duty of this Committee is to advise the President on Government organization or really reorganization. We have frequently had reorganization of the Government in the past. Some of it, I think, has been very helpful. I am not certain that all of it has. But, to keep our Government modern it is necessary for someone to constantly be on the alert to watch opportunities to consolidate agencies, to consolidate activities, and to bring about changes in the organization of the Government which will promote efficiency of administration and economy in the handling of governmental activities.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. GARY. I will be glad to yield to the gentleman from Iowa.

Mr. GROSS. Does the gentleman know whether Dr. Flemming has used any of the funds of this Advisory Committee in the past or whether he will in the future to promote the career executive service, the elite corps in Government that he would like to put over? Would that be one of his organizations?

Mr. GARY. If so, I will join the gentleman in trying to block it when it comes to the floor of the House. But, Dr. Flemming has succeeded Mr. Rockefeller as the Chairman of this Committee, and I assume that the funds of this Committee will be used only for purposes of inquiring into proper reorganization of Government and to advising the President as to what changes he can make to promote the efficient and economical administration of the Government.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The question was taken; and on a division (demanded by Mr. GROSS) there were—ayes 15, noes 26.

So the amendment was rejected.

The Clerk read as follows:

FUNDS APPROPRIATED TO THE PRESIDENT

Emergency fund for the President, national defense

For expenses necessary to enable the President, through such officers or agencies of the Government as he may designate, and without regard to such provisions of law regarding the expenditure of Government funds or the compensation and employment of persons in the Government service as he

may specify, to provide in his discretion for emergencies affecting the national interest, security, or defense which may arise at home or abroad during the current fiscal year, $1,000,000: *Provided*, That no part of this appropriation shall be available for allocation to finance a function or project for which function or project a budget estimate of appropriation was transmitted pursuant to law during the Eighty-sixth Congress, and such appropriation denied after consideration thereof by the Senate or House of Representatives or by the Committee on Appropriations of either body.

Mr. VANIK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VANIK: On page 4, line 23, after "designate" strike out "and without regard to such provisions of law regarding the expenditure of Government funds or the compensation and employment of persons in the Government service as he may specify."

Mr. VANIK. Mr. Chairman, the purpose of this amendment is to provide for some accountability with respect to the President's emergency fund. It seems to me that all public spending should be vouchered and accounted for. I seek by this very simple amendment to provide for a report after the funds have been used by the President, a report that can be vouchered or accounted for, so that the Congress and the public can know just exactly how these funds were spent. I think the President should have the broadest kind of discretion for spending these funds, for whatever emergency he deems necessary, but I think that the taxpayers are entitled to know how these funds have been used.

Mrs. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentlewoman from Ohio.

Mrs. BOLTON. Would the gentleman be enthusiastic about having the Congress make a report on its use of the funds it uses abroad?

Mr. VANIK. Oh, I have no objection to that. I think they should be fully reported.

Mrs. BOLTON. A bill has been introduced for that purpose.

Mr. VANIK. I will be pleased to support that kind of legislation.

Mrs. BOLTON. Counterpart funds is what I am speaking of.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. ANDREWS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it has been the law for years and years and years that the President have an emergency fund. If you will turn to page 174 of the hearings, you will find that Mr. Stans, Director of the Bureau of the Budget, stated that the President has the exclusive right to use this money in any way he deems necessary. I quote from our hearings:

The purpose is to provide the President with a fund which can be used in his discretion for emergencies affecting the national interest, security, or defense which may arise at home or abroad during the current fiscal year.

Mr. Chairman, I think every Governor in each of our 50 States has an emergency fund, in most cases smaller than that allowed the President. Certainly the President of the United States needs an emergency fund, and he and he alone should determine when and for what purposes and in what amount funds should be expended from that emergency fund.

Mr. Chairman, I ask that the amendment be defeated.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman.

Mr. VANIK. Mr. Chairman, I have no argument with anything the gentleman has said. I concur and said in my statement that I agreed that the President should have this fund, and I agree that he should have the discretion to spend the money in any way he sees fit, and perhaps the fund ought to be more than is provided in the bill. But I think there ought to be an accounting after the fund has been spent.

Mr. ANDREWS. There is an accounting every year when the committee asks for what purposes the fund has been spent, and the gentleman can find that in the hearings. We may question whether or not the matter for which it was spent was an emergency, but nevertheless it is his emergency fund, to be spent as he sees fit. I think our hearings every year will show that we go into detail to ascertain how those funds are spent.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman.

Mr. HARDY. Do I understand that the President has never declined to advise the committee the purposes for which these funds were used?

Mr. ANDREWS. That is right.

Mr. HARDY. I had the impression that that has not always been true.

Mr. ANDREWS. As long as I have been on the committee the administration has never failed to give us the amounts that have been spent and the purposes for which the money was spent.

Mr. HARDY. Certainly, insofar as the law goes, he could not be required to do so under the language, is that not correct?

Mr. ANDREWS. I think that is correct.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman from Illinois.

Mr. MICHEL. Is it not true, particularly during time of war or even now during a time of the cold war, that there are occasions which arise when the President draws upon that emergency fund for any number of purposes about which we properly cannot talk on the floor of this House. But gentlemen who know what it takes to win a war effort, or a psychological battle, know it is absolutely necessary to have that discretionary authority.

Mr. ANDREWS. That is correct.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman from Iowa.

Mr. GROSS. I just wonder if Washington could operate without a cold war.

Mr. HARDY. Mr. Chairman, will the gentleman yield further?

Mr. ANDREWS. I yield to the gentleman from Virginia.

Mr. HARDY. I subscribe to the idea that the President needs this fund, and he should have complete discretion how he uses it. But I do not subscribe to the notion that he should not be amenable to a suggestion that he tell the Congress, or at least the committee, what he has done with the fund, and certainly there would be times, I agree, when it should not be made public.

Mr. ANDREWS. He does; he tells the committee. The Director of the Bureau of the Budget tells our committee.

Mr. HARDY. If it is clear that there is no effort to hide from the committee the purposes for which the fund is used, I would have no objection to it. But there are so many things that are done under this guise to prevent the Congress from even finding out.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman.

Mr. GARY. Is it not a fact that there has never been any effort to conceal the expenditure of these funds from the committee or from the Congress?

Mr. ANDREWS. That is correct.

Mr. GARY. There may be instances when it would not be advisable to publicize certain expenditures, but they are always available to the congressional committee.

Mr. ANDREWS. That is right. And if you will look at page 166 of the hearings you will find listed the purposes for which the funds were expended.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman.

Mr. GROSS. There is nothing in the gentleman's amendment that would preclude the committee from ascertaining what the funds have been expended for; is there?

Mr. ANDREWS. No; there is not.

Mr. Chairman, I ask that the amendment be voted upon.

Mr. FENTON. Mr. Chairman, I rise in opposition to the amendment.

As the chairman of our subcommittee has so well stated, this is a fund that has always been granted the President. There is certainly nothing concealed in the way he handles the money. I remember, I think it was 2 years ago, they asked for a $5 million appropriation for this item and the Congress sustained the committee in reducing it to $1 million. One million dollars has been the amount that has been given the President, not only this President, but Presidents down the line ever since I have been a member of this committee. I see no reason to change it at this time.

I hope the amendment is defeated.

Mr. GROSS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I take just a minute to point out that contained in last year's

appropriation bill for this purpose there was this provision:

No part of any appropriation contained in this act, or of the funds available for expenditure by any individual, corporation, or agency included in this Act, shall be used for publicity or propaganda purposes designed to support or defeat legislation pending before Congress.

The effect of the language in the item containing the appropriation is to nullify this provision. Why nullify it in the case of the President? In a minute or two, I will offer an amendment and show you where that section of the law needs to be in this bill to stop the White House from using funds for propaganda purposes. The amendment ought to be adopted. It validates the provision found on page 13 of the bill.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. BAILEY. It makes one wonder where the funds came from to finance Eric Johnston's drive in our trade relations fight of last year.

Mr. GROSS. That is right.

Mr. BAILEY. He was put on the staff of the White House, but what fund was he paid from?

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. MICHEL. Of course, the gentleman from West Virginia is suggesting that the President used money from the emergency fund to finance that particular thing, but that is not true and I think the record should be kept straight on it.

Mr. GROSS. I will say to the gentleman from Illinois, the record will show that people employed by the White House and paid by White House funds were in that organization and helped to sponsor the propaganda meeting to which the gentleman referred.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. PASSMAN. I think the record is abundantly clear because Mr. Eric Johnston admitted that he received certain funds from the White House to finance the propaganda campaign and I can give you the amount and I will be very happy to insert the letter in the RECORD from Eric Johnston.

Mr. GROSS. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. VANIK].

The amendment was rejected.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 5, June 4, strike out "$1,000,000" and insert in lieu thereof "$600,000."

Mr. GROSS. Mr. Chairman, I would ask the Members to turn to page 167 of the hearings. There you will find some very enlightening information. At that point, Mr. ANDREWS, chairman of the subcommittee, asked Mr. Stans, the Director of the Budget, whether there was an allocation of $400,000 from the 1959 appropriation from the President's emergency fund to study the mutual assistance program—in other words, the foreign giveaway program—and whether that represented the first time that funds were allocated for this purpose. The record is as follows:

Mr. ANDREWS. You have told us this fund is intended to enable the President to deal swiftly with sudden emergencies. What was so sudden about this study? What was the emergency?

Mr. STANS. I would say there are several factors that initiated the study.

Now listen to this, and this is Mr. Stans speaking:

Another factor, I am sure, was that the President has, from time to time, found the Congress somewhat unconvinced of the urgency and necessity of appropriations for various phases of the mutual security program.

In other words, last December the foreign give-away program was falling into disrepute and so it was decided by someone in the White House, perhaps by the President, that they had better get Mr. Draper and get another propaganda job done on the American people and on the Congress—that is what he is saying. Let me repeat what he said:

I am sure, the President has, from time to time, found the Congress somewhat unconvinced of the urgency and necessity of appropriations for various phases of the mutual security program.

Then Mr. Andrews said:

Why did this money come from the President's emergency fund rather than the mutual security fund?

Mr. Stans said:

Mr Staats will answer that question.

And I believe Mr. Staats is Deputy Director of the Bureau of the Budget. Mr. Staats says:

I think it would be helpful if we could supply a more complete statement for the record. The original intention was to use those funds, but when the situation was examined it was found that there was a technicality in the law which made it unavailable to meet this kind of a situation.

All right, now, let us see what kind of a technicality, as Mr. Staats is pleased to call it—let us see what kind of technicality existed that they could not use mutual security funds to do a propaganda snow job on the American people and upon the Congress. I refer you to Public Law 85–853, the Mutual Security Appropriations bill, 85th Congress of August 28, 1958, page 2, section 102, which reads as follows:

No part of any appropriation contained in this act shall be used for publicity or propaganda purposes within the United States not heretofore authorized by the Congress.

Is that a technicality or is it the law? That is the reason why they had to resort to the emergency fund of the President for the $400,000. It was because of the language contained in the Mutual Security bill that funds contained therein could not be used for propaganda purposes. So the President employs Mr. Draper and the Draper Committee is born with a fund of $400,000. I do not believe there is anyone in the Congress who has seen the report of the Draper Committee. I understand a preliminary report has been made but I cannot get a copy of the full report.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. Speaking of technicalities the gentleman might mention also that a section of the Criminal Code which was read to the House only last week in debate on the housing bill makes it a criminal offense for members in the executive department overtly to lobby for or against legislation in the Congress.

Mr. GROSS. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

(By unanimous consent, Mr. GROSS was allowed to proceed for 5 additional minutes.)

Mr. GROSS. Now, why this expenditure of $400,000 from the President's emergency fund? I picked up in my office this morning just a few of the publications that have been put out by the State Department and others for propagandizing the American public and the Congress on this foreign giveaway program.

Here is a document about 4 inches thick put out by the other body in July 1957, which is 99.9 percent propaganda for the foreign giveaway program. Read it sometime. It cost a small fortune.

Here is a report to the President by the President's Citizens Advisers on Military Security Program, March 1, 1957, another propaganda piece.

Here is one, the mutual security program for fiscal year 1960, a summary presentation. Take a look at this if you want to see a nice, three-color job. If you can find anything here that is in any way critical of the foreign-aid program, I will eat the paper it is printed on.

Here is another put out as late as February 1959. If you can find anything in any way critical of the foreign giveaway program, I will eat the paper it is printed on.

And yet the President has to have his so-called emergency fund to set up the Draper Committee to do still another propaganda job on the American people. All my amendment seeks to do is just to take out the $400,000 which he obviously did not need for emergency purposes. Let us see how much more propaganda he can buy for $600,000.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Maryland.

Mr. FOLEY. I call the gentleman's attention to page 139 of the hearings where he will find a table toward the bottom of the page and in that table an item which refers to the President's Committee on Fund Raising in the Federal Service, and provides $49,000. I would like to have the gentleman express his view on that particular Committee.

Mr. GROSS. I do not know anything about that. I thank the gentleman.

Mr. Chairman, I trust the amendment will be adopted.

Mr. GARY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in rising in opposition to the amendment, I want to agree with my friend, the gentleman from Iowa [Mr. GROSS], and I want to show him that the committee absolutely agrees with what he says. In order to do so, I am going to read from the report of the committee. The report contains the following statement:

The committee continues to support the proposition that the President should have available such a fund from which he may, in his discretion, provide for emergencies affecting the national interest, security, or defense. However, this fund has been used with some frequency to initiate projects, committees, and agencies which lend themselves to perpetuation long beyond defensible pretext of emergency.

Witnesses speaking in behalf of this fund enumerated several studies, conducted under recent appropriations, which do not appear to meet the criteria justified by the administration and approved by the Congress. A case in point is a recent study of the mutual security program which has been presented to the Congress annually for more than a decade and given the most thorough consideration by a major legislative committee and the Committee on Appropriations.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Iowa.

Mr. GROSS. Where the gentleman and I differ is he seems willing to go ahead and provide the money. I am not.

Mr. GARY. I am not willing to give them the money for another survey of that kind, but I am willing to give them the money for a national emergency. I do not believe that a million dollars is too much for the President to have as an emergency fund. He may not use it all, and I hope he will not; but if an emergency arises, and one may arise in which he might need every penny of the million dollars, I would not like to be faced with the fact that our committee or the Congress of the United States had withheld from him sufficient funds with which to handle the emergency.

Mr. GROSS. What is the gentleman going to do if again the President takes $400,000 to do another propaganda job on the Congress and the American people?

Mr. GARY. The President has his responsibility to the people of the United States just as this Congress does. I think we have got to trust somebody in the administration of the affairs of this Government. When we get to the point that we cannot trust the President of the United States with the expenditure of a million dollars, then I think we had better get another President.

Mr. GROSS. Regardless of whether we trust him or not, does the gentleman agree that he was right in spending $400,000 for the purpose for which it was expended?

Mr. GARY. I do not, and neither does our committee, and we have said so in no uncertain terms in our report. The President may not agree with us. I do not agree with everything the President does, and I am sure the President does not agree with everything we do, but, after all, the legislative and executive branches do have equal responsibility in the operation of the Government.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Ohio.

Mr. VANIK. In reference to this emergency allocation, I have looked over last year's appropriation, and there were appropriations for a number of things, including a transportation survey. What relationship do these things have to national security?

Mr. GARY. I think some expenditures have been made from this fund which were not in keeping with the intention of the Congress. I have stated that very frankly.

Mr. VANIK. In going through the explained expenditures, I am unable to strike a balance between what was explained and what was not explained. So I am somewhat concerned about the unexplained portion.

Mr. GARY. There was an explanation of all of the expenditures. The committee thought that some of them were not in conformity with the intent of the Congress; nevertheless, the committee expressed its opinion in the report and we hope that will deter expenditures of that kind in the future. However, we did not feel there was any justification for cutting out the fund.

Mr. HARDY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do this merely to make an inquiry. Did the committee consider language which would make applicable section 209 to this particular appropriation?

Mr. GARY. It did not.

Mr. HARDY. Mr. Chairman, everybody seems to be agreed that there should be some means to prevent the improper use of this fund for purposes prohibited under section 209.

Mr. GARY. There is not any question about the fact that the emergency appropriation is subject to 209. It is in the same bill.

Mr. HARDY. Is it not true that previously these funds have been used for such purposes in contravention of similar language?

Mr. GARY. That may be a question of opinion. In the opinion of the committee, they were.

Mr. HARDY. Does the President disagree with the opinion of the committee on this?

Mr. GARY. We have submitted our report and we have not heard from the President on the report.

Mr. HARDY. The gentleman must know that inclusion in the report of language which the President did not choose to follow would not be as binding as language in the bill itself; is that correct?

Mr. GARY. That is unquestionably correct. But when you begin to define what is in the national interest, you will find you run into a great many difficulties. As I said, after all, you have to trust somebody, and it looks to me as if we should trust the President of the United States in the expenditure of this million-dollar emergency fund.

Mr. HARDY. I certainly agree that we should have confidence in the President of the United States. Certainly I do. But I do not believe these funds should be used for purposes prohibited by section 209, and we ought to be able to take some steps to preclude such use.

Mr. FENTON. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, in my general statement I said that representatives of the Bureau of the Budget, when they appeared before our subcommittee, responded, I think, very frankly, truthfully, and straightforwardly on this matter.

This is all explained on page 167 of the hearings where Mr. Staats gave us this information.

He said:

The study by the Draper Committee developed, in part, from requests from Members of the Senate that the President make a reappraisal of the relationship between the military and economic assistance aspects of the mutual security program.

Certainly that is in the national interest, in my book.

It was considered desirable, to assure an impartial report, that the study be financed from funds not connected with any particular agency of the Government. Moreover, since the study was aimed at permitting a personal review by the President, it was believed that the use of funds directly under the control of the President was appropriate. In addition, the funds of the mutual security program may be subject to certain general restrictions against making payments for expenses of committees or other similar bodies. For these reasons, mutual security funds were not used to finance the Draper Committee study.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield to the gentleman from Iowa.

Mr. GROSS. Yes, and that is because under the public law dealing with mutual security funds they were expressly prohibited from using them for propaganda purposes. It carried no devious language, as this bill does.

Mr. FENTON. I will say to the gentleman, under the basic law, the President should not be handicapped in this fashion, and I hope that the committee rejects this amendment.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield to the gentleman from Minnesota.

Mr. JUDD. I am sure the gentleman will remember that 2 years ago this House appropriated a considerable amount of money—I do not remember the exact amount—and also the other body appropriated a special amount in the hundreds of thousands to finance a reexamination, a resurvey, a reevaluation of the whole mutual security program. Both houses together spent much more than the administration did for the Draper Committee study of the same program. It seems to me only reasonable and proper that the administration should set up an ad hoc independent committee to take a fresh look at the whole operation. It had been under attack; there was dissatisfaction amongst supporters with parts of it; some things had not worked out as anticipated. Surely the administration would have been negligent if it had not inaugurated an independent survey even as each of

the Houses of the Congress was doing. This special fund of the President's was the proper one for the President to use in view of the national interest and security factors involved.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield to the gentleman from Maryland.

Mr. FOLEY. I direct the gentleman's attention to page 139 of the hearings and to the table under "Executive Office of the President." The last item is "President's Committee on Fund Raising in the Federal Service." The reason I am asking the gentleman this question is this: I apparently scanned the whole hearings and the report and I find no reference or explanation of that particular committee, and every other committee has been referred to and explained. But, that particular one is not explained or referred to in any way in the hearings or the report.

Mr. FENTON. I think it permits the Executive Office to check on funds that are requested from Federal agencies throughout the Government.

Mr. FOLEY. The reason I raise the question is I was interested in knowing just exactly what this particular committee's functions were and are and will be in the next fiscal year, inasmuch as $49,000 is involved and four people are involved.

Mr. FENTON. In other words, this item refers to money for investigations on solicitations of funds from the personnel of the executive agencies.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this debate should remind the Members who came to this House last that it has not been so very long since the newspapers and some Members of the House gave some of us a panning because of the way we spent the clerical allowance given us. So, perhaps, if we felt, some of us, that it was all right to spend the money allocated to us for clerk hire in the way we thought would give us the most information, the best results, perhaps we should let the President spend the money given him as he judged best. I do not suppose he spends any of it himself. Somebody down there in whom he has confidence tells him how to do it, because he could not possibly know all the details. This discussion brings to mind a letter I received.

Permit me to read:

Recently there was an item in the Palladium in which they quoted you as saying that the constituents of the Congressmen and Senators are responsible for the vast spending of the Federal Government.

Now, I hope you will listen, because this gentleman, I assume, knows me. He lives in the Fourth Michigan District:

You must think the people back home are so dumb that they will swallow everything that comes out of Washington and think that if some Congressman says it, it must be the gospel truth. Well, you couldn't be farther from the straight and narrow. I am enclosing a clipping which to my mind is pretty accurate as to what the Government thinks of economy: "United States Spends $4,500 a Man on Laws' Toy Soldier Army."

And the piece refers in detail to apparently wasteful spending.

Anyway, that is it.

The Government spends hundreds of millions of dollars which the poor taxpayers know nothing about.

I suppose this is one item today.

What are you doing out there in Washington? Has the Congress completely forgotten the taxpayers? Did the constituents demand they spend $100 million for the Senators and Representatives for more plush office space?

He is coming back at me because I wrote that the people ask for unnecessary spending, otherwise we would not appropriate the money. Now he is calling my attention to some of our own unnecessary spending, and, incidentally, I am passing it on to the Members, calling attention to the dollars that we spend without our folks either asking or knowing anything about it. That is to say, he says that in a way we are equally guilty, and we are, but not to an equal degree. But, after all, we do try to, but I fear some waste will always creep in.

Did the folks back home demand that they double their salaries?

I have not had that particular request.

Incidentally, it did not take them all summer to do that, either, but it took them 2 years to add a few dollars to the war widows' pension. The latter they considered inflation. Were the taxpayers considered when they voted to increase the amount for their staffs by $50,000?

He is a little off on the amount. It is difficult to read some of this letter, and I shall put it in the RECORD, and I shall put my answer in, too, and that answer is not a plea of not guilty, it is a plea of confession and avoidance, and perhaps some of our colleagues ought to file a similar answer or plea.

What I am trying to say is this. Our constituents are aware of at least a part of what is happening.

We must each accept our share of the blame. We are not mainly at fault because our constitutents do advocate that we spend more and more.

The gentleman wrote:

Isn't it going a little too far when our two Senators each get $120,000 to pay their clerical help?

I would like to rent my front porch for $100 per month.

If the Congress really wanted to do something for the people, who pay the bills, they might investigate the different procurement agencies; Army, Navy, Air Force, and all the others, and get them organized on a business basis.

* * * * *

Very truly yours.

I answered the gentleman in this manner:

No; I do not think the people back home are so dumb that they will swallow everything that comes out of Washington. I know better. The people are neither—on the average—of more intelligence, nor more dumb than their elected representatives. We are all much the same.

You enclosed a clipping which purports to show an outrageous waste and I can point to many other similar situations.

You ask the reason: One is that the Government is so big that it is impossible for one person or one group to keep track of everything, and always there are a waster and a spender, not to mention a crook who manages to slip in every large group.

Am frank to admit that the Government spends hundreds of millions of dollars which the taxpayers know nothing about. Even the Representatives here do not know the whole story. "The half has never been told."

Again, one trouble is the size of the Government and the insistent demands of those who pay the cost. Each one asking that all the money be spent, but that a certain amount be spent for one thing and another group asking for another.

You ask, "What are you doing up there in Washington? Has Congress completely forgotten the taxpayer?"

Certainly not, and what are the taxpayers doing on projects which promote economy? Many ask but few want it.

If you know anything about my record, and I assume you do, you know there has never been a campaign in which I have been interested that I have not been called a tightwad, one who refuses to vote for the things the people desire.

Undoubtedly I have made mistakes and will continue to make them as long as I am here, but did you ever have a member of the State legislature or of Congress who did not make mistakes? Did you never make one?

No; I do not know of a constituent who asks that the Congress spend more money for new offices, but I do know that constituents have asked for additional services until Congressmen have needed more help and larger offices; and I do know, or at least I think I know, that we have wasted many millions on desirable but unneeded projects. Congress will probably continue to do so, so long as voters increase.

As for increasing our pay, we certainly have. And many a Congressmen could have made as much or more in the enterprise he left to come here.

Why do I stay?

Because I thought I could do something worthwhile—get a reduction in taxes and, perhaps some better laws. I have learned that I was shooting at the moon.

Never but on two occasions did I use all the money allotted to me for clerk hire, and that was unavoidable because of illness in the office force. When we were awarded $2,500 additional for expenses, I left the $2,500 in the U.S. Treasury until after the people had a chance to vote at the next election. Would you have let $2,500 lie on the shelf when all you had to do was to check against it?

As for the increase of staff pay, the standard of pay in Washington is different from what it is in Benton Harbor, and it is not too easy to get the work done by competent people. Not everyone can step into a congressional office and do a worthwhile job.

Personally, I do not know what the two Senators get, but I am quite certain that every Tom, Dick, and Harry in the State feels free to write them and demand an answer to any and every question which may occur to the writer.

You say you would like to rent your front porch for $100 per month.

No doubt, but would your front porch be any good to the Government?

The point is this—so far as I know, there is not even a rumor that there was more than one front porch rented by Congressmen. There are 436 Congressmen and it is not at all surprising to find some of them trying to increase their income through the use of their own property.

It is reported the Speaker of the House and the Republican leader pay $60 a month for office hire in their home districts. We are supposed to maintain an office in the district. I once paid for one in St. Joe, then found it more convenient to rent in my hometown and, naturally, I rented one at $60 a month (later $80 a month) from my own son. The office is fully equipped, is heated, a clerk is there and service is rendered. And the sign is on the door.

You write that if we wanted to do something for the people, we might investigate the different procurement agencies. Bless your heart, we are investigating all the time and we are all the time uncovering and correcting abuses and we catch heck for the investigation. As a matter of fact, I sometimes think we just go on a wild goose chase but I know that we correct many an abuse.

The gentleman concluded his letter with this statement:

"I don't expect you to answer this, Mr. HOFFMAN, as it has been my experience that they don't answer critical letters.

"No; they just call it another letter from a crank not worth answering."

I don't know what your experience has been, but I am of the opinion, and, of course, I may be mistaken, that usually you have had an answer where you ask a worthwhile question. It has been my practice to read and to answer every letter, even the abusive ones from people, not only those who live in the district, but letters from outsiders who are so completely mistaken.

The average Congressman is just as intelligent, just as able, as the average citizen. He comes from the people. He is elected by a majority of the people, after his opponent has dug up all the dirt that exists in an effort to show he should not have been elected.

A stock answer to letters like this one of yours is that if you feel so deeply, are willing to make the sacrifice, and think you can better the situation, why not take a whirl at it and become a candidate. Good luck to you and yours, and just paste this in your hat and look at it occasionally. The average Congressman is about the same in ability and patriotism as the average citizen.

Write me again when you feel like it. Such letters as yours are always helpful, spur us on to a greater effort to do the right thing.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The question was taken; and on a division (demanded by Mr. GROSS) there were—ayes 22, noes 57.

So the amendment was rejected.

Mr. HARDY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARDY: On page 5, line 6, strike the period, insert a colon and the following: *"Provided further,* That section 209 of this Act shall be fully applicable to this appropriation."

Mr. ANDREWS. Mr. Chairman, I make a point of order against the amendment, and reserve that point of order.

Mr. MICHEL. Mr. Chairman, I ask unanimous consent that the Clerk report the amendment again.

The CHAIRMAN. Without objection, the Clerk will report the amendment again.

(The Clerk again reported the amendment.)

Mr. FENTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FENTON. Mr. Chairman, where is that period to be inserted?

The CHAIRMAN. The Chair will advise the gentleman that the amendment does not appear to be appropriate at the line indicated on page 5.

Mr. HARDY. Mr. Chairman, there should be a period at the end of line 10. Is that what I have in the amendment?

The CHAIRMAN. The amendment indicates line 6.

Mr. FENTON. Mr. Chairman, I make a point of order against the amendment.

Mr. HARDY. Mr. Chairman, I ask unanimous consent that the amendment may be revised to specify line 10 instead of line 6.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. HARDY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARDY: On page 5, line 10, strike out the period and insert a colon and the following: *"Provided further,* That section 209 of this Act shall be fully applicable to this appropriation."

Mr. FENTON. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. Does the gentleman desire to be heard on the point of order?

Mr. FENTON. I do, Mr. Chairman. It is legislation on an appropriation bill.

Mr. Chairman, this language has been in the bill for many years and it has been accepted. I believe that a point of order should stand against attempts at this time to eliminate this language.

The CHAIRMAN. Does the gentleman from Virginia desire to be heard on the point of order?

Mr. HARDY. Yes, Mr. Chairman. I do not know how it can be said that this is legislation on an appropriation bill when it refers to a section of the bill itself.

The CHAIRMAN. The Chair will advise the gentleman that that section may have legislation in it and the fact that the amendment refers to a section of the bill is not an answer to the point of order.

Mr. HARDY. That may be true, Mr. Chairman, but I would certainly have to express the feeling to ask how is it improper anywhere in a piece of legislation to say that a section of the legislation is applicable to the rest of it.

The CHAIRMAN (Mr. ALBERT). Under the rules of the House, any language in an appropriation bill or any amendment to an appropriation bill which contains legislation is subject to a point of order. Therefore, the point of order is sustained.

Mr. HARDY. Mr. Chairman, do I understand then that the Chairman has already ruled?

The CHAIRMAN. The Chair has already ruled on the question.

Mr. HARDY. Mr. Chairman, would it be improper to suggest that actually this is a limitation and makes section 209 apply?

The CHAIRMAN. The Chair will advise the gentleman that on the face of the amendment, it is not a proper limitation on the funds.

Mr. HARDY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think I ought to explain my purpose in offering this amendment. The committee has stated that it was its purpose to insure that section 209 was applicable to this entire act. Let me ask my friend, the gentleman from Alabama, if I understood him correctly, to construe that it was the intent of the committee that section 209 would be applicable to this particular appropriation?

Mr. ANDREWS. It was the intent of the committee, and section 209 reads as follows——

Mr. HARDY. I know how the language reads, but I would just like to know if it was the intent of the committee to make it applicable to this appropriation.

Mr. ANDREWS. The committee made this statement in the report which I would like to read to the gentleman:

In recommending an appropriation in the full amount requested, the committee hopes that the utmost restraint will be exercised in the use of this fund for the purposes intended as stated in the appropriation language.

That is as far as the committee wanted to go. We do not want to hamstring the President as to how he should use the money.

Mr. HARDY. So it can be understood from the gentleman from Alabama that it was the intent of the committee to permit the use of this fund for propaganda purposes, if the Chief Executive saw fit to do so?

Mr. ANDREWS. I would say "Yes."

Mr. HARDY. I thank the gentleman very much. Now the purpose of the committee is clear and the language in the report is nothing but a lot of double talk.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield.

Mr. GARY. Certainly, the committee report does not control this matter. It is controlled by the language of the bill. Not only was it the intent of the committee, but section 209 says, "No part of any appropriation contained in this act," and so forth. The appropriation that the gentleman refers to is certainly contained in this act. So not only was it the intent of the committee but it is the express provision of the bill itself, which the committee recommends to this body that section 209 shall apply to every appropriation item in the bill.

Mr. HARDY. Now I ask my friend from the Third Virginia District if he considers the comment which he has just made to be actually in conflict with the comment of the gentleman from Alabama.

Mr. GARY. What I have said is not in any way in conflict with what the gentleman from Alabama has said.

Mr. HARDY. Then I do not understand, because to my way of thinking the gentleman's remarks are in conflict with what the gentleman from Alabama says. If I understand it incorrectly, I would certainly like to be corrected.

Mr. GARY. Subject to section 209—the committee cannot have any intent other than that expressed in the law.

Mr. HARDY. If that is true then, certainly the language which I have suggested would be entirely appropriate, and unless the committee desires to circumvent its own section 209, then my amendment should be adopted.

Mr. GARY. It would not be appropriate. It would be extraneous because it is absolutely unnecessary. The bill already provides exactly what the gentleman is trying to reach by his amendment.

Mr. HARDY. The gentleman knows, does he not, that on previous occasions this very thing has happened, that funds from this appropriation have been used for the purpose of influencing legislation.

Mr. GARY. And other laws of the Nation have been violated from time to time without anything being done about it.

Mr. HARDY. Do I understand then that the gentleman is contending actually that the executive branch has deliberately caused laws to be violated?

Mr. GARY. The gentleman is saying that if the reports to which reference has been made are propaganda then the law has been violated. As the gentleman stated previously, however, that may be a question of opinion.

Mr. HARDY. Let me say just one more word in connection with the motivation behind this amendment. I have been told that a certain business organization was in Washington pressurizing the Congress for the enactment of certain legislation this last year and spent some $65,000 which they said they were going to be repaid from this emergency fund. Now I do not know whether the Appropriations Committee was advised of that; presumably they were not. I am not sure myself. This came from a very reliable source who was familiar with efforts being made to secure passage by Congress of certain legislation. The statement was made that reimbursement was to be made from this fund.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield.

Mr. GROSS. It is my understanding that $3 million of this fund was used for an educational exhibit over in Moscow not so long ago.

Mr. HARDY. Certainly I think the President should have this fund, and my purpose in bringing it up was to focus attention to the violation, certainly of the purpose and intent of section 209. There ought to be some way that we could enforce that section to see that it is not violated, and it seemed to me that the committee ought to assist in making that certain instead of raising a point of order.

Mr. PASSMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, just to keep the record straight, it is true that the President spent $3 million on an exhibit building in Moscow, but the money was out of foreign aid funds. I think it is rather farfetched to use foreign aid money for such a purpose, but that was what was done; it was not from this particular fund now under discussion. It was from the funds appropriated for foreign aid that the President spent the $3 million for the Moscow exhibition building.

Mr. GROSS. I appreciate the gentleman's correction.

Mr. VANIK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VANIK: Page 5, line 10, strike out the period, insert a colon, and add the following: *"Provided,* That none of the funds appropriated in this Act shall be spent in violation of the provisions of section 209."

Mr. ANDREWS. Mr. Chairman, I make a point of order against the amendment on the ground that it is legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from Ohio desire to be heard on the point of order?

Mr. VANIK. No, Mr. Chairman.

The CHAIRMAN. The Chair is prepared to rule.

The language of the amendment offered by the gentleman from Ohio specifically places a limitation upon the use of funds appropriated in this act. It is, therefore, a limitation and is not subject to a point of order.

The Chair overrules the point of order.

The gentleman from Ohio is recognized in support of his amendment.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield.

Mr. HARDY. I just want to commend the gentleman for straightening out the language in such way as to accomplish the purpose I had in mind. It is a good amendment and it certainly should be supported by every Member of the House.

Mr. VANIK. I shall not take time to discuss this amendment for it has been thoroughly discussed. It merely makes the emergency fund subject to the provisions of section 209. I certainly think it is good legislation and should be adopted.

Mr. ANDREWS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I ask that this amendment be defeated. I do not think we should hamstring, so to speak, the President in the use of this fund. As has been said by the gentleman from Virginia, if we cannot trust the President with $1 million we are living in a sad state indeed.

I ask that the amendment be defeated.

Mr. CURTIS of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have been listening to the debate on this amendment and I was just wondering if the gentlemen who are raising the question of whether this fund is being spent in accordance with law have asked for an opinion from the General Accounting Office? I ask for comment on that by the chairman of the committee or by any member of the committee. From the silence that greets my question I must say this sounds to me like a tempest in a teapot.

Mr. GROSS. Mr. Chairman, I rise in opposition to the pro forma amendment.

I do not know whether the gentleman from Missouri [Mr. CURTIS] was in the Chamber earlier when the debate started on this particular feature of the bill, but if he was here he will recall, I am sure, that the Budget Bureau testified before the committee that they had to resort to this fund; that they could not use mutual security funds because they were prohibited under the law from using them.

Mr. CURTIS of Missouri. The reason I raised the General Accounting Office question is because that is an arm of the Congress. The Bureau of the Budget is an arm of the executive department; and if the Members of Congress have any point to make on this, I would think they would go to the General Accounting Office to get their opinion. I think the gentleman from Virginia and the committee pointed to the actual issue: Is this propaganda or is it not? I do not know whether it is or not.

Mr. GROSS. Let me say to the gentleman that on the basis of testimony by the President's own agency, the Bureau of the Budget, it was a propaganda enterprise; else they would not have been precluded from using mutual security funds.

Mr. CURTIS of Missouri. I would think the orderly procedure would be to refer it to the General Accounting Office for an opinion.

Mr. HARDY. This is in the nature of an appropriation which the General Accounting Office cannot look at.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. VANIK].

The question was taken; and on a division (demanded by Mr. VANIK), there were—ayes 24, noes 61.

So the amendment was rejected.

Mr. HARDY. Mr. Chairman, I move to strike out the last word, simply to say that I hope the action this Committee has just taken in refusing to adopt the amendment that was offered by the gentleman from Ohio is not going to be construed by the White House as a sanction by the Congress for the use of these funds for purposes prohibited by section 209.

The Clerk read as follows:

SEC. 202. Unless otherwise specified and during the current fiscal year, no part of any appropriation contained in this or any other Act shall be used to pay the compensation of any officer or employee of the Government of the United States (including any agency the majority of the stock of which is owned by the Government of the United States) whose post of duty is in continental United States unless such person (1) is a citizen of the United States, (2) is a person in the service of the United States on the date of enactment of this Act who, being eligible for citizenship, had filed a declaration of intention to become a citizen of the United States prior to such date, (3) is a person who owes allegiance to the United States, or (4) is an alien from the Baltic countries lawfully admitted to the United States for permanent residence: *Provided,* That for the purpose of this section, an affidavit signed by any such person shall be considered prima facie evidence that the

requirements of this section with respect to his status have been complied with: *Provided further*, That any person making a false affidavit shall be guilty of a felony and, upon conviction, shall be fined not more than $4,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penal clause shall be in addition to, and not in substitution for, any other provisions of existing law: *Provided further*, That any payment made to any officer or employee contrary to the provisions of this section shall be recoverable in action by the Federal Government. This section shall not apply to citizens of the Republic of the Philippines or to nationals of those countries allied with the United States in the current defense effort, or to temporary employment of translators, or to temporary employment in the field service (not to exceed sixty days) as a result of emergencies.

Mr. O'HARA of Michigan. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'HARA of Michigan: On page 9, lines 5 and 6, after "alien" strike out the words "from the Baltic countries".

Mr. GARY. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. GARY. Mr. Chairman, that is legislation on an appropriation bill.

The CHAIRMAN (Mr. ALBERT). The Chair would advise the gentleman that the amendment simply strikes out certain language in the bill.

The point of order is overruled.

Mr. O'HARA of Michigan. Mr. Chairman, section 202 provides "no part of any appropriation contained in this or any other Act shall be used to pay the compensation of any officer or employee of the Government of the United States—including any agency the majority of the stock of which is owned by the Government of the United States—whose post of duty is in continental United States unless such person, first, is a citizen of the United States; second, is a person in the service of the United States on the date of enactment of this act who, being eligible for citizenship, had filed a declaration of intention to become a citizen of the United States prior to such date; third, is a person who owes allegiance to the United States; or, fourth, is an alien from the Baltic countries lawfully admitted to the United States for permanent residence."

Mr. Chairman, I see no reason for restricting employment of aliens to those originating in the Baltic States. I am sure that the committee had no intention to include a discriminatory provision in this bill but that it merely accepted language which had not been closely examined.

I would like to ask the opinion of the chairman of the committee on this amendment.

Mr. ANDREWS. We made no study of this. Several Members suggested that a language change be made. Our committee has had no opportunity to look into what effect such change might have. We suggest that the matter be taken up with the Senate committee to see if we cannot work out over there some solution that will be satisfactory to both sides.

Mr. O'HARA of Michigan. I thank the gentleman.

Mr. ANDREWS. That would give us an opportunity to consider it.

Mr. O'HARA of Michigan. I do not believe that anyone in this House can think of a reason why we should accept a bill containing such a discriminatory provision. Nor would it be to the credit of the House to neglect an opportunity to strike this language out of the bill.

Mr. ANDREWS. We suggested that they take it up with the Senate committee and give our committee and the Senate committee an opportunity to study the effect it would have. The gentleman from Pennsylvania [Mr. FENTON] made that statement in the well of the House this afternoon.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Michigan. I yield to the gentleman from Ohio.

Mr. VANIK. I would like to point out that the language the gentleman seeks to strike from the bill seems to be subject to a point of order, because the gentleman is seeking to restore the appropriation nature of the bill by deleting a legislative provision. If the amendment is not agreed to, a point of order would lie against this particular language. It singles out Baltic aliens from those of other countries.

Mr. ANDREWS. I will say to the gentleman that this matter was brought to the attention of our committee after we got to the floor this afternoon. We have not had any opportunity to study it.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Michigan. I yield to the gentleman from Virginia.

Mr. GARY. The suggestion was made that Poland be added to that language. Frankly, our committee has given no consideration to it. In explaining the amendment to me during the deliberations of this bill here on the floor they said that the Department of Agriculture wanted it for some purpose. Now, just what effect the gentleman's amendment will have I have not the slightest idea, and I hope that the House will not adopt it and that it will be presented to some committee when they can go into it and consider the many ramifications. I am always afraid of some amendment offered on the floor of the House when the House does not have an opportunity to inquire into the many ramifications and the effect that it might have on other laws. Now, when I made my point of order I thought that this interfered with some other law. Whether it does or not I do not know. I think probably it might interfere with existing laws. I was trying to save the point of order if that was the case, but I think this, that it is a matter that should be considered very carefully, and I think if the gentleman will let this go to the Senate and consider it together with the amendment to add Poland, that it would be handled in a much more deliberative manner.

Mr. O'HARA of Michigan. I do not believe this House should be a party to any such discriminatory limitation upon employment. The effect of my amendment would be to give the Government freedom to hire any qualified, legally resident, alien without regard to his national origin.

Mr. FENTON. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Michigan. I yield to the gentleman from Pennsylvania.

Mr. FENTON. Of course, this measure has been in the bill for a number of years, and we have had no chance to examine the effect of your proposed amendment.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. FENTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I just want to say to the gentleman that I think the suggestion by our subcommittee chairman, the gentleman from Alabama [Mr. ANDREWS] and the gentleman from Virginia [Mr. GARY] is well taken. I certainly do not like to oppose anything that I know nothing about, practically. I have a number of people in my area that may be interested, too, in your proposal, but we should have the opportunity to study it.

Mr. O'HARA of Michigan. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield to the gentleman from Michigan.

Mr. O'HARA of Michigan. I merely want to say I do not think this is the sort of matter that requires any study. It is plain on its face. Here we have an opportunity to strike it and we should take the opportunity. I am sure that the gentleman has this amendment in the bill only because it has been in past bills, as he said. I think the time has come for us to change that language.

Mr. FENTON. Of course, I will say to the gentleman I think we should have a chance to study it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. O'HARA].

The question was taken; and on a division (demanded by Mr. O'HARA of Michigan) there were—ayes 19, noes 57.

So the amendment was rejected.

Mr. VANIK. Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. VANIK. I make a point of order to the language on page 9, lines 5 and 6 "from the Baltic countries."

The CHAIRMAN (Mr. ALBERT). The Chair must advise the gentleman that the point of order comes too late. That section has been read and amendments to the section have been considered. The point of order is overruled.

The Clerk will read.

The Clerk concluded the reading of the bill.

Mr. ANDREWS. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ALBERT, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7176) making appropriations for the Executive Office of the President and sundry general Government agencies for the fiscal year ending June 30, 1960, and for other purposes, he reported the bill back to the House with the recommendation that the bill do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on passage of the bill.

Mr. GROSS. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. GROSS. In its present form.

The SPEAKER. The gentleman qualifies.

The Clerk read as follows:

Mr. GROSS moves to recommit the bill to the Committee on Appropriations with the recommendation that the committee report the bill forthwith with the following amendment: On page 5, line 10, strike out the period, insert a colon and the following language: "*Provided*, That none of the funds appropriated under this Act shall be spent in violation of the provisions of section 209."

The SPEAKER. The question is on the motion to recommit.

The question was taken; and the Chair announced that the "noes" appeared to have it.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Without objection, further proceedings under the bill will be postponed until Wednesday.

There was no objection.

LEAVE OF ABSENCE

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. WITHROW] be granted an indefinite leave of absence on account of illness.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

COMMITTEE ON RULES

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the Committee on Rules have until midnight tonight to file certain reports.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

DEPARTMENTS OF STATE AND JUSTICE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, FISCAL YEAR 1960

Mr. ROONEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7343) making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1960, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the bill be limited to 1½ hours, the time to be equally divided between the gentleman from Ohio, Mr. Bow, and myself.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from New York.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 7343, with Mr. THORNBERRY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from New York [Mr. ROONEY] will be recognized for 45 minutes and the gentleman from Ohio [Mr. Bow] will be recognized for 45 minutes.

The Chair recognizes the gentleman from New York [Mr. ROONEY].

Mr. ROONEY. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, this bill carries the appropriations for the coming fiscal year for the Departments of State and Justice, the Federal judiciary and related agencies. Included in the related agencies, are the U.S. Information Agency and the Commission on Civil Rights.

We have a sad situation today, Mr. Chairman, in the loss of that great American, the distinguished and honorable former Secretary of State, Mr. John Foster Dulles. He was a man of noble character, he was a man of the highest integrity, he was a man who had great courage. And he was a kindly man. I am proud to say that we were friends for many years. I was his guest on many occasions when he was Secretary of State. As ill as he was last December in Paris when he attended the NATO Council meeting, he came downstairs from his bed of pain to greet the group that accompanied me at that time. I have always had the highest respect for him. To Mrs. Dulles, her sons and daughter, I extend my deepest sympathy in their bereavement.

Mr. Chairman, in discussing the pending bill which includes the appropriations for the Department of State, I assure you I shall not make any remarks which might in the least impugn the integrity or the ability of the distinguished late Secretary of State. I do not bring this bill here to the floor today of my own choice. The date for the consideration of this bill was set by the leadership of the House almost 3 weeks ago. I am sure we can consider the matter of appropriations for the Department of State on the basis I have suggested.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to my distinguished friend, the minority leader, Mr. HALLECK.

Mr. HALLECK. First of all, I should like to say I appreciate the remarks just made by the gentleman from New York. While the gentleman from New York on occasion has had differences of opinion as to what just ought to be done with this particular appropriation bill having to do with the Department of State, I do not recall that the gentleman ever entered into personalities, and I am quite sure there will be no personalities involved today, and that the discussion will proceed in an orderly fashion based on what best ought to be done for the welfare of the country.

Mr. ROONEY. I assure the gentleman from Indiana that that is my purpose. Since the committee has seen fit to make certain cuts in appropriations with regard to the Department of State, I want everyone present to understand that the late Secretary worked as many as 16 and 18 hours a day, that he was busy most of the time with our foreign policy, and that that was as it should have been. Any criticism will be directed to certain subordinates who have charge of the administrative phases of the Department of State activities.

Before I proceed to explain the bill, Mr. Chairman, I should like to extend my thanks and appreciation to my colleagues on the subcommittee who have labored long and assiduously on the pending bill. The fact of the matter is that the hearings on this bill took place over a period of more than 3 months. I personally am indebted to the distinguished gentleman from Georgia [Mr. PRESTON], the distinguished gentleman from Florida [Mr. SIKES], the distinguished gentleman from Washington [Mr. MAGNUSON], the distinguished gentleman from Ohio [Mr. Bow], the distinguished gentleman from California [Mr. LIPSCOMB], and the distinguished gentleman from Michigan [Mr. CEDERBERG].

I would be remiss indeed if I did not acknowledge with thanks the great assistance we had from the staff assistant to the subcommittee, who has been with us now for a great many years, Mr. Jay B. Howe.

The bill now before you carries appropriations which total $649,896,700. This compares with total budget estimates requested by the President in the amount of $682,387,600.

The total amounts carried in the bill when compared with the current appropriations, to wit 1959 fiscal year, are $19,429,407 less; and as compared with

the budget requests the amounts contained in the bill are $32,490,900 less.

The following is a summary of the committee's action:

Department or agency	Appropriations, 1959 [1]	Estimates, 1960	Recommended in bill for 1960	Bill compared with—	
				1959 appropriations	1960 estimates
Department of State	$241,936,352	$228,335,000	$217,610,000	−$24,326,352	−$10,725,000
Department of Justice	253,270,000	275,075,000	264,100,000	+10,830,000	−10,975,000
The Judiciary	48,008,455	51,039,600	48,703,900	+695,445	−2,335,700
United States Information Agency	118,923,800	120,550,000	113,057,300	−5,866,500	−7,492,700
President's special international program	6,410,500	7,100,000	6,145,500	−265,000	−954,500
Civil Rights Commission	777,000	288,000	280,000	−497,000	−8,000
Total	669,326,107	682,387,600	649,896,700	−19,429,407	−32,490,900

[1] Includes funds contained in the Second Supplemental Appropriation Act, 1959.

With regard to the amounts appropriated in this bill—and we have in this, agencies that operate overseas, to wit, the State Department and the U.S. Information Agency, the committee has by language in the bill directed that no less than $46,989,000 or over 7 percent of the total amount recommended, be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States.

With regard to the Department of State, the committee has recommended the amount of $217,610,000, which is a reduction of $10,725,000 in the amounts of the budget estimates, and a decrease of $24,326,352 below the amounts appropriated for the current fiscal year. However, included in the total amount for the current fiscal year are nonrecurring items such as the one of $23,862,751 for a certain payment to the Philippine Government as well as another in the amount of $5,296,302 for a certain payment to the Government of Denmark.

When all of the fiscal year 1959 nonrecurring items are taken into consideration, there is an actual increase allowed for the Department of State rather than the decrease reflected in the tabulation which is contained near the end of the committee report.

The first item in the bill is that for salaries and expenses of the Department of State. The amount allowed by the committee is $111,500,000 which is $2,535,100 over the sum appropriated for the present fiscal year. It is $7,600,000 below the amount of the budget estimate. There was included in the requested amount of salaries and expenses the sum of $2,800,000 for certain basic research and analysis activities which in past years have been financed by way of transfers from a certain other Government agency. After close inspection of the matter and after a discussion with a certain high official or high officials of the Government, the committee came to the unanimous conclusion that since these things were more a matter for the Defense Department than for the Department of State they should still be carried in the budget of the other agency and accordingly deleted that amount from this bill.

There have been included in this bill adequate funds for the opening of the new posts requested by the Secretary of State.

The committee has gone along with the proposal to set up a unit in the office of the Under Secretary for Economic Affairs to concentrate on, and combat, international Communist activities of an economic character on a worldwide basis.

In this connection I should at this point remark that the request of the Department of State to the committee was for 345 new jobs, 345 additional positons. The committee has allowed none of these 345 additional positions, with the exception of 10 of 16 requested in the office of the Under Secretary for Economic Affairs to which I just referred, as well as the requested positions for opening new posts abroad.

The committee was informed that already and at this time and in the current fiscal year there are 6 people in the State Department assigned to the Office of the Under Secretary for Economic Affairs for the stated purpose, so that the only additional positions they will need in that Office in the coming fiscal year 1960 will be the 10 positions to which I refer.

I shall now turn to the matter of "Acquisition, operation, and maintenance of foreign buildings abroad." We have included the amount of $17,372,000 for this purpose. This is $628,000 below the appropriation for the current fiscal year, and the committee requires that no less than $16,739,000 of the total amount allowed be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States. In effect, the actual American dollar appropriation for this program is $633,000.

The committee has frowned on the program presented to it for a number of buildings to be constructed abroad for embassy attachés at an average cost of $50,000 a residence, exclusive of the cost of the furnishings. Believe it or not, there was a request to expend $220,000 of the taxpayers' money for a residence and furnishings for the American consul at Dakar, French West Africa. The committee has unanimously frowned upon a proposition such as the expenditure of $122,283 for a house, without furnishings, for the consul general in Munich, Germany.

This program has gotten entirely out of hand. They are expending sums of money for residences of consuls and attachés which in many instances are far larger than the original costs of the residences of Ambassadors in countries abroad.

The committee found in connection with administration of this program that the foreign buildings office has expended $721,106 in American dollars of the taxpayers' funds for architectural fees and engineering services of outside architects and outside engineers. For what? Specifically, for buildings that have never been constructed, for buildings on which construction has not been started up to now. We are not talking of three-quarters of a million cash dollars for constructing a building or buildings; we are talking about favored outside architects getting three-quarters of a million dollars of the taxpayers' money for plans of buildings that have not been constructed and for which no funds are requested in the instant budget.

The following is a list of these building projects which have not been started, the originally proposed costs and the amounts expended for architectural and engineering services:

Post	Project	Total	Cost of architectural and engineering services to date
Nigeria, Lagos	SH	$160,000	0
Dominican Republic, Ciudad Trujillo	OB annex	300,000	$13,681
Mexico, Mexico City	OB	3,000,000	144,646
Algeria, Algiers	OB	700,000	23,759
Canada, Niagara Falls	OB/CR	300,000	18,373
Finland, Helsinki	OB	1,000,000	48,124
Ireland, Dublin	OB	500,000	36,556
Poland, Warsaw	OB/SH	2,200,000	133,469
Burma, Rangoon	SH	160,000	12,720
Philippines, Manila	Communication building.	115,000	7,875
Do	SH	500,000	38,870
Taiwan, Taipei	OB	870,000	52,752
Thailand, Bangkok	OB	930,000	62,098
Vietnam, Saigon	OB	1,060,000	60,478
India, New Delhi	ER	350,000	20,410
Iran, Teheran	OB/ER/DCMR	900,000	47,295
Total		13,045,000	721,106

It is also interesting to note that although the number of architects, draftsmen, engineers, and supervisors on the rolls of the Office of Foreign Buildings, Department of State, increased from 18 in 1953 to 38 in 1958, the architectural

fees paid private concerns increased from $77,771 in 1953 to $549,874 in 1958. I shall read the following table:

Office of Foreign Buildings, Department of State

Fiscal year	Architectural and engineering fees and associated costs	Architects, engineers, draftsmen, and supervisors on rolls		
		Total	Department	Field
1949	$76,922	27	19	8
1950	84,556	24	16	8
1951	336,273	21	13	8
1952	338,902	18	10	8
1953	77,771	18	10	8
1954	117,609	18	10	8
1955	650,697	21	10	11
1956	719,474	26	12	14
1957	1,104,679	27	11	16
1958	549,874	38	11	27
Total	4,056,757			

This bill, of course, covers membership contributions to all the international organizations of which the United States is a member, starting with the United Nations and specialized agencies. It carries money for the International Boundary and Water Commission, United States and Mexico, for the American sections of international commissions, for the International Fisheries Commissions, and for international educational Exchange activities.

In connection with the international educational exchange activities, the committee has included in the bill the sum of $22,800,000. This is the same amount as was provided in the regular annual appropriation act for fiscal year 1959.

In addition to the $22,800,000 carried in this bill for exchange of persons with countries abroad, I should mention that the Government has for this purpose $129,633,897 in the current fiscal year and that in 1960 fiscal year these programs will total $140,053,797.

The bill includes what the committee expects will be the last payment for necessary expenses for the construction of the Rama Road in Nicaragua.

I shall now turn to the Department of Justice. The budget estimates for this Department total $275,075,000. The amounts recommended in the bill total $264,100,000. This is a reduction of $10,975,000 in the amount of the budget estimates and an increase of $10,830,000 over the appropriations for the current fiscal year. I want you to pay attention to the fact that in this increase of $10,830,000 over appropriations for the current fiscal year, over 55 percent is for the Federal Prison System.

The committee has included the entire amount requested, to wit, $4.5 million, for enforcement of antitrust and kindred laws. This amount is $362,000 over the appropriation for the Antitrust Division of the Department of Justice in the current fiscal year. This increase will provide 19 additional lawyers and 20 additional clerks. In recommending the increase, the committee has emphasized that it hopes for a vigorous and effective program of enforcement of the antitrust and kindred laws.

The committee has allowed the entire amount requested for the Federal Bureau of Investigation, to wit, $114,600,000. It has allowed for the Immigration and Naturalization Service the amount of $55.5 million, which is an increase of $1,792,000 over the appropriation for the current fiscal year.

With regard to the Federal prison system, the total included in the bill is $49.1 million, which is an increase of $6,056,000 over the amount appropriated in the current fiscal year. The appropriations for the Bureau of Prisons are contained in three separate items, the first of which is "Salaries and expenses," Bureau of Prisons. For this item the committee has allowed every nickel of the request, to wit, $41,600,000, to provide for the custody, care, and treatment of prisoners in and the maintenance and operation of 32 institutions in the United States and the 5 jails and 1 camp in Alaska. This amount allowed is $3,156,000 over the amount appropriated for the same purpose in the current fiscal year. This additional amount is to provide for a larger number of prisoners, additional personnel, increased maintenance needs, and equipment replacements. It will provide for the reactivation and full operation of the Federal correctional institution at Sandstone, Minn., beginning July 1, 1959. This institution will take care of 600 or more prisoners. The prisoners, to make up the population of Sandstone, will be transferred from the United States penitentiaries at Leavenworth, Kans., and Terre Haute, Ind., as well as from the Federal correctional institution at Milan, Mich. In addition, there is a new camp at Safford, Ariz., for which funds were appropriated last year and which will take care of 250 prisoners. A new camp has been activated in South Carolina with a capacity of 200 prisoners.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the distinguished gentleman from Iowa.

Mr. GROSS. This is slightly off the subject.

Mr. ROONEY. Well, please stay with this very subject, if you will.

Mr. GROSS. This is on page 3 of the bill.

Mr. ROONEY. Well, I have already passed the Department of State. If you will permit me to follow the ordinary sequence, I will answer any questions the gentleman has, and I will yield to him first when I conclude.

Mr. GROSS. I thank the gentleman.

Mr. ROONEY. With regard to buildings and facilities, Federal Prison System, the committee has allowed $4,400,000, and the institutions to which these items refer are set forth at page 13 of the committee report. I am going to pass over the balance of the items for the Department of Justice and merely sum up the total amounts for the Federal judiciary. There is not much that can be done with regard to savings in such items. We must have the courts, we must have law enforcement, we must have the Government's law office.

Referring to the Judiciary, the total amount of the budget estimates was $51,039,600. The committee recommended the amount $48,703,900, of which $5,006,500 is from the special accounts for salaries and expenses of referees.

Proceeding along, we get to the U.S. Information Agency which presented a request for three items, to wit, "Salaries and expenses," "Acquisition and construction of radio facilities," and "Payment to informational media guarantee fund." The total included in the bill for these three items is $113,057,300.

In addition to the amount $113,057,300 carried in the instant bill, the Agency expects to obtain $4,654,029 in foreign currencies generated as the result of so-called Public Law 480, currencies generated by the sales of surplus agricultural commodities.

With regard to the acquisition and construction of radio facilities, the committee has allowed $9 million, which is a reduction of $1,938,000 in the amount of the budget estimate.

I shall later describe in the remainder of the time allotted to me what has gone on with regard to the matter of the radio facility which has been proposed for the east coast, formerly known as Baker East.

The committee has allowed the same amount for the coming fiscal year as was allowed in the current fiscal year for payment to the informational media guarantee fund.

With regard to the President's Special International Program: This is the program that covers the trade fairs, and those delightful trade missions where favored people are given a free trip abroad, to attend a trade fair and who must belong to a certain club in order to do so; and also includes the acrobats and opera singers. The committee has allowed the amount $6,145,500 to carry out the provisions of this "International Cultural Exchange and Trade Fair Participation Act of 1956." There will also be available an unobligated balance of $265,000 from the so-called Brussels Fair.

In connection with the Brussels Fair, I shall have some remarks a bit later on, and I do hope that the Members will have an opportunity to read the hearings which show exactly what went on with the taxpayers' money at the Brussels Fair.

In connection with the trade missions to which I made reference a moment ago it was proposed this year to take this item away from this committee. I do not know whether they thought we were too investigatory, or why—I have heard various alleged explanations, but while we would continue to carry the money for the trade fairs in this bill, Admiral Strauss, Mr. Kearns, and the Department of Commerce wanted to carry these favored trade mission members over in the Department of Commerce bill. So, with the cooperation of the members of the Commerce Subcommittee, we have crossed them up a bit and we have continued to carry the amount for the trade missions in this bill and cut it out of the Department of Commerce bill which will come to the floor, I believe, next Thursday.

Finally, you will find in this bill funds for the Commission on Civil Rights. The committee has recommended the amount

$280,000 for the continuance of this Commission which by law is to cease to exist 60 days after September 9, 1959.

The amount requested, $288,000 and the amount allowed were and are to cover the period from July 1 to November 9, 1959.

Now, with regard to the U.S. Information Agency, they publish a very nice illustrated magazine that is allegedly sold in Moscow, and another edition of it allegedly sold in Warsaw. Some years back—and when I say some years back, I mean back 8 or 10 years ago—we had as good if not a better illustrated magazine sold in Moscow which did not cost the taxpayers a nickel. As a result of arrangements then made, the amount collected on the sales covered the cost of the publication and distribution of that magazine. But, today we find with regard to the edition put out in Polish, in Warsaw, the Polish Amerika Illustrated, that in the coming year it will cost the taxpayer $1.94 a copy. And what do you think the taxpayer gets back out of that $1.94 a copy? I will refer to page 273 of the printed hearings and the following question and answer:

Mr. ROONEY. Excuse me, $1.94 is right. What is your estimated return per copy in 1960?

Mr. SORKIN. About 3 cents, sir.

With regard to the one allegedly sold in Russia, you will find testimony on that at page 277 of the printed hearings:

Mr. ROONEY. So, if I understand this correctly, it cost $1.32, or more, to produce it, and the actual net return is about 13 cents a copy; is that correct?

Mr. SORKIN. Yes, sir.

This Agency, without permission from anyone, without even consulting the Appropriations Committee of the House or the Senate, used $65,000 to upgrade—now mind you, I am not talking about the pay increases that everybody in the Government including those in USIA had last year, but over and beyond that in varying amounts, some of which are substantial, they upgraded 93 people at a cost to the taxpayers of $65,000. They did not request money for this purpose in their 1959 budget, they just went ahead and did it. That is the way they operate. Very often some Members and the public want to know why they get into trouble. Well, they get into trouble because of some of the darn fool things that they do. For instance, we have what is known as the giveaway program. Technically, they like to call it the presentation program. They give away books. Every year we come to you with ridiculous instances.

Perhaps I should admit they are no more ridiculous this year—they are just being consistent. They gave the king of a certain country three books on trout fishing at a cost of $40—$40 of the taxpayers' money. What do you suppose we are to get for these three books that cost $40 on trout fishing? One of the gentlemen was so naive as to say that one of the criteria for doing a thing like this is that the recipient would be induced to take action favorable to the United States, or to the welfare or advancement of his own country consonant with the objectives of the United States. Now maybe I do not know what this is all about—could be—and maybe I do not know whether the $40 was well spent. But I do know the public is entitled to know about it and that they should also know that USIA is still giving away sets of the Encyclopedia Britannica at a cost of $204 a set. I am not sure the condition of the world has bettered to such an extent as to prove that the results of these giveaways have helped us—I do not know. We found that in a certain country—Mexico, as a matter of fact, at a place called Merida, they spent $35 of the taxpayers' money to give a certain book to a certain government official who is the director of civil aviation at the airport there. What do you think the book was? It was the manual of a Douglas DC–4. It did not occur to anybody that they might get in touch with the Douglas Aircraft Co. and get a manual for nothing or at least try to do so. Instead, they used $35 of the taxpayers' money to present him with this book.

If you will recall, last August, Mr. Chairman, we had a supplemental appropriations bill here on the floor of the House. If you remember, I opposed the allowance of $10 million in that bill for the start of a new radio transmitting facility down in North Carolina. I opposed it then because we had not had an opportunity to hold hearings on it and because USIA had spent taxpayers' money in the same area some years before for the acquisition of the same radio facilities. When the new administration came into office they canceled the North Carolina project with a lot of fanfare, and the taxpayers lost $1,217,000 cash money by cancellation of the contracts.

Now, a number of years have gone by since that happened on March 20, 1953, and in all the years 1953 to 1959 never was there a request in a regular bill for funds for this purpose. There were two men who signed the convincer, the convincing document which canceled the contracts. One of them was Mr. Streibert, who was subsequently made the head of the Information Agency and was the head of the U.S. Information Agency for about 3 years.

Now the U.S. Information Agency comes along and in effect says that Mr. Streibert did not know what he was talking about. "Why? It is the best site in the United States for a broadcasting facility," they say, and so we are going back there again to North Carolina to build a transmitting facility.

Before 1953 they bought the land there in North Carolina for about $83 an acre. In 1956 the Agency permitted this land to be sold for $44 an acre. What they are doing down there now is exactly what I said when I opposed the supplemental appropriation last August, they are buying similar land in practically the same area for $200 an acre.

Sometimes I wonder if they are coming or going as I listen to so many changes in their presentations before this committee and listen to so many different ideas. Going back to 1953 Dr. Johnson was the head of the Agency when the new administration came in. He was followed by Mr. Streibert, whose successor I think was our friend Arthur Larson, "Mr. Republican." During all these years since 1953 they never asked the Congress for any funds for radio facilities but told us their broadcasting was perfect. Why? The Voice of America was crashing through the Iron Curtain; we were doing fine. Now they come along in 1959 and tell us that much of the Near and Middle East and the Balkans and Black Sea area of the U.S.S.R. are beyond medium-wave coverage, that large areas of the Soviet Union from the Urals to the Pacific are beyond shortwave coverage, that almost the entire African Continent is beyond the range of Voice of America transmitters, that almost the entire southern half of South America is beyond the Voice of America shortwave coverage; and that almost half of China and important areas including Pakistan and Indonesia, are beyond the effective range of the transmitters. With this sort of situation the Agency went to the President's Bureau of the Budget and asked a certain amount of money, to wit, $21 million to help cure it. And what did the White House and the Bureau of the Budget do but cut them from $21 million to $10.9 million. Now, is there an emergency or is there not an emergency? Or are they interested in buying land at $200 an acre in North Carolina? I just do not know. But I am afraid to take a chance.

So the committee has in effect allowed the money for this newborn or once again resurrected facility in North Carolina with the expectation that it will be finally built for a total of $25,345,850 and with the understanding that the sum of $1 million from previously appropriated funds which the Agency possesses for acquiring sites and preliminary work on oversea projects, be used toward the cost of construction in North Carolina.

I may have cut myself a bit short on time, or perhaps I am not speaking rapidly enough, but there are many other things I would like to cover in this presentation. I particularly wanted to show you that although the Appropriations Committees were informed by the Director of the so-called Brussels Fair American pavilion that the taxpayers would have an income of $30,000 to $40,000 per week from the performing arts program at the fair and that that money would be turned into the U.S. Treasury, it turned out that with all of the seven hundred and some odd thousand dollars, $700,469 to be correct, spent for the performers and actors, the only income to the U.S. Treasury was in the amount of $17,055.70 and that $10,066 of the $17,055.70 came from the Benny Goodman Orchestra, which performed through the courtesy of and at the expense of Westinghouse Broadcasting Co.

The Brussels Fair management had nothing to do with them. They were not hired or engaged by the American Brussels Fair organization. But they contributed $10,066 into the U.S. Treasury. The distinguished artist Jose Iturbi had a contract under which he could have collected $851.10 from the American pavillion. Jose Iturbi turned over to the Government of the United States the

$351.10 he could have claimed and it went into the U.S. Treasury.

The total attendance for the American performing arts attractions at the fair was 211,277. The so-called attractions cost $683,594 net. This means that the American taxpayer had to expend $3-plus a head for every person who saw our performers at the American pavilion in Brussels.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman spoke about prisons. I am intrigued by the language appearing on page 3:

Rent and expenses of maintaining in Morocco institutions for American convicts.

What have we going in Morocco by way of a penal colony or prison?

Mr. ROONEY. This language has been carried in the bill for many years.

Mr. GROSS. What do we have there?

Mr. ROONEY. We have a treaty with Morocco and under this treaty we must expend certain money for institutions for American persons declared insane.

Mr. MAGNUSON. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the distinguished gentleman from Washington.

Mr. MAGNUSON. This provision has to do with rent and other expenses of maintaining in Morocco institutions for American convicts and persons declared insane by any consular court and care and transportation of prisoners and persons declared insane.

Mr. GROSS. These are American convicts. They are not Moroccans.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BOW. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. ROONEY. I thank the distinguished gentleman from Ohio.

But I am not so much worried about the matter of a treaty and this situation in Morocco as I am with the mismanagement of recent affairs. In the case of a treaty, that is a gentleman's agreement, it is a signed agreement, and the signer must carry it out. I am concerned with things of today, like the running of the Brass Rail Restaurant at the Brussels Fair. In connection with that restaurant the Government advanced a couple of hundred thousand dolllars of the taxpayers' funds. Immediately the Brass Rail Restaurant went out and put the touch on Pepsi Cola, Trunz' hot dogs, Schweppes beverages, and so forth and collected $197,-500 in such contributions, twice as much as they paid for 6 months rent at the fair.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Iowa.

Mr. GROSS. How much is in this bill for liquor and entertainment?

Mr. ROONEY. There is $825,000 in this bill for representation allowances, Department of State.

Mr. GROSS. Does not the gentleman know that there is representation and entertainment allowances scattered through this bill to the tune of about a million dollars?

Mr. ROONEY. I thought the gentleman wanted the meat of the thing. The meat is for representation allowances, and so forth, $825,000. You will also find funds in this bill for entertainment and—I do not know—shall I use the word "whisky"?

Mr. GROSS. I will supply it to the gentleman.

Mr. ROONEY. But, at any rate, there is an allowance for the U.S. Information Agency.

Mr. GROSS. Is there any money in this bill for the special fund in the United Nations? I notice you went into it to some extent in your hearings, but I cannot find an appropriation in this bill if it is there. That is Paul Hoffman's new enterprise.

Mr. ROONEY. SUNFED?

Mr. GROSS. No. This special fund. It started out to be SUNFED, but apparently it attracted some opposition, SUNFED, so now they simply call it special fund.

Mr. ROONEY. I am pleased to inform the gentleman that there are no funds in this bill for that purpose.

Mr. GROSS. I am glad to hear the gentleman say that, so I will keep a wary eye open in the giveaway bill when it comes before us shortly.

Mr. ROONEY. In conclusion, I think the committee has written a pretty fair bill. This bill does not wholly express the ideas of any one member of this committee or of any one of the nine who sat in on the markup of it. I think that it is well rounded to the extent that every dollar absolutely needed is provided and to the extent that every dollar not needed has been excised from the bill. I trust that when this bill is read under the 5 minute rule the Committee of the Whole will support the Committee on Appropriations in all instances.

Once again I want to thank my colleagues on the subcommittee including the distinguished gentleman who is going to follow me here on the floor, the gentleman from Ohio [Mr. Bow], for their cooperation and their assiduous devotion to duty over a period of more than 3 months in bringing this bill to the floor of the House.

Mr. BOW. Mr. Chairman, I yield 10 minutes to the gentlemen from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, first of all I want to pay tribute to the chairman of this subcommittee, the gentleman from New York [Mr. ROONEY]. We often differ, but I want to tell you that no one can read the hearings, particularly the Department of State hearings, without appreciating the fine work that the gentleman has done on this bill. And, when I offer some amendments later to make some cuts in this bill, I want it thoroughly understood that I am not standing here now praising him and the other members of the subcommittee, especially the gentleman from Ohio [Mr. Bow] and the gentleman from California [Mr. LIPSCOMB], who have taken an active part in the hearings—I am not standing here now praising the gentleman and then by virtue of offering amendments to cut some of the features of this bill damning him with faint praise; not at all. No Member could read the State Department hearings particularly without being enlightened on one hand and nauseated on the other by some of the things that have gone on.

I do want to ask the gentleman a few questions. I wonder if there is any money in this bill for the Atlantic Congress, something that I heard about just a few days ago. I cannot seem to find out where the funds will be forthcoming for this meeting of the Atlantic Congress that is to be held in London in June. I wonder if the gentleman could enlighten me?

Mr. ROONEY. There is no money in this bill for the Atlantic Congress.

Mr. GROSS. There is for the NATO Parliamentary Union.

Mr. ROONEY. You mean the Interparliamentary Union, of which you are a member?

Mr. GROSS. They are both in here.

Mr. ROONEY. You are a member of the Interparliamentary Union, are you not?

Mr. GROSS. No.

Mr. ROONEY. Well, you showed up at a meeting some months ago and were making motions.

Mr. GROSS. I appreciated the gentleman nominating me.

Mr. ROONEY. Yes, I did nominate you; that is true.

Mr. GROSS. Yes, the gentleman nominated me, and I had to tell him at that time that I was like a political figure of some years ago who said "If nominated, I will not accept, and if elected, I will not serve." So, we got out of that one all right. I understand that there is no percentage increase for the United Nations and its subsidiary organizations; there is no percentage increase provided here, but there is an increase in money, is that correct? May I ask the gentleman from Ohio [Mr. Bow] if there is an increase in the appropriation?

Mr. BOW. That is correct.

Mr. GROSS. In other words, we are learning day by day and week by week and month by month that the limitation on our percentage contributions does not mean a cockeyed thing, does it?

Mr. BOW. I am afraid the gentleman is correct.

Mr. GROSS. In other words, what these foreigners do is simply go—and our own people too often join them—to these meetings at New Delhi, India, or Warsaw, or some place and vote to increase the U.S. contribution; that irrespective of the fact that we tried to fix it at 33⅓ percent, our cash contributions have been increased? That is about the way it goes, is it not?

Mr. BOW. I think the gentleman is correct.

Mr. GROSS. Is there any way we can possibly meet that except to cut the funds; does the gentleman know?

Mr. BOW. Will the gentleman yield?

Mr. GROSS. I yield.

Mr. BOW. I am afraid that under the treaty we have entered into we have submitted ourselves to the findings of this tribunal. By legislation we have set the

percentage at 33⅓, as I recall it, but still we are bound by what they do at these conferences. If we cut the funds and do not have the money, then we become delinquent. I will say to the gentleman that there are some items I would just as soon be delinquent in. When the gentleman is asking these questions of me, he is asking a friend in court, I will say to him. I think these funds are too high. I think in many of the agencies we are spending much too much on things that have nothing to do with peace in the world. I agree with the gentleman.

Mr. GROSS. From reading the very complete hearings of the committee I find that these various organizations under the umbrella of the United Nations are short on their own contributions to the tune of—and I did not use an adding machine and I am not much of a mathematician, but my figures show that they were at least $22 million in the hole on their contributions.

Mr. BOW. The gentleman is correct.

Mr. GROSS. I quite agree with the gentleman from Ohio [Mr. Bow] that it is about time we became delinquent on some of these contributions. And I am going to give the House the opportunity to join in this matter of delinquency, because I am going to offer an amendment to really cut the American taxpayers' contributions to these international organizations.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. SIKES. The gentleman has brought up this subject a number of times, and he is exactly right in doing so and is to be commended for his interest in wanting to see this item cut. I want to see it cut. I think most of us on the floor want to see it cut. But, as the gentleman knows, if he has read the hearings—and I know he always does read the hearings carefully—he realizes that the only way these amounts can be cut is either through a revision of the treaty or by a change in the legislation which would have to be brought to the floor by the legislative committee. All we do is get the bill, and if we do not pay the bill then we are delinquent, and they say that Uncle Sam does not pay his bills. I am sure the gentleman realizes that.

Mr. GROSS. I am very well aware of that, and I am perfectly willing to stand here and say that, in the interests of the American taxpayers who are burdened with a debt of $288 billion, I am willing to become delinquent in contributions to some of these foreign organizations. I think it is time that they showed a disposition to carry out their end of the bargain.

Mr. SIKES. If the gentleman will yield further, I should hope that we would be able to get a change in the basic law so that we would not become delinquent and would not owe the money for what I do not think we ought to be billed, and the gentleman does not think we ought to be billed for.

Mr. GROSS. That is exactly right. That is the proper way to work it out, but I do not think the committee will see that accomplished, when some of our own people go to these meetings—and that is one of the reasons why I cannot support all of these missions on which we send Americans, because all too often they go on these jaunts and sell us down the river. That is what happens to us in this matter of increasing contributions which are made by the taxpayers of this country. We do not put up the money, the taxpayers put it up.

I am intrigued when I read the titles to this bill: "International Organizations and Conferences"; "Contributions to International Organizations"—and that is $48 million plus; and then "Missions to International Organizations," and "International Conferences and Contingencies."

It seems to me that it is about time all of these should be pulled together under one heading, and then give Members of the House some line items to work on. I do not see any difference in a half a dozen of these subdivisions that are set out here, and I would criticize the bill on that score.

I wonder if the gentleman from New York [Mr. ROONEY] feels in reference to the crating and storage situation in Washington, D.C., which involves the spending of a lot of money, that the committee with the splendid inquiry they made into the subject, has accomplished anything toward stopping these boys from collecting—what is it—22 percent to 38 percent more than they should?

Mr. ROONEY. Fifty-five percent more in the case of two prominent warehouse concerns.

Mr. GROSS. It is even worse than I thought it was.

Mr. ROONEY. Well, I do not know exactly how to answer my distinguished friend from Iowa. Sometimes I think that there is some intelligence down there and that these people understand the reaction of the public to the matters developed in the hearings. And then I run into someone who says, "The boys in striped pants don't give a hoot about it, because it is only in the newspapers for a couple of days and the Committee on Appropriations only functions with regard to the bill for a couple of days, and we will be around the rest of the year, and we will just do as we please."

What is going to happen with regard to these excessive packing and crating charges, I do not know.

I do know if I were in the department, it would not take me more than 10 minutes to decide that I would insist upon every Foreign Service officer about to go abroad getting three estimates, doing it on a competitive basis and picking the low bidder. Instead of that, although this has been brought to their attention a number of times, they are still playing with it—because the club does not unanimously agree.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. BOW. Mr. Chairman, I yield 3 additional minutes to the gentleman.

Mr. GROSS. I thank the gentleman from Ohio.

They are required in a foreign country where facilities are available to get three bids; are they not?

Mr. ROONEY. Of course, they are.

Mr. GROSS. But not so in this country?

Mr. ROONEY. May I say to my distinguished friend that they do not have a couple of retired foreign service officers working for them abroad as lobbyists and soliciting the work.

Mr. GROSS. I thank the gentleman.

Now, I would like to ask a question or two about the civil-rights provision in this bill. I read your hearings carefully trying to find out who appoints the chairman of the various State advisory committees or commissions. Can anyone tell me who appoints the chairmen of the State committees?

Mr. ROONEY. I can merely say that I do not know the answer. It would be in the underlying legislation, and it would not be the concern of this committee. The concern of this committee is whether or not they justify the amount of money that they request.

Mr. GROSS. Of course, the money is being appropriated in this bill to bring the State chairmen to Washington to a conference, and I just wondered who appoints them and what standards are used in the matter of appointments.

Mr. ROONEY. I heard a voice in the rear say it is the Republican National Committee, but I think that the gentleman was thinking of the census, perhaps.

Mr. GROSS. Of course, it could be both.

Now, I notice an item on page 23 of the bill which provides for a $6,300 automobile for the Chief Justice of the U.S. Supreme Court. I also notice, and I believe it is on page 4 of the bill, the purchase of 10 vehicles which may be purchased at not to exceed $7,800 each. Are we not getting up pretty high in this automobile business?

Mr. ROONEY. Yes; I think they are going up too high, too, but the Department claims they cannot get them for less. We used to be able to furnish the Secretary of State with a Cadillac for $4,000. Now they say $7,800 is the least for such an automobile. In the case of the car for the Chief Justice, that is one of those $500-a-year cars and the money which makes up the $6,300 is for the chauffeur's salary.

Mr. GROSS. I have always been intrigued about this car-hire business. I still do not understand how the Government or any individual can hire a Cadillac for $500 a year. Sometime I am going to find out—I must be dumb.

Some day when one of these Government training school bills comes along I may suggest a training school be established here in the District of Columbia for outgoing brass hats to give them a refresher course in driving an automobile. The chauffeur-driven Cadillacs are getting mighty thick. It may be difficult to find an instructor who can teach these Government officials how to drive a car with one hand while holding and reading a newspaper as is their back-seat pleasure now.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. ROONEY. May I recommend the Foreign Service Institute for such a course.

Mr. GROSS. Yes; I read your hearings with much interest in connection with Dr. Hoskins and his institute because I paid a personal call on Dr. Hoskins last December and looked over his place in Arlington Towers. I think that is another one that can be whittled down one of these days by the Committee on Appropriations and nobody will be hurt at all.

WE CAN'T HAVE EVERYTHING

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD, and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Chairman, the Agricultural Adjustment Act of 1938, and the amendments thereto, gives payments to the growers of six basic products, among them, wheat.

Stanley Yankus, of near Dowagiac, Cass County, Mich., produces eggs for market.

He has always grown as large a portion of the feed for his hens as he could, and, in addition thereto, purchased several thousand dollars worth of poultry feed each month.

He learned in 1955 that, under the AAA, he was limited in the production of wheat which he fed to his poultry to that which he could grow on 15 acres of land.

He was also advised by me that the Supreme Court had upheld the constitutionality of the act and that, if he planted more than 15 acres—though he sold not a kernel but fed it to his poultry—he would be subject to penalty.

Protesting, Yankus planted more than 15 acres, harvested the wheat, fed it to the poultry. He incurred the penalty and was ordered by the court to pay something over $5,000 by way of fines, costs, and interest.

He planted because he believed, notwithstanding the decision of the Supreme Court, that he had the right to use his own land as he might desire when he injured neither his neighbors nor any citizen of the United States.

The farm program has not worked.

We have a greater surplus today than ever before—wheat enough in storage to last us more than 2 years—and an ever-increasing cost in storage fees.

Yankus paid the fines assessed against him—and to publicize the foolishness of, and the hardships caused by, the act, sold his farm and decided to go temporarily—and has gone—to Australia with his family.

Whether the people will be aroused by the sacrifice which Stanley Yankus is making remains to be seen.

We all know that the program as a whole does not lessen but rather increases production—but, to date, there are individuals and organizations with sufficient political influence to prevent the repeal of the act, or the enactment of a worthwhile modification of the law.

Many are receiving payments under this act running into hundreds of thousands of dollars—one individual is said to have received over a million dollars.

No longer is there "equal justice under law."

It is an acknowledged fact that the program has failed—that surpluses have increased—and the Congress and the Supreme Court have established the doctrine that all may be taxed for the benefit of a few, notwithstanding the net result, but increases the danger sought to be lessened or eliminated by Federal control of the individual's activities.

The situation is summarized in next Saturday's editorial of the Saturday Evening Post, which reads as follows:

CONTROLLING FARM PRICES LEADS TO CONTROLLING FARMERS

Stanley Yankus, a poultry farmer at Dowagiac, Mich., who fed his chickens with wheat grown on his own farm, has decided to emigrate to Australia, where he hopes to find farming less complicated. Over here he was fined more than $4,000, for theoretically having increased the national wheat surplus.

Despite the furore aroused by the virtual confiscation of Yankus' property for this alleged crime, the Government continues to bring these suits. One concerns Evetts Haley, Jr., who lives in Texas and raises wheat in Oklahoma. He is a cattleman and got into trouble with the bureaucrats by raising feed for his cattle. He lost his case, although a Texas Federal district judge ruled in his favor on the ground that the law was unconstitutional. The Supreme Court reversed the decision, and Haley has to pay.

Secretary of Agriculture Benson, violating the pattern of bureaucracy, wrote to Yankus, congratulating him upon his courage, explaining that he had no way of making exceptions in the law that is administered by his own Department.

More recently, Mr. Benson told a gathering at the annual Farm and Home Week, Cornell University, that he, as Secretary, is required to administer "the most costly, irrational, hodgepodge program ever patched together." He cited the results of a recent poll by a national farm magazine which "showed that 8 out of 10 of the farmers want greater freedom and less Government in farming."

Since the price support—virtual subsidy—is the pivotal question, being the pretext for imposing fines for alleged overproduction, Mr. Benson quoted a breakdown of the ballot which showed that 55 percent voted for "no supports, no controls, no floors, free market prices, get the Government clear out. Another 15 percent favored emergency supports only. Another 8 percent wanted adjustment supports such as recommended by the administration. Only 22 percent wanted more Government price help."

His final conclusion was, "If this is what farmers want, what are we waiting for? What is Congress waiting for? We've made our recommendations, why don't they act?"

We have to face this question fairly: Does a sane agricultural policy require such unfair, unpopular, and generally cockeyed laws?

Mr. BOW. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, there have been eulogies here today far better than I could make on the passing of a great and distinguished American. One of the great pleasures I have had in my service in the Congress and on the Appropriations Committee has been to be able to meet John Foster Dulles and to have him appear before our committee in justification of these appropriations over the past 6 years.

The gentleman from New York said that what he might say in his debate upon this bill should not be construed as having any reflection whatsoever upon that distinguished gentleman who has just been taken from us. I know how much he means that, for Mr. Dulles while he was Secretary of State, on several occasions spoke to me of the great regard he had for the gentleman from New York [Mr. ROONEY]. Mr. Dulles has said on occasions that the searching examination, the fine-detailed work that the gentleman from New York [Mr. ROONEY], does on this bill has been of great service to the Department of State and has meant much to them over the years. Mr. Chairman, I feel that if Mr. Dulles could speak now he would say that the gentleman from New York, chairman of this subcommittee, has made real contributions to the Department of State.

In this bill as we have reported it to the House today there is on the report unanimous agreement, but not on all items.

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Obviously a quorum is not present.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 52]

Alger	Farbstein	Norblad
Andersen, Minn.	Flynn	Norrell
	Fogarty	O'Konski
Ashley	Frelinghuysen	Perkins
Bailey	Garmatz	Philbin
Baker	Giaimo	Pillion
Barden	Glenn	Powell
Barrett	Granahan	Prokop
Bass, Tenn.	Green, Pa.	Reece, Tenn.
Bates	Hall	Riehlman
Baumhart	Harris	Rivers, S.C.
Betts	Healey	Roberts
Blitch	Hiestand	Roosevelt
Bonner	Holland	Santangelo
Brewster	Irwin	Saund
Broomfield	Jarman	Saylor
Brown, Mo.	Johansen	Scherer
Broyhill	Johnson, Md.	Schwengel
Buckley	Jones, Ala.	Sheppard
Cahill	Jones, Mo.	Shipley
Canfield	Kilburn	Siler
Casey	Kluczynski	Spence
Celler	Lafore	Springer
Chamberlain	Laird	Taylor
Chelf	Landrum	Teague, Tex.
Clark	McCulloch	Teller
Cooley	McMillan	Thompson, N.J.
Cunningham	Macdonald	Thomson, Wyo.
Daniels	Mason	Toll
Dent	Moeller	Walter
Diggs	Moore	Watts
Dollinger	Moss	Westland
Dorn, N.Y.	Multer	Wharton
Downing	Mumma	Withrow
Fallon	Nix	Zelenko

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. THORNBERRY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 7343, and finding itself without a quorum, he had directed the roll to be called, when 329 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. BOW. Mr. Chairman, I had just stated before the quorum call that this bill is one which the subcommittee is in practical agreement on the report, but not on every item in the bill.

The gentleman from New York raised some questions on several items which I would like to discuss very briefly. There are some items with which I do not agree with my friend, the gentleman from New York. On one item he said that the entire committee unanimously frowned upon it. I do not agree that it was unanimous, that is the question of the acquisition of buildings abroad, the FBO program. I refer directly to the report of the committee which states that for many years now the committee has approved this program whereby office space and living quarters for American employees are obtained through the use of foreign credits in localities where suitable facilities are not available. With that I agree. On the question of acquisition of buildings abroad, the committee in its statement has this to say:

> However, it seriously questions the propriety of purchasing residences for embassy attachés at an average cost of $50,000 per residence, exclusive of the cost of furnishings.

I say to the members of the Committee and to my distinguished chairman that this certainly is not the first time we have seen in this bill $50,000 for embassy attaché residences. The fact of the matter is it first appeared in the bills back at a time when the gentleman's party was in control of the executive branch of the Government, and when his good friend, Mr. Larkin, was head of the FBO and I call attention to the fact that the gentleman from New York [Mr. ROONEY] on page 164 of the State Department hearings of the 83d Congress had this to say:

> I have known Mr. King's predecssor, Fritz Larkin, ever since I have been a member of this committee; and I have know Mr. King all during that time. They are men of the highest integrity and great ability and they have administered this program with practically little or no cost to the American taxpayer.

Then he goes on to say "Mr. King has my confidence." But on that same page, where Mr. King was submitting what was the budget submitted by the former administration on page 190 of the hearings on the budget, I call your attention to this. I said:

> Mr. King, I notice you have retained this new justification for attaché housing at $500,000. That appears at page 384 of the budget.
>
> Mr. KING. Yes.
>
> Mr. BOW. How many houses do you intend to build for attachés?
>
> Mr. KING. Either 10 or 11 in this list.

Then I said:

> Then you would have undoubtedly in this 10 houses. I understand that you are asking $50,000 a house for the military attachés.
>
> Mr. KING. Yes; exclusive of furnishings.

In the previous administration they were asking for the same amount which the committee now is saying is excessive, probably because it is now being asked for by the present administration.

You will see that there is some criticism there of the use of architects. If the House were moving along in leisurely fashion, which it is not, I would point out the language in some other hearings where the gentleman from New York and Mr. King also recommended that the private architects be used, and pointed with some pride to the fact that private architects were being used.

And I might say that, using 1953 as against our bill of 1958 in the report is not a fair comparison. In 1953, however, very few of these buildings were being built, but in 1958 we have a full-fledged program in progress, and the amount of increase in personnel is small compared with the increase in the actual volume of work being done.

Again on architects' fees may I say that the program as I recall it in 1953 ran something less than $7 million, but they are running $18 million now under that program using about $2 million of the taxpayers' money in cash appropriations as against the amount of $633,000 in this bill. So when you take the records and check against operations you will find a very considerable improvement has been made.

There are many other items in the bill which I will mention in my extension of remarks in the RECORD. May I say, Mr. Chairman, that we have heard a great deal of late about the State Department and its employees. I should like to pay tribute to the many fine Americans throughout the world who are devoting their time and their talents to the preservation of a free world and the preservation of the things we believe in. We can criticize, we can pick out isolated instances here and there, but it seems to me quite unfair that a group of fine Americans such as the ones we have in the Foreign Service should be basely and unfairly criticized. I do not believe that all this fine group of Americans has been recruited in the last 6 or 8 years; many of them have been there years before. But to pick out a group and tag them as "ugly" Americans seems to me is most unfair to a group of fine American citizens who are doing an outstanding job for our Nation; and I, for one, resent such treatment. We must admit that even in our own group we could find some members subject to even more criticism and they could probably call us the "ugliest" Americans. The same things happen to members of any group, but it is unfair to characterize the entire group because of the shortcomings of a few. In the future let us look upon this group of Americans doing this job for us for what they are really worth; let us remember the hardships they endure, the difficulties under which they live, the disease to which they are subjected, the poor living conditions many of them have to endure, as well as poor working conditions, and give them the measure of credit to which they are entitled. Undoubtedly some of the accusations have been true, but many of them have been most unfair.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman from Ohio yield?

Mr. BOW. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I will say to the gentleman from Ohio that I honor him very much for standing up for the people we send out in our Foreign Service. They do not have a chance to defend themselves. They are a very high type of individual, competent and qualified, yet they are in a position where they must submit to criticism with no opportunity to answer back.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield.

Mr. ROONEY. It is a fact, is it not, that in the Foreign Service there are a great many capable, splendid people—and there are people in it whom I have known for many years. They have a rate of pay and have a retirement system and other benefits that the average Government employee does not have, is that correct?

Mr. BOW. I think that is correct, but that has been done through the wisdom of Congress, recognizing their responsibilities and recognizing the areas in which they serve.

Mr. ROONEY. Recognizing the areas in which they serve and the hardships under which they serve, and so forth. Would the gentleman condone 40 percent of that Foreign Service being right here in Washington?

Mr. BOW. I would say to the gentleman I do not completely approve of the Wriston report, but it seems to me that when the Wriston report was adopted and we Wristonized these people, the Congress adopted it, they put the employees of the State Department under the Foreign Service, then they would be sent out so that we could bring people back from abroad. That is a matter the Congress has adopted.

Mr. ROONEY. I must compliment the gentleman. Certainly he has done very, very well, considering the argument with which he was confronted. But it is a fact that 40 percent of the Foreign Service is located in Washington; is that correct?

Mr. BOW. There are approximately 1,500 Foreign Service officers designated positions in the Department. There are 1,364 Foreign Service officers in the United States now filling these positions.

The reason for having this number of Foreign Service officers in the Department seems clear. The plans which are made, either program or administrative, and the decisions arising therefrom must be made by men who have had experience abroad and will understand the ramifications involved when such plans and decisions are applied at our Foreign Service posts. Similarly, the man in the field cannot properly or effectively interpret and follow the various directives and instructions sent out from Washington unless he has had the experience of working in the Department. This was one of the prime factors recognized by the Secretary of State's Public Committee on Personnel—Wriston Committee—in 1954. This committee recommended and the Secretary agreed that the integration into the Foreign Service of persons with needed skills and the rotation of officers between Washington and the Foreign Service posts abroad are essential to build and maintain the kind of Foreign Service we need.

It was recognized also that Foreign Service officers, after serving a reasonable tour of duty in Washington, could more effectively represent the American point of view in their work overseas.

In view of the considerations advanced above, the Department now follows a policy of staffing with Foreign Service officers those positions in the Department which are closely connected with the conduct of our foreign relations. These Foreign Service officers are not permanently stationed in the Department, however. After a tour in the Department of, say, 4 or more years they are prepared for another assignment abroad.

Mr. ROONEY. It is the fact that the testimony before the committee was that 40 percent of the Foreign Service are in Washington?

Mr. BOW. The gentleman is correct.

Mr. Chairman, reference has been made to transfer cost. May I say a word on that.

A comparison of the roster of transfers approved in fiscal years 1957 and 1958 shows a reduction of approximately $200 in the average cost for the 1958 transfers despite an increase of 5 percent in air fares in the spring of 1958 and increases in steamship rates in various parts of the world. This decrease was effected mainly by reducing the number of high-cost transfers and curtailment of air shipment of household effects to Europe. During the past year the Department has taken further steps to reduce transfer costs by careful screening of assignments, reduction in excess baggage allowances and reduction in the number of excess shipments of household effects approved.

Total funds required for transfer of personnel have increased during the past few years. However, it is to be remembered that the size of the Service has increased, making a larger number of people to be transferred. For example, the increase of $176,000 required for 1960 is for the purpose of sending newly appointed employees overseas for the first time.

Emergencies because of health, acute political crises, or other compelling reasons may occasionally require an abrupt transfer involving considerable travel expense. This may set in motion a related transfer or transfers to keep essential positions filled. Every instance of direct or emergency transfer before completion of a normal tour of duty is subjected to the severest scrutiny before approval, the cost factor being an important element in the consideration.

Mr. BOW. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

REPRESENTATION ALLOWANCES

For representation allowances as authorized by section 901(3) of the Foreign Service Act of 1946 (22 U.S.C. 1131), $825,000.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 4, line 8, strike out "$825,000" and insert "$325,000".

Mr. GROSS. Mr. Chairman, I cannot think of an easier way by which the Congress can save a half million dollars this afternoon than by adopting this amendment. There is about a million dollars for liquor and entertainment in this bill, and this is the first and the biggest bite. Moreover, I would say that if this $825,000 figure is approved it will not leave much elbowroom when the bill goes to the other body. You know that the other body insists on increasing appropriations for liquor and entertainment. I am sure you know that.

To get back to my original premise, you cannot make a half million dollars any easier and do it on any saner basis than by adopting my amendment. I have four, five, or six other amendments to take care of the rest of the liquor items as they come up.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from New York.

Mr. ROONEY. Does the gentleman realize there has been inflation in this area?

Mr. GROSS. What area is the gentleman talking about?

Mr. ROONEY. The same area to which the gentleman refers.

Mr. GROSS. With $825,000 for liquor the State Department would be able to wallow around in it at the prices charged in foreign countries. With the $325,000 I propose to leave in the bill, I would take care of the ceremonial wreaths, the necessary luncheons, and the flags. I want to take care of them, and I think $325,000 will do the job and do it amply.

Mr. Chairman, I hope that my amendment will be adopted.

Mr. ROONEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto conclude in 3 minutes and that the 3 minutes be allotted to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROONEY. Mr. Chairman, I rise in opposition to the pending amendment.

The committee has gone along on this increase which, compared to the total amount involved, is a small one, because of the fact that there are additional foreign posts provided in this bill. As we know, we have to entertain at those posts as well as others. I think that the committee has done the best it could do over the years in keeping these entertainment allowances at a proper level. The House has always supported the committee on the level suggested by it. You will recall that on four previous occasions the committee was requested amounts of a million or more dollars for this specific purpose.

I think to cut this fund from the amount contained in the bill to $325,000 would be foolhardy. I do not think that the day has yet arrived when we can crawl into our shells and let the rest of the world go by. Of course, there has to be entertainment. Other nations entertain, and if our people out there on the frontline are entertained by others, I do not see why we should not have our folks entertain them.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Iowa.

Mr. GROSS. The increase that you put in this bill this year could not be because this is an off election year when the exodus will be on this summer or fall, like Members of Congress going overseas?

Mr. ROONEY. Oh, no; there is no connection whatsoever. I am sure everybody else here realizes that.

Mr. GROSS. I thank the gentleman.

Mr. ROONEY. The increase requested was allowed on the basis of representations by the Department of State that due to the new posts, due to increased expenses, they needed this money. I think the committee has been fairly reasonable in regard to it. A year ago it was asked to approve the amount of $1 million for this purpose. Maybe they saw the light and came back with a reasonable request this year.

Mr. Chairman, under the circumstances, I trust the committee will vote down the pending amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The amendment was rejected.

Mr. PELLY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am wondering if the Department of State has ever requested funds to provide for use of American citizens in our United States embassies which are located behind the Iron Curtain.

I have felt that our policy of hiring the nationals of Communist countries is completely unsound and have expressed myself and protested this situation recently to the Secretary.

When I first took this matter up with the Department, they not only confirmed the policy but defended it, arguing that the employing of Communist nationals in these sensitive spots posed no risk to our national security. I was told that from a budgetary standpoint it has not been possible to employ American citizens in the positions for which alien employees are presently used in the foreign service. Also it was inferred that Americans would not be willing to accept the majority of positions now filled by aliens because they were either poorly paid or menial in character.

To me the fact that alien employees do not have free access to classified material in our embassies is completely unsatisfactory. Also the fact that these employees work in special areas of the embassy and are prohibited from entering certain restricted parts of our embassies unless in the company of an American, and only for the performance of specific tasks, does not satisfy me.

Mr. Chairman, the switchboard operator in our embassy in Moscow is a Soviet citizen, a circumstance which is defended on the basis of the fact that this

operator does not handle interoffice telephone calls and that regulations provide that employees do not discuss confidential information over the telephone.

In protesting this policy I had in mind the House Un-American Activities Committee report entitled "Patterns of Communist Espionage" which devotes considerable space to this problem of employing Communist nationals by the Department of State. It says the number of aliens thus used by our missions in Soviet-bloc nations are required to serve as informers for Soviet secret police and are used in attempts to compromise Embassy personnel so they can be blackmailed into espionage. This report discloses that the American Embassy in Moscow employs 90 Soviet nationals while the Russian Embassy in Washington employs no Americans; in Rumania we employ 21 of their nationals as against none of ours being employed in the United States; in Hungary we employ 43 of theirs as against none of ours employed here; in Czechoslovakia we employ 38 aliens as against one of ours employed here; in Poland me employ 78 foreigners as against 7 Americans here; in Yugoslavia we employ 94 of their citizens, as against 2 of ours here employed by them, and I want to emphasize that in nearly all cases, as this report points out, the Communists employed by our State Department in these foreign countries are members of their secret police.

Take the British in contrast. In Moscow they employ a colonel of the British Intelligence as receptionist, whereas both the receptionist and switchboard operator in our Embassy in Moscow are Soviet nationals, obviously members of their secret police.

Mr. Chairman, the Un-American Activities Committee report states that these conditions have a significant bearing on the success of the Soviet espionage activity and our defense is compromised both at home and abroad by these same factors.

The arguments of the State Department in defending this personnel policy seem extremely weak. I feel that many students of foreign languages would jump at the chance to obtain employment abroad so as to improve their knowledge of languages. As for the unwillingness of Americans to do menial work, I am sure this idea is contradicted by the experience in our national parks where teachers and students eagerly take such domestic positions in order to enjoy the experience available in summer work.

Also, I am sure that if it were purely a matter of economy we could utilize members of our Armed Forces in this way, although I personally believe that we should spend the money to train people properly and have them familiar with the languages and customs of the nations where they are employed.

My question is, however, as to whether members of the Appropriations Committee have had requests for funds to provide for American citizens to fill positions in our embassies abroad. I would like to inquire as to whether any such request has been rejected and if our policy is actually based on inadequate funds. Furthermore, I would be interested to know if other Members of Congress feel that it is proper to staff embassies with enemy nationals who are plotting to overthrow and control the free world. My understanding is that little bits of information gathered here and there are put together and that is the way the Secret Service works; thus allowing the enemy to have their spies in our embassies is highly detrimental to our security. I think this policy presents a serious threat to the United States.

The Clerk read as follows:

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

Contributions to international organizations

For expenses, not otherwise provided for, necessary to meet annual obligations of membership in international multilateral organizations, pursuant to treaties, conventions, or specific Acts of Congress, $48,033,000.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 5, line 17, strike out "$48,033,000" and insert "$30,033,000".

Mr. GROSS. Mr. Chairman, before I discuss the amendment I should like to ask the gentleman from New York [Mr. ROONEY] a question about the preceding item which provides, among other things, for payment to the Foreign Service retirement fund. Does the gentleman mean to tell me that he is now appropriating for a retirement fund, that there is no opposition?

Mr. ROONEY. This is the Government's share of the Foreign Service retirement fund.

Mr. GROSS. Has not the proposal to make a contribution to our domestic Government employees' retirement fund been opposed here time after time?

Mr. ROONEY. I have never opposed it.

Mr. GROSS. I did not say the gentleman had, but has not the administration opposed the Government's annual contribution to the classified employees' retirement fund?

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. YATES. I think the difference may be in this. I believe the gentleman has reference to the civil service retirement fund?

Mr. GROSS. That is right.

Mr. YATES. The various agencies made their contributions in the same amount as the employees. The deficit occurred when the Government did not make a payment for the amount of the interest.

Mr. GROSS. That is right.

Mr. YATES. I assume that this payment to the Foreign Service retirement fund is the equivalent amount that the Government must pay to match the payments that are made by the employees.

Mr. GROSS. I just wondered if there was discrimination here.

Mr. YATES. I do not think the situation is comparable.

Mr. GROSS. I thank the gentleman.

Mr. Chairman, this amendment would result in a saving of $18 million; and I hope I will not be accused of using the meat-ax approach because we are given no opportunity in this lump-sum appropriations bill to single out items. As I understand it, the various other international organizations are delinquent in their contributions to the tune of about $22 million. Why not cut this fund and give them the opportunity to catch up and give them the opportunity to take up some of the slack? Also, I am impressed by the fact that the appropriation for this particular purpose has grown from $28 million in 1956 to the present asking of $48 million. That is entirely too much of an increase, and I hope and trust my amendment, which will bring this down to size, will be adopted.

Mr. ROONEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment be concluded in 3 minutes with the 3 minutes to be allotted to the committee.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. ROONEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the consequences of the adoption of an amendment such as this offered by the distinguished gentleman from Iowa would be tremendous. It would mean the withdrawal of the United States from the United Nations organization, the International Civil Aviation Organization, the World Health Organization, the Food and Agriculture Organization, the International Labor Organization, the International Tele-Communications Union, the World Meteorological Organization, the Inter-American Children's Institute, the Inter-American Indian Institute, and any number of other relationships that we have with inter-American organizations and our friends to the south. It would affect the Caribbean Commission, NATO, the NATO Parliamentary Conference. It would affect the Interparliamentary Union of which the distinguished gentleman from Iowa says he is or is not a member, and it would affect our membership in many, many other important organizations. If we, the people of the leading Nation of the world, were to indicate that we have so little faith in these international organizations and in efforts to bring the peoples of the world together and toward world peace that we would withdraw from them by refusing the funds to pay for our memberships, then I think we are in pretty bad shape. But, I am confident that we have not yet reached that point. So, Mr. Chairman, I ask for a vote that will reject the pending amendment.

The CHAIRMAN. The question is on the pending amendment offered by the gentleman from Iowa [Mr. GROSS].

The amendment was rejected.

Mr. CRAMER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, when the hearings of the subcommittee were printed and released on May 11, I was rather amazed to read in the newspapers the information which was apparently construed as

being not complimentary of a group set up within the Department of Justice to try to ferret out organized crime. Of course, one of the suggestions made with regard to this 18-man anticrime group formed under Milton Wessel, in my opinion, an extremely capable attorney, one of the criticisms was on the basis that only one indictment had been returned.

I read the testimony of the distinguished gentleman who happens to have been a classmate of mine at Harvard Law School, and who had an outstanding record at that school, and has had since he started private practice, and I think it is one of the finest presentations that I have ever read with regard to organized crime in this country and what is being done for one of the first times with regard to ferreting out organized crime. I think the reason that the indictments were returned with regard to the Apalachin meeting in which some 27 persons who attended that meeting who were involved unquestionably in national gangster conspiracies in this country—yes, and on an international basis—those 27 who were indicted is one of the most constructive actions in stamping out organized crime that has ever been taken by the Department of Justice and in my opinion resulted principally from the activities of this special group which was formed for the specific purpose of trying to ferret out in an area that is, perhaps, one of the most difficult in law enforcement whether it be State, local or Nation, these national gangster conspiracies. It was just last week, on May 21, it was announced that the United States indicted 27 members of this crime parley gang that had this parley in Apalachin, N.Y., a couple of years ago, and I think this group that has been working should be complimented rather than in the slightest degree by inference or otherwise to be criticized with regard to their activities because I think this will prove to be a monumental work and a monumental milestone with regard to cleaning up organized crime in this country.

Why am I concerned? Because in my district one of the coconspirators lives that was listed, Santo Tranfficante, Jr., listed as a coconspirator, not as a defendant, but as a coconspirator at this Apalachin meeting. There is no doubt but that it took place. There is no doubt but that the probable objective of it was to try to organize crime in this Nation as it has never been organized before, in an effort to subvert law enforcement operations both locally and nationwide. They followed the advice and pattern of Al Capone. Theirs was an effort to set up the appearance of being all right, the appearance of respectability by having a legitimate front, some legitimate businessman front for the actual criminals. They have been engineering this on a national, yes, and on an international basis; and, being greatly concerned with this situation I was highly pleased to see that the Department of Justice as of March of last year set up this special antiorganized crime group and that 1 year since this group has been in operation it has accomplished so much. These are the results it has accomplished to date. I refer the gentleman respectfully to the testimony of Mr. Wessel on page 153 of the hearings of this subcommittee with regard to the activities of that group and the objectives they are attempting to accomplish.

I do not think we can take this thing lightly. This is only the first step. I think that every Member of Congress should try to see that more is done in this field. This is just the first step and there are tremendous roadblocks that are being set up by these nationally syndicated gangsters. They are out to thwart justice. Further, I direct your attention to page 56 of the hearings where the objectives of this special group are set out.

Let me tell you one recent incident. Only a month and a half ago there was another gangster-type of murder in my district. There had been 19 such unsolved murders in past history. There has been no suspect found yet and very little evidence has been brought up. It has been announced publicly to be a gangland-style type murder, a typical gangster or Mafia job. As far as I am concerned I feel we should appropriate more money than the $200,000 included in this bill. I have introduced a bill, H.R. 7129, which might be of further assistance in this area by permitting FBI investigative assistance to local law enforcement officials upon local request for crimes committed with the use of interstate commerce. I trust Congress will further implement this crime-fight with legislation of this nature.

The successors to Al Capone—and his type of operation—must be stamped out—along with their illicit $22 billion a year business. A start has been made—Congress must help the Department of Justice finish it up.

The Clerk read as follows:

MISSIONS TO INTERNATIONAL ORGANIZATIONS

For expenses necessary for permanent representation to certain international organizations in which the United States participates pursuant to treaties, conventions, or specific Acts of Congress, including expenses authorized by the pertinent Acts and conventions providing for such representation; salaries, expenses, and allowances of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801–1158); hire of passenger motor vehicles; printing and binding, without regard to section 11 of the Act of March 1, 1919 (44 U.S.C. 111); and purchase of uniforms for guards and chauffeurs; $1,900,000.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: Page 6, after line 5, strike out "$1,900,000" and insert "$890,500."

Mr. GROSS. Mr. Chairman, I am surprised to find this appropriation for international organizations carrying no money for entertainment. I wonder how that happened. This seems to be about the only item in the bill that does not have it in. But be that as it may, I believe that $500,000 would be enough for the U.S. mission to the United Nations.

In the interests of economy we could well cut that down from $1,151,000 to $500,000, and save half a million dollars.

I believe the international organization at Geneva, which is carried at $252,000 could be cut to about $50,000 and nobody would suffer.

I believe the International Civil Aviation Organization could take a cut from $82,000 to $50,000.

I believe the Interparliamentary Union could be cut out entirely this year and save $30,000 by providing no funds for this annual junket. I do not believe we would ever miss the fact that this bunch of junketeers did not get their usual trip this year.

The Organization of American States, I would cut that to $90,000 instead of $92,500.

The North Atlantic Treaty Parliamentary Conference is down for $30,000. I think we could dispense with that new addition of junketeering. And there are others I would cut with scores of foreign countries at least $22 million in arrears on their contributions. I note from the hearings that the gentleman from New York [Mr. ROONEY] made a visit to United Nations headquarters last year, and Mr. Lodge, when he appeared before the committee, invited him to come back again because he said he gave them a shot in the arm to be up there. I hope the gentleman from New York will invite Mr. Lodge down here again and give him a shot in the arm as a stimulus to start collecting from these other organizations so that they can help us to carry part of the freight for these various organizations. I hope the gentleman from New York [Mr. ROONEY] will give Mr. Lodge that kind of shot in the arm this time.

I hope my amendment will be adopted because I think it is a good amendment from the standpoint of the economy of this country.

Mr. ROONEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROONEY. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, it would appear that the gentleman from Iowa, my distinguished friend [Mr. GROSS], does not want to give our international relations a shot in the arm; he wants to give them a shot in the head.

If we followed his thinking we would be in trouble all around the world. I do not believe that the Committee of the Whole will adopt this amendment.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Iowa.

Mr. GROSS. Will the gentleman say we are not in trouble now with all of this spending?

Mr. ROONEY. I was really referring to more trouble.

Mr. GROSS. I see.

Mr. ROONEY. We are in trouble now, of course, and we have been for a long time. The purpose of this allowance is

to cover funds for our missions to the United Nations. In the last paragraph to which the gentleman offered an amendment which was defeated in the Committee of the Whole, we provided for our membership in the various international organizations. This is the item that provides the funds to send our representatives to these international organizations, not only the official representatives, but all the clerks, backstoppers, advisers, and experts who accompany them.

Among these organizations are the United Nations, the International Civil Aviation Organization, and the Organization of American States which I think everybody, with few exceptions, feels is a very, very important organization, particularly at this time insofar as our relationships with our neighbors to the south are concerned.

This paragraph refers also to our mission to the International Atomic Energy Agency, which is headed by our distinguished friend and former colleague, the Honorable Sterling Cole, whose headquarters are in Vienna. Since we belong to these organizations we must send the right people to represent us in them. These are the funds for our representatives.

Mr. GROSS. I thought we took pretty good care of them.

Mr. ROONEY. The gentleman did a little better by Sterling Cole than he did for his friends in the NATO Parliamentary Conference.

Mr. GROSS. This is a first-class junketing outfit.

Mr. ROONEY. I do not know. There is legislation to sustain it and about all we can do is to write the check. Whether or not it is a junket, I do not attempt to qualify as an expert witness in regard thereto. But we do belong to it and we should be represented there, and these are the funds to cover the cost of that representation.

Mr. Chairman, I ask that the gentleman's amendment be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The amendment was rejected.

The Clerk read as follows:

INTERNATIONAL CONFERENCES AND CONTINGENCIES

For necessary expenses of participation by the United States upon approval by the Secretary of State, in international activities which arise from time to time in the conduct of foreign affairs and for which specific appropriations have not been provided pursuant to treaties, conventions, or special Acts of Congress, including personal services without regard to civil service and classification laws; salaries, expenses, and allowances of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801–1158); hire of passenger motor vehicles; contributions for the share of the United States in expenses of international organizations; and printing and binding without regard to section 11 of the Act of March 1, 1919 (44 U.S.C. 111); $1,900,000, of which not to exceed a total of $100,000 may be expended for representation allowances as authorized by section 901(3) of the Act of August 13, 1946 (22 U.S.C. 1131), and for entertainment.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 6, line 20, strike out "$1,900,000".

Mr. GROSS. Mr. Chairman, I am pleased that my good friend from New York [Mr. ROONEY] spoke about the advisers, the experts that go to the various conferences in foreign countries.

Last fall there was a conference held in Geneva on the General Agreement on Tariffs and Trade. I believe it was the President who appointed four so-called public advisers, at a cost of several thousand dollars. I happen to know that one of these so-called advisers does not know any more about tariffs and trade than a hog knows about Sunday.

I cannot for the life of me see any reason why we should spend $1,900,000—almost $2 million—to send people like that on junkets abroad.

Just to further enlighten you on this particular item, I might say that the four so-called public advisers that were sent over to GATT last fall in Geneva made a report, and here it is. The main recommendation in this report is that GATT sessions be held twice a year instead of once; in other words, just double the spending from these funds.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Iowa.

Mr. JENSEN. How many pages does the report contain?

Mr. GROSS. About a page and a half, standard letter size.

Mr. JENSEN. Is it printed on both sides, to save money?

Mr. GROSS. It amounts to a page and a half.

Mr. JENSEN. But at least it is printed on both sides, to save money.

Mr. GROSS. If you can call that economy in view of the several thousand dollars it cost for this junket.

Mr. Chairman, I urge the adoption of my amendment.

Mr. ROONEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROONEY. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, the funds contained in this paragraph of the bill are to cover the expenses of U.S. participation in recurring as well as emergency international conferences and other activities arising in the conduct of foreign affairs.

Right today, right at the present time, we have an instance of exactly what this money is for. This is the money which supports the mission of the Secretary of State, our distinguished former colleague, Mr. Herter, who is presently in Geneva at the foreign ministers' conference. This is the fund which provides for the expenses of his being there, and for the many advisers, clerks and such people, who make up such a mission. Not only do we have to take into consideration the matter of paying for that mission, but if the amendment offered by the distinguished gentleman from Iowa were to be adopted and the meeting were to continue up to the 2d or 3d of July, there would be no funds whatever to pay for the cost of this mission of the Secretary of State to Geneva. Now, we have to participate with the other leading nations of the world, as a matter of fact, with all the nations of the world, in every effort that we can to make peace, to reach a lasting peace, and to attempt to strike out the funds for our people who attend these international conferences is not the proper thing to do.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Iowa.

Mr. GROSS. This does not include funds for a summit meeting, does it?

Mr. ROONEY. No; no funds as such, but there will be a small amount available toward a summit meeting. It is understood that a summit meeting would be expensive, and the committee in its report felt that the Department should come back and ask for a supplemental appropriation in the event it turns out there will be a summit meeting.

Mr. GROSS. That is exactly what they will do if this fund is exhausted; in other words, you are pretty certain that the Secretary of State is not going to spend $1.9 million on a proposition such as he is on now. Where are these other junkteers getting the money?

Mr. ROONEY. These are not junkets. These are serious missions to meetings with the leading nations of the world. I do not believe that the gentleman approaches this matter correctly when he uses the word "junket." I give our people credit for working very, very hard to get together with the other nations of the world. I want to see that they have sufficient funds to carry on.

Mr. Chairman, I ask for a vote on the pending amendment and ask that it be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS]

The amendment was rejected.

PROGRAM FOR TOMORROW

Mr. COLLIER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do this solely for the purpose of asking the distinguished majority leader to give us the schedule for tomorrow.

Mr. McCORMACK. The program for tomorrow, if this bill is not disposed of tonight, will be a continuation of this bill, and following the disposition of this bill tomorrow we will take up H.R. 7086, which is a bill extending the Renegotiation Act of 1951, as amended. Tomorrow we will find out what the situation is in relation to Wednesday.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 6, line 21, strike out "$100,000."

Mr. GROSS. Mr. Chairman, this is simply an attempt to take out another $100,000 for liquor and various forms of

entertainment. If you want to spend it at that rate, that is your business. I hope the amendment will be adopted.

Mr. ROONEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 1 minute.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROONEY. Mr. Chairman, I rise in opposition to the pending amendment. This is a fund that has been carried in this bill for quite some time. It is a necessary fund. It has no relationship to the fund we discussed earlier. I think in view of the fact that today these meetings between the heads of government, between our Secretary of State and the foreign ministers of other nations of the world are so important, the American public want these meetings and want our people to be properly represented at them, I am confident that they want us to include such funds as those to which the amendment is directed.

Mr. Chairman, I ask that the amendment be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The amendment was rejected.

The Clerk read as follows:

EDUCATIONAL EXCHANGE

International educational exchange activities

For necessary expenses, not otherwise provided for, to enable the Department of State to carry out international educational exchange activities, as authorized by the U.S. Information and Educational Exchange Act of 1948 (22 U.S.C. 1431–1479), and the act of August 9, 1939 (22 U.S.C. 501), and to administer the programs authorized by section 32(b)(2) of the Surplus Property Act of 1944, as amended (50 U.S.C. App. 1641(b)), the act of August 24, 1949 (20 U.S.C. 222–224), and the act of September 29, 1950 (20 U.S.C. 225), including salaries, expenses, and allowances of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801–1158); hire of passenger motor vehicles; entertainment within the United States (not to exceed $1,000); services as authorized by section 15 of the act of August 2, 1946 (5 U.S.C. 55a); and advance of funds notwithstanding section 3648 of the Revised Statutes, as amended; $22,800,000, of which not less than $7,250,000 shall be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States: *Provided*, That not to exceed $1,437,500 may be used for administrative expenses during the current fiscal year.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 12, line 6, strike out "$1,000."

Mr. GROSS. Mr. Chairman, I am just trying to save another $1,000 for entertainment purposes. This goes to the educational exchange program. On that subject I was interested while reading the hearings to note that one of the individuals brought to this country under the educational exchange program went so far in registering her protest against conditions she found in this country that she wore her dress wrong side out. I am not about to spend $1,000 entertaining people of that kind. As a result of having worn her dress wrong side out the State Department, using the taxpayer's money, assigned to her a personal escort, apparently for the rest of the time she was in this country. While she was traveling about this country from coast to coast she was assigned a personal escort because, apparently, she was some kind of an incorrigible.

What I cannot understand is why these individuals who come under this exchange program are not properly screened before they get here and why, after arriving in the southern section of this country, and putting on her exhibition, the State Department did not just bundle her up in that wrong-side-out dress and promptly ship her out of the country, instead of assigning an escort to her.

Mr. ROONEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all the amendments thereto close in 2 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROONEY. Mr. Chairman, I rise in opposition to the pending amendment. A while ago, I will say to the Committee of the Whole, we were discussing what the gentleman from Iowa [Mr. GROSS], or somebody else, perhaps myself, referred to as the whisky matter. We are now in the Coca-Cola department.

Mr. GROSS. You hope.

Mr. ROONEY. This is for $1,000 worth of Coca-Cola. It is for the folks we bring from overseas under our educational exchange program and if, along the way, after having spent some four, five or six thousand dollars on them, bringing them from their native lands, they see everybody else at the railroad station or airport having a Coca-Cola, we should be such good hosts as to give them a Coca-Cola, too. This amendment involves only $1,000.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield.

Mr. GROSS. The word is "entertainment." It does not say anything about Coca-Cola.

Mr. ROONEY. Yes; but I am letting the gentleman in on a secret. This is the Coca-Cola department. We have already passed the liquor department.

Mr. GROSS. Is that the way you do—you buy a bottle of Coca-Cola to placate an individual who wears her dress wrong side out in protest of what she finds in this country?

Mr. ROONEY. With reference to the exchange person who wore her dress wrong side out, and I see the gentleman has read the hearings, as he always does—he really reads them—she needed to be placated with a bottle of Coca-Cola. Certainly, we are not going to stop at $1,000. Certainly a nation of substance like the United States is not going to stop at $1,000 for Coca-Cola to take care of these folks whom we bring from abroad. Would the gentleman please withdraw his amendment?

Mr. GROSS. No, I will not withdraw it. It says "entertainment." It does not say anything about Coca-Cola.

Mr. ROONEY. Then, Mr. Chairman, I ask for a vote on the pending amendment and ask that it be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The amendment was rejected.

The Clerk read as follows:

RAMA ROAD, NICARAGUA

For an additional amount for necessary expenses for the survey and construction of the Rama Road, Nicaragua, in accordance with the provisions of section 5 of the Federal-Aid Highway Act of 1952 (66 Stat. 160), as supplemented by section 8 of the Federal-Aid Highway Act of 1954 (68 Stat. 74) and the Act of September 2, 1958 (72 Stat. 1709), $4,500,000, to remain available until expended: *Provided*, That transfer of funds may be made from this appropriation to the Department of Commerce for the performance of work for which the appropriation is made.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to ask someone if this is the appropriation we were told a year ago would not reappear?

Mr. ROONEY. We did not say that, may I reply to my distinguished friend. There was no appropriation for this purpose last year. However, there have been appropriations over a considerable number of years for the Rama Road. This is the road which was proposed by the late President Franklin D. Roosevelt. On a trip to Nicaragua, he sat down with Mr. Somoza of late memory and promised to complete this road. I felt tired of appropriating for this up until about 1953, and then I thought—well, a new administration is coming in—the Rama Road appropriation was always criticized by my distinguished friends on the other side of the aisle, and I thought sure that this would be the end of the Rama Road. But so help me, it has been with us ever since except last year, for the past 6 years. The gentleman should feel relieved that this is going to be the last payment on the Rama Road.

Mr. GROSS. That is what I wanted to find out. Was this the bill we had a year ago?

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to my friend from Ohio.

Mr. BOW. I think the gentleman is referring to the Commerce Department bill which had provision for the Inter-American Highway.

Mr. GROSS. I guess that is it.

Mr. BOW. It was said at that time that it would be the last appropriation.

Mr. GROSS. That is right.

Mr. BOW. I may say to the gentleman that that bill was reported out today and there is no appropriation in the bill for the Inter-American Highway this year.

Mr. GROSS. I thank the gentleman, and I thank the gentleman from New York for his speech in behalf of Mr. Roosevelt and the Rama Road.

Mr. ROONEY. I also included President Eisenhower, if the gentleman will recall.

The Clerk read as follows:

BUILDINGS AND FACILITIES

For constructing, remodeling, and equipping necessary buildings and facilities at existing penal and correctional institutions, including all necessary expenses incident thereto, by contract or force account, $4,400,000: *Provided,* That labor of United States prisoners may be used for work performed under this appropriation: *Provided further,* That $75,000 of this appropriation shall be available for payment to the city of Ashland, Kentucky, as the Government's share of the cost of a new water line to serve the Federal Correctional Institution, Ashland, Kentucky.

Mr. GRAY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GRAY: On page 19, line 20, immediately preceding "For" insert the following: "For construction of a maximum security institution on a site to be selected by the Attorney General, $2,000,000."

Mr. ROONEY. Mr. Chairman, I reserve a point of order against the amendment.

Mr. GRAY. I thank the gentleman.

Mr. Chairman, I realize that the temper of the Committee is to rise. However, I hope you will indulge me for 5 minutes while I bring to your attention a very very important matter.

Mr. Chairman and Members of the Committee, this is a very simple but highly important amendment. It provides $2 million to start construction of a much needed maximum security Federal penitentiary to house the most hardened criminals. The last such prison was built in 1902 in Atlanta, Ga., 57 years ago. The amount requested in the amendment is $7,875,000 less than requested in the budget by the President.

Mr. Chairman, the lives of many people and millions of dollars of property could hang in the balance with this amendment. If the funds are not allowed to immediately begin construction of this institution, we in the Congress are inviting what the prison experts fear the most—a prison riot. You say it cannot happen? You can readily see it is happening. Four dangerous riots in the past 60 days in State prisons. What will tomorrow bring?

Thirty years ago Mr. James V. Bennett, the Director of the U.S. Bureau of Prisons, entered Federal service with our prison system. He has indeed brought great credit to our penal system, recognized as the best in the world. Mr. Bennett has served ably under four Presidents and was just selected a few weeks ago by President Eisenhower to receive the President's Award for Distinguished Federal Civilian Service, so I think everyone will agree that he knows his business. I think the reason we have been able to keep down riots in Federal prisons has been due to Mr. Bennett's leadership. However, he says we have reached the critical danger point where anything can happen if we do not provide more facilities to take care of the maximum security risks.

Four years ago Director Bennett came before the Subcommittee on Appropriations and requested funds with which to build a much needed institution to house hardened criminals. The committee at that time asked Mr. Bennett where he proposed to build this prison and he answered "Somewhere in the Midwest." The funds were denied. He came back in 1957 and the committee allowed $250,000 with which to draw up plans and make recommendation as to a site. Several hundred communities submitted proposals and an impartial site selection team appointed by the Attorney General came up with a recommendation of five sites in Illinois and Missouri.

Since the budget request was first submitted, the cost of the institution has gone up $1 million. In addition—and more important—the prison population has not only reached capacity but on May 14 of this year, there were 3,024 more prisoners than safe places to keep them.

Mr. Chairman, I have a copy of the committee report here in my hand and you will note on page 12 not one reason is given for the denial of these funds.

Now, Mr. Chairman, although the committee gives no reason for the denial, I assume my good friend, the gentleman from New York [Mr. ROONEY], whom I admire more than words can say, will try to defend the action of the committee on the grounds the new institution is not needed; that there are other institutions now available or to be made available soon which will take care of the serious overcrowding. I am sure the State Penitentiary at Sandstone, Minn., will be mentioned as one that will be reactivated soon. He will probably mention a military installation or two that may be available soon. But none—I repeat, none—are maximum security institutions and will not meet the problems presented here. This information was again confirmed today by the Bureau of Prisons.

Even if this argument should be true there will be over 3,100 more prisoners than capacity by the time this institution is built.

Mr. Chairman and colleagues, let us look at the record—these facts cannot be denied.

On this blackboard you see story after story from newspapers in the last 30 days. The headline on the left says "Rioters Storm Prison and Free Hostages." The one on the right says "Prisoners Riot in Tennessee." Another reads "Rioting Convicts Hold Three Hostages—Deputy Warden Killed, Guard Is Stabbed." We have had several of these occurrences in penitentiaries in the last 30 days, so I submit it can happen any time. So I hope you will listen to my remarks and help me do something to meet a very serious need.

Mr. O'BRIEN of Illinois. Mr. Chairman, will the gentleman yield?

Mr. GRAY. I yield to my beloved dean.

Mr. O'BRIEN of Illinois. I want to say to the Members of Congress that this amendment is meritorious and I hope it will be supported 100 percent.

Mr. GRAY. I thank the gentleman for his contribution.

Mr. HOFFMAN of Illinois. Mr. Chairman, will the gentleman yield?

Mr. GRAY. I yield.

Mr. HOFFMAN of Illinois. I would like to go on record as endorsing the gentleman's amendment. I know from firsthand knowledge of the crowded conditions in Federal prisons. When I say that I do not mean from having been an inmate but as a law enforcement officer. I think there is very great need for this additional institution and we should definitely support it 100 percent.

Mr. GRAY. I thank the gentleman from Illinois; and may I say to the Members that the gentleman who just spoke is a former sheriff, in fact, he was head of the Illinois Sheriffs' Association, so he knows more than a little bit about criminology.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. ROONEY. Mr. Chairman, I ask unanimous consent that the gentleman from Illinois may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GRAY. I thank the gentleman very kindly.

In addition, let us see what the experts say. Director Bennett had this to say:

It is folly to wait until the need for this type of institution is brought home to us by some major disturbance such as has happened in a number of State institutions.

On page 26 of the hearings, Attorney General Rogers had this to say to the committee:

It is imperative that we request the funds to build a maximum security institution immediately.

In addition, the Senate Judiciary Committee has just issued a unanimous report signed by all Democrats and Republicans on the committee, after a personal inspection tour of our prison system in which they said:

With probation now being commonly used for the more hopeful type of offenders, commitments to Federal institutions are made up increasingly of the more serious type of offender. This has imposed new pressures on the major penitentiaries, which are already the most overcrowded of all Federal institutions. It is important that these aged institutions be relieved of these pressures by the construction of a maximum security institution for the confinement of serious escape risks.

Many prominent Federal judges have classed this as an emergency. I will quote Federal Judge Harry C. Westover, as an example. He had this to say:

Nearly every institution visited has a serious housing shortage and either they will have to be enlarged or additional facilities constructed.

Are we going to say today that men like Jim Bennett, who has dedicated his life to this unpleasant work, does not know what he is talking about? Are we going to say that our colleagues in the House and on the other side of the Capitol do not know what they are talking about after just recently seeing these

conditions first hand? Are we going to say to the Federal judges who carry out the mandates of this Congress that they are wrong when they say we need this institution? Are we going to wait until the accident happens before we take out the insurance? With this request being denied four times, who do you think will get the blame if we have a prison riot—Congress, of course.

With our population growing 5 million a year, there is not a person that can deny we will be having a steady increase of prisoners from here on out. Why wait until we have killed several people like this warden in Montana and caused many times the cost of the prison in property damage? Can we spend over $40 billion a year for defense of a possible foreign enemy and fail to spend $2 million to protect the American people from real enemies here at home? It does not make sense.

How can we reconcile our reasoning when we allow J. Edgar Hoover over $114 million in this same bill for 1 year to go out and apprehend hardened criminals and then deny Mr. Bennett the funds with which to keep them for many years. It does not make sense.

Furthermore, I can recall voting for a bill a few days ago allowing $25 million that was not even requested in the budget to construct a new office building here in Washington. Is an office building more important than a place to confine murderers, dope peddlers, saboteurs, rapists, or other types of hardened criminals? I do not think so, and I am sure my colleagues will agree there is no comparison. Therefore, I beg the Chairman and Members of this Committee to go along with this project before it is too late.

Thank you very much.

Mr. ROONEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. THORNBERRY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7343) making appropriations for the Departments of State and Justice, the judiciary, and related agencies for the fiscal year ending June 30, 1960, and for other purposes, had come to no resolution thereon.

MIAMI UNIVERSITY, OXFORD, OHIO

Mr. SCHENCK. Mr. Speaker, I offer a resolution (H. Con. Res. 185) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Congress hereby extends its felicitations and best wishes to Miami University, Oxford, Ohio, on the occasion of the one hundred and fiftieth anniversary of such university.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. SCHENCK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SCHENCK. Mr. Speaker, first, permit me to express my personal appreciation, along with that of the president, the board of trustees, the faculty, the students, and all of the alumni of Miami University for your approval of this House concurrent resolution honoring Miami University on this occasion of the celebration of its sesquicentennial anniversary. This resolution could not have been considered, Mr. Speaker, without your full cooperation together with that of the majority leader, the Honorable John W. McCormack; the minority leader, the Honorable Charles A. Halleck; the chairman of the House Committee on the Judiciary, the Honorable Emanuel Celler; the ranking minority member of that committee, the Honorable William M. McCulloch; and the Parliamentarian of the House, the Honorable Lewis Deschler. I am deeply grateful to all of you, Mr. Speaker, and to all my colleagues here in the House of Representatives of the United States for your unanimous action in approving this resolution.

By way of giving some background historical information on Miami University in Oxford, Ohio, Mr. Speaker, permit me to recite some facts leading up to its founding and establishment.

Miami University was the second State university in the old Northwest Territory, provided for under the provisions of the Northwest Ordinance of 1787. In other words, this institution was a land-grant university, not under the terms of the Morrill Act of 1862, but under the terms of the Northwest Ordinance of 1787.

The U.S. Congress on July 23, 1787, enacted an ordinance authorizing the Board of Treasury to contract with any person for the balance of land west of the Scioto River and including a provision that not more than two complete townships within a tract of land were to be given perpetually "for the purposes of an university."

On August 29, 1787, John Cleves Symmes petitioned the Congress for the purchase of land north of the Ohio River lying between the Little Miami and the Great Miami Rivers. In this petition he asked that in place of two townships that one be assigned "for the benefit of an academy."

A contract of sale was drawn up between the Board of Treasury and John Cleves Symmes on October 15, 1788, granting Symmes and his associates land between "the Great River Miami" and the "River Miami" north of the Ohio River for the sum of $82,198 with the provision that after the land was surveyed a further sum of $82,198 would be paid. These rivers drain the area now forming all or part of the First, Second, Third, Fourth, Sixth, and Seventh Congressional Districts of Ohio with a present population of nearly 3 million people.

By act of April 12, 1792, under the new Federal Constitution, Congress authorized President Washington to make certain changes in the 1788 contract to accommodate the recent Indian treaty and to provide for land to be known as Fort Washington.

By act of May 5, 1792, the President of the Unitde States was authorized to grant letters patent in the name of the United States to John Cleves Symmes and his associates in accordance with the contract of 1788 at two-thirds of a dollar per acre. It was this statute which first provided that the land grant should include one complete township in accordance with the Northwest Ordinance of October 7, 1787, for the purpose of establishing an academy and other public schools and seminaries of learning.

On September 30, 1794, President Washington consented to an alteration in the boundaries of the Symmes patent. The actual patent was issued September 13, 1794, and included the provision for one township to be held in trust for the purpose of establishing an academy and other public schools and seminaries of learning.

After Ohio became a State in 1803, the State legislature assumed responsibility for making sure that John Cleves Symmes would set aside a township of land for the support of an academy. Such a law was passed by the State legislature April 15, 1803.

Finally, on February 17, 1809, the State legislature created Miami University and provided that one complete township in the State of Ohio in the district of Cincinnati was to be vested in Miami University for its use, benefit, and support. A commission of three men was set up to locate the university. In 1810 the legislature provided that Miami University should be located in Butler County within a township of land to be known as Oxford Township, and empowering the trustees to lay out a town of Oxford.

Miami University, Mr. Speaker, is located in beautiful Oxford, Ohio, and is a very important center of education and culture. Its achievements are legion because its graduates are known throughout the world for their accomplishments in many professional fields. Some 6,000 resident students are currently enrolled in the several schools which make up Miami University. Several additional thousands of students are enrolled in off-campus centers which are located in areas throughout the great Miami Valley.

It would be impossible to do justice to all the famous graduates of this great school. Benjamin Harrison, 23d President of the United States, graduated from Miami in 1852. Robert D. Stanton was Lincoln's Secretary of War. Whitelaw Reid was a noted journalist and diplomat. John Shaw Billings became director of the New York Public Library and persuaded Andrew Carnegie to build libraries across the Nation.

One of my own ancestral relatives, Gen. Robert C. Schenck, graduated from Miami in 1827 and served in the Congress here, representing this same congressional district as early as 1843. Though not a graduate, William Holmes McGuffey came to Miami in 1825 to occupy the chair of ancient languages and wrote 6 books which sold 120 million

copies and made the author's name a household word.

More recent nationally known graduates are:

Earl Blaik, class of 1918, longtime West Point football coach, who recently became a vice president of AVCO Manufacturing Co.

Dr. Katharine J. Densford, class of 1914, for 29 years head of the world's first university school of nursing at the University of Minnesota.

Bergen Evans, author, professor, and TV personality.

Gen. John Edwin Hull, U.S. Army, retired, former supreme commander of United States and United Nations forces for the Far East.

Dr. Ernest H. Volwiler, 1958 Priestley medal winner, who is retiring as board chairman of Abbott Laboratories.

Oxford, Ohio, is located in the Third Congressional District, the district I now have the high honor and great privilege of representing here in the Congress of the United States. I am understandably proud of the outstanding accomplishments and achievements of this great institution of learning, Miami University; and I am grateful for the action here today in honoring and congratulating this university during the celebration of its sesquicentennial anniversary.

THE GOVERNMENT OWNS THE FEDERAL RESERVE SYSTEM 100 PERCENT, LOCK, STOCK AND BARREL—$3 BILLION A YEAR COULD BE SAVED IN INTEREST ON NATIONAL DEBT; MUCH MORE ON OTHER PRIVATE AND PUBLIC DEBTS—COMMERCIAL BANKS CREATE MONEY ON GOVERNMENT CREDIT TO BUY AND COLLECT INTEREST ON TENS OF BILLIONS OF DOLLARS ON GOVERNMENT BONDS—FEDERAL RESERVE'S GIVEAWAY TO PRIVATE BANKS IN 1958 AMOUNTED TO $10,400 MILLION, AND BANKERS' LOBBY NOW ASKING CONGRESS TO APPROVE A $15 BILLION GIVEAWAY BY PASSING THE "VAULT CASH" BILL

The SPEAKER. Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 15 minutes.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, there is a lot of interest in the question of the ownership of the 12 Federal Reserve banks.

BELIEVED PRIVATE BANKS OWNERS OF THE FEDERAL RESERVE

At one time I made the statement that these banks were owned by the member banks; that only the member banks own stock in the Federal Reserve banks and, therefore, the privately owned member banks owned the Federal Reserve System.

INVESTIGATIONS DISCLOSED THE GOVERNMENT OWNS THE FEDERAL RESERVE

This appeared to be the fact until later investigations disclosed that these banks are not owned by the member banks; that these 12 banks are owned by the Government of the United States; that they are instrumentalities of the Government and the so-called stock owned by the member banks is not stock at all.

LEARNED WHO OWNS THESE BANKS THE HARD WAY

From 1935 to 1938, there was considerable agitation in Congress—particularly in the House of Representatives—about the ownership of the Federal Reserve banks. Our argument at that time that these banks were owned by the private commercial banks caused a large group of Members of the House of Representatives to form an unofficial steering committee for the enactment of a law providing for the Government ownership of these banks and for other purposes. This steering committee was composed of 160 Members of the House of Representatives from 39 States. Our unofficial steering committee caused to be introduced in my name a bill, H. R. 7230, in the 75th Congress providing for the Government ownership of these 12 Federal Reserve banks.

PUBLIC HEARINGS ON THE PROPOSAL

There was a hearing on this bill, before the Banking and Currency Committee of the House commencing March 2, 1938. The hearing comprises 508 pages and contains the testimony of former U.S. Senator Robert L. Owen, who was the coauthor of the Federal Reserve Act in 1913, which became a law December 23, 1913, by the signature of President Woodrow Wilson; Hon. Marriner S. Eccles, Chairman of the Board of Governors of the Federal Reserve System; Hon. Ronald Ransom, Vice Chairman of the Board of Governors of the Federal Reserve System; many outstanding economists; several Members of Congress, including myself; and others.

Chairman Henry Steagall, presiding at this hearing, who was chairman of the Banking and Currency Committee of the House when the 1935 Federal Reserve Act became a law, disputed our contention that the Federal Reserve banks were owned by the member banks. He stated, and this is recorded at page 50 of the hearings:

> * * * and while I understand that the contribution to the capital of the Federal Reserve banks under the system now obtaining is not in a true sense a subscription to capital—I do not know exactly how to characterize it; it is more in the nature of an investment, like an investment in a Government bond where your return is definite and limited, but where you do not share in the profits of the system as ordinarily is the rule in the case of investments in the capital of a banking institution, * * *

Chairman Eccles testified about the so-called "stock" as follows:

> * * * It is more nearly in the nature of a compulsory capital contribution than stock ownership * * * (p. 446 of the hearings on H.R. 7230).

Chairman Eccles also testified—page 449 of these hearings—that bankers should not be on the Open Market Committee.

By reason of these hearings, which included much testimony in addition to what has been quoted, many of our group were convinced that the Government already owned the Federal Reserve banks.

After the hearings were completed and printed, there was little time left before the adjournment of Congress on June 16, 1938. That was the end of the 75th Congress and the bill died with the Congress. All of us were convinced later on after investigating further and particularly by the hearings before the Joint Economic Committee in 1952 where this question was carefully gone into and it was shown beyond any doubt that the Federal Reserve banks are instrumentalities of the Government and are owned by the Federal Government. The so-called stock, which is 3 percent of the capital and surplus of the member banks, is more of an involuntary investment upon which these banks receive 6 percent annually. This so-called stock is not needed and it is not used; it is not even invested. It has never been invested. If it were invested, it would save the Government that much between its earnings and the 6 percent that is paid each year on it. Furthermore, the Federal Reserve banks at this time have almost a billion dollars in cash that is surplus. It is idle and unused. It has never been invested. It should be put to use for the taxpayers. This money should be turned over to the Treasury and paid on our national debt. It is serving no purpose where it is and is not needed. The so-called stock that the member banks claim they own in the Federal Reserve System cannot be sold, it cannot be hypothecated, it cannot be voted and it does not have any of the necessary elements of ownership. The real test of ownership would be on the liquidation of a Federal Reserve bank in which a bank holds this so-called stock. In that event, after all debts of a bank are paid and there is a surplus remaining, the genuine owners of stock would get the remainder. In this case, the Federal Reserve Act specifically states that the remainder shall go to the United States Treasury. Therefore, it is not stock ownership in any sense of the word. It is not ownership.

NO PROPRIETARY INTEREST HELD BY BANKS

After the 1952 hearings, no one who has studied the question and is unbiased has contended that the private banks own the Federal Reserve System. On the other hand, they are recognized as being owned by the United States Government. It is possible for me to quote Chairman Eccles and the present Chairman of the Federal Reserve Board, Mr. Martin, dozens of times in printed testimony wherein it is stated repeatedly in answer to questions that the member banks do not own a proprietary interest in the Federal Reserve banks. There is no doubt about it.

In a letter to me dated April 18, 1941, the Chairman of the Federal Reserve Board, Mr. M. S. Eccles, stated:

This so-called stock ownership, however, is more in the nature of an enforced subscription to the capital of the Federal Reserve banks than an ownership in the usual sense. The stock cannot be sold, transferred, or hypothecated, nor can it be voted in accordance with the par value of the shares held. Thus, the smallest member bank has an equal vote with the largest. Member banks have no right to participate in earnings above the statutory dividend, and upon liquidation any funds remaining after retirement of the stock revert to the Government.

In February 1958, I had an exchange of correspondence with the Honorable HOWARD W. SMITH, of Virginia, chairman of the House Rules Committee, on this subject of the Government owning the 12 Federal Reserve banks and the alleged use of reserve funds deposited by the member banks with the Federal Reserve.

Those letters are in the CONGRESSIONAL RECORD, volume 104, part 2, pages 2110–2115.

I am inserting herewith the last part of my letter to Judge Smith (which has not been answered) which bears particularly on the question of who owns the 12 Federal Reserve banks and 24 branches:

It is as follows:

THE MEMBER BANKS DO NOT OWN THE FEDERAL RESERVE BANKS

I come now to another important misunderstanding expressed in your letter to me. This is found in your suggestion that the profits of the Federal Reserve System ought to be paid to the stockholders, which are the member banks.

If the member banks were really the owners of the Federal Reserve System they would have a most fabulous investment. They would own a system which operates on the Federal Government's power to create money and which has in fact created sufficient money to purchase and hold $25 billion worth of interest-bearing securities of the United States Government, plus another $27 billion of other kinds of assets.

The financial contribution of all the member banks—through purchase of the so-called stocks—amounts to about $325 million. Thus in 1956 the stockholders' return on investment, if we can imagine that the banks own the System, would have been $596 million in net profits, plus, of course, all of the free services which the banks received from the System, the total cost of which came to $121 million. In other words, on the theory that the private banks own the Federal Reserve System, their return on the investment would have been about 220 percent in 1 year.

This so-called stock in the Federal Reserve banks which the member banks hold does not, however, constitute ownership, and never has. The term stock is a misnomer. If it is compared to a stock at all, it can at best be likened to a nonvoting preferred stock drawing a specified rate of interest, and a very high one at that—6 percent. Yet this stock has certain highly distinctive features which prevent its being characterized even as a preferred stock. Let me quote from the record on these, and call your attention particularly to Chairman Martin's replies to my questions:

"The CHAIRMAN. All right.

"No. 2 is that the banks own the Federal Reserve Banking System, and it is run by the banks; it is operated for their benefit.

"That is a fallacy, is it not?

"Mr. MARTIN. That is a fallacy.

* * * * *

"The CHAIRMAN. That stock, or that word 'stock,' is a misnomer, is it not?

"Mr. MARTIN. If you are talking about stock in terms of proprietorship, ownership—yes.

"The CHAIRMAN. Well, of course, that is what stock is; yes. Normally that is what stock is; when you say 'stock,' you mean a proprietary interest of some kind, do you not?

"Mr. MARTIN. In the ordinary sense, yes.

"The CHAIRMAN. That is right, in the ordinary sense.

"Mr. MARTIN. You and I are in agreement that it is not proprietary interest.

"The CHAIRMAN. Yes.

"Therefore, this does not convey any proprietary interest at all, and the word 'stock' is a misnomer. It is not a correct word at all. It is just an involuntary assessment that has been made on the banks as long as they are members.

"Now, if they go out, the money is refunded to them. But as long as they are members, they get 6 percent annually on that.

"And as evidence of the fact that they do not have any proprietary interest, which you admit, is the fact that this so-called stock cannot be sold, it cannot be hypothecated, and as a convincing and unanswerable argument that the banks have no interest in the Federal Reserve System as such, financial or proprietary interest, the law specifically provides that in the event of the liquidation of a Federal Reserve bank, that after they get their $300 million stock back, the Government gets everything else. That is right; is it not?

"Mr. MARTIN. That is right.

"The CHAIRMAN. Now, if the banks had any proprietary interest in that, they would get what was left after liquidation, would they not?

"Mr. MARTIN. Well you and I are in agreement it is not proprietary interest.

"The CHAIRMAN. Yes.

"Therefore, the statement that the banks own the Federal Reserve System is not a correct statement, is it?

"Mr. MARTIN. The banks do not own the Federal Reserve System." (Hearings before a Joint Subcommittee on Economic Stabilization of the Joint Economic Committee, 84th Cong., 2d sess., December 1956, pp. 119–120.)

The history of this unique stock shows that when the Federal Reserve System was set up, the member banks were required to make a small, nonvoluntary interest-bearing contribution to the System, which was to serve merely as a psychological device. It was intended to make the bankers feel that they had some direct financial stake in the success of the new System. The law provided that each member bank could be called upon to contribute an amount up to 6 percent of its paid-in capital and surplus. Actually the banks were called upon to contribute only 3 percent, and this is the figure which still prevails.

I have frequently questioned Federal Reserve officials about the use of the funds derived from sales of this stock and the answers I have received are that their use, if any, is still psychological; the funds are not invested. Obviously the System does not need them, and it is my own belief that the psychological effects, if any, are no longer needed. Consequently, I have frequently made the point that the funds should be returned, so as to save the 6 percent interest, which amounts to about $19 million per year.

SUMMARY

Judge, this has been a long letter, but I believe it will prove to be worth your time if it succeeds in clearing up the following points:

1. Although private bankers in very large degree manage the Federal Reserve System, the System is owned by the United States Government.

2. Since most of the yearly cost of operating the Federal Reserve System—about $121 million—goes for check clearance and other free services for the private banks, this yearly cost is a direct subsidy to the private banking system, although the general public benefits indirectly, by having an effective banking system.

3. The Federal Reserve System does not use the reserves of the member banks to buy Government securities.

4. Purchases of Government securities by the Federal Reserve System, instead of denying the private banks use of reserves, actually increase the amount of reserves available to the banks for loans and investment, which means that the Federal Reserve System can and does increase the money supply in either of two ways—by buying Government securities or by reducing required reserves and thus allowing the private banks to create the new money.

I am,

Sincerely yours,

WRIGHT PATMAN.

QUESTIONS AND ANSWERS

The following answers to questions concern the Federal Reserve, money, credit, and related subjects.

1. What agency of the Government is responsible for controlling the Nation's monetary system?

The Constitution of the United States expressly grants to the Congress the power "to coin Money, regulate the Value thereof, and of foreign coin, * * *" Much of what serves as "money" in modern times, however, takes the form of bank deposits against which checks may be drawn. In the exercise of its power over money and hence over the volume and cost of credit, the Congress has created the Federal Reserve System as our central banking system and as a part of the Federal Government and has, by law, delegated to it the day-to-day operations of guiding and controlling the monetary system and the money supply. In England, the central banking organization is a single bank, but here it is a system of regional banks but controlled principally by the Federal Reserve Board, the Open Market Committee and the New York Federal Reserve Board.

2. How is the Federal Reserve System organized?

The Federal Reserve Act, signed by President Woodrow Wilson on December 23, 1913, provides for 12 district or regional banks covering various parts of the United States, each with the right to establish branches. There are today 24 such branches. Operation of the entire System is under the supervision and control of a Board of Governors.

3. What are the duties of the Board of Governors of the Federal Reserve System?

The Board supervises the workings of the System; appoints three of the nine directors of each district bank; must approve the appointments of the president and first vice president of each district bank; directs the System activity in the examinations of member banks; has full authority over changes in the reserve requirements of member banks; reviews and determines discount rates established by district banks.

4. When was the United States monetary system established?

In 1785, the dollar was adopted by the Congress existing under the Articles of

Confederation as the unit of our money, and the decimal system as the method of reckoning. The United States monetary system was established by the act of April 2, 1792, which provided for the establishment of the mint and the issuance of the following coins: Gold—eagles (each of the value of 10 units or dollars), half eagles, and quarter eagles; Silver—dollars, half dollars, quarter dollars, dimes, and half dimes; Copper—cents and half cents. Many changes in the laws governing coinage have been made since the original act. At various times 3-cent coins have been issued; a 20-cent piece was coined for a time; a 2-cent piece was coined in 1864–73; and the 5-cent coin was introduced in 1866. Gold coins are no longer coined or issued. The silver dollar is still issued but has not been coined since 1935. The first paper money issued by the U.S. Government consisted of non-interest-bearing Treasury notes (in denominations of $5, $10, $20) authorized under the acts of July 17, August 5, 1861, and February 12, 1862. The act of February 25, 1862, authorized an issue of United States notes, popularly called greenbacks. As in the case of coins, there have been many changes in the laws governing United States currency. An act of July 11, 1862, authorized a new issue of currency and empowered the Secretary of the Treasury to have the notes engraved and printed by private contractor or to purchase machinery and materials and employ the necessary personnel for this purpose. Hence, in November 1862, the National Currency Bureau, now called the Bureau of Engraving and Printing (since August 15, 1876), started printing currency notes from plates engraved by Treasury employees. Previously, all such work had been done by private contractors. On October 1, 1877, the printing of all United States securities was centralized in the Bureau.

5. What are the coins and currency now issued by the United States?

The coins issued are standard silver dollars, subsidiary silver coins in denominations of 50 cents (half dollar), 25 cents (quarter dollar), 10 cents (dime), and minor coins in denominations of 5 cents (nickel), and 1 cent. The paper currency issued includes: Gold certificates, series 1934 (bearing on the face the words: "This is to certify that there is on deposit in the Treasury of the United States of America * * * dollars in gold, payable to bearer on demand as authorized by law"), in denominations of $100, $1,000, $10,000 and $100,000, which are issued only to Federal Reserve banks and do not appear in circulation; Silver certificates (bearing on the face the blue seal and serial number), in denominations of $1, $5, and $10; United States notes (bearing on the face the red seal and serial number), in denominations of $2 and $5; and Federal Reserve notes (bearing on the face the green seal and serial number), in denominations of $5, $10, $20, $50, $100, $500, $1,000, $5,000 and $10,000, but although all are issued, the $100 note is the highest denomination printed since 1945.

6. What is a Bureau of the Mint assay office? Where are United States coins manufactured?

A Bureau assay office is an establishment where unrefined gold and silver are assayed, processed, refined, and made into bars with Government certification of their weight and quality. An assay office bar of gold or silver is stamped by the Government to distinguish it from bars made by commercial firms. At present, assay offices are operated in New York and San Francisco. Coins are manufactured at the Denver and Philadelphia Mints, the latter having been established in 1793. During fiscal year 1956, the mints manufactured a total of 1,413,745,542 United States coins with a face value of $38,063,794.30, and shipped for circulation 1,811,615,477 United States coins (including silver dollars) with a face value of $98,106,212.95. One-cent coins comprised 73 percent of the 6 denominations issued. From 1793 through June 30, 1956, the mints coined 39,544,960,519 pieces with a face value of $7,560,189,318.27.

7. Does the United States manufacture coins for other nations?

Yes—from 1876 through December 31, 1955, United States mints produced 5,770,332,676 coins for 36 foreign governments.

8. How is paper currency printed?

As a precaution against counterfeiting, U.S. currency is printed by the engraved intaglio steel plate method on a distinctive paper with inks manufactured by the Bureau. The paper is composed of 50 percent linen and 50 percent cotton, and contains small segments of red and blue fibers which are embedded in the product during the process of manufacture. Such paper is produced by a commercial firm operating under strict Government supervision, and is furnished by the paper contractor in a mill-wet condition ready for printing upon delivery to the Bureau. The finished notes are examined in units of 100 each, and then banded and wrapped in packages of 4,000 notes, except for the high denominations which are packed in smaller units.

During fiscal year 1956, the Bureau printed 1,548,876,000 pieces of U.S. currency (the cost per note is about 0.009 cent—whether it be a $10,000 note or a $1 bill) with a face value of $6,326,356,000; 96,928,538 pieces of U.S. bonds and other obligations with a face value of $166,101,443,450; 22,689,528,030 pieces of U.S. Internal Revenue stamps with a face value of $3,278,552,952.79; 23,956,346,877 pieces of U.S. and Canal Zone postage stamps with a face value of $923,253,717.10; 114,944,593 pieces of U.S. war savings stamps with a face value of $18,528,000; and 592,162,005 pieces of miscellaneous items.

9. Who determines the designs used on United States money?

Selection of designs for coins is made by the Director of the Mint with the approval of the Secretary of the Treasury. Congress has, in a few instances, prescribed a coin design, such as in the case of the Washington bicentennial 25-cent piece. Except where Congress determines otherwise, the design on a coin may not be changed oftener than once in 25 years. Portraits of living persons on United States coins are rare, being confined to a few commemorative issues of limited minting. Determination of designs used on paper currency, including the selection of portraits, is a responsibility of the Secretary of the Treasury. By tradition, portraits used on present paper money are those of deceased statesmen. The United States Government does not pay a premium for rare coins or paper currency.

10. What are the designs of United States coins currently issued?

Denomination	Obverse	Reverse
Standard silver dollar.	Female head emblematic of Liberty.	Eagle on mountain top. Word "Peace."
Half dollar	Benjamin Franklin.	Liberty Bell.
Quarter dollar.	George Washington.	Eagle.
Dime	Franklin D. Roosevelt.	Torch of Liberty.
5-cent piece	Thomas Jefferson.	Monticello.
1-cent piece	Abraham Lincoln.	Wheat wreath.

11. What design features of historical or idealistic significance appear on United States paper currency?

1. The Great Seal of the Treasury: the date of its adoption is unknown, but the seal, which is imprinted upon the face of paper money and official Treasury documents, has been found on documents issued in 1782. The design includes a shield on which appear the scales of justice; a key, the emblem of official authority; and 13 stars for the original States. A Latin legend circularly enclosing the shield reads "Thesaur. Amer. Septent. Sigil.," an abbreviation of "Thesauri Americae Septentrionalis Sigillum," meaning "The Seal of the Treasury of North America." 2. The Great Seal of the United States, reproduced on the reverse of $1 silver certificates. 3. The portraits of great Americans used on the face of currency. 4. Pictures of famous buildings or monuments used on the reverse of some currency.

12. What are the designs on United States currency now being issued?

Regardless of the type of currency, all those of the same denomination bear the same portrait. The designs are as follows:

Denomination	Portrait	Back
$1 silver certificate	Washington.	Obverse and reverse of U.S. Great Seal.
$5 silver certificate	Lincoln.	Lincoln Memorial.
$10 silver certificate	Hamilton.	U.S. Treasury Building.
$2 U.S note	Jefferson.	Monticello.
$5 U.S. note	Lincoln.	Lincoln Memorial.
$5 Federal Reserve note.	Lincoln.	Do.
$10 Federal Reserve note.	Hamilton.	U.S. Treasury Building.
$20 Federal Reserve note.	Jackson.	White House.
$50 Federal Reserve note.	Grant	U.S. Capitol.
$100 Federal Reserve note.	Franklin.	Independence Hall.
$500 Federal Reserve note.	McKinley.	Ornate 500.
$1,000 Federal Reserve note.	Cleveland.	Ornate 1,000.
$5,000 Federal Reserve note.	Madison.	Ornate 5,000.
$10,000 Federal Reserve note.	Chase	Ornate 10,000.
$100,000 gold certificate.	Wilson	Ornate 100,000.

13. When did the motto "In God We Trust" first appear on United States money?

It first appeared on a coin (a 2-cent piece) in 1864, on the direction of Salmon P. Chase, Secretary of the Treasury, but it has not appeared on all coins of all series. However, an act approved by the President on July 11, 1955, provides that the motto shall appear on all United States coins and paper currency.

14. What is the meaning of the star in front of the serial number of some United States currency?

In the event a regularly numbered note is imperfect, it is replaced by a "star" note. "Star" notes are exactly like the notes they replace except that they have a special serial number and a star. On United States notes and silver certificates, the star is substituted for the prefix letter; on Federal Reserve notes, it replaces the suffix letter. A "star" note is also issued for the 100,000,000th note in a series since 8 digits are the maximum practicable in the mechanical operation of numbering machines.

15. What happens to unfit currency and coins?

The wornout notes are reduced to ashes by incineration. One dollar bills (over a billion of them are in circulation) last about a year, and make up the bulk of unfit currency. Unfit coins are returned to the mints where they are melted down and the metal re-used.

16. Can mutilated United States currency be exchanged?

Paper currency will be exchanged at its face amount when at least three-fifths of the original proportions remain. Fragments of less than three-fifths, when identifiable as to denomination, kind, and genuineness, are exchangeable at the face amount by the Treasurer of the United States if accompanied by an affidavit which states ownership, sets forth that the missing portions have been totally destroyed, and describes the cause and manner of destruction. When such affidavit is not furnished, fragments of less than three-fifths but more than two-fifths are exchangeable by the Treasurer at only one-half the face amount, and fragments of two-fifths or less are not exchangeable. Charred fragments that can be identified may be redeemable but ashes are worthless.

17. What is the origin of the dollar sign?

There are a number of explanations regarding the origin of the dollar sign. Perhaps the most widely accepted one is that it is the result of evolution, independently in different places, of the Mexican or Spanish "P's" for pesos, or piastres, or pieces of eight. The theory, derived from a study of old manuscripts, is that the "S" gradually came to be written over the "P," developing a close equivalent of the dollar mark, which eventually evolved. It was widely used before the adoption of the United States dollar in 1785.

18. When was currency of the present size first issued?

It was issued first in July 1929, replacing the old, larger notes. The present size is approximately 2.61 inches by 6.14 inches, and the thickness is 0.0043 inch. New notes will stack 233 to 1 inch.

19. What is the monetary standard of the United States?

The gold dollar is the standard unit of value in the United States, and the Secretary of the Treasury is required to maintain all forms of money issued or coined by the United States at parity with the gold dollar. However, the Government does not issue any gold coin, does not permit the hoarding of gold, and issues gold certificates only to Federal Reserve banks.

20. How do United States coins enter circulation?

The supply of our coins is governed by demand. They are manufactured by two coinage mints located at Philadelphia and Denver; the responsibility of distribution rests with the Director of the Mint. The Federal Reserve banks make requisition upon the Director of the Mint for the denominations and amounts required to meet the demands of business and the Director, in turn, arranges with the mints for shipment of the coins to the Federal Reserve banks. The accounting procedure and further steps in distribution are the same as described below in 21 and 22 for paper currency.

21. How does United States paper currency enter into circulation?

Paper currency is manufactured at the Bureau of Engraving and Printing. The distribution of currency is made through the Federal Reserve banks and branches, and by the Treasury. Member banks of the Federal Reserve System carry their reserve accounts with the Federal Reserve bank of their district, and when they need additional currency they authorize the Federal Reserve bank to charge their reserve account and ship the currency to them. The Federal Reserve banks will ship on such requests such currency as is required.

22. How do the Federal Reserve banks procure currency?

The Federal Reserve banks procure the currency by two methods. Where United States silver certificates or United States notes are required, they make request upon the Treasurer of the United States and shipments are made to the Federal Reserve banks as a transfer of funds for credit of the Treasurer's account. The Federal Reserve banks then make the distribution to banks in their district.

If they require other than United States notes or silver certificates, the Federal Reserve banks procure Federal Reserve notes by tendering to their Federal Reserve agent the necessary collateral, which may be United States obligations, discounted or purchased paper eligible under the terms of the Federal Reserve Act, as amended, or gold certificates. The Federal Reserve bank must maintain a reserve of gold certificates or gold certificate credits of at least 25 percent of these notes in actual circulation. Banks not members of the Federal Reserve System may procure new currency also by remitting old currency to the Federal Reserve banks in exchange for new. Usually nonmember banks procure their currency through a correspondent member bank located in the same city with the Federal Reserve bank.

While a member bank of the Federal Reserve System may have rediscounted paper lodged with the Federal Reserve bank, it does not necessarily follow that it will procure new currency against such collateral. The collateral may be discounted and the proceeds placed to the credit of the member bank in its reserve account against which it may draw for new currency as required. The Federal Reserve banks use such collateral to procure new Federal Reserve notes from the agent as their needs require. When Federal Reserve notes, United States silver certificates, or United States notes become unfit for further circulation, they are received by the Federal Reserve banks for credit or remittance to the remitting banks. It will be seen that there is a constant issuance and replacement of paper currency by the process described.

23. Who owns the Federal Reserve System?

THE GOVERNMENT OF THE UNITED STATES OWNS THE FEDERAL RESERVE SYSTEM

While the Federal Reserve banks are set up for public purposes under Government supervision, their so-called capital stock is held by nearly 6,800 member banks, which include all commercial banks with national charters and such qualified banks with State charters as voluntarily choose to belong to the System. Each member bank must subscribe to the capital of its regional Federal Reserve bank in an amount equal to 6 percent of the member's capital and surplus. Only half of the subscription, however, has ever been called for and paid in. As owners of the stock of the Federal Reserve bank, member banks receive 6 percent dividends and elect six of the nine directors, but beyond this do not have the powers and privileges that customarily belong to stockholders of privately managed corporations. The stock cannot be sold or hypothecated. Stock ownership does not carry with it ownership in whole or in part of the System. Specifically, most of the important policy decisions in the operation of the Reserve banks are under the supervision or control of the Board of Governors rather than the directors chosen by the shareholders; the operations of the Reserve banks are, moreover, directed toward public service rather than the profit-seeking ends of privately managed banks; and any earnings in excess of expenses, dividends and reserves belong ultimately to the United States Government rather than to the shareholders. Each year 90 percent of the earnings are paid to the U.S. Treasury, the other 10 percent is retained in the surplus funds of the Federal Reserve banks but belongs to the Government. Over $500 million was paid into the Treasury the past year.

24. If the Federal Reserve banks are not guided by the usual profit-seeking objectives of private banks, then what guides does the System have for setting a proper course of action and for determining the appropriate amount and cost of credit for the country?

The law establishing the System sets forth certain guiding principles to be observed. In general these allow wide discretion and provide simply that Federal Reserve policies shall be fixed with a view to accommodating commerce and business, and that actions taken by the System shall be taken with due regard to their bearing upon the general credit situation of the country. While the Federal Reserve System is not specifically mentioned in the Employment Act of 1946, Congress in that act declared it to be the continuing policy and responsibility of the Federal Government to utilize all its functions and resources to create and maintain, in a manner calculated to foster and promote free competitive enterprise and the general welfare, conditions which will promote maximum employment, production and purchasing power. As an integral part of the Government of the United States, officials of the System must have these objectives in mind as they make decisions affecting the availability and cost of credit.

25. How did the concept of reserves in our modern banking system develop?

The medieval goldsmith was the forerunner of the modern banker. A modern commercial bank is required to maintain reserves against its deposits so that it will be in a position to pay out cash on demand of the depositors. The old goldsmith, before the invention of deposit money, kept a supply of gold coin on hand. It became a custom for persons owning gold to deposit it with the local goldsmith for safekeeping, the depositor receiving a receipt from the goldsmith.

The depositor soon found out that it was unnecessary to draw out the gold each time a payment was to be made. The custom grew up for buyers and sellers to consider the gold receipts to be "as good as gold" and the receipts became a primitive form of paper money. It was discovered that normally the goldsmith should not expect over a small fraction of the total gold deposited with him to be withdrawn.

Then the practice grew up for the goldsmith to lend out a substantial portion of the deposited gold, which he did not own but for which he could get interest, keeping on hand enough gold reserve to cover the demands that he might normally expect the owners of the gold to make on him. In this way, a system of money based on fractional reserves came into being. The goldsmith, in return for an interest charge was providing the community with a medium of exchange and a place for safekeeping of deposits.

SAME AS EARLY GOLDSMITHS

The modern bank developed slowly. Although it was essentially the same system as that of the early goldsmith, the quantity of banknotes issued as loans to customers was several times as large as the reserves. Now, banks are required to keep a certain amount of money in reserve in order to be able to pay its depositors on demand. The average is about one-seventh. In other words, the banking system can make loans and investments equal to about seven times the amount of reserves. If the reserve requirements are increased by the Board of Governors of the Federal Reserve System the banks can lend less money; if the reserves are decreased the bank can lend more money. On time deposits the reserve requirement is 5 percent, thereby permitting commercial groups to create money equal to $20 for every $1 in reserve.

Our money is based on debt. The banking system increases the money supply when a borrower goes into debt to a bank and the money supply is decreased when the debt is paid. Therefore, commercial banks create and extinguish checkbook money, which is referred to as demand deposits and is the principal money in use.

The contraction or increase of the supply of money represents a great economic problem. It is now controlled by the Board of Governors and the Open Market Committee. It has been suggested that if our commercial bankers are modern goldsmiths our money managers should be referred to as chiefs of the goldsmiths.

26. Besides owning so-called stock, electing certain directors, and receiving limited dividends, what other obligations and privileges go with being a member bank?

Member banks must comply with the reserve requirements established by the Board of Governors, and are subject also to various requirements of the act with respect to branch banking, interlocking directorates, holding company regulation, and so forth. In return, member banks are entitled to use the Federal Reserve facilities for collecting checks and transferring funds to other cities; and, more important to the economic affairs of the country, members are entitled to borrow from the Federal Reserve banks when in need of additional funds. Because of the nature of these services to member banks, the Federal Reserve banks have sometimes been referred to as banker's banks.

27. What reserves must member banks keep?

The Board of Governors has full authority to establish reserve requirements of member banks within the range of discretion established by law. The present legal minimum and maximum requirements on demand deposits are 13 and 26 percent in New York and Chicago, 10 and 20 percent in 49 designated "reserve cities," 7 and 14 percent in other parts of the country, and on time deposits in all parts of the country 3 and 6 percent, now 5 percent.

28. What is legal tender?

Any particular form of money which must be accepted by a creditor in payment of a debt, is legal tender. Congress, by joint resolution approved June 5, 1933, in effect abrogated all "gold clauses" in existing public and private contracts and securities and put all coins and currencies on a par with each other by providing that

All coins and currencies of the United States * * * heretofore or hereafter coined or issued shall be legal tender for all debts, public and private, public charges, taxes, duties, and dues, * * *.

29. To what extent are the several coins of the United States a legal tender?

Until 1933 minor coins (cents and nickel)—up to 25 cents in any one payment; subsidiary silver coins (dime, quarter, half dollar)—up to $10; but in 1933 these limitations and restrictions were removed and, like gold coins and silver dollars, they are good in any amount. Gold certificates are legal tender for all debts in any amount.

30. What is the rule for redeeming mutilated currency?

The United States Treasury redeems mutilated notes at half of their face value if between two-fifths and three-fifths is available. If three-fifths or more is available, it is redeemed at full value.

31. What kind of money does the Federal Reserve create?

The Federal Reserve creates high powered dollars—that is, dollars that the commercial banks can use for expansion purposes, just like the goldsmith of old. In the Central Reserve cities, New York and Chicago, the banks can lend on demand deposits about $5 to every $1 in reserve, country banks on demand deposits about $9 to every $1 reserve, and Reserve city banks in between. However, any bank anywhere can lend $20 to every $1 of reserve on time deposits.

PROOF

Mr. PATMAN. * * *. Anyway, the commercial banks, when they buy bonds or anything else, create the money, so to speak, to buy them with?

Mr. ECCLES. That is right. (Hearing before the Banking and Currency Committee of the House of Representatives, June 21, 1941, on S. 1471, p. 68.)

32. Can the commercial banks use these high-powered dollars to create money to buy United States Government securities?

Yes; and the commercial banks have created over $60 billion on their books and actually bought Government bonds with the created money and hold the bonds at this time. They have been doing it for decades; it is very profitable to them. Last year, 1958, the commercial banks were given, absolutely free, sufficient reserves to buy and they did buy $10.4 billion in U.S. Government securities. This will enable the banks to collect in interest between $300 million and $400 million annually on these bonds—without any additional investment; not a penny more. In a statement I filed in the CONGRESSIONAL RECORD February 19, 1959, under the heading "The Government's $10 Billion Gift to the Private Banks Last Year, and How Such Gifts Can Be Stopped," this manufacture of money on donated high-powered dollars was fully discussed. It commences at page 2772 in the RECORD of February 19, 1959.

33. Will this practice of permitting the commercial banks to create the money without cost to them to buy Government securities continue?

The banking lobby expects the practice to continue and be enlarged upon. Their goal for 1959 is for a 50 percent

increase over 1958 when they were allowed to get the reserves free to purchase $10.4 billion.

The biggest giveaway of all is now pending. It is labeled "the vault cash bill" but I say that is a false front. Behind the smokescreen is a proposal to make the big banks bigger and richer. It is recommended by the administration and the Federal Reserve. It involves transferring over to the private banks, free of charge, up to about $15 billion of Government-owned bonds. This will be by far the biggest giveaway of all times. All the Teapot Domes, Dixon-Yates deals, public-land grabs, timber steals, and defense-contract riggings put together amount to only pennies by comparison. It is 50 percent more than in 1958 when the banks were given $10.4 billion. These bonds have been paid for once and should be canceled, so that our national debt will be reduced by that amount. I shall propose an amendment to do this when the bill comes before the House of Representatives. This legislation commences a new practice of putting Government bonds back into circulation after they have been paid for with Government money, and this will require their payment the second time—and maybe the third or fourth time. This does not make any kind of sense—common, book, or horse—but it does make nonsense. The reason is the people generally are not informed about it and enter no protest. The Members of Congress have terrific pressure from the banking lobby that will profit so handsomely from this giveaway. Our exposés are scandalous and shocking but they are only printed in the daily CONGRESSIONAL RECORD, which is read by few people—although it can be subscribed for like any other publication for $1.50 a month. This is all happening right here in the United States of America in broad daylight—while the Members of Congress have their eyes wide open with printed testimony from banker representatives disclosing in large type—not fine print—exactly what they propose to do.

I have great respect for Members of Congress. The truth is they do not have sufficient help and they are too busy with other urgent, pressing matters to give these subjects the time and attention they deserve. Their own constituents are not pressing them to consider these problems because they see nothing about it in the press and hear nothing about it over television or radio.

34. What effort was made to change the "giveaway" bill in the committee?

The following statement was issued by me May 21, 1959:

"AN AMENDMENT TO BOND 'GIVEAWAY' BILL WHICH WILL REDUCE THE FEDERAL DEBT BY $15 BILLION

"The Federal Reserve System is now holding $25 billion of the outstanding Federal debt in the form of bonds and other interest-bearing obligations, which have been purchased in the open market and paid for with Government funds. This amount of the Federal debt has, in effect, been canceled.

"This morning the House Committee on Banking and Currency will decide whether or not it will approve the bond 'giveaway' bill, S. 1120, which has already passed the Senate. The stated purpose of this bill is to make certain adjustments in the required reserves of the private banks, so as to correct what the Federal Reserve considers to be 'inequities.' But what is important, the bill approves a proposal to give away to the private banks about $15 billion of these Government-owned securities now held by the Federal Reserve. I will try to persuade the committee to accept an amendment to the bill which will require the Chairman of the Federal Reserve Board to transfer these obligations to the U.S. Treasury, so that this amount of debt will be canceled.

"INTEREST-RATE CEILING TO BE LIFTED SOON

"Although the Federal debt is now at an alltime high, it is expected that the administration will shortly ask Congress to increase both the debt ceiling and the 1918 ceiling on interest rates at which the Treasury may issue marketable U.S. bonds. Giving to the private banks bonds which the Government has already paid for once would mean that the Government would have to pay for them again, when the bonds became due; and meanwhile, costs to the taxpayers would go up.

"Interest payments on Federal Reserve holdings of about $25 billion of U.S. obligations provides the System with an income several times the amount needed to pay its expenses; and the bulk of this income is paid back into the U.S. Treasury. In 1957 the System had an income of $763 million, out of which it paid $221 million for expenses and into miscellaneous reserves. The remainder, $542 million, was returned to the U.S. Treasury. This $542 million each year will have to come out of the taxpayers' pockets if $15 billion of these bonds are given away to the private banks, as these interest payments will then go into bank profits instead of into the U.S. Treasury. With interest rates as high as they are now, $10 billion in Government obligations is more than enough to provide the Federal Reserve with an operating income and also leave it with bonds which it could sell, if need be, for purposes of tightening credit."

Although I had 5 minutes to explain my amendment the committee refused to permit me the opportunity to present witnesses to support my arguments for it. I was not on Subcommittee No. 2 reporting the bill to the full committee. The printed record was silent on this question except a statement in the hearings submitted by the Federal Reserve making it abundantly clear what is proposed, as I have outlined it. No questions were asked about it at the hearings.

35. Can reserves be changed in a way that will enable a commercial bank to greatly increase its money-creating powers?

If a bank in a Reserve or a Central Reserve city bank makes a loan on demand deposits its reserve requirements are higher than the other banks, called the country banks. But if such loans are made on time deposits the reserve requirement of 5 percent is the same at all commercial banks. If a bank, in New York for instance where the reserve on demand deposits we will say is 20 percent at the time of the loan, makes a loan for $1 million and finds that loan puts the bank in a "loaned up" position, it is possible for a change in its deposits to be made and its position changed. If a customer who has a million dollars on demand deposit in the bank switched his deposit to a time deposit three-fourths of the required reserve on the loan will be released. In other words the bank had to use $200,000 of its reserves to carry the $1 million loan on demand deposits but only a $50,000 reserve is required to carry the loan on time deposit. It will not only reduce the required reserve for the loan but it will enable the bank to make $4 million in loans on the $200,000 reserve, instead of $1 million. In this way interlocking directorates—the bank with many industrial and business firms—could come in pretty handy.

HOW FREE RESERVES ARE FURNISHED COMMERCIAL BANKS TO BUY U.S. BONDS

Mr. PATMAN. Governor, in regard to the excess reserves, it is not contemplated that you expect to change these reserves so that the larger banks can buy more Government bonds? You do not have that in mind now?

Mr. ECCLES. Well, it is not done, I would say, for that purpose, primarily or specifically. If we wanted to enable the banks to buy a lot of bonds we could.

Mr. PATMAN. By lowering the reserve requirements?

Mr. ECCLES. By lowering the reserve requirements, yes; or we could step up and buy a lot of bonds directly by Fed itself, and put more reserves in by open-market purchases. * * *

* * * * *

Mr. PATMAN. * * * Let us suppose that the banks are called upon to buy $12 billion of Government bonds today. That consumes all of their excess reserves. If you wanted to increase their excess reserves in order to buy another $12 billion of Government bonds, how would you do that, through the Federal Open Market Committee?

Mr. ECCLES. We might decrease the reserve requirements.

Mr. PATMAN. How would you decrease them?

Mr. ECCLES. I think it runs between $5 billion and $6 billion.

Mr. PATMAN. Between $5 billion and $6 billion?

Mr. ECCLES. Yes; somewhere between 5 billion and 6 billion.

Mr. PATMAN. If it were decreased as you suggest, that would enable you to buy how many bonds?

Mr. ECCLES. If we decreased it to the full amount, then the reserve requirements are 10 percent instead of 20 percent, and you can buy about 10 to 1.

Mr. KEAN. What does change it from 5 to 1 or 10 to 1? Would you explain that again?

Mr. ECCLES. As it is the requirements of the Federal Reserve Bank System of the country as a whole are about 20 percent. If we changed the reserve requirements to the full amount we could then say the reserve requirements are only 10 percent instead of 20 percent, and you can get about 10 to 1, and that would be about $50 billion.

Mr. PATMAN. After you have already reduced the reserve requirements of the banks and have bought these $50 billion in bonds, if you need to buy still more, how would you handle the others? Suppose you wanted to call upon them to buy $25 billion more in bonds?

Mr. ECCLES. We could carry it on then, if it were necessary, by an open-market operation.

Mr. PATMAN. In other words, you buy a billion dollars' worth of bonds, what would be the effect of that billion dollars on the banks?

Mr. ECCLES. If they could get a billion dollars they could buy up about $10 billion in bonds.

Mr. PATMAN. Then if you need to sell another $10 billion worth of bonds, you could get another billion dollars from the bank?

Mr. ECCLES. Yes; but if you did that you would have inflation on your hands, if you got any higher. (Hearings before the Banking and Currency Committee of the House of Representatives, June 17 and 19, 1942, on bill H.R. 7158, p. 17.)

FEDERAL RESERVE CREATES MONEY, SAYS CHAIRMAN OF THE BOARD

Mr. ECCLES. No; the Federal Reserve would buy in the open market. If the Federal Reserve then bought a billion dollars of securities in the open market that would be new Treasury issues. The banks would still hold them, and the Federal Reserve would put into the banks another billion of excess reserves. If they used that billion they could buy five billion more of Governments, and you could keep the price up. For every billion of the Federal Reserve banks put in the open market operations, the private banks could buy five billion.

Mr. DEWEY. That comes pretty close to some other ideas I have heard.

Mr. ECCLES. I mean they could buy ten billion. I mean the Federal Reserve when it carries out an open market operation, that is, if it purchases Government securities in the open market it puts new money into the banks which creates idle deposits.

Mr. DEWEY. There are no excess reserves to use for this purpose.

Mr. ECCLES. Whenever the Federal Reserve System buys Government securities in the open market or buys them direct from the Treasury, either one, that is what it does——

Mr. DEWEY. What are you going to use to buy them with?

Mr. ECCLES. What is who going to use?

Mr. DEWEY. The Federal Reserve bank to make these purchases.

Mr. ECCLES. What do they always use?

Mr. DEWEY. You are going to create credit?

Mr. ECCLES. That is all we have ever done. That is the way the Federal Reserve System operates. The Federal Reserve System creates money. It is a bank of issue. (Hearings before the Banking and Currency Committee of the House of Representatives, June 17 and 19, 1942, on bill H.R. 7158, p. 21.)

FEDERAL RESERVE NOTES PAID FOR GOVERNMENT BONDS PURCHASED BY FEDERAL RESERVE

Mr. ECCLES. The Open Market Committee can buy either those bonds or any other bonds either from the bank that you indicate or from a dealer or from any other bank.

Mr. PATMAN. I am just giving that as an illustration, not as a specific case.

Mr. ECCLES. But the System does not operate that way. No Reserve bank buys Government bonds from any bank. The Open Market Committee does the purchasing, and they do the purchasing in the open market because the law requires that they do the purchasing in the open market, and requires that they cannot buy directly.

Mr. PATMAN. Of course I am not taking that into consideration, but the effect of it is the same. If the bank sold a million dollars in bonds, although it was through the open market, the effect is the same. You have transferred——

Mr. ECCLES. Credit. As a practical matter, the bank that sold the bonds would sell those bonds in the market.

Mr. PATMAN. In the open market; that is right.

Mr. ECCLES. And would get credit either at the Reserve bank or at a correspondent bank, for which they could get Federal Reserve notes if they wanted them.

Mr. PATMAN. So if the statement that you are transferring one Government obligation that is noninterest bearing for another Government obligation that is interest bearing is correct, then you continue to draw interest until those bonds are due and payable?

Mr. ECCLES. That is correct; yes, sir. (Hearings before the Banking and Currency Committee of the House of Representatives, June 21, 23, 24, and 25, 1941, on S. 1471, p. 78.)

FEDERAL RESERVE BANK HELD $2.2 BILLION SECURITIES IN 1941—NOW HOLD $25 BILLION. HOW PURCHASED AND HOW USED

Mr. PATMAN. You have about $2,200 million of Government securities now in the 12 Federal Reserve banks?

Mr. ECCLES. That is right.

Mr. PATMAN. How did you purchase those securities?

Mr. ECCLES. Most of those securities were purchased before I came on the Board.

Mr. PATMAN. Well, you would have knowledge of how they were purchased?

Mr. ECCLES. Yes. Those securities were all purchased in the open market. Most of them were purchased in the panicky period of 1931, 1932, and 1933.

Mr. PATMAN. Have you had in mind keeping a certain amount of securities, the interest from which would be sufficient to pay the operating expenses of the Federal Reserve banks?

Mr. ECCLES. I certainly have.

Mr. PATMAN. You say you certainly have?

Mr. ECCLES. Yes.

Mr. PATMAN. In other words, keeping enough Government securities to pay operating expenses?

Mr. ECCLES. Yes, sir.

Mr. PATMAN. That is, in order to prevent you from having to come to Congress for an appropriation to maintain you?

Mr. ECCLES. Well, if Congress desires to have the Reserve System operate on a basis of appropriations, of course, it is up to Congress to do that; but until Congress determines that the Reserve System should come to Congress for its operating appropriations, it seems to me that it would be the duty of those responsible for the operation of the System to provide that the income will maintain the outgo.

Mr. PATMAN. It ocurs to me, though, that that is no more reasonable in your case than it would be in the case of any other agency in the Government. In other words, if it is right to permit you to transfer non-interest-bearing obligations of the Government for other Government obligations that bear interest, and to permit you to keep those obligations and receive interest on them annually, in order, as one of the main reasons, to maintain and pay your operating expenses, then any other agency could be allowed to do the same thing, and there would be just as much reason and logic to support their contention that they be allowed to do so.

Mr. ECCLES. It costs the Government, of course, no more to pay interest on the securities that the Reserve System might hold than it would be to appropriate money for the purpose of operating the Reserve System.

Mr. PATMAN. Yes, it would, too. I beg to differ with you, my dear sir. I do not mean to be sharp in my reply. But if you were considered the same as another Government agency, you would not be paying 30-, 40-, or 50-thousand-dollar-a-year salaries as you are doing, if you had to get your appropriations from Congress.

Mr. ECCLES. You make it appear, of course, that the salaries of the Reserve System are very excessive.

Mr. PATMAN. Not many of them, but a few of them. (Hearings before the Banking and Currency Committee of the House of Representatives, June 21, 23, 24, and 25, 1941, on S. 1471, pp. 75–76.)

FEDERAL RESERVE NOTES A GOVERNMENT OBLIGATION THE SAME AS INTEREST-BEARING GOVERNMENT SECURITIES

Mr. PATMAN. Now, I want to ask you about these Federal Reserve notes. You consider them obligations of the United States Government, do you not, Governor Eccles?

Mr. ECCLES. I do.

Mr. PATMAN. They are just as much an obligation of the Government as a Treasury bond or any security that is issued by the Government?

Mr. ECCLES. They are just as much an obligation as, say, the silver certificates or what we speak of as the greenbacks, of which some are still out.

Mr. PATMAN. Or the bonds that have coupons on them that you clip?

Mr. ECCLES. That is right. They are just a little different form of obligation.

Mr. PATMAN. I understand they are a different form of obligation, but at the same time they are Government obligations and a Government responsibility?

Mr. ECCLES. That is right. (Hearings before the Banking and Currency Committee of the House of Representatives, June 21, 23, 24, and 25, 1941, on S. 1471, p. 74).

CHAIRMAN OF BOARD SAYS FOR ALL PRACTICAL PURPOSES GOVERNMENT OWNS FEDERAL RESERVE, ALSO HOW GOVERNMENT SECURITIES PURCHASED

Mr. PATMAN. Mr. Eccles, the day before yesterday I had gotten down to the point where, if we needed more money, one way to give the banks extra reserves to purchase Government bonds would be for the Open Market Committee to buy Government bonds in the open market, and I suggested if you bought for the Federal Reserve bank $1 billion worth of bonds, that would automatically create a billion dollars of reserves in the banks and, after the reserves had been reduced 50 percent, the maximum, that would enable the banks to purchase $50 billion worth of bonds. Now, let us assume that has happened——

Mr. ECCLES. Ten million dollars' worth, by the purchase of a billion dollars' worth of bands in the market.

Mr. PATMAN. I got the two mixed up. The purchase of a billion dollars' worth of bonds in the market, after the excess reserves had been reduced, will enable the banks to buy 10 billion?

Mr. ECCLES. That is right.

Mr. PATMAN. Where the 50 billion came in was if you would automatically reduce the reserves now, which you have a right to do, that would give them $5 million of excess reserves which they could use to purchase $50 million worth of bonds.

Mr. ECCLES. That is right.

Mr. PATMAN. Now let us assume that we not increase the reserves in the banks, and you go in the open market and buy a billion dollars' worth of bonds: you buy them with Federal Reserve money, do you not?

Mr. ECCLES. Well, we buy them with Federal Reserve credit.

Mr. PATMAN. I know; but suppose the banks call for the money, you issue Federal Reserve notes, do you not?

Mr. ECCLES. What we do, if we purchase Government securities in the market, is we credit the account of the bank that turns them in. They usually come through the banks.

Mr. PATMAN. That is right.

Mr. ECCLES. Even though they may be individuals who are selling the securities; and

we debit the bond purchase account, showing that the Federal Reserve has a liability to the banks to the extent of $1 million, which represents their reserves on the one hand, and that they own $1 million of bonds in what we call the portfolio, on the other hand.

Mr. PATMAN. I know in practice that is exactly the way it is done, Mr. Eccles; but suppose the banks want the billion dollars in currency, you would pay it in the Federal Reserve notes, would you not?

Mr. ECCLES. That is right.

Mr. PATMAN. Those Federal Reserve notes, as we have often discussed, are obligations of the United States Government?

Mr. ECCLES. That is right.

Mr. PATMAN. Then you use those Government obligations to buy interest-bearing Government obligations and you place them with the Federal Reserve banks, 12 of them?

Mr. ECCLES. That is right.

Mr. PATMAN. And they would continue to receive interest on those Government obligations as long as they were outstanding?

Mr. ECCLES. That is right.

Mr. PATMAN. So the result is the Government's credit has been used and the Government has gotten nothing for the use of that credit; the Federal Reserve banks are using it free, are they not?

Mr. ECCLES. Well, the Government in effect, for all practical purposes, owns the Federal Reserve banks.

(Hearings before the Banking and Currency Committee of the House of Representatives, June 17, 19, 1942, on bill H.R. 7158, pp. 25–26.)

DISCUSSION OF GOVERNMENT INTEREST BURDEN IN 1942; AFTER WORLD WAR II; CHAIRMAN OF FEDERAL RESERVE BOARD SAYS ALL MONEY PRINTING-PRESS MONEY

Mr. PATMAN. Another point, Mr. Eccles, is that there are 197,000 taxing units in the Federal Government, and State governments, 48 State governments, 3,070 counties, and different school districts and road districts and levy districts and all kinds of political subdivision districts. Now, a number of these districts, and especially school districts, are dependent upon sources of revenue that are going to be greatly decreased because of eliminating the making and the sale of automobiles and restricting so greatly the use of gasoline, upon which there is a heavy tax and which is one of the principal sources of revenue for many of the school districts and school systems throughout the country.

Have you or your group given any consideration to the Government assuming any part of these obligations under the unusual circumstances caused by the war, in the national interest in helping out those school districts, for instance?

Mr. ECCLES. No, no; the Federal Reserve Board has not and I don't know of any other agency of government that has.

Mr. PATMAN. It has not?

Mr. ECCLES. Not that I know of.

Mr. PATMAN. In connection with the receipt and expenditures of the Federal Government, I believe that we will appropriate this year, by the time this Congress is over, about $150 billion; will it not, Mr. Eccles? It has already gone over 100 billion.

Mr. ECCLES. I haven't kept track of the appropriations from day to day and that is what one would have to do to keep up with it.

Mr. PATMAN. I mean authorizations.

Mr. ECCLES. Yes.

Mr. PATMAN. Like the other day we appropriated $8½ billion.

Mr. ECCLES. That is authorizations you are referring to?

Mr. PATMAN. Yes. Anyway they exceed $150 billion?

Mr. ECCLES. Yes.

Mr. PATMAN. I had the amount of receipts added up of our Government from the time it was first organized in 1789 to the present time, and the total receipts to date are only 143-odd billion dollars, so that will be greatly in excess of what the Government has heretofore collected in all the 153 years of its existence. And, regarding the interest rates on Government bonds, the interest collected for the first 120 years of our country's existence, the average amount of interest paid was $20 million a year.

From 1893 to 1917, it only averaged $33 million, but since 1917, the interest each year has been $801 million.

I bring this up for the purpose of showing that the interest paid on Government obligations had never been a problem up until after the First World War, and it never did become such a great burden until now when it looks like we are facing a $300 billion debt, and if we pay as much as 2½ precent interest there will be an interest burden of $7½ billion, and if we have to pay that much and if people like yourself insist that we must do it, and you say we must pay interest, why, I don't see how we will ever pay this debt of $7½ billion in interest and then the running expenses of the Government.

It looks to me like it will be just almost unbearable.

Mr. ECCLES. Of course, I don't agree with you that the interest is the problem indicate, neither do I agree that there is any necessity for, any such size of debt. If we ever permit the debt to go to $300 billion, it will be because the Congress has been unwilling to levy the kind of taxes that a war economy calls for.

It seems to me that we confuse ourselves a good deal with reference to what we call the "burden" of debt.

You have made some comparisons with former periods in our history. It seems to me that the economy today has greater wealth-producing power, than, of course, it has ever had before. The thing that is of importance is: what has the economy left over after paying the interest? Does the payment of interest to the Government in any way detract from our ability to produce and distribute wealth, or to produce and distribute goods?

It actually doesn't in any way interfere with the ability of our economy to produce and distribute goods and after all that is the wealth of the country.

Mr. PATMAN. But it will make a big difference to the taxpayers. Suppose you create $1 billion through the Federal Reserve and pay 2½ percent on that debt for the next 40 years, the debt will be paid, but if you create the money through a commercial bank and pay 2½ percent interest for 40 years, you still owe the debt at the end of those 40 years, so there is a big difference to the taxpayer.

Mr. ECCLES. If all debts were paid, you would have no money.

Mr. PATMAN. That is very true.

Mr. ECCLES. And it is impossible for an economy to save and invest without debt. That is the very basis of your capitalistic system and even in the communistic countries, Russia, for instance, they have recognized the need of debt and savings.

Mr. PATMAN. Not necessarily interest-bearing debt.

Mr. ECCLES. They have interest-bearing debts, however.

Mr. PATMAN. I say not necessarily interest-bearing debt. You can create money without interest-bearing debt.

Mr. ECCLES. The Russian Government sells an interest-bearing bond to its people and they likewise have an insurance system or mutual insurance systems of insurance, government-owned, of course, that enables people to save through buying this insurance, as people in this country save to buy insurance, and unless you devise some system for completely eliminating savings, it seems to me that you cannot eliminate a system of debt, and as long as you have debt there must be interest on that debt.

Mr. PATMAN. Not necessarily to create money, Mr. Eccles, you don't say that, do you?

Mr. ECCLES. No, no; you can print money. I mean there is no problem at all about the United States Government being able to issue greenbacks to whatever extent it desires.

Mr. PATMAN. Well, the Federal Reserve Bank issues greenbacks every day, doesn't it?

Mr. ECCLES. No, no; the Federal Reserve bank does not issue greenbacks to pay for the Government deficits at all.

Mr. PATMAN. Let us see if they do. Suppose you buy $1 billion worth of Government bonds, where do you get the money?

Mr. ECCLES. But it is the purpose for which you issued it.

Mr. PATMAN. I know. I am asking you where you get that $1 billion? Where did you get it? You create it, don't you?

Mr. ECCLES. We are a bank of issue. That is a central bank. All central banks do that. The central banks of Russia and Germany do that.

Mr. PATMAN. And if that isn't printing press money, I would like to know what it is.

Mr. ECCLES. There has been no scheme devised for creating money in any other way. (Hearings before the Banking and Currency Committee of the House of Representatives, June 17, 19, 1942, on bill, H.R. 7158, pp. 42–44.)

CHAIRMAN MARTIN SAYS HE CANNOT NAME A SINGLE PURPOSE SURPLUS FUNDS WILL PROBABLY BE NEEDED FOR

In July 1957 when Chairman Martin was testifying on S. 1451, at pages 517–518, the following appears:

Mr. PATMAN. The Federal Reserve earnings that are mentioned in this bill, the division of the earnings as between 90 and 10 percent, is there any reason why you should have 10 percent go into the Federal Reserve bank surplus fund, when the Reserve banks have an amount in their surplus equal to their capital stock? Is there any reason for putting more money in these surplus funds, Mr. Martin?

Mr. MARTIN. Beyond what we presently have?

Mr. PATMAN. Yes.

Mr. MARTIN. Well, we are not just building it indefinitely. We have a stop-out point, and the Treasury gets all of the balance.

Mr. PATMAN. Ninety percent, but why should they keep the 10 percent when they don't need if for any purpose at all?

Mr. MARTIN. Well, we thought it was a normal contingency. We don't know what will happen over the years.

Mr. PATMAN. You have three-quarters of a billion dollars now. Do you think that should be paid on the national debt or retained with these banks? If you are going to insist on 10 percent, we could take three-quarters of that billion dollars and pay it on the national debt, couldn't we?

Mr. MARTIN. I think it would be sounder to follow the ordinary business practice of setting up a reserve.

Mr. PATMAN. Although you can't name a single purpose that you would probably need the money for.

Mr. MARTIN. Not at the moment, no.

FEDERAL RESERVE SURPLUS OF BILLION DOLLARS SHOULD BE USED NOW TO REDUCE NATIONAL DEBT SINCE NOT NEEDED

The Federal Reserve does not need its so-called capital stock. It does not need any surplus. It operates on the credit of the Nation and has the power to create money and does create money. Mr. Martin, Chairman of the Board, has said the Federal Reserve does not need the capital stock.

When Chairman Martin was testifying July 15, 1957, with Governor Robertson,

also a member of the Board, at his side, Governor Robertson asked to be allowed to answer a question about the surplus fund of the Federal Reserve that I had propounded to Chairman Martin. So the answers are the answers of both Governors Martin and Robertson as follows:

I wonder, however, since you have about three-quarters of a billion dollars in the surplus fund of the Federal Reserve banks, why you want 10 percent more each year. What will you do with it? It doesn't serve any purpose. It is idle, unused. What do you want to put it aside for?

Governor ROBERTSON. May I answer that?

Mr. PATMAN. Certainly.

Governor ROBERTSON. There is no magic in any 90 percent or 10 percent or anything else.

Mr. PATMAN. Why do you want any percent? Why do you want any amount, as long as you have a certain amount in the surplus fund of a bank? Why are you not satisfied with that? Why do you want to keep piling up more money, which is unused and doesn't serve any purpose?

Governor ROBERTSON. The only thing we were trying to do here was to follow out the original concept of the statute. It did provide for a surplus. This contemplates building up the surplus, not because you needed it today but because you might need it some other time.

CANNOT IMAGINE A USE FOR IT

Mr. PATMAN. What would you need it for?

Governor ROBERTSON. I can't imagine. I hope there is never a situation to need it.

Mr. PATMAN. To keep you from coming back to Congress for an appropriation; that is the only thing.

Governor ROBERTSON. Oh, no; we would never have to come back for appropriations.

Mr. PATMAN. Well, you would if you ran out of funds.

Governor ROBERTSON. We are not going to.

Mr. PATMAN. You almost did at one time.

Governor ROBERTSON. Well, we will never have another such situation.

Mr. PATMAN. You have too much money piled up.

Governor ROBERTSON. Maybe that would be a good purpose to serve, so we wouldn't have to come back.

Mr. PATMAN. Maybe we should make it possible for you to pay a hundred percent into the Treasury, as long as there is a surplus equal to a specified amount in each Federal Reserve bank. Don't you think that would be reasonable?

Governor ROBERTSON. We suggested this in the alternative, as you know. We suggested we be authorized to turn over to the Treasury amounts, or put it in franchise tax, and that was the one selected. We don't care which way it is. We think the money must go to the Treasury.

SENATOR OWEN ADVISES FEDERAL RESERVE BUY U.S. SECURITIES AND CANCEL THEM

In 1938 when Senator Owen was testifying on H.R. 7230, he advocated putting more money into circulation for the convenience of the people, full employment and to get our country out of a depression. The following colloquy appears at page 207 of the hearing:

Mr. LUCE. How would the Federal Reserve banks exercise the power of creating money?

Mr. OWEN. By buying the bonds of the United States and canceling the bonds.

Is there any reason why a Government bond should not be canceled when it is paid?

FEDERAL OFFICIAL SAYS GOVERNMENT MONEY PAID FOR GOVERNMENT BONDS HELD BY FEDERAL RESERVE

July 15, 1957, Mr. Martin, Chairman of the Federal Reserve Board, testified before the Banking and Currency Committee of the House on S. 1451 as follows:

Mr. PATMAN. Now then, Mr. Martin, isn't it a fact that these Federal Reserve notes that you issue and exchange for these bonds are obligations of the United States Government, just as are the bonds?

Mr. MARTIN. That is right.

Mr. PATMAN. In other words, each note says on its face: "The United States promises to pay to bearer on demand so many dollars."

That is just as much a Government obligation as a United States bond maturing 10 years from now, isn't it?

Mr. MARTIN. It is money.

Mr. PATMAN. It is an obligation of the Government.

July 15, 1957, Mr. Martin testified, as disclosed at page 55 of the hearings, as follows:

Mr. PATMAN. * * *

Now, these statements of the Federal Reserve Board, covering the 12 Federal Reserve banks, shows that 96 or 97 percent of all the earnings of all the Federal Reserve banks comes from interest on Government bonds.

Now, Mr. Martin, in acquiring those bonds for the 12 Federal Reserve banks, isn't it a fact that you don't use as backing for the money which you exchange for those bonds, for instance $23 million worth for the Dallas bank, you didn't use the reserve of the member banks; did you?

Mr. MARTIN. That is correct.

Mr. PATMAN. You did not use the capital stock of the member banks; did you?

Mr. MARTIN. That is correct.

Mr. PATMAN. You did not use the reserves or the surplus funds of the member banks?

Mr. MARTIN. That is correct.

Mr. PATMAN. Isn't it a fact that the only thing you used was money that you created which, of course, you have a right to do under the law? You created $23 million in Federal Reserve notes. Whether you actually transferred them physically or not, the result was that you created that much in Federal Reserve notes and traded them for United States Government bonds. That is correct; is it not?

Mr. MARTIN. That is one way of stating it.

HIGH-POWERED DOLLARS

When Mr. Martin, Chairman of the Federal Reserve Board, was testifying on S. 1451 before the Banking and Currency Committee of the House, page 391, the following occurred:

Mr. PATMAN. This is what you call high-powered dollars, isn't it?

Mr. MARTIN. Oh, no.

You are talking about Federal funds?

Mr. PATMAN. Federal funds. Aren't these high-powered dollars? Aren't these the reserves which they have in the Reserve banks, that they are lending to another bank?

Mr. MARTIN. Yes, sir, they go around in that way.

Mr. PATMAN. Well, that is high-powered money, isn't it?

Mr. MARTIN. Yes, sir, Federal funds in that sense.

COULD GET ALONG WITHOUT FEDERAL RESERVE STOCK TODAY

Mr. Martin testified, page 396 on S. 1451 in July 1957 about the stock owned by the member banks in the Federal Reserve banks as follows:

Mr. PATMAN. And it cannot be voted except according to the rules that you explained to him.

For what purpose is that money used, Mr. Martin? Can you name one purpose for which that money is needed, except as you said, that it creates a good relationship with the banks and makes them feel they are part of the System. Outside of that, what purpose does that capital stock serve?

Mr. MARTIN. I don't think it has any purpose at the moment. I think originally it was part of the organization capital of the Federal Reserve banks.

Mr. PATMAN. To set up the Reserve banks?

Mr. MARTIN. Certainly.

Mr. PATMAN. But now it is not needed at all, is it?

Mr. MARTIN. I think we could get along without it today.

Mr. PATMAN. All right.

WHO FIXES INTEREST RATES

Mr. PATMAN. What do you expect the interest rate to be after the war?

Mr. ECCLES. I think the interest rate is largely a controlled factor; that is, the interest rate is pretty largely what the Federal Reserve and the Government make it. (Hearing before the Banking and Currency Committee of the House of Representatives, June 17, 19, 1942, on bill, H.R. 7158, p. 33.)

EAT THEIR CAKE AND KEEP IT

In a statement I made on the floor of the House August 23, 1935, the following appears:

The 12 Federal Reserve banks now own about $3 billion of Government securities. These securities were purchased with the Government credit—a blanket mortgage that I have described. Ordinarily you would think that when a Government security is purchased by Government credit that the interest would cease to run against the Government on the obligation purchased, but in this case the Federal Reserve banks continue to collect interest on the obligations so purchased. The situation is analogous to that of one who owes a mortgage on his home for $10,000, giving a neighbor $10,000 to pay the mortgage holder, the neighbor paying the mortgage holder $10,000 and having the mortgage transferred to him, the neighbor, who holds it and continues to charge the homeowner interest on the mortgage that he has liquidated. If the homeowner continues to pay interest on the mortgage that he has furnished the money to pay he is acting as foolish as the Government.

If Members of Congress could be persuaded to give these subjects exclusive consideration for 30 days' time, it would result in proposals and laws that would save the Government and the taxpayers at least $3 billion a year interest on the national debt and the people generally much more on private and other public debts.

I am not against our banking system, including the Federal Reserve. My opposition to the way they are being managed now is due to the enormous, unjustified, unneeded subsidies and unearned interest they are receiving at the expense of the taxpayers and for forcing extortionate interest rates upon the Government and the people. The largest item in the Nation's budget, except for national defense, is for interest on our public debt which is over $8 billion a year. It is 50 percent more than all amounts paid to all veterans of all wars for all purposes, including dependents. I believe that we should encourage a profitable banking system because only a profitable system can properly serve the people as they are entitled to be served. Our banking systems have served our country well both in time of peace and war. Many changes should be made in the public interest. We should not consider abolishing a good system because some of the operators are bad and greedy

any more than we should consider destroying a fine automobile because the driver operates the car in a reckless manner.

AN ACT TO REGULATE THE LABELING OF HAZARDOUS SUBSTANCES FOR NONMANUFACTURING PURPOSES

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, I have introduced today a bill to regulate the labeling of hazardous substances for nonmanufacturing purposes.

I have long been interested in legislation for the labeling of hazardous substances. Consequently I have noted with interest the history of Federal legislation and the activities of Dr. Chevalier Jackson and the American Medical Association in spearheading the Caustic Poisons Act of 1927. Since that time, however, many new compounds for household, commercial, and industrial use have been introduced which are outside the scope of the foregoing measures. Presently, there is no broad law which requires the precautionary labeling of hazardous substances at the national level.

An attempt to correct this situation was undertaken by the Committee on Toxicology of the American Medical Association. A fair and reasonable model bill has been drafted by this group which reflects current knowledge of hazardous chemicals and the conditions under which they are employed. One of the fundamental problems in reducing poisoning is the lack of identification of hazardous ingredients and precautionary labeling on the wide variety of small packaged chemical items in general use and the influence of this lack of identification on their careless and improper handling and storage. The A.M.A.'s measure is intended to help reduce careless and ignorant handling and storage of hazardous chemicals in areas where control of exposure to these chemicals is not as efficient as in the manufacturing process. By requiring statements of harmful ingredients on labels, the bill will also aid physicians in the diagnosis and treatment of poisoning. Another intent of the bill is to apply the same labeling standards to chemicals for export to foreign countries as those for domestic consumption, thereby obviating the recurring complaint that less than standard products are sold to foreign purchasers. It is suggested that consideration be given to the use of warning symbols on labels to facilitate recognition of more dangerous products.

This measure has been under study for several years. During that time, a number of conferences were held with industry, government, public health, and consumer groups at which discussions on the bill were encouraged in an effort to obtain agreement. These discussions resulted in a measure which received the favorable consideration of over 60 national organizations including organized labor as well as the cooperative review by the affected chemical trade associations.

I believe there is merit in a Federal law which encourages uniformity in labeling and which is sufficiently broad as to be applicable to those hazardous substances which are not now so regulated. Therefore, I submit the "Uniform Hazardous Substances Act" for your consideration and I am hopeful of its passage this session.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HOLLAND (at the request of Mr. MCCORMACK), for the balance of the week, on account of illness.

Mr. THOMPSON of New Jersey (at the request of Mr. ALEXANDER), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PATMAN, for 15 minutes, today and tomorrow, to revise and extend his remarks and include extraneous matter.

Mr. FLYNN (at the request of Mr. REUSS), for 30 minutes, on tomorrow.

Mr. REUSS, for 30 minutes, on tomorrow.

Mr. KOWALSKI, for 15 minutes, on Thursday, May 28, 1959.

Mrs. ROGERS of Massachusetts, for 5 minutes, on tomorrow.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. MCGOVERN in two instances and to include extraneous matter.

Mr. REES of Kansas.

Mrs. BOLTON in two instances.

Mr. MCCORMACK and to include extraneous matter.

Mr. ROONEY, to revise and extend his remarks made in Committee and to include extraneous matter, charts, and tables.

(At the request of Mr. DEVINE, and to include extraneous matter, the following:)

Mr. CEDERBERG.

Mr. WALLHAUSER.

(At the request of Mr. MCCORMACK, and to include extraneous matter, the following:)

Mr. MORRIS of New Mexico.

Mr. CELLER.

Mr. ALGER.

Mr. WOLF.

Mr. DORN of South Carolina.

BILL PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on May 22, 1959, present to the President, for his approval, a bill of the House of the following title:

H.R. 3681. An act to provide for the free entry of certain chapel bells imported for the use of the Abelard Reynolds School No. 42, Rochester, N.Y.

THE LATE HONORABLE JOHN FOSTER DULLES

Mr. McCORMACK. Mr. Speaker, I offer a resolution (H. Res. 275) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the House has heard with profound sorrow the announcement of the death of the Honorable John Foster Dulles, a former Senator from the State of New York, and a former Secretary of State.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect this House do now adjourn.

The resolution was agreed to.

ADJOURNMENT

Accordingly (at 5 o'clock and 54 minutes p.m.) the House adjourned until tomorrow, Tuesday, May 26, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1014. A letter from the Acting Assistant Secretary of Defense (Supply and Logistics), transmitting reports on Army, Navy, and Air Force prime contract awards to small and other business firms, pursuant to Public Law 85-536; to the Committee on Banking and Currency.

1015. A letter from the Secretary of Commerce, transmitting the 47th Quarterly Report, covering the 1st quarter 1959, as required under the Export Control Act of 1949; to the Committee on Banking and Currency.

1016. A letter from the Comptroller General of the United States, transmitting a report on examination of the incentive target price for Department of the Air Force contract AF 33(600)-23393 with McDonnell Aircraft Corp., St. Louis, Mo., to the Committee on Government Operations.

1017. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Bureau of Customs, Treasury Department, through December 1958; to the Committee on Government Operations.

1018. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation entitled "A bill to amend the law providing for exemptions from jury service in the District of Columbia"; to the Committee on the District of Columbia.

1019. A letter from the Attorney General, transmitting a three-point legislative program designed to supplement the efforts of the States to eradicate from the American scene the so-called organized criminal; to the Committee on Interstate and Foreign Commerce.

1020. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of

orders entered in cases where the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of such aliens, pursuant to the Immigration and Nationality Act; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PRESTON: Committee on Appropriations. H.R. 7349. A bill making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1960, and for other purposes; without amendment (Rept. 377). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 816. A bill to set aside certain lands in Oklahoma for the Cheyenne and Arapaho Indians; with amendment (Rept. No. 378). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 5519. A bill to authorize the use of the revolving loan fund for Indians to assist Klamath Indians during the period for terminating Federal supervision; without amendment (Rept. No. 379). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 6234. A bill to add certain public domain lands in Nevada to the Summit Lake Indian Reservation; without amendment (Rept. No. 380). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 6914. A bill to donate to the Confederated Tribes of the Warm Springs Reservation, Oreg., approximately 48.89 acres of Federal land; without amendment (Rept. No. 381). Referred to the Committee of the Whole House on the State of the Union.

Mr. POWELL: Committee on Interior and Insular Affairs. H.R. 4483. A bill to amend the act of December 24, 1942 (56 Stat. 1086, 43 U.S.C., 36b), entitled "An act to authorize the Secretary of the Interior to acquire lands or interest in lands for the Geological Survey"; without amendment (Rept. No. 382). Referred to the Committee of the Whole House on the State of the Union.

Mr. THORNBERRY: Committee on Rules. House Resolution 274. Resolution providing for the consideration of H.R. 7086. A bill to extend the Renegotiation Act of 1951, and for other purposes; without amendment (Rept. No. 383). Referred to the House Calendar.

Mr. COOLEY: Committee on Agriculture. H.R. 7246. A bill to amend the Agricultural Act of 1949, as amended, the Agricultural Adjustment Act of 1938, as amended, and Public Law 74, 77th Congress, as amended; with amendment (Rept. No. 384). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PRESTON:

H.R. 7349. A bill making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1960, and for other purposes.

By Mr. ANDERSON of Montana:

H.R. 7350. A bill to repeal the tax on transportation of persons; to the Committee on Ways and Means.

By Mr. BENNETT of Florida:

H.R. 7351. A bill to prohibit the shipment in interstate commerce of certain plastic bags, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CURTIS of Missouri:

H.R. 7352. A bill to regulate the labeling of hazardous substances for nonmanufacturing purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DIGGS:

H.R. 7353. A bill to promote the foreign policy of the United States and help to build essential world conditions of peace, by more effective use of U.S. agricultural commodities for the relief of human hunger, and for promoting economic and social development in less developed countries; to the Committee on Agriculture.

By Mr. HUDDLESTON:

H.R. 7354. A bill to remove time limitations imposed for applying for correction of military records, review of discharges and dismissals, and review of decisions of retiring boards and similar boards; to the Committee on Armed Services.

By Mr. MORRIS of New Mexico (by request):

H.R. 7355. A bill to amend the Internal Revenue Code to provide a percentage depletion allowance of 15 percent for "perlite"; to the Committee on Ways and Means.

By Mr. PELLY (by request):

H.R. 7356. A bill to amend section 6, paragraph (c), of the Civil Service Retirement Act of July 31, 1956 (Public Law 854, 84th Cong., 70 Stat. 743), providing for the retirement of employees the duties of whose positions are primarily the investigation, apprehension, or detention of persons suspected or convicted of offenses against the criminal laws of the United States; to the Committee on Post Office and Civil Service.

By Mr. WAINWRIGHT:

H.R. 7357. A bill to provide for Federal grants and contracts to carry out projects with respect to techniques and practices for the prevention, diminution, and control of juvenile delinquency; to the Committee on Education and Labor.

By Mr. YATES:

H.R. 7358. A bill to amend the Internal Revenue Code of 1954 to provide an exemption from the communications and transportation taxes for amounts paid by churches, church organizations, and church-owned institutions; to the Committee on Ways and Means.

By Mr. BARING:

H.R. 7359. A bill to direct the Secretary of the Interior to convey certain public lands in the State of Nevada to the Colorado River Commission of Nevada, acting for the State of Nevada; to the Committee on Interior and Insular Affairs.

By Mr. MOULDER:

H.R. 7360. A bill to extend certain benefits to persons who served in the Armed Forces of the United States in Mexico or on its borders during the period beginning May 9, 1916, and ending April 6, 1917, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. SIMPSON of Pennsylvania:

H.R. 7361. A bill to amend the Internal Revenue Code of 1954 so as to provide for nonrecognition of gain or loss upon certain distributions of stock made pursuant to orders enforcing the antitrust laws; to the Committee on Ways and Means.

By Mr. ARENDS:

H.J. Res. 398. Joint resolution authorizing the Secretary of the Navy to receive for instruction at the U.S. Naval Academy at Annapolis two citizens and subjects of the Kingdom of Belgium; to the Committee on Armed Services.

By Mr. CANNON:

H.J. Res. 399. Joint resolution to authorize the transfer by sale or exchange of white phosphorus by the Department of the Army; to the Committee on Armed Services.

By Mr. DIGGS:

H.J. Res. 400. Joint resolution to amend the pledge of allegiance to the flag of the United States of America; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Alaska, memorializing the President and the Congress of the United States urging that proper legislation be passed by the 86th Congress allowing for appropriations to carry out immediately the school construction plans as outlined in the program request for elementary and high school construction of the Juneau area office of the Bureau of Indian Affairs for the year 1959; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of Alaska, memorializing the President and the Congress of the United States to take the necessary action before June 30, 1959, to extend the life of the Alaska Public Works program for 3 years and request authorization of $30 million and appropriation of $10 million for the year 1960 to accomplish the projects which have been approved or upon which approval is now pending by the Department of the Interior; to the Committee on Public Works.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to cooperation between Federal and local agencies; to the Committee on Public Works.

Also, memorial of the Legislature of the State of Colorado, memorializing the President and the Congress of the United States to restore to the American people the right to acquire, possess, and dispose of gold in any form, to prohibit the sale of monetary gold by the United States for industrial and artistic purposes, and to regulate the price of gold in the settlement of foreign trade balances; to the Committee on Banking and Currency.

Also, memorial of the Legislature of the State of Colorado, memorializing the President and the Congress of the United States to amend the Internal Revenue Code to allow the oil shale industry the same depletion allowance as that accorded the oil and gas industry; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Illinois, memorializing the President and the Congress of the United States relative to House Joint Resolution No. 41, adopted by the 71st general assembly, requesting a careful appraisal of the railroads' problems; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of Oregon, memorializing the President and the Congress of the United States to amend Public Law 85–422, or any similar legislation, to include presently retired members of the Armed Forces within the provisions increasing the basic pay of members of the Armed Forces, etc.; to the Committee on Armed Services.

Also, memorial of the Legislature of the Territory of Hawaii, memorializing the President and the Congress of the United States relative to transmitting a certified copy of House Resolution No. 114, which was adopted by the 30th Legislature of the Territory of Hawaii; to the Committee on Post Office and Civil Service.

Also, memorial of the Legislature of the Virgin Islands, memorializing the President

and the Congress of the United States to appropriate funds for the improvement of the harbors at Charlotte Amalie, St. Thomas, and Christiansted, St. Croix, V.I., of the United States; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of Montana:

H.R. 7362. A bill for the relief of the Crum-McKinnon Building Co., of Billings, Mont.; to the Committee on Government Operations.

By Mr. BERRY:

H.R. 7363. A bill for the relief of Chester A. Spindler; to the Committee on the Judiciary.

By Mr. HALPERN:

H.R. 7364. A bill for the relief of Dionisia Loumakis; to the Committee on the Judiciary.

By Mr. LANE:

H.R. 7365. A bill for the relief of Mrs. Nell C. Player; to the Committee on the Judiciary.

By Mr. MONAGAN:

H.R. 7366. A bill for the relief of Benjamin Esteves Miranda; to the Committee on the Judiciary.

By Mr. PIRNIE:

H.R. 7367. A bill for the relief of Chieko Sakano; to the Committee on the Judiciary.

By Mr. WALTER:

H. Con. Res. 186. Concurrent resolution favoring the granting of the status of permanent residence to certain aliens; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

195. By Mr. CARNAHAN: Petition of the Missouri Department, Veterans of World War I, United States of America, Inc., at its regular annual convention, held in El Dorado Springs, Mo., May 16 and 17, 1959, requesting the President and the Congress of the United States of America to promptly pass H.R. 1181, pension bill; to the Committee on Veterans' Affairs.

196. By Mr. REUSS: Petition of the Wisconsin Public Welfare Association in favor of uniform residence requirements, by all of the States in the Union, for any of the aids under the social security program; to the Committee on Ways and Means.

197. By the SPEAKER: Petition of Ronald A. Coco, president, Kiwansis Club of Baton Rouge, Inc., Baton Rouge, La., requesting that yearly expenditures are limited to yearly income; prevent any further increases in the Federal debt, and not to adopt any new Federal taxes, etc.; to the Committee on Ways and Means.

198. Also, petition of Jose M. Torres, president, Veterans Fraternity "Nobleza de Alma," Fajardo, P.R., relative to expressing endorsement of the bill H.R. 5926; to the Committee on Interior and Insular Affairs.

199. Also, petition of Aracelio Martinez, commander, American Legion Post No. 1, San Juan, P.R., relative to being opposed to the bill H.R. 5926; to the Committee on Interior and Insular Affairs.

EXTENSIONS OF REMARKS

White House Conference on the World Refugee Year

EXTENSION OF REMARKS
OF
HON. JOHN W. McCORMACK
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Monday, May 25, 1959

Mr. McCORMACK. Mr. Speaker, under permission to extend my remarks, I include an address made by my able and distinguished colleague from Pennsylvania [Mr. WALTER] on May 21, 1959, at the White House Conference on the World Refugee Year:

WHITE HOUSE CONFERENCE ON THE WORLD REFUGEE YEAR

Ladies and gentlemen, you will forgive me, I hope, for dispensing with niceties and generalities which the occasion and the setting of this meeting may call for. Instead, I shall take the liberty of submitting to you frankly a few thoughts and a few facts.

My legislative experience in the field of immigration, displaced persons and refugees extends now over a period of some 14 years beginning immediately after World War II. This experience, as well as my modest participation in some international activities related to that field, has taught me that there are several ways of approaching the refugee problem.

First, there is the emotional approach. It usually generates more compassion than action.

Next, there is the oratorical approach producing, by definition, words rather than deeds.

Then, there is the combination of the two aproaches, resulting in the game of numbers and developing into a sort of auction reflected in some recently introduced legislation. Yes, amateurish surveys coupled with the desire to attract public attention, have resulted in the appearance of legislative proposals replete with unrealistic numbers of refugees allegedly desiring to enter this country, numbers bearing little, if any, relation to facts and figures assembled by the United Nations High Commissioner for Refugees and the Intergovernmental Committee for European Migration. In my opinion, it is the emotional approach to the refugee problem, combined with oratorical efforts, which is responsible for the appearance of those unrealistic figures. Having presided over two recent international meetings devoted to the discussion of the refugee problem, I found myself on the receiving end—so to speak—of overzealousness and it is, probably, that experience which makes me a cold realist.

As I look around this hall, I see many people with whom I have cooperated both in this country and abroad in finding ways and means to alleviate the plight of refugees. Thus, addressing this particular gathering, I feel that I may be permitted to urge you not to use either the emotional nor the oratorical concept in your deliberations, as well as to avoid the pitfalls and the futility of the numbers' auction. I know that most of you assembled in this room are able, qualified, and equipped with sufficient experience to approach the problem realistically.

What I have in mind in the first place, is to invite you not to think and plan in terms of what some like to call a definite and a final solution of the refugee problem.

No such solution is possible as long as we live in a world divided between the free and the enslaved.

No such solution is possible as long as freedom and economic opportunities beckon from the free lands to human beings oppressed by tyrannical regimes regardless of the name under which they function.

No "crash programs," no "speed-ups," no "mop-up operations" will wipe out the refugee problem as long as conditions generating that problem continue to exist.

I do not say these things for home consumption only. A few weeks ago, when I had the honor of presiding over a special session of the Council of the Intergovernmental Committee for European Migration in Geneva, I indicated to the representatives of the many nations gathered around the table that the World Refugee Year should should not be misconstrued to be a "mop-up" operation.

In my opinion, no such "one shot" operation is conceivable. Realistic thinking and realistic planning require the awareness that, as long as there is tyranny, misery, slavery and oppression, there will always be human beings who will decide to pull out their stakes and leave their homelands, seeking freedom and economic opportunities abroad.

Sometimes the influx of refugees into the free world is but a trickle. Sometimes it is a mass exodus like the one we witnessed during and after the Hungarian revolution of 1956. But certainly, not even an armistice in the cold war, an armistice based on the fallacy of coexistence of the incompatible—a fallacy of coexistence of slavery and freedom—not even such an armistice will stop the drive of people out from the lands where Orwell's nightmare has become a reality.

With that in mind, I have endeavored to equip the United States with a long-range legal instrumentality which—if wisely used—could contribute to the resettlement of refugees and become an important factor in the widening of international cooperation and partnership of the free nations.

Earlier this morning I introduced in the House of Representatives a resolution, the enactment of which will, in my opinion, give the United States such an instrumentality.

My resolution is based on the experience gained in 1956 and in 1957, when, under one of the provisions of the Walter-McCarran Act, the United States was able to lead the other free nations in providing a safe haven and resettlement for the Hungarian refugees.

In line with this experience, my resolution amplifies the authority vested in the Attorney General of the United States under section 212(d)(5) of the Immigration and Nationality Act to parole into the United States certain aliens, if he deems such action to be in the public interest.

It could be—as it seems to me—that the existing statute is sufficient to permit continuous U.S. participation in providing resettlement for refugees in this country. However, inasmuch as the parole authority now contained in the law is discretionary in nature, and the Attorney General of the United States may not feel that the Congress desired him to use that authority in the abscence of reasons which could be deemed to be emergent, the resolution which I introduced this morning states specifically the intent of the Congress by reiterating the discretionary authority already available, and amplifying it through the use of defined criteria of eligibility of refugees for parole entry.

The criteria are patterned upon a well-tested definition of the refugee-escapee contained now in section 15 of the act of September 15, 1957, known as Public Law 85-316.

My resolution does not contain any numerical ceilings, nor does it prescribe any termination dates. Its purpose is to give the Attorney General of the United States, acting upon the recommendation of the

Secretary of State, a long-range legal weapon with which to operate in coordination with the United Nations High Commissioner for Refugees and the U.S. escapee program under continuous supervision of the Congress.

I am aware of the fact that under my resolution the Congress is actually called upon to express its full confidence that the Attorney General of the United States will use the power vested in him with foresight and care, with the best interests of the United States remaining the governing factor of his decisions. I am hopeful that the resolution, if enacted, will permit the United States to induce our allies and friends to share with us the responsibility for the resettlement of refugees and to recognize that task to be a joint and not a one-sided undertaking.

The Congress will maintain continuous close scrutiny of the parole operation conducted under the terms of my resolution by reviewing reports which the Attorney General of the United States will be directed to submit to the Senate and the House of Representatives. Should the Congress, at any time, decide that the parole operations affecting refugees should be terminated, a simple resolution passed by either the Senate or the House of Representatives will have the statutory effect of terminating the Attorney General's special authority.

Further, and again in line with our experience with Hungarian refugees, my resolution provides for the granting of permanent resident status to refugees admitted under parole after they have been in the United States for at least 2 years. After the adjustment of their status, they will be granted the benefit of the original date of entry for naturalization purposes.

I believe that in drafting my resolution I have succeeded in steering clear of the numbers game, as well as of crash programs originating from the feeling that a deadline must be met.

I believe that I have also given the Department of State the opportunity to negotiate with other governments a correlated and parallel international effort to secure a fair and equitable distribution of the refugees among more nations than those who have so far made the most sizable contribution in this field.

I would feel that I am being remiss in my duty if I would conclude my remarks at this point without leaving one additional thought with you.

Since the end of World War II, the United States has admitted 3 million immigrants. Since Hitler's advent to power this country has admitted 3.5 million immigrants. At least 1.5 million of these immigrants could be classified as "refugee-escapees" as we now define this term in our laws.

What happened to this mass of humanity? We know, of course, that the majority of immigrants who entered our country in the last two decades, are of a character very much different from the type of immigrants who arrived at our shores around the turn of the century. What is the nature and the extent of the new immigrants' contribution to our economy, to our scientific achievements, to our arts and literature, to our politics, and to our rate of crime? What is the immigrants' contribution to the increase of the population of our prisons? What is the immigrants' contribution to our Armed Forces, our universities, our insane asylums, our orphanages? There is no answer to these questions.

In leafing over old congressional documents, I found that no study of the immigrant in the United States, no study worthy of this name, that is, has been made in the last 50 years. A Commission appointed in 1907 produced reports the size of a good library. That was in 1911 and nothing was done in that field since, except politically inspired reports, unworthy of that name, and propaganda booklets produced and peddled by people with strong self-serving motives of one kind or another.

The 1911 report had a most profound influence on our immigration policy and our immigration legislation. After half a century had passed, it is certainly time to assemble a group of impartial specialists in the various fields fo human endeavor for the purpose of giving this country the benefit of a study answering some of the questions which many Americans are asking before they decide whether our long-range immigration policy should be changed.

There are 100 million more people in this country than there were when the Commission of 1907 was constituted. More than 50 million children have been born in the United States since World War II. By 1970 there will be 210 million Americans, 20 million of whom will be people over 65 years of age.

What is the capacity of the United States to absorb people? Whom and how many immigrants should we admit? Who should they be? What should be the basis for their selection?

I know full well that I could pyramid questions of this sort without anywhere finding the answers.

It seems to me that the initiative for scientific study of immigration's impact upon all facets of life in the United States should most appropriately emanate from you, ladies and gentlemen. In my opinion, it should not be a study undertaken by a governmental agency and it should not be a congressional venture. This is a field where citizens' initiative should take over so that institutions of learning, qualified foundations, and individual experts could work together.

In launching such a study this meeting will leave a lasting, most valuable imprint on the history books of this Nation.

International Educational Exchange Programs With Africa

EXTENSION OF REMARKS
OF
HON. FRANCES P. BOLTON
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Monday, May 25, 1959

Mrs. BOLTON. Mr. Speaker, upon returning from my 3-month special study mission to Africa in the fall of 1955, I noted in my report to the Congress that one of our greatest needs, both in Government and out, was information about Africa. Accordingly, one of my recommendations was that educational exchange programs should be stepped up with the facilities of higher educational institutions in this country made available in much larger measure to students from all over Africa. The purpose of this recommendation was twofold—to expand our knowledge of that long-neglected continent and to promote mutual understanding and friendship between our peoples.

It is, therefore, particularly heartening to me that the proposed exchange program with Africa for fiscal year 1960 represents a substantial increase over that of previous years. Since the inception of the international educational exchange program in 1949, 111 Americans and 271 persons from 17 African countries had been exchanged through the 1957 to 1958 academic year. In the coming year alone, however, a total of 230 exchanges are proposed. This accelerated program is in keeping with the rapid emergence of much of Africa into freedom and responsibility.

The beneficial results of these exchange activities are numerous, with advantages accruing to both the United States and Africa. For us, the program has resulted in an increasing number of American specialists on Africa, an increase in knowledge on Africa available to the American people, and an increase in interest and study in the United States on Africa.

One has only to review the teaching staffs of area training programs in colleges and universities in the United States and the membership of steering committees for important programs and agencies to realize the great importance of study and research provided by the U.S. Government and private agencies in developing a corps of American specialists on Africa. Competence has been acquired in some of the many African languages, and valuable research conducted among certain African tribes.

Publications resulting from such specialized study and research are increasingly making knowledge about various African countries available to the American people. During the last few years a growing number of magazine articles and even entire issues have been devoted to Africa.

The number of area training programs and courses on Africa in colleges and universities has been greatly expanded. Currently, some 31 institutions of higher education offer area training, research, or course work on Africa at the undergraduate or graduate level.

Discussion groups and seminars on Africa have been sponsored by various groups. An African Studies Association with a membership including 183 scholars and specialists has been established to stimulate research on Africa. Our own Library of Congress is planning to set up an African studies unit, which will compile a monthly list of publications on Africa acquired by American libraries.

For Africa, the international educational exchange program has been profoundly important. It has demonstrated a genuine interest by Americans in their future, and thus contributed enormously to the existing good will between our peoples. Moreover, it has meant needed asistance in health, education, and economic development, together with the training of Africans to assume leadership.

Africa's urgent need for trained teachers is an important consideration in the exchange program. Under the program from 1949 through the 1957 to 1958 academic year, 25 American teachers and 18 from African countries had been exchanged. These activities were supplemented by programs independently carried on by the African-American Institute, the International Cooperation Administration, and by private agencies. In the coming fiscal year an additional

20 teachers are proposed to be exchanged under the program.

Perhaps the greatest value derived from this program is the very real contribution to the development of African leadership. Many of those who come to the United States for study will return to their own countries to enter key positions in government and other areas of national importance.

Certainly these exchange programs have contributed to mutual understanding between the United States and Africa beyond any precise calculation. Close and lasting bonds of confidence and good will have developed between hundreds of Americans and persons from Africa, between anthropologists, athletes, educators, library and museum directors, political leaders, and leaders of women's affairs and organizations. In these programs we have demonstrated to the African people that Americans desire to learn about them, their history, their culture, and their languages. In turn, they have given opportunity to learn about American democracy and institutions at firsthand.

The following chart indicates the proposed exchange program for African countries south of the Sahara during fiscal year 1960:

Country	Grants to Americans	Grants to foreign nationals	Total
Angola		1	1
Belgian Congo	1	2	3
Cameroun		6	6
Central African Federation	2	11	13
Ethiopia		7	7
French Equatorial Africa		4	4
French West Africa	6	6	12
Ghana	3	18	21
Guinea		3	3
Kenya		10	10
Liberia	1	3	4
Madagascar		2	2
Mozambique		1	1
Nigeria	1	24	25
Sierra Leone		3	3
Union of South Africa	4	16	20
Tanganyika		3	3
French Togoland		3	3
Uganda		5	5
Zanzibar		3	3
African United Kingdom program	24	22	46
African Trust Territory program		2	2
African students in Europe and UAR		18	18
Regional	15		15
Total	57	173	230

Public Opinion and the Farm Program

EXTENSION OF REMARKS
OF
HON. GEORGE S. McGOVERN
OF SOUTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Monday, May 25, 1959

Mr. McGOVERN. Mr. Speaker, there has been a recent upsurge in anti-farm-price-support publicity from those who have a history of such opposition.

For example, in April the farm Journal published the results of a poll among its readers. This poll purported to show that farmers generally are opposed to price supports.

The Secretary of Agriculture and Newsweek, to name two, have cited this poll as evidence that a large percentage of farmers want lower price supports or none at all. Every Congressman has been made aware of this poll.

Life magazine in its April 16 issue ran a lengthly article appealing to its readers to notify their Congressmen to put an end to farm subsidies, as a means of obtaining a tax cut.

The May 1959 issue of the Reader's Digest contains a diatribe against farm programs.

We all have been exposed to periodic and sustained publicity to the effect that taxpayers are unhappy about farm subsidies. It is important to note, however, that such publicity has always emanated from sources most antagonistic to Government-sponsored farm programs.

I should like to insert in the RECORD the results of a poll conducted under the supervision of Dr. George Gallup, director of the American Institute of Public Opinion at Princeton. These results were widely syndicated and appeared in the May 1 issue of the Washington Post and Times Herald.

One of the questions asked of a cross-section of voters was: "Do you think there is anything for which the Government should be spending less money than it is at present?"

Only 4 percent of the voters answered that farm subsidies were an item for which the Government should spend less money.

Stated another way, 96 percent of the voters do not disapprove of the farm program, but support it and recognize its value to the population as a whole.

There are some significant features about Dr. Gallup's poll as compared to the one conducted by the Farm Journal.

First. Dr. Gallup is a qualified expert in the field of measuring current public opinion, but the Farm Journal is not.

Second. The American Institute of Public Opinion at Princeton is principally engaged in measuring public opinion, while the Farm Journal attempts to mold it. For the past several years the Farm Journal has been chief salesman of the Benson program.

Third. The techniques and methods used by Dr. Gallup are scientifically valid, whereas those of the Farm Journal are questionable at best.

It would be more representative of high-caliber leadership if our public officials, particularly those of Cabinet rank, would exercise caution in publicly citing the results of polls and surveys which do not reflect sufficient expertise in the field of measuring public opinion, or which are obviously biased.

Tobacco Imports Mushroom

EXTENSION OF REMARKS
OF
HON. W. J. BRYAN DORN
OF SOUTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Monday, May 25, 1959

Mr. DORN of South Carolina. Mr. Speaker, imported tobacco leaf reached the highest point in 1958 in approximately 30 years. So far this year, imports from two of the largest foreign suppliers, Turkey and Greece, are up 20 percent and 28 percent, respectively. From all indications, tobacco imports this year will be the highest in the history of our country.

I warned the House time and time and time again during consideration of extension of so-called reciprocal trade this very thing would happen. Of course, as night follows the day, the American tobacco farmer will be forced to plant less and less and it will cost the American taxpayer more and more in price supports.

Mr. Speaker, the following is taken from a statement I placed in the RECORD last year when extension of the reciprocal trade bill was being considered:

Eric Johnston's committee is out over the country trying to drum up support for his completely bogus foreign-trade program. The American farmer is a particular target for false slogans, innuendoes, and fear psychology. They do not dare tell the American people that foreign exports are falling off except where we are paying the other country to buy our goods. They do not dare tell the American people about the hundreds of thousands of jobs that could be added to those presently engaged in foreign commerce through a truly mutually advantageous reciprocal trade program.

A desperate attempt is being made by Eric Johnston, Charlie Taft, and company to mislead, bamboozle, and hornswoggle the American tobacco farmer. This present attempt smacks of sheer chicanery and fraud in that in a few years they will do the same thing to the tobacco farmer and the tobacco industry that they have already done to the cotton farmer and the textile industry.

While trying to fool and temporarily brainwash the tobacco farmer, the ICA, under the table and behind the tobacco farmer's back in the secret recesses of distant lands, are teaching the people the art of American agriculture with the American taxpayer's dollars. I might remind the American tobacco farmers that this same Mr. Taft is listed as an official in the International Cooperation Administration. Their policy is to play one industry against the other, to play one segment of agriculture against the other until their nefarious scheme of growing our crops takes roots all over the world in foreign lands.

We are exporting less tobacco under Johnston and Taft's policy of "trade for the benefit of foreign countries" than we did in the year 1920.

I might remind our tobacco farmers that the millions of employees of the coal, oil, lead, zinc, plywood, and textile industries could purchase millions of pounds of tobacco and smoke the cigarettes if they could be placed on full time with time and a half for overtime which they formerly enjoyed before Johnston, Taft, and company started all their one-world treatment.

Washington Report

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Monday, May 25, 1959

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the REC-

ORD, I include the following newsletter of May 23, 1959, and statement on the farm program:

WASHINGTON REPORT

(By Congressman BRUCE ALGER, Fifth District, Texas)

MAY 23, 1959.

A bill, H.R. 7007, to authorize appropriations to the National Aeronautics and Space Administration (NASA) for salaries and expenses, research and development, construction and equipment, and for other purposes, came before the House for the first time by the new Committee on Science and Astronautics. Controversy immediately developed by precedent, procedure, and economy-minded Members, because of the suspension of rules procedure which permits only 20 minutes' debate on each side, pro and con. For these reasons: (1) A new committee's first authorization bill; (2) no printed hearings; (3) $580 million involved; (4) space, a new, complicated and interesting subject matter; (5) section 4 placing space appropriation separate from the independent offices of Government—the opposition developed (including myself). It passed 294 to 128. There are many unanswered questions the committee could have answered if regular debate had been permitted.

The agriculture appropriation bill of $3,939 million brought on the usual heated debate. Activities (some necessary) are—research, disease and pest control, meat inspection, soil conservation, marketing services, school lunch, soil bank, commodity stabilization, REA, crop support loans (loans farmers need not repay)—and special activities, including international wheat agreement, emergency famine relief, Public Law 480 ($968 million) and bartered material for stockpile. The usual recriminatory charges were hurled respectively by those blaming the farm situation on not enough or too much Federal aid and control. The principal amendment demanded by Republicans placed a top limit of $50,000 on crop loans. Some support loans run into five and six figure amounts, even over a million. Actually, most beneficiaries of the program will not be affected. In 1958 on all crops there were more than 700,000 loans, but only 1,229 in excess of $25,000. The amendment passed 262 to 165 (ALGER for) despite heavy Democrat and House leadership opposition. Someone should ask who is for the small farmer?

To me, the American legislative something-for-nothing tragedy is embodied in this bankrupt farm program, which no amendments, no matter how brilliant can change. The farm subsidy program should be repealed. Although the economic dislocation of such sudden termination has prompted the administration's endeavor to gradually eliminate these supports, despite political opposition, we need to get back to first principles (see attached farm program views).

The housing bill, S. 57, brought on the year's biggest and most controversial debate. The Rules Committee's 6-6 tie blocking the costly Democrat housing bill from House consideration was broken when the leadership agreed that a much less costly Democrat substitute bill could be presented by HERLONG, of Florida. This bypassed even considering the administration bill. All three, the Democrat leadership bill ($5,800 million) the Herlong substitute ($1,300 million), and the administration bill ($1,600 million), agreed on extending the FHA loan insurance authority by $10 billion. The Democrat leadership bill included also: (1) 140,000 new public housing units; (2) $400 million for college housing loans; (3) $100 million for elderly housing loans; (4) $1,500 million for urban renewal for 3 years; (5) raise FHA mortgage amounts and duration and lower downpayment; (6) continue and expand Federal national mortgage insurance secondary (FNMA) loan market. The substitute bill differed in three ways: (1) striking out public housing; (2) cutting down urban renewal to $600 million for 2 years; (3) placing the spending under the Appropriation Committee's control, instead of direct Treasury payout. One hundred twenty-nine Republicans and sixty Democrats joined to support the substitute, but were beaten 233 (including 19 Republicans) to 189. Then the Democrats successfully beat Republican efforts to reduce the amounts and to eliminate public housing. Joint efforts resulted in keeping the spending under Appropriations Committee control 220 to 201. Other amendments approved included one to permit hotels to be part of urban renewal.

Amendments defeated included: (1) To cut out public housing (a coalition of Republicans and some beaten Democrats); (2) to make public housing bonds taxable; (3) no discrimination in public housing because of race, color or creed. My efforts were directed to (1) replacing the costly bill by the substitute; (2) eliminating public housing; (3) cutting down urban renewal amount and challenging eminent domain's constitutionality; (4) challenging the validity of the premises justifying Federal subsidies; (5) eliminating tax-exempt status of public housing bonds.

The bill passed 261 to 160 (ALGER against) and now faces a veto. If vetoed, the big spenders will have killed a housing bill for the second time.

THE FARM PROGRAM

(Statement by Hon. BRUCE ALGER, of Texas)

The farm problem is your problem. Think not? Consider for a moment:

Do you pay taxes? If you're the head of that average family we keep hearing about, you shelled out over $75 in taxes last year just to support farm prices or to funnel money directly to farmers.

Do you eat? One of the things your own tax money bought you was the privilege of paying higher prices for your family's groceries than you should have.

Are farmers your customers? No matter how you make your living, all business suffers when the sizable farming segment of our population faces lost markets and lower income. Indeed, the farm problem is everybody's problem.

Before dreaming up any answers, let's consider some fundamental questions—like what is a farm? About 2 million farms (and that's only 44 percent of them) account for about 90 percent of all U.S. farm products sold. These farmers get most of the Government aid too, but how much they've been aided by it is open to question. On the other hand, 2.7 million farmers (56 percent of the total number) raise less than 10 percent of our farm produce. Price supports have meant less than $100 extra per farm to them, and these are the fellows who are up against it. They need new income—not Government handouts.

Why the huge surpluses? Because of World War II. Facing record needs for food and fiber, Congress guaranteed farmers high price supports as a production incentive, and in this hour of need farmers came through with the greatest output per man in history. This was good for them and good for the country. But after the war, Congress continued these price support incentives, for reasons too obvious to dwell upon, and farmers continued to produce at record levels. Who wouldn't?

With crops far greater than could be marketed at these prices, Government-owned surpluses mounted. Tighter acreage controls were more than offset by technological advances in farming, and surpluses continued to pour in. 1958 saw huge overproduction again despite lowest acreage allotments in 40 years and reduced price supports. Since 1953, Mr. Benson has striven mightily to move these price-depressing Government-owned stocks—he has disposed of over $16 billion worth—but he might as well be trying to empty White Rock Lake with a bucket during a steady rain. Today, the Government has about $9 billion invested in surplus farm products—far more than we had in 1953. It's costing the taxpayer about $3 million a day in just storage and interest charges.

Where are we now? Today the efficient American farmer is like the fellow who said he could handle his enemies but who prayed for deliverance from his friends. After 25 years of politically motivated aid programs, here's what we've got:

1. Farm income down $2 billion. These huge surpluses, created by the very laws aimed at propping up farm income, hang over the market and have actually depressed farm income.

2. We have spent $18 billion tax dollars to support prices and no end in sight. Terrific cost of farm program is building resentment against farmers, and it's not their fault.

3. Automatic surpluses inevitable under present law. We spend billions to sell and give away surpluses, but, by law, price supports must be maintained at levels too high to move the crop, encouraging surplus production again.

4. Government controls shackle farm progress—abolish efficiency, 40 percent of cotton acreage allotments amount to less than 5 acres—three-fourths of burley tobacco growers each permitted 1 acre or less. Efficient farming on this basis impossible. A ceiling (and a low one) is thus set on farmer's opportunity to progress.

Cure-alls by the bushel: Another surplus we have created is in programs and schemes to save the farmer. Each day's mail here brings its quota of plans. Some call for more and higher price supports, some for a two-price plan (high at home—cheap abroad) and some for direct handouts to farmers. All that I have seen, it seems, would create as many problems as they might solve, and contain the seeds of self-defeat.

Some simple facts: (1) All political attempts to solve this essentially economic problem have failed; (2) the small farmer, who really needs help has benefited but little from price support programs; (3) Government's legitimate role should be to help farmers help themselves through research, educational, and marketing programs; (4) nothing has ever worked so well as freedom.

Does freedom work on the farm? With price supports and controls, U.S. cotton acreage today is about one-third of what we planted in 1930 while world acreage is up. We have lost our markets at home and abroad to foreign competition and synthetics. Meanwhile, back at the ranch unsupported and uncontrolled beef producers are thriving and beef consumption (56 pounds per person in 1951) had soared to over 85 pounds per person by 1956. The only commonsense farm program is one based on freedom for the farmer—freedom from quotas, freedom from controls, yes and freedom from stultifying high price supports.

The administration and Secretary Benson have tried manfully to free the farmer from Government controls, to return to him free choice in managing his own farm and to return his produce to a free marketplace. At best, the transition would take time, for the present situation isn't the farmers' fault, and sudden economic dislocation wouldn't benefit anybody. However, Benson keeps plugging away at getting started in this direction, bitterly opposed at every step.

The issue will eventually be resolved by you, the voters. As I said, the farm problem is your problem too.

U.S. Technical Cooperation Activities in Public Administration

EXTENSION OF REMARKS
OF
HON. FRANCES P. BOLTON
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Monday, May 25, 1959

Mrs. BOLTON. Mr. Speaker, one of the major needs of the newly independent countries lies in the area of improved public administration. The serious lack of managerial skills and government experience in these countries is a critical barrier to economic development, and a potential threat to political stability. Until inefficiencies are reduced or eliminated much will continue to be wasted in terms of manpower and other resources.

Quite often the organization of government agencies is outmoded and cumbersome, with considerable overlapping between agencies charged with related functions. In most underdeveloped countries the governmental employees are poorly paid and inadequately trained in their duties. This condition encourages personal irresponsibility, and occasionally leads to graft and unscrupulous conduct.

Modern concepts of good budgeting have been adopted by only a few of these countries, and governmental administration is uniformly overcentralized. Inadequate facilities exist for training people in the principles and techniques of good management, with the few technological institutes occupying a position similar to our vocational schools. As those persons desiring to be trained in the technical and scientific fields must generally go abroad to study, comparatively few have received proper training in management.

In our technical cooperation program we have recognized these inadequacies and have carried on an extensive program in the area of public administration, always at the invitation of the host country. At the present stage of the program, most of the projects are centered upon problems at the National Government level. It is anticipated, however, that appreciation and concern for problems of local governments will increase, and the technical assistance emphasis may correspondingly shift from national to local levels.

One of the most effective techniques for improving public administration abroad has been found to be the participant program. In this program carefully selected officials and technicians are brought to the United States for observation and study of public administration methods. During calendar year 1958 nearly 900 participants, ranging from the highest officials to young persons of ability and promise, came to this country under the program. Some 300 more were sent to other countries for training, many to the Institute of Public Administration at the University of the Philippines, and the American University in Beirut. Many of these persons are expected to assume key positions in their respective governments upon returning home, where their decisions can determine the future course of efforts to improve public administration.

Contracts have been made with some 15 outstanding American universities to assist in some 20 projects in public administration. Most of these are for professional advice and staffing of about 15 business and public administration institutes abroad, established with the help of American universities under ICA-financed contracts.

A partial listing of accomplishments in the public administration program may serve to illustrate the type of projects carried on under the program.

In the Philippines an ICA financed contractor concluded a government reorganization project which produced some 41 reorganization plans, and well-trained Filipino staff in a newly established management service division of the budget commission to put the plans into operation. The commission, assisted by another ICA contractor, completed the installation of performance budgeting for the entire government.

Through a contract with the University of Michigan, an Institute of Public Administration has been firmly established. Instrumental in founding the Eastern Regional Organization for Public Administration, the institute is conducting third country training for many government employees from neighboring countries.

In Pakistan an executive development scheme for members of the superior civil service will bring 2 groups of from 15 to 20 of these top Pakistani officials to the United States for management seminars and workshops at the University of Southern California and on-the-job associations with local, State, and Federal officials each year for 3 years. This training of the top layer of civil servants will prepare the ground for further efforts by the United States to introduce modern management concepts in Pakistan.

The Eastern Regional Organization for Public Administration formed by 10 Asian countries in Manila last summer, is clear evidence of greater understanding of the values and role of modern public administration among countries of the Far East. EROPA will have its secretariat in Manila—supported by a small ICA grant from Far East regional funds—a research, documentation and dissemination center at Saigon—assisted by Michigan State University contract personnel—and a training center at New Delhi.

The Wharton School of the University of Pennsylvania is helping the University of Karachi create an institute of business and public administration. The institute now has a student body of approximately 650 students, including evening school and special students, and has generated great interest in the business community.

The Iranian Government, with the help of ICA advisers, has completed a plan for classification and standard compensation of all governmental employees, and legislation was drafted for the creation of a central personnel agency. More recently, the Government has released a considerable number of excess superannuated employees.

An Iranian Municipal Association has been formed to assist in development of improved municipal administration—one of a number of steps to strengthen government at the grassroots.

Toward the close of calendar year 1958, with the collaboration of ICA advisers, the Iranian Government began a program of decentralization, including the delegation of increased authority and responsibility to provincial and district authorities. The plan is being fully supported by the Iranian Ministry of the Interior. While it is too early to evaluate results, it is significant that the decentralization of what has been a highly centralized government is now seriously being pressed.

Mr. Speaker, these selected programs suffice to demonstrate the valuable work carried on by our technical cooperation program in the field of public administration. While the immediate results of this program may not be so readily apparent as in certain other programs, the long-range benefits will be highly significant.

New York Democratic Delegation Urges Nuclear Powered Carrier To Be Built at Brooklyn Navy Yard

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, May 25, 1959

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement from the New York Democratic delegation in the House of Representatives:

The New York State Democratic delegation expressed keen desire to have built at the Brooklyn Navy Yard a nuclear super aircraft carrier. The Brooklyn Navy Yard has the expertise, skilled labor, and facilities to build this nuclear-powered supercarrier.

Carriers have proven their worth many times since World War II. Whenever the United States and its allies were faced with threats to their mutual security on foreign soil, our aircraft carriers were alerted and prepared to cope with the crisis. They were used successfully in local conflicts in Quemoy, and Matsu, Korea, Lebanon, Jordan, etc. The old conventional type of aircraft carriers have become obsolete becaues of their shorter runways. Longer runways are required to accommodate the latest jet aircraft.

Billions of dollars are being poured into outer space research and development. Aircraft carriers should be a matter of deep concern for our defense and offense. They are a lot closer to us and of more immediate need. A supercarrier would be used as a missile launcher. It would have a decided advantage over missile bases, which are stationary. The aircraft carrier would be a mobile base and could easily elude the enemy's lethal weapons. Its own array of jets would be a protective curtain.

It is estimated that a nuclear carrier will cost between $370 and $390 million, but its cost could be amortized over the years.

There would be a great saving of fuel space and fuel costs.

As Vice Adm. John T. Hayward stated in a recent telecast, not only are jet bombers here to stay, but in time they will be equipped with the latest missiles. Our mobile aircraft fleet will be needed to bring them within range of the vital targets within the enemy's home borders.

We believe that we must not only plan ahead but must make firm all facets of our lines of defense. Aircraft carriers today are in the forefront of that main line of defense. A delay of a year or two means a delay of 5 or 6 years in obtaining a carrier prepared to defend us.

VICTOR L. ANFUSO, CHARLES A. BUCKLEY, EMANUEL CELLER, JAMES J. DELANEY, ISIDORE DOLLINGER, THADDEUS J. DULSKI, LEONARD FARBSTEIN, JAMES C. HEALEY, LESTER HOLTZMAN, EDNA F. KELLEY, EUGENE J. KEOGH, ABRAHAM J. MULTER, LEO W. O'BRIEN, ADAM C. POWELL, JOHN J. ROONEY, ALFRED E. SANTANGELO, SAMUEL S. STRATTON, LUDWIG TELLER, and HERBERT ZELENKO.

Distinguished Educator Retiring as President of Central Michigan College

EXTENSION OF REMARKS
OF
HON. ELFORD A. CEDERBERG
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Monday, May 25, 1959

Mr. CEDERBERG. Mr. Speaker, one of Michigan's best known and distinguished educators is retiring from the presidency of a college, the affairs of which he administered for 20 years.

Central Michigan College at Mount Pleasant, Mich., and in the 10th Congressional District, will lose the services of a devoted man when the resignation of Dr. Charles L. Anspach becomes effective on July 1. However, deeply imbedded on the campus will be the inspiration woven into the school's fabric by the character of Dr. Anspach and by his devotion to everything that contributed to the advancement of the college.

Under the direction of President Anspach, Central Michigan College rose in stature to the point where the Legislature of the State of Michigan has just enacted legislation granting the school university status, effective June 1.

Not only has Dr. Anspach given unstintingly of his time and effort to foster the growth of Central Michigan College and strengthen the character of its students, but he has found time to participate in the civic affairs of the community and of the State.

Dr. Anspach's sterling qualities of mind and heart coupled with his warm, outgoing personality and sparkling sense of humor have caused him to be very much in demand as a speaker.

In Dr. Anspach's 20 years at Central Michigan College the school grew from an enrollment of 2,284 to 7,247; its faculty more than doubled to nearly 300; and its physical plant value multiplied from $4 million to $28 million. The campus itself increased from 50 to 235 acres.

Research and special studies have been emphasized with the college receiving well over $400,000 from a number of sources including the Fund for Advancement of Education, Atomic Energy Commission, and Dow Chemical Co.'s National Science Foundation.

Dr. Anspach could have continued as president of the new university, since he is several years from the mandatory retirement age, but true to his makeup he expressed his feeling that the new university should have a younger man at its helm as the school moves into a new status.

Although we in Michigan are sorry to be losing the active services of Dr. Anspach, we are pleased that he has agreed to remain as president emeritus. I am also glad that he has indicated his intention of remaining one of my constituents in the 10th district because I value his counsel and enjoy his companionship during the occasions when our travels bring us together.

I join Dr. Anspach's friends—and they are legion—in wishing him and his charming wife, Mary, many happy years of retirement.

Depletion Allowance for Perlite

EXTENSION OF REMARKS
OF
HON. THOMAS G. MORRIS
OF NEW MEXICO
IN THE HOUSE OF REPRESENTATIVES
Monday, May 25, 1959

Mr. MORRIS of New Mexico. Mr. Speaker, if it were possible for everyone to study all of the aspects of our Revenue Code I am sure that the phrase "depletion allowance" would not connote something undesirable. We have all read of late the term "tax giveaway" or "outright subsidy," so perhaps it is well to recall that we have had a depletion allowance in one form or another for nearly 50 years, and if such an allowance were not in the best interests of the land the Congress would have voted it out of existence long ago. This section of the revenue code has been periodically changed or modified until today the allowances are pegged equitable to known values of material and limited so that they cannot become excessive. A majority of the areas of controversy have been settled in the courts and we have a good workable law. Perhaps one of its best features is that it leaves in the hands of the Congress the periodic determination of just compensation in any particular area and rectification where considered appropriate without disturbing the body of the law or affecting other materials. Adjustments can be accomplished by changing the percentage depletion allowance for a group of materials, or by moving a particular material from one group to another.

A case in point is perlite, a relative newcomer to the field of expandable aggregates which have become of such commercial importance. Their uses now range from building construction, throughout industry, and into farming. When the benefits of depletion were extended to perlite in 1951 it was a new mineral whose real commercial use extended only over 5 years. At that time there was not sufficient data at hand, or operating experience to show exactly where perlite would fit into the field of expandable aggregates. The depletion allowance was therefore quite properly established at a conservative 10 percent and then maintained at that level in the Revenue Act of 1954. Since that time the uses of perlite in its original and newer fields have come to closely parallel those of vermiculite, diatomaceous earth, fuller's earth, bentonite and gilsonite, each with a 15 percent depletion allowance. It is in no way intended to convey the impression that these materials enjoy an inordinate allowance as it is realized they may well be operating under difficulties themselves. Nonetheless, this difference in percentage allowance coupled with certain operational problems peculiar to perlite, has made competition on an equal basis impossible.

To one of our industrial States a small change in the depletion allowance of a material is of minor importance. In all probability it will result only in an eventual small variation in the cost of some finished product. To a mining State, however, a small change in percentage depletion compensation for one of its mining industries can be of great and continuing importance. It can spell the difference between success or failure of a relatively new enterprise. It can determine the rate of growth of a well-established one with its effects on local employment and wealth of the State. In fact it can determine whether or not a material will continue to be mined year after year or will eventually be abandoned for lack of new sources. Therefore, today I have introduced a bill to amend the Internal Revenue Code to provide a percentage depletion allowance of 15 percent for perlite.

Social Security Coverage for Self-Employed Physicians

EXTENSION OF REMARKS
OF
HON. GEORGE M. WALLHAUSER
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Monday, May 25, 1959

Mr. WALLHAUSER. Mr. Speaker, on Wednesday of last week, I introduced a bill, H.R. 7295, designed to provide coverage under the Social Security Act for self-employed physicians.

The bill, which is designed to break through a long-existing bottleneck that has stymied such legislation in past Congresses, would—

First. Grant the right of election of coverage to present self-employed physicians.

Second. Automatically cover all persons who enter the field of medicine as

self-employed physicians after enactment of the bill into law.

As we all are aware, self-employed physicians now are one of the few groups in the Nation not covered under the Social Security Act, and it is my belief that acceptance of the proposals contained in my bill could overcome the difficulties that have prevented extension of coverage to the medical profession.

Two major reasons are attributed for the failure to bring self-employed physicians under the Social Security Act. One is the opposition of some in the medical profession to compulsory coverage. The other is the opposition of the legislative and executive branches of Government to elective coverage because of long-established social security policy.

My proposals call for a slight shift in the two positions so that a compromise can be reached.

Under my bill a presently self-employed physician would have to choose whether or not he or she wanted to participate in the social security program by the due date of his or her second income tax year after enactment of the bill. A signed declaration of noncoverage, which would be necessary under terms of the bill, would be irrevocable.

Thus, those presently self-employed physicians desiring social security coverage for themselves, their wives, and their children could obtain it, while those opposing it would not be forced to accept it. This could answer, at least in part, the objections of those sternly opposed to compulsory coverage.

In the case of those who are to become self-employed physicians, they would be automatically covered by social security from the start of their practices. In most instances, this would mean a continuation of coverage they have had while employed in hospitals or other types of public and private employment.

Because this proposal would mean that all self-employed physicians eventually would be covered by social security, just as are members of other professions and other working men and women, it might well provide a means of compromise for those opposed to elective coverage.

Unless there is a complete change of attitude by the opposite parties in this matter, an insistence upon complete elective or complete compulsory coverage can mean automatic defeat for any effort to give social security protection to the many in the medical profession who desire it. I do not believe we should shut the door in the faces of those physicians and their families.

Possibly because my late father and my late brother were members of the medical profession, many physicians have contacted me since my election to the Congress last year and asked that I take what I consider the necessary steps to give them the social security coverage now enjoyed by a vast, vast majority of working Americans.

I believe my bill will accomplish that purpose in the shortest possible time.

In closing, I would like to cite a recent poll of the Essex County Medical Society in New Jersey to indicate the number of physicians who want social security coverage. In that poll, the members of the society, many of whom live in my congressional district, were asked: "Are you in favor of compulsory social security for physicians?" A total of 1,209 replies were received and the tabulation was: Yes, 822; no, 377; and undecided, 10.

The Crisis in Agriculture: Wheat

EXTENSION OF REMARKS
OF

HON. GEORGE S. McGOVERN

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 25, 1959

Mr. McGOVERN. Mr. Speaker, there is no domestic problem confronting the American people that is so serious as the mounting crisis in agriculture.

The 86th Congress will have failed a crucial test of its responsibility if we adjourn without constructive action to meet this crisis in our largest and most essential industry.

The farm problem is a national problem affecting every home in America—the farmer squeezed between low farm prices and rising costs, the taxpayer plagued by costly and ineffective existing programs, the worker and businessman who depend upon farm purchasing power to absorb their products, and the consumer who depends upon a healthy agricultural establishment for his daily bread.

The House Committee on Agriculture has reported legislation designed to meet one of the most urgent aspects of the farm problem—the pileup of wheat surpluses.

This legislation calls upon wheat farmers to cut back their wheat acreage by 25 percent, in return for which they would be offered 90 percent of parity price supports on their new smaller production.

For the 2-year period covered by the bill—1960–61—it would reduce wheat production by 480 million bushels and would lower costs of the wheat program by $528 million.

I respectfully submit that this is a bill clearly superior to the wheat legislation recently passed by the other body.

It is my hope that the positive step toward a solution of the farm problem offered in the House wheat bill, H.R. 7246, will win quick approval by the Committee on Rules and the membership of the House.

The major provisions of the bill, as summarized in the excellent committee report, are as follows:

First. Each farm acreage allotment of wheat, under the 55 million national allotment, would be reduced 25 percent in 1960 and 1961. This land in the 25 percent reduction would not be eligible for the soil bank or for planting to any crop subject to price support under the Agricultural Act of 1949.

Second. Producers who grow no crops on land and do not graze the land in the 25 percent reduction would be eligible to receive payments in kind—wheat—equivalent to one-third of the average annual production of the retired acres during the preceeding 3 years.

Third. The support price would be at 90 percent of parity in 1960 and 1961.

Fourth. All growers, cooperators and noncooperators, would be eligible for price support at 50 percent of parity, if marketing quotas are disapproved by more than one-third of the growers voting in referendums.

Fifth. The 15-acre exemption would be reduced to the smaller of 12 acres, or the highest planted acreage in 1957, 1958, or 1959, and the 200-bushel exemption would be repealed.

Sixth. The 30-acre ceiling on the wheat-for-feed exemption would be removed, and there would be no limit on production for on-the-farm use.

Seventh. For the 2 years this program is in effect it would increase the present penalty for overplanting from 45 percent of parity to 65 percent, and the penalty computations would be based on double the normal yield or the actual yield, whichever is lower.

Eighth. If marketing quotas are disapproved, the Commodity Credit Corporation could not release wheat from its holdings at less than 75 percent of parity, plus 5 percent, plus carrying charges.

Ninth. Voting eligibility for marketing quota referendums would be based on the previous year's planting record rather than on the announced intention of planting for the coming year.

Tenth. Acreage histories for the 2-year life of this program would be automatically preserved.

At the end of the 2 years, the wheat program would revert to the program provided under present law, unless the Congress takes further action before the 1962 crop is planted.

Growing Menace of Mail Order Obscenity

EXTENSION OF REMARKS
OF

HON. EDWARD H. REES

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 25, 1959

Mr. REES of Kansas. Mr. Speaker, under unanimous consent heretofore granted, I am including a copy of a release by the Postmaster General calling attention to the ever growing menace of mail order obscenity. General Summerfield urges the immediate need of concerted action in an attempt to deal with this serious problem:

GROWING MENACE OF MAIL ORDER OBSCENITY—SMUT MERCHANTS CONCENTRATE ON CHILDREN—FILTH SALES TOP HALF-BILLION DOLLARS—POSTMASTER GENERAL DECLARES WAR ON RACKET—NATION'S PARENTS ARE KEY TO EFFECTIVE ACTION

WHAT IS THE MAIL ORDER OBSCENITY RACKET?

The vile racket that traffics in obscenity and pornography by mail has now reached a sales level estimated at more than a half billion dollars a year.

Relying on the historic sanctity of first-class mail in the United States, and liberal

court interpretations of what constitutes obscenity, peddlers of filth can reach into virtually every home in America.

This is a matter of growing concern especially to American parents because teenagers and even grade school boys and girls are becoming the principal targets of these racketeers.

The Post Office Department, which is responsible for enforcing the laws against transmitting indecent literature and film through the mail, estimates that merchants of filth will double the scope of their already extensive operations over the next 4 years unless parents and the decent-minded public join in a determined campaign to stamp out this racket.

Postmaster General Arthur E. Summerfield has emphasized that the absolute privacy of the mail is a basic American right, and that the Post Office Department cannot, and will not, violate this right, even when it has strong evidence that the mail is being used for unlawful purposes.

The Post Office Department, therefore, must rely on the complaints of an alert citizenry—of people into whose homes solicitation material is sent—to take action against the purveyeors of mail order obscenity.

ANTIQUATED LAWS AND LIBERAL COURT INTERPRETATIONS A HANDICAP

Until August of 1958, however, an additional handicap was placed on the Post Office Department. Obscenity laws had shackled the Government by permitting it to prosecute only at the point of origin of the mail. This meant that court actions were taken primarily in New York and Los Angeles, where interpretations of what is obscene or pornographic are much different from those in the average American community.

In recent years, the Post Office Department had urged Congress to amend the law so that prosecutions could take place where the obscene material was received, where the actual damage was being done, and where citizens would have an opportunity to express their standards of morality and decency. This amendment was enacted, and signed into law by President Eisenhower, in August of 1958.

Taking advantage of the new legislation, the Post Office Department during the past year has completed approximately 14,000 separate investigations, almost two-thirds of them based on complaints from American parents whose children received lewd solicitations for sales of obscene materials through the mails.

NO YOUNGSTER IS SAFE FROM SOLICITATION BY MERCHANTS OF FILTH

A child need not have indicated any interest in this trash to receive it in the mail. The racketeers openly solicit every young person whose name they can obtain, whether through the purchase of mailing lists, study of school classbooks, or through the use of fake business fronts. Postmaster General Summerfield says the Post Office Department has thousands of letters from indignant parents whose children received unsolicited obscene material soon after answering an advertisement to purchase some innocent item such as a baseball bat or a toy automobile, or whose names were obtained because they had joined a youth club or social group.

In a recent raid by the postal inspectors in New York City on just one dealer in pornography, 17 tons of highly obscene printed and filmed materials were confiscated, as well as mailing lists containing the names of thousands of high school graduates culled out of high-school yearbooks.

The Post Office Department estimates that between 700,000 and a million children in American homes will receive unsolicited obscene and pornographic literature through the mails this year.

POSTMASTER GENERAL URGES CONCERTED ACTION

In testifying before Congress recently, Postmaster General Summerfield said:

"Ruthless mail-order merchants in filth are violating the homes of the Nation in definance of the National Government. They are callously dumping into the hands of our children, through our mailboxes at home, unordered lewd material, as well as samples soliciting the sale of even more objectionable pictures, slides, films, and related filth. Unquestionably, these large, defiant barons of obscenity are contributing to the alarming increase in juvenile delinquency, as many noted authorities have publicly observed on repeated occasion."

Repeatedly, in the investigations of armed robbery, extortion, embezzlement, and forgery, authorities find that those guilty of the crimes were early collectors of obscene pictures and films.

Authorities also point out that sex criminals and sex murderers almost always prove to have a long record of addiction to pornographic and sadistic material. Children who are never exposed to this material, it is noted, may nevertheless be victims of sex criminals who have been exposed to it.

In a speech in Washington in May 1959 Postmaster General Summerfield said the Post Office has diligently tried to keep the mails clear of indecent materials.

In the fiscal year of 1958, he stated, investigations conducted by postal inspectors caused the arrest of 293 persons. The Post Office General Counsel issued 92 orders barring use of the mails to dealers in pornography. The arrests in 1958 were 45 percent above the previous year and—Mr. Summerfield predicted—will increase substantially again this year.

With the weapon of the new legislation in hand, he declared, the Post Office is greatly intensifying its campaign.

"We are, in effect," he said, "declaring war on these purveyors of filth, big and little, high and low."

"We are launching an intense and unrelenting effort to stop this monstrous assault on the Nation's children in every way possible.

"And we are confident that, with adequate public and legislative support, this job can be done."

FOURFOLD PROGRAM OF COOPERATION

To achieve this cooperation, the fourfold Post Office program is:

1. Drawing maximum public attention to the menace of this racket;

2. Urging parents to help apprehend the mailers of filth to their children;

3. Helping mobilize community support behind adequate law enforcement of local ordinances or State laws when these purveyors are apprehended and brought to court;

4. Rallying public opinion behind new and stiffer legislation on obscenity.

PARENTS OF AMERICA ARE KEY TO EFFECTIVE ACTION AGAINST THIS RACKET

Parents into whose homes obscene material is mailed are urged to take these two simple steps:

1. Save all materials received, including the envelope and all enclosures; and

2. Report the matter immediately to the local postmaster, and turn the materials over to him, either in person or by mail.

Postal inspectors stand ready to take action when evidence is received anywhere that the laws applying to the mailing of pornographic material have been violated.

The Congress has shown deep concern over this problem, and special committees are currently giving it serious and purposeful study.

In increasing numbers of communities throughout the country, parents, various organizations, civic groups, newspaper publishers and others are working together in determined efforts to help meet the racketeers' challenge.

By supporting and aiding the Post Office, and backing up Members of Congress and local officials who are fighting to stamp out this evil, they can look to the real success that is vital to the Nation's moral fiber and future welfare.

Credit Unions

EXTENSION OF REMARKS
OF
HON. LEONARD G. WOLF
OF IOWA
IN THE HOUSE OF REPRESENTATIVES

Monday, May 25, 1959

Mr. WOLF. Mr. Speaker, under leave to revise and extend my remarks I would like to insert in the RECORD a copy of my testimony before the Banking and Currency Subcommittee No. 3, regarding credit unions:

STATEMENT OF THE HONORABLE LEONARD G. WOLF, DEMOCRAT, OF IOWA, BEFORE SUBCOMMITTEE NO. 3 OF THE BANKING AND CURRENCY COMMITTEE OF THE HOUSE OF REPRESENTATIVES, MAY 15, 1959

Mr. Chairman, I take this opportunity to express my support of H.R. 5777 and related bills, to amend the Federal Credit Union Act, now being considered by this subcommittee.

In my home State there are more than 300 credit unions presently in operation, serving more than 100,000 members. However, only a few of these Iowa credit unions are chartered under Federal law. One of the primary reasons the credit unions in my area prefer to be chartered and operate under the laws of the State of Iowa is that these statutes are far less restrictive than the Federal credit union law, and allow State-chartered credit unions to operate in my area with more flexibility. For instance, the State law imposes no signature loan limitation on credit unions chartered under the Iowa laws. Such limitation is left to the discretion of the board of directors of each credit union. Also, the laws of the State do not specify any limitation on loan maturities, except in the case of real estate loans, in which case the loan maturity limit is 10 years. These State-chartered credit unions are providing invaluable services to the people of my district. Certainly the Federal act should be amended to increase the signature loan limitation from $400 to $1,000 and to increase the loan maturity limit from 3 to 5 years.

To my way of thinking this legislation is long overdue. We are all aware of the numerous changes which have been taking place throughout the economy during the past several years—interest rates have been rising, the purchasing power of the dollar has been decreasing, consumer credit has been on an upward trend as more and more consumer goods become available and more and more American families seek to improve their standard of living. There has been a steady growth in the number of American families who can afford at least some of the comforts once associated with the highest positions in society. The credit unions have contributed their fair share toward this increased number. This cooperative movement is truly a "grassroots" program. People in all walks of life—in schools, churches, manufacturing, and in many occupations—have had their needs and desires met through credit union loans and savings.

We are today faced with the necessity for formulating some sound methods for guiding the continued growth of our economy at a rate which will assure an adequate supply of goods and services at reasonable prices while at the same time preventing inflation. The accomplishment of this goal of economic stability depends upon the assistance of all segments of the economy—the lenders, the industrial producer, the farmer, the distributors, the small businesses and the large. The modernization of Federal credit union legislation can do much to assist in this endeavor, by facilitating the efficient operation of the individual credit unions. At the same time, an increased supply of loan funds would be made available for the provident and productive purposes of low and middle income families and individuals. The self-help quality of these institutions is a refreshing and welcome part of the economic and social scene.

During the 25 years of Federal credit unions, and the even longer period in which some of the State credit unions have operated, these financial institutions have performed a much-needed service. It is because of the real need for the services of these institutions that they have achieved such an enviable record of growth, both in membership and assets. Perhaps the most important factor accounting for this tremendous growth is the credit union's willingness to make loans to individuals for purposes which would not be acceptable to most other lenders—and at interest rates which are usually much lower than the interest charges required by commercial or mutual banks. In summary, these groups have fostered and encouraged thrift through regulated savings and prudent economic management of individual credit and financial resources. Such purposes must be served if we are to maintain a healthy economy which meets the needs of all levels of our population.

In view of the rapid changes which have been occurring in our economy, it is expedient that revisions be made in the structure of credit union operations, such as those contained in H.R. 5777. The losses suffered on unsecured loans made by credit unions have not been out of line with those of other financial institutions. Therefore, an increase in the unsecured loan maximum from $400 to $1,000 is warranted, and not unduly risky. Likewise, I believe that investment in shares of central credit unions does not carry with it any undue risk. Rather, it will provide additional dividend income and will make funds available where they are most in demand, following the natural economic course of resources flowing into areas where they can be the most productive.

Still another important proposal made by H.R. 5777 is the extension of loan maturities from 3 to 5 years. This lengthening of the period of time within which loans may be repaid is in keeping with extended periods for home mortgage repayments and other consumer installment purchases.

All of these provisions upon which I have touched, and others contained in the proposed legislation, will facilitate more adequate servicing of the credit needs of millions of individuals. We would be remiss in our duty if we did not furnish these credit cooperatives with all the assistance which can be made available through the revision of the Federal statute to bring its provisions in line with the changing times. There is no question with regard to the Federal expenditures for these cooperatives—they are self-supporting entities, under the general supervision of the likewise self-sustaining Bureau of the Federal Credit Unions. There is no question, either, with regard to the essentiality of the services rendered by these financial institutions. Approval of this proposed legislation will underscore our belief in the basic principles upon which our whole economic and social structure has been built—the perpetuation of the ideals of equality of man, freedom of opportunity and unselfish cooperation.

SENATE

TUESDAY, MAY 26, 1959

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O Thou God of the living and of the living dead, in the cloud of witnesses looking down upon us as we struggle on in an embattled world, we see the faces of those who across the generations have built roads down which high causes have triumphantly advanced. And now, in that shining company of the valiant, Thy servant, and the Nation's, John Foster Dulles, takes his place forever, having toiled terribly and having stood inflexibly for God's truth against the devil's falsehood.

Grant to us the same grace so to dedicate our lives to the great cause of a better, holier world, that, by our sacrifice, our actions, and our obedience, we may build roads for the hopes and dreams of prophetic souls who have seen the city of God across the hills of time.

And when our part is played, and our work is done, and we have fought the good fight, and kept the faith, as did the warrior whose passing is mourned in this Chamber and by free men around the globe, may we go on to larger service, grateful for the ideas which have used us on their way to coronation.

We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Friday, May 22, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

ATOMIC ENERGY AGREEMENTS—MESSAGES FROM THE PRESIDENT

Mr. JOHNSON of Texas. Mr. President, the President has transmitted to the Senate today two messages relating to atomic energy agreements with certain countries. The messages have been read in the House, and I ask unanimous consent that they be printed in the RECORD without being read, and referred to the Joint Committee on Atomic Energy.

The VICE PRESIDENT. Without objection, it is so ordered.

The messages from the President are as follows:

To the Congress of the United States:

Pursuant to the Atomic Energy Act of 1954, as amended, I am submitting herewith to each House of the Congress an authoritative copy of an Agreement Between the Government of the United States of America and the Government of Canada for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes. The agreement was signed in Washington on May 22, 1959, by the Acting Secretary of State on behalf of the Government of the United States and the Ambassador of Canada to the United States on behalf of the Government of Canada.

Proceeding from the authority contained in Public Law 85-479 approved by the President July 2, 1958, which amended the Atomic Energy Act of 1954, the agreement was negotiated for the purpose of advancing the extent of cooperation between the two countries in their common defense, particularly in the vital field of the military applications of atomic energy.

The agreement is predicated on the determination that the common defense and security of the United States and Canada will be advanced by the cooperation envisaged therein, and takes into account that our countries are participating together in an international defense arrangement. The exchanges of information and transfers of equipment provided for in the agreement will substantially contribute to the capability of the United States and Canada to meet their mutual defensive responsibilities already closely shared.

I am also transmitting a copy of the Acting Secretary of State's letter accompanying authoritative copies of the signed agreement, a copy of a joint letter from the Secretary of Defense and the Chairman of the Atomic Energy Commission recommending my approval of this agreement, and a copy of my memorandum in reply thereto setting forth my approval.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *May 26, 1959.*

(Enclosures: (1) Agreement Between the Government of the United States of America and the Government of Canada for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes; (2) copy of Secretary of State's letter accompanying copies of the signed agreement; (3) copy of a joint letter from the Chairman of the AEC and the Secretary of Defense recommending my approval of the agreement; (4) a copy of my memorandum in reply thereto setting forth my approval.)

To the Congress of the United States:

In December 1957 the heads of government of the nations members of the North Atlantic Treaty Organization reached agreement in principle on the desirability of achieving the most effective pattern of NATO military defensive strength, taking into account the most recent developments in weapons and techniques. In enunciating this agreement in principle the heads of government made it clear that this decision was the result of the fact that the Soviet leaders, while preventing a general disarmament agreement, had left no doubt that the most modern and destructive weapons of all kinds were being introduced into the Soviet armed forces.

The introduction of modern weapons into NATO forces should be no cause for concern on the part of other countries, since NATO is purely a defensive alliance.

It is our conviction and the conviction of our NATO allies that the introduction into NATO defenses of the most modern weapons available is essential in maintaining the strength necessary to the alliance. Any alliance depends in the last analysis upon the sense of shared mutual interests among its members, and by sharing with our allies certain training information we are demonstrating concretely our sense of partnership in NATO's defensive planning. Failure on our part to contribute to the improvement of the state of operational readiness of the forces of other members of NATO will only encourage the Soviet Union to believe that it can eventually succeed in its goal of destroying NATO's effectiveness.

To facilitate the necessary cooperation on our part legislation amending the Atomic Energy Act of 1954 was enacted during the last session of the Congress. Pursuant to that legislation agreements for cooperation have recently been concluded with three of our NATO partners; all of these agreements are designed to implement in important respects the agreed NATO program. These agreements will enable the United States to cooperate effectively in mutual defense planning with these nations and in the training of their respective NATO forces in order that, if an attack on NATO should occur, under the direction of the Supreme Allied Commander for Europe these forces could effectively use nuclear weapons in their defense.

These agreements represent only a portion of the work necessary for complete implementation of the decision taken by the North Atlantic Treaty Organization in December 1957. I anticipate the conclusion of similar agreements for cooperation with certain other NATO nations as the alliance's defensive planning continues.

Pursuant to the Atomic Energy Act of 1954, as amended, I am submitting to each House of the Congress an authoritative copy of three agreements, one with the Federal Republic of Germany, one with the Kingdom of the Netherlands and one with the Government of Turkey. I am also transmitting a copy of the Secretary of State's letter accompanying authoritative copies of the signed agreements, a copy of three joint letters from the Secretary of Defense and the Chairman of the Atomic Energy Commission recommending my approval of these documents, and copies of my memorandums in reply thereto setting forth my approval.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *May 26, 1959.*

EXECUTIVE MESSAGE REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting the nomination of Charles L. Powell, of Washington, to be U.S. district judge for the eastern district of Washington, which was referred to the Committee on the Judiciary.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, communicated to the Senate the intelligence of the death of Hon. John Foster Dulles, a former Senator from the State of New York, and a former Secretary of State, and transmitted the resolutions of the House thereon.

The message announced that the House had agreed to a concurrent resolution (H. Con. Res. 185) extending the felicitations and best wishes of the Congress of the United States to Miami University, Oxford, Ohio, in which it requested the concurrence of the Senate.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Antitrust and Monopoly Subcommittee of the Committee on the Judiciary was authorized to meet during the session of the Senate today.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Veterans Subcommittee of the Committee on Labor and Public Welfare was authorized to meet during the session of the Senate today.

Mr. JOHNSON of Texas. Mr. President, the Subcommittee To Investigate Juvenile Delinquency, of the Committee on the Judiciary, is scheduling hearings in Chicago on May 28 and 29. It requests that the Senate grant authority for the subcommittee to hold hearings on those days during the sessions of the Senate.

The VICE PRESIDENT. Without objection, it is so ordered.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour for the transaction of routine business; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

JOHN FOSTER DULLES

Mr. JOHNSON of Texas. Mr. President, it was with deep regret that we learned on Sunday morning of the passing of former Secretary of State John Foster Dulles. Secretary Dulles' death was a loss to this country. He was a dedicated public servant who fought for the principles in which he believed.

I have known Secretary Dulles for many years. I did not always agree with him. But I always believed that he was sincere and conscientious and did his duty as he saw it.

It is the proposal of the leadership to adjourn today until Thursday, as an expression of the Senate's profound regret and sorrow, and to permit Senators to attend the funeral tomorrow.

Mr. President, later in the day a resolution will be submitted by the distinguished minority leader; and the Senate will not be in session tomorrow.

I yield now, if the Senator from Illinois wishes to submit the resolution.

Mr. DIRKSEN. Mr. President, I shall submit the resolution directly; but I ask Senators to bear with me while I make a few observations about John Foster Dulles.

I suppose I shall never think of him again except in the framework of at least three impressive characteristics.

The first was his patience. We who are familiar with him and saw him appear before the committees of the Congress, and we who were so eager to ask him world-shaking questions, never ceased to marvel at his patience. I remember how he used to look at the ceiling and relax his facial muscles; and his answer was always studied and calm—knowing that it would be on the record, and might have world implications. But never did I see him become impatient.

I think of him often in terms of an experience which befell Phillips Brooks. When a visitor came to Phillips Brooks' study and found him irritated and impatient, he asked, "Dr. Brooks, what is the matter with you?"

The reply was, "I am in a hurry, but God is not."

Mr. President, there was a calm about John Foster Dulles which was God-like. It was a source of retreat and a source of strength, and I believe it was one of the great means of offense he had when he moved into the difficult conferences all over the world. So patience was one of his great characteristics.

The second was humility. He was inherently pious; and out of it came both the initial calm and the humility which I believe are so necessary to one in his station. His humility was also a source of retreat. The humble person never boasts of his achievements. I never saw the time when John Foster Dulles returned from a conference that he ever boasted of what he may have accomplished there. That was the essential nature of the man: He was humble; he was patient.

Finally, he was constant. If I tried to think of an appropriate term, I believe I would call him the constant warrior. He never took his eyes off the great, golden objective, which was to bring about in the world a condition in which mankind would live in amity, in harmony, and in concord.

So the three great virtues of John Foster Dulles were his patience, his humility, and his constancy. They marked the whole life of this dedicated, devoted, and pious man.

So, Mr. President, I submit a resolution for which I request immediate consideration.

The VICE PRESIDENT. The resolution will be read.

The resolution (S. Res. 124) was read, as follows:

Resolved, That the Senate has heard with profound sorrow and deep regret the announcement of the death of Hon. John Foster Dulles, a former Senator from the State

of New York, and a former Secretary of State.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That, as a further mark of respect to the memory of the deceased, the Senate, at the conclusion of its business today, do adjourn.

The VICE PRESIDENT. The question is on agreeing to the resolution.

Mr. SALTONSTALL. Mr. President, I wish to support the resolution which has just been submitted by the minority leader.

Because of my utmost respect for the late Secretary of State, John Foster Dulles, and my friendship with him, I wish to add briefly to this record.

In my public life, I know of no public official who has been more dedicated to carrying out his duties than was the late Secretary of State. And those duties concerned the safety and the future not only of those who are alive today, but also of our children in the years ahead.

He worked tirelessly for a more peaceful world and greater security for each one of us. He performed his tasks with courage, with imagination, with intelligence, and with the great knowledge which came from his long experience. He did so regardless of whether he was praised or criticized. He always took the action which he believed to be right.

Mr. President, those characteristics of John Foster Dulles are what we need desperately in fulfilling our responsibilities in the free world today and in our negotiations with countries which operate under a system of government we deplore.

John Foster Dulles' monument will be the lasting memory in the mind of every American of the principles and purposes for which John Foster Dulles stood, of the extraordinary ability with which he advocated and advanced those principles and purposes.

My sympathy and that of my family go to Mrs. Dulles and her family.

Mr. MORTON. Mr. President, I rise to support the resolution.

Mr. President, our country and freemen everywhere have lost a great leader, John Foster Dulles. His was a dedicated Christian life—dedicated to a just and honorable peace on earth; dedicated to the hopes and aspirations of all freedom-loving people; dedicated in loving service to his country, his church, his family, and his fellow men.

No other leader in the free world so well understood the full significance of aggressive atheistic communism. No man was better equipped in spirit or in mind to meet this threat.

I shall always treasure my term of service in the Department of State under his inspiring leadership. In our intimate relationship, I came to love him as an older brother.

My prayers and sympathies are with his family in this trying hour.

Mr. BEALL. Mr. President, I wish to join in support of the resolution.

I also ask unanimous consent to have printed in the RECORD an editorial on the late John Foster Dulles which appeared in the May 25, 1959, issue of the Baltimore Sun.

The sad passing on of this great man prompted comments of high praise for the former Secretary of State from all over the free world. The editorial in the Baltimore Sun reflects my own thoughts about Mr. Dulles' great contribution to humanity.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

JOHN FOSTER DULLES

John Foster Dulles whose death we mourn, was not a man of whom it can be truly said that he died a martyr to his work. His was the rare good fortune to be able to spend the years of his maturity doing just what he had always wanted to do, and doing it superbly well. He had labored all his life in preparation, and when the opportunity came he labored all the harder. The point to be emphasized, now that he is gone, and to some extent concealed during his lifetime by his appearance and manner, is that this was a joyful labor. It was a labor of fulfillment such as becomes possible only when the accident of history brings forth the right man for the moment. Mr. Dulles, as architect and executant of our foreign policy, has always been controversial, and the controversy will be resumed. But in this pause occasioned by his death, no great insight is needed to realize that Mr. Dulles was the great man of these years, not just in this country but in the world.

Nor can one honestly express regret that Mr. Dulles was unable to finish his task. For his particular task is one that will never be finished—never, at any rate so long as the two dominant themes of our times—communism and nationalism—retain their present meanings. And we may be sure that there was no one more aware of this than Dulles himself. He maintained his exacting schedule up to the moment when his physical strength—but not his mind—had given out. But he did not do so in any hope or expectation that his task might be "finished"; he did so because the execution of this continuing task had become his very life.

Cutting through the specifics of this career, what is it that Mr. Dulles did, what gives him a place in history, what is his legacy?

What he did was to hold together and strengthen and enlarge in every possible way the non-Communist alliance, an alliance both spiritual and military but inherently unstable precisely because its main elements are free people. And this he did, not just by his extraordinary skill and persuasiveness in negotiations, but by providing and, in a sense, personifying an idea.

The idea was a simple one, and one which in his case was rooted in religious faith. It was this: That the principles behind communism are profoundly wrong and must ultimately collapse—but only if opposed with unyielding resolution. He did not work for peace today, peace in his time. He knew, indeed, that overeagerness for the forms of peace at any given time is the most dangerous trap of all—leading as it must to wavering, irresolution, uncertainty, and a confusion of appearance with substance. In that sense Mr. Dulles was guilty of rigidity and was, indeed, the most rigid of men. And at times, no doubt, he was led by just such apprehensions into an inflexibility of tactics that was mistaken. But not often.

In assessing the Dulles legacy we must keep in mind always the distinction between inflexibility of tactics, which is wrong, and inflexibility of underlying principle, which is indispensable. In the tactics of diplomacy, the Dulles way may well have run its course. The world may, indeed, have reached a point when fresh approaches, made by new minds, are both desirable and unavoidable. What Mr. Dulles gave us was a certainty of conviction that must be cherished, in spite of this, and that will be weakened and eroded at our peril. That is his legacy.

Mr. CURTIS. Mr. President, may the record also show that I join in support of the resolution of condolence and sympathy to the members of the Dulles family.

Secretary Dulles was a man of stirring Christian character. He was a renowned statesman, a surprisingly fine diplomat, a man who was kind, yet who could be firm when principle was involved.

Our Nation and the free world have lost a truly great man.

Mr. MUNDT. Mr. President, I join in support of the resolution submitted by the distinguished Senator from Illinois.

Secretary Dulles was a mighty oak in today's forest of international diplomacy, and of him it can indeed be said that his passing leaves a vacant space against the sky.

In my opinion, Mr. President, John Foster Dulles was the greatest figure in the field of hammering peace out of controversy America has produced. He cruelly sacrificed his own health and his own vitality so that others could live in a world free from the scourge of war.

I suspect history will show that John Foster Dulles as Secretary of State traveled more miles, visited more countries, and conferred with more foreign leaders in their own areas of activity than did all the other American Secretaries of State combined who preceded him.

Mr. President, John Foster Dulles' mission was a prodigious one. By night and by day he flew through the air, visiting foreign countries, particularly troubled areas of the world, consulting with leaders abroad, always in the interest of international peace.

It seems to me the great genius Mr. Dulles brought to the office of Secretary of State was his capacity to negotiate; and the fact that he had firmed up his knowledge of international affairs by his almost ceaseless travels made him a negotiator of tremendous ability. In bilateral or in multilateral conferences, his became the responsibility of representing America in its great desire for peace. The fact that the world had this sustained period of his service in that office is its long-lasting tribute to the genius of John Foster Dulles as Secretary of State.

Mrs. Mundt joins me in extending our sympathies to the family of Mr. Dulles, and in mourning the passing of a great American.

Mr. PROUTY. Mr. President, I rise to support the resolution.

Already many words have been used to describe the impact on his time of John Foster Dulles. History, taking the long view, will have more to say. From the limited perspective of our day, it is difficult to speak of him and his influence and say something which has not already been said. Yet, for those who knew him personally, the temptation is irresistible to add another voice to the chorus.

As a member of the House Committee on Foreign Affairs, it was my duty for 6 years to pay special attention to the works of Secretary Dulles, and it was my privilege to come to know him personally. While I did not always find myself in complete agreement with everything he did and said, never did an occasion arise to cause me to question his integrity, his wholehearted desire for peace, and, above all, his indomitable will to advance the welfare of his country.

On May 11 I addressed some remarks to a joint session of the legislature of my State. On that occasion I said in part:

> Mr. Dulles' personal tragedy touches the heart of every one of us. He is a great patriot who has given his country the last full measure of devotion. No soldier on the line of battle could contribute more.

John Foster Dulles dedicated his life to freedom's struggle against tyranny. No monument of steel or stone can pay him greater tribute than the renewed dedication of his fellow Americans to the winning of that continuing struggle. His methods and tactics will doubtless be changed as conditions change, but the ideals for which he fought so relentlessly and the purposes for which he gave his mortal life—these will be preserved in the hearts of his countrymen and in the hearts of men who love freedom everywhere.

Mr. KEATING. Mr. President, let us remember that Mr. Dulles was, all too briefly, a Member of this body.

On July 7, 1949, my predecessor, Irving Ives, rose on this floor to announce that the Governor of New York had just appointed John Foster Dulles a Senator from New York to fill the vacancy occasioned by the resignation, due to ill health, of Senator Robert F. Wagner. Whereupon the late Senator Vandenberg, of Michigan, took the floor to epitomize Mr. Dulles in these eloquent words:

> His long association in the active leadership of the spiritual forces of this Nation is the key to his character.

Senator Vandenberg said further of the newly appointed Senator Dulles:

> His long association with public affairs in intimate work for collective security and world peace is the key to his public attitudes. We are to associate, Mr. President, with a great mind, a great heart, and a great experience, and I, for one, am happy to embrace this immediate opportunity to express my deep gratitude that the Senate is to enjoy the advantage of the membership of this distinguished American.

Mr. President, we can add but little here today to all that has been said and written of John Foster Dulles. Nor can we with words add significantly to his stature, for his deeds have long since made him one of the towering figures of the 20th century. We can but express the sorrow that is in our hearts at the removal from the American scene of the noble landmark, the great American, and the splendid human being, who was our Secretary of State.

In these sad days of mourning, it is appropriate to recall the principles to which Foster Dulles devoted his life—and, indeed, gave his life.

In times when people tend to be carried away with the sound of words like "flexibility" and "new aproach," a rededication of the American people to Dulles' principles would be a most fitting tribute to this man, this exceptionally capable public servant, who cared more to be right than to be popular.

John Foster Dulles knew that the most important question of our time is whether the free Western nations can stand up for a long period of years to the relentless and implacable assaults of the Communist foe—a foe whose idea of negotiations is to couple completely unreasonable demands with the ugliest and crudest of threats.

Secretary Dulles realized that the surest way to prove to the Soviets that their aggressive policies work is to yield, in the name of "flexibility," or "new approach," a piece of the free world here, a right of a free people there, upon each new outburst of demands and threats.

Appeasement is an old and tragic story in the history of free nations. While Mr. Dulles was always ready for fruitful negotiations in good faith, may it be said, to his everlasting credit; that John Foster Dulles was the solid rock upon which the waves of Communist aggression dashed violently—and then subsided—over and over again, through the significant period of American history in which we have recently lived.

Secretary Dulles' long and extraordinarily distinguished service to this Nation was based solidly upon morality and faith in God. Only a man so based and so oriented could have so magnificently withstood the clamors, the fears, the enticements of expediency and the criticism of the ill-informed which daily formed obstacles as he pursued his goal.

And in his lifetime, at least, he attained his goal. For he saved the peace.

The years ahead will tell us how enduring a monument to Foster Dulles that peace will prove to be. We cannot know this today. This much we do know:

That John Foster Dulles has shown us the road to just and lasting peace, and has taken us along that road some distance. If we prove worthy of his memory, we may stay upon that road. God grant that we shall.

Mr. BRIDGES. Mr. President, I wish to associate myself with the remarks made by my distinguished colleagues in this body paying tribute to the late John Foster Dulles. I have known John Foster Dulles for some 20 years. I was associated with him in the Senate of the United States. I maintained a close personal relationship with him over the years.

Many years ago I came to admire John Foster Dulles, but, during recent years with my admiration there has developed a profound respect for the man and for the magnificent work he has done. He has rendered a service to our country and to the free world which few other men in our history have rendered.

I join with my distinguished colleagues in paying this tribute to a great man, one who will be sorely missed in the days that lie ahead.

Mr. WILEY. Mr. President, I, too, join with other Senators who have spoken on this occasion of the passing of John Foster Dulles. I learned to know him when he was working under former Secretary Acheson. I was then a member of the Committee on Foreign Relations, and I later became chairman of the committee, which brought me into closer association with him. I have visited with him in his home. I have been with him on other occasions.

Mr. President, today the world mourns the passing of one of the greatest, most dedicated Secretaries of State, one of the ablest servants of the American people, and one of the foremost protagonists of the cause of peace, who has ever appeared on the American scene.

Rarely in history has a man come to public office so well equipped, so dedicated, so willing to give of himself, his time, his energy, and his life.

With a global outlook—firmly founded upon an intimate knowledge of the world's weightiest problems—Foster served as a major architect of our free world anti-Communist policy.

During these years, the Communists were blocked again and again in their efforts to gain control of more land and people.

Around the world, Foster's courage and determination in support of realistic policies he felt would best serve U.S. interests and world peace inspired the respect of his friends—and even of those who differed with him.

The world will continue to reap benefits from his service on into the future.

The Holy Scripture reads: "Greater love hath no man than this, that a man lay down his life for his friends." Foster displayed that kind of love—giving his whole life to the service of his country and to mankind. During these days, the outpouring of tributes from leaders in lands around the earth indicate homage to the courage, integrity, high morality, dedication, and unceasing devotion to the cause of peace and protection of human liberties with which he served our Nation and humanity.

With deep sorrow for the passing of a venerated friend and loyal servant, the free world can be humbly grateful for having benefited from his long and fruitful lifetime of dedicated service.

Mr. President, there was published in last night's Evening Star an article written by David Lawrence which I think merits reading and rereading, since it is a story about John Foster Dulles.

Also in the Evening Star of May 25, 1959, there was published an editorial entitled "John Foster Dulles."

I ask unanimous consent that the article and editorial be printed in the RECORD.

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star, May 25, 1959]

EUROPE HEAPS PRAISE ON DULLES—STRIKING CONTRAST IN APPRAISAL NOTED SINCE CANCER REMOVED HIM FROM SCENE

(By David Lawrence)

GENEVA.—The air waves of Europe have been filled with tributes to John Foster Dulles. Words of praise were broadcast by

the radio stations everywhere yesterday as the sad news of the death of the former Secretary of State became known.

The contrast between what is being said now and what was said a year or so ago is striking. Somehow the free world came to appreciate Mr. Dulles only when it was apparent that, being stricken with a fatal cancer, he would be lost to the councils of the Western governments.

Listening to the eloquent eulogy by Selwyn Lloyd, the British Foreign Minister, as it came over the British Broadcasting Co. yesterday afternoon, this correspondent felt that no more fitting appraisal could have been uttered in government circles anywhere. For, as Mr. Lloyd put it, there was no "inflexibility" about Mr. Dulles except on matters of principle, and he had the courage to stick to moral principle even in the face of the bitterest criticism.

The position of John Foster Dulles in history is in a sense being fixed earlier than might otherwise have been the case. For he was suddenly removed from the scenes of his greatest labors at a time of crisis. His statesmanship began to be appraised in the highest terms when it was realized that he would no longer be available to guide the free world.

Mistakes there were in Mr. Dulles' handling of some of the multifarious problems that came to him for solution, but he was the first to admit and to correct them. He was not rigid in a negotiation. Indeed, he was resourceful and never felt that the door should be slammed when there was a possibility of agreement.

He had a faith that the West could win the long battle with the Communists only by sticking to principle and refusing to compromise on fundamentals. His critics thought he was unrealistic and that he should accept the Soviet position as one not likely ever to change.

Dulles realized that Americans often were too impatient and sometimes were ready to appease on the false theory that this would be of benefit in the end and bring peace. He felt just the opposite—that appeasement or surrender at the time would mean dangerous complications later on and that maybe we would not have been plunged into two World Wars if firmness, instead of vacillating diplomacy, had been manifested early enough by the Western allies.

Mr. Dulles frequently was represented as a believer in a one-man department because he handled so many problems personally. But he did develop a fine staff, and his legacy is the great team in the Department of State today.

The picture of Mr. Dulles that unfriendly critics painted was that of a man who unduly influenced President Eisenhower. This was not true. Mr. Dulles always functioned as an adviser—as a lawyer to his client—pointing out the different courses of action and leaving it to the President to make the decision.

It was this quality of deference rather than any kind of domination which endeared Mr. Dulles to the President. In fact, Mr. Eisenhower's respect and admiration for Mr. Dulles constantly grew, and a deep affection developed between the two men. When Mr. Eisenhower learned that there was no hope of a recovery and that Mr. Dulles had himself recognized the facts and submitted his resignation, the grief of the President was noticeable. The hesitation in announcing the immediate appointment of a successor was due in large part to the feeling that no news should for a day or 2 at least be permitted to overshadow the story of the departing statesman from the Government he had served so long and so faithfully.

Mr. Eisenhower had tears in his eyes when, at the press conference in Augusta, he announced Dulles' resignation. To Press Secretary Hagerty, who rode away from the scene with him, the President said: "It's like losing a brother."

Somehow, since a termination of service was inevitable some future day, it is a splendid thing that John Foster Dulles, lying on his hospital bed these last few weeks, lived to see his principles vindicated in the worldwide acclaim given him.

Mr. Dulles' ambition from early days was to serve in the State Department where his grandfather, John W. Foster, had been Secretary of State in the Republican administration of President Benjamin Harrison, and where his uncle, Robert Lansing, had served as Secretary of State to President Woodrow Wilson, Democrat.

The life of Mr. Dulles was enveloped in diplomacy and foreign relations from the time he graduated from Princeton University in 1908. Just a year ago, at the 50th reunion of his class, Mr. Dulles spoke at length in an off-the-record address which moved even some of the critics of his policies. At the time they described it as an expression of deepest sincerity and the highest devotion to principle.

John Foster Dulles is gone. A great statesman—perhaps one of the greatest in modern times—has departed. While the free world today appreciates what he did, it is important now that his principles and the doctrines he preached shall not be forsaken by his own Government or by the governments of the free world for the preservation of whose liberties and freedoms he gave unstintingly and unselfishly all his ability, his strength, and his energy.

[From the Washington Evening Star, May 25, 1959]

JOHN FOSTER DULLES

He did not live to see the attainment of that goal to the pursuit of which he gave so unreservedly of his time and energies—the goal of "a just and durable peace." During his last illness, however, John Foster Dulles had what must have been the satisfaction of knowing that a host of critics had come to a better understanding of his aims, methods, and towering contributions to the cause in which he served.

It is not easy, in retrospect, to understand the motives behind the merciless and often vicious criticisms which were piled upon Mr. Dulles, and which made more difficult a seemingly impossible assignment. For, if he was not a man to win friends easily, the nature of his undertaking and his high-minded, unselfish, and skillful devotion to the cause of peace should at least have commanded respect and support. Outwardly, he ignored the savage and generally unjust attacks by those who had neither a better program nor the slightest responsibility for consequences. Being human, however, he felt the sting of these slings and arrows, and he was appreciative of such support and encouragement as he received.

Mr. Dulles, in a sense, was a complex personality. Gifted with a high order of intelligence, he was not to be easily turned aside from a course which, in his deliberate way, he had decided was both just and efficacious. It is not true, however, that he was given to dogmatic judgments and unyielding attitudes. His was a questioning mind, a mind which was constantly reappraising his own assumptions and reexamining alternatives. If a change in tactics seemed desirable, he was always receptive to the arguments, pro and con. His inflexibility, of which so much has been heard, was discoverable in his fundamental philosophy, not in methods or procedures.

A lifetime spent in diplomacy and the law had left Mr. Dulles deeply convinced that any worthwhile search for peace must be conducted within a framework of dedication to basic moral values. He believed that we must conserve our own vital interests while respecting those of other nations. And he was confident that these principles could best be preserved by a resolute and stated willingness to fight for them, if need be. In his devotion to these fundamentals, he was indeed inflexible. In the tactical details, however, he was adaptable and flexible, and the best evidence of this will be found in the number of critics whom he was able to convert into supporters and even admirers.

Mr. Dulles' place in history must be left to the historians. All that his contemporaries can say is that no man ever served as Secretary of State under conditions more difficult or more fraught with the potentials of disaster for our civilization. To the best of his great ability, he discharged his responsibilities with steadfast courage, devotion, competence and integrity. What more could have been asked?

Death came to Mr. Dulles at a time when pressures may prove to be beyond the control of men seem to be forcing a decision for war or peace. Before this year is out the decisive turn, one way or the other, may have been taken. We want to believe, and we think there is some reason to believe, that the foreign ministers and the heads of state, knowing the appalling consequences of armed conflict, will take a first small step toward peace with justice. If this should come about, it will be the finest possible monument to the memory and the works of John Foster Dulles.

Mr. JAVITS. Mr. President, I wish to join with my colleagues in the tributes paid today to John Foster Dulles, whose seat I hold in the Senate. He was succeeded by Senator Lehman, of New York, and I succeeded Senator Lehman.

I have also had a longstanding association with Secretary Dulles, encompassing all the time I have been admitted to the bar, which is now some 32 years. He was for most of that time the head of the distinguished law firm of Sullivan and Cromwell, of New York, with whom my firm had a good deal of business. I knew him as a lawyer first and foremost, as a Senator and a political colleague, and as Secretary of State.

Mr. President, a number of things have been taught us by the life of this outstanding and distinguished American. One is that it is possible for heroes to die in bed. The whole world, I think, realizes that former Secretary Dulles literally laid down his life in the cause of freedom. Perhaps his passing is the most signal demonstration of how a human being can literally wear himself out in a great cause.

Second, I do not think any man of our time more thoroughly indoctrinated the American people with the profundity and grimness of the struggle with communism and the depth of value and resources called for in us in order to cope with it. Also, I do not think any man of our time, notwithstanding all dissension about his conduct of affairs, had a deeper confidence in the fact that we could prevail—and had an excellent chance to prevail by peaceful means—if we did the right things.

These elements of his character afford tremendous lessons for the world. As the days go on and as we forget about the dissensions, which already begin to appear to be minor, the lesson of John Foster Dulles as a great world leader and great Secretary of State will be borne in very deeply upon the American people and upon the people of the world. His

heroism in life, as in death, will be an object lesson for all the world to follow.

I consider it an honor to join with so many of my colleagues today so that the permanent RECORD of the Senate will show, for Secretary Dulles' family, whom I also know—for his wife, his children, his sister, his brother, and his many other kin—what we all thought about him in a moment of solemnity such as this.

Mr. CARLSON. Mr. President, I wish to join my colleagues in expressing regret at the passing of John Foster Dulles. A great statesman has gone to his reward. John Foster Dulles lived a full and rewarding life because he had a firm and boundless faith in his God.

Those who had the privilege of knowing Mr. Dulles could not help feeling and understanding the deep conviction that his life was guided by a divine being. He never lacked the faith.

I believe that when history is written he will be judged not only for the policies which he pursued inflexibly, but will be judged as one of God's noblemen.

His character and stability stood out as a pillar of strength and virtue, not only in our Nation, but also among the nations of the world.

Mr. Dulles has left an indelible mark in the history of our Nation and has laid down the guidelines for years to come.

I express my sympathy to Mrs. Dulles and members of the family.

Mr. FULBRIGHT. Mr. President, I also wish to express my personal regret to the family of John Foster Dulles, and I desire to present to the Senate a resolution which was adopted unanimously by the Committee on Foreign Relations, and which I was instructed to read to the Senate and to send to the family of John Foster Dulles. The resolution reads as follows:

RESOLUTION BY U.S. SENATE COMMITTEE ON FOREIGN RELATIONS, MAY 26, 1959

Whereas John Foster Dulles served as Secretary of State from 1953 to 1959; and

Whereas John Foster Dulles served as a U.S. Senator in 1949 and assisted the Committee on Foreign Relations in its consideration of the Mutual Defense Assistance Act of 1951; and

Whereas John Foster Dulles served the Government of the United States in numerous other positions, notably as delegate to the United Nations Conference on International Organization at San Francisco in 1945, as adviser to the Council of Foreign Ministers in 1946, 1947, and 1949, and as representative of the United States to the United Nations General Assembly in 1946, 1947, 1948, and 1950; and

Whereas John Foster Dulles as consultant to the Secretary of State negotiated the peace treaty with Japan and the mutual defense treaties with Japan, the Philippines, and Australia and New Zealand; and

Whereas John Foster Dulles always devoted his full energy and ability to the service of his Nation; and

Whereas, the Nation, the Senate, and the Committee on Foreign Relations will deeply miss the counsel of John Foster Dulles; and

Whereas John Foster Dulles dedicated his life to the service of humanity and the goal of peace: Now, therefore, be it

Resolved, That the Committee on Foreign Relations expresses its deepest sympathy to the family of John Foster Dulles and its sincere appreciation for his lifetime of devotion to the welfare and security of the United States and the free world.

Mr. CAPEHART. Mr. President, just a few days less than 4 years ago it was my great privilege to participate with our revered Secretary of State, the Honorable John Foster Dulles, in a brief memorial ceremony at the graves of his ancestors in southern Indiana.

There, in a simply marked cemetery, lay the remains of his great-great-grandparents, George and Jane Foster. It was there, Mr. President, on June 12, 1955, that I stood by him as he revered the memory of his forebears and said:

It is from such places as this that the great men and women have come to lead our Nation.

It has always seemed to me, Mr. President, that this offhand, almost unrecorded comment, bespoke the true simplicity, and in that simplicity, the true greatness of John Foster Dulles.

That simple little ceremony, Mr. President, occurred near the small town of Otwell, Ind., in Pike County. Specifically, the ceremony occurred in the cemetery on a spot which somebody called many, many years ago Delectable Hill. The graves of Mr. Dulles' great-great-grandparents are there preserved in a guarded area.

John Foster Dulles' grandfather, John W. Foster, was a native of Evansville, Ind. He, too, served as Secretary of State under another Hoosier, President Benjamin Harrison.

Mr. Dulles came to Indiana in 1905 at the age of 17 with his grandfather when Mr. Foster was awarded an honorary doctor's degree by Indiana University from which he had graduated 50 years before.

Thus, it was just 100 years after his grandfather's graduation that John Foster Dulles returned to Indiana University where, on June 12, 1955, he, too received an honorary doctorate.

Mr. President, I shall always remember the address which John Foster Dulles delivered at Indiana University on that occasion; therefore I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

PATRIOTISM

(Address by the Honorable John Foster Dulles, Secretary of State, at the baccalaureate ceremony of the University of Indiana, Bloomington, Ind., June 12, 1955)

It is indeed a great privilege for me to be here and to have the opportunity of talking with you on an occasion which for me is full of sentiment. It was just 100 years ago that my grandfather, John W. Foster, was graduated from this university. It was just 50 years ago that he received from this university the honorary degree which, I understand, the university plans to confer upon me tomorrow. My grandfather, whose name I bear, exerted a great influence over my life and he had ideals and purposes which I have tried to make my own.

He was a deeply patriotic American. He belonged to the period which saw this country rapidly developing from a small Atlantic coast group into a Nation that spread across the continent. He fought to preserve the Union; and then on diplomatic missions and as Secretary of State he helped to spread the influence of this Nation throughout the world both in Europe and in Asia.

He deeply revered his forebears, who had been pioneers in settling this part of our Nation. He wrote a private booklet inscribed "Don't Let the Little Ones Forget," in which he told for his descendants the story of his own forebears, his grandfather, my great-great-grandfather, on whose grave I laid a wreath today, and his father.

To me that story has symbolized the spirit of our Nation. I vividly recall being told of how my great-grandfather, as a young boy of 17, had struck out into the West to get away from what seemed to him the overpopulated East. After a foot voyage of exploration, he had fixed upon a forest tract in southern Indiana, as a future homestead. He then brought his aged parents—his father was then 79 years old—from the East to settle here and gained a livelihood by hunting and by cutting hickory for hogshead hoops and floating them on a raft down the Ohio and Mississippi Rivers to New Orleans, where hogsheads were needed for molasses. Then he would walk back through the 1,200 miles of dangerous trails from New Orleans to his log-cabin home here in Indiana. Finally, he became a farmer, a merchant, and then a judge, in the growing community he had helped to create.

That spirit of enterprise, that vision, that industry, and that rugged independence have been characteristic of our Nation. There are indeed few Americans who cannot find in their family history similar stories of those who risked much and endured much to bring a dream into reality. It is those qualities which within the short span of 150 years have brought our people from national infancy into forming the greatest Nation on earth.

In some quarters there has developed a tendency to scorn patriotism. Indeed, there are a few who find patriotism unfashionable and who go so far as to assume that institutions and ideas are better if only they bear a foreign label. Also, there is a theory that this mood is necessary if we are to develop international institutions and maintain international peace.

It seems to me that love of country is one of the great and indispensable virtues. No community is weaker because the members of the families which make it up—the mother, the father, the sons, the daughters, the brothers, and sisters—are bound together by distinctive ties of love, respect, and admiration. So I am convinced that the family of nations will not be the poorer or the more fragile because the peoples who form the different nations have a special affection and pride for their own people and for the nation they form.

I recall that St. Paul took great pride, which he did not attempt to conceal, in the achievements of his own people. To me, one of the most inspiring chapters in the Bible is the 11th chapter of Hebrews where St. Paul recalls, in epic words, the great deeds which had been wrought through faith by national heroes—men and women.

Recently I was asked to open an exhibit of the oldest known print of the Bible, in the Aramaic language, and in that connection to select one of my favorite verses. I selected that portion of the epistle to the Hebrews where St. Paul, after the historical recital to which I allude, concludes by saying, "Seeing that we are compassed about by so great a cloud of witnesses, let us run with endurance the race that is set before us."

If it was appropriate for St. Paul to entertain those sentiments, I think it is equally appropriate for us. We, too, of our Nation can look back with pride to the great figures which our Nation has produced, who through faith wrought much.

Surely, we, too, can feel that we are compassed about by a great cloud of witnesses

who are observing our conduct and who by their spirit seek to inspire us to carry forward the great national and international tasks to which they dedicated their lives and to which they committed our Nation by their strivings and by their faith.

Our national course has to a unique degree been shaped by religious beliefs. Our people have in the main been God-fearing people. They believed in moral principles derived from a source above us. They were dedicated to human liberty because they believed that men had been endowed by their Creator with inalienable rights. So, they provided that those rights must at all times be respected, assuring the sovereignty of the individual against the dictatorship of the state. They were confident that the human liberty they thus assured would not be exercised recklessly and in disregard of fellow men because they were confident that our citizens would obey the moral law which prescribes the Ten Commandments of the Old Testament and the two great commandments of the New Testament, "Thou shalt love thy neighbor as thyself" and "Whatsoever ye would that men would do to you, do you even so to them."

As George Washington pointed out in his Farewell Address, religion and morality are the two indispensable supports of a free society. "In vain," he said, "would that man claim the tribute of patriotism, who should labor to subvert these great pillars of human happiness, these firmest props of the duties of men and citizens." Indeed, a society which is not religious cannot tolerate much freedom. It is dangerous to give freedom to those who do not feel under moral compulsion to exercise self-control and who are unwilling to make sacrifices for the good of others.

It results that true patriotism, which vitalizes liberty and freedom for ourselves, can never be a purely selfish force. That has been ever evident so far as our Nation was concerned. Our people have always been endowed with a sense of mission in the world. They have believed that it was their duty to help men everywhere to get the opportunity to be and to do what God designed. They saw a great prospect and were filled with a great purpose. As said in the opening paragraph of the Federalist Papers, "It seems to have been reserved to the people of this country, by their conduct and example, to decide whether societies of men are capable of establishing good government." "Failure on their part," it continues, would be "the general misfortune of mankind."

Under the impulsion of that faith, there developed here an area of spiritual, intellectual, and economic vigor, the like of which the world had never seen. It was no exclusive preserve; indeed, sharing was the central theme. Millions were welcomed here from other lands, all to share equally the opportunities of the founders and their heirs. Through missionary activities and the establishment of schools and colleges abroad, American ideals were carried throughout the world. Our Government gave aid and comfort to those elsewhere who sought to increase human freedom.

These have been the characteristics of our Nation since its foundation and those characteristics have persisted. They today make our Nation the leader in the struggle to maintain liberty in the world. I believe we can say that in these times, when despotism menaces as never before, our Nation is playing a part worthy of our forebears and is imbued with the spirit of those who founded our Republic. We have availed of every opportunity, whether it be through the United Nations or through mutual security associations with other free nations, to make our influence felt in support of freedom. We have, as a matter of enlightened self-interest, contributed largely out of our vast productivity to others who, if left alone, could not sustain the freedom and independence for which they yearn.

All of that is in the American tradition. We can be happy that that tradition thrives and is vigorous and we can take pride in the fact that, inspired by our founders who saw a great vision, we are indeed with steadfastness pursuing the course upon which they embarked us.

There come times in the life of peoples when their work of creation ends. It is easy to diagnose the symptoms of that national decadence. It is seen when a people lose their sense of mission in the world, when they think only of themselves, when they forget the Biblical injunction that, although we have different offices, we are all members one of another and that those who are strong ought to bear the infirmities of the weak. No one, be he individual or nation, is truly great who does not have the will and the capacity to help others or who is without a sense of mission.

We can take pride in our Nation because since the day of its creation, and with but few lapses, its purposes have been large and its goals have been humane. We can rejoice that that spirit animates our Nation today, and makes us still young, still vital and still capable of great endeavor. Our youth, such as you who now enter into the larger world, are spirited, not selfish nor fearful. Our religious heritage and our national traditions are not forgotten. As we are faithful to their guidance, we can have the satisfaction which comes to those who, in fellowship, are embarked on the great adventure of building peacefully a Nation and a world of human liberty and justice.

Mr. CAPEHART. Mr. President, in that address Mr. Dulles spoke great words of wisdom, as he always did. I commend that address to the reading of all Senators because it not only recounts in some detail the Indiana background of his forebears but it is a scholarly discussion of the relationship between Christianity and the American way of life as exemplified by the principles guiding the life of a great statesman.

To have known John Foster Dulles as a Member of the U.S. Senate, as Secretary of State, as a confidante in matters of foreign relations, and as a true friend is a memory which I shall forever treasure.

Thus, Mr. President, with all solemnity I speak for the people of Indiana and, more particularly, for my neighbors in Pike County, Ind., my own birthplace, in paying tribute to a Christian gentleman, a great patriot, a great diplomat, and one of the outstanding statesmen of our time, John Foster Dulles.

Mr. ELLENDER. Mr. President, the world has lost a great statesman in the death of John Foster Dulles.

He was a devoted public servant of the highest order. He served his country in many ways—in the U.S. Senate, where, in 1949 he represented the State of New York; as foreign affairs adviser to two Democratic Presidents; and, finally, in his last post, as Secretary of State.

Although I did not agree with him on many issues affecting our foreign policy, I never once doubted his sincerity of purpose.

John Foster Dulles loved America, and served her with great distinction. Even after death, that service will continue, for he left his countrymen a rich heritage of dedicated service.

Mr. HENNINGS. Mr. President, the Nation's head is bowed; the Nation's heart is heavy.

Over the land men are eulogizing the life, the deeds, the devotion of John Foster Dulles. These tributes are eminently deserved.

There is no need to speak at length on the death of this great American—this great patriot. His work, his life, speak more eloquently than anyone could possibly speak. His goal was the goal of all freedom-loving peoples. His sincerity of purpose and his devotion to duty were inspiring and selfless. His capacity and high order of ability were recognized throughout the world. He drove himself in his Nation's service unmercifully. His sense of duty was such that he imposed upon himself tasks which no doubt hastened the end of his illustrious life.

The name of John Foster Dulles will forever illuminate the scroll of the illustrious great of the Republic.

Mr. ALLOTT. Mr. President, I wish to support the resolution submitted by the distinguished minority leader of the Senate concerning John Foster Dulles. Today in this Chamber many have stood to speak in sorrow and praise about our late Secretary of State. I wish, humbly, to associate myself with those statements of conviction which constitute the profound and soaring tribute so vividly won.

John Foster Dulles was a master in his field. By training, by discipline, by dedication, by superb mental prowess, he typified the most rigorous meaning of the word "professional." He qualified to the highest degree as both a traditional and a modern diplomat.

Another quality of his leadership was the spiritual fervor which provided continuous sustenance to the unusual dimensions of his judgment on the most sophisticated and critical aspects of a humankind's destiny. He vitally recommitted us to the very essence of the founding and survival of this Nation.

A man of principle, therefore, he etched in the annals of this epoch the strength, the courage, and the stamina so desperately needed, and so frequently lacking, to bring principles to life and to clear value before the world. In a time when experts in the matters of international affairs—both scholars and practitioners—sought, honestly, to end the scary and weakening effects of the stalemate in the struggle for peace through policies of flexibility, "disengagement," and the like, he quietly, patiently, firmly, and forcefully insisted on the wisdom of his larger vision of the nature and threat of world communism. He was creatively resolute.

John Foster Dulles was both a brilliant symbol and a brilliant force of the qualities which America most stands for and most desperately needs.

We must be grateful for a President who so well recognized the true value of this man; and all of us can gain from recognizing the unique relationship of warmth and depth and trust which Mr. Eisenhower and our former Secretary of State shared.

I trust that all of us do know what a really profound moment of sorrow John Foster Dulles' death is for us, Mr. Presi-

dent, and at the same time, of course, that the power and perspective of this American's contribution assure for it an endurance and a continuing vitality which the earthly man himself could not match.

Mr. SCOTT. Mr. President, the free world mourns the passing of John Foster Dulles. He does, indeed, typify those of whom it was said in the days of ancient Rome, and of whom it is still said today, they deserve well of the Republic.

His strong voice was heard in all of the areas of controversy, stress, and turmoil. Wherever freedom stood, its banners unfurled, in defending high principle and nobility of purpose, there was found our eminent and distinguished Secretary of State.

He was indeed the very strong voice of the United States, and of all men and women everywhere who love and honor and fight for freedom, who aline themselves on the side of right and justice, and against slavery and tyranny, which are the eternal enemy of the dignity of mankind.

The world mourns John Foster Dulles. There is not another like him.

I join in the expression of grief and sadness at his passing, and in the pride which we all feel in his achievements, and in extending condolences to his family and loved ones.

The VICE PRESIDENT. Does any other Senator wish to speak on the pending resolution? If not, the question is on agreeing to the resolution.

The resolution was unanimously agreed to.

NOTICE OF HEARINGS ON APPROPRIATIONS FOR THE NATIONAL CANCER INSTITUTE—TRIBUTE TO JOHN FOSTER DULLES

Mr. NEUBERGER. Mr. President, I never had the privilege or the opportunity of knowing Secretary of State John Foster Dulles personally. However, I have long admired the courage, the knowledge, and the dedication with which he fulfilled his great responsibilities.

Mr. President, I know that at a time like this words are futile. Therefore I desire to point out that tomorrow morning, at 10 o'clock, hearings will open on appropriations for the National Cancer Institute. It will be my privilege to appear at that time and to testify, along with such eminent medical men in the field of cancer research as Dr. Sidney Farber, of the Children's Cancer Research Foundation; Dr. I. S. Ravdin, of the University of Pennsylvania Medical School; and others.

Mr. President, it seems to me that that will be the time for us to memorialize the career of John Foster Dulles, and to do so with deeds, rather than with words.

It is my hope that a generous, ample, and adequate appropriation this year for the great research programs of the National Cancer Institute will be dedicated to John Foster Dulles and to any of those who in the future may struggle with this disease.

I ask unanimous consent that a statement which I issued in tribute to Secretary Dulles may be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR NEUBERGER

John Foster Dulles will rank in history as one of the most dedicated and devoted men ever to serve as Secretary of State. He made many important contributions above and beyond the call of duty. By his early return to his post following cancer surgery several years ago, he may even have denied himself the prolonged therapy which could have prolonged his life. Mrs. Neuberger and I sympathize fully with Mrs. Dulles and other members of the Dulles family in their great loss.

MORNING BUSINESS

The VICE PRESIDENT. Morning business is now in order.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON STRATEGIC AND CRITICAL MATERIALS STOCKPILING PROGRAM

A letter from the Director, Office of Civil and Defense Mobilization, Executive Office of the President, transmitting, pursuant to law, a report on the strategic and critical materials stockpiling program, for the period July 1 to December 31, 1958 (with an accompanying report); to the Committee on Armed Services.

REPORT ON EXPORT CONTROL

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report on export control, for the first quarter of 1959 (with an accompanying report); to the Committee on Banking and Currency.

AUDIT REPORT ON BUREAU OF CUSTOMS

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Bureau of Customs, Treasury Department, December 1958 (with an accompanying report); to the Committee on Government Operations.

TEMPORARY ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered, granting temporary admission into the United States of certain aliens (with accompanying papers); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A joint resolution of the Legislature of the State of Alaska; to the Committee on Interior and Insular Affairs:

"SENATE JOINT MEMORIAL 23

"To the Honorable Dwight D. Eisenhower, President of the United States; the Honorable Richard Nixon, President of the U.S. Senate; the Honorable Sam Rayburn, Speaker of the House of Representatives; the Honorable E. L. Bartlett and the Honorable Ernest Gruening, Senators from Alaska; the Honorable Ralph J. Rivers, Representative from Alaska; the Honorable Fred A. Seaton, Secretary of the Interior; the Honorable Glenn L. Emmons, Commissioner of Indian Affairs; the Honorable James E. Hawkins, Alaska Area Director, Bureau of Indian Affairs:

"Whereas there is at present serious lack of both elementary and secondary schools throughout the remote areas of Alaska; and

"Whereas the present school facilities in such areas are overcrowded, and often dangerous due to age and condition; and

"Whereas such conditions result in some 300 school age children, particularly at the secondary level, being unable to attend school; and

"Whereas education is a prime necessity if our native people are to progress to the point of economic and social self-sufficiency; and

"Whereas the Juneau Area Office of the Bureau of Indian Affairs has plans for the construction of the needed school facilities for all such remote areas; and

"Whereas these construction plans of the Bureau of Indian Affairs clearly reflect the real and present school needs of the native communities of Alaska; and

"Whereas due to appropriation limitations these plans are scheduled out over a number of years, causing the building program to fall far behind current needs;

"Now, therefore, your memorialist respectfully urges that proper legislation be passed by the 86th Congress allowing for appropriations to carry out immediately the school construction plans as outlined in the program request for elementary and high school construction of the Juneau Area Office of the Bureau of Indian Affairs for the year 1959.

"Passed by the Senate March 30, 1959.

"WILLIAM E. BELTZ,
"President of the Senate.

"Attest:

"KATHERINE T. ALEXANDER,
"Secretary of the Senate.

"Passed by the House April 8, 1959.

"WARREN A. TAYLOR,
"Speaker of the House.

"Attest:

"ESTHER REED,
"Chief Clerk of the House."

A joint resolution of the Legislature of the State of Alaska; to the Committee on Public Works:

"SENATE JOINT MEMORIAL 26

"To the Honorable Dwight D. Eisenhower, President of the United States; the Honorable Richard M. Nixon, President of the Senate; the Honorable Sam Rayburn, Speaker of the House of Representatives; the Honorable Fred A. Seaton, Secretary of the Interior; the Honorable Chairman and Members of the Senate and House Committees on Ways and Means, Finance and Interior and Insular Affairs; and the Alaska Delegation in Congress:

"Your memoralist, the Legislature of the State of Alaska in the First State Legislature, first session assembled, respectfully submits that:

"Whereas the program for the construction of essential capital improvements through the Alaska public works of the Department of Interior has been both successful and meritorious in the years since its inception; and

"Whereas this vital program and its supporting appropriation are due to expire on June 30, 1959; and

"Whereas the impending demise of the program finds numerous needed and important projects already approved but scheduled to be shelved because of the expiration of the Alaska public works program; and

"Whereas the tremendous impact of Federal defense and other activities is still being felt by Alaskan communities in their need for expanded school, water, sewerage, and other facilities far above what the State

and local governments can or should be expected to meet;

"Now, therefore, your memorialist urges that the President and the Congress take the necessary action before June 30, 1959, to extend the life of the Alaska public works program for 3 years and request authorization of $30 million and appropriation of $10 million for the fiscal year of 1960 to accomplish the projects which have been approved or upon which approval is now pending by the Department of the Interior.

"Passed by the Senate April 10, 1959.

"WILLIAM E. BELTZ,
"President of the Senate.

"Attest:

"KATHERINE T. ALEXANDER,
"Secretary of the Senate.

"Passed by the House April 13, 1959.

"WARREN A. TAYLOR,
"Speaker of the House.

"Attest:

"ESTHER REED,
"Chief Clerk of the House."

A joint resolution of the Legislature of the State of Colorado; to the Committee on Banking and Currency:

"HOUSE JOINT MEMORIAL 12

"Joint memorial memorializing the Congress of the United States to restore to the American people the right to acquire, possess, and dispose of gold in any form, to prohibit the sale of monetary gold by the United States for industrial and artistic purposes, and to regulate the price of gold in the settlement of foreign trade balances

"Whereas the Gold Reserve Act of 1934 deprived the people of the United States of their natural and constitutional right to acquire, possess, and dispose of gold coins or gold bullion, and further authorized the Secretary of the Treasury of the United States to prescribe the conditions under which gold may be acquired, held, imported, or exported for industrial and artistic uses, and for the settlement of international trade balances; and

"Whereas the price of gold was officially fixed at $35 per ounce in the year 1934, and since then has never been increased, although costs of mining and all other expenses, including taxes, have greatly increased, and in some cases have doubled and even trebled in amount; and

"Whereas thousands of gold mines in this and other Western States have closed down because of the utter impossibility of operating at 1959 costs to produce a product which can only be sold at its 1934 price; and

"Whereas because of the closing down of gold mines, hundreds of school districts, towns, and other governmental agencies in 12 Western States, as well as such States and the National Government, have been deprived of millions of dollars in tax revenues, once prosperous mining towns have become ghost towns, unemployment has increased, skilled miners have been scattered to the four winds, millions of dollars in mining machinery and buildings have been lost through nonuse, rust, and decay, and other millions of dollars of mine workings have been destroyed by cave-ins, rotting timbers, flooded workings, and the like; and

"Whereas the Gold Act of 1934 discriminates in favor of goldsmiths and gold manufacturers by guaranteeing to them a ready supply of gold raw materials from the monetary gold stocks of the United States at a price fixed by law in 1934 and places no restrictions upon the price at which the products of such goldsmiths and gold manufacturers are sold to the public; and

"Whereas the Gold Act of 1934 discriminates against the gold miner by compelling him to sell his products to one customer, the U.S. mint, at a price far below its cost of production; and

"Whereas by insisting upon maintaining the price of gold at $35 an ounce for all purposes, the Treasury of the United States has bestowed great profit and wealth upon foreign countries and citizens of foreign countries to the detriment of the people of the United States by pricing gold in the settlement of trade balances with foreign nations and with citizens of foreign nations at $35 an ounce, and delivering gold in settlement of such balances at such price, and thus enabling the recipients of such gold to obtain an additional profit by selling such gold in other markets of the world where the price of gold is greater than $35 an ounce; and

"Whereas the U.S. Government in valuing gold at $35 an ounce for the settlement of international trade balances places an insurmountable hardship upon many industries of the United States by granting foreign countries, or citizens of foreign countries, with competing industries the right to receive gold in payment of goods sold in this country, and by valuing such gold at $35 an ounce in the making of such payments, thus enabling such foreign countries or industries to obtain additional sums on goods sold in this country by selling the gold received in payment for such goods in markets where the price of gold is greater than $35 an ounce. Because domestic industries are by law prohibited from receiving gold in payment of their products or acquiring or selling gold, they are denied this additional consideration; that this discrimination, together with wide variation in the costs of labor, taxes, and other expenses between domestic industries and competing foreign industries is closing down entire industries in this country, creating unemployment, causing great loss of tax revenue and increased governmental expense; and

"Whereas the practice of the United States in both buying and selling gold to domestic gold manufacturers and foreign banks and countries at $35 an ounce is continually depressing the price of gold, and has been and is preventing its increase in price along with prices of other commodities; and

"Whereas this Nation has lost, and is now losing, and will continue to lose, its monetary gold to foreign nations so long as this Nation prices its gold below the price paid for gold in foreign nations; and

"Whereas without cost to the people of this Nation the gold mines of this country can be reopened, unemployment decreased, ghost towns again become flourishing communities, tax revenues be increased, costs of government reduced, and the right to own, possess and dispose of gold in any form be restored to the American people; and

"Whereas since most metallic ore bodies contain varying quantities of gold in addition to other metals, a realistic price for gold would benefit other mines whose principal production is in copper, lead, zinc, or other base metals: Now, therefore, be it

"Resolved by the House of Representatives of the 42d General Assembly of the State of Colorado, the Senate concurring herein, That it respectfully memorializes the Congress of the United States to repeal those portions of the Gold Act of 1934 which deny to the American people their natural and constitutional right to acquire, possess and dispose of metallic gold in any form, and that it restore and confirm such right in the American people; be it further

"Resolved, That the U.S. Treasury, the U.S. mint, the Federal Reserve Bank, and their officials, and any other agency of the U.S. Government, or its officials having custody of the monetary gold stocks of the United States, or any part of them, be prohibited from selling or otherwise disposing of any part of such gold stocks for artistic or industrial purposes, or for any purpose other than bona fide monetary transactions; be it further

"Resolved, That in all settlements of international trade balances or international monetary transactions of any kind with any foreign country or citizens of a foreign country involving gold from the monetary gold stocks of the United States, that such gold for the purposes of such settlement or transaction be valued at the official price of gold in such foreign country, but not less than $35 per ounce; be it further

"Resolved, That a copy of this memorial be transmitted to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, and to the Senators and Congressmen representing the State of Colorado in the Congress of the United States.

"CHARLES R. CONKLIN,
"Speaker of the House of Representatives.

"ROBERT L. KNOUS,
"President of the Senate.

"ROBERT S. EBERHARDT,
"Chief Clerk of the House of Representatives.

"LUCILLE L. SHUSTER,
"Secretary of the Senate."

A joint resolution of the Legislature of the State of Colorado; to the Committee on Finance:

"HOUSE JOINT MEMORIAL 11

"Joint memorial memorializing the Congress of the United States to amend the Internal Revenue Code to allow the oil shale industry the same depletion allowance as that accorded the oil and gas industry

"Whereas it is becoming apparent that the United States must eventually turn more and more to synthetic sources to supplement its petroleum resources, and for this reason the promotion and development of new domestic sources of fuel oils, including the mining and production of oil shale, is essential; and

"Whereas the depletion allowance now allowed on the mining of oil shale is less than that accorded the oil and gas industry; and

"Whereas the oil shale industry, in the exploration and promotion of oil shale deposits and in the mining of oil shale, should be given the same tax treatment as is accorded the oil and gas industry, in order to expand the oil shale industry and create a competitive market between the two industries: Now, therefore, be it

"Resolved by the House of Representatives of the 42d General Assembly of the State of Colorado, the Senate concurring herein, That it respectfully memorializes the Congress of the United States to amend the Internal Revenue Act so as to provide that the depletion allowance allowed on the mining of oil shale be raised to 27½ percent of the value of the oil produced from oil shale mined; and be it further

"Resolved, That a copy of this memorial be transmitted to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, and to the Senators and Congressmen representing the State of Colorado in the Congress of the United States.

"CHARLES S. CONKLIN,
"Speaker of the House of Representatives.

"ROBERT S. EBERHARDT,
"Chief Clerk of the House of Representatives.

"ROBERT L. KNAUS,
"President of the Senate.

"LUCILLE L. SHUSTER,
"Secretary of the Senate."

A joint resolution of the Legislature of the State of Oregon; to the Committee on Armed Services:

"ENROLLED SENATE JOINT MEMORIAL 6

"To the Honorable Senate and House of Representatives of the United States of America, in Congress Assembled:

"We, your memorialists, the 50th Legislative Assembly of the State of Oregon, in leg-

islative session assembled, most respectfully represent as follows:

" 'Whereas the 85th session of Congress enacted a new military pay law, Public Law 85–422, concerning an increase in the basic and other pay of Armed Forces personnel; and

" 'Whereas this law denies to those retired after June 1, 1958, including those retired because of disability incurred in line of duty, to have their retired pay computed at the increased rate; and

" 'Whereas retired members of the Armed Forces of the United States reside in every portion of our country, and the State of Oregon is privileged to have many retired personnel who have served their country faithfully and with distinction; and

" 'Whereas there appears to be no basis for this gross discrimination against retired personnel, who by reason of past meritorious services are equally entitled to benefits granted active duty members of the Armed Forces and survivors of military personnel; and

" 'Whereas the circumstances of retirement should not penalize these members of our society, who must meet the present increased cost of living the same as active duty personnel and survivors: Now, therefore, be it

" '*Resolved by Senate of the State of Oregon, the House of Representatives jointly concurring therein,* That the Congress of the United States be memorialized to amend Public Law 85–422, or any similar legislation, to include presently retired members of the Armed Forces within the provisions increasing the basic pay of members of the Armed Forces, so that their retirement benefits will be increased accordingly, and to enact this legislation in such amended form; and be it further

" '*Resolved,* That copies of this memorial be transmitted to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to all Members of the Oregon congressional delegation.'

"Adopted by senate April 17, 1959.

"MEDA COLE,
"Chief Clerk of Senate.
"WALTER J. PEARSON,
"President of Senate.

"Adopted by house April 22, 1959.

"ROBERT B. DUNCAN,
"Speaker of House."

Two joint resolutions of the Legislature of the State of Oregon; to the Committee on Interior and Insular Affairs:

"ENROLLED SENATE JOINT MEMORIAL 8

"To the Honorable Senate and House of Representatives of the United States of America in Congress Assembled:

"We, your memorialists, the 50th Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent as follows:

" 'Whereas it is believed that the Congress of the United States, the Federal courts and all Federal departments and agencies concerned should recognize the importance and sanctity of water rights of individuals and of the several States; and

" 'Whereas it is feared that failure to recognize and acknowledge the importance of such rights may develop into a pattern of Federal usurpation of individual and States' rights over water: Now, therefore, be it

" '*Resolved by the Senate of the State of Oregon, the House of Representatives jointly concurring therein,* That the Congress of the United States be and it respectfully is memorialized to take all necessary action:

" '(1) To preserve the water rights of the individual and of the States and to prevent Federal usurpation of those rights;

" '(2) To see that legislation is initiated and supported to reestablish to the individuals and to the States such rights as may have been taken from them by either the Federal courts or any department or agency of the United States; and

" '(3) In every way possible to reaffirm, renew and defend the concept that water rights are property rights and that these established rights to the use of water, by a State or an individual, should not be taken away without due process of law and adequate compensation; and be it further

" '*Resolved,* That copies of this memorial be sent to the President and Vice President of the United States, and to those Members of the House of Representatives and the Senate representing the State of Oregon.'

"Adopted by senate April 15, 1959.

"MEDA COLE,
"Chief Clerk of Senate.
"WALTER J. PEARSON,
"President of Senate.

"Adopted by house April 21, 1959.

"ROBERT B. DUNCAN,
"Speaker of House."

"ENROLLED SENATE JOINT MEMORIAL 11

"To the Honorable Senate and House of Representatives of the United States of America in Congress Assembled:

"We, your memorialists, the 50th Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent as follows:

" 'Whereas the Tualatin River and its tributaries, located in northwestern Oregon, form a basin for an area of land covering approximately 711 square miles; and

" 'Whereas in the past, due to the absence of any flood control and irrigation facilities, adjoining lands have been adversely affected by inundation during winter months and lack of adequate supplies of water during summer months; and

" 'Whereas there is contained within the Tualatin River Basin many and varied interests urgently in need of preservation and protection, such as fish, wildlife, extensive recreational facilities, agricultural pursuits, and many other needs vitally affected by the presence or lack of water; and

" 'Whereas the Bureau of Reclamation, Department of the Interior, in the course of an investigation and report submitted in 1956 did recommend an extensive plan of improvement for the Tualatin River Basin; and

" 'Whereas the report of the Bureau of Reclamation did recommend immediate construction of Scoggin Dam and Reservoir to provide 46,000 acre-feet of usable storage space; and

" 'Whereas due to the accelerated increase in population since 1955 within the Tualatin River Basin, with its attendant additional demands in uses of land, natural resources, and recreational facilities, the conditions requiring flood control, irrigation, and other protective measures in said area have become acutely aggravated: Now, therefore, be it

" '*Resolved by the Senate of the State of Oregon, the House of Representatives jointly concurring therein,* That immediate action be taken by the Congress of the United States and the Federal Government to appropriate the necessary funds and to authorize and direct immediate consideration of suitable facilities, including but not limited to, a dam, reservoir, channel improvement, and such other reasonable and necessary facilities and improvements in the Tualatin River Basin, Oreg., to provide and preserve adequate and safe flood control, irrigation, and recreational facilities as will contribute to the betterment of fish and wildlife conditions and to the welfare of those citizens of the United States and the State of Oregon vitally affected and concerned thereby; and be it further

" '*Resolved,* That copies of this memorial be sent to the President and Vice President of the United States, and to all members of the Oregon congressional delegation.'

"Adopted by senate April 21, 1959.

"Readopted by senate April 29, 1959.

"MEDA COLE,
"Chief Clerk of Senate.
"WALTER J. PEARSON,
"President of Senate.

"Adopted by house April 27, 1959.

"ROBERT B. DUNCAN,
"Speaker of House."

A joint resolution of the Legislature of the State of Oregon; to the Committee on Post Office and Civil Service:

"ENROLLED SENATE JOINT MEMORIAL 9

"To the Honorable Senate and House of Representatives of the United States of America in Congress Assembled:

"We, your memorialists, the 50th Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent as follows:

" 'Whereas one and one-half million American citizens are visiting, working, and living in foreign countries; and

" 'Whereas no governmental agency makes permanent birth, death, marriage, divorce, adoption and other vital records for these citizens comparable to those obtainable by citizens resident in the continental United States through State offices of vital statistics; and

" 'Whereas vital events affecting many U.S. citizens go unregistered, and the lack of proof of the facts of such events make difficult the collection of insurance, qualification for inheritance, obtaining veterans' benefits and proof of U.S. citizenship; and

" 'Whereas the forms and procedures used by the State Department make no allowances for errors and an incorrect State Department report of birth cannot be corrected or changed; a child of American citizens adopted by other American citizens in a foreign country can never have a birth certificate in his new name; an American woman bearing a child out of wedlock can never obtain a new birth certificate for her child if she marries; American citizens adopting foreign children overseas cannot obtain a new birth certificate for their child from the Federal Government until they have returned the child to this country; and

" 'Whereas oversea births to American parents not registered with the State Department must be judged on an individual basis by the Immigration and Naturalization Service of the Department of Justice for the possible awarding of a certificate of citizenship, and neither this certificate nor the State Department report of birth is comparable to a standard certificate of birth issued by the State governments within the United States; and

" 'Whereas a number of persons have been denied passports because either (a) the official State delayed certificates of birth which they present in evidence of their American citizenship are not acceptable to the State Department; or (b) they are adopted persons who have subsequently received new birth certificates in their adopted names when their status was legally changed; even though such certificates meet required national registration standards and clearly show the types of records used to establish conclusively the date and place of birth of the registrant and the names of his parents; and

" 'Whereas all State registration offices recognize the principle that a person should have a birth certificate in his legal name and that such certificate should make no reference to his previous status: Now therefore, be it

" '*Resolved by the Senate of the State of Oregon, the House of Representatives jointly concurring therein,* That action be taken to establish in the Federal Government a

single vital statistics registration office with responsibilities, duties and scope of activities similar to those of offices of vital statistics now existing in every State, such central Federal office of vital statistics registration to prepare, register and issue necessary certified copies of birth, death, marriage, divorce, adoption and allied records of such occurrences to American citizens visiting or living outside the United States and its Territories; be it further

" 'Resolved, That the proposed Federal vital statistics office should receive from the Immigration and Naturalization Service the facts of vital events concerning all naturalized citizens necessary to the preparation and filing of vital records and the issuance of certified copies thereof; and be it further

" 'Resolved, That copies of this memorial be sent to the President and Vice President of the United States and to all members of the Oregon congressional delegation.'

"Adopted by senate April 17, 1959.

"MEDA COLE,
"Chief Clerk of Senate.
"WALTER J. PEARSON,
"President of Senate.

"Adopted by house April 21, 1959.

"ROBERT B. DUNCAN,
"Speaker of House."

A resolution adopted by the Common Council of the city of Englewood, N.J., favoring the enactment of House bill 2446, requiring the disclosure of addresses of husbands and parents who have deserted their families; to the Committee on Labor and Public Welfare.

RESOLUTION OF GOVERNING BODY OF CITY OF GREAT BEND, KANS.

Mr. CARLSON. Mr. President, the governing body of the city of Great Bend, Kans., approved a resolution urging Congress to provide sufficient funds for the initiation and completion of a flood control project for the protection of that city and surrounding territory.

This area in the past decades has suffered serious flood damage and the Congress has authorized preliminary design studies to be made for the purpose of flood control of the Arkansas River and tributaries. This project would be a part of that program.

I ask unanimous consent that this resolution be made a part of these remarks and referred to the Public Works Committee.

There being no objection, the resolution was referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

"RESOLUTION 5459–A

"Whereas the Congress of the United States has authorized preliminary design studies to be made for the purpose of flood control of the Arkansas River and tributaries thereof; and

"Whereas no funds have been allocated by the Congress of the United States to enable the Corps of Engineers to make said design studies covering flood control of the Arkansas River and tributaries thereof; and

"Whereas Great Bend, Kans., and the surrounding environs are subject to the threat of floods and it is necessary that some plan for the alleviation of said flood threats shall be devised: Now, therefore, be it

Resolved by the governing body of the city of Great Bend, Kans.:

"1. That it is deemed necessary that definite, positive, and continuing action be taken by said governing body and the citizens of the city of Great Bend, Kans., to initiate an overall plan for flood control of the Arkansas River and tributaries thereof in the vicinity of the city of Great Bend, Kans., and its environs.

"2. That the Corps of Engineers, Albuquerque District, be advised of said determination to proceed with a definite plan for the alleviation of said flood threats and request said Corps of Engineers to initiate on behalf of the city of Great Bend, Kans., through its channels to the Congress of the United States for funds to make a preliminary design study of the overall flood control problems of said city.

"3. That the city of Great Bend, Kans., through its duly authorized officials, make known the desire of the city of Great Bend to its U.S. Congressmen, officials of the State of Kansas and other public officials, the need of an immediate allocation of funds for the purpose of enabling the Corps of Engineers to make a preliminary design study, and that all actions necessary to expedite said studies and completion of an overall plan for the alleviation of flood threats from the Arkansas River and its tributaries to the city of Great Bend and surrounding territory be initiated.

"4. That copies of this resolution be forwarded to the Corps of Engineers, Albuquerque District, U.S. Congressmen and officials of the State of Kansas.

"Adopted and passed by the governing body of the city of Great Bend, Kans., this 4th day of May 1959.

"DON WELTMER,
"Mayor.

"Attest:

"K. W. HOAR,
"City Clerk."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service, without amendment:

H.R. 5212. An act to revise the minimum charge on pieces of mail of odd sizes and shapes (Rept. No. 328).

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 919. A bill for the relief of Kenneth Lashley, Jr. (Rept. No. 312);

S. 1053. A bill for the relief of Rosa Maria Montenegro (Rept. No. 313);

S. 1171. A bill for the relief of Katharina Hoeger (Rept. No. 314);

H.R. 1758. An act for the relief of Gerald M. Cooley (Rept. No. 315);

H.R. 2044. An act for the relief of the estate of Richard Anthony Nunes, Jr. (Rept. No. 316);

H.R. 2289. An act for the relief of Mrs. Gertrude E. Shetler (Rept. No. 317);

H.R. 2586. An act for the relief of Miss Mame E. Howell (Rept. No. 318);

H.R. 4345. An act to repeal clause (9) of subdivision a of section 39 of the Bankruptcy Act (11 U.S.C. 67a (9)), respecting the transmission of papers by the referee to the clerk of the court (Rept. No. 319); and

H.R. 4692. An act to amend sections 1, 18, 22, 331, and 631 of the Bankruptcy Act (11 U.S.C. 1, 41, 45, 731, 1031) to provide for automatic adjudication and reference in certain cases (Rept. No. 320).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment.

S. 1442. A bill for the relief of Kim Fukata and her minor child (Rept. No. 321).

By Mr. EASTLAND, from the Committee on the Judiciary, with amendments:

S. 977. A bill for the relief of Nasubit Mildred Milkie (Rept. No. 322); and

H.J. Res. 322. Joint resolution for the relief of certain aliens (Rept. No. 323).

By Mr. JOHNSTON of South Carolina, from the Committee on the Judiciary, with an amendment:

S. 1667. A bill for the relief of the widow of Col. Claud C. Smith (Rept. No. 324).

By Mr. O'MAHONEY, from the Committee on the Judiciary, without amendment:

S.J. Res. 59. Joint resolution requesting the President to issue a proclamation designating 1959 for the observance of the 350th anniversary of the historic voyages of Hudson and Champlain (Rept. No. 325); and

H.R. 4012. An act to provide for the centennial celebration of the establishment of the land-grant colleges and State universities and the establishment of the Department of Agriculture, and for related purposes (Rept. No. 326).

By Mr. O'MAHONEY, from the Committee on the Judiciary, with an amendment:

H. Con. Res. 17. Concurrent resolution authorizing and requesting the President to designate the period beginning June 14, 1959, and ending June 20, 1959, as National Little League Baseball Week (Rept. No. 327).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. SALTONSTALL, from the Committee on Armed Services:

Joseph P. Charyk, of California, to be an Assistant Secretary of the Air Force, vice Richard C. Harner, resigned.

By Mr. RUSSELL, from the Committee on Armed Services:

Ludvig Jarad Aamodt, and sundry other cadets, graduating class of 1959, U.S. Military Academy, for appointment in the Regular Army of the United States, in the grade of second lieutenant; and

Michael Joseph Cronin, and sundry other midshipmen, graduating class of 1959, U.S. Naval Academy, for appointment in the Regular Army of the United States, in the grade of second lieutenant.

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

J. Graham Parsons, of New York, a Foreign Service officer of the class of career minister, to be an Assistant Secretary of State;

John M. Cabot, of the District of Columbia, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary to Brazil;

Ogden Rogers Reid, of New York, to be Ambassador Extraordinary and Plenipotentiary to Israel;

John M. Raymond, of the District of Columbia, to be the representative on the United Nations Commission on Permanent Sovereignty over Natural Wealth and Resources;

G. Edward Clark, of New York, and sundry other persons, for appointment and promotion in the Foreign and Diplomatic Service; and

Harry Grossman, of California, and sundry other persons, for appointment and promotion in the Foreign and Diplomatic Service.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MURRAY (for himself, Mr. ALLOTT, Mr. BARTLETT, Mr. BIBLE, Mr. CANNON, Mr. CHAVEZ, Mr. CHURCH, Mr. GOLDWATER, Mr. HAYDEN, Mr. MANSFIELD, Mr. MARTIN, Mr. MOSS, and Mr. YOUNG of Ohio):

S. 2048. A bill relating to the sale of certain minerals and metals acquired by the United States; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. MURRAY when he introduced the above bill, which appear under a separate heading.)

By Mr. JAVITS:

S. 2049. A bill for the relief of Vito Magistrale; to the Committee on the Judiciary.

By Mr. SMATHERS:

S. 2050. A bill for the relief of Leokadia Guzy; to the Committee on the Judiciary.

By Mr. NEUBERGER:

S. 2051. A bill to amend the Internal Revenue Code of 1954 to provide an income tax deduction for depletion of human resources; to the Committee on Finance.

(See the remarks of Mr. NEUBERGER when he introduced the above bill, which appear under a separate heading.)

By Mr. EASTLAND (by request):

S. 2052. A bill to amend the Bankruptcy Act in regard to the closing fee of the trustee and in regard to the fee for the filing of a petition; to the Committee on the Judiciary.

By Mr. JOHNSTON of South Carolina (for himself and Mr. THURMOND):

S. 2053. A bill to provide for the acceptance by the United States of a fish hatchery in the State of South Carolina; to the Committee on Interstate and Foreign Commerce.

By Mr. CASE of New Jersey:

S. 2054. A bill for the relief of Candido Sestayo; to the Committee on the Judiciary.

By Mr. MAGNUSON:

S. 2055. A bill to amend title 23 of the United States Code in order to provide for a transcontinental highway from northern Michigan to Everett, Wash., as part of the Interstate System; and

S. 2056. A bill to provide for an addition to the National System of Interstate and Defense Highways from Seattle, Wash., to the Pacific Ocean; to the Committee on Public Works.

By Mr. COOPER:

S. 2057. A bill to authorize the acquisition of land for donation to the Pan American Health Organization as a headquarters site; to the Committee on Public Works.

By Mr. BRIDGES (for himself, Mr. BYRD of Virginia, and Mr. CURTIS):

S.J. Res. 99. Joint resolution proposing an amendment to the Constitution of the United States relative to the balancing of the budget; to the Committee on the Judiciary.

(See the remarks of Mr. BRIDGES when he introduced the above joint resolution, which appear under a separate heading.)

By Mr. EASTLAND:

S.J. Res. 100. Joint resolution to provide for the designation of the third Thursday of June of each year as National Country Music Day; to the Committee on the Judiciary.

CONCURRENT RESOLUTIONS

PRINTING OF ADDITIONAL COPIES OF CERTAIN HEARINGS ON "ADMINISTERED PRICES"

Mr. CARROLL (for Mr. KEFAUVER) submitted the following concurrent resolution (S. Con. Res. 38), which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Committee on the Judiciary, U.S. Senate, 5,000 additional copies each of Parts 1, 2, 3, and 4 of the hearings conducted by the committee during the 85th Congress, first session, on "Administered Prices."

PRINTING OF ADDITIONAL COPIES OF CERTAIN REPORTS FOR USE OF COMMITTEE ON THE JUDICIARY

Mr. CARROLL (for Mr. KEFAUVER) submitted a concurrent resolution (S. Con. Res. 39); which was referred to the Committee on Rules and Administration, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Committee on the Judiciary, U.S. Senate, 5,000 additional copies each of the following reports: Senate Report 1387 (85th Cong., 2d sess.) of the Committee on the Judiciary, entitled "Administered Prices—Steel"; and three reports of the Subcommittee on Antitrust and Monopoly entitled respectively "Concentration in American Industry" (85th Cong., 1st sess.); "Administered Prices—Automobiles" (85th Cong., 2d sess.); and "Case Study of Incipient Monopoly in Milk Distribution" (85th Cong., 2d sess.).

RESOLUTIONS

Mr. DIRKSEN (for himself and Mr. JOHNSON of Texas) submitted a resolution (S. Res. 124) relative to the death of former Senator and former Secretary of State John Foster Dulles, which was considered and agreed to.

(See the above resolution printed in full when submitted by Mr. DIRKSEN, for himself and Mr. JOHNSON of Texas, which appears under a separate heading.)

Mr. LONG submitted a resolution (S. Res. 125) relating to international arrangements for apprehension and trial of fugitive heads of state, which was referred to the Committee on Foreign Relations.

(See the above resolution printed in full when submitted by Mr. LONG, which appears under a separate heading.)

SALE OF CERTAIN MINERALS AND METALS

Mr. MURRAY. Mr. President, I introduce for appropriate reference, a bill which calls for the administration's obtaining prior congressional approval before disposing of materials in the so-called DPA stockpile just as is the case in respect to the national stockpile and the supplemental stockpile.

Recently it was realized that Congress inadvertently had failed to throw this safeguard around any disposal plan for the DPA stockpile.

I am joined in the sponsorship of this bill by Senators ALLOTT, BARTLETT, BIBLE, CANNON, CHAVEZ, CHURCH, GOLDWATER, HAYDEN, MANSFIELD, MARTIN, MOSS, and YOUNG of Ohio.

Mr. President, at the present time something in excess of a billion dollars worth of materials are in the DPA stockpile, and in recent weeks there was a classic example of how any irresponsible plan for the disposal of this material, or any part thereof, could disrupt the market. I refer to published reports that a plan was being formulated for the sale to industry of 128,000 tons of DPA stockpiled copper. The reaction was immediate and violent. The London market for copper dropped within a few days some 4 cents a pound.

The provisions of this bill are similar to those which govern the disposal of the national stockpile and the supplemental stockpile and in no wise prohibits disposal. Rather, it calls for prior congressional approval.

I ask unanimous consent that the bill be printed in the RECORD at this point and that it lie on the table until the end of the session on Friday, May 29, so that other Senators who wish to may join in its sponsorship.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, and lie on the desk, as requested by the Senator from Montana.

The bill (S. 2048) relating to the sale of certain minerals and metals acquired by the United States, introduced by Mr. MURRAY (for himself and other Senators), was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law, no minerals or metals, held and acquired under title III of the Defense Production Act of 1950, as amended, shall be sold or otherwise released into commercial channels unless the plan and date of the proposed disposal has been fixed with due regard to the protection of the United States against avoidable loss on the sale or other release of the material to be disposed of and the protection of producers, processors, and customers against disruption of their usual markets, and unless the proposed disposition has been approved by the Committees on Interior and Insular Affairs of the Senate and House of Representatives.

SEC. 2. Within thirty days after notification of a proposed disposition of minerals or metals has been received by a committee, referred to in the first section of this Act, the committee shall, by resolution, or letter signed by the chairman, approve, upon such conditions as it may deem necessary or appropriate, or disapprove such disposition. Action of the committee shall be by majority vote of the members thereof, and, for the purpose of taking such action, the chairman of the committee may poll the members during any period in which the Congress is in adjournment for more than three days.

RECOGNITION AND ALLOWANCE FOR DEPLETION OF HUMAN RESOURCES

Mr. NEUBERGER. Mr. President, much of the accent in America today is on youth. Advertising agencies and business firms take pride in proclaiming themselves as organizations with "young ideas." Whether they be professional people or day laborers, many men and women find themselves unable to gain employment because they are "too old" at 45 or 50 years to fit into this youthful civilization.

An individual exhausts his physical and mental resources as he grows older. It is said that the average man reaches the peak of his physical capacity when he is 26 or 27 years old. When a faithful bookkeeper is awarded a 25-year pin or a schoolteacher is honored for 30 years of service, he often finds that his eyesight is fading or that his nerves have become frayed. Human resources wear out as surely as do natural resources like minerals, oil, and timber.

We recognize and compensate for the exhaustion of petroleum and gas with generous "depletion allowances" for taxation purposes, but what notice do we

take of the depletion of human resources? I introduce today, for appropriate reference, a measure designed to recognize and compensate for the depreciation or depletion of human resources.

This proposal is not original with me. It was first introduced in the other body 2 years ago by Representative HERBERT ZELENKO, of New York. I then was pleased to introduce a companion measure in the Senate. Representative ZELENKO has again presented his bill to the House of Representatives this year, and I am again bringing identical legislation to the attention of the Senate.

The proposal is very simple. It would provide this: Each taxpayer, after he reaches the age of 45 years, would be allowed a deduction of 1 percent of his income earned by salaries, wages, or other activities for each year of age after his 45th year. In other words, a taxpayer would subtract 44 from his age, and the resulting figure would represent the percentage of his earned income which he could take as a deduction for human depletion.

The proposed progressive tax deduction would serve as an economic incentive to continue work for those men and women who would prefer to remain gainfully occupied, but it would also simultaneously give due recognition to the inevitable facts of human depletion.

Mr. President, the liberal McClatchy newspapers of California, including the Sacramento Bee, the Modesto Bee, and the Fresno Bee, published on April 20, 1959, a very thoughtful editorial on this subject, titled "Why Should Not Others Get Depletion Windfall?" I ask unanimous consent that excerpts from this editorial be printed in the RECORD at this point.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

[From the McClatchy Newspapers, California, Apr. 20, 1959]

WHY SHOULD NOT OTHERS GET DEPLETION WINDFALL?

U.S. Senator RICHARD L. NEUBERGER, of Oregon has raised the point that since the oil interests are granted a 27½-percent depletion allowance on their gross income for tax purposes, others, corporations and individuals, should be accorded such consideration.

Certainly it is true that from the moment he is born man starts using up his capital resources and the average man makes no such income as do the oil companies. The individual exhausts his physical and mental powers in accelerating measure from the time he reaches 50.

Professional athletes and airplane pilots are especially illustrative of those who deplete their youth rapidly, and youth is what such people depend upon to maintain their earning power.

But there is no such depletion allowance for the human machine as there is for insensate machinery and oil in the ground, although pilots and some professional athletes are able to negotiate above average salaries for their short-lived effectiveness.

The oil interests defend their windfall allowance on the grounds it provides incentive for new discoveries and gives them the means of regaining their capital for further searchings.

The little wildcatter is used much as some large utilities use the widow who holds a few shares in their companies to justify antisocial policies. Yet it is estimated that of a total of $2 billion in depletion allowances claimed in 1953 by the oil interests 63 percent went to companies with assets of more than $100 million each, and those with assets of $100,000 or less got only 4 percent of the total.

The Venezuelan Government in 1957 reported the oil industry in its country netted after taxes $829,500,000. And most of that industry is American owned.

Can any sensible person believe companies with such assets and profits would stop searching for oil if the depletion allowance were cut or even eliminated?

Depletion for most business is called depreciation and it is designed to allow replacement of wornout machinery. There is the most obvious inequity in allowing oil companies this 27½-percent windfall after their returns have sufficed to pay off all their investments many times over.

Mr. NEUBERGER. Mr. President, the editorial well points up the essential logic which I believe Representative ZELENKO's bill and my bill will spotlight: The same principles and standards which we apply to income earned from the exploitation of natural resources and invested capital should apply to everyone who uses his own body or his own mind in the production of income.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2051) to amend the Internal Revenue Code of 1954 to provide an income tax deduction for depletion of human resources, introduced by Mr. NEUBERGER, was received, read twice by its title, and referred to the Committee on Finance.

AMENDMENT TO CONSTITUTION RELATING TO BALANCING OF BUDGET

Mr. BRIDGES. Mr. President, I introduce, for appropriate reference, a joint resolution proposing an amendment to the Constitution of the United States relative to the balancing of the budget. The senior Senator from Virginia [Mr. BYRD] and the Senator from Nebraska [Mr. CURTIS] are cosponsors of the joint resolution.

The purpose of the amendment to the Constitution is to put this Nation on a pay-as-you-go basis, except in times of grave national emergency.

First, it would require the Executive to present a balanced budget. Then, if the Congress should unbalance the budget, the amendment would forbid the Congress to adjourn for more than 3 days at a time until it has restored it to balance. In the event of war or other grave national emergency, the Congress, on the recommendation of the President, could suspend these provisions by a vote of three-fourths of all the Members of each House.

It is true that this amendment would not absolutely guarantee that budget expenditures would not exceed budget receipts in every fiscal year, under the present budget system, but it would go a long way in that direction. It would at least require that estimated expenditures be no greater than estimated receipts, except in times of grave emergency.

This is the very least the Executive and the Congress should do in view of our staggering public debt—and in view of the inflationary effect of deficit Government financing. I sincerely believe this is the very least that the people of this country want the Congress and the Executive to do.

I believe the American family knows that all its members cannot do all the things they want or need to do, and still stay out of court or the poorhouse.

I believe the American family believes that the Government must use similar restraint, or be subject—and so subject all of us—to even worse results.

I am also encouraged by signs that the American people are becoming more aware that the deeper the Government goes into debt, the less their dollars can buy. They are beginning to realize that one very important reason why today's dollar will not buy half as much as it did in 1939 is that the public debt has risen from $40.4 billion to $286 billion in that time.

Daniel Webster said in 1834:

The very man above all others who has the deepest interest in sound currency, and who suffers most by mischievous legislation, is the man who earns his daily bread by his daily toil. A vast majority of us live by industry. The Constitution was made to protect this industry, to give it both encouragement and security; but above all, security.

On the same subject, Thomas Jefferson said:

To preserve our independence, we must not let our leaders load us with perpetual debt. We must make our election between economy and liberty, or profusion and servitude.

Mr. President and Members of the Senate, these statements by these two great Americans are even more important for us today than when they were first spoken. They apply to the relationship of the American people to their Government. And they apply with equal force to the relationship of the whole United States to the peoples and governments of other countries.

It is quite apparent, as I have been predicting for some time, that the so-called cold war is shifting from the military to the economic front. As champion and rallying point for the free world, we are going to have to meet cold war economic competition. We certainly cannot do so unless our own financial house is in order.

A sneak attack on the dollar is just as dangerous as a surprise missile attack, and is already under way.

Neglect to accomplish a balanced budget could be as fatal to the future of this country as actual aggression resulting from neglect of our Military Establishment.

It is my belief that this joint resolution recognizes this, and offers us a simple and clear-cut position in regard to future fiscal integrity and responsibility.

Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). The resolution will be received and appropriately referred; and, without objection, the text of the

joint resolution will be printed in the RECORD.

The joint resolution (S.J. Res. 99) proposing an amendment to the Constitution of the United States relative to the balancing of the budget, introduced by Mr. BRIDGES, for himself, Mr. BYRD of Virginia, and Mr. CURTIS, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

"ARTICLE ——

"SECTION 1. On or before the fifteenth day after the beginning of each regular session of the Congress, the President shall transmit to the Congress a budget which shall set forth his estimate of the receipts of the Government, other than trust funds, during the ensuing fiscal year under the laws then existing and his recommendations with respect to expenditures to be made from funds other than trust funds during such ensuing fiscal year, which shall not exceed such estimate of the receipts. The President in transmitting such budget may recommend measures for raising additional revenue and his recommendations for the expenditure of such additional revenue. If the Congress shall authorize expenditures to be made during such ensuing fiscal year in excess of such estimate of the receipts, it shall not adjourn for more than three days at a time until such action has been taken as may be necessary to balance the budget for such ensuing fiscal year. In case of war or other grave national emergency, if the President shall so recommend, the Congress by a vote of three-fourths of all the Members of each House may suspend the foregoing provisions for balancing the budget for periods, either successive or otherwise, not exceeding one year each.

"SEC. 2. This article shall take effect on the first day of the calendar year next following the ratification of this article.

"SEC. 3. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission to the States by the Congress."

INTERNATIONAL ARRANGEMENTS FOR APPREHENSION AND TRIAL OF FUGITIVE HEADS OF STATES

Mr. LONG. Mr. President, one of the reasons why our Nation's prestige throughout the world has declined has been Communist successes in picturing the United States as a supporter of dictatorships and tyrants around the world. Everyone knows that in a great number of cases we have no choice about dealing with governments. In some cases, heads of state of Nations associated with us do not permit democratic processes to function freely. Nevertheless, this Nation should make clear that although we are compelled by force of circumstances to recognize certain dictatorships, we have no desire to protect any dictator or fugitive tyrant from retribution at the hands of those whom he may have offended. One way that this Nation can make clear that we do not propose to grant sanctuary to the Batistas, Jimenezes, Perons, Farouks, Bao Dais, and others is to adopt the fugitive dictator resolution which I am submitting today.

This proposal would direct American foreign policy toward an arrangement of international compacts under which we would seek to obtain agreement that all Nations of the earth would cooperate in seeing that fugitive dictators would become accountable for the crimes they had visited upon the peoples of their countries. It would be the duty of every nation and its nationals to make fugitive tyrants available for trial before a fair and impartial tribunal. It would be necessary to constitute some sort of international court, perhaps under the auspices of the United Nations, in order to assure a fair trial in situations in which feelings run extremely high. I have in mind, for example, the type of situation which would exist if Castro had an opportunity to try Batista. It would offer a more reasonable and certainly a better assurance of fairness if Castro were permitted to present his witnesses at a trial conducted, for example, in New York City or at Geneva, the Hague, or some other appropriate forum.

The brother of our President, Dr. Milton Eisenhower, has suggested that our Nation might improve its stature with free peoples of Central and South America by offering a cool handshake to a dictator and a warm friendly hug to a respectable democratic leader. Such a suggestion seems impractical, to me. The facts of life are such that we are compelled to deal with a considerable number of heads of state whose measures of oppression we cannot approve.

It seems better to me that we should simply make clear that such people will be available for trial whenever their people oust them from power. Such an arrangement should also seek to guarantee that such people should not be permitted to enjoy vast amounts of wealth which they may have converted into dollars or gold, with the exception of a minimal amount needed to provide their basic circumstances. Such persons should be required to remit the remainder to the people they have robbed. That would be in accord with basic democratic concepts of justice.

Democratic peoples who pay for foreign-aid programs dislike to see their funds alternately used to enable dictators and fugitive tyrants to "live it up" on the Isle of Capri or the French Riviera; and they dislike the type of international activity which makes it possible for the Communists to lay the sins of Bao Dai at the doorstep of devoted democratic nations.

The measure which I am submitting would, if pursued, bring goodwill to the American people. It could bring additional respect to our foreign policy. This would solve a complicated problem which some of us have considered for some time.

Mr. President, I submit the resolution, and request its appropriate reference.

The resolution (S. Res. 125), submitted by Mr. LONG, was referred to the Committee on Foreign Relations, as follows:

SENATE RESOLUTION 125

Whereas the ousted ruler or head of state of a country frequently escapes trial for crimes with which he is charged under the laws of that country by the simple expedient of fleeing to another country and obtaining sanctuary therein;

Whereas a fugitive ruler or head of state should not be allowed to escape an accounting to his own people for his actions in high office; and

Whereas if conditions are such in the country from which an ousted ruler or head of state has fled that he could not obtain a fair trial in that country, procedures should be established for trial before an appropriate international tribunal;

Whereas this Nation should not, as a matter of justice or of sound national policy, allow itself to become a haven for, and the protector of, discredited rulers; and

Whereas this Nation should cooperate with other nations to the end that a rule of law replace the "flight to sanctuary" as the dominant factor in this area of international life: Now, therefore, be it

Resolved, That it is the sense of the Senate that the President, through such diplomatic channels as are available to him, should explore with other nations the possibility of entering into international arrangements for the apprehension and trial of fugitive heads of state who are charged with crimes against the laws of the countries from which they have departed in a manner which will insure fair treatment to the accused.

DISTRICT OF COLUMBIA APPROPRIATION BILL—MODIFICATION OF NOTICES TO SUSPEND THE RULE

Mr. MORSE. Mr. President, I ask unanimous consent to modify the notices for suspension of the rules in connection with the District of Columbia appropriation bill submitted on Friday, May 22, 1959, to correct certain clerical errors in the amounts set out in the notices.

My request has been made after consultation with the Parliamentarian.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOTICES OF MOTION TO SUSPEND THE RULE—AMENDMENT TO TREASURY, POST OFFICE APPROPRIATION BILL, 1960

Mr. CLARK (for himself, Mr. HART, Mr. WILLIAMS of New Jersey, Mr. BARTLETT, Mr. PROXMIRE, Mr. MORSE, Mr. SYMINGTON, Mr. MCCARTHY, Mr. CHURCH, Mr. MCNAMARA, and Mr. CARROLL) submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move (on behalf of myself, Mr. HART, Mr. WILLIAMS of New Jersey, Mr. BARTLETT, Mr. PROXMIRE, Mr. MORSE, Mr. SYMINGTON, Mr. MCCARTHY, Mr. CHURCH, Mr. MCNAMARA, and Mr. CARROLL) to suspend paragraph 1 of rule XVI for the purpose of proposing to the bill (H.R. 5805) the Treasury-Post Office Appropriation Act, 1960, the following amendment, namely:

On page 3, line 23, strike out "$364,631,000" and insert in lieu thereof "$367,432,000".

Mr. CLARK (for himself, and Senators HART, WILLIAMS of New Jersey, BARTLETT, PROXMIRE, MORSE, SYMINGTON, MCCARTHY, CHURCH, MCNAMARA, and CARROLL) also submitted an amendment, intended to be proposed by them, jointly, to House bill 5805, making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States for the fiscal year ending June 30, 1960, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. CLARK submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 1 of rule XVI for the purpose of proposing to the bill (H.R. 5805) the Treasury-Post Office Appropriation Act, 1960, the following amendment, namely:

On page 3, line 3, strike out "$364,631,000" and insert in lieu thereof "$377,100,000".

Mr. CLARK also submitted an amendment, intended to be proposed by him, to the bill (H.R. 5805) making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States for the fiscal year ending June 30, 1960, and for other purposes, which was ordered to lie on the table and to be printed.

(For the text of amendment referred to, see the foregoing notice.)

CIVIL RIGHTS ACT OF 1959—AMENDMENT

Mr. JAVITS (for himself and Mr. LAUSCHE), submitted an amendment, intended to be proposed by them, jointly, to the bill (S. 499) to establish a Community Relations Service to provide conciliation assistance in communities where disagreements or difficulties among citizens are disrupting, or are threatening to disrupt, the peaceful life of the community; to extend the Commission on Civil Rights; to provide further means of securing and protecting the right to vote; and for other purposes, which was referred to the Committee on the Judiciary and ordered to be printed.

AMENDMENT OF CHAPTER 73, TITLE 18, UNITED STATES CODE, RELATING TO OBSTRUCTION OF COURT ORDERS—AMENDMENTS

Mr. JAVITS submitted amendments, intended to be proposed by him, to the bill (S. 955) to amend chapter 73 of title 18, United States Code, with respect to obstruction of court orders, which were referred to the Committee on the Judiciary and ordered to be printed.

AMENDMENT OF FAIR LABOR STANDARDS ACT OF 1938, RELATING TO COVERAGE FOR CERTAIN EMPLOYEES—AMENDMENTS

Mr. LONG. Mr. President, since the introduction of Senate bill 1046, which proposes to amend the Fair Labor Standards Act of 1938 to extend coverage under the act and increase the minimum wage from $1 to $1.25, I have been studying the effect this measure would have on the various categories of employees that are presently exempted from the provisions of the act. I have become convinced that the effect this bill would have upon the operation of our hospitals would be detrimental to the public welfare, and, accordingly, I am proposing amendments that would permit employees of hospitals to retain their present exempt status with respect to this act.

In making this study, I have been impressed with the fact that many of our hospitals are operated by people who, motivated by deep religious principles, are devoting their lives to the services of Almighty God and have chosen the care of the sick as their lifework. These hospitals are nonprofit and depend largely on this volunteer service for their existence.

In contacting a number of the hospitals in my State of Louisiana, I have found that the inclusion of their employees under the provisions of this act would cause the operating costs of these hospitals to increase in an unwarranted amount, necessitating the passing along of this increase to the patients, many of whom are not in financial position to pay the increased rate that would result therefrom.

My studies have revealed the following increases with respect to some of our outstanding Louisiana hospitals:

St. Francis Cabrini Hospital, Alexandria, La.: $189,000 annual increase or 38 percent.

Oschner Clinic, New Orleans, La.: $700,000 annual increase or 30 percent.

Baptist Hospital, Alexandria, La.: $360,000 annual increase or 38½ percent.

Schumpert Hospital, Shreveport, La.: $340,826 annual increase or 35 percent.

Lafayette Sanitarium, Lafayette, La.: $144,000 annual increase or 43 percent.

Touro Infirmary, New Orleans: $700,000 annual increase.

Southern Baptist Hospital, New Orleans: $700,000 annual increase.

Baton Rouge General Hospital, Baton Rouge: $492,000 annual increase.

In some instances, the administrators of these hospitals indicated that it would be necessary to increase their rates by some $5 a day if the exempt status of the hospital employees was removed. I am convinced that this sharp increase in the cost of operating these hospitals, with the subsequent increase in the cost of hospitalization, would result in the loss of much of the progress that has been made in recent years toward improving the health of the people of this country. This sharp increase would undoubtedly cause a sharp rise in group hospitalization rates and would no doubt result in the cancellation of many contracts that presently exist, as well as serving as a strong deterrent to the issuance of new contracts in low salary areas where this protection is urgently needed.

In view of the indicated effect that Senate bill 1046 would have on our hospitals, I strongly urge that my amendments be adopted and that these institutions be permitted to retain their present exemption with respect to the Fair Labor Standards Act.

The PRESIDING OFFICER. The amendments will be received, printed, and referred to the Committee on Labor and Public Welfare.

AMENDMENT OF REFUGEE RELIEF ACT OF 1953—AMENDMENTS

Mr. SALTONSTALL (for himself and Mr. KENNEDY) submitted amendments, intended to be proposed by them, jointly, to the bill (S. 1441) to amend the Refugee Relief Act of 1953, as amended, to provide a certain number of visas for persons of Armenian ethnic origin, which were referred to the Committee on the Judiciary and ordered to be printed.

AMENDMENT OF MUTUAL SECURITY ACT—AMENDMENTS

Mr. SMATHERS submitted amendments, intended to be proposed by him, to the bill (S. 1451) to amend the Mutual Security Act of 1954, as amended, which were referred to the Committee on Foreign Relations and ordered to be printed.

AMENDMENT OF MUTUAL SECURITY ACT OF 1954—AMENDMENTS

Mr. MORSE. Mr. President, I submit amendments to the mutual security bill, S. 1451, and ask that they be printed and appropriately referred. The amendments seek to reduce substantially the amount for military authorization for Latin America. I also ask unanimous consent that the amendments be printed at this point in the RECORD.

The PRESIDING OFFICER. The amendments will be received, printed, and referred to the Committee on Foreign Relations; and, without objection, the amendments will be printed in the RECORD.

The amendments are as follows:

On page 1, after line 10, insert "Section 105(b)(4) of that Act is amended by adding the following sentence: 'No military assistance may be furnished to the Dominican Republic and Paraguay'."

On page 1, after line 10, insert:

"Section 105(b)(4) of that Act is amended by adding the following sentence: 'Military assistance to Latin America in the fiscal year 1960 shall not exceed $50,000,000, and the differences between that value and the $96,500,000 requested by the President for fiscal year 1960 shall be transferred from the military assistance account to the special assistance account (sec. 400(a)) and shall be available under the terms of that section only to promote economic development in Latin America'."

PROPOSED CIVIL RIGHTS LEGISLATION TO MAKE LYNCHING A FEDERAL CRIME—AMENDMENTS

Mr. JAVITS. Mr. President, I am today submitting amendments to the proposed civil rights legislation which would make lynching a Federal crime. I refer to the proposed civil rights legislation recommended by the administration, and the measures introduced by the

majority leader, the Senator from Texas, [Mr. JOHNSON].

The announcement yesterday by Attorney General Rogers that the FBI was being withdrawn from the search for the slayers of Mack Charles Parker in Poplarville, Miss., because the Federal Government did not have jurisdiction over this crime once again reemphasizes the critical need for a Federal antilynch law.

At the present time, there are only two Federal statutes under which the Federal Government could prosecute the killers—the Lindbergh kidnaping law where the victim has been transported across State lines and the Civil Rights Act of 1871 which permits Federal prosecution only if State officials are involved in the commission of the crime. The tragic inadequacy of these statutes may well be in part responsible for the insolent disdain for law and order which was displayed by this lynch mob, the same disrespect of law which is typical of the fanatics who have shamelessly bombed private homes, houses of worship, schools and places of business in the course of opposition to the desegregation of the South's public schools.

The assertion that this killing of a Negro prisoner in the South was the first such incident in some years does not negate the basic obligation of the Federal Government to guarantee equal protection of the laws to every citizen. In the Parker case, Attorney General Rogers has said that it is now a "clearly established" fact that a mob lynched this prisoner, but that "no other Federal prosecution" could be successfully maintained, demonstrating conclusively the need for a Federal antilynch law.

The constitutional duty imposed on the Federal Government by the Bill of Rights and the 14th amendment was the basis for the Civil Rights Act of 1957 and of subsequent civil rights proposals introduced in the Congress. At the beginning of this session, the Senate majority leader contended that a meaningful change was made in rule XXII of the Senate which allows filibusters against civil rights bills. Later the administration by the minority leader, Senator DIRKSEN, myself and others, a group of Senators including Senators DOUGLAS, HUMPHREY, CASE of New Jersey, and myself, and the majority leader, Senator JOHNSON, introduced three separate civil rights bills. It is to the administration proposals and the Johnson bill that I am filing the same antilynch amendment. These major legislative packages contain criminal sections and it is therefore most appropriate that they should also include additional provisions to deal with this most tragic, most violent crime of lynching.

Therefore, I am today submitting an amendment to S. 499, proposed by Senator JOHNSON, and S. 755, part of the administration package, to make it a Federal crime for anyone to conspire to deprive any person—either directly or indirectly—of his right to a fair trial or his right not to be deprived of life, liberty or property except by due process of law or for any Federal or State official who fails to carry out his duty to prevent such lawlessness.

It would carry the following penalties: Violators could be fined up to a maximum of $1,000 or a year in prison, or both. Should the violation result in serious injury or death, the maximum punishment is a maximum fine of $10,000 or up to 20 years' imprisonment, or both. In addition, any official who fails to carry out his duty to prevent such crime may be fined up to $5,000 or imprisoned not more than 5 years, or both.

To clarify the fact that Federal jurisdiction exists in such cases—even though the crime is committed within the borders of a single State—the amendments contain the following congressional finding:

(a) The Congress finds that willful interference with, or obstruction of any process or proceeding of a State or territory or political subdivision thereof, for the apprehension, confinement, trial and punishment of any person charged with a crime or held for investigation or as a material witness, through acts or threats of force by persons not acting under lawful authority constitutes a deprivation of rights, privileges and immunities guaranteed to such person by the Constitution of the United States, including such person's right not to be deprived of life, liberty, or property without due process of law. The Congress further finds that such interference or obstruction threatens the administration of justice of the several States and thereby imperils their republican form of government which, under the Constitution of the United States, it is the obligation of the United States to guarantee.

In the Mack Charles Parker case, the Governor of Mississippi has clearly gone on record in support of the entrance of the FBI into the case in his State; according to the New York Times report, he said:

I want to thank the FBI for a thorough investigation and for making the results available for State action at the local level.

It is reported that the Governor will now have the case presented to the next regular county grand jury which is scheduled to meet in November. The American people and our friends abroad will not forget what happened in April in Poplarville. I earnestly hope that lawful action by the local people in this community will serve the ends of justice, but there is the Federal Constitution and there are Federally granted rights to be vindicated here, too.

Lynching is a Federal crime in the sense that it involves the national interest, and I deeply feel that the national interest should be protected, and that we should take the opportunity to protect it in connection with the first civil rights bill to come before us.

The majority leader, by personal leadership, put through what he considered to be a meaningful change in rule XXII of the Senate, which permitted filibusters against civil rights bills. I think we have a right to expect that we shall have a civil rights bill before us at this session. What has happened in Poplarville only underlines and reemphasizes the urgent need for such legislation.

The PRESIDING OFFICER. The amendments will be received, printed, and lie on the table.

THE NEED FOR INCREASE IN ENFORCEMENT PERSONNEL AT INTERNAL REVENUE SERVICE—AMENDMENTS

Mr. CLARK. Mr. President, on Thursday of this week the Senate will have before it for consideration the annual Treasury and Post Office Department appropriation bill. I have sent to the desk three amendments which I propose to offer in connection with that bill. They deal with the subject matter of the number of Internal Revenue enforcement personnel it is desirable to make provision for.

In order that my colleagues may understand the substance of the case I shall make on Thursday in support of those amendments, I ask unanimous consent to have printed at this point in the RECORD a memorandum which I have caused to be prepared, entitled "Internal Revenue Service in Need of Substantial Increase of Enforcement Personnel," and a very moving letter which I have received, entirely unsolicited, from Mr. Emil K. Melin, a former employee of the Internal Revenue Service, pointing out the drastic need for additional enforcement personnel to provide relief from the widespread chiseling and illegal evasion of taxation which is apparent all over the country.

There being no objection, the memorandum and letter were ordered to be printed in the RECORD, as follows:

MEMORANDUM—INTERNAL REVENUE SERVICE IN NEED OF SUBSTANTIAL INCREASE OF ENFORCEMENT PERSONNEL

There is a clear and pressing need for a substantial increase in the number of enforcement personnel in the Internal Revenue Service in addition to the new personnel for whom funds were requested in the budget for fiscal 1960.

(1) Personnel cuts by the Eisenhower administration and the Republican 80th Congress: The Eisenhower administration has cut the number of employees of the Internal Revenue Service by 3,000. In fiscal 1958, the total number of enforcement personnel in the Internal Revenue Service numbered 23,712—3,076 less than in 1952, although 10 percent more tax returns were filed in 1958 than in 1952, and total Internal Revenue collections had increased by $15 billion. This cut was preceded by a 7,000-man reduction of IRS personnel under the Republican-controlled 80th Congress in 1947. Thus, in 1958 there were about 9,000 fewer employees of the IRS than in 1946.

(2) Decreased deficiencies assessed: The statistics shown on the attached sheet indicate how costly the personnel slash put into effect by the Eisenhower administration has been in terms of deficiencies assessed. During the first 6 years of this administration, Internal Revenue collections from an ever-increasing number of returns filed averaged $27 billion more than during the last 6 years of the Truman administration. Nevertheless, the average annual amount of tax deficiencies assessed has been $320 million less during the 6 Eisenhower years than during the 6 Truman years.

(3) Present personnel insufficient: Existing personnel cannot process adequately the increasing tide of tax returns. In fiscal 1958, the enforcement section of the IRS was able to audit only 2.6 million, or 3 percent, of the 93.5 million returns filed. (House hearings, p. 427). In the same year, only 63.2 million, or 68 percent, of the returns filed were even

verified mathematically, although this mechanical processing led to a net increase in tax liability of $61.8 million. Commissioner Latham stated, "We do not even have enough people to do mathematical verification of returns * * * and we are falling further behind as the number of returns filed increases (Senate hearings, p. 73).

(4) Amount of untaxed incomes: Commissioner Latham described the number of people who are simply not filing returns as "amazing" (House hearings p. 457). He estimated that the amount of taxable income not being taxed amounted to $25 billion or $26 billion per annum (Senate hearings, p. 78).

The results of a special audit by Internal Revenue Service of 36,000 representatives returns for 1949 were published recently. The audit indicated that a similar examination of 6.7 million business and professional returns for that year would have increased the aggregate net profit, less net loss reported on such returns, by 20 percent and yielded $2.7 billion of additional taxable income.

(5) High yield for additional personnel: Existing personnel were able to collect $1.5 billion from the 2.6 million audits performed in fiscal 1958 (House hearings, p. 457).

Commissioner Latham has estimated that even during the first year of employment, a new revenue enforcement official can be expected to collect $9 of otherwise uncollected revenue for every $1 spent to employ him, and in subsequent years of employment, the ratio is estimated to be about 13 to 1 (House hearings, p. 456). Other Treasury officials have estimated that the ratio is as high as 20 to 1 (House hearings, p. 50).

(6) Administration proposals insufficient: The administration asked for an appropriation of $3.6 million in the 1960 budget to permit the hiring of 726 new enforcement personnel, including 100 revenue agents, 100 revenue officers, 50 office auditors, and 35 auditors' clerks (at an average cost of $4,927 per person). The increase in enforcement personnel requested in the budget was described by Secretary Anderson as an absolute minimum (Senate hearings, p. 37) and extremely moderate from the standpoint of the Service's ability to recruit, train and assimilate into the organization well-qualified men (Senate hearings, p. 11).

Commissioner Latham admitted that the Service had not asked for as many persons as it could use (Senate hearings, p. 80), and there is evidence that the Service's original request for funds for personnel was cut down substantially by the Bureau of the Budget (e.g., Internal Revenue Service asked for 96 more new revenue agents and for $1.9 million more funds for new personnel than were finally approved by the Budget and requested by the administration).

It would be observed that the additional employees requested would only bring the enforcement section of the Service about one-quarter of the way back to its 1952 strength.

RECOMMENDATION

It is recommended that $11.6 million be added to the appropriation for Internal Revenue Service for fiscal 1960 to provide funds for an increase in enforcement personnel of 2,350 persons in addition to the funds requested by the administration to permit the employment of 726 new enforcement personnel.

Such appropriation would bring the enforcement section up to its 1952 strength, which is patently necessary in view of the increase in the number of returns filed and indications of widespread nonreporting and overstatement of deductions and exemptions. If the ratios used by the Treasury to estimate increased revenues to be gained from the appropriation requested for additional personnel are applied, the appropriation of $11.6 million for new personnel in addition to the sums asked for in the budget would yield $105 million in public revenues in fiscal 1960 and $150 million in later years for similar appropriations.

It should be emphasized, however, that these estimates of increased public revenues from increased appropriation for enforcement personnel are generally acknowledged to be conservative. If the additional funds recommended were used primarily for the employment of additional revenue agents and office auditors to permit more audits of large and complex business and professional returns, the increase in taxable income might be expected to approximate more closely the much higher figures indicated by the special 1949 audit referred to above: a $2.7 billion rise in taxable income. Even if this increase were not fully achieved, the increase in public revenue might reasonably be expected to increase Treasury receipts to a much greater extent than indicated above.

Period	Income tax returns	Internal revenue collections	IRS enforcement personnel	IRS total personnel	Deficiencies assessed	
					Excess profits	Total
	Millions	*Billions*	*Average number*	(59,693)	*Millions*	*Millions*
(1946)						
1947	54.3	$39.1	25,788	52,830	$451.3	$1,928.6
1948	54.9	41.9	20,655	52,143	484.9	1,897.0
1949	53.3	40.5	22,454	52,266	561.7	1,891.7
1950	51.7	39.0	24,775	55,551	325.9	1,747.6
1951	52.4	50.4	26,380	55,805	280.9	1,856.6
1952	54.6	65.0	26,788	56,309	202.0	1,840.2
Average	53.5	46.0	24,473			1,860.3
1953	58.5	69.7	24,455	53,463	156.7	1,556.0
1954	58.5	69.9	24,551	51,411		1,441.6
1955	57.6	66.3	23,984	50,890		1,478.9
1956	57.9	75.1	24,027	50,682		1,412.8
1957	59.5	80.2	23,935	51,364		1,663.2
1958	60.0	80.0	23,712	50,816		1,684.5
1959 (estimate)				50,750		
1960 (estimate)				51,250		
Average	58.7 (+5.2)	73.5 (+27.5)	24,277 (−196)			1,539.5 (−320.8)

Source: Annual Reports of the Commissioner of Internal Revenue.

ARLINGTON, VA., *May 12, 1959.*

Hon. JOSEPH S. CLARK,
U.S. Senate,
Washington, D.C.

In re: Increased appropriation for the Internal Revenue Service—particularly for more examining officers.

DEAR SENATOR CLARK: I hope you will personally read this letter and its enclosures.

I quote the following from the column of Mr. Jerry Kluttz in the Washington Post of April 19, 1959, captioned "Senators Give Help to Revenue Service":

"Internal Revenue is getting solid support for its full budget. A dozen Senators, headed by Senator JOSEPH S. CLARK, Democrat, of Pennsylvania, have called on the Senate Appropriations Committee to:

"Restore the $2.5 million cut from the Internal Revenue Service 1960 budget by the House; and

"Consider a substantial increase over the amount recommended by the President to provide stricter enforcement of the tax laws.

"CLARK and his colleagues are convinced that additional enforcement employees could collect up to $20 for every dollar of their cost. The Eisenhower administration, he added, had cut the Internal Revenue Service enforcement staff by 3,000 employees, an action he described as costly economy.

"If the House cut prevails, CLARK said Internal Revenue Service wouldn't be able to hire any of the 100 new revenue agents requested, only 35 of 204 office auditors, 35 of 50 new office collectors, and 26 of 35 audit clerks."

I am a 64-year-old retired supervisory official of the Washington office of the Internal Revenue Service, having retired August 31, 1953, after 30 years service, more than 25 of which were spent in a supervisory-administrative capacity.

During my career I made several suggestions which resulted in legislation improving administration of the tax laws.

But to get to the nub of the matter. During all the years I spent in the Internal Revenue Service, it was almost the unanimous opinion of the audit and technical personnel that enormous amounts of revenue were being lost to the U.S. Government through not having enough revenue agents—the men who go out and examine taxpayers' books and records.

It is my sincere and honest belief that just since 1948 at least $5 billion could have been collected had the force of revenue agents been adequate in number, or even reasonably adequate. (This amount would have been net after payment of salaries and expenses of such additional agents.)

The national debt could have been this much less.

This is not a self-serving statement on my part—for I am within a few weeks of 65 and never expect to work in the Internal Revenue Service again.

I am unable to understand the rather general indifference over the years of so many Members of Congress to this matter. After all, when we collect additional taxes from taxpayers we are not taking from them money which is theirs. It is not theirs. It is money they legally owe to their Government, and since the Government is in the final analysis all the people of the United States it is money they owe all of us. (I used the word "legally" owed. If any taxpayer thinks he does not legally owe a deficiency in income tax, he has recourse to the Tax Court of the United States, a tribunal established by the Congress almost 35 years ago. And I might add that until that body has passed on his case he does not even have to pay.)

I have learned that the new Commissioner of Internal Revenue, Mr. Dana Latham, seems to understand the problem. I certainly wish him success in any effort he may make to get more money for enforcement. And I appreciate the help that you and some other Members of the Congress are trying to give him.

Let us look at this matter of more revenue agents from a business point of view. The Federal Government needs more revenue. It may be that in a year or two it will be necessary to raise income tax rates. This would mean a little more from everyone. Wouldn't it be a little comfort if the tax burden could be lessened by a few hundred

million dollars a year? And this tidy sum would come, not from the hides of taxpayers who have already paid what they owe—and, thank God, a tremendous percentage are honest—but from those taxpayers who have not paid what they legally owe.

Mr. Kluttz, in his article to which I referred at the beginning of my letter, states that you and your colleagues are convinced that additional enforcement employees (revenue agents) could collect up to $20 for every dollar of their cost. I would go along with that. But say it was only $15—or even $10. Few businessmen would pass up anything like that—15 for 1, or 10 for 1.

As a start, I would advocate $25 million a year extra for more revenue agents.

As a student of the Federal Government for almost 40 years I know something of the complex legislative processes of the Congress and I realize that what I am about to say will seem rather naive. But I would like to see a resolution put to a vote—a record vote—in both Houses of Congress on the simple question: "Do you favor an additional appropriation of $25 million for the Internal Revenue Service for more revenue agents—to bring in additional income taxes of $300 million a year—additional taxes which would come from persons, or corporations, who legally owe them?"

As I am typing the last page of this letter, I wonder if it will accomplish anything. But I have a great pride in the Internal Revenue Service—I did spend almost half my lifetime in it—and so you have the letter.

With best good wishes, I am,

Respectfully,

EMIL K. MELIN.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. PROXMIRE. It seems to me that it would be extremely helpful, in view of the vital importance of the amendments which the Senator is to offer later, to place in the RECORD now some indication of the overall revenue consequences, the effect on the budget, and the effect on the ability of the Federal Government to provide services to the American people without deficit spending. I think it would be well to have in the RECORD a showing of the benefits which would flow from the amendments which the Senator from Pennsylvania is to offer.

Mr. CLARK. I thank my friend for the suggestion. The memorandum which I have submitted outlines the facts in some detail, and I shall develop them fully on Thursday.

Briefly, it may be said that there are varying estimates as to how much a real drive for enforcement, aided by additional and badly needed enforcement personnel would engender. My own view is that the result would be close to $1 billion. There will be those who say that that is a fantastic figure, but I believe I shall be able to support it on Thursday. The new Collector of Internal Revenue, Mr. Latham, testified before the Senate committee a few weeks ago that each new enforcement agent placed upon the payroll would yield $9 the first year for every dollar he would cost the Federal Government; and $13 in the second year and each year thereafter.

He also estimated that between $20 billion and $30 billion of revenue subject to tax is not presently even being reported.

One can build this pyramid up to what seems to be an incredible extent. I have no hesitation whatever in saying that an increase in the number of Internal Revenue agents and enforcement personnel generally, well within the capability of the Internal Revenue Service to absorb and train, could not fail to net the Federal Government several hundred millions of dollars in the next fiscal year.

Mr. PROXMIRE. Is it not true also that in the past 6 years—and perhaps in the past 10 years—the number of enforcement personnel in the Internal Revenue Service has been sharply reduced?

Mr. CLARK. The 80th Congress cut 9,000 from the total personnel of the Internal Revenue Service. An additional 3,076 have been cut from the personnel of the Enforcement Service since 1952.

The purpose of one of my amendments is to restore the personnel to the level which existed when President Truman left office.

Mr. PROXMIRE. Is it not also true that the number of returns and the amount of personal income taxed have both substantially increased since the 80th Congress?

Mr. CLARK. The Senator is correct. I do not carry in my head the exact figures. They are set out in the memorandum which I have offered for the RECORD. However, it is equally notable that the amount of deficiency assessment has declined substantially, notwithstanding the fact that the total volume of collections has greatly increased.

Mr. PROXMIRE. Is it not also true that a very substantial number of returns receive only a summary office check to see if the mathematics are accurate?

Mr. CLARK. Only 3 percent of the total number of income tax returns now being filed—60 million returns—are being currently audited. It may be said that there is such a large volume of small returns that the figure of 3 percent is somewhat deceptive. However, there is testimony in the RECORD from the predecessor of the present Collector of Internal Revenue, a gentleman who resigned only last year, and who was an Eisenhower appointee, to the effect that because of the shortage of personnel only 10 percent of the returns which should be audited are being audited.

Mr. PROXMIRE. Is it not true that the auditing would result in the recovery of millions of dollars more than the cost of such auditing?

Mr. CLARK. It would result in the recovery of a sum far in excess of the cost of the auditing. The Senator is correct.

Mr. PROXMIRE. Is it not also true that the effect of such amendments would be merely to recover for the Federal Government moneys to which the Federal Government is legally entitled?

Mr. CLARK. The Senator is correct.

Mr. PROXMIRE. Is it not true that under the present arrangement it is obvious that the honest taxpayer who pays his taxes in full is now being unjustly hurt and discriminated against, and that one effect of the Senator's amendments would be to safeguard and protect him, and see that all citizens pay their lawful taxes?

Mr. CLARK. The Senator is correct.

I believe the indirect effect of adopting the amendments would be even greater than the direct effect. Word would get out that there was to be a real enforcement effort to require Americans to pay the income taxes which they owed. I am sure this would substantially cut down chiseling.

From where I sit, the present benefit of the amendments which I shall offer on Thursday would be to come within measurable distance of balancing the Federal budget, while at the same time enabling the Federal Government to make the appropriations necessary for national security and to continue a first class America on the domestic front. I do not pretend that these amendments alone would accomplish that purpose; but taken in conjunction with the proposals sponsored last week by the Senator from Wisconsin, the Senator from Minnesota [Mr. MCCARTHY], the Senator from Illinois [Mr. DOUGLAS], and myself, in my judgment they would provide more than enough money to balance the budget and enable us to be sure that our national defense was adequately provided for, and that our domestic economy would not grind to a stop. Also, the public sector of our economy would receive the funds' needs to enable it to eliminate existing obsolescence. It is conceivable that, having done so, we would be able to make a substantial payment on the national debt, without in any way raising the general level of taxation.

I thank my friend for his helpful interjections.

The PRESIDING OFFICER. The amendments will be received, printed, and lie on the table.

COMMISSION ON INTERGOVERNMENTAL RELATIONS — ADDITIONAL COSPONSOR OF BILL

Mr. MUSKIE. Mr. President, I ask unanimous consent that the name of the Senator from California [Mr. ENGLE] may be added as an additional cosponsor of the bill (S. 2026) to establish an Advisory Comission on Intergovernmental Relations, introduced by me, for myself, and other Senators, on May 21, 1959.

The PRESIDING OFFICER. Without objection, it is so ordered.

AGREEMENT WITH GOVERNMENT OF FRANCE FOR COOPERATION ON USES OF ATOMIC ENERGY FOR MUTUAL DEFENSE PURPOSES

Mr. PASTORE. Mr. President, on May 19, 1959, the President submitted to the Congress a proposed agreement between the United States and the Government of France for cooperation on the uses of atomic energy for mutual defense purposes. On that same day the President also submitted to the Congress a proposed amendment to an existing agreement between the United States and the United Kingdom for cooperation on the uses of atomic energy for mutual defense purposes.

The Atomic Energy Act of 1954, as amended by Public Law 85–479, approved July 2, 1958, requires that proposed agreements for cooperation involving exchange of atomic energy information or material for military purposes must be subjected to congressional review prior to becoming effective with the right of Congress to disapprove. Under section 123d. of the Atomic Energy Act of 1954, as amended, no cooperation with another nation can be undertaken until—

The proposed agreement for cooperation, together with the approval and determination of the President, if arranged pursuant to subsection 91c., 144b., or 144c., has been submitted to the Congress and referred to the Joint Committee and a period of 60 days has elapsed while Congress is in session, but any such proposed agreement for cooperation shall not become effective if during such 60-day period the Congress passes a concurrent resolution stating in substance that it does not favor the proposed agreement for cooperation.

Section 123d. of the Atomic Energy Act of 1954, as amended, thus specifically gives Congress a share in the responsibility for these important types of agreements.

The Subcommittee on Agreements for Cooperation, of which subcommittee I am chairman, will hold hearings on the two proposed agreements submitted by the President after which the subcommittee will make its report to the full committee which, in turn, will report to Congress its recommendation.

It has been my practice in the past to introduce into the CONGRESSIONAL RECORD the text of proposed agreements in order to make available to all Members of Congress specific knowledge of the agreements so that Members in addition to those of the Joint Committee will have the necessary information to fulfill their responsibilities.

I, therefore, ask unanimous consent to have printed in the body of the RECORD the text of the proposed agreement for cooperation with France and the proposed amendment to the agreement for cooperation with the United Kingdom together with the accompanying recommendations of the Department of Defense, the State Department, and the Atomic Energy Commission, and the written approval of the President.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF FRANCE FOR COOPERATION ON THE USES OF ATOMIC ENERGY FOR MUTUAL DEFENSE PURPOSES

The Government of the United States of America and the Government of the Republic of France,

Considering that their mutual security and defense require that they be prepared to meet the contingencies of atomic warfare;

Considering that they are participating together in international arrangements pursuant to which they are making substantial and material contributions to their mutual defense and security;

Recognizing that their common defense and security will be promoted by the transfer by the Government of the United States to the Government of the Republic of France of enriched uranium for use in the development and operation of a land based prototype submarine nuclear propulsion plant;

Believing that such transfer can be undertaken without risk to the defense and security of either country; and

Taking into consideration their respective laws in this matter and, in particular, concerning the United States, the Atomic Energy Act of 1954, as amended, which was enacted with these purposes in mind,

Have agreed as follows:

ARTICLE I

General provision

While the Government of the United States and the Government of the Republic of France are participating in an international arrangement for their mutual defense and security and making substantial and material contributions thereto, the Government of the United States will transfer by sale to the Government of the Republic of France agreed amounts of U–235 contained in uranium enriched up to ninety percent (90%) in the isotope U-235 for use in the development and operation of a land based prototype submarine nuclear propulsion plant, in accordance with the provisions of this Agreement, provided that the Government of the United States determines that such transfers will promote, and will not constitute an unreasonable risk to, its defense and security.

ARTICLE II

Transfer of enriched uranium

A. Pursuant to Article I hereof the Government of the United States will transfer by sale agreed amounts of U-235 contained in uranium enriched up to ninety percent (90%) in the istotope U-235, as needed for use in the development and operation of a land based prototype submarine nuclear propulsion plant, during the ten (10) years following the date of entry into force of this Agreement, on such terms and conditions as may be agreed. The net amount of any uranium transferred hereunder during such period shall not exceed four hundred forty (440) kilograms of contained U-235 except that the net amount of U-235 contained in uranium enriched to more than twenty percent (20%) in the isotope U-235 shall not exceed three hundred (300) kilograms; the net amount shall be the gross quantity of contained U-235 in uranium transferred to the Government of the Republic of France during such period less the quantity of contained recoverable U-235 which has been resold or otherwise returned to the Government of the United States during such period. If the Government of the Republic of France so requests, the Government of the United States will, during such period, authorize the conversion in private facilities in the United States of UF_6 to metal or other forms, as may be agreed, from the enriched uranium transferred under this Agreement.

B. If the Government of the Republic of France so requests, the Government of the United States will during such ten year period on terms and conditions to be agreed, reprocess any material transferred under this Agreement in facilities of the Government of the United States, if the reprocessing of such material is technically feasible in said facilities, or authorize such reprocessing in private facilities in the United States. Enriched uranium recovered in reprocessing such materials by either Party may be purchased by the Government of the United States under terms and conditions to be agreed. Enriched uranium recovered in reprocessing such materials and not purchased by the Government of the United States shall be returned to or retained by the Government of the Republic of France and any U-235 not purchased by the Government of the United States will be credited to the amounts of U-235 to be transferred by the Government of the United States under this Agreement.

C. The Government of the United States shall be compensated for enriched uranium sold by it pursuant to this Article at the United States Atomic Energy Commission's published charges applicable to the domestic distribution of such material in effect at the time of the sale. Any purchase of enriched uranium by the Government of the United States pursuant to this Article shall be at the applicable price of the United States Atomic Energy Commission for the purchase of enriched uranium in effect at the time of purchase of such enriched uranium.

ARTICLE III

Responsibility for use of information and material

The application or use of any information or material communicated, exchanged or transferred under this Agreement shall be the responsibility of the Party receiving it, and the other Party does not provide any indemnity, and does not warrant the accuracy or completeness of such information and does not warrant the suitability of completeness of such information or material for any particular use or application.

ARTICLE IV

Conditions

A. Cooperation under this Agreement will be carried out by each of the Parties in accordance with its applicable laws.

B. Restricted Data shall not be communicated under this Agreement, and no materials shall be transferred under this Agreement in such form as would involve the communication of Restricted Data.

C. The enriched uranium transferred pursuant to this Agreement shall be used by the Government of the Republic of France exclusively in the development and operation of a land based prototype submarine nuclear propulsion plant in the preparation or implementation of defense plans in the mutual interests of the two countries.

ARTICLE V

Guaranties

The Government of the Republic of France guarantees that:

A. The safeguards provided in Article VI shall be maintained.

B. Any materials transferred pursuant to this Agreement shall not be transferred by the Government of the Republic of France, or persons under its jurisdiction, to any unauthorized persons, or transferred beyond the jurisdiction of the Government of the Republic of France except as the Government of the United States, pursuant to its laws, may agree to transfer of such material to another nation, and then only if in the opinion of the Government of the United States such transfer is authorized by an agreement for cooperation between the Government of the United States and the other nation.

ARTICLE VI

Safeguards

In order to assure use as provided in paragraph C of Article IV, the Parties shall have the same rights and obligations under this Agreement with respect to reactors, equipment and devices, and materials and their derivatives as they now have under Article X of the Agreement for Cooperation Concerning the Civil Uses of Atomic Energy between the Parties, signed at Washington on June 19, 1956, as amended by the Agreement signed on July 3, 1957, with respect to reactors, equipment and devices, and materials and their derivatives.

ARTICLE VII

Definitions

For the purposes of this Agreement:

A. "Restricted Data" means all data concerning (1) design, manufacture, or utilization of atomic weapons; (2) the production of special nuclear material; or (3) the use of special nuclear material in the production of energy, but shall not include data declassified or removed from the category of Restricted Data by the appropriate authority.

B. "Person" means:

1. any individual, corporation, partnership, firm, association, trust, estate, public or private institution, group, government agency or government corporation other than the United States Atomic Energy Commission and the French Commissariat for Atomic Energy; and

2. any legal successor, representative, agent or agency of the foregoing.

C. "Parties" means the Government of the United States and the Government of the Republic of France, including the United States Atomic Energy Commission on behalf of the Government of the United States and the French Commissariat for Atomic Energy on behalf of the Government of the Republic of France. "Party" means one of the above "Parties".

D. "Development and operation" shall be construed to include critical experiments required in the development and operation of a land based prototype submarine nuclear propulsion plant.

ARTICLE VIII

Duration

This Agreement shall enter into force on the date on which each Government shall have received from the other Government written notification that it has complied with all statutory and constitutional requirements for the entry into force of this Agreement, and shall remain in force until terminated by agreement of both Parties except that Article II of this Agreement shall terminate ten years following the entry into force of this Agreement.

In witness whereof, the undersigned, duly authorized, have signed this Agreement.

Done at Washington in duplicate in the English and French languages, both texts being equally authentic, this seventh day of May, 1959.

For the Government of the United States of America:

CHRISTIAN A. HERTER.

For the Government of the Republic of France:

HERVE ALPHAND.

Certified to be a true copy of the English text:

HALVOR O. EKERN,
Office of the Special Assistant to the Secretary for Atomic Energy, Department of State.

To the Congress of the United States:

Pursuant to the Atomic Energy Act of 1954, as amended, I am submitting herewith to each House of the Congress an authoritative copy in the English text of an agreement between the Government of the United States of America and the Government of the Republic of France for cooperation in the uses of atomic energy for mutual defense purposes. The agreement has been executed on May 7, 1959, by the Secretary of State on behalf of the Government of the United States, and by the Ambassador of France to the United States on behalf of the Government of the Republic of France.

To assist France in the development of a land-based prototype submarine propulsion plant, and in response to a request by France for U.S. cooperation in this field, our Governments have concluded this agreement whereby the United States will sell to France a quantity of enriched nuclear fuel for this purpose.

The agreement recognizes the relationship of this assistance to the mutual security of the two nations, and the contribution to joint defense arrangements which transfer of this material will make. As the result of discussions with the French, it has been determined that the amounts envisaged for sale to France should permit them to carry out the proposed project.

The transfer of the nuclear fuel under this agreement will be carried out in accordance with the Atomic Energy Act of 1954, as amended, and pursuant thereto I have determined that performance of this cooperation will promote and will not constitute an unreasonable risk to, the common defense and security of the United States. It will be noted that the agreement does not provide for the communication of restricted data.

I am also transmitting a copy of the Secretary of State's letter accompanying the text of the agreement, a copy of a joint letter from the Chairman of the Atomic Energy Commission and the Secretary of Defense recommending my approval of this agreement, and a copy of my memorandum in reply thereto setting forth my approval.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *May 19, 1959.*

(Enclosures: (1) Agreement between the Government of the United States of America and the Government of the Republic of France for cooperation in the uses of atomic energy for mutual defense purposes; (2) copy of Secretary of State's letter accompanying copies of the signed agreement; (3) copy of a joint letter from the Secretary of Defense and the Chairman of the AEC recommending my approval of the agreement; (4) a copy of my memorandum in reply thereto setting forth my approval.)

DEPARTMENT OF STATE,
Washington, May 7, 1959.

THE PRESIDENT,
The White House.

THE PRESIDENT: The undersigned, the Secretary of State, has the honor to submit to the President with a view to its transmission to the Congress, pursuant to the Atomic Energy Act of 1954, as amended, an agreement between the Government of the United States of America and the Government of the Republic of France for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes.

This agreement was signed on May 7, 1959, on behalf of the United States pursuant to the authorization granted in your memorandum of May 5, 1959, to the Secretary of Defense and the Chairman of the Atomic Energy Commission.

A copy of that memorandum was received by the Secretary of State from the President.

Respectfully submitted.

CHRISTIAN A. HERTER.

(Enclosure: Agreement between the Government of the United States of America and the Government of the Republic of France for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes.)

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C., May 2, 1959.

THE PRESIDENT,
The White House.

DEAR MR. PRESIDENT: The U.S. Atomic Energy Commission and the Secretary of Defense recommend that you approve the attached agreement between the Government of the United States of America and the Government of the Republic of France for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes. It is further recommended that you authorize the execution of this proposed agreement on behalf of the United States of America. The Secretary of State concurs in the recommendations herein.

The cooperation provided for in the agreement is authorized by the Atomic Energy Act of 1954, as amended by Public Law 85-479. The Republic of France is participating with the United States in an international arrangement pursuant to which the Republic of France is making substantial and material contributions to the mutual defense and security.

This agreement provides for the transfer by sale by the Government of the United States to the Government of the Republic of France during the period of 10 years following the date of entry into force of this agreement of agreed amounts of U^{235} contained in uranium enriched up to 90 percent in the isotope U^{235} as needed for use in the development and operation of a land based prototype submarine nuclear propulsion plant. The net amount of any uranium transferred under this agreement shall not exceed 440 kilograms of contained U^{235} except that the net amount of U^{235} contained in uranium enriched to more than 20 percent in the isotope U^{235} shall not exceed 300 kilograms. No restricted data or classified defense information shall be communicated under this agreement.

The transfer of enriched uranium for use in the development and operation of a land based prototype submarine nuclear propulsion plant is responsive to a specific request from the French Government and is for the purpose of assisting France in the development of a nuclear submarine capability in the French fleet.

The agreement provides that the Government of the Republic of France guarantees that materials transferred under this agreement shall be used exclusively in the development and operation of a land-based prototype submarine nuclear propulsion plant in the preparation or implementation of defense plans in the mutual interests of the two countries. Appropriate safeguards are contained in the agreement to assure such use. The agreement also contains a commitment that the Government of the Republic of France will not transfer any materials received pursuant to this agreement to unauthorized persons or beyond the jurisdiction of the Government of the Republic of France except as the Government of the United States, pursuant to its laws, may agree to transfer of such material to another nation and then only if in the opinion of the Government of the United States such transfer is authorized by an agreement for cooperation between the Government of the United States and the other nation.

This agreement, except for article II, shall remain in force until terminated by agreement of both parties thus assuring continued protection for materials transferred in accordance with the provisions of the agreement. Article II, providing for transfer of enriched uranium, shall terminate 10 years following the entry into force of the agreement.

In accordance with the provisions of section 91 of the Atomic Energy Act of 1954, as amended, the agreement specifically provides in article I that agreed amounts of enriched uranium will be transferred to the Government of the Republic of France only when the Government of the United States determines that such transfers will promote and will not constitute an unreasonable risk to its defense and security while the United States and France are participating in an international arrangement for their mutual defense and security and making substantial and material contributions thereto. Cooperation under article II of the agreement would be undertaken only when these conditions prevail.

It is the considered opinion of the Atomic Energy Commission and the Department of Defense that the performance of

the proposed agreement will promote and will not constitute an unreasonable risk to the common defense and security of the United States. Accordingly, it is recommended that you (1) approve the program as set forth herein and in the attached agreement, for the transfer of agreed amounts of enriched uranium; (2) determine that the performance of this agreement will promote and will not constitute an unreasonable risk to the common defense and security of the United States; (3) approve the proposed agreement for cooperation; and (4) authorize the execution of the proposed agreement for the Government of the United States by the Secretary of State.

Respectfully yours,

JOHN A. McCONE,
Chairman, Atomic Energy Commission.
APRIL 29, 1959.

DONALD QUARLES,
Secretary, Department of Defense.
MAY 2, 1959.

THE WHITE HOUSE,
Washington, May 5, 1959.

MEMORANDUM FOR THE SECRETARY OF DEFENSE; THE CHAIRMAN, ATOMIC ENERGY COMMISSION

In your joint letter of May 2, 1959, to me, you recommended that I approve a proposed agreement between the Government of the United States of America and the Government of the Republic of France for cooperation on the uses of atomic energy for mutual defense purposes.

France is participating with the United States in an international arrangement pursuant to which it is making substantial and material contributions to the mutual defense and security. The proposed agreement will permit cooperation necessary to assist France in the development of a nuclear submarine capability for defense plans in the mutual interests of the two countries, subject to provisions, conditions, guarantees, terms, and special determinations, which are most appropriate in this important area of mutual assistance.

Having considered the cooperation provided for in the agreement, including your joint recommendations, guarantees, and other terms and conditions of the agreement, I hereby (1) approve the program for the transfer of enriched uranium in the quantities and under the terms and conditions provided in the joint letter to me from the Secretary of Defense and the Chairman of the Atomic Energy Commission dated May 2, 1959, and in the proposed agreement; (2) determine that the performance of this agreement will promote and will not constitute an unreasonable risk to the common defense and security of the United States; (3) approve the proposed agreement for cooperation; and (4) authorize the execution of the proposed agreement for the Government of the United States by the Secretary of State.

After execution of the agreement, I shall submit it to the Congress.

I am forwarding a copy of this memorandum to the Secretary of State.

DWIGHT D. EISENHOWER.

AMENDMENT TO THE AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND FOR COOPERATION ON THE USES OF ATOMIC ENERGY FOR MUTUAL DEFENSE PURPOSES OF JULY 3, 1958

The Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland on its own behalf and on behalf of the United Kingdom Atomic Energy Authority;

Desiring to amend in certain respects the Agreement for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes (hereinafter referred to as the Agreement for Cooperation) signed at Washington on the third day of July, 1958;

Have agreed as follows:

ARTICLE 1

The following new Article shall be inserted after Article III of the Agreement for Cooperation:

"ARTICLE III BIS

"Transfer of materials and equipment

"A. The Government of the United States shall transfer to the Government of the United Kingdom the following in such quantities, at such times prior to December 31, 1969, and on such terms and conditions as may be agreed:

"1. non-nuclear parts of atomic weapons which parts are for the purpose of improving the United Kingdom's state of training and operational readiness;

"2. other non-nuclear parts of atomic weapons systems involving Restricted Data which parts are for the purpose of improving the United Kingdom's state of training and operational readiness when in accordance with appropriate requirements of applicable laws;

"3. special nuclear material for research on, development of, production of, or use in utilization facilities for military applications; and

"4. source, by-product and special nuclear material, and other material, for research on, development of, or use in atomic weapons when, after consultation with the Government of the United Kingdom, the Government of the United States determines that the transfer of such material is necessary to improve the United Kingdom's atomic weapon design, development or fabrication capability.

"B. The Government of the United Kingdom shall transfer to the Government of the United States for military purposes such source, by-product and special nuclear material, and equipment of such types, in such quantities, at such times prior to December 31, 1969, and on such terms and conditions as may be agreed.

"C. 1. With respect to by-product material, special nuclear material and other material transferred from one Party to the other under this Article, the recipient Party agrees not to use any such material for purposes other than those for which it was received, provided that material which has lost its identity as a result of commingling with other material of the recipient Party may be put to other uses if the recipient Party retains an equivalent amount of its own material for the purpose for which the other Party's material was received.

"2. For material or equipment transferred from one Party to the other Party, the recipient Party shall pay or reimburse, as may be agreed, all packaging, transportation and related costs. Packaging, shipping containers and methods of shipment shall be as may be agreed.

"3. Should either Party desire to acquire materials or components for use in the manufacture or in preparation for manufacture of atomic weapons from any source within the jurisdiction of the other Party, the procuring Party shall inform the other Party of the proposed procurement in order that such other Party may determine whether the proposed procurement involves classified information and if so whether the proposed procurement is in compliance with its applicable laws and regulations."

ARTICLE 2

Article VII of the Agreement for Cooperation shall be amended to read as follows:

"ARTICLE VII

"Dissemination

"Nothing in this Agreement shall be interpreted or shall operate as a bar or restriction to consultation or cooperation in any field of defense by either Party with other nations or international organizations. Neither Party, however, shall communicate classified information or transfer or permit access to or use of materials, or equipment, made available by the other Party pursuant to this Agreement to any nation or international organization unless:

"A. it is notified by the other Party that all appropriate provisions and requirements of such other Party's applicable laws, including authorization by competent bodies of such other Party, have been complied with as necessary to authorize such other Party directly so to communicate to, transfer to or permit access to or use by such other nation or international organization; and further that such other Party authorizes the recipient Party so to communicate to, transfer to or permit access to or use by such other nation or international organization; or

"B. in the case of communication of classified information and access to materials or equipment, such other Party has informed the recipient Party that such other Party has so communicated such classified information to, or permitted access to such materials or equipment by, such other nation or international organization; or

"C. in the case of material which has lost its identity as a result of commingling with other material of the recipient Party, the recipient Party retains an amount under its jurisdiction equivalent to that made available to it by the other Party under this Agreement."

ARTICLE 3

Article IX of the Agreement for Cooperation shall be amended as follows:

(1) The words "Article III" shall be deleted from paragraph A, subparagraph 2 of paragraph B, and subparagraph 1 of paragraph D, and the words "Articles III or III bis" shall be substituted therefor.

(2) The words "submarine propulsion plant and spare parts transferred pursuant to paragraph A of Article III" shall be deleted from subparagraph 1 of paragraph B, and the words "submarine propulsion plant, spare parts or equipment transferred pursuant to paragraph A of Article III or paragraph A or paragraph B of Article III bis" shall be substituted therefor.

ARTICLE 4

Article XI of the Agreement for Cooperation shall be amended as follows:

(1) Paragraph C shall be amended by adding at the end thereof the following:

" 'Equipment' also includes non-nuclear parts of atomic weapons and other non-nuclear parts of atomic weapons systems involving Restricted Data."

(2) After paragraph H add the following:

"I. 'Non-nuclear parts of atomic weapons' means parts of atomic weapons which are specially designed for them and are not in general use in other end products and which are not made, in whole or in part, of special nuclear material; and 'other non-nuclear parts of atomic weapons systems involving Restricted Data' means parts of atomic weapons systems, other than non-nuclear parts of atomic weapons, which contain or reveal atomic information and which are not made, in whole or in part, of special nuclear material. "J. 'Atomic information' means information designated 'Restricted Data' or 'Formerly Restricted Data' by the Government of the United States and information designated 'ATOMIC' by the Government of the United Kingdom."

ARTICLE 5

Article XII of the Agreement for Cooperation shall be amended as follows:

The words "to take effect at the end of a term of ten years," shall be deleted and the words "to take effect on December 31, 1969," shall be substituted therefor.

ARTICLE 6

This Amendment, which shall be regarded as an integral part of the Agreement for Cooperation, shall enter into force on the date on which each Government shall have received from the other Government written notification that it has complied with all statutory and constitutional requirements for the entry into force of this Amendment.

In witness whereof, the undersigned, duly authorized, have signed this Amendment.

Done at Washington this seventh day of May 1959, in two original texts.

For the Government of the United States of America:

CHRISTIAN B. HERTER.

For the Government of the United Kingdom of Great Britain and Northern Ireland:

HAROLD RACCIA.

To the Congress of the United States:

Pursuant to the Atomic Energy Act of 1954, as amended, I am submitting herewith to each House of the Congress an authoritative copy of an amendment to the agreement between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland for cooperation on the uses of atomic energy for mutual defense purposes of July 3, 1958. The amendment was signed at Washington on May 7, 1959.

The agreement of July 3, 1958, for cooperation on the uses of atomic energy for military purposes provided for the exchange of information covering the design and use of atomic weapons and other military applications of atomic energy and for the sale to the United Kingdom of a nuclear submarine propulsion plant and necessary fuel. Numerous exchanges have been made under this agreement, and both nations have benefited from these exchanges.

Under the provisions of the agreement there have been discussions between representatives of the two nations concerning the nature and scope of equipment and materials exchanges which would best contribute to our common defense and security and further benefit our two nations. As a result of these discussions an amendment to the agreement has been developed to further the goal of our mutual defense. It is gratifying to note that this amendment will also result in conservation of scientific and technical manpower and effort, and capital which would otherwise be required in providing duplicate facilities to meet our corresponding but separate requirements.

I am also transmitting a copy of the Secretary of State's letter accompanying authoritative copies of the signed amendment, a copy of a joint letter from the Chairman of the Atomic Energy Commission and the Secretary of Defense recommending my approval of this amendment, and a copy of my memorandum in reply thereto setting forth my approval.

(Enclosures: (1) Copy of amendment to the agreement between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland for cooperation on the uses of atomic energy for mutual defense purposes; (2) copy of Secretary of State's letter accompanying copies of the signed amendment; (3) copy of a joint letter from the Secretary of Defense and the Chairman of the AEC recommending my approval of the amendment; (4) copy of my memorandum in reply thereto setting forth my approval.)

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *May 19, 1959.*

DEPARTMENT OF STATE,
Washington, May 7, 1959.

THE PRESIDENT,
The White House.

THE PRESIDENT: The undersigned, the Secretary of State, has the honor to submit to the President with a view to its transmission to the Congress, pursuant to the Atomic Energy Act of 1954, as amended, an amendment to the agreement between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes, signed at Washington under date of July 3, 1958.

This amendment was signed on May 7, 1959, on behalf of the United States pursuant to the authorization granted in your memorandum of May 5, 1959, to the Secretary of Defense and the Chairman of the Atomic Energy Commission.

A copy of that memorandum was received by the Secretary of State from the President.

Respectfully submitted.

CHRISTIAN A. HERTER.

(Enclosures: Amendment to the agreement between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes.)

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C., May 2, 1959.

THE PRESIDENT,
The White House.

DEAR MR. PRESIDENT: The U.S. Atomic Energy Commission and the Secretary of Defense recommend that you approve the attached amendment to the agreement between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland for cooperation on the uses of atomic energy for mutual defense purposes. It is further recommended that you authorize the execution of this proposed amendment to the agreement on behalf of the United States of America. The Secretary of State concurs in the recommendations herein.

You will recall that the present agreement, which was executed on July 3, 1958, provided for increased cooperation with the United Kingdom under the authority of the Atomic Energy Act of 1954 as amended by Public Law 85-479. It provided the necessary framework for the exchange of certain classified information and the transfer of certain equipment and materials for military uses.

In the area of information, the agreement provided for exchange of information within the limits imposed by sections 144b and 144c of the Atomic Energy Act, as amended. Such information covered the development of defense plans; the training of personnel; the evaluation of the capability of potential enemies in the employment of atomic weapons and other military applications; the development of delivery systems capable of carrying atomic weapons; design, development, and fabrication of atomic weapons; and research, development, and design of military reactors. The agreement continued in effect submarine reactor cooperation earlier undertaken and provided for broader cooperation in the military reactor field in the future.

In the area of equipment and materials, the agreement provided for the transfer by sale to the United Kingdom of one complete submarine nuclear propulsion plant and fuel for operation of this plant for a period of 10 years.

It is believed that this agreement has resulted in significant advances to our mutual defense and security. Both governments have benefited extensively from the exchange of information under the provisions of this agreement.

You will recall that although authorized by Public Law 85-479, the agreement did not provide for the transfer of nonnuclear parts of atomic weapons or other nonnuclear parts of atomic weapons systems or of materials for research on, development of, or use in atomic weapons or of materials for research on, development of, or production of utilization facilities for military application. Until such time as discussions could be held with the United Kingdom under the authority of Public Law 85-479 and the new agreement, it was not possible to determine the nature or scope of equipment and materials exchanges which would best contribute to our common defense and security. Such discussions have since been held, and the purpose of the attached amendment to the agreement is to provide for the transfer of such equipment and materials.

As we stated when we submitted the agreement for your approval, the United Kingdom is participating with the United States in international arrangements pursuant to which the United Kingdom is making substantial and material contributions to the mutual defense and security, and the United Kingdom has made substantial progress in the development of atomic weapons.

The amendment provides for the transfer from the United States to the United Kingdom of (a) nonnuclear parts of atomic weapons and other nonnuclear parts of atomic weapons systems involving restricted data for the purpose of improving the United Kingdom's state of training and operational readiness; (b) special nuclear materials for research on, development of, production of, or use in utilization facilities for military applications; and (c) certain source, byproduct, and special nuclear materials, and other materials for research on, development of, or use in atomic weapons necessary to improve the United Kingdom atomic weapon design, development or fabrication capabilities.

The amendment provides for the transfer of similar materials and equipment from the United Kingdom to the United States.

The transfers are to take place from time to time during the period ending December 31, 1969. The quantities and other terms and conditions of the transfers will be as agreed by the parties. In this connection, the maximum quantities of materials to be transferred by the United States prior to December 31, 1969, is contained in a supplementary classified letter. These quantities of materials can be made available for transfer during this period without adverse effect on our defense program. However, it is not possible to determine at this time all the types and the quantities of nonnuclear parts of atomic weapons and other nonnuclear parts of atomic weapons systems involving restricted data which should be transferred between the parties prior to December 31, 1969, to improve our common defense.

The amendment, therefore, provides that the parties will agree from time to time on types and quantities to be transferred. All such agreements will be submitted for your approval and, in accordance with the provisions of section 91c of the Atomic Energy Act and article I of the agreement be subject to your determination that the proposed transfer will promote and will not constitute an unreasonable risk to the common defense and security. It is contemplated that transfers of equipment for use in manufacture of weapons will be by sale with the purchasing party paying the cost of the other party in providing the equipment. It is also contemplated that equipment transferred for other uses may be sold, leased or loaned by the United States. Materials will also be transferred by sale. In this connection, it is contemplated that highly enriched U^{235} sold by the United States will be paid for with plutonium at the rate of 1 grain of plutonium for 1.76 grains of U^{235}.

While the quantities of equipment and materials which will be transferred by the United States will not adversely interfere

with our defense program, they will be such as to add to the United Kingdom's defense capability, and will preclude unnecessary duplication of effort, facilities and funds and will provide for our greater collective security. The intended application of materials to the United Kingdom nuclear weapon production program as to types and time schedules for the next 10 years is considered consistent with current and planned force structures and delivery capabilities and in consonance with the contribution the United Kingdom is expected to make to the defense of NATO and to the military strength and solidarity of the Western Alliance.

Considering the progress to date on exchange of information within the limits imposed by section 144b and 144c provided for in the agreement, the expanded cooperation with the United Kingdom now proposed will contribute markedly to the development of practical and economical measures for applying the resources of both countries to the common defense and will serve as further evidence of the military, political and scientific bonds between the two nations.

In view of all the foregoing reasons the transfer of materials as proposed in the amendment is necessary to improve the atomic weapon design, development or fabrication capability of the United Kingdom.

The amendment recognizes that some materials and components which one party may wish to procure from sources within the jurisdiction of the other party may be procured without an agreement for cooperation, provided that classified information not involving atomic information involved in the procurement may properly be communicated to the purchasing party. The amendment, therefore, provides that the other party will be informed of any such proposed procurement of materials or components for use in the manufacture of atomic weapons in order that it may insure compliance with its applicable laws and regulations.

The amendment also revises the dissemination article of the agreement. This revision is intended to make more specific the meaning of the original article; namely, that information, materials, or equipment received by one party will not be communicated or transferred by that party to a third nation or international organization unless the party furnishing the information, material, or equipment authorizes the communication or transfer after determining that it could effect the communication or transfer directly, or in the case of information, that it had previously communicated the information to such nation or organization. Special provision is made for materials which it is not practicable to keep separate from other materials of the receiving party, such as materials which become intermingled, or scrap resulting from manufacturing processes. To avoid burdensome and costly administrative procedures, which would otherwise be necessary to trace and identify this material, the amendment provides than an equivalent amount of the material will be retained under the jurisdiction of the receiving party.

The amendment makes technical changes in the patents article of the agreement resulting from the additional cooperation provided in the amendment and adds additional definitions. Finally the amendment modifies the duration article of the agreement so that cooperation in the field of information will continue until December 31, 1969, the term of the materials and equipment cooperation under the amendment.

Other provisions and conditions of the agreement including those relating to security safeguards will apply to cooperation under the amendment.

In accordance with the provisions of section 91 of the Atomic Energy Act of 1954, as amended, the agreement specifically provides in article I that all cooperation under the agreement will be undertaken only when the communicating or transferring party determines that such cooperation will promote and will not constitute an unreasonable risk to its defense and security, while the United States and the United Kingdom are participating in an international arrangement for their mutual defense and security through substantial and material contributions thereto. Cooperation under article III bis, which will be added to the agreement by the amendment, would be undertaken only when these conditions prevail.

It is the considered opinion of the Atomic Energy Commission and the Department of Defense that the performance of this amendment to the agreement will promote and will not constitute an unreasonable risk to the common defense and security of the United States.

Accordingly, it is recommended that you (1) approve the program for the transfer of material and equipment as set forth herein and in the attached amendment to the agreement; (2) determine that the performance of this amendment to the agreement will promote and will not constitute an unreasonable risk to the common defense and security of the United States; (3) approve the proposed amendment to the agreement for cooperation; and (4) authorize the execution of the proposed amendment to the agreement for the Government of the United States by the Secretary of State.

Respectfully yours,

JOHN A. McCONE,
Chairman, Atomic Energy Commission.
DONALD A. QUARLES,
Secretary of Defense (Deputy).

MAY 5, 1959.

MEMORANDUM FOR THE CHAIRMAN, ATOMIC ENERGY COMMISSION; THE SECRETARY OF DEFENSE

In your joint letter of May 2, 1959, the Chairman of the Atomic Energy Commission and the Secretary of Defense recommended that I approve a proposed amendment to the agreement of July 3, 1958, between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland for cooperation on the uses of atomic energy for mutual defense purposes.

The United Kingdom is participating with the United States in international arrangements pursuant to which it is making substantial and material contributions to the mutual defense and security, and the United Kingdom has made substantial progress in the development of atomic weapons. The proposed amendment will permit cooperation necessary to improve capabilities of the United States, and the United Kingdom, in the application of atomic energy for mutual defense purposes, subject to provisions, conditions, guarantees, terms, and special determinations, which are most appropriate in this important area of mutual assistance.

Having considered the cooperation provided for in the amendment, including your joint recommendation, the security safeguards and other terms and conditions of the agreement and the amendment, I hereby—

(a) Approve the program for transfer prior to December 31, 1969 of: (i) nonnuclear parts of atomic weapons and other nonnuclear parts of atomic weapons systems involving restricted data, and (ii) source, byproduct, special nuclear and other material, in the types and quantities and under the terms and conditions provided in the joint letters dated May 2, 1959, to me from the Chairman, U.S. Atomic Energy Commission, and the Secretary of Defense, and the proposed amendment to the agreement of July 3, 1958, between the Government of the United States and the Government of the United Kingdom for cooperation on the uses of atomic energy for mutual defense purposes; however, types, quantities, and conditions of transfer not so provided are subject to my further approval;

(b) Determine that the performance of this amendment to the agreement will promote and will not constitute an unreasonable risk to the common defense and security of the United States;

(c) Approve the proposed amendment to the agreement for cooperation; and

(d) Authorize the execution of the proposed amendment to the agreement for the Government of the United States by the Secretary of State.

In taking these actions, I have noted the supplementary classified information regarding the amendment to the agreement, also jointly submitted to me.

After execution of the agreement, I shall submit it to the Congress of the United States.

I am forwarding a copy of this memorandum to the Secretary of State.

DWIGHT D. EISENHOWER.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. FULBRIGHT:

Editorial published by the Wall Street Journal and the reply to it made by Senator CLARK entitled, respectively, "The Modern Fallacy," and "The Ancient Folklore."

NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

Mr. McGEE. Mr. President, this morning I rise to make a personal statement about the nomination of Lewis L. Strauss to be Secretary of Commerce. I was not a member of this body during the years which evoked the serious charges leveled against the nominee by the chairman of the Joint Committee on Atomic Energy [Mr. ANDERSON]; by the chairman of the Antitrust and Monopoly Subcommittee [Mr. KEFAUVER]; by the former chairman of the Antitrust and Monopoly Subcommittee [Mr. O'MAHONEY]; and by the chairman of the House Appropriations Committee [Mr. CANNON]. The seriousness of their charges ought to be a matter of grave concern to every Member of this body. In those instances, the record should guide each Senator in his own conclusions.

I have been a Member of this body long enough, however, to sit through the Strauss hearings before the Interstate and Foreign Commerce Committee. What I observed at firsthand throughout those hearings, I should like to share with my colleagues.

On the basis of those hearings, I charge that Lewis L. Strauss tried to deceive a committee of the Senate.

More than one illustration of the point is available. Today, however, I shall deal with but one instance of attempted deception of the Interstate and Foreign Commerce Committee. This occurred during the final day of the hearings recently completed, May 14, 1959. On that day, the committee was concerning itself with the admiral's role in the well-

known duplicitous-letter incident which first came up during the hearing in the House of Representatives in June 1956.

In our committee, responding to questions from the Senator from California [Mr. ENGLE] Strauss again denied responsibility for the controversial letter, as he had during the original House hearings. The chairman [Mr. MAGNUSON] then confronted Strauss with the official printed public record of the House hearings. According to the House transcript, Strauss had said in 1956, in regard to the duplicitous letter—see page 318, hearings before Subcommittee of Committee on Appropriations, House of Representatives, 84th Congress, 2d session, 2d supplemental bill, 1957.

You bet I stand by it. I would like to take full responsibility for having asked the General Counsel of the Commission to prepare the letter.

But his reply to Chairman MAGNUSON in the hearings this month on May 14, 1959, was:

This is not what I said. I did not ask to have a letter prepared. I did not know what the letter contained. I did assume responsibility for it.

Then there followed this colloquy:

The CHAIRMAN. Are you saying this record is not correct?

Mr. STRAUSS. I say that I did not say what I am here quoted as saying.

The CHAIRMAN. The portion I read to you is not correct?

Mr. STRAUSS. No, I don't deny that what you read is correct as printed but not correct as attributed.

The CHAIRMAN. In other words, you say you did not say what it says you said here.

The implications of this exchange were shocking to me. What the admiral's reply meant was that either the official reporter had been inaccurate, or that someone—unnamed—had altered the record. Because of the seriousness of either explanation, I pressed Mr. Strauss vigorously in an attempt to get at the facts. He accused me of putting words in his mouth, while some Republican members of the committee at the same time asserted that I was "badgering and harassing" the witness.

Today, in a calmer atmosphere, it is possible to assess the available evidence. Two basic facts emerge:

First. The accuracy of the original notes has been sworn to by the official reporter who took them and, who has recently reexamined the original notes of the hearing.

Second. Admiral Strauss was given the opportunity of reading the original transcript and making such corrections as he thought proper at the time of the hearing on June 25, 1956. He made no changes affecting this particular statement.

Both of these facts have recently been corroborated by Representative CLARENCE CANNON, chairman of the House Appropriations Committee. From these two incontrovertible facts, three conclusions are warranted:

First. That the original record was not changed in any material way by anyone.

Second. That there was no clerical error, and

Third. That Mr. Strauss, in fact, did say what was attributed to him in the official House record in June 1956.

Mr. President, what does this mean? It means that Lewis L. Strauss has found a statement which he made in June 1956 to be embarrassing to him in May 1959. And when confronted by that embarrassing statement what does he say? That he was wrong? No, that the record is wrong.

In my judgment this is a naked attempt to deceive the committee which was called upon to consider his nomination. This attempted deception occurred not years ago, but this year; not last session, but this session; not even last month, but this month.

I submit, Mr. President, that the time has come to assess the pattern of this man's public conduct. Who is right and who is wrong? Is it Senator ANDERSON or Lewis Strauss? Is it Senator O'MAHONEY or Lewis Strauss? Is it Senator KEFAUVER or Lewis Strauss? Is it Representative CANNON or Lewis Strauss? In view of his attempt to deceive the Interstate and Foreign Commerce Committee now, I say to the Members of the Senate that Lewis L. Strauss is wrong. Not only is he wrong, he has tried to deceive a committee of the Senate and thus should be refused confirmation of his nomination to be Secretary of Commerce.

I ask unanimous consent to have printed in the RECORD, following my remarks, the transcript of the hearings which pertain to these statements.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

(Testimony before the Interstate and Foreign Commerce Committee on May 14, 1959 (pp. 1666 through 1675 of original transcript of hearings):)

Senator MCGEE. Mr. Chairman, did I understand you to say that you are going to put in the House testimony on the hearing that bears on——

The CHAIRMAN. We will put it in by reference.

Senator MCGEE. I have the full hearings here.

The CHAIRMAN. I just want to ask one question so we won't be too confused about this matter after you read the House hearings, but on page 318 of the second supplemental appropriation bill of 1957, Chairman CANNON makes this statement—he is speaking of the letter—he says the dates are immaterial. He says that you—he is talking to Admiral Strauss—"you do not have the authority but the letter which you prepared and which you have stood by all this time."

"Mr. STRAUSS. You bet I stand by it. I would like to take full responsibility for having asked the General Counsel of the Commission to prepare the letter."

Now that doesn't jibe with——

Secretary STRAUSS. Senator, I submit that this record is not an accurate record and the members of the committee, the 15 members of the committee, stated that it had been molded. This is not what I said. I did not ask to have the letter prepared. I did not know what the latter contained. I did assume responsibility for it.

The CHAIRMAN. Are you saying this record is not correct?

Secretary STRAUSS. I say that I did not say what I am here quoted as saying.

The CHAIRMAN. The portion I read to you is not correct?

Secretary STRAUSS. No. I don't deny that what you read is correct as printed but not corrected as attributed.

The CHAIRMAN. In other words you say you did not say what it says you said here.

Secretary STRAUSS. No, and you can bring down Dr. Libby and Mr. Mitchell and ask them whether I ordered the letter prepared. They will testify I did not, I could not have.

Senator MCGEE. You are suggesting either someone on the committee doctored the hearing reports or the reporter did not report accurately, is that it?

Secretary STRAUSS. Senator MCGEE, I will not permit you to put words in my mouth which you have been trying to do since the beginning of this hearing. I will simply read you again, repeat again, the statement of 15 of your congressional colleagues and I will rest my case on that. They said material matters were omitted from the record and the record had been molded. I will stick by that.

Senator MCGEE. The reason I raise that question, Admiral, is only one. We have been trying to make a record here which we hope at least reflects honestly what was said in this room. Now, are we going to encounter this on our record here, that you didn't say some of these things?

Secretary STRAUSS. The subject was not introduced by me, Senator MCGEE. The subject was introduced by Senator ENGLE. I referred to the report of 15 members of the provisions committee in 1956 or whenever it was and I will rest on that.

Senator MCGEE. Sir, you have introduced a subject here on the veracity of the record or the reporting in a congressional hearing.

Secretary STRAUSS. I did not introduce it. This is a matter of official record. A minority report is a matter of record as well as a majority report.

Senator MCGEE. A minority report can oppose the conclusions drawn from a record but as I understand your statement, and that was the only reason I was asking for the meaning or the implication of your words. Are you challenging the honesty or the veracity or the integrity of those who prepared this report in print?

Secretary STRAUSS. I am only concurring with the minority report.

Senator MCGEE. You are evading my question.

Secretary STRAUSS. In the language in which it is written and I do not—do not try to put words in my mouth.

Senator COTTON. Mr. Chairman, I am compelled to protest at this line of questioning when the Senator from Wyoming insists on putting into the words of the witness the words of 15 Congressmen. They challenged this report and said it was doctored and he persists in trying to say that no one did except Admiral Strauss and I resist that as unfair.

Senator MCGEE. I was unaware that I had yielded the floor, Mr. Chairman.

The CHAIRMAN. The Senator from Wyoming can restate his question and I hope that we will differentiate between the hearings on the bill and the reports. There is a lot more in here we will incoroporate by reference and Chairman Cannon asked the same type of questions. The Senator from Wyoming.

Senator MCGEE. Mr. Chairman, you correct me if I make any wrong implication. The chairman of this committee read from the hearings on the second supplemental appropriation bill and he read and I quote again Admiral Strauss saying, "You bet I stand by it," meaning the letter in controversy. "I would like to take full responsibility for having asked the General Counsel of the Commission to prepare the letter."

Now, Admiral Strauss says here, if I understood him correctly, "I did not say that."

Secretary STRAUSS. That is true.

Senator McGEE. Therefore, I am asking you, Admiral, if what you are doing is calling into question the honesty of the preparation of this report.

Secretary STRAUSS. I am answering the first question, as to whether or not I said it. Any inferences that you draw from that, Senator McGEE, are your inferences. I will stand with the report of the minority of the committee.

Senator McGEE. But the minority of the committee didn't pass judgment on the honesty of the reporting of a court reporter. They passed judgment on a difference in interpretations.

Secretary STRAUSS. You didn't hear me.

Senator COTTON. Mr. Chairman, that is not correct. The minority report says that the hearing, the report of the hearings, the transcript of the hearings had been molded.

Secretary STRAUSS. Senator, I will try to read it to you in their language.

Senator McGEE. We have two different documents in hand here, Admiral.

Secretary STRAUSS. The document from which I am quoting is Report No. 2849, House of Representatives, 84th Congress 2d session, 2d supplemental appropriation bill, 1957, report to accompany House Resolution 12350 and it begins with the record of the majority. It is followed by some material about the Department of Interior in title II and then on page 27 there is the minority report and I will read again the first few lines: "We find ourselves unable to support a report the conclusions in which are not in accord with the testimony. We cannot approve printed hearings from which pertinent testimony has been omitted or which has been molded to meet a desire to make a case."

Senator McGEE. And therefore you stand on the position here, this afternoon, that this statement read by the chairman of this committee is not a true statement as it actually transpired in the committee?

Secretary STRAUSS. Senator, I stand on——

Senator SCOTT. Mr. Chairman.

The CHAIRMAN. The committee will come to order.

Senator SCOTT. I address a point of inquiry to the Chair. My inquiry is whether or not a Member of the Senate is permitted to characterize statements made by Members of the House as to whether or not those statements are true. I think the statements have to stand for themselves. We are getting in very dangerous territory in the course of pursuing relentlessly a witness. We are involving ourselves in whether or not the Senate thinks that the Congressmen told the truth and I raise that parliamentary inquiry.

The CHAIRMAN. Well, the Senator from Wyoming can surely ask a question. Both the witness and the Senator from Wyoming have characterized what some of these people were thinking and I think there has been sufficient latitude here. The record will speak for itself. I think what the Senator from Wyoming is trying to clear up is whether the minority, the 15 members, were speaking about the transcript of the hearings or the written material in the committee print.

Secretary STRAUSS. You have it before you.

Senator McGEE. On page 29 they do single out the language that you selected and they go on in this minority report to make reference to a newspaper editorial that was omitted or inserted, excuse me, and to another bit of the testimony that was not in their judgment accurately reported. It makes no reference at any time by allegation, insinuation, or imputation that they disagreed or questioned your response to this question. I think, Admiral, that you are in error in trying to cast the impression here, if I may say so very frankly, that the minority of 15 passed judgment on this very searching question that the chairman of this committee raised with you and that is you are questioning the truth or the accuracy of this statement in the committee hearing report, not in any of the final reports that were written, this is in the actual word-for-word testimony that was being supplied. This is the exchange between the participants in that hearing and that is the reason it is important we nail that down.

Secretary STRAUSS. Was that a question, Senator?

Senator McGEE. I am commenting on the point that I am trying to drive home with you there and that is that you are not addressing yourself to my question.

Secretary STRAUSS. I don't know what your question is, Senator. I have lost it.

Senator McGEE. My question, Admiral, is this: Do you suggest to this committee that the minority report in taking exception to the majority report was moved because of the inaccuracy of this statement on page 318 of the hearings?

Secretary STRAUSS. I think it is an impropriety for me to say what moved the minority.

Senator McGEE. But you were saying what moved them, Admiral.

Secretary STRAUSS. You can't find that in my testimony.

Senator SCOTT. I object to this line of inquiry as improper.

Senator COTTON. I associate myself with that objection.

Senator BUTLER. I think it is harassing.

Senator SCOTT. It amounts to badgering. I so characterize it.

The CHAIRMAN. Let's come to order. I think the Admiral has answered. I referred to the page. I put the question to him direct. And he answered. Now, we will proceed. I think the record will speak for itself. I don't think it is becoming for any member of the committee to suggest when someone on one end makes a statement or conclusion it is out of order. All of us have made statements and conclusions.

Senator SCOTT. I asked you for a ruling, Mr. Chairman, but I don't think there is any longer any need for the ruling.

The CHAIRMAN I ruled that he could ask a question and all of us have presupposed our questions with statements.

Senator SCOTT. And I suppose all of us have revised our remarks at times.

The CHAIRMAN. The Senator from Pennsylvania used to make a statement at the close of every day here.

Senator SCOTT. And sometimes at the end of the morning session, too, Mr. Chairman.

The CHAIRMAN. That was a good time to make it in both cases.

Senator SCOTT. Had it not been made, Mr. Chairman, a wrong impression would have emanated from the committee room.

The CHAIRMAN. Well, I think now that the members of the committee know that we all make statements and we have some latitude and things aren't always just questions but I think the Senator from Wyoming did put a question. I do think the Admiral answered my question. I don't think he quite cleared up the question that the Senator from Wyoming asked but nevertheless the record will speak for itself. Now, let's proceed with the Senator from New Mexico because again the hour is getting late.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. McGEE. I yield to the Senator from Texas.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The time of the Senator from Wyoming has expired.

Mr. ENGLE. Mr. President, the nomination of Admiral Strauss to be Secretary of Commerce is scheduled to come before the Senate very soon. I call the particular attention of my colleagues to two recent editorials which summarize clearly and succinctly the basic reasons for rejecting the Strauss appointment. The editorial in the St. Louis Post Dispatch points to Strauss' "deviousness and addiction to half-truth." while the editorial in the San Francisco Chronicle refers to the "secrecy, the inadequate and sometimes inaccurate information during the Strauss regime," which produced "the kind of information that confused and misled the public."

Here is the essence of the case against the confirmation of Strauss, and it is stated lucidly and forcefully in these editorials from two of the Nation's leading newspapers. I ask unanimous consent to have the editorials printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the San Francisco Chronicle, May 20, 1959]

STRAUSS' RECORD CAUSE OF DOUBTS

The Senate Commerce Committee has approved President Eisenhower's nomination of Lewis L. Strauss to be Secretary of Commerce after exceptionally long and hot inquiry; the appointment now goes to the Senate floor where further and probably even more bitter debate is anticipated.

The surge of hostility against Strauss—extremely rare in the case of Cabinet nominees—is entirely remote from any doubt of his technical competence; Strauss is a self-made man of extraordinary ability in business and finance, with a background that would be invaluable to a Secretary of Commerce. What has come under grave question is the character of the man as illuminated by certain traits displayed during his tenure as chairman of the Atomic Energy Commission.

First, there was his ardent advocacy of the celebrated Dixon-Yates contract—an affair in which, it has been freely charged, he withheld vital information from the President and from the public to the end that the President, having supported the contract, was compelled to repudiate it when the full facts came to light.

Then there was the secrecy, the inadequate and sometimes inaccurate information which marked AEC reports on atomic energy developments during the Strauss regime. Strauss has been accused of violating the law which requires the AEC to keep the joint congressional committee fully informed. There is no doubt that the kind of information that emanated from the Commission in connection with radioactive fallout, the detection of subterranean detonations, and the export of isotopes to friendly nations confused and misled the public.

Thirdly, and to our mind supremely important in any judgment of this matter, was the conduct of Strauss in connection with Dr. J. Robert Oppenheimer. From motives not yet clear Strauss, as newly appointed Chairman of the AEC, moved against Dr. Oppenheimer with a savage vigor that aped the methods of Senator Joseph McCarthy and suggested persecution. The upshot was a personal tragedy for a man who had served his country well and loss to the Nation of the talents of one of this era's greatest scientists.

Such grave affairs readily explain why so many Senators do not impose in Strauss the confidence that a Cabinet officer ought to inspire, why his fitness is being challenged despite his tremendous business ability, and even though, as Senator LAUSCHE noted, there has been no finding that he is dishonest, incompetent, or disloyal to his country.

The question that here arises may be stated: Should a man whose conduct of one

public office has resulted in grave public disservice be rewarded by promotion to Cabinet rank?

[From the St. Louis Post-Dispatch, May 11–17, 1959]

MORE STRAUSS EVIDENCE

As the evidence piles up in the Strauss hearings, it becomes clearer than ever that, contrary to President Eisenhower's assertion, the case against his appointee does not rest on mere personal antagonism. The opponents of Strauss' confirmation as Secretary of Commerce are demonstrating that his character and qualifications, as revealed by his record in the Atomic Energy Commission, do not warrant a vote of confidence by the Senate.

And that, be it remembered, is what the Senate is asked to render. There would be no point to the whole confirmation process if, as many of Strauss' supporters seem to think, the Senate were obliged to confirm every Presidential appointee who had stayed out of jail. It is true that the President is entitled to appoint men of his own persuasion to his Cabinet. But they must be men in whom the Senate as well as the President can have confidence. In our opinion, Adm. Lewis Strauss does not pass that test.

The curious argument has been made that the acts for which Admiral Strauss is criticized were approved by President Eisenhower, and therefore Admiral Strauss should be confirmed. It was the President, we are told, who formally initiated the security proceedings against Robert Oppenheimer; who supported the Dixon-Yates contract, who backed up Strauss' views on nuclear secrecy and the dangers of fallout. Since Mr. Eisenhower must bear final responsibility for these acts, it is argued that he should be permitted to reappoint the man who performed them.

There are two answers to this. One is that President Eisenhower, to an altogether unique degree, has followed the practice of delegating major decisions to his subordinates. That is how he works. In the light of his own record, it is as plain as plain can be that he would never have thrown Dr. Oppenheimer to the wolves of McCarthyism had not Strauss told him to. He would never have tried to cripple the TVA for the benefit of a private power syndicate had not Strauss advised it.

In the second place, even if the record on this point were different it would not justify Senate confirmation of Strauss. The question for the Senate is whether Strauss did right, or did wrong, in the Oppenheimer case; whether he was representing the Nation, or a special interest, when for many months he persuaded the President to defend a Dixon-Yates contract which finally had to be repudiated; whether he was right, or wrong, in deceiving the American people about radioactive fallout and clamping the straitjacket of extreme secrecy on nuclear scientists.

In our judgment, Strauss' character and fitness are called into question by every one of those aspects of his record. And other aspects of the record confirm the doubt. Strauss has no real answer to the charge of Scientist David L. Hill that he used the security system for the exploitation of personal differences with three other officials, as well as Dr. Oppenheimer. His deviousness and addiction to half-truth are confirmed by the fact that, when asked why he changed his mind on Oppenheimer, he cited a list of altogether unproved charges sent to the FBI in November 1953, whereas the record shows that in fact Strauss initiated action against Oppenheimer within 4 days of taking office in July 1953.

For these reasons we believe the Senate should reject the Strauss nomination.

ADDRESS DELIVERED BY ADLAI E. STEVENSON AT THE UNIVERSITY OF ILLINOIS

Mr. FULBRIGHT. Mr. President, I ask unanimous consent to have printed in the body of the RECORD as a part of my remarks one of the best speeches I have read recently, a speech delivered on May 12 at the University of Illinois by the Honorable Adlai E. Stevenson.

This speech is an extremely thoughtful analysis of some of the most difficult problems confronting our country in the field of foreign relations, and I think it should be made available to the country.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY ADLAI E. STEVENSON, UNIVERSITY OF ILLINOIS, URBANA, ILL., TUESDAY, MAY 12, 1959

I have recently spent a week on the Yale campus as a visiting fellow. And after that inquisition I wonder why I dared to set foot on another campus so soon. It may be vanity that drives so many of us—even ex-politicians—to seek the society of scholars and learned people, hoping to be mistaken for one.

But I would like to think I had a better motive for coming here to this great, distinguished institution which has been a part of my life and my pride since my childhood in nearby Bloomington. Besides, I like to be with young people, for "Youth is such a wonderful state," as Bernard Shaw said, "it is a shame it has to be wasted on young people."

At Yale, both faculty and students seemed profoundly interested in foreign affairs. What was true there may be true here at Illinois, so I am going to talk to you about foreign policy. And that may be timely, too, in view of the Foreign Ministers' meeting that commenced yesterday at Geneva to deal with the current crisis in Berlin.

Not long ago a young lady told me that her strong-willed mother, who has long been very active in public affairs, had been elected to public office. And after the election she overheard her mother pray: "Oh, Lord, I have been so positive all my life, please make me right now."

Well—I feel a little that way, too, because Europe is changing fast. If I don't miss my guess the postwar rigidities of recent years are dissolving, at least on our side of the Iron Curtain. I wish I could be sure that similar changes were going on behind the Communist curtain.

And we in the United States may be changing too. I don't mean to say I think we are all going to vote Democratic yet, but I do think we are beginning to take a more critical interest in our position in the world and to see ourselves as others see us a little better. I count this a good thing, and I have been suggesting for some years that we adjust to facts instead of illusions. But truth is the daughter of time. And, as Tallyrand said, "The only thing wiser than anyone is everyone," and everyone is getting wiser to the facts and fancies about our situation.

Let me enumerate some of these facts and fancies.

Have we forgotten that other rich, complacent, comfortable societies have crumpled before the poor, the tough, and the determined? Did we deceive ourselves about our technological superiority over Russia? Do we still deceive ourselves about reality in China?

Would we be as embarrassed by McCarthyism, Little Rock, and the like if we were not so self-righteous? Modesty is not only becoming, it is necessary.

Our contradictions are notorious. We preach democracy to illiterate people who can't apply it, and simultaneously ally ourselves with dictators. We preach capitalism and private enterprise to underdeveloped countries who have no private capital.

We denounce socialism to people who have no real choice but socialism or dictatorship. We confuse diplomatic contact with political approval. We assure ourselves that political communism is repugnant to religion, and meanwhile it penetrates Islam and even Buddhist areas. Anticommunism and pious public declarations do not make a policy.

Our prestige is not improved by empty talk about liberating the satellites and unleashing Chiang Kai-shek when we can't even contain communism, by backing and filling over the Aswan Dam, and what have you, by talking about socialism and communism as if they were the same thing, and by denouncing neutralism as if we ourselves had not been neutral for a century. While praising peace we proclaim massive retaliation and nuclear war as our defense policy.

And "pactomania" has given our policy a military aspect quite distasteful to the peaceful yearnings, and quite unresponsive to the economic needs, of the vast uncommitted areas, where liberty must mean something, be worth something, before people are willing to fight for it.

But I won't go on. My purpose is not to criticize past failures but to discuss future policies, as we move out of the post Korea freeze into the more fluid and decisive period of the gerat revolution which is violently remaking the world before our eyes.

The first condition of an effective foreign policy is to have a policy, or at the very least a sense of direction. If finding out what the Communists are doing and trying to stop them is the chief guide to our diplomatic activity, they will dictate the paths we follow and are not likely to lead us where we want to go. They will determine the occasions and the crises. They will act, we only react. The result is not only ineffective, it is undignified. A great nation should not be reduced to a one man fire brigade, rushing from fire to fire. We can do better than this.

I believe two fundamental aims must underlie all our diplomacy. The first is a world under law. National survival depends upon avoiding war, and man has discovered no way other than the rule of law to banish violence from the settlement of his disputes.

Our other fundamental aim must be to confront as constructively as we can the vast revolution sweeping our planet. On the one hand, populations are increasing as never before. On the other, at least one-third of the human race, still dwelling in the main in preindustrial economies, has little means of expanding to meet the rising flood of population. For them to modernize is as much a condition of survival as to avoid war. If they fail, misery, despair, and anger could create the tumult from which local conflict and general war might spring.

We shall not achieve law in an anarchic world. Our two aims are thus the two sides of a single coin—an ordered world society.

But aims are not policies and statements of such generality do not take us much beyond political oratory. Aims may give us some sense of direction, but their application depends upon hard political realities in the work-a-day world. The first of these realities is the broad division of the world between the Communists, the so-called free nations, and the others who see their best hopes in committing themselves to neither side. In population, the three groups are roughly equal. In wealth, the predominance is with the free democracies. In actual power, the Communists can claim equality. For the other nations, both wealth and power are largely an aspiration. How, within this context, should we conduct our affairs with each of these groups?

II

Relations with the Communists means in effect relations with Russia and China. For the time being, they are bound together in a close alliance and community of interest. But I see no reason to suppose it immutable. If for no other reason, the Russians must have some reservations about the emergence of a new center of power in the Communist world in a nation lying on the borders of empty Siberia, a nation which by the year 2,000 may have a population of 1,600 million. In other words, there is no inevitable long-term coincidence of interest between the two most powerful Communist states unless we continue to thrust Peiping into Moscow's arms. We want to keep Formosa free. Years ago I urged that instead of fighting over Quemoy and Matsu, we should be discussing the independence of Formosa together with the admission of China to the United Nations.

I am sure the Russians are delighted with our present policy of isolating China which makes them her spokesmen. And I believe we should not veto the admission of Communist China to the United Nations. I wish China had had to answer for Tibet before the forum of organized world opinion.

I believe Asian opinion would support independence for Formosa and an undertaking not to use force in settling its future. And I believe, too, that there would be widespread support in Asia for a declaration that the wishes of 8 million Formosans would be consulted in making any decision about their political future—especially after the tragedy in Tibet.

Could we go further? Could we urge the Asian nations to agree to the establishment of an atom-free zone in the Far East, as a preliminary to controlled disarmament? So much of Asian opinion has spoken out for pacification and noninvolvement, why not try to give some concrete meaning to this desire? Indeed, Mr. Khrushchev has himself suggested the possibility of an atom-free area. Is there a hint here to follow up? One of the problems in all our dealings with communism is to find grounds of common interest which guarantee that agreements will be observed.

The Soviet theory of state power is ruthless. What serves Russia serves communism and hence mankind. This is the ideological gloss on the claim to total sovereignty. There are only three ways of meeting it—by maintaining equality of armed power, by foolproof control of agreements to limit armed power, and by discovering common interests. We must be ready for all three. I have myself suggested to Mr. Khrushchev that we should be content with equality of power and not continue a ruinous arms race for an ever-elusive superiority. Equality might be a first step to a controlled scaling down. We have to stop going forward before we can go backward.

Has Russia any genuine interest in reducing arms? If any weakness in America—any pennywise, more "bangs-for-a-buck" budgetary policy—puts our determination to be equal in doubt, clearly the Russians must be tempted to seek a decisive overbalance of power on their side. But if stalemate is all they can hope for, the expense, waste, and risk of the policy of competitive arming are powerful arguments for a genuine disarmament. We on our side should make it clear that we set no limit to the arms control we will accept, provided they are imposed on both sides.

The logical end is the surrender of the right to private violence to a world police force, serving a world system of law, and commissions of arbitration and conciliation. This should be our ultimate aim and all limited agreements—such as a ban on atomic tests with mutual inspection or the United Nation's supervision of Israel's frontiers—which enshrine the principle of international policing should be vigorously supported and extended.

But is there any reason to suppose Russia has any interest in abandoning its sovereign right to use force—for expansion, for world revolution, or, as in Hungary, to preserve its own imperial control? In the short term, probably not, but in the long term, an industrialized, nuclear equipped China might be infinitely more powerful and ruthless than the Soviet system. It is worthwhile at least quietly exploring whether it would not be safer to create an international security system in the world, backed by the combined will of Russia and the West, before a thousand million militarized, industrialized Chinese have the chance to revive the expansive tradition of such dynasties as the warlike Tang.

With or without summit meetings we will not arrive in one stride at a fully integrated system of controlled disarmament. We shall be negotiating, I suspect, for the next two decades—and we might perhaps usefully add chess to the training of our diplomats. But I believe we can give to general disarmament and a world policing system the same emphasis as the Russians give to "peace." I would have us reply "police" every time they utter "peace"—for we cannot have the one without the other.

III

It is, of course, the particular difficulties which fill the headlines and bring the immediate risks of war. These inevitably occur—in the areas where the power and interests and security of the great powers overlap, and where the collapse of the old European colonial system has left the local pattern of sovereignty fluid and insecure. The borders of China, the Middle East and Europe itself are three such areas where local disputes involve the risk of outside intervention and war. We are all but dizzy from standing on a series of Middle Eastern brinks, and the whole of Europe is endangered with each new outburst of unrest in Russia's East European empire.

The answer to these risks is not always the formation of military blocs aimed at the Soviet Union and supported by Western arms. The history of the Baghdad Pact, for instance, is one of steadily increasing insecurity in an area it was designed to stabilize. Egypt and Afghanistan turned toward Russia. India was alarmed and angered. And now even the country from which the Baghdad Pact got its name may be slipping away from us.

If we seek military clients, Russia can play that game too, and more cynically. Moreover, it is not embarrassed by ties to the former colonial overlords. I do not mean that endangered countries should be unprotected. The Eisenhower doctrine is presumably a restatement of our commitment under the U.N. charter to come to the aid of any victim of direct aggression. If the Soviets were directly to invade Iran—though it is not likely—American intervention would be unavoidable. And that is precisely why it is not likely. But Iran is not one whit more secure because of military links with Pakistan, and the fate of Iraq shows how easily an unpopular alliance can be exploited to undermine a pro-Western regime.

I believe that we must look rather to disarmament and nonalinement, to political and economic collaboration, in the areas where great power interests collide. We still have a little time, for atomic weapons are still in great power control. Ten years from now, who knows how many local dictators may have them, to the detriment not only of our security but of Russia's as well. There may be another common interest to explore here. We might examine the possibility of an atom-free zone for the Middle East. We might also reconsider an earlier suggestion of an embargo on arms shipments from outside, which the Soviets have endorsed.

I should also like to see a determined effort to establish the often-discussed Middle East development bank, and a new initiative to develop the whole Nile Valley through an international consortium. If the Russians would participate I would not exclude them even if we could. Working with them would not influence their policies, at least in the short run. But in a group their influence is reduced, and also the local powers would find it harder to play East off against West.

Of all the areas lying in uncertainty and political jeopardy between the great centers of power, none is more vulnerable than Europe. We have had local wars in the Far and Middle East and managed to contain them. The chance of doing so in Europe is slight. Here the tinder is dryest, just now, and the flying sparks most hazardous.

In the first place, we should not allow the current discussion of policy to be polarized between two extremes—complete disengagement and complete rigidity. In the extremer versions of disengagement it is said that the United States will inevitably draw back across the Atlantic at some point and it is as well to recognize this in present policy.

I think this is unrealistic. In the age of supersonic flight and intercontinental missiles, no retreat from total involvement in human affairs is possible for America. We cannot retreat for we have nowhere to go. Our commitment to Europe is a lasting commitment, simply because we cannot survive alone in a friendless, hostile world in which modern science has made us completely vulnerable. And the notion of unilateral withdrawal as a solution for any problem was surely exploded in Korea—where we withdrew in good faith but returned with full force when our good faith was abused.

If this was so in an area of marginal security, it would be so a hundredfold in the heart of the Atlantic world. Those who see in any local disengagement the prelude to complete American withdrawal are rousing fears among our European allies which neither history, geography, science, nor our own profound interests justify.

They are also increasing the rigidity of those who believe that to negotiate over any modification in our defenses in central Europe would totally undermine our overall security. This suggestion of fragility seems to me all the more incongruous because in the West, European governments play from great strength, the strength of profound popular support, but the Communist states from the great weakness of profound popular rejection of their governments. The peoples of Eastern Europe are restive under Russian control and the situation is uneasy all along a hostile frontier which not only truncates Europe but divides Germany as well, leaving a scrap of free and unsettling territory in West Berlin as a perpetual pawn.

No one came to save the Hungarians from a massive Russian intervention. But if Western Germany were armed and the 1953 revolt of the East Germans were repeated, could the situation be held? Would local conflict suck in the intervention of the great powers? Even short of such ultimate disaster, this is the century of liberation from colonialism and we cannot be content to see it reestablished in Europe as it recedes everywhere else.

So the Soviets are trying to find some way to strengthen and consolidate their rule in Eastern Europe. One way to do it is to secure wider international recognition of the weak, unpopular East German regime, and some reduction in the menace of a free West Berlin supported by allied garrisons in the

middle of its territory. Hence, the maneuvering to get East Germany into the act at Geneva.

The Communists' overall solution for this mutually unsatisfactory situation in Berlin, in Germany and in all of Eastern Europe would leave the whole continent fatally weakened and exposed. It is, of course, impossible for us to accept it. And I have been a little confused by our constant ringing declarations that we won't betray West Berlin, or yield to threats, or make unilateral concessions. Of course we won't, and no one is proposing to.

But is the present Western alternative good enough? In some ways it appears to invite a return to the European condition between the wars. To restore full German sovereignty and the right to determine their future military alinement may be in keeping with democratic theory. But it is not in keeping with bitter experience of Russia and Eastern Europe in two terrible invasions. To stand rigidly on any such solution shows as great indifference to Russia's interests as the Russian plan does to Western needs and fears. And the precondition of any successful agreement is that it takes the other fellow's interests and prestige into account.

In such a situation we must negotiate and explore all the possibilities of compromise; for we cannot accept what each other has had to offer so far. We know what they can offer if they would. But what can we in the West offer or discuss in the search for comparable concessions?

Lots of things: The status of Berlin and the role of the United Nations; what kind of unification in Germany and when; the disposition and quantity of foreign garrisons in Berlin and Germany; the atomic rearmament of Germany; nuclear free zones in central Europe; a thinning out of conventional forces under international supervision; a general security pact guaranteeing each other; Germany's permanent frontier with Poland, etc.

I think we must keep steadily in mind two primary objectives:

1. Some limited disengagement of forces to reduce the risk of conflict leading to general war, and to increase the independence of the satellites.

2. The long-term goal of German unification to end an unnatural division which, like divided Berlin, will rise again and again to plague us.

But unification by free elections would immediately eliminate the Ulbricht regime. For this reason the Russians cannot accept it. But it is also, it seems to me, the reason why we can accept a compromise. A phased reunion of Germany leading to the reestablishment of party links in both Germanys to the restoration of free communication—of papers, books, ideas, as well as people—and to ultimate elections could hardly jeopardize the basic strength of free Germany, which is—that people want it. But it does give Russia a face-saving period.

I know that any solution of a divided Germany short of East Germany's total collapse is not popular in West Germany. But they, too, I believe, must weigh the opposite risk—a hopeless, endless perpetuation of Russian control in Eastern Europe. The status quo may keep Russia out of Western Europe, whither no popular force would invite them in any case. But the status quo also maintains their position in Eastern Europe, where every popular force wishes to see them gone and where the hope for liberation and political flexibility depends on their going.

I suspect that only one thing is certain: to reach agreements that are considerate of each other's prestige, interests and suspicions will take a long, long time. We cannot hope for quick solutions. In view of the fact that there is little enthusiasm anywhere just now for a unified and rearmed Germany, we must be realistic about the chances of present progress. A new U.N. guarantee in Berlin and perhaps a thinning out of troops under U.N. supervision may be all we can expect in tangible results from a summit meeting. But the beginning of a determined exploration of all possibilities would be a great gain and a heartening sign of Western initiative and desire for new vision and enterprise in world policy.

The deadlock may last for years. Meanwhile, our task is to create something solid and stable in the West. And I could add—to walk and talk softly, for a change, and to carry a big stick without brandishing it.

With the passage of time there is at least the chance that the nations of Europe, by continuing to fuse their sovereignty in a number of fields—iron and steel, atomic energy, the common market—will become steadily less capable of independent aggression. I question whether this point has been clearly made in Moscow. Mr. Khrushchev pretends to see in the European movement an attempt to unify power and resources behind a new aggression against Russia. The idea insults his intelligence. The aggressions of Europe have always been launched by one imperious, impetuous national force. To place any European power in a position in which its industrial potential can be mobilized for attack only in full agreement with the peace-loving Dutch or Belgians, or Russia's traditional ally, France, is to scotch the possibility of independent aggression.

Equally, however, if a creeping conquest of all Europe is still Russia's undeclared objective, nothing could more quickly wither its hopes than a decisive end to the destructive European "tribal" wars between Teuton and Frank, and the fusion in its place of all Europe's energies in common tasks of growth, well-being, and mutual benefit.

Thus, from either standpoint, the attempt at greater European unity is a matter of crucial importance to American diplomacy.

IV

At this point we leave our troubled relations with our enemies and begin to consider our—sometimes almost as troubled—relations with our friends in the free world. I am assuming, of course, that in the event of Russian obduracy, our allies in NATO will not shirk the burdens of maintaining equality of military power. I also assume that they are as committed as we to the search for controlled disarmament and international policing. But to agree on no more than this is to confirm the complaint that the Atlantic powers have no positive tasks. I doubt if any partnership can survive on a purely negative basis, and we have to discover what these common tasks should be.

I would suggest two policies of outstanding importance. The first is to prevent the hopeful experiment of the common market from ending in a disastrous division of free Europe between the six nations inside and the 17 outside the market. American diplomacy has every reason and right to concern itself intimately with this problem since the Marshall plan was the greatest spur to unity ever set in Europe's side. I think we should encourage the extension of the common market principle to Britain and the rest of Europe. I do not suggest that this will be simple. We do not yet know how such complicated problems as agriculture and industrial underdevelopment in Asia and Africa can be made to fit into Europe's plans. But we must seek to prevent hard and fast protective divisions from arising at this stage.

And I think in our planning we must foresee the possible if distant day when Eastern Europe, now nailed to the Soviet system with bayonets, may be able to adhere to a broad scheme of European economic unification.

Should North America be associated with a large free trade area arising in the rest of the free world? We shall not be able to avoid its repercussions in any event, and, with the same reservations for agriculture and for underdeveloped areas, few as they may be in the United States itself, I believe we should move over the next two decades toward a low tariff relationship with the other free nations. We could, I believe, meet any particularly strong local repercussions by direct subsidy for redevelopment—just as we are considering aid for our distressed areas now. But our economy as a whole would be strengthened, not weakened, by this new spur to make it truly competitive.

There is one condition under which all our plans for economic unification would fail: if the strongest economies in the free world did not expand steadily and draw up the underdeveloped areas in their wake. In the recent recession primary producers may have lost upward of $3 billion in export income owing to the fall in Western demand. The unrest in the Belgian Congo and the Rhodesias, like the rash of new military governments round the world, shows how speedily economic pressure will aggravate political instability.

I would say that the most important problem in the world today is the disparity in living standards, measured at the extremities roughly by the average income in the United States of $2,000 as against less than $100 for a third of the world's population. And the worst thing about it is that the rich are getting richer and the poor poorer. I would add that we must address ourselves to this problem with the same urgency as our national defense.

I would therefore argue that the great task of the NATO countries is not simply to intensify and increase their own economic relations. It is also to have a consistent cooperative plan for meeting the growing needs of the underdeveloped areas.

V

Here we meet the crux of the Atlantic world's relations with the uncommitted third of mankind. In any newly independent land, the local leader must find some substitute for the old struggle for freedom. Economic development is the essential alternative as the rising birth rate increases the pressure. It is the alternative everywhere in this century of 5-year plans, production statistics and big projects. The Western Powers have all manner of social inhibitions to overcome in ex-colonial lands and all manner of old friendships and understandings to nourish, but they cannot do so if meanwhile the economy is foundering under the weight of unsold cotton, rubber or copper, or if exports are blocked by the collapse of Western demand.

In other words, a sustained, long-term effort to draw the underdeveloped peoples through the portals of modernization, to give them an alternative to the Communist method of forced development, must be the central objective in any Western policy toward the uncommitted third of the world.

I do not need to spell it out. Its main principles are so well known and so widely discussed that some people have the innocent impression that a broad program is already in existence. One element is a large increase in the amount of capital available for Asian, African and Latin American development. One percent of national income from the wealthy West would provide between $4 and $5 billion a year, and probably no more could usefully be used at this time.

Another need is a reconsideration of Western tariff policy, which is heavily weighted against the underdeveloped nations. Yet another is a large increase in international liquidity to offset temporary fluctuations in trade. Yet another is a greatly expanded

educational program to cover not only technical training but administrative and cultural training as well. And in all this a precondition of success is sustained growth among the advanced industrial nations in the Atlantic area. Without sustained expansion in the West, no schemes of aid, trade, or stabilization have much chance of succeeding.

These measures would amount to a new economic charter for a third of the human race. They would fulfill the Western nations' obligation to use their overwhelming wealth for their neighbors' welfare. They would give some hope of mastering creatively the crisis of population in our time.

In so broad a program, it is difficult to establish priorities; but I would like to suggest two. The first is a sustained effort to create in Latin America the preconditions of more rapid modernization and economic cooperation. Encouragement of a common market, generous capital for the new regional development bank, schemes to sustain export incomes—these are some of the necessary steps and their urgency grows with each new forward bound in the Latin American birth rate.

The other priority is India. The whole political future of Asia depends upon India's experiment in freedom. We must see to it that the third plan is not crippled—as was the second—by lack of foreign capital and exchange. And we must do so now.

VI

All these points concern the actual content of policy; but diplomacy is not only a matter of aims and proposals. There belongs to it, too, a certain style, and manner which can have as much effect as content itself. It is therefore not irrelevant to add a word about the attitudes of diplomacy and the need for the training and the staff to sustain our policies in season and out, through crises and through lulls. We have neither the experience nor the men to do so today. Good ideas are advanced. There is no followthrough because the resources are not available. For instance, now that all the United Nations are drawn into the disarmament debate, a strengthening of our diplomacy on this subject is essential in every influential capital. And it is equally urgent in other spheres of constantly recurring pressure. Nor do we begin to compete with the Communists in the distribution of books and literature, for example. I doubt whether we can sustain a proper scale of international activity in economic matters without larger staffs better trained for the functions of assistance and development.

I would next urge that we should drop for all time the idea that one of the aims of American diplomacy is to earn gratitude from a beholden world. What we seek is a world in which our children need not live under the atomic shadow. We need it as much as anyone else, we have more to lose than anyone else, and no exchange of benefit is involved. And if it is the cost that is in question, I suggest that what we do to lift our neighbors' living standards is entitled to the same priority as what we do for our defenses.

And in the same measure we should be neither sure nor proud. We are part of a human experiment that may founder. We have all set our hands to a science we cannot control. We all stand on the edge of the mysteries of outer space. We all live under judgment before an infinite Godhead. It behoove's us, therefore, to express in all our dealings with other peoples our sense of belonging to one endangering family and sharing with it our part of hope and aspiration, our part of error and shame. Then perhaps our voice will be tolerable, our wealth forgiven, and men will sit down with us in amity to work for a better, safer world.

THE MISSILE PROGRAM

Mr. STENNIS. Mr. President, I wish briefly to invite the attention of the Senate to the pending military construction bill. It was hoped that it could be brought up either today of tomorrow, but now that is impossible. I do not know whether it will be brought up on Thursday. At any rate, one of the main provisions which has provoked some interest pertains to our missile program, particularly with reference to the decision of the Committee on Armed Services to undertake to bring to a definite head the very broad and highly important question of the overall evaluation of our continental defense system.

I warn the Senate that there is not a more serious question connected with the entire military program than is this one. I am quoting Secretary McElroy, himself, in that regard, given in open hearing.

The bill seeks to get a reevaluation of the missiles which are now being installed and put into operation in the entire continental defense system.

I understand that reports are now being circulated with reference to charges that there is an attempt made to kill the NIKE system. That is entirely false. That is not the purpose of the provisions of the bill. Let any system stand on its own merits. The fact is that we are pouring billions and billions of dollars into this system, which nearly everyone agrees needs a reevaluation.

The committee has discussed this question with the Secretary himself, with the Director of the Budget, and with many others who are in a position to know. We are of the opinion that this matter must be forced to a reevaluation and a decision.

Therefore I warn Senators of its importance, and suggest that they should not reach any hasty decision about it until they hear the actual facts about the need of the evaluation, and the committee's plan with reference thereto. We are ready to present the bill whenever it can be brought before the Senate.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. SYMINGTON. Mr. President, I support without reservation the decision and the action taken by the Military Construction Subcommittee of the Committee on Armed Services, under the chairmanship of the very able Senator from Mississippi [Mr. STENNIS]. As usual, in this matter, he has thought with clarity and such thought is reflected in his decision.

The record is clear that the Secretary of Defense asked Congress to help him make a decision between the relative merits of one ground-to-air defense as against another ground-to-air defense system.

In an effort to be constructive, the proper committee of Congress made a decision in this matter; and thereupon one of the services released a protest against this decision of Congress.

The Congress has a real responsibility, as, in effect, it is some sort of board of directors to the administration.

Therefore, after the chief executive officer of the Department of Defense requested a decision from this board of directors, one of the three vice presidents under him criticized the decision.

Inasmuch as, under our Constitution, administrative decisions are properly those of the executive branch, this is an extraordinary situation.

All this is compounded by the fact that, after a decision is made by a cooperating Congress, but one service objects to that decision, the Secretary of Defense now goes back to his original position and states that the programs of both weapons systems will go ahead.

It is this type of decision, or lack of decision, which is costing the American people many billions of dollars annually.

To further compound the bewilderment of Congress and the people, this morning the testimony of another service is released. That statement says that neither of these systems is desirable.

What is involved in this scene of indecision and service rivalry is vast sums of the taxpayers' money plus two weapons systems designed to defend against a small Soviet bomber force.

At the same time, action to build up our offensive forces is held down for budgetary reasons.

I again congratulate the able junior Senator from Mississippi for the position he has taken in this matter. I think that in the interests of solvency and security, the country, too, should congratulate him.

Mr. STENNIS. I thank the Senator from Missouri.

JOHN A. KENNEDY

Mr. MUNDT. Mr. President, the American press continues to give a notable record of outstanding service in presenting to our people reports on events throughout the world which are of vital importance to all of us.

Continuing in this fine tradition, is the publisher-editor in chief of the Sioux Falls (S. Dak.) Daily Argus-Leader, Mr. John A. Kennedy, who recently reported on an exclusive interview which he held with President Nasser, of Egypt.

I am particularly delighted in bringing this latest report of Mr. Kennedy's to the attention of my colleagues for two reasons. One, Mr. Kennedy is bringing to the American people important information which is worthy of our consideration, because his report sheds a bit more light on the thinking of one of the leaders in the critical Middle East area.

My other reason for citing Mr. Kennedy's report is merely to point out that it is not always a huge metropolitan newspaper which brings to us the so-called exclusive features which are quite typical of newspapers in leading American cities.

The Sioux Falls Argus-Leader, in my home State of South Dakota, while it is the largest daily newspaper in a five-State area, is by no means a metropolitan paper of the type we find in New York City, Chicago, or Washington.

However, despite that fact this outstanding newspaper is performing a service comparable to that found in our large cities. John Kennedy's recent interview

with President Nasser is an excellent example of this.

And I should point out, this is not the first such report from the able pen of Mr. Kennedy. Previously he has written an outstanding series of informative articles on his travels through Russia, which included an interview with Mr. Khrushchev. He was among the first to analyze and decipher the educational system of Russia.

Mr. President, I ask unanimous consent that Mr. Kennedy's interview with Mr. Nasser, which incidentally was released by the Associated Press to media throughout the country, be printed in the RECORD, at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Sioux Falls (S. Dak.) Daily Argus-Leader, May 18, 1959]

PUBLISHER INTERVIEWS NASSER AS CLIMAX TO LONG TOUR OF AFRICA—UNITED ARAB REPUBLIC HEAD VOICES PEACE HOPE—WOULD WELCOME NIXON VISIT

(John A. Kennedy, publisher-editor in chief of the Sioux Falls Argus-Leader, interviewed President Nasser of the United Arab Republic. This is his story as released by the Associated Press.)

(By John A. Kennedy)

CAIRO.—President Nasser says Soviet Premier Nikita Khrushchev has given him renewed assurances of nonintervention in Arab affairs.

The United Arab Republic President revealed this in a 2-hour interview at his home Sunday afternoon.

Asked if he considered these assurances convincing on the basis of Soviet performance, Nasser replied, "We will see."

Nasser expressed hope the Berlin and German problems "must be resolved by peaceful means."

The United Arab Republic President, in answer to a question, replied he would welcome a visit from Vice President NIXON en route to or from the opening of the American exhibition in Moscow next month.

Nasser also revealed he intends to hold parliamentary elections between 6 months and a year from now. This was the first time Nasser publicly announced the election time that specifically. He indicated his revolution had passed through the preliminary social and economical development phase and now the time was coming for political evolution.

Nasser revealed Khrushchev's promise of nonintervention in response to the question, "Has Khrushchev given you any renewed assurances of nonintervention in Arab affairs?"

The President responded, "Yes," but did not elaborate.

Wearing a white sport shirt which he proudly told me was made from Egyptian long-staple cotton, the President received me in the study of his home in a Cairo suburb. The house looked like that of a moderately successful middle-class businessman back home.

My interview was the climax of a 27,000-mile trip my wife and I had taken through the awakening countries of Africa. We did 7,200 miles by motor.

When I asked Nasser about the Berlin problem, he replied, "We all hope that it can be solved by peaceful means. Any other solution is preposterous. From my own visits in the destroyed cities of Russia and eastern Europe, now pretty well rebuilt from the devastation of World War II, I am sure no one of these people would follow a leader who advocated or precipitated war. * * * Everywhere I went in eastern Europe they told me they did not want any part in war."

I pointed out NIXON was visiting Moscow next month to open the American exhibit there and asked if he would welcome a United Arab Republic visit by NIXON either on his way to Moscow or returning home.

The President said he would welcome a visit by NIXON but added, "such a visit might provoke propaganda by Arab Communists that there was a plot between the United States and the United Arab Republic. Even so, we would welcome such a visit."

Speaking of the parliamentary elections, Nasser said he envisaged a political system for the United Arab Republic of a mixture of the American and British systems. He said he wanted a Cabinet responsible to an elected Parliament but he wants the president elected by the people.

I told Nasser an Arab student in Sioux Falls once said the United States was the chief troublemaker in the Middle East and asked if he shared that opinion.

"Well, there is the Eisenhower doctrine in which you supported some countries against others, and that resulted in considerable trouble," the President answered. "My advice is, don't try to pressure us. All these small countries with rising nationalism can best work out things in their own way."

Nasser said he welcomed American private investment in Egypt and believed his government offered adequate safeguards for the protection of capital invested here. He said there had been some private capital investment here and he welcomed more.

As to American Government help, Nasser pointed out the United Arab Republic needs, to complete its 5-year development program, 300 million pounds ($840 million), of which half is needed in foreign exchange.

"We will take that money from anywhere we can get it," Nasser said. "But we won't accept help if it has political strings attached. We won't sell our freedom for any amount of money."

Nasser reiterated his determination to keep his country neutral and not alined with any blocs. He said in doing this he was following a policy similar to that of Washington and Monroe when the United States was young.

Nasser reminded me that he had taught history in Egypt's staff college and had read copiously of the American Constitution and American history.

I told Nasser my home is in South Dakota, where we know little of international intrigue but are deeply concerned about international amity. I asked what we can do to promote a friendlier attitude between the United States and the United Arab Republic.

"You have a great responsibility in that respect," Nasser answered. "From our viewpoint, America needs a true picture of the Middle East and of the countries and problems of the United Arab Republic."

THE GREAT DECISIONS PROGRAM FOR THE STATE OF OREGON

Mr. MORSE. Mr. President, it gives me great pleasure, as a member of the Foreign Relations Committee, to bring to your attention this year the end results of the 1959 series of opinion ballots on important foreign policy questions, as cast by Oregonians in the Great Decision program.

This stimulating study program, organized and conducted by the Oregon State College Extension Service in cooperation with the Foreign Policy Association, is now in its third year. Great Decisions was originally launched in Oregon, and similar programs have since been set up in other States. Its purpose is to arouse interest in international affairs, through a series of small, informal discussion groups conducted among adults in both rural and urban areas. In addition, families and individuals can partake in great decisions, through cooperating television and radio programs, as well as newspaper coverage.

This year 25 counties in Oregon participated in great decisions in small, informal discussion groups; and other counties were represented through mass media programs. The enthusiasm and intelligence shown by the many adults in every walk of life who participated in this program is indeed inspiring, and I find great satisfaction in knowing that the great decisions experiment has been so extremely successful.

Mr. President, I ask unanimous consent that there be printed at this point in the RECORD, in connection with my remarks, the results of the Oregon opinion ballots on each of the topics under discussion during Great Decisions, 1959.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

OPINION BALLOT

(The great decisions of U.S. foreign policy must, under our democratic system, be made by the people. What basic directions do you believe U.S. policy should follow? And what specific policies—now being debated—do you support or reject? Discuss the facts, make up your mind and make your opinion count.)

FACT SHEET NO. 2

Section I: Basic approaches to U.S. policy in a divided world

1. Which of the following possibilities, in your opinion, does the United States need to take into account in building a realistic, long-term foreign policy? (Check all choices you agree with, avoiding contradictions. If you are uncertain, or feel you do not have enough evidence to answer "yes" or "no," check the "can't answer" box):

Cold war, in one form or another, will probably continue for some time to come. (a) Yes, 97 percent; (b) no, 0.4 percent; (c) can't answer, 2.6 percent.

Conflicts in interests among non-Communist nations will probably be with us for some time to come. (d) Yes, 93.8 percent; (e) no, 1.4 percent; (f) can't answer, 4.8 percent.

Communist influence in the world can be "contained" by a system of military alliances. (g) Yes, 15.1 percent; (h) no, 63.7 percent; (i) can't answer, 21.1 percent.

Continued negotiation on cold war issues is desirable. (j) Yes, 85.9 percent; (k) no, 5.2 percent; (l) can't answer, 9 percent.

Other non-Communist nations have the right to independent and even neutral cold war foreign policies. (m) Yes, 75.5 percent; (n) no, 7.6 percent; (o) can't answer, 16.9 percent.

A strong and well-coordinated Western alliance is essential to U.S. security. (p) yes, 69.9 percent; (q) no, 15.7 percent; (r) can't answer, 14.3 percent.

The people and resources of the non-Communist underdeveloped world are vital to U.S. security. (s) Yes, 90 percent; (t) no, 1.8 percent; (u) can't answer, 8.2 percent.

Comment: Figures shown above are percentages of total ballots.

Section II: U.S. policies in a divided world

2. On the basis of the above assumptions what U.S. policies would deal most effectively with a divided world? (Check all choices you agree with, avoiding contradictions):

In Relation to Our Western Allies

(a) Closer coordination of cold war political and military policies, 54.8 percent.

(b) Closer coordination of economic policies, 76.7 percent.

(c) More U.S. independence in foreign policy, 10.6 percent.

(d) Depend less on allies and concentrate on building U.S. economic and military power, 11.6 percent.

(e) Bolder policies to help solve economic and social problems in the underdeveloped world, 75.1 percent.

(f) More flexibility in dealing with the Communist powers, 27.9 percent.

(g) Refuse to be concerned with "competition" from the Communist powers, 12 percent.

In Relation to the Non-Communist and Underdeveloped World

(h) Attempt to enlarge the anti-Communist alliance system to include more nations on the borders of the Communist world, 32.9 percent.

(i) Attempt to persuade the rest of the non-Communist world to adopt firm anti-Communist policies, 31.7 percent.

(j) Place less emphasis on building the military capacities of underdeveloped allies and more on their economic and social development, 69.3 percent.

(k) Invest in greatly expanded trade and economic growth throughout the non-Communist world, 65.7 percent.

FACT SHEET NO. 3

Section I: Basic approaches to U.S. policy toward the Communist powers

1. Which of the following possibilities, in your opinion, does the United States need to take into account in building a realistic, long-term foreign policy? (Check all choices you agree with, avoiding contradictions. If you are uncertain, or feel you do not have enough evidence to answer "Yes" or "No" check "Can't Answer"):

It is possible for Communist societies to match the West in technology, production, and satisfaction of consumer wants. (a) Yes, 84.7 percent; (b) no, 7.6 percent; (c) can't answer, 7.6 percent.

A serious conflict in national interests, between the Soviet Union and Communist China, is possible. (d) Yes, 87.1 percent; (e) no, 5.6 percent; (f) can't answer, 7.4 percent.

Further revolutions in satellite Europe are possible. (g) Yes, 84 percent; (h) no, 5.3 percent; (i) can't answer, 10.7 percent.

An evolution of Communist society, leading toward greater personal freedom, is possible at least in the Soviet Union. (j) Yes, 72.8 percent; (k) no, 13.1 percent; (l) can't answer, 14.1 percent.

As the Communist states grow in economic power we can expect greater cold war emphasis on economic competition. (m) Yes, 89.9 percent; (n) no, 2.2 percent; (o) can't answer, 7.9 percent.

All-out war with the Communist powers is always a possibility for which the West must be prepared. (p) Yes, 84.4 percent; (q) no, 3.7 percent; (r) can't answer, 11.9 percent.

The West can best prevent the further spread of communism through adequate military preparedness. (s) Yes, 26.3 percent; (t) no, 50.6 percent; (u) can't answer, 23.1 percent.

All-out war is unlikely; United States must concentrate on world economic and social development. (v) Yes, 54.9 percent; (w) no, 20.7 percent; (x) can't answer, 24.4 percent.

Section II: Specific U.S. policies to deal with the Communist powers

2. Which of the following policies (proposed and in effect) deals realistically with the Communist powers? (Check all choices you agree with, avoiding contradictions):

(a) Western embargo on trade in strategic materials with the Communist bloc, 50.7 percent.

(b) U.S. total embargo on trade with Communist China, 19 percent.

(c) Concentration of U.S. foreign aid in countries which are U.S. military allies, 36.5 percent.

(d) U.S. commitments to reduce trade barriers and expand trade in the non-Communist world, 75 percent.

(e) U.S. military and economic assistance to Yugoslavia, 31.9 percent.

(f) U.S. economic assistance to Poland, 36 percent.

(g) U.S. refusal to have full diplomatic relations with Communist Albania, Bulgaria, China, Hungary, and Rumania, 20 percent.

(h) Present level of U.S. information programs overseas, 31.2 percent.

(i) U.S. assumption that communism in its present form is a passing phase, 7.4 percent.

FACT SHEET NO. 4

Section I: Basic U.S. approaches to the Middle East

1. Which (if any) of the following principles would serve as a realistic basis for U.S. policy toward the Middle East? Note that most of these statements do not necessarily contradict each other. If you cannot answer "yes" or "no," are uncertain or feel you have insufficient information, check the "can't answer" box:

United States has a moral and ethical responsibility to help people of the region realize their aspirations for better health, working and living conditions. (a) Yes, 79.2 percent; (b) no, 6.9 percent; (c) can't answer, 13.9 percent.

U.S. help in social and economic development of the area should depend on the willingness of local leaders to cooperate and commit their own resources. (d) Yes, 82.3 percent; (e) no, 4.4 percent; (f) can't answer, 13.3 percent.

United States should recognize that Arab nationalism is a legitimate force in the area, and we should try to accommodate our policies to this force. (g) Yes, 76.1 percent; (h) no, 4.1 percent; (i) can't answer 19.8 percent.

United States should not be so deeply involved as it is in Arab politics and rivalries of the Middle East. (j) Yes, 37 percent; (k) no, 21 percent; (l) can't answer, 42 percent.

Because of our commitments and strategic interests (Israel, Turkey, Iran, Baghdad Pact, oil, military bases, etc.) the United States cannot avoid an active role in the politics of the area. (m) Yes, 62.7 percent; (n) no, 14 percent; (o) can't answer, 23.2 percent.

2. On which (if any) of the following principles should the United States base its policies toward communism in the Middle East? If you cannot answer "yes" or "no," are uncertain or feel you have insufficient information, check the "can't answer" box:

Supply military and/or economic assistance to any Middle Eastern government which is threatened by aggression from international communism and which requests such assistance (Eisenhower doctrine), (a) Yes, 71.7 percent; (b) no, 5.5 percent; (c) can't answer, 22.8 percent.

Provide military and/or economic assistance to any Middle Eastern government which is threatened, if the threat comes in part from the outside ("indirect aggression") and if help is requested (as in Lebanon); (d) Yes, 62 percent; (e) no, 7.2 percent; (f) can't answer, 30.8 percent.

Take no military action in what are purely conflicts between Arab governments or between factions within Arab countries. (g) Yes, 64.8 percent; (h) no, 11 percent; (i) can't answer, 24.2 percent.

Recognize the Soviet Union's legitimate interest in affairs on its own borders. (j) Yes, 65.7 percent; (k) no, 8.5 percent; (l) can't answer, 25.7 percent.

Try to neutralize Soviet influence in the Middle East by working more effectively with new forces and new Arab leadership. (m) Yes, 74.7 percent; (n) no, 2.8 percent; (o) can't answer, 22.6 percent.

Try to neutralize big power conflicts in the area by bringing the U.N. more into Middle Eastern affairs. (p) Yes, 80.7 percent; (q) no, 10 percent; (r) can't answer, 9.2 percent.

Section II: Specific policy proposals for the Middle East

3. Which—if any—of the following policy proposals, now under discussion in Washington, would you be willing to support? (Check only those proposals you favor:)

(a) Try to restore normal pre-Suez relations with Nasser, including resumption of full economic aid program for Egypt, 30.9 percent.

(b) Try to work with any Arab leader who respects U.S. interests, 53.4 percent.

(c) Make no changes in present U.S. aid program in Middle East unless and until Arab States take the initiative in a regional development program, 23.8 percent.

(d) Participate financially in any Arab-sponsored development bank or institution that is set up on a sound basis, 48.3 percent.

(e) Continue U.S. aid and technical assistance programs country-by-country, 60.0 percent.

(f) Offer firm military guarantees to Israel to help defend its borders against possible Arab attack, 11.6 percent.

(g) Offer firm military guarantees to Jordan against possible attack from other Arab States, 10.5 percent.

(h) Attempt to reach agreement with the Soviet Union to ban further arms shipments, from any sources, to the Middle East, 40.0 percent.

(i) Counteract anti-Western, anti-U.S. radio propaganda in the Middle East by expanding U.S. information activities, 64.6 percent.

(j) Press in the U.N. for an expanded permanent U.N. Police Force in the area to help keep peace on the borders and to monitor radio propaganda and other forms of "indirect aggression" against the independence of Arab States, 67.4 percent.

FACT SHEET NO. 5

Section I: Basic approaches to U.S. policy in Latin America

1. In U.S. global foreign policy Latin America should receive:

(a) Higher priority than it has in the past, 72.5 percent.

(b) Lower priority than in the past, 1.9 percent.

(c) About the same priority as in the past, 12.7 percent.

(d) Other, 5.1 percent.

No answer, 7.8 percent.

2. The United States should adopt the following approaches to long-range economic, social and political development in Latin America (check statements or choices you agree with, making sure your answers do not contradict each others):

(a) United States should approach Latin America development problems on a regional basis, 39.4 percent; or

(b) United States should deal with Latin American problems on a country-by-country, rather than on a regional basis, 42.8 percent.

(c) United States should help solve the most urgent problems, as they crop up from year to year, 21.6 percent; or

(d) United States should commit itself to long-term programs to help solve basic regional development problems, 63.6 percent.

(e) United States should feel free to intervene on the side of democratic forces trying to overthrow totalitarian governments, 17.2 percent; or

(f) United States should keep hands off internal Latin American politics, 59.5 percent.

Section II: Specific U.S. policies toward Latin America

3. Which internal Latin American problems are important enough for the United

States to act on? (Check problems which, in your opinion, call for U.S. assistance):

(a) Improving educational systems, 79.4 percent.

(b) Encouraging development of democratic governments, 58.5 percent.

(c) Speeding up internal economic development, 41.3 percent.

(d) Diversifying internal economic development, 53.8 percent.

(e) Controlling disease and providing better health and sanitation facilities, 62.3 percent.

(f) Promoting greater U.S. private investment in internal economies, 46.8 percent.

(g) None, 0.9 percent.

(h) Other, 3.4 percent.

4. Which (if any) of the following policy proposals, already under discussion in Washington, would you be willing to support? (Check those you agree with, making sure your answers do not contradict each other):

(a) Try to find long-range answers to the commodity price problem by joining with other surplus-producing nations in joint studies, 74.8 percent.

(b) Stabilize U.S. imports of Latin American basic commodities by guaranteeing purchases and stockpiling at U.S. expense when necessary, 11.6 percent.

(c) Restrict U.S. imports of Latin American commodities which might damage U.S. producers (such as lead, zinc, oil, etc.), 14 percent.

(d) Protect U.S. producers with Federal subsidies but avoid restrictions on basic imports from Latin America, 10 percent.

(e) Expand present U.S. economic and technical assistance programs in Latin America, 63.4 percent.

(f) Undertake a greatly expanded program of regional economic development, involving long-term commitments and low-interest loans, 36 percent.

(g) Explore the possibilities of a regional (hemispheric) tariff and trade agreement to reduce trade barriers, stimulate regional trade and stabilize prices, 63.1 percent.

(h) Reduce or discontinue U.S. military assistance to dictators, 73.3 percent.

(i) Give preferential treatment to democratic regimes in aid programs, 43.2 percent.

(j) Deemphasize Government aid and leave more of the job of Latin American economic development to private enterprise, 25.9 percent.

(k) Expand cultural and student exchange programs and encourage the study of Latin American languages and cultures in U.S. schools, 93.2 percent.

FACT SHEET NO. 6

Section I: Basic U.S. approaches to world economic problems

1. How can the United States deal realistically with the world economic revolution? (Indicate whether you agree or disagree with the following statements. If you are uncertain or feel you do not have enough information to answer "yes" or "no" check "can't answer"):

United States needs to be concerned with economic development in only those countries which are important U.S. customers, or supply us with essential raw materials. (a) Yes, 10.4 percent; (b) no, 75.2 percent; (c) can't answer, 14.3 percent.

Long-term U.S. economic growth requires a healthy and growing world economy. (d) Yes, 88.8 percent; (e) no, 1.1 percent; (f) can't answer, 10.1 percent.

Economic growth in the rest of the world should be based on private and not government investments. (g) Yes, 25.4 percent; (h) no, 29.3 percent; (i) can't answer, 45.3 percent.

U.S. economy can afford a larger government investment in economic growth of the rest of the world than we are now making. (j) Yes, 33.6 percent; (k) no, 26.7 percent; (i) can't answer, 39.7 percent.

Reasonable U.S. trade policies and modest increases in foreign economic aid are not enough; a "crash" program is called for. (m) Yes, 15.1 percent; (n) no, 45.6 percent; (o) can't answer, 39.2 percent.

Section II: Specific U.S. foreign economic policies

2. Which of the following policy proposals, now being debated in Washington, will you support? (Check only those proposals you favor):

(a) Expand U.S. economic aid program (loans and grants), 16.8 percent.

(b) Reduce foreign grants but expand long-term, low interest loans, 45.1 percent.

(c) Expand U.S. technical assistance programs (skills and know-how), 79.6 percent.

(d) Channel more U.S. aid through U.N., 49.5 percent.

(e) Continue to give bulk of U.S. economic aid to underdeveloped allies, 30.3 percent.

(f) Place less emphasis on military aid to underdeveloped world, 58.5 percent.

(g) Take lead among industrialized democracies in a "massive" development program—economic and social—in non-Communist underdeveloped world, 34.2 percent.

(h) Through U.S. Government lending agencies, invest in more major public works in underdeveloped world (dams, irrigation, etc.), 45.4 percent.

(i) Take the lead in setting up regional development institutions in partnership with underdeveloped nations, 53.3 percent.

(j) Provide more U.S. scholarships to students from underdeveloped world, 79.6 percent.

(k) Encourage and provide incentives for more U.S. private investment overseas, 47.2 percent.

(l) Set up agency to coordinate U.S. Government and U.S. private investments overseas for maximum effectiveness, 42.3 percent.

(m) Make no major changes in current U.S. foreign aid programs, 5.4 percent.

(n) Insist that other industrialized nations pay larger share of the foreign aid burden, 25.4 percent.

(o) Take the lead in a world wide reduction of tariffs, 38.4 percent.

(p) Join other "surplus" producing nations (both developed and underdeveloped) in an effort to stabilize prices, prevent unfair competition and promote new markets for such troublesome commodities as coffee, cotton, wheat, lead, tin, zinc, etc., 64.1 percent.

(q) Use U.S. economic power to compete with the Soviet Union in the foreign aid field; offer any non-Communist underdeveloped nation lower interest loans at better terms, on worthwhile development projects, 33.6 percent.

(r) Refuse U.S. aid to any nation receiving significant amounts of Soviet aid, 12.7 percent.

(s) Eliminate restrictions on U.S. trade with Communist powers, 16.4 percent.

FACT SHEET NO. 7

Section 1: General approach to problems of the technological age

1. Which—if any—of the following principles should guide U.S. policies in the age of technology? (Indicate whether you agree or disagree with the following statements. If you are uncertain or feel you do not have enough information to answer "Yes" or "No," check the "Can't answer" box):

The military implications of modern technology are too complicated for ordinary citizens to understand; decisions in this area should be left to Government experts. (a) Yes, 33.9 percent; (b) no, 49 percent; (c) can't answer, 17.1 percent.

Under no circumstances should the United States permit the Communist nations to outdistance us in scope and quality of technology—either military or peaceful. (d) Yes, 44.5 percent; (e) no, 19.7 percent; (f) can't answer, 35.9 percent.

United States as a nation should invest more heavily in bringing the benefits of modern science and technology to our own citizens—medicine, transportation, power, etc. (g) Yes, 70 percent; (h) no, 14.7 percent; (i) can't answer, 15.3 percent.

United States should share its scientific and technological skills more extensively with the rest of the world and should try to benefit from the knowledge of other advanced nations. (j) Yes, 80.3 percent; (k) no, 4.5 percent; (l) can't answer, 15.1 percent.

There is a clear need for more information to be made available to and for more understanding by the general public of the problems and opportunities of the technological revolution. (m) Yes, 93.7 percent; (n) no, 1.3 percent; (o) can't answer, 5 percent.

Section II. Specific U.S. policies to deal with problems of the technological age

2. Which of the following policy proposals, now being debated, do you favor? (Check only those proposals you are willing to support):

(a) United States should agree to a ban on testing nuclear weapons which cause a significant amount of radioactive fallout, without waiting for an enforcible control system, 32.2 percent.

(b) United States must continue some nuclear weapons research until an effective control system is installed, 66.1 percent.

(c) U.S. policymakers should give highest priority to plans for an effective nuclear test ban and arms control systems, 62.4 percent.

(d) United States should not give up its atomic weapons under any circumstances, 30.9 percent.

United States should step up its peaceful atomic development at home through:

(e) Greater effort by Federal Government, 55.1 percent.

(f) Greater effort by private industry, 72.4 percent.

United States should make a greater contribution to peaceful atomic development in the rest of the world through:

(g) Direct negotiation with nations concerned, 26.8 percent.

(h) U.N. International Atomic Energy Agency, 74.7 percent.

United States should make every effort, including making more funds available, to insure the American educational system is equal to the Nation's needs, through:

(i) Increased Federal aid to public schools and universities, 50.5 percent.

(j) Public aid to private schools and universities, 15.1 percent.

(k) Greater State and community effort, 76.9 percent.

FACT SHEET NO. 8

Section 1. U.S. national interests in the world of the possible

1. In your opinion which, if any, of the following factors are part of U.S. "vital national interests" in today's world? (Check only those statements which you believe are important considerations for U.S. policy:)

(a) Closer economic, political and cultural relations with our industrialized, democratic allies, 64.1 percent.

(b) Continued healthy growth of the U.S. economy, 78.6 percent.

(c) Continued access to the raw materials and markets of the world, 74.4 percent.

(d) Faster economic growth in the underdeveloped world, 57.9 percent.

(e) Political stability in the underdeveloped world, 49.1 percent.

(f) Rapid extension of U.S.-style democratic institutions to underdeveloped countries, 12.1 percent.

(g) Expansion of world trade, 72.1 percent.

(h) Greater understanding abroad of U.S. people and institutions, 80.1 percent.

(i) Greater U.S. understanding of foreign peoples and institutions, 80.6 percent.

(j) In the long run, some form of world government, 60.5 percent.

(k) Sufficient military power to discourage aggression, 60.7 percent.

(l) Sufficient military power to wage any kind of war, total or small, nuclear or conventional, 37.2 percent.

(m) Disarmament, 15 percent.

Section II: Specific U.S. policies for today's world

2. Which, if any, of the following proposals now being debated in Washington will best serve U.S. vital national interests? (Check any proposals you agree with, do not check proposals you disagree with or are uncertain about; note that many proposals are not necessarily contradictory:)

(a) Continue U.S. military protection of Taiwan, 40.6 percent.

(b) Intensify U.S. support of Free China economy and culture, 23.8 percent.

(c) Recognize Communist Chinese Government, 24.3 percent.

(d) Try to normalize all relations with Communist China, 22.5 percent.

(e) Take a firm stand for earliest possible independence of all colonial peoples, 21.2 percent.

(f) Base colonial policy on careful appraisal of each situation, 63.8 percent.

(g) Provide the kind of U.S. assistance (where it is wanted) that will help colonial peoples build stable economic, political, and social institutions, 75.2 percent.

Base U.S. relations with foreign governments:

(h) On the degree of democracy they practice, 9.6 percent.

(i) On whether these governments enjoy popular support, 22.2 percent.

(j) On the fact that the governments are in power, 12.1 percent.

(k) On U.S. national interests in each specific case, 30.7 percent.

(l) Increase U.S. defense effort, 11.9 percent.

(m) Increase civilian defense effort, 21.2 percent.

(n) Maintain present levels of defense spending, 24 percent.

(o) Reduce defense expenditures, 9.3 percent.

(p) Spare no effort toward a workable arms control and inspection system, 56.1 percent.

(q) Work for strengthening of the U.N., 81.4 percent.

(r) Work toward political integration or union of Western democracies, 26.1 percent.

(s) Work toward world government, 50.1 percent.

(t) Work toward economic integration of the non-Communist world, 37.7 percent.

(u) Promote worldwide reduction of tariffs, 39.8 percent.

(v) Expand U.S. assistance to economic growth of underdeveloped world, 56.3 percent.

FACT SHEET NO. 9

Section I: General approaches to the problems of U.S. foreign policy

1. What, in your opinion, should be the role of the citizen in U.S. foreign policy? (Check any combination of the following statements which agree with your views:)

(a) To refrain from public debate during times of foreign policy crisis, 14.1 percent.

(b) To debate foreign policy freely at any time, 69.1 percent.

(c) To communicate freely with elected and appointed policymakers as individuals, 72.5 percent.

(d) To communicate freely with policymakers as organizations or special interests, 54.5 percent.

(e) To recognize that decisions sometimes have to be made, at the top, on the basis of information that cannot be made available to the general public, 82.8 percent.

(f) To avoid criticizing the administration in power, 16.0 percent.

(g) To take pains to keep himself well informed on foreign policy and related problems, 90.8 percent.

(h) To take active part in world affairs as individuals and through churches, schools, societies and private organizations, 81.8 percent.

(i) To take active part in community affairs, 89.8 percent.

(j) To work at perfecting democracy at home, 84.6 percent.

(k) To understand what policies are necessary and be willing to pay the price, 73.6 percent.

Section II: Recommendations for the practice of U.S. foreign policy

2. Which of the following proposals, now being debated, are you willing to support and, if necessary, help pay for? (Check the proposals you favor; if you feel uncertain or that you do not have enough information to answer "yes" or "no," check "can't answer.")

United States should encourage and help private enterprise to play a larger role in foreign investment and economic development. (a) Yes, 50.4 percent; (b) no, 16.8 percent; (c) can't answer, 32.8 percent.

United States should place greater emphasis on nonmilitary tools of foreign policy—economic development, cultural exchange, political cooperation, etc. (d) Yes, 85 percent; (e) no, 2.9 percent; (f) can't answer, 12.1 percent.

United States should make greater use of the U.N., wherever possible. (g) Yes, 82.8 percent; (h) no, 3.7 percent; (i) can't answer, 13.5 percent.

Diplomatic pay and prerequisites should be increased to permit career, professional diplomats to serve in more posts. (j) Yes, 66.8 percent; (k) no, 11.9 percent; (i) can't answer, 21.3 percent.

There should be more initiative, imagination and boldnes in the carrying out of U.S. foreign policy than is the case at present. (m) Yes, 48.2 percent; (n) no, 8.8 percent; (o) can't answer, 43.0 percent.

3. (For the information of your community "Great Decisions" leaders) What are your reactions to the "Great Decisions" program?

(a) Interesting and informative, 86.6 percent.

(b) Too complicated and difficult, 5.4 percent.

(c) Helped me see my opportunities and responsibilities as a citizen, 62.9 percent.

(d) Taught me little I didn't know before, 9.9. percent.

(e) Will make it easier for me to understand future news developments, 74.2 percent.

(f) Helped me change my mind on some issues, 50.1 percent.

(g) Had no effect on my attitudes or opinions, 4.0 percent.

(h) Worth participating in next year, 89.3 percent.

GROWING MENACE OF MAIL ORDER OBSCENITY

Mr. LAUSCHE. Mr. President, I am deeply impressed by the content of a news release dated yesterday, May 25, from Postmaster General Arthur E. Summerfield, on the subject of the growing menace of mail-order obscenity.

I commend Mr. Summerfield for his vigorous and forthright action to bring to an end the use of the U.S. mail service in the distribution of mail containing obscenity and pornography.

Mr. President, it is indeed unfortunate that there are those who invade the privilege of secrecy of the mail for schemes to degrade the morals of young America.

I vigorously and sincerely call to the attention of the press, radio, TV, and other news media in Ohio and in every other State throughout our country this important release by Mr. Summerfield, that they may give it complete and adequate coverage, in order that every parent in every home may be alerted to give adequate and full cooperation.

Mr. President, wholehearted adherence to the suggestions made by Mr. Summerfield will be a great step toward stamping out a great evil which threatens to engulf and destroy the morals of our youth.

Parents should observe every piece of mail received by their children, no matter how innocent it may appear on the surface, for it is under complete disguise that these monsters of evil and debasing influence seek to operate. I call upon the citizens of Ohio and of all the other States, and especially the parents, to heed the request of the Postmaster General, and to save any material that comes in the mail, that seems to have a demoralizing effect upon youth, and forward it to the Postmaster General.

Mr. President, I ask unanimous consent that the complete release made by Postmaster General Summerfield on this subject be inserted at this point in the RECORD, as a part of my remarks.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

GROWING MENACE OF MAIL ORDER OBSCENITY—SMUT MERCHANTS CONCENTRATE ON CHILDREN—FILTH SALES TOP HALF-BILLION DOLLARS—POSTMASTER GENERAL DECLARES WAR ON RACKET—NATION'S PARENTS ARE KEY TO EFFECTIVE ACTION

WHAT IS THE MAIL ORDER OBSCENITY RACKET?

The vile racket that traffics in obscenity and pornography by mail has now reached a sales level estimated at more than a half billion dollars a year.

Relying on the historic sanctity of first-class mail in the United States, and liberal court interpretations of what constitutes obscenity, peddlers of filth can reach into virtually every home in America.

This is a matter of growing concern especially to American parents because teenagers and even grade-school boys and girls are becoming the principal targets of these racketeers.

The Post Office Department, which is responsible for enforcing the laws against transmitting indecent literature and film through the mail, estimates that merchants of filth will double the scope of their already extensive operations over the next 4 years unless parents and the decent-minded public join in a determined campaign to stamp out this racket.

Postmaster General Arthur E. Summerfield has emphasized that the absolute privacy of the mail is a basic American right, and that the Post Office Department cannot, and will not, violate this right, even when it has strong evidence that the mail is being used for unlawful purposes.

The Post Office Department, therefore, must rely on the complaints of an alert citizenry—of people into whose homes solicitation material is sent—to take action against the purveyors of mail order obscenity.

ANTIQUATED LAWS AND LIBERAL COURT INTERPRETATIONS A HANDICAP

Until August of 1958, however, an additional handicap was placed on the Post Office

Department. Obscenity laws had shackled the Government by permitting it to prosecute only at the point of origin of the mail. This meant that court actions were taken primarily in New York and Los Angeles, where interpretations of what is obscene or pornographic are much different from those in the average American community.

In recent years, the Post Office Department had urged Congress to amend the law so that prosecutions could take place where the obscene material was received, where the actual damage was being done, and where citizens would have an opportunity to express their standards of morality and decency. This amendment was enacted, and signed into law by President Eisenhower, in August of 1958.

Taking advantage of the new legislation, the Post Office Department during the past year has completed approximately 14,000 separate investigations, almost two-thirds of them based on complaints from American parents whose children received lewd solicitations for sales of obscene materials through the mails.

NO YOUNGSTER IS SAFE FROM SOLICITATION BY MERCHANTS OF FILTH

A child need not have indicated any interest in this trash to receive it in the mail. The racketeers openly solicit every young person whose name they can obtain, whether through the purchase of mailing lists, study of school classbooks, or through the use of fake business fronts. Postmaster General Summerfield says the Post Office Department has thousands of letters from indignant parents whose children received unsolicited obscene material soon after answering an advertisement to purchase some innocent item such as a baseball bat or a toy automobile, or whose names were obtained because they had joined a youth club or social group.

In a recent raid by the postal inspectors in New York City on just one dealer in pornography, 17 tons of highly obscene printed and filmed materials were confiscated, as well as mailing lists containing the names of thousands of high school graduates culled out of high school yearbooks.

The Post Office Department estimates that between 700,000 and a million children in American homes will receive unsolicited obscene and pornographic literature through the mails this year.

POSTMASTER GENERAL URGES CONCERTED ACTION

In testifying before Congress recently, Postmaster General Summerfield said:

"Ruthless mail order merchants in filth are violating the homes of the Nation in defiance of the National Government. They are callously dumping into the hands of our children, through our mailboxes at home, unordered lewd material, as well as samples soliciting the sale of even more objectionable pictures, slides, films and related filth. Unquestionably, these large, defiant barons of obscenity are contributing to the alarming increase in juvenile delinquency, as many noted authorities have publicly observed on repeated occasion."

Repeatedly, in the investigations of armed robbery, extortion, embezzlement and forgery, authorities find that those guilty of the crimes were early collectors of obscene pictures and films.

Authorities also point out that sex criminals and sex murderers almost always prove to have a long record of addiction to pornographic and sadistic material. Children who are never exposed to this material, it is noted, may nevertheless be victims of sex criminals who have been exposed to it.

In a speech in Washington in May 1959, Postmaster General Summerfield said the Post Office has diligently tried to keep the mails clear of indecent materials.

In the fiscal year of 1958, he stated, investigations conducted by postal inspectors caused the arrest of 293 persons. The Post Office General Counsel issued 92 orders barring use of the mails to dealers in pornography. The arrests in 1958 were 45 percent above the previous year, and—Mr. Summerfield predicted—will increase substantially again this year.

With the weapon of the new legislation in hand, he declared, the Post Office is greatly intensifying its campaign.

"We are, in effect," he said, "declaring war on these purveyors of filth, big and little, high and low.

"We are launching an intense and unrelenting effort to stop this monstrous assault on the Nation's children in every way possible.

"And we are confident that, with adequate public and legislative support, this job can be done."

FOURFOLD PROGRAM OF COOPERATION

To achieve this cooperation, the fourfold Post Office program is:

1. Drawing maximum public attention to the menace of this racket;
2. Urging parents to help apprehend the mailers of filth to their children;
3. Helping mobilize community support behind adequate law enforcement of local ordinances or State laws when these purveyors are apprehended and brought to court;
4. Rallying public opinion behind new and stiffer legislation on obscenity.

PARENTS OF AMERICA ARE KEY TO EFFECTIVE ACTION AGAINST THIS RACKET

Parents into whose homes obscene material is mailed are urged to take these two simple steps:

1. Save all materials received, including the envelope and all enclosures; and
2. Report the matter immediately to the local postmaster, and turn the materials over to him, either in person or by mail.

Postal inspectors stand ready to take action when evidence is received anywhere that the laws applying to the mailing of pornographic material have been violated.

The Congress has shown deep concern over this problem, and special committees are currently giving it serious and purposeful study.

In increasing numbers of communities throughout the country, parents, various organizations, civic groups, newspaper publishers and others are working together in determined efforts to help meet the racketeers' challenge.

By supporting and aiding the Post Office, and backing up Members of Congress and local officials who are fighting to stamp out this evil, they can look to the real success that is vital to the Nation's moral fiber and future welfare.

WITHDRAWAL OF THE FEDERAL GOVERNMENT FROM INVESTIGATION OF THE PARKER LYNCHING

Mr. LAUSCHE. Mr. President, the withdrawal of the Federal Government, through its agency of the Federal Bureau of Investigation, from the Mack Charles Parker lynching case, because of lack of legal authority and jurisdiction, unfortunately most emphatically and pointedly demonstrates the need for immediate action by Congress for the enactment of legislation which will clearly and unmistakably give to the Federal Government full powers of both investigation and prosecution in cases of this nature.

I am not speaking in defense of any wrong act which may have been perpetrated by Mack Charles Parker. Had he been found guilty after having been fairly tried, full sentence as provided by law should have been executed. But for a mob to first break into a prison and seize a human being from the protective custody of justice, then to torture and maim him, and finally to slay him, is such a flagrant mockery of justice that the Nation cannot and should not stand idly by.

In my opinion, the lynching of a human being on the basis of race or religion is a matter not only of State but also of National concern. We cannot on a National basis continue to close our eyes and look the other way when such grave obstructions of justice occur.

The Federal Bureau of Investigation undoubtedly is on sound legal ground when it states that, under present law, since no Federal offense was committed, it is without legal authority to use its investigators to apprehend the guilty and to present them for trial.

There is no question that justice will be better served if an adequate law dealing with lynching and the right of the Federal Bureau of Investigation to act is promptly passed by this Congress.

FOUNDING OF THE ELEANOR ROOSEVELT INSTITUTE FOR CANCER RESEARCH AT THE AMERICAN MEDICAL CENTER

Mr. NEUBERGER. Mr. President, the name of Eleanor Roosevelt has become synonymous in our time with humanitarianism and good deeds. As the name of her illustrious husband is forever associated with the conquest of infantile paralysis, so the name of Mrs. Roosevelt may in the future be linked with the possible conquering of an even more formidable medical problem—that of cancer.

In New York City, on May 23, 1959, occurred the founders' dinner of the Eleanor Roosevelt Institute for Cancer Research at the American Medical Center in Denver, Colo. Of course, Mrs. Roosevelt herself was the guest of honor. Ambassador Henry Cabot Lodge, head of our mission to the United Nations, and I were the speakers. Miss Faye Emerson, a member of the Roosevelt family, was mistress of ceremonies. Representative JAMES ROOSEVELT and Miss Marian Anderson, the gifted singer, appeared briefly on the program, as did Jerry Lewis, the noted comedian.

Since 1904 the American Medical Center has played an active part in the gradual solving of the grim dilemma of tuberculosis. Now that this disease has yielded in substantial measure to antibiotics and to improved techniques in chest surgery, cancer is a logical goal of study for the talented researchers and dedicated scientists on the staff of the American Medical Center. Indeed, a special honor award was presented May 23 to Philip and Gussie Diamond of New York, who were among the original benefactors of the American Medical Center some 55 years ago.

It was a high privilege for me to participate in a banquet attended by 1,200 people, which paid tribute to that illustrious woman whose sympathy for the oppressed is so genuine and so enduring—Eleanor Roosevelt. Ambassador

Lodge made a most moving address which described the esteem in which Mrs. Roosevelt is held at the U.N. Marian Anderson heralded Mrs. Roosevelt's innate simplicity and goodness. I praised the enlightenment of scientists who, in honor of Mrs. Roosevelt, were turning from tuberculosis to the greater and more urgent cause of cancer. JAMES ROOSEVELT, son of the guest of honor, expressed the gratitude of the entire Roosevelt family to those whose financial generosity is making possible this heroic undertaking in the field of science and medicine.

Messages of approval and good wishes were received from President Dwight D. Eisenhower, Vice President Richard M. Nixon, Gov. Nelson A. Rockefeller, Mayor Robert F. Wagner, National Democratic Chairman Paul M. Butler, Senator Jacob K. Javits, Senator Kenneth Keating, and many others.

Inasmuch as the Vice President is presently the occupant of the chair, I desire to digress briefly from my prepared remarks to point out that I think one of the principal highlights of good humor during the evening occurred when the Vice President's message was read. In this message he pointed out that although he and Mrs. Nixon had traveled throughout the world, whenever he was in a country, be it remote or well known, he always learned that Mrs. Eleanor Roosevelt had been there before them.

Mrs. Roosevelt herself spoke only briefly. Yet, as usual, she was succinct and in perfect taste. She said the cause was crucially important, and it was this compelling cause—namely, freeing mankind from the menace and fear of cancer—which had prompted her for the first time to lend her name to an organization of this kind.

Mr. President, all possible approaches and efforts must be combined in the study of the causes and possible cures of cancer. This means cooperation among private groups such as the American Cancer Society, the Sloan-Kettering Institute, the Damon Runyon Cancer Memorial Fund, and the soon-to-be-begun Eleanor Roosevelt Institute for Cancer Research. It also means increased Federal support for the National Cancer Institute, which is part of the National Institutes of Health, and which sponsors some 73 percent of all cancer research in this country.

I think my colleagues will be interested to learn, incidentally, that the new institute at Denver honors Mrs. Roosevelt during her 75th birthday year. This remarkable woman, still full of vitality and energy, will be 75 in the fall. We so regard Mrs. Roosevelt as indestructible that none of us ever thinks of her as becoming older—like ordinary human beings. She is in a class by herself, as we all realize. Ambassador Lodge said that her reputation in the world—the love and affection in which she is held—are assets to the United States.

Some people may wonder if all this research in the field of cancer will do the job, will make a breakthrough to rescue mankind from such a scourge. I only can give the answer written in the New York Times of February 22, 1959, by its eminent medical editor, Dr. Howard A. Rusk. He wrote:

When will the scientific breakthrough come to solve the riddle of cancer? Tomorrow or in the indefinite future.

No one knows. What we do know, however, is that the more scientists who are at work on the problem in laboratories all over the world the greater are the odds for solution, and the quicker that solution will come.

I subscribe thoroughly to Dr. Rusk's attitude on this crucial matter. Who knows? Perhaps some scientist, working in the laboratories of the new Eleanor Roosevelt Institute for Cancer Research, at Denver in the foothills of the majestic Rockies, may participate in that eventful and epochal breakthrough.

Mr. President, I ask unanimous consent to conclude my remarks with a very brief statement prepared by Eleanor Roosevelt herself, in describing the reasons why she has lent her illustrious name to the Eleanor Roosevelt Institute for Cancer Research, at the American Medical Center in Denver, Colo.

I also ask unanimous consent, Mr. President, to include in the CONGRESSIONAL RECORD a document which is pertinent and timely to both public and private undertakings in the field of cancer research. This is an interview from the May 25 issue of U.S. News & World Report with Dr. John R. Heller, the eminent Director of the National Cancer Institute. In this interview, Dr. Heller emphasizes that, because of medical research, an increasing number of cancer patients are being saved and cured, but that much still remains to be learned before cancer can, in any sense of the word, be regarded as a disease that has widely responded to successful treatment.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT BY MRS. ELEANOR ROOSEVELT

This hospital and research institute is closing a gap in the cancer field which needs serious study. There are all too few facilities in our country which can combine outpatient and hospital care of cancer victims with both clinical and basic research tied together.

I have in the past refused to give my name to any institution in this country. This Institute, however, will serve such a vital purpose that I have consented to make an exception in this single instance. The Institute can be of the greatest value for the estimated 40 million Americans now alive who will be stricken by cancer.

I hope that eventually this Institute will be able to broaden its scope to help cancer research in other countries. In this way it can make a profound contribution to the health and peace of the entire world.

[From the U.S. News & World Report, May 25, 1959]

IF YOU'RE WORRIED ABOUT CANCER—ADVICE FROM AN AUTHORITY

(Interview with Dr. John R. Heller, Director, National Cancer Institute, U.S. Public Health Service)

Question. Dr. Heller, is cancer a growing threat, or does it just seem to be that way because of the prominence of people suffering from cancer?

Answer. I think cancer continues to be a growing threat because the population is greater and more of us are growing to the older ages where cancer strikes oftenest. However, better diagnosis, better understanding on the part of the medical profession, a growing alertness on the part of individuals make it seem that we are having more cancer.

Question. Would this be true of all types of cancer?

Answer. Lung cancer is on the increase. I don't think there is any doubt about that. Other cancers—for example, stomach cancer—definitely are on the decrease. And some other rarer forms of cancer are decreasing in occurrence. Lung cancer and cancer of the gastrointestinal system are the ones which we fear most from the standpoint of their occurrence and, of course, dangerous to our population.

Question. Why are we more concerned about those?

Answer. Well, for one thing, the outlook is rather grim with lung cancer and, despite the decreasing amount of stomach cancer, the outlook is rather grim with stomach cancer, too, primarily because these sites are inaccessible and we cannot diagnose them early enough.

Question. What advice would you give to people who are concerned about these and other forms of cancer?

Answer. I think one of the first things that any person ought to do is to go to his physician or his clinic for regular checkups.

Question. Is there something that an individual should look for—any telltale signs?

Answer. Yes. There are a number of signs and symptoms which an individual can watch out for—such things as a lump that doesn't go down, a sore that doesn't heal, bleeding for which there is no explanation, unexplained changes in bowel habits, or persistent hoarseness. Those are the sort of things that an individual, when confronted with them, should at least promptly have looked into.

Question. For the individual concerned about lung cancer, it there anything special he should do?

Answer. An individual who is 45 years of age and over—and certainly one who is a heavy user of cigarettes—should have his physician check his chest by an X-ray and by physical examination, I would say, at least every 6 months.

Question. Would this be everybody?

Answer. Most anyone over 45, and certainly men over 45, whether you smoke or not, because lung cancer will attack men who don't smoke. However, most of the men who have lung cancer are those who are heavy cigarette smokers.

Question. Is it pretty well accepted now scientifically that cigarette smoking is a cause of lung cancer?

Answer. I would say that it is. I think that most of the scientific data show that excessive use of cigarettes gives one a greater risk of acquiring lung cancer.

Question. Do you think heavy smokers should cut down a bit?

Answer. Well, that's my view. I think that, if a man is a heavy smoker, if he can't quit completely, he ought to cut down as much as he can. And the best thing to do, I think, is to cut it out if he can—if he feels that he can give up the habit.

Question. For cancer in general, is there anything a person can do to double-check on all these warning signs?

Answer. An individual, first of all, has to watch his own body physiology and watch his skin and watch for the things which may mean cancer. If there is something that doesn't seem quite right to him, then I think that he should promptly go to his physician.

Question. And even though he has no symptoms, he should still go regularly for a checkup?

Answer. By all means.

Question. What should the checkup include?

Answer. The average physician in his offices has enough tools to do a good physical examination. It means that the physician is able to check the systems of the body which he knows from experience are most likely to be invaded by cancer.

By inspection and palpation and listening to the chest and the heart and giving as thorough an examination as he knows how—and they're pretty good—I think that most of the cancers that will be present can be picked up.

Question. Is the outlook improved now for the successful treatment of cancer?

Answer. I think it is. Certainly, the chances of getting well from given cancers are improving all the time, and, despite the rather dull tools we may have for some cancers, nevertheless, with better preoperative management, postoperative management, better understanding of anesthesiology and all of the general care of the patient, the outlook is better.

Around the turn of the century, maybe 1 out of 20 was being saved. Then, 6 or 8 years ago, it was one out of four. Now it is one out of three. With the tools now available we should be able to save one out of two.

And, while some people don't like odds like that—well, neither do we—nevertheless, it is so much better than it used to be that I have every reason to believe that we will improve them all along—"we" being the scientists and the medical profession.

Question. What types of cancer are yielding best to treatment?

A. I would say that the lower-bowel cancers are yielding best to surgery, and cancer of the thyroid now yields very well to surgery and other treatment. Most of the cancers that are accessible—certainly cancer of the reproductive organs of the female—are better treated and better handled now than ever before.

Question. These, then—the more common types—are really the ones that are doing the best—that is, we're getting the best results, with the exception of lung cancer?

Answer. That's right. The ones that have been killers in the past now are beginning to yield, and, of course, I think that's gratifying, because, if we can cut out the big killers, then we can get after all the rest of them.

The only one that has us really worried is carcinoma of the lung, which is mounting in occurrence. Of course, it's pretty rough to do anything with cancer of the lung unless it's picked up very, very early.

Question. How soon could cures for most of the common types of cancer be expected?

Answer. Well, that's a "toughy." I don't know. It would depend entirely on the cancer. Of course, if you can get a cancer that you know is a very early one and very promptly excise it, then I think you can expect almost a 100 percent cure. The trouble of it is that so frequently cancers which appear to be small already have spread to other parts of the body and one simply does not know it. The surgeon is reluctant or hesitant to say whether or not a cure might be effected in that particular instance.

Question. But for, say, lung cancer and stomach cancer, which are common among men, and for breast cancer among women, you don't see any immediate cures?

Answer. No, I don't. I wish I could say tomorrow or the next day, but I think, while the mortality rate probably will go down—I hope steadily—it won't go down fast. Nevertheless, I don't see anything right around the corner which could be construed as being excessively hopeful or favorable.

Question. Are there any chemical approaches that look very promising?

Answer. Well, in the chemical-therapy programs generally there are some drugs which look to be very good, but nothing that is the answer to all our prayers, or a miracle drug for cancer, yet. I think we have more and better compounds for treatment of far advanced cancer all the time, but still we don't have the ones we'd like to have. I hope we have them sometime in the future.

THE FARM SURPLUS MESS

Mr. KEATING. Mr. President, one of the gratifying developments of this session has been the growing realization on the part of people all over the country that something positive must be done about the problem of mounting farm surpluses. This is a theme Secretary of Agriculture Benson, responsible farm groups like the American Farm Bureau, and other knowledgeable people have been pounding away on for years, but with little success.

However, in the past few months, particularly, strong additional voices have been raised to object to the present ludicrous farm-support program. Already some small, hesitating steps have been taken by Congress in the right direction. There are signs that we are slowly, but surely, moving toward the day when the Government will be off the backs of our farmers and they will be free to run their own operations.

While farmers have special and unique problems which merit Federal help, we must press for means to return to private initiative and free enterprise competition the activities of our agricultural community. In this connection, I commend to the close attention of this body a recent editorial in the Christian Science Monitor, which makes sound, common sense comments on the farm surplus mess. I ask unanimous consent to have it printed in the RECORD following my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor, May 22, 1959]

PILING SURPLUS ON SURPLUS

Congress is showing greater concern about crop surpluses. But it does not yet appear ready to abandon its strange policy of promoting more surpluses by offering farmers incentives to produce ever larger crops. Instead it is seeking to push disposal of surpluses—even through the drastic means of "dumping" in foreign markets. That would be the effect of plans tentatively approved in the House of Representatives.

Already the Government is seeking through school lunches, through various channels of foreign aid, and through careful sales to cut down its stocks of food crops. Under the Surplus Disposal Act of 1954 shipments abroad now total roughly $7 billion. In all such disposal plans the Government takes a loss, for the stocks are either given away or sold well below the support price level at which it took them over.

Despite all these efforts, surpluses have continued to mount. They are now valued at roughly $9 billion. President Eisenhower pointed out the other day that by next year the Government will hold $3½ billion worth of wheat alone, 2½ times the Nation's annual food needs. Carrying charges and losses on the surpluses are running around $1 billion a year. The piling of surpluses on surpluses becomes yearly more ridiculous. So pressures are mounting for somehow reducing this too obvious evidence of a policy's failure. There has even been talk of burning wheat.

Burning is only a notch or two more desperate than "dumping."

Would it not be far more reasonable to tackle the surplus problem at the other end primarily? This would entail reducing the incentives to overproduction now provided by price supports. Both Houses of Congress are now toying with plans to grant price supports only on reduced acreage. This is supposed to reduce production. But acreage limits have not had that effect—for farmers simply increase the per-acre yield. To be effective the limits will have to be applied to production itself—or to really sharp cuts in price supports.

The price support program was first intended to insure wartime supplies, then to cushion somewhat the hardships of small farmers hit by the industrial revolution on the farm. But most of the aid goes into the hands of big operators who can make a profit at prices well below the support figure. An effort to change this by limiting payments to any farmer for a single crop to $50,000 has just failed in the House.

As the program now operates, it makes about as much sense as if Congress had tried to keep small motorcar makers in business by buying up cars at a fixed price that would cover their production costs. The more efficient companies would keep their prices up to that level and produce surpluses. These the Government would buy and "dump" abroad—at a loss. Meanwhile consumers at home would have to pay the artificial price and most of the small makers would find they couldn't compete anyhow. How long would the public stand for that?

The farmer has special problems—such as weather uncertainties—and deserves special help. But the plans to help agriculture have become very nearly as unsupportable as this hypothetical one for another hard hit industry.

SEVENTY-FIFTH BIRTHDAY OF SENATOR WILEY

Mr. PROXMIRE. Mr. President, today is the 75th birthday anniversary of my colleague, the senior Senator from Wisconsin, ALEXANDER WILEY. For my wife and myself, I wish him a very happy birthday, and the fervent wish that he may celebrate many more. My colleague has now served our State longer than any U.S. Senator in history, longer than either of the great La Follettes or any other man. He is a fine, warm, mellow, jovial, and very human man. He is a man with an unusually spiritual character, is firm in his religious faith, and devoted to his very charming wife. The remarkable length of his service in this body from a Wisconsin which has become famous for its rugged independence and disregard of partisan affiliation speaks eloquently for the warm and affectionate regard in which ALEXANDER WILEY is held by the people of our State.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from New York.

Mr. KEATING. I desire to join with the junior Senator from Wisconsin in extending best wishes to our colleague, Senator WILEY, on his natal day.

I think it is a fine gesture on the part of the junior Senator from Wisconsin to call our attention to this anniversary. I know that those who serve with ALEC WILEY enjoy that service, benefit from it, and hope that he will be here for many years to come to continue to serve with us.

Mr. PROXMIRE. I thank the Senator from New York for his gracious statement.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). The present occupant of the chair would like to join briefly in the good wishes and congratulations extended to the senior Senator from Wisconsin upon his 75th birthday. Few Senators are more popular or more enlightened, or deserve their enviable status more than ALEXANDER WILEY. We also honor the charming Mrs. Dorothy Wiley.

Mr. PROXMIRE. I thank the distinguished Presiding Officer, the junior Senator from Oregon.

LETTER FROM WALLIS WILDE TO HER GRANDFATHER, SENATOR WILEY, ON HIS 75TH BIRTHDAY

Mr. WILEY. Mr. President, when a man arrives at the age of 75, after 20 years in the Senate, he has a growing appreciation of the new values in life. I say "new," yet they are as old as man.

Today I received a letter from my granddaughter, Wallis Wilde, who is 16 years of age, and I ask that it be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MAY 20, 1959.

DEAR GRAMP: Congratulations and best wishes on this, your 75th birthday. We are all so proud of you: not only because of the fine job you are doing for your country, but because you are a self-made man.

Looking back over 75 wonderful years, you must be filled with a sense of gratification. You have four fine children: Betty, a competent teacher; Marshall, a lawyer and family man; Rosemary, a mother of two bright boys; and our Mom, a busy wife with four children. You have been a successful father, both in providing for your children, and in imbuing them with the proper values and standards.

As a Senator of Wisconsin, you have done many things for our State and for the individual citizens. The St. Lawrence Seaway, which will allow the lifeblood of Milwaukee to be enriched, and which will bring increased prosperity and new industries to this growing State, was built largely through your diligent legislative efforts. Each of us will be able to show our children the Wiley-Dondero lock, and say, "This was named after my grandfather. He was a wonderful man."

You are an inspiration to those who aspire to great things. You have proved the American dream. You have done your part in building a better America.

You have had a good life. And now you are fortunate enough to have Dorothy to share it with you. Happy birthday, Gramp. And I'm sure your vigor and enthusiasm for living will inspire me to write another of these lengthy epistles when you reach the ripe old age of 100.

Love,

WALLIS.

SUPPORT FOR MANSFIELD PROPOSAL FOR REEVALUATION OF FOREIGN AID

Mr. PROXMIRE. Mr. President, the assistant majority leader, the Senator from Montana [Mr. MANSFIELD], has proposed a drastic reevaluation by the Congress of foreign aid. I wholeheartedly agree with the Senator from Montana that such a reevaluation is desirable. I commend him for having proposed it.

Few can appreciate how dramatically and suddenly the world has been changed through foreign aid, and perhaps fewer still how this striking change has itself drastically altered the basis for these very foreign aid poliices.

The current—June 1—issue of U.S. News & World Report carries an article on foreign aid entitled "The World's Biggest Success Story." This is a happily appropriate title; but the article does not imply that policies which have led to a smashing success are now appropriate; far from it.

The article reports that in Western Europe, American foreign aid helped build an economy that is rapidly becoming approximately the same size as our own; and that is rushing toward a parity of productivity, and even a parity of living standards, with ours. In West Germany, France, Italy, and Britain, the economy has leaped in a dozen years from war-ravaged desolation to a strength that can only be appreciated in terms of their concrete achievements.

Last year West Europe produced more steel than the United States did. This year it will produce more than 4 million passenger cars. This brings it within striking distance of America's distinctive pride and joy product, the automobile. Last year Europe constructed 1.9 million dwellings, far more than we did.

This comeback is not confined to Europe. Japan, too, has become a thriving industrial giant, with steel production double that of the prewar period, and exports are triple their prewar value.

Mr. President, when it is recognized that in the first quarter of this year we bought from abroad very nearly as much as we sold, that in addition we are bearing the brunt of the defense of the free world, paying far more of our national income than our friends and allies, and our troops are spending billions abroad; that in addition to all this we are investing billions of American private capital abroad and a vast amount of aid dollars—when we recognize this, Mr. President, is it not appropriate that we take the kind of long, hard, thoughtful look at our foreign aid program the Senator from Montana has suggested?

Mr. President, I ask unanimous consent that the article in U.S. News & World Report entitled "The World's Biggest Success Story" be printed in the RECORD following these remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE WORLD'S BIGGEST SUCCESS STORY

(Reported from Washington, London, Paris, Bonn, Tokyo)

The world's greatest success story, lost in the confusion of a cold war, now can be written. This is the story of an idea that, in about 10 years, has brought much of the world from war and disaster to strength and prosperity.

If Mr. Eisenhower meets with Nikita Khrushchev this summer, the President will be the leader of a group of strong and confident nations of Western Europe. On his side, too, will be a restored and thriving Japan, rapidly returning to the status of a major power.

These are nations that were prostrate when war ended in 1945. They had barely begun to stir by 1948, when an idea dawned and America entered upon a venture that today has become the greatest success of the modern world. The idea was that of U.S. aid, amounting to billions of dollars each year, to help get the world back on its feet. As aid from Government took hold, private enterprise moved in.

The results, facts disclose, have been startling beyond the dreams of those who conceived the idea. In fact, the results are so startling that nations on the edge of ruin barely 10 years ago today are challenging the United States for leadership in many markets of the world.

When stock was taken in recent days, it was disclosed how an idea had remade much of the world.

THREE KINDS OF HELP

Here is what the facts show:

Government aid: People of this country, through their Government, in the years since 1946 have provided $74.2 billion in gifts and loans to other countries. Of this amount, $59.2 billion has been in the form of outright gifts.

These dollars went far to set up in business again the war-ruined countries of Western Europe and Japan.

Private aid: Individuals of United States, through the CARE relief organization and through their own donations, gave $6.7 billion. These all were gifts that did much to feed and clothe destitute peoples during the days after the war.

Added to Government aid and loans, the total that went from United States to help get the world back on its feet reached $80.9 billion.

Private investment: As the non-Communist world recovered, private industry discovered opportunities and began to invest on a growing scale in enterprises abroad. In years since the war, American businessmen have invested more than $27 billion outside this country. The scale of investment now is growing as more and more companies see overseas markets mushrooming in size.

Add private investment to private gifts and to Government gifts and loans, and you get a total of $107.9 billion. Those are gifts and loans and private investments on a scale never before dreamed of in this world.

THE SOVIET RECORD

And how does the total of U.S. help compare with the gifts, loans, and investments of Russia?

The Soviet total on a comparable basis over the same period amounted to $2.4 billion. Americans, as individuals, gave to their friends abroad more than twice as much as Russia provided in loans to the nations it dealt with.

Russia has made available in loans, gifts, and investments little more than one-fiftieth as much as has America.

At this point, there enters a whole new phase of the success story.

In all reports on Soviet activity outside Russia, the purchases by Soviet Russia of foreign goods are added to loans made abroad, and the total is referred to as Soviet "aid." By that definition of "aid," Russia has made available to the outside world about $30 billion in postwar years, if the ruble is valued at 4 to the U.S. dollar.

Apply the same definition to American aid, and the total becomes staggering. The United States, through purchases abroad, has made available $190 billion in postwar years. Add that sum to the $107.9 billion in gifts and loans and private investments, and the total becomes $297.9 billion.

The comparison: Soviet Russia, $30 billions; United States, $297.9 billions.

If there is a contest between Soviet Russia and United States to see which can provide the outside world with the most purchasing power, in rubles or in dollars, then the United States has won hands down.

WHERE THE MONEY WENT

What has the outside world done with its $297.9 billion?

The facts show this: Of the total $275 billion went to buy goods and services. Those dollars have rebuilt industries and cities. They have been used to purchase the latest in American machinery and to acquire the highest skills with which to make industry abroad fully competitive with American industry. At the same time, nations receiving the billions have used $11 billion to add to their financial reserves in gold and dollars. Remaining billions have gone for many other purposes.

Today, more and more high officials of the U.S. Government are beginning to wonder if the great success that Americans brought to their foreign friends isn't actually too great for comfort.

West Germany, a heap of rubble 10 years ago, now is crowding American industry in competition for world markets. France has gone through a period of great economic growth. Instead of asking for more aid from United States, France at this time is making payment on outstanding loans ahead of time.

Great Britain, in this period, has modernized her industry and is holding her own in a highly competitive world. Italy has grown from an impoverished state into a thriving industrial community. The Japan that was devastated by war is booming today—operating at levels far higher than ever before.

FROM ALLIES, A CHALLENGE

So great has been the success of American plans to aid its friends that this country today finds itself challenged by those it helped. As officials look around, they note this:

The American dollar, once a proud currency—the strongest in the world—now is selling at a discount in terms of some foreign currencies. Rumors in the financial centers of Europe are that the dollar may have to be revalued—depreciated in relation to gold. The dollar scarcity that alarmed planners not many years ago has been turned by U.S. generosity into a superabundance of dollars in Europe.

Gold is flowing away from United States as some countries turn their immense reserves of dollars into gold. Foreigners at this time hold claims to $12.7 billion of the $20.3 billion of gold in the U.S. stockpile. If these foreigners ever exercise those claims, this country could find itself in a severe financial squeeze applied by those who enjoyed so much U.S. generosity.

Goods from abroad are coming into United States to capture more and more markets. The industry that United States spent billions to revive and that U.S. industry helped to teach efficient mass production is able now to undersell its teachers in a growing number of fields.

A NARROWING GAP

A glance at a few figures helps you to see how great has been the success of the U.S. effort to build up the outside world.

In 1948. In that year, when this country began its program of large-scale aid to other nations, the U.S. bought from abroad $7.1 billion worth of goods of all kinds. It sold $12.6 billion worth of goods abroad. Here was a gap of $5.5 billion. Gifts of dollars were designed to bridge that gap so that other countries would have the means to go on buying in the United States.

In 1959. It is now 11 years later. In the first quarter of this year, United States bought from abroad at an annual rate of $14.3 billion. That is double the 1948 rate. It sold abroad at an annual rate of $15.4 billion. The gap had narrowed to $1.1 billion. Aid, however, continued to flow abroad in an amount exceeding $4 billion a year. In addition, billions were spent by American troops stationed overseas. This meant that other countries are continuing to build up their dollar reserves at a rate of at least $3 billion a year.

PRODUCTION RACE

The transformation can be looked at another way.

West Europe: Not long ago the industry of West Europe was flat on its back. Yet, in 1958, the industry of West Europe, prostrate 10 years earlier, produced more steel than the United States produced and much more than the Soviet Empire produced. Last year, West Europe turned out 3.6 million passenger cars, and this year will produce 4 million—within reach of last year's U.S. production. As many trucks are being produced in Europe as here. Europe's industry last year built 1.9 million new dwellings, or far more than the United States.

West Europe today is beginning to rival America as an industrial power.

Japan. When war ended, Japan was a shambles. Its industry was producing at 10 percent of the prewar rate. Today it is producing at double the prewar rate. Exports have tripled their prewar value. Steel production has gone from a prewar rate of 6.8 million tons to a level of 12.8 million tons.

Japan, thanks in part to American aid, once more is a thriving industrial nation.

FIGHT FOR MARKETS

The industry abroad that American aid did so much to revive often is able now to undersell the products of American industry both in this country and outside.

New cars from Europe have crowded into American markets. Europe is underselling American producers of more and more kinds of machinery. Imports of iron and steel products are in a strong rise. The same is true of farm machinery and of many other types of manufactured and semimanufactured products.

At the same time, U.S. industry is finding competition for markets keener. It has lost much of its overseas market for automobiles. The world looks to other than American producers for more and more types of manufactured products. American manufacturers discover, too, that many nations receiving aid from United States are keeping up their barriers against American products.

LURE FOR CAPITAL

So enticing is the prosperity of the world outside United States that American investors are sending more than $3 billion of private capital abroad each year for investment. A growing number of American companies are entering the foreign field, often to produce goods not only for markets abroad but for sale back in United States.

All of this is part of the story of success that has grown from American generosity in postwar years. That generosity, in fact, has been so great that it accounts, in part, for the inflation within United States that is making it more difficult for this country to hold its competitive position in the world.

Then there is another situation that is beginning to draw attention.

In addition to supplying dollars of aid, the United States has undertaken the principal burden of defense for the non-Communist world.

People of this country are devoting more than 10 percent of their total effort to defense. American forces are in every corner of the non-Communist world wherever their presence helps to serve as a barrier to Communist penetration. Americans are assuming this burden with no apparent complaint.

This country's allies—now strong industrially—are not assuming equal burdens in the defense of the free world.

Great Britain, next to United States, is shouldering the largest load proportionally, 7.5 percent of her national effort. Then comes France, with 6.8 percent, and Canada, with 5.6 percent. West Germany is devoting 3.4 percent to defense, and Japan a negligible proportion.

America, in other words, is seen by some officials to be the protector as well as the benefactor of a large part of the non-Communist world.

CAN UNITED STATES KEEP ON?

The question being raised is simply this: Has the United States undertaken to do more than it can do abroad and at home without weakening its currency and its competitive position in the world? In its desire to help others has this country reached a point where it might hurt itself?

A stirring of interest in those questions is beginning to show itself in the U.S. Congress.

Success that has grown from an idea of 1948 may turn out to have been too great for America's comfort.

LIVING COSTS INCREASE, FOOD PRICES DECREASE

Mr. PROXMIRE. Mr. President, the Associated Press recently reported that the cost of living is back to the highest level in history.

The fact that prices did not break through the all-time record is as significant as the fact that living costs have moved up to tie it.

The Associated Press called State and local taxes principal culprits in shoving the cost of living up.

The farmer and his enormous and vehemently maligned productivity was responsible for keeping the cost of living from shooting up to a new high last month. Food prices dropped enough to offset all other price increases.

Mr. President, I think it is time the farmer got a pat on the back instead of a torrent of abuse for the magnificent job he is doing in improving his efficiency, and in cutting farm costs and food prices in the process.

Think of it, food prices actually dropping in spite of the increase in capital and labor costs in the food-processing industry, farm efficiency so great that food costs are down in spite of the vast improvements in built-in maid service for the preparation of the foods the housewives are buying. Is it not time to see some virtue in the man who has increased his efficiency more and works longer hours with a far lower return than anyone else in our economy—the American farmer?

No one deplores the necessity for the wasteful and costly farm price support program more than does the farmer. But, Mr. President, I suggest that even if we add the total cost of the farm program to the prices farmers are receiving for their food, we will find that farmers are working harder, producing more and getting less—far less—than the rest of our citizens.

Our Democratic Party has promised a new and improved, less costly, more effective farm program, and I am going to keep hammering away until we deliver on that promise—and the sooner we deliver the better. But meanwhile

let us be fair and recognize that even now the American farmer is doing a magnificent job—indeed, far and away the best job of any economic group—of building up a technologically sound, economically productive economy. It is a sad commentary on our understanding that in view of his record, the farmer has been maligned, castigated and condemned because Congress has not fulfilled its responsibility.

Mr. President, I ask unanimous consent that the article by Mr. Norman Walker of the Associated Press on living costs and food prices be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LIVING COSTS EQUAL HIGH, BUT FOOD PRICES DECLINE

(By Norman Walker)

Rising State and local taxes helped shove living costs back up to record levels last month. The Labor Department reported yesterday that recent boosts in sales and excise taxes on such items as gasoline, tobacco, telephones, and liquors are having an impact.

It said taxes already enacted and contemplated—as States and cities seek more revenue—could boost living costs to still higher peaks this summer.

In Washington, food prices declined 0.3 percent, mostly because of lower prices for eggs and poultry. Fruits and vegetables were higher. The April index, 118.5 stood 3.8 percent lower than a year ago and 4 percent below the 1958 peak.

The April rise in national living costs was only two-tenths of 1 percent but it put the Government's living-cost index back up to the highest-ever rate of last July and November at 123.9 percent of the 1947–49 base.

April costs were three-tenths of 1 percent higher than in April last year. But overall living-cost changes have been moderate for nearly a year now.

Despite the new cost of living rise, both the spendable earnings of factory workers and the purchasing power of their pay dollars scored new highs. Because prices have remained fairly stable while earnings have increased, the average factory worker now has about 10 percent more purchasing power than a year ago.

The new record for spendable earnings—the amount received in pay envelopes after tax deductions—is an average $80.68 a week for the factory worker with three dependents and $73.14 for the single worker. The Labor Department attributed the half-dollar weekly increase over March to both higher wages and overtime hours.

Most of the 1½ million workers due for a quarterly pay adjustment based on the April living cost index failed to get any wage increase. This is due to insufficient change from the January index.

Among those whose pay remains unaffected are about one million auto workers. About 160,000 workers in a score of other industries get raises of from one-half to 1 cent an hour.

Food costs declined one-tenth of 1 percent in April as lower prices for eggs, poultry, and milk more than offset seasonally higher prices for fresh fruits and vegetables.

Eggs are at their lowest prices since 1946.

Housing and clothing costs remained unchanged but prices of transportation, medical care, recreation, and personal care were up.

The transportation cost rise was attributed to increased prices for used cars, gasoline, tires, and auto insurance. New-car prices were lower as dealers gave bigger discounts and stocks rose to a near record.

H. E. Riley, Labor Department price chief, said newly raised cigarette taxes in New York, sales taxes in Washington State and West Virginia, and telephone taxes in Pennsylvania were having their effect on consumer prices. The same is true, he said, for higher real estate taxes generally this year.

FEDERAL AID TO EDUCATION

Mr. PROXMIRE. Mr. President, I am sure most Americans will agree with the President of the United States and our leading scientists that we should increase the amount we spend on education. The President in a statement this weekend said we should double what we spend on education.

Mr. President, I respect the office of President, and, like most Americans, have affectionate regard for the present occupant of the Presidency, but this recommendation reminds me of the old French proverb: "Why be a hypocrite when it's so easy to be self-deluded?"

Mr. President, this is but the latest of a series of similar recommendations; notably, the report of White House Conference, headed by Neil McElroy; the report of the National Citizens Commission for Public Schools, headed by Roy E. Larson; and the Rockefeller Brothers Fund report on education. Several times recently the Secretary of Health, Education, and Welfare has asked that teachers' salaries be doubled; but, Mr. President, what happens? What is done about it?

Why do we pay our teachers so little that we have far too few of them, and are actually losing rather than gaining qualified teachers every year?

Why are there still millions of American children jammed into inadequate school housing with local taxpayers turning down proposed bond issues to build new school facilities?

Why, 10 years after the late great conservative, Mr. Republican, Robert A. Taft, called for Federal aid for education as essential to fulfill the American dream of equality of opportunity for all American children, is there no proposal worthy of the name from a Republican administration which has been in office more than 6 years?

Why does the Republican administration denounce proposals warmly approved by the National Education Association and call these proposals spendthrift and wasteful? And in 1958 why did it call for the defeat of Senators who supported the bill drafted to carry out these proposals—the Murray-Metcalf bill because according to administration spokesmen and campaigners, this sort of proposal indicated irresponsible spendthrift proclivities?

Why does the administration persist in a hard money policy which totals far more in costs to education than the total of the most generous educational assistance program the President has proposed?

Mr. CLARK. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the distinguished Senator from Pennsylvania.

Mr. CLARK. I should like to commend my friend from Wisconsin for bringing the administration's attitude toward Federal aid to education to the attention of the Senate. As a member of the Committee on Labor and Public Welfare, I am assisting in the consideration of the Murray-Metcalf bill, which to my way of thinking presents the proper method of attacking the shocking lack of adequate facilities for education throughout our country. The administration seems completely to forget the fact that there were twice as many babies born in America in 1956 as were born in 1936, and that we are doing absolutely nothing at the Federal level to prepare for the enormous increase in enrollment in our schools which is already on its way and which will continue to a greater and greater extent as time goes on.

I had the pleasure of sitting with the Education Subcommittee of the Committee on Labor and Public Welfare when that very fine citizen, Mr. Flemming, and his equally splendid assistant, Mr. Elliot Richardson, came before the subcommittee to attempt to defend the administration proposals for aid to education. It was almost laughable to note how weak a case they had, and how utterly inadequate the administration proposals are. They are proposals of inadequacy made in the teeth of the various reports to which my friend from Wisconsin has referred.

I wonder if my friend from Wisconsin has seen the editorial published in this morning's Washington Post and Times Herald entitled "Another Bad Report Card," in which the editorial writer comments on the inadequacy of President Eisenhower's reaction to his own Killian Committee report, pointing out that all the President said was that the report was "an excellent statement of educational goals and needs."

Is the President in favor of these educational goals and in favor of doing something to meet these needs, or is he merely going to talk about them? It appears to be pretty clear the President is merely going to talk about them.

With the consent of the Senator from Wisconsin, I should like to ask unanimous consent that the editorial published in the Washington Post and Times Herald, to which I have referred, be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ANOTHER BAD REPORT CARD

President Eisenhower's comments on his Science Advisory Committee's education report were as disappointingly vague as the administration's attitude toward the Nation's school needs has been vacillating. The committee, headed by James R. Killian, Jr., the President's science adviser, stated forthrightly that the United States ought at least to double its $18 billion annual outlay for schools, but Mr. Eisenhower merely said that the report is "an excellent statement of educational goals and needs."

The President seems still to place more value on theoretical budget balance than on such vital needs as more adequate education and augmented defense. If the Eisenhower administration had supported a comprehensive Federal aid to education program 5 or 6 years ago the deficit in school facilities and faculties might not be so great as it is today.

This year the administration has even disowned its modest school construction pro-

gram and has asked Congress to aid only those school systems with truly desperate financial problems by helping them pay off their construction bonds. Yet a broad Federal aid program is necessary if all schools are to be brought up to the desired and attainable levels recommended by the Killian Committee and other studies of education. Many cities and States have about exhausted the school tax revenues that are available to them. If Americans are getting weary of reports on the need to improve education it is because of the failure of both the Eisenhower administration and Congress to help solve a problem which has become so distressingly obvious.

Mr. CLARK. I thank my friend for yielding.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may proceed for an additional 2 minutes.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). Is there objection to the request of the Senator from Wisconsin? The Chair hears none, and it is so ordered.

Mr. PROXMIRE. Mr. President, I thank the Senator from Pennsylvania for his contribution. I think it was a very helpful and important contribution.

Mr. President, we are now, it seems to me, in a position with regard to education in which the administration must do more, as the Senator from Pennsylvania said so well, than simply talk about educational goals. Every expert who has thoroughly studied the problem of education comes to the same conclusion, regardless of whether he has a conservative or liberal inclination in political philosophy. The conclusion is that the local communities simply cannot pay for a doubling of educational facilities.

The only way we are going to achieve a doubling of the contribution to education is for the Federal Government to take action. It is true that the Federal Government, the administration, has made a proposal—and I am sure it was a sincere one—to assist education. It was a proprosal very largely built around the notion of Federal guarantees of school bonds, when such was necessary. It would contribute only a tiny fractional percent of the cost of education.

Mr. President, I should like to conclude my remarks by pointing out that of all the policies of this administration the one which has been most harmful to education has been the hard money policy. Only yesterday I was talking to National Education Association officials, and they pointed out to me that an increase of 1 percent in the interest rate adds 25 percent to the cost of school construction, if the school construction is to be paid for over a period of 40 years, which is about the standard time. In fact, in the last year interest rates rose about 2 percent, and this will mean the cost of financing school construction will increase by 50 percent of the cost of the construction itself exclusive of interest, which is far more than the most generous proposal for assistance to education. It is far more in total cost than the total benefits which would flow from the most favorable proposals for Federal aid to education.

Mr. President, in view of the fact that the only substantial, widely supported educational proposal which is before the Senate of the United States is the Murray-Metcalf bill, it seems to me it is time the leadership of our party acted so that all Senators can have an opportunity to indicate whether they truly believe we should not only approve of more and better education but should pay for it.

Mr. President, I yield the floor.

REPORTS OF RAILROAD ACCIDENTS TO THE INTERSTATE COMMERCE COMMISSION

Mr. MAGNUSON. Mr. President, on May 15, at the request of the railroad brotherhoods, I introduced S. 1964, a bill to amend the act requiring certain common carriers by railroad to make reports to the Interstate Commerce Commission with respect to certain accidents in order to clarify the requirements of such act.

I ask unanimous consent that there be printed in the RECORD a statement explaining the purpose of this proposed legislation.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

S. 1964 is designed to carry out the original intent of the Accident Reports Act of 1910 (36 Stat. 350) that there be reported to the Interstate Commerce Commission all collisions, derailments, or other accidents resulting in injury to persons, equipment, or roadbed which arises out of the performance by a railroad of its transportation business. The necessity for such amendments has developed as result of actions by the Interstate Commerce Commission inconsistent with this purpose which, over the years, have narrowed the scope of the Accident Reports Act and the accidents to be reported thereunder. This narrowing process has been accomplished through the adoption of rules and regulations of the Commission for the reporting of railroad accidents. The most serious limitations have occurred as result of the Commission's definition of the phrase "arising from the operation of a railroad" as used in the statute, and its definition of accidents which are reportable.

The Commission's interpretation of the phrase "arising from the operation of a railroad" has not only been inconsistent with the purposes of the statute, but has also been inconsistent with the views of its staff. It would appear to be clear from reading the statute that it was the intention of Congress in using this phrase to cover accidents arising out of a railroad's rail activities, as distinguished from a nonrail activity such as operating an oil pipeline, lumbering, or drilling oil wells. However, the Commission by regulation has now limited the phrase to only those activities involved in the physical construction, operation and maintenance of railroad facilities and equipment. They thus have excluded many activities which are a necessary part of a railroad's operations. The Commission's explanation for its action in thus limiting the obvious purpose of the statute is that it has been advised by its lawyers that this is the correct construction of the act. However, a review of the legal memoranda submitted to the commission by its General Counsel's office shows that the Commission has not only been inconsistent in its interpretation, but at the present time it is following an interpretation which has subsequently been rejected by its own lawyers. The interpretation now followed by the Commission was originally contained in a legal memorandum, identified as No. 8106, dated February 13, 1952. However, nearly 3½ years later, on September 19, 1955, the then Acting General Counsel of the Commission, Mr. Samuel R. Howell, expressing the following opinion, said:

"As a general principle, it is my opinion that the term 'arising from the operation of a railroad' as used in the act includes, but is not necessarily limited to, the transportation, maintenance, construction, servicing, repair, and loading and unloading, performed under the supervision of the railroad by its employees, as incidental to, or as an adjunct of, its train service."

This memorandum recognized that it had the effect of broadening the previous interpretation of the scope of the Accident Reports Act. Yet, the Commission's interpretation has been the narrow one previously noted which defeats the purpose of the statute.

The Commission has further defeated the purposes of the statute by utilizing its authority to adopt rules and regulations thereunder so as to limit accidents which are otherwise reportable. Thus, it is the present rule of the Commission that an accident resulting in injury to an employee on duty is reportable only if it is sufficient to incapacitate him from performing fully and acceptably all of the duties customarily included in his assignment at the time of injury for more than 3 days in the aggregate during the 10 days immediately following the accident. There is no statutory justification at all in the act for this Commission action in limiting accidents to employees to be reported. The act itself requires the reporting of all collisions, derailments, or other accidents resulting in injury to persons, equipment, or roadbed and does not place any kind of limitation depending upon the extent of the injury or the number of days that the employee involved may be fully incapacitated. This limitation has the effect of eliminating from the reporting requirements a substantial number of accidents to employees, thus giving a completely distorted view of the accident situation on the railroads as to employees so that neither the Congress nor the Commission itself can be accurately informed with respect thereto.

The proposed amendments embodied in S. 1964 would (1) define the phrase "arising from the operation of such railroad" so as to clearly mean all activities of a railroad related to its transportation business; (2) would make clear that the Commission's power to adopt rules and regulations does not permit authority to limit the accidents which Congress by statute has required to be reported; and (3) would make clear that the statute does not contain any limitation in the case of injuries to employees measured in terms of the number of days that such employee is incapacitated, by requiring the reporting of accidents resulting in "any" injury to employees arising out of railroad operations.

TWO HUNDREDTH ANNIVERSARY OF NEW MARLBOROUGH, MASS.

Mr. SALTONSTALL. Mr. President, New Marlborough is proud to celebrate its 200th anniversary. The citizens are lucky to have settled in such pleasant surroundings.

Always a happy place in the Berkshires in which to live and bring up a family, it has kept the flavor of the past while making the advances of the present.

It is right and proper to celebrate this anniversary, at which time we take new courage to forge ahead from our forefathers who worked so hard to prepare a place for us. New Marlborough

pays tribute to them on June 15. Massachusetts and the Nation congratulates you.

VOLUNTARY PENSION PLANS FOR SELF-EMPLOYED INDIVIDUALS

Mr. SMATHERS. Mr. President, on May 19 I introduced proposed legislation identified as S. 1979, and which is now pending before the Senate Finance Committee, designed to encourage the establishment of voluntary pension plans for self-employed individuals.

I ask unanimous consent at this time to have inserted in the body of the RECORD an explanatory statement of the bill and the reasons why it is essential for the Congress to act promptly and favorably on it.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR SMATHERS

The bill which I introduced, with one exception, is identical to H.R. 10, commonly referred to as the Keogh-Simpson bill, recently passed by the House and presently pending before the Senate Finance Committee.

I have chosen this course of procedure to give impetus to what I believe is rather slow progress in removing a glaring tax inequity toward 10 million self-employed citizens of this Nation.

Generally, the proposed legislation permits self-employed individuals to take a current tax deduction of 10 percent of their net earnings, with a maximum limitation of $2,500 a year, in any one taxable year, provided the self-employed individual makes an investment in certain types of retirement annuity or a specific type of retirement trust. The deduction could be taken for 20 years permitting a maximum lifetime deduction of $50,000.

When the individual receives benefits from the pension plan, the investment plus the accumulated earnings would then be treated as ordinary income and taxable as such.

Penalty provisions are contained in the bill for withdrawing any amounts during the lifetime of the self-employed individual, if they are withdrawn before he is 65 years of age.

The self-employed individual must withdraw benefits from the pension trust no later than when he reaches the age of 70.

The bill as passed by the House would be effective for the taxable years beginning in 1959, and thereafter. The Treasury Department estimates the cost of the proposed legislation to be in the neighborhood of approximately $365 million.

My bill differs from the House-passed measure in that it would become effective for the taxable years beginning in 1961 and thereafter. This change was made to meet opposition to the pending proposal predicated primarily on revenue loss, despite the fact that many recognize the tax inequality afforded our self-employed citizens as against other employees. It is hoped that by 1961 the budget will be in a more healthy state than it is today, and, if not, the Congress could then take another look at the situation.

I would like to discuss briefly, without going further into the details of the proposed measure, the reasons why I feel that Congress should act promptly to remove the existing discrimination against self-employed citizens.

In 1942 the Congress adopted an amendment to the Internal Revenue Code permitting certain tax considerations for private pension plans which qualify under the code and which are certified as such by the Treasury Department.

This action by the Congress was largely instrumental in giving rise to a tremendous growth of qualified pension plans. Under this law employees of a business can achieve postponement of a tax on retirement income savings if the employer pays into a qualified pension, profit-sharing, or stock-bonus plan when he might otherwise have paid directly to the employees. The funds are placed in a tax-exempt pension trust or paid as premiums on an annuity policy with an insurance company.

Business firms get immediate deductions for the amounts contributed, and the employee is not taxable until he derives benefits under the plan.

The law was designed to encourage the creation of these pension plans to take care of employed people in the years when their earning power has diminished or has ceased to exist. The tax consideration provided the necessary incentive to accomplish this objective.

As a result, by June of 1958, there were approximately 45,000 such plans in existence in this country, covering an estimated 18 million employees. Almost $4.6 billion was invested on a current tax-exempt basis to the employees in these retirement plans.

I cite these figures to substantiate the soundness of the legislation enacted by the Congress in 1942. They demonstrate one thing further, and that is that when given the incentive, employed people of our great Nation prefer, for the most part, to set aside a portion of their income for retirement years, rather than approach this period in life with an attitude of indifference as to whether they will or will not become public charges.

Under the present Federal tax structure, it is abundantly clear that preferential income tax treatment is accorded those wage earners and salaried employees whose employers set up qualified pension or profit sharing plans in their behalf. These employees benefit in three ways.

First, their employers contribute funds for their ultimate retirement;

Secondly, the employers' contributions are tax exempt, and are not taxed currently as income to the employee; and

Thirdly, the tax on the employee is deferred until such time as he begins to draw benefits, which under normal conditions will be at a time when the employee enjoys a lower income tax bracket.

Some 10 million self-employed citizens of this Nation are not given this tax consideration under present law. In fact, they are being penalized because they not only have to pay for their own pensions, if they are able to do so, but must provide for such pensions out of what is left of their income after taxes.

I am confident that when the Congress enacted the 1942 law it was never the legislative intent to discriminate in favor of one group of our citizens to the exclusion of others. Yet this is exactly the net result. It is a glaring inequity that deserves prompt correction by the Congress.

I might point out that President Eisenhower on October 24, 1952, recognized this tax inequity when he said, and I quote in part as follows:

"In 1942 the Government made an important supplement to the Social Security Act by legislation which offered tax advantages to corporations and their employees in the establishment of pension funds (sec. 165, Internal Revenue Code). I am thoroughly in accord with the principle of this legislation. Over 16,000 pension plans have been filed under this law providing more adequate security for the employees of corporations covered thereby. When this legislation was being considered, self-employed individuals were evidently forgotten, yet they get old and sick just as other people do. There are over 10 million workers who cannot take advantage of these tax release provisions now offered to corporations and their employees. They include owners of small businesses, doctors, lawyers, architects, accountants, farmers, artists, singers, writers, independent people of every kind and description but who are not regularly employed by a corporation. I think something ought to be done to help these people help themselves by allowing a reasonable tax reduction for money put aside by them for their own savings. This would encourage and assist them to provide their own funds for their old age and retirement. If I am elected, I will favor legislation along these lines."

The Treasury Department, in a letter addressed to the chairman of the House Ways and Means Committee, under date of February 9, 1959, also recognized the inequality of our present tax structure as it applies to self-employed persons.

I would like to quote in part from that letter as follows:

"The Treasury Department recognizes that present law does not give self-employed people tax treatment for their retirement savings comparable to that now accorded to employees covered by employer-financed pension plans. The Treasury Department nevertheless is opposed to the enactment of H.R. 9 and H.R. 10 at this time on revenue grounds as stated at the conclusion of this letter."

Despite the Treasury Department's opposition, the House overwhelmingly adopted the measure.

Many in the Congress, while favoring the principle embodied in the legislation have a reluctance, in view of the Treasury Department's opposition, plus the high cost of Government today, to support the measure in their desire to bring about a balanced budget. Theirs is an attitude of postponement until such time as the budget becomes balanced.

To meet this objection, which appears to be the major obstacle in the path of its adoption, I have modified the proposed bill so that it will be effective for the taxable year 1961. This would remove from the consideration of those thinking along this line, any feeling that they would have a further unbalanced budget this year, and yet make it possible for them to adopt a principle of fairness and tax equality for all of our citizens. Discrimination in our tax laws cannot morally be perpetuated indefinitely when a just and economically defensible revision is warranted. I feel the time is long overdue to adjust this inequity for it is vital to a continued free America to encourage self-reliance, individual enterprise and thrift. These are the qualities which made this Nation great. Private incentive must always be present and provision made for all of our citizens to be treated equitably so that they may be able to give full expression to their talents in their chosen legitimate endeavors.

Millions of our self-employed citizens today are looking to this Congress to give to them the equivalent tax treatment which others are presently enjoying so that they too may be able to provide for the twilight years of their lives. Granting to them tax equality is an investment in the future of America which we in the Congress can ill afford to ignore.

I sincerely trust that the Senate Finance Committee and the Senate itself will act promptly and favorably on this legislation.

The PRESIDING OFFICER. Is there further morning business?

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there further morning business? If not, morning business is closed.

DISTRICT OF COLUMBIA APPROPRIATION ACT, 1960

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 291, H.R. 5676, the District of Columbia appriation bill.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H.R. 5676) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1960, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill which had been reported from the Committee on Appropriations with amendments.

The first amendment of the Committee on Appropriations was, under the heading "Federal Payment to District of Columbia," on page 2, line 1, after the word "and", to strike out "$25,000,000" and insert "$27,000,000"; in line 19, after the word "appropriated", to strike out "$33,800,000" and insert "$34,300,000"; and on page 3, line 1, after the words "general fund", to strike out "$19,500,000" and insert "$20,000,000".

The next amendment was, under the heading "Operating Expenses—Executive Office", on page 4, line 2, after the word "clearance", to insert "and a survey of the 'downtown business' area", and in line 6, after the word "investigations", to strike out "$576,000" and insert "$605,000".

The next amendment was, under the subhead "Department of General Administration", on page 4, at the beginning of line 21, to strike out "$5,010,000" and insert "$5,229,000".

The next amendment was, under the subhead "Office of Corporation Counsel", on page 5, line 24, after the words "District of Columbia", to strike out "$740,000" and insert "$770,000".

The next amendment was, under the subhead "Regulatory Agencies", on page 6, line 2, after the word "fees", to strike out "$1,564,000" and insert "$1,577,000".

The next amendment was, under the subhead "Public Schools", on page 6, line 23, after the word "Agriculture", to strike out "$484,000" and insert "$517,000"; on page 7, line 1, after the word "amended", to insert "for development of national defense education programs and for matching Federal grants under the National Defense Education Act of September 2, 1958 (72 Stat. 1580);"; at the beginning of line 10, to strike out "$46,685,000" and insert "$46,753,000"; and in the same line, after the word "which", to strike out "$5,500" and insert "$7,000".

The next amendment was, under the subhead "Recreation Department", on page 8, line 7, to strike out "$2,625,000" and insert "$2,669,200".

The next amendment was, under the subhead "Office of Civil Defense", on page 10, line 18, after the word "Defense", to strike out "$60,000" and insert "$85,000".

The next amendment was, under the subhead "Courts", on page 11, line 11, after the word "Justice", to strike out "$5,396,000" and insert "$5,405,525".

The next amendment was, under the subhead "Department of Public Health", on page 12, line 8, after the word "mile", to strike out "but not more than $1,100 per annum for each automobile", and on page 13, at the beginning of line 7, to strike out "$34,829,112" and insert "$34,936,076".

The next amendment was, under the subhead "Department of Public Welfare", on page 15, at the beginning of line 16, to strike out "$17,292,000" and insert "$17,453,201".

The next amendment was, under the subhead "Department of Licenses and Inspections", on page 17, line 17, after the word "license", to strike out "$2,274,000" and insert "$2,314,000".

The next amendment was, on page 23, after line 17, to insert:

PERSONAL SERVICES, WAGE-SCALE EMPLOYEES

For pay increases and related retirement cost for wage-scale employees, to be transferred by the Commissioners of the District of Columbia to the appropriations for the fiscal year 1960 from which said employees are properly payable, $1,543,000, of which $116,000 shall be payable from the highway fund, $145,000 from the water fund, and $75,000 from the sanitary sewage works fund.

The next amendment was, under the subhead "Capital Outlay, Public Building Construction", on page 25, line 10, after the word "School", to insert "and warehouse for public schools and Department of Buildings and Grounds (including shop facilities and record center)"; at the beginning of line 16, to strike out "$226,200" and insert "$243,200"; in line 23, after the word "expended", to strike out "$11,822,000" and insert "$13,866,400"; in line 24, after the word "which", to strike out "$3,422,000" and insert "$4,889,000"; and in line 25, after the word "and", to strike out "$931,000" and insert "$905,800".

The next amendment was, under the subhead "Capital Outlay, Department of Sanitary Engineering", on page 31, line 17, after the word "which", to strike out "$1,000,000" and insert "$2,500,000".

The next amendment was, under the subhead "Capital Outlay, Motor Vehicle Parking Agency", on page 32, line 22, after the word "facilities", to insert "surveys of parking conditions throughout the District of Columbia by contract or otherwise, as may be determined by the Commissioners;", and on page 33, line 1, after the word "expended", to strike out "$125,000" and insert "$175,000".

Mr. PASTORE. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc; that the bill as thus amended be regarded, for purposes of amendment, as the original text; provided, that no point of order shall be considered to have been waived by the agreement to this order.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the committee amendments are agreed to en bloc.

The bill is open to further amendment.

Mr. PASTORE. Mr. President, I have a few brief remarks to make on the District of Columbia appropriation bill for 1960, which carries the unanimous approval of the Committee on Appropriations.

The bill as reported is $4,383,290 above the total appropriations recommended by the House, $4,420,598 below the total estimates submitted, and $23,195,225 over the total appropriations for the current fiscal year.

As indicated in the committee report, the increase over the House bill will provide the additional sum of $2,288,890 for operating expenses, and $2,094,400 for capital outlay items. Included in the $4,383,290 total increases are supplemental items aggregating $1,858,000. These items were not considered by the House but were presented by the District Commissioners to the Senate committee as being mandatory increases. For example, $1,543,000 was requested and approved for wage-scale increases granted to so-called blue-collar workers of the District government.

Other noteworthy items added to the House bill concerned the $1,767,000 item for the construction of a much needed warehouse, shop facility, and record center; the $15,000 item for the District's share of the cost of a survey to determine the causes of deterioration in the downtown area and to formulate plans to effect improvements; $60,000 to provide funds for matching grants available under the provisions of the National Defense Education Act approved September 2, 1958, and $10,464 in the medical charities program of the Health Department, to permit the Washington Home for Incurables, the Christ Child Home, and the Children's Convalescent Home to receive reimbursement from the District government of $9 a day instead of $8 recommended in the estimates, and $8.50 proposed in the House report for in-patient care.

Of especial interest to the committee and, I am certain, to all Members of the Senate, are the parking problems of the city. In the hope that some constructive solution can be found to this problem, the committee has included in the bill the Commissioner's request of $50,000 for a survey of parking conditions throughout the District of Columbia and the submission of a comprehensive report to the committee of its findings and recommendations. More than $2 million is now available in the parking fund and it is of extreme importance that sound projects be planned in the application of such moneys in future years. The proposal to expend in 1960 the sum of $800,000 for the purchase of a site in the vicinity of 21st and E Streets NW.

to construct an underground parking facility mostly for the convenience of Federal personnel, at an estimated cost of $4,000 per car space for from 1,000 to 1,100 cars was unwarranted and accordingly denied by the committee. The House had also denied the item.

In view of the increased expenditures of the District government that are payable mostly from the general fund account, and the committee's determination that much of the increases stemmed from recently enacted pay changes, as well as the expansion and improvement of services essential to cope with the workload of many departments—health, welfare, school—the Federal payment to such fund has been fixed at $27 million, instead of $25 million, the House allowance.

The $2 million additional payment seems well justified in consideration of these added mandatory costs imposed upon the District government at this time, the fact that only 59.9 percent of the total assessed value of property in this District is taxable; and of the 40.1 percent nontaxable, 20.2 percent is U.S.-exempt property, and the further fact that in the past 5 years taxpayers of the District have increased general fund revenues by $25.5 million a year.

Mr. President, when the bill came to the Senate from the House, it showed a deficit of approximately $2,250,000. The Senate committee has made certain modest allowances over and above that figure, allowances which were denied by the House; that is, we have restored amounts which were denied by the House.

I may say that the members of the committee were very meticulous in analyzing every request which was made by the Commissioners. We took into account the fact that we were dealing with what is known as a deficit budget, which would have forced the District of Columbia either to freeze some of the money which was already appropriated or to increase taxes.

It is my considered judgment that the District of Columbia will, during the year, have to give serious thought to a readjustment of its tax structure, especially with respect to real estate taxes. Whether the Committee on Appropriations should have thrust this responsibility upon the city fathers by way of this appropriation bill was a problem with which the committee had to contend. We thought it might have been considered imprudent, inadvisable, and unwarranted for us to have ventured to say what the tax situation should be by the process of this appropriation bill. We believe this was a matter which should be discussed and considered by the legislative committee, and that a proper, long-range solution should be made of the fiscal stability of the District of Columbia as such.

I may say that as the bill has been reported by the committee, the District of Columbia budget is in balance. As a matter of fact, I call attention to the top of page 3 of the committee report, where it will be seen that the general fund, by the bill which has been reported to the Senate, is in the black, or is in balance, with a surplus of $20,292.

I understand other Senators desire to comment with respect to certain items in the bill. For that reason, I shall defer at this time the request that the bill be passed.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. DOUGLAS. Mr. President, first, I thank the Senator from Rhode Island for the great care which he has taken concerning the District of Columbia appropriation bill. We all know that the preparation of this bill is a thankless job, so I express appreciation for the public service of the Senator from Rhode Island in dealing with it. However, I wish to ask the Senator a few questions connected with the projected expressway through Glover-Archbold Park, which is one of the most beautiful parks in Washington, and which, if the roads which the committee contemplates will be carried through that area are built, will, in my judgment, be spoiled. Is it not true that an initial appropriation of approximately $880,000 is included in this budget for so-called preliminary work upon the expressway to go through Glover-Archbold Park?

Mr. PASTORE. That is correct.

Mr. DOUGLAS. Is it not true that the $880,000 will cover only some preliminary work, such as the construction of two bridges over the park, and that the estimated cost of the projected highway is really more than $5 million?

Mr. PASTORE. I am not in a position to say specifically what the $880,000 will do; but I believe the Senator from Illinois is substantially correct; and he is correct as to the approximate overall figure.

Mr. DOUGLAS. Is it not also true that the traffic interchanges at the two points will add approximately another $10 million, so that the total cost of the useful highway through the Glover-Archbold Parkway will be approximately $15 million?

Mr. PASTORE. That is correct.

Mr. MORSE. Mr. President, at this point will the Senator from Illinois yield to me, so that I may supplement his statement?

Mr. DOUGLAS. Yes, indeed.

Mr. MORSE. I have a letter dated May 18, from Brigadier General Welling, one of the District Commissioners, in response to inquiries which were made concerning the proposed roadway. If the Senator from Illinois will permit, I ask unanimous consent to have the entire letter and an additional factual memorandum printed at this point in the RECORD.

Mr. DOUGLAS. Certainly; I shall be very glad to have that done.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letter and the memorandum were ordered to be printed in the RECORD, as follows:

GOVERNMENT OF THE
DISTRICT OF COLUMBIA,
Washington, D.C., May 18, 1959.

The Honorable WAYNE MORSE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MORSE: This will acknowledge receipt of your letter of May 8, 1959, with attached letter addressed to you by Mr. Constant Southworth, relative to the District's proposal to construct a parkway through Glover-Archbold Park.

The following lettered subparagraphs coincide with the lettered subparagraphs in your letter.

(a) Since 1893, the District of Columbia has owned a right-of-way 100 feet wide through Foundry Branch Valley which includes the area now designated Glover-Archbold Park. The right-of-way is for an all-purpose major highway, including trucks.

The park land on either side of the right-of-way was either donated to the government in 1923–24 or purchased by the Federal-District Government in 1926–1943. In the opinion of the corporation counsel, the terms of the donation permit the construction thereon of the proposed parkway, for passenger vehicles only, but do preclude the construction thereon of an all-purpose highway such as is permissible on the 100-foot right-of-way (the Government-purchased portion of the park land is similarly available for parkway purposes).

In 1948 the District entered into a formal written agreement with the National Park Service for the construction of a four-lane parkway in Glover-Archbold Park subject to the following provisions:

1. The scenic, landscaped parkway would be fitted into the natural contour of the park land in such a manner as to permit development of the park for its greatest use, its greatest beauty and its greatest convenience to the public.

2. The parkway would be for passenger vehicles only.

3. The parkway would utilize some of the 100-foot right-of-way, some of the park land.

4. The District would abandon the use of its 100-foot right-of-way for an all-purpose highway.

5. The District would make available to the Park Service for park purposes that portion of the 100-foot right-of-way not utilized for the four-lane parkway.

(b) The possibility of abandoning the Wisconsin Avenue project in favor of the North Capitol Street project makes the Glover-Archbold Parkway facility all the more indispensable for that portion of the city west of Rock Creek Park. Furthermore, the parkway is vital to development of the park so as to permit the greatest use, greatest beauty and greatest convenience to the public of Foundry Branch Valley.

(c) There is agreement between the District Commissioners, the National Capital Planning Commission and the engineer consultant for the mass transportation survey that the four-lane parkway through Glover-Archbold Park is essential for passenger vehicles regardless of the decision concerning any proposed routes in or into Maryland. The Planning Commission, although not a signatory to the 1948 agreement concerning the parkway construction, is referred to in the agreement as favoring the creation of a properly designed parkway in Foundry Branch Valley.

(d) The Tenley Circle to the Inner Loop proposal of the National Capital Planning Commission was added to the final report of the engineer consultant for the mass transportation survey. The proposal, intended for interstate traffic, including trucks, was clearly in addition to the need for the four-lane Glover-Archbold Parkway for passenger vehicles.

(e) The preliminary estimated cost of the Glover-Archbold Parkway is approximately $5 million, to be financed on a 50–50 basis by Federal aid funds and District of Columbia funds.

The District does not propose to grade the Glover-Archbold Parkway for an eventual six-lane highway. Such an action is considered to be precluded by the terms of the 1948 agreement which prescribes that the District's plans for the development of the parkway are subject to detailed review by the National Park Service.

I assure you of my conviction that prompt construction and development of the four-lane parkway for passenger vehicles is in the interest of the best use of Glover-Archbold Park and of the District of Columbia.

With kindest regards, I am,

Sincerely yours,

A. C. WELLING,
Brigadier General, U.S. Army,
Engineer Commissioner.

GLOVER-ARCHBOLD PARK

The park extends from Van Ness Street to Canal Road: 2½ miles in length, 183 acres in extent.

In 1893 the District acquired a 100-foot right-of-way bisecting the length of the area (old Arizona Avenue) for an all-purpose major highway, including trucks.

Bordering on the 100-foot all-purpose highway right-of-way are:

Date	Area (acres)	Acquired	Percent of park
(a) 1926-43	76.9	Purchased by Federal and District Governments.[1]	42
(b) 1923	78.0	Dedicated by Glover [2]	42.6
(c) 1924	28.1	Dedicated by Archbold [2]	15.4

[1] For park and parkway use.
[2] Terms of dedication permit parkway use in legal opinion of corporation counsel.

At present park has minor amount of useful, accessible recreation areas and is largely composed of unkempt woodland which is difficult to traverse. Debris clutters some of the area and a sewer line lies on the ground for much of its length.

Since 1948 District has had formal written agreement with National Park Service that—

(a) District would build scenic, landscaped parkway of 4 lanes fitted into natural contour of the park for passenger vehicles only.

(b) Parkway would utilize some of 100-foot right-of-way, some of park.

(c) District would abandon use of 100-foot right-of-way for all purpose highway.

(d) District would make available to Park Service for park purposes portion of 100-foot right-of-way not utilized for four-lane parkway.

REGARDING TREE REMOVAL

Number of trees affected will be relatively small percentage of entire park tree population.

Many trees are old and will have to be replanted whether a parkway is constructed or not.

Shoulders and other disturbed areas will be landscaped and restored under a National Park Service replanting and beautifying program.

In landscaping, types of trees can be planted which are fast growing and in a few years will contribute to reestablishing the beauty of the park.

Parkway will permit sensible amount of access to park for recreation purposes and will provide scenic driveway.

The right of birds to the park is not a paramount right. It may be a relative right.

Consider how many birds were disturbed on the Hill by the construction of the Capitol.

Remember the birds that were disturbed by the construction of the Washington Cathedral.

Spring Valley was penetrated by Rockwood Parkway and house after house. Yet the valley still abounds in cardinals, robins, thrush, doves, orioles, catbirds, mocking birds, owls, bluejays, blackbirds, yellow-hammer, and handsome smaller species of unknown identity. Trees also remain in the valley and make it perceptibly cooler than downtown and extremely attractive.

Thousands of birds (and trees) will remain in the park to delight the community after the parkway is built. With proper care, the number of birds could increase.

MAY 11, 1959.

Mr. MORSE. From the letter we observe that the estimated cost is approximately $5 million.

Mr. DOUGLAS. But that does not include the cost of the traffic interchanges, which I believe will add approximately $10 million to the cost.

Mr. MORSE. That, I do not know.

Mr. BEALL. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. I yield.

Mr. BEALL. The interchanges will have to be built, regardless of whether the parkway is built. In any case, the interchanges will have to be built.

Mr. DOUGLAS. Is it not true that completion of the highway through this parkway is not planned until approximately 1963?

Mr. PASTORE. That is correct.

Mr. DOUGLAS. So there is no immediate hurry about this matter.

Is it true that the District of Columbia Commissioners within the last month, by a vote of 2 to 1, voted against development of the so-called Wisconsin corridor?

Mr. PASTORE. There has been much talk that that was the situation; but when the information came to our attention I had Mr. Merrick check on it. As a result, I do not think any official vote was taken.

Mr. DOUGLAS. Was there not an informal vote of 2 to 1?

Mr. PASTORE. I am not in a position to say as to that. When the Senator from Illinois concludes his questions I shall be very glad to explain what the situation was, insofar as the committee was concerned.

Mr. DOUGLAS. Are not at least two sets of studies under way as to the future traffic requirements of the District of Columbia, namely, a study by a joint congressional committee headed by the Senator from Nevada [Mr. BIBLE] and Representative MCMILLAN, and a study by the District of Columbia Highway Department itself?

Mr. PASTORE. Mr. President——

Mr. BEALL. Mr. President, will the Senator from Rhode Island yield to me?

Mr. PASTORE. I shall be glad to yield in a moment.

I wish to refer to the survey or the investigation on the part of the distinguished Senator from Nevada [Mr. BIBLE], who is the chairman of the legislative committee. This matter was thoroughly discussed in the subcommittee. I believe I should make a statement as a predicate for the point I desire to make; but first I wish to say to the distinguished Senator from Illinois, in line with what he said—namely, that this is a thankless job—that no truer words could have been spoken.

Mr. DOUGLAS. Yes.

Mr. PASTORE. I am very much interested in the welfare of this community, and I am very much interested that it have the roads it needs, and that the natural points of interest we are able to enjoy in this community be preserved.

When I received the many remonstrances which were sent to our committee, of course I was very much concerned, whereupon I directed Mr. Merrick and the staff to inquire of Brigadier General Welling whether there was any alternative to the proposed roadway.

I know that many persons are quite disturbed over the entire program.

In reply, we received the following letter:

MAY 15, 1959.

DEAR MR. MERRICK: Reference is made to your query as to what would be the alternate solution for handling traffic if the parkway construction in Glover-Archbold Park were delayed or deferred.

The parkway is an indispensable feature of our traffic pattern. The 1948 agreement with the National Park Service states that the parkway is considered essential to provide additional and improved traffic facilities in the District of Columbia, and to provide adequate facilities for vehicular access for the extensive park area south of Massachusetts Avenue as a scenic parkway so that the area may be used for the pleasure of the great number of people who will visit it.

There is no sensible alternate solution for handling traffic. Deferment or delay in the construction of the parkway would permit the traffic to continue to pile up and defer the reasonable use of the park as a recreation area and as a traffic facility.

The letter is signed by General Welling.

Mr. DOUGLAS. He is the Engineer Commissioner; is he not?

Mr. PASTORE. That is correct.

I merely wish to say to the distinguished Senator from Illinois that I was bothered no end when those remonstrances were made, because they were made by fine, decent citizens of the community, who made a conservation point about fine facilities which they were anxious to preserve.

However, for us to have taken action to repudiate the plan would have meant that the members of the subcommittee—who are lay people, not engineers, and who have no familiarity with the traffic problems in this area—would have had to substitute their judgment for the judgment of those who, as professional engineers, have the responsibility of carrying out the plans and fulfilling the trust which has been placed upon them.

Mr. DOUGLAS. This raises the question of whose plan it is. Certainly, I cannot believe that it is the plan of the Commissioners of the District of Columbia, who, if not officially, unofficially, at least, voted 2 to 1 against the proposal. Furthermore, all of us know that engineers love to build highways, and do not have much regard for scenery, trees, or natural beauty. An engineer with a bulldozer tends to be a very ruthless person. Trees and natural beauty are extremely important. We should try to preserve and not destroy such spots.

Mr. PASTORE. Mr. President, will the Senator from Illinois indulge me long enough to permit me to make an observation on that point?

Mr. DOUGLAS. Certainly.

Mr. PASTORE. With regard to the argument made by the Senator from Illinois—and it is a good argument—again I addressed a letter to the Commissioners of the District of Columbia, and I have received the following letter, today:

DEAR SENATOR PASTORE: This letter is in regard to the need now for construction funds

for the Glover-Archbold Parkway as an essential item of the mass transportation survey.

The final report of the engineer consultant for the mass transportation survey indicates a need for a four-lane parkway in Glover-Archbold Park, just as it indicates a need for the inner loop, the Anacostia Freeway, the Potomac River Freeway, and the Southwest Freeway (to the engineer consultant's final report the Planning Commission and Planning Council have added—in addition to the need for the Glover-Archbold Parkway—a freeway in the Wisconsin Avenue corridor which would turn eastward across Rock Creek Park).

Mr. DOUGLAS. Let me ask who signed the letter.

Mr. PASTORE. Mr. McLaughlin, President of the Board of Commissioners of the District of Columbia.

I repeat that we have gone into all these phases. I repeat that we were very much disturbed about the whole problem.

But I wish to state to the distinguished Senator from Illinois the conclusion which was reached by me and by my colleagues on the committee. We had quite a lengthy meeting on this subject; and those in attendance at the meeting included the Senator from Nevada [Mr. BIBLE], the Senator from Maryland [Mr. BEALL], the Senator from Colorado [Mr. ALLOTT], and the Senator from Nebraska [Mr. HRUSKA]; and then we called in the Senator from Arizona [Mr. HAYDEN], the benefit of whose wisdom we are always happy to have. We discussed this matter, we threshed out the problem, and we reached the conclusion that for us to repudiate this plan at this time would not only cause the work to be deferred, but also would mean that we would substitute the opinion of lay persons for the opinion of engineers who have had this responsibility entrusted to them.

Mr. DOUGLAS. I do not intend, Mr. President, to carry on this debate at length, because I understand the Senator from Oregon [Mr. MORSE] is to make a speech on this subject. But I wish to make several points, if I may.

The first is that our places of natural beauty are being swallowed up and destroyed by various encroachments upon them, one of which is the construction of roads and parkways.

The lower part of Rock Creek Park, which was inherently one of the great parks of the country, is already being made virtually unattractive, and is becoming a high-speed traffic throughway, rather than a place of resort and refreshment for the people of this city.

I may say we are facing some of the same kind of problems in Chicago. Efforts are being made to have several of the parks in Chicago become high-speed throughways. That is my first point.

The second point I should like to make is that it is easy to make transportation the first charge upon land; but if this 4-lane highway goes through, a tremendous number of the most beautiful trees in Washington will have to be cut down and destroyed. A man can destroy a tree in 15 minutes which it took a century and a half to grow. I think some of those trees go back to the days of George Washington. If this appropriation goes through we shall no longer have that area as a place for the people of Washington to refresh themselves. These are important considerations, too.

While I appreciate the services of the Senator and praise him for the fine work he is doing and the care which he has taken on this measure, because serving on the District of Columbia Committee is probably one of the most thankless jobs there is in Congress, nevertheless, as one who loves trees and as one who loves the wilds, I do not like to see trees cut down and a beautiful area wantonly destroyed.

This area was given to the District of Columbia by Mr. Glover and Mrs. Archbold. Mrs. Archbold, I understand, objects very much to the proposal. The heirs of Mr. Glover are willing to have a 2-lane road go through the area, but not a 4-lane road, as is proposed.

I hope the Senate will take cognizance of the situation. The Senator from Illinois has to go to another meeting. Before he does, he asks unanimous consent that there be printed in the RECORD, prior to any final vote on the matter, a statement prepared by the Potomac Valley Conservation and Recreation Council, entitled "Shall Glover-Archbold Park Be Destroyed?" and also a statement by the Audubon Society of the District of Columbia.

The PRESIDING OFFICER (Mr. HART in the chair). Is there objection to the request? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. DOUGLAS. Mr. President, I know the Senator from Oregon [Mr. MORSE] is going to speak on the matter. I hope we may have a yea and nay vote on the question. When the roll is called, I will be back. In the meantime, I ask that I may be excused to go to another meeting to try to defend another area which is threatened with destruction, namely, The Dunes, outside of Chicago.

EXHIBIT 1

SHALL GLOVER-ARCHBOLD PARK BE DESTROYED?

A matter of national principle is involved in the proposed destruction of Glover-Archbold Park by a truck expressway. This park, which is a part of the national park system, and one of the larger fine natural areas remaining in Washington, was given to the people with specific stipulations that it be preserved as an unspoiled native woodland for all time. Mrs. Anne Archbold and Mr. Charles C. Glover gave this land in 1924 as a park and children's playground, a purpose which it has served superbly. Recent decisions of the National Capital Planning Commission disregard Government commitments, legal obstacles, and public welfare in order to provide a cheaper route for one leg of Maryland Route 240 into the heart of Washington. If this threat is carried out, what assurance will we have that the terms of any gift of property to the Government will be honored? What becomes of the supposed sanctity of our other national park holdings?

Visitors to Washington from other parts of the United States and from foreign countries have been incredulous that we still possess such an unspoiled area, and aghast that any planner would think of putting it to lesser use. Authorities on city planning emphasize the need for just such strips of park and woodland throughout a city, not only for the vital recreational and educational opportunities only possible here, but for the peace and beauty of the city itself. Glover-Archbold is one of our most readily accessible parks, due to its long, narrow shape. From any neighboring street, paths go down into the park to pleasant glades, where one can relax and enjoy the scene, walk for a mile or two along trails through varying landscape, or picnic. Nowhere are you more than a block or two from a street, but everywhere you have the sensation of being completely removed from urban rush and noise. The park serves an area of growing population, some distance from Rock Creek Park, and it is now one of the safest areas among our parks for children or adults. Casual loiterers do not invade the park as they would if any road, even a small park road, ran the length of the valley. (And even a two-lane park road would be highly destructive of the park and its usefulness, besides making a precedent for larger roads in the future.) As it is now, this park illustrates the ideal plan for a narrow stream valley. Access is from the sides, with the heart of the valley left intact. This protects the more easily damaged natural features, and the part most vital to plants and animals.

Those who consider such areas simple undeveloped real estate should realize that such a natural woodland as Glover-Archbold, so exceptionally endowed with native plants, animals, and birds, takes a slow evolution of hundreds of years to reach this complexity and richness. Here, to an extent that cannot be approached in the usual manicured, artificial park, a child can really begin to learn the wonders and intricacies of his real world. It can be wiped out by bulldozers in no time, but only nature undisturbed for more hundreds of years can ever recreate it. This fact alone should give us some pause to consider its merits before we so casually eliminate it.

The splendid natural areas on which Washington depends for so much of its unique character and pleasant living conditions are fast disappearing. Rock Creek Park, large as it is, has already reached capacity use in some respects, and as it becomes increasingly interlaced with traffic arteries, its value as a park is continually whittled down. The threat of another leg of Route 240 entering Rock Creek Park is just another example of official disregard for keeping faith with the public. All such commercial expressways must be kept out of park lands. But even so, Rock Creek Park cannot long satisfy the District's need for outdoor recreation. The Soldiers' Home grounds have already been sacrificed for more urban construction. Glover-Archbold remains to help provide for these ever-increasing needs.

Though Rock Creek Park is still one of our finest heritages, many developments have seriously undermined its physical condition. It is well known that a watershed needs special care to protect the valley floor. In Rock Creek Park, roads and picnic areas of excessive use have been allowed to invade sections which should have been kept in shrubbery and effective cover planting. The destructive erosion resulting is an eyesore to all who have any understanding of sickness in a landscape. Glover-Archbold remains relatively unharmed, in the main section given by Mrs. Archbold and Mr. Glover. If a road is cut through, it will become a classic example of the most complete and senseless kind of destruction for a stream-valley park. We still have the opportunity to preserve it as a prime example of the wisest plan for such an area.

For several years, the District plans have included, on dubious legal authority, a four-lane divided highway down the length of Glover-Archbold. No date for construction has been given, and there has been no op-

portunity for the citizens affected to have a voice in the matter. Now, since June of 1957, the threat to the park has become explicit, immediate, and much more alarming than former plans. The National Capital Planning Commission, over the protests of some District authorities, has voted to recommend the route through Glover-Archbold for the truck branch of Route 240. This multilane superhighway would mean the complete obliteration of the park and the serious deterioration of valuable communities all along the route. The plan would be very costly in terms of immediate destruction as well as the ultimate downgrading of one of the finest sections of the city.

Some general principles of highway planning should be kept in mind when considering the merits of the several alternate routes possible. In many respects, indeed, this Glover Park routing appears to be in contradiction to the provisions of the Federal Highway Act providing for such intercity expressways. One of the strongest arguments against this sort of plan is the fact that its whole concept may be wrong in the light of present traffic conditions. To bring any such main artery down through a city to dump its masses of traffic intact in the already overcrowded heart of the community is foolish and obsolete. Every possibility should be given for through traffic to bypass thickly settled areas, and that which must come into the city should be tapered off and dispersed all along its path into the center. Other cities have gone along this sequence of excessive and unwise building of superhighways on outdated routes, only to find that they have increased their traffic impasses instead of helping them. Must Washington retrace every mistake of other communities and finally have to spend far more money to try to undo the damage? We still have the priceless opportunity to take advantage of the best and latest knowledge and to be a model instead of a horrible example.

Many people are discouraged in their efforts to do anything about these problems by the multiplicity of authorities ruling Washington, and the lack of ways for ordinary citizens to take effective action. We can make ourselves heard, however. The National Capital Planning Commission vote is advisory, and other officials must still make their decisions. Everyone who deplores these plans and the authoritarian way in which they are handed down can write to Mr. Harland Batholomew, of the National Capital Planning Commission, to Mr. Fred A. Seaton, Secretary of the Interior (including the National Park Service), to the District of Columbia Commissioners, to the District Committee of the Senate, and to the Committees on Interior and Insular Affairs of both the House and the Senate. Citizens of Maryland, especially, can speak effectively to the Maryland-National Capital Park and Planning Commission. If your own Congressman serves on a committee concerned with these matters, be sure to let him know your views; it is a good idea to do so whatever his special assignments. At the least, we must insist on public hearings. The authorities can be persuaded to enforce a wiser policy for our parks and for our city.

STATEMENT OF THE AUDUBON SOCIETY OF THE DISTRICT OF COLUMBIA IN RESPECT TO GLOVER-ARCHBOLD PARK

(Presented by John F. Floberg before the Subcommittee on the District of Columbia of the Senate Appropriations Committee, Senator JOHN O. PASTORE, chairman)

The Audubon Society of the District of Columbia protests against the inclusion in the 1960 District budget of an appropriation for the construction of Glover-Archbold Parkway. This is a time when crucial District appropriations have had to be cut in the interests of economy. We urge that a substantial saving be made by striking this $880,000 item from the budget. The ultimate cost of about $5 million listed for this expressway can well be used in other ways. This road is unwise from the standpoint of traffic control, and it will destroy the last safe, unspoiled woodland park remaining in the District. The road has remained on the District highway plans for years in the face of considerable public opposition. Hearings on this bill are the first chance the public has had to oppose this road before a committee of Congress. Had we known in time that such an item was in the budget, we should have protested at the House hearings. Since that committee took action too quickly to permit us to speak there, we must rely on this committee to consider our side of the case.

Two years ago, it was proposed that Route 240 be brought into the city by way of Glover-Archbold Park. The Commissioners of the District of Columbia held a hearing on this plan on January 6, 1958, at which such convincing opposition was made that another route was recommended. The present District road plans for a 50-mile-an-hour expressway would be virtually as complete in their destruction of the park. At the time of the Route 240 hearings, the Potomac Valley Conservation and Recreation Council published a small pamphlet, describing the park and the effects of a road upon it. Since the council's statement applies as well to the present plans, I include copies with this testimony for the committee's information. Perhaps it might be included in the record.

As a traffic artery, Glover-Archbold Parkway would only parallel existing routes for heavy traffic—Massachusetts Avenue, Wisconsin Avenue, Arizona Avenue, and Dalecarlia Parkway—which either are or could relatively easily and cheaply be made more than adequate to carry District traffic in the direction of Canal Road and downtown. If it is essential to provide additional highway capacity along the river for the benefit of commuters from Montgomery County, an excellent route is still available in the proposed Little Falls Parkway. Before the exceptionally fine woodland of Glover-Archbold Park is destroyed, let us examine closely the whole concept of proliferating expressways that threatens to turn the District into another Los Angeles. Under Senator ALAN BIBLE, a thorough study of Washington metropolitan problems has been made this past year. This committee's reports clearly caution against trying to provide for unlimited automobile traffic at the expense of every other value of urban life. A warning from a Lewis Mumford article in the Architectural Record for April 1958, as reprinted in the hearings of Senator BIBLE's committee, is appropriate:

"Our major highway systems are conceived in the interests of speed * * * that is to say as arteries. That conception would be a sound one, provided the major arteries are not overdeveloped to the exclusion of all the minor elements of transportation. Highway planners have to realize that these arteries must not be thrust into the delicate tissue of our cities; the blood they circulate must rather enter through an elaborate network of minor bloodvessels and capillaries. * * * Perhaps our age will be known to the future historian as the age of the bulldozer and the exterminator. * * * Nowhere is this bulldozing habit of mind so disastrous as in the approach to the city. Since the engineer regards his work as more important than the other human functions it serves, he does not hesitate to lay waste woods, streams, parks, and human neighborhoods in order to carry his roads straight to their supposed destination."

The cost to Washington will be far greater than $5 million, if this highway is built. There is no way to estimate the dollar value of the park which would be lost. Authorities on city planning emphasize urgently the need for just such strips of park and woodland through a city, not only for their educational and recreational use, but for the beauty and health of the city itself. Visitors from other cities and countries have been amazed at our good fortune in having such an area remaining and horrified that anyone would think of destroying it.

The main area of this park, between Massachusetts Avenue and Reservoir Road, provides a highly accessible area of quiet and beauty only a step away from thickly populated residential sections. The wealth of native plants and wildlife here is only sensed by the casual stroller, but the botanical survey being made by a member of our society has revealed many hundred kinds of plants, including rare flowers. The bird life is exceptionally rich and varied, largely because of the abundant food and cover in the stream valley. Even the elusive pileated woodpeckers still nest here. Here also a child can really begin to learn the wonders and complexities of his natural world, something that no artificial landscaped park can ever show him.

A bulldozer can destroy this area in a few days, but it would take hundreds of years for nature to bring it back to its present state. Any road through this park will destroy most of these values, and it will also take away another aspect just as important to human use. Now the park is a safe place, and the Park Police explain this by saying that there are no roads through it to bring in troublemakers and loiterers.

More and more people seek something more than organized, mechanized recreation, and as the population grows, the need for the kind of recreation possible in Glover-Archbold grows just as urgently as the need for roads. Nor is there any substitute for it, as mass transport can supplement roads. The park is being well-used for the purposes for which it was given to Washington, as a natural woodland and children's playground.

The Washington area is already becoming deficient in parks, because as the city has grown we have not followed the precedent of earlier generations in setting aside adequate areas. Let us not compound this error by destroying those parks which remain to us. If a highway must be built, let us face up to the necessity of buying right-of-way, instead of considering our parks as just cheap, available vacant land. Parks are essential features that distinguish a good place to live from the forbidding deserts of massed buildings that many cities have become. The section of Washington surrounding Glover-Archbold Park is still a highly desirable neighborhood, combining the advantages of urban convenience with some of the amenities of suburban living. For this, Glover-Archbold Park is largely responsible. An expressway driven through the heart of this section will seriously degrade the adjacent residential communities. It is not to the advantage of the suburbs to destroy the heart of this city, the District, just for their temporary convenience. And it is certainly absurd for the District to deliberately do it to itself.

We should like to invite the members of this committee to let us show them this park, if they are unfamiliar with it. It is one of Washington's unique assets.

Mr. PASTORE. Mr. President, I ask unanimous consent that a letter dated May 26, 1959, addressed to me by Robert E. McLaughlin, President of the Board of Commissioners for the District of Columbia, may be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GOVERNMENT OF THE DISTRICT OF COLUMBIA,
Washington, D.C., May 26, 1959.

The Honorable JOHN O. PASTORE,
U.S. Senate, Washington, D.C.

DEAR SENATOR PASTORE: This letter is in regard to the need now for construction funds for the Glover-Archbold Parkway as an essential item of the Mass Transportation Survey.

The final report of the engineer consultant for the Mass Transportation Survey indicates a need for a four-lane parkway in Glover-Archbold Park, just as it indicates a need for the Inner Loop, the Anacostia Freeway, the Potomac River Freeway, and the Southwest Freeway (to the engineer consultant's final report to the Planning Commission and Planning Council have added in addition to the need for the Glover-Archbold Parkway, a freeway in the Wisconsin Avenue corridor which would turn eastward across Rock Creek Park.)

The Mass Transportation Survey will urge an acceleration of the highway and parkway construction program in the District of Columbia and the entire region.

It would not be in the best interests of the region for the Congress to defer any item justified in the survey report while the whole report is being analyzed by the Congress. To put it another way, to delete funds from the District's fiscal year 1960 budget for Glover-Archbold Parkway is as unjustified as it would be to delete funds therefrom for the Inner Loop, the Anacostia Freeway, the Potomac River Freeway, and the Southwest Freeway, all of which appear in the final report of the Mass Transportation Survey.

A four-lane parkway in Glover-Archbold Park is the lightest traffic facility known to be proposed in the park by any agency. The Planning Commission, which approved the construction funds in this year's budget for the parkway, had in 1957 recommended to the Commissioners (over the vigorous objection of the former Engineer Commissioner, General Lane) that Interstate Route 240 be constructed in Glover-Archbold Park. Such a facility would not have a four-lane divided parkway for passenger vehicles only, but a nine-lane facility for mixed traffic, including trucks. The Board of Commissioners rejected the Planning Commission proposal as being in violation of moral and legal obligations and sound government policy.

The 1948 agreement between the Board of Commissioners and the National Park Service, whereby the District would construct the parkway in Glover-Archbold Park, states that the parkway is a basic element "essential to the development of the park and parkway system of the Nation's Capital * * * so as to permit the full enjoyment of the property for park purposes and at the same time supply the needs for traffic in this section."

The Board of Commissioners urges the Senate to appropriate the $880,000 of construction funds requested for Glover-Archbold Parkway so that the above stated purpose can promptly be brought into being.

Sincerely yours,

ROBERT E. MCLAUGHLIN,
President, Board of Commissioners.

MEMORANDUM OF AGREEMENT BETWEEN THE NATIONAL PARK SERVICE AND THE GOVERNMENT OF THE DISTRICT OF COLUMBIA RELATIVE TO THE DEVELOPMENT OF THE ARIZONA PARKWAY

Memorandum of ocooperative agreement made this 16th day of April 1948, by and between the National Park Service and the government of the District of Columbia hereby provides the following stipulations for the development of the Arizona Parkway between Canal Road and Van Ness Street located in the Glover and Archbold Park areas within the Foundry Branch Valley as hereinafter specified.

Whereas the Arizona Parkway, when constructed, will occupy a portion of the valley of Foundry Branch along the general line of Arizona Avenue as recorded on the Distirct of Columbia highway plan and is considered essential to provide additional and improved traffic facilities in the District of Columbia, and to provide adequate facilities for vehicular access for the extensive park area south of Massachusetts Avenue as a scenic parkway so that the area may be used for the pleasure and recreation of the great number of people who will visit it; and

Whereas the National Park Service, through its field office, the National Capital Parks, is the agency charged with the administration, maintenance, improvement, and protection of the park and parkway system of the National Capital and the adjoining metropolitan area; and

Whereas the District Commissioners, through the Department of Highways, are the agency charged with the development of highways to care for the general vehicular traffic of the District; and

Whereas the Arizona Avenue right-of-way of approximately 100 feet in width, as recorded in the District of Columbia highway plan, was acquired in March 1893 by the District of Columbia for a major highway along and through Foundry Branch between Canal Road and Van Ness Street, but is not adequate either in its location or width to construct a properly designed highway and to properly serve traffic and provide for adequate access to the park areas; and

Whereas the Commissioners of the District of Columbia by appropriate action on October 10, 1893, named this proposed highway "Arizona Avenue," but are not averse to substituting for the said highway the name "Arizona Parkway"; and

Whereas congressional action provides that all land acquired for park and parkway purposes shall become a part of the park system of the District of Columbia under the control of the National Park Service; and

Whereas this park and parkway are basic elements essential to the development of the park and parkway system of the National Capital, and the parkway can be made to serve as an access to the park so as to permit of the full enjoyment of the property for park purposes and at the same time supply the needs for traffic in this section; and

Whereas the government of the District of Columbia, the National Park Service, and the National Capital Park and Planning Commission are of the opinion that an all-purpose highway through the Foundry Branch Valley is unnecessary and would interfere with passenger-car traffic, and favor the creation of a properly designed parkway located generally along the floor of the Foundry Branch Valley; and

Whereas Mr. Charles C. Glover, Mrs. Anne Archbold, and others have donated certain large tracts of land in and adjoining the Foundry Branch Valley with the understanding at the time of the donations that the areas donated would be preserved and treated as a park reservation; and

Whereas it is the opinion of the government of the District of Columbia, the National Park Service, and the National Capital Park and Planning Commission that the Foundry Branch Valley should be treated so as to develop its greatest use, its greatest beauty, and its greatest convenience to the public, and are also of the opinion that any roadway constructed within the Foundry Branch Valley should be of a parkway character that will provide facilities as a means of access to the park and to provide for a scenic highway for through traffic; and

Whereas it is the opinion of the government of the District of Columbia, the National Park Service, and the National Capital Park and Planning Commission that a parkway could be policed and protected more advantageously by the U.S. Park Police force than by the Metropolitan Police force of the District of Columbia; and

Whereas traffic studies undertaken by the District of Columbia government indicate the necessity for a traffic-way between Canal Road and Wisconsin Avenue in the vicinity of Tenley Circle, with appropriately developed connections with the K Street Elevated Highway currently under construction and with suitable grade separation structures and traffic interchanges at appropriate locations; and

Whereas sufficient land adjoining Arizona Avenue right-of-way has been acquired through donations and purchase by public agencies to permit of desirable changes in alinement of the present Arizona Avenue right-of-way and the construction of a four-lane divided parkway with suitable grade separations and interchanges at important east and west streets; and

Whereas the government of the District of Columbia is authorized to acquire sufficient land not now in public ownership to complete the project between the terminal points (Canal Road and Tenley Circle):

Now, therefore, and in consideration of the premises and the several promises to be performed as hereinafter set forth, the government of the District of Columbia and the National Park Service do hereby mutually agree as follows:

ARTICLE I. The National Park Service will make available to the government of the District of Columbia, for the construction of the Arizona Parkway, such right-of-way in the Foundry Branch Valley, in addition to that now controlled by the District of Columbia in the form of Arizona Avenue, as may later be determined sufficient to construct the said Arizona Parkway between Canal Road and Van Ness Street, provided the District of Columbia acquires the necessary right-of-way north of Van Ness Street to make a suitable connection into Wisconsin Avenue. Similarly, the District of Columbia will make available to the National Park Service for park purposes those portions of the present Arizona Avenue now under the control of the District of Columbia that are not necessary for the development of the parkway proper.

ART. II. The making available of this right-of-way by the National Park Service and the making available to the National Park Service by the District of Columbia of that portion of Arizona Avenue not needed for the construction of the parkway proper are done with the understanding that the parkway is to be constructed by the District of Columbia and shall be limited to the use of passenger-carrying vehicles.

ART. III. The parkway proper (that is, the paved portion between the outside limits of curbs) shall, upon completion, be under the jurisdiction of the District of Columbia for all purposes, except that the control of traffic, policing by the U.S. Park Police, the operation and maintenance of lighting system and the issuance of permits shall be under the jurisdiction of the National Park Service and shall be administered in accordance with the approved National Capital Parks Regulations. It is further understood that that section of the project north of Van Ness Street from the end of the present Arizona Avenue right-of-way will be constructed on rights-of-way to be acquired by the District of Columbia as street areas, maintained and administered in the same manner in all respects as any other street area under the jurisdiction of the Commissioners of the District of Columbia.

ART. IV. The parkway will be constructed by the District of Columbia. The work to be done by the District, in connection with such construction, will include, in addition to the paving of the roadways the necessary curbs and drainage system, the initial lighting installation, guard rails, planting, shoulders, and other features essential to a completed project of a parkway character. Grading of the center strip or medial, as well as the necessary area outside of the shoulders, will be undertaken in connection with the initial construction in accordance with approval of plans as provided for in article VI and IX of this agreement. Access roads at the two proposed interchanges will be constructed with the main parkway roads and will be subject to the same conditions as described for the main parkway road.

ART. V. The National Park Service and the government of the District of Columbia will consult with each other during all stages of planning and construction, collaborating with each other with regard to all phases of reconnaissance and preliminary surveys to establish a location that is satisfactory to the District of Columbia and the National Park Service.

ART. VI. In the preparation of plans, the width of roadway, the width of surfacing, and the location and layout of access roads will be determined jointly by the National Park Service and the government of the District of Columbia.

ART. VII. The size of drainage structures, the elevation of grade lines across water courses, the depth of surfacing, the character and size of foundations, structural design of bridges, and all phases of improvements which affect the structural integrity of the proposed construction are features for which the government of the District of Columbia will be primarily responsible.

ART. VIII. The architectural design of bridges and other structures, including retaining walls and guard walls, and rate and shape of slopes in cuts and fills, the landscape development of the right-of-way, the location and design of park areas outside the curb limits of the parkway surfaced areas are features for which the National Park Service will be primarily responsible.

ART. IX. The contract plans and specifications will be prepared by the government of the District of Columbia and will include such architectural and landscape plans and specifications prepared by the National Park Service as the Park Service may deem necessary. Plans and specifications shall be subject to the review and approval of the Director of the National Park Service.

ART. X. During the period of construction, the National Park Service will make such inspections of the work as may be desirable.

ART. XI. Minor alterations which are authorized under the contract without a modification thereof and which are deemed necessary during the progress of the work may be ordered through proper channels after mutual agreement between the parties to this agreement.

ART. XII. When the project or any integral part thereof is nearing completion, the government of the District of Columbia will notify the National Park Service when the final inspection is to be made, allowing ample time for the contractor to complete the construction of any item recommended in the preliminary inspection. Final inspection shall be performed by the government of the District of Columbia officials in company with the National Park Service officials. If, upon final inspection, the project has been completed according to plans and specifications, the National Park Service will submit a written statement that the work has been performed in a satisfactory manner and is approved by the National Park Service.

ART. XIII. It is understood that it is the intention of the District of Columbia to submit this project to the Public Roads Administration, requesting its participation under the then current Federal Aid Highway Act. It is further understood that, in pursuing this method of financing and procedure for construction, the plans and specifications are subject to the approval of the Public Roads Administration. It is further understood that the government of the District of Columbia and the National Park Service will respectively bear their own overhead expenses of planning and technical participation from funds under their respective control.

ART. XIV. All existing underground utilities owned or controlled by the District of Columbia and other essential utilities, such as sewers, in the line of the parkway projection will be permitted to remain and continued in service. Additions to the present services will be permitted by joint approval as to location and other conditions as deemed necessary and advisable upon the joint approval of the Park Service and the District of Columbia. All such installations shall be accessible to the District government for maintenance, repairs and improvements as may be deemed necessary. After completion of the parkway, permits for other than District-owned utilities shall be issued and administered by the National Park Service after consultation and approval by appropriate representatives of the government of the District of Columbia. If necessary, the Park Service will make available to the District of Columbia for roadway repairs, cleaning of drainage structures, and like purposes, areas outside of the paved area of the main parkway.

That wherever in this agreement the government of the District of Columbia or the National Park Service are referred to, the term shall include their duly authorized representatives.

A. E. DEMARAY,
Acting Director, National Park Service.

Approved by the Commissioners of the District of Columbia sitting as a board, April 16, 1948.

G. M. THORNETT,
Secretary, Board of Commissioners.

GLOVER-ARCHBOLD PARKWAY

PURPOSE

Support the $880,000 item in the fiscal year 1960 District of Columbia budget as recommended by the Bureau of the Budget and approved by the House of Representatives and the Senate Appropriations Committee.

BACKGROUND

In 1893 the District acquired a 100-foot right-of-way for the length of Foundry Branch Valley, now known as Glover-Archbold Park. Right-of-way was for an all-purpose highway, including trucks.

Bordering on the 100-foot all-purpose highway right-of-way are:

Acquired	Area (acres)	Date	Percent of park
Purchased by Federal and District Governments [1]	76.9	1926–43	42.0
Dedicated by Glover [2]	78.0	1923	42.6
Dedicated by Archbold [2]	28.1	1924	15.4

[1] For park and parkway use.
[2] Terms of dedication permit parkway use in legal opinion of Corporation Counsel.

At present park has only a minor amount of useful, accessible recreation areas and is largely composed of unkempt woodland which is difficult to traverse. Debris and rubbish clutter about and a sewer line lies on the ground for a portion of its length.

Since 1948 the District has had formal written agreement with National Park Service that:

(a) District would build scenic, landscaped Glover-Archbold Parkway of 4 lanes fitted into natural contour of the park for passenger vehicles only.

(b) The parkway would "permit of the full enjoyment of the property for park purposes and at the same time supply the needs for traffic in this section."

(c) Parkway would utilize some of the District's 100 foot right-of-way, some of park.

(d) District would abandon use of its 100 foot right-of-way for all-purpose highway.

(e) District would make available to Park Service for park purposes portion of 100 foot right-of-way not utilized for 4 lane parkway.

In 1957, the National Capital Planning Commission approved a committee report, supported by the National Park Service representative, that Interstate Route 240 be constructed along routes "C" or "D", both of which lay in Glover-Archbold Park. That would have been an all-purpose highway (for trucks) of 8 lanes plus a 9th climbing lane.

In January 1958, the Board of Commissioners found that legal and moral obligations and sound government policy dictate against building an interstate (all-purpose) route in Glover-Archbold Park.

In their deliberations on the Mass Transportation Survey, the National Capital Planning Commission and the National Capital Regional Planning Council have publicly approved on November 7, 1958, a parkway in Glover-Archbold Park as part of the recommended regional transportation system. The National Park Service representative voted affirmatively.

In recognition of the 1948 agreement between the District and the Park Service, the Planning Commission and Planning Council showed no parkway in Glover-Archbold Park in excess of the 4 lanes agreed to in 1948.

In May 1959, the Planning Council and Planning Commission placed in the Mass Transportation System a freeway which would be in addition to the Glover-Archbold Parkway.

CONCLUSION

(a) The proposed parkway is "essential to the development of the park and parkway system of the National Capital, and the parkway can be made to serve as an access to the park so as to permit of the full enjoyment of the property for park purposes and at the same time supply the needs for traffic in this section" as stated in the 1948 agreement between the District of Columbia government and the National Park Service.

(b) The $880,000 item in the District's 1960 budget as approved by the House of Representatives and the Senate Committee on Appropriations should be passed by the Senate.

THE GERMAN CONFERENCES AND PEACE — COMMENCEMENT ADDRESS BY SENATOR MANSFIELD, OF MONTANA

Mr. AIKEN. Mr. President, on Sunday, May 24, 1959, the junior Senator from Montana [Mr. MANSFIELD] delivered a very fine commencement address at Gonzaga University, in Spokane, Wash. The address deals with the German conferences and peace, and is very thought-provoking.

I ask unanimous consent that the address delivered by the junior Senator from Montana be printed in the body of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE GERMAN CONFERENCES AND PEACE

(Address of Senator MIKE MANSFIELD, Democrat, of Montana, at commencement exercises, Gonzaga University, Spokane, Wash., May 24, 1959)

As you know, there is a Conference of Foreign Ministers in progress in Geneva. This conference is likely to be followed in the summer by a meeting of heads of states. In short, we are embarked on what may prove to be extended negotiations in an effort to untangle the problems of peace which have accumulated in the wake of World War II.

We cannot forsee how long this process of negotiation may go on. Nor can we predict what it is likely to produce in the end. It is sufficient to the moment, however, if the negotiations represent a serious effort to make a start in cutting through the jungle of sterile slogans in which the problems of Germany and central Europe have been so long enmeshed. It is sufficient if a serious effort is made to find, in this jungle, the clearings of reason, the areas of adjustment of bonafide interests.

Negotiations on an international issue are never a simple process and the problem of Germany is most complex. Sometimes, as we discovered at the opening of the Geneva Conference, it is even difficult to decide whether the negotiators are to sit at a round table, a square table or at separate tables. Some of the issues which must still be dealt with are going to be, I can assure you, a lot more perplexing than that. At stake in the current negotiations may well be the future of many nations, the freedom of Europe and the peace of the world.

The task which confronts our new Secretary of State in these negotiations, therefore, is one of the most demanding which can fall to any man in public life.

I have no wish to add to his burdens by anything that I may say here today or, indeed, at any time. Let me stress that I have every confidence in the ability, the experience and the patriotism of Secretary Christian Herter. This sentiment, I may add, is shared by the entire Senate. Just a few weeks ago we confirmed his appointment by a vote of 93 to 0.

When Secretary Herter, as the representative of the President, speaks in Geneva, he is speaking for all of us. Let there be no doubt on that score either abroad or at home. Under the Constitution, it is the President and his designated representatives who conduct the foreign policy of the United States. The Senate advises in this process and, in the last analysis, it must consent. It is the President, however, directly or through his representatives, who must speak and act on behalf of the rest of us.

That does not mean that Senators do not have, in their individual capacities or as a body, any concern in matters of foreign policy. On the contrary they have a responsibility to consider any problem which affects—as foreign policy does—the fortunes, the happiness, the very survival of the people of the United States. Senators have an obligation to inform, to debate, to try to make a constructive contribution to the solution of such problems. They have a clear-cut duty to speak out on these problems, when conscience and reason compels, to speak out notwithstanding the fear of censure or the political attractions of silence.

May I say that many Members of the Senate have spoken out on the German situation in recent months and the impact of their words, I believe, has been felt in a constructive fashion in the basic policies from which we are now negotiating in Geneva.

I, myself, had occasion to advance certain ideas on Germany last February in the Senate. I did so because I was persuaded, then, that we were drifting dangerously into crisis through a reluctance to face changes in the German situation and a reticence to make adjustments in our policies to meet these changes. I have discussed German problems on several occasions since that time. I propose to speak of them again today. I do so because these problems are of special concern to you graduates. It is your generation which will bear the heaviest consequences of any failure of my generation to deal competently with them.

BACKGROUND OF THE GERMAN CONFERENCES

Let me point out at the outset that in present circumstances, there are several regions of the world in which there exists a serious potential of conflict. War can begin in the Far East. It can begin in the Middle East. It can begin in Germany and central Europe, the area which I propose to discuss with you now.

I put this fact, this grim fact, to you bluntly. I do so because I am satisfied that as mature and responsible Americans you do not need to be spoon-fed on reassurance that all is right with the world. I do so, too, because I believe the tragedy of war is best prevented by facing its possibilities in a realistic fashion, by weighing these possibilities carefully, by acting on them honestly and in good time.

I will not hold out to you the comforting thought that nuclear war, being too terrible to contemplate is therefore too destructive to be fought. As a former teacher of history, I find this thought—despite its considerable currency—completely illusory. It is unsupported by the historic experience of mankind.

War can come today as it has come many times in the past. It can come by the design of madness and aggression. It can come by accident or miscalculation, despite a basic desire of all to avoid it. It can be a limited conflict, as in Korea, or it can be of an extent which will reduce to radioactive ruin the legacy of several thousand years of human civilization.

It is against this background, it seems to me, that the present conference in Geneva and any others in Germany which may follow must be seen. The danger of conflict in the German situation is real. It will not be dissolved by ignoring the reality. It will not be dissolved by a breast-beating bravado. Nor will it be dissolved by protestations of peace on all sides, while the clouds of conflict continue to gather.

One cannot say at this time with any certainty whether it will be possible to end or even to reduce significantly the danger of war in Germany and central Europe. To find out the chances for doing so is, after all, the underlying purpose of the present conference.

It seems to me, however, that if there is to be a valid hope for a more durable peace, it is to be found in an accurate identification of the sources from whence the danger of war arises. Then, if the will to peace is present in all, or, to put it another way, if there exists a sincere desire on the part of all to continue to live in a recognizable civilization, there will be a common effort to abate, control, or eliminate these sources. That common effort will take the form of frank and honest negotiations, negotiations which can produce conditions of peace through mutual restraint, through concessions which match concessions.

SOURCES OF CONFLICT IN GERMANY

Let me try first to describe for you the principal sources of potential conflict in Germany. It is a dangerous oversimplification, it seems to me, to see the danger of war in that country solely in terms of the diabolical doings of our opponents. That is a childlike, or, if you will, a propagandistic interpretation of the facts of international life. To be sure the Soviet Union is ruthless in the way it strives to expel freedom from all of Germany. Indeed, the Russian rulers will leave, unturned, no stone which they can lift—not only in Germany but anywhere in the world in order to undermine freedom. In recognizing that, however, let us not overlook in all honesty our own desire to terminate Soviet influence in Germany and our own antipathy to communism wherever it may exist in the world.

To conclude that the Russians are the sole cause of the problem in Germany is to ape the practices of Soviet propaganda which have held that the problem is due solely to the machinations of the United States and other Western nations. A mutual finger pointing of this kind may relieve feelings. It may fill both sides with self-righteousness. It does not abate the danger in Germany and central Europe. The threat of war remains and it is a threat not only to the well-being of Russians but of Americans as well and, indeed, of all humanity.

We shall get closer to the reality if we see the problem not as a one-sided matter but, in part, as a mutual repulsion between freedom and communism, a repulsion which has led to a cold war fought largely without Marquis of Queensbury rules. That cold war, acting as it does, to keep a high state of tension in Germany is, indeed one of the major sources of the potential conflict.

But let us go on from there. Let us recognize, too, that the danger of war also derives from the close and unstable contact of hostile and ever more powerfully armed military forces—Western and Communist—in a divided Germany and, particularly, in a divided Berlin. The contact, at any time, can produce as it has, local military incidents or clashes. It is far from inconceivable that such incidents, in this day of quickening countdowns, can precipitate a war of prestige, a war of accident which no nation really wants. It is risk enough when a war of annihilation can be set in motion by a calculated word from Moscow. It is risk beyond reason when it can be set off by the madness or misjudgment of any one of the many military commanders scattered through Germany.

Let us recognize, finally, that the danger of war in Germany derives in major part from still a third cause. It derives from the festering of a large collection of unsolved political problems in and around that nation. Principal among them is the continued division of Germany, 15 years after the war, and the continuance of a status for that nation which while it is no longer one of war is not yet one of peace.

These unsolved problems are related to the ideological struggle between freedom and communism. They are related to the present juxtaposition of the armed forces of West and East. Perhaps most important, however, they stem from nationalist fears, rivalries, hopes and presumptions which have characterized international relations within Europe for generations.

All of these sources, then, contribute to the danger of war in and around Germany. Further, they pour their poisons into the relations among Europeans—East and West—heightening the estrangement between the two segments of the Continent and acting to perpetuate the injustice suffered by millions who are still denied genuine national equality and basic political rights in Eastern Europe. Finally in the world at large, they conspire with other sources in the Middle East and in the Far East to keep the human race continuously on the edge of disaster.

ATTITUDE TOWARD CONFERENCES

It is with these sources of conflict in and around Germany—all three of them—that the present conference and those which may follow must come to grips. Unless they do so they will serve little useful purpose. On the contrary they can do much harm.

As I have already noted the period of negotiation on which we are now embarked may end quickly or it may go on for a long time. It may produce results in terms of a more durable peace or it may fail to do so. I daresay that the people of the world will understand and appreciate an honest try at achieving agreement even though its success may be limited. They will not understand, they will not appreciate a distortion of these conferences which turns the deepest of human hopes, the hope for a secure peace, into a finger-pointing exercise in self-righteousness, into a search for the hollow victories of propaganda war.

I believe our Secretary of State is off to an excellent start in Geneva. His remarks have been temperate and restrained. They indicate clearly our earnest desire for fruitful negotiations. I wish that I could say the same for the attitude manifested by the Soviet delegate.

Nevertheless, it will be well to reserve judgment on current negotiations until all the results are in. That course seems to me best calculated to support the efforts of those who represent us at Geneva. That course is best calculated to aid in bringing about sensible agreements for peace.

POSSIBLE RESULTS OF THE CONFERENCES

Without straying from that course, I believe it is possible to indicate to you the various directions in which these conferences can lead.

(1) These conferences can lead—again, let me be blunt—they can lead to a dead-end. There is no built-in guarantee of their success. They will certainly lead to a dead-end if propaganda advantage takes precedence over peace as the objective of any nation. They will certainly lead to that end if the words of conciliation are not encased in the acts of accommodation.

These conferences can fail, they will fail, if any nation seeks a unilateral victory in them. The fact of the matter is that either all will win, in the sense that they will strengthen their highest common interest in the survival of a recognizable civilization, or all will lose.

We will do well to recognize now the meaning of a failure of these conferences to us and to others. It does not follow that war will come the day after, a month after, a year after. It does follow that there is likely to be an increase in the tension in and around Germany, as well as elsewhere in the world. It does follow that the cost to all of us and to others of cold war and of armaments will rise. It does follow that an ever-increasing segment of the material and manpower resources of all nations will be diverted to military purposes. I may note in this connection that 61 cents out of every one of our tax dollars that was spent by the Federal Government in 1958 went to maintain the defenses of the Nation, and the fiscal experience of other leading countries is similar. It does follow, too, that if these conferences fail, the brink of war on which the world now walks is likely to become ever more narrow as the pressures of potential conflict, unrelieved, continued to pound relentlessly at the remaining footholds of peace.

(2) These conferences can lead in a second direction. If they follow this path they will appear not to have failed. They might even appear to have succeeded and yet they will not succeed. To put it another way, they may follow the pattern of the Geneva Conferences of Heads of State in 1955. You will recall that meeting and its consequences. It produced what seemed to be solutions but what, in fact, turned out to be generalizations on peace. It produced a momentary abatement in the cold war and with it, a grave readiness on the part of free peoples to accept the illusion of peace as the actuality of peace. The real sources of conflict, scarcely touched at Geneva, continued to operate. And in the ensuing years we came very close to war in Suez, Lebanon and the offshore islands of China. The cold war was resumed. The arms race intensified, with the West disadvantaged by its own laxity.

We shall repeat the pattern of Geneva–1955 in these current conferences only at the peril of heightening the danger of war in the future. We shall repeat it if we assume that the only threat to peace in the current crisis is Soviet pressure. The Russians may relax that pressure on Berlin for a month, 6 months, indeed, indefinitely. But if that is all that is produced by these conferences, the danger of war will not really be lifted. For as I tried to indicate at the outset the international problem in and around Germany is fed, not by Soviet diplomatic maneuvering alone but by multiple sources.

(3) This suggests, then, the final direction in which these conferences can go. If the will to peace is genuine, if the negotiations are honest, however hard the bargaining, they need not end in failure. Nor need they end in an illusion of accord which masks a reality of discord. They can produce a pattern of evolving peace in and around Germany.

If you will recall the sources of conflict which I suggested earlier in my remarks, I believe you will see, readily, the nature of this pattern. There will be, not merely a momentary easing of Soviet pressure on West Berlin but a new interim status for the entire city of Berlin with a United Nations or some other form of international guarantee of its security until it is once again the capital of all Germany. There will be arrangements which will provide for the progressive unification of Germany and a progressive equalization of the public rights and duties of all Germans—East and West. There will be a progressive easement of the danger of war which now arises from the close contact of Communist and free forces in Germany and from the accumulating power of the armaments—East and West, German and non-German in that region. There will be a progressive healing in all the relationships of the nations—East and West—of the divided continent of Europe.

May I say in this connection that I hope that the participation in the present meetings will continue to be limited to Russia, France, Britain, and the United States and the Germans of both East and West. This limited membership seems to me the best way to progress, at this time, on the immediate problems of Germany, and I believe Secretary Herter is quite correct in insisting upon maintaining the limitation.

However, I do not think it is too soon to begin planning for a larger all-European conference. It is in such conference that the representatives of Poland, Czechoslovakia, of Italy, Belgium, Netherlands, Denmark, indeed of all the European countries can make their voices heard on the problems of peace of Europe and, on other issues of primary interest to the people of that continent. I would hope, moreover, that in such a conference both the United States and the Soviet Union would remain in the background rather than in the foreground.

To return to the matter of the German conferences, I should like to emphasize that we cannot, alone, govern their outcome. We cannot, alone assure that they will move in a constructive direction. What the Russians do or do not do obviously will have a profound influence upon them. What the European nations, east and west, and the Germans, east and west, contribute to or detract from them—directly or indirectly—will have a profound influence on their outcome.

When that has been said, however, let us recognize that no single influence in these conferences will be greater than that of our country. Let us recognize that fact, not with arrogant pride but with a deep sense of humility, with a full awareness of the grave responsibility which it places upon us. It will rest heavily with those who speak for the Nation in these conferences—the President and the Secretary of State, to work with dedication to prevent these conferences from ending in failure. It will rest heavily with them to avoid creating the illusion of settlement when, in fact, there is no settlement. It will rest heavily with them to lead this Nation in concert with others towards agreements for an equitable and evolving peace in Germany. If they do so lead they will not lack for support at home or from decent men and women throughout the world.

VISIT TO THE SENATE BY MEMBERS OF THE CONGRESS OF NICARAGUA

Mr. MORSE. Mr. President, I am delighted to have our majority leader present on the floor, because I know he will share my delight in presenting to the Senate this afternoon three very distinguished visitors from a Latin American Republic.

In my capacity as chairman of the Subcommittee on American Republics Affairs, it is my privilige and honor to introduce these three distinguished guests, who sit near me on the floor of the Senate at the present time. Two of them are Senators in the Nicaraguan Congress. One is the speaker of the Nicaraguan House.

Before I introduce them by name, I should like to take a minute to tell the Senate of the United States something about their backgrounds and great records.

The first man I shall introduce is the president of the upper house, the Senate, of the Republic of Nicaragua. He was born in 1894. He is a physician and surgeon, having graduated from the University of Pennsylvania in 1919.

He is a member of the Liberal Party in Nicaragua. He has served as visiting physician at Abrington Memorial Hospital, Pennsylvania, and at the Mayo Clinic, Rochester, Minn.

In 1930 he served as Nicaraguan Consul in Baltimore, and has studied hygiene and public health at Johns Hopkins Medical School.

In 1936 he was Nicaraguan Minister of Foreign Relations, and later served as Medical Director of the National Guard and Chief of the Department of Health.

It is a great privilege and high honor for me to introduce Senator Luis Manuel Debayle. [Applause, Senators rising.]

Mr. President, our second honored guest, another senator from Nicaragua, was born in 1900. He studied business administration and economics in the United States in 1919 to 1929 at Washington State College and New York University.

In 1957 he was a candidate for President of Nicaragua on the Conservative ticket.

It is a great honor for me to introduce Senator Edmundo Amador Pinedo. [Applause, Senators rising.]

Mr. President, our third distinguished guest is the speaker of the House of the Nicaraguan Congress. He was born in 1915. He is a lawyer. He was a member of the board of directors, Mortgage Bank of Nicaragua from 1944 to 1945; Minister to Costa Rica from 1945 to 1948; and Consul General in New York from 1948 to 1950. He was elected to the Nicaraguan Congress in 1951.

I am privileged to introduce the speaker of the Nicaraguan House, Congressman Juan Jose Morales Marenco. [Applause, Senators rising.]

Mr. President, I am sure I bespeak the pleasure of the entire Senate when I extend to our distinguished guests from Nicaragua a most sincere welcome to the Senate of the United States.

ACTION NEEDED ON AREA REDEVELOPMENT

Mr. RANDOLPH. Mr. President, the opinions of financial writer Sylvia Porter are published in many daily newspapers. In a recent syndicated column she indicated that the Senate of the United States had acted intelligently when it voted affirmatively on the area redevelopment bill.

Inasmuch as Miss Porter is a specialist in reporting and evaluating matters relating to the expenditure of dollars and the dividends from the dollars which are expended, I believe there is a special significance in the comments as published in her May 21, 1959, column.

Certainly an implication of this Sylvia Porter article is that the House of Representatives should take favorable action on the area redevelopment measure.

I feel it appropriate that the column written by her and published May 21, 1959, in the Cincinnati Post and Times-Star be printed in the RECORD, and I ask unanimous consent that it be included at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ACTION, NOT STUDY NEEDED

(By Sylvia Porter)

When Senate Majority Leader JOHNSON made headlines the Nation over a few weeks ago with his proposal that Congress create a special commission to make on-the-spot studies of unemployment so our lawmakers could "taste, smell, feel and hear the despair of those parts of the country where men and women cannot find work," presumably he was sincere.

Whether JOHNSON was or wasn't, his commission program is being quietly sabotaged. And the pickup in employment since has, as Senator GOP leader DIRKSEN says, "obviously diminished interest in setting up" any unemployment commission for immediate or long-term purposes.

But we do not need another commission to study the character and location of the 3,627,000 who were jobless in this country in mid-April. As I hope the previous two columns dramatized, we have plenty of facts about who our unemployed are, where they are.

We know that while unemployment across the board is falling, pools of joblessness remain in long-depressed or recently-blighted areas, and no foreseeable business upswing is likely to empty these pools.

We know that unemployment is concentrated among adults, married men in unskilled or semiskilled work classifications and the percentage of joblessness among nonwhites is double that among white workers

We know that joblessness is localized in areas which have been hit by industrial migrations and that among our unemployed is a hard core of 1,400,000 who have been out of work for 15 weeks or longer.

We know that a major problem is the immobility of the unemployed in these regions—their inability or refusal to follow the jobs from, say, Fall River to Fort Worth, from Detroit to Dallas.

We know that one solution for depressed areas is attracting new industries which can use the skills of workers in the areas and another solution is a sound program for retraining and relocating workers.

We know all these things—and as Labor Secretary Mitchell is emphasizing, "In our general rejoicing, about the downturn in joblessness, we must not forget them."

Specifically, it's obvious that most chronically depressed areas in such States as Massachusetts, West Virginia, Pennsylvania, Michigan, are not going to be able to rejuvenate themselves without Federal aid. The differences between the administration and the democratic leadership are not over the need for area assistance and development legislation. The differences are over how to aid and how much to aid. Now—before we get into trouble again—is the time to rescue this legislation from the political bog, put it through, make it work.

It's obvious that our program of Federal-State unemployment insurance is a messy, inadequate hodgepodge. Some want to overhaul the system completely, vastly expand it; others think the wisest approach is emergency shots to the system when the whole economy needs a boost.

It's obvious that we must find ways to help workers when their jobs are wiped out. If private industry can plan so well to shift money and motors from one location to another, why can't it plan to shift manpower, too? If industry can anticipate its production needs, why can't it also anticipate its manpower needs? If we ask the right questions about worker training and retraining, location and relocation, we'll get the right answers.

We don't need more study commissions. We need action to erase the spots of joblessness which are bringing suffering to millions and disgracing our entire Nation. And we need the action now.

Mr. RANDOLPH. Mr. President, it is in order, I believe, for me to echo the admonition written by Miss Porter; namely, that "we need to erase the spots of joblessness which are bringing suffering to millions and disgracing our entire Nation. And we need the action now."

This is not to engage in controversy as to the validity of the columnists's assertion that "we don't need more study commissions"—which is an easy statement to make in retrospect, even by some among us in this body who wholeheartedly cosponsored the majority leader's timely unemployment study proposal.

Neither should there be controversy about Sylvia Porter's declaration that "it is obvious that we must find ways to help workers when their jobs are wiped out." This forthright statement only serves to focus attention on the fact that both the Senate-passed proposal of the majority leader for a study commission on unemployment and the Senate-passed area redevelopment bill are languishing in the other body of the Congress.

Even if the study commission might not be needed, certainly the action indicated by Miss Porter is essential.

DISTRICT OF COLUMBIA APPROPRIATION ACT, 1960

The Senate resumed the consideration of the bill (H.R. 5676) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1960, and for other purposes.

Mr. MORSE. Mr. President, as I indicated on the floor of the Senate last Friday, it is my intention today to offer an amendment to the pending bill, H.R. 5676, in an attempt to secure sufficient funds to finance a program of free school lunches for 7,000 boys and girls here in Washington—the rich Capital of a wealthy Nation—who, according to testimony presented before the Subcommittee on Public Health, Education, Welfare, and Safety of the Senate Committee on the District of Columbia, simply do not have enough to eat.

Before I officially call up my amendment, identified as "5-22-59-C," and now at the desk, I wish to say for the RECORD, Mr. President, that I always regret the rare occasions—and the RECORD shows they are rare—when I do not find myself in complete agreement with the junior Senator from Rhode Island [Mr. PASTORE].

As a member of the Committee on the District of Columbia of the Senate for some years I wish to say, Mr. President, that we are all greatly indebted to the very able leadership of the junior Senator from Rhode Island on the Appropriations Committee, as chairman of the subcommittee which has jurisdiction over District of Columbia fiscal affairs. Because of our great gratitude toward the Senator from Rhode Island, the Senate may be assured I would not be taking a position in opposition to any specific recommendation which he brings to the floor of the Senate unless I were deeply convinced that my duty as a member of the Committee on the District of Columbia really compelled me to do so.

It is in the spirit of being completely impersonal that I participate in this debate this afternoon, in the hope that the amendment which I propose to call up may be taken to conference. If I cannot reach such an understanding with the Senate Committee on Appropriations, I express the hope that the Senate itself will vote to send the amendment to conference by way of adopting it.

Therefore, Mr. President, I call up my amendment identified as "C" at the desk, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 2, line 1, it is proposed to strike out

$27,000,000" and insert in lieu thereof "$27,700,000".

On page 7, line 10, it is proposed to strike out "$46,753,000" and insert in lieu thereof "$47,453,000".

Mr. MORSE. Mr. President, in keeping with my determination at all times, so far as my knowledge is concerned, always to be completely fair to the Senate and to give all Senators the facts about any matter of which I have knowledge, including the procedural facts, I wish to point out to the Senate that my amendment is subject to a point of order, because it provides for amounts over and above the budget estimates submitted. I thought notice of that fact should be given to the Senate. Because of that fact, last Friday I filed a notice of my intention to move to suspend the rule, which is a debatable motion, in case any Senator wished to raise a point of order in opposition to my amendment.

Mr. President, with that fairness on my part, I think, it is equally fair that we ought now to try to reach a decision procedurally as to whether a point of order will be raised, although I suppose technically a point of order can be raised at any time prior to a final vote. At least I have served notice on the Senate that my amendment is subject to a point of order, and if during the debate a point of order is raised, I shall then ask for consideration of my motion to suspend the rule, and then debate the merits of my amendment under that motion.

Mr. President, on the merits of my amendment, I think it is shocking, but true, that a great many children in the District of Columbia do not have enough food. The color of the skin of most of those children is black. Not all, but most, of the children are colored children. This fact in no way reduces one wee bit what I consider to be the obligation of the Congress to support a program which will supply those hungry children with at least one square meal a day while school is in session.

As the hearings of my subcommittee brought out time and time again from witness after witness, we should even go so far, in the summer months, as to supply a free lunch program on the playgrounds of the schools of the District of Columbia for children who would come at noon to get such a lunch. Volunteer after volunteer from neighborhood house, church group, parent-teacher group, and other human welfare agencies in the District of Columbia, made perfectly clear, as the printed hearings will show, that they would help supply the volunteer workers necessary for the distribution of food during the vacation periods.

It is just as important, Mr. President, that these boys and girls eat at least one square meal a day during the summer months, when school is not in session, as it is that they do so when school is in session.

WHAT ARE THE FACTS?

Mr. President, I never knowingly argue about a question of fact until I first do everything I can to try to find out what the fact is. In presenting my amendment today, I shall devote most of my argument to the question: Is it a fact that some 7,000 little boys and girls of grade-school age in the District of Columbia do not have enough to eat?

I say at the outset of my argument, that in my judgment there is no doubt about it; it is a fact. But I have the burden of proof, it seems to me, when I offer an amendment to an appropriation bill, coming from the Appropriations Committee, to establish the fact on which I bottom my argument. I am willing to assume that burden of proof this afternoon and then when I have finished, to let the Senate speak for itself, as to whether I have sustained it.

It is a matter of great regret to me, though it is no one's fault, and only due to the time schedule of the Senate, that we are proceeding to debate the District of Columbia appropriation bill before the hearings of the District of Columbia Committee with respect to hungry children are printed. We do have the page proofs. We have that much. We have worked on this matter, I will say, as rapidly and as hard as a conscientious staff could possibly work.

In those hearings we made requests for certain additional information, for certain supplementary memoranda and reports and studies, which had to be filed.

I should like to say something more on behalf of the District of Columbia Committee of the Senate. In the back of the Senate Chamber sits the chief of staff of the committee, Mr. Smith. There sits in the Chamber the general counsel of the committee, Mr. Gulledge. There sits at my left the committee's very able legislative research assistant, Mr. Lee. There sits on the Republican side Mr. Feldman one of the most able committee lawyers in the Senate, in my judgment, representing the minority of the District of Columbia Committee.

I thank these committee attachés for the great help they have been to the District of Columbia Committee. I know when I express these words of appreciation I can be sure that the chairman of the committee, the Senator from Nevada [Mr. BIBLE] who is sitting in the Senate Chamber at the present time, will endorse every word I say about the wonderful work the conscientious staff of the District of Columbia Committee performs for our committee week in and week out.

The fact that our printed hearings are not before the Senate—as I wish they could be—for consideration as we engage in the debate on my amendment is due only to the pressure of time, and not to any lack of effort on the part of any member of the committee or any member of the committee staff. My argument will be based upon the factual information which can be gleaned from the page proofs of our committee hearings regarding hungry children.

I present for the observation of Senators those page proofs, and assure the Senate that the hearings were both extensive and intensive. In my judgment they set forth the proof, which leaves no room for doubt, that there are at least 7,000 hungry children in the grade schools of the District of Columbia, with respect to whom I say quite frankly we have a clear duty to appropriate the funds necessary to provide for the free school lunch program for which the Superintendent of Schools of the District of Columbia asks, and for which those who have the great responsibility of teaching these boys and girls ask. They are our best witnesses.

THE RESPONSIBILITY OF LEGISLATIVE COMMITTEES VERSUS THE APPROPRIATIONS COMMITTEE

I make no criticism of the Appropriations Committee when I make the argument I now lead into; but, as a Member of this body, I repeat what I have said at other times, namely, that I am always concerned about the question of where the legislative jurisdiction and prerogatives of a legislative committee of the Senate end, and the appropriation responsibilities of the Appropriations Committee begin.

I well know that we cannot draw a clear-cut line between those two committee functions—the legislative function of a legislative committee and the appropriation function of the Appropriations Committee. I well know that Senators who sit on the Appropriations Committee must, from the very necessity growing out of their position and their power, exercise a considerable amount of legislative control over legislation which goes through the Senate. We cannot change that. It is a part of the legislative process. Yet I am talking about something with which each of us, whether he be a member of the Appropriations Committee or not, should concern himself.

I have taken it upon myself to study the legislative history of the establishment of the legislative committees and the establishment of the Appropriations Committee. There is no doubt about the fact that it has always been the intention that the legislative decision should be left to the Senate through its legislative committees, and that the Appropriations Committee should have the responsibility of carrying out the legislative decisions, by way of appropriating the money necessary to carry them out, keeping in mind, of course, its appropriation responsibility.

I have made that argument because, when we come to pass judgment on the question whether we should feed these 7,000 boys and girls in the District of Columbia who need a school lunch, we are talking, I think, about a legislative responsibility of the Senate as a whole. In particular, we are talking about a legislative problem of particular concern to those of us who do so much work on the District of Columbia Committee.

A few moments ago the Senator from Illinois [Mr. DOUGLAS] spoke about the thankless job which the Senator from Rhode Island [Mr. PASTORE] has as chairman of the Appropriations Subcommittee on District of Columbia Affairs. True, it is a thankless job. That is why I expressed my thanks and my gratitude and respect to him as a Member of the District of Columbia Committee and of the Senate.

HOME RULE WOULD BE A SOLUTION

His job is not the only thankless job which bears upon the District of Columbia problems. Many of us have been trying to get rid of these thankless jobs by

giving to the citizens of the District of Columbia first-class citizenship through a true home rule bill. We have been trying to do it for years; but so long as this thankless job rests on our shoulders we have the duty to keep faith with the trust which I think is ours, as members of the Committee on the District of Columbia. I believe that I have this very important legislative trust. I believe that I would be derelict in my duty—regretful as I am to disagree with the Appropriations Committee—if I did not take the time this afternoon to make this record in behalf of the interest of the 7,000 boys and girls who, beginning next year, should have the benefit of a school lunch program.

It is my hope that upon the conclusion of my presentation the Appropriations Committee will be compelled by the facts and the demonstration of need to accept my amendment and to carry it to conference. I feel sure that, armed by the record which will be made upon the floor today, they will prevail in conference and bring back for approval a conference report which will contain the necessary funds. It is not conceivable, Mr. President, that the men and women who make up the Congress of the United States, once they know the facts, should fail to take the proper corrective action.

Before I proceed to discuss further my first amendment, I want to thank the very able and distinguished Senator from Rhode Island [Mr. PASTORE] for his courteous hearing of the testimony I presented before his subcommittee.

TRIBUTE TO STAFF OF APPROPRIATIONS COMMITTEE

I also wish to thank the very capable staff of the Appropriations Committee for their help to me in drafting my amendments. I think that the professional assistance which they provide each Senator deserves tribute. It is a strength of our committee system.

I digress for a moment. There I was, suggesting that I get help from the staff of the Appropriations Committee in the drafting of amendments which would seek to modify the report of the Appropriations Committee.

In keeping with what I consider to be their staff membership trust and duty to serve all Members of the Senate, those who are not members of the Appropriations Committee as well as those who are on the Appropriations Committee, they accorded me the professional help needed in order to draft the amendments which I am offering this afternoon. I wish again to thank the staff members of the Appropriations Committee for their professional assistance.

COMMENDATION OF SENATOR PASTORE

I also wish to commend the Senator from Rhode Island [Mr. PASTORE] for many constructive amendments which he and his colleagues have made to the pending measure. In particular the position that has been taken regarding an increase in the Federal payment to the District is most encouraging. I hope that when we have concluded today, he will be moved to join with me in an additional modest increase in the Federal payment for a most worthy cause.

PURPOSE OF AMENDMENT C

The purpose of the amendment is simple. It would modify the committee amendment which was adopted en bloc by increasing the Federal payment by $700,000. The purpose of the increase is to provide $700,000 in addition to the $133,000 provided by the measure for the establishment of a program to feed needy pupils in the elementary schools of the District. It is necessary for this increase to be made if 7,000 children who do not have enough to eat are to be fed. The amount provided by the committee, $133,000, will supply school lunches for about 1,000 of the neediest youngsters. This figure was recommended by the Commissioners of the District in their presentation to the committee as necessary to finance a pilot program in this area. My amendment would provide free lunches to the neediest 7,000 elementary pupils.

The District Commissioners offered the same program to my subcommittee. However, after I had heard all the witnesses testify as to the magnitude of the need, I could not support the very limited program the District of Columbia Commissioners had recommended.

I know that in this area there is no disagreement between the able Senator from Rhode Island who is representing the Appropriations Committee and myself on the rightness and the duty that rests upon the Congress to see to it that hungry children are fed. The difference, rests not on a matter of principle, but upon a judgment as to what the facts of the matter are. If I can persuade the Senator that the case made before my subcommittee in 5 days of hearings substantiates the fact that there are a minimum of 7,000 children who need a lunch at school here in the District, I am convinced that he will take the matter to conference and fight diligently for it.

THE EVIDENCE OF THE HEARING RECORD

What then was the evidence presented which convinced me that the 7,000 figure is a tragic fact and not an overestimate?

To answer the question properly, I should like to take the Senate back to hearings held 2 years ago which resulted in the establishment of a surplus food program. Witness after witness then testified as to the facts regarding the evil of literal starvation in this Capital city. Our 1959 hearings were held for the purpose of ascertaining what had been done and what needed still to be done. As I said at the first day of the hearing—and my statement may be found on pages 55 and 56 of the page proof copy of the hearing record, which is available at my desk:

Senator MORSE. Before I call on the first witness, Commissioner McLaughlin, I want to make clear to the Commissioner that the chairman of this subcommittee highly approves of the point of view and the outlook that the Board of Commisisoners have expressed time and time again, with regard to this overall problem that confronts the committee this morning. This committee could not possibly receive better cooperation from the governmental body than you, sir, have extended to us at all times. Certainly we have had our difference of opinion in implementing some of our common objectives. It is easy for us to sit up here on a Senate committee and say to the Commisisoners, "Why don't you do this and why don't you do that, or why has this difficulty developed; why didn't you prevent it?" but overlook the fact that we are the ones who supply or fail to supply the funds necessary to carry out these programs.

The Board of Commissioners know the position the chairman of this subcommittee has taken for years, as a member of the Senate District Committee. I repeat it this morning, for the record, that I think the Congress of the United States has failed the District with respect to supplying that proportion of funds that the District is entitled to, both on the basis of need and historic pattern, which at one time was a 50–50 ratio. I have recommended year after year, and will again this year, that the Federal Government supply a larger proportion of the funds to the District of Columbia. Yet, this committee is caught in a difficult situation. We are confronted with a Congress that has not been supplying the District of Columbia with the funds needed to do the public aid work that I think the facts show are necessary. We are also confronted with the duty, as committee members, of bringing to public disclosure the facts which exist with regard to our public aid program needs, of which I consider the school-lunch program a very essential part.

Now, it is my hope in this hearing, as it has been in all past hearings, to find the answer to the first important question, what are the facts? We cannot legislate wisely, whether it is on the school-lunch program or an aid program for the indigent, or on any other program affecting the District, unless we first have the facts.

The purpose of this hearing is constructive, not negative. The purpose of this hearing is not to fix blame. I'm not interested in blame. I'm interested only in finding out what the real facts are, not only in connection with the school-lunch program needs, but in connection with the whole aid program to indigent people in the District of Columbia. When the facts are developed then we'll be in a position to answer the second question, and these are the only two questions that I have ever interested myself in as a Senator in the U.S. Senate.

First, what are the facts about an issue; and second, what legislative course of action, if any, will be helpful in meeting these problems that the facts disclose. I shall always try to apply to the facts, once I find them, the rule that the legislative course of action ought to be such as will promote the general public interest.

Now, I think, gentlemen, that you will have an opportunity in this hearing to carry out what you know is a basic tenet of mine, that in a democracy, there is no substitute for public disclosure. The purpose of this hearing, may I say to the press, is to provide the school board, to provide the District Commissioners, to provide the leaders of the neighborhood houses that are going to testify again, to provide all interested parties, with a forum in which we can publicly disclose what the facts are so that the legislative representatives in the Congress can act more intelligently on this problem.

Before I call on the first witness, I want to pay my compliments to the House group that has manifested a common interest with the Senate group, in trying to find out what the facts are, so that we can coordinate our legislative effort this year in presenting to the Congress, as a whole, whatever legitimate reforms are necessary to help the school board, to help the District Commissioners, to help the welfare agencies, to the end that we will remove, if it is true—if it is true—we'll remove this blot on the reputation of the District of Columbia, that the Capital City of the United States has still failed to take adequate action to meet the food needs of a considerable number of children in the District of Columbia.

Commissioner McLaughlin in his testimony indicated several steps which were taken. I call to the attention of the Senator especially his third point found upon page 58. The Commissioner testified:

3. A program for distributing surplus foods was established as of July 1, 1957, and was operated at a cost during that fiscal year of $116,000. The cost to date for this fiscal year has been $103,000. The value of the food distributed during the first fiscal year was $595,705 and to date during this fiscal year the value of food distributed has amounted to $867,934. At a cost of $220,000 there has been distributed food valued at $1,463,639. This food has gone to people receiving public assistance and other low-income groups in increasing numbers and, as of January 1959, 12,477 families made up of 41,859 individuals, of which 20,150 were children, received surplus food.

THE FIRST PROOF OF THE 7,000 FIGURE

I invite the attention of the Senate to the fact that in January 1959 families which included 20,150 children were eligible and receiving surplus food because either the family was on public assistance or it had been certified as of low income but for one reason or another was ineligible for public assistance. A man might be unemployed, his family destitute, but as the Senate knows, under our very stringent welfare regulations as long as he is capable of working, he is ineligible for public assistance. The family might lack a few months of fulfilling the 1 year residence requirement for eligibility, to cite another possibility. Surplus food was a godsend to such families. It is not much—just flour, cornmeal, rice, butter, cheese, and dried milk—but it certainly helped.

My first proof of the 7,000 figure, as a minimum, therefore is the indirect evidence of the Commissioner. Surely if 20,150 children are in the low economic category which made them eligible for surplus food, more than 1,000 would profit from a school lunch program. I suggest that one-third of those children, the neediest, may very well be found in our elementary schools. One-twentieth, on the face of it, seems to me to be a substantial underestimate.

I might add at this point, testimony which can be found upon page 63 regarding the operation of the free school lunch program in our high schools and junior high schools, by Mr. Reynolds, of the District School System, in response to a question from the Senator from Vermont [Mr. PROUTY], revealed that 40 percent of lunches at the upper school level were provided free to children from families receiving public assistance and 60 percent of the free lunches went to nonpublic assistance aided children.

I stress this differential to counter any argument which may be raised to the effect that because welfare payments have been raised by a small amount there is no need for a school lunch program.

In support of that argument, I read from a letter dated May 26, 1959, addressed to Mr. Charles W. Lee, the research assistant to the committee, from Gerard M. Shea, Director of Public Welfare:

DEAR MR. LEE: In response to your request for information concerning rental charges in excess of the public assistance rental allowance, we can only report the following illustrative situations taken from public housing.

(a) The maximum public assistance allowance for 10 or more persons is $76; the National Capital Housing Authority charge for 6 bedrooms is $82.

Let us digress for a moment to consider the significance of that statement by Mr. Shea, Director of Public Welfare. The maximum amount which can be applied for rental out of the public assistance grant for these persons is $76. But the actual rental which has to be paid is $82. Where does the rest come from? Out of food. That means that even these public assistance families have to have a certain amount of their limited allowance for food pared off, in order to meet the cost of the higher rental which must be paid, because only $76 in these cases can be used for rental.

Mr. Shea continues:

(b) The maximum Public Assistance Division allowance for four persons in $61; a couple with a boy and girl over 6 years of age must have three bedrooms under NCHA requirements, the charge for which is $65.

Where does the difference of $4 come from? Out of food, because the rent has to be paid.

(c) The maximum PAD allowance for eight persons is $70; a couple with six children, three boys and three girls, all over 6 years of age, would have to have five bedrooms under NCHA requirements, the charge for which is $76.

That is a $6 differential.

I regret that more detailed and complete data cannot be sent to you at this time.

Mr. President, I ask unanimous consent that the entire letter in continuity be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GOVERNMENT OF THE DISTRICT OF COLUMBIA,
Washington, D. C., May 26, 1959.

Mr. CHARLES W. LEE,
Assistant Chief Clerk,
District Committee,
New Senate Office Building,
Washington, D.C.

DEAR MR. LEE: In response to your request for information concerning rental charges in excess of the public assistance rental allowance, we can only report the following illustrative situations taken from public housing.

(a) The maximum Public Assistance allowance for ten or more persons is $76; the National Capital Housing Authority charge for six bedrooms is $82.

(b) The maximum PAD allowance for four persons is $61; a couple with a boy and girl over 6 years of age must have three bedrooms under NCHA requirements, the charge for which is $65.

(c) The maximum PAD allowance for eight persons is $70; a couple with six children: three boys and three girls, all over 6 years of age, would have to have five bedrooms under NCHA requirements, the charge for which is $76.

I regret that more detailed and complete data cannot be sent to you at this time.

Very truly yours,
GERARD M. SHEA,
Director of Public Welfare.

FREE SCHOOL LUNCH NEEDED BY RECEIVING WELFARE GRANTS

Mr. MORSE. Mr. President, let us consider the category of families referred to by Mr. Shea as class C where there is a $6 differential between what can be allowed for rent out of public assistance and what actually has to be paid. Where does the rest of the money come from? Out of food.

Why do I make this argument? I make it because I think we must keep in mind the fact that even those families who receive public assistance do not, in fact, receive enough in order to give us the assurance which we ought to have that their children get enough food without a lunch program at school. The ugly facts brought before my subcommittee convince me that they simply do not; therefore, the Senate has a great obligation, it seems to me, to resolve any and all doubts in favor of those boys and girls.

Let the Senator from Oregon make his position perfectly clear: I would be perfectly willing to take the position that we should provide this lunch program even if I had serious question as to whether or not there are 7,000 needy boys and girls in the District of Columbia. But I do not have any serious question; I am satisfied that they exist.

Why would I still vote for the program? Because I do not think we could possibly be guilty of the waste of a single red cent if we put a lunch into the stomach of any boy or girl who came from a public assistance home. I could speak in detail concerning many phases of this program, but I shall not take the time to do so this afternoon, because I still have a rather lengthy argument to make on the question of fact. But I point out that even if it could be shown—and I am satisfied it cannot be shown—that the subsistence families get enough food with which to feed their children, if it is properly prepared, the testimony before my subcommittee is that those little boys and girls will still need the lunch program.

Why? We have to face up to this question of reality in the District of Columbia, because there are actually in the underprivileged class in the District, thousands of homes in which there is no one who is sufficiently well trained to prepare a nutritious meal for those little children.

Let Senators come to my subcommittee and hear the testimony of witnesses from the neighborhood houses; witnesses who spoke of the heroic, humanitarian work those leaders are doing in the District of Columbia by trying to teach mothers and elder sisters in many homes simply how to prepare food so that it will be edible, so that it will sustain life.

It is not nice to talk about these unpleasant, ugly facts; but also it is no answer to say that food is going into these homes. It is no answer to me to say that surplus food is going into many of these homes. Listen to the school authorities. Their reply is that that is not the full answer to the question, Should there be a free school lunch program for the underprivileged children?

Until trained personnel facilities are available, until a sufficient addition has been made to the District of Columbia Public Welfare budget, so that workers can be available in the homes of the District to teach the homemakers how to prepare a meal; how to use the food; how to see to it that a nutritious lunch is prepared for the school children; there will still be many children in the schools, as the colloquy I shall quote later in my speech will disclose, suffering from malnutrition.

CHILDREN ARE OUR GREATEST RESOURCE

Mr. President, this is no emotional appeal. It is not an appeal to the heart when I argue factually that when we are talking about these boys and girls, we are talking about the great problem of conserving the greatest wealth of America. The greatest wealth of this country is not to be found in its material resources; it is to be found in its boys and girls. As we build them, we build America; as we fail to build them, we tear down America. In the District of Columbia there are thousands of bodies in the form of precious little boys and girls who need adequate nutrition. One of the things which we can do to help in the battle against malnutrition is to place ourselves on record as favoring a free school lunch program, a program such as characterizes the school systems of many of the States.

WHAT IS DONE ELSEWHERE

To every Senator who comes from a State which has a free school lunch program, I pose the question: If such a program is good enough for your State, why not for the District of Columbia, too?

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, in support of the point I have just made about the States which have school lunch programs, a table entitled "Comparison of Free or Reduced Price Meals With Total Meals Served, By States and Area, 1957 and 1958." That table bears out the point of my plea this afternoon. There is a common pattern in many of the States of the Union.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Comparison of free or reduced price meals with total meals served, by States and area, 1957–58

State	Total meals served	Free or reduced price meals	
		Number	Percent of total
	(1)	(2)	(3)
Northeast:			
Connecticut	17,755,368	608,692	3.4
Delaware	3,115,760	95,075	3.1
District of Columbia	10,668,191	131,024	1.2
Maine	10,106,488	1,136,257	11.2
Maryland	25,400,258	1,166,418	4.6
Massachusetts	39,053,357	3,350,005	8.6
New Hampshire	5,652,083	424,421	7.5
New Jersey	23,403,599	1,813,093	7.7
New York	124,264,410	34,040,120	27.4
Pennsylvania	78,027,069	4,272,606	5.5
Rhode Island	4,555,766	154,534	3.4
Vermont	3,685,770	427,547	11.6
West Virginia	26,607,444	3,806,223	14.3
Area	372,295,563	51,426,015	13.8
Southeast:			
Alabama	52,281,844	3,772,903	7.2
Florida	65,415,646	3,653,138	5.6
Georgia	71,466,046	5,884,927	8.2
Kentucky	48,954,380	6,302,093	12.9
Mississippi	33,936,153	3,255,218	9.6
North Carolina	86,371,362	5,956,762	6.9
Puerto Rico	41,407,242	41,316,305	99.8
South Carolina	46,179,228	4,681,901	10.1
Tennessee	56,502,900	6,840,508	12.1
Virginia	51,396,193	3,921,485	7.6
Virgin Islands	813,546	813,546	100.0
Area	554,724,540	86,398,786	15.6
Midwest:			
Illinois	69,531,506	3,846,810	5.5
Indiana	47,566,176	2,322,377	4.9
Iowa	38,682,951	1,426,264	3.7
Michigan	49,410,723	4,989,912	10.1
Minnesota	48,341,637	2,071,759	4.3
Missouri	51,780,238	2,751,025	5.3
Nebraska	12,170,638	778,327	6.4
North Dakota	8,459,575	1,086,321	12.8
Ohio	85,685,483	3,692,139	4.3
South Dakota	6,287,379	771,778	12.3
Wisconsin	33,535,684	2,606,992	7.8
Area	451,451,990	26,343,704	5.8
Southwest:			
Arkansas	31,209,159	2,913,575	9.3
Colorado	17,296,500	791,245	4.6
Kansas	23,074,507	407,340	1.8
Louisiana	88,159,296	13,084,732	14.8
New Mexico	9,404,143	1,024,042	10.9
Oklahoma	29,558,004	3,601,612	12.2
Texas	90,200,776	6,706,604	7.4
Area	288,902,385	28,529,150	9.9
Western:			
Alaska	1,227,401	123,824	10.1
Arizona	14,942,522	1,557,308	10.4
California	96,067,095	4,166,836	4.3
Guam	96,141	1,301	1.4
Hawaii	15,837,813	544,665	3.4
Idaho	8,944,635	400,875	4.5
Montana	7,040,631	428,538	6.1
Nevada	1,671,744	250,050	15.0
Oregon	20,334,226	651,536	3.2
Utah	13,756,484	597,890	4.3
Washington	31,540,819	1,359,419	4.3
Wyoming	3,736,209	101,131	2.7
Area	215,195,721	10,183,373	4.7
Total	1,882,570,199	202,881,028	10.8

Mr. HART. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield to the Senator from Michigan.

Mr. HART. I had intended to refer to that table at this point.

Mr. MORSE. I am sorry, I did not realize that.

Mr. HART. But I should add that on Friday last, when the Senator from Oregon gave notice that he would raise this question, I inquired if it were possible to obtain, in advance, his remarks. His office was kind enough to furnish them. I have read the address by the Senator from Oregon. It recites a situation of which none of us can be proud. If the same description were applied to Soviet Russia, I am sure we would roll it around on our tongues and would suggest that it was an implication of bankrupt leadership. But, instead, it is not about Russia; it is about a situation just around the corner from the Capitol Building.

I was concerned with ascertaining, before I spoke, what was going on in my home State. In connection with the table referred to by the Senator from Oregon, I should like to point out that in Michigan about 10 percent of the school meals are free or are provided at a reduced price.

Let me ask the Senator from Oregon whether my arithmetic is correct—namely, that the amount he is proposing in his amendment would provide approximately 10 percent of the District of Columbia school meals free of charge?

Mr. MORSE. That is correct.

Mr. HART. So, in supporting this amendment, at least I can be consistent with the practice in my home State.

Mr. MORSE. Certainly so; and if statistical consistency has any bearing on the merits of my amendment, I am glad to welcome the support of the Senator from Michigan.

Mr. HART. Beyond the statistical confirmation, I think I speak for many when I say that if the facts are as they have been outlined by the Senator from Oregon, all of us will welcome the opportunity to vote to increase the appropriation by the amount he has suggested.

I share with the Senator from Oregon the belief that the question is one of fact. Once the facts are established, I think scarcely any Member of Congress will argue against providing, in the very shadow of the Capitol, against malnutrition in the case of boys and girls who do not have an opportunity to speak here.

Mr. MORSE. I appreciate the statement the Senator from Michigan has made. As he has indicated, all I ask of my colleagues is that the facts be ascertained. If the case I have made can not be sustained by the facts and by the proof, then it will fall.

But I am sure that I am making an understatement when I say that there is a need for 7,000 lunches for school children in the District of Columbia. In fact, I am satisfied that the actual need is greater than that.

In addition, we must consider the children who come from homes which are not particularly well-to-do and who do not have any overabundance of economic support. Those boys and girls could also well profit from one nutritious meal a day.

Mr. PASTORE. Mr. President——

Mr. MORSE. I yield to the Senator from Rhode Island.

Mr. PASTORE. Mr. President, inasmuch as the distinguished Senator from Michigan has raised the point, I believe this is an appropriate place to clarify the atmosphere with regard to the problem of serving school lunches to the hungry children of this community.

Let me say to the distinguished Senator from Oregon that although the Commissioners of the District of Columbia do not admit that there are or would be 7,000 hungry children in this community, I do not think they are prepared to dispute that figure. I do not think they really know.

The budget for the District of Columbia, as it has been submitted here, calls for a pilot plan. I think the District

of Columbia Commissioners recognize the fact that something must be done; and I believe it will be to the everlasting credit of my distinguished colleague, the Senator from Oregon, when it is generally recognized that his crusade in this particular area brought about the awareness and the alertness which now are manifest in the attitude and the action of the Commissioners and in their determination to do something about feeding the hungry children in the schools of the District of Columbia.

Of course the problem is a rather perplexing and complicated one.

Certainly I am not going to oppose any plan to feed hungry people, especially the hungry children in this community.

When I was privileged to be the Governor of my State, I assumed full responsibility for taking care of the welfare of our children, even at the political responsibility of raising taxes in order to do so.

Here we are confronted with this perplexing situation.

The amendment calls for an increase of $700,000 in the Federal contribution to the District of Columbia—which proves, once again, the wisdom, and the prudence on the part of the distinguished Senator from Oregon, who is assuming responsibility at both ends; not only does he favor feeding the hungry children, but he also gives consideration to the cost involved, and he has taken the cost into account.

But in all our dealings in connection with this budget, we must be realistic.

Certainly the humanitarian presentation made by the Senator from Oregon is irrefutable; certainly it is undeniable. The number of hungry children in this community is great.

We conferred with the Commissioners; and they suggested that Congress appropriate $133,000 for a pilot program in 11 elementary schools, in order to try this program. I realize that if we feed the children in 11 schools, they do not constitute all the schoolchildren in the District of Columbia. But by the same token, if we feed the hungry children at 12 o'clock noon, who will feed them at breakfast time and at dinner time? Children get hungry three times a day. They should be fed at all three times.

This a big problem of public welfare, and I believe we must meet it head on.

I realize that the solution now proposed, as it is now set forth in the budget, is only a partial one; but I dare say that the full answer is not given even by the amendment which has been submitted by the Senator from Oregon, although it will take care of the feeding of more school children and it will provide for more school lunches.

For a long time we have been trying to increase the Federal Government's contribution to the District of Columbia budget. I know that in conference the conferees on the part of the Senate will have a difficult time in attempting to persuade the conference committee to vote to increase the $25 million allowance made by the House of Representatives. The Senate committee has voted for a Federal contribution of $27 million. The amendment of the Senator from Oregon would increase that amount to $27,700,000—with the additional $700,000 being for school lunches for 7,000 children, instead of 1,000 children.

Under these circumstances, Mr. President, I must—most reluctantly—raise a point of order against the amendment. I repeat that I do not do so because of a lack of regard and appreciation for the humanitarian purposes of my distinguished friend, the Senator from Oregon. I am on his side when it comes to feeding children. How could I be otherwise?

But here we have a practical problem. The Commissioners say this is a hard job and a new job, and they ask that they be given a chance to handle it. They said they would like to have an appropriation for a pilot program. Our committee recommends an appropriation of $133,000 to carry out their recommendation.

So I hope the Senator from Oregon will develop a fine record here, and I hope the Commissioners will study it, and I hope the Congress will study it. If next year, the Commissioners do not come forward with a more practical and a more realistic plan than the one they have suggested thus far, certainly I will be the first to stand shoulder to shoulder with the distinguished Senator from Oregon.

But after we make this fine record, what are we going to do? We must go into conference, and there we must debate the matter; and it is possible we shall return from the conference with the spectre of failure facing us.

The Commissioners have asked for an appropriation for a pilot plan, and they have requested a chance and an opportunity to find out where they are going and what social considerations must be provided for. They ask for an opportunity to ascertain the size of the problem, and whether it relates only to lunches, or whether it also relates to breakfasts and dinners.

So, Mr. President, let us ascertain the facts in a businesslike, but warmhearted way; and then let us proceed.

That is the only argument I shall make to the distinguished Senator from Oregon. I shall not say he is entirely wrong, because he is not. He has one of the greatest hearts in the Senate; and his proposal is made in all sincerity, and he has devoted a great deal of time and effort to it.

I am on the opposite side, as regards his amendment, because I have to be, inasmuch as I must recognize the practicalities which face us; and I must also recognize the fact that the Commissioners of the District of Columbia have suggested that a pilot plan be placed in operation, and are willing to proceed with it. Under those circumstances, I say we should try that plan.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. MORSE. May I answer the Senator from Rhode Island first, and then yield?

Mr. CLARK. Certainly.

Mr. MORSE. I want to say that, although I appreciate very much the kind references which the Senator from Rhode Island has made about me, I reciprocate them, in no spirit of flattery. Anything I say against the arguments of the Senator from Rhode Island are in no way motivated by any reflection on my part of the humanitarianism of the Senator from Rhode Island. I know he is just as anxious as I am to see to it that social justice is done in America, but I think the very tail end of the comment he just made shows the position in which the Senator from Rhode Island is placed as a member of the Appropriations Committee, because he said, in effect, that as a member of the Appropriations Committee, he has a certain responsibility in regard to the budget. We all know what the problems are with the House.

Mr. President, I appreciate the responsibilities of the Appropriations Committee; but one of the things I am trying to get across in my argument this afternoon is that it is the duty of the Senate as a whole to overrule the Appropriations Committee when that committee brings to the Senate a report which carries out its fiscal responsibilities all right, and does a good job of adding up and subtracting figures, but which, in the opinion of the Senate, does not add enough figures into the bill. So when I criticize the lack of a sufficient appropriation in the bill to provide for the school lunch program, I am not criticizing the Senator from Rhode Island so far as his social justice impulses are concerned; but I wish to make it clear to the Appropriations Committee that we have the reserved right and, in my judgment, the duty, to overrule the Appropriations Committee when we feel it has brought to the Senate a bill with either not enough in it or too much in it with reference to certain items.

THE FEDERAL PAYMENT

The Senator from Rhode Island has referred to the fact that we are all aware of the problems which confront the Appropriations Committee in conference. I thank him for the argument. We certainly are aware of it, Mr. President. We have been aware of that fact for some years here in the Senate of the United States. We have felt that the Federal contribution to the District of Columbia ought to be greater. We have had a bill brought to the Senate that goes beyond what is provided by the House. I am saying it does not go far enough beyond the amount provided by the House, and it certainly does not go far enough beyond the amount provided by the House on the particular item we are discussing.

If the Senate is to go to conference with the House, then we had better provide more in the bill than is now provided on this particular item. As the Senator from Rhode Island has pointed out, I would be very much surprised—and I would love to be surprised on this one—no matter what figure is provided in the bill by the Senate, when the bill goes to conference with the House on this particular item there will be considerable discussion in the conference committee as to the amount. That is the reason why, for practical legislative reasons, I

believe there should be provided a higher amount than that which has been included in the bill by the committee.

THE PILOT PROGRAM ARGUMENT

The last item I desire to discuss is the matter of the pilot program recommended by the District of Columbia Commissioners. I say again to the Commissioners, on the floor of the Senate, as I have said in committee, "Where have you been these long 2 years? Where have you been for 2 years? For 2 years you have had the record of the hearings, which lasted a long time, on the hungry children problem of the District of Columbia."

I was assisted in those hearings by the great Senator from Pennsylvania [Mr. CLARK], who is now present on the floor. The Senator from Pennsylvania, the Senator from Maryland [Mr. BEALL], the Senator from Oregon, and other members of the committee trudged into hovel after hovel, only to bow our heads almost in shame to think that, as U.S. Senators, we would let those conditions develop in the Capital of America.

Mr. President, I have no intention in this debate of letting the District of Columbia Commissioners off the hook, so to speak, on their alibi argument of this time that they want to try out a plan to feed 1,000 children for 1 year. They have known of this problem for 2 years. They know I feel they have been derelict in their duty as Commissioners in failing to take care of these hungry boys and girls in the District of Columbia.

Mr. President, I do not like to have to speak in this manner about the District of Columbia Commissioners, because on so many other matters I find myself in agreement with them; but on this matter I charge in the Senate, as I have in committee, that the District of Columbia Commissioners have not fulfilled their duty with respect to hungry boys and girls in the District of Columbia.

Pilot program operation? We have had a pilot program in operation in the District of Columbia for 700 boys and girls. Is adding 300 more boys and girls to the operation going to give us any more facts we need, Mr. President? Such a program is in effect for 700 boys and girls, and who financed it? The humanitarian hearts of the people of the District of Columbia, who made private contributions.

Mr. President, I ask those interested to read the report of the hearings. We have the results of the pilot operation, and the District of Columbia Commissioners know the results.

I say frankly, on the floor of the Senate this afternoon, there is not a single fact the District of Columbia Commissioners need to ascertain to establish a program to feed 7,000 boys and girls—not one. They merely need to do their duty. The sad fact is the record of the District of Columbia Commissioners amounts to economizing on the stomachs of 7,000, at a minimum, boys and girls in the District of Columbia. I do not intend to support them in such action.

Mr. President, I know what our Appropriations Committee is up against, but the responsibility is that of all Senators whether or not they are members of the Appropriations Committee. It is the responsibility of the Senate as a whole. It is the responsibility of the Senate as a whole to decide, as we take out the paring knife this afternoon, whether a school lunch program which the school administrators want, which the teachers want, a school lunch program which the teachers tell us is needed today for hungry children, is to be adopted.

If some paring is to be done, let us do it out of other funds such as those provided in the budget for a road through the Glover-Archbold Park, for example. That is a project which can be delayed to another fiscal year. Let me make very clear that I am in favor of building the road, if we can supply the money and work out the engineering problems. But I am not for building that highway or any highway at the expense of the bellies of 7,000 boys and girls in the District of Columbia. I want you to keep that in mind, Mr. President, as we consider this problem.

We have the facts to support the program. When one gets right down to the question, when all is said and done, the question is, Shall we provide the school authorities with the money they need to feed these hungry boys and girls?

REBUTTAL TO OTHER ARGUMENTS

The argument is made by the able Senator from Rhode Island, "What about breakfast and dinner?" What about breakfast and dinner? All I can say, Mr. President, is that the expert testimony given before my committee showed that if we could give these children one nutritious meal a day—just one nutritious meal a day—we would do much toward keeping these boys and girls healthy, we would do much to improve their school work, we would do much to decrease juvenile delinquency on their part, we would do much to reduce absenteeism in the classroom, and we would do much to make them better junior citizens.

Mr. President, I wish we could provide more for these children, but I cannot accept an argument that because I cannot get more for them I should accept less. I cannot accept the argument against the testimony of expert witnesses before my committee, and I am going to read that testimony before I finish this afternoon. I am going to speak at length this afternoon on this problem, because so far as I am concerned, I would betray my trust to my committee, to the District of Columbia, and to the country, if I did not make a record which needs to be made this afternoon.

Mr. President, one cannot listen to these expert witnesses whom I had before my committee and not feel as deeply moved as I am about this matter. Although I may speak with great emphasis and although I may speak somewhat out of my heart, as the Senator from Rhode Island attributed to me in his gracious comment, I am also speaking from what I know, because I have lived with this problem intellectually in the District of Columbia for the past several years. Having lived with the problem, I know the facts.

I do not intend to let three District of Columbia Commissioners come up to the Congress and recommend, without opposition, an inadequate program, which is clothed under this very plausible slogan argument of "Let us give it a trial. Let us try only 1,000" when the Commissioners know there are 7,000 children, at least, who need the help. The Commissioners know that facilities and help are available in order to feed these children, if they will put up the hard, cold cash which we can provide to buy the food.

My colleagues, you should listen to the teachers.

Mr. President, I ask unanimous consent that correspondence from the principal of the Scott Montgomery-Morse Schools, found in my subcommittee hearing record on pages 181–183, be printed in the RECORD at this point.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

SUPERINTENDENT OF SCHOOLS,
Washington, D.C., March 12, 1959.

Senator WAYNE MORSE,
U.S. Senate, Washington, D.C.

DEAR SENATOR MORSE: I am presuming to forward a memorandum to you from Mr. Leroy C. Dillard, principal of the Scott Montgomery-Morse Schools, on the subject of the school lunch program as it is being conducted there under temporary arrangements.

This is a report from the firing line. It shows how severe the need is among many of the children and indicates in a concrete way some of the practical results of this operation.

It strongly confirms the position we are taking that the present method of handling the lunch program is workable and in the public interest and that these resources ought to be available to all needy children.

Very sincerely yours,

CARL F. HANSEN,
Superintendent of Schools.

PUBLIC SCHOOLS OF THE
DISTRICT OF COLUMBIA,
Washington, D.C., March 9, 1959.

Memorandum to: Dr. Carl Hansen, Superintendent of Schools.
From: Leroy C. Dillard, principal, Scott Montgomery-Morse Schools.
Re lunch program, Scott Montgomery-Morse Schools.

I respectfully submit the following information concerning the free lunch program at the Scott Montgomery-Morse Schools.

Twenty-seven of the Scott Montgomery School children and 25 of the Morse School children receive hot lunches at Shaw Junior High School. The children participating in this program were selected through a careful screening of parental responses to a questionnaire. (Sample questionnaire accompanies this report.)

The children who benefit from this program were selected from families of the following categories:

Description of family circumstances	*Number of children*
1. Families receiving public assistance and surplus food	17
2. Families with low income and receiving surplus food	12
3. Families having exceedingly low incomes	16
4. Families in distress because of ravages of fire	6
5. Inadequate family income due to physical disability of 1 or both parents	2

PROGRAM ADMINISTRATION

The children are escorted to the cafeteria and supervised by two teachers each day.

It has been found that supplying the required number of children each day has presented a problem. Approximately 7 or 8 pupils are absent each day; this is equivalent to 15 percent of the 52 children authorized to receive lunches. The factors causing the absences are lack of shoes, lack of proper clothing, personal illness, and problems within the family. We have found that the children are very anxious to come to school each day and have shown gains in weight and in their interest in class activities.

It was noted that one family was completely without income. The mother was pregnant and the father, a former construction worker, was unable to find a job. The family had been denied public assistance by the welfare department. The father had been receiving $22 a week from the District of Columbia Unemployment Compensation Board. In his efforts to secure a job, the father was offered 2 days of work which he accepted. Because of this short period of employment, the unemployment board discontinued further support for the family. This left the family without any means of support. Through the efforts of this office, a job as a parking-lot attendant was secured for the father.

RESPONSES NOTED BY TEACHERS

1. Delores is a very nervous child and needs the nourishment of a balanced meal badly. She cries if one looks at her hard and often falls out of her seat for no apparent reason. Though still disorganized, Delores is improving. She cries less often and shows promise of getting herself together if the lunch program continues.

2. Frail Patricia, who is also in great need of food, is reluctant. She has to be reassured every day that she is needed very much to help keep the smaller children in line—and she is needed. This expression of the need for her makes her feel that she is earning her lunch.

3. Franklin is very excited about the program. He tries very hard to be the life of the party.

4. Samuel, a pupil in an atypical class, is no longer the very withdrawn and passive individual who lived in a world of phantasy. Throughout his school career of 3½ years, Samuel never spoke to any of the children in his class. He was contented to sit and observe the activities surrounding him. Since his inclusion in the lunch program, there has been a gradual awakening in Samuel. He has become more alert to his environment and has on occasion participated in some of the activities of his class.

5. To most of us at Morse, both teachers and pupils, one case is what we call "The Metamorphosis of Cora." Cora has long been noted for her disagreeable disposition. She was rude, sullen, morose. This was, no doubt, her method of expressing her many discomforts and humiliations.

The child of a broken family of several children, Cora has been neglected. To add to her troubles, her mother's moral standards are not such as to inspire good behavior in the child or to create in her any respect for her maternal parent. In fact, the mother's well-known escapades are a great source of embarrassment to the girl.

Since the lunch program has been going on, however, the whole school has noted a remarkable change in Cora. She is much more agreeable, smiles often, showing a pretty dimple which few knew she had. She also takes more interest in her personal appearance and comes to school neat and clean instead of bedraggled and dirty as she once did.

The need for help is great among our children. No one can concentrate on work of any kind with an empty stomach reminding him constantly of the need for food. The free-lunch program, as it becomes widespread and perfected, will result in improved behavior and in better quality of school work.

LEROY C. DILLARD,
Principal, Scott Montgomery-Morse Schools.

SCHOOL _____,
January 14, 1959.

DEAR PARENT: As you have noticed in the newspaper recently, some pupils in our area are to receive free lunches.

In that connection we are sending you this questionnaire. If you are not interested in having your child receive a free lunch do not return this form.

If you are interested, please complete all items and return to me.

All replies will be treated as confidential.

Give names of all persons in household. List head of household first.

Put a checkmark before names of children attending above school.

Last name	*First name*	*Middle initial*	*Maiden name (if applicable)*	*Age*

Family address_____ Phone number_____

1. Is family receiving public assistance from Welfare Department? Yes_____. No_____.

2. Is family receiving surplus foods from Welfare Department? Yes_____. No_____.

3. Are any members of the household receiving unemployment compensation? Yes_____. No_____.

4. Are any members of the household receiving social security? Yes_____. No_____.

Income of family unit

Salary per month from gainful employment_____ $_____
Amount received per month from public assistance_____ $_____
Amount received per month from unemployment compensation_____ $_____
Amount received per month from social security_____ $_____
Amount received per month from other sources_____ $_____
Total family income per month_____ $_____

Date_____

_____
(Signature of head of household)

_____
(Principal)

Mr. MORSE. Sometimes I really wonder if we are as truly appreciative as we ought to be of the great personal sacrifices made by the members of the teaching profession in all of our schools, but particularly those in the grade schools of America, on behalf of American parenthood, the great services they render to the families of America, to the parents of America, to the children of America, and to America itself. I cannot sit in the committee—I simply cannot, Mr. President—and listen to the testimony, unanswered in the record of the hearings, from the school officials of this District, and brush it aside with a proposal by the District Commissioners, "Well, let us try it for 1,000 children for a year."

We have the facts. The problem is on our doorstep. The time to act is now. If we do not want to add the requested amount to this budget, without taking something else out, I have a lot of suggestions as to what to take out. We can start with the Archbold highway, for one. There are other items in the budget, too, which can be taken out. If I have to make the choice, I will make the choice and give the food to the boys and girls.

PERSONAL EXPERIENCE WITH SCHOOL LUNCH PROGRAM

I also have had some experience with a school-lunch program. One of the most interesting bits of education in public service that has been mine was to serve for 2 years as the president of a parent-teacher association when members of my own family were small. One cannot face up to the effects of a school lunch program on the home, or on the school, behavior-wise and education-wise, without knowing it is at rock-bottom sound.

Senators will find in the record of the hearings one research study after another in this regard. We will correct the RECORD if my recollection of the number is incorrect, but I think there were some 27 to 29 research studies considered by my committee, on the relationship and effects of a school lunch program on improved ability of students to learn, on attendance, on school behavior, on out-of-school delinquencies, and so on. The studies show a dramatic situation.

Mr. President, I ask unanimous consent that the Library of Congress memorandums on these studies be printed in the RECORD at this point. They may be found on pages 167 through 176 of the hearing record of my subcommittee.

There being no objection, the memorandums were ordered to be printed in the RECORD, as follows:

THE LIBRARY OF CONGRESS,
LEGISLATIVE REFERENCE SERVICE,
Washington, D.C.

NUTRITION AND SCHOOL WORK—SELECTED EXCERPTS

Breckenridge, Marian E., and E. Lee Vincent, "Child Development—Physical and Psychologic Growth During the School Years," Third edition. Philadelphia, W. B. Saunders Co., 1955, pages 26, 123, 124–25.

"That physical condition, short of brain or nerve damage, has little to do with native intelligence is probably true. Promoting physical growth will probably not increase inherent intellectual capacity. In this sense they are not interrelated. However, the manner in which the native intelligence functions, being dependent upon attentiveness, concentration, self-confidence, and aggressive attack upon problems, is unquestionably related to physical well-being.

* * * * *

"The behavior in school of children in Trier, Germany, during World War I is another example. After 3 years of undernutrition the children showed a decrease in physical and nervous energy and an increase in nervous disorders. The teachers reported that the children grew tired more easily than in the prewar days, were unable to concentrate, slower in comprehension, poorer in memory, inattentive, and restless. Discipline was hard to maintain. One teacher reported that she could keep the attention of her class for only 5 minutes in contrast to 30 minutes formerly. The standard of schoolwork was lowered. The number of children who failed to pass about doubled; the number of children doing superior work was not compatible with their mental capacity since the children apparently had not lost any of their mental capacity as measured by the usual mental tests. They lacked the staying qualities found in a well-nourished child.

* * * * *

"It has been shown that undernutrition or malnutrition can affect mental activities or the way an individual uses his mental abilities. However, whether nutrition affects the mental capacity of children is a moot question. Mental capacity seems to withstand deprivations which will affect mental activity. The children in Trier, Germany, in spite of their poor school performance had still the same mental capacity as measured by tests. In the Minnesota study,[1] according to both clinical judgment and quantitative tests the men's mental capacity did not change appreciably during either semistarvation or rehabilitation. The subjective estimates of loss of intellectual ability may be attributed to physical disability and emotional factors. Whether similar resistance exists at earlier ages when the nervous system is immature has yet to be demonstrated."

Bryan, Mary deGarmo, "Juvenile Malnutrition Needs Headlines, Too." Nation's Schools, volume 57, June 1956: 94.

"Many an educator who is acquainted with the eating habits of today's teenagers has a plaguing suspicion that all is not well. He figures that, while juvenile delinquency captures the headlines, little noticed juvenile malnutrition really ought to share some of the notoriety and get its share of the public's attention.

"Knowing something about the food needs of growing boys and girls, the school head fears there is trouble ahead, if not already here, for the pretty sophomore who skips breakfast regularly in the interest of a Liz Taylor waistline and for her boy friend who makes a meal consistently of a couple of hot dogs and a fizzy drink. But the school lunch manager was handicapped by lack of scientific data to confirm his beliefs.

"Now comes material which substantiates the surmises of many school men and women in a most impressive way. It is provided in a study conducted by nutrition authorities of Pennsylvania and Texas. Since 1935, under direction of Pauline Beery Mack, the Ellen H. Richards Institute of Pennsylvania State University has been making mass studies in nutrition. To this great body of unpublished statistics were added the results of special research into the eating habits of 2,536 boys and girls in all kinds of homes, together with 573 children in orphanages.

"Finally, all of this material was edited and prepared for publication by Dr. Mack, now of Texas State College for Women, and Anna de Planter Bowes, of the Pennsylvania State Department of Health. The bulletin was recently published by the Nelda Childers Stark Laboratory, Texas State College, with a grant from Lever Bros. Co."

Mack, Pauline B. "A Nine-Year Study of the School Lunch." Journal of Home Economics, volume 30, February 1947: 73.

"Because the physical well-being which results from good nutrition is a requisite for realizing one's full capacities for accomplishment and happiness, the school lunch can constitute a great force for democracy by providing the means for every child to develop his potentialities, both physically and intellectually."

Maxwell, Elsie, "The Broader Value of the School Lunch Program," American School Board Journal, volume 122, March 1951: 24.

"Federal bureaus, land grant and other colleges and universities, research foundations, and agencies interested in social welfare were making studies which showed the effect of quality feeding upon individuals. Old findings were verified and new approaches ventured which showed that well-balanced diets of high nutritive content yielded stronger, larger bodies; healthful functioning of the digestive, respiratory, and circulatory systems; decreases of the incidence and severity of infectious diseases; reduction of illness which followed in the path of deficiency diseases; improved dental conditions and lessened frequency of dental caries; a stabilizing effect on the nervous systems and emotional states of children. All these improved physical conditions were paralleled by reduced behavior problems, increased ability to give attention to classroom procedure, and better school attendance."

Mitchell, Helen S., "School Lunch Investments Pay Dividends," National Parent-Teacher, volume 36, May 1942: 10.

"With 6 million youngsters getting a wholesome and nutritious lunch at school, what evidence have we that it has made a difference? Ask any teacher who has witnessed the change in her youngsters. True, you may not obtain scientific data that can be analyzed by statistical methods; teachers in the country schools where lunches have been introduced for the first time do not have access to research methods and facilities. But they see results even if they can't measure them. In the few cases in which the achievement has been measured the results speak for themselves.

"One country schoolteacher was loath to undertake even a simple hot lunch for her 20-odd pupils. There were no facilities, and she was doubtful of the necessity. The struggling PTA helped remodel the cloakroom to provide space for an oil stove, which someone contributed, and the children brought food from home to supplement that provided by the surplus commodities program. After some months this conservative and rather lethargic country schoolteacher had taken a new lease on life herself, and she reported all her pupils as doing better work, behaving better, and learning faster. She was convinced that the school lunch had made a difference.

"A school in the Southwest, attended by Indian and Mexican children, reports enthusiastically what the school lunch has done for them. The teacher says the playground is like a different place—more games, less fighting, and no more need of policing the playground at recess * * *.

* * * * *

"One city in Iowa is able to supply more concrete evidence: 20 schools kept accurate data on attendance for 1939. In 1940, 10 of the schools introduced the school lunch and 10 did not. Attendance improved by 13 percent over the previous year in the schools that had the lunch; in the other 10 there was a change of only 1 percent."

Potgieter, Martha, and Viola Everitt. "A Study of Children's Eating Habits." Journal of Home Economics, volume 42, May 1950, page 366:

"A 1-week study involving 385 children in grades 4 through 8 in two (Connecticut) elementary schools showed all but one of the diets to be medium or poor in nutritional adequacy. The greatest degree of deficiency (in descending order) was found to be in: whole grain or enriched cereal products, green and yellow vegetables, foods rich in vitamin C, and milk.

"The school records of the physical, scholastic, and emotional ratings of the children who were getting poor diets, as compared with the ratings of those in the better diet group, showed the latter to be slightly better in physical status, in dental status, in days absent because of illness, and in educational ratings, and definitely better in social adjustment."

Salisbury, Morse, "Food for Freedom," School Executive, volume 61, March 1942, pages 16–17:

"There is * * * an extremely close relationship between nutrition and learning ability; the intelligence and emotional nature of a child are not fixed hereditary factors. Like the adult, the child lives in an external environment and surrounds an internal environment.

"The chemistry of the bodily fluids which bathe the tissues constantly, and which also perfuse the brain and determine its functional efficiency, is not rigidly fixed. Minor variations in the chemistry of these fluids, brought about by mineral, vitamin, or other nutritional deficiencies, can curtail the natural development of a child, work permanent injury upon his higher nerve centers, and change his disposition and intelligence fundamentally.

"The soundest minds do, as a general rule, tend to exist in the soundest bodies. It has long been observed that undernourished children are inattentive, lack nervous and physical energy, comprehend their school tasks slowly and poorly, have a poor memory for their schoolwork, and exhibit general nervous restlessness. Certain studies have been made which correlate low nutritional status with a high rate of retardation, absences, and low average marks in school studies.

* * * * *

"Many children whose parents could not persuade them to eat at home consume food readily and naturally in groups at school lunches. Meanwhile the emotional relationship between teacher and pupil is improved, the child's learning ability increases, absences are fewer, and better scholastic records are made in all grades.

Many teachers point with pride to better attendance, upon which the size of the school budget frequently depends. But it is also true that the per capita expense or education decreases when children are not retarded in their grades because malnutrition cuts their learning power. Chronic cases of latent malnutrition, destined later to result in prolonged ill health or possibly complete invalidism, are prevented or cleared up. In short, the child becomes a social asset rather than a social and economic liability.

"This amounts to effective conservation of human resources. It is not intended that programs of such value be discontinued, whether we are at war or peace.

* * * * *

"We mean to see to it that every American citizen is provided, as is his right, with a scientifically adequate basic diet."

Studebaker, John W. (former U.S. Commissioner of Education), "Strong Bodies and Alert Minds," Journal of Health and Physical Education, volume 13, February 1942: 86.

"Good food habits are absolutely essential to the strong bodies and alert minds we need for defense. But good food habits cannot be built without good food. That is why the actual provision of hot lunches is so important. We have learned from experience that when children are fed properly the quality of their work improves, they respond more rapidly to ideas, and they play more vigorously and happily. Frequently, Jack is a dull boy because he hasn't had enough or the right kinds of food.

* * * * *

"A long time ago the Romans had a slogan, 'a sound mind in a sound body.' No doubt the disintegration of Rome as a nation was in part due to the decline of its physical vigor. Ours is a young nation. We have done much. We can do more. We must do more, now that we are faced with a conqueror as ruthless as any in all history. We can meet and overcome this threat only with strong bodies and alert minds. Health has long been a cardinal principle of education. Now is the time for schools to put that principle into action on a broader front than ever before."

[1] Keys, A. J. Brozek, A. Henschel, O. Mickelsen, and H. L. Taylor: The Biology of Human Starvation. Vols. I and II. Minneapolis; the University of Minnesota Press, 1950.

Todhunter, Elizabeth Neige, "Everyday Nutrition for School Children," University of Alabama, Extension Division, 1949, pages 42–43:

"Dr. Ruth Harrell of Columbia University studied the learning ability of a group of children in Virginia. The children all lived in an orphanage where the diet was not adequate. The children were divided in two groups, matched as evenly as possible for age, height, weight, family background, and IQ. Group A received a nutritional supplement in tablet form each day. Group B were also given a tablet each day but it contained no nutritive value. None of the children knew which ones were receiving the added nutrient material. In a series of objective tests, in arithmetic, word matching, writing, etc., carried out over a period of weeks, group A in every instance had the higher average score. In this carefully controlled experiment the children with the dietary supplement showed greater learning ability as attested by their scores on all tests.

"Diet does make a difference.

"Diet makes a difference in both old and young but more particularly in the growing child."

U.S. Congress, House, Committee on Agriculture, "School Lunch Program." Report to accompanying H.R. 3370. Washington, U.S. Government Printing Office, 1945. (79th Cong., 1st sess. House. Rept. No. 684, pp. 2, 9):

"Statistical surveys, including physical and mental tests conducted under controlled conditions, have shown, as indicated in appendix A, measurable benefit to the children when an adequate lunch is provided at school, not only in their physical development but in their educational progress. This improvement takes place on all income levels inasmuch as an adequate lunch at school or adequate nutrition is not necessarily assured by the higher income of the parents or the rise in the national income as a whole. The increase of working mothers, consolidation of schools, greater travel time to schools, and rising scale of food costs, together with fixed incomes for many large groups, make the school-lunch program, in which those who can pay are permitted to pay and those who cannot pay need not pay, the appropriate answer. It should be remembered that a child may be malnourished, yet not hungry.

* * * * *

EXHIBIT A.—*War Food Administration, Commodity Credit Corporation (OS)*

EFFECT OF SCHOOL LUNCH UPON SCHOLASTIC STATUS, CAMDEN, MO.

	Scholastic grade points [1]			
	Without lunch, 1938–39	Without lunch, 1939–40	With lunch, 1939–40	Percent change
Group I (52 children)	1,056	1,055	--------	−0.09
Group II (75 children)	1,614	--------	1,763	9.23

EFFECT OF SCHOOL LUNCH UPON ATTENDANCE, CAMDEN, MO.

	Percent daily attendance of enrollment			Gain in percent attendance
	Without lunch, 1938–39	Without lunch, 1939–40	With lunch, 1939–40	
Group I (10 schools)	69.18	70.54	--------	1.36
Group II (10 schools)	79.99	--------	84.34	13.35

[1] A system of grade points was used in determining scholarship. An excellent mark was given 4 points; superior, 3; average, 2; poor, 1; failure, 0.

EFFECT OF SCHOOL LUNCH UPON WEIGHT GAIN, CRESTLINE, OHIO

Grade	Average gain in pounds		Percent increase in weight gain
	Without lunch, 1942–43	With lunch, 1943–44	
I	5.15	6.57	27.6
II	2.45	4.96	102.4
III	1.80	2.43	35.0
IV	3.00	6.10	103.3
V	3.80	7.06	85.8

Wisely, Katherine C., "They Eat To Live and Learn," School Executive, volume 68, April 1949: 64.

"The school lunch was begun in an endeavor to feed needy children who were unable to concentrate on learning because they were hungry. From that crude beginning, it has grown into an educational program which is supplying the nutrition needs of all schoolchildren and, in addition, teaching them good habits of health, sanitation, and social behavior.

"In many communities at the turn of the century, funds were being raised by school administrators and teachers to provide lunches for undernourished and languid pupils. Soup schools were operated for children who could not even afford to bring lunches from home.

"The depression in the early thirties gave impetus to a national school lunch program. While city workers were losing their jobs, farmers were losing their markets; consequently agricultural commodities were being dumped. At this time the Federal Government stepped in, bought surplus foods from farmers, and made them available free to schools."

ANNE M. FINNEGAN,
HELEN A. MILLER,
Education and Public Welfare Division.
MARCH 13, 1959.

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TITLES OF MASTER'S THESES RELATED TO NUTRITION AND SCHOOLWORK, 1930–49—A SELECTED LIST

Gehring, Clara, "A Review of the Literature Pertaining to the Modification of the Intelligence Quotient Through Environmental Changes, Particularly Through Changes in Nutritional Status." Woman's College of the University of North Carolina, 1943.

Hoover, Helene Perry, "A Study of the Relationship of Certain Social and Emotional Factors and Academic Achievement in Nutrition of High School Girls." Louisiana State University, 1949.

La Vanway, Priscilla, "Relation of Nutritional Status to Motility, Intellectual Performance, and Personality of a Group of Iowa Schoolchildren." Iowa State College, 1949.

Lippincott, Elizabeth Anne, "A Study To Determine if There Is Any Relation Between the Breakfast Habits of Childen 9 to 12 and the Results of Personality and Mental Achievement Tests." Drexel Institute of Technology, 1949.

(Source: U.S. Bureau of Human Nutrition and Home Economics. Child development; summary of titles of theses completed in colleges and universities of the United States, 1930 to 1949. Washington, The Bureau, 1950.)

ANNE M. FINNEGAN,
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MARCH 13, 1959.

THE LIBRARY OF CONGRESS,
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Washington, D.C.

NUTRITION AND SCHOOLWORK—SELECTED EXCERPTS, 1941–51

Atkin, Millicent, "Some Facts About Nutrition," Nation's Schools, volume 28, July 1941: 66.

"No phase of the problem of human feeding deserves more critical application of our knowledge of nutrition than does the school lunch. Throughout the period of growth the quality of the diet is of the utmost importance to skeletal development, tooth structure, the integrity of soft tissues, and, indeed, to the mental progress of the child."

Behr, Marian C. "Hungry Kids Are Hard To Teach," School Executive, volume 68, July 1949: 42.

"Thousands of teachers arrive at their desks every schoolday prepared to teach. Nearly 30 times as many children take their seats each day to learn something that will fit them for a useful life. And yet a large percentage of these children do not learn their lessons because they are hungry.

"Colds, nervousness, irritability, fatigue, and listlessness are often entirely caused by a chronic case of hasty and poor breakfasts, a snack lunch, and numerous fountain purchases which completely eliminate the child's desire for anything as simple and nutritious as a raw carrot, an apple, or a serving of beef stew.

"No matter how well trained or sincere the teacher is, a hungry child is hard to teach. Lunch programs are necessary. They are important to the child and to the administration. They are necessary for the child from the so-called better home as well as the child from the impoverished home.

"Achievement tests taken before and after a lunch program was provided in a school, show great improvements when lunches have become a regular routine. When a county gives its schools achievement tests, the ones serving a balanced lunch to most of their children invariably have the highest scores. The teachers in these schools find their work easier because they have healthy and alert youngsters to teach.

"* * * The health of our citizenry is in a large extent dependent upon what we eat. There can be no more important part of education than teaching our children to eat well."

Evans, Llewellyn, "Let's Build Future Citizens on a Foundation of Good Food," Nation's Schools, volume 30, July 1942: 48.

"We have seen our educational system expand from the three R's to a complex social setup, providing for the mental, physical, and emotional needs of the whole child. Each new gain has been won against bitter opposition. Many a one-time, so-called fad is now an integral part of our educational program.

* * * * *

"In the matter of health, however, the end is not yet in sight. The evolution must continue for there is still unconquered the enemy to nerves and strength—undernourishment.

"We know that too large a proportion of schoolchildren is not properly nourished. Experience of hundreds of classroom teachers has shown that by conservative estimates 66⅔ percent of our pupils belong to the malnutrition group. We know, too, that the scholastic standing of these pupils is raised by improvement in health. It is time, therefore, to look to the food habits of these children."

Leichsenring, Jane M., "To Make America Strong," Minnesota Journal of Education, volume 23, April 1943: 306.

"Teachers usually report that improved nutrition results in less restlessness, fewer disciplinary problem, less inattentiveness, decreased absence due to illness, and a reduced tendency to late afternoon fatigue.

In the St. Paul schools, where nutrition clinics for undernourished children have been a part of the program for many years, the teachers observed greater classroom achievement in 43 percent or more of the children studied, improved scholarship in 53 percent, attentiveness in 56 percent, and posture in 66 percent of the group.

"The value of the school lunch was ably summarized by Batjer who stated:

" 'There is no better way of strengthening our defenses for the years to come than by caring for the physical welfare of children today. Sturdy, healthy children are essential to the Nation's survival.'

"What light has all this effort thrown on the problem of getting the right food on Tom and Mary's cafeteria trays, in their snack servings, and on their plates at the home table?

"The study proves conclusively that a large proportion of teenagers, from well-to-do homes as well as from poor families, are either not getting enough to eat or are not eating enough of the right things. It indicates that this is definitely a teenage problem, for these older boys and girls are found to have poorer food habits than their younger brothers and sisters.

"Also the study shows that a distinct relationship exists between this lack of proper food and many teenage problems, such as laziness—that too-tired-to-do-it feeling—nervousness indicated by nail biting or irritability, and poor appearance—dull hair, blemished complexion—and a resultant sense of inferiority. Even more striking are the harmful effects found on bodily structure—on skeletal growth, tooth soundness, body tissues and functions, such as heart and lung action.

"Before-and-after tests made as part of the Pennsylvania study revealed many of the conditions changed for the better when nutritional habits were improved."

Carmichael, Leonard, "Manual of Child Psychology," second edition. New York, John Wiley & Sons, Inc., 1954, pages 662–63.

"Nutrition: It is to be expected that small positive coefficients will be obtained when measures of nutritional status are correlated with IQ. These correlations arise from the same causes that determine a positive relationship between socioeconomic status and IQ and tend to disappear if nutritional variations are examined within a single social group. An exception to the last statement may be found in cases close to a subsistence margin. Thus, among 293 children from slum areas, O'Hanlon (1940) found a significant correlation ($.18 \pm .04$) between nutritional condition and IQ.

"A more satisfactory approach to this problem is through an experimental procedure, as illustrated in the following two examples. Twenty-five children selected by Smith and Field (1926) as markedly underweight were given school lunches over a 6-month period, together with health lessons and various motivational devices designed to bring about physical improvement. As compared with normal controls, striking gains were shown in weight but mental development appeared to be unaffected. A similar experiment was conducted by Seymour and Witaker (1938) in a group of 25 underprivileged children (6½ years old) matched with a control from a similar social selection. The experimental group was given daily breakfasts in school, adequate as to variety and amount, whereas the control group received their usual inadequate breakfast of bread and tea at home. Differences between the two groups began to appear on standardized tests (such as cancellation) by the 10th day, but the superiority of the experimental group diminished after the breakfasts were discontinued. Neither of these two experiments points to any actual change in mental growth as a result of nutritional gains.

"More positive results have been reported by Poull (1938) and by Kugelmass et al. (1944) in a comparison of IQ's of poorly nourished children before and after nutritional therapy. Marked IQ gains were noted for both mental defectives and normals, the amount of gain being greater for the younger children. The writers infer that prolonged malnutrition may involve irreversible effects upon mental development but that in early childhood mental retardation (of nutritional origin) is more readily overcome. If future experiments, coupled with longitudinal studies, confirm these findings, the implications for child development in economically backward areas may be of great importance. We still lack information, however, about the degree of malnutrition which is critical and the specific factors responsible."

Fozzy, Paula, "Nutrition Fair Improves Diets, Aids Parent-School Relations.," Nation's schools, volume 61, March 1958, pages 80, 84.

"A dramatized nutrition program in one of Chicago's elementary schools has produced a market gain in good parent-school relations and a consciousness in the pupils of good nutritional habits. The program, sponsored by the Chicago Nutrition Association, was introduced by Marie V. O'Brien, principal of Chicago Kosciuszko Elementary School.

* * * * *

"The nutrition program first was started in February of 1957, when Dr. O'Brien noticed that students who were frequent disciplinary problems often had eaten no breakfast. At the suggestion of the Chicago Nutrition Association, she made a survey of the breakfast eating habits of pupils in grades 4 to 8.

* * * * *

"Dr. O'Brien gives an encouraging message to administrators who would like to try a nutrition program in their own schools: 'Our program has not been so astonishingly successful that other administrators should be afraid to try it. The improvement in the children's eating habits, the resulting better studying, and the parental interest generated in the school merit the application of such a program wherever it seems to be needed.' "

Garber, Martin D., director, Food Distribution Division, Agricultural Marketing Service, U.S. Department of Agriculture, "School Lunch Teamwork," Parents magazine, volume 33, October 1958, page 74:

"I can't cite statistics which show how much this program has meant to all the children who have eaten these lunches and are now eating them. But teachers tell us repeatedly how much the availability of good lunches has meant to the health of their pupils. They tell us the children come to school more regularly and are more attentive while they are there. They say good health pays a bonus in their learning, too, as anyone who has ever tried to study on an empty stomach can understand."

Hill, Austin E., director of health, Houston Public Schools, Houston, Tex., "Nutritional Needs of Schoolchildren," Journal of School Health, volume 25, May 1955, pages 141, 145.

"The malnourished schoolchild looks fatigued, anemic, has a poor posture, has small flabby muscles, a flat chest, and protruding abdomen; he feels weak, tires easily, lacks endurance, cannot concentrate, appears lazy, and his fingernails, mouth, and eyelids are pale. Usually he has a mouthful of decayed teeth. He is unable and unwilling to perform work duties at a fast rate for long periods. He usually has no drive and no intiative. Productivity is lessened. There is lack of interest, increased irritability, and the malnourished child is easily discouraged."

* * * * *

"Students who eat a poor breakfast will feel the effects by midmorning, making study, class attention, and play difficult. Teachers who practice poor eating habits will fall victim to this same letdown feeling which may give rise to quick tempers, strained teacher-pupil relationship, and unavoidable conflicts in the classroom.

"Good school lunches are just as important as breakfast and needs to be stressed."

Peck, Leigh, "Child Psychology—A Dynamic Approach," Boston, D.C. Heath & Co., 1953, pages 264–265.

"The brain, which is the organ of intelligence, is nourished, like all the other bodily organs, from the food we eat. We know that serious dietary deficiencies can impair the functioning of various organs, and that such deficiencies sometimes affect the nervous system itself. For example, in certain parts of this country (especially in the South) pellagra, caused by a diet lacking in vitamins, is found among poor laboring people who are forced to subsist on "bread and sow belly" for several months of the year. It affects the digestive tract, the skin, and the nervous system, causing some of its victims to lose their minds and to require care in the State hospitals. It's incidence is highest among mothers of growing families, who, though they need extra nutrition to meet the demands which their unborn children are making on them, tend to deny themselves food in order to give more to the children they already have and to husbands who must eat in order to do hard labor. Treatment consists of a highly nourishing diet supplemented by injections of vitamins.

"When we see how extreme malnutrition causes mental illness in an adult, we are more than ever impressed with the seriousness of the question, Does long-continued malnutrition affect the mental efficiency of growing children? To answer that question, we must turn to studies that follow the procedure of locating an experimental group of undernourished children (unfortunately, not a hard thing to do in the underprivileged section of any city), giving them intelligence tests, supplying supplementary nutrition for a period of months, and then retesting intelligence. In order to avoid confusing the influence (if any) of practice in raising test scores with changes due to improved nutrition, a control group is necessary. This may consist of either (a) undernourished children who are tested and later retested, but are not supplied with increased nutrition between tests, or (b) well-nourished children who are tested and later retested, with no change of nutritional status between tests. The relatively few such studies that have been reported agree in finding an increase in IQ in the experimental group, with improved nutrition.

"In one study reported by Kugelmass, a pediatrician, the experimental group consisted of 41 retarded and 50 normal children, who were malnourished when first tested but well nourished at the time of the second test. The control group of 41 retarded and 50 normal children, were well nourished throughout the period covered by the experiment. All children were between 2 and 9 years of age. The control group and the experimental group were equated for chronological age, initial IQ, and time interval between tests (Stanford-Binet or Kuhlmann-Binet). For control group, no improvement in average IQ was found. But in the experimental group, there was an average rise in IQ of 10 points for the retarded children and 18 points for the normal children. Moreover, the results indicated that the younger the malnourished child is when nutritional therapy is provided, the greater the improvement in mental functioning."

Southworth, Herman M., and M. I. Klayman, "The School Lunch Program and Agricultural Surplus Disposal," Washington, U.S. Government Printing Office, 1941, page 4

(U.S. Department of Agriculture, Miscellaneous Publication No. 467, October 1941):

"Medical science is finding nutrition an important factor in the incidence or intensity of an increasing number of diseases and disorders. Minor dietary inadequacies are now recognized as contributing causes of irritability, lassitude, and other ills, mental or nervous or physical. They may not commonly be called sickness, but they do mean failure to enjoy sound and robust health.

"In the case of schoolchildren these health deficiencies mean inability to concentrate on studies, lack of interest in schoolwork, and other undesirable attitudes. A child so handicapped cannot take full advantage of the educational opportunities provided him at the community's expense. He grows into adulthood ill equipped in both mind and body for making his own way in society.

"In the light of such discoveries modern nutritionists are turning more and more from minimal standards of diet, the food intake that will sustain life and prevent obvious deficiency diseases, to optimal standards the food intake that will make possible the full measure of physical and mental vitality and stamina of which a person is capable. A diet of this kind for every child would seem to be a proper goal in a society that is based on equality of opportunity. But in the United States we appear to be falling far short of providing for every child a diet that meets even minimal standards, to say nothing of optimal."

Thorpe, Louis P., "Child Psychology and Development," second edition, New York, Ronald Press Co., 1955, pages 95–956; 599:

"Biochemistry now is receiving the recognition it deserves, and its importance for the physical growth and emotional well-being of children no longer can be ignored. Contemporary research on both animals and humans has disclosed the findings that emotional reactions, disorders of the nervous system, disease syndromes, and growth and aging are intimately related to nutrition and the chemistry of the body."

* * * * *

"A third major group of children with delicate health is that comprising those who manifest symptoms of inadequate nutrition. These children may experience extreme fatigue, be unable to learn readily, develop various intestinal disorders, be marked by defective conditions of the skin or hair, be retarded in muscular coordination, be underweight, show inadequate bone growth, and so on."

U.S. Office of Education: Interdivisional Committee on Nutrition Education and School Lunch.

"School Lunch and Nutrition Education—Some Questions and Answers." Washington, U.S. Government Printing Office, 1951, page 2.

"The school lunch contributes to the health of a child to the extent that it bridges the gap between what that child needs in his diet and what he obtains in his diet at home. Food at school and food at home should meet body needs for growth, vigor, and resistance. When children and youth do not have adequate diets, varying degrees of nutritional deficienices may develop. Although some of these deficiencies may not be apparent, they are nevertheless real. Malnutrition may hinder schoolwork because it may interfere with the child's ability to carry on normal activities."

U.S. Office of Education: "The School Lunch—Its Educational Contribution," Washington, U.S. Government Printing Office, 1954, page v.

"Much has been said and written concerning the importance of the school lunch to the well-being of boys and girls. It is coming to be widely recognized that an adequate noon meal is indispensable if pupils are to be well nourished, and that only well-nourished pupils are able to derive maximum benefits from the opportunities provided by the school. As a result, the proportion of schools which serve a complete meal, or at least a supplementary dish at noon, has steadily increased [John W. Studebaker, former U.S. Commissioner of Education]."

ANNE M. FINNEGAN,
HELEN A. MILLER,
Education and Public Welfare Division.
MARCH 10, 1959.

Mr. MORSE. How nice it would be if we could say that every little boy and girl would also get a nutritious breakfast and would get a nutritious supper. But we can say the children shall have a nutritious lunch.

Because of one facet of the point raised by the Senator from Rhode Island, I raised this problem in the committee myself: What about the lunch program when school is out of session? As the RECORD will show, that is when I got the pledges of voluntary assistance to help the District Commissioners and the school authorities to see to it that even during recess periods in the summer these little boys and girls would at least get that one precious nutritious meal a day.

Mr. President, we have a chance for a great public service. We have an opportunity in the Senate of the United States this afternoon to really serve human values and to demonstrate that we simply refuse to put a dollar sign ahead of a proved need for food for 7,000 little boys and girls in the District of Columbia.

PARLIAMENTARY PROCEDURE

I think the Senator from Rhode Island as the chairman of the subcommittee of the Appropriations Committee is obligated, parliamentarily, to raise a point of order. That is why very early in my speech today I told the Senate that my amendment is subject to a point of order. I think the Senator should raise the point of order, but I think the Senate overwhelmingly should vote to suspend the rules, because when the point of order is raised I shall move to suspend the rules. It will take a two-thirds vote to suspend the rules, and that is fair to the Senator from Rhode Island. That will be no reflection on the Senator from Rhode Island.

That is the way we conduct parliamentary procedure in the Senate of the United States, Mr. President. We ought to follow the rules. If the Senator from Oregon puts forward an amendment which is subject to a point of order, I think the point of order ought to be raised. And then I think the Senator from Oregon ought to move to suspend the rules. Because of the merits of my argument, because of the humanitarian nature of the proposal, because of the social justice involved, I think the Senate of the United States ought to overwhelmingly vote to suspend the rules. In fact, I should like to see even my dear friend from Rhode Island join me in that vote. I think that his heart will so dictate. I think his heart will so dictate because I think I am on solid ground on my motion to suspend the rules.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. MORSE. I yield to my friend from Pennsylvania.

Mr. CLARK. The Senator is aware that under rule XL of the Senate there is a requirement for one day's notice of intention to move to suspend the rules. Has the Senator filed such a notice?

Mr. MORSE. I filed the notice last Friday.

Mr. CLARK. I am delighted to hear that.

Mr. MORSE. I made a speech in the Senate last Friday, serving notice that I was going to move to suspend the rules. I have lived with this problem.

Mr. CLARK. I do not want to interfere with the Senator's train of thought. I have a number of questions I should like to ask the Senator. I should be happy to defer them until later, if the Senator would prefer.

Mr. MORSE. The Senator may ask the questions at any time.

Mr. CLARK. How many hungry schoolchildren are there in the District of Columbia?

Mr. MORSE. I am seeking in this speech to answer that question of fact by offering proof which leaves no room for doubt, in my judgment, that there are at least 7,000. I think there are more, but I think we have established beyond question the figure of 7,000.

Mr. CLARK. How long have they been hungry?

Mr. MORSE. These little tots have been hungry since they were born. I am not talking about each individual, but about the group. The situation continues year after year.

Mr. CLARK. This has been a continuing situation for quite a long while, has it not?

Mr. MORSE. The Senator is correct.

Mr. CLARK. How long ago was this condition brought to the attention of the Commissioners of the District of Columbia?

Mr. MORSE. More than 2 years ago.

Mr. CLARK. That was the result, was it not, of an investigation conducted by the senior Senator from Oregon?

Mr. MORSE. Ably assisted by the Senator from Pennsylvania, the Senator from Maryland [Mr. BEALL], and other members of the District of Columbia Committee.

Mr. CLARK. How close to the Nation's Capitol do some of these hungry children live?

Mr. MORSE. As the Senator knows, even though some spots have been cleared in the slum clearance program, the Senator could stand at the back of the House Office Building and, with one of the little stones he and I used to throw as boys, called "sailing stones," which we threw out on the water and across a stream, he could hit some of those hovels. Some of them are within two blocks of the Capitol. They have no toilet facilities.

Within two blocks of the Capitol, the Senator could walk down the alleys on hot July days and find that the stench from human waste was nauseating. That is how close to the Capitol this

problem comes. We made some improvement by eliminating some of the hovels, but there are still many blocks of them near the Capitol.

Mr. CLARK. How much would it cost to give those children one square meal a day?

Mr. MORSE. The request I am making is for $700,000, in addition to the $133,000 which the Senator from Rhode Island [Mr. PASTORE] is recommending. The answer is that the additional amount, in round numbers, is $700,000.

Mr. CLARK. That would merely provide one square meal a day for 7,000 hungry children only during the period they were attending school.

Mr. MORSE. This would provide only for the school year. As I stated, at the hearing I asked almost every witness who represented some agency, church, parent-teacher group, or neighborhood house if he would volunteer his services if the District of Columbia authorities were to provide facilities to distribute food during the vacation period.

Mr. CLARK. Does the bill before the Senate provide the full amount asked by the District Commissioners?

Mr. MORSE. It provides a little more.

Mr. PASTORE. No. It provides exactly the amount asked for, namely, $133,000.

Mr. MORSE. It provides more for some other items.

Mr. PASTORE. In fairness to the House, it should be stated that the House increased the amount by $166,000, but it took the additional sum from the operating cost of the school department. That action was opposed both by the school department and by the Commissioners. The Commissioners thought they should receive the modest starting figure of $133,000.

Mr. CLARK. Would the Senate committee version provide the full amount requested by the Commissioner?

Mr. PASTORE. Yes.

Mr. MORSE. Mr. President, I am very much opposed to taking any of the money from teachers' salaries. It must come from the Federal payment.

On the House side we have the further bad situation, in which we would, in effect, in my judgment, be taking it, in the last analysis, from teachers' salaries would we not?

Mr. PASTORE. I quite agree with the Senator. If it is to be done at all, it should not be done at the expense of curtailing other essential services or eliminating things which must be done for the general welfare of the community. If we are to embark upon the program at all, we must provide for the financing of the program. The Senator has so proposed. He has added the cost to the contribution.

There was quite a discussion as to whether or not we dared to raise the House figure for the Federal contribution. It is true that in negotiating in conference with the House we have not gone beyond the figure stipulated by the House. The Senator from Pennsylvania knows that we have gone through that experience for the past 3 or 4 years. That is one of the realities of life. I do not know how the House might look at it if the Senate were to overrule it.

I am compelled to raise the point of order. As I previously said, I do so reluctantly because this is such a humanitarian project. However, I feel that the Commissioners are on the right side of the whole problem. They are willing to undertake the program on a modest scale. The only question is, Should we go all the way now, or be content with the modest start suggested?

Mr. CLARK. So far as the Senator knows, did the Commissioners give any explanation as to why they were unwilling to accept the full program recommended by the Senator from Oregon?

Mr. MORSE. I think it is fair to say that in their argument they said they would like to try out the program. They said they would like to pursue a further inquiry into the facts. The hearing record will show, on page 66, a statement by Commissioner McLaughlin, in which he stated that to install a complete lunch program in the elementary schools was beyond the ability of the District of Columbia to finance. On page 66 there is a discussion of that subject. I take the position, of course, that it is up to us to provide the financing.

Mr. CLARK. What is the Federal contribution called for by the bill?

Mr. PASTORE. In the Senate committee version, $27 million; in the House version, $25 million.

Mr. CLARK. What is the authorization for the Federal payment?

Mr. PASTORE. $32 million.

Mr. CLARK. Is the Senator aware of any reason why the entire authorized Federal payment should not have been included in the bill?

Mr. MORSE. There are many reasons, but I am in disagreement with the reasons.

Mr. PASTORE. May I answer the question?

Mr. MORSE. Certainly.

Mr. PASTORE. Last year we appropriated $20 million for the Federal contribution. This year the House committee recommended $22,500,000, for the fiscal year 1960. Then a new proposal arose in connection with the supplemental bill, which required $7 million, I believe. At any rate, $2,500,000 was restored on the floor of the House, which made the full amount $24 million. This was 3 or 4 weeks ago.

We have no illusions as to the area in which we are working. It would not require much pushing of the Senator from Rhode Island to make the figure $32 million. On the other hand, it makes little difference with what we go into the conference. The important thing is with what do we come out. Usually we come out with a figure more or less dictated by the House. Those are the facts of life.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. CLARK. I should like to assist the distinguished Senator from Oregon in giving our distinguished colleague from Rhode Island, whom I hold in the highest and most affectionate regard, a push. I think it would be a good thing to push our friend from Rhode Island a little further, particularly when he says he does not mind being pushed.

I think we all owe a great debt of gratitude to the Senator from Rhode Island for his own sense of propulsion, which has resulted in substantially increasing the amount of the Federal payment over what it was during the first year of my service in the Senate.

I believe our thanks should also be extended to the distinguished chairman of the Committee on the District of Columbia, the able Senator from Nevada [Mr. BIBLE].

I believe that truth has a way of prevailing, on the whole, and in the long run. Under a series of pressures from this body, our good friends in the other body are slowly but surely coming to appreciate the fact that we cannot afford to have the Capital of the greatest Nation in the world inadequately financed, with inadequate public services, and with 7,000 hungry children within a stone's throw of the Capitol.

I agree that my good friend from Rhode Island is obligated to make the point of order. I hope he will help us to have the Federal payment increased, and to obtain money for the hungry schoolchildren. I hope he will help us to obtain the two-thirds vote we need to place this item in the District of Columbia appropriation bill, and that he can go to conference with a clear conscience, as I know he would, and say to our good friends representing the House, "Gentlemen, this question does not involve solely the District of Columbia. This is a question for the United States of America. This is a question for the whole free world."

I say to my good friends from Oregon and Rhode Island that we cannot justify before the people of Washington, before the people of the United States of America, before the people of the uncommitted world, and, indeed, we cannot justify before the people of the slave world, permitting 7,000 hungry children to exist within a stone's throw of the Capitol.

I wish to commend my friend from Oregon for his courage and industry and persistence in keeping this matter before the Senate year after year. I hope he will continue to keep it before the Senate year after year. It is a rank injustice to these children that American citizens should be denied the right to vote their own taxes and appropriations through action of the Senate.

Mr. MORSE. I thank the distinguished Senator from Pennsylvania very much. I quoted from what Commissioner McLaughlin has said in the record of my hearing, because I always insist upon trying to be fair, and if I am not, it is because I have been overlooking something. I now notice another statement which I should like to quote, in fairness to the Commissioner. I quoted his first statement with respect to the installation of a free lunch program in the elementary schools, and his stating that it was beyond the ability of the District to finance it. In other words, his first objection was the question of money. Then later he went on

to say that he felt it was necessary to make a study of it, and this is his testimony:

In the plan submitted by the special committee of the Board of Education, it is stated:

"Since the teachers and principals are in close contact with the children, the selection of pupils to receive free lunches should be left wholly in the hands of these school officials."

The total estimate of children eligible to receive free lunches was made by the principals and teachers in June 1958. The computed number, 7,000, has not been verified, and the Commissioners believe that it may be overstated. We propose that needy children to benefit in a free lunch program in the elemetary schools be certified by the Department of Public Welfare.

In other words, he raised a question of fact. Once he raised that question of fact—and he was an early witness; in fact, I believe he was one of the first witnesses—I devoted the hearings, by witness after witness, to testimony bearing upon that question of fact. It is that testimony which I am summarizing in my speech this afternoon. If Senators will analyze it, they will see that we should have a program for at least 7,000.

I should like to say further, in regard to the Commissioner's wanting a pilot program, to determine whether we ought to have a free lunch program, one would think, to hear that statement, that we were back in the 1930's. There was a time when this was a great issue in the educational systems of America. But no longer is it an issue.

Let us look at the school lunch table I have already put into the RECORD. State after State, city after city, community after community, has a school lunch program. Yet here we have three Commissioners of the District of Columbia who say, "We want a year to study it, to try it out on a thousand children."

I say respectfully and good humoredly that they ought to read, and they ought to study, and they ought to go into the record as to what has been proven about the desirability of a free lunch program. They ought to go into the doctorate theses and the university research studies which I have put into the record of my hearings as to the direct relationship between a free lunch program and attendance and improved behavior and improved absorption ability on the part of students in classrooms. It is a proven case. Therefore, there is no need to try it any further, or to try it to see whether it is a good idea. If I am right on my facts, they do not need to find out whether they have 7,000 children in need of help.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. MORSE. I yield. Then I shall yield to the Senator from Rhode Island.

Mr. CLARK. Who appoints the Commissioners of the District of Columbia?

Mr. MORSE. The President of the United States. If I had my way with the Morse bill, the people would elect a mayor and the people of the District of Columbia would exercise their right of franchise and run their own city.

Mr. CLARK. Is there any connection between the amount requested to run the District of Columbia for the ensuing fiscal year and the President's budget?

Mr. MORSE. Undoubtedly there is, but I will yield to the Senator from Rhode Island on that point.

Mr. CLARK. I assume the Senator from Rhode Island would say that the District of Columbia appropriation is one of the appropriations that go into the President's budget. Is that correct?

Mr. PASTORE. That is right. Of course, let us be fair——

Mr. CLARK. The Federal payment, that is.

Mr. PASTORE. Yes. Let us be fair and say that we do have a school lunch program in the District. We have it in the secondary schools. We have the facilities for it there. That system would serve more or less as a pattern if we followed it in the elementary schools. We do not have such a program in the elementary schools, for the reason that they are not equipped for it and have not been in the past. Whether they could take on the whole load at one time is the problem which is presented here. I quite agree with the Senator from Oregon. I hope we are not arguing the philosophy of the matter. I am not against the philosophy of feeding children in the schools. I am all for it.

Mr. CLARK. I am aware of the very keen interest the Senator from Rhode Island has in this subject. Speaking of the President's budget, I am wondering whether the feeding of these children would be in accord with the budget. I suspect it would not. I wonder if we would not break the sacred $77 billion budget ceiling if we were to feed the 7,000 hungry children in the District. I wonder whether the Senator would care to comment on that point.

Mr. MORSE. Oh, how the Senator tempts me. That is another speech which I shall have to make. The Senator tempts me. [Laughter.] I shall summarize it by saying that there is nothing sacrosanct about a balanced budget if we balance it at the expense of human values.

Mr. CLARK. I should like to ask the Senator one more question. Does the Senator have any doubt that the District of Columbia Commissioners were clearly wrong—and fine gentlemen they are—when they said it was beyond the ability of the District of Columbia to finance the school lunch program?

Mr. MORSE. They are just as dead wrong as anyone wrong can be, especially in view of some of the other recommendations they have made which I feel they should not have made if they were going to do it at the sacrifice of this item.

Mr. CLARK. I suspect that, being appointed by the President, they come a little under his influence when the question arises as to whether they are afflicted with "budgetitis."

Mr. MORSE. One reason why I am against the administration's alleged home rule bill—and it is not a home rule bill—is that the President would appoint a governor and a lieutenant governor—2 patronage jobs—and one of my objections to it is that the governor and lieutenant governor would be bound to give at least some consideration to whether the President would smile upon them if they followed a course of action known to be contrary to his position in regard to some matter of public policy.

However, that is another subject. Senators will have to listen—of course they can walk out, as many do—but they will have to hear from me on that subject later, when we get into it. I have a great many things to say to my able chairman, the Senator from Nevada [Mr. BIBLE]. I am lobbying him. I am trying to get him to be in favor of the Morse bill as against the backward bill of the President. He has been very fair. He has made it very clear to me that he is open to persuasion. I am working on him.

These matters are all hooked together. We have before us right now the question as to whether we are going to accept what in the last analysis is the budget recomr endation of the Bureau of the Budget—with the Bureau of the Budget speaking for the President—or have a free lunch program for 7,000 children.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. PASTORE. I believe I am one of the cosponsors with the Senator from Oregon on his bill for home rule for the District of Columbia. If I am wrong about that, I would be honored to be a cosponsor.

Mr. MORSE. I am happy to have the Senator as a cosponsor. As I said earlier it is seldom that I find myself in disagreement with the Senator from Rhode Island.

Mr. PASTORE. I believe we should clarify an apparent injustice which may be done to the President of the United States—and I rise now as a Democrat only because there is no Republican Senator present on the floor at the moment—and out of clarity in the situation, I should like to make a statement.

In fairness, it should be said that the President sent to Congress a budget which called for a Federal contribution to the District of $32 million. But the House cut back that amount to $25 million. I suppose that if the recommendation of the President were followed in that regard—and certainly we took into account the overall budget which was sent up by the Bureau of the Budget—and if the District were allowed $32 million, there would have been more than enough money not only to take care of the 7,000 children provided for in the amendment of the Senator from Oregon, but, indeed, all of the hungry children in the community, because I am frank to say I think the number might exceed 7,000.

Mr. MORSE. I thank the Senator from Rhode Island for pointing out that the President recommended $32 million for the District of Columbia in the budget. The record is clear that when he did so, I highly commended him. It strengthens the argument made by the Senator from Pennsylvania that the Committee on Appropriations should be given a little push toward approving $32 million.

I think that with the President behind us—and I think we would have him behind us—we should rally to the cause of providing the $32 million originally recommended by the President, and could then certainly add $700,000 more for 7,000 hungry children in the District of Columbia.

I thank the Senator from Rhode Island for helping me out with respect to the President, because now, in the name of the President, I ask for $700,000 for the 7,000 children.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. CLARK. Let the RECORD show that the distinguished Senator from Maryland [Mr. BEALL] has just entered in the Chamber and is the only Republican present during this discussion. I hope that when the motion of the Senator from Oregon is put to a vote, there will be a solid phalanx of all Republican Senators backing the President of the United States in order to get the money to feed the hungry schoolchildren and to provide the $32 million appropriation which is so drastically needed by the District of Columbia.

I feel certain we can count on our colleagues who will be filling the empty seats across the aisle to stand by the President in this regard.

Mr. MORSE. I thank the Senator from Pennsylvania.

Mr. CLARK. In a somewhat different vein, I may say that I was unable to be present during all of the splendid speech which the Senator from Oregon is making.

Mr. MORSE. The Senator is still with me on the introduction.

Mr. CLARK. I hope that either he has commented or will comment, perhaps in extenso, upon the impact on our foreign policy of 7,000 hungry school children who live within a stone's throw of the Capitol of the United States, in the light of the information which can be spread all over the world as a result of this debate.

FOREIGN POLICY ASPECTS OF PROBLEM

Mr. MORSE. As my very able colleague on the Committee on the District of Columbia, the Senator from Maryland [Mr. BEALL] knows, I made in committee what I called the foreign argument in support of this program. I will give a thumbnail sketch of it here.

There is no doubt that what Congress does in fulfilling its responsibility to the District of Columbia is a matter of wide comment, particularly in the underdeveloped nations of the world. I said earlier in my speech that most of the 7,000 boys and girls are Negroes. We know what happens to propaganda on the part of those forces in the world which want to put us in a bad light. I simply say that the record is clear and can be documented.

For example, the fact that Congress does not provide home rule for the District of Columbia and the fact that there are hungry children in the District of Columbia are matters of international comment, particularly in the underdeveloped areas of the world. Mr. Lee, Mr. Gulledge, and Mr. Smith can bear out that statement. So could Dr. Marcy, the head of the staff of the Committee on Foreign Relations, if he were here. Many communications from many parts of the world have been received concerning the hungry children investigation which the Senator from Pennsylvania [Mr. CLARK] helped me with 2 years ago.

I have always been surprised by the number of requests we have had for copies of those hearings from many parts of the world, including the underdeveloped areas. The Senator from Pennsylvania has put his finger on a very important facet of the issue we are considering this afternoon. If we want to strengthen America's position prestigewise in the field of foreign policy, then let us do something about the deplorable conditions in the District of Columbia, for which we in Congress are responsible, because we hold the purse strings.

Mr. CLARK. There is no question about that.

Mr. MORSE. We can determine whether we want to provide $700,000 this afternoon or not.

Mr. BEALL. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. BEALL. I congratulate the Senator from Oregon on the splendid statement he is making. He and the Senator from Pennsylvania [Mr. CLARK] and I acted together on this matter 2 years ago. I am definitely with the Senator in what he is doing this afternoon. I think it was about 5 weeks ago that I wrote him a letter, which is now a part of the hearing record—I shall not reread it—in which I commended the Senator from Oregon for bringing this matter to our attention.

I think it is very unfortunate that some persons wish to inject the racial question into such matters. To me, this is a moral question. I can readily understand why certain persons who are trying to disrupt our activities and are trying to drive a wedge between certain groups of people in the United States, and who are trying to separate us by one subterfuge or another, always raise the racial question. But because the group who are most affected are those of a minority race, it ill behooves us in Congress to do anything which would draw criticism upon us from people in other parts of the world.

The distinguished chairman of the Subcommittee on District of Columbia Appropriations made a statement concerning the administration. I did not quite hear all that was said. However, I think it is interesting to note—and the record will so show—that the Committee on Appropriations reduced by $4 million the budget which the President had requested. So now if we are economy minded, who is responsible for that?

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. BEALL. I yield.

Mr. PASTORE. I rose in defense of the action of the President. The question was raised whether it was an economy-minded President who was denying funds for this purpose. In justice to the President, since there was no Republican in the Chamber at the moment, I rose to say that the budget which had been sent up by the President required a Federal contribution of $32 million. I made that statement in the President's defense, not in criticism of him.

Mr. BEALL. Then I rephrase my remarks. I thank the Senator from Rhode Island for coming to the defense of the President.

I hope the Senate will concur in the motion of the Senator from Oregon that the rules be suspended so that his amendment can be considered. I wholeheartedly endorse the amendment, and will support it.

Mr. MORSE. I thank the Senator from Maryland. I, too, joined in the suggestion that we should support the President in his recommendation concerning the District of Columbia budget. I hope every Republican Senator will ask the question before the vote on my motion to suspend the rules: Where does GLENN BEALL stand? I stress that to my Republican colleagues, because the Senator from Maryland is the ranking Republican member of the Committee on the District of Columbia; and if the Republicans were in control, he would be the chairman of the committee.

The Senator from Maryland has always been completely nonpartisan about District of Columbia affairs. I am proud to say that of the whole committee, on both sides of the table. Without any reflection on any other Republican Senator, it is my opinion that no other Republican in the Senate is as well versed and thoroughly familiar with District of Columbia affairs as is the Senator from Maryland [Mr. BEALL]. That means a great deal to me. I should like the distinguished minority leader to pay particular attention to this statement, for I should like his indulgence for a moment. After all, I have a hunch that as the Senator from Illinois votes on this matter a large number of Republicans will vote. I would have the minority leader and the rest of the Republican Members of the Senate know that the Senator from Maryland [Mr. BEALL], in giving his support to me on my motion to suspend the rules, and his support to me on my amendment, does not surprise me a bit. In fact, the only thing which would have surprised me would have been if he had been opposed to my motion, because over the years he and I have stood shoulder to shoulder on issue after issue in the Committee on the District of Columbia. I would guess that probably there could be counted on the fingers of one hand all the times he and I have been in opposition to each other in regard to any matter before the District of Columbia Committee during those years.

So I wish to say to my Republican colleagues that their student on District of Columbia affairs is the Senator from Maryland [Mr. BEALL]; and his support of the motion I made to suspend the rule and his support of my amendment on its merits are very much appreciated by me.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table in regard to District of Columbia schools.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Public schools of the District of Columbia—Detail showing the number of children in the needy lunch program as of Mar. 10, 1959, with percentage of Negro and white children indicated

School	Total enrollment, Oct. 17, 1958	Number Negro pupils, Oct. 17, 1958	Number white pupils, Oct. 17, 1958	Number pupils on needy lunch program, Mar. 10, 1959	Number Negro pupils on needy lunch program	Percent Negro enrollment on needy lunch program	Percent Negro pupils on needy lunch program to total enrollment in school	Number white pupils on needy lunch program	Percent white enrollment on needy lunch program	Percent white pupils on needy lunch program to total enrollment in school
Bundy	444	437	7	47	47	10.7	10.5	0	0	0
Cook, J. F	695	695	0	55	55	7.9	7.9	0	0	0
Langston-Slater	609	609	0	55	55	9.0	9.0	0	0	0
Monroe	685	678	7	29	29	4.2	4.2	0	0	0
Montgomery, S	581	580	1	27	27	4.6	4.6	0	0	0
Morse	211	211	0	25	25	11.8	11.8	0	0	0
Moten	604	604	0	37	37	6.9	6.9	0	0	0
Perry	277	276	1	51	51	18.4	18.4	0	0	0
Seaton	365	199	166	29	22	11.1	6.0	7	4.2	1.9
Simmons	783	781	2	35	35	4.4	4.4	0	0	0
Stevens	422	398	24	65	65	16.3	15.4	0	0	0
Thomson	572	453	119	105	91	20.0	15.9	14	11.7	2.4
Walker-Jones	952	948	4	120	120	12.6	12.6	0	0	0
Young	1,669	1,665	4	38	38	2.3	2.3	0	0	0
Total	8,869	8,534	335	718	697	8.1	7.8	21	6.2	.2

Prepared by Edith A. Lyons, assistant superintendent, Mar. 10, 1959.

Mr. MORSE. Mr. President, the table shows the number of children in the needy lunch program as of March 10, 1959, with the percentage of Negro children and white children indicated.

I agree with the Senator from Maryland that it is too bad that in connection with this matter there has to be any discussion of any phase of the race program. However, we cannot avoid it, for it is one of the realities of the situation. It simply happens to be one of the facts affecting this situation that many of these needy school children come from the homes of colored people. It is in many of those homes that the food preparation program to which I earlier addressed myself needs to be developed. So, Mr. President, I raise this fact as only one of the operative facts in connection with this program.

Now I wish to proceed with my main argument.

Mr. President, I have stressed the differential with regard to public welfare and the fact that a certain amount of the public welfare assistance funds must be taken from the food allowance, in order to pay the rent, over and above the amount that is permissible. I wish to point out that although the fact that the welfare payments have been increased by a small amount is no justification for arguing that there is no need for this school lunch program. It is still needed, because those small amounts of increase have been needed to make up for increase in cost of living.

Even if for the sake of argument I accepted the logic of that argument—which I do not—I would be forced to ask: "What do you propose to do about the unhelped and hungry 60 percent of the children whose families are not receiving public assistance grants?" and in addition "Why should being in high school entitle the hungry to food? Do not younger children also hunger?"

On page 66 of my subcommittee hearing record may be found the statement of Commissioner McLaughlin in which he stated that to install a complete lunch program in the elementary schools was beyond the ability of the District to finance. He went on to say:

However, we recognize the duty to feed needy children, and a way can be found for a beginning in the direction of a project to furnish free lunches to those pupils who are actually in the "hungry" category. A supplemental appropriation for even a limited type of free lunch program at the elementary school level would be required, as there are no funds available for this purpose.

The District of Columbia Public School Food Service Act of 1951 was amended in September 1958, in order to provide lunches for children without cost or at a reduced cost if such children are members of families who are recipients of public assistance granted by the District.

Now, the chairman may recall that the bill proposed by the District Commissioners had three categories: This category that I have just mentioned; also, the children of large families, and children of families of low income. Now, the bill was passed in this form, and they struck out the other two categories.

It is the intention of the Commissioners to request further amendment of the Food Services Act so that if funds were made available, free lunches might be served to other pupils in cases where there is a demonstrated need for this service, and where the parents were unable to provide for the midday meal. Until an amendment of law is obtained, however, any payments made from appropriated funds for free lunches would be restricted to those for children whose parents or guardians are receiving public assistance.

Now, we have recently had an opinion of the corporation counsel to the effect that the amendment of last year applies when lunches are provided to the elementary schools, in addition to the senior high schools and junior high schools, to the elementary schools as well, although at the time it was passed, it was actually effective and at present is only effective in the senior and the junior high schools.

Senator MORSE. Mr. Commissioner, I think it is true, is it not, that the term "recipient of public assistance," does include those who are certified for surplus foods?

Mr. SHEA. No, sir; it does not. They are two different programs, and a person who is eligible for surplus food is not necessarily eligible for public assistance.

Senator MORSE. We had better take a look at that, hadn't we, if we are going to consider any legislative changes?

Mr. SHEA. We might.

Mr. MCLAUGHLIN. On February 18, 1959, there was submitted to the Commissioners by a special committee of the Board of Education a plan for supplying lunches to approximately 7,000 needy children.

Estimated costs, as determined by the public schools and adjusted by the Commissioners, are as follows:

Public schools:	
Recurring costs: Lunches at 36 cents, transporation, equipment repair, part-time clerical help, civil service requirement, postage, office supplies, electricity and gas	$571,000
Initial equipment and alteration costs	166,000
Department of Public Welfare: Recurring costs: 10 social workers, 3 clerks, and miscellaneous expenses	75,000
Department of General Administration: Recurring costs: Unemployment compensation	8,000
Total estimated 1st-year costs	820,000

The Commissioners are of the opinion that participation by the Welfare Department in such a program is warranted, as will be explained more specifically in subsequent portions of this statement.

Senator PROUTY. Mr. Commissioner, may I ask what criteria are used by the principal and the teachers in determining when a child is hungry?

Mr. MCLAUGHLIN. May I ask the school people to go into that?

Dr. Hansen?

Dr. HANSEN. I'll be glad to supply that.

Mr. MCLAUGHLIN. Dr. Hansen, Mr. Chairman.

Dr. HANSEN. The children whose parents are on public assistance are in the first grouping. Second, the children whose parents or guardians are receiving surplus foods, and in the third category, the children who seem to be in need of food according to the judgment of the teacher, the nurse, or the doctor.

Senator PROUTY. A medical examination is involved?

Dr. HANSEN. A medical observation, not necessarily an examination. These are the three criteria.

Mr. President, a moment ago the Senator from Rhode Island pointed out that we have a lunch program for both the junior high schools and the senior high schools in the District of Columbia.

How well I know that. When I was president of the Parent-Teachers' Association at Alice Deal Junior High School for two terms, I auctioned off—I do not know how many—hundreds of dollars' worth of cookies, pies, candy, cakes, and whatnot, in an effort to raise funds with which to buy the equipment for the cafeteria—because, Mr. President, believe it or not, a parsimonious Congress never appropriated enough money, in connection with the District of Columbia budget, to pay for kitchen equipment and cafeteria equipment in the junior high schools and the senior high schools of the District of Columbia. So many a parent-teachers' association in the District of Columbia has raised the needed money, by means of cookie, cake, and candy auctions; and, as I have said, I have auctioned off a good many hundreds of dollars' worth of them for that very purpose.

But I submit that the Senator from Rhode Island has helped my case by pointing out that there is this program in the District of Columbia for both the junior high schools and the senior high schools. If it is needed there, is it not also needed in the grade schools? In fact, hungry as teenagers can get, I do not know of any hunger that can surpass that of a devouring 10-year-old or that of a child of any other age in the grade-school bracket. The facilities are already available.

Let us also not forget that this school lunch program is not going to be a program for hot lunches in all the grade schools. In some instances, the food will be prepared in the kitchens which already exist in some of the neighboring junior high schools and senior high schools. However, as I shall state later in my speech, witness after witness said that from a nutritional standpoint, a bag lunch or a cold lunch, if one could be provided, would meet the nutritional need.

As the witnesses who appeared before our committee showed, Mr. President, there already exist the facilities with which the lunches can be provided. So let me say there is no need for any pilot program as recommended by the District of Columbia Commissioners. Certainly there is no need for it insofar as studying the procedure for administering the program is concerned. That is behind us. The facilities already exist. We have been feeding 700 by means of the volunteer program I have already discussed. To add 300 more would not make any difference, insofar as concerns providing us with any information which we do not already have in regard to the workability of the program.

Mr. President, it was a rather lengthy quotation from the record, but I wished to read it because it nails down the point that the Commissioners have accepted the duty to feed needy children. It also verifies the fact that the Board of Education, alert to the need, had submitted to the Commissioners a cost estimate for the program. This cost estimate, incidentally, was for $687,317 during the first year, as testified to on page 116 of the hearing record; but the Commissioners adjusted that figure upward to $820,000. Since, as I am hopeful will happen, the full amount will be appropriated, I feel it only fair to proceed upon the basis of the Commissioners' estimate.

Mrs. Pettit, who testified for the School Board, as shown on page 116, told the subcommittee:

BOARD OF EDUCATION POSITION

Mrs. PETTIT. Thank you. By unanimous proposal on February 12, 1959, the Board of Education approved a statement of policy to the effect that provisions should be made to supply lunches for needy children by means of appropriated funds at the earliest possible date. The Superintendent and a special committee were authorized to prepare plans for this project in coordination with the Commissioners of the District of Columbia.

On February 18 the committee forwarded a plan to the Commissioners. This was presented to the Board of Commissioners at a meeting held on February 24, 1959. The proposal provides for feeding something over 7,000 elementary-school children at an initial estimated cost of $687,317 the first year and a recurring cost of $521,491 annually.

Now, Mr. President, listen to what this member of the School Board, who is a member of the Board of Education of the District of Columbia, testified to. Her testimony discloses the position of the Board of Education. She said:

The position of the Board of Education on the issue of supplying lunches to needy children from public funds is well defined. It believes that immediate provision should be made for the children who need lunches at school.

She did not say only 1,000 of them. She said it was the Board's decision—and that was the School Board—that provision should be made for those who need it.

I continue to quote from the testimony of Mrs. Pettit:

It believes that it is not only simple justice to expand the needy lunch program at the secondary level to the elementary level, but that this will improve the way these children learn at school. The detailed testimony will be supplied by the Superintendent of Schools, and the administrative staff. I am, however, appreciative of the opportunity to speak on the issue for the Board of Education as chairman of its special committee on this subject of this hearing.

Here is the testimony of the chairman of the special committee of the Board of Education, which was assigned by the Board the task of looking into the lunch program. Here is their program.

The Senator from Vermont [Mr. PROUTY] said at that point:

Am I correct in understanding that the Board of Education recommends that provision for lunches be made exclusively for, roughly, 7,000 needy children?

Mrs. PETTIT. That was the action of the Board.

I next wish to direct the attention of the Senate to the testimony presented by Dr. Hansen on pages 118 and 119 of the hearing record.

Before I turn to his testimony, let me pin this point down for the RECORD. There is no question as to where the Board of Education stands. There is no question, as will be seen in a moment, that the Superintendent and the teachers stand behind it. Who is against it? The three Commissioners. What ought we to do? Follow the recommendation of three Commissioners who are politically appointed by the President of the United States, or follow where the experts lead us? I believe in following to where the experts lead, because in this instance we would be following to where the facts lead.

So we have Mrs. Pettit speaking for the Board and Dr. Hansen speaking for the school administration. We find, upon examining the testimony, that they testify there are at least 7,000 children who need the program.

As I said at the beginning of this speech, the great question of fact before the Senate this afternoon is: How many are there? I say there are 7,000 minimum. If that is true, Mr. President, we simply cannot justify a program for 1,000. We simply cannot justify a program for less in number than those in need.

I ask Senators to listen to what Dr. Hansen said:

SUPERINTENDENT OF SCHOOLS POSITION

Dr. HANSEN. That is right.

So that we are clear on this, that in principle the Commissioners and the Board of Education want to feed needy children. In the presentation of a plan we differ. And perhaps we should explore the areas of disagreement.

Before I go into that, however, I think it might be of interest to the committee to know that since the first schoolday in January we have been supplying free lunches to a fairly sizable number of elementary school-children. This project we call the needy lunch fund project, and it has been supported by public contributions. To date we have received something over $14,000 in contributions from concerned citizens from about 700 donors. As a result of this public support we have been able to engage in what we like to call a pilot experiment. We think we are 1 year ahead of the Commissioners on this, in that we are already feeding at this time nearly 600 children in accordance with a program which is working and which is relatively inexpensive.

We are supplying free meals to children in 11 schools in the downtown area who are selected for this purpose by the principals and teachers. In some of the schools the bag lunches are delivered by truck from nearby cafeterias where they have been made up in the morning. In a number of other school cases the children walk to the nearby junior or senior high school to get the lunch in the cafeteria along with the secondary schoolchildren there.

We have demonstrated that this can be done from a technical point of view, from an administrative point of view, with relatively little addition of cost, and it seems to me, therefore, that we need not take an intermediate step which might be called a pilot step toward the ultimate goal of providing a means and a technique for doing this for all of the 7,000 children.

Therefore, the Board of Education plan is simply this, and I just have to rough it in and can submit the details for the record if you would like.

He did, later.

There would be three systems of administration set up. We would suggest establishing facilities in three elementary schools, supplying the equipment to make it possible to prepare the sandwiches and the other aspects of the lunch there on the premises. This would serve approximately 1,200 of the 7,000 children.

In a number of cases the children would come into nearby secondary schools to get

the lunches there as we are doing now under the present program. This I think would take care of approximately 1,800 of the children. The remaining group would be served by the delivery of bag lunches to the schools. This would require the acquisition of a number of trucks, employment of some personnel for delivery purposes. There would have to be some additional equipment installed in some of the larger cafeterias in order to make it possible to prepare the lunches there.

The total cost, as Mrs. Pettit has said, would be in the neighborhood of $687,000 for the first year with the recurring cost of $521,000.

I would like to make an analysis of this proposal against the plan submitted by the Commissioners this morning. In essence, in operation and in techniques, the plans are identical. The difference is in extent. We believe that the cost estimates which we have made are fairly accurate. It is true, of course, that additional administrative charges would be required such as would follow from the increased use of telephones and electricity, heat—although I am not sure that would be a major factor because we heat these premises anyhow; so there may be some additional cost items here which we haven't taken into account.

The problem of unemployment compensation during the summer would perhaps have to be recognized as a part of the total cost, but I suspect for the additional personnel we would employ, this would be a very minor item indeed.

As to the question of practicability, then, we have already demonstrated through experience that we have the capability, if we had the money, to do the job for most of the needy children in our elementary schools, and I believe this is the position of the Board of Education as it presented its plan to the Commissioners recently, and as it took the position policywise that the needy children in the elementary schools should be given supplementary meals at the noon hour.

Senator PROUTY. Could I ask what is included in this so-called bag lunch?

Dr. HANSEN. Two sandwiches which may consist of such items as meat or cheese, some variety in the sandwiches.

Senator PROUTY. What have these cost?

Mrs. SWINGLE. Also a salad, half a pint of milk, and fruit for dessert.

Senator PROUTY. What has the cost been?

Dr. HANSEN. 27 cents.

I come back to the question of fact I have raised and which I seek to answer this afternoon. The School Board tells us there are 7,000. The Superintendent of Schools tells us there are 7,000. Commissioner McLaughlin says what? He does not say that there are not 7,000, but he says, "It may be that is an overstatement." Is that a reason? Is that a reason for denying the appropriation necessary to feed the 7,000? Not at all. If he wants to take that position, then he should come forward with rebuttal proof that the number is not 7,000. The fact is there is not one line in the testimony of the Commissioner which supports any questioning of the 7,000 figure. To the contrary, Mr. President, the record of my hearing is overwhelming in support of the 7,000 figure.

Mr. President, I submit that this testimony is pretty authoritative. The Superintendent of Schools makes out a good case, in my judgment, that the experience gained under the present voluntary program by the school people is such that they have the capability to do the bigger job if they are given the funds. The pilot program phase has been taken care of. I submit we ought to get into full production. Dr. Hansen has testified that in operation and in techniques the plans of the School Board and the Commissioners are identical. The difference is only one of extent.

Mr. HART. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. HART. I regret that I was not present while the Senator from Oregon was reading the testimony from the record, but the Senator has repeated a phrase which caught my ear. The Senator said that the difference is only one of extent. I wonder if it is an unfair paraphrase to say that it is a difference of extent in the sense that under the Board plan there will be some children who will eat and under the plan proposed by the Commissioners there will be some children who will not eat.

Mr. MORSE. That is correct. It is rank discrimination.

This is another thing which bothers me about the Commissioners' plan, Mr. President. Why in the world do the Commissioners want to discriminate against 6,000 little boys and girls? Why in the world should the Commissioners want to put this very unfair responsibility upon the school authorities of this District, to select 1,000 out of the 7,000 who need it? There is a relatively small amount of money, comparatively speaking, which is needed to supply the food for all.

This is one of the worst features of the District Commissioners' program, and it is a feature of rank discrimination. I simply cannot bring myself to comprehend the situation of a school administrator, if we adopt the Commissioners' program, who is going to have to say, in effect, "These little youngsters cannot have this lunch, but these other youngsters can."

Is that a sentimental argument? I do not think so. It is an argument which goes to a real question of practicality of the program.

Mr. President, I do not think it would be fair of us as U.S. Senators to put that kind of responsibility upon school authorities, by saying, "We are going to pass the buck to you. We are not going to appropriate fully in our capacity as Senators. We are going to pass the buck to you to determine which little boy or girl is going to get this—which little boy or girl, on the basis of one out of seven, will eat, and which six will still go hungry."

Sometimes I get to the point of wondering, in view of such facts as I have presented this afternoon, what we are waiting for. In fact, I have reached the point in this debate that I am almost willing on the basis of the factual record already made to let the matter go to a vote, because it seems to me that all the human values are on the side of those who are urging the additional appropriation.

I intend, Mr. President, to conclude my statement rapidly so that we can then move into the parliamentary aspects of the situation.

I was saying, Mr. President, that a question may be raised about the fact that some children selected by the school officials upon the basis of the three standards of—first, children from families eligible for or receiving public assistance, second, children from families receiving or eligible to receive surplus food; and, third, children who are certified by the school nurse or physician as being undernourished or suffering from malnutrition and unable to pay the cost of a lunch—may not have really needed the lunch provided.

Dr. Hansen's testimony on pages 123 to 130 and data on pages 177 to 179 of the hearing record deals with this criticism squarely. He makes out a good case for the program of screening which was used, and he counters with a followup the report made by the welfare workers. In the course of his testimony he presents data from other cities in support of his contention that the school people should have charge of the program. Because of the time factor I shall not read all of it, but I ask unanimous consent, Mr. President, that the pages referred to be printed in the RECORD at this point in my statement.

There being no objection, the pages of the subcommittee hearing were ordered to be printed in the RECORD, as follows:

DR. HANSEN'S TESTIMONY—PROBLEMS OF HUNGRY CHILDREN IN THE DISTRICT OF COLUMBIA, 1959

U.S. SENATE, SUBCOMMITTEE ON PUBLIC HEALTH, EDUCATION, WELFARE, AND SAFETY OF THE COMMITTEE ON THE DISTRICT OF COLUMBIA, WASHINGTON, D.C., FRIDAY, MARCH 6, 1959

The subcommittee met, pursuant to recess, at 1:30 p.m., in room 6226, New Senate Office Building, Senator WAYNE MORSE presiding.

Present: Senator FRANCIS CASE of South Dakota.

Also present: William P. Gulledge, counsel; Donald P. Feldman, associate counsel; Chester H. Smith, clerk; Charles Lee, assistant clerk.

Senator MORSE. The hearing will come to order.

I'll say to the staff we have to adjourn promptly at 3:30. If we don't finish, we will continue later. We'll have to see how far along we are at the time we stop.

Our first witness for today is Dr. Carl Hansen, Superintendent of Schools.

Doctor, I'm sorry we didn't finish with you the other day. Pick up where you left, and proceed in your own way, please.

STATEMENT OF DR. CARL F. HANSEN, SUPERINTENDENT OF SCHOOLS, DISTRICT OF COLUMBIA; ACCOMPANIED BY MRS. DAGNY PETTIT, MEMBER, DISTRICT OF COLUMBIA BOARD OF EDUCATION; MR. GEORGE REYNOLDS, ASSISTANT SUPERINTENDENT IN CHARGE OF BUSINESS ADMINISTRATION; MISS ALETHA SWINGLE, DIRECTOR, FOOD SERVICES; AND DR. PRESTON A. M'LENDON, MEMBER, BOARD OF EDUCATION

Dr. HANSEN. Thank you.

We were discussing the plan for feeding needy children, and I think I had outlined the essential characteristics of the plan, and I think, basically, we were proposing to do about what the Board of Commissioners has recommended, the difference being that we would like to proceed on the broader base.

There is one other aspect of the plan which ought to be analyzed. That has to do with the method of screening; how to select the children who should be given the lunches at noon. The Board of Education plan suggests that this should be left in

the hands of the principals. We have a tentative suggestion, which perhaps will establish safeguards of a kind, that we would ask parents whose children are in need of help to register on a form, which we would supply, and submit this as an application for assistance. The principal, then, and his staff would analyze the application, and, on the basis of what they know about the child and his needs in the school, would approve or disapprove. If there is a questionable request, we would ask that the Welfare Department look into the case to make an analysis, to see whether there is a justification for the application. But, basically, the procedure would be to leave this part of the program in the hands of the school authorities, I think primarily because otherwise we may become bogged down with administrative redtape, and an excessive amount of social worker investigations.

We think, too, that even if we may supply meals to children who technically are not entitled to them, we would rather make a mistake on that side than on the other side of the pattern; that is, we would rather see some children get meals who perhaps would not be entitled to them, than to have any children not given consideration.

Finally, in this connection, it seems to some of us, at least, that the cost of the investigations bears rather heavily upon the total administrative aspects of this program. I think something like $30,000 has been suggested for the addition of staff to the Welfare Department for the purpose of checking, in the instance of the program for checking 1,000 children, this represents roughly 30 percent of the total cost of the operation.

I think it is fair to say we would prefer to have a larger proportion of the money going directly to the benefit of the children.

It is interesting to note, in this connection, that in many of the major cities that do conduct programs for needy children, the selection is left to principals and their staffs. This is true of Newark, N.J., for example, where the initial identification of the pupil is made by a member of the school staff, or by a recognized agency interested in child welfare, or by parents and guardians. The principal conducts the investigation and approves each case.

In Detroit, the school principal refers each case to the department of dependents for investigation. This is somewhat more involved than we are recommending, but the primary point is that the selection of the children is retained within the authority of the school program.

In Cincinnati, Ohio, school principals certify the needy pupils to the lunchroom manager for free lunches. This is true also of Boston, Mass., and Chicago, Ill., and about the same way as in the other illustrations. It is true that in our secondary school program, which we have been operating for quite awhile, the selection of the children to receive the free lunches is made by the principal and his staff, and this, apparently, has worked quite successfully.

I think I should point out, however, that the enabling legislation, under which we are now operating, for reimbursement for public funds limits public funds to children whose parents are on public assistance. However, I'm sure we'll have to go beyond this particular segment of the problem to provide from other funds for children whose needs cannot be met, and yet whose parents are not on public assistance.

This, I think, is a fairly defensible position, then, that the operation of the program, in terms of the selection of the pupils, ought to be left to the school principal and his staff, with the privilege of asking for investigations from the Department of Public Welfare in the case of doubt, and with an opportunity to evaluate the extent of the program through administrative review by the central office.

Now, the second section of my report will deal, to some extent, with a question which was raised last Wednesday in respect to the Seaton Elementary School. You may remember that social workers were sent into the homes of the children who were receiving free lunches, and a number of cases were found in which, apparently, from the point of view of the investigator, the children should not be entitled to the supplementary meal at school. I have asked the principal of the school to make a very thorough analysis of the situation from her point of view, I hope not, in this instance to the establishing of a point of conflict between the two agencies, but perhaps only to show that the screening which had been done by the principal of the Seaton School was very thoroughgoing and careful.

I think I should point out that this particular principal has been very strict in the management of her school program. She is what we would call a very strong and dedicated principal, one who is concerned with the needs of children, who, I think, has done more than is usual to find ways to help them when they are in need, and yet who believes that to be too gentle or too generous, under some circumstances, might be harmful to the children. This is the report; I'll brief the first part of it.

The first inquiry, in November, when the principal of the Seaton School was asked to report the number of children who seemed to be in need of free lunches in 3 categories of need, she reported that there were 47 such children. These 47 were carefully screened and listed under the following subheads: Children of families who are eligible or are receiving public assistance, 41; children of families who are receiving or who are eligible to receive surplus food, 4; children who are certified by the school physician or school nurse as being undernourished or suffering from malnutrition, and unable to pay the cost of lunch, 2. This totaled 47. Then, when it became apparent that there would be enough money to meet only the partial need, she was asked to screen these down further, and after further careful screening, reported 21 such cases. The screening was done as follows: In conferences on individual cases by the principal with the teachers; in consultation with the school physician and nurse on individual cases; by means of visits by teachers to homes of pupils to determine the urgency of need; and finally, conferences with parents or guardians to further justify the child's participation in the lunch program. This procedure was used when eight additional children were selected to be added to the lunch program. This brought the number being fed at Seaton School to 29. This is the number now receiving free lunches at noon. The principal reports that the children have enjoyed the lunches daily, and have profited greatly by them.

However, about 10 days ago, a welfare worker telephoned the principal and stated there were six children receiving lunches who were not entitled to participate in the program. I have the names of the children here, but I think this should not be made a part of the public record. The principal informed the social worker that the children have been thoroughly investigated by the procedure set out above, and met the requirements of the school.

The inquiry by the worker was very disturbing to the children. One child became so frightened that she refused to eat the lunch, saying her mother could not afford to pay the 27 cents. The principal assured the child the lunch was free and was given to her to enjoy. A neighbor, having learned of the investigation, called the principal of the Seaton School and asked the children be kept on the lunch program, despite the investigation of the social worker, because she felt that the children were in dire need of the lunch.

We have come to the conclusions that perhaps investigations made of this nature, the point of view and the conditions or characteristics of the investigation differ, and that what may seem to us to be a case of need may not in the terms of an investigation of the social worker, be justified. So I am presenting this as response to the analysis submitted on this issue, with the hope that out of this may come a mutual understanding of perhaps differences of points of view, and a kind of reestablishment of confidence in the procedure followed by the principal of this school. This is, I think, a complete explanation and, in a sense, defense of the plan which the Board of Education submitted to the Commissioners for consideration, and I should like to conclude this simply with the statement that we are very appreciative of the fact that a plan has been submitted by the Board of Commissioners, although it does not go as far as that submitted by the Board of Education; it is nevertheless representative of real progress in this direction. While we would prefer to proceed with the broader-scoped program, because we feel that hungry children are hungry next year as well as the year after, we are nevertheless very appreciative of the position being taken by the Commissioners in respect to this aspect of the school problem.

Perhaps I should enter into the record, if I may, a very brief summary of what has happened in the field of food services at the elementary level since the 1957 hearings. If I may, I shall do this from an outline, and make it very brief, so that the committee may have information as to the extent to which the Board of Education has proceeded to grapple with the problem since the issue was raised by the committee 2 years ago.

The first, and perhaps most significant, step was taken in collaboration with the Barney Neighborhood House, actually at the recommendation and through the initiative of the leaders in this organization. The Board of Education approved a program on January 22, 1958, for the experimental feeding of a number of children in the area of the Barney Neighborhood House. These children were fed at nearby cafeterias—Jefferson Junior High School and Randall Junior High School. A total of 202 children received free lunches. A total of 14,182 such lunches were supplied; the cost per lunch to the sponsor was 27 cents. The selection was by principals of the elementary schools concerned and cooperating local agencies, again, I think, illustrating in a practical sense the selection of the children who receive these benefits can probably be left to the school authorities. The evaluations were excellent; the results justified the program.

The Northwest Settlement House proposed a similar program for children at the Bundy and Scott-Montgomery schools. This was approved by the Board of Education in March 1958. A total of 35 children were served bag lunches at Scott-Montgomery School, and a total of 35 were served lunches at Bundy School. The selection again was by the principals concerned, and the results were excellent.

In October 1958, the administrative staff submitted a report to the Board of Education, proposing to proceed as well as we could to continue the programs of the nature—of the kind I have justified, through the assistance of parent-teacher associations, and other groups. We had hoped that we could get some program going through the cooperation of parent-teacher associations in the local schools. Very naturally, how-

ever, the problem is always the greatest where there is the least amount of parental resource in the area. So it developed that nothing could be accomplished by relying upon this kind of assistance. It was then, in December, that I announced to the press that we would be pleased to receive contributions from the community to help us provide, to some extent, at least, for the number of children in the 11 downtown schools. We estimated the cost of this project for the full 959 children to be something like $30,000. Funds came in, in response to this request, with almost unbelievable speed. We were able to report to the Board of Education that we could begin the program January 7, 1959, and this we did, with the amount of money on hand, with approximately 244—I say approximately; I'm not being very precise, but I think that was the number—244 children whose noonday meals were being paid for from the donations received from the public and interested groups or organizations and so on.

We submitted a report to the Board of Education, illustrating how this program was developing. As of March 2, 1959, we were serving 698 children in 14 elementary schools. Three hundred fourteen were receiving bag lunches; 384 hot lunches in nearby secondary schools. Contributions sent to the needy lunch fund totaled, as of March 3, $14,063.22, from 694 donors. We have in balance, as of February 27, $10,497.86. We have been able, then, as you can see, to expand the program.

An evaluation of this project indicates that, first, it is feasible to operate the program by delivery of bag lunches and the use of secondary school cafeterias. This served, secondly, as the basis for the proposal which was submitted to the Board of Commissioners on February 18, 1959, which I have just outlined.

In addition to these steps, the Board of Education has taken certain definite positions on the problem of the needy children's lunch program.

On February 12, 1959, the Board approved a policy statement and plan for action. This was a unanimous approval of the policy of supplying from public funds lunches to needy children. I should like to submit a copy of this whole, if I may, for the record.

Senator CASE. May I ask a question?

Senator MORSE. Senator CASE.

Senator CASE. Dr. Hansen, have you in your testimony, before I came in, or the other day, set forth the basis on which the screening is done, or the determination is made of those which would be eligible for receiving the lunches?

Dr. HANSEN. Yes; the screening is done on the basis of three major principles. First, the children whose parents are on public assistance; second, the children whose parents or guardians are receiving surplus foods. These are the low-income families with need for supplemental aids.

Senator CASE. Now, in the school which you cited, where your first screening resulted in finding 44 eligibles, what was the enrollment at that school?

Dr. HANSEN. I would have to give you an estimate. I would say roughly 400 or 450.

Senator CASE. In other words, 1 out of 10 was found eligible.

Dr. HANSEN. That would be about right.

Senator CASE. And would you state what change in screening requirements was adopted when that 44 was reduced to 21?

Dr. HANSEN. The problem then was to select——

Senator MORSE. May I interrupt, Dr. Hansen? Also tell Senator CASE of the third criterion. You mentioned the first two before he asked the next question. There is a third criterion he ought to know about.

Dr. HANSEN. The third one, Senator CASE, is the recommendation of the school nurse or the physician that the child is undernourished and in need of assistance. The principal had the responsibility of selecting the top 21 or so cases when she was told that we could not supply the free lunches to the total 47. She proceeded, as I have said, through conferences with teachers on the subject, consultation with the school physician and the nurse, and visits to the homes of the pupils and conferences with parents or guardians, to further justify the child's participation. This amounted to a second screening.

Senator CASE. A second screening, then, and possibly an examination of the degree of meeting the requirements?

Dr. HANSEN. That is correct.

Senator CASE. And that was done on a personal basis?

Dr. HANSEN. That is right.

Senator CASE. In one case, all three of the factors might have entered; in another case maybe only two, but the extent of the need or the depth or the intensity of the meeting of the requirements was the one presumably that the teacher used?

Dr. HANSEN. Judgment.

I think it should be pointed out——

Senator MORSE. Senator CASE, could I supplement this?

You said, as I recall, Dr. Hansen, that you were notified that there was this lack of funds to do the full job, and therefore, further screening was needed. If you had had enough money, would you have changed the original number, which I—was it 44 or 47?

Dr. HANSEN. Forty-seven.

Senator MORSE. Would you have changed the original 47?

Dr. HANSEN. I think not. There might have been some adjustment, as we actually got into the operation, some changing, even of school population. But the assumption is that the 47 children represent need.

Senator MORSE. In my recollection of the 1957 hearings, as I recall, there were some cases—I don't know how many, but enough so that there was comment about them—there were some cases where it couldn't be said that the wage earner wasn't earning enough in the home to buy the food if he would buy it, but the fact was that the school authorities found some homes in which they weren't getting surplus food, or they weren't getting public assistance, but who had a parental problem so serious that the children weren't being fed. It is one thing to proceed with remedial measures in respect to the parents, but the problem still remains of seeing to it that those youngsters are fed. In those instances at that time, some of the witnesses expressed the view that they ought to have the authorization to see that the children eat while the Welfare Department proceeded with the remedial measures in regard to the parents.

Are there a sufficient number of those children so that you can say that discretion ought to be allowed the school authorities to see to it that those children get a free lunch?

Dr. HANSEN. I think very definitely. Perhaps in some ways, these children represent the most pathetic cases. For example, a family of eight or nine that I have been told of, where the father is a laborer and working part time, off and on, not making enough money to supply the family or the children in school. The supplemental feeding in the school was of great value to the children, and did assist, in a way, in meeting the economic needs of the family. Possibly, it could be argued that with some of this assistance, certain families could be kept off the relief rolls entirely. I realize this is a theoretical position, but it may be that this extra amount of help with the children, while they are in school, might make the difference between having or not having supplemental assistance from some other agencies.

I think the problem of need may represent improvidence on the part of the family; it may represent misuse of funds received from the public welfare. The fact remains that these children are hungry, and it is not in keeping with the American tradition to hold the children responsible for the sins of their fathers.

Senator CASE. This school where the principal made this survey, was it selected for some particular reason?

Dr. HANSEN. You mean selected for investigation?

Senator CASE. Yes. Was it representative of the situation throughout the District, or was it a school selected because there seemed to be special need there?

Dr. HANSEN. The Seaton School was 1 of the 11 downtown schools which we selected for the project, and these 11 were selected, as you may guess, because of the fact that they are in economically deprived areas.

Senator CASE. By what you have just said, you would suggest the conclusion that these schools had a larger percentage of need than the schools of the District as a whole.

Dr. HANSEN. Yes, sir.

Senator CASE. What estimate have you made, or what facts do you have, to indicate how great the need is? Is it in number, or can it be stated in percentages of total enrollment?

Dr. HANSEN. We can state it both ways. We made a survey of all the elementary schools, and asked each principal to respond to the question, how many children would fall in the three categories we have outlined here, and would represent need in terms of food at noon. The November report indicates that that number is in the magnitude of 7,134, or something like that, representing the city as a whole. This, roughly, is 1 in 10 of the total population—elementary population.

Senator CASE. And you have funds for how many?

Dr. HANSEN. We are now supplying the food to about 700 children and we expect that we'll have sufficient funds to carry this program through April, possibly May. If the money continues to come in, as it seems to be doing very well, we may be able to extend the program through the rest of the year. If money comes in additionally, we may be able to broaden the base.

Senator CASE. For the 700?

Dr. HANSEN. Yes, sir.

Senator CASE. And there are about 6,300 that you feel are not provided for?

Dr. HANSEN. That is right.

I think I have only one other item to complete the record of the action taken by the Board of Education with the administration with respect to food services. That has to do with the plan I have already mentioned, submitted February 18, 1959, to the Commissioners, for the feeding of the needy children.

Mr. Chairman, without wishing to raise the question here, because my position is that of supporting the Board of Education, I think perhaps, as a part of the record of attack upon the problem of luncheon services to the elementary schools, I ought to indicate that we did submit a recommendation to the Board of Education for the establishment of it as a policy, the equipping of elementary schools for a general lunchroom service, and then that, after due deliberation, and I think with justifications, in the light of present conditions, the Board of Education, by a majority vote, decided not to support this recommendation at its meeting on February 18. This, I think, would complete the summary of actions taken by the Board of Education and School Administration since the 1957 hearing.

Senator MORSE. Before I call the next witness, I have a question. Don't mind my standing up here; I'm standing up for two reasons: First, I had too much lunch, and second, I would like to have some of the money that was wasted on these chairs go

into the school lunch program. I can't imagine anything more uncomfortable than the chairs here in this several-million-dollar building. But that is another matter.

Do I understand, Dr. Hansen, that you think a bag lunch program for the elementary schools is feasible?

Dr. HANSEN. We have, in fact, demonstrated that we can say "Yes" to that.

Senator MORSE. I'm just asking these questions for the record, not to indicate my feeling on them.

It is true, is it not, that there have been nutritional studies made to show, from the standpoint of nutrition contained in the bag lunch, it is, from the dietary standpoint, or can be made from the dietary standpoint, as nutritious as a hot lunch?

Dr. HANSEN. That is the information I have. We might supplement it with a comment by Miss Swingle, who is the expert in this field.

Miss SWINGLE. I feel we can meet the requirements. There will not be as much variety. We have to face that.

Senator MORSE. But the thing about help and the thing about sustenance that will permit these children to do satisfactory schoolwork, recognizing the fact that when they are hungry, they eat, whether there is a great deal of variety or not—this is typical of all of our children—I'm just asking to have the record show, so there will be no dispute about it, that so-called cold bag lunches would meet the nutritional needs?

Miss SWINGLE. Yes.

Senator MORSE. You would be able to supply this record either with references to studies, or with a memorandum that would support that finding, in case anybody in the Senate raises a question about that.

Miss SWINGLE. I believe we can do that.

* * * * *

Senator MORSE. There will be included at this point in the hearing record a letter dated March 10, 1959, from Dr. Carl F. Hansen, Superintendent of Schools, containing data requested by the subcommittee at an earlier hearing.

There will also be incorporated at this point in the hearing record, a letter under date of March 12, 1959, from Dr. Carl F. Hansen and the attached report to Dr. Hansen from the principal, Scott Montgomery-Morse Schools.

(Letters and attached report referred to follow:)

SUPERINTENDENT OF SCHOOLS,
Washington, D.C. March 10, 1959.

This is with reference to a staff telephone conversation with my office on March 9, 1959, on the question of vandalism in connection with school cafeterias. As to the question of whether there is any problem of vandalism in connection with cafeterias, the records show that cafeterias have been broken into during holidays and over weekends and food has been taken. These illegal entries are reported to the school offices as well as to the Police Department. Some of the guilty people have been apprehended. However, there is no record that such vandalism has been the result of hunger on the part of those who entered the cafeterias.

I am also submitting at this time the data requested at the hearing on the needy lunch program before the Subcommittee on Public Health, Education, Welfare, and Safety of the Senate District Committee as follows:

1. Statement from Mrs. Aleta Swingle, Director, Department of Food Services, concerning (1) the application of available Federal cash subsidies; (2) availability of statistics to support the belief that the nutritive status of a child affects his academic progress; (3) evidence to support the record that it is possible to meet the minimum nutritional requirements by serving a cold lunch; (4) number of children living near enough to school to go home for lunch but would find no one home to prepare lunch; and (5) the cost of a total elementary school lunch program.

2. Statement entitled "Details showing the number of children in the needy lunch program as of March 10, 1959, with percentage of Negro and white children indicated."

Sincerely yours,

CARL F. HANSEN,
Superintendent of Schools.

PUBLIC SCHOOLS OF THE
DISTRICT OF COLUMBIA,
DEPARTMENT OF FOOD SERVICES,
Washington, D.C., March 10, 1959.

Memorandum for: Dr. Carl F. Hansen.

Subject: Information requested by Senator MORSE on March 4 and March 6, 1959, regarding an elementary school lunch program.

1. A question was raised concerning the application of available Federal cash subsidies to the secondary schools lunch program and the elementary school milk program.

The total apportionment of funds for cash assistance under the National School Lunch Act to the District of Columbia for the 1958 fiscal year was $193,820. All of this allotment was used as shown below:

For reimbursement claims for type A lunches served in the public school cafeterias (9 cents per lunch)	$90,828.00
For reimbursement claims for type A lunches served in private schools (9 cents per lunch)	20,853.45
For type C lunches (milk only) served in elementary schools both public and parochial	82,138.55
Milk was served in mid-morning (approximately $0.008 per half pint milk)	193,820.00

The total allotment of special milk funds made by the Department of Agriculture to the District of Columbia for the 1958 fiscal year was $371,644. Disbursements made for milk served under the special milk program amounted to $341,644; $30,000 was returned to the Department of Agriculture. The details are shown below:

Public school cafeterias	$72,168.45
Private schools	3,596.36
Public and parochial elementary schools	265,610.26
Child care centers	268.93
Total amount of claims for reimbursement allowed	341,644.00
Total amount received	371,644.00
Total amount claimed	341,644.00
Balance returned to USDA	30,000.00

2. Senator MORSE asked whether or not statistics are available to support the belief that the nutritive status of a child affects his academic progress.

As of this date we have been unable to find statistical studies to substantiate this point; however, much has been written on the subject.

The statement which follows was taken from a book entitled "The School Cafeteria,"[1] written by Dr. Mary de Garmo Bryan, a leading authority in the school lunch field. Mrs. Bryan states:

"The relationship between the nutritive status of the child and his academic accomplishments has long been known. Much has been written of the scholastic benefits due to improvement of the nutrition and general health of children through good school feeding, in both city and rural communities. Recent reports by school and public health agencies here and abroad assume the association of a properly nourished body and classroom progress. Undernutrition increases nervousness and fatigue. It is a common cause of mental sluggishness and inability to concentrate with its attendant behavior problems and poor standards of work. Bodily resistance is lowered to certain types of infections and absences are increased by illness."

In an address delivered by the Honorable Shelby M. Jackson, State superintendent of public education, Baton Rouge, La., at the annual meeting of the American Association of School Administrators, St. Louis, Mo., February 24, 1958, said, in part:

"Our children and youth must have ample nutritious food at all times for it is essential to their complete development. To obtain the maximum results from the complete training we are offering them, our children and youth must be properly nourished and physically fit."

3. Evidence was requested to support the record that it is possible to meet the minimum nutritional requirements by serving a cold lunch.

The USDA minimum type A lunch requirements are as follows:

(1) One-half pint of fluid whole milk as a beverage.

(2) Two ounces (edible portion as served) of lean meat, poultry, or fish; or 2 ounces of cheese; or one egg, or one-half cup of cooked dry beans or peas; or four tablespoons of peanut butter; or an equivalent quantity of any combination of the above-listed foods. To be counted in meeting this requirement, these foods must be served in a main dish or in a main dish and one other menu item.

The USDA minimum type A lunch requirements are as follows:

(3) A three-fourth cup serving consisting of two or more vegetables or fruits, or both. Full-strength vegetable or fruit juice may be counted to meet not more than one-fourth cup of this requirement.

(4) One slice of whole-grain or enriched bread; or a serving of cornbread, biscuits, rolls, muffins, etc., made of whole-grain or enriched meal or flour.

(5) Two teaspoons of butter or fortified margarine.

Either the typical hot or cold lunch described below will meet these requirements.

Typical hot lunch: Grilled American cheese sandwich (2 ounces American cheese, two slices enriched bread, butter), mashed potatoes, three-eights cup potatoes, butter, cole slaw (three-eights cup), flavored gelatin, one-half pint milk.

Typical bag lunch: Sliced American cheese sandwich (2 ounces American cheese, two slices enriched bread, two teaspoons butter, lettuce), cole slaw (three-eight cup), fresh apple, one-half pint milk.

4. Senator MORSE asked how many children lived near enough to school to go home for lunch but would find no one home to prepare lunch. This number is estimated to be 9,746 elementary schoolchildren.

Senator MORSE also asked how many children live too far away to walk home for lunch. This number is estimated to be 8,312 elementary schoolchildren.

5. Senator MORSE asked for the cost of a total elementary school lunch program.

Preliminary estimates for instituting a total lunch program in the elementary schools and for providing for hot lunches in self-contained units in some cases and for cold lunches to be delivered from preparation centers in other cases, amounts to $2,435,274 for the initial costs and annual recurring costs amount to $1,027,006.

ALETA E. SWINGLE,
Director, Department of Food Services.

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[1] "The School Cafeteria" was published by F. S. Crofts, Inc., 1936, 1938.

Mr. MORSE. Mr. President, in defense of the contention that 7,000 children is a minimum estimate, I invite especially to the attention of the Senate the statement on pages 127 and 128 made by Dr. Hansen in response to a question from the Senator from South Dakota [Mr. CASE] to the effect that 10 percent of the children in the school surveyed were found to meet the standard for a free lunch. On page 129, again in response to further questioning, he brings out the fact:

Senator CASE. What estimate have you made, or what facts do you have, to indicate how great the need is? Is it in number, or can it be stated in percentages of total enrollment?

Dr. HANSEN. We can state it both ways. We made a survey of all the elementary schools, and asked each principal to respond to the question, how many children would fall in the three categories we have outlined here, and would represent need in terms of food at noon. The November report indicates that that number is in the magnitude of 7,134, or something like that, representing the city as a whole. This, roughly, is 1 in 10 of the total population—elementary population.

Senator CASE. And you have funds for how many?

Dr. HANSEN. We are now supplying the food to about 700 children and we expect that we'll have sufficient funds to carry this program through April, possibly May. If the money continues to come in, as it seems to be doing very well, we may be able to extend the program through the rest of the year. If money comes in additionally, we may be able to broaden the base.

Senator CASE. For the 700?

Dr. HANSEN. Yes, sir.

Senator CASE. And there are about 6,300 that you feel are not provided for?

Dr. HANSEN. That is right.

I have mentioned the Senator from South Dakota [Mr. CASE], who for many years was a member of our committee, served on other committees, and this year returned as a member of our committee. I think I would be very unappreciative of his service to the committee if I did not thank him for his assistance to me in directing the hearings.

The Senator from South Dakota has a very broad understanding of the problems of the District of Columbia, because he, too, was once chairman of the committee. I worked closely with him, and also with the Senator from Maryland [Mr. BEALL]. The Senator from South Dakota performed a great service to me in the examination he conducted during the course of the hearings.

LEGISLATIVE HISTORY

Mr. President, for the purpose of making legislative history upon this point so that it cannot be misconstrued, I wish to make it clear that my amendment "C" is for the purpose of earmarking funds for this specific purpose of the elementary free school lunch program for needy pupils. For this purpose, Mr. President, I ask unanimous consent that an exchange between Dr. Hansen and myself which can be found on pages 132 and 133 of my subcommittee hearing record be printed at this point in my statement.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senator MORSE. Now, my next question goes to the earmarking of funds. In the District of Columbia budget for education, at the present time, is it broken down so that only a certain amount of money can be used for a lunch program, a certain amount of money for a sports program, a certain amount of money for physical education, a certain amount of money for other expenditures?

Dr. HANSEN. I think we are pretty well restricted in the management of the budget to the use of funds for which the appropriation was intended originally. We do have some flexibility, of course, such as in the operation of different departments, physical education, music, et cetera. But no funds which would be considered specifically authorized for the purpose of reimbursing the food services department for the free lunches.

Senator MORSE. I shall be very brief on this, but I know how important it is, appropriationwise, to have a complete record on it.

On the basis of the budget limitations under which you now have to operate, do you have any discretion in deciding that X dollars shall not be used for musical instruments, or a movie projector, or a stage curtain, in A school or B school, but can be transferred, instead, to a lunch program?

Dr. HANSEN. As I understand it, we would not have the authority to transfer any existing funds to the lunchroom program. I base that upon the fact that we are asking a specific appropriation for reimbursement for free lunches at the secondary school level. This suggests that this is a necessary action.

Now, it is possible that if we had the money to spare, we could have gotten permission from the Budget Department of the District Government to make a transfer, since there was enabling legislation on the books. Generally speaking, for any new activity of this kind, especially of the major kind, we would have to depend upon additional appropriations. Otherwise, we are developing and expanding new programs at the expense of perhaps an already limited program on the other side of the ledger. So I believe I would be speaking the mind of the Board of Education on this, and the administrative staff, in stating that we want certainly, if possible, to begin this program with additional appropriations.

Senator MORSE. Is it not true that one of the reasons you went out and asked for voluntary funds, for voluntary contributions, was because you felt that there were budget restrictions which made it unwise or impossible for you to ask for any transfer funds?

Dr. HANSEN. That is correct.

Senator MORSE. This wouldn't have anything to do with the District of Columbia system, but as an old teacher myself, I would never have thought of going to the fiscal authorities of my institution and suggesting that they authorize me to transfer funds from project A to project B, because I would realize I was running the risk that they might decide that if I didn't need the funds for project A they might transfer them over to project X, outside of my school. I mention that because I don't think the solution is to provide any procedure here that wold leave this program unearmarked. I think we have just got to face up to the fact that the Congress of the United States should be asked for earmarked funds for this purpose, if you are ever going to get ahead with it. That is no reflection upon any of the government officials of the District. I know their problems, and I want to take away from them any and all discussion in this matter. I want to get the money pinpointed and earmarked to feeding hungry children. I want to get this record so clear that no one will have any doubt as to what we are asking for.

MEDICAL EVIDENCE

Mr. MORSE. Mr. President, we had medical testimony before our subcommittee to substantiate the fact that there are children who are so seriously deprived of food that they had to be admitted to hospitals. I wish to take a little time to dwell on Dr. Oppenheimer's testimony.

According to Dr. Ella Oppenheimer in 1957, 270 children were admitted to Childrens Hospital with a presumptive diagnosis of malnourishment. In 1958, I am saddened to say that number grew to 300. These obviously were the very worst cases, but I hope that we will never get to the point here in Washington that the only way for a hungry child to be fed is to go to a hospital.

"But," one may say, "that is probably quite true, Mr. Senator, but the 300 are not 7,000." I go further into Dr. Ella Oppenheimer's testimony. It is to be found upon page 154 of our hearings. This is what Dr. Oppenheimer further developed:

Dr. OPPENHEIMER. I do, however, have some fresh data which also requires further study. Currently in connection with a special study by the Bureau of Maternal and Child Health on a group of 71 presumably not ill children, an overwhelming majority of whom are known to be in the low-income groups of the population, hemoglobin determination revealed that 31 or 43.6 percent had low hemoglobin levels and 13 or 18.3 percent definitely unsatisfactory levels. These data, though limited, are suggestive, for in children the cause of such hemoglobin levels is most frequently nutritional, reflecting inadequacy of dietary intake and involving in many instances proteins, vitamins, and other minerals as well as iron.

Forty-three percent of the low-income children had low hemoglobin levels and one-fifth had definitely unsatisfactory levels. Pretty shocking testimony. Other testimony showed us—and it may be found upon page 269 of our hearing record—that—

At least 11,520 submarginal families, with their 45,775 children, are living here in the District. It appears likely that less than half the children are known to the Department of Public Welfare in either the aid to dependent children program or in the surplus food program.

Mrs. Phillip Graham made that statement in a report to the District of Columbia Regional Committee of the Health and Welfare Council of the National Capital Area. It is a responsible statement based upon the work of an expert.

Let us take this 45,775 figure and do some arithmetic. Let us divide it by 6. It comes out to be 7,628. Surely by taking the bottom one-sixth of the children from submarginal families for a free school lunch program we would not be erring in overgenerosity. We have here a third corroboration of the validity of the estimate of the Board of Education. If we apply strictly Dr. Oppenheimer's findings as being representative the number would be in excess of 9,000, instead of 7,000. Remember she found that 18.3 percent of low-income family children had definitely unsatisfactory hemoglobin levels associated with malnutrition. The school principals found that more than 7,000 children needed

a free lunch. The Huber study disclosed that we have 45,775 children in submarginal families. Of course, one of the characteristics of a submarginal family is that there is not enough food with which to feed the family. Otherwise, it would not be submarginal.

Do we need further evidence? I cite the CONGRESSIONAL RECORD at the time of the House passage of this very bill we are working on. Representative GREEN of Oregon was very disturbed over the problem and asked the House committee members about it. We have it in our committee record on pages 183 and 184. The House Appropriations Committee member who responded said that there were 7,000 children and that the $266,000 program approved by their committee would take care of one in three and one-half of those who were hungry. I confess that I do not follow the logic that lies behind the statement of feeding only a third of those children who need it, but I am sure the Senate can appreciate my amazement when I learn that the Senate Appropriations Committee plans funds for only one-sixth of the amount needed.

The answer to this astounding situation is, I am sure, that the committee, in considering the subject, did not have available to it the full picture. I can well understand that the Commissioner's testimony was given weight. But, I assure the Senate, had I realized that my rebuttal testimony before the committee was insufficient to counter the Commissioner's program, I would have gladly expanded upon it after the fashion I am following today.

I would urge upon the Senate one further thought. On the assumption that we do appropriate too much money—and I sincerely believe that the $700,000 plus the $133,000 already in the bill is not too much—and we earmark it for the sole purpose of feeding the needy elementary school child, what possibly can we lose? If the need is not there, the money will come back to the U.S. Treasury. If we find that it is insufficient—and I greatly fear this possibility—I would urge that the Commissioners submit a supplemental estimate as soon as they perceive the need.

This step will not eradicate the social evil of abject poverty in the District which is such a reproach to us. All it will do is to provide for a few of the children one square meal a day during the school year. It will not mean an automatic erasure of delinquency, but it will be a slight step toward removing one possible cause of misbehavior in the elementary schools.

All the research studies in the record of our hearings substantiate that statement. It is something we can do, it is something we ought as God-fearing Christian men and women to do.

Before I press my amendment, Mr. President, I would appeal to the distinguished Senator from Rhode Island [Mr. PASTORE] to take this amendment to conference but he has already pointed out to me that he cannot very well accept it, under his obligation, to raise a point of order against my amendment. However, given the armory of background provided by this record on the floor today, I feel sure that he will be able to convince his associates from the other body of the propriety and urgency of making an adequate provision for the poor schoolchildren who sit upon the steps hungry while more fortunate children eat lunches.

I used that statement, Mr. President, not as an emotional appeal, but because it is a paraphrase of testimony given my subcommittee by the president of the Jaynecees, who has worked as a volunteer with some of these children. The private welfare association members heard by my subcommittee testified as to the need for feeding the 7,000, as did the representatives of religious welfare groups of all denominations. PTA testimony to the same effect was taken. Labor representatives urged that we act. The Washington Post series of stories by Miss Eve Edstrom are additional evidence of the support of the community for this program. Editorials in both the Evening Star and the Washington Post have commented upon the horror of poverty in the District.

In fact, only yesterday, in the Washington Post, in the financial section, Philip Stoddard Brown wrote an article dealing with this problem. This is what he says:

> In the District alone, nearly 70,000 persons—about 1 in 12—simply do not have income to buy as much food, clothing and other essentials as is provided to relief recipients under the standards now in effect.
>
> About 1 child in 7 under 16 years of age, living in the District, is in a family whose income is below the public assistance budget standard. Many of these are hungry. They simply don't get enough to eat, as schoolteachers and welfare workers well know.

Mr. President, in the interest of saving time, I ask unanimous consent that the entire Brown article entitled "Unfair Distribution Marks Prosperity," be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 25, 1959]

UNFAIR DISTRIBUTION MARKS PROSPERITY

(By Philip Stoddard Brown)

The backlog of authorized building and contract awards is now so great that a high rate of construction activity throughout the summer is assured. In March and April, permits were issued for over $100 million of building in the Washington area, nearly twice as much as in the same months of last year. Permits for these 2 months alone included over 5,000 new housing units.

Employment in the Washington area is higher than ever before. Allowing for a small addition in the number of workers not covered by the monthly tally made by the U.S. Employment Service, the increase over a year ago is probably about 20,000.

Many other indicators of local business activity are also at new highs. * * *Yet, figures recently compiled by Raymond F. Clapp, a careful and experienced statistician, are a shocking reminder of how uneven the benefits of good times are—even in this most favored of large cities—and how destitute many of our neighbors are.

In the District alone, nearly 70,000 persons—about 1 in 12—simply do not have income to buy as much food, clothing, and other essentials as is provided to relief recipients under the standards now in effect.

RELIEF STANDARD IN DOLLARS

About one in three of these 70,000 persons is receiving public assistance. Some get help from relatives and friends. Some have savings to draw on. But many are without resources and assistance and are in real distress.

The relief standard is one that provides less than $40 a week for a family of four and less than $20 for one living alone. This is a standard that enables people to exist—but not much more—in an urban community where it takes a dollar to buy a pound of hamburger and a couple of quarts of milk and 40 cents for a round-trip bus fare.

About one child in seven under 16 years of age, living in the District, is in a family whose income is below the public assistance budget standard. Many of these are hungry. They simply don't get enough to eat, as schoolteachers and welfare workers well know.

DESERTION IS ENCOURAGED

If a man is unemployed or doesn't earn enough to care for his children, he may desert them. Only in this way do they become eligible for public assistance. Consequently, desertion is encouraged and the District Government has to take over the entire support of such children.

It would take only $5 million more a year to make up the deficiency of income of all District families with children, so Clapp estimates. In other words, if one-fifth of one percent of the personal income of District residents were added to what is now allotted for relief all of the 10,640 low-income families with children could be brought up to the relief standard.

Conditions have improved in the past decade. In 1949, 16.8 percent of persons were in low-income households. In 1958, by the same standard (adjusted for price changes), only 8.4 percent were low-income, as defined above.

Mr. MORSE. Mr. President, all the witnesses to whom I referred testified in our hearings in support of my statement of fact that there are at least 7,000 grade school youngsters in the District of Columbia who need a free lunch each day of school. I do not know what more I can say. I am satisfied that the RECORD answers the question of fact I raised. With that fact in existence I do not see any justification for our not providing the additional $700,000. I know the parliamentary plight of the Senator from Rhode Island, and I know my duty, too.

Mr. Lee has just called my attention to something with which I wish to conclude my argument. It is that as of March 1959, there were 13,220 children in the District of Columbia in families under the public assistance aid to dependent children program alone.

I said earlier this afternoon that a public assistance grant is not the only test. There are many children who do not come from families who are under the public assistance program but who do not have enough to eat and who do need a free lunch program.

Furthermore, there is a great program of free lunches across America, in State after State, in city after city, which Members of the Senate represent. I repeat what Senators have heard me say so many times: Is it not true that what is good enough for our children back home, ought to be recognized as a good

enough program and a deserved program for the children of voteless families in the District of Columbia?

PARLIAMENTARY ASPECTS

I now wish publicly to confess a very difficult parliamentary situation in which I find myself. So often I find myself in this difficult position, it seems to me. I am about to call for action on my amendment. The Senator from Rhode Island, typical of his fair dealing with his colleagues, has already announced that he will raise a point of order. I shall then move to suspend the rules. I shall then do what I can to get a yea and nay vote. I may be in a position then where I must work out an agreement for less. My parliamentary instincts tend to cause me to want to do some good for somebody. However, the difficulty is that I could not sleep very well at night thinking about the youngsters who might have obtained a lunch, but did not, because I had agreed to a curtailed program.

While I have been speaking, I have been thinking in the back of my mind at the same time about the question: "Should I agree to less?" My present position is that as a matter of conscience I cannot do that. I just cannot do it because I think we ought to send to the House of Representatives an appropriation for the benefit of 7,000 youngsters.

I am not Solomon. I cannot divide up the bodies of children. I am not wise enough to do it without hurting the children.

I believe my case is so good, and what I am fighting for is so sound, that I want to give the Senate at least a chance to vote for my first amendment, and then I will cross other bridges when I get to them. I ask for action on my first amendment.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. PASTORE. The last thing I would suggest would be, or even intimate in the slightest fashion whatever, that I would enter into any agreement with any Member of the Senate, particularly the distinguished Senator from Oregon, for whom I have the highest affection and admiration, which would compromise a matter of principle. The Senator has presented two amendments—as a matter of fact, he has three amendments. He has amendments C and D. Not searching out the Senator's conscience, which I would not propose in the least that he do, but looking at the situation realistically, and fully appreciating the fact that the Senator from Rhode Island in philosophy and in spirit feels as deeply about this whole matter as does the Senator from Oregon, I would hope that he would consider the good intentions of the Commissioners, fortified by the spirit imposed by the members of the subcommittee of the Committee on Appropriations; and the suggestion made by them, fortified by a further increase on the floor of the Senate, would be a substantial indication of the good intentions of the parties involved, and that we could go forward with a substantial program for feeding the children of this community, especially the children of school age.

I have been discussing the matter with the members of my subcommittee and of other members of the Committee on Appropriations who have been available to me on the floor. I have not talked with all the members of the committee.

If the Senator from Oregon could see the proposal in the light that he would not be compromising in principle, but rather that he would be giving a more direct approach to the entire serious problem of feeding the hungry schoolchildren of the community by abandoning his crusade on amendment C and resuming it on amendment D, I would be perfectly willing to accept the amendment. I would take it to conference, not because we have compromised our duty in our hearts, but because I feel that to approach the second phase after a defeat on the first phase, our hand would be weakened rather than strengthened. I would rather see the Senate unified on the whole matter of feeding the hungry children of the District of Columbia.

If the Senator from Oregon, in his heart, would join with me and with the other members of my committee in taking that substantial step forward, not as an abandonment of our crusade, but really as a step in the right direction toward doing something substantial in getting this program going, so that we may see a full realization in the near future of the overall program of which he has spoken so eloquently and so wisely this afternoon, and substitute amendment D for his amendment C, I would be perfectly willing to take it to conference. I feel that my colleagues and I would then have something for which we could fight hard, in the hope that we would not be taking the amendment to conference to lose our fight, but would be taking it there to win our fight.

Mr. MORSE. I want the Senator from Rhode Island to know what I propose to do procedurally, and to ask him a few questions about his suggestion. Then I should like to suggest the absence of a quorum, so that I may have a few minutes to discuss the matter with some of my colleagues who also, it seems to me, have parliamentary rights in the matter. Then I should like to discuss the subject also with the Senator from Rhode Island.

Is it the Senator's proposal that he would take to conference my proposed amendment D?

Mr. PASTORE. Amendment D.

Mr. MORSE. The advantage of taking that amendment to conference would be that, if adopted in conference, it would result in making available $266,000 from the Federal payment instead of $133,000?

Mr. PASTORE. Yes; that is correct.

Mr. MORSE. It would, in effect, save about 22 teacher positions?

Mr. PASTORE. It would.

Mr. MORSE. If the bill in its present form stands, even the $133,000 item would be at the expense of teacher positions?

Mr. PASTORE. I am afraid of that; yes.

Mr. MORSE. It would result in feeding 2,000 children instead of 1,000?

Mr. PASTORE. I would not want to put the number of children on that basis. It would be a beginning. It would be the first phase of what I would hope would develop very quickly on the part of the Commissioners—an overall, full, complete program for feeding hungry school children of the District. I do not want to be placed in the position of denying this program to 5,000 children for whom the Senator has so eloquently spoken this afternoon. I would not want to put it on that level at all. The recommendation of the committee plus the Senator's amendment would provide a total amount which, possibly, could be sustained in conference. Then we could go forward with a material—a substantial beginning which we would hope would bear fruit in an overall complete program in the near future.

Mr. MORSE. Please do not misunderstand me. I do not mean to put the Senator in the position of seeking to deny funds for feeding 5,000 children. I only want a factual understanding of the effects of his proposal. It would double the present program of the Commissioners, so that they could feed 2,000 children for $266,000 since they can feed 1,000 children with $133,000 according to their budget estimates.

Mr. PASTORE. They could experiment in more elementary schools. They could get a broader picture of the overall program.

Those in charge of the program have stated to the committee that there are so many intricacies and ramifications involved in the whole matter of instituting the program and carrying it out that they would rather go slowly. That would at least indicate to Congress that they are aware of the need for an overall program. We can say that this is the pattern for next year, and that in the year following the Commissioners should submit a complete program. As the Senator from Oregon has so eloquently said, if such a program is good enough for 1,000 children, it must be good enough for all hungry children. I do not know whether that figure is 7,000 or 14,000. It could be 20,000. If we are obliged in good conscience to feed one hungry child in this community, by the same token we have an obligation to feed all of them.

Mr. MORSE. The Senator is correct. That is the burden of my argument.

The last point the Senator from Rhode Island makes in support of the proposal to take my amendment D to conference is that he feels it would strengthen his hand in conference with the House because he would go there without any vote record on any other phase of this problem which might be adverse to the position taken by the Senator from Oregon this afternoon.

Mr. PASTORE. That is correct—not adverse in the sense that in the subcommittee the principle would lose its power; but adverse considering the mechanics which are involved—the fiscal situation of the District of Columbia, plus the fact that the proposal was not presented as an amendment before the committee, and did not go before the House as such. It is a complete program as suggested

by the Senator from Oregon. It may be resented by some because it did not originate in the House. Therefore, we would be accepting a figure which is reasonable after a full record has been made, with the strong possibility that we would come out whole, and with the stronger hope that within the very near future there would be an overall, complete program.

Mr. MORSE. If I were back teaching a course in legislation, this colloquy would be required reading when one came to the subject of the procedure to compromise in the passage of legislation. I think we are now having a very interesting colloquy. It puts the question right up to each Senator as to how far he can justify his going along with a good-conscience, well-intentioned, sincere offer of a compromise seeking to resolve an area of disagreement into one of agreement on something between a committee, on the one hand, and those of us who oppose the recommendation of the committee, on the other.

Before I suggest the absence of a quorum, I want the Senator from Rhode Island to understand the position in which I find myself. I simply do not know what the vote is likely to be on my motion to suspend the rule. I would not make that statement if more Senators had been listening to the debate, because I think the merits are on my side.

Yet it raises the question of parliamentary tactics, whether I should play for time, as we say, and seek to follow a course of action which would have the matter go over until Thursday, so that Senators could read the record which has been made today.

Furthermore, I do not know how I can handle the criticism which might arise. I do not worry about unwarranted criticism; I refer to the well-intentioned criticism of some persons who might very well say, "We counted on you to make the fight for an adequate program, and not to accept less." I know full well that if I make a fight for an adequate program, I may lose everything.

I have great difficulty in trying to explain away the discrimination phase of any settlement which would provide a lunch program for less than the entire 7,000 needy children.

So if the Senator from Rhode Island will bear with me until I can confer with some of my associates on this matter, I should like to suggest the absence of a quorum.

Mr. PASTORE. First, let me say that I do not engage in trading. I assure the Senator from Oregon, for whom I have the highest respect and affection, that if I favored his amendment "D" or his amendment "C", I would accept it, no matter what happened to any other proposal. I do not engage in bargaining operations.

Mr. MORSE. I completely understand that the Senator from Rhode Island is not and would not.

Mr. PASTORE. But my position is that I do not want this appropriation item to be handled in such a way that the distinguished Senator from Oregon will have to take his chances on having either the larger of the amounts he has proposed or nothing at all appropriated.

I repeat that if I believe in amendment "D", I believe in it regardless of what may happen to amendment "C". Certainly we must not bargain in connection with matters which affect hungry school children.

Mr. MORSE. Certainly the Senator from Rhode Island is correct; and I did not mean to imply that he was attempting to engage in a bargaining operation.

Mr. PASTORE. Of course we must not bargain on that point.

My position is that I hope the Senator from Oregon will not insist that the question come on providing either the larger of the amounts he proposes or nothing at all for these needy school children.

Mr. MORSE. I understand that; and I have covered that point.

Mr. President, let me make crystal clear that I am not suggesting that the Senator from Rhode Island is proposing that I enter into a compromise in regard to either amendment "D" or my amendment "C".

Mr. PASTORE. That is correct.

Mr. MORSE. I did not mean to imply that any such proposal had been made. I hope the RECORD will show that I made that clear, in listing the various points which I understand represent his point of view in regard to the advantages of taking my amendment "D" to conference. I refer to the point the Senator from Rhode Island made just now—namely, that he would be willing to take my amendment "D" to conference; and that in the conference, that amendment, regardless of any other amendment, would strengthen his hand there.

Of course my great respect for the Senator from Rhode Island is such that I would not wish to do anything which would weaken his position in conference, if I could possibly avoid doing so. That is why I wish to give consideration to the views of my associates on this proposal, before I make a decision; and that is why I should like to suggest the absence of a quorum.

Therefore, Mr. President, I now suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. Mr. President, I wish to make a brief statement, and I ask unanimous consent that it may be printed in the RECORD immediately following the conclusion of the remarks of the Senator from Oregon.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Michigan? The Chair hears none, and it is so ordered.

Mr. HART. Mr. President, as a new Member of the Senate I am not surprised that I find it difficult to determine what the proper minimum of ground force strength of the Army should be. I am not quite clear what we ought to do in Berlin when the date for decision arrives. I have some uncertainty about our attack on the moon. However, I was delighted to listen to the senior Senator from Oregon describe something which I think all of us can understand—7,000 children in the District of Columbia who go to school and who, as a very minimum, represent children who are hungry.

I commend the senior Senator from Oregon for his fight. I would support the amendment. I would support the Senator in his parliamentary maneuver. I trust that on this question others in the Senate will find it as simple to resolve as the junior Senator from Michigan, who welcomes, at long last, a simple question.

ORDER FOR ADJOURNMENT TO 10 O'CLOCK A.M. ON THURSDAY NEXT

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it convene at 10 a.m. on Thursday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

LIMITATION OF DEBATE ON DISTRICT OF COLUMBIA APPROPRIATION BILL

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that at the conclusion of the morning business on Thursday, the District of Columbia appropriation bill be laid before the Senate, and that there be allowed not to exceed 30 minutes on amendments, the time to be equally divided, and that there be a limitation of 1 hour on the bill, to be equally divided.

The PRESIDING OFFICER. Is there objection?

Mr. JOHNSTON of South Carolina. Mr. President, I should like to know if at 10 o'clock the Senate would proceed with the bill.

The PRESIDING OFFICER. The proposal is that the Senate resume consideration of the District of Columbia appropriation bill right after the conclusion of the morning business.

Mr. JOHNSTON of South Carolina. That means it will take 1 hour or 1 hour and one-half before the bill is concluded.

Mr. JOHNSON of Texas. I hope not. I hope there is nothing but the Morse amendment at stake. I hope that amendment can be handled by agreement sometime tomorrow, after the Senator from Oregon can talk to his colleagues. By getting a limitation of debate agreement, we can get the Post Office and Treasury appropriation bill before the Senate earlier. We cannot dispose of it today.

Mr. PASTORE. Mr. President, reserving the right to object, the amendments which have been laid before the Senate are subject to a point of order. If the unanimous consent agreement which has been proposed were entered into, would the right to raise the point of order be preserved?

The PRESIDING OFFICER. The Chair wishes to state to the Senator that the right to raise the point of order would be preserved.

Mr. PASTORE. I have no objection.

The PRESIDING OFFICER. Is there objection to the unanimous consent request? The Chair hears none, and the agreement is entered.

REGULATION AND FIXING OF WAGE RATES AT PORTSMOUTH, N. H., NAVAL SHIPYARD

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Order No. 293, Senate bill 19.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 19) to provide a method for regulating and fixing wage rates for employees of Portsmouth, N. H., Naval Shipyard.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, this bill has been previously considered by the Senate. I think most Members of the Senate are thoroughly familiar with it. The distinguished Senator from Maine [Mrs. SMITH] has reported it from the Committee on Armed Services, and I yield to her to make a brief statement, if she cares to, at this time.

Mrs. SMITH. Mr. President, the pending bill would require that the Secretary of the Navy establish the hourly rates of pay for all per diem employees of the Portsmouth, N.H., Naval Shipyard at the some hourly rates paid to employees of similar classification at the Boston, Mass., Naval Shipyard.

There was no opposition to the bill in committee. It was unanimously agreed to. It was passed twice by the Senate last year. I urge that the bill be approved.

Mr. DOUGLAS. Mr. President, I endorse what the very able senior Senator from Maine has said. She conducted a very brave struggle, in the face of opposition by the administration, for justice for the workers in the Portsmouth, N.H., shipyard, which also serves Kittery, Maine.

Mr. President, she deserves a great deal of credit for what she has done. She has done it against the opposition of the Eisenhower administration. I think we on our side of the aisle should, and will, give her our most hearty support in checking the naval bureaucracy which has been riding roughshod not only over the wishes of the senior Senator from Maine, but over the just claims of the workers in the Portsmouth Naval Shipyard, a large percentage of whom are residents of the State which the senior Senator from Maine represents so well here in the Senate.

Mrs. SMITH. Mr. President, I thank the senior Senator from Illinois very much.

The PRESIDING OFFICER. The bill is open to amendment.

If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 19) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Navy shall establish the hourly rates of pay for all per diem employees employed at the Portsmouth, New Hampshire, Naval Shipyard at the same hourly rates as are paid to employees of similar classification resulting from area wage survey applicable to employees of the Boston, Massachusetts, Naval Shipyard.

SEC. 2. This Act shall take effect on the first day of the first pay period which begins after the date of enactment of this Act.

Mr. JOHNSON of Texas. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. DIRKSEN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Is there further business to come before the Senate?

DISTRICT OF COLUMBIA APPROPRIATION ACT, 1960

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of Calendar No. 291, H.R. 5676.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate resumed the consideration of the bill (H.R. 5676) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1960, and for other purposes.

FUNERAL SERVICES FOR THE LATE SECRETARY DULLES

Mr. DIRKSEN. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement relating to funeral services for the late Secretary Dulles, to be held on Wednesday, May 27, 1959.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

FUNERAL SERVICES OF THE LATE SECRETARY DULLES ON WEDNESDAY, MAY 27, 1959

The Army will furnish the Senate automobiles for the use of Senators and their wives only to attend the funeral. Please notify my office if you will attend, so we will have a sufficient number of vehicles available.

Cars will arrive at the Senate wing steps at 1 and will depart in procession at 1:15 sharp, accompanied by motorcycle escort.

Senators and wives are requested to bring the tickets sent them through the mail.

Those not desiring to attend the interment will be brought back to the Capitol from the Cathedral.

JOSEPH C. DUKE,
Sergeant at Arms.

OUTLINE OF SERVICES

Upon arrival of Senators and their wives at the cathedral they will be seated to the left of the center aisle as they walk into the Cathedral through the door facing Wisconsin Avenue.

In leaving the church there is, of course, a definite order of departure, and the order of departure will be: The National Color Detail, the clergy, the casket, the personal flag bearer, the family, the President, and Vice President, the mortician, and then Senators and their wives.

When the procession reaches the Arlington Memorial Gate there will be a regular ceremony transferring the casket from the hearse to the caisson. At that time no one should get out of the vehicles. There will be one officer representing everyone there and he will render all honors. This ceremony will probably take about 10 to 15 minutes at the gate.

Following the ceremony at the memorial gate the procession will then proceed in its already arranged order and the cars will follow behind the caisson and the military escort until they reach the graveside. At the graveside again there will be a ceremony which will take about 20 minutes. Everyone then is invited to gather near the graveside. There is no order as to how they go to the grave.

ADJOURNMENT TO 10 A.M. THURSDAY

Mr. JOHNSON of Texas. Mr. President, as a further mark of respect to the memory of the deceased former Secretary of State, the Honorable John Foster Dulles, I move that the Senate stand adjourned, under the order previously entered, until 10 o'clock a.m. on Thursday next.

The motion was unanimously agreed to; and (at 5 o'clock and 22 minutes p.m.) the Senate adjourned in accordance with the terms of Senate Resolution 124, as a further mark of respect to the memory of former Secretary of State John Foster Dulles, until Thursday, May 28, 1959, at 10 a.m.

NOMINATION

Executive nomination received by the Senate May 26, 1959:

U.S. DISTRICT JUDGE

Charles L. Powell, of Washington, to be U.S. district judge for the eastern district of Washington, vice Sam M. Driver, deceased.

HOUSE OF REPRESENTATIVES

TUESDAY, MAY 26, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Psalm 33: 12: *Blessed is the nation whose God is the Lord; and the people whom He hath chosen for His own inheritance.*

Most merciful and gracious God, in these days of crises and confusion, may we have a faith that is calm and courageous, a hope that is invulnerable and invincible and a love that never fails nor falters.

We humbly acknowledge that our plans and purposes, our efforts and endeavors for a nobler civilization will be futile and fruitless unless Thou dost gird us with Thy divine wisdom and strength.

May our President, our Speaker, and our chosen Representatives be used by Thee in promoting the cohesive spirit of understanding and good will among all the members of the human family.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Ratchford, one of his secretaries.

FALSE CLAIM EXPOSED REGARDING MISSILE NOSE-CONE DEVELOPMENT

Mr. ANDERSON of Montana. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. ANDERSON of Montana. Mr. Speaker, I have recently noted flagrant claims by the Air Force and two of its contractors, that they have discovered the principle of the "ablation" nose cone and are now using that principle in the manufacture of nose cones for ICBM's. This "discovery" appears to be both costly and unnecessary since the ablation type nose cone has been successfully used by the United States since 1957 and a nose cone of this material that made a flight of hundreds of miles through space and successfully reentered the atmosphere in August 1957 now reposes in the Smithsonian Institution. The technical details and designs for this ablation nose cone were given to all military services and authorized contractors working on the reentry problem as it became available. I also recall occasions in 1958 when full scale ablation type nose cones for the Jupiter IRBM were fired to the full range of the missile and successfully recovered. At the same time that this information was available the Air Force was spending hundreds of millions of dollars for the development and production of heat sink nose cones that they, the Air Force, now consider inferior to the ablation type. During this same period the Air Force stated to at least one congressional committee that they considered the ablation nose cone a "fraud." The Air Force must stop this costly and unnecessary duplication of effort in order to prove their individual capabilities in the missile field.

It is this attitude on the part of the Air Force that is responsible for the present Nike-Hercules-Bomarc controversy.

REORGANIZATION ACT OF 1949

Mr. TRIMBLE, from the Committee on Rules, reported the following privileged resolution (H. Res. 276, Rept. No. 385), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5140) to further amend the Reorganization Act of 1949, as amended, so that such Act will apply to reorganization plans transmitted to the Congress at any time in conformity with the provisions of the Act. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Government Operations, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

NATO MILITARY DEFENSIVE STRENGTH—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Joint Committee on Atomic Energy:

To the Congress of the United States:

In December 1957 the Heads of Government of the nations members of the North Atlantic Treaty Organization reached agreement in principle on the desirability of achieving the most effective pattern of NATO military defensive strength, taking into account the most recent developments in weapons and techniques. In enunciating this agreement in principle the Heads of Government made it clear that this decision was the result of the fact that the Soviet leaders, while preventing a general disarmament agreement, had left no doubt that the most modern and destructive weapons of all kinds were being introduced into the Soviet armed forces. The introduction of modern weapons into NATO forces should be no cause for concern on the part of other countries, since NATO is purely a defensive alliance.

It is our conviction and the conviction of our NATO allies that the introduction into NATO defenses of the most modern weapons available is essential in maintaining the strength necessary to the alliance. Any alliance depends in the last analysis upon the sense of shared mutual interests among its members, and by sharing with our allies certain training information we are demonstrating concretely our sense of partnership in NATO's defensive planning. Failure on our part to contribute to the improvement of the state of operational readiness of the forces of other members of NATO will only encourage the Soviet Union to believe that it can eventually succeed in its goal of destroying NATO's effectiveness.

To facilitate the necessary cooperation on our part, legislation amending the Atomic Energy Act of 1954 was enacted during the last session of the Congress. Pursuant to that legislation agreements for cooperation have recently been concluded with three of our NATO partners; all of these agreements are designed to implement in important respects the agreed NATO program. These agreements will enable the United States to cooperate effectively in mutual defense planning with these nations and in the training of their respective NATO forces in order that, if an attack on NATO should occur, under the direction of the Supreme . llied Commander for Europe these forces could effectively use nuclear weapons in their defense.

These agreements represent only a portion of the work necessary for complete implementation of the decision taken by the North Atlantic Treaty Organization in December 1957. I anticipate the conclusion of similar agreements for cooperation with certain other NATO nations as the alliance's defensive planning continues.

Pursuant to the Atomic Energy Act of 1954, as amended, I am submitting to each House of the Congress an authoritative copy of three agreements, one with the Federal Republic of Germany, one with the Kingdom of the Netherlands, and one with the Government of Turkey. I am also transmitting a copy of the Secretary of State's letter accompanying authoritative copies of the signed agreements, a copy of three joint letters from the Secretary of Defense and the Chairman of the Atomic Energy Commission recommending my approval of these documents, and copies of my memoranda in reply thereto setting forth my approval.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *May 26, 1959.*

USE OF ATOMIC ENERGY FOR MUTUAL DEFENSE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers referred to the Joint Committee on Atomic Energy.

To the Congress of the United States:

Pursuant to the Atomic Energy Act of 1954, as amended, I am submitting herewith to each House of the Congress an authoritative copy of an Agreement Between the Government of the United States of America and the Government of Canada for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes. The agreement was signed in Washington on May 22, 1959, by the Acting Secretary of State on behalf of the Government of the United States and the Ambassador of Canada to the United States on behalf of the Government of Canada.

Proceeding from the authority contained in Public Law 85–479 approved by the President July 2, 1958, which amended the Atomic Energy Act of 1954,

the agreement was negotiated for the purpose of advancing the extent of cooperation between the two countries in their common defense, particularly in the vital field of the military applications of atomic energy.

The agreement is predicated on the determination that the common defense and security of the United States and Canada will be advanced by the cooperation envisaged therein, and takes into account that our countries are participating together in an international defense arrangement. The exchanges of information and transfers of equipment provided for in the agreement will substantially contribute to the capability of the United States and Canada to meet their mutual defensive responsibilities already closely shared.

I am also transmitting a copy of the Acting Secretary of State's letter accompanying authoritative copies of the signed agreement, a copy of a joint letter from the Secretary of Defense and the Chairman of the Atomic Energy Commission recommending my approval of this agreement, and a copy of my memorandum in reply thereto setting forth my approval.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *May 26, 1959.*

CALL OF THE HOUSE

Mr. BOW. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 53]

Avery	Green, Oreg.	Norrell
Betts	Healey	O'Konski
Bowles	Hiestand	Perkins
Bray	Holland	Powell
Brewster	Jackson	Preston
Canfield	Jarman	Reece, Tenn.
Casey	Johnson, Md.	Rivers, S.C.
Celler	Jones, Mo.	Santangelo
Chelf	Karth	Saylor
Clark	Kilburn	Sheppard
Curtis, Mass.	Kluczynski	Siler
Dorn, N.Y.	Lafore	Spence
Downing	Laird	Taylor
Flynn	Landrum	Tollefson
Fogarty	McMillan	Watts
Frelinghuysen	Mason	Wharton
Garmatz	Moeller	Winstead
Glenn	Moore	Withrow
Grant	Nix	Zelenko

The SPEAKER. On this rollcall, 376 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

DEPARTMENTS OF STATE AND JUSTICE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, FISCAL YEAR 1960

Mr. ROONEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 7343) making appropriations for the Departments of State and Justice, the judiciary, and related agencies for the fiscal year ending June 30, 1960, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 7343, with Mr. THORNBERRY in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday there was pending the amendment of the gentleman from Illinois [Mr. GRAY] on which a point of order had been reserved by the gentleman from New York [Mr. ROONEY].

Without objection, the Clerk will again report the amendment of the gentleman from Illinois.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. GRAY: On page 19, line 20, immediately preceding "For" insert the following: "For construction of a maximum security institution on a site to be selected by the Attorney General, $2,000,000."

The CHAIRMAN. Does the gentleman from New York insist on his point of order?

Mr. ROONEY. Mr. Chairman, having had an opportunity to examine the precedents in regard to the present situation, I withdraw the point of order at this time.

The CHAIRMAN. The gentleman from New York withdraws his point of order.

Mr. BOW. Mr. Chairman, I rise in opposition to the amendment.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield.

Mr. ROONEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 20 minutes, the last 5 minutes to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BOW. Mr. Chairman, I should like to point out to the Committee what the subcommittee has done on this question of the prisons. This bill includes the full amount requested for the operation of the prisons of $41,600,000. I consider that the amendment that the gentleman from Illinois has submitted is a very important one, but I think the whole picture should be shown here. As I have said, the committee has recommended in this bill $41,600,000 which is the full amount of the budget request less the $9 million for the new maximum security institution. This $41,600,000 is for the maintenance and operation of 32 institutions in the United States and the 5 jails and 1 camp in Alaska.

The amount allowed is $3,156,000 over the amount appropriated for the same purpose in the last fiscal year. This provides for the reactivation and full operation of the Federal correctional institution at Sandstone, Minn., beginning July 1959. With the operation of this prison at Sandstone, Minn., there will be an additional population there of 600 or more prisoners which will relieve some of the crowding in the other prisons. In addition, there is a new camp at Safford, Ariz. We appropriated funds for that last year. This year there will be a new camp activated in South Carolina with a capacity of 200 prisoners. I submit, Mr. Chairman, that the subcommittee has recognized the need for these additional facilities at Sandstone and has appropriated the money for them, and also for the camps. We believe that the amounts appropriated here are sufficient to carry on at least for the next fiscal year.

Mr. GRAY. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield.

Mr. GRAY. I am sure the Committee appreciates the remarks of the distinguished gentleman who has made a great contribution as a member of this committee and in the Congress, but I would like to call your attention to page 26 of the hearings, if I may. The Attorney General testified before your committee in April of this year. I would like to quote his testimony. The Attorney General said:

Reactivation of the Sandstone facility and establishment of the new camps at Safford, Ariz., and Greenville, S.C., will partially correct the overcrowded conditions in the minimum and medium custody-type institutions. The penitentiaries handling the more dangerous and assaultive long-termers will, however, be afforded no relief since all those who could be transferred to camps and farms have already been moved out to make room for the increasing number of bank robbers, kidnapers, and racketeers being committed by the courts.

Mr. BOW. As the gentleman well knows, he has had time to speak on his amendment. But, since he has referred to this statement by the Attorney General, may I say that while what the gentleman has quoted here from the Attorney General is true, some of these prisoners will be moved. However, on the basis of the testimony before the committee, we believe it justified leaving this out for this year because the reactivation of these camps will mean that some of the less dangerous criminals will be moved from the maximum security prisons into those camps to make room for the more dangerous prisoners.

Mr. GRAY. Will the gentleman yield further?

Mr. BOW. I am sorry but I must decline to yield further since the gentleman has had time of his own. But, I should like to submit to the House that with this amount of $41,600,000 for the Federal prisons this year and the creation of a new prison at Sandstone with a capacity of 600 there and a capacity of 200 in another place, we have, I believe, given a sufficient amount of money this year to meet the needs and, furthermore, we certainly can consider the new maximum security prison next year.

The CHAIRMAN. The gentlewoman from Illinois [Mrs. CHURCH] is recognized for a minute and a half.

Mrs. CHURCH. Mr. Chairman, I very much favor the amendment offered by the gentleman from Illinois [Mr. GRAY].

I believe that no one in the House has manifested or expressed greater desire for economy than I; and I would not support this amendment, or urge others to support it, if the amount contained therein had not been actually recommended by the Bureau of the Budget; and also by the Department of Justice. The administration favored this project and supported an amount, I believe, almost five times the sum—$9,875,000 in fact—now asked by this amendment.

I hope very much that the committee will vote for the amendment; and I want to say to the gentleman from Illinois that I would like to have added to his time, any part left of my minute and a half.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. YATES] for a minute and a half.

Mr. YATES. May I be recognized following the gentleman from Illinois [Mr. MACK]?

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. MACK].

Mr. MACK of Illinois. Mr. Chairman, I am very familiar with the problem confronting us today. I introduced a similar amendment to the appropriation bill 3 years ago. I understand this request for a prison was first made by the Bureau of Prisons some 7 years ago. It has been included in the budget request for the last 3 years but has never been included by the House committee. I have before me today a copy of the report. In the report the committee has stated that they have included all of the appropriations for the Bureau of Prisons with the exception of this facility, and they have given no excuse for not including this Federal maximum security prison in this appropriation.

In my humble opinion there is no valid reason for its not being included. We have not built a new Federal institution of the maximum security type for 57 years. Alcatraz is 90 years old and it is high time that we provided the facilities that the Bureau of Prisons say they need to maintain this magnificent record of no riots and no major difficulty in any of the Federal institutions.

I am hoping that the committee will support the amendment offered by my colleague. I think we should have this prison in order to maintain the fine record of the Federal Bureau of Prisons. We have the finest prison system in the world. Let's keep it that way.

The CHAIRMAN. The gentleman from Virginia [Mr. JENNINGS] is recognized for 1½ minutes.

(By unanimous consent, Mr. JENNINGS of Virginia, Mr. YATES of Illinois, and Mr. COAD of Iowa yielded their time to Mr. GRAY.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. GRAY] for 6 minutes.

Mr. GRAY. Mr. Chairman, I appreciate the opportunity once again to bring to you and my colleagues this most important subject. When the Committee arose on yesterday we had discussed the great need for constructing a maximum security Federal prison. I presented to you on yesterday many statements including one from the great Director of the United States Bureau of Prisons, Mr. James V. Bennett, who has dedicated his life to taking care of criminals incarcerated in Federal penitentiaries under laws passed by this Congress.

I told the Committee on yesterday from the testimony of Mr. Bennett and others that we are facing a dangerous situation this very hour, a threat to the American people of riots.

You say it cannot happen. I have here before me, and I showed them to you yesterday, four clippings from newspapers in my district published in the past 30 days:

"Rioting Convicts Hold 23 Hostages; Threaten Death."

"Troops Storm Prison and Free Hostages."

"Convicts To Kill Hostages if Troops Rush Montana Prison."

"Troops Riot in Tennessee."

That has happened in the past 30 days and it can be repeated any time.

You have been told of the capacity of the Federal penitentiaries in the United States. That means the number of prisoners we can safely handle.

Over here you have in red the number of prisoners on hand (pointing to chart). We had in 1955 an excess of prisoners. That means putting a hardened criminal in the same cell with a first offender. In 1957 we had the same capacity, more prisoners. Over here we have the same capacity, with the exception of Sandstone, Minn., that the gentleman from Ohio pointed out is going to be reactivated. Incidentally, the Sandstone, Minn., prison does not even have a wall around it. How can it be considered a maximum security penitentiary? We still have over 3,000 prisoners with no safe place to put them.

If my amendment is adopted and construction starts tomorrow, it will take 3 years to build this institution, and by 1963, including the Sandstone capacity, which will be pointed out by the chairman of the subcommittee, Mr. ROONEY, we will have twice as many prisoners as we have places to put them.

What happens when you put five or six bank robbers, rapists and hardened criminals in the same cell with some young man from your town who steals an automobile and takes it across the State line? He serves a year while he is incarcerated with these hardened criminals. He gets out and the next time he robs a bank, then he kills one of your merchants.

This is an important situation. I am not asking you to appropriate this $2 million just to help my district or someone else's district. I am telling you that the director of the U.S. Bureau of Prisons, the Attorney General, the President of the United States, and everyone else has pleaded with the Congress on four different occasions for money to construct this institution. I can tell you the main reason why this has not been done, but I am not going to indulge in personalities.

The challenge is upon us. If we have a riot who are they going to blame? They are going to blame the Congress of the United States because they came down here on four separate occasions and said: "We not only need this but it is imperative that we have this new prison built as soon as possible.

I pointed out the statement of members of the Judiciary Committee on the Senate side who personally inspected the Federal institutions and came back and issued a unanimous report, of all the Republicans and Democrats on the committee, saying that it is an imperative situation. It is critical. We must build this maximum security institution.

The gentleman from New York is going to tell you that Sandstone, Minn., will be reactivated. He could tell you that there are other prison camps throughout the United States, including a Federal Army camp, that can be reactivated; but those are not maximum security penitentiaries. As I said before the Sandstone institution does not even have a wall around it.

You have heard about the Jackson case in Virginia where two little babies and their parents were killed. If that man is caught, do you want to send him to Sandstone, Minn., where they do not have a wall around the institution? That is what they are going to ask you to do by defeating this amendment. They will tell you that the committee has been generous, they are going to tell you that a camp out in California may be made available, but again I repeat, they are not maximum security penitentiaries and they will not hold these bank robbers, murderers, dope peddlers, these hardened criminals. That is all in the testimony. Anyone who will read this testimony will not have any doubt in their mind but what this prison is not only needed but if it is not provided we are facing the danger of a major riot.

Mr. HOFFMAN of Illinois. Mr. Chairman, will the gentleman yield?

Mr. GRAY. I yield to the gentleman from Illinois.

Mr. HOFFMAN of Illinois. I want to point out one thing. The gentleman has already pointed it out. They are going to take them against their good judgment from some of these maximum security institutions and put them into other camps. We are going to have people in these other camps who will escape, causing damage and loss of life. I think it is very imperative that we get maximum security institutions that will hold all the people who should be in them as soon as possible. I am very much for the amendment.

Mr. GRAY. I thank the gentleman and I might point out that he is a former sheriff. He knows a lot about criminology, he knows all about these penal institutions.

Mr. Chairman, I ask that my amendment be adopted and I guarantee you will be taking a safe course.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. O'BRIEN].

Mr. O'BRIEN of Illinois. Mr. Chairman, I very seldom take the well of the House, but this matter is so important to me that I could not let this opportunity go by without saying a word on it. Here is a piece of legislation that the Bureau of Prisons recommends. Jim

Bennett, one of the finest men that I have ever known, has recommended this legislation. The Bureau of the Budget has also recommended this legislation. And, as a former sheriff I know this prison is badly needed, and it rather embarrassing for Jim Bennett to ask for a prison that is badly needed and also have the Bureau of the Budget recommend an appropriation for same only to have this Committee ignore their request. Some day there will be a prison break and people will be killed and I, for one, do not want to be responsible for that.

Mr. Chairman, I am for this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. ROONEY].

Mr. ROONEY. Mr. Chairman, I have the greatest respect and admiration for my distinguished friend, the gentleman from Illinois [Mr. GRAY], the author of the pending amendment. He has worked hard on this proposition, and I know that in doing so he feels he is doing the proper thing in the best interests of the people of his congressional district, because he has unfortunately wide unemployment in his area in southern Illinois. But, that is not the issue here. This prison may very well never be located in the State of Illinois; not alone in Mr. GRAY'S congressional district, because the Bureau of Prisons of the Department of Justice will not tell the Congress exactly where they will locate the proposed new institution. Of the half dozen sites that have been investigated by the Bureau of Prisons, we find that one of them is in Kentucky and two of them are in Missouri.

Now, let us get to the issue: the question of whether or not the American taxpayers need a new prison. It appears that we are having a few little snowflakes cast in our eyes here today, because the pending amendment carries an amount of only $2 million, and everybody knows that the new prison would cost $10 million, and in order for the Bureau of Prisons to proceed with it, they would have to have the money at the present time, not next year.

Now, the matter of individual cells has been mentioned by my distinguished friend from Illinois. Let me say that I have sent many a rapist and murderer to State's prison, but I never contemplated that he had to have an individual cell or an individual bed. As far as I am concerned, if officers in the U.S. Coast Guard at sea in a Government vessel have to sleep in tiered bunks, I do not see why these rapists and murderers that he talks about have to be given an individual cell with an individual bed.

The committee believes that there are enough facilities to take care of the prison population. At the present time, and in the present system, Alcatraz is away below normal capacity. There are 270 prisoners in Alcatraz, which has a normal capacity of 336 prisoners. At Chillicothe, Ohio, there are 1,198 prisoners and they have a normal capacity of 1,451 prisoners. The reformatory at El Reno, Okla., is 138 below capacity. The same situation applies in regard to Springfield, Englewood, Florence, Montgomery, and Tucson present installations.

Now, in order to amply take care of the needs of the Federal prison system, the Committee on Appropriations has brought to the floor for your consideration a bill containing an increase of almost $11 million for the Department of Justice, 55 percent or $6,056,000 of which is for the Bureau of Prisons. The committee has allowed every other single request for the Bureau of Prisons, 100 cents on the dollar, other than in regard to this expensive new institution, the location of which they will not divulge. The committee has provided in this bill alone almost $2 million to reactivate a modern prison, a building newer than the New House Office Building, at Sandstone, Minn., with a capacity of at least 600 prisoners, which will be in full operation on July 1. Some inmates are already there. We have allowed funds for a new prison camp at Safford, Ariz., with a capacity of 250 prisoners. In addition to that, we have allowed funds for a new camp in South Carolina with a capacity of 200 prisoners. Then lo and behold, we came across this, and this was not given to us by the Department of Justice or by the Bureau of Prisons. We happened to learn of it ourselves and have it right here in writing. At the present time there are negotiations well underway, unknown to the Congress or to the Committees on Appropriations, to take over certain military permanent-type disciplinary barracks.

I am now referring to permanent prison buildings. These are not cantonments or hastily constructed buildings; these are permanent disciplinary military barracks at Lompoc, Calif. The Bureau of Prisons proposes to take over these disciplinary barracks, these permanent buildings, and they will have a capacity for 1,345 additional prisoners. Now, if with all of these new installations which will accommodate at least 2,395 additional prisoners, they are not able to take care of our prison population, I just do not know where we stand. Must we have a brandnew single-cell one-bed accommodation for the rapist and murderer the gentleman talks about?

I am going to show you the elaborate highly expensive program that they have in mind in regard to Federal prisons. They want a new western youth center; they want a new set of juvenile institutions; they want a new eastern youth center; they want a new west coast penitentiary; they want a neuropsychiatric center for Federal prisoners, a west coast institution for women, a new medium custody institution and a detention jail in Chicago. These are their plans as set forth in their elaborate brochure. I think we can do without a good part of this program for our rapists and murderers—to provide them with brandnew buildings, furniture, dining hall and accommodations—until the budget is balanced; inflation stemmed and the national debt reduced.

It may be interesting to note that the prison proposed to be constructed by the terms of the amendment of the gentleman from Illinois is supposed to be for maximum custody prisoners. As of January 29, 1959, there were in the following U.S. penitentiaries, maximum custody institutions, 1,049 minimum custody prisoners, as follows: Atlanta, 124; Leavenworth, 212; Lewisburg, 266; McNeil Island, 235; and at Terre Haute, 212. And among these minimum custody prisoners were bootleggers, violators of the immigration laws, clean-cut gentlemen forgers and embezzlers, and violators of the Selective Service Act.

Mr. Chairman, I suggest in the interest of economy this amendment should be voted down.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Illinois, [Mr. GRAY].

The question was taken; and on a division (demanded by Mr. ROONEY) there were—ayes 127, noes 49.

So the amendment was agreed to.

The Clerk read as follows:

TITLE IV—RELATED AGENCIES

United States Information Agency

Salaries and Expenses

For expenses necessary to enable the United States Information Agency, as authorized by Reorganization Plan Numbered 8 of 1953, and the United States Information and Educational Exchange Act, as amended (22 U.S.C. 1431 et seq.), to carry out international information activities, including employment, without regard to the civil service and classification laws, of (1) persons on a temporary basis (not to exceed $120,000), (2) aliens within the United States, and (3) aliens abroad for service in the United States relating to the translation or narration of colloquial speech in foreign languages (such aliens to be investigated for such employment in accordance with procedures established by the Secretary of State and the Attorney General); travel expenses of aliens employed abroad for service in the United States and their dependents to and from the United States; salaries, expenses, and allowances of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801–1158); entertainment within the United States not to exceed $500; hire of passenger motor vehicles; insurance on official motor vehicles in foreign countries; purchase of space in publications abroad, without regard to the provisions of law set forth in 44 U.S.C. 322; services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); payment of tort claims, in the manner authorized in the first paragraph of section 2672, as amended, of title 28 of the United States Code when such claims arise in foreign countries; advance of funds notwithstanding section 3648 of the Revised Statutes, as amended; dues for library membership in organizations which issue publications to members only, or to members at a price lower than to others; employment of aliens, by contract, for service abroad; purchase of ice and drinking water abroad; payment of excise taxes on negotiable instruments abroad; cost of transporting to and from a place of storage and the cost of storing the furniture and household and personnel effects of an employee of the Foreign Service who is assigned to a post at which he is unable to use his furniture and effects, under such regulations as the Director may prescribe; actual expenses of preparing and transporting to their former homes the remains of persons, not United States Government employees, who may die away from their homes while participating in

activities authorized under this appropriation; radio activities and acquisition and production of motion pictures and visual materials and purchase or rental of technical equipment and facilities therefor, narration, script writing, translation, and engineering services, by contract or otherwise; maintenance, improvement, and repair of properties used for information activities in foreign countries; fuel and utilities for Government-owned or leased property abroad; rental or lease for periods not exceeding five years of offices, buildings, grounds, and living quarters for officers and employees engaged in informational activities abroad; travel expenses for employees attending official international conferences, without regard to the Standardized Government Travel Regulations and to the rates of per diem allowances in lieu of subsistence expenses under the Travel Expense Act of 1949, but at rates not in excess of comparable allowances approved for such conferences by the Secretary of State; and purchase of objects for presentation to foreign governments, schools, or organizations; $101,557,300, of which not less than $14,000,000 shall be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States: *Provided*, That not to exceed $75,000 may be used for representation abroad: *Provided further*, That this appropriation shall be available for expenses in connection with travel of personnel outside the continental United States, including travel of dependents and transportation of personal effects, household goods, or automobiles of such personnel, when any part of such travel or transportation begins in the current fiscal year pursuant to travel orders issued in that year, notwithstanding the fact that such travel or transportation may not be completed during the current year: *Provided further*, That funds may be exchanged for payment of expenses in connection with the operation of information establishments abroad without regard to the provisions of section 3651 of the Revised Statutes (31 U.S.C. 543): *Provided further*, That passenger motor vehicles used abroad exclusively for the purposes of this appropriation may be exchanged or sold, pursuant to section 201(c) of the Act of June 30, 1949 (40 U.S.C. 481(c)), and the exchange allowances or proceeds of such sales shall be available for replacement of an equal number of such vehicles and the cost, including the exchange allowance of each such replacement, except buses and station wagons, shall not exceed $1,500: *Provided further*, That, notwithstanding the provisions of section 3679 of the Revised Statutes, as amended (31 U.S.C. 665), the United States Information Agency is authorized in making contracts for the use of international shortwave radio stations and facilities, to agree on behalf of the United States to indemnify the owners and operators of said radio stations and facilities from such funds as may be hereafter appropriated for the purpose against loss or damage on account of injury to persons or property arising from such use of said radio stations and facilities: *Provided further*, That existing appointments and assignments to the Foreign Service Reserve for the purposes of foreign information and educational activities which expire during the current fiscal year may be extended for a period of one year in addition to the period of appointment or assignment otherwise authorized.

Mr. GROSS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. GROSS. Mr. Chairman, I take this time to ask the chairman, or the ranking minority member, or any member on the subcommittee, a few questions concerning the informational media guaranty program. From the hearings it is indicated that this has been a pretty lush subsidy for a number of film producers and publishers; is that somewhat correct?

Mr. ROONEY. Probably so. Does the gentleman suggest I elaborate?

Mr. GROSS. I note that a gentleman by the name of Eric Johnston appeared before the subcommittee as a lobbyist for the Motion Picture Export Association of America. Does the gentleman from New York know whether this is the same Eric Johnston who was selected by the White House to crank up the administration propaganda machine a year or so ago and put over the trade agreements extension, the results of which are now coming home to haunt American industry and labor?

Mr. ROONEY. I know he is the same gentleman who does not agree at all at the moment with his friend, the President of the United States, with regard to funds for this program because the President asked the Congress for $3.5 million while Mr. Johnston wants $16 million of the taxpayers' money for it.

Mr. GROSS. Well, that is not very much of an increase; is it?

Mr. ROONEY. I think it is substantial.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield briefly.

Mr. HOFFMAN of Michigan. Are you quibbling over that?

Mr. GROSS. Over how much?

Mr. HOFFMAN of Michigan. Did he not say it was a $16 million increase from something about $1 million or $1.5 million?

Mr. GROSS. I found out yesterday, when I tried repeatedly to cut this bill, that you cannot quibble over these small amounts like $16 million or even $48 million.

The Motion Picture Export Association has been given a pretty good ride on the informational media gravy train; is that not correct?

Mr. ROONEY. You might take it that that is so.

Mr. GROSS. Then Mr. Eric Johnston was not exactly a disinterested party when he became the front man for the White House in doing a propaganda job on the Congress and on the Nation in connection with foreign trade; was he?

Mr. ROONEY. I believe he did act for the White House.

Mr. GROSS. Does the gentleman know whether Mr. Johnston is the lobbyist only for this export film outfit?

Mr. ROONEY. It is my understanding that he also represents the Motion Picture Association of America.

Mr. GROSS. But he was not simply representing the export association too when he appeared before your subcommittee to testify; is that correct?

Mr. ROONEY. I thought he was representing all the motion picture producers who are members of the association.

Mr. GROSS. Along with the publishers, the magazine publishers and some newspaper publishers, they not only have their feet in the trough, but they have them in clear up to the knees in this informational media business.

Mr. ROONEY. I do not suggest the gentleman from Iowa is exaggerating in that respect. I think the gentleman is entitled to make that statement if he feels it is correct. I do not know whether I would agree with the gentleman entirely—maybe it goes up beyond the knees.

Mr. GROSS. I notice that Time magazine and Readers Digest and a score or more of film producers have been taking millions of dollars; is that not correct? Your hearings in page after page and in page after page in small type indicate that they have been taking millions of dollars. Can the gentleman tell me offhand how much this is costing the taxpayers of this country, this informational media guarantee program?

Mr. ROONEY. One cannot exactly tell, I must say to the gentleman, but it is generally admitted by everybody that at least $10 million of the taxpayers' money has gone down the drain in subsidies. What they call the "impairment" of the fund amounts to $15,993,830 as of June 30, 1958.

Mr. GROSS. $10 million out of how much?

Mr. ROONEY. If the gentleman wants an answer, I shall try to give an answer.

Mr. GROSS. Yes, I do want an answer.

Mr. ROONEY. As the result of this program, these motion picture companies and book companies turn over the foreign currencies that they receive for sales in certain countries abroad to the U.S. Treasury and get nice fresh American dollars for them. The Treasury then holds the foreign currencies. Now, all of these currencies have not gone down the drain. There are still some millions of them in the U.S. Treasury which might at some conceivable future time be worth so much, or such and such a part of a dollar. But, at the present time, it is acknowledged that about $10 million has been written off.

Mr. GROSS. Out of how much of the total involved?

Mr. ROONEY. The total authorized program was $28 million—and, incidentally, this program was started without any action on the part of the Committee on Appropriations in this body or in the other body. This was done through a public debt transaction in order to get around the appropriations committees. The fund has borrowed $20,191,000 through February 28, 1959.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. GROSS. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. The gentleman from New York did not get very good answers, although he tried hard in the hearings, to find out who produced the films entitled "Fundamentals of Tennis" and

"Fundamentals of Square Dancing"; is that right?

Mr. ROONEY. The gentleman from New York got answers sufficiently good enough to cause the committee to be in unanimous agreement on the amount of $2.5 million rather than the amount of $16 million, which Mr. Johnston requested.

Mr. GROSS. Again I want to compliment the gentleman for the economies he effected but I still insist that he did not get very much enlightenment as to who produced them. I just wonder if it is the same outfit, headed by Eric Johnston, that put over these two little dandies—the "Fundamentals of Square Dancing" and the "Fundamentals of Tennis" at a cost of several hundred or maybe a few thousand dollars for foreign consumption.

Mr. ROONEY. I think the gentleman is confused.

Mr. GROSS. No, I am not confused.

Mr. ROONEY. The gentleman may be confusing the films which are involved in the regular USIA film program and the sort of Hollywood films which are subsidized with the taxpayers money in the informational media guarantee program.

Mr. GROSS. At any rate Eric Johnston is doing very well indeed, is he not, representing these film people?

Mr. ROONEY. He looked very well the last time I saw him. Incidentally, he speaks very well of the gentleman from Iowa.

Mr. GROSS. Who—me? I am surprised to hear it.

Mr. VANIK. Mr. Chairman, I would like to reserve a point of order to the language on page 30 appearing in lines 2 and 3, and reading: "without regard to the provisions of law set forth in 44 U.S.C. 322."

The CHAIRMAN. The Chair would like to state to the gentleman from Ohio that the point of order comes too late. We have already had debate on this particular section.

Mr. VANIK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to use this time to inquire of the distinguished chairman of the committee, or anyone else who can advise, as to why the language on page 30, lines 2 and 3 "without regard to the provisions of law set forth in 44 U.S.C. 322," is in the bill. This particular language exempts the U.S. Information Agency from complying with the very necessary and important provision of the law which provides that the price paid by the Federal Government for newspaper advertising shall not exceed commercial rates charged to private individuals. I wonder why the agency should desire to pay any more than the commercial rate to individuals on advertising in foreign newspapers.

Mr. ROONEY. I would say to the distinguished gentleman from Ohio that this law to which he made reference originally applied to advertising in newspapers and so forth in the United States. When it came to buying advertising in foreign newspapers abroad it became impossible to obtain the sworn affidavits required under the provisions of the law; they just could not get them abroad. Some years back, therefore, this language was inserted in this appropriation bill so that the U.S. Information Agency could obtain advertising abroad.

I may say, however, that a law has since been enacted which changes the situation and makes this language superfluous. To let it stand as it is right now, as it stands on page 30 of the present bill, will not do anybody the slightest bit of harm. A point of order against it is futile, for it just does not achieve any purpose; it would not save the taxpayer a dollar.

Mr. VANIK. I thank the gentleman.

Mr. GROSS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GROSS. Has line 20 on page 31 of the bill been read?

The CHAIRMAN. The bill has been read down to line 7 on page 33.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 31, line 20, strike out "$75,000."

Mr. GROSS. Mr. Chairman, I will not take much time. This is simply an amendment striking out $75,000 for another representation allowance. This is not explained in the bill. I do not know whether it is for Coca-Cola, Pepsi-Cola, or 7 Up. I think it ought to be stricken in the interests of the taxpayers.

Mr. ROONEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ROONEY. Is there an amendment pending at the Clerk's desk?

The CHAIRMAN. Yes.

Mr. ROONEY. May we not have the amendment reported?

The CHAIRMAN. Without objection the Clerk will again report the Gross amendment.

There was no objection.

The Clerk again reported the amendment.

Mr. GROSS. Mr. Chairman, I will again explain to the gentleman that this $75,000 is a representation allowance, and I say again I do not know whether this is for Coca-Cola, Pepsi-Cola, or 7 Up, or what do you call it—Squirt.

Mr. ROONEY. Schweppes.

Mr. GROSS. Schweppes. This is another $75,000 for representation allowance. I am opposed to it. I hope the amendment is adopted.

Mr. ROONEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 3 minutes, the committee to be recognized for the last 2.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The gentleman from New York [Mr. ROONEY] is recognized.

Mr. ROONEY. Mr. Chairman, on yesterday I was perhaps a bit too facetious when we had under consideration an amendment offered by the gentleman from Iowa to strike out an entertainment item of $1,000 for the exchange program. I told the Committee of the Whole that it was for Coca Cola. I hope that everybody realized that I was kidding a bit on yesterday and that the fund of $1,000 was for usual entertainment expenses.

This $75,000 to which the gentleman has directed his amendment is justified in the opinion of the committee. It is a reduction from the amount of $135,000 requested in the budget estimate. As a matter of fact the amount $75,000 is $15,000 below the amount approved by the Congress for this purpose in the current year. I feel that the Information Agency with its problems of representation all over the world is entitled to this $75,000. The committee has always done its best to keep these representation funds within proper and reasonable limits. The gentleman from Iowa will agree to that. The Committee of the Whole, I think, will agree that the Appropriations Committee has been reasonable in this instance. So, Mr. Chairman, I ask that the amendment offered by the gentleman from Iowa be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The amendment was rejected.

The Clerk read as follows:

FUNDS APPROPRIATED TO THE PRESIDENT

President's special international program

For expenses necessary to enable the President to carry out the provision of the "International Cultural Exchange and Trade Fair Participation Act of 1956", $6,145,500: *Provided*, That not to exceed a total of $25,000 may be expended for representation.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 34, line 9, strike out "$25,000".

Mr. GROSS. Mr. Chairman, this is a $25,000 appropriation for more so-called representation. I believe this is the last one in the bill.

I have tried to do what I thought was my duty in offering amendments to strike out all of these appropriations for Coca-Cola, Pesi-Cola, and so forth. This is the last one on this subject that I shall offer.

Mr. Chairman, I hope the amendment will be adopted.

Mr. ROONEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROONEY. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, this is a program under which the Department of State sends opera stars, symphony orchestras, jazz bands, acrobats, tennis players, and athletic teams and athletes abroad. This is the program under the International Cultural Exchange and Trade Participation Act of 1956. You will note that it includes the funds for trade

fairs, at which we are represented all over the world.

The committee has seen fit to allow $25,000 under this program for the purpose of entertainment. If the taxpayers must spend a great deal of money to send an opera star to some foreign city, it seems unwise that we do not spend another paltry few dollars to see that she meets everybody in that city and makes a good impression upon them. This is called "the furthering of American interests" in that country.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the distinguished gentleman from Iowa.

Mr. GROSS. I had not quite realized that this was entertainment for the entertainers. I am glad the gentleman gave us that information.

Mr. ROONEY. I would like to call the gentleman's attention to the fact that the committee was asked for $49,800 for this purpose in this part of the bill as well as $12,000 in connection with the trade missions which were placed over in the Commerce Department appropriation bill under the original setup of the budget. As I have previously pointed out the trade missions are back in this bill so that the committee has actually cut the request from $61,800 to $25,000.

I think the action of the committee was reasonable and entirely justified. We saved the taxpayers $36,800 but I do not believe it would be sensible to deny every nickel of funds for this purpose.

Mr. Chairman, I suggest that the pending amendment be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The amendment was rejected.

The Clerk read as follows:

COMMISSION ON CIVIL RIGHTS

Salaries and expenses

For expenses necessary for the Commission on Civil Rights, $280,000.

Mr. WILLIAMS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WILLIAMS of Mississippi: On page 34, line 11, strike out all of line 11 through and including line 14.

Mr. WILLIAMS. Mr. Chairman, in view of the current political climate that prevails, I am not deluding myself into believing that this amendment will be adopted; however, I can assure you it is offered in good faith and it is most certainly justified, as anyone who will turn to page 1184 and the ensuing 20 pages of the hearings will find.

Dr. Hannah and Mr. Tiffany, representing the Civil Rights Commission, testified before the committee, and in an attempt to justify their position for continuing this Commission, did some of the fanciest broken-field running that I have ever read in a congressional hearing. Why, if you believe what they say, they have 73 people over there who have spent some $770,000 keeping figures on the number and type of complaints that have come into the Commission.

Now, in the State by State breakdown that they have placed in the hearings, covering the latter part of 1957 and 1958 and up to February 16, 1959, they show 242 complaints from the 11 Deep South States. I am sure they were disappointed to find that they received twice as many from the rest of the country, 496. However, in order to build the number of complaints up as high as possible, they included crank letters; letters from prison inmates, letters from mental institutions, and a vague category called miscellaneous, and if you add those categories up, you will find that 202 of those complaints fall within those categories.

As of April 30th this year the Commission states that it received 253 sworn voting complaints. Congress appropriated $777,000 for the fiscal year 1959, so at that rate the taxpayers are footing the bill at the rate of $3,000 per complaint.

They state they have held four hearings. What these hearings may have accomplished is not at all clear. They held one in New York on housing, one in Atlanta on housing, one in Montgomery, Ala., on voting, and one in Nashville, Tenn., on education. Insofar as I can tell from reading the record of the hearings before this committee, this is the only thing this Commission has done to justify its existence, except to keep a tally of the complaints that it has received.

Mr. Chairman, in the interest of economy and in the interest of common sense, this Commission should be permitted to die as of the end of this fiscal year.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Iowa.

Mr. GROSS. It is supposed to wind up in September of this year, is it not?

Mr. WILLIAMS. I believe it is in November, if I am not mistaken.

Mr. GROSS. I think it is September of this year.

Mr. WILLIAMS. Well, these appropriations carry to November 8, I believe. Is that not correct, may I ask the chairman?

Mr. ROONEY. The basic law states that the report shall be submitted to the Congress and to the executive branch on September 9 and that the Commission shall expire 60 days later, or on November 9.

Mr. GROSS. Then, they certainly do not need the amount contained in this bill to wind up their affairs by November, that is, effectively in November, and be completely disbanded in November.

Mr. WILLIAMS. I thank the gentleman, and quite agree with him.

Mr. GROSS. Is that not the contention of the gentleman?

Mr. WILLIAMS. Absolutely. And, I feel if you read the hearings, you will find that any further appropriation for this outfit is completely and wholly unjustified.

Mr. ROONEY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes and that the 5 minutes be allotted to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROONEY. Mr. Chairman, the Commission on Civil Rights is a Commission composed of six members, all of whom were nominated by the President and confirmed by the other body. They are, indeed, six distinguished men, including two distinguished southerners. Their names and biographies appear beginning at page 1187 of the printed hearings.

The Chairman, Dr. John A. Hannah, president of Michigan State University, appeared before the committee in behalf of the fellow members of his Commission. The vice chairman is Mr. Robert G. Storey of Dallas, Tex. Another Commissioner is the Honorable John S. Battle, former Governor of Virginia. Another Commissioner is Hon. Doyle E. Carlton, former Governor of Florida. Another is Rev. Theodore M. Hesburgh, C.S.C., president of Notre Dame University, and the sixth one is Mr. George M. Johnson, formerly Dean of Howard University Law School.

Now, these are the distinguished men who comprise this Commission on Civil Rights, a Commission which you should understand is by no means a law enforcement agency. This Commission has no enforcement powers other than the power of subpena and the authority to turn over the matter of failure to answer one of their subpenas to the Department of Justice. The Commission was formed only to investigate, study, collect information, find facts and make recommendations. It has no connection with the Department of Justice. It has been functioning just about a year and in that year the Commission has held some hearings.

The primary purpose of this Commission under the law is to submit a final and comprehensive report to the President and the Congress not later than the 9th of September next. This report, because of the limited time the Commission has had, due to delays in the appointment of the members of the Commission, will be confined to matters in connection with voting, housing and education. It is at this particular time, beginning this July 1 and up to September 9 that the Commission needs its full and peak roster of 73 employees in order to carry out the functions which devolve upon it under the law.

Mr. Chairman, I have no idea what is going to be in the Commission's report. The Commission did not indicate to the Committee on Appropriations what they would say in their report. They are presently working on it. Now, the taxpayer has invested in this Commission to date the amount $777,000. Having expended $777,000, to cut off the necessary funds for the Commission at this time, in the last few months in which they are to prepare and submit their report would be, to me, a great waste of the taxpayers' money.

The committee has allowed practically every dollar asked for. In order to merely round out the amount, the committee cut the request of $288,000 to $280,000.

It is plain good business judgment to go along with this recommended appropriation of $280,000 so that we may have a report from this Commission, comprised of such learned and distinguished men, on the No. 1 problem in America today.

So, Mr. Chairman, I ask that the pending amendment of the gentleman from Mississippi be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. WILLIAMS].

The amendment was rejected.

Mr. MARSHALL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, during the session of the Congress that I first served on the Committee on Appropriations it was my privilege to serve as a member of the committee chairmaned by the distinguished gentleman from New York [Mr. ROONEY]. I want to take this time to express to the chairman of this committee, my good friend, the distinguished gentleman from New York [Mr. ROONEY], the thanks of the people of my district for his diligent service in the Congress. During the time that I served on the committee I was able to observe how he questioned the people who appeared before our committee, how he made them justify the amounts they requested. His knowledge of the work of the agencies kept administrators on their toes and alerted them to the necessity of good administration. His task has always been a difficult and an intricate one. It has been interwoven with international problems and interwoven with a great many domestic misunderstandings at times. But the chairman, the gentleman from New York [Mr. ROONEY], has always done an outstanding job. He has done that work sincerely. He has worked hard. Having served on his committee I know how hard the members of his committee work with him as chairman.

Mr. Chairman, I should like to mention two instances particularly where I know the gentleman from New York saved the taxpayers not only a lot of embarrassment but money. I recall one time when I served on that committee when the people of the Information Service wanted to drop crystal sets to people behind the Iron Curtain. For what purpose we were never able to understand. Due to the efforts of Mr. ROONEY, that foolish scheme never developed.

I was pleased to note that in this bill there was no item to settle the claims of persons of Japanese ancestry. The chairman and other members of his committee were very diligent in urging the Department of Justice to clear up what was a long-delayed and unsavory situation. They did that. They have done their work extremely well. Hearings over the years would disclose numerous incidents all bearing testimony to the common sense and sensible economy of the gentleman from New York.

So, Mr. Chairman, at this time, I again want to express my personal appreciation and also express the same for the people of my district to the gentleman from New York [Mr. ROONEY] for the very excellent work that he has done in bringing this bill to the floor of the House as he has brought other bills to this House.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman from Minnesota yield?

Mr. MARSHALL. I yield.

Mr. ROONEY. I wish to very sincerely thank my distinguished friend, the gentleman from Minnesota, for his most kind remarks. He was indeed a valuable member of this subcommittee during the years he served on it. It was a great loss when he found the opportunity to change to another subcommittee which deals with a subject which is his No. 1 interest, agriculture.

Mr. MARSHALL. I thank my friend, the gentleman from New York.

The Clerk read as follows:

TITLE VI—GENERAL PROVISIONS

SEC. 601. No part of any appropriation contained in this act shall be used for publicity or propaganda purposes not heretofore authorized by the Congress.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 35, line 24, strike out the word "heretofore."

Mr. GROSS. Mr. Chairman, as this provision in the bill presently reads, it says:

SEC. 601. No part of any appropriation contained in this act shall be used for publicity or propaganda purposes not heretofore authorized by the Congress.

My amendment simply strikes out the word "heretofore." I believe it strengthens the provision and I hope the chairman will accept the amendment.

Mr. ROONEY. Mr. Chairman, speaking for myself, I have no objection to the proposed amendment. I do not know whether it achieves anything or not. I think not. But, I would like the gentleman from Iowa to have some sort of a score in this game that we have been playing here today and yesterday. He is a most conscientious Member who studies every bill that comes here to the floor of the House, and I commend him for it. There is no objection on the part of the committee, I now find, and we will accept the amendment of the distinguished gentleman from Iowa.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield.

Mr. GROSS. I want to thank the gentleman for that one word "heretofore".

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to advise the gentleman or whatever the expression may be——

Mr. ROONEY. Mr. Chairman, would the gentleman be good enough to use the microphone. We cannot hear the gentleman here.

Mr. HOFFMAN of Michigan. Maybe it is not worth while hearing.

Mr. ROONEY. The gentleman once in awhile says something that is worth while hearing.

Mr. HOFFMAN of Michigan. Many thanks, Mr. Chairman, I wanted to advise the gentleman from Iowa or suggest to him that while what the gentleman from New York said, and I know it was said in good humor, the folks back home evidently appreciate what you have been saying to bring about economy and efficiency, and I hope you continue your efforts.

Mr. GROSS. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The amendment was agreed to.

Mr. HARDY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do this to inquire of the chairman of the subcommittee concerning section 601 with respect to the possibility that the funds appropriated on page 5 for emergencies in the diplomatic and consular services may be used for the purpose of influencing legislation. Yesterday, we had a similar situation in connection with appropriations to the President. In private conversation the gentleman from New York has indicated that the funds provided on page 5 of this bill may not be used for the purposes of influencing legislation or pressurizing the Congress. I would like to have that very clearly spelled out, otherwise I would feel constrained to offer an amendment similar to the one which was offered yesterday. Would the gentleman from New York indicate whether or not these funds are available for putting pressure on the Congress to enact legislation which the department wishes to have enacted.

Mr. ROONEY. The gentleman is correct in his statement with regard to our conversation. The fund to which he refers is not used and will not be used for the purpose of pressurizing Members of Congress or influencing legislation in one way ore another.

Mr. HARDY. I call the attention of the gentleman to a specific situation which was developed by my subcommittee and which, in our opinion, was used for influencing legislation. I want to be sure that at least the legislative history is so spelled out that it will not happen in the future. I call the gentleman's attention particularly to the study which our subcommittee made on the use of these particular funds.

Mr. ROONEY. Is the gentleman referring to the Heller report?

Mr. HARDY. No; I am not referring to the Heller report. That was another misuse of similar funds. I am referring to a contract with the National Information Research Service for the conduct of public opinion polls which extended over a 14-year period from 1944 to 1957. The gentleman will probably recall that for those purposes, the Department of State expended almost $553,000 in that period of time. It is true in the beginning that these polls were used primarily within the Department of State. But subsequently, and specifically in the year 1957, they were given by ICA to the press on a selective basis so that they were in effect, in my judgment, used as propaganda to support mutual security legislation which was then pending.

Does the gentleman recall that situation?

Mr. ROONEY. I do.

Mr. HARDY. Would the gentleman explain, then, how we can legislate so this will not recur?

Mr. ROONEY. The committee has had conversations with those in control of this fund in the State Department, and we have their assurance since this matter was first brought to light as well as the matter of the Heller report, that the fund would not be used for these purposes again.

Mr. HARDY. The Heller report, I may say to the gentleman, in my opinion was not being used to influence legislation.

Mr. ROONEY. No; but that should not have been paid for out of this fund either.

Mr. HARDY. The gentleman is correct.

Mr. ROONEY. I feel, and I believe the members of my committee do also, that the situation has been rectified.

Mr. HARDY. I take it the gentleman does believe that the use of this fund in the public opinion field and the publication of this matter was in violation of the spirit of the act.

Mr. ROONEY. I do not think that the fund should ever have been used for that purpose.

Mr. HARDY. I thank the gentleman very much.

Mr. Chairman, I yield back the balance of my time.

Mr. SIKES. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SIKES. Mr. Chairman, it is a distressing thing to witness the passing from the national scene of a great and valuable public servant. John Foster Dulles, the late Secretary of State, was that type of official. Studious, capable, and dedicated, he won by diligent and painstaking service the plaudits of the free world. His service and counsel will be sorely needed as we meet the world problems in which his experience made him so well versed.

The work of the Department of State must go on and go on it will in capable hands. By the same token, we in Congress must move ahead to provide the appropriation for the operation of the Department during the next fiscal year. Now, what is this Department of State and who are the people who carry on its work? How do they live and what actually do they seek to accomplish?

The Department of State is the official channel through which the American people conduct their relations with the other peoples and governments of the world.

Under the direction of the President, and with the aid and advice of the Congress, the Department of State plans what courses of action to pursue—what our "foreign policy" is to be—in our dealings with other nations. The Department of State tries to carry out the foreign policy decided upon by the President in such a way as to serve the best interests of the American people both on a short-term and long-range basis.

The Department of State is the oldest executive department of the U.S. Government. It was established as the Department of Foreign Affairs by the law of July 27, 1789, enacted by the first Congress and signed by President George Washington. By legislation of September 15, 1789, its name was changed to the Department of State, and its functions were augmented to include a variety of domestic duties.

Thomas Jefferson was our first Secretary of State. Since Jefferson's time the Department has been headed by many other illustrious men, including: John Quincy Adams, who played an important part in formulating the Monroe Doctrine; James G. Blaine, the father of the Pan American conferences; and, more recently, Charles Evans Hughes, Henry L. Stimson, Cordell Hull and the late Secretary John Foster Dulles, all of whom exerted American leadership for international peace and justice.

The Department of State now has about 7,000 employees in the United States, 6,100 American employees serving overseas, and about 9,500 nationals of other countries who work at our posts abroad. It is one of the smallest of all Cabinet-level Federal Agencies—only the Department of Labor is smaller. It is also small in numbers overseas, representing only 2 percent of U.S. employees abroad, 10 percent excluding the military—20 percent including ICA.

The Department of State, however, is the headquarters of a vast reporting system which stretches from Washington to the far corners of the earth. From 283 posts abroad, members of the U.S. Foreign Service report to the State Department on the multitude of foreign developments which have a bearing on the welfare and security of the American people. These trained observers provide the President and the Secretary of State with the raw materials from which foreign policy is made and with the recommendations which shape it. From the Department in Washington to the oversea posts go the instructions which guide our Foreign Service in carrying out America's foreign policy.

The Department of State negotiates treaties and other agreements with foreign nations. Since 1945 the United States has entered into treaties of collective security and mutual defense with a total of 42 nations.

It speaks for the United States at the United Nations and other international organizations. During 1957 the United States was represented at more than 370 international conferences.

Through our consulates general and consulates overseas the Department of State issues visas—passport endorsements required of aliens desiring to enter the United States—to foreigners who qualify under the terms of our laws. Last year approximately 1 million visas were issued or renewed.

Passport agencies in Washington, Los Angeles, Boston, San Francisco, New Orleans, New York and Chicago issued or renewed some 676,898 passports in 1958 for Americans wishing to travel abroad.

At our oversea posts members of the U.S. Foreign Service serve their fellow Americans in many ways. They guard the rights of American shipping and seamen, aid citizens in distress, record the births of children born to American parents abroad, issue or revalidate American passports, protect American property, and search for missing travelers.

During the past fiscal year the Department's International Educational Exchange Service provided grants and made arrangements for some 4772 foreign students, teachers, lecturers, scholars, and leaders from 88 countries to come to the United States and for 1,764 Americans to go abroad. The service also assisted several thousand individuals coming to the United States on privately financed programs, as well as Americans going abroad under nongovernmental auspices.

The Department of State deals with 76 foreign embassies and 6 legations in this country.

The Department of State each year answers some 200,000 requests from Americans for facts on specific issues and is host to some 7,000 visitors who request briefings on foreign policy.

Department couriers, carrying information vital to U.S. interests, travel over 8½ million miles a year, a distance equivalent to 18 round trips to the moon.

The Department's mail and pouch rooms handle each workday an average of 35,000 pieces of mail sent and received through postal and pouch channels.

The Department exchanges with its Foreign Service posts an average of 4,000 messages each workday.

The Department's Foreign Service Institute trains Foreign Service officers in 32 different languages and the special skills of diplomacy. It is authorized, in addition, to train officers of other Government agencies who will serve abroad.

The Under Secretary for Economic Affairs is responsible for coordinating all mutual security programs, including military assistance, which is adminstered by the Department of Defense.

The employees of the State Department and the Foreign Service come from every State in the Union, from big cities and small towns. They include messengers, clerks, stenographers, translators, librarians, editors, lawyers, economists. Many of them have had previous experience in the business and industrial world, on the staffs of newspapers, or as teachers.

Like any other Government agency or like any business concern, the State Department hires men and women who have special training, aptitude, or experience in the field of work in which it is engaged. Most of the Department's positions involving foreign policy are staffed by career Foreign Service officers who are appointed by competitive examinations which test their general knowledge and their aptitude for conducting international relations. Many of these officers have had graduate training in subjects such as international finance or foreign languages and areas, or receive special training in the Department.

In few other occupations does a man's job encompass his entire life as it does in the Foreign Service. Foreign Service personnel must serve wherever they are sent and perform any job the Service requires. They serve behind the Iron Curtain where they are cut off from normal contacts with the local inhabitants. They serve in Reykjavik, near the Arctic Circle, and in Kuala Lumpur near the Equator. The Service has carried on through earthquakes, revolutions, wars, and plagues. Its members have fled for their lives one step ahead of hostile forces. They have been interned by the enemy in time of war. An inconspicuous honor roll in the State Department Building in Washington is a silent reminder that a number of Foreign Service officers have lost their lives under tragic and often violent circumstances.

International crises and consular problems do not respect 9 to 5 office hours. Members of the Service each year serve many hundreds of hours of uncompensated overtime. But beyond the usual requirements of office duties, a member of the Foreign Service is on duty 24 hours each day. Wherever he goes, whatever he does, he retains his character as a representative of the United States. This is particularly true in areas of the world where there are very few Americans. If members of the foreign community are unfavorably impressed with the conduct of Foreign Service personnel, they are apt to form an unfavorable impression of all Americans and America's international relations will thereby suffer. For this reason Foreign Service personnel are selected and evaluated on the basis of their personal as well as their professional conduct, and even their private lives are in some measure under Foreign Service discipline. Wives and children, just as much as the employees themselves, are representatives of the United States and their conduct may be important in establishing goodwill for our country.

Knowing people is an important part of the job of a diplomat or a consul, and social activities are a means by which he is able to perform his duties more effectively. These after-hours or lunchtime social activities are often a matter of duty rather than of personal preference.

It is a Foreign Service officer's duty to inform our Government about the policies, attitudes, and interests of other nations. He can do this effectively only if he is acquainted with the individuals in authority. Informal relationships with foreign government officials are an important method of gathering information and of informing other governments of the policies of the United States. By building up an atmosphere of trust and friendship, the officer simplifies the process of negotiation. By being on friendly terms with local authorities, he is better able to do his job of protecting the welfare of Americans abroad. By knowing the members of the American community in a foreign country, he is better able to represent their interests. His acquaintanceships with members of the diplomatic corps of other nations are important to America's international relations.

In recognition of the fact that social activities are an important aspect of a Foreign Service officer's job, the Service provides an allowance to the principal officers at our diplomatic and consular posts to defray, in part, the cost of entertainment of an official nature. These allowances are small and, with few exceptions, officers find that some of the money for official entertainment comes out of their own pockets.

Over one-third of the posts in the Foreign Service are classified as "hardship posts." The following factors are taken into account by the Service in making such a classification:

Isolation from other areas involving poor transportation and inadequate postal service.

Lack of comfortable and sanitary housing.

Lack of medical personnel and facilities.

Lack of healthful foods, such as fresh vegetables and pasteurized milk.

Absence of modern sanitation, such as sewage disposal, garbage collection, and control of rodents and insect pests.

Prevalence of communicable diseases.

Extreme heat, cold, and humidity or excessive rainfall.

The frequency of natural calamities, such as earthquakes and typhoons.

The danger of civil disturbances, revolution, riots, or inadequate police protection.

No one post is deficient in all respects, and every post offers compensating factors. Regardless of the conditions, members of the Foreign Service are expected to have and do have the resourcefulness to make the best of their situation. And every post, however uncomfortable, offers the opportunity to know another people.

Depending on the degree of hardship experienced by the personnel at each post, both officers and staff are given extra pay. As an alternative at unhealthful posts they are allowed to accumulate extra service time toward their retirement.

It is evident that many of the hardships of Foreign Service life rest heavily on the wives, who must keep their families healthy and well fed and maintain an attractive home often under very trying conditions. Every 4 or 5 years all household goods must be packed and crated and shipped to another part of the world. The wives must learn to prepare appetizing and wholesome meals out of unfamiliar foods. In the tropics they wage constant warfare against mildew and a host of insect pests. In some areas servants are available to compensate for the absence of automatic washers and frozen foods, but there frequently is the problem of learning the local language in order to be able to communicate with servants.

Foreign Service wives receive no Presidential commission, but they are a very important part of the Foreign Service. A wife who is an efficient housekeeper, who enters into local community activities, and who is a gracious hostess is a very real asset to an officer. A wife without the qualities needed in the Foreign Service can be a serious handicap.

One of the most difficult problems for parents in the Foreign Service is that of giving their children a suitable education. In many areas there are no grammar or secondary schools where children can obtain an education comparable to that which they would receive free in the United States. In such cases parents must make a choice between educating their children themselves through a correspondence school system or sending them away from home to boarding schools, often at considerable expense. Regardless of the hardship of separation, most parents feel it desirable that their children receive part of their early education in the United States where they will associate with children of their own nationality.

The Foreign Service Act Amendments of 1956 helped to alleviate the financial burden of education. In areas where no suitable schools are available parents now are given a special allowance to cover a portion of the cost of sending children to the United States or to the nearest suitable schools.

A Foreign Service officer cannot remain at a particular level indefinitely. A maximum time limit for each grade of the Service is established by the Secretary of State. If an officer fails to receive a promotion within the established time limit he is "selected out" of the Service and must retire or resign.

The Foreign Service is a competitive organization. However, the requirement that an officer be evaluated by a number of different persons who are in a position to judge his capabilities insures that the circumstances of competition are made as fair as possible.

The selection-out process is intended to eliminate those of marginal ability and to provide opportunities for those officers whose ratings by the promotion panels indicate their ability to assume positions of higher responsibility.

This, in brief, tells something of the many-sided problems which are associated with service in the American State Department and something of the responsibilities borne by its personnel. It no less than the military service is our front line of defense, and it, indeed, in many instances, is the only front line we have to defend day after day the interests of the people of the United States. Its people make mistakes, and so do we all. More importantly, most of them spend a lifetime in dedicated service, conscientiously striving to make this a better world and to make America a stronger land.

Mr. ROONEY. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. THORNBERRY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration

the bill (H.R. 7343) making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1960, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. ROONEY. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. BOW. Mr. Speaker, I demand a separate vote on the Gray amendment.

The SPEAKER. Is a separate vote demanded on any other amendment? If not the Chair will put them en grosse.

The other amendments were agreed to.

The SPEAKER. The Clerk will report the amendment on which a separate vote is demanded.

The Clerk read as follows:

Page 19, line 20, immediately preceding "For" insert the following: "For construction of a maximum security institution on a site to be selected by the Attorney General, $2,000,000."

The SPEAKER. The question is on the amendment.

The question was taken and the Speaker announced that the ayes appeared to have it.

Mr. BOW. Mr. Speaker, I ask for a division.

The SPEAKER. Is the gentleman going to ask for a rollcall?

Mr. BOW. I am going to ask for a rollcall.

The SPEAKER. The rollcall will have to go over until tomorrow under the agreement heretofore entered into.

FRANCIS E. WALTER: FAITHFUL SERVANT

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, I just learned that another birthday has caught up with our colleague from Pennsylvania [Mr. WALTER].

It called to mind the record of his able, faithful, patriotic service in the Congress.

During the years it has been my privilege to serve, there has never been a time nor an occasion when a question was ever raised as to either his ability or his wholehearted, devoted effort to serve the best interests of our country.

As chairman of the Committee on Un-American Activities, our colleague has fearlessly exposed those engaged in subversive activities.

As a member of the Committee on the Judiciary, he has made an exceptionally outstanding record in his criticism of every tendency by either the courts, the Executive, or the Congress to depart from the principles of the Constitution.

He has always been sympathetic toward the good people of other countries who sought asylum with us. On the question of protecting this country from harm growing out of the indiscriminate acceptance of basically undesirable immigrants, he has never been found at fault. He has never been found absent from his post of guard when criminal or subversive elements sought entry here.

As a champion advocate of the welfare of all of our people, he has never failed us. It is doubtful if any Member of the House in the last 24 years has been so shamefully attacked and abused. But never has he shown the slightest indication of failing to meet in full measure the opportunity, the responsibility, given him by his constituents.

The people of his district and of the country owe him recognition of and appreciation for the exceptionally fine service he has rendered and I am sure his colleagues all join in the hope that the Congress will long be advised by him on the problems, in the solving of which he is an acknowledged expert.

EXTENSION OF RENEGOTIATION ACT OF 1951

Mr. THORNBERRY. Mr. Speaker, by direction of the Committee on Rules I call up a privileged resolution (H. Res. 274) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7086) to extend the Renegotiation Act of 1951, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed four hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. THORNBERRY. Mr. Speaker, House Resolution 274 makes in order the consideration of H.R. 7086, which would extend the Renegotiation Act of 1951, and for other purposes. The resolution provides for an open rule with 4 hours of general debate.

The Renegotiation Act of 1951 is scheduled to expire as of June 30, 1959, and this legislation would extend the authority contained therein for 4 years to June 30, 1963. The Department of Defense has recommended that the act be extended for 2 years and 3 months; however, both the Department of Defense and the Renegotiation Board approve the provisions contained in this bill. The Defense Department, in recommending the extension of the act, has stated that present pricing policies and contracting techniques of the procurement agencies are not adequate to protect against excessive profits in all cases—especially those cases where the Government must procure specialized items of unprecedented nature—as in the aircraft, missile, and space fields—with respect to which past production and cost experience is inadequate to permit the accurate forecasting of costs. In this connection, the Defense Department has pointed out that defense expenditures under current world conditions are now, and for the foreseeable future will continue, at unprecedented levels for peacetime conditions. For the fiscal year 1960, for example, departmental expenditures alone will approximate $41 billion, with approximately one-half of that amount representing expenditures for goods and services which would be subject to the provisions of the Renegotiation Act.

Section 103(e) of the present law provides that, in determining excessive profits, favorable recognition must be given to the efficiency of the contractor or the subcontractor, with particular regard to attainment of quantity and quality production, reduction of costs and other matters. The objective of the Government in using the incentive-type contract is to promote cost reductions. Section 2(a) of the committee bill accordingly amends section 103(e) of the act to require that in giving favorable recognition to the efficiency of the contractor or subcontractor, particularly, regard be accorded not only to the matters now set forth in the section, but also to "contractual pricing provisions and the objectives sought to be achieved thereby." Section 2(a) further amends section 103(e) to require that particular regard be given under the efficiency factor to economies effected through subcontracting with small business concerns, which is designed to stimulate subcontracting to small business concerns.

Section 103(m) of the present law permits a 2-year carryforward of losses on renegotiable business. Under this provision, a contractor may carry forward to any fiscal year ending on or after December 31, 1956, losses sustained on renegotiable business during the 2 preceding fiscal years. The Committee on Ways and Means has provided in section 3 of the bill for a 5-year loss carryforward in order to relieve hardships that may result from restricting contractors to a 2-year loss carryforward. The effect of this provision in general is that losses incurred on renegotiable business in any fiscal year ending before December 31, 1956, may be carried forward 2 years as under existing law, and any losses sustained on such business for any fiscal year ending on or after December 31, 1956, may be carried forward 5 years.

Under existing law, the Renegotiation Board is required, if the contractor so requests, to furnish the contractor a statement of its reasons and of the facts used by it as a basis for arriving at a determination of excessive profits, but the Board is not required to furnish such a statement unless its determination is made by order, and then only after the order has been entered. Under its regulations, however, the Board, in order to enable the contractor to decide

whether to enter into an agreement for refund of excessive profits, has made provision for furnishing a contractor such a statement prior to the making of an agreement or the issuance of an order. The committee believes the Board should be required to furnish such a statement prior to the making of an agreement or the entry of an order if the contractor so requests. Section 4(a) of the bill so provides. Section 4(b) requires the Board, at or before the time it furnishes the statement of facts and reasons required by section 105(a), to make available for inspection by the contractor or subcontractor, all reports and other written matter furnished to the Board by a Department named in the act, provided such material relates to the renegotiation proceeding in which the contractor or subcontractor is involved and the disclosure thereof is not forbidden by law.

The committee, in order to make clear that proceedings before the Tax Court in renegotiation cases will be de novo and will not be treated as proceedings to review the determinations of the Renegotiation Board, has provided in the second sentence of section 5(a) that while the petitioner shall have the burden of going forward with the case, only evidence presented to the Tax Court shall be considered, and no presumption of correctness shall attach to a determination of the Board. This provision is not intended to shift the burden of proof under existing law.

Under existing law the Tax Court is given exclusive jurisdiction to finally determine the amount of excessive profits and it is provided that such determination of amount may not be reviewed or redetermined by any court or agency. Section 6 of the present bill permits review of Tax Court decisions in renegotiation cases by the Court of Appeals for the District of Columbia only, and in addition permits review by the Supreme Court upon certiorari. The limitation to a single court of appeals is designed to achieve uniformity of decisions under this law. This section would permit the reviewing court to affirm, or to reverse and remand, but not to modify, or to reverse without remanding.

I urge the adoption of this resolution.

Mr. SPEAKER, I yield 30 minutes of my time to the gentleman from Idaho [Mr. BUDGE].

Mr. BUDGE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, while I personally have some serious reservations as to the period of time this extension covers as set forth in the bill, I know of no opposition to the adoption of this rule. Under the rule as granted by the Rules Committee there will be ample time for full and complete debate which will point up the reasons for a full and complete reexamination of the approach to the problem as attempted in this bill.

It is a most serious problem and this is most important legislation which should be carefully scrutinized by the House.

Mr. THORNBERRY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. MILLS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7086) to extend the Renegotiation Act of 1951, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7086) with Mr. HARRIS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. MILLS. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, H.R. 7086 which the Committee on Ways and Means brings to the House today deals with the renegotiation of profits arising from defense contracts with specified departments and agencies of the Federal Government. Renegotiation is the process that was established during World War II for looking at the financial experience of Government contractors on the basis of their total operations for each year which would extend over a number of different Government contracts or subcontracts. The process is designed to recapture profits regarded as excessive. Renegotiation involves qualitative review of the profit experience rather than the mere application of some mechanical limitation formula.

In renegotiation, profits are examined in the light of the specified factors as applied to the contractor's operation. Under the process of the renegotiation good profits may be left with the contractor whose operation has demonstrated a high level of efficiency and a real contribution to the defense effort. If profits are large due to factors other than efficiency, as, for example, a sudden drop in the raw material prices over which the contractor had no control or some other such item, then this part of the profit is within the concept of renegotiation excessive and is the sort of a thing that should be recaptured and will be recaptured under this program.

A striking bit of statistics on the renegotiation process is that the overwhelming percentage of Government contractors are either exempt or have no more to do with renegotiation than to file a statement and on the basis of that filing the Board closes the case with a finding that there are clearly no excessive profits. Of about 4,500 filings a year only about 5 percent, slightly over 200, involved any refunds under the renegotiation process. Currently renegotiation is returning to the Federal Government about $100 million a year, after discounting the tax credit that must be allowed in connection with the refund. Of this $100 million of net recovery in the fiscal year 1958, about 60 percent arose from voluntary refunds and price reductions, about 40 percent from actual determinations by the Renegotiation Board of excessive profits.

Renegotiation is necessarily a judgment process, although it involves judgments which are based upon a careful accumulation of financial data with respect to a contractor or subcontractor and a careful accumulation of evidence from the various purchasing agencies that might bear upon his efficiency and overall performance.

Early in my experience on the Committee on Ways and Means I was assigned to a subcommittee by one of our most distinguished chairmen, the gentleman from North Carolina [Mr. Doughton] for purposes of trying to analyze this problem and develop standards that could be written into this program that would give us something in the nature of a mechanical formula. After having labored for weeks we came to the final conclusion at that time, just as we have concluded each time we have extended this program, that there is no mechanical formula that you can develop that will assure you that you are leaving nothing but reasonable profits and not excessive profits. So, I say again that this entire process is predicated upon judgment and that judgment must be exercised largely by the Renegotiation Board.

Now, we looked into this matter again this year. In spite of what is said in the minority views accompanying the report, I think that we have given this program perhaps its most exhaustive study since I have been a member of the committee and since its inception. We conducted 3 days of public hearings in which testimony was received from all persons requesting to be heard, then we were in executive session for a number of days. We went into what I consider every aspect of this program trying to determine whether or not it would be possible for the committee to recommend to the House improvements in it. Also, we had a current investigation made by the staff of the Joint Committee on Internal Revenue Taxation, bringing up to date a very complete study made by that staff in 1956. This group worked with Government agencies, with business groups, all of them interested in trying to make some improvement.

The thrust of a great deal of this investigation and of the many proposals made to the Committee on Ways and Means at these hearings was the attempt to find some way to introduce a specific formula in the evaluation of excessive profits, thereby to reduce the area of discretion that, of necessity, as I pointed out, must be presently exercised by the Renegotiation Board. I must admit that we failed in our effort to come up with any mechanical formula or develop any standards that would change or minimize the discretion that must be exercised in this program. We reviewed the suggestions made in the hearings, but we were unable in this extension that we are bringing to you to eliminate the discretion that has been exercised over the years. We must rely upon the exercise of good judgment.

Now, one approach to the problem of renegotiation was set forth by our distinguished colleague on the committee, the gentleman from California [Mr.

KING]. In a bill he introduced, Mr. KING suggested that we could develop a mechanical formula and his bill contained a formula. The committee thoroughly reviewed the formula but turned the propositions down because we did not believe that we had sufficient information or that they had been developed to the point that we could with reasonable assurance expect them to work in all cases to prevent the retention of excessive profits. The committee did adopt some of the provisions of Mr. KING's bill, particularly the circuit court review provision.

Now let us look briefly at the provisions which are in the bill, H. R. 7086. The first and most important provision, of course, is that provision which extends the time of the operation of the act. The committee reported the bill with a 4-year extension from June 30, 1959, through June 30, 1963. Heretofore we had either extended the program for a 6-month period, for a period of 1 year, or for a period not to exceed 3 years. The administration requested an extension from June 30, 1959, through September 30, 1961, or for 2 years and 3 months. The committee found that there was sufficient justification to reach a conclusion that we would not be getting cut-price rates on missiles any time within the next 4 years, nor could we expect any of these highly technical instruments for present day defense to become what we describe as standard commercial articles in anything less than 4 years.

The committee felt that there was sufficient evidence to justify an extension of this program for such period of time as we could see into the future when such a program would be needed, and very frankly, I am pleased that the committee did see fit to extend it for 4 years.

The other day when we were in the Rules Committee the question came up about the relationship of this program and the program of the draft reported from the Committee on Armed Services earlier this year. As you know, we extended the Selective Service Act for 4 years. The very same factors that caused the House to reach a conclusion that the draft should be extended for 4 years, in my opinion, clearly justify an extension of renegotiation for at least 4 years. It is the same world situation that is causing us to draft young men into the service, that cause us to be in the market for missiles and other commodities under our defense program, about which we do not know the price, and for which, without some form of renegotiation such as we are proposing, we might be paying excessive prices. So I say there is a relationship, in my opinion, between these two programs, certainly in the background, and certainly in the justification that I see to exist for both programs for a 4-year extension.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman.

Mr. EVINS. Mr. Chairman, I would say to the Chairman that I serve on the Committee on Appropriations that handles the annual budget for the Renegotiation Board. Each year they come before the committee asking for about $2½ million or $3 million for their operating fund. I have just obtained from the clerk of the committee the figures on returns to the Treasury from operations for the past few years, and I might supply them.

In 1958 there were refund determinations in the amount of $112 million. In 1957 there were refund determinations in the amount of $151 million; in 1956, $132 million; and in 1955, $167 million.

That is a rather substantial return on the amount of outlay for this Agency. It serves a very useful purpose and brings money into the Federal Treasury.

Mr. MILLS. There is no question, as has been clearly demonstrated by the reports of the Committee on Armed Services, by the statements of the Chairman of the Committee on Armed Services and others, that renegotiation is an integral part of this over-all defense procurement program. It was so pointed out to the committee during the course of the hearings by the spokesman for the Department of Defense and the spokesman for the administration, the General Counsel of the Department of Defense.

If we do not extend the program what happens? The provisions of the Vinson-Trammell Act which has been on the books for a number of years would again come into operation. The provisions of that program specify a 10-percent profit limitation on contracts for naval vessels, and a 12-percent limitation on contracts for Army and Navy aircraft. Under present circumstances that program is not sufficient to assure us, in my opinion, in the light of the fact that in some industries Government investment in equipment is very heavy, that we would recapture all of what would otherwise be excessive profits. I think the author of that program will readily admit that even though it would come into effect if this program should expire, that renegotiation itself should be continued rather than to permit these mechanical formulae of the Vinson-Trammell Act to go into effect. And it today stands as very good evidence of what I was trying to point out earlier, that you cannot develop within the renegotiation process, these mechanical or mathematical formulae, such as was suggested during the course of the hearings, with any certainty that you will get back what would otherwise be excessive profits.

The bill contains a number of other provisions. But before mentioning them, I want to assure the members of the committee and of the House that there is not a provision contained in this bill that was not thoroughly considered, thoroughly developed within the Committee on Ways and Means during these exhaustive executive sessions. Except for the 4-year extension there is not a provision in this bill that did not go into the bill by almost unanimous consent, if not by unanimous consent. There is not a provision in this bill that was not completely supported by the representative of the Department of Defense in our executive sessions and by the administration; that was not supported by the Chairman of the Renegotiation Board and by the General Counsel of the Renegotiation Board. In fact, ideas were discussed and language was developed as these ideas were discussed. They generally were developed by people from the departments, working with us, not by our own staff but by others from the departments. They asked: Does this language carry out what you are endeavoring to say? In every instance, we finally agreed that was the way we and they wanted the language to read.

Mr. Chairman, I am including as a part of my remarks at this point a letter from the General Counsel of the Department of Defense, Mr. Robert Dechert, and a letter from Mr. Thomas Coggeshall, Chairman of the Renegotiation Board. The Department of Defense endorses and supports H.R. 7086 and its provisions and recommends its enactment in its present form.

The letter from the Chairman of the Renegotiation Board concludes as follows:

> The Renegotiation Board, therefore, desires to express its unqualified approval of H.R. 7086.

The letters are as follow:

GENERAL COUNSEL OF THE
DEPARTMENT OF DEFENSE,
Washington, D.C., May 19, 1959.

Hon. WILBUR D. MILLS,
Chairman, House Ways and Means Committee.

DEAR MR. CHAIRMAN: As the representative of the Department of Defense and spokesman for the administration in the hearings before your committee in connection with the extension of the Renegotiation Act of 1951 recommended by the President in his budget message of January 1959, I write this letter to urge the passage of the bill extending the Renegotiation Act, in the form which resulted from the hearings before your committee (H.R. 7086, introduced by you on May 12, 1959).

H.R. 7086 is not the exact form of the extension which we recommended, but in our judgment the additions and changes made as a result of the thorough consideration of this matter by your committee are entirely acceptable and have, in fact, improved the proposal.

This Department uses all available means in the ordinary contracting processes to assure economy in procurement. However, many of the items which have to be procured under existing world conditions involve such unknown and unknowable factors as to make it impossible to establish in advance the certainty and reasonableness of costs. The Congress has already established the proposition that the final review of the question of whether excessive profits have been made ought to be by a single agency, such as the Renegotiation Board. In the present state of the world, with the Department of Defense budget representing such a large portion of the national budget and with our procurement including so many varied items involving unknown elements of cost, it is our belief that for the present the operations of Government require the contribution of the processes of the Renegotiation Board. Renegotiation is not a crutch to support improper procurement methods but is a means of protecting the Public Treasury in connection with matters as to which no one is wise enough to know with certainty in advance.

Because we feel that this whole subject ought, within a reasonable time, to be once more reviewed by the Congress we did not recommend making the act permanent. The proposed 4-year extension seems to us to represent a reasonable period for continuation of the act at this time.

The Department of Defense endorses and supports H.R. 7086 and all its provisions and

recommends its enactment in its present form.

Sincerely yours,

ROBERT DECHERT,
General Counsel.

THE RENEGOTIATION BOARD,
Washington, D.C., May 19, 1959.

Hon. WILBUR D. MILLS,
Chairman, Committee on Ways and Means, House of Representatives, Washington, D.C.

MY DEAR CHAIRMAN: I am authorized to advise you formally that the Renegotiation Board approves the provisions of H.R. 7086, as reported by the Committee on Ways and Means.

The Board believes with the Department of Defense that the extension of the Renegotiation Act of 1951, as provided in the bill, is in the public interest, and that the other provisions of the bill would aid and improve the renegotiation process. As you know, all these matters, and many others, were thoroughly considered by the committee in its extended public hearings and executive sessions just concluded, and the Board is satisfied that the bill, in its selection of amendments drawn from this examination, is a constructive step forward.

The Renegotiation Board therefore desires to express its unqualified approval of H.R. 7086.

Sincerely yours,

THOMAS COGGESHALL,
Chairman.

The bill does make a number of limited amendments to the renegotiation statute designed to improve the operation of the process and in some cases to bring the statute more closely into line with current practice.

The bill amends the statement of statutory factors for determining excessive profits. The first amendment specifies that consideration is to be given to the contractual pricing provisions and the objectives sought to be achieved thereby. This provision has specific reference to arrangements such as the so-called incentive contracts which unlike cost plus contracts involve not only opportunities for larger profits but also risks of lower profits or losses. The expansion of the statutory factor will require the Renegotiation Board to take this risk-incentive situation into account in judging the final profit. The Renegotiation Board stated to the committee that this is done in current practice.

The bill also amends the statement of the net-worth factor. The committee received criticisms on both sides of this issue arising from the wording of the net-worth factor under present law which is net worth with particular regard to the amount and source of public and private capital employed. As a logical matter, net worth and capital employed are quite different things. Capital employed includes borrowed funds, for example, which are not in net worth. With this confusing statement in the law, there has been much criticism on the one hand that the law looks too much at the net-worth factor without adequate consideration of the amount of private capital employed and on the other hand that the Board does not look enough at the net-worth factor and gives too much consideration to public and private capital. The committee amendment is designed to make clear that there are two distinct factors here, net worth and public and private capital employed, and both are to be given distinct consideration.

The bill provides a 5-year carry-forward of losses on renegotiation business equivalent to the 5-year carry-over of losses allowed for tax purposes. It was pointed out to the committee that in defense contracting it is extremely unlikely that such a long carry-forward of losses would be needed to provide sufficient income to offset the experience of the bad year, but the committee felt that, if needed, this long period should be available.

To improve the renegotion procedure, the bill requires that the Board should furnish to the contractor the statement of reasons and of facts used by it in arriving at the determination of excessive profits before the Board enters its final order if the contractor requests the statement at that time. This procedure will assist the contractor in deciding whether to enter into an agreement with respect to the determination of excessive profits or to insist upon a unilateral order from the Board. The bill also requires the Board at or before the time it furnishes this statement of facts and reasons to make available to the contractor all documents furnished to the Board by the contracting departments which relates to the renegotiation proceeding so long as the disclosure is not forbidden by law.

Section 5 of the bill deals with the review of renegotiation proceedings by the Tax Court. It was intended in the renegotiation law that a Tax Court proceeding should be de novo. This is because the basic proceeding of the Renegotiation Board itself is not a formal adversary proceeding with a record. A strict review of the case then would require a complete hearing which would build up its own record. There were complaints brought to the committee that the Tax Court hearings tend to have a character of a review of the determination of the Renegotiation Board. The bill makes it clear that this Tax Court proceeding is to be completely de novo.

Finally, the bill provides for appeal to the U.S. Circuit Court of Appeals for the District of Columbia to review Tax Court decisions in renegotiation cases. It is the intention of this review proceeding to permit a review of questions of law and not a new exercise of judgment as to the excessiveness of profits in the light of all of the facts. Specifically, the bill provides that the court of appeals shall have the power to affirm or, if the decision of the Tax Court is not in accordance with law, to reverse the decision of the Tax Court and to remand the case for such further action including a rehearing as justice may require. It is quite specific that the court of appeals is not to have a complete review of the case and a new exercise of judgment. The court of appeals will, however, be able to review questions of law.

Mr. Chairman, a question has been raised about certain other provisions in the bill, as to whether or not the committee may have been loosening the law in some respects. Let me say this, Mr. Chairman, I have always taken the position that no person should be left at the mercy of a Government agency and its decision, without some right of review and some right of appeal to the courts of this country in the event they do not think they are obtaining justice in that Government agency. In many instances we do not provide for that, I know, but when we had an excess profits tax, we provided for appeal. For some time past we provided for an appeal from the decision of the Renegotiation Board to the Tax Court. We said we wanted the Tax Court to hear that case de novo, in other words, to start off anew as though there had been nothing before and to let the evidence be submitted because there was no formal submission of evidence before the Board. There is no formal record kept or anything of that sort. Despite our intention, it is contended by people who are very responsible in the practice of law, and who have been before the Tax Courts in these cases, that actually the proceeding is more in the nature of a review than in the nature of a de novo proceeding. There is a lot of difference, as my friend, the gentleman from Oklahoma who is a very distinguished member of the bar knows, in this question of a review of something where there is no record kept and where there is no formal evidence presented or no evidence submitted under any rules, and a hearing in a Tax Court de novo. We have tried in this bill to reestablish the original intent which the Congress had with respect to this hearing in the Tax Court being a de novo proceding.

In addition to that, we have taken one further step that we took last year when we extended this bill for a period of 6 months as it passed the House. Under existing law, there is some question about the grounds for possible appeals from the Tax Court; however, I think it is generally agreed that an appeal may be taken to the Circuit Court of Appeals from the Tax Court on the grounds of constitutionality, and on the grounds of jurisdiction. Here we are doing what we did last year when the House passed this program for 6 months without any controversy at that time. We are providing in the bill that the contractor may appeal a decision of the Tax Court to the Circuit Court of Appeals in the District of Columbia on a point of law, and that only. At the same time, however, we have very carefully protected against the exercise of a third judgment on the facts in the Circuit Court of Appeals. We have said that the court may affirm a decision of the Tax Court, but if it does not think it should be affirmed on the law, then it may be remanded to the Tax Court for further consideration within the provisions of the law to obtain justice. But, the Circuit Court of Appeals is expressly prohibited from making a third judgment on the facts. We want the judgment on the facts exercised either by the Renegotiation Board or in the Tax Court where the same judgment was being exercised when we had an excess profits tax.

Now, Mr. Chairman, by and large I agree with what the General Counsel

of the Defense Department said; I agree with what the committee has said; I agree with what the Chairman of the Renegotiation Board said. Every part of this bill should have the unqualified support of the membership of this House, including the 4-year extension. I admit that that is probably a troublesome area for some, but if you can give us any assurance, if you can give me any assurance, that this program is not needed for the same period of time and for possibly the same reasons that other military programs that we have already enacted in this Congress are needed, then I would like to have those assurances, because I, too, would like to feel as though an extension for a shorter period of time were safe. I hope the committee will see fit to support the Ways and Means Committee in this bill and in all the amendments adopted to it.

Many of the other amendments that have been adopted are merely the writing into law of certain things already covered in the regulations and present practices of the Board; and these things will not make any difference with respect to the exercise of judgment or interpretation, because they are already being considered under present regulations.

There is one additional matter to which I draw your attention: some people have said that we have made a mistake in the change which we recommended to one of the statutory factors. The change referred to is on page 2 of the bill, lines 10 through 14. It would amend section 103(e)(2) of existing law which presently provides that a factor to be considered and to be weighed is: "The net worth, with particular regard to the amount and source of public and private capital employed." The amendment would simply distinguish and clarify the points involved.

I leave it to the judgment of any reasonable person as to the significance of a statement that we have erred. "Net worth" does not include all private capital. "Net worth" certainly does not include public capital. Those things have been interpreted all along as two separate points within a single factor.

As a matter of fact, when this legislation was initially passed in 1943 the law then contained the distinction which we are now reaffirming in the statute. That law read:

Amount and source of public and private capital employed and net worth.

What we are doing in this bill is trying to develop the point that we want net worth, we want private capital, we want public capital, all of them distinctly considered, every one of them weighed.

The Department of Defense fully concurs with the committee's view on this matter. I include here a letter which I received from the honorable Robert Dechert, General Counsel, Department of Defense, on this very point:

GENERAL COUNSEL OF THE
DEPARTMENT OF DEFENSE,
Washington, D.C., May 26, 1959.

Hon. WILBUR D. MILLS,
Chairman, House Ways and Means Committee.

DEAR MR. CHAIRMAN: It is my understanding that a question has been raised as to the intent and effect of the amendment contained in section 2(b) of H.R. 7086, a bill "To extend the Renegotiation Act of 1951, and for other purposes," which was reported favorably by your committee on May 14, 1959. As stated in the report of the committee, the Department of Defense and the Renegotiation Board approve the provisions contained in that bill.

Section 2(b) of H.R. 7086 would amend paragraph (2) of the second sentence of section 103(e) of the Renegotiation Act to read as follows:

"(2) The net worth, and the amount and source of public and private capital employed."

The existing language of that paragraph now reads:

"(2) The net worth, with particular regard to the amount and source of public and private capital employed."

It is to be noted that paragraph (2) would be amended by deleting the words "with particular regard to" and by substituting in place thereof the word "and."

Section 103(e) of the act, as you know, sets forth the factors to be considered by the Renegotiation Board in determining whether a contractor or subcontractor has realized excessive profits. One of these factors is the so-called net worth factor contained in paragraph (2) as quoted above. The intent of the proposed amendment is not to effect any substantive change in this factor but to clarify the existing statutory language. A determination of a contractor's net worth is actually something separate from a comparison of the amount of private capital employed and the amount of public or Government capital employed.

The purpose of the proposed amendment is to make this distinction clear. However, there is no intention to deemphasize the importance of evaluating the amount of public and private capital employed in determining whether a contractor has realized excessive profits. As stated by the Renegotiation Board in its regulations (section 1460.11), a contractor who is not dependent upon Government or customer financing of any type is entitled to more favorable consideration than a contractor who is largely dependent upon these sources of capital.

In this connection, it is interesting to note that the Renegotiation Act of 1943, as amended, in setting forth statutory factors substantially similar to those now contained in section 103(e) of the current act stated the factor now under consideration in substantially the same manner as proposed in the amendment (58 Stat. 79). In the 1943 act, the factor read:

"(iii) Amount and source of public and private capital employed and net worth."

I have discussed this matter with the Chairman of the Renegotiation Board who concurs in the views expressed in this letter.

Sincerely yours,

ROBERT DECHERT,
General Counsel.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. Did the gentleman's committee discuss the negotiated contracts, where profits are certain, and the same persons then bid on other items and use the tremendous profits to bid lower than a fair price? Was that discussed in the committee?

Mr. MILLS. The problem to which the gentleman from Colorado refers was studied during consideration of the 1956 amendments. While the situation which the gentleman suggests is theoretically possible, in practice we found that the timing requirements practically eliminated such devices being resorted to. Contractors do not have sufficient time to juggle profits in this manner during a single year to which renegotiation refers. Actually, if that sort of juggling were attempted, the Renegotiation Board has ample discretion, under the statute, to deal with the underlying facts.

Mr. ROGERS of Colorado. Is it not true on the renegotiation settlement provided in this law and as amended, that you take the overall picture of the profit that is made by the company or the individual in arriving at whether or not he should be negotiated down?

Mr. MILLS. That is right.

Mr. ROGERS of Colorado. I reiterate. If you take the overall picture in one instance he is given a negotiated contract which gives a tremendous profit, then when he comes in in competition with small business, so to speak, and bids on an article, he can afford to take a loss because the two can then be evened out?

Mr. MILLS. If I understand the gentleman, I believe the point I have already made is responsive to the gentleman's question, but also the gentleman will be interested, I am sure, in language that we have written in the bill as a further factor to be considered, when we say: "Manpower, contractual pricing provisions and the objectives sought to be achieved thereby, and economies achieved by subcontracting with small business concerns:

All of those things, in addition to the factors in existing law, must be taken into consideration. So in the situation which you described in all probability the Renegotiation Board can, under this act, make a differential between types of renegotiable contracts and profits gained from different contracts, though they are renegotiating with respect to the full year.

Mr. ROGERS of Colorado. I take it from the gentleman's answer it is possible under this law, and the intent of the committee is that if a contract is made where a tremendous profit results, that thereafter he bids a price below the price in the market and loses money, the Renegotiation Board has the right to consider each contract separately?

Mr. MILLS. The law specifically provides now that renegotiation has to be carried out on the basis of a year's business—it is the total of the business—but in determining what to do about that whole year's business, certainly the Board under this can give consideration to the different kinds of contracts which are being engaged in by the contractor with the Government. I would say it would be possible under this for the Board to say that we may take more from you under your renegotiation contract than we would otherwise take or to give you more under the negotiated contract.

Mrs. GRIFFITHS. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentlewoman from Michigan.

Mrs. GRIFFITHS. I would like to inquire with reference to section 2(a). Does that not mean that the Renegotiation Board will have to consider in renegotiations incentive contracts?

Mr. MILLS. No. If the gentlewoman will look at the language under the Ramseyer rule, this is an amendment to section 103. On page 14 of the report we say this:

In determining excess profits favorable recognition must be given to the efficiency of the contractor or subcontractor, with particular regard to attainment of quantity and quality production, reduction costs, economy in the use of materials, facilities, and manpower.

The representatives of the Renegotiation Board tell us, and did tell us during the course of the hearings, that this language itself requires them to look at whether or not there is incentive, whether or not the contract provides for gain in the event there is a reduction in cost. They tell us that what we have put in here does nothing more than carry out the existing practices of the Renegotiation Board. They have been looking to these incentive contracts, they have been allowing additional profits under the incentive contracts where reduction in cost to the Government has been obtained as a result of efficiency. They told us that in committee. I am prone to believe that they know what they are doing and that their answer is correct. So I do not take this language to mean that we are doing anything more here than what they have been doing in their practice all the time. And, very frankly, whenever the Government can by an incentive contract, which is permitted by the Department of Defense, reduce the cost in the procurement of materiel for the Government by giving the contractor some incentive to make a little more profit, I have no objection to that, and I am sure the gentlewoman from Michigan has no objection to it. The question is one of judgment, how much of that will you allow. The Renegotiation Board may say, "If you save a dollar we are going to give you 20 cents out of it and take back 80 cents of it."

Mrs. GRIFFITHS. May I ask another question, Mr. Chairman? The saving is from the bid price?

Mr. MILLS. The saving is from the negotiated price.

Mrs. GRIFFITHS. The saving is from the bid.

Mr. MILLS. And the saving must result from the efficiency of the contractor, not as a result of some price drop; not as a result of something that the Government may have done or something over which the contractor has no control. But, it must be something that the contractor has done that brings about a reduction in the cost below what the Government thought it might do.

Mrs. GRIFFITHS. That is, if the contractor estimated that he was going to waste 10 percent of the steel that he purchased and then he wasted only 5 percent, he gets a saving?

Mr. MILLS. Not what the contractor estimates but what the Department of Defense agrees, the initial pricing, should be the price for whatever we are buying. If, in the process of carrying out such a contract, the contractor can reduce that price by his own effort, through his own ingenuity, then it is the policy of that contractor to get an advantage of, say, 20 cents out of the dollar saved and the Government to get 80.

Mrs. GRIFFITHS. So that we may not quibble over words, if the wastage on steel would be 10 percent and the contractor then wasted only 5 percent, he is permitted some part of this saving; is that right?

Mr. MILLS. If the contractor's efficiency reduces the price, yes.

Mrs. GRIFFITHS. If it reduces the price?

Mr. MILLS. If it reduces the price to the Government. And, I would like to ask my distinguished friend from Michigan if she knows of any other way. I certainly do not, and I do not think the committees of Congress charged with the procurement program of the Department of Defense can come up with any better way of bringing about a reduction in the cost of Government in this defense program than to try to provide the American free enterprise system with an inducement to reduce costs, to bring down the cost to the Government. Let us work as best we can on our side but let us also give them an inducement; let us give them something to cause them to work shoulder to shoulder with us, because all of us know that this program is very, very expensive at best, and without this as another arm, along with procurement, I dare say that it would cost grievously more. And, very frankly, we equivocate about words. The important thing is to get on with an extension of this program. We are undertaking to extend it for a longer period of time than it has ever been extended, and nobody can show where there is anything in this bill that takes away from the Renegotiation Board its exercise of free judgment in the determination of whether or not this is reasonable or whether it is unreasonable. There is nothing here. Oh, you might say, "Yes, you have provided for a 5-year carryover on losses." Why should not a person who is dealing with the Federal Government who suffers a loss in one renegotiation year have that loss considered in connection with the determination of whether or not he has an excessive profit 5 years from then? We started out with 1 year, we raised it to 2. We provide this same carryover of losses with respect to income tax. I think it is fair and equitable here. I commend the bill to each and every member of the committee and wish support of the membership of the committee.

Mr. MORRIS of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Oklahoma.

Mr. MORRIS of Oklahoma. I just want to express my sincere appreciation to the gentleman for having referred to me a few minutes ago as an attorney and jurist. I certainly do not claim to be a great lawyer or a former great jurist. But, I have had some experience in the trial of lawsuits, and I will say that there is certainly a world of difference between a trial just in review and a trial de novo. I listened very carefully to what the distinguished gentleman has said, and he certainly is a most distinguished gentleman, the chairman of the great Committee on Ways and Means, a man who has had many years of experience in the field of taxation. I have studied this matter carefully and I have listened to the gentleman, and I do agree with the gentleman fully that there certainly is a great difference between a trial just in review and a trial de novo.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I yield myself 17 minutes.

Mr. Chairman, I think the goal which we must seek in this land of ours with respect to the great effort we are making in behalf of national security should be to do so within the framework of the traditions and concepts under which our country has in the past prospered and grown great. And, perhaps the use of the words "certainty under law" has been the little phrase which has meant most in letting the people of our country know what their responsibilities and their liabilities may be. Because I believe that this program we are now considering, namely the Renegotiation Act, tends to break down the element of certainty which is so important to American business as it undertakes to meet the crises confronting the freedom-loving people of the world today; because I believe that the Renegotiation Board uses arbitrary power, with no practical limitations upon its rights in the initial stages to determine whether or not a company owes moneys back to the Federal Treasury, I am opposed to the renegotiation process as we now know it from experience.

H.R. 7086 proposes to make a 4-year extension of the renegotiation authority to June 30, 1963. This unprecedented term of extension is objectionable to me because it, in effect, means that for the duration of this 4-year period Congress will not actively review the administration of the law by the Renegotiation Board. I will have more to say on this subject later in the debate at which time I propose to offer an amendment to the bill providing a more reasonable 2-year and 3-month extension of the authority.

I would commend my committee chairman and my committee colleagues for the able and diligent work they performed during the work on this bill in executive session. We have, I believe, included in H.R. 7086 many improvements and clarifications with respect to the Renegotiation Act and its administration. Examples of these improvements may be briefly stated as follows:

First. Emphasis is given to the need for more adequate recognition of incentive features of contracting procedures and the recognition of economies achieved by contractors and subcontractors. We have given encouragement to subcontracting to small business concerns.

Second. Clarification is given to certain enumerated factors to be taken into account in determining "excessive profits" with regard to the items of net worth and the amounts of public and private capital employed.

Third. The Renegotiation Board will be required to furnish a contractor information with respect to the Board's evaluation of contractor efficiency and the other factors required to be taken

into account in determining excessive profits.

Fourth. A 5-year carry forward of losses on renegotiable business is substituted for the existing 2-year carry forward period.

Fifth. Statutory provision is included in the bill to require the Board to furnish a contractor upon his request prior to the making of an agreement or the entry of an order of the "reasons and facts" used in arriving at a determination of excessive profits.

Sixth. The Board is required at or before the time it furnishes the aforementioned statement of facts and reasons to make available for inspection by the contractor information furnished to the Board by an executive department named in the act to the extent such information may relate to the renegotiation process in which the contractor is involved provided the disclosure thereof is not prohibited by law. Improvements have been made to assure the de novo character of proceedings before the Tax Court in renegotiation cases.

Seventh. For the first time appellate review is provided in renegotiation cases similar to the review available in tax cases decided by the Tax Court except that the Court of Appeals for the District of Columbia has been designated as the reviewing court. This review will be in addition to the review that is available under existing law with respect to jurisdictional or constitutional questions.

The foregoing enumeration highlights the principal changes that would be made by H.R. 7086.

Mr. Chairman, these are significant improvements in the Renegotiation Act. However, they will be significant only if they are properly administered consistent with the intent of Congress. During the hearings held by the Committee on Ways and Means on this subject serious allegations were made that the congressional intent in the past has been disregarded by the Renegotiation Board in administering the act. Accordingly, I think it important that a more timely review of the law and its administration should occur than would be likely to occur if the authority is extended for a 4-year period.

I am personally convinced that the Renegotiation Board has in fact found "excessive profits" when none existed. I am convinced that the Renegotiation Board has not given proper recognition to contractor efficiency and to the incentive element in defense contracts. These shortcomings in administration of the authority have had a serious impact on the effectiveness of our Nation's defense effort. These shortcomings have discouraged efficient producers from being willing to undertake defense business. They have impaired the availability of private capital to defense industries with the result that the Federal Government has had to provide the capital necessary for industrial expansion.

Testimony was presented to the Committee on Ways and Means contending that the renegotiation process has actually detracted from the capability of our industrial capacity to make its maximum contribution to our national security. These are grave charges; charges that were not refuted; charges that argue convincingly against a protracted extension of the renegotiation authority.

Renegotiation is a factor in defense procurement which tends to induce carelessness; yes, gross carelessness in connection with those who are charged with the obligation of making the contracts under which the materiel for our military forces is made available. Rather than getting together and negotiating with skill, recognizing that the outcome of the negotiations will be final, we find the negotiators representing the companies and the Government, allegedly negotiating to reach a price which is, in fact, nothing but a broad guide. The contractor ultimately winds up remaining subject to the will and the whim—and that is what it is—of a Renegotiating Board with discouraging and deterring an effect upon those who are risking their productiveness in order to build up the free enterprise system which in the final analysis is the best defense for the security of the United States.

I repeat that this type of legislation breeds carelessness in the creation of contracts. I point to the fact that for years and years the excuse made to the Congress each time the gentlemen from the Renegotiation Board come to our committee, is that, "Oh, well, we do not know what we are doing when the contracts are made; we are going into a new field; we are traveling an untrodden path to reach a firm price." To the extent we cannot know in advance what a reasonable price should be. I have no major complaint with the renegotiation process. But I do object to the fact that as a result of that negotiation, when an agreement is made between a contractor and the Government and the company by its efficiencies makes the final product considerably cheaper, then the incentive which is mentioned in the contract to persuade the American company in a competitive manner to do a job better, is taken away from that American contractor.

Oh, it is said that this Board, these men, will recognize that the individual has worked hard and has saved the Government some money. It is said they will let him have some of that which he has saved to the benefit of the Nation, and at the same time they will guarantee him one-fifth of that which he saves. If you are prone to use a pencil and figure mathematically, it can be proved that by taking the careless approach and wasting money, by not utilizing the incentive sections of the contract, the profit of the inefficient contractor may be greater than that which the contractor gets who endeavors earnestly, through the use of incentive payments, to save money. The reason for such an undesirable result is that this Board, taking into consideration the many factors which it may consider and on which it arbitrarily arrives at a conclusion, may decide that the man, who utilized the great effort in an incentive endeavor is not to share in the benefit of that effort on his part. And when he does not receive it, it is the American taxpayer who suffers. That is why I do not approve the renegotiation process in its present form.

In view of the many amendments placed in the bill by the committee at the present time and in view of the unsatisfactory past administration of the law, I think it is unwise for us to approve a 4-year extension of the renegotiation authority. If we approve the 4-year extension we will be permitting this Board to operate without any effective review in any detail by any committee of the Congress having this legislation within its jurisdiction. How much better to do as we have done in the past, recognize that to the extent any form of renegotiation may be justified, it must be subjected to continuing review on the part of the Congress. Recognize that renegotiation is an unusual activity within our Government and that it is something which requires the watchful eye of a committee of the Congress at all times. I do not want to see the businesses of this country in the great area where renegotiation is deemed necessary, namely, those areas where we are experimenting today in the field of electronics and the space agencies and the great aircraft industries and missiles industries—as I say, I do not want to see the companies that are now engaged in working in those areas to be forced into a situation where in order to obtain capital and to have the dollars necessary to buy the machines which they must use to make their final product, forced to come to the Government with their hand out as they must do today in order to get the expansion and working capital to provide for the defense of our country. I want them in a free competitive manner to look to the American people for private capital. I think the American people instead of paying money out in taxes first so the Government can lend or give the money will invest their private capital in these vital industries. Then in the long run through the exercise of the competitive influence in government and in our economy, our American taxpayers will prosper because instead of having one company make a certain type of airplane, we will have two or more endeavoring to get into that area of business. Thus, the deadening hand of Government will not be dictating to management that which must be done if that industry is to get the contract.

Mr. WESTLAND. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield.

Mr. WESTLAND. I appreciate very much the discussion that the gentleman from Pennsylvania is giving on this subject. It is extremely interesting to the people of the State of Washington. I would like to ask the gentleman one or two questions. First of all, I would like to ask the gentleman: What are excessive profits?

Mr. SIMPSON of Pennsylvania. That question has been asked many times by many people without any definition. There is no means of knowing. It is, in fact, an amount of money determined by a board who, after all, are individual citizens who reach a conclusion that "X" number of dollars is excessive in a certain instance whereas in another instance it would not be excessive.

Mr. WESTLAND. So this determination of what excess profits are is up to this Renegotiation Board; is that correct?

Mr. SIMPSON of Pennsylvania. That is correct. Having reached a conclusion as to excessiveness, the levy or the assessment is made against the contractor. Now we are told the contractor may go to the courts. The months or years incident to the determination as to whether or not the levy was proper is, of course, injurious to the company. First of all, may I suggest that the company having decided to go to court, in my judgment, thereby gets a black eye insofar as the negotiators are concerned who may be considering giving a new contract to that company. If I were managing a company of that type, before I went to court, I would think carefully as to whether it would be wise on my part to jeopardize my company or to antagonize the gentlemen of the review board or those in the procurement area of our government by daring to fight that agency and the levy they made against me as an assessment.

Mr. WESTLAND. If you and I, for example, were to enter into a contract, with you as purchaser and myself as vendor, I would assume that you had examined my product carefully and that you had done your best to obtain this product at the cheapest price possible, and when we finally entered into a contract and at the conclusion of that contract when I had delivered this contract to you, upon which I at least hoped to make a profit at the time of the sale, as a private individual would you be able to come back to me and say, "Now we are going to renegotiate this because instead of making 6 percent or 8 percent, you have made 10 percent or 12 percent and, therefore, you should kick it back"?

Mr. SIMPSON of Pennsylvania. Of course not. I would expect you to keep what profit you make and if I lose money, then I would have to lose it.

Mr. WESTLAND. That is my argument.

And, further, should we not assume that the purchasers and the procurement people of the Federal Government are equally as interested in obtaining these products at the lowest possible price from the vendor?

Mr. SIMPSON of Pennsylvania. I do assume that. I would like to point out the case that was illustrated to the committee with respect to the atomic submarine. I cannot go into the details here, but we were told in some detail that every contract involving everything used in the building of that experimental submarine was the result of competitive bidding.

Mr. WESTLAND. We frequently hear in the Congress here criticism against the cost-plus type of contract.

Cannot this renegotiation area lead into just exactly the situation where the contractor would prefer to have a cost-plus type of contract rather than one subject to renegotiation where he is taken in and overhauled if he has made a profit?

Mr. SIMPSON of Pennsylvania. Certainly you and I know that no businessman will remain in business unless he can make a profit one way or another. If he cannot get it by negotiated contract he will endeavor to get it by a cost-plus contract.

Mr. WESTLAND. One further question: Is it possible to write guidelines through the committee?

Mr. SIMPSON of Pennsylvania. The committee tried earnestly and sincerely to write guidelines for the Board. I have to agree with the distinguished chairman, I think, that he stated accurately his opinion that it is impossible for us to set down in black and white detailed guidelines. There is a degree of discretion which is within the Board and must remain within the Board. And here I come back to where I started out: The very fact there is discretion in the Board, in my judgment, is the greatest argument for the Congress' retaining its control over this legislation and certainly for not granting an extension now for a longer period of time than we in the past ever extended this act.

Mr. WESTLAND. May I just conclude by saying that I hope this committee will keep this under active consideration?

Mr. SIMPSON of Pennsylvania. I hope so, too.

Mr. WESTLAND. I, for one, am completely dissatisfied with the way this thing operates at the present time.

Mr. SIMPSON of Pennsylvania. I thank the gentleman and I will say to the gentleman that I propose to offer an amendment extending the act for 2 years and 3 months instead of the 4 years proposed in the bill.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from Tennessee.

Mr. EVINS. The original renegotiation proposition started in 1942. Since that time the Renegotiation Board reports that several million dollars have been returned to the Treasury by contractors on a voluntary basis. If we did not have the law there certainly would be no voluntary returns to the Treasury.

In addition to the voluntary refunds, of course, the Renegotiation Board brings other returns.

My point is that if we did not have any law we would not even receive voluntary returns on these enormous contracts.

Mr. SIMPSON of Pennsylvania. May I say to the gentleman that where the parties to the making of a contract are so completely inefficient that they create a situation where they take in an excessive amount of money, in my judgment it indicates the grossest kind of negligence and carelessness in the preparation of the contract. In the first place, those who undertake to make a contract should be able to arrive at a fair and sound price.

I think that what is happening in this area today is that the people charged with procurement are saying: "Well, we will discuss this matter, we will get together on an amount. Whatever mistakes we make will be corrected by this Board; we will pass the buck to them."

I do not like that kind of contract negotiation.

Mr. EVINS. Whether you have efficient contracts or whether you have inefficient contracts, if we did not have such a law on the statute books experience shows that none of the excessive profits would be returned to the Treasury.

Mr. SIMPSON of Pennsylvania. I thank the gentleman.

Mr. Chairman, I suggested a minute or so ago that the one amendment I shall offer will have to do with the period of time which this act is to be extended. I propose to present an amendment which would extend this act for 2 years and 3 months, which is the period of time asked for by the Administration when its request for this legislation was made.

Mr. Chairman, I reserve the balance of my time.

Mr. MILLS. Mr. Chairman, I yield 45 minutes to the gentleman from Georgia [Mr. VINSON], chairman of the Armed Services Committee.

Mr. VINSON. Mr. Chairman, I want to thank the distinguished gentleman from Arkansas, the chairman of the Ways and Means Committee, for being so generous in permitting me to address the Committee this afternoon for 40 minutes. I am very grateful.

It is with great reluctance, but nevertheless with firm determination, that I rise to oppose every provision of H.R. 7086, except the first section which extends the Renegotiation Act for a period of 4 years.

Mr. Chairman, I want to take this opportunity to compliment the Committee on Ways and Means for being candid in its report concerning the purpose of the proposed amendments to the Renegotiation Act.

If you will turn to page 1 of the report you will find that the Committee on Ways and Means states that the amendments which are proposed "will be of benefit to industry."

So at the very outset, let us understand that, in the words of the Ways and Means Committee, we have here a bill for the benefit of industry.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. I wonder if the gentleman will read the following sentence.

Mr. VINSON. I will read it.

Mr. CURTIS of Missouri. Read the full sentence.

Mr. VINSON. It says:

> For the benefit of industry and in the hope of better administration.

Mr. CURTIS of Missouri. May I quote it for the gentleman?

Mr. VINSON. I will not yield any further.

Mr. CURTIS of Missouri. Quote it right, please.

Mr. VINSON. Mr. Chairman, this bill does not have a title. I suggest a title. The bill should be called "An act for the financial aid of some of the wealthiest defense contractors in the Nation."

Now, Mr. Chairman, the subject of excessive profits is one with which I have

great familiarity. I have been struggling with this problem since 1934, when the first law on the recoupment of excessive profits went into effect—the so-called Vinson-Trammel Act.

The Renegotiation Act of 1951 is an outgrowth of the Vinson-Trammel Act and other laws that have been in effect since 1934.

The sole purpose of the Renegotiation Act is to give the Government the machinery to recoup excessive profits made by defense contractors.

Now, I want to emphasize at the outset that renegotiation of defense contracts always takes place after taxes have been assessed by the Federal, State, and local governments. In other words, all taxes have been paid before the negotiators sit down at the table to discuss what is a fair and reasonable profit.

And when a contractor enters into a defense contract with the Government, there is a provision in the contract under which he agrees to submit to renegotiation.

The Renegotiation Board consists of five members appointed by the President and confirmed by the Senate. In addition to the Renegotiation Board, there are regional boards who first go into these matters.

Now just what does the Renegotiation Act seek to accomplish?

Well, its objective is to recoup, for the Government, excessive profits made by defense contractors.

You can compare this law, with speed laws. Let us take a speed law which says that the speed limit is 60 miles per hour. That speed is considered to be the maximum speed under which a vehicle can be operated safely; any speed beyond that is considered excessive.

Well, that is what the Renegotiation Act does with defense profits. The difference is that in the renegotiation procedure there are certain factors that have to be taken into consideration so that no firm percentage figure can be applied in advance.

But the net result is the same. The Renegotiation Board determines what is a fair and reasonable profit and its function is to recover for the Government, profits that are excessive and beyond, that which is fair and reasonable.

Now the Committee on Ways and Means has stated quite frankly that this is a bill which will be of benefit to industry.

Well, Mr. Chairman, just who is going to get this benefit that the committee wants to give away.

Well, in the main, it is the large defense contractors in the Nation and particularly the 12 largest airframe manufacturers in the country, because these companies have the great bulk of defense contracts dollarwise.

And, in addition, these are the companies that are being renegotiated and today have their cases in the Tax Court.

So the changes that are proposed in this bill are those that would be of benefit to these poor, struggling defense contractors.

Now let us see just how poor these companies are. Let us just see how much help they need from the Government. Let us see what changes are required in the law so that they can make even bigger and better profits.

Let us look at one of the largest defense contractors in the country: the Boeing Airplane Co. Boeing's profit after all taxes in 1958, was $29,360,000. In making that profit they used $145 million of their own money; and $245 million of Government facilities.

Just to give you an illustration of how badly off they are under the present Renegotiation Act, let me tell you this: in 1952 Boeing had a private capital investment of $34,570,000, and a gross Government investment in plants and facilities of $84 million.

Mr. WESTLAND. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Washington.

Mr. WESTLAND. The gentleman stated that Boeing Aircraft made a profit of $29 million this past year. I would like to ask the gentleman on the basis of what gross sales that was.

Mr. VINSON. I have all that worked out, and I will put it in.

Mr. WESTLAND. You have it worked out?

Mr. VINSON. Yes.

Mr. WESTLAND. The gentleman mentioned a figure of $390 million. I wonder if the $29 million was made on gross sales of $390 million. I mean, if you make 10 percent on your money, which is a reasonable profit, $29 million would be less than that. Does the gentleman think 10 percent gross profit on sales is excessive?

Mr. VINSON. When Boeing had $245 million of Government facilities and had $145 million of its own, it made $29,330,000 profit after taxes in 1958. Now, if you want to show how much the percentage of profit was on its own capital investment, it is easy to calculate. But, I am lumping the two figures together to show you that even under those circumstances they made $29 million.

But from 1952 to 1958 Boeing was able to increase its capital investment on the basis of profits made almost entirely from Government contracts from $34 million to $145 million.

Does that sound like they are starving to death and need a financial relief bill?

Let us look at Douglas Aircraft Co. In 1957 they made a profit of $30,665,000 after all taxes. This was based upon a private capital investment of $111 million and a gross Government investment of $205 million.

In 1958 their profit dropped to a little under $17 million, but the private capital investment increased to $123 million and the Government investment increased to $215 million.

Back in 1953 Douglas had a private capital investment of $52 million, and a Government investment of $77 million. Douglas, therefore, has been able to increase its capital investment by 70-some-odd millions of dollars since 1953. Does that sound like they are starving to death and need special legislation for their benefit?

Let us look at Lockheed. In 1958 Lockheed had a profit, after all taxes, of $18,556,000, the largest profit after taxes since 1954. In 1953 Lockheed had a private capital investment of $57 million and a Government investment of $84 million. Today Lockheed has a private capital investment of $129 million and a Government investment of $130 million.

Let us look at North American Aviation. In 1958 it had a profit, after all taxes, of $26,286,000, based on a private investment of $91 million and a Government investment of $152 million.

But in 1953 North American Aviation had a profit, after all taxes, of $12,773,000, based upon a private capital investment of only $29,754,000 and a Government investment of $87,900,000.

Mr. Chairman, the hue and cry of the aircraft industry is that as a result of the renegotiation law they do not enjoy a net income comparable to that of other manufacturers and other corporations of this country. Therefore, I found it of great interest to read page 40 of the April issue of the "First National City Bank Monthly Letter on Business and Economic Conditions."

In this interesting letter there are listed the net income of leading corporations for the years 1957 and 1958. This net income involves 3,574 companies and is broken down by industrial groups. The aircraft and parts industry made up of 39 companies, showed a 14.5 percent return on net assets in 1958, and a 20 percent return in 1957. The only industry that can match this 2-year high rate, and it is not a hard-goods manufacturer, are 27 drug and medical companies who exceeded the aircraft manufacturers' return in these 2 years.

In other words, Mr. Chairman, the percent of return on net assets of the aircraft and parts industry for the years 1957 and 1958 was higher than all of the other industries in the United States, except the drug and medical industry, for these 2 successive years.

Now, I am not going to burden the Members with additional figures but I just wanted to mention a few statistics to show you who will benefit from the amendments proposed to the Renegotiation Act. This is the industry who will benefit and even the committee report acknowledges the benefit. This is the same industry who have members now knocking at the doors of the Tax Court complaining that they have not made enough profit. And, Mr. Chairman, this bill will give them an even higher profit.

Now, Mr. Chairman, let me tell you why the amendments proposed to the present Renegotiation Act are unsound and should be rejected by the membership of this House. Remember that every amendment, except section 1 which extends the act, will be of benefit to industry, as stated by the Committee on Ways and Means, and particularly the airframe industry of which I have just spoken.

Mr. Chairman, I would like the membership, if they will, to turn to page 14 of the report on H.R. 7086—House Report No. 364.

Now, I call the membership's attention to the Ramseyer report and particularly to section 103 of existing law and the proposed changes to that section.

The bill before the House today would amend paragraph 2 of section 103(e).

You will find that it begins with the fourth sentence from the bottom of the page. You will note that existing law refers to:

> The net worth, with particular regard to the amount and source of public and private capital employed.

The change proposed by the committee would convert that sentence to read as follows:

> The net worth, and the amount and source of public and private capital employed.

The committee report seeks to justify this change by saying that:

> Section 2(b) of your committee's bill amends section 103(e)(2) merely to clarify the distinction between the concept of "net worth" on the one hand, and that of "amount and source of public and private capital employed" on the other hand.

Now, Mr. Chairman, let us look again at page 14 of the report and take another look at the Ramseyer.

Remember that the committee says:

> Let's clarify the words "net worth" and its relationship to public and private capital employed.

But note that the committee does not seek to clarify the language that appears in existing law which is of benefit to the contractor. The committee does not seek to eliminate the words "with particular regard to" where they appear in section 103(e) with respect to the, first, attainment of quantity and quality production; second, reduction of costs and economy in the use of materials; third, facilities; and, fourth, manpower. In fact, to that they would add a new factor—"contractual pricing provisions and the objectives sought to be achieved thereby."

Now this appearance of the words "with particular regard to" obviously is of benefit to the contractor. These words require the Board to give particular regard to these factors which are in favor of the contractor with respect to the profits he makes on a Government contract.

But why did not the committee, to clarify the situation, suggest that the words "with particular regard to" be eliminated from this part of the law?

And for that matter, why did not the committee ask that the words "with particular regard to," which appear in paragraph 1 of section 103(e), be eliminated?

The answer, I am afraid, can only be that in these two instances the words "with particular regard to" are of benefit to the contractor, but the words "with particular regard to" in paragraph 2, which the committee would eliminate, is the one portion of the factor consideration which the Board must take into consideration with respect to the Government's investment in these facilities of over a billion dollars. And this is what the committee would ask us to deemphasize.

I am willing that, as in the present law, the Government and the contractor approach the renegotiation table on equal terms, but I am not willing to say that the Government must now in guise of clarification go to the renegotiation table saying that its capital investment must now be given less weight than formerly.

What possible justification could there be for making a change in existing law which requires the Board and invites a court to deemphasize the public's investment in these facilities? Obviously, any change in the law which deemphasizes the public investment is intended to be of benefit to the private contractor.

I might have a little sympathy with this proposed amendment if these words of emphasis were taken away from the favorable recognition accorded to the contractor's five factors. But I can have nothing but doubt about a proposal to take it away from the Government's one factor. I don't think it is clarification at all. It is confusion of the worst order, because it is confusion in emphasis. It is the depreciation of one factor in favor of five other factors by means of which the total of excessive profits shall be determined. That is dangerous; and I think manifestly unfair to the taxpayers.

Now, let us look at section 2(c) of the bill. A brandnew factor has been added to be of benefit to industry in its dealings with the Renegotiation Board.

Now the committee proposes to add a new factor to be considered with particular regard to the contractor's contractual pricing provisions and the objectives sought to be achieved thereby. This plainly refers to incentive contracts.

Incentive contracts are designed to return greater profits to the contractor by their very nature; but when a contractor's total profits from all contracts exceed a fair and reasonable return, I do not believe either you or I would sanction a special rule in their favor.

My belief is this: A fair and reasonable return is all that any contractor ought to receive from all his defense contracts whatever the name of the contract or whatever unusual contractual pricing provisions are in it.

Now, I say this to you because when this same proposal was up before the Ways and Means Committee, the Comptroller General took the unusual step of reversing himself in that regard. He was obviously alarmed at what could happen with windfalls in incentive contracts. He called them by their right name. And he warned Congress of the dangers of a special rule for special pricing provisions.

I stand with the Comptroller on that. I am opposed to windfalls or any possibility of windfalls by special contract provisions. No special contract provision and no provision of law should authorize excessive profits.

Now, the Committee on Ways and Means, on page 3 and section 3, suggests that losses be carried forward 5 years instead of the present 2-year loss carry forward. Remember, there is at present a 5-year tax loss carry forward; but now the committee wants to give an additional benefit—we are going to extend the loss carry forward in renegotiation for an additional 3-year period. And remember, renegotiation is after taxes.

Now, Mr. Chairman, turn to page 5, line 11, of the bill.

Under the regulations of the Renegotiation Board, the Board advises the contractor in general terms of the consideration it has given to the six statutory factors by which excessive profits shall be determined. But this is done, Mr. Chairman, after the determination by the Board. The Board is not required to, and does not specify the dollar amounts assigned to any one particular factor; it should not; it cannot, if it follows the instructions of the law in arriving at a single judgment.

Now, the committee, to be of "benefit to industry," insists that this statement be given before the Board's determination. The committee says, prior to the making of an agreement or the issuance of an order, before the Board opens its mouth as to the amount of excessive profits, it must give the contractor a statement of the reasons for what it proposes to do.

Then what comes next?

At or before the time such statement is given, before the Board opens its mouth, they must make available to the contractor all reports and other written data furnished by any of the departments who have answered any questions of the Board.

This would make the contractor a full member of the Board, allowing it to read the Board's own mail, open its books for inspection, and give a statement before making a decision.

Now, if industry is not being helped enough at this point, this poor struggling industry, let us look at section 5. The present law provides for an appeal by the contractor to the Tax Court where he shall be accorded a trial de novo. The Tax Court may either enlarge, agree with, or diminish the sum found by the Renegotiation Board.

Now, after having been required to furnish the contractor with all of the information which I have just enumerated, all the letters and documents that it has received and a statement of how the Board is to decide the case, before deciding, then another committee amendment says that if the contractor is dissatisfied with whatever happens after that proceeding, he may go to the Tax Court; and the committee says "no presumption of correctness shall attach to the determination of the Board."

Why the search and seizure of section 4 if it has no use before the Tax Court?

It is just another step downward for the Board, and for whose benefit? Because the committee says in the next section that only evidence presented to the Tax Court shall be considered by the Tax Court.

And, if that were not enough, after the files and proceedings of the Renegotiation Board have been rifled, the contractor goes before the Tax Court de novo. He starts all over again with the specific instructions that anything that was done before cannot be considered.

Well, for whose benefit are sections 4 and 5 as they are written?

Now let me call your attention to another provision. The committee says it wants to bring proceedings of the trial de novo of a renegotiation case in harmony with proceedings of the Tax Court.

Now, here is what the proceedings in the Tax Court are at the present time:

A division of that court makes its determination independently. After that determination has been rendered, under present law, all 16 judges of the Tax Court can participate and review the decision, if within 30 days any judge of that court is dissatisfied with the proposed decision for any reason.

Under the proposed procedure in the committee bill, the Tax Court division after having reached its decision would have that decision automatically reviewed by three judges of the Tax Court after which the decision would then become the final decision of the Tax Court. A mandatory three-judge review of a Tax Court decision within the court is not applicable in any other matter in that Tax Court.

Now you would think, Mr. Chairman, that that would be enough to satisfy even the most dedicated professional litigant. But, no, another step is to be added.

The appeal procedure before the U.S. Court of Appeals is to be changed by the committee bill. The objective is bigger and better and longer appeals.

Now one thing I must not overlook is that every one of these appeals from the Tax Court is interest-free for the contractor after 3 years.

Now let us look at section 6 of the proposed legislation and see what that does for these poor, struggling defense industries who do not know where their next $100 million contract is coming from.

The contractor has already had at this point two complete trials and a three-judge court review. But that is not enough "for the benefit of industry." Now this contractor is to get another new trial with the same rights as those possessed by a contractor in a civil action in the district court of the United States tried without a jury.

The rights of an appellant in a court of appeals whose case has been tried before a district court without a jury are, among other things, under rule 52 of the Rules of Federal Procedure, to require specific findings of fact and conclusions of law thereon spelled out to determine the application of facts to the law as announced by the lower court.

In the case of a trial by jury, the only question which a court of appeals can consider is whether the jury was properly instructed; and if properly instructed, whether there was sufficient evidence to support the verdict. The appellate court may not inquire into what particular fact or group of facts impressed the jury and resulted in their decision—only that there was evidence and that it was properly before the jury.

This bill does not prohibit the court of appeals from requiring a statement of the sum of money allowed for each factor considered. But that is the very thing which Congress has consistently forbidden. Even this bill forbids the Renegotiation Board to specify the dollar value accorded any factor, but nothing is said about the circuit court of appeals.

I said that this would be a third renegotiation.

Let me tell you what that court of appeals says it can do on an appeal on findings of fact by a judge. In the case of Dollar against Land, decided in 1950 in the District of Columbia with certiorari denied—cited in 184 Fed. 2d 245—beginning at 248, that court says the rule by which it is guided is this:

> Since jurisdictional review of the findings of a trial court do not have the statutory or constitutional limitations * * * on findings * * * by a jury, this court may reverse findings of fact by a trial court where clearly erroneous.

That means, says this appellate court, when the court "believes a mistake has been committed."

Now, if that is not a new trial, I do not know what is.

All you have to do is to get the court to invoke rule 52, get a financial statement, and you have got a brandnew trial, depending upon how far the circuit court of appeals wants to go.

This is the obvious purpose of this section. This is another example of how this bill proposes to be of benefit to industry. And if the contractor is not happy with the results in the circuit court of appeals, he can file for certiorari in the Supreme Court.

Mr. Chairman, I shall not trespass further on the time of the membership of this House in a further explanation of the amendments proposed to this bill.

But for those who are curious, I suggest that you notice, if you have not already done so, the different effective dates contained in the bill.

There is an effective date on page 6, line 7, with respect to section 4.

There is a different effective date on page 7, line 20, with respect to section 5.

There is an entirely different effective date on page 9 with respect to section 6.

You can get a different result if you read page 10.

I will not attempt to explain the purpose of those effective dates except to express the opinion that they may well involve cases now pending in renegotiation appeals.

I want to conclude what I have said today by telling you that since 1951 some 4,400 cases were certified to the Renegotiation Board. Of these cases 3,288 were renegotiated, resulting in a recovery to the Government of $723 million.

Since 1951 only 53 cases have been appealed to the Tax Court.

There are $82 million in assessment by the Renegotiation Board on appeal in the Tax Court in 53 cases, involving 46 contractors. But 7 of these 46 contractors, in 13 cases, account for $72 million of the $82 million in dispute. These seven contractors are Boeing, Douglas, Lockheed, Martin, North American, Temco, and Grumman. These are the seven poor, struggling airframe manufacturers who will benefit from the committee bill.

I think you will see now what is meant when the committee report says "this will benefit industry."

Mr. Chairman, several years ago, I stood in the well of this House and urged the Government to dispose of the synthetic rubber facilities because I advocated then, as I advocate now, and will always advocate, the free enterprise system. Nothing I have said here today detracts in one iota from my firm belief in the free enterprise system. I believe it is the soundest system devised for the operation of our society. But free enterprise based upon the competitive system is one thing, and defense contracts negotiated with a handful of defense contractors involving unknown factors is a different proposition.

I will not, I cannot, and will never support any proposal that will increase defense costs to the taxpayer and excessive profits to a handful of defense companies.

And, Mr. Chairman, that is what these amendments will do if they are adopted. That is what the committee amendments will do if adopted, and that, Mr. Chairman, I submit is frankly stated in the committee report on page 1 where it says "this bill will be of benefit to industry."

I propose to offer an amendment to the bill which strikes out all after section 1 and merely reenacts the Renegotiation Act of 1951 for a period of 4 years. I hope the amendment carries.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman.

Mr. MILLS. The gentleman would agree with me, would he not, that if this program is not extended, the provisions of the Vinson-Trammell Act would go into effect?

Mr. VINSON. That is correct.

Mr. MILLS. If the gentleman will permit me to ask him this question; does he think that the airframe industry would be better satisfied with the Vinson-Trammell Act providing for 12 percent, or with a continuation of this bill?

Mr. VINSON. No; the Vinson-Trammell Act, as amended, providing 12 percent for the aircraft industry, is not the proper approach.

Mr. MILLS. Would the gentleman agree with me that under this bill the aircraft industry would make no such percentage on sales?

Mr. VINSON. I think from the statements I have made here, the aircraft industry gets far more than that.

Mr. MILLS. On sales?

Mr. VINSON. I have shown that in their returns after taxes.

Mr. MILLS. The gentleman has not pointed out that after taxes and after renegotiation under this or any other program that the Committee on Ways and Means has ever brought to the House of Representatives, the airframe industry will get as much of a profit as it would get under restoration of the Vinson-Trammell Act.

Mr. VINSON. I will say this to the distinguished gentleman and to each and every member of this distinguished and major committee in the Congress. If you pass this bill, in the language presented here today, whatever they are making today, they will make far more.

Mr. MILLS. If the gentleman will yield further, I have listened to the gentleman, and he says maybe I am confused, and maybe I am; but I think my friend from Georgia will admit that as I said in the opening statement, in no

way does this bill change the exercise of judgment by the Board.

Mr. VINSON. That is correct.

Mr. MILLS. And the Board said in the letter to me that I read that it unqualifiedly endorses this bill and every provision of it. Does the gentleman mean to say that the Renegotiation Board itself does not know what it is talking about?

Mr. VINSON. The Renegotiation Board is like all other departments in the Government.

When the guideline is set by the administration, all of them say, "Me too."

Mr. CURTIS of Missouri. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, the gentleman who preceded me stated that he would not vote for any proposal that would increase defense costs. I would suggest to him that his program has increased defense costs, and if his ideas were to prevail, they would continue to increase. That is the sole issue involved in this matter. What will bring about the most economical cost to the Government? Within that area there is plenty of room for honest disagreement. But, there is no room for disagreement as to objectives. Certainly, this committee is interested in attaining those objectives.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I am glad to yield to my distinguished chairman.

Mr. MILLS. The chairman of the Committee on Armed Services both before the Committee on Ways and Means and here today made a great point of the amount of profits that have been derived by the airframe industry in the past. Could that kind of profit have been derived in the first instance if the Department of Defense had utilized purchasing practices and procedures which were more appropriate?

Mr. CURTIS of Missouri. The answer, of course, is obvious—they could not.

Mr. MILLS. And those profits to which he referred were derived before renegotiation; is that not correct?

Mr. CURTIS of Missouri. That is correct. The gentleman has stated it. That really is the issue because what we are talking about here is only one aspect of the military procurement and supply, a very important aspect. But that is what we are seeking to find out, What is wrong with our military procurement supply system? I do not believe anyone in this Chamber who has studied the matter believes it is anything other than extravagance and, in my judgment, there is something fundamentally in error here. If we could only find what it is, I want to say to the gentleman from Georgia, for whom I have a great deal of respect and particularly for his parliamentary ability, who started out and keynoted his address and ended it with the same thing, and I think it pertains to his whole talk to which I listened very closely. He started out with a half quotation and ended with a half quotation, and even when I asked the gentleman to yield to read the full sentence instead of just half of it, he then misstated the second half of it. I want to read the full statement. He said, "will be of benefit to the industry." Here is the rest of it—"and also will contribute to the administration of the act." That is exactly what we hope we have done in this proposal to the House. Not only doing something that will benefit industry, but certainly that will benefit the Federal Government as a whole and that will benefit our people as a whole. That is the purpose. This idea of reading half a statement instead of the full statement, I think typifies the quotations that are contained throughout the gentleman's presentation. For anyone who is interested, incidentally, in some of the figures involving the airframe industry, which I might state is not the only industry involved in renegotiation because probably our small businesses, thousands and thousands of them, are most adversely affected by the Renegotiation Act. Certainly, there are many other big industries other than the airframe industry that are adversely affected. But, turn to page 219 of the public hearings of the committee and there you will get the percentage and the ratio of earnings to sales after renegotiation and after Federal income taxes. You will find that the highest return of the airframe industry is 3.2 percent and, as a matter of fact, before taxes, the highest, incidentally, is 6.69 percent which is well below the 12 percent of the Vinson-Trammell act, and I might state, it is well below the percentage of American industry as a whole.

I would like to make one other point in referring to the statement made by the chairman of the Committee on Armed Services. I am rather amazed at his presentation inasmuch as he signed the report on aircraft production costs and profits, of a subcommittee for the special investigation on this subject, dated July 13, 1956. Those hearings were conducted on this very subject about which the gentleman has been talking. He signed the report himself on page 3128. In that report there are many statements that are in direct variance with what the gentleman has said here on the floor. Incidentally, I will quote some of it which is quoted on page 21 and page 22 of the committee report, in the supplemental views of the minority. There is one in particular that I would like to read. This is from Chairman VINSON'S own subcommittee:

> The subcommittee concludes on the evidence that there has been no showing that on the average the profits allowed are excessive.

That is only one example of the conclusions of this study which his own committee conducted into this subject matter.

Now to get to the debate itself and the issues involved here which do have to do more with economics, I believe, than anything else, because we are talking here about our defense industry. If they are going to be strong, as they must be strong, if we are going to provide adequate defense for our country, we must not stunt their growth. They are growing industries, and the amount of capital needed in a growing industry is considerably more than that in a more stable part of the economy. I want to call attention to the similarity between this bill, the Renegotiation Act, which professedly is to eliminate excess profits and the Excess Profits Tax Act. Let me emphasize again we are all against excess profits, let there be no mistake about that. There was no one who testified before our committee who started out other than to say they were opposed to excess profits. The issue is what is an excess profit? And in order to understand it we have to get into economics. What is the difference between this bill, I might ask, and the excess profits tax, which, thank goodness, we finally eliminated back in 1954. We never should have extended it the 6 months we did; and some of us on the Ways and Means Committee never did give up on that, although we got overridden. It was not a tax on excess profits at all; upon analysis it was found to be a tax on every growth industry in the United States, every new and growing industry, and particularly the small businesses of the United States. If there ever was a tax that was levied on economic growth it was that misnamed excess profits tax. I suggest that the same misconception, the same mislabeling exists in this very bill here. Upon analysis if there is anything that this renegotiation bill is doing it is taxing and putting a penalty upon growth industries. Indeed, we could call it just that. Let us take a few growth industries, electronics, for example. They would not have the reserve of profits to fall back on in order to finance their growth.

Or let us go into the sector of our economy that originally had nothing to do with defense, the automotive industry, when it grew in the 1910's, the 1920's, and the 1930's, and just consider the amount of capital they had to put into those industries if they were going to grow in accordance with the economic and the social needs of our society.

That is the background in which we have to consider this particular situation if we are going to make sense out of it. We are talking about economics, and it is not a question of how much the aircraft industry has grown in respect to the absolute; it is how much they have grown in respect to the need of our society for a well-financed and growing healthy airframe industry. In reference to the airframe industry I pointed this out in the hearings and I pointed it out in the executive sessions, and I want to emphasize it here. The Chairman of the Armed Services Committee apparently has listened to some of these arguments, because I notice he has changed his tune in regard to how much private capital and how much public capital goes into these airframe industries. His original plea was that because so much Government capital is in here, there should be less profits. I pointed out that under that theory we were going to end up with the Government still being in this field to a tremendous extent.

Now, if we are really interested in broadening our tax base and healthy economic growth we want to see Government capital beginning to go out and

more private capital to go in. Risk is the reason industry won't expand thru private capital. The Defense Department itself said it—and the Defense Department, I might say, as one might suspect, is in accordance with the Chairman's views on this thing; the Defense Department and the Chairman coincide in their point of view. The reason capital will not go into the airframe industry and some of these other new industries is because of the risk involved. Anyone who knows anything about the private enterprise system knows that where you have greater risk, if you are going to interest private capital you have to offer a corresponding profit. That is the only way we will go ahead. If we really want to get a strong defense industry we will have to provide the incentive so that it can grow not in relation to some set figure that some board or some group of individuals might say it should grow, but in accordance with the needs of our society and the needs of our defense.

There is one very basic reason I am opposed to any 4-year extension. As a matter of fact, I do not believe there should be even a 2-year extension of this act. We extended it last year, I believe it was for 6 months, so that studies could be made into this important area to find out just what is causing this damage. We requested the executive department to make those studies. I regret to say the Defense Department in its testimony in public hearings, particularly under my interrogation, showed that it had made no studies at all. I should not say "No studies at all," it made no formal studies and, as a matter of fact, it was a most casual, informal approach.

On page 43 I asked the General Counsel for the Department of Defense about this study and he says: "There was no chairman." He says, "I suppose I called the meetings." He says: "This was an informal review." It had no reports.

I interrogated him about specific areas of study, about redetermination as a method of handling this problem, which means that the procuring officers themselves would go over the contracts. He said in his answers, no studies had been made of that.

I call the attention of the chairman of the committee to this statement. He made a statement I wanted to modify in his original presentation when he said: "A lot that we go on was on the basis of studies that were conducted by our staff of the Joint Committee on taxation."

The correction I wanted to make was that our staff told us their studies were incomplete.

Mr. MILLS. That is true. They had not made a complete study.

Mr. CURTIS of Missouri. That is correct. They wanted to go further in their studies and we wanted to have them go further in their studies, particularly in light of the fact the executive department has not done its job in coming before the committee and the Congress so that we could make a real report on this thing. Even our own staff which we had go into this matter has not completed its studies on the thing. In light of that, I certainly think it is ill-advised for the Congress to extend the act for as long as 4 years. As a matter of fact, in my opinion, 2 years is too long. I think we ought to extend it for a year in order to get these studies in and find out just what the situation is.

There is one basic point I want to get across because many people have a misconception of what the Renegotiation Act intends. I know the chairman of the Committee on Armed Services himself will agree with this statement. The Renegotiation Act is not intended to catch fraud. This is not a question of anyone's being guilty of fraud. We have plenty of laws to take care of that aspect of the matter. I thought it was primarily to correct errors, but I had a little difficulty with the General Counsel of the Defense Department when I interrogated him on this. I would like to refer to that because it is pretty basic.

On page 46 he says:

> The point I am making, and I think it can be borne out fully by the Board, is that the great bulk of renegotiation refunds are not the result of errors, but are the result of changing facts during the performance of the contract. And you cannot say that anybody erred about it.

I had been saying it was to correct errors. I still think essentially we were quibbling over words, but it brings out a point. We are talking about those kinds of contracts in regard to new weapons, new ideas perhaps, about which neither the contracting officer nor the contractor himself knows enough in order to put the correct cost down.

We certainly need some sort of machinery and procedure to re-evaluate those costs after the fact. There is no dispute on that. But here is where I disagree with the renegotiation procedure. Inasmuch as we are talking about knowledge and lack of knowledge, I say that the men who are best in a position to re-evaluate costs and errors or miscalculations, or whatever you have, are the people who have actually been negotiating the contract in the beginning and have been following the contracts through on both sides.

Mr. Chairman, I prefer to have a system, and I would suggest it, and this is what I have suggested, of a development of the redetermination process—that is a term that the military establishment uses to describe what they do do in relooking at these contracts that involve new projects. Now, their redetermination, as they call it, is somewhat limited, but it could be expanded actually to be the same process that goes on in renegotiation; in other words, a complete review of each contract and a complete review, I might say, of all the contracts that a particular company has had with them in a particular year. As a matter of fact, there is some testimony to the effect that the Navy actually did that with one of the aircraft industries. This is the procedure that I suggest will actually bring about the best economies. Instead of that, what do we do? We set up a board of men who have no knowledge of these technicalities or the problems involved in these very technical aspects of production, and this independent board with no knowledge, as I say, at all of the details, attempts to look over the shoulder and determine what is and what is not an excess profit. I suggest that under those circumstances it is an impossibility to expect any good result out of that. And, I would say that is the exact reason that here we are faced with a situation where we have had the Renegotiation Act for many years, and yet we do have some situations where there have been overcharges, and industry, in many instances of its own volition, has sat down with the Army, the Navy, and the Air Force and gone over it. In other instances there are redeterminations, and I say further development of that would really produce some results.

Just recently I have been reading in the newspapers about the Hébert subcommittee disclosures of what the General Accounting Office has found out. How in light of this can we believe that this renegotiation procedure is doing an adequate job? It is very obvious that there is something the matter here, and the something that is the matter is the procedure itself. Let me point out first that the best way to keep prices down is through competition, that is, the private enterprise system. The only time we go to a second best system is when through some circumstance or another we cannot have competition. The only way that we will go to another system, or should, is when, due to circumstances, we cannot have competition. Probably the best example is with our private utilities, where we have a natural monopoly, and therefore we set up a board which actually determines those costs. But, it is only a second-best system. This renegotiation system is only a second-best system, and as we tried to point out, those who wrote the supplemental views, not only is it second best, it is a very poor second-best system. A much better second-best system could be established, one in which we would permit more competition, and thus invite into the bidding process of defense contracts many of the companies that today will not deal with the Federal Government. The Federal Government, through its heads-I-win-and-tails-you-lose philosophy, actually is producing a situation where many of our better companies will not even compete for Government business. Now, anybody knows this, that when you let your bids and only the fly-by-night contractors bid on them, you are going to pay through the nose in increased costs and poor quality. If we do not get good procurement practices in our Defense Department, I suggest that this process that we are now seeing develop will continue. That is why I suggest to the chairman of the Committee on Armed Services that far from doing what he thought he was doing, which was fighting against excess profits, if it continues with this sort of a system, he will foster a climate whereby this will come about. It is for these reasons I hope that when the amendment comes to reduce the time—I wish it were less than 2 years—the House will vote for that amendment so that these studies

which we requested be made by the Executive Department be made, that the studies that we have embarked upon as your committee be made, and that the Hébert committee studies in the broad field of military supply be made, and perhaps some other studies that Mr. McCORMACK and myself and others are conducting into the area of procurement of common-use items by the Military Establishments be made, and then with that information available, I think perhaps we can come forward with some suggestions of a good measure for military procurement and supply that actually will foster economic growth in the industries that we must depend upon for our defense and will bring about the best material to the Federal Government at the cheapest price.

Mr. CURTIS of Missouri. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. ALGER].

Mr. ALGER. Mr. Chairman, I take this time in a sense, to round out the debate today, since I find myself opposing this bill and in disagreement, not only with the gentleman from Georgia [Mr. VINSON], but with others of my colleagues whose opinions certainly I respect. But let me say, as a newcomer on the committee, that I greatly appreciate the opportunity and the privilege to serve with the members of the Committee on Ways and Means. And I want now to thank the counsel and staff of that committee for the help that they have given me, as well as to pay my respects to the Chairman for the gracious manner in which he permits questions to be asked in committee.

Mr. Chairman, I am opposed to the present extension of the Renegotiation Act for reasons which I think are quite apparent. I shall endeavor to pass over the same arguments made earlier, as much as possible, and bring out three or four others.

First of all, for those Members who might be approaching this as newcomers, you may wonder what are excessive profits by definition. May I read to you what excessive profits are. I am reading from page 3 of the Renegotiation Act of 1951, that we used in committee, Document No. 82286.

> Excessive profits: The term "excessive profits" means the portion of the profits derived from contracts with the Department and subcontracts which is determined in accordance with this title to be excessive.

In other words, excessive profits are defined as excessive profits. Then it goes on and states that there are six criteria to determine excessive profits. These are shown on page 4, and are as follows:

> (1) Reasonableness of costs and profits, with particular regard to volume of production, normal earnings, and comparison of war and peacetime products;
>
> (2) The net worth, with particular regard to the amount and source of public and private capital employed;
>
> (3) Extent of risk assumed, including the risk incident to reasonable pricing policies;
>
> (4) Nature and extent of contribution to the defense effort, including inventive and developmental contribution and cooperation with the Government and other contractors in supplying technical assistance;
>
> (5) Character of business, including source and nature of materials, complexity of manufacturing technique, character and extent of subcontracting, and rate of turnover;
>
> (6) Such other factors the consideration of which the public interest and fair and equitable dealing may require, which factors shall be published in the regulations of the Board from time to time as adopted.

But I might say, looking over these six factors that are important to determine excessive profits, the gentlemen of the Board would have to have the wisdom of the Almighty to exercise the judgment necessary. So I must meet headlong this argument that the gentlemen of the Board can do the job. They cannot by the very language of the factors that we outline as criteria. It is humanly impossible to analyze industry under the free enterprise system according to these criteria. This gives rise, surely, to many of the perplexing problems of renegotiation.

But, to pass on. I must observe that this bill, like so many bills in Congress, may be wonderful for the attorneys and the accountants, but it surely plays hob with businessmen because, while it maybe popular to attack business, we tend to forget some first principles. Management and labor together represent business, and anything we do in this body to hurt business, even though unintentionally, will hurt this great Nation of ours.

Percentage profit figures were given earlier by the gentleman from Georgia, and they have been rebutted I think adequately by the gentleman from Missouri [Mr. CURTIS] who pointed out that some of the percentage of profit of sales figures, after tax and after renegotiation, fall as low as 1 percent. This is certainly not excessive, as I see it; at the most they go as high as 3.2 percent, far from excessive.

Mr. Chairman, I might call attention of my colleagues to the report that accompanies this bill. I feel that it is a very excellent report in that it covers the various viewpoints including the one that I am expressing at the moment. I approve the views, in which I joined, although I did not write them, that are found on page 20. These are reason enough for my disapproval of the extension of this act.

Mr. Chairman, may I call your attention to the fact that there are four basic criticisms raised on page 20, which I now categorically state, from my standpoint, are not answered by this bill whatsoever.

I might also call attention to the fact that here we are, we who are the watchdogs of the purse, we who are looking after the affairs of this great Nation of ours, and we are now preparing by this bill to remove from the scrutiny of the Congress for 4 years this entire matter of renegotiation. I think that is wrong.

Going back to the views I endeavored to express, hitting the high spots, on page 26 of the report accompanying the bill, these views were based on listening carefully to the testimony given us. Much of this testimony came after that of the distinguished gentleman from Georgia who spoke earlier today, the chairman of the Committee on Armed Services. The criticisms made were quite persuasive, and they were not rebutted by the Defense Department and Renegotiation Board representatives nor by counsel or members in our executive sessions. These arguments were not rebutted, and these criticisms, which I would like to summarize briefly, were not answered. I shall mention them.

First of all, let me point out that renegotiaton, by its nature, was a temporary wartime measure. In wartime, what are the circumstances?

First of all, there is an absence of competition. Secondly, there is a crash procurement program. Thirdly, there is a hasty development of new products.

I say to you categorically that these three situations do not prevail today.

First, there is competition. Second, there is careful and considered procurement by experienced procurement officers. And thirdly, the new products that are being developed can be separated from production models, the costs being known and known intimately by the Department of Defense.

Mr. CURTIS of Missouri. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Seventy-three Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 54]

Baker	Hall	Moss
Barden	Hargis	Nix
Barrett	Hiestand	Norblad
Bass, Tenn.	Holifield	Norrell
Betts	Holland	O'Konski
Bonner	Jackson	Ostertag
Cahill	Jarman	Perkins
Canfield	Johnson, Md.	Powell
Casey	Jones, Mo.	Reece, Tenn.
Celler	Karth	Rivers, S.C.
Chelf	Kilburn	Santangelo
Clark	Kluczynski	Saylor
Davis, Tenn.	Lafore	Siler
Dorn, N.Y.	Laird	Smith, Miss.
Dorn, S.C.	Landrum	Smith, Va.
Dowdy	McMillan	Spence
Downing	McSween	Taylor
Durham	Macdonald	Watts
Fogarty	Mack, Wash.	Wharton
Giaimo	Mason	Withrow
Glenn	Meader	Younger
Grant	Moeller	Zelenko

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HARDY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 7086, and finding itself without a quorum, he had directed the roll to be called, when 367 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. When I caused the roll to be called, the gentleman from Texas [Mr. ALGER] had 9 minutes remaining. The Chair recognizes the gentleman from Texas.

Mr. ALGER. Mr. Chairman, to continue rounding out the viewpoints on renegotiation, the difference of viewpoint seems to be, not whether we are for or against excess profits, everyone is opposed to excess profits; the question is whether we shall retain and continue

the renegotiation procedure that we now have with minor amendments for 4 more years. In that vein, I would like to call your attention to page 20 of the report where four reasons are given in supplemental views by those opposing this 4-year extension, and point out to you that these four criticisms have not, in the judgment of some, been met in the present bill. Those four criticisms are these:

(1) The term "excessive profits" requires further statutory definition in the light of the Renegotiation Board's alleged practice of seeking to recapture normal profits or contractually agreed upon incentive profits.

In other words, the Board is taking profits that were originally agreed to be profits and are not excessive.

(2) Renegotiation proceedings before the Board are devoid of any character of a negotiation and instead bear an aura of a tribunal process where the contractor is tried without knowledge of the factors the Board secretly weighs against his petition.

This criticism, too, has not been met in the current bill, as some of us feel, who signed the supplemental views.

(3) The economic impact of renegotiation discourages competition by limiting the number of firms willing to undertake defense contracts, and that economic impact is causing our defense-related industries to rely increasingly on Government financed capital investment instead of relying on retained earnings and new private capital investment.

In other words, this bill is actually defeating its avowed purpose under renegotiation to eliminate excess profits and encourage efficiency, and instead is encouraging incompetent or inefficient contractors to come in to bid, also is hindering capital formation to permit the industries buying out the Government investment.

(4) Continuation of the renegotiation authority acts as a positive deterrent to the further development and use of effective defense procurement procedures that would give increased emphasis to cost reductions while at the same time safeguarding against excessive profits.

Mr. Chairman, I feel sure nobody in this body disagrees with the objectives as embodied in these four criticisms. Some of us hold that these are not solved by the pending legislation. These needs have not been met, and at least we are all agreed that these should be reviewed periodically and that Congress should not put this aside for 4 more years, removing it from scrutiny.

Mr. Chairman, just a few months ago in the last Congress, the Committee on Ways and Means reported on this subject in this vein. I think you should know what was said at that time on this very subject. I want to quote it, if I may.

The bill limits the extension of renegotiation to a period of 6 months because it is the intention of your committee to undertake a broad review of the entire subject of renegotiation early in the next Congress. At that time consideration will be given to the scope, objectives, and procedures of renegotiation and to possible amendments including those proposed at the hearing on the present bill.

Mr. Chairman, we had 3 days of hearings, and while we met in executive session, and the chairman conducted a study of many of the things called to his attention, yet this thorough study called for 6 months ago has not yet been made.

Beyond this, if I may, I would like to make this categorical charge, that the original intent of the Renegotiation Act is not being followed, but rather, we are recovering profits now that were intended at the outset of the contractual obligation to be profits, and were not then deemed to be excessive, nor should they have been so construed later in the opinion of the Renegotiation Board.

Further, in renegotiating a given year the years that came before are not subject to renegotiation, and are not taken into account. In a growth industry, as many Members know, because of cyclical economic matters any year should be treated in context with the preceding years. The 5-year carry forward provision does not correct this inequity, as I see it.

Further than this, there is great danger because we are driving efficient contractors, outside the field of defense contracting, because of the threat of the renegotiation process, and we are appealing to the less able, the less efficient contractors, to take Government business in defense contracting.

Mr. Chairman, beyond this I might call your attention to the fact that the renegotiation process by its very nature adds to the cost of the product that the Government buys in the nature of armaments. Why? Look at the extensive litigation. Look at the time-consuming delays and the cost of red tape, attorneys' fees, travel and other costs, which all become merged into the cost of the product that Uncle Sam buys and pays for. If this added cost does not impress you, think of the delay that is involved. How many of you who are in business or who have had business experience in the past could conduct your businesses with a withdrawal from your account imminent?

You are trying to plan future investments, whether you are relatively big or little business, yet you are not sure whether thousands, hundreds of thousands, and perhaps, millions of dollars might be taken from you at any moment. This uncertainty continues for years concerning any particular year the Board has subject to renegotiation. How do you run your business?

Earlier I think we pointed out to you the percentage of profits in the airframe industry, for example, after taxes and renegotiation. It was as low in many instances as 1 percent of sales and at the most it was 3.2 percent of sales, which I imagine surprises some of you who have not had the time to go into this as thoroughly as the committee.

Further, it was pointed out to us by the gentleman from California, Mr. H. ALLEN SMITH, speaking for some members of the Small Business Committee, that if we were to raise the ceiling from the present statutory $1 million to $5 million we would eliminate 70 percent of renegotiation and 16 percent of the costs. However, this has not been done in this bill. It would have improved the bill. Some of us hold that the Defense Department contracting officers have the knowledge, the ability, and the cost estimates to do a good job in contracting without excessive profits.

In other words, the harm outweighs the good in reextending the Renegotiation Act. As I see it, there is waste to the Government, and certainly there is danger of destruction of free enterprise, in giving such control of business to this board of men who do not have the wisdom of the Almighty. I think it is wrong.

I would like to suggest five things as a positive and constructive suggestion to my colleagues to replace the extending of the Renegotiation Act.

In the first place, I would like to suggest that any renegotiating or contract adjustment be done by the same contracting officers who originally made the contract. Does not that make sense, rather than to have some other board in this case, the five men on the Renegotiation Board, who do not even know the terms of the original deal do this?

Secondly, I would like to propose that the proper contracts be used by those procurement officers, particularly those of firm price with competitive bidding, or price redetermination where the original contract officer and the contracting firm redetermine the price based on factors that they know at the conclusion of production, factors which they did not have at the outset.

Thirdly, I would like to suggest that research and development contracts be separated from the production models. Production model costs are known. Earlier you were told here on the floor of the House about the cost of putting together a submarine, almost all of which was the result of competitive bidding. If you can do that in the case of a submarine, you can do it on other production contracts. Further, you can get into contracts for research and development models with later price redetermination the result of the renegotiation of the same contracting officers.

Fourthly, I would like to suggest and recommend that we think more about utilization of private capital instead of taking so much of the money from these contracting companies through renegotiation, that they cannot reinvest, if you please, or buy out the Government, to eliminate the Federal subsidy. Aircraft witnesses testified that lack of capital handicaps reinvestment.

Fifth, I would like to suggest most of all that we need a watchdog committee. I am sure the gentleman from Georgia would agree, because he has been a member of such a committee many times before, including the committee that made a study 2 years ago on renegotiation, which appeared over his signature. The Congress does not know what the Renegotiation Board is doing, because we do not keep surveillance of this Renegotiation Board.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I yield 2 additional minutes to the gentleman.

Mr. ALGER. Mr. Chairman, I would like to conclude by reading one sentence

to those Members who are not acquainted with the congressional study made 2 years ago. This is the Hébert special subcommittee of the Committee on Armed Services of which the gentleman from Georgia and the gentleman from Missouri, Mr. Short, were ex officio members. This is what that committee had to say on this subject of renegotiation just 2 years ago, after study of 12 airframe companies:

> The subcommittee concludes, on the evidence, that there has been no showing on the average that profits allowed are excessive.

Further,

> Adjustments either with individual companies or on individual contracts on redetermination will, in our opinion, more than account for what may appear, in a few instances, to be an overpayment. When these are balanced off against the low profit contracts, it will then appear that on the average the profits throughout these 12 companies are not excessive.

Yet after this statement, the Renegotiation Board did find "excessive profits" regardless of this congressional committee's findings. Surely, we should learn from our own experiences.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I yield 1 minute to the gentleman from Washington [Mr. PELLY].

Mr. PELLY. Mr. Chairman, I have asked for this time in order to clarify just one point. In his opening statement, the distinguished chairman referred to the fact that the committee had been unable to come up with a formula under which the Board could decide what would be reasonable profits. What I wanted to find out is—does the committee feel that there should be a set of standards in the formula or do they feel that it should entirely be a matter of judgment on the part of the Board?

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. PELLY. I yield.

Mr. MILLS. As I pointed out, from the very beginning the Committee on Ways and Means has endeavored to try to find some standards or a mathematical or mechanical formula that would reduce the discretionary exercise of judgment by the Board. But, the committee has always up to this point been unable to do so. We must rely, under these circumstances I think, on the exercise of judgment of the Board.

Mr. PELLY. But the chairman of the committee would prefer to have a formula if they could; is that correct?

Mr. MILLS. All the formulas that we have ever examined leave us unassured that under such formula we may properly distinguish between reasonable and excessive profits.

Mr. PELLY. Then it occurs to me that the 2-year term or the life of the bill would give the committee more time in which, perhaps, to come up with a formula.

Mr. MILLS. Let me say that even if this legislation is extended for 4 years, that does not mean the committee would not take a look at it in the meantime, if the committee thought it could come up with improvements in any way.

Mr. PELLY. I thank the gentleman. I hope the committee will be able to establish the formula so that the corporations that are involved with these contracts will have a little better idea as to where they stand.

Mr. MILLS. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. IKARD] to close the debate.

Mr. IKARD. Mr. Chairman, I think it is now apparent to everyone here that there is almost every type of opinion with respect to this committee bill. There are some who would not agree that we should even have renegotiation; there are others who would prefer that the present law be extended permanently; and, then, of course, there are those who feel that the committee bill is a fair approach to the problem.

The distinguished gentleman from Georgia, the chairman of the Committee on the Armed Services, in a very fine presentation here stated his position well. If I may in the few minutes that I have, I would like to discuss some of the points that he raised. In the first place, he mentioned the language of paragraph (e) of Section 103 of the act, which is on page 14 of the report, if you would like to follow me. Language was added there to provide that in addition to the factors that must be favorably recognized in determining what excess profits are there must also be considered: "manpower, contractual pricing provisions, and the objectives sought to be achieved thereby, and economies achieved by subcontracting with small business concerns."

Reference was made to a letter from the Comptroller General and it was concluded, if I understand it, that this language was probably objectionable to the Comptroller General because it would leave no control over windfall profits. I assume the letter that was referred to is the letter shown on page 193 of the hearings before the committee, from the Comptroller General. That letter refers to H.R. 5123, which is not the committee bill, and refers to language that was not included in the committee bill. That language deals with the agreed pricing provision of H.R. 5123 which, I repeat, is not the committee bill.

It is always difficult here on the floor and in the committee too, to argue the meaning of language, but a great deal was made of a phrase in the second numbered paragraph, a great deal was said about the omission from the committee bill of the language "with particular regard to" which is shown in parenthesis near the bottom of page 14 of the report. That language was deleted so that the present language of the bill will read: "Net worth and the amount and source of public and private capital employed."

The committee bill does amend this paragraph slightly by deleting those words "with particular regard to."

Section 103 of the act, as we all know, sets forth the factors that are to be considered by the Renegotiation Board in establishing whether or not a contractor or subcontractor has realized excessive profits. One of these factors is the so-called net worth factor, which is paragraph (2) as quoted, that I just referred to.

The intent of this amendment in the committee bill is not to effect in any way any substantial change in this factor but merely to clarify the existing language.

The determination of a contractor's net worth is actually something separate from a comparison of the amount of private capital employed and the amount of Government capital employed.

The purpose of the language in the committee bill is to make this distinction clear. There is no intention to deemphasize the importance of evaluating the amount of public or private capital employed in determining whether a contractor has received excessive profits.

As stated by the Renegotiation Board in its regulation section 1460–11:

> A contractor who is not dependent upon the Government or customary financing of any kind is entitled to more favorable consideration than a contractor who is largely dependent upon these sources of capital.

This is not, if I may say so, simply my opinion. It is the opinion of the Renegotiation Board, it is the opinion of the majority of the committee, it is the opinion of the Department of Defense, and it is also the opinion of the Department of Justice, with all of whom we discussed this language fully.

It is not the intention of the committee by this amendment to in any way change the substance of present law.

To go to other points raised, there has been concern expressed about the 5-year carry forward. This is not a new or unique provision that was brought up all of a sudden. It is not a new principle and it is nothing new in our law. We are all familiar with it. We had it in the Excess Profits Act, we have it in our present income tax law, and we now have it here. There is nothing magic about it, there is nothing to be afraid of about it. It is the same thing we all know and are familiar with.

A great deal has also been said about the fact that the Board is expected with respect to a particular case to file certain findings or reports and to show certain documents. That has been referred to as a great "loophole" that would let people stick their arm into the Treasury of the United States.

Let us understand what renegotiation is. It is simply what it says. People sit around the table and negotiate—nothing more, nothing less. It is not like a court proceeding where somebdy can know as a matter of record the facts that the other party is acting on. This is a proceeding where one side cannot possibly know what is in the mind of the other. It is as if two men were trading or buying or selling. It is simply negotiation.

Does it really alarm anybody? Does it upset our sense of equity and fairness if we should say that once you have made a determination, after that is done you must tell the other party simply the facts you acted on? What is wrong with that? That is alleged to be a great loophole in this committee bill. But what is wrong with that? What is wrong with the Board saying to a contractor after they have renegotiated, after they have made

their determination, these are the facts we acted on?

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. IKARD. I yield to the gentleman from Georgia.

Mr. VINSON. The point I make is that all this information is before there is a determination. The Federal law is to give it after. You change the Federal law from what it is today to say that this information must be given before any determination. That is the point I make.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. IKARD. I yield to the gentleman from Arkansas.

Mr. MILLS. The only difference here and under the existing practice is the question of the time when the law requires this information to be made available. Under existing practice the reasons and facts are now made available before the issuance of an order. The bill simply writes this practice into law.

Now, is it not reasonable, before the Board makes its final determination, to believe, in some instances at least, that a contractor is going to be better satisfied with such a determination than if you make him wait until after the determination?

Mr. VINSON. In other words, following what the gentleman from Arkansas said, it is incumbent upon the Board by the language of the committee to convey to and give to the contractor all information before any decision or determination is made by the Board. As I said earlier, that is equivalent to making the contractor a member of the Board. He has every faculty, every piece of information that has been given to the Board by the Defense Department and by everybody else.

Mr. IKARD. I would invite the attention of the gentleman from Georgia to the language that is shown on page 5 of the bill, as follows:

> Whenever the Board makes a determination of excessive profits to be eliminated, it shall, at the request of the contractor or subcontractor, as the case may be, and prior to the making of an agreement or the issuance of an order, prepare and furnish such contractor or subcontractor with a statement of such determination, of the facts used as a basis therefor, and of its reasons for such determination.

Is there anything unfair about that?

Now, we are making a mountain out of a molehill. It is already done in practice.

Mr. VINSON. No; we are not.

Mr. IKARD. If it were analogous to a court procedure. we merely say that the judge had to file his statement of facts or conclusion of facts before he entered his judgment, which is not at all unusual in some proceedings, and it is done simultaneously. This is merely an argument over a point of time.

Mr. MILLS. Mr. Chairman, if the gentleman will yield, the point is that under law this information does not have to be divulged to the contractor until after a determination is made by the Board.

Mr. IKARD. That is right.

Mr. MILLS. So I agree with the remark that it is trying to make a mountain out of a molehill.

Mr. IKARD. Now, the other amendment in that section refers to the furnishing of certain documents and reports from the departments of the Government to the contractor, and the same general arguments apply that go to the other amendments. I want to emphasize, however, that nothing is required to be given to the contractor that is prohibited by law, which means, of course, that anything that is classified could not be required to be given to them. The Government is fully protected in that regard.

Then I am rather amazed at the argument about the next amendment. Now, the present law says, and we always thought and intended, that the contractor, when he went from the Renegotiation Board to the Tax Court, would have a trial de novo. I did not know there was any argument about that. It is in the present law. But, when we examined it in the committee, we found that there was a good deal of confusion about it. It was my conclusion, and I think the conclusion of the majority of those that sat through the hearings, that there was some question about whether there actually was in practice a trial de novo. We have simply said in this amendment what we in Congress considered to have been the law for years, and that is that there shall be no presumption in the Tax Court of correctness of the findings of the Board; in fact, it shall be a trial de novo.

Now, there was some allusion made that 16 judges might possibly review under the present law. You and I know that in practice 16 judges of the trial court generally do not review these cases, and they are not going to. We must be practical; they do not have time to. They sit in divisions and there are required to be not less than three judges in division review under the committee bill, nothing more and nothing less. We adopted the practice patterned after the rules of the Tax Court as it exists today. There is nothing new here; no bug under the chip. This is just writing into the law what we always considered the law to be.

Now, a great deal was said to the effect that we allow these people to appeal to the circuit court of appeals in the same way that you can appeal from the district court in a trial by a judge without a jury. Is that evil? When we criticize that procedure, what are we doing? We are merely saying that this particular class of people cannot have access to the courts as practically everybody else can.

It was stated that there were four or five different determinations. Now, let us take the order of them and see really what happens. In the first place, a given case is considered by the Renegotiation Board. It is not a judicial proceeding; it is not a quasi-judicial proceeding; it is nothing more or less than actually a conference where they come into agreement or agree to stay in disagreement about a particular case. Then, if they cannot agree, it goes to the Tax Court and there is a trial de novo, and then from that proceeding, on questions of law, the aggrieved party, if he so desires, can go to the circuit court. Now, I do not think anybody really can find too much fault with that.

Now, Mr. Chairman, the points I have summarized are the amendments which this bill would make in the existing law. Here is what we have. We have made, basically, about five changes in it. We have, in the first section, extended it for 4 years. In the second section we have added an amendment which, it has developed here, is highly controversial, but I must emphasize that the Department of Defense, the Department of Justice, the Renegotiation Board, and the majority of our committee thought this amendment would not change the existing substantive law, and it was not our intention to change it, and it is not changed, but rather it is clarified. Third, we have provided the exact same provisions here in regard to loss carryback that were in the Excess Profits Acts that are in the Income Tax Act. Fourth, we have assured, what we thought was the present law, that a man would have in actuality a trial de novo in the Tax Court, and, finally, we have provided that he may appeal to the Circuit Court for the District of Columbia on matters of law. That, basically, is all there is in this bill. There is no more.

Mr. MILLS. Mr. Chairman, if the gentleman will yield further, there is one provision that we tried to emphasize in this bill when we were in the committee that has not been discussed here on the floor. As the gentleman knows, the Small Business Committee of the House has made some study of this whole situation.

In this bill we are trying to call attention to the fact that we want some special consideration given to these matters whenever small business concerns are the subcontractors. All of us know, and we have argued and argued with the Department of Defense about it, that we ought to give more and more of this business to small business people. And here we are trying to call attention to the fact that we want that practice enlarged and developed. The gentleman had not discussed that provision. Would he not agree with me, then, that it is certainly worthwhile and in the interests of small business?

Mr. IKARD. I think the gentleman is absolutely right. Mr. Chairman, I have one more thing to say and then I am through.

In the report on aircraft production costs and profits that was filed by the Hébert subcommittee, of the Armed Services Committee, on July 13, 1956, on page 3118, the subcommittee, after making other recommendations, suggested that the Committee on Ways and Means review statutory renegotiation and provide more specific rules for guidance by which the principle of renegotiation is to be applied.

Therefore, in view of this finding, no doubt you can understand our amazement when some members of that same committee, when we try to carry out their mandate, come in and criticize our activity.

Mr. MILLS. Mr. Chairman, that concludes our time for general debate.

The CHAIRMAN. The Clerk will read the bill for amendment.

Mr. MILLS. Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The bill follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION

Section 102(c)(1) of the Renegotiation Act of 1951, as amended (50 U.S.C. App., sec. 1212(c)(1)), is amended by striking out "June 30, 1959" and inserting in lieu thereof "June 30, 1963".

SEC. 2. FACTORS TO BE CONSIDERED IN DETERMINING EXCESSIVE PROFITS

(a) CONTRACTUAL PRICING PROVISIONS; ENCOURAGEMENT OF SUBCONTRACTING TO SMALL BUSINESS.—The second sentence of section 103(e) of the Renegotiation Act of 1951, as amended (50 U.S.C., App., sec. 1213(e)), is amended by striking out "and" before "economy in the use of materials", and by striking out "manpower;" and inserting in lieu thereof "manpower, contractual pricing provisions and the objectives sought to be achieved thereby, and economies achieved by subcontracting with small business concerns (as defined pursuant to section 3 of the Small Business Act);".

(b) USE OF PUBLIC AND PRIVATE CAPITAL.—Paragraph (2) of the second sentence of section 103(e) of such Act is amended to read as follows:

"(2) The net worth, and the amount and source of public and private capital employed;".

(c) STATEMENT FURNISHED BY BOARD.—Section 103(e) of such Act is amended by adding at the end thereof the following new sentence:

"In any statement furnished by the Board pursuant to section 105(a), the Board shall indicate separately, but without evaluating separately in dollars or percentages, its consideration of, and the recognition given to, the efficiency of the contractor or subcontractor and each of the other foregoing factors."

SEC. 3. FIVE-YEAR LOSS CARRYFORWARD

Subsection (m) of section 103 of the Renegotiation Act of 1951, as amended (50 U.S.C., App., sec. 1213(m)), is amended—

(1) By striking out the heading and inserting in lieu thereof the following:

"(m) RENEGOTIATION LOSS CARRYFORWARDS.—".

(2) By striking out subparagraph (A) of paragraph (2) and inserting in lieu thereof the following:

"(A) The term 'renegotiation loss deduction' means—

"(i) for any fiscal year ending on or after December 31, 1956, and before January 1, 1959, the sum of the renegotiation loss carryforwards to such fiscal year from the preceding two fiscal years; and

"(ii) for any fiscal year ending after December 31, 1958, the sum of the renegotiation loss carryforwards to such fiscal year from the preceding five fiscal years (excluding any fiscal year ending before December 31, 1956)."

(3) By striking out "CARRYFORWARDS.—A" in paragraph (3) and inserting in lieu thereof the following: "CARRYFORWARDS TO 1956, 1957, AND 1958.—For the purposes of paragraph (2)(A)(i), a".

(4) By adding at the end of such subsection the following new paragraph:

"(4) AMOUNT OF CARRYFORWARDS TO FISCAL YEARS ENDING AFTER 1958.—For the purposes of paragraph (2)(A)(ii), a renegotiation loss for any fiscal year (hereinafter in this paragraph referred to as the 'loss year') ending on or after December 31, 1956, shall be a renegotiation loss carryforward to each of the five fiscal years following the loss year. The entire amount of such loss shall be carried to the first fiscal year succeeding the loss year. The portion of such loss which shall be carried to each of the other four fiscal years shall be the excess, if any, of the amount of such loss over the sum of the profits derived from contracts with the Departments and subcontracts in each of the prior fiscal years to which such loss may be carried. For the purposes of the preceding sentence, the profits derived from contracts with the Departments and subcontracts in any such prior fiscal year shall be computed by determining the amount of the renegotiation loss deduction without regard to the renegotiation loss for the loss year or for any fiscal year thereafter, and the profits so computed shall not be considered to be less than zero."

SEC. 4. STATEMENTS FURNISHED BY RENEGOTIATION BOARD, ETC.

(a) STATEMENTS.—The next to the last sentence of section 105(a) of the Renegotiation Act of 1951, as amended (50 U.S.C., App., sec. 1215(a)), is amended to read as follows: "Whenever the Board makes a determination of excessive profits to be eliminated, it shall, at the request of the contractor or subcontractor, as the case may be, and prior to the making of an agreement or the issuance of an order, prepare and furnish such contractor or subcontractor with a statement of such determination, of the facts used as a basis therefor, and of its reasons for such determination."

(b) DOCUMENTS AVAILABLE FOR INSPECTION.—Section 105(a) of such Act is amended by adding at the end thereof the following new sentences: "At or before the time such statement is furnished, the Board shall make available for inspection by the contractor or subcontractor, as the case may be, all reports and other written matter furnished to the Board by a Department relating to the renegotiation proceedings in which such determination was made, the disclosure of which is not forbidden by law. Nothing in the preceding sentence shall be construed as authorizing the disclosure of any information, referred to in section 1905 of title 18 of the United States Code, in respect of any person other than the contractor or subcontractor (as the case may be) unless such information properly and directly concerns such contractor or subcontractor."

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply only in the case of determinations made by the Renegotiation Board after the date of the enactment of this Act.

SEC. 5. PROCEEDINGS BEFORE THE TAX COURT IN RENEGOTIATION CASES

(a) TAX COURT PROCEEDINGS DE NOVO.—Section 108 of the Renegotiation Act of 1951, as amended (50 U.S.C., App., sec. 1218), is amended by striking out the fourth sentence and inserting in lieu thereof the following new sentences: "A proceeding before the Tax Court to determine the amount, if any, of excessive profits shall not be treated as a proceeding to review the determination of the Board, but shall be treated as a proceeding de novo. The petitioner in such proceeding shall have the burden of going forward with the case; only evidence presented to the Tax Court shall be considered; and no presumption of correctness shall attach to the determination of the Board."

(b) REVIEW BY SPECIAL DIVISION OF COURT.—Section 108 of the Renegotiation Act of 1951, as amended (50 U.S.C., App., sec. 1218), is amended by striking out the fifth sentence and inserting in lieu thereof the following new sentences: "The determinations by and division of the Tax Court under this section shall be reviewed by a special division of the Tax Court which shall be constituted by the chief judge and shall consist of not less than 3 judges. The decisions of such special division shall not be reviewable by the Tax Court, and shall be deemed decisions of the Tax Court. For the purposes of this section, the court shall have the same powers and duties, insofar as applicable in respect of the contractor, the subcontractor, the Board, and the Secretary, and in respect of the attendance of witnesses and the production of papers, notice of hearings, hearings before divisions, stenographic reporting, and reports of proceedings, as such court has under sections 7451, 7453, 7455, 7456(a), 7456(c), 7457(a), 7458, 7459(a), 7460(a), 7461, and 7462 of the Internal Revenue Code of 1954 in the case of a proceeding to redetermine a deficiency."

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply whether the petition for a redetermination was filed before, on, or after the date of the enactment of this Act, if the decision by the Tax Court has not been rendered on or before such date.

SEC. 6. REVIEW TO TAX COURT DECISIONS IN RENEGOTIATION CASES

(a) AMENDMENT OF SECTION 108A.—Section 108A of the Renegotiation Act of 1951, as amended (50 U.S.C., App., sec. 1218a), is amended to read as follows:

"SEC. 108A. REVIEW OF TAX COURT DECISIONS IN RENEGOTIATION CASES

"(a) JURISDICTION.—Except as provided in section 1254 of title 28 of the United States Code, the United States Court of Appeals for the District of Columbia shall have exclusive jurisdiction to review decisions of the Tax Court under section 108 of this Act, in the same manner and to the same extent as decisions of the district courts in civil actions tried without a jury. The judgment of such court shall be final, except that it shall be subject to review by the Supreme Court of the United States upon certiorari, in the manner provided in section 1254 of title 28 of the United States Code.

"(b) POWERS.—

"(1) TO AFFIRM, OR REVERSE AND REMAND.—Upon such review the United States Court of Appeals for the District of Columbia shall have power to affirm or, if the decision of the Tax Court is not in accordance with law, to reverse the decision of the Tax Court and remand the case for such further action (including a rehearing) as justice may require.

"(2) CERTAIN PROVISIONS OF INTERNAL REVENUE CODE MADE APPLICABLE.—The provisions of subchapter D of chapter 76 of the Internal Revenue Code of 1954 (relating to court review of Tax Court decisions), to the extent not inconsistent with the provisions of this section, are hereby made applicable in respect of the review provided by this section."

(b) AMENDMENT OF SECOND SENTENCE OF SECTION 108.—The second sentence of section 108 of the Renegotiation Act of 1951, as amended (50 U.S.C., App., sec. 1218), is amended to read as follows: "Upon such filing such court shall have exclusive jurisdiction, by order, to determine the amount, if any, of such excessive profits received or accrued by the contactor or subcontractor, and such determination (1) shall not be reviewed by any court or agency except as provided by section 108A, and (2) shall not be redetermined by any court or agency, except that it may be redetermined by a decision of the

special division of the Tax Court if the case is remanded under section 108A(b)(1)."

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to decisions rendered by the Tax Court of the United States after June 30, 1958. For purposes of the preceding sentence, in applying section 7483 of the Internal Revenue Code of 1954 (relating to time for filing petition for review) in the case of a decision rendered after June 30, 1958, and before the date of the enactment of this Act, such decision shall be treated as having been rendered on the date of the enactment of this Act.

Mr. VINSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VINSON: Beginning on page 1, line 8, strike out section 2 and the remainder of the bill.

Mr. VINSON. Mr. Chairman, I shall not take but a minute. The purpose of this amendment is to extend the present renegotiation law for a period of 4 years.

Mr. MILLS. Mr. Chairman, I rise in opposition to the amendment.

The purpose of the amendment is not only to extend renegotiation for 4 years but to strike out of the bill these very provisions that I described and that have been so ably discussed by the gentleman from Texas.

I ask the Committee to defeat the amendment.

Mrs. GRIFFITHS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment of the gentleman from Georgia [Mr. VINSON]. I trust that the Committee will vote to strike out section 2 and the rest of this bill and to extend this act as it was written originally for a period of 4 years.

I spent a long period of my life as a purchaser for the Department of Defense, for the Ordnance District, and I would like to direct attention particularly to section 2(a) of this bill, the section that is going to force the Renegotiation Board to consider the pricing policies and the contract policies of the negotiators.

I would like to point out particularly to you that there has been developed an incentive pricing contract. This means that after the bidder has bid and the bid has been accepted, if he then saves a considerable sum of money below the original estimated price, that he share in that savings. In my judgment, that sounds very good in theory. I think that you could go along with the idea that if a contract had been negotiated by people who were able and learned on both sides and that then a saving had been realized by the efficiencies of the contractor, it would be a good idea to give him part of that savings.

I understood the chairman of the committee to explain that this part of the Renegotiation Act is actually used in practice now, and if that is true, then I suggest that you leave it just as it is without any further amendment.

I should like to point out that at the present time there has been a bill introduced into the other body, and considerable sentiment has been aroused, to support an extension of this incentive type contracting. I submit, Mr. Chairman, that the incentive type contracting is not rewarding men for the savings they will make.

It is rewarding them for boosting the contract bid price. Because I submit there is not a negotiator in the entire Defense Department who is competent to tell you with any degree of accuracy whether or not a bid is a correct bid. If you have any doubt about this matter, I suggest that you review Senator SPARKMAN'S speech of some weeks ago which was printed in the RECORD in which he pointed out that on every item that had been opened from a negotiated contract price to competitive bidding, the average saving which was realized was 70 percent—70 percent. On one item made by General Electric for which they charged $277.50, if my memory serves me correctly, that item is now made by a concern in Royal Oak, Mich., for $27.50. I submit to you, Mr. Chairman, that if the Department of Defense were competent to negotiate a contract with any soundness whatsoever, the contractors would not be here asking for this incentive type of contracts. I tell you again that the incentive is an incentive to inflate the bid price and not an incentive to save. In my judgment, Mr. Chairman, if this bill as it is now written becomes a law, you can anticipate that the defense bill will not be $41 billion in 1961 but it will be $47 billion or $48 billion. Anything that you do to hurt in any way this Renegotiation Board which is the only weapon a negotiator has in dealing with the contractors is actually an action against the taxpayers of the United States.

The CHAIRMAN. The time of the gentlewoman from Michigan has expired.

Mr. BYRNES of Wisconsin. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, for the life of me I cannot understand the interpretations being put by some people on the actions of the Committee on Ways and Means in revising the present Renegotiation Act and providing for its extension.

Listening to the gentlewoman from Michigan, I would assume that she was under the impression the committee was suggesting the repeal of the Renegotiation Act. There is nothing in what she said, frankly, that has anything to do with the merits of this particular piece of legislation. The Renegotiation Board continues its full powers to assess recovery of excessive profits; look at contracts; and examine the yearly operations of individuals having business with the Government. The Board can determine whether excess profits have been made; can determine the amount of those excess profits; and, unless an agreement is reached, can order the excessive profits paid to the Government. What the bill does, and this is not really anything new, is what we thought the law did all the time. We merely recognize that this agency of the Government is not infallible and we are going to bring any controversy to a court and let them have a trial de novo.

It was never intended for the Renegotiation Board to be a court or a quasi judicial body as was pointed out by our colleague, the gentleman from Texas. It is really an agency of the executive branch, a board appointed which sits down on one side of the table and the contractor on the other. They try to find out if they can reach an area of agreement as to whether there was an excessive profit and the amount thereof. But, it is not a judicial proceeding. All that we do here is what we do for every citizen. We say, "We are not going to take property from you by some bureaucratic determination. We are going to give you at least the right to go to court." And we give them the right to go to the Tax Court and get a trial de novo. Then we say, "You shall have an appeal from that Tax Court to the Court of Appeals for the District of Columbia on matters of law." So if the Tax Court made an error in interpreting or in applying the law, you have a remedy there and you can get justice there. We are just being decent and honest with the people with whom we are doing business, but we are still saying we are not going to tolerate excessive profits.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield.

Mr. MILLS. Does the gentleman find one thing in this bill that would prevent the Renegotiation Board from reaching the same conclusion in 1960 on the same set of facts that it reached in 1957 or 1958?

Mr. BYRNES of Wisconsin. No.

Mr. MILLS. Certainly not.

Mr. BYRNES of Wisconsin. There is one thing I think we should make clear. We set up the Renegotiation Board because we recognized the uncertainty and the difficulty in establishing the cost in the first instance of these new devices—the new planes, or the new guns, or the new equipment for the military, or whatever it may be. We recognized that there is an uncertainty in determining the cost, so we established this Board.

But let us also recognize that there are also uncertainties as to what is and what is not excessive profit under given circumstances. We must remember that if we want to take reasonable profit out of the picture then the only alternative is to set up Government manufacturing plants, Government operations; and if you think that is efficient, I certainly do not agree with you.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield.

Mr. VINSON. The distinguished gentleman from Wisconsin answered in the negative the question propounded by the chairman of the committee which was: Would the Renegotiation Board in 1960 reach the same conclusions as to profit determination as it did in 1958? And the gentleman said "It would be the same." I ask the gentleman what is the need and necessity then for any change in the present law?

Mr. BYRNES of Wisconsin. I would suggest to the gentleman that the basic need is to try and make more certain in the law just what the rights of the contractor are, just what the rights of the Government are in many of these things.

What we have done is to take the regulations that are today followed by the Renegotiation Board and write them into the law so that the contractors can know just what rules they are operating under and that they are operating under the same rules as anybody else, and so that when they go before the board they will known just what their rights are.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

(By unanimous consent Mr. BYRNES of Wisconsin was allowed to proceed for 3 additional minutes.)

Mr. BYRNES of Wisconsin. It is a matter of writing, to the extent that you can, some degree of certainty into the Renegotiation Act. And let me say this, I think the committee has done a good job. I do not think it is perfect, and I do not think my chairman would say that we have a perfect bill here. We have not, because you cannot write with certainty a rule as to what is excessive and what is unreasonable, or what is reasonable for every given circumstance which can arise under a Government contract. You just cannot write that in terms of a formula; you have to depend upon judgment, and if you have to depend upon judgment you have to set down standards, and setting down standards is a very difficult job.

All through this matter is this difficulty of the exercise of judgment as to what is excessive and what is not. It is for that reason, Mr. Chairman, that I worry about the 4-year extension rather than a 2-year extension. It is why I favor the 2-year period. The chairman of the committee suggested that if anybody could assure him that this program would not be needed after 2 more years he would favor the shorter extension. I am not so optimistic. I feel that this is a program that is going to be with us for a long time. I think just as we found in committee this year that certain changes and amendments were desirable, and we are all in agreement on that, I think, within the committee. But at least the changes we have put in are reasonable and desirable. We may very well find that 2 years hence other amendments are reasonable or desirable. It may be that some of the things the gentleman from Georgia is worried about, by some stretch of the imagination, may take place. In that case we should come back and review the act again.

As a result of the fact that this is a matter of judgment, we are turning it over to the Renegotiation Board. We may need to keep the law, but we may need to amend certain provisions when the necessity for amendment is shown. It might not be a bad idea to come back in 2 years just to review what the Board has done in that time, to learn what their successes have been, to learn what their difficulties have been. This is not a subject to treat lightly. I am surprised that the gentleman from Georgia, who certainly recognizes the need for productive capacity in this country, who recognizes that we are dependent upon the private enterprise system for that productive capacity, that he would suggest that we not take into consideration giving to these industries and these contractors at least the reasonable rights that we give under any other circumstance to every other citizen.

To me, Mr. Chairman, this is a good bill. It should be supported.

Mr. METCALF. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I would like to agree with the gentlewoman from Michigan who wants to discontinue incentive contracts, but it is necessary for us to have incentive contracts. They are the facts of life that we are confronted with right now in our military preparedness. That was never brought home more than last year when I was a member of the Select Committee on Space and found the complicated, complex variations in little ordinary instruments that the military needs. It is very difficult to set a target for incentives. This bill meets the facts of life and says when we have to have these incentive contracts we are going to renegotiate if the excess profits are due to the wrong estimate of the target; and if they have had efficiency and have cut the costs, then we both gain from the profits derived from those contracts. The gentlewoman will agree with that, I am sure.

But I did not rise to talk about the incentive feature, because that is a field about which I know very little.

Mr. Chairman, the Renegotiation Board approves this bill. Mr. Coggeshall says the Board desires to express its unqualified approval of H.R. 7086. Mr. Dechert, General Counsel for the Department of Defense, said:

> H.R. 7086 is not the exact form of the extension which we recommended, but in our judgment the additions and changes made as a result of the thorough consideration of this matter by your committee are entirely acceptable and have, in fact, improved the proposal.

One of the ways in which the proposal has been improved was outlined by the gentleman from Texas [Mr. IKARD]. The whole renegotiation procedure has been improved by this proposed appellate procedure which makes it consistent with the ordinary appellate procedure in other Federal courts.

Several times since I have been a Member of Congress I have come down to the well of this House to try to get similar appellate procedure made applicable to other areas; the school bill, the civil rights bill, and some other bills, so that a man would have the right of trial by a judge or jury, as the case may be, and the right of appeal to a higher court. That is all we have here.

Renegotiation proceedings are not a trial. There are no rules of evidence, there is no submission of evidence; there is nothing but a group of people sitting around the table and trying to reach an agreement. If they do not reach an agreement then the Renegotiation Board hands down a decision. From that decision the first legal, formal sort of an appeal is granted. That is to the Tax Court and the trial is de novo. It is de novo now.

The language that we have submitted in the amendment merely clarifies and improves the procedure by which this de novo trial will be held. After the decision of the tax court you can take an appeal on the law if the evidence that was admitted should not have been admitted, if things occurred that should not have occurred in that court under the regular rules of procedure. You cannot contest the facts, but you can take an appeal on the law. That is the basic legal procedure, that is one of the improvements Mr. Dechert talked about in reference to this bill. If the amendment is adopted, that improvement will come about along with the others provided in the bill.

Every time this subject comes up, the administration and operation is improved. Other extensions have come before the Congress for a 2- or 3-year period, and improvements have been made. That is why we have extensions for short periods. We reconsider the subject periodically. It is perfectly natural that as a result of our experiences in past years we bring about improvements. We should be able to draft, clarify, and improve with amendments, which do nothing to harm the basic principles of the bill but do help it in connection with the appellate procedure I have outlined.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield to the gentleman from Iowa.

Mr. GROSS. I have listened to most of the debate this afternoon and I have heard of no instance where contractors have been injured by virtue of the present law. Is there any contention made here that there has been irreparable injury done to them in the past?

Mr. METCALF. If the gentleman will read the hearings he will find there were many instances where there was complaint about the appellate procedure and that they did not have an exact new trial de novo. There was some contention in the hearings by these people that there were certain presumptions in the court that arose from the decisions of the Renegotiation Board and as long as those are not legal matters we did not want the presumption to rise.

The CHAIRMAN. The time of the gentleman from Montana has expired.

Mr. O'HARA of Michigan. Mr. Chairman, I rise in opposition to the amendment.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Michigan. I yield to the gentleman from Arkansas.

Mr. MILLS. Mr. Chairman, I ask unanimous consent that all debate on this amendment close at the end of the gentleman's remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. O'HARA of Michigan. Mr. Chairman, I would like to direct my remarks to a number of procedural amendments that have been included in this bill. In my opinion, their principal effects are, first, to make it more difficult for the

Government to protect itself in these excess profits cases and, second, to lengthen the time necessary to reach a final determination of them.

I would like to ask some member of the committee about three procedural amendments in particular. The first appears on page 18 of the report. This amendment provides for review of these cases by a special three-man division of the court. Under normal Tax Court procedure, a determination by any one of the judges is subject to review by the entire court. I would like to ask the gentleman why review of excess profits cases should be limited to a special division of the court.

Mr. MILLS. What we are trying to do here is to insure that each one of these cases will be reviewed by not one particular court but at least by three members of the court. We do not say it has to be three, but at least three. We are trying to get as much judgment as possible on review.

Mr. O'HARA of Michigan. Under normal Tax Court procedure, if a decision is rendered by less than the full court, any judge can object to that decision, and there must then be a review of the case by the entire Tax Court.

Mr. MILLS. The review could be made by the full court. We say three or more.

Mr. O'HARA of Michigan. The second amendment to which I refer appears in the middle of that same page. It provides that no presumption of correctness shall attach to determinations of the Board. Now, under normal Tax Court procedures a presumption of correctness attaches to determinations of the Commissioners of Internal Revenue. A Tax Court petitioner has not had the benefit of a judicial, or quasi-judicial determination of his case, but he is burdened with this presumption of correctness. Why should a contractor who has already had a hearing before an independent agency be relieved of it? I can't see any reason to eliminate the presumption in these excess profits cases.

Mr. MILLS. The only reason that is in there at all is to remove the charge that is made that when these men go into the Tax Court they do not go de novo but they go on the basis of a review of the decision of the Renegotiation Board. The law is clear that the Congress has always intended that they go de novo, so we want to go on the basis of no presumption at all but decide it on the evidence submitted in the Tax Court. There is nothing wrong in that.

Mr. O'HARA of Michigan. Does the gentleman plan to offer an amendment to the Internal Revenue Code to the effect that a petitioner in a tax case may have a trial de novo?

Mr. MILLS. I do not, because that is not in this bill. That question is not here.

Mr. O'HARA of Michigan. I feel that a petitioner in a Tax Court case who has a deficiency assessed against him should have the same right to a trial de novo as does a contractor in a renegotiation case.

The third amendment to which I refer is the change in section 108A. In cases arising under the Renegotiation Act, the court of appeals would have the power to affirm or reverse the Tax Court decision, but it is stripped of its power to modify Tax Court decisions in this area. The court of appeals would be permitted to reward cases for further action, a power it would have in any event, but it is denied power to modify decisions where the facts or the law would otherwise demand it. Can the chairman tell me why this change was considered necessary?

Mr. MILLS. The gentleman is referring to the power of the circuit court of appeals?

Mr. O'HARA of Michigan. That is right.

Mr. MILLS. We were trying to limit that in such a way that the highest level that we want exercised is the Tax Court.

Mr. O'HARA of Michigan. Does the gentleman agree that the effect of all these amendments will be to lengthen the time necessary for a determination of these cases?

Mr. MILLS. Under existing law a contractor can go from the Tax Court to any circuit court of appeals anywhere in the United States. They can do that now, on constitutional grounds or on questions of jurisdiction. Here the only difference we are making is that he may also go up on a question of law, and then he can only go to the Circuit Court of Appeals within the District of Columbia, because we do not want a lot of diversity of opinion which might occur if they went to all circuits.

Mr. O'HARA of Michigan. I submit that these amendments have the effect of making it more difficult for the Government to show that a contractor's profits have been excessive. In addition they encourage appeals. Their acceptance will result in substantially lengthened periods of litigation during which contractors are permitted to retain money rightfully belonging to the Federal Government and to retain that money interest free.

Mr. MILLS. I do not think there is any doubt but what the right of appeal on a question of law to the circuit court of appeals may in those circumstances and will undoubtedly in those circumstances delay final decision, but I disagree with the gentleman's conclusion.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. VINSON].

The amendment was rejected.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SIMPSON of Pennsylvania: On page 1, line 7, strike out "June 30, 1963" and insert "September 30, 1961."

Mr. SIMPSON of Pennsylvania. Mr. Chairman, this amendment is quite easily understood, and, therefore, I shall not take much time with it. Reference has been made to the fact that the amendments which have been made to this bill involve problems which were not completely considered by the committee itself, as was pointed out by the gentleman who last spoke.

My purpose in reiterating that remark is to indicate that this is a type of legislation which is continually subjected to the wills and the whims of those who are charged with the duty of administering the law; and where men's wills, men's opinions are involved, complicated as they are by the wording of this law, there is apt to be, and in fact there are, many differences which do require straightening out either in the courts, which would take a long, long time, or by the Congress.

The purpose of this amendment is to insure that this subject will be before the Congress through its appropriate committees at least 2 years from now. I think it is essential to good administration of this type of legislation, and I hope very much that the committee will adopt this amendment.

May I add that the statement that was made to the effect that because young men are required to go into our military service under draft legislation, and that law presently is 4 years in duration, is no argument that I can see why this or any other type of legislation should be likewise limited to the same period of time. I see no connection whatever. I think that that argument in fact begs the question when we are here dealing with a complicated subject, administered by individuals. Therefore, we should amend the bill and permit the Committee on Ways and Means to review the subject under the compulsion which is incident to the expiration of the law.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman.

Mr. REES of Kansas. Mr. Chairman, I agree with the gentleman in his views and trust his amendment will be approved.

Mr. SIMPSON of Pennsylvania. I thank the gentleman.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman.

Mr. CURTIS of Missouri. The gentleman recalls that when we extended it for 6 months, we asked the executive department to make a study. I believe they did not make a real study, and the staff of the Joint Committee on Internal Revenue Taxation has not yet had time to complete their study; is that not correct?

Mr. SIMPSON of Pennsylvania. That is correct. And, therefore, we should not write this law for such a long period that there would be laxity in studying it.

Mr. Chairman, may I finish by saying that even in hours of the direst emergency, we enacted this renegotiation bill for the duration of the war. In peacetime years we have extended it repeatedly for not more than 2 years at a time because we hope that the day will come when renegotiation will no longer be necessary and because we recognized the need to continue to review its operation and administration. I say it is not wise for us in this day to change our policy and pass a Renegotiation Act for 4 years. Let us rather adopt this amendment and study the subject again in 2 years.

Mr. MILLS. Mr. Chairman, I rise in opposition to the amendment.

This matter has been thoroughly analyzed, thoroughly discussed. I would agree with my distinguished friend from Pennsylvania in his statement that just because we have an extension of the Draft Act for 4 years, is no reason for justifying the extension of this. With that alone I would agree. But what I said earlier, the fact that the same circumstances exist in the world that caused us to extend that program, caused the majority members of our committee to reach the conclusion that there was no foreseeable possibility within the next 4 years that this program would not also be necessary as an adjunct of the military procurement program. That is the connection, and that is the only reason the committee is reporting this bill for a 4-year period. And let me assure you, the mere fact that we continue a law for 4 years does not mean that the Committee on Ways and Means will not take another look at it if it becomes necessary.

Mr. Chairman, I hope the Committee will defeat this amendment and pass the bill permitting a 4-year extension.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman.

Mr. VINSON. Mr. Chairman, I rise in opposition to the amendment. Let me say that I sincerely trust that this amendment will be voted down. This bill should be extended at least for the period the committee has recommended, 4 years. As a matter of fact, for the days ahead of us, for the foreseeable future, when 92 percent of all Government contracts are negotiated contracts, it is absolutely necessary to have a renegotiation law, and this should be extended for 4 years or perhaps longer.

Mr. MILLS. Mr. Chairman, I ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. SIMPSON].

The amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. HARDY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 7086) to extend the Renegotiation Act of 1951, and for other purposes, pursuant to House Resolution 274, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. SIMPSON of Pennsylvania. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. SIMPSON of Pennsylvania moves to recommit the bill, H.R. 7086, to the Committee on Ways and Means with instructions to report the same back to the House forthwith with the following amendment: On page 1, line 7, strike out "June 30, 1963" and insert "September 30, 1961."

The SPEAKER. The question is on the motion to recommit.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, on that I demand the yeas and nays.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that further consideration of this bill be postponed until tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet tomorrow at 11 o'clock a.m.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ORDER OF BUSINESS TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it may be in order tomorrow for the Speaker to declare a recess subject to the call of the Chair.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

GENERAL LEAVE TO EXTEND

Mr. MILLS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their remarks on the bill, H.R. 7086.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

ORDER OF BUSINESS TOMORROW

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BYRNES of Wisconsin. Mr. Speaker, I have asked for this time in order to inquire of the majority leader as to the situation tomorrow.

Mr. McCORMACK. It is the intention tomorrow to dispose of the various rollcalls. Then under the unanimous consent request that was just granted, it will be in order for the Speaker to declare a recess subject to the call of the Chair so that Members may attend the funeral services for our late beloved friend, John Foster Dulles. Then following the recess, it is my intention to bring up the bill to extend the Reorganization Act.

Mr. BYRNES of Wisconsin. Would it be in order to inquire as to the time that the recess might be called so that Members may make their plans accordingly.

The SPEAKER. The Chair would intend to recess from 1:30 p.m. to 3:30 p.m.

Mr. BYRNES of Wisconsin. I thank the Speaker.

Mr. McCORMACK. Might I also say for the information of Members that on Thursday, of course, the Commerce appropriation bill will come up. An agreement has been made by the leadership that any rollcalls on this Thursday or Monday of next week will go over to Tuesday. I want to advise the Members of that so they may govern themselves accordingly in relation to any engagements they have on May 30.

FREEDOM OF SPEECH AND FREEDOM OF PRESS FOR PEOPLES EVERYWHERE

Mr. SAUND. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SAUND. Mr. Speaker, I have today introduced a resolution which makes clear the desire, hope, and expectation of the American people that their sacrifices in furnishing foreign aid will help to secure for peoples everywhere in the world the blessings of freedom of speech and freedom of the press which we cherish so highly in the United States.

Since the formation of our Nation the name of "Uncle Sam" has become synonymous with the democratic form of government recognizing the dignity and freedom of man.

Lincoln's Gettysburg Address, ending with great words, "government of the people, by the people, for the people, shall not perish from this earth," is known around the world.

I can recall the time when millions of people in India where I was born were electrified by President Woodrow Wilson's slogan to "make the world safe for democracy."

The lofty ideals proclaimed in the Atlantic Charter are a recent memory.

The struggling masses in all corners of the globe, seeking freedom and a better and fuller life, remember clearly the four freedoms so dramatically voiced by President Roosevelt during World War II.

My resolution reaffirms the faith of the Members of Congress in this noble goal.

Whereas the objective of the people of the United States is the attainment of a peaceful world where freedom of the individual and the dignity of man are recognized, and where the state is the servant, and not the master, of its citizens: Now, therefore be it *Resolved by the House of Representatives (the Senate concurring)*, That it is the desire, hope, and expectation of the Congress that nations receiving military assistance under the mutual security program guarantee to their people freedom of speech and freedom of the press.

SUMMIT CONFERENCE TAKE NOTE

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein a strong and impressive resolution pertinent to the summit conference which was unanimously adopted by civic and patriotic groups gathered from many points at the Polish National Home, Glen Cove, N.Y., on May 10, 1959. This resolution was forwarded to me by constituents and other leaders of the Polish group, and it impressed me so much that I felt it should be brought to the attention of the Congress and the American people.

I am especially impressed with the strong declaration of principles contained in the resolution. It is heartening indeed that thoughtful patriotic Americans like the sponsors of this resolution should formulate and publish such a forthright, sterling declaration in behalf of human freedom and the liberation of subject peoples and boldly point the way to diplomatic leaders of the summit conference by which a strong pro-democratic policy may be declared and implemented by the free nations.

From the start I have had little confidence that any concrete beneficial results would flow from the so-called summit conference even though I hoped and prayed with millions of our countrymen and freedom-loving peoples throughout the world that some progress might be made for enduring peace.

It has been clear to me for some time past that the Soviet Government and its leaders do not propose to negotiate in a sincere earnest spirit or in a wholehearted manner for peaceful settlement of pending international questions.

To the contrary, the evidence before us which includes a long list of broken treaties and agreements indicates that the Soviet is intent upon using international conferences like the summit conference as a sounding board for a continual barrage of Soviet propaganda. President Eisenhower himself has recently voiced this conviction.

Under the circumstances, it is hard to envision how any real gain can stem from such procedures. In fact, it is possible that the cause of peace may be set back rather than advanced. I see no good that can possibly come from the petty bickering, grotesque proposals, and flamboyant utterances that emanate from Soviet representatives at the conference. It is an act of pure futility to try to negotiate anything with leaders who do not sincerely seek results from negotiations but, on the other hand, utilize them merely to broadcast false accusations, distortions of truth, and implications of bad faith against representatives of the free world, particularly those of our own Nation.

The equitable settlement of the German problem is of greatest importance to world peace. It is a problem that should have been settled by the victors of World War II long ago. It is a problem on which the free world cannot and must not compromise its principles. There is, to be sure, room for honest negotiations and latitude for honest proposals, but only bad will and increased tension can possibly flow from the circus sideshow atmosphere created by the insincere proposals and utterances of Soviet representatives.

If there is no change in the Soviet attitude toward these negotiations, it would be far better for our representatives not to continue the futility of seeking a solution when there is no purpose on the part of the Soviet to arrive at a solution. This would bring disappointment and disheartenment to a great many people, I know, but it would be far better to face the situation realistically than to continue with the droll buffoonery or bluff, bluster, and propaganda which is currently characterizing the discussions.

In view of what is transpiring at the conference only a miracle can bring about constructive results. But the free world will pray that the Soviet attitude may change and that the light of reason and rationality may soon be shed upon the deliberations else they conclude in frustration and disappointment. At least we can hope and work for the best.

RESOLUTION UNANIMOUSLY ADOPTED BY MEMBERS OF RELIGIOUS, CIVIC, AND PATRIOTIC ORGANIZATIONS ON SUNDAY, MAY 10, 1959, AT THE POLISH NATIONAL HOME OF GLEN COVE AND VICINITY, INC., 10 HENDRICK AVENUE, CITY OF GLEN COVE, COUNTY OF NASSAU, N.Y.

Resolved, That on the 168th anniversary of the Polish Constitution Day we again pause in our daily tasks to honor the gallant and historic Polish nation, and to pay fitting tribute to the indomitable Poles, who throughout the centuries have struggled, bled, and died to perpetuate the liberties of Poland as well as other nations, and to serve the cause of human freedom in the world.

Inspired by the heroism, sacrifice, and devotion to freedom of the many great leaders and people of Polish blood who, in the past, have striven for Polish independence, on this occasion we renew our pledge of loyalty to the principles of freedom, justice, and democracy for which the people of the United States and of Poland have always stood and fought.

We are proud of our blessed heritage—proud that the Polish people have never forfeited their rights—proud that, with inconquerable spirit against overwhelming odds, they have fought to uphold their liberties.

In this great crisis which threatens personal liberty and free government everywhere and which will test whether the world will continue to enjoy liberty or will be cast into the bondage of ruthless tyranny, we call upon our own Government and the other governments assembled at the approaching summit conference as follows:

1. That nothing shall be agreed upon at that conference which will result in further appeasement of the evil forces of world communism.

2. That the nations concerned insist upon decent, humane treatment for the Polish people and the people of other nations currently embraced in the Soviet satellite system who are at present denied all ordinary human rights by Communist compulsion and violence.

3. That the right of self-determination be respected and acknowledged and that the cause of liberation of helpless subject peoples be recognized and sustained by every possible means by the free nations of the earth.

4. That the historic boundaries of Poland in the east, as solemnly agreed upon by the Soviet Government at the Council of Riga in 1921, and in the west along the Oder and Neisse Rivers, as established at Potsdam in August 1945, be now recognized by the Soviet, the summit conference, and the United Nations.

5. That the governments in question shall make no concessions motivated by fear of Soviet nuclear warfare, or for any other reason which will weaken the ramparts of the free world, but on the other hand, shall take a strong, uncompromising position against tyranny and oppressions and in favor of the recognition of the full independence, freedom, and self-determination of all nations.

It is the profound sense of this meeting that human freedom could well be destroyed and lost to the Marxist hordes by any showing of weakness.

At the same time, it is our firm conviction that human freedom, independence of free nations, and the personal liberty of mankind can and will be saved for ourselves and for posterity, and liberation of the oppressed and helpless can be best achieved, by a fearless, united stand against Soviet aims and actions, by the unalterable will and determination of freedom-loving peoples to retain, at all costs, the precious blessings of liberty and justice under the living God.

B'NAI B'RITH CONVENTION

Mr. PELLY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. PELLY. Mr. Speaker, a 5-day triennial B'nai B'rith convention is currently being held in Israel. Delegates of this Jewish service organization from America include a past president of the Seattle Lodge, one of my close personal friends, Albert Youngman. Through him I have become familiar with the community service and welfare work of the Jews in my district and, of course, likewise throughout the entire country.

I was much interested to read a news report from this first convention to be held outside the United States. It quoted B'nai B'rith president, Philip M. Klutznick, of Park Forest, Ill., to the effect that Jewish life was not in jeopardy in the non-Communist world.

On the other hand, last Sunday in New York City the Reverend Dr. Leo Jung, spiritual leader of the New York Jewish Center, pointed up in a speech that the opposite situation exists in Communist Russia. Dr. Jung warned of Soviet efforts to destroy Judaism behind the Iron Curtain. He said constant pressures upon religious Jews by Soviet Government fiat were leading to individual assimilation and group extinction.

Let us not forget these contrasts when the foreign ministers are meeting in Geneva or even when Mr. Gromyko comes over to attend the funeral of Mr. Dulles who was a dedicated and uncompromising advocate of freedom and individual rights.

PASSPORT REGULATION

The SPEAKER. Under the previous order of the House, the gentleman from Illinois [Mr. COLLIER] is recognized for 15 minutes.

Mr. COLLIER. Mr. Speaker, within a matter of just a few days, a year will have passed since the Supreme Court rendered its decision in the case of Kent against John Foster Dulles.

This ruling opened the gates to unlimited travel abroad by native-grown subversives, communists, and their fellow travelers.

As of today, Congress has failed to act in correcting the dangerous situation which this decision created.

Just 2 days after that decision was rendered by the Supreme Court, I introduced the first legislation in this House which would authorize the Secretary of State to use the same discretion in issuing passports that had been exercised by the Department of State even in times when the conditions of our national security were not as significant as they are today.

Since that time, eight bills have been introduced to amend the Passport Act of 1926 so as to reinvest in the State Department the legal power to deny passports to those who are established communists or have engaged in communist activities.

I might add that I reintroduced my bill at the start of this session of Congress because no action was taken last year as I definitely feel it should.

Other legislation of a little different composition but designed to carry out the purpose of my bill was forthcoming at the start of this session also.

Needless to say, it does not make a great deal of difference what bill is ultimately passed by this Congress, just as long as the purpose is accomplished.

After all the years and the time and money that was spent to unveil Communists in this country, including many right in the Government itself, it seems ironical that we should be at all hesitant to close the door to the flow of subversives through proper legislation.

The late John Foster Dulles submitted to Congress a draft bill 11 months ago urging adoption of this legislation in the interest of national security.

Let there be no mistake about this. I believe the right of any American to travel is basically as right, as proper, and as necessary as freedom of speech, and freedom of the press. But, as Columnist Roscoe Drummond so aptly describes it, freedom of speech is restricted by the laws of libel and restraints against yelling "fire" in a theater when there is no fire.

So some restriction on freedom travel is proper when such travel can be abused to the point of clear and present danger.

Last year the House Committee on Foreign Affairs and the Senate Committee on Foreign Relations held hearings on this subject. Both the House and Senate Committee on the Judiciary and the House Committee on Un-American Activities have similar measures pending.

The net result is that nothing tangible has been accomplished.

Certainly everyone who is acquainted with the case of Boris Morris, for 10 years a counterspy employed secretly by the FBI, knows well how espionage works right under the noses of unsuspecting Americans.

We know, too, that one of the essentials of any conspiracy is for the conspiring parties to get together from time to time.

One of the real advantages we have had in controlling or countering the network of Communist conspirators in the United States was that our counterintelligence agencies have been able to keep a close watch on commies and their fellow travelers.

It was possible through this close scrutiny not only to discover enemy agents but to keep a close surveillance over them at all times.

It is hard to estimate how much potential sabotage and espionage in military affairs has been prevented because of careful surveillance of fifth column elements.

Instead, today we are faced with permitting avowed Communists and their fellow travelers to move abroad at their very whim and to travel with passports bearing the seal of the United States.

We use national security as an alibi whenever it so pleases us to affect all types of legislation. We tack national security onto a dozen and one spending bills to make them more palatable.

Yet we do nothing about a situation which permits Communists to scoot from the sight of our FBI agents almost at will.

Under this arrangement even foreign agents may move back and forth here and abroad because the decision of the Supreme Court in the Kent against Dulles case has simply frustrated the program so effectively administered until a year ago.

Here is the crux of the whole problem. The Supreme Court ruling simply states that the Congress has not given the Secretary of State authority to withhold any passport except in cases of definite proof that the applicant is fleeing from justice.

Legislation to spell out the desire of Congress to give such authority to those agencies of Government charged with the responsibility of our national security, requires only the action of this body.

It seems to me that this legislation is important enough to the security of every American to do something about it one way or the other.

I see no reason why this bill should not be reported. I feel sure there are many other Members of this House who feel as I do about passage of legislation to plug the loophole which now exists.

On the other hand, if the majority of the Members of this House do not feel that this is good legislation, then they should be given an opportunity to be recorded in opposition to it.

I contend that we will be failing in our duty and responsibility if we fail to take some action during this session of Congress. By simply letting it die in committee with adjournment for the second straight year, we would be remiss in one of our most important duties and responsibilities.

BONG AIR FORCE BASE, WIS.

The SPEAKER pro tempore (Mr. THORNBERRY). Under the previous order of the House, the gentleman from Wisconsin [Mr. FLYNN] is recognized for 30 minutes.

Mr. FLYNN. Mr. Speaker, I rise in defense of the Air Force and defense of this body in approving the plans presented to us by the Air Force, and in defense of the plans of the military in deciding that there was need for another base for the Air Force to be built in the area of Racine and Kenosha, Wisconsin. The people of this area are concerned and are somewhat disturbed because of various statements that have been and are currently being uttered by Members of this body, some in favor of and some against the continuation of the building of Bong Air Base at a cost of something over $83 million.

This body approved the construction of this base to be turned over to the Strategic Air Command, believing that it was necessary in the defense of the United States. We know that the Strategic Air Command has assigned to it the basic defense of this country in the event of attack. We know that the Strategic Air Command has for years developed bases not only in this country but also throughout the world in order that it might be able, adequately and properly, to defend this country in the event of attack, and that they might be able to counterattack against those countries who would dare any such act upon the integrity of our soil or our people. They have said that this base is necessary. Committees of this Congress have reviewed their testimony and have decided that the base is necessary. Millions of dollars have been appropriated by this Congress. Yet statements are being made that this base is filled with waste, frills, and extravagance, that we are building into this base swimming pools, steamrooms, squash courts, bowling alleys, stores for the purchase of various commodities, that this constitutes luxuries and frills which should not in this modern day and age exist on a military base.

I have here in my hand cartoons and editorials that have appeared in every one of the major papers in my district within the past week.

Some are in favor of it and some are against, but most of them view the situation with alarm and are wondering whether or not there is waste. I feel it is important that we discuss this matter here on the floor of the House.

Mr. REUSS. Mr. Speaker, will the gentleman yield?

Mr. FLYNN. I yield to the gentleman from Wisconsin.

Mr. REUSS. I am very much interested in the remarks of my very good friend and colleague, the gentleman from Wisconsin [Mr. FLYNN].

I want to say at this time that I commend him for bringing this subject to the floor for discussion. I agree thoroughly with him. It is important that it be discussed. So often, you know, matters involving millions and millions of dollars do not get proper scrutiny. Sometimes they are not even presented in detail to the various House committees, such as the House Committee on Appropriations. Therefore, it is a real public service that the gentleman is performing by framing the issue for debate here this afternoon, and I want to commend him for it.

Mr. FLYNN. I thank the gentleman. I know of the great interest of the gentleman, and would say further that certain of the statements he has released have brought this matter sharply to the attention of the people. I thank the gentleman for his contribution.

Mr. Speaker, we are living in 1959. Many of the bases of the Air Force were built years ago. The *Kitty Hawk* was built years ago, and we would no more expect the Air Force today to build one of its modern airplanes of the type of the *Kitty Hawk* than we would expect the Air Force to build an airbase today of the type that the *Kitty Hawk* flew off of when it first took to the air.

This body has found that in training one airman the Government has an expense of over $40,000. When these men are drafted into the service, living under the conditions that previously existed in the older type of air field, with no accommodations comparable to those in civilian life, we found them leaving the service as soon as their tour of duty was over. This body decided, when the military program changed from one of compulsory service, to an inducement service that we would have to change the type of accommodations afforded our military people.

When we enacted legislation to provide Capehart housing we decided to give our airmen homes at a cost of $16,500, homes that were comparable to those which they might enjoy in civilian life, so that they, their wives and families, would want the member of the Air Force to reenlist when his time was up. They are not luxurious accommodations, but they are normal accommodations, such as the civilians enjoyed.

We have found that it was cheaper for the Government to furnish the Capehart homes than it was to give them the tents and the old type of barracks that formerly existed upon military bases. The same is true with swimming pools, the gymnasium, and the bowling alley.

On this base there will be some 20,000 people, including the families and those who will work around the base. Unless these people are afforded the same type of service that they can get in their various civilian communities, the same type of service that we in the Congress enjoy in the steamroom accommodations here and the other athletic facilities that are furnished, they are not going to reenlist when their term of service is up. They would disassociate themselves at that time, go back into civilian life, and the Air Force must train new personnel, young men, at a cost on each occasion of in excess of $40,000.

I ask you, is it more prudent, is it better economics, when building a new airbase, to build in the bowling alley, the swimming pool, yes, a squash court at a moderate cost, than to continue in the years ahead to pay $40,000 for the training of each new airman?

Is the Air Force wrong, in recognition of this fact, in asking their architects to draw plans which include these facilities? I say it is not waste, it is not extravagance. It is prudent, it is recognizing the modern day in which we live, it is recognizing the fact that we must keep our military installations on a par with civilian life if we are to keep these men, men who are experienced in flying these large planes today, in the service, if we are to induce these men to reenlist and make a career out of flying, rather than to make it just a 3-year stint in their lives, a period between enlistment in the service and the taking up of civilian duties.

Now, the time is running short and I realize it is late in the day, and there are many things I would like to say. But, suffice it to say that I was compelled to bring this matter to the attention of this body for your consideration so that the matter could be thrown open, so that charges of waste and extravagance could either be proven or so that those of us who might be inclined to make such charges would recognize that the charges were wrong and would not incite the civilian population, would not bring discredit upon the Air Force, their plans and their programs for the building of this base, and for the building of any other military base that they might decide to build in the future.

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. FLYNN. I yield to the gentleman from Wisconsin.

Mr. REUSS. I notice that the gentleman in his opening remarks said—I think I heard him right—that this body, the Congress, had approved the plans for the Bong Air Force Base. I take it what the gentleman meant was that this Congress authorized the construction of the base and has from time to time voted appropriations for it. I do not take it that the gentleman meant to suggest that any congressional committee has approved the detailed architectural plans for Bong Air Force Base for the inclusion of certain items, such as squash courts or Turkish baths or indoor swimming pools or bowling alley or hi-fi equipment.

Mr. FLYNN. This body has approved the basic request made by the Air Force for the construction of Bong Air Force Base in Wisconsin. They have appropriated the funds and they have approved the retaining of an architectural firm from Omaha, Nebr., to draw what they call definitive plans, preliminary plans. These definitives as drawn by the Daly architectural firm in Omaha, Nebr., have been presented to the Members of Congress—I have one in my hands—and from these plans are now being drawn by other architectural concerns minute details under which this base is going to be built. However, these definitive plans do indicate that at the request of the Air Force, the architectural firm include therein a six-lane bowling alley. And I point out that for 20,000 people six alleys in number are not excessive.

I point out further that according to the remarks made by the gentleman in a recent newspaper article that appeared under his name, that the surrounding territory, the cities of Racine and Kenosha, located some 20 miles from the base, had adequate facilities. From a very careful investigation, I find that that is entirely incorrect. The city of Racine has but one public swimming pool and recreation room. It is located in the YMCA. It was designed for use by 75 people. At present there are 125 full-time paying members of the Health Club, and many individuals using it on a daily fee basis. Almost an identical situation exists in the city of Kenosha.

I want to point out also that the men in the Air Force not only fly these planes, but they are on 24-hour alert. There are only a few days—I believe 2 days—in the week when they have free time. When these men are through flying, they come back to the base and they go on a 24-hour alert and must be available. Not only that, but under arrangements and guarantees made by the Air Force, these same men must be not on the ground but up in the air with these planes on a 15-minute alert. The major defense of this Nation at the present time is dependent upon the Air Force for filling its obligation and its promises. And, I point out that these men could not travel 15, 18, 20, or 25 miles to the city of Milwaukee or Racine or Kenosha to take a steam bath or play volleyball or use the squash courts or the gymnasium in 15 minutes, when they have to maintain a 15-minute alert on the base. This base is being built about 25 miles from any large city; yes, 45 miles from Chicago, 25 miles from Milwaukee. It is a long distance from any large city. And, when you have these men on 24-hour service, it is incumbent upon the Government to furnish our men adequate and reasonable athletic and recreational facilities, both for themselves, their families, and their friends. They cannot be expected to take a bus or car and drive 25 miles to take a swim or use a tennis or volleyball court on an evening. Therefore I say that any modern base or any other base built away from metropolitan centers of necessity must have reasonable athletic and recreational facilities and that it would be a waste of the taxpayers' money, and poor judgment, and squandering, to build a base of the type we used in the 1800's. We are living in the 1960's, and today we must build a base geared to 1960 defense, geared to an Air Force that is going to operate in all kinds of weather. I have said before it would be ridiculous to build a base of the type that the Wrights flew off Kitty Hawk. I feel that in approving the general program and appropriating a large share of the $83 million that is going to be required for the base, it is good judgment to provide these facilities. And, I believe that the committees who have undoubtedly looked

over the plans undoubtedly knew there were going to be these facilities.

Mr. REUSS. Mr. Speaker, will the gentleman yield?

Mr. FLYNN. I shall be glad to.

Mr. REUSS. Is the gentleman positive that the Congress, or any committee of the Congress, has actually approved the specific items I have mentioned? I am under the impression that the Committee on Appropriations and the Congress in acting on appropriation bills merely approved general sums to be spent for the Bong Air Force Base and definitely has not acted one way or the other on these specific items which I mentioned.

Mr. FLYNN. The gentleman is correct. This Congress on matters such as this does not get into specifics. However, committees of Congress usually do. A few days ago, I believe roughly 2 weeks ago, this Congress approved in the military construction authorization bill the expenditure of some $23 million for the Bong Air Base. There were several Members of this House, many of them from our State, who refused to vote for the entire military construction bill for the sole reason, as they informed me personally, that this appropriation bill of some $1,800 million included $23 million or thereabouts for the construction of the Bong Air Base.

Mr. REUSS. Mr. Speaker, will the gentleman yield further?

Mr. FLYNN. I am happy to yield.

Mr. REUSS. I, myself, did vote for that military construction bill, and I was not the least put off by the inclusion of this amount for the Bong Air Force Base, because, while, as the gentleman knows, I differed with the fundamental position to put it there, once it was decided to put it there, I went ahead and voted the appropriations.

Mr. FLYNN. The gentleman did. The gentleman has been very liberal in voting for the appropriations. I know that fundamentally he is as interested in the base as I am. I know the gentleman's sole interest is to see to it that we do not waste the taxpayers' money, the money which his people will pay, as well as mine.

Mr. REUSS. May I further say that the $23 million recently voted in the authorization bill for the Bong Air Base did not contain any of the items which I have been questioning, and which I have questioned this afternoon. There was a complete listing given before the Armed Services Committee by the Air Force personnel when they came up and testified, and none of the items which I consider borderline or wasteful items were included.

Mr. FLYNN. Mr. Speaker, if I may explain this to the gentleman. This base has groupings of buildings into what they call five composites. These buildings are not being constructed all at one time. Separate contracts are being let for them, and they are coming to this Congress and asking for appropriations as they are prepared to build a new set of composites.

It may well be that the buildings to which the gentleman refers, that were approved recently, did not have these recreational facilities in them. But when they come to this Congress for the money to build a community center, which is the group around which these recreational facilities will be built, then, of course, they will need the money that we are talking about here today.

Mr. KASTENMEIER. Mr. Speaker, will the gentleman yield?

Mr. FLYNN. I yield to the gentleman.

Mr. KASTENMEIER. Did I understand the gentleman to say that he feels that all other bases similarly situated—that is, apart from a metropolitan center—ought to have similar accommodations, such as bowling alleys and steam rooms, and so forth?

Mr. FLYNN. Yes; I do. I had the privilege and pleasure during the Easter recess, because of this base going in my district, to travel to Omaha, Nebr., which is the home of the Air Force and to go through the entire base located there, much of which is underground. I found there that this base, although it is beautiful at this time, was one of the old type bases that had to be entirely renovated and remodeled. I found there that they had no adequate officers' quarters. The officers themselves, through subscription, through the raising of money, built a very lovely officers' quarters. There was some small contribution from funds other than their own, but the great bulk of the money that went into the officers' quarters was money that they contributed.

I found also in talking to the men in charge that this is one of the great problems that the Air Force is having. There are some 60-odd bases throughout the world, not only in this country, but throughout the world, and they have inadequate recreational and athletic facilities for their people. Their men, therefore, sometimes because they, themselves, are dissatisfied and sometimes because their wives and families are dissatisfied, have a tendency to leave the service. Then the service must train new personnel. It was they who asked, some of those who subscribed, who asked for better homes. That is, it was at their urging, largely, that this Congress was prompted to adopt the Capehart Housing Project. They are attempting to remodel the older bases and bring them up to standard so as to keep their personnel and have a modern system of bases, not only just one or two.

Mr. KASTENMEIER. Specifically, does the gentleman know of other bases recently constructed or currently under construction which have the same facilities and accommodations, which have been the focal point of this discussion?

Mr. FLYNN. To my knowledge, this is the only one currently under construction, although I have information to the effect that in the future—not in the immediate future—there will be three more bases, in addition, and I presume the same request will be made for them.

As I said, with reference to the 60 bases that they have throughout the world, many of these facilities are established through solicitation of the airmen, themselves, or through the communities attempting to get at least officers' quarters adequate to take care of the needs of the people.

Also I traveled to Lincoln, Nebr., on the same trip and there found that they, too had built, not as nice, but an entirely adequate officers' quarters for the airmen who are stationed at the airbase at Lincoln, Nebr., which is some 50 miles away from the home base at Omaha.

Mr. KASTENMEIER. I thank the gentleman.

AIR FORCE RECREATIONAL FACILITIES

The SPEAKER. Under the previous order of the House, the gentleman from Wisconsin [Mr. REUSS] is recognized for 30 minutes.

Mr. REUSS. Mr. Speaker, I take this time to direct the attention of the House to some of the matters which have just been discussed by my good friend and colleague, the gentleman from Wisconsin [Mr. FLYNN]. I think it is entirely in order that Congress take a look at what the Air Force proposes to do with this first superbase at Bong Airfield in Wisconsin because, as the gentleman from Wisconsin [Mr. FLYNN] said, they may have this in mind for other bases, and what would run into perhaps a million dollars at the Wisconsin base could ultimately run into hundreds of millions of dollars just as the original request for the Air Force Academy was $146 million and finally, when the Comptroller General got through making his report, the recorded cost came to $176 million for the Air Force Academy. If you add any related costs for Capehart housing and additional plant improvements, the total cost according to the General Accounting Office comes to $269 million. This cost-plus method of construction, if I may use the phrase, should be enough to put the Congress on its mettle where the Department of the Air Force is concerned, so that we can in each case determine that, while the Air Force should have every penny that it needs to see to the health and recreation of and decent environment for the fine young men and women who are members of our Air Force, at the same time we always ask the question: Is a particular facility really necessary? Can the job be done with a lesser outlay of the taxpayers' dollars? Because we must remember that every dollar that we spend on something that is not necessary means a dollar off of what is so highly necessary for our national defense: construction of intercontinental ballistic missiles, the defense against jets, better defense against submarines, conventional warfare, and all the things that we are not doing which we ought to be doing.

But let me again thank the gentleman from Wisconsin [Mr. FLYNN] for bringing up the matter here, on the floor. It is perfectly true this has not yet been debated before the Congress. It has not yet been the subject of a committee inquiry, and it is high time the Members had an opportunity to look at the issues. I have objected, and the

gentleman from Wisconsin reports me correctly, to certain items. I have objected to the inclusion in plans for the Bong Air Force Base of squash courts, of Turkish baths, massage rooms, indoor swimming pool, hi-fi shops and one or two other items. The reason I object to the inclusion of the squash courts, the Turkish baths, the massage rooms and the indoor swimming pool, is that it does not seem to me to be really essential to the health, relaxation, and recreational well-being of the Air Force personnel. I am not attempting to run down squash. It is a game in which in my day I have participated and I have gotten a good deal of enjoyment out of. And I certainly do not want to say any unkind things about steam bath or massages or a dip in a pool. They are very pleasant and at times are even beneficial. But I would like to ask this: Is there competent medical testimony that a good workout in an all-purpose gymnasium, and I am all for an all-purpose gymnasium, like a game of basketball or a game of badminton or volley ball or calisthenics followed by a shower—is there competent medical testimony that that is inferior from the standpoint of health to a game of squash or a steam room treatment or a dip in a pool? Is squash the only exercise that can unwind an airman after a long flight and is that the only adequate recreation, as the gentleman says, for the airmen and the ground personnel and their families and friends? I think not. The same goes for these other ideas for a somewhat similar game, the game of court tennis which was a game that used to be played with great enjoyment by Louis XV of France. A court tennis court costs around $1 million. It is a most enjoyable game and, indeed, a healthy game. Surely the gentleman would not suggest that we make court tennis courts standard equipment on all our airbases. If an airman or civilian personnel attached to an airbase wants to play squash, there is at least one other court in the State of Wisconsin at the University Club in Milwaukee. It is a really good court and I will be delighted to help him get guest privileges there if he wants to drive in to enjoy this form of relaxation. I, like so many others, was in the military service for a good part of World War II. During that entire period, I spent time at Camp Joseph T. Robinson and Camp Van Dorn and Fort Benning and many another paradise of the military. I never saw an indoor pool or a squash court or a turkish bath or a massage chamber built at the taxpayer's expense. I believe we can give our servicemen adequate recreational facilities without wasting tax dollars. It is these extras that go beyond the normal worthy recreational requirements that I object to.

Just this morning I called the Turkish Embassy to ask them whether the Turkish Army had Turkish baths, and I was informed that in all the length and breadth of Turkey, taking into account every military, naval, or air installation they had, there is not one single Turkish bath there. It seems to me that if the Turkish Army can get along without Turkish baths, certainly American airmen can.

Now we get to bowling alleys. Bowling is a great sport, certainly, but I suggest that just 17 miles away in Wisconsin there are more than 100 bowling establishments available which would be just delighted to take care of the servicemen. What the situation is in Racine and Kenosha I do not know, but I do know that Milwaukee has more than adequate facilities.

As to hi-fi, I know that in any of the large nearby cities there are shops that have available adequate material in this line and they would have no difficulty getting their needs met.

There are excellent schools and universities nearby. The University of Wisconsin is an eminent university only a few miles away. It seems to me their needs can be supplied by existing educational facilities and institutions and thus great savings be made for the taxpayers.

As I have said before, I have had my objections to putting Bong Air Force Base where it is in the first instance. I could not quite see why they should put a strategic bombing base so far from its only potential target and right athwart the Milwaukee-Chicago air traffic lane. I objected to the fact that the civilian traffic in general from the airport at Milwaukee will be seriously discombobulated by activities at the Bong Air Force Base. I objected to the fact that traffic between Milwaukee and Chicago will have to detour to the middle of Lake Michigan to get out of the approach lane to the Bong base. There were many objections to this location for the Bong Air Force Base. It could be located at other places and result in economy in government.

One of the reasons the Air Force insisted on putting the Bong Air Force Base with its potential 5,000 men there was that it was close to the city of Milwaukee and also to Racine, and Kenosha, and Chicago, with their magnificent cultural and recreational facilities. Now that they have placed it very close to these major metropolitan centers they insist on decorating it with extras as if it were set on a mountain top or in a remote desert. The gentleman from Wisconsin [Mr. KASTENMEIER], in a colloquy with the gentleman from Wisconsin [Mr. FLYNN], indicated it should have been installed elsewhere.

I know that the gentleman from Wisconsin [Mr. KASTENMEIER] is proud of Truax Field, which is located in the largest city in his district, the city of Madison. It is located very close, less than 5 miles from town, and at Truax Field there are some 2,346 military personnel, two Air Force interceptor squadrons, or about half the military personnel that will be at the Bong Air Force Base. At this base they do not have a swimming pool, bowling alleys, squash court, steambaths or massage, hi-fi shops, and these other things. Not even a gymnasium.

Then there is another large military installation in northwestern Wisconsin, Camp McCoy, which was built to house 30,000 men. At this base there is no squash court, no steamroom, no massage room, no Turkish baths, no bowling alleys, no indoor pool, and no gymnasium. If this base, often used by more than 30,000 men, could get along without these frills, why are they so necessary at the much smaller installation in the Racine area which is so much closer to the major cities?

Then another consideration is the question of the permanence of this field and others. Without revealing military secrets, it is possible they may not be too permanent due to the developments that are taking place in the field of missiles. It seems to me it is common knowledge that the pattern of our strategic air force is going to be changed, as I say, due to missile advances. Will this make this installation obsolete in a very short number of years? The Air Force has upon occasion practically conceded that this could happen. Then why should it sink vast sums of money into elaborate facilities, facilities which could be left out or cut in cost or elaborateness, and which ought in my opinion to be cut?

The gentleman from Wisconsin [Mr. FLYNN] has, as I say, made a very valuable contribution by bringing this issue here to the floor. However, I sincerely believe that there are major faults with the Bong Air Force Base. I think they ought to take a long second look at it.

I think if it does so it will save the taxpayers millions of dollars.

I know that the gentleman from Wisconsin [Mr. FLYNN] is a Member genuinely dedicated to economy and efficiency in Government, and I hope, therefore, he will join with me in scrutinizing closely these items because I am deeply convinced if he does so scrutinize these items he will end up by agreeing with me that our Air Force should take a second look before pressing them.

Mr. FLYNN. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Wisconsin.

Mr. FLYNN. I thank the gentleman for his contribution. I want to say that that I will be most happy, and I think the people of our area will be looking to us to make just the type of investigation and analysis of which he spoke. I will be most happy to join with him so that we may come to a definite conclusion as to whether or not waste is being committed.

I would like to mention three things on which the gentleman commented. First, the gentleman referred to waste and extravagance that is possibly existing in the new Air Academy that is being built. The gentleman is a very, very fine lawyer and knows that in a courtroom any reference to another matter is irrelevant and cannot be admitted into evidence. We cannot by reference to something that we admit has probably become either corrupt or where something has gone wrong with an entirely different installation claim that something is wrong with Bong Air Base.

We have heard on the floor of the House statements by several of our very honorable Members that there was something wrong in the expenditure of

money at the Air Academy; however, there has been no such charge about the Bong Air Base. Bong must stand on its own feet. I do not believe the appropriations that have been recommended for Bong Air Base should be criticized until we have heard that the Air Force is exceeding the appropriations they have asked for, and we should not attempt to arouse the feeling of the people because of waste and extravagance on some other air base.

Mr. REUSS. If I may interrupt the gentleman, I recognize that under strict courtroom rules it may not be possible to bring up the matter of what happened at the Air Force Academy out in Colorado; however, I call the gentleman's attention to an old legal maxim; "extravagantis in unius, extravagantis in omnia," if you are wasteful in one thing you may be wasteful in others. To me that is a Latin maxim that applies to the Air Force.

Mr. FLYNN. Yes; and we are very familiar with the guilt-by-association doctrine that was developed by one of our Representatives of late memory. I would not want to apply the doctrine that he so ably developed of guilt by association to the military. I would not want us to become guilty of saying what we charge him with saying in the recent past.

I would like further to say this: There was reference made to a crown type of tennis court costing a million dollars. The inference could only be that some such expenditure would be involved in a squash court. I have no figures on the construction of a squash court, but the gentleman will admit, I am sure, that the construction of a squash court involves only a small amount of money, a small percentage of a million dollars. I do not know what it would be, but I believe it would be perhaps a few thousand dollars at the most would go into the construction of squash court.

Finally, I want to say this country has come to a new appreciation, a new sense of values, as far as the military is concerned. In the past, and prior to the development of air power modern transportation and atomic bombs, we had two peaceful seas that protected this country. We relied on them for defense. We had only a small standing Army. We conscripted men into the service only in time of a national emergency. Since the advent of World War II we have found it necessary to maintain large standing armies and reserves in the various branches of our services. So we have gone from the day when boys spent from 1 to 2 years in the service through conscription to the day when we are asking people to make a career out of the military service. In order to encourage this we have to provide retirement systems and pensions so that they will spend their entire productive years in the service. Therefore, we must change our conception of the type of military barracks that we have. No longer can we have barracks of a room and a cot. We must provide homes for married men, we must give them the same type of comparable facilities that they would have in civilian life. If we do not, the cost to this country is going to amount to many million dollars more than if we provided these educational and recreational facilities in the new bases that we have built, and unless we modernize some of the older bases, at least to provide a minimum amount of these same facilities.

I thank the gentleman.

Mr. REUSS. I could not agree with the gentleman more that adequate recreational facilities and a decent environment are essential for the men in our armed services. However, my point is that before we provide squash courts, hi-fi rooms, and massage chambers at Bong Air Force Base for the limited number that can use them, we ought to see that the men at Truax Field, at Camp McCoy, and at 100 other installations get something approximating a bare minimum of amenities. I am opposed to setting up a new base at which the facilities are so out of line with those existing at 100 others.

Mr. KASTENMEIER. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Wisconsin.

Mr. KASTENMEIER. I would like to ask my colleague just what we are talking about here in terms of money. Do you have any approximation as to what might be saved by eliminating these so-called frills at Bong?

Mr. REUSS. I believe a good look at the $90 million plan set up by the Air Force at this Bong Air Force Base could save close to a million dollars without in any way cutting down on legitimate recreational or health activities.

Mr. FLYNN. Do you have anything to back up the figure of $1 million.

Mr. REUSS. Nothing other than the estimates given me by competent architectural people in the Corps of Engineers whose work it is to actually construct these bases. Let me say in that connection that I think further waste is created by the practice of the Air Force, the Strategic Air Command, I should say, in hiring this Omaha firm of architects to make preliminary and somewhat dreamy plans. Then the construction goes to the Corps of Engineers who, in turn, hire architects both to make the preliminary plans and the final rendering of plans and specifications. I suggest that this is another instance of duplication and waste. If the Air Force in the first instance were to go to the people who build the base, namely, the Corps of Engineers, not only would we save dual architectural fees but, perhaps, get more reasonable and hardheaded plans in the first instance.

Mr. FLYNN. From estimates given to me over the weekend, the total cost of all the so-called frills of which the gentleman speaks would be far less than $1 million. Part of the study, which I would like to join with you in making in order to give concrete evidence to the people, is to make an exact determination of the exact amount of money involved. I am told that bowling alleys could be installed for $8,000 apiece or $48,000 for six alleys. That is the most expensive part of all, both educational and recreational and other facilities that you speak of, and the total cost of all of them would be about $100,000. I do not believe that the figure of $1 million is anywhere near realistic at all.

Mr. REUSS. How much is the gentleman going to build that indoor swimming pool for, 64 by 84 feet, with 8 racing lanes and 3 diving boards?

Mr. FLYNN. It is my understanding that the gentleman said he had no objection to the construction of a gymnasium.

Mr. REUSS. That is correct.

Mr. FLYNN. I believe that included that equipment. If you exclude the swimming pool from your gymnasium facilities, then I would have to add that to it. I do not believe, however, that your swimming pool will exceed $20,000 or $25,000.

Mr. REUSS. Even if the gentleman is right that the total cost of these items is only $125,000—$100,000 plus the $25,000 swimming pool—I am not going to contest that this afternoon because I do not have the exact facts here, but, even if he is right, let me say this, that I think the taxpayers have an interest in preventing the expenditure of even $125,000 if the same facilities, if the same amount of welfare and enjoyment, can be provided without that expenditure.

Mr. FLYNN. If the construction of these facilities causes just three men in the Air Force to reenlist for 3 years, we will have paid the entire cost of these educational and recreational facilities. And, I say without any fear of contradiction that the building of these recreational facilities at this base will over the years to come cause hundreds of airmen to reenlist, and our saving, caused largely by these facilities and the Capehart housing program, is going to save this country millions of dollars. If we do not put them in, we are nearsighted, we are squandering the taxpayers' money, because we are not getting the most for it. I join wholeheartedly with the gentleman in saying that bases such as Truax Field at Madison and many other bases throughout the country will, of necessity, in the years ahead—that is, if we are going to follow the concept of having a permanent army of career men who will stay for many years in the military service, that we are going to have to build at least minimum facilities similar to these on all of our major bases in the country.

PUBLIC JUNIOR COMMUNITY COLLEGES

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Oregon [Mr. ULLMAN] is recognized for 15 minutes.

Mr. ULLMAN. Mr. Speaker, during the closing months of the 85th Congress I introduced legislation designed to encourage the establishment of public junior community colleges. I did so because of my firm conviction that an expansion of the junior college concept offered much to a nation seeking improvements in its educational opportunities and facilities.

The response to my proposal last year was most encouraging. It elicited letters of support from leading educators and professional groups as well as from

parents and other citizens who were anxious to expand this important phase of the total American educational program.

Needless to say, our educational problems are still very much with us. The tide of college students continues to rise; the importance of higher education continues to gain ever wider acceptance.

Moreover, we now ask more—both quantitatively and qualitatively—of our educational system. The increasing complexity of modern life underlines the need to accelerate an expansion of educational opportunities if our citizens are to have the training needed to meet the perplexing problems of our confused era. A restless world demands the maximum utilization of our intellectual prowess. As the National Education Association recently pointed out:

> The mounting importance of education in the United States rests upon several basic considerations. It provides much of the specialized and advanced education to meet the mounting demand for highly trained manpower. It is a principal source of basic research which provides new knowledge, the very stuff of progress in a scientific age. Education is an essential ingredient of our increasingly productive economy upon which a high standard of living and national security depend. It is a principal source of an enlightened citizenry qualified to deal with a growing range of personal, domestic, and foreign affairs which constantly increase in difficulty. It is a primary means whereby the ideal of equality of opportunity is given reality in action.
>
> In short, ours is the kind of civilization which requires a lot of education—more in amount and of better quality for a growing number and percentage of our people. Our material well-being, our national security, and the further fulfillment of our democratic ideals require more and better education. Such are the considerations which today underscore the great and mounting importance of education in the United States.

My introduction earlier this year of a revised version of my community college bill reflects my belief that the junior community college can play a significant role in providing "more and better education." My continued attention to the work and function of the junior college has further convinced me of the essentiality of their programs of 2-year terminal education; of their programs of adult education which do much to upgrade adult employment; and of their college transfer courses which allow students to pursue freshman and sophomore college courses with transfer credit value.

As the President's Commission on Higher Education stated:

> Thus free education should be available in public institutions to all youth for the traditional freshman and sophomore years or for the traditional 2-year junior college course.
>
> To achieve this, it will be necessary to develop much more extensively than at present such opportunities as are now provided in local communities by the 2-year junior college, community institute, community college, or institute of arts and sciences. The name used does not matter, though community college seems to describe these schools best; the important thing is that the services they perform be recognized and vastly extended.
>
> Such institutions make post-high school education available to a much larger percentage of young people than otherwise could afford it. Indeed, such community colleges probably will have to carry a large part of the responsibility for expanding opportunities in higher education.

Mr. Speaker, this is a laudable goal and one in which I heartily concur. However, the growing demand for community colleges only serves to emphasize the need for prompt adoption of a program of Federal assistance to the States for the development of these institutions of higher learning. Unaided, the States and local communities are simply not in a financial position to meet the emergency conditions now existing.

I believe my proposal, H.R. 967, would provide the type of assistance needed. Viewed from the standpoint of the Nation's needs, H.R. 967 is a modest approach. The sums authorized are reasonable as is the 5-year duration of the program. Moreover, revisions made in my proposal since it was first introduced insure the greatest possible latitude to the States in establishing their community college programs.

Since introducing H.R. 967, I have again received considerable correspondence favoring enactment. Most of these letters also make mention of the swelling number of students which junior colleges are accommodating and of the need for Federal assistance if the educational thirst of young Americans is to be satisfied. For example, the superintendent of public instruction and director of education of the State of California, Mr. Roy E. Simpson, writes:

> We here in California are deeply concerned about the tremendous pressures we face with the expanding enrollments in post high school education. * * * Actually, this year the junior college enrollments exceeded the projection * * * and we now have over 91,000 full-time students enrolled. It is now our belief that we will have over 220,000 full-time students in the junior colleges by 1970. The increases in enrollments in the State colleges and the university are also serious problems. * * * At the same time we are building junior colleges, we are also having to expand our State college system and also the campuses of the University of California, so we have three-way burden.
>
> Actually, at the present time we have as many full-time students enrolled in junior colleges as we have in the total enrollments in the State colleges and the campuses of the University of California. We believe that the junior college is performing a very significant and unique higher education function in our State; and it is reaching a point where the financial strain of providing facilities for all three is causing deep concern. Your bill, H.R. 967, if enacted into law, would provide every substantial relief to our problem of meeting post high school needs.

Another person concerned with the junior college problem, Dr. Harvey D. Martin, dean, education department of Keokuk Community College, Keokuk, Iowa, writes:

> The community colleges need help in meeting the demands placed upon them by the ever-increasing student body. Our own college, presently bursting at the seams with more than the projected anticipated enrollment for 1958–59, is a good example depicting the needs of the community colleges throughout the United States.

I am not going to read statements from all of the correspondence received since I reintroduced my junior college proposal. However, I would like to call attention to one other letter as I believe it points up the need for Federal assistance despite the impressive efforts now being made by States and local communities. Dean F. C. Kinter, of the Olympic Community College of Bremerton, Wash., writes:

> Those of us who are struggling to provide space for ever-increasing numbers of students are counting on congressional help. Increases this year alone range from 12 percent to 40 percent among the 10 junior colleges in this State.
>
> Local communities in the State of Washington are supporting their community colleges to an impressive degree but need additional funds to construct facilities to keep pace. The need is desperate. The American people want junior colleges. They now realize that the 2-year school is the brightest hope for a satisfactory solution to post high school education.

Mr. Speaker, in conclusion I wish to once again quote from the report of the President's Commission on Higher Education:

> The American people should set as their ultimate goal an educational system in which at no level high school, college, graduate school, or professional school will a qualified individual in any part of the country encounter an insuperable economic barrier to the attainment of the kind of education suited to his aptitudes and interests.
>
> This means that we shall aim at making higher education equally available to all young people, as we now do education in the elementary and high schools, to the extent that their capacity warrants a further social investment in their training.

I am convinced that the enactment of the Public Community Junior College Construction Act of 1959 would materially assist in the implementation of this goal. I urge my colleagues to give this proposal their full and serious attention.

JOHN FOSTER DULLES

Mr. QUIE. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. CANFIELD] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. CANFIELD. Mr. Speaker, like so many of my colleagues, I feel inadequate to capture in a few words my thoughts and emotions on the death of John Foster Dulles. Yet a deep gratefulness impels me to voice a posthumous "thank-you" note to that champion of freedom and peace.

Can any of us today fully appreciate his role in the critical post-war years? Is it possible to overstate how well our late Secretary of State steered our course in international relations? I think not.

Here was a leader in the best sense of the term. Never an equivocator, he made his position clear and firm. In an age of committees and bureaucracies, Mr. Dulles stood alone, an individual supported by a strong religious faith

that never failed him and a remarkably wide-ranging intellect that was capable of understanding and controlling the complex problems our Nation faced.

We are still very close to the life work of Mr. Dulles, and the involvement that is ours in the perspective of immediacy suggests caution in the use of superlatives. I am confident, however, that in the distant future when detached historians judge our time they, too, will come to the same conclusion that people all over the world have come to in the past few days—the conclusion that John Foster Dulles was a very great statesman.

To the members of his family we extend our deepest sympathy and hope that they find solace with the ending of has pain.

I am inserting in the CONGRESSIONAL RECORD at this time portions of editorial tributes that appeared in yesterday's Paterson Evening News and Passaic Herald-News, both of New Jersey:

JOHN FOSTER DULLES

Friend and foe around the world are heaping accolades on the courageous former Secretary of State who yesterday yielded up his life in his last great fight against an unconquerable foe—cancer. Too bad some of those who now see in John Foster Dulles the virtues of a great architect of peace could not have allowed him that type of friendly cooperation when he needed it most in his relentless fight against the common Red enemy.

But such is politics—one must not admit the adversary's virtues. And so, even while he was girdling the earth in a never-ending battle to build insurmountable walls and armies against communism, he was being ridiculed as a commuter and his energetic efforts belittled.

History will record, however, that John Foster Dulles was perhaps the most dedicated man in modern times to the cause of peace. Mr. Dulles had frequently pointed out that early in his career he had set world accord as a goal. He deplored the fact that there was no true agency to create peace and so it had to be brought about by a ceaseless welding of the countries that wanted it. He was a League of Nations, a United Nations, a World Court, all in one.

It was Secretary Dulles, backed without equivocation by President Eisenhower, who had a dedicated belief in his associate's ability and integrity, who kept the Western World solid and united. More likely than not, without one of his indomitable will, his absolute confidence that what he was doing was right, his tireless chase around the world, Communist Russia would long since have broken down Western resistance and the solid phalanx of the anti-Red forces would have been broken.

Sleep in peace, faithful servant, you have earned the reward of eternal rest in the Valhalla of heroes.

And from the Passaic Herald-News:

JOHN FOSTER DULLES

The quality that distinguished Mr. Dulles was his rock-like courage. Mr. Dulles understood that it was more dangerous to give in to Communist pressures than to stand up to threats without budging. A small concession to the Communists is like a small hole in the dike through which an ocean can pour.

The critics of Mr. Dulles called him "inflexible" and attacked his "brinkmanship." However, his policy of no retreat worked. The last example was his refusal to back down before Communist Chinese threats to go to war over the Quemoy and Matsu islands.

The steel in Mr. Dulles came from his faith. He was a deeply religious man. His religion emphasized morality and principle. The Communists realized that Mr. Dulles could not be cajoled or bullied into surrendering principles. They hated him and tried to destroy him with vicious hate campaigns.

For the young people of our country, Mr. Dulles should be an inspiration. He was a brilliant lawyer. He could have devoted himself to his personal affairs. Instead, he chose to serve his country. He was willing to accept criticism and the relatively modest monetary compensation for the privilege.

OUR PLAN TO WELCOME KHRUSHCHEV WHEN AND IF HE COMES OVER HERE

Mr. QUIE. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. BARRY] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. BARRY. Mr. Speaker, under leave to extend my remarks, I would like to bring to the attention of the Congress and of the Nation, the suggestion contained in the editorial of Mr. Oxie Reichler, distinguished editor of the Herald Statesman, of Yonkers, N.Y., that the American people greet Premier Khrushchev with dignity, restraint, and silence, should he visit our shores.

The editorial follows:

[From the Yonkers (N.Y.) Herald Statesman, May 21, 1959]

OUR PLAN TO WELCOME KHRUSHCHEV WHEN AND IF HE COMES OVER HERE

If Nikita Khrushchev, Premier of Soviet Russia, should come to the United States of America—and it begins to look as if he might be coming sooner or later—it is the Herald Statesman's hope that we Americans will exercise restraint in our curiosity and definitely curb our traditional spirit of welcome to visitors.

There are reports that Mr. Khrushchev has been renewing his pressure for an invitation to the United States, to an extent which may make such a bid inevitable. Besides, if a so-called summit meeting is held this summer it may well be in the United States.

It is obvious that we substantially overdid our welcome to Anastas Mikoyan, the Soviet Deputy Premier—to an extent that not only irritated many sober-minded Americans but infuriated many to behold such maudlin sentimentality over one of the masterminds in the butchering of political enemies or innocents, and in vast inhuman acts of cruelty and worse, not to mention the maltreatment and kidnaping and slaughter of our own fellow countrymen.

We suggest that the Herald Statesman plan for a Khrushchev visit be applied nationwide from the moment he steps onto our shores.

Let him have his official and informal greetings from the President, as required by protocol, but let us forego the invariable crowds, the cheering, the fulsome adoration which we like to shower upon a foreign dignitary.

Let him have his ride up Broadway, if that is essential, but with no ticker tape, no glad outcries of welcome. If there are people along the curb, let them try hard to be silent.

Absence from the Soviet Premier's route, from the places where he speaks, and silence on the part of passersby—these can be more potent than the occasional picketing and placarding and the other usual implements of protest.

Let America give Khrushchev the kind of treatment we should have given Mr. Mikoyan. This would demonstrate our national respect for freedoms, which both so often threaten to take away from us as they have from their own people and from the satellites they have seized.

By silence we would be giving "voice"—in the most stentorian manner possible—to our opinion of Khrushchev's betrayal of every agreement at Geneva 4 years ago, his harsh oppression in Hungary, his blackmailing of every member nation of the North Atlantic Treaty Organization (NATO), his runout on the reunion of the two Germanys, his harassment of Berlin, and his incessant threats to destroy the West with hydrogen bombs.

If we love freedom, we can show him—by acting like intelligent and self-respecting human beings—our revulsion against Communist enslavement of peoples and nations, and our opinion of the Communist program of constant threat to destroy the free world and to launch World War III unless we appease its insatiable maw.

If Communists—whether in Soviet Russia or in China or elsewhere—choose to act like brutes and bullies, who must always get their own way without resistance, we must try to make their leaders understand that the time has come for a revival of decency courage and no surrender.

Our silence and indifference can be a valuable weapon in the cold war—far more effective and dignified than hypocritical adulation. Isn't it worth a trial?

CONTINUED FIGHT AGAINST ORGANIZED CRIME NEEDED

Mr. QUIE. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. CRAMER] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. CRAMER. Mr. Speaker, as I have previously advised the House, I have already introduced this session two bills which I think will go a long way in routing out the $20 billion take of organized crime, together with the criminal activities involved in protecting that illicit gold mine, such as extortion, bribery, blackmail, murder, racketeering, narcotics, prostitution, maiming and assault, together with all gangster-type criminal activities. I believe this to be one of the major challenges facing Congress, and apparently this position is substantiated by the recent recommendations forwarded to Congress by William Rogers, the Attorney General of the United States in which he recommended three specific bills to strengthen the hands of the Justice Department in fighting this national gangsterism.

I had previously introduced H.R. 7129, the successor to my bill H.R. 5186, which establishes the crime of terroristic offense where the offenses above enumerated are perpetrated through the use of interstate or foreign commerce or communications, and providing that upon request of local law enforcement officials based upon a finding that interstate commerce was involved, the Attorney General could invoke Federal investigation, prosecution, and other services

at his disposal to combat such interstate crimes which are the tools used by national gangster conspiracies in reaping the $20 billion illicit take from the people of this country.

I also introduced H.R. 3895, which is intended to deny persons engaged in illegal activities, such as gambling and racketeering, certain tax deductions which are allowed to legitimate businesses. These deductions were given some semblance of legality in the decision of Commissioner against Sullivan, 356 U.S. 27, in which the Supreme Court refused to disallow such deductions on the part of gamblers and criminals in the absence of express declaration by Congress. This bill, which I introduced some time ago is broadened and made more comprehensive by the bill proposed by the Attorney General which I also introduced today and it would deny tax deductions to persons engaged in illegal activities such as gambling, and clearly showed the congressional intent that such business expenses cannot be deductible for tax purposes. This, it is interesting to note, is one of the three recommendations also made by the Attorney General when he submitted to Congress his proposals. Concerning that elimination of such tax deductions the Attorney General had the following to say:

Organized crime derives huge profits from certain businesses carried on illegally. It is obvious that a business conducted furtively and unlawfully will yield larger profits than one transacted openly by law-abiding citizens. It is equally clear that the furtive character of such a business increases the expense and difficulty of tax collection. The Government is entitled to be reimbursed for this drain on its resources, and to secure its full share of taxes from these illegal ventures.

One example of this type of business is organized crimes' illegal gambling enterprises—perhaps its principal source of ill-gotten funds. Almost all of the States have laws prohibiting bookmaking, slot machines, and related activities of the organized gambling fraternity. Policing illegal gamblers is peculiarly a State and local responsibility and it would be unwise and impractical for the Federal Government to assume the task of investigating and prosecuting local gamblers and bookies.

There are, however, areas where the Federal Government can properly assist local authorities in the enforcement of their anti-racketeering and gambling laws. This bill, for example, would deny to persons engaged in illegal activity, such as gambling, certain tax deductions allowed to legitimate businesses. This would deal a severe blow to the organized racketeer by hitting him where it hurts most—in his pocketbook. In the recent case of *Commissioner* v. *Sullivan*, 356 U.S. 27, the Supreme Court refused to disallow such deductions in the absence of an express declaration by the Congress. It stated:

"Deductions are a matter of grace and Congress can, of course, disallow them as it chooses."

The enactment of this bill would help substantially to curb this area of organized criminal activity.

The Attorney General further recommended that the 1950 law forbidding the "interstate transportation of any gambling device," which now applies to slot machines, should be broadened to include any other device manufactured specifically for gambling purposes, and also to prohibit the shipment of such gambling devices out of the country. In submitting that proposal the Attorney General had the following to say:

In 1951 Congress passed the Johnson Act (64 Stat. 1134; 15 U.S.C. secs. 1171–1177), which in general forbids the interstate transportation of any gambling device and requires manufacturers of and dealers in gambling devices to register annually with the Attorney General.

Experience with the enforcement of this act has demonstrated a need for its amendment in several respects. One of the enclosed bills will accomplish these changes. It will broaden the definition of gambling device so that not only the slot machine will be covered, but also additional types of machines and mechanical devices designed and manufactured primarily for use in connection with gambling.

The proposal will also enlarge and more clearly define the categories of persons to whom the registration and filing provisions apply. It will require the maintenance of detailed records with respect to the acquisition and disposition of gambling devices, with provision for inspection and copying of such records by the Federal Bureau of Investigation.

Provision is made in the bill for the granting of immunity to persons who assert their constitutional privilege against self-incrimination with regard to the maintenance of the required records or testifying before a grand jury or court of the United States. Thus, our enforcement authorities will be able to compel the disclosure by underlings of information necessary for reaching the upper echelons of the crime syndicates.

Finally, the bill will extend the scope of the act to apply to the transportation of gambling devices in foreign commerce; at present it applies only to the interstate transportation of such devices. The racketeers have offset to a large extent the restrictions on the interstate transportation of gambling devices by developing foreign markets. The outlawing of such shipments should materially assist in the curbing of such activities.

I have today introduced legislation to implement that recommendation which I believe to be sound.

The Attorney General also proposed legislation for granting immunity to persons who claim the 5th amendment in the Federal gambling cases, and thus law enforcement officers could compel underlings to give them information needed to reach the upper echelons of crime syndicates. The legislation would also apply to labor racketeering cases granting immunity to needed witnesses who now claim self-incrimination. In explanation of that request, the Attorney General stated the following:

In labor racketeering cases the experience of the Department of Justice demonstrates an urgent need for legislation to permit the compelling of testimony before grand juries and courts in Hobbs Act and certain Taft-Hartley Act cases.

The Hobbs Act (18 U.S.C. 1951) makes it unlawful to interfere with commerce by robbery or extortion, as defined in the act. Section 302 of the Taft-Hartley Act (20 U.S.C. 186) makes it unlawful for an employer in an industry affecting commerce to pay money or make gifts to representatives of any of his employees under circumstances that would constitute such action a bribe. The close connection between the offenses proscribed in these two acts often inhibit cooperation with law enforcement officers. For example, an employer who is a victim of labor extortion may be reluctant to testify in a Hobbs Act case for fear that he may be incriminating himself under section 302 of the Taft-Hartley Act.

The second enclosed measure will amend that chapter of our criminal laws which is entitled "Racketeering" and in which the Hobbs Act is contained. As amended, the chapter will provide that whenever in the opinion of a U.S. attorney it is necessary to the public interest that a witness testify or produce evidence before a grand jury or court of the United States in a matter involving a violation of the Hobbs Act or section 302 of the Taft-Hartley Act, he may, with the approval of the Attorney General, seek an order of the court instructing the witness to do so. The witness may not then be excused from testifying or producing the evidence on the ground that the act required of him may be self-incriminating, for the measure accords him immunity from prosecution (except for perjury or contempt) with respect to transactions concerning which he is compelled to testify or produce evidence after claiming his privilege against self-incrimination. Legislation such as this is not uncommon; there are many such immunity statutes and they have been of considerable assistance in accomplishing the more effective administration of justice.

I have also introduced legislation to implement the final request of the Attorney General.

Thus, with the bill, H.R. 3895, which I have previously introduced and reintroduced in its broader form denying gamblers tax deductions for so-called business expenses, together with the other two recommendations of the Attorney General which I have introduced today, and my bill, H.R. 7129 making the FBI and the Justice Department assistance available to local law enforcement officials where interstate commerce has been used in perpetrating the type of crime involved in these national syndicated operations, I believe that Congress is presented an antiorganized crime package that will wage effective war against organized crime and racketeering in this country.

I strongly recommend this legislation for serious consideration by the Congress, believing it is essential that this organized racketeering which is costing the taxpayers $20 billion annually, which is an amount second only to national defense expenditures, must be stamped out and Congress must accept its full responsibility in making certain that it is done. Of course, in addition to the $20 billion pried out of the taxpayers' pockets in these illicit operations, these national gangster activities also have the effect of undermining the basic morals of our Nation.

I am happy to see that the Attorney General has made legislative recommendations and that some of those recommendations are consistent with legislation which I have already introduced and I am happy to join in the introduction of the newly proposed additional legislation.

It is high time that Congress do everything within its power to put an end to the killing of citizens in the streets of America, and put an end to the extortion, bribery, blackmail rackets, as well as the

traffic in narcotics and prostitution. This is a very real challenge that must be met immediately and with effective legislation.

LEGISLATION TO PROTECT CITIZENS FROM MOB VIOLENCE

Mr. DULSKI. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. DINGELL] may extend his remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DINGELL. Mr. Speaker, I have previously refrained from speaking out on the disgraceful lynching of Mack Parker in Mississippi because the FBI had entered the case and it appeared that something could be done under the Lindbergh law to apprehend and punish his murderers.

I now read in the papers that the FBI has withdrawn from the case and that information derived by the FBI has been turned over to the Governor of the State for appropriate action. We note that this information will be turned over to the grand jury for action as its next regular meeting which will take place in November.

It appears that in the absence of such Federal statute there is the possibility that the FBI does not receive fullest cooperation from the people in the area and from local authorities in their efforts to apprehend members of the lynching mob. It further appears possible that during the long period prior to the next meeting of the grand jury that evidence may be lost, witnesses will move away, and that possibly even the guilty parties may disappear.

The anti-lynching bill I introduced earlier this year, H.R. 353, would have made possible immediate, vigorous, and forceful action by the Federal Government, as well as the State, for the protection of citizens against lynching, and for apprehension of Mack Parker's slayers.

Under my bill the Department of Justice could have carried this prosecution through to a successful conclusion.

Surely Congress can do no less than to enact effective legislation like H.R. 353 to protect citizens from mob violence.

HON. JAMES G. POLK

Mr. DULSKI. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. KIRWAN] may extend his remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KIRWAN. Mr. Speaker, under leave granted to extend my remarks at this point in the RECORD, I include a sincere and moving tribute to our late colleague, the Honorable James G. Polk. Judge William B. Brown delivered the memoriam in Chillicothe, Ohio, on May 9:

MEMORIAL TO JAMES G. POLK

Let us pause a few moments in these proceedings to pay our individual respects to our mutual friend and Representative who has so recently departed from our midst. Let us contemplate the life and times of this man who for so many years has been first in the hearts of the 6th Congressional District of Ohio. And let us so conduct ourselves in our daily lives and in future years so that we will carry out the ideals which he exemplified in striving to form a more perfect union—to establish justice—to insure domestic tranquillity—to provide for the common defense—to promote the general welfare—and to secure the blessings of liberty to ourselves and our posterity.

Some of us who didn't know James G. Polk wondered why he was such a success—that quiet, unassuming, friendly man; others of us who did business with him became quickly aware that outward appearances are disarming and deceiving; the rest of us who knew him were devoted to him, elected him and reelected him for, as our Representative allotted to us under our system of Government, "he truly labored in the vineyard."

Most do not know of his distinguished ancestry—that of an aristocratic American family beginning with Robert Bruce Polk, who emigrated from Ireland in 1672—no doubt to practice democracy and to get away from autocracy—whose collateral antecedents included the 11th President of the United States, whose given name he bore, a distinguished Confederate bishop and general and whose direct antecedents have been leading farmers, bankers, and businessmen of this district since the State of Ohio began. In fact, there might have been some royal blood in his veins since his lineage included the Bruce family of Scottish and Irish fame. These facts are not well known because James G. Polk stood throughout his life not leaning against his family tree, but firmly on his own two feet. This is true because he was as American as the covered wagon, as democratic as Thomas Jefferson and to use the vernacular of his district, as common as an old shoe and sharp as a buggy whip.

Most do know generally of his active life—how he was born and raised and lived most of his life in Highland County; that he was educated and served his young adult life as a farmer and teacher; and that in 1928 he returned to his first love—the profession of farming; how he realized at that time, as now, that this Nation's farm economy was going through a violent revolution and that direct action was needed to help the farmers of the predominantly rural district in which he lived; that he was elected to the 71st Congress and reelected through the 75th Congress; that during World War II, when he felt his services were more valuable elsewhere, he chose not to stand for reelection, but to serve as a special assistant in the Department of Agriculture, to better aid the war effort; that in 1949 he was returned to Congress whence he has served continuously until last week; that he was never beaten at the polls, come depression, prosperity, war, peace, drought or high water; that his record in Congress was distinguished, among other accomplishments, by his contribution to this Nation's agriculture and by his tireless efforts to be of real service to his constituents, be he farmer, laborer, industrialist, businessman or John Q. Citizen; and, that throughout this long and difficult period of our country's life he was universally known, loved, and respected as just "Jim." In fact, it is being said locally that if he had used his nickname instead of his given name on the ballot, he would even have carried Ross County.

Since the 28th of April from the Halls of Congress, over the communication networks, through the newspapers and in person to person conversations, throughout the district have come expressions of sympathy to the family, admiration for the departed individual, and a sense of personal loss to all that knew him. Commonplace in these expressions are adjectives such as "beloved," "loyal," "trusted," "conscientious," "respected," "sympathetic," "courageous," "inspirational," "firm," "good," "true," "cheerful," "kindly," "humble," "modest," "magnificent," "honorable," "friendly," and many, many more which were uttered by his colleagues in Congress and were recorded for posterity in the CONGRESSIONAL RECORD.

Mrs. BOLTON, of Ohio, a Republican, as only a woman can, expressed her feeling amid the tenseness of the climax of the 86th Congress as follows:

"Mr. Speaker, all of us feel a certain sweetness has gone out of the House with the passing of Jim Polk."

Mr. MCCORMACK, of Massachusetts, a Democrat and majority leader of the House, had this to say:

"He truly possessed nobility of character in about as broad and profound a manner as anyone could have. He was a man of deep faith and he evidenced it in his human ways, in his contact with his fellow man, in showing by action as well as by words his love of God and love of neighbor."

During the last 10 days I have talked to dozens of people of all walks of life, of all types of economic conditions, racial origin, religious and political beliefs about our departed Congressman, and invariably the adjectives I previously mentioned cropped out in the conversations. I am certain that this has been your experience and the experience of all thinking citizens throughout the district. True, some violently disagreed, as good southern Ohioans will, with Jim on this or that issue, but none doubted his ability or his honesty of conviction on any vote he cast. Most, including many Republicans, had some little personal or family experience of writing for a favor, or, for or against something, or, for information on any of a thousand subjects; and then being pleasantly surprised at the promptness and comprehension of the reply; of being further surprised by the way the matter was followed up from time to time; and finally being amazed at the results that were achieved. Many spoke of this attention to detail during the past few months when we heard rumors of his stricken condition and they lauded his devotion to duty under such dire personal circumstances.

I could only point out that this was the essence of James G. Polk; that he believed that the people of the Sixth District elected him to represent them; that despite physical handicaps or other conditions he would devote his entire time to representing them to the best of his ability and within the confines of his capacity and Christian integrity; that during his 20-year tenure in Congress he has always done so at the expense of personal and financial advancement; that he believed deeply that the Founding Fathers had set up the office of Representative in the Constitution for the express purpose of looking after the needs of all the people of the individual districts; and this is why for a generation it has been the consensus in southern Ohio that if an ambitious person really wanted to get elected to Congress, he or she had best move out of the Sixth District as long as Jim Polk was willing to serve.

So many fine things are known about him personally and as our Representative, that to paraphrase Shakespeare, "the good James G. Polk did, will live long after him." One of

his finest legacies, I think, is one Jim wrote himself in the 86th Congressional Directory, where our elected Representatives set forth their earthly accomplishments from the cradle to Congress, some of whose fill several pages. Jim's contains one sentence. I quote: "One of the few Members of Congress whose sole occupation is farming." This information, he was certain, would give the people of this district all they needed to know about his biographical history; the rest they could obtain from his fellow citizens, or from his record, reputation, and character. "By his deeds, they should know him."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. ROOSEVELT, for Thursday, Friday, and Saturday of this week, on account of official business of the Committee on Education and Labor.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. ULLMAN, for 15 minutes, today, and to revise and extend his remarks.

Mr. BAILEY, for 45 minutes, on Wednesday.

Mrs. ROGERS of Massachusetts, to vacate her special order for today and to address the House for 5 minutes tomorrow.

Mr. CHAMBERLAIN (at the request of Mr. QUIE), for 30 minutes, on Thursday, May 28.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. DEROUNIAN and to include an article.

Mr. MILLS to revise and extend remarks he made in Committee of the Whole today and include therein certain extraneous matter.

Mr. TELLER and to include extraneous matter.

Mr. ALGER (at the request of Mr. QUIE), his remarks in Committee of the Whole and to include extraneous matter.

Mr. ROONEY (at the request of Mr. DULSKI), his remarks in Committee of the Whole and to include extraneous matter, charts, and tables.

(At the request of Mr. QUIE, and to include extraneous matter, the following:)

Mr. LINDSAY.

Mr. BROYHILL.

(At the request of Mr. DULSKI, and to include extraneous matter, the following:)

Mr. PORTER in two instances.

Mr. MULTER.

Mr. HEALEY.

Mr. MCDOWELL.

Mr. MOSS.

Mr. RODINO in two instances.

ADJOURNMENT

Mr. DULSKI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 34 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, May 27, 1959, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1021. A letter from the Secretary of the Interior, transmitting a report on the Vale project, Oregon, Bully Creek extension, pursuant to the provisions of the Reclamation Project Act of 1939 (53 Stat. 1187) (H. Doc. No. 159); to the Committee on Interior and Insular Affairs and ordered to be printed, with illustrations.

1022. A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, relative to plans for works of improvement for the French Creek watershed, Washington, and the Marshland watershed, Washington, pursuant to the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1005), and Executive Order No. 10654 of January 20, 1956; to the Committee on Agriculture.

1023. A letter from the Comptroller General of the United States, transmitting a report on the review of procurement practices covering the award and administration of advertised contracts by the Military Clothing and Textile Supply Agency (M.C. & T.S.A.), Philadelphia; to the Committee on Government Operations.

1024. A letter from the Attorney General, transmitting a draft of proposed legislation entitled "A bill to amend titles I, II, and III of the Immigration and Nationality Act, and for other purposes"; to the Committee on the Judiciary.

1025. A letter from the Director, Administrative Office, U.S. Courts, transmitting a draft of proposed legislation entitled "A bill to amend section 678 of the Bankruptcy Act (11 U.S.C. 1078) relating to the transmission of petitions, notices, orders, and other papers to the Secretary of the Treasury in chapter XIII proceedings"; to the Committee on the Judiciary.

1026. A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, relative to plans for works of improvement for the Tobesofkee Creek watershed, Georgia, the Big Blue watershed, Illinois, and the Shoal Creek watershed, Illinois, pursuant to the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1005), and Executive Order No. 10654 of January 20, 1956; to the Committee on Public Works.

1027. A letter from the Chairman, Federal Home Loan Bank Board, transmitting a draft of proposed legislation entitled "A bill to amend the Federal Home Loan Bank Act, the Home Owners' Loan Act of 1933, and title IV of the National Housing Act, and for other purposes"; to the Committee on Banking and Currency.

1028. A letter from the Acting Secretary of Labor, transmitting a draft of proposed legislation entitled "A bill to amend the Welfare and Pension Plans Disclosure Act, and for other purposes"; to the Committee on Education and Labor.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the clerk for printing and reference to the proper calendar, as follows:

Mr. TRIMBLE: Committee on Rules. House Resolution 276. Resolution providing for the consideration of H.R. 5140, a bill to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time in conformity with the provisions of the act; without amendment (Rept. No. 385). Referred to the House Calendar.

Mr. SHIPLEY: Committee on Post Office and Civil Service. H.R. 6134. A bill to amend the Federal Employees Pay Act of 1945 to eliminate the authority to charge to certain current appropriations or allotments the gross amount of the salary earnings of Federal employees for certain pay periods occurring in part in previous fiscal years; without amendment (Rept. No. 386). Referred to the Committee of the Whole House on the State of the Union.

Mrs. PFOST: Committee on Interior and Insular Affairs. H.R. 5138. A bill to extend the grounds of the Custis-Lee Mansion in Arlington National Cemetery; without amendment (Rept. No. 387). Referred to the Committee of the Whole House on the State of the Union.

Mr. DOYLE: Committee on Armed Services. H.R. 88. A bill to amend section 1552, title 10, United States Code, and section 301 of the Servicemen's Readjustment Act of 1944 to provide that the Board for the Correction of Military or Naval Records and the Boards of Review, Discharges, and Dismissals shall give consideration to satisfactory evidence relating to good character and exemplary conduct in civilian life after discharge or dismissal in determining whether or not to correct certain discharges and dismissals; to authorize the award of an Exemplary Rehabilitation Certificate; and for other purposes; with amendment (Rept. No. 388). Referred to the Committee of the Whole House on the State of the Union.

Mr. DURHAM: Committee on Armed Services. H.R. 5927. A bill to authorize the conveyance to the city of Warner Robins, Ga., of about 29 acres of land comprising a part of Robins Air Force Base; without amendment (Rept. No. 389). Referred to the Committee of the Whole House on the State of the Union.

Mr. DURHAM: Committee on Armed Services. H.R. 697. A bill to authorize the Secretary of the Navy to acquire certain real property in the county of Solano, Calif., to transfer certain real property to the county of Solano, Calif., and for other purposes; with amendment (Rept. No. 390). Referred to the Committee of the Whole House on the State of the Union.

Mr. DURHAM: Committee on Armed Services. H.R. 4656. A bill to amend section 401b of the act of July 14, 1952, to permit applications for moving costs resulting from military public works projects to be filed either 1 year from the date of acquisition or 1 year following the date of vacating of the property; with amendment (Rept. No. 391). Referred to the Committee of the Whole House on the State of the Union.

Mrs. ST. GEORGE: Committee on Armed Services. H.R. 942. A bill to provide for an additional payment of $165,000 to the village of Highland Falls, N.Y., toward the cost of the water filtration plant constructed by such village; with amendment (Rept. No. 392). Referred to the Committee of the Whole House on the State of the Union.

Mrs. ST. GEORGE: Committee on Armed Services. H.R. 3321. A bill to amend title 10, United States Code, with respect to crediting certain service as a member of the Women's Army Auxiliary Corps, and for other

purposes; without amendment (Rept. No. 393). Referred to the Committee of the Whole House on the State of the Union.

Mr. GUBSER: Committee on Armed Services. H.R. 5569. A bill to amend title 10, United States Code, to authorize the award of certain medals within 2 years after a determination by the Secretary concerned that because of loss or inadvertence the recommendation was not processed; with amendment (Rept. No. 394). Referred to the House Calendar.

Mr. VINSON: Committee on Armed Services. House Concurrent Resolution 86. Concurrent resolution to express the gratitude and appreciation of the Congress to the civilian volunteer members of the Ground Observer Corps for their devotion, sacrifice, and spirit of service in fulfilling, in a dedicated manner, the mission of the corps and for the great contribution they made to the security of the United States; without amendment (Rept. No. 395). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADDONIZIO:

H.R. 7368. A bill to provide for the issuance of a special postage stamp, of the "Freedom Fighter" series, in honor of the memory of Giuseppe Garibaldi; to the Committee on Post Office and Civil Service.

By Mr. ASPINALL:

H.R. 7369. A bill to provide for the extension of certain oil and gas leases; to the Committee on Interior and Insular Affairs.

By Mr. BROCK:

H.R. 7370. A bill to provide for the establishment of a soil and water conservation laboratory in the Great Plains area; to the Committee on Agriculture.

By Mr. BURKE of Kentucky:

H.R. 7371. A bill to provide that the Secretary of the Army shall acquire additional land for the Zachary Taylor National Cemetery; to the Committee on Interior and Insular Affairs.

By Mr. CORBETT:

H.R. 7372. A bill to provide for investment of the civil service retirement and disability fund, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DEVINE:

H.R. 7373. A bill to amend section 801 of title 38, United States Code, to provide assistance in acquiring specially adapted housing to certain veterans seriously disabled during a period of war; to the Committee on Veterans' Affairs.

By Mr. DEROUNIAN:

H.R. 7374. A bill to amend the District of Columbia Alcoholic Beverage Control Act so as to prohibit the sale of beer by manufacturers to consumers and to prohibit the sale of beer and light wines by wholesalers to consumers; to the Committee on the District of Columbia.

H.R. 7375. A bill to amend the District of Columbia Alcoholic Beverage Control Act; to the Committee on the District of Columbia.

By Mr. DINGELL:

H.R. 7376. A bill to amend section 511(h) of the Merchant Marine Act, 1936, as amended, in order to extend the time for commitment of construction reserve funds; to the Committee on Merchant Marine and Fisheries.

By Mr. EVINS:

H.R. 7377. A bill to provide for the conveyance of certain real property of the United States to the city of Tullahoma, Tenn.; to the Committee on Armed Services.

By Mrs. GRANAHAN:

H.R. 7378. A bill to provide for the establishment of a Commission on Metropolitan Problems; to the Committee on Government Operations.

H.R. 7379. A bill to amend the act of July 27, 1956, with respect to the detention of mail for temporary periods in the public interest, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. IRWIN:

H.R. 7380. A bill to extend to certain former employees of the Bureau of Prisons and Federal Prison Industries, Inc., certain civil service retirement annuity benefits for certain service of a hazardous nature; to the Committee on Post Office and Civil Service.

By Mr. KASTENMEIER:

H.R. 7381. A bill to promote the welfare of the people by authorizing the appropriation of funds to assist the States and Territories in the further development of their programs of general university extension education; to the Committee on Education and Labor.

By Mrs. KEE:

H.R. 7382. A bill to name the Veterans' Administration hospital at Seattle, Wash., the George E. Flood Memorial Veterans' Hospital; to the Committee on Veterans' Affairs.

By Mr. McDOWELL:

H.R. 7383. A bill to provide that the Veterans' Administration shall maintain in each State at least one regional office which shall be authorized and equipped to receive, consider, and adjudicate claims for compensation, pension, vocational rehabilitation, educational or training benefits, and loans, loan guarantees or grants to which any individual may be entitled under any provision of law administered by the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. MORRIS of New Mexico:

H.R. 7384. A bill to provide for the extension of certain oil and gas leases; to the Committee on Interior and Insular Affairs.

By Mr. MORRIS of New Mexico (by request):

H.R. 7385. A bill to amend the Civil Service Retirement Act to credit military service for purposes of disability retirement, to authorize disability retirement benefits with respect to disabilities by reason of leukemia arising prior to or during Government employment, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. RILEY:

H.R. 7386. A bill to provide for the acceptance by the United States of a fish hatchery in the State of South Carolina; to the Committee on Merchant Marine and Fisheries.

By Mr. STRATTON:

H.R. 7387. A bill to prohibit the shipment in interstate commerce of certain plastic bags, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 7388. A bill to amend the War Claims Act of 1948 to provide for the payment of benefits under such act to certain citizens and permanent residents of the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. TEAGUE of Texas:

H.R. 7389. A bill to amend chapter 67 of title 10 of the United States Code to provide retired pay under that chapter for certain disabled reservists; to the Committee on Armed Services.

By Mr. ULLMAN:

H.R. 7390. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the western division of the Dalles Federal reclamation project, Oregon, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ABBITT:

H.R. 7391. A bill to authorize farmers and other producers of agricultural products and/or their associations to own and operate agricultural sales outlets and for other purposes; to the Committee on Agriculture.

By Mr. CRAMER:

H.R. 7392. A bill to amend chapter 95 of title 18, United States Code, to permit the compelling of testimony under certain conditions and the granting of immunity from prosecution in connection therewith; to the Committee on the Judiciary.

H.R. 7393. A bill to amend the act of January 2, 1951, prohibiting the transportation of gambling devices in interstate and foreign commerce; to the Committee on Interstate and Foreign Commerce.

H.R. 7394. A bill to amend the Internal Revenue Code of 1954 to disallow criminal expenditures; to the Committee on Ways and Means.

By Mr. RIVERS of Alaska:

H.R. 7395. A bill to encourage the discovery, development, and production of domestic tin; to the Committee on Interior and Insular Affairs.

By Mr. LANE:

H.J. Res. 401. Joint resolution authorizing the creation of a Federal memorial commission to consider and formulate plans for the construction, in the city of Washington, D.C., of a permanent memorial to the memory of John Foster Dulles, 52d Secretary of State, defender of democratic institutions in a republican form of government and champion of peace with freedom; to the Committee on House Administration.

By Mr. COOK:

H. Con. Res. 187. Concurrent resolution to extend the greetings and felicitations of the Congress to Kent State University on the occasion of the 50th anniversary of its founding; to the Committee on the Judiciary.

By Mr. SAUND:

H. Con. Res. 188. Concurrent resolution expressing the sense of Congress desiring freedom of speech and freedom of press in countries receiving mutual security aid; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. MORRIS of Oklahoma: Memorial of the House of Representatives of the State of Oklahoma relating to the closing of Indian hospitals in the State of Oklahoma; to the Committee on Interior and Insular Affairs.

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to military closures; to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BUDGE:

H.R. 7396. A bill for the relief of Debra Susan Duffy; to the Committee on the Judiciary.

By Mr. HOLIFIELD:

H.R. 7397. A bill for the relief of Alfonso Talamantes-Leon; to the Committee on the Judiciary.

H.R. 7398. A bill for the relief of Sun Lok Yen (also known as Pauline Sun); to the Committee on the Judiciary.

By Mr. O'NEILL:

H.R. 7399. A bill for the relief of Elaine Veronica Clarke; to the Committee on the Judiciary.

By Mr. RABAUT:

H.R. 7400. A bill for the relief of Salvatore Cairo; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Statement by Hon. James C. Healey, of New York, on H.R. 2337

EXTENSION OF REMARKS
OF
HON. JAMES C. HEALEY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 26, 1959

Mr. HEALEY. Mr. Speaker, I am including in the CONGRESSIONAL RECORD my statement to the Committee on the Judiciary, Subcommittee No. 3, in connection with my bill, H. R. 2337:

I want to thank the subcommittee for the opportunity to present my statement in support of my bill, H. R. 2337, which would prohibit certain acts involving the transportation, importation, possession, or use of explosives.

The bill would make it a Federal offense for anyone to possess explosives transported in interstate commerce with the knowledge or intent that such explosives would be used to damage any building used for educational, religious, charitable, or civic purposes. The bill contains a provision, modeled after the Lindbergh Kidnapping Act, which is designed to allow the Federal Bureau of Investigation to intervene as soon as a bombing occurs in any locality. The use of explosives to damage or destroy buildings within the categories mentioned, would create a rebuttable presumption that the explosives had been transported in interstate commerce by the person possessing or using them. Thus, jurisdiction would be provided for Federal intervention upon the happening of the event—to wit, the bombing—without actual proof that the explosives had been carried across State lines. There is, however, a provision that no person could be convicted in the absence of independent evidence that the explosives had actually been illegally transported interstate. This means that the presumption would operate to provide jurisdiction for FBI intervention, but that the presumption alone would be insufficient on which to ground a conviction.

In 1957 and 1958, there were some 70 bombings or attempted bombings of churches, synagogues, schools, and other civic buildings throughout the South and in isolated cases in other parts of the country. With few exceptions, these bombings appeared to be the work of an interstate gang, whose purpose probably was to retaliate against organizations and individuals for, or to intimidate them from, expressing their point of view on the desegregation problem.

At midnight on September 10, 1957, a series of explosives heavily damaged the newly constructed $500,000 Hattie Cotton Grammar School in Nashville, Tenn. One Negro first-grade child had been admitted to the school a few days earlier.

A bomb consisting of 54 sticks of dynamite was placed in a window well of Temple Beth-El in Birmingham, Ala., on April 28, 1958. It failed to explode because of an all-night rain. There was sufficient explosives, however, to demolish the entire structure. On the same day, April 28, 1958, shortly after midnight, a synagogue in Jacksonville, Fla., was bombed. Within an hour, thereafter, a Negro school in that city was damaged by explosives. In all of these cases, an anonymous caller reported that the confederate underground was responsible for the atrocities.

On March 16, 1958, a religious school was bombed at 2:30 a.m., in Miami, Fla., and a Jewish community center was damaged in Nashville, Tenn., at 8:30 p.m. by dynamite. Here again, a purported member of the confederate underground claimed responsibility in an anonymous telephone call. On October 12, 1958, the Temple of Atlanta was seriously damaged by a bomb explosion at 3:30 a.m. Once again, a telephone caller announced that the confederate underground had set off the explosion.

In all the specific cases cited, the local police authorities were convinced that the outrages committed in their cities were symptomatic of an interstate conspiracy directed by a group calling itself the confederate underground or the confederate information center.

Americans are by nature, tradition, and upbringing a lawabiding people. We do not relish subversion of our democratic and sacred institutions. These acts of violence, these dynamitings and explosions have created the exact reverse of the effect that was intended. All respectable citizens and civic groups, in the South as well as in the North, have cried out against these shameful acts of vandalism and terror.

Unfortunately, however, many of the local police officials have neither the ability nor the crime detection facilities necessary to ferret out the perpetrators of these outrages. Furthermore, it is likely that the criminals flee by automobiles across State lines. For these reasons, and because of our experience with the Lindbergh Kidnaping Act, the Mann Act, the Lottery Act, the Anti-Racketeering Act, the National Motor Vehicle Theft Act, and the National Narcotics Act, all of which are Federal criminal statutes involving crimes over which the States have concurrent jurisdiction, it would be completely consistent with States rights and Federal jurisdiction for the National Government to step in and help the local communities to root out this vicious pattern of lawlessness.

My bill, H.R. 2337, would permit the FBI to work in conjunction with local police authorities to curb the interstate conspiracies which have tended to besmirch the good name of the United States all over the world.

I hope this committee will act favorably on my bill.

Page Boy Residences, H.R. 869

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 26, 1959

Mr. MULTER. Mr. Speaker, my statement before the Committee on House Administration in support of my bill, H.R. 869, follows:

Mr. Chairman and members of the committee, I appreciate the opportunity you are affording me to give you my views with reference to my bill, H.R. 869, a bill to provide a residence for the pages of the Senate and the House of Representatives under the supervision of a Capitol Page Residence Board.

This bill, if enacted, would create a Capitol Page Residence Board composed of 3 Senators and 3 Members of the House of Representatives who would be authorized to establish a home for these young men who serve the Congress as pages.

The naming of page boys comes under the patronage system; hence they may come from the 49 States, far and near. The maximum age limit of a page is 18 years and the minimum age is 14 years. The average age is between 15 and 16 years. A boy at this stage has not reached years of discretion. Under the present setup, these boys have living accommodations scattered throughout the city. Some are paying exorbitant rents and, in many cases, are exposed to the evils of a large city without adult supervision.

Boys of 14 or 15 are neither mentally nor physically matured, and, in my opinion, every Member of this Congress is, to some extent, responsible for their well-being. It is not only our duty but we have an obligation to furnish these boys with the parental care and supervision they left behind when coming to Washington.

The page boys must attend school at the Library of Congress before reporting to work each morning. In some cases, these boys travel alone several miles in the early morning hours. We owe it to the families of these young men to enact legislation of this kind.

My proposal would require these boys to pay reasonable rent, just as they do now. The home should, therefore, be self-sustaining. These teenage boys will be the men of tomorrow. Many are dreaming of taking our places in the years ahead.

Our responsibility to them is to provide adequate quarters, with a superintendent in charge, and a complete housekeeping staff, which would be responsible for their supervision with regard to proper food, sleep, recreation, and sufficient application to their schoolwork.

It is my sincere hope that the Congress will enact this bill to prepare them for the great responsibility which lies ahead. "Let's put first things first."

The Modern Fallacy and the Ancient Folklore

EXTENSION OF REMARKS
OF
HON. J. W. FULBRIGHT
OF ARKANSAS
IN THE SENATE OF THE UNITED STATES
Tuesday, May 26, 1959

Mr. FULBRIGHT. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an editorial by the Wall Street Journal and a reply by the distinguished Senator from Pennsylvania, Senator CLARK.

I think this is one of the best replies to a superficial editorial that I have ever seen, and Senator CLARK's concise and lucid comment should be made available to all Americans. The excerpt was published in the New Republic on April 6, 1959.

There being no objection, the editorial and statement were ordered to be printed in the RECORD, as follows:

THE MODERN FALLACY

For an insight into the modern political philosophy now dominant in Congress, consider some comments made by one of its

more articulate spokesmen, Senator JOSEPH CLARK, of Pennsylvania.

As quoted in the current issue of the Atlantic magazine, Mr. CLARK expresses annoyance that the word "government" is sometimes equated with "other nouns having an evil connotation—such as 'waste,' 'extravagance,' 'socialism,' 'bureaucracy.'" * * * He objects to the "fallacy" that "private spending is inherently good and public spending is inherently bad."

But the real point is the clearly implied one: That Americans should learn to regard growing government and growing government spending as positive and good things; as another of the "moderns" in Congress has expressed it, the danger may be not that we have too much government but too little. * * *

Well, let's see. Some rather marked—and inherent—differences between public and private spending occur at once. Private spending comes from the money individuals are able to accumulate through their own work. Public spending cannot come from anything generated by the Government itself; it comes from what the Government is able to extract from those same individuals either in actual taxes or in the more sinister tax of inflation. * * *

Beyond these elementary differences are others. The vast bulk of public spending is nonproductive; that is true not only of defense but of many other things the Government does. The Government is by and large a consumer of huge hunks of the economy, while private individuals are mostly producer-consumers. The latter combination is what makes the economy grow. Moreover, the bigger the Government becomes the more it competes with the private economy, and in this pressure against the available limit of supplies is a special inflationary force.

And because Government operates without the built-in restraints of the private economy, it is a peculiarly powerful incubator for precisely the evils Senator CLARK thinks should not be associated with Government—waste, extravagance, bureaucracy. The bigger the Government the worse the evils.

Finally, what is the political result of encouraging Government growth and growing Government spending on the theory that, after all, they are not really bad? The end result must be the triumph of the State over the individual. * * *

There is an appalling air of naivete about the expressed views of some of the modern political philosophers. It is impossible that they are unacquainted with the history of man's struggle against the all-encompassing State, which is also the very heart of today's conflict with Communist tyranny. Can it be, then, that they are incapable of relating past and present human experience to their own country?

WALL STREET JOURNAL.

THE ANCIENT FOLKLORE

For an insight into the archaic political philosophy still dominant in Wall Street, consider some comments made by one of its more articulate spokesmen, the editor of the Wall Street Journal.

As quoted in an article in the March 4 issue of the newspaper entitled "The Modern Fallacy," the editor expressed annoyance at those who challenge the assertion that private spending for whatever purpose is necessarily better than public spending for any purpose.

The real point is the clearly implied one: That Americans should complacently regard growing spending for liquor, tobacco, cosmetics, Cadillacs, tranquilizers, yachts, and parties at the Stork Club as positive and good things; as others of the dinosaur descendants on Wall Street have often expressed it, the danger may be not that we have too little public spending for national defense, schools, highways, hospitals, unemployment compensation and flood control, but too much.

Well, let's see. Some rather marked—and inherent—differences between public and private spending occur at once. Private spending may come from the money individuals are able to accumulate through their own work; it may also come, as it does in my case, from selecting ancestors who thought they were developing a sugar plantation but turned out to be squatting on top of a salt dome surrounded by a rich oil pool.

Beyond these elementary differences are others. The vast bulk of public spending is for purposes without which life itself would have little meaning: protection against the threat of destruction by, or in the alternative, slavery under a Communist dictatorship; and such mundane but necessary things as police and fire protection, water and sewer facilities, street construction and repair, the postal service, indeed all of that environment without which the editor of the Wall Street Journal could neither publish nor disseminate his strongly held economic views.

And because our present tax laws are so full of inequitable loopholes, we have today a powerful incubator for what the editor of that newspaper, I am sure, thinks should not be associated with private enterprise—waste, extravagance, plutocracy.

Finally, what is the political result of discouraging all public spending without any consideration of its political, social or economic justification? The end result must be the destruction of Western civilization.

There is an appalling air of naivete about the expressed views of some of the ancient political philosophers. It is impossible that they are unacquainted with the history of man's struggle to conquer nature and subdue the devil within himself—which is also the very heart of today's conflict with atheistic and amoral Communist tyranny. Can it be, then, that they are incapable of relating past and present human experience to their own country?

Senator JOSEPH S. CLARK.

Guff in the Appendix

EXTENSION OF REMARKS
OF
HON. CHARLES O. PORTER
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 26, 1959

Mr. PORTER. Mr. Speaker in the CONGRESSIONAL RECORD of May 18 my friend and distinguished colleague from Iowa, Mr. WOLF, included an article by William Bohn, editor of the New Leader, who undertook to raise an ironic eyebrow about certain insertions in the CONGRESSIONAL RECORD.

An April 27, 1959, editorial in my hometown paper, the Eugene Register-Guard, went a little further in an editorial entitled "Too Much Guff." Under a previous consent, I am appending the text of this editorial and the text of a letter I wrote in response which was printed May 21, 1959:

[From the Eugene (Oreg.) Register-Guard, Apr. 27, 1959]

TOO MUCH GUFF

This day, which is not so different from other days, there arrived on the desk four excerpts from the CONGRESSIONAL RECORD—two of them quoting, with apparent approval, from these columns.

We're flattered, of course, to be picked up by any of our contemporaries, including the RECORD. But we'd be more flattered if we felt at the same time that we'd be read. However, a flip through the RECORD indicates that all sorts of people and papers are quoted at great length, less for the historical record or for the edification of Congressmen than for the vanity of the folks at home.

What the daily cost of printing the CONGRESSIONAL RECORD is we do not know. But whatever it is, it's too high.

The verbatim account of the proceedings of Congress should be printed, of course. But the extensions of remarks allowed Congressmen, wherein they write into the RECORD all sorts of guff not uttered on the floor, is largely a waste of time. So are the long harangues (including editorials) inserted for the purposes of buttering up constituents.

An opening of the RECORD at a random spot (p. 5907) shows six columns devoted to reprinting a speech made by Senator MIKE MANSFIELD in New York. On the next page his colleague, Senator MURRAY, puts in nine columns of speech delivered someplace by Elmo Roper.

On page 6067 Senator JOHN CARROLL, of Colorado, uses nine columns for the reprinting of a speech by his good friend Senator HUMPHREY, which speech was made elsewhere than in Congress. This polemic is followed by seven columns of small type inserted by Senator HUMPHREY. It is a speech delivered by Representative JOHN BRADEMAS, of Indiana, at the University of Indiana.

The polite word for all this is backscratching.

The RECORD for April 15 happens to run from pages 5877 to 6081. The pages of the daily Appendix, where the most flagrant stuffing occurs, is numbered on that day from page A3059 to A3121.

By our horseback guess, the 268 pages of zephyr, chinook, and typhoon contain 395,200 words. A busy Congressman who wants to read the RECORD thus can read it in a 14-hour day (no time out for coffee or lunch) if he reads at a rate of 500 words a minute.

Somehow, it hardly seems worth it.

MAY 13, 1959.

EDITOR, REGISTER GUARD, *Eugene, Oreg.*

DEAR SIR: Let's talk about guff. Certainly editorial writers and politicians can qualify as experts on guff. You write (April 27, 1959) that there is too much guff in the CONGRESSIONAL RECORD. You say that much appearing there is simply for the vanity of the folks at home, and not for the historical record or for the edification of Congressmen.

You are right.

You say a polite word for a lot of the material is backscratching.

You are right again.

You speak of flagrant stuffing. You figured out that a busy Congressman could read the RECORD for April 15 if he read continuously for 14 hours at the rate of 500 words a minute.

Now, before I defend the guff and backscratching, let's talk about the Eugene Register-Guard, my favorite newspaper. Who reads all of it? Nobody. Who reads most of it? Very few. How much guff and backscratching does it contain? Plenty.

"Extraneous materials" (our parliamentary phrase for what we add to our "remarks" in the RECORD) are not meant to be read by every Member of Congress or by every subscriber to the RECORD, any more than your classified ads or social notes, for example, to more than a fraction of your readers.

Perhaps you will want to argue that the Register-Guard is a business enterprise. It

pays its own way—plus part of the taxes which go to pay for the guff in the CONGRESSIONAL RECORD. My answer to that is that our business here on Capitol Hill is government, which includes not only the promotion of policies to help the general welfare to preserve our freedoms and to defend our country, but to create and maintain confidence by the people in the men and women who make and execute these policies both in and out of government.

Congressional courtesy, or backscratching, may seem sometimes to be overdone but without it we couldn't function as an effective legislative body. As for our concern with the vanity of the folks at home, well, why not? They sent us here. One of the most important jobs of a Member, in my opinion, is to make it clear to his constituents that he is available to help them.

This job has dignity and power. It should have, considering the great responsibilities of the office and the real glory of our system of representative democracy. As the U.S. Representative for some 460,000 people I can do much for economic conditions in the Fourth District of Oregon and the Nation, much for our precious hertiage of individual freedoms, and much for peace in the world.

But if I don't make it clear to the men and women who sent me here that I am their readily available representative (small "r") back here in Washington I can't do any of those jobs as I should. I won't have the information I need. I won't be giving them the confidence they need to fell that the Federal Government is in fact responsive to their opinions and needs.

One of the ways we Members of Congress make this clear is through insertions in the RECORD. If we abuse our rights in this or any other respect, the next election is never very far away. One man's backscratching is another man's encouragement. One man's guff is another man's mead.

Sincerely,

CHARLES O. PORTER,
Member of Congress.

"There Is Utterly No Sense for a Superhighway To Destroy a Historic Building or Slash a Historic Battlefield if It Can Swing Around in Some Acceptable Way," Declares the Wilmington, Del., Morning News

EXTENSION OF REMARKS
OF

HON. HARRIS B. McDOWELL, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 26, 1959

Mr. McDOWELL. Mr. Speaker, I find myself in complete agreement with the position of the Wilmington (Del.) Morning News which said in a recent editorial that—

> There is utterly no sense for a superhighway to destroy a historic building or slash a historic battlefield if it can swing around in some acceptable fashion.

There is a deepening concern on the part of our civic and cultural leaders over the heedless destruction of many of our country's most famous historical sites and buildings. In some instances great buildings are being razed and replaced by such things as parking lots. This was the fate proposed for the historic Patent Office Building, in Washington, D.C., and the San Francisco Mint. The Morristown, N.J., National Historical Park with its famed Revolutionary War headquarters of Gen. George Washington was threatened with a highway. I have introduced a bill, H.R. 7215, to save our great sites and buildings which, in fact, are often threatened by federally assisted programs.

Delaware is rich in historic sites and buildings, and our museums and art galleries, such as Winterthur, are world famous. Along with other States interested in preservation of cultural monuments, we have found that our concern with history is richly rewarding both to ourselves and to tourists who visit our State and spend money here with our merchants.

My bill will not halt progress, but it does establish a regular means whereby national organizations interested in historic preservation may advise the Federal Government in these matters. No appropriation of Federal funds is provided or contemplated in my bill. It is not a matter of money, but, rather, of better advice so that the vast bureaucracy of Government gives the same weight to historical factors which they presently give to other factors in making their decisions.

Like the national treasures legislation of European countries, my new bill includes the fine arts as worthy of saving. Among the 30 groups listed in my bill are such outstanding organizations as the American Institute of Architects, the National Trust for Historic Preservation, the American Association for State and Local History, the American Federation of Arts, and the General Federation of Women's Clubs.

I include for the information of my colleagues the editorial from the Wilmington (Del.) Morning News, and the text of my new bill, H.R. 7215, to amend the Historic Sites Act of August 21, 1935, to provide a method for preserving sites, areas, buildings, objects, and antiquities of national, regional, or local historical significance which are threatened with destruction by federally financed programs, and for other purposes.

I invite any of my colleagues who are interested in this matter of historic preservation to join with me in introducing this legislation, and I invite comments and suggestions from all interested individuals and organizations which will assist me in perfecting my measure.

It is my hope that hearings will be held on this legislation at an early date.

[From the Wilmington (Del.) Morning News, May 22, 1959]

NOT A MATTER OF MONEY

In these days of special concern with taxes and revenues the title of this piece could have led you into this note on a measure introduced in the House at Washington this week by Representative HARRIS B. McDOWELL, JR., of Delaware. It would set up some commonsense procedures for saving historic sites and buildings apparently in the way of Federal-aid highways and urban renewal programs.

By Mr. McDOWELL's bill the Interior Department could give weight to the advice of outfits such as the American Institute of Architects, the National Trust for Historic Preservation, and the General Federation of Women's Clubs.

There is utterly no sense for a superhighway to destroy a historic building or slash a historic battlefield if it can swing around in some acceptable fashion. Too much good civil engineering has been done in some parts of the Nation, for the roads program, without enough good regional planning that takes our heritage into consideration.

A straight line is the shortest but not always the best line between two interchanges. We compliment Mr. McDOWELL and urge that this bill get prompt, full attention by all Delaware people who value tradition.

H.R. 7215

A bill to amend the Historic Sites Act of August 21, 1935, to provide a method for preserving sites, areas, buildings, objects, and antiquities of national, regional, or local historical significance which are threatened with destruction by federally financed programs, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first section of the Act entitled "An Act to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes", approved August 21, 1935 (16 U.S.C. 461), is amended to read as follows:

"That it is hereby declared that it is a national policy to preserve for public use historic sites, areas (including sections of cities), buildings, objects, and antiquities of national, regional, or local significance for the inspiration and benefit of the people of the United States."

SEC. 2. Section 2 of such Act (16 U.S.C. 462) is amended by redesignating paragraph (k) as paragraph (m) and by adding after paragraph (j) the following new paragraphs:

"(k) Carry out (insofar as practicable and appropriate) the same duties and functions with respect to historic areas (including sections of cities) as those which are specified in the preceding paragraphs of this section with respect to historic sites, buildings, and objects.

"(l) Protect and preserve, in the manner provided in section 8 and through the performance of such other functions of the type described in this section as the Secretary may deem appropriate, historic sites, areas (including sections of cities), buildings, and objects of national, regional, or local significance.

"(m) As used in this section the terms 'objects' and 'antiquities' include objects and antiquities of art."

SEC. 3. Such Act is further amended by adding at the end thereof the following new section:

"SEC. 8. (a) Whenever the Secretary receives a petition from any State or political subdivision thereof, or from the American Institute of Architects, the National Trust for Historic Preservation, the Commission of Fine Arts, the National Wildlife Federation, the American Council of Learned Societies, the American Association for State and Local History, the Natural Resources Council, the Wildlife Management Institute, the National Parks Association, the American Institute of Planners, the American Automobile Association, the Society of Architectural Historians, the American Planning and Civic Association, the General Federation of Women's Clubs, the Garden Club of America, the American Society of Landscape Architects, the Urban Land Institute, the American Federation of Arts, the National Academy of Design, the National Council on Arts and Government, the National Art Education

Association, the National Council of the Arts in Education, the College Art Association of America, the Artists Equity Association, the American Association of Museums, the Joint Committee on the National Capital, the National Capital Arts Council, or any other organization recognized by the Secretary for purposes of this section as being concerned with historic preservation, alleging that a Federal project or program or a State or local project or program financed in whole or in part with Federal funds will seriously damage or destroy a historical site, area (including a section of a city), building, or object of national, regional, or local significance, or upon his own motion, the Secretary shall conduct an investigation, which shall include (but not be limited to) holding public hearings or affording the opportunity for such hearings, for the purpose of determining whether or not such site, area, building, or object is of national, regional, or local historical significance.

"(b) Whenever the Secretary determines under subsection (a) that a site, area, building, or object is of national, regional, or local historical significance, he shall forthwith determine whether or not the proposed project or program will seriously damage or destroy it.

"(c) Whenever the Secretary determines under this section that a site, area, building, or object of national, regional, or local historical significance will be seriously damaged or destroyed by a Federal project or program (actual or proposed) or by a State or local project or program which is or will be financed in whole or in part with Federal funds, he shall submit such determination to the head of the Federal department, agency, or instrumentality under the jurisdiction of which the project or program is to be carried out; and after the receipt of such determination the head of such department, agency, or instrumentality shall not commence or further proceed with such project or program, or expend or approve the expenditure of any Federal funds (or further Federal funds) for such project or program, unless and until such project or program has been modified and the plans, specifications, and contracts thereunder amended so as to provide to the satisfaction of the Secretary for the preservation of the historic site, area, building, or object involved. Such modification or amendment may be made notwithstanding any provision of law limiting the right of a department, agency, or instrumentality to modify a project or program or amend plans, specifications, or contracts, but shall otherwise be subject to all the provisions of the law under which the project or program is being or will be carried out.

SEC. 4. The Secretary of the Interior, in consultation with the organizations named in subsection (a) of section 8 (as added by this Act) of the Act of August 21, 1935, and other organizations recognized by the Secretary as being concerned with historic preservation, shall make a continuing study of the tax advantages, technical and financial assistance, and other incentives which could be provided (by legislation and otherwise) to promote and encourage the restoration and preservation of sites, areas, buildings, objects and antiquities (including objects and antiquities of art), in the United States of national, regional, or local historical significance by the Federal Government, and by States, political subdivisions, private organizations, and individuals, giving appropriate consideration to the methods which have been used to encourage such restoration and preservation in other countries and in areas of the United States where intensive programs for historic preservation have been successfully carried out.

To Be Pro-Russia Is To Be Anti-Strauss

EXTENSION OF REMARKS
OF

HON. STEVEN B. DEROUNIAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 26, 1959

Mr. DEROUNIAN. Mr. Speaker, the following article by George Sokolsky, which appeared in the Long Island Daily Press, on May 20, gives an interesting picture of the viewpoint of Acting Secretary of Commerce Lewis Strauss on doing business with Russia:

CYRUS EATON AND LEWIS STRAUSS

(By George E. Sokolsky)

Cyrus Eaton, the capitalist, also opposes the appointment of Adm. Lewis L. Strauss as Secretary of Commerce.

Eaton is the Cleveland capitalist who conducts a nationwide propaganda in favor of doing business with Soviet Russia. So the pro-Russian capitalist, Cyrus Eaton, wrote a letter to a Democratic Senator instructing him to take "with the utmost seriousness" a recommendation that Adm. Lewis Strauss be retired permanently.

Eaton's letter was on the stationery of the Chesapeake & Ohio Railway Co., a public corporation.

To this letter from Eaton, the Democratic Senator from Connecticut, THOMAS J. DODD, replied:

"MR. CYRUS EATON,
The Chesapeake & Ohio Railway Co.,
Terminal Tower, Cleveland, Ohio

"DEAR MR. EATON: I have your letter of March 24, and a copy of an editorial from the Louisville Courier-Journal of March 16, concerning the appointment of Mr. Lewis Strauss as Secretary of Commerce.

"I note that your letter suggests that the editorial of the Louisville Courier-Journal 'must be taken with the utmost seriousness by the Democratic majority in the Senate.'

"I have read the editorial with great interest, but I take it from your letter that you are opposed to the confirmation of Mr. Strauss, and this in itself will be taken with the utmost seriousness by me in favor of Mr. Strauss.

"Very truly yours,

"THOMAS J. DODD."

The Louisville Courier-Journal editorial is most interesting and may even be of some significance. It tells how Strauss is energetic and cannot remain idle very long. Then it goes on to say:

"But Mr. Strauss's appointment has not yet been confirmed in the Senate.

"Each time the subject is mentioned, deep-throated growls come from Senators who can hardly wait to vote against him, and his confirmation is one of the certainties least likely to encourage bets around Washington.

"Under these circumstances the normal man would be inclined to speak softly, walk on tiptoe and engage in no controversy more unsettling than the possibility of rain or shine. Not so Mr. Strauss. * * *"

Why should a member of the President's Cabinet speak softly and walk on tiptoe when there is business of the Government to be done? Must a man cheapen himself before confirmation by the Senate?

But hark. The Louisville Courier-Journal lets a cat out of a bag. This is the story it tells:

"He promptly rejected an application for the export of some 12,000-odd tons of 28- and 30-inch pipe to the Soviet Union.

"He has this right under the Export Control Act, but it is one that former Secretaries have exercised subject to the advice of other departments, principally the State Department."

Is that not the pipeline that Anastas Mikoyan was holding out as a carrot in front of American businessmen?

Was he not telling of the pipeline to be built from beyond the Urals to the heart of Europe, so that Russian-owned oil could dominate Europe? Does Cyrus Eaton want Lewis Strauss permanently retired because he refused to let that deal go through?

The Louisville Courier-Journal, after much discussion of interdepartmental quarreling on this subject, says:

"It is fatiguing to think that this contentious man is already stirring up his own brand of interdepartmental mischief, before he is even officially installed as Commerce Secretary, and that, if confirmation is given his appointment, he can do so for almost 2 years longer."

Oh, dear. Oh, dear.

Let us not get fatigued. Why should we not all live in quiet peace and gentle conformity and let the Russians get away with what they want to get away with, as long as they are not too noisy about it?

Perhaps it were best always to have sweet and easy persons in public office, so that nobody would be fatigued by the contentiousness which establishes truth and brings the facts of deceit, subversion, and even treason to the surface.

The International Claims Settlement Act H.R. 6827

EXTENSION OF REMARKS
OF

HON. JOHN V. LINDSAY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 26, 1959

Mr. LINDSAY. Mr. Speaker, on Thursday, April 30, 1959, I introduced H.R. 6827. This bill would amend the International Claims Settlement Act to eliminate an inequity which has appeared in the operation of the International Claims Settlement program in regard to claims respecting property in Bulgaria, Hungary, or Rumania.

It appears that operation of the present law may provide substantial windfalls to certain claimants, while at the same time providing virtually no compensation to others. A number of large business enterprises which suffered losses recompensible under the act deducted those losses during war years, when their effective tax bracket may have been, because of excess profits taxes, higher than 90 percent. Thus, the effective loss suffered in several cases was only a small fraction of the value of property destroyed or seized.

To permit those companies now to submit claims for the full value of the property destroyed or seized would enable some to make a profit—an opportunity not available to individuals whose loss during war years could not be offset against wartime profits.

For instance, if a corporation suffered a loss in 1942 of $100,000 and deducted it against profits which were taxed at the

rate of 90 percent, the actual loss of the corporation was $10,000. If it were now to claim a loss of $100,000. Under the International Claims Settlement Act, and if the Commission ultimately paid 50 cents on the dollar on all claims, the corporation would receive $50,000 in compensation for its claim. Thus, the corporation would make a profit of $40,000 on the transaction, before taxes.

My bill would reduce any claim submitted to the Commission by the amount of the tax benefit obtained from a deduction of the underlying loss. The practical effect of this would be to make available for distribution on other claims—and thus to the aggrieved noncommercial individual claimants—a greater sum.

And since payment of these claims may be taxable to the claimant, the bill would also provide an exemption from income tax to the recipient on all claims which had been thus reduced, in order to prevent a double burden.

Mr. Speaker, I realize that the point is a somewhat refined one. There is no doubt, however, that a serious injustice will be done to a number of individuals unless prompt action is taken by the Congress to remedy the situation. Since this part of the work of the Commission must terminate by law during August of 1959, it is most important that this measure be promptly considered, and, I hope, promptly passed. A similar bill was introduced in the 85th Congress by Senator HUMPHREY. That bill, S. 979, passed the other body, but failed to receive committee consideration here before the session ended.

A Tribute to Carl Holderman

EXTENSION OF REMARKS
OF
HON. PETER W. RODINO, JR.
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 26, 1959

Mr. RODINO. Mr. Speaker, a poet once describing man's way from life to death had this to say of it: "I shall not pass this way again." And so it has been from the beginning of time and man.

And, on Wednesday last a good friend, a great public servant and one who loved his fellow man, passed this way for the last time. And his passing has filled the hearts of many with sorrow.

Those who knew him most intimately, who had worked with him in the labor that was his love, the officers and executive board of the New Jersey State CIO Council, recorded their deep sorrow over "the passing of our brother and former president, Carl Holderman." In this manner Carl Holderman devoted his entire life to the service of all who must toil. Every workingman and woman, both from within and without the ranks of organized labor, has had his life enriched by the noble contributions made by this great leader of the New Jersey trade union movement. His achievements will forever constitute a monument to the goodness and greatness of this outstanding fighter for social, economic, and political justice.

The above is an eloquent and fitting tribute to any man. And by none could it have been more richly deserved than Carl Holderman.

It had been my privilege and pleasure during the past 14 years to have known Carl Holderman as a friend. Many times I was the beneficiary of his good counsel, unselfish assistance, and generous and kindly guidance. All of this was aimed in the direction of the general common good.

Mr. Holderman was appointed commissioner of labor and industry by Gov. Robert B. Meyner, in 1954. In assuming the post, he resigned as president of the New Jersey Council of the Congress of Industrial Organizations, a position he had held since 1945.

He had been identified with trade unionism in the State since 1919, when he was elected to a minor office in a local union. He believed strongly in labor's role in politics as a means of eradicating corrupt influence from governmental offices.

As an organizer for the CIO Political Action Committee, Carl Holderman often appeared before the State legislature to express his views on pending bills.

He left public school at 13 to work for the Erie Railroad as a messenger. After 2 years he was made a shop worker. Four years later he took a job in a textile mill.

Mr. Holderman worked in mills in Hornell and in Paterson and Union City, N.J., for 14 years and was a member of the American Federation of Labor's hosiery workers' union. In 1926 he became manager of the union's New York-New Jersey district and 2 years later became an international vice president.

In 1928, Mr. Holderman was named to the executive board of the New Jersey Federation of Labor. Three years later, he became business manager of a cooperative labor publishing house in Philadelphia.

He returned to the AFL in 1933 as an organizer of hosiery workers in Pennsylvania. Four years later Mr. Holderman was elected president of Labor's Non-Partisan League of New Jersey, an organization he helped to found in 1936.

In 1937 he was regional director of the CIO Textile Workers Organizing Committee, which set out to unionize 1,250,000 employees in the industry under the guidance of John L. Lewis. In the same year, Mr. Holderman, worked toward the organization of a labor party in New Jersey among CIO and AFL unions.

In World War II he served on the War Labor Board and the Newark Labor Relations Board and Defense Council.

Holderman was above all else a man of character and integrity, and idealist and dedicated servant of the rank and file worker in his State and in the Nation. He was a foe of corruption and shady dealings in the trade union movement and in political life. He was a sophisticated and able operator in the fields of both politics and labor, but he never compromised with what he believed to be the ethical and wise position for a labor union or a political party.

Carl had great breadth of outlook; his interests and sympathies were wide and deep. Though his first and primary loyalties were to the working people of his State and to the administration of the legislation governing industrial relations and the social welfare of our society, he gave much thought to international questions and worked with various groups who feel that it is to the vital interest of the people of this country to seek ways and means of insuring the growth of democracy and free institutions everywhere.

Carl Holderman was a wonderful human being; warm, companionable and wise. His influence, his sagacity and his leadership will be greatly missed in New Jersey and throughout this country.

Carl Holderman shall not pass this way again—but I am sure that none will ever forget the good things he did while passing along the way.

Under leave to extend my remarks I wish to include the following editorial which appeared in the Newark Evening News of May 21:

CARL HOLDERMAN

The fiber required for survival as a labor organizer in the brickbat era of the 1920's carried Carl Holderman on to the presidency of the New Jersey CIO and then into the office of commissioner of labor and industry. When some protested the cabinet appointment on the ground he would favor labor over industry, he was the first to agree.

As the Governor's emissary to labor he handled the political requirements of that post capably, and a large share of his energy was directed to making his department serve working people of the State in the field of industrial safety and the like.

In Mr. Holderman's death, the Governor has lost an able cabinet officer, and New Jersey labor has lost a friend.

Legislation Needed To Aid Depressed Areas

EXTENSION OF REMARKS
OF
HON. LUDWIG TELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 26, 1959

Mr. TELLER. Mr. Speaker, we have all been greatly heartened during the past few months by the Nation's economic recovery and decline in unemployment.

Nevertheless, despite the general economic recovery, we must not lose sight of some basic problems that face the American economy at this stage. Unemployment still remains a major problem.

It has, therefore, been a source of great disappointment to me that the Ways and Means Committee has rejected proposed legislation to strengthen and improve our unemployment insurance system. We need Federal standards for unemployment insurance re-

gardless of the immediate economic conditions that prevail in the country. It is exactly during this time of general economic recovery that we should focus our sights ahead and plan to reduce the tragic impact of any future declines in total economic activity, and provide for persons willing and able to work who lose their jobs due to no fault of their own. I believe that present levels and duration of benefits are inadequate in most States.

Another basic problem about unemployment is the fact that it tends to be concentrated in a number of areas throughout the Nation. Even during the period of general prosperity which the Nation has enjoyed since World War II, areas with high levels of unemployment have persisted during good times and recessions. It is my firm conviction that we must provide Federal aid to help pull these communities out of their economic doldrums and to help broaden their economic base so that the people in these communities can participate in making their contribution to the general economic growth of the country.

The needs of the Nation and a humanitarian philosophy dictate that every American should have the opportunity to engage in gainful employment, to support himself and his family. The fact is that in depressed areas where chronic unemployment and underemployment prevail, such an opportunity is denied to thousands of families in many States throughout the Union.

It would, therefore, be a grave mistake for us to turn our backs now on the problems of these areas because of the general economic recovery. Experience has shown that a general rise in income and employment is not going to solve the problems of chronically depressed areas.

To help these communities we must inaugurate a program which would help the people in the depressed areas to help themselves. Obviously I do not believe that the Federal Government either can or should solve the problems of local communities, but I am firmly convinced that the Federal Government can help them.

To do this job, we must provide a variety of programs to suit the individual needs of the various communities. Appropriate legislation to accomplish this much-needed end has been before Congress for a number of years. Congress passed area redevelopment legislation toward the end of the 85th Congress, which I was happy to support. It was disappointing to me that the President saw fit to veto the area redevelopment bill in 1958.

This year the Senate was quick to seize the initiative to reenact similar legislation to that vetoed last year. I believe that the bill (S. 722) approved by the Senate should be enacted into law without further delay. We should no longer tolerate postponing a job which America needs, and needs immediately.

The bill passed by the Senate is the product of long and thoughtful hearings and debate which has been going on continuously since the 84th Congress. It offers a variety of provisions designed to help the diverse needs of people residing in economically depressed areas.

S. 722 provides for technical assistance to plan the redevelopment of the community, loans to business locating or expanding in these communities, the development of needed public facilities, training and retraining of the labor force in depressed areas, and urban renewal.

Let me briefly summarize each of these provisions. The first step in area redevelopment is the inventory of human and physical resources of the communities. This type of a survey should help the people in the community to appraise their economic potential and to plan the type of industry which can best flourish in the community. We need a central office which can become a reservoir for the various techniques developed to aid area redevelopment and to help individual areas to appraise their economic status. The Federal Government has been doing this type of work for many years. There is now an Office of Area Development in the Department of Commerce which does exactly that. The Bureau of Employment Security in the Department of Labor has conducted a number of surveys of the available manpower pool and skills available in several localities. But the resources of these agencies are entirely too inadequate to perform the needed job. The proposed legislation would, therefore, provide $4.5 million annually to expand technical facilities to help depressed areas to develop a positive program of action for self-development.

Once a community is ready to embark on a program of economic expansion, it is frequently found that chronically depressed communities do not have sufficient resources and facilities to attract new industry. The program, therefore, provides for the establishment of a revolving fund from which the depressed communities could borrow money at a reasonable rate of interest to improve their public facilities. Only in the case of the poorest communities whose economic base is insufficient or has deteriorated to the extent to which the community does not have a sufficient tax base to pay for the interest on loans does the program provide grants.

The third step in community redevelopment is to attract new industry. It is a well-known fact that capital in the declining communities is not as venturesome as that in expanding and growing communities. Consequently, the question of credit becomes more acute in these areas. The proposed legislation would, therefore, establish a revolving fund from which businesses locating or expanding in these communities would be able to obtain loans. The bill provides for two separate revolving funds: one for industrial communities and the other for rural areas where income is commonly low and where underemployment prevails.

A fourth aspect of the proposed program deals with the training of the human resources in the community. In rural areas there is frequently a lack of sufficiently trained personnel available for new plants. In industrially depressed areas the skills of many people have become obsolete because the demand for the products in which they have been engaged has lessened or disappeared because of changes in consumer habits or new technological developments, or because of depletion of resources or change of industrial location.

The program would, therefore, provide for the establishment of training facilities in these areas to equip the labor force to accept new jobs. In many cases it would be unreasonable to expect people who have been exposed to long periods of unemployment to be able to undergo an effective training program without any means of subsistence. The program provides that persons undergoing training for new jobs would receive subsistence payments during the period of training, but not for a period exceeding 13 weeks. It has been realized that this type of program may be very costly. But the proposed program would limit the subsistence payments to $10 million a year. This would allow the administrator of the program to evaluate the need and effectiveness of subsistence payments, but at the same time restrict the budgetary outlays to a bare minimum.

Finally the program would extend the present urban renewal program to blighted commercial areas. At present, urban renewal activity is primarily limited to residential slum areas.

In outlining the program, I failed to mention the sums allocated for the revolving funds in connection with the community facilities and the amount to be expended for grants and loans. The bill as approved by the Senate calls for three revolving funds of $100 million each for loans in industrial areas, loans in rural areas and for public facilities. A $75 million fund was provided for grants. This, it should be noted, was the total extent of the fund and not an annual amount.

Unfortunately, as an over-simplification, the $300 million allocated for revolving funds, the $75 million grants, the $10 million subsistence payments and the $4.5 million for technical assistance have been added up and totaled, giving the impression that the bill provides for an annual expenditure of $379.5 million.

This, of course, is a misrepresentation. The $300 million revolving funds are not really an expenditure or a burden upon the taxpayer. The best experience with this type of loan by the RFC, Small Business Administration and others has shown that these loans are repaid in full. Moreover, the interest that borrowers will have to pay on these loans will be in excess of the interest paid for by the Federal Government. Hence, the loans would not constitute any burden upon the taxpayer.

But the revolving funds for the loans would have to appear as an additional budgetary outlay, and because of the overzealousness to balance the budget from a bookkeeping point of view, proponents of the legislation have feared a repetition of last year's unfortunate veto of similar legislation. The majority of the House Banking and Currency Committee has, therefore, cut down the amount of the proposed loans by one-third. As the bill now provides, there

will be two revolving funds—one for $75 million for loans, and $50 million revolving fund for public facilities. In addition, the funds allocated for grants are reduced to $35 million.

I am happy to note, however, that none of the programs proposed by the Senate has been eliminated.

I commend the distinguished Members of the House Banking and Currency Committee for the diligent work that they have done on this bill and the spirit of compromise which they have displayed in order to secure administration appproval of the proposed legislation.

I urge that we enact S. 722 as amended by the House Banking and Currency Committee without further delay.

The country needs this legislation. We must help stamp out the blight of depressed areas from our midst. At this time when we all rejoice in the Nation's economic recovery, we must plan ahead to prevent the reoccurrence of recessions and economic decline. Aid to depressed areas is a most effective tool to prevent, or at least reduce the impact of further recessions. The program should also help millions of Americans in the depressed areas to enjoy a greater measure of prosperity and to partake in our improving standard of living.

A substantial measure of highly valuable research work has been done by an organization known as the Area Employment Expansion Committee to support and point up the need for a Federal area redevelopment program. One of the fact sheets recently issued by the Area Employment Expansion Committee has to do with a situation in the State of New York. The text of this New York fact sheet study, supported by detailed tables which I have omitted in the interest of brevity, is as follows:

AREA REDEVELOPMENT FACT SHEET NO. 61—NEW YORK STATE

The Empire State is among those which would benefit from the proposed area redevelopment legislation. While the total number of areas immediately affected constitutes a somewhat smaller proportion of the total of the State than is prevalent in other States where there are more chronically distressed areas, yet the problems are none the less serious in this State.

In January 1959, there were one major labor market, Utica-Rome, and 11 smaller areas which would become eligible immediately for benefits under the area redevelopment bill. Their total civilian labor force was over one-half million people, which probably represented some 6 percent of the State's working population. The average rate of unemployment in these areas was 11.9 percent. It would take 29,865 new jobs to eliminate the unemployment in excess of 6 percent in these areas.

In addition, there were six major labor markets, four smaller labor markets and three very small labor markets in which there was a substantial labor surplus. Continued high unemployment in these areas would graduate them into the chronically distressed state. It is probable that some of these areas will reach this condition.

There are 23 counties for which no labor market data are currently available.

DISTRESSED AREAS

A. Major labor market

Utica-Rome: This large labor market in central New York State, including both Oneida and Herkimer counties, suffered seriously from the postwar contraction of the textile industry. It has struggled desperately to replace some of the textile jobs with new durable goods plants, but these have also been hard hit by unemployment. While these plants have opened up new jobs for the younger people, they have not provided job opportunities for the older population. As a result the rate of unemployment in the labor market in January 1959 was 11.8 percent.

The unemployment rate reached a high of 11.3 percent in January 1955, but had declined in the subsequent years reaching a low in the fall of 1956. In 1958 this labor market again suffered reverses so that the average unemployment rate for 1958 was 10.4 percent. The community needs considerable assistance to revamp its basic economic structure.

B. Smaller labor markets

Eleven smaller labor markets have had a high rate of unemployment for long enough periods to become eligible for benefits under the area redevelopment bill.

The following are the periods during which these smaller labor market areas have been certified as having had substantial labor surpluses:

Periods of substantial labor surpluses:

Amsterdam: June 1954 through September 1956, March 1958 to date.

Auburn: January 1955 through July 1955, April 1958 to date.

Batavia: March 1958 to date.

Elmira: April 1958 to date.

Glens Falls-Hudson Falls: June 1958 to date.

Gloversville: November 1952 through September 1955, April 1958 to date.

Kingston: September 1958 to date.

Newburgh-Middletown-Beacon: July 1958 to date.

Oneida: June 1958 to date.

Plattsburgh: March 1959 to date.

Watertown: April 1958 to date.

Amsterdam: This textile community has suffered repeated setbacks from the closing of large textile mills. The shift of mills from this area to other States and the contraction of operations are the basic causes for its difficulties. The community has made desperate efforts to attract new plants. It has sponsored local industrial advances though individual improvements have been made.

The labor market includes Montgomery county. It has had annual average rates of unemployment of 9.4 percent in 1955; 9.8 percent in 1956; 8.9 percent in 1957 and 14.1 percent in 1958. In January 1959, the unemployment rate was 13.5 percent.

Auburn: Including as this labor market does Cayuga County, it has been a center of industrial activity except that it has suffered from plant closings and the contraction of some of its basic industries. Among the most significant closings was that of the International Harvester Co. Recently an electrical machinery company moved out of the area. Difficulties are being faced by other textile plants in the area. The annual average rate of unemployment in 1955 was 9.1 percent; in 1956, 7.1 percent; in 1957, 8.4 percent and in 1958, 14.3 percent. Relief from continued high unemployment is not in sight.

Batavia: This labor market includes Genesee County. Its annual average rate of unemployment in 1957 was 8.8 percent and in 1958, 9.4 percent. While it was only recently certified as having substantial labor surpluses, it faces serious problems. Layoffs have occurred in its machinery and primary metal industries and many of its local residents must depend upon jobs in nearby areas for continued employment since the area does not itself support the population.

Elmira: This labor market includes Chemung County. Unemployment began to assume serious proportions in December 1957 and has continued at high levels through 1958 and in 1959. In February 1959 the rate was 11.1 percent. The community has suffered from widespread layoffs in machinery and the electrical equipment plants.

Glens Falls-Hudson Falls: This labor market includes both the counties of Warren and Washington. Unemployment was most marked in 1958 with reductions in the electrical equipment, paper, and textile industries. In 1958 the average rate of unemployment was 9.7 percent.

Gloversville: This is one of the truly chronically distressed labor markets. It encompasses Fulton County. It suffers from the decline of the dress, glove and the woolen knit glove industry. These have been adversely affected by imports. This area has been suffering from continuing high unemployment for a number of years. In 1955, the average rate of unemployment was 13.0 percent; in 1956, 9.3 percent; in 1957, 14.1 percent and in 1958, 19.5 percent. In 1959, the rate was 17.9 percent in February. This is an area needing immediate and continuing attention.

Kingston: This labor market of Ulster County has suffered from the closing of a large machinery manufacturing plant, as well as losses in the aircraft, paper, and chemical industries. Only the seasonal pickups in the summer resort trade help offset these setbacks. The average rate of unemployment in 1958 was 8.1 percent and in January 1959, 10.4 percent.

Newburgh-Middletown-Beacon: This labor market includes Orange and Putnam Counties as well as the city of Beacon and the town of Fishkill in Dutchess County. There have been widespread layoffs in the apparel, textiles, leather goods, metals and machinery industries. Many residents working in outside areas have also been adversely affected. The average rate of unemployment in 1958 was 9.7 percent. Much hope has been placed in the economic effects of the New York Thruway but these have not yet lived up to expectations.

Oneida: The Madison County labor market has also recently been added to the list of the distressed areas. There have been heavy cutbacks in the silverware industry. This is a community which needs long term improvements. Residents have been working in outside areas and commuting and the cutbacks in these outside areas have adversely affected local people. The unemployment rate has been particularly high in 1958, with an annual average rate of 13.1 percent. Long term redevelopment is essential.

Plattsburg: This labor market includes Clinton County and has suffered from the long term drop in construction and losses in mining industries. The average rate of unemployment in 1958 was 12.9 percent and unemployment continued at a high rate of 15 percent in February 1959.

Watertown: The Watertown labor market includes Jefferson County. The difficulties of this community are attributable to the decline in employment in the machinery and paper industries. The high unemployment rates were first noticeable in March 1957 and continued through all of 1958. The average rate of unemployment for 1958 was 11.6 percent.

AREAS OF SUBSTANTIAL LABOR SURPLUS

In addition to the preceding distressed areas there are a number of labor markets with substantial labor surpluses. This condition has not been of sufficient duration to qualify them for the benefits of the act.

These areas will become eligible as of the following dates:

Corning-Hornell, June 1959.
Olean-Salamanca, June 1959.
Albany-Schenectady-Troy, July 1959.
Buffalo, July 1959.
New York, July 1959.
Syracuse, July 1959.
Jamestown-Dunkirk, July 1959.
Orleans, September 1959.
Binghamton, October 1959.
Catskill, December 1959.
Waterford-Mechanicsville-Stillwater, January 1960.
Wellsville, January 1960.
Rochester, July 1960.

Executive Censorship

EXTENSION OF REMARKS
OF

HON. JOHN E. MOSS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 26, 1959

Mr. MOSS. Mr. Speaker, studies conducted by the Special Subcommittee on Government Information, at the direction of Hon. WILLIAM L. DAWSON, of Illinois, chairman of the House Committee on Government Operations, show that only by constant vigilance can the Congress prevent unjustified restrictions which executive agencies seek to impose upon the availability of information to the Congress and the public. The subcommittee recently received from Senator HUBERT H. HUMPHREY, of Minnesota, an account of some of the censorship obstacles encountered by the Senate Subcommittee on Disarmament, of which the Senator is chairman. His statement illustrates the necessity for congressional committees to be ever alert for attempts by executive agencies to misuse secrecy labels which are intended solely for the protection of genuine security matters, not for hiding information which may cause controversy or be against policy.

The statement follows:

EXPERIENCE OF THE SENATE SUBCOMMITTEE ON DISARMAMENT ON THE DECLASSIFICATION OF GOVERNMENT DOCUMENTS AND TESTIMONY

(Statement of Senator HUBERT H. HUMPHREY, chairman, to the Special House Subcommittee on Government Information)

Achieving a balance between informing the public and preventing the dissemination of information which would be injurious to the Nation's security is one of the great problems that confronts our Government at the present time. In this effort both the executive and legislative branches have a responsibility.

The Congress has been wise to establish special committees to study this problem and to take or recommend action when agencies of the executive branch appear to be restricting unduly the availability of information to the public. In addition to these special committees the other committees of the Congress must also be alert constantly to guard against the deliberate or inadvertent suppression of important data when national security is not involved.

The purpose of this testimony is to share with the Special Government Information Subcommittee of the House Committee on Government Operations the experience of the Senate Foreign Relations Subcommittee on Disarmament with the declassification of information by the executive branch. I am presenting this statement in response to a request from the distinguished chairman of the subcommittee, JOHN E. MOSS.

It is not my intention to suggest that the specific cases I cite be investigated further. Rather, it is to show that information is withheld for reasons that cannot be justified in the name of national security and to stress the need for vigilance on this matter by all congressional committees.

Over the past year the Subcommittee on Disarmament held a number of hearings, many of them in executive session. In all cases the executive session was held because the witness requested it. Usually, after such a session the transcript of the hearing was submitted to the executive agency or agencies involved for review. The executive agency then marked those parts of the testimony that, in its opinion, should remain classified. In order to determine whether this classification was justified, the subcommittee and its staff reviewed carefully the testimony after it was returned by the executive officials. When the reason for the classification was not self-evident, the executive officials were questioned about it. Frequently a reason other than security was given for restricting the information. When these erroneous reasons were pointed out the executive officials often lifted the classification label.

The experience of the Subcommittee on Disarmament suggests that in a great many cases the executive branch censors testimony for insufficient reason. In order to correct this practice the committees of the Congress and their staffs ought to review carefully all testimony which executive departments ask to have classified. The review should seek to determine the reasons for continued classification and whether they are valid. Such a procedure would redound to the benefit of the electorate by providing our citizens with an opportunity to become better informed. Members of Congress would also be in a much better position to perform their constitutional responsibilities.

The cases which follow illustrate the various points I wish to bring out:

1. The Central Intelligence Agency, in reviewing testimony given by a noted scientist, had classified a passage of testimony. When questioned as to why, the CIA official indicated he did not agree with the conclusion of the scientist and incorrect information should not be given out. When challenged further on the point, the CIA representative agreed to let the scientist's conclusion stand.[1]

2. The Atomic Energy Commission at first classified portions of testimony given by one of its chiefs of divisions that there was no evidence the Soviet Union was developing, testing, or producing so-called clean nuclear weapons; that is, weapons with reduced radioactive fallout. The Commission was asked whether it was not in the interest of the United States to have this information brought out. The Commission reviewed the matter and decided that the information was of interest and agreed to leave in that portion of the testimony.[2]

3. The Department of State had struck out of testimony questions by the chairman and answers by a witness regarding a study being made by the Government on U.S. oversea bases. When it was pointed out by the subcommittee that this information was contained in a news conference of the Secretary of State, the Department officials then said the testimony had been deleted because it seemed irrelevant. It was suggested that it was not the function of the Department in reviewing testimony for publication to rule on the relevancy of the discussion, particularly questions the chairman considered sufficiently relevant to raise in the first place. The Department then agreed to leave in the discussion on the oversea base problem.[3]

4. The Department of the Army and the Department of Defense classified testimony relating to the results of Operation Sagebrush, simulated war maneuvers of the Armed Forces using tactical nuclear weapons. The Army refused to remove the classification even after it was pointed out that at the time of the maneuvers, in October 1955, a reporter wrote extensive stories about them and that these news accounts could only have been written as a result of considerable background briefing on the part of military officers. Part of the reason why the Army wished to continue to classify the information, according to one officer, was that the results indicated the Army didn't know quite what it was doing in the maneuvers. Even if this were true, said the officer, the information should not be released.[4]

5. The Department of the Army requested the elimination from the record to be published several portions of testimony submitted by Army Chief of Staff, Gen. Maxwell Taylor. When challenged on the classification, over 90 percent of what had been taken out was restored. Among the passages finally declassified were those containing general discussions of new nuclear weapons development and the tactical uses of these weapons. They also put back statements the general had made on the necessity of improving our nonatomic or conventional weapons capabilities if a nuclear weapons test ban should go into effect, general information on the fabrication of nuclear weapons, expressions of opinion regarding the reliability of agreements with the U.S.S.R., views on the psychological impact of a nuclear test suspension on people around the world, and the effects of nuclear fallout.[5]

6. The Government continues to classify significant information dealing with seismology, the study of earthquakes and movements in the interior of the earth. This includes testimony given before the Disarmament Subcommittee and documents submitted to the subcommittee by executive agencies. The subcommittee has never received a satisfactory explanation as to why such studies should be kept secret.[6]

The reason that such studies should be made available is that advances in the science of seismology are needed and necessary to improve our knowledge about the detection and identification of underground nuclear explosions. It is to the interest of the United States to speed up our work in

[1] Hearings of the Subcommittee on Disarmament, "Control and Reduction of Armaments," pt. 17, testimony of Dr. Hans Bethe, p. 1539, discussion of the number of earthquakes occurring each year in the U.S.S.R. and China equal to a given yield of nuclear explosive.

[2] Hearings of the Subcommittee on Disarmament, "Control and Reduction of Armaments," pt. 16, testimony of Brig. Gen. Alfred D. Starbird, p. 1394.

[3] Hearings of the Subcommittee on Disarmament, "Disarmament and Foreign Policy," pt. I, testimony of William C. Foster, pp. 73–74.

[4] Hearings of the Subcommittee on Disarmament, "Disarmament and Foreign Policy," pt. I, testimony of Gen. Maxwell D. Taylor, p. 140.

[5] Ibid., pp. 116, 117, 118, 119, 133, and 136.

[6] Since preparing this statement I am pleased to report that some of this information has been released. Some material contained in the Berkner Report on Seismic Improvement was released on June 12. There is the possibility that more of such information will be forthcoming.

this field so that we may have a better conception of the capabilities of a control system for the cessation of nuclear weapons tests. An expanded research program in seismology is essential and a number of well-qualified and prominent seismologists and geophysicists have recommended specific projects; yet, the detailed description of these projects and the estimates given for the workability of certain theories for the detection and identification of nuclear weapons tests remain closed to the public and to scientists throughout the country. What is particularly of concern is that some of our scientists who have visited the Soviet Union within the past year report that in some fields in seismology the Soviet Union is much more advanced than the United States and that in many respects more money is being spent on fundamental research in seismology in the Soviet Union than is being spent in the United States.

This suggests to me that the Department of Defense should not be the primary agency responsible for developing programs in the field of seismology and related scientific fields. Perhaps if this work were lodged in the Coast and Geodetic Survey of the Department of Commerce or the National Academy of Science, the scientists of the country would have access to the results of studies made and experiments conducted.

The six cases discussed briefly illustrate that Government agencies mistakenly classify information and deny it to the public. These are not the only cases that could be cited, but I believe the ones I have submitted amply demonstrate the need for vigilance on the part of congressional committees to review carefully all transcripts which contain classified information. If this is done, then perhaps executive agencies, too, will exhibit greater awareness of the public's need to know and will exercise greater care in the future in the classification of testimony.

I would not want to end this statement without emphasizing that in most cases overclassification of information is not a deliberate effort to deceive the people or to protect the Government from criticism. Generally I think it is due to a habit of being overcautious; in other words, to follow the rule to classify when in doubt.

Dick Neuberger Selects Oregon's Scenic Gems

EXTENSION OF REMARKS
OF
HON. CHARLES O. PORTER
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 26, 1959

Mr. PORTER. Mr. Speaker, native or adopted sons and daughters of Oregon can vouch for the Oregon which has been described by my good friend and colleague Senator RICHARD L. NEUBERGER in the following article, "Make Mine Oregon." It appeared in the June 1959 issue of Pageant magazine.

A native of the State, a student of its beauties, and probably its most well-known author-politician, DICK NEUBERGER agreed to select his favorite five spots in Oregon for the magazine. It was a difficul assignment. How does one separate gem from gem?

But he took the plunge and I am happy to report that one is in the Fourth Congressional District—it is Ashland's Shakespearean Festival in the Rogue River Valley. A second jewel, Crater Lake National Park in the Cascade Range, adjoins the Fourth District.

I am glad I did not have to make the five selections. Oregon in this centennial year is more lovely than ever. It is beautiful.

Under leave to extend my remarks in the RECORD I now include "Make Mine Oregon":

MAKE MINE OREGON

(By RICHARD L. NEUBERGER, U.S. Senator, Oregon)

One sultry day last June, my wife Maurine was at a swimming party in Washington, D.C., with nine other wives of U.S. Senators.

Pool-side conversation turned to the subject of each wife's home State. Maurine was amazed to find she was the only woman there who still had a house of her own in the State which had sent her husband to the Senate. The others confessed they rarely returned to their States, except perhaps during election years.

When Maurine—like a good Senate wife—reported her findings to me, we tried to figure it out. It didn't take long. Our home State is Oregon. Obviously, the rest of the Senate wives by the pool that afternoon came from States whose charms were pallid by contrast with Oregon's.

The evergreen forests and snowy peaks of Oregon have such a hold on us that we head westward the minute the Vice President's gavel falls on the closing Senate session. We never return to the Capital until the reading clerk is ready to intone the first rollcall of the new Congress. And we usually travel by train, so we can savor the thrill of rolling into Oregon through the great natural gateway of the Columbia Gorge.

Indeed, we understand well the sentiments of the young married couple, schoolteachers from New York City, who worked for a summer as lookouts in Oregon's Mount Hood National Forest. They lived in a crackerbox cabin on a lonely bowsprit of lava rock above a sea of fir trees. "It's downright breathtaking," they exclaimed. "And we even got paid for it. We had no idea our country contained a Shangri-La."

They were not the first or the most renowned to react so exuberantly. Six decades before, a mustached little Englishman avidly angled for Chinook salmon from the Clackamas River and exulted:

"I have lived. The American Continent," said Rudyard Kipling, "may now sink under the sea, for I have taken the best that it yields, and the best was neither dollars, love, nor real estate."

Oregon is one of the few States of the West where it was rare for a frontiersman to perish from hunger. Tales of cannibalism might come from California or Colorado, but in Oregon there was always a stream bursting with fish or a mountain swale dotted with elk. Waterfowl streaked the sky overhead. Oregon was breadbasket and lumberyard for California's gold rush.

The Columbia River is a symbol of Oregon's remarkable fecundity. Its salmon runs are worth $20 million annually. It has the proportions of the Rhine or St. Lawrence. In its swift reaches lie over 40 percent of our country's potential hydroelectric power. It frequently attains a depth of 300 feet and annually carries 180 million acre-feet of water to the sea. The surging Colorado, next principal river of the American West, has a runoff of only 18 million acre-feet.

Throughout western Oregon, evergreen trees flourish like weeds do everywhere else. They thrive in backyards, cling precariously to mountainsides. Trees grow so profusely in Oregon that the early settlers actually burned off virgin fir and pine so they could clear the land for potatoes. This wasteful practice was stopped in time to save for Oregon some 434 billion board feet of sawtimber, which makes it by far the country's leading lumber-producing State.

But these trees do more than support 70 percent of Oregon manufacturing payrolls. They safeguard the runoff of innumerable lakes and rivers; they furnish the snug home for big game, birds, and other wild creatures.

Across the street from our 45-year-old colonial-style residence in Portland are fir trees twice the height of our three-storied roof. More evergreens grow in Portland than in any other city of the world, even including those in Vienna, immortalized by Johann Strauss' lilting "Tales From the Vienna Woods."

A mere 1 percent of the national population—1,760,000 people—inhabit Oregon, a realm more than twice the size of Pennsylvania. This means that elk, mule deer, pronghorned antelope and cougars have not yet been civilized out of existence in our State. People fish for smelt in the rushing Sandy River with wastebaskets, washtubs and stewpots. Shovels and rakes bring in a rich harvest of crab, clams and oysters from the sea.

Oregon's 167 State parks are the most numerous of any State, and why not? Around every bend in the road is a scene worth permanent protection. At Silver Creek Falls, a sheer cliff is embroidered with a varied series of lacy cataracts. At Ecola Park, timbered headlands of the Coast Range kneel spectacularly in the Pacific. Lewis and Clark, first of all westbound Americans, picked the name "ecola," the Clatsop Indian word for "whale." My pulse always beats faster when I am camping or surf bathing where our Nation's most important exploring party reached its goal.

Sometimes as I sit in my leather chair on the Senate floor, between Senators FRANK CHURCH, of Idaho, and ALBERT GORE, of Tennessee, I think of hand-hewn Timberline Lodge, notched into the great glacial face of Mount Hood, with its tempting choice between 3-mile ski runs and a steam-heated pool. My mind dwells in reverie on the meadows of clematis and bride's bonnet which dot the granite Wallowa Range, where gleaming little lakes are alive with trout.

I recall turbulent rides on the Rogue River in the boat which brings mail to the people of the wilderness, and I remember riding out of Hells Canyon across the frowning hump of Freezeout Saddle. Hells Canyon is 6,500 feet deep—deeper even than the Grand Canyon of the Colorado—and sometimes the comfortable Senate chair fades away and I am peering giddily down at the green Snake River, over a mile below.

Being a U.S. Senator from Oregon has its rewards. But the penalty is spending so much time 3,000 miles away from Oregon.

Oregon can spoil people for other places. Roses grow in abundance in Portland, the long, cool spring giving this loveliest of all flowers a special sheen and fragrance. If rodeos are your weakness, the annual Pendleton Round-Up is without peer. If flights of migratory waterfowl at sunset make you feel humble and nostalgic, the Malheur National Wildlife Refuge is in a class by itself.

If the Malheaur Refuge were in distant Africa, Americans might cross the Atlantic and the Mediterranean to be awed by it. The immense refuge, established by President Theodore Roosevelt as a wildlife sanctuary, is 100 miles long and 30 miles wide. One sees countless sandhill cranes, egrets, herons, pelicans, ducks and geese, swans, gulls, quail, sage hens, and loons. As a wayfarer walks along the dikes, small game starts up—deer, raccoons, beavers, porcupine, badgers, coyotes, antelope.

Oregon, less publicized than such States as California and Colorado, appears to my biased eyes to possess more grandeur than either.

Colorado lacks the ocean to offer contrast to its mountains. California, for all its magnificence, is searingly dry and arid. But Oregon lilts to murmuring water.

Oregon reflects intellect and ideas, too. Her people have taxed themselves sacrificially in order to develop one of the finest school systems in the Nation. During the Korean war, in Army aptitude and intelligence tests, GI's from Oregan had a higher proportion of successful grades than those from any other State except Minnesota. In the percentage of its adult population with less than 5 years of schooling, Oregon comes up with only 4.3 percent—the best record save for Iowa, with 3.9 percent.

Oregon is but 1 century old this year, yet its contributions to Government would be worthy of a State in the Union since colonial times. It was a precedent-breaking Oregon law which resulted in the original U.S. Supreme Court decision upholding a limitation on the number of hours which women could be worked in factories or laundries.

Oregon also was the first State to adopt the initiative and referendum. To this day, petitions are circulated on Oregon street corners and rural roads, as proposals are placed on the ballot through the collection of signatures. Some people have reduced signature collecting to a skilled pastime, although pretty girls generally have the highest skill of all. (And Oregon, where Jantzen bathing suits were originated, has breathtakingly pretty girls.) Some 26 other States have copied Oregon's initiative and referendum laws.

Furthermore, until Oregon demonstrated that there was a better way to do it, all U.S. Senators were appointed by State legislatures. Land companies, timber barons, and railroads bought and sold Senate seats like baubles. Finally, in Oregon, a brilliant reformer named William S. U'Ren initiated a movement which developed over the years until, in 1906, Oregon became the first State ever to elect a U.S. Senator by direct popular vote. The old appointment method was thoroughly discredited. The 17th amendment to the Federal Constitution followed, requiring Members of the Senate from every State to be chosen at the ballot box.

So plenty of original thinking has occurred in Oregon against the backdrop of limitless forests and glacial mountains. I always get a thrill when I enter a remote ranchhouse and find books from our well-stocked State library. Oregon citizens are assiduous readers of books, magazines, Government documents and even the CONGRESSIONAL RECORD.

Below the timbered ramparts of the Siskiyou Range, Southern Oregon College sponsors one of the Nation's finest Shakespearean festivals each August in an Elizabethan-style theater. Actors and actresses from as far as England participate. Tourists who have fished for salmon or steelhead trout by day sit under the stars at night for performances of "King Lear" or "Much Ado About Nothing."

Yet, in Oregon, man's handiwork will always seem secondary to the State's cosmic natural environment.

Look down into the blue cauldron of Crater Lake, the great National Park of our State. The icy water fills the volcanic hollow of Mount Mazama, which blew off its summit in prehistoric times. It is 2,000 feet from rim to water, and uncharted distances from there to the lake bottom. The ubiquitous evergreen, in the form of stately pines, stockades the lake's shore and the croutonlike islands. Lupines and heather ring the rocks.

No Oregon resident can stand on the brink of this mighty spectacle without immeasurable pride in a State which a generous Creator has tinted and touched so gloriously.

Columbus Day: An Opportunity To Strengthen the Spiritual Bonds of the Americas

EXTENSION OF REMARKS
OF
HON. PETER W. RODINO, JR.
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 26, 1959

Mr. RODINO. Mr. Speaker, as the author of H.R. 418, which seeks to declare October 12—Columbus Day—a legal holiday—I would like at this time to tell you about some of the outstanding 1958 Columbus Day celebrations sponsored by the National Citizens Committee for Columbus Day.

As the first national chairman of the Columbus Foundation which now sponsor the work of the National Citizens Committee for Columbus Day, I was more closely associated with the work of the national committee in 1958 than in the 4 previous years of its existence.

Mr. ZABLOCKI, of Wisconsin, has explained to you why I was chosen to head the Columbus Foundation, an organization dedicated to increasing greater cultural and educational exchange and improved understanding among the peoples of the Western Hemisphere.

THE COLUMBUS FOUNDATION

Launched on October 12, 1958, the Columbus Foundation proposes to increase and broaden the traditional observance of Columbus Day in two ways:

First. By stimulating such sister projects as sister cities, sister schools and colleges, and sister organizations.

Second. By encouraging educational and cultural exchanges through scholarships raised by communities, schools, colleges, organizations and business groups.

Now I want to commend the leaders of the National Citizens Committee for Columbus Day for the fine work which is being done to bring to Americans the significance of the discovery of the Western Hemisphere by Christopher Columbus.

AMERICANS ALL-COLUMBUS DAY THEME

The theme of the 1958 celebrations was: Americans All. No continent is so closely knit by religious ties as is the Western Hemisphere. All people who live on the American Continent are bound together by their belief in the fatherhood of God and the brotherhood of man—religious principles of Catholics, Protestants, and Jews.

Only through the determined fulfillment of these spiritual values can we of this hemisphere prove to the world the value and effectiveness of our free western system.

Since the discovery of America over 450 years ago, this continent has been an inspiration to the peoples of the world. From the beginning this new world has offered an opportunity for all peoples to seek and achieve a new and more meaningful life because our country was founded on the belief that spiritual faith, initiative, courage, and energy are traits held in high esteem.

During the last 50 years, people have come to believe that the destiny of the world was in America's hands—that America was composed of men from the mold of Columbus—men who questioned, dared, and dreamed—men who had the courage to translate their dreams into noble action for the benefit of all mankind.

U.S. CITIZENS NEED TO KNOW MORE ABOUT LATIN AMERICANS

In recent years, we of the United States have been too unmindful of the problems besetting our neighbors in the other 20 American Republics. After World War II, the national yearnings of the peoples of Asia and Africa burst upon us like a bomb. In our struggle to meet these unexpected responsibilities, we perhaps gave the impression to our Latin American neighbors that we no longer were concerned with their problems. At the same time, population growth in Latin America has been exceeding ours. In conjunction with population growth, there is a tremendous desire to push forward on the part of all Latin Americans to obtain some of the more tangible and intangible benefits of life.

The 1958 demonstrations against Vice President and Mrs. NIXON in some of the Latin American countries reveal the urgent necessity for an improved understanding among the citizens of the 21 American Republics.

In 1957, His Excellency Victor Andrade, then Bolivia's Ambassador to the United States and now her Foreign Minister, made this statement in an address before the Cosmopolitan Club of Pennsylvania State College:

> The average citizen in the United States is only vaguely aware of Latin America. He has, on the whole, a kindly feeling toward his southern neighbors and believes they will stand beside the United States in the event of crisis—as, indeed has been true in the past. But he knows comparatively little about Latin America and hears comparatively little. Many Latin Americans feel they are taken for granted by the United States, and, perhaps there is something in that feeling.

Recently, Members of Congress listened to an address by President José Maria Lemus of El Salvador who pointed out that Communist imperialism menaces the entire Western Hemisphere because of "valuable allies" in the hemisphere such as "social injustice, disorder, and political errors, the impoverishment of nations, and the wretchedness of great groups of human beings whom a weakened economy is not able to protect fully, nor offer comforting prospects."

U.S. CITIZENS MAKE COLUMBUS DAY AN OCCASION TO LEARN ABOUT LATIN AMERICANS

It is therefore with great pleasure that I tell you about some of the 1958 activities of the National Citizens Committee to dramatize this great historical date, October 12, as an occasion to learn more about our Latin American neighbors through meaningful exchanges of people and ideas.

Under the leadership of the President of the United States, who made the Columbus Day address at the distinguished New York City celebration, more

than 40 State Governors issued 1958 Columbus Day proclamations calling for observances on October 12 to create greater inter-American friendship and understanding under the theme "Americans All." In addition a majority of these Governors appointed State Columbus Day chairmen to stimulate statewide observances and to coordinate the activities of the various communities.

SUPPORT OF STATE GOVERNORS

I would like to call your attention to the statewide Columbus Day observances in some of our States. It is particularly pleasing to report that my own State of New Jersey had a most outstanding series of celebrations under the leadership of Gov. Robert B. Meyner and such distinguished mayors as my own mayor, Hon. Leo P. Carlin, of Newark.

Other examples of outstanding statewide celebrations were: Pennsylvania, Colorado, Ohio, Florida, Tennessee, Wisconsin, Iowa, California, Missouri, Delaware, Utah, Massachusetts, New York, Illinois, and the District of Columbia.

Cooperating Governors were: Hon. James E. Folsom, Alabama; Ernest W. McFarland, Arizona; Goodwin J. Knight, California; Steve McNichols, Colorado; Abraham Ribicoff, Connecticut; J. Caleb Boggs, Delaware; LeRoy Collins, Florida; Marvin Griffin, Georgia; William G. Stratton, Illinois; Harold W. Handley, Indiana; Herschel C. Loveless, Iowa; George Docking, Kansas; Albert B. Chandler, Kentucky; Earl K. Long, Louisiana; Edmund S. Muskie, Maine; Theodore R. McKeldin, Maryland; Foster Furcolo, Massachusetts; G. Mennen Williams, Michigan; Orville L. Freeman, Minnesota; James T. Blair, Jr., Missouri; Victor E. Anderson, Nebraska; Charles H. Russell, Nevada; Lane Dwinell, New Hampshire; Robert B. Meyner, New Jersey; Averell Harriman, New York; John E. Davis, North Dakota; C. William O'Neill, Ohio; George M. Leader, Pennsylvania; Frank G. Clement, Tennessee; Price Daniel, Texas; Cecil H. Underwood, West Virginia; Vernon W. Thompson, Wisconsin; Milward L. Simpson, Wyoming; Luis Munoz Marin, Puerto Rico; The Board of Commissioners, Hon. Robert E. McLaughlin, President, District of Columbia.

SUPPORT OF MEMBERS OF CONGRESS

Through the years, the National Citizens Committee has invited Members of Congress to act as honorary sponsors for Columbus Day. In 1958, many distinguished Senators and Congressmen not only were willing to serve as honorary sponsors, but they helped to set up Columbus Day committees in their States and districts. Others gave major talks on Columbus Day in their own States and elsewhere.

U.S. Senators cooperating: Hon. George D. Aiken, of Vermont; Hon. J. Glenn Beall, of Maryland; Hon. Styles Bridges, of New Hampshire; Hon. Clifford P. Case, of New Jersey; Hon. John A. Carroll, of Colorado; Hon. Dennis Chavez, of New Mexico; Hon. Paul H. Douglas, of Illinois; Hon. John D. Hoblitzell, Jr., of West Virginia; Hon. Hubert H. Humphrey, of Minnesota; Hon. Irving M. Ives, of New York; Hon. Estes Kefauver, of Tennessee; Hon. John F. Kennedy, of Massachusetts; Hon. Thomas E. Martin, of Iowa; Hon. Wayne Morse, of Oregon; Hon. James E. Murray, of Montana; Hon. Richard L. Neuberger, of Oregon; Hon. William Proxmire, of Wisconsin; Hon. A. Willis Robertson, of Virginia; Hon. Leverett Saltonstall, of Massachusetts; Hon. Stuart Symington, of Missouri; Hon. John J. Williams, of Delaware; Hon. Ralph Yarborough, of Texas; Hon. Milton R. Young, of North Dakota.

U.S. House Members cooperating as honorary sponsors: Hon. Hugh J. Addonizio, of New Jersey; Hon. Victor L. Anfuso, of New York; Hon. Wayne Aspinall, of Colorado; Hon. William A. Barrett, of Pennsylvania; Hon. Walter S. Baring, of Nevada; Hon. Hale Boggs, of Louisiana; Hon. Gordon Canfield, of New Jersey; Hon. Emanuel Celler, of New York; Hon. Marguerite Stitt Church, of Illinois; Hon. Harold D. Donohue, of Massachusetts; Hon. Ivor D. Fenton, of Pennsylvania; Hon. John E. Fogarty, of Rhode Island; Hon. James G. Fulton, of Pennsylvania; Hon. Kathryn E. Granahan, of Pennsylvania; Hon. Martha W. Griffiths, of Michigan; Hon. Wayne L. Hays, of Ohio; Hon. Lester Holtzman, of New York; Hon. Walter H. Judd, of Minnesota; Hon. Don Magnuson, of Washington; Hon. Fred Marshall, of Minnesota; Hon. Joseph W. Martin, Jr., of Massachusetts; Hon. Chester E. Merrow, of New Hampshire; Hon. Joseph M. Montoya, of New Mexico; Hon. Albert P. Morano, of Connecticut; Hon. Thomas E. Morgan, of Pennsylvania; Hon. Carl D. Perkins, of Kentucky; Hon. Henry S. Reuss, of Wisconsin; Hon. Peter W. Rodino, Jr., of New Jersey; Hon. Alfred E. Santangelo, of New York; Hon. D. S. Saund, of California; Hon. Hugh Scott, of Pennsylvania; Hon. Henry O. Talle, of Iowa; Hon. Frank Thompson, Jr., of New Jersey; Hon. Stewart L. Udall, of Arizona; Hon. William B. Widnall, of New Jersey; Hon. Clement J. Zablocki, of Wisconsin.

COOPERATION OF MAYORS

In addition to the outstanding leadership given by Senators, Congressmen, and Governors, hundreds of mayors throughout the United States issued Columbus Day proclamations and appointed local chairmen and local committees to stimulate communitywide observances to advance the goal of increased inter-American understanding under the theme of Americans All.

In this category of accomplishment, the following cities deserve special recognition for their unusual efforts: Kansas City, Mo.; Salt Lake City, Utah; Springfield, Ill.; Wilmington, Del.; York, Pa.; Hoboken, N.J.; Denver, Colo.; Washington, D.C.; Nashville, Tenn.; Galveston, Tex.; San Jose, Calif.; Philadelphia, Pa.; Tampa, Fla.; Miami, Fla.; Fitchburgh, Mass.; Clayton, Mo.; Nashua, N.H.; Des Moines, Iowa; Peoria, Ill.; South Norwalk, Conn.; New Brunswick, N.J.; New London, Conn.; Oakland, Calif.; Sacramento, Calif.; Albuquerque, N. Mex.; Minneapolis, Minn.; and many others. Reports are still coming in. These were the cities and towns giving full reports on their activities. There were countless others who carried out elaborate programs but did not write a full report to the national committee.

COLUMBUS DAY AIDS

As background information for groups and schools, the national committee provided two excellent pamphlets: "The Leaders Guide" and "You and Your Latin American Neighbors"—the latter in collaboration with the Department of Public Information of the Pan American Union.

"You and Your Latin American Neighbors" received great praise from leaders everywhere. I recommend this pamphlet to the attention of every Member of Congress.

In addition, I wish to also commend the following for their excellent Columbus Day materials: Dr. James A. Di Renna, Kansas City, Mo.; Hon. Mary A. Varallo, Philadelphia; Sister Constantius, Clayton, Mo.; Tom Sarcone, Des Moines, Iowa; John Egizzi, Springfield, Ill.; Charles G. Merlini, Utica, N.Y.; Sister Mary Janet, East Lansing, Mich.; Anthony E. Candela, Ashtabula, Ohio; Louis S. Solari, San Jose, Calif.

Also noteworthy is the fact that these spectacular accomplishments were attained by private citizens in States and communities who joined forces to create Columbus Day celebrations across the Nation. There was not one cent expended by the National Citizens Committee for Columbus Day for salaries or paid staff. All of these skills were contributed and donated by the officers and executive committee as their contribution to better inter-American friendship and international understanding.

Furthermore, I was pleased to see the widespread development of interfaith Columbus Day committees in the States and cities. The District of Columbia committee did an exceptional job. I believe such a move represents a tremendous step forward in the extension of our spiritual leadership in North, Central and South America.

THE 1958 NATIONAL CITIZENS COMMITTEE FOR COLUMBUS DAY

The 1958 National Citizens Committee for Columbus Day was composed of fifty-odd people from many organizations in thirty-odd States across the country. Represented were business, labor, education, fraternal, religious, and nationality groups. It was the largest and most representative committee in the national committee's history. Again, I wish to express my appreciation for the fine leadership given by Italian-American organizations to Columbus Day celebrations everywhere, and to the Knights of Columbus who have labored so long to keep Columbus Day alive in this country.

The 1958 Columbus Day Committee members were: Dr. George E. Arnstein, Washington, D.C.; Mrs. Eugene Bacarisse, New York City, N.Y.; James L. Baker, Peoria, Ill.; Peter J. Bertoglio, Pittsburg, Calif.; James G. Blaine, Clovis, N. Mex.; Barnee Breeskin, Washington, D.C., Dr. Arthur Campa, Denver, Colo.; Anthony E. Candela, Ashtabula, Ohio; Felix N. Cantore, New Brunswick, N.J.; Angelo J. Catucci, Washington,

D.C.; Henry G. Catucci, Washington, D.C.; Louis J. Colombo, Detroit, Mich.; Sister Constantius, C.S.J., Clayton, Mo.; Charles De Fazio, Jr., Hoboken, N.J.; John R. Di Cello, Kenosha, Wis.; Dr. James A. Di Renna, Kansas City, Mo.; Peter F. Di Stefano, Buffalo, N.Y.; Francis J. Donnelly, Kansas City, Kans.; Dr. William E. Dunn, Washington, D.C.; John Egizii, Springfield, Ill.; Joseph A. L. Errigo, Wilmington, Del.; Angelo Fabrizio, Albuquerque, N. Mex.; Rudolph Faupl, Washington, D.C.; Mrs. Molly Ferrara, Tampa, Fla.; Philip A. Guarino, Washington, D.C.; Joseph V. Garrety, York, Pa.; Lawrence P. Girolami, Sacramento, Calif.; M. P. Goebel, Corpus Christi, Tex.; Richard M. Gunn, Tennessee; Rev. Frederick G. Hochwalt, Washington, D.C.; Thomas F. Hogan, Norwalk, Conn.; Rev. Alfred F. Horrigan, Louisville, Ky.; Dr. J. Dan Hull, Washington, D.C.

Sister Mary Janet, East Lansing, Mich.; Paul E. Johnson, Indianapolis, Ind.; Richard E. Kellogg, Washington, D.C.; Newell Knight, Salt Lake City, Utah; Milton S. Kronheim, Washington, D.C.; Col. Waldron E. Leonard, Washington, D.C.; Frank Longano, Cincinnati, Ohio; Don P. Luther, Detroit, Mich.; V. P. Mickey McGinn, Phoenix, Ariz.; Rev. Frederick A. McGuire, Washington, D.C.; Justin J. McCarthy, Washington, D.C.; Charles G. Merlini, Utica, N.Y.; Ted Moreno, Eugene, Oreg.; Hon. Judge George D. Neilson, Washington, D.C.; John T. O'Brien, Washington, D.C.; Richard C. O'Connell, Baltimore, Md.; Dr. Alejandro Orfila, Pan American Union; Andrew A. Ovellette, Nashua, N.H.; Oliver A. Ossanna, Minneapolis, Minn.; Miss Inez Petersen, Sioux City, Iowa; Dr. Thomas G. Pollock, New York City, N.Y.; John S. Prico, Oakland, Calif.; Hon. Peter W. Rodino, Jr., Newark, N.J.; Frank A. Romano, Fitchburg, Mass.; Mrs. Mary E. Romano, New London, Conn.; Saul N. Sanfilippo, San Jose, Calif.; Tom Sarcone, Des Moines, Iowa; D. V. Signa, Greenville, Miss.; Paul E. Smith, Washington, D.C.; Louis S. Solari, San Jose, Calif.; James Sottile, Jr., Miami, Fla.; Stanley S. Villavasso, Baton Rouge, La.; Hon. Mary A. Varallo, Philadelphia, Pa.; Nello Ventura, Kenosha, Wis.; John W. White, Washington, D.C.

NATIONAL SPONSORS

As I pointed out earlier, the National Citizens Committee is a voluntary citizens organization with no paid staff. There are, however, expenses for secretarial services, duplication of materials and mailings. These expenses underwritten through 1958 by the following national sponsors:

Sam G. Baggett, vice president, United Fruit Co.

Edgar R. Baker, manager, Time-Life International.

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John A. Diemand, president, Insurance Co. of North America.

Fred M. Farwell, executive vice president, American Telephone & Telegraph Co.

W. Latimer Gray, senior vice president, First National Bank of Boston.

Walter Harnischfeger, president, Harnischfeger Corp.

Carl N. Jacobs, president, Hardware Mutual Casualty Co.

John K. Jenney, director, foreign relations department, E. I. du Pont de Nemours & Co.

Charles A. Meyer, vice president, Sears, Roebuck & Co.

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Howard M. Packard, president, S. C. Johnson & Son, Inc.

J. P. Spang, Jr., president, the Gillette Co.

Wm. S. Youngman, Jr., director, American International Underwriters Corp.

Address by Hon. James C. Davis of Georgia, before the Alexandria, Va., Rotary Club

EXTENSION OF REMARKS
OF
HON. JOEL T. BROYHILL
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 26, 1959

Mr. BROYHILL. Mr. Speaker, My good friend and colleague, the Honorable JAMES C. DAVIS of Georgia, was guest speaker for the Alexandria, Va., Rotary Club at a luncheon meeting today in my congressional district.

I was indeed fortunate in being able to obtain a copy of his speech, and as I am firmly convinced this message is of interest not only to the membership of this august body, but also to the entire citizenry of these United States, I am pleased and honored to be able to present it in its entirety to you:

SPEECH DELIVERED TO ALEXANDRIA ROTARY CLUB LUNCHEON MEETING, MAY 26, 1959

I appreciate very much the kind remarks of Mr. Marshall Beverley in his introduction. He is a staunch believer in the principle of States rights, and I have admired him for the fact that he recognizes the need for continued maintenance of our segregated school system. I appreciate the fact that he stands squarely in the open in favor of these principles.

I regard it as a privilege to be invited to address your splendid club. It has been my pleasure at home in Georgia to speak to the Rotary clubs in my congressional district from time to time. The membership of the Rotary clubs at home consists of some of our finest and most outstanding citizens. From my knowledge of Rotarians there, I know your club here in Alexandria is made up of high type and outstanding business and civic leaders.

I know you are seriously concerned with the grave issues which all of us face today, issues which require the best thought and effort not only of our officials, Federal, State, and local, but of each individual citizen. For in the final analysis no single one of us can shunt his responsibility for good government off onto the shoulders of his neighbor. Under our form of government, each citizen must bear an equal responsibility for good government. Just to the extent that I or you neglect that duty, just to that extent we may expect a failure in government.

One of the greatest domestic issues facing the American people today is the problem of preserving the rights of the individual States against ever-increasing Federal encroachment—the problem of States rights on the one hand against Federal domination and tyranny on the other.

The term "States rights" is but the American term for the principle of local self-government—a fundamental human right for which, over the centuries, those who love liberty have fought, struggled, and died. In the establishment of our American Government we recognized this right of self-government. We incorporated it in our written Constitution, and we gave it its American name of States rights.

The other principle relied upon by the founders was, of course, the principle of separation of powers—the creation of three coordinate branches of the Federal Government, legislative, executive, and judicial, each of which would be independent of the other.

Those who founded our Government, being realists, knew that the power of government would, on many occasions at least, fall into the hands of selfish men of boundless ambition. They knew that the idea of benevolent government, without checks is a delusion. They knew the utter fallacy of setting up a government without limitations in the reliance that good men would control it. In this respect Thomas Jefferson said:

"In the questions of power then, let no more be heard of confidence in man, but bind him down from mischief by the chains of the Constitution."

I think that Thomas Jefferson believed that the structure of our liberty rests upon the twin pillars of States rights and separation of powers. So long as these pillars stand unimpaired, our liberties stand also. But if either of them be struck down, or slowly chipped away, then surely and inevitably our temple of liberty will come crashing down.

With almost prophetic vision that great Virginian Thomas Jefferson warned that the germ of dissolution of our Federal system lay in the Federal Judiciary. On that subject he said:

"Working like gravity by night and by day, gaining a little today and a little tomorrow, and advancing its noiseless step like a thief, over the field of jurisdiction, until all shall be usurped from the States, and the government of all be consolidated into one."

Although the Supreme Court had manifested the inclination throughout the years to expand its jurisdiction and influence, the basic principle of States rights remained fundamentally intact, remained a sturdy support of the Constitutional liberties of the people throughout the years until about a quarter of a century ago. Until the 1930's our governmental system was still fundamentally based on States rights, both in principle and in practice. This was so, not to the extent that many had desired, to be sure; not to the extent that the framers of the Constitution had recommended; but still to the extent that the vast majority of those vital economic, political, and social activities most closely affecting the lives of the people remained the subjects of State control and regulation, and were outside the province of the Federal Government.

In the last quarter century, however, we have seen assaults on States rights at many points. We have seen the National Government in Washington expanded to its present swollen size, to the accompaniment of a steady elimination of the reserved powers of the States.

All three branches of the Federal Government have participated in this movement. The people of the United States, rendered fearful and timid by economic depression, acquiesced in it.

The Supreme Court resisted the trend until the 1930's; but in that era the

Supreme Court's role became, and has been since, one of aggrandizing the Federal Government at the expense of the State.

Since that time the Federal Supreme Court has handed down a long string of decisions which have tied the hands of State courts, State legislatures, and other State and local governmental agencies, rendering them powerless in many respects to oppose Communist infiltration and communistic activities. Among these decisions have been the Slochower case from New York, the Steve Nelson case from Pennsylvania, the Schware case from New Mexico, the Cole vs. Young from New York, the Watkins case from Illinois, the Passport cases, and many others. That Court also handicapped the courts and law enforcement officers in the Mallory case decision.

One of the many Supreme Court decisions affecting local government and States rights was the school segregation decision in 1954. In the school cases the Supreme Court struck one of its hardest blows against the States and against the Constitution.

The people of Virginia are facing some vital decisions regarding the operation of your schools. The future of Virginia, and indeed the future of the South and of our country, will to a considerable extent be affected by the decisions you make and the action which the people of Virginia take this year and next year regarding the operation of your school system. Now I want to talk to you some today about the important question of segregation in the schools.

I was chairman of a subcommittee of Congress which made a detailed investigation of the integrated Washington school system in September and October 1956, 2 years after the schools were integrated in 1954. I am in position to know the facts about the Washington schools.

To the investigating committee in 1956, Dr. Carl Hansen, then assistant superintendent of schools, and now the superintendent of Washington schools made this statement:

"I think that the integration program in this city has been a miracle of social adjustment."

That statement was in direct conflict with the overwhelming evidence about the chaotic conditions in the Washington schools which are driving out the white parents and children, and which have already made Washington a predominantly Negro city, a city in which the school population is 75 percent colored and the overall population is 53 percent colored. While Dr. Hansen was making that general statement, principals and teachers were giving specific testimony along these lines:

The principal of Eastern High School in Washington swore that he retired in 1955 as a result of ill health directly attributable to the conditions that developed in Eastern High School after the integration of the District schools; that fighting, including stabbings, went on continuously; that there were many sex problems; that colored boys began writing notes to the white girls, telling them their phone numbers and asking the girls for their numbers; that he heard colored boys making obscene remarks about a white girl passing in the hall; that white girls complained of being touched by colored boys in a suggestive manner when passing in the halls; that one white girl left school one afternoon and was surrounded by a group of colored boys and girls; that one of the colored boys put a knife at her back, marched her down an alley and backed her against a wall, and that while the group debated as to whether they should make her take her clothes off, she broke away and ran home. He testified that never in all of his experience had he observed such filthy and revolting habits in the lavatories. He testified that there were a dozen or more colored girls who became pregnant during his last year at Eastern High School, and that virtually all social activities were abandoned in that school after integration.

Here are just a few instances of typical testimony of principals and teachers:

The principal of Theodore Roosevelt High School testified to disorder in the classrooms, including fights, foul and obscene language, carrying knives, pregnancies, passing obscene notes, continual efforts on the part of colored boys to approach white girls, even up to the week of the testimony; 10th grade students reading at 4th-, 5th-, and 6th-grade levels, etc.

The principal of Davis Elementary School told the committee that the head of the NAACP Educational Committee in Washington had called her up and demanded that a Negro child who had been transferred to kindergarten from first grade be put back in the first grade. She said this Negro told her, "I will give you 3 days, and then you will hear from me again." She told the committee about pupils in the fifth grade reading on first-grade level.

The principal at McFarland Junior High School, a formerly all-white school, told the committee that school probably would get back to a segregated status. His prediction is rapidly coming to pass. He told the committee that disciplinary problems had a frustrating effect upon the teachers; that this had its effect upon the teaching of the students. He detailed these problems as being such things as stealing, boys feeling girls, disobedience in the classroom, carrying knives, and that sort of things. He said it was necessary to call the police about 50 times during the previous school year.

An elementary schoolteacher at the Emery School testified that teaching in the schools was very difficult after integration; that it affected her health to the extent that she was a nervous wreck.

A teacher in McKinley High School testified that the colored students required considerably more time than the white students, and that as a result the white students suffered educationally because he could not get to them to give them individual instruction. One teacher told of a white senior at McKinley High School attacked by a group of colored boys and beaten so severely that 13 stitches were required to be taken in his face; this was because he objected to an integrated prom at the school. The father of this boy brought him to the Capitol to exhibit his injuries to members of the committee. I saw these injuries myself, and got the story from the boy and his father. That formerly all-white school is now 92 percent colored and 8 percent white.

A teacher at Roosevelt High School, formerly all-white, testified to disciplinary problems, concealed weapons, pregnancies, fighting, lying, stealing, one Negro boy and a white girl writing love letters to each other, miserably low grades. She testified she went to see a doctor at the end of the school year who told her, "You are on the verge of a complete mental and physical breakdown."

These instances I have given you do not even begin to be all of the testimony about the deplorable and chaotic conditions in the District of Columbia schools after integration. They are merely typical of testimony given to the committee day after day. I have dwelt at some length on the undisputed testimony about conditions in the schools simply to point out that Dr. Hansen's statement, "I think that the integration program in this city has been a miracle of social adjustment," is as different from the actual facts presented as daylight is from darkness, and to point up his attitude that this forced system of integration in Washington must be portrayed, at all costs, as a miraculous success.

The plan of integration was so set up that it was so difficult as to be practically impossible for a white child to transfer out of an integrated school.

The only relief for a parent who could not afford to send his child to a private school was to move out of the city of Washington. This they proceeded to do in droves. This is most disturbing to all who are interested in the future of the Nation's Capital. On March 2 this year, the District of Columbia Board of Commissioners made the announcement that Negroes in Washington now constitute 53 percent of the total population. The school census taken in October 1958 showed that in Washington schools the colored pupils were 74.1 percent of the total and whites only 25.9 percent. In the last 5 years Washington has lost 123,000 white people, leaving the white population 387,000. In the same 5 years the Negro population increased 98,000 to a total of 438,000.

The notoriously radical newspaper, the Washington Post, has been one of the most ardent advocates beating the drums for race mixing throughout the years.

Even this notoriously radical newspaper, blinded by its bias, was prodded into a mournful editorial on March 4 this year entitled, "New Form of Segregation," and reluctantly agreed that the situation is bad, and that it is going to get worse.

The record shows that 62 percent of the teachers in the Washington schools now are colored with only 38 percent white.

There are 4,287 teachers in the school system, and of this number, 1,092 are on a temporary basis. The temporary teachers are those who cannot qualify for a permanent teacher's position. The school records in Washington show that the great majority of teachers now applying to the Washington school system for positions are of low ability. In 1958, of 216 teachers who applied, 52 passed the examination; in 1957, of 177 applicants, 40 passed, etc. In the elementary schools more than 30 percent of the teachers are temporary. In mathematics, more than 35 percent are temporary.

On May 3, 2 weeks ago, Dr. Carl Hansen, now Superintendent of the Washington schools, made a television appearance in Atlanta to speak in behalf of the Washington integrated school system. His expenses were paid by the Georgia Council on Human Relations, who also, he said, tendered him an extra $100 for making the appearance.

In his Atlanta program Dr. Hansen was asked the question, "What would you say has been the reception of the people in Washington to the new system?"

His answer to that was, "I think the vast majority of the people in Washington feel that this has been a good thing to do."

As to that statement, the facts speak for themselves. The mass exodus of white people from Washington since 1954 refutes that statement far better than anything I could say.

The facts are almost directly in opposition to the answers given by Dr. Hansen. At the committee hearings, teacher after teacher told us, not in generalities, but of specific instances of friction and trouble. They came before us for 9 days giving detailed information. In this 30-minute speech I cannot even make a good beginning toward giving you the information we received in the school investigation. However, I can send you the printed hearings consisting of 512 printed pages. I will be glad to do so on request, and you may read this testimony for yourself.

School conditions in Washington for white children and white parents are pathetic today. In some respects they are worse than they were in 1954 and 1956. Activities like this are going on: In February of this year a Negro teacher in an elementary school staged a play in the school in which two of

the characters were husband and wife. This Negro teacher cast a little white girl in the role of the wife, and a Negro boy in the role of the husband. A few weeks ago a worried father told me that a Negro boy tried to kiss his daughter in the school; that she was able to fight him off, but he did succeed in kissing her girl companion.

One parent of a daughter in one of the Washington schools brought me valentines from a Negro boy to his daughter, and valentines from another Negro boy to another white girl in the same school.

In one of the schools a white girl married a Negro boy who previously attended the same school with her.

In Washington schools today there is being carried on a revolting, systematic, progressive, disgusting campaign of race amalgamation. The situation is not improved. These conditions will develop anywhere under the same circumstances.

The pregnancy situation in the junior and senior high schools is so acute that on the 6th day of May the District Congress of Parents and Teachers adopted a resolution calling for a special education program to insure continued schooling for the many pregnant students of the Washington school system. In that connection, the District of Columbia public health reports show that more than one out of every four Negroes born in Washington is an illegitimate child. This is the atmosphere and these are the conditions to which white boys and girls are subjected in the Washington integrated schools.

To bring the school situation up to date, on Wednesday, May 11, one member of the District of Columbia School Board proposed an ultimatum to require the temporary teachers—who make up about one-fourth of the teaching force—to qualify for certification or leave the system. He said he would rather have double-sized classes taught by qualified teachers than to retain incompetents. On the same day the proposal was also made to increase the compulsory school attendance age in the District from 16 years to 21 years. The reason given for that extraordinary proposal was that children who dropped out of high school at the age of 16 tend to drift into delinquency, often do not become self-supporting, and, more significantly, give birth to those who follow the same pattern of life. The situation, instead of being the "miracle of social adjustment" claimed by the Superintendent of Schools, is bad and is growing worse.

The school problem has reached the stage where the people of Virginia must soon determine whether they will permit the miserable conditions now prevailing in Washington to spill over into Virginia, whether this NAACP-sponsored plot will succeed to transfer control of the public schools system from the State to the Federal Government. I believe that the Virginians of today will make no decision which will stamp them as being unworthy descendants of their revered forebears, Washington, Jefferson, Lee, Madison, Marshall, Henry, Randolph, Monroe, Mason, and other patriots of the Old Dominion, so proudly acclaimed by the Nation at large. I believe that we of this generation will no more accept oppression or dictatorship than they did.

In carrying on the battle to preserve the principle of States rights we are not fighting for any mere slogan. Local self-government is the guarantee of individual liberty, which is the highest aim of all government.

This principle which has come down to us through the ages rings as loudly in our ears as it ever did in theirs, that "resistance to tyranny is obedience to God."

Plato said many years ago that the penalty good men pay for indifference to public affairs is to be ruled by evil men. Edmund Burke said many generations later that all that is necessary for the triumph of evil is that good men do nothing.

The lessons of history are before us to read. Our fight is ahead of us, not behind us. If we do our part, with faith in Almighty God, we will win it.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MAY 27, 1959

The House met at 11 o'clock a.m.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

II Corinthians 4: 8: *We are troubled on every side, yet not distressed; we are perplexed, but not in despair.*

O Thou eternal Spirit of the living God, inspire us during this day with a vivid assurance of Thy divine guidance in our search and struggles to find the right solution to life's varied and difficult problems.

Grant that through the discipline of hard experiences and trying circumstances we may learn the needed lessons of patience and perseverance.

May we never yield to moods of defeatism and despair and allow our energies and resources to be weakened and dissipated by fears and anxieties.

Give us the unfaltering confidence that there is a moral and spiritual power in the universe which is working for righteousness and justice, however seemingly frail and feeble our own human efforts and achievements.

Hear us through the merits and mediation of our blessed Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed the following resolution:

SENATE RESOLUTION 124

Resolved, That the Senate has heard with profound sorrow and deep regret the announcement of the death of Hon. John Foster Dulles, a former Senator from the State of New York, and a former Secretary of State.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That, as a further mark of respect to the memory of the deceased, the Senate, at the conclusion of its business today, do adjourn.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 19. An act to provide a method for regulating and fixing wage rates for employees of Portsmouth, N.H., Naval Shipyard.

APPROPRIATION BILLS FOR 1960 FOR LEGISLATIVE BRANCH AND DEPARTMENT OF DEFENSE

Mr. CANNON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tomorrow night, that is May 28, to file two reports—one on the appropriation bill for the legislative branch for the fiscal year 1960 and the other on the Department of Defense appropriation for fiscal year 1960.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. GROSS. Mr. Speaker, reserving the right to object, may I ask when it is proposed to bring these bills up?

Mr. CANNON. I yield to the distinguished majority leader to answer the gentleman's inquiry.

Mr. McCORMACK. It is my understanding that the legislative appropriation bill will be programed for Monday, and the Defense Department appropriation bill for Tuesday and Wednesday.

Mr. GROSS. I ask this because we need a little time to find out what is in these bills.

Mr. McCORMACK. I want the gentleman from Iowa to know that I have no controversy with him at all or with his inquiring mind in this respect, but I am simply answering the gentleman's question to say that it is the intention to program the legislative appropriation bill for Monday and to program the Defense Department appropriation bill for Tuesday and Wednesday. Of course, if the gentleman from Iowa wants to inquire when the bills will be available and the reports and so forth, that is another question.

Mr. GROSS. Can the defense bill be taken up Wednesday so that we might have some time?

Mr. McCORMACK. It is the intention to bring the Defense Department appropriation bill up on Tuesday and Wednesday.

Mr. GROSS. That does not leave very much time, I will say to the gentleman.

Mr. CANNON. You would have 6 days on the defense bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. CANNON]?

There was no objection.

Mr. BOW reserved all points of order on both bills.

COMMITTEE ON THE JUDICIARY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may be permitted to sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CALL OF THE HOUSE

Mr. HAYS. Mr. Speaker, I make the point of order that a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 55]

Betts	Harris	Perkins
Boggs	Hiestand	Pillion
Bonner	Holland	Reece, Tenn.
Bray	Johnson, Md.	Spence
Brooks, La.	Jones, Mo.	Taylor
Casey	Kearns	Teague, Tex.
Downing	Laird	Watts
Durham	Landrum	Withrow
Fogarty	Mason	
Hall	O'Konski	

The SPEAKER. On this rollcall 400 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

GENERAL GOVERNMENT MATTERS APPROPRIATION BILL, 1960

The SPEAKER. The unfinished business is the vote on the motion of the gentleman from Iowa [Mr. GROSS] to recommit the bill H.R. 7176, the general Government matters appropriation bill for 1960.

Without objection, the Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. GROSS moves to recommit the bill to the Committee on Appropriations with the recommendation that the committee report the bill forthwith with the following amendment: On page 5, line 10, strike out the period, insert a colon and the following language: *"Provided,* That none of the funds appropriated under this Act shall be spent in violation of the provisions of section 209."

The SPEAKER. The question is on the motion to recommit.

Mr. GROSS. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 171, nays 229, not voting 33, as follows:

[Roll No. 56]

YEAS—171

Abbitt	Coad	Hoffman, Mich.
Abernethy	Collier	Hogan
Adair	Colmer	Holifield
Alexander	Cunningham	Holt
Alford	Daniels	Jennings
Alger	Davis, Ga.	Johansen
Andersen, Minn.	Dent	Johnson, Calif.
	Derwinski	Johnson, Colo.
Anderson, Mont.	Devine	Johnson, Wis.
	Dingell	Kasem
Ashley	Dooley	Kee
Ashmore	Dorn, S.C.	Kilday
Bailey	Dowdy	Kilgore
Barden	Doyle	King, Calif.
Barr	Dulski	Kitchin
Barrett	Fallon	Knox
Beckworth	Fascell	Kowalski
Bennett, Fla.	Feighan	Langen
Bennett, Mich.	Flynn	Lankford
Berry	Flynt	Lennon
Blatnik	Foley	Lesinski
Blitch	Fountain	Lipscomb
Bosch	Frazier	McDonough
Bow	Friedel	McGinley
Bray	Gathings	McMillan
Breeding	George	McSween
Brewster	Granahan	Macdonald
Brock	Grant	Machrowicz
Brooks, Tex.	Green, Oreg.	Mack, Ill.
Broomfield	Green, Pa.	Martin
Brown, Ohio	Griffiths	Matthews
Budge	Gross	Meader
Burdick	Haley	Metcalf
Burleson	Hardy	Meyer
Byrne, Pa.	Hargis	Miller,
Carter	Harrison	Clem
Cederberg	Hechler	Miller,
Chelf	Hemphill	George P.
Church	Henderson	Monagan
Clark	Hoffman, Ill.	Morris, N. Mex.
Moss	Rutherford	Thompson, Tex.
Nix	Santangelo	Thomson, Wyo.
Norrell	Saylor	Toll
O'Hara, Mich.	Scherer	Tuck
Oliver	Scott	Ullman
Pfost	Shipley	Utt
Poage	Short	Vanik
Poff	Simpson, Ill.	Wampler
Porter	Slack	Wharton
Prokop	Smith, Calif.	Whitener
Rains	Smith, Iowa	Whitten
Randall	Smith, Kans.	Wier
Reuss	Smith, Miss.	Williams
Rhodes, Ariz.	Smith, Va.	Winstead
Rhodes, Pa.	Stratton	Wolf
Rivers, Alaska	Sullivan	Wright
Rogers, Fla.	Teague, Calif.	Young
Rogers, Tex.	Teague, Tex.	
Roush	Teller	

NAYS—229

Addonizio	Ford	Multer
Albert	Forrester	Mumma
Allen	Frelinghuysen	Murphy
Andrews	Fulton	Murray
Arends	Gallagher	Natcher
Aspinall	Gary	Nelsen
Auchincloss	Gavin	Norblad
Avery	Giaimo	O'Brien, Ill.
Ayres	Gray	O'Brien, N.Y.
Baker	Griffin	O'Hara, Ill.
Baldwin	Gubser	O'Neill
Baring	Hagen	Osmers
Barry	Halleck	Ostertag
Bass, N.H.	Halpern	Passman
Bass, Tenn.	Harmon	Patman
Bates	Hays	Pelly
Baumhart	Healey	Philbin
Becker	Hebert	Pilcher
Belcher	Herlong	Pirnie
Bentley	Hess	Powell
Boland	Hoeven	Preston
Bolling	Holtzman	Price
Bolton	Horan	Pucinski
Bowles	Hosmer	Quie
Boyle	Huddleston	Quigley
Brademas	Hull	Rabaut
Brooks, La.	Ikard	Ray
Brown, Ga.	Irwin	Rees, Kans.
Brown, Mo.	Jackson	Riehlman
Broyhill	Jarman	Riley
Buckley	Jensen	Roberts
Burke, Ky.	Jonas	Robison
Burke, Mass.	Jones, Ala.	Rodino
Bush	Judd	Rogers, Colo.
Byrnes, Wis.	Karsten	Rogers, Mass.
Cahill	Karth	Rooney
Canfield	Kastenmeier	Roosevelt
Cannon	Keith	Rostenkowski
Carnahan	Kelly	St. George
Celler	Keogh	Saund
Chamberlain	Kilburn	Schenck
Chenoweth	King, Utah	Schwengel
Chiperfield	Kirwan	Selden
Coffin	Kluczynski	Shelley
Cohelan	Lafore	Sheppard
Conte	Lane	Sikes
Cook	Latta	Simpson, Pa.
Cooley	Levering	Sisk
Corbett	Libonati	Springer
Cramer	Lindsay	Steed
Curtin	Loser	Stubblefield
Curtis, Mass.	McCormack	Taber
Curtis, Mo.	McCulloch	Thomas
Daddario	McDowell	Thompson, La.
Dague	McFall	Thompson, N.J.
Davis, Tenn.	McGovern	Thornberry
Dawson	McIntire	Tollefson
Delaney	Mack, Wash.	Trimble
Denton	Madden	Udall
Derounian	Magnuson	Van Pelt
Diggs	Mahon	Van Zandt
Dixon	Mailliard	Vinson
Dollinger	Marshall	Wainwright
Donohue	May	Wallhauser
Dorn, N.Y.	Merrow	Walter
Downing	Michel	Weaver
Dwyer	Miller, N.Y.	Weis
Edmondson	Milliken	Westland
Elliott	Mills	Widnall
Everett	Minshall	Willis
Evins	Mitchell	Wilson
Farbstein	Montoya	Yates
Fenton	Moore	Younger
Fino	Moorhead	Zablocki
Fisher	Morris, Okla.	Zelenko
Flood	Morrison	
Forand	Moulder	

NOT VOTING—33

Anfuso	Durham	Hiestand
Betts	Fogarty	Holland
Boggs	Garmatz	Johnson, Md.
Bonner	Glenn	Jones, Mo.
Boykin	Hall	Kearns
Casey	Harris	Laird
Landrum	Perkins	Spence
Mason	Pillion	Staggers
Moeller	Reece, Tenn.	Taylor
Morgan	Rivers, S.C.	Watts
O'Konski	Siler	Withrow

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Hiestand for, with Mr. Morgan against.
Mr. Garmatz for, with Mr. Anfuso against.
Mr. Hall for, with Mr. Boggs against.
Mr. Mason for, with Mr. Fogarty against.
Mr. Moeller for, with Mr. Betts against.
Mr. Johnson of Maryland for, with Mr. Kearns against.
Mr. Staggers for, with Mr. Reece of Tennessee against.

Until further notice:

Mr. Holland with Mr. Glenn.
Mr. Rivers of South Carolina with Mr. Withrow.
Mr. Boykin with Mr. Siler.
Mr. Landrum with Mr. Laird.
Mr. Watts with Mr. Pillion.
Mr. Bonner with Mr. O'Konski.
Mr. Harris with Mr. Taylor.

Mr. SIMPSON of Pennsylvania, Mr. ADDONIZIO, Mr. MOULDER, Mr. CELLER, and Mr. BARRY changed their vote from "yea" to "nay."

The SPEAKER. The question is on passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

DEPARTMENTS OF STATE AND JUSTICE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, FISCAL YEAR 1960

The SPEAKER. The unfinished business is further consideration of the bill H.R. 7343, which the Clerk will report by title.

The Clerk read the title of the bill.

The SPEAKER. The question is on the amendment adopted by the Committee of the Whole House on the State of the Union, on which a separate vote is demanded.

Without objection, the Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. GRAY: On page 19, line 20, immediately preceding "For" insert the following: "For construction of a maximum security institution on a site to be selected by the Attorney General, $2,000,000."

Mr. BOW. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 266, nays 133, not voting 34, as follows:

[Roll No. 57]

YEAS—266

Abbitt	Baring	Brademas
Abernethy	Barr	Breeding
Addonizio	Barrett	Brewster
Albert	Barry	Brock
Alford	Bass, Tenn.	Brooks, La.
Allen	Beckworth	Brooks, Tex.
Anderson, Mont.	Bennett, Fla.	Brown, Ga.
	Bennett, Mich.	Broyhill
Ashley	Blatnik	Buckley
Ashmore	Blitch	Burdick
Ayres	Boland	Burke, Ky.
Bailey	Bolling	Burke, Mass.
Baker	Bowles	Burleson
Baldwin	Boyle	Byrne, Pa.

Carnahan	Herlong	Patman
Carter	Hoffman, Ill.	Pfost
Celler	Hogan	Philbin
Chamberlain	Holifield	Pilcher
Chelf	Holtzman	Pirnie
Chiperfield	Huddleston	Poage
Church	Hull	Powell
Clark	Ikard	Preston
Coad	Irwin	Price
Coffin	Jarman	Prokop
Cohelan	Jennings	Pucinski
Collier	Johnson, Calif.	Rabaut
Colmer	Johnson, Colo.	Rains
Cook	Johnson, Wis.	Randall
Cooley	Jones, Ala.	Reuss
Daddario	Karsten	Rhodes, Pa.
Daniels	Kasem	Riley
Davis, Ga.	Kastenmeier	Rivers, Alaska
Davis, Tenn.	Kee	Roberts
Dawson	Kelly	Rodino
Delaney	Kilday	Rogers, Colo.
Dent	Kilgore	Rogers, Fla.
Denton	King, Calif.	Rogers, Tex.
Derwinski	Kitchin	Roosevelt
Diggs	Kluczynski	Rostenkowski
Dingell	Kowalski	Roush
Dollinger	Lane	Rutherford
Donohue	Lankford	Santangelo
Dooley	Lennon	Saund
Dorn, N.Y.	Lesinski	Scott
Dorn, S.C.	Levering	Selden
Doyle	Libonati	Shelley
Dulski	Lindsay	Sheppard
Edmondson	Loser	Shipley
Elliott	McCormack	Sikes
Everett	McDowell	Simpson, Ill.
Evins	McFall	Sisk
Fallon	McGinley	Slack
Farbstein	McGovern	Smith, Iowa
Fascell	McMillan	Smith, Miss.
Feighan	McSween	Smith, Va.
Fisher	Macdonald	Springer
Flynn	Machrowicz	Staggers
Flynt	Mack, Ill.	Steed
Foley	Madden	Stratton
Forand	Matthews	Stubblefield
Forrester	Merrow	Teague, Tex.
Fountain	Metcalf	Teller
Frazier	Meyer	Thomas
Frelinghuysen	Michel	Thompson, La.
Friedel	Miller, Clem	Thompson, N.J.
Gallagher	Miller, George P.	Thompson, Tex.
Gathings	Miller, N.Y.	Thornberry
Gavin	Mills	Toll
George	Mitchell	Trimble
Giaimo	Monagan	Tuck
Granahan	Montoya	Udall
Grant	Moorhead	Ullman
Gray	Morris, N. Mex.	Vanik
Green, Oreg.	Morris, Okla.	Vinson
Green, Pa.	Morrison	Walter
Griffin	Moss	Wampler
Griffiths	Moulder	Weis
Hagen	Multer	Whitener
Haley	Murphy	Wier
Halpern	Nix	Williams
Hardy	Norrell	Willis
Hargis	O'Brien, Ill.	Winstead
Harmon	O'Brien, N.Y.	Wolf
Harris	O'Hara, Ill.	Wright
Harrison	O'Hara, Mich.	Yates
Hays	O'Neill	Young
Healey	Oliver	Zablocki
Hébert	Osmers	Zelenko
Hechler	Passman	
Hemphill		

NAYS—133

Adair	Canfield	Hoeven
Alexander	Cannon	Hoffman, Mich.
Alger	Cederberg	Holt
Andersen, Minn.	Chenoweth	Horan
Andrews	Conte	Hosmer
Arends	Corbett	Jackson
Auchincloss	Cramer	Jensen
Avery	Cunningham	Johansen
Barden	Curtin	Jonas
Bass, N.H.	Curtis, Mass.	Judd
Bates	Curtis, Mo.	Karth
Baumhart	Dague	Keith
Becker	Derounian	Keogh
Belcher	Devine	Kilburn
Bentley	Dixon	King, Utah
Berry	Dowdy	Kirwan
Bolton	Dwyer	Knox
Bosch	Fenton	Lafore
Bow	Fino	Langen
Bray	Flood	Latta
Broomfield	Ford	Lipscomb
Brown, Mo.	Fulton	McCulloch
Brown, Ohio	Gary	McDonough
Budge	Gross	McIntire
Bush	Gubser	Mack, Wash.
Byrnes, Wis.	Halleck	Magnuson
Cahill	Henderson	Mahon
	Hess	Mailliard
Marshall	Quigley	Taber
Martin	Ray	Teague, Calif.
May	Rees, Kans.	Thomson, Wyo.
Meader	Rhodes, Ariz.	Tollefson
Milliken	Riehlman	Utt
Minshall	Robison	Van Pelt
Moore	Rooney	Van Zandt
Mumma	St. George	Wainwright
Murray	Saylor	Wallhauser
Natcher	Schenck	Weaver
Nelsen	Scherer	Westland
Norblad	Schwengel	Wharton
Ostertag	Short	Whitten
Pelly	Simpson, Pa.	Widnall
Poff	Smith, Calif.	Wilson
Porter	Smith, Kans.	Younger
Quie	Sullivan	

NOT VOTING—34

Anfuso	Hall	Perkins
Aspinall	Hiestand	Pillion
Betts	Holland	Reece, Tenn.
Boggs	Johnson, Md.	Rivers, S.C.
Bonner	Jones, Mo.	Rogers, Mass.
Boykin	Kearns	Siler
Casey	Laird	Spence
Downing	Landrum	Taylor
Durham	Mason	Watts
Fogarty	Moeller	Withrow
Garmatz	Morgan	
Glenn	O'Konski	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Garmatz for, with Mr. Anfuso against.
Mr. Boggs for, with Mr. Moeller against.
Mr. Holland for, with Mr. Fogarty against.
Mr. Betts for, with Mr. Reece of Tennessee against.
Mr. Johnson of Maryland for, with Mr. Hiestand against.

Until further notice:

Mr. Morgan with Mr. Mason.
Mr. Hall with Mr. Glenn.
Mr. Landrum with Mr. Kearns.
Mr. Rivers of South Carolina with Mrs. Rogers of Massachusetts.
Mr. Boykin with Mr. Taylor.
Mr. Bonner with Mr. Withrow.
Mr. Aspinall with Mr. Laird.
Mr. Watts with Mr. Siler.
Mr. Durham with Mr. O'Konski.
Mr. Perkins with Mr. Pillion.

Mr. BAUMHART changed his vote from "yea" to "nay."

Mr. PIRNIE changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. WILLIAMS. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. WILLIAMS. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. WILLIAMS moves to recommit the bill to the Committee on Appropriations with instructions to report the same back to the House forthwith with the following amendment: On page 34, strike out all of line 11 down through and including line 14.

The SPEAKER. The question is on the motion to recommit.

Mr. WILLIAMS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

So the motion to recommit was rejected.

Mr. GROSS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, in the event that the House refuses to go on record on a rollcall vote on this appropriation bill for the State, Justice, and other departments and agencies of Government, I want the record to clearly show that I am opposed to it.

While the Appropriations Committee has made commendable cuts in certain items, there is still far too much money proposed to be spent unnecessarily, especially in the light of a $288 billion Federal debt and the serious situation with which the U.S. Treasury is confronted in funding obligations already existing.

I am irrevocably opposed to contributions of $48 million to international organizations, plus $3.8 million for missions and conferences in connection with these international organizations.

I am opposed to the spending of nearly a million dollars, as proposed in this one bill, for liquor and entertainment. This is an unconscionable raid on the taxpayers.

There are a number of other items in this bill which, with those mentioned, should have been drastically reduced or eliminated altogether. I cannot support this kind of legislation.

The SPEAKER. The question is on the passage of the bill.

Mr. GROSS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

So the bill was passed.

A motion to reconsider was laid on the table.

ANNOUNCEMENT

Mr. McCORMACK. Mr. Speaker, I desire to make a brief announcement.

At 1:15 this afternoon there will be three buses in front of the steps of the Capitol on the House side to take Members who desire to attend the funeral services of the late John Foster Dulles at the Washington Cathedral, and from there to return to the House.

EXTENSION OF RENEGOTIATION ACT OF 1951

The SPEAKER. The further unfinished business is the motion to recommit by the gentleman from Pennsylvania [Mr. SIMPSON] on the bill (H.R. 7086) to extend the Renegotiation Act of 1951, and for other purposes.

Without objection, the Clerk will again report the motion to recommit.

There was no objection.

The Clerk read as follows:

Mr. SIMPSON of Pennsylvania moves to recommit the bill H.R. 7086 to the Committee on Ways and Means with instructions to report the same back to the House forthwith with the following amendment: On page 1, line 7, strike out "June 30, 1963" and insert "September 30, 1961."

The SPEAKER. The question is on the motion to recommit.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 153, nays 246, not voting 34, as follows:

[Roll No. 58]

YEAS—153

Adair	Dixon	Minshall
Alexander	Donohue	Moore
Alger	Dooley	Moss
Allen	Dorn, N.Y.	Mumma
Andersen, Minn.	Dwyer	Nelsen
Arends	Fenton	Norblad
Ashmore	Fino	O'Brien, N.Y.
Auchincloss	Ford	Osmers
Avery	Frelinghuysen	Ostertag
Ayres	Fulton	Pelly
Baker	Gavin	Philbin
Baldwin	Griffin	Pirnie
Barden	Gross	Poage
Barry	Gubser	Poff
Bass, N.H.	Halleck	Quie
Bates	Halpern	Ray
Baumhart	Henderson	Rees, Kans.
Becker	Hess	Rhodes, Ariz.
Belcher	Hoeven	Riehlman
Bennett, Mich.	Hoffman, Ill.	Robison
Bentley	Hoffman, Mich.	Rogers, Mass.
Berry	Holt	Roosevelt
Bolton	Horan	St. George
Bosch	Hosmer	Saylor
Bow	Jackson	Schenck
Breeding	Jensen	Scherer
Broomfield	Johansen	Schwengel
Brown, Ohio	Jonas	Short
Broyhill	Judd	Simpson, Ill.
Budge	Kasem	Simpson, Pa.
Burke, Mass.	Kastenmeier	Smith, Calif.
Bush	Keith	Springer
Byrnes, Wis.	Kilburn	Taber
Cahill	King, Calif.	Teague, Calif.
Canfield	Knox	Thomson, Wyo.
Cederberg	Lafore	Tollefson
Chamberlain	Langen	Utt
Chenoweth	Latta	Van Pelt
Chiperfield	Lindsay	Van Zandt
Church	Lipscomb	Wallhauser
Coad	McCulloch	Weaver
Conte	McDonough	Weis
Corbett	McIntire	Westland
Cramer	Mack, Wash.	Wharton
Curtin	Mailliard	Whitten
Curtis, Mass.	Martin	Widnall
Curtis, Mo.	May	Wilson
Dague	Meader	Winstead
Derounian	Merrow	Wolf
Derwinski	Michel	Younger
Devine	Miller, N.Y.	
	Milliken	

NAYS—246

Abbitt	Clark	Frazier
Abernethy	Coffin	Friedel
Addonizio	Cohelan	Gallagher
Albert	Collier	Gary
Alford	Colmer	Gathings
Anderson, Mont.	Cook	George
Andrews	Cooley	Giaimo
Ashley	Cunningham	Granahan
Aspinall	Daddario	Grant
Baring	Daniels	Gray
Barr	Davis, Ga.	Green, Oreg.
Barrett	Davis, Tenn.	Green, Pa.
Bass, Tenn.	Dawson	Griffiths
Beckworth	Delaney	Hagen
Bennett, Fla.	Dent	Haley
Blatnik	Denton	Hardy
Blitch	Diggs	Hargis
Boland	Dingell	Harmon
Bolling	Dollinger	Harris
Bowles	Dorn, S.C.	Harrison
Boyle	Dowdy	Hays
Brademas	Doyle	Healey
Bray	Dulski	Hébert
Brewster	Edmondson	Hechler
Brock	Elliott	Hemphill
Brooks, La.	Everett	Herlong
Brooks, Tex.	Evins	Hogen
Brown, Ga.	Fallon	Holifield
Brown, Mo.	Farbstein	Holtzman
Burdick	Fascell	Huddleston
Burke, Ky.	Feighan	Hull
Burleson	Fisher	Ikard
Byrne, Pa.	Flood	Irwin
Cannon	Flynn	Jarman
Carnahan	Flynt	Jennings
Carter	Foley	Johnson, Calif.
Celler	Forand	Johnson, Colo.
Chelf	Forrester	Johnson, Wis.
	Fountain	Jones, Ala.
Karsten	Morris, N. Mex.	Saund
Karth	Morris, Okla.	Scott
Kee	Morrison	Selden
Kelly	Moulder	Shelley
Keogh	Multer	Sheppard
Kilday	Murphy	Shipley
Kilgore	Murray	Sikes
King, Utah	Natcher	Sisk
Kirwan	Nix	Slack
Kitchin	Norrell	Smith, Iowa
Kluczynski	O'Brien, Ill.	Smith, Miss.
Kowalski	O'Hara, Ill.	Smith, Va.
Lane	O'Hara, Mich.	Staggers
Lankford	O'Neill	Steed
Lennon	Oliver	Stratton
Lesinski	Passman	Stubblefield
Levering	Patman	Sullivan
Libonati	Pfost	Teague, Tex.
Loser	Pilcher	Teller
McCormack	Porter	Thomas
McDowell	Powell	Thompson, La.
McFall	Preston	Thompson, N.J.
McGinley	Price	Thompson, Tex.
McGovern	Prokop	Thornberry
McMillan	Pucinski	Toll
McSween	Quigley	Trimble
Macdonald	Rabaut	Tuck
Machrowicz	Rains	Udall
Mack, Ill.	Randall	Ullman
Madden	Reuss	Vanik
Magnuson	Rhodes, Pa.	Vinson
Mahon	Riley	Wainwright
Marshall	Rivers, Alaska	Walter
Matthews	Rivers, S.C.	Wampler
Metcalf	Roberts	Whitener
Meyer	Rodino	Wier
Miller, Clem	Rogers, Colo.	Williams
Miller, George P.	Rogers, Fla.	Willis
Mills	Rogers, Tex.	Wright
Mitchell	Rooney	Yates
Monagan	Rostenkowski	Young
Montoya	Roush	Zablocki
Moorhead	Rutherford	Zelenko
	Santangelo	

NOT VOTING—34

Anfuso	Glenn	O'Konski
Bailey	Hall	Perkins
Betts	Hiestand	Pillion
Boggs	Holland	Reece, Tenn.
Bonner	Johnson, Md.	Siler
Boykin	Jones, Mo.	Smith, Kans.
Buckley	Kearns	Spence
Casey	Laird	Taylor
Downing	Landrum	Watts
Durham	Mason	Withrow
Fogarty	Moeller	
Garmatz	Morgan	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Reece of Tennessee for, with Mr. Morgan against.

Mr. Hiestand for, with Mr. Buckley against.

Mr. Mason for, with Mr. Anfuso against.

Mr. Betts for, with Mr. Garmatz against.

Mr. Laird for, with Mr. Fogarty against.

Mr. Kearns for, with Mr. Boggs against.

Mr. Taylor for, with Mr. Watts against.

Mr. Siler for, with Mr. Johnson of Maryland against.

Mr. Pillion for, with Mr. Moeller against.

Mr. Glenn for, with Mr. Hall against.

Mr. Smith of Kansas for, with Mr. Holland against.

Until further notice:

Mr. Bailey with Mr. O'Konski.

Mr. Bonner with Mr. Withrow.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. MILLS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

[Roll No. 59]

The question was taken; and there were—yeas 382, nays 7, not voting 44, as follows:

YEAS—382

Abbitt	Adair	Albert
Abernethy	Addonizio	Alexander
Alford	Dowdy	Lindsay
Allen	Doyle	Lipscomb
Andersen, Minn.	Dulski	Loser
Anderson, Mont.	Dwyer	McCormack
Andrews	Edmondson	McCulloch
Arends	Elliott	McDonough
Ashley	Everett	McDowell
Ashmore	Evins	McFall
Aspinall	Fallon	McGinley
Auchincloss	Farbstein	McGovern
Avery	Fascell	McIntire
Ayres	Feighan	McMillan
Bailey	Fenton	McSween
Baker	Fino	Macdonald
Baldwin	Fisher	Machrowicz
Barden	Flood	Mack, Ill.
Baring	Flynn	Mack, Wash.
Barr	Flynt	Madden
Barrett	Foley	Magnuson
Barry	Forand	Mahon
Bass, N.H.	Ford	Mailliard
Bass, Tenn.	Forrester	Marshall
Bates	Fountain	Martin
Baumhart	Frazier	Matthews
Becker	Frelinghuysen	May
Beckworth	Friedel	Meader
Belcher	Fulton	Metcalf
Bennett, Fla.	Gallagher	Meyer
Bentley	Gary	Miller, Clem
Berry	Gathings	Miller, George P.
Blatnik	Gavin	Miller, N.Y.
Blitch	George	Milliken
Boland	Giaimo	Mills
Bolling	Granahan	Mitchell
Bolton	Grant	Monagan
Bosch	Green, Oreg.	Montoya
Bow	Green, Pa.	Moore
Bowles	Griffin	Moorhead
Boyle	Griffiths	Morris, N. Mex.
Brademas	Gross	Morris, Okla.
Bray	Gubser	Morrison
Breeding	Hagen	Moss
Brewster	Haley	Moulder
Brock	Halleck	Multer
Brooks, La.	Halpern	Mumma
Brooks, Tex.	Hardy	Murphy
Broomfield	Hargis	Murray
Brown, Ga.	Harmon	Natcher
Brown, Mo.	Harris	Nelsen
Brown, Ohio	Harrison	Nix
Broyhill	Hays	Norblad
Budge	Healey	Norrell
Burdick	Hébert	O'Brien, Ill.
Burke, Ky.	Hechler	O'Brien, N.Y.
Burke, Mass.	Hemphill	O'Hara, Ill.
Burleson	Henderson	O'Hara, Mich.
Bush	Herlong	O'Neill
Byrne, Pa.	Hess	Oliver
Byrnes, Wis.	Hoeven	Osmers
Cahill	Hogan	Ostertag
Cannon	Holifield	Passman
Carter	Holt	Patman
Cederberg	Holtzman	Pelly
Celler	Horan	Pfost
Chamberlain	Hosmer	Philbin
Chelf	Huddleston	Pilcher
Chenoweth	Hull	Pirnie
Chiperfield	Ikard	Poage
Church	Irwin	Poff
Clark	Jarman	Porter
Coad	Jennings	Powell
Coffin	Jensen	Preston
Cohelan	Johansen	Price
Collier	Johnson, Calif.	Prokop
Colmer	Johnson, Colo.	Pucinski
Conte	Johnson, Wis.	Quie
Cook	Jonas	Quigley
Cooley	Jones, Ala.	Rabaut
Corbett	Judd	Rains
Cramer	Karsten	Randall
Cunningham	Karth	Ray
Curtin	Kastenmeier	Rees, Kans.
Curtis, Mass.	Kee	Reuss
Daddario	Keith	Rhodes, Ariz.
Dague	Kelly	Rhodes, Pa.
Daniels	Keogh	Riehlman
Davis, Ga.	Kilburn	Riley
Davis, Tenn.	Kilday	Rivers, Alaska
Dawson	Kilgore	Rivers, S.C.
Delaney	King, Calif.	Roberts
Dent	King, Utah	Robison
Denton	Kirwan	Rodino
Derounian	Kitchin	Rogers, Colo.
Derwinski	Kluczynski	Rogers, Fla.
Devine	Knox	Rogers, Mass.
Diggs	Kowalski	Rogers, Tex.
Dingell	Lafore	Rooney
Dixon	Lane	Roosevelt
Dollinger	Langen	Rostenkowski
Donohue	Lankford	Roush
Dooley	Latta	Rutherford
Dorn, N.Y.	Lennon	St. George
Dorn, S.C.	Lesinski	Santangelo
	Levering	Saund
	Libonati	Saylor

Schenck	Taber	Walter
Scherer	Teague, Calif.	Wampler
Schwengel	Teller	Weaver
Scott	Thomas	Weis
Selden	Thompson, La.	Wharton
Shelley	Thompson, N.J.	Whitener
Shipley	Thompson, Tex.	Whitten
Short	Thomson, Wyo.	Wier
Sikes	Thornberry	Williams
Simpson, Ill.	Toll	Willis
Sisk	Tollefson	Wilson
Slack	Trimble	Winstead
Smith, Iowa	Tuck	Wolf
Smith, Miss.	Udall	Wright
Smith, Va.	Ullman	Yates
Springer	Vanik	Young
Staggers	Van Pelt	Younger
Steed	Van Zandt	Zablocki
Stratton	Vinson	Zelenko
Stubblefield	Wainwright	
Sullivan	Wallhauser	

NAYS—7

Alger	Simpson, Pa.	Utt
Curtis, Mo.	Smith, Calif.	Westland
Kasem		

NOT VOTING—44

Anfuso	Hall	Morgan
Betts	Hiestand	O'Konski
Boggs	Hoffman, Mich.	Perkins
Bonner	Holland	Pillion
Boykin	Jackson	Reece, Tenn.
Buckley	Johnson, Md.	Sheppard
Canfield	Jones, Mo.	Siler
Carnahan	Kearns	Smith, Kans
Casey	Laird	Spence
Downing	Landrum	Taylor
Durham	Mason	Teague, Tex.
Fogarty	Merrow	Watts
Garmatz	Michel	Widnall
Glenn	Minshall	Withrow
Gray	Moeller	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Morgan with Mr. Betts.
Mr. Buckley with Mr. Withrow.
Mr. Anfuso with Mr. Siler.
Mr. Boggs with Mr. Pillion.
Mr. Fogarty with Mr. Canfield.
Mr. Hall with Mr. Widnall.
Mr. Moeller with Mr. Reece of Tennessee.
Mr. Watts with Mr. Smith of Kansas.
Mr. Sheppard with Mr. Glenn
Mr. Teague of Texas with Mr. Michel.
Mr. Landrum with Mr. Mason.
Mr. Carnahan with Mr. Taylor.
Mr. Casey with Mr. Kearns.
Mr. Downing with Mr. Hoffman.
Mr. Durham with Mr. Merrow.
Mr. Gray with Mr. O'Konski.
Mr. Perkins with Mr. Minshall.
Mr. Jones of Missouri with Mr. Jackson.
Mr. Bonner with Mr. Laird.
Mr. Boykin with Mr. Hiestand.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

RECESS

The SPEAKER. The House will stand in recess until 3:30 p.m. today.

Thereupon (at 1 o'clock and 8 minutes p.m.) the House stood in recess until 3:30 p.m.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore [Mr. McCORMACK] at 3 o'clock and 30 minutes p.m.

AMENDING REORGANIZATION ACT OF 1949

The SPEAKER pro tempore. The Chair recognizes the gentleman from Arkansas [Mr. TRIMBLE].

Mr. TRIMBLE. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 276) providing for the consideration of H.R. 5140, a bill to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time in conformity with the provisions of the act, and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5140) to further amend the Reorganization Act of 1949, as amended, so that such Act will apply to reorganization plans transmitted to the Congress at any time in conformity with the provisions of the Act. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Government Operations, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CALL OF THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently no quorum is present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 60]

Anfuso	Evins	Moeller
Ashley	Fogarty	Morgan
Barden	Frelinghuysen	O'Konski
Barry	Garmatz	Perkins
Bass, Tenn.	Glenn	Pillion
Belcher	Gray	Poage
Betts	Gubser	Powell
Boggs	Hall	Reece, Tenn.
Bonner	Hiestand	Roberts
Bowles	Holland	Robison
Boykin	Johnson, Md.	Schwengel
Burke, Ky.	Jones, Mo.	Siler
Burleson	Kearns	Smith, Kans.
Cahill	King, Calif.	Smith, Miss.
Casey	Kluczynski	Spence
Celler	Laird	Taylor
Coad	Landrum	Thomas
Davis, Tenn.	Lindsay	Watts
Dent	Magnuson	Willis
Dooley	Mason	Withrow
Downing	May	Zelenko
Doyle	Metcalf	

The SPEAKER pro tempore. On this rollcall 367 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AMENDING REORGANIZATION ACT OF 1949

Mr. TRIMBLE. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN]; and pending that, I yield 2 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Speaker, immediately following a vote this morning in which $2 million was appropriated—which should not have been appropriated—a Member of the House, who had been prominent in the spirited campaign waged to spend the money, came to me and said he made the fight for the amendment because I had told him I was for the amendment and had not kept my word and supported it.

When the State delegation called on me, I said affectionately to the leader of the delegation when he came in, "Of course, you know I cannot deny you anything." But when the appropriation was discussed I made no commitment.

Of course I cannot make promises on such occasions except to say that requests will receive every consideration.

That I made no commitment of any kind is conclusively proven by the statement of another member of the delegation who was present with him and who later testified before the committee as follows:

> We have seen Chairman CANNON * * * and of course he treated us very nicely. * * * I still do not know whether he is for it or against it.

You will find his entire testimony on page 420 of the hearings on the bill held Friday, April 17, 1959.

I do not want anybody to think I have promised to do a thing and then have not done it.

Mr. TRIMBLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 276 makes in order the consideration of H.R. 5140, which would further amend the Reorganization Act of 1949, as amended. The resolution provides for an open rule with 1 hour's debate.

H.R. 5140 seeks to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time in conformity with the provisions of the act. It extends the time to June 1, 1961, during which reorganization plans transmitted by the President to the Congress, may take effect. Under existing legislation the time period expires on June 1, 1959.

The Committee on Government Operations which reported out this measure believes that valid reasons exist for currently extending the period of the President's authority in this respect. Although very few reorganization plans under the act have been proposed by the President in recent years, the act has, when utilized, proved to be a useful tool in effecting reorganizations in the executive departments and agencies. At the same time the committee notes that the Reorganization Act of 1949 and earlier similar legislation provided an unusual legislative procedure. Reorganization proposals made by the President must be specifically disapproved by either House of Congress within a given time period—60 days—or they automatically go into effect. Another provision peculiar to this act is that Congress is given no opportunity to amend

such proposals during their consideration. Subsequent amending legislation can be effectively thwarted by a Presidential veto requiring a two-thirds vote to override.

It is because the act has such features that the committee believes each Congress should have a new opportunity to consider the desirability of this type of legislation. This opportunity is afforded by the 2-year extensions which have been enacted by Congress in recent amendments to the law. The committee believes that a permanent extension, as proposed by the Director of the Bureau of the Budget, would be unwise, and the committee, therefore, recommends that the bill be amended to provide only a 2-year extension.

I urge the adoption of this resolution.

I reserve the balance of my time.

Mr. BROWN of Ohio. Mr. Speaker, as the gentleman from Arkansas [Mr. TRIMBLE] has explained, House Resolution 276 makes in order the consideration of the bill H.R. 5140, which would extend for 2 years, from June 1, 1959, to June 1, 1961, the provisions of the 1949 Reorganization Act.

This resolution was reported unanimously by the Committee on Rules. I know of no objection to the rule. I have no requests for time. Therefore, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. FASCELL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5140) to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time in conformity with the provisions of the act.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Florida.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of H.R. 5140, with Mr. JARMAN in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. FASCELL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the matter before us for consideration today is the bill, H.R. 5140, a simple and short piece of legislation which further amends the reorganization act of 1949 to extend the life and operation of the act until June 1, 1961. You are, of course, thoroughly familiar with the purposes of the reorganization act. It authorizes a procedure for improving the structure and management of the executive branch. Under that procedure, the President submits a reorganization proposal in which he outlines and delineates whatever he determines is necessary for reorganization in the executive branch. He submits that to the Congress and the plan under the law takes effect in 60 days unless, during that period of time, a resolution of disapproval is acted upon by the Congress. Under the present provisions of the law, this authority of the President would expire on June 1, 1959. Under the proposal, which is before the Committee today, the limitation and the authority would be extended under the act until June 1, 1961.

As the proposal was originally submitted by the administration to the Congress, there would have been no time limitation in the act, that is, the authority of the President to submit a reorganization plan pursuant to the provisions of the act would have been extended for an indefinite period of time. When the matter was considered by the full committee and all the various facets and factors of the proposition were discussed, it was determined that the limitation of 2 years should be placed in the law, as was done in similar legislation in the other body. The action in the full committee was not unanimous. The committee report contains three additional separate views. This legislation has been objected to by many since it was first originated, on various grounds. The question of need arises for the extension of the act. There are some who object to the present extension of the act and, in fact, objected in the first instance on the ground that there is really no need for this type of legislation. They maintain that specific legislation can be introduced in the Congress and acted upon affirmatively by the Congress, and in that fashion, therefore, and pursuant to such procedure, there is really no need for the original act and actually no necessity for its extension at this time. However, from a practical standpoint, we have found that it is very, very difficult to get complicated reorganization plans of the executive branch acted upon in the Congress by the consideration of specific, affirmative legislation. Therefore, this reorganization procedure was adopted and has been in effect for many, many years. We come to the simple proposition then as to whether or not the same procedure ought to be extended for an additional 2 years. Under the original act, we find that in 1949 there were eight reorganization plans submitted.

In 1950 there were 27 reorganization plans submitted; 1951, 1; 1952, 5; 1953, 10; 1954, 2; 1956, 2; 1957, 1; 1958, 1; 1959, 1 plan now pending.

Mr. Chairman, I think this speaks for itself on the question of need. Obviously under the act since it requires an examination and a reexamination by the Chief Executive of this country on questions of reorganization, I think the question of need is simple; that is, since it requires continuous examination and since, obviously, this is a process which must go on all the time and since you reach no definitive line today or yesterday or tomorrow, the question of extending it for an additional 2 years is purely and simply based upon the request by the administration that in its judgment it deems such an extension is wise and is warranted at this time. And the majority of the committee which considered the matter agrees.

There are those who would object to this proposition on the ground that it raises very serious constitutional questions. I have no desire to get into a discussion of constitutional law. Suffice it to say that these issues have been discussed and discussed many times, dating right back to the very time the original act was proposed and every time extensions have been before this body. I would simply say that the question of constitutionality comes up every time the Congress considers this issue. If anyone is seriously concerned about the constitutional question—if the Chief Executive, for example, should question it in 1961—in a new session of the Congress, a new proposal can then be submitted the new Congress to come in with an extension at that time. If the President submits a plan and the Congress does not like it, the Congress can block it by a simple disapproval resolution and the constitutional question can be raised at that time. If the new Congress deems it to be unconstitutional then because the extension was granted by a previous Congress, it can by a simple majority enact a disapproval resolution.

Mr. WIER. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield.

Mr. WIER. I am sure the gentleman was not in the House in the 81st and 82d Congresses.

Mr. FASCELL. The gentleman is correct; I was not.

Mr. WIER. So I will not press the gentleman too hard on his personal knowledge of what might have happened in the 81st or 82d Congresses.

Mr. FASCELL. I thank the gentleman.

Mr. WIER. But during the 81st and 82d Congresses we were advised that millions and even billions of dollars could be saved under the reorganization plans to be developed and presented to the Congress. I think in the 81st, 82d, and 83d Congresses we passed some 20 reorganization plans. I submit this because it came from very, very good sources, but I do not think they proved their point.

My question, Mr. Chairman, is: Are there any definite figures to show what was saved under all of these reorganization plans? Certainly the picture is no better today in any of the agencies affected, from the Department of Defense down. So I am just hesitant to believe all of this talk about the millions and billions of dollars to be saved under reorganization plans.

Mr. FASCELL. I thank the gentleman for his observation.

Now, to continue with the legislation which is before the committee, I would say that since this is a simple question of a 2-year extension of the act, an act which has been in existence since 1949, and similar acts even prior to that time. I believe it has been shown to be a useful management tool on the part of the administration. It has been specifically requested by this administration, which called for an extension which was for an indefinite period of time. The com-

mittee recommends that only a 2-year extension was justified so as to let it be reviewed by a new Congress or a new President. We should extend it, and I submit, therefore, that the present legislation should be approved by this committee.

Mr. BROWN of Ohio. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Chairman, this is as needless a piece of legislation as has come to the House in a long, long time. Everyone knows that under the Constitution the legislative power is given to the Congress.

What does this bill do? Extend for 2 years the attempt to delegate legislative power to a President.

Those who approve it have constantly on every occasion lessened the veto requirements. Under this the President proposes legislation and the House and the Senate have a chance to veto, one or the other—the constitutional process has been reversed. Instead of legislation originating here and giving the President the veto, the procedure has been reversed. Why? There is no valid reason. The President can send down a bill instead of a plan and after committee hearing we would consider it just the same. But we have to monkey with the Constitution every time we get a chance.

There has been complaint about the Supreme Court interfering with the right of the Congress to legislate. What are we doing here? We are extending for 2 years the right of the President to interfere with the legislative authority of the Congress.

I do not know why we should voluntarily shirk our responsibility to pass legislation and send it down to the President, simply reserving for ourselves the power of veto.

I want no part of unconstitutional power and never have had. I have written a minority report, or adverse views, every time the issue has been up. I notice some of those who are warmly supporting it here now were openly against it. I happen to know a half dozen Members who have no faith in it and do not think it is constitutional. But they do not say anything against it and will probably vote for it.

My convictions have been voiced more than once. Read them, then tell me my error if I am in error.

ADDITIONAL VIEWS OF HON. CLARE E. HOFFMAN

H.R. 5140, as reported, is just another effort of the Congress to, for an additional 2 years, share with the President its constitutional responsibility and authority to write legislation.

The first 15 words of the Constitution expressly provided that "all legislative powers herein granted shall be vested in a Congress of the United States." [1]

It would be difficult for either the Supreme Court of the United States or the Congress to misinterpret that language or give it other than its obvious meaning.

To make certain its intent, the framers of the Constitution by subsequent provisions, after giving the President opportunity to express his disapproval of a legislative proposal, made clear its intent that "all legislative powers" were vested in the Congress; declared that, notwithstanding the express disapproval of a President by a veto, the will of the Congress became law if two-thirds of each House so indicated.[2]

As a form of government, the Constitution has demonstrated its soundness.

However, individuals, sincere in their convictions that they could improve upon what they consider as an outmoded document, in 1949 prevailed upon the Congress to adopt the Reorganization Act of 1949.

That they did not have full faith in their wisdom is shown by the fact that the authority so given by the act to the President was limited to the period ending April 1, 1953.[3]

Subsequent Congresses have, on three occasions, when the act has been extended, refused to make it permanent; have indicated their lack of confidence by always fixing a date beyond which it should not be effective.[4]

The act reverses the constitutional legislative process, under which the Congress, subject to a conditional veto, enacts legislation. Under the Reorganization Act, the President, subject to a veto by the Congress, writes legislation.

The Court has declared, and the people have accepted, the decision that Congress cannot delegate its legislative authority,[5] and it might be added that, in a concurring opinion in another case, Justice Black said that "And, of course, the Constitution does not confer lawmaking power on the President." [6]

Nevertheless, the Congress persists in the attempt.

This contrast in procedures was developed at length by the writer in accompanying views incorporated in a report of this committee on January 30, 1953, on H.R. 1979 (H. Rept. No. 6, 83d Cong., 1st sess.) to extend the Reorganization Act of 1949.

A similar position has also been stated on the floor of the House and in additional views on House Resolution 534 (H. Rept. 2585), 84th Cong., 2d sess., filed July 3, 1956; on H.R. 541 (H. Rept. 2599), 84th Cong., 2d sess., filed July 3, 1956; and on H.R. 8364 (H. Rept. 657), 85th Cong., 1st sess., filed June 27, 1957.

If we lack faith in our own wisdom, sincerity, or patriotism, as the Reorganization Act seems to indicate, why a Congress?

If a sharing of legislative authority is necessary or advisable and legal, why a piecemeal approach—why not permanent legislation?

A subsequent Congress can always repeal an act, notwithstanding a President might desire otherwise, provided, of course, a two-thirds majority so desires.

If a change is desired in legislative procedure, why not proceed in an orderly way by a constitutional amendment? Lawmakers should be law observers.

The bill should be rejected.

Mr. FASCELL. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. Moss].

Mr. MOSS. Mr. Chairman, I want to concur in the statements made by the gentleman from Michigan [Mr. HOFFMAN]. I might point out that rarely do I concur in his views. But the fact that two of us with such strongly divergent views appear in agreement should be a most persuasive argument as to the rightness of our position.

I point out that we are here being asked to delegate our most solemn responsibility. That is the power to legislate, and it has been delegated by this Congress for too long a period of time.

Mr. Chairman, I have voted in the past for this delegation. In looking over the results of that delegation I find, first, that the Congress has in recent years acted on more occasions than the Executive to effect complex reorganizations of our Government. That should disprove very conclusively the contention of those who say that the Congress is incapable of dealing with problems of complex reorganization. In the last Congress we acted on the very complex question of reorganizing the Department of Defense, and we dealt with it. We did not shirk our responsibility. We reorganized the Federal Aviation Agency. We did not shirk our responsibility.

This legislation is not only unwise, it is unnecessary, because the Congress has demonstrated its competence to deal courageously with the problems of complex reorganization.

Mr. Chairman, one of the byproducts of this use of reorganization authority is the fact that we have centered in the hands of secretaries of departments and the heads of agencies a continuing authority to reorganize our Government without submitting anything to the Congress. We have department heads who can make routinely major changes in the functions of their department personnel, in the assignment of duties. They are not called upon to render any accounting to the Congress as to whether or not the reorganization was wise and would effect economies and efficiency.

I think the whole attitude of the Executive is summed up in the plan we had submitted to us last week, in which it was stated that "After investigation I have found and hereby declare that each reorganization included in the reorganization plan transmitted herewith is necessary to accomplish one or more of the purposes set forth in section 2(a) of the Reorganization Act of 1949, as amended."

Under the act the Executive is supposed to tell us where we can expect economies or increased efficiency in our Government. We are supposed to have something before us which persuades as to the wisdom of the plan proposed. But, now, there is no longer the feeling that this is necessary. The Congress is going to accept this because the problem of legislating in this area is a difficult one, difficult when it comes by way of a reorganization plan.

Now, what has happened? The plan reaches the Congress, and we must act within 60 days to disapprove, or it becomes law. And, the Executive has in recent years submitted plans later and later in the session, so that they reach the committees at a time when the committee load is already very heavy and it is difficult to get the time of the members or the attention of the members properly to consider the proposed reorganizations. And, the committee interest has been a perfunctory interest. It has not been the responsible discharge of our constitutional responsibilities.

I am not going to tell you that if we pass this, we will have done any irreparable damage to our Government, but

[1] The Constitution, art. I, sec. 1.

[2] The Constitution, art. I, sec. 7.

[3] Public Law 109, 81st Cong., sec. 5(b).

[4] Public Law 3, 83d Cong.; Public Law 16, 84th Cong.; Public Law 85–286, 85th Cong.

[5] *Schecter Poultry Corp.* v. *U.S.*, 295 U.S. 495; *Panama Refining Co.* v. *Ryan*, 293 U.S. 388; *Yakus* v. *U.S.*, 321 U.S. 414.

[6] *Peters* v. *Hobby*, 349 U.S. 331.

I point out that I think it is time that we examine very closely some of the principles upon which we legislate. I do not relish the role of coming down here and appearing in a position opposite to that of the majority of the committee, or of my very dear friend, the gentleman from Massachusetts. But, I am concerned with the argument today—and I have yet to hear anyone supporting this legislation who does so with any great fervor or feeling that he is supporting a great principle of government. No, we are told we should not take it away from this administration because it would appear to reflect a lack of confidence. Well, let me point that I originally voted for the extension of the authority on the ground that the previous Executive had had it and it would not be proper for us to deny the present occupant of the White House the use of this authority. I voted for an extension on the same basis. Further, I point out that in 1961, regardless of the political makeup of the administration, a new Executive will be in the White House, and if the argument is valid at the beginning of his administration, it will be equally valid that we should not deny him the authority to continue using this legislative power.

I think now, after this Executive has had the authority for 6 years, is a good time to terminate it. There has been no showing of any great need. I emphasize that the Congress has amply demonstrated its ability to deal with the complex questions of reorganization. To abandon this act at this point is consistent with every sound constitutional doctrine, and I suggest to you that we will be rendering a far greater service to permit this act to die. It has served a purpose. There is need for it no longer.

Mr. BROWN of Ohio. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. MEADER].

Mr. MEADER. Mr. Chairman, I oppose enactment of H.R. 5140 to extend the Reorganization Plan of 1949.

The bill as originally introduced, would have made the Reorganization Act permanent. As amended by the committee, the act is merely extended for an additional 2 years.

The Reorganization Act is a delegation of legislative power to the Executive and should never be made permanent. Congress would, for all practical purposes, be unable to recall this legislative authority. Any President, regardless of party, would naturally be jealous of his powers and prerogatives and refuse to sign into law any bill passed by Congress recapturing such legislative authority. Only by mustering a two-thirds vote of both Houses to override a veto, could Congress be certain of recalling this permanent grant of legislative powers.

I voted for extensions of the Reorganization Act in 1953 and in 1955 because I believed it was needed by the executive branch of the Government to carry out reorganizational reforms recommended by the first and second Hoover Commissions. But 4½ years have passed, however, since the report of the second Hoover Commission, and ample time has elapsed for the presentation by the executive branch of any reorganizational reforms resulting from studies and recommendations of the second Hoover Commission.

In the 2d session of the 84th Congress only two reorganizational plans were presented. Both were defeated unanimously and without debate by the House Government Operations Committee and the House itself.

In the 85th Congress only two reorganization plans were submitted. They were of a minor character and easily could have been handled through the regular legislative process. Until Tuesday, May 12, 1959, no reorganization plans were presented to the 86th Congress. On that day the President transmitted Reorganization Plan No. 1 of 1959, House Document 140, to transfer certain functions related to land or timber exchanges and sales involving Federal lands from the Secretary of Interior to the Secretary of Agriculture. The subject matter of that reorganization plan likewise could be handled through the regular legislative process.

Article I of the Constitution vests the legislative power of the United States in the Congress and there is no question that the Reorganization Act delegates some of that legislative power to the President by authorizing him to propose so-called reorganization plans with a limited right of veto in the Congress. This is legislation in reverse.

Reorganization within the executive branch of the Government which does not contravene existing law can be accomplished by the Executive without resorting to the authority contained in the Reorganization Act. It is only because existing law is necessarily modified or repealed by a reorganization plan that the power granted the Executive in the Reorganization Act is required.

Since the Reorganization Act is in conflict with the legislative process contemplated by the Constitution, Congress must guard its prerogatives jealously, withholding any extension of this legislative power except upon strong showing of unusual need. The burden of proof lies with those who assert the need.

No possible harm can come from permitting the Reorganization Act to expire. When circumstances justify it, the President can ask Congress for a revival of such authority. The legislative history of the Reorganization Act shows that Congress has cooperated in the past, and there is no reason to suppose that it will not be equally as cooperative in the future.

No hearings were held by the Committee on Government Operations either on the request for permanent reorganization authority or on the committee amendment extending authority for a 2-year period. No showing at all has been made. It disturbs me that Congress is so indifferent to its duties and responsibilities under the Constitution that it is willing to continue vesting its policy-making authority in the Executive on so flimsy a record.

Mr. Chairman, what disturbs me most about this bill coming before us is the casual fashion in which we continue to delegate our legislative authority to the executive branch of the Government.

How does this bill come before us? Was there any enthusiasm on the part of any members of this committee for this measure? No. It originated in a letter from the Bureau of the Budget on February 25 of this year asking, not that the act be extended for 2 years, but that this act be extended in perpetuity. Did the committee hold hearings? Did we ask the executive to sustain the burden of proof of the need for continuance of this extraordinary authority? This bill comes before you without any hearings at all.

Now, 2 years ago, when a similar extension was before us, the request, mind you, was not then to have this authority in perpetuity; only an extension of 2 years. And, that is what we have been doing ever since the act was enacted in 1949; every 2 years it has come before us, and we did have hearings.

On May 28, 1957, when the current act was renewed for 2 years, we had admittedly only brief hearings. And, I must say that the gentleman from Massachusetts [Mr. MCCORMACK], a very able member of our committee, interrogated the witnesses from the executive branch of the Government most skillfully, and the record thus made showed no need for the continuation of the act at that time. That was brought out very clearly. The gentleman from Massachusetts asked the witnesses what reorganization plans they had in mind, and he asked them what use they expected to make of the extraordinary authority that they said they needed. And no case was made. Now the committee asks us, without any hearings whatever and simply because the Bureau of the Budget wants to extend the act in perpetuity, to extend it for 2 years and we are acting hastily without adequate thought or consideration.

What do we think of our oath of responsibility to the people of the United States when our constitutional legislative authority is left in the hands of the executive on no showing of need at all?

I want to point out a few unique features of this very extraordinary method of passing laws which every Member of this House, and particularly the chairman of each committee of this House, ought to know and to consider.

First of all, what happens to a reorganization plan when it is sent up here? It is referred to the Committee on Government Operations. In a sense, when I ask that this act be discontinued and this authority no longer remain with the President, I am taking away jurisdiction from our Committee on Government Operations. But whether that be so or not, I believe it is in the interest of orderly legislation to do so.

First of all, a reorganization plan is referred, not to the Committee on Agriculture, the Committee on Armed Services, or some other legislative committee having jurisdiction over the subject matter of the reorganization plan, but to the Committee on Government Operations.

Second, unless some individual Member introduces a resolution of disapproval, and we go through the rather rigid procedures provided by the act for con-

sidering a reorganization plan—in other words, unless affirmative action is taken by Congress, the plan becomes law in 60 days.

Third, there is no way in the world to amend a reorganization plan. You may like half of it. You may like 75 percent of it. But you cannot change it. It may have a typographical error in it; you cannot even take it out. A reorganization plan must be accepted or rejected in exactly the words in which it is presented.

And finally, once a reorganization plan becomes law, it is actually stronger than the laws which originate in Congress, because it is the proposal of the executive branch of the Government. Originating there, what President is likely to sign a bill repealing a plan originally submitted by himself?

Mr. Chairman, I want to call the committee's attention to something that occurred within the last 2 weeks. We had before us a bill to amend Reorganization Plan No. 2 of 1953, which would have stripped from the Secretary of Agriculture his supervisory authority over REA loans. Members on my right were anxious to have that bill passed. The President vetoed this bill, which would have changed his reorganization plan. The veto was overridden in the other body, but failed to be overridden in the House by a few votes. A four-vote switch would have provided the necessary two-thirds vote to override the veto.

That is a good illustration of the strength of reorganization plans.

Under legislation by reorganization plan, Congress is provided only a limited and ineffective way to understand and study and work its will on the subject matter.

Mr. Chairman, I think we ought to take our duties and our responsibilities more seriously than to continue to vest in the executive branch of the Government the policymaking authority the Constitution places in us on such a flimsy showing as we have here.

I believe every Member of this House ought to consider this bill very carefully. Mind you, we can always create this extraordinary power in the Executive when a showing is made. And I voted for it when the Hoover Commission recommendations were before us in 1951 and 1953, and again in 1955. I voted to extend the Reorganization Act of 1949 so that reforms emanating from the studies of the Hoover Commission could go into effect rapidly.

Only one plan has been submitted this year. It involves the Interior Department and the Agriculture Department. In my judgment, the Committees on Interior and on Agriculture are far better equipped to study the desirability of plan 1 of 1959 than is the Committee on Government Operations. We have enough jurisdictional conflicts in the House of Representatives without continuing this act which automatically intensifies jurisdictional problems between committees.

We, on the Government Operations Committee, have been criticized by other committees simply because the very charter of our existence has a built-in conflict of investigative authority with every legislative committee of the House. I think, if we get this reorganization plan authority out of the Committee on Government Operations, it would be a good thing for every one concerned.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield.

Mr. HOFFMAN of Michigan. The gentleman criticized the frivolous manner in which we have regarded this legislation or considered this legislation today. I was a principal offender and I want to apologize to the members of the committee and give you the reason why, perhaps, I did not treat it as seriously as I should have. In my mind, and in my judgment, there is no question at all but that the proposed legislation is unconstitutional. I have consistently opposed it on that ground. And the light manner with which it was treated earlier today by me was due to the way in which it has been considered by the committee. How a Congress composed of as intelligent and patriotic people as I know the Congresses which have preceded have been could from the beginning right down to the present time, go along with this legislation, I cannot understand. It did seem silly to me and it does now—when there is no necessity to ignore constitutional requirements. It seems absurd to pass legislation without complying with constitutional provisions.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FASCELL. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut [Mr. MONAGAN].

Mr. MONAGAN. Mr. Chairman, I rise in support of the pending bill. I realize it takes some temerity for a new Member to rise to speak in support of this bill after the substantial and weighty opposition that we have previously heard. But, it is said that sometimes Jupiter nods and, perhaps, that has been the case with the gentlemen who have previously spoken in opposition to this bill. Simply, the purposes of this legislation are to permit better execution of the laws; to reduce expenditures and promote economy and to increase the efficiency of the operations of the Government. Certainly, it seems these objectives are beyond criticism. I submit that the main question here is as to the time of extension of this legislation. There are certain points I think should be mentioned. The objectives, as has already been stated, are good. This is an act that will only cover a period of 2 years. It is not something that is irrevocable. Under certain circumstances, this grant of authority can be taken back if it should be desirable to do so.

It is all very well to say the Congress can do these things, but as a practical matter it is much more difficult for the congressional body to do these things than for the executive body which is the branch which is concerned with the day-to-day operations of the Government. It may be said that they have not done some of these things and, perhaps, that is true. Nevertheless, the objectives being what they are, to increase efficiency and promote economy, it does seem to me that the executive branch should be permitted to have another chance and we should extend this law for another 2 years to give them the opportunity to take further steps as they did at the beginning when this legislation was first enacted to increase the efficiency of the executive branch of the Government. I do not think there is any danger, as the gentleman from California said, that the passage of this legislation will imperil the country. I think that the opportunity which exists here to do some lasting good by extending this legislation justifies us in continuing it for this brief period of time. I hope that the committee will act favorably upon this legislation.

Mr. BROWN of Ohio. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota [Mr. JUDD], a former member of the Committee on Government Operations.

Mr. JUDD. Mr. Chairman, when I was a member of the Committee on Government Operations, and the first bill to extend the Reorganization Act came before our committee a decade or so ago, I opposed it for the same reasons that have been presented to you here today, plus an additional reason. At that time if the President under the law as it existed then sent down a reorganization plan it went into effect after 60 days unless both Houses of the Congress passed a concurrent resolution disapproving the plan. That allowed the President and one branch of the Congress to legislate. It seemed to me that certainly was contrary to our Constitution.

If a bill goes through one House of the Congress but is not passed by the other body it never gets any further. It seemed to me that if either body of this Congress passed a resolution disapproving a plan that ought to kill it. The President could take the plan back and correct whatever we had disapproved in it and send it back to us revised for another go. We lost out at first in our efforts to change the legislation from the original form requiring disapproval by both Houses. We had that kind of law for almost 20 years, as I recall. The Nation did not fall even when the President and one House could legislate in this field of reorganizing the departments and agencies of the executive branch.

I think it was 7 or 8 years ago that we got the basic Reorganization Act amended so that now a resolution by one House disapproving a reorganization plan kills it. The Executive has to cut out or change the items disapproved by that House if he wants to get the plan adopted.

What I am saying is that when the President and one House could legislate, even if the other House disapproved, that I thought was wrong. But even with that, nothing dire or disastrous happened to our country. And that pattern has now been corrected. It has been changed so that either House of Congress can prevent a reorganization plan from going into effect if it wishes. The trend has not been to more power in the executive branch, but to less.

It has been said here that the committee did not give much attention to

this particular resolution extending the Reorganization Act. Well, if it did not study carefully something that is allegedly as dangerous as this is purported to be, then do you think that the committee or the House itself would go into all the details involved in a proposed reorganization of an executive department that is designed to enable it to do its work more efficiently and economically?

The Congress can, of course, carry out these reorganizations, it has the authority. But as a matter of fact it almost never did in the first 150 years of the history of this Republic. Only after the first Reorganization Act was passed, about the early thirties, I believe, was there real progress in this field. The executive agencies are so big now that as a practical matter we in the Congress are not likely to do well so complicated a task as the reorganization of an executive department or agency. This reorganization method has proved in experience to be more effective and is adequately safeguarded. So I trust the resolution extending it for 2 years will be adopted.

Mr. FASCELL. Mr. Chairman, I yield 3 minutes to the gentleman from Colorado [Mr. JOHNSON].

Mr. JOHNSON of Colorado. Mr. Chairman, a year or two ago, the Governor of Colorado for whom I worked asked me to do some research on this same proposition, and as a matter of fact as a member of the State legislature I had made a similar study looking toward the possibility of giving this Governor, Edwin C. Johnson, this power in our own State. This power was first given to Herbert Hoover as President, and has been given to every President since.

The Constitution states that the executive power shall be vested in the President of the United States or in the Governors of the States. The law which we are extending, and you will find this on pages 5 and 6 of the report, makes it crystal clear that no reorganization plan can extend any function beyond the time it otherwise would die, that it cannot authorize any agency to exercise any function not expressly authorized by law, nor can it increase the term of office beyond that provided by law for such office. Under this we are not giving the President the power to legislate. If we did it would be unconstitutional. What we are giving the Chief Executive is the power to make an orderly discharge of the functions of his office. There are many agencies of Government carrying on related or sometimes duplicating and overlapping activities. From personal experience I know the confusion that arises from working on projects where different departments of the State or Federal Government had these overlapping or duplicating powers. The use of a similar power to this in that instance resulted very successfully in the orderly operation of government.

The Congress is given the power to disapprove of any reorganization plan submitted. This is a power not too often used, but necessary at times to the President in the orderly discharge of the functions of his office.

It seems to me perfectly proper to make it possible for the Chief Executive more effectively to discharge the duties of his office and incidentally save us from trying to duplicate the full responsibilities which go with the job of Chief Executive.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. BROWN of Ohio. Mr. Chairman, I yield myself 12 minutes.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. HALLECK. I would like to say just very briefly that I support this legislation. I have been supporting legislation similar to this for a long time.

Before the gentleman from Ohio undertakes to talk to us I would just like to commend him for his very active interest in this whole matter, not only in the legislative field, but as one of the members of the Hoover Commission whose very fine efforts have brought beneficial results as a result of reorganization acts already submitted.

Mr. BROWN of Ohio. I thank the gentleman very much for his comment.

Mr. Chairman, I have spent a great many years of my life studying the organization and reorganization of government. As many of you know, I was the author of the legislation which created the first and second Hoover Commissions and served on both Commissions. The first Commission gave a great deal of thought and study to this question of reorganization of the executive branch of the Government and made certain recommendations which the Congress saw fit to enact into law.

I have served as a member of the Government Operations Committee of this House, along with the distinguished gentleman from Massachusetts, the majority leader, for quite a number of years, and have served on the subcommittee which has handled reorganization matters. I feel that there is a great deal of ado about nothing in connection with this particular piece of legislation which is before us at the present time, and I hope that in the few minutes I have I may be able to clarify the situation and perhaps be of some assistance or help to you in your thinking as to whether or not this bill should be approved.

Mr. Chairman, all that this piece of legislation does is to change just three words in the Reorganization Act of 1949. It strikes out the words "June 1, 1959" and inserts in lieu thereof the words "June 1, 1961" which, of course, would have the force and effect of continuing for 2 years the provisions of the Reorganization Act of 1949, as amended.

There has been a great deal of argument and a great deal of talk here on the floor by those who oppose the continuation of this legislation, saying that it interferes in some way with our right to legislate. Someone said it interferes in some way with the right of the Congress to legislate. But it does not interfere whatsoever in anyway with the right of the Congress to legislate on any matter affecting the reorganization of the executive branch of the Government or any of its agencies and departments. Instead, the right to so legislate still rests in the Congress, and any Member of this body or of the other body can present any legislation that he or she may desire, making any changes in the organization structure of the Government at any time, and that legislation will be given the same consideration that all other bills are given by the legislative committees of this House.

There has been raised the question of constitutionality. Why, we have been operating under this type of legislation for 27 long years and never in that time has anybody questioned in court, to my knowledge, the constitutionality of this or of previous laws of this nature. Certainly, if there was any grave constitutional question involved with all of the different reorganization plans that have been submitted and adopted, some smart lawyer, some smart attorney, would have taken the matter into the courts of the United States, if he believed it unconstitutional, and had the Federal court and perhaps the Supreme Court declare such legislation to be unconstitutional.

Let me trace back for a moment the history of this legislation. It first appeared in the Economy Act of 1932, which was introduced in the last Congress in the Hoover administration. Mr. Hoover supported the legislation because it was for the purpose of getting greater economy and efficiency in the conduct of the Federal business.

You will recall that the great depression of 1929 had descended on the country, and that is the reason why that Economy Act was passed and that authority to reorganize was given to the President at that time. Then in 1933, Mr. Roosevelt became President of the United States, and the Economy Act of 1933, which went even further, was enacted into law, both times I may say to those of you on the majority side, by the votes of the Democratic-controlled Congress: Once when a Republican President suggested it and once when a Democratic President suggested it.

Then we went along quite awhile under the Economy Act of 1933, and in 1939, as the gentleman from Massachusetts will remember, we passed a Reorganization Act under the administration of President Roosevelt which at that time exempted certain agencies and departments of the Government from any reorganization action by the President and provided at that time that it would require a vote of both branches of Congress, to reject a reorganization plan. We argued a lot about that, and a lot of us thought that was not quite right and was not quite fair; that this gave just a little too much advantage to the Chief Executive, and if you were going to reverse this procedure, that a rejection resolution should be adopted by only one House to reject a reorganization plan. Then the Hoover Commission recommended that the Reorganization Act of 1939 be placed back in operation and that it be amended so that it required a constitutional majority vote by only one branch of the Congress. I opposed that at that time. I thought it should be a simple majority, but I favored the entire bill because I thought it was necessary to have

a Reorganization Act. That resolution was passed by a huge majority in the Congress. That was the Reorganization Act of 1949.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. It required a constitutional majority of one branch, as I remember it.

Mr. BROWN of Ohio. Yes; that was a constitutional majority, although I favored a simple majority.

Mr. McCORMACK. And I was the one, I think, who helped greatly in putting that in.

Mr. BROWN of Ohio. That is right.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. Well, if this was such a wonderful thing, why is it that every time the extension comes up you have lessened the requirements to stop it?

Mr. BROWN of Ohio. Well, I am just exactly like the gentleman from Michigan. I want a perfect state if I can get it, and I always work for a perfect law.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield further?

Mr. BROWN of Ohio. Just a moment.

Mr. HOFFMAN of Michigan. No, no; you cannot answer the next one.

Mr. BROWN of Ohio. Well, I do not know the question the gentleman is going to ask. The gentleman asks questions sometimes that even the good Lord cannot answer.

Mr. HOFFMAN of Michigan. At least, He will listen to my questions.

Mr. BROWN of Ohio. You and the gentleman from California [Mr. Moss], will have to fight that out.

Now, let me go further. Then, in 1957 we finally got the law perfected the way many of us believed it should be, and that was a simple majority of either branch. A simple majority of either branch could kill a reorganization plan, which means the absolute reverse of our present system where it takes two branches of the Congress to approve a bill.

Now, that is the present law of today. What does this act provide besides extending it? What is this act that we are extending? What does this act of 1949, as amended, provide? It puts every safeguard in the world around and about these reorganization plans or reorganization plan ideas. First it provides that:

The President shall examine and from time to time reexamine the organization of all agencies of the Government and shall determine what changes therein are necessary to accomplish the following purposes:

(1) to promote the better execution of the laws, the more effective management of the executive branch of the Government and of its agencies and functions, and the expeditious administration of the public business;

(2) to reduce expenditures and promote economy, to the fullest extent consistent with the efficient operation of the Government;

(3) to increase the efficiency of the operations of the Government to the fullest extent practicable;

(4) to group, coordinate, and consolidate agencies and functions of the Government, as nearly as may be, according to major purposes;

(5) to reduce the number of agencies by consolidating those having similar functions under a single head, and to abolish such agencies or functions thereof as may not be necessary for the efficient conduct of the Government; and

(6) to eliminate overlapping and duplication of effort.

(b) The Congress declares that the public interest demands the carrying out of the purposes specified in subsection (a) and that such purposes may be accomplished in great measure by proceeding under the provisions of this act, and can be accomplished more speedily thereby than by the enactment of specific legislation.

I think every Member of the Congress of the United States wants to see that done. The President must find it necessary and advisable before he submits a plan.

Now let us go just a little further. This 1949 act placed certain limitations on the powers of the President so that he cannot abuse this act, as some indicate he might possibly do. But no President, whether he was Democrat or Republican, in my opinion, has ever abused the power, and every President, both Republican and Democratic, since 1932, has been for this kind of operation.

Here are the limitations on the power of the President:

No reorganization plan shall provide for, and no reorganization under this act shall have the effect of—

(1) abolishing or transferring an executive department or all the functions thereof or consolidating any two or more executive departments or all of the functions thereof;

In other words, where Congress has set up a department, they cannot abolish it.

(2) continuing any agency beyond the period authorized by law for its existence or beyond the time when it would have terminated if the reorganization had not been made;

That means that the President by reorganization plan cannot continue something Congress has limited, that Congress has said he may not do after a certain date.

(3) continuing any function beyond the period authorized by law for its exercise, or beyond the time when it would have terminated if the reorganization had not been made; or

(4) authorizing any agency to exercise any function which is not expressly authorized by law at the time the plan is transmitted to the Congress; or

(5) increasing the term of any office beyond that provided by law for such office; or

(6) transferring to or consolidating with any other agency the municipal government of the District of Columbia or all those functions thereof which are subject to this act, or abolishing said government or all said functions.

And, no provision contained in a reorganization plan shall take effect unless the plan has been transmitted to Congress and an opportunity has been given to pass upon it.

All this bill does is to extend for 2 years this act which safeguards every constitutional right of Congress. It should pass. I think it must be approved if we believe in economy and efficiency in the conduct of the public business.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman.

Mr. FASCELL. The gentleman has made a very fine and comprehensive analysis of the entire operation of the act. In support of what the gentleman says, I would point out the fact that 57 reorganization plans have been submitted by the President since 1949. Some have been disapproved. As a matter of fact, the most recent was in 1956, Reorganization Plan No. 2 which was sent up, and a disapproval resolution was adopted by this Congress. Two plans since then have become effective without any action.

I think that this summary by the gentleman shows the effectiveness of the operation of this matter and the protection which has been put around it.

Mr. BROWN of Ohio. I thank the gentleman very much.

Mr. FASCELL. Mr. Chairman, I yield the balance of the time on this side to the distinguished majority leader, the gentleman from Massachusetts [Mr. McCORMACK] to conclude the debate.

Mr. McCORMACK. Mr. Chairman, this legislation is nothing new to the House. We have had it before us in one form or another since 1932. I voted for the original bill. I do not know whether I voted for the Economy Act of 1932; I know I voted against the Economy Act of 1933. I remember well voting for the original recommendation made by Franklin D. Roosevelt in connection with the delegation of this power to the President of the United States. And I voted for the extensions of it throughout the years under Franklin D. Roosevelt and Harry S. Truman; and I voted for the extension during the last 6 years under Dwight Eisenhower. I see no reason why I should fail to vote for this bill extending it for 2 more years during the remainder of the term of President Eisenhower and the early months of the term of whoever may be the next President of the United States.

The gentleman from Ohio [Mr. BROWN] and other gentlemen who have preceded him have stated the justification for legislation of this kind with this delegation of power. It does not take away one iota from the Congress of the United States. We have the power to legislate originally or, if a reorganization plan comes up, we may reject that plan or we may act concurrently; that is, we may reject the plan and originate and enact legislation of our own relating to the plan.

The reason for this legislation years ago was the fact that during a period of at least 150 years of our constitutional government there was never one executive reorganization made by the Congress of the United States.

You and I know why. Once the Congress started to reorganize the executive branch of the Government, then the

pressure would be upon us. There would be the pulling and hauling upon Members. The result was that Congress never did get around to passing a bill to reorganize the executive branch of our Government. We recognized the difficulties from a practical angle. Mr. Chairman, as I have said and other Members have said, this legislation in no way takes away one iota of the constitutional jurisdiction of the Congress of the United States. As a matter of fact, it complements and implements our power. We retain all of our constitutional power and jurisdiction, but we say in view of the practical situation that exists, we recognize that the Chief Executive from time to time can make reorganizations of the executive branch or parts thereof which would be in the interest of our Government, and not only in the interests of economy but also in the interests of efficiency and better administration. We reserve to ourselves the right to reject it, if we want to, but we do have all the power to initiate legislation dealing with such matters that we have ever had or that any Congress of the United States ever has had since the inception of our constitutional form of Government.

Mr. WIER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. WIER. I am sure my leader, just as I did, during the 81st and 82d and 83d Congresses, received thousands of letters from people back home who had great hopes built up that the Hoover Commission reports would result in great accomplishments in economy, efficiency, and in other aspects of government.

Mr. McCORMACK. I received several letters.

Mr. WIER. Can the gentleman put his finger on one dime that this Commission has saved? Can he point to any efficiency that has been achieved? On the contrary, I find that government is getting bigger and more expensive.

Mr. McCORMACK. Of course, the fact is that government is getting bigger, but that is due to the times in which we live, it is due to the circumstances and the progress we have made. It is the result of the great responsibilities which rest upon our shoulders. On the question of economy, I am satisfied that many of these plans have brought about economy in our Government and efficiency through the medium of preventing larger appropriations which would have to be made if the reorganization plans did not go through.

To answer the gentleman's question as to direct savings. I cannot point my finger at it, but I have no question that as to indirect savings, there have been considerable savings as a result of the reorganization plans submitted by Roosevelt, submitted by Truman, and submitted by Eisenhower.

Mr. WIER. One more question. How about the redtape that has grown up under these Commission plans? The redtape is getting thicker and denser all the time.

Mr. McCORMACK. I am not going to take issue with my dear friend on that. Redtape will exist anywhere. By redtape, I take it the gentleman refers to bureaucracy. That exists under Democrats, it exists under Republicans, and it will continue to exist, because it results from the entrenchment of certain agencies of the executive branch, and it is our job to try to weed it out. The fact that bureaucracy exists is not to be blamed on the reorganization plans or on the reorganization law. We have to be frank and honest with ourselves. Bureaucracy exists no matter what administration is in control. I think this is a very good bill. I will be frank with the House. I would vote for a permanent law. I reluctantly accepted the 2-year amendment. So now this bill provides for a 2-year extension. Addressing my Democratic friends, I do not see how we can deny to President Eisenhower what we have given to President Roosevelt and to President Truman. I think it would be unwise politics. To my Republican friends, I say I do not see how you can fail—outside of my friend the gentleman from Michigan [Mr. HOFFMAN], and I am sorry to say my friend the gentleman from Michigan [Mr. MEADER], who seems to be drawn into the gravitational sphere and orbit of the gentleman from Michigan [Mr. HOFFMAN]—I do not see how my Republican friends can very well vote against this bill when this is the recommendation of the President of the United States, who is a Republican, and who until his termination of office is presumed, at least ostensibly, and apparently, to be the leader of the Republican Party.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. MEADER. I thought the gentleman was going to mention the gentleman from California.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired. All time has expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (b) of section 5 of the Reorganization Act of 1949 (63 Stat. 205), as last amended by the Act of September 4, 1957 (71 Stat. 611; 5 U.S.C. 133z–3(b)), is hereby repealed. The subsection designation "(a)" appearing in the said section 5 is hereby deleted from that section.

Amend the title so as to read: "A bill to further amend the Reorganization Act of 1949, as amended, so that such Act will apply to reorganization plans transmitted to the Congress at any time before June 1, 1961."

Committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That subsection (b) of section 5 of the Reorganization Act of 1949 (63 Stat. 205; 5 U.S.C. 133z–3), as last amended by the Act of September 4, 1957 (71 Stat. 611), is hereby further amended by striking out 'June 1, 1959' and inserting in lieu thereof 'June 1, 1961'."

The CHAIRMAN. Are there any amendments to the committee amendment?

Mr. MOSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am rather interested in the fact that as we go into a reading of the bill for amendment you have heard from those who support this legislation, and I still make the statement that there has been no enthusiasm for this, and most certainly there has not been any demonstrated need.

Now, for the contention that we do not give away anything, that is not precisely the fact: We delegate an authority to legislate, and we impose on our consideration of the legislation which is then submitted by the Executive certain conditions which are not imposed on us when we are legislating upon proposals originating in either House of the Congress.

I do not have to remind you how difficult it is sometimes to get adequate hearings and to complete committee action within a period of 60 days, but that is precisely what we have to do on these executive legislative proposals; we have to hold hearings. If we hold hearings we have to act or disapprove in 60 days, and if we do not disapprove, which means an action concurred in by a majority of this House, it becomes law.

Mr. Chairman, I would love to have my legislation considered under such favorable conditions. It would be much easier for me to get the things which the people of my district want, and I think each of us would benefit.

So we do give away something and we grant a highly preferential right to the Executive as he wields certain constitutional powers.

The gentleman from Colorado said that there has been no substantive legislation achieved. Oh, yes, there has. Let me read this to you. Under Reorganization Plan No. 3 of 1949, what kind of authority do we give away? This is the Post Office Department:

> There are hereby transferred to the Postmaster General the functions of all subordinate officers and agencies of the Post Office Department, including the functions of each Assistant Postmaster General, the Purchasing Agent for the Post Office Department, the Comptroller, and the Bureau of Accounts.

This regardless of duties assigned those gentlemen by law. They are now transferred to the Postmaster General. And what may he do with them?

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I shall be very happy to yield.

Mr. MEADER. With respect to whether or not this is legislation, referring to the question raised by the gentleman from Colorado, I recall one reorganization plan early in the history of this legislation which placed the Civil Aeronautics Administration in the Department of Commerce, and only last year by legislation we changed it and gave it its independence.

Mr. MOSS. The gentleman is correct; and I might point out that functions are assigned to the chairman of an independent commission as a result of the reorganization acts, which were never intended by the Congress, and never approved by a committee. At the present time the House is seriously considering a possible reassignment of those functions back to the commissions.

Now, to continue with the Postmaster General, as to what he may do with all this authority in his hands:

The Postmaster General is hereby authorized to delegate to any officer, employee, or agency of the Post Office Department designated by him such of his functions as he deems appropriate.

And he does not have to come back to you or me; and he has undertaken a tremendous reorganization. I do not know how many more millions of dollars it costs us, but this is a substantive legislative act; and this is an instance where bureaucracy becomes self-perpetuating, because under this a delegation of authority now is firmly held by one man, and the bureaucracy can pressure without the full advice of the Congress. These things are not always on the side of efficiency or economy in government.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. HOFFMAN of Michigan. Mr. Chairman, I ask unanimous consent that the gentleman from California may proceed for 5 additional minutes.

Mr. MICHEL. Mr. Chairman, I object.

Mr. MEADER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I believe the gentleman from California has merely begun to develop a very important subject, because I feel many Members here, from the discussion and the comments that have been made to me, think that this matter of presenting reorganization plans is only a more or less administrative function of the President and is not legislative power.

Let me point out, first, that any economy and efficiency that the President can achieve through reorganization that does not involve changing existing law, that is not in conflict with any statute, he may do without this Reorganization Act power, without presenting any reorganization plan. He just uses his authority. It is only when he wants to change existing law that he sends reorganization plans up here. That act gives him the authority to transfer and combine functions created by law. It has been exercised in that way.

I see the gentleman from Pennsylvania [Mr. WALTER] sitting over there. It is perfectly possible for the President to take the Immigration and Naturalization Service out of the Justice Department and put it in the Department of Labor. Would you call that just a minor matter of reorganization for efficiency?

Mr. Chairman, there are far-reaching consequences in this power. It is legislative power, because if it does not affect existing law there would be no need for any Reorganization Act at all.

Let me mention one or two other reorganization plans that have come up. I refer to Reorganization Plan No. 1 of 1951, which had to do with the Reconstruction Finance Corporation. Congress passed a law giving vast lending authority to this institution, and it set up five Directors of the RFC, provided for staggered terms, it provided that not more than one should come from the same Federal Reserve district and they had to come back for reappointment and confirmation, upon expiration of their terms.

What did Reorganization Plan 1 of 1951 do? It abolished the Board of Directors and vested the entire authority of the RFC in one Administrator who had no limitation on his term. Now that is a far-reaching change in a body created by the Congress with specific limitations. It was accomplished through a reorganization plan by taking the existing law and by removing the checks and safeguards that Congress had carefully set up, thus vesting much greater authority in the executive branch of the Government than was ever intended by the Congress.

That is why it is dangerous to have such power existing in the executive branch unless there is a showing of need for it. The burden of proof is upon those who claim this authority should exist in the Executive, to show some reason for it. There has been no such showing, and Congress ought to preserve its constitutional responsibility, it ought to be jealous of its prerogatives and not lightly and frivolously turn them over to the executive branch of the Government.

Mr. YOUNGER. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from California.

Mr. YOUNGER. What the gentleman is pointing out about the RFC, can that be done under this particular act?

Mr. MEADER. It was done under this act.

Mr. YOUNGER. No. It was done under the Reorganization Act which has been changed, and it cannot be done under this act. I think the gentleman understands that, too.

Mr. MEADER. That is completely wrong. With reference to Reorganization Plan 1 of 1951, to which I referred, an identical plan could be presented under the act we are extending today. There is not any change in the law except the vote by which Congress can disapprove a plan. That is the only change we have made.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Florida.

Mr. FASCELL. Is it not true that after this 1951 plan was adopted, which the gentleman is talking about, the reorganization plan, an extension was up before the Congress in 1953 and the Reorganization Act was extended by a vote of 389 to 5? In other words, all of the issues which the gentleman has discussed were brought out and discussed completely and thoroughly at that time.

Mr. MEADER. The gentleman confuses the point I am making. We have extended the Reorganization Act at least three times to take advantage of the studies of the Hoover Commission, but the work of that Commission has been done for 3 or 4 years now. They have made no showing that there is need for this extraordinary power at this time, and I think we ought to require a showing before we give away our authority.

Mr. MOSS. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from California.

Mr. MOSS. I also voted for the reorganization plan.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. BROWN of Ohio. Mr. Chairman, I move to strike out the requisite number of words just to answer the arguments that have been made.

I would like to point out that none of these things that have been complained of by the gentlemen who have spoken could be put into effect if the Congress objected by a majority vote of a single body of those present.

No. 2. I think the very fact, as the gentleman from California explained on the floor, that the Civil Aeronautics Administration was put into the Federal Aviation Agency by the Congress of the United States, proves that the Congress can still legislate as it sees fit on reorganization of the executive branch of Government, and has done so.

I think the arguments that have been made fall of their own weight.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, when this discussion first opened, it was not my purpose to repeat arguments that have been made time and again. But, the situation is such now that some of the Committee members, I think, have overlooked and should be advised of what we are doing.

The gentleman from Ohio [Mr. BROWN] and the majority leader, the gentleman from Massachusetts [Mr. MCCORMACK], are very, very adroit politicians. The gentleman from Ohio was granted control of the time gladly and willingly. And what did he talk about when he got on the floor? Not about this bill, only incidentally. He talked about the Economy Act, and he made a very good case for it. But that is not up for decision today. The gentleman from Massachusetts [Mr. MCCORMACK] said that he had voted to give this power to President Roosevelt and to President Truman and to President Eisenhower and I assume that he did. But that does not make the grant legal. And when this was up one time and the Republicans happened to have control of the Committee on Government Operations, I have a very distinct recollection that the gentleman from Ohio [Mr. BROWN] advised me when I was chairman of that committee an amendment would be accepted and the legislation would have an end, that is, the question of this power being granted. Then, the next morning, after I polled the Republicans, and every last one of them had agreed to the amendment, I was advised that they had changed their mind downtown from the day before. And, when I asked why, I was told that President Roosevelt and President Truman had had the power and it would be an insult to President Eisenhower if he did not get it. I asked them if they felt that if either one of the former Presidents had had the measles, that we should see to it that President Eisenhower had the measles. Now,

that is the reason given at that time for that extension.

I say it is an absurd reason. The question before the committee right now is not whether it is expedient or whether a dollar can be saved, but whether we are adhering to constitutional procedure, adhering to the Constitution, and insist that legislation that goes through the House complies with the conditions prescribed therein. That is the issue, and we cannot get away from it by claiming money will be saved or that better legislation will be enacted. Everyone knows that the first 15 words in the Constitution are that "all"—you get that "all"—legislative powers herein granted shall be vested in a Congress of the United States. And, to make certain they gave the President a chance to veto, and then they came right back in a later provision in the Constitution and said that when two-thirds of the Members of each House had a contrary mind, the veto of the President did not count. Now, here we are doing exactly the opposite. Reversing the procedure. The President is by a reorganization plan—when he could give us his views by a bill—sending up proposed legislation, and without a single vote of any Member his proposal becomes the law of the land, unless a majority of one House vetoes it within a stated number of days. If the Constitution is not right, if the method of legislating is not sound, let us submit a constitutional amendment. Why dodge or ignore the express, clear, plain provision of the Constitution itself. Every last one of us has taken an oath to support the Constitution, and yet we come along and reverse the procedure under which proposed legislation becomes law. It is all right with me if you want it that way, that is your privilege, the privilege of every Member of the House, but that is the issue and we cannot get away from it.

Does the oath of office mean nothing?

Mr. HECHLER. Mr. Chairman, many Members this afternoon have referred to the Reorganization Act in terms of its effect on legislative powers and Executive powers. We have heard it said that Congress must guard its prerogatives jealously. But I say that Congress must not only guard its own prerogatives jealously, but it must zealously protect the prerogatives of the President.

We all live under the same Constitution. We have taken an oath to uphold that Constitution. We have sworn to uphold article II of the Constitution on the Executive power, just as surely as we have sworn to uphold article I of the Constitution on the legislative power and the other articles. Since Congress can be counted on in most circumstances to defend its own power, it becomes incumbent on the Members to exercise perhaps a little extra care in the defense of the Executive power and the judicial power.

When I hear talk about the "arrogance" of the executive branch and the President in this debate, my mind wanders back to the "arrogant" Presidents in American history—Thomas Jefferson, Andrew Jackson, Abraham Lincoln, Theodore Roosevelt, Woodrow Wilson, Franklin D. Roosevelt and Harry S. Truman. Yes, they were "arrogant" in the eyes of some publicists. All I can say is that I wish we had had more of that kind of arrogance from the White House in the past 6 years.

Therefore, it seems to me that in considering this immediate issue the Congress must recognize that this is no petty question of gaining or losing power by the executive or legislative branch. The core of this issue is which branch is best equipped to make modern democracy more effective, efficient, and economical through reorganization, simplification, and streamlining the bureaucracy. Let us face it. Congress is simply not organized to perform the kind of executive reorganization which modern government demands. If we in Congress insist in tying the apron strings tighter, we are hamstringing ourselves and diverting our energies from more pressing functions.

And so, my friends, do not fall prey to the argument that Congress must take on these reorganization functions. Under the committee bill, we have the power to review and disapprove of these reorganization plans, which is the clean-cut and right way this should be done under the Constitution.

I urge my fellow Members to cast a responsible vote and support the extension of the Reorganization Act of 1949 as reported.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. McCORMACK) having assumed the chair, Mr. JARMAN, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the bill (H.R. 5140) to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time in conformity with the provisions of the act, pursuant to House Resolution 276, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time.

Mr. HOFFMAN of Michigan. Mr. Speaker, I demand a reading of the engrossed copy.

SUBCOMMITTEE ON OCEANOGRAPHY

Mr. GEORGE P. MILLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. GEORGE P. MILLER. Mr. Speaker, the Subcommittee on Oceanography of the Committee on Merchant Marine and Fisheries, of which I have the honor of being chairman, has made arrangements to visit the Woods Hole Oceanographic Laboratory in Massachusetts on Monday and Tuesday of next week. We have already gotten out notices of hearings that will be held there. I wanted to give notice of that to the House so that the House will know that members of the subcommittee, if they are absent, are absent on official business.

Mr. ROGERS of Florida. Mr. Speaker, will the gentleman yield?

Mr. GEORGE P. MILLER. I yield to the gentleman.

Mr. ROGERS of Florida. Mr. Speaker, I want to commend the gentleman and his committee for bringing attention to this very important phase that I think we have neglected—oceanography. I hope that we shall put much emphasis on it and see that a proper program of research is developed. This is going to be important to our entire Nation.

Mr. GEORGE P. MILLER. I thank the gentleman. That is what we are trying to do.

PERSONAL EXPLANATION

Mr. BARRY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BARRY. Mr. Speaker, on rollcall No. 51 I was paired in favor of the bill and then left to address a very important meeting of Westchester and New York County postmasters at the Readers Digest Auditorium in Westchester County. When I returned to the Congress, I found that I was not paired and upon inquiry, I learned from the pairing clerk that the Member opposed to the bill had returned to the Chamber and had insisted upon voting against the bill in person.

I therefore wish it to be recorded that I was in favor of the principle of the legislation and would have voted for the bill but do not favor certain parts of the bill and hope that they can be ironed out in conference in line with the recommendations of the President's message to the Congress.

WE MUST WIPE OUT THE MENACE OF PLASTIC BAGS TO LITTLE CHILDREN

Mr. STRATTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York.

There was no objection.

Mr. STRATTON. Mr. Speaker, I take this time to advise the Members of the House that yesterday I introduced a bill, H.R. 7387, to ban the use in interstate commerce of these plastic bags for laundry and drycleaning purposes which have taken such a heavy toll recently of little children.

Mr. Speaker, this apparently harmless little object has suddenly become a deadly household menace in the United States, and the fact that the use of these bags at the present time is on the increase by laundries and drycleaning establishments, so that they are going into the homes of the Nation in increasingly great numbers, presents us with a situation which we must deal with quickly and effectively. I have been advised that in the first 5 months of this year nearly 35 children have lost their lives as a result of playing with these plastic bags. By comparison, some 20 children lost their lives in all of 1958 by the same method. The very day that I introduced my bill a 6-month-old baby suffocated in one of these bags in Alexandria, La., according to the Associated Press. The day before a 3-month-old baby had suffocated in Cleveland, Ohio, according to a report which appeared in the Wall Street Journal. The same day my bill was introduced the U.S. Public Health Service announced plans to begin a nationwide educational program designed to keep these bags out of the hands of children, and the New York State Safety Division announced an emergency alert directed toward parents to regard such bags as deadly poison and keep them out of the reach of children.

I do not believe that any further evidence is needed to convince us of the seriousness of the threat which these bags present to the homes of the little children of America. But it is not enough for us, Mr. Speaker, to compromise with this kind of a menace and merely urge people to keep these bags away from children in the same way that we now urge them to avoid killing themselves in automobiles. These bags certainly serve no necessary public purpose that could not be performed just as well by some other object. And just as long as we permit them to continue to be introduced into the homes of America more of our children are going to continue to lose their lives. It is just that simple.

I would hope, Mr. Speaker, that the drycleaning and laundry industries of America would rise to this occasion and voluntarily agree to ban these bags from one end of the land to the other. But in order to protect the individual who will take such action in the public interest as a result of such an appeal from the action of some who might be disposed to ignore it, I believe we need effective legislation on the books, and we need it promptly. I believe H.R. 7387 is effective and necessary legislation.

My bill would ban these bags in interstate commerce if they are intended for use for drycleaning or laundry purposes and if they have a diameter of 4 inches or more. In order not to impose an unnecessary hardship on the drycleaning industry, my bill would not put this ban into effect until 3 months after the adoption of the legislation. But in the meantime, it would require that all bags shipped in interstate commerce for this purpose be clearly marked, in large red capital letters, "Danger—keep out of reach of children—destroy immediately after use." My bill would also provide appropriate enforcement procedures, similar to those included in the legislation adopted some years ago to ban unsafe refrigerators from interstate commerce, a commodity, by the way, which had also been demonstrated to be highly dangerous to children.

Because of the urgent nature of this emergency, Mr. Speaker, I hope that the Committee on Interstate and Foreign Commerce, to which this bill has been referred, will hold early hearings on the measure, and that this body, together with the other body, will enact it quickly into law to put an end to this senseless and needless and tragic waste of life.

PENSIONS

Mr. TOLLEFSON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. TOLLEFSON. Mr. Speaker, a recent issue of U.S. News & World Report contains a brief item that should be of immediate concern to the 86th Congress. It points out that many widows face the loss of their entire Veterans' Administration pensions because social security benefits were increased at the start of this year. Under law a widow may not collect a VA pension if her income from other sources amounts to more than $1,400 a year. Social security benefits are included in "other sources." In many cases, according to U.S. News & World Report, the recent increase in social security benefits brings many widows over the $1,400 limit. As a result, they lose their entire VA pensions. To make matters worse, there is no provision under present social security law which permits a recipient to refuse to accept an increase in benefits. Thus we have the curious spectacle of widows suffering financial losses because they are obliged to accept a few extra social security dollars they wish they didn't have to take.

Now, this is, of course, a technicality which I have no doubt will be corrected by this Congress. Surely we cannot sit idly by while widows, through no fault of their own, are deprived of much-needed pensions.

I bring the matter to the attention of the House for a different reason. This is not the first time the old people have been victimized by pension technicalities. To cite just one other example: Until a few years ago a widow collecting social security benefits based upon her deceased husband's earnings had to be mighty careful in the event she contemplated remarriage. If she remarried she had, of course, to forfeit her benefits. But unless her new husband survived at least the first year of marriage, she was entitled to nothing based on his earnings record. Not only that, she could not even reapply for her old benefits, based upon her first husband's earnings. Thus, if her new husband died during the first year of marriage, the poor woman was left with absolutely nothing.

Fortunately the Congress corrected this absurdity, and the situation no longer prevails.

However, the two examples I mention point up the unnecessary complexity of our Social Security Act. It is full of complications which time and time again tend to penalize the very people the program is supposed to help. And, as always, it tends to reward the relatively well-to-do with maximum earnings by paying them the highest benefits, and discriminates against the low income people who need the most help in the years of their retirement by paying them the lowest benefits. In a very real sense the present Social Security Act thus favors those who need the least security and penalizes those who need the most. It is folly to describe such a system as social security.

It is my firm conviction that the American people deserve a social security system worthy of the name, and fortunately, such a proposal exists, and has for a long time. I refer to the Townsend Plan for National Insurance, which has been submitted to this Congress by Mr. BLATNIK as H.R. 4000 and by Mr. GUBSER as H.R. 4001.

Such absurdities as the ones I have recounted here could not happen under the Townsend plan. Its purpose is to pay pensions equitably; each eligible recipient would get the same amount, and thus pension discrimination would be a thing of the past. Nor would there be a myriad of obscure restrictions calculated to deny pension protection to certain individuals or groups. The tax burden would be shared equally. There would be no double standard as is now the case under social security, with its one set of taxes for the self-employed and its other for those who work for employers other than themselves.

Ask a hundred people at random, "How much social security will you get when you retire?" I will warrant not more than two or three out of the hundred will have the vaguest notion. This seems to be a deplorable situation. Here is a program which purports to touch intimately almost every man, woman, and child in the Nation, yet almost nobody really knows what it is all about. The result, in many cases, is heartbreak.

Surely this Congress can provide the country with a sound, sensible, fair, equitable, easy-to-understand insurance

system which will do far more than the present social security system, do it better, and do it more economically.

That is why I have advocated the Townsend plan all of my years in Congress, and why I support this legislation today. I earnestly believe it is the proper solution to our social security problem. I commend it to my colleagues.

TRAFFIC SAFETY

Mr. FRIEDEL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Maryland.

There was no objection.

Mr. FRIEDEL. Mr. Speaker, warm weather has arrived and the full glory of summer will soon be upon us. The American public is taking to the highways and byways. As the weather gets warmer and eventually hot, the automobile drivers, particularly on weekends, will soon start losing their patience and start displaying their tempers. This is what has always happened in the past and will no doubt occur again this year.

We are approaching the first of our summer holidays—Memorial Day. This day has been set aside as a national holiday to honor our dead. Unfortunately, the statistics of the past indicate that this is the first of a series of weekends where we unnecessarily increase the average number of those who die. And where do these deaths take place? On our highways. The statistics clearly point up the increase in the number of traffic accidents and fatalities which take place with the advent of Memorial Day. I will not take time to cite figures. We are all too familiar with them, and publicizing them fails to stunt their yearly growth.

Mr. Speaker, as you know, I have long been interested in the problem of traffic safety. I was one of the original sponsors of the resolution which led to the creation of the Special Subcommittee on Traffic Safety of the House Interstate and Foreign Commerce Committee. I served on that subcommittee from its inception in 1956 until the end of 1958. I am still very much interested in the problems of traffic safety.

The efforts of that subcommittee have already produced results. However, there is still more that needs to be done—much more in fact. The deemphasis of speed and horsepower in automobile advertising has been somewhat helpful. The use of safety equipment as standard equipment on all automobiles would also be helpful; but, less than 20 percent of all automobile accidents can be attributed to the car and mechanics. The balance, which is by far a preponderance, is due to the human factor.

Here is where the greatest effort is needed, a concerted effort to educate the public and make them ever aware of highway safety.

This educational program of awareness is the duty and responsibility of each and every person in this great Nation. Only by each of us practicing highway courtesy and safety can we achieve our objective. Groups of people must be formed for this purpose. More of the existing organizations must lend their assistance. Every effort possible must be made and every means available must be used to reduce the highway toll. After all, the automobile itself is not a fatal or dangerous weapon. And yet, every day people get behind the wheel of a car and lose all sense of responsibility, courtesy, good manners and—at times—reason.

The traffic safety record in my own State of Maryland has not been an enviable one in the past. However, under the able leadership of our present Governor, the Honorable J. Millard Tawes, it is hoped that great improvement will be made. Being aware of the problems and responsibilities of traffic safety, Governor Tawes placed the issue of traffic safety and highway improvement in his platform when running for the office he now holds. The Maryland State Legislature recently passed two measures which were contained in the Governor's platform. One is the point system for revoking the licenses of habitual offenders of traffic laws, and the other is the drunk-o-meter test, used in determining whether or not one is driving while under the influence of alcohol. Both of these measures have proven helpful in other States where enacted, and we are looking for similar results in Maryland.

Among the measures now being considered are an inspection system and a high school driver education program. The inspection of automobiles, though valuable in assuring the safe condition of vehicles, will do nothing toward the problem of improving drivers and their attitudes. A high school driver education program, on the other hand, is most valuable in this field.

Such a program teaches our youngsters the proper and safe way to drive, and points up to them the dangers in excess speed, the dangers of reckless driving, and the dangers of not keeping their minds on their business. The institution of this type of program in some States has helped to decrease the number of accidents involving teenagers and those in their early twenties. It also seems to assist in the leveling or even lowering of automobile insurance rates. Experience has shown that this training remains with the driver the rest of his life and safe driving can lengthen many lives.

Civic groups and public spirited citizens have been working in the field of traffic safety for some time. However, I repeat, more effort is needed.

I should like to mention a few such activities in Maryland. The Mayor's Youth Advisory Council's Third Annual Teen-Age Traffic Safety Conference was held this past March on the campus of Johns Hopkins University. This conference, sponsored by the Baltimore Safety Council and the Sunpapers, was attended by 150 delegates representing every public, private, and parochial school in Baltimore. They met to give serious study to the problem of traffic safety. They discussed the part teenagers must play and the responsibility they must assume, if there is going to be any improvement in our traffic accident experience.

As a result of the conference, recommendations were made under five general categories: First, driver licensing; second, family car—joint responsibility; third, legislation affecting youth; fourth, traffic safety action programs for teenagers; and fifth, practical law enforcement. In conjunction with the teenage conference an adult session was held, attended by faculty safety advisers of 15 high schools and representatives from several safety organizations. The purpose of this session was to suggest specific traffic safety projects to interested teenage drivers and a total of seven such projects were suggested.

These young people and the others who participated in and were associated with this effort have just reason to be proud of the recommendations which evolved from the conference. They merit great praise. I personally would like to take this opportunity to commend them and urge that they submit their recommendations to the next session of the Maryland Legislature.

A young organization which has been very active in the field of traffic safety is the Safety First Club of Maryland, of which Mr. J. O. Shuger is president. This club was organized in February 1956 with the premise that "Traffic safety is everybody's business." This group, composed of many outstanding and civic minded citizens of the State of Maryland, is endeavoring to help educate the public to the meaning of traffic courtesy and safety. The Safety First Club has sponsored safety forums over the radio and at public libraries. They have erected a billboard dramatizing Maryland's tragic traffic toll, and as part of its effort the club has presented two driver education scholarships to the University of Maryland. The members have spent time and effort supporting legislation for traffic safety before the Maryland State Legislature. The program of this organization has been endorsed by leading safety experts in the State.

Most recently, the Fraternal Order of the Knights of Pythias, whose principles are friendship, charity, and benevolence, has joined in this effort. The order has formed a highway courtesy and safety committee to promote highway safety, and is conducting a nationwide highway courtesy campaign. As part of this campaign, they are urging that each motorist have in his car an inexpensive, self-contained, portable safety device for his car—a device that not 1 in 50 motorists currently carries. This device is considered so essential by public utilities commissions that trucks and other common carriers are required by law to carry a similar device at all times. This device has saved literally thousands of lives, and will serve, through its promotions and use, as a constant reminder of the danger of careless use of our roads,

thereby awakening many drivers to their responsibilities to themselves and others.

This item is an automatic safety flare. It comes in a compact carton of three and fits easily into the glove compartment. The flares burn for 15 minutes each, or a total of 45 minutes, with a bright red flame. They are so constructed, with a spike in the base, that they can be stuck in the ground or held in the hand while burning. The flare contains a self-igniting unit for the benefit of those who might not have a match handy.

In recognition of the nationwide campaign of the Fraternal Order of the Knights of Pythias, Gov. J. Millard Tawes, proclaimed the week of February 15 through February 21 Knights of Pythias Highway Courtesy Week in Maryland. In addition, each house of the Maryland Legislature, during its most recent session, passed a resolution commending the Knights of Pythias for its sponsorship of Highway Courtesy Week.

The resolution read as follows:

HOUSE RESOLUTION 35

Resolution commending the Fraternal Order of the Knights of Pythias for its sponsorship of Highway Courtesy Week

Whereas throughout the United States and North America, traffic accidents continue to take a shocking toll in human life; and

Whereas a vast majority of these accidents are avoidable, and, indeed, are caused by thoughtlessness and a lack of common courtesy among many users of our roads; and

Whereas the Fraternal Order of the Knights of Pythias is among the groups leading an extensive and continuing campaign of education in order to eliminate this condition; and

Whereas the Knights of Pythias have been conducting a continentwide highway courtesy campaign, and are advocating the setting aside of a prescribed week to lay emphasis on this project and arouse the populace in general to continue cognizance of the importance of caution and courtesy on the part of all motorists; and

Whereas the Honorable J. Millard Tawes, Governor of Maryland, has proclaimed the week of February 15 through February 21, 1959, to be Knights of Pythias Highway Courtesy Week in Maryland: Now, therefore, be it

Resolved by the House of Delegates of Maryland, That the Fraternal Order of Knights of Pythias be commended for its sponsorship of Highway Courtesy Week; and be it further

Resolved, That the chief clerk of the house be instructed to send copies of this resolution to Grand Chancellor J. Walter McKee, 651 Baker Street, Cumberland, Md., and Grand Secretary William H. Waters, Box 217, Gaithersburg, Md.

Mr. Speaker, these are but a few of the efforts in this much needed field of activity. The public must be made aware of the facts. Highway accidents yearly take more lives than all the wars in which the United States has participated. The need for traffic courtesy and safety cannot be stressed too much nor repeated too often. The need has never been greater.

The public becomes enraged at various breaches of the peace. And rightly so. But, all too often the murder on our highways goes unnoticed; that is, until it strikes close to home and it is then too late to teach what should have been practiced from the beginning. It is far better and wiser to be late for an appointment than not to arrive at all because of an accident.

Let us not forget that by practicing and preaching safety and courtesy on our highways—the life we save may be our own.

NEW WHEAT LEGISLATION

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Mr. Speaker, I take this time to set at rest what appears to be a general impression that there is some kind of a deadline of June 1 on the enactment of new wheat legislation. There appears to be the impression that unless a wheat bill is enacted into law before June 1, the Secretary of Agriculture will be required to take some action on that date which he would not otherwise take or will not be able to take some action which he should take. There is no foundation in law or in fact for either impression. It is entirely false.

On June 1, 1959—that is next Monday—the Secretary of Agriculture is required by existing law to proclaim the national acreage allotment and the national marketing quota for the 1960 crop of wheat. The original date in the law for making these announcements is May 15, but by special joint resolution passed about 3 weeks ago, Congress set the date for this one year back to June 1. It was set back in the hope that a wheat bill might be agreed upon and signed into law before that time. At that time, it was not known what the nature of the wheat legislation might be, so that it seemed possible that the proclamation which the Secretary would be required to make on June 1 might be affected by the then pending legislation.

Since then, the shape of the wheat legislation on both sides of the Capitol has become evident and both the bill which has been passed by the Senate and the bill which has been reported favorably by the Committee on Agriculture of the House require that the Secretary make the very same proclamation next Monday that he would make if no wheat bill were passed this year.

On Monday, next, the Secretary of Agriculture will announce a national acreage allotment of 55 million acres for the 1960 crop of wheat and a national marketing quota representing the yield in bushels from 55 million acres. As soon as this proclamation has been made, the national acreage allotment can be broken down to State allotments, the State allotments to county allotments, and the county committees can go to work breaking down their county allotment into farm allotments.

This must be done before the provisions of either the Senate bill or the House bill can be put into effect, since both of these bills bring about a reduction in wheat acreage, not at the National, State, or county level, but by a percentage reduction of the farm acreage allotment which is arrived at on the basis of a national allotment of 55 million acres.

Thus, on Monday next, the Secretary of Agriculture will be doing only what he is required to do under the provisions of both the House and the Senate wheat bill. He will also be doing what he is required to do under existing provisions of law.

There is no reason for extending further the date on which the Secretary makes this announcement, nor is there any reason, Mr. Speaker, for trying to rush through Congress, merely on account of the June 1 announcement, the wheat legislation which is now pending.

I might add that the counsel of the Committee on Agriculture has been in touch with high-ranking officials of the Department of Agriculture within the past 2 hours, and they have flatly stated that there is no reason why the Secretary cannot make his scheduled announcement on June 1 and that they are not in favor of postponing further the date of this announcement.

AN EIGHT-POINT PROGRAM TO STRENGTHEN AMERICAN EDUCATION—THE TIME FOR ACTION IS OVERDUE

Mr. TELLER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TELLER. Mr. Speaker, I submit for the consideration of the Congress a comprehensive eight-point legislative program for improving education. This program is designed to more fully insure our national security and to fortify America's ability to meet its world leadership responsibilities.

The recently issued report by the President's Science Advisory Committee has underscored the crisis in American education. Similar reports, mounting in number, have been made by highly regarded commissions and educational bodies. The time for action is overdue.

The Congress recognized the need to improve the quality of our education by the enactment of the National Defense Education Act of 1958, which marks a significant contribution toward our efforts to achieve urgently needed educational improvement at many levels. This coordinated program is designed to strengthen national defense by assisting State, local, and private efforts in the development of America's human resources. In my opinion, however, even broader measures are required to effect the long-range upgrading of American education.

The program which I propose would include provisions for Federal assistance for elementary and secondary school construction; 50,000 annual college scholarship grants; 5,000 fellowship postcollege research and study; Federal grants for construction of State and municipal colleges and college research and laboratory facilities; grants for developing pilot teaching programs; revision of our tax law so as to permit parents to take reasonable deductions for children attending college; and assistance for adult education.

The tasks which we face in the field of education today are gigantic. They are the inevitable outcome of long years of neglect, of lazy approaches, and, in fact, of outright indifference to the obligations which have been thrust upon us by world events. Not only are the current educational challenges of this Nation gigantic, but they also involve highly complicated, many faceted problems, which require solutions within the framework of our system of Federal-State relations.

It is my hope, in view of the seriousness of our education needs, that political motives will be laid aside in the formulation of a sound and vigorous educational policy for a stronger America. The rewards, both social and economic, of an adequate educational program are great.

The current crisis in international affairs is the outcome of a struggle between the free world, whose peoples look to our country for leadership, and the unfortunate victims of the international gangster conspiracy of the Soviet Union. We are well aware of the Soviet engagement in a relentless, often subtle, and always persistent quest for world domination. The Soviet Union relentlessly seeks to further this conspiracy by leadership in the scientific revolution which began with the release of atomic energy. This Nation was shocked to learn in the past year that the Soviet Union has made substantial strides in the field of education and some persons have warned that we can no longer boast a superiority in this vital field.

But, the Russian technological accomplishments are not necessarily the result of superiority in the Soviet system of education or science research. Singleness of purpose and concentration of material and effort at the expense of other activities are undoubtedly the basic reasons for these accomplishments. However, if the Soviet Union's singleness of purpose and educational system are equal to the kind of project evidenced by the sputnik, obviously then this same combination is capable of other equally significant achievements. Certainly, no one questions this fact.

Furthermore, when these two educational systems—one of a free society and one of an enslaved society—are viewed against the backgrounds of basically different ways of life, I think you will agree that we would be traitorous to our traditions of freedom if we even tried to imitate the Soviet Union in its rigid, inflexible educational system.

The Communists inherited from czarist Russia an authoritarian but competent system of education to which only a small minority of the people had access. Following their advent to power in 1917 the Communists instituted a number of departures from the czarist system, but in the 1930's they again turned to that system. Most of these methods are maintained today. Although education has been made more accessible to the Soviet people and illiteracy has been drastically reduced, the purposes of education under the Soviet system are still based on the principle that the individual is trained to serve the needs of the state. People are educated in the Soviet Union, then, merely for the development of state-needed skills and to inculcate them with enthusiasm for Soviet imperialism.

In America, on the other hand, we educate for the development of each individual's potential. Our free society is a source of strength, and I have unshaken confidence in its correctness and its eventual world victory. We must, however, know the facts as they are, face them, and direct our energies to remedy those imperfections which interfere with the full development of our national reservoirs of greatness.

American scientific and cultural talent which is not fully developed represents a great loss and waste of valuable manpower. Perhaps some of the anti-intellectualism which exists today has resulted from a general failure of past generations to establish respect for learning. Dr. Alan T. Waterman, Director of the National Science Foundation, has decried our attitude toward education. "The relative strength in fundamental research of the European countries," he stated, "is the result of their general respect for learning, for teaching, and for fundamental research, an attitude which we as a people have never had to the same degree."

Moreover, the Rockefeller Brothers Fund report observes that the American people have never been quite prepared to face the fact that the Nation's need for good education is immediate; and good education is expensive. The legislative program which I propose would insure a much needed upgrading of our educational system. This will require substantial financial support. I am fully aware that money alone, of course, will not suffice to do the job. Equally as important as financial support are leadership and home and community attitudes toward learning.

Last year the Congress made a significant contribution toward providing assistance to some of our educational programs through the enactment of the National Defense Education Act. In my opinion, much needs to be done to expand and extend the programs of this legislation. The Congress, it is clear, will have to again take the initiative in the present national crisis in education. Clearly, the demands of our times require an effective and adequate educational program of school construction; scholarships; fellowships; assistance for research laboratories; improving the recruitment, training, and retention of teachers; assistance to institutions of higher education; and the establishment of a commission to promote national understanding of the needs of our educational system. These are among the major emphases of my proposed legislative program.

Before I describe more fully my eight-point program I want to state that I do not favor Federal control of education. Direction and supervision of personnel, the formulation of programs of instruction are primarily a responsibility of the States. Moreover, no interferences with private institutions are intended or suggested in my proposals. I recognize and appreciate the tremendous contributions that have been made by these institutions, particularly in the field of higher education. Indeed, it is my hope that increased Federal concern for education will encourage comparable improvement in the private colleges and universities and that they will receive a share of the Federal grants whenever possible.

The issue of Federal control, however, is too often used as an argument against all Federal assistance, without regard for the nationwide critical classroom shortage and the apparent inability of the States to relieve it adequately, and also without regard for the existing and growing crisis in higher education. As a Nation, we have engaged in a number of forms of Federal assistance to State and local educational programs, and none of them has led to Federal control. I refer, for example, to the substantial aid to land-grant colleges, the school lunch program, assistance for vocational education, and the huge grants for both the construction and for the operation of schools in federally affected areas.

My legislative program for education is as follows:

First. I support the enactment of one or the other of the following two proposals: (a) Emergency grants to the States for school construction, or (b) a Federal support program to assist the States and local communities in remedying the inadequacies in the number of their teachers, the size of teachers' salaries, and the shortage of classrooms.

The emergency grant proposal would provide a $3 billion matching-basis appropriation for local public elementary and secondary school construction, to be given to the States in five annual installments of $600 million. This temporary program designed to meet the pressing classroom shortage is similar to the bill introduced in 1957 by the late Representative Augustine B. Kelley. The Kelley bill was defeated in the 1st session of the 85th Congress, but I believe that the recently revealed inadequacies of our educational facilities and the inability of the States adequately to finance much needed school construction have alerted the Congress to the need for reexamining methods by which we can improve our national educational policies and facilities throughout the country for our growing school-age population.

This proposal for emergency school construction grants to the States, in my opinion, strikes at a basic shortcoming in American education—the serious lack of adequate classrooms for public ele-

mentary and secondary school education. The formula for allocations to the States under this measure takes into account not only the school-age population within each State, but also the efforts which it can be expected to make, and provides that within a State the money can be allocated to local areas where the greatest classroom shortage exists.

My other proposal—H.R. 5671—which would grant Federal support for school construction as well as teachers' salaries, in my estimation, is a significant step in the direction of solving an important crisis in American education. It would provide adequate financial support to supplement the inadequate revenues available from the local property tax and State support.

H.R. 5671 would authorize an appropriation to each State of $25 for each school-age child in fiscal 1960, $50 for fiscal 1961, $75 for fiscal 1962, and $100 for each fiscal year thereafter.

Decisions as to whether the funds are to be spent for teachers' salaries, for school construction or basic equipment, or as to how they are to be divided between these two broad areas are left to the State education agencies.

Funds under my bill would be allocated to the States on the basis of the ratio of a State's estimated school-age population to the total estimated school-age population of all the States subject to the application of a State's effort index to the national effort index. The use of the effort index will help assure maintenance of State and local support at present levels.

H.R. 5671 calls for three-level governmental financial support for our schools. The need for this type of support was underscored by Dr. Ruth A. Stout, president of the National Education Association, in her testimony this year on behalf of this kind of Federal legislation. Dr. Stout pointed out that:

> It should be obvious to all of us that our survival depends upon high quality education for all American youth. It should be equally obvious that the three levels of Government have a shared responsibility for financing the public school systems to provide this quality education. Not only must the educational systems in a democracy provide the means for each individual to develop his incentive and ability in order to achieve to his maximum capacity; in addition, the citizens of our Nation are entitled to an education which preserves respect for the individual and prepares him to live with and respect others like him or different from him.

Dr. Stout also emphasized the fact that:

> Today there is much concern about strengthening and improving various phases of our school program. Regardless of the area under consideration, however, we find two elements at the heart of our problem: a competent teacher and an appropriate classroom. Until the Congress provides funds to meet these two important needs, we cannot hope to provide the quality of education citizens of the United States are demanding and must demand.

H.R. 22, to which my bill, H.R. 5671, is similar, was favorably reported by our House Committee on Education and Labor on May 14, 1959, and is now awaiting floor action.

In my opinion, these persistent defects—shortage of classrooms and inadequate teachers' salaries—clearly frustrate our ability to go forward not only in the fields of mathematics and the social sciences but also in research and higher education generally.

We need to recast the outlook of many persons in relation to the teaching profession, restore its dignity, improve the conditions of teaching, and increase teacher salaries substantially. The estimated national average salary of teachers in public schools for the school year 1957–58 is $4,520, and 20 States pay an average salary of less than $4,000. Median salaries for college teaching at large universities in 1956 were $4,000 for instructors, $4,900 for assistant professors, $5,700 for associate professors, and $7,000 for full professors.

Accordingly, a full-scale study exposing local variations and the penurious practices generally, and particularly in relation to the faculties of colleges, seems desirable. The Federal Government can do a good deal of prodding in this area among State legislators, other State officials, and among private educational institutions.

The present low salaries of elementary and secondary schoolteachers and college faculty members are a positive inducement for talented persons to seek employment in the more highly paid private industries. Teacher salaries should be raised and the dignity of the teaching profession reestablished so that the teaching profession will be able effectively to compete with private industry for skilled and competent persons.

Also for the record, here are some facts concerning the classroom shortage. Based on a survey conducted among State education agencies by the U.S. Office of Education, it is estimated that the national classroom shortage at the start of the 1958 school year amounted to approximately 140,500 classrooms. Of these 140,500 additional instruction rooms needed at the beginning of this year, 65,300 rooms were reported necessary to accommodate the 1,843,000 pupils enrolled in excess of normal capacity and 75,200 to replace facilities considered obsolete or otherwise unsatisfactory. Of the 33.9 million children enrolled in schools in the fall of 1958—an increase of 3.5 percent over the previous fall—there was no room for 1.8 million. In many areas children have half-day schedules because of lack of facilities.

Under our traditional system of education, the major responsibility for the construction of public elementary and secondary schools rests with local school districts—of which there are approximately 54,000 in the States. These local school districts issue bonds to secure the needed money. The money to pay the school-construction bonds is derived from taxes levied on property located in the school district.

School districts which are rich in property get along nicely, and usually have fine schools to show for their property wealth. Unfortunately, in thousands of poorer local communities the school districts lack sufficient property wealth for issuing bonds to finance necessary school construction.

Now some people tell us that the Federal Government should not intervene in the field of education; that the matter should be left to the States. But an examination of State assistance made in 1956–57 by the United States Office of Education revealed that no State assistance whatever was given to local districts for schoolhouse construction in the following 17 States: Arizona, Colorado, Idaho, Illinois, Iowa, Kansas, Louisiana, Minnesota, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, Oklahoma, Oregon, Texas, and Wyoming.

Moreover, in most of the remaining States little more than token assistance for this purpose was reported. Programs for State aid to education, such as the highly developed system in New York, gave assistance to local communities for the operation of their schools as distinguished from State aid for school construction.

The Federal Government has had abundant experience with large-scale Federal assistance not only for the construction of schools but also for their maintenance and operation. I refer, of course, to Public Laws 874 and 815, which apply to Federally impacted areas. These laws, first enacted in 1950 and annually extended since then, were based on the view that the Federal Government should share the cost of education in areas where, because of Federal activities such as military installations or other Federal projects, the population increases beyond the financial ability of local school districts. From 1950 through fiscal year 1958 a total of more than $618 million was appropriated under Public Law 874 for assisting in the maintenance and operation of schools, and more than $800 million was appropriated under Public Law 815 for assisting in the construction of school facilities.

As I have stated, the programs of Public Law 874 and Public Law 815 have extended substantial and continued Federal assistance not only for school construction but also for the maintenance and operation of schools. The 3,344 local school districts which received assistance under these laws made contributions for these purposes under formulas established in the laws. Significantly, there have been no outcries heard against either of these laws, no authoritative claims that they have resulted in Federal control of education.

Indeed, a searching study made public in 1957 by Columbia University's Teachers College concluded that, among school districts receiving Federal aid under Public Law 874, "Federal control over school personnel, the curriculum, and institutional programs had not accompanied the distribution of funds." The enactment of these laws broke valuable ground by showing how the Federal Government, without interference or control, can cooperate with the States in improving their educational systems.

My proposal, for emergency school construction assistance, is similar to the Kelly bill, and it extends this successfully tested method of Federal-State cooperation.

Mr. Speaker, we simply cannot ignore, we cannot be indifferent to, the revealed shortcomings in our system of primary and secondary school education. They are too enormous. With the growth of population these shortcomings will inevitably become more critical. They are a fertile source of illiteracy, a source of national shame. Our self-respect and our world leadership responsibilities dictate that these educational inadequacies be corrected.

Second. I propose a program of 50,000 annual college scholarship grants to be awarded to the highest scorers in national competitive examinations. The minimum scholarship amount would be $500 yearly for a 4-year period, but the amount could be increased to $1,500 for needy students. My proposal provides that the examinations be given and that the program be administered jointly by the National Science Foundation and the U.S. Office of Education. The top 20 percent of the scholarship winners would be awarded a scholarship without regard to the State in which they reside; the remaining scholarships would be awarded in each State in proportion to its population. Recipients of scholarships would be free to attend institutions of their choice.

I was extremely disappointed last year when the National Defense Education Act was passed without a provision for scholarships. During the 85th Congress, I urged that a Federal scholarship program be enacted. It was my thinking at that time, and it is still my thinking, that the reports, studies, and testimonies of various educational authorities present overwhelming evidence of the need for Federal legislation in this area. The failure of the Congress to enact an educational measure which would provide for adequate scholarship assistance to students represents a disregard of the facts which highlight the national need for scholarships.

After viewing the enormity of the problems we face in the field of education and the grave consequences of our continuing to ignore them, my proposal for 50,000 annual college scholarships will seem a modest one. Nor is the suggested amount of the scholarship award more than meager in view of a recent U.S. Office of Education estimate which reported that the average cost of attending college is now between $1,500 and $2,000 a year, or between $6,000 and $8,000 for a 4-year education. A recent survey conducted at the request of the National Science Foundation showed that annually 150,000 above-average high school students in our country do not go to college because they lack financial means.

Among the greatest resources of our Nation are the talents of our gifted youth. Yet existing programs for helping our competent young people to secure a college education, admirable though they may be and though they have been increasing in the last decade, still do not go far enough. A 1957 study made by the Office of Education showed that the 1,332 reporting institutions offered a total of 227,909 scholarships.

This report further shows that approximately 21,000 students received scholarships in excess of $625 each. These scholarship students constituted only 9.2 percent of the total group of scholarship students. At the other extreme, almost one-third, or 72,435, of all scholarship winners received grants of less than $125.

Because I believe that we have neglected the needs of many of our talented youth, I have incorporated in my scholarship proposal the provision for a national scholarship examination. In my opinion these exams should be given nationally. In this manner we could test the efficiency of State systems rather than be limited by them. As Professor Arthur Bestor of the University of Illinois, founder and former president of the Council for Basic Education, has recently stated:

> If Federal funds are to go into educational testing, I believe that they should go for building up an independent nationwide system of examinations that would test, by a common standard, the results of the operations of our * * * separate State school systems.

Through such a system of scholarship examinations, we could get a clear picture of the Nation's educational resources. A well-developed Federal education agency should have purview over all educational matters, with regional offices located throughout the United States charged with the responsibility of carrying out the Federal purposes.

As a corollary of this view, scholarships should not be apportioned among the States entirely according to their population. This method would probably result in denial of scholarships to brighter students in some places to make room for those who had lower scores but reside in areas where fewer students competed or the average I.Q. was lower. It is my hope, therefore, that an acceptable compromise would lie in excluding the top 20 percent of scholarship winners from the rule of apportionment among the States.

This Nation is not without experience in the field of direct Federal grants to individuals for higher education. The National Youth Administration in the 1930's made substantial grants for college and graduate students. At its peak in 1936–37, $16,225,994 was spent in assisting 180,900 students. Under the veterans education benefits provisions of the GI bill, as of February 1959, 3,400,000 students had attended or were attending colleges and universities.

One should not overlook either the billions of dollars spent by the Federal Government as part of its military training programs. A substantial amount of this money might be saved if we improve education generally and thus reduce the the number of illiterate persons who must be trained for work by our armed services.

Third. A program of 5,000 annual fellowship grants and a $1 billion revolving low-interest loan fund for graduate study would, in my opinion, strengthen and expand the fellowship provision of the National Defense Education Act of 1958. At present only 1,000 fellowships are authorized by the act for fiscal year 1959 and only 1,500 for each of three succeeding fiscal years. The inadequacy of this number of fellowships is underscored by the fact that by December 31, 1958, the U.S. Office of Education had received 1,040 program applications asking for 5,987 fellowships—almost six times the number provided in the act.

The national need for general education predominates among the considerations which dictate the creation of scholarships for college study. The situation is somewhat different in connection with post-college study, though often it is difficult to draw lines; approximate areas, rather than rigid lines of demarcation, are suggested. Speaking generally, though, governmental assistance in post-college study or training is more than justified for developing nationally needed skills.

I envision that fellowship grants for post-college study will be readily made in fields where the need for research is demonstrated or where critical shortages of skills exist—especially shortages of teachers, scientists, mathematicians, and engineers. Our current shortage of qualified teachers is a national scandal. It prevents full utilization of existing educational facilities, and frustrates our plans to expand these facilities for accommodating our growing population.

The need to expand the fellowship provision of the National Defense Education Act is quite obvious in the light of the facts. This provision is good as far as it goes, but it shows an unduly modest appraisal of the need, and the preference to teacher training is not warranted. Indeed, the total adequacy is contradicted by the need for research and training in other proven fields which are closely related to the national interest.

I also believe that qualified persons whose area of study or competitive standing is not sufficient to justify a fellowship grant should not be denied the opportunity of pursuing graduate study for developing skills or for pursuing higher forms of learning. For this purpose I propose a low-interest loan fund especially for graduate study. This loan fund is intended to point up the fact that, as a Nation, we have been content to go along with inadequate measures for the development of our great resources of talents and abilities. A large number of our people have had to work at tasks below their aptitudes for the lack of training. This will no longer suffice.

We are not without experience in the field of student loans or Federal fellowship grants. For example, between the years 1942 and 1944, 11,053 loans were granted to students under the Federal Government student war loan program. Administered by the U.S. Office of Education, this program provided loans to students in technical and professional fields. Already the applications for participation in the loan program of the

National Defense Education Act have been made by institutions in nearly every State in the Union. As of February 1959, the U.S. Commissioner of Education reported that 1,231 institutions are participating in the new program. The institutional requests submitted totaled over $62 million. I think overwhelming response to the loan provision of the Education Act is, in itself, substantial evidence of a growing tendency among students today to borrow for their education. Attention was called to this trend as early as 1957 when the President's Committee on Education Beyond the High School observed that the idea of borrowing for an education is gaining recognition. The committee pointed out that "it is highly desirable that the use of loans for college education be popularized."

The fellowship awards of the National Science Foundation provide an example of Federal assistance to students in the form of a grant. So also are Fulbright scholarships for advanced study which support American student study abroad and foreign student study in this country. From the beginning of the Fulbright program in 1948 through the calendar year 1958, a total of 37,358 persons have participated in this program. The cost of this program to the American people, however, has been relatively small because of the predominant use of foreign currencies obtained through counterpart funds in paying for the scholarship grants.

Fourth. I suggest a $1 billion program of Federal grants for construction of State and municipal colleges, and college laboratory and other educational facilities. Like my proposal for Federal aid for elementary and secondary school construction, the proposed college assistance would be given on a matching basis by the States, and would prohibit discrimination on account of race, creed, color, or religion. Selection of proposed construction plans submitted by State or local authorities would be made jointly by the Office of Education and the National Science Foundation, guided by congressionally established standards which would take into account factors such as population requirements in the 18 to 24 age group, existing college facilities, local financial ability, and local efforts in the field of higher education.

Our colleges and universities will have to handle twice as many students by 1970, despite the fact that many of these institutions have laboratories and other educational facilities which are in a state of appalling disrepair and obsolescence. For example, the great need for construction of college facilities may be demonstrated by a recent report of a Columbia University faculty committee, which recommended that Columbia should spend $100 million for building expansion.

In the next decade college enrollments are expected to increase at a faster rate than either elementary or secondary school enrollments, because the size of the 18–24 age group will increase about 61 percent as compared with an estimated total population increase of about 20 percent. The States have a heavy responsibility for expanding the facilities for higher education which these population requirements will bring about, and which may be expected to increase through the expanded scholarship and other educational programs which are contemplated. The rate of college attendance among those in the 18–21 age bracket has been increasing steadily. In 1900 it had risen to 10 percent; in 1950 it was nearly 30 percent; and today it stands at about 34 percent.

I do not know whether the States will be able to meet these increasing responsibilities. In 1957 the voters of New York State, by a majority of more than 1 million votes, approved a $250 million bond issue for strengthening and expanding the State University. I cannot report comparable activity in any other State.

Increasing financial support for higher education by State and local governments should be pressed with all energy. But Federal assistance is also imperative. This was recognized by the Josephs committee, whose report stated:

> The committee also recognizes, however, that some of the present forms of Federal support must also be continued and certain new forms provided. In the competition for State dollars, education is presently at a severe disadvantage in relations to such other claimants as hospitals and highways for which the Federal Government matches State appropriations at attractive ratios.

Apparently impressed by the widening gap between our country's needs and its efforts in higher education, the Association of American Colleges recently renounced its traditional opposition to direct Federal support.

We already help to finance the construction and repair of colleges and college facilities through our Federal tax-deduction laws, but this does not insure that the money will be given where it is needed most. A program of direct Federal assistance, closely defined so as to prevent Federal control, would afford a better means of relating improvement in college plants to the public interest.

Fifth. A $100 million fund for grants for development of pilot programs for evolving new teaching and research methods, particularly in the fields of the physical sciences, mathematics, and engineering, is certainly needed.

The fields of education have been radically altered, particularly in the physical sciences, as a result of atomic energy. And our world leadership responsibilities have resulted in burdens which we have not fully comprehended in the study of foreign languages, diplomacy, and in the knowledge of foreign affairs. To persist in following outdated teaching methods in these significant areas is folly.

Developing new teaching methods, particularly in the fields of the physical sciences, is a national problem and, therefore, a national responsibility requiring the development of full-scale pilot programs. The proposed $100 million grant, if put to proper use under the joint sponsorship of the National Science Foundation and the Office of Education, could result in substantial savings through increased efficiency, and would also constitute an invaluable guide for local educational systems, each of which would otherwise be obliged to expend substantial sums of money for this purpose.

Considerable attention has been called to the effective utilization of certain mass media for educational purposes. We have heard a lot about educational television and other audiovisual aids. It seems to me, however, that we have somewhat neglected a very fundamental need to train persons in the basic skills of teaching. We must not neglect classroom method and the role of the instructor in the total learning process. The development of new teaching and research methods is unquestionably basic and vital to a sound educational program. The support of research in these areas combined with experimentation in the use of certain media for educational purposes, and the strengthening of science, mathematics and modern foreign language instruction, such as provided in the National Defense Education Act, will undergird our total program in education.

Sixth. I would like to see the establishment of a program to permit parents to take a reasonable income tax deduction for student college expenses.

In view of other Federal tax deduction policies, the refusal of the Federal Government to allow a tax deduction for student expenses is unreasonable and illogical. The U.S. Office of Education has estimated that the average cost of attending college is now between $1,500 and $2,000 a year, or between $6,000 and $8,000 for a 4-year education. For families with several children who want to attend college, the financing of such education poses a formidable, and often insurmountable, obstacle.

With this in mind, I support the proposal that a taxpayer be allowed to deduct such expenses in calculating his Federal income tax. In 1944 our tax law was revised so as to permit a taxpayer to take a $600 annual deduction for each dependent over 18 years of age who was continuing his schooling.

This is entirely inadequate. We allow deductions for medical expenses because we recognize that unduly large doctor bills may constitute an income drain too substantial for the taxpayer's ability to absorb. And by allowing deductions for charitable contributions, which can include money given to educational institutions, the Government in effect recognizes that payments for education may be subtracted from income taxes provided these payments are for other people's children. This is paradoxical. Why, then, not allow a reasonable deduction to a taxpayer for money spent in educating his own child?

Seventh. I further suggest a $100 million appropriation to help defray the cost of local programs for adult education.

Millions of adults are now frustrated in their efforts to continue their education, either as a means of enriching their lives or to gain occupational advancement. It has been estimated that more

than 49 million adults participate in adult educational programs sponsored by university extension and evening college programs, religious institutions, health and welfare agencies, private correspondence schools and other agencies, including the agricultural extension program. This is a remarkable expression of a desire for learning which should be encouraged.

The existing programs are noteworthy, but they are insufficient. We need a reappraisal and enlargement of opportunities in the field of adult education, both for the national good and for the requirements of adult individuals. A large part of the present problem in adult education is the result of our failure to extend educational opportunities for adults during the period of their childhood and youth. There will be less need for huge expenditures in adult education if the job of education is adequately done in the elementary and secondary schools and in the colleges.

Eighth. In view of widespread criticism that the U.S. Office of Education is understaffed, insufficiently financed, and that it is not adequately organized to do an effective job—there should be established a Federal commission to investigate our educational system. The proposed commission would inquire into all possible aspects of National, State, and local educational policies, procedures, and shortcomings, and would include in its assigned mission a searching inquiry regarding: the training and compensation of teachers, Federal-State relations, the integration of secondary-school education with college programs, and our tax policies insofar as they relate to education. The proposed Commission would be given subpena power to make its inquiries more effective, and would be authorized to make recommendations regarding matters falling within its jurisdiction.

At the outset of my statement I called attention to the fact that the current educational challenges before the Nation are many-faceted. In outlining my eight-point program of action I have tried to demonstrate just how involved our total educational picture has become.

We must give more than verbal recognition to the fact that education, along with national defense, is a frontline national responsibility as well as a means to strengthen the Nation's security. We must put into effect an active, efficient, and comprehensive program which will not only alleviate the current educational crisis but will also help to insure for the future an upgraded educational system with adequate Federal financial support.

MASS TRANSIT SYSTEMS ACROSS THE HUDSON RIVER

Mr. QUIE. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. RAY] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. RAY. Mr. Speaker, today the Honorable PETER W. RODINO, JR., of New Jersey and I are introducing joint resolutions to sanction the compact entered into by the States of New York and New Jersey by means of concurrent legislation—chapter 420 of "The Laws of New York of 1959" and chapter 13 of "The Laws of New Jersey of 1959," and also the act of March 4, 1959, of "The Laws of New Jersey"—for the development and execution of interim plans and the preparation of a long-range plan to deal with problems of mass transit systems for the transportation by common carrier of passengers to or across the Hudson River, or both, with respect to those phases with which either of the States, acting alone, cannot deal.

Congressman RODINO and I know that the transportation problems referred to are serious and pressing. Prompt action by the Congress is very important as the States cannot begin their investigations until they have this consent of Congress.

LEGISLATIVE PROGRAM

Mr. HAYS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HAYS. Mr. Speaker, I do not want to exercise the prerogative of the minority leader, but before going on to the special orders for today, I wonder if the minority leader is going to ask about the program for the balance of the week and whether any announcement is going to be made.

Mr. HALLECK. I might say to the gentleman that I spoke to the acting majority leader on the Democratic side, who suggested to me that we could say something about the program tomorrow, although, so far as I know, it will be according to what the whip notice carries except possibly that there would be no record votes tomorrow.

Mr. ALBERT. According to the agreement that has been made, if any record vote is requested tomorrow, it is our purpose that it go over until Tuesday. So far as bills to be taken up, the program is the Department of Commerce and related agencies appropriation bill.

Mr. HAYS. My purpose was to clarify the situation as to just what would happen in the event a rollcall vote was asked on the bill which has been debated today.

Mr. HALLECK. As a matter of fact, while the Reorganization Act expires on June 1, it is not the sort of deadline situation that would exist, for instance, where an excise tax law would expire. The Reorganization Act will become effective immediately.

The SPEAKER pro tempore (Mr. MCCORMACK). The Chair will state with reference to the bill which has been under consideration today that it would be the intention to bring that up on Tuesday.

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that any rollcall votes, except on rules which may be requested tomorrow or Monday, be put over until Tuesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that on Tuesday next it may be in order for the Speaker to recognize Members to move to suspend the rules on the bill H.R. 3088, an immigration bill, and H.R. 88, the military facilities bill.

Mr. HALLECK. Mr. Speaker, reserving the right to object, the gentleman from Oklahoma has specified two bills which will be taken up under suspension of the rules. As I have indicated heretofore in view of certain circumstances, it is perfectly all right with me that the suspensions come on Tuesday instead of on Monday. Of course, it would be in order under the rules to take them up under suspension on Monday, but since it suits the convenience of a number of Members, it is perfectly agreeable to me that the suspensions should come on Tuesday next.

The question has been raised here as to whether or not there would be any suspensions on Monday. I assume from our agreement that there will be no suspensions on Monday, but that there will be two suspensions on Tuesday to which the gentleman from Oklahoma referred.

Mr. ALBERT. The gentleman is correct. That is my understanding.

The SPEAKER pro tempore. The Chair will state that he has no knowledge of any suspensions other than the two that have been mentioned and the Chair would commit himself to that, as Acting Speaker, knowing that the two that have been mentioned have been cleared by me with the Speaker. Of course, if anything of an emergency nature comes up I would make the usual reservation in that event so far as Monday is concerned.

Mr. HALLECK. Yes; of course, that is understood.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

ENACTMENT OF AREA REDEVELOPMENT BILL WOULD AID THE STATE OF NEW YORK, AMONG MANY OTHER STATES

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Pennsylvania [Mr. FLOOD] is recognized for 15 minutes.

Mr. FLOOD. Mr. Speaker, I am submitting for the information of my colleagues Area Redevelopment Fact Sheet No. 61, which contains a breakdown of the distressed and labor surplus areas in the State of New York. This information was compiled by the Area Employment Expansion Committee with headquarters in New York City.

I feel it is important to point out, Mr. Speaker, that this data indicates that one major labor market, Utica-Rome, as well as 11 smaller areas would become eligible immediately for benefits under the area redevelopment bill, which has been sent by the House Banking and Currency Committee to the Rules Committee where it is awaiting action by that body.

This fact sheet further discloses the conditions in the Buffalo labor market as being one of substantial labor surplus where the unemployment rate in that city in January of this year was 12.3 percent.

I am also submitting, Mr. Speaker, a copy of an article on the Buffalo labor market which appeared in the Wall Street Journal of March 27, 1959, entitled "Beleaguered Buffalo." In this article, the long-term economic problems facing Buffalo are enumerated. They are essentially the difficulties that are arising from increased productivity shift of industry from Buffalo and the changes in the methods of military procurement and the conversion from airplane to missile production. Buffalo will become eligible as a distressed area in July of this year, and it should be given the benefits of the provisions contained in the area redevelopment bill.

I trust that my colleagues will take the time to examine this Wall Street Journal article with care, for it illustrates dramatically the mounting problems with which even large diversified communities like Buffalo are faced in the midst of our changing economy.

We must have, Mr. Speaker, legislation providing Federal facilities for aid to these distressed communities.

The indicated material is herewith submitted:

AREA REDEVELOPMENT FACT SHEET NO. 61: NEW YORK STATE

The Empire State is among those which would benefit from the proposed area redevelopment legislation. While the total number of areas immediately affected constitutes a somewhat smaller proportion of the total of the State than is prevalent in other States where there are more chronically distressed areas, yet the problems are none the less serious in this State.

In January 1959 there were 1 major labor market, Utica-Rome, and 11 smaller areas which would become eligible immediately for benefits under the area redevelopment bill (table I). Their total civilian labor force was over one-half million people, which probably represented some 6 percent of the State's working population (table II). The average rate of unemployment in these areas was 11.9 percent. It would take 29,865 new jobs to eliminate the unemployment in excess of 6 percent in these areas.

In addition, there were six major labor markets, four smaller labor markets, and three very small labor markets in which there was a substantial labor surplus. Continued high unemployment in these areas would graduate them into the chronically distressed state. It is probable that some of these areas will reach this condition.

There are 23 counties for which no labor market data are currently available.

DISTRESSED AREAS

A. Major labor market

Utica-Rome: This large labor market in central New York State, including both Oneida and Herkimer Counties, suffered seriously from the postwar contraction of the textile industry. It has struggled desperately to replace some of the textile jobs with new durable goods plants, but these have also been hard hit by unemployment. While these plants have opened up new jobs for the younger people, they have not provided job opportunities for the older population. As a result the rate of unemployment in the labor market in January 1959 was 11.8 percent.

The unemployment rate reached a high of 11.3 percent in January 1955, but had declined in the subsequent years reaching a low in the fall of 1956 (table III). In 1958 this labor market again suffered reverses so that the average unemployment rate for 1958 was 10.4 percent. The community needs considerable assistance to revamp its basic economic structure.

B. Smaller labor markets

Eleven smaller labor markets have had a high rate of unemployment for long enough periods to become eligible for benefits under the area redevelopment bill.

The following are the periods during which these smaller labor market areas have been certified as having had substantial labor surpluses:

Smaller Labor Market and Periods of Substantial Labor Surplus

Amsterdam: June 1954 through September 1956—March 1958 to date.

Auburn: January 1955 through July 1955—April 1958 to date.

Batavia: March 1958 to date.

Elmira: April 1958 to date.

Glens Falls-Hudson Falls: June 1958 to date.

Gloversville: November 1952 through September 1955—April 1958 to date.

Kingston: September 1958 to date.

Newburgh-Middletown-Beacon: July 1958 to date.

Oneida: June 1958 to date.

Plattsburgh: March 1959 to date.

Watertown: April 1958 to date.

Amsterdam: This textile community has suffered repeated setbacks from the closing of large textile mills. The shift of mills from this area to other States and the contraction of operations are the basic causes for its difficulties. The community has made desperate efforts to attract new plants. It has sponsored local industrial advances though individual improvements have been made.

The labor market includes Montgomery County. It has had annual average rates of unemployment of 9.4 percent in 1955; 9.8 percent in 1956; 8.9 percent in 1957, and 14.1 percent in 1958. In January 1959 the unemployment rate was 13.5 percent.

Auburn: Including as this labor market does Cayuga County, it has been a center of industrial activity except that it has suffered from plant closings and the contraction of some of its basic industries. Among the most significant closings was that of the International Harvester Co. Recently an electrical machinery company moved out of the area. Difficulties are being faced by other textile plants in the area. The annual average rate of unemployment in 1955 was 9.1 percent; in 1956, 7.1 percent; in 1957, 8.4 percent; and in 1958, 14.3 percent. Relief from continued high unemployment is not in sight.

Batavia: This labor market includes Genesee County. Its annual average rate of unemployment in 1957 was 8.8 percent and in 1958, 9.4 percent. While it was only recently certified as having substantial labor surpluses, it faces serious problems. Layoffs have occurred in its machinery and primary metal industries and many of its local residents must depend upon jobs in nearby areas for continued employment since the area does not itself support the population.

Elmira: This labor market includes Chemung County. Unemployment began to assume serious proportions in December 1957 and has continued at high levels through 1958 and in 1959. In February 1959 the rate was 11.1 percent. The community has suffered from widespread layoffs in machinery and the electrical equipment plants.

Glens Falls-Hudson Falls: This labor market includes both the counties of Warren and Washington. Unemployment was most marked in 1958 with reductions in the electrical equipment, paper, and textile industries. In 1958 the average rate of unemployment was 9.7 percent.

Gloversville: This is one of the truly chronically distressed labor markets. It encompasses Fulton County. It suffers from the decline of the dress, glove, and the woolen knit glove industry. These have been adversely affected by imports. This area has been suffering from continuing high unemployment for a number of years. In 1955, the average rate of unemployment was 13 percent; in 1956, 9.3 percent; in 1957, 14.1 percent; and in 1958, 19.5 percent. In 1959, the rate was 17.9 percent in February. This is an area needing immediate and continuing attention.

Kingston: This labor market of Ulster County has suffered from the closing of a large machinery manufacturing plant, as well as losses in the aircraft, paper, and chemical industries. Only the seasonal pickups in the summer resort trade help offset these setbacks. The average rate of unemployment in 1958 was 8.1 percent and in January 1959, 10.4 percent.

Newburgh-Middletown-Beacon: This labor market includes Orange and Putnam Counties as well as the city of Beacon and the town of Fishkill in Dutchess County. There have been widespread layoffs in the apparel, textiles, leather goods, metals, and machinery industries. Many residents working in outside areas have also been adversely affected. The average rate of unemployment in 1958, was 9.7 percent. Much hope has been placed in the economic effects of the New York Throughway but these have not yet lived up to expectations.

Oneida: The Madison County labor market has also recently been added to the list of the distressed areas. There have been heavy cutbacks in the silverware industry. This is a community which needs long-term improvements. Residents have been working in outside areas and commuting and the cutbacks in these outside areas have adversely affected local people. The unemployment rate has been particularly high in 1958, with an annual average rate of 13.1 percent. Long-term redevelopment is essential.

Plattsburgh: This labor market includes Clinton County and has suffered from the long-term drop in construction and losses in mining industries. The average rate of unemployment in 1958 was 12.9 percent and unemployment continued at a high rate of 15 percent in February 1959.

Watertown: The Watertown labor market includes Jefferson County. The difficulties of this community are attributable to the decline in employment in the machinery and paper industries. The high unemployment rates were first noticeable in March 1957, and continued through all of 1958. The average rate of unemployment for 1958 was 11.6 percent.

Areas of Substantial Labor Surplus

In addition to the preceding distressed areas there are a number of labor markets with substantial labor surpluses. This condition has not been of sufficient duration to qualify them for the benefits of the act (table IV). These areas will become eligible as of the following dates:

Labor Market Area and Earliest Date of Future Eligibility

Corning-Hornell: June 1959.

Olean-Salamanca: June 1959.

Albany-Schenectady-Troy: July 1959.

Buffalo: July 1959.

New York: July 1959.

Syracuse: July 1959.

Jamestown-Dunkirk: July 1959.

Orleans: September 1959.

Binghamton: October 1959.

Catskill: December 1959.

Waterford-Mechanicsville-Stillwater: January 1960.

Wellsville: January 1960.

Rochester: July 1960.

TABLE I.—*New York State—Areas of substantial labor surplus, April 1959, by status of current eligibility and earliest date of future eligibility under the Kilburn, House Banking Committee recommendation, and Senate-adopted S. 722 bills*

Labor market area	Status of current eligibility			Earliest date of future eligibility		
	Kilburn	House Banking Committee recommendation	Senate-adopted S. 722	Kilburn	House Banking Committee recommendation	Senate-adopted S. 722
MAJOR						
Albany-Schenectady-Troy				1963	July 1959	1962
Binghamton				1963	October 1959	1962
Buffalo				1962	July 1959	1961
New York				1963	do	1962
Rochester				1963	July 1960	1962
Syracuse				1963	July 1959	1962
Utica-Rome		X		1962		1961
SMALLER						
Amsterdam	X	X	X			
Auburn		X	X	1960		
Batavia		X		1962		1961
Corning-Hornell				1962	June 1959	1961
Elmira		X		1962		1961
Glens Falls-Hudson Falls		X		1963		1962
Gloversville	X	X	X			
Jamestown-Dunkirk				1962	July 1959	1961
Kingston		X		1963		1962
Newburgh-Middletown-Beacon		X		1962		1961
Olean-Salamanca				1963	June 1959	1962
Oneida		X		1961		1960
Plattsburgh		X		1961		1960
Watertown		X	X	1960		
Wellsville				1963	January 1960	1962
VERY SMALL						
Catskill				1963	December 1959.	1962
Orleans				1963	September 1959.	1962
Waterford-Mechanicsville-Stillwater				1963	January 1960	1962

TABLE II.—*New York State—Labor force and unemployment in labor markets, January 1959*

Labor market area	Civilian labor force (total)	Unemployment total	Unemployment as percent of the labor force	Number in excess of 6 percent
A. State, total	(1)	(1)		
B. Distressed areas [2]	505,250	60,180	11.9	29,865
Major: Utica-Rome	137,400	16,200	11.8	7,956
Smaller	367,850	43,980	12.0	21,909
Amsterdam	23,000	3,100	13.5	1,720
Auburn [3]	28,000	4,200	15.0	2,520
Batavia [4]	21,200	2,200	10.4	928
Elmira [4]	40,600	4,300	10.6	1,864
Glens Falls-Hudson Falls [5]	37,700	3,400	9.0	1,138
Gloversville [4]	23,450	5,000	21.3	3,593
Kingston	42,450	4,400	10.4	1,853
Newburgh-Middletown-Beacon [6]	78,400	7,630	9.7	2,926
Oneida [7]	17,850	2,150	12.0	1,079
Plattsburgh [4]	20,050	2,800	14.0	1,597
Watertown [4]	35,150	4,800	13.7	2,691
C. Substantial labor surplus areas	6,790,750	582,250	8.6	174,805
Major	6,612,950	564,200	8.5	167,423
Albany-Schenectady-Troy	245,100	21,800	8.9	7,094
Binghamton	94,400	7,300	7.7	1,636
Buffalo	526,500	64,500	12.3	32,910
New York	5,321,100	441,200	8.3	121,934
Rochester	249,600	15,200	6.1	224
Syracuse	176,250	14,200	8.1	3,625
Smaller	148,450	14,600	9.8	5,693
Corning-Hornell [6]	39,000	4,100	10.4	1,760
Jamestown-Dunkirk [3]	62,900	6,100	9.7	2,326
Olean-Salamanca [4]	31,150	2,950	9.5	1,081
Wellsville [7]	15,400	1,450	9.5	526
Very small	29,350	3,450	11.8	1,689
Catskill [3]	9,900	700	7.1	106
Orleans [8]	14,000	2,000	14.3	1,160
Waterford-Mechanicsville-Stillwater [9]	5,450	750	13.8	423
D. Other nonsubstantial labor surplus areas [10]	(1)	(1)		

[1] Information not available.
[2] Eligible for assistance under the House Banking Committee recommendation; i.e., unemployment of 6 percent in at least 18 of the previous 24 months, 9 percent during at least 15 of the previous 18 months, 12 percent during the previous 12 months or 15 percent during the previous 6-month period.
[3] September 1958.
[4] January 1959.
[5] November 1958.
[6] December 1958.
[7] October 1958.
[8] June 1958.
[9] March 1959.
[10] Information not available for the following 11 small and 12 very small labor areas:
Small areas: Chenango, Delaware, Dutchess, Hudson, Oneonta, Ontario, Oswego-Fulton, St. Lawrence, Saratoga, Tompkins, Wayne.
Very small: Cortland, Essex, Franklin, Hamilton, Lewis, Livingston, Schoharie, Schuyler, Seneca, Tioga, Wyoming, Yates.

Source: Division of Employment, Department of Labor, State of New York. Bureau of Employment Security, U.S. Department of Labor.

TABLE III.—*New York State unemployment as percent of labor force in distressed areas, 1955–59* [1]

Labor market area	Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Annual average
Major: Utica-Rome	1955	11.3	10.1	9.5	8.3	6.9	7.2	8.0	6.6	5.8	5.4	5.5	6.3	7.6
	1956	8.0	7.2	6.9	6.2	4.9	5.1	5.2	4.1	3.8	3.5	3.8	5.1	5.3
	1957	6.8	6.3	6.1	5.1	4.1	4.5	5.0	5.2	4.0	4.5	6.5	7.8	5.5
	1958	10.6	11.4	12.0	11.7	11.1	11.6	11.6	9.3	8.2	8.4	9.0	10.3	10.4
	1959	11.8												
Smaller: Amsterdam	1955	11.4	9.6	10.3	8.8	9.0	8.8	12.0	8.4	6.8	6.9	9.4	10.9	9.4
	1956	12.0	10.3	15.9	15.1	13.6	11.5	14.1	4.2	4.7	4.8	5.0	6.5	9.8
	1957	8.2	7.2	6.8	7.5	8.2	10.1	19.0	5.3	5.8	6.2	9.8	12.2	8.9
	1958	15.3	16.1	15.1	13.8	13.6	15.5	18.0	13.2	11.5	11.7	12.2	13.0	14.1
	1959	13.5												

See footnotes at end of table.

TABLE III.—*New York State unemployment as percent of labor force in distressed areas, 1955–59* [1]—Continued

Labor market area	Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Annual average
Smaller—Continued														
Auburn	1955	13.6	13.0	11.4	10.3	10.0	6.8	10.1	5.0	4.2	6.3	11.5	6.6	9.1
	1956	7.3	8.6	8.6	9.3	7.9	7.1	9.8	4.9	5.3	5.3	6.3	5.2	7.1
	1957	7.5	8.2	8.3	9.3	11.7	7.4	8.9	6.8	6.6	7.7	8.8	9.8	9.4
	1958	11.5	12.8	14.4	15.3	15.4	15.4	14.9	14.0	15.0	15.0	14.3	13.8	14.3
	1959													
Batavia	1955													
	1956													
	1957		7.6										10.0	8.8
	1958		11.4							7.4				9.4
	1959													
Elmira	1955	8.3	8.2	7.4	5.8	5.0	4.7	4.9	3.7	2.9	2.5	2.9	3.1	5.0
	1956	4.4	5.6	5.6	4.3	3.1	3.4	3.7	4.5	2.5	1.9	2.2	2.4	3.6
	1957	4.1	4.4	3.9	3.0	2.3	2.7	2.8	4.5	2.8	2.6	7.1	11.6	4.3
	1958	12.5	14.1	14.6	15.2	13.4	12.9	11.3	11.6	9.3	7.7	8.3	8.4	11.6
	1959	10.6	11.1											
Glens Falls-Hudson Falls	1955													
	1956													
	1957					5.5						5.9		5.7
	1958					10.3						9.0		9.7
	1959													
Gloversville	1955	22.4	20.6	17.3	17.6	16.6	10.3	13.9	6.7	5.8	5.5	8.2	10.8	13.0
	1956	16.4	12.2	11.4	12.0	10.6	7.8	7.9	3.9	4.3	4.9	8.5	11.6	9.3
	1957	19.7	15.7	14.6	13.3	13.8	11.7	21.0	7.5	7.8	9.3	15.0	19.4	14.1
	1958	24.3	24.8	23.8	25.6	23.0	18.8	17.6	11.4	11.7	12.3	17.9	23.9	19.5
	1959	21.3	17.9											
Kingston	1955													
	1956													
	1957							4.5						
	1958	9.7				6.6		7.7					8.2	8.1
	1959	10.4												
Newburgh-Middletown-Beacon	1955													
	1956													
	1957						6.6						7.2	6.9
	1958						9.6						9.7	9.7
	1959													
Oneida	1955													
	1956													
	1957						3.0	5.4	3.0	3.1	4.5	6.9	9.0	5.0
	1958	12.8	13.7	14.7	14.0	12.3	14.7		10.2		12.0			13.1
	1959													
Plattsburgh	1955													
	1956													
	1957													
	1958		13.9										11.8	12.9
	1959	14.0	15.0											
Watertown	1955													
	1956													
	1957			10.3						2.9				6.6
	1958	12.8	14.4	15.2				9.9	8.6	8.5				11.6
	1959	13.7	14.2	11.6										

[1] Eligible for assistance under the House Banking Committee recommendation, i.e., unemployment of 6 percent in at least 18 of the previous 24 months, 9 percent during at least 15 of the previous 18 months, 12 percent during the previous 12 months, or 15 percent during the previous 6-month period.

Source: Division of Employment, Department of Labor, State of New York. Bureau of Employment Security, U.S. Department of Labor. Annual averages calculated from these data.

TABLE IV.—*New York State unemployment as percent of labor force in areas of substantial labor surplus, 1955–59*

Labor market area	Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Annual average
Major:														
Albany-Schenectady-Troy	1955	8.3	7.9	7.5	6.7	5.6	5.0	5.3	4.3	3.7	3.3	3.4	3.9	5.4
	1956	5.7	4.5	4.3	4.1	3.1	3.0	3.3	2.9	2.5	2.4	2.8	3.0	3.5
	1957	4.3	4.6	4.5	4.0	3.4	3.4	3.7	3.4	3.2	3.3	4.0	4.5	3.9
	1958	6.7	7.2	7.4	7.5	7.1	7.3	7.5	6.9	6.3	6.4	6.7	7.1	7.0
	1959	8.9												
Binghamton	1955	6.1	6.5	5.8	4.7	4.2	4.5	4.8	4.5	3.8	3.5	4.0	3.5	4.7
	1956	4.6	4.9	4.6	3.8	2.9	3.0	2.9	2.3	2.4	2.3	2.7	2.7	3.3
	1957	3.6	3.7	3.5	2.8	2.1	2.5	2.3	2.0	1.9	2.3	2.7	3.4	2.7
	1958	4.9	6.1	5.9	6.2	5.5	6.6	7.2	8.3	6.5	6.8	6.5	7.0	6.5
	1959	7.7												
Buffalo	1955	6.6	6.6	5.9	5.0	4.2	3.6	3.7	3.4	3.2	3.2	3.0	3.3	4.3
	1956	4.4	5.0	4.9	4.3	3.7	3.6	4.3	3.7	4.0	2.7	2.9	3.2	3.9
	1957	4.2	4.5	4.6	4.6	4.4	4.5	4.9	4.5	4.7	4.5	4.5	5.6	4.6
	1958	8.2	9.9	11.7	12.6	12.6	12.4	13.1	12.8	11.4	11.1	10.9	11.1	11.5
	1959	12.3												
New York	1955	6.9	6.3	5.9	6.1	6.0	6.1	6.1	4.9	4.4	4.5	4.1	4.2	5.5
	1956	5.5	5.2	5.2	5.6	5.6	5.7	5.5	4.2	4.1	4.0	4.4	4.2	4.9
	1957	5.9	5.5	5.1	4.9	5.3	5.5	5.8	4.5	4.3	4.7	5.2	5.6	5.2
	1958	7.4	7.4	7.6	7.8	7.8	8.0	7.8	6.8	6.7	6.2	6.6	7.1	7.3
	1959	8.3												
Rochester	1955	3.8	3.7	3.6	3.3	2.9	2.6	2.7	2.6	2.2	2.2	2.2	2.4	2.9
	1956	2.8	2.9	2.9	2.9	2.8	2.7	2.6	2.4	2.2	2.2	2.1	2.4	2.6
	1957	2.8	2.8	2.9	2.9	2.7	2.6	2.7	2.5	2.4	2.4	2.7	3.1	2.7
	1958	4.5	5.6	6.0	6.4	6.5	6.7	6.8	6.7	5.9	5.2	5.1	5.2	5.9
	1959	6.1												
Syracuse	1955	6.6	6.8	6.3	5.4	4.1	4.0	5.0	3.7	2.8	2.4	2.5	3.3	4.4
	1956	4.2	4.5	4.5	3.8	3.2	3.0	3.8	2.7	2.1	1.8	1.9	2.3	3.2
	1957	3.1	4.0	4.2	3.7	3.4	3.3	4.1	3.8	4.1	3.7	4.0	4.8	3.9
	1958	7.2	8.1	8.2	8.5	8.4	8.4	9.3	7.7	7.2	6.5	6.8	7.2	7.8
	1959	8.1												
Smaller:														
Corning-Hornell	1955													
	1956													
	1957						3.0							
	1958						10.0		11.7				10.4	10.7
	1959													

TABLE IV.—*New York State unemployment as percent of labor force in areas of substantial labor surplus, 1955–59*—Continued

Labor market area	Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Annual average
Smaller—Continued														
Jamestown-Dunkirk	1955													
	1956													
	1957									2.4				
	1958							13.8		9.7				11.8
	1959													
Olean-Salamanca	1955													
	1956													
	1957								3.0					
	1958			8.4					7.6					8.0
	1959	9.5	9.5											
Wellsville	1955													
	1956													
	1957											4.5		
	1958										9.5			
Very small: Catskill	1955													
	1956													
	1957													
	1958									7.1				
	1959													
Very small:														
Orleans	1955													
	1956													
	1957													
	1958						14.3							
	1959													
Waterford-Mechanicsville-Stillwater	1955													
	1956													
	1957													
	1958										11.9			
	1959			13.8										

Source: Division of Employment, Department of Labor, State of New York. Bureau of Employment Security, U.S. Department of Labor. Annual averages calculated from these data.

[From the Wall Street Journal, Mar. 27, 1959]

BELEAGUERED BUFFALO—CITY LANGUISHES DEEP IN RECESSION AS MOST OF UNITED STATES HEADS UPWARD—FACTORS PRODUCTIVITY GAINS, SLOW HARD GOODS RISE—CITY SEEKS TO DIVERSIFY—NO EASTER FINERY FOR COGANS

(By Joseph M. Guilfoyle)

BUFFALO.—"I've been hackin' in this town for 39 years and this is the worst business I've ever seen," the taxi driver shoots back over his shoulder as he expertly threads the cab through the rush-hour traffic along busy Delaware Avenue. Turning to his passenger, while waiting for a red light to change, he quips: "They can give this town back to the Indians as far as I'm concerned."

While the cabby may be unduly pessimistic, there nevertheless is plenty of justification for gloom in this sprawling industrial city on the shores of Lake Erie. At a time when most of the country is heading back toward prosperity, the Niagara frontier area is worse off than at any time in the past dozen years.

Buffalo is only one of the Nation's economic trouble spots, to be sure. Others include the city of Detroit and most of the State of West Virginia. But Detroit's troubles are closely linked to the auto industry and West Virginia's problems are largely those of the coal-mining industry. A close look at Buffalo points up some of the reasons why even a many-industry city can remain in a recession amid general economic recovery.

There's no question Buffalo's troubles are severe. Approximately 64,000 persons—12 percent of the work force—are unemployed This compares with less than 7 percent for the Nation as a whole and equals Detroit's jobless percentage.

RELIEF ROLLS GROW

Home relief rolls grow fast as unemployment insurance benefit exhaustions hit a weekly rate of more than 500. For instance, in January (latest figures available) the number of people receiving home relief assistance—the public assistance category most sensitive to unemployment—totaled 15,034, more than double a year ago and the largest figure since 1942, according to Paul F. Burke, Erie County welfare commissioner.

Some 19,000 residents of Erie County, in which Buffalo is located, are dependent upon Federal rations of surplus butter, cornmeal, dried milk, and flour to augment their meager food supplies.

More rental dwelling units are available now than at any time in the past 15 or 20 years, reports J. C. Donovan, of the Niagara Frontier Builders Association. "Even offering them at rents below ceiling levels doesn't seem to help," he adds.

"Conditions today are worse than they were in either the 1953–54 or 1949–50 recessions," states Leo A. Sweeney, superintendent of the New York Department of Labor's employment division here. "The cutback in job openings is general throughout the area," he adds.

OUTLOOK IS BLEAK

And the outlook for the months ahead apparently is just as bleak. "The Niagara Frontier area will go into the first half of 1960 with a fairly large number of persons out of work," Mr. Sweeney forecasts.

"Frankly, we are quite worried about the situation," concedes William Lawless, Jr., president of the Buffalo City Council.

Somber as the picture is, there are a few encouraging bright spots. Department store sales in the Buffalo metropolitan area so far this year are running about 5 percent ahead of last year. New car registrations in December (latest figures available) were slightly above a year ago. New house sales in January and February were 22 percent ahead of last year. But these slivers of cheer cannot minimize the seriousness of the area's plight.

Why is Buffalo so slow in throwing off the recession? The answer is a complex one but perhaps the biggest single factor is the dominant role occupied by heavy durable goods industries in the area's economy. Durable goods producers, for example, account for 65 percent of all employment in manufacturing industries.

LITTLE IMPROVEMENT

And with the exception of the steel producers here most heavy goods manufacturers—machinery and equipment, auto parts, foundries and metal fabricating—have experienced relatively little improvement in their operations.

Even in the local steel industry where operations now have regained the prerecession peak, the recovery hasn't resulted in the rehiring of all laid-off workers. At Bethlehem's Lackawanna works, for instance, where 33 of 35 open hearth furnaces are operating, some 18,000 workers are on the job. This compares with employment of 20,000 in the summer of 1957 when a similar number of furnaces were lighted.

"There are many, many idle steelworkers who won't go back to work in the mills because of the introduction of new methods, new machines, and the combining of jobs during the recession," states Joseph P. Molony, New York director of the United Steelworkers.

The problem of automation or increased productivity, Mr. Molony asserts, is certain to be discussed when the Steelworkers Union meets with industry representatives this spring to draw up a new contract. "You just don't need the same amount of people to produce more," he says, adding: "I wouldn't be surprised if 10 to 20 percent of those now out of work become permanent technological unemployed."

A somewhat similar view is expressed by George F. Rand, Jr., vice president of Marine Trust Co., and president of the Buffalo Redevelopment Foundation, Inc. "Industry is continuing to improve its efficiency with the result that not all furloughed workers are rehired when business picks up," he states.

Adding to Buffalo's unemployment woes is the loss of some 4,500 to 5,000 jobs during the past year due to the shifting or outright closing of several plants. For example, a Ford assembly plant closed its doors and set up operations in Lorain, Ohio. Result: Some 1,200 workers joined the ranks of the unemployed.

An additional 400 to 500 jobs were lost when lack of orders forced Pullman Co. to close its factory here. The plant mostly repaired and rebuilt railroad sleeping cars. Shuttering of Aluminum Co.'s magnesium foundry swelled the unemployment roles by another 300.

BIGGEST CASUALTY

Especially hard hit by the lack of defense work is the aircraft industry. The biggest casualty in this group is Bell Aircraft's Buffalo facility, where employment has dropped from 15,900 in January 1957, to around 4,500 at present. The severe shrinkage is due, in part, to the phasing out of two defense programs in the second half of last year.

A Bell spokesman suggests that employment might go even lower, although the company anticipates some new contracts which might stabilize the work force around present levels.

This is small comfort, however, to the thousands of job hunters who vainly search

for gainful employment. Talk, for example, to John Cogan, who was laid off at Bell last December.

"I'm not proud, I'll take any job," says the soft-spoken Mr. Cogan, who averaged $7,000 a year at Bell.

Father of six—they range in age from 18 months to 9 years—and expecting a seventh child next month, he explains matter-of-factly: "With six kids and a $9,000 mortgage, it's impossible to meet expenses with my unemployment insurance payments. We're digging into the kids' educational fund—I had been putting $12 a week into it—at the rate of $300 to $350 a month to make ends meet. The only money we spend now is for shoes for the children and food. There are no more steaks on the table; we're eating stews and hamburgers now."

NO NEW BONNETS

There will be no new Easter bonnets for the Cogan brood this year. "If they get anything, it'll be hand-me-downs," says Mr. Cogan with a trace of sadness in his voice. "I never thought we'd come to that," he adds.

"I don't know what we'd have done if my wife hadn't found a job," relates Ellsworth C. Thomas, who was laid off about a year ago during a retrenchment at the local Sears, Roebuck store.

Father of three youngsters, the 34-year-old Mr. Thomas has exhausted his unemployment insurance benefits (39 weeks) and has been working at odd jobs to keep the family together. "It's tough," he says. "Our savings are practically exhausted and we had to sell the family car because it got too expensive to operate. I'm a native of Buffalo but I wouldn't hesitate a minute to take a job out of town if I could get one."

Even less fortunate is Frank Guevara, a draftsman who lost his job with an oxygen equipment maker last December. The recipient of $45 a week from unemployment insurance on which he struggles to support his wife and two children, Mr. Guevara wonders out loud:

"How can you live on that? We had some savings—not much—but they're gone now. We bought a house 7 months ago and I wonder where the money's coming from to meet the mortgage payments.

"Like lots of other people I know around here we've really had to pull in our belts. The wife and I used to go to the movies, maybe once a week. Now if we go out we visit friends—it doesn't cost anything. Most of the time we stay home and watch TV or read the papers. And I'll tell you another thing: On 45 bucks you can't have any banquets. We've had to cut down on the food."

MAKING THE ROUNDS

Mr. Guevara makes the rounds daily in search of work, but so far the hunt has been in vain. "To tell you the truth, I've been all over the place, but I can't find a thing. Everybody just says they hope things will open up in the spring. I sure hope so. I just got to get something," he adds grimly.

While these Buffalo residents may be willing to take any job, either in the Buffalo area or elsewhere, local officials are sure there are many others who are a good deal less eager to go back to work. Some, especially those without large families to support, simply become accustomed to unemployment compensation and deliberately take their time in hunting new jobs. Others who drew high wages and overtime pay in prosperity are reluctant to take less-skilled and lower paying jobs now.

Some workers are leaving the Buffalo area to seek jobs elsewhere. But others are bound to Buffalo by family and social ties and hesitate to move. Still others would like to move but lack adequate information as to available jobs. Mistakes can be costly. Some out-of-work West Virginia miners, for example, in recent months have traveled to equally troubled Detroit to hunt—unsuccessfully—for work.

What can be done to provide jobs for idle Buffalonians?

A number of suggestions have been put forth by the Buffalo Full Employment Committee, appointed by Mayor Frank A. Sedita last year to explore the problem.

To provide immediate employment, the committee recommends that the city speed up construction of its already approved capital improvement projects. These include schools, roads, bridges, and park improvements. City Council President Lawless states that three school projects now at the site-acquisition stage should move into construction this year.

WANTED: DEFENSE CONTRACTS

The committee also proposes that industry and Government leaders push a drive to obtain more defense contracts for the area. Civic leaders have been deeply disappointed by the amount of defense contracts awarded to manufacturers in the Niagara frontier area during the past year. In the first 6 months of 1958, the latest period for which figures are available, local firms received military contracts totaling $59 million. Local officials think this area should have received a bigger share of the $887 million of awards to New York State firms during the same period.

There is considerable feeling here that local manufacturers are losing out on defense contracts because they cannot bid as low as those located elsewhere. Indeed, military procurement officers have made it known that unit costs of production in the Niagara Frontier area are out of line with those of other sectors.

"Defense contractors must introduce modern, efficient machinery and use efficient management methods to lower the cost on defense production and do everything possible to improve deliveries to match the promises they make," asserts the Full Employment Committee.

Some observers believe the problem is more deepseated than that. Dr. Austin S. Murphy, dean of the School of Business Administration at Canisius College and chairman of the chamber of commerce's economic affairs committee, contends that the changing character of military planning will have a continuing effect on plants in the Buffalo area.

PROTOTYPE OPERATIONS

"The rapid rate of technology in modern ordnance," he warns, "has forced defense industries into prototype operations instead of production. Production for stockpiling is out for the foreseeable future in aircraft and missiles," he says. This, Dr. Murphy contends, is bad news for production workers.

The long-range solution to Buffalo's unemployment problem, observers argue, must come from the diversification of its industry so that it will not lean so heavily on the durable goods producers. "I'd like to see some food processors and consumer goods manufacturers set up operations here," declares Robert E. Rich, chairman of the full employment committee and president of Rich Products Corp., a dairy processor here.

Even diversification may not solve the unemployment problem. "The character of our industry is changing from a semiskilled society to a highly technical one," observes the Marine Trust Co.'s Mr. Rand. "In the new economy the mass production employee will have a reduced role. What we need most now are engineers and physicists—fellows with Ph. D.'s and masters degrees."

"TOO MANY QUICKIE STRIKES"

Attracting new manufacturers to the area won't be easy either, in the opinion of many businessmen. "Buffalo's labor reputation is not good," states one prominent industrialist. "There are too many quickie strikes, too much featherbedding, too many coffee breaks and the work tempo is unfavorable. All this is hurting us now. It's pretty hard to recommend this section to new manufacturers under these conditions. Before any company comes here, it will want to be sure that it gets its money's worth," he adds.

Indeed, there are signs the city may have difficulty keeping what industry it has. A small furniture maker, considering shifting to the South, complains that in 1940–41 one unit of production required 5 man-hours of labor; today a comparable unit takes 12.85 man-hours to produce. The prevailing hourly rate in this plant is $2.56, plus fringe benefits estimated at another 20 cents.

"Similar workers in Mississippi," observes a spokesman for the company, "get $1.25 to $1.30 an hour, with negligible fringe benefits. Under these conditions we figure we could ship our product into the Buffalo market and sell it for less than we do now, even after allowing for the added transportation costs."

COMMITTEE ON EDUCATION AND LABOR

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor may be permitted to sit during general debate next week.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. ANFUSO (at the request of Mr. ZELENKO), for Wednesday, May 27, on account of official business.

Mr. JACKSON, for 10 days, on account of official business, Committee on Un-American Activities.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. FLOOD, for 15 minutes, today, to revise and extend his remarks, and include extraneous matter and tables.

Mrs. ROGERS of Massachusetts, for 10 minutes, on tomorrow, vacating her special order for today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. BOLAND and to include extraneous matter.

Mr. ASPINALL.

Mr. TOLLEFSON.

Mr. MEADER, his remarks made during general debate today and to include extraneous matter.

At the request of Mr. QUIE, the following Members to extend their remarks and include extraneous matter:

Mr. CRAMER.

Mr. CURTIS of Missouri.

Mr. SAYLOR in two instances.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 19. An act to provide a method for regulating and fixing wage rates for employees of Portsmouth, N.H., Naval Shipyard; to the Committee on Armed Services.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 5 o'clock and 37 minutes p.m.) the House adjourned until tomorrow, Thursday, May 28, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1029. A letter from the Director, Office of Civil and Defense Mobilization, Executive Office of the President, transmitting the semiannual report on the strategic and critical materials stockpiling program for the period July 1 to December 31, 1958, pursuant to Public Law 520, 79th Congress; to the Committee on Armed Services.

1030. A letter from the Comptroller General of the United States, transmitting a report on the examination of the negotiation of target prices under Department of the Air Force contracts with General Precision Laboratory, Inc., Pleasantville, N.Y., for certain radar systems; to the Committee on Government Operations.

1031. A letter from the Secretary of the Interior, relative to an application for a loan of $1,327,000 to the Jackson Valley Irrigation District at Ione, Calif., pursuant to the act of June 5, 1957 (71 Stat. 48); to the Committee on Interior and Insular Affairs.

1032. A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation entitled "A bill to amend section 4488 of the Revised Statutes, as amended, to authorize the Secretary of the Department in which the Coast Guard is operating to prescribe regulations governing lifesaving equipment, firefighting equipment, muster lists, ground tackle, hawsers, and bilge systems aboard vessels, and for other purposes"; to the Committee on Merchant Marine and Fisheries.

1033. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation entitled "A bill to amend section 602 of the Agricultural Act of 1954"; to the Committee on Agriculture.

1034. A letter from the Chairman, U.S. Atomic Energy Commission, transmitting a draft of proposed legislation entitled "A bill to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes"; to the Joint Committee on Atomic Energy.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DURHAM: Committee on Armed Services. H.R. 6190. A bill to direct the Secretary of the Army to convey the Army and Navy General Hospital, Hot Springs National Park, Ark., to the State of Arkansas, and for other purposes; with amendment (Rept. No. 396). Referred to the Committee of the Whole House on the State of the Union.

Mr. WALTER: Committee on the Judiciary. House Resolution 28. Resolution to continue in effect House Resolution 90 and House Resolution 386, 83d Congress; with amendment (Rept. No. 397). Referred to the House Calendar.

Mr. FEIGHAN: Committee on the Judiciary. H.R. 3088. A bill to amend sections 353 and 354 of the Immigration and Nationality Act; with amendment (Rept. No. 398). Referred to the House Calendar.

Mr. ROGERS of Texas. Committee on Interior and Insular Affairs. H.R. 7155. A bill to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes; with amendment (Rept. No. 399). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROOKS of Louisiana:

H.R. 7401. A bill to provide that the National Bureau of Standards shall conduct a program of investigation, research, and survey to determine the practicability of the adoption by the United States of the metric system of weights and measures; to the Committee on Science and Astronautics.

By Mr. FLYNN:

H.R. 7402. A bill to provide for the increased use of agricultural products for industrial purposes; to the Committee on Agriculture.

By Mr. FRELINGHUYSEN:

H.R. 7403. A bill to provide for Federal grants and contracts to carry out projects with respect to techniques and practices for the prevention, diminution, and control of juvenile delinquency; to the Committee on Education and Labor.

By Mr. HALEY:

H.R. 7404. A bill to fix midnight as the effective time of discharges from the Armed Forces prior to January 1, 1957, for the purposes of title 38, United States Code; to the Committee on Veterans' Affairs.

By Mr. MOULDER:

H.R. 7405. A bill to amend chapter 15 of title 38, United States Code, to provide for payment of a pension of $100 per month to World War I veterans who have attained the age of 60 years; to the Committee on Veterans' Affairs.

By Mr. ROGERS of Colorado:

H.R. 7406. A bill to amend the Civil Service Retirement Act, as amended, to provide annuities for surviving spouses without deduction from original annuities and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SAYLOR:

H.R. 7407. A bill to save and preserve, for the public use and benefit, a portion of the remaining undeveloped shoreline area of the United States, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. TAYLOR:

H.R. 7408. A bill to authorize appropriations for the Federal-aid primary system of highways for the purpose of equitably reimbursing the States for certain free and toll roads on the National System of Interstate and Defense Highways, and for other purposes; to the Committee on Public Works.

By Mr. DIXON:

H.R. 7409. A bill to amend sections 4081 and 4082 of the Internal Revenue Code of 1954 to include wholesale distributors within the definition of "producers" of gasoline, and for other purposes; to the Committee on Ways and Means.

H.R. 7410. A bill to amend the Internal Revenue Code of 1954 to permit the States to make refunds of the Federal tax on gasoline in cases where such gasoline is used on a farm for farming purposes; to the Committee on Ways and Means.

H.R. 7411. A bill to provide for the adjustment of the legislative jurisdiction exercised by the United States over land in the several States used for Federal purposes, and for other purposes; to the Committee on Government Operations.

H.R. 7412. A bill to provide for the adjustment of the legislative jurisdiction exercised by the United States over land in the several States used for Federal purposes, and for other purposes; to the Committee on Government Operations.

By Mr. FOLEY:

H.R. 7413. A bill to amend part II of the Interstate Commerce Act in order to provide employee protection in cases involving consolidations, mergers, and other similar situations of passenger motor carriers; to the Committee on Interstate and Foreign Commerce.

H.R. 7414. A bill to amend section 210a(a) and section 210a(b) of part II of the Interstate Commerce Act to deny the granting of temporary operating authority to render common or contract passenger service by motor vehicle if absence of service results from a strike; to the Committee on Interstate and Foreign Commerce.

By Mr. MEYER:

H.R. 7415. A bill to authorize the Attorney General to consent, on behalf of the Library of Congress Trust Fund Board, to a modification of the terms of the trust instrument executed by James B. Wilbur; to the Committee on House Administration.

By Mr. CUNNINGHAM:

H.R. 7416. A bill to amend the act of July 27, 1956, with respect to the detention of mail for temporary periods in the public interest, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. FOLEY:

H.J. Res. 402. Joint resolution granting the consent and approval of Congress for the States of Virginia and Maryland and the District of Columbia to enter into a compact related to the regulation of mass transit in the Washington, D.C., metropolitan area and for other purposes; to the Committee on the Judiciary.

By Mr. RODINO:

H.J. Res. 403. Joint resolution granting consent of Congress to a compact entered into between the State of New York and the State of New Jersey for the creation of the New York-New Jersey Transportation Agency; to the Committee on the Judiciary.

By Mr. RAY:

H.J. Res. 404. Joint resolution granting consent of Congress to a compact entered into between the State of New York and the State of New Jersey for the creation of the New York-New Jersey Transportation Agency; to the Committee on the Judiciary.

By Mr. CHENOWETH:

H. Con. Res. 189. Concurrent resolution declaring the sense of Congress on the depressed domestic mining and mineral industries affecting public and other lands; to the Committee on Interior and Insular Affairs.

MEMORIALS

Under clause 4 of rule XXII,

The SPEAKER presented a memorial of the Legislature of the Virgin Islands, memorializing the President and the Congress

of the United States relative to bill No. 908, providing for a direct Representative of the Virgin Islands in the Congress, which was referred to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT of Florida:

H.R. 7417. A bill for the relief of William P. Reed; to the Committee on the Judiciary.

By Mr. DORN of New York:

H.R. 7418. A bill for the relief of Monti Marine Corp.; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 7419. A bill for the relief of Vincenzo Pallini; to the Committee on the Judiciary.

H.R. 7420. A bill for the relief of Marija Toic; to the Committee on the Judiciary.

By Mr. FRELINGHUYSEN:

H.R. 7421. A bill for the relief of Emiliano Rodriguez also known as Juan Bautista Hidalgo; to the Committee on the Judiciary.

By Mr. SANTANGELO:

H.R. 7422. A bill for the relief of Olinda David Borga; to the Committee on the Judiciary.

H.R. 7423. A bill for the relief of Vincenzo Giuseppe Agrusa; to the Committee on the Judiciary.

By Mrs. WEIS:

H.R. 7424. A bill for the relief of Badia Ibrahim Machoul; to the Committee on the Judiciary.

H.R. 7425. A bill for the relief of Mrs. Humiko Ross; to the Committee on the Judiciary.

By Mr. YOUNG:

H.R. 7426. A bill for the relief of Simon N. Bassous and Mary Nicola Bassous; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

200. By Mr. DOOLEY: Resolution adopted by the Council of the City of New Rochelle, N.Y., May 20, 1959, urging Congress to adopt a bill providing for reimbursement to municipalities for real property taxes not collected on real property owned by foreign governments; to the Committee on Foreign Affairs.

201. By Mr. DOOLEY: Petition of the Westchester Committee for Sane Nuclear Policy, White Plains, N.Y., and supporters in the general area, applauding the introduction of House Resolution 234 and urging the House of Representatives of the U.S. Congress to pass a resolution giving strong backing to the President of the United States in his determination to effect a working agreement among all countries for the discontinuance of nuclear bomb testing; to the Committee on Foreign Affairs.

EXTENSIONS OF REMARKS

Obscene Literature

EXTENSION OF REMARKS
OF
HON. JOHN P. SAYLOR
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 27, 1959

Mr. SAYLOR. Mr. Speaker, a great many parents all over the country are grateful that the TV Academy chose Miss Loretta Young for one of its coveted awards this year. Her program of April 26, 1959, was an outstanding moral, social, and civic contribution. It portrayed vividly an alarming criminal consequence of the sale of obscene literature on newsstands; it also demonstrated the need for community-wide participation in the drive to clean up the printed material available to American youth.

The general public as well as the television industry is indebted to Miss Young for her superb performance in behalf of decency. Realizing the urgent need for exposing irresponsible newsdealers, producers of that show have expertly dramatized the problem a second time. Another effective use would be to make prints of the film for use at meetings of parent-teachers organizations, veterans' groups, and various civic clubs.

The story emphasized that society is to blame if news vendors flaunt the laws of decency by putting salacious literature up for sale. Every adult who has any love whatsoever for his family, his neighbor's children, his community, and his country should ponder Miss Young's observation that "we are going to pay an awful price for it" unless the situation is remedied.

Anyone who is resigned to believing that the practice cannot be stopped should become acquainted with what is taking place in my district. Individuals and organizations alike have begun to demand a cleanup of newsstands, with the result that guilty newsdealers have been notified that they must cease peddling filth or be prosecuted. Distributors serving the area have agreed to stop serving obscene material, not only to stands, but to outlets throughout the district.

The same vigilance is required to halt activities of direct mail houses that violate the sanctity of homes and solicit children. Parents who find that lewd material is coming through the mail have a duty to society as well as to their own boys and girls to report the offenses to their local postmasters, and other postal authorities.

Last year, Congress strengthened the law to simplify prosecution of traffickers of foul and filthy printed material. How communities may implement the law is being demonstrated in several areas of my district, and I take this opportunity to congratulate all participants for their forthright courage and duty.

Results of Poll Taken in the New Sixth Congressional District of Washington State

EXTENSION OF REMARKS
OF
HON. THOR C. TOLLEFSON
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 27, 1959

Mr. TOLLEFSON. Mr. Speaker, I recently mailed a questionnaire to about 52,000 residents of my congressional district. It contained 12 questions dealing with issues pending before this Congress. To date there has been a better than average response to such questionnaires. Although more returns are to be expected, a sufficient number have now been received to determine the general views of the people of my area. The results of the poll expressed in terms of percentages are as follows:

1. Do you support the President in his efforts to achieve a balanced budget? Yes, 91 percent; no, 9 percent.

2. If the budget for fiscal 1960 is not balanced, would you favor increasing taxes to eliminate the deficit? Yes, 36 percent; no, 64 percent.

3. Do you favor continuance of our mutual security (foreign aid) program? If yes, at present cost (40 percent); at reduced cost (55 percent); at increased cost (5 percent). Yes, 81 percent; no, 19 percent.

4. Do you approve of our firm stand with respect to Berlin? Yes, 96 percent; no, 4 percent.

5. Should Red China be admitted to the United Nations? Yes, 21 percent; no, 79 percent.

6. Should the United States engage in trade with Red China? Yes, 31 percent; no, 69 percent.

7. Would you favor increasing the highway gasoline tax by 1½ cents to put the Federal highway building program on a self-supporting basis? Yes, 56 percent; no, 44 percent.

8. Should the social security law be broadened to include medical services, to be financed by increased contributions by individuals and employers? Yes, 49.6 percent; no, 50.4 percent.

9. Do you favor Federal aid for local school construction? Yes, 42 percent; no, 58 percent.

10. Should the Federal Government continue its program of financial assistance for local airport construction? Yes, 33 percent; no, 67 percent.

11. Would you favor a law calling for a secret ballot in the election or removal of union officials, and in other vital union matters? Yes, 93 percent; no, 7 percent.

12. Do you believe that the Government should continue its farm price support program? Yes, 18 percent; no, 82 percent.

Armenian Independence Day

EXTENSION OF REMARKS
OF
HON. EDWARD P. BOLAND
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 27, 1959

Mr. BOLAND. Mr. Speaker, independence and freedom had been the national aspiration of the Armenian people

suffering under alien conquerors in their homeland. For centuries they had cherished this dream; though well aware of the almost insuperable difficulties in attaining their national goal without effective aid from friends and sympathizers abroad, still they nursed the idea as part of their spiritual nourishment. The more they were oppressed by their overlords, and the more they suffered under unbearable conditions, the more fervently they clung to the idea, and only in its realization they sought their salvation. And toward the end of the First World War, at a terrible cost in human lives, they had their reward within their grasp.

During that war about 1 million Armenians had lost their lives in Turkish massacres, but many hundred thousands who survived that holocaust escaped to the Caucasus, joined their kinsmen in a northeast corner of historic Armenia there, and proclaimed their independence on May 28, 1918. That was 41 years ago, and since then the independence thus attained has vanished into the dreamland again. After enjoying the sweetness and blessings of free and independent life, unhappy Armenians were to fight for their freedom in a hopeless, life-and-death struggle against both Turkish nationalist forces and Communist Russia's Red Army. The unfortunate end came early in December of 1920. When the country was overrun by the enemy forces, part of it was retained by the Turks while in another part a Soviet type of government was instituted under the direct control of the Kremlin.

Today for more than 38 years the Soviet regime rules over Armenia as one of its 16 constituent republics. There all vestiges of freedom are banned, and collectivization as well as regimentation has been in full swing. The people have been enduring under this totalitarian dictatorship and at the same time hoping and praying for their freedom. On the anniversary celebration of Armenian Independence Day, we echo their genuine feelings and hope that they will be rewarded in their expectation.

Unification of Military Procurement and Supply

EXTENSION OF REMARKS
OF
HON. THOMAS B. CURTIS
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 27, 1959

Mr. CURTIS of Missouri. Mr. Speaker, on May 12, 1959, I called to the attention of the Members of the House the contents of a letter which I addressed to the Chairman, Council of Economic Advisers, Hon. Raymond J. Saulnier, regarding the need for forceful action toward unification of military procurement and supply not only for the sake of defense itself but to relieve the economy of the inflationary pressures which are now being exerted upon it.

On May 22 I again wrote to Mr. Saulnier on "How do we get hold of this problem?" and I wish to have it inserted in the RECORD for the information of my colleagues:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., May 22, 1959.

Hon. RAYMOND J. SAULNIER,
Council of Economic Advisers,
Washington, D.C.

DEAR DR. SAULNIER: Reference is made to your letter of May 5, 1959, in response to mine of April 8, 1959.

I am in complete agreement with the implication of your question, "How do we get hold of this problem." In other words, this matter has been studied and restudied and what is needed now is a program of positive action.

As I stated in my previous letter, the McCormack-Curtis amendment to the Department of Defense Reorganization Act, 1958, gives the Secretary of Defense broad authority "for the carrying out of any supply or service activity common to more than one military department by a single agency or such other organizational entities as he deems appropriate."

It has been estimated that the supply and service activities or support activities take the major portion of the annual budget and besides this, we have the enormous inventories and facilities of the various military services all over the world.

When the Department of Defense Reorganization Act, Public Law 85-599, was before the House of Representatives on June 12, 1958, Congressman MCCORMACK listed a number of supply and service activities which fall within the scope of the amendment. Some months ago, I wrote to the Secretary of Defense and asked that he list all the activities which would fall within the scope of the amendment and to advise with respect to each just what action had been taken or was contemplated. I understand that Senators DOUGLAS, LAUSCHE, and perhaps others have written similar letters but have had no response to date.

It is my firm conviction that a topside action committee should be constituted to operate at the Presidential level to set up time schedules for the fulfillment of a number of programs which have been on dead center for a long time. I would include the following as a start:

1. Schedule the transfer of common-use administrative or commercial-type supply and services to GSA as contemplated by the GSA Act which is now 10 years old. This will involve the transfer of facilities and personnel with the activities.

2. Evaluate the present single manager plans for (a) subsistence and clothing, (b) petroleum products, (c) medical supply and if basically successful, streamline them and extend the plans to other classes of items. Also determine if they should be combined into a system of general military supply depots.

3. Consolidate and streamline surplus property disposal including the donable program.

4. Make provision for a property inventory control system which will permit a review of existing common items in all the military inventories before additional orders are placed.

5. Institute a genuine action program to develop to the maximum standardization of supply items, form procedures, systems, reporting, accounting, etc. (For example there should be a discontinuance of special service insignia on blankets and other items of common supply which prevent excesses from being transferred to other agencies. Recently, the Marine Corps declared 260,000 blankets excess but as they bore special insignia, the other services did not want them.)

6. Make a speedy determination as to when stock funds should and should not be used.

In order to get a running start on the overall program, I recommend that the Hoover task force committee be utilized as an advisory committee to assist a special action task force. The Hoover task force members, as you know, have spent long periods of time studying these matters, are wholly objective in their views and were carefully chosen in the first place because of their competence in the respective fields.

The importance of these matters in their economic impact on the country is related to there being in effective existence a streamlined, efficient, and economical supply system. Little or no use has apparently been made of the Defense Reorganization Act of 1958 which was designed to provide all necessary legislative authority. Real action thus is an executive responsibility.

Since the Department of Defense is making such unsatisfactory progress under its own volition, I suggest the appropriateness of the Bureau of the Budget, in its capacity as the management arm for the President, being directed to establish such internal organization in the Bureau as is necessary to really take hold of this matter and accomplish the results—and benefits—which have so clearly been blueprinted as attainable.

Sincerely,

THOMAS B. CURTIS.

DAV Services in Florida

EXTENSION OF REMARKS
OF
HON. WILLIAM C. CRAMER
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 27, 1959

Mr. CRAMER. Mr. Speaker, an exceptional record of vital rehabilitation services freely extended to thousands of Florida citizens has recently come to my attention. These splendid humanitarian services are not sufficiently appreciated by those who have benefited thereby, directly and indirectly.

Among the several congressionally chartered veteran organizations, which have State departments and local chapters in Florida, is the Disabled American Veterans. The DAV is the only such organization composed exclusively of those Americans who have been either wounded, gassed, injured, or disabled by reason of active service in the Armed Forces of the United States, or of some country allied with it, during time of war. Formed in 1920, under the leadership of Judge Robert S. Marx; DAV legislative activities have benefited every compensated disabled veteran very substantially. Its present national commander is another judge, David B. Williams, of Concord, Mass. Its national adjutant is John E. Feighner, of Cincinnati, Ohio. Its national legislative director is Elmer M. Freudenberger, its national director of claims, Cicero F. Hogan, and its national director of employment relations, John W. Burris—all located at its national service headquarters at 1701 18th Street NW., Washington, D.C.

DAV ORGANIZATION

Inasmuch as less than 10 percent of our country's war veterans are receiving

monthly disability compensation payments for service-connected disabilities—some 2 million—the DAV can never aspire to become the largest of the several veteran organizations. Nevertheless, since shortly after its formation in 1920, the DAV national headquarters, located in Cincinnati, Ohio, has maintained the largest staff, of any veteran organization, of full-time trained national service officers, 138 of them, who are located in the 63 regional and 3 district offices of the U.S. Veterans' Administration, and in its central office in Washington, D.C. They have ready access to the official claim records of those claimants who have given them their powers of attorney. All of them being war-handicapped veterans themselves, these service officers are sympathetic and alert as to the problems of other less well-informed claimants.

The DAV maintains three NSO's in Florida—Mr. Albert Cuervo, Mr. Robert Brogan, and Mr. Charles N. Girard located in the VA regional office, Post Office Box 1437, St. Petersburg. The VA hospitals coming under the jurisdiction of this office are: a 450-bed general medical hospital at Coral Gables, a 516-bed general medical hospital at Bay Pines, a 729-bed hospital—DOM—at Bay Pines and a 354-bed general medical hospital at Lake City.

NEW VETERANS' HOSPITALS

It is noteworthy, in discussing veterans' hospitals in Florida, that the Veterans' Administration approved and the President authorized the construction of some 814 additional general, medical, and surgical and neuropsychiatric beds during the last 2 years, 350 for Bay Pines, 350 for Coral Gables, and 114 for Lake City. A large share of the credit goes to the veterans organizations, including the DAV, that have fought for so many years for a recognition by the VA that Florida's veteran influx has been and will continue to mount so rapidly that it is essential new bed authorizations be made. Florida is a veteran impacted State and many of us in Congress have been fighting along with veterans' organizations in Florida to get the VA to realize this.

This improved hospital program for Florida includes the construction of a new 800-bed hospital at Coral Gables, an additional 500-bed hospital at Bay Pines, and the renovation of existing facilities at Lake City to accommodate 114 additional beds.

The department commander, Mr. Robert T. Kelly, 482 Perrine Avenue, Perrine, is chairman for the DAV's national convention to be held in the Hotel Deauville, Miami Beach, during the week beginning August 16, 1959. The department adjutant is Mr. Horace E. Johnson, Post Office Box 567, Jacksonville, Fla. Mr. Miles H. Draper, First National Bank Building, Tampa, a longtime friend of mine, is 1 of the 12 trustees of the DAV Service Foundation and was its president and chairman of its board of trustees from 1949 to 1957.

VETERANS' BENEFITS AND SERVICES

During the last fiscal year, the VA paid out $146,511,000 for its veteran program in Florida, including $46,778,453 disability compensation to its 53,356 service disabled veterans. These Federal expenditures in Florida furnish substantial purchasing power in all communities.

Only about 8 percent—4,440—are members of the 59 DAV chapters in Florida.

This 8 percent membership is strange, in view of the very outstanding record of personalized service activities and accomplishments of the DAV national service officer in behalf of Florida veterans and dependents during the last 10 fiscal years, as revealed by the following statistics:

Claimants contacted (estimate)	66,769
Claims folders reviewed	55,641
Appearances before rating boards	31,994
Compensation increases obtained	4,638
Service connections obtained	1,604
Nonservice pensions	1,411
Death benefits obtained	138
Total monetary benefits obtained	$3,551,662.46

These above figures do not include the accomplishments of other national service officers on duty in the central office of the Veterans' Administration, handling appeals and reviews, or in its three district offices, handling death and insurance cases. Over the last 10 years, they reported 83,611 claims handled in such district offices, resulting in monetary benefits of $20,850,335.32, and in the central office, they handled 58,282 reviews and appeals, resulting in monetary benefits of $5,337,389.05. Proportionate additional benefits were thereby obtained for Florida veterans, their dependents and their survivors.

These figures fail properly to paint the picture of the extent and value of the individualized advice, counsel, and assistance extended to all of the claimants who have contacted DAV service officers in person, by telephone, and by letter.

Pertinent advice was furnished to all disabled veterans—only about 10 percent of whom were DAV members—their dependents, and others, in response to their varied claims for service connection, disability compensation, medical treatment, hospitalization, prosthetic appliances, vocational training, insurance, death compensation or pension, VA guarantee loans for homes, farms, and businesses, and so forth. Helpful advice was also given as to counseling and placement into suitable useful employment—to utilize their remaining abilities—civil service examinations, appointments, retentions, retirement benefits and multifarious other problems.

FAIR TREATMENT FOR VETERAN ASKED

Every claim presents different problems. Too few Americans fully realize that governmental benefits are not automatically awarded to disabled veterans—not given on a silver platter. Frequently, because of lack of official records, death or disappearance of former buddies and associates, lapse of memory with the passage of time, lack of information and experience, proof of the legal service connection of a disability becomes extremely difficult—too many times impossible. A claims and rating board can obviously not grant favorable action merely based on the opinions, impressions, or conclusions of persons who submit notarized affidavits. Specific, detailed, pertinent facts are essential.

The VA, which acts as judge and jury, cannot properly prosecute claims against itself. As the defendant, in effect, the U.S. Veterans' Administration must award the benefits provided under the laws administered by it, only under certain conditions.

A DAV national service officer can and does advise a claimant precisely why his claim may previously have been denied and then specifies what additional evidence is essential. The claimant must necessarily bear the burden of obtaining such fact-giving affidavit evidence. The experienced national service officer will, of course, advise him as to its possible improvement, before presenting same to the adjudication agency, in the light of all of the circumstances and facts, and of the pertinent laws, precedents, regulations and schedule of disability ratings. No DAV national service officer, I feel certain, ever uses his skill, except in behalf of worthy claimants, with justifiable claims.

The VA has denied more claims that it has allowed—because most claims are not properly prepared. It is very significant, as pointed out by the DAV acting national director of claims, Chester A. Cash, that a much higher percentage of those claims, which have been prepared and presented with the aid of a DAV national service officer, are eventually favorably acted upon, than is the case as to those claimants who have not given their powers of attorney to any such special advocate.

Another fact not generally known is that, under the overall review of claims inaugurated by the VA some 4 years ago, the disability conpensation payments of about 37,200 veterans have been discontinued, and reduced as to about 27,300 others at an aggregate loss to them of more than $28 million per year. About 2.6 percent of such discontinuances and reductions have probably occurred to disabled veterans in Florida with a consequent loss of about $738,000 per year. I have joined with the chairman of the Veterans' Affairs Committee in introducing legislation to make sure the disabled veteran gets a fair break in these review cases and in holding hearings on such cases in Florida recently.

Most of these unfortunate claimants were not represented by the DAV or by any other veteran organization. Judging by the past, such unfavorable adjudications will occur as to an additional equal number or more during the next 3 years, before such review is completed. I urge every disabled veteran in Florida to give his power of attorney to the national service officer of the DAV, or of some other veteran organization, or of the American Red Cross, just as a protective measure.

The average claimant who receives helpful advice probably does not realize the background of training and experience of a competent expert national service officer.

Measured by the DAV's overall costs of about $12,197,600 during a 10-year period, one would find that it has expended about $3.50 for each claim folder reviewed, or about $8.80 for each rating board appearance, or again, about $22.70 for each favorable award obtained, or about $123 for each service connection obtained, or about $54 for each compensation increase obtained, and has obtained about $14.10 of direct monetary benefits for claimants for each dollar expended by the DAV for its national service officer setup. Moreover, such benefits will generally continue for many years.

DAV SERVICES RENDERED

Evidently, most claimants are not aware of the fact that the DAV receives no Government subsidy whatsoever. The DAV is enabled to maintain its nationwide staff of expert national service officers primarily because of income from membership dues collected by its local chapters and from the net income on its Idento-Tag—miniature automobile license tags—project, owned by the DAV and operated by its employees, most of whom are disabled veterans, their wives, or their widows, or other handicapped Americans—a rehabilitation project in thus furnishing them with useful employment. Incidentally, without checking as to whether they had previously sent in a donation, more than 1,400,000 owners of sets of lost keys have received them back from the DAV's Idento-Tag department, 12,238 of whom, during the last 8 years, were Florida residents.

Every eligible veteran, by becoming a DAV member, and by explaining these factors to fellow citizens, can help the DAV to procure such much-needed public support as will enable it to maintain its invaluable nationwide service setup on a more adequate basis. So much more could be accomplished for distressed disabled veterans, if the DAV could be enabled, financially, to maintain an expert service officer in every one of the 173 VA hospitals.

During the last 10 years, the DAV has also relied on appropriations from its separately incorporated trustee, the DAV Service Foundation, aggregating $3,300,000, exclusively for salaries to its national service officers. Its reserves having been thus nearly exhausted, the DAV Service Foundation is therefore very much in need of the generous support of all serviced claimants, DAV members and other social-minded Americans—by direct donations, by designations in insurance policies, by bequests in wills, by assignments of stocks and bonds and by establishing special types of trust funds.

A special type of memorial trust fund originated about 3 years ago with concerned disabled veteran members of the DAV chapter in Butte, Mont., which established the first perpetual rehabilitation fund of $1,000 with the DAV Service Foundation. Recently it added another $100 thereto. Since then, every DAV unit in that State has established such a special memorial trust fund, ranging from $100 to $1,100, equivalent to about $5 per DAV member.

Each claimant who has received any such rehabilitation service can help to make it possible for the DAV to continue such excellent rehabilitation services in Florida by sending in donations to the DAV Service Foundation, 631 Pennsylvania Avenue NW., Washington, D.C. Every such "serviced" claimant who is eligible can and should also become a DAV member, preferably a life member, for which the total fee is $100—$50 to those born before January 1, 1902, or World War I veterans—payable in installments within 2 full fiscal year periods.

Every American can help to make our Government more representative by being a supporting member of at least one organization which reflects his interests and viewpoints—labor unions, trade associations and various religious, fraternal, and civic associations. All of America's veterans ought to be members of one or more of the patriotic, service-giving veteran organizations. All of America's disabled defenders, who are receiving disability compensation, have greatly benefited by their own official voice—the DAV.

Down With Deficit Spending

EXTENSION OF REMARKS
OF
HON. JOHN P. SAYLOR
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 27, 1959

Mr. SAYLOR. Mr. Speaker, earlier this month, the Tribune-Democrat, published in Johnstown, Pa., joined the Chicago Tribune and other newspapers in a unique campaign to urge Congress to eliminate unnecessary spending in the Federal Government. Since then, I have received scores of messages from readers who are deeply concerned with Federal policies and practices that are the basic reason for inflation and which will bring eventual bankruptcy to the Nation unless checked and reversed.

The newspapers and the citizens responding to this patriotic movement are to be congratulated. Since coming to Congress, I have been an incessant foe of extravagance with U.S. Treasury funds, but somehow the number of economy minded Representatives and Senators has not prevailed except for a very short period. Under the demands of an irate citizenry, I am hopeful that even Members with the most burning penchant for spending tax dollars will begin to tighten the reins on runaway inflation. The place to start is right here in Congress when the appropriation bills are under consideration; only if the Government lives within the limits of its income will our dollar retain its value.

Deficit spending, except in extreme emergencies, is immoral. It leaves to future generations the debts incurred by wastrels of preceding eras. For a while there was no immediate visible evidence to contradict the preachments of political imposters who insisted that "it makes no difference if we have a big national debt—we owe it all to ourselves." This spurious but appealing reasoning was repeated over and over as the presses printed more and more dollars for use in any number of paternalistic ventures and for distribution to friends and enemies all over the world. U.S. Government money began to flow like water, and everyone was offered a drink.

Now, at long last, the past is catching up. The water is fast losing strength. The bureaucrats who opened the spigots have plenty of victuals for themselves, but the people who pay their way are finding that they have been sold down the river that erodes the value of their incomes. Pensioners have been cheated; men and women who saved for retirement have had their nest evaporate in an atmosphere of Federal extravagance; the average worker who has been fortunate enough to enjoy wage increases finds that he is in truth standing still economically; and those whose incomes remain the same are slipping to lower living standards.

National debt makes no difference? If there is anyone still supporting that theory, perhaps he would like to explain away the $7,600 million interest that was paid on the national debt in fiscal 1958. That money came from taxes. In the hands of the Nation's taxpayers, it could have bought upwards of half a million $15,000 homes; or 3 million automobiles selling for $2,500 each; or paid $4,570 toward college tuition and expenses of every boy and girl who will be graduated from high school this year.

Mr. Speaker, if the American public had an extra $7½ billion to spend as it chooses, there would be no need for depressed area legislation or other projects that are contemplated for reviving the economy. More new houses and new cars would put new demands on coal, steel, glass, tools, plastics, ceramics, pottery, railroads, and the many other industries that must keep running at high levels of operation if a sound economic structure is to be maintained.

We are not pointing in the direction of economic stability if deficit spending is continued. The job of the Federal Government is to return to a sound monetary basis and to start cutting down on the national debt. Inflation is deadly poisonous. The only antidote is an integrious money policy to be administered by the Federal Government.

Conversion of Saline and Brackish Waters to Fresh Water

EXTENSION OF REMARKS
OF
HON. WAYNE N. ASPINALL
OF COLORADO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 27, 1959

Mr. ASPINALL. Mr. Speaker, on Monday, May 25, the Honorable Fred A. Seaton, Secretary of the Interior, addressed the Sixth National Watershed Congress. This meeting was one of the

most enjoyable events that I have attended during this session of Congress. Secretary Seaton's address on the subject of conversion of saline and brackish waters to fresh water was one of the most interesting and constructive talks that it has been my privilege to hear on this particular subject. It is replete with up-to-date information which should be valuable to every Member of Congress. It is my pleasure to have it inserted in the CONGRESSIONAL RECORD where its values may be preserved and those interested may have access to it:

As participants in this Sixth National Watershed Congress, you and I join in our dedication to the continuing cause of water conservation.

We know that the availability of water—just plain, ordinary water—is rapidly becoming a major concern to America and the world. In fact, as early as 1975–80, it may be our number one domestic problem.

The facts indicate the accuracy of such a conclusion.

American industries, farms, and homes are today calling for an ever-rising tide of water.

Our population is growing by one person every 11 seconds, by 330 every hour, by 8,000 every day, by a quarter of a million every month. We now number 175 million. By 1980, just 21 years away, there will be nearly 275 million of us. By the year 2000 (and I remind you that however remote that date may sound, it is only 41 years away), we may well double our present population and number 350 million souls.

Presently, we use about 240 billion gallons of water a day. In 20 years our needs will demand at least 500 or 600 billion gallons—nearly two or three times as much—if we have it available.

This is nothing to panic about, but it is a matter of real concern—one which leaves us no choice other than to continue our current conservation progress and to plan wisely and imaginatively for the years ahead.

Many areas will continue to get from conventional sources all the water they need in the foreseeable future. Fresh water we haven't even begun to touch in our conservation programs now flows in wasteful abundance into the sea. Surprisingly enough, even after a century of conservation, we are using only about one-third of the water that courses to the ocean from the 17 Western States, and only about one-eighth of the supply in the East.

Thankfully, we are making progress gradually but steadily in capturing and using a bigger and bigger percentage of this flow. In addition to efforts of individual farmers—and they are doing more for themselves than ever before—all branches of Government, are sharing in the task. For instance, in fiscal 1959, the Federal Government is investing in land and water conservation and development $1,714 million; in fiscal 1960, the administration proposes an overall program of $1,917 million.

One day, though, and sooner than many people think, we shall have to follow a new trail for our water supply, at least for certain areas. That trail leads both to huge known supplies of brackish water inland and also to the inexhaustible oceans and seas of the world.

Getting the salt out of sea water, to be sure, is nothing new. Sailors have done that for centuries. Today the crews of the atomic submarines *Nautilus*, *Skate*, and *Seawolf* drink water converted by heat from their atomic reactors. In fact, like Julius Caesar and the ancient Phoenicians, people generally know how to turn sea water into fresh: just distill it. The basic science is as old as recorded history. But what we're still searching for is the answer to the question: how do you do this on a large scale at a cost cheap enough to substitute for water from conventional sources?

Presently operated salt water conversion plants do the job all right, but their costs are high. Sheer necessity, not competitive advantage, has caused them to be built, particularly in recent years.

On the arid island of Aruba in the Caribbean, for example, people are drinking and the oil industry is using 3½ million gallons of converted sea water a day. The cost is about $1.75 per thousand gallons, compared to the District of Columbia's minimum rate of 26 cents per thousand.

The people on the island of St. Thomas in the Virgin Islands would also like to be using converted water (though the price may differ). And they will be, once their conversion plant, authorized last September, is built. No wonder they're interested. Because their population has outstripped their water supply, their alternative is to go all the way to Puerto Rico and haul potable water by barge, at a cost of nearly $5 per thousand gallons. The Virgin Islands Government reports that in fiscal year 1958 it spent on this operation nearly $177,000.

Consider another example: Coalinga, a small community in California.

For years its people had to haul in their drinking water at a cost of $7 per 1,000 gallons; when they got tired of that expense, they cut the bill to $1.45 per thousand gallons, and their town made U.S. history by becoming the first to get its drinking water supply from converted brackish well water.

Further south in California, people aren't that desperate yet, though they are indeed hard-pressed.

Years ago, Los Angeles and southern California had to dig and tunnel the Colorado River Aqueduct 250 miles across deserts and through mountains to drain fresh water out of the Colorado River. That undertaking, once criticized as a gigantic waste, has long since proved its feasibility. Even so it will be inadequate to the needs in 10 years or sooner.

So today the people of southern California are looking toward another answer to their problem, a $1½ billion project which would bring them water from the Feather River—more than 500 miles away—water far more expensive than that now obtained from the Colorado.

In California, as in many other places east and inbetween, new supplies of natural fresh water will surely become more expensive in the years ahead and the supply available will be less than needed. Our hope is that just as surely the cost of converting saline water to fresh will come down. In one community after another, as I foresee the future, these cost curves will one day cross, and then converted sea water will be the less expensive of the two; in some localities it will be the only reliable source.

Of course, for some towns there is just one curve, one price, and one choice: Pay the bill, suffer stagnation of growth, or move out. Their water supplies are running out and no more is in sight.

The goal of the Office of Saline Water of the Department of the Interior is to help forestall any such disasters by developing processes to make tremendous quantities of converted water available and bring the conversion cost curve down. In that work, we enjoy full cooperation with private enterprise, colleges, universities, and the scientists of more than 16 nations of the world.

The saline water conversion program was authorized by Congress in 1952—just 7 years ago. In that span of time, the curve of comparative cost has gone down faster and further than in all previous human history.

Consider where we were as recently as the late thirties: Then it cost between $4 and $5 to convert 1,000 gallons of sea water to fresh. Meanwhile equipment, fuel, and labor costs have gone up, and between 1939 and 1952 inflation shrunk the dollar into a 50-cent piece. In spite of all that, the cost of saline water conversion has been cut by more than half. In the most effective existing sea-water conversion plants, it is now about $1.75 per thousand gallons.

The Government's saline-water investigation began with laboratory research. Next it included small pilot plants. Now it is about to move on to the building of large demonstration plants.

This year, 1959, the program stands in the wings of a new and larger stage; where, for the first time, we are quite hopeful of breaking the dollar-per-thousand gallons barrier.

For that, we have farseeing members of both major political parties and dedicated scientists to thank, as well as such organizations as yours.

Last September 2, President Eisenhower approved Public Law 85–883. The bill was sponsored by Senators CLINTON ANDERSON, LYNDON JOHNSON, FRANCIS CASE, THOMAS KUCHEL, and ALEXANDER WILEY. The companion bill in the House was sponsored by Congressman HOLIFIELD, and similar bills were introduced by Representatives WILSON, ENGLE, ROOSEVELT, KING, TEAGUE of California, and RHODES of Arizona.

This new law authorizes the Department of the Interior to construct and operate five saline water conversion demonstration plants.

Three will be designed to produce fresh water out of water from the sea. One plant is to be located on the east coast, one on the west, and one on the gulf. Two are to be designed to turn out more than a million gallons of potable water a day.

In addition, there will be two plants for the treatment of inland brackish water, one located in the Southwest and one in the northern Great Plains. One is to have a capacity of 250,000 gallons per day or more.

On of the advice of three scientific consultants to the Department—Dr. Ralph Morgan of Purdue University, Dudley F. Phelps, a New York industrial engineer, and Capt. Ivan Monk of the U.S. Navy—I have selected a new process for the first million-gallon-per-day demonstration plant. It is known as long-tube vertical multiple-effect distillation, developed jointly by the Office of Saline Water and the late W. L. Badger of Ann Arbor, Mich. Pilot plant tests of this process indicate a major breakthrough in the control of salt scale, a breakthrough which obviates the need for using acid or high cost alloys to control scale, thus substantially cutting costs.

Potable water can be produced in this new plant, we believe, for less than $1 per thousand gallons—less, in other words, than the current price of fresh water in Key West, Fla. Moreover, as the size of the plant increases, we can expect the price per gallon to come down perhaps to the point where a 15–20 million-gallon-per-day plant using this process may eventually convert sea water into a thousand gallons of fresh for less than 60 cents. Right across the Potomac from here, people in Alexandria are paying more than that now.

Please understand we cannot guarantee all the cost figures I am presenting to you. As a matter of fact, we hope to meet or better them, but if we were absolutely certain all factors would work out as projected, there would be little or no point in building the plants for both experimental and demonstration purposes.

In the second million-gallon-per-day demonstration plant, another process is to be used, that of multistage flash distillation.

For this plant, we are asking the Atomic Energy Commission to supply a low-temperature, low-pressure atomic reactor as the heat source. This flash distillation process also

lends itself to large-scale conversion, and with atomic heat we can reasonably expect to open a new field for the peaceful application of atomic energy.

The types of plant selected, the next question is: Where should we build them?

Last week a special board made up of consultants to the Department met to tackle that problem. Its members were Sheppard T. Powell, of Baltimore, an expert in industrial water problems; Lewis S. Finch, of Indianapolis, president of the American Water Works Association; and Dr. Wilburn C. Schroeder, professor of chemical engineering at the University of Maryland.

On the basis of their recommendations, I can say to you tonight that the first plant, using the long-tube-vertical process, will be located on the gulf and that the second plant, using flash distillation, will be on the west coast.

These areas were selected both because of their more critical need for water and their intense public interest in the saline water conversion program.

Selecting from 31 gulf coast and 18 west coast applications, I shall soon announce the exact location of these two plants.

That choice will not be an easy one. Motivated by an urgent, and in some cases by a desperate need for more water, over 150 cities in all have asked to be considered as a site for a sea or brackish water plant.

Where are these cities? Confined to a few hot and arid States in the South and Southwest? Not at all. Applications have poured in from every part of the coastal perimeter of the United States. Of the 21 States on gulf or ocean only two—Delaware and Alabama—had no applicants.

And that fact should not arouse wonder. In 1957, you may recall, over 1,000 communities, the hometowns of one-seventh of our entire population, endured water shortages to some degree—shortages which varied from a lack of water for lawns or gardens to an actual absence of water to drink.

That is a major reason we are moving the program ahead of the schedule the Congress originally set forth.

Under the capable leadership of former Congressman A. L. Miller as Director of the Office of Saline Water, the second process for the demonstration plant program was announced almost 3 weeks ahead of schedule. The third process will be ready for announcement almost 3 months ahead of the established congressional deadline.

Looking to the future we hold the great hope that a key fact of human history is about to change: The fact that up to now nearly all the people of the world have necessarily depended for life entirely on fresh water upon and beneath the land.

Bearing in mind that an acre-foot of water amounts to 325,851 gallons, we are a long way from the day when converted sea water can profitably be used for irrigation, in competition with conventional sources—if they exist—but that is not to say it can never be done.

Once we can economically tap the oceans for fresh water, not only for human and industrial use, as now we know we can—but also for agriculture—wastelands can become gardens.

Think what that achievement would mean in sections of California and Arizona where the rainfall every year averages only 10–12 inches and the population has increased in 20 years by 55 percent; in western Mexico and lower California; in the famine-cursed "drought quadrangle" of northeastern Brazil; in vast unpopulated expanses of Africa; in Saudi Arabia, practically a sea-ringed desert; in West Pakistan; in the Negev area of Israel, an arrow-shaped desert pointing into the salty waters of the Gulf of Aqaba; or in Australia, an island continent large as the United States with no more fresh water than in the flow of our Columbia River.

From where we now stand, we can with justification gaze toward a new horizon where these lands flourish, some of them for the first time since the days of Babylon and Carthage, some for the first time in all recorded history. For the future of life on this planet, the implications in saline and brackish water conversion stagger the imagination.

Bringing blessings to Americans and to millions of people around the globe, the arrival of one or more genuinely low-cost processes can well turn out to be one of the most important scientific achievements of our time.

In this year 1959 the river of research is broadening and deepening beyond all precedent as it begins its final flow toward an estuary of triumph.

SENATE

THURSDAY, MAY 28, 1959

The Senate met at 10 o'clock a.m.

Archbishop Khoren Paroyan, Armenian Prelate of Lebanon, offered the following prayer:

May Almighty God bless this great Nation whose light of freedom serves as a beacon for all the oppressed peoples of the world. We thank Almighty God, our Heavenly Father, for His divine guidance which He has bestowed upon your great leader, the President of the United States of America.

May the immortal souls of the valiant sons of this great land who fought so bravely for freedom receive God's eternal blessing. Forty-one years ago, Armenia also gave her valiant sons, so that upon this very day, May 28, 1918, a new citadel of freedom was born—the free and independent Republic of Armenia. But the locusts of communism quickly spread their darkness over this ancient island of Christendom, and Armenia became the first victim of atheistic communism.

The pestilence that ravaged Armenia knew no boundaries. It rapidly consumed more lands and more peoples, until today the light of freedom faces the enveloping darkness.

We pray to God that His divine counsel may guide the men who assemble in this great Chamber. May they stand in His light as defenders of freedom, justice, and liberty for all men.

In the name of the Father, the Son, and the Holy Ghost.

Our Father, we beseech of Thee, support in our desire to worship, to enjoy privilege without abuse, to have liberty without license, to have power and refuse to use it for selfish purpose, so that the experience of living will lead us and our fellows to greater spiritual reality. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 28, 1959.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. GALE W. MCGEE, a Senator from the State of Wyoming, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. McGEE thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, May 26, 1959, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed a bill (H.R. 7343) making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1960, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 7343) making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1960, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Post Office Subcommittee of the Committee on Post Office and Civil Service was authorized to meet during the session of the Senate today.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Constitutional Rights Subcommittee of the Committee on the Judiciary was authorized to meet during the session of the Senate today.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE AND EXECUTIVE PROGRAMS

Mr. JOHNSON of Texas. Mr. President, I should like to inform the Senate that at the conclusion of the morn-

ing hour there will be a quorum call; and then the Senate will proceed, under the provisions of the unanimous-consent agreement, to the further consideration of the District of Columbia appropriation bill, including the various amendments, to final action on the bill.

Then the Treasury-Post Office appropriation bill will be brought up by motion. We expect several controversial amendments to be submitted to that bill, and there may be some yea-and-nay votes in connection with it.

I had thought we would bring up the military construction bill from the Armed Services Committee, following the Treasury-Post Office appropriation bill; but late yesterday evening I was informed that some discussions are still occurring between the leaders on the committee and the distinguished Secretary of Defense; and therefore it is anticipated that our consideration of the Treasury-Post Office appropriation bill will be followed by consideration of the Department of Agriculture appropriation bill, because of the fact that appropriation bills always take priority.

I anticipate that if nothing unforeseen develops, we shall take up on Monday the Department of Agriculture appropriation bill.

In view of the number of appropriation bills which now are being reported by the Appropriations Committee, and in view of the lateness of the session, I should like to have all Senators be on notice that we may find it necessary to have the Senate convene early and remain in session until late hours. We have attempted to avoid sessions on Saturdays and we have attempted to avoid yea-and-nay votes on Saturdays. But Monday will be the first of June; and at this period of the session we must anticipate 6-day-a-week sessions when there is on the calendar proposed legislation which needs to be considered promptly.

The graduation period is almost over now; and I hope Senators will take a new look at their schedules, and will be prepared to be present and to take action to dispose of whatever pending legislation the committee may report.

The Senate already has passed a number of important bills which await action by the House of Representatives. However, recently the House has passed a number of appropriation bills. Of course, the Senate cannot act on appropriation bills until they have been passed by the House of Representatives. I understand that it is expected that the House will act on the legislative appropriation bill and the Department of Defense appropriation bill early next week, and that those bills will shortly be reported to the Senate, along with the public works bill, the mutual security bill, and a number of other major bills.

So I hope all Senators will rearrange their schedules, so as to permit them to be present in the Senate on any of the 6 days of each week on which we may have important measures before us.

I expect the nominations on the calendar be called up on Wednesday; I refer to the nomination of C. Douglas Dillon to be Under Secretary of State, the nomination of Ogden R. Reid to be Ambassador to Israel, and the nomination of Mr. Strauss. I have talked to the minority leader, to the chairmen of the committees and to various other Senators who are either pro or con in regard to those nominations; and I think Wednesday will be satisfactory. How long the Senate will take to dispose of those nominations, I am unable even to begin to estimate. Each Senator can estimate that for himself; but I want all Senators to know that we shall proceed with the consideration of those nominations on Wednesday; and we shall continue their consideration during that day. The sessions all next week will continue until a reasonable hour in the evening; and we shall continue to consider those nominations until they are disposed of—however, of course always yielding the right-of-way to any emergency or important measures, and particularly giving first priority to appropriation bills.

Mr. DIRKSEN. Mr. President, will the Senator from Texas yield to me?

Mr. JAVITS. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. Mr. President, I yield first to the Senator from Illinois; and then I shall yield to the Senator from New York.

Mr. DIRKSEN. Mr. President, from the recital of the schedule, I gather that it is planned to have the Senate go over from tonight until Monday.

Mr. JOHNSON of Texas. No; I plan to have the Senate go over until Monday when it concludes its consideration of the Treasury-Post Office appropriation bill. But if I announced that our consideration of that bill would be concluded tonight, I would be more optimistic than I am able to be at this time. When the Senate concludes its consideration of the Treasury-Post Office appropriation bill, it will go over until Monday. However, it might very well be that, in order to avoid a night session tonight, we would hold a session tomorrow for further consideration of the Treasury-Post Office appropriation bill.

Mr. DIRKSEN. Of course, my estimate was based on the assumption that final action would be taken tonight on the Treasury-Post Office appropriation bill.

Mr. JOHNSON of Texas. If the estimate made by the Senator from Illinois is correct, the Senate will not meet tomorrow, because we shall not be able to take up the agricultural appropriation bill until Monday.

The leaders attempt to have the Senate keep as current as possible with the measures on the calendar; and as soon as we can bring up the bills I have mentioned, they will be brought up by motion.

I have talked to the chairman of the agricultural appropriations subcommittee; and he tells me that the committee plans to report that bill this morning. In that case, it will not be possible for the Senate to consider the bill until Monday.

Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator from Texas will state it.

Mr. JOHNSON of Texas. If the agricultural appropriation bill is reported today, and if the report is filed today, inasmuch as that measure comes within the 3-day rule in regard to appropriation bills, it can then be considered on Monday, can it not, provided the report is printed?

The ACTING PRESIDENT pro tempore. That is correct, provided the report and the hearings are printed.

Mr. JOHNSON of Texas. The leadership understands, but I am not sure all Members of the Senate do, that all of this is conditioned on the fact that we always reserve the right of way for appropriation bills, because there is a deadline on those of June 30, and after they are passed they must go to conference. We dislike adopting extending resolutions any more than we need to. However, we want to get to the nominations I have mentioned.

Mr. President, I do not think there will be any lengthy discussion in connection with the Dillon nomination.

I anticipate we can dispose of the Reid nomination perhaps on Wednesday. At least, I would hope so.

Then the Strauss nomination will follow. I desire to give priority to that nomination, with the full understanding we will lay it aside for emergency measures such as conference reports or appropriation bills or anything else of a compelling nature.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. Let me complete my reply to the Senator from Illinois. Then I shall yield to the Senator from New York, after which I shall yield to the Senator from Connecticut.

Mr. DIRKSEN. I assume that the military construction authorization bill will come after the agriculture appropriation bill.

Mr. JOHNSON of Texas. No; that will depend on what may develop from conferences with the Secretary of Defense. I am under the impression the Secretary of Defense feels the Department can make a decision on this matter. The purpose in withdrawing the authorization for Nike installations was to force a decision. The Secretary of Defense rather invited that committee action, I thought unwisely, but he did. He said he hoped the committee would "keep his feet to the fire." I do not know why he thought it necessary for a legislative committee of Congress to force an executive decision, but he did. They took him at his word and reduced the authorization some $17 million. Apparently they are going to "keep his feet to the fire." I do not presume he wants to have his feet kept there very long. My information is the Department officials will have to reach a decision in a week or 10 days. In the meantime they want to keep this legislation in abeyance, so it will not be necessary to go up the hill and down the hill again if the bill is passed.

I yield now to the Senator from New York.

Mr. JAVITS. I think the majority leader has answered the question I had in mind. The order of consideration of the nominations will be: Dillon, Reid, and Strauss.

Mr. JOHNSON of Texas. That is correct. With respect to the Strauss nomination, I have been informed by several Senators they expect to address themselves to that nomination. The nomination was reported by a very close vote in committee. It will take some time to consider the nomination. I think it would be an injustice to the other nominees to hold the consideration of their nominations behind the Strauss nomination. I think they can be disposed of in a relatively short time.

The Dillon nomination was reported by the committee almost unanimously, by a vote of 16 to 1. There will be a speech or speeches made about it, but I do not think too much time will be consumed on that nomination.

Then we will follow that nomination with the Reid nomination which was reported by a vote of 10 to 4. I assume some Senators will desire to make a record on that nomination. Then there will be a yea-and-nay vote.

Then we will proceed to the Strauss nomination. From time to time we will be laying that aside for conference reports and appropriation bills, in accordance with the time-honored custom of the Senate.

I yield now to the Senator from Connecticut.

Mr. BUSH. My question is this: When the Senate resolves itself into executive session on Wednesday, will that foreclose the discussion of other business so long as the Senate is in executive session, or will it not?

Mr. JOHNSON of Texas. I do not believe it will.

Mr. BUSH. Mr. President, I propound that question as a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Chair is advised that only by unanimous consent can the Senate transact legislative business while the Senate is in executive session.

Mr. JOHNSON of Texas. That would not preclude a statement on another subject, would it, Mr. President?

The ACTING PRESIDENT pro tempore. The Senate can debate another proposition, but not take any action.

Mr. JOHNSON of Texas. I understood that to be the rule.

Mr. BUSH. I wondered about that. To continue my inquiry, Mr. President, a Senator might make a speech, if he chose to, on an extraneous subject. Is that correct?

The ACTING PRESIDENT pro tempore. Germaneness of debate is not required.

Mr. JOHNSON of Texas. We have no rule of germaneness.

Mr. BUSH. I knew that, but I did not know whether an executive session would foreclose discussion of another matter.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to the Senator from New York.

Mr. KEATING. Could the majority leader inform us regarding the nomination of George M. Johnson to be a member of the Commission on Civil Rights, and whether that nomination will be considered next week?

Mr. JOHNSON of Texas. I am prepared to take it up today, if we can get a leadership agreement in connection with it. I have not had a chance to talk with the minority leader this morning about it. Objection was removed only day before yesterday. There will be a yea and nay vote on the nomination. I am anxious to dispose of it at as early a date as possible. We will take it up either today or next Wednesday, depending on when we shall have a maximum number of Senators present for a rollcall.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to consider executive business.

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

One hundred and forty-three postmaster nominations.

Mr. JOHNSON of Texas. Mr. President, I ask that the Senate proceed to the call of the Executive Calendar, beginning on page 2, with nominations in the Army of the United States.

The ACTING PRESIDENT pro tempore. If there be no further reports of committees, the clerk will call the Executive Calendar, beginning on page 2, at the point indicated by the Senator from Texas.

IN THE ARMY OF THE UNITED STATES

The Chief Clerk proceeded to read sundry nominations in the Army of the United States.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the nominations in the Army of the United States be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, they will be considered en bloc; and, without objection, they are confirmed.

U.S. MILITARY ACADEMY

The Chief Clerk read the nomination of Prof. William Weston Bessell, Jr., to be dean of the Academic Board of the U.S. Military Academy.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

UNITED NATIONS

The Chief Clerk read the nomination of John M. Raymond to be the representative of the United States of America on the United Nations Commission on Permanent Sovereignty Over Natural Wealth and Resources.

The ACTING PRESIDENT pro tempore. Without objection the nomination is confirmed.

DEPARTMENT OF STATE

The Chief Clerk read the nomination of J. Graham Parsons, of New York, to be an Assistant Secretary of State.

Mr. MORSE. Mr. President, may I have the attention of the majority leader?

Mr. JOHNSON of Texas. I yield to the Senator from Oregon.

Mr. MORSE. Dr. Marcy, the head of the professional staff of the Foreign Relations Committee, talked to me 5 minutes ago. Has the majority leader talked to him?

Mr. JOHNSON of Texas. No; I have not. Does the Senator desire that this nomination go over temporarily?

Mr. President, I ask that the nomination of J. Graham Parsons, to be an Assistant Secretary of State, be temporarily passed over.

The ACTING PRESIDENT pro tempore. Without objection, the nomination will be passed over.

DIPLOMATIC AND FOREIGN SERVICE

The Chief Clerk read the nomination of John M. Cabot, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Brazil.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. JOHNSON of Texas. Mr. President, in accordance with my announcement, I should like to have the next nomination, that of Ogden Rogers Reid to be Ambassador to Israel, temporarily passed over, until we can have reports from both the majority and the minority and until we can notify all Senators that the nomination will be debated, and then we shall have a yea and nay vote on it.

The ACTING PRESIDENT pro tempore. Without objection, the nomination will be passed over.

ROUTINE APPOINTMENTS IN THE DIPLOMATIC AND FOREIGN SERVICE

The Chief Clerk proceeded to read sundry nominations for routine appointments in the Diplomatic and Foreign Service.

Mr. JOHNSON of Texas. Mr. President, I ask that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

DEPARTMENT OF THE AIR FORCE

The Chief Clerk read the nomination of Joseph V. Charyk to be an Assistant Secretary of the Air Force.

Mr. JOHNSON of Texas. Mr. President, I ask that that nomination go over.

The ACTING PRESIDENT pro tempore. Without objection, the nomination will go over.

APPOINTMENTS IN THE REGULAR ARMY

The Chief Clerk proceeded to read sundry nominations for appointments in the Regular Army.

Mr. JOHNSON of Texas. Mr. President, I ask that these nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask that the President be immediately notified of all nominations today confirmed.

The ACTING PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

PLANS FOR WORKS OF IMPROVEMENT IN STATE OF WASHINGTON

A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, transmitting, pursuant to law, plans for works of improvement on French Creek, and Marshland, Washington (with accompanying papers); to the Committee on Agriculture and Forestry.

REPORT ON MILITARY PRIME CONTRACTS WITH BUSINESS FIRMS IN THE UNITED STATES FOR EXPERIMENTAL, DEVELOPMENTAL, AND RESEARCH WORK

A letter from the Acting Assistant Secretary of Defense (Supply and Logistics), transmitting, pursuant to law, a report on military prime contracts with small and other business firms in the United States for experimental, developmental, and research work (with an accompanying report); to the Committee on Banking and Currency.

AMENDMENT OF PUBLIC LAW 85–880

A letter from the Under Secretary of Commerce, transmitting a draft of proposed legislation to amend Public Law 85–880, and for other purposes (with accompanying papers); to the Committee on Foreign Relations.

REPORT ON EXAMINATION OF CONTRACT WITH MCDONNELL AIRCRAFT CORP., ST. LOUIS, MO.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the examination of the incentive target price for Department of the Air Force Contract AF 33 (600)–23393 with McDonnell Aircraft Corp., St. Louis, Mo., dated May 1959 (with an accompanying report); to the Committee on Government Operations.

REPORT ON REVIEW OF PROCUREMENT PRACTICES COVERING THE AWARD AND ADMINISTRATION OF ADVERTISED CONTRACTS BY THE MILITARY CLOTHING AND TEXTILE SUPPLY AGENCY, PHILADELPHIA, PA.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of procurement practices covering the award and administration of advertised contracts by the Military Clothing and Textile Supply Agency, U.S. Army Quartermaster Corps, Philadelphia, Pa., dated May 1959 (with an accompanying report); to the Committee on Government Operations.

REPORT ON VALE PROJECT, OREGON

A letter from the Secretary of the Interior, transmitting, pursuant to law, a report on the Vale project, Oregon, Bully Creek extension (with accompanying papers); to the Committee on Interior and Insular Affairs.

DRAFTS OF PROPOSED LEGISLATION

A letter from the Attorney General, transmitting three drafts of proposed legislation, as follows:

A bill to amend the act of January 2, 1951, prohibiting the transportation of gambling devices in interstate and foreign commerce;

A bill to amend chapter 95 of title 18, United States Code, to permit the compelling of testimony under certain conditions and the granting of immunity from prosecution in connection therewith; and

A bill to amend the Internal Revenue Code of 1954 to disallow criminal expenditures (with accompanying papers); to the Committee on the Judiciary.

AMENDMENT OF TITLES I, II, AND III OF IMMIGRATION AND NATIONALITY ACT

A letter from the Attorney General, transmitting a draft of proposed legislation to amend titles I, II, and III of the Immigration and Nationality Act, and for other purposes (with accompanying papers); to the Committee on the Judiciary.

AMENDMENT OF SECTION 678 OF BANKRUPTCY ACT, RELATING TO TRANSMISSION OF CERTAIN PAPERS TO SECRETARY OF THE TREASURY

A letter from the Director, Administrative Office of the U.S. Courts, Washington, D.C., transmitting a draft of proposed legislation to amend section 678 of the Bankruptcy Act (11 U.S.C. 1078) relating to the transmission of petitions, notices, orders, and other papers to the Secretary of the Treasury in chapter XIII proceedings (with accompanying papers); to the Committee on the Judiciary.

PLANS FOR WORKS OF IMPROVEMENT IN GEORGIA AND ILLINOIS

A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, transmitting, pursuant to law, plans for works of improvement on Tobesofkee Creek, Ga., and Big Blue and Shoal Creeks, Ill. (with accompanying papers); to the Committee on Public Works.

PETITIONS AND MEMORIALS

Petitions, and so forth, were laid before the Senate, or presented, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of California; to the Committee on Agriculture and Forestry:

"ASSEMBLY JOINT RESOLUTION 34

"Joint resolution relative to the long range program for the national forests

"Whereas hearings will be held before the Committee on Agriculture of the House of Representatives on May 14 and 15, 1959, relative to the adoption of legislation relative to the establishment of a long range program for the national forests; and

"Whereas one-fifth of the area of the State of California is within national forests; and

"Whereas the bulk of California's water producing areas is located within national forests; and

"Whereas one-half of the timber producing areas in California is located within national forests; and

"Whereas a large proportion of the hunting or fishing area open to the general public of California is within national forests; and

"Whereas the bulk of the land available to Californians for outdoor recreational facilities is located within national forests; and

"Whereas the long-range program for the national forests would establish a program for the maximum development for utilization of national forest lands: Now, therefore, be it

"Resolved by the Assembly and the Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to undertake the proposed long-range program for the national forests; and be it further

"Resolved, That the Legislature of the State of California urges the Government of the United States to redeem its proper responsibility as to the development, protection, reparation, and administration of the public and natural resources including the national forests; and be it further

"Resolved, That the chief clerk of the assembly is directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to Representative GEORGE M. GRANT, chairman of the Subcommittee on Forests of the Committee on Agriculture of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Appropriations:

"SENATE JOINT RESOLUTION 24

"Joint resolution relative to timber on national forest lands

"Whereas the continued growth and prosperity of the State of California depend upon the development of Federal lands within the State on a multiple-use basis; and

"Whereas the realization of the full potential of California's lumber industry depends upon augmentation by sustained-yield cutting on the national forest lands of the State; and

"Whereas the placement of a full allowable cut is essential not only to the industry, but also vital to the present and future economy of many communities; and

"Whereas the full allowable cut of California's national forests is not being made available because of lack of funds to cruise the timber and prepare it for sale, as well as building access roads: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California, jointly, That the Congress of the United States is respectfully memorialized to appropriate sufficient funds to provide for preparation and placement of a full allowable cut in each working circle of each national forest in California; and be it further

"Resolved, That the Secretary of the Senate is hereby directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Representative from California, to the Secretary of Agriculture, to the Department of Agriculture, and to the Director of the Bureau of the Budget."

A joint resolution of the Legislature of the State of California; to the Committee on Armed Services:

"ASSEMBLY JOINT RESOLUTION 1

"Joint resolution relative to military closures

"Whereas Federal governmental closing of an ever increasing area of most productive fishing waters for security reasons and for training and practice areas for the Armed Forces is creating a serious problem as to the use of California fishing waters; and

"Whereas often the reasons for such closures are not apparent and fishermen, who otherwise respect the necessity of activities for national defense, believe such closures to be an unnecessary infringement on their activities; and

"Whereas while some notice is given to closures in the Coast Guard's Notice to Mariners, many people are unaware of the exact hours or areas closed and misunderstandings as to the need for such closures and their exact extent often cause unnecessary problems; and

"Whereas closer cooperation between the military authorities and the fishermen would provide not only better enforcement of the closures and protect the fishermen involved but would afford an opportunity for the military authorities to consider the possible effects that any proposed closures would have on fishing in these areas of California: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Congress of the United States and the Secretary of Defense are requested to take all steps necessary to insure that prior to the closing of any area to fishermen by the military authorities, that a public hearing be held in the area affected, except when such closing is a matter of extreme urgency, and that all such closures be limited to those areas and times when such closing is vital to our national defense with the reasons for such closing being made public whenever compatible with security restrictions; and be it further

"Resolved, That the Chief Clerk of the Assembly is directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to the Secretary of Defense, and to each Senator and Representative from California in the Congress of the United States, and to the Interstate Cooperation Committee of the California Senate."

A joint resolution of the Legislature of the State of California; to the Committee on Public Works:

"SENATE JOINT RESOLUTION 12

"Joint resolution relative to cooperation between Federal and local agencies

"Whereas it is desirable wherever possible to achieve the fullest possible cooperation between the agencies of the Government of the United States and local agencies in the planning of public works; and

"Whereas through inadvertence and lack of proper administrative machinery there have been instances in which this full cooperation has not been achieved; and

"Whereas it is the sense of the California Legislature that workable procedures could be established whereby Federal and local authorities could cooperate in the planning of public works to a greater extent than at present: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California, jointly, That the Legislature of the State of California respectfully requests the President and the Congress of the United States to take the necessary action to provide workable procedures whereby proposals and plans for Federal public works projects be submitted to the local legislative and administrative authorities in each area in which such projects are proposed or planned and an opportunity be given such local authorities to study and comment on such proposals or plans; and be it further

"Resolved, That the secretary of the senate is hereby directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A concurrent resolution of the legislature of the State of Texas; to the Committee on the Judiciary:

"HOUSE CONCURRENT RESOLUTION 6

"Be it resolved by the House of Representatives of the State of Texas, the Senate concurring, That we respectfully request the Congress of the United States to propose to the people an amendment to the Constitution of the United States, or to call a convention for such purpose as provided by article V of the Constitution, an article providing as follows:

" 'ARTICLE—

" 'SECTION 1. The Government of the United States shall not engage in any business, professional, commercial, financial, or industrial enterprise except as specified in the Constitution.

" 'SEC. 2. The Constitution or laws of any State, or the laws of the United States shall not be subject to the terms of any foreign or domestic agreement which would abrogate this amendment.

" 'SEC. 3. The activities of the U.S. Government which violate the intent and purposes of this amendment shall, within a period of 3 years from the date of ratification of this amendment, be liquidated and the properties and facilities affected shall be sold.

" 'SEC. 4. Three years after the ratification of this amendment, the 16th article of amendments to the Constitution of the United States shall stand repealed and thereafter Congress shall not levy taxes on personal incomes, estates, and/or gifts; and be it further

"Resolved, That a certified copy of this resolution be forwarded by the Secretary of State to the President of the United States Senate, the Speaker of the House of Representatives, and to each Member of Congress from the State of Texas.

"BEN RAMSEY,
"President of the Senate.
"WAGGONER CARR,
"Speaker of the House."

A bill (No. 910) enacted by the Legislature of the Virgin Islands; to the Committee on Appropriations:

"RESOLUTION 910

"Resolution petitioning the Congress of the United States to appropriate funds for the improvement of the harbors at Charlotte Amalie, Saint Thomas, and Christiansted, Saint Croix, Virgin Islands of the United States

"Whereas the dredging of the harbor of Charlotte Amalie, Saint Thomas, was, upon recommendation made by the Chief of Army Engineers, authorized by Congress in the Rivers and Harbors Act of 1937, pursuant to House Document 200, 75th Congress, 1st session, to consist of: (a) provision of an entrance channel 36 feet deep and generally 600 feet wide, (b) removal of Scorpion Rock to a depth of 36 feet; (c) provision of an anchorage area 33 feet in depth; and (d) breakwater 700 feet long between Rupert Rock and the mainland; and

"Whereas the improvement of the Christiansted, Saint Croix Harbor, was, upon recommendation of the Chief of Army Engineers, authorized by Public Law 516, 81st Congress, pursuant to House Document 771, 80th Congress, to consist of a channel 25 feet deep, below mean low water and 300 feet wide from the deep water in the Caribbean Sea to a turning basin of the same depth about 600 feet wide and 900 feet long; and

"Whereas the appropriation act for the fiscal year which ended June 30, 1951, appropriated the sum of $1 million for the Saint Thomas project, but the appropriation was impounded by the Bureau of the Budget because of the outbreak of war in Korea; and

"Whereas both projects are imperative from both the strategic and economic points of view; and

"Whereas both the Army and Navy have indicated that the improvement of both harbors would contribute materially to the national defense and would improve the value of the harbors as a hurricane refuge in this area; and

"Whereas the improvement of both harbors would be a boon to the ships of the U.S. Navy as well as to cruise ships which are entering the harbors; and

"Whereas many large commercial cruise ships are anxious to come to the islands, but are unable to do so because of the inadequate harbor facilities; and

"Whereas the improvement of both harbors is of the utmost importance to the economic stability of the islands; and

"Whereas the improvement of both harbors will greatly enhance the development of tourism in the Virgin Islands: Be it

"Resolved by the Legislature of the Virgin Islands, That the Congress of the United States be, and it is hereby petitioned, to appropriate, pursuant to the authorizations provided for in the acts of Congress hereinbefore referred to, the necessary funds for the completion of the aforementioned projects at both Christiansted, Saint Croix, and Charlotte Amalie, Saint Thomas, Virgin Islands; and it is further

"Resolved, That copies of this resolution be forwarded to the President of the Senate, the Speaker of the House of Representatives, the House Subcommittee on Interior Appropriations, the Senate Subcommittee on Interior Appropriations, the Secretary of Defense, the Chief of Army Engineers, the Secretary of the Interior, and the Governor of the Virgin Islands.

"Thus passed by the Legislature of the Virgin Islands on May 14, 1959.

"Witness our hands and the seal of the Legislature of the Virgin Islands this 18th day of May, A.D., 1959.

"WALTER I. M. HODGE,
"President.
"JOHN L. MADURO,
"Legislative Secretary."

A bill (No. 908) enacted by the Legislature of the Virgin Islands; to the Committee on Interior and Insular Affairs:

"RESOLUTION 908

"Resolution to petition the President and the Congress of the United States for the providing of a direct representative of the Virgin Islands in the Congress

"Whereas the people of the Virgin Islands have consistently sought direct representation of their views and interests before the Congress by a delegate of their choice; and

"Whereas such representation would afford to this group of American citizens a measure of effective participation in the governance of their affairs; and

"Whereas the providing of a delegate from the Virgin Islands in the Congress would be consistent with the enlightened administration of its Territories and possessions by the United States under which the Philippines, Alaska, and Hawaii have been represented in the past, and Puerto Rico is now represented: Now, therefore, be it

"Resolved by the Legislature of the Virgin Islands, That the President of the United States and the Congress of the United States be, and they are hereby petitioned by this

legislature, on behalf of the people of the Virgin Islands, for the providing of direct representation of the said people of the Virgin Islands in the Congress through the enactment of such amendment to the Revised Organic Act of the Virgin Islands as may be necessary or appropriate for this purpose; and be it further

"*Resolved*, That copies of this resolution be sent to the President of the United States, the Secretary of the Interior and the Governor of the Virgin Islands, and to the President of the Senate; the Speaker of the House of Representatives, and to the chairmen of the respective Senate and House Committees on Territories and Insular Affairs.

"Thus passed by the Legislature of the Virgin Islands on May 14, 1959.

"Witness our hands and the seal of the Legislature of the Virgin Islands this 19th day of May, A.D., 1959.

"WALTER I. M. HODGE,
"President."

"JOHN L. MADURO,
"Legislative Secretary."

A letter, in the nature of a petition, from the Los Angeles Metropolitan Traffic Association, Los Angeles, Calif., signed by Harrison R. Baker, president, favoring the enactment of legislation to provide necessary funds to continue the construction of the National System of Interstate and Defense Highways; to the Committee on Appropriations.

A letter, in the nature of a petition, from the Metropolitan Transportation Engineering Board, Los Angeles, Calif., signed by Hugo H. Winter, chairman, favoring the enactment of legislation to provide necessary funds to continue the construction of the National System of Interstate and Defense Highways; to the Committee on Appropriations.

A resolution adopted by the Kiwanis Club, of Baton Rouge, La., endorsing the objectives contained in a speech delivered by Ronald Reagan at a meeting of that club on April 9, 1959; to the Committee on Finance.

JOINT RESOLUTION OF NEVADA LEGISLATURE

Mr. CANNON. Mr. President, on behalf of myself and the senior Senator from Nevada [Mr. BIBLE], I present, for appropriate reference, a resolution adopted by the Nevada Assembly at its March 1959 session.

This resolution memorializes Congress to adopt the Youth Conservation Act of 1959 and expresses appreciation to the senior Senator from Minnesota and to Congressman JOHN A. BLATNIK for sponsoring such legislation.

I would like to add, Mr. President, that few proposals made in the 86th session have met with the overwhelming popular approval that has greeted this Senate bill to create a Youth Conservation Commission. I believe that the reason is clearly apparent. It has as its objectives the major purposes of striking at two of America's most pressing problems: Juvenile delinquency and our rapidly deteriorating conservation programs. In many areas throughout the Nation, passage of this bill would mean a great deal in terms of alleviating unemployment.

For some time, experts who have struggled with our growing delinquency problems have recognized the plight of the secondary educational institutions in serving youngsters who go to school only because State law compels them to do so. They are too young to be regularly employed and have no intention of going to college.

What happens to these youths? They become idle, and in most cases this means that they are soon in trouble and find themselves in juvenile court. Some are placed on probation, others are dispatched to juvenile institutions. Many find themselves ultimately sent to an overcrowded correctional institution.

Thus, Mr. President, this bill would strike at juvenile delinquency before it occurs.

Our youth problem has been steadily worsening since World War II and all the articles being written and the theories being expounded are not going to stop it, slow it down, or in any way affect the growth of our delinquency problem. Only direct action by an agency large enough to have a national effect is going to do any good. If we believe that our youngsters are worth all the efforts we can expend on their behalf, we should give the most serious attention we can to the probable results of a Youth Conservation Agency.

Although I believe the urgency of our youth problems are sufficiently serious to warrant the closest examination of this proposal, it is further strengthened by the salutary effect it would have on conserving our diminishing forests and recreation lands. Immeasurable good also would be accomplished for our soil and water resources.

I ask unanimous consent that this resolution be printed in the RECORD, and referred to the Committee on Labor and Public Welfare.

There being no objection, the joint resolution was referred to the Committee on Labor and Public Welfare, and, under the rule, ordered to be printed in the RECORD, as follows:

ASSEMBLY JOINT RESOLUTION 18

Assembly joint resolution memorializing the Congress of the United States to adopt the Youth Conservation Act of 1959 and expressing the appreciation of the Legislature of the State of Nevada to Senator HUBERT H. HUMPHREY and Congressman JOHN A. BLATNIK for sponsoring such act

Whereas the anticipated needs for food and fiber and forest products at the end of the next decade will not be met by the predicted productivity of our farms and woodlands; and

Whereas would-be campers often find only dim echoes of the refreshing outdoor experiences that were taken for granted 50 years ago; and

Whereas the construction and other works completed by the Civilian Conservation Corps, established in 1933, such as building several million check dams against soil erosion, planting 3 billion trees, building 150,000 miles of trails and fire lanes, stringing 85,000 miles of new telephone lines, and erecting 4,000 fire towers, 45,000 bridges and thousands of buildings, are valued at $1,500 million and were completed at a cost to the United States of approximately $3 million; and

Whereas a great need exists for an organization similar to the Civilian Conservation Corps; and

Whereas it is recognized that idle and energetic boys are often led into wasteful pastimes, error, and trouble; and

Whereas a recipe calling for the mixing, in appropriate proportions, of water, air, trees, land, and boys will, if followed, result in benefits to all; and

Whereas the Youth Conservation Act of 1959 is a giant stride toward solving both the conservation and youth problems which face the United States; and

Whereas Senator HUBERT H. HUMPHREY and Congressman JOHN A. BLATNIK have unselfishly devoted their time and energy to finding a solution for such problems: Now, therefore, be it

Resolved by the Assembly and Senate of the State of Nevada, jointly, That the legislature of the State of Nevada hereby respectfully memorializes the Congress of the United States to enact the Youth Conservation Act of 1959; and be it further

Resolved, That the Legislature of the State of Nevada hereby expresses its sincere appreciation to Senator HUBERT H. HUMPHREY and Congressman JOHN A. BLATNIK for their noble efforts; and be it further

Resolved, That certified copies of this resolution be prepared and transmitted forthwith by the legislative counsel to the President of the Senate, the Speaker of the House of Representatives, Senator HUBERT H. HUMPHREY, Congressman JOHN A. BLATNIK, and the members of Nevada's congressional delegation.

THE LATE JOHN FOSTER DULLES—PRAYER BY CHAPLAIN OF MASSACHUSETTS SENATE

Mr. SALTONSTALL. Mr. President, on behalf of myself, and my colleague, the junior Senator from Massachusetts [Mr. KENNEDY], I present, for appropriate reference, an engrossed extract from the Journal of the Senate of Massachusetts of Monday, May 25, which contains the prayer of the chaplain in memory of the late John Foster Dulles, former Secretary of State. I ask unanimous consent that the extract may be printed in the RECORD.

There being no objection, the extract was ordered to lie on the table, and to be printed in the RECORD, as follows:

EXTRACT FROM THE JOURNAL OF THE SENATE OF THE COMMONWEALTH OF MASSACHUSETTS, MONDAY, MAY 25, 1959

Met according to adjournment.

The following prayer was offered by Msgr. Christopher P. Griffin, chaplain of the senate:

"Draw near this day at the solemn invocation of Thy Name, O Blessed Lord, that Thy blessing in its fullness may descend upon us. That our thoughts may harmonize with Thine, our judgments be in consonance with Thine, and our acts conform to Thy holy will.

"Page after page of our national history records the life and character of God-fearing men who have clearly understood, bravely accepted, and nobly carried out the vocation of public service, as do these men and women in this chamber, who serve their Nation and their State according to Thy holy will. Among them there have been names that are whispered today with reverence and with gratitude, but no nobler example of heroic patriotism, no richer legacy to freedom, no braver sentinel, no more self-sacrificing guardian, no more faithful custodian ever guarded the portals of the United States of America than the servant whose passing this Nation mourns this day.

"Oftentimes, he climbed the long, steep hill to the summit alone. Alone he stood before fierce and implacable enemies, masterful in the midst of mean men, lion-like in the midst of treacherous intrigue and snarling attack, king-like, though always the humble servant of a grateful Nation, a

hero unconquered, though often on the brink of failure.

"No shot nor shell touched him, but this valiant soldier of the home of the brave, the martyr statesman in the cause of human freedom is gone, but the unselfishness, the self-sacrifice, the fearlessness, the faithfulness of American nobility were moulded into the form and the character of this man, in the clear, calm atmosphere of the family and land he loved, like the setting of the summer sun slowly and gently from day to twilight, and from twilight unto night, John Foster Dulles has been called to his longest, last, happiest journey to rest eternal. Depart, great American statesman, out of this sinful world, in the name of the God who created thee, in the name of Jesus Christ, who suffered and died for thee. Let peace come to thee this day, and even though your mortal ear be dull, entwine thy great memory around the hearts of your countrymen and do in death a work more mighty than in all thy life. Bind us closer and closer with the hallowed chain of thy noble inspiration into a beloved brotherhood. May your great soul rest in peace. Amen."

On motion of Mr. Lundgren:

Voted, That an engrossed copy of the prayer of the chaplain this day be transmitted to the Senators from Massachusetts in Congress, with the request that it be printed in the CONGRESSIONAL RECORD.

Attest:

IRVING N. HAYDEN,
Clerk of the Senate.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROBERTSON, from the Committee on Banking and Currency, without amendment:

S. 1991. A bill to provide for the striking of medals in commemoration of the 100th anniversary of the settlement of the State of Colorado and in commemoration of the establishment of the U.S. Air Force Academy (Rept. No. 329).

By Mr. RUSSELL, from the Committee on Appropriations, with amendments:

H.R. 7175. An act making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes (Rept. No. 330).

By Mr. GRUENING, from the Committee on Interior and Insular Affairs, with amendments:

S. 1541. A bill to amend certain laws of the United States in light of the admission of the State of Alaska into the Union, and for other purposes (Rept. No. 331).

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. JAVITS:

S. 2058. A bill for the relief of Giovanni Cannella, Calogera Cannella, and Salvatore Cannella; to the Committee on the Judiciary.

By Mr. PROXMIRE:

S. 2059. A bill to amend the Internal Revenue Code of 1954 in order to eliminate preferential treatment with respect to certain categories of taxpayers, and for other purposes; to the Committee on Finance.

(See the remarks of Mr. PROXMIRE when he introduced the above bill, which appear under a separate heading.)

By Mr. BUSH:

S. 2060. A bill to provide uniform cost-sharing standards for non-Federal entities cooperating with the Federal Government in flood control or flood prevention projects, and for other purposes; to the Committee on Public Works.

(See the remarks of Mr. BUSH when he introduced the above bill, which appear under a separate heading.)

By Mr. MOSS (for himself and Mr. MURRAY):

S. 2061. A bill to authorize the issuance of prospecting permits for phosphate in lands belonging to the United States; to the Committee on Interior and Insular Affairs.

By Mr. BEALL:

S. 2062. A bill authorizing the Secretary of the Interior to erect a monument at Fort Cumberland, Allegany County, Md., in honor of George Washington; to the Committee on Rules and Administration.

By Mr. MANSFIELD (for Mr. MURRAY):

S. 2063. A bill for the relief of Joseph Aboudi or Joe Abood; to the Committee on the Judiciary.

By Mr. CURTIS:

S. 2064. A bill to grant the right, title, and interest of the United States in and to certain lands to the city of Crawford, Nebr.; to the Committee on Interior and Insular Affairs.

By Mr. MAGNUSON (for himself and Mr. JACKSON):

S. 2065. A bill to amend Public Law 85–880, and for other purposes; to the Committee on Foreign Relations.

By Mr. KENNEDY (for himself, Mr. CLARK, and Mr. WILLIAMS of New Jersey):

S. 2066. A bill to amend the Longshoremen's and Harbor Workers' Compensation Act, with respect to the payment of compensation in cases where third persons are liable; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. KENNEDY when he introduced the above bill, which appear under a separate heading.)

By Mr. CHAVEZ:

S. 2067. A bill for the relief of Yu Lung Chang; to the Committee on the Judiciary.

S. 2068. A bill to authorize the issuance of a special series of stamps commemorative of the 350th anniversary of the establishment of the city of Santa Fe, N. Mex., as a seat of government; to the Committee on Post Office and Civil Service.

By Mr. CAPEHART:

S. 2069. A bill to amend section 542 (c) (6) and (7) of the Internal Revenue Code of 1954 relating to interest received by licensed personal finance companies and lending companies; to the Committee on Finance.

S. 2070. A bill to designate the airport under construction near Chantilly, Va., as Dulles International Airport; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. CAPEHART when he introduced the last above-mentioned bill, which appear under a separate heading.)

By Mr. ERVIN:

S. 2071. A bill for the relief of Lieutenant (junior grade) James W. Little; and

S. 2072. A bill for the relief of Mrs. Barbara May Boswell; to the Committee on the Judiciary.

By Mr. ANDERSON (by request):

S. 2073. A bill to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. HILL (for himself and Mr. HUMPHREY):

S. 2074. A bill to amend the Public Health Service Act, as amended, so as to clarify the functions and responsibilities of the Surgeon General with respect to international health activities, to encourage and facilitate international cooperation in the conquest of disease and the promotion of health, and for other purposes; to the Committee on Labor and Public Welfare.

By Mr. O'MAHONEY (for himself, Mr. WILEY, and Mr. HART):

S. 2075. A bill to encourage the creation of original ornamental designs of useful articles by protecting the authors of such designs for a limited time against unauthorized copying; to the Committee on the Judiciary.

By Mr. HUMPHREY:

S. 2076. A bill for the relief of Gurder Kaur; to the Committee on the Judiciary.

By Mr. HUMPHREY (for himself, Mr. CHURCH, Mr. CLARK, Mr. HART, Mr. JACKSON, Mr. JAVITS, Mr. MCCARTHY, Mr. MAGNUSON, Mr. MURRAY, Mr. MUSKIE, Mr. NEUBERGER, Mr. YARBOROUGH, and Mr. YOUNG of Ohio):

S. 2077. A bill to establish a temporary Presidential commission to study and to report on problems related to blindness and the needs of blind persons, and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. LANGER:

S. 2078. A bill for the relief of Gerald W. Campbell; and

S. 2079. A bill for the relief of Helene Papadopoulos; to the Committee on the Judiciary.

By Mr. WILEY:

S. 2080. A bill to establish a National Economic Council for Security and Progress to provide planning and to coordinate programs to meet the Communist challenge in the economic sphere; to the Committee on Government Operations.

(See the remarks of Mr. WILEY when he introduced the above bill, which appear under a separate heading.)

By Mr. SYMINGTON:

S.J. Res. 101. Joint resolution to authorize the transfer by sale or exchange of white phosphorous by the Department of the Army; to the Committee on Armed Services.

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, RELATIVE TO ELIMINATION OF CERTAIN PREFERENTIAL TREATMENT

Mr. PROXMIRE. Mr. President, I introduce, for appropriate reference, a bill to amend the Internal Revenue Code of 1954 in order to eliminate preferential treatment with respect to certain categories of taxpayers.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 2059) to amend the Internal Revenue Code of 1954 in order to eliminate preferential treatment with respect to certain categories of taxpayers, and for other purposes, introduced by Mr. PROXMIRE, was received, read twice by its title, and referred to the Committee on Finance.

Mr. PROXMIRE. Mr. President, the bill would reduce the top personal income tax rate from 91 percent to 65 percent.

Passage of this bill would mean that in no case would the Federal Government take as much as two-thirds of any portion of a taxpayer's income.

The confiscatory rates which now exact up to 91 percent of a taxpayer's income discourage incentive, initiative, and enterprise. Monetary incentive for excellence for the top earners in America today depends on the ability of expert tax lawyers to steer the taxpayer into a position of asset control where he can take advantage of a number of privileges and exceptions that discriminate with gross unfairness. The result is that many individuals with equal incomes pay taxes that vary enormously and are consistent only in their discrimination.

The Treasury receives only about $240 million from all the tax rates that exceed 65 percent, according to the most careful and thorough estimates.

My bill would far more than offset this Treasury loss. First, it would require compensation paid in the form of stock options to be taxed as ordinary income instead of capital gains. In addition, the bill specifies that gains or losses from sales of depreciable property used in a trade or business shall be taxed as ordinary rather than as capital gain or loss. This latter change would be particularly fruitful because the law now permits, in case of property used in a trade or business the inconsistency of permitting losses to be deducted against high tax rates as ordinary loss, while gains are taxed at the capital gain tax rate which is far lower.

These two provisions could be expected to raise more than $300 million—the total net effect on the Treasury, allowing for the $240 million tax cut, would be to add more than $60 million. In the past week I have sponsored or cosponsored other bills that would raise more than $2½ billion by plugging tax loopholes.

UNIFORM COST-SHARING ACT FOR FLOOD CONTROL AND FLOOD PREVENTION

Mr. BUSH. Mr. President, I introduce for appropriate reference, a proposed "Uniform Cost-Sharing Act for Flood Control."

Mr. President, the bill was drafted by the Bureau of the Budget to implement President Eisenhower's recommendation for the provision of uniform local cost-sharing in certain Federal flood control projects, and mimeographed copies have been submitted to the Committees on Public Works of the Senate and the House of Representatives.

I had hoped that a member of the Senate Committee on Public Works, on which I had the privilege of serving in the 83d and 84th Congresses, would introduce the bill in order that it might be available to the Senate in printed form. It appears, however, that no member of the committee wishes to sponsor the bill, and I have, accordingly, taken it upon myself to do so.

Mr. President, I ask unanimous consent that a statement by me in explanation of the bill may be printed in the RECORD following these remarks, together with the text of the bill, a letter to the President of the Senate by Maurice H. Stans, Director of the Bureau of the Budget, and a statement by Elmer B. Staats, Deputy Director of the Bureau, in which additional justifications for enactment of the bill are set forth.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and other matters will be printed in the RECORD.

The bill (S. 2060) to provide uniform cost-sharing standards for non-Federal entities cooperating with the Federal Government in flood control or flood prevention projects, and for other purposes, introduced by Mr. BUSH, was received, read twice by its title, referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the intent of Congress that non-Federal entities cooperating with the Federal Government in projects providing benefits from flood control or flood prevention shall receive uniform and equitable Federal assistance, and that to this end it is the purpose of this Act to establish a cost-sharing policy applicable to projects which produce flood control or flood prevention benefits.

SEC. 2. For the purposes of this Act—

(a) The term "flood control or flood prevention benefits" shall include but not be limited to (1) reductions in damages or losses from streamflows that exceed the capacity of the channel within which the flow of a stream is normally confined or from abnormally high levels of lakes and coastal waters caused by hurricane and other major storms; (2) reductions in sediment and erosion damages caused by flood runoff; and (3) increases in net return resulting from changed or more intensive use of flood plain property made possible by reduction of flood risks: *Provided,* That the term "flood control or flood prevention benefits" shall not include increases in net return resulting from any change in the average moisture content of the soil, over the growing season, attributable to improved drainage or irrigation.

(b) The term "project" shall mean any separable engineering work or system of closely related engineering works, or works of improvement for flood prevention except land treatment measures, which produce flood control or flood prevention benefits, including such works constructed pursuant to the Flood Control Act of March 1, 1917 (33 U.S.C. 703–704), the Flood Control Act of May 15, 1928 (33 U.S.C. 702), the Flood Control Act of June 22, 1936 (33 U.S.C. 701), and the Reclamation Act of June 17, 1902 (43 U.S.C. 391), and acts amendatory or supplementary to said acts; and such works constructed with Federal financial assistance furnished under the Watershed Protection and Flood Prevention Act of August 4, 1954, as amended (16 U.S.C. 1001–1007), and the Small Reclamation Project Act of August 6, 1956, as amended (43 U.S.C. 422a–422k): *Provided,* That the part of the works represented by the cost allocated to the production of flood control or flood prevention benefits of any multiple-purpose project undertaken pursuant to the acts cited above shall be considered a project.

(c) The term "non-Federal entity" shall mean a State or any public entity created under State law or interstate compact, or any private entity, having authority to cooperate with the Federal Government in the planning, installation, maintenance, and operation of a project.

(d) The term "responsible Federal official" shall mean an official of the Federal Government authorized to carry out the provisions of the acts cited in subsection (b) of this section or acts supplementary or amendatory thereto.

(e) The term "first cost" shall mean all monetary outlays made and the value of goods and services contributed or provided by various interests for the planning, design, and project construction, including contract work, materials and supplies, labor, and use of equipment; acquisition of lands, easements, rights-of-way, and water rights; relocation of facilities and settlement of damage claims; interest during construction; protection of public health; replacement of or prevention of damages to recreation and fish and wildlife resources; and prevention of loss of or damages to mineral resources and scenic, archeological, historical, and associated values: *Provided,* That the first cost shall not include the cost of investigations, surveys, and planning undertaken prior to authorization of the project or investigations and surveys financed by appropriations to Federal agencies other than the agency responsible for the project or having primary responsibility for furnishing Federal financial assistance for the construction of the project.

SEC. 3. After the effective date of this Act, no Federal agency shall incur any obligation for first cost except planning, design, and acquisition of water rights for a project or provide financial assistance for a project unless a State or, at the discretion of the responsible Federal official, one or more other non-Federal entities shall have entered, in advance, into an agreement satisfactory to said responsible Federal official to fulfill the requirements for operation and maintenance under section 4 of this Act and to assume at least 30 per centum of the first cost of the completed project allocated to the production of flood control or flood prevention benefits, payable as construction proceeds or pursuant to a contract providing for repayment with interest within fifty years: *Provided,* That the actual cost or fair market value, as determined or approved by the responsible Federal official, of such lands, easements, rights-of-way, and work performed or services rendered prior to completion of construction of the project which are furnished, or required by law to be furnished, by a non-Federal entity shall be included in the share of the first cost to be borne by the non-Federal entity: *Provided further,* That where a project provides flood control or flood prevention benefits that are widely dispersed over a large geographic area, non-Federal entities shall be required to bear at least 30 per centum of the share of the first cost attributable only to significant flood control or flood prevention benefits which accrue to identifiable groups of beneficiaries.

SEC. 4. The operation and maintenance of any project coming within the purview of this Act shall be a responsibility of a non-Federal entity or entities bearing the non-Federal share of the first cost thereof under the provisions of section 3 of this Act, or of any group of beneficiaries that the responsible Federal official deems appropriate in accordance with existing statutory requirements: *Provided,* That the flood control beneficiaries shall bear, in any case, their share of the costs of operation and maintenance: *Provided further,* That if the responsible Federal official finds that operation and maintenance of any such project by the Federal Government would be in the public interest, such official may arrange for operation and maintenance by the Federal Government if such non-Federal entity or entities agree to bear the cost thereof: *And provided further,* That where a project provides flood control or flood prevention benefits that are widely dispered over a large

geographic area, the non-Federal entity or entities shall bear that portion of the costs of operation and maintenance which the responsible Federal official determines to be equitable on the basis of the proportion of flood control or flood prevention benefits accruing to such non-Federal entities in relation to the total flood control or flood prevention benefits produced by the project.

SEC. 5. The provisions of this Act shall not be construed to modify any provisions of existing laws except the cost-sharing provisions thereof, nor to apply to any existing project or to any project determined by the responsible Federal official to be under contract or construction as of the effective date of this Act: *Provided,* That the duties, responsibilities, and financial obligations of non-Federal entities under the cost-sharing provisions of existing laws shall not be diminished by the provisions of this Act.

SEC. 6. This Act may be cited as the "Uniform Cost-Sharing Act for Flood Control and Flood Prevention."

The statement and other matters presented by Mr. BUSH are as follows:

STATEMENT BY SENATOR BUSH

I have introduced today a bill to carry out President Eisenhower's recommendations for legislation to establish uniform cost-sharing standards for flood control and flood protection projects.

There are glaring and shocking inequities in the sharing of costs on Federal flood control projects under present law.

A recent statement by Elmer B. Staats, Deputy Director of the Bureau of the Budget, cites the following examples:

Two projects undertaken under the Watershed Protection and Flood Prevention Act of 1954, administered by the Department of Agriculture, involved estimated costs of $1.1 million each. In one case, a project on Swan-Buffalo Creek, N. Dak., local interests were required to bear 43 percent of the cost. In the second, a project on Sulphur Creek, Tex., the local share of the cost amounted to only 6 percent.

Three Corps of Engineers local protection projects on the Mohawk River in New York State require 8 percent local cost sharing at two locations, South Amsterdam and Herkimer, and 53 percent at the third, Rome.

For local protection projects of the Corps of Engineers, local cost sharing ranges between the extremes of 1.3 percent and 62 percent.

Such wide variations in local cost-sharing requirements, and such gross discrimination between communities, is intolerable and requires prompt correction.

This is a matter of great importance to the people of my own State of Connecticut, and of other northeastern States. Hurricanes and floods of recent years have demonstrated the need for a comprehensive program of protection against floodwaters, both inland and on the coasts.

In the 84th Congress, as chairman of the Subcommittee on Flood Control, Rivers, and Harbors, I sponsored, in cooperation with the two distinguished Senators from Rhode Island and other Senators, bills which eventually became Public Law 81 of that Congress. That act authorizes and directs the Corps of Engineers to survey the eastern seaboard and the Gulf of Mexico to determine economical methods of protection against the tidal flooding associated with hurricanes.

Hurricane protection works for Providence, R.I., and New Bedford, Mass., already have been authorized by Congress as a result of the studies made under Public Law 81. The Chief of Engineers has recommended similar projects for the protection of Stamford and Pawcatuck, Conn., and the corps has under study plans for this kind of work at other locations along our coasts.

The 85th Congress, in the Flood Control Act of 1959, required local interests to bear 30 percent of the cost of constructing the Providence and New Bedford projects and a similar requirement is proposed by the Corps of Engineers for future projects of this kind.

The requirement that local interests bear 30 percent of the cost of hurricane protection works is based upon the argument that these projects are for local protection.

I do not believe that the people of the communities of Rhode Island, Massachusetts, Connecticut, and other States which are in need of protection against hurricane floodwaters would object to paying 30 percent of the cost of the needed work—if such a requirement were of uniform application on all Federal flood control projects.

However, I believe they have valid grounds for objection when they are asked to pay 30 percent while communities elsewhere pay nothing in the case of large Federal flood control dams and reservoirs, or pay as little as 1.3 percent or 8 percent, in the case of some Corps of Engineers' local protection projects, or as little as 6 percent under the Department of Agriculture's upstream watershed program. This is manifestly unfair.

Nor is this kind of rank discrimination limited to the projects proposed as a result of the hurricane studies.

I believe it to be a fact that communities in Connecticut and in New England generally are called upon to pay higher-than-average local contributions for flood control projects.

In the case of the large multipurpose dams, common in other areas of the country, no local contributions are required for the flood control portion of the work.

In the case of local protection projects, for which local contributions are required, local interests contribute, on the average, about 20 percent. Yet, over my protests, the people of Torrington, Conn., one of the hardest hit communities in the 1955 floods, will be required to pay 37 percent of the cost of two urgently needed flood control dams.

The bill I have introduced will correct these inequities. It provides that non-Federal interests shall bear at least 30 percent of the first cost of projects for flood control or flood prevention. The value of lands, easements, rights-of-way, and other services which are now, in many cases, required by law to be furnished by local interests, would be counted as part of the non-Federal share. The balance would be paid as construction progresses or, where appropriate, over a period of 50 years with interest. In the case of reservoirs which produce widespread benefits over a large geographic area, the bill requires non-Federal interests to bear at least 30 percent of the cost of providing flood protection benefits to identifiable groups.

The lack of uniformity in cost-sharing standards creates an intolerable situation. Resentment is bound to be felt by taxpayers in my own State and in other States who are called upon to contribute heavily, through general Federal taxation, to flood-control work in other areas and at the same time are forced to pay much higher-than-average local contributions for flood-control work in their own communities.

I commend the Eisenhower administration for seeking to correct the glaring injustices which result from present law, and to provide for uniform cost-sharing standards. The responsibility now rests with Congress. I sincerely hope that there will be corrective action, and I urge the Committee on Public Works to schedule early hearings on the bill.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., May 5, 1959.

The PRESIDENT OF THE SENATE.

MY DEAR MR. PRESIDENT: In his budget message of January 19, 1959, to the Congress, the President stated that legislation would be proposed to establish uniform cost-sharing standards for flood protection projects. In accordance with the President's recommendation, I am transmitting for consideration of the Congress a draft bill to accomplish this purpose.

Several outstanding Commissions that have studied the problems of sound development of our water resources, including the Presidential Advisory Committee on Water Resources Policy, have pointed to the pressing need for setting an equitable and consistent basis on which the costs of flood control or flood prevention projects may be shared by Federal and non-Federal interests, no matter which Federal agency undertakes the work. The lack of uniformity in cost-sharing standards creates, unfortunately, a situation in which local groups may find it to their advantage to play one Federal agency against another in order to reduce the local contribution. This is both unsound and inequitable, since funds provided by the Federal Government are furnished by the general taxpayer and should be made available to local interests on a uniform basis.

The enclosed draft bill applies to the flood control aspects of programs of the major agencies having wide responsibility for water resources development—the Corps of Engineers, Department of the Army; the Bureau of Reclamation, Department of the Interior; and the Soil Conservation Service, Department of Agriculture.

The bill provides that non-Federal interests shall bear at least 30 percent of the first cost of projects allocated to the production of flood control or flood prevention benefits. The value of lands, easements, rights-of-way, and other services which are now, in many instances, required by law to be furnished by local interests, would be counted as part of the non-Federal share. The balance would be payable as construction progresses or, where appropriate, within 50 years with interest. In the case of reservoirs that produce widespread benefits over a large geographic area, the bill requires non-Federal interests to bear at least 30 percent of the costs of providing only those flood protection benefits that are significant and accrue to identifiable groups.

In his signing statement accompanying Public Law 85-500, the President stated his belief that the local financial participation of 30 percent authorized by the Congress for the first projects in the new Federal program for hurricane flood protection, constitutes an appropriate division of costs between Federal and non-Federal interests, and should be extended to other major flood protection programs. The modest increase in the average level of non-Federal financial participation that this cost-sharing standard represents is a desirable strengthening of a truly effective test of project soundness—the willingness of local groups to contribute their own financial resources in a joint undertaking with the Federal Government. Moreover, greater cost sharing by local beneficiaries increases the effectiveness of the limited Federal funds which are available for flood protection programs.

The bill requires non-Federal interests to assume responsibility for the operation and maintenance of flood control or flood prevention projects, or to bear the cost of operation and maintenance if continued Federal operation of the project is found to be in the

public interest. In the case of large reservoirs, non-Federal interests will bear a share of operation and maintenance costs found to be equitable in consideration of the benefits received.

In view of the large backlog of authorized projects involving flood protection benefits, it is essential that the cost-sharing standards of this bill be applied to all projects for which construction begins after the date of enactment. To provide otherwise would unduly delay correction of the conditions that this legislation is designed to remedy.

The Nation as a whole gains from programs that result in soundly conceived flood protection projects, even though the benefits of any single project may accrue chiefly to the residents of a relatively small area. The existence of both national and local benefits has been recognized in the various flood control acts, reclamation law, and the recent Watershed Protection and Flood Prevention Act. Similarly, in most cases, the corollary principle that those who benefit from flood protection projects have a responsibility to bear a fair share of the financial burden has also been recognized. This bill strengthens that principle and provides that this responsibility shall be extended uniformly to all identifiable groups who receive flood protection benefits, regardless of the type of project that produces them.

The need for a sound and fair pattern of Federal-local participation in flood protection projects is pressing. That need should no longer go unmet.

Sincerely yours,

MAURICE H. STANS,
Director.

STATEMENT BY DEPUTY BUDGET DIRECTOR ELMER B. STAATS IN SUPPORT OF THE PRESIDENT'S RECOMMENDATION TO PROVIDE UNIFORM COST-SHARING ON CERTAIN FEDERAL FLOOD CONTROL PROJECTS

Mr. Chairman and members of the committee, in his budget message of January 19, 1959, to the Congress, the President stated that legislation would be proposed to establish uniform cost-sharing standards for flood protection projects. In accordance with the President's recommendation, the Bureau of the Budget transmitted for consideration of the Congress a draft bill to accomplish this purpose.

In elaboration of the letter of the Budget Director of May 5, I should like to read a brief statement.

First, what is the need for uniform cost sharing on Federal flood control projects?

Since the inception of a national flood control program in 1936, flood protection has been provided largely at Federal expense. The largest program has been the construction of flood control reservoirs and works of local protection by the Army Corps of Engineers. The Department of Agriculture also administers a rapidly expanding program for development (including flood protection) of upstream watersheds. This program was authorized by the Watershed Protection and Flood Prevention Act of 1954. It is estimated that in total these flood control and flood prevention programs will involve Federal construction expenditures of about $251 million in 1959 and $272 million in 1960. In addition, the Departments of Army and Interior will spend about $280 million this fiscal year and $330 million next year for construction of large multiple-purpose reservoirs that will provide flood control as well as other benefits.

Present laws require Federal agencies to conduct these various programs under different and inconsistent cost-sharing standards (see attachment A for comparisons). Some local groups are therefore required to make substantial contributions for flood protection, while others are required to make little or none. Both inequity and disruption of sound administration of water resources development automatically follow. Furthermore, local groups are encouraged to see projects not on the basis of maximum project worth but on the basis of minimum local financial participation.

In approving the Flood Control Act of 1959, the President stated his belief that the provision of that Act requiring local interests to bear 30 percent of the cost of constructing hurricane protection works was equitable and sound. He also stated that it should be extended to all flood protection programs. Such a level of local financial participation is somewhat higher than the present average. For example, local interests now provide about 20 percent of the total cost for Army's local protection works. On the average slightly less is provided for Agriculture's watershed projects. Virtually no local participation is now required for major reservoirs providing flood protection benefits. A higher level of local financial participation would increase the effectiveness of the limited Federal funds available for flood protection projects. Moreover, the higher requirement would further strengthen the best test yet devised for measuring project worth—the willingness of local people to invest their financial resources jointly with the Federal Government. It would spread available Federal funds over a larger number of local projects; in the current year this would have amounted to approximately $75 million.

Second, as examples of flood control cost sharing inequities under existing laws, I cite the following:

(a) Two Public Law 566 projects both estimated to cost about $1.1 million required in one case 43 percent local cost sharing (Swan-Buffalo Creek, N. Dak.) and in another case 6 percent local cost sharing (Sulphur Creek, Tex.).

(b) Three Corps of Engineers local protection projects on the Mohawk River, N.Y., require 8 percent local cost sharing in two cases (South Amsterdam and Herkimer) and 53 percent local cost sharing for the third case (Rome).

(c) We have been advised that for local protection projects of the Corps of Engineers local cost sharing ranges between the extremes of 1.3 percent and 62 percent.

Third, why was 30 percent selected as a basis for local cost sharing?

There is, of course, no magic about 30 percent. At the present time non-Federal participation in Corps of Engineers local protection projects averages about 20 percent and something less than this for Agriculture's upstream watershed projects. For the future it was considered that something in the neighborhood of one-third of flood control project costs should be borne locally. The draft bill recently transmitted to the Congress proposes 30 percent local cost sharing in the interests of consistency with the cost sharing standard adopted by the Congress last year for hurricane flood control projects. At the time the President approved Public Law 85–500 he indicated that such local participation was equitable and sound and should be extended to other flood protection projects.

Fourth, I wish to emphasize that the principle of greater and more uniform local cost sharing for flood control projects is not new nor did it originate with the Bureau of the Budget. The following groups have made recommendations on this subject in recent years:

(a) The Task Force on Natural Resources of the First Hoover Commission in 1949.

(b) President Truman's Water Resources Policy Commission in 1950.

(c) President Truman's Missouri Basin Survey Commission in 1953.

(d) The Task Force on Water Resources and Policy of the Second Hoover Commission in 1955.

(e) President Eisenhower's Presidential Advisory Committee on Water Resources Policy, 1955.

Excerpts from the reports of these groups are included as attachment B.

Finally, I should like to turn to the question raised in the committee hearings yesterday as to whether the same or similar principles of cost sharing which are recommended by the President for flood control should be applied to navigation and harbor projects.

As a matter of general principle, I think that the answer must be clearly in the affirmative. But we must recognize that the application of the principle of cost sharing to navigation projects is considerably more complicated than its application to flood protection projects. Considerations of transportation policy and of the reciprocal use of harbors in foreign commerce represent two of the more important differences. There is also, as this committee is aware, the long-standing question of the extent to which Federal investment in navigation and harbor projects should be defrayed through user charges for such waterways. National transportation policy as enunciated in congressional enactments has long included a prohibition against user charges for inland waterways and U.S. foreign policy has long recognized the desirability of encouraging international trade and commerce by keeping charges for the use of commercial harbors at nominal levels. This subject has also been studied by the same groups which studied the problem of flood control cost sharing. Excerpts from their conclusions are included as attachment C.

On the other hand, the principle of cost sharing for flood control projects is clearly recognized in existing law in spite of the many variations in legislative requirements. Moreover, it must be recognized that the problem of inconsistent cost sharing standards for flood control projects is made particularly acute because of the number of Federal agencies involved. Only the Corps of Engineers and the Tennessee Valley Authority have authority to construct navigation projects.

In spite of the above considerations, the Bureau of the Budget believes that additional consideration should be given to the subject of cost sharing by those who receive direct and identifiable benefits from navigation and harbor projects to assure that the principles of non-Federal participation are applied as nearly as possible on the same basis for all types of local water resource projects. Under present practices, local participation in the cost of harbor improvements is required generally where local recreational benefits are involved, where there is a single beneficiary of the improvement, or where it is necessary to provide disposal areas or utility relocations.

The Bureau of the Budget is giving further study to the problem raised by the Committee in its discussions yesterday and hopes to be in a position to make recommendations with respect to any changes in existing policy for navigation and harbor projects. We believe that such recommendations must be closely related to the study of transportation user charges and transportation policy now under way in the Department of Commerce. It is our view, however, that action by the Congress on the flood control projects proposal should not and need not await the outcome of these recommendations because of the essential differences between the two problems as set forth above.

ATTACHMENT A

Comparison of local cost-sharing requirements for flood protection under present legislation and policy and under provisions of draft legislation

Program and agency	Present legislation and policy			Draft legislation		
	Operation and maintenance	Lands, easements and rights-of-way	Cash contribution	Operation and maintenance	Lands, easements and rights-of-way	Cash contribution
1. Upstream watershed projects, Soil Conservation Service, Department of Agriculture.	Local	Local	None required	Local	Local	Local interests must bear 30 percent of first costs—value of lands, easements, rights-of-way, and other services provided locally count toward this requirement
2. Local protection works (channels, levees, or reservoirs substituted therefor), Corps of Engineers.	do	do	None, except for 50 percent of construction costs allocated to increased land values resulting from changed land use.	do	do	Do.
3. Major reservoir projects (including flood control storage in multiple-purpose reservoirs), Corps of Engineers, Bureau of Reclamation.	Federal	Federal	None required	Local share required on basis of extent that significant flood protection benefits to identifiable groups are produced.	None required, but may be provided to satisfy some or all of required local financial participation.	Local interests must bear 30 percent of 1st costs of producing benefits to identifiable groups.
4. Hurricane protection projects, Corps of Engineers.	Local	Local	Local interests must bear 30 percent of 1st costs—value of lands, easements, rights-of-way, and other services provided locally count toward this requirement.	Local	Local	Local interests must bear 30 percent of 1st costs—value of lands, easements, rights-of-way, and other services provided locally count toward this requirement.

NOTE.—Other provisions of draft legislation: (1) Proposed cost-sharing requirements would apply to all projects not under construction as of the date of enactment. (2) Local cash contribution may be paid as construction progresses or over a period of 50 years with interest. (3) Operation and maintenance may be performed by a Federal agency, with reimbursement, if in the public interest.

ATTACHMENT B

COMMENTS AND RECOMMENDATIONS OF VARIOUS COMMISSIONS REGARDING THE NEED FOR UNIFORM COST-SHARING POLICIES, WITH PARTICULAR REFERENCE TO FLOOD CONTROL

Task Force Report on Natural Resources, prepared for the Commission on Organization of the Executive Branch of the Government, January 1949 (First Hoover Commission):

"When the Federal Government first assumed definite responsibility for flood protection in 1936, costs were to be shared by the States and localities benefited, largely through the contribution of lands and rights-of-way. Removal of this condition in 1938 with respect to reservoir projects has had the effect not only of making the Federal Government assume 100 percent of the costs of these flood-control projects, but has removed one of the most effective restraints on the undertaking of projects of doubtful feasibility. States and localities were certain to scrutinize proposed projects with great care when they had to bear a significant share of the cost, but are inclined to ask fewer questions when the Federal Government supplies all the funds" (p. 21).

"The existence of a number of survey and development agencies has encouraged the perpetuation of special-purpose policies and has accentuated statutory inconsistencies. Varying administrative standards of feasibility, benefit-cost evaluation, and cost allocation have added to the confusion in these areas. Interagency rivalry has fostered a sort of Gresham's law with respect to Federal financial policies, the tendency being for higher standards of repayment by State, local, and private beneficiaries to be replaced by lower" (p. 23).

"Although the committee is not prepared to make specific recommendations, it believes that the most pressing need for statutory revision has to do with financial policy. As a general principle, costs should be repaid as far as practicable by the beneficiaries, more so than at present. Federal contributions should be limited to amounts proportionate to the estimated national benefits involved. State and local contributions should be required where practicable as a regular policy on all projects where localized benefits demonstrably exist" (p. 28).

"A Water Policy for the American People," the Report of the President's Water Resources Policy Commission, 1959 (Cooke Commission):

"This proposed reformulation of water resources policy is constructed on a simple framework of principles. These express: * * * The necessity for a system of repayment designed to treat alike all who enjoy the advantages of Federal investment. This will seek reasonable repayment, either through direct charge or assessment, for the opportunity which water resources programs offer for private gain, but will recognize that the great contributions of such programs to the general welfare warrant the assumption by the Federal Government of the remainder of the cost" (p. 9).

"Congress, in drafting new legislation or amending existing legislation, should provide for a uniform national reimbursement policy and specify the principles to be applied.

"Reimbursement procedure should aim, as far as possible, to recover a reasonable portion of the benefits accruing from public expenditures for water resources development. This should provide for charges for benefits where they can be collected, and agreements with interested States under which they would utilize their powers of taxation or assessment to assure reimbursement to the Federal Government for primary and secondary benefits not susceptible direct collection" (p. 12).

"From the foregoing discussion, it should be clear that the Nation has no consistent reimbursement policy in relation to water resources development. In general, this situation has developed out of piecemeal legislation and administrative decisions dealing with single projects or with single functions within river basins. This procedure has given rise to serious inequities and inconsistencies in reimbursement policy.

"In the case of local flood control works, the local communities directly affected should assume an appropriate share of the cost, which could be apportioned on the basis of property values either by general taxation or by special assessment.

"In the case of extensive flood control works, involving large-scale upstream storage and land management programs, the States should establish special districts with adequate powers to assume an appropriate share of the cost of providing protection against floods" (p. 85).

"Missouri: Land and Water," report of the Missouri Basin Survey Commission, 1953 (Lawrence Commission):

"Greater local financial responsibility: The general trend toward lower reimbursement requirements should be reversed. The problem is nationwide and application in any basin should obviously be conditioned on revisions being incorporated in national policy. Specifically, the Commission recommends that consideration be given to:

"(a) A general revision in national policy for the division of financial responsibility between Federal, State, and local groups in order to obtain higher contributions toward costs by beneficiaries, more systematic cost-sharing requirements for the various purposes, and greater interest and willingness to assume responsibility by groups immediately affected.

"(b) Provisions in national policy for assigning charges and assessments to specified beneficiaries in accordance with the following general principles: * * *

"Flood control: Primary beneficiaries, communities, and areas directly concerned, including States, should be assigned assessments up to the value of benefits, subject to reliable identification and measurement, with allowance for incentives and repayment ability" (pp. 15–16).

"Local contributions to resource development: State and local interests could bear a greater share of the costs of projects from which benefits accrue to them. This is particularly true for flood control and navigation projects which for the most part are charged off as nonreimbursable, with the result that the Federal Government is bearing almost the entire cost.

"However, the entire cost of major projects should not be borne by local groups, despite the fact that the large share of benefits from these projects accrue to local interests. It would be impossible for the local governmental or private bodies to finance the entire, or perhaps even the major share of the costs of such projects. Nevertheless, the Commission is convinced that contribution or repayment policies are in need of revision in order to lessen the burden on the Nation as a whole and to stimulate the local groups within the basin to shoulder a larger portion of the financial burden. The Commission has continually encountered the demand that State and local governments be given a

greater share in the determination and administration of the basin program, and it believes that this demand must be accompanied by an explicit willingness to combine administrative responsibility with financial support" (p. 16).

"Cost-sharing policy should promote: * * * Greater consistency in the cost-sharing requirements for the various resource development programs. Some of the variations in current practice cannot be justified in terms of any systematic set of principles" (p. 234).

"Water Resources Policy," a report by the Presidential Advisory Committee on Water Resources Policy, 1955 (summary and major conclusions):

"It is believed that the principle of equal contribution for equal benefits received should be applied to the beneficiaries of all Federal water resources developments, although it is recognized that historically, the programs of the Federal agencies have differed widely as to the contribution required from the beneficiaries of such projects" (p. 3).

"Identifiable beneficiaries should pay an appropriate share of the cost of projects. The Committee believes that in most instances, direct identifiable beneficiaries should pay a larger share of the cost for benefits received than they now do.

"Responsibility for bearing the cost of maintenance and operation of Federal projects and for their management should be turned over to non-Federal interests as soon as it is soundly feasible in consideration of the Federal investment.

"All Federal agencies should use a uniform approach to cost sharing so that the division of costs between the Federal Government and non-Federal interests for any particular project would be the same regardless of the agency undertaking the project" (p. 30).

"The Committee recommends, as a general policy, that all interests participate in the cost of projects in accordance with the measure of their benefits, and that the Federal Government assume the cost of that part of projects where the benefits are widely dispersed and represent substantial contributions to the general economic growth of the country or region, or to the national defense. The division of costs between Federal and non-Federal entities should be equitably determined on the basis of the degree and character of the respective interests, and the ability to identify direct beneficiaries. There the project is primarily of a local character, and where beneficiaries are readily identifiable, the Federal Government's contribution should be limited, with the non-Federal interests bearing a substantial portion of the construction costs of the project as well as the replacement, maintenance, and operation costs. In cases where projects supply or safeguard national needs, or where there are other special compelling considerations, the Federal Government may bear a larger portion of the cost if found in each case to be justified and consistent with criteria established by the Coordinator of Water Resources" (p. 31).

"Task force report on water resources and power to Commission on Organization of the Executive Branch of the Government, June 1955," (Second Hoover Commission):

"It is recommended, to assure that the Federal payment of project costs is kept within reasonable bounds, and that non-Federal beneficiaries pay or repay costs commensurate with their benefits—

"That the Congress enact legislation to establish cost distribution principles, which 'cohesive and clearly identifiable groups receiving substantial benefits' will be required to observe as a prerequisite of Federal participation in reclamation projects; to require that the appropriate Federal agency report on conformance of local groups in recommending projects to the Congress; and to include the following requirements in the principles:

"(a) That the benefits expected to result from any project be subdivided as follows:

"1. Those accruing to groups of cohesive and clearly identifiable recipients of substantial benefits,

"2. All benefits not assignable to such groups;

"(b) That the allocated capital cost be distributed in proportion to the benefits assigned;

"(c) That financially responsible governmental or quasi-governmental agencies representing the groups of cohesive and clearly identifiable recipients of substantial benefits be required, as a condition of Federal participation, to bind themselves to pay at least 50 percent of the cost prorated to them under (b) above with interest;

"(d) That the Federal Government assume all other costs not assumed by such groups;

"(e) That, in general, non-Federal agencies assume the full cost of operation and maintenance" (pp. 98–99).

"Sharing of cost by non-Federal interests. A fair share of the cost of any project which the Federal Government either constructs, or contributes to, should be borne by those to whom substantial benefits accrue. This will reduce the drain upon the Federal Treasury. But it will do three even more important things: It will constitute insurance that the local interests are really convinced of the soundness of the projects; it will result in a more equitable distribution of costs, and; it will preserve the self-respect of the beneficiaries.

"All of the Commissions and other groups which have given mature consideration to water-resources development have supported the principle that beneficiaries should bear an equitable share of costs.

"Nevertheless, present laws are not, in general, in accord with this principle" (p. 758).

ATTACHMENT C

COMMENTS AND RECOMMENDATIONS REGARDING REIMBURSEMENT FOR NAVIGATION IMPROVEMENTS

Task Force Report on Natural Resources, prepared for the Commission on Organization of the Executive Branch of the Government, January 1949 (First Hoover Commission):

"Under present methods of developing flood control and navigation works, the immediate beneficiaries often do not have to pay directly any significant part of the cost. Their only contribution is through general taxation. Indeed, they are encouraged by this policy to promote costly projects which cost them nothing. Such subsidy of private individuals from the public treasury is at best unjust. Its greatest evil, however, arises from the removal of any sort of economic measure of value in terms of willingness to pay. It seems reasonable to assume that if the direct beneficiaries refuse to pay any part of the project costs, the economic soundness of the project must indeed be questionable" (p. 87).

"A Water Policy for the American People," the Report of the President's Water Resources Policy Commission, 1950 (Cooke Commission):

"Reimbursement for various types of benefits from water resources programs should be determined in accordance with the following principles: * * * (c) for navigation it should be determined in connection with a general program for putting charges for all forms of transportation on a cost basis, including interest" (pp. 12–13).

"Decisions as to user charges, or tolls, for waterway commerce should be worked out as a part of the whole problem of reconciling and making workable a coordinated transportation system. But, with rates for all forms of transportation based on full costs, an interconnected system of modern waterways, coordinated with land transportation, should be able to sustain itself with tolls based on full costs and yield returns on the public investment while contributing to the most economic use of the Nation's resources" (p. 16).

"Greater local financial responsibility: The general trend toward lower reimbursement requirements should be reversed. The problem is nationwide, and application in any basin should obviously be conditioned on revisions being incorporated in national policy. Specifically, the Commission recommends that consideration be given to:

* * * * *

"(b) Provisions in national policy for assigning charges and assessments to specified beneficiaries in accordance with the following general principles:

* * * * *

"Navigation: An assignment should be made to waterway users and, through agreements, to States and communities to the extent of their benefits, after allowance for incentives. Such assignments may partly be met by toll charges, if and when feasible" (pp. 15–16).

"Water Resources Policy," a report by the Presidential Advisory Committee on Water Resources Policy, 1955:

"Navigation: Serious consideration should be given to repayment of a portion of the costs of new navigation projects, particularly those which will create navigability where none now exists, by the institution of user charges. Although it would appear logical, in the interest of a completely uniform policy as to the participation of beneficiaries in the costs of water resources developments, that user charges should be instituted which would at least bear the cost of operation and maintenance of such navigation facilities, it must be recognized that the subject of user charges involves not only water policy but also the whole field of transportation, including many other media. Therefore, it is a more appropriate subject for a survey of the entire field of transportation than one of water policy alone" (p. 32).

"Task Force Report on Water Resources and Power to Commission on Organization of the Executive Branch of the Government, June 1955" (Second Hoover Commission):

"It is recommended, to help establish a consistent national water policy, to increase local responsibility, and to fix the limits of Federal activities in the development and conservation of water resources and power—

"That the Congress enact legislation to direct the appropriate Federal agency or agencies to apply the principles of national transportation policy, as expressed in the preamble of the Transportation Act of 1940, to the construction, operation, and maintenance of navigation facilities. * * *

"That the Congress enact legislation to establish a system of user charges relating to the inland and intracoastal waterways, the Great Lakes and connecting channels, and seacoast harbors and channels of the United States. For projects now in operation, such charges should cover all costs of maintenance and operation by whatever agency incurred. For future projects (including future capital expenditures for projects now in operation), the charges should cover all Federal costs, i.e., maintenance, operation and capital costs. All such charges should apply to regions, or system, rather than to individual projects, so as to avoid discrimination" (p. 101).

"Water Resources and Power," report of Commission on Organization of the Executive Branch of the Government, June 30, 1955. (Second Hoover Commission):

Recommendation No. 8:

"That Congress authorize a user charge on inland waterways except for smaller pleasure

craft, sufficient to cover maintenance and operation, and authorize the Interstate Commerce Commission to fix such charges" (p. 85).

AMENDMENT OF LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION ACT, RELATING TO PAYMENTS IN CERTAIN CASES

Mr. KENNEDY. Mr. President, on behalf of myself, the Senator from Pennsylvania [Mr. CLARK], and the Senator from New Jersey [Mr. WILLIAMS], I introduce, for appropriate reference, a bill to amend section 33 of the Longshoremen's and Harbor Workers' Compensation Act so as to permit an injured longshoreman or his dependents to bring a suit against a third party who may have caused the injury without foregoing compensation payments under the act.

This bill would modernize a law which has, by and large, worked well over the years. However, the requirement that a longshoreman choose upon injury between receiving compensation under the act or pursuing any right he might have to sue a party who has caused the injury, sometimes works to the disadvantage of the employee and in any event is not consistent with modern concepts in the workman's compensation field.

This bill is similar to a measure which I have sponsored in previous Congresses, and I believe its enactment is of the greatest importance.

I ask unanimous consent that there be printed in the RECORD, following these remarks, the text of the bill and a brief analysis of it.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and analysis will be printed in the RECORD.

The bill (S. 2066) to amend the Longshoremen's and Harbor Workers' Compensation Act, with respect to the payment of compensation in cases where third persons are liable, introduced by Mr. KENNEDY (for himself, Mr. CLARK, and Mr. WILLIAMS of New Jersey), was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 33 of the Longshoremen's and Harbor Workers' Compensation Act is amended to read as follows:

"COMPENSATION FOR INJURIES WHERE THIRD PERSONS ARE LIABLE

"SEC. 33. (a) If on account of a disability or death for which compensation is payable under this Act the person entitled to such compensation determines that some person other than the employer is liable in damages, he need not elect whether to receive such compensation or to recover damages against such third person.

"(b) Acceptance of such compensation under an award in a compensation order filed by the deputy commissioner shall operate as an assignment to the employer of all right of the person entitled to compensation to recover damages against such third person unless such person shall commence an action against such third person within six months after such award.

"(c) The payment of such compensation into the fund established in section 44 shall operate as an assignment to the employer of all right of the legal representative of the deceased (hereinafter referred to as "representative") to recover damages against such third person.

"(d) Such employer on account of such assignment may either institute proceedings for the recovery of such damages or may compromise with such third person either without or after instituting such proceeding.

"(e) Any amount recovered by such employer on account of such assignment, whether or not as the result of a compromise, shall be distributed as follows:

"(1) The employer shall retain an amount equal to—

"(A) the expenses incurred by him in respect to such proceedings or compromise (including a reasonable attorney's fee as determined by the deputy commissioner);

"(B) the cost of all benefits actually furnished by him to the employee under section 7;

"(C) all amounts paid as compensation;

"(D) the present value of all amounts thereafter payable as compensation, such present value to be computed in accordance with a schedule prepared by the Secretary, and the present value of the cost of all benefits thereafter to be furnished under section 7, to be estimated by the deputy commissioner, and the amounts so computed and estimated to be retained by the employer as a trust fund to pay such compensation and the cost of such benefits as they become due, and to pay any sum finally remaining in excess thereof to the person entitled to compensation or to the representative; and

"(2) The employer shall pay any excess to the person entitled to compensation or to the representative, less one-fifth of such excess which shall belong to the employer.

"(f) If the person entitled to compensation institutes proceedings within the period prescribed in section 33(b) the employer shall be required to pay as compensation under this Act a sum equal to the excess of the amount which the Secretary determines is payable on account of such injury or death over the amount recovered against such third person.

"(g) If a compromise with such third person is made by the person entitled to compensation or such representative of an amount less than the compensation to which such person or representative would be entitled to under this Act, the employer shall be liable for compensation as determined in subdivision (f) only if such compromise is made with his written approval.

"(h) Where the employer is insured and the insurance carrier has assumed the payment of the compensation, the insurance carrier shall be subrogated to all the rights of the employer under this section."

The analysis presented by Mr. KENNEDY is as follows:

ANALYSIS OF BILL TO AMEND SECTION 33 OF THE LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION ACT

The purpose of this bill is to amend section 33 of the Longshoremen's and Harbor Workers' Compensation Act to permit an injured employee, or his dependents in case of death or disability from injury, to pursue a third party remedy while receiving compenation, under certain conditons. This bill accomplishes this purpose by amending the existing provisions which, in general, have operated satisfactorily over the years. By reenacting the section with language changes, it is possible to continue the current judicial construction of much of the section.

Under subsection (a) of section 33, a person entitled to compensation under the act on account of disability or death would not be required to elect between compensation and a suit against a third person for damages when he determines that a person other than the employer may be liable. Therefore, the person entitled to compensation could pursue both remedies concurrently.

Section 33(b) provides that unless the person entitled to compensation brings an action for damages against the third person within 6 months after acceptance of compensation under an award in a compensation order filed by the Deputy Commissioner, the acceptance shall operate as an assignment of the cause of action to the employer. In other words, if the party entitled to compensation does not bring a third party action within the stipulated time the employer may seek recovery.

Section 33(c) provides that when an employer pays compensation into the fund established in section 44 (a fixed sum for the death of an employee of that employer when the Deputy Commissioner determines that there is no person entitled to compensation under the act), such payment shall operate as an assignment to the employer of the cause of action against a third person. Thus, a distinction is made between a person entitled to compensation and a legal representative of the deceased who does not have the privilege of pursuing concurrent remedies.

Section 33(d) provides that when the cause of action is assigned to an employer, he may bring an action for damages against the third person, or compromise the claim before or after instituting proceedings.

Under subsection (e) of section 33, a sum recovered by an employer as a result of a damage suit or a compromise would be shared by the employer, who would retain one-fifth, and the person entitled to compensation, who would receive four-fifths, after deductions for (1) the expenses incurred by the employer with respect to the proceedings or compromise, including a reasonable attorney's fee as determined by the Deputy Commissioner; (2) benefits furnished under section 7; (3) compensation paid; and (4) the present value of amounts thereafter payable as compensation, computed in accordance with a schedule prepared by the Secretary, as well as the present value of future section 7 benefits as estimated by the Deputy Commissioner. The amounts so computed and estimated would be retained by the employer as a trust fund from which such sums would be paid as they become due. Any sum finally remaining in the fund would be paid to the person entitled to compensation or the representative.

Under existing law, the employer is entitled to retain, from the sum recovered in a third party action, only an amount equal to the disbursements which he has made or expects to make. Any amount recovered in excess of disbursements is paid to the person entitled to compensation. This, of course, would not stimulate the employer to recover more than he is entitled to retain. However, giving the employer a share in the recovery beyond his disbursements would be an inducement to him not to compromise the third party claim for such disbursements only. Thus, the amendment would benefit the employees who would share in any additional amount recovered.

Section 33(f) provides that if the person entitled to compensation institutes proceedings within the requisite 6 months, the employer is required to pay as compensation a sum equal to the excess of the amount payable on account of the injury or death, as determined by the Secretary, over the amount recovered from the third person.

Section 33(g) provides that when the person entitled to compensation or the rep-

resentative compromises with the third party for an amount less than the compensation to which the person would be entitled, the employer is liable for the additional compensation only if the compromise is made with his written approval. The existing subsection (g) of section 33 makes reference to subsection (e) rather than subsection (f) as provided in the amendment. This change is merely a correction of a patent error which appears in the existing provision.

The original section 33(h) is omitted because of the elimination of the election requirement. The amended subsection (h), which is the original subsection (i) as redesignated, provides that an insurance carrier shall be subrogated to all rights of the employer under section 33 when the employer is insured and the carrier has assumed the payment of the compensation.

DESIGNATION OF AIRPORT NEAR CHANTILLY, VA., AS DULLES INTERNATIONAL AIRPORT

Mr. CAPEHART. Mr. President, one of the most important diplomatic tools of our modern age is the airplane. As it has brought the world closer together, the airplane has at the same time brought our diplomats closer to the conference tables at which increasing international tensions have been considered and in most instances solved.

Particularly has this been true in the postwar era when we have been fighting so hard to maintain the peace. It is also true that the point of origination or termination of a majority of the important flights in this field has been the Capital of the United States.

In the years the late John Foster Dulles fought the battle of peace for the United States the airplane came into increasing prominence. He flew almost daily to the far points of the world in pursuit of peace. As nearly as anybody could have done, so he achieved world peace.

It seems to me, therefore, that the new international airport now under construction to serve Washington, commonly referred to as Chantilly Airport, might very appropriately be named in honor of the great diplomat of our time, John Foster Dulles.

Mr. President, I therefore introduce, for appropriate reference, a bill proposing that the Congress provide that when it is finished and in operation the airport which we now know as the Chantilly Airport shall be named officially the "Dulles International Airport."

The PRESIDING OFFICER (Mr. PROXMIRE in the chair.) The bill will be received and appropriately referred.

The bill (S. 2070) to designate the airport under construction near Chantilly, Va., as Dulles International Airport, introduced by Mr. CAPEHART, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

PROPOSED PRESIDENTIAL COMMISSION ON BLINDNESS

Mr. HUMPHREY. Mr. President, I introduce, for appropriate reference, a bill to create a nine-man temporary Presidential commission to study those services, programs, and benefits for blind persons, supported by Federal funds.

I offer this bill on behalf of the senior Senator from Pennsylvania [Mr. CLARK], the junior Senator from Minnesota [Mr. MCCARTHY], the Senator from Oregon [Mr. NEUBERGER], the senior Senator from Washington [Mr. MAGNUSON], the junior Senator from Washington [Mr. JACKSON], the Senator from Montana [Mr. MURRAY], the Senator from Michigan [Mr. HART], the Senator from New York [Mr. JAVITS], the Senator from Maine [Mr. MUSKIE], the Senator from Idaho [Mr. CHURCH], the Senator from Ohio [Mr. YOUNG] and the Senator from Texas [Mr. YARBOROUGH].

The purpose of this commission would be to make a comprehensive survey of problems facing America's one third of a million blind persons and the uncounted numbers who may lose their sight—in whole or in part—in the years up ahead. But the survey would be limited directly to the Federal phases of interest, that is, to the adequacy of programs supported in whole or in part by U.S. money, with the exception of medical research, where non-Federal phases would be considered as well.

COORDINATION NOT HODGE-PODGE DESIRED

This bill might be termed an act for Federal adequacy for the blind. "Adequacy" means fulfillment, not mere promises; it means comprehensiveness not piecemeal, haphazardness. It means bearing in mind the needs of the whole man or woman or child—their dignity, their self-respect, their purposes in life, not just some isolated aspect of their problems.

REASONS FOR COMMISSION

The case for this commission may be summed up, as follows:

First. Federal laws affecting the blind are today a helter-skelter patchwork.

Only an expert Presidential commission, acting upon the highest possible level of review, with the highest prestige and caliber of membership can recommend to the Congress a better coordinated system of statutes.

Since 1879, when the law providing books and tangible apparatus for the education of blind children was enacted, there have been some 50 laws, including amendments, enacted by the Congress, affecting blind persons. These laws involve vocational rehabilitation, Government purchase of blind-made products, financial aid to the blind, income tax exemption, library service, special mailing privilege, transportation, plus numerous laws affecting blinded veterans.

Second. A dozen Federal agencies and units administer programs affecting blind persons. These include the Social Security Administration—its Bureau of Old-Age Survivors and Disability Insurance and its Bureau of Public Assistance; the U.S. Office of Education; the Office of Vocational Rehabilitation, the National Institute of Neurological Diseases and Blindness, the Department of Labor with both the Bureau of Employment Security and the President's Committee on the Employment of the Physically Handicapped; the Veterans' Administration; the Library of Congress with its Division for the Blind; the Committee on Purchases of Blind-made Products.

Three agencies administer other laws affecting the blind, including the Post Office Department as to laws governing special postal rates for mailing of literature and special equipment to blind persons; the Treasury Department whose Internal Revenue Service administers laws granting income tax exemptions for blindness, and the Interstate Commerce Commission which administers laws permitting blind persons and their guide to travel on common carriers for one fare.

It is understandable therefore, why the cosponsors and I recognize a need for coordinated effort.

I might note in this connection that it is my privilege to serve as a member of the Senate Committee on Government Operations and as chairman of its Subcommittee on Reorganization and Internal Organizations. I feel therefore, that I can speak on the issue of Federal coordination with some degree of qualification.

COMMENDATION OF HOUSE STUDY OF ALL HANDICAPS

Third. The scope of problems involved is so broad that only a commission can do a thorough job.

Let me point out, however, that I read with pleasure an announcement, dated May 22, 1959, from the distinguished chairman of the House Committee on Education and Labor, Congressman GRAHAM A. BARDEN, that the committee's Subcommittee on Special Education will undertake a detailed study of rehabilitation of the physically and mentally handicapped and of special education. The subcommittee study will be under the competent chairmanship of Congressman CARL ELLIOTT, of Alabama.

The study will include Federal, State, and local problems—both public and private—of educational and rehabilitation services for the physically and mentally handicapped, including not only the blind, but the deaf, victims of speech disorders and of emotional disturbances.

I am confident that this study can and will make a distinct contribution. The expertness of this subcommittee is beyond question. The need for their review is beyond dispute.

In the voluminous files of the Senate's International Health Study of which I am chairman are literally scores of letters from American voluntary agencies alone on the problems of this or that handicapped group. Each group of the handicapped has both unique and common problems. Each group is entitled to sympathetic consideration. The handicaps which I have listed often represent incalculable heartbreak and suffering to victims and their loved ones. Yet every single individual is entitled to his birthright and to the pursuit of happiness.

But I submit that, among all handicaps, the consensus would be that blindness, for obvious reasons, represents a distinctive handicap so serious, so all-pervading that it merits special review.

I submit that, at the conclusion of what I know will be a helpful review of the House subcommittee, it, itself, may

find that even a Presidential Commission, with a full-time staff, assigned to this one problem alone—would be hard-pressed to meet the problems of the one handicap—blindness.

We all recognize that House Members, like Senators, are exceedingly busy with diverse tasks. The federally interested phases of blindness alone would consume an enormous amount of time and energy.

DIVERSITY OF BLINDNESS PROBLEMS ALONE

Let me list just a few of these problems:

First. Problems of the 65-and-over blind—numbering more than half of all blind.

Second. Problems of the 10 percent of all blind of school age.

Third. Vocational rehabilitation of employables and trainables.

Fourth. Problem of the indigent blind—the one-half of all blind receiving financial aid through Federal-State programs of public assistance.

Fifth. Problems of social security disability insurance.

Sixth. Needs for expanded library services including talking book service.

Seventh. Problem of purchases of blind-made products.

Eighth. Problem of insufficiency of expert specialists in the problems of the blind, and a host of other problems as well.

It will be realized, therefore, why any all-inclusive study, attempting to cover all handicaps, would represent a difficult problem of feasibility.

Let me reiterate, however, that in the emphasis on blindness which I submit today, I do not in the slightest underestimate the magnitude or severity of any of the other handicaps which unfortunately afflict so many Americans. I want our country to be adequate to meet the problems of all the disabled, whatever their disability may be.

The fact remains that blindness engages so many agencies, involves so many laws, so many phases, that it can best be reviewed as a subject in and of itself.

Those of us blessed with sight can only imagine how priceless a gift we possess.

Let us therefore address ourselves to this serious problem of those who have lost this priceless gift.

Fourth. We will find, I believe, that the $450,000 which the Commission would cost would repay itself manyfold in tangible and intangible dividends to the American people.

Fifth. Lastly, may I note that this bill does not conflict with any legislative proposal now pending before the Senate or the House.

It has the full approval of a wide variety of expert organizations such as the very competent American Foundation for the Blind and other groups.

It is not aimed against anyone or any group.

It is simply aimed for an impartial, objective, high-level review of a problem of deep humanitarian interest.

And so, I respectfully commend the bill to the expert Committee on Labor and Public Welfare and to its able chairman, the Senior Senator from Alabama [Mr. HILL], who has been and remains an indefatigable champion of the needs of America's handicapped and who I know will study this approach most earnestly.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2077) to establish a temporary Presidential commission to study and to report on problems related to blindness and the needs of blind persons, and for other purposes, introduced by Mr. HUMPHREY (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

NATIONAL ECONOMIC COUNCIL FOR SECURITY AND PROGRESS

Mr. WILEY. Mr. President, I introduce, for appropriate reference, a bill to establish a National Economic Council for Security and Progress, to plan and coordinate American policies in the increasing contests between the democracies and communism.

Planning economic security and progress is as important as planning military defense, and a National Economic Council is an immediate necessity.

If war is averted, as we all hope, the coming years will see more emphasis on economic contests between the democracies and communism, instead of the past emphasis on political and military might only. In effect, the economic battle will be a third front. To this economic struggle the Communist nations are openly committed and fully mobilized. But we have not yet sufficiently awakened to this threat. Still, the cold war may well be won or lost in the markets of the world and on the production line.

The Communists are changing their tune: They are still talking about the ultimate and inevitable success of communism, but they tell us that—at least for the time being—they are not going to bring it about by political coups or military force. Instead, they are going to try and get the uncommitted world and our own children and grandchildren over to their side by providing them with more economic advantages than can be attained under capitalism. The Russian, Chinese, and other communistic economic warfare programs call for tremendous increases in production and for better distribution of the national products. We must prepare to meet this coming challenge.

To meet the threat of the expanding Russian economy, our own economy must grow as rapidly as possible. Our past record of growth has averaged about 3 percent a year, but it is believed that we must step it up to about 5 percent a year. This small difference becomes enormous with time. With an annual growth rate of 3 percent, total output increases fourfold in 50 years. But with a 5 percent rate of increase total output in half a century would grow more than 10 times. Increased production and expanding markets, however, can only be achieved in an economy which is not crippled by inflation.

COMPOSITION AND OBJECTIVES OF COUNCIL

The Council, presided over by the President, would be comprised of the Secretary of the Treasury, Secretary of Labor, Secretary of Commerce, the Chairman of the Council of Economic Advisers, the Chairman of the Board of Governors of the Federal Reserve System, the Director of the Bureau of the Budget, and such other specified officers as the President may designate from time to time.

The function of the Council will be to advise the President with respect to the integration of policies relating to national and international economic development, so as to enable the departments and agencies of the Government to cooperate more effectively in matters involving both the national economic development and the role of America in world economy.

The purposes of the Council would include: First, conducting a review and analysis of our economic policies and programs at home and abroad, and developing recommendations for improving such policies; second, reevaluating and making recommendations with regard to specific trade situations, including (a) developing new commodities and finding new markets for an expanding national production; (b) determining the effect of automation on employment, industry, and economic progress; (c) dealing with the impact of imports on the domestic economy; (d) coping with the growing volume of Communist-produced goods on the world markets; third, better coordinating economic policies with nations of the free world to assure maximum opposition to Communist economic expansion; and, fourth, encouraging greater cooperation between Government and private efforts to improve markets, stop inflation, expand trade, and to meet the needs of consumers at home and abroad.

I am well aware, of course, that separate efforts are now being made to achieve many of these objectives. However, I strongly feel that we sorely lack well-coordinated, economic planning of the scope necessary to meet the Communist challenge.

I am confident that we will win this economic contest. Our free enterprise system has provided, and will provide, more good things of life for more people than any other system in the world.

However, to meet the new challenge, we will need a better coordinated and more effective national economic policy.

The establishment of the National Economic Council for Security and Progress, I believe, would help to achieve these objectives and serve the interests of domestic progress, as well as national security.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD for the convenience of my colleagues, and that it be held at the desk for 1 week, for the purpose of giving the Senators an opportunity to cosponsor it if they so desire.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, and held

at the desk as requested by the Senator from Wisconsin.

The bill (S. 2080) to establish a National Economic Council for Security and Progress to provide planning and to coordinate programs to meet the Communist challenge in the economic sphere, introduced by Mr. WILEY, was received, read twice by its title, and referred to the Committee on Government Operations, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress finds and declares that the economic challenge posed to the free world by international communism is one of the most serious aspects of the "cold war". That war may well be won or lost in the markets of the world and on the production line. Increased production and expanding markets, however, can only be achieved in an economy which is not crippled by inflation.

To this economic struggle the Communist nations are openly committed and fully mobilized. On its outcome rests the survival of the democratic way of life. It is the purpose of this Act to provide for the top-level Government planning and for the coordination of programs and policies necessary to meet the challenge.

SEC. 2. (a) There is hereby established a council to be known as the National Economic Council for Security and Progress (hereinafter referred to as the "Council").

(b) The Council shall be composed of—

(1) the President;

(2) the Secretary of the Treasury;

(3) the Secretary of Commerce;

(4) the Secretary of Labor;

(5) the Chairman of the Board of Governors of the Federal Reserve System;

(6) the Chairman of the Council of Economic Advisers;

(7) the Director of the Bureau of the Budget; and

(8) such other officers of the Government as the President shall from time to time designate.

(c) The President shall preside over meetings of the Council; except that in his absence he may designate a member of the Council to preside in his place.

(d) The Council shall have a staff to be headed by a civilian executive secretary who shall be appointed by the President, and who shall receive compensation at the rate of $20,000.00 a year. The executive secretary, subject to the direction of the Council, may, in accordance with the civil service laws and the Classification Act of 1949, appoint and fix the compensation of such personnel as may be necessary to carry out such duties as may be prescribed by the Council.

SEC. 3. The function of the Council shall be to advise the President with respect to the integration of policies relating to national and international economic development so that the departments and agencies of the Government may cooperate more effectively in matters involving both the economic development of the United States and the role of the United States in the world economy. The duties of the Council, in carrying out its function, shall include, without being limited to, the following:

(1) the development of recommendations for improving national economic policies and programs at home and abroad after careful review and analysis thereof;

(2) the reevaluation of, and the making of recommendations with respect to, specific trade situations, including—

(a) developing new commodities and finding new markets for an expanding national production,

(b) determining the effect of automation on employment, industry, and economic progress,

(c) ascertaining the impact of imports on the domestic economy, and

(d) coping with the growing volume of Communist-produced goods on the world market;

(3) the development of recommendations for coordinating more effectively the economic policies of nations of the free world for the purpose of assuring maximum opposition to Communist economic expansion; and

(4) the development of recommendations for fostering and promoting greater cooperation between the Government and private enterprise to improve markets, stop inflation, expand trade, and meet the needs of consumers at home and abroad.

SEC. 4. The Council shall, from time to time, make such reports to the President as it deems appropriate, or as the President may require.

SEC. 5. Such sums as may be necessary to carry out the provisions of this Act are hereby authorized to be appropriated.

AMENDMENT OF WAR CLAIMS AND TRADING WITH THE ENEMY ACTS—AMENDMENT

Mr. JOHNSTON of South Carolina submitted an amendment, in the nature of a substitute, intended to be proposed by him, to the bill (S. 672) to amend the War Claims Act of 1948, as amended, and the Trading With the Enemy Act, as amended, and to provide for the payment of certain American war damage claims and for the return of vested assets or the value thereof, which was referred to the Committee on the Judiciary and ordered to be printed.

MUTUAL SECURITY ACT OF 1959—AMENDMENT

Mr. GRUENING. Mr. President, on behalf of myself, the Senator from West Virginia [Mr. BYRD], the Senator from Nevada [Mr. CANNON], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Illinois [Mr. DOUGLAS], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oregon [Mr. MORSE], the Senator from Utah [Mr. MOSS], the Senator from Oregon [Mr. NEUBERGER], the Senator from Wisconsin [Mr. PROXMIRE], the Senator from West Virginia [Mr. RANDOLPH], the Senator from Georgia [Mr. TALMADGE], the Senator from Ohio [Mr. YOUNG], and the Senator from North Dakota [Mr. LANGER], I submit, for appropriate reference, an amendment intended to be proposed by us, jointly, to Senate bill 1451, the proposed Mutual Security Act of 1959.

I ask unanimous consent that this amendment be printed and lie on the table until the conclusion of business on Wednesday, June 3, in order that additional Senators may have an opportunity to join us in the sponsorship of this amendment.

The PRESIDING OFFICER. The amendment will be received, printed, and appropriately referred; and, without objection, the amendment will lie on the desk, as requested by the Senator from Alaska.

The amendment was referred to the Committee on Foreign Relations.

Mr. GRUENING. Mr. President, I also ask unanimous consent that there be printed in the RECORD, at the conclusion of my remarks, both the proposed amendment and the remarks I made concerning it before the Senate Committee on Foreign Relations last week.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit I.)

Mr. GRUENING. Mr. President, I shall not take the time of the Senate at this point to discuss this proposed amendment at length. Its purpose and the great need for its adoption are set forth in my statement, upon which I shall enlarge at a later date.

I only wish to point out that the procedural amendment which I am suggesting would, if adopted, go far toward reasserting congressional control over expenditures for foreign aid.

My suggestion is only, Mr. President, that the same budgetary standards and controls as are applicable to our domestic programs be made applicable to our foreign aid programs.

After all, both programs involve American dollars.

These dollars, under the Constitution, cannot be expended unless appropriated by the Congress.

What reason exists, Mr. President, for imposing a double standard?

As things operate at present, the standard imposed upon expenditures for domestic programs—and even upon the operations of the State Department in the field of foreign affairs—is strict. Sums requested must be justified in detail and must then be expended only for the purposes for which requested.

But not so for American dollars appropriated for the carrying out of the mutual security program. Here illustrative budgets are presented—programs are justified in terms of "levels of aid"—expenditures are spent for purposes determined solely within the discretion of those administering the programs.

Is this not tantamount to a delegation of the appropriating power to the Congress to the executive?

My amendment, in the form of a budgeting and accounting requirement, should, if adopted, serve to regularize the conduct of this program.

I am not committed to the exact language of this amendment. But I am committed to the objective which it seeks to achieve.

I hope this amendment will receive the earnest and careful consideration of my colleagues.

The amendment and statement presented by Mr. GRUENING are as follows:

EXHIBIT I

On page 9, between lines 12 and 13, insert the following:

"SEC. 402. In section 537(f), relating to presentation of authorization and appropriation requests, insert before the period: ': *Provided*, That within ninety calendar days after the enactment of the Act making appropriations for the fiscal year 1960 for carrying out the purposes of this Act there shall be submitted to the Committees on Appropriations of the House and Senate detailed budgets on a country by country basis

setting forth, with respect to military assistance, defense support, technical cooperation and special assistance, the specific purposes in detail by amounts for which the funds available will be obligated during the fiscal year 1960, and such funds shall be available only for the purposes thus specified: *Provided further*, That during the annual presentations to the Congress of requests for authorizations and appropriations under this Act for the fiscal year 1961 and subsequent fiscal years, there shall be submitted detailed budgets on a country by country basis setting forth, with respect to military assistance, defense support, technical cooperation and special assistance, the specific purposes in detail by amounts for which the funds requested and to be available will be obligated during the fiscal year for which such presentation is made'."

STATEMENT BY SENATOR ERNEST GRUENING BEFORE THE SENATE FOREIGN RELATIONS COMMITTEE PROPOSING AN AMENDMENT TO THE MUTUAL SECURITY ACT, MAY 21, 1959

Mr. Chairman and members of the committee, I deeply appreciate the opportunity you have given me to testify with respect to S. 1451, the proposed Mutual Security Act of 1959.

In view of the magnitude of the task on which this committee is now engaged, the numerous witnesses you have heard and will still hear, and because the point I wish to make and the suggestion I shall put forward are in essence simple but, I believe, vitally important. I shall endeavor to be brief.

Since I feel the issues involved are of sufficient urgency that I may from time to time be tempted to enlarge upon them and upon my suggestion on the floor of the Senate, it is my feeling that courtesy to the distinguished members of this committee requires that I express my point of view to you prior to taking the floor.

My appearance is also in response to the open invitation of your very able and conscientious chairman who has graciously, on the floor of the Senate, asked Members to come forward with suggestions concerning the mutual security program and how it can be improved.

Surprising as it may seem, I am not here to ask either for an increase or a decrease in the $3,900 million requested to be appropriated for the mutual security program for the next fiscal year.

And it is precisely because I am doing neither that I am prompted to appear before you today.

I do not know whether the sums requested are too large or too small.

I have no way of knowing.

I have no way of finding out. Maybe the committee has the answers and if so, I as one Senator with far less experience in this vastly important area, would like to have those answers.

But to me and maybe to others of our colleagues the illustrative budgets and estimates on which these appropriation authorizations and appropriations are founded not only do not provide sufficient certainty to determine the actual projects for which the funds sought are to be used but also give the administrators of this program a virtually free hand in determining how these funds will in fact be used.

We are not even certain that the funds appropriated will be spent for the illustrative projects set forth in the justifications submitted.

From time to time we do learn the details about a given program. But we learn them after the fact, after the funds have been spent and either congressional investigating committees or the General Accounting Office bring to light examples of gross mismanagement and maladministration of these programs.

I respectfully submit, Mr. Chairman and members of the committee, that a procedure by which appropriations are made by the Congress by blank check, with the specific purposes for which the funds are to be expended determined by the executive department after appropriation, is not, I respectfully suggest, in keeping with the duties and obligations imposed by the Constitution upon the Congress in this area.

The power over the public purse was a question given much thought by the Founding Fathers and carefully safeguarded by the provisions of the Constitution. Fresh from their battles against "taxation without representation," they were well aware of the need for vesting control of the taxpayers' dollars in the people's elected representatives.

As I read the Constitution, Congress' power to appropriate public funds is not limited or invaded by the authority vested in the Chief Executive to conduct the Nation's foreign affairs.

Quite the contrary is true.

The President's powers to carry on foreign affairs is itself limited by the Constitution in a number of respects. These are limitations on his power to enter into treaties, to appoint ambassadors, or to declare war.

Congress itself—except in the new field of foreign aid—has never countenanced the assumption that its powers over appropriations were curtailed by the President's power to conduct our foreign affairs. Each year, in deciding upon the amounts to be appropriated for the Department of State, the Congress makes basic decisions controlling, in one way or another, the manner in which, within the limitations imposed, the President is to conduct our foreign affairs.

For example, the amount of representation funds appropriated influences the manner in which the President and the representatives of the United States abroad carry on their relationships with foreign officials. And yet the Congress has no hesitancy in scrutinizing the amounts requested in the greatest detail and limiting the amounts which can be expended.

Why, then, is the mutual security program an exception? Why is it sacrosanct?

Why, with respect to that program, must we be called upon to legislate relatively in the dark, to appropriate without sufficient facts, and to permit the executive agency to expend the funds appropriated in any way it sees fit without being bound by a firm budget?

In my opinion, the foreign aid programs in which this country has been engaged for approximately a decade and a half should impose new responsibilities and duties upon the Senate which it has hitherto, in considerable degree, delegated, but should no longer delegate, to the executive.

The Constitution recognizes and the Senate has traditionally exercised a role in the conduct of foreign affairs. It has been a limited role, but a role nevertheless. Its two chief functions—the ratification of treaties and the confirmation of the Secretary of State, Under Secretaries, and Assistant Secretaries of State and Ambassadors and Foreign Service officers—have been functions in the nature of checks upon the power of the Executive to conduct foreign relations. But contrasted with the magnitude and importance of the mutual security program, which is really an innovation and radical departure from the historically established conduct of our foreign relations, the Senate's role in the constitutionally provided participation in foreign policy has been slight indeed.

It has been a long time since the Senate refused to ratify a treaty or confirm an Ambassador. It almost never happens, and so the Senate's role in these two prescribed areas has become perfunctory and routine.

But in the years since the last war—and, in fact during the war itself—something new has been added. Something new and tremendous. We have now come to use American dollars as a massive diplomatic instrument. Indeed, this new financial mechanism has come to supersede and outclass all other diplomatic instrumentalities. It represented and continues to represent an epoch-making departure in American policy.

The Senate exercises concern, and rightly so, about the qualifications of persons selected to represent the United States abroad. We seek to determine whether they possess the requisite abilities, character and temperament to represent our interests with vigor and skill.

When we equip our representatives abroad with a new type of diplomatic machinery—American dollars and American dollars by the billions—to aid in the achievement of American foreign policy objectives, should we not be equally and perhaps even more concerned with the purposes for which those vast sums are to be put, and with their effectiveness in achieving American objectives?

In order to apprise myself as fully as possible of whatever information there might be available to answer the questions, I have taken some time to look at the justifications submitted to support the request authorizations.

I find the information available entirely inadequate on which to make any intelligent determination of the necessity for the sums requested. Maybe the deficiency in understanding is mine and is not shared by others. But it is my feeling that we are expected to take much of this program on faith, and, after 15 years of it, I find it no longer possible to do so.

I find only illustrations of what may be done with some of the money if it is authorized.

I do not find there the same kind of budget justifications which are required of other Federal agencies.

I deplore—as does the distinguished junior Senator from Montana—the aura of secrecy with which this entire program has been wrapped. From my reading of the material submitted, there is no real need for placing a security classification on this material.

As the distinguished junior Senator from Montana has stated—and I yield to his greater knowledge and experience in these matters:

"The security classification of these figures is preposterous. It has little, if anything, to do with security. Many foreigners know what the figures are, at least in part, and many of the figures can be found if an effort is made to find them by a foreigner intent upon finding them because, not infrequently, they are published in newspapers."

One often wonders whether the security imposed is not intended to keep the facts away from our own citizens rather than to serve the ends of the program. In any event I fully share Senator MANSFIELD'S view after reading some of the widely known platitudes which in the mutual security presentations to the Congress are labeled "classified."

But the basic point I wish to make is that even after one has read the material—both classified and unclassified—one is scarcely in a better position to legislate intelligently with respect to this bill than if one had seen none of the material.

Why?

Because they are illustrative presentations only and even if one were to agree with the worthiness of each of the illustrations, one would have no knowledge of the other items on which the funds authorized would be expended. One would have on assurance, likewise, that they would be expended for the very items illustrated.

Earlier in my remarks I stated that I wanted only to make a simple point about the mutual security program. The point is that I think that it is high time that the

Congress reasserted its authority and responsibility with respect to the funds appropriated for this program and ruled out illustrative budgets.

In making this statement, I do not, in any way, wish even to imply a criticism of either the members of this committee or the members of the Committee on Appropriations of either House. Far from it. I am fully aware that the situation, which I strongly feel should now be corrected procedurally, began as an emergency, continued under the pressures of recurring urgencies, and gradually fell into and became established as the existing form. Such continuing action was indeed a clear evidence of the desire for the fullest cooperation by the legislative branch with the executive, and a manifestation that the Members of both Houses of Congress desired to do everything in their power to support the executive and to make the conduct of our foreign policy a success, unimpaired by too prolonged investigation and possibly consequent delays. In any event, that is history.

But I am also aware and deeply convinced of the necessity of putting an end to this blank-check spending. It has now gone on in various forms for a decade and a half. It has gone on under both Democratic and Republican administrations, and under Democratic and Republican Congresses. There is no element of partisanship in my proposal, nor any suggestion that either party has, as such, brought about the necessity for what I believe to be an indispensable change of procedure. For under the blank-check procedure, the United States has checked out some $70 billion to some 60 foreign countries, with prospects of continuing expenditures with similar purpose and method. There is obviously great dissatisfaction with the program. I do not, at this time, desire to comment on its successes or failures, or on its advisability or nonadvisability. But instead, I desire to propose a new procedural approach which should go far into the heart of the issues involved.

That procedure is to treat foreign aid like any and every domestic program. That procedure is to require line item specific requests for every demand expenditure in the mutual security program.

If any department of our Government (other than State, or the agencies engaged in expending our funds abroad) requires, let us say, $5,000 for furnishing a building somewhere under the flag, or $25,000 for new construction, that agency must so specify. Its request must run the established gantlet of the Bureau of the Budget, the appropriate subcommittees of the Appropriations Committees of both Houses, and then be voted on by the two Houses and sent to the President. Why not apply this same well-tried and tested procedure to foreign aid items? If it is necessary for a $25,000 structure erected by some agency of government in the 49 States to undergo this proper and prudent routine, clearly established by the Constitution, why should not the corresponding requests for some edifice, service, or other of the multiple forms of assistance in the 60 foreign nations we are subsidizing, undergo a similar procedure? How paradoxical that while the smallest items for home consumption must undergo the rigid scrutiny of the Bureau of the Budget and of the pertinent congressional committees for authorization and then for appropriation of the subcommittees and full Committees on Appropriations in both Houses of Congress, millions of dollars can be dispensed for use abroad by unseen and unknown men, shrouded under the multiple veils of anonymity, indefiniteness and secrecy.

The suggestion I would most respectfully make to this committee, therefore, is as follows:

There should be required to be submitted to the House and Senate Appropriations Committees, within 90 days after the enactment of the Appropriation Act for mutual security, a firm budget covering the sums to be expended for grants during the fiscal year 1960, both from funds appropriated by that act or previously appropriated and still available for expenditure, and that the Agency be required to adhere to that budget. I would go further and put the Agency on notice that authorizations and appropriations for the next fiscal year would be made only upon the submission of firm budgets. I would, to take care of unforeseen emergencies, leave unchanged the President's authority under Section 501 of the act to transfer up to 10 percent of the funds made available.

You will note that I have said that I would have my amendment apply to foreign aid in the form of grants and would not, at least at the present time, suggest that it be applied to loans under the Mutual Development Loan Fund. I take this viewpoint most reluctantly because of the facts so skillfully brought out by the senior Senator from Louisiana on the floor of the Senate during the debate on the Second Supplemental Appropriation Act. He showed clearly that in so many countries these so-called loans are repaid in soft, sterilized currencies so that it cannot truly be said to be actual repayments.

As was so ably stated in an article by Harlan Cleveland from the Reporter magazine, inserted in the RECORD by the distinguished senior Senator from Minnesota: "* * * the United States can look forward to effective use of the local currency repayments of its development loans only if it simultaneously sweetens the pot with more American dollar aid for development. Under most of the given conditions, the local currency in question is merely money, and should not be mistaken for real resources. It may look good on the books of the U.S. Treasury. But in terms of paying for more development, most of it won't be worth a continental."

This to my mind does not fit within any known definition of a loan. But, as I have said, I shall forbear for the time being from suggesting that my proposed amendment be made applicable to loans. Maybe that should come later.

I appreciate the fact that a number of additional suggestions for changes in the mutual security program have been put forward already. I refer especially to those suggestions advanced by your distinguished chairman, by the able junior Senator from Montana, and by the knowledgeable junior Senator from Louisiana.

However, I am not as sanguine as the junior Senator from Montana seems to be about bringing military aid to a close within 3 years. I just do not think it is going to be done, unless the Congress asserts itself more directly than it has in the past.

As what seems to be now a timely and overdue approach, therefore, I put forward my own suggestion that all the aid programs be brought under the control of the budgetary process of the Congress as is required with respect to any domestic program.

Your distinguished chairman stated recently that we must bring ourselves to "accept the realities of our position in the world and the inseparability of domestic and international policy."

I agree with that statement and it is precisely that objective which I am proposing procedurally. For in my opinion, not only policy but procedure should be inseparable. They will come closer to inseparability as we treat them alike fiscally.

The same budgetary principles, procedures, and safeguards should apply to the one as to the other, to international policy as well as to domestic policy.

Let me give one or two illustrations of how I envision that the institution of orderly budgetary procedures would make for a more meaningful fulfillment by the Congress of its rightful role with respect to the proper conduct of America's foreign policy, and greatly improve that conduct.

Consider the case of Bolivia.

How do we measure the success of our efforts there? Since 1946 through June 30, 1958, grants and loans aggregating $139 million have been made to Bolivia, and yet, because of a chance flippancy attributed to one of our Foreign Service representatives and quoted in a national magazine, our diplomatic personnel staying in Bolivia had to scurry for safety. Other Americans had to be warned lest their lives be imperiled. How successful has the expenditure of $139 million been in implanting an understanding of the United States and of helping Bolivia to achieve whatever the program intended to be achieved? Certainly those of us who are expected to vote intelligently on the next mutual security appropriation would like to have the answer in detail. Would it not be useful, indeed, essential, to get the appropriate officials who planned the previous program before the appropriate committees of Congress to ask them in detail what they were attempting to do and what they consider the measure of success or failure, what they intend to ask for in the coming budget, and how they intend to spend it in detail and not merely by giving illustrations of what they might do. Would it not be extraordinarily useful, even if unprecedented, to have this committee and the Appropriations Committee then study this new request in the light of what has happened and determine whether it is valid or not, or whether it should be appreciably modified and, if so, in what specific amounts and in what other ways.

The same procedure should apply to every country and to every item. Each project should be broken down in detail and justified just as are items of domestic expenditure.

Consider the case of Spain, as another example.

Since the close of World War II we have made grants and loans to Spain of approximately $709 million. Yet the distinguished junior Senator from Montana in the course of his thoughtful speech last Friday on the mutual security program inserted in the CONGRESSIONAL RECORD a report by Richard Mowrer, of the Christian Science Monitor, on our relations with Spain and how little knowledge exists among the people of Spain of how helpful the United States has been. Permit me to quote from the report:

"Until recently no coherent, compact, easy-to-understand explanation of the American aid program has been offered to the general public by the press or radio."

Actually we have been told by official Spanish sources that the United States has spent so much on our military bases there that we have caused inflation and that we now need to spend more to combat that inflation. Comment would be superfluous.

I would like the administrators of these programs to come before the committees of Congress prepared to cite item by item how the millions granted to Spain have been used, and how they have contributed to strengthening mutual security between Spain and the United States. I believe that they should also be required to justify in a detailed budget how they will expend the new appropriations to promote our national security.

I now offer for the consideration of the committee my amendment.

PARTICIPATION BY THE UNITED STATES IN PARLIAMENTARY CONFERENCES WITH CANADA—AMENDMENTS

Mr. CHAVEZ submitted amendments, intended to be proposed by him, to the

joint resolution (H.J. Res. 254) to authorize participation by the United States in parliamentary conference with Canada, which was ordered to lie on the table and to be printed.

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of May 21, 1959, the names of Senators LANGER, NEUBERGER, ENGLE, MOSS, MANSFIELD, JAVITS, DOUGLAS, JORDAN, PROXMIRE, BYRD of West Virginia, RANDOLPH, MCGEE, WILLIAMS of New Jersey, MURRAY, PROUTY, SMITH, and KEFAUVER were added as additional cosponsors of the bill (S. 2026) to establish an Advisory Commission on Intergovernmental Relations, introduced by Mr. MUSKIE (for himself and other Senators) on May 21, 1959.

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, RELATING TO REPEAL OF PROVISIONS ALLOWING CERTAIN TAX CREDITS—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of May 21, 1959, the names of Mr. Moss and Mr. MCGEE were added as additional cosponsors of the bill (S. 2036) to amend the Internal Revenue Code of 1954 to repeal provisions allowing credit against tax and exclusion from gross income for dividends received by individuals, introduced by Mr. MCCARTHY (for himself, Mr. CLARK, Mr. DOUGLAS, and Mr. PROXMIRE), on May 21, 1959.

WITHHOLDING AT THE SOURCE OF DIVIDENDS AND INTEREST—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of May 21, 1959, the names of Senators Moss, MCGEE, and HUMPHREY were added as additional cosponsors of the bill (S. 2038) to amend the Internal Revenue Code of 1954 to provide for withholding of tax at source on interest and dividends, introduced by Mr. PROXMIRE (for himself and other Senators), on May 21, 1959.

AMENDMENTS OF THE INTERNAL REVENUE CODE—ADDITIONAL COSPONSORS OF BILLS

Under authority of the order of the Senate of May 21, 1959, the names of Mr. Moss and Mr. MCGEE were added as additional cosponsors of the following bills, introduced by Mr. CLARK (for himself and other Senators) on May 21, 1959:

S. 2039. A bill to amend the Internal Revenue Code of 1954 to provide for additional information on certain returns; and

S. 2040. A bill to amend the Internal Revenue Code of 1954 to prohibit the deduction of certain expenditures as trade or business expenses.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. KEFAUVER:

Address delivered by Senator MUSKIE at the annual convention of the Tennessee Municipal League.

By Mr. ENGLE:

Address delivered by Senator RANDOLPH, at the commencement exercises of the high school, at Harpers Ferry, W. Va., on May 27, 1959, entitled "Education To Match Our Times."

By Mr. HUMPHREY:

Address delivered by him at annual convention of the National Farmers Union, Springfield, Ill., March 17, 1959.

By Mr. BEALL:

Statement prepared by him regarding the anniversary of the founding of the Italian Republic.

NOTICE OF HEARING ON NOMINATION OF JOHN R. BARTELS TO BE U.S. DISTRICT JUDGE FOR THE EASTERN DISTRICT OF NEW YORK

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for 10:30 a.m., Thursday, June 4, 1959, in room 2228, New Senate Office Building, upon the nomination of John R. Bartels, of New York, to be United States District Judge for the Eastern District of New York, vice Robert A. Inch, retired.

At the indicated time and place all persons interested in the above nomination may make such presentations as may be pertinent. The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Nebraska [Mr. HRUSKA], and myself, as chairman.

NOTICE OF HEARING ON NOMINATION OF JOHN HOWARD MORROW TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY TO REPUBLIC OF GUINEA

Mr. MANSFIELD. Mr. President, on behalf of the Committee on Foreign Relations, I desire to announce that the Senate today received the nomination of John Howard Morrow, of North Carolina, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Republic of Guinea.

In accordance with the committee rule, the pending nomination may not be considered prior to the expiration of 6 days.

DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 1960

Mr. JOHNSON of Texas obtained the floor.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to my delightful friend from Illinois.

Mr. DIRKSEN. I should like to ask the distinguished Senator from Oregon [Mr. MORSE] whether he contemplates asking for a yea-and-nay vote on the amendment which he will offer.

Mr. MORSE. I am glad the minority leader asked that question. I desired to talk with the majority leader and the minority leader about that matter, but I did not care to interrupt. I shall ask for a yea-and-nay vote. On bended knee I am going to plead for one. I should like very, very much to have a record vote on my amendment "C." That is the only amendment of the three I shall offer on which I shall ask for a yea-and-nay vote. I hope that when more Senators are present, the majority leader and the minority leader will help me get a yea-and-nay vote.

Mr. JOHNSON of Texas. Mr. President, I am a little bit chagrined that the Senator should have two leaders. I was kind of hoping the Senator was going to follow the Democratic leader on this matter, but I will assure the Senator now, so far as I am concerned. I should be delighted to assist him in getting a yea-and-nay vote.

Mr. MORSE. I assure the majority leader that I am quite nonpartisan in this type of procedural matter. I recognize the influence of both leaders.

Mr. DIRKSEN. Mr. President, I can assure the majority leader I thought the interrogation was quite proper, mainly so that I might alert the Members on our side if there is to be a yea-and-nay vote.

THE MACK CHARLES PARKER CASE IN MISSISSIPPI

Mr. JAVITS. Mr. President, I wish to say a word this morning about the situation at Poplarville, Miss.

There is a very grave burden affecting the entire Nation's reputation before the whole world which now rests on the local authorities of Mississippi. Governor Coleman of Mississippi is in Washington this morning, testifying with respect to the civil rights bill, so he is with us today considering this very question.

Mr. President, I think the Governor of Mississippi deserves a great deal of credit for calling the FBI into that terribly regrettable situation in Poplarville, the lynching of Mr. Parker, with which all of us are familiar.

The Federal Bureau of Investigation has now submitted all its information. The Governor of Mississippi has said he expects to see that the information is put before the grand jury in November. Those of us who are acquainted with the administration of criminal law know what a 6 months' delay can do to a criminal case. In effect, a 6 months' delay can nullify the case completely if the witnesses are not present, if memories are blurred, or because of other intervening conditions.

Mr. President, I join I think with the whole conscience of our country, which regrets so grievously this first American lynching after more than 3 years of a clear record on that score, in urging—at least in expressing the hope—that the State authorities will see fit to call a special session of their grand jury in in order to submit the information. I

think the attitude displayed by the Governor and by many of the citizens of Mississippi demonstrates there is a good chance that the grand jury will act as it should act, but I deeply feel that 6 months is much too long a delay between now, when the evidence has been submitted, and the time when the evidence can be presented.

Mr. President, I add the further point that we are again reminded there is no Federal crime involved in such a case. This is demonstrated by the fact that the FBI has withdrawn from the case. I think that should remind the Congress of the urgency of passage of an antilynching law, which I hope we shall have an opportunity to vote upon at least as an amendment to a civil rights bill which will come before us at this session.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the editorial from the New York Times entitled "Watching Mississippi," published this morning.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WATCHING MISSISSIPPI

On the government authorities of Mississippi rests a burden of responsibility affecting the honor of the State and the entire Nation's reputation before the world. We refer to their duty to prosecute the members of the bloodthirsty, anarchistic mob that dragged Mack Charles Parker, a young Negro, from jail in Poplarville where he was being held on a rape charge, shot him to death and left his body on the Mississippi side of the Pearl River. It was the first American lynching for more than 3 years.

Governor Coleman deserves credit for an act unusual in such cases in the deep South. He called in the Federal Bureau of Investigation at once. Some 60 FBI agents, working with the cooperation of local police, gave the whole Poplarville area a month-long search in unusual depth and range. But they found no evidence of violations of Federal law.

The Department of Justice could do no more—except to turn over, as it has done, all the findings of its investigation to Governor Coleman for action under Mississippi law.

Incredible as it may seem, however, no further action is scheduled for the next 6 months. Governor Coleman says that the case will be submitted to the next regular session of the county grand jury, which won't be held until November. But a special session can be called at any time. This should be done immediately and every possible effort made by the authorities to bring the culprits to book. The offer of FBI Director Hoover to make his agents available to testify when the case comes to trial should promptly be accepted.

All this might invite political reprisals by bigoted constituents. But it would bring Mississippi honor far beyond its border.

FEDERAL TRANSPORTATION POLICIES SHOULD BE DEVELOPED IMPARTIALLY AND FAIRLY

Mr. NEUBERGER. Mr. President, I shall be most disturbed if a basic transportation study for the Federal Government is undertaken by people who have financial ties with any of the competing forms of service in the field—and this includes railroads, truck lines, airlines, bus companies, steamship and barge operations, and all other such facilities.

A study of the Nation's transportation problems should be in the hands of experts from Federal and State agencies, from schools of business administration and commerce in the colleges and universities, by economists and graduate engineers, but not by those whose own investments in one or the other form of rival transportation facilities could be affected by the policies finally recommended.

I am one of the Members of the Senate who definitely has not made up his mind on the appointment of Adm. Lewis L. Strauss to be Secretary of Commerce. In all fairness, I think I should study the Commerce Committee hearings, read the majority and minority committee reports, and listen to the Senate debate on the question before I make my decision. That is the only fair procedure for a Senator who has never served on the committees dealing directly with the nominee. But I must confess that I am disappointed Admiral Strauss has evidently not attempted to select impartial and independent people to survey the field of transportation for our Government, through the Department of Commerce.

NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

Mr. McGEE. Mr. President, I am very desirous that during the consideration of other matters the attention of the Senate should not be wholly diverted from the impending decision on the nomination of Lewis Strauss to be Secretary of Commerce. Therefore, today I should like to share with my colleagues another observation of a Strauss attempt to deceive the Senate Interstate and Foreign Commerce Committee.

Mr. President, during the time the hearings were being held, it was often charged that persons had been victimized in their relations with Mr. Strauss because of their disagreements with his policy opinions. Included among those so named were Mr. Carroll Wilson and Mr. Malcolm Henderson.

Because of the seriousness of these charges, when Dr. David Inglis of the AEC's Argonne laboratories appeared as a hostile witness, I was interested in ascertaining whether Mr. Strauss had made any inquiries into the witness' past during the course of the hearings.

In the course of interrogation which followed, Mr. Strauss mentioned he remembered seeing one page from the "American Men of Science" which someone handed him, deliberately planting the impression that he himself had not initiated even that inquiry about Dr. Inglis. Strauss then told the committee "I have never asked for anything on Mr. Inglis in my life."

Mr. President, this was a falsehood.

After Mr. Strauss made this categorical statement on May 11, I asked that there be placed in the record of the committee a copy of a letter from the present Chairman of the Atomic Energy Commission, Mr. John McCone. This letter answered a query by Senator ANDERSON asking if anyone had sought information on Dr. Inglis. That letter contained the following facts:

First. On April 20, Mr. Strauss personally asked for information on Dr. Inglis and was advised that Dr. Inglis was employed at the Argonne laboratories and that the "American Men of Science" listed several fields of competence.

Second. On April 22, Dr. Inglis' full summary security file, kept in Washington by the Security Division of the AEC, was reviewed. No information was divulged to any person outside the division.

Third. On April 30, one of Mr. Strauss' aides in the Department of Commerce inquired about the security status of Dr. Inglis and was informed he had a "Q" clearance.

These three facts clearly contradict the previous statement of the Admiral that he had never asked for anything on Mr. Inglis in my life. They show that 3 weeks before he made that statement he had made careful, personal inquiry into the background of David Inglis.

Why did he not tell us this in the first place? What did he have to lose? Was he afraid of the criticism which might come from it being known that he consulted a witness' files? Would it not have been better to run the risk of inviting this criticism than to withhold the truth from the committee? Would it not have been better than a false statement? Why did he not tell us the truth?

This is important to every Member of the Senate. Were he to be confirmed, Mr. Strauss would be one of the most powerful men in this administration, with responsibility over vast sums of money and policy decisions of the greatest magnitude.

A man who so disregards the will of the Congress as to deceive its Members cannot be trusted to carry out the will of that Congress as Secretary of Commerce.

I ask unanimous consent that there be printed in the RECORD at this point as a part of my remarks the appropriate portions of the hearings of the committee, which I have before me, together with an editorial entitled "The Big Lie," from the Harvard Crimson, of May 11, 1959, and an article entitled "O'MAHONEY Duplicating Walsh's Role," published in the Cheyenne Eagle of May 21, 1959, which likens my distinguished senior colleague [Mr. O'MAHONEY] to the distinguished Senator from Montana of an earlier day, Tom Walsh, who was then making an exposé of another Cabinet appointee.

There being no objection, the excerpts, editorial, and article were ordered to be printed in the RECORD, as follows:

EXCERPTS OF TESTIMONY FROM THE RECORD OF THE HEARINGS ON THE NOMINATION OF LEWIS L. STRAUSS AS SECRETARY OF COMMERCE, HELD BEFORE THE SENATE INTERSTATE AND FOREIGN COMMERCE COMMITTEE

(Pp. 1455–1456, May 11, 1959)

Senator McGEE. Was there any statement, Admiral, in front of you pertaining to the files of Dr. Inglis?

Mr. STRAUSS. The files of Dr. Inglis?

Senator McGEE. Anything affecting his past. No files of Dr. Inglis that you saw?

Mr. STRAUSS. You mean security files, don't you, Senator?

Senator McGEE. I assume that it is some phase of security.

Mr. STRAUSS. I think at one time after he was announced as a witness someone handed me a transcription of a page from "American Men of Science" with date of birth, degrees, things of that sort. But I don't know what I did with it, and it is not top secret.

Senator McGEE. Was there anything marked "confidential" that you had?

Mr. STRAUSS. No, sir.

Senator McGEE. Nothing marked "confidential"?

Mr. STRAUSS. No, sir. I had heard a rumor to the effect that I am supposed to have asked the Atomic Energy Commission for security files on people and you can call the security people at the Atomic Energy Commission down here and ask them. This is—I started to characterize this.

Senator McGEE. I only raise this, Admiral, because it appears in print and the article has been referred to in here.

Mr. STRAUSS. Unfortunately, it is a very terrible thing that he is allowed to type.

The CHAIRMAN. Admiral, for your sake it should be cleared up. Asking for files, that is, since you have been down in the Commission?

Mr. STRAUSS. In Commerce?

The CHAIRMAN. Yes. I mean while you were a member of the Commission.

Mr. STRAUSS. While I was a member of the Commission I felt it my responsibility, on occasion, but I haven't used that since.

The CHAIRMAN. The record should be clear.

Mr. STRAUSS. I will say that I don't recollect using it since, Senator. I find that that is a safe thing to say when I go back to the files as I have in this particular instance.

Senator McGEE. To your knowledge——

Mr. STRAUSS. I have never asked for anything on Mr. Inglis in my life.

TRANSCRIPT OF A LETTER FROM AEC CHAIRMAN JOHN A. McCONE TO SENATOR CLINTON ANDERSON WHICH WAS READ INTO THE RECORD BY THE ADDRESSEE

(Pp. 1495–1497, May 13, 1959)

This is in reference to your letter of May 8, 1959, regarding the security files of Dr. David R. Inglis. The security file on Dr. Inglis is maintained at our Chicago operations office. This file contains the full investigative reports on Dr. Inglis. No one has reviewed this file or furnished directly or indirectly any information from it to anyone during the past 3 weeks.

There is at Commission headquarters a security file which contains miscellaneous papers, including a summary of the information appearing in the investigative reports on Dr. Inglis. This latter file contains a transcript of an interview held with Dr. Inglis in 1955 but does not contain any investigative reports. The file at Commission headquarters was reviewed April 22, 1959, by personnel of the Division of Security, but no information was divulged to any person outside the Division. This review was occasioned by a discussion with the Office of the Chairman. About April 20 Mr. Strauss advised Mr. Ink, of my office, that he had learned of the possibility of Dr. Inglis testifying at the hearings and in order to have a general idea as to the area Dr. Inglis might cover it would be helpful to know whether he was employed by an AEC contractor, and if so, the name of his profession.

Since both points were a matter of public information, he was advised on April 21 by Dwight Ink that Mr. Inglis was employed at Argonne and that the "American Men of Science" listed several fields of competence.

No further information was requested by Mr. Strauss and no further information was provided him directly or indirectly re Dr. Inglis, except to later answer affirmatively, April 30, a question directed to our Security Division from the Department of Commerce staff as to whether Dr. Inglis had a Q clearance.

On April 22, 1959, Mr. Ink advised the Deputy Director of the Security Division of the possibility of Dr. Inglis testifying. It was agreed that should there be any request for information the Chairman would be advised before any material was provided. Mr. Ink stated that he wished to alert the Chairman to any public information contained in the record re Dr. Inglis which might suggest whether his general testimony would involve the AEC. A summary file was reviewed by the Security Division for such public information for the purpose outlined above. No such information was found and no information of any type was furnished directly or indirectly to any person. No AEC employee outside the Security Division has any access to the file or any information contained in it. No further inquiries re Dr. Inglis have been received from any source.

Sincerely yours,

JOHN A. McCONE,
Chairman.

[From the Cheyenne (Wyo.) Eagle, May 21, 1959]

O'MAHONEY DUPLICATING WALSH'S ROLE

WASHINGTON.—A Wyoming Senator is playing out a role remarkably like the one of a Montana Senator more than a quarter of a century ago.

He is Senator JOSEPH C. O'MAHONEY, Democrat of Wyoming, leader of the anti-Adm. Lewis Strauss forces in the Senate.

The close 9–8 vote in the Senate Interstate and Foreign Commerce Committee Tuesday in favor of Strauss as Secretary of Commerce raised the possibility that the full Senate may say no.

The last time the Senate refused to consent to a Presidential Cabinet selection was in 1925 under President Calvin Coolidge.

The nominee was Charles B. Warren, of Michigan, whom Coolidge wanted to be Attorney General.

Objections were raised to Warren's appointment because of his association with the American Sugar Co.

The late Senator Thomas J. Walsh, of Montana, an antimonopoly crusader, led the opposition. He charged that Warren was too closely associated with big business and what he labeled the "Sugar Trust" to be entrusted with enforcement of the antitrust laws.

O'MAHONEY himself draws a parallel between the Strauss and Warren fights.

O'MAHONEY is opposed to the confirmation of Strauss on the grounds that he has been "too closely identified with * * * big business to be trusted to administer the functions of the Department of Commerce in the public interest."

The senior Wyoming Senator also dislikes Strauss because he says he is in favor of "monopolistic mergers" in his backing of the controversial Dixon-Yates contract.

[From the Harvard Crimson, May 11, 1959]

THE BIG LIE

There is no excuse for the way the Senate Commerce Committee is treating Lewis Strauss' nomination as Secretary of Commerce. There is no excuse for the committee's not having presented a far longer, more detailed, and more competently argued case against Strauss than its members have done so far. The prosecution of the nominee has been dangerously inept, and though Strauss' defense has been characteristically evasive, the case against his confirmation has been little stronger.

His role, as Chairman of the Atomic Energy Commission, in undermining the 1957 disarmament talks has not yet been publicized, though there is every indication that he was the man most responsible for turning American policy into an unnegotiable sham. The frauds which he consistently practiced on the American public in the fields of fallout danger and of test detection capabilities have not yet been exposed. While the committee has concentrated on some of his more blatant failures in executive-legislative liaison, it has left untouched his record as a creature of the Strategic Air Command in the Oppenheimer case.

Although many of Admiral Strauss' most controversial activities stemmed from honest and respectable convictions, his tactics in support of these convictions have been those of the shyster. The widespread opposition to Strauss among physicists stems not only from antagonism to his beliefs, but, also—and in the main—from a fear of his methods. In a position to make decisions of the greatest importance to the United States and the world, Strauss constantly refused to make the public a party to any of the broad policy arguments which he arbitrated. His abhorrence for candor is his major fault as a public servant. He cannot be trusted to tell the truth.

Mr. McGEE. Finally, in view of the statements of the Senator from Oregon [Mr. NEUBERGER] earlier this morning, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article entitled "Rail Financier Picked by Strauss To Direct Transportation Study," written by Bernard D. Nossiter, and published in the Washington Post of May 28, 1959.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RAIL FINANCIER PICKED BY STRAUSS TO DIRECT TRANSPORTATION STUDY

(By Bernard D. Nossiter)

Secretary Lewis L. Strauss has picked a leading railroad financier, Armand G. Erpf, to head a Commerce Department study of national transportation policy.

Erpf, 61, is a partner in Carl M. Loeb, Rhoades & Co., 42 Wall Street, New York City. The firm is one of the Nation's biggest stockbrokers and investment underwriters.

The Loeb, Rhoades partners and their customers own more than $20 million in shares in the biggest railroads.

DIRECTOR OF RAILROAD

Erpf himself owns 8,000 shares of Seaboard Air Line Railroad, worth $321,000 at the end of trading in the stockmarket on Tuesday. Erpf also is a director of Seaboard, the Nation's 19th ranking line, and a member of its executive committee.

The Commerce Department's transport study is already under way, Strauss told the Senate Commerce Committee on May 11. He also testified that there had been some conversation about bringing all independent ratemaking agencies in the transport field—Interstate Commerce Commission, Civil Aeronautics Board, Maritime Board—under Commerce Department control.

Some trucking, shipping and airline companies fear that this will give the competing railroads a big advantage in any Commerce agency shaped by railroadmen.

In 1955, Commerce Secretary Sinclair Weeks came up with a proposed national transportation policy in a report that critics called prorailroad. Truckers were especially bitter because the report proposed flexible

rail rates—a formula that was interpreted to mean that rails could cut certain rates long enough to eliminate truck competition over some routes and on some commodities.

ERPF DENIES CONFLICT

Erpf was asked yesterday whether his role as head of a Government study did not conflict with the dollar interests of himself, his partner and their customers in railroads.

Erpf replied over the telephone from New York:

"Of course not."

If any such question is raised by Congress, he said, "I'd be glad to bow out."

Erpf was told that Congress might also wonder whether he could be fair to trucks, ships, and airlines in the light of Loeb, Rhoades' rail stake.

He replied: "This reminds me of a Marxian notion."

He added that any suggestion that Loeb, Rhoades' investments would shape his advice to the administration was "an anti-American attitude." He said he was concerned about the growth of a theory he thought was false, that "the only way to be unprejudiced is to be ignorant."

He said that as partner in charge of Loeb, Rhoades' research section, he was qualified to head the Commerce study.

PLEDGES SHORT REPORT

In an interview with the New York Herald Tribune, printed on May 3, Erpf promised that his transportation report would be short so that it will have action value.

Yesterday, Erpf said that he knew a projected organization chart had been prepared by the study team to coordinate the rate-making agencies under the Commerce Department. He said that this was consistent with his own thinking.

He said that Strauss had asked him to head the study last February but he had not yet taken on the post because the Senate has not confirmed Strauss as Commerce Secretary. Asked if he would accept Strauss' offer if the Senate did confirm the controversial Admiral, Erpf said:

"I suppose so."

He described his $321,000 holding in Seaboard as a small investment. He minimized the fact that Loeb, Rhoades is the holder of record of more than $20 million in 17 top railroads.

"That's our customers, not us," Erpf said.

He meant that many of the shares were held in the name of Loeb, Rhoades but were actually owned by other investors. Big buyers of stock often instruct their brokers to appear as owner of record to conceal their own ownership. Erpf could not break down how much of the $20-million-plus was customer-owned and how much was owned by Loeb, Rhoades partners. He estimated the partners' rail holdings at way below $1 million.

OWNS AIRLINE STOCK

To show that he was not exclusively an investor in railroad transportation, Erpf said he owned 8,000 shares of Northwest Airlines. At Tuesday's close, this was worth $308,000.

However, he added, "I'm not saying that we have neglected the field" of railroad investment.

Wall Street observers refer to Loeb, Rhoades as a leading railroad house.

In his May 11 testimony, Strauss mentioned Erpf and said of his study:

"One cannot prejudge what such a study would produce. I don't want to prejudge it surely."

At present, Strauss said, "the study is moving along with people in the (Commerce) Department and some academic people; no business people."

Shipping interests fear that the study will recommend big changes in the large subsidies they now get from the Government.

Strauss' press office was queried yesterday about the possible conflict-of-interest questions raised by Erpf's selection. However, the nominee's press aid said Strauss was "not available" for comment.

STRAUSS UNDER FIRE

Strauss has been sharply criticized by Senators opposing his confirmation for his role in the now-dead Dixon-Yates power contract. This deal, allegedly promoted by Strauss, was called off after the Senate learned that one architect of the contract was simultaneously advising the Budget Bureau and was also an official in a big investment house.

Loeb, Rhoades' railroad stake was determined from ICC records. Rails must report each year their 30 biggest stockholders and the number of voting shares each owns.

Loeb, Rhoades shows up as one of the top 30 in 17 of the largest 25 railroads. Railroad rank was based on 1958 revenues.

As of December 31, Loeb, Rhoades was owner of record of shares worth $22,808,415.75 at Tuesday's closing prices.

The firm and its customers had $762,177.50 worth of Pennsylvania Railroad, and ranked as the 24th biggest holder in this, the biggest line; $1,219,890 in the New York Central, or 13th ranking holder in the second largest line; $2,215,723 for the 18th place in Southern Pacific, the fourth line; $2,648,023.37 for 17th place in the Southern Railway, the 11th line; $1,907,126.12 for fourth place in the Chicago, Milwaukee, St. Paul & Pacific Railroad, the 13th line; $2,868,456 for eighth place in Seaboard, the 19th line; and $2,538,792 for seventh place in Northern Pacific, the 18th line.

Its investments in the other of the top 25 rails ran from $250,000 to $1.5 million and earned Loeb, Rhoades the distinction of ranging from 5th to 30th largest stockholder in these lines.

INGREDIENTS OF INFLATION

Mr. BUSH. Mr. President, on May 27, 1959, the New York Times published an editorial entitled "Ingredients of Inflation," in which it is pointed out that only 2 months ago the report of the Joint Congressional Committee on the President's Economic Report appeared, and that since that time it has been brought into serious question.

I remind the Senate that at that time the minority of the committee published a statement of minority views, which I do not believe have been brought into question. Because of the seriousness of the subject, I ask unanimous consent that the editorial be printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

INGREDIENTS OF INFLATION

An increasing number of developments on the economic front of late have combined to suggest that, while it is only about 2 months since the report of the Joint Congressional Committee on the President's Economic Report appeared, its central conclusion, if not perhaps completely refuted, has at least been brought into serious question.

This conclusion was that for 1959, since there was obviously no evidence of inflation on the horizon, we should pursue public policies such as a budget deficit and cheap money "until we have achieved full recovery from the recession." In other words, we should forget about a balanced budget and give highest priorities to the attainment of maximum employment and production.

When the congressional committee was preparing its report the most recent available figure on unemployment was that of January, which placed it at 4,724,000. Reflecting the recovery to new all-time highs in industrial production and the gross national product, this figure had been slashed by April to 3,627,000. Since the average number of unemployed in the boom years 1955–57 was 2,900,000, this means the total of the recession-induced jobless had already fallen to 727,000, and this at a time when we have put behind us the worst 4 months of the year in terms of unemployment expectancy.

If we look for evidence that the danger of inflation is not to be dismissed as lightly as the committee dismissed it, our first thought, of course, would be the stock market, which has soared so high and so fast that officials and members of the exchange have expressed their apprehensions concerning its speculative temper.

But the desire to turn a quick profit is equally evident in such seemingly unrelated news stories as that of the Florida land boom and the spectacular prices recently bid for paintings by established artists in the leading art auctions. In another, but equally obvious form, we see it in the unwillingness of investors holding maturing Government obligations to accept in exchange a new short-term security that in anything like a normal atmosphere would be regarded as exceptionally attractive.

Again, the committee observed that the country's money supply had increased by an average of only 1½ percent since the end of 1954. By the generally accepted definition of the money supply—currency, plus demand deposits, adjusted—the latter has risen during the past 12 months from $135 billion to $140.4 billion, an increase of $5.4 billion, or 4 percent. This reflects an increasingly vigorous demand for business credit, which on being used is likely to put to a very practical test the committee's thesis that the possibility of a reemergence of price inflation this year can safely be ruled out.

In short, the person who is genuinely on the alert for possible signals of inflation doesn't wait until it shows up in that laggard series, the Consumer Price Index. And not even the legislator dedicated to the concept of inflation as a way of life, perhaps, would deny that such news items as these are strangely reminiscent of some of the more infallible symptoms of inflation in the making that he vaguely recalls from the past.

THE HIGH COST OF DOING BUSINESS IN THE UNITED STATES

Mr. BUSH. Mr. President, in connection with the problem of the high cost of business operations in the United States, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks three editorials, two from the Bridgeport (Conn.) Herald, of May 10 and May 26, 1959, respectively, and one from the Wall Street Journal of May 25, 1959, on the subject of the high cost of doing business in the United States.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Bridgeport Herald, May 10, 1959]

PROSPERITY BEGINS AT HOME

In his talk before the Bridgeport Chamber of Commerce this week, Herman W. Steinkraus, board chairman of Bridgeport Brass, told a story which illustrates the changes in the import-export problem vitally affecting this city, the immediate area, the State and Nation.

A Marine, returned from the Pacific area after the surrender of Japan, started to

wreck a Seaside Park stand because a prize he was offered was labeled, "made in Japan."

Today, Mr. Steinkraus said, Japan is our friend. We have encouraged Japan to rebuild its economy, to become a strong exporting nation. This it must be to escape the clutches of communism.

We gave liberally to Western Europe under the Marshall plan, so that Western Europe could rebuild its shattered cities and factories to be a viable community of nations as a barrier to the otherwise inevitable inroads of communism.

Now Western Europe is exporting manufactured products on an increasing scale and also importing on a decreasing scale.

For the success of this magnificent accomplishment, we should be proud.

But the fact must be faced that Japanese and Western Europe exports are in brisk competition with the output of our industries both in this country and worldwide.

Doing business in the old way is not going to be good enough in the world of today and tomorrow. That, in essence, was what Mr. Steinkraus said.

Connecticut's Senator PRESCOTT BUSH, tackling the same problem, was right on two counts this week when he (1) warned that the United States is losing its competitive position in the world market of industrial products; and (2) opposed the imposition of import quotas or the tightening of tariffs as a solution to this dangerous problem.

As the self-styled proponents of competitive enterprise, the United States would be on very thin ice of hypocrisy indeed, if it could see tariff and import barriers as its only hope in an attempt to remain both competitive and solvent.

Yet, it would be folly of the highest degree to ignore the storm warnings. Only this week, it was revealed that the outflow of gold from the United States last year has exceeded the influx by more than $2 billion.

If this kind of deficit continues indefinitely, U.S. fiscal stability, despite the current vast gold reserves, would sooner or later be in peril.

Now the fact must be faced, as both Steinkraus and Senator BUSH point out, that the nations we saved have become our friendly competitors. This means that we must compete.

Nowhere is this fact more potently true than in industrial Connecticut. Our local welfare, our local employment, our local ability to build strong and healthy industrial, business, and residential communities depend on our strength in international competition.

But if restrictions are not the answer, what is? There is only one answer: Increased productivity at competitive prices.

This means that both labor and industry must act with wisdom and self-restraint.

Constant and automatic increases in wages, without increased productivity, will give the workers only a very deceptive and short-term advantage, followed by both national and personal disaster.

Featherbedding and opposition to industrial progress are economic folly which we cannot afford. So-called wage gains, designed primarily to strengthen the power of union bureaucrats, will work to the eventual detriment of all. Costly strikes may spell economic suicide.

Industry must learn the same lesson. Excessive short-term profits, at the expense of a long-term competitive position in the world market are a dangerous luxury that the present international trade picture no longer permits.

Never has there been a time in the Nation's economic history, reflected so urgently in our State, when there was as real a danger of killing the goose that laid the golden egg.

And it would be our own goose—that of each individual family, whether of the labor or the management side—that would be cooked.

[From the Bridgeport Herald, May 26, 1959]

STEEL WAGE, PROFITS LINE MUST BE HELD

The current price-wage issue in the steel industry is of gravest importance to the United States—and no State has a greater stake in the outcome than Connecticut.

Our local industrial welfare depends on steel as the human body depends on bones. Our general prosperity depends on a sound dollar coupled with a high rate of low-cost productivity.

Last week, we called attention on this page to the warnings, issued simultaneously by Bridgeport Brass' Herman Steinkraus and Connecticut's Senator PRESCOTT BUSH, that the United States is being underbid and outsold in the world industrial market.

This is a grave danger, as last year's serious drain on the U.S. gold reserve highlighted.

Unless we want to rush blindly into economic defeat in the contest of international trade, we must produce industrial goods more efficiently, more cheaply, and in greater quantity.

The current steel negotiations are an important key to the future success—or failure—of U.S. economic life. The answer is neither in labor-management name calling nor in pious hopes.

The answer is simply that both the wage and the price line must be held—and holding the line means no increases whatsoever.

Even that is only the beginning. The next step must be, by way of improved technology, to lower the price of the product—all products—without distributing the difference to either the worker or the management.

Why? Because those gains must be handed on to the consumer. That consumer may be the housewife in Connecticut, the head of the Bridgeport household out to buy a new car—or the potential customer of goods and machinery in Great Britain, India, Germany, or anywhere else on this competitive globe.

The only way to win this crucial battle is to think—not in terms of keeping prices stable but of reducing them. This can be done without impairing our standard of living. But it cannot be done if the economy continues to be regarded as a grab-bag for constantly increasing profits and wages.

Let the real increase in both wages and profits come through victory in the economic battle both in the world and the domestic market. This is the only way to compete. It is the only way, too, to safeguard industrial jobs right here in our backyard.

If steel—on both the labor and the management side—fails to understand these facts, it may set the pace for continued national irresponsibility and economic defeat.

It is up to steel, as the skeleton of industrial life, to set the example.

[From the Wall Street Journal, May 25, 1959]

EXODUS: CAPITAL AND JOBS

When the XYZ company of Pittsburgh makes widgets and sells them in Latin America, or wherever, the result is an increase in U.S. exports, an increase in U.S. capital from the profits, and an increase in the number of job opportunities for U.S. labor.

But when the XYZ company through a foreign subsidiary in, say, West Germany sells its widgets in Latin America the effect is quite different. Of course such a foreign operation can be good business for the U.S. company, indeed it may be the only way it can meet foreign competition, and eventually some of the profit from the foreign subsidiary returns to this country.

Nonetheless, an important shift has taken place in the U.S. economic position in the world, even though it may be obscured by the fact that the company appears to be a U.S. one and the product bears a U.S. brand name. There has been in fact an exodus of U.S. capital and U.S. jobs.

For what happens in such a case is that it is Germany that gains an increase in its capital formation. It is German exports, not U.S. exports, that increase. And the Germans are the ones who get the jobs making the product.

This type of foreign subsidiary operation by U.S. firms, as everyone ought to know by now, is multiplying at an accelerating rate. U.S. brand-name farm implements, auto tires, electrical appliances, and the like are now manufactured all over the world. In some cases it is cheaper to make a U.S. product in Europe and ship it across the ocean to Mexico than it is to make it just across the border here at home.

The explanation is not hard to find. It is simply one more manifestation of the fact that the United States is gradually pricing itself out of world markets. Inflation, with its concomitant rise in labor costs and in prices, is eating away at the U.S. position as a dominant supplier of the non-Communist world. It is part of the same sickness syndrome that has seen a steady drain on U.S. gold balances; it is part of the hidden flight of capital from the United States.

Here is what faces many an American business: It cannot make its product here and compete in world markets with the Germans, the British, or the Japanese. The alternative is a drastic reduction in its business or the export of some of its capital resources to another country, the erection of a plant there and the development of its worldwide business from a foreign, not a U.S., base.

Nor are the consequences of this, if the United States continues on its present way, hard to foresee. Because we are half in love with inflation, we depreciate our money. Because "more wages for less work" seems an amulet for prosperity, we keep pushing up the cost of everything. Because tariffs seem a shield to protect us from foreign competition, we keep them high to hide from ourselves what is happening. And if we continue this, we will continue for perhaps a time to think everything safe and snug while slowly all around us our economic position in the world disintegrates.

Of course people abroad are not fooled. One reason gold withdrawals have been high is that the U.S. dollar no longer appears, as it once did, better than gold. Foreign industry is no longer frightened by the label "Made in U.S.A."; it can now make goods of as good a quality much cheaper. Foreign buyers today would just as soon have German marks or British pounds as U.S. dollars because the United States is no longer the only, or even the best, source of supply for a great many products.

These days there is talk about the dangers of a flight of capital; abroad there are recurring rumors that the United States is going to have to devalue the dollar in terms of gold. But the facts suggest that the dollar has already been devalued and that some capital if not in flight, is already seeping out of the United States. The concept of a great "dollar gap" which the United States must fill by foreign aid and other ways no longer fits the realities.

We have no idea how long this can go on. But we have our doubts that the United States is building future prosperity by following policies that spur an exodus of both capital and jobs.

HARVARD'S 1914 HENLEY REGATTA CREW

Mr. BUSH. Mr. President, the world was thrilled in 1914 by the victory of a now famous Harvard Henley regatta crew in the Grand Challenge Cup Race at Henley on the Thames, England.

Recently we were again thrilled by the reassembly of this famous crew to celebrate the 45th anniversary of its great victory in Britain. I think this is one of the most amazing episodes in American sports. This great crew was reassembled and actually rowed on the Charles River last Saturday.

Various newspaper articles dealt with this unusual occasion. The captain of the crew was the distinguished senior Senator from Massachusetts [Mr. SALTONSTALL], whom we all admire very much indeed. Before the recent reassembly of the crew he was very much worried lest members of the crew might be taken ill or suffer heart failure in anticipation of this exciting event, or that they might suffer from strokes. He was praying that they would be spared to pull the oars of the shell in which he wanted to lead them on the Charles River, which he so successfully did.

I ask unanimous consent that there be printed in the RECORD the newspaper articles dealing with this event.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Boston Globe, May 24, 1959]

HENLEY 1914 CREW HITS 22 STROKES

(By John Ahern)

There was a bit more gray in the hair and a few more pounds around the middle than usually prescribed for an oarsman to carry, but Harvard's most famous crew still makes a boat move pretty well.

The 1914 Henley crew—and that's the official title of the first American boatload ever to win in that English regatta—celebrated its 45th reunion over in the Charles yesterday, rowing upstream for a quarter mile and then rowing back to Newell Boathouse, cheered on by the 1959 varsity that will try in England in July.

There was no effort at a racing start; no attempt to whip it up at all.

"We're geared for about 30 strokes," Dr. Charles Lund, stroke, admitted. "So we rowed at 22 or so and we rowed well. It was a successful outing, and it's great we all made it."

That they all made it is an amazing accomplishment. Forty-five years have passed, and each of the men who made that Henley victory possible was back.

Here's how they lined up: Bow, Leverett Saltonstall; second, James Talcott; third, Henry Meyer; fourth, Harry S. Middendorf; fifth, John W. Middendorf; sixth, David P. Morgan; seventh, Louis Curtis; stroke, Dr. Lund; cox, Henry L. F. Kreger.

Also there, probably still trying to crash the rowing lineup, was Waddy Busk, the alternate in 1914, whose position never has changed; Manager Bill Cobb and Assistant Manager Sam Felton.

"Luck, that's the only way you can describe it," Dr. Lund, only member of the crew who went into medicine, said. "Four of these men were graduated that year. Of the four replacements, two are dead, one suffered from polio, and another from tuberculosis. We've been a healthy lot, and you must give luck a pat for that."

The good life comes in for a bit of credit also, and Sam Felton claims it has been a fine life, indeed, for all of them.

"Did all right this crew did," said Sam. A Senator at bow; financiers in seats two and seven; investment bankers at four and five; lawyers at three and cox, head of a chemical outfit at six; surgeon at stroke. The boys did fine."

Before conquering the financial worlds, they did well on the water. It isn't generally known, but this crew was not the Harvard varsity boat.

"No, we weren't," Busk told us. "We were the junior varsity crew. In those days the rules stated a crew coached by a professional could not row at Henley. So Mr. Robert Herrick took us over, and we beat everybody."

According to Busk, this crew holds a Harvard record of beating 17 crews in one season. He also said the Henley defeated the varsity whenever they got together for practice.

The big victory came on July 4, 1914, when it won the Henley, defeating the Union Boat Club crew, made up entirely of Harvard grads.

They won't forget it and last evening in Newell Boathouse they weren't allowed to. On the walls were banner headlines from British papers telling of the progress.

"Harvard Favourites for Henley Grand," bellowed the Daily Express, using its entire front page for the announcement.

"Well Rowed Harvard," shouted the Evening News, also giving its entire front page to the victory.

"It was a damned fine job then by a damned fine crew," Henry Kreger, coxswain, insisted. "All friends, all oarsmen, and the wonderful thing is our wives got along together, too. Beat that if you can."

"Let's drink to us all," LEVERETT SALTONSTALL, bow, commanded raising his glass (De St. Marceaux, Reims-1914). "Here's to 1964."

That's when the next spin is scheduled and they all hope to be there. All present yesterday hope along with them. It was fun to watch and the champagne was excellent.

[From the Boston Herald and Traveler, May 24, 1959]

HARVARD'S AGELESS 1914 CREW IN HALF-MILE SPIN ON CHARLES

(By Jim Carfield)

"Are we going to push off in style?" asked Coxswain Henry L. F. Kreger, of Wilton, Conn.

"No style," responded No. 7 oarsman Louis Curtis, of Boston. "Let's just push off."

FORTY-FIFTH REUNION

But Harvard's 1914 Henley crew showed plenty of form, nevertheless, as it shoved off from Newell Boathouse yesterday for its 45th reunion row.

The byplay that accompanied the start of the slightly over a half-mile spin on the Charles River by these seemingly ageless (65-plus) hearties characterized the entire program of festivities as the nine oarsmen relived fond memories during the festive reunion.

It was a happy, gay, fun-filled afternoon for one of the most famous crews ever turned out by Harvard. The mood was such that even gusty winds and the chill of the late afternoon couldn't put a damper on things.

The Henley oarsmen, conquerors of 17 rival shells during their unbeaten reign, in 1914, which was capped by victory in the Grand Challenge Cup at England's Henley event, showed surprising vigor.

They carried their own oars down to the dock, then lugged shell No. 97, the George R. Agassiz, class of 1884 boat, out of the boathouse with just a bit of help from one or two members of the present unbeaten varsity.

ROW AT 18-22 BEAT

The nostalgic spin was rowed upstream for the first quarter-mile toward Gerry's Landing at a creditable 18-22 beat in very commendable form.

Matter of fact, Larry Coolidge, coach of the lightweights, marveled at the boat's smoothness while watching with some 100 other spectators from the dock. "They look good and their blade work is amazing," he said. "I bet they're doing much better than they thought they would."

The return trip bore out Coolidge's commentary.

SALTONSTALL'S sweepswingers skimmed smartly past their cheering relatives and friends on the dock with smoothness and precision and continued downstream to the Anderson Bridge before turning for home.

On debarking, none looked the worse for their unusual exertion. All nine still seemed full of pep, were smiling and joking about their snappy exhibition of rowing.

SAME LINEUP

"That was good fun," chorused Senator SALTONSTALL and stroke Dr. Charles C. Lund, chairman of the friends of Harvard rowing, who are helping pay expenses of this year's two Harvard entries in the Henley classic, July 1–4, at London.

"We did 30 strokes at racing tempo," added Dr. Lund. "That's about all our wind could stand. It was wonderful, just wonderful. I guess we're a remarkably lucky group to be in such fine physical condition at our stage in life."

"That's right," said Senator SALTONSTALL. "This meant an awful lot to all of us. I'm very pleased all the boys made it. I started working on getting them all together back in January, you know."

The rowing lineup, same as that of 1914, had the spry Senator at the bow oar. James Talcott of Rye, N.Y., was No. 2, Henry H. Meyer of Belmont at 3, Harry Middendorf of Chestnut Hill at 4 and brother John Middendorf of Baltimore at 5, David Morgan of New York City at 6, Curtis at 7, Dr. Lund stroking and Coxswain Kreger. Also on hand were F. W. "Waddy" Busk, alternate oarsman, and managers Sam Felton of Philadelphia and Bob Cobb of Littleton.

REUNION RIPPLES

The wives of the 1914 crewmen added a surprise touch by presenting a big cake during a reception following the reunion row at Newell Boathouse. It was beautifully decorated with a shell complete with oarsmen as the centerpiece. On top in Crimson letters was "Happy Birthday" and below was inscribed "1914–59." Along the side, the cake was decorated with the names of each spouse.

Harvard's athletic director, Tom Bolles, furnished another surprise. He presented each member of the crew with a tie clasp as a memento from the Harvard athletic department. The oarsmen toasted one another with champagne before showering. They had dinner at the Curtis home last night, will wind up their 3-day get-together at SALTONSTALL'S home in Dover today.

Most of the crew still is close to undergraduate rowing weight. But Coxswain Kreger shows a big jump, going from 106 up to 150. Morgan offered the interesting statistic that he and his mates have 45 grandchildren, "one for each year."

[From the Boston Record, May 24, 1959]

MIRACLE OF 1914 CONTINUES ON CHARLES—"SALTY'S" CREW REENACTS HEROICS

(By John Gilhooly)

There was still another miracle team in this vicinity in the year 1914 but, because

it was engaged in the lesser sport of rowing, it never did acquire the fame nor the acclaim accorded the Braves of 1914 who rocketed from last place on July 4 to the pennant.

Miracle team No. 2 was the Harvard eight-oared crew, equally as dauntless as the Braves, who not only captured the flag but corraled the favored Athletics in four straight in the world series. This Harvard boat, and it was the junior varsity at that, couldn't be beaten by 17 other crews which tried and, on July 4 of 1914, the same day the Braves came out of the bulkhead, it won a world championship—the Grand Challenge Cup at Henley on the Thames, England.

The miracle of the Harvard 1914 crew, which had LEVERETT SALTONSTALL in its bow, continues. The same nine of them, nine old-young men, had a reunion at Newell boathouse on the Charles yesterday, put on their shorts, T-shirts and sneakers, grabbed their sweeps and went for a half-mile pull up the river. This was the 45th anniversary of their heroics at Henley; their average age is 65. The 1914 crew manager, Sam Felton, said that a late check showed the 9 had 45 grandchildren among them.

Some of the grandchildren were present yesterday to view an amazing sports tableau—the 1914 crew intact and rowing again and making plans for a 50th reunion. They have grown old gracefully—as though aged by a Hollywood makeup artist who put a becoming touch of gray here and the proper wrinkle there.

Sound a roundup bugle for the 1914 Braves and only a handful would respond. Maranville, Evers quite a few more are gone. Some of the others likely are invalids. But here were the eight oarsmen and the coxswain who brought Harvard one of its rare global titles in 1914 all back healthy, ruddy and rowing. A miracle team for sure.

"Remarkable luck, an awful lot of it," said Dr. Charles C. Lund, stroke, when asked if rowing was so beneficial to the human body that it practically assured longevity. He told how the same crew needed four replacements the next year because of graduations and elevations to the varsity and how these four missed out on the luck of the 1914 boatload. Two of the four are dead, another was struck by polio, the fourth was afflicted with tuberculosis.

But the nine from 1914 have flourished, both physically and financially, and have remained close friends. "Believe it or not, all our wives like one another, too," spoke little Henry L. F. Kreger, the coxswain. Another miracle. Cox was dunked after each Harvard victory in 1914 and didn't have to take a bath all that spring and summer. Couldn't swim a stroke, either. The managers would go overboard and pull him in. After their 40th reunion, Coxswain Kreger permitted himself to be tossed into the stream. But yesterday he reneged, just about the only concession this group has made to age. Yesterday it hit up a 22-beat after lugging the 300-pound shell from the boathouses. "They have a better sit-up than we do," observed a varsity oarsman as he saw the shell shoot away from the dock, "it's embarrassing."

Kreger, a 106-pounder in 1914, now hits 150 but he's the only one who has packed it on as the years usually command. "I couldn't eat for 4 years as a coxswain," said Kreger, "I guess I really went to it after graduation." But he and the others had no trouble getting into the narrow shell. No squeeze necessary.

Here's the Harvard 1914 crew which returned to the cold, ruffled Charles; a crew which triumphed at Henley a month before the Germans marched into Belgium; a group which has lived through three wars and the multiple calamities which beset the human race:

Position		Class	Age	Height	Weight	1959 weights
Bow	Leverett Saltonstall	1914	22	6.0	165	176
2	James Talcott	1916	20	6.0	168	199
3	Henry H. Meyer	1915	20	6.1	176	187
4	Harry S. Middendorf	1916	19	6.1	182	193
5	John W. Middendorf	1916	19	6.1	183	210
6	David P. Morgan	1916	19	5.11	173	174
7	Louis Curtis	1914	22	6.3	178	198
Stroke	Charles C. Lund	1916	19	6.0	169	183
Coxswain	Henry L. F. Kreger	1916	21	5.6	106	150

SALTONSTALL, as even the Democrats know, is a U.S. Senator. The Middendorfs, identical twins, Curtis and Talcott are financiers, Kreger is a lawyer in Cleveland and Meyer a lawyer in Boston. Morgan is an executive for a New York chemical company. Dr. Lund practices in Boston. F. Wadsworth "Waddy" Busk, the crew's "bench" and No. 1 spare, was on hand from Concord and her manager, Bob Cobb wouldn't miss it. A dozen cameramen had a day for themselves, afloat and astream, as two Harvard crews, which are going to the Henley regatta this year, posed with the animated ancients of 1914.

The Harvard varsity gave the 1914 crew a rousing good cheer as it heeded Kreger's megaphoned order and dug in. The varsity stood by, just in case the elders wished assistance in taking the boat out of the water some 30 minutes later. Three of the varsity did help the 1914 crew hoist the craft over their heads but the aid wasn't at all necessary.

None of the 1914 oarsmen appeared to need a lift at the finish of their workout but Senator SALTY led them to the H.U.B.C. for members only, on the second floor at Newell and poured champagne. The H.U.B.C. has mementos of Harvard's triumph at Henley. Two front pages of London newspapers are framed up there. The Daily Express, a morning paper, forecast "Harvard Favorites for Henley Grand." The Evening News used its entire page 1 to shout: "Well rowed, Harvard." Thereabouts, too, is another souvenir, the bow of the 1914 shell which was preserved.

Tom Bolles, Harvard A. A. director, presented handsome tie clasps with golden oars and the Harvard insignia and the ever-young old boys reminisced as they sipped on LEV's bubbling beverage and agreed to do it again—let's make it 50.

THE TENNESSEE VALLEY AUTHORITY

Mr. MOSS. Mr. President, I rise to warn my Senate colleagues of the West that we are being watched. An editorial in the largest evening daily newspaper in Utah, the Deseret News-Telegram, of Salt Lake City, says that the House of Representatives has put over a "political sleight-of-hand deal" which will soon come before us. And it warns: "Westerners will watch with interest to see which, if any, of their Senators will vote for such an obvious raid on the Public Treasury."

How much did the House vote from public funds in this raid on the Public Treasury? Not one cent.

How much does the Government undertake to guarantee? Again, not one cent.

Believe it or not, the "political sleight-of-hand" referred to is the proposal to allow the Tennessee Valley Authority to issue bonds. And the things that make it a "raid on the Treasury" are: the proposal to change the present term of payments to the Treasury, and the provision that the bonds shall have first call on the income of TVA.

The editorial says it this way:

> Here's the joker: TVA income would be used first to pay off the bonds. Only after that, if funds were available, would payments be made on the debt to the taxpayer.

The writer apparently wants his readers to believe that it is unusual for the payment of interest on debt to have a primary claim on earnings. He calls it a "joker." But any owner who borrows money to expand his business knows that he must regard the payment of interest as an obligation taking precedence over his own withdrawal of cash.

I am going to suggest that the writer of this editorial strike up a speaking acquaintance with the financial editor of the newspaper, who could no doubt explain to him that this same "joker" is usual in contracts to borrow long-term capital.

The accuracy of the information provided can also be judged from the fact that the editorial states: "TVA was given exemption from the taxes private companies pay." No mention is made of the fact that TVA does make payments in lieu of all local taxes, and that the amount paid for this purpose in the year ending June 30, 1958, was in excess of $5 million.

We are also told that TVA pays no interest on its loans from Congress, while the very formula which will provide additional payments to the Treasury based on the Government's cost of money is characterized as a "raid." Let us look at that formula.

Under present law TVA is required to make payments to the Treasury which in 40 years from the time a power facility goes into operation will equal the amount of funds made available from the Treasury for investment in it. The pending bill accurately defines the position of the Government as owner and sets up a new formula to determine payments to the Treasury from power revenues. Those payments will be much larger than under present law. Two payments will be made each year. The first is a fixed amount of $10 million which will be paid annually until the cash invested by the Treasury in power facilities is repaid.

The amount of the second payment will be determined by applying to the net investment of Treasury funds the cost of money to the Government for that year. Although this second payment will come to much more than the first, the Deseret News editorial mentions only the $10 million. Why should the larger figure be ignored?

The writer also feels it unwise to let his readers know that from the begin-

ning proceeds from TVA's power sales have been adequate to pay all the costs of power operation, including depreciation, to make in-lieu tax payments to States and counties, and to earn a net income which has averaged about 4 percent on the Government's investment. Out of earnings cash payments, amounting to $250 million to date, have been made to the Treasury, and a larger sum approaching half a billion dollars has been invested in power system assets, enhancing the value of the Government's properties without requiring the additional appropriation of funds.

The bonds proposed by this bill will not be guaranteed by the Government. They will not be tax exempt. Their issuance means that the capacity expansion needed to keep up with the growing electricity requirements of the area served by TVA can be financed by current revenues and the proceeds of revenue bonds. The Government will own the growing assets; it will continue to receive cash payments from power proceeds, and the appropriation of funds from the Treasury for investment in power facilities will not be required.

The writer's concern about the cash paid to the Treasury is laudable, no doubt. But it appears to be based on an assumption that the Nation has received no other benefits from TVA. The Authority has an excellent financial record, but it would be a gross disservice to a great concept to judge its failure or success solely in terms of its cash payments to the Treasury. There are far greater national benefits, of which I will name only three.

The increasing strength of the region served is an asset to the Nation as a whole. Dramatic proof of this lies in the individual income tax payments for the seven States served by the Tennessee Valley Authority. Collections for 1957 were $2.8 billion. This represents 6.3 percent of the amount collected in the continental United States. In 1933 the collections from these same States represented 3.4 percent. Had the old ratio remained from 1933 to 1957, collections would have been $13.7 billion rather than the $24.7 billion actually received. This dramatic rise in income of the people in this region as compared with the rest of the Nation is certainly due in good part to the great river development. The United States not only gained a more prosperous and, we may assume, happy people in this region, but the fiscal return to the Treasury grew by billions of dollars.

In addition, lower costs for power purchased by the Federal Government result from TVA operations, and that is an additional benefit to the Treasury. And the demonstration of the results of the low-cost, high-use ratemaking policies has helped to spark tremendous expansion of production, wages and profits in the entire electrical industry.

PROPOSED STUDY OF NATIONAL TRANSPORTATION POLICY

Mr. MORSE. In view of a shocking story in the newspapers this morning, Mr. President, I wish to give to Admiral Strauss and to Mr. Armand G. Erpf an elementary lesson in the administration of justice under democratic processes. Under our system of government, a person having any interest in the outcome of a case cannot sit on the jury considering the case. It is not even necessary for a lawyer selecting a jury to use a precious peremptory challenge; such a person is simply removed from the jury for cause. It is recognized in the administration of American justice that a prospective juror who has an economic interest in the outcome of a case is automatically disqualified to sit in judgment. He is disqualified for cause. That is elementary to our system of justice.

Second, in the interest of guaranteeing a fair trial, the principle prevails that if it can be shown that the judge who is trying a case, or is about to sit in judgment, has an economic interest, or might be considered to have an economic interest in the outcome of the case, he is subject to removal on the basis of prejudice or conflict of interest. In most jurisdictions, under this principle an interested party has a right to file an affidavit of prejudice against such a judge.

It is obvious that neither Mr. Strauss nor Mr. Erpf understands those principles, because Mr. Strauss has appointed Mr. Erpf to head a Department of Commerce study of national transportation policy. Mr. Erpf only happens to be a partner in the firm of Carl M. Loeb, Rhoades & Co. As the Washington Post and Times Herald article points out:

> The Loeb, Rhoades partners and their customers own more than $20 million in shares in the biggest railroads.

But the surprising thing about the article in the Post this morning lies in the several quotations from Mr. Erpf which I shall read into the RECORD. I shall consider each quotation separately, if necessary, to come within the 3-minute rule which is in effect during the morning hour.

The article states:

> The Commerce Department's transport study is already underway, Strauss told the Commerce Committee on May 11. He also testified there had been some "conversation" about bringing all independent ratemaking agencies in the transport field—Interstate Commerce Commission, Civil Aeronautics Board, Maritime Board—under Commerce Department control.
>
> Some trucking, shipping, and airline companies fear that this will give the competing railroads a big advantage in any Commerce agency shaped by railroadmen.

That is one of the points where the problem of conflict of interest may very well arise in regard to Mr. Erpf. But listen to Mr. Erpf, as he is quoted in the newspaper this morning:

> Erpf was asked yesterday whether his role as head of a Government study did not conflict with the dollar interests of himself, his partner, and their customers in railroads.
>
> Erpf replied over the telephone from New York: "Of course not."
>
> If any such question is raised by Congress, he said, "I'd be glad to bow out."

Mr. President, several of us are raising the question this morning. We are not through raising it.

> Erpf was told that Congress might also wonder whether he could be fair to trucks, ships, and airlines in the light of Loeb, Rhoades' rail stake.
>
> He replied: "This reminds me of a Marxian notion."

That is what is shocking, Mr. President, that a man is appointed by Strauss to head a study of the transportation problems of the United States, and when a question of conflict of interest is raised because the appointee comes from a security company which, by the record quoted in the Washington Post this morning, holds some $20 million worth of shares through its partners and its customers, Mr. Erpf suggests that if one raises a question of conflict of interest in regard to such an appointment, he is raising a Marxian doctrine. Shades of McCarthyism is the proper description of such a remark. Mr. Erpf would label his critics Communist when they suggest that people should not be appointed to positions in government if they have a conflict of interests with the work, powers, and duties of the position, or office concerned. It is a truly subversive suggestion on the part of Mr. Erpf.

I will tell Mr. Erpf and Mr. Strauss what we are raising: We are raising a fundamental principle of guaranteeing uniformity and impartiality of justice in the United States on the part of a person put in a position to render value judgments, whether he sits on a jury, whether he sits on a bench, or whether he sits as chairman of a Department of Commerce investigation into the transportation problem of the Nation. This principle is fundamental in American justice; there is nothing Marxian about it. To the contrary, it is necessary to be ever vigilant to make certain that we keep officials in positions of government free of conflict of interest.

That is why on this floor, in 1953, I stood up and spoke at length against the nomination of Talbott to be Secretary of the Air Force. That is why on the floor of the Senate, in 1953, all alone, without another Member of the Senate voting with me, I voted against the nomination of Stevens to be Secretary of the Army. I was satisfied—and time proved me right—that the transcripts of their own testimony showed that they did not have the sensitivity about the matter of conflict of interest which is so necessary to impartial judgment, and necessary to justify the confirmation of their nominations.

That is one reason why I shall vote against the nomination of Strauss, because I do not think he has the sensitivity in regard to the conflict of interest criterion which one ought to have to be Secretary of Commerce.

Admiral Strauss' appointment of Erpf is a part of the evidence, I submit, against him because this appointment shows that Strauss himself ignored the conflict-of-interest criterion when he made the appointment.

So I join with the distinguished junior Senator from Wyoming [Mr. MCGEE], who, in my judgment, has been rendering outstanding public service in pointing out to the American people his views with respect to the disqualifications of Mr.

Strauss. I join with the Senator from Wyoming in those views, and I am proud to associate myself with him.

Later in the news story today appeared these comments concerning Mr. Erpf:

He described his $321,000 holding in Seaboard as a small investment. He minimized the fact that Loeb, Rhoades is the holder of record of more than $20 million in 17 top railroads.

"That's our customers, not us," Erpf said.

He meant that many of the shares were held in the name of Loeb, Rhoades but were actually owned by other investors. Big buyers of stock often instruct their brokers to appear as owner of record to conceal their own ownership. Erpf could not break down how much of the $20-million-plus was customer-owned and how much was owned by Loeb, Rhoades partners. He estimated the partners' rail holdings at "way below $1 million."

Thus there is no doubt that the appointment of Erpf by Strauss involved a clear and shocking violation of the conflict-of-interest criterion. As a result both Strauss and Erpf have given further evidence of their disqualifications for the position they hold.

PROPOSED MEMORIAL TO WOODROW WILSON

Mr. HART. Mr. President, I ask unanimous consent to have printed in the RECORD excerpts from an address delivered last Sunday by the distinguished junior Senator from New Jersey [Mr. WILLIAMS] at the Armenian Apostolic Church, Ridgefield, N.J., during the celebration of the 41st anniversary of the founding of the Independent Republic of Armenia.

In his address, the Senator from New Jersey announced his intention to introduce a measure to establish a suitable memorial in Washington to honor Woodrow Wilson. I think this announcement should be welcomed by all who would honor a man whose public service honored all Americans.

Woodrow Wilson was a southerner by birth and by upbringing. He spent his adult life in the East, but significantly he is not identified with any section. He is a figure who comprehended the breadth, variety, and meaning of American nationhood. Georgia, Virginia, Pennsylvania, and New Jersey all had Woodrow Wilson; but his home was America, and he was America's servant.

The proposal of the junior Senator from New Jersey to memorialize this great figure is one which I hope will strike a responsive chord among all of us.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Michigan?

There being no objection, the partial text of the address was ordered to be printed in the RECORD, as follows:

PARTIAL TEXT OF ADDRESS BY SENATOR HARRISON A. WILLIAMS, JR., DEMOCRAT, OF NEW JERSEY, AT ARMENIAN APOSTOLIC CHURCH, RIDGEFIELD, N.J., MAY 24, DURING CELEBRATION OF THE 41ST ANNIVERSARY OF THE FOUNDING OF THE INDEPENDENT REPUBLIC OF ARMENIA

I'll tell you about this announcement in a few moments, but let me take a few moments to tell you why I am making it here at this time.

You are observing here today the 41st anniversary of the founding of the independent Republic of Armenia.

On May 28, 1918, you gave the world stirring evidence of your determination to be free, politically and spiritually. You showed that massacres, terror, and 543 years of alien rule had not destroyed your will to stand proud and independently. Your presence here in this church today is a reminder of your long struggle—a struggle often clouded by persecution—to protect and foster an ancient faith.

Today, Armenian Independence Day, is a time to remember your victory and to strengthen your resolve for ultimate triumph over tyranny in the Republic you founded 41 years ago.

You will also remember on this day, I am sure, that Woodrow Wilson, 28th President of the United States, believed in the justice of your cause. Appalled at the reports of what we now call genocide, Wilson asked for Armenian independence. Fearful of an uncertain future for this small republic, he asked—unsuccessfully—for a U.S. mandate over the Armenian nation.

Wilson—the man who said, "America was born to serve mankind"—believed that the free people of the United States had an obligation to help others become free and remain free.

We, in New Jersey, have good reason to be proud of this man, who left the Governor's office at the statehouse in Trenton to become our 28th President. And, as you have probably guessed, the announcement I am making here today concerns President Wilson.

I am frankly looking for good workable ideas on the establishment of a suitable memorial for Woodrow Wilson in Washington, D.C. Memorials of great grandeur already honor Washington, Jefferson, and Lincoln in our Capital City. I believe that planning for a memorial of similar scale should begin for Wilson, one of the great men of our times.

In fact, I hope to introduce legislation on the Wilson project within the next year. The bill may call for creation of the memorial itself, or it may simply ask for formation of a commission to plan the memorial. My staff and I have already collected many basic facts in the past few months on Wilson and establishment of memorials in Washington. But we believe that we need as many suggestions as possible, and so we are asking for facts or opinions from everyone who is interested in Wilson. Even if we take months or years to plan properly, the final memorial should be well conceived and strikingly pertinent.

I am not suggesting that we build a marble palace. A monument or memorial can be simple and yet suggestive of the man we wish to remember. Perhaps what we are seeking is not a monument at all, but a practical building which will serve Americans or visitors to this Nation. Perhaps we should explore the possibility of a "Pavilion of Nations" which would remind visitors of Wilson's dedication to the principle of independent homelands for national groups.

Many other questions have to be answered. Should the memorial be financed by public funds or by private subscription? Shall it be tied in some way to a theme of internationalism? What would be a suitable location? Can it be coordinated with plans to name a new bridge over the Potomac the "Woodrow Wilson Memorial Bridge"? (This proposal was made in 1957 by the Woodrow Wilson Centennial Celebration Commission.)

All Americans have a stake in this proposal, and so do friends of Wilson in other nations. Millions of people in all parts of the world also have reason to be glad that Wilson was President at a critical time in the history of the world.

Few men have been so eloquent in their argument for freedom and justice. Few Americans have been so highly regarded in many other nations. But yet, we do not have a suitable memorial in Washington, a city intended to remind Americans of their great deeds and great men.

This, I believe, is a situation which calls for thought and action. To you and others who regard Wilson with an esteem akin to reverence, I extend an invitation to help seek just the right method and the right theme for a memorial which may, in time, become a gathering place for the many, many persons who believe that Wilson led, and we are still following.

I glanced at many Wilson quotations to use in concluding this talk, and I would like to use many of them. Two quotations, however, particularly appeal to me.

Wilson, in 1919, spoke in Convention Hall, Kansas City, Mo., while trying to wring support for his proposed League of Nations. He made one of his appeals for protection of Armenia, and I quote:

"We wanted to see that helpless peoples were nowhere in the world put at the mercy of unscrupulous enemies and masters. There is one pitiful example which is in the hearts of all of us. I mean the example of Armenia. There a Christian people is helpless, at the mercy of a Turkish Government which thought it the service of God to destroy them; and at this moment, my fellow citizens, it is an open question whether the Armenian people will not, while we sit here and debate, be absolutely destroyed. When I think of words piled on words, of debate following debate, while these unspeakable things that cannot be handled until the debate is over are happening in this pitiful part of the world, I wonder that men do not wake up to the moral responsibility of what they are doing. Great populations are driven out upon a desert where there is no food and can be none and there compelled to die, and the men and women and children thrown into a common grave, so imperfectly covered up that here and there is a pitiful arm stretched out to heaven and there is no pity in the world. When shall we wake to the moral responsibility of this great occasion?"

He answered his own question, I believe, in a message to the 66th Congress in 1920. Wilson first asked for important domestic programs, and he repeated his pleas for a loan to Armenia and independence for the Philippines. And then he added:

"I have not so much laid before you a series of recommendations, gentlemen, as sought to utter a confession of faith, of the faith in which I was bred and which it is my solemn purpose to stand by until my last fighting day. I believe this to be the faith of America, the faith of the future, and of all the victories which await national action in the days to come, whether in America or elsewhere."

In America and elsewhere, we still remember Wilson's words, and we try to live up to his faith in us, the free people of the world.

SENATE ROUNDTABLE DISCUSSION GROUP

Mr. GORE. Mr. President, the meeting last Tuesday evening of the Senate roundtable discussion group marked the conclusion this year of the series of weekly sessions which began the first week of April.

Every seat at the roundtable was taken at the final meeting in the historic Old Supreme Court Chamber of the Capitol as 19 Senators took part in an informal discussion on "Science and Defense" led by one of our truly great scientists, Dr.

Herbert F. York, who is director of research and engineering for the Department of Defense.

The discussion Tuesday evening, as well as those for the 7 previous weeks, proved to be stimulating and informative. From these evening sessions, those in attendance received helpful information and views on some of the most pressing national and international problems of our time. During these 2-hour periods, we were afforded an opportunity for the kind of exploration and concentration on major problems which the rush and bustle of the daytime hours does not generally permit.

Of the eight sessions held during April and May, five were on topics relating to Soviet and Allied strategy in connection with the German problem. Guests who appeared before the group and led discussions in this subject area included former Secretary of State Dean Acheson, Dr. Henry A. Kissinger of Harvard University, Dr. George Kennan of the Princeton Institute for Advanced Study, Dr. Arnold O. Wolfers of the Washington Center of Foreign Policy Research, and Dr. Raymond L. Garthoff, author of "Soviet Strategy in the Nuclear Age."

Two of the discussion sessions dealt with economic policies and problems as two noted economists, Dr. Gardiner C. Means and Dr. Leon Keyserling, presented their views on "Employment, Inflation, and Growth." At the final meeting, we were given the benefit of a scientist's views on the developments made and foreseen in the defense weapons field in both this country and the Soviet Union.

With such an array of authorities in these important fields, it is understandable that George Heath, who, along with Julian Grayson, has faithfully served us as a waiter at these dinner meetings, said he told his wife one evening, after one of the sessions, that he felt just like he had been to college.

At the first meeting of the series, I announced plans for its conclusion the last week of May. As the meetings progressed, the excellent attendance at the first session continued. In fact, a total of 49 Democratic Senators attended one or more of the meetings, and some participated in all of them. The average attendance for the 8 meetings was about 20.

Because of this excellent response, I considered arranging for other meetings beyond the dates announced. However, as we are about to enter the month of June, there are increasing prospects for night sessions of the Senate which likely would conflict with roundtable discussion meetings, and I thought it best to conclude the sessions as previously scheduled.

Mr. President, I believe that the series of meetings just concluded has been very worthwhile, and I take this opportunity to express my appreciation to my colleagues who were so faithful in their attendance. I hope they, too, found the discussions helpful. I am hopeful that it will be possible to resume the weekly sessions early next year, and that they can be enlarged from the standpoint of both attendance and subject matter. From my experience this year, it is my belief that such opportunities for informal discussion and exchange of ideas should be an integral part of our activity as U.S. Senators.

MEN SHOULD BE PROSECUTED FOR ACTS, NOT IDEAS

Mr. MORSE. Mr. President, in the Washington Star for last Sunday, May 24, there was published a most important article by a great Justice of the U.S. Supreme Court, William O. Douglas. The article is entitled "Men Should Be Prosecuted for Acts, Not Ideas."

The article is a restatement of a cardinal principle of our American juridical system, namely, that in our country people are prosecuted for overt acts, not for thoughts or ideas. No matter how mistaken a person's thoughts may be, no matter how much we may disapprove of a person's ideas, we proclaim to the world that basic to our freedom is freedom of ideas and thoughts. Only when one seeks to implement, and proceeds to implement, ideas which conflict with the precious rights of others does the law move in and proceed to prosecute if the person's acts offend our criminal statutes.

In essence, this great Justice of the U.S. Supreme Court has brilliantly restated that premise of justice. Mr. President, it is a premise which, in my view, the American people should more fully comprehend than I fear is the case—judging from newspaper articles these days—to the effect that there are among us those who think Americans should be prosecuted for ideas.

A few moments ago I spoke about a point of view, published today in the newspapers, that one who opposes conflicts of interest in connection with appointments to the Federal Government service is supposed to be supporting a Marxian doctrine, according to Mr. Erpf, who is Admiral Strauss' recent appointee to head a Department of Commerce study on transportation. I have already sought to give my answer to that.

I wish to say now that what is Marxian doctrine, what is Communist doctrine, is that which permits prosecution for ideas.

Recently, I read a statement, coming out of Russia, in regard to Boris Pasternak, who recently wrote a book in which he expressed ideas which apparently were in conflict with Russian Communist ideology.

Mr. President, all of us in America today should be very happy that in this country the law of the land still provides—and we had better see to it that it remains the law of the land—that free men and women are not to be prosecuted for ideas, but, as Justice Douglas has said in his great speech, are to be prosecuted only for their acts. That is in keeping with a series of writings in recent years by Justice Douglas which I believe will go down in American juridical history as great pronouncements on the meaning of government by law.

Therefore, Mr. President, I ask unanimous consent that the article written by Mr. Justice Douglas be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MEN SHOULD BE PROSECUTED FOR ACTS, NOT IDEAS

(By William O. Douglas, Associate Justice, Supreme Court)

The other day, while being interviewed by students in Washington, D.C., I was asked by a serious looking young man: "What is the attitude of the Court these days toward labor?"

I was rather surprised by the question, for it seemed to assume that judges sat not to dispense justice but to administer their prejudices.

Any American court is supposed to be pro-first amendment, pro-fourth amendment pro-fifth amendment, pro-14th amendment, and so on. For it is the Constitution the judges are sworn to defend. But it is somewhat shocking to hear that an American judge is supposed to be pro or against anyone who stands before him for justice.

The legislature of course passes laws that are pro or against certain groups. Judges, however, who enforce these laws according to their terms cannot fairly have attributed to them the partiality of those who passed the laws. It is the very essence of a government of laws that the predilections of judges not carry the day, that the law as written by the lawmakers be applied equally to all. This I had assumed to be elementary. I likewise assumed that the provisions of our Constitution had the same scope for everyone. But after being questioned by the young student and after reading some commentators who proclaim that at least in security cases the courts should use an abbreviated form of due process of law, I wondered if the hysteria of a few had not made new demands on us. I recalled Hutheesing's book on Red China entitled "The Great Peace," where he describes a trial of so-called counterrevolutionaries. The victims stood with their eyes to the ground, their hands behind their backs. Long streamers hung over their shoulders reaching to their feet and proclaiming them to be criminals and traitors. The prosecutor's address was interrupted by the crowd which clamored for retribution. When the prosecutor finished, the people shouted for the blood of the victims. They even threw eggs, tomatoes, and stones at the accused. And the defendants were given no chance to reply to the charges.

The moral is: Those whom the public condemns the judges should execute. Certainly, that is not the kind of justice America wants even when the courts deal with people as despised here as "counterrevolutionaries" are despised in Communist lands.

Early in our history John Marshall, presiding over the trial of Aaron Burr, an alleged traitor, deplored "any attempt * * * to prejudice the public judgment and to try any person * * * by public feelings, which may be and often are artificially excited against the innocent, as well as the guilty * * * a practice not less dangerous than it is criminal." This is a lesson in Americanism that needs to be taught over and over.

It is difficult at times for people to realize that the despised minorities in our midst are entitled to equal justice under law. It is easy to take the accusation as the proof and to condemn those who are charged with such unspeakable crimes as sedition or espionage. Yet we know from experience that if shortcuts are taken as to some citizens, a precedent is established that lowers the moral tone of the law and degrades it. Other minorities become the next victim as the breakdown in our safeguards and guarantees continues.

These safeguards and guarantees are designed to protect the citizen not only against mobs, but against Government itself. Procedural due process gives protection to the citizen against overreaching officials. Abuse of power by government is an ancient evil. Those who drafted the Constitution and Bill of Rights had personal experience with attorney generals, public prosecutors and even judges who were willing to take shortcuts to carry out the will of a king. Our forefathers knew that a majority in a democratic society could be as tyrannical as any king. So these procedural safeguards were interposed to prevent overreaching by officials, to immunize trials from public hysteria, to make the public trial in America a calm objective affair, not a spectacle.

OBSERVING SAFEGUARDS

These days there is occasional derision of a judge when he insists on a meticulous observance of those safeguards. I have even heard a few lawyers say that the rulings of judges who insisted on the observance of procedural safeguards at least when so-called subversives were at trial exalted technicalities to the detriment of the security of the Nation. Thoughtful lawyers never indulge in that pastime. Thoughtful lawyers never downgrade procedure to the touchstone of our free society, that it is the very essence of due process.

Courts in recent years have had many rulings to make on matters of procedure in cases involving the so-called subversive. Should the regulations of an agency be suspended and the agency allowed to act lawlessly merely because a so-called subversive is involved? Should the presumption of innocence be denied those who commit offenses against the security of the Nation? What kind of notice should a citizen have before he is charged and convicted of contempt either of the courts or of Congress? Contempt is a criminal offense. Should that notice be as definite as the notice or warning required in the case of other crimes? Notice is deeply embedded in our concepts of due process both where liberty and property are involved. There is sometimes pressure to lower the standard when security cases are before a court.

There can be no more important case before any court than one involving security. Yet security cases were occasions for such great oppression in days before our Constitution that the framers established special safeguards for their prosecution. Treason—the most heinous of all crimes—has a peculiarly high standard of proof written into article III, section 3 of the Constitution. The definition supplies a "hard test" (*Haupt* v. *United States*, 330 U.S. 631, 644) to avoid the evils of prosecutions for such illusory and dangerous charges as "compassing" a ruler's death. *Cramer* v. *United States*, 325 U.S. 1.

The philosophy of our system of laws was that men and women were to be prosecuted for overt acts, not for their ideas. This requirement has had a long history. The terrible trials of the Inquisition were mainly concerned with matters of dogma and belief, not with conduct against the Christian faith.

REACTION AGAINST HISTORY

Our Bill of Rights was in part a reaction against that gloomy chapter in history. As Jefferson wrote in 1786 "* * * It is time enough for the rightful purposes of civil government, for its office to interfere when principles break out into overt acts against peace and good order * * *."

One sometimes needs to go abroad to get perspective on his own country. The American reputation for intolerance has grown greatly in recent years. The attitudes that reach the foreign press are not so much the quiet work of courts in seeing that even the despised person gets a fair trial, and the pronouncements of officials and other groups condemning people not for their deeds but for their ideas. The witch hunt has put much pressure on agencies of Government to lower the standards of law administration at home. It also has done us incalculable damage abroad.

When the FBI was making the so-called Red Raids in 1920, shamefully arresting many innocent people in a vast dragnet, there was a current saying, "Civil liberties? So is your old man." That slurring comment stung like a lash at the time and lingers as one of our most melancholy memories. It was repeated in similar words during the late 1940's and made America the symbol of intolerance in Europe and Asia.

On travels abroad one also sees in new perspective the role of a judiciary in a troubled world. Go to even the new countries of Burma, India, and Israel and you will see how judges are great rocks over which the waves of hysteria break. They stand their own in times of storm and stress. They do not become agents of public passion.

Often there are segments of society that want courts to be agencies of retribution, not dispensers of justice. It is against those groups that the bar must be opposed. It is to them that the bar should extend lectures and classes in the true Americanism of our Constitution and Bill of Rights. The educational program must reach every public forum, every classroom. It must reemphasize to each generation that in America a man is to be condemned only for what he does, not for what he thinks or believes.

Those who would convict any so-called subversive, taking any necessary shortcuts to reach their ends, often point to Lenin's dictum that "We will build communism with non-Communist hands." With that as a starting point they conclude that anyone who insists that fair trials be given those who are charged with subversion are aiding communism. In an earlier day Judge Anderson, writing of the obnoxious arrests, searches, and prolonged detentions, incommunicado, of hundreds of innocent people in one of the FBI's Red raids, decried the "lawlessness" of "supposedly law-enforcing officials," who acted with "such disregard of law and of properly verified facts." "It may, however, be fitly observed," he said, "that a mob is a mob, whether made up of Government officials acting under instructions from the Department of Justice, or of criminals, loafers, and the vicious classes." *Colyer* v. *Skeffington*, 265 F. 16, 43.

THE POWER OF THE FREE

The strength of a free society is in its free institutions. There is tremendous power in those who dare to be free. A nation gets untold strength when every community knows that its courts are not agents of passion, that justice is administered impartially. We cannot generate strength by adopting totalitarian methods. Every shortcut against procedural and constitutional safeguards is an awful precedent. The victim may be a dyed-in-the-wool Communist today. Tomorrow he may be one who only knew a Communist, or one who believed in socialism, or one who was opposed to the segregation of the races. Once this tactic is approved, it is easy to accuse a person of being a Communist if he favors what a Soviet regime sponsors, e.g., socialized medicine.

Communism, as viewed on the home front, is a dismal and miserable affair, revealing no accurate measure of its potential for evil. One has to travel the world to see how truly virulent and dangerous it can become. But even in the dreary and far reaches of the world where it has grievances without number to exploit, it has succeeded in fastening itself on a country only in extreme situations. No Communist regime has yet ever taken over a democratic nation. In Kerala, a state in India, the party won an election in 1957—its first parliamentary victory in world history. But that is a young democracy; and there were special grievances, including an average annual income of $24 per person. The Communists have been able to take over a nation by force and violence only under one of two conditions. First are situations like China where grievances and sufferings piled high, where morale dropped low, and where there were no democratic means to effectuate reforms. Bloody action seemed the only way out. Second are those instances where the Communist Party members were propelled into positions of power (as in Eastern Europe) by the intervention of an army from a neighboring Communist country.

Faith in America is faith in her free institutions or it is nothing. The Constitution we adopted launched a daring and bold experiment. It was bold and daring because under that compact we agreed to tolerate even ideas we despise. We also agreed never to prosecute people merely for their ideas or beliefs.

We lawyers should be more alert to these infringements than other citizens who may not be so well trained in history and political science. We should know that total security is possible only in a totalitarian regime. Then all classrooms can be patrolled, all professors tested for unorthodoxy, the press censored, and radio and television scripts edited so that there will be no ideological strays in America. Then judges can be hand picked to carry out orders and removed if they fail to obey. Then we will have "security" in the Communist sense of the term. But we will have lost that passion for freedom which has made America the great inspiration of oppressed people the world over.

PROSPECTS OF WATER SHORTAGE

Mr. MORSE. Mr. President, in the Christian Science Monitor of May 25 there was published an Associated Press article which reads as follows:

WATER LACK HINTED

WASHINGTON.—Secretary of Agriculture Ezra Taft Benson says the Nation must stop wasting water or there won't be enough for sharply rising demands.

In a talk prepared for the Sixth National Watershed Congress, Mr. Benson said the Nation needs to explore all the possibilities that natural science now offers. He listed cloud seeding, forecasting water supplies, converting salt waters, treating waste waters, reducing erosion, and floods, cutting down on evaporation, and learning more about how vegetation uses water.

Mr. Benson said the experts forecast that usage of water will double in 25 years.

"We have got to stop wasting water," he said. "We have to use it more efficiently in industry, in towns and cities, in general farming, and in irrigation, which is destined to be adopted in all parts of the Nation."

Mr. President, let the RECORD show that I completely agree with Mr. Benson. But I ask this question: Where was Secretary Benson when the Hells Canyon Dam issue was before the Congress? Why was not he then helping us preserve the water supply for future generations? The record is clear that if Hells Canyon Dam had been built, and even if not 1 kilowatt-hour of electric power had ever been generated there, but if that dam had been built solely for purposes of water storage, flood control, navigation and other benefits of the high dam apart from power generation, the project would have been a justifiable one. It had many

multiple-purpose benefits in addition to power.

I wish to say that I judge men, not by what they say, but only to the extent that they back up by their acts what they say.

So I say to Mr. Benson that I agree with what he has said about the needs for water conservation. But I ask where he was when there was that great opportunity to conserve a great water supply and, in addition, to provide other great benefits for the people of the Nation. Where was he when some of us were fighting for construction of Hells Canyon Dam, which could be justified on many grounds, including its flood-control and water-conservation features.

Mr. President, it is too bad that in that case, again, Mr. Benson did not back up his words with his acts.

INTERNATIONAL FREEDOM FESTIVAL

Mr. McNAMARA. Mr. President, probably no two nations in the world have a closer relationship and a greater mutual respect, than do the United States and Canada.

The thousands of miles of border separating our two countries has often been called the longest unarmed border in the world.

And at no place along this great border are relationships any closer than between Detroit, Mich., and Windsor, Ontario.

Were it not for the Detroit River, it would be difficult to tell where Detroit left off and Windsor began. The people, their speech, their customs are very much alike.

Nor is the Detroit River any great barrier. The Ambassador Bridge and the Detroit-Windsor Tunnel provide swift access, with only the briefest of stops at customs booths.

With their destinies so closely entwined, it is little wonder that the two cities have chosen to celebrate two of their most important holidays together.

July 1 is Canada's Dominion Day, while July 4, of course, is our own Independence Day.

This year, Detroit and Windsor have combined the two holidays into the first annual International Freedom Festival, which will take place in the two cities from June 28 through July 4.

When the idea first was agreed upon by Detroit's Mayor Louis Miriani and Windsor's Mayor Michael Patrick, it was thought that the first year's celebration would be a modest affair.

However, the response to the idea was so great and enthusiastic that the event was expanded into a full week's festivities.

They will begin on Sunday, June 28, with Freedom of Religion Day. Monday will be Culture Day. And on Tuesday, Nationality Day, there will be a vivid demonstration by the 52 different nationality groups in the area.

Wednesday will be Dominion Day; Thursday, Industry, Trade, Commerce, and Labor Day; and Friday will be Armed Forces Day.

The festivities will be climaxed on Saturday, July 4, with the Independence Day celebration and an international regatta.

This will truly be a week of international good will.

I ask unanimous consent that proclamations issued by Mayor Miriani, of Detroit, and Mayor Patrick, of Windsor, be printed in the RECORD at the conclusion of my remarks.

There being no objection, the proclamations were ordered to be printed in the RECORD, as follows:

PROCLAMATION FOR INTERNATIONAL FREEDOM FESTIVAL WEEK, JUNE 28–JULY 4, 1959

Whereas the Detroit-Windsor area will be the site of a joint American and Canadian observance of Dominion Day and Independence Day; and

Whereas such an annual joint observance is for the purpose of reaffirming the inseparable friendship of the people of these two nations; and

Whereas this joint observance will dramatize to a troubled world how the people of two nations can enjoy the fruits of such friendship and their industries jointly prosper under the democratic way of life; and

Whereas this observance also will dramatize to all the people the existence of the world's longest unarmed border; and

Whereas this observance will dramatize the determination of the American and Canadian people to protect this freedom they enjoy and their determination to jointly defend it against any threat; and

Whereas this observance is of such significance to attract national and international personages including a visit from Queen Elizabeth and Prince Philip: Now, therefore

I, Louis C. Miriani, under the powers vested in me as mayor of the city of Detroit, do hereby proclaim the period of June 28 to July 4, 1959, as International Freedom Festival Week and urge all Americans to join wholeheartedly with our Canadian friends in supporting this most worthwhile undertaking, and that all buildings be appropriately decorated for this festive occasion.

LOUIS C. MIRIANI,
Mayor, City of Detroit.

PROCLAMATION FOR DETROIT-WINDSOR INTERNATIONAL FREEDOM FESTIVAL WEEK, JUNE 28–JULY 4, 1959

Whereas it is considered expedient to hold a joint celebration observing the birthdays of Canada and the United States; and

Whereas such a joint festival held in this area, where fighting and armed warfare once prevailed but which has since been replaced by friendship, will serve to strengthen the bond of "hands across the border"; and

Whereas we earnestly pray that this festival will emphasize the significance of mutual good will and understanding, not only between our two great cities, but also between our two nations: Therefore

I, Michael Patrick, as mayor of the city of Windsor, proudly proclaim the week of June 28 to July 4, 1959, as International Freedom Week and sincerely entreat all people of this community to lend their enthusiastic support and to join with our friends from the United States in promoting this outstanding event.

MICHAEL PATRICK,
Mayor, City of Windsor.

Mr. HART. Mr. President, understandably, the Members of the Senate look forward to joining the people of their own State in traditional celebration of our national holiday on July 4.

But let me extend the most sincere of invitations to all Members of the Senate of the United States, whenever their schedules permit, to join the people of Michigan and our best of neighbors our friends in Ontario, during the period of the Detroit-Windsor International Freedom Festival, June 28 through July 4, 1959.

Indicative of the wholehearted endorsement of this effort to join holiday delight with worthwhile development of international goodwill is the list of distinguished committee chairmanships.

Mr. President, I ask unanimous consent that the list of committee chairmanships be printed in the RECORD at this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

DETROIT-WINDSOR INTERNATIONAL FREEDOM FESTIVAL, UNITED STATES AND CANADA, JUNE 28–JULY 4, 1959

General chairman: Carl Johnson, vice president, Parke, Davis & Co., Detroit.

Steering committee cochairmen: Ray Pearson, executive secretary to Mayor Miriani; Bill Browning, Bob-Lo Steamship.

Advisory board: Sherrod Skinner, chairman, vice president, General Motors Corp.

International Freedom Festival, Inc.: Carl Johnson, president.

Freedom of religion, Sunday, June 28: Bishop Emerich, Protestant; Archbishop Dearden, Catholic; Dr. Hertz, Jewish.

Nationality Day, Tuesday, June 30: Ruth Stevens, chairman, Detroit-Tomorrow Committee.

Sports Day: Fred Matthei, chairman, American Metal Products.

Dominion Day, Wednesday, July 1: Frank Isbey, chairman, United Fruit Auction.

Industry, Trade Commerce, and Labor Day, Thursday, July 2: Ray Eppert, industry chairman, Burroughs Corp.; Troy Browning, trade chairman, Browning Steamship Co.; Henry Bodman, commerce chairman, National Bank of Detroit; Walter Reuther, labor chairman, UAW–CIO.

Armed Forces Day, Friday, July 3: Jack Reese, chairman, Continental Motors Corp.

Armed Forces Day dinner, Friday, July 3: Norman Haig, chairman, General Motors Corp.

Independence Day, Saturday, July 4: Walker Cisler, chairman, Detroit Edison Co.

International regatta day, Saturday-Sunday, July 4–5; Len Thompson, chairman.

Mr. HART. Mr. President, throughout the week, during which two neighbor countries celebrate their friendship, their mutual respect, and their freedom, we extend a warm welcome to all our friends on both sides of the border.

ARMENIAN INDEPENDENCE DAY

Mr. KEATING. Mr. President, it is a great pleasure for me to rise to commemorate the 41st anniversary of the independence of Armenia, which is being celebrated today. I am proud to have this opportunity to salute a brave people who through the centuries have suffered much at the hands of invaders and oppressors. I express the hope the present reign of Communist terror will soon be ended and noble Armenia restored to the family of free nations.

The Armenians have been one of the most persecuted of all people throughout known history, and they have suffered

most in their historic homeland under conquering alien oppressors. They had lost their national independence more than a century before Columbus discovered America, and most of them had been living in dispersion for at least six centuries. Their native land was divided among their three powerful neighbors, the Ottoman Turks, Persians, and Russians. Under the domination of all these powers they suffered, and in suffering they hoped to seek and find their national salvation.

During all that time they steadfastly clung to their national traditions, their Christian faith and their national hopes and aspirations. The more they were oppressed, the more they were firmly resolved that someday and somehow, their day of freedom would come. And that day came at last, though after a terrible carnage, and almost at the cost of their existence, at the end of the First World War.

During that war most of the Armenians in the Asiatic provinces of the Ottoman Empire—actually ancient Armenia—were massacred and deported. In this holocaust about 1 million Armenians lost their lives, and several hundred thousands of the survivors escaped to the Caucasus, the northern part of Armenia then under Czarist Russian domination.

As the result of the Russian revolution and the collapse of czarist authority, Armenians there felt free to take their destiny into their hands and proclaim their independence. That was on May 28, 1918. At the time the country was still waging war against the Turks, and its population consisted mostly of refugees.

Under such inauspicious circumstances, the existence of the new state, the Armenian Republic, was precarious. But in spite of seemingly insurmountable difficulties the leaders of reclaimed Armenia struggled hard, and did manage to carry on for more than 2 years. Then the turn of international diplomacy played a trick upon them. The rising Turkish nationalist state and Communist leaders of Russia were determined to annihilate Armenia. Late in the fall of 1920 Armenia was attacked both by the Turks and the Soviet forces. In a few weeks it was overrun by both. By early December the Armenian Republic was divided between the two, and its independence had vanished. On their part the Soviets set up the Soviet Socialist Armenian Republic within the Soviet Union, and that is the only shadow left of the short-lived independent Armenian Republic.

Today, trapped behind the Iron Curtain, the people of Armenia are completely denied the freedom and rights for which they struggled so long and hard. Chafing under the yoke of Soviet tyranny, they have maintained their belief in the ultimate liberation of Armenia.

Mr. President, it is particularly important for those of us who are fortunate enough to live in the free world, to commemorate occasions such as Armenian Independence Day. By our observance of this great occasion, we can assure those noble Armenians now enchained behind the Iron Curtain that they are not forgotten.

We in America are proud of the Armenians who have come to live with us. Their diligence, skill, talents, and fine traditions have contributed much to our national strength and have enriched our culture.

Today, all Armenians, detesting as they do the Communist totalitarian dictatorship, pray for the day when that rule will be overthrown and the Armenian people regain their freedom. With the moral support of all peoples in the free world, particularly of the people of the United States, let us hope they will renew their resolve on the 41st anniversary of their independence day and will carry on their struggle against Communist oppression and tyranny.

To the courageous people of Armenia I say: "Take heart and do not give up hope. We in America are working and praying for the day when once more you will bask in the sunlight of freedom and your nation will regain its rightful place in the family of free nations."

Mr. PROXMIRE. Mr. President, today is an important anniversary for the thousands of fine and loyal Americans of Armenian descent in my State and the Nation. On May 28, 1918, Armenia declared herself to be an independent Republic. The independence of this nation was provided for in the Treaty of Sevres in 1920, and recognized by the United States on April 23, 1920. Later in the same year, the Soviet Union invaded the Republic of Armenia and proclaimed it a Soviet Republic, which it remains to this day.

This unhappily short history is of great significance not only to the people of Armenia, but to the entire world. By this action, the Soviet Union clearly showed the world the true color of its self-proclaimed devotion to its own peculiar concept of democracy and national rights. It is an unhappy story that has since been repeated in many other nations of the world.

The Armenian people have suffered much for the cause of freedom. It is perhaps because of this fact that the Armenian-Americans have been among the stanchest defenders of individual liberty and political democracy in our country.

Armenian Independence Day therefore has meaning for all Americans, and for all the people of the world who are dedicated to the cause of universal freedom and peace with honor. We salute the fine people of Armenia and join them in their hope that the day may soon come when their nation will again be truly free and independent.

PROPOSED TAXATION OF CERTAIN HOLDERS OF DU PONT CORP. STOCK

Mr. FREAR. Mr. President, this week the Senate Finance Committee held hearings on Senate bill 200, introduced by the junior Senator from Delaware, to ease a harsh and unjustified tax burden which threatens nearly a million American stockholders—most of them individuals of very moderate circumstances. The committee has not yet acted upon the bill.

However, this morning a most enlightening editorial entitled "How To Complicate Things," appears in the Wall Street Journal. I shall not attempt to paraphrase it; rather, I suggest that my Senate colleagues—recognizing their inherent appreciation of equity and justice—take the necessary few moments to read this editorial, which I ask unanimous consent to have printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

How To Complicate Things

Professor Parkinson, who has already lent his name to a law of bureaucratic growth, ought to turn his mind to the fruitful field of how bureaucrats make simple things complicated.

A good beginning, it seems to us, would be the great political hullaballoo over how the Government should tax the holders of Du Pont stock if, by court order, they also turn out to be holders of General Motors stock. This is known as the problem of cutting up pieces of paper.

Du Pont, as everyone knows by now, has been ordered to divest itself of the shares of General Motors stock which the company owns. The simplest way anyone has thought of to do this is merely to have the Du Pont company transfer to its own stockholders their proportionate share of the General Motors stock. This is just what a Federal court was considering doing—until, lo, the problem.

Here is a man today who now owns Du Pont stock. Tomorrow, if the divestiture is made, he will own both Du Pont stock and General Motors stock. Whereupon the Justice Department and the Internal Revenue Service say, "What? How are we going to tax this man for his windfall gain of suddenly having General Motors stock he didn't have before? We can't let him get away with a tax-free gift."

Well, what tax-free gift? At present a piece of paper representing Du Pont stock also represents a holding of General Motors, since one of Du Pont's assets is the General Motors stock. If the court takes this piece of paper that reads "Du Pont stock" and tears it in two, so that one part represents the General Motors assets and the other the remaining Du Pont assets, who has gained what?

The part representing the General Motors stock will be worth something on the market, the part representing the remaining interest in Du Pont will be worth less than before. Perhaps the two separate pieces of paper will be worth more on the market than the one would be; no one can say. But as far as the taxpayer is concerned none of these changes can represent any real gains for him until he sells.

His position is just as though he owned any other stock that splits itself in two, as happens frequently. The stockholder who thus has two shares where he had one before may see the shares later rise or fall, but the Government doesn't tax him until he cashes in his paper gains.

Just so, the Du Pont shareholder, suddenly having two pieces of paper, ought not to be liable for tax until he sells the part representing the General Motors shares or the Du Pont shares. The more either stock rises in the market, if that is what happens, the more tax. But to tax him at the moment he receives the extra piece of paper would be precisely the same as levying a capital tax on him now just because he owns some Du Pont stock that has gone up in price since he bought it.

Since all this is plain enough in the case of an ordinary stock split, we don't see why it's so obscure just because the two pieces of paper are going to have different names written on them. Unless, as Parkinson might suspect, it's that seeing it plain might take all the fun out of making it complicated.

TRIBUTE TO MSGR. JOHN L. McNULTY, PRESIDENT OF SETON HALL UNIVERSITY IN SOUTH ORANGE, N.J.

Mr. CASE of New Jersey. Mr. President, I was deeply shocked and grieved to learn this morning of the sudden death of Msgr. John L. McNulty, president of Seton Hall University. The church, the cause of education, and the community, have lost one of the most dedicated and effective leaders of our day, and individuals without number have lost a warm and most valued friend.

Monsignor McNulty's contribution in the field of education is truly remarkable. During the last 10 years of his life, from the day he became president of Seton Hall till his untimely death yesterday, he devoted himself unstintingly to the growth and expansion of this institution. In 1949 Seaton Hall was a college, but attained the status of university only 1 year after Monsignor McNulty became its president. In succeeding years the university's School of Law, the Far Eastern Studies and Italian Institutes, a new dormitory, science laboratory and library at South Orange and the Seton Hall College of Medicine and Dentistry were established under the monsignor's leadership and direction.

These represent just a few of the noteworthy contributions during the last years of a full and dedicated life of service for which we are greatly indebted.

NOMINATION OF ADM. LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

Mr. SCOTT. Mr. President, I ask unanimous consent to have printed in the RECORD an article from the Washington Evening Star of May 26, 1959, together with a letter from Mr. William Mitchell, a Washington attorney, formerly General Counsel of the Atomic Energy Commission, both relating to the nomination of Adm. Lewis L. Strauss to be Secretary of Commerce.

There being no objection, the letter and article were ordered to be printed in the RECORD, as follows:

WILLIAM MITCHELL,
ATTORNEY AT LAW,
Washington, D.C., May 23, 1959.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce, U.S. Senate, Washington, D.C.

DEAR SENATOR MAGNUSON: I am writing as a former General Counsel of the Atomic Energy Commission. I note that, in connection with the nomination of Lewis L. Strauss as Secretary of Commerce, on which your committee has recently concluded hearings, mention has been made of a letter dated May 18, 1956, from the Atomic Energy Commission to the chairman of the Joint Congressional Committee on Atomic Energy, stating the Commission's position on S. 2725 (84th Cong., 1st sess.) and H.R. 10805 (84th Cong., 2d sess.). Since I was General Counsel of the Atomic Energy Commission at that time, I feel that it may be helpful to lay before you my knowledge of the circumstances surrounding the preparation and dispatch of that letter.

The letter in question was written in response to a letter dated May 10, 1956, from the chairman of the Joint Congressional Committee on Atomic Energy to the Chairman of the Atomic Energy Commission, requesting a statement of the Commission's position on the two bills above-mentioned. Pursuant to the regular practice of the Commission in preparing comments on pending legislation, the letter from the Joint Committee was referred to the Office of the General Counsel for preparation of a reply. The Commission's letter of May 18, 1956, was prepared in my office and I approved the letter before it was forwarded in the regular routine for review by the Commission staff and signature by the Chairman or Acting Chairman. The letter may not have been a perfect exposition of the rather complicated legal problems which it discussed, but I am sure that no one who had any part in the preparation of the letter had any intention to deceive or mislead any Member of the Congress.

Since Chairman Strauss was absent from the city at the time the letter was ready for dispatch, it was signed by Dr. W. F. Libby, as Acting Chairman of the Commission. Mr. Strauss did not see the letter until his return to the city, after it had been sent. In his capacity as Chairman of the Commission, Mr. Strauss did take responsibility for the letter in subsequent hearings before the House Appropriations Committee. If there were any defects in the manner in which the letter was drafted, these should not be attributed to Mr. Strauss.

I respectfully request that this letter be made a part of the printed record in the recent hearings on Mr. Strauss' nomination.

Sincerely yours,

WILLIAM MITCHELL.

[From the Evening Star, May 26, 1959]

EX-AEC AID BACKS STRAUSS ON 1956 LETTER

(By J. A. O'Leary)

William Mitchell, former General Counsel of the Atomic Energy Commission, has come forward to back up Lewis L. Strauss on a major phase of the controversy which is swirling around confirmation of Mr. Strauss for Secretary of Commerce.

In a letter to the Senate Commerce Committee yesterday, Mr. Mitchell confirmed Mr. Strauss' contention that he did not direct Mr. Mitchell to write a letter back in 1956 which touched off a stormy debate between the AEC and the House Appropriations Committee. The letter related to bills then pending in Congress to authorize Government reactors for power development.

The old House hearings quote Mr. Strauss as having said he "would like to take full responsibility for having asked the General Counsel of the Commission to prepare the letter."

In the recent Senate hearings Mr. Strauss insisted he did not make that statement.

CANNON MAKES CHARGE

Chairman CANNON, of the House Appropriations Committee, charged last week that Mr. Strauss impugned the integrity of the committee when he challenged the accuracy of this printed record.

Mr. Strauss, who was Chairman of the AEC in 1956, has told the Senate committee that he was out of the country when the letter in question was written by the General Counsel, and signed by Commissioner Willard F. Libby as Acting Chairman.

Mr. Strauss explained to the Senators that when he returned to Washington in the summer of 1956, he told Mr. CANNON'S committee that, while he did not order the letter prepared, he would take the responsibility for it as Chairman.

Mr. Mitchell, who is now in private practice, confirmed this testimony by writing to the Senate committee as follows:

"Mr. Strauss did not see the letter until his return to the city, after it had been sent. In his capacity as Chairman of the Commission, Mr. Strauss did take responsibility for the letter in subsequent hearings before the House Appropriations Committee. If there were any defects in the manner in which the letter was drafted, these should not be attributed to Mr. Strauss."

DEBATE A WEEK OFF

Meanwhile, all indications are that it will be the middle of next week before the Senate begins debate on the Strauss nomination. Members of the Commerce Committee staff are working on reports which will summarize the conflicting views of the Senators who voted nine to eight to report the Strauss nomination favorably from committee.

One staff member predicted the report would not be ready before next Monday. The printed record of the Senate hearings may be ready Wednesday or Thursday, but Majority Leader JOHNSON has said he wants Senators to have the hearings for several days before they begin the debate.

VACATION IN WONDERFUL WISCONSIN—STATEMENT BY SENATOR WILEY

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement I have prepared setting forth the wonderful opportunity Americans have to spend this year's vacation in wonderful Wisconsin.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

WELCOME TO WISCONSIN: VACATION PARADISE

Mr. President, I welcome this opportunity to invite my colleagues in the Senate—and the people of America—to spend this year's vacation in wonderful Wisconsin.

Annually, millions of people from all walks of life come from sister States, our good neighbor Canada, and nations around the world to our Badger State for a truly enjoyable vacation.

The outdoor and indoor playgrounds of Wisconsin offer a great variety of opportunities to relax tight-wire nerves, stimulate the mind, and refresh the spirit. Retreating from the workday world, vacationers find their heart's delight in our fine communities, amid natural beauty of sunny days, and cool nights.

THE WELCOME MAT IS ALWAYS OUT

The visitor, too, will have opportunity to enjoy refreshing scented breezes through rustling pine trees, bristling cliffs, wooded slopes, restful valleys, fertile farm lands, sparkling waterfalls, scenic spring-fed rivers and clear lakes.

Across the State, we have a picturesque panorama of outstanding scenery, archeological, geological, botanical, wild life (both flora and fauna) and other features of natural and historical interest.

The welcome mat is always out.

SPECIAL FEATURES OF WISCONSIN'S VACATIONLAND

Historically, the name "Wisconsin" is derived from an Indian word meaning "gathering of the waters."

Among our State's attractions are included about 8,600 lakes and 10,000 miles of streams for bathing, boating, water skiing and fishing. The game fish include trout, muskie, perch, white bass, sturgeon and a number of

other varieties. As a boating paradise, Wisconsin ranks as one of the Nation's top boat builders, along with motors and other accessories.

In addition, we have:

Two national forests, 7 State forests, and 17 State parks providing a great many wonderful opportunities for sightseeing, camping out of doors, or traveling through our scenic countryside;

Over 161 museums and other historical sites of interest;

A wide variety of game for seasonal hunting, including pheasants, Hungarian partridge, waterfowl, prairie chicken, grouse, deer, bear, raccoon, geese, ducks, and other game;

A great many splendid resorts, motels, hotels, cabins, trailer sites, and other high-quality tourist accommodations for in-city or out-in-the-country living for the tourist who would get away from it all;

Fine restaurants offering tantalizing meals of the world's finest foods, including our high-quality dairy products which are famous around the globe;

An everexpanding transportation system, including over 95,000 miles of roadway, more than 168 modern airports to serve the flying visitors, as well as excellent rail and water transportation facilities to the beauties of Wisconsin.

The St. Lawrence Seaway, too, is expected to bring more visitors to our Badger State wonderland—from Canada, other States, and from other nations.

For moderate costs, visitors are repaid manifold in warm, friendly hospitality and accommodations that provide a paradise in settings and surroundings that revitalize the flesh and inspire the spirit.

Our chambers of commerce, conservation clubs, sports, and other groups are designing constructive programs to help provide the best possible climate of welcome for the visitor to wonderful Wisconsin.

Whether you plan for sports, playtime, picnicking, swimming, hiking, or just plain loafing, our Wisconsin beautyland will provide your heart's desire.

DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 1960

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Is there further morning business? If there is no further morning business, under the unanimous-consent agreement previously entered into, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 5676) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1960, and for other purposes.

The PRESIDING OFFICER. The Chair calls attention to the fact that the unanimous-consent agreement limits debate on any amendment to one-half hour, to be equally divided, and on the bill to 1 hour.

The pending amendment is the amendment offered by the Senator from Oregon [Mr. MORSE] identified as "C."

Mr. PASTORE. Mr. President——

The PRESIDING OFFICER. How much time does the Senator from Rhode Island yield to himself?

Mr. PASTORE. I suggest the absence of a quorum, and I ask unanimous consent that the time taken for calling the roll not be charged to either side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PASTORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORSE obtained the floor.

Mr. WILEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oregon yield?

Mr. MORSE. I am sorry. I am under a time limitation. I will not have time to yield. We are proceeding under a unanimous-consent agreement to limit debate, and I need all my time.

The PRESIDING OFFICER. The Senator from Oregon has the floor. How much time does the Senator from Oregon yield to himself?

Mr. MORSE. At the outset I yield 5 minutes to myself in support of my amendment "C."

If adopted, it would increase the Federal payment to the District by $700,000 and apply that increase to the public school budget for the purpose of financing a program of free school lunches in the elementary schools of the District for children in the following categories:

(a) those coming from families receiving welfare grants;

(b) those living in families certified for surplus food; and

(c) those certified as a result of medical observation in school.

In the reported bill, as amended, there is a $133,000 item, financed from the Federal payment for this purpose. It is based upon an estimate submitted by the Commissioners. My amendment is in addition to that item. The Commissioners' estimate is for a pilot program accommodating approximately 1,000 children.

My difference with the Commissioners' estimate, as stated on the floor of the Senate Tuesday last, is based upon two points. First, I challenge the inadequacy of their program in terms of numbers of children to be helped; and, second, I question seriously their contention that a pilot program is needed for the purpose of gaining experience in operating a lunch program of this type.

As was demonstrated in previous debate, there is no difference between the Senator from Oregon and his colleagues on the Appropriations Committee with respect to the principle that hungry children ought to be fed, and as quickly as it is feasible to do it.

In my judgment no Member of this body—and I mean this with all the sincerity of my heart—who is more of a humanitarian, who is more interested in helping hungry children, who is more sensitive to human values, than is the Senator from Rhode Island [Mr. PASTORE]. The only difference we find ourselves in on the floor of the Senate with regard to this matter is a difference of committee responsibility.

I am chairman of a subcommittee of a legislative committee that has the primary obligation of bringing to the Senate the legislative recommendations, which we think ought to be adopted. The Senator from Rhode Island has the obligation of bringing to the Senate the consensus of opinion of the Appropriations Committee in regard to fiscal problems after hearings, and after the best judgment the committee can exercise has been rendered.

I want the RECORD to show clearly that any argument I make in support of feeding hungry children is in no way a reflection upon the humanitarianism of the Senator from Rhode Island. To the contrary, we stand shoulder to shoulder on the ultimate solution. The question is about the timetable. I am going to have something to say shortly to the Senator from Rhode Island on the timetable.

The only question is: How many need to be fed, and how quickly can it be done? We are agreed that it is most desirable that the financing come from the Federal payment to the District.

Because my time is limited, I ask unanimous consent that there be printed at the conclusion of my statement, Mr. President, various documents, letters, and memorandums, and certain studies to which I shall allude during my presentation.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MORSE. Mr. President, I desire to take a moment to refer to the letter I received this morning from Mr. Shea, Director of Public Welfare of the District of Columbia. I am going to have the entire letter put in the RECORD, but I wish to quote the concluding paragraph:

> According to the best available information, the total number of children receiving surplus food between the ages of 6 and 12—
>
> And that is the grade school age—
>
> is 10,500, as of April 30, 1959.

Mr. President, I submit this as further evidence in respect to the argument I made Tuesday that I am satisfied my figure of 7,000 is an understatement and not an overstatement. It is further evidence in my answer to the Commissioners, who originally raised the question as to whether the school authorities who first fixed the figure at 7,000 might have been guilty of an overstatement. I am satisfied, Mr. President, that the figure was an understatement.

WHAT ARE THE FACTS ABOUT THE NUMBER OF NEEDY CHILDREN?

So, I ask, what are the facts about the question of the number of children who need lunches? The evidence which I shall marshal is based primarily upon the hearings before the Subcommittee on Public Health, Education, Welfare and Safety of the Senate Committee on the District of Columbia.

Mr. President, I shall put evidence in the RECORD, at this point, emphasizing that the results of a school-by-school survey conducted by the school authorities in the District of Columbia disclosed that 1 child in 10, on the basis of

the criteria listed previously, would be eligible.

I ask unanimous consent that this information be printed in the RECORD at this point.

There being no objection, the information was ordered to be printed in the RECORD, as follows:

ESTIMATED NUMBER OF NEEDY CHILDREN IN PUBLIC ELEMENTARY SCHOOLS AS OF NOVEMBER 1958

Bancroft, 38; Beers, 5; Bell, 100; Benning, 25; Birney, 52; Blair, 110; Blow, 24; Bowen, A., 57; Bowen, S. J., 139; Brent, 110; Briggs-Montgomery, 66; Brookland, 16; Bryan, 174; Buchanan, 84; Bundy, 53; Burrville, 211.

Carver, 95; Cleveland, 126; Congress Heights, 1; J. F. Cook, 37; H. D. Cooke, 26; Crummell, 53.

Davis, 40; Draper, 766; Eckington, 11; Edmonds, 37; Emery, 6; Fairbrother, 50.

Gage, 27; Garfield, 83; Garfield Annex, 19; Garrison, 71; Giddings, 77; Grant, 12; Greenleaf, 74; Grimke, 44; Hayes, 26; Kimball, 45; Kingsman, 600.

Langdon, 24; Langston, 81; Lenox, 44; Logan, 156; Lovejoy, 59; Ludlow, 17.

Madison, 100; Maury, 43; Merritt, 176; Monroe, 35; Scott Montgomery, 51; Morgan, 104; Morse, 17; Moten, 37; Mott, 48; Nalle, 115.

Park View, 39; Payne, 76; Payne Annex, 23; Peabody, 62; Perry, 75; Petworth, 47; Pierce, 30; Powell, 14; Raymond, 30; Richardson, 338; River Terrace, 10.

Seaton, 47; Shadd, 48; Simmons, 95; Simon, 19; Smothers, 20; Stanton, 14; Stevens, 20; Sumner, 26; Syphax, 130.

Takoma, 5; Taylor, 100; Thomas, 41; Thomson, 216; Truesdell, 5; Turner, 253; Tyler, 71.

Van Ness, 95; Walker-Jones, 273; Webb, 30; West, 7; Wheatley, 108; Wilson, 20; Woodridge, 6; Young, 45.

Mr. MORSE. Mr. President, 7,135 children were found by the principals to be in these 3 categories. I am advised that as of May 7, 1959, elementary school membership was 75,401. The survey was taken in November 1958.

Second, Commissioner McLaughlin testified that in January 1959, 12,477 families, with 20,150 children, were eligible for surplus food.

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. MORSE. Mr. President, I yield myself 3 more minutes.

If only 35 percent of these children were in the elementary school category, the figure would be 7,053, based upon the evaluation of the Commissioners themselves, so far as the number of children we find in the 12,477 families who were eligible for surplus food are concerned.

Third, I cite the medical evidence by Dr. Ella Oppenheimer, which I think leaves no room for doubt that the 7,000 figure really is an understatement rather than an overstatement.

She found that in a sample study of children presumably in good health who came from low income families, the shocking fact that 18.3 percent had definitely unsatisfactory hemoglobin levels. This condition is most frequently associated with inadequate dietary intake. The medical testimony is particularly impressive in terms of the implications it contains with respect to the next or fourth point.

Fourth, I cite the study reported by Mrs. Phillip Graham to the Health and Welfare Council of the National Capital Area, which disclosed that there are in the District at least 11,520 submarginal families with 45,775 children. I say, Mr. President, simple multiplication shows that by applying the 18.3 percent factor of Dr. Oppenheimer to the 45,775 children, 8,377 children can be identified as in unsatisfactory health condition. Less than half of the children, it appears likely, are known to the Public Welfare Department in either the surplus food or aid-to-dependent-children programs.

Mr. PASTORE. Mr. President, will the Senator yield now?

Mr. MORSE. Mr. President, I shall place the rest of these data on the record, because I think there is no doubt that my 7,000 figure is an understatement with respect to what are the true facts.

Fifth, a recent publication of the Public Welfare Department shows that there are 13,220 children living in families receiving welfare grants. If half of those children—55 percent—are in elementary school the number would be 7,271; and

Sixth, a new study made by the Public Assistance Division shows that there are 34,000 children in the District living in families whose income is at or below the welfare grant standard.

Mr. President, upon the facts I submit that the 7,000 figure called for by my amendment is amply justified. I further submit that the Commissioners' program is heartrendingly inadequate.

What are the facts about the question as to the need for a pilot program?

The Commissioners allege that a pilot program is needed to obtain administrative and budgetary experience in order to operate a program of the size needed to cope with the problem.

I challenge this position upon the basis that first, a pilot program covering 700 of the neediest cases has been in successful operation in the past school year. The Board of Education established it with voluntary funds contributed by the community. Experience was gained by those who will have the responsibility of operating it. The testimony before my subcommittee was to the effect that the schools were ready, willing and able to do the job. They have the capability. They lack only the cash. Private funds are inadequate to finance what even the Commissioners have recognized as the responsibility of the District government.

To document this, Mr. President, I submit for the record the plan and the budget forwarded by the Board to the Commissioners February 18, 1959. This is the document later adjusted by the Commissioners in their formal presentation in the appropriation hearings to the dollar figure of $820,000—see exhibit 1.

On the record I have just developed, it is my sincere conviction that the Commissioners have underestimated the need, and have overestimated the difficulty of serving the need.

What is proposed, is but what is actual operation elsewhere. The national average of free or reduced cost lunches under the school lunch program is 10.8 percent. Adoption of my amendment would provide such lunches to about 10 percent of the elementary children in Washington who by the three rigid tests most need it.

Finally, before I yield to the Senator from Rhode Island, I should like to ask unanimous consent to have printed in the RECORD the editorial published in the Washington Post and Times Herald of this morning in support of the position I have taken for a lunch program for 7,000 boys and girls in the grade schools.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HOT LUNCH FINALE

It is up to the Senate today to decide whether the District graded schools will be forced to stand by while some youngsters come to class hungry and undernourished. This is the issue at stake in the proposal to add $700,000 to the Federal payment to the District (in lieu of taxes) to the skimpy $133,000 that the Chamber has already approved for providing food to the Capital's needy children. Approval of the full amount will mean that some 7,000 elementary school pupils will be able to benefit from a federally supported hot lunch program. Ultimately, the hope is that all of the Capital's grammar-school children can participate in this program, just as the District junior and senior high pupils already do. If the Senate backs the full amount, the chances will be excellent for substantially increasing the $266,000 approved by the House for a pilot project lunch program—without diverting funds from other urgent school needs.

The Senate's response will be a measure of its compassion. Senator MORSE has done well to remind his colleagues that "witness after witness" has testified on the evils "of literal starvation in the Capital City." The proposal to add $700,000 to the District's appropriation bill to ameliorate this condition has won support from Senators HART and CLARK. It would speak well for the Senate if in this case it responded to the conscience of the community.

Mr. MORSE. Mr. President, I also ask unanimous consent to have certain telegrams which have been received in support of my amendment printed in the RECORD.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C., May 27, 1959.

Senator WAYNE MORSE,
Senate Office Building, Washington, D.C.

DEAR SENATOR MORSE: We, the members of council A, area 5, of the District of Columbia Congress of Parents and Teachers, deeply appreciate the strong stand you are making in behalf of an expanded school lunch program. Council A, area 5, constitutes one of the largest segments of the District population which embraces more than 40 schools in the northeast and southeast areas, and the urgent need for this project is keenly felt financing this program at the expense of any other is far from a permanent solution. Contributions that have been made by many citizens indicate their awareness of this and their willingness to share this burden as increased Federal payment is the most logical means by which this urgency can be met. Diverting funds from an already trimmed educational program would mean that needy children in the Nation's Capital cannot have their physical and mental needs. Sustained simultaneously our Nation can ill afford this neglect of so much brain power which needs so desperately to be cultivated. We implore you and your colleagues who are fighting so courageously to maintain an economy that is in keeping with our resources to insist on an

economy that does not create for the world of tomorrow a kind of "soil bank of minds" that would deny children anything so basic while in the formative years of life can we safely postpone any phase of their development. While we tighten the reins with greater demands we strongly support an increased Federal payment as the only sure way of securing the welfare of these children.

Sincerely yours,

LORRAINE G. KNUPP,
Vice President, Council A, Area 5.
EARLEAN S. GROGAN,
Acting Corresponding Secretary.

WASHINGTON, D.C., *May 27, 1959.*

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

We congratulate you on your outstanding efforts to obtain additional Federal payment funds for an adequate lunch program for needy grade schoolchildren without diverting funds from needed educational program.

Mrs. C. RHODES COX,
President, District of Columbia Congress of Parents and Teachers.

WASHINGTON, D.C., *May 27, 1959.*

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

Back you to the hilt on lunches for District of Columbia kids. New subject: Glover Archbold Parkway will destroy some of the natural beauty of Washington and create future unmanageable traffic and smog problems. Proposition of Army Engineer Welling who desires construction for construction's sake fallacious in that traffic from proposed Glover Archbold Parkway has no place to go except further and unnecessary construction not needed, nor costs revealed at this time. Hidden future costs of this project unnecessary and concealed. No objection to lunch fund for District of Columbia kids. Obvious poverty in Capital incredible to visiting chiefs of state.

Maj. Gen. JOHN K. WATERS,
Coowner.

Mr. MORSE. Mr. President, I now yield to my friend from Rhode Island.

Mr. PASTORE. Mr. President, I merely wanted to say to the distinguished Senator from Oregon that I do not think he has to apologize for or to labor the point that there may be a larger number than the estimate of 7,000 children involved. As a matter of fact, I had a conference this morning in my office with Mr. Shea, of the Social Welfare Department, and he told me his department had conducted a survey of 601 families who ordinarily would be visited by the social workers in the month of April, and they learned that in many, many cases there were a large number of undernourished children and children who were being neglected by their families even in the instances where enough money for proper care was being paid to those particular families. The 601 families who were investigated had 2,000 children. If we project that figure over a period of 12 months it is quite evident that the figure with respect to those in school might exceed 7,000.

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. MORSE. Mr. President, I yield myself 2 more minutes. The time factor does not make much difference, as will appear from what I shall say in a moment.

Mr. PASTORE. I merely wish to say to the distinguished Senator from Oregon that, so far as the junior Senator from Rhode Island is concerned, the Senator is rather modest in using the figure of 7,000.

Mr. MORSE. I appreciate the attitude of the Senator from Rhode Island.

I should now like to have the attention of the Senator from Pennsylvania [Mr. CLARK], the attention of the Senator from Michigan [Mr. HART], and the attention of the Senator from Illinois [Mr. DOUGLAS], who have been close advisers to me in regard to the proposal which is found in amendment C.

The Senator from Rhode Island can check what I say and can enlarge upon it. Toward the close of the debate on Tuesday, the Senator from Rhode Island stated that he shared my point of view as to the ultimate goal of trying to inaugurate a school lunch program which would feed any children in the grade schools who in fact were hungry, whether there were 7,000 or any other number. The Senator pointed out that my amendment C is subject to a point of order, as I had previously indicated, that being my understanding at the time, although I have a number of reservations this morning, as the Parliamentarian knows. We might have a very interesting parliamentary debate as to whether in fact the amendment is subject to a point of order, based upon an historic precedent which the Senator from Pennsylvania [Mr. CLARK] has uncovered in the meantime.

I do not think we shall have to cross that bridge, because the Senator from Rhode Island suggested to us that in the interest of reaching the goal of feeding all these children as rapidly as we could, and planning therefore, he would agree to take my amendment D, which proposes to increase the Senate figure from $133,000 to $266,000. That would mean that we could feed 2,000 children immediately, and the $266,000 would come from the Federal grant to the District and not from the educational funds, which, as the Senator from Rhode Island said, so far as the House figure is concerned, would probably have to come out of the teachers' salaries.

The PRESIDING OFFICER. The 2 minutes the Senator yielded to himself have expired.

Mr. MORSE. Mr. President, I yield myself 2 more minutes.

If I correctly understand the Senator from Rhode Island, that amount of money would probably be equivalent to the money needed for 22 teaching positions. In other words, we might be in a position of cutting into the teaching staff to the extent of 22 positions, unless we could have this matter determined by the Senate so that whatever we appropriate will come from the Federal allocation to the District, from the Federal funds, rather than from the education funds.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. PASTORE. The Federal contribution amounts to $27 million, which is an overall contribution. There is no part of that contribution which is earmarked especially for the $133,000 which is in the budget for the school lunch program. The House, in increasing the sum to $266,000, did allocate $133,000 out of the operating expenses of the schools. It is fair to say that not all of the $266,000 would come from the Federal payment, but surely $133,000 of the $266,000 would come from the Federal contribution, under the amendment proposed by the distinguished Senator from Oregon.

Mr. MORSE. That is correct. I hope that in conference we may be able to get whatever we finally appropriate from the Federal allocation, and none of it from the educational funds, because I think it would be most unfair to have the teachers, in effect, by reducing their number, paying for the school lunch program, when we already know we do not have enough teachers.

If the Senator from Rhode Island will follow my remarks for a moment, I will then yield to him.

I understand the Senator from Rhode Island this morning had a conference with the District Commissioners, and that the Senator has a suggestion he would like to have me consider in open session, for legislative history on the floor of the Senate.

The PRESIDING OFFICER. The 2 minutes yielded to himself by the Senator from Oregon have expired. The Senator from Oregon has 2 minutes remaining.

Mr. MORSE. Mr. President, I yield myself 1 minute, because I will not have much to say after the Senator from Rhode Island finishes, I am sure. If I do, I shall ask for time from the time on the bill.

I understand that the Senator from Rhode Island has a suggestion to make to the Senator from Oregon which may make it possible for me to withdraw my amendment C and to substitute therefor my amendment D.

Mr. President, I yield the floor.

EXHIBIT 1

SUPERINTENDENT OF SCHOOLS,
Washington, D.C., February 18, 1959.

The Honorable Commissioners of the District of Columbia, Washington, D.C.

GENTLEMEN. The Board of Education authorized its president to appoint a special committee consisting of the Superintendent and three members of the Board to serve as a special committee on problems concerning lunches for needy children in the elementary schools.

We understand that the Commissioners have been requested by a committee of Congress to furnish a plan for such project. The committee is taking the liberty of submitting the attached plan for your consideration.

Respectfully submitted.

CARL F. HANSEN,
Superintendent of Schools.

PROPOSED PLAN FOR SUPPLYING LUNCHES FOR NEEDY CHILDREN IN THE ELEMENTARY SCHOOLS

The plan provides for feeding approximately 7,000 needy children in the elementary schools.

The plan, in brief, proposes to serve approximately 5,421 by means of bag lunches prepared in existing secondary school cafeterias and delivered by truck; approximately 422 in existing schools by the children walking to the secondary cafeteria unit; and 1,292 in self-contained units to be established in the Walker-Jones, Draper, and Turner Elementary Schools.

After funds become available the program could be started almost immediately in those schools where the elementary children would walk to the secondary schools. In the schools requiring truck delivery, the program would start as soon as trucks and other necessary equipment could be purchased and as soon as individual schools could be organized.

It is estimated that the total first year costs would be $687,317 of which $521,491 would be the recurring costs.

Since the teachers and principals are in close contact with the children, the selection of the pupils to receive free lunches should be left wholly in the hands of these school officials. The selection would be on the following basis: (a) Children of families who are receiving or are eligible to receive public assistance, (b) children of large families with low or reduced income, (c) children certified by the school physician or school nurse as being undernourished or suffering from malnutrition and unable to pay the cost of the lunch.

The estimated costs of such a program follow:

Elementary school lunch program for needy children

ESTIMATED INITIAL ALTERATION AND EQUIPMENT COSTS

Self-contained units (3 schools):		
Alteration costs	$12,995	$38,958
Large equipment	6,435	19,305
Small equipment	895	2,685
Additional equipment for existing cafeterias to serve as preparation centers (30 schools):		
Large equipment (refrigerators, steamers, work tables)		57,025
Small equipment (containers for transporting food, cutting boards, knives, pans, etc)		12,526
Additional refrigeration equipment: for receiving schools (approximately 17 schools) the remaining schools have sufficient refrigeration		15,300
Transportation equipment: trucks, 10 at $2,000 each		20,000
Total estimates initial alteration and equipment costs		165,826

ESTIMATED RECURRING COSTS

Lunches:		
7,135 lunches per day. Current price subject to change—27 cents plus 9 cents subsidy equals 36 cents per lunch.		
Cost per day: $2,568.60 — $2,568.60 times 185 days equals actual cost	$475,191	
Transportation:		
Truck drivers, 10 at $4,000	40,000	
Truck maintenance $580	5,800	
Equipment repair and replacement	500	
Total estimated recurring direct costs		$521,491
Total estimated first year costs		687,317

(NOTE.—It would be necessary for budget purposes for the Department of Buildings and Grounds and the Department of Food Services to prepare estimates on the actual schools to be equipped.)

[From the Department of Public Welfare, Office of Director]

LOW INCOME FAMILIES

At its February meeting the advisory council received a report on low income persons. This report states: In 1957, the Census Bureau obtained a report of 1956 income from a representative sample of the District population. From this report and from similar data for 1940 from the 1950 census, the number of low income persons living in the District has been calculated for 1949 and 1956 and estimated for 1958.

For this purpose, low income is an amount insufficient to purchase the housing, food, clothing, and other essential personal and household incidentals provided for public assistance recipients under the relief standards now in effect in the District. Further detailed analysis of the 1956 income data from the 1957 sample census has been undertaken in an effort to set a price tag on possible alternative measures to provide through added public assistance payments for all or part of the remaining deficiency in income of these low District of Columbia families.

For this purpose, low income persons have been classified: (1) as members of families with one or more children under 16 years of age; (2) as members of families with no child under 16; and (3) as persons living alone, or in households which include no related person. Persons living in institutions are excluded from this calculation.

The February report estimated that the number of low income District of Columbia families would continue to decrease after 1956, following the trend since 1950, the present calculation assumes no such decreases. Numbers of low income families and their needs and resources other than public assistance are now estimated to continue at 1956 levels. Public assistance expenditures are calculated to continue at March 1959 levels.

The deficiency in income of the 10,650 District of Columbia low income families with children based upon the above assumptions is at the rate of $5 million a year.

The deficiency of the 6,400 District of Columbia low income families with no child under 16 is calculated at $3 million a year.

The deficiency of the 18,000 unrelated persons with incomes under $1,000 a year is even more difficult to estimate, but it, too, must be at least $3 million a year.

The grand total of the above 3 groups includes 17,050 families plus 18,000 unrelated persons. Their needs as measured by PAD standards, total $53 million a year; their direct income, exclusive of PAD, is estimated at $29,400,000 a year; public assistance for all categories for March 1959 is at the rate of $12,600,000 a year; leaving an estimated gross deficiency of $11 million a year.

This $11 million, therefore, is the estimated additional cost of extending public assistance payments to all low-income families and individuals as above defined, living in the District of Columbia including unemployed employables, employed persons whose earnings are below their needs or the needs of their families, families whose parents refuse or neglect to support them and persons living in the District without reference to the length of their residence.

Because of special concern for the needs of hungry children, detailed estimates are attached for low-income families with children.

Estimate of number of District of Columbit low-income families with children and of the deficiency in their income:

	Number of families and children		
	Total	White	Nonwhite
District of Columbia families with children under 16 years of age are estimated to number:			
Families	94,000	42,000	52,000
Children	235,000	75,000	160,000
Of these families, the number with incomes at or below the PAD budget standard (low income) is estimated at:			
Families	10,650	850	9,800
Children	34,000	1,800	32,000
The number of them who received ADC checks in March 1959 was:			
Families	3,800	200	3,600
Children	13,200	600	12,600
During the course of a year, ADC will be given to different families to a total number of:			
Families	5,000	300	4,700
Children	17,400	900	16,500

ESTIMATE OF DEFICIENCY IN INCOME—ALL LOW INCOME FAMILIES WITH CHILDREN

To meet the PAD budget standard the 10,650 low income families are estimated to need $25,500,000 a year.

In money income other than public assistance they are estimated to be receiving $13,500,000 a year.

Leaving a deficiency of $12 million a year.

Toward this deficiency public assistance was paid in March 1959, at the rate of $7 million a year.

Leaving an unmet deficiency of $5 million a year.

ESTIMATE OF DEFICIENCY IN INCOME

To meet the PAD budget standard the 3,800 families with children receiving public assistance in March 1959 needed $7,850,000 a year; and the 6,850 other non-PAD low income District of Columbia families with children needed $17,650,000 a year.

In money income other than public assistance the PAD families received, at the rate of $850,000 a year; and the non-PAD families received such income at the rate of $12,650,000 a year.

Public assistance payments provided the balance needed by the 3,800 PAD recipients, at the rate of $7 million a year; while the remaining 6,850 non-PAD low income families with children experienced a deficiency of $5 million a year.

The deficiency calculated for the non-PAD families averages $59 a month, slightly more than one-third the average ADC grant. This results from the fact that almost two-thirds of the money requirement of these families is covered by cash income direct to the families.

The ADC family averages 1.08 adults and 3.47 children per family while the non-PAD family with children averages 2.73 adults and 3.03 children.

The total ADC family with an average of 4.55 persons, therefore, is smaller than the average low income non-ADC family of 5.76 persons. The major difference between the two groups is in the number of adults, who average slightly over one per ADC family and 2.73 adults per non-ADC low income family.

GOVERNMENT OF THE DISTRICT OF COLUMBIA,
DEPARTMENT OF PUBLIC WELFARE,
Washington, D.C., May 27, 1959.

HON. WAYNE MORSE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MORSE: The following information is respectfully submitted as requested.

According to the Department's records the number of children served by the aid to dependent children program between the ages of 6 and 12 is 5,186 as of December 1958. As of April 30, 1959 the estimated number between the ages of 6 and 12 is 5,754.

According to the best available information, the total number of children receiving surplus food between the ages of 6 and 12 is 10,500, as of April 30, 1959.

Very truly yours,

GERARD M. SHEA,
Director of Public Welfare.

Mr. PASTORE. Mr. President, I yield myself 5 minutes.

At the outset, let me say that the junior Senator from Rhode Island was very much impressed by the eloquence and logic of the distinguished Senator from Oregon in presenting his amendment on Tuesday.

There is no question in my mind that the number of 7,000 hungry schoolchildren might be exceeded by even a larger figure than we imagine at this moment.

In fairness to the Commissioners of the District of Columbia, it must be said that they are very conscious of this problem, and are very sincerely and conscientiously trying to do something about it.

We must begin with the premise that fundamentally the problem begins at home. I believe that the number of hungry schoolchildren may be larger than has been stated. There may be a large number of children who perhaps do not attend school. That is a sad reflection on the abundance of America. Whether a child be in school or out of school, we are arguing on the floor of the Senate from day to day as to what we should do with surpluses. Our warehouses are bulging with food surpluses, and yet there are hungry schoolchildren in our very midst, in addition to the millions of hungry people throughout the rest of the world.

I believe that the Commissioners of the District and every Member of the Senate, wish to do something about the problem. The question is not as to the philosophy which is involved, but as to the approach to be made. The point is that there are not adequate facilities in the elementary schools to provide a hot school lunch. There are no cafeterias. To undertake a hot school lunch program under those circumstances would be like inviting 100 people to one's home for dinner, and serving them at a bridge table and four chairs. It cannot be done.

That means that we must provide cold lunches. Cold lunches can be just as nourishing as hot lunches. I believe that that would be a good plan to invoke as a temporary one, with the idea of getting into the hot lunch program as we expand our facilities. There are many perplexing problems and ramifications involved. The Commissioners of the District of Columbia desire to make progress slowly but wisely.

In view of the arguments made here on Tuesday, I had a conference with all the responsible representatives of the District in my office this morning, together with Mr. Merrick, a member of the staff of the Appropriations Committee.

I was assured that if we could increase the figure from $133,000 to $266,000, as is contemplated by amendment D, the Commissioners feel that they could absorb this figure and do a rather adequate job in meeting the problem as of the moment. They have assured me that they do not intend to sit back and forget the problem once we have adopted this amendment. They intend to study the problem further. They wish to learn all they can about the various problems involved. They hope to come to the Congress in the early part of the next session—which might mean January, February, or March of next year—with an overall, complete plan for feeding hungry school children in the elementary schools of the District of Columbia in time to have the appropriation included in a supplemental bill, and discussed at that time.

In view of that assertion, and that guarantee, and in view of the consciousness at the moment on the part of the Senate and on the part of the District Commissioners, as to the problem of feeding hungry children in the elementary schools of the District of Columbia, I think we have achieved a fine step forward.

If the distinguished Senator from Oregon [Mr. MORSE] agrees with me, I believe we can take his amendment "D" to conference with the hope that the House will go along with us. If so, we shall be on the way toward an overall, complete program for feeding hungry school children in the District of Columbia.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. CLARK. I commend the Senator from Rhode Island for his very humanitarian position on this question. Personally, I hope that some such compromise as he has suggested can be arrived at. However, I think we should make it very clear for the RECORD that there are at least 7,000 hungry school children, many of them within a stone's throw of the Capitol of the richest country in the world. That is a national disgrace. It is a disgrace which the Senate should not tolerate for a moment. It is a disgrace which the other body should not tolerate. Every feasible means, within appropriate administrative procedures, should be taken to cure this injustice at the earliest possible moment.

I am happy to hear my friend from Rhode Island say that he is willing to take amendment "D" to conference. I hope he will press that amendment in conference with all the eloquence of which he is so capable.

I hope we shall insist that the District Commissioners come forward in the early days of the next session with a plan to feed not only the additional children, which amendment D would cover, but a definite and final plan for feeding all the hungry children in the District. I hope that appropriations will be asked for in a supplemental bill to carry such recommendations into effect.

Mr. PASTORE. I agree unequivocally with everything the distinguished Senator from Pennsylvania has just said. Not only in the District of Columbia, but anywhere in the United States, it is a shameful situation to find one person going hungry in this land of abundance. I think we must recognize that.

However, in all fairness to the Commissioners it must be said that they have been working on the plan for the past 2 years. They have resurveyed the entire public assistance program.

One remarkable fact was brought to the attention of the committee. It has been found, in many cases in which families have been receiving an adequate amount, that children were being inadequately nourished because the family was not capable of handling the money wisely. So it is not merely a question of feeding children who are hungry through no fault of the parents. There have been instances of parents having been incapable of using money wisely, under the public assistance program, to feed their children. They have received adequate amounts, but have not adequately nourished the children.

Mr. CLARK. That is all the more reason for giving them a hot lunch.

Mr. PASTORE. Yes. That is an argument in favor of this amendment. The mere fact that parents neglect their responsibilities does not necessarily mean that the children should go hungry.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. DOUGLAS. What is so complicated about feeding children as to require 2 years of study? The Commissioners talk as though this were a superhuman problem requiring many years of work to solve. They have been working at it for 2 years, and it seems to be more than they can handle.

Even though the elementary schools are not equipped with kitchens, they could use glorified hotplates on which soup could be heated. The children could be served hot soup and bread. As the Senator from Rhode Island has said, if that is not possible, they could be given sandwiches. People on relief could be put to work making sandwiches for them.

The idea that we must go through long periods of preliminary study in order to solve great technical difficulties connected with feeding children leaves me cold. While I congratulate the Senator from Rhode Island for what he has done, I think we should push the Commissioners still further. If they are in doubt about the money—which I think is the main sticking point—let us cancel the appropriation for building bridges and tearing the Glover-Archbold Park to pieces, and transfer the money to the feeding of children.

Mr. PASTORE. Let me say to the Senator from Illinois that we can have both. I do not believe that we are compelled to make a choice in order to feed the children. It is a primary, fundamental responsibility which we must meet head on. We do not have to short cut here or there in order to discharge our primary responsibility.

I go along with the distinguished Senator from Illinois when he says that there is no reason why the program should be delayed. So far as the junior Senator from Rhode Island is concerned, he is going to see to it that it is carried out. He believes that many friends will join him in that effort.

I hope this argument will not be used to eliminate the roadway in Glover Park.

Mr. DOUGLAS. The roadway will mean the destruction of trees and places of recreation. There will be no food for children, but the money will be appropriated to destroy beauty. The proponents of such a plan are in effect adopting the worst of all possible worlds.

Mr. PASTORE. Let me say to the Senator from Illinois that they are not food-bearing trees.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. COOPER. Not being a member of the Committee on the District of Columbia, I am not conversant with all the details of the pending bill. I am sympathetic to what the Senator from Oregon and the Senator from Rhode Island and other Senators contemplate. I wish to support their judgment. If I may, I should like to make this comment: I hope the debate in the Senate over the free lunch program in the District of Columbia may lead to a larger study of the free lunch program throughout the United States.

The PRESIDING OFFICER. The time of the Senator from Rhode Island has expired.

Mr. PASTORE. How much time do I have remaining?

The PRESIDING OFFICER. Five minutes.

Mr. PASTORE. I yield myself 1 additional minute.

Mr. COOPER. I merely wish to add that in my own State I have gone into the coal-mining section and have found there that the free lunch program is not meeting the needs of the people and of the hungry children. I know that is also true in other sections of the country. At the beginning of the year I pointed out that fact in several speeches on the floor of the Senate, as did the distinguished Senator from Illinois. I urge the absolute necessity of our taking some action. We have not been able to get any action and I, therefore, hope that the debate will lead to a study of the free lunch program in the United States, so that it may adequately serve the children of the country.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. NEUBERGER. I have studied the very helpful table on the school lunch program in the Nation, which was placed in the RECORD by the distinguished senior Senator from Oregon [Mr. MORSE]. I note that in the State of Oregon only 3.2 percent of the school lunches served during 1957–58 were dispensed free or at a reduced price. Under the amendment which is pending before the Senate, what percentage of the lunches in the District of Columbia would be served free or at a reduced price?

Mr. PASTORE. Under the amendment I would assume that it would all be free.

Mr. MORSE. The Senator from Rhode Island is correct.

Mr. PASTORE. I assume the program will be extended gratis to the children who are hungry and do not have the money with which to pay for the food.

Mr. NEUBERGER. What percentage of the total meals would be served free?

Mr. PASTORE. I should say, first, that there is no such thing as a free lunch program in the elementary schools of the District of Columbia. Such a program does exist in the secondary schools throughout the country, including the District of Columbia, and under that program a part of the meal is served free and a part paid for at a nominal price. I believe it is about 35 cents.

Mr. MORSE. I should like to say to my colleague that under my "C" amendment the program would extend to only 7,000 boys and girls as a minimum who cannot buy a lunch. They are the needy, underprivileged children, at least 7,000 of them. The amendment covers 7,000 pupils. The other pupils would not get any lunch at all.

Mr. NEUBERGER. What I am trying to get at—and I appreciate the information supplied by the senior Senator from Oregon—is whether the pending proposal, if adopted, would establish in the District of Columbia a program for needy children which would not be available elsewhere in the Nation?

Mr. PASTORE. It might very well do that. I do not know of a comparable program anywhere else. I know that throughout the country there is a combination of both programs. A child either pays for it or, if he cannot afford it, gets it free. That is the problem which is actually concerning the District Commissioners no end: How are they to determine whether or not a given case is a worthy one?

Mr. NEUBERGER. I believe that the District of Columbia should have the same program which is used elsewhere in the Nation. One of the things which has disturbed me ever since I came to the Senate has been the fact that the District of Columbia is one of the most lightly taxed communities under the American flag. I have in mind that the people in the District of Columbia have a very low income tax and very low property taxes, whereas in my own State we have one of the highest personal income taxes of any State in the Nation, and relatively high property taxes.

Mr. PASTORE. Does Oregon have a sales tax?

Mr. NEUBERGER. We have no sales tax.

Mr. PASTORE. That is the point.

Mr. NEUBERGER. The total tax burden in the District of Columbia is light, compared with the tax burden on other sections of the country.

Mr. PASTORE. I do not wish to become the Devil's advocate in this matter. However, I have heard that assertion made on several occasions. There may be a slight differential, but I hope the Senator will not entertain the idea that the residents of the District of Columbia are not paying a proportionate share of the taxes. The tax has not yet been invented which is not imposed in the District of Columbia. The District has an income tax, a real estate tax, a personal property tax, a sales tax—it has all of them. It is true that throughout the country there has been a trend toward increasing taxes. That will reach the District of Columbia next year, I am sure.

While the tax rate in the District may be low, the assessed values are high; whereas in other parts of the country the opposite situation may obtain.

The PRESIDING OFFICER. The Senator from Rhode Island has 1 minute remaining.

Mr. PASTORE. I merely wish to say to the junior Senator from Oregon that what he has referred to is not the real trouble. The trouble in the District is that there are many families who, by the nature of things, are incapable of wisely spending the money they receive under the public assistance program, and their children are going hungry. That is no fault of the District.

Mr. NEUBERGER. Nor is it the fault of the children.

Mr. PASTORE. Then there is the other situation. There is not enough money to give to the children with which to buy school lunches.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. MANSFIELD. In the District we have one of the finest police forces in the country, under the able leadership of Chief Murray.

The PRESIDING OFFICER. The time of the Senator from Rhode Island has expired.

Mr. JOHNSON of Texas. Mr. President, I yield 5 minutes on the bill to the Senator from Rhode Island.

Mr. MANSFIELD. Could the Senator from Rhode Island inform the Members of the Senate how the District of Columbia police force has fared in appropriations and how it stands in the matter of personnel?

Mr. PASTORE. Not that I disagree, but in Congress the Police Department is the fair-haired child of the District. They have received every nickel they asked for.

Mr. MANSFIELD. What is the situation with respect to its personnel?

Mr. PASTORE. It is almost up to the full strength of 2,500.

Mr. MANSFIELD. I thank the Senator.

Mr. MORSE. Mr. President, will the Senator yield now for my statement?

Mr. PASTORE. I yield.

Mr. MORSE. I again wish to say that I deeply appreciate the cooperation I have received from my friend the Senator from Rhode Island [Mr. PASTORE] in trying to work out a program which will advance the cause of supplying lunches to the hungry boys and girls who do not get enough to eat.

I may disagree as to whether the Commissioners have proceeded as rapidly as they should have proceeded. I frankly believe they have not proceeded as rapidly as they should have, because they have had most of the information dealing with hungry children, before them for more than 2 years. Certainly they had that which was brought out in my hearings of more than a year ago. There is still a very serious question as to whether we ought to go to the

expense of establishing hot lunch facilities in some of the older school buildings. Dietitians have testified that, from a dietary and nutritional standpoint a cold lunch is just as good as a hot lunch. It is probably a little more appetizing to serve a bowl of hot soup, although some youngsters probably would prefer a sandwich to a bowl of soup; but that is a matter, it seems to me, for administration by the school authorities.

The RECORD shows that the school authorities have been for some time ready to go on with the program. I should like to say to the Senator from Illinois [Mr. DOUGLAS] that they are the ones who will administer the program, not the Commissioners. The actual handling of the food will be done by the school authorities, and they are behind our recommendations to start now with the 7,000 children.

Now I come to the proposal which might be called a compromise, although I do not call it a compromise, I call it a constructive suggestion for a constructive program.

It will mean that I shall withdraw my amendment "C" and bring up, in its place, my amendment "D", which calls for an addition of $133,000 to the Federal payment to provide a total of $266,000, for a lunch program which will start out with 2,000 children. The Senator from Rhode Island agrees to take that amendment to conference. We all know of his tenacity, and we all know of his power of persistence. We also know that when he says he will fight for it in conference, it means that we will have a very able advocate in conference. He has told me that he will do his best to try to get amendment "D" accepted in conference.

I might also say that the acceptance of the proposal by the Senator from Rhode Island will remove any question as to whether we would put this program into operation at the expense of teacher positions. We certainly do not have enough teachers in the District to do the job that needs to be done. However, that is another program, and we will cross that bridge later.

Therefore I shall ask permission to withdraw amendment "C" and substitute therefor amendment "D".

With that I have a little message for the District of Columbia Commissioners. I want the record to show that, come January, I will reopen the school lunch hearings by my subcommittee, and I shall invite the District Commissioners to come before the subcommittee and tell us in January of 1960 what they have done from May, 1959, to January, 1960, to perfect plans for going ahead with a school lunch program which will feed all the needy children who the testimony shows need these lunches, and what they have planned to do in order to offer figures for the supplemental appropriation bill.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JOHNSON of Texas. I yield one more minute to the Senator from Oregon.

Mr. MORSE. I shall ask them what they have done to plan properly for a supplemental appropriation request, so that, come 1960, we can get all these youngsters fed.

I think that is progress. I am glad to join with the Senator from Rhode Island as a coarchitect of that program. I have checked also with the Senator from Michigan and the Senator from Pennsylvania. They agree. I have not had a chance to have a personal conversation with the Senator from Illinois. I agree with him that we ought to move ahead now. But I also agree that this so-called compromise represents great progress, and I will be with him in January urging the full amount.

Mr. JOHNSON of Texas. Mr. President, I yield myself as much time as I may desire.

I commend the Senator from Rhode Island [Mr. PASTORE], chairman of the Subcommittee on District of Columbia Appropriations, and the senior Senator from Oregon [Mr. MORSE] for the reason which they have displayed in coming to an agreement on this matter. Even had the amendment been agreed to, I do not think much faster progress could have been made than will be made under the understanding which has been reached.

I am not a coarchitect of the proposal, but I have listened to what has been said by both sides and have worked with both groups. I think this is a very worthy cause. I am deeply interested in it. I think a wise decision has been made. I am hopeful that under the leadership of the chairman of the Subcommittee on District of Columbia Appropriations and the distinguished senior Senator from Oregon, who serves on the Committee on the District of Columbia, the District Commissioners will see the handwriting on the wall and will do whatever may be necessary to get this job done.

Congress has indicated clearly that it wants some action taken. I think the step we are taking today represents substantial action beyond what would have been taken had not the matter been brought to the attention of the Senate and fully debated.

The last bill which in all probability will be handled this year, as has been the case in past years, will be the supplemental appropriation bill. There is no reason I can foresee why, if no action is taken or no facts are gathered, and no compromise or basis for setting forth a proper program is agreed upon, the Senate would be foreclosed in taking action on this matter in the supplemental appropriation bill which will be considered before we conclude our deliberations at this session.

Mr. MORSE. Mr. President, my decision to join with the Senator from Rhode Island on amendment D was based, in part, on the sagacious advice I received from the majority leader. I am delighted to have in the RECORD what the majority leader has just said, because that also is clear notice, it seems to me, to the Commissioners of the District of Columbia that a leader so powerful legislativewise, and otherwise, too, as the senior Senator from Texas supports the principle of the program for which the Senator from Rhode Island, the Senator from Oregon, the Senator from Pennsylvania, the Senator from Illinois, and the Senator from Michigan have been standing in this debate. I thank the Senator from Texas.

Mr. President, I now ask unanimous consent to withdraw my amendment C, and I call up my amendment D.

Mr. GORE. Mr. President——

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Unanimous consent is not required; the Senator has a right to withdraw his amendment.

Mr. GORE. Mr. President, the Senator from Tennessee was seeking to offer an amendment to the amendment before it was withdrawn.

The PRESIDING OFFICER. The Senator from Oregon requested that his amendment C be withdrawn. He has a right to do that. No yea-and-nay vote has been ordered on the amendment.

Mr. JOHNSON of Texas. Mr. President, perhaps the Senator from Oregon will withhold his request.

Mr. MORSE. I withhold my request.

The PRESIDING OFFICER. Does the majority leader yield time to the Senator from Tennessee?

Mr. JOHNSON of Texas. I have not been requested to yield time.

Mr. GORE. I have not requested time. I am offering an amendment, which will entitle me to time.

The PRESIDING OFFICER. The amendment has not come to the desk.

Mr. GORE. I move to strike out the first sentence of the amendment offered by the Senator from Oregon.

The PRESIDING OFFICER. The Chair is informed that that is a pro forma amendment. Under the procedure of the Senate, such an amendment is not in order.

Mr. JOHNSON of Texas. Mr. President, I will yield time to the Senator, unless he is averse to receiving time. I will yield the Senator from Tennessee as much time as he may desire.

Mr. GORE. I thank the Senator. Then, I use the time, first, to propound a parliamentary inquiry: What part of the unanimous-consent agreement prohibits amendments to an amendment?

The PRESIDING OFFICER. That is not a matter of the unanimous-consent agreement; it is a matter of the precedents of the Senate, which make pro forma amendments not in order. A substantial amendment would be in order.

Mr. GORE. Will the Chair cite the precedents?

The PRESIDING OFFICER. On page 41 of "Senate Procedure," under "Pro Forma Amendment," the Chair informs the Senator from Tennessee, the following paragraph appears:

> A motion to strike out the words "and before the expression," was offered on December 13, 1937, and rejected, but the Chair following the rejection of one such amendment, while operating under a unanimous-consent agreement, stated that the offering of such amendments was a violation of the spirit of the unanimous-consent agreement limiting debate even if within the letter of the agreement.

A series of precedents is then listed.

Mr. GORE. Mr. President, I move to strike out the figure in the last sen-

tence of the amendment of the Senator from Oregon.

The PRESIDING OFFICER. Upon the advice of the Parliamentarian, the Chair holds that that amendment is not in order.

Mr. GORE. Will the Chair state the reasons therefor?

The PRESIDING OFFICER. If the last figure were stricken out, the amount would be left blank.

Mr. GORE. I move to strike out the last figure in the amendment, which I believe is "$27 million," and substitute therefor "$60 million."

The PRESIDING OFFICER. The amendment will be stated.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Tennessee yield to me for 1 minute?

Mr. GORE. I yield.

ONE HUNDRED FIFTIETH ANNIVERSARY OF MIAMI UNIVERSITY, OXFORD, OHIO

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Chair lay before the Senate House Concurrent Resolution 185; that the Senate temporarily displace the bill now under consideration with the concurrent resolution; and that as soon as the concurrent resolution has been acted on, the Senate return to the consideration of the District of Columbia appropriation bill and the amendment offered by the Senator from Tennessee. I further ask unanimous consent that the Senator from Ohio [Mr. LAUSCHE] be permitted to make a brief statement concerning the concurrent resolution. I had promised him that it would be taken up shortly.

The PRESIDING OFFICER. Is there objection to the unanimous consent requests of the Senator from Texas? The Chair hears none; and lays before the Senate House Concurrent Resolution 185.

There being no objection, the Senate proceeded to consider the concurrent resolution, which was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Congress hereby extends its felicitations and best wishes to Miami University, Oxford, Ohio, on the occasion of the one hundred and fiftieth anniversary of such university.

The PRESIDING OFFICER. Under the agreement, the Senator from Ohio is recognized to speak on the resolution.

Mr. LAUSCHE. Mr. President, on June 6, 1959, Miami University, which is located in southwestern Ohio, about 25 or 35 miles north of Cincinnati, will celebrate its 150th anniversary. This university was the second land-grant college to be established west of the Appalachian Mountains, in the Northwest Territory. The first school so established was Ohio University.

Throughout its long history, Miami University has become world renowned. From its halls have come distinguished persons who have contributed materially to the professions, to research, and to industrial progress and growth.

House Concurrent Resolution 185, which extends the felicitations of Congress to Miami University, has already been adopted by the House. Therefore, I ask that the Senate approve the resolution, so that felicitations can be sent to this venerable institution in due time before June 6.

Mr. President, I move the adoption of House Concurrent Resolution 185.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (H. Con Res. 185) was agreed to.

DISTRICT OF COLUMBIA APPROPRIATION ACT, 1960

The Senate resumed the consideration of the bill (H.R. 5676) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1960, and for other purposes.

The PRESIDING OFFICER. The Chair wishes to inform the Senator from Tennessee that in order for his amendment to be in order, it must be within the limit of $32 million, which is the amount of the budget estimate. The Senator's amendment of $60 million is in excess of both the committee amendment and the budget estimate.

Mr. GORE. Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. The amendment of the Senator from Tennessee is withdrawn.

Mr. GORE. Mr. President, I now submit the following amendment: In line 4 of the amendment of the Senator from Oregon, strike out the figure "$27,000,000," and insert in lieu thereof "$29,000,000."

The PRESIDING OFFICER. The amendment is in order; and the Senator from Tennessee is recognized. Under the agreement, 15 minutes are available to him. How much of that time does he desire to use?

Mr. GORE. Mr. President, I wish to use such time as I may desire.

The PRESIDING OFFICER. The Senator from Tennessee may proceed.

ECONOMIC AND MONETARY POLICY

Mr. GORE. First, Mr. President, I wish to thank the distinguished majority leader for offering to yield time to me. However, I did not wish to have time yielded to me; I wished to obtain time for debate in my own right, as a Member of the Senate.

Mr. President, there is a way for Senators to obtain time in which to speak. I do not agree with all the rulings which the Chair, upon the advice of the Parliamentarian, has made. Nevertheless, in yielding to them temporarily, I now have submitted an amendment, for the purpose of receiving recognition on the floor of the Senate, in order to address the Senate on a matter which I regard as important.

The Senate has gone rather far with unanimous-consent restrictions on the time available for debate. But, Mr. President, even as far as the Senate has gone, a Senator who has had 20 years of parliamentary experience should be able to find time in which to address the Senate. If I cannot find time to address the Senate, then I shall find it necessary to object to such restrictions on time.

Mr. President, on March 18, I addressed the Senate on the general subject of economic and monetary policy. At that time, I expressed my conviction that in the field of money and credit it is both proper and necessary for the Government to take positive action to protect and support the integrity of its own obligations, to protect the interest of all citizens, to promote the necessary growth of the national economy, to provide full employment, and to guard our national economy from those who would wrongfully exploit our difficult situation.

On March 18, I further indicated an intention to discuss, from time to time, specific phases of the overall problem.

One of the major facets of the overall problem is that of financing our large public debt. As interest rates are pushed higher and higher under the impetus of the administration's tight money policy, this problem becomes more acute day by day, week by week, month by month.

Already we have reached the point where the Treasury must depend almost entirely upon short-term borrowings. Rates of interest on Government issues of less than 1 year are more than twice what they were a year ago.

It is generally agreed, I believe, that it is almost impossible for the Treasury to sell bonds with reasonable terms of maturity at any rate of interest. Mr. President, it is doubtful that long-term bonds can now be successfully marketed at par within the statutory interest rate ceiling of 4¼ percent. Incidently, Mr. President, this predicament is one which I predicted would develop unless current policies were altered. It is a predicament which any reasonable man should have been able to forecast. It is a predicament which governmental officials could clearly foresee. Therefore, since they have done nothing to prevent its development, I must conclude that it was intended.

On Tuesday of this week, the Federal National Mortgage Association announced the public offering of a $150 million issue of 9 months debentures bearing an interest rate of 4½ percent. Part of the proceeds of this issue is to be used to redeem $100 million of debentures issued for a comparable period last August, at a rate of 2 percent. This reflects an increase in interest rates of 125 percent within the past 10 months.

This action by the FNMA, Mr. President, points up the dilemma in which the Treasury finds itself. These debentures are backed by mortgages on American homes—mortgages which are insured or guaranteed by the U.S. Government. From the standpoint of safety and of liquidity, there is little to choose between FNMA debentures and Treasury obligations.

If the FNMA offers obligations maturing in less than 1 year, at a 4½-percent rate, what hope can the Treasury have, then, to sell its own obligations at a lesser interest rate? Indeed, Mr. President, we may be witnessing the spectacle of various governmental agencies competing for available credit and playing leapfrog with each other up the

interest-rate ladder. This, too, is an inevitable consequence, and was an inevitable consequence, of current Government policies.

The issue of FNMA debentures at 4½ percent interest becomes even more interesting in light of the administration's proposal to exchange mortgages held by the FNMA for privately held Government bonds.

When the President submitted his budget for the fiscal year 1960, the claim that it was balanced rested upon, among other things, a proposal to exchange $335 million in mortgages now held by the FNMA for outstanding issues of Government bonds. According to an article published in the New York Times on Tuesday, it appears that the bond issue for which the mortgages are to be traded may be the 2¾-percent nonnegotiable issue. The article in question suggests that the FNMA's entire portfolio of 4-percent mortgages, amounting to more than $2 billion, may be traded for the 2¾-percent bonds.

I am informed by officials of the FNMA that no final decision on the proposed trade has yet been made. I am glad that a final decision has not yet been made, for should such a trade actually be consummated in the manner I have outlined, and as outlined in the article in the New York Times, the American taxpayers would be the victims of a most unusual financial transaction.

FNMA, an agency created by the Government and partially owned by the Government, will be paying 4½ percent on its own short-term obligations. Meanwhile it will be exchanging Government-insured or Government-guaranteed home mortgages on which it is earning 4 percent for nonnegotiable Government bonds bearing a 2¾-percent interest rate.

Mr. President, there may be a stranger way than this to retire outstanding Government bonds so as to avoid pressure on the debt ceiling and to show a fictitious budget balance, but it would be difficult to devise one which would be more costly.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. DOUGLAS. I wanted to make certain I heard the Senator aright. Is it true that it is being proposed to use a portion of these funds to retire bonds which have not yet come due, and which bear an interest rate of 2¾ percent, and replace them with bonds that draw a 4½-percent interest rate?

Mr. GORE. As the distinguished Senator from Illinois knows, this financial transaction was proposed in the budget submitted by the President. The budget did not spell out the exact issue for which home mortgages held by FNMA would be exchanged. The bond issue now under consideration, and I am happy to say no final decision has yet been made on it, though such a decision is implied in the financial pages of newspapers, is the issue to which the Senator from Illinois has referred—Government bonds bearing a 2¾-percent interest rate.

Mr. DOUGLAS. Coming due at what time?

Mr. GORE. 1980.

Mr. DOUGLAS. In other words, when there is no immediate obligation to pay and when the interest rate on these bonds is only 2¾ percent, it is being proposed to call them in and substitute, instead, bonds bearing 4½ percent interest?

Mr. GORE. Mortgages. I understand it is not proposed to call them in. They do not mature until 1980. However, it is proposed that FNMA exchange, home mortgages on which it is receiving 4 percent, and taken, in turn, Government bonds which do not mature until 1980, on which the present holders draw only 2¾ percent, and on which FNMA will draw only 2¾ percent.

I should like to point out one other advantage to the investment bankers in this proposed deal. The average life of the mortgages to be exchanged will run from 8 to 9 years, but a still additional advantage is the fact that the mortgages are repaid by payments made month by month, and funds derived from these payments can be used for other high interest rate transactions.

Mr. DOUGLAS. Will the net result of this transaction be that the Government will pay a larger total amount in interest?

Mr. GORE. I think that will be one of the net results. Another net result will be that the present holders of the 2¾ percent bonds, which will mature in 1980, will receive, in exchange Government-insured or Government-guaranteed mortgages bearing 4 percent, with an earlier maturity. Is not that a costly deal for the Government?

Mr. DOUGLAS. It seems to me to be very costly to the Government. It raises a question as to why it was done.

I suppose one possible reason why the administration is doing it is to circumvent the debt limit, and instead of coming to Congress honestly and asking for an increase in the debt limit, it is trying to exchange Government obligations for obligations of a nongovernmental or quasi-governmental body. But the net result, as the Senator has said, is to increase the debt charge upon the Government and result in a windfall, in terms of income, for the holders of the Government securities.

Mr. GORE. I believe that is true; and I repeat, it might be possible to imagine a stranger sort of arrangement, but it would be equally difficult to imagine one more costly to the Government or more beneficial to the present holders of the bonds for which the mortgages would be exchanged.

Mr. DOUGLAS. Does the Senator think there is anything the legislative branch can do about it?

Mr. GORE. I believe so, and I think it should, and I will indicate a little later what my views in that regard are.

Mr. PROXMIRE. Mr. President, I realize the Senator is under a limitation of time, but I should like to ask him a brief question.

Mr. GORE. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. I am shocked by this striking example of a giveaway. This is an exchange at par. In other words, Government obligations which would mature in a future year, 1985, 1990, or later, would be exchanged for 4-percent obligations at par. Is that correct?

Mr. GORE. That is my understanding, but the deal has not been consummated. The Senator will understand that the bonds in question are not negotiable or not marketable, and, therefore, I think par would be the only basis on which an exchange could be made.

Mr. PROXMIRE. I understand that. Nevertheless, the fact is that the holders are getting shorter maturities, higher interest rates, and are therefore achieving a very substantial advantage in holding those obligations rather than the original obligations.

The PRESIDING OFFICER (Mr. HART in the chair). Will the Senator from Tennessee yield so the Senate may receive a message from the President of the United States?

Mr. GORE. Not just now. When I complete this paragraph I will.

The issue raises a serious question. That question presents itself to the Senate, and I expect to suggest courses of action.

The PRESIDING OFFICER. The time of the Senator from Tennessee has expired.

Mr. GORE. Mr. President, I withdraw the amendment, and send an additional amendment to the desk for the clerk to state.

The PRESIDING OFFICER. Will the Senator yield so that the Senate may receive a message from the President of the United States?

Mr. GORE. Yes; I yield.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on May 26, 1959, the President had approved and signed the act (S. 902) to provide for the receipt and disbursement of funds, and for continuation of accounts when there is a vacancy in the office of the disbursing officer for the Government Printing Office, and for other purposes.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDING OFFICER laid before the Senate a message from the President of the United States submitting the nomination of John Howard Morrow, of North Carolina, to be Ambassador Extraordinary and Plenipotentiary to the Republic of Guinea, which was referred to the Committee on Foreign Relations.

DISTRICT OF COLUMBIA APPROPRIATION ACT, 1960

The Senate resumed the consideration of the bill (H.R. 5676) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the rev-

enues of said District for the fiscal year ending June 30, 1960, and for other purposes.

The PRESIDING OFFICER. The amendment offered by the Senator from Tennessee will be stated.

The LEGISLATIVE CLERK. On page 2, line 1, it is proposed to strike out "$27 million" and insert in lieu thereof "$28 million."

The PRESIDING OFFICER. The Senator from Tennessee.

ECONOMIC AND MONETARY POLICY

Mr. GORE. Mr. President among other things which I should like to suggest that the Senate can do, and ought to do, is that the Banking and Currency Committee, on which the senior Senator from Illinois and the senior Senator from Pennsylvania and the junior Senator from Wisconsin serve, ask FNMA and the Government to hold up a consummation of this deal until the committee can inquire into it.

Mr. DOUGLAS. If the Senator will yield further, I may say I think that would be a good procedure.

If the Banking and Currency Committee does not choose to do it, the Senator from Illinois, acting as chairman of the Joint Economic Committee, will give the Senator from Tennessee time at a public hearing to explain the situation, so we may get the white light of publicity beating upon the action of FNMA.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. CLARK. I am certainly in accord with the suggestion of the Senator from Illinois. I understand the House Committee on Banking and Currency, under the able sponsorship of Representative RAINS, of Alabama, will take a look at this matter. We should coordinate our efforts with the efforts of the House. I certainly agree we should look into the matter.

Mr. GORE. Does the Senator from Wisconsin agree with that course of action?

Mr. PROXMIRE. I agree wholeheartedly.

Mr. GORE. I thank the Senator.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. JOHNSON of Texas. To what course of action does the Senator refer? Is it a reference to the Banking and Currency Committee first, and the Joint Committee second?

Mr. GORE. I ask that this proposed transaction not be consummated until the Senate Committee on Banking and Currency can make appropriate inquiry into its propriety and effect.

Mr. JOHNSON of Texas. Has the Senator talked to the chairman of the Committee on Banking and Currency about this matter?

Mr. GORE. I have not. I regret that the chairman of the committee is not present on the floor. I addressed my remarks and suggestions to the three members of the committee whose presence I did note on the floor, since they are members of the committee.

Mr. JOHNSON of Texas. Mr. President, I think the Senator from Tennessee should talk to the chairman of the Committee on Banking and Currency. I assure the Senator I shall be glad to cooperate with him and to talk to him also, and to ask for an immediate hearing.

I have on several occasions talked to the Senator from Tennessee about his interest in this general field and the fiscal policies which the Government is pursuing. I have urged, both before the passage of the resolution appropriating $200,000 for the Joint Committee headed by the distinguished Senator from Illinois, and afterward, that they make a thorough study of this whole general area. I want to express the hope now that the Senator from Illinois will ask the Senator from Tennessee to comply with the recommendations I have made to both of them, to have the Senator from Tennessee appear as a witness before the committee and have him not only give his views but also make specific recommendations to the committee, to the Senate, and to the country as to what action can and should be taken, in his opinion, to protect the public interest.

Mr. GORE. I thank the able majority leader, for his consideration of this problem and for his suggestion.

On a few occasions I have appeared before committees of the Senate. In the absence of unusual circumstances, however, I prefer to appear on the floor of the U.S. Senate and to be subject to debate and questions on any proposal I may voice. It may be that in the case the Joint Committee headed by the able and distinguished senior Senator from Illinois would be an appropriate place to voice my concern. However, I shall continue during the course of this session to voice my concern from the floor of the U.S. Senate. I think I have an obligation to use this forum and any other forum I can to alert the country, and the Congress, to a situation which I could almost describe as catastrophic.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. GORE. I will yield in a moment.

As I have shown, interest rates on short-term obligations of FNMA have increased 125 percent in 10 months. If no action is taken by the Congress the going rate on short-term Government obligations may be at or near 6 percent before this administration retires in the course of time. This is a tragic cost not only for the National Government, but for State governments, county governments and municipal governments. It is bringing a very burdensome increase in costs to private borrowers.

Within the last week New York banks increased the prime rate from 4 to 4½ percent, and that fixes the pattern for commercial rates for the country. I think what is being done to the economy of the country is very damaging.

I appreciate the suggestion of the Senator that I use an additional forum.

I now yield to the Senator from Texas.

Mr. JOHNSON of Texas. Mr. President, I would be the last Member of this body to attempt to deter the Senator from Tennessee from doing his duty. If the Senator believes it to be his duty to speak out before the Senate from time to time in speeches on this subject, I am prepared to quite agree with the Senator that it comes within the scope of his duty. I merely wish to suggest now what I have suggested many times before. The Senator has an additional duty not only to talk about what should be done but to do something about the matter.

Generally speaking, as I have observed and as I believe my friend from Tennessee has observed, there are few substantial actions taken by the Congress which have not had the consideration and the recommendations of committees, because we operate under the committee system. I understood the Senator was suggesting that the committee take action and that it ask that no action be taken by the Executive until the committee could take action.

Mr. GORE. In this specific case.

Mr. JOHNSON. In this specific case. Therefore, I simply want to point out that though it is none of my business to suggest to the Senator what his duty may be, I think it is the duty of the Senate to act through its committee system.

The Senator is an authority in this field. If one committee is not disposed to take prompt action, or because of prior scheduling cannot take prompt action, another committee I know of has jurisdiction, because when we wrote the resolution we specifically provided for that jurisdiction, after conferences with members of the Committee on Banking and Currency, who feel with regard to this subject very much the same as the Senator from Tennessee feels.

I have asked the chairman of the committee, the Senator from Illinois, if he would not give a hearing and if he would not bring the matter out, to allow the Senator from Tennessee to make recommendations to that committee, to perform one of the functions for which the committee was created, which is the hearing of testimony and the making of recommendations to the Senate.

I can assure the Senator that if any committee will make recommendations in this general area in the form of proposed legislation, so far as I humbly can I will see that that proposed legislation is brought to the immediate attention of the Senate and that the Senate has an opportunity to act on it.

Mr. GORE. Mr. President, I am very grateful for the statement and the interest of the senior Senator from Texas. I must decline to accept his description of me as an authority in this field. I am not. I am only a concerned Senator.

Only this morning at 10 o'clock officials from a municipality in Tennessee conferred with me and with the senior Senator from Tennessee and the Representative who serves them directly. These officials told us they had been unable to sell bonds, and that raw sewage was emerging from the ground in the vicinity of schools. They could not borrow money, even though they were offering 5½ percent interest.

This Congress has not yet passed a community facilities bill.

I will say to the majority leader, this question cannot be completely resolved by referring it to a study committee

without legislative authority. This is a problem which is within the jurisdiction of several committees. If I may make a suggestion to the Senator, this is one area in which we should have an overall unified party policy which would give to the committees a yardstick to guide them. Without having such a yardstick, the committee brought in one of the first bills to pass the Senate, which was a bill to raise the interest rate on GI home loan mortgages. Thus we go, piecemeal, one agency leapfrogging the other, as the interest rate is pushed higher and higher. Construction of schools is being deferred. Construction of sewerage systems and water systems is being deferred. These improvements will become impossible, as the cost of borrowing goes up and up.

I am fully aware of the jurisdiction of the committee headed by the senior Senator from Illinois, and of the investigation underway by that committee. But an investigation will not satisfy the needs unless the Congress takes action. Unless our party has a policy on this question, I believe that this session will adjourn without adequate action having been taken.

Mr. JOHNSON of Texas. I know it will adjourn if we proceed to talk and talk and talk, and refuse to do anything else.

The Senator from Texas is prepared to act. The Senate acted earlier in the year. Senators have expressed individual opinions. I know of no peculiar power which anyone has to force a party policy. The Senator from Texas does not agree with certain other Senators in this respect.

The Democratic Party and the Republican Party have their own individual views. I do not know what mechanism can be used to bring about unanimity. I do know that under the committee system an agent has been selected to go into the entire field. The chairman and majority members of that committee and the minority members of that committee have been directed by the Congress to hear the case, to sit as a jury, and to make recommendations to the Senate.

I do not know how the committee is to make its recommendations unless those interested present their viewpoints. I understood that the Senator desired to do so before the Committee on Banking and Currency. I would be glad to have the Committee on Banking and Currency hold the hearing. I am trying, as best I can, to agree with the Senator from Tennessee, if he will allow me. On the other hand, all he has to do is to look at the rollcall, and he will see how much party policy is made. When the roll was called, the majority of Democrats did not feel as the Senator from Tennessee felt.

Mr. GORE. Mr. President, the remarks of the majority leader require reference in at least three instances.

I may have improperly inferred from his remarks that he thought the junior Senator from Tennessee was engaging in talk when action was required.

Mr. JOHNSON of Texas. No; such an inference was not proper.

I was saying that I welcome all the conversation we can have on this subject. We have had a good deal of it this session. I think it is in the interest of the Nation. It is in the public interest. I think the country should know what is happening. But a Senator does not have to be a Member of this body for 15 or 20 years to realize that if the Congress is to do something about it, very little can be accomplished by single-shot amendments on the floor of the Senate. The proper method is to follow the established committee procedures, have a hearing, and attempt to convince the committee.

I heard three Senators who are members of the committee asked if they were willing to go along with that course of action, and they all agreed.

I have had a number of conversations with the Senator from Tennessee on this subject, and I have urged him to present a proposal to the committee. Perhaps the committee will not agree with it. Perhaps neither committee would agree; but unless and until we follow such procedure, we are not likely to have constructive legislation passed by a majority vote.

We have tried to do it without a committee hearing, in connection with the housing bill. The Senator from Alabama [Mr. SPARKMAN] was in charge of that bill. I believe that, generally speaking, the Senator from Alabama feels as do the Senator from Tennessee and the Senator from Texas, that high interest rates are very bad for the Nation. But in that instance he did not believe that the housing bill should be used as a vehicle to overturn fiscal policy. As a result, the majority of the Democrats——

The PRESIDING OFFICER. The time of the Senator from Tennessee has expired.

Mr. GORE. Mr. President, I withdraw the pending amendment, and offer the amendment which I send to the desk and ask to have stated, to amendment "C" of the Senator from Oregon [Mr. MORSE].

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. On page 1, line 20, it is proposed to strike out "$34,300,000" and insert "$35,300,000."

Mr. MORSE. Mr. President, I accept the amendment. [Laughter.]

Mr. GORE. Mr. President, I desire recognition.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

ECONOMIC AND MONETARY POLICY

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. JOHNSON of Texas. If three members of the Banking and Currency Committee are willing to agree to the suggested procedure, unless the Senator from Tennessee has some reason for not agreeing—and I gather he does not have, or he would not be interrogating them—I believe he should talk with the chairman of the Banking and Currency Committee. I shall talk with him, and perhaps before the end of the week a hearing can be scheduled.

Perhaps the Senator from Tennessee does not desire to follow that route. While the Senator has been speaking, I have asked the Senator from Illinois if he did not remember that when he submitted his resolution I raised the question about going into this general area, and we agreed that it should be gone into under the resolution. I am hopeful that it will be gone into, and he assures me that he will give the Senator a hearing any time he may request it.

Mr. GORE. Mr. President, the Senator is again referring to a specific instance. This specific instance is unfortunate and ill-advised, but it is illustrative of the larger problem, in connection with which I again urge upon the Senator, as I have done in the past, both in the Senate and in private conversation, to help find some way for our party, which enjoys a 2 to 1 majority in the Senate, to develop an overall economic policy.

The Senator from Texas says that there is no power to force such a policy. I agree, but we ought to try. Otherwise, the Banking and Currency Committee will go in one direction on the housing bill——

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. GORE. Just a moment. The Finance Committee may go in another direction, and various other committees may go in different directions. Dealing with the problem piecemeal, without an overall policy, we cannot achieve proper objectives.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. JOHNSON of Texas. I have urged the Senator to help me try, but both our trials have failed. I do not like to admit it, but in my opinion the only way we shall succeed is by persuading the Banking and Currency Committee or the joint committee to hold a hearing on this subject and allow the pros and cons to be fully developed.

It is obvious that there is a wide divergence of opinion in the Senate. The Senator from Illinois [Mr. DOUGLAS] is not in agreement with the Senator from Tennessee [Mr. GORE]. What power have I to bring those two strong men into agreement by waving a wand? The Senator from Wisconsin [Mr. PROXMIRE] thinks I might be able to do it; but I have been here long enough to know that no Senator can be told what he must do. No one knows that better than does the Senator from Tennessee.

Mr. GORE. I suggest that——

Mr. JOHNSON of Texas. I am pretty optimistic. When I get up in the morning I think about a great many things to try during the day. Sometimes I have a pretty poor batting average in the evening. But I have never been optimistic enough to think that because one Senator directs another to do something, he can compel him to do it. The last two Members of the Senate whom I would try to compel to do something would be the Senator from Tennessee and the Senator from Illinois.

The best way to accomplish the objective is to follow our traditional sys-

tem. I agree that we can make speeches on the subject on the floor of the Senate. I frequently make speeches on subjects which are before committees for consideration. I expect to make one this week about a subject now pending in committee. But unless and until we can prevail upon at least one committee which has jurisdiction to make a majority recommendation to the Senate, we shall be operating under a handicap. Whenever we have tried the method of operation by means of amendments offered on the floor of the Senate in connection with individual bills, we have found that it has not been successful.

If the Senator will pursue his original suggestion, I do not know why he does not want to go before the Joint Committee on the Economic Report.

Mr. GORE. I have not said I did not want to go before the Joint Committee on the Economic Report. I simply said that I questioned whether that committee, without legislative jurisdiction, could resolve the problem.

Mr. JOHNSON of Texas. Let us try and see. I appeal to the Senator to help me to try to do something about this problem.

Mr. GORE. I wish to cite a specific instance to the Senator.

Shortly before the Congress convened the able Senator from Texas made a very outstanding speech. As I recall, I found myself in almost complete agreement.

Mr. JOHNSON of Texas. I thank the Senator.

Mr. GORE. I frequently find myself in full agreement with the senior Senator from Texas and with his leadership.

Mr. JOHNSON of Texas. I thank the Senator from Tennessee.

Mr. GORE. One of the points he made in his speech was that the coming session of Congress, if I recall the point correctly, should and would do something to stop the spiraling interest rate. Yet one of the first bills which passed the Senate increased the GI interest rate. The result might have been different if our party had in some way—and I am not offering any suggestion as to how we can do it—developed a policy which could at least give guidance to the committee.

Mr. JOHNSON of Texas and Mr. DOUGLAS addressed the Chair.

Mr. GORE. I yield first to the Senator from Texas, with apologies to other Senators.

Mr. JOHNSON of Texas. The first policy I wish to formulate, right here in bright open daylight, is a party policy on going to committee with this matter. I have urged the committees to consider it. We have adopted a resolution providing funds and authorizing a study and investigation in this entire area. I have appealed to several Members of the Senate who are interested in the subject to voice their views.

I saw the futility of attempting to debate this matter without committee recommendation, when the Senate acted, 58 to 27, to increase the interest rate in the housing bill. I saw the great division and divergence of opinion which existed within our own party when we voted 30 to 25 on the matter.

I do not see much hope of formulating an overall party policy to which 64 Senators can subscribe unless and until we are able to formulate a policy of going to a committee and presenting the pros and cons of it. We have debated the matter on the floor of the Senate. The Senator from Alabama [Mr. SPARKMAN], the Senator from Tennessee [Mr. GORE], and the Senator from Oklahoma [Mr. MONRONEY] have debated it.

Mr. GORE. We debated a specific issue.

Mr. JOHNSON of Texas. Yes. After talk and talk and talk, a majority of the Democrats voted for the interest rate in the bill, because they thought it was better to pay a little more interest and have some housing, than to pay a little less interest and have no housing. I am not trying to discourage speeches; rather, I would encourage speeches in this field. However, if we wish to formulate a policy, the first policy we ought to formulate is the policy I have suggested. It looks as though the Senator from Tennessee obtained a better agreement than it is possibly generally to get among Democrats. He has had three Senators out of three agree to have the Senator explain his proposal in committee.

I thought the Senator from Illinois [Mr. DOUGLAS] was unusually cooperative this morning when he agreed that he would welcome the Senator from Tennessee to appear at an early date, at my request.

Mr. GORE. I will go if the majority leader will come to listen. I have the advantage now of having his attention on the floor of the Senate.

Mr. JOHNSON of Texas. The Senator always has my attention when I am on the floor, and the Senator usually has my support.

Mr. GORE. Which I appreciate.

Mr. JOHNSON of Texas. I thought the Senator was trying to get a committee to take some action, and I was attempting to support that course. If one committee did not take action, I was trying to get another committee to give him action. I was not born yesterday, and this is not the first week that I have served in a legislative body, as is true also of the Senator from Tennessee. We all know that amendments offered from the floor usually get some publicity and get some attention from Senators. Occasionally they get rollcalls. However, there are not many of them which rewrite the bill that a committee has carefully considered and has brought to the Senate with its recommendations. Therefore I believe that the best way in which to get the results which I hope to achieve is not only to make speeches—and I do not in any way intend to criticize speeches, and I am glad that the Senator has made his speech and has provoked this discussion——

Mr. GORE. I have yielded to the Senator so that he might make one himself.

Mr. JOHNSON of Texas. I do not want any privilege for myself that other Senators do not have. If the Senator will join with me in making a little party policy, we can get an agreement, and perhaps the chairman would set a date for the hearing, when the Senator could go before the committee, as could also the Senator from Wisconsin and other Senators, including the Senators from Oklahoma [Mr. KERR and Mr. MONRONEY], and the Senator from Texas, who have an interest in this matter and a very deep feeling and conviction in this matter. I am sure the Senator from Illinois would hear us with understanding and sympathy, even if he would not commit himself in advance as to the recommendations that he would make.

Mr. GORE. Mr. President, I yield next to the Senator from Illinois.

Mr. DOUGLAS. A great deal of wordage has been poured into the CONGRESSIONAL RECORD since this discussion began. However, let me say to my good friend from Tennessee that on the specific issue he has raised, namely, the question of the proposed sale of FNMA mortgages for Government bonds, I questioned the representatives of the Federal Housing Administration very closely on this matter when they appeared before us earlier in the year, and I did not find their replies satisfactory.

The Senator from Tennessee is aware that the Committee on Banking and Currency is the committee which is in charge of legislative matters on this subject. The Joint Economic Committee is merely a study committee, or an advisory committee, and it has no power to initiate legislation or supervise administrative agencies.

I wish to assure the Senator from Tennessee again that, as a rank-and-file member of the Committee on Banking and Currency, I shall be glad to sign a letter to be sent to the chairman of the committee asking that a special hearing be held on this matter. I hope that both the Senator from Tennessee and the officials in question will appear.

If it is not possible to get the consent of the chairman of the committee, I shall further pledge that, while the Joint Economic Committee has no specific authority in the matter, we will be glad to provide the Senator from Tennessee with an appropriate forum.

The questions of general policy which arise need careful analysis.

I detected the very clever way in which the majority leader sought to deflect the bolts of lightning which the Senator from Tennessee was directing toward him.

Mr. GORE. I did not intend any such thing.

Mr. DOUGLAS. I believe that, on examination, the differences between the Senator from Tennessee and the Senator from Illinois are not so great as some believe. I merely believe in a competitive interest rate. I do not believe that the Government should artificially lower the interest rate.

I was opposed to the Truman policy which artificially lowered the interest rate and which required Government purchasing of bonds, with an inflation of bank credit and a consequent inflation of prices. I am equally opposed to artificially raising interest rates. I believe there is a very real question involved in this point. I personally think the Eisenhower administration and the Federal

Reserve Board have erred in this direction. In my judgment we should go into the question very carefully and find out what it is all about.

Mr. GORE. Mr. President, I wish to thank the Senator from Illinois for the invitation, and I shall consider an appearance before his committee. If I think I can render a service, I shall avail myself of the opportunity.

The Senator has referred to action on the part of the Government artificially to increase interest rates, and wonders if it is not a part of the current policy of the Government. I cite the testimony of Mr. Randolph Burgess, former Under Secretary of the Treasury, who testified before the Committee on Finance that it was the purpose and policy and plan to do exactly that.

I now yield to the senior Senator from Texas.

Mr. JOHNSON of Texas. I shall simply point this out; then I shall not ask the further indulgence of the Senator. On March 24, the Senate, by a unanimous vote, selected as its agent the Joint Economic Committee. That committee was authorized and directed to conduct a full and complete study of the debt management policies and their effect upon price levels, employment, and so forth. I felt that the primary reason for urging the appropriation of these substantial sums to this committee was to enable them to make this study, just as the Senator from Tennessee has suggested this morning.

I do not know how many speeches the Senator from Tennessee has made on this subject. I know of several. I know that I spoke all over my State about it, and I have spoken in the Senate several times about it. I have spoken to Senators individually about it. I have talked many times to the members of the committee about it. I have talked to members of the House committee many times. I spoke all over the West about it.

I have come to the conclusion that speeches by themselves will not stop the spiral. I have come to the conclusion that unless and until we can have a policy as the result of consideration by Senators on both sides of the aisle who are knowledgeable in this field, whether they be proponents or opponents, to reach some kind of conclusion and recommend it to the Senate, we will have the same situation we had the last time we voted on the question; namely, a vote of 30 to 25 among the Democrats; and 57 to approximately 30 among the entire Senate.

That may be well. It will make a record. I have frequently heard Senators say, "Let's put them on the spot." My experience has been that the more we try to put Senators on the spot, the more we place ourselves on the spot. What I want to do is to get results instead of an issue. The issue has been a good one. It has been helpful. I think it has assisted materially to reduce the size of the Republican Party in both Houses. The Republican Party now is almost the right size. I do not want it to become any larger. [Laughter.]

I think this has had something to do with why people have had to pay through the nose, why they are still paying, and why they will continue to pay. I do not know what is the answer or the remedy. But the most knowledgeable men in this field have been selected by the Senate as its agents and have been authorized and directed to make a study of the question.

I urge the Senator from Tennessee and other Senators who are knowledgeable in the field—I will not say "experts" any more, if that is distasteful—who are knowledgeable, and who certainly are interested and certainly are dedicated, to give the committee the benefit of their views.

I urge the committee to make a prompt report to the Senate. I say to the Senate and to the country that if that will be done, I think we can have a majority expression quickly. I will urge the party policy committee to make certain that the party policy is brought to the Senate for immediate debate and immediate vote. In the meantime, we can talk about it. But I hope the joint committee will hold an early meeting, and that the Senator from Tennessee and other Senators who desire to be heard will go before the committee and testify; and that the committee can resolve the question, if not by a unanimous report, then in a report which will include minority views also.

Mr. GORE. Mr. President, I withdraw the amendment and send another amendment to the desk, which I ask to have read.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. DIRKSEN. Mr. President——

Mr. GORE. Mr. President, I have the floor.

Mr. DIRKSEN. Mr. President, I do not yield. I have the floor. The time of the Senator from Tennessee stopped when his amendment was withdrawn. I claim the floor under time on the bill.

The PRESIDING OFFICER. The Chair recognizes the Senator from Illinois.

Mr. DIRKSEN. Mr. President, I am prepared to yield back the remainder of my time on the District of Columbia appropriation bill. I think it is all right to ventilate the difficulties raised by the Senator from Tennessee and the majority leader; but the Senate has been in session since 10 o'clock this morning on the District of Columbia appropriation bill. The District of Columbia is another municipality. It is one in which all Senators and all citizens have an interest. The Senate is ready to vote, as I understand; all the amendments have been disposed of. If I am in error, the Senator from Oregon can correct me.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. MORSE. I was speaking only about my amendment concerning the school lunch program. I am willing to withdraw my amendment C and offer my amendment D, and yield back all my time immediately, because the Senator from Rhode Island has already agreed to take amendment D to conference.

Mr. DIRKSEN. What about the other amendments?

Mr. MORSE. I do not have any other amendments; but the Senator from Illinois [Mr. DOUGLAS] and other Senators have amendments to other sections of the bill. All my amendments were related to the school lunch program.

Mr. DIRKSEN. Are all the amendments intended to be proposed pro forma amendments?

Mr. DOUGLAS. The amendment which I intend to propose is a substantial amendment.

Mr. DIRKSEN. I reserve my time on the bill. I thought all amendments had been disposed of. Senators have been immobilized for 3 hours so far as action on the bill is concerned. I think their time and convenience ought to be taken into account, in view of the fact that other amendments, substantial in nature, are still to be presented. I shall save the remainder of my time on the bill.

Mr. JOHNSON of Texas. Mr. President, I yield myself 1 minute on the bill. I think much time has been saved by the procedure we have followed. We have reached an agreement on an amendment which was very controversial. We have an agreement on an amendment which could have utilized all the time on the bill. Perhaps there might have been more requests. I knew nothing about the speech of the Senator from Tennessee until he started to deliver it. I would have much preferred to have the bill acted upon and then to have listened to the speech of the Senator from Tennessee. But then we would have been confronted with the same situation, because the Treasury-Post Office appropriation bill would have been before the Senate.

I have been a Member of the Senate long enough to know that, whether there is a unanimous-consent agreement or not, when a Senator wants to talk, he wants to talk, and there is not much that can be done about it.

Mr. GORE. I am glad that that fact is generally recognized.

Mr. JOHNSON of Texas. It is generally recognized; and so long as I am the leader, I will see to it that that right is protected, although I will try to encourage Senators to cooperate as much as possible in the interest of the consideration of bills which need prompt action.

I see nothing to be gained by passing the District of Columbia appropriation bill and then using the Treasury-Post Office appropriation bill as the vehicle to state our views on the subject being discussed by the Senator from Tennessee. I think the discussion has been productive. I am glad we have an agreement with the Senator from Illinois and the Senator from Tennessee. I shall await an announcement as to when the committee will meet and when the testimony will be offered.

I thank the Senator from Tennessee for listening to me. I have taken too much time. I apologize to my colleagues for doing so. But I take very little time to make speeches in the Senate. I am interested in this subject. I am interested in the point the Senator is making.

The Senator from Illinois [Mr. DOUGLAS] will recall that before we acted upon his resolution, I urged additional language to enable the committee

to investigate in the debt management field. The Senator from Illinois felt the language was broad enough to cover it.

It is now almost the 1st of June. If we are to have any legislation—and I do not try to anticipate the legislation we can have—I would be strongly influenced by the recommendations of the Senator from Illinois, the Senator from Tennessee, the Senator from Wisconsin, the Senator from Pennsylvania, and the Senator from Alabama, or any other Senators who serve on the committee which has jurisdiction.

I hope the committee will face up to the problem. I hope it will hold hearings. I hope the committee will file a unanimous report, or, if it cannot reach a unanimous decision, a report containing minority views, so that the Senate can then act.

That is the only party policy I can offer. I cannot take the views of the Senator from Illinois and the Senator from Tennessee and say "Presto," and bring them together. I have not been able to discover such a method yet. But I can say: "Please, the two of you get together, exchange views, and see if you cannot come to some conclusion."

If that can be done, I will use whatever position I have in this body to see to it that every Senator has a chance to discuss the matter, and that, upon a vote, the majority will prevail.

Mr. GORE. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. GORE. I thank the able Senator from Texas. I rose to deliver what I thought would be a short speech. I thought I could conclude my statement in 15 minutes. I have found it necessary to offer additional amendments. I have not quite completed what I wish to say. I believe the RECORD will show that much of the time has been consumed by other Senators, who have asked me to yield to them.

It is not my desire to utilize much of the time of other Senators. It is my desire and my intention to use the floor of the U.S. Senate in representing the people of Tennessee and in performing duties which I think a Senator owes to the people of the United States. If that becomes distasteful to the junior Senator from Illinois [Mr. DIRKSEN], I shall regret it. I think that, upon mature consideration, he would not so regard it. I realize that a bill of importance to the District of Columbia is under consideration. But I am undertaking to discuss a question of importance to 175 million people.

The interest on the Government debt alone looms larger as an item in the current budget of the President than the entire budget of President Roosevelt for the year in which I was first elected to Congress.

Up the interest rate goes. The interest rate on short-term Government obligations has increased 100 percent in 12 months; the interest rate on the obligations of the FNMA has increased 125 percent in 10 months; and communities in my State say that for community needs affecting the health of the children, they cannot sell their bonds. The high interest rate policy pushes interest rates higher and higher.

First, I am trying to use the floor of the Senate to alert the Senate and the country to the problems and to the disastrous consequences of the policy. Next, I am urging action—in this specific case—by the Banking and Currency Committee; but in the broader scale, I am urging action upon the Democratic Party, which the people chose to represent them in the Senate, by a majority of 2 to 1.

I thank the Senator for yielding.

Mr. JOHNSON of Texas. Mr. President, I commend the Senator from Tennessee for his objectives and for his speech. I think he has alerted the Senate and the country.

I urge him, as I have in the past, not only to alert them, but to let us try to do something about the matter, in the name of the Democratic Party and, more important, in the name of all America, because this matter affects all America.

The best way I know to do anything about it is for a Senator to appear before the proper committee, with the proper recommendations, and see whether he can obtain a majority vote of the committee to make those recommendations to the Senate.

If any committee has jurisdiction of this matter, it is the Finance Committee; and the Senator from Tennessee is a member of the Finance Committee, which is one of the most important and one of the most powerful committees of the Senate.

I had hoped and I had thought and I had desired that the Finance Committee would report some bills and would make some recommendations in this field. I am not a member of that committee. But evidently, even though the Senator from Tennessee is a member of the Finance Committee, he has not been able to persuade a majority of the committee to adopt his viewpoint.

I know that the Senator from Oklahoma undertook, as a member of the Finance Committee, a study of this general area. If the Finance Committee has not acted, and will not or cannot act; and if the Senator from Tennessee, who is a member of the Finance Committee, cannot get his own committee to do anything about it; and if the Banking and Currency cannot act or will not and has not made any recommendation about it, the Senator from Texas appeals to the chairman of the Joint Committee on the Economic Report, which has specific authority and direction to study and investigate and to recommend in the area of debt management, a field which has been so vividly brought to the attention of the Senate today; and the Senator from Illinois, with his usual fairness, has agreed to hold a hearing promptly. To me, that is encouraging; and I think that will do something to alert the people.

But the business of just waving a wand or pushing a button and saying, "Presto, you can get a policy" on this or that or the other thing does not hold true in the Senate. If it were true, the Senator from Tennessee could long ago have had the Senate adopt a resolution authorizing the Finance Committee to proceed in the way he has proposed, because he is able and knowledgeable in this field. But, so far as I am aware, the study they made has not produced any legislation to correct the evil to which he has referred.

I do not know whether the Banking and Currency Committee will do it; but I know that in March the joint committee had directions to do it and had an authorization to study it, and the Senator who is the chairman of the committee has agreed to have the committee study it.

So it seems to me that all we have to agree on now is the date when the hearings will begin; and thereafter Senators must follow the dictates of their own best judgment.

Mr. PROXMIRE. Mr. President, will the Senator from Texas yield to me?

Mr. DOUGLAS. Mr. President, will the Senator from Texas yield?

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). Does the Senator from Texas yield; and if so, to whom?

Mr. JOHNSON of Texas. Mr. President, I yield first to the Senator from Wisconsin; and thereafter I shall yield to the Senator from Illinois.

Mr. PROXMIRE. Mr. President, I say to the Senator from Texas that it seems to me the Senator from Tennessee has performed an extremely useful service for the Senate, and particularly for the Democratic Party as it is represented today in the Senate, by emphasizing the fact that we have no Democratic Party policy on the interest-rate problem. In our platform we have a solemn promise; and we have the sentiment which has been expressed by the majority leader and by the Senator from Tennessee and by other Senators. But we do not have any policy. We have no caucus. The policy committee has never made a declaration on it.

I sit on the Banking and Currency Committee, and I sat in the hearings on the housing bill; and I am well aware that in connection with the GI housing issue, the Banking and Currency Committee made to the Senate a recommendation which was sustained by the Democratic Members by a vote of 30 to 25.

I say that the reason for this situation is that the Banking and Currency Committee had no declaration of policy from the party as a whole.

I think it might well have been that the Banking and Currency Committee would have been influenced by such a policy. Perhaps they would have disregarded such a recommendation of policy. However, there was no guidance; there was no leadership; there was no instruction; there was no opportunity for all Democratic Senators as a whole, in caucus or in any other way to determine a position, to consider alternatives, or even to comprehend what was at issue, either by caucus or by working through the policy committee.

The Banking and Currency Committee, a bipartisan committee with no party responsibilities, simply met and considered a specific issue relating to housing. We Democratic Senators were trapped in a position in which many Members of the Senate felt they had to vote to increase

the interest rate in the GI housing bill. I am sure that if, beforehand, we had had the benefit of the arguments of the Senator from Oklahoma [Mr. MONRONEY] and the Senator from Tennessee [Mr. GORE] on this issue, we might well have come to a different conclusion.

I think the point raised by the Senator from Tennessee this afternoon is an excellent one. It emphasizes what I have been trying to emphasize in the Senate.

I hope that, somehow, we will come to the conclusion—in some way, through some instrument, whether through a caucus or through a policy committee—that our party will live up to its responsibilities, will establish an overall party policy, will pull together the diverse positions of the standing committees in the 150-year tradition in the Senate, and will proceed with a party policy.

Mr. JOHNSON of Texas. Mr. President, I do not desire to enter into a debate on what powers the policy committee or the caucus may have that are not had by a standing committee. All the Members of this body have had a chance to express their convictions on this subject. They have done so by their votes. The Democratic Senators divided 30 to 25.

I do not know what manner of caucus would bind the Senator from Illinois to follow the views of the Senator from Tennessee, or vice versa. I do not know what kind of policy recommendation I could make would require the Senator from Florida [Mr. HOLLAND], who is following me tentatively, to agree to the viewpoint of the Senator from Wisconsin.

I have expressed the hope that the committee of which the Senator from Wisconsin is a member will come to some agreement on this matter. It is a small committee of 17 members; and it can make its own policy, and it can determine what ought to be in the bill. The Banking and Currency Committee is created for that purpose. It is set up by the Senate as its agent to operate in that field.

If the Senator from Wisconsin, with all of his powers of wisdom and leadership, cannot get his own committee to make a recommendation, I do not know how he expects someone else to get a policy committee to proceed to tell the Banking and Currency Committee what it must do or what it ought to do. So long as I am the leader, I do not propose to do that.

The Senate, in its wisdom, long before it ever heard of me, established the standing committees with jurisdiction in certain fields. In this particular monetary field, it is very easy to "pass the buck." It is very easy for a Member to rise here and say that somebody ought to determine some party policy. But it ill behooves a Member who cannot get something out of his own committee of 17 members to try to "put the monkey" on the back of another Member to get such a party policy from 64 Members. I do not know what power I have to get 64 Senators to act, that the Senator from Tennessee does not have to get the Finance Committee to act, or that the Senator from Wisconsin does not have to get his own Banking and Currency Committee to act.

Mr. PROXMIRE. Mr. President, at this point will the Senator from Texas yield?

Mr. JOHNSON of Texas. I do not yield at the moment.

I do not think they are impotent. I do not think they are uninfluential. I think they want party policy. I would say the first place to make it is in committees of which they are members, where their beloved colleagues serve with them and respect them. If they cannot get a majority vote there, how do they expect me to get a majority vote out here?

The Senator from Illinois and the Senator from Wisconsin are in general agreement on most economic policies. If the Senator from Wisconsin is willing to formulate a little policy here, I suggest he go and let the Senator from Illinois sit in judgment on his recommendations, and I implore the Senator from Illinois to listen attentively and carefully, and treat him courteously, as I know he will, and then make his recommendations. And if he makes any recommendations, I assure him they will brought to the attention of the Senate, and the Policy Committee will make it their policy to let a majority express its will.

This one-man rule stuff is a myth. The theory that one man is able to tell 64 other Senators how they shall vote does not exist. I cannot even get them to go before committees. Since January I have been trying to get Senators who are interested in this field to present their views to committee, and I cannot get that done. If I cannot get that done, how does the Senator suppose I can get them to change their convictions on a vote of 30 to 25? So we ought to expose this fraud for what it is.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. CHAVEZ. How can a Senator get another Senator who is a member of standing committee to vote except the way the latter wants to vote?

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I wish to answer the question of the Senator from New Mexico first. Then the Senator from Wisconsin can take his own time.

I do not know how one can force a Senator to do anything. I have never tried to do so. I have read in the newspapers that I have been unusually persuasive with Senators. I never thought those were accurate reports. Usually, when a Senator wants something done or does not want something done, and does not get his way, he puts the blame on the leadership. It does not take much courage, I may say, to make the leadership a punching bag.

The leadership has to schedule measures before this body, and it has to give certain measures priority over others. But there is not anything the leadership on either side can or should do to require a Member of the Senate to change his convictions on any bill, and I never have tried to do it.

When I was elected by my caucus as the minority leader in 1953 to attempt to function as the minority leader in this body, after my party had been repudiated in not only the Congress, but also in the Executive, and lost the Presidency, I said to my colleagues in that caucus, in accepting their nomination and their unanimous election, that I did not propose to oppose for the sake of opposition. I rejected that policy of Government. I said I did not propose to try to get men to change their convictions in order to be on the side of the leadership; that there would be times, and I anticipated it would not be far down the road, when the minority leader would be actually in the minority; that I did not propose to sacrifice my conviction in order to have the title of leader, and I did not expect any other Member to sacrifice his conviction in order to find himself alined with me.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The time of the Senator has expired.

Mr. DIRKSEN. Mr. President, the minority leader gives the majority leader 5 minutes. [Laughter.]

The PRESIDING OFFICER. The Senator from Texas.

Mr. JOHNSON of Texas. I thank the Senator from Illinois.

The policy enunciated then I enunciate now. I think the Senate is perfectly capable, through its traditional committee system, to make recommendations to this body; and if those recommendations do not please the majority, we have no rule of germaneness. Any Senator can get up, as the Senator from Tennessee [Mr. GORE] has demonstrated this morning, and offer amendment after amendment after amendment.

I do not think a Senator who cannot get a majority on his own motion ought to expect a Senator to get a majority for him, with a blue ribbon wrapped around it, because frequently I cannot get my own committee to go along with me on my proposals, as I have observed is true of the Senator from Tennessee on the question of debt management, and as is true of the Senator from Wisconsin in the Banking and Currency Committee. If they cannot get their committees to go along with them, how do they expect a fairy godmother or a wet-nurse to get a majority to deliver it into their hands?

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to the Senator from New Mexico.

Mr. CHAVEZ. The only reason why a Senator has a right to vote on any matter is by virtue of his oath of office. I am chairman of a standing committee of the Senate. I cannot compel any Member of the Senate to vote for a proposal if he is against it. How can a policy committee or any other committee get a Senator to vote in any way except as he pleases?

Mr. JOHNSON of Texas. Of course, it cannot.

I found that out, as a young Representative at one time who was rather impetuous and I am not sure as responsible

as I should have been. I was appearing at a meeting in which there was an attempt to negotiate a contract between the REA and a utility in my section. After 3 days I found out the president of the utility was not disposed to go along with my viewpoint, which was that he should sell his property. Every proposal I made to him he rejected. After awhile I became somewhat impatient and somewhat irresponsible. I said, "As far as I am concerned, we are through with the negotiations. We ought to have a policy on this matter, and our board ought to adopt a policy, and the policy I would recommend is that the president of this utility ought to take a running jump and go somewhere."

That broke up the meeting. The negotiations came to an end. Some of the board members came around and complimented me. They said, "That was a wonderful speech. I am glad you have the courage to stand up and apply the lash as you have and point your finger at the president and tell him to take a running jump and go to hell."

I noticed a lawyer who was counsel for the group, who was practicing law before I was born, did not compliment me and did not say anything about my speech. He had been a Senator. I said, "Senator, what did you think about what I had to say?"

He said, "I would like you to come to my office. I would like to talk to you." He said, "I hope you have a bright future. I think a lot of you. I am glad we have a Congressman who has the courage to stand up, look at the president of the biggest utility in this State, and tell him to take a running jump. But, son, I want you to know I have lived long enough to know that telling a man to take a running jump and go to hell and making him go are two different propositions."

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. He said, "You cannot make him go. He does not want to go. He likes it here. You have busted up the meeting now, and we have to start all over again. It may take us 2 or 3 months to get back together."

So I learned then that always what the Senator from Texas wants people to do, they do not necessarily have to do. Just by telling someone to do something does not mean he will do it.

Frequently, when my colleagues on the other side of the aisle come in with a motion which disturbs me and which displeases me, I should like to rise in anger and tell them, "Here is what the policy has got to be and what we ought to do. If they do not like it, they can go straight to —" but I found out long ago that telling a man to go and making him go are two different propositions.

I wanted to have the bill acted on the afternoon of the day before yesterday. The party policy was that it should be acted on the day before yesterday afternoon. The policy committee determined that the Senate ought to take the bill up and pass it, which should not take longer than an hour.

I will say that the party policy was unanimous. All nine members concurred in it. But at 5:10 p.m., the day before yesterday afternoon, the Senator from Oregon came in and said he was not going to be a part of that party policy, and the bill would not be acted on at 5:10 p.m. or 5:10 a.m. the following morning. The Senator wanted to go over Wednesday. It was Tuesday afternoon when I received this information concerning the party policy. The Senator wanted the bill to go over until today, and if the bill did not go over by permission and by consent and by party policy, it would go over by virtue of the policy laid down by the Senator from Oregon.

The PRESIDING OFFICER. The time of the Senator from Texas has expired.

Mr. DIRKSEN. Mr. President, I yield 5 additional minutes to the majority leader.

Mr. JOHNSON of Texas. I thank the Senator.

Mr. DIRKSEN. Will the Senator yield for a half minute?

Mr. JOHNSON of Texas. I yield.

Mr. DIRKSEN. The Senator is the most charitable person I know. I have discovered there is much truth in what the Senator says about telling a man to go to Hades, and he will not go, but I have discovered that if one says to the man, "Come to that place" it is quite a different thing.

The PRESIDING OFFICER. The Senator from Texas is recognized for 5 additional minutes.

Mr. JOHNSON of Texas. I thank the Senator from Illinois for his observation.

I attempted to reason with the Senator from Oregon, and I think I did so. We got a unanimous-consent agreement. As a result, we shall vote on the bill today.

I have attempted to reason with my friend from Tennessee and with my friend from Illinois, and I hope we have an agreement that this matter can be explored in committee and that we can have prompt action.

I want my friend from Wisconsin and my friend from Tennessee to know that I am aware of no powers which I have and can use which would change any man's conviction in this broad field. Generally speaking, I share the viewpoint of the Senator from Tennessee so far as the merits of the case he stated are concerned. So far as the procedure for obtaining results is concerned, we may have different approaches.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I know of no one who is more persuasive, eloquent, or able in this kind of colloquy than the Senator from Texas.

Mr. JOHNSON of Texas. Mr. President, I want to interrupt the Senator to say that I appreciate the tribute.

Mr. PROXMIRE. I mean it. This kind of colloquy is one in which the Senator cannot be excelled. But look what the Senator has done. He has set up a strawman.

Mr. JOHNSON of Texas. Mr. President, I want to say at that point, now that the Senator has paid me the tribute I am prepared to accept what may follow.

Mr. PROXMIRE. The Senator from Texas has said that he cannot tell anybody to do anything, and the policy committee cannot tell anybody to do anything; and if we had a caucus the implication is that the caucus could not direct its members to vote a certain way. That is true. We all know that. I have said exactly the same thing. Of course we should not try to tell Senators how to vote. My only argument is this: To some of us, and I think to most of us, a policy laid down either by a caucus or by a policy committee or, for that matter, by the leader himself, would have great influence with us. On much legislation Senators have open minds. On most legislation Senators can conceivably change their minds. Only occasionally do Senators have absolute, fixed, unchangeable convictions. This means a party policy especially if arrived at after participation by all Senators will have significant effect. It will pervade many Senators. For instance in the case of Democrats on the Banking and Currency Committee a Democratic low interest rate policy might very likely have given us a housing bill without higher GI interest rates; and such a committee report would very likely have persuaded a strong majority of Democratic Senators to vote against higher GI interest rates. The housing bill would have been quite different.

Mr. JOHNSON of Texas. Mr. President——

Mr. PROXMIRE. Sometimes some of us would ignore Democratic policy recommendations. Often most of us would go along.

Mr. JOHNSON of Texas. Mr. President, I am yielding to the Senator. I want to point out what the policy is.

Mr. PROXMIRE. Very well.

Mr. JOHNSON of Texas. The policy committee, after the caucus had heard the leader's statement as to the wisdom of studying the interest question and debt management, concluded that it would be highly desirable to schedule at a very early date a resolution empowering the Senator from Illinois and his committee to immediately make a study. The resolution further directed the committee to make the study and the investigation and to report at an early date.

That is the policy. Now, there is not any policy which can make Senators go to the committee to testify. I have asked Senators individually to do that. There is not any policy which can force the committee to agree with the recommendations Senators may make to the committee. But I have every reason to believe that the committee will be fair and just. I think if Senators will simply take time out to follow the policy which has already been laid down—namely, of directing the Joint Committee on the Economic Report to go into this question of debt management and to make a report to the Senate—something can be done. If Senators will follow the policy and agree with the leadership on it, I think we will reach a conclusion earlier than we will by following any other route I know of.

Mr. PROXMIRE. I would simply like to conclude, if the Senator from Texas will indulge me——

Mr. JOHNSON of Texas. The Senator from Texas will.

Mr. PROXMIRE. By pointing out, as the Senator knows, that the Senator from Illinois heads a select bipartisan committee which is not a legislative committee. The committee may submit a report to the Senate, but then the matter involved must go to some other committee such as the Committee on Finance or the Committee on Banking and Currency. It would not have any of the prestige of a declaration of party policy, so far as I am concerned and so far as many other Democratic Senators are concerned. There would not be any feeling on the part of many Senators that they had any particular part in the matter or were members of the committee and therefore helped to make policy.

My position, if the Senator from Texas will indulge me a moment more, is simply that if all Democratic Senators can be brought as much as possible into a policy-making position, No. 1, we will understand what the policy is. We do not now. I challenge Senators to tell us what our policy is on the budget, what our policy is on interest rates, what our policy is on taxation, or what our policy is on almost any issue. No one can tell me.

We do not have a policy. I say that if we as Senators play a part in determining the policy, No. 1, we will know what it is and we will understand the reasons for it. Some of us will still disagree with the policy and will vote against it, but I think a very substantially larger number of Senators will go along with it and we will be a more effective party in the Senate.

Mr. JOHNSON of Texas. The Senator has put his finger on the matter. Our policy is what each individual Senator's conviction tells him is good for America. That is what the Senator is going to do.

I have no illusion that there is any super policy committee or super caucus which could have the slightest influence on the Senator from Wisconsin, the Senator from Tennessee, the Senator from Florida, or any of the other Senators, to make them act contrary to their convictions.

The Senate by a unanimous vote said that it was the policy of the Senate to vest the power, the authority, and the direction in the committee headed by the Senator from Illinois. The Senate said, "We direct you to do it. We authorize you to do it. We give you $200,000 of the taxpayers' money to do it."

Ever since the Senate acted unanimously—pursuant to the majority policy committee recommendation and pursuant to the recommendation of the minority policy committee—I have been trying to urge Senators who want to get action in this field to go to the committee and to make their recommendations. But for some reason some prefer to talk about some super policy.

The best demonstration of which I know of the ineffectiveness of the leadership to tell Senators how to conduct themselves has just sat down.

The PRESIDING OFFICER. The time of the Senator from Texas has expired.

Mr. JOHNSON of Texas. Will the Senator from Illinois yield me 2 more minutes?

Mr. DIRKSEN. Mr. President, I yield the majority leader 5 more minutes.

Mr. JOHNSON of Texas. I thank the Senator.

The PRESIDING OFFICER. The Senator from Texas is recognized for 5 additional minutes.

Mr. JOHNSON of Texas. The best evidence I know of that any Senator could or should do as he wants is to look at what has happened here today and to think about how a man who has a title of a majority leader could impose his viewpoint or his will upon 63 other colleagues.

I agree with the Senator from Tennessee that we ought to do something about high interest rates. I agreed with the Senator from Oklahoma [Mr. KERR], who was somewhat original in this field. I heard the Senators' eloquent speeches. But the Senator from Oklahoma, who is the ranking member of the Committee on Finance, and the Senator from Tennessee, who is one of the able members of that committee, have been unable to persuade a majority of their committee what ought to be done. If they cannot persuade our colleagues, why do they expect the caucus to persuade them?

If one were to try to put the distinguished Senator from New Mexico [Mr. CHAVEZ] in harness and make him wear a collar, there would be more pitching and jumping than he had ever seen. The Senator from New Mexico will vote as he thinks he should vote. Even though the columnists say that he and the leadership occasionally vote together, we usually do so without consultation.

Mr. FREAR. Mr. President, I know that when people start reading the RECORD of this debate, they will get at least this far, because it will be so interesting that they cannot stop.

Not too long ago my friend from Wisconsin [Mr. PROXMIRE] made some remarks about the Banking and Currency Committee. I have always found that when he came before the committee, he came with an intelligent and instructive point of view. He pays strict attention, and is always present to listen to what is going on. Therefore, he has the right to say what he has said, whether I agree with him or not.

I believe the chairman of the Committee on Banking and Currency is interested in legislation in the interest of the people of the United States. He gives his subcommittees authority and tries to exercise leadership. I do not believe he has ever told me how to vote, but he has used convincing and persuasive arguments with me, as he has done with the Senator from Wisconsin, I believe.

I cannot allow this opportunity to pass without observing that I believe the Senator from Alabama [Mr. SPARKMAN], who heads the Housing Subcommittee, uses his persuasiveness, good humor, and ability in trying to obtain legislation which he thinks is best for the people of the country.

I pay tribute to the Senator from Wisconsin [Mr. PROXMIRE] whom I admire and respect. It is difficult to disagree with a Senator on our own side of the aisle.

Today we are giving our opposition a little time to reflect. They may need it before 1960. I am willing to give them that opportunity today. The 5 minutes which have been yielded to the majority leader are worth much today. I am indebted to whoever made it possible for me to speak at this time.

Mr. JOHNSON of Texas. Mr. President, the last time the subject of interest rates was before the Senate there was full and adequate debate. Members listened attentively. There was a yea-and-nay vote. The Senate divided about two to one. If one wishes to express it in that way, the Senate voted to raise interest rates by a vote of two to one, although I am sure that every Senator who so voted upon that occasion would like to see money cost as little as possible. On the Democratic side the vote was 30 to 25.

There may be some who attribute to me power and influence which I do not possess, but I can say in good conscience, and give my word for whatever it may be worth, that if I had caucused all day and all night, I doubt whether anything I might have said would have changed the viewpoint of the Senator from Illinois [Mr. DOUGLAS], who voted with the majority of 30 Democrats. I doubt if anything I might have said would have made the Senator from Tennessee [Mr. GORE] waver.

If they wish to get together and talk about high interest rates, I suggest that they do so as quickly as possible before the Joint Committee on the Economic Report, the Committee on Banking and Currency, or the Commitete on Finance. I will say to any standing committee of this body, or any select committee, that if it makes recommendations to the Senate, the policy committee will act promptly and will bring the recommendations to the floor of the Senate, where every Senator can express his own viewpoint. I do not know of anything else I can do.

The PRESIDING OFFICER. The time of the Senator from Texas has expired.

Mr. GORE. Mr. President, I have an amendment at the desk which I offer, and I ask that it be stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Tennessee will be stated.

The LEGISLATIVE CLERK. On page 4, line 7, it is proposed to strike out "$605,000" and insert "$505,000."

The PRESIDING OFFICER The Chair suggests to the Senator from Tennessee that apparently this is not an amendment to the Morse amendment.

Mr. GORE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GORE. The Senator from Tennessee was advised that, during the colloquy with the junior Senator from Illinois, the senior Senator from Oregon withdrew his amendment. Is that the case?

Mr. MORSE. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. MORSE. The Senator will recall that I withheld the withdrawal of my amendment to accommodate the Senator from Tennessee, so that he might offer an amendment to my amendment. My amendment is still pending. It is subject to amendment. That is the parliamentary situation. I have announced to the Senate that in due course of time I would withdraw by amendment, after the Senator from Tennessee yields the floor.

Mr. GORE. Then, Mr. President, I move to strike the figure "$27 million" in the Morse amendment and insert in lieu thereof the figure "$27,500,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee [Mr. GORE] to the amendment of the Senator from Oregon [Mr. MORSE] designated "C".

The Senator from Tennessee is recognized on his amendment.

ECONOMIC AND MONETARY POLICY

Mr. GORE. Mr. President, the able senior Senator from Texas has said that he has undertaken to reason with me on the floor of the Senate today. I acknowledge that I have undertaken to reason with the senior Senator from Texas on the floor of the Senate this afternoon. There is at least one difference. I believe the RECORD will show that the senior Senator from Texas has now reasoned with the junior Senator from Tennessee to a somewhat greater extent than the junior Senator from Tennessee has reasoned with the Senator from Texas. I say that in all kindness. Nothing has been said other than in kindness.

Mr. President, this is a tremendously important question. The distinguished majority leader has frequently referred to the vote on an amendment which I offered to the housing bill, which amendment was not accepted. It is true that I was unable to persuade the Senate; but the Senate was not able to persuade me that I was wrong. I am still exercising my right to undertake to persuade the Senate of the error of its ways.

I have undertaken to reason with the senior Senator from Texas, our able and distinguished majority leader, that unless there is some guiding policy or understanding we shall again be confronted with a piecemeal treatment of an issue of overweening importance.

It is true that the Senate chose houses instead of an attempt to hold down interest rates, though I contended we could hold down interest rates without sacrificing housing. Unless there is some guiding policy or principle to guide the Democratic Members of this body, we shall not come to grips with the problem.

I desire to conclude the remarks which I had intended to make earlier, although I shall be glad to yield if I am asked to do so. Inasmuch as I have the attention of a few of my colleagues, I should like to make some comparison between the period we face now and the period of 2 years ago.

High interest rates and credit restrictions generally are now, perhaps, imposing a restrictive influence on the economy to about the same degree as in 1957 just prior to the time our economy took a nosedive. The rate of 4½ percent on FNMA debentures compares with the all-time high of 4.70 percent in September of 1957. Similarly, the yield on double-A utility bonds is now at the highest level in the past 25 years with the exception of the period of the sharp decline in the bond market during 1957.

In full knowledge of the impact of the high interest rate policy as applied in 1955 to 1957, I think we might profitably compare our situation today with that which we faced in 1955. In 1955 we were recovering from the recession of 1954. In 1959 we are recovering, and I emphasize the word "recovering," from the recession of 1958.

The high interest rate policy is being applied in 1959 in much the same manner as it was applied in 1955. But there is one big difference. This time interest rates are starting up again from a much higher plateau.

When the prime commercial bank rate began to go up in 1955, for example, it went from 3 percent to 3¼ percent in August of that year. Last week the New York banks, which set the commercial pattern for the country, raised their prime rate from 4 percent to 4½ percent.

Furthermore, there is less cushion in the lending capacity of our commercial banking system at the present time than existed in 1955 when we were recovering from the 1954 recession. In 1955 loans of commercial banks amounted to only 45 percent of deposits. Today loans amount to 54 percent of deposits. This compares with the high of 60 percent reached in September 1957. In short, our banking system today is almost "loaned up."

The ratio of our money supply to our gross national product is lower today than it was in 1955 when we were coming out of the 1954 recession. This ratio has in fact been steadily reduced since 1945. In other words, the supply of money relative to the amount of goods and services in trade has been getting tighter all the time. It is especially interesting to note, however, that during 1953, just before the 1954 recession, and in 1957, just prior to our most recent recession, the supply of money as related to the gross national product was particularly tight.

Mr. President, there is not question but that our economy has begun to recover from the recent recession. Production and income have begun to rise. There is a feeling of optimism. People are beginning to feel that they can once more make plans for the future with confidence.

I want to emphasize that our situation is one of recovery. It is one in which we are on the way back to economic health. In some respects, however, we have not as yet completely regained our strength.

For example, unemployment is still high. Everyone is delighted at the improvement in this area. But let us not forget that we still have unemployment of 5.3 percent of the civilian labor force, seasonally adjusted. Only in the recession years of 1954 and 1958, among recent years, can we find a comparable figure. Last year unemployment was at the level of 6.8 percent. In 1954, also a year of recession, it was only 5.6 percent.

Despite the fact that we are in the first recovery year after the recession, interest rates are already breaking through the highs which immediately preceded the last recession.

U.S. Treasury bonds are selling at or near their all-time lows. Each new issue drives existing issues lower. For that matter, new issues of bonds by other Government agencies or by corporations at higher and higher rates of interest drive the price of Government bonds lower and lower.

Only a few days ago a constituent who is an official of one of the banks of Tennessee told me that if he had to cash the Government bonds his bank is holding at the current market value, his bank would be bankrupt.

I say there is something wrong when small banks can go bankrupt buying bonds of the U.S. Government.

We are indeed following the same pattern which was followed in 1957. If present policies are continued—and I see little possibility of their being changed unless it be by direction of the Congress—we will likely find ourselves in increasingly difficult situations.

This is not the first time I have issued such a warning on the floor of the Senate, nor will it be the last time if present policies are continued.

I am utterly unpersuaded by the arguments of those who insist that the Government is powerless to correct this situation—as powerless, as former Secretary of the Treasury George Humphrey said, as a merchant trying to sell fur-lined underwear in the summertime. Nor am I impressed by the argument that relaxation of the tight money policy under present conditions would inevitably lead to runaway inflation. We did not have a situation in which too few supplies were being chased by too much money in 1957, nor do we have such a situation now.

I appeal to the administration to reverse its fallacious policies before it is too late, and I urge this Congress to act to force such a reversal at every opportunity which presents itself, and to act on an overall basis by which we can be guided in specific instances.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. GORE. I yield to the Senator from Alabama.

Mr. SPARKMAN. Some little time ago in connection with another amendment, the Senator from Tennessee was discussing the proposal of the Federal National Mortgage Association to exchange much of its mortgage holdings in its portfolio for certain Treasury bonds. There was some discussion at

the time with reference to the Committee on Banking and Currency having the officials of FNMA come before it and explain the situation. At the housing hearings, held earlier this year, they gave us an explanation of what was proposed. It was not a subject of legislation, but we asked them some questions about it.

I must say that I was never clear on what they were doing, why they were doing it, and what the result would be. I was impressed with one idea, though, and that was the tax involved, whether it be a capital loss or gain, or whatever it might be, and where the Government was coming out in the long run on that situation. I am very glad to say that the Banking and Currency Committee will ask the FNMA officials to come before the committee and give us a full explanation of the situation.

Mr. GORE. I thank the Senator.

Mr. SPARKMAN. However, this thought has occurred to me. I am not trying to pass the buck. I was convinced, from the little discussion we had of it at that time, that the two things primarily concerned were the bonds which have already been issued and are outstanding and the tax angle, and of course we can only speculate now as to what may happen several years in the future. Although this matter is something which comes under the jurisdiction of the Committee on Finance, I believe it ought to be looked into very carefully.

I call the attention of the distinguished Senator from Tennessee to the fact that the House committee on Banking and Currency, in reporting the House bill, which was passed by the House last week, included in its report a statement regarding this point. I do not know whether the Senator has read that report. I was over on the House side and intended to bring a copy of the report back with me, but I forgot to do it. In that report, the House Committee asked the Federal National Mortgage Association not to proceed with this transaction until the committee had had a chance to look into it further.

The PRESIDING OFFICER. The time of the Senator from Tennessee has expired.

Mr. SPARKMAN. I am sorry I used the time of the Senator from Tennessee.

Mr. GORE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD the article entitled "Banks Given Hope on Frozen Bonds," published in the New York Times of May 26, 1959, to which I have made reference.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BANKS GIVEN HOPE ON FROZEN BONDS—STATE PAVES WAY FOR THEM TO LIQUIDATE UNMARKETABLE ISSUE OF THE TREASURY—U.S. DEBT WOULD DIP—EXCHANGE OF 2¾'S OF 1980 FOR MORTGAGES CONTINGENT ON ACTION OF FANNIE MAE

(By Albert L. Kraus)

The State Banking Board has paved the way for banks to exchange Government bonds for Government guaranteed and insured mortgages.

The Board has given approval for the banks to exchange 2¾ percent nonmarketable Government bonds, due in 1980 but callable in 1975, for Federal Housing Administration and Veterans' Administration insured or guaranteed mortgages acquired from the Federal National Mortgage Association.

For the Government, this program could mean extinguishment of up to $2,100 million of its debt it is extended to other States. For the banks, chiefly the mutual savings banks, it could mean an immediate improvement in yield of perhaps three-fourths of a percentage point, speedier amortization of the obligations, with the possibility of reinvestment at still higher yields, and possible tax advantages.

The plan, which received the endorsement of President Eisenhower in his annual economic report, still has to be put in motion by FNMA. The House Banking and Currency Committee, in its report on the housing bill, asked that action be delayed. A specific prohibition against the plan, however, was defeated.

ACQUISITION OF ISSUE

The banks came into possession of the 2¾'s in 1951 as part of the Treasury-Federal Reserve "accord." They agreed to accept the nonmarketable bonds in exchange for wartime 2½'s to take the pressure off the bond market and permit the gradual restoring of its freedom.

Until now, the banks have been able to liquidate the bonds only by exchanging them for 1½ percent marketable 5-year notes, due each year in April and October. The newest issue, due in April 1964, is quoted just below 83, or more than 12 points below par.

Thus, banks making the exchange into 5-year notes have been forced to show losses to liquidate their holdings.

On January 31, according to the Treasury's survey of ownership of Government securities, $8,189 million of the 2¾'s were outstanding. But the FNMA management and liquidation portfolio, from which the exchange would be made, totaled only $2,100 million as of December 31. Thus, presumably only one-fourth of the total issue outstanding could be liquidated by the Treasury in this manner.

NEW YORK HOLDINGS

At the end of last year New York State savings banks held $489,782,000 of this issue. This compared with $129 million held by all commercial banks in the country on January 31. No commercial banks in New York City held any of the issue.

The banks would benefit in these ways:

The FHA and VA mortgages bear an interest rate of 4 percent. After allowing one-half percent for servicing, the 3½ percent net yield still would be three-quarters of a point better than the 2¾ percent obtained from the nonmarketable bonds.

The nonmarketable bonds bear a maturity date of 1980 but may be called by the Government in 1975. In contrast, the mortgages obtained from FNMA would be of 15 to 16 years' average duration. Because many houses are sold before the mortgages mature, bankers estimate that they may have an average remaining life of 8 to 9 years. Thus, the banks may be out of mortgages in 1968 or 1969, 6 to 12 years before they would be out of the bonds.

Because of the more rapid paybacks of the mortgages, the banks would be able to reinvest their funds at yields well above the 3½ percent net obtained from the mortgages.

Mr. WILEY. Mr. President——

Mr. JOHNSON of Texas. Mr. President, does the opposition have time remaining?

The PRESIDING OFFICER. Fifteen minutes remain in opposition to the amendment.

Mr. JOHNSON of Texas. I yield 3 minutes to the Senator from Wisconsin.

Mr. KUCHEL. Mr. President, do I understand correctly that the minority leader has 15 minutes remaining on the amendment offered by the Senator from Tennessee?

Mr. GORE. I withdraw my amendment.

Mr. WILEY. Mr. President, on Tuesday, last——

Mr. GORE. Mr. President——

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

The Chair is advised that all time is controlled. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. MORSE].

Mr. BUSH. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BUSH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Connecticut will state it.

Mr. BUSH. I thought I understood the Chair to say that the minority leader had 15 minutes remaining in opposition to the bill. I desire to use 5 minutes of that 15 minutes. Is my understanding correct?

The PRESIDING OFFICER. The minority leader has 10 minutes remaining on the bill.

Mr. BUSH. Ten minutes on the bill?

Mr. MORSE. Mr. President, I want to give the Senator from Connecticut this information; then he can follow whatever course he wishes to follow: Amendments are still to be offered on other phases of the bill. It may very well be that Senators on the other side of the aisle may find themselves in opposition and will want 10 minutes on the bill itself, not on the subject matter connected with the bill.

Mr. BUSH. My inquiry was with relation to a request to speak for 5 minutes in connection with the debate which has just been in progress.

Mr. MORSE. That is what I thought. I felt, in fairness to the Senator from Connecticut, that I should tell him that a whole series of amendments to the bill are expected to be proposed.

Mr. BUSH. I thank the Senator from Oregon.

Mr. KUCHEL. Mr. President, will the Senator yield?

The PRESIDING OFFICER. All time on the Morse amendment has expired.

Mr. JOHNSON of Texas. Mr. President, I have yielded 3 minutes to the Senator from Wisconsin.

The PRESIDING OFFICER. The Chair is advised that all time on the amendment of the Senator from Oregon has expired.

Mr. KUCHEL. I had in mind asking a question. The Senator from Tennessee had offered an amendment; and at least one Senator on this side of the aisle wanted to have a few minutes yielded from the time of the opposition to the amendment offered by the Senator from Tennessee.

Mr. PASTORE. Mr. President, the Senator from California can offer his

own amendment. The Senator from Tennessee has withdrawn his.

Mr. JOHNSON of Texas. Mr. President, I offer an amendment on line 1, to strike out "$27,000,000" and insert in lieu thereof "$20,000,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Texas. Fifteen minutes is available.

Mr. JOHNSON of Texas. Mr. President, I expect to withdraw this amendment, but I want each Senator to have full opportunity to discuss either this amendment or anything else he desires to discuss. The Senate has been very generous with me this morning in discussing a matter. I want to reciprocate that generosity.

I yield 5 minutes to the senior Senator from Wisconsin.

SENATOR WILEY'S 20 YEARS IN THE SENATE

Mr. WILEY. Mr. President, on Tuesday last I came to the Senate early and placed certain matters in the RECORD, including a letter from my granddaughter, Wallis Wilde. Then I left to go to a policy meeting, and after that to a luncheon given to honor the legislators from Nicaragua. As a result, I was not in the Chamber when the distinguished junior Senator from my State of Wisconsin [Mr. PROXMIRE] made some very gracious remarks concerning me.

I understand there were only three other Senators who were then present in the Senate Chamber, including the distinguished junior Senator from Oregon [Mr. NEUBERGER] who was then in the chair as the Presiding Officer, and the distinguished junior Senator from New York [Mr. KEATING]. The RECORD shows that they too, were most generous in their remarks. Not being present, I could not express my appreciation to the three Senators for what they said. I wish to do that now.

Later in the afternoon, when I heard what had been said, I called the junior Senator from Wisconsin, BILL PROXMIRE, and expressed to him over the telephone my deep appreciation. Among other things, I said that his words should help to clarify the mistaken notion, which many persons have, that because Senators represent different parties, the proper thing to do is to indulge in personalities, in criticism, and the like. I feel certain that anyone in Wisconsin who reads the RECORD will get the right impression about the attitude of Senators. I take it that every one of us receives letters suggesting that the writer has the idea that the business of a Senator is that of a maligner, a criticizer. Well, the statement of BILL PROXMIRE proves the contrary.

Mr. President, I have been interested in the controversy which has been going on between the junior Senator from Wisconsin and the majority leader, the Senator from Texas [Mr. JOHNSON]. BILL PROXMIRE, in his argument, has never indulged in personalities. He has argued the issue. Today is the first time I have heard the majority leader reply to the junior Senator from Wisconsin on the issue. It is not my business to intervene in that discussion, but I make the point that the debate on the part of the junior Senator from Wisconsin with the distinguished majority leader is based on what each thinks is the correct solution of the issue. To me, that is significant.

I realize that among the members of the majority party, some are on the side of the junior Senator from Wisconsin, and some are on the side of the majority leader. But the point is that the debate has been conducted on a high level. Until today, the majority leader has not taken cognizance of what has been said; but today he did a grand job in speaking up for his side of the issue. Heretofore, other Senators have replied for him.

The debate should be an "enlightener" to those who feel that it is the business of a Senator to tear his opponent to pieces.

Mr. President, I have been a Member of the Senate for 20 years. If I may be pardoned for doing so, I should like to say that in that score of years life has taught me much. When I came here, in many ways I was older than I am now. The Senate has been a school for me. I should like to state some of the things which I have learned from my fellow Senators during those 20 years.

First. A Senator should take his job seriously, but not himself. I remember, when I first came to the Senate, a distinguished southern Senator—I shall not state his name—said of a new Senator: "He is taking himself too seriously."

Second. Remember Lincoln's three pearls: Be able to utilize humor; be able to utilize prayer; and learn the joy of selfless devotion to a great cause. I have found that that makes life sweet. It enables one to grow. It makes for a life of growth and spiritual adventure.

Third. The real work of the Senate and of a Senator is done in committees.

Fourth. Remember, that a Senator represents all the people of his State, not any particular class.

I may say, parenthetically, that these things were told to me by elder Senators when I came here.

Fifth. The interest of the public should be supreme.

Sixth. Take advice, but not orders. I digress for a moment to say that during my last election campaign, one of the "kingmakers," who was not for WILEY, said, "No, I can't support him; he doesn't take orders." I never heard a better compliment. The other night I was at dinner with Walter J. Burke, of Milwaukee. He is connected with the Steelworkers' Union. Among other things, he said he had always admired me, even though he did not agree with me on many subjects. But he said to the crowd that was there, "He hasn't any rope around his neck."

Mr. President, I have learned the advisability of not having a rope around one's neck.

Seventh. Mr. President, as was done today, one should argue the issue. Facts count in the Senate. As I have found in more than 30 years in the practice of law, facts always count before a jury.

Mr. President, during my score of years in the Senate I have learned many other lessons. These years have been filled with high moments, and they have been filled with tragedy. Among the high moments, I cite the following: Today, as I came to the Senate Chamber, I met an old friend, Chancellor Adenauer. We put our arms around each other, right outside the door to the Senate Chamber. That is the sort of thing that really counts.

I have met with kings, with popes, with prime ministers. The greater they are, the humbler they are. That is the final lesson I have learned—to be humble.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House insisted upon its amendment to the bill (S. 1094) to amend the Bretton Woods Agreements Act, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SPENCE, Mr. BROWN of Georgia, Mr. PATMAN, Mr. RAINS, Mr. KILBURN, Mr. WIDNALL, and Mr. HIESTAND were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 7086. An act to extend the Renegotiation Act of 1951, and for other purposes; and

H.R. 7176. An act making appropriations for the Executive Office of the President and sundry general Government agencies for the fiscal year ending June 30, 1960, and for other purposes.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred, as indicated:

H.R. 7086. An act to extend the Renegotiation Act of 1951, and for other purposes; to the Committee on Finance.

H.R. 7176. An act making appropriations for the Executive Office of the President and sundry general Government agencies for the fiscal year ending June 30, 1960, and for other purposes; to the Committee on Appropriations.

DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 1960

ECONOMIC AND MONETARY POLICY

The Senate resumed the consideration of the bill (H.R. 5676) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1960, and for other purposes.

Mr. BUSH. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I yield to the Senator from Connecticut.

Mr. BUSH. I thank the Senator from Texas.

Mr. President, today I have listened with much interest to the Democrat Party caucus which has been taking place on the other side of the aisle. We have been privileged to be on the inside of one of those conferences.

Some time ago I said that we of the Republican Party have held conferences from week to week, during which time our membership has shrunk rather seriously. Today I have been so bold as to hope that if our friends across the aisle continue to hold caucuses on the floor of the Senate, they may have a similar effect upon their numbers—although I wish no one of them individually any ill luck.

But, Mr. President, what prompts me to speak at this time is that, being the ranking Republican member of the Joint Economic Committee, and also being a member of the Banking and Currency Committee, I wish to share in the invitation given by my distinguished friend, the Senator from Illinois [Mr. DOUGLAS], to the Senator from Tennessee [Mr. GORE], in regard to his possible appearance before either one of those committees. But in doing so, I wish to remind the Senate, and especially the Senators who have spoken today, and particularly the Senator from Tennessee, who has been very critical of things as he finds them, that the Senate is a legislative body, and that if a Member wishes to have action taken on a particular question, the thing for him to do is to introduce a bill on that question.

So, in order for him to get his case properly before the Banking and Currency Committee, which is a legislative committee, I respectfully suggest to him that he introduce proposed legislation which will come to grips with the problem of interest rates, concerning which he has addressed the Senate today.

It is very interesting to hear the observations of Senators about high interest rates and their causes. But it would be much more helpful to the Senate, I believe, and to the country if those who are critical would suggest some solution which would meet their views in regard to what should be done. Certainly we cannot operate in a vacuum.

So, Mr. President, in answer to the remarks of the Senator from Tennessee, my plea is that he introduce some proposed legislation which will help the Senate consider the criticisms he has made.

In previous years, and even this year, I have engaged on this floor in debate in regard to the same general subject; and I have repeatedly challenged the opposition and the critics of the Federal Reserve Board and its policies to introduce proposed legislation which will implement their criticisms. But I do not know of any measure introduced this year, or in previous years, which would so implement the views of the critics.

So my plea to them is to implement their severe criticisms with constructive legislative suggestions which will help the Senate and perhaps the House of Representatives in carrying out their legislative responsibilities in connection with these matters.

In conclusion, Mr. President, I may state that we hear the terms "tight money policy" and "high interest rate policy" bandied about in the Senate Chamber. Again I state that, so far as this administration is concerned, my observation is that there is no such policy, but that, instead, the policy is a sound money policy, and that the extent to which interest rates may go up or down is not a matter about which the President of the United States or his administration has very much to do. But of course the Federal Reserve Board has a good deal to do with it, and can exercise considerable authority in connection with the matter of interest rates. So that is the field in which to legislate.

Finally, Mr. President, I would point out in this connection that, after listening to some of the comments which have been made today in the Chamber, one would think the country was really "on the skids," whereas, as a matter of fact, the country is enjoying, once more, a high degree of prosperity, with a recordbreaking gross national product and a recordbreaking national income. Unemployment has almost disappeared, and within a very few weeks it will likely have entirely disappeared. So things are not quite so bad as one might imagine after listening to the remarks which have been made this afternoon on the floor of the Senate.

With specific reference to one point about which the Senator from Tennessee spoke—to wit, a community in his State which was unable to sell bonds at 5½ percent interest—I would simply cite to him the fact that many, many communities elsewhere can sell tax-free bonds at very much more attractive interest rates than that. So there must be something wrong with the credit of the group under consideration, or perhaps there is a debt limitation which prevents that community from obtaining the necessary funds. But certainly today there is no lack of available funds when there is good security. I believe the same is true of farm mortgage credit. I went into that question only yesterday. In fact, in this country there is no shortage at all of credit.

There is an unusually active demand for money. There always is in connection with a rising state of business activity, and particularly when things are proceeding apace, at record levels of activity, which is the situation in which we find ourselves today.

Mr. President, I am very grateful to the majority leader for yielding to me these few moments in which I have commented upon the remarks of the Senator from Tennessee.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. HART in the chair). The Senator from Illinois will state it.

Mr. DOUGLAS. What is the pending question?

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the Senator from Texas [Mr. JOHNSON].

Mr. DIRKSEN. Mr. President, it is my understanding that that amendment will be withdrawn.

Mr. PASTORE. It was understood that it would be withdrawn now, and that the amendment "D" of the Senator from Oregon would be called up.

Mr. MORSE. Mr. President——

The PRESIDING OFFICER. As all Senators realize, the time is now controlled.

Does the Senator from Oregon desire to speak?

Mr. MORSE. I understood the Senator from Texas to announce that at the conclusion of the remarks of the Senator from Connecticut [Mr. BUSH], the Senator from Texas would withdraw his amendment.

Therefore, under those circumstances, I take the responsibility of requesting unanimous consent for the withdrawing of the amendment of the Senator from Texas.

The PRESIDING OFFICER. Is there objection? Without objection, the amendment is withdrawn.

Mr. MORSE. Mr. President, on the basis of the colloquy which took place earlier today between the Senator from Rhode Island [Mr. PASTORE] and myself, I now withdraw my amendment "C."

The PRESIDING OFFICER. The amendment identified as "C," of the Senator from Oregon, is withdrawn.

Mr. MORSE. Mr. President, at this time I submit my amendment "D." It is, likewise, submitted on the basis of the colloquy had earlier today between the Senator from Rhode Island [Mr. PASTORE] and myself, in the course of which the Senator from Rhode Island said he would agree to take the amendment to conference.

The PRESIDING OFFICER. The amendment submitted by the Senator from Oregon will be stated.

The legislative clerk read as follows:

On page 2, in line 1, it is proposed to strike out "$27,000,000", and to insert in lieu thereof "$27,133,000."

On page 7, in line 10, it is proposed to strike out "$46,753,000," and to insert in lieu thereof "$46,886,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. PASTORE. I have discussed this amendment with the members of the subcommittee—at least with those who were available to me on the floor on Tuesday. I have, further, discussed it with the minority leader. I have discussed it with the chairman of the full Appropriations Committee. This morning I had a conference in my office with two members of the District of Columbia Government and with members of their staff.

We feel this is an amendment which can be very practical in its effect.

In view of the fact that there will be a conference, and in view of the feelings of the members of the subcommittee, I am perfectly willing to take the amendment to conference. I therefore call upon the Senate to vote on it favorably; and I am ready to yield back all my time.

Mr. MORSE. Mr. President, I am about to yield back all my time, with this comment: I again want to thank the Senator from Rhode Island for his

demonstrated statesmanship in the handling of this problem. I appreciate very much his cooperation. I think this is a fair solution of the problem. It is a step forward. If it is finally adopted in conference, it will provide $266,000. It will provide for the starting of the feeding of 2,000 boys and girls. It puts us in a position to have a plan for feeding the whole 7,000 next January. It gives the Commissioners an opportunity to make a request for a supplemental appropriation. I think it is a very worthwhile accomplishment.

I am pleased to yield back my time on the amendment, and ask for a vote on it.

The PRESIDING OFFICER. The Chair understands all time on the amendment has been yielded back.

The question is on agreeing to the amendment of the Senator from Oregon [Mr. MORSE].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. DOUGLAS. Mr. President, I send an amendment to the desk, and ask to have it stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Illinois will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 27, line 22, to strike out "$18,039,000, of which $17,409,000," and insert in lieu thereof "$17,159,000, of which $16,529,000."

Mr. DOUGLAS. Mr. President, this is an amendment to strike out the requested appropriation of $880,000 as the initial item in the highway program which will cut the Glover-Archbold Park to pieces. Once this appropriation is made, there will be a further necessity of an appropriation for about $5 million. It will probably carry in its wake a later request for $10 million for interchange connections farther up the line.

In a sense, it is somewhat ridiculous for the United States Senate to be considering a matter of municipal government. I have always believed in home rule in the District of Columbia. I have felt these were matters which should be determined by the municipality, and that a national body should not be compelled to go into these affairs.

Nevertheless, we cannot get home rule, apparently, for the people of Washington, and we have to act as a board of aldermen for the city. And it is in that capacity that we are serving this afternoon.

Once the job is given to us, it is necessary that we do the best we can and perform our duties as aldermen as intelligently as possible.

There is involved in this matter the question of how the big truck route 240 from the West is to come into Washington. The plans of the National Capital Park and Planning Commission involve not merely the Glover-Archbold Parkway, but also bringing the heavy traffic down Wisconsin Avenue to Tenley Circle.

If the plans of the Commission are examined in detail, it will be found that from Tenley Circle it is apparently intended to divide the traffic, the passenger traffic coming down two 24-foot lanes through Glover-Archbold Park.

But another plan was unveiled in more detail in the press this morning as an alternate plan, but this is also likely to become a supplementary plan to the Glover-Archbold Parkway. It is for the heavy trucks to go south from Tenley Circle, then turn east on a six-lane freeway crossing Wisconsin Avenue and going along the line of Tilden Street, crossing Connecticut Avenue, going through Hazen Park, crossing Rock Creek Park, to the east side of the park, and, apparently, going down 14th Street or 15th Street, or some such street as that, to the so-called inner-loop expressway.

I served for some years on the Chicago Board of Aldermen, and know something about traffic problems. I had always thought the first rule of heavy and through traffic was that such traffic should skirt a city, and not plunge through the heart of a city. Yet we find the National Capital Park and Planning Commission violating this first simple rule.

I have before me a map of the city of Washington. It is obvious that the route coming from the west could be altered before it came within the limits of the District of Columbia so that truck and through traffic could come along the Potomac River, preferably on MacArthur Boulevard, or, if necessary, MacArthur Boulevard could be improved to take this heavier traffic and a bridge could be built to Virginia to take off the through traffic.

In this way, the traffic could be kept out of the city. Or, if necessary, it could skirt the city on the north coming down beside the B. & O. railway and then make its connection with Highway No. 1 somewhere in Virginia.

But the National Capital Park and Planning Commission has chosen a different course, namely, to bring this heavy traffic into the heart of the city. In doing so, the Commission looks around for land it can use. So the land which comes to its mind, the cheapest land, consists of park. This kind of land is owned by the public. All that is there are trees, flowers, birds, and beauty. So a person whose mind is concentrated on traffic thinks of finding parkland through which high speed thoroughfares and truckways can be constructed.

In the process there will be destroyed Glover-Archbold Park, which has trees considerably more than a century and a half old, trees which I think were there when George Washington was President of the United States—a virgin stand of beautiful timber—which to my mind are necessary parts of the amenities of city life.

Under the plan which was announced as an alternative route, but which is probably a supplementary route, traffic would be sent by St. Ann's Church and School, a very large Catholic church and school at Tenley Circle, and past Immaculata School on the same circle, then plunge southward, turning east at Upton or Tilden to cross Wisconsin Avenue and proceed in between Sidwell Friends School and the Home for Incurables. I think there will be only a 17½ foot clearance on either side, between the 6-lane truck freeway and the nearest building of Sidwell Friends School on one side, and between the truck route and the Home for Incurables on the other side, if the highway is constructed. So those properties would be ruined, and the safety of the children there, as well as at St. Ann's and Immaculata, would be endangered.

Then it goes by Hearst School, which is a public school, with a clearance of perhaps no more than 40 feet. Then it tears to pieces a residential area lying between Wisconsin and Connecticut Avenues. It goes through Hazen Park, which is a very attractive wooded park. It crosses Rock Creek Park, doing damage in the process to this park, which is one of the most beautiful parks in the Nation. It probably would slice off a section of the zoo. Then it would plunge southward.

Mr. President, I think these plans are really totally unacceptable. I cannot understand why the National Capital Planning Commission does not consider bringing the highway and truck route in on the Maryland side to the Potomac River, and then down the Potomac River, or bringing the heavy traffic for Washington in along the Baltimore & Ohio right-of-way, rather than insisting on going through the very heart of metropolitan Washington and destroying two of the most beautiful parks in the country. Certainly this joint plan would destroy the Glover-Archbold Park, and would still further impair Rock Creek Park.

I know it is horse country on the Maryland side, and a number of prominent and wealthy citizens have horse farms or estates there, and they probably would not like to have their beautiful acres cut up. But these considerations seem to me to be minor compared to the damage which would be done to the St. Anne's Church and school, to the Sidwell Friends School, to the Home for Incurables, to the Hearst School, and the destruction of Hazen Park, Glover-Archbold Park, and the impairment of Rock Creek Park.

In my opinion the simplest thing we can do is to eliminate the appropriation for $880,000. As a matter of fact, as we know, there are two traffic surveys now in the course of completion. One of those is before the committee under the chairmanship of the Senator from Nevada [Mr. BIBLE], and another is before an administrative agency of the Government. It seems to me we should have this subject studied more fully.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. MORSE. First, I should like to have the Senator agree to the introduction into the RECORD of certain telegrams I received this morning in support of his position for postponement of action on this matter.

Mr. DOUGLAS. I should be glad to have the Senator do so.

Mr. MORSE. Mr. President, I ask unanimous consent that the telegrams may be printed in the RECORD at this point.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C. *May 27, 1959.*

SENATOR MORSE,
Senate Office Building,
Washington, D.C.:

Back you to the hilt on lunches for District of Columbia kids.

New subject: Glover-Archbold Parkway will destroy some of the natural beauty of Washington and create future unmanageable traffic and smog problems. Proposition of Army Engineer Welling who desires construction for construction's sake fallacious in that traffic from proposed Glover-Archbold Parkway has no place to go; except further and unnecessary construction not needed, nor costs revealed at this time. Hidden future costs of this project unnecessary and concealed. No objection to lunch fund for District of Columbia kids. Obvious poverty in Capital incredible to visiting chiefs of State.

Col. JAMES W. TOTTEN.

WASHINGTON, D.C. *May 26, 1959.*

SENATOR WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

Urge you vote today eliminate from District Columbia budget $800,000 for starting super highway through Glover-Archbold Park in Washington. This appropriation merely a beginning of huge sums for a highway for which no conclusive need yet established should certainly be postponed pending mass transportation study by Senator BIBLE'S committee. The proposed Glover-Archbold Highway will ruin forever the last remaining natural park area in Washington and will break faith with donors who gave land to city in good faith for a forest park. Proposed highway is a boondoggle backed by Engineer Commissioner over the opposition of Director, National Park Service, citizens associations and conservation groups. Urge you vote to eliminate.

NEILL PHILLIPS,
Chairman, Committee of One Hundred on the Federal City.

Mr. MORSE. Second, I shall support the amendment. I shall state why I intended to support it.

Although I fully appreciate the position of the Appropriations Committee, the Senate should know that there are certain studies being conducted by the Joint Committee on Washington Metropolitan Problems, of which the Senator from Nevada [Mr. BIBLE] is the chairman. It is a joint committee of the House and Senate which has submitted a report on many metropolitan area problems. Mass transportation is a major problem upon which we have not finally reported.

I have studied this matter enough to satisfy myself that there is no emergency need for action on the project at issue this year. It has been pending for a long time. How many times have we stood on the floor of the Senate to plead for more bridges across the Potomac River? We need bridges across the Potomac River more than we need hasty action in regard to a highway through the Glover-Archbold Park.

I think the best interests of all interested parties would be served if we postponed this matter for decision for another year. On the basis of the fact that I do not believe a case can be made which shows that great damage will be done if we do not act on this question this year, I am going to support the Senator's amendment, which is in effect an amendment to postpone action.

Mr. DOUGLAS. I thank the Senator from Oregon. I will conclude in a minute or so, Mr. President.

One can destroy trees in 15 minutes, trees which take a century or a century and a half to grow. With bulldozers, saws, and axes one can lay waste to a park. But once the trees and the park are gone they are gone forever. I think we should be very careful about ruthless action which would destroy the Glover-Archbold Park, which would destroy the Hazen Park, and which would greatly mar Rock Creek Park, in addition to putting thousands of schoolchildren in real danger.

Mr. President, I hope very much that the committee will accept the amendment.

Mr. PASTORE. Mr. President, the so-called Glover-Archbold Parkway total cost is estimated to be $4,980,000, of which half will be paid by the Federal Government, and half will be paid by the District. Thus far $150,000 has been appropriated for specifications and plans. The appropriation contained in the bill presently before the Senate which is now under dispute because of the amendment, is $880,000 for the initial cost of construction.

I will be very frank with my distinguished colleague from Illinois, because I know of his interest in preserving the rustic and natural aspects of the park. I think that is about the only argument. If we go beyond that, then we are superimposing our engineering talents upon those of the three members of the Commission charged with the ultimate responsibility and trust for initiating and executing plans to relieve the traffic congestion in the District of Columbia.

Mr. President, this appropriation was approved by the House of Representatives. After the bill came to the Senate there were many remonstrances made to the committee, which the committee did not consider lightly at all. As a matter of fact, we were very much disturbed by the remonstrances on the part of the sincere and dedicated citizens of the District of Columbia, who objected to the construction of this highway. For that reason I took it upon myself to have several conferences with Brig. Gen. Welling, the Engineer Commissioner, to determine whether any alternative plans could be initiated in order to overcome the objections which were made on the part of these very fine citizens.

Mr. O'MAHONEY. Mr. President, will the Senator yield for a question?

Mr. PASTORE. I yield.

Mr. O'MAHONEY. I have been reading the report. On page 6 I find the committee quoted the Engineer Commissioner. I read from the report:

> Desirous of recognizing the interest and public spirit of the citizens, the committee made a request of the Engineer Commissioner as to the possibility of some alternate site for a road which would serve the District in this area of major traffic congestion. He replied, in part, as follows:
>
> "The parkway is an indispensable feature of our traffic pattern. The 1948 agreement with the National Park Service states that the parkway is considered essential to provide additional and improved traffic facilities in the District of Columbia, and to provide adequate facilities for vehicular access for the extensive park area south of Massachusetts Avenue as a scenic parkway so that the area may be used for the pleasure of the great number of people who will visit it."

I ask the Senator, what is the legislative authority for an agreement between the District Commissioners and the National Park Service with respect to an outlay of this amount for a road of this character?

Mr. PASTORE. What does the Senator mean by his question?

Mr. O'MAHONEY. Of course, we all know that the Appropriations Committees of the Senate and the House of Representatives can recommend no appropriation in an appropriation bill unless there has been a previous authorization for it. I am trying to find out what is the legislative authorization for the construction of a highway through the park system which would have the effect described by the Senator from Illinois?

Mr. PASTORE. Mr. President, I am not prepared at the moment to answer the question of the distinguished Senator from Wyoming. As I understand the question, he wishes to know what authority the National Park Service, which is a Federal agency, has to enter into this agreement in order to carry out its part of the unification of the highway system.

Mr. O'MAHONEY. That is one part of the question. The other part of the question is, What legislative authorization is there for making an appropriation of this character and for this purpose?

Mr. PASTORE. So far as the highway itself is concerned, it is quite traditional, and it is the law, that the Appropriations Committee, so far as the road program of the District of Columbia is concerned, is authorized to include the authorization in the appropriation bill.

Mr. O'MAHONEY. Is not that a violation of the rules of the Senate?

Mr. PASTORE. No. I believe the Senator has a point so far as the National Park Service is concerned. Whether or not there was a previous authorization in that case, I am not prepared to say.

This project does not come before the Public Works Committee. It comes before the Appropriations Committee, and we authorize the construction of the highways and appropriate the money. I am told that that is our authorization. Beyond that I cannot give any further explanation.

Mr. O'MAHONEY. This appropriation bill came to the Senate from the House.

Mr. PASTORE. That is correct.

Mr. O'MAHONEY. On the basis of the statement the Senator has just made, if this appropriation had been inserted by the Senate Committee on Appropriations, it would probably have been subject to a point of order.

Mr. PASTORE. No. The bill originated in the House, as do all appropriation bills.

Mr. O'MAHONEY. But if an amendment had been inserted by the Senate committee providing for what the House had already provided, would not the situation be different? Having served for years on the Appropriations Committee, I am aware of the fact that in the Senate points of order have not been raised with respect to appropriations made by the House, which included not only the appropriation, but the legislative authorization. But if the Senate committee does so, its action is subject to a point of order.

On the basis of logic, and in order to preserve the legislative authority, a point of order should be subject to being raised against even an appropriation of this kind, which comes from the House, if it be true, as the Senator has indicated, that the Appropriations Committee itself is the legislative authority.

Mr. PASTORE. So far as the construction of the highway is concerned, yes.

Mr. O'MAHONEY. Can the Senator cite the law which gives the committee that authority?

Mr. PASTORE. Will the Senator look at page 29 of the bill?

Mr. O'MAHONEY. Yes.

Mr. PASTORE. Reading from page 29:

Provided further, That in connection with projects to be undertaken as Federal-aid projects under the provisions of the Federal Aid Highway Act of December 20, 1944, as amended, the Commissioners are authorized to enter into contract or contracts for those projects in such amounts as shall be approved by the Bureau of Public Roads, Department of Commerce.

And so forth. I would consider that to be the authorization.

Mr. O'MAHONEY. I have just found the page. The Senator read from page 29 of the bill, did he not?

Mr. PASTORE. Beginning in line 6. I would consider that to be the authorization. I will submit that that is not the way it is usually done with reference to other appropriations. The usual practice is first to have the legislative committee approve the legislative authorization, and then have the Appropriations Committee, within the purview of the authorization, recommend the appropriation.

Mr. O'MAHONEY. Let me read again:

Provided further, That in connection with projects to be undertaken as Federal-aid projects under the provisions of the Federal Aid Highway Act of December 20, 1944, as amended, the Commissioners are authorized to enter into contract or contracts for those projects in such amounts as shall be approved by the Bureau of Public Roads, Department of Commerce:

The language, beginning in line 9—

The Commissioners are authorized to enter into contract or contracts for those projects—

And so forth, is a legislative authorization.

Mr. PASTORE. Yes.

Mr. O'MAHONEY. It is not an appropriation to carry out an authorization already made. It is a legislative authorization, and therefore it is contrary to the general rule that legislation on an appropriation bill is prohibited.

Mr. PASTORE. If the Senator will read all the language, he will get down to the appropriation. There is a combination of two things——

Mr. O'MAHONEY. But under the rules of the Senate we cannot combine a legislative authorization and an appropriation in an appropriation bill.

Mr. PASTORE. I am familiar with the rule. I asked the same question.

Mr. O'MAHONEY. Why is it done?

Mr. PASTORE. I do not know. I asked the same question the Senator from Wyoming asked. I am told that that is the only way it has ever been done with regard to the District of Columbia. The Senator has been a member of the Appropriations Committee for a longer time than I have. I am not trying to defend a hopeless position. I am trying to defend a precedent. I have asked the same question, and this is the way it is done, I am told.

Mr. O'MAHONEY. I thank the Senator for his very frank response. My reaction is this: The suggestion has been made by the Senator from Oregon [Mr. MORSE] that there is no emergency about the $800,000 appropriation. He asks, "Why should the work be done now?"

A similar argument has been made by the Senator from Illinois [Mr. DOUGLAS]. I notice that he has a map showing the invasion of the Glover-Archbold Park which would be made by the proposed highway.

Mr. PASTORE. This is not a process which is being employed alone with respect to this particular highway. That is the way it is always done.

The Senator raises the question as to whether there is an emergency. As a matter of fact, there is hardly an emergency need for any road at any time.

The question is, "When are we to begin it?" The argument is made, "It is all right to build this highway, but let us not begin it this year. It may be all right for next year."

Mr. O'MAHONEY. That is not my argument.

Mr. PASTORE. That is the argument which has been made here. The argument has been made that the amendment applies only to a postponement. Why postpone? If we are to make the argument that we should never, never, never encroach upon the rustic natural aspect of this particular park, that is one argument. But if the argument is that we must not do it in 1959, but that it is all right for 1960, I think the argument which is being made defeats itself.

Mr. O'MAHONEY. The Senator's argument is "If our predecessors made a mistake, let us continue to make the same mistake."

Mr. PASTORE. No. I do not make that argument.

I have not had much opportunity to explain the provision yet. A question of law has been raised. An argument has been made by some who are very sincere, including the distinguished Senator from Illinois [Mr. DOUGLAS] in connection with the Glover-Archbold Park. Whenever the distinguished Senator from Illinois raises a point, it is not considered frivolous by the Senator from Rhode Island.

This morning I had a very serious meeting with members of the Board of Commissioners and staff members, not only with reference to the school lunch program, but with particular reference to the Glover-Archbold Park.

We do not wish to make a mistake. We covered the ground thoroughly. The question was raised on Tuesday whether the Commissioners were unanimous in their vote, or whether it was a 2-to-1 vote. They said that the vote was unanimous. Both Commissioners Karrick and McLaughlin, as well as the Engineer Commissioner, Brig. Gen. A. C. Welling, unanimously voted for the immediate construction of the highway. When I say "immediate" I mean the beginning of it.

I realize that there will be some disruption of the rustic aspect of the park, but we are told that, in cooperation with the National Park Service, trees will be planted. Some old trees will have to be removed anyway. There is already a dedication of a 100-foot width, running throughout the entire tract, which could be used for a road. The dedication dates back almost half a century, I am informed.

If there was any disposition on the part of the Commissioners to be adamant, frivolous, or impetuous, the situation might be different. They feel that this highway is necessary in order to relieve congestion.

Some persons have said that there should be an alternative. We did not consider that argument lightly, but we put the question up to the Commissioners, "Is there an alternative?" The distinguished Senator from Wyoming has just read for the RECORD a letter in which they say that there is no alternative.

The Senator from Rhode Island and his colleagues on the committee, including the distinguished Senator from Nevada [Mr. BIBLE], who has been quoted from time to time, have made a study of this subject. We considered all the facts and reached the considered opinion that we could not substitute our judgment for the engineering talents of the men entrusted with this work. If we are to construct a road program for the District of Columbia on the floor of the Senate, we shall end in a labyrinth of confusion.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. MORSE. I believe the Senator has raised a very vital issue on the floor of the Senate. I want the RECORD to be perfectly clear that I am not suggesting a postponement with the thought in mind that the project can be begun next year.

I do not know whether a road ought to be built. I wish the Senator from Rhode Island would keep in mind the undeniable fact that a mass transportation study is in process. The mass transportation study has not been completed. Congress has appropriated I do not know how many thousands of dollars for that study. We have a joint committee of the House and the Senate,

which has had its life continued by Congress for a period of time for the sole purpose of reviewing that study. Pending the receipt of the final results of the mass transportation study and an analysis of it, we who are on the joint committee cannot make sound legislative recommendations to Congress in regard to the overall transportation problem.

I believe that here again we have a point which I tried to raise last Tuesday, on the tendency for us to get into somewhat of a conflict between the appropriation functions of the Committee on Appropriations and the duties of the legislative and joint committees.

Mr. PASTORE. Before the Senator leaves off that point—because we are on limited time—the fact is that the argument of the mass transportation report has been injected into this discussion numerous times. As a matter of fact, we took this matter up in the subcommittee, and the Senator from Nevada [Mr. BIBLE] himself endorsed it 100 percent, and he assured us that there is no intention of getting into the mass transportation report, to dictate to the community what kind of road it should be.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PASTORE. Has all of my time expired?

The PRESIDING OFFICER. All of the time of the Senator from Rhode Island has expired.

Mr. PASTORE. How much time do we have on the bill?

The PRESIDING OFFICER. Time remains to the minority leader in opposition.

Mr. PASTORE. In view of the seriousness of this discussion, I ask unanimous consent that we be given 15 minutes additional time in order to fully discuss this matter.

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. Mr. President, reserving the right to object, we have been sitting here listening to a discussion of many extraneous matters.

Mr. PASTORE. I quite agree.

Mr. JAVITS. I have tried always to be polite, but there is a limit. Those of us who have given out statements to the press at length about what we are going to say on the floor must sit around for hours while Members intrude upon the floor with complete impunity. Therefore, while I shall not object—the Senators are all good friends of mine, and I would not dream of objecting—I wish to take this occasion at least to issue a caveat that this sort of thing must be kept a little within reason. I shall object to any other requests for an extension of time, although I shall not object to this one.

Mr. PASTORE. I thank the Senator for his generosity. Would it be news to the Senator to know that I have been sitting here since 10 o'clock this morning waiting for 3 hours of argument on a matter which had nothing to do with the pending bill to be completed?

Mr. JAVITS. I understand. That is why I am not objecting.

Mr. MANSFIELD. Mr. President, I ask for the regular order.

The PRESIDING OFFICER. The Senator from Rhode Island asked unanimous consent that 15 additional minutes be allowed for debate on the amendment. Is that correct?

Mr. PASTORE. Yes.

The PRESIDING OFFICER. Is that time to be divided equally, or is 15 minutes to be allowed to each side?

Mr. PASTORE. 15 minutes all told.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. PASTORE. I yield to the Senator.

Mr. MORSE. I fully appreciate the position of the chairman of my joint committee. However, the fact is that the mass transportation study has not been released. The fact is that the joint committee is awaiting an analysis of whatever recommendations the mass transportation study may contain. We need to know in order that we may then decide upon our final report to the Congress and to the standing committees. I assume we shall make certain legislative recommendations to the Congress with respect to the transportation problem. The fact further, is that as soon as we then, in the standing committee, receive these proposals from the joint committee, we have a duty to give careful consideration to legislation and to pass judgment upon zoning matters, on highway matters, and on all transportation matters.

I do not propose to delegate this duty to General Welling, or Commissioner McLaughlin, or Commissioner Karrick, or anyone else.

We must pass judgment on these things. All I am saying is that until the studies are completed——

Mr. PASTORE. The facts are all in, and everyone seems to be satisfied with the exception of a few persons.

There are those who object because they like the rustic aspect of the park. I am told that if the road is ever built, the park will still be a beautiful park, and will be accessible to a great many more people.

I believe we should dispel the notion that this matter has not been given serious thought. It has certainly been given serious thought. As has been pointed out, the authorization is contained in Public Law 364, 83d Congress, chapter 218, 2d session. It was House bill 8097, and it goes to title 4, which has to do with highway construction.

Mr. MORSE. I am not referring to the question of authorization.

Mr. PASTORE. I hope the Senator does not believe for a moment that when the District of Columbia comes to Congress we are obliged to call in all persons who have had anything to do with drawing up the design or specification of the highway and let them prove to us that they are good engineers, and then try to show that we are better engineers than they are. What we are doing this afternoon is saying to designers of the project, "You are good engineers, but your plans are all wrong." That is what it amounts to.

Mr. MORSE. I respectfully say that the Senator completely misunderstands my position. I am only saying that we cannot possibly have all the facts until the legislative committees get the report on the mass transportation study, and take legislative action on it, if they want to take any, and submit the matter for consideration to the joint committee, for which we are appropriating thousands and thousands of dollars.

Mr. PASTORE. I raised with Brigadier General Welling the question whether this highway would be an infringement on the mass transportation report, and he said it would not be.

Mr. MORSE. That is his judgment.

Mr. PASTORE. He said the mass transportation study includes the building of this road.

Mr. MORSE. That is his judgment.

Mr. PASTORE. If we are going to get it next year or 5 years later, let us relieve the traffic now and let us build the road promptly.

Mr. MORSE. What the Senator is saying is that he wants us to take General Welling's idea, when we on the legislative committee have not had a chance to go into the matter.

Mr. PASTORE. The Senator from Nevada [Mr. BIBLE] tells me that the committee will not go into it.

Mr. MORSE. How can he stop us from going into it? It is a prerogative of the legislative committee.

Mr. BIBLE. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. BIBLE. The matter of the mass transportation survey has been subjected to considerable question during the past several days. I believe we must keep this matter in proper perspective. As I understand the resolution under which the joint committee is acting, the purpose was to survey the problems and the needs of the metropolitan Washington area, and the committee was to give some priority to the question of transportation. The transportation study and survey have been completed. The engineering part of the transportation study has been completed. The engineering part of the transportation survey includes this particular route, as well as other routes.

I certainly do not undertake to speak for the complete membership of the joint committee. It did occur to me, however, that certainly the joint committee would not be going into the engineering facets of the location of highways within the District of Columbia. I assume—and I believe I am correct—that the scope of our general survey, when the mass transportation report is finally given to us, largely lies in implementing legislation as to authority and as to financing. A large problem involved in the mass transportation study is, who is going to finance it and who is going to control it. I do not for a moment believe that we are going to determine the route line of the Wisconsin corridor, the route line from Tenley Circle to Canal Road; nor do I believe we are going to study the alinement of the inner loop, the Anacostia Freeway, the Potomac River Freeway, or the

Southwest Freeway, all of which have been improved and are in the present engineering study of the mass transportation survey, and are also incorporated within this very bill. I think they all lie beyond the scope of our joint committee, I say with due respect to the distinguished Senator from Oregon.

Mr. MORSE. I may say, with even greater respect than the Senator from Nevada could possibly extend to me, that he has proved my case. I completely disagree with certain observations the Senator has just made as to what the duty of the joint committee is. I am a member of the committee. As a member of that committee, when we acted on the first mass transportation study, we did not have the report on the mass transportation study before us. It has not been released as yet. I say this as a member of the committee. When we get the report on the study, we can then go into the whole question of whether the road outlay recommended by the report will improve or hinder mass transportation in the District of Columbia.

How in the world can we, and I now speak as a member of the District Committee, as a legislative committee, I respectfully submit, give a value judgment concerning a mass transportation report unless we take a look at what the effect on mass transportation will be of the recommendation of the Department of Highways. I do not see how we as a committee can escape such a conclusion.

Mr. PASTORE. Mr. President, as I understand, we have a minute and a half remaining, and there are three Senators who wish to speak, I yield, first, a half a minute to the Senator from Maryland, and then a half minute to the Senator from Colorado. I think we owe that courtesy to members of the committee.

Mr. BEALL. Mr. President, this parkway has not only been recommended by the National Capital Planning Commission, the National Capital Regional Planning Council, the Commissioners of the District of Columbia, and the Highway Department of the District of Columbia, but has also been recommended in a study on mass transportation problems in the District of Columbia made by DeLeuw Cather.

Any interchanges which are needed on this parkway will be needed whether the parkway is built or not and are therefore not considered in the cost of the parkway.

The total cost of the parkway is estimated at $5 million.

Mr. MORSE. But what does that prove?

Mr. PASTORE. I have half a minute remaining, and I will split that up.

Mr. BEALL. First, I may say to the Senator from Oregon, the report of the transportation survey has approved the proposed parkway. It has been approved by the engineering consultant on the parkway.

Mr. MORSE. I understand, but what does that prove?

Mr. PASTORE. I yield half a minute to the Senator from Colorado.

Mr. ALLOTT. Mr. President, I should like to say, with respect to this "rush business," that since 1893 the District of Columbia has had dedicated to it a 100-foot strip in the Glover-Archbold Park for an all-purpose highway, including truck use.

In 1948—11 years ago—the District agreed with the National Park Service that the District would forgo the construction on its 100-foot right-of-way of an all-purpose highway to go through Archbold Park, and instead would construct thereon a four-lane scenic parkway and would exclude commercial vehicles.

I disagree with the position taken by the Senator from Oregon. In the years I have been a Member of the Senate he has been one of those who have said, "Let us put in the hands of the people of the District the power to govern themselves." In this matter they do have the power to do what is proposed, and they have done it. They have worked it out over a period of years. Is there any reason why Congress should now say, "No, the work you have done and what you think now is not correct. We are going to send all your work down the drain and tell you to say goodby to it."

Mr. PASTORE. Mr. President, how much time for debate is left?

The PRESIDING OFFICER. All time remaining to the Senator from Rhode Island has expired. The Senator from Illinois has 7½ minutes remaining.

Mr. PASTORE. Does the Chair mean that the other side has been using our time? [Laughter.] I hope they will bear that in mind.

Mr. DOUGLAS. Mr. President, I claim some of the 7½ minutes.

Mr. O'MAHONEY. Mr. President, will the Senator from Illinois yield for only a minute?

Mr. DOUGLAS. I yield a half minute to the Senator from Wyoming.

Mr. O'MAHONEY. I say to the Senator from Rhode Island, the Senator from Nevada, and the Senator from Colorado that this is not an engineering question; it is a question of whether the U.S. Senate is going to give its approval to the destruction of a very charming park in the middle of the city.

Mr. DOUGLAS. That is correct.

Mr O'MAHONEY. The transportation should go around the city, not through Glover-Archbold Park.

Mr. DOUGLAS. Mr. President, the Senator from Wyoming is making such a very eloquent argument that I yield him 2 minutes more.

Mr. ALLOTT. Mr. President, will the Senator from Wyoming yield for a question?

Mr. O'MAHONEY. I yield.

Mr. ALLOTT. Will the Senator from Wyoming tell us in all honesty how it is possible to run a highway around the city and still bring traffic to the center?

Mr. O'MAHONEY. The Senator from Colorado knows that in his State and in mine, the Bureau of Public Roads is routing through highways around the cities.

Mr. ALLOTT. For the traffic which goes beyond the cities, yes; but how is it possible to bring traffic to the center of the city by having highways run around the city? That is my point.

Mr. O'MAHONEY. No; the issue here is not an engineering question. It is not whether a report has been made or has not been made. So far as reports are concerned, the question is whether the report has been approved by the legislative authority. It has not been approved, on the admissions which have been made in the Senate today.

The other question is—and this is the important one—Do we wish to give our approval to an engineering plan which will multilate and practically destroy the Glover-Archbold Park? From my standpoint, I do not favor that destruction. I want that park to remain. I do not want a highway to be built through the Glover-Archbold Park; therefore, I am against the appropriation.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. O'MAHONEY. The Senator from Illinois controls the time.

Mr. DOUGLAS. I yield 15 seconds to the Senator from Rhode Island.

Mr. PASTORE. That is the only argument which the Senator from Wyoming has.

Mr. O'MAHONEY. It is a powerful one.

Mr. PASTORE. The question has to be weighed against whether it is desired to facilitate traffic moving into the District. If the Senator wants everybody to walk, and to walk through a park, that is the answer.

Mr. DOUGLAS. I wish to emphasize what the Senator from Wyoming has said. The problem of a city plan is too important to be turned over to engineers. Engineers tend to be very ruthless persons, particularly engineers who deal with transportation. They want to build high speed thoroughfares. They want trucks to move on them. They have little or no regard for the damage which may be done to a scene of natural beauty. They like to direct bulldozers. There is nothing really more dangerous to beauty than an engineer with a bulldozer.

We can be perfectly certain of what will happen to Glover-Archbold Park, which is now a beautiful natural park, and which was given to the District of Columbia for that purpose, and that purpose alone. I think that if the heirs of the Glover and Archbold Estates were to bring suit, they could destroy and defeat this proposal.

Not only is Glover-Archbold Park involved, but from letters from Brigadier General Welling and Commissioner McLaughlin, which were placed in the RECORD on Tuesday it is evident that this is only a part of a unified plan under which the through traffic from the west will come in on Wisconsin Avenue—or by way of the so-called Wisconsin Avenue corridor—and will then split at Tenley Circle. A part of it will go down through Glover-Archbold Park, and a part will go through a new route to be constructed through a thickly populated residential section between Wisconsin Avenue and Connecticut Avenue, going through Hazen Park, and still further impairing Rock Creek Park.

We are being asked to give our approval to this project merely because engineers have approved it. I wish the Senate were not a board of aldermen; but we are, so far as the District of Columbia is concerned. I do not want to

sit here and give my approval to the destruction of great natural beauty, which is as much a part of life as anything one can have, simply to enable automobiles to be run through an area faster.

If the people of the District could be heard, or had a voice in the selection of their legislative representatives, I do not believe this location for the through highways would be approved.

I think we are all shocked at what happened in the city of Milan, Italy, during the Renaissance, when Leonardo da Vinci drew up a city plan for the Duke of Milan. His city plan was that only the aristocracy could live above ground; the common people would have to live underground. Nowadays the people are apparently expected to live under the highways while only the automobiles and the wealthy are to enjoy the sunlight.

The proposal which is being advanced now is that the big estates, on the outskirts of the city, are not be to be disturbed. There is to be no right-of-way or through road through those estates. But the parks of the people of the city of Washington are to be destroyed and a number of their educational institutions may be seriously damaged for the benefit of high-speed transportation. I think this is a violation of all principles.

Mr. BEALL. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. BEALL. Does not the Senator from Illinois think the debate this afternoon has very definitely illustrated the need for home rule for the District of Columbia?

Mr. DOUGLAS. Yes, absolutely. I am for home rule. We should not handle this matter, but we are unfortunately the legislative body for the District. Since we are the legislative body, we have to do our duty for the District of Columbia. I do not believe in delegating our duty to the engineers. I do not want to make Brigadier General Welling or Commissioner McLaughlin dictators for the District of Columbia. In this case I believe there are better alternative routes for the needed highways, alternatives which will not damage the parks and community institutions threatened by the Glover-Archbold Parkway and the crosstown truck freeway unveiled more fully in the press today.

Mr. PASTORE. Mr. President, will the Senator yield for a simple question?

Mr. DOUGLAS. I yield.

Mr. PASTORE. The Senator from Illinois is familiar with the fact that there is a dedication of a right-of-way of 100 feet through the middle of the park. Somewhere along the line, someone had at least conceived the thought that some day a road would be built through there. This has been done in conjunction with the National Park Service, whereby the Park Service will beautify this scenic park, so that a large number of people will use it.

Mr. DOUGLAS. When a highway engineer makes his plans, he tends to destroy beauty.

Mr. PASTORE. That is a relative matter. I think the Senator makes a very good argument. But buildings continue to be erected in the District. A new State Department office building is being erected. Other structures have been built. Thus more and more people are brought into the District. I do not think the Commissioners have any innate desire to rape the beauty of a natural park.

Mr. DOUGLAS. That is what they will do.

Mr. PASTORE. They have esthetic qualities as the rest of us do. But a time comes when people must either walk or ride, or else not go to work. Either they will have to listen to the birds, or else ring the timeclock and go to work. That is the question. If the Senator from Illinois wants the park kept for the birds, that is his privilege. [Laughter.]

Mr. CHAVEZ. Mr. President——

Mr. DOUGLAS. I want the parks kept for the people. The autos going to work can take other routes.

Mr. President, how much time remains available to me?

The PRESIDING OFFICER. All time available to the Senator from Illinois has expired.

Mr. MORSE. Mr. President, I submit an amendment in the nature of a substitute for the Douglas amendment; and I ask that my amendment be stated.

The PRESIDING OFFICER. The amendment of the Senator from Oregon to the Douglas amendment will be read.

The LEGISLATIVE CLERK. To the amendment of Mr. DOUGLAS, the following is submitted: In lieu of "$17,159,000," insert "$15,000,000." In lieu of "$16,529,000," insert "$15,000,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute, submitted by the Senator from Oregon.

Mr. MORSE. Mr. President, I should like to try to make clear my position on this proposal.

Of course, before the debate is over I may call up the Morse home-rule bill; I think that now would be a fairly good time to call it up. [Laughter.]

Mr. PASTORE. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield.

Mr. PASTORE. And I will vote for it.

Mr. MORSE. I realize that; and I may call it up before the afternoon is over. [Laughter.]

Mr. President, I quite agree with the Senator from Maryland that this matter is a good illustration of the need for home-rule legislation for the District of Columbia.

I do not quite agree with my friend, the Senator from Colorado [Mr. ALLOTT], who, if I correctly understood him, said that this item of the appropriation bill is based upon a manifestation of home rule. I do not agree, because the District of Columbia Commissioners do not represent home rule in the District of Columbia. The District of Columbia Commissioners are not elected by the people of the District of Columbia, and they are not responsible to the people of the District of Columbia; and the Commissioners are not a product of home rule.

Mr. ALLOTT. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield.

Mr. ALLOTT. My point, which I believe the Senator should take into consideration, is that the Commissioners do, by law, have certain responsibilities which the Congress has imposed upon them, in order to relieve the Congress. If Congress takes back this responsibility, Congress then says to the Commissioners, "We gave you this responsibility; but we do not believe you exercised it properly, and therefore we are taking away the responsibility in this instance." That is exactly what we would be doing.

Mr. MORSE. No, Mr. President; I do not agree. We have delegated to them administrative functions, not legislative functions. That is the burden of my argument. We really have before us this afternoon a legislative problem which goes to the whole question of zoning, mass transportation, and what should be done in the future in regard to highways running through or around the District of Columbia. Such matters should be handled first legislativewise, not appropriationwise.

I want the chairman of the subcommittee on District of Columbia appropriations to understand fully that I have the utmost respect for his point of view in regard to this matter. But the fact is that I, too, am a member of the joint committee, and I know what I am waiting for. I am waiting for the mass transportation report. I am waiting for a series of meetings of the joint committee, so we can give consideration to whether we think the recommendations in connection with the mass transportation report are good or are bad. Then we can proceed to consider the legislative proposals.

So long as there is no home rule in the District of Columbia, we do have the responsibility of going into the question of whether the District of Columbia Commissioners are recommending sound transportation measures for the District of Columbia. I think we have that duty so long as we keep to ourselves the conduct of the affairs of the District.

However, I think the Senate is not yet ready to act on that question. I do not think the Senate should act on the basis of a recommendation by an administrator downtown, until our legislative committees have first studied the program and have made their recommendations.

Mr. PASTORE. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield.

Mr. PASTORE. That is precisely what we did. What does the Senator from Oregon think we have been doing for the several months during which we have studied this bill? I have been devoting many hours to it; in fact, we held a night session at which I remained until midnight, in order to listen to the views of the people of the District of Columbia. That is precisely what I have been doing.

But I am saying now that we had no reason to dispute the decision of the District of Columbia Committee, based on the views of the engineering talent, because, first, it was unanimous; second, they pointed out the need; and, third, it is even included in the mass transportation report.

But today the Senator from Oregon is saying that that is not the way to legislate and is not the way to discharge our responsibility to the legislative body; and he is saying, "We do not like to destroy the artistic, natural beauty of the park and therefore anything you do is entirely wrong."

Mr. MORSE. Mr. President, the Senator from Rhode Island has raised a very delicate point, and I shall deal with it as I have before, in past years.

The Senator from Rhode Island is saying that the Appropriations Committee has gone into this matter. Of course it should go into the matter. But, first, two other committees should have gone into it. One is the Joint Committee for which the Congress appropriated a considerable sum of money to enable it to carry on its work. The other is the Senate Committee on the District of Columbia. In fact, I think the House District of Columbia Committee also should have gone into the matter, and should have made its recommendations, prior to the taking up of the matter by the Appropriations Committee.

My point is that under the committee assignment system in the Senate, the first responsibility rests on the legislative committee; the second responsibility rests on the Appropriations Committee.

I say most respectfully that I think the Appropriations Committee has gotten itself ahead of the legislative committees, in connection with this matter, because in the first instance it is a legislative function of the legislative committees to make legislative recommendations in regard to such things as streets and highways in the District of Columbia. But we have not yet even received the mass transportation report.

Mr. PASTORE. Mr. President, will the Senator from Oregon yield further to me?

Mr. MORSE. I yield.

Mr. PASTORE. A moment ago I read to the Senator from Oregon the law which gives the Appropriations Committee authority to report the authorizations, as well. After all, the Senator from Oregon is also challenging that authority. Certainly, I have no objection to having the legislative committee exercise its responsibility. But the Senator from Oregon knows what happened to the Constitution Avenue bridge. That is precisely what will happen in this case. Whenever a good, sensible plan is proposed by the Senate District of Columbia Committee or by the District of Columbia engineers, it is kicked around from place to place, from group to group, from agency to agency, from committee to committee; and finally, in all the ensuing confusion, it is lost.

Mark my words, Mr. President: If today this item is knocked out of this appropriation bill, there will be a repetion of the experience which has been had in regard to the Constitution Avenue bridge.

Mr. DOUGLAS. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield to the Senator from Illinois; and then I shall answer the Senator from Rhode Island.

Mr. DOUGLAS. Mr. President, I should like to change the subject of the discussion from procedure to substance, if I may.

At this time, I wish to call attention to the letters which appear on pages 9090–9091 of the CONGRESSIONAL RECORD for Tuesday. The first letter came from General Welling; and I now read a part of it:

> The Tenley Circle to the Inner Loop proposal of the National Capital Planning Commission was added to the final report of the engineer consultant for the mass transportation survey. The proposal intended for interstate traffic, including trucks, was clearly in addition to the need for the four-lane Glover-Archbold Parkway for passenger vehicles.

And the following is set forth in a letter which was received from the president of the Board of Commissioners of the District of Columbia, Mr. McLaughlin:

> To the engineer consultant's final report the Planning Commission and Planning Council have added—in addition to the need for the Glover-Archbold Parkway—a freeway in the Wisconsin Avenue corridor which would turn eastward across Rock Creek Park.

The point is that these highways are not primarily designed for local traffic. They are designed for interstate traffic—to take traffic from Highway 240, the continental highway; and we are now being asked to approve a little spur here. But if we approve it, that approval may very possibly carry with it approval for bringing the interstate traffic down Wisconsin Avenue, and splitting it there at Tenley Circle, with passenger car traffic destroying the Glover-Archbold Park, and with trucks routed across eastward, virtually destroying the usefulness of St. Ann's School and Church, Immaculata School, Sidwell Friends School, the Hearst School, and destroying Hazen Park, and impairing Rock Creek Park, with all the damage which would be done on the east side of the park and to the zoo.

The Senator from Rhode Island, in one of his characteristic passages of eloquence, said this was a question of whether one is for the birds or is for the people.

Mr. PASTORE. No, Mr. President; I did not say that at all. I did not employ that simile at all—is it a simile, Mr. President, or is it a metaphor? [Laughter.]

Mr. MORSE. Mr. President, will the Senator yield to me some of the time available to him?

Mr. DOUGLAS. Well, I should like to claim some of the time.

Mr. PASTORE. Mr. President, will the Senator yield to me?

Mr. MORSE. Mr. President, I believe I have the floor; and I yielded to the Senator from Illinois.

Mr. PASTORE. Mr. President, now you see that all of us can become confused.

Mr. DOUGLAS. Mr. President, some persons ridicule beauty. It is supposed to be improper to consider beauty and trees and living and growing things, and it is said that they are not of importance, particularly by people with large incomes who can have estates in the country.

Mr. PASTORE. That does not include the junior Senator from Rhode Island.

Mr. DOUGLAS. I do not have any particular Senator in mind. It is so easy to criticize beauty. But people need parks. They need trees. They need places where they can get relief from the strains of city life. They need quiet. These are absolutely essential. The first thing an engineer thinks of, however, when he sees a park is what a beautiful place is there to put through a high speed car or truck road.

That is all I have to say.

Mr. MORSE. Mr. President, I want to finish my argument, and I am going to finish it without interruption, as to the legislative problem which confronts us.

The Senator from Rhode Island talks about the Appropriations Committee authorization. I want the Appropriations Committee to give consideration to the District of Columbia Committees of the two Houses and to the joint committee. We have the job of making recommendations to the Senate and the House with regard to District affairs problems. The location of streets, or, in this case, of this road, can have a great effect on many municipal matters. For example, juvenile delinquency could be determined in no small measure by the resolution of transportation problems.

Mr. President, when we deal with zoning problems, when we deal with street problems, when we deal with transportation problems, we are dealing with a whole complex system of municipal affairs. All I am saying to the Appropriations Committee is that until the District of Columbia Committees and the Joint Committee can consider the question, the Appropriations Committee should not rush the program by asking for appropriations this year, when the Appropriations Committee knows these other committees must come to grips with the mass transportation report.

I say, very kindly, I think it is only a matter of comity and a matter of cooperation between committees for the Appropriations Committee not to be rushing the District of Columbia Committee and the Joint Committee on a matter which cannot be separated from the whole complex of municipal affairs.

I am voting to postpone action. I am not voting to say whether the highway should be constructed or not. I will be able to tell better after the District of Columbia Committee and the Joint Committee study the matter.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. PASTORE. Is the Senator from Oregon aware of the fact that there are more than 21 projects included in the appropriation bill? If the Senator from Oregon were to be consistent in his argument, he would ask the Appropriations Committee today to postpone 21 projects.

Mr. MORSE. Not at all.

Mr. PASTORE. Why not? Why does the Senator pick out this particular one?

Mr. MORSE. When we find projects on which there is agreement, there is no reason for not proceeding with them; but when the joint committee has not had time to study the effects of a proposal because it does not have the mass transportation report before it, I say we ought to postpone a project until we have had an opportunity to study a report affecting that project.

Mr. PASTORE. The committee has not had an opportunity to study any of the other 21 projects. If the Senator is taking the position that this matter should be studied because the legislative committee has not had time to study the matter, by the same token the Senator should ask to knock out the other 21 projects. If that were done, the effect would be catastrophic.

Mr. MORSE. Not at all; I would not make such a proposal. When there is no controversy over a particular project, we think that project should be proceeded with; but when we have our attention called, as our attention has been called, to a particular matter, and we believe there is a prima facie case that calls for a postponement, I happen to think it is my duty as a member of the District of Columbia Committee to ask for a postponement until we can take a look at the matter.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PASTORE. Mr. President, I wish to put into the RECORD a statement which will clear the air as to what is happening here. The statement relates to the Glover-Archbold Park and reads as follows:

GLOVER-ARCHBOLD PARK

The park extends from Van Ness Street to Canal Road; 2½ miles in length; 183 acres in extent.

In 1893 the District acquired a 100-foot right-of-way bisecting the length of the area (old Arizona Avenue) for an all-purpose major highway, including trucks.

Bordering on the 100-foot all-purpose highway right-of-way are:

Date	Area (acres)	Acquired	Percent of park
a. 1926–43	76.9	Purchased by Federal and District Governments.[1]	42.
b. 1923	78.0	Dedicated by Glover [2]	42.6.
c. 1924	28.1	Dedicated by Archbold [2]	15.4.

[1] For park and parkway use.
[2] Terms of dedication permit parkway use in legal opinion of Corporation Counsel.

At present park has minor amount of useful, accessible recreation areas and is largely composed of unkempt woodland which is difficult to traverse. Debris and rubbish clutter the area and a sewer line lies on the ground for much of its length.

Since 1948 District has had formal written agreement (see marked copy attached hereto) with National Park Service that:

(a) District would build scenic, landscaped parkway of four lanes fitted into natural contour of the park for passenger vehicles only.

(b) Parkway would utilize some of 100 foot right-of-way, some of park.

(c) District would abandon use of 100 foot right-of-way for all purpose highway.

(d) District would make available to Park Service for park purposes portion of 100 foot right-of-way not utilized for four lane parkway.

Regarding tree removal:

Number of trees affected will be relatively small percentage of entire park tree population.

Many trees are old and will have to be replanted whether a parkway is constructed or not.

Shoulders and other disturbed areas will be landscaped and restored under a National Park Service replanting and beautifying program.

In landscaping, types of trees can be planted which are fast growing and in a few years will contribute to reestablishing the beauty of the park.

Parkway will permit sensible amount of access to park for recreation purposes and will provide scenic driveway.

The rights of birds to the park is not a paramount right. It may be a relative right.

Consider how many birds were disturbed on the Hill by the construction of the Capitol.

Remember the birds that were disturbed by the construction of the Washington Cathedral.

Spring Valley was penetrated by Rockwood Parkway and house after house. Yet the valley still abounds in cardinals, robins, thrushes, orioles, catbirds, mockingbirds, owls, bluejays, blackbirds, yellowhammers, and handsome smaller species of unknown identity. Trees also remain in the valley and make it perceptibly cooler than downtown and extremely attractive.

Thousands of birds (and trees) will remain in the park to delight the community after the parkway is built. With proper care, the number of birds could increase.

The point I intended to make is that the persons who have made this decision are conscious of the fact that the land involved is, indeed, a park. They are going to beautify it in the best way they can. A road will be built in conformity with the beauty and contours of the park itself. It will become more accessible to people who will drive through it in the gray and cool of the evening, and on Sunday when they are off work. At the present time I understand various portions of the park are unkept.

Mr. President, I do not think there is going to be any act of desecration. There is going to be no ravishing of the natural beauty of the park. Those having responsibility for the road construction will take the beauty of the park into account.

Mr. President, if we did not have Rock Creek Park in this community, consider the mess we would have in traffic vehicle processions in the morning and evening. More than that, is not Rock Creek Park a beautiful park? Is not Rock Creek Park enjoyed by many persons who drive through it in the morning and back home in the evening? What is wrong with that?

I do not say this in any derogatory manner, but I know there are some bird lovers who like to go into the park and see its natural beauty undisturbed. I understand their esthetic point of view. I regret that such construction has to take place, but, after all, progress replaces many virtues. If we did not have industry, we would not have polluted rivers. If we had not made the Indians move, we would not be able to go fishing in the Potomac River.

The fact of the matter is that progress has changed many, many things. I say to the Senate this project has been well thought out. I realize it shocks the esthetic feelings of some persons, and for them I have the greatest sympathy. After this is done and the area is beautified, according to the description we have had presented, I think even the Senator from Oregon and the Senator from Illinois will be proud of the Glover-Archbold Parkway in the District of Columbia.

Mr. MORSE. Why not give us time to study it?

Mr. PASTORE. The Senator would have to study the whole list of projects.

Mr. MORSE. Not at all.

Mr. PASTORE. I do not think this is any attempt to study anything. The attempt is to block it. Let us face the fact.

Mr. MORSE. I will assure the Senator that is not my position.

The PRESIDING OFFICER. Does the Senator from Rhode Island yield?

Mr. MORSE. Those are words the Senator puts in my mouth, but it is not my position.

Mr. PASTORE. Mr. President, I yield the floor at this time. How much time do I have remaining?

The PRESIDING OFFICER. The Senator from Rhode Island has 10 minutes remaining. The Senator from Illinois has used all his time.

Mr. PASTORE. Does the Senator from Illinois wish to speak further?

Mr. DOUGLAS. Yes.

Mr. PASTORE. Mr. President, I will yield 5 minutes of my time to the Senator from Illinois.

Mr. DOUGLAS. I thank the Senator from Rhode Island.

With respect to the Glover-Archbold Park, I should like to point out that 108 acres of this park were gifts by Mr. Glover and Mrs. Archbold for the express purpose of preserving the park with its natural qualities. I think it is very doubtful whether a legal case would sustain the making of this park into a high-speed thoroughfare. I have in my hand an opinion written by the Corporation Counsel of the city, made on December 10, 1957, which I ask unanimous consent to have printed in the RECORD at this point.

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

TO THE COMMISSIONERS:

Subject: Proposed route of Interstate U.S. 240, with reference to the effectiveness of the April 16, 1948, agreement between the District and the National Park Service, and the possibility that the terms of dedication of lands comprising the Glover-Archbold Parkway may preclude the construction of a mixed-traffic Interstate highway. (CCO–770.1 Route 240)

By memorandum dated September 10, 1957, Lt. Col. Robert E. Mathe, then Acting Engineer Commissioner, requested the opinion of this office on two questions which he says must be settled before the Commissioners can reach a decision as to the proposed route of Interstate U.S. 240 in the Dis-

trict of Columbia. These questions are as follows:

"1. Is the agreement entered into on April 16, 1948 legal and binding upon the parties who executed same to the extent that, when constructed, the highway through the Glover-Archbold Parkway will by this agreement be limited to passenger carrying vehicles? The answer to this question is necessary since all interstate routes must carry mixed traffic.

"2. The majority of the Glover-Archbold Parkway was donated by the former property owners for use as a park and recreational area. Is there any possible legal bar to the District of Columbia's constructing a mixed traffic interstate highway through the Glover-Archbold Parkway as proposed by the National Capital Planning Commission?"

The memorandum of agreement between the National Park Service and the government of the District of Columbia relative to the development of the Arizona Parkway, entered into on April 16, 1948, was executed on behalf of the National Park Service by A. E. Demaray, Acting Director, and on behalf of the government of the District of Columbia by G. M. Thornett, Secretary, Board of Commissioners, District of Columbia. The principal purpose of the agreement is set forth in article I thereof, reading as follows:

"The National Park Service will make available to the government of the District of Columbia, for the construction of the Arizona Parkway, such right-of-way in the Foundry Branch Valley, in addition to that now controlled by the District of Columbia in the form of Arizona Avenue, as may later be determined sufficient to construct the said Arizona Parkway between Canal Road and Van Ness Street, provided the District of Columbia acquires the necessary right-of-way north of Van Ness Street to make a suitable connection into Wisconsin Avenue. Similarly, the District of Columbia will make available to the National Park Service for park purposes those portions of the present Arizona Avenue now under the control of the District of Columbia that are not necessary for the development of the parkway proper."

Two articles of the memorandum of agreement apply particularly to the first question set forth above. These are articles II and XIII, which read as follows:

"ARTICLE II. The making available of this right-of-way by the National Park Service and the making available to the National Park Service by the District of Columbia of that portion of Arizona Avenue not needed for the construction of the parkway proper are done with the understanding that the parkway is to be constructed by the District of Columbia and shall be limited to the use of passenger-carrying vehicles.

* * * * *

"ART. XIII. It is understood that it is the intention of the District of Columbia to submit this project to the Public Roads Administration, requesting its participation under the then current Federal Aid Highway Act. It is further understood that, in pursuing this method of financing and procedure for construction, the plans and specifications are subject to the approval of the Public Roads Administration. It is further understood that the government of the District of Columbia and the National Park Service will respectively bear their own overhead expenses of planning and technical participation from funds under their respective control."

It appears from files in the possession of the District of Columbia that the first draft of the proposed agreement was prepared by the Office of National Capital Parks and sent to the government of the District of Columbia on March 29, 1948. In such first draft there appeared a preamble referring in part to the use of the proposed parkway by passenger-carrying vehicles only. This part of the first draft preamble reads as follows:

"Whereas, the government of the District of Columbia, the National Park Service, and the National Capital Parks and Planning Commission favor the creation of a road for passenger-carrying vehicles located generally along the axis of the Glover-Archbold Parkway."

The first draft did not contain a reference to the Federal Aid Highway Act. It appears from the file that it was the suggestion of the District of Columbia that article XII of the first draft of the agreement be changed to read as follows:

"It is understood that it is the intention of the District of Columbia to submit this project to the Public Roads Administration, requesting their participation under the then current Federal Aid Highway Act, and it is further understood in pursuing this method of financing and procedures for construction the plans and specifications are subject to the approval of the Public Roads Administration. It is further understood that any expenses incident to the participation of the Park Service and the District of Columbia in this project each Agency will bear the expenses of construction work from funds under its control."

The idea contained in the first of the foregoing provisions of the draft agreement does not appear in the preamble clauses of the executed agreement, but the idea of limiting traffic in the Parkway to passenger-carrying vehicles appears in article I of the executed agreement, while the amended article XII of the draft as suggested by the Government of the District of Columbia appears as article XIII of the executed agreement. In addition, two other provisions appearing in the preamble clauses of the executed agreement bear on the problem under consideration, and while they are not a part of the purview of the agreement, they nevertheless indicate the intention of the parties to the agreement. These preamble clauses read as follows:

"Whereas, this park and parkway are basic elements essential to the development of the park and parkway system of the National Capital, and the parkway can be made to serve as an access to the park so as to permit of the full enjoyment of the property for park purposes and at the same time supply the needs for traffic in this section; and

"Whereas, the Government of the District of Columbia, the National Park Service and the National Capital Park and Planning Commission are of the opinion that an all-purpose highway through the Foundry Branch Valley is unnecessary and would interfere with passenger car traffic, and favor the creation of a properly designed parkway located generally along the floor of the Foundry Branch Valley."

Accordingly, it appears that at the time the agreement of April 16, 1948, was entered into, the parties thereto, as well as the National Capital Park and Planning Commission (now the National Capital Planning Commission), were in full accord as to the nature of the traffic to use the Glover-Archbold Parkway, i.e., passenger vehicles only.

It further appears from the District's files that prior to the execution of the agreement of April 16, 1948, there had been some discussion with respect to the use of the parkway by commercial traffic. The files of the Highway Department indicate that the Engineer Commissioner at a hearing on S. 1924, 80th Congress, a bill authorizing and directing the Commissioners of the District of Columbia to prepare plans and subsequently construct a divided highway in Foundry Branch substantially in line of Arizona Avenue between Canal Road and Tenley Circle, (Wisconsin Ave.), and for other purposes, held early in 1948 (probably in February), intended to make, and may have made, a statement substantially as follows:

"There remain only two differences between the Highway Department and the Park and Planning Commission. I would like to discuss these differences.

"(1) First, the Park and Planning Commission feels that the four-lane highway should be restricted to passenger traffic, including buses, but excluding commercial vehicles. We do not feel that this is a matter of any real importance. The District Commissioners would, in any case, bar the road to heavy commercial vehicles, since these would interfere with its major use as an artery for passenger traffic. There remains the question of the light types of commercial vehicles, such as delivery trucks which move at the same speed and occupy the same road space as a private automobile. To find out how many of these there would be, we recently made a count of traffic conditions on Wisconsin and Massachusetts Avenues of the traffic which would be probably diverted to the new improvement. The counts were taken in peak morning and afternoon hours, and showed that a little over 2 percent of the peak traffic was light commercial. This is so nearly negligible that it is not worthwhile making an issue of it."

It appears, therefore, from an examination of the files relating to the agreement of April 16, 1948, that there was no thought in the minds of the parties thereto at the time of its execution that there would be any vehicular traffic using the proposed Glover-Archbold Parkway other than passenger-carrying vehicles.

The point might be raised, however, that the parties to the agreement contemplated that the situation might change, that future Federal requirements might differ from those in existence in 1948, and that for this reason, in article XIII of the executed agreement, the parties thereto stated:

"That it is the intention of the District of Columbia to submit this project to the Public Roads Administration, requesting its participation under the then current Federal Aid Highway Act. It is further understood that, in pursuing this method of financing and procedures for construction, the plans and specifications are subject to the approval of the Public Roads Administration."

At the time of the agreement, in 1948, the States (and the District) were able, under the Federal Aid Highway Act, to impose restrictions on the use of highways financed under such act, and could, should they desire, limit the use of any such highway to passenger-carrying vehicles. It might be argued that it was in contemplation of a possible change in this policy that article XIII was inserted in the agreement, as a sort of escape clause, so that if, at some later date, highways financed under the Federal Aid Highway Act were required to be made available to all traffic, the 1948 agreement would automatically be modified in accordance with such new requirements.

I am of the view, however, that the language of article XIII of the agreement cannot be relied upon to change the provisions of the agreement whereby the use of the proposed parkway was to be limited to passenger-carrying vehicles. Rather, I believe that the scope of the article was limited to the approval of plans and specifications by the Public Roads Administration, without regard to securing the approval of the Public Roads Administration with respect to any limitations on the use of the highway. In any event, it is a general rule of contract law that where the language of an agreement is ambiguous it will be construed most strongly against the party who prepared it or who employed the words concerning which doubt arises. 17 C.J.S. Contracts, sec. 324. The District of Columbia, according to the file on this matter, suggested the language which

was incorporated in article XIII. I do not believe that the District may now rely on any ambiguity in that language to overcome the effect of the other plain language in the agreement, to the effect that the proposed highway would be limited to use by passenger-carrying vehicles.

With respect to the second question, the land comprising what is now known as the Glover-Archbold Parkway consists of a number of separate pieces. Most important, from the standpoint of the District of Columbia, is that portion of the area which is designated on the highway plan of the District of Columbia as "Arizona Parkway." This is a 100-foot right-of-way running from Reservoir Road to Van Ness Street N.W. This portion of the parkway was dedicated to the District of Columbia for an avenue and may be used for highway purposes without limitation, should the District choose so to use it. Another portion of the Glover-Archbold Parkway consists of land donated by Mr. Charles C. Glover under the following conditions:

"I hereby donate to the District of Columbia for park and playground purposes all the land shown hereon in red along the line of Arizona Avenue between the southerly line of a tract of land taxed as parcel 18/28 and the southerly line of Massachusetts Avenue, and I hereby relinquish all my right, title, and interest to said land, title to same to vest in the District of Columbia for park and playground purposes as aforesaid.

"CHARLES C. GLOVER.

"Witnesses:
"C. B. HUNT.
"EDWARD ADENT.
"CLARENCE O. SHERRILL.
"DECEMBER 31, 1923.

"We the Commissioners of the District of Columbia, hereby accept the donation as indicated hereon in red to become part of the park and playground system of the District of Columbia, reserving to the District of Columbia the right to modify, open, widen, or extend any street or streets or to open any alley or alleyways through said land so designated for park and playground purposes which in the judgment of the Commissioners may be necessary or expedient for the proper development of the highway plan for the District of Columbia or any changes or modifications thereof which may be made in accordance with law. Action taken in accordance with Public Law 203.

"Approved June 6, 1924:
"CUNO H. RUDOLPH,
"I. F. OYSTER,
"J. F. BELL,
"Commissioners of the District of Columbia.
"JUNE 25, 1924."

Still another portion of the Glover-Archbold Parkway property came from the dedication by Mrs. Anne Archbold of certain property immediately north of Reservoir Road, under the following conditions:

"NOVEMBER 10, 1924.

"As a memorial to my father I hereby dedicate to the United States as a part of the park system of the District of Columbia to be administered under the Chief of Engineers, U.S. Army, all that part of parcel 29/1 lying on the west side of Arizona Avenue between Glover Parkway and Reservoir Road as shown hereon in red.

"ANNE ARCHBOLD, *Owner.*

"NOVEMBER 10, 1924.

"I also dedicate to the United States that portion of parcel 29/1 shown hereon in green lying between the easterly line of Arizona Avenue and the easterly line of 42d Street as proposed by the District of Columbia highway plan; this dedication to be effective only in case the land lying east of the proposed 42d Street and adjacent thereto, shall be subdivided by me, my heirs, or assigns.

"ANNE ARCHBOLD, *Owner.*

"NOVEMBER 11, 1924.

"I, Harry Taylor, Chief of Engineers, U.S. Army, hereby accept the two dedications shown hereon for incorporation into and to become a part of the park system of the District of Columbia subject to the approval of said action by Congress.

"H. TAYLOR,
"Chief of Engineers, U.S. Army, and Chairman of National Capital Park Commission."

The plat relating to the dedication of the Archbold property bears the notation "title to this parcel to United States by deed dated March 8, 1933, recorded May 10, 1933, instrument No. 8207." Examination of the records of the Recorder of Deeds of the District of Columbia indicates that on May 10, 1933, Mrs. Archbold recorded the following deed which appears in liber 6730, folio 350, of the records of the Recorder of Deeds:

"DEED

"This deed made this 8th day of March in the year 1933, by and between Anne Archbold, of the District of Columbia, party of the first part, and the United States of America, party of the second part:

"Witnesseth, that for and in consideration of the sum of $1 and interest of said party hereto of the first part in the development of the park system of the National Capital, the said party of the first part does grant unto the said party of the second part in fee simple, the following described land and premises with the improvements, easements and appurtenances thereunto belonging, situate in the District of Columbia, namely: Part of the tract of land called Alliance, described as follows:

"(Metes and bounds): containing 542,088 square feet of 12.4446 acres, and being known for the purposes of assessment and taxation as parcel 29/3, according to a plat of computation dated February 2, 1933, made by the surveyor for the District of Columbia and recorded in his office in Surveyor Book 97 at page 199. Being the same property of which the party hereto of the first part made a conditional dedication to the United States of America, as appears by reference to plat recorded in said surveyor's office in liber 78 at folio 23, which dedication said party of the first part hereby confirms and makes final, and said party of the first part conveys said land free and discharged of all claims of herself and her heirs and assigns.

"Also any and all right, title, and interest of said party of the first part and her heirs and assigns in and to all streets, roads, avenues (including Arizona Avenue), alleys, alleyways and rights-of-way abutting or appertaining to the above-described property.

"To have and to hold the same unto and to the use of the said party hereto of the second part, in fee simple. And the said party of the first part hereby covenants to warrant generally the property hereby conveyed, and to execute such further assurances of said land as may be requisite.

"Witnesseth her hand and seal on the day and year first hereinbefore written.

"In presence:

"ANNE ARCHBOLD."

The foregoing dedications of property by Mr. Glover and Mrs. Archbold were accepted by the appropriate officials under the authority of the following acts of Congress:

Public Law 203, 68th Congress, approved June 6, 1924, reads:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Commissioners of the District of Columbia be, and they are hereby, authorized and directed to accept the land lying along Foundry Branch between Massachusetts Avenue and Reservoir Street, dedicated by Charles C. Glover for park purposes, and containing approximately 77½ acres, as more accurately shown on map No. 1003, filed in the Office of the Surveyor of the District of Columbia, which tract of land shall be known as 'the Glover Parkway and Children's Playground'; and the said Commissioners are further authorized to accept any dedications of additional land contiguous to this tract for park purposes.

"SEC. 2. That the Glover Parkway and Children's Playground and additions thereto, when acquired, shall become a part of the park system of the District of Columbia."

Public Law No. 469, 68th Congress, approved February 25, 1925, reads:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Chief of Engineers, U.S. Army, be, and he is hereby authorized and directed to accept, as an addition to the park system of the District of Columbia, the land, approximately 28.12 acres in extent, lying along Foundry Branch between Glover Parkway and Reservoir Road, donated by Mrs. Anne Archbold to the United States for park purposes in accordance with the terms of her dedication as shown on the map of said area dated November 10, 1924, on file in the Office of Public Buildings and Grounds, which tract shall be known as the Archbold Parkway; and the Chief of Engineers, U.S. Army, shall be, and is hereby, further authorized to accept dedications of additional land in the District of Columbia and adjacent thereto on request of the National Capital Park Commission and in accordance with the plans of said Commission for the extension of the park system of the District of Columbia under the authority contained in Public Act Numbered 202, 68th Congress, approved June 6, 1924."

In connection with the dedication of land for a public purpose, generally speaking:

"If a dedication is made for a specific or defined purpose, neither the legislature, a municipality or its successor, nor the general public has any power to use the property for any other purpose than the one designated, whether such use is public or private, and whether the dedication is a common-law or statutory dedication; and this rule is not affected by the fact that the changed use may be advantageous to the public. Where the dedication is by a private person, not even the legislature can authorize the use of such property for other purposes; this can only be done under the right of eminent domain." (26 C.J.S., part of sec. 65.)

The property here involved was dedicated by Mrs. Archbold as a memorial to her father "as part of the park system," and by Mr. Glover "for park and playground purposes." The Archbold dedication was accepted by the representative of the U.S. Government "* * * for incorporation into and to become a part of the park system of the District of Columbia subject to the approval of said action by Congress."

The Glover dedication was accepted by the Commissioners, under the authority of a special act of Congress, as a "* * * part of the park and playground system of the District of Columbia," and, although the Commissioners in their acceptance reserved to the District of Columbia the right "* * * to modify, open, widen or extend any street or streets or to open any alley or alleyways, through said land so designated for park and playground purposes which in the judgment of the Commissioners may be necessary or expedient for the proper development of the highway plan for the District of Columbia," there is some question in my mind as to whether, under the special act authorizing them to accept the Glover dedication, the Commissioners could reserve the above-described right, inasmuch as Congress, by the act of June 6, 1924, au-

thorized and directed the Commissioners "* * * to accept the land lying along Foundry Branch between Massachusetts Avenue and Reservoir Street, dedicated by Charles C. Glover for park purposes," and specified that such land "* * * shall become a part of the park system of the District of Columbia."

Congress also ratified the acceptance of the Archbold dedication in its special act of February 25, 1925, whereby it authorized and directed the Chief of Engineers, U.S. Army, "* * * to accept, as an addition to the park system of the District of Columbia" certain described land "donated by Mrs. Anne Archbold to the United States for park purposes in accordance with the terms of her dedication," as shown on a designated map, which terms are not here germane.

From the foregoing account, it may be seen that the Archbold and Glover dedications were for park, or park and playground, purposes, and were accepted as such by the appropriate authority in each case, with such acceptance either having been authorized and directed by the Congress, or in effect having been ratified by the Congress.

Leaving aside for the moment the effect of the limitation on the use of the property imposed by the dedicators, it appears that under existing law, as contained in the acts of June 6, 1924, and February 25, 1925, the Archbold and Glover dedications may be used only for park purposes. While the word "park" in the sense here used has a number of meanings (according to Black's Law Dictionary, 3d edition), the word usually means a pleasure ground for the use of the public, for purposes of pleasure, exercise, amusement, or ornament. While this meaning would not exclude the use of the property for access roads, there is considerable question whether the property can be used for a street or highway, as distinguished from a park, and particularly as a mixed traffic interstate highway. To quote from "Words and Phrases," volume 31, page 147:

"'Public parks,' in the strictest sense of the term, cannot be said to be in any proper sense parts of a street. Streets and parks, while they are both devoted to the uses of the public, are set apart for widely different purposes; a street being a place of passage, while a park is a place of rest or recreation."

And, to quote from an annotation appearing in 18 A. L. R. at 1243:

"The cases generally hold that a public highway cannot be laid out by a municipality upon park lands, meaning by 'public highway' a part of the street system of the municipality, as distinguished from the park roads established to give the public access to the different parts of the park."

Further, even assuming that the dedication of property for park purposes might extend to using a portion of such property for roadways, "it has been considered to be a misuse of property dedicated as a boulevard and parkway, and as part of the park system, to route a state highway, involving heavy traffic and trucks, over it." (26 C. J. S., "Dedication," sec. 66.)

I am therefore of the opinion that under existing law, as set forth in the acts of Congress, approved June 6, 1924, and February 25, 1925, relating to the acceptance of the Archbold and Glover dedications for park purposes, such property cannot be used for a mixed traffic interstate highway, in the absence of legislation to overcome the effect of such acts.

Assuming Congress should enact legislation which would overcome the effect of the acts of June 6, 1924, and February 25, 1925, so as to enable the use of the Glover-Archbold Parkway area for a mixed traffic interstate highway, the question still remains whether any such use would (1) render the District of Columbia or the U.S. Government, or both, subject to an action brought by any interested party to enjoin them from using such property for the construction of an interstate highway, or (2) constitute a misuser which would cause the property to revert to the dedicator, in the case of Mrs. Archbold's dedication, or to the heirs of Charles C. Glover. Generally speaking, the rule which applies to both of the foregoing questions is as follows:

"It is well settled that a mere misuser or nonuser of land dedicated to a public use does not work a reverter thereof and cause the rights of the dedicator to revive. If the lands are applied to unauthorized uses, the courts will interfere at the suit of interested parties, enjoin any further perversion, and compel a use in accord with the objects of the dedication, but it is only where the sole use to which the property has been dedicated becomes impossible of execution that a reverter takes place." (16 American Jurisprudence, "Dedication," sec. 65.)

One group of persons who might consider themselves to be interested parties to the extent of being able to maintain a proceeding to enjoin the use of the Glover-Archbold Parkway for the construction of an interstate highway are the persons who own property in the vicinity of the Glover-Archbold Parkway. But in this jurisdiction it has long been determined that the owners of property abutting a park have no standing to enjoin the use of such park for other than park purposes. In the case of *Reichelderfer* v. *Quinn*, 287 U.S. 315, the Supreme Court of the United States said:

"It has often been decided that when lands are acquired by a governmental body in fee and dedicated by statute to park purposes, it is within the legislative power to change the use. (Citing cases.) The abutting owner cannot complain; the damage suffered by him, though greater in degree than that of the rest of the public, is the same in kind."

The Reichelderfer decision, although rendered in connection with an injunction proceeding brought by abutting property owners, may be equally applicable to any injunction proceeding which might be brought by the dedicator of property or his heirs, inasmuch as in that case the Court held that it is within the legislative power to change the use. In the present case, however, I am inclined to the view that the dedicators of the Glover-Archbold Parkway property or their heirs might successfully enjoin either the District of Columbia or the United States, or both, from using the property for the construction of an interstate highway (always assuming that the existing legislative barrier be removed by the Congress), since the land was dedicated for park purposes (and as a memorial to Mrs. Archbold's father), and Mrs. Archbold and the heirs of Mr. Charles C. Glover, Sr. (according to volume 3 of "Baist's Real Estate Atlas") continue to own property abutting the dedicated property. As noted above, the general rule is that owners of property abutting dedicated property have no standing to prevent its being used for another purpose than that for which it was dedicated, if such change in use results from the proper exercise of the legislative power. But the situation is rather different, I believe, where the owner of property abutting the dedicated property is the dedicator or the heir of the dedicator, and perhaps where property has been dedicated as a memorial. In such a case, it would seem that the dedicator or his heir has a compensable interest in the specified use of the dedicated property which may be measured, if the property not be used in the specified manner, by any diminution in market value of the retained adjacent or abutting land. If no such diminution appears, the damages may be nominal. In the case of property dedicated as a memorial, it is difficult to determine the measure of damages, if any. In any event, however, I am of the view that Mrs. Archbold and the heirs of Mr. Charles C. Glover, Sr., may have a compensable interest in the dedicated property which could, if necessary, be taken by exercise of the power of eminent domain, in accordance with the principle set forth in the following excerpt from the case of *Donalson* v. *Georgia Power & Light Co.*, 165 S. E. 440, 443:

"Where the dedication, express or implied, is made for a specific purpose, the public authorities have no power to use the property for any other purpose than the one designated in the dedication. Property dedicated to a particular purpose cannot by the dedicatee, a municipality, be diverted from that purpose, except under the right of eminent domain. *Smith* v. *City Council of Rome*, 19 Ga. 89, 63 Am. Dec. 298. Property dedicated to a public use may by the dedicatee be put to all customary uses within the definition of the use, but any use which is inconsistent, or which substantially and materially interferes with the use of the property for the particular purpose to which it was dedicated, will constitute a misuser or diversion; and while such misuser or diversion will not work a reversion of the property freed from the easement to the owner of the dominant fee, equity will, on a petition of proper parties, enjoin such misuser or diversion. In such case there can be a diversion only by the exercise of the right of eminent domain."

Any exercise of the power of eminent domain would, of course, be contingent on the removal of the existing legislative barriers imposed by the acts of June 6, 1924, and February 25, 1925, which in their effect, taken together with the dedication, limit the use of the property to park purposes.

CONCLUSIONS

1. The agreement of April 16, 1948, between the National Park Service and the government of the District of Columbia is binding, and unless modified by the parties thereto, or by Congress, precludes the use of the proposed Glover-Archbold Parkway by traffic which includes heavy and light commercial vehicles.

2. With respect to so much of the land in the Glover-Archbold Parkway area as is included in the 100-foot right-of-way acquired by the District in 1893 for street purposes, such land may be used for highway purposes without limitation.

3. The acts of Congress approved June 6, 1924, and February 25, 1925, relating to the acceptance by the appropriate District of Columbia and U.S. authorities of the dedication of certain property by Mrs. Anne Archbold and Mr. Charles C. Glover, Sr., have the effect of limiting the use of such property to park purposes.

4. In order to use the dedicated property affected by the acts of June 6, 1924, and February 25, 1925, for a purpose other than that set forth in such acts, it will be necessary for the Congress to enact legislation to overcome the effect of such acts.

5. Even if the Congress enacts legislation overcoming the effect of the acts of June 6, 1924, and February 25, 1925, Mrs. Archbold and the heirs of Charles C. Glover, Sr., may have an interest in the use of the dedicated land for the purpose for which dedicated, and such interest probably would allow them to maintain an action against the District of Columbia and the United States to enjoin a use of the dedicated property which is inconsistent with the terms of the dedication.

6. The interest of Mrs. Archbold and the heirs of Charles C. Glover, Sr., may be considered a vested property right protected by the fifth amendment from being taken for public use without just compensation.

7. The District of Columbia or the United States can acquire the interest of Mrs. Archbold and the heirs of Charles C. Glover, Sr., by the exercise of the power of eminent domain, and if such action be taken, it is probable that one measure of damages for such

taking will be the diminution, if any, in the market value of the retained adjacent or abutting land, while detraction from the memorial purpose, in the case of the Archbold property, may also constitute an element of damage.

8. In order to make use of the Glover-Archbold Parkway area (other than the 100-foot right-of-way dedicated for avenue purposes) for a mixed traffic interstate highway, the following actions appear necessary:

(a) Modification of the 1948 agreement between the District of Columbia and the National Park Service.

(b) Enactment of legislation which would overcome the effect of the acts of June 6, 1924, and February 25, 1925, and make the Glover-Archbold Parkway area available for the construction of a mixed traffic interstate highway route.

(c) Exercise of the power of eminent domain by either the United States or the District of Columbia, or both, so as to acquire any interest which Mrs. Anne Archbold and the heirs of Charles C. Glover, Sr., may retain in the properties dedicated by Mrs. Archbold and Mr. Charles C. Glover, Sr.

RECOMMENDATION

That a copy of this opinion be furnished the Director of Highways, District of Columbia, for his information.

CHESTER H. GRAY,
Corporation Counsel, District of Columbia.

Mr. DOUGLAS. Mr. President, the concluding passages of the opinion state that it is very doubtful whether a legal case can be made for such a use, despite the earlier ownership of land by the Federal Government of some 78 acres. If that is true, by this appropriation we may be merely buying for the District government an injunction suit.

Mr. President, the argument we are having now is the same argument which raged 50 years ago when Theodore Roosevelt and some early pioneers were trying to establish Rock Creek Park itself. The question was asked then, What did the city of Washington need with a park? The opposition to the acquisition of Rock Creek Park was very strong. It was only through the devoted efforts of conservationists, backed up by President Roosevelt, that we got Rock Creek Park. This was in the days before appreciable automobile traffic.

Rock Creek Park was intended as a place of quiet refuge, as a sanctuary in a sense for people living in crowded city life. A large part of its usefulness in this direction has already been sacrificed by making it into a traffic highway. Not all of its usefulness has been destroyed, but if we give the engineers time enough, they will destroy it. This bill will help them do it.

This plan, of which only a portion has been formally unveiled, carries with it, as I have tried to point out, a subsequent truck route across Rock Creek Park, damaging on the way St. Anne's School and Church, Immaculate School, the Home for Incurables, Sidwell Friends School, and the Hearst School, with the invading of little Hazen Park and the destruction of that park. So we are really considering taking a very important step so far as the city of Washington is concerned.

I want to emphasize again, it is not local traffic alone which is involved. It is the through, national traffic, because the highway is intended to be a part of Route 240, the transcontinental highway.

As I have stated, I have had a little experience in city government. I observe my good friend the Senator from Pennsylvania present in the Chamber. The Senator from Pennsylvania was the mayor of Philadelphia, and has had a great deal more experience than I in city government. I had always thought the first rule of traffic management was to have all truck routes skirt the city rather than to plunge through the heart of the city. I believe that is a universally accepted principle.

I do not know why the principle is being violated here, but I have a suspicion. If one looks at the map, obviously the best thing to do would be to bring highway 240 to the river and to have it continue on MacArthur Boulevard, skirting the city, so that the trucks and passenger vehicles which wanted to enter the city could enter from a number of different points.

The PRESIDING OFFICER. The 5 minutes yielded to the Senator from Illinois have expired.

Mr. DOUGLAS. Will the Senator yield me 1 more minute?

Mr. PASTORE. I yield 1 additional minute to the Senator from Illinois.

Mr. DOUGLAS. The only explanation I can find is that the people who own estates and the real estate subdividers on the outskirts of Washington do not want to have their land cut up, and they are ready to have the parks taken away from the people in order that they may preserve their own horse farms or "tax farms" or other estates unimpaired.

Mr. PASTORE. Mr. President——

The PRESIDING OFFICER. The Senator from Rhode Island has 4 minutes remaining.

Mr. PASTORE. Mr. President, the Senator from Illinois knows the Senator from Rhode Island well enough to know that if such were the case, the Senator from Rhode Island would be the first one to fight it.

Mr. DOUGLAS. I do not think the Senator from Rhode Island is aware of it.

Mr. PASTORE. I am aware of the situation.

Mr. DOUGLAS. Of course, if the Senator were aware of it he would oppose it.

Mr. PASTORE. How much time do I have remaining, Mr. President?

The PRESIDING OFFICER. There are 3 minutes remaining to the Senator from Rhode Island.

Mr. MORSE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Rhode Island yield?

Mr. PASTORE. Are we ready for a vote?

Mr. MORSE. Mr. President——

Mr. PASTORE. If the Senator wants more time, I will yield him my remaining 3 minutes.

Mr. JAVITS. Mr. President, I seek recognition.

Mr. MORSE. That is not enough time.

Mr. President, I offer an amendment to the amendment of the Senator from Illinois.

The PRESIDING OFFICER. The pending question is on agreeing to the amendment offered by the Senator from Oregon to the Douglas amendment.

Mr. MORSE. Mr. President, I withdraw that amendment, and I offer another amendment to the Douglas amendment.

Mr. JAVITS. Mr. President, I seek recognition.

Mr. MORSE. I will say to my friend from New York that we can get this difference among us cleared up now, and we can save time.

Mr. JAVITS. Mr. President, will the Senator yield for a question?

Mr. MORSE. I yield.

Mr. JAVITS. How much time does the Senator need?

Mr. MORSE. 15 minutes, on my amendment.

Mr. JAVITS. Instead of going through the "mumbo jumbo" of offering amendments, why not ask unanimous consent to be granted 15 minutes?

Mr. MORSE. Because some Senator will object.

Mr. JAVITS. I will not object.

Mr. MORSE. From past experience I have learned I had better follow a parliamentary procedure in which I know I will be protected.

The PRESIDING OFFICER. The amendment offered by the Senator from Oregon to the Douglas amendment will be stated for the information of the Senate.

Mr. MANSFIELD. Mr. President, I wonder if some arrangement can be made by means of which the Senator from New York can be recognized? The Senator has been waiting patiently since 10 o'clock this morning to deliver a very important speech, and I think he also ought to be given consideration.

Mr. MORSE. Mr. President, I am willing to enter into an arrangement now, by unanimous consent.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator from New York may be recognized for 30 minutes at this time.

Mr. MORSE. For whatever time the Senator needs. How much times does the Senator need?

The PRESIDING OFFICER. Notwithstanding the unanimous-consent agreement heretofore entered, for what does the Senator from Montana ask unanimous consent?

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be laid aside temporarily and that the Senator from New York be allowed as much time as he may desire.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana that the pending business be laid aside and that the Senator from New York be allowed such time as he desires?

Mr. MORSE. Mr. President, reserving the right to object, could we have an understanding that when the Senator from New York finishes his remarks the amendment offered by the Senator from Oregon will be the pending question?

The PRESIDING OFFICER. The amendment offered by the Senator from

Oregon would be the pending question at that time.

Mr. McNAMARA. Mr. President, reserving the right to object, I should like to raise a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McNAMARA. What will happen to the unanimous-consent agreement under which the Senate is operating?

Mr. MANSFIELD. It will be laid aside temporarily.

Mr. JOHNSON of Texas. Mr. President, could we have some agreement as to the approximate time, without a loose end agreement? Does the Senator from New York desire 30 minutes?

Mr. JAVITS. Mr. President, I will need not more than 20 minutes.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent to modify the previous unanimous-consent request to permit the Senator from New York to have 20 minutes.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Texas? The Chair hears none, and it is so ordered.

In response to the inquiry of the Senator from Michigan, the Chair will state that the unanimous-consent agreement heretofore entered will be reinstated upon termination of the unanimous-consent agreement allotting time to the Senator from New York.

Mr. McNAMARA. Mr. President, I have no objection.

The PRESIDING OFFICER. Is there objection to the unanimous consent request of the Senator from Montana, as modified? The Chair hears none, and it is so ordered.

LIFE OR DEATH FOR A MUTUAL SECURITY PROGRAM—REPLY TO SENATOR MANSFIELD'S PROPOSALS

Mr. JAVITS. Mr. President, I am very grateful to my colleagues for yielding me this time. I have a speech to make with relation to our foreign aid program which I shall make now. I would not have intruded it had it not been for the long delay in connection with the District of Columbia appropriation bill, which was expected to have been disposed of long before this.

Recently, the distinguished deputy majority leader, Senator MANSFIELD, of Montana, made a major speech on the floor of the Senate which holds grave implications for the future of the U.S. foreign-aid program. He stated that he will offer key amendments either in committee or on the Senate floor to the mutual security authorizations which will come before us in the near future. One of them would establish arbitrarily a 3-year cut-off date for all U.S. grants in the form of defense support and special assistance now being received by some 32 countries whose security, economic growth, and political maturity is indispensible to the common defense of the free world and of the United States.

The foreign aid proposals put forward by Senator MANSFIELD in his speech of May 15 and several of his serious criticisms of the existing program have already been partially answered by the Acting Director of the International Cooperation Administration during testimony before a Senate committee, and by the statement of Dr. Vannevar Bush on the foreign-aid program and they have elicited some editorial comment in the press.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an editorial entitled "Geneva and Mutual Security" from the New York Times of recent date; an editorial entitled "Foreign Aid as a Whole," from the New York Herald Tribune of May 28, 1959; and an editorial entitled "The Foreign Aid Revolt," published in the Washington Post of May 28, 1959.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times]

GENEVA AND MUTUAL SECURITY

At a moment when East and West confront each other in Geneva in a diplomatic showdown of potentially momentous consequences Congress is likewise approaching a showdown on one of our principal weapons in this contest—the mutual security program. This program, for which President Eisenhower has asked $3,930 million for the coming fiscal year, is reaching the end of congressional committee action and will have to be voted upon by Senate and House next month. No doubt some kind of program will be approved, as the need for one is generally acknowledged and there is no real opposition to it. But just what kind of program it will be remains to be seen.

The fact is that after months of discussion the program is still caught in a squeeze play between those who find it too timid and would increase it by billions, and those who find it too large, at least in its present form. Thus Senators FULBRIGHT, KENNEDY and HUMPHREY are fighting for inclusion in it of a 5-year commitment of $7.5 billion for the Development Loan Fund to be raised by Treasury loans instead of appropriation, which goes far beyond anything requested by the President.

On the other hand, Senator MANSFIELD, while also favoring more emphasis on lending, calls for elimination of defense support and economic assistance grants over the next 3 years as a giveaway that could cause a popular revolt against the whole program.

In line with these arguments the House Foreign Affairs Committee has already slashed the program by $368,800,000, mainly in military aid, while voting an extra $100 million for development loans. And the Appropriations Committees ax it, as a rule, on principle.

The cut in military aid is particularly ill-advised. This money enables some of our exposed allies, especially in the Far East, to maintain military forces beyond their economic strength. If these forces are cut they may have to be replaced by American forces to check the Communist tide. Military aid may need reorganization, preferably by adopting President Eisenhower's suggestion that since such aid is part of our defense effort it should also be part of our own defense budget. But to cut it at this time could prove disastrous.

The urge for cutting military aid derives from the assumption, popular among Democrats, that in view of the atomic stalemate a hot war is unlikely and that the cold war is rapidly moving toward economic competition, including economic aid. That is true, but only in part and only so long as the military balance is adequate enough to deter Communist aggression. Destroy that balance to our disadvantage, even locally, and a new Korea would immediately loom on the horizon.

This does not mean that military aid should impinge on economic aid. On the contrary, economic aid may well have to be increased to counteract the billion dollars in aid extended by the Communist bloc to 18 selected underdeveloped countries last year. And there are potent arguments for extending such aid in long-term low-interest loans rather than grants. But the whole economic situation in the world is changing, as shown by both the economic prosperity of Western Europe and the replacement of the dollar shortage by a dollar surplus which is taking gold out of this country.

In view of this the administration is rightly skeptical of the proposed long-range commitments, however much it may favor long-range programs. It has, in fact, a most promising substitute in the proposed billion-dollar International Development Association, to which the United States would contribute one-third, with other now prospering free countries contributing the rest.

This project, first proposed by Senator MONRONEY, is due for approval in September. In the meanwhile Congress can do no better than pass the mutual security program as it stands.

[From the New York Herald Tribune, May 28, 1959]

FOREIGN AID AS A WHOLE

Congress has taken its first hack at the administration's $3.9 million mutual security program. The House Foreign Affairs Committee cut away $366 million of foreign aid on Tuesday, almost half of it intended for military assistance. Other blows are likely to follow at the hands of the House Appropriations Committee and of the House itself.

As if in answer to the prodding of conscience, however, the Foreign Affairs Committee added of its own free will an extra $100 million to the President's $700 million request for the Development Loan Fund. This Fund, which is assuming an increasingly important part in our pattern of foreign aid, is designed to assist undeveloped economies with long-term, string-free loans. It is of particular significance to the countries of Asia. There are many people in the Government who think that this is the principal way in which we can effectively help the nations that require the benefit of our resources. It is a way, of course, and an excellent way. But it is not enough in itself.

Military assistance, defense support (economic aid for those countries we supply with arms), special economic grants and the President's contingency fund for unforeseen situations are all important weapons in the mutual security arsenal. The House committee cut into the requests for all of them, and into military assistance most deeply. It has become something of a fashion to decry military spending of this kind. It is outdated, runs the argument. It stimulates rivalries. It is misused. The committee no doubt found this line a convenient mask for its traditional pennypinching instinct. But we do not hear anyone saying that the Soviets are fools for shipping aircraft and tanks to the Middle East. In fact, it is precisely the arms the Soviets export, not their economic aid, that make us most uneasy.

The Communist threat is still primarily a military one. As long as it remains so, an effort must be made to guarantee freedom for those countries which cannot yet stand by themselves, whose economics—and frontiers—are not yet impervious to Communist penetration. Both must be made strong.

[From the Washington Post, May 28, 1959]

THE FOREIGN AID REVOLT

Senator FULBRIGHT is quite right in asking the administration to make up its mind on

long-term foreign economic development assistance. Administration officials are in the position of acknowledging that considerable capital expansion and multiyear authority are essential to enable the Development Loan Fund to do the job envisaged for it, yet for budgetary reasons declining to ask what they know is necessary. This is not the way to head off the foreign aid revolt that is brewing on Capitol Hill.

The revolt is by no means confined to legislators who oppose the foreign aid concept or who want to economize at the expense of overseas interests. Senator MIKE MANSFIELD expressed the view of many thoughtful critics the other day when he questioned the effectiveness of multitudinous individual programs and called for an end to grant aid within 3 years. Such misgivings are by no means new. In the past, however, believers in the general concept have been asked to swallow their misgivings about individual portions lest criticisms be seized upon by those who want no aid at all. This is not good enough.

Indictments of the present mutual security program fall into two categories. The first is the obvious charge that the military tail has been wagging the economic dog. It has often seemed easier to get millions of dollars in grants for Chiang Kai-shek than pennies in loan form for India.

Some 62 percent of the total current mutual security request of $3.9 billion is for military aid and so-called defense support, or economic aid to cover the dislocations caused by large military programs. The bulk of such help goes to only five countries—Korea, Formosa, Vietnam, Pakistan and Turkey. It is possible to appreciate the need for a strong defense in such countries and still wonder whether the undertakings are too ambitious and whether the United States has become committed in perpetuity to programs which recipient countries can never hope to support. The confidence of critics is not increased when they read that this country is paying for pensions of retired Chinese Nationalist soldiers.

The second indictment concerns the proliferation of bureaucracy. There are scores of individual economic programs, many of them good in themselves, which when added together are almost suffocating. In some small countries, particularly, there are too many Americans. Inevitably American aid serves to buttress existing governments against change, whether or not change is desirable; and sometimes the distribution of the aid has invited corruption.

Moreover, when governments become dependent upon American aid any proposal for reduction or withdrawal may present grave political complications and incur hostility. For several years American aid to Laos, to take one example, has amounted to several times the annual national budget. The justification may be good, but how will this country ever extricate itself?

Now, a mature view of the problems of foreign aid requires, we think, an acknowledgment. The world must be seen as it is, and sometimes a calculated risk is necessary to prop up even a moth-eaten government against something worse. In some countries development loans and relatively inexpensive technical assistance are much to be preferred to grants; in some other countries, such as Vietnam, grant aid will be needed (and warranted) for a long time because of the elementary economic base. Some waste and frustration and a few horrible examples in this process probably are inescapable.

At the same time there is a strong argument, we believe, for placing more emphasis on development loans and looking with an increasingly critical eye on large military programs, particularly in Asian countries where they invite great economic distortion. Defense is important, but exaggerated attention to arms may inhibit the economic advance which is the only way to permanent betterment. The House Foreign Affairs Committee reflected such a view in its authorization vote.

It is ridiculous to contend that the United States cannot afford the present level of foreign assistance, which amounts to far less than 1 percent of the gross national product and less than 10 percent of the domestic military budget. The country can afford a substantially greater effort if need be. But it is altogether proper for Congress to insist that there be greater evidence that the investment is producing the intended results. Consequently, we think that the administration would be wise to indicate that it is heeding the warnings for the future rather than shrugging off criticism with another attempt to lump everything in the kitchen sink.

Especially, we think it is time to end the secrecy on military aid allocations to individual countries, which serves only to conceal the distortions of emphasis. Invidious comparisons are unnecessary, but it ought to be possible for Congress and the public to weigh the relative importance of development help to the 400 million people of India along with the sums spent on military aid elsewhere.

Mr. JAVITS. However, they have not as yet provoked a full scale debate on the Senate floor which I believe is urgently required so that our national leaders, the people and our friends and allies abroad—upon whom we are now as dependent as they are dependent upon us—will be able to view in clear perspective what is at stake should this 3-year cutoff amendment on U.S. foreign aid grants be adopted. I believe it is the very life or death of our mutual security program—nothing more and nothing less—including serious jeopardy to the usefulness of the Development Loan Fund. For our loan programs can only operate in certain key countries with an economic base which is slowly being built and maintained by fuels, fertilizers, iron, steel, and other commodities needed for immediate consumption which in large part are now being obtained via U.S. grant aid.

The greatest objection to serving notice of a 3-year cutoff is that it would give the Soviet Union our timetable, which is something we try to avoid in our foreign policy. It would be serving notice that the Soviet Union could operate more effectively in the 32 countries to which we now give defense support and special assistance aid. I can think of no more conclusive reason against that proposal than that that fact alone shows that it is definitely the wrong thing to do.

There are six reasons why serving notice of a 3-year cutoff date for U.S. defense support and special assistance—the core of our grant-aid program—will basically jeopardize the U.S. system of mutual security alliances and destroy the very economic prerequisites vital to the effective use of loans—with which I thoroughly agree—in key developing countries of the free world:

First. It will result in a damaging cut in defense forces now organized to defend the free world for reasons unrelated to our total security requirements.

Second. It will deprive us of a flexibility and freedom of action indispensable to our foreign policy—a flexibility which is inherent in the Communist bloc's foreign aid program.

Third. It will invite effective Communist counteraction in the very areas which have been able to survive as part of the free world because of U.S. defense support and special assistance aid.

Fourth. It will create political chaos in those very countries where governments have undertaken programs of basic economic development and are dependent also on defense support or special assistance—such disruption could pull down governments now friendly to the United States and create political vacuums which would attract Communist subversion or aggression.

Fifth. It will force key underdeveloped countries which must maintain large forces for their own defense to divert their limited resources to this end at the expense of the economic improvement and viability essential to their ultimate survival.

Sixth. It will serve notice that the United States is preparing to stage a retreat from its established foreign policy to a national policy which sacrifices free world defense needs to financial considerations.

The alternative is not to keep on ladling out money where it is not deserved, or to be inflexibly tied to any one concept of foreign aid, or to shut our eyes to operating inefficiency or worse.

I do not agree with that policy, any more than does the Senator from Montana, who is one of the most studious, best informed, and most able Members of this body. It is a privilege to debate with him. I think both of us may take pardonable pride in the fact that our debate on a somewhat similar situation, the Berlin situation, produced some good results in this Chamber.

The alternative is to tighten up our procedures and our scrutiny of our programs on a country-by-country and area-by-area basis with the objective of getting as many partners as we can—there are a great many available to us among the NATO countries—to handle the commitments both for defense forces and military and economic aid and technical assistance, to reduce wherever and as soon as practicable our total foreign aid commitments—and also to be willing to increase them wherever we must in our overall security interest—and to change as much as we can from grants to loans. I also point out that where it is in our security interest to increase our commitments in terms of foreign aid, it is equally our duty to increase them. The soundness of this position was sustained on Tuesday of this week, first by the action of the House Foreign Affairs Committee when it approved about 90 percent of the President's authorization request for defense support, for special assistance, and for military assistance, and raised by $100 million the projected outlays for economic development loans. Second, by the amendment of the Senator from Arkansas [Mr. FULBRIGHT], to which I am a party, seeking $1,500 million a year for the Development Loan Fund for 5 years, and providing for the right to transfer funds, to the extent of 30 percent, between military assistance and other forms of assistance under our mutual security program.

But to serve notice on the world that we are retiring from a critical sector of the mutual security effort at a stated period at the end of 3 years is to tie our hands behind our backs in a struggle in which we need to use both of them at all times at the very least—and without telegraphing our punches to the ever alert opposition. I point out again that that is the important deficiency in this proposal. We would telegraph our punches to our opposition.

The historic role which the Senate traditionally performs in helping to formulate U.S. foreign policy, in solidifying this Nation's world position, must now be played to the full on the mutual security program by every Member of this body. Such a debate on foreign aid will not, in my opinion, jeopardize the bipartisan support which a majority of Senators have given our mutual security program in recent years. Rather it has traditionally served to unify and strengthen the Senate's determination to prevent taking any action which would represent a withdrawal from our essential free world commitments.

Senator MANSFIELD covered a great deal of ground in his review of our foreign aid efforts and made several points with which I heartily concur. I agree with his praise of our technical assistance program which was originated by former President Truman's administration as point 4, and in his recognition of the remarkable potential that an adequately financed Development Loan Fund, originated in President Eisenhower's administration, has in helping the newly developing areas of the free world so coveted by the Communists.

I am not so sure that it is in our security interest to disclose our military allocations to the various countries. Our pledge to the American people is to give them every shred of information consistent with the national interest; and we should look into that question, as my colleague suggests.

But my experience in the foreign policy field puts me in thorough disagreement with the arguments which go to make up the point of Senator MANSFIELD'S assault on defense support and special assistance—a key sector of our mutual security program. Directly, he means to wipe out virtually 80 percent of grant aid which is not of a military hardware nature by the beginning of fiscal year 1963, thus cutting off the economic lifeblood which keeps alive in the specified developing countries the potential for future growth. Anyone who believes that Senator MANSFIELD in his speech did nothing more than write a eulogy for our technical assistance program and economic loans on one hand and an epitaph for our defense support and special assistance grant aid on the other is practicing serious self-deception.

A careful reading and rereading of Senator MANSFIELD'S words reveals that in the final analysis they could sound the death knell for the entire mutual security program by jeopardizing its prime objects—the security of the very borders of the free world with the Communist bloc. For defense support goes so heavily to the very areas nearest to the Communist borders and the hardest to defend.

Let us turn to Senator MANSFIELD'S exact words on defense support and economic assistance—giveaway aid he calls it—at which this amendment is directed.

He said:

> What will be affected, Mr. President, is the area which I believe contains the principal shortcomings, the costly shortcomings of this program. That is the area of heavy and continuing gifts and grants of military aid, which this year total $1.6 billion out of the total of $3.9 billion requested. It is the area of continuing grants of so-called defense support which totals $835 million out of the $3.9 billion sought. It is the area of special assistance grants—and I emphasize the word "grants," not loans—of economic aid which total $272 million out of the $3.9 billion asked.

The Senator continued:

> This amendment will require in the case of nation receiving [such] grants * * * that the executive branch work out in detail with the recipient nation, and submit in connection with next year's aid bill, a detailed plan for the progressive reduction of these grants or gifts to zero for each such nation over a maximum 3-year period. This reduction can be brought about by cutting excess military forces, and hence, the need for defense support, by a stepped up effort to increase the productivity of the recipient nations by shifting from grants to loans, by working out a coordinated aid program with other nations able to help, or by other means.
>
> With a deadline, those governments who have coasted along on the assumption of permanent U.S. subsidy may be spurred to act decisively on their internal inadequacies.

I respect the opinion of the Senator from Montana with regard to what he considers to be giveaway aid. But if it enables forces in being to be maintained in the countries of such allies as the Korean Republic, Turkey, Greece, and other countries of the same character, it is absolutely indispensable to our own security. I do not call it giveaway aid.

These statements prompt me to ask: Would not such an amendment—directed specifically against defense support and special assistance grant aid—nevertheless deliver a fatal blow to the entire military aid program responsible for the protective shield which NATO in the west, the Baghdad Pact in the center and SEATO in the east form against the constant threat of subversion or aggression posed by the Soviet bloc nations, including Red China?

The intent of defense support as administered by ICA is meant in the first instance to bolster the economies, to promote growth and to encourage political stability in 12 countries with which we have military alliances or defense agreements: Cambodia, Greece, Iran, Korea, Laos, Pakistan, the Philippines, Thailand, Turkey, Spain, Taiwan, and Vietnam. All of these countries are on the border or practically on the border of Communist contact, and the maintenance of their forces is absolutely indispensable to the security of the United States and the free world.

In the second category are other countries receiving special assistance, among them Morocco, Tunisia, and Libya—in which we have defense bases—Jordan and Bolivia, Haiti, Lebanon, and Turkey.

The 12 countries receiving defense support right now, which constitutes the great bulk of the grant aid funds—some $835 million—either border on the Iron Curtain or are strategically vulnerable to direct attempts at invasion and subversion by Communist armies and agents. The stanch bulwarks which Greece and Turkey—the only two members of NATO still in need of U.S. defense support—have become to Communist aggression is well known.

Turkey today maintains a standing army larger in proportion to its population than the Armed Forces of the United States, in a country where the gross national product of $10 billion amounts to $381 per capita annually, contrasted with a U.S. gross national product of $465 billion or $2,600 per capita share annually. For all practical purposes it would be far beyond Turkey's economic capacity to increase its productivity and also to raise living standards while having to support such a major military force were it not for the share of the $242 million in defense support which goes in grants to its area. And yet, without this army or with it materially reduced in size and effectiveness, who would like to gamble that the Communists would ignore an invitation to try to move in and try to eliminate Turkey's role as eastern anchor of the NATO alliance?

In sharp contrast to Turkey, whose importance to free world security through its full fledged membership in NATO is readily apparent to even the most severe critic of our foreign aid program, there is the tiny country of Laos. It is a buffer state between Thailand and the Communists' Vietminh. Is the U.S. grant aid program to Laos which during the last 3 fiscal years has been reduced from $48 million to $30 million annually still too high a price to pay for what represents one of the major victories of our foreign policy? The record shows that it is not.

In the little country of Laos there has been a great concentration of interest in condemning inefficiency and waste and, indeed, alleged graft, which went on in the administration of the foreign aid program there, yet, while condemning all of that, and doing our utmost to rid ourselves of it, it is a fact that our aid, and only our aid, together with the heroic efforts of the people of that country, has brought about a far different situation from what it was a few years ago.

Two short years ago, Communist irregulars and infiltrators from the Vietminh threatened to overpower the young government of Laos which had been a French protectorate for several decades. The threat was most imminent following the end of fighting in Indochina and it was during a 2-year period following that the United States extended grant aid of $91 million to support the military forces and the internal security efforts which have brought the situation under control. In addition, this defense support aids the government's civic action program which provides mobile units sent into the country by the government to help solve local economic and health problems. In fiscal 1957, more

than $40 million of U.S. grant aid out of the total of $44.5 million to Laos specifically supported these programs.

No competent critic of our program could accuse us in the case of Laos of having spent grant funds to perpetuate a static, undemocratic form of government. On the contrary, through our defense support this new government has been able to liberalize its national policies toward the population illustrated by its civic action program to such a degree that support for establishment and maintenance of democratic institutions is on much firmer foundation. However in economic terms, Laos is still in such a primitive state that a development program underwritten even in its entirety by U.S. loans could not in the foreseeable future enable this country of about 2 million people whose per capital share of the gross national product of $100 million annually is $50 a year to survive the Communist threat—unless the loans were really grants.

Should a 3-year cutoff date on U.S. defense support to Laos be established, how long will the government be able to continue to reject the offers of economic aid which Red China indicates it is ready and able to extend? Should that happen, and Laos expose itself to a takeover by the Chinese Communists then the chain reaction would probably hit neighboring Thailand.

Thailand is the keystone of our SEATO alliance, and the only other mainland member besides Pakistan, farther to the west. Under these circumstances, perhaps the best the free world could hope for in the event that Thailand did not succumb to the terrific Communist pressure on both borders would be the adoption by it of a neutralist policy. In either case, all the progress accomplished so far by U.S. aid would come undone and the U.S. position in all Southeast Asia would be severely jeopardized. That is—at the very least—the smallest price we might very easily have to pay if U.S. defense support to Laos is cut off as proposed in Senator MANSFIELD's amendment.

Moving to the Mideast, the vacuum which could be created by any collapse of the Government of Jordan is likely to be filled quickest by forces inimical to the preservation of the peace in that area. Any collapse of Jordan would almost certainly spark conflict in the area which could easily start a worldwide conflagration. How important is the grant aid in the form of special assistance extended by the United States to political stability in Jordan? Again, the figures supply the answer. Jordan, with an annual gross national product of $130 million—$84 per capita annually—and a trade gap of $65 million of imports over exports—could not sustain its position as a sovereign nation without it.

The course of U.S. grant economic aid to Jordan has been running in reverse to that in Laos. Following the withdrawal of the annual British aid to the Jordanian Government in 1956 and the refusal by the Arab States to fulfill their pledge to take up the slack, the United States increased its development and special assistance from $5 million in 1956 to $20 million in 1957 to $31 million in 1958. The recent history of this area requires that the United States retain as an essential tool of foreign policy the very type of special assistance Senator MANSFIELD's proposal would eliminate—aid that can be dispatched over an indeterminate period if that will best serve free world interest in this region.

The situation in these countries of Laos, receiving defense support, and Jordan, receiving special assistance, points up the problems in several countries including Pakistan receiving similar U.S. grants in aid. Their situations contradict the basic premise underlying Senator MANSFIELD's 3-year cutoff amendment—that all of these nations should be able to cut their existing military forces, therefore reducing their need for defense support, and presumably shifting from U.S. grant aid to loans. Proponents of a 3-year cutoff might point up the fact that in fiscal 1958, India switched from a program of U.S. grant assistance totaling $113 million during the 2 previous years to a program based entirely on U.S. loans. All of us hail this substantial indication of economic progress, but India does not maintain a defense force in effect at the request of the free world.

The Communist bloc have available to them the means to undermine the so far successful switch from U.S. grants to loans in India for the U.S.S.R. has extended $304 million in credits to India which it could manipulate for political reasons at a moment's notice and thus cripple a major phase of India's industrial development. Is any one of us in the Senate so sure of the course of future events in India that he should knowingly vote for an amendment which could straitjacket us in our foreign aid program because of our constitutional process and organization but would serve notice that the Communists were free to move in any direction? Is it not more likely that the Communists would treat any 3-year cut-off amendment as a timetable by which they could plan their next assault large or small on key parts of the free world?

Members might be misled into thinking that by concentrating our foreign aid effort in loans we would be utilizing the very approach of the Communists' foreign aid program which reportedly consists of almost $2.5 billion in economic and military aid loans since 1954. Here again, they would be deceiving themselves for the argument that the Soviet bloc gives only credits to those countries which currently receive or have received U.S. economic grant aid falters when confronted by the facts.

In 1958 the Soviets forgave a large part of Burma's debt, thus turning its loans into grants. The Soviet credits to Afghanistan have been adjusted so as to reduce the debt. And a part of the repayment schedule for credits to India has been postponed. Thus the nature of the Soviet bloc loan program is such that it can be adjusted to meet the strategy of the Communists. The U.S. loan program, based in principle and on business practices does not have such flexibility in the service of political expediency. Nor should it. When we extend a loan we mean just that: a loan. Therefore we must have other means through which we can extend aid which is necessary but cannot be repaid. Any other practice would be hypocritical and imply a lack of respect for our own principles and for the judgment and dignity of those we try to help.

Even Soviet bloc military credits are being turned into grants, through patently unrealistic readjustments of prices. As far as military aid is concerned, it must also be realized that the allies of the Soviet Union are in reality those countries we know as the satellites, a relationship which provides Russian military assistance at a price which this Nation would not under any circumstances exact from anyone: The price of human bondage and political and economic slavery.

The Russians are certainly not willing to handicap their own foreign aid tools by restricting them to loans—recently, the U.S.S.R. awarded a $7.5 million grant to Nepal, a country which would not accept loans, in a successful attempt to get its foot in the door. In good conscience, how can we who are aware of these facts support action which would open the door for countereconomic aid measures in the form of grants by the Communists?

Also, other leading Soviet bloc nations are not tied down to the loan formula. Most of the $140 million in aid from Communist China, including $28 million to Cambodia, a neighbor of Laos, has been in the form of grants; only recently Communist China has started a program of even limited credit extension. The U.S.S.R. surely is anxious to follow Red China in that open door as well, and right now it is reportedly weighing the advantages of acceding to Cambodia's desire for grant—not loan—aid because Cambodia does not wish to weaken further its foreign credit position by sinking any deeper into debt.

Some detractors of the U.S. foreign aid program infer that because of U.S. handouts and giveaways we are weakening the determination of our allies to bear their fair share of the mutual defense efforts. Again the facts tell another story—from the beginning of the NATO buildup in Europe to the end of 1958, the United States contributed about $14.6 billion in military assistance to other NATO members. During the same period, the NATO nations themselves expended over $100 billion on their common defense and these expenditures have been rising steadily in recent years while the amount of U.S. military aid has decreased. Thirteen of the fifteen NATO nations no longer receive any defense support—but due to their vastly different conditions that fact cannot be bent to support the argument that the members of SEATO can be expected to operate under the same circumstances in a brief time period.

Title I of the Foreign Assistance Act of 1948 contains language which I helped to author in the attempt to assure to the Marshall plan countries a certain definite period during which they would surely receive some amount

of U.S. aid so that many of these countries, now NATO members, would be assured of the minimum support they needed to reconstruct their economies. However, that approach is the antithesis of a 3-year cutoff proposal which is designed to wipe out assurances of any required aid. The Marshall plan approach was affirmative and built confidence in the alliance with the United States, while the negative notice of a 3-year cutoff approach would almost certainly impair confidence in the United States, as well as weaken the indigenous will for growth and recovery. It may take a decade for SEATO members to develop the economic complex which will allow them to carry out their defense requirements and raise their living standards acceptably without U.S. defense support and special assistance—but does anyone want them to lower their military guard in the meantime—is this a risk worth taking?

There is a most unfortunate parallel between the 3-year cutoff plan and the proposals of some who advocate the emasculation or abandonment of the entire foreign aid program. I refer now to the report of the Citizens Foreign Aid Committee which recommends unequivocally "that the $3.9 billion requested by the President for the fiscal year 1960 be reduced $2 billion, and that each year thereafter foreign aid be substantially reduced until terminated within 3 years." The group signing the report also states:

> Members of this committee are not isolationists.

And yet, earlier in the heart of their attack on foreign aid, they write:

> So far as the survival of the American people is concerned, military assistance to European and Asiatic countries is not essential. Authoritative studies show convincingly that the Western Hemisphere can be defended and made self-sufficient both in peace and in war.

I know without question that the Senator from Montana certainly is not against the foreign aid program. I wish to point out, however, how the idea of a cut-off date lends itself to the kind of opposition which is directly inimicable to carrying on the program at all.

That the report of the citizens committee is serious is shown by the issuance of a white paper of answers to the arguments of this committee by the House Foreign Affairs Committee. The date on this report is 1959, but the philosophy that last statement sets forth represents a complete contradiction of the policy which has been supported by the great majority of the people and the Congress for nearly two decades.

I wish to refer now to the advisability of considering Senator MANSFIELD'S often repeated proposal to abolish ICA. This agency which is a part of the Department of State and is already under the direction of the Secretary of State and Under Secretary Dillon, administers the major spending under the mutual security program. One of the strengths of the administration of these funds is the centralized responsibility exerted by ICA's operations staff here in Washington. To destroy this agency, either directly, through its abolition, or indirectly, through a collapse of the morale of its personnel because it is under repeated attack—an experience which was so damaging to the personnel of the U.S. Information Agency—would be most unwise.

One of the most constructive things Congress could do to strengthen ICA and its personnel and give them a sense of security would be to declare a moratorium for 2 years or perhaps 3 years on proposals to abolish this agency. That would enable ICA and its employees for the first time to see ahead a period in which they can work without the specter of imminent dissolution constantly hovering over them.

Actually, a sounder or new course for our mutual security program has been proposed by the distinguished chairman of the Foreign Relations Committee, Senator FULBRIGHT—and I am glad to be among its cosponsors—which answers many of the chief criticisms made by Senator MANSFIELD. Senator FULBRIGHT'S amendment would encourage long-term capitalization of the Development Loan Fund, the instrument which Senator MANSFIELD pledges he "will continue to support so long as its operations are kept as they are now, on a loan basis with reasonable expectations of reciprocal benefit." Further, the Fulbright amendment would establish a closer coordination among the various foreign aid programs by empowering the President to transfer up to 30 percent of military assistance funds to the nonmilitary grant or loan programs for the purpose of promoting the principle that economic development needs shall have "first call on the resources of underdeveloped countries."

The combined objective of these two provisions and the amendment's emphasis on coordinating political, economic, and military objectives in our mutual security program answers Senator MANSFIELD'S chief complaint of aimlessness, decay, and the hopeless intermingling of existing programs, and is far superior to his suggestion that defense support and special assistance be wiped off the books in 3 years. Senator FULBRIGHT has submitted an amendment which reflects a thoughtful diagnosis of the program's real needs if it is to function most effectively in our national interest. His proposal is designed to cure, not kill, the patient. It is well to bear in mind the findings of the Draper committee issued March 17 last at this very point. First that "in fact Soviet-Chinese capability to apply military, political, and economic pressures is expanding" and second "the same reasons which lead this committee to recommend placing military assistance on a continuing basis apply with equal force to the closely related defense support." This is security the Draper committee is talking about—a committee counting among its members not internationalist dreamers or ardent foreign aid advocates but among our most respected military leaders—General Gruenther, former Supreme Commander of NATO, Admiral Radford, former Chairman of the Joint Chiefs of Staff, and General McNarney, former commander of the U.S. forces in Europe—three out of the nine members making a unanimous report.

Mr. President, I emphasize that we are talking about security, military security, the bedrock of any foreign policy; and I say that it is not what we think or desire or believe—any one of us, no matter with how much good will we may have—which counts in a proposal like that made by the distinguished Senator from Montana, for a cutoff after 3 years, but how it will be received and accepted by the world in respect of our policy and our intentions; what it will induce our allies to do; what it will induce the opposition—the Soviet Union and its bloc—to do.

I believe most sincerely that the world's reception of it would cause the proposal, if adopted, to prejudice seriously our foreign policy and the cause of the free world without any really commensurable, discernible benefit.

I believe that the alternatives which I described when I first began are consistent with the views of the Senator from Montana and consistent with the continuation of these programs. They should be carried on as the bulwark of American and free world security.

I express my gratitude to the leadership on the other side of the aisle for facilitating this time for me.

The Senator from Mississippi, who was here a while ago, wished me to yield to him. I do not see him present; therefore I yield the floor.

DISTRICT OF COLUMBIA APPROPRIATION ACT, 1960

The Senate resumed the consideration of the bill (H.R. 5676) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1960, and for other purposes.

The PRESIDING OFFICER. The amendment offered by the Senator from Oregon [Mr. MORSE] to the amendment of the Senator from Illinois [Mr. DOUGLAS] will be stated for the information of the Senate.

The LEGISLATIVE CLERK. In the amendment of Mr. DOUGLAS it is proposed to strike out "$17,159,000" and insert in lieu thereof "$14,039,000."

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDING OFFICER. Is there objection to the calling of a quorum without the time being counted on the amendment? The Chair hears none, and it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MORSE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Oregon has 15 minutes.

Mr. MORSE. Mr. President, I shall speak in continuity until I have finished my argument. I hope it will not take me 15 minutes.

I think the Senate is about to make a very important procedural decision this afternoon in the consideration, ultimately, of the Douglas amendment. I serve on the Committee on Foreign Relations. It is not uncommon, as the Senator from Georgia [Mr. RUSSELL], who is on the floor at the present time, well knows, as does the majority leader, too, that from time to time when there is a problem involving the Committee on Foreign Relations, the question also involves the Committee on Armed Services. Thus the Committee on Foreign Relations or, vice versa, the Committee on Armed Services might have legislative jurisdiction over a certain matter.

There have been times in my 15 years in the Senate when after one committee has considered a matter, it has been referred to another committee which also had an interest in the problem. Sometimes matters have been referred to the Committee on Banking and Currency and then also to the Committee on Finance.

We find ourselves in a situation whereby two legislative committees, one in the House and one in the Senate, have jurisdiction over the legislative and administrative problems of the District of Columbia. Also, there are Committees on Appropriations. Also, there is a law, which authorizes the Committee on Appropriations to take certain jurisdiction over matters which involve, to some extent, legislative problems, although the Committee on Appropriations is not a legislative committee.

I respectfully submit that whenever a particular matter comes into controversy under that authorization, such as the proposed Glover-Archbold Parkway, and there are those on a legislative committee who feel that they ought to have a look at the matter before final legislative action is taken, then comity should, in my judgment, cause the Senate to postpone action on such controversial matter until the legislative committee can have a look at it.

In this particular instance, there is really an additional committee which is concerned, a fourth committee, which is the joint committee. It has been created as between the Senate and the House to make a joint study of municipal affairs in the District of Columbia, particularly with respect to mass transportation. For the life of me, I do not think we can exclude from the consideration of mass transportation problems by the legislative committees—and we have the duty of making that study, and are in the process of making it—the consideration of such a controversial matter as the Glover-Archbold Parkway.

All I am urging is that the Senate adopt the Douglas amendment, which has the effect of postponing action on the proposed Glover-Archbold Parkway until the Joint Committee of the Senate and House and the Committees on the District of Columbia of both Houses have had an opportunity to consider the matter within the framework of municipal legislative problems which are ours to determine. I do not think there is anything unreasonable about that request.

I come now to the question whether there is any real emergency. Of course, there is an emergency in the sense that there is a very serious mass transportation problem in the District of Columbia. Everybody knows that to be so. We have been dealing with it for years in our legislative and appropriations committees.

I mentioned earlier this afternoon the matter of bridges across the Potomac. I believe there should be several more bridges across the Potomac in order to relieve the mass transportation problem in the District of Columbia with respect to the great migration of Government workers from Virginia every morning and to Virginia every night. Some progress is being made on that problem. But in the past we have postponed time and time again, the so-called bridge proposals and tunnel proposals in respect to the crossings of the Potomac.

In this instance, we have a group of voteless citizens not having the right of home rule. They have no control over the District Commissioners. They have no home rule control over the Army Engineer Commissioner, Brigadier General Welling, who has so strongly urged this particular appropriation so that he may begin work on this particular parkway or road. But the citizens of the District of Columbia have very strong views as to the effect of this proposal upon their property rights.

I think there should be a postponement of the consideration of this matter until the legislative committees of the Congress have had an opportunity also to conduct hearings and to listen to the petition of these property owners in respect to their views as to the effect of the proposed roadway upon their properties. I think it is only fair and right that that should be granted.

Then, there are a great many persons who have no property values involved, but who have very pronounced feelings in regard to the proposed road through the park. I do not care how Senators may term them. They may be called nature lovers or conservationists. They are those who have a very deep conviction that Congress ought to be very careful before doing anything which would in any way result in the destruction to any degree of the beautiful little park known as Glover Park.

I wish to make it very clear that I have made no commitment. My mind is open as to whether the road as recommended should eventually be built. I simply say that it should not be built now. Its construction should not be started until the legislative committees have had an opportunity to look into the matter.

The chairman of the District of Columbia Committee, the Senator from Nevada [Mr. BIBLE], knows the very high regard in which I hold him and my respect for his sincerity of purpose. But let me point out that the chairman of the District of Columbia Committee is also a member of the Appropriations Committee; and I take that fact into account when I make my plea, as a member of the District of Columbia Committee, not as a member of the Appropriations Committee—that the entire District of Columbia Committee have an opportunity to deliberate on this matter and later, make its recommendations to the Appropriations Committee.

It is no answer, to me, to say that the Appropriations Committee by law is authorized to go ahead if it wishes to do so. Certainly it is. But when the views of legislative committees have been expressed in the way they have been today, I think no harm will be done, and, in fact, a great spirit of cooperation will be bred in the Senate, if we show a little deference to the legislative committee, when one or more of its members would like to have time in which to look at this problem.

My final point is in regard to the joint committee. I think it should have time to consider this matter. Much has been said today about the mass transportation report. The fact is that that report has not been officially submitted to the Senate Committee on the District of Columbia, for consideration by it in formal session and for a discussion among its members as to whether they think any questions should be raised in regard to recommendations which may be set forth in the report concerning the location of highways through the District of Columbia.

Mr. CAPEHART. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. First, I wish to finish my argument.

Mr. President, I think the Senator from Illinois [Mr. DOUGLAS] put the matter very clearly when he raised the point of the need for consideration of alternative routes. I am quite familiar with this part of the District of Columbia and with the outlying area. I traverse that area at least twice a week. Sometimes I go by way of Rockville, and sometimes I go by way of River Road. Because of my great concern about traffic in the District of Columbia, as a member of the committee I think it very important that the Senate Committee on the District of Columbia take time to give formal consideration to the various possible alternatives which might be proposed in order to help relieve transportation congestion in this area.

I do not believe we should increase the danger of a growing feeling in the Senate that the Appropriations Committee will stand on its technical rights—although certainly it has technical rights in this matter, if it wishes to stand on them. So do the members of the legislative committee to which the Senate has given the great responsibility of municipal government and administration for the District of Columbia. We would like to get rid of that, by way of a home rule bill. But I do not think the Appropriations Committee should, in the case of a given controversy, take the position that it will not go along with any postponement for a year.

Undoubtedly there are those who do not want the road to be built at all.

But others of us say that, as members of the legislative committee, we want to be given time to go into this matter and to receive the mass transportation report, for which the Congress appropriated many thousands of dollars. I forget what the total amount was; but, as I recall, it came to at least $75,000.

Mr. BIBLE. I believe it was approximately $100,000.

Mr. MORSE. The chairman of the committee indicates that it was between $75,000 and $100,000. That is a great deal of money; and it was appropriated for the purpose of being of benefit to the legislative committee, as well as the Appropriations Committee.

Mr. President, we cannot get away from the cold fact that the Senate Committee on the District of Columbia has not yet had an opportunity to go into the mass transportation report. So far as this member of the committee is concerned, I do not yet have a copy of it, and I know that the committee has not met to consider it. As a member of the joint committee, I know it has not met to consider it.

I know—and I think I am the one who made the motion, or I may have seconded the motion of the Senator from Nevada—that in the committee a motion was made to continue the life of the joint committee for a further period of time; and one of the main purposes of extending its life was so we could study the mass transportation report, and then could decide, as a joint committee, on the recommendations, if any, which we would wish to make to the Congress as a whole.

Mr. President, I think it is a mistake—inasmuch as the Appropriations Committee is busy with the multitude of appropriation problems which come before it—for it to take the position that because it is technically authorized, under the law, to make this recommendation if it wishes to do so, it will deny those of us who serve on the legislative committee an opportunity to have further time in which to study this matter.

Mr. CHAVEZ. Mr. President——

Mr. MORSE. Mr. President, I have a further point to make; and then I shall yield to the Senator from New Mexico and the Senator from Indiana.

My further point is that when we consider the many other appropriation items contained in the bill as reported by the Appropriations Committee, I believe we realize that the District of Columbia Commissioners will have plenty to do during the next year in implementing and effectuating those appropriations; and we also realize that no great harm will result from a year's postponement, for the consideration of this particular matter, until the legislative committee can hear the complaints of the citizens whose telegrams I placed in the RECORD earlier today, and who say, in effect, that they want to be heard, that they want the congressional legislative committees to take action, but that they are denied the right of home rule. I think it is only fair, under the right of petition, to give them an opportunity to be heard.

At this time I yield to the Senator from New Mexico.

The PRESIDING OFFICER (Mr. CANNON in the chair). The time available to the Senator from Oregon has expired.

Mr. MORSE. The full 15 minutes?

The PRESIDING OFFICER. Yes.

Mr. BIBLE. Mr. President, I believe that 15 minutes are under the control of the Senator from Rhode Island (Mr. PASTORE]; and, from that time, I yield one-half a minute to the Senator from Indiana [Mr. CAPEHART]; and thereafter I shall yield 4 minutes to the Senator from New Mexico [Mr. CHAVEZ].

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. CAPEHART. Mr. President, I think the Senator from Oregon is 100 percent correct in this instance, and I shall vote with him. I believe we should postpone action on this matter, and I believe we should take into consideration the views of the persons concerned.

Mr. BIBLE. Now I yield 4 minutes to the Senator from New Mexico.

Mr. CHAVEZ. Mr. President, I am sorry that I do not agree with the Senator from Indiana, who has said he believes the Senator from Oregon is 100 percent correct. I believe he is correct when he says the people should have freedom of action and freedom of petition. But he is mistaken in thinking that an appropriation is not necessary for this item.

Furthermore, the matter was the subject of legislative action, and it was considered by a legislative committee.

Only last year we accelerated the legislation for the highway system of the United States; and the road now being considered is part of the primary system, under the road bill which Congress passed in 1956, and which Congress accelerated in 1958.

It never will be possible—whether under home rule or under congressional responsibility for the District of Columbia—to get the citizens of the District of Columbia to agree on anything. When someone from the northeast section of the city makes a proposal, an objection will come from a parent-teachers group in the northwest section. I know about that situation; I have served on the District of Columbia Appropriations Subcommittee.

Three or four years ago, we appropriated for, and authorized, the construction of a bridge; but the bridge has not been built, because it is impossible to get the people of the District of Columbia to agree on where the bridge should be built.

I have seen these proposals come and go. It is necessary to have the engineers report on them, and someone must make the determination.

I wish the District of Columbia could make its own determinations. But so long as Congress has this responsibility, I think it is our duty to try to provide a road which is needed for the traffic.

I do not wish to destroy any scenery in the District of Columbia. I am as much in favor of beauty and aesthetics as anyone else is. But in the event of either a cold war or a hot war, how will it be possible to evacuate people from the District of Columbia? There is only one way to do it. Provide them transportation. Keep them the way they are now, and they will not be able to get out of Pennsylvania Avenue and 23d Street. I think we are trying to do something. So I hope that in the interest of the people of the District of Columbia as a whole, the Senate will reject both the Douglas amendment and the Morse amendment.

Mr. MORSE. Mr. President——

The PRESIDING OFFICER. Does a Senator who is in charge of the time yield some time to the Senator from Oregon?

Mr. PASTORE. Mr. President, how much time remains on my side?

The PRESIDING OFFICER. Four minutes.

Mr. MORSE. Mr. President, I wanted to raise a parliamentary inquiry.

Mr. PASTORE. I yield for that purpose.

Mr. MORSE. I will tell the Senator what I was going to do. I was going to withdraw my amendment, and offer another amendment. All I want is time enough to work out an understanding as to the procedure for voting on this question, because some of us want a record vote on it. We want a quorum call. We want to give every Senator an opportunity to get to the Chamber and to be counted in a vote on the amendment.

Is the Senator from Rhode Island willing to have a quorum call, and then, when a quorum is present, have a request for the yeas and nays determined by a show of hands?

Mr. PASTORE. I have no objection to a yea-and-nay vote. I am perfectly willing to have the Senator make the request now.

Mr. MORSE. If there are enough Senators present, I request the yeas and nays on the Douglas amendment.

Mr. PASTORE. There are at least 10 Senators present.

Mr. MORSE. I can make the request after a quorum call, too.

Mr. President, I withdraw my amendment and ask for the yeas and nays on the Douglas amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois [Mr. DOUGLAS].

Mr. DOUGLAS. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time required for the quorum call not be deducted from either side.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MUSKIE in the chair). Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Illinois [Mr. DOUGLAS]. On this question the

yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Virginia [Mr. BYRD], the Senators from West Virginia [Mr. BYRD and Mr. RANDOLPH], the Senator from Connecticut [Mr. DODD], the Senator from California [Mr. ENGLE], the Senator from Tennessee [Mr. GORE], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNINGS], the Senator from Washington [Mr. JACKSON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], the Senator from Louisiana [Mr. LONG], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Utah [Mr. MOSS], the Senator from Montana [Mr. MURRAY], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Ohio [Mr. YOUNG] are absent on official business.

On this vote, the Senator from Alaska [Mr. BARTLETT] is paired with the Senator from West Virginia [Mr. BYRD]. If present and voting, the Senator from Alaska would vote "nay," and the Senator from West Virginia would vote "yea."

On this vote, the Senator from Connecticut [Mr. DODD] is paired with the Senator from California [Mr. ENGLE]. If present and voting, the Senator from Connecticut would vote "nay," and the Senator from California would vote "yea."

On this vote, the Senator from Missouri [Mr. HENNINGS] is paired with the Senator from Washington [Mr. JACKSON]. If present and voting, the Senator from Missouri would vote "nay," and the Senator from Washington would vote "yea."

On this vote, the Senator from Tennessee [Mr. KEFAUVER] is paired with the Senator from Oklahoma [Mr. KERR]. If present and voting, the Senator from Tennessee would vote "yea," and the Senator from Oklahoma would vote "nay."

I further announce that, if present and voting, the Senator from Rhode Island [Mr. GREEN] would vote "nay."

On this vote, the Senator from Louisiana [Mr. LONG] is paired with the Senator from Minnesota [Mr. MCCARTHY]. If present and voting, the Senator from Louisiana would vote "nay," and the Senator from Minnesota would vote "yea."

On this vote, the Senator from Arkansas [Mr. MCCLELLAN] is paired with the Senator from West Virginia [Mr. RANDOLPH]. If present and voting, the Senator from Arkansas would vote "nay," and the Senator from West Virginia would vote "yea."

On this vote, the Senator from Utah [Mr. Moss] is paired with the Senator from Ohio [Mr. YOUNG]. If present and voting, the Senator from Utah would vote "yea," and the Senator from Ohio would vote "nay."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN], the Senators from New Hampshire [Mr. BRIDGES and Mr. COTTON], the Senators from South Dakota [Mr. CASE and Mr. MUNDT], and the Senator from Nebraska [Mr. HRUSKA] are absent on official business.

The Senator from Arizona [Mr. GOLDWATER] is absent by leave of the Senate.

The Senator from Kansas [Mr. SCHOEPPEL], is necessarily absent.

The Senator from Massachusetts [Mr. SALTONSTALL], is detained on official business.

If present and voting, the Senator from Nebraska [Mr. HRUSKA], the Senator from Kansas [Mr. SCHOEPPEL], and the Senator from Massachusetts [Mr. SALTONSTALL] would each vote "nay."

The result was announced—yeas 23, nays 47, as follows:

YEAS—23

Capehart	Humphrey	Neuberger
Carroll	Keating	O'Mahoney
Case, N.J.	Kennedy	Proxmire
Church	Langer	Scott
Clark	McGee	Smith
Cooper	Magnuson	Thurmond
Douglas	Martin	Yarborough
Gruening	Morse	

NAYS—47

Allott	Frear	Monroney
Anderson	Fulbright	Morton
Beall	Hart	Muskie
Bennett	Hartke	Pastore
Bible	Hayden	Prouty
Bush	Hickenlooper	Robertson
Butler	Hill	Russell
Cannon	Holland	Smathers
Carlson	Javits	Sparkman
Chavez	Johnson, Tex.	Stennis
Curtis	Johnston, S.C.	Talmadge
Dirksen	Jordan	Wiley
Dworshak	Kuchel	Williams, N.J.
Eastland	Lausche	Williams, Del.
Ellender	McNamara	Young, N. Dak.
Ervin	Mansfield	

NOT VOTING—28

Aiken	Gore	Moss
Bartlett	Green	Mundt
Bridges	Hennings	Murray
Byrd, Va.	Hruska	Randolph
Byrd, W. Va.	Jackson	Saltonstall
Case, S. Dak.	Kefauver	Schoeppel
Cotton	Kerr	Symington
Dodd	Long	Young, Ohio
Engle	McCarthy	
Goldwater	McClellan	

So the amendment of Mr. DOUGLAS was rejected.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

ORDER FOR LIMITATION OF DEBATE IN CONNECTION WITH TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL

Mr. JOHNSON of Texas. Mr. President, many Members of the Senate have speaking engagements tomorrow, and it is not expected that the Senate will be in session on Saturday. Therefore we hope that we may have the cooperation of Senators in an attempt to pass the Treasury and Post Office Departments appropriation bill this evening.

Therefore, I ask unanimous consent that during the consideration of House bill 5805, Calendar No. 292, 1 hour be allotted on the amendment to be proposed by the Senator from Pennsylvania [Mr. CLARK] and nine other Senators, the amendment being designated "5–22–59—B"; that on other amendments 30 minutes be allotted; and that on the passage of the bill there be allotted 2 hours, to be equally divided, and that 30 minutes be equally divided in case a point of order is made.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

Mr. JOHNSTON of South Carolina. Mr. President, reserving the right to object——

Mr. JOHNSON of Texas. I hope the Senator will not object, because the proposed arrangement will insure getting the bill before the Senate. The Senator will be recognized on his amendment, and we hope the amendment can be voted upon promptly.

Mr. JOHNSTON of South Carolina. It will require 15 minutes to explain the amendment.

Mr. JOHNSON of Texas. I shall be glad to yield the Senator time on the bill.

Mr. JOHNSTON of South Carolina. Will the Senator yield me 15 minutes?

Mr. JOHNSON of Texas. I shall be glad to yield the Senator 15 minutes on the bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

VISIT TO THE SENATE BY HON. RICHARD ABROM HENRIES, SPEAKER OF THE HOUSE OF REPRESENTATIVES OF LIBERIA

Mr. MONRONEY. Mr. President, it is with a great deal of pleasure that I present to the U.S. Senate a very distinguished citizen of a very friendly country.

Our guest is Hon. Richard Abrom Henries, Speaker of the House of Representatives of Liberia.

This nation was founded 117 years ago on the Gold Coast of Africa by former slaves. It was perhaps the first independent democracy established in that great subcontinent. It has continued to enjoy a stable government through many years.

I have a great deal of pleasure presenting a representative of one of America's greatest friends throughout the world, Speaker Henries, of the House of Representatives of Liberia.

(Applause, Senators rising.)

DISTRICT OF COLUMBIA APPROPRIATION ACT, 1960

The Senate resumed the consideration of the bill (H.R. 5676) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1960, and for other purposes.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on passage of the District of Columbia appropriation bill.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, there may be some Senators who must be absent from the Chamber, but who wish to be present for the yea-and-nay vote. I shall yield to them for insertions in the RECORD. Otherwise, I hope they will withhold such requests until after the yea-and-nay vote. If they do not do so, they will merely delay the yea-and-nay vote that much longer.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Virginia [Mr. BYRD], the Senator from West Virginia [Mr. BYRD], the Senator from Connecticut [Mr. DODD], the Senator from California [Mr ENGLE], the Senator from Tennessee [Mr. GORE], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNINGS], the Senator from Washington [Mr. JACKSON], the Senator from Oklahoma [Mr. KERR], the Senator from Louisiana [Mr. LONG], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Utah [Mr. Moss], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from West Virginia, [Mr. RANDOLPH], the Senator from Georgia, [Mr. RUSSELL], the Senator from Missouri, [Mr. SYMINGTON], and the Senator from Ohio, [Mr. YOUNG] are absent on official business.

I further announce that, if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senators from West Virginia [Mr. BYRD and Mr. RANDOLPH], the Senator from Connecticut [Mr. DODD], the Senator from California [Mr. ENGLE], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNINGS] the Senator from Washington [Mr. JACKSON], the Senator from Oklahoma [Mr. KERR], the Senator from Louisiana [Mr. LONG], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Arkansas (Mr. MCCLELLAN], the Senator from Utah [Mr. Moss], the Senator from Montana [Mr. MURRAY], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Ohio [Mr. YOUNG] would each vote "yea".

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN], the Senators from New Hampshire [Mr. BRIDGES and Mr. COTTON], the Senators from South Dakota [Mr. CASE and Mr. MUNDT], and the Senator from Nebraska [Mr. HRUSKA] are absent on official business.

The Senator from Arizona [Mr. GOLDWATER] is absent by leave of the Senate.

The Senator from Kansas [Mr. SCHOEPPEL] is necessarily absent.

The Senator from Massachusetts [Mr. SALTONSTALL] and the Senator from Wisconsin [Mr. WILEY] are detained on official business.

If present and voting, the Senator from Nebraska [Mr. HRUSKA], the Senator from Kansas [Mr. SCHOEPPEL], and the Senator from Massachusetts [Mr. SALTONSTALL] would each vote "yea."

The result was announced—yeas 68, nays 0, as follows:

YEAS—68

Allott	Frear	Mansfield
Anderson	Fulbright	Martin
Beall	Gruening	Monroney
Bennett	Hart	Morse
Bible	Hartke	Morton
Bush	Hayden	Muskie
Butler	Hickenlooper	Neuberger
Cannon	Hill	Pastore
Capehart	Holland	Prouty
Carlson	Humphrey	Proxmire
Carroll	Javits	Robertson
Case, N.J.	Johnson, Tex.	Scott
Chavez	Johnston, S.C.	Smathers
Church	Jordan	Smith
Clark	Keating	Sparkman
Cooper	Kefauver	Stennis
Curtis	Kennedy	Talmadge
Dirksen	Kuchel	Thurmond
Douglas	Langer	Williams, Del.
Dworshak	Lausche	Williams, N.J.
Eastland	McGee	Yarborough
Ellender	McNamara	Young, N. Dak.
Ervin	Magnuson	

NOT VOTING—30

Aiken	Gore	Mundt
Bartlett	Green	Murray
Bridges	Hennings	O'Mahoney
Byrd, Va.	Hruska	Randolph
Byrd, W. Va.	Jackson	Russell
Case, S. Dak.	Kerr	Saltonstall
Cotton	Long	Schoeppel
Dodd	McCarthy	Symington
Engle	McClellan	Wiley
Goldwater	Moss	Young, Ohio

So the bill (H.R. 5676) was passed.

Mr. PASTORE. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. MUSKIE in the chair) appointed Mr. PASTORE, Mr. HAYDEN, Mr. KEFAUVER, Mr. FREAR, Mr. BIBLE, Mr. YOUNG of North Dakota, Mr. HRUSKA, and Mr. BEALL conferees on the part of the Senate.

KING SAUD'S BOYCOTT

Mr. HUMPHREY. Mr. President, I invite the attention of the Senate to a most thought-provoking editorial from the May 23 Washington Post entitled "King Saud's Boycott."

This editorial discusses the very serious charge that Saudi Arabia is influencing the hiring practices of certain American firms, not only employees who are to be assigned to that country, but also employees who will be employed here in the United States.

This raises a very fundamental issue and one which I think we simply cannot close our eyes to.

In the United States there is no room for second-class citizenship, and I do not think the U.S. Government can condone the type of discrimination which is alleged to be taking place according to the charges of the highly respected American Jewish Congress.

I ask unanimous consent that this editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

KING SAUD'S BOYCOTT

If Saudi Arabia wants only persons with blue eyes or six left toes within its borders, we suppose that is its sovereign prerogative. Saudi Arabia has no sovereign prerogative to inflict its prejudices upon Americans, however, and the charge that Saudi restrictions against Jews are influencing the hiring practices of firms in this country raises a nasty moral issue. The American Jewish Congress has complained that King Saud is attempting to compel the Arabian-American Oil Co. to refrain from hiring any Jews in the United States and to boycott Jewish-owned concerns as the price of doing business in Saudi Arabia.

This is a vicious demand. It condemns a whole category of people, not for what they do or believe, but for their genealogy. It also amounts to an outrageous intervention in American internal affairs. It goes far beyond the general Arab League boycott of firms doing business with Israel, which is archaic enough.

The State Department explains that it has consistently protested such efforts by the Saudi Arabian Government, while recognizing the right of that Government to establish its own internal regulations. This may be about all that can be expected officially. The moot question, of course, is whether the conditions to which Aramco may agree for its operations in Saudi Arabia cause it to violate State law in the United States.

In any event we suspect that the remedy lies more in policy reexamination than in formal protest. It is all very well to say that this country must deal with the world as it is, but the very eagerness of private oil firms as well as the U.S. Government to conciliate Saudi Arabia no doubt abets the discrimination. The Government has temporized by agreeing not to send American diplomats or soldiers who happen to be Jewish to Saudi Arabia. What we suggest is a hard look at whether either Saudi Arabian oil or the Dhahran air base is worth this kind of cancerous abnegation of principle. In short, we wonder whether King Saud does not need the United States more than it needs him.

RELIGIOUS PERSECUTION IN SOVIET BLOC COUNTRIES

Mr. HUMPHREY. Mr. President, although few Americans today are so naive as to believe the propaganda of the Communists that religious freedom is permitted in the Soviet bloc countries, it is still important, I believe, to call attention to evidence of religious persecution by the Communists.

Only this month I came across two articles on such persecution. One, from the New York Times of May 21, tells of a renewed Kremlin campaign against the practice of the Jewish religion in the Soviet Union; the other, from the May 1 issue of the Catholic Bulletin, of St. Paul, Minn., reports on measures against the Catholic Church in Communist-controlled Lithuania.

I ask unanimous consent that these two articles be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits A and B.)

Mr. HUMPHREY. Mr. President, being reminded of George Orwell's book

"1984," Orwell appears more and more not only as a great writer, but also as a great prophet. For all too many unfortunate human beings, 1984 is already here.

To us in America, the suppression of Jews and Christians, such as is related in these articles, seems incredible. Yet to millions of men, women, and children it is a harsh reality.

It is important that we in America do not take our freedom for granted; that we do not, through indifference and carelessness, lose our God-given liberties. Let the evidence of ugly religious persecution, which I have noted today, serve as a reminder of how fortunate we are to live in a free society where the Government is our servant and not our master.

EXHIBIT A

[From the New York Times, May 21, 1959]

ANTI-JEWISH CURB IN SOVIET REVIVED—KREMLIN SAID TO HAVE SEIZED SYNAGOGUE AND PROHIBITED MAKING OF MATZOH

UNITED NATIONS, N.Y., May 20.—The Kremlin was reported today to have recently stepped up its campaign against the practice of the Jewish religion in the Soviet Union.

According to information here, the repressive measures are centered in the Ukraine. However, they have also been reported from many parts of the Soviet Union, including Irkutsk, in eastern Siberia, where the first floor of a synagogue was recently confiscated to provide housing for medical students.

The Kremlin recently resumed its campaign against the practice of any form of religion, and it is not yet clear to what extent the Jewish religion has been singled out.

In any event, the making of matzoh (unleavened bread) for the recent celebration of the Passover was forbidden in the leading Ukrainian cities of Kharkov, Odessa, and Kiev as well as in Kuibyshev and Rostov, in European Russia.

Although they made difficulties, the authorities, finally permitted matzoh to be baked in Moscow and Leningrad.

JEWISH GROUPS DISPERSED

In Kharkov, the 20 small Jewish groups were dispersed last September during the second day of the Jewish New Year celebrations. All the Torahs (Books of Scripture) were confiscated and a policeman told one of the Jews, "You are eating Russian bread but praying for Israel."

This was in line with an article denouncing "the reactionary essence of the Judean religion," which appeared last December in the Lvov Pravda. The article recalled that when Jews eat unleavened bread at Passover they express the hope that they will eat it the following year "in Jerusalem, on Israeli soil," and added:

"However, don't the religious Jews know that Israel is at present an obedient tool in the hands of American, British, and French imperialists?"

JEW ACCUSED OF FORGERY

Although this article had only regional circulation, the February 1959 issue of Partinaya Zhizn, the monthly magazine of the Communist Party, called the attention of members to it.

Last September another Ukrainian newspaper, Prikarpatska Pravda of Stanislav, printed an article attacking a Jew who had allegedly forged signatures of non-Jews to a petition asking the government to authorize the establishment of Jewish worship groups.

The article accused him of having falsely claimed service in the Red Army during the war against Hitler, and made a general condemnation of the leaders of Judaism in Stanislav, as ardent liars and forgers.

Other measures reported to have been taken in the Ukraine against the practice of the Jewish religion include the following:

In Novoselitsa, in the Province of Chernovtsy, two buildings that had been used as synagogues were confiscated and turned into club houses.

In Olevsk, small Jewish religious groups, which had been permitted since the synagogue was converted into a school in 1949, have all been disbanded in recent months.

In Vinnitsa, the synagogue has been confiscated and Jews are now praying in an abandoned building.

In Korosten a year ago the Jewish community, having saved a considerable sum for a synagogue, was unable to obtain an official permit but built it anyway. The building was confiscated and an appeal to Moscow was rejected.

Other examples, from many parts of the Soviet Union, were said to be as follows:

In Yevpatoriya, in the Crimea, the authorities confiscated 25,000 rubles raised by the Jewish community to rent a building for a synagogue.

In Baranovichi, in Byelorussia, the great synagogue has been taken over for use by the State Security Committee. Since then the authorities have not permitted the rabbi to function and have forbidden ritual cattle slaughter or any other exercise of the Jewish religion.

In Tula, 150 miles south of Moscow, use of the synagogue, which was in a communal apartment, was forbidden because the non-Jewish resident informed authorities that he was disturbed by the prayers. The synagogue in Orenburg, 750 miles southeast of Moscow, also has been closed recently.

In Rybnitsa, in Bessarabia, there is widespread fear that the synagogue will close shortly.

In Rakhov, in Transcarpathia, the two synagogues that remained open have been confiscated and turned into stores.

EXHIBIT B

[From the Catholic Bulletin, May 1, 1959]

REDS TRY TO CRUSH FAITH IN LITHUANIA

(By Fr. Joseph B. Koncius)

The plight of the Church in Lithuania, only Republic in the Soviet Union with a Catholic majority, is today far worse than in the predominantly Catholic satellite nations of Poland, Hungary, and Czechoslovakia.

The Communist aim in Lithuania—forcibly incorporated into the U.S.S.R. in 1940—is to eradicate the Catholic faith from the nation and crush the national feelings of its people.

Lithuania's enforced isolation is stricter than that of most other areas under Soviet rule.

To hide the atrocities committed there, Soviet authorities have allowed no foreign diplomats or newsmen to enter the country.

However, a picture of the situation can be pieced together from reports of a few escapees and returned German war prisoners.

Nearly all of Lithuania's intellectuals and religious leaders have been exiled to Siberia for forced labor or imprisonment. Many died as a result of torture or hardships. A total of some 500,000 persons have been deported since 1940, when independent Lithuania had a population of about 3 million, 85 percent of whom were Catholics.

Among those sent to Siberia were about 400 priests and several hundred nuns. Today there are only some 800 priests in Lithuania, compared with an estimated 1,800 before 1940. Despite brutal oppression, no priests are known to have agreed to work for the Reds.

No religious communities remain in existence and all the properties of former communities have been confiscated.

All but two seminaries have been closed. The two which remain open have at present a total enrollment of 70. In 1937 there were 716 students in 9 seminaries.

Religious instruction for children is strictly forbidden, even in churches. Catechisms were destroyed and the publication of new ones is prohibited. As a result parents must instruct their children at home to prepare them for the sacraments.

Antireligious propaganda is organized by the government under Commissar Slavenas, who has set up 1,400 branches of atheistic organizations in the country.

Churches are forced to pay heavy taxes.

Among the church's prominent martyrs in Lithuania is Archbishop Mieceslao Reinys, Apostolic Administrator of Vilna, who was arrested in 1947 and held until his death in a Soviet jail in 1953.

Also arrested in 1946 and deported to Siberia were Bishops Vincas Borisevicius of Telsiai and Teofilus Matulionis of Kaisiadorys.

In 1957 the latter was released and allowed to return to Lithuania but not to his own diocese. Now 86, he lives in the village of Seduva.

Auxiliary Bishop Pranas Ramanauskas of Telsiai, arrested in 1947, was also permitted to return to Lithuania in 1957. He too must remain outside his see and is now residing in the village of Sveska.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H.R. 7349) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1960, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 7349) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1960, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

TREASURY-POST OFFICE APPROPRIATION ACT, 1960

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 292, H.R. 5805, the Treasury-Post Office appropriation bill.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H.R. 5805) making appropriations for the Treasury and Post Office Departments and the Tax Court of the United States for the fiscal year ending June 30, 1960, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amend-

ments on page 2, line 16, to strike out "$21,500,000" and insert "$22,000,000"; on page 3, line 22, after the word "commissioner," to strike out "$363,000,000" and insert "$364,631,000"; on page 4, line 14, after the word "vehicles," to strike out "$4,000,000" and insert "$4,032,000"; on page 6, line 24, after "(5 U.S.C. 55a)," to strike out "$22,000,000" and insert "$24,500,000", and in line 25, after the word "expended," to insert a colon and the following proviso:

Provided, That annual accrued expenditures under this appropriation account, covering amounts becoming payable as a result of obligations incurred both in the current fiscal year and prior fiscal years, shall not exceed $20,000,000: *Provided further,* That this limitation shall not include annual accrued expenditures attributable to reimbursable work performed under this appropriation account.

On page 9, after line 16, to insert:

PAYMENT FOR PUBLIC SERVICES

For payment into the postal revenues for public services, in accordance with section 104 of the Postal Policy Act of 1958 (72 Stat. 136, 137), $37,400,000.

On page 11, line 8, to strike out "$71,500,000" and insert "$72,398,600"; On page 11, line 18, after the word "law," to strike out "$2,988,000,000" and insert "$2,998,000,000"; On page 12, line 24, after the word "Government," to strike out "$188,660,000" and insert "$194,660,000"; On page 13, line 12, after "(72 Stat. 144)," to strike out "$75,000,000" and insert "$88,500,000, to remain available until expended."

ESTATE OF VERENTES BENT

Mr. JOHNSON of Texas. Mr. President, I ask that the Chair lay before the Senate the message from the House of Representatives amending S. 947 for the relief of the estate of Verentes Bent, deceased.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 947) for the relief of the estate of Verentes Bent, deceased, which were, on page 1, line 6, strike out "the estate of Verentes Bent, deceased" and insert "Lenora Bent, the mother of Verentes Bent"; on page 1, line 7, strike out "the estate" and insert "the said Lenora Bent as the dependent mother of Verentes Bent"; on page 1, line 8, after "of" where it appears the second time, insert "her son", and to amend the title so as to read: "An Act for the relief of Lenora Bent."

Mr. JOHNSON of Texas. Mr. President, on March 18, 1959, this bill was passed by the Senate. The House of Representatives has amended the bill to make payment to the mother of the deceased, rather than to the estate, inasmuch as the payment to the estate might result in permitting payment to persons claiming under the estate, not intended as beneficiaries by the bill. The bill as amended, carries out the intent of the sponsor of the legislation as it was originally introduced in the Senate.

I ask that the Senate concur in the House amendments.

The PRESIDING OFFICER. The question is on agreeing to the House amendments.

The amendments were agreed to.

ESTATE OF SINCLAIR G. STANLEY

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 607) for the relief of the estate of Sinclair G. Stanley, which was, on page 1, line 6, strike out all after "$33,333" down through and including "1946" in line 8.

Mr. JOHNSON of Texas. Mr. President, on March 18, 1959, S. 607 for the relief of the estate of Sinclair G. Stanley, passed the Senate.

On May 19, 1959, the House of Representative passed this bill with an amendment.

I move that the Senate disagree to the House amendment, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. O'MAHONEY, Mr. HART, and Mr. DIRKSEN conferees on the part of the Senate.

NATIONAL LITTLE LEAGUE BASEBALL WEEK

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House Concurrent Resolution 17, Calendar No. 314.

The PRESIDING OFFICER. The concurrent resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A concurrent resolution (H. Con. Res. 17) authorizing and requesting the President to designate the period beginning June 14, 1959, and ending June 20, 1959, as National Little League Baseball Week.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to the consideration of the concurrent resolution.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement from the report.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The purpose of the concurrent resolution, as amended, is to authorize and request the President of the United States to proclaim the week beginning the second Monday in June of each year as National Little League Baseball Week.

This year marks the 20th anniversary of little league baseball. During that period the movement has grown to more than 25,000 teams in 23 countries. It has contributed greatly to the welfare of boys by directing their energies to healthful competitive team sports. The result has been that thousands of young men have grown up with a respect for law and order and with a feeling of community spirit. The committee believes that this is a movement which should receive the approval, encouragement, and gratitude of the country.

The committee believes that recognition by the Congress of little league baseball will stimulate and encourage interest in the activities of youngsters engaged in our national pastime. Little league baseball is a most effective means of stimulating a realization of the importance of observing the "rules of the game" and combating juvenile delinquency among the youth of our Nation, and the committee believes it most appropriate, therefore, to encourage such youthful activity by calling attention each and every year to little league baseball by way of a Presidential proclamation.

Accordingly, the committee recommends favorable consideration of House Concurrent Resolution 17, without amendment.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 17) was agreed to.

The title was amended so as to read: "Concurrent resolution authorizing and requesting the President to proclaim the week beginning the second Monday in June of each year as National Little League Baseball Week."

MILITARY CONSTRUCTION AUTHORIZATION BILL

Mr. STENNIS. Mr. President, because of the general interest in the subject matter in the Senate and elsewhere, I prepared yesterday a statement with reference to the military construction bill as it pertains to some special provisions which relate to the air defense system. Since I prepared the statement, I have had a conference with Secretary of Defense McElroy on the subject. I shall not deliver my remarks now, but I ask unanimous consent that they be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR STENNIS

Since the Senate will probably not consider the military construction authorization bill this week, as chairman of the subcommittee which conducted the hearings on the bill, I think brief comment should be made on a major recommendation in the bill concerning our ground-to-air missile program.

For several years the subcommittee has viewed with growing concern the enormous increase in the cost of our continental air defense. An estimate of this cost was given during our hearings this year by Gen. Earle E. Partridge, commander in chief of the North American Air Defense Command. He said his rough computations indicate we could have a very good continental air defense for the next 2 or 3 years for around $8 billion per year, and that this would then probably rise to about $10 billion per year. These figures clearly show the rapidly increasing cost of a program which General Partridge estimated is already currently running at $5.5 to $6 billion annually.

One of the chief concerns of our committee has been the ground-to-air missile program. At one time we were proceeding with three different and entirely separate missile programs: Nike by the Army, and the Air Force with Bomarc and Talos. When our subcommittee first raised sharp questions as to duplication between Talos and Nike, it was claimed that both were necessary. Talos, however, was later given to the Army, was subsequently discontinued, and, we thought, properly so.

Because of the strong evidence of duplication, our subcommittee has continued to give special attention to the ground-to-air missiles, particularly Nike and Bomarc. Roughly, the cost of Nike-Ajax-Hercules amounts to $4.159 billion, if appropriation requests for fiscal year 1960 are approved. Through fiscal year 1960, the cost of Bomarc will be approximately $2.308 billion.

In our consideration of the fiscal year 1959 military construction authorization bill, our committee again pursued diligently the question of costly duplication. Although we strongly felt a reevaluation of these programs was essential, we did not delete either. Instead of directly authorizing the Army to continue with Nike and the Air Force to continue with Bomarc, we left both programs in the bill, but combined the two authorizations, desiring that neither should proceed until the Secretary of Defense certified each program and made a determination as to what missile sites were necessary. The Senate adopted this provision, and it became law. We expected a reevaluation of these two weapons systems.

Yet, in considering the fiscal year 1960 military construction bill, we found that there had been no complete or firm decision, but that both programs were continuing, on a slightly reduced scale. In substance, we have concluded that no real overall appraisal and no clearcut decision has yet been made by the Secretary of Defense as was contemplated in the 1958 legislation. Secretary McElroy largely agreed with this in his recent testimony before the Senate Appropriations Committee. In response to my questions on this subject, he replied that the matter had been a very difficult one for him and was a point on which his "feet should be held to the fire."

Our subcommittee has had before us many highly competent witnesses. Every impartial, competent authority whom we heard on the subject thought a reevaluation of our ground to air defense program was necessary.

The Director of the Budget and his military advisers frankly told us of their great concern over the growing cost of these air defense systems.

This issue is part of the overall major question of what proportion of the defense dollar will be applied to offensive weapons, and what proportion to defensive weapons.

Of prime consideration, of course, is the fact that we are rapidly moving into the area where the major question will be a defense against missiles, and not a defense against bombers alone.

Further, the issue we raise involves the role our more advanced fighters will play, with the possibility of increasing the cost by $10 billion per year. Nike-Zeus, an antimissile missile, can readily add several billions more to the defense budget.

Unless some phases are combined, it is therefore easy to visualize an air defense program that can cost upward of $25 billion a year.

There is also involved the major question of balancing that portion of the defense dollar that is to be applied to defensive measures when we are faced with great need for the modernization of both the Army and the fleet.

The foregoing questions are not purely scientific, nor are they strictly military. Basically, they are policy questions of the highest level with which the Congress has a direct responsibility.

We will not be drawn into any phase of service rivalry, nor will notice be taken of reckless or unfounded claims made by the champions of various weapons.

But I do not think that the Congress should longer be denied firm policy decisions at the highest level. Only firm decisions and policies at the highest level can prevent further duplications which serve only to divide our talents and our resources.

Developments within the last 48 hours encourage me to believe the Department of Defense is moving rapidly to reach decisions as to reevaluations and recommendations for a more acceptable plan.

These issues are so grave and far-reaching that the personal attention of the President himself is warranted. I hope that he can find time from his many other pressing duties to give this matter his personal consideration. Only a top-level national policy decision can resolve the issue.

Our committee will stand firm in pressing for an overall reevaluation of the air defense program, and for firm recommendations based on this reevaluation.

Mr. STENNIS. Mr. President, I further point out that the problem with respect to our ground-to-air missiles and the possible overlapping and possible duplication and extension of these programs has been a matter of the very gravest concern to the Committee on Armed Services, as reflected in the bill which the committee reported and the report filed therewith.

Mr. McElroy has very definitely moved into a consideration of this problem, and has placed it very, very high on his priority list. Since the report was filed, he has been urging those in the Department of Defense to submit an overall master plan regarding the problem. He conferred yesterday with several members of the committee while he was in the city, although he was forced to return to Europe. He has placed competent men in charge of submitting to him a plan, and has asked for a few additional days in which to complete the plan and submit it to our committee. Of course, his request was gladly granted, because it will take some time to prepare the plan and then additional time to present the matter.

We have consulted with the majority leader with respect to the bill, and he has agreed to defer its consideration for several days, at least. But the committee is not yielding one bit in its insistence, request, and demand for a reevaluation, reappraisal, and presentation of the plan, which is an overall master plan, with some kind of timetable in it and some kind of dollar mark of its probable cost. I hope and believe that the plan will be forthcoming soon and that we will then have the opportunity to evaluate it and make recommendations.

CHRYSANTHEMUMS FROM FLORIDA

Mr. HOLLAND. Mr. President, the flowers which Members of the Senate are wearing today are gifts of the Martin County, Fla., pompon growers to bring to the attention of my colleagues the beauties of one of Florida's many prolific flower crops.

In 1957, and I am sure the same is true in subsequent years, Florida's chrysanthemum crop, principally of the pompon variety, was valued at more than $5 million, placing our State at the top of the 10 States which produce half of the Nation's chrysanthemums.

My colleague and I hope this little gift will afford Senators some degree of enjoyment, and we assure them of our pleasure in presenting it on behalf of our Martin County pompon growers.

INCREASE OF THE FEDERAL RESERVE REDISCOUNT RATE

Mr. PROXMIRE. Mr. President——

Mr. JOHNSON of Texas. Mr. President, I yield to my friend from Wisconsin.

Mr. PROXMIRE. Mr. President, a few minutes ago the press wire reported that the Federal Reserve Board announced that it is increasing the rediscount rate in five of the largest districts—namely, New York, Chicago, St. Louis, Minneapolis, and Dallas—from 3 percent to 3½ percent. This is as high as the highest rediscount rate since the administration took office. The rate reached 3½ percent in August 1957—which, incidentally, precipitated in significant part, in the judgment of many persons, the recession of 1957–58.

Mr. President, very seldom does a speech made by a Senator so clearly and in such a prophetic way indicate so quickly what will happen as did a speech today. This morning, the junior Senator from Tennessee [Mr. GORE] spoke about the evils of the hard-money policy and about the responsibility of the Congress for it.

Mr. President, the fact is that, under the Constitution, the Federal Reserve Board is a creature of the Congress. The Constitution provides that the Congress has authority and power to regulate the supply of money, and thereby monetary policy and interest rates.

The hard-money policy of the administration obviously is resulting in increases in the interest rates. Regardless of whatever justification there may be for that policy, it seems to me that the interest-rate increases are contrary to the position of the majority leader and other Senators on this floor and, I believe, contrary to the position of a majority of the Senate.

As the Senator from Tennessee [Mr. GORE] stated so eloquently earlier today, I believe it is time for us to have a policy on this issue.

Furthermore, I should like to commend the Senator from Tennessee for the modified caucuses he held so successfully this year—caucuses of Democratic Senators whom he invited, and which were so well attended, and provided Senators with information on crucial and critical issues. This is a prime purpose of a caucus. I believe the initiative the Senator from Tennessee took on that matter is greatly to be commended. I attended all, I believe, of the meetings. I gained a great deal from them, and other Senators who attended them also derived a great deal of information and understanding from them.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table on the Federal Reserve rediscount rate.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Federal Reserve rediscount rate

	Percent
1954: April	1½
1955:	
April	1¾
August	2
September	2¼
November	2½
1956:	
April	2¾
August	3
August	3½
November	3
1958:	
January	2¾
March	2¼
April	1¾
August	2
October	2½
1959:	
March	3
May 28	3½

PROBLEMS OF WISCONSIN DAIRY FARMERS

Mr. PROXMIRE. Mr. President, William T. Evjue, the fighting editor of the Madison Capital Times, has won a reputation as the most militant, hard-hitting battler for economic justice among all the editors in the Nation.

As a former reporter for Mr. Evjue's newspaper, I developed deep affection and respect for him.

Recently, Mr. Evjue addressed himself, in a broadcast over several Wisconsin radio stations, to the problem of the Wisconsin dairy farmer. He showed that the huge share of the consumer's dollar that goes to the processor has been growing, that it increases the price of milk for the housewife, and seriously depresses the income of the dairy farmer. The Madison editor told how in Norway this problem has been solved by farmer-owner cooperatives that take the milk from the farmer's gate to the consumer's table. That is a sensible, practical solution which the Senate should consider for the American dairy farmers.

Mr. President, I ask unanimous consent that the broadcast be printed at this point in the RECORD; and I commend to my colleagues a careful reading of the broadcast.

There being no objection, the broadcast was ordered to be printed in the RECORD, as follows:

REMARKS BY WILLIAM T. EVJUE, EDITOR, MADISON CAPITAL TIMES, ON "FARMERS UNION ON THE AIR," ON EIGHT WISCONSIN RADIO STATIONS, MAY 26

It is a pleasure for me, the editor and publisher of the Capital Times, to have this opportunity to speak to the farmers of Wisconsin over the radio stations carrying the Farmers Union broadcast.

In my Sunday broadcasts, in the Capital Times, and in speeches I present to various groups, I frequently refer to the situation confronting the men and women who produce the milk we drink; the fruit and vegetables we eat; and the meat on our tables. For several years I have been suggesting for the consideration of the American farmer the manner in which the farmers in Norway direct and control the price of milk and dairy products from the farmer's gate to the consumer's table.

Here in Wisconsin, the farmer gets 8 cents a quart for milk that reaches the family table at a cost of 22 cents. The big processors stand between the farmers' gates and the consumer, ladling off the biggest share of the profit cream for themselves.

In Norway, the dairy farmer has complete control of the milk up to the time it reaches the family table. Norwegian rural residents belong to cooperatives, which handle the milk, the distribution of the milk, and the manner in which it is sold. They own the distributing equipment and the stores where milk and milk products are sold. These Norwegian farmers never lose control of their product from the time the milk leaves their farms until it is on the consumer's table.

The trouble with the American farmer is that he has allowed himself to be buffaloed and intimidated by the scare word "socialism" whenever he suggests a stronger cooperative movement to aid in his difficulties. The huge processors today have a vast monopoly in this country. They have wiped out most of the competition, and rule the roost themselves. Their profits are tremendous. I suggest you check their annual reports.

The answer, of course, is an active and militant movement in the cooperative organizations. When this is achieved, then once again the Wisconsin farmer will get his fair share of the market price.

Mr. PROXMIRE. Mr. President, the prices received by Wisconsin farmers for milk sold in April average lower than a year ago, according to the Federal-State crop reporting service for Wisconsin.

Wisconsin's April farm products price report shows the index of all prices was off 5 percent from a year ago. Prices paid by farmers in April remained at the alltime high set in February of this year. The index of prices paid is 2 percent above a year ago.

Prices received for milk sold in April average $3.10 a hundred pounds for milk of average test. This price is 4 cents below April 1958, and is the lowest for the month since 1955.

Mr. President, I call the attention of my colleagues to the fact that in other States the farmers receive higher milk prices.

Index figures for individual commodity groups show price declines from April last year of 1½ percent for milk, 4 percent for meat animals, 15 percent for poultry, 30 percent for eggs, and 10 percent for crops.

The purchasing power of Wisconsin farm products, on the basis of the ratio of prices received to prices paid, was 80 percent of the 1910–14 average; and it shows a drop of 7 percent from April of last year. This April is the 76th month in a row that the index of purchasing power has been below 100 percent.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement on this subject by the distinguished junior Senator from Massachusetts [Mr. KENNEDY].

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR KENNEDY

I should like to associate myself with the junior Senator from Wisconsin in commending the editor of the Madison Capital Times, Mr. Evjue, upon his continuing campaign to demonstrate the need for expansion of farm marketing cooperatives.

In Scandinavian countries, which have suitable cooperative marketing arrangements, I am told the dairy farmer receives approximately 70 cents of every dollar spent by the consumer. Here it is 46 cents, or about two-thirds as much. Perhaps even more alarming, there has been a steady decline in the proportion of the consumer's dollar received by the farmer. The figures for prior years are as follows:

	Percent
1947	56
1948	56
1949	51
1950	50
1952	49
1953	47
1955	46
1956	47
1957	46
1958	46

An expanded cooperative movement can raise prices to the farmer at the same time it reduces prices to the consumer, furnish additional funds for experimentation and research, place the farmer in the same position as his counterpart in industry when bargaining for a fair market price, and furnish a relatively simple device for adjustment of problems of supply and demand.

ORDER OF BUSINESS

Mr. JOHNSON of Texas. Mr. President, my friend, the junior Senator from Virginia [Mr. ROBERTSON] is a very understanding and patient man. The Treasury-Post Office appropriation bill which has been taken up by the Senate is the second largest appropriation bill which the Appropriations Committee will report.

It is now after 5 o'clock. It is the wish of a majority of the Senate to complete action on the bill tonight. I hope Senators will cooperate to the end that we can proceed as quickly as possible with consideration of that appropriation bill.

The Senator from South Carolina [Mr. JOHNSTON] needs to be in South Carolina; but before he leaves, he desires to submit an amendment.

I shall yield time on the bill to Senators who wish to make brief statements. But unless Senators feel compelled to make lengthy speeches, I hope they will forgo them until our action on this appropriation bill has been completed. If that is done, then—after the bill is passed—I shall be glad to have the session continue until midnight, if necessary, so that all Senators who desire to make insertions in the RECORD will have an opportunity to do so.

But I do not believe it is fair to require the chairman of the subcommittee to wait indefinitely to have the Senate take action on this important appropriation bill, which already has been taken up by the Senate.

APPOINTMENT OF ARMAND G. ERPF TO HEAD DEPARTMENT OF COMMERCE STUDY OF NATIONAL TRANSPORTATION POLICY

Mr. MONRONEY. Mr. President——

Mr. JOHNSON of Texas. I yield to the Senator from Oklahoma.

Mr. MONRONEY. Mr. President, the appointment of Armand G. Erpf, a partner in Carl M. Loeb, Rhoades & Co., of 42 Wall Street, New York City, to head a Commerce Department study of national transportation policy is an attempt again to effect railroad domination of the Nation's transportation systems.

Mr. Loeb's firm, as of December 31, was the owner of record of shares worth $22,808,415.75 in railroad securities, and is considered by Wall Street observers to be a leading railroad house. To put Mr. Erpf, no matter how great his competence, at the head of a study involving the various forms of the Nation's transportation would be like putting a cat in a cage to study canaries.

We already have had one heavily loaded transportation study aimed at giving the railroads an unfair advantage over other forms of transportation vital to our Nation's economy. To put this new study under the leadership of a railroad specialist would be like appointing a referee whose whole past experience had been on one of the competing teams.

Mr. Erpf brushes off the conflict-of-interest question as reflecting "anti-American attitude," reminiscent to him of a "Marxian notion." If his attitude is correct, then all conflict-of-interest statutes are dead letters and should be repealed.

Certainly the plan being proposed in the Department of Commerce, under Secretary Strauss, for an overall "Department of Commerce and Transportation," now appears more dangerous than ever before. The old warning, "Stop, look, and listen—look out for the trains," should be clear to all other branches of transportation, with Mr. Erpf's appointment.

The pattern clearly appears to justify the fears of the management of other forms of transportation that the Commerce Department is out to build more power within the Secretary's office to control transportation policy, with the railroads at the throttle.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATIONS, 1960

The Senate resumed the consideration of the bill (H.R. 5805) making appropriations for the Treasury and Post Office Departments and Tax Court of the United States for the fiscal year ending June 30, 1960.

Mr. JOHNSON of Texas. Mr. President, I yield to the chairman of the subcommittee.

Mr. ROBERTSON. Mr. President, I ask unanimous consent to have printed at this point in the body of the RECORD a one-page general statement in regard to the items in the bill as reported to the Senate.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

GENERAL STATEMENT

The bill as recommended by the Senate committee contains a total of $4,663,158,600. This is an increase of $35,061,600 over the amount of $4,628,097,000 recommended by the House and a decrease of $25,168,400 under the budget estimates for 1960 of $4,688,327,000.

For the Treasury Department, the bill recommends an appropriation of $784,065,000. This is an increase of $4,663,000 over the amount of $779,402,000 recommended by the House and a decrease of $3,647,000 under the budget estimates for 1960 of $787,712,000.

For the Post Office Department, the bill recommends an appropriation of $3,877,558,600, which is an increase of $30,398,600 over the amount of $3,847,160,000 recommended by the House and a decrease of $21,521,400 under the budget estimates for 1960 of $3,899,080,000.

For the Tax Court of the United States, the bill recommends an appropriation of $1,535,000, the budget estimate for 1960, and the amount recommended by the House.

Permanent indefinite appropriations are not carried in the bill. The 1960 estimates of the Treasury Department in this category are $8,775,166,000. This is an increase of $501,187,000 from the 1959 estimates of $8,273,979,000. Of this total $8 billion is for interest on the public debt, an increase of $500 million from the 1959 estimate of $7,500 million.

Trust funds, also, are not carried in this bill. The 1960 estimate of the Treasury Department in this category is $13,544,231,000. This is an increase of $2,336,945,000 over the 1959 appropriation estimate of $11,207,286,000. Of the total trust fund estimate for 1960 by the Treasury Department, an amount of $10,456,515,000 is for the Federal old-age and survivors insurance trust fund. This is an increase of $2,018,993,000 over the 1959 appropriation estimate of $8,437,522,000.

Mr. ROBERTSON. Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc, and that the bill as thus amended be regarded for the purpose of amendment as original text, provided that no point of order be considered to have been waived by reason of agreement to this proposed order.

Mr. CLARK. Mr. President, reserving the right to object—although probably I shall not object—let me say that, as I understand the request, if it is agreed to, it will not have any effect on the right to submit amendments to the bill after the proposed agreement is entered. Is that correct?

Mr. ROBERTSON. That is correct. No point of order will have been waived, and any amendments which Senators may desire to submit can then be submitted.

Mr. MONRONEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oklahoma will state it.

Mr. MONRONEY. Mr. President, if the proposed unanimous-consent agreement is entered into, an amendment to strike out certain parts of a committee amendment will not be precluded, will it?

The PRESIDING OFFICER. It will not.

The question is on agreeing to the request of the Senator from Virginia. Is there objection? The Chair hears none. Without objection, it is so ordered; and the committee amendments are agreed to.

Mr. JOHNSTON of South Carolina. Mr. President, I submit an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment submitted by the Senator from South Carolina will be stated.

The LEGISLATIVE CLERK. On page 9, beginning in line 17, it is proposed to strike out the following:

PAYMENT FOR PUBLIC SERVICES

For payment into the postal revenues for public services, in accordance with section 104 of the Postal Policy Act of 1958 (72 Stat. 136, 137), $37,400,000.

Mr. JOHNSTON of South Carolina. Mr. President, the action I have taken was decided by the Committee on Post Office and Civil Service on Tuesday of this week.

POSTAL POLICY

Mr. President, last year, after 4 years of study and hearings, and after a lengthy conference between both Houses, this body voted its approval of the Postal Rate and Policy Act—Public Law 85–426.

Our committee worked hard and long to accomplish this. We presented the Senate with balanced legislation in which each of three parts—a rate increase, a wage increase, and recognition of public service costs—was carefully weighed in relation to each other. It was impossible to consider any one factor without recognizing the balancing effect of the others. Had one been missing, my committee would not have approved the other two.

First. We raised postal rates to their highest point in our history. We felt the increases we voted, some of which were staggered lest they cripple commerce, were as high as they could be made without causing serious economic dislocations. First-class rates were brought well above a break-even point. Third-class rate boosts brought the increase for that category to 150 percent for the past 10 years. Second-class increases reached a point where some publishers doubted their ability to survive. Additional revenues as a result of all these increases will total about $530 million a year when all the increases will have taken effect.

Second. We gave postal workers a much-needed salary increase.

Third. And this section was essential if the other two parts were to be more than a makeshift, patchwork remedy, we provided that the public services performed by the Post Office for all the people should be spotlighted through the separation of those costs which should be borne by the users of the mails and those which are in the public interest and should be paid out of the funds of the General Treasury.

This was not to take a position either for or against practices or rates approved by prior Congresses. It was simply that, in the interest of fiscal responsibility, the cost of these items should be recognized and accounted for.

Implementing the policy statement in full compliance with the law does not call for any new appropriation. It simply means making it a matter of record that less than 5 cents out of each postal dollar spent is spent primarily, or entirely, in the public interest, rather than in the carrying out of a business or private interest.

I warn the Senate that if the appropriation bill with the amendment containing that passes, that language will be used against us by saying that is all it costs to operate this particular service. That is the reason why I do not want that language to stay in the bill. If an increase is not going to be permitted, how are the rates going to be increased, if that is all the public services cost and if that is all the amount of the deficit?

How close does the Post Office come to paying all costs today? Just about 90 percent of postal costs are met by revenues collected from postal users. What other Government service agency can come close to this record? What other Government service so far-reaching, so important to all of us, so vital to our lives and our prosperity costs so little?

If the policy statement of the 1958 Postal Rate Act erred at all, it was on the side of omission. Our committee knows now of some additional items that should be considered. Without the policy section of the bill, I doubt that my colleagues or I would have felt free to approve the rate increases. The policy section, we felt, was a most important step forward. It should have been formulated years ago. There is no way of balancing the postal books unless public service costs are recognized for what they are and a proper allocation of funds is provided for them. Unless this is done, we may find ourselves curtailing or denying vital services or postal improvements because of misleading bookkeeping.

The salary increase and the rate increases became effective on the dates set by the Congress. The policy section is the law until it is repealed, but its implementation depends on actions taken in the appropriations committees of both Houses and ratified by vote of the Congress. Until the Appropriations Committees act, the postal deficit is artificially inflated by inclusion of costs for which a public service allocation should be made.

Mind you, Senators, I have used the term "allocation" and not "appropriation," since failure of the Appropriations Committee to fully recognize the total of the postal policy costs does not reduce the total appropriation for the Post Office Department by one penny. The failure of the committee to act merely obscures the truth and defeats the purpose of the legislation enacted last year.

A strange sequence of events has taken place in regard to the public service appropriation required under the law passed last year. I would ask my colleagues to pay close attention while I try to describe the moves in this political shell game.

The first move was made last year, just a few weeks after the passage of the Postal Rate Act of 1958. The Postmaster General appeared before the Senate Appropriations Committee, asking for an earmarking for public service of about $170 million of its appropriation to cover the losses on items specified in the legislation. This would have accomplished two things. First, the American people would know just what free rides were being given in the mails and who was getting them. Second, $170 million, now included in the deficit, would no longer be reported as a loss and ascribed unfairly to other mail users.

However, the Post Office Department, which can always tell one to the penny how much it will save by closing up a post office in one's State, now found it had a problem. It was completely unable, it reported, to estimate the other losses covered by the policy statement in the act—the losses in maintaining third- and fourth-class post offices and in providing star route service. Consequently it made no request for an earmarking of funds to cover costs which were estimated by the members of my committee to total at least $80 million annually.

Quite properly, my colleague the Senator from Arizona [Mr. HAYDEN] reminded the Post Office Department budget procedures required that it first go before the House Appropriations Committee, and that the request then be brought to the Senate.

The scene shifts now to the House Appropriations Committee, just a few months ago. There is still a complete inability on the part of the Post Office to figure out the losses on third- and fourth-class post offices and star route operations. The other portion of the policy statement, the part which covers the items specifically named in the legislation—items like free-in-county newspapers, special rates for publications designed for classroom use, free mail for the blind, and so on—is given lipservice in the form of a request for an earmarking of $172 million by the President. But a reading of the testimony would give Senators the impression that the Post Office did not want the Appropriations Committee to do what the President was requesting.

As a consequence, the House committee did not earmark for public service any of the funds it recommended for appropriation, although, in effect, it approved the $172 million when it approved the total Post Office budget. What the House committee did accomplish was to appropriate for itself a legislative function. Its failure to comply with the policy section of last year's Postal Rate Act thwarted the will of the Congress so far as fiscal 1960 is concerned.

By the time the Post Office appropriations request reached the Senate committee, the Post Office had made another quick substitution in its remarkable shell game, and had added a sleight-of-hand artist, Budget Director Maurice Stans, to the cast of characters. The Department advised the chairman of the Subcommittee on Post Office Appropriations, my good friend the Senator from Virginia [Mr. ROBERTSON] that it was not interested in pushing the request for a public service appropriation required by the law. It much preferred another theory of public service costs.

The Post Office Department has been unsuccessfully trying to peddle its own theory of public service costs to the Post Office Committees of both Houses ever since Mr. Stans joined the Post Office Department. As a matter of record, the 1958 act specifically repealed the law which might have been claimed to support his theory. But despite this repeal by Congress, Mr. Stans was doing everything in his power to take in the Appropriations Subcommittee with the phony figures.

I will cite just a few examples to show Senators what I mean by phony figures. About $14 million of postal costs represents the yearly expenditure for handling and distributing free-in-county newspapers. Under the legislation passed by the Congress last year that $14 million would have been considered a public service cost. Without such legislation small county newspapers might not survive. Under the post office method of calculation, a method supported only by a law which was repealed last year, the public service charge for free-in-county newspapers would be less than $1 million annually. Does this bookkeeping trick reduce the cost of this service? No; it does not. The loss is still $14 million—but now the loss can be hidden in the postal deficit.

Another instance relates to the so-called exempt publications, those designed for classroom use, plus the publications which go at special rates because they are classified as agricultural, professional, religious, educational, or other similar uses. The actual cost of handling and distributing these publications, over and above the revenue they bring in, is estimated by the post office itself at $64 million for next year. Yet Mr. Stans claims that the public service cost of providing this service is a mere $5 million. The balance, $58 million, they prefer to label deficit.

Why is all this hocus-pocus taking place? Mr. Stans knows he must raise the 4-cent stamp to 5 cents to justify his position. Mr. Stans knows the 4-cent stamp is overpaying the cost of first-class mail by $236 million. So Mr. Stans must keep the so-called postal deficit as high as he possibly can to cover his request for this increased "stamp tax." I must say I was slightly amused at the great balanced budget claims of President Eisenhower. I ask Senators, who could not balance any budget by simply raising the tax high enough to cover the cost?

I am shocked and amazed that some members of the Appropriations Committee have been completely taken in by the Stans' "double talk."

The report issued last week by the Appropriations Committee is an obvious effort on the part of a few to nullify completely Public Law 85–426 of last year.

The Postal Rate Act of last year was the culmination of 5 years of hard work, and it was passed by an overwhelming majority of that Congress.

If the members of the Appropriations Committee do not like it they should introduce proposed legislation which would be properly referred to the committee charged with jurisdiction over these matters for proper consideration.

I had assumed that we were in the Senate to do our own thinking—that we

hired staff assistants to help us be completely independent of the executive branch of the Government. I must say if the Post Office Department had been given a blank check to write that part of the Report No. 305 appearing on pages 9, 10, and 11, they would not have changed one thought, one word, or one comma.

The language in paragraph 2 on page 10 and the last paragraph with reference to fourth-class mail are policy statements contrary to present public law. The appropriations committee has no jurisdiction in these matters. In effect, it is an attempt to influence decisions of certain quasi-judicial agencies of the Government.

If any change is needed in the law, it is certainly the responsibility of my committee to study the matter and to make recommendations to the Congress. If the Postmaster General cannot, or will not, come up with all the figures required by last year's act, my committee will undertake to do it for him. I have met with the members of the Post Office and Civil Service Committee this morning, and they have unanimously endorsed the position I am taking today. They feel this matter is sufficiently important so that we should devote the time and study necessary to settle this matter once and for all. We will have a report on those losses which the Postmaster General could not estimate ready by January 1, 1960.

If necessary, we will prepare new legislation to end this controversy.

As for the $172 million of losses for which the Post Office has exact figures, I do not propose to sit by silent while a scheming bureaucrat deceives the Appropriations Committee through bookkeeping sleight of hand and attempts to hoodwink the many Members of this body who voted last year in favor of the Postal bill; a bill that was designed to balance rates, wage costs and public service costs. To fail to fully recognize public service will only perpetuate the evils our bill sought to correct.

I request, therefore, that the $37.4 million which has been substituted for the original Post Office figure of $172 million be stricken from the bill. Substitution of the lower figure does not mean a saving of a single cent. It is a boobytrap designed to lead us straight to a favorable vote on the 5-cent stamp. It is certainly wiser to start fresh on this matter next year rather than have the fine policy statement approved by the 85th Congress smeared by such shortsighted action.

I think it is utterly out of order and completely unreasonable to put such a small amount in the appropriation bill, when anyone who studies the matter knows these services cost more than that. Therefore, I have offered the amendment to strike it out entirely, so that we will have the matter to study.

Mr. President, I understand the Senator from Kansas [Mr. CARLSON] the ranking minority member on the Committee on Post Office and Civil Service, desires to make some remarks, and later the Senator from Oklahoma [Mr. MONRONEY] the next ranking Democrat, desires to speak.

Mr. CARLSON. Mr. President, will the Senator yield to me at this time?

Mr. JOHNSTON of South Carolina. I yield 5 minutes to the Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas is recognized for 5 minutes.

Mr. CARLSON. Mr. President, I wish to join with the senior Senator from South Carolina and support his motion to strike from the Treasury-Post Office appropriation bill the figure of $37.4 million, the amount approved by the committee to cover the expense of public services performed by the Postal Establishment. As the Senator has stated, the committee which he heads, and of which I am the ranking Republican member, has approved a resolution which recommends the deletion of the $37.4 million figure.

While the senior Senator from South Carolina and I have differed on many issues, we have seen eye to eye on the need for a postal policy law which discloses the nature and extent of purely public service functions performed in the public interest by the Post Office Department.

When the Congress last year approved the Postal Policy Act which our committee had labored arduously for many years to produce, those of us who helped shape its provisions were proud of our accomplishment. We felt that the public at long last would be permitted to learn of the Postal Establishment's broad and valuable public service role.

Now it appears that all of our hard work is about to go down the drain, and our hopes for fiscal integrity in the Postal Establishment dashed by the Senate Appropriations Committee.

The Senate is asked to ignore the Postal Policy Act of 1958. Senators are requested to vote a return to the outmoded Kelly law of the early thirties. I, for one, will not participate in this patent evasion of the law. The $37.4 million figure recommended by the Appropriations Committee is based on a system of arithmetic which the Postal Policy Act of 1958 repealed.

As the ranking Republican member of the Senate Post Office and Civil Service Committee, I find it an unpleasant task to differ with the present postal administration. It is well known that officials of the Post Office Department opposed the repeal of the old Kelly law and the enactment of the Postal Policy Act of 1958.

Nevertheless, the concept of public service championed by myself, the chairman of the Committee on Post Office and Civil Service, Mr. JOHNSTON of South Carolina, and other Senators, was approved by the Congress last year and signed by the President. The Kelly law figure of $37.4 million contained in the present bill, if approved, would be a repudiation of the work performed by the Post Office Committee. A vote for such a figure would be tantamount to vesting in the Appropriations Committee a legislative role which it does not possess.

My colleagues will recall that I had the honor and responsibility of serving as chairman of the Post Office and Civil Service Committee during the 83d Congress. During my tenure in the House of Representatives I had occasion to observe some of the mumbo-jumbo which surrounded postal administration and financing. I was not alone in believing that something had to be done to modernize the ailing postal system.

In an earlier time Representative Clyde Kelly had sought to show that the Postal Establishment could not be operated as a business for a profit; that many free or below-cost services had been authorized by the Congress which had to be supported by taxation rather than by fees paid by postal patrons. A few examples are free mail for the blind, the free-in-county newspaper privilege, the low book rate, and special exemptions granted certain religious, charitable, and fraternal organizations.

Even at so late a date as 1953 the Post Office Department had included in its deficits $40 million of frank and penalty mail and $80 million of airmail subsidies. In a wise bookkeeping transaction these charges were placed where they belong, in the other agencies of government responsible for them. That helped somewhat to clarify the Post Office Department's financial position although many persons still refuse to identify these vast subsidies when referring to the postal deficit of the past 10 years.

When I submitted Senate Resolution 49 in the 83d Congress I recognized the magnitude of the task our committee would be called upon to undertake if the resolution were adopted. Yet I felt that the job of clarifying the Postal Establishment's role had to be assumed if fiscal responsibility were to be achieved. Certainly an equitable readjustment of postal rates could not be made until the Congress knew which postal patrons were paying too much and which too little. That could not be done until we identified those expenditures which were being made for the sole purpose of public service. It seemed to me totally unreasonable to ask only the users of the mails to pay the cost of public service items. Once they were identified, the ordinary postal patron could have no objection to paying the costs chargeable to him.

The Senate agreed with my position in this matter and adopted Senate Resolution 49 without a dissenting vote. The committee worked energetically for 18 months on the role assigned to it by the Senate-approved resolution. The repeal of the outmoded Kelly law was one of the major recommendations contained in my report to the Senate. We proposed a more logical and equitable approach to the identification of public service expenditures.

When the Democrats assumed control of the 84th Congress, the senior Senator from South Carolina [Mr. JOHNSTON], then, as now, chairman of the Post Office and Civil Service Committee, recommended to the Senate that our study of the complex postal question be continued. Again the Senate supported our position by adopting the resolution presented to it. More intensive studies were made, culminating in the adoption by the Congress of the Postal Policy Act of 1958.

It might be useful to discuss the mathematics of the repealed Kelly law and the clear provisions of the Postal Policy Act of 1958.

The Kelly law provided that public service costs should be arrived at by subtracting the lower rate charged favored postal patrons from the rate charged postal patrons paying a higher rate.

Under such a formula we find that county newspapers handled for nothing by the Post Office incur a deficit of less than $1 million annually. The actual cost of handling such newspapers is $14 million.

Under the terms of the appropriation bill before the Senate the American people are told that the cost of handling free-in-county newspapers is only $1 million. I say that such a calculation is statistical legerdemain. It is a mammoth piece of sleight of hand with figures. It is not unlike the World War I stew which was half rabbit and half horsemeat—one rabbit to one horse.

It was this kind of fiscal deception which prompted us to recommend to the Senate for consideration the Postal Policy Act of 1958. Under its terms the people will know that the cost of handling free-in-county newspapers is $14 million annually. Constituents may urge us to outlaw the privilege enjoyed by such newspapers, but that is another issue which can be settled at another time.

We must face the fact that the Post Office cannot be put on a break-even basis so long as we, the Congress, are willing to legislate free and below-cost rates for certain groups.

The constitutional role of the Congress in determining postal policy is unchallenged. That is as it should be. No agency of government is closer to the people than the postal establishment. It is generally their closest contact with their Federal Government. The titanic role it plays as the handmaiden of a free press, the Goliath-like disseminator of information, the cornerstone of commercial intercourse, the merciful bearer of personal tidings is too often overlooked in our discussion of postal deficits. The users of the postal service will be most willing to pay the legitimate costs of the services they use, but they will resist a system which assesses them unjustly.

The Postmaster General submitted to the Appropriations Committee his calculations under last year's Postal Policy Act. The amount he reported to cover public service was $172 million. He claimed inability to estimate the public service element in the upkeep of profitless third- and fourth-class post offices and the star route system.

Inasmuch as the chances of approving more than $37.4 million are remote, I shall support the motion of the Senior Senator from South Carolina to eliminate such an amount from the bill. The 37.4 million figure is but a fraction of the cost of public service performed by the postal establishment. Approval of such a figure would only delay the day when the American people learn the true facts.

In the meantime I pledge my support to the chairman of the Senate Post Office and Civil Service Committee in any undertaking he may propose to throw light on the nature and extent of the postal establishment's public service functions. Unless the Senate cares to change its rules, that is where the responsibility must lodge.

Mr. JOHNSTON of South Carolina. Mr. President, I ask the Senator, is it not also true that this action will not affect the appropriations at all, for it will be necessary to appropriate the amount of the deficit in any event?

Mr. CARLSON. That is absolutely correct.

Mr. ROBERTSON. Mr. President, I yield 5 minutes to the distinguished minority leader [Mr. DIRKSEN].

Mr. DIRKSEN. And, Mr. President, I yield myself 5 minutes under the time on the bill.

Mr. President, there is a very simple issue involved here. Who pays the bill? Is it to be the taxpayer, out of the general revenues, or is to be the user of the mail? This proposition is that simple.

In the Postal Policy Act of 1958 we did take account of public services which enrich our culture and which can be considered to be of general benefit to the people.

In that act we said:

> The sum of such services—
>
> Meaning all of them—
>
> as determined by Congress, are to be paid out of the public Treasury.

In other words, the taxpayer, instead of the mail user, has to pay for them.

We said also that such public service elements should not be restricted. Then we find this important language:

> Rates and fees for mail service shall be adjusted from time to time to produce revenue approximately equal to the cost of operating the Post Office Department, less any amount attributable to the public.

How are we to adjust rates until we have ascertained what the public service cost is? The act provides that the rates and fees shall be adjusted, but only after we have determined what the public service cost is to be.

This is what would happen: We could not consider a bill for a postal rate increase until the adjustment had been made for public service; and we could not do it for any class of mail. There is now pending before the Interstate Commerce Commission an application of the Post Office Department for an increase in parcel post rates—meaning fourth-class—but if we eliminate this provision from the bill, that proceeding will fail. There will be a stalemate. There will be nothing the Commission can do. If this provision is eliminated from the bill by the amendment of my distinguished friend from South Carolina [Mr. JOHNSTON], it will mean that there will be virtually no authority or jurisdiction even to consider a postal rate increase.

So we can add to the $522 million deficit which is being reported for the Post Office Department. That is how serious this question is.

There are various estimates as to the total amount of public service. The Post Office Department has worked on the problem. It has many experts in the field of cost ascertainment. The Budget Bureau has worked on the problem. Let me say for the Budget Director, Maurice H. Stans, that I think he is one of the ablest, most courageous, and forthright characters who have ever come into governmental service in the quarter of a century I have been in Washington. I say that without any qualification whatsoever.

So the estimate is made. What is included? It is as simple as this: It is said that the difference in the postage should be the measure of the loss. The first item is loss on mail which is carried free or at reduced rates of postage. The maximum estimate is $131,900,000; the reasonable estimate $36,400,000. Nothing is included for losses on star routes, and rightly so. They are a part of an integrated postal service.

How are we to compute the loss if we do not have those figures? We probably would not be generating revenue at some first- or second-class post offices.

The next item is loss on nonpostal service performed by the Post Office Department for other agencies of Government. That is washed out because of the reciprocal character of services performed for the Post Office Department and by the Post Office Department.

Finally there is an item representing the rate differential paid to foreign carriers as compared with American-flag ships. That can be ascertained. It is in the nature of a subsidy. It amounts to $1 million a year, and it is properly included.

The total is what? It is $37,400,000 for public services which should be charged to the taxpayer and not to the mail user. But if we go beyond that and toy with an item of $172 million, it will be the general taxpayer and not the mail user who will pay the freight.

So the conclusion is what? The Department experts are correct in their estimate. They persuaded the subcommittee. They persuaded the Senator from Arizona [Mr. HAYDEN]. They persuaded one of the most discerning Members who ever reached the Senate, with whom I served in the House of Representatives. I refer to the distinguished Senator from Virginia [Mr. ROBERTSON], chairman of the subcommittee.

I believe the Department was right. I believe the Budget Bureau was right. If we strike this language from the bill, there can be no adjustment. The proceeding before the Interstate Commerce Commission will fail. There can be no increase in first-class mail rates—and I introduced a bill in that connection. There will be a continuing deficit in the Post Office Department.

Who will be the beneficiaries? The magazine publishers, the advertisers, and distributors of circulars in the mail will be the beneficiaries, and the taxpayer will pay the freight. I am not going along with that kind of proposal. The pending amendment should be defeated, because this provision is necessary in the orderly, effective, and efficient operation of the Post Office Department.

The argument is made, "Let us take a further look." We took a look when we passed the Postal Policy bill of 1958.

We looked long and hard. I was not very happy about much of it, but it is on the law books.

Now the argument is, "Wait; let us take another look." Why? The law is rather specific. There is no difficulty in determining what our duty is under the law. It provides very plainly that the sum of such services, as determined by the Congress, is to be paid out of the Treasury. Anyone knows what that means. Let us do it. That is what we propose to do here today. If we delay it, we tie the hands of the Post Office Department. It can get no fourth-class increase before the Interstate Commerce Commission, which has authority to fix parcel post rates. There will be no opportunity to obtain a hearing on a bill relating to first-class mail, to lift the Post Office Department out of its aggravated budget condition. That is an unhappy way to run a railroad.

The Appropriations Committee is eternally right in what it has done in including this provision. If we eliminate it, there will be nothing except a friendly gesture, in my judgment, to the beneficiaries to whom we refer as second- and third-class mail users—magazine publishers, advertisers, and others. I, for one, will not put that burden on the taxpayers of the country when it belongs on the users of the mail.

The pending amendment should be defeated.

Mr. President, I yield back the remainder of my time.

Mr. ROBERTSON. Mr. President, I yield myself 5 minutes.

I regret that there is a difference of opinion between our distinguished friends on the Senate Post Office and Civil Service Committee and those on the Appropriations Committee, not over the figures, because there cannot be any dispute about the figures—we must take the official figures of the Department—but upon the concepts used in estimating the amount that should be charged to public service.

It is the opinion of members of the Post Office and Civil Service Committee that we should adopt the theory of total loss—that is, find out how much it costs to carry a book for a publisher, how much it costs to carry a publication for a religious or charitable organization, and then find out how much they pay. The difference is the loss.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. ROBERTSON. I will yield, if the Senator will yield some of his time to me.

Mr. JOHNSTON of South Carolina. I merely wish to ask one question. We are standing on the law. This is what the law provides——

Mr. ROBERTSON. I cannot yield my time. The Senator is standing on what he thinks the law is. I am standing on what the law actually is, and I am explaining it.

We are standing on the position taken by the President of the United States in interpreting the law. We are standing on the position taken by the Postmaster General and all of his staff in interpreting the law. We are standing on the position taken by the Director of the Bureau of the Budget in interpreting the law. We are standing on the position taken by the chairman of the Committee on Appropriations who drafted a portion of the law. His committee has voted to support him 100 percent. Why? First, in order to comply with the law which requires that this amount be determined and put into the bill as a writeoff against the deficit; second, so that we estimate the difference between what users are paying and what the subsidy is, a computation which represents what we are losing.

PAYMENT FOR PUBLIC SERVICES

The committee has carefully reviewed the question of a proper charge to the general fund of the Treasury for what the Postal Policy Act defines as public services rendered by the Department. This is especially significant because the act—section 104(b)—places upon the Congress the responsibility for determining the measure of these services in the appropriation act, and then provides that postal rates and charges are to be adjusted from time to time so that postal revenues, including payment for these public services, will cover all postal expenditures.

The estimate submitted by the Department, it was developed, represented one possible method of computation of reimbursable public services. Evidence from the Department and other sources clearly indicated that lesser amounts were intended also to be considered and were in fact more appropriate.

1. LOSSES DUE TO PREFERENTIAL POSTAGE RATES

At the time the President approved Public Law 85–426 he said, in part:

> The true measure of the cost of the public services performed by the Post Office Department is the loss of revenue arising from specific rate concessions made under the law to certain subclasses of mail users. I am hopeful that the Congress will review section 104 with a view toward restating the public services of the Post Office Department to conform with this concept.

In the Post Office Department's justifications before the committee, the estimate for this activity covers the larger of two amounts, computed under different interpretations of the statute, as to the total loss resulting from the transmission of matter in the mails free of postage, or at reduced rates of postage. The Department has consistently expressed the view that the loss on mails moving at reduced rates of postage is the amount of revenue which is foregone owing to the application of such reduced rates, as compared with the rates otherwise payable. Under this interpretation a total loss of approximately $36.4 million is attributable to the public services enumerated in subsection 104(a)(1).

If, however, the total loss is interpreted to mean the difference between revenues received, if any, and the expense attributable to the categories of mail specified, the amount is $131.8 million. The difference between the two amounts, about $95 million, represents the deficiency in the basic rates established for the various classes of mail involved.

The Director of the Bureau of the Budget, testifying before the committee, strongly recommended the amount of $36.4 million as being the correct measure of the subsidy granted to the users of such services based on the difference between the preferential rates now in effect and the regular rates applicable to such matter.

Testimony presented before the committee on behalf of the U.S. Chamber of Commerce supports the position of the Post Office Department and the Bureau of the Budget on this item.

The amount recommended by the committee for payment into the postal revenues for public services for loss on free and preferred rate mail is based on the following concept:

The Department carried certain mail—principally magazines and circulars—for specified classes of nonprofit organizations—philanthropic, educational, veterans and other groups—at rates of postage fixed by Congress lower than those paid generally by mailers. The committee believes that the measure of public service that should be charged to the general taxpayers on this mail is the difference between the postage regularly charged and the postage paid by these privileged mailers. This concession amounts to $36,400,000, and this is the amount allowed. This amount is computed as follows:

Committee recommendation

[In millions]

2d-class mail:	
Reduced rate mailings:	
Newspapers and periodicals of certain nonprofit organizations	$4.6
Free-in-county mails	.8
Reduced rate mailings: Exempt 2d-class publications for religious and classroom use	.3
Total, 2d-class	5.7
3d-class mail: Reduced rates, exempt 3d-class mailings of nonprofit organizations (total, 3d-class)	13.2
Total, 2d- and 3d-class	18.9
4th-class mail:	
Reduced rate mailings, books	13.7
Reduced rate mailings, library books	2.2
Publications for blind at reduced rates	.1
Total, 4th-class	16.0
1st-class mail, all others [1]	1.5
Total	36.4

[1] These items are classified as 1st-class mail, although minor amounts of other classes of mail are enclosed.

Other committee recommendations are as follows:

2. LOSS ON STAR ROUTES AND SMALL POST OFFICES

The Department has stated that no loss could be computed for these items. The committee goes further and believes that losses cannot be attributed to these integral parts of the postal system and designated as public services any more than losses can be attributed to truck transportation or the accounting and other staff services which are essential to successful operation of the whole postal system. Therefore the committee recommends this item be disallowed.

3. LOSS ON NONPOSTAL SERVICES FOR OTHER AGENCIES

While the Department estimates it supplies $16,500,000 worth of services to other agencies—mostly free rental in post office buildings—it acknowledges that it receives in return some $40 million of free services from other Government agencies.

The committee concludes it would be unfair to recognize only one side of the transactions and recommends no net amount be allowed for this purpose.

4. LOSS ON SPECIAL SERVICES

This represents the net difference between fees and expenses for special services such as collect-on-delivery, insured mail, special delivery, and money orders. These special services should be self-supporting to the extent practicable and the committee expects the Postmaster General to take necessary steps to bring fees and expenses into reasonable balance. When this is done there will be no residual loss to be supported by the general taxpayer as a public service. The committee, therefore, recommends the item be disallowed.

5. COST OF EXCESS RATES PAID TO FOREIGN AIR CARRIERS

This covers the additional cost of using foreign air carriers to transport mail above the cost that would be paid to domestic carriers, and is justified as a reciprocal arrangement with foreign countries who use U.S. airlines for carrying their mail. The $1 million estimated cost is recommended as a public service charge.

The committee wishes to point out that the total amount of $37.4 million recommended for public service cost does not increase or decrease the obligational or expenditure authority of the Postal Department. This is merely a bookkeeping device to separate that amount of postal cost to be recovered from the users of the mails from that to be recovered from the taxpayer by means of reimbursement from the general fund of the Treasury. Thus the estimated postal deficit of $522 million for fiscal 1960 is reduced by $37.4 million and becomes $484.6 million. The deficit for the current year is estimated to be $542.7 million.

The committee wishes to make one further important point. Ever since September 24, 1950, the Congress has required fourth-class mail or parcel post to be self-supporting. This recommendation for a public service appropriation does not affect this principle or the manner in which it has been carried out in the last 8 years. Other than in the case of books, library books, and mail for the blind, the committee finds no public service costs attributable to fourth-class mail and believes that the Congress intends that fourth-class mail shall pay its fully allocated costs.

Mr. JOHNSTON of South Carolina. Mr. President, I suggest the absence of a quorum, with the understanding that the time be not charged to either side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON of South Carolina. Mr. President, I yield 5 minutes to the Senator from Oklahoma.

Mr. MONRONEY. Mr. President, I fear that this issue is poorly understood by the Senate and was poorly understood by the great Committee on Appropriations, of which I have the distinction of being a member.

The Committee on Post Office and Civil Service has spent many months, both under its former chairman the Senator from Kansas [Mr. CARLSON] now the ranking Republican member of the committee, and the present chairman of the committee, the Senator from South Carolina [Mr. JOHNSTON]. But less than 1 day's time was given to it by the subcommittee of the Committee on Post Office and Civil Service. I doubt, even with the great experience of the Committee on Appropriations, that they went to the bottom of the question in that period of time.

The issue is simply whether we will keep an honest set of books. Everyone knows that the postal deficit is mounting higher and higher. Many of the deficits are caused by direct acts of Congress, which knock holes in the rate structure, but which are for purposes which we consider to be proper—such as education, the transporting of books and recordings for the blind. On many such items Congress has taken affirmative action.

The fact is that all the losses on many religious and benevolent publications, which enjoy low rates are not shown as a public service in the bill. If we do not identify a subsidy, if we do not make it crystal clear to the public how much we are spending for such public services, and also how much we are giving away to the magazines, we will never achieve businesslike operation of one of the largest businesses in the world, the Post Office Department.

At issue before the Senate today is the inclusion of a figure of $36 million for public service—a figure which bears no relationship to the purpose for which the Postal Policy Act was passed, namely, the identification of the actual losses resulting from categories of free mail, or the reduced-rate mail, which the Post Office Department is forced to carry under the law. The bill which passed the Senate and was finally agreed to in conference provides for a statement of the actual losses. If the actual losses were counted, there is no question that the amount would be well over $150 million.

But what has the Post Office Department done? Taking a cue from the interpretation which they evidently handed the President, although the Postal Policy Act requires showing the total amount of loss, they present a figure representing revenue foregone: The difference between the subsidized rate which Time, Life, and other magazines get, and the rate which is being charged. This does not represent the loss being borne by the Post Office Department. The difference is between the figure of $36 million, a completely phony figure, and from $150 to $200 million, which represents the true loss, required to be included by the act Congress passed and the President signed. If we can identify the true loss, we will be able to correct the situation about which the minority leader was talking, the subsidizing of the big newspapers and magazines to the tune of $200 million a year.

Until we start to identify the subsidies honestly, we are going to live in a dream world, and the figures will not be worth the tissue paper on which they are written. This does not affect the outgo of money. We are trying to keep an honest set of books in the Post Office Department. After years of study, this is the method Congress approved. This is the way the Senate voted and the way the conference reported the bill. This is the law.

Another figure the law requires to be included is about $100 million loss in operating the star routes and third- and fourth-class post offices. That amount ought to be included so as to show the sum of money being spent to carry on a public service. But it is said, "We do not have any accounting service by which we can do this." Price-Waterhouse, one of the great accounting firms of the country, says it can do it easily. But rather than hurry the Post Office Department, rather than authorize a figure they cannot properly defend before the Committee on Appropriations, let us today cut out anything in the bill earmarked as a public service, and say that we want more information, we want better accounting, we do not want a fictitious figure put into the bill. The House did not include any figure. So if we do not include any figure, then we will have another year. If we do not want to carry out the law as passed by Congress, let us repeal the law. If we do not want to deal honestly with the people and show the subsidies, running up into the millions of dollars, and show for what they are paid—for religious publications, eleemosynary institutions, bee lovers, red rose societies, and others—I do not think we ought to show them at all. Let us not show them a hypothetical loss of $31.6 million. We are carrying second- and third-class mail for about 50 percent of what the actual cost is, and they are asking us to figure the loss from the subsidized rate.

We are not covering the cost, and the books will never reflect anything but confusion compounded.

The best thing to do now is to strike out the entire item, if we cannot put an honest figure in the bill; wait a year; let us get the services of Price-Waterhouse, and let us have the legislative committee, the Committee on Post Office and Civil Service, take testimony, not for 1 day, as was heard by the Committee on Appropriations, but for weeks, if necessary, so that we will know what we are doing. But let us not start with a phony, fictitious figure which will rise to haunt us in the years to come, when the true loss in this subsidized mail will have to be shown.

Mr. ROBERTSON. Mr. President, since the majority leader who has control of the time on the bill, is not in the Chamber, I hope the distinguished minority leader will yield time to the distinguished chairman of the committee, the Senator from Arizona.

Mr. DIRKSEN. I shall, indeed. How much time does the Senator from Arizona wish?

Mr. HAYDEN. Five minutes.

Mr. DIRKSEN. I yield 5 minutes to the Senator from Arizona.

Mr. HAYDEN. Mr. President, I think we should act now. I cannot agree that because of any difference of opinion as to the amount, it would be better to forgo making any appropriation this year for that purpose in view. The failure by Congress to take affirmative action would have the effect of handicapping, if not actually preventing, the Postmaster General in conducting the operations of his department. The law requires that fourth-class mail shall pay its own way. There is now before the Interstate Commerce Commission a case in which it is sought to get a rate which will make fourth-class mail pay its own way.

I do not believe any useful purpose will be served by having the Committee on Post Office and Civil Service examine further into the matter. They have made their finding, and they have directed what shall be done. The Committee on Appropriations is clearly directed by the law to determine the amount of the losses. We have made our determination. If the figures are different at another time, that is something else. But it seems to me that the Committee on Appropriations has performed the function imposed upon it by law, which is to find out as best it can at this time what the actual losses are. That is what we determined—nothing more, nothing less.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. HAYDEN. I yield.

Mr. LAUSCHE. What type of mail is included in the fourth-class service?

Mr. HAYDEN. Parcel post.

Mr. LAUSCHE. Does the fourth class include magazines?

Mr. HAYDEN. No. The fact is that one of the great costs to the Government is the carrying of magazines—the slick magazines, as they are called—at less than cost. The same thing is true of the so-called junk mail, which fills the mailboxes of the people. That class of mail is not paying its own way, either.

The Committee on Post Office and Civil Service provided for some increase in those rates, but not enough to eliminate the subsidy. If we counted all the items listed by the Committee on Post Office and Civil Service as a public service, then the Post Office Department could be considered as running now at close to a profit. Everybody knows that that is not true. It cannot possibly be true.

I think what should be done is to take the action which the law requires and to make a finding which the Committee on Appropriations was required to make this year. If next year there is another set of figures and conditions are different, some other solution can be reached. But I do not want to see the Post Office Department stymied in getting proper rates for fourth-class mail.

Mr. KEATING. Mr. President, will the Senator yield for a question?

Mr. HAYDEN. I yield.

Mr. KEATING. Do I understand correctly that there is now pending in the Interstate Commerce Commission a proceeding by which the Postmaster General is endeavoring to get an increase in the rates for fourth-class mail?

Mr. HAYDEN. He is now trying to get an increase in rates.

Mr. KEATING. What is the source of the Senator's information to the effect that if the amendment were adopted, it would put an end to that procedure? I think that would be very serious.

Mr. HAYDEN. The point is that if we should make a finding that the carrying of that type of mail is not conducted at a loss, the whole matter would simply be left up in the air.

Mr. KEATING. If it were left up in the air, what is the basis for the Senator's assertion that then the proceeding before the Interstate Commerce Commission would be stopped?

Mr. DIRKSEN. Mr. President, will the Senator from Arizona yield to me?

Mr. HAYDEN. I yield.

Mr. DIRKSEN. Until Congress makes that finding, the amount of the adjustment could not be determined by the Commission, if the attorneys for those who object to the proposed rate increase were to say, "The law has not been complied with; no finding in regard to an adjustment has been made by the Congress; and until it is made, we think the whole proceeding here should be deferred." In that case there might be a long delay, simply because there had not been a compliance.

Mr. KEATING. In other words, the view of the Senator is that if we made no finding, and if the whole matter were left up in the air, then those who object before the Interstate Commerce Commission would have a good case for saying, "You cannot go ahead with the proceeding until the Congress has made a finding."

Mr. DIRKSEN. I think that is the point.

Mr. HAYDEN. My opinion is that at this time the Post Office Department is losing approximately $89 million on fourth-class mail. A considerable part of that can be recovered by means of the proceeding before the Interstate Commerce Commission.

Mr. MONRONEY. Mr. President, will the Senator from Arizona yield for a question?

Mr. HAYDEN. I yield.

Mr. MONRONEY. I attended most of the hearings; and I do not recall any testimony on this question.

The Postmaster General says that if the rates on fourth-class mail are not raised, the parcel post service will be adversely affected. From my knowledge of the Post Office service, I do not believe this amendment would interfere one iota with giving the Postmaster General the rate increase he needs.

So I believe some citations should be given, because I do not recall that any such evidence was given either to the Committee on Post Office and Civil Service, the legislative committee, or to the Post Office Appropriations Subcommittee.

Mr. HAYDEN. I remember very distinctly that the matter was taken up in the hearings and reference is made to it on page 194 of the Senate hearings.

Mr. ROBERTSON. Mr. President, if the Senator from Arizona will yield, I should like to read a letter which I received today from the Director of the Bureau of the Budget, as follows:

EXECUTIVE OFFICE OF
THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., May 28, 1959.

Hon. A. WILLIS ROBERTSON,
Chairman, Senate Appropriations Subcommittee on Treasury, Post Office Appropriation Bill, U.S. Senate, Washington, D.C.

MY DEAR MR. CHAIRMAN: This letter is written, in answer to your request, relative to the proposed amendment to delete from H.R. 5805, the Treasury-Post Office appropriation bill, all references to public service items.

As pointed out in the report on this bill, the determination of the public service costs of the Post Office Department is a responsibility of the Congress under section 104 of the Postal Policy Act of 1958, and is to be made by appropriation. In keeping with that responsibility, the Appropriations Committee held hearings on the matter and reported its findings. Failure to enact such an appropriation would nullify the Postal Policy Act and represent a serious setback to the promising start which it made toward establishing a sound and equitable postal rate structure.

Inaction, or even delay, would have several potentially serious consequences. For example:

1. It could conceivably affect the promptness of action on the pending application of the Postmaster General for parcel post rate increases now before the Interstate Commerce Commission. The public service issue has been raised in that case by opponents of the increase, and its resolution by the Congress would undoubtedly aid the Commission in its deliberations.

2. The proposed amendment will continue the confusion regarding the extent to which the Post Office actually subsidizes certain classes of mailers. While it is recognized that there may be some difference of opinion regarding the amount involved, the Congress has the responsibility for determining this amount, and this disagreement should not prevent action on the basic question, which is that public service costs should be reimbursed to the Department as a step in the establishment of a self-supporting postal system.

Sincerely yours,

MAURICE H. STANS,
Director.

The Postmaster General privately told me about this matter, before the hearings.

Mr. MONRONEY. The Senator from Virginia has just quoted the budget officer. Is not the Post Office Department on record before the Interstate Commerce Commission as arguing that there is no relationship whatever between the fourth-class mail rate and the amount of public service?

The Department cannot have the matter both ways. I do not believe the allegation that a failure by the Congress to make a provision in regard to this matter might affect the case before the In-

terstate Commerce Commission, when the Department is on record before the Commission as saying that there is no relationship between the two.

Mr. ROBERTSON. I do not know how the Department is on record before the Interstate Commerce Commission; but I know that the Postmaster General told me the same thing that the Director of the Bureau of the Budget has set forth in the letter I have just read to the Senate.

Mr. MONRONEY. But the Director of the Bureau of the Budget, in 1953, when he was working for the Republican-controlled committee, said:

The Department's budget (1954) includes numerous items of subsidy and of free services to the public and to other Government agencies. The total of these amounts is almost $200 million * * *. In 1954, and in future years, full and effective segregation should be made of subsidy costs and free services which are borne by the Department and which distort the true picture of its actual results. Doing so will make it possible for the public to know the true deficit of the Department.

That was stated by Maurice Stans, who is cited as an authority by the minority leader and by the distinguished chairman of the Post Office Appropriations Subcommittee. In 1953, Mr. Stans said there was a $200 million hidden charge in there, and that it should be identified. But now that he works for the Bureau of the Budget, he comes forward with a completely different story. Which line of the testimony are we to believe?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ROBERTSON. Mr. President, on the question of agreeing to the amendment of the Senator from South Carolina, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. ROBERTSON. Mr. President, I suggest the absence of a quorum; and I hope that thereafter the vote will be taken.

The PRESIDING OFFICER. The absence of a quorum has been suggested, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERTSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from South Carolina [Mr. JOHNSTON].

Mr. DIRKSEN. Mr. President, a question has been raised about a proceeding before the Interstate Commerce Commission to secure parcel post rates which, under the law, come within 4 percent of paying the cost of the service, and what the impact of that proceeding is upon this item in the bill.

What does an attorney do when he appears in a proceeding in opposition to the Government's case? He goes back and looks at the law. The Senator from Ohio [Mr. LAUSCHE], who is in the majority leader's seat at the present time, was a judge. He has sat on the bench. All a lawyer has to do is find one provision of this law. That is all I would need if I went before the Commission. I would read them paragraph (4) of section 104, which appears on page 197 of the hearings. It reads:

Postal rates and fees shall be adjusted—

It does not say "may be adjusted." It does not say "might be adjusted." It says they "shall be adjusted from time to time as may be required."

For what reason? The law says "to produce the amount of revenue approximately equal to the total cost of operating the Postal Establishment."

Does that mean the cost minus parcel post? Does that mean the cost minus second class mail matter? Does that mean the cost minus first class matter, or air mail, or registry, or special service, or money orders?

The law Congress enacted last year states:

To produce the amount of revenue approximately equal to the total cost of operating the Postal Establishment—

With one restriction—

less the amount deemed to be attributable to the performance of public services under section 104(b) of this title.

There it is. What else does it say? Congress makes the determination. That is as clear as crystal. There is no reason why the Senate should be deceived or fooled. There is the language of the law, and it is necessary that these ascertainments shall be made. A rate cannot be fixed until that is done. If I appeared before the ICC, I would say, "Commissioners, the Post Office Department, under the circumstances, cannot move a hand until this adjustment is made."

How much is attributable to public service? The Treasury Department says $37,400,000. The Post Office Department says $37,400,000. The administration says $37,400,000. The Committee on Post Office and Civil Service says $37,400,000.

Is the Senate going to delay action? Next year it will be the same story. We shall not have determined the cost; therefore an adjustment cannot be made. Therefore we must wait another year.

We have been waiting a long time to put the postal deficit in manageable shape. All Senators need do is look at the law, not what the Postmaster or other individuals have to say about it. It is as clear as can be. There is upon us the mandate to stand firm and behind the committee on this item, and vote against the amendment to strike out.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield? I know the Senator wants to be correct.

Mr. DIRKSEN. Yes.

Mr. JOHNSTON of South Carolina. The Post Office Department sent to the House and Senate Appropriations Committees a request for $172 million.

Mr. DIRKSEN. Yes, it did. Then when one looks at the language of the President's message which came with the request, one will see it was qualified and stated that there is a criterion which ought to be followed, and that is the very maximum outside estimate. When they got down to the question of tax, it was said the $172 million should not be put on the backs of the taxpayers and taken off the backs of mail users. There was only $37,400,000. That is what is provided in the bill.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. MONRONEY. Is not this full amount on the backs of the taxpayers? We are only trying to identify it. We are trying to say what the public service charge is. If a request for $172 million was sent to Congress and the President made a speech, when he signed the bill, saying the provision of the bill was different from what the Congress said it was, then I think we should follow the law and not what was said in a stump speech made by the President when he signed the bill into law.

Mr. DIRKSEN. We are following the law, because it states "less the amount attributable to the performance of public services." Show me the word "identification" in that paragraph. It is not there. Somebody has got to make the identification. The Budget Bureau made it. The Post Office Department did. Here it is. Is the Senate to go behind that finding and put the amount on the backs of the taxpayers or take it off the backs of the mail users? Not I. Mr. President, I am ready to vote.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD, just prior to the vote on the amendment of the Senator from South Carolina, a statement of my views on the amendment.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUMPHREY

I have listened with a great deal of interest to the discussion of postal policy. As I see it here are the questions and issues.

1. Did the Postal Policy Act of 1958 apply to all classes of mail? The answer is, "Yes." The Postal Policy Act of 1958, which was unanimously passed by the Congress, applied to all classes of mail.

2. How did the Postal Policy Act apply to fourth-class mail, which I understand is principally parcel post? The record shows that the act included fourth-class mail with this one exception: Section 106 of the act provided that the provisions of the law would not require any downward adjustments in rates of postage on fourth-class mail existing on the date of enactment. Other than for this, the Postal Policy Act applied fully to fourth-class mail from the date of its approval—May 27, 1958—forward. I also note that on page 11 of the Senate Report 305, accompanying the Post Office appropriation bill, the committee states that it "believes that the Congress intends that fourth-class mail shall pay its fully allocated costs."

But that statement is in error. If it were true, then the Congress would be guilty of a double standard itself, namely, forcing fourth-class mail to pay its fully allocated costs and the other classes of mail would be operated on a formula devised by the Post Office Department, calling for adjustments in costs to provide an appropriate basis for ratemaking. If you will look at the basic law you will find under section 103(c)(2) the following provision:

"(2) The acceptance, transportation, and delivery of first-class mail constitutes a preferred service of the Postal Establishment

and, therefore, the postage for first-class mail should be sufficient to cover (A) the entire amount of the expenses allocated to first-class mail in accordance with this title and (B) an additional amount representing the fair value of all extraordinary and preferential services, facilities, and factors relating thereto." The Post Office Department, itself, advocated this principle and this principle affects all classes of mail, so that prices on fourth-class mail should not be computed on a fully allocated cost basis.

As I understand the Postal Policy Act, it was the intent of Congress that all fully allocated costs by classes of mail were intended to be adjusted for commonly known ratemaking factors, such as preferment and value of service, and facilities, and factors relating thereto.

This matter of total loss is set forth under section 104(a)(1) of the act. The question is whether this meant loss of revenue only. We not only justified total loss, as distinguished from loss of revenue, in the act, but if the Senate will consult section 214(a)(1) of the same act, it would note that we repealed the existing law that dealt with loss of revenue. There is no question in my mind but that the Congress intended total loss—that is, the difference between revenue and costs—when it enacted last year's postal policy law. Any attempt to modify this concept is not in accordance with the law.

It seems to me that as long as the present Postmaster General has held office, his record has been one of setting himself above the will of the American people. I recall very distinctly back in 1957 he got in trouble with the Antideficiency Law and held a shotgun to the head of Congress in order to get additional funds. I refer my colleagues to the Comptroller General's letter of April 12, 1957 (B–131361). I clearly recall that, at that time, he threatened suspension of certain mail deliveries if that were done. I recall further that at one point, he conducted a public survey of attitudes on rate increases, intending to influence Congress, in violation of law and costing the American taxpayer thousands of dollars. (See H. Rept. 2914, 84th Cong., 2d sess., p. 3.)

Are we not now faced with another effort on the part of this administration to run roughshod over the Congress of the United States and place its interpretation of the law above that which was intended by a unanimous Congress?

The President of the United States requested $172 million for postal policy from this Congress, saying that it was excessive, but at the same time I feel that even the President recognized that the provisions of law had to be carried out, and if they were inadequate that they should be modified through proper legislative channels. I make my appeal today to this body solely on the basis of inequities and injustices heaped upon fourth-class mail by the Department in its refusal to follow the law.

Fourth-class mail, or parcel post, is the service which the farmer and his family depend greatly upon for ordering of goods from distant points. They pay the purchase price plus an additional amount representing postage and when, contrary to the provisions of law, they are charged fully allocated costs, they are paying too much. I am told that since 1948 the rates on this class of mail have been increased about 130 percent. Why is it the Post Office Department insists that this class of mail be priced on one basis, while all other classes of mail are priced on a different basis? Why such discrimination against parcel post? Should there not be uniformity of treatment of all classes of mail? I am sure that is what the Congress intended. I feel that any other interpretation would be a travesty of justice.

With the express companies providing limited service to our rural areas, the parcel post service of our Post Office Department has become an even more vital and indispensable segment of our rural population's contact with the business community. Now we tell the farmer he has to pay through the nose as though parcel post and not first-class mail were the primary service of the Post Office Department. I can't accept the proposition that parcel post must bear the burden of this rank discrimination against it, when the rates for other classes of mail are discounted or adjusted upward depending on the preferment and quality of service rendered. If I ever saw the use of a double standard, this is one. This action would appear to contravene the Postal Policy Act enacted last year.

I urge my colleagues not to let the present administration inflict the penalties of erroneous interpretation and application of the law on that large and important group of our people residing in rural areas.

In light of this obvious effort of the Postmaster General to run roughshod over the Congress, I, for one, urge my colleagues to eliminate the $37 million public services provided herein, to refer the matter back to the Senate Post Office and Civil Service Committee for study, and eliminate the necessity of any controversy over this item in conference.

I am sure there is agreement here today that we should not amend or repeal last year's law through the appropriations process. If the postal policy law, itself, is defective then that is a matter for remedy through the appropriate legislative committee and through the normal legislative procedures of the Senate.

SUMMARY

The Postal Policy Act of 1958 (Public Law 85–426) enumerated certain free and low-cost services to be set aside, so that their total loss would be borne by the U.S. Treasury and not charged to users of the mail. The conferees on last year's bill were of the opinion these amounted to $250 million.

The administration sent up a request for $172 million.

The House allowed nothing.

The Senate Appropriations Committee says $37 million. But the $37 million is computed on a loss of revenue concept and not total loss as provided in the Policy Act. The $37 million should not be approved.

The Senate Appropriations Committee Report (p. 11) states that fourth-class mail (parcel post) should pay its fully allocated cost. This is unfair to parcel post users. The act provides that first-class mail is the prime service and should bear its fully allocated cost, plus an additional amount because of the preferment and maintenance of facilities therefor. Accordingly, all other classes of mail would enjoy a discount from fully allocated costs because of their deferred treatment. Parcel post should receive this same treatment, and any other basis for prices is contrary to the intent of the law.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina [Mr. JOHNSTON].

Does the Senator yield back all time remaining to him on the amendment?

Mr. JOHNSTON of South Carolina. I yield back all time remaining to me on the amendment.

Mr. DIRKSEN. I do likewise.

The PRESIDING OFFICER. All time remaining on the amendment has been yielded back.

The question is on agreeing to the amendment of the Senator from South Carolina. On this question the yeas and nays have been ordered. and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Virginia [Mr. BYRD], the Senators from West Virginia [Mr. BYRD and Mr. RANDOLPH], the Senator from Connecticut [Mr. DODD], the Senator from Illinois [Mr. DOUGLAS], the Senator from Louisiana [Mr. ELLENDER], the Senator from California [Mr. ENGLE], the Senators from North Carolina [Mr. ERVIN and Mr. JORDAN], the Senators from Arkansas [Mr. FULBRIGHT and Mr. MCCLELLAN], the Senator from Tennessee [Mr. GORE], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNINGS], the Senator from Washington [Mr. JACKSON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oklahoma [Mr. KERR], the Senator from Louisiana [Mr. LONG], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Utah [Mr. MOSS], the Senator from Montana [Mr. MURRAY], the Senator from Georgia [Mr. RUSSELL], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Ohio [Mr. YOUNG] are absent on official business.

I futher announce that, if present and voting, the Senator from Utah [Mr. MOSS] and the Senator from Montana [Mr. MURRAY] would each vote "yea."

On this vote, the Senator from Alaska [Mr. BARTLETT] is paired with the Senator from West Virginia [Mr. BYRD]. If present and voting, the Senator from Alaska would vote "yea" and the Senator from West Virginia would vote "nay."

On this vote, the Senator from Connecticut [Mr. DODD] is paired with the Senator from Illinois [Mr. DOUGLAS]. If present and voting, the Senator from Connecticut would vote "nay" and the Senator from Illinois would vote "yea."

On this vote, the Senator from Louisiana [Mr. ELLENDER] is paired with the Senator from California [Mr. ENGLE]. If present and voting, the Senator from Louisiana would vote "nay" and the Senator from California would vote "yea."

On this vote, the Senator from North Carolina [Mr. ERVIN] is paired with the Senator from Rhode Island [Mr. GREEN]. If present and voting, the Senator from North Carolina would vote "nay" and the Senator from Rhode Island would vote "yea."

On this vote, the Senator from Washington [Mr. JACKSON] is paired with the Senator from Minnesota [Mr. MCCARTHY]. If present and voting, the Senator from Washington would vote "nay" and the Senator from Minnesota would vote "yea."

On this vote, the Senator from North Carolina [Mr. JORDAN] is paired with the Senator from Louisiana [Mr. LONG]. If present and voting, the Senator from North Carolina would vote "nay" and the Senator from Louisiana would vote "yea."

On this vote, the Senator from Massachusetts [Mr. KENNEDY] is paired with the Senator from Oklahoma [Mr. KERR]. If present and voting, the Senator from Massachusetts would vote "nay" and the Senator from Oklahoma would vote "yea."

On this vote, the Senator from West Virginia [Mr. RANDOLPH] is paired with

the Senator from Ohio [Mr. YOUNG]. If present and voting, the Senator from West Virginia would vote "nay" and the Senator from Ohio would vote "yea."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN], the Senators from New Hampshire [Mr. BRIDGES and Mr. COTTON], the Senators from South Dakota [Mr. CASE and Mr. MUNDT], and the Senator from Nebraska [Mr. HRUSKA] are absent on official business.

The Senator from Arizona [Mr. GOLDWATER] is absent by leave of the Senate.

The Senator from Kansas [Mr. SCHOEPPEL] is necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is detained on official business.

If present and voting, the Senator from Nebraska [Mr. HRUSKA] would vote "nay."

On this vote, the Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from Kansas [Mr. SCHOEPPEL]. If present and voting, the Senator from New Hampshire would vote "nay" and the Senator from Kansas would vote "yea."

The result was announced—yeas 30, nays 34, as follows:

YEAS—30

Anderson	Hart	Monroney
Cannon	Hartke	Morse
Carlson	Hill	Neuberger
Carroll	Humphrey	Pastore
Church	Javits	Proxmire
Clark	Johnston, S.C.	Smathers
Cooper	Langer	Sparkman
Eastland	McGee	Talmadge
Frear	McNamara	Williams, N.J.
Gruening	Mansfield	Yarborough

NAYS—34

Allott	Hayden	O'Mahoney
Beall	Hickenlooper	Prouty
Bennett	Holland	Robertson
Bible	Johnson, Tex.	Saltonstall
Bush	Keating	Scott
Butler	Kefauver	Smith
Capehart	Kuchel	Stennis
Case, N.J.	Lausche	Thurmond
Chavez	Magnuson	Williams, Del.
Curtis	Martin	Young, N. Dak.
Dirksen	Morton	
Dworshak	Muskie	

NOT VOTING—34

Aiken	Fulbright	McClellan
Bartlett	Goldwater	Moss
Bridges	Gore	Mundt
Byrd, Va.	Green	Murray
Byrd, W. Va.	Hennings	Randolph
Case, S. Dak.	Hruska	Russell
Cotton	Jackson	Schoeppel
Dodd	Jordan	Symington
Douglas	Kennedy	Wiley
Ellender	Kerr	Young, Ohio
Engle	Long	
Ervin	McCarthy	

So the amendment of Mr. JOHNSTON of South Carolina was rejected.

Mr. DIRKSEN. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The motion to reconsider was laid on the table.

Mr. CLARK. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Pennsylvania will be stated.

The CHIEF CLERK. On page 3, line 23, it is proposed to strike out "$364,631,000" and insert in lieu thereof "$377,100,000."

Mr. CLARK. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, is this an amendment with respect to which there is a time limitation?

Mr. CLARK. That is correct.

Mr. JOHNSON of Texas. Does the Senator expect to consume his entire 30 minutes?

Mr. CLARK. I am afraid I shall.

Mr. JOHNSON of Texas. I should like to have all Senators put on notice that a vote on this amendment is anticipated at sometime between 7 and 7:30 o'clock. I make that announcement in order that no Senator may be caught unawares.

Mr. ROBERTSON. Mr. President, will the Senator yield to the chairman of the subcommittee to make a very brief statement about the second largest appropriation bill which will be before the Senate at this session, and with respect to which there are only two disagreements, so far as I know, with the action of the committee?

Mr. CLARK. Under ordinary circumstances I should be glad to yield immediately to the chairman of the subcommittee. However, I have a commitment with the Senator from Connecticut [Mr. BUSH].

I ask unanimous consent that my amendment be temporarily laid aside in order that the Senator from Connecticut may offer his amendment, consideration of which, I understand, will require only a minute or two. After that, I shall ask unanimous consent that my amendment be further temporarily laid aside in order that the Senator from Virginia may make his statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUSH. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Connecticut will be stated.

The CHIEF CLERK. On page 7, after line 7, it is proposed to insert the following:

COAST GUARD ACADEMY

For extension of classroom space and construction of a fireproof auditorium at the U.S. Coast Guard Academy, $1,190,000.

Mr. BUSH. Mr. President, the purpose of the amendment is to provide $1,190,000 for extension of classroom space and for the construction of a modern, fireproof auditorium at the Coast Guard Academy, New London, Conn., to replace a wooden structure which is a firetrap and a menace to the safety of cadets and visitors.

The Congressional Board of Visitors to the Academy in the 85th Congress, under the chairmanship of my former colleague from Connecticut, Senator Purtell, forcefully brought to the attention of Congress the hazardous conditions resulting from the use of World War II temporary wooden buildings.

To eliminate the threats to the safety of cadets and other users of the Academy's facilities, the Board urgently recommended an extensive building program, estimated to cost approximately $9 million.

The Board assigned the highest priority to replacement of three deteriorated, temporary wooden barracks, two of which are used by the regular cadet corps and the third by officer candidates in the Reserve Officers Training School.

The replacement of the two barracks which house the cadet corps will be accomplished by September 1960 as a result of a $2 million appropriation, initiated by former Congressman Horace Seely-Brown, of the Second District, Connecticut, former Senator Purtell, and myself. The need for replacing the third barracks, used by officer candidates, has been eliminated by the Coast Guard's decision to move the Reserve training program to Yorktown, Va. The bill now provides $500,000 to accomplish this transfer.

My amendment would permit the accomplishment of the next two items given the highest priority by the Board of Visitors, namely the extension of classroom space, $200,000, and the construction of a new auditorium, $990,000.

It should be noted that adoption of the amendment will not exceed the budget initially proposed for the Treasury Department by the Bureau of the Budget. The total amount recommended for the Treasury in the bill is $3,647,000 under the estimates submitted by the Bureau. Thus, these urgently needed facilities at the Academy can be provided from savings in the Treasury's budget which have been accomplished elsewhere by the committee.

I ask unanimous consent that the report of the Board of Visitors to the Coast Guard Academy, to which I have referred, may be printed in the RECORD following these remarks, together with a description of the work which would be accomplished if my amendment were adopted.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REPORT OF THE BOARD OF VISITORS TO THE U.S. COAST GUARD ACADEMY, NEW LONDON, CONN., MAY 2, 1958

The PRESIDENT OF THE SENATE.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

GENTLEMEN: Pursuant to section 194 of title 14 of the United States Code, the following Senators and Members of the House of Representatives were designated to constitute the 1958 Board of Visitors to the U.S. Coast Guard Academy:

By the President of the Senate: Senator PRESCOTT BUSH, Republican, Connecticut.

By the chairman of the Senate Committee on Interstate and Foreign Commerce: Senator JOHN O. PASTORE, Democrat, Rhode Island; Senator William A. Purtell, Republican, Connecticut.

By the Speaker of the House of Representatives: Representative J. VAUGHAN GARY, Democrat, Virginia; Representative WILLIAM B. WIDNALL, Republican, New Jersey.

By the chairman, House Committee on Merchant Marine and Fisheries: Representative THOMAS L. ASHLEY, Democrat, Ohio; Representative EDWARD A. GARMATZ, Democrat, Maryland; Representative WILLIAM S. MAILLIARD, Republican, California.

Ex officio members: Senator WARREN A. MAGNUSON, Democrat, Washington (chairman, Senate Committee on Interstate and Foreign Commerce); Representative HERBERT

C. BONNER, Democrat, North Carolina (chairman, House Committee on Merchant Marine and Fisheries).

A meeting of the Board of Visitors was held at the Academy on May 2, 1958. The following members of the Board were present: Senator William A. Purtell, Republican, of Connecticut; Representative J. Vaughan Gary, Democrat, of Virginia; Representative William B. Widnall, Republican, of New Jersey; Representative William S. Mailliard, Republican, of California; Representative Edward A. Garmatz, Democrat, of Maryland.

The following officials of the U.S. Coast Guard were also present from headquarters: Vice Adm. A. C. Richmond, Commandant; Rear Adm. R. M. Ross, Chief of the Office of Personnel; Capt. G. R. Boyce, Jr., Chief of the Personnel Training and Procurement Division; and Capt. David O. Reed, liaison officer; from the Academy, Rear Adm. F. A. Leamy, Superintendent; and Capt. G. M. Phannemiller, Assistant Superintendent.

INSPECTION TOUR OF GROUND AND BUILDINGS

Upon arrival of the Board at the Academy, the customary honors were rendered. Senator William A. Purtell inspected the cadet corps, and the battalion passed in review before the members of the Board. Accompanied by the Superintendent of the Academy and members of his staff, the Board then had luncheon with the corps of cadets.

MEETING OF THE BOARD

The Board members were joined by Admiral Richmond, Admiral Leamy, Admiral Ross, Captain Phannemiller, and Captain Boyce in formal session. Senator Purtell was unanimously elected Chairman of the Board, with Representative GARY to serve as Chairman pro tempore upon Senator Purtell's departure.

GENERAL COMMENTS

The Superintendent of the Academy presented his formal report to the Board, giving the background and history of the Academy, the functions and requirements for admission, the curriculum and the status of accreditation, the staff, and the physical plant, together with proposed improvements and additional needs.

CHANGES IN PROGRAM

The composition of the student body at the Academy was discussed. The main group consists of the cadet corps of approximately 600, who participate in the 4-year course. In addition, the officer indoctrination school conducts throughout the year both the merchant marine officer indoctrination and the officer candidate program for college graduates and selected enlisted men of the Coast Guard.

The increasing size of the cadet corps has necessitated limiting the long summer cruise to the first and third classes. Only two of the Coast Guard cutters can be diverted from operational commitments to the Coast Guard to accompany the sailing ship *Eagle* on the 10-week cruise. The second class will have its concentrated small-arms training, its combat-readiness training, and its aviation indoctrination at Marine Corps, Navy, and Coast Guard facilities and will proceed on a short 3-week cruise aboard the practice squadron ships at the end of the summer. The new class entering in July will have completed its preliminary indoctrination at the Academy and will embark with the second class for the 3-week cruise.

The compulsory physical education program is designed to maintain the cadets in top physical condition, to improve posture, and develop coordination in the newly appointed cadets, and to teach leadership and organization of sports programs for the soon-to-be-commissioned ensigns. The staff of the commandant of cadets now includes a company officer for each of the four companies. They have been instrumental in increased athletic competition among the cadet corps and in detecting weaknesses in the cadets and assisting and counseling them in adjustments to Academy life and routine. The assignment of a well-trained hostess or social director to indoctrinate the cadet corps in social conduct and behavior is under consideration.

OTHER FACILITIES

The functions of and facilities available in the library, the chapel, and the Academy hospital were presented by the Superintendent.

BUILDINGS AND GROUNDS

The Superintendent reported on the buildings and grounds and pointed out various improvements noted on our inspection tour, such as the filling in of the lower field, which has provided additional playing area for increased athletic activity, the additional showers in the gymnasium also needed for this activity, and the new boiler plant, which has resulted in reduced fuel consumption and maintenance costs.

The Superintendent then reported on prospective improvements, the main one being the replacement by permanent fireproof quarters of the wooden barracks now occupied by one-third of the cadet corps. The Superintendent expressed his gratitude to the Members of the Senate and House who by floor amendment added the specific replacement cost, as a special item in the 1959 appropriation bill. The plan for an extension to Chase Hall which will include 150 additional rooms for the cadet corps has been submitted to the architect-engineer for implementation. The total plan includes necessary changes in the messhall facilities and also provides additional recreation halls within the proposed addition. The Superintendent reported that groundbreaking ceremonies are tentatively scheduled for September 1958 and the goal for occupancy has been set for September 1959.

The Superintendent then discussed the physical deterioration of the plant, since maintenance funds were inadequate for the numerous projects involved, and allowed little or no replacement activity. The members of the committee agreed that very often a pennywise, pound-foolish policy resulted from appropriation of inadequate funds to permit early replacement rather than costly and excessive maintenance expenditures followed by eventual replacement of obsolescent buildings and equipment.

The following major needs were presented by the Superintendent:

OFFICER CANDIDATE AND MERCHANT MARINE INDOCTRINATION SCHOOL

Replacement of wooden barracks in which these students are quartered. Approximately 400 officer candidates are trained annually, together with 100 officers for Coast Guard indoctrination and merchant marine inspection duties.

CADET CLASSROOM FACILITIES

Rearrangement of present facilities to provide adequate classroom space for enlarged cadet corps.

AUDITORIUM

This, too, presents a fire hazard, since it is a wooden structure and inadequate for the present size of the cadet corps.

CADET RECREATION BUILDING

Another wooden building which needs replacement, both from a standpoint of its fire-hazard potential and its lack of space to handle all cadet and officer student activities.

FIELDHOUSE

The cadet corps has outgrown the wooden fieldhouse constructed during World War II. An enlarged permanent fieldhouse is needed to eliminate excessive maintenance costs.

MAIN DOCK AND CAUSEWAY

Deterioration of these structures makes it impossible to truck material aboard the *Eagle*. A proper facility would save in maintenance costs and extra labor and insure the safety of personnel using the dock.

GRANDSTAND

A new permanent grandstand is needed to replace the wooden structure, which must be repaired annually at an ever-increasing cost, without adequate assurance as to the safety of the structure.

ADDITIONAL PLAYING FIELDS

To provide additional playing fields, filling of the waterfront area from dredging operations in the Thames is proposed. This would require permanent bulkheading.

MAIN GATE

Relocation of the main gate is necessary to avoid dangerous traffic conditions.

ACADEMY GARAGE

This is no longer adequate to house the firefighting equipment and Academy bus, and a new maintenance department building is needed.

FAMILY QUARTERS

No quarters have been constructed at the Academy since 1932. Additional quarters are needed to house at least the heads of departments on the Academy reservation.

SUPERINTENDENTS QUARTERS

The present quarters are inadequate for official entertaining and need to be enlarged.

CADET ATTRITION

The committee reviewed the relative costs for the 4-year period at the Academy, and noted that the attrition was higher than at other military academies. This may be attributed to the fact that the engineering curriculum and the accreditation by Engineers Council for Professional Development has demanded a higher scholastic achievement from Coast Guard cadets. It was noted that the accreditation by ECPD had been relinquished and the Academy has attuned its curriculum to meet the objectives and mission of the Academy; namely, to provide commissioned officers for Coast Guard service. The increasing number of applicants participating in the competitive entrance examination each year is providing a higher cutoff point for selection. It is expected that this, together with the addition of company commissioned officers as advisers and guidance personnel, will reduce attrition to a more acceptable level.

CADET PERSONAL FUNDS

The matter of cadet funds was discussed. The cadet now deposits $100 upon entrance and receives pay and allowances of $113 per month, with $1.35 a day for rations. After deduction of social security and income tax, and payment for books, uniforms, etc., the average cadet has only $115.80 available upon graduation. Tentative proposals have been made to increase the deposit to $300, which is now the permissible maximum at West Point and the Air Force Academy.

The Board met in private session with the principal battalion officers of the corps of cadets and the class president, without the presence of officials of the Coast Guard. The Board was impressed with the character and caliber of the members of the cadet corps and the excellent spirit and high morale of the cadets.

SPECIFIC RECOMMENDATIONS

1. That the Board express on the record its concern at the continued existence and use of World War II wooden buildings for various activities of the Coast Guard Academy, and at the excessive maintenance costs which are incurred to keep these buildings in habitable condition when immediate replacement

would result in long-range monetary savings and eliminate hazardous occupancy.

2. That an order of priority be established for the projects listed by the Academy Superintendent as vitally needed improvements. The Board and the Superintendent are in agreement that primary emphasis must be placed on the elimination of fire hazards, particularly in those buildings occupied by Coast Guard personnel as sleeping quarters.

3. The Board submits the following priorities:

(a) Replacement of deteriorated temporary World War II wooden structures: These buildings are old wooden structures that are dangerous to personnel, extremely costly to keep in repair and near the end of their existence. Replacement buildings would provide for the following in order of priority:

I. Barracks, classroom, and administration building for the officer indoctrination school.

II. Auditorium for the whole Academy.

III. Student activity building.

IV. Fieldhouse.

(b) Extension of classroom space: While this does not involve dangers to personnel, the project is necessary to provide an adequate number of recitation and laboratory rooms to accommodate an increased enrollment of 600 cadets.

(c) Renewal of necessary structures which will be dangerous to personnel and equipment, if not repaired:

I. Wooden grandstand at Jones Field.

II. Dock and causeway.

(d) Items that are required for the proper operation of the Academy:

I. Provide additional playing-field areas necessary for the development of the physical education program for the encouragement and supervised participation by all cadets in athletic activities and contests of their choice.

II. Alteration of main gate to eliminate traffic hazard.

III. Construction of a maintenance department building to provide necessary space for maintenance and repair shops, storerooms, maintenance offices, garaging and servicing of vehicles and equipment. Construction of this facility will release space in the engineering instruction building now occupied by the maintenance department. The space released will be utilized for the necessary extension of classroom space (item (b), above).

IV. Additional family quarters.

V. Adequate quarters for the Superintendent.

4. That the replacement of the barracks for the cadet corps reported by this Board last year is in process under a specific mandate in the 1959 appropriation for the Coast Guard, and that similar action be recommended to Congress to eliminate the hazardous structures listed above, in accordance with the order of priority established by this Board, unless funds for the replacement are included within the appropriation request ceilings.

CONCLUSION

The Board commends the Superintendent, Rear Adm. F. A. Leamy, and his staff for their efforts in maintaining the high standards of this institution and the excellent caliber of the Cadet Corps.

The Board wishes to extend its thanks to Vice Adm. A. C. Richmond, Commandant; Rear Adm. R. M. Ross, Chief of the Office of Personnel; Capt. G. R. Boyce, Jr., Chief of the Personnel Training and Procurement Division; and Capt. David O. Reed, liaison officer, for the assistance rendered by them. The Chairman and members of the Board wish to express their appreciation to the battalion officers, class presidents, and other members of the cadet corps for their very helpful assistance to the Board in expressing their views on the functioning of the Academy.

The Board earnestly recommends to all Members of the Senate and House of Representatives that they assist in every way possible in bringing the Coast Guard Academy to the attention of eligible candidates, and urging their constituents to participate in the nationwide competitive examination to be held on February 24 and 25, 1959.

The Board urges all Members of the Senate and House of Representatives and particularly the members of the Merchant Marine and Fisheries Committee and the Senate Committee on Interstate and Foreign Commerce to visit the Academy, inspect its grounds and buildings, classrooms, and laboratories and judge for themselves its facilities and needs.

WILLIAM A. PURTELL, *Chairman.*
J. VAUGHAN GARY.
EDWARD A. GARMATZ.
WILLIAM S. MAILLIARD.
WILLIAM B. WIDNALL.

Mr. BUSH. Mr. President, I ask my good friend the distinguished and able Senator from Virginia if he will not accept this amendment and take it to conference.

Mr. ROBERTSON. Mr. President, the chairman of the subcommittee is very sympathetic toward this proposal, but he regrets that he cannot accept the amendment and take it to conference.

Senators will find reference to this subject on page 32 of the hearings. I opened the question of Coast Guard Academy facilities by saying to the Secretary of the Treasury that we had received some complaints from people in that area that the facilities at the Coast Guard Academy at New London were not adequate, and should be improved, and I asked him to comment on that subject.

He said, in effect, "We have funds to fireproof all the barracks used by the Coast Guard Cadets. We are moving the Reserve officers down to the area at Yorktown, turned over to us by the Navy. That will relieve the crowding."

He went on to say that he knew the Coast Guard Academy needed a new gymnasium, and perhaps a new auditorium, but he said, "We cannot do everything at once. We did not ask for them in this budget."

The Coast Guard did ask for $2½ million more for ship construction than the House allowed, and our committee allowed the additional $2½ million.

I will say to my distinguished friend that I am very sympathetic toward the project, and I know how much he and his former colleague, Senator Purtell, have been interested in it. I assure him that we shall go into this question very fully next year.

We have no budget estimate for this amount. We had no testimony in committee as to whether it ought to be $1 million, $1½ million, or $2 million. I hope the Senator will withdraw his amendment, and give us a chance fully to cover the subject in the hearing next year.

Mr. BUSH. Mr. President, out of deference to the distinguished chairman, and realizing that I do not have the votes, in view of the Senator's determined opposition, I reluctantly will withdraw the amendment. I thank the Senator for his assurances concerning next year.

Mr. ROBERTSON. Mr. President, in order that I may present to my colleagues and for the permanent RECORD, a brief summary of what is in the pending bill, I should like to make this statement.

The Treasury and Post Office Departments have the responsibility of administering a total of nearly $27 billion of budgeted funds. Only the Defense Department appropriation is larger.

More than $22.3 billion of these expenditures, however, are fixed and cannot be reduced by Congress. These expenditures consist of certain permanent indefinite appropriations which are not carried in the bill. The 1960 estimates of the Treasury Department in this category are $8.8 billion. Of this total, $8 billion is for interest on the public debt, an increase of $500 million from the 1959 estimate.

Trust funds also are not carried in this bill. The 1960 estimate in this category is $13.5 billion, of which $10.5 billion is for Federal old-age and survivors insurance trust fund. This is an increase of $2 billion over the 1959 estimate.

Details of the items comprising the Treasury Department's estimates for the general and special funds and the trust funds may be found in the tables included in the report accompanying the bill.

The bill which is recommended to the Senate provides a total appropriation of $4,663,158,600. This amount is an increase of $35,061,600 over the House allowance, $239,685,650 over the appropriations for 1959 but $24,168,400 under the estimates for 1960.

The total of increases proposed in this bill over the House figures amounts to only three-fourth of 1 percent of the total amount in the bill, but I might say that even those increases were made reluctantly, because our committee agrees with our colleagues in the other body as to the importance of holding Federal spending to the necessary minimum at this time when we are facing the inflationary threat of further increases in the national debt.

These limited increases were approved, however, on the basis of what we regarded as convincing testimony that to allow lesser amounts either would be false economy—because loss of essential services would outweigh the value of the attempted saving—or would merely amount to deferring action—because we would be called upon to meet obligations presented in supplementary appropriation bills before the year was over.

A large part of the increase—$30,398,000 out of the $34,611,000 total—was for the Post Office Department. The other major items were $1,631,000 to enable the Internal Revenue Service to build up a more adequate work force to meet current needs and $2,500,000 for Coast Guard construction and acquisition of equipment for which justification was presented after the House had acted on the bill.

Our reasons for approving these increases will be discussed in more detail

as I take up the individual items in the bill.

Appropriations for the Treasury Department, as contained in title I of the bill before us, total $784,065,000. This is an increase of $4,663,000 over the amount of the bill as passed by the House, but is $3,647,000 below the amount of the budget estimates.

The committee recommends the full amount of the budget estimates for the following items:

First. Office of the Secretary, $3.3 million.

Second. Bureau of Accounts, salaries and expenses, $3,464,000.

Third. Bureau of Customs, $53,865,000.

Fourth. Bureau of Narcotics, $4,080,000.

Fifth. White House Police, salaries and expenses, $1,055,000.

Sixth. Guard force, salaries and expenses, $338,000.

Seventh. Bureau of the Mint, $4.3 million.

We were in agreement with the House on each of those items.

In the following instances the committee concurred with the House version of the bill in recommending amounts below the estimates. However, I wish to point out that the Department did not appeal these reductions to the committee as it was felt they could live within the amounts allowed by the House. These items are:

First. Bureau of Public Debt, $47 million.

Second. Office of the Treasurer, $17.5 million.

Third. U.S. Coast Guard, operating expenses, $189 million.

Fourth. Retired pay, Coast Guard, $29.5 million.

For "Reserve training" item of the Coast Guard, the committee recommends $15.5 million, the House allowance. This is $500,000 over the 1959 amount and the amount requested for fiscal 1960.

This committee has been concerned for some time about the inadequate facilities at the Coast Guard Academy at New London, Conn., for the regular activities of the Academy and the traditional activities of the Reserve training program. The amount provided in this appropriation bill will enable the Coast Guard to utilize the facilities being given up by the Navy at the former Mine Warfare School at Yorktown, Va., for training Reserve and temporary officer candidates, Regular officers recruited from the merchant marine, officers for the merchant marine safety program, and reservists on their 15-day active duty for training. In addition the Coast Guard is investigating the feasibility of using the center as a supplementary facility for training enlisted reservists under the 6-month active duty program.

Major areas in the budget programs of the Treasury, both in terms of manpower and dollar requirements, include the Bureau of Customs, the Internal Revenue Service and the U.S. Coast Guard.

BUREAU OF CUSTOMS

The 1960 estimate for the Bureau of Customs of $53,865,000 was allowed in full by the House and we concur in that action. The workload of Customs has increased steadily over the past 10 years and is still increasing. More aircraft are arriving daily carrying more passengers and more cargo; more automobiles, buses, and other vehicles are crossing our borders; more entries are filed; more invoices are received; and more duties are collected. These increases are reflected in every category of Customs activity.

The appropriation recommended for 1960 will provide for an increase of approximately 138 average positions to help meet this rising tide of traffic and workload.

INTERNAL REVENUE SERVICE

The House recommended a reduction of $2.5 million in the budget estimate of $365,500,000 for the Internal Revenue Service. This would permit only about half of the increase of 726 average positions of employment requested for 1960 and the Treasury requested full restoration of this cut. Our committee also received a request signed by 12 Members of the Senate that we not only restore the full amount cut by the House but that we go beyond the budget figure, because they felt a larger investment in the enforcement section of this Service would pay large dividends.

The decision of our committee was to restore $1,631,000 of the cut, making the total for the Internal Revenue Service $364,631,000. This would permit an overall increase of 580 in annual employment, and in our report we directed that the increase over the amount proposed by the House should be used for hiring auditors, clerks, and not less than 100 additional revenue agents.

We did not disagree with the theory that competent agents can bring in revenue that otherwise would be lost which will be far in excess of their salaries, but we also felt that there is a limit to how much the Internal Revenue Service can efficiently expand its force in any one year and that for us to provide too large an increase at this time might tend to lower the overall quality of the Service while increasing its size. We believed that the Service should be able to absorb the comparatively small reduction of $869,000 below the budget estimate by elimination of some proposed new clerical and processing personnel and still add to its enforcement section.

U.S. COAST GUARD

The budget estimates for the U.S. Coast Guard total $260,180,000 for the fiscal year 1960. Against this amount the House bill proposed appropriations of $256 million, representing a reduction of $4,180,000 in the estimates. The bill before you proposes the restoration of $2.5 million of that reduction.

The bill is in agreement with the House allowance in proposing an appropriation of $189 million to cover the operational requirements of the Coast Guard. This amount is a reduction of $1,780,000 below the amount of the budget estimate. The appropriation proposed will provide for the operation of additional loran stations; an increase for vessel maintenance and maintenance of shore structures and aviation; and for the completion of a program of aircraft modification to correct certain deficiencies and improve safety. In addition, an increase of 448 in average employment will be authorized, 439 of which are military personnel. This will permit the strengthening of existing shore and floating units that are now seriously undermanned and provide additional officer and enlisted crewmen for aircraft and aviation units.

A reduction of $2.5 million was proposed by the House in the budget estimate of $24.5 million for "Acquisition, construction, and improvements," which is the capital improvement program of the Coast Guard. The proposed reduction was made by the House because of an understanding that the boat replacement program that was projected in the estimates could not proceed as rapidly as contemplated in the budget. Testimony before the committee on this point indicated that subsequent to the House action plans and specifications had been sufficiently developed to carry out the boat replacement program in accordance with the plans set out in the budget estimates. Since the House objections on this point have been overcome, the proposed reduction was restored in order to take advantage of economies that could be realized through an expanded construction program and obtaining earlier use of more efficient vessels.

BUREAU OF ACCOUNTS, DIVISION OF DISBURSEMENT

For the Division of Disbursement the bill contains $22 million. This amount is $500,000 over the House allowance; $815,400 over the 1959 appropriation and $280,000 under the estimate. The amount recommended provides funds for increased salary scales, increased postal rates and for an increase in work volume. Funds should be available also, for expanding one regional disbursing office to coordinate with the centralization of VA benefit accounting operations beginning in January 1960.

U.S. SECRET SERVICE—SALARIES AND EXPENSES

For the Secret Service, salaries and expenses, the committee recommends $4,032,000. This is $284,600 over the 1959 amount and $32,000 over the House allowance. The amount recommended by the House provides for an increase of 47 additional agents and funds for purchasing 14 replacement automobiles and for acquiring a modest amount of additional cars in the amount of $32,000 were provided by the Senate committee. This will serve to strengthen the protection details to the President's family and the Vice President and provide additional agents to cope with the upsurge of counterfeiting and to increase the investigation of claims arising as the result of forgery and alteration of Government checks and bonds, thereby reducing the backlog of pending cases.

LANGUAGE AMENDMENTS

Of the two language amendments requested for the Coast Guard, limiting annual accrued expenditures, the com-

mittee concurred with the House in deleting the proposed language from the "Operating expenses" item. It is the sense of the committee that the application of an annual accrued expenditure limitation to this annual appropriation is neither desirable nor advantageous. In the main, funds provided under this head are for salaries and related expenses.

The committee has recommended, however, application of an annual accrued expenditure limitation to the appropriation item, "Acquisition, construction, and improvements," of the Coast Guard. Funds under this head are authorized to remain available until expended. By thus including the proviso to this account any possible advantages or disadvantages may be determined.

Members of the Senate may recall that we passed a law last year to apply a limitation on annual accrued expenditures and the Coast Guard was selected as a kind of guinea pig to try out the effectiveness of this system before it is applied to larger branches of the Government. The Hoover Commission had recommended a fundamental change in the method of stating budget estimates that would have brought about large reductions in unexpended carryover balances of appropriations and was designed to give Congress more continuing control over spending. The bill we passed, however, did not go that far but merely imposed an accrued expenditure limitation on an appropriation made in the traditional way.

Testimony given before the House committee, and not contradicted before our committee, was that this experiment would involve need for some additional employees and expenditure of additional funds, rather than a saving of money and the value as applied to funds in the operating fund most of which is spent in full during the current year seemed questionable. Therefore, we eliminated the language as applied to this fund but authorized continuation of the experiment on the capital improvements program where funds may be carried over for longer periods. Even here, however, it should be frankly recognized that this is a study rather than a device for immediately saving money, because it is agreed that the accrued expenditure limitation of $20 million which we are applying actually is more than the Coast Guard expects to spend next year.

Mr. President, the Committee on Appropriations recommends for the Post Office Department for fiscal year 1960 appropriations totaling $3,877,558,600. This is an increase of $30,398,600 over the amount recommended by the House, and an increase of $211,415,200 over the 1959 appropriation. This appropriation is $21,521,400 less than the estimates submitted by the Department.

The committee has been well impressed with the efforts of the Department to improve the service and reduce costs. For example, the committee has noted that efforts are being made to provide next-day delivery to all residents within major metropolitan areas of the country, which would ultimately involve approximately 80 areas. To date this program is almost half completed, and evidence was submitted to our committee that mail tests indicated a high percentage of effectiveness. We believe that the Post Office Department has offered to the Appropriations Committee reasonable evidence of a policy of economy consistent with good mail service. For example, the table on page 281 of the hearings shows an increase in the average pieces per man-year from 234,502 in 1956 to 241,873 for the 1960 estimate. The Postmaster General advised the committee that since 1953, 18 percent more mail volume has been handled with only a 6.3 percent increase in overall manpower, and this included a 21.8 percent increase in city carrier manpower, primarily required to keep up with suburban growth.

In keeping with the concept of title III of Public Law 85–426, which title concerned postal modernization and was initiated by this body a year ago, the Department has proposed a postal modernization appropriation of $88.5 million. Although there appears to have been a 31 percent increase in population and a 131 percent increase in mail volume in the past 20 years, we have all recognized that postal facilities have not kept pace. I believe the Senate made a lasting contribution toward better mail service last year, when it added postal modernization fund authorization to Public Law 85–426.

With the funds the Congress has granted for research and engineering in recent years, the Department appears to be making tangible progress in developing the kind of mechanization needed to handle the growing mail volume of the future. The committee understands that the development of such equipment as Mail-Flo conveyors, automatic facing and canceling machines, and keyboard letter sorters is now bringing this country abreast, if not ahead, of developments in mechanized mail handling in other countries which have emphasized research for years.

This committee has long been interested in the progressive development of a modern postal service. We are pleased to see evidences of progress along these lines. We believe that the appropriations recommended by the committee will enable an orderly continuance of necessary improvements in the Post Office Establishment, and permit the handling of anticipated mail volume for fiscal 1960 without interruption.

The committee recommended $72,398,600 for the administration, regional operation, and research appropriation. This is $898,600 over the amount allowed by the House and $201,400 under the request in the President's budget. The amount recommended provides for no increase in the administrative staff except in the case of the inspection service. In the first 9 months of the current fiscal year, 1,156 major embezzlements were detected, an increase of 22 percent over the previous year. The committee feels that the increase allowed in this budget is fully justified by the current backlog of work in this area, in the light of the growing rate of embezzlements, and fraud and other misuse of the mails. The committee was pleased to note that total administrative personnel in the regions and in headquarters is 2 percent less than the number of positions budgeted in 1959.

In the operations appropriation the committee recommends $2,998,000,000, an increase of $10 million over the House allowance and $12 million under the budget request. The amount requested for this item was based on an estimated 4.3 percent increase in mail volume, whereas the House allowance was based on an estimated 2.5 percent increase in mail volume for fiscal 1960. The amount recommended by our committee is estimated as sufficient to handle a 3.5 percent increase in mail volume, or 63.5 billion pieces. This would amount to an increase of approximately 2.1 billion pieces of mail over the revised estimated volume for 1959. The Department testified that although the increases in 1958 and 1959 are 1 billion pieces and an estimated 1.3 billion pieces, respectively, these levels reflected the decline in business activity experienced in those years. Furthermore, witnesses pointed out that the experience in years immediately preceding the recent downtrend in business indicated a normal increase of 2.8 billion pieces in 1955, 2.5 billion in 1956, and 2.7 billion in 1957. Therefore, the increase of 2.1 billion pieces for 1960 assumed by the committee does not appear unreasonable in the light of signs on every hand of rising business activity.

In this connection, there is on page 279 of the hearings, a chart showing the Post Office Department's reported and estimated mail volume compared with mail volume statistically predicted, using multiple correlations of mail volume, personal income, and total population. It will be noted that this estimating procedure has enjoyed a considerable degree of accuracy.

The volume increase of 4.3 percent assumed by the Department in its budget request indicated a level of 64 billion pieces for 1960. The Department allowed itself a small margin above the statistical projection, although within a reasonable band of probability. The committee with its recommended assumption of a volume increase of 3.5 percent is, for want of a better basis, simply bringing the 1960 volume estimate down to the Department's statistical average projection. It may be noted that a table included on page 280 of the hearings showed that in 8 of the past 11 years through 1958 the estimates of mail volume in the President's budget proved to be lower than the amounts actually realized. The committee therefore feels that this 3.5 percent increase is the minimum estimate of mail volume increase that should be acceptable to the Congress, in view of the danger of service interruptions if insufficient funds are provided.

The amount recommended by the committee for this appropriation would provide for 1,978 man-years more than the sum allowed by the House. The recommended amount, however, would provide for only 15,266 man-years more than were available in fiscal 1959, or an increase of 2.8 percent overall to handle a 3.5 percent increase in mail volume.

This further confirms the committee's opinion that this is the minimum necessary to avoid the possibility of service interruptions through lack of funds.

In regard to the appropriation for transportation the committee concurs with the amount recommended by the House of $524 million. The Post Office Department has agreed to make every effort to operate within the amount approved by the House, and the Postmaster General did not request restoration of any portion of the $3,320,000 reduction made by that body.

The committee was interested in noting that the number of passenger trains carrying mail has continued to decline and that the Department is actively meeting this situation by increased use of highway transportation. The Department is undertaking a nationwide postal transportation study, the first since 1921, which the committee was informed would contain conclusions and recommendations for the utilization of various means of transportation to assure that the service continues to meet changing postal needs, in the light of changing transportation patterns. The initial objective of the transportation study is to find economic and efficient ways to provide next day delivery for first-class mail whenever practicable and to improve the service and dependability of delivery for all other classes of mail.

For the facilities appropriation the committee recommends an amount of $194,660,000, a decrease of $6 million from the budget request and an increase of $6 million over the amount allowed by the House. The House had reduced the Department's request by $12 million stating that too many vehicle replacements were scheduled for 1960. However, the committee was impressed with testimony that 10,711 vehicles in the Post Office fleet of 36,571 are still 8 years of age or older. The restoration of $6 million recommended by the committee would permit the replacement of 4,000 of the worst of the overage vehicles. Many of these have in excess of 100,000 miles usage and will have prohibitive maintenance costs if not replaced. However, the committee concurs with the House that every effort should be made in future planning to provide for an orderly phasing out of vehicle replacements.

This appropriation includes not only funds for the vehicle service, but also post office supplies, building occupancy, and the regular capital program. It may be noted that the latter includes funds for the normal replacement for wornout equipment and minimum funds for rehabilitation of facilities to prevent serious deterioration. In addition it includes funds for mechanization equipment which in 1960 involves three large leased facilities, as well as three major Federal building installations. This appropriation also finances new standard equipment for approximately 650 newly constructed replacement leased buildings and 900 existing leased buildings.

In the case of the appropriation for postal modernization the committee recommends $88,500,000. This is the amount that the Post Office Department requested to initiate the modernization program authorized by title III of Public Law 85–426. When this title was enacted the Postmaster General had announced plans for a 4-year program involving the expenditure of $500 million of Federal funds and $1.5 billion of private capital to bring the postal facilities up to date. This involved the alteration or replacement of 2,500 Federal buildings and a minimum of 12,000 leased and rented buildings. The program is long overdue and the committee feels that the Department's request for $88,500,000 as the initial step in this program is a reasonable one.

With this postal modernization appropriation for 1960 the Department proposes to accelerate the research and engineering so fundamental to progress. It also provides funds for mechanization equipment and rehabilitation of seven major mail processing facilities to be constructed by private funds under the commercial leasing program. In addition, it would make possible the completion of necessary rehabilitation and mechanization of 140 Federal buildings. It would also provide standard equipment for an additional 500 newly constructed replacement leased buildings and 250 existing leased buildings. There are also included 2,500 additional mailsters which the committee, on hearing additional evidence not presented to the House, felt to be justified. Finally, this appropriation includes a minimum number of additional technical personnel without which little progress can be expected in this new area. These are primarily technical personnel for space utilization and acquisition, new vehicle utilization, construction engineering, and procurement. The amount for personnel is only about 2 percent of the total funds recommended for this appropriation.

The committee recommends restoration of a language proviso deleted by the House. The proviso included under this head makes the amount appropriated "to remain available until expended." Most Government agencies with major construction programs and long-term research and engineering work are provided with so-called no-year funds. There is a good reason for this. Research and engineering contracts cannot be mass-produced nor can building alterations or procurement of new types of equipment. Each receives careful attention and consideration and is subject to delays for new approaches and breakthroughs or changes in plans.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Pennsylvania [Mr. CLARK].

Mr. CLARK. I yield myself 10 minutes. The issue on the amendment is a very simple one indeed. The question is: De we want to help balance the budget for fiscal 1960, or do we not? Billions of dollars of revenue are being lost every year, including this year, through tax avoidance. These sums, if collected, would go far toward solving the problem of a balanced budget and a surplus for debt retirement.

I should like to point out to the Senate that the Internal Revenue Commissioner, Mr. Latham, testified before the Senate Committee on Appropriations that from $25 billion to $26 billion of taxable income is not reported each year. That results in an annual revenue loss of several billion dollars.

Mr. President, if the amendment is adopted, we will raise, I am confident, enough money to make up the difference between the President's budget and the additional appropriations which will be called for by the housing bill, the airport bill, the area redevelopment bill, and the health for peace bill, or a total of $273 million.

I ask unanimous consent that the figures in the table which I have prepared to substantiate that statement may appear in the RECORD at this point.

There being on objection, the table was ordered to be printed in the RECORD, as follows:

Estimated expenditures above President's budget in Senate bills

[In millions of dollars]

	Fiscal year 1960	3 succeeding years
Housing bill	118	532
Airport bill	45	120
Area redevelopment bill	60	274
Health-for-peace bill	50	150
Total	273	1,076

Mr. CLARK. Mr. President, the amendment calls for an additional appropriation, over and above that recommended by the committee, of $12,500,000. That amount of money would enable the Internal Revenue Service to employ enough additional enforcement personnel to bring the enforcement section of the Service back to its 1952 strength. Since 1952, 3,076 enforcement personnel have been dropped from the payroll, despite the fact that the workload of the Internal Revenue Service has increased, conservatively, 15 percent since that date. The total number of income tax returns has increased 10 percent. The total amount of revenue collections has increased by more than 20 percent. I say the total workload has increased by a minimum of 15 percent.

The Commissioner of Revenue testified before the House Appropriations Subcommittee that for each dollar spent to employ additional enforcement personnel, $9 of revenue is brought in during the first year, which is now lost through tax evasion, and that $13 will be brought in during subsequent years, as the new men become better trained. This is an extraordinarily high benefit ratio for Government expenditures. This is only the direct gain. The indirect gain, when word goes out to the tax chiselers of the earnest enforcement effort which is being made, backed up by adequate personnel, will, I am sure, amount to many millions of dollars of additional revenue.

I should like to point out that in the 6 years since 1952, when the reduction in the enforcement staff was made, the deficiencies assessed have averaged $320 million less a year than they did in the previous 6-year period. That means a loss to the Government of $1,800 million in 6 years.

Ex-Commissioner Harrington testified before the House Appropriation Subcommittee last year that the Service is able to audit only "1 out of 10 returns which may be in error." In 1958 only 4 percent of the 60 million income tax returns filed were audited. Existing personnel does not even have enough time to verify mathematically more than 68 percent of all of the returns which are filed.

I should like to quote from a statement made by Secretary of the Treasury Anderson before the committee:

We are very frank to say to you that one of the great problems of the Revenue Service now is that a greater workload is being imposed upon these people than should be imposed upon them.

The question may well be raised as to whether the additional increase in personnel, which is roughly about 13 percent of the present enforcement staff, could be trained and assimilated in the coming fiscal year. In that regard, I should like to read from the statement of Secretary Anderson before the Senate committee, in which he said:

The program presented to the Congress for augmentation of the Revenue Service enforcement staff in 1960 is an extremely moderate one from the standpoint of the Service's ability to recruit, train, and assimilate into the organization well qualified men. It is also moderate from the standpoint of the revenue that the Service firmly believes can be attained with a fully staffed organization.

Increases comparable to those suggested have been made in prior years in the Internal Revenue Service without any appreciable evidence that the new men were not able to do their jobs properly within the fiscal year in which they were employed, and bring in additional revenue several times greater than the cost of their employment.

Mr. President, if this amendment is adopted, we will have put back in the enforcement section 3,076 employees, bringing the total to the number of 26,788 employees, which was the figure in the fiscal year 1952. I should point out that in 1947 as a result of action taken by the 80th Congress in 1947, an additional 7,000 personnel were taken off the IRS payroll so that we still would be far from the peak of total employment in the Internal Revenue Service at a time when the collections for tax purposes were only half what they are today.

I conclude by pointing out that the President requested 726 additional employees. The House gave him 586. The Senate gave him 580. The amendment before the Senate would give him 2,350 more than provided in the Budget estimate, or a total of 3,076.

I should also note for the RECORD that as cosponsors of the amendment with me are the Senator from Michigan [Mr. HART], the Senator from Missouri [Mr. SYMINGTON], the Senator from New Jersey [Mr. WILLIAMS], the Senator from Alaska [Mr. BARTLETT], the Senator from Colorado [Mr. CARROLL], the Senator from Wisconsin [Mr. PROXMIRE], the Senator from Oregon [Mr. MORSE], the Senator from Idaho [Mr. CHURCH], and the Senator from Minnesota [Mr. MCCARTHY].

Mr. President, I ask unanimous consent that a statement prepared by the Senator from Missouri [Mr. SYMINGTON] in support of the amendment be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR SYMINGTON

There is no doubt from the evidence which is becoming available that tax evasion was never more widespread.

The Commissioner of Internal Revenue himself has testified that more than $25 billion in taxable income goes unreported each year.

This practice cuts across our tax structure in a most inequitable way.

It is essential that we begin to run our Government according to the principles of sound business management.

The representatives of the Internal Revenue Service have testified that from their experience, every $1 spent on new enforcement personnel yields between $10 and $15 of otherwise uncollectible revenue. When you can get $10 for $1, what prudent investor would not spend the $1?

Some may oppose the hiring of new enforcement personnel on the grounds of economy. But what kind of short-sighted economy is this? We are not depleting the public treasury by adding this appropriation. We are augmenting it.

We should add enforcement personnel to the Internal Revenue Service in order to insure equity in taxation, and hasten the day when the tax burden may fall more lightly on us all.

Mr. MONRONEY. Mr. President, will the Senator yield for a minute?

Mr. CLARK. I yield.

Mr. MONRONEY. I compliment the Senator from Pennsylvania on the presentation and sponsorship of the amendment. Do I correctly understand that the manpower provided in it will be for auditors and not for general overhead?

Mr. CLARK. The amendment provides for active enforcement personnel in four different categories: Revenue agents, revenue officers, office auditors, and office collectors and a handful of supporting personnel.

Mr. MONRONEY. Every one of those personnel, then, will be trying to enforce the provisions of the Internal Revenue Code and to prevent the escapage of taxes which normally would be due if returns were properly filed?

Mr. CLARK. The Senator from Oklahoma is correct.

Mr. MONRONEY. Is it not true that other areas of the world, notably among the democracies of Europe, which have depended on the income tax, have seen an almost complete breakdown in the effectiveness of this form of taxation because of their failure to provide vigorous enforcement of the requirements of their income tax laws?

Mr. CLARK. The Senator is absolutely correct. This raises an important moral issue: Are we going to try to train the American people ourselves in the self-discipline necessary for tax enforcement so as to pay the taxes which they owe their Government, or are we going to wink at all the evasion and avoidance which have an erosive effect on the entire country?

Mr. MONRONEY. And not only erosive, but also contagious.

Mr. CLARK. Not only contagious, but also disastrous.

Mr. MONRONEY. Taking into account the regular revenue system, on which from 80 to 85 percent of the revenue of the Government is based.

Mr. CLARK. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The time which the Senator from Pennsylvania has yielded to himself has expired.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. CLARK. How much time does the Senator request?

Mr. MORSE. Three minutes.

Mr. CLARK. I yield 3 minutes to the Senator from Oregon.

Mr. MORSE. First, I offer my sincere congratulations to the Senator from Pennsylvania for the amendment which he has offered. I do not like to criticize the body of which I am a Member, but I am heartsick about what faces us in the Senate at this very minute. Eleven Senators are on the floor of the Senate to consider what I believe to be a very, very important amendment to the bill.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. HOLLAND. Will the Senator yield to me, so that I may suggest the absence of a quorum, the time for the quorum call not to be charged to the time of either side? I fully agree with the Senator from Oregon that more Senators should be in the Chamber when a matter of so great importance is being discussed.

Mr. MORSE. If the Senator from Florida will permit me to finish my statement, I will then yield for the purpose of having a quorum call. But I want to speak about the matter while the situation exists in the Senate. At another time, I shall discuss what I think is one of the causes of the situation.

I am afraid we must face up to the fact that it arises because of our tendency to transact most of the business in the Senate by unanimous-consent agreements. I think when such an agreement is entered into, we have foreclosed, for the most part, the considered judgment of the Senate on amendments offered to bills, because the moment an agreement is entered, the exodus starts. I think that the practice is doing something to the parliamentary system of the Senate, and it makes me feel very sad when I think of what it is doing to our legislative process.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. CURTIS. It occurs to me that a part of the problem is the fact that Senators have waited all day to have the business start. Some of us have waited here for 5 or 6 hours, listening to debate which had nothing to do with the pending business.

Mr. MORSE. The Senator from Nebraska knows, I am certain, that under our present rules, there is no way to control that situation unless we are willing to adopt some rules and reforms

which some of us have been advocating for a good many years.

Let me move very quickly into the matter under discussion; then we can have a quorum call. I have long since recognized that I speak for the record most of the time anyway, and that is all right with me, because I am willing to stand on that record.

The Senator from Pennsylvania is making a great record, and I think we ought to have a quorum eventually to hear a summary of the record he has made.

The Senator from Pennsylvania has pointed out that the Internal Revenue Service funds have been cut by the Bureau of the Budget to the point where the Service is losing nine times as much money from uncollected taxes as it would cost to hire the investigators needed to collect the money. That bears out the point raised by the Senator from Oklahoma [Mr. MONRONEY].

One of the serious financial problems of some of the great countries abroad is that of tax evasion. I think that is true. I make my statement on the basis of conversations with men in our own Internal Revenue Service that there is a great amount of tax evasion in the United States today because we do not supply the funds necessary to hire the personnel to collect the taxes.

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. CLARK. I yield 2 more minutes to the Senator from Oregon.

Mr. MORSE. We lose not only taxes, but we lose something even more precious, I think. We lose the morale of the American people which is so necessary to support their Government. We are creating the impression, which gets abroad, that it is all right to "duck" taxes if one can get by with it.

During an administration which is talking about balancing the budget, an administration which is talking about the need for more funds by way of more income, I think the Senator from Pennsylvania has performed a great service by offering an amendment which will raise considerably more money by providing additional personnel. How much? Although the workload of the Internal Revenue Service has increased by 15 percent since 1952, its enforcement personnel has been reduced by 11 percent.

According to the House hearings, Commissioner Latham estimated that a new revenue enforcement official can be expected to collect $9 of otherwise uncollected revenue for every $1 spent to employ him even during his first year of employment, and that the ratio in subsequent years is about 13 to 1. Another official estimated the ratio to be as high as 20 to 1.

These taxes are old. They ought to be collected. We ought to make certain, as the Senator from Pennsylvania has said, that procedures are adopted which will guarantee to all taxpayers of the country a uniformity of enforcement of the tax laws to the greatest extent possible. When the employment of a few more collectors will bring in income from people who are avoiding their taxes at a ratio of 9 to 1 the first year, and 13 to 1 thereafter, and in some instances at a ratio of 20 to 1, I think the answer is simple: adopt the amendment.

It is merely a matter of addition and subtraction, so far as I am concerned.

Mr. President, I close by saying that, in addition to the added taxes which will be collected, also of great importance is a principle of democratic government, namely, the recognition that in this country there is no place for the tax dodger. We must have an enforcement system which will make sure that the tax evader is called to task and that the taxes he owes are collected.

Mr. HOLLAND. Mr. President, I ask unanimous consent that at this time I may suggest the absence of a quorum without having the time required for it charged to the time available to either side under the unanimous-consent agreement.

The PRESIDING OFFICER (Mr. WILLIAMS of New Jersey in the chair). Is there objection? The Chair hears none; and it is so ordered.

Mr. HOLLAND. Then, Mr. President, I suggest the absence of a quorum.

Mr. CLARK. Mr. President, I thank my friend, the Senator from Florida, for his helpful action.

The PRESIDING OFFICER. The absence of a quorum has been suggested; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HOLLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERTSON. Mr. President, I am sympathetic with the feeling of our distinguished colleague, the Senator from Pennsylvania [Mr. CLARK], that the Government is not collecting all the taxes it should collect. Though before our committee there could be no definite pinpointing by any of the Government witnesses as to how much the Government was failing to collect.

However, I know that the Department requested $2,500,000 for the Internal Revenue Service, in addition to the amount voted by the House of Representatives. The House committee went into this matter very fully, and stated that there was no conclusive proof that a large amount of unpaid taxes would be collected by the proposed additional employees. So the House turned down the request.

We decided that more taxes could be collected; so our committee added to this item $1,631,000; and we decided that the Department should have an additional 239 employees, making an overall increase of 580 in average employment. In our opinion, that number will be sufficient.

Today, I received a letter from the Director of the Bureau of the Budget. I called him and asked him what he thought about this amendment adding some $11 million to that item. I read the letter he wrote me:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., May 28, 1959.

Hon. A. WILLIS ROBERTSON,
Chairman, Senate Appropriations Subcommittee on Treasury, U.S. Senate, Washington, D.C.

MY DEAR SENATOR ROBERTSON: The following information is provided in response to your request concerning the proposed amendments to the budget estimates of the Internal Revenue Service.

The budget for fiscal year 1960 included an increase of $9,881,120 over the anticipated 1959 appropriation. This increase allowed an additional 726 man-years to expand the audit and collection activities of the Service in order that they might more adequately handle the increasing number of returns being filed. The inclusion of these additional positions in the budget was predicated on an understanding that the additional personnel would be assigned to certain selected districts in order to determine the effect of such expansion on the amount of revenues collected in those districts. As you are aware, the level of return to the Government for additional dollars expended on enforcement personnel has long been an element difficult to appraise. Through such a controlled experiment, the Treasury Department should find it possible to estimate more accurately the point of diminishing returns and thus provide a yardstick for more adequately projecting future budgetary requirements.

In addition to the proposed staff expansion, over $3 million was included in the budget for continuation of the Service's "blue ribbon" promotion program. This program is directed toward achievement of a more effective and efficient collection service accompanied by a saving in manpower. It has been accorded top priority by the Service, which has elected to reduce staff in order to provide funds for acceleration of the program.

With reference to the reduction of 3,000 man-years in enforcement personnel since 1952, the largest portion (2,333) occurred in 1952 and 1953 as a result of a drastic reorganization of the Service. Reduction and realignment of personnel was accomplished in all areas accompanied by a significant increase in production and efficiency. A second major reduction involving approximately 500 storekeeper-gagers, was made because the Service decided to adopt other equally effective controls in the distilling industry. The remaining reductions are those voluntarily effected by the Service in order that its "blue ribbon" promotion plan might be accomplished more rapidly than originally contemplated.

Sincerely yours,

MAURICE H. STANS,
Director.

I talked to the Collector of Internal Revenue, and he said he could not efficiently and effectively use the amount of money proposed to be given him.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. CLARK. I should like to quote from the statement the Commissioner of Internal Revenue made before the committee, in which he stated the amount requested by the Treasury Department was an "absolute minimum," and from the statement, which I noted before, of the Secretary of the Treasury, who said:

The program presented to the Congress for augmentation of the Revenue Service en-

forcement staff in 1960 is an extremely moderate one from the standpoint of the Service's ability to recruit, train, and assimilate into the organization well-qualified men. It is also moderate from the standpoint of the revenue collection potential that the Service firmly believes can be attained with a fully staffed organization.

The Treasury asked for $1.9 million more than the Bureau of the Budget recommended. I personally have no doubt at all they can use the full amount proposed by the amendment.

Mr. ROBERTSON. When the Collector was making the statement he was referring to get a restoration of $2½ million the House had cut, and he said the request was moderate, and we should restore the cut. He was not asking for $11 million above the $2½ million. He told me positively, over the telephone, that if we allowed the $11 million over and above what was in the bill, he could not train and effectively use within the coming fiscal year the additional employees the funds would provide.

Mr. CLARK. Will the Senator yield for a question?

Mr. ROBERTSON. There were not any "ands," and "ifs," or "buts" about it. He said he could not.

Mr. CLARK. With whom did the conversation take place?

Mr. ROBERTSON. With the Collector of Internal Revenue.

Mr. CLARK. Mr. Latham?

Mr. ROBERTSON. Mr. Latham. He told me that he was planning to ask for more next year, and the following year, and the third year; that he had a program of increase, but he could not take it all at one time.

The committee felt it would be going over the budget request, that is, we would be giving the Service more than it requested, and would be giving it more than it could use. That is the reason why we brought this recommendation to the Senate, slightly below the budget estimate, but substantially above what the House had agreed to.

Mr. President, I yield the floor.

Mr. CLARK. Mr. President, I yield 1 minute to the Senator from Michigan [Mr. McNAMARA].

The PRESIDING OFFICER. The Senator from Michigan.

Mr. McNAMARA. I wish to thank my colleague from Pennsylvania. I merely want to say for the record that I have in my hand an amendment I had prepared which would accomplish practically the same end sought to be accomplished by the amendment offered by the Senator from Pennsylvania. However, rather than offer my amendment, I want the RECORD to show that, instead, I shall support the Senator from Pennsylvania in his effort to increase the amount of money allocated for the purpose indicated. I thank the Senator.

Mr. CLARK. Mr. President, I yield 1 minute to the Senator from Alaska [Mr. GRUENING].

Mr. GRUENING. Mr. President, I rise in support of the various amendments to be offered by the distinguished senior Senator from Pennsylvania [Mr. CLARK], because they are the essence of common sense. I am sure if that great Pennsylvanian, Ben Franklin, were looking down upon this assembly, being famous for many things, but above all, for his prudence and thrift in fiscal matters, he would highly approve of the efforts of that fellow-Pennsylvanian, JOE CLARK. They represent the essence of the scriptural wisdom that "as ye sow, so shall ye reap." It is impossible to bring in revenue unless you make adequate efforts to collect it. It is impossible to think of a policy more pennywise and dollar-foolish than this one now being pursued by the administration in not having sufficient collection personnel to bring in the millions of dollars which the Senator from Pennsylvania has conclusively demonstrated, at least to my satisfaction, would come into the Treasury with adequate collection personnel.

I have a specific reason, besides the general one, for supporting the amendment. In Alaska we have an income tax which at the time it was enacted, some 10 years ago, was unique, and it still may be, in that it is geared to the Federal income tax. All the State legislature does at every biennial session is to determine according to our needs in Alaska what the percentage of the Federal income tax shall be. It is a very wise provision, because it obviates the need for a costly collection machinery in Alaska to collect our chief revenue producer, the Alaska income tax. It also makes our income tax easy to figure.

The PRESIDING OFFICER. The time of the Senator from Alaska has expired.

Mr. CLARK. Mr. President, I yield 1 more minute to the Senator from Alaska.

The PRESIDING OFFICER. The Senator from Alaska is recognized for 1 additional minute.

Mr. GRUENING. It obviates—our Alaska income tax, geared to the Federal income tax—for the people of Alaska, the need of duplicating the elaborate collection machinery. It enables them largely to use Uncle Sam's machinery for checking and for collection. To the extent that the collection machinery established by the Federal Government is inadequate, the collection of income taxes in Alaska fails.

As Alaska embarks on statehood, it needs all the money it can collect. So the Clark amendments will be helpful to Alaska.

For the reasons I have outlined, I hope Senator CLARK's amendments will prevail. I hope the Senate will have the wisdom and common sense to support this obviously desirable policy and these obviously desirable amendments to provide adequate collection personnel.

Mr. CLARK. Mr. President, I yield 3 minutes to the Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized for 3 minutes.

Mr. PROXMIRE. Mr. President, the Senator from Pennsylvania put it well when he said the issue is balancing the budget; and, indeed it is. The Senator from Virginia has suggested that some authorities question whether or not this much money and the proposed additional personnel can be used.

I should like to put that point in perspective. The fact is that in 1946 there were 59,000 employees of the Internal Revenue Bureau, including far more enforcement personnel than there now are. At that time the revenues derived were something like $40 billion. The deficiencies assessed were about $2 billion.

Last year there were 9,000 fewer IRS personnel than there were in 1946. Revenues were about $80 billion, or almost twice as great. The deficiencies assessed amounted to $1.6 billion or $300 million less than those assessed in 1946.

In other words, the people of America were paying twice as much in income tax, but the Internal Revenue Service was picking up far less in deficiency assessments. Why? Obviously because we were not trying to do the job.

It seems to me any commonsense analysis of this situation would have to come to the conclusion that we are not enforcing our income tax laws adequately, and also come to the conclusion that the proposal of the Senator from Pennsylvania is a modest one. It would propose that we go one-third of the way back to what we had in 1946. It would cost something like $11 million or $12 million. It would raise, on the basis of estimates we have, at least $100 million, and probably much more than that, perhaps many times more than that, because, as the Senator from Pennsylvania so well said, it would put taxpayers on notice that the tax laws in this country were being vigorously enforced and that there was nothing to be gained by evasion.

The fact is that there are not enough personnel in the Internal Revenue Service to office-audit the returns which come into the Service. Only a small proportion of the returns receive even the kind of consideration in which the totals are added up. Even if there were enough personnel doing this small amount of work, far more money could be collected than the cost of that procedure.

The Senator from Oregon has pointed out that his amendment is good business. It is good business for our honest American taxpayer. We are their agents. It seems to me honest taxpayers would want us to make such a good investment, which would bring in a 900-percent return, if we made it this year. Would not any man in this room leap at an opportunity to make an investment guaranteed to return 9 to 1? I would. I support the amendment of the Senator from Pennsylvania which gives the honest taxpayer through his Government the right to do so.

Mr. CLARK. Mr. President, may I have the attention of the distinguished minority leader?

Mr. President, I suggest that the absence of a quorum be noted without the time necessary for the call of the roll being charged to either side; that we yield back all time but 5 minutes on each side; and that after the 5 minutes on each side are used the Senate proceed to vote.

Mr. DIRKSEN. It will depend upon how long the Senator desires to have the roll called.

Mr. CLARK. I do not wish to have it called all the way through.

Mr. DIRKSEN. If the roll is called only halfway through, I have no objection.

Mr. CLARK. Mr. President, with that understanding which I have with the distinguished minority leader, I suggest the absence of a quorum.

The PRESIDING OFFICER. The proposal of the Senator will require unanimous consent.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the arrangement be approved by the Senate.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered.

Mr. CLARK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CLARK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, it is my understanding that each side has 5 minutes on a side on the amendment, and then the vote will be taken.

The PRESIDING OFFICER. That is correct.

Mr. CLARK. Mr. President, that is my understanding, which I assume will be satisfactory to the distinguished Senator from Virginia, who I think indicated he did not wish more time.

Mr. DIRKSEN. I am sure it will be satisfactory.

Mr. President, by prior arrangement I agreed to assume the 5 minutes against the amendment of the distinguished Senator from Pennsylvania.

Mr. President, this approach to the revenue problem is not a new thing. I served on the Subcommittee on Treasury-Post Office Appropriations, and I remember when T. Coleman Andrews used to come before the committee with the formula, "Give us more employees, and for every dollar you spend you will get back $12 or perhaps $13." That is as old as Methuselah. I have heard it time and time again.

I suggested informally to my friend from Pennsylvania that if we really want to do this job it is not a question of more employees but a question of better pay for the present employees.

Some years ago I managed to wangle through an amendment in the committee to provide $3.9 million to increase the pay of the enforcement officials. It made quite a change in the morale in the Internal Revenue Service. It was an amazing thing. I spotted the results in the field offices in different sections of the country.

This is not a question of providing more employees, but it is a question of putting a well paid officer on the Government side of the table when he is up against a $100,000 attorney representing some company on the other side of the table. We cannot expect more than we pay for. That is the answer.

Two points have been made. First, it was stated that the deficiency assessments have diminished. The Commissioner said to the House committee:

> The decline in the additional assessments collected as a result of audits during the year just ended as compared with the prior year.

And here is the "kicker."

> It was due to the fact that we had completed some very large cases in March and April of 1957. As a matter of fact, every other month in fiscal 1958 showed a substantial increase in collections from additional assessments over the preceding year.

That was done with fewer employees.

This is not a case of need for personnel. This is a case of need for training. We could not put the provision into effect if we did vote to provide the money. Where will we get the trained people?

I remember when we had the training institute at the University of Michigan. I remember the training program which was instituted. When all is said and done, first we must have employees who are trained.

No case has been made for this amendment. No case has been made on the basis of the so-called change in the deficiency assessments.

Finally, there is the question of audits. The allegation is made that 3 percent of the total number of income tax returns now filed, 60 million returns, are being currently audited. The Commissioner said:

> I might add * * * that that is not as inadequate as it might appear, because, as we pointed out before that on 33 million of these returns there were actually refunds, and in addition, many millions more of the low returns require no particular audit.

So no case has been made on the basis of the audit. No case has been made on the basis of deficiency tax payments.

If we really want to do the job we should pay those in the service, as they sit across the table from high-powered counsel and go into the tax returns when they think some money is due to the Federal Treasury.

I hope, Mr. President, that the amendment will be rejected.

Mr. CLARK. Mr. President, I could not agree less with practically every comment made by my distinguished friend from Illinois. The facts with regard to this amendment are very simple indeed. The only question is, Do Senators want to help balance the budget or do they not? If they want to help balance the budget, they should vote for the amendment as a matter of strict logic. Why? First, because the Commissioner of Internal Revenue testified before the Senate committee that from $25 to $26 billion of taxable income was not being reported each year, at an annual revenue loss of several billion dollars. Why? A part of the answer is that the Internal Revenue Service does not have the personnel with which to enforce the tax laws adequately. The suggestion that existing personnel could double their enforcement efforts if they were given a pay increase is pure fantasy. I remind the Senator that a pay increase was enacted just last year. Present Internal Revenue Service enforcement officials are efficient and hard working, but there are not enough of them to permit an adequate enforcement job to be done. There is not a shadow of a doubt that adequate numbers can be recruited to fill the new positions which would be created by the adoption of this amendment. Comparable increases have been absorbed in the past without apparent difficulty, and it can be done again.

Three thousand and seventy-six additional employees in the Internal Revenue Service would make it possible to raise enough money in the fiscal year 1960 to take care of every dollar of excess over the present budget the Senate has heretofore approved.

What about the 13 to 1 revenue-cost ratio at which my friend from Illinois sneers? Administration spokesmen testified that it applied up to the point of adding 726 new employees. Does my friend from Illinois assert that the same ratio does not apply to any additional enforcement officials whom the Congress may provide?

There is no doubt that such additional new employees could be trained and would be able to produce additional revenue far in excess of the cost of their employment. I invite attention to the testimony which I quoted earlier today, to the effect that the number of new men asked for by the Commission was the absolute minimum, and not the maximum he could employ to the advantage of the Government.

I close by saying that every Member of the Senate who is sincerely interested in balancing the budget can help to do so by voting in favor of my amendment which will produce many times its cost in increased revenue from better enforcement of the tax laws.

Mr. President, I yield back the remainder of my time, and I assume that my friend from Illinois will do likewise.

Mr. DIRKSEN. Mr. President, I yield back the remainder of my time.

Does the Senator from Pennsylvania insist on a yea-and-nay vote?

Mr. CLARK. I certainly do.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Pennsylvania [Mr. CLARK].

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

THE PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, what is the question before the Senate?

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Pennsylvania [Mr. CLARK].

Mr. DIRKSEN. Have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BUSH (when his name was called). On this vote I have a pair with the distinguished Senator from Missouri [Mr. SYMINGTON]. If he were present and voting he would vote "yea." If I were permitted to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Virginia [Mr. BYRD], the Senator from West Virginia [Mr. BYRD], the Senator from Connecticut [Mr. DODD], the Senator from Illinois [Mr. DOUGLAS], the Senators from Louisiana [Mr. ELLENDER and Mr. LONG], the Senator from California [Mr. ENGLE], the Senators from North Carolina [Mr. ERVIN and Mr. JORDAN], the Senators from Arkansas [Mr. FULBRIGHT and Mr. MCCLELLAN], the Senator from Tennessee [Mr. GORE], the Senator from Rhode Island [Mr. GREEN], the Senators from Missouri [Mr. HENNINGS and Mr. SYMINGTON], the Senator from Alabama [Mr. HILL], the Senator from Washington [Mr. JACKSON], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oklahoma [Mr. KERR], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Utah [Mr. Moss], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from West Virginia [Mr. RANDOLPH], the Senators from Georgia [Mr. RUSSELL and Mr. TALMADGE], and the Senator from Ohio [Mr. YOUNG] are absent on official business.

On this vote, the Senator from Arkansas [Mr. FULBRIGHT] is paired with the Senator from Washington [Mr. JACKSON]. If present and voting, the Senator from Arkansas would vote "nay" and the Senator from Washington would vote "yea."

I further announce that, if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senator from Illinois [Mr. DOUGLAS], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Utah [Mr. Moss], the Senator from Ohio [Mr. YOUNG], the Senators from West Virginia [Mr. BYRD and Mr. RANDOLPH], would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN], the Senators from New Hampshire [Mr. BRIDGES and Mr. COTTON], the Senators from South Dakota [Mr. CASE and Mr. MUNDT], and the Senator from Nebraska [Mr. HRUSKA] are absent on official business.

The Senator from Arizona [Mr. GOLDWATER] is absent by leave of the Senate.

The Senator from Massachusetts [Mr. SALTONSTALL] and the Senator from Kansas [Mr. SCHOEPPEL] are necessarily absent.

The Senator from Kansas [Mr. CARLSON], the Senator from Wisconsin [Mr. WILEY], and the Senator from North Dakota [Mr. YOUNG] are detained on official business.

If present and voting, the Senator from New Hampshire [Mr. BRIDGES], the Senator from Nebraska [Mr. HRUSKA], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Kansas [Mr. SCHOEPPEL] would each vote "nay".

The result was announced—yeas 25, nays 31, as follows:

YEAS—25

Anderson	Humphrey	Muskie
Cannon	Kefauver	Neuberger
Capehart	Langer	Prouty
Carroll	Lausche	Proxmire
Church	Magnuson	Sparkman
Clark	Mansfield	Williams, N.J.
Frear	McNamara	Yarborough
Gruening	Monroney	
Hart	Morse	

NAYS—31

Allott	Eastland	Morton
Beall	Hartke	Pastore
Bennett	Hayden	Robertson
Bible	Hickenlooper	Scott
Butler	Holland	Smathers
Case, N.J.	Javits	Smith
Chavez	Johnson, Tex.	Stennis
Cooper	Keating	Thurmond
Curtis	Kuchel	Williams, Del.
Dirksen	Martin	
Dworshak	McGee	

NOT VOTING—42

Aiken	Fulbright	McClellan
Bartlett	Goldwater	Moss
Bridges	Gore	Mundt
Bush	Green	Murray
Byrd, Va.	Hennings	O'Mahoney
Byrd, W. Va.	Hill	Randolph
Carlson	Hruska	Russell
Case, S. Dak.	Jackson	Saltonstall
Cotton	Johnston, S.C.	Schoeppel
Dodd	Jordan	Symington
Douglas	Kennedy	Talmadge
Ellender	Kerr	Wiley
Engle	Long	Young, N. Dak.
Ervin	McCarthy	Young, Ohio

So Mr. CLARK's amendment was rejected.

Mr. CLARK. Mr. President, I call up my amendment identified as "5–26–59–I," and ask that it be stated. I should like to ask Senators to wait a few minutes. I shall take only a few minutes on the amendment. I believe it can be disposed of in 5 minutes.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 3, line 23, it is proposed to strike out "$364,631,000" and insert in lieu thereof "$367,432,000."

Mr. CLARK. Mr. President, I yield myself 3 minutes. The amendment would give to the Treasury Department the amount for which it asked but which the Bureau of the Budget cut down. Therefore, there can be no question that the Treasury Department could use all the personnel which this amendment would give to the Department, by increasing the appropriation by $2,801,000. Any argument that the Internal Revenue Service could not recruit, train, and use the personnel goes out the window on this amendment because we know that the Treasury Department has asked for these additional funds.

I reiterate what I said before, that the Commissioner of Internal Revenue testified before the committee that from $25 to $26 billion of income is not being reported each year. This amendment would give a very modest increase to the Treasury Department. It is what the Department asked for. I hope the Senate, which rejected the earlier amendment, which was five times as great in amount, will accept this one, and thus take at least a small step toward balancing the budget. I hope the Senator from Virginia will accept the amendment and take it to conference.

Mr. ROBERTSON. The budget estimate was $365,500,000.

Mr. CLARK. The amendment covers the estimate by the Treasury Departmen, which it submitted to the Bureau of the Budget. It is $1.9 million higher than the budget estimate.

Mr. ROBERTSON. But that was not the budget estimate before the committee. What is the source of the Senator's information regarding the Treasury Department's request to the Bureau of the Budget?

Mr. CLARK. The hearings before the committee, at page 63, where Mr. Latham, Commissioner of Internal Revenue, in response to a question by the Senator from Wyoming [Mr. MCGEE], who asked him how much the Treasury Department had asked the Bureau of the Budget to approve for 1960, replied:

> The amount of the request by the Department to the Bureau of the Budget for the Internal Revenue Service for fiscal year 1960 was $367,432,000.

That is the exact amount called for by the amendment. I have read from the written record of the transcript before the subcommittee.

Mr. ROBERTSON. The committee has great confidence in the Secretary of the Treasury. He is one of the ablest men in the Government. He told us that the budget request was all he was asking for. That is why we did not go above the budget request.

Mr. CLARK. Does the Senator doubt the information submitted by the Commissioner of Internal Revenue?

Mr. ROBERTSON. No; the Senator from Virginia overlooked the fact that that information had been later inserted in the record.

Mr. CLARK. Does the Senator yield back the remainder of his time?

Mr. ROBERTSON. I should like to say first that I am opposed to the amendment. I now yield back the remainder of my time.

Mr. CLARK. I yield back the remainder of my time. I ask for a division on the amendment.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Pennsylvania [Mr. CLARK], on which he asks for a division.

On a division the amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. CLARK. Mr. President, I call up my amendment identified as "5–22–59—A," and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 3, line 23, it is proposed to strike out "$364,631,000" and insert in lieu thereof "$365,500,000."

Mr. CLARK. Mr. President, this amendment calls for the restoration of the amount requested by the Bureau of the Budget. I hope the distinguished Senator from Virginia will accept the amendment and take it to conference.

Mr. ROBERTSON. Mr. President, owing to the lateness of the hour and the inability to adequately explain the position of the committee in a limited time, the chairman of the subcommittee will agree to take the budget estimate figure to conference.

Mr. CLARK. I thank the Senator from Virginia.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Pennsylvania [Mr. CLARK].

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE—PENNSYLVANIA EDITORIAL COMMENT

Mr. SCOTT. Mr. President, I have been particularly impressed with the reaction of the newspapers in my own State of Pennsylvania to the furor which has surrounded the hearings on the nomination of Adm. Lewis L. Strauss.

To the best of my knowledge no Pennsylvania newspaper opposes the confirmation of the nomination of Admiral Strauss, who has admittedly served with competence as Secretary of Commerce for the past 6 months, and as an able administrator and executive in a number of capacities.

Mr. President, I ask unanimous consent to have printed in the body of the RECORD, following my remarks, a selection of editorials published in leading newspapers throughout Pennsylvania.

The editorials are from the Harrisburg Patriot-News, the New Castle News, the Wilkes-Barre Times Leader-News, the Johnstown Tribune-Democrat, the Oil City Derrick, the Bethlehem Globe-Times, the Pittsburgh Press, the Pittsburgh Post Gazette, the Philadelphia Evening Bulletin, the Meadville Tribune, the Reading Times, and the Pittsburgh Sun Telegraph.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Harrisburg (Pa.) Patriot-News, Mar. 29, 1959]

SENATE HEARING A DISSERVICE

The petty performance which the Senate Commerce Committee is putting on in connection with its mock hearings on confirmation of Lewis L. Strauss as Secretary of Commerce, is, it seems to me, a discredit to the Senate and a disservice to decent government any way you look at it.

What is happening is that by every devious and dilatory device some Democratic members of the committee are seeking to stall the hearings so interminably that somebody, somehow, will be able to turn up something discreditable to Admiral Strauss—or that he will be induced to resign in frustration. He won't.

* * * * *

I am not arguing that Admiral Strauss will be the greatest Secretary of Commerce since Harry Hopkins and Henry Wallace, appointed by President Roosevelt, or Averell Harriman, appointed by President Truman. I am not suggesting that every policy and every action which Admiral Strauss has initiated in a decade and a half of public service has been without error of judgment. I'd almost say he ought to be rejected if such a claim were true. But the facts which are pertinent are these:

Lewis Strauss has served three Presidents with equal loyalty and skill in posts of large responsibility.

When he was special assistant to Secretary of the Navy Forrestal, he did such a good job that he was decorated by both the Army and the Navy.

When he was a member of the Atomic Energy Commission in the Truman administration, he found himself the lone supporter of the H-bomb and when he won the backing of Mr. Truman, they together overcame the massive resistance to it.

When President Eisenhower in 1953 was looking for a way to demonstrate America's deep interest in furthering peace—not just talking about it—it was Admiral Strauss who helped devise and strongly supported the atoms-for-peace program.

At times Admiral Strauss has been a controversial figure. Any public official worth his salt will be.

* * * * *

I suspect that Admiral Strauss wishes the Dixon-Yates contract, later canceled, had never been born. But the Department of Justice—whom you might consider prejudiced—and the Commissioner for the U.S. Court of Claims—who is certainly not partisan and who examined the Dixon-Yates matter inside and out—found no evidence adverse to Admiral Strauss.

And the Commerce Committee's hearings on Secretary Strauss drag on. He was named last November. We are now almost to the fourth month of the present Congress and Chairman MAGNUSON has calmly adjourned everything until after the Easter recess, still waiting obediently for Senator KEFAUVER to unsheath his accusations.

None of this reflects any credit on the Senate.

It impairs the morale of the Department of Commerce.

It makes it increasingly difficult for any President to get able and honorable men to serve the Government when a Senate committee shows such calculated discourtesy to an able and honorable public servant as Lewis Strauss.

[From the New Castle (Pa.) News, May 11, 1959]

POLITICAL SHARPSHOOTING

One of the saddest demonstrations of statesmanship is going on presently in Washington, D.C.

The nomination of Adm. Lewis Strauss to be Secretary of Commerce has been before the Senate since the session opened but due to political sharpshooting and the venting of personal spleen against him by a few Senators in the committee passing upon the nomination, it is held up.

At no time has there been any suggestion that Admiral Strauss is not fully competent for the job. His record of public service bears out his right to the post. As Chairman of the Atomic Energy Commission he performed a brilliant job. He has served his Government under four Presidents but along the way he has engendered the ill will of some few of the Senators.

When he was Chairman of the Atomic Energy Commission he was adamant in his ruling that no one whose background smacked of any adherence to communistic ideas would be cleared for service.

Unfortunately one of our ablest scientists, Dr. J. Robert Oppenheimer became suspect because of his association with some elements Strauss thought were subversive. Clearance was taken away from him.

We do not expect our scientists to be politicians and perhaps Dr. Oppenheimer was imposed upon by persons with ulterior motives. Whatever the reason, an investigation revealed facts which Strauss thought inimical to the national defense. This enraged many of the lefties.

There seems to be no reason to believe that if the nomination goes to the floor of the U.S. Senate it will be confirmed overwhelmingly.

But a few * * * Senators who are * * * opposed to Admiral Strauss have held up the committee approval by a long series of petty questions designed to smear him.

Men of the brain power of Adm. Lewis Strauss are not easily come by. The Government needs the finest brains it can attract and to hold up the nomination of a man of Strauss' proven ability is to indicate a pettiness that ill becomes men worthy of gracing the U.S. Senate.

If the Senate would be willing to forego some of its clubhouse rules, the nomination of Strauss could be taken from the committee and acted upon.

In the meantime the Department of Commerce and with it the Government is suffering from the lack of a duly appointed Secretary.

[From the Wilkes-Barre (Pa.) Times Leader-News, Apr. 16, 1959]

STALLING ON STRAUSS

Lewis L. Strauss has, for some years, been one of this country's most able and devoted public servants. Though he has been a center of controversy on occasion, notably while serving as Chairman of the Atomic Energy Commission, his dedication to the public welfare has not been successfully impugned.

These circumstances make it all the more deplorable that the President's appointment of Strauss as Secretary of Commerce last November has not yet been acted upon by the Senate. The matter has been stalled in the Senate Commerce Committee, apparently because Senator ESTES KEFAUVER is opposed to Strauss and would like to turn up something against him bad enough to thwart his confirmation.

The job of Secretary of Commerce is an important one; the man who fills it should be able, honest, and devoted to the public interest. If Strauss were not well known, there might be some justification in delay while his record was carefully gone over. But the truth is that his qualifications and and background are very well known. It should not take all this time for the pertinent facts to be brought to light.

By stalling on approval of Strauss, the Senate Commerce Committee is doing the Nation a grave disservice. The delay is an insult to both Strauss and President Eisenhower. Action should now be taken as quickly as possible.

[From the Johnstown (Pa.) Tribune-Democrat, Apr. 28, 1959]

ADMIRAL STRAUSS AND PUBLIC POWER

The questioning of Rear Adm. Lewis L. Strauss is to be resumed shortly by the Senate committee looking into his confirmation as Secretary of Commerce.

Mr. Strauss is obviously qualified for this position. He has performed many notable services for the country, as chairman of the Atomic Energy Commission and in other capacities. He had a major part in equipping the United States with hydrogen bombs, when there was strong opposition to this from some of our politically naive scientists. Had the Soviet Union got them first, the result would have been disastrous.

But Admiral Strauss committed one heinous sin, in the eyes of Senator KEFAUVER of Tennessee, Senator MORSE of Oregon, and other vehement advocates of public power. He opposed the expansion, with Government funds, of the Tennessee Valley Authority—the huge utility which provides Tennessee and parts of half a dozen other States with electric power subsidized by the taxpayers and ratepayers of the rest of the country. Those who take this position incur undying enmity from the public power bloc. * * *

[From the Oil City (Pa.) Derrick, Apr. 9, 1959]

THE STRAUSS APPOINTMENT

As the Senate gets back to work this week after the Easter vacation, one of the first orders of business should be confirmation of the President's nomination of Lewis L. Strauss as Secretary of Commerce.

Since the Senate convened in January, the nomination has been bandied about in the Senate's Commerce Committee. No action has been taken because of the purely political and downright silly tactics of the Democratic members of the committee.

Not a thing has been brought forth to reflect upon the integrity or fitness of Mr. Strauss. On the contrary, his fitness has been aptly demonstrated by the record of his long and distinguished service, and his knowledge of the operations and needs of American business.

Sole purpose of the stalling tactics of the Democrats obviously is to embarrass the administration. And it's just this sort of unwarranted and stupid maneuvering that dampens the willingness of able men to accept appointment to public office.

[From the Oil City Derrick, Mar. 21, 1959]

WE PAY THEM FOR THIS

Lewis L. Strauss, former Chairman of the Atomic Energy Commission and a man with 40 years of noteworthy public service, now is serving as Secretary of Commerce under a recess appointment by President Eisenhower.

Senate confirmation should have been a matter of course when the Congress convened. Such is not the case, however. Confirmation is being held up and the morale of the Department disrupted by the deliberate stalling tactics of a gang of New Dealers whose sole aim seems to be to embarrass the administration.

This week, for instance, Mr. Strauss was called before the committee. And all he did during most of the session was sit in the witness chair while the "big-chested" Senators discussed unemployment in the Indiana coal mines, oil heat for New England, and whether the Atlantic Ocean will turn to ice in the next thousand years.

Kindergarten stuff. And it causes one to wonder what makes some of the blustery boys sent to Washington tick.

[From the Bethlehem (Pa.) Globe-Times, May 2, 1959]

SENATE WOLFPACK ON THE ATTACK

Lewis L. Strauss is Secretary of Commerce by virtue of recess appointment. The stormy sessions now before the Senate Commerce Committee are to determine whether he should receive the regular nomination of the job.

The hearings are giving Democrats an opportunity to rehearse the role of Strauss in the negotiation of the canceled Dixon-Yates power contract. A former Chairman of the Atomic Energy Commission, he was a powerful backer of the arrangement where a private utilities group would have supplied electricity to the Tennessee Valley Authority to replace power furnished by the TVA to the AEC.

The sessions have given his critics who worked under him in atomic research an opportunity to attack openly on matters which were once too sensitive for public controversy. The most rabid are those who thought Strauss erred in barring Dr. Robert Oppenheimer from AEC work.

Nobody really expects Strauss to be turned down. Appointees to Cabinet rank who have had more enemies than Strauss have won confirmation. In fact that last rejection occurred 34 years ago when the Senate in 1925 refused to confirm Charles B. Warren as Attorney General.

The Washington Post, which was extremely critical of Strauss as head of the AEC, is appealing that the Senate call off the wolfpack. Even it is willing to concede that it ill becomes the Senate to use its power of confirmation as an instrument of harassment.

[From the Pittsburgh (Pa.) Press, April 13, 1959]

DISCIPLINE BY DELAY

Last October 14, President Eisenhower appointed Justice Potter Stewart to the Supreme Court. A month later, he named Lewis L. Strauss as Secretary of the Commerce Department.

The U.S. Senate, along with the House, convened January 7.

Justice Stewart and Admiral Strauss still are awaiting approval or disapproval by the Senate.

Only last week did the Senate Judiciary Committee get around to hearing Justice Stewart, and that session was recessed until this week so the Senators could go to the opening baseball game.

There were hearings on Mr. Strauss in March, but they were recessed until after the Easter vacation. In each case, this is deliberate stalling.

Some Senators took a violent dislike to Mr. Strauss when he was chairman of the Atomic Energy Commission. He is now being disciplined for inciting this disfavor. Justice Stewart is being disciplined because of senatorial criticism of the Supreme Court, although none of this seems to be directed at anything Justice Stewart has done.

This is small-boy peevishness. It is unbecoming the Senate, even if it is in character for some Senators. If there are good reasons for not confirming these appointments, the Senate should state the reasons and reject the appointees.

If there are no good reasons for rejection, then there are no good reasons for spiteful delays.

[From the Pittsburgh (Pa.) Post-Gazette, May 2, 1959]

APPOINTMENT AND ORDEAL

Mr. Eisenhower noted at his last press conference that some 47 major appointments he has made to executive posts are awaiting Senate confirmation.

Now in at least two instances, and they are prominent ones, the Senate has shown inexcusable delay.

There is Lewis L. Strauss, who was appointed Secretary of Commerce last November and who has served in high position under three Presidents. A Senate committee, headed by a man unfriendly to Mr. Strauss, has still not decided on his appointment.

And there is Potter Stewart, who was appointed a Justice of the U.S. Supreme Court last October. It was not until more than 3 months after the present Congress convened that a Senate committee, headed by a man unfriendly to Mr. Stewart, decided on the appointment. (Mr. Stewart was approved.)

Mr. Eisenhower said at his press conference that the many appointees awaiting Senate confirmation "are important to the functioning of the U.S. Government, and some of them are wondering now whether they are going to be here for a month, and what they should plan to do or whether they are to be here after the Congress adjourns." He appreciates that the Senate should research into the record and ability of appointees. But, he said, "we should get at it and do it and not just defer the thing."

Unjustified delay by the Senate in deciding on the fitness of a new appointee—delay that in some cases insults and humiliates him—can needlessly aggravate the problem of recruiting able men for important Government posts.

[From the Philadelphia Evening Bulletin, May 15, 1959]

SENATORIAL NEEDLE'S EYE

The Morse-Luce ruckus seems to have created a fever in the Senate that is causing some Members to oppose all nominations to top executive posts. C. Douglas Dillon and Ogden R. Reid are the latest victims. President Eisenhower would elevate Mr. Dillon from Deputy Under Secretary of State to Under Secretary, and send Mr. Reid to Israel as Ambassador. Opposition to Admiral Strauss' nomination as Secretary of Commerce has become more vocal since the Morse-Luce affair.

There is little doubt but that Mr. Dillon, and possibly also Mr. Reid, will be confirmed. Mr. Dillon has a good record as Ambassador to France and a brilliant one in handling economic matters since he was taken into the State Department as Under Secretary. The objectors are not aiming so much at Mr. Dillon's person as they are at the entire foreign-aid program. They are using him to strike at a policy that Congress itself has approved year after year.

Senator FULBRIGHT, chairman of the Senate Foreign Relations Committee, makes the point that the country can no longer afford to have inferior diplomatic representation abroad, and that his committee intends to look very carefully at qualifications. Within reason, this is good; but carried too far it can mean that the Senate makes itself responsible for Executive acts.

[From the Meadville (Pa.) Tribune, May 7, 1959]

ROUGH TIMES IN SENATE

Two presidential appointees have been given "a hard time" in the Senate in recent weeks. Clare Boothe Luce became so embroiled in controversy that she properly resigned her appointment as Ambassador to Brazil. Lewis L. Strauss, now serving as Secretary of Commerce, is the object of harsh, personal criticism.

Ambassadors have become more than the personal representatives of the President. They implement policy determined by both the executive and legislative branches of government. They now deal in intricate matters of economics, as well as diplomacy.

For that reason, we believe the Senate is warranted in scrutinizing ambassadorial appointments. We believe, too, that our representatives to foreign countries should be adequately trained and temperamentally suited for diplomatic service. We are not sorry that Mrs. Luce resigned and we are gratified that she will be succeeded by a career diplomat.

The President's Cabinet is another matter. He should have the undisputed right to surround himself with people in whom he has full confidence. Only the most obvious and serious shortcomings should cause the Senate to withhhold confirmation.

Lewis Strauss is a controversial figure, but he is the President's choice. Since nothing really detrimental has been disclosed, the

Senate should refrain from further harassment and grant the courtesy of early confirmation.

[From the Reading (Pa.) Times, Apr. 15, 1959]

QUICK SENATE DETERMINATION SHOULD BE MADE ON STRAUSS

Even the critics of Adm. Lewis L. Strauss are now, as Senate committee hearings resume, beginning to agitate for early Senate action on his nomination by President Eisenhower to be Secretary of Commerce. The reasons are simple. Nobody really expects Mr. Strauss to be turned down either by the Senate Commerce Committee, which is holding the hearings, or by the Senate as a whole. Appointees to Cabinet rank posts who have had more enemies than Strauss have won confirmation in the past.

When he was told in mid-March that further hearings on the nomination were to be postponed until after the Senate's Easter recess, Strauss protested against being "kept on probation so long." He said that he was concerned with the effect of the delay upon the morale of the Department.

Even the Washington Post, which was extremely critical of Strauss as head of the Atomic Energy Commission, has said it would be difficult to challenge his qualifications for Secretary of Commerce. The newspaper went on to comment: "It ill becomes the Senate to use its power of confirmation as an instrument of harassment."

Senator WARREN G. MAGNUSON, Washington Democrat and chairman of the Commerce Committee, on opening the hearings on the appointment last month, warned that there would be "many, many questions and subjects gone into." Of the principal Senate opponents of Strauss—ESTES KEFAUVER, CLINTON P. ANDERSON, WAYNE MORSE, EUGENE MCCARTHY—none is a member of the committee that is studying his nomination.

The hearings are giving Democrats an opportunity to rehearse the role Strauss took in the negotiations of the canceled Dixon-Yates power contract. This was an arrangement whereby a private utilities group rather than the Federal Government would have supplied electricity to the Tennessee Valley Authority to replace power furnished by the TVA to the Atomic Energy Commission.

As chairman of the AEC, Strauss was a powerful backer of the disputed contract. In 1954, he had described it before the Congressional Joint Atomic Energy Committee as fair and a splendid example of private enterprise serving public interests.

About a year later the AEC ruled that the Dixon-Yates contract was invalid and not an obligation which can be recognized by the United States. The Commission acted on the basis of a probable violation of the Federal conflict-of-interest laws in its negotiation.

The Dixon-Yates group is suing the Government for money it spent on the plan to produce power before cancellation of the contract. The Congress at its 1956 session failed to take action on a Kefauver resolution authorizing special counsel for the Government's defense.

Even after the Government breached the contract, Strauss defended it. He refused to tell the Senate Antitrust Subcommittee whether or not he had discussed the cancellation with White House officials but he said it would be a natural inference that he had advised the White House of the possibility of fraud. He said his views had never altered "in respect to the fact that the objectives of this contract were sound, economic, and in the public interest.

Strauss has been serving as Secretary of Commerce under a recess appointment since last November. Whether or not he will continue to serve is up to the Senate. The Senate, in our opinion, might tip off the examining committee that it must not stretch this inquiry out any longer, that enough facts have been elicited, and that there ought to be an early recommendation one way or another. Little purpose seems to be served by prolonging the hearing.

(The New Castle (Pa.) News of Apr. 14, 1959, carries a similar editorial.)

[From the Pittsburgh (Pa.) Sun-Telegraph, Apr. 27, 1959]

LUCE AND STRAUSS

At long last the Senate Foreign Relations Committee has approved the nomination of Mrs. Clare Booth Luce as Ambassador to Brazil.

There is another and far more disgraceful example of Senate stalling, and that is in the Interstate and Foreign Commerce Committee, where the President's nomination of Lewis L. Strauss to be Secretary of Commerce has been held up for weeks.

It is inevitable that a man of Mr. Strauss' force, intelligence, and integrity will make enemies, who are sniping at him now. Not as an enemy, but as a reasonable dissenter, this newspaper has disagreed with him at times when he headed the Atomic Energy Commission.

But there is no denying his ability. He served in high office under three Presidents, Republican and Democratic. He was largely responsible in raising the warning flag against Physicist Robert Oppenheimer as a questionable security risk. He is eminently equipped to be Secretary of Commerce, and the Senate should quit stalling and confirm him in that job.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATIONS, 1960

The Senate resumed the consideration of the bill (H.R. 5805) making appropriations for the Treasury and Post Office Departments and Tax Court of the United States for the fiscal year ending June 30, 1960.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on the passage of the bill.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Virginia make a statement for the RECORD as to the amount by which the bill on which we are about to vote exceeds the President's budget and how much we are "busting" the budget, according to the pop-off boys?

Mr. ROBERTSON. The last amendment, the one which was just agreed to, raised the committee figure by $869,000. Before this action the bill was $25,168,400 below the budget estimate.

Mr. JOHNSON of Texas. I do not expect the slick magazines or the Republican press to take notice of this at all. But I should like those who read the RECORD to know the facts.

May I inquire of the Senator from Rhode Island the amount by which the District of Columbia appropriation bill, which was passed earlier today, exceeded the budget estimate?

Mr. PASTORE. It was not over the budget estimate; it was under it. The District of Columbia appropriation bill was under the budget estimate by $4,287,598.

Mr. JOHNSON of Texas. For the information of those who use the Madison Avenue-coined phrases which are placed in their mouths, and do not do any thinking for themselves, in these two appropriation bills on which the Senate has acted, the amounts are considerably below the estimates in the President's budget. I think this year, as has been true in other years, we will prudently consider the President's recommendations. We will increase some of them; we will reduce some of them; some of them will remain the same. But Congress is not less prudent than the Executive. I trust that when Congress shall have adjourned, the people can look at the record and disregard all the Madison Avenue propaganda which has been poured out in an attempt to stampede the public in its thinking.

I hope the roll will be called, so that we may see how much division there is in connection with the actual reduction in the recommendations which the President has made concerning spending at this session. In the first bill, the Senate reduced the amount by $4 million. In the second bill, we cut the amount by $25 million.

I trust that each Senator will go on record as to his views in the matter.

Mr. DIRKSEN. Mr. President, I yield myself 3 minutes on the bill.

First, I pay testimony to the distinguished Senator from Virginia [Mr. ROBERTSON]. I serve on the subcommittee on Treasury-Post Office appropriations. I know the labor which has confronted him. I compliment him on a great job well done. The fact is that he is one of the foremost economy exponents in the Senate. He has been consistent and constant in his devotion to a balanced budget.

I also compliment the distinguished Senator from Rhode Island. I serve on his subcommittee, too. I know what a labor it is to serve on a city council, so to speak, looking after the affairs of the Nation's Capital: riding herd on the Police Department, the Fire Department, the Welfare Department, the Sewer Department, the Water Department, the School Board, and all the rest. It is an unhappy labor. It does not pay off very big back home. So a very special salute to the distinguished Senator from Rhode Island. He, too, is an economy expert and exponent in my book.

But I remind the majority leader that he should not forget, of course, that we are concerned about the built-in increases which are likely to go beyond 1960—the airport bill, which is still in conference; the housing bill, which is still in conference; the Murray-Metcalf bill for aid to education, which provides, $4,400 million a year, and which has been reported by the House committee.

If we give the same kind of fidelity and devotion to the built-in authorizations which will knock our hats off before this session is over, I shall be a very happy citizen of the United States and a very happy Member of the U.S. Senate.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. JOHNSON of Texas. The Senator from Illinois admits that by a vote of 68 to 0 the recommendations of the President, so far as spending is concerned, have been materially reduced. He does not dispute that. The Senator admits, in advance of the vote on the Treasury-Post Office appropriation bill, that the recommendations of the President in connection with that bill will be materially reduced by some $25 million. In Republican jargon, "that ain't hay." The amounts in other bills also will be reduced.

Still, the minority leader sees some ghosts away in the closet, ghosts which somewhere, somehow, sometime in the future may come around to haunt him. When that day comes, I think the minority leader need not worry. He can trust the same Appropriations Committee which was diligent enough, which was trustworthy enough, which was economy-minded enough to reduce the President's District of Columbia estimate by $4 million, which reduced the President's estimate for the Treasury and Post Office by $25 million, to reduce the estimates on the so-called ghosts which may be away down the trail somewhere.

The Committee on Appropriations has taken such action each year since the President assumed office. The President of the United States, good, kindly, economical man that he is, has never submitted to Congress a budget which Congress has not reduced.

So I warn the Madison Avenue propagandists who go to the White House every Tuesday morning—I absolve the Senator from Illinois; he does not belong to that clan; and the rules forbid my talking about the "pop-off" artists, but I say that I absolve the Senator from Illinois.

I warn them and I caution them that if they keep popping off with their propaganda about the spending Congress, they are going to have less votes in the House of Representatives and in the Senate in 1961 than they have now; and some of them got by by only a hair's breadth the last time.

Before we conclude, I want to show that in 1955, during the 2d session of the 83d Congress, the President asked the Congress to appropriate more than $60 billion. Let us remember that the highest peacetime budget submitted by President Franklin D. Roosevelt was $9 billion. Let us also remember that the largest peacetime budget of the "spendthrift" President Harry Truman—"Wild Harry," they called him—was $39 billion. But in 1955 the President's budget was $60,770 million.

I remind some of the Democratic Members who walk across the aisle and vote with these spenders of that fact. [Laughter.]

Mr. DIRKSEN. Mr. President, we welcome every one of them. [Laughter.]

Mr. JOHNSON of Texas. Well, Mr. President, if the shoe fits, I hope they will wear it.

In 1955, Congress decreased the President's requests by $2,609,870,123; and that cannot be disputed; it is a fact.

But some persons wish to search around and smell around and point out some little authorization bill, some instance in which someone asked for an authorization. However, Mr. President, we know the difference between an authorization and an appropriation.

Mr. DIRKSEN. Indeed I do. [Laughter.]

Mr. JOHNSON of Texas. Of course the Senator from Illinois does. He came to Congress before I did; but I heard him make his maiden speech. And he knows the difference. [Laughter.]

What happened in 1956, in the 1st session of the 84th Congress? This economy-minded administration, which had a tentative agreement with the late Senator Taft, and with news releases from Morningside Heights about what the administration would do in the way of reducing the budget—asked for $66 billion. But the Congress said, "No. No. No. No. We will not join you modern spenders." And Congress appropriated only $63 billion——

Mr. DIRKSEN. Mr. President, the majority leader is speaking in my time. I hope he will be frugal. [Laughter.]

However, I yield time to him, Mr. President.

Mr. JOHNSON of Texas. Mr. President, I appreciate the courtesy of the distinguished minority leader and his colleagues; it is in accordance with their usual treatment. I hope some of them start applauding.

Mr. President, I am going through the list now; and Senators will have to listen to it, whether they like it or not.

Mr. DIRKSEN. I love it.

Mr. JOHNSON of Texas. And whether it is on their time or not.

In the 84th Congress, 2d session, the President asked for $73 billion. The Congress reduced the President's requests by $257 million.

In the 85th Congress, 1st session, the President requested $78 billion—almost nine times as much as the highest peacetime budget submitted by President Franklin D. Roosevelt. The Congress reduced that budget by $5,043,458,784.

In the 85th Congress, 2d session, the President asked for authority to spend and spend and spend and spend—to spend a total of $81 billion. The Congress, because of its prudence and because of its concern for the taxpayers of the country, cut from the President's requested budget $617 million.

Today the Senate passed two appropriation bills, while some of my colleagues on the other side of the aisle were out of the Chamber, writing newsletters about the "Do Nothing Congress." They have not been in the Chamber to vote; but I have been reading on the ticker about their writing about the "Do Nothing Congress."

Well, Mr. President, before this Congress is over, it will do still more. This Congress has not ended yet. Although we have already done too much to suit some persons, before this Congress is over we will do more.

But I am pointing out the record of Congress in the 5 fiscal years since 1955. It is the record of the Congress as an institution. I am not partisan; I do not have these caucuses [laughter] and ask all the Members on my side to come in and agree to give up their convictions and to sell their bodies and souls and to submit to the lash and to be bound by the views of someone else and to tremble under the scourge of some editorial writer or some slick magazine. Each Member on our side exercises his own rights as a Senator and votes in accordance with his own convictions. Some of them seek advice; and they can get it if they want it. But we do not go into a smoke-filled room and caucus all of us together, and agree to vote as a party on a nomination or on an issue. Instead, we trust and rely on the forum of the Senate for free debate on these issues.

But the Congress, both Republicans and Democrats—I must give credit to the Republicans, and, in particular, to the distinguished minority leader. He tries to find out where the President stands; and most of the time the minority leader gets as close to the President as he can. The President could not possibly have a more able or a more gracious representative and the Democrats could not have a more cooperative leader than the minority leader Mr. DIRKSEN. But we have cut from the President's bureaucratic budget requests $10,603,874,716.07.

Mr. President, $10 billion "ain't hay"; and I predict that before this Congress is over, we will appropriate to the various executive agencies of the Government less money than the President has requested us to appropriate. And the people will look at that record, and they will look at all the propaganda that was carried on during January, February, March, April, and May; and then next year, they will conclude what they concluded last year—namely, that the attempt to frighten, the attempt to stampede, the attempt to propagandize, the attempt to call us Socialists and spenders, comes with poor grace; and they will decide the issue on its merits. I hope they will not get too enthusiastic, because we need a minority party in this country. [Laughter.] It is good for us; it makes the majority look good. [Laughter.] It makes the majority look good when we cut $10 billion from their requests.

But every Tuesday morning I read in the newspapers that "the leaders" walked out of the White House. Of course, they are the leaders of only one party; the other leaders do not get invited to the White House, except on special occasions when there is a crisis. [Laughter.]

That is all right with us, because we might make some of the same mistakes they make when they come out of the White House. But when I say that, I absolve the Senator from Illinois [Mr. DIRKSEN]. He never pops off, and he never gets himself in a jam by saying that the Senate is away behind.

Mr. President, what did the Senate do? In February, the Senate passed the housing bill. It passed the labor bill by a vote of 90 to 1. It passed at least 20 pieces of substantial legislation.

And then a fellow comes on the front steps of the White House, with the television and the newspapers and the slick magazines all sewed up in advance and

committed in advance, and all of them have some ax to grind; and he says, "I believe that the Senate is not functioning, because too many of the Members of the Senate are running for President."

Mr. President, the people of the country are not going to be misled, and they are not going to follow that kind of leadership.

The reason why we are going to ask for a yea-and-nay vote on the question of the passage of each appropriation bill is to expose this fraud. It is a fraud. The Senator from Illinois [Mr. DIRKSEN] is not responsible for it; he is not a party to it. He is an honorable man.

But the Senator from Illinois knows what I am saying is true. But he has to stand there and listen to that stuff every Tuesday morning.

Mr. President, there is comity between the two bodies of the legislative branch; and we are not supposed to talk about the other body. And I am not going to talk about it. But I am going to say that the Congress is entitled to have the people know that the Congress—both Republicans and Democrats—have cut the President's budgets. Mr. President, the Senator from Delaware [Mr. WILLIAMS] has been the bellwether; he has been the ringleader; he has done more, so it is said, to cut the appropriations than any other Member of Congress except HARRY BYRD of Virginia. But the Congress has cut $10 billion out of the President's last 5 budgets; and the Congress is going to cut the President's budget $25 million more in connection with this bill.

I do not want to cast any reflection on the President. He is a good man and a kind man, and he is going to be President for 20 months more. But I do not think the White House and the White House Grounds and the White House television and the White House "ambassadors" should be used for the purpose of propagandizing the American people on the "spenders in Congress," particularly when the "spenders in Congress" have appropriated $10 billion less than the President wanted them to appropriate.

I want to call that to the attention of the American people, and I am going to call it to their attention every time we have an appropriation bill.

Mr. DIRKSEN. Mr. President——

Mr. JOHNSON of Texas. I yield to the Senator.

Mr. DIRKSEN. Oh, no. I yielded to him. Has the Senator from Texas finished?

Never have I had such a gracious and charming absolution of my political sins as I have had tonight by the majority leader.

Mr. JOHNSON of Texas. I thank the Senator.

Mr. DIRKSEN. My affection for him is measureless.

Mr. JOHNSON of Texas. I thank the Senator.

Mr. DIRKSEN. In the words of an old song, it is as high as the sky and as deep as the sea. However, I feel a little distressed over the fact that there are a few things which somehow are not included in the agenda the Senator presents to the Senate. I can probably express it best in terms of an accident that happened at a railroad crossing at night in my hometown. It was about 10 o'clock, and there was a flagman on duty. When the case finally got into court, counsel for the railroad company put the flagman on the stand. He said:

"Were you at your post of duty?"

"Yes, sir."

"Was it dark?"

"Yes, sir."

"Did you see the accident?"

"Yes, sir."

"Did you wave your lantern?"

"Yes, sir."

And that is about where the testimony stopped. There was a finding for the company, and when counsel for the company and the flagman left the courtroom, the flagman said, "By golly, I am glad they didn't ask me whether that lantern was lit." [Laughter.]

My distinguished friend here has told us about the appropriations, but he has not quite given us the whole story as to whether the "lantern was lit."

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. JOHNSON of Texas. We do not have the whole story yet.

Mr. DIRKSEN. Oh, yes, we do.

Mr. JOHNSON of Texas. I have read in the newspapers that the President is going to veto the airport bill. It has not gotten around to him. I do not know whether he is going to veto it or not. I do not know whether he is going to get to it. I read in the newspapers a White House statement coming from political leadership in certain quarters that he is going to veto the housing bill. It has not gotten to him yet. It has not "lit" yet. [Laughter.]

Mr. DIRKSEN. When I want to talk with authority, I go to the Senator's side or to the majority side of the House. If one wants a nice semantic exercise in arithmetic, I remember the words of Vaughan Gary, a distinguished Congressman from Virginia, in a speech under the title of "Back Door to the Treasury." I used to serve on the Treasury and Post Office Committee with Vaughan Gary in the House. In the space of two Congresses, not four, he showed how the appropriations were bypassed by back-door techniques in the sum of $9 billion.

As you know, Mr. President, when an arithmetic problem is to be solved, every factor in it should be obtained. My distinguished friend has been talking about appropriations. What about the back door?

Mr. JOHNSON of Texas. Mr. President, some persons specialize in back doors, but I prefer to talk about the front doors; and I ask unanimous consent to have printed in the RECORD at this point a brief statement I made on February 10, in which I stated that we, both Republicans and Democrats, in a 5-year period had reduced the President's spending requests by $10 billion.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Let's take a look at what the Congress as done in the past. It shows what we might expect in the future. Here is the record of the last 5 fiscal years. It shows more than $10 billion were whittled by the Congress from the budget recommendations.

Congress, session, fiscal year	Budget estimates	Appropriations	Decreased by Congress
83d, 2d, 1955	$60, 770, 315, 686	$58, 160, 445, 563	$2, 609, 870, 123
84th, 1st, 1956	66, 023, 089, 195	63, 947, 281, 321	2, 075, 807, 874
84th, 2d, 1957	73, 298, 859, 629	73, 041, 364, 417	257, 495, 212
85th, 1st, 1958	78, 108, 417, 112	73, 064. 958, 328	5, 043, 458, 784
85th, 2d, 1959	81, 737, 060, 999	81, 119, 818, 276	617, 242, 723
Total budget cuts by Congress in last 5 fiscal years			10, 603, 874, 716

Mr. JOHNSON of Texas. Mr. President, I trust that before this session of Congress shall have adjourned we will have reduced the President's estimates by a substantial amount this year. I do not say the President is wasteful. I do not say he is imprudent. I simply say that the history of this Government is that the Congress reviews the estimates of the President and consistently makes reductions in those estimates; and I think we will do it again this year.

Anybody who has been in Congress long enough to get his feet wet or who is dry behind the ears knows the difference between an authorization and an appropriation. There has been an attempt this year—and it is the first time since the Hoover administration that I have observed such an attempt—to mislead the people and make them believe that when Congress passes authorization bills it is "busting" the budget. As a matter of fact, that is a phrase by J. Walter Thompson——

Mr. ALLOTT. Who is he?

Mr. JOHNSON of Texas. It is an advertising agency on Madison Avenue. I am surprised that a Republican asks who he is. Some Democrats may be from the backwoods and not know who he is, but I am surprised that a Republican would ask who he is.

There has been talk about budget "busting." It has been done. We have "busted" these budgets by saving $10 billion. I do not say the Democrats are entitled to the credit. The Senator from North Dakota [Mr. LANGER] is a Republican. He has voted to reduce this budget—in some cases. [Laughter.] I see my gentle friend from Maine [Mrs. SMITH]. She has voted to reduce the budget in most instances.

I think all of us are entitled to credit. I do not believe we ought to foul our own nests. I am not making this as a partisan argument. I say the Senate today, by a vote of 68 to 0, has put a curb on spending. Take notice of this, NAM and the chamber of commerce—68 to 0 the Senate voted to cut down this

wild, reckless, socialistic spending. That is what we are going to do on this bill. I hope we can conclude by recognizing we have no ill will toward anybody. The President's recommendation on the District budget was $4 million too high. I do not think the President did this himself. He has a wonderful, pleasant, affable Budget Director. He testified before us the other day. I like this man, Maurice Stans. The only way he could be more popular with me would be by giving a little more consideration to Texas matters. He testified before us the other day. We are reducing the request by just $25 million.

The point I want to make is that I hope the Senate will take each appropriation bill and review each activity, and wherever we can make a saving, do so. We have done it in one case by a vote of 68 to 0. I hope on this rollcall the vote will be 70 to 0, and that will show to the country that we are prudent, we are careful, we are economy minded, and that even this President, prudent and as careful as he is, has a check and a balance, and the Congress is going to cut his estimates as much as it can. If that fact is known, it will engender more confidence in the Congress and the people will be proud of the Congress, as they have a right to be.

Mr. President, the yeas and nays have been ordered——

Mr. DIRKSEN. Mr. President, I shall not detain the Senate. I merely leave this one thought with the majority leader. I recall 2 years ago in one of the subcommittees we got into a great discussion about the amount to be allowed to the Veterans' Administration for pensions. Somebody made the suggestion, "Well, they do not need it right away, so why shouldn't we take out $200 million or $300 million?" But I said it was a contract with the veterans, and if that amount was not provided in the regular supply bill, the Administration would have to come back in January for a supplemental request. And, sure enough, in January of the following year the agency was there. But when one looks at this whole problem, I confess to an acute attack of budgetitis. As I writhe in my feverish budgetary agony, I think not only in terms of the regular estimates from the Budget Bureau transmitted by the President; I think of the deficiencies; I think of the supplemental requests; I think of all the back-door approaches to the Treasury, whereby the appropriations committees are circumvented; and then, and only then, do we discover whether the "lantern was lit."

That is where I leave it. I am ready for the vote.

SEVERAL SENATORS. Vote! Vote! Vote!

The PRESIDING OFFICER. Do the Senators yield back the time remaining?

Mr. DIRKSEN. Mr. President, I yield back the time remaining to me.

Mr. JOHNSON of Texas. Mr. President, I yield back my time.

The PRESIDING OFFICER. All time has been yielded back. The bill having been read the third time, the question is, Shall it pass?

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Alaska [Mr. BARTLETT], the Senators from West Virginia [Mr. BYRD and Mr. RANDOLPH], the Senator from Virginia [Mr. BYRD], the Senator from Connecticut [Mr. DODD], the Senator from Illinois [Mr. DOUGLAS], the Senators from Louisiana [Mr. ELLENDER and Mr. LONG], the Senator from California [Mr. ENGLE], the Senators from North Carolina [Mr. ERVIN and Mr. JORDAN], the Senators from Arkansas [Mr. FULBRIGHT and Mr. MCCLELLAN], the Senator from Tennessee [Mr. GORE], the Senators from Rhode Island [Mr. GREEN and Mr. PASTORE], the Senators from Missouri [Mr. HENNINGS and Mr. SYMINGTON], the Senator from Alabama [Mr. HILL], the Senator from Washington [Mr. JACKSON], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oklahoma [Mr. KERR], the Senator Minnesota [Mr. MCCARTHY], the Senator from Utah [Mr. MOSS], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senators from Georgia [Mr. RUSSELL and Mr. TALMADGE], and the Senator from Ohio [Mr. YOUNG] are absent on official business.

I further announce that if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senators from West Virginia [Mr. BYRD and Mr. RANDOLPH], the Senator from Connecticut [Mr. DODD], the Senator from Illinois [Mr. DOUGLAS], the Senators from Louisiana [Mr. ELLENDER and Mr. LONG], the Senator from California [Mr. ENGLE], the Senators from North Carolina [Mr. ERVIN and Mr. JORDAN], the Senators from Arkansas [Mr. FULBRIGHT and Mr. MCCLELLAN], the Senator from Tennessee [Mr. GORE], the Senators from Rhode Island [Mr. GREEN and Mr. PASTORE], the Senators from Missouri [Mr. HENNINGS and Mr. SYMINGTON], the Senator from Alabama [Mr. HILL], the Senator from Washington [Mr. JACKSON], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oklahoma [Mr. KERR], the Senator from Minnesota [Mr. MCCARTHY] the Senator from Utah [Mr. MOSS], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senators from Georgia [Mr. RUSSELL and Mr. TALMADGE], and the Senator from Ohio [Mr. YOUNG] would each vote "yea."

The Senator from Virginia [Mr. BYRD] has no position.

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN], the Senators from New Hampshire [Mr. BRIDGES and Mr. COTTON], the Senators from South Dakota [Mr. CASE and Mr. MUNDT], and the Senator from Nebraska [Mr. HRUSKA] are absent on official business.

The Senator from Arizona [Mr. GOLDWATER] is absent by leave of the Senate.

The Senator from Massachusetts [Mr. SALTONSTALL] and the Senator from Kansas [Mr. SCHOEPPEL] are necessarily absent.

The Senator from Kansas [Mr. CARLSON], the Senator from Wisconsin [Mr. WILEY], and the Senator from North Dakota [Mr. YOUNG] are detained on official business.

If present and voting, the Senator from New Hampshire [Mr. BRIDGES], the Senator from Nebraska [Mr. HRUSKA], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Kansas [Mr. SCHOEPPEL] would each vote "yea."

The result was announced—yeas 53, nays 3, as follows:

YEAS—53

Allott	Gruening	Martin
Anderson	Hart	Monroney
Beall	Hartke	Morton
Bible	Hayden	Muskie
Bush	Hickenlooper	Neuberger
Butler	Holland	Prouty
Cannon	Humphrey	Proxmire
Capehart	Javits	Robertson
Carroll	Johnson, Tex.	Scott
Case, N.J.	Keating	Smathers
Chavez	Kefauver	Smith
Church	Kuchel	Sparkman
Clark	Langer	Stennis
Cooper	Lausche	Thurmond
Dirksen	McGee	Williams, Del.
Dworshak	McNamara	Williams, N.J.
Eastland	Magnuson	Yarborough
Frear	Mansfield	

NAYS—3

Bennett	Curtis	Morse

NOT VOTING—42

Aiken	Goldwater	Moss
Bartlett	Gore	Mundt
Bridges	Green	Murray
Byrd, Va.	Hennings	O'Mahoney
Byrd, W. Va.	Hill	Pastore
Carlson	Hruska	Randolph
Case, S. Dak.	Jackson	Russell
Cotton	Johnston, S.C.	Saltonstall
Dodd	Jordan	Schoeppel
Douglas	Kennedy	Symington
Ellender	Kerr	Talmadge
Engle	Long	Wiley
Ervin	McCarthy	Young, N. Dak.
Fulbright	McClellan	Young, Ohio

So the bill (H.R. 5805) was passed.

Mr. ROBERTSON. Mr. President, I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer [Mr. HARTKE in the chair] appointed Mr. ROBERTSON, Mr. BIBLE, Mr. CHAVEZ, Mr. HAYDEN, Mr. MONRONEY, Mr. JOHNSTON of South Carolina, Mr. HRUSKA, Mr. BRIDGES, and Mr. KUCHEL conferees on the part of the Senate.

Mr. ROBERTSON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas to lay on the table the motion of the Senator from Virginia to reconsider.

The motion to lay on the table was agreed to.

Mr. JOHNSON of Texas. Mr. President, I ask the Chair to announce the result of the vote, because I could not hear it when it was announced.

The PRESIDING OFFICER. The vote on passage of the bill was 53 yeas

and 3 nays. The bill was passed by that margin.

Mr. JOHNSON of Texas. Mr. President, I wish to express my appreciation and the appreciation of the Senate to the distinguished chairman of the subcommittee, the Senator from Virginia [Mr. ROBERTSON], who has piloted this measure through the Senate. Usually each year this bill is the first appropriation bill passed by the Senate. It is always carefully considered. Generally speaking, the taxpayers always are kept in mind, and reductions are made in the budget estimates.

The Senator from Virginia has been diligent, effective and able. I express to him the appreciation of the leadership of the entire Senate.

I also want to express gratitude to the distinguished chairman of the full Committee on Appropriations, the Senator from Arizona [Mr. HAYDEN], than whom there is no more able or better public servant.

As a result of the efforts of the Senator from Arizona and the Senator from Virginia, this bill will go to conference tonight with the approval of all but three of the Members of the Senate. I trust that the conferees will be able promptly to reach an agreement, and that we can send the measure to the White House.

Mr. President——

The PRESIDING OFFICER. The Senator from Texas.

LEGISLATIVE AND EXECUTIVE PROGRAMS

Mr. JOHNSON of Texas. Mr. President, on Monday we expect to have before the Senate the Agriculture Department appropriation bill. We trust that we may be able to get action on that bill by Tuesday.

On Wednesday we expect to take up the nomination of Mr. Dillon and the nomination of Mr. Reid, to be followed by the nomination of Mr. Strauss.

Mr. KUCHEL. Mr. President, will my friend from Texas yield?

Mr. JOHNSON. I want all Members to be on notice that we expect to consider the Executive Calendar on Wednesday.

I yield to the acting minority leader.

Mr. KUCHEL. Does the able majority leader contemplate taking up the nomination of Mr. George M. Johnson to be a member of the Commission on Civil Rights at that time?

Mr. JOHNSON of Texas. We can take it up then, or now. It is a little late this evening to have a yea and nay vote. I am prepared to take it up, if there is no objection.

If it is generally agreeable, the minority leader indicated he would like to have that nomination considered the same day as the others. We expect to take it up also on Wednesday.

Mr. KUCHEL. I thank my friend.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATIONS, 1960

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to my able friend from Virginia, and I commend him for his wonderful work.

Mr. ROBERTSON. Mr. President, the junior Senator from Virginia wants to join with the majority leader in expressing appreciation for the fine work of the distinguished chairman of the Committee on Appropriations, the Senator from Arizona [Mr. HAYDEN]. The senior Senator from Arizona did not miss a hearing. The Senator was with us at every session on the mark-up of the bill, both in the subcommittee and in the full committee.

On his behalf, as well as on behalf of the junior Senator from Virginia, I express heartfelt appreciation for the gracious compliment the distinguished majority leader has paid us for the work we did in connection with the bill.

Mr. JOHNSON of Texas. The Senator from Texas knew the junior Senator from Virginia when he was a Member of the House. He remembers his efforts in the field of wildlife conservation.

I know of no more conscientious public servant nor any more diligent Senator.

Mr. ROBERTSON. I thank the Senator.

Mr. JOHNSON of Texas. I commend him and applaud him. The $25 million which he has saved in the budget will pay his salary for many years to come, and I trust he will enjoy it.

LIMITATION OF PRICE SUPPORT PAYMENTS

Mr. STENNIS. Mr. President, this morning the Committee on Appropriations reported the agricultural appropriations bill with a provision limiting to $50,000 the total amount of price support which an individual producer could receive on the 1960 production of all agricultural commodities. As Senators well know, a $35,000 imitation was written into the wheat bill last week.

I should like to take a few moments to discuss price support limitations and to offer what I believe to be a much better approach that will be acceptable to the proponents of price support limitations while at the same time permitting our price support programs to function as effectively as possible under such a limitation.

The question of limiting the total amount of price support to which an individual farmer is eligible has many implications. I would be less than honest if I did not say frankly that I do not know what the effects of such a step would be. I doubt that anyone is competent at this point to predict what the ramifications of such action will be. We do not know, for example, how many bales of cotton would be ineligible for the loan under a price support limitation of $50,000, nor do we know what effect this ineligible cotton would have on market prices and farm income. We do not know what effect price support limitations will have on CCC costs and record-keeping required of farmers. We do not know what is involved in administering or obtaining compliance with a price support limitation.

Be that as it may, both the Senate and the other body have voted to limit the amount of price support an individual farmer can receive. I wish to make it clear that I personally am opposed to such a step, but if there must be such a limitation, then let us have one that is as fair and equitable as we can possibly make it. Let us have one that will preserve as best it can, the advantages of the current price-support program.

Therefore, I offer the following recommendation for the consideration of the Senate: Simply require the producer to repay all loans in excess of $50,000 at the end of the marketing year. To illustrate, take cotton as an example. Under this proposal, a producer would be permitted to use the loan for orderly marketing during the crop year. At the end of the marketing year, however, when the Commodity Credit Corporation took over any unredeemed loan cotton, no one farmer would be permitted to have more than $50,000 worth of cotton acquired by CCC. I sincerely believe that this is really the objective that the proponents of limitations are seeking to accomplish.

The advantages of such a proposal are obvious. First and foremost is the fact that the orderly marketing feature of the current price-support program would be maintained. While I must concede that its effectiveness would be greatly diminished, it would, nevertheless, be retained to the maximum extent permitted by a price-support limitation.

This would help considerably in relieving the market from having to absorb the volume of the affected commodity ineligible for price support. Therefore the most disastrous effects of this limitation on market prices and the income of the small farmer would be alleviated to some extent.

I urge that the Senators consider this proposition carefully. I have prepared an amendment to this effect and submit it now for study and consideration. I am convinced that it is a much fairer and a much less dangerous way to handle a price support limitation without destroying the orderly marketing stabilities of the price-support program.

Mr. President, I ask unanimous consent that my amendment be printed in the RECORD at this point as a part of my remarks, and that it lie on the table.

The PRESIDING OFFICER. Without objection, the amendment will be printed and lie on the table, and will be printed in the RECORD as requested.

The amendment was ordered to be printed and lie on the table, and to be printed in the RECORD, as follows:

At the end of item (1) of the last proviso in the item "Limitation on Administrative Expenses, Commodity Credit Corporation", insert the following: "without providing (notwithstanding Section 405 of the Agricultural Act of 1949 as amended) for the full repayment of all amounts advanced in excess of $50,000 plus interest thereon in any marketing year."

EXCESSIVE SECRECY IN CONNECTION WITH THE MUTUAL SECURITY PROGRAM

Mr. CHURCH. Mr. President, I submit three amendments to S. 1451, the proposed Mutual Security Act of 1959,

and ask that they be printed and appropriately referred. I also ask unanimous consent that the amendments be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. The amendments will be received and referred to the Committee on Foreign Relations; and, without objection, they may be printed in the RECORD, as requested.

(See exhibit 1.)

Mr. CHURCH. Mr. President, these amendments deal with the problem of the excessive secrecy that now cloaks the mutual security program and with the question of our expanding military assistance program in Latin America.

The first amendment directs the President to "make public all information concerning the mutual security program not deemed by him to be incompatible with the security of the United States; provided, that the security of the United States may not be deemed to require the withholding of information about past assistance under the program in one recipient country on account of the sensitivity of another recipient country."

I believe it is clear from the wording of this amendment that it does not deal with the classification of information on pending or future plans for military or economic assistance. Nor does the amendment in any way interfere with the President's right to classify and withhold information when the legitimate security interests of the country require this to be done. It simply prohibits the Executive from equating administrative convenience with genuine national security.

In Latin America, for example, we have been told by spokesmen from the State Department that the publication of the dollar value of our military assistance to individual countries there would cause "swirls of discontent" among those countries. It has been urged upon us that if one country found out how much military assistance another country was getting, the knowledge would arouse jealousy and cause pressure on the United States to increase its aid.

Frankly, our classification of the information notwithstanding, I believe it is naive to think that these countries are so blind to the facts of life, and so inept in the ordinary processes of intelligence, that they do not have a pretty good idea how much aid we are giving their neighbors from year to year.

But, laying this question aside, I have the strongest possible conviction that the denial of information for the purpose of administrative convenience, when the real security interests of the country do not require it, is an affront to the whole philosophy of a free society.

I believe very strongly that a free society must not and cannot long tolerate the subordination of the people's right to know to the desire of bureaucracy to avoid embarrassment or harassment. Concealment of information also covers up bad judgment, incompetence, and corruption. The mutual security program needs to be brought out into the open, wherever the real security interest of the country permits. The purpose of this amendment is to put an end to unnecessary classification of information about the mutual security program, which suits the convenience of the administrators, but is not required by the real security needs of the country.

My second amendment is intended to prevent a further expansion of our military assistance program in Latin America. For several years it has been the stated position of the administration to encourage the reduction of the military establishments in the countries of Central and South America. Yet, our military assistance program to Latin American countries has been steadily growing. If the administration's request in this year's bill is granted by the Congress, our military assistance program in this area will have been tripled in 3 years. There is every reason to believe that such an expansion in military assistance is not only unnecessary to the defense of the United States, but that it is unpopular with the people of Latin America and has done much to court their disfavor.

Therefore, the purpose of this amendment is to prevent a further increase, during the coming year, in our military assistance program in Latin America. The amendment would effect a reduction of $29.5 million from the administration's request for $96.5 million. This would leave the sum of $67 million, which is the present level of spending during the current year for military assistance in Latin America. This sum should be fully adequate for such military missions in the area as may be directly related to the legitimate needs of hemispheric defense.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. MORSE. The Senator from Idaho knows that I am in complete agreement with him in the position he takes with respect to military aid to Latin America. I am in complete agreement with the amendments he now submits. I have already submitted two amendments which seek a similar objective to that of the Senator from Idaho.

All I wish to say in support of what the Senator from Idaho has said is that, in my judgment, all of us on the Latin American Affairs Subcommittee of the Committee on Foreign Relations, of which it is my honor to be chairman, and in connection with which it is my privilege to have the Senator from Idaho as one of my colleagues on the subcommittee, are greatly indebted to the Senator from Idaho for the support he is giving to us in seeking to bring to an end at an early date what I am satisfied is one of the major causes of bad United States-Latin American relations, namely, American military aid, which in too many instances has only served the purpose of strengthening the position of dictators in Latin America. It has created a great deal of ill-feeling because, as a result, so many people associate the United States with dictatorship rather than with democratic forms of government.

Mr. CHURCH. I appreciate the remarks of the distinguished chairman of the Latin American Affairs Subcommittee.

I am aware of the amendments he has proposed. I assure him that those amendments will have my full support; and I shall not press my own amendments if his amendments are approved in committee.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. CHURCH. I am very happy to yield to my friend, the distinguished junior Senator from Alaska.

Mr. GRUENING. Although I have far less experience in foreign relations than the two distinguished Senators, members of the Foreign Relations Committee, who have just spoken, I am in hearty accord with the amendments which the distinguished junior Senator from Idaho has proposed. I was shocked, in going through the so-called estimates or previews—they are merely assumptions with little definiteness—of what our foreign aid program proposes to do in fiscal year 1960, to discover the material which comes under the heading of classified material. Much of it is nonsensical. There is not the slightest justification for labeling it "secret." I noted with much approval the comments made in the speech last week by the distinguished junior Senator from Montana concerning the absurdity of the secrecy which surrounds this program.

Some of the classified statements made in the midst of the mutual security appropriation proposals are merely statements of the obvious, which, as everyone knows, are published widely and constantly in the newspapers. They are merely made secret, as the Senator from Idaho has pointed out, not in the interest of our national security but in an effort for the convenience of the program's administrators.

There is very little in the program—and I even include much of the military assistance program—which needs to be shrouded in secrecy. Any third-rate spy could, without effort, discover the entire contents of our foreign aid program. It would not require any great effort or imagination or perspicacity to discover just what we spend and where. The only result of the practice is to prevent the Senate and House from obtaining adequate testimony on what is to be expended, and thereby prevent the Congress from exercising adequate control over the expenditure annually of millions of taxpayers' dollars.

I hope the Senator's amendments will be approved, or that the corresponding amendments of the distinguished Senator from Oregon will be approved. I, too, have presented an amendment of a slightly different character, which aims merely to apply the fiscal procedures which have long since been established in connection with domestic appropriations, to foreign appropriations.

If the Senator from Idaho were to ask for the construction in his State of a $25,000 building for some Government agency, that appropriation would have to be first approved—to have much chance of success—by the Bureau of the Budget. Then it would have to be approved for authorization by the Senate

and House committees in that field, then by the subcommittees of the appropriation committees for that particular agency by both Houses. Then the full committees of both Houses would have to approve it. Finally, it would have to be approved by the whole Senate and the whole House. Why is it that we do not apply the same procedure to the very much larger sums which are appropriated for foreign aid? An appropriation of $25,000 for a project anywhere in any one of the 49 States is subjected to that rigid scrutiny which is in accord with the constitutional mandate. But $100 million can be disbursed by unseen men in bureaus down the street according to their wishes. It is wholly wrong. It is the abdication of a function of Congress which first began 15 years ago with the beginnings of the mutual security program. My amendment does not imply a criticism of either Republicans or Democrats. The procedure has been followed under both parties under both Democratic and Republican Presidents and under both Democratic and Republican Congresses. I have no criticism of the fact that it was begun. It was done in the wake of World War II and under the stress of a great emergency. It has been continued, year after year under the recurring illusion that there are continuing urgencies which require that we do not scrutinize these proposed appropriations as we scrutinize all other appropriations.

I believe the time has come for Congress to reassert its prerogatives and to practice the same scrutiny and vigilance for foreign appropriations which it practices for appropriations for the benefit of the folks at home.

Mr. CHURCH. I should like to say to the distinguished Senator from Alaska that I very much appreciate his remarks and his indication of support for my amendments. I wish to commend him for the challenging proposal he has made. It is entitled to the closest possible scrutiny by the Committee on Foreign Relations.

Mr. President, my third amendment would put an end to the use of military assistance for purposes unrelated to our national interest in promoting the common defense of the Western Hemisphere. It establishes a stricter standard than has heretofore obtained, providing that "military assistance may be furnished to other American republics only in furtherance of missions directly relating to the common defense of the Western Hemisphere, which are found by the President to be important to the security of the United States. The President annually shall review such findings and shall determine whether military assistance is necessary. Internal security requirements shall not be the basis for military assistance to American republics."

Mr. President, it is my belief that all three amendments are moderate in conception and constructive in purpose. But I seriously doubt whether the proposed military assistance program in Latin America can be intelligently debated on the floor of this Senate, unless much information concerning this program, which is now classified, is made public.

If the Senate is to have any satisfactory understanding of the program, it must have access to many details concerning it for use in open debate upon this floor. The disclosures I ask will not affect the security of the United States. Indeed, in our committee hearings, the classification of this information was justified, not on military grounds, but on grounds of administrative convenience.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. CHURCH. I am happy to yield.

Mr. MORSE. In spite of the lateness of the hour, but in view of what I believe to be the great work the Senator from Idaho has been doing in the Committee on Foreign Relations on the matter of secrecy in Government which is being imposed upon us by the Pentagon building through its classification procedure, I should like to make this point.

The Senator is aware that there is in the mutual security program an item for a missile tracking station in Brazil.

Mr. CHURCH. I am.

Mr. MORSE. The Senator is also aware that there is nothing secret about it. Is that correct?

Mr. CHURCH. That is correct.

Mr. MORSE. The Senator is aware of the fact, is he not, that it has appeared in the press, and is public knowledge, that we have a missile tracking station in Brazil. That is true, is it not?

Mr. CHURCH. That is absolutely true. That is not regarded as classified information.

Mr. MORSE. The only thing that is classified about it is what we are paying for it.

Mr. CHURCH. Exactly.

Mr. MORSE. Can the Senator from Idaho tell me what benefit it would be to Russia to know what we are paying for that tracking station?

Mr. CHURCH. That is the very point I had proposed to make. I am very thankful that the Senator from Oregon has raised it now. If it does not affect the safety of the United States to disclose to all the world that we have a tracking station off the coast of Brazil, and if it does not affect the safety of this country to expose to the world what the purpose of it is, then how on earth can it affect the safety of the United States not to tell the American people that we are paying for it?

Mr. MORSE. If the Senator from Idaho will yield for a moment longer, in order to support the position he is taking, I wish, for the RECORD, to express my opinion as to why we are not being told. It is because it is an outrageous price we are paying for it.

If the American people could be told what we are paying Brazil for that missile tracking station, they would know how right a group of us in the Senate on the Foreign Relations Committee have been for the past several years when we say, "The waste of millions of dollars in the mutual security program ought to be eliminated." This is just a small item, although on this small item—and I believe I can say this without violating any security—we are wasting millions of dollars. On this one item alone we are wasting millions of dollars. If the Pentagon were to disclose to the American people what an exceedingly inexcusable deal they made with Brazil on this missile tracking station, they would hear from the people.

But now I want to say to the people of the United States that this is only one of many such items in the bill. They all add up to hundreds and hundreds of millions of dollars which could be squeezed out of the mutual security bill, because it presently is in the form of what we call water waste in a budget, and the security of America would be stronger without such items. Do Senators know why? Because our economy would be stronger, and the greatest defense weapon which is involved in the whole mutual security program from the standpoint of military aid happens to be our own economy.

I shall make a statement later tonight as to why I voted against the bill providing appropriations for the Treasury. I could not vote for it because the Senate refused to adopt an amendment which in my judgment would have saved the taxpayers of the country several billion dollars, because we would have collected taxes which are now evaded, ducked, and dodged. I cannot vote for an appropriation bill for the Treasury which does not contain such an amendment, because, in effect, I fear what we are doing is taking America down the road traveled by France and Italy, trying to turn our country into one in which tax dodging becomes a proper procedure on the part of the American people.

I am for saving millions of dollars. Here is a chance, in the mutual security bill, to save several million dollars. What are we going to do? We cannot come to the floor of the Senate, as the Senator from Idaho points out, and give to the Senate reasons why I consider the amount for a missile tracking station in Brazil to be an inexcusable expenditure, because we cannot tell the people how bad the deal is. So when we ask for a cut, what do the American people say? They ask, "What are your specifics?" Our lips are sealed. That is why I want to give every support I can to the Senator from Idaho, the Senator from Montana, and other members of the committee who are trying to break through the great shield of secrecy which the administration has set up, behind which it hides its waste to the tune of hundreds of millions of dollars in the mutual security bill.

Mr. GRUENING. Mr. President, will the Senator yield for a question?

Mr. CHURCH. I yield.

Mr. GRUENING. Is it not a fact that the great extravagance in Brazil, the extent of which we are not permitted to know, naturally carries with it further extravagance, if we may judge from the analogy of Spain, where it is well known, and this is not classified information, that the United States has erected there a vast Military Establishment—Air Force, Army, and Navy—as a result of which we were told by the dictator of

Spain, Generalissimo Franco, that we had spent so much money there that it caused inflation; and that, therefore, we would have to spend a lot more money to combat that inflation?

As we read the nonclassified justifications on why we must spend much more money in Spain, we are told in these presentations that we must spend more money to maintain a pleasant attitude by the Spanish people toward our having bases in Spain on the basis that we have already established a project and must keep the people there liking it.

That means if Spain is an example, that the extravagance in Brazil will be followed by more extravagance, so that we can persuade the people of Brazil that we should keep our missile detection base there.

Mr. CHURCH. I reply to the question put to me by the junior Senator from Alaska by saying that the only way we will be able to reestablish this program so that it can more effectively serve the purposes for which it was intended, and the only way we will be able to eliminate excesses from the program, is by bringing the evidence out into the open, and let the ordinary processes of democracy work upon it. But once we conceal it unnecessarily and excessively, we will not accomplish that good; it cannot be done.

I concur wholeheartedly in the sentiments expressed by the junior Senator from Alaska.

I conclude by saying that in accordance with the colloquy which has taken place on the floor, I have written a letter to the Under Secretary of State, Mr. Douglas Dillon, requesting the prompt declassification of the dollar value of the military assistance furnished to each Latin American country up to and including the current fiscal year, 1959. Secondly, I have requested the executive branch to declassify and make public the details concerning the agreement entered into between the United States and Brazil which resulted in the United States being given, for a limited time, a right to occupy certain Brazilian territory for the purpose of maintaining a guided missile tracking station, in return for which the United States has agreed to furnish large amounts of military assistance to Brazil. The fact that the United States has established a guided missile station on the Brazilian island of Fernando de Noronha has been public information for some time. What we paid Brazil for the privilege has not been disclosed. Certainly the safety of the United States cannot be adversely affected by disclosing to the American people the rent we are paying Brazil for the temporary use of her island, if the fact of that use and its purpose may be disclosed. If the people are being gouged, they have a right to know it. How else are we going to put an end to the excesses in this program and reshape it to better accomplish the purposes for which it is intended?

I ask unanimous consent that the text of my letter be printed in the RECORD at this point, following the publication, in their respective order, of the amendments to which I have referred.

There being no objection, the amendments and letter were ordered to be printed in the RECORD, as follows:

EXHIBIT 1

On page 1, designate the existing language of section 101 as "(a)" and add subsection "(b) section 105(b)(4) which relates to conditions on military assistance to Latin America, is amended to read as follows:

" 'Military assistance may be furnished to the other American Republics only in furtherance of missions directly relating to the common defense of the Western Hemisphere, which are found by the President to be important to the security of the United States. The President annually shall review such findings and shall determine whether military assistance is necessary. Internal security requirements shall not be the basis for military assistance programs to American Republics.' "

On page 1, amend section 101 to read as follows:

"SECTION 101. Section 103(a) of the Mutual Security Act of 1954, as amended, which relates to military assistance, is amended by striking out '1959' and '$1,605,000,000' and substituting '1960' and '$1,570,500,000', respectively, and by inserting before the period ': *Provided*, That of this sum no more than $67,000,000 shall be available for military assistance to other American Republics.' ".

On page 9, after line 12, insert "(g) and the following new section:

" 'SEC. 550. INFORMATION POLICY. The President shall, in the reports required by section 534, or in response to requests from Members of the Congress, make public all information concerning the mutual security program not deemed by him to be incompatible with the security of the United States: *Provided*, That the security of the United States may not be deemed to require the withholding of information about past assistance under the program in one recipient country on account of the sensitivity of another recipient country.' ".

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
May 27, 1959.

The Honorable C. DOUGLAS DILLON,
Under Secretary of State for Economic Affairs, Department of State, Washington, D.C.

DEAR MR. SECRETARY: Following up my oral requests to you on Monday, May 25, 1959, during the hearing of the Committee on Foreign Relations on the mutual security program for fiscal year 1960, I make the following two requests of the executive branch:

First, I request that the dollar value of military assistance furnished to each Latin American country in the fiscal years 1959 and earlier be declassified. Second, I request the executive branch to declassify and make public the details concerning the agreement entered into between the United States and Brazil which resulted in the United States being given, for a limited time, a lease-hold right to occupy certain Brazilian territory for purposes of maintaining a guided missile tracking station, in return for a commitment by the United States to furnish given amounts of military assistance to Brazil.

I have given these subjects considerable study with the help of the classified presentation material prepared by the executive branch. I am persuaded that the security of the United States does not require the concealment of this information, and that its publication is essential to intelligent and informed debate upon this military assistance program, when the Mutual Security Act comes before the Senate for approval.

Sincerely,

FRANK CHURCH.

SELECTION OF ARMAND G. ERPF TO HEAD DEPARTMENT OF COMMERCE STUDY OF NATIONAL TRANSPORTATION POLICY

Mr. ANDERSON. Mr. President, many speakers today have commented on the fact that a railroad financier was selected by Admiral Strauss to hear the transportation study which the Department of Commerce believes to be essential. It is not a new story for many of us that individuals who hold positions of responsibility with firms directly connected with an enterprise to which they are devoting their attention are directed to look at it and decide what needs to be done. I was particularly disappointed that when Mr. Erpf was asked about his role in this Government activity; whether or not there might be a conflict of interest; and whether he could be fair to trucks, ships, and airlines, in the light of Loeb's holding of railroad stock, he replied:

This reminds me of a Marxian notion.

When the first arguments started over the propriety of the selection of Admiral Strauss to be Secretary of Commerce, many columns were written about how much joy the Communists would receive if Admiral Strauss might be defeated. Many things were said about individuals who were opposed to him. Always, it seemed to me in connection with those comments about what was thought by individuals who had an ideology different from that embraced by most Americans, the fact would be mentioned that the Senator from Tennessee [Mr. KEFAUVER] and the junior Senator from New Mexico were involved in that fight.

It is not very pleasant, day after day, to be identified with those groups merely because a position has been taken with reference to the competency of an individual. I thought that in this article there was one very interesting paragraph, in which Mr. Erpf described his $321,000 holding in Seaboard Railroad as a small investment. That is his idea, to be sure, of a small investment, because the firm with which he is connected as a partner had, according to the article, which I believe to be correct, and which I have checked partially and found to be correct, shares worth $22 million at Tuesday's closing prices.

I assume, too, that if he were asked about that, Mr. Erpf would say, "What is $22 million? There are billions of dollars of values on the Big Board, and this $22 million is a very small investment."

I believe there is a line somewhere in Scripture which suggests that where one's treasure is, there also shall his heart be. I have a notion that when Mr. Erpf is called upon to decide what to do in his transportation study, he will not forget that a very substantial fortune of his own is invested in rail stocks, and that the value of the holdings in the name of his partnership runs to more than $22 million.

When he was asked whether he would take the job, Mr. Erpf said, according to the reporter, who I know to be reliable, that Mr. Strauss had asked him to head

the study last February, but that he had not yet taken the post because the Senate has not confirmed the nomination of Mr. Strauss to be Secretary of Commerce.

When he was asked if he would accept the offer if the Senate confirmed the nomination of Admiral Strauss, Erpf said: "I suppose so."

I only suggest that that adds a little to the interest in the confirmation of the nomination, because it suggests that if that confirmation takes place, the study of the whole rail problem of America will fall into the hands of Wall Street individuals.

Mr. President, I said this is not a new story.

In the year 1956, a very young newspaperman in Denver came to me with a suggestion that the Joint Committee on Atomic Energy should make a study of the method by which one banking firm in New York and its affiliates had woven a complete web in the control of uranium mills. He said he had made the suggestion to the Department of Justice, and I found that other people had made a similar suggestion to the Department of Justice. But no particular investigation ever was undertaken there.

I have some notes which that newsman sent me under date of September 17, 1956. He said to look at the cast of characters and their known connections. He started with Kuhn, Loeb & Co., of New York. He mentioned the fact that Lewis L. Strauss, the Chairman of the Atomic Energy Commission, was associated with Kuhn, Loeb & Co. from 1919 to 1947; and he pointed out that Mr. Strauss became a partner in 1929, and resigned from his active role in 1946, and resigned his partnership in 1947, after he became an Atomic Energy Commission member.

That newspaperman wondered whether that barred Mr. Strauss from ever returning to the firm. But the newspaperman pointed out to me that Benjamin J. Buttenweiser, a limited Kuhn, Loeb & Co. partner, was out of the firm 2 years—from 1929 through 1931—while he was serving as Assistant U.S. High Commissioner for Germany, but that when he quit that post, he was promptly taken back into the firm. That fact was mentioned by that person, and by others who had been talking to the Department of Justice, as evidence that these individuals do not separate themselves from their responsibilities, but return to them and retain their rights.

In addition to Mr. Strauss, there was Percy M. Stewart, a general partner in Kuhn, Loeb & Co., who is a director of Uranium Reduction Co., one of the dozen or so private firms mining uranium or then about to do so. The statement to which I refer was a statement that newspaperman made in 1956. I have been to the plant of the Uranium Reduction Co., in Utah. It is a very large and, I must say, a very well-organized plant. But always there comes back into the picture as a director a member of the firm of Kuhn, Loeb & Co. to tie that firm into these organizations.

Sir William G. E. Wiseman was a partner of Kuhn, Loeb & Co. in 1956. He was a partner of the Transoceanic Development Corp., Ltd., formed in September 1955, by Kuhn, Loeb & Co., S. G. Warburg & Co., of London, headed by Frederick M. Warburg, another Kuhn, Loeb & Co., partner, and by the First Boston Corp. Of course, the First Boston Corp. is not unknown to many of us. The First Boston Corp. was the philanthropic institution which sent Mr. Wenzell to take charge of the first study of the Tennessee Valley Authority; and then he became the man whose conflict of interest caused the raising of question when he was the financial adviser to the Bureau of the Budget, and also was recognized as vice president of the First Boston Corp.

Mr. MORSE. Mr. President, at this point will the Senator from New Mexico yield?

Mr. ANDERSON. I am happy to yield to the Senator from Oregon.

Mr. MORSE. Is it not true that Mr. Wenzell's activities in connection with the famous Dixon-Yates contract, with the full knowledge of Mr. Strauss, resulted in legal action by the Attorney General of the United States to have that contract set aside, because of the conflict-of-interest activity of Mr. Wenzell, who was there with the full knowledge of Mr. Strauss? Is not that true?

Mr. ANDERSON. Yes; but I call attention to the fact that the Transoceanic Development Co. was formed in September 1955 by these organizations.

What was it that suddenly called upon Kuhn, Loeb & Co. and the First Boston Corp. to put some assets into it? I do not know; but I do say that, strangely, this man who lived in London was able to get in on these transactions in fairly good shape.

I have many times had my attention called to a chart which that Denver financial reporter worked out, in which he traced all the interlocking directorships between these uranium companies, all leading finally to concerns in Wall Street.

Frederick M. Warburg, another general partner of Kuhn, Loeb & Co., is a grandson of Solomon Loeb, one of the original founders of Kuhn, Loeb & Co. Frederick M. Warburg lives in London. But a recent article states that Frederick M. Warburg's brother, Paul Felix Warburg, makes his office with Carl M. Loeb, Rhoades & Co., the same office from which this Department of Commerce transportation study manager has been picked. These people seem to work fairly well together.

Some persons may say that Carl M. Loeb, Rhoades & Co. had no part in it; but Carl M. Loeb Jr., of that firm is a director of American Metals Co., and Climax Molybdenum Co., to which I shall refer later because it has a very large property. Interestingly enough, Mr. President, the New York City telephone number of Carl M. Loeb, Rhoades & Co. is Whitehall 3-4000; and the telephone number of Paul Felix Warburg is Whitehall 3-4000. Somehow, they seem to get together and to know each other fairly well.

A footnote on American Metals Co., Climax Molybdenum Co., Kuhn, Loeb & Co., and so forth, was published in the magazine to which I have referred, which appeared in June 1955. That footnote reads as follows:

> The New Yorker, in a piece by Geoffrey T. Hellman June 11, 1955, pages 31–33, says this: "Frederick M. Warburg's brother Paul Felix Warburg (now 51 and nicknamed "Piggy") is an investor who makes his office with Carl M. Loeb, Rhoades & Co. These are apparently very desirable people to make an office with. The Loeb, Rhoades Loebs are not related to the Kuhn, Loeb Loebs but they are doing nicely. They are the American Metal, Climax Molybdenum, Loebs."

That reporter went on to trace—although I do not intend to do so at this late hour—associations which run through various American corporations, to the point where he realized that the entire American uranium business was directed in 1954 and 1955 and 1956 in such a way as to constitute a pattern which brought Kuhn, Loeb & Co. and various of these other companies, including the First Boston Corp., into these ventures.

I only say that it is a very strange thing that, having brought to Kuhn, Loeb & Co. and the First Boston Corp. the Dixon-Yates deal, which became so hot that they had to drop it, even to the point of breaking off from a contract by which they stood to make a profit of $140 million from an investment of $5 million, now, when it is desired to have a transportation study made, the Secretary of Commerce brings in a man from a Wall Street firm which has associations with these very companies; a man who would have us believe he is disinterested because the partnership of which he is a member has only $20 million worth of railroad securities listed in its name.

I say that if the study to which I have referred, which was made by that newspaperman, had been continued, it might very well have been explored along such lines.

There has been a great deal of talk about secrecy and about the power of the Executive to withhold from the committees of Congress matters which should be brought out into the open.

Mr. President, I believe it my duty to bring to your attention and that of the U.S. Senate the latest incident in the saga of Lewis Strauss. This incident occurred too late to be brought up in the hearings before the Committee on Interstate and Foreign Commerce which closed on May 14.

I believe it illustrates quite well the manner of man whose nomination we are asked to confirm, and his determination that if his nomination to be Secretary of Commerce is confirmed, he will follow the same path with Congress that he followed when he was in the Atomic Energy Commission.

This incident began in November 1958, when the Joint Committee sought to review some patent applications pertaining to atomic energy in the Patent Office as a part of its consideration of whether to extend the compulsory licensing provisions of the Atomic Energy Act beyond September 1959.

Mr. President, I digress here to say that this is a matter which is reason-

ably well known. The Joint Committee recognizes that the 5-year limitation will expire this fall. There was a problem as to what the committee should do about that matter. Many patent attorneys felt we should allow the patenting of these atomic devices.

The Atomic Energy Commission—and let me say I hope I am stating this matter correctly—leaned to the theory that Congress should extend the law for a few years.

The Joint Committee on Atomic Energy, in attempting to ascertain what road it should follow, sought to obtain from the Department of Commerce information on the types of patent applications which are being made; and it was because of the desire of the committee to know what it should do in regard to that legislation, which comes up for renewal this very year, and must be handled in the next 60 days, that the inquiry was made. It was not an idle gesture. We were not just "smelling around" to see what we might find out. We were proceeding under a law passed by Congress, and signed by the present President of the United States, to find out what the committee should do in regard to this very troublesome patent situation; and we tried to do it as well as we knew how. But our effort ended, at least temporarily, with a letter from Secretary of Commerce Lewis Strauss, dated May 20, 1959—after the hearing was over—denying the Joint Committee access to these patent applications—a letter which could very well establish a very dangerous precedent for the Congress of the United States.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. ANDERSON. Yes, I am happy to yield to the Senator from Oregon.

Mr. MORSE. I want to be sure I understand this situation. Does the Senator recall that in 1954 we had in the Senate what was known as the administration atomic energy bill?

Mr. ANDERSON. Yes, indeed.

Mr. MORSE. Does the Senator recall it was his leadership, in my judgment, probably more than anyone else's, which resulted in a course of action in the Senate that denied to the Republican majority leader of the Senate at that time success in his attempt to get the Senate to vote on that bill the very afternoon it was brought to the floor of the Senate? Does the Senator recall that the Republican majority leader wanted a unanimous-consent agreement to vote on the bill, of more than 100 pages, that very afternoon?

Mr. ANDERSON. I do not recall whether he asked for a unanimous-consent agreement, but I remember his words very well, because he indicated that there was a whole series of bills he wanted to take up, and the Senate would be only a very short time on the atomic energy bill. I rose to the floor at that time and said if the distinguished majority leader had any theory that we were going to finish up that bill and a whole series of other bills that afternoon, he was doomed to disappointment. I spoke that afternoon for 1¾ hours. I spoke the next afternoon for 5 hours and a half. Then I laid down my burden temporarily, and others took it up for 13 days, until we obtained a promise that we would start voting on some very troublesome matters.

Of course, I will have to be corrected if I am wrong, but now that the Senator from Oregon has mentioned it, I am reasonably sure that the distinguished Senator from Oklahoma [Mr. KERR], a most able lawyer, offered the patent provision which finally went into the bill. Not only that, but the then able Senator from Colorado, Mr. Ed Johnson, now no longer a Member of this body, but then one of its highly respected Members, picked up an amendment drafted by the Senator from Minnesota [Mr. HUMPHREY] which dealt with the REA's, and which the Senator from Minnesota had planned to offer. The Senator from Minnesota handed it to Senator Johnson and said, "Maybe a more conservative Member ought to offer this amendment"—which I thought was a fine gesture on the part of the Senator from Minnesota, because he was trying to win this battle on principle. Senator Johnson did offer the amendment, trying to get certain language written into that awful bill. That amendment carried, as did the amendment offered by the Senator from Oklahoma [Mr. KERR]. It was a long and bitter and hard fight, but in that long, bitter, and hard fight we finally protected the patent situation, so that the people of the United States, who had spent $12 billion of their treasure to develop atomic energy, did not lose the rights for which they had paid.

Mr. MORSE. Mr. President, will the Senator yield further?

Mr. ANDERSON. I yield.

Mr. MORSE. I want to be a witness to the accuracy of everything the Senator from New Mexico has just said. Now I wish to refresh his memory a bit further, because it bears on a series of questions I am going to ask him when I finish the recitation of the history of the atomic energy bill fight in 1954.

How well I remember it. The majority leader at that time happened to be Senator Knowland of California. He asked for a unanimous-consent agreement to vote on that bill that afternoon, and it was the very afternoon it had come to the floor of the Senate. Under the rules of the Senate, it required unanimous consent to vote on the bill the afternoon it was brought to the floor. Objection by any Senator would prevent consideration. I objected, and the CONGRESSIONAL RECORD will show an interesting exchange between the then Senator from California and the Senator from Oregon, in which the Senator from California said, in effect, if he could not get a unanimous-consent agreement from the Senator from Oregon, the Senator from Oregon could start talking.

The RECORD will show I said to the Senator from California that what he was really proposing was an abolition of the unanimous-consent rule of the Senate. I said, "Why do you not propose to abolish it and see how many votes you will get?"

The RECORD will show I said, "I will tell you 95 votes you will not get, and if the Senator from California will reflect, he himself will not vote for it, because that unanimous-consent rule was adopted to protect the very interest the Senator from Oregon seeks to protect this afternoon."

I started talking. Then the Senator from New Mexico took over. The Senator is quite right. We debated the bill for 13 days and 6 nights. I held the graveyard shift for 2 of those nights. It was on that night, at the hour of 2 a.m. that a Time magazine, or a Life magazine—it makes no difference which; they are both Luce publications—photographer slipped through the door to my right in the visitors galley and took an illegal picture of the Senator from Oregon, who was then an Independent, standing on the Republican side of the aisle, debating with the Senator from California at 2 or 3 o'clock in the morning. There were some Democrats here then—not too many, but quite a few.

The Senator from New Mexico will recall during the 1956 campaign Republicans cropped that picture. They eliminated the Senator from California from the scene, and left in it only the Senator from Oregon. They cropped the picture so the lights of the Senate Chamber did not show, and sought to give the impression that I was talking to empty seats—which I sometimes do, and it does not bother me. I talk to the RECORD, and, through the RECORD, to the American people.

I cite the debate because that is how the debate started in 1954. The Senator from New Mexico will remember that prolonged debate. I call it a filibuster, because I knew what I was doing. I was filibustering in order to get the time that the American people needed to understand the kind of raid the Eisenhower administration was making against the American people on the atomic energy program, because the American people, as I said over and over again in that debate, as did the Senator from New Mexico, had paid between $12 billion and $14 billion as the total cost of the entire atomic energy program. The private utilities and other companies had not invested a red sou in that program. In fact, they had been very well paid by the Federal Government to help administer the program during the war. As a result of that 13-day and 6-night debate we added to the atomic energy bill a whole series of amendments, not one of which would have been added to the bill had we yielded to the then majority leader that first afternoon and given consent to let him steamroller that atomic energy bill through the Senate.

One of those amendments was the amendment which sought to protect the rights of the American people in the whole field of patents. And now the Senator from New Mexico again, on May 28, 1959, again raises in the Senate this whole issue of patents in the field of atomic energy, in which the American people have a great vested interest, and in regard to which the Senate of the United States has a solemn

trust to see to it that the interests of the American people are protected.

Now, am I correct in my understanding that what the Senator from New Mexico has just said is that the Joint Committee is concerned about what our legislative program and policy should be in regard to patents, because our 1954 patent amendment is about to run out?

Mr. ANDERSON. It had a 5-year life.

Mr. MORSE. It had a 5-year life. Now we are here on May 28, 1959, considering again the question of what legislation, if any, we should enact to protect the interests of the taxpayers, in the whole field of patents in relation to atomic energy, particularly in view of the fact that the American taxpayers paid for the whole cost of the program in the beginning.

Do I correctly understand the Senator from New Mexico to say that the now acting Secretary of Commerce, Mr. Strauss, who never should have been appointed in the first place, because, in my opinion, he possesses neither the character nor the competency which entitles him to the post, is now taking the position that he is not going to make available to the Senate and to the House of Representatives of the U.S. Congress the information in the Patent Office, over which he has jurisdiction, as Acting Secretary of Commerce, so that we can judge, on the basis of the applications pending for patents in the field of atomic energy, what legislation, if any, we ought to pass to protect the public interest?

Mr. ANDERSON. That is exactly correct. He has taken the position that these matters are privileged; that the law says he has to keep the secrets of the Patent Office to himself, and that he is going to keep them to himself. He is not going to allow us to take a look at them.

The history will show, according to the excerpts which I hope to put in the RECORD later, that I said, "This committee is not composed of 'blabbermouths.' This is a committee which can be trusted with the design of every weapon we now have in our stockpile. This is a committee which can be trusted with the design of every weapon we hope will come into the production lines by 1960. This is a committee which can be trusted with the secrets of what we hope to have in the way of facilities by 1965."

I can testify that I have seen designs of weapons which the American public may be seeing come off the production lines by 1970.

We can have all that information, but we cannot take a peek at a single patent application.

Mr. MORSE. Mr. President, will the Senator yield further?

Mr. ANDERSON. I yield.

Mr. MORSE. Mr. President, in view of the information which the great Senator from New Mexico [Mr. ANDERSON], who in my book is the personification of integrity, has just disclosed to the Senate, I want to say—and I speak with great restraint—that the report on Admiral Strauss just given to us by the Senator from New Mexico, in my judgment, proves him to be an enemy of democratic processes under our system of democratic government. It proves to me that this man seeks to use, and to use wrongfully and incorrectly, the so-called doctrine of executive privilege, to deny to the American people the facts which their legislators must have in order to pass the necessary laws to protect the interests of the people in the whole field of patents in relation to atomic energy.

I want to say, with great restraint, Mr. President, to the President of the United States, "You owe it to the American people to withdraw Strauss' name at once, because he has demonstrated by his course of action, as shown by what the Senator from New Mexico has placed in the RECORD, that he is an enemy of the people. He is an enemy of democratic government. He would hide behind the facade of executive privilege to follow what amounts to a police state tactic, which one would expect in Russia, but for which there is no place in the United States of America."

I want to say to my colleagues present tonight that, with respect to the historic debate which will take place some days hence, I stand ready to exercise the parliamentary rights available under the rules of the Senate of the United States to do whatever is necessary to prevent this enemy of the people from having his nomination ever confirmed. There comes a time, Mr. President, in the Senate of the United States, when every Member has to be loyal to the dictates of his conscience, when he becomes convinced that a man such as Strauss might have his nomination go through the Senate because of the danger that there may be a sufficient number of our colleagues who might not take the time to study the horrendous record of disqualifications which Strauss possesses.

I happen to think, Mr. President, the interests of the American people in this matter are so great that we ought to make it very clear to the Administration that this will be the battle of this session of Congress, if enough Senators will stand up for whatever period of time it takes to prevent this enemy of the people from having his nomination confirmed.

I volunteer here and now as a recruit in the rear ranks of debate to see to it that the rules of the Senate are used, if necessary, to prevent this man, this enemy of the people, from ever having his nomination confirmed.

I hope the President, before it is too late, will read the record which the Senator from New Mexico is making tonight, to see for himself that he has made a great mistake in this appointment, and will ask this man to withdraw.

Mr. ANDERSON. I thank the Senator from Oregon. I think the story ought to be told in some consecutive fashion, and I intend to do it.

The story begins as follows:

Chairman CARL DURHAM wrote to the Patent Office—which is a part of the Department of Commerce—and formally requested opportunity for the Joint Committee staff to review atomic energy applications in the Patent Office, citing as his authority that part of section 202 of the Atomic Energy Act which provides as follows:

> Any Government agency shall furnish any information requested by the Joint Committee with respect to the activities or responsibilities of that agency in the field of atomic energy,

The Patent Office declined to permit the Joint Committee staff the opportunity to review these atomic energy applications, which were obviously related to the Joint Committee's legislative responsibilities. This correspondence is set forth in the Joint Committee print on patents, dated March 1959, at pages 126 to 129.

In the meantime, the Joint Committee attempted to make do with reviewing subject matter lists and digests of copies of the patent applications which were in the custody of the Atomic Energy Commission. The AEC, under Chairman McCone and General Counsel Olson, made clear that it would make any patent applications in its custody available to the Joint Committee under section 202. This was discussed in our patent hearings this spring, as shown in the excerpts which I shall attach to my statement.

In hearings held on April 21, 1959 by the Subcommittee on Legislation, under Subcommittee Chairman CHET HOLIFIELD, we sought to find out the basis of the denial by the Patent Office of the Joint Committee's need for information on atomic energy patent applications. It became apparent that the Patent Office was relying on a literal or legalistic interpretation of section 202 to the effect that a patent application did not constitute an activity or responsibility about which it had an obligation to provide any information. The Patent Office also called attention to a provision of their law which provided that patent applications should be held in confidence by the Patent Office, unless necessary to carry out the provisions of any act of Congress.

We pointed out that section 202 of the Atomic Energy Act of 1954 was a provision of an act of Congress falling within the above exception. We also pointed out that the provisions of section 202 as to activities and responsibilities had been construed very broadly in the legislative history of this section.

During the testimony it became clear that the Patent Office had not reviewed the legislative history of section 202. At page 103 of the transcript the following colloquy took place:

> Chairman ANDERSON. You did read the legislative history of section 202 before you interpreted it, did you not? You had your counsel do that, I am sure, did you?
>
> Mr. CROCKER (Deputy Commissioner). No; we did not.
>
> Chairman ANDERSON. Why not? How do you interpret laws without looking up the legislative history?

Following this discussion I attempted to educate the Commissioner of Patents and his staff on the broad legislative interpretation of section 202, citing authoritative interpretations by Representative Cole and Senator HICKEN-

LOOPER, the joint authors of the Cole-Hickenlooper Act. When the Patent Commissioner would not budge, I reluctantly concluded that we had better explore a possible amendment to require this specific information, if necessary.

Following the hearing, Subcommittee Chairman HOLIFIELD, in a letter dated May 4, 1959, decided to give Secretary Lewis Strauss an opportunity to get off the hook gracefully, calling his attention to the fact that the Patent Office did not consider the legislative history of section 202, and requesting a reexamination of its position in light of the background of section 202.

I need not remind my colleagues that Mr. Strauss must have been thoroughly aware of the legislative history and practice under section 202. His tenure as Chairman of AEC was replete with questions as to how he met his obligations under this section. During my testimony before the Commerce Committee early in May with Mr. Strauss present, I covered in great detail the legislative history of section 202, together with examples of its violation.

Despite all this background, Mr. HOLIFIELD received a rather surprising letter from Mr. Strauss, dated May 20, enclosing a report by the Commissioner of Patents, dated May 18. The opinion of the Commissioner of Patents reaffirmed the denial of the Joint Committee's right to review atomic energy patent applications, but he came up with a new legal basis for the denial which has far-reaching implications.

During a rather superficial review of the legislative history of section 202, Commissioner Watson's opinion made reference to the following discussion of section 202 in the debate on the Atomic Energy Act of 1954:

Section 202, per se, does not appear to have been discussed in the congressional debates prior to the enactment of the Atomic Energy Act of 1954. However, those debates do not contain the following statements relating to the authority and duty of the Joint Committee.

In the CONGRESSIONAL RECORD, volume 100, part 8, page 10695 (column 2, line 11) Senator HICKENLOOPER stated:

"It is the duty of the Atomic Energy Commission to keep the joint committee currently and fully informed upon all actions of the Commission. That is an all-inclusive provision. It does not apply only to contracts, but it includes contracts. It includes all actions of the Commission."

Later (same page, col. 2), in answering an inquiry as to whether the Bureau of the Budget had notified the Joint Committee that a particular contract was being considered, Senator HICKENLOOPER said:

"There is no legal obligation on the part of the Bureau of the Budget to notify the Joint Committee about anything. There is a legal obligation on the part of the Atomic Energy Commission to keep the Joint Committee fully and currently informed. Once such a matter gets into the hands of the Atomic Energy Commission, the Commission is obligated to notify the Joint Committee on Atomic Energy."

Following this, Commissioner Watson drew the following conclusion:

I have given full and careful consideration to the foregoing legislative history of the Atomic Energy Act of 1954. I remain firm in the opinions and views expressed at the hearing on April 21, and in the conclusion that no provision of section 202 of that act authorizes me to afford the Joint Committee direct access to pending applications for patents in the field of atomic energy. The conclusion is believed confirmed by the statements of Senator HICKENLOOPER, quoted above, relative to the duty of the Bureau of the Budget.

The language in the reports of June 30, 1954, that all Government agencies are required to furnish any information relating to atomic energy requested by the Joint Committee, standing alone, might appear broad enough to be a basis for an argument to the contrary. That language, however, must be interpreted in the light of Senator HICKENLOOPER'S suggestion that the Bureau of the Budget (necessarily encompassed in the definition of a Government agency discussed above) is under no legal obligations to give the Joint Committee information about its actions in the field of atomic energy, but that the Atomic Energy Commission is under the obligation to keep the Joint Committee fully and currently informed. I am of the opinion that the Patent Office stands in the same relation to the Joint Committee as the Bureau of the Budget.

Mr. Strauss in his letter to Mr. HOLIFIELD endorsed this conclusion and reasoning as follows:

As indicated in the report, he remains firm in the opinions and views expressed by him at the hearing on April 21, 1959, and in his conclusion that no provision of section 202 of that act authorizes him to afford the Joint Committee direct access to pending applications for patent in the field of atomic energy. Those views and opinions and that conclusion I share. The conclusion is believed to be fully supported by the statements of Senator HICKENLOOPER, quoted in the report.

Following this in typical fashion, Mr. Strauss indicates that he agrees that it is incongruous that the Joint Committee should be denied direct access to atomic energy patents applications, and he says the law should be amended.

If it is so incongruous, why not interpret the law as it shows on its face? Instead, Mr. Strauss piously cuts us off from patent applications. Why?

Perhaps we have a clue in the language which Mr. Strauss endorses so carefully:

The Patent Office stands in the same relation to the Joint Committee as the Bureau of the Budget.

Does this have a familiar ring? Does this sound like Dixon-Yates? It certainly does. And it should. For Senator HICKENLOOPER was referring to the Dixon-Yates contract situation, when he said that the Bureau of the Budget has no obligation to inform the Joint Committee about anything. He was obviously referring to the alleged privilege that agencies in the Executive Office of the President may exercise.

But does this apply to agencies and offices in the Department of Commerce? Every agency and office in the Department, including the Secretary's Office, could trump up some statutory or other reason why access to a contract, report, or other informational material can be denied to the Joint Committee. And thus the Secretary of Commerce can follow his devious path in the field of nuclear ships and atomic radiation without the Joint Committee having access to any of the fixed contracts or doctored reports.

He will say it is incongruous and he will be so sorry, but it will be necessary to amend section 202 in order to get at the specific documents, because the Bureau of Standards or the Maritime Commission will stand in the same relation to the Joint Committee as does the Bureau of the Budget.

Mr. President, I was willing to consider a special amendment to section 202 in order to get at patent applications, but I cannot do it on the basis that the offices and agencies in the Department of Commerce stand in the same relation to the Joint Committee as does the Bureau of the Budget. Obviously the Congress cannot amend a broad general law such as section 202 each time it is necessary to get at a series of documents. I submit that Mr. Strauss, in his inimitable fashion, is trying to establish a precedent for freezing out Congress, including the Joint Committee on Atomic Energy and the Interstate and Foreign Commerce Committee, from a proper review of his activities when, and if, his nomination is confirmed.

This Senate has now been officially notified how he will use the Bureau of the Budget and its denial of information on the Dixon-Yates contract as his precedent to deny the Congress needed information.

Mr. President, I ask unanimous consent to include in the RECORD excerpts from our patent hearings on this question, and the letters of Mr. Holifield, Mr. Strauss, and Commissioner Watson.

I believe a fair perusal of this statement and the background material should assist in appraising what Senators might wish to bear in mind when voting on the nomination for Secretary of Commerce.

There being no objection, the material referred to was ordered to be printed in the RECORD, as follows:

EXCERPTS FROM HEARINGS, APRIL 21, 1959, BY SUBCOMMITTEE ON LEGISLATION OF THE JOINT COMMITTEE ON ATOMIC ENERGY, CONCERNING ATOMIC ENERGY PATENT MATTERS

I. Questions by Senator ANDERSON to AEC General Counsel Olson and AEC Patent Counsel Roland Anderson concerning proposed changes to Atomic Energy Act of 1954 to permit AEC to hold patent applications in confidence unless necessary to carry out the provisions of any act of Congress.

"Chairman ANDERSON. I did want to ask you about this bottom paragraph on page 13.

" 'Even though the Commission has considered and continues to consider these reports as "business confidential," proposed paragraph "e" would give statutory approval to the existing practice.'

"Does that mean confidential as against the Joint Committee?

"Mr. ROLAND ANDERSON. No, sir.

"Chairman ANDERSON. You know, we have had some experience on this. We had a little material that was submitted in advance, if you have with you this selected material on Atomic Energy Patents Publication with you, you will see on page 126 where the Patent Office wrote to Mr. Diamond, the Associate General Counsel of the AEC, talking about the fact that a request by the joint congressional committee for access to copies of patent applications and statements transmitted to the Atomic Energy Commission 'in our present view if such a request were made to the Patent Office the recommendation would be that it be reviewed.'

"Then Mr. Durham sent a letter to Mr. Watson, pointing out that there were certain requirements in the atomic energy law that we be kept informed.

"Then, as you will see on page 128, letters came back still saying that the Joint Committee should not have any access to these things.

"Mr. OLSON. Senator ANDERSON, we were genuinely concerned about what we were entitled to do there, but you will note in the language we are proposing in the amendment we expressly take care of that point.

"Chairman ANDERSON. How do you take care of it? That is my question. So that the committee can have access to these things.

"Mr. OLSON. By providing that no information concerning the same given without authority of the inventor or owner unless necessary to carry out the provisions of any act of Congress. I thought 202 would be embraced by that, sir.

"Chairman ANDERSON. We are trying to get a legislative history. Is it to be regarded that it is embraced?

"Mr. OLSON. That is our intention, sir.

"Mr. TOLL. This is the same language as is in the Patent Office Act and they interpret it the other way.

"Mr. OLSON. Mr. Toll, we feel that being in our act it will have a little different interpretation.

"Chairman ANDERSON. You point out that the form proposed for subsection 'e' follows closely the language of title 35 United States Code, section 122, which governs the treatment of patent applications by the U.S. Patent Office.

"It is that very application that made them come right back and say that they would not give us the information.

"Mr. OLSON. Our intention was that in putting in our act, sir, along with section 202 which is in this same act, it would permit us to transmit such information to this committee.

"Chairman ANDERSON. Supposing the Patent Office says, 'we don't interpret it that way.' Then we have to wait and come back in 2 more years and try again.

"Mr. OLSON. We have established the precedent by already transmitting such information. We are stating of record that it is our intent that this should permit us to continue to do that. If stronger language is required we would be glad to collaborate in preparing it." (Pp. 76 through 79 of April 21, 1959, hearings.)

II. Questions by Senator ANDERSON to Patent Commissioner (Department of Commerce) Watson and Deputy Commissioner Croker concerning denial of Joint Committee access to atomic energy patent applications in Patent Office.

"Chairman ANDERSON. I want to get back to the question I raised a moment ago, Mr. Watson. I guess you heard the question I directed a minute ago. If the Joint Committee requests access to patent applications in your office in order to obtain information to consider legislation relating to atomic energy patents, if this bill is passed, can you deny access to the Joint Committee?

"Mr. WATSON. That is our custom and we believe it to be a correct one.

"Chairman ANDERSON. You believe it to be what?

"Mr. WATSON. We believe it to be correct in that we have authority to divulge the contents of patent applications to the Atomic Energy Commission, but to no one else.

"Chairman ANDERSON. To the Atomic Energy Commission and no one else. Chapter 17 of the Atomic Energy legislation reads: 'Any Government agency shall furnish any information requested by the Joint Committee with respect to activities or responsibilities of that agency in the field of Atomic Energy.'

"That law came in 1954, and that law was passed after the statute on which you rely.

"Would you think that that action in any way was a repealer of the statute on which you rely?

"Mr. WATSON. We do.

"Chairman ANDERSON. How could we get it so you would understand what the Congress meant? Would we have to put in there that you shall be required to furnish this access? It says any Government agency. The Patent Office is a Government agency, is it not?

"Mr. WATSON. It certainly is.

"Chairman ANDERSON. You recognize the Joint Committee requested the information, don't you?

"Mr. WATSON. Yes.

"Chairman ANDERSON. We request with reference to the activities and responsibilities of your agency in the field of atomic energy, did we not?

"Mr. WATSON. Yes.

"Chairman ANDERSON. And you declined it on a law passed ahead of the time that the law I referred to was passed. Now why?

"Mr. WATSON. Do you understand that all applications submitted to the U.S. Patent Office are preserved in confidence and maintained in secrecy, except in our view the right of the Patent Office to disclose to the defense agencies and the Atomic Energy Commission.

"Chairman ANDERSON. Does it say that?

" 'Applications for patents'—I am reading from the law you depend on—'shall be kept in confidence by the Patent Office and no information concerning the same given without authority of the applicant or owner unless necessary to carry out the provisions of any act of Congress.'

"Where do you get just the Defense Establishment? The 1954 act was enacted by Congress, wasn't it?

"Mr. WATSON. Yes.

"Chairman ANDERSON. Isn't that covered under this section pretty clearly then?

"Mr. WATSON. There is a distinction between our activity and the property rights of others disclosed in patent applications.

"Chairman ANDERSON. Would you tell me how that relates to the language I just read you?

"Mr. WATSON. Sir?

"Chairman ANDERSON. Would you tell me how that relates to the language I just read you? If the language says that you have to keep it confidential unless necessary to carry out the provisions of any act of Congress, and an act of Congress came along after this was passed and required you to give the Joint Committee information, what does this recent statement of yours mean in connection with it? Does it mean anything?

"Mr. CROCKER. Could I speak to that question, sir?

"Chairman ANDERSON. Anybody who wants to.

"Mr. CROCKER. We have supplied the Joint Committee with information in regard to the activity, but not with regard to specific information concerning particular applications. I think that is where we attempt to draw the line.

"Chairman ANDERSON. How do we know whether to extend the patent law 5 years or 1 year or not extend it at all unless we found out the sort of things that the Atomic Energy Commission has been handling through your office? They send us up a bill and say, give us 5 more years. Are we supposed to hold our nose and pass it without going to see what has been going on, in your estimation?" (Pp. 93–96 of April 21, 1959, transcript.)

"Chairman ANDERSON. Isn't it amazing that the Atomic Energy Commission, which has all sorts of requirements for secrecy put upon it communicates to this committee material about weapons, the design of weapons, stockpiles, everything of that nature, and doesn't worry too much about it? But the Patent Office feels that the Republic will fall if it happens to let us know something about it.

"The CIA comes in and tells us everything that comes in Russia or all over the world.

"The Patent Office says, 'take a chance on it if you want to, but we are not going to tell them anything.' I don't understand your attitude. What are you worried about? That we are going to rush out and manufacture this ourselves?

"Mr. WATSON. No. I would say this: The fact that we decline to transmit this information to you is certainly no reflection upon your patriotism or your right to know the secrets of the country.

"Chairman ANDERSON. Not on patriotism but it is upon our judgment or something. You just say these are matches you can't play with. You can go out and get a bomb, but don't get hold of one of these pieces of papers that is an application for a patent that leads up to the development of that bomb. It is not just activities. It is activities and responsibilities.

"I am just trying to find out from you what we have to write in the law so that this committee can discharge its responsibilities by trying to protect these people who are seeking patents. Are we going to have to put the words 'information, contents of applications,' and how many more things? We have to put that in?

"Mr. WATSON. That would make it very clear to us." (Pp. 99–100 of April 21, 1959, transcript.)

III. As to the legislative history of section 202, the following exchange took place:

"Chairman ANDERSON. I am only trying to say that I believe we measured up to our responsibilities. You declined to give it to us. The Commission furnished it to us. We have not broadcast this material. This has been kept in complete confidence.

"I don't know what you are worried about. I really don't. This is not a committee that I think has been noted to be blabbermouths. Quite the reverse. It is hard to understand.

"Congressman Cole was talking to the then Chairman of the Atomic Energy Commission, and he said:

" 'I want to ask you with reference to a subsection of a section of existing law.' He read the one about the committee:

" ' "The Atomic Energy Commission shall keep the Joint Committee fully and currently informed with respect to the Commission's activities."

" 'My interpretation of that sentence and the responsibility imposed on the Commission is all-inclusive with respect to the Commission's activities, with the possible exception of those areas where the Commission's activities may be related or connected in some way with national defense war plans. In all lesser areas it is my view that is a statutory obligation of the Commission, to keep this committee informed of all these activities.'

"Mr. Strauss said 'that is the view of the witness, and in any respect in which I have failed to do that it would be dereliction.'

"Now, Mr. Strauss is Secretary of Commerce, and this department is under him, is it not

"You would expect him to take the same broad point of view over there, would you not?

"Senator HICKENLOOPER took a broader view:

" 'Senator HICKENLOOPER. Mr. Chairman'—Cole was Chairman—'just to keep the record clear here I want to respectfully, and in a most friendly manner, disagree with one statement that the Chairman made indicating that he thought perhaps the Commission's activities in connection with war plans might be excluded from the information which we expect under the law. I dis-

agree with that. I think if, as and when the Commission has anything to do with war plans or anything else in its official activities, that law is sufficiently broad to give immediate and full access to the Joint Committee and require the Commission to keep the Joint Committee currently and fully informed, providing their activities in connection with war plans which we are talking about right now come up in connection with their official duties.'

"He did not restrict it at all.

"Representative HOLIFIELD. May I read something to supplement what the Senator has said. In the report accompanying the Atomic Energy Act of 1954, Senate bill 3690, Mr. HICKENLOOPER, presenting that report to the Senate—and I call to your attention it is Report No. 1699, on the legislative day of June 22, 1954, has this to say regarding section 202 that we have read to you:

" 'It is the intent of Congress that the Joint Committee be informed while matters are pending, rather than after action has been taken. All Government agencies are required, and I want to call to your attention the word "all," to furnish any information relating to atomic energy requested by the Joint Committee.'

"That is some of the legislative history." (Pp. 105 to part of 108 of April 21 transcript.)

"Chairman ANDERSON. May I read you again from Senator HICKENLOOPER. This is the legislative history that your office could easily have found or could have asked us for and we would have been glad to supply:

" '* * * has the right according to the language of the statute, to the facilities, services, information, and personnel of the departments and agencies of the Government, and that means all of them.

" 'The committee is not set up as a standing committee of the Senate or of the House. It is not a standing committee of either House. It is a committee created by the National Legislature of Congress. It is a committee created and established by law with its rights defined by law.

" 'Under a strict interpretation of the law which established the Atomic Energy Commission, while I doubt if we would have any occasion to go this far, yet if we should say to the Attorney General, detail X number of people on the staff of the FBI and have this matter investigated, I think under the law he would have to do it.

" 'If we determined, for instance, that the Department of Defense should perform certain acts in the interests of the furtherance of the atomic energy program, I think a strict interpretation of the law would require the Department of Defense to take our orders on that score, provided it went to the development of the atomic energy program. The committee has unique power.'

"Let me go back and tell you what Mr. HICKENLOOPER said: '* * * has a right to the facilities, services, information, and personnel of your Government agency.'

"That is part of the legislative history. If you add facilities, services, information, and personnel to activities and responsibilities, does that come pretty close to covering the waterfront? You people looked at that and said you can't do it. You have to go around Robin Hood's barn and get it through the Atomic Energy Commission.

"Mr. WATSON. We are still not dead down here, I am sorry to say. That last shot was devastating.

"CHAIRMAN ANDERSON. 'A man convinced against his will is of the same opinion still'." (Pp. 109–111 of April 21, 1959, transcript.)

IV. Letter from Congressman HOLIFIELD to Secretary of Commerce Strauss dated May 4, 1959 (attached).

V. Letter from Secretary of Commerce Strauss dated May 20, 1959, together with Report by Patent Commissioner Watson dated May 18, 1959 (attached).

THE SECRETARY OF COMMERCE,
May 20, 1959.

Hon. CHET HOLIFIELD,
Chairman, Subcommittee on Legislation, Joint Committee on Atomic Energy, Congress of the United States.

DEAR MR. CHAIRMAN: In response to your request of May 4, 1959, I have had the Commissioner of Patents, Mr. Robert C. Watson, undertake as exhaustive a study as time permits of the legislative history of the sentence in section 202 of the Atomic Energy Act of 1954, that reads:

"Any Government agency shall furnish any information requested by the Joint Committee with respect to the activities or responsibilities of that agency in the field of atomic energy."

On the basis of the attached report prepared by members of the legal staff of the Patent Office, the Commissioner of Patents has, as you suggest in your letter, given full and careful consideration to that history. As indicated in the report, he remains firm in the opinions and views expressed by him at the hearing on April 21, 1959, and in his conclusion that no provision of section 202 of that act authorizes him to afford the Joint Committee direct access to pending applications for patents in the field of atomic energy. Those views and opinions and that conclusion I share. The conclusion is believed to be fully supported by the statements of Senator HICKENLOOPER, quoted in the report.

It is my understanding that at the hearing on April 21, language was discussed by the Commissioner of Patents which, if included in the Atomic Energy Act, would effectuate the Congressional direction necessary to allow access by the Joint Committee. I assure you I share the views expressed by members of the subcommittee at the hearing that it is incongruous to provide the committee with the breadth of other information on atomic matters to which it is entitled by law and then deny direct access to patent information. Amendment of the basic act for this purpose would seem to be most appropriate and I would favor it.

Sincerely yours,

LEWIS STRAUSS,
Secretary of Commerce.

U.S. DEPARTMENT OF COMMERCE,
U.S. PATENT OFFICE,
Washington, May 18, 1959.

To: Lewis L. Strauss, Secretary of Commerce.

From: Robert C. Watson, Commissioner of Patents.

Subject: Report of Commissioner of Patents, Robert C. Watson, on the legislative history of section 202 of the Atomic Energy Act of 1954.

Chairman CHET HOLIFIELD, of the Subcommittee on Legislation of the Joint Committee on Atomic Energy, has requested a study of the legislative history of the sentence in section 202 of the Atomic Energy Act of 1954 that reads:

"Any Government agency shall furnish any information requested by the Joint Committee with respect to the activities or responsibilities of that agency in the field of atomic energy."

Section 202 is part of chapter 17, entitled "Joint Committee on Atomic Energy." It defines the "authority and duty" of that committee. The fifth sentence of section 202, copied above, was referred to, specifically, at the hearing on April 21, 1959, before the Subcommittee on Legislation.

That sentence had its genesis in a document published by the Joint Committee on Atomic Energy under an "April 1954" date, entitled "A Proposed Act To Amend the Atomic Energy Act of 1946." The third sentence of section 202 of the proposed act reads as follows:

"Each Government agency shall furnish any information requested by the Joint Committee with respect to the development, use, and control of atomic energy by that agency."

No comparable provision was present in section 15(b), a comparable section of the Atomic Energy Act of 1946.

H.R. 8862 and S. 3323, 83d Congress, 2d session, which were companion bills, respectively were introduced on April 15 and April 19, 1954. Each of these bills included, as the third sentence of section 202, the same sentence of the proposed act.

While the hearings on said bills were in progress, there was published under date of May 21, 1954, a committee print of a bill "incorporating changes proposed to be made in H.R. 8862 and companion bill S. 3323." One change was proposed in the specified sentence of these bills: the initial word "Each" to become "Any."

On June 30, 1954, substitute bills H.R. 9757 and S. 3690, simultaneously were introduced and reported. Each of these bills includes, in section 202, the sentence that appears in the same section of the Atomic Energy Act of 1954, to wit:

"Any Government agency shall furnish any information requested by the Joint Committee with respect to the activities or responsibilities of that agency in the field of atomic energy."

No explanation appears for the change in the substitute bills from the language, "with respect to the development, use, and control of atomic energy by that agency," to "with respect to the activities or responsibilities of that agency in the field of atomic energy."

The reports on H.R. 9757 and S. 3690 seem to be identical. Each contains a section-by-section analysis. Report No. 2181, 83d Congress, to the House of Representatives by Representative Cole and Report No. 1699, 83d Congress, to the Senate by Senator HICKENLOOPER contain an identical statement respecting section 202, which includes the following:

"The Commission and the Department of Defense are required to keep the Joint Committee fully and currently informed with respect to all atomic energy matters. It is the intent of Congress that the Joint Committee be informed while matters are pending, rather than after action has been taken. All Government agencies are required to furnish any information relating to atomic energy requested by the Joint Committee."

Section 202, per se, does not appear to have been discussed in the congressional debates prior to the enactment of the Atomic Energy Act of 1954. However, those debates do contain the following statements relating to the authority and duty of the Joint Committee. In the CONGRESSIONAL RECORD, volume 100, part 8, page 10695 (col. 2, line 11) Senator HICKENLOOPER stated:

"It is the duty of the Atomic Energy Commission to keep the Joint Committee currently and fully informed upon all actions of the Commission. That is an all-inclusive provision. It does not apply only to contracts, but it includes contracts. It includes all actions of the Commission."

Later (same page, column 2) in answering an inquiry as to whether the Bureau of the Budget had notified the Joint Committee that a particular contract was being considered, Senator HICKENLOOPER said: "* * * There is no legal obligation on the part of the Bureau of the Budget to notify the Joint Committee about anything. There is a legal obligation on the part of the Atomic Energy Commission to keep the Joint Committee fully and currently informed. Once such a matter gets into the hands of the Atomic

Energy Commission, the Commission is obligated to notify the Joint Committee on Atomic Energy."

In the CONGRESSIONAL RECORD, volume 100, part 9, page 11693 (column 1, line 26), Representative Cole, in answering a comment regarding the section on definitions, said: "* * * under definitions the statement is made 'The intent of Congress in the definitions as given in this section should be construed from the words or phrases used in the definitions rather than from the choice of words or phrases defined.' So we must interpret that as being a direction to the person who interprets the language to look at the words used in the definition.' "

Section 11 of the act headed "Definitions" includes the following:

"j. The term 'Government agency' means any executive department, commission, independent establishment, corporation, wholly or partly owned by the United States of America which is an instrumentality of the United States, or any board, bureau, division, service, office, officer, authority, administration or other establishment in the executive branch of the Government."

During the consideration on July 22 to 26, 1954, of H.R. 9757 by the House of Representatives, the Clerk read section 202 under the 5-minute rule (CONGRESSIONAL RECORD, vol. 100, pt. 9, p. 11749); there was no amendment offered, or any floor discussion. By the time the Senate concluded debate and passed the bill, S. 3690, on July 27, 1954, the House had completed action on the companion bill, H.R. 9757, and it had been transmitted to the Senate. The Senate then struck out everything after the enacting clause of H.R. 9757 and substituted the language of S. 3690, as passed by the Senate, sending the bill H.R. 9757, to conference. The conference committee on August 16, 1954 submitted its report, House Report 2666, 83d Congress, 2d session. A complete text of H.R. 9757 was proposed in the report. Section 202, as therein incorporated, is identical with the same section in H.R. 9757 and S. 3690, as introduced and reported. The House agreed to the conference report on August 16 and the Senate on August 17.

I have given full and careful consideration to the foregoing legislative history of the Atomic Energy Act of 1954. I remain firm in the opinions and views expressed at the hearing on April 21, and in the conclusion that no provision of section 202 of that act authorizes me to afford the Joint Committee direct access to pending applications for patents in the field of atomic energy. The conclusion is believed confirmed by the statements of Senator HICKENLOOPER, quoted above, relative to the study of the Bureau of the Budget.

The language in the reports of June 30, 1954, that "All Government agencies are required to furnish any information relating to atomic energy requested by the Joint Committee," standing alone, might appear broad enough to be a basis for an argument to the contrary. That language, however, must be interpreted in the light of Senator HICKENLOOPER'S suggestion that the Bureau of the Budget (necessarily encompassed in the definition of a "Government agency" discussed above) is under no legal obligation to give the Joint Committee information about its actions in the field of atomic energy, but that the Atomic Energy Commission is under the obligation to keep the Joint Committee fully and currently informed. I am of the opinion that the Patent Office stands in the same relation to the Joint Committee as the Bureau of the Budget.

The Joint Committee now has indirect access to pending applications for patents through the Atomic Energy Commission. Absent a definite provision in the Atomic Energy Act of 1954 for direct access by the Joint Committee, the general mandate of 35 U.S.C. 122 that "Applications for patents shall be kept in confidence by the Patent Office and no information concerning the same given without authority of the applicant or owner" appears paramount.

ROBERT C. WATSON,
Commissioner of Patents.

MAY 4, 1959.

Hon. LEWIS L. STRAUSS,
Secretary of Commerce,
U.S. Department of Commerce,
Washington, D.C.

DEAR MR. SECRETARY: At a hearing before the subcommittee on legislation on April 21, 1959, Mr. Robert Watson, Commissioner of Patents, testified concerning procedures and practices of the U.S. Patent Office in processing applications for atomic energy patents.

During the course of the hearing, Senator ANDERSON, chairman of the Joint Committee, and I, and other members of the committee, questioned Mr. Watson concerning the request of the Joint Committee to obtain access to certain documents in the Patent Office, namely, applications for atomic energy patents. Reference was made to the correspondence between the Patent Office and the Joint Committee, reprinted at pages 126–129 of volume I of the Joint Committee print entitled "Selected Materials on Atomic Energy Patents."

Reference was made during the hearings to the following sentence in section 202 of the Atomic Energy Act of 1954, as amended:

"Any Government agency shall furnish any information requested by the Joint Committee with respect to the activities or responsibilities of that agency in the field of atomic energy."

During the hearing, Mr. Watson stated that his office had not yet made an exhaustive study of the legislative history of the section 202 of the Atomic Energy Act.

It is requested that such a study be made, and that the Joint Committee be informed, after review of the legislative history, whether access will be granted to atomic energy patent applications on file in the Patent Office.

Inasmuch as the subcommittee is now considering a proposed bill to amend the Atomic Energy Act of 1954, with respect to patents and inventions, a reply is requested as soon as possible, preferably on or before May 15, 1959.

Sincerely yours,

CHET HOLIFIELD,
Chairman, Subcommittee on Legislation.

Mr. MORSE. Mr. President, before I turn to the subject which I wish to discuss, I congratulate the Senator from New Mexico for the record he has just made in connection with the Strauss nomination. I sincerely hope that Members of the Senate and the American people will take the time to study the implications of the speech of the Senator from New Mexico, because that speech alone should be sufficient to satisfy any fairminded person of the disqualifications of Mr. Strauss to serve as Secretary of Commerce.

Mr. ANDERSON. I thank the Senator.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATIONS, 1960

Mr. MORSE. Mr. President, in my colloquy with the Senator from Idaho [Mr. CHURCH] a few moments ago I stated that I would make a very brief statement for the RECORD as to why, earlier this evening, I voted against the appropriation bill for the Post Office and Treasury Departments.

I am well aware of the fact that my vote against the appropriation bill will probably be adversely commented upon by those who are not aware of my reasons for voting against it. I was one of the cosponsors of the Clark amendment which sought to increase the appropriations in the bill so that there could be employed the number of Internal Revenue agents which the testimony from the Internal Revenue Bureau itself showed are necessary if we are to save the taxpayers of the United States several billion dollars a year through the collection of taxes which are now evaded or ducked and not paid by taxpayers who owe the taxes to the Federal Government.

It is a very serious thing, when we as a Congress do not take the steps necessary to provide the personnel which will give to the taxpayers reasonable assurance of equality of treatment in respect to the collection of taxes. From the standpoint of the principle of equality of treatment in the collection of taxes, I thought the Clark amendment should be accepted.

Second, Mr. President, I thought that from the standpoint of balancing the budget we ought to do those things which are necessary to raise for the taxpayers the income due the Federal Government through taxes, which is now slipping through the tax collection fingers of the Government because of inadequate personnel to collect the taxes.

I am at a loss to understand how the Senate could fail to provide the personnel which the record shows would collect 9 times the amount of taxes their salaries would cost the first year, and which, the record shows, after the first year would collect at the ratio of about 13 to 1 in relationship to the money collected to the salaries paid, and that in some instances in later years the ratio would be 20 to 1.

Does it really mean that the lawmakers of the United States are condoning tax evasion? Does it really mean that the lawmakers of the United States in the people's Congress are winking at the fact that tax evasion is rife in America?

That leads me to my third reason for voting against the bill. France and Italy for years have been known as nations in which tax collection has broken down. One of the great domestic economic problems of many Latin American countries is the failure of those governments to collect taxes on the basis of ability to pay. I have been heard to say before that the American taxpayers are being asked, in a sense, in the mutual security bill, to pay the taxes which the taxpayers in some of the foreign countries ought to pay themselves. In other words, if we are aiding a foreign country under the mutual security bill by hundreds of millions of dollars in American economic aid, and the countries to which the aid is going are not collecting from their own people the taxes which in good conscience and in fairness to the American taxpayers they ought to collect, then we, as American lawmakers, are placing on the shoulders of American taxpayers the tax burdens of France and Italy and Latin Ameri-

can countries, which are notorious in their failure to collect taxes from their taxpayers.

We cannot justify it on any ground. Certainly we cannot justify it on the ground of fairness to the American taxpayers. I am disturbed that the action the Senate took this afternoon in passing the appropriation bill for the Post Office and Treasury Departments without adopting the Clark amendment, of which I was one of the cosponsors, and which would have supplied the personnel necessary to collect several billion dollars of taxes, which are now being evaded because of the inadequate administration of our tax laws—is going to weaken the moral fiber of the American people in respect to their duty to pay taxes.

This is a serious matter. We cannot laugh it off. Oh yes, since my vote this afternoon several of my colleagues have said, "I agree with you on that point, but, after all, I voted for the Clark amendment, and we were beaten." We certainly were defeated. I suppose, because we were beaten, we should vote for a bill which became, in my opinion, a bad bill, because of the failure to add this vital amendment. That is not the way I vote in the Senate. I have to ask myself the question: Is this bill in its totality a bill which I in good conscience can vote for and which I think is in the public interest? I cannot vote for an appropriation bill which accepts the fact that under its provisions there will be American taxpayers who will be able to escape paying their taxes, or their full amount of taxes, because the Senate did not include in the bill the necessary appropriations for the personnel to collect a minimum of nine times the amount of money which their salaries would cost by way of appropriations.

I say that is a moral issue. I say that I could not possibly vote for a bill which I fear will have the effect of encouraging the spirit of tax evasion and tax dodging in the United States.

The Senator from Pennsylvania [Mr. CLARK] put it very well, in the brilliant speech he made in support of his amendment. He warned the Senate to read a little history, to recognize what happens in countries in which the governments fail to maintain a system of uniformity in tax collections. I make these remarks because these three points explain why I voted against the bill.

I wish to say to Senators on both sides of the aisle that I am perfectly willing to take that issue to the taxpayers of America across the Nation. I am perfectly willing to let the voters of America be the judge of whether the Senate this afternoon fulfilled its obligations to the taxpayers when it passed a bill which fails to include in it personnel which the Internal Revenue Service itself has pointed out in its testimony are necessary to stop tax evasion and tax dodging in the United States. If we do not stop this trend toward tax escapism we will feed the fires which will burn out the high sense of morality and appreciation of the obligation to the Federal Government to pay taxes.

To too great an extent already the feeling exists among the people of the country: "Well, if you can get by with it, what's wrong in that?" rather than the high sense of moral obligation that it is a privilege to pay the taxes which we really owe under the tax laws, because in a very real sense it is the payment of those taxes which keeps us free men and women. Taxes are the price of freedom.

Mr. President, I am very much saddened tonight that the Senate of the United States should have passed today a Post Office and Treasury appropriation bill which, in my judgment, simply cannot be justified from the standpoint of the principles which I have just enunciated.

DEPARTMENT OF AGRICULTURE APPROPRIATIONS, 1960

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of H.R. 7175, the Department of Agriculture appropriation bill.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 715) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill which had been reported from the Committee on Appropriations with amendments.

ORDER FOR ADJOURNMENT UNTIL MONDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its business tonight, it adjourn until 12 o'clock noon on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR MANSFIELD FOLLOWING THE MORNING HOUR ON MONDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that I be recognized immediately following the morning hour after the convening of the Senate on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

OPPOSITION TO INNER LOOP TRUCK FREEWAY ACROSS ROCK CREEK PARK

Mr. MORSE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a telegram I have received in the last hour from the Committee to Oppose the Cross-Park Freeway, signed by David Sanders Clark, a member of the executive committee, in support of my opposition, together with that of the Senator from Illinois [Mr. DOUGLAS] this afternoon in another losing battle, so far as the people's interests are concerned, in my judgment, when we sought to postpone action on the proposed Glover-Archbold Parkway until a thorough study could be made of it by the legislative committee of the Senate.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C., *May 28, 1959.*

HON. WAYNE MORSE,
U.S. Senate, Washington, D.C.

In considering 1960 District of Columbia appropriations bill, we as residents of the affected area urge your opposition to truck freeway proposed by planning commission from Tenley Circle across Rock Creek Park to Inner Loop. Detailed map released by commission published in Post May 28 is very misleading in important respects.

From this map, it would be supposed that Washington Home for Incurables, Sidwell Friends School, and Phoebe Hearst School stand far back from truck route. Actually, freeway would pass within few feet of rear of Home for Incurables, rendering that hospital virtually uninhabitable. It would also pass extremely close to science building of Friends School, which produced a grand prize winner and many other winners at the latest District of Columbia Science Fair, and right by side of Hearst School. Not shown on map are other institutions which would lie near freeway's path: Dunbarton College, Academy of the Holy Cross, and House of Mercy. Furthermore, there is no indication that, on its course from Wisconsin Avenue to Reno Road, truck freeway would slice through one of the newest, finest, close-in residential areas in northwest Washington, destroying substantial homes completed between 1956 and 1959.

DAVID SANDERS CLARK,
Member of Executive Committee, Committee To Oppose the Cross-Park Freeway.

INVESTIGATION OF FILM INDUSTRY RELATING TO DISTRIBUTION AS AMERICAN PRODUCTS OF CERTAIN FILMS MADE ABROAD

Mr. MORSE. Mr. President, I now turn to another matter, and I do so with apologies to the very wonderful and loyal staff of the Senate, which must tarry a few minutes later to hear me further. But this is a speech which I feel compelled to make; and I think the best evidence that I feel compelled to make it is the fact that I have not been to bed for the last 24 hours. I was not in bed last night at all. I flew all night and was in my office shortly after 7 o'clock this morning, in order to get ready for the debate which was scheduled for 10 o'clock this morning. I, too, would much prefer to have gone home some hours ago; but, so far as I am concerned, I consider it my duty to make this speech tonight for the RECORD and for future reference.

It is a speech on a resolution which I wish to submit and have appropriately referred. I submit the resolution and ask for its appropriate reference. I ask unanimous consent that the resolution be printed at the close of my discussion of it in this speech.

The PRESIDING OFFICER. The resolution will be received and appropriately

referred; and without objection, it will be printed at the conclusion of the remarks of the Senator from Oregon.

The resolution (S. Res. 126), submitted by Mr. MORSE, was referred to the Committee on Finance.

Mr. MORSE. Mr. President, almost a year ago, I informed the Senate of an undesirable trend within the motion picture and television film industries. The situation I described is one which not only deceives millions who attend moving picture theaters and view television each year, but also results in tragic loss of employment for American musicians and film technicians.

In the RECORD of July 2, 1958, I described how the use of foreign-made sound tracks on American films exhibited as American productions in theaters and on television has caused serious unemployment among our own musicians.

A great leader of labor, Mr. Herman D. Kenin, president of the American Federation of Musicians, gave me the facts which I related last July. I have known Mr. Kenin as an outstanding citizen of my own State of Oregon for many years, and I can assure my colleagues that when Mr. Kenin supplies facts, as he did in this instance, those facts are correct.

Mr. Kenin is in Washington, D.C., this week accompanied by other international officials and executive committeemen of the musicians' union. Mr. Kenin and the gentlemen accompanying him have explained to me in detail the hardships which continue to mount because of the injustices I am about to relate. They have also discussed with me again the job-destroying effects of the 20 percent Federal excise tax which, in effect, operates as a tax upon music and other employment in the entertainment industry. I assured these gentlemen that I would continue my efforts to eliminate this unfair excise.

Last year I pointed out that the use of these foreign-made sound tracks on American films had assumed such serious proportions that they warranted congressional investigation. I supported my demand for an investigation by the introduction of S. Res. 320 of the 85th Congress. Recently, I discussed the problem with Mr. Kenin again and he pointed out that not only are American producers using foreign-made sound tracks on films exhibited as American productions but they have expanded their foreign-based activities so as to include practices that go far beyond the importation of sound tracks. These American producers now make use of foreign-made film sequences, not for the purpose of depicting foreign scenes, but to portray purely American events which are supposed to have occurred in this country. In other words, this is illusory; it is really a form of fraud practiced by these producers upon American viewing audiences.

Let me give a striking illustration of what I mean. Almost any day now the American people will be invited to pay their money at the box office to see depicted on the screen the life of a great American patriot, John Paul Jones. They will see the signing of the Declaration of Independence, but they will see it as it was filmed not in the United States, but in Spain. They will see a lavish ballroom scene in which takes place a social event in Fredericksburg, Va., during the time of John Paul Jones. In this Revolutionary setting the 150 "Virginia belles," who dance with the heroes of that period, are in actual fact but 150 Spanish senoritas whose raven tresses are hidden under 150 blond wigs. This ballroom scene was filmed in Spain, not in Virginia or anywhere else in the United States.

I am told that the John Paul Jones story is an excellent American historic document, played by a competent cast enjoying considerable cooperation from the U.S. Navy. That is an interesting type of subsidy. The point I wish to emphasize, however, is that nowhere among the many screen credits will their be found any printed word announcing that this celluloid sequence of the John Paul Jones story is not a truly American product.

Mr. President, I renew my insistence that Congress at this session inquire fully, and at the earliest possible moment, into what is, in effect, a widespread evasion of the spirit and intent of immigration and tariff statutes. These are contributing to heavy unemployment in the ranks of American entertainers and technicians, generally. As is always the case where law is evaded or sidestepped, the passage of time has compounded the injustices and multiplied the victims.

I have mentioned in general terms the difficult lot of the American instrumental musician and of other artists and technicians whose livelihoods depend upon the producers of filmed entertainment. Mr. Kenin told me a year ago that fully half of the 265,000 members of the American Federation of Musicians had been deprived of a livelihood by the unbridled substitution of mechanical music. Since that time the job opportunities in this basic art have continued to shrink alarmingly. And since I sounded my earlier warning of these employment abuses, the other entertainment unions that comprise the Hollywood Film Council have made known to you and to me their very real troubles stemming from "runaway" cutrate film making abroad.

It is interesting to note that the Hollywood Film Council, speaking for 24,000 American technicians and artists depending upon the film-making industry for their living, noted in a resolution adopted on March 30 of this year that the major cause of unemployment there results directly from what it describes as "runaway" filmmaking.

Here in Washington we are engaged, pursuant to congressional authority, in the creation of a national center to foster the living arts which are basic to the American way of life. Yet, Mr. President, we sentence thousands of our artists, who are the only living embodiment and expression of this culture, to eke out a pitifully meager existence. We are failing to give due consideration to mounting threats to their livelihood posed by expanding mechanical substitutions for the living arts; we are failing to enforce effectively the guarantees already in our statutes for their protection.

For example, Mr. President, there exists an immigration statute which protects the American instrumentalist from cutrate competition by the unregulated entry of alien musicians who contribute nothing of cultural value. That wise statute has long been circumvented indirectly, and the competition has, in fact, been multiplied, by the importation of robot foreign musicians in the form of foreign-made music on film and tape.

If it is to be our complacent role to pit the American musician against foreign musicians, let us not be secretive about it. If we must, let us permit foreign musicians to come to our country, where they can work under American standards and for decent wages. Let us not pit our American musicians against a celluloid music competitor who leaves nothing with us, save distress for our American musicians.

Mr. President, I wish to make crystal clear that in demanding an investigation of retrogressive, job-destroying practices in the film-making industry, I am not advocating limitations on the free exchange and trade of musical or filmed products. Certainly no hurdles should be erected to the importation of foreign-made motion picture film or the recordings of great orchestras or voices from other nations.

There should be no limitation on the importation of foreign-made films, clearly labeled as to their origin; there should be no limitation upon the export of our great, artistic productions as symbols of American cultural achievement.

I shall be much interested, as well the public, I believe, in any explanations which some segments of our entertainment industry may make to this Congress concerning their current practices of palming off as American-made a commercial product that utilizes every means of foreign cutrate competition to enrich the producers, at the expense of our own job-needy American entertainers, artists, and technicians. And I would be especially interested in the explanation of the broadcast industry, which—unlike the average commercial entity—employs some of these questionable practices by virtue of a public grant of free monopoly of the air waves.

Mr. President, at a later time I shall discuss that problem in somewhat greater detail. But it can be seen what these American musicians are faced with. The great broadcasting companies enjoy a great money-value protection from the Federal Government, by way of a public grant of free monopoly of the air waves. Then these great broadcasting companies, whose deceptively foreign-made films and foreign-made recordings purport to be films and recordings of American scenes, but actually are made in Spain, Italy, or other foreign countries, do a resulting injustice to American entertainers. Certainly the Senate knows that I am opposed to secrecy in all its forms in relation to the duty of the Congress to make full disclosure and to pass

laws which will guarantee to the American people full disclosure of the people's business; and this is the people's business.

At a later time I also intend to discuss the plain business ethics of this problem, insofar as these American companies are concerned. We hear a great deal about the need for improvement of ethics in politics—and surely there is need for it. But, Mr. President, after all, the ethics of the politician are not going to rise far above the ethics of the constituency; and I would say that American business leaders in this particular industry are setting a very poor example of business ethics and business morality through the low business standards they are practicing in regard to the problem I am raising tonight on the floor of the Senate.

Mr. President, we are concerned here, not alone with correcting injustices and enforcing common honesty and decency, but also with broadening and improving the American labor market and checking further the inroads upon our economic and cultural development. This is a problem that cannot be allowed to fester for still another year. A searching and complete and immediate investigation, with corrective legislation as its inevitable sequel, is demanded at once. Therefore, I trust that the Senate committee to which this resolution is being referred will make prompt and intensive studies of the problem, and will follow its studies with effective remedial action.

Mr. President, in closing my remarks, I wish to say to that committee that not only do I wish—and I so request—to appear as a witness in behalf of my own resolution, but I also wish to bring to the committee hearing Mr. Kenin and others in the American entertainment world, who can present the facts which clearly support the soundness of the position I took last year and the position I take again tonight, in the Senate, in regard to this very serious problem.

Mr. President, I think we have a clear duty to see to it that the practices of the producers in the entertainment field which are doing such rank injustices to the American entertainers be corrected through the necessary legislation.

Resolved, That the Committee on Finance, or any duly authorized subcommittee thereof, is authorized and directed under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of the effect on domestic industries, and on domestic employment, of the practice engaged in by certain American film makers whereby films for television and motion pictures are sent to Europe for the purpose of obtaining, at cheap and substandard costs, musical scoring ((1) through the use of foreign musicians employed at low rates of pay, and (2) through the use of foreign "canned" music which has been recorded for entirely different purposes) and the products of other talents and skills, for the purpose of determining what changes, if any, should be made in existing tariff laws in order to protect the domestic industries and to alleviate any problems of unemployment created by such a practice. The sole purpose of such investigation is to inquire into the detrimental impact on American culture, industry, and labor of the practice of incorporating into American television and motion picture film foreign music, talent, and services which are not identified as such; and the investigation shall not in any manner be directed toward diminishing the fullest exchange of genuine musical, artistic, and cultural products among nations.

SEC. 2. For the purpose of this resolution, the committee, from the date on which this resolution is agreed to, to January 31, 1960, inclusive, is authorized (1) to make such expenditures as it deems advisable, and (2) to employ on a temporary basis technical, clerical, and other assistants and consultants.

SEC. 3. The committee shall report its findings, together with its recommendations for such legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1960.

SEC. 4. The expenses of the committee under this resolution, which shall not exceed $50,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

FEDERAL ANTILYNCHING BILL—ADDITIONAL COSPONSORS OF BILL

Mr. MORSE. Mr. President, on behalf of my very good friend, the distinguished Senator who at this time is presiding over the Senate—I refer to the Senator from Michigan [Mr. HART], whose patience, indulgence, and attendance I deeply appreciate—I ask unanimous consent that there be added as cosponsors of the antilynching bill, Senate bill 1848, introduced by him on April 30, 1959, the names of the Senator from Minnesota [Mr. HUMPHREY] and the Senator from Massachusetts [Mr. KENNEDY], and that at the next printing of the bill their names be added as cosponsors.

Mr. President, I now wish to request—and the Presiding Officer need only nod his head if he agrees—that my name also be added as a cosponsor of the bill.

The PRESIDING OFFICER. Let the Chair state that there is nothing that he would welcome more.

Mr. MORSE. Then, Mr. President, I add to that request a request that my name be added as one of the cosponsors of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT TO MONDAY

Mr. MORSE. Mr. President, in accordance with the order previously entered, I move that the Senate stand in adjournment until Monday next at 12 o'clock.

The motion was agreed to; and (at 10 o'clock and 12 minutes p.m.) the Senate adjourned, under the order previously entered, until Monday, June 1, 1959, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate May 28, 1959:

DIPLOMATIC AND FOREIGN SERVICE

John Howard Morrow, of North Carolina, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Guinea.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 28, 1959:

UNITED NATIONS

John M. Raymond, of the District of Columbia, to be the representative of the United States of America on the United Nations Commission on Permanent Sovereignty over Natural Wealth and Resources.

DIPLOMATIC AND FOREIGN SERVICE

John M. Cabot, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Brazil.

The following-named persons to be also consuls general:

G. Edward Clark, of New York.
Juan de Zengotita, of Massachusetts.
Miss Constance R. Harvey, of Maryland.
Bolard More, of Ohio.
S. Roger Tyler, Jr., of West Virginia, to be also a consul general of the United States of America.

The following-named persons for appointment as Foreign Service officers of class 3, consuls, and secretaries in the diplomatic service of the United States of America:

Manuel Abrams, of New York.
George B. Gardiner, of Massachusetts.
Eric M. Hughes, of Virginia.
Eldon B. Smith, of Kansas.

The following-named Foreign Service officers for promotion to class 4:

Miss Faith V. Andrus, of California.
Clifford J. Glennon, of Utah.
Dale E. Good, of Ohio.
Nicholas Hardy, of Pennsylvania.
Miss Elizabeth Rice, of Florida.
Charles W. Russell, of Maryland.

The following-named Foreign Service officers for promotion to class 5 and to be also consuls of the United States of America:

Melville E. Blake, Jr., of California.
Theodore M. Collier, of California.
William J. Cunningham, of Connecticut.
John R. Ferchak, of Virginia.
Glen H. Fisher, of Indiana.
Miss Helen E. Geen, of Texas.
Miss Viola Johnson, of Indiana.
Miss Gladys M. Knutzen, of Washington.
Henry J. Manning, of Colorado.
Mrs. Margaret I. Niles, of Maryland.
Sol Polansky, of California.
Leslie D. Polk, of Pennsylvania.
Russell A. Price, of California.
Leland A. Pyle, of Virginia.
Martin G. Ryerson, of New York.
John W. Simms, of Pennsylvania.
Warren E. Slater, of New York.
Miss Maida F. Stotts, of California.
Miss Corabelle Tolin, of Kansas.
Miss Lois M. Unger, of Ohio.
David Fraser Gould, of Washington, for appointment as a Foreign Service officer of class 5, a consul, and a secretary in the diplomatic service of the United States of America.

The following-named persons for appointment as Foreign Service officers of class 6, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

John LeRoy Leonard, of Pennsylvania.
James B. Moran, of Washington.
Richard J. Pond, of California.
Joseph Charles Wilson, of Ohio.

The following-named Foreign Service officers for promotion to class 7:

James D. Johnston, of California.
J. Stapleton Roy, of Pennsylvania.

The following-named persons for appointment as Foreign Service officers of

class 7, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Richard P. Bailor, of Delaware.
Bernard J. Brogley, of Pennsylvania.
Miss Marie E. Casey, of Florida.
Miss Margaret M. Herrick, of Minnesota.
Walter John O'Grady, of the District of Columbia.
Mrs. Ann Pomroy, of Illinois.
Robert Holmes Ross, of New York.
Miss Mary E. Sullivan, of Massachusetts.

The following-named Foreign Service Staff officers to be consuls of the United States of America:

Orville L. Bennett, of Arizona.
Philip G. Hodge, of Connecticut.
Arthur S. Hoffman, of California.
Mark B. Lewis, of Pennsylvania.
Howard H. Palmatier, of Florida.

The following-named Foreign Service Reserve officers to be consuls of the United States of America:

Edward P. Brown, of Virginia.
Robert G. Glover, of Oregon.
Harrington Littell, of California.
Paul K. Morris, of Virginia.
Miss Josephine Pasquini, of Michigan.
Alfred J. Pedersen, of Massachusetts.
Richard S. Sampson, of Iowa.

The following-named Foreign Service Reserve officers to be vice consuls of the United States of America:

Mrs. Margaret V. Barni, of Massachusetts.
Miss Dorothy T. Brown, of Florida.
Dolf M. Droge, of Indiana.
Miss Lillian Finnila, of Washington.
Merron L. Latta, Jr., of Ohio.
Joseph R. Reeves, of California.
Louis F. Rosso, of Rhode Island.

The following-named Foreign Service Reserve officers to be secretaries in the diplomatic service of the United States of America:

Arthur E. Callahan, of Virginia.
William E. Colby, of Minnesota.
John H. Esterline, of California.
Gordon A. Ewing, of Michigan.
Robert J. Flynn, of Massachusetts.
Irving F. Holober, of Florida.
Charles F. Hudson, Jr., of Virginia.
Herbert F. Linneman, of New York.
John E. Marsh, of the District of Columbia.
Andrew Ness, Jr., of Michigan.
John G. Shaffer, Jr., of the District of Columbia.
Rawleigh W. D. Taylor, Jr., of Virginia.
Miss Ruth D. Wehle, of the District of Columbia.
Ogden Williams, of the District of Columbia.

The following-named persons for appointment as Foreign Service officers of class 4, consuls, and secretaries in the diplomatic service of the United States of America:

Harry Grossman, of California.
Paul Kelly, of Pennsylvania.
Edward W. Lawrence, of Virginia.
Robert F. Lent, of New York.
Henry C. Martin, of Virginia.
George Lewis Warren, Jr., of Connecticut.
Miss Emily C. Cox, of South Carolina, for appointment as a Foreign Service officer of class 5, a consul, and a secretary in the diplomatic service of the United States of America.

The following-named persons for appointment as Foreign Service officers of class 6, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Mrs. Erna V. Beckett, of California.
Miss Evelyn Blue, of New York.
Miss Jean M. Chisholm, of Minnesota.
Miss Edna Grenlie, of Wisconsin.
Clement J. Mulligan, of Maryland.
William E. Paul, of Pennsylvania.
Rafael F. Torres, of Texas.
Mrs. Marguerite Whitehead, of Washington.
Deering E. Wilson, of Indiana.

The following-named persons for appointment as Foreign Service officers of class 7, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Robert G. Adam, of California.
Josiah H. Brownell, of Iowa.
Maurice C. Burke, of Massachusetts.
Allen Cooper, of New York.
John M. Curry, of New York.
Charles S. Hellyer, of Florida.
Miss C. Patricia Junk, of Ohio.
James E. Kiley, of California.
Miss Loreice E. Lutfy, of Michigan.
Paul B. McCarty, of Massachusetts.
Miss Carmen McKee, of Washington.
Louis M. Marrano, of California.
Miss Georgiana M. Prince, of Illinois.
John Susko, of Pennsylvania.
Miss Martha E. Turnbull, of Ohio.
Elwin T. Vangas, of New Hampshire.
Robert E. Waska, of Texas.

The following-named persons for appointment as Foreign Service officers of class 8, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Robert L. Bruce, of California.
Homer M. Byington III, of Connecticut.
Thomas M. Carolan, Jr., of Maryland.
Allen E. Caswell, of New York.
Gordon A. Cornell, of Massachusetts.
William O. Dingwall, of Maryland.
Frazier Draper, of Florida.
Brandon H. Grove, Jr., of New York.
James T. Hackett, of California.
Keith M. Heim, of Nebraska.
Henry A. Holmes, of the District of Columbia.
Miss Carolyn E. Kingsley, of Minnesota.
William H. Mansfield III, of Connecticut.
Frank Micelotta, of New York.
William G. Miller, of Massachusetts.
Gerald Joseph Monroe, of New York.
Albert W. Noonan, Jr., of Illinois.
William Ophuls, of New York.
Nicholas Platt, of the District of Columbia.
Russell O. Prickett, of Minnesota.
Walter F. Schepp, Jr., of New York.
Robert Siegel, of New York.
Miss Helen M. Steiner, of New York.
James P. Sullivan, of Pennsylvania.
T. Elkin Taylor, of Georgia.
Thomas M. Tonkin, of Illinois.

The following-named Foreign Service Reserve officers to be consuls of the United States of America:

Robert E. Boles, of the District of Columbia.
Joyce R. Herrmann, of Indiana.
Robert G. Mahon, of California.

The following-named Foreign Service Reserve officers to be vice consuls of the United States of America:

Robert H. Lupton, of New York.
David L. Milbank, of California.
Richard J. Shugrue, of Virginia.

The following-named Foreign Service Reserve officers to be secretaries in the diplomatic service of the United States of America:

Robert G. Bent, of Maine.
Robert G. Brewster, of Illinois.
William D. Carey, of Virginia.
Morris H. Lax, of Maryland.
Frank H. Oram, Jr., of the District of Columbia.

IN THE ARMY OF THE UNITED STATES

The following-named officers for temporary appointment in the Army of the United States to the grades indicated under the provisions of title 10, United States Code, sections 3442 and 3447:

TO BE MAJOR GENERALS

Brig. Gen. John Frank Ruggles O18596, Army of the United States (colonel, U.S. Army).
Brig. Gen. Philip Henry Draper, Jr. O17543, U.S. Army.
Brig. Gen. Teddy Hollis Sanford O29893, Army of the United States (colonel, U.S. Army).

BRIGADIER GENERALS

Col. Achilles Lacy Tynes O18916, Medical Corps, U.S. Army.
Col. Allen Fraser Clark, Jr. O18669, U.S. Army.
Col. William Bing Kunzig O18825, U.S. Army.
Col. Ashton Herbert Manhart O18773, U.S. Army.

U.S. MILITARY ACADEMY

Prof. William Weston Bessell, Jr. O12611, U.S. Military Academy, for appointment as dean of the Academic Board of the U.S. Military Academy under the provisions of title 10, United States Code, section 4335.

APPOINTMENTS IN THE REGULAR ARMY

The following-named cadets, graduating class of 1959, U.S. Military Academy, for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 3285, 3286, 3287, and 3288, subject to physical examination required by law:

Aamodt, Ludvig Jarad
Abrahamson, James Leonard
Abrams, Harry Clayton
Adams, James Walter Rosenoff
Adamson, Henry Kinmond, III
Anderson, Frederick Douglas
Bagdonas, Edward
Bair, Arthur Henry, Jr.
Baker, Dorsey Lynn
Baldwin, Alan Wren
Baldwin, Ronald Calvin
Ballenger, Thomas Henry
Barry, Robert Michael
Battersby, Bernard Joseph
Baugh, Raymond Chapman
Beach, Dwight Edward, Jr.
Beale, Robert West, III
Beard, Louin Lester
Bechthold, Wayne Henry
Beech, Gary Dean
Bell, Arleigh Todd, Jr.
Bell, Randall William
Benagh, William Edward, Jr.
Bennett, Richard Carl
Bennett, Stuart Neil
Bertils, Bertel Randolph
Bertolett, Craig Randolph
Besson, Frank Schaeffer, III
Beurket, Raymond Thomas, Jr.
Boggs, Haymon Harrellson, II
Bohman, Jack Edward
Bolick, Thomas Gordon
Borlund, Thomas Vagn, Jr.
Bowers, Robert French
Boyd, Thomas, III
Boyle, Conrad Lloyd
Boyle, Russell Thomas, Jr.
Bradley, Bruce Ray
Brass, Ronald William
Breen, William Wallace
Breuel, Albert Augustine, 3d
Briggs, Harold Lee, Jr.
Broocke, Nathan Irvin
Brown, Walter Tarleton, Jr.
Bryer, John Edward, Jr.
Buell, William Collins, V
Burba, Edwin Hess, Jr.
Burchell, Larry Edward
Burleson, William McKenzie, Jr.
Burroughs, Robert Huntley
Burwell, James Montgomery
Bush, William Anding
Campbell, Douglas Neil

Campbell, J. Frank
Cannon, Richard Melvyn
Carr, Benny Merle
Carrier, David Roger
Carroll, John Frederick
Caruso, Louis, III
Chalmers, Paul Aloysius, Jr.
Chandler, Fitzhugh Horton, Jr.
Chappell, James Edward
Clark, Richard Lee
Clarke, William Edward, Jr.
Coen, Donald Carlton
Cohan, John Armand
Colby, Nathaniel Fred
Conway, Rody Mead
Corby, John Francis
Coreth, Joseph Herman
Corr, James Colton
Cotts, David George
Covington, Henry Harris, III
Cox, John Robert
Cummings, Sean Howard
Cyr, Arthur Robert, Jr.
Dannell, John Theodore, III
Darby, Charles Dale
Davis, Donald Richard
Dawkins, Peter Miller
Day, George Ellis
DeAtkine, Norvell Bonds
DeMont, Robert Warren
Dearmin, Paul Edward, Jr.
Delikat, Stanley John
Devereaux, Alfred Boyce, Jr.
Dick, James Stephens
Dishman, Benjamin Estes
Dorland, Gilbert Noyes
Dorris, Albert Francis
Dorsey, James Arthur
Dorshow, Henry Bernard
Duggan, Dennis Michael
Duke, Charles Edward
Dyer, Glenn Harold
Eberhard, Edward John
Eckelbarger, Donald Eugene
Edwards, Robert Howell
Elias, Paul Joseph
Engler, Jean Helms
Enright, Joseph Francis, Jr.
Ernharth, Ronald Louis
Evans, Robert Dobson
Faber, Ben Davis
Fannin, Clayton Allen
Farrell, John Herbert
Ferguson, James Cameron, Jr.
Fernandez, Victor Michael
Fertig, Stephen Williams
Fielder, Jimmie Dean
Fisher, Raymond Warren
Fitchett, Donald James
Fitzgerald, William Atwood, Jr.
Fletcher, Michael John
Fletcher, Thomas Henry
Forbes, Richard Earl
Franks, Frederick Melvin, Jr.
Franz, Jay Clifford
Freeland, James Thaddeus, Jr.
Frey, Robert Stephen
Fried, David Eugene
Friedel, George Charles
Fuller, Dwight Hunter
Gabel, Michael Anthony
Gailey, William
Gains, Roger Quinn
Garcia, William Joseph, Jr.
Gasienica, Andrew Michael III
George, Alfred Whitby
Gercz, Francis Gary, Jr.
Gerhardt, Igor Dexter
Getz, Charles Edward
Gibbs, James Andrew II
Gibbs, Philip Edward
Gillette, Michael James
Gilligan, Thomas William
Goodpasture, Albert Virgil III
Grant, Alexander M.
Graven, Marion Finney III
Gray, David Thomas
Greenawalt, Jeryl Clyde
Greene, Larry Michael
Griffin, Arthur Ralph
Groth, Carl Harry, Jr.
Gruschow, Donald Clarence
Guild, William Bradford
Gurr, John Wooten
Guthrie, John Simpson, Jr.
Gwin, Samuel Donnell
Hahn, James Stanley
Haight, Barrett Slocum
Harkins, John Foster
Harle, Richard Torrence
Harnly, Richard Wells
Harrell, John Rhodes
Harris, Wiley Valentine, Jr.
Harrison, George Franklin
Hayes, Charles Willard III
Heath, Guy Hill, Jr.
Herrera, Frank Emilio
Hewitt, Russell Alvoid
Hightower, Louis Victor III
Hill, Jimmy Calvin
Hilliard, Maurice Glen
Hilmes, Jerome Bernard
Holman, Robert Everett, Jr.
Hotchkiss, Richard Meyer
Houltry, Allyn Clyde
Howard, Freeman Irvin
Howe, Robert Bowman, Jr.
Huntingdon, Joan Philip
Hurley, John Stephen
Hurst, Joseph Wilson, Jr.
Hutton, Cuthbert Powell
Hyde, John Benton
Imler, Estan Francis, Jr.
Ingram, Donald Doan
Isacco, Michael Dominick
Ivey, Herman Van
Jervell, Broder Lysholm, Jr.
Joh, John Adam 3d
Johnson, Bruce Campbell
Johnson, Charles Edward
Johnson, Darel Stephen
Johnson, George Peter
Johnson, John Palmer III
Johnson, Richard Barton
Jordan, Richard Kenneth
Joyce, Kenneth Harold
Kadlec, Gregory John
Kalpagian, Gregory
Kampf, Joel
Kanarowski, Stanley Martin, Jr.
Kapp, Kirby Stanley
Katsarsky, Leanard George
Kelley, Wilbourne Anderson III
Kendall, Donald Stuart
Kennedy, James Ervin, Jr.
Keogh, Peter Kenneth
Kinell, Carl Everett
Kissinger, George Donald
Kleb, George Roy
Klein, Stephen
Knowles, Bernard Allen
Kocienda, Richard Vincent
Koisch, John Joseph
Krawciw, Nicholas Stephen Hordij
Krulcik, James Robert
Kubo, Arthur Shiro
Kuschner, Andrew Karl
Langford, Ollie Legree
Larsen, Henry Sofus, Jr.
Laughlin, Edward Nikolai
Lawrence, Ashton Christal, Jr.
LeClere, Dick Tucker
Lehrfeld, William Richard
Leo, Thomas Walter, Jr.
Letchworth, Robert
Lewis, David Alfred
Lhotak, Gerald Joseph
Lidy, Albert Martin
Losey, Roy Edgar, Jr.
Ludlam, Donald Morgan
Luedtke, David Arnim
Luther, William Arthur, Jr.
Lutz, Charles Michael
Lymn, Harry Charles
Lynch, Claude Everett
Lytle, Charles Edward
Madden, James Willard
Madigan, Eugene Francis
Maglin, Richard Raymond
Magnussen, Mark Harge
Malek, Frederic Vincent
Mansfield, Clayton John, Jr.
Manzo, Fred Vincent
Markham, Don
Marsh, Byron Drake
Marshall, William Kay
Martin, Lewis Ray
Massey, James Lee, Jr.
Matthes, Donald Timothy
Mayers, John Junious, Jr.
McCahan, Marlin Eugene
McClurg, Donald William
McConville, Frederick John
McCoy, Jerald William
McCracken, Henry Emmett, Jr.
McDonald, Robert Archibald
McInerney, Thomas Gillis
McKinney, David Lawrence
McMorrow, Thomas Francis
McNerney, John Cameron
McPeek, Richard Bruce
McSweeney, Albert Stephen, Jr.
McLaughlin, Godwin Patrick
Medaris, John Bruce, Jr.
Meloy, John Nourse
Mercer, Clifford Wayne
Meyer, Richard John, Jr.
Mikelonis, Eugene Charles
Miller, James Holman
Millick, Charles Alan
Mills, Jerry Cleveland
Milton, John Francis
Miner, Russell Melroy, Jr.
Minnich, Lawrence Edgar
Moellering, John Henry
Monroe, Dewitt Talmadge, Jr.
Mooney, Thomas Rodger
Moore, Riley Roy II
Moorhead, Thomas Leib
Morales, Michael
Moraski, Leon Karol
Morefield, Alvin Jackson
Moriarty, Joseph Thomas
Morrissey, Dennis Joseph, Jr.
Moss, Marvin Franklin
Mullen, Cassius Joseph
Mullen, William Joseph III
Munz, Thomas Clark
Murry, William Vance
Nash, John Michel
Neal, John Oman, Jr.
Netzloff, Edwin Arthur
Newberry, Milton Sims
Newman, Glen Edward
Noga, Gerald Wayne
Nordgren, Alfred Edward, Jr.
Norman, Kenneth George
Novogratz, Robert Martin
Nunn, Lee Roy, Jr.
O'Brien, James Jeffrey
O'Brien, John Arthur
O'Connor, Hugh Thomas
O'Meara, Andrew Pick, Jr.
O'Meara, William Joseph
O'Neill, Kevin John
Oliver, Eugene Leroy, Jr.
Orndorff, John Franklin
Palmer, Laurence James
Panko, John, Jr.
Paquette, Roger Karl
Parolini, George Whittington
Paschall, Jim Roddy
Passarella, Patrick Francis
Peffenbach, Richard Renner
Phillips, Alan Burgess
Phillips, Joseph Albert
Pistone, Ronald Anthony
Plassmeyer, Martin Lloyd
Plummer, Thomas Francis, Jr.
Pokorny, Anthony George, Jr.
Porter, Bruce Allan
Poole, William Jackson
Pollock, William Cramer, Jr.
Prisk, Courtney Edward
Quinn, Roger Allan
Ramsey, Raymond Russell, Jr.
Ranalli, Robert Joseph
Ranch, Lewis Charles

Ravan, Jack Edward
Ray, James Floyd
Recher, Ronald Richard
Redding, Frank Jay, III
Reinhard, Donald Robert
Renalds, Hugh Henkel
Rhein, Reginald Walter, Jr.
Riordan, Robert Walter, Jr.
Rizzi, Robert Daniel
Roberts, Richard Owen
Roberts, Thomas DuVal, II
Robinson, Edward Charles
Roesler, Gilbert Eugene
Rogers, David Henry
Rogers, Richard Edwin
Rosner, Norman Harold
Ross, Lawrence Calvin
Roth, Robert William
Rothblum, Richard Albert
Roush, David Lee
Rowe, James Carter
Rowe, William Gerald
Rushton, Pierce Albert, Jr.
Russell, Thomas Button
Ruth, John Homer, Jr.
Ryan, Robert Hinkle
Salter, Ronald Howard
Salvatore, Frank Merle, Jr.
Santos, Melecio Zamora, Jr.
Sasfy, James Douglas
Satterwhite, James Joseph
Schepps, Winston Moffatt
Schlemmer, Roger Bruce
Schmacker, Bruce Edward
Schmidt, Peter Benjamin
Schmidt, Richard Charles
Schnick, Ronald Leonard
Schow, Robert Alwyn, Jr.
Schrader, Daniel Wallace
Schroeder, Louis John
Schwartz, William Lee
Sefton, Douglas William
Servis, Hubert Thomas
Seybold, Thomas Koenig
Shain, Robert George
Shapiro, Robert
Shea, Joseph Merton
Sheaffer, Phillip Galen
Sheehan, John Patrick, Jr.
Shelton, Ronald Thomas
Shock, John Paul, Jr.
Shuck, Laurence Harrison, Jr.
Siciliano, Arthur John
Simpson, Donald Thomas
Simpson, John Duncan
Simroe, Theodore William, Jr.
Sisson, Brooks Hubbard
Skowronek, Richard Paul
Smart, Donald Lee
Smith, Jack Coldwell, Jr.
Smith, Warren Stanley
Socks, Hugh J., Jr.
Soli, Thomas Russell
Sper, Paul Nelson
Stadler, Gerald Philip
Stauch, Edward George
Steinberg, Sherwin Lewis
Stiles, Howard James
Stocker, William Lloyd Ramsay
Street, Russell Keith
Stromberg, Peter Leonard
Struble, Lawrence Athey, Jr.
Sullenberger, Louis Edward, Jr.
Sullivan, Joseph Harrold
Sundt, Richard Sheriden
Svendsen, Don Frederick
Temple, William Edward
Tennant, Charles Edward
Thomas, Marvin Lyle, Jr.
Thudium, Christian Charles, Jr.
Tillar, Donaldson Preston, Jr.
Todaro, Joseph Enrico
Tomiczek, Paul William, Jr.
Toskey, William Manford
Train, William Frew, III
Tully, Walter Busill, Jr.
Tulp, David Paul
Turner, Robert Avera
Tyler, Erven Somerville
van Loben Sels, James Warren
Veidt, John Howard, Jr.
Versace, Humbert Roque
Walsh, James Edward, Jr.
Walter, Dennis Ivyle
Walters, Harry Ned
Walters, James Paul
Wands, Donald Richard
Ware, Roger Blaine
Warren, Warren Jay
Weaver, Carl Augusta, Jr.
Weber, Ralph Paul
Weber, William Ralph
Webster, Carl Stephen
Webster, Dan Moody, Jr.
Weekley, Robert Matthew
Weisenseel, Gerald Edward
Weisler, Julian Earl, II
Welch, Richard Delmas, Jr.
Wells, Theodore Danford
Werbel, Stephen Kay
Wheeler, David Robert
Wheeler, Joseph William, Jr.
Wheeler, Robert Allen
White, Thomas Harrold
Wiley, Larry Norman
Williams, Donald Bruce
Williams, Joe Estill
Wilmoth, Frederick Lee
Wilson, John Stewart
Mosicki, Walter John
Wright, William Warren
Yateman, Sidney Hersh
Yeats, Philip Lansdale
Yelverton, Rush Spencer
Young, Thomas Owen
Zagalak, Stanley James
Zaldo, William Thomas, III
Zierdt, William Henry, III

The following-named midshipmen, graduating class of 1959, U.S. Naval Academy, for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 541, 3285, 3286, 3287, and 3288, subject to physical examination required by law:

Cronin, Michael Joseph
Emmerson, Arthur, 7th
Keefe, Paul Francis
Rourke, John Michael
Trite, James William
Wooldridge, Marshall

HOUSE OF REPRESENTATIVES

THURSDAY, MAY 28, 1959

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore, Mr. MCCORMACK.

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication:

MAY 28, 1959.

I hereby designate the Honorable JOHN W. MCCORMACK to act as Speaker pro tempore today.

SAM RAYBURN,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Galatians 6: 10: *As we have therefore opportunity, let us do good unto all men.*

O Thou who wert the God of our fathers, grant that the memory of their faith and fortitude may inspire us to serve our day and generation in accordance with the dictates of Thy divine will.

We humbly acknowledge that our beloved country is beset by many social and economic dislocations which greatly disturb our national welfare.

May we be endowed with the grace of insight and the gifts of wisdom and understanding as we direct our thoughts and dedicate our energies of body and mind to the difficult task of building a nobler civilization.

Make us eager to join heart and hands with all who are daily praying and laboring for the coming of that blessed time when the members of the human family shall walk together the highway of peace and brotherly kindness.

Hear us in the name of our Lord and Master who went about doing good. Amen.

The Journal of the proceedings of yesterday was read and approved.

AMENDMENT TO BRETTON WOODS AGREEMENTS ACT

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 1094) to amend the Bretton Woods Agreements Act, with House amendment thereto, insist on the House amendment, and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees: Messrs. SPENCE, BROWN of Georgia, PATMAN, RAINS, KILBURN, WIDNALL, and HIESTAND.

There was no objection.

LEAVE OF ABSENCE

Mr. KNOX. Mr. Speaker, I ask unanimous consent that I may have leave of absence for next week, on account of serious illness in my family.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

USE OF MICROPHONE

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

Mr. SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, I take this time to respectfully suggest to the Speaker that in the future when the chairman of a committee is transacting official business on behalf of a committee, or anyone appointed by him for that purpose, that he be requested to go to one of the microphones so that the Members of the House may hear and know the business proposed to be transacted.

INTERNATIONAL PEASANT UNION

Mr. DERWINSKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DERWINSKI. Mr. Speaker, this weekend the International Peasant Union will hold its sixth congress here in our Capital City of Washington.

The delegates attending this congress will be exiles from their native lands in Central Eastern Europe. Their native lands, as we well realize, are under the heel of Soviet oppression, and these stalwart patriots are here in exile working toward the day when they can return to their homelands to participate with their fellow countrymen in true democratic government.

This Congress of the International Peasant Union has for its main theme:

Peace and security of the free world are indivisible from the freedom and independence of the Communist-subjugated people.

It is to be remembered that Communist domination of a nation is seen in its true terror in the effect it has upon the lives of human beings. Individual liberty is earnestly desired by all of us for all peoples and it is well for us in times such as these to reaffirm our interest in the enslaved millions behind the Iron Curtain and hope that the day will soon come when they will be able to remove the yoke of Soviet oppression.

On the very eve of what may soon be a new summit conference, we call to the attention of governments and all the peoples across the earth that we are dedicated to the ideal that citizens have the God-given right to choose their own form of government. Our country has developed its present greatness because its Government has been responsible to the people.

Surely we ask nothing more than that all people have the same opportunity of self-government as we in America have enjoyed.

FEDERAL WATER POLLUTION CONTROL ACT

Mr. COLMER, from the Committee on Rules, reported the following privileged resolution (H.R. 277, Report No. 400) which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3610) to amend the Federal Water Pollution Control Act to increase grants for construction of sewage treatment works; to establish the Office of Water Pollution Control; and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

FLORIDA "LAND OF FLOWERS"

Mr. ROGERS of Florida. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS of Florida. Mr. Speaker, the flowers which many Members are wearing today have been presented to the Congress by the Martin County, Fla., Flower Growers Association, to bring to your attention another one of Florida's many industries.

Florida, which is known throughout the Nation as a resort State, citrus State, and winter vegetable State, also produces much of the Nation's flowers. In the May 1959 issue of Southeastern Nurseryman it was pointed out that:

In 1957, the Sunshine State's chrysanthemum crop—mostly of the pompon type—was valued at about $5 million. Florida thus ranked at the top of 10 States which turn out half of the Nation's pompons.

We in Florida are proud of all our industries, and the flower growing industry gives us particular pleasure, because it is in keeping with the name of our State, "Land of Flowers." We hope that you will enjoy wearing this Florida flower today, and that it will remind you of the diversified industry and healthful climate of the State of Florida. The Florida flower growers join with all our citizens to extend to you an invitation to visit with us in Florida at any time.

WEST VIRGINIA UPSTREAM DEVELOPMENT

Mr. BAILEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. BAILEY. Mr. Speaker, I have asked for this time for the purpose of calling the attention of my colleagues to the fact that my State, West Virginia, has been signally honored at the recent watershed conference, the national conference held here in the city of Washington. Ours, as you will recall, was the first upstream development project under the program initiated a few years ago by the Department of Agriculture. This was done largely through the efforts of former Congressman Hope of Kansas.

I am advising my colleagues that I am putting in the CONGRESSIONAL RECORD as of today some of the details of this project, as they may be interested in developing one of them in their own congressional district. I am going to try to give the salient facts in the matter.

COMMITTEE ON RULES

Mr. SMITH of Virginia. I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. GROSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. GROSS. Mr. Speaker, am I to understand that when the gentleman from Pennsylvania [Mr. FULTON] asked permission to correct the RECORD a few minutes ago, permission was given him to state his position as to his vote?

The SPEAKER pro tempore. The gentleman's request was to correct the permanent RECORD, to show how he had voted.

Mr. GROSS. Then the Speaker did not give him permission to state his position on that vote?

The SPEAKER pro tempore. The gentleman stated, as I remember, that he had voted "yea."

Mr. GROSS. My inquiry is, Is it within the rules to state your position, or how you voted?

The SPEAKER pro tempore. In the opinion of the Chair, it would be difficult for any Member to correct the permanent RECORD without stating how he had voted. If the gentleman says he was present and voted, and his name was not recorded, in order that the permanent RECORD may be corrected, it seems to the Chair he would have to state how he voted.

Mr. HOFFMAN of Michigan. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. HOFFMAN of Michigan. I did not hear how the gentleman stated he had voted. Is it permissible to change a vote, on a rollcall, a yea-and-nay vote? May a Member change from one to the other the next day?

The SPEAKER pro tempore. Of course it is not permissible to change a vote, but it is permissible for a Member to correct the RECORD.

Mr. HOFFMAN of Michigan. On the theory that the Clerk had recorded it inaccurately?

The SPEAKER pro tempore. The Chair does not pass upon what theory the gentleman says he was not recorded correctly or that he was not recorded when he was present and voted. The Chair impugns the motive of no Member.

LEGISLATIVE PROGRAM FOR THE WEEK OF JUNE 1

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, I have asked for this time to inquire of my colleague, the gentleman from Oklahoma [Mr. ALBERT], if he will inform us concerning the program for next week.

Mr. ALBERT. Mr. Speaker, in response to the inquiry of the gentleman from Illinois, Monday is Consent Calendar day.

Then there is the legislative appropriation bill for 1960.

Also H.R. 7120, the Alaska Omnibus Act.

Any record votes on Monday, except on rules, will go over until Tuesday.

On Tuesday the unfinished business is completion of action on the bill H.R. 5140, extension of the Reorganization Act.

The Private Calendar will be called on Tuesday. There are two suspensions—the first is H.R. 3088, the Citizenship and Immigration and Nationality Act, and the second is H.R. 88, the military discharges bill. Those are to be followed by the Department of Defense appropriation bill for 1960.

On Thursday, if a rule is granted, the bill, H.R. 7246, the agriculture bill, wheat quota and price supports, will be taken up. If a rule is not granted on the wheat bill, then H.R. 3610, the water pollution bill, will be programed.

On Friday and the balance of the week, the public works appropriation bill for 1960 is scheduled.

This program, of course, is subject to the usual reservation that any further program may be announced later.

Of course, conference reports may be brought up at any time.

Mr. ARENDS. These suspensions on Tuesday were put over from Monday by the unanimous agreement of the leadership on both sides?

Mr. ALBERT. The gentleman is correct and it is under the unanimous consent request granted by the House yesterday.

Mr. ARENDS. I thank the gentleman from Oklahoma.

ORDER OF BUSINESS

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. I would like to ask whoever knows whether there will be any votes today.

The SPEAKER pro tempore. The Chair understands that any rollcalls today will go over until Tuesday under the unanimous consent agreement.

Mr. HOFFMAN of Michigan. That is a rollcall. How about a yea and nay vote on any bill. Will we have those today?

Mr. ALBERT. Any yea and nay votes on bills or amendments or motions to recommit will be put over under the agreement that has been made.

Mr. HOFFMAN of Michigan. What other types of votes will we have?

Mr. ALBERT. There are no rules coming up today, but if there were and a yea and nay vote were requested, the agreement would not apply.

Mr. HOFFMAN of Michigan. I know about the yea and nay votes, what about the voice votes and what about the standing votes or teller votes?

Mr. ALBERT. Those are in order for today.

Mr. HOFFMAN of Michigan. I thank the gentleman.

ANGLO-AMERICAN TRADE RELATIONS

Mr. DENT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DENT. Mr. Speaker, I have just received a report confirmed by the British Embassy stating that the British Government has just lifted restrictive quotas on American made commodities and on certain perishables. I want to state at this time, if you will pardon me for being a little suspicious in the face of the fact that this Congress has passed an enabling act allowing the Tennessee Valley Authority to buy $750 million worth of heavy equipment, that I am worried that the British are trading a horse for a rabbit and the Americans are getting the rabbit.

PERSONAL EXPLANATION

Mr. FULTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FULTON. Mr. Speaker, I asked for permission to speak at this time in order to make an explanation to my friend, the gentleman from Iowa [Mr. GROSS]. On rollcall No. 59, they had me listed as having a pair with the gentleman from Pennsylvania [Mr. HOLLAND] who was away. I had no pair with the gentleman from Pennsylvania [Mr. HOLLAND]. I was listed absent. I was present and voted "yea." I was likewise present and voted on the previous rollcall and was listed present on the succeeding rollcall No. 60. I wanted that in the RECORD.

DEPARTMENT OF COMMERCE AND RELATED AGENCIES APPROPRIATIONS, FISCAL YEAR 1960

Mr. PRESTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7349) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1960, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited not to exceed 1½ hours, the time to be equally divided between the gentleman from Ohio [Mr. Bow] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Georgia.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 7349, with Mr. FORAND in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the consent agreement the gentleman from Georgia [Mr. PRESTON] will be recognized for 45 minutes, and the gentleman from Ohio [Mr. Bow] for 45 minutes.

The gentleman from Georgia is recognized.

Mr. PRESTON. Mr. Chairman, the bill we present to the Committee today is perhaps one of the most noncontroversial bills we have ever presented. We have reduced the budget request by 7.8 percent, and it is approximately $38 million less than the fiscal 1959 bill.

I think the subcommittee is in full agreement on the bill. When the bill was presented to the full committee three amendments were offered, but all three were defeated.

The bill is $57.5 million less than the 1960 budget request, and it would be much less than that had it not been for the fact that next year we have to take the 18th decennial census, and that calls for an increase in appropriations of roughly $80 million over what it was for fiscal 1959.

There are no controversial items in the bill that I know of, although I am told that points of order may be made to certain sections. We will deal with them when they come up.

We have approved the increase in the Patent Office based on the 8-year plan we inaugurated several years ago to reduce the backlog.

We have increased the Bureau of Standards, believing that in this space age we could ill afford not to properly equip these people to make the tests and conduct the research that is essential if they are going to advise the various agencies of the Government and industry adequately and correctly in the areas of measurement and weight.

There is an increase for the Weather Bureau, which is something that concerned the committee very much. Appropriations for the Weather Bureau have doubled in the last 5 years, and that is a startling fact to acknowledge, but it is due to the additional requirements of aviation.

That brings up the question of how soon the Government will get around to assessing some of the cost of the service to the airlines. We have made some reduction in the 1960 requests, but have, however, insisted upon restoration of 24-hour-per-day operations at 13 airport weather stations and restoration of service to 27 others where weather service has been lacking. We have directed the Weather Bureau to maintain those services.

We have taken some other action that deserves to be discussed here today. Last year, during consideration of the Small

Business Administration Act, the other body found $27 million that had been resting quietly in the Federal Reserve bank, and directed that that money be covered into a special fund in the Treasury to be used by the Small Business Administration as grants to States at the rate of $40,000 a year to each State. The Administrator was directed to make the decision as to who should receive the $40,000, whether it should be the university, the Governor, the department of commerce within the State, or some other State agency. We concluded that this was just another one of these cases where the Federal Government is reaching into the affairs of States and trying to spend useless money, so we put language in the bill to rescind it. We have been importuned by some Members of the House to permit the grants for 1 year.

We have agreed when an amendment is offered to continue this program for 1 year to accept it, but for no longer. That will enable the committee to cover into the Treasury almost $25 million that has been resting over in the Federal Reserve bank for some time unknown to the Appropriations Committee.

We have also rescinded an appropriation of over $6 million that we discovered was in the Maritime Administration that was appropriated for the period 1951 through 1954 and not longer required. So we have rescinded that appropriation.

That plus some public roads money makes about $39 million that we have rescinded and covered back into the Treasury.

There are two other items that might be controversial in the bill, and I anticipate points of order will be made on these items. The Bureau of the Budget approved a request to place the appropriations for public lands, highways, and forest highways under the highway trust fund instead of by direct appropriation. A similar effort was made last year. Points of order were made and, naturally, were sustained. We anticipate points of order will be made this year on these same items. It is felt by some that it is not quite proper to put these two projects under the trust fund since they are non-revenue-producing highways; nevertheless the committee has approved this request, and when points of order are made we have no alternative other than to concede them.

We have taken one action that perhaps will be brought to the attention of the House. The Administrator of the Small Business Administration requested $200 million to be placed in a revolving fund for the Small Business Administration. In his testimony before the committee he said that actually they would need only $150 million but the request would leave them $50 million as a cushion for contingencies or any situation.

The committee concluded, in view of our fiscal situation, and in trying to balance the budget, it would not be proper to appropriate $50 million more than was actually needed for the Small Business Administration; therefore, we reduced the request by $50 million.

There is one other item I think I should mention to the committee. There was a request of the Bureau of the Budget for an increase to provide tariff and commodity specialists in the Tariff Commission. The Bureau of the Budget denied it. All of us know that under section 22 they are having all kinds of difficulty with appeals under the escape clause and the peril point clause. The time has been reduced in which they can make a report to the President. So the committee felt that we should give them some increase and we gave them the modest amount of $100,000 to enable them to meet these deadlines and to do the job that Congress asked them to do. This is an agency of the Congress. The Congress years ago decided it could not afford to deal with the tariff problems and created the Tariff Commission to do this job.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. PRESTON. I yield to the gentleman from West Virginia.

Mr. BAILEY. Would the gentleman from Georgia accord me 2 or 3 minutes? I would like to give him one specific instance where the Tariff Commission should have this amount of money.

Mr. PRESTON. I will say to the gentleman I will be glad to yield him some time in general debate, but not at this time.

So in connection with those two items the Tariff Commission has been given an increase over the budget request.

We also approved an increase for the Maritime Commission which was not requested by that Commission but which the committee felt justified in allowing. That has to do with the paying of the design costs of two superliners that Congress approved last year. I am sure that matter will be discussed later in general debate, and therefore I will not speak of it at this time.

Mr. BOW. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I would like to say that this bill comes to the floor from the committee without any controversy within the committee. They feel it is a good bill and that it amply takes care of the Department of Commerce and related agencies that we are appropriating for, with one or two exceptions where some amendments are to be offered. One is where through an error in the census on statistics the committee intended to make a reduction on the 1960 budget figure, and in working on the bill we took on the 1959 figure. That will be restored by a committee amendment which will correct the figure, but it will still be below the 1960 estimate. We did not intend to cut it below the 1959 figure.

Now, on the question of small business. I believe that the Small Business Administration has been making a splendid record. There have been some who have raised questions about certain losses on the loans, but I point out to the Committee that under the law as passed by the Congress there is a limitation as to the amount of interest that may be charged on the loans, and, of course, when small business borrows money at 3½ percent and then is allowed only a small margin, there are bound to be losses. But, the losses have been reduced each year as the administration is going on.

It should also be pointed out that there were some $14 million in disaster loans last year upon which they could only charge 3 percent, and they are paying more for the money than they are receiving in interest. So, there we are bound to have some losses. I think, in the overall, they have done a magnificent job.

I would like to point out that there has been quite a reduction from the budget request in the Department of Commerce in the office of Bureau of Foreign Commerce. This is a decrease in the amount of $193,275, the amount provided in 1959, and a decrease of $1.4 million from the request in the 1960 budget. It was the feeling of the committee that the Bureau of Foreign Commerce would have sufficient funds with the amount here allowed to carry out the proper functions of that Bureau and that the amount of funds will not increase the activities of the Bureau of Foreign Commerce in the fields in which the committee felt they should not proceed. We have also taken from this bill a request in the budget for trade missions, and that has gone back into the regular bill of the State Department, where it has always appeared.

One place we went over the budget, and that is in the Tariff Commission. We have allowed $100,000 over the budget estimate so that they could employ people to make the necessary studies of reciprocal trade agreements and to check on the conduct of escape clause and other investigations. We feel it is necessary for them to bring their work up to date in this very important field. I believe on that we have done the proper thing.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Then that will take care of some money that would have to be needed as the result of the President having appointed a special committee to study the great injury that has been done to the New England textile industry.

Mr. BOW. I am sure that it will do that, and it will give us a check on those industries that are being driven out of business because of low tariff rates, such as the pottery industry, the clay industry, and the sewing machine industry—oh, I could go down through the line of many businesses that are being affected and people being put out of work in this country because of it. It is time that the Tariff Commission make a thorough study and determination so that a report can be made to the President on the effect of this importation into this country.

Mrs. ROGERS of Massachusetts. The very sad part of it is that the Tariff Commission, in particular instances in the textile industry, recommended some remedy be made, but it has not been made.

Mr. BOW. Let me say this to the gentlewoman from Massachusetts. I am in agreement with her that those

things are not being done, and one reason they are not being done is that Congress passed these reciprocal trade agreements instead of complying with the Constitution of the United States, which provides that Congress shall set the tariffs and imposts. So, I regret there is little we can do. But, by strengthening the Tariff Commission, I believe those studies will be helpful in remedying the situation in which the gentlewoman is interested.

Mrs. ROGERS of Massachusetts. They have not been reciprocal, I will say. I appreciate very much what the gentleman has done.

Mr. BOW. Mr. Chairman, on the question of the Maritime Administration, there is some question on voyage limitations. The committee has gone along with the request of the Maritime Commission for 2,040 subsidized voyages. There is a limitation that 150 of those voyages shall be for presently unsubsidized lines, in order to give others a change to come into the field.

I find that Maritime has already made a commitment of 1965 voyages by contract with existing subsidized lines, with a reservation of 75 for the Great Lakes, which means that the 2,040 are already used. So our limitation of 150 for lines which are not presently subsidized is not going to be effective. It may be that some change will have to be made in that, either by a supplemental or by some further action later on, although I do not expect to offer any amendment at this time.

On the subject of ship construction, we always have criticism of subsidies for operation and for ship construction. Congress has passed a law to keep the American flag on the seas. I agree with that. I think we must stay strong on the seas. We must have our American flag lines in operation. But we cannot compete with foreign lines, because of the low wages that they pay and their low operating costs, together with their low cost of building vessels.

Mr. Chairman, I want to point out that we are getting behind in ship construction under our contracts. Remember this, these are contracts upon which this Government is liable, and they will have to be paid. These people could go to the Court of Claims and get their money, if they wanted to do that. We have got to build these ships under the contracts and under the laws passed by this Congress.

The amount in this bill is not sufficient to keep us in step with the contracts. I hope that in the future we will try to keep up to date with our contracts and our obligations so that some day we do not have to come in here with a terrifically large bill, which may run even as much as $1 billion.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman.

Mr. PELLY. I should like to inquire of the gentleman if in the bill the $1,250,000 of the $130 million, ship construction appropriation, was requested by the President in his budget.

Mr. BOW. No, that was not requested. That item was put in by the committee upon testimony before the committee, and if the gentleman would like I should be glad to explain the position of the committee on it.

Mr. PELLY. I notice in reading the hearings on page 438 that the Maritime Administrator, Mr. Morse, states that he warned these companies that if they went ahead with designs and plans that they would have to do so at their own risk. I assume that under the circumstances the Administration is not in favor of this payment. Furthermore, it would be subject to a point of order when the bill is being read.

Mr. BOW. I shall not prejudge any point of order on the bill, but may I say this. The testimony before the committee, as I recall it, was this. It will be recalled that last year this Congress passed a bill providing for two superliners to be built under the program provided in the regular Merchant Marine Act. The bill passed both Houses and was signed by the President. It was specified in the legislation the lines that were to have these ships and for whom they were to be built. It is my understanding that the Department of Defense, considering the defense items of the ships, asked these companies to go ahead and design the ships, and be able to go forward when the money was provided for the building of the ships.

Based upon the Department of Defense requirements and requests the designs were made and they actually spent the amount of money included here; I think some $200,000 by United States Lines and perhaps over $1 million by the American President Line. This was based upon acts of Congress and the signature of the President and the anticipation that the ships would be built, since they were specified in the bill.

It has been the feeling of the committee that since they went ahead, based upon legislation passed upon the request of the Defense Department and expended their own funds and inasmuch as funds have not been provided as yet for the building of these liners, they should be compensated.

Mr. PELLY. Am I not right in assuming that in order to authorize these funds, these steamship companies would have to enter into a contract with the Maritime Commission for the construction and sale of the vessel and no contract exists.

Mr. BOW. The only contract I can see that exists is a law passed by the Congress, by the House and Senate, and signed by the President of the United States designating these two companies as the companies that will receive these ships. It seems to me that a bill passed by the Congress is a pretty strong contract that you are going to have some ships.

Mr. SHELLEY. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield.

Mr. SHELLEY. As a matter of fact, any subsidized American line operator signs a contract in order to get the subsidy to the effect that he will replace his vessels at the age of 20 years or, if the time is extended, for the time that the Maritime Board designates. These two lines were told that we need these ships. So there is a contract on the part of the Government. There is a definite moral and legal responsibility.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the distinguished gentleman from North Carolina, the chairman of the Committee on Merchant Marine and Fisheries.

Mr. BONNER. This is a most interesting discussion and I am sure that our very fine and distinguished friend, the gentleman from Washington is protecting the Treasury and the purse of the taxpayers. But, if the gentleman will remember, we on the authorization committee were encouraged to pass out legislation providing for the construction of these two ships. The moneys here are a part of the moneys that would have been appropriated had the budget sent down funds for the construction of these ships. So it is my feeling that this is an obligation of the Government to defray its part, the Government's part of the preparation for the construction of the ships. That is what this is; is it not?

Mr. BOW. I agree with the distinguished chairman.

Mr. BONNER. This is not the entire cost of the preparation, but it is only that proportionate part that the operator has to put up.

Mr. BOW. May I say to the gentleman that as long as this law has been enacted and is on the books, we have a right to assume that these ships will be built. This money is not lost, but this is money that will be paid back when the ships are built.

Mr. BONNER. The money you are appropriating here is already authorized. There is no question about that in my mind.

Mr. BOW. That is my opinion also.

I yield now to the gentleman from Washington [Mr. PELLY].

Mr. PELLY. I appreciate very much what the chairman of the Committee on Merchant Marine and Fisheries has stated. So far as I am concerned, that satisfies me. I think we are going to pay the money, eventually, but I would rather discuss it now during general debate than have it brought up later during the reading of the bill. So far as I am concerned, I am perfectly satisfied.

Mr. BOW. I thank the gentleman from Washington.

Mrs. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. BOW. I am delighted to yield to my colleague, the gentlewoman from Ohio.

Mrs. BOLTON. I would like to ask how much consideration has been given, real consideration, to the money, the $1,000 which is allowed for the opening of the seaway for entertainment of the people who go there. I was up there myself last summer and the situation is very crucial. A great many people are going there constantly and $1,000 is a very small amount to allocate for that purpose. With the opening of the seaway this summer, it seems to me that more consideration might be given to the possibility of giving them the additional very small amount of another $1,000.

Mr. BOW. May I say to the gentlewoman from Ohio that this matter has had most sympathetic consideration. The chairman of the committee gave it his sympathetic consideration. I do not like to speak for him, but I think I can speak for the both of us when I say we felt that, perhaps, $2,000 was not too much, but it is not always the chairman and the ranking minority member have their way in the committee so it just did not get in the bill.

Let me say further to the gentlewoman that the gentleman from Michigan [Mr. CEDERBERG], recognizing this situation, offered an amendment in the full committee which was not agreed to. So there we are in a rather bad position, I would say, for the committee to say much about it.

Mrs. BOLTON. May I ask how many members of the committee did not want this done, have been through Massena and know what the situation really is?

Mr. BOW. I do not know. I can say to the gentlewoman, I have been there.

Mrs. BOLTON. Yes; I am aware of that fact.

Mr. BOW. I took a ship through the locks.

Mrs. BOLTON. So did I.

Mr. BOW. You did not do as badly as I did.

Mrs. BOLTON. I did very well.

Mr. BOW. The gentleman from California [Mr. SHELLEY] has from time to time accused me of not taking a ship through the locks properly.

Mrs. BOLTON. I thank the gentleman very much, but I hope this will be given very serious consideration, if not this year at least next year.

Mr. BOW. I am sure it will be.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Kansas.

Mr. AVERY. I thank the distinguished gentleman for yielding to me. I would like to ask two questions with reference to items in the bill for the Small Business Administration. I was not in the Chamber at the time the distinguished gentleman from Georgia [Mr. PRESTON] was explaining that portion of the bill. There are two items I would like to have explained at least to my own satisfaction. As I understood the gentleman from Georgia he said the bill does not authorize the expenditure of further funds for research and management counseling. I understand that the Committee has agreed to accept an amendment that will be offered later this afternoon.

Mr. BOW. If the gentleman will permit me to interrupt, I cannot say that the committee has agreed to that. I will say that the gentleman from Georgia has discussed it with the gentleman from Ohio, and the gentleman from Georgia and I will not oppose it; but it has not been submitted to the committee for approval.

Mr. AVERY. Let me put it this way, if the gentleman will permit. Both the ranking majority Member and the ranking Republican Member are receptive to the amendment that is to be proposed, which would authorize that the program be continued for 1 more fiscal year.

Mr. BOW. Yes. The Small Business Administration has requested that the $2,080,000 be continued. That would permit the allocation of $40,000 which Congress has authorized to be set aside, to each State and Territory. That would be Puerto Rico and the District of Columbia. I probably should not refer to them that way, but to the Commonwealth of Puerto Rico and the District of Columbia. Allow them to have their $40,000. That is the request of the SBA.

I am sure it is the administration's desire that small business should have this research continued for the benefit of the 4,300,000 small businessmen.

Mr. AVERY. If the gentleman will yield further, I would like to state to the members of the committee that a subcommittee of the Select Committee on Small Business under the chairmanship of the distinguished gentleman from Tennessee, Mr. EVINS, has just completed rather exhaustive hearings on the Small Business Administration, in regard to small business loans, and also in respect to the initiation of the Small Business Investment Act which the Congress passed late in the 2d session of the 85th Congress. I would like to report to the committee that we found the operation going very well and certainly serving a very critical need in the area of small business operation.

One more question of the gentleman from Ohio: I notice in the bill that the restoration of the revolving fund for the Small Business Administration is $50 million less than had been recommended by the Bureau of the Budget. I am sure that the gentleman's committee would not have made such a recommendation had it not been sure there were ample funds in the revolving fund.

Mr. BOW. That is correct. It is felt there are ample funds now available to the Small Business Administration for the making of these loans and carrying out its obligations.

Mr. AVERY. This last question: The reduction in the restoration of money to the revolving fund is in no way to be taken as a criticism.

Mr. BOW. Oh, no.

Mr. AVERY. It is no criticism of the lending policy of the Small Business Administration.

Mr. BOW. At least certainly not as far as I am concerned.

Mr. PRESTON. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. BONNER].

Mr. BONNER. Mr. Chairman, I would like to pay a high tribute to the gentleman from Georgia [Mr. PRESTON], to the gentleman from Ohio [Mr. BOW], and other members of this Appropriations Subcommittee for the diligence and detail in which they have gone into the subsidy operation with respect to the Maritime Administration, that is, the funds for subsidy operations.

It is our responsibility in the Merchant Marine Committee to foster and perpetuate the American merchant marine and to give it such assistance and legislative aid as is necessary for its operation successfully and fairly with respect to the subsidy construction and subsidy operations.

I think the President's budget contained reference to the Maritime Act of 1936 and carried the statement that it should be looked into carefully and in all probability amended. So this question of subsidy operation is one that has been most controversial and I realize that there is authority for the Maritime Administrator to grant waivers to those applicants who are entangled in foreign operations.

I do not pick out any particular operator. On April 27 I directed a letter to Mr. Morse, Chairman of the Maritime Administration, calling to his attention the bill I introduced, H.R. 6601, to amend section 605 of the Merchant Marine Act of 1936 to provide further requirements for continuation of operating subsidies.

In my letter to Mr. Morse I requested an immediate report on this bill and that I be advised of all applicants not pending for operating subsidy. He replied to my letter and gave me the applicants who are now enjoying the benefit of subsidy operation and the number of increased applications then on file. That is, increased sailings. Then he gave me a list of the applicants of new operations. I shall insert this letter and the reply from Mr. Morse at this point in the RECORD because I think it will be most informative to the House.

The letter follows:

APRIL 27, 1959.

Hon. CLARENCE G. MORSE,
Maritime Administrator,
Department of Commerce, Washington, D.C.

DEAR MR. MORSE: On April 23 I introduced H.R. 6601, a bill to amend section 605 of the Merchant Marine Act, 1936, to provide further requirements for applicants for operating-differential subsidies. There is enclosed a copy of the bill which has been referred to the Committee on Merchant Marine and Fisheries, and a copy of the statement I made on the floor of the House in explanation of the intent and scope of the proposed legislation.

In my judgment, legislation such as that embodied in H.R. 6601 should have been made a part of the basic law long ago, since section 804 of the 1936 act is applicable only to operators already under subsidy contract, and does not clearly require advance review and determination with respect to foreign flag affiliations of subsidy applicants. Moreover, in view of of the important policy concepts behind the prohibition against foreign flag affiliations, it seems necessary in the public interest that provision be made for public hearings on such matters.

I am anxious to proceed at the earliest possible date to hold hearings on this measure, and therefore earnestly request that you expedite your report to the committee. In addition, I would appreciate your advising me as promptly as possible of the names and addresses of all those who have pending applications for operating differential subsidy so that I might notify them of the legislation and ask that they be prepared to testify when hearings are held.

Kindest regards and best wishes.

Sincerely,

HERBERT C. BONNER,
Chairman.

U.S. DEPARTMENT OF COMMERCE,
MARITIME ADMINISTRATION,
Washington, D.C., May 6, 1959

Hon. HERBERT C. BONNER,
Chairman, Committee on Merchant Marine and Fisheries, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This will acknowledge receipt of your letter of April 27, 1959, requesting an expedited report on the bill H.R. 6601, to amend section 605 of the Merchant Marine Act, 1936, to provide further requirements for applicants for operating-differential subsidies, and the names and addresses of applicants who have pending applications for operating differential subsidy contracts.

We have on file applications from new operators for subsidy contracts, and applications from existing operators for additional services. We are listing both types of applications below but where the applicant is an existing operator we are so indicating:

GREAT LAKES

Name of company	Annual sailings requested		Name of service
	Minimum	Maximum	
American President Lines, Ltd., San Francisco, Calif. (existing operator).	12	24	TR 34 (Great Lakes/Mediterranean).
Isbrandtsen Co., Inc., New York, N.Y.	----------	32	TR 32 (Great Lakes/Scandinavian).
T. J. McCarthy Steamship Co., Detroit, Mich.	16	24	Do.
United States Lines Co., New York, N.Y. (existing operator).	----------	32	Do.

NEW OPERATORS OTHER THAN GREAT LAKES

Central Gulf Steamship Corp., New Orleans, La.	16	24	TR 18 (U.S. Atlantic/India, etc.).
Isbrandtsen Co., Inc., New York, N.Y.	----------	59	R/W service and service on TRs 5, 7, and 9.
Isthmian Lines, Inc., New York, N.Y.	72	108	R/W and TR 18 (Gulf ports/India, etc.).
Matson Orient Line, Inc., San Francisco, Calif.	18	24	TR 12 (U.S. Atlantic and Far East).
Prudential Steamship Corp., New York, N.Y.	20	32	TR 10 (North Atlantic/Mediterranean).
States Marine Corp., New York, N.Y.	108	168	TR 13, 29, 30 and Tri-Continent.
Waterman Steamship Corp., Mobile, Ala.	96	144	TRs 5, 9, 12, 21, 29, and 30.

In accordance with your request, the report will be processed on a priority basis.

Sincerely yours,
CLARENCE G. MORSE,
Maritime Administrator.

There are pending from operators a minimum of 303 sailings and a maximum of 559 new and additional sailings. I have instructed counsel for the Merchant Marine Committee to draw up legislation which I intend to bring to the floor of the House requiring that these applications for subsidy operation be authorized by the Committee on Merchant Marine.

Here is the reason why I say this: It is now possible under existing law for the Maritime Administration to so tie the hands of the Appropriations Committee that when they come in next year there is nothing for them to do but to appropriate money for contracts already made by the Maritime Commission.

Mr. HOFFMAN. of Michigan. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. Would the gentleman like a quorum present?

Mr. BONNER. No.

Mr. PRESTON made the following statement in the hearings:

My only concern is this: I certainly am not crusading against any company, but my own concern is that any new operator should certainly be divorced entirely from foreign-flag operations.

I certainly join in that statement of the gentleman from Georgia [Mr. PRESTON]. We do not wish subsidy boilover in foreign operations. Mr. PRESTON further stated:

I do not think it adds up for us to have anyone drawing a subsidy while having any foreign operations competing with ours.

I wholeheartedly agree with that.

That is my only concern, I assure you. I am not crusading against any company. I make this statement with reference to all companies, and if it is found that any of the present operators had any connection with foreign-flag bottoms, I would be in favor of canceling contracts with any company holding such a contract.

I agree with the gentleman there, and when I hold hearings on this bill I have just mentioned, I intend to bring that matter out also myself. The trouble is that we have not received a report from the Maritime Administration on this bill.

There is pending before the Maritime Administration the following:

Current pending applications for 20-year ODSA

Company	Annual voyages	Vessels
Matson-Orient	24	8
Isbrandtsen	59	10
States Marine	168	29
Total	251	47

251 annual voyages, requiring 47 vessels, will accrue estimated operating-differential subsidy at approximately $360,000 per vessel per year—or $16,920,000 for 20 years	$338,400,000
47 vessels will require approximately $7,500,000 construction-differential subsidy—defense features, etc.—per vessel, or	357,500,000
20-year contracts, total cost U.S. Government	695,900,000

If this contract that is now pending is made, it will cost the Federal Government in a 20-year period $695,900,000, or very likely more. If there is any Member of this House who does not think that this ought to be looked into before the contracts are signed, then he has a different view about it than I have, because this is what we have been preaching around here. This is more than the back-door entrance. What is termed as the "back-door entrance" is when you can give notes or certificates and draw money out of the Treasury and the agency has to pay it back, and so forth. But here you are signing a contract, Mr. PRESTON, and you, my good friend over here, Mr. Bow, that ties your hands. There is nothing you can do but appropriate this money. I have talked to the gentlemen personally. I think this thing ought to be cleared up. That is why I said in the beginning that I thought the committee has been most diligent in going into this in the hearings. But the Members of the House do not have the opportunity to read these hearings.

I notice the gentleman from California, Mr. SHELLEY, in these hearings points out the fact that he was in Japan when our shipyards in America were experiencing quite a dearth in the construction of new ships. It has been pointed out there is not a sufficient amount of money to fill the contracts for the replacement of ships that are now contracted for by the Maritime Administration.

Then you talk about going into obligating yourself for more sails. The gentleman from California [Mr. SHELLEY] made the observation that he was in Japan and visited the shipyards there, and he was told that the ships he saw under construction were for an applicant of subsidy operation or an affiliate of that applicant. Therefore, I do hope that the Maritime Administration will hold this matter of signing new contracts in abeyance.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. BOW. I yield the gentleman 4 additional minutes.

Mr. BONNER. I do hope that the Maritime Administration will not give waivers on these applications and will hold this matter in abeyance until the gentleman from Washington [Mr. TOLLEFSON], the gentleman from California [Mr. MAILLIARD], and the other members of the Merchant Marine Committee can have the Maritime Administration down before us and go into this matter, notwithstanding the fact that waivers have been granted in the past to operators who have entangling foreign operations. I do not think a mistake in the past justifies a mistake in the future; and I think it would be good policy because, as the gentleman from Ohio [Mr. Bow] said, the present authorized sailings are already committed, and if any additional sailings are committed now, then there will have to be brought down to you a subsequent deficiency appropriation to take care of it.

In conclusion I would like to ask the chairman of the committee or any member of the committee this question. On page 7 you say that no contract shall be executed during the current fiscal year. Now, I take it that that means the year that expires July 1, so certainly this is the current fiscal year. That is what you mean, is it not?

Mr. PRESTON. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield to the gentleman from Georgia.

Mr. PRESTON. Well, that is certainly a debatable question.

Mr. BONNER. If I read the English language, I would think that this is the current year.

Mr. PRESTON. "Current" means now, but also this bill makes appropriations for 1960.

Mr. BONNER. Well, if this bill is signed before 1960, it would be the current fiscal year.

Mr. PRESTON. Perhaps it will. I am not certain of that.

Mr. BONNER. Because you go on further and say:

> The Federal Maritime Board which will obligate the Government to pay operating-differential subsidy on more than 2,040 voyages in any one calendar year, including voyages covered by contracts in effect at the beginning of the current fiscal year.

So certainly, if that is true, you are talking about the year 1959.

Mr. PRESTON. Mr. Chairman, will the gentleman yield further?

Mr. BONNER. Yes.

Mr. PRESTON. When the word "current" is used a second time, I am inclined to believe that it means in the fiscal year 1960.

Mr. BONNER. You specify there that it shall not go over 2,040 in that current year.

Mr. PRESTON. But in the first instance I am not quite so sure.

Mr. BONNER. I think this is a question that certainly the Committee on Appropriations should show clearly in the RECORD here today just what you mean, so there will not be any hitch about this proposition. In one instance you are talking about the year 1959 and in the second instance, due to the fact that you are authorizing 2,040 voyages, you talk about the current year of 1960.

Now, if there is any other way to explain that, I just would like to have it explained at this time, because certainly that definition, the way I understand it, must be correct, or else you should correct your bill.

Mr. PRESTON. Mr. Chairman, if the gentleman will yield further, as a lawyer, if I had to make a decision today, I would say that the "current fiscal year" means the fiscal year 1960 in both instances.

Mr. BONNER. I do not know whether the gentleman wants to submit that to a jury to decide or whether he wants to decide that himself. But as a layman I consider the current fiscal year this year. When you speak of 2,040 voyages you mean after that became the law; and that is the fiscal year 1960.

Mr. BOW. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. TOLLEFSON].

Mr. TOLLEFSON. Mr. Chairman, I want to join the chairman of our committee in commending the Subcommittee on Appropriations which has handled this bill, particularly with reference to the consideration they have given to maritime problems which have come before the committee. I want to ask a question or two of the committee, but before doing so I would like to comment briefly on the provisions of the bill for the $1,250,000 for reimbursement to the two lines which have drafted plans and made expenditures on those plans in connection with the two superliners authorized by Congress last year. I am glad that they have done so. While technically there may not have been a written contract with respect to this item, nonetheless at this point it would be most unfair, it seems to me, for these two lines to expend their money for Government account; and certainly a part of the cost of plans and specifications is an obligation of the Government, as far as the construction subsidy is concerned.

I think the Members should know that when the ships are being constructed, and I am satisfied they will be, the Government would pay its appropriate share of the cost involved in drafting plans and specifications. What I am trying to say is that at this point, while there may not be a written agreement with respect to the item, certainly there is a strong moral obligation on the part of the Government to pay its share of these expenses at this time. I have never been one to take the position that the Government or anybody else should take advantage of the lack of a written contract; if there is an obligation it should be taken care of.

The question I want to ask the committee is with respect to the matter of the replacement program. Do I understand the committee to mean in its report that they would have given favorable consideration to funds for construction subsidy of 20 ships, say? I have interpreted the comment of the committee in the report to mean that if the question of a subsidy for a larger number than the 14 mentioned in the report had been brought up, the committee would have given consideration to it. I am not asking the committee to say that they would have approved that request.

Mr. PRESTON. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman.

Mr. PRESTON. I would say this: It is the committee's intention to carry out the purpose and the intent of the Maritime Act of 1936. And in order to do that we should have approved 26 ships. However, the Maritime Administration requested 26 ships, but the Bureau of the Budget denied that and gave them 14. Had they requested 26 I believe we probably would have approved.

Mr. TOLLEFSON. I am happy to hear the committee say that. I am not asking the committee to bind itself at this point on what they are going to do next year or the year after. But I am happy that the committee is concerned about the fact that the number of ships involved here, 14, is not a sufficient number per year to take care of our replacement program.

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman.

Mr. BOW. I would like to say that so far as I am concerned, I should like to see the obligations of this Government fulfilled. When we enter into contracts to do certain things within a certain period, it becomes an obligation of the Government, and I want the Government to meet its obligations. That is my view.

Mr. TOLLEFSON. I agree with the gentleman 100 percent, and I thank him.

Mr. PRESTON. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. FLOOD].

Mr. FLOOD. Mr. Chairman, under ordinary circumstances I do not use a manuscript. I think this is the first time I have ever used one here in the last hundred years. But since I am dealing with the subject of Panama, and because of the delicacy of the situation in that part of the world, it might be advisable, for a number of reasons, that I read these few paragraphs.

I am not commenting directly upon our bill. I am a member of this Subcommittee on Appropriations dealing with the Department of Commerce, but we have related agencies, and included among the related agencies are the Panama Canal, the Panama Canal Government, and the Panama Canal Company.

I have been making a series of speeches in the past 2 years here dealing with the Panama Canal and this country, and the zone government. Most of my comments have dealt with the juridical situation as between the Republic of Panama and this country, and the Republic of Colombia, and a series of treaties between those nations and others dealing with the existence of that ditch and the zone.

I might point out that recent events on the isthmus and in the area indicate that conditions affecting the Canal Zone and the Panama Canal area are far—far from normal. And that is an understatement of the year. In fact, the canal enterprise has become a focus of conflict with determined and prearranged agitations largely of international Communist origin and of foreign origin. These are aimed, and make no mistake about it—these are aimed at wresting control of the Panama Canal. That is high on the priority list of international Communist operations. The related propaganda which has been worldwide now—this is not a local show—this is a worldwide agitation—this began with a series of meetings all over the world and these instructions are being prepared in the college for Communist agents in Prague, which exists for the purpose only of training Communist agitators and agents to work in the area of Central and South America, and that is the only reason the agents' college of communism in Prague is there at all, and they are doing a big job and doing a terrific job in turning out these agents, and there are certain personalities who have been noted in the recent press who are concerned with developments in this area who have had relations with the school at Prague and others—but that is another story.

The first thing that comes to our attention is the insistence on the part of the Republic of Panama for a greater participation in the toll revenues and the

canal management itself with the ultimate idea of the nationalization of the Panama Canal for Panama. This has been going on for years, but it came to a head and it became really hot after the Suez incident. The minute that Egypt nationalized the Suez, you could not run on any ticket in Panama for justice of the peace to president unless you are for nationalizing the canal.

Mr. Chairman, under ordinary circumstances the bill (H.R. 7349), which has been ably explained, would invite little additional comment. Recent events on the Isthmus of Panama, however, indicate that conditions as affecting the Canal Zone and Panama Canal are far from normal. In fact, the canal enterprise has become a focus of conflict with determined agitations, largely of Communist origin and form, aimed at wresting control of the waterway from the United States.

The related propagandas, which have been worldwide, have had two objectives: First, greater participation in toll revenues and canal management by Panama with the ultimate idea of nationalization; and second, transfer of jurisdiction from the United States to the United Nations or some other international organization. The latest proposal was made by former President José Figueres of Costa Rica to turn over the waterway to the Organization of American States. Thus, this year's annual appropriation, more than ever before, will symbolize the juridical constitutionally acquired domain of the United States.

Unfortunately for proper understanding of the vital sovereignty question, a vast amount of misinformation, some of it by design, has been published in the press of the country, including highly respected reference works, which erroneously refer to the Canal Zone as "leased territory," a term that plays into the hands of those endeavoring to subvert the position of the United States.

As to the nature of the acquisition of the Canal Zone, the evidence is conclusive that it was not leased, sold, nor ceded. Instead, the Republic of Panama granted to the United States "in perpetuity" its "use, occupation and control" for the "construction, maintenance, operation, sanitation and protection" of the Panama Canal with all the "rights, power and authority" of a sovereign and, most significantly, to the "entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority." In addition, the Republic of Colombia, the sovereign of the isthmus prior to the secession of Panama from Colombia, has recognized by treaty the title to the Panama Canal and Panama Railroad as "vested entirely and absolutely in the United States."

Thus, Mr. Chairman, when the Congress appropriates funds for the Canal Zone and the Panama Canal Company, it can do so confident that the title to the entire enterprise is valid, and "without any encumbrances whatever."

As previously indicated, despite these legal safeguards, tensions centered on the Canal Zone and Panama Canal have become explosive, at times placing the head of the enterprise in the most difficult positions. Fortunately, Governor Potter is an able executive, who can be depended upon to take logical actions within the framework of his authority.

No governor, however, can meet present Isthmian responsibilities unaided. He must have well considered national policies back of him, especially during crises. As I have repeatedly stated, the Congress should reassert our historic isthmian policies as contemplated in H. Con. Res. 33 of the present Congress. This action would serve notice on the world of our determination, should end serious agitations for many years to come, reduce tensions on the isthmus, aid in stabilizing the Caribbean, and help protect the investment in the great waterway for the construction, operation, and maintenance of which so much has been appropriated.

PANAMA PRESIDENT REJECTS FIGUERES PROPOSAL FOR CANAL INTERNATIONALIZATION

Mr. Chairman, in previous addresses to the House, I have described at some length two forms of mounting agitations aimed at wresting control and jurisdiction of the Panama Canal from the United States:

First. Increased participation by Panama in toll revenues and management, directed toward eventual nationalization.

Second. Transfer to the United Nations or other international organization, described as internationalization.

Also emphasized in these addresses was the obvious deduction that the extreme demands by radical elements in Panama would play into the hands of those advocating international control. In line with this prediction, former President José Figueres of Costa Rica, following the recent invasion of Panama by Cuban revolutionaries, publicly urged that jurisdiction over the Panama Canal enterprise be transferred to the Organization of American States.

Thus, I read with considerable interest a statement in the New York Times of May 24, 1959, by President Ernesto de la Guardia, Jr., of Panama, in opposition to the Figueres proposal, which, under leave to extend, I quote as part of these remarks:

[The New York Times, Sunday, May 24, 1959]

PANAMA PATIENT ON CANAL STATUS—PRESIDENT REJECTS PROPOSAL FOR INTERNATIONAL CONTROL AS AT LEAST PREMATURE

(By Paul P. Kennedy)

PANAMA, May 22.—This country has no immediate interest in seeing the Panama Canal internationalized, according to President Ernesto de la Guardia, Jr.

In an interview the President rejected a suggestion recently put forward by Dr. José Figueres, former President of Costa Rica, that the Organization of American States take over the canal.

"There is a time for everything," President de la Guardia said, "but this is not the time for tampering with the present arrangement on the canal."

"It is simpler for us to deal with 1 nation over canal affairs than to deal with 20," he added. "I believe in the sense of justice of the United States. We might be slow in our deliberations but we will eventually get together."

It is generally agreed here that the suggestion of Dr. Figueres placed President de la Guardia in a delicate political position. Traditionally, Panamanian Presidents have considered it politically expedient to direct their angriest public pronouncements toward the United States over its conduct of the canal.

President de la Guardia, whose administration has been beset with violence, economic difficulty and armed invasion, said he was certain that he would serve out his term, which ends next year.

"I feel fine," he said. "I've always liked a good fight and I've had plenty of them in this office."

He insisted that the 90 invaders from Cuba, now in jail here, would be tried in Panama courts. Attorneys have argued that under Panama's penal code, the invaders, having put down their arms, are not liable to prosecution.

The President said he was convinced that the invasion had been staged by Robert Arias, son of a former President, because Dr. Arias was being pressed for an accounting of a large sum of money advanced to him by the motion picture actor, John Wayne.

The President emphasized that the Government did not regard Mr. Wayne as involved in the invasion. He said it was felt here that the leaders of the invasion project were Dr. Arias and a cousin, Reuben Miro. He charged that Vice President Temistocles Diaz was involved.

Dr. Arias is in asylum in the Brazilian embassy here. Senor Miro is understood to be in Cuba. Senor Diaz is at liberty here in Panama.

It is accepted here that the President will support the candidacy in next year's presidential election of former President Ricardo Arias Espina, now Ambassador to Washington. The President said he would announce his choice in a month.

"The people know my choice will be Dickie Arias—or rather they feel it will be," he said.

Mr. PRESTON. Mr. Chairman, I yield 3 minutes to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, I want first of all to commend the action of our distinguished subcommittee chairman and his ranking minority member, the gentleman from Ohio, as well as the Committee on Appropriations for giving the U.S. Tariff Commission an additional $100,000 for the purpose of making some very necessary and important investigations. I have always maintained that this question of our reciprocal trade agreements is not a question of tariffs that divides the two parties, but it is a question of economics. I am glad the committee has decided to approach it in that way.

Mr. Chairman, as author and sponsor of the escape clause provision of our reciprocal trade agreements in 1951, it has been my pleasure to go before the Tariff Commission to plead the cause of several different American industries in their attempts to prove injury under the administration of our reciprocal trade agreements. There before the Tariff Commission every American producer who comes in to prove injury must lay down every detail of their business operations while their competitors who are bringing in their foreign products from abroad are never asked as to any of the conditions under which their products are produced.

I have brought that question to the attention of the Tariff Commission and each time the Tariff Commission advises me that they have been unable to get

proper appropriations in order to make these necessary investigations abroad. I would just like my colleagues to listen to this little short instance of what happened to prove to you why it is necessary that they have this money to make these investigations.

I was appearing in behalf of the clothespin industry in their hearings before the Tariff Commission. It happens that I have a friend who is a Rhodes scholar who was in business in Europe. He said to me one day: "Congressman, do you know that one of the huge export firms in Denmark is bringing into America clothespins of the type we protest do not even own a plant of their own?" He said, "They are buying those clothespins made in the prisons of Denmark and shipping them over to our country under the Reciprocal Trade Agreements Act."

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

Mr. BOW. Mr. Chairman, I yield 2 additional minutes to the gentleman from West Virginia.

Mr. BAILEY. In order to make sure that we were getting the facts in the case, I knew that if I wrote to the American Ambassador at Copenhagen on the stationery of a Member of Congress that I might get a runaround, so I traveled up into my State, to the Brown Lumber Co. of West Virginia, and used their stationery, and corresponding as an official of the Brown Lumber Co. I addressed this proposition to our Ambassador at Copenhagen. I had an exchange with him of as much as four letters. Finally he agreed that that was exactly what was going on and that they had notified the American State Department and that the practice would stop.

If that is going on in the case of clothespins it can be going on in the case of a dozen other foreign articles flooding this country. No attention is paid to the conditions under which those articles are produced, to the wage scale, or anything else. So I would like to say to the chairman of this Appropriations Subcommittee that you have used good judgment; and I will say to them that I will oppose any attempt to remove that $100,000 item because I do not know where America can spend its money to better advantage.

Mr. BOW. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, it is not often, as many of you know, that I support a committee in increasing an appropriation; but I want to join with the gentleman from West Virginia and others who have spoken in complimenting the committee upon the increase they have given to the Tariff Commission. Let us hope these funds will result in relief for the industry, business that is now being punished by foreign imports.

Mr. Chairman, I would like to say to the chairman of the subcommittee, the gentleman from Georgia [Mr. PRESTON], and the ranking minority member, the gentleman from Ohio [Mr. BOW], that I propose to offer an amendment to section 401 of the bill, page 13, to strengthen, in my opinion, the language which in the bill attempts to preclude the use of any funds appropriated herein for publicity or propaganda purposes. I intend to offer an amendment at the proper time to strengthen that section.

Mr. Chairman, I was very much interested this morning in a story appearing in the Washington Post headed "Rail Financier Picked by Strauss to Direct Transportation Study." The article reads, and I shall quote excerpts:

> Secretary Lewis L. Strauss has picked a leading railroad financier, Armand G. Erpf, to head a Commerce Department study of national transportation policy.
>
> Erpf, 61, is a partner in Carl M. Loeb, Rhoades & Co., 42 Wall Street, New York City. The firm is one of the Nation's biggest stock brokers and investment underwriters.
>
> The Loeb, Rhoades partners and their customers own more than $20 million in shares in the biggest railroads.
>
> Erpf himself owns 8,000 shares of Seaboard Air Line Railroad, worth $321,000 at the end of trading in the stock market on Tuesday. Erpf also is a director of Seaboard, the Nation's 19th ranking line, and a member of its executive committee.

The article continues:

> Erpf was asked yesterday whether his role as head of a Government study did not conflict with the dollar interests of himself, his partner and their customers in railroads.
>
> Erpf replied over the telephone from New York:
>
> "Of course not."
>
> If any such question is raised by Congress, he said, "I'd be glad to bow out."
>
> Erpf was told that Congress might also wonder whether he could be fair to trucks, ships and airlines in the light of Loeb, Rhoades' rail stake.

My question is whether any of the funds carried in this bill can be used to finance the committee or commission which presumably Mr. Erpf will head for this purpose?

Mr. PRESTON. I may say to the gentleman that we made the biggest cut in the Secretary's office this year that has ever been made since I have been a member of the subcommittee. If he wants to hire this man out of the remaining funds I think he can do it, but he is going to have to fire somebody to do it, because we have really given him a cut this time. The reason we did is because the CA has been an independent agency and has become the Civil Aviation Agency. We concluded their advisory functions had diminished and were reduced, so we decided to cut the request for the Secretary's office.

Mr. GROSS. I thank the gentleman.

Mr. MOSS. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from California.

Mr. MOSS. The gentleman is familiar with the tenor of the debate held here in this Chamber yesterday on extension of the Reorganization Act. Is the gentleman aware that in the article from which he has quoted today, there is the further statement, I believe by Mr. Erpf, pointing out that the Secretary had instructed that they give thought to the idea of consolidating control of the independent agencies having to do with transportation in the Department of Commerce.

Mr. GROSS. Yes, that is contained in the article. I did not take time to read it all.

Mr. MOSS. Is it not also true this transfer of control from an independent regulatory Commission could, if the Reorganization Act is extended, be accomplished by a simple reorganization plan?

Mr. GROSS. That is right.

Mr. MOSS. This would be substantive legislation through a reorganization plan but perfectly consistent with the authority given in that plan.

Mr. GROSS. That is exactly right. Moreover, why go out and hire this man? Why not use the experts that we already have on the payroll in the Interstate Commerce Commission and elsewhere in the Government? Why go out and hire this man to make this kind of a study at additional high cost to the taxpayers?

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Ohio.

Mr. VANIK. I would like to inquire whether or not the funds for this survey came from the President's million-dollar fund.

Mr. GROSS. The emergency fund, so-called?

Mr. VANIK. There was $100,000 set aside that he could expend in the last year for a transportation survey. Is that the same survey that the gentleman from Iowa refers to?

Mr. PRESTON. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Georgia.

Mr. PRESTON. In the current fiscal year that was true, but in fiscal 1960 they asked for a regular appropriation.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

(By unanimous consent (at the request of Mr. GROSS) he was allowed to proceed for 2 additional minutes.)

Mr. VANIK. Mr. Chairman, I do not find that is an answer to my question. In the testimony on the President's appropriation bill, the one that is concerned with the million-dollar fund, there is a statement that $100,000 has been set aside for a transportation survey, which was commenced either in March or April of this year. My question is this: Is the survey to which the gentleman from Iowa refers financed by this $100,000 fund, or is it in fact being paid for out of some Commerce Department fund?

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Ohio.

Mr. BOW. The President of the United States requested that a survey be made of transportation by the Department of Commerce, and it is included in the 1960 appropriation for Commerce. It is not in a special fund.

Mr. GROSS. I would like to ask someone on the subcommittee about this $3,900,000 for a continuing program of research and development, including the joint program with the Atomic Energy

Commission, designed to produce nuclear propulsion for commercial ships. Does this provide any funds for construction of an atomic-powered icebreaker which I opposed and the President vetoed last year?

Mr. BOW. There are no icebreakers in this. I can tell the gentleman what this research amounts to.

Mr. GROSS. Will it provide for a superduper tanker with reference to which the testimony has been that it cannot be operated competitively unless it is put under a foreign flag?

Mr. BOW. There is nothing about that kind of a tanker. It is a subsurface tanker they are considering.

Mr. SHELLEY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from California.

Mr. SHELLEY. This amount of money is for research for nuclear propulsion units, for use in merchant vessels. It has been stated by Secretary Strauss, there have been statements made by Admiral Rickover, borne out in the testimony of Federal Maritime Administrator Morris, that the nuclear propulsion unit going into the SS *Savannah* which will be launched next year will be obsolete by the time she is put into operation. Looking to the day when there will be other vessels, they are now doing research for other nuclear propulsion units.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. PRESTON. Mr. Chairman, I yield the gentleman 2 additional minutes. Mr. Chairman, if the gentleman will yield, here is the testimony in the hearings.

Mr. PRESTON. Would you speak briefly to the research and development request of $3.9 million?

Mr. MORRIS. Yes, sir. A substantial part of the money, $2 million, is with respect to nuclear research and development which is a continuation in part of our preparatory work for the operation of the *Savannah*. There is also a continuation of the developmental program on our gas-cooled reactor with a closed cycle, gas turbine.

It seems that that is a new development. So, that is what it relates to.

Further, in the general statement, the following language is found:

We plan to continue research toward development of economically competitive nuclear power and to place more emphasis on new concepts in ship design. This is based on the belief that the proper role of the Government in this research field is in the area where no single operator or manufacturer can reasonably be expected to underwrite developmental costs because of unproven economic results or because of high unit costs.

Mr. GROSS. I am not opposed, I will say to the gentleman, to research and development of atomic power generating plants for ships, but I am opposed to embarking upon any program at this time of wholesale construction of such vessels which very quickly could become obsolete, which could not operate competitively, as we have been told. The proposed supertanker cannot operate competitively if it flies the American flag, and certainly we should not be in the business of building tankers equipped with atomic powerplants that cannot be operated under the American flag. They must be operated under the American flag.

I thank the gentleman.

Mr. PRESTON. Mr. Chairman, I yield 5 minutes to the gentleman from Florida [Mr. MATTHEWS].

Mr. MATTHEWS. Mr. Chairman, I want to express my sincere appreciation to the gentleman from Georgia for granting me this time.

Mr. Chairman, this bill today includes, as I recall, an amount of $250 million for subsidies for our maritime activities. I thought it might be in order, Mr. Chairman, to talk for just a few minutes about the problem of subsidies and relate this problem to the field of agriculture. It is amazing to note just how many segments of our economy receive subsidies. For example, the Post Office Department has to get about half a billion subsidy each year. I am told that most of this subsidy goes to the magazines who are particularly critical of the farm program and especially those farmers who get over $50,000 a year, and yet the subsidy to just one of these magazines is larger than any subsidy to any single farmer that I know about anywhere in the United States.

Mr. Chairman, we granted subsidies in the amount of $43 billion for business conversions immediately after World War II. The subsidies for other activities in this country are so many that I cannot enumerate them. I wonder about the hidden subsidies in the roadbuilding program; some $40 or $45 billion worth of roadbuilding under the great interstate program. I do not know just how many subsidies are involved in that great program. Take the subsidies in the airplane industry. The gentleman from Georgia [Mr. VINSON], in his usual magnificent oratory on the floor, recently told us about the great airplane manufacturers. According to the amount of money they put into the operation of their activities, their profits are unusually generous. Now, the little corn farmer who has to expend about $50,000 of his own money to go into business does not get another $200,000 from Uncle Sam to insure him about a 10-percent return on his investment.

Mr. Chairman, I want to talk just several minutes now to give the Committee some information that I believe you would like to have. I want to suggest that the subsidy, the so-called subsidy the farmers get is terribly overrated. For example, I read in many of the papers last year that the farmer received a subsidy of between $6.5 billion to $7 billion. Of that amount, $1 billion represented our agricultural surplus that we exchanged for foreign currencies under Title I of Public Law 480; food that went to hungry people in Europe under title II of the same law, and other food that was distributed through our charitable organizations under title III of the same particular law. A half billion of that money went to feed the hungry people of America, 1.2 million living in charitable institutions, 5.4 million living in family units, and 14 million schoolchildren. Half a billion dollars went for these purposes, and yet some of our great newspapers of this country would have you believe that this was a subsidy for the American farmer. One-half billion dollars of this so-called subsidy was money repaid, that went to the REA and the Farmers Home Administration. Sure, there is a little difference in interest. The REA gets 2 percent interest from the Treasury and the Government pays the asking rate. May I state that when I came here in 1953 the interest rate was just 2 percent that the REA paid and that the Government had to pay for the money that it borrowed.

The forestry appropriations are often considered a subsidy to the farmer. This great organization that is so important to all segments of this country gets somewhere between $100 million and $200 million a year, and many people believe this money that goes to the Forestry Department represents a subsidy to the farmer. Yet this great and magnificent organization pays back about twenty-five million a year in lieu of taxes to the various counties where the forests are located; is responsible for the water supply of Phoenix, Salt Lake City, Los Angeles, San Francisco; offers recreation opportunities for 70 million people a year; is responsible for the great pulpwood and paper industry in many sections of this great country. And yet some of the great metropolitan press would have you believe that this represents a charge to the American farmer. It is not a subsidy to the American farmer.

I shall conclude with this one statement. I come to this conclusion, Mr. Chairman. Those of us who live in glass houses, fabricated from the substance of subsidies, should be careful not to throw stones. If subsidy is a sin, do not look with a pious halo at the American farmer, but conclude that we have all sinned and come short of the glory of the Lord. And finally, if the subsidy to the farmer is a tax on wheat bread, or light bread as we call it in our district, the other subsidies are taxes on medicine, on shoes, on clothes, on everything that you get, including grits, gravy, and collard greens.

Mr. BOW. Mr. Chairman, I yield the balance of the time on this side to the gentleman from Washington [Mr. HORAN].

Mr. HORAN. Mr. Chairman, I have taken this time to discuss quite frankly with the Committee the Small Business Administration. I want to point out what we are trying to do to help small business in the United States. I should like to begin my statement with a list of business failures per 10,000 firms, for the years 1939 to 1958. Following is the list:

Business failures—Failure rate per 10,000 concerns

Year:	
1939	70
1940	63
1941	55
1942	45
1943	16
1944	7
1945	4
1946	5
1947	14
1948	20
1949	34
1950	34
1951	31

Business failures—Failure rate per 10,000 concerns—Continued

Year:	
1952	29
1953	33
1954	42
1955	42
1956	48
1957	52
1958	56

(Source: Dun & Bradstreet, Inc.)

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman yield?

Mr. HORAN. I yield.

Mr. ROONEY. Because my attention was diverted for a moment, I did not catch the meaning of the figures the gentleman was reading.

Mr. HORAN. Failures per 10,000 firms.

Mr. ROONEY. Bankruptcies?

Mr. HORAN. I assume they are bankruptcies.

Mr. ROONEY. We all know that bankruptcies are at an alltime high in the history of the Republic.

Mr. HORAN. Oh, no.

Mr. ROONEY. Yes.

Mr. HORAN. I do not know about that. These figures are of small business firms, failures per 10,000.

Mr. ROONEY. The gentleman will find that fact in the hearings on the annual appropriations for the Federal Judiciary.

Mr. HORAN. Mr. Chairman, I decline to yield any further.

I am trying to be frank with the Committee and give them facts that I got from the Small Business Administration itself. I want to be frank and say that they are on the increase. But here is what we are trying to do through the Small Business Administration to help the 4,300,000, estimated, small businesses in the United States. I think it is a good program, and I should like the Members to listen to me, because there are funds in the bill before us attempting to help the 7 million owners of the estimated 4,300,000 small business concerns in the United States.

The following are the accomplishments of the Small Business Administration:

PROCUREMENT AND TECHNICAL ASSISTANCE

Fifty-five thousand four hundred and eighty-one proposed Government purchases for $3.6 billion have been set aside for exclusive award to small business firms.

Five hundred and fourteen certificates of competency involving proposed procurements of $79.6 million have been issued on behalf of small firms which otherwise would have been denied the contract award.

Thirty-three thousand six hundred small firms have been assisted with their production problems.

Twenty-eight thousand nine hundred small firms have been assisted in finding new products for manufacture.

Program for set-asides to small businesses of Government sales and disposals has been established.

Assistance to small firms is being provided in the area of research and development.

It has been estimated that 90 percent of small business failures are accounted for by failure of owners to have good management. So the Small Business Administration conducts schools of management in some 200 colleges throughout the United States. They also have issued many bulletins on business management. It is a sort of extension course for small businessmen.

Ten licenses have been issued for the formation of small business investment companies. Total initial capital, including subordinated debentures, is $3.3 million. An additional 25 proposed companies have been notified to proceed with the steps leading to submission of a formal application for a license. These 25 proposed companies contemplate a total initial capital, including subordinated debentures, of $8.3 million.

Eight loans for $955,000 have been approved to local development companies under section 502 of the SBI Act of 1958. One application for $627,500 has been received from a State development company under section 501.

Fifteen thousand six hundred and thirty-one business loans for $731.4 million were approved for small businesses which were unable to receive credit from any other source. In addition 8,511 disaster loans for $91.6 million were approved for homeowners and businesses that were victims of disasters such as floods, hurricanes, and so forth, as well as those that suffered injury from extensive drought and excessive rainfall over a continued period of time.

I think it is worthy of note that the Small Business Administration attempts wherever possible to work through existing financial organizations such as your hometown bank and they are moving more and more in that direction. One of the fine things that Small Business Administration has done is the help they were able to give following the hurricane Hazel in New England. In that program 96 banks joined in that area and sent loan officers up there to help small business clean up the mess. I think they did a good job.

Mr. PRESTON. Mr. Chairman, I yield 3 minutes to the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Chairman, I am addressing my remarks to the Weather Bureau section of this bill.

In excess of 160 Members of this House and their entire constituencies will be directly and severely affected unless this Congress takes immediate steps to further clear its position in relation to the unhindered continuation of the very vital Weather Bureau effort of gathering information on the national hurricane research project.

The provisions given in the report of the Appropriations Committee to the House for a specific action that must be in effect accomplished seems to omit the Budget Bureau approved request for $804,000 for continuation of the flight program of the national hurricane research project. Deletion or curtailment of this already proven extremely effective program will mean far less hurricane, storm, and flood protection to about one-third of the people of the United States.

Hurricanes in 1954 and 1955 destroyed over one thousand million worth of personal properties and were the direct cause of the loss of hundreds of human lives. One hurricane alone in 1900 struck Galveston, Tex., and took 6,000 lives. Another in September 1928, struck south Florida and consumed the lives of 1,836 human beings. Still another in September 1938, hit Massachusetts, New York, and southern New England. In its path 600 lives were destroyed.

We all remember the more recent hurricane disasters; Hurricane Carol, August 1954, that struck from North Carolina to Maine; Hurricane Edna, September 1954, that struck New Jersey to Maine; Hurricane Hazel of October 1954, that tore a path of destruction from South Carolina to New York; Hurricane Connie of August 1955, that hit North Carolina; and Hurricane Diane of August 1955—one of the most costly disasters in our country's history—that ripped the area from North Carolina to Massachusetts.

These five hurricanes alone consumed 385 lives. By itself, Diane did over $1 billion worth of property damage.

These disastrous hurricanes are but a few of the many. The deaths that I have mentioned are but a few in comparison to the total number of lives that have been taken by hurricanes in the last 59 years.

While hurricanes are thought of by many as centering their force on the Florida mainland, such presumption is, of course, unfounded. The entire Gulf Coast area including Texas, Louisiana, Mississippi, and Alabama have, too, been extremely hard-hit on numerous occasions.

We know all too well of the severity of the numerous storms that have struck the east coast of the United States from Florida to Maine and Canada within just the past few years. Too, we know of the side effects of these hurricanes, the losses of which are reported and attributed to flood and storm damage. The tremendous floods of the Mississippi and her lower tributaries are directly related to and frequently caused by the aftereffects of an Atlantic hurricane. Too, the same holds true for the floods of the rivers on the eastern coast of the United States. The property damage and loss of life resultant therefrom again reaches similarly high totals.

Every Member of this House is fully cognizant of this terrible threat to the solvency, safety, and welfare of their constituents, that is created by these sudden destructive rages of nature which include hurricanes, tornadoes, severe storms, blizzards, flash floods and extremes of temperature.

That there is a need for inclusion of the $804,000 item in the Weather Bureau appropriation bill, and that further there is definite need for conclusive clarification of the Appropriations Committee's intent in this regard, is a matter which I am sure all of my colleagues in this House are in total and complete agreement.

The absence of clarity of the committee's intent and the exclusion of this $804,000 approved budgetary request could well result in the Weather Bureau's having to leave their three modernly equipped research planes in a totally unused status during the hurricane season

that officially begins June 15 of this year. In addition, these planes would be grounded during the coming spring's tornado season.

That it would be a lack of foresight on our part should we neglect to clarify this intent and approve the appropriation of this $804,000, is only partially evidenced by the fact that we already have a tremendous investment in this hurricane research project. We now have an investment in these specially-equipped aircraft that has involved the expenditure, for instrumental equipment alone, a figure close to $2 million.

The supplemental appropriation bill of the last fiscal year Congress provided $1,980,000 to lease, equip, and maintain these three aircraft through June 30, 1959. These planes are now being instrumented into the finest and most complete meteorological research devices ever constructed. For the past three years the Department of Defense has furnished the aircraft, crews, maintenance, and supplies for this hurricane research project. For urgent reasons of extremely high military priority, it became necessary for the Department of Defense to divert the three military planes previously used on the hurricane research project to other areas and to require the Weather Bureau to therefore furnish the services and materials that had previously been provided by the military.

The Weather Bureau, being notified well in advance of the curtailment of Department of Defense assistance, sought and received approval of the Bureau of the Budget and the Congress to enter into contract with civilian industry to supply the aircraft, crews, maintenance, and supplies needed to conduct their work on this all-important research project. Although the U.S. Air Force is still in a partial way assisting the Weather Bureau in the hurricane research project through the use of one B–57 and some equipment, and the U.S. Navy is providing other valuable assistance, this assistance is by no means sufficient to carry on but a very small part of this meteorological survey.

Data collected by aircraft penetrations during the three past seasons made possible a fuller understanding of the hurricane problem. We are now able to describe in considerable detail the structure of mature hurricanes and as a result have made much progress toward solution of the other problems associated with our understanding and prediction of hurricanes. The determination of the effect of forces at various levels on movement and intensification of hurricanes is just one of the other problems now being studied.

In order to continue the research reconnaissance program, replacement aircraft for the three formerly provided by the Air Force have been procured. Two DC–6 type aircraft have been leased, and a B–57 turbojet for high altitude investigations has been furnished by the Air Force. These three aircraft will be maintained and operated under contract by a civilian agency. The meteorological instrumentation and the recording system, however, will be maintained by national hurricane research project personnel. These aircraft will be equipped with meteorological instruments and recording systems that will make them useful not only in hurricane research, but also for study of squall lines, subtropical jet streams, experiments in weather modifications, and other meteorological phenomena that the National Weather Service should investigate.

Although through this project great progress has been made thus far in hurricane research and improved hurricane warnings, much work remains to be done. The need for an extended radar range along our Eastern Seaboard and Gulf Coast States has long existed. At the present time plans are being implemented for the installation of new high-powered radars at Miami, Daytona Beach, Key West, Tampa, and Apalachicola, Fla.; Washington, D.C.; Charleston, S.C.; Brownsville, Tex.; Wilmington, N.C.; New York, N.Y.; and Atlantic City, N.J.

Since hurricanes are born and spend most of their lifetime over the ocean, it is impossible to acquire upper-air data except by airplane reconnaissance. At present it is not known why and how hurricanes form. Hurricane movement cannot be forecast with the desired precision, since the forces which determine movement have not been defined satisfactorily. The rapid acceleration of hurricanes from, for example, 3 to 5 miles per hour in 24 hours or less is rarely forecast too well. The cases of occasional explosive deepening and at other times decrease in intensity are not known. There are many other phases of the hurricane such as destructive tides and torrential rains resulting in damaging floods which are also difficult to forecast.

Since much of the required data has not yet been obtained, only a start has been made in the development of improved forecasting techniques. Some progress has been made in the forecasting of the hurricane tide which is the most damaging agent of the hurricane. However, the tide is dependent upon the hurricane track and while some slight progress has been made here, much more needs to be done. Actually, the most progress so far has been made in understanding the physical processes of the hurricane and the contribution of some of these processes to hurricane movement. Several tentative hypotheses have been developed which must be tested on new storms to evaluate their accuracy and effectiveness.

It is difficult to forecast over how long a period additional data must be secured. This is naturally dependent upon the number of storms, the efficiency of aircraft, and whether hurricanes appear in areas where these investigations can be carried on efficiently. Perhaps a good educated guess would be 3 to 5 years.

We need to cut down on the widespread ignorance that still persists concerning the most dangerous of all storms known to exist on the face of this earth. When we know more about what makes these tick, we will be in a better position to forecast precisely, when, where, and how quickly these dangerous storms will strike along the gulf and Atlantic coasts.

Who knows—when the study of the three-dimensional structure and makeup of hurricanes is further advanced, we may even reach that stage where we can with confidence attempt to modify, divert, or even destroy the hurricane menace.

In the short period of 3 years the Weather Bureau has provided us with much valuable information. In fact, in these 3 short years the Weather Bureau, through this project, has learned more about weather conditions and the movements of hurricanes and other tropical disturbances than have been learned during the preceding century of research and study.

In this short 3-year period they have already completed approximately 50 percent of their stated objectives. To my knowledge, there are few, if any, other highly technical studies that have accomplished so much, in so little time, with such little expenditure.

This tremendous accomplishment was made in spite of the fact that the military aircraft were made available too late in 1956 to be of much use, and the further fact that 1957 had few hurricanes. Therefore, it was not until 1958 that the Weather Bureau was in a position to be able to accumulate hurricane observability data of excellent quality and significant quantity.

To me, one of the most important facts of this hurricane and tropical disturbance study is the fact that it is being carried out with, comparatively speaking, but a handful of people and a pocketful of pennies. A skeleton staff of dedicated scientists are working night and day to save our lives and property. The people affected need the support of this Congress.

A small handful of people, each highly skilled technicians, man the all-important hurricane warning station at Miami, Fla., under the very able and effective leadership of Mr. Gordon Dunn. His accomplishments and those of his staff, while receiving little national recognition, have undoubtedly already saved the lives of possibly thousands of people and the destruction of untold millions of dollars in property.

This Congress should certainly include the requested $804,000. Let us not, in any way, cripple the best storm research program ever conducted in history. We can ill afford to in any manner hinder or delay the continuation of this hurricane research project.

I hasten to add my commendation to the distinguished chairman of the subcommittee and the other members of the committee for the generous and sympathetic consideration they have given to this vital and necessary service. However, I am sure we would all support the full amount requested. I recommend and strongly support restoration of the $1,500,000 cut.

Furthermore, I ask to clarify this matter, which is of vital concern to all of us; concerning the operation of hurricane research aircraft and the provision for other hurricane research matters. I direct a question to the distinguished gentleman who is chairman of the subcommittee and also to the rank-

ing minority member. I call your attention to page 10 of the committee report. Although the language on page 10 of the committee report dealing with the item of salaries and expenses of the Bureau does not specifically refer to the continued operation of hurricane research aircraft and other items in hurricane research, does not the committee in the report and, as a matter of fact, in the bill itself, intend to include and does provide the requested funds for the operation and maintenance of the three hurricane research aircraft and other items and services for hurricane research?

Mr. SHELLEY. If the gentleman will yield, the answer is this: Up until this year the Air Force used its planes for doing research flying. Now there is adequate money, without being specifically earmarked as such, for it to purchase and acquire its own planes for this purpose. Somewhere in the hearings they have said this will permit them to do that, and the service will be continued.

Mr. FASCELL. As I understand, the language on page 10 of the report does not specifically allude to the increased appropriation for hurricane research aircraft and other hurricane research; nevertheless, do you say it is the committee's intent to continue and the bill does provide increased funds for that operation?

Mr. SHELLEY. The gentleman is correct.

Mr. FASCELL. May I ask the gentleman from Ohio if that is also his understanding of the situation?

Mr. BOW. It is also my understanding of the situation; that plans are being considered rather than to purchase such equipment, to enter into a contract with some company that has existing planes, to get them to do this work rather than purchase the planes themselves, but it is the intention to continue the research the gentleman has spoken of.

Mr. PRESTON. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Georgia. Is that also his understanding of the situation?

Mr. PRESTON. The fact is that the Weather Bureau has already entered into a contract with some company to fly these planes, and they are now trying to determine whether they will enter into a contract for maintenance. So they have no alternative, they have already signed the contract.

Mr. FASCELL. I thank the gentlemen for their assurances that funds for this vital operation will be provided.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. PRESTON. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. ROGERS].

Mr. ROGERS of Florida. Mr. Chairman, after the explanation that has just been made by a number of members of the committee on the national hurricane research project I want to join in commending the committee for continuing this very important program that does affect all of the country, not alone in the matter of hurricane research, but also in the matter of tornado research. This program of hurricane research was carried on during the hurricane season in Florida, for a while from West Palm Beach and now out of Miami, I believe, and they are doing a wonderful job. I want to add my remarks to those of my colleague the gentleman from Florida [Mr. FASCELL], to commend the committee for carrying on this program.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield.

Mr. FULTON. I cannot understand the friendly concern of the gentleman from California for Florida. I think he is to be complimented, do you not think so, too?

Mr. ROGERS of Florida. I think he appreciates the fact that it benefits all parts of the country, not Florida alone.

Mr. SHELLEY. I just want to protect California from those outrageous Florida winds.

Mr. ROGERS of Florida. We hope those tornadoes will not get to you in California.

Mr. PRESTON. I understand my time has expired, Mr. Chairman, and that there are no further requests for time. I ask that the Clerk read the bill.

The Clerk read as follows:

TITLE I—DEPARTMENT OF COMMERCE

General administration

Salaries and expenses

For expenses necessary for the general administration of the Department of Commerce, $2,500,000.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to ask a question or two concerning the item in the bill at the bottom of page 6, reading as follows:

Provided further, That of the amount herein appropriated not to exceed $1,250,000 shall be used for the payment of costs already incurred in the design of the superliner passenger vessels authorized by Public Law 85-521.

I realize there has been some discussion of this particular item, but I am not completely satisfied with the explanation that has been given. As I understand this matter it is proposed here to pay to the American President Lines and the United States Lines $1,250,000 for the design of two superliners, one for the Atlantic and one for the Pacific—for designs those companies had drawn or caused to be drawn, and that there was no authority in law for an expenditure for this purpose, that they had no assurance whatsoever that they would be paid a single dime for having these designs drawn. Is that about the situation?

Mr. PRESTON. The gentleman is approximately correct, I say to the gentleman from Iowa. The fact is that the Congress passed a bill and the executive branch of the Government refused to comply.

These people in good faith employed architects to design these ships, and then the President in his message to Congress when he came before us said "Despite what Congress has done I want you to rescind your action. I want these ships built on a private financing basis."

It was established last year that the ships could not be built on a private financing basis because it would not be economically feasible. So we felt on our part that we should say to business that big government is not going to run over you like this and have you expend these funds and then completely ignore you. Whether it is authorized or not, the distinguished gentleman from North Carolina [Mr. BONNER], a few moments ago said on the floor of the House that it was authorized, and I think he is the best authority in the country on maritime matters. I am sure the gentleman from Iowa would rely on the statement of the gentleman from North Carolina in such a matter.

Mr. ROONEY Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from New York.

Mr. ROONEY. I believe it is the fact that the Navy Department expressly request the shipowners to excute the designs.

The result was that one of the shipping companies spent almost $1½ million for the designs. Over a million dollars of that was spent in connection with the defense phase of the designs and was, therefore, expended for the account of the Government.

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Ohio.

Mr. BOW. Mr. Chairman, I call attention to a bill, H.R. 11451, introduced in the past Congress which is the one authorizing construction by the Maritime Commission of these ships. Here is a part of the language:

There is hereby authorized to be appropriated for the Department of Commerce such sums as may be necessary, to remain available until expended, for the constructing, outfitting, and equipping of such vessels.

It is to be assumed, I think, that the plans drawn would be a part of the construction costs, it seems to me, under this act. I would be glad to get the views of the distinguished gentleman from North Carolina, chairman of the Committee on Merchant Marine, who passed out this bill as to whether this would be an authorization.

Mr. GROSS. Of course, the thing that concerns me is who gave the shipping companies the green light to proceed without an authorization from the Congress.

Mr. BOW. Here seems to be the authorization.

Mr. GROSS. It says nothing about designs.

Mr. BOW. Yes, for designs. That is under the general act of 1936, as I understand it. The Defense Department requested them to go forward with the new defense provisions of the Defense Act of 1966. I think I am correct in that.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from North Carolina.

Mr. BONNER. The gentleman from Iowa is an alert Member of this House,

and he looks very closely into the matter of expenditures. He is a member of the Committee on Merchant Marine. I call his attention to the fact that the Chairman of the Maritime Commission himself when he became Chairman encouraged a bill to build a sister ship of the *United States*. We held hearings on that subject, then there was introduced a bill for that purpose. The other ship was under discussion with the Maritime Administration, and the suggestion was made and carried out that both ships be put into one bill. The Maritime Commission supported the bill. That will be shown by the hearings of the committee and by the report of the committee.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

(By unanimous consent (at the request of Mr. GROSS) he was allowed to proceed for 3 additional minutes.)

Mr. BONNER. Of course, the President signed the bill, and it became law. The planning and program are all considered in the cost of the construction of a ship, particularly in this case. Not only under the 1936 act do they have the authority to plan and program and build ships, but this was specifically authorized and carried through the organization the entire cost of the ship, planning, programing, and construction. It is an authorized item.

Mr. GROSS. I read from page 438 of the hearings the following, and this is the statement of Mr. Morse, the Maritime Administrator:

> Furthermore, when Maritime approved their going ahead and developing plans and specifications for the passenger ships, we put on the specific warning that if they did so, they did so at their own risk and we would not permit them to reimburse their general funds from the capital reserve funds unless the contract for the ship was in fact signed.

Mr. BONNER. Is he talking about the authorization or is he talking about their ability to take moneys out of their reserve funds?

Mr. GROSS. Apparently that is what they did in lieu of an appropriation from Congress. Is that not correct?

Mr. BONNER. No. They have not taken the fund. This is on letting them take the fund out. This is the Government's fund. This is only the Government's proportionate part of the construction program.

Mr. GROSS. How did they proceed with these designs without taking it out of their capital funds?

Mr. BONNER. Advanced out of their private funds, their operating capital. I appreciate the gentleman inquiring about this. He is a splendid member of our committee and I appreciate the fact he is inquiring about it. I am in accord with a careful scrutiny of this.

Mr. GROSS. I may say to the chairman of the Committee on Merchant Marine that I have an idea eventually we will pay this bill anyway in one form or another. I had thought of raising a point of order against this provision, but if the designs are good, perhaps something worthwhile has been accomplished when the day comes that these superliners are built. I will not, therefore, raise a point of order, and I thank the gentleman.

Mr. SHELLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SHELLEY. Mr. Chairman, I think it is healthy that we have this discussion here. I believe we ought to review some of the bases of this entire problem.

At the end of World War II this country was found to be highly deficient in the number of large passenger-carrying vessels which could be immediately converted into troopships. Before World War II when we found ourselves getting into the fracas we had only about five or six large vessels. A couple of large passenger vessels from the American President Line, the old *America*, the old *Manhattan*, from the U.S. Lines and the Matson Line ships *Monterey* and the *Mariposa*, the Santa vessels of the Grace Line were just about all we had that were adequate for troop transport. Most of our men went on the British liners *Queen Mary* and *Queen Elizabeth* at about $150 a head for officers and $100 a head for enlisted men. These two ships were the only ones adequate for division lift; however, they were only useful in the North Atlantic trade for which they were designed and built. The Department of Defense, the Federal Maritime Board, and a special committee of 15 people studied this situation in 1946 and 1947 and said the greatest need in the event of any future hostilities would be to have adequate fast transport vessels. It does no good to have them laid up, so it was recommended that they be completed as passenger vessels under the 1936 Merchant Marine Act. It was under this formula that the steamship *United States* was built, the pride of the ocean today, the fastest vessel afloat in the maritime service. The *Constitution* and the *Independence* were built under this act as well as other vessels that are a credit to this country. As time went on it was also recognized that actually the 1936 act was never drawn or written up or passed by the Congress for building superliners, this type of huge passenger vessel which could be converted to troop transport usage. In effect, they said we needed some new law. The Merchant Marine Committee of this House made a very thorough and long study and brought in specific special legislation authorizing the construction of a sister ship to the *United States* and for a new superliner in the Pacific. Now, these vessels, before they are built, are designed by the operator who is going to operate them and whose house flag they fly, at his expense. The Department of Defense sits in and says "Instead of having one engine room, you must have two engine rooms with completely watertight bulkheads between; you must have additional compartmentation, because if we are going to have troops in them, we want them carried safely. You must have additional speed."

Where 23, 24, and 25 knots would be perfectly adequate speed for competition in the Pacific service, probably even on some runs in the Atlantic service, they want 28, 29, 30, 31, and 32 knots in these vessels. So, this is what the Government sets forth as their requirements for defense purposes if and when the vessel is needed for troop purposes and this the law requires the Government to pay for. The operator, the ship owner, does not need all this for his ordinary commercial purposes, but we, the United States, need it for the defense of our country and the safety and security of our men in uniform in wartime. This House last year passed a bill which came out of the Committee on Merchant Marine authorizing the construction of these two liners. It gave an additional construction subsidy allowance recognizing that with today's cost of labor and materials, with the competition from abroad, no American operator, no businessman with any sense at all would go into this sort of a venture unless there was further Government subsidy or support because of the defense features. We passed it. It went to the White House. It was signed by the President. When he signed it, he sent a message back up here, and this is exactly where we get into this imbroglio. He recognized the need for these two liners, but rather than give Government financing, he suggested the companies go out and get private financing. Well, these companies found that the interest rates which they would have to meet on private financing were exorbitant and beyond their abilities, and this has been part of the problem of the ship construction program for the last 5 or 6 years. Private financing was proposed originally by a gentleman who was formerly Chairman of the Federal Maritime Board, later Under Secretary of Commerce, Mr. Rothschild, who is now in New York in business promoting private financing of ship construction in the maritime field. It was a complete departure from the tried, tested, and proven system.

Mr. PRESTON. Mr. Chairman, will the gentleman yield?

Mr. SHELLEY. I will always yield to my distinguished and much beloved chairman.

Mr. PRESTON. I thank the gentleman. One of the best authorities in this nation is Clarence Morse, Maritime Administrator. He is an honest, forthright man.

Mr. SHELLEY. That is right.

Mr. PRESTON. He is one of the best administrators in all government. He asked for funds for these ships, and the Bureau of the Budget denied the request because the President did not want to finance them through Government financing; is that not the fact?

Mr. SHELLEY. The gentleman has stated the facts as clearly and succinctly as they could be stated.

Mr. PRESTON. So the Government has tried to carry out the promise that Congress made or what Congress undertook to do through its chosen Adminis-

trator. And yet the White House says, "No, boys; you cannot do it." So why should we not pay for these design costs?

Mr. SHELLEY. If the President of the United States and the Bureau of the Budget had gone along with the Chairman of the Federal Maritime Commission who, I am sure, knows more about this subject and the need for these vessels than either the Director of the Bureau of the Budget, or, with all due respect, the President of the United States, these companies would have gotten their money back, and in this case I am sure it is the Bureau of the Budget, because I cannot forget that President Eisenhower has said repeatedly that the Merchant Marine is the "fourth arm of defense." If construction had started they would have been allowed to withdraw this money that they had expended from their own capital reserve, from funds on deposit with Federal Maritime to their credit, they would have been reimbursed and not have been put in the position of having to hold up the general operations of their companies because the Federal Government has violated its moral obligation in failing to carry out the law that we passed.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. SHELLEY. I yield to the distinguished majority leader.

Mr. McCORMACK. If I may add to the very proper remarks made by the distinguished chairman of the subcommittee [Mr. PRESTON] in relating to Mr. MORSE, whom I do not know personally—I have met him a few times officially and talked with him over the telephone—in addition to what my friend said, I might say that he has always impressed me as a man with great courage in the performance of his duties.

Mr. GEORGE P. MILLER. Mr. Chairman, will the gentleman yield?

Mr. SHELLEY. I yield to my colleague from California.

Mr. GEORGE P. MILLER. Mr. Chairman, I just want to point out, and I am sure you will agree with me, that time is running out on the replacement of our major ships. The British Government through some of its agencies will have two major ships, prestige liners, operating in the Pacific in 1961. Prestige liners go to make for foreign trade. We need them to keep the American flag in a position of leadership on the seas. We cannot catch up with those two ships because they are on the ways now and will be constructed. But we have got to come to grips with the building of these superliners in a very short time or revert back to the position we occupied in the maritime field prior to World War I.

Mr. SHELLEY. I think the gentleman from California will also recall that when he and I were in Japan last fall, the Minister of Transportation of Japan told us that they, the Japanese, intended to have a superliner in the Orient-to-San Francisco trade by 1961 or 1962.

Mr. GEORGE P. MILLER. And anyone who has been in the Orient knows that when one of these superliners comes into a port, that is one of the things by which the orientals judge the country of origin of the ship and the position it stands for in the world.

Mr. Chairman, these companies should be reimbursed for these design costs now or the Government of the United States, and by that I specifically mean the executive department, should send a request in forthwith for the funds necessary to start construction on these two much needed vessels.

Mr. MORRIS of Oklahoma. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there is a lot of subsidy in this bill, as we all know, and I certainly do not object to it. I have a true respect for this great committee that has brought this bill in here, and its great chairman. And I am sure the committee is justified in what it has done.

But I want to talk for a few minutes about a tragedy that is going on in this Nation, a great tragedy. I sought to get the gentleman from Florida [Mr. MATTHEWS] to yield during his time in general debate to compliment him on the wonderful statement that he made relative to subsidies and to put in a few figures in addition to those that he gave. The gentleman wanted to yield, but his time had expired. Therefore, I take this time to supplement, to some extent, what he said.

Here is the tragedy. So many of the American people believe wrongly, because of so much propaganda, that the farmer, in this Nation, has been the big bad wolf so far as being the beneficiary of subsidies is concerned. But just the reverse is the absolute truth. Subsidies are just as American as George Washington was, and they have been going on all this time. Listen to these figures.

Verily, I believe they are true. I have checked and rechecked them. From 1932 to 1952, the subsidies to the farmers of this Nation to carry on the farm support price program amounted to $1.2 billion. The subsidies that went to the manufacturers of the Nation to support the tariff cost $40.8 billion. So you see, the American taxpayer dug down into his pocket and gave the manufacturing interests in this country 40 times as much as the farmer during that period of time but you never see that emblazoned across the headline of any of the metropolitan newspapers or in the slick magazines that have been enjoying themselves such fat subsidies. They have never told you that story. I would be greatly surprised if they ever did. What is the consequence? Now do not get me wrong. I am not against the tariff. I want to see our manufacturers protected by a reasonable tariff and I am not against the subsidy in this bill to carry on with our maritime program. I try, and I believe I succeed pretty well, not to be local in my views. I try to take a national view, as a Member of the House of Representatives; for instance, just recently I voted for public housing. That vote has caused me considerable criticism and I knew that it would. But, I want to see these slums, these blotches on the fair escutcheon of our great Nation removed. I want to see this national cancer of slums eradicated from the great cities of our Nation. I want to see America beautified and made stronger and our people healthier; so I go along with the subsidies for public housing and for tariffs and the subsidies for the maritime program in this bill, but I hope that some of you gentlemen will be a little more liberal when the farm program comes along to give the farmers better subsidies. Now, Mr. Chairman, here is the tragedy to our Nation, the real tragedy of this. Millions, yes millions, of small farmers have been and are being driven off of the farm because they cannot make a living there because there has not been enough subsidy. What is the result? The result is that small towns, not only in my district and in the great State of Oklahoma, but all over the Nation, are drying up. The purchasing power of the rural people is diminishing. It is having a very bad effect on many parts of our economy, including the rural electrification program. It is having a very bad effect on small business. It is creating unemployment throughout the entire Nation, yet the propagandists in this country have led the American people, and too many Members of the Congress, in my judgment, to believe that the farmer is the big bad wolf—I repeat the term—when the truth of the matter is that the farmer, comparatively speaking, has been a small recipient of subsidies. I see the great and distinguished majority leader, the gentleman from Massachusetts, and may God bless him, nodding his head in affirmation of what I have been saying. He, in my judgment, has done as much, if not more, than any man in the history of America, who lives in and represents a big metropolitan area, a consuming and nonfarming area, to help the farmers of America and the people who live in the rural areas of this country. And for that, I thank him, from the bottom of my heart. In this, as well as in many other respects, he has shown and proven himself to be a truly great legislator and statesman.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. MORRIS of Oklahoma. I yield.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I want to compliment the gentleman from Oklahoma for the very fine presentation he has just made to the House on this subject. The gentleman from Oklahoma has always been a 100 percent friend of the farmers and I only wish we had more like him in the House of Representatives.

Mr. MORRIS of Oklahoma. Thank you, sir. I truly appreciate what you have just said, particularly in view of the fact that the gentleman from Minnesota [Mr. ANDERSEN] is one of the truly great leaders, in this House, and is known by all of us as one of the greatest and most powerful friends the farmer has in Congress.

Mr. RIVERS of South Carolina. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I certainly hope that the design cost of these superliners will

be inserted in this bill by amendment or will be made available later on. As a member of the Committee on Armed Services and a member of the Committee on Merchant Marine and Fisheries, I voted to report these bills out and helped to get them passed in this branch of the Congress where we authorize these expenditures. I was here when we built the liner, the *United States*. The ship the *United States* has a military potential which was designed by the Navy. It is a military ship. The two which we have authorized will likewise have the design and configuration like the ship the *United States* and it will be military in their construction. In addition to that, Mr. Chairman, we do not have any free enterprise anywhere on earth except in America. Every other flag vessel that I know of on earth is run by the government. I do not care where they are. The only way the American flag can compete on the high seas is by way of assistance from the Federal Government.

It is just basic. If we are going to keep the American flag on the high seas and keep the supremacy which the United States is proud of, we must fulfill our obligations to see that these two flag vessels which we have authorized and to which we are solemnly committed, are built. We must make the funds available for their construction. This design money should be made available. I am delighted to hear that the distinguished chairman of this subcommittee [Mr. PRESTON] agrees that we should make this money available.

It is essential if we are to compete on the high seas and if we are desirous of maintaining the blue ribbon which we now proudly boast. To do this we will make a sister ship to the *United States* possible. The British are now constructing a new superliner in their yards on the Clyde. We should also have at least one in the Pacific, for there too we face the competition of the British, also the imperial Japanese are getting into the Pacific picture.

Do you ever stop to realize that these other people are building their ships with your money? Let us build our own ships with our own money, and let us do what is right: Look out for America for a change.

The CHAIRMAN. The time of the gentleman from South Carolina [Mr. RIVERS] has expired.

The Clerk read as follows:

BUREAU OF THE CENSUS

Salaries and expenses

For expenses necessary for collecting, compiling, and publishing current census statistics provided for by law, including enumerators at rates to be fixed without regard to the Classification Act of 1949, as amended, $8,063,500.

Mr. PRESTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PRESTON: Page 2, line 21, strike out "$8,063,500" and insert "$8,673,500."

Mr. PRESTON. Mr. Chairman, I rise in support of the amendment, and I would like to point out to the committee that this amendment is required because of an error made in marking up the bill. When we marked up the bill we thought we were making a cut in the 1960 request, but as a matter of fact we made the cut in the 1959 appropriation. It is purely an error. It was a pretty good cut. We tried to reduce these requests, but in writing up the bill we applied it in the wrong place. This is purely a corrective amendment.

May I yield to the gentleman to ask him if he corroborates me?

Mr. BOW. If the gentleman will yield, that is correct. The committee intended to cut the 1960 fund, but in writing up the bill we made the cut in the 1959 actual appropriations. I agree with the gentleman. We ought to make this restitution.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The amendment was agreed to.

The Clerk read as follows:

COAST AND GEODETIC SURVEY

Salaries and expenses

For expenses necessary to carry out the provisions of the Act of August 6, 1947 (33 U.S.C. 883a–883i), including uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131); lease of sites and the erection of temporary buildings for tide, magnetic, or seismological observations; hire of aircraft; operation, maintenance, and repair of an airplane; extra compensation at not to exceed $15 per month to each member of the crew of a vessel when assigned duties as recorder or instrument observer, and at not to exceed $1 per day for each station to employees of other Federal agencies while making oceanographic observations or tending seismographs; pay, allowances, gratuities, transportation of dependents and household effects, and payment of funeral expenses, as authorized by law, for not to exceed an annual average of 185 commissioned officers on the active list; payments under the Uniform Services Contingency Option Act of 1953; and pay of commissioned officers retired in accordance with law; $14,000,000, of which $695,000 shall be available for retirement pay of commissioned officers: *Provided*, That during the current fiscal year this appropriation shall be reimbursed for press costs and costs of paper for charts published by the Coast and Geodetic Survey and furnished for the official use of the military departments of the Department of Defense.

Mr. GEORGE P. MILLER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to thank the subcommittee for the fine work it has done with respect to taking care of the Coast and Geodetic Survey and the recognition it has given to some of the new work that it will be called upon to do.

I have the privilege of being chairman of the Subcommittee of the Merchant Marine and Fisheries on Oceanography. This is a field which though old is little noticed. The National Academy of Sciences, recognizing the lack of knowledge in the field of oceanography, recently appointed a very fine committee of 21 outstanding scientists in the fields of oceanographic biology, oceanographic physics, and oceanographic geodesy, to inquire into this subject. The committee is headed by a distinguished scientist, Dr. Harrison Brown, of the California Institute of Technology. It has rendered a significant report, and as a result of this report, which was referred to the Committee on Merchant Marine and Fisheries, the Subcommittee on Oceanography was created. While it is actively working it will barely scratch the surface of the subject during this session of Congress. I want to tell you that we are going to be called upon to make some appropriations in future years to carry out the important studies in oceanography.

We know more about outer space today than we know about what is beneath the surface of the ocean. From the ocean we get food, we get minerals, and it is essential and highly essential in the defensive protection of this country that we know what is below the sea. A nation that is not too friendly to us at the present time has spent a great deal of money and is doing a great deal of research in this field. They have the finest survey boats in the world today. They are working around the clock in gathering data in the field of oceanography. We have to meet their efforts and extend ourselves to get ahead of them. The defense of the country demands this but there are other more important reasons, among them the exploitation of the untapped riches of the sea.

The Clerk read as follows:

BUREAU OF FOREIGN COMMERCE

Salaries and expenses

For necessary expenses of the Bureau of Foreign Commerce, including the purchase of commercial and trade reports, $2,400,000.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as I understand it, this $2,400,000 is to be spent by the agency headed by Assistant Secretary Kearns, and is devoted largely to trade missions.

I was interested while reading the hearings last night to learn there were 63 of these so-called trade missions sent to foreign countries last year. These apparently averaged three or four persons per mission. These trade missions went to Nigeria and Tunis, and I wondered why one of them did not go over to Ghana, that new showcase of democracy whose Prime Minister throws his political enemies in jail and holds them there incommunicado so they cannot give him trouble.

I note, too, as an example, that the advertising manager of Time magazine and the partner in an unidentified advertising agency were sent to Yugoslavia. The president of the Arrow Tool Co. was also a member of that so-called mission. They were sent to Yugoslavia as experts on developing tourist business; that is, tourists coming from Yugoslavia to this country. How they could get out of Yugoslavia in the first place and what they would use for dollars in this country is beyond me. What makes the advertising manager of Time magazine, one of the top poohbahs of some advertising agency, and the president of the Arrow Tool Co. experts on tourism, I do not know. But someone put them on the payroll and they took a trip to Yugoslavia at the expense of the taxpayers.

Assistant Secretary Kearns claims that a billion dollar will be spent by foreign tourists in the United States during the

next fiscal year. Kearns submitted a letter showing the income from this source in 1957; but with the greatest of ease and agility he fails to break down how much of this business coming from foreign countries, tourists coming from foreign countries to the United States, is paid for through the exchange programs and other devices where the money comes out of the pockets of our own taxpayers.

It is strange that with all the money being spent by this country to promote foreign trade, our exports have taken a nosedive while imports are increasing. What are we getting for all this spending?

The gentleman from New York [Mr. ROONEY] had an appropriation bill here the other day with I do not know how many millions of dollars—I think between $50 and $60 million, and I tried to cut it—for international conferences, international missions, and so forth, approximately the same thing for which $2½ million is here provided.

Mr. PRESTON. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Georgia.

Mr. PRESTON. As the gentleman will find on page 4 of the report, we did not allow any money in this bill for the trade missions but put it over in Mr. ROONEY's bill, set it up under his able supervision.

Mr. GROSS. There is still 2½ million here.

Mr. PRESTON. Yes. The Office of Foreign Commerce is a necessary function, but the fuzzy areas we were doubtful about we disallowed and we put the trade missions back in Mr. ROONEY's committee whose idea is that may come under the President's international program. But we dealt very harshly with these people. I may say to the gentleman from Iowa that I think he is a most diligent Member of the House in the way he digs into these hearings. It is amazing the way he reads them and quotes you figures. I have an admiration for him for that. But of all the places in this bill to criticize he has picked the worst one.

Mr. GROSS. I appreciate what the gentleman says, but after reading the hearings on this subject I would say to the gentleman that he can deal more harshly with this $2½ million boondoggle next year. Somewhere, somehow, we are going to have to cut down and cut out this business of sending people all over the world who accomplish little or nothing except promote their own interests and enjoy life.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

The Clerk read as follows:

BUREAU OF PUBLIC ROADS

Limitation on general administrative expenses

Necessary expenses of administration and research (not to exceed $29,500,000), including purchase of thirty passenger motor vehicles for replacement only, shall be paid, in accordance with law, from appropriations made available by this Act to the Bureau of Public Roads and from advances and reimbursements received by the Bureau of Public Roads.

Of the total amount available from appropriations of the Bureau of Public Roads for general administrative and research expenses, pursuant to the provisions of title 23, United States Code, section 104(a), $100,000 shall be available for carrying out the provisions of title 23, United States Code, section 309.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to ask what has been done in reference to the public roads. I do not know how many Members here are having a good deal of difficulty in their district because they cannot get the money for the primary and urban roads. They say there is not enough money for the main roads. Has the gentleman done anything in cutting the appropriation here or increasing it so that the public road program will have more money?

Mr. PRESTON. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. PRESTON. I would say that the trouble lies in the States, not in the Federal Government, because funds are appropriated and allocated to the States. So, it is not a matter of the Federal Government. There will be a deficit of $750 million but not at this time. We are current. We have made the allocations, and it is a matter of the States matching. So, the gentlewoman's question should be directed to her State chairman.

Mrs. ROGERS of Massachusetts. Well, my understanding was that some money had been used for propaganda and advertising that might have been used for the roads. Can the gentleman inform me as to the truth of that?

Mr. PRESTON. If that is true, we do not know anything about it, and we would be delighted to have any information that the gentlewoman has about it.

Mrs. ROGERS of Massachusetts. We should help the people with business activities in their districts. They suffer a great deal because they do not have the proper access roads to their places of business.

I thank the gentleman.

The Clerk read as follows:

FOREST HIGHWAYS (TRUST FUND) (LIQUIDATION OF CONTRACT AUTHORIZATION)

For payment of obligations incurred in carrying out the provisions of title 23, United States Code, section 204, pursuant to contract authorization granted by title 23, United States Code, section 203, to remain available until expended, $37,100,000, to be derived from the "Highway trust fund", which sum is composed of $33,350,000, the remainder of the amount authorized to be appropriated for the fiscal year 1959, and $3,750,000, a part of the amount authorized to be appropriated for the fiscal year 1960: *Provided*, That the unexpended balances as of June 30, 1959, of appropriations heretofore granted under the head "Forest highways" or "Forest highways (liquidation of contract authorization)" are rescinded and shall be credited to miscellaneous receipts of the Treasury: *Provided further*, That this appropriation shall be available for the rental, purchase, construction, or alterations of buildings and sites necessary for the storage and repair of equipment and supplies used for road construction and maintenance, but the total cost of any such item under this authorization shall not exceed $15,000.

Mr. MILLS. Mr. Chairman, a point of order.

The CHAIRMAN (Mr. FORAND). The gentleman will state it.

Mr. MILLS. Mr. Chairman, I make the point of order against the language in the bill beginning on line 22, page 12, and ending with line 17, page 13, on the ground that the paragraph contains language which proposes to change existing law and is therefore legislation on an appropriation bill.

I direct the Chairman's attention to this particular language on page 13, line 3: "to be derived from the highway trust fund." There is no authorization for expenditure from the highway trust fund for the purposes proposed in this paragraph.

The CHAIRMAN. Does the gentleman from Georgia desire to be heard on the point of order?

Mr. PRESTON. Mr. Chairman, the point of order is well taken. We concede the point of order.

The CHAIRMAN. The Chair sustains the point of order.

The Clerk read as follows:

PUBLIC LANDS HIGHWAYS (TRUST FUND) (LIQUIDATION OF CONTRACT AUTHORIZATION)

For payment of obligations incurred in carrying out the provisions of title 23, United States Code, section 209, pursuant to the contract authorization granted by title 23, United States Code, section 203, to remain available until expended, $4,000,000, to be derived from the "Highway trust fund", which sum is composed of $1,000,000, the balance of the amount authorized to be appropriated for the fiscal year 1959, and $3,000,000, the amount authorized for the fiscal year 1960: *Provided*, That the unexpended balances as of June 30, 1959, of appropriations heretofore granted under the head "Public lands highways" or "Public lands highways (liquidation of contract authorization)" are rescinded and shall be credited to miscellaneous receipts of the Treasury.

Mr. MILLS. Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. MILLS. Mr. Chairman, I make the point of order against the language contained in the bill beginning at line 18, page 13, through line 9, page 14, on the same grounds stated with respect to the previous language that was deleted. It is legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from Georgia wish to be heard on the point of order?

Mr. PRESTON. Mr. Chairman, I think I should make this explanation, that this did not originate in the subcommittee. This was requested by the Bureau of Public Roads and approved by the Bureau of the Budget. We did not undertake to put these two functions under the trust fund. There was some question as to whether these types of roads, public lands highways, forest highways, produced a fair amount of revenue. Nevertheless, the Bureau of the Budget approved it.

Mr. Chairman, I concede the point of order. The gentleman is entirely correct.

The CHAIRMAN (Mr. FORAND). The gentleman from Georgia concedes the point of order.

The Chair sustains the point of order. The section is stricken out.

The Clerk will read.

The Clerk read as follows:

GRANTS FOR RESEARCH AND MANAGEMENT COUNSELING

The unobligated balance in the special fund "Grants for research and management counseling" as of June 30, 1959, is hereby rescinded, such sum to be covered into the Treasury immediately upon approval of this act.

Mr. EVINS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EVINS: Page 22, strike out lines 1 to 5, inclusive, and insert in lieu thereof the following:

"GRANTS FOR RESEARCH AND MANAGEMENT COUNSELING

"The unobligated balance in the special fund 'Grants for research and management counseling' as of June 30, 1959, is hereby rescinded, such sum to be covered into the Treasury on June 30, 1959, or immediately upon enactment of this act, whichever is later: *Provided,* That for the fiscal year ending June 30, 1960, $2,080,000 shall remain available for grants under section 7(d) of the Small Business Act, as amended."

Mr. EVINS. Mr. Chairman, when the Small Business Investment Act was passed by Congress in the last days of the 85th Congress, a provision was made for the SBA to make grants to each of the 48 States for studies in technical fields in various small business problems. There was developed a trust fund with some $27 million in it for this purpose. The act provided for a limitation of one grant per State.

The Subcommittee on Appropriations by this legislation is making an effort to recapture all of this money and cover it into the Treasury. My amendment would provide for a recovery of $25 million into the Treasury, making $2,800,000 available for studies for 1 year, to remain available for grants by the SBA for the next year—through June 30, 1960.

Following the passage of the Small Business Investment Act last year, some 97 applications have been received from 47 States, Hawaii and the District of Columbia. The act limits the amount of such grants to $40,000 to any one State and with a maximum of 50 States an appropriation of $2,080,000 will take care of applications from each of the States during the next year.

It may be helpful to have an analysis of these 97 proposals supplied by the SBA, which is as follows:

An analysis of the 97 research proposals submitted for grants under section 7(d) of the Small Business Act, as amended, indicates that the majority can be classified as follows:

1. Financing: Need for financing; sources, availability, and terms; results of SBA loan program.

2. Management: Planning; executive development; labor relations; utilization of accounting and statistical data; development of new products and markets.

3. Area development: Encouraging the development of new businesses—manufacturing and retail; expansion of present plants; recreational and tourism.

4. Education and training: Study of needs for training of small business managers and employees; development of training courses; revision of college and university curriculums; counseling services.

5. Retailing: Shopping centers; budgeting; store location; consumer shopping patterns; shopping hours; sales personnel effectiveness.

6. Information aids and communication: Kinds of information available; sources; interpretation and utilization of aids; counseling; information gathering; communication.

7. Industry studies: Lumber and forestry; furniture; mining; motor freight; recreation and tourism; textiles.

8. Marketing: Poultry; agricultural products; exports; market research; expansion of areas; assistance needed.

9. Success and failure: Factors affecting; analysis of business terminations.

10. Wholesaling and warehousing: Functions; facilities; efficiency of operations; services rendered.

From the number and varied list of proposed subjects, two things are clear: (1) There is a widespread need for research into the management problems of small business, and (2) these institutions have not found other means for doing this work.

A major goal of the grants for small business research program is to develop information which will not only be directly useful to and usable by the small businessman himself, but will be, insofar as it is practicable to do so, in a form which is suited to his needs.

In getting this material into the hands of the small businessman, SBA plans to take full advantage of the vast network of organizations and individuals who are involved in advising and counseling with small businessmen all over the country in their daily operating problems. A listing of such organizations can start with SBA's own regional and branch offices in which a major activity is counseling with small business. Others include State agencies such as planning and development commissions and State departments of commerce, as well as many universities and colleges which are called on as consultants by small business for advice and help on management problems. There are also many private firms and individuals, such as management consulting organizations, commercial banks, lawyers, accountants, and public and industrial relations men to whom small businessmen frequently turn for competent advice.

It has been shown that SBA will seek to have this information provided in such physical forms as to facilitate its use in maximizing the communication of ideas in the counseling process. Then, by channeling this information to the various groups engaged in counseling, SBA provides these organizations with practicable tools which they can use in their counseling with small businessmen, and which, in turn, the small businessman himself can use to improve his own knowledge (and performance) of specific management functions.

I might point out, Mr. Chairman, that many studies have been made for big business or business in general but the Small Business Administration is particularly interested in having a wide variety of research studies made in order that they may have the benefit of information from all sections of the country on particular small business problems in various areas. In other words, a small business problem in New England may be acute and different from a small business problem in the West. There are special problems indigenous to each area of the country. There are some 4 million small businessmen in the Nation and only a very limited amount is here provided for research and counseling and management guidance, which are very essential and needed. We expend millions of dollars for research in the fields of agriculture and other fields and we are told that the need is very great for this service.

During the recent hearings which the Subcommittee No. 1 of the House Small Business Committee conducted concerning the operations of the SBA, this particular activity—research and management counseling—among others, was fully covered. Although there may not have been testimony on the subject before the Appropriations Committee, there have been hearings on this subject before the House Small Business Committee and as one who serves on both the Appropriations Committee and the Small Business Committee, I have been impressed with the need and value which this research and management counseling service will provide to the small business concerns of the Nation.

It has been apparent during the past two decades that small business concerns need better management know-how to remain competitive during an age of rapid technical change—of new and diversified production and of improved management technique. Because of their size, small firms rarely can apply expert knowledge in all areas of management. The Office of Management and Research Assistance of SBA is endeavoring to supply this service.

It seems unwise to me to completely eliminate funds for this program when the Congress has recently made SBA a permanent agency and created an Investment Division to provide long-term loans and equity capital in addition to the loan assistance program of SBA.

SBA as a permanent agency has been authorized capital for a loan program of $500 million, $150 million for disaster loans and some $250 million in connection with the investment act program—a total of $900 million. We should not tie the agency's hands and deny to it the results of research studies in various fields—by providing the service SBA will be in a better position to effectively carry out its programs—in which we are all interested.

Mr. Chairman, I would like to address myself also to the remarks in the report of the subcommittee on the operations of the SBA. I should like to quote at this point from a report on this matter of the deficit in the SBA's loan operations which I requested Mr. Barnes, the Administrator, to prepare. I quote:

In appraising the actual and estimated losses resulting from the revolving fund lending activities, several factors must be borne in mind:

1. A portion of the deficit is attributable to the disaster loan program. By law the agency is restricted to charging a maximum interest rate of 3 percent. On the funds disbursed for such loans, interest is being paid to the Treasury Department in 1959 at 2⅜ percent (and in 1958 was 3¾ percent). At the current year rate, there exists a spread of only five-eighths of 1 percent to cover administrative expenses and other costs and an allowance for estimated losses. Obviously, the disaster loan program cannot be a profit producing activity.

2. With respect to business loans, the current interest expense rate of 2⅜ percent leaves a margin of only about 3 percent to

cover the costs of processing new applications, closing and disbursing new loans, and allowance for losses on such new loans, the cost of servicing all outstanding loans, pro rata share of overhead, and the rendering of financial counseling assistance to small business firms.

As a Government agency charged with the responsibility of providing financial assistance which is not otherwise available to small firms, the agency is in effect required to provide services greater than those customarily furnished in the granting of credit. Financial counseling is extended to applicants and borrowers to help them with their management problems. In many instances as a result of the agency's efforts, banks which originally declined the applications subsequently agree to make the loans. In other instances, applicants are assisted in solving their problems through other means than loans. These and similar activities are of real benefit to small business and are definitely contemplated by the Congress to be performed, but do not result in income-producing assets to offset the costs chargeable to the revolving fund.

3. In contrast to a private financing institution, SBA is required to accept and process all applications offered to it even though on cursory review many of such applications do not appear to present any basis for a loan. In the case of these and other applications declined, equal if not greater efforts than on approved loans are expended by the agency in an attempt either to find a basis for a loan or to offer tangible solutions to the applicant's financial problems. During the current fiscal year 58 percent of the applications processed have been approved. Thus, 42 percent of the cases require the expenditure of administrative expense funds for processing but do not result in income-producing assets.

4. Further, in accepting applications, SBA is not dealing with customers as is a bank in most cases, and accordingly does not have the benefit of background data accumulated over a period of years. Thus, it is necessary for SBA to assemble a complete credit record to permit the required review essential in the lending of taxpayer's funds. This obviously requires increased efforts and costs over the average for private financing institutions.

5. The business loans approved to date have averaged about $40,000 for the SBA share. It is probably as difficult and costly to process, close, and service loans of this size as it would be to handle loans averaging three to four times this size and producing a correspondingly larger income.

6. From the standpoint of a business-type operation, the actual and projected deficit properly reflects a charge for estimated future losses on loans made. However, in considering figures cited as the losses on a Government lending program, the usual inference is that such losses represent a realized loss, or an out-of-pocket expenditure of Government funds in excess of income actually received. In this respect the figures can be misleading. The projected deficit of $27 million as of June 30, 1959, includes a cumulative charge of $12 million as an allowance for losses. Realized losses through March 31, 1959, amount to only $719,000.

7. The report states that the revolving fund will be capitalized at approximately $700 million in 1960 (the exact figure would be $690 million), and the implication is that this full amount would be invested in interest-bearing assets.

The budget projections estimate that as of June 30, 1960, interest-bearing loans and investments outstanding will total only $563.6 million, comprised of:

Business loans (interest rate of approximately 5¾ percent), $407.2 million.

Disaster loans (interest rate of 3 percent), $61.1 million.

Debentures of Small Business Investment Companies (interest rate of 5 percent), $25 million.

Loans to Small Business Investment Companies (interest rate of 5 percent), $51.9 million.

Loans to State and local development companies (interest rates of 5 and 5½ percent, respectively), $18.4 million.

In addition, undisbursed loan authorizations and commitments chargeable against the fund are estimated at $110.8 million (including deferred participation business loans disbursed solely by banks at 20 percent of the SBA share thereof). Income is derived from such deferred participation loans on a sliding scale (from one-half of 1 percent to 1 percent) depending on the percentage of the loan which SBA is obligated to purchase. The amount of such income is relatively nominal and is estimated at approximately $400 thousand in 1960.

Mr. Chairman, I believe this report of the SBA will put this so-called deficit in proper perspective. However, even assuming that over all these years this deficit were entirely an operating deficit, is this something so terrible? We have talked a great deal here today about subsidies to business, to farmers, to the shipping interests and others. If this is a subsidy, can we really decry a subsidy of some $25 million to the 4 million small businesses of our Nation? Especially since it has been distributed over many years and also especially since it includes aid in disaster areas?

Mr. Chairman, I am not prepared to say that the SBA is doing a perfect job. Subcommittee No. 1 of the Select Committee on Small Business, of which I am privileged to be the chairman, has held 3 days of hearings on the operations of the SBA and will continue these hearings at a later date. When these hearings are completed the committee will be in a position to present a complete report on the operations of the SBA. However, I can say that, although as in all agencies, there is no doubt room for improvement, the SBA under Mr. Wendell Barnes is making commendable progress and laying the foundation for more effective service in the interests of the small business community of our Nation—the very foundation of our free enterprise system.

Mr. Chairman, I might state in conclusion that I have conferred with the chairman of the committee and the ranking member in regard to this amendment, and I hope that the amendment will be adopted.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. EVINS. I yield.

Mr. JENSEN. I want to say that I agree with the position taken by the gentleman from Tennessee. I have on several occasions been quite concerned about these special grants to States. But here we have a matter which is of great interest and concern I think to every State in the Union. That is the protection of small business. Small business is still, yet today, 1959, the backbone of the business of America. Since we have such great respect and regard for the Administrator of the Small Business Administration, Mr. Wendell B. Barnes, I hope this amendment will be approved.

Mr. EVINS. I thank the gentleman for his support.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. EVINS. I yield to the gentleman from Minnesota.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I hope we can here today show a measure of consideration for small business. Anyone familiar with the details of our national economy knows that two segments have not shared fully in our expansion and they are small business and agriculture. In my area especially, small business income is directly dependent upon the level of farm income and that is one more reason why I have fought as I have for parity for agriculture.

Look at our national balance sheet. Big business is booming as never before. The stock market has soared to one new record high after another and so have many dividends. In recent years we have seen an unprecedented industrial expansion and labor has been right in there to get its share. A good illustration of that is the current drive of the steelworkers union for another round of wage increases above the present $3.05 an hour.

Small business, on the other hand, has done well to hold its own. Back in my district, many businesses directly dependent on agriculture have not even done that well.

These are some things we should think about and think very seriously. The little, independent businesses of this Nation may not seem important when taken individually but collectively they are the backbone of our economy. As such, they are entitled to a fair measure of consideration from the Congress and in this bill before us we have an opportunity to do something worthwhile.

With every passing day the small business loan program is showing commendable progress. I was one of the authors of the bills introduced in the 78th Congress to make the Small Business Administration a permanent agency and I intend to do what I can to give that agency the tools to do the job.

I know from firsthand experience how effective this agency has been in providing management counsel not only to existing small businesses but also to community leaders interested in local economic development. The management studies carried on by the Small Business Administration are important to small business and I would not want to see that good work allowed to languish.

We have established this agency to help small business and we know they are doing a good job. I, for one, have enough confidence in the agency and its staff to support the appropriation of funds needed to carry the work forward. In the long run I believe it will be a good investment.

Mr. Chairman, I sincerely hope that the amendment of the gentleman from Tennessee is accepted.

Mr. EVINS. I thank the gentleman.

Mr. SCHWENGEL. Mr. Chairman, will the gentleman yield?

Mr. EVINS. I yield to the gentleman from Iowa.

Mr. SCHWENGEL. Mr. Chairman, since the bill appropriating funds for the Department of Commerce and related agencies—H.R. 7349—for fiscal year 1960 has been reported out of committee and scheduled for floor action today, I have noted that included in this bill are funds for the activities of the Small Business Administration, and in studying the action taken by the Appropriations Committee on the budget requests for SBA I became very concerned about the elimination of funds for grants for research and management counseling.

I should like to point out that the Small Business Investment Act which was enacted last year contains a provision—section 602, Public Law 85-699—authorizing the SBA to make grants to any State government, State development corporation, college, or university for research and counseling concerning the management and financing of small business concerns. Only one such grant may be made within a State each year and no grant may exceed $40,000. Pursuant to this authorization and at the request of SBA, 97 study proposals have been submitted from 47 States, Hawaii, Puerto Rico, and the District of Columbia. These proposals have been reviewed by SBA and those selected will be awarded grants before the close of this fiscal year.

Announcement has already been made that fiscal year 1960 proposals are to be submitted by October 31, 1959. The date of October 31 was established in order that awards might be made early in the calendar year 1960. This will allow grantees to employ outstanding research people available only during the summer months. If the special fund for grants is rescinded, an appropriation of $2,080,000 would be required for grants in the fiscal year 1960. This is based on $40,000 for each State plus the same amount for Puerto Rico and the District of Columbia. This entire grant program will be cancelled after June 30 of this year if the action of the Appropriations Committee is approved.

The item in H.R. 1349 with which I am concerned is found on page 22 entitled "Grants for Research and Management Counseling." This item would rescind the unobligated balance in the special fund as of June 30, 1959. This balance is estimated to be $26,146,311 and would go into the Treasury as miscellaneous receipts.

It should be explained that this special fund grew out of action taken by the Congress in 1933 and 1934. The Banking Act of 1933 required the Federal Reserve banks to subscribe to the capital stock of the FDIC in an amount equal to one-half of their surplus as of January 1, 1933; and on that date one-half of their surplus amounted to $139,299,557.

Section 13b of the Federal Reserve Act, which was added by the act of June 19, 1934, provided that in order to enable the Federal Reserve banks to make and guarantee industrial loans, to commercial and industrial business, the Secretary of the Treasury should be authorized to pay to each Federal Reserve bank an amount not to exceed such portion of the sum of $139,299,557 as was represented by the amount paid by it from FDIC stock.

Under agreements between the respective Federal Reserve banks and the Secretary of the Treasury, the Secretary made payments to each Federal Reserve bank under section 13b covering roughly half of the industrial loans made by the Federal Reserve banks under that section. To date, the Secretary has made total payments to the Federal Reserve banks amounting to $27,546,310.97. No such payment has been made to any Federal Reserve bank since 1937. Section 601 of the Small Business Investment Act of 1958 repealed section 13b of the Federal Reserve Act and section 602 of the same act require the Federal Reserve banks to return these payments into a special fund created to be used by SBA for the grant program.

I and others are vitally interested in this small business research grant program which I feel can be very valuable to small business; therefore, I am glad to join with the sponsor of the amendment, the gentleman from Pennsylvania [Mr. BYRNE] to restore these grant funds for the next fiscal year, when H.R. 7349 is called up for action on the floor of the House.

It has become increasingly apparent during the past two decades that small business concerns need better management know-how to remain competitive in an age of rapid technological change, of new and diversified products and of improved management techniques. Because of their size, these more than 4 million small firms rarely can apply expert knowledge in all areas of management. There is, therefore, a great demand by small business executives themselves for the services provided by the Office of Management and Research Assistance of SBA.

The information developed by these research studies will be of great service to the small business economy and will substantially increase the ability of the Office of Management and Research Assistance to counsel small businessmen.

Your interest and support is important to the success of our attempt to restore this program.

Mr. EVINS. I thank the gentleman.

Mr. COFFIN. Mr. Chairman, will the gentleman yield?

Mr. EVINS. I yield to the gentleman from Maine.

Mr. COFFIN. Mr. Chairman, I rise in support of the gentleman from Tennessee [Mr. EVINS] on his amendment to restore $2,080,000 to the Small Business Administration for grants for research and management counseling. This program was instituted under the Small Business Investment Act of 1958, as a major step in the direction of more adequate research on the problems of small business. It promises to open a new door of opportunity for small business in learning more about its reasons for success and failure, the real nature of its peculiar problems, and the techniques which will enable it to survive and compete more effectively in a dynamic and growing economy.

The Small Business Administration, acting under the directive of Congress, has requested applications from State agencies, development credit corporations, colleges and universities for various research projects which would be of particular benefit to the small business community. A total of 97 applications were received, from which a total of 50 grants may be made. The topics submitted include financing, management, area development, education and training for small business, retailing, information aids and communication, industry studies, marketing, success and failure of small businesses, and wholesaling and warehousing.

It is clear that there is widespread interest and need for research in the problem areas of small business. It is also obvious that there has been little or no opportunity for schools and other institutions to do this kind of study which is directed toward the area of small business.

As one who participated actively in the hearings on the Small Business Act and the Small Business Investment Act of 1958, I am acutely conscious of the desperate need for this information. On April 10, 1959, I inserted in the CONGRESSIONAL RECORD a statement on this general problem. At that time I observed, with respect to our efforts to assist small business: "Certainly no long-term program of financial assistance and investment will be of maximum value unless we engage in a constant reevaluation of the factors which influence the growth and relative position of small businesses." In those remarks I emphasized the need for the research grant program, and the need for research by the Small Business Administration itself.

It is my understanding that the Appropriations Committee has not looked with favor on this program because the initial allocation of funds was not made through the usual appropriation process. I can understand and sympathize with this position, although I think a case can be made for the action of the 85th Congress in this instance because of the origin of the $27.5 million in Federal Reserve bank funds which were not appropriated by Congress in the first place. However, I do believe that as a general rule it is desirable for outright expenditures of funds to be handled in the regular appropriations procedure, and I am very satisfied with the compromise which has made this amendment possible.

There is one aspect of this part of the appropriations bill which does disturb me, however. That is the lack of any allocation of funds for research within the Small Business Administration itself. It is my firm conviction that we should be appropriating at least $200,000 a year for this purpose. In time we shall reap the reward of the diverse investigations in our 52 States and Territories. But beyond this there is a need for a centripetal force, a drawing together, a filling in of gaps, a central direction. There are areas of research which do not appeal to any one State agency or institution. Some of these areas may contain the richest lodes. This amount would be

only one-tenth of the amount we are allocating to the laboratories at the grassroots.

There is not only a need for this kind of research, there is legislative direction in section 8(c) of the Small Business Act which requires the SBA to "make studies of matters materially affecting the competitive strength of small business." We cannot expect the SBA to do what we have directed unless we provide the necessary funds.

As I told the Subcommittee on Commerce and Related Agencies in testimony on May 8, 1959:

> It is, in a way, an ironic reversal of planning that we set up a permanent agency to guide our State agencies, but do not equip it with enough seed capital to carry out fully its guidance function. It is my firm belief that the Congress must provide funds and encourage the Small Business Administration to utilize the authorization in the Small Business Act for studies necessary to fulfill the intent of Congress in legislating on behalf of small business in the American economy.

There are now more than 4 million small businesses in the United States. An expenditure of $200,000 for research on the problems of these 4 million businesses would cost less than 5 cents per business. In contrast, consider the enviable position of agriculture. There are about 4.5 million farms in the United States. Last year Congress appropriated $44.9 million for farm research under the Agricultural Research Service. In addition, we allocated $1.1 million for direct payments to State agricultural colleges for farm research, for a total of $46 million of agricultural research alone. Certainly we can afford to spend 4/10 of 1 percent of what we spend on research for farms on the same number of small businesses.

I hope that before Congress has concluded consideration of this appropriations bill, provisions will have been made for research by the Small Business Administration on the problems of small business, in accordance with our directive for such research as adopted in the Small Business Act of 1958.

Mr. EVINS. Mr. Chairman, in view of the fact that some $25 million will be saved by this amendment and revert to the Treasury and only $2,800,000 is provided for the States for 1 year—and I would like to point out parenthetically that after another year the Committee on Appropriations can take another look at the need for services in this area—I hope very much the committee will accept the amendment.

Mr. BOW. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am not going to oppose the amendment offered by the gentleman from Tennessee, but I should like to point out that there was originally set aside for this the amount of $27,500,000. We are recapturing $25 million and allowing this $2,080,000. The purpose of this fund is to allow not to exceed $40,000 to each State, the Commonwealth of Puerto Rico and the District of Columbia. The purpose of these studies is to benefit the small business people of the various areas of the country. I hope we are not embarking by the acceptance of this item into an area that will grow and grow as so many of these programs do where, it seems to me, it is the responsibility of the States. The purpose of this is to create a better climate within the States for small business. I hope we do not get into the position where we are going to begin to appropriate on research for small business sums such as the $27 million that had been set aside. I believe Wendell Barnes is doing an excellent job as Small Business Administrator. I think he has helped many small businesses throughout the country, and on behalf of the State of Ohio, I must pay tribute to him. When we had the disastrous floods this year, they came in promptly and were a great help to our people. My warning is that we should not accept this today and then be back here next year for larger amounts and thus begin to build up another great bureau on research which properly should be done by those for whose benefit the research is being made.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield.

Mr. EVINS. Mr. Chairman, as has been pointed out by other Members, great sums of money have been expended on research for agriculture and in other fields of our economy. The fact is that there are more than 4 million small business individuals in the Nation and we have been impressed with the fact that their problem is very acute. I hope that they will not be denied the same type of assistance that other segments of our economy have had.

Mr. BOW. I assure the gentleman there is no desire on the part of this side of the aisle to deny the small businessman of anything that is coming to him. Certainly, we recognize there are 4,300,000 small businesses in the country making up about 7 million of our people that are engaged in small business. Certainly, the research has to be done for them. I think we probably are doing research in other areas of Government that could very well be handled within the States rather than constantly coming to the Federal Government for bigger and better research programs.

Mr. EVINS. The gentleman serves on the subcommittee that handles funds for this agency, and he will have an opportunity under this amendment to take another look at this program next year.

Mr. BOW. May I say to the gentleman that is one reason why this amendment was not in the bill. This subcommittee never had an opportunity to go into it to find out exactly what was being done. Twenty-seven million, five hundred thousand dollars was put in by the other body last year. We have not had a chance to look at it. I am perfectly willing to go along, and I am sure the members of the committee on this side are willing to go along with $2,080,000 which will give them the money for each State this year, in other words, $40,000 for each State. But, I think we should take a good look at it next year to make sure that the funds are being properly used.

Mr. EVINS. I thank the gentleman for his support.

Mr. PRESTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not want to belabor this question, but I think we ought to talk about it just a little bit more, because I am afraid we are getting something we will be faced with next year, alhough I hope we are not.

This matter was inserted in the other body by one man when he found $27 million lying down in the Federal Reserve bank that had been there for some years and not being used. So he said, "Well, we want this. Let us transfer this to other use, let us just pay it out to the States." Another example of the long arm of the Federal Government reaching into the States, a windfall for universities or for anyobody that the Governor of the State might suggest. Sure, you are going to have people rising on the floor here today asking to keep this in. Money from Washington is sought after. So they will be asking you to keep this thing in the bill because they want free money.

We have reached the point in this Government where we are in financial trouble. We have almost lost control of our spending.

I accept this amendment because it is a compromise, purely a compromise; but if they bring something like this before my subcommittee I am going to oppose it with all my strength.

While we are talking about the Small Business Administration, let us first give Mr. Barnes credit. He did not ask for this money; a Member of the other body simply said, "Let us put it in"; so my remarks are not directed against Mr. Barnes, but I will say this to you, that the Administration is operating today at a deficit of $27 million, and during the next fiscal year it is going to add $4 million more to the deficit. If a lending agency that is charging 5½ percent interest on money it borrows at 3.75 percent cannot make a little profit, it indicates that they have got too many live bodies down there, too many people handling papers; there are too many secretaries, too many messengers. They should be able to make a profit. Instead they have a deficit of $27 million and they have been in business only 5 years, and they are going to go further in debt by $4 million next year. During the present fiscal year, 1959, they have an increase in the deficit of $6 million over that in 1958. Point out one savings and loan association in the United States that did not make money during this year and have big undistributed surpluses and reserves. But, oh, no. The Government could not operate in the black; it has too many people on the payroll.

So I say to my distinguished friend from Tennessee who is interested in small business that I am simply making a lawyer's compromise with him. I am going to accept this amendment, but I do not hold out much hope for next year.

Mr. EVINS. I thank the gentleman for supporting the amendment.

Mr. Chairman, I ask unanimous consent that all Members may extend their remarks at this point on this subject.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee.

The amendment was agreed to.

The Clerk read as follows:

TITLE IV.—GENERAL PROVISIONS

SEC. 401. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not heretofore authorized by the Congress.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 23, strike out all of lines 7 through 9, and insert the following:

"SEC. 401. No part of any appropriation contained in this Act, or of the funds available for expenditure by any individual, corporation, or agency included in this Act, shall be used for publicity or propaganda purposes designed to support or defeat legislation proposed or pending before Congress."

Mr. GROSS. Mr. Chairman, the language of the bill reads as follows:

No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not heretofore authorized by the Congress.

I offer this amendment simply to strengthen the language in the bill to provide that funds appropriated by Congress shall not be used for publicity or propaganda designed to support or defeat legislation.

You will remember that last year and again this year we had unfortunate experiences where public funds were used for propaganda purposes. I would like to stop it.

Mr. PRESTON. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. PRESTON. I think the language the gentleman has drafted improves the language of the bill and I am very glad to tell him that we accept it.

Mr. GROSS. I thank the gentleman.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we have passed the section for small business, but I would like very seriously to ask the chairman of the committee if he has felt that too much time has been spent in surveys? It is my experience in my district that business of this Administration on the basis of 1958 in many instances was not handled as promptly as the year before or as successfully partly because the Small Business Administration was sending their employees out on surveys. In the first part of 1958 my district received good results. I felt they did not give the same consideration in securing loans that they did the year before and I wondered if the gentleman had had the same experience.

Mr. PRESTON. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield gladly.

Mr. PRESTON. The lending activities of the Small Business Administration occupies about 50 percent of the time of the people working for it. The other 50 percent is spent in performing other jobs, in performing surveys, in management counseling, and that sort of thing. I think they are doing a pretty good job in that area. The deficit I mentioned a moment ago is charged strictly to the lending operation, not to the technical side of it. I think they are doing a good job on the technical side.

Mrs. ROGERS of Massachusetts. The gentleman does not think they need more personnel? I should say from my experience that in sending all of these people out to make these surveys and to make loans they would need more people.

Mr. PRESTON. They asked for 600 people-plus in this budget that we have before us today and we have cut that by one-third. I think we have been pretty generous with them. Out of the two-thirds we gave them, plus the 400 people, there will be competent people assigned to each regional office. So I think we have done pretty well by this outfit.

Mrs. ROGERS of Massachusetts. If they can arrange their work better, then I am sure they will get along more successfully. These loans mean so much to small business and the communities where they are located. I thank the gentleman and his committee on both sides for their very fine work and presentation of this bill.

Mr. AVERY. Mr. Chairman, the impression is often created that the Small Business Administration is but a lending agency of the Government making loans to small business. The SBA has done an outstanding job of administering its loan program.

Since the creation of this agency in 1953, 15,631 small business loans in the amount of $731,400,000 were approved for small business which were unable to receive credit from any other source. In addition, 8,511 disaster loans in the amount of $91,600,000 were approved for home owners and businesses that were victims of disaster such as floods, hurricanes, and other natural disasters.

I should like to point out, however, that the lending function of this important agency is but only one of its many services to the 4,300,000 small businesses of the Nation. Since its inception, SBA has been active in promoting Government procurement for small manufacturers and other small businesses. To date more than 55,000 proposed Government purchases in the amount of $3.6 billion have been set aside for exclusive award to small business firms. This procurement program conducted by SBA puts actual dollars in the pockets of our Nation's small businessmen and is one of the most important programs conducted by the agency. Under the procurement and technical assistance program of SBA, we have also such important activities as the issuing of certificates of competency, the handling of a wide variety of technical and production problems, guides to small business firms seeking Government procurement contracts, new products programs, and set asides to small businesses of Government sales and disposal of surplus properties.

Some of the other major activities of this agency are in the field of management, technical and research assistance. These activities reach a large number of the Nation's small businesses under the programs of management and technical publications, management courses, and grants to the States for research and counseling on small business problems.

This agency administers the Small Business Investment Act which was passed by Congress in the 85th Congress. Under this act, equity capital and long-term credit is provided to small business concerns.

The Appropriations Committee in its report to the House recommended the abolishing of the research grant program administered by SBA. Although there is support even among some of the committee members to restore this program, it is my concern that if the program is restored, this restoration should be accompanied by a provision for the necessary salaries and expense funds to administer it.

It is my conviction that this is an important program as are all of the other programs of SBA. The budget request for the various programs conducted by the SBA constitutes a minimum essential for efficient operation of these services to the small business economy.

I strongly support the restoration of the research grant program and urge that funds necessary for its efficient administration be appropriated. In this respect it becomes all the more urgent that the full budget request be approved, not only for this program but for the other activities of the agency.

Mr. LEVERING. Mr. Chairman, I rise to commend the chairman, Mr. PRESTON, of Georgia, the ranking minority member, Mr. Bow, of Ohio, and all the other members of the subcommittee on appropriations for the time and effort expended in bringing to the floor of the House H.R. 7349. This bill, providing appropriations for the Department of Commerce, the St. Lawrence Seaway Development Corporation, the Tariff Commission, and the Small Business Administration is a good bill carrying a total figure of some $57,500 below budget estimates. I am particularly happy that the committee saw fit to provide the necessary funds for the establishment of an airport weather station at the Municipal Airport in Mansfield, Ohio. This installation has long been essential to the efficient operation of this very fine Airport situated in my congressional district. In addition to airline business and commercial flying, the Ohio National Guard has based there the 146th Fighter Squadron, which performs an important national defense mission. This Interceptor Squadron depends on adequate weather briefing in order to carry out this mission. At the present time devious methods are used to obtain the required weather briefing necessary for aircraft flight clearances. This has been time consuming and ineffectual. I am reliably informed that on occasion, 45 minutes or

more have been required to obtain a flight clearance. One can imagine the disastrous effect such delays could cause in the event an alert was initiated in an emergency.

There is no question, in my judgment, but what this is a sound program in the public interest and trust that it will be approved by the House.

The Clerk concluded the reading of the bill.

Mr. PRESTON. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. McCORMACK, having assumed the Chair, Mr. FORAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7349) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1960, and for other purposes, had directed him to report the bill back to the House with sundry amendments with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. PRESTON. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. PRESTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 185. Concurrent resolution extending the felicitations and best wishes of the Congress of the United States to Miami University, Oxford, Ohio.

ADJOURNMENT UNTIL MONDAY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of next week be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

BELLEVUE HEIGHTS MOTHERS' CLUB OF SYRACUSE

Mr. RIEHLMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RIEHLMAN. Mr. Speaker, in these times when so much negative information is disseminated regarding juvenile delinquency and lack of parental interest in the training and education of youth, I feel that not enough credit is given to the good work being done in many homes, churches, civic clubs, and other interested organizations and institutions around the country.

I am delighted, therefore, to bring to the attention of the Members of Congress and all readers of the CONGRESSIONAL RECORD in my district, the fact that the Bellevue Heights Mothers' Club of Syracuse—the oldest club of its kind in the Nation—has received, for the 12th time, the coveted Oberlander cup. The cup is awarded annually by the Syracuse Federation of Women's Clubs for outstanding achievement in community service. Members of the Bellevue Club have done a magnificent job for the youth in their area.

I want to congratulate the 168 members and their president, Mrs. DeForest Hale, for their tireless and rewarding efforts to improve the educational climate through closer parent-teacher-student cooperation. Under leave to extend my remarks in the RECORD, I include an editorial from the Syracuse, N.Y., Post-Standard of Monday, May 4, 1959, which also recognizes the outstanding work being done by the club:

MOTHERS' CLUB HONORED

Congratulations, again, to the Bellevue Mothers' Club.

Its long record of excellence was emphasized once more last Thursday, when it was awarded the treasured Oberlander cup given each year to the outstanding affiliate by the Syracuse Federation of Women's Clubs.

The Oberlander cup was established in memory of the revered president of the Federation for a quarter of a century, Mrs. Anna Oberlander.

The Bellevue Club has many firsts to its credit. It was the first group of the nature organized in the United States. It initiated the first statewide organization, the New York Assembly of Mothers' Clubs.

It was instrumental in having electricity, which we now take for granted, in Bellevue School early in the century. It also started the first playground in Syracuse and perhaps in the State, for many were established after this first Syracuse venture 60 years ago.

It is clear that it has not declined, but has strengthened, its work for education and better surroundings by winning the token of outstanding work for education, schools, and children in Syracuse.

HEARINGS ON THE DEPRESSED CONDITION OF OUR MINING AND MINERAL INDUSTRIES

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. ASPINALL. Mr. Speaker, on May 21 I introduced House Concurrent Resolution 177, declaring the sense of Congress of the depressed domestic mining and minerals industries affecting public and other lands, and requesting the President to review and revise existing programs of Federal departments and agencies so as to use them more effectively toward production and employment. Colleagues in the Committee on Interior and Insular Affairs joining in introducing identical resolutions are the gentleman from Texas [Mr. ROGERS], the gentlewoman from Idaho [Mrs. PFOST], the gentleman from New York [Mr. POWELL], the gentleman from Oklahoma [Mr. EDMONDSON], the gentleman from Nevada [Mr. BARING], the gentleman from Oregon [Mr. ULLMAN], and the gentleman from Pennsylvania [Mr. SAYLOR].

Under unanimous consent, I include a copy of House Concurrent Resolution 177 at this point in the RECORD:

HOUSE CONCURRENT RESOLUTION 177

Whereas the Constitution empowers the Congress to make all needed rules and regulations respecting the territory or other property belonging to the United States, to regulate commerce with foreign nations and among the States, and to provide for the common defense and general welfare; and

Whereas mining and the extraction of minerals from Federal, State, and privately owned lands situated within the United States and its Territories and possessions are basic industries upon which the transporting, processing, and distributing industries and the consumers of the Nation depend; and

Whereas the interests of national security have brought about Government programs for the establishment and maintenance of national stockpiles of strategically important metals and minerals and for the development of mine and plant capacities for the production thereof; and

Whereas the administration of these and related programs, through Government purchases, contracts, loans, grants, technical assistance, barter, and other means, has resulted in the abnormal and artificial stimulation of foreign metal and mineral exploration and development and the expansion of foreign capacities for the production of metals and minerals; and

Whereas increased foreign production of certain metals and minerals, together with

downward revision of national stockpile requirements, has resulted in depressed domestic prices for these materials, drastic curtailment of domestic production, economic disaster to individual firms, hardships for dependent industries, extensive unemployment, and severe contraction of business in the affected communities; and

Whereas an emergency exists since further delays in the recovery of the domestic mining and mineral industries would cause irreparable damage to mining and mineral properties, wastage of human and natural resources, and loss of productive capacity, and would have a depressing effect upon the national economy and threaten national security; and

Whereas all governmental efforts to date have not been effective in alleviating these detrimental effects: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the President is requested—

(a) to have reviews made at once of the existing programs of the departments and agencies of the executive branch with the purpose of using them more effectively to provide for increased production and employment in critically depressed domestic mining and mineral industries;

(b) to advise the Congress at the earliest possible date as to the actions taken or proposed to be taken to this end; and

(c) to submit any reorganization plans or recommendations for legislation that may be necessary to accomplish this objective.

SEC. 2. It is the sense of the Congress that it is in the national interest to foster and encourage (a) the maintenance and development of a sound and stable domestic mining and minerals industry; (b) the orderly discovery and development of domestic mineral resources and reserves on Federal, State, and privately owned lands; and (c) mining, mineral, metallurgical, and marketing research to promote the wise and efficient uses of domestic metal and mineral resources.

SEC. 3. It is the sense of the Congress that the maintenance and development of a sound and stable domestic mining and minerals industry, without critical dependence upon foreign sources, is essential to national security and the welfare of the consuming public, and that this objective is independent of and cannot be accomplished by the maintenance of national stockpiles for planned defense needs in a single emergency or the existence of productive capacity based upon the importation of foreign materials.

Mr. ASPINALL. Mr. Speaker, I am one of many who believe that we must have a sound and healthy domestic mining and mineral industry. Any critical dependence on foreign sources is incompatible with our own economic growth and security. The long continued shutdowns in our domestic mines threaten the ability of the affected industries to snap back in case of emergency. Flooded and caved mines may lead to the permanent loss of certain mineral reserves.

Shutdowns have occurred or are threatened in mines producing lead, zinc, fluorspar, tungsten, beryl, chromite, columbium-tantalum, cobalt, and other metals. A major cause has been the administration of Government purchases, contracts, loans, grants, technical assistance, and barter transactions causing abnormal and artificial stimulation of foreign metal and mineral exploration and development. Increased foreign production and downward revision of stockpile requirements have caused economic disaster to individual firms, hardships for dependent industries, extensive unemployment, and severe contraction of business in the affected communities.

As Chairman of the Committee on Interior and Insular Affairs, I consider it my duty, and my colleagues consider it theirs, to bring before the American people the facts about this serious problem. Hearings before the Subcommittee on Mines and Mining will begin on Thursday, June 25. All aspects of the problem will be heard as a basic step toward reaching solutions. The record will be valuable to the committee and the Congress in acting upon the resolutions and to the departments and agencies in reviewing and redirecting current programs.

Study of this problem has been scheduled by the Western Governors' Mining Advisory Council July 8–9 and by the Western Governors' conference in September.

It is my hope, through the hearings and otherwise, that the President will have information enabling him to take prompt steps toward reestablishing domestic mine and mineral production and employment, and that he will soon submit any reorganization plans or proposed legislation that may be necessary.

LESS THAN HONORABLE DISCHARGE LEGISLATION

Mr. DOYLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DOYLE. Mr. Speaker, I am pleased to advise the membership of this House that the bill, H.R. 88, dealing with the subject of less than honorable discharges from the Military Establishment will come to our attention for legislative consideration on Tuesday next, under suspension of the rules of the House. The predecessor of this bill, and also about 30 companion bills to it which have been filed by other Members of this body, was adopted by the House in the 85th Congress by the overwhelming vote of 226 to 8; and those 8 Members stated that they only voted "No" because they felt the bill did not go quite far enough. I think the bills this session are an improvement in a difficult legislative field.

It is strictly a humane bill. It makes more nearly possible the rehabilitation of deserving men who have given crystal-clear evidence of rehabilitation, regardless of their previous mistakes, omissions, or commissions while in the military. It is not a money-costing bill. It needs no appropriation of funds.

The military department opposes this bill as they did the one in the 85th Congress. The bill makes it possible for a boy who is not a criminal, and never would be such, to prove justification for a rehabilitation certificate in effect certifying that for not less than 3 years in civilian life he has had an established exemplary record. He does not obtain any Government benefits. His military record is not changed, not even a dot or a comma on the military discharge record.

But, my colleagues, we are asking you to vote by more than a two-thirds majority, under suspension of the rules on next Tuesday, for this bill, H.R. 88.

It is firmly believed it will accomplish three worthy, equitable, and just results, to wit:

First. It will enable a former member of our Military Establishment, who has never been a criminal, but who has committed some error, wrong, or violation of military rules which, when compared with that violation under civil law would be a misdemeanor; to remove a little bit, at least, the lifelong stigma and unduly heavy burden which he and his family and loved ones would otherwise carry all their lives. The military frankly admits that any type of discharge less than honorable affixes a crippling stigma to the recipient throughout his lifetime.

Second. It will help him in some measure, at least, to more nearly be able to obtain a responsible job and thus increase his income and thus better support himself and his family.

Third. If fairly equitably and in good faith administered by the military it will logically result in at least several thousand American lads being established as assets in their respective communities and the Nation, instead of them continuing as liabilities to themselves, their families, their communities, and their Nation.

My colleagues, I repeat my assurances to you that it is a humane bill. That is its whole objective. If we will pass it again overwhelmingly on Tuesday, as we did in the last session it will, therefore, get to the Senate side of this Congress a few days thereafter. Hence the Senate Armed Services Committee, to which it will be referred, will have ample time to consider it. I have been assured by Senator MIKE MANSFIELD, that if it comes from that committee it will be promptly calendared for Senate consideration. Several distinguished Senators have already informed me they are watching for the House bill to come over there in order to be helpful on that side of the Capitol.

I realize that under suspension of the rules there is only a total time of 40 minutes granted for consideration of the bill. But, I shall ask for unanimous consent for all Members of the House who desire so to do, to revise and extend their remarks.

The same subcommittee of the House Armed Services Committee which acted on the bill last session, to wit, Hon. A. PAUL KITCHIN, Hon. GEORGE HUDDLESTON, JR., Hon. WILLIAM G. BRAY, and Hon. CHARLES S. GUBSER, and myself as chairman, were again constituted a special subcommittee by our distinguished Armed Service Committee chairman, Hon. CARL VINSON. That subcommittee unanimously approved H.R. 88, and just the other day the House Armed Services Committee, in full session, unanimously approved H.R. 88. I have heartily enjoyed the pleasure of associating with the special subcommittee members and

wish to thank them for their splendid and continued helpfulness. We recognize that this bill does not go as far as some of us would like to to go. But, we believe it will be materially helpful and that it can be enacted into law and that it should be approved by the President. We recognize that since the special subcommittee began its work during the last Congress, the Military Establishment has made some improvements in their discharge procedures. I congratulate them on the same. But, they have not gone nearly far enough. They have stopped short. There are thousands of American boys who deserve another advance step being promptly taken. H.R. 88, and companion bills, is that advance and necessary step.

Again, my colleagues, it is humane legislation we are to consider Tuesday. Our study of several years convinces us that there are several thousand young men in our communities throughout the Nation who, while presently being liabilities because of the circumstances surrounding the type of military discharge received, and will continue as liabilities throughout their lives unless such legislation is adopted. We believe these several thousand deserving young men can and will become assets to themselves, their families, their communities and, therefore, our beloved Nation.

During the 85th Congress extensive public hearings were held and were printed. The military also fully testified before us. They gave us their objections—most of which we felt, under the great mass of evidence and sound reasoning presented, to discount and disagree with. They then claimed, as they do now, that it will interfere with military discipline. They clearly did not prove their case. The special subcommittee did not feel it necessary nor justified to put out the expenses of repeating hearings again this session. In accordance with the principles announced in the legislation last session, and again this session in H.R. 88 and companion bills, the military themselves have recognized reasonableness and timeliness of such bills by issuing a directive a very little bit in line with our legislative proposal. There is an accumulated thousands of cases which, under existing law and procedures cannot be benefited as much as they deserve. Some fair percentage of these thousands, can be changed from existing liabilities, to permanent assets to themselves, their families and their Nation. But as the procedures now are, these thousands might fairly accurately be termed "forgotten men," so far as their ability to obtain recognition of their established and proven rehabilitation in civilian life is concerned.

H.R. 88, and companion bills, gives former military personnel—most of whom have been discharged administratively—a reasonable opportunity to prove to the military itself that they have made so good promptly and fully in civilian life that the mistakes they made while in the military, many of them for a very, very short period, and many under the draft, were not part of their real makeup as American citizens. They have not been repeaters. They will not be. And finally, the military itself, under H.R. 88, and companion bills, is expressly left as the sole judge and sole authority to determine whether or not the applicant for the Exemplary Rehabilitation Certificate should receive one.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. DOYLE. I yield to the gentleman from Pennsylvania.

Mr. FULTON. I want to congratulate the gentleman for his good work on this measure and to say that it has bipartisan support on both sides.

Mr. DOYLE. I thank the gentleman. I hope you will all be present and help in the consideration of this measure.

PARKER LYNCHING CRYSTALLIZES NEED FOR FEDERAL LEGISLATION

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. ROOSEVELT] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, when the lynching of Mack Charles Parker took place there was a revulsion not only on the part of the law-abiding citizens of Mississippi but on the part of law-abiding citizens throughout the Nation.

I know it is the hope of all that the perpetrators of this crime are brought to the bar of justice. This atavistic, this barbarian act—an act of coldblooded murder—is a slap in the face at our judicial system, wherein a man, regardless of the nature of an alleged crime, is entitled to a trial in which his peers pass judgment based on due process of law.

When the State authorities were given the expert assistance of the Federal Bureau of Investigation, we as Americans felt that all was being done to apprehend the guilty parties.

Now, however, we are faced with the fact that the FBI has withdrawn from the case, stating that under present law, since no Federal offense has been committed, it does not have the legal authority to continue the investigation. Whether or not there could presently be a difference of legal opinion in this matter, I do think the situation clearly points up the need for this Congress to enact legislation which will unmistakably give to the Federal Government the power to investigate and to prosecute in lynching cases.

The action of the mob responsible for the murder of Mack Charles Parker has mocked our national system of justice and I do not think we can continue as a nation to turn our face from such atrocities. We must act in this Congress because we must have a national cohesiveness in this matter if moral and legal justice is to attain.

Without doubt justice will be more truly served in lynching cases if a clear-cut Federal law, dealing with lynching and the right of the FBI to act immediately, is approved by this Congress.

IS THE U.S.-FLAG TANKER INDUSTRY TO BE CONSIGNED TO THE SCRAP HEAP?

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. MACDONALD] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MACDONALD. Mr. Speaker, the major oil companies are reporting all-time highs in earnings during the present year. We are faced with the paradoxical situation, however, that these major oil companies, who are the beneficiaries of the most liberal tax advantages existing under our tax laws, have chosen to pursue the deliberate policy of discriminating against American-flag tanker vessels and American seamen. They have chosen rather to employ for practically all of their petroleum importations into this country cheap foreign-flag tanker vessels using foreign seamen who are employed at sweatshop wages. Whatever profits these oil companies have added to their already king-size coffers are done with blatant disregard for the national interest of the United States.

On countless occasions, the Department of Defense and other top military officials, as well as the Maritime Administration and other governmental authorities, have emphasized the necessity of fostering, promoting, and maintaining a privately owned U.S.-flag tanker fleet, composed of the most modern and best equipped vessels. Such a fleet of modern U.S.-flag tankers has been declared to be a military necessity by our military experts. At the present time, there is considerable consternation as to whether the United States would have enough tankers available in case of military emergency.

It is the policy of our shipping legislation and it is good business to allow private American industry to supply the vessels which constitute our U.S.-flag tanker fleet. American seamen and independent American tanker operators are ready to maintain this essential American industry, but are confronted with a terrific obstacle put up by the major oil companies who for selfish reasons will not use U.S.-flag tankers or employ American seamen.

In my opinion this unsalutory situation is not in the best interests of the United States. Our basic maritime statutes declare it to be the policy of the United States that this country shall have a merchant marine capable of carrying all of our domestic commerce and at least 50 percent of our export and import foreign commerce. In the face of this announced policy the major oil companies have virtually excluded U.S.-flag tankers from their operations. U.S.-flag ship carrying of petroleum has dwindled from 20 percent in 1956 to less than 5 percent at the present time.

Mr. Speaker, unless these major American oil companies, who sustain themselves by many governmental tax

advantages, undertake to employ U.S.-flag tankers, the privately owned U.S.-flag tanker industry and the seamen they employ will be consigned to the scrap heap. The country will, thereby, be deprived of an essential part of its national defense, and the domestic shipbuilding industry and shipbuilding workers and other necessary parts of our national economy will be irreparably injured.

This critical situation calls for change in order to prevent a national disaster. The American consumer does not benefit at all when cheap foreign crews and foreign-flag tankers are employed almost exclusively to monopolize this segment of our American foreign commerce. On the contrary, if the privately owned American-flag tanker industry is to be forsaken, the cost to the U.S. taxpayer for constructing and maintaining an adequate reserve of tanker vessels will be astronomical.

Mr. Speaker, if these companies will not act in the national interest in this field, Congress will be forced to take legislative action to correct these abuses.

WORDS ARE NOT ENOUGH

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Oregon [Mr. PORTER] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. PORTER. Mr. Speaker, along with many others I was delighted when President Eisenhower last January endorsed his brother Milton's recommendation that we give a formal handshake to dictators and a warm embrace to leaders of democracies.

There had been, Mr. Speaker, a strange reluctance in our State Department to make this distinction which goes to the very roots of our Nation and, indeed, to the foundation of our Christian beliefs. It seems that we might be intervening if we expressed a distaste for tyranny and a preference for freedom.

So it was gratifying to have the President declare what the American people feel so deeply.

The question was how did he intend to implement the policy?

I wrote the following letter on February 4 to find out:

FEBRUARY 4, 1959.

Hon. JOHN FOSTER DULLES,
Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: Recently I read that the President had endorsed the recommendations in Milton Eisenhower's recent report on Latin America. One of these recommendations was that we should give the formal handshake to the dictators.

I don't want to seem too literal, and I realize that this policy was not in effect on October 24, 1958, but would you not say that U.S. Ambassador Joseph S. Farland should be instructed that under the new policy he will greet Generalissimo Rafael L. Trujillo in a less friendly fashion than he did on October 24, 1958, as shown in the picture on page 4 of the enclosed magazine.

I am now inquiring whether any instructions about implementation of the new policy has been sent to our Ambassadors in the Dominican Republic, Paraguay, Nicaragua, and Haiti and if so, what were these instructions. If none has been sent, I should like to know whether there are plans to see that this policy is carried out. Finally, I should like to know whether similar instructions will be sent to the Ambassadors to Spain, Yugoslavia, and other countries now governed by dictators.

Sincerely yours,

CHARLES O. PORTER,
Member of Congress.

Thirty days later the reply arrived:

DEPARTMENT OF STATE,
Washington, March 6, 1959.

Hon. CHARLES O. PORTER,
House of Representatives.

DEAR MR. PORTER: I wish to acknowledge receipt of your letter of February 4, 1959, regarding a recommendation contained in Dr. Milton Eisenhower's report to the President on United States-Latin American relations.

Copies of Dr. Eisenhower's report were sent to all our diplomatic missions in Latin America for their information and for public release on January 4, 1959. The missions in the five Central American countries and Panama were also instructed to make copies immediately available upon receipt to the Presidents and Foreign Ministers of those countries.

The specific point of a formal handshake for dictators is, of course, a part of the broad problem of dealing with the different types of regimes found in Latin America. Dr. Eisenhower has placed the question in its proper perspective in the explanatory paragraphs which precede and follow his recommendation. As you are aware through the considerable correspondence which you have had with the Department touching on the general subject of dictatorships in Latin America, the foreign policy of this country fully reflects our enduring national belief in and adherence to the representative democratic form of government.

I hope that the foregoing will serve to clarify the position of this Department on the subject raised in your letter.

Sincerely yours,

WILLIAM B. MACOMBER, Jr.,
Assistant Secretary
(For the Acting Secretary of State).

That did not answer my questions so I wrote another letter and tried to be more specific.

MARCH. 11, 1959.

Hon. JOHN FOSTER DULLES,
Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: I have your letter of March 6 signed by Mr. Macomber concerning my inquiry as to how Dr. Eisenhower's report was being implemented.

As I read the letter, apparently all the implementation that has been done to date is to send copies of the report to your diplomatic missions in Latin America for their information and release on January 4, 1959. This is astonishing and somewhat dismaying.

Is nothing further going to be done about these proposals? If so, what is being done or what is being planned to be done?

I gather that no explicit instructions have gone out to Ambassadors about changing their ways of dealing with dictators. My inquiry about whether this policy wold extend outside of this hemisphere has not yet been answered. I repeat the inquiry and hope that I may have a clear statement of our official position in this respect.

I should like to know specifically whether Ambassador Farland has been specifically instructed as to his future relationships with Generalissimo Trujillo and I should like to repeat the inquiry made in my letter of February 24 as to whether similar instructions will be sent or have been sent to the Ambassadors to Spain, Yugoslavia, and other countries now governed by dictators.

Sincerely yours,

CHARLES O. PORTER,
Member of Congress.

This letter apparently sparked an all-out effort, at least as to length. Here is Assistant Secretary Macomber's next response:

DEPARTMENT OF STATE,
Washington, March 28, 1959.

The Honorable CHARLES O. PORTER,
House of Representatives.

DEAR MR. PORTER: I refer to your letter of March 11, 1959, and to our previous correspondence regarding Dr. Milton Eisenhower's Report to the President on U.S.-Latin American Relations.

I understood your letter of February 4 to refer solely to the question of our policy toward dictators, and hence did not take up the matter of implementation of Dr. Eisenhower's other recommendations. As a matter of fact, several steps have already been taken and are being taken to implement the various measures advocated in the report. Indeed a number of things recommended by Dr. Eisenhower had already been started by the time the report was published.

Dr. Eisenhower, for example, made a series of recommendations urging that the United States proceed as rapidly as possible, in concert with the other American Republics, to create a regional economic development institution, which would cooperate with other existing financial institutions and which would assist Latin American countries in development planning. As you will recall, Under Secretary Dillon announced last August that the United States was prepared to consider the formation of and to participate in an inter-American development institution. A technical working group of the Inter-American Economic and Social Council has been meeting in Washington since January to draft a charter for such a regional institution. Negotiations are well underway for the creation of an institution similar to that envisaged in the Eisenhower report. The United States has specifically urged the inclusion in such an institution of a special technical department to assist other nations in planning their economic development.

Dr. Eisenhower also recommended that the United States cooperate with the other American Republics in seeking answers to commodity problems to the extent of providing trade information and participating in study groups. As you know, the United States has done this, particularly in the case of coffee, and lead, and zinc. Moreover, we have made clear in the deliberations of the "Committee of 21" that the United States stands ready to consult on commodity problems on a case-by-case basis to see whether cooperative solutions to these problems can be found.

Dr. Eisenhower recommended that the United States support the development of regional markets, particularly as regards Central America. The United States has taken a position of active support of sound plans for economic integration, and has supported moves in this direction specifically through the "Committee of 21," which will consider resolutions on this subject. The United States has also made clear that it stands ready, through the Export-Import Bank, to consider the dollar financing required by sound regional industries in Latin America.

Dr. Eisenhower recommended that exchange of persons be encouraged by every means. The Department's International Educational Exchange Service has been able to expand its activities this fiscal year as a result of the increased appropriation granted by Congress in 1958. In addition to increasing the number of exchanges in the area, it has been able to initiate new activities such

as seminars in their own language for Latin American students on U.S. campuses. The Department also attempts to maintain close liaison with the various private foundations on this matter, and to assist them wherever it can. Ways and means are now being considered to make this liaison even more effective.

In line with Dr. Eisenhower's recommendation that the Department's information facilities be increased and improved, the Bureau of Inter-American Affairs and the Department's Public Services Division held a one-day roundtable conference in Washington in January for a group of 30 university professors and specialists in Latin American affairs from the Atlantic seaboard. These experts received a frank briefing on current developments, and separate discussion groups were held with Department officers to exchage views on various problems in depth. We hope to repeat these roundtables to take in other experts from other geographic regions. Study is also being given to other methods of implementing this recommendation.

Staff studies are currently under way on procedural steps required to establish the advisory council which Dr. Eisenhower recommended to advise the Secretary on inter-American affairs, and the Council of the Organization of American States passed on March 18 a resolution recommending that all members set up national commissions for the OAS. The Department hopes to initiate measures to establish such a commission, a step also recommended by Dr. Eisenhower.

The Bureau of Inter-American Affairs has established an informal three-man committee to follow through on the report's observations and recommendations. Consideration is being given, through this means, to steps additional to those I have mentioned above, and to practical ways of implementing Dr. Eisenhower's other recommendations dealing with coordination of technical assistance activities.

As regards the recommendations dealing with policy toward dictators, it is the Department's view that this is a matter of continuing policy related to a specific, developing situation. It is not felt possible to reduce such a general guiding principle to a set of specific rules of conduct which could possibly anticipate every future situation or circumstance. The Department has therefore not issued any specific instruction to our chiefs of mission abroad describing what their conduct should be in relation to the governments to which they are accredited and with which they hence must deal.

The fact that no such specific instructions have been issued should not, of course, be construed as reflecting any value judgment on the recommendation. As I mentioned in my letter of March 6, the United States is devoted to democratic principles. As I further pointed out in that letter, Dr. Eisenhower himself places the question of policy toward dictators in proper perspective in the explanatory paragraphs which precede and follow his recommendation.

The Department has no doubt that our Ambassadors abroad fully understand what their primary function is, namely, to defend and promote the national interest of the United States, and that they also understand that in carrying out that function and in their personal conduct they are expected to reflect our national belief in the representative, democratic form of government and the freedoms which derive therefrom.

I hope that the above information will be helpful to you. If you have any further questions, please do not hestitate to let me know.

Sincerely yours,
WILLIAM B. MACOMBER, Jr.,
Assistant Secretary.
(For the Acting Secretary of State).

After reading this letter, it seemed plain to me that he would not answer about Ambassadors Lodge and Farland. I made one more attempt in the following letter. After receiving the State Department's response to it, which follows, I decided to close the file for now:

APRIL 3, 1959.

Hon. WILLIAM B. MACOMBER, Jr.,
Assistant Secretary of State,
Washington, D.C.

DEAR BILL: Of course I appreciate your courteous attention to my letter of March 11 and your explanation of how Dr. Eisenhower's recommendations are being implemented. It does, however, seem to me that far more concrete implementation is being carried out for all his recommendations except the one having to do with our treatment of dictators and democracies. You say you can't reduce a general guiding principle like this to a set of specific rules but you give no indication that even the principle has been stated to Ambassador Farland and Ambassador Lodge, to name two examples of men who are clearly operating on the reverse of Dr. Eisenhower's recommendation.

In your next to the last paragraph you state that our Ambassadors know what their functions are and that in their personal conduct they are expected to reflect our national belief in a representative, democratic form of Government and the freedoms which derive therefrom. This is all very well but it is clear that these two Ambassadors, and perhaps more, do not so understand.

Specifically, I am referring to the picture I sent to the Secretary of State a short time ago showing Ambassador Farland publicly giving a very warm semi-abrazo to Dictator Trujillo. Does this conform with what you expect of an ambassador operating under Dr. Eisenhower's principle which the President said he endorsed?

I ask the same question with regard to Ambassador Lodge in his social tuna fishing cruises with Franco and his statement in New York last December that we should now pass from the formal handshake stage of our relationship with Spain and give Spain an abrazo.

One final question: Would the Department of State approve personal actions by our Ambassador to the Soviet Union with respect to Mr. Khrushchev like those actions of Mr. Farland and Mr. Lodge with respect to the respective heads of the states to which they are the President's personal representatives?

It may be that the Department should not issue any specific instructions but surely it is not too much to ask that gross violations of the common sense principle enunciated by Dr. Eisenhower should be subject at least to some sort of censure if only a mild reproof.

By saying nothing to these Ambassadors, they naturally assume that their activities along these lines are satisfactory and I suppose they will continue being warmly cordial with their respective dictators. I have this request to make: If the Department of State is not willing to reprove them on the basis of the formula originated by Vice President Nixon, recommended by Dr. Eisenhower and endorsed by President Eisenhower, then will you ask each of these gentlemen, for my benefit, to defend, or at least explain, the actions mentioned above and the attitude these actions indicate existing in the minds of our ambassadors?

Thank you again for your kind attention to my request. I am sure we do not disagree on principle but it does seem we do disagree as to how these principles should be upheld.

With best personal regards.

Sincerely,
CHARLES O. PORTER,
Member of Congress.

DEPARTMENT OF STATE,
Washington, May 18, 1959.

The Honorable CHARLES O. PORTER,
House of Representatives.

DEAR MR. PORTER: I have your letter of April 3 in which you make further inquiry on the recommendations in Dr. Eisenhower's report with particular reference to relations with dictatorial governments.

Since I have already written you on this subject, and you have discussed phases of this question with high officials of the Department, there is not much more that I can add. In previous letters, I have gone into some detail on the manner in which the Department is carrying out Dr. Eisenhower's recommendations. Moreover, it has been explained that the Department believes U.S. representatives abroad are interpreting our policies in a correct and proper manner and that they reflect the national belief in, and adherence to, representative, democratic form of government.

Sincerely yours,
WILLIAM B. MACOMBER, Jr.,
Assistant Secretary.

In the above letter the Assistant Secretary is telling me, very plainly indeed, that the State Department will not answer my questions about Ambassadors Lodge and Farland. It took me 14 weeks to get this reply, meager and unresponsive as it is.

It still seems to me, Mr. Speaker, that the conduct of these gentlemen does not square with the policy affirmed in January by the President about what kind of ruler got what kind of handshake and what kind received a warm embrace.

Whether we fight tyranny and support democracy should never be a campaign issue in this country, but I am forced to conclude that only a change of administration is going to bring out an implementation of this basic policy with respect to tyranny, which the President endorsed in January, and which represents our deepest moral convictions.

We can only lead the free world in the preservation and extension of freedom if we ourselves are unequivocal in our support of freedom and in our opposition to tyranny. Words are not enough.

POWER OF THE EXECUTIVE DEPARTMENT

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Connecticut [Mr. KOWALSKI] is recognized for 15 minutes.

Mr. KOWALSKI. Mr. Speaker, it is with humility as a freshman Member of the House of Representatives, but nevertheless with a feeling of deep responsibility toward my constituents, that I rise to ask a very serious question.

Must we, as Members of the Congress, be confined by a mental straitjacket in our decisions?

It is with all reasonableness that I ask my colleagues in the House: Will we not be contributing to the breakdown of our great American system of tri-equal powers if we allow ourselves to be overinfluenced by the executive department?

Since January, Mr. Speaker, I have watched with growing uneasiness the efforts of the executive department to encroach on the preserves of the legislative department. I have regarded with increasing apprehension the campaign to

make the Congress subservient to the wishes of the White House.

As one who has studied and admired from boyhood our American system of government, wherein the legislative, executive, and judicial branches have their own important roles, I am greatly worried over the repeated, persistent attempts to whittle down the independence of the legislative branch.

I have a high regard for the President, and I am proud to have served as a member of his staff when he was commander of Allied Forces in Europe. I respect the constitutional responsibility of the Chief Executive to sign or veto legislation, but I refuse to acknowledge that any President has the right to determine what actions shall be taken by the Congress.

I am opposed to government by label. I resent the attempts which have been made to assign the Members of the House and the Senate to pigeonholes marked "spender" and "saver," or "liberal" and "conservative," or "New Dealer" and "reactionary." Further, I think that a great disservice is being done to America when these attempts are made to place the elected representatives of the people of the United States into categories which happen to please the categorymakers.

I say it is time for the Congress to make its own declaration of independence from the White House. I say it is time, too, for the Congress to adopt its own bill of rights—a bill of freedom to make decisions in its own way, without interference from the executive branch.

Mr. Speaker, I say it is time for us to forget the labels and get down to deciding issues on their merits.

I believe that I speak for many Members of this House when I say the time has come for us to make decisions for ourselves, without regard for the constant pressures of the public relations mill that has since January been grinding relentlessly against our freedom of choice and our independence of mind.

The people of Connecticut elected me to represent them in the House of Representatives. They elected me to use my own best judgment in deciding on matters of legislation. They elected me to act as their representative, not as a representative of the executive branch. They elected me to vote as I deem best for their interest and the national interest, not to rubberstamp every recommendation from the Wihte House.

As a Member of Congress elected by the free choice of the people of my State, I cannot accept the premise that all wisdom, all judgment, all knowledge rest in one man or in one branch of the Government. I was elected to think for myself, ponder for myself, and vote from conviction after careful study of the issues.

I sincerely believe, Mr. Speaker, that I speak also for many of my friends on the Republican side of the Chamber. I know that they too are disturbed by this situation. They resent, as I do, the incessant attempts to place every issue before the House within the narrow frame of reference of cost only. They feel, as I do, that this attempt to influence the proper exercise of our own judgment has passed all bounds of reason.

Even before the last election, Mr. Speaker, the President chose to decide that the issue was one of spenders versus savers. The voters of the United States overwhelmingly rejected that premise; it is my opinion that they very properly regarded it as an erroneous oversimplification.

I do not feel that I was elected by spenders or savers but rather by free citizens who decided to entrust me with the responsibility of making decisions in the light of my own conscience.

Yet, despite the people's rejection of the Executive's attempt to place all Members of the Congress into two opposing groups, much like small boys at play might line up as the "good guys" and the "bad guys," the President since January has sought with increasing pressure to place all of us into limited categories of his own choosing. There has been plain for all of us to see the Madison Avenue technique of seeking to make a point by endless and monotonous repetition.

The cost of any program before the Congress of the United States is an important criterion. But I submit, Mr. Speaker, that it is only one criterion.

I submit that there are other and equally important criteria by which we must make our judgments. We should ask ourselves: Is it good for the American people? Will it strengthen our country and our way of life? Will it make this a better country for ourselves and for our children? The answers to these questions are certainly as important as cost.

The cost of a program must be weighed against these answers. For myself, if the cost is justified in terms of national interest then I feel that I must support such a program. I cannot in conscience let myself be bound by a bookkeeping chart when the welfare of human beings is at stake. To me, man is the most important thing in Government.

I do not wish to be misunderstood, Mr. Speaker. I am against Government extravagance. In the Armed Services Committee, of which I am a member, I have unhesitatingly voted against expenditures which I felt were unnecessary. Here on this floor I have talked, and voted, against wasteful practices. And, whenever any legislation appears to me to call for unnecessary or extravagant expenditures, I shall vote against it.

But, as an elected Member of the Congress, I refuse now and hereafter to have my vote dictated by outside pressures. I refuse to let the dollar sign be more important than human values.

I decline to let the issues before this House be prejudged for me by the White House or by anyone else.

I have never conceived of the American form of government as one in which the executive department tells the people what they can have and what they cannot have, with the Congress obediently nodding its assent to this decision.

It is impossible for me to believe that the American people want the Congress to abdicate its powers. It is inconceivable to me that a nation made up of people with minds of their own wants a Congress which meekly bows to every wish of the White House. It is literally unthinkable that the citizens of our country want a Congress which is unwilling, or afraid, to use its own best judgment on public issues.

I cannot believe that we in this Congress were elected to have our thinking regimented and our decisions dictated.

As one who has studied American history, I fear we are on very dangerous ground when any one of the three branches of the Government seeks to assume too much power. The years have tried and proved the rightness of our system of separation of powers—with the executive, legislative, and judicial branches each performing their own functions, without interfering with the other branches.

I say that this great system must be defended, not only against frontal assault but from the indirect attacks carried on with propaganda and public relations techniques as the weapons.

My feeling, Mr. Speaker, is that we have been sent here to decide issues on their merits, not by responding to labels affixed to them outside this Chamber. Let us make our decisions and cast our votes as free and independent Members of the greatest deliberative body on earth—and not on the basis of catch-all slogans or political labels, and not on the basis of direct or indirect dictation from anyone or anywhere.

Let us remember that there is more than one criterion on which to base our judgment. Let us consider cost, yes, but let us not be stampeded into accepting the theory that it is the one and only norm.

Let us, Mr. Speaker, judge each issue on its rightness. If we do that, and if we cast our votes after searching our own hearts and consciences then we shall have lived up to our responsibilities and can face the American people secure in the knowledge that we have justified their faith in us and in our system of government.

Mr. KOWALSKI. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. WOLF] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. WOLF. Mr. Speaker, I would just like to say that my friend from Connecticut has made a great speech. I heartily endorse his position and say further that he is performing a vital service to Congress by his forthright approach to this and other subjects.

In the short time he has been here he has demonstrated many times his leadership and fearless attitude in presenting the truth. I am happy to ask to be associated with his remarks, Mr. Speaker.

AID TO SMALL BUSINESS

The SPEAKER pro tempore. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 5 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, it is late and I know the Members want to get away for Memorial Day. I just want to say that I think the amendment offered by the gentleman from Tennessee [Mr. EVINS] carries in it an appropriation that will be very helpful to the State of Massachusetts for surveys, research, and so forth. With every State being able to receive $40,000 of the fund left by the RFC for some college or institute for a special research study helpful to the States it will be valuable to us. The fine Lowell Institute of Technology at Lowell, Mass., would be extremely successful in a research project.

ON THE EROSION OF AMERICA'S WILL TO WIN

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Minnesota [Mr. JUDD] is recognized for 30 minutes.

Mr. JUDD. Mr. Speaker, a nation's greatness, when assessed in terms of history, is measured by its impact on the course of human events. And a nation's impact on human events is directly proportional to the drive, the vigor, the determination of its people to shape their own environment.

This generalization, when applied to today's world, leads to some disturbing conclusions with regard to the United States. First, in terms of the degree of effort being expended by the individual American citizen to change history, the United States certainly ranks third in the great triumvirate, well behind Communist China and the U.S.S.R.

Second, although the United States has spent great quantities of treasure and human resources in all quarters of the globe, this has been done not so much to change history, in our favor, as to keep history from changing against us.

Third, this infatuation with the status quo has caused a general sterility of our political thought. It has created a tendency to accept the compromise of our outlying political positions rather than face the sacrifices that more vigorous alternatives might require. But what is probably the most dangerous development of all—it has resulted in the gradual erosion of our individual and national will to win.

When it became apparent, shortly after World War II, that our hopes for a long period of peace based on the continued cooperation of the five great wartime allies, the United States, United Kingdom, U.S.S.R., France and China, were not going to be realized, we attempted—either consciously or unconsciously—to stabilize the world in the pattern it had fallen into in 1946. It was our intuitive desire to restore, as nearly as was possible following the destruction of the Axis governments, the balance of political power to its pre-war state. This included, in our mind, the resumption by our European allies of their respective spheres of influence in the underdeveloped areas, which, in the past, had been their traditional responsibility.

This concept soon fell by the wayside, for two main reasons: first, the long-smoldering resentment within these colonial areas against the overlordship of certain Western nations had burst into flame when they saw an Asian people, the Japanese, defeat and humiliate, as at Pearl Harbor and Singapore, the supposed supermen of the West. All Asians demanded immediate freedom from alien control. Second, the Communist organizations, which had used the war to expand their political and military strength, took advantage of the unrest to initiate a series of civil wars. It is clear that this series of revolutions was the result of Soviet calculations that the time was ripe to expand the territory under the control of world communism.

THE POLICY OF CONTAINMENT

Confronted with this situation, we were forced to admit that the world would not, of its own accord, settle down into some natural state of equilibrium and that even the maintenance of a form of status quo required action on our part. As a consequence, we adopted a policy of containment which we have been attempting to implement ever since in Europe and the Near East, but did not attempt in earnest to implement in Asia until after the capture of mainland China by the Communists and the Red invasion of South Korea.

The strategy, so ably articulated by George Kennan in 1947, was based on the theory that the Communist society contained the seeds of its own destruction. If it could be confined to specific geographic limits "by the adroit and vigilant application of counterforce at a series of constantly shifting geographical points, corresponding to the shifts and maneuvers of Soviet policy" it would eventually fall of its own weight.

The Kennan thesis was valid only so long as the Western World, first, retained the clearcut military superiority needed to contain Communist adventurism; and, second, had the will and determination to enforce its containment policy worldwide.

Unfortunately, after a brief period of unquestioned supremacy, when the United States was the sole possessor of atomic weapons, the West's preponderance of military power diminished rapidly as the Soviets developed their own nuclear capability. And when the first sputnik was launched, doubts were raised as to whether the West retained any military advantage. As for the will and determination to enforce the containment policy worldwide, the facts speak for themselves. We helped governments in Europe only if they would resist coalition with the Communists; we refused effective help to the Chinese government unless it would accept a coalition with the Communists. Quite naturally, we succeeded in Europe, and failed in Asia. Containment that is not complete containment is not containment at all.

A comparison of two world maps showing the areas under Communist control in 1948 and 1958 is not a pretty picture. The record will show that even when the West possessed the undisputed capability of destroying the Soviet Union, we lacked the will, for one reason or another, to make effective political use of this power. Despite the fact that we have consistently resisted the extension of Communist control in Europe, and, after the attack in Korea, even took up arms in the struggle, the actual result has been a series of de facto or negotiated compromises which may have slowed, but certainly have not halted Communist expansion.

THE YEAST OF CHANGE

Secretary Dulles, when speaking of developments behind Communist borders, has said "the yeast of change is at work." Certainly this is true. Given a situation of true and global containment we might, with reasonable optimism, look forward to an inevitable evolution—perhaps violent, perhaps peaceful—within the Communist society, which in the end could only accede to the natural human instincts for individual freedom and self-determination. Unfortunately, however, the prerequisites of true containment do not now exist. Therefore, while undoubtedly the yeast of change is slowly at work within the Communist bloc, in practical terms it has had negligible effect on the continuing daily struggle between the East and West for world supremacy. The will and capacity of captive peoples to gain their freedom are not increasing as rapidly as the parallel will and capacity of free peoples to defend their freedom are diminishing.

Today the strategy of containment still remains the basis of U.S. policy. It is justified on the grounds that it is the only realistic course of action under conditions of nuclear stalemate. Its champions everywhere deemphasize their compromises and small retreats and leave the impression that containment is, in fact, being achieved.

Entirely discounting the question of intellectual honesty which is involved, the net result within much of the public mind and of the corporate personality of the executive branch has been the steady erosion of our most vital national characteristic, our will-to-win. In sum, what it amounts to is that the American team—and with it the entire team of the Atlantic community and the free world—is playing for what it hopes will be a draw. Meanwhile, the Communist team is throwing everything it has into the game to win.

THE EROSION OF OUR WILL TO WIN

Whether it be the Olympics, chess, horseracing, science, production, politics, propaganda, military weapons, weightlifting, or economic warfare, the Communists are out to win. They may have their setbacks, but they are not disturbed thereby; they know there will be no followthrough on our part. They know they can study their mistakes and try again when they are ready. They know we are not really trying to beat them; we are just trying to keep them from beating us. No wonder they are confident that in the end they will be victorious. No wonder their young scientists at the Geneva disarmament negotiations have gone out of their way at cocktail parties to buttonhole members of our delegation to remind them that

time and history are on the Soviet side, and that before long they will surpass us in every field. And no wonder, Khrushchev can say with such grim conviction, "We will bury you."

Recently a new theory has emerged as a further justification of the policy of containment. It is based on the premise that as time passes the Communists and democratic capitalist systems will gradually merge into some form of socialist society. This point of view is supported by evidence to the effect that within the U.S.S.R. there has been a noticeable shift away from the doctrinaire communism of Stalin to the more pragmatic communism of Khrushchev. Similarly, it is possible to show that the United States and other Western nations have adopted such far-reaching social security, price support and public welfare measures as to give positive confirmation of a trend toward socialism. The time scale for this ultimate convergence is left vague, but the evolutionary nature of the concept necessarily places it in the distant future. Nevertheless the impression is given that it is inevitable.

Once this idea of inevitability becomes either consciously accepted within our policymaking circles there is a dangerous tendency to use it as a basis for long-range national security planning. The convergence doctrine fits together so neatly with the containment policy and the yeast of change theory that they make a tempting package; particularly when they are presented against a background of historical predetermination. They have the additional attraction of allowing their advocates to disengage themselves in large measure from such nasty specific problems as a Berlin, Quemoy, Palestine or Iraq. And when these problems, where they cannot be entirely avoided, are examined under these mutually supporting premises, justifiable courses of action soon appear which, while not leading to any definite solution, do recommend themselves as means of buying time so that things can work themselves out. The result is compromise, in action and abrogation of leadership.

AN ULTRATIMID ECONOMIC PHILOSOPHY

During the same last 10 years, when the convergence-containment-yeast of change package was developing, there has also arisen within the United States an ultratimid economic philosophy. This has been nourished on the idea that our national economy, encompassing as it does such complex and interrelated factors as production, distribution, marketing, wages and taxes, is an extremely fragile mechanism. While it is capable of maintaining today's high standard of living and generous productivity, this is only possible if it is not subjected to undue strain. Under this concept the U.S. economy is like one of those fine but delicate old clocks that keep time only as long as they sit on a good solid mantelpiece, covered by a glass case. This belief, like so many others that inhibit us today, is a hangover from the great depression of 1929. It is subscribed to by some of our foremost industrial leaders. While no one could quarrel with the proponents of this theory if we really were living on a mantel under glass, it is entirely inadequate to cope with the worldwide challenge posed by the two rapidly growing state economies the Soviet Union and Communist China.

This ultraconservative view of the American economy, while often identified with Republican administrations, has been powerful enough to gain credence even under the Democrats. One has only to recall the period shortly before the Korean conflict, when Louis Johnson, as Secretary of Defense under President Truman, dedicated himself to the task of holding the Defense budget to an arbitrary figure of $13 billion. At that time, economists of considerable repute insisted that that was all the United States could stand without risking disastrous inflation and another terrible depression.

Various groups of citizens who, as early as 1949, and some of us much earlier, were concerned not only with the future of our democratic economy, but also with the growing threat from the Soviet Union, strongly contested this theory. But before public opinion could be mobilized against taking such risks with our national security, the Korean war in June 1950 suddenly relegated these timorous economic theories to the ashcan. Our economy took a $50 billion defense budget in its stride. So great were our capabilities of rapid economic expansion that we fought the Korean war without any civilian controls or restrictions to speak of, maintaining at the same time our civilian consumption at normal, high, peacetime levels.

Today with a Defense outlay of approximately $40 billion, the same budgetary arguments are advanced as were put forward in 1949. And again there can be heard the first rumblings of a growing public ground swell demanding that our policymakers rid themselves of these doubts about the intrinsic strength of our economy. The Committee for Economic Development, the National Planning Association, and other bodies whose membership includes some of our top economic authorities, are taking issue with the idea that our economy is incapable of the expansion needed to maintain our first place in world economic production.

HOW THE OTHER HALF LIVES

The sterility of our governmental planning processes is even more depressing when viewed against the backdrop of Soviet bloc achievements and programs. Nothing is impossible to their central committees. And their leaders do not hesitate to ask the impossible of their people. They relish the struggle, they seem to enjoy overcoming odds. However much they suffer, they can see they are making progress toward their self-imposed goals. They know they are having an impact on history. And every day they grow more confident that they will succeed in overtaking and in destroying us.

True, the Soviet Union and Communist China are confronted with staggering obstacles and explosive internal problems. But they are able to give the impression that they will brush these aside and surge ahead. In the case of the U.S.S.R., it is able to gain credence for its claims by dramatic achievements in the fields of nuclear science and outer space exploration. Behind these it has the solid base of rapidly increasing national production in both industry and agriculture. In addition, it is prepared to accept the risks involved in forcing consideration, and in accepting the consequences of important changes in the political balance of Europe.

As for Communist China, it is turning history upside down by converting its greatest liability, overpopulation, into an unprecedented and perhaps incalculable asset. It answers Malthus with Marx. The total organization of the life of its 600 million souls every hour of the day, every day of their lives, from birth to death, is so staggering in its concept, so alien to all our impulses and so fearful in its implications if it succeeds, that we have been reluctant even to address ourselves to the problem, hoping, as we have so often done in the past, that if we ignore a difficult issue long enough it will go away.

THE TIME SCALE OF HISTORY FORESHORTENED

It is true that by subjecting their economies and people to unbearable strains both China and Russia may overreach themselves and be drawn down into a maelstrom of civil war. But while this is a possibility, the outcome of which might offer hope for a better world, it is hardly an assumption to plan on. In fact, the forces at work today are so vast and unpredictable that it is difficult to find any trustworthy guideposts to the future. However, on the basis of events since the end of World War II, one important truth should be recognized as a determining factor in national policy. This is, that the time scale of historical change has been greatly foreshortened.

The consequences of an accelerated period of historical evolution are more likely to be violent than peaceful. Human nature is subjected to greater stresses. Decisions must be made more quickly with resulting unevenness of judgment. Errors become more costly; and efforts to recoup losses become more desperate.

In a foreshortened time scale, competition necessarily becomes more intense. All-out efforts have greater probabilities for decisive success than longer term programs. Prudence dictates greater attention to self-defense and national security than in times of more gradual change. The selective application of physical or economic power at critical points offers greater possibilities for dividends than does containment.

What does all this add up to in terms of the United States, the Atlantic Community and the free world? It can only mean that the events of the next decade are likely to have far more influence on the long-term development of history than in any similar period in the past. It places a greater premium on a deterministic philosophy than on a concept based on underwriting or guaranteeing the orderly process of social evolution. It doubtless confirms the Communists in their belief that societies develop not by

gradual change—our traditional yeast theory—but by a series of violent explosions, decades or even centuries on one level and then sudden revolutionary upthrusts to new levels. All this means that we too must set goals for ourselves that require maximum effort to meet.

A PREMIUM ON DETERMINISM

Specifically, our situation requires the full utilization of the productive capacity of our industry and labor; a new economic philosophy designed to gear our economy to a much greater turnover of goods, services, and capital; a revised tax structure to encourage rapid amortization of production facilities; a flexible policy of Government underwriting of private capital invested abroad to stimulate the flow of such capital into underdeveloped areas; a policy of defense expenditures which will enable us to meet our worldwide political commitments and give us the requisite military power to support, in our dealings with the Soviet bloc, courageous political policies that are firm and steadfast in support of principles and of allies, while imaginative and flexible in application to individual situations.

We in the West cannot hope to initiate such a program unless we are prepared to accept the unpleasant reality that we are in an all-out struggle with the Communist bloc. One side is going to win; the other will be destroyed. More containment will not win. "Where the frontier between civilizations stands still," Toynbee warns, "time always works in the barbarians' favor."

For all too long most westerners have indulged in the pathetic hope that the Communists would give up their will-to-win if we confronted them with neat, intellectual formulas rather than with intestinal fortitude. Too many Americans have taken it for granted that if we can just avoid a shooting war, we, of course, will win any other kind of war. We shall, of course, win any economic contest, any scientific contest, any educational contest.

I am completely convinced that we can win if we have the will to do so and will pay the price in self-discipline and dedication. But there is no automatic victory. For instance, it is not automatic that in any interchange of persons our naive students or businessmen will prevail over the trained agents of the Communists. The evidence is to the contrary. The healthy do not automatically prevail over the diseased; tuberculosis spreads from the diseased to the healthy and destroys them, unless active measures are taken to prevent it. Sound currency does not automatically prevail over unsound; on the contrary, the bad drives out the good. Much of history is the record of better civilization being overcome by poorer, because the leaders of the latter were tougher and worked harder.

All along, the Communists have had the will to win; they did not have the strength. We of the free world had the strength; we did not have the will. Victory will go to whichever side first gets both the strength and the will.

IN THE END FACTS IMPOSE THEMSELVES

Sooner or later we will recognize the true nature of this conflict. Then there will develop almost instinctively a great surge of public opinion in support of an activist program in the Western tradition. We will, first of all, begin to welcome rather than avoid competition with Communist societies. Second, whatever form this competition takes, the public will insist that we participate with the idea of winning. Third, American voters will not let the Congress or the executive branch go on hoping wishfully for a compromise or modus vivendi with the Soviet bloc. Political pressures originating in the local communities will insist that U.S. foreign policies and the work of our representatives abroad be evaluated on the basis of how much they have contributed to the ultimate victory of our free society over the Communist society. And finally, our people will demand that the intellectual elite of this country rededicate itself to a belief in America's high purpose and ultimate destiny. They will not allow our young people to be sent forth into public life as many are today, ashamed of their country's wealth, convinced that we have already passed our historical prime, believing that nothing is important enough to fight for, and unwilling to make the sacrifices which will be required to defeat world communism.

Will this awakening come in time?

Mr. Speaker, the above address in substantially this form is appearing in the May 1959 issue of Western World, a magazine dedicated to preserving and strengthening the Atlantic Community.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. JUDD, for 30 minutes, today, and to revise and extend his remarks and include extraneous matter.

Mrs. ROGERS of Massachusetts, for 5 minutes, on Monday next.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. BOW in two instances.

Mr. RIVERS of South Carolina.

Mrs. KEE.

Mr. CRAMER.

Mr. TUCK and to include an address delivered by the Honorable WILLIAM JENNINGS BRYAN DORN, of South Carolina, at a Democratic dinner in Charlottesville, Va., last Saturday.

Mr. SMITH of Kansas and to include extraneous matter.

Mr. BOW, to revise and extend his remarks and include extraneous matter in Committee of the Whole.

Mr. FASCELL, to revise and extend his remarks and include extraneous matter in Committee of the Whole.

Mr. KING of Utah and to include extraneous matter.

Mr. BENTLEY and to include extraneous matter.

Mr. FLOOD, the remarks he made in Committee of the Whole today and to include extraneous matter.

Mr. BONNER, the remarks he made in Committee of the Whole today and to include extraneous matter.

The following Members (at the request of Mr. ALBERT) and to include extraneous matter:

Mr. BURNS of Hawaii.

Mr. MULTER.

Mr. WOLF.

Mr. STAGGERS.

Mr. DOWNING.

The following Members (at the request of Mr. QUIE) and to include extraneous matter:

Mr. SHORT.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 8 minutes p.m.), under its previous order, the House adjourned until Monday, June 1, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1035. A letter from the Administrator, General Services Administration, transmitting the report of the Archivist of the United States on records proposed for disposal under the law; to the Committee on House Administration.

1036. A letter from the Attorney General, transmitting a draft of proposed legislation entitled "A bill to amend section 7 of the act of July 28, 1950 (ch. 503, 64 Stat. 381; 5 U.S.C. 341(f), to authorize the Attorney General to acquire land in the vicinity of any Federal penal or correctional institution when considered essential to the protection of the health or safety of the inmates of the institution"; to the Committee on the Judiciary.

1037. A letter from the Director, Administrative Office, U.S. Courts, transmitting a draft of proposed legislation entitled "A bill to provide for reasonable notice of applications to the U.S. courts of appeals for interlocutory relief against the orders of certain administrative agencies"; to the Committee on the Judiciary.

1038. A letter from the Executive Vice President, National Fund for Medical Education, transmitting a signed report of an audit of the National Fund for Medical Education for the year ended December 31, 1958, pursuant to Public Law 685, 83d Congress; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COLMER: Committee on Rules. House Resolution 277. Resolution providing for the consideration of H.R. 3610, a bill to amend the Federal Water Pollution Control Act to increase grants for construction of sewage treatment works; to establish the Office of Water Pollution Control; and for other purposes; without amendment

(Rept. No. 400). Referred to the House Calendar.

Mrs. PFOST: Committee on Interior and Insular Affairs. H.R. 4524. A bill extending the time in which the Boston National Historic Sites Commission shall complete its work; without amendment (Rept. No. 401). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. H.R. 7290. A bill to provide for the striking of medals in commemoration of the 100th anniversary of the settlement of the State of Colorado and in commemoration of the establishment of the U.S. Air Force Academy; without amendment (Rept. No. 402). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. S. 1120. An act to amend the National Bank Act and the Federal Reserve Act with respect to the reserves required to be maintained by member banks of the Federal Reserve System against deposits and to eliminate the classification "central reserve city"; with amendment (Rept. No. 403). Referred to the Committee of the Whole House on the State of the Union.

Mr. COLMER: Committee on Rules. House Resolution 278. Resolution providing for the consideration of H.R. 4957, a bill to amend chapter 223 of title 18, United States Code, to provide for the admission of certain evidence, and for other purposes; without amendment (Rept. No. 404). Referred to the House Calendar.

Mr. SMITH of Virginia: Committee on Rules. House Resolution 279. Resolution providing for the consideration of H.R. 7120, a bill to amend certain laws of the United States in light of the admission of the State of Alaska into the Union, and for other purposes; without amendment (Rept. No. 405). Referred to the House Calendar.

Mr. O'BRIEN of New York: Committee on Interior and Insular Affairs. S. 498. An act to extend the life of the Alaska International Rail and Highway Commission, and to make a change in the membership of such Commission; with amendment (Rept. No. 406). Referred to the Committee of the Whole House on the State of the Union.

Mr. NORRELL: Committee on Appropriations. H.R. 7453. A bill making appropriations for the legislative branch for the fiscal year endng June 30, 1960, and for other purposes; without amendment (Rept. No. 407). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAHON: Committee on Appropriations. H.R. 7454. A bill making appropriations for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes; without amendment (Rept. No. 408). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BOYKIN (by request):

H.R. 7427. A bill to recognize certain adopted children for Veterans' Administration benefit purposes; to the Committee on Veterans' Affairs.

By Mr. CORBETT:

H.R. 7428. A bill to provide for a new farm program; to the Committee on Agriculture.

By Mr. DAVIS of Georgia:

H.R. 7429. A bill authorizing persons maintaining or defending actions in the District of Columbia on behalf of a minor to give releases of liability, and requiring persons receiving money or property in settlement of such actions or in satisfaction of a judgment in any such action to be appointed as guardian of the estate of such minor; to the Committee on the District of Columbia.

By Mr. HALEY:

H.R. 7430. A bill to amend the Federal Food, Drug, and Cosmetic Act, with respect to label declaration of the use of pesticide chemicals on raw agricultural commodities which are the produce of the soil; to the Committee on Interstate and Foreign Commerce.

By Mr. HORAN:

H.R. 7431. A bill to amend Public Law 85–880, and for other purposes; to the Committee on Foreign Affairs.

By Mr. KING of Utah:

H.R. 7432. A bill to amend chapter 27 of title 35 of the United States Code with respect to the rights of the United States in certain patents; to the Committee on the Judiciary.

By Mr. KNOX:

H.R. 7433. A bill to provide for the payment by the United States of a portion of assessments for improvements benefiting federally owned real property in certain cases; to the Committee on Public Works.

By Mr. MACK of Washington:

H.R. 7434. A bill to amend Public Law 85–880, and for other purposes; to the Committee on Foreign Affairs.

By Mr. MAGNUSON:

H.R. 7435. A bill to amend the act of September 2, 1958, relating to U.S. participation in the Century 21 Exposition at Seattle during 1961 and 1962; to the Committee on Foreign Affairs.

By Mrs. MAY:

H.R. 7436. A bill to amend Public Law 85–880, and for other purposes; to the Committee on Foreign Affairs.

By Mr. MORRIS of Oklahoma:

H.R. 7437. A bill to authorize the use of funds arising from a judgment in favor of the Kiowa, Comanche, and Apache Tribes of Indians of Oklahoma, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PELLY:

H.R. 7438. A bill to amend Public Law 85–880, and for other purposes; to the Committee on Foreign Affairs.

By Mr. SHIPLEY:

H.R. 7439. A bill to provide for the issuance of a special postage stamp to commemorate the 100th anniversary of the birth of William Jennings Bryan; to the Committee on Post Office and Civil Service.

By Mr. TOLLEFSON:

H.R. 7440. A bill to amend Public Law 85–880, and for other purposes; to the Committee on Foreign Affairs.

By Mr. WALLHAUSER:

H.R. 7441. A bill to amend the act of July 27, 1956, with respect to the detention of mail for temporary periods in the public interest, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. WAMPLER:

H.R. 7442. A bill to equalize the pay of retired members of the uniformed services; to the Committee on Armed Services.

By Mr. WESTLAND:

H.R. 7443. A bill to amend Public Law 85–880, and for other purposes; to the Committee on Foreign Affairs.

By Mr. WIDNALL:

H.R. 7444. A bill to eliminate the date of termination of the provisions of law authorizing issuance of nonquota immigrant visas to certain alien orphans, and for other purposes; to the Committee on the Judiciary.

By Mr. CRAMER:

H.R. 7445. A bill to provide for the establishment of a U.S. Diplomatic Academy; to the Committee on Foreign Affairs.

By Mr. NORRELL:

H.R. 7453. A bill making appropriations for the legislative branch for the fiscal year ending June 30, 1960, and for other purposes.

By Mr. MAHON:

H.R. 7454. A bill making appropriations for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. FORAND: Memorial of the Rhode Island General Assembly, memorializing the President of the United States, the Senators and Representatives from Rhode Island in the Congress of the United States, and the Secretary of Defense to make every effort to release certain unused land belonging to the Federal Government in the city of Newport to said city; to the Committee on Armed Services.

By the SPEAKER: Memorial of the Legislature of the State of Maryland, memorializing the President and the Congress of the United States to repeal section 511 of Public Law No. 1020 concerning the granting of local tax exemptions by Federal law; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BATES:

H.R. 7446. A bill for the relief of Mario DiPaolo; to the Committee on the Judiciary.

By Mr. CURTIS of Massachusetts:

H.R. 7447. A bill for the relief of Paul Levitt; to the Committee on the Judiciary.

By Mr. GIAIMO:

H.R. 7448. A bill for the relief of the employees of the National Folding Box Division of the Federal Paper Board Co., Inc.; to the Committee on Ways and Means.

By Mr. HOLTZMAN:

H.R. 7449. A bill for the relief of Franka Kraljic; to the Committee on the Judiciary.

By Mr. O'BRIEN of Illinois:

H.R. 7450. A bill for the relief of Milorad Antich; to the Committee on the Judiciary.

By Mr. TOLL:

H.R. 7451. A bill for the relief of Hom Hong Hing, also known as Tommy Joe; to the Committee on the Judiciary.

By Mr. WIER:

H.R. 7452. A bill for the relief of William B. Jackson; to the Committee on the Judiciary.

By Mr. WALTER:

H.J. Res. 405. Joint resolution for the relief of certain aliens; to the Committee on the Judiciary.

H.J. Res. 406. Joint resolution to facilitate the admission into the United States of certain aliens; to the Committee on the Judiciary.

H.J. Res. 407. Joint resolution to waive certain provisions of section 212(a) of the Immigration and Nationality Act in behalf of certain aliens; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

202. The SPEAKER presented a petition of the chairman, Official Board of the Methodist Church of Slingerlands, Albany, N.Y., petitioning consideration of their resolution with reference to disaffirming the action taken by the Troy Annual Conference of the Methodist Church at Burlington, Vt., on Thursday, May 14, 1959, with respect to requesting the United States to take steps which would lead to the recognition of Red China by the United States, and its inclusion in the United Nations, etc., which was referred to the Committee on Foreign Affairs.

EXTENSIONS OF REMARKS

Education To Match Our Times

EXTENSION OF REMARKS
OF
HON. CLAIR ENGLE
OF CALIFORNIA
IN THE SENATE OF THE UNITED STATES
Thursday, May 28, 1959

Mr. ENGLE. Mr. President, we are at that time of the year when the closing of the academic program for a brief vacation period has an even greater significance for hundreds of thousands of our young people of the graduating classes than it has for the pupil census as a whole.

In speaking of this special significance of the season to the graduates—especially the high school seniors—I have primary reference to the counseling they receive on their future problems and prospects, notably during the commencement ceremonies.

Of course the number of commencement exercises and the number of commencement addresses which have been delivered, even in the lifetime of those of us present in this body today, have been virtually countless. Each graduating class received its full share of the pearls of wisdom from the text of the commencement speaker. It is difficult to discern much that is not repetitious of a great deal that has been said before when we hear or read a commencement address only recently delivered.

Sometimes, however, even though the theme may be ancient, the new text that comes to our attention has a freshness of rhetoric or a special approach to logical conclusions which prompts us to listen more attentively or read with somewhat more pleasure and enlightenment than would normally be the case.

On the otherhand, sometimes the author and speaker of the commencement address is a person who excites our imagination and gives cause for us to examine his product somewhat more closely.

Mr. President, I believe it was a combination of these conditions—plus an intriguing title—which prompted me to read with much pleasure and profit a commencement address delivered at Harpers Ferry, W. Va., last night to the high school graduating class of that community by the distinguished senior Senator from West Virginia [Mr. RANDOLPH].

I had the privilege of serving in the House of Representatives with the able senior Senator from West Virginia, where he capably called upon his background as an educator and journalist, as well as his ability as a practitioner and teacher of the spoken word, to clearly present his viewpoints on many vital issues. In this body, where it again is a privilege to serve with the gentleman, we know that his horizon has been broadened by both additional experience as an educator and a businessman, and his lengthy prior period of service in the Congress. Thus, as he spoke to graduating classes recently at Glen Rogers and Harpers Ferry in his home State of West Virginia, and as he speaks tonight to the senior class of Elkview High School, tomorrow night at Dunbar High School, and subsequently to the graduating classes of other high schools in his native State, the senior Senator from West Virginia wears the toga of wide experience and delivers messages to the graduates which are as meaningful as they are rhetorically pleasant to hear or read.

Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the text of the address delivered by the senior Senator from West Virginia [Mr. RANDOLPH] at the commencement exercises May 27, 1959, in Harpers Ferry, W. Va., for the graduating class of the high school there, entitled "Education To Match Our Times."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

EDUCATION TO MATCH OUR TIMES

(Address by Senator JENNINGS RANDOLPH, Democrat of West Virginia)

Ladies an gentlemen and graduates of Harpers Ferry High School, I am grateful for the opportunity to share in the commencement program of the class of 1959. It is a particular benefit for those of us who are largely preoccupied with the affairs of an adult world to return to the presence of youth—to share again in the sense of challenge and the drama of a backoning world.

Especially is this so at commencement time—the very word itself indicating a beginning rather than an end, and the diploma being a license to proceed on new terms rather than to retire on the old ones. It is customary at such a time for the person in my present role to tell you that you are now entering the world—that life is a serious affair, and that you must now place aside the idle pleasures and pastimes of youth.

I believe I need not tell you this—even if it were so. For I believe that not only have you been in this world for some time, but I daresay that life wears as real a face to youth as it does to adults. Your sorrows and your joys, your victories and your defeats, are felt as keenly—perhaps more so—than those of your elders, since your sensibilities have not been dulled by custom and usage.

And surely there is no more infuriating statement to the young than the self-righteous comment that "You're too young to understand—when you're older, dear"—as though age alone wears the badge of understanding.

But if commencement is not this simple act of entering the world, it is in truth the beginning of a new and significant phase in your life. For some of you it means a brief interlude before assuming a new role as student in college. For others it presents the prospect of a choice in business or industry or agriculture. And for some of you it may mean the assumption of family responsibilities in the not-to-distant future.

All of you, however, share at least one common element in this experience: you are leaving behind the relatively sheltered atmosphere of high school where many of the decisions have been made for you and where the range of your own freedoms and responsibilities has been comparatively restricted. From here on, for better or worse, whether in college, at work, or in marriage, the responsibility of your own acts, your own determinations, will be increasingly yours. The world will henceforth adopt the view of the poet who stated:

"Our acts our angles are, or good or ill,
Our fatal shadows that walk by us still."

—*Epilog to Beaumont and Fletcher's "Honest Man's Fortune."*

Thus, your growing freedom of the right to choose carries with it the responsibility for making your choice. In this respect you as individuals must carry on the process of education—on your own initative—from where you leave it today. And it is your fate and your fortune to embark upon this adventure during perhaps the most difficult and complex times our society has ever faced.

It has become a commonplace to refer to ours as a time of revolution—industrial revolution at home and political and social revolutions abroad. Yet the true revolution is still the one we gave birth to almost 185 years ago—the revolution of the individual. The true revolution is the revolution of Thomas Jefferson, not Karl Marx—of the belief in the dignity of the individual rather than the authority of the State. This is the revolution of the American proposition which was so clearly stated by Henry Thoreau when he wrote that "there will never be a really free and enlighened state until the state comes to recognize the individual as a higher and independent power, from which all its own power and authority are derived, and treats him accordingly."

Thus it is that the task of education today—formal education in the schools, as well as self-education in your own lives—is to recreate the sense of individual responsibility, and this means to reestablish and rededicate our belief in man—the belief that man can control his own destiny if he will. For freedom and responsibility are but opposite handles of the same pitcher.

No one understood this better than Abraham Lincoln—who knew so much of the terror and wonder of the human soul—when, in the dreadful December of 1862, he pointed the way of duty to the Congress in these words:

"Fellow citizens, we cannot escape history. We of this Congress and this administration will be remembered in spite of ourselves. No personal significance or insignificance can spare one or another of us. The fiery trial through which we pass will light us down, in honor or dishonor, to the latest generation. We—even we here—hold the power and bear the responsibility."

We pay that our Nation may never again bear such a burden. Yet, while our times do not always provide the occasions for dramatic and heroic actions, the measure of our own responsibility is not lessened. The daily choices, which gather as the sands in an hour glass, are just as vital in our own lives as the most momentous decisions in the affairs of state. I am not, therefore, addressing you in terms of the kind of responsibility exercised by Lincoln, or by our leaders today. I am talking about responsibility—duty—moral obligation—call it what you will—in the terms that you face it, not in my terms, nor in your parents', nor in your teachers'.

First—and also the final—in importance is the obligation to seek to live up to your full resources as a human being. And this, I assure you, is no easy matter. The great psychologist and philosopher, William James, remarked on this point, that "as a rule men

habitually use only a small part of the powers which they actually possess and which they might use under appropriate conditions. Most of us feel as if a sort of cloud weighed upon us. * * * Compared with what we ought to be, we are only half awake. Our fires are damped, our drafts are checked. We are making use of only a small part of our possible mental and physical resources." This James called the habit of inferiority to our full self.

To speak in concrete terms this means to accept those choices which challenge your full capacities—not to look for the short-cut and the painless way of "three easy lessons" which has become almost a national disease among us. For those of you who are going to college it will mean, among other things, choosing courses of genuine educational value rather than the so-called "snap" courses which make for easy grades. For others it may mean turning down a job which offers immediate but short-term rewards for a lengthy apprenticeship to a genuine and honest craft. But for each of you there exists the overriding obligation to discover yourself, for the one individual on earth you cannot afford to be a stranger to is—yourself—your own true self.

To know thyself—to expand the area of one's own consciousness—this is the first injunction laid upon, the first duty to be fulfilled by the responsible citizen. For those of you who are now about to be confronted with a new challenge in the process of self-discovery it is not too early to give thought to the role of your work in this respect.

Ralph Waldo Emerson stated that "A man coins his life in his work." Thus, whether you are destined for a career in the professions or the field of scholarship, whether in commerce or industry, whether in agriculture or the skilled crafts, your work is the main element offering direction, purpose, and continuity in your life. And here also we find freedom and responsibility joined—the freedom to make your choice in the light of your own interests and talents, and the responsibility to dignify your work, whatever your calling, by bringing your full energies and your best efforts to bear upon it. No society in history has offered the bewildering variety and complexity of opportunities that exist in our Nation today. But this very wealth may present its own problems to the novice, especially to the young person of unusual gifts who may squander his energies in several directions. The task of determining your interests and assessing your aptitudes and talents is therefore on which deserves the most serious thought you can give and the most competent professional assistance you can obtain.

In the choice also of your long-range goals and aspirations there lies the foundation for your discovery of self and your development as an individual. The person who takes for his own the aims and ideals that have guided the aspirations of mankind in general—this person may occasionally lose a battle, but he will win the final war. And though the person who seeks always his own private advantage, whose eye is on the main chance, may appear to prosper, the suspicion and distrust that he engenders eventually destroys the only qualities worth calling human.

Nor is this merely a Pollyana platitude of an elder trying to steer you through the rough waters ahead. The insights of the great moral teachers of the ages—of Leviticus, of Jesus of Nazareth, of the Buddha, of Confucius—all rest on the solid foundation of knowledge of the human soul. And for even the most "sophisticated" there is a growing acknowledgment of these truths in the study of modern psychology.

In recent years, for example, there has been an increasing acceptance among many rather hard-headed psychologists of a point of view called self-actualization. Though the word is a tongue twister, the idea is a rather simple one—as are many profound ideas. Briefly, it is the view that the truly successful people—an Albert Schweitzer, an Albert Einstein, an Eleanor Roosevelt, a Mahatma Gandhi—the people who provide for all the world a moral ideal—these people are motivated not by fears and anxieties about their own private and personal benefits, but by the drive to actualize the self, to live up to the full potentialities of their own true selves.

This too, however, involves the problem of self-knowledge and the challenge of decisions. For just as in our work, so in our choice of ideals and values, each of us must define the problem for himself. For each of us has his own unique pattern of interests and talents, and each of us has a limited amount of energies which can be devoted to causes outside ourselves. To join in support of every worthy cause which seeks to enlist our efforts, to march to every passing band is to squander and dissipate our energies. Rather, the part of wisdom is to determine those areas where one can most effectively serve and, in the words of Thoreau, for each to "step to the music which he hears, however measured or far away."

In closing, let me reemphasize that the growing into manhood and womanhood is part of a continuing education. Your teachers and your school have laid the foundation. The next development lies with you.

To come to a knowledge of yourself, and to attempt to live to the measure of your full self is your chief responsibility. If this obligation is fulfilled you will, in the process, answer whatever rightful claims your fellow men and women may make against you. In this way also you will fulfill the hope of a democratic society and justify our faith in the dignity of man—a faith which it is ever necessary for us to reaffirm to the world. If each of you lives in the light of this belief, bearing it with you in your hearts and minds your frontiers of the future will be worthwhile and rewarding.

Statement and Letter Re Admiral Strauss

EXTENSION OF REMARKS
OF

HON. FRANK T. BOW

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 28, 1959

Mr. BOW. Mr. Speaker, in the CONGRESSIONAL RECORD for last Monday, May 25, 1959, there appeared the remarks of Representative WOLF, from the State of Iowa, in which he inserted a Drew Pearson article entitled "Textile Men Get Strauss 'Payoff'."

Normally I would not waste the time to take notice of a Drew Pearson article. Mr. Pearson's disregard for truth has been aptly characterized by Presidents of the United States in strong language. In this case I feel obligated to make reference to the introduction of the intemperate article by the gentleman from Iowa.

I doubt whether the gentleman from Iowa has even met Mr. Strauss; yet he blandly accuses Mr. Strauss of a lack of high principle and of being a dealer in falsehood, smear and chicanery. Apparently this characterization springs from what he recently has read or heard about the 1956 hearings and reports on the second supplemental appropriation bill, 1957.

I suggest to the gentleman from Iowa, that before he got too incensed he should have looked at the record. In that connection, I ask that the statement issued by five minority members of the Public Works Subcommittee at the time the hearings were released in July 1956 be inserted at this point in the RECORD.

I also ask that a letter written to Senator MAGNUSON on May 23, 1959, by Mr. TABER, ranking minority member of the Appropriations Committee; Mr. JENSEN, ranking minority member of the Public Works Subcommittee, and three other members of the Appropriations Committee, including myself, be inserted in the RECORD at this point.

I hope the gentleman from Iowa will read these, as I am sure he will then realize there is no basis for his defamation of such a dedicated public servant as Admiral Strauss.

The statement and letter follow:

STATEMENT BY MESSRS. TABER, JENSEN, ANDERSEN, PHILIPS, AND HAND

The printed hearings of the Appropriations Subcommittee on Public Works, just released, included testimony on the fiscal 1957 budget requests of the Atomic Energy Commission. It offers a startling example of political "doctoring" of an official record.

As released to the press, the document misrepresents some portions, and distorts other portions, of the actual testimony.

For example, in the committee room, Chairman CANNON said to Chairman Strauss of the Atomic Energy Commission (as we recall the statement, which can easily be verified by the original transcript) something like this:

"Mr. Chairman, your testimony has been satisfactory. You have a difficult and complicated problem. You are serving one of the most important interests of our times and apparently you are doing it as efficiently and as expeditiously as we have reason to expect."

Mr. CANNON also complimented the Commission on the manner "in which it has handled its budget and on its dealings with the committee, and especially the economical way in which it approached the whole subject."

In the politically edited version of the hearings, the above statements by the committee chairman have been removed, along with Mr. Strauss' responses. Unwarranted remarks, derogatory to Admiral Strauss, Dr. Libby, or other AEC witnesses, were kept in the hearings. The minority members objected frequently to the arbitrary and often discourteous treatment of witnesses representing the majority views of the Commission.

The record has been juggled to give false weight to testimony appealing to the bias of the committee majority while other testimony has been omitted from the printed record. In at least one instance, the remarks of a minority member of the subcommittee were stricken without his permission.

During a colloquy between the committee chairman and Mr. Strauss (pp. 63–71 of part II of the printed record) the committee chairman asked Mr. Strauss to give the clerk a statement, representing the view of a majority of the Atomic Energy Commission on the subject of the Gore-Holifield atomic power acceleration bills which Mr. Strauss wanted to place in the record. This statement is omitted from the printed record. A long statement representing the one-member

minority view on the Commission is included in full. It is interesting to note that this one member, who now advocates a crash program, which testimony shows to be inimical to the best interest of the Nation, was himself opposed to the extended Federal financing program idea in January. Through the entire hearings he was given space and recognition, as opposed to the three members of the Commission present who did not support this crash program and the absent member who was reported to agree with these three. In this Nation, a vote of four to one is presumed to represent a decision. In the committee, the politically inspired opinion of one Commissioner seems to influence the committee majority.

Readers of part 2 of the hearings will be interested to observe the headings of various paragraphs and to compare them with the indexed hearings. Reference from the index to the pages indicated will fail to disclose the listed headings in many instances; in turn, a great many of the actual headings will not be in the index. Many of the nonindexed headings are both political and inaccurate.

These hasty examples are sufficient to show that the printed record is not a true account of what transpired in the hearings of the Atomic Energy Commission before the Appropriations Subcommittee.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., May 23, 1959.

The Honorable WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: You are in receipt of a letter from Chairman CLARENCE CANNON, of the House Appropriations Committee, in which he states: "In denying the truth and accuracy of the printed hearing record of the House Appropriations Subcommittee, Mr. Strauss is implicitly impugning the integrity of the subcommittee and the full committee of which the subcommittee is a part." We are members of that committee. We emphatically disagree with Mr. CANNON.

It was not Secretary Strauss who at the recent Senate hearings on his confirmation initiated criticism of the 1956 printed record of the hearings. It was 15 members of the Appropriations Committee, including us, who signed a critical minority report back in 1956. Secretary Strauss at the recent hearings before the Senate Interstate and Foreign Commerce Committee, in response to questions by Senators, and in defending himself, quoted from our report. Secretary Strauss had every right in the world to refer to this public document as evidence in support of his defense against unjust attacks and conclusions in respect to his public service.

The following is what was uncovered in 1956 in connection with this matter.

The events in question occurred as a result of hearings before a Subcommittee of the Appropriations Committee of the House in the 84th Congress during June and July 1956 and the charges made by Mr. CANNON and the defense by Mr. Strauss center around the accuracy of the printed report of the hearings at that time.

Fifteen members of the Appropriations Committee signed a minority report which began as follows:

"We find ourselves unable to support a report, the conclusions of which are not in accord with the testimony. We cannot approve printed hearings from which pertinent testimony has been omitted, or which has been molded to meet the desire to make a case, irrespective of the evidence (the words "irrespective of the evidence" are italicized) in favor of public power from atomic resoures."

The fact is that the printed hearings did omit material testimony and did include material which on its face proves the charge of the 15-member report that the printed hearings are not a factual account of the testimony.

For example, pages 41, 42, and 43 of part I of the printed hearings indicate that Chairman CANNON introduced on June 13, 1956, a letter into the record at that point which in part reads as follows:

"I direct your attention to the CONGRESSIONAL RECORD, volume 102, part 8, pages 10219 through 10226, wherein this advertisement is severely criticized and pointedly ridiculed by Senator CLINTON ANDERSON, of New Mexico, chairman of the Joint Congressional Committee on Atomic Energy."

As the CONGRESSIONAL RECORD for June 13, 1956, was not available until the next day, June 14, the letter in question could not have been written on June 13, 1956, nor placed in the hearing record by Chairman CANNON on June 13, 1956, as the printed hearings indicate. If this is not conclusive evidence that the printed record was, to use the softly worded assertion of the minority, "molded"—any other description of what was done with it might require a less tactful word.

Those who were present at the hearings recall that Chairman CANNON opened with encomiums and compliments to the Commission to which the Chairman of the Commission responded in kind. These were edited out before the transcript was printed, but not very skillfully edited, because on page 71 of part I of the printed hearings one of the members of the committee is quoted as follows:

"Mr. Strauss, I certainly respect you as a very able gentleman, and as the chairman of a very important Commission, a very great Commission. I wish I could share the applause of our chairman for your Commission."

This remark is altogether meaningless in the context since the chairman's complimentary statements to which the member referred were edited out.

Pages 41, 42, and 43 of part I of the printed hearings contain the major portion of a letter to the editor published in a local newspaper on June 25, 1956, yet this letter is baldly made a part of the testimony of June 13, 12 days before the letter appeared. This is certainly a molding of the printed record. The minority report took note of this. The minority noted that the inclusion of a letter written long after the hearing and imbedded in the record as a part of the testimony without explanation and without an opportunity for the committee to agree to its inclusion or question statements contained in it was irregular. The minority report noted furthermore that in order to prevent divulging the date, the first sentence of the letter was deliberately cut. This was unprecedented procedure and deeply disturbing to many members of the committee.

Chairman CANNON'S current attack on Mr. Strauss is not generated by the current incident to which he ascribes his letter. It is of much older date. To support this assertion, let us quote again from the minority report signed by 15 members of the Appropriations Committee, including us.

"Chairman Strauss, and the two other Commissioners present, were treated with unwarranted disrespect, and at times with abuse when they attempted to present facts. The three Commissioners were hindered in the presentation of their testimony, or were prevented from giving complete answers, or were denied the privilege of inserting pertinent information in the record."

Let us quote to you one further portion from the minority report:

"The original issue of the committee report, furnished the full committee at its meeting this morning, July 20, was so full of inaccurate, and at times almost libelous attacks on the Chairman of the Commission that several of the majority members themselves could not stomach it. We hope it will be cleaned up before it is filed with the Congress. The bitterness of the personal and untrue attacks on Commissioner Strauss, Mr. Cisler, and other men who happened to disagree with the committee chairman's predecided opinions, or with the suggestions of the lone minority member of the Commission, is unequalled in the memory of minority members of this committee.

"'The readers of the report, at some future date, when the heat of the argument has cooled, but the report regrettably still stands as an official record, must understand that the slanderous assertions, if allowed to remain, are untrue, unfair, and unworthy of a committee whose past actions have demonstrated greatness, not pettiness, and that we not only disagree, but say to Chairman Strauss, and the others under attack, that we rank them among the great and the patriotic citizens of this Republic, willing to suffer these indignities in the service of the United States."

We have in our possession a copy of the press release put out by the minority members of the subcommittee the night the hearings were released, July 20, 1956.

We also have in our possession photostatic copies of each page of the original transcript referred to in this letter and all of these are available for your examination.

If the minority report is not already in the record of your committee's hearing, we ask that it be placed in the printed hearings.

We respectfully request that this letter be placed in the printed hearings of your committee on Mr. Strauss' confirmation.

Respectfully,
JOHN TABER,
BEN F. JENSEN,
IVOR D. FENTON,
GERALD R. FORD, Jr.,
FRANK T. BOW,
Members, Committee on Appropriations.

Somebody Needs To Care

EXTENSION OF REMARKS
OF
HON. HUBERT H. HUMPHREY
OF MINNESOTA
IN THE SENATE OF THE UNITED STATES
Thursday, May 28, 1959

Mr. HUMPHREY. Mr. President, I ask unanimous consent that an address which I delivered at the annual convention of the National Farmers Union in Springfield, Ill., on March 17 of this year, entitled "Somebody Needs To Care" be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SOMEBODY NEEDS TO CARE

(Address by Senator HUBERT H. HUMPHREY, Democrat of Minnesota, at annual convention of the National Farmers Union, Springfield, Ill., March 17, 1959)

It is an honor and a pleasure to be here in the Midwest today with you Farmers Union folk. I think that you all know that I consider the family farmers as the very bedrock of American democracy.

It is a special honor and pleasure to be on the platform with your president, Jim Patton. From where I sit in Washington, I have had ample opportunity to judge the effectiveness, or lack of effectiveness, of spokesmen for American agriculture. And I want you all to know that no witness who has appeared before us carries more weight and

influence or has earned more respect than your Jim Patton.

Whether they agree or disagree with his views, no one in or out of Congress can successfully challenge the sincerity of Jim Patton's convictions, nor his dedication to his purpose of serving you and other family farmers of America. And, furthermore, his guidance and counsel have made a tremendous contribution toward sound liberal progress in our democracy.

And I could not pass this opportunity, today, to pay a deserved tribute to your Johnny Baker, your Washington "hired hand." Many of us on Capitol Hill depend upon John's wide range of knowledge and his sagacity. We know we can always depend upon his ready, willing, and able assistance when the need arises.

You do not need me to describe for you the tragedy that has fallen upon agriculture in these recent years. No one in all the world knows better than you do.

You have been there, where it happened.

No one foresaw more clearly and more sharply than you in the Farmers Union the consequences which have followed from the errors of the past 6 years.

You saw it coming. You saw it come. You have suffered under its blows.

You know more certainly than anyone else in the world that the farmers' incomes have eroded away steadily and dangerously, while the farmers' costs have climbed.

You know more surely than anyone that our farm programs have been wrecked, piece by piece, during these 6 years, until now the very concept of a national farm program has been made almost disreputable in the public mind.

The principle of a national farm program has been crushed under a burden of senseless, purposeless costs, by a record of clumsy, wrongminded administration. Because you have so nobly understood the purposes of the farm programs of the New Deal, you have been hurt more cruelly than anyone to see them wrecked—you have been hurt in your hearts, as well as in the material way that all farmers have been hurt.

You know also the bitter, shameful waste of our Nation's great opportunity to use its food for building peace which these past 6 years have brought. You have suffered in your souls to hear the denunciation of "burdensome surpluses;" it is an affront to the justified pride you take in the noble work of producing food. It is an affront to the compassion that decent people must feel for the hunger of millions and millions of human beings who do not have enough; it is a cruel rebuke to the dream you have, that you share with all men of good will on earth, that our generation might leave to our children a world of peace and progress and prosperity.

Why, we have not even had the imagination and compassion needed to feed our own hungry neighbors, right here in the richest country in all history.

There are little children so hungry they cannot keep up with their schoolwork literally within a stone's throw of the offices of the U.S. Department of Agriculture in Washington, where Ezra Taft Benson sits on top of a $9 billion mountain of surpluses. There are hundreds of children in the District of Columbia who suffer from a disease that the medical men call malnutrition, who cannot learn, who cannot grow properly, who cannot fight off the attacks of other diseases, because they do not get enough to eat.

You know, better than any expert in agricultural statistics can ever know, the dark despair of young couples on the farm who are laboring under the heavy burden of debt that beginning farmers so often face, as their incomes sink lower and lower and their costs rise up and up.

You know at firsthand how the farmer committee system has been demoralized and shattered.

You know that the Secretary of Agriculture has become the czar over the Rural Electrification Administration, that he has seized the authority of the Administrator of that program and invested it in an appointee who sits under his eyes and under his thumb.

I have reintroduced a bill that would give back to the Administrator of REA the full authority and loanmaking powers he is supposed to have, and always did have before this administration took over. And, I promise you today, we are going to put the Humphrey-Price bill into law.

You know the wrongness and the injustice of the latest attack that has been leveled against the farmers' REA co-ops, in the form of a demand that they pay higher interest rates.

You may not fully realize how shockingly unjust and selfish it is, because the facts do not receive much publicity.

You may not know, for example, that since this tight-money high-interest-rate administration took power, its policies have resulted in a 62-percent gain in annual income for the people who receive interest. This is far, far greater than any gain in income received by any other group in our economy. It is a revealing contrast to what has happened to farmers' incomes.

The administration now says that the farmers should pay higher interest rates on their REA loans to help the Government carry the mounting costs of carrying the Government debt. They leave unsaid the fact that it is this administration's support for the moneylenders that is primarily responsible for boosting the cost of interest on the debt, until it has become the biggest single item in the Federal budget aside from defense. About 11 cents of every tax dollar now goes for interest.

Here is the full story of how much the American taxpayers have been burdened by the high-interest, tight-money policy of supporting the collectors of interest in our economy. In 1952, the interest on the Federal debt was only $5.8 billion. In the budget now before Congress it is $8.1 billion—and that probably will not be enough.

This is an increase of $2.3 billion in interest costs that the taxpayers must pay every year. Do you know how much $2.3 billion is? Well, here is one way of putting it: It is just about as much, every year, as the grand total that all the REA co-ops in the country have borrowed from the Government in all the 24 years since REA was created in 1935.

Now the White House is trying to put the bite on the farmers' co-ops to help balance its budget. After wrecking the Government farm programs, they want to handicap the farmers' self-help associations by making co-ops pay taxes on the refunds that they give to their patrons.

At least, we should not be surprised by this latest attack on the co-ops. The country had full advance warning when the Washington lobbyist for the co-op-hating NTEA was given a job on the President's White House staff. Yes, we saw it coming, and come it did.

If the administration were really sincere about wanting to balance the budget, it might take a look at some of the really big loopholes in the corporation tax laws instead of picking on the farmers.

An investment adviser told the Senate Antitrust and Monopoly Subcommittee last week that Uncle Sam has lost $46 billion in tax revenue in the past 7 years through loopholes in the corporation tax laws. Most of those loopholes were put there by the Republican 83d Congress, at the specific request of the Eisenhower administration. And they would have been even wider, if we had not fought to squeeze them shut in Congress, against fervent administration pressure.

Yes, you in the Farmers Union know about these things. You know the full measure of the injustice to farm families, the senseless waste of wealth and national opportunity, that the past 6 years have brought.

And it was very substantially because you know these things so well, you Democrats and Republicans alike in the Farmers Union, that my party received such an overwhelming mandate from the Farm Belt States in the congressional and senatorial elections last fall. I give a big share of the credit for the Democratic election victory to the leadership and the brilliant educational work of the Farmers Union in the farm communities of the West and Midwest.

The Democratic Party has received a powerful mandate from the farm people of America to oppose the tragic wrongs that have been done to American agriculture under the Eisenhower administration.

We must honor that mandate from farm people. We are determined to develop a new and better farm bill. We will need, and welcome, your help. We believe we can pass it and make it stick, veto or no veto. If we cannot make it stick the first time, we will pass another, and we will keep on until we do make it stick.

But it is only fair to warn you that the Democratic Congress is working under extremely serious and inescapable limitations. We cannot do everything you would wish we would do. We cannot do everything we want to do.

First, we are working under the limits imposed by the President's veto power. I think it is only fair and accurate to expect that the President will veto any bill we might pass which will do anything substantial to raise farm prices.

This means that Congress is limited in what it can do for farmers to what can be passed by a two-thirds vote, over a Presidential veto.

Secondly, Congress is limited in what it can do for farmers by the veto power by administration which is held by the Secretary of Agriculture.

You have seen how good farm programs can be ruined by unsympathetic administration. The power of the Secretary of Agriculture to negate the intent and spirit of Congress is great.

The Secretary's power to veto by administrative action limits the good that Congress can do for farmers to those things that are so simple, so direct, that the results can come through to the farm in spite of all the negativism, foot dragging and hostility that it will encounter as it passes through the Department of Agriculture's hands.

Despite these terribly severe handicaps, at least some of us in the Democratic Congress are determined to pass a bill that will help the farmers of America.

And you can mark it down as absolutely certain that the Democratic Congress will not let the administration pull down the temple of agricultural programs completely in its final hours, as it has proposed and wishes to do.

The Democratic Congress will never, never, never give Ezra Taft Benson the zero-parity floor he has asked for. We will not give him the marketplace no-parity gimmick he has asked for either.

The Democratic Congress will not yield even the next step of another 15 point cut in support floors, from 75 percent of parity down to 60 percent, that the Eisenhower administration has requested as its second-best objective.

The Democratic Congress will not allow the administration to get away with putting a penalty tax on the refunds that your cooperatives pay to their patrons.

The Democratic Congress will not let the administration jack up REA interest rates,

nor throw the REA co-ops to the wolves of Wall Street.

You can count on that. You can bank on it. You can bet your economic lives on it—and that is exactly what the stakes are in agricultural policy today. For while the administration has a powerful veto weapon to use against Congress when it tries to help the farmer, we have a veto power of our own when it comes to acting on the administration's plans to harm the farmers. And we will use it. We will not give up a single inch.

This tragic era for agriculture—the dark era of Ezra—has had a good and constructive result along with all the misery and waste. So it seems to me, at any rate.

It has made us grow up and come of age in our thinking about farm policy.

We now realize that the real argument in farm policy should not be over methods and details. The real argument is over basic objectives.

Are you for a program to help the family farm? Or are you against the family farm? That, my friends, is the real issue, the real dividing line, in farm policy debate today.

Almost any farmer in America can think up the general outline of a farm plan that will work—if there is a will to make it work.

Methods are important. Details are important. Some will work better than others. Some well-intentioned ideas might not work at all. We need highly skilled technical experts and conscientious administration to carry out our farm programs. But our trouble is not for lack of ideas and conscientious, skilled people to put them into effect. The Department of Agriculture is overflowing with fine, dedicated public servants—who could make a farm program work and work well, if they were given a chance.

What we lack in Washington today is a positive will to help the farmers.

There was a time not so long ago when we took it for granted that one of the bedrock principles of American life was the rightness of cooperation by the public to protect and improve farmers' incomes. Unhappily, this is not so today.

The most damaging product of the age of Ezra is the dangerous erosion of America's will to do justice for her farm people.

For the first time in the history of our Nation, a cancer of doubt has arisen in the public consciousness as to the merit of our family farming system.

The swift rise of vertical integration provides the mechanism whereby big concentrated business and financial interests can extend their domination over agriculture. This mechanism will leave the farm family on the farm. But it will take away its economic independence. The farmer will be told what to grow and where to sell, and the vertical integrator will control what the farmer gets for his efforts.

Let me read to you what the Department of Agriculture's experts foresee in this emerging new system of agricultural domination. This is from a report published recently by the Department:

"Vertical integration may vitally affect the role of the farmers. * * * Contract arrangements may leave producers with little more than general land management and caretaker functions. * * * Livestock production contracts vary from arrangements involving control of only a few decisions to contracts virtually relegating the producer to a piece-worker role."

This ominous forecast for American agriculture holds a powerful, fascinating allure for all too many people in our country today. Its allure has been heightened immeasurably by the discouraging, demoralizing shambles that the Eisenhower administration has made of our farm programs. There is a growing sentiment in our country for just giving up on the farm problem.

This sentiment is strong among those who do not understand the tremendous values and strengths in our family farming system, nor the unusual problems which farm families must face. There are millions and millions of citizens in our population who are far removed from the soil. Their number is increasing year by year. Domination of agriculture by centralized corporate power appeals to many of them as an easy way out of the farm problem.

And it appeals even more strongly to those who simply do not care about what happens to farm people.

The most serious problem farmers face is the growing strength of the public sentiment that either does not know, or does not care, about the value to our national life of preserving the independently owned, owner operated, family sized farm system of agriculture.

I would be less than honest with you if I did not admit that even in the Democratic Party, there are some who do not appreciate the value of preserving our family farm pattern against the growing domination of centralized economic interests.

The persistent discrediting of farm programs that has gone on during the past 6 years has resulted in some degree in discrediting farmers themselves by implication. Remember, farmers have had no one in the President's Cabinet to plead their case to the public. With no national voice to speak out in their behalf, it is becoming harder and harder to maintain a sympathetic understanding of the farmers' unusual economic problems among the increasing urban majority of our people.

There is no single thing more critically important to the future of the family farm than having a national spokesman in the national administration who can and will stick up for the farmers and explain their problems to the people.

Until 6 years ago, farmers had an understanding and loyal champion right in the White House. The world's most famous "retired farmer" of Independence, Mo., was then on the job. There is no better place to have a friend who understands your problems than right in the White House.

Not only farmers, but the entire Nation, need a man in the White House who has understanding of and sympathy for farmers.

The vast majority of people in the other countries of the world are farmers, and their problems, while different from ours, are important to all of us who look forward to a time of true peace in the world.

Today we realize more keenly than ever the need to find peaceful ways of reaching into the lives of other people.

I want to talk to you about the international situation as well as the domestic situation, for we face a grave challenge which can not be ignored.

That challenge can best be met by proving we really care about people, at home or abroad, and care about progress—and most of all about peace with justice.

Whenever we neglect our own people, we have little to offer to the rest of the world in asking vast millions to rally to our banner of freedom and democracy.

We must prove we care at home—and then prove we care also about our fellow human beings everywhere.

Last night, the President of the United States talked to his countrymen and to the world of this latest Soviet-precipitated crisis over Berlin. Even as we demonstrate to the world that we are utterly determined to resist Communist aggression, we must be alert to the opportunities to wage peace—consistently, vigorously, and dramatically.

We must constantly seek to express the American dedication to people, peace, and progress throughout the world—not only in the words of peace, but in the very deeds and works of peace.

You people here, and others like you throughout the country, are producers of what can be one of the greatest assets our country has in its all-out competition with Soviet Russia—a force for freedom and peace more far-reaching than any military weapon.

Food is the common denominator of international life. Man must eat to survive. It may well be that bread, not guns, will decide mankind's future destiny.

In areas of Africa and Asia, as well as other parts of the world, food means far more to vast millions of people today than anything else.

A breakthrough in the conquest of hunger could be more significant in the cold war than the conquest of outer space.

Thanks to you farm people, and others like you, the United States is today in a far better position than Russia to lead the world toward the conquest of hunger and want.

Our much-abused abundance is a tremendously vital asset to our international relations, if we have the vision and determination to use it wisely for humanity.

For years, as you know, I have been seeking to have America capitalize on what I regard as one of the most significant laws currently on our statute books.

I refer to the Agricultural Trade Development and Assistance Act—Public Law 480. Under this law, from the sale of American crops there becomes available to us for use in foreign countries for reloan and reinvestment hundreds of millions of dollars in the form of foreign counterpart currencies.

These currencies represent one of the great assets of the free world. No other nation has such a rich resource—well over $2½ billion of idle funds.

It is an asset which should be put to work, instead of lying fallow in State central banks.

It is an asset which should be used today—now—for investment and research instead of allowing inflation gradually to erode its purchasing power.

Out of my recent trip to Western Europe, I have developed a series of recommendations for expanding the specific use of such funds. My goal is to use food for peace, food to nourish, to link nations in friendship, food to fulfill the Biblical mandate, "to feed the hungry and heal the sick."

This leads me to my principal recommendation of this afternoon. Within a very brief time, I shall introduce in the U.S. Senate a Food for Peace Act. This act has already gained the support of other Democratic Senators who are in total agreement with me that our agricultural abundance should be used as a more effective arm of our international relations.

The Food for Peace Act will redirect the emphasis of Public Law 480 more toward foreign policy objectives which serve the interests of the entire Nation, rather than its present handling as a temporary farm surplus disposal program.

This will be a blueprint for a long-term food policy, to be substituted for our present year-to-year thinking and inadequate planning. By this act we shall announce boldly to the developing areas of the world that we are going to use food as a positive force in building a peaceful world.

Regrettably, the American people have been led to think our abundance and ability to produce in abundance is some shameful millstone around our necks—instead of perhaps one of the greatest advantages we hold on the world scene.

From the President on down, no one high in our Government has seemed to realize what a potential force for freedom we have in the very thing many have complained so loudly about—our food abundance.

Every move to make greater use of food and fiber to bolster ties with underdeveloped areas of the world has had to be forced upon this administration.

They are too timid, and too unimaginative. They are hesitant when they should be bold. They have once again sent recommendations to the Congress that are either impossible or almost intangible.

The Food for Peace Act will call for the creation of a special agency attached to the White House, headed by a Peace Food Administrator appointed by the President and confirmed by the Senate.

During the war, we created a new post of War Food Administrator, entirely independent of the Secretary of Agriculture, because we fully recognized the importance of food to victory. In our current struggle for a secure peace in the world, it is no less important to have in our Government a top-level official whose full responsibility shall be the more effective use of our abundance of food and fiber, in the Nation's interests, as a vital arm of our foreign policy.

The Peace Food Administrator should be someone with a vision of what our food can mean to the world, and someone with the ability and boldness to end buck-passing and conflict between the many agencies of Government involved one way or another in food use abroad.

We shall transfer the administration of Public Law 480 out of the Department of Agriculture and the administration of the appropriate part of the Mutual Security Act out of the State Department and place them under the new Peace Food Administrator, along with existing units in the departments working in this field.

A Peace Food Policy Committee whose members are high-level representatives of all the departments concerned shall advise and consult with the Peace Food Administrator.

In addition, the Administrator will have the benefit of the counsel of a special advisory committee made up of representatives of the major farm organizations, food and fiber exporters, representatives of the voluntary agencies such as CARE and church groups, and representatives of voluntary health groups.

Public Law 480 will be extended for 5 years, with an authorized program level of $10 billion for the 5-year period.

We shall tell the new nations that we are going to "back stop" them in their plans to industrialize, and to improve their economies by way of long-term loans for purchase of U.S. abundant foods. We are not going to stand idly by and watch them tighten their already pinched belts by cutting down on food imports at the time when they need still larger imports. We know that they are trying to conserve their limited amounts of capital in order to wisely and prudently expand their productive base.

We shall through the Peace Food Administration cooperate with other member-nations of the United Nations to establish national food reserves in food deficit areas, contributing specified amounts of existing CCC holdings.

Because most of the people of the world are hungry for fats, we will channel edible oils by donation into any of the international programs such as national food reserve, the United Nations Development Fund, or our own bilateral relief feeding programs.

We shall see that the foreign currencies resulting from title I sales shall be used to promote both vocational and general education in the countries concerned.

We shall see that such funds are used upon request to pay for increased FAO technical assistance in conducting nutrition research and surveys, and carrying on programs that feed the hungry, and in training local people needed to manage these programs.

Through the Peace Food Administration we can work out plans to support the FAO's projected Free the World From Hunger Campaign; to find the means to aid in overseas school lunch campaigns, summer camp programs, and milk feeding programs.

Through the Peace Food Administration we can move swiftly when famine or disaster strike, bringing aid to those sorely in need.

Through this projected agency, we can sit down together with representatives of other exporting nations and make sure that we are working toward the common good. We can work with representatives of those countries whose people are in need, and plan the best ways of supplying the need. If we can write mutual defense agreements with some 45 nations of the world to check military aggression, surely we can write mutual food agreements designed to check hunger and malnutrition.

I firmly believe that a Peace Food Administration operating for these purposes and along these general lines, would open new doors of opportunity for our own hard pressed farm people, and new doors of opportunity toward building a peaceful world.

It offers us a dramatic way to show the world we care more about people living, than people dying.

We need far less talk that portrays us as a bellicose and belligerent people, and much more emphasis on the works of peace—emphasis on programs and policies that are aimed at better living for people everywhere.

The world is weary of war, and threats of war.

The people of this world want someone to help them on the path of helping themselves, rather than someone to frighten them.

What the world needs is hope and promise, not fear and tragedy.

What the world needs is more leaders who really care about people.

Anniversary of Italian Republic

EXTENSION OF REMARKS
OF
HON. J. GLENN BEALL
OF MARYLAND
IN THE SENATE OF THE UNITED STATES
Thursday, May 28, 1959

Mr. BEALL. Mr. President, I ask unanimous consent to have printed in the RECORD a statement which I have prepared on the friendship between the United States and Italy. This statement is prepared for the anniversary of the founding of Italy's Republic in 1946.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

On next Tuesday, June 2, 1959, Italy will celebrate its 13th anniversary as a republic. This day will recall to mind how the people of postwar Italy, who had been subjected to untold suffering and the destruction of modern warfare, called for a plebiscite and voted for a republican form of government.

The road of democracy in Italy had been difficult: Many obstacles had to be overcome. Many hardships have been suffered by Italians who have fought for liberty against oppression.

Italians remember this day 13 years ago, and outstanding is their gratitude to the statesmen who successfully established a new democratic government without bloodshed.

We Americans viewed this vote of confidence in democracy by the Italian people with understanding and admiration. Further, our foreign policy was then geared to mutual assistance with Italy, which action gave support to the new Republic's rise to maturity.

Under the leadership of the statesman Alcide de Gasperi, the infant Republic strengthened its position and became an ally of the United States in the fight against communism.

The friendship between the United States and Italy has been evidenced in many ways during the past 13 years. Italy has been an indispensable partner in the European recovery program and in the North Atlantic alliance.

Italy's identification with the aims of Western democracies has been reaffirmed by its leaders throughout this period. As recent as March 1959, its Parliament voted, by a substantial majority, to follow a policy of absolute faithfulness to the Atlantic alliance.

Soon, ballistic missiles of the United States will be placed at strategic bases on Italian territory to protect the nations of the free world from Communist aggression.

In 1952, only a short time after the birth of the new Republic, the headquarters of General Gruenther, then commander of NATO, was surprised at the achievement of Italy in supplying its full quota of 12 divisions for the North Atlantic Treaty Organization. Italy was among the first to honor its commitments.

The stalwart support of NATO by Italy was noted recently by the late John Foster Dulles. The U.S. Ambassador James David Zellerbach, in a statement printed in the Department of State bulletin of December 1958, said, among other things, the following: "Our partnership with Italy has shown itself to be firmly rooted and capable of dealing harmoniously with international issues as they arise. This is the first great fact about Italo-American relations." Ambassador Zellerbach further recalled that for a long time Italy was denied United Nations membership by the Soviet veto. However, with constant support from the United States and the free world countries, Italy finally achieved full U.N. membership. The Ambassador's appraisal of Italy's friendship was expressed in the following words: "Italy has given the United States her friendship and confidence, I think we have every reason to accord Italy an equal trust."

Today, Italy is determined to bring her full measure of strength to the solution of the free world's problems. That she is ready to do so is a tribute to the vitality of her people and the vision of her Government.

On the occasion of the visit of former Prime Minister Fanfani with President Eisenhower in July of 1958, a White House press release said: "The President and the Italian Prime Minister reaffirmed the dedication of their countries to the North Atlantic alliance and to the United Nations, established to defend the peace and protect the rights of people to live in freedom under the government of their own choosing. They reiterated their firm convictions that the combined strength and consistent action of the free and independent countries of the North Atlantic alliance are vital to the peace and security, and will remain a cornerstone of their foreign policies."

Moreover, Prime Minister Fanfani acknowledged before this honorable body, on July 29, 1958, the appreciation of Italy for the support and assistance of the United States. He further assured us of Italy's firm desire to reciprocate. He said that Italy intends to give within the limits of her power, to the end that she will do her full part in averting from other areas of the world that danger of Communist subversion which has been averted in Italy.

The Republic of Italy has been, for the past 13 years, a battleground against the spread of communism. During the nationwide elections of 1948, 1953, and 1958, the democratic forces, with the cooperation of the Holy See through its Catholic Actions Organization, have delivered repeated defeats to the Communist parties of Italy.

I should like to add that Americans, too, campaigned in Italy, especially during the crucial 1948 elections. Financial aid was increased by our Government, and a letter-writing campaign on the part of Americans with relatives in Italy was encouraged to defeat the Communist threat to Italy. These victories are important to us here because should Italy go Communist, the entire free world would be endangered and the Communist menace would be that much closer to the United States, and, furthermore, there would be a general weakening of southern European defenses.

The respect of the United States for Italy has been demonstrated during the visits of Prime Minister Alcide de Gasperi, on September 24, 1951; President Giovanni Gronchi, on February 2, 1956; and Prime Minister Amintore Fanfani, on July 29, 1958, when each was not only received by the President, but given the privilege of addressing the Houses of Congress.

I should like to discuss briefly some of Italy's gifts to our United States. Any schoolboy will tell us, of course, that Christopher Columbus discovered America, and that the very name "America" is derived from that of an Italian mapmaker and navigator, Amerigo Vespucci. In addition, there have been such men as Cabot, who laid the foundation for English settlements in this country; Verrazzano, discoverer of New York Bay; and Malespina, who explored the West. Nor can we forget that Paoli Busti founded Buffalo; Father Cataldo, Spokane; Henry DiTonti, Detroit. There are many others.

It is with pleasure that I publicly acknowledge the friendship, confidence, and mutual aims shared by the United States and Italy on the occasion of the 13th anniversary of the Republic of Italy. I am confident that this body joins with me in extending congratulations and best wishes to the Italian people and to their leaders, Giovanni Gronchi, President; Antonio Segni, Prime Minister; Giuseppe Pella, Foreign Minister; and Manlio Bronsio, Italian Ambassador to the United States.

I would like to extend my congratulations to the Italian-American organizations of Maryland, who have sponsored a celebration to honor this anniversary of the Republic of Italy.

I would like also to extend my congratulations and best wishes to the Italian consul in Baltimore, Md., Litterio Carlo, and his staff.

It is consistent with the best interests of the United States to honor a nation which since its birth 13 years ago has been a stanch ally and friend.

Statement of Hon. Robert W. Hemphill Before the Civil Rights Subcommittee

EXTENSION OF REMARKS
OF

HON. L. MENDEL RIVERS

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 28, 1959

Mr. RIVERS of South Carolina. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement:

STATEMENT OF GONGRESSMAN ROBERT W. HEMPHILL BEFORE THE CIVIL RIGHTS SUBCOMMITTEE OF THE SENATE JUDICIARY COMMITTEE ON WEDNESDAY, MAY 27, 1959

Thank you for having more hearings on this question than you originally planned. It is in the best American spirit to allow all to be heard. I want to thank you, also, for letting me come this morning.

A month or so ago, on the 29th day of April, I appeared before a Subcommittee of the Judiciary Committee of the U.S. House of Representatives. I asked the members of that subcommittee, including the chairman of the Judiciary Committee, to declare a moratorium on civil rights legislation. I told that committee that the continual prodding of the civil rights controversy by a Supreme Court in disrepute, and a Congress which neglects the consuming danger of inflation, was and is, detrimental to race relations all over this country. I lay at the feet of civil rights proponents and their fellow travelers, the "do-gooders," the blame for the violences which are erupting in increasing numbers all over this fair land. The decline in race relations since the great mistake incorporated in the Black Monday decision of May, 1954, a political philosophy, has been emphasized by sporadic outbursts of increasing frequency, and violence. If there be any statesmanship left, it should be exerted in the direction of quenching the fires of mistrust and race hatred instead of promoting such base purposes.

Let us see what has happened to the country and to its economy during these days of political wrestling between the parties to see who is going to get credit for the hypocrisy of passing a civil rights bill. Everybody wants to "get credit"—and tomorrow when the history of this shameful parade of insincerity is exposed, men will ask each other how such hypocrisy could have reached such proportions.

Last week we had before the House a housing bill. Previously, a housing bill had failed because a Congressman from New York inserted a civil rights provision. When the civil rights provision was offered in the housing bill this year, every Negro Representative voted against it. They knew it would wreck and beat the housing legislation. Is this not signal recognition that this question soils where it touches, that the injection of the civil rights question into or onto any other question ruins both. Civil rights is a cancer which has, since I have been in this Congress, sapped the legislative strength of the Congress, and mirrored the political dishonesty of an administration which used bayonets because it had not sufficient statesmanship or judgment to offer at Little Rock.

Yes, just last week we considered the housing legislation in the U.S. House of Representatives. I have cataloged what happened in that debate. I do not need to tell you that in many of the areas of this country, as long as the housing units contain either all white or all of some other race, little difficulty arises. Once someone of a different race moves in, immediately the rents go down, the desirability falters, and the value declines. If you do not believe that is true, take an honest look at the city of Washington. Ride along some of its beautiful streets and see what has happened since this city has been mongrelized in the manner that it has. This, the Capital City of the World, confused, scarred, and ruined by the byproducts of the race question.

If I thought there were any sincerity of hope that this question could be solved by legislation, I would hasten to try to forge that legislation. I know that it cannot be solved by legislation, and I think you men who are the Senators of this land, know that too. I hope the Supreme Court knows it. If we could just hope for some enlightenment in that Court, our hope for renewal of justice, and a return to the high position that that Court occupied, would be encouraged.

Let us look at what else has happened. Under the false hope that they will be bettered by moving into the metropolitan areas, thousands and thousands of our Negro population have moved into the great metropolitan centers. What has happened? There are not enough jobs for them. Their conditions are not improved by the fact that they can ride on a streetcar with somebody from another race. Their standards of living are not better. Their education is, in most instances, inferior to that which they received back home, and they are ripe for juvenile delinquency, crime, and corruption. It is not their fault, either. It is the fault of people who have been pushing this question, either for their own selfish interest, or to get votes, or to further the Communist cause. That is the situation from a racial standpoint, and those of this Congress who are from the cities know that to be true. I do not ask them to admit it. I feel sorry for those men in politics who have to give lip service to civil rights, knowing that in their hearts they have not the courage to run on real and patriotic issues. I thank the Almighty I do not have to deny my people the true beliefs of my heart in order to get elected.

When I was discussing this question sometime ago, someone asked me what I thought of the bombings. I told them that I thought bombing people in the night, or bombing temples or churches or societies is wrong, and it should be punished. In every State that I know of, such is punished. The hue and cry to put the FBI into the picture is a political hue and cry, so that those who propose all sorts of measures can go back and beat their chests, and tell Negro voters what they did for them. Someday somebody is going to tell the Negro what they did to him by making his vote a political pawn, and his race relations a mockery in the process.

I would vote for any legislation to stop bombings and to stop race violence. Violence has not been the answer to any of the world's problems. Time after time, we have fought wars, and in which we have resorted to violence to express our views or our purposes. More often than not, violence has been desultory and has not improved any situation.

Then there is the problem of race consciousness. The fact that the race question makes headlines every day, and the greatest parliamentary body in the world is conconstantly besieged by the question, incites a race consciousness which is not good. People who have been accustomed to going to segregated schools, satisfied, helped and guided in those schools, either become dissatisfied, or wonder why schools should be integrated, or if they should be integrated. Thus, dissatisfaction comes into the picture to replace satisfaction.

Again, I lay it at the feet of the Supreme Court, those Members of Congress, and the "do-gooders", who have incited these difficulties.

Nowhere in the United States does the Negro get as much consideration in the courts of justice as in those States where the schools are segregated. You see, I have lived with the Negro, and I know him. I know him better than you, because I have never been a hyprocrite with him and told him that I was going to put him in a school with white children or raise his social status. I have been honest with him, and he has come to trust and believe what I have had to say. Then, as prosecuting attorney, I used to lean over backward to make sure that a Negro had a little bit more mercy and a little bit more protection, because I recognized the fact that he might not have as much education and that he might need the protection of the courts. That was my record, but it was no exception either in South Carolina or throughout the Southland. We just did it that way because we knew that it was right, and it was our tradition.

At the hearing over in the House Judiciary Committee, when my distinguished Governor, Governor Hollings of South Carolina, came up and testified, on the same day

he testified before this subcommittee, there came to the hearings an old Negro man from my district. He had come up to visit some of his people here in the Washington area and he came by my office and asked if could go to the hearings, that he wanted to see what our Governor looked like. We gave him directions as to how to get to the hearings and I saw him sitting up there and I went over and spoke to him. I asked him what he thought about the whole picture, and he said that the colored folks didn't want any integration—the white folks at home had treated them mighty good. After that hearing he came by the office and asked me for a little piece of money. It was no exception. I expected it, and he got a little piece of money. I had never seen him before and I did not know him and I am a southerner who believes in segregation. But I gave him a little piece of money. I am trying to illustrate something for you here, and I am trying to show what you are trying to destroy.

Recently, in one city, a Negro patrolman was the cause of a disturbance in the police force. I did not go into the details, and I shall not name the city. I am sorry they had that trouble. All it points out is that you cannot legislate social equality, and while I do not know the policeman involved, I do believe that if the Negro had shown himself to be worthy of the joint patrol the white policeman would have welcomed him. How so many who have been elevated to the high office of Congress could be so blind, I cannot fathom. We in the South know, and have long recognized, that the Negro must promote his own progress. We have made it possible for him to do so. Have others—or do they want his vote, and despise his progress?

I assume, and I hope, that every man sent to the Congress and to the Senate is sent because his people have confidence in him and want him to think and to work for the good of the Nation. I am thinking of the talents possessed by the Members of Congress and the Members of the Senate that I know, and how well those talents could be channeled into good works, instead of wasted in this row over civil-rights legislation. I had hoped that we had learned the lesson from the farce of 1957, and the fact that the Civil Rights Commission is impotent, useless, and an unnecessary and expensive burden on the people of this country. The only thing good I can say of it is that it did not become the tool of communism that some wished and expected, which is more than I can say of some others.

What about inflation? Are you letting inflation take us over, or why are we fooling around with this civil-rights question?

What about our defense picture? Are you satisfied? I am not. I am worried, and badly worried. I am especially worried since I heard of a speech that Mr. Teller, a leading scientist, made out in the West, in which he said that by the year 2000 Russia would certainly be in the forefront. Are we today spending so much time on civil rights that we could be spending on something else? I challenge you, I challenge this Congress, and I challenge the courts of this great land to return its thoughts and its energies to preserving our freedom, marshaling our strength, preparing our people, and cataloging our resources to victory in cold war or hot, that these free people may live better and peacefully, and produce, in the future, generations equal to their time and their responsibilities of world leadership in good works and Christian purposes. I stand ready to do my part, and to that end I make this bold statement today.

What about defense? We all know that there is a lot of fat in the defense spending. I am not privileged to be on the Armed Services Committee. I wish I were, as I would start asking a lot of questions.

I could name many problems to which we could turn our talents so much more profitably than this civil rights question.

And so, Mr. Chairman, if you would give us a moratorium, and we turn our thoughts to other matters, I am sure that the Nation would be benefited, race relations would be improved, and the violence would gradually decrease. I urge you and this committee to use your statesmanship in this direction.

If we dare, let us face the realities of the existence of white and Negro as citizens of a United States. The white man wants innumerable necessities and an abundance of luxuries. He is no stranger to hardship or sacrifice, either by heredity or experience. Horatio Alger inspired a generation before mine. Today I find in the Halls of Congress many men who pride themselves in the fact that they delivered papers, stoked furnaces, took up laundry to get an education. Thank God they did not look to their Government for some fool legislation to protect themselves from discrimination, because they were poor, orphaned, or suffered hardship. I do not apologize for the fact they had to work for a living—I glory in their American spirit.

The Negro must earn his place or he cannot keep or expect it.

You cannot help him by hypocritical legislation, nor longer inspire him by obedience to a desire for his ballot. He has been misled, fooled, propagandized in the past, today his education and the fine communications of a great Nation bring him the truth, and that truth is that each major political party of this Nation has diverted from high purposes and soiled its shield of honor to get votes—God help us if we do not reform. Some think this world is waiting for a revolution in creative thinking on the race question. I tell you today the Negro is sick of his role as the football of every pink, liberal, or fool, who deceives him by false promises, lies to him about equality, and, underneath, fears him as an opponent in some city ward in a metropolitan area.

I speak as a partisan. I admit my emotion to segregation. I am happy that I owe no apologies to anyone. The fact that I emphasize a truth of our generation will, I am sure, be cauterized by some of the press, ignored by others. I am neither radical nor extreme. Yet, I am tempted since the departures of those who fail to understand our program inspire a position aggressive and positive.

This is our land—would you destroy it? One sure way is to bow your head down to the idol of civil rights, and glow in the acclaim of the foolish. Here in Washington are many, most of them desire our demise as an international leader, who will shout your name, put you in the paper, and get you called a statesman, if you will yield to their desires.

Give lipservice to this hypocrisy—every organization which is a Communist front will hail you. You will get honors, medals, certificates and honorariums. Every time I pick up the paper I see where some one is getting a special recognition for his "heroic part" in promoting civil rights legislation. The paper always omits the great hero's part in promoting racial tensions and racial hatreds.

Let us see what the races really want.

The white man, Negro, yellow man, red man—all want peace. Turn the efforts of this committee, its staff—turn the money spent on propaganda—into the channels for peace see how much good can be done.

All races want jobs, security. Are we as a nation letting productive power—which foundations security—falter, while we wrestle back and forth with a political civil rights question cheapened by hypocrisy? What are we to do if we have a depression? Will civil rights legislation prevent a depression—help us economically in any way? Of course not.

All races want justice. Today justice in this land gives even measure to white or black or any other race. Civil rights legislation does nothing to promote justice. How can you expect anything good from a civil rights statute which the average white man despises and the average Negro does not understand? How far will the leaders of this country depart from reason to do political homage to the NAACP and other Communist-inspired and Communist-infiltrated organizations?

I could name other desires. I will not. I invite your great brains to high purposes.

I have made some strong statements here. They are strong because they are true, and it is time somebody took the wrappings off of truth.

The Negro in my country is accepted as a citizen—he votes, worships, trades, rides, plays—as he pleases. His schools are as good as any in the Nation. We hope to preserve these freedoms for him, preserve and further the pleasant race relations that now exist. Help us by using your statesmanship now to turn our national thinking from this race question to questions more productive.

Keenotes

EXTENSION OF REMARKS
OF
HON. ELIZABETH KEE
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 28, 1959

Mrs. KEE. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I include my newsletter which was released today:

KEENOTES

(By Representative ELIZABETH KEE)

The House this week approved legislation to extend the life of the Renegotiation Act. Newspapers paid very little attention to the debate. In fact, the business press alone seemed to recognize the significance of the legislation and to report the debate fully.

What is the Renegotiation Act? It provides the means whereby our Federal Government can recover excessive profits from firms awarded Government contracts. During the past 4 years an average of about $140 million per year has been recovered by means of this act.

As long as we as a Nation must continue to spend billions of dollars a year on defense, there will be a need for legislation to protect the taxpayer against unreasonable profits for firms which provide goods and services to the Government. Many contracts, particularly for the development and production of missiles and other new weapons, cannot be awarded on a low bid basis. The work is too specialized. Negotiations offer the only sensible way for the Government to arrive at an agreement with the contracting firm.

But negotiated contracts can return tremendous profits to the contracting companies. That is why our Government must have some way of recovering any excess profits.

Records of the Renegotiation Board reveal that industry and business have voluntarily returned to the Government millions of dollars which they believed represented excess profits. In other cases, Government and business could not agree. The Renegotiation Board then stepped in to use the law passed by Congress to arrive at a settlement.

AREA REDEVELOPMENT BILL BEFORE RULES COMMITTEE

Thus far, the House Rules Committee has not cleared the area redevelopment bill (S. 722) for debate on the House floor. There is danger that this urgently needed legislation may be bottled up in the committee for the rest of the session.

In this connection, I was interested in a recent comment by Miss Sylvia Porter, one of the best known and most able financial writers in the country, in a recent newspaper column:

"It's obvious that most chronically depressed areas in such States as Massachusetts, West Virginia, Pennsylvania, Michigan, are not going to be able to rejuvenate themselves without Federal aid. The difference between the administration and the Democratic leadership is not over the need for area assistance and redevelopment legislation. The differences are over how to aid and how much to aid. Now—before we get into trouble again—is the time to rescue this legislation from the political bog, put it through, make it work."

The Senate has already passed this legislation, thanks in a large part to our two West Virginia Senators, Mr. RANDOLPH and Mr. BYRD. The House Banking and Currency Committee, after lengthy hearings, amended the Senate bill and recommended that it pass.

The recent improvement in the overall economic picture has led many people to the mistaken belief that the worst is over and area redevelopment legislation is no longer needed. Those of us who have introduced and strongly supported this legislation are doing everything within our power to convince members of the Rules Committee of the need for action in the immediate future on this legislation.

Loyalty Affidavit Required by the National Defense Education Act

EXTENSION OF REMARKS
OF
HON. WINT SMITH
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 28, 1959

Mr. SMITH of Kansas. Mr. Speaker, several weeks ago I put this item in my newsletter:

Here is another matter that disturbs many of us because it shows the methods of fellow travelers and their constant efforts to ridicule patriotic Americans who attempt to teach and preach our basic American doctrines of loyalty to our country.

Last week I received a petition supposedly signed by 50 faculty members of the University of Kansas City, Mo. This faculty petition asked that the students applying for Federal loans to continue their education be not compelled to sign a loyalty oath in order to get a loan. By this petition you have faculty members who indicate that they think it is wrong for anyone to be required to state he is not a Communist or affiliated with any subversive group. Anyone doubting the existence of this petition can get a photostat copy by writing me. It would be most interesting to know just who promoted this petition in the Kansas City University.

Mr. Speaker, as usual we received several letters that said I was doing a disservice to the cause of education—and were severely critical of anyone who would publicize the faculty for sending in this petition—because it was all done in trying to maintain the right of freedom to teach in the classroom.

I wonder at such a statement—to me such a statement is far from the truth—and it always raises grave doubts in my mind for anyone to make such a statement. There is no such thing as absolute freedom.

I did, however, receive one reply to my comment on this Kansas City University petition that is so different and so outstanding that I append it hereto. I do not know the writer, but I am sure that if we had more students with the ability to think and analyze today's problems as does the writer of the appended letter, America's future would be in much safer hands. The writer of this letter is a student at the University of Kansas. His comments are so to the point in issue, I commend it most highly and it is to be noted he states he is one of the recipients of the benefits of this exchange program. His letter follows:

LAWRENCE, KANS., *May 22, 1959.*
Representative WINT SMITH,
House Office Building,
Washington, D.C.

DEAR MR. SMITH: I just want to take a few minutes out of final examination week to make a comment about something I read in the paper yesterday. I am referring to the letter or petition signed by the Kansas City University professors criticizing the loyalty affidavit required under the national defense education act. The article I read did not fully explain the situation, but if the professors were objecting to that loyalty oath signed by students who are granted the loans, then perhaps you might be interested in the views of a recipient of such a loan.

I am now enjoying the advantage of such a loan, and with great pride and willingness I signed the loyalty oath. I believe that such a requirement can be easily justified.

In the first grade I began giving the pledge of allegiance to the flag, and ever since then I have been willing and anxious to publically declare my loyalty to this country at any time to any body. I find it difficult to understand the reasoning of those who find it distasteful, or immoral, or unjust to pay verbal respect to what other men have died for—the United States. It seems to be the popular thing to do among certain groups to object to any display of patriotism. But I cannot believe that all people think this way. This letter is just to let you know that not all do.

I realize that such people as the professors at KCU object to such an oath because it is compulsory. But to a degree compulsion is necessary to maintain the very freedom they claim to support. It is a well-known old saying that to maintain liberty, we must have restraints, or else the liberty descends to license, which is the loss of liberty for others. Of course this is not applicable to the current issue, but it does demonstrate that requirements, and rules, and compulsion are not inimical to freedom. What possible objection can a man have for being required to declare that he will not be unfaithful to the very institution which provides him with his freedom? Surely the government which protects him can expect this much in return. It is not demanded that he not try to change the government, but only that he follow the law in his attempts.

But of course there is even greater reason for requiring a loyalty oath for these loans. No one in the country is required to apply for the loan. This is simply a contract situation. When a party offers a loan subject to certain conditions, no one who accepts the offer has any right to object to the terms. The simple answer is to just not accept the offer. If a man wants to sell me his car at a very reasonable price, provided I give him a ride, I can't buy his car and then honestly complain about giving him his ride.

The requirement for the loan is such a simple one—just to not be disloyal to the nation. I wonder if these same professors would object to a man who would give them each a sum of money if they would promise not to shoot him in his sleep. I think that the situations are analagous.

Of course it is argued that such an oath is meaningless. It is said that any disloyal person would sign anyway, so that it is merely a burden on the conscientious citizens. I suppose the disloyal will sign, but this in no way affects the justification of requiring it for all who apply. It would allow prosecution for those who did falsely sign.

But there is even a greater reason for the faithful to sign. It makes us stop and think. That was the first time since I took my oath of allegiance for military service that I publicly declared my loyalty. It gave me a thrill. When I read that oath, and signed my name, I thought about what it meant. It was a reminder of my American citizenship, and though it may seem just childish sentimentality to some, to me there was real pride in signing.

Let me make it clear that I don't propose to speak for anyone but myself. But I did want to let you know that not everyone feels as the professors evidently do, and that I respectfully take issue with them. I regret that I did not have the time to work out my thoughts in a more coherent manner, but with the press of exams, I felt that I could spare only the time to sit down and type them out as they came to mind. But you no doubt can see my purpose, and that is all that is necessary.

Respectfully,

———.

Cancer Research

EXTENSION OF REMARKS
OF
HON. HARLEY O. STAGGERS
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 28, 1959

Mr. STAGGERS. Mr. Speaker, it is needless to point out how much our individual lives are affected by the current events of our Nation and the world.

In view of the tragedy which has occurred just this week in the death of our great Secretary of State, John Foster Dulles, I would again like to call attention to the desperate need for the passage of legislation which would provide for a program for the study of that dreaded disease—cancer.

I have introduced H.R. 4139 which would authorize and request the President of the United States to undertake to mobilize an adequate number of the world's outstanding experts to coordinate and utilize their services in a supreme endeavor to discover means of curing and preventing cancer.

Looking around us today, I feel sure each of us is familiar with the heartache and sadness caused by the fact that a member of our immediate family or a friend is presently suffering from cancer,

or has been the fatal victim of the horrible disease.

Various individuals and organizations are putting forth an all-out effort to assist in alleviating the suffering and prevention of cancer. They are doing a fine job—but I believe the time has come when we must combine national and world forces in combating and conquering this terrible disease which is so destructive to health and happiness and snuffs out life itself.

Even if we were to expend only one-thousandth of the amount for this cancer research program that we spend on our national defense, cold wars or otherwise, it would be a great boon to civilization, and provide the very life to millions of human beings in the United States and the world.

The time for action is now. Cancer does not wait until tomorrow or next week or next year—it strikes young and old alike, men and women, regardless of race or creed, the rich and the poor. Cancer has no mercy. Let us take the necessary measures for action now toward the complete destruction of this mighty foe.

Overpopulation in the Ryukyu Islands

EXTENSION OF REMARKS
OF

HON. JOHN A. BURNS

DELEGATE FROM HAWAII
IN THE HOUSE OF REPRESENTATIVES

Thursday, May 28, 1959

Mr. BURNS of Hawaii. Mr. Speaker, the United States, under the Treaty of Peace with Japan, is responsible for the administrative, legislative, and jurisdictional control of the Ryukyu Islands, of which Okinawa is the biggest. As Mr. Sulzberger of the New York Times says in his recent book, "What's Wrong With U.S. Foreign Policy?" since the Security Treaty with Japan does not guarantee Japan's support in any future Pacific war, our generals and admirals calculate that we cannot relinquish Okinawa, a quintessentially important base. Since this retention of the Ryukyu Islands may continue for many years, the United States has certain specific responsibilities for the islands and has inherited certain problems which we must solve. One of them is overpopulation.

The population-land resources ratio of the Ryukyu Islands is the most unfavorable of any area in the world. With a present population of 830,000 and growing at the rate of 20,000 per year, these "wards" of the United States find themselves crowded into an area of 850 square miles, only 25 percent of which is arable. Okinawa, the big island, contains some 600,000 people in addition to the vast military base to which Mr. Sulzberger refers. Okinawa had a population density in 1951 of 1,208 to the square mile, as compared with 580 in Japan. Using another comparison in 1951, the Ryukyus had a population of 6.36 per cultivated acre, as against 5.67 in Japan and 0.385 in the U.S.A. This population density is no doubt the biggest in the world, and while the official statistics are 8 years old, they have certainly not improved to any extent.

The use of some 40,000 acres on the big island of Okinawa by the U.S. Armed Forces further complicates the problem, which was further compounded after the war by the forced repatriation of approximately 190,000 Ryukyuans from Japan, Korea, Formosa, and the Pacific Islands. This decision by the Allied Powers has been proven unwise, but it does not help solve the present problem. Prior to the war, population stabilization was accomplished in the islands by an ambitious overseas emigration program sponsored by the Japanese Government. By 1938, about 74,000 Ryukyuans had emigrated to countries outside the Japanese Empire, in addition to those resettled within the Empire and forced to return home following the war's end. Of the some 74,000 emigrants, about 30,000 went to South America and have become welcome additions to the population in Argentina, Brazil, and Bolivia. Many have become extensive landowners while others entered business and the professions. They have intermarried and become well integrated into the community. Since the end of the war, an additional 8,170 had emigrated to South America by July 1, 1958, and about 250 additional emigrants went to the Okinawa colony in Bolivia since that time.

While resettlement to other less populous islands in the Ryukyus has had some success, the basic problem confronting the United States is to stabilize the population by various methods, including emigration to other areas. Areas considered have been, of course, South America, the Pacific Islands, New Guinea, and the United States. South America will be treated later, but suffice to say that emigration to the Pacific Islands is not feasible because the islands under U.S. administration are gradually developing an overpopulation problem of their own. The proposal for emigration to New Guinea was not acceptable to the Government of the Ryukyus Islands.

Insofar as emigration to the United States is concerned, it is perhaps surprising to know that Ryukyuans have no quota for entry into the United States, and must technically apply under the Japanese quota, which is always oversubscribed. No other area outside the Iron Curtain appears to be discriminated against in such a fashion. However, it is interesting to know that the State Department has recently issued instructions that effective from May 15, 1959, Ryukyuan applicants for emigration to the United States will be removed from the Japanese list and listed under the separate quota list for the Asian Pacific Triangle. This quota appears to offer some hope for a living adult Ryukyuan emigrating to the United States legally as a Ryukyuan.

The Okinawan colony in Bolivia was established in 1954, and now numbers in excess of 1,200 people. Following some initial reverses, caused by a poor location for the first site, a strange disease which still eludes identification, and land titles, these have been solved by moving the colony to a new and more favorable site where the strange disease has not appeared, and the official transfer of land titles by the Government of Bolivia in January of 1957. An additional area of some 49,000 acres is reported to be available for the expansion of the colony. The colony had a successful rice crop last year and sold 1,500 tons of rice on the market. An additional 244 emigrants are presently on the high seas en route to join the colony and to settle in the new grant of land. Of the 8,170 emigrants since the war's end, over 5,000 emigrated on their own resources, about 1,600 were aided by the Government of Japan, and 1,200 borrowed from the Ryukyuan Emigration Bank. GARIOA funds provided $160,000 for the transportation of the first group of 394 emigrants in 1954, and about $180,000 in Bolivian counterpart funds were used at the colony site for clearing the jungle, building roads, purchasing farm equipment and seeds, and other basic expenses.

The Ryukyuans who have emigrated to Hawaii now number a vigorous prosperous group which always appears as a challenge to Ryukyuans passing through Hawaii, exemplifying to the visitor from the native land the freedom and benefits that accrue to American citizens, of whatever nationality they may be. The Americans of Okinawan ancestry in Hawaii are a distinct and valuable addition to our citizenry, and I am proud of every one of them.

My colleague, the gentleman from Minnesota, WALTER JUDD, added a clause to the Mutual Security Act of 1954 providing that from funds available under the act, not to exceed $800,000 could be used to facilitate the migration to the other American Republic of persons resident in that portion of the Ryukyu Island Archipelago under United States control. Of this continuing authority, only $180,000 has been made available, and that was for the initial colony in Bolivia. The relocation of the original colony, the strange disease, and other internal problems prevented any further use of the funds under this authority until 1958 when the Department of the Army, acting as executive agency for the Ryukyu Islands, developed a plan for a further expansion of the emigration program to Bolivia, as well as adult agricultural emigrants to Brazil. Additional information is being sought in Bolivia to support this plan because that country offers the best opportunity for emigration of families and will afford assistance to Bolivia in its campaign to become more self-sufficient in providing the food it requires.

The prewar population problems of the Ryukyus were solved by emigration, and Japanese propaganda made much of the domestic need for living space. The population has been thoroughly indoctrinated with the idea that emigration was both a necessity and a right. Ironically, this Japanese policy may have been one of the contributing causes of the late war in the Pacific. While the policy has been discredited, the psychological residue remains and generates strong pressures for emigration. Unless minimum outlets for these pressures can be found, they could build up to an explosion point. With both Japan and the

government of the Ryukyu Islands supporting migration, any serious inadequacies in the program will be attributed to the lack of U.S. support.

A comparison of emigration programs in overpopulated areas, which have been supported wholly or in part by U.S. funds, indicates quite clearly that the per capita cost for emigrants from the Ryukyus to South America compares most favorably with more expensive programs. The Ryukyuan government and the individual emigree are contributing almost 45 percent of the total cost from their own resources. Those programs, which took almost 7,000 Ryukyuans to South America, other than Bolivia, since the end of the war, have been financed almost entirely from local sources. Funds to the extent required are no longer available from local resources, and the operation must be partially supported by the United States if the overpopulation problem in the Ryukyu Islands is to be ameliorated.

It is my hope that the $620,000 for which authority exists in the Mutual Security Act will be promptly found and made available to the program, and I would hope that succeeding amendments to the Mutual Security Act would continue this support.

Obscene Mail Matter

EXTENSION OF REMARKS
OF
HON. LEONARD G. WOLF
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 28, 1959

Mr. WOLF. Mr. Speaker, under leave to extend my remarks, I would like to include in the RECORD my testimony before the Post Office Subcommittee on Postal Operations, as follows:

TESTIMONY OF CONGRESSMAN LEONARD G. WOLF, DEMOCRAT OF IOWA, BEFORE THE POST OFFICE SUBCOMMITTEE ON POSTAL OPERATIONS, MAY 26, 1959

Thank you for this opportunity of appearing before you. My statement will be a short one, but I hope that it will aid this committee in considering in the proper context the problem of obscenity.

As you all are well aware, the modes, fashions and even the modes of all society differ from place to place and from historical period to historical period. The levels of sophistication vary across the country as to matters concerning sex, religion and, I suppose, even politics. Differences are, of course, even more striking timewise in the United States for we pass through stages and levels of considering certain ideas or objects as unacceptable or even obscene. Because of these obstacles it is indeed difficult to decide on the meaning of obscenity in a way which will be operationally applicable in all cases across the entire country for all periods. Consequently, we are forced to return to certain basic principles and interpret our present problem in the light of these principles. In the United States we are most fearful of trodding on the toes of the individual. Consequently, we fear intervention or restriction on freedom of the press or freedom of belief. For this reason many good and great citizens fear censorship over any part of the printed word in their belief that once censorship begins it is hard to stop and can result in controls and restrictions that would be antithetical to our way of life. Furthermore, drawing on the prohibition experience repressive censorship requirements will result in an even greater rash of obscene and pornographic literature.

However, there is another side of the story which I believe should be emphasized today. Philosophers have pointed out in the past that certain kinds of literature must not be allowed in the society because of its deleterious and corrupting effect. These philosophers have felt that because of the very nature of man certain kinds of literature lend excitement and stimulation to the baser and more brutish side of man's instincts.

Today this hypothesis has been shown in case after case where perverted and violent acts are performed by both our youth and adults because of stimulation and deviation gained in part from reading smut magazines. As I am sure the subcommittee is well aware, many of these magazines mingle sex and violence together in a way which construes sex with violence rather than with love. Sadism and masochism become the frame of reference in which life is considered by these people. There is no doubt that this leads to decay in the society.

We have not been without weapons against the forces of evil. On both a governmental and local level, great efforts have been made to combat the insidious influences of pornographic literature. Last year the Congress passed a law which substantially strengthened the hand of the Department of Justice in their battle against obscenity. As a result of that law, which I am told is quite effective, the Attorney General may bring an action in places where the material is both sent and received. Besides governmental action, local authorities are waging strong campaigns in conjunction with church groups, and educational authorities. These groups have helped the parents of this Nation in their efforts to improve the reading habits of their children and to protect their children from participating in crime and depravity. It behooves the Congress to aid the parents who, of course, have the primary responsibility for the moral upbringing of their children. The Federal Government, and more particularly, the Post Office Department, also has a strong responsibility in this matter. It must root out the purveyors of filth through quick and effective means without violating constitutional or reasonable guarantees to the defendant.

I strongly believe that Congress should give the Post Office Department the kind of necessary legal machinery consistent with the Constitution and the Bill of Rights to control the pornographers and smut peddlers.

This task is indeed a complex one, but it is one which must be dealt with now if we are going to be able to control a stream of pornography that, I believe, has done much to fan the flames of juvenile delinquency and adult crime in this country.

Getting the Taxpayers Return on Their Tax-Dollar Research

EXTENSION OF REMARKS
OF
HON. DAVID S. KING
OF UTAH
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 28, 1959

Mr. KING of Utah. Mr. Speaker, legislation which I introduced today could, in time, swell Federal revenue by as much as a billion dollars annually.

The bill would give the United States a share in the patent royalties on inventions and discoveries which are made under Federal research contracts. I see no defensible reason why the taxpayers and their Government should not share the royalties from developments which are made on tax dollars.

At the same time, I am convinced the bill offers other possible benefits. For one thing, it would, I believe, help small business. It would help combat the strong monopolistic trend which currently dominates the Federal research program.

The record shows that 5 percent of the larger industries and research organizations in this country are now gobbling up about 95 percent of the research contracts. I do not believe that we can safely assume the same industries and organizations have cornered 95 percent of the Nation's research talent.

Our struggle for survival against the forces of totalitarian communism demands that we make full and effective use of our research talent. I will be convinced that we are making full use of all of this talent only when the smaller institutions receive their fair, proportionate share of the research load. I am strongly determined that the smaller institutions will carry their fair share of the research responsibility, and I believe that my patent legislation will help correct the current inequity.

As long as 5 percent of the institutions control 95 percent of the research effort, we can safely assume that they will make 95 percent of the discoveries, and swallow up 95 percent of the patent royalties.

Their income from the patents, which is a pure profit, aggravates the inequity and tightens their stranglehold on research. Too, it has the ill effect of narrowing competition and, in the extreme, killing it entirely.

Their research costs are always covered by the contracts, which also provide a profit. They are entirely free to spend their income from patents on expansion—to build additional facilities, to engage more research talent and to gobble up more contracts.

It is a simple case of the big growing bigger, while their small competitors are denied the opportunity to share in any way in that growth.

My legislation follows a principle employed by industry itself. When an employee in industry makes an invention or discovery in his employer's laboratory, he must, in most cases, share the royalty with the company. In fact, as a rule, the company, and not the employee, holds the patent. The same principle should apply at least in part to the technological advances which our tax dollars produce.

Tax dollars today carry the bulk of the national research effort. The research which the Government sponsors spearheads our current technological progress, and the taxpayers have as much right as the corporations to share the royalties from the publicly financed effort.

I discount the arguments that the legislation would hurt incentive. The bill

does not eliminate the incentive by stripping contractors of the royalties, but simply gives the taxpayers a share of the royalties. It does not fix a definite split on the royalties. It enables the Government to negotiate the split, and to determine percentages which will be equitable to both the contractor and the taxpayers.

The research program and the patent-royalty is ably discussed in an article entitled "Increasing Government-Sponsored Research and Development Creates Patent Policy Problems," which appeared May 4, 1959, in Product Engineering. The article follows:

INCREASING GOVERNMENT-SPONSORED RESEARCH AND DEVELOPMENT CREATES PATENT POLICY PROBLEMS

WASHINGTON.—U.S. Government patent policies, in the words of one high-ranking patent official, are a mess. And with the Federal Government now financing more than half the research in this country, agitation for a general overhaul of the system is increasing on Capitol Hill.

Several moves are already underway:

The Senate Patents Subcommittee is in the midst of a study just trying to find out what the policies of the various agencies are.

One Congressman is pressing for a Government cut of the royalties on patents growing out of Government-sponsored research.

The new Space Agency has issued a set of regulations, generally opposed by business, which may mark a new pattern in Federal patent policy.

Still two more questions bothering patent officials and Congressmen are: (1) Whether present policies are fostering or hindering commercial development of the byproduct of Government research, and (2) whether the Government is hastening the death of small business by encouraging big business dominance through patents.

Most of the experts agree that a uniform Government policy is needed, and that it should be fixed by Congress. But what the policy should be starts a number of arguments.

GOVERNMENT DOMINATES RESEARCH AND DEVELOPMENT FIELD

Within the past 10 years Federal expenditures on research have jumped from $1 billion annually to more than $5 billion—with $3.5 billion for the Defense Department alone in the 1960 budget. Private industry altogether spends only $4 billion on its own research.

Many of these Government contracts yield patents which have considerable commercial value. Examples: Transistor and resistor improvements, better computers for ICBM control, heat-resistant alloys for nose cones which also can be used in engines, low temperature experiments in space navigation that apply to the refrigeration or chemical industries. Lithium high temperature grease for airplanes was developed by the Navy. Household spray cans grew out of Agriculture Department research. A number of commercial radar patents are byproducts of Government contracts.

The Defense Department the biggest dispenser of research money, allows a company to keep any patents it develops, except for free use by the Government. Many people have asked why the United States does not at least recoup its research costs by taking a cut of the commercial royalties. The British Government has been doing this since the turn of the century. The Vickers Viscount, developed under government contract, has returned enough to the British treasury to pay off the original research cost and yield a profit. Jet engines have been a profitable venture for the Exchequer. Capt. George N. Robillard, the U.S. Navy patent chief, has been a supporter of the British method for a long time, and Representative FRANK THOMPSON, Democrat, of New Jersey, has introduced a bill to adopt the British system here.

Meanwhile, a firm doing extensive research for the Government is confronted with a variety of policies. The Defense Department is liberal with patents, the NASA is stricter, and the AEC is stricter yet. Since many contracts cut across several agencies, the contractor may be dealing with half a dozen different patent attitudes on the same project.

The economic impact of present policies has had very little attention, and no real studies have been made. The Defense Department feels commercial exploitation is most likely if one company has patent rights. The Tennessee Valley Authority feels differently and has always made fertilizer patents available to everybody. This posed the question: Would the Government have to pay more for research contracts if companies did not have the added temptation of a possible killing on the side? Answers to this and other questions are vital to any new legislation on the subject, and some critics feel that the Senate Patents Subcommittee, instead of merely cataloging present policies of all the various agencies, could spend its time more profitably on these questions.

The report is that excessive channeling of research contracts into big business is causing considerable worry. Big business (over 500 employees) gets at least 95 percent of the Government research, and 100 firms get 85 percent among them. The top 14 companies getting contracts between 1954–56 were all big electric and aircraft companies. The Attorney General has warned that channeling all this patent potential into big business is just building up the monopoly trend.

The House Small Business Committee recently spoke of "the ominous shadow cast on the future with the monopoly of technology by big business." Small business, say its supporters, helps foot the Government research bill and should at least have access to patents developed at the taxpayers' expense. The big contractors reply that it is their reservoir of know-how that makes research successful.

THE NASA EXPERIENCE

Policymakers, meanwhile, are watching the experience of the new space agency with its relatively "tough" patent provisions. NASA retains patent rights if an invention applies primarily to defense projects. But if it has only incidental use for NASA and "substantial promise of commercial utility," NASA will let the company keep title and collect royalties on the condition that they develop the product commercially within 5 years.

Big NASA contractors have complained about the time-consuming process of getting formal permission from the agency to keep a patent. One contractor, for instance, developed a course director of no use to NASA but useful for blind flying of small private planes. He complains that he cannot get a patent until he proves either that it is primarily of commercial use, or that it was not developed primarily under a Government contract.

NASA's Patent Chief, G. D. O'Brien, says the Agency has actually had no difficulty placing contracts once officials have had a chance to explain patent provisions to bidders. "While they may hesitate at first," O'Brien says, "in no instance have they refused in the end." NASA prefers to let the company keep patent rights because it can impose the 5-year condition. If the patent were offered to everybody, no one would have the incentive to go into production, NASA believes.

LAWYERS BACK INDUSTRY

The American Bar Association backs industry's stand against the NASA pattern. Patents are an incentive to inventive genius, they say, long recognized in the free enterprise scheme of things. Others argue that corporations themselves do not generally let individual scientists keep patent rights, so the incentive factor is already destroyed at the creative level. A Senate Patents Subcommittee, in a study by Prof. Seymour Melman, of Columbia University, concluded that companies have enough other incentives, such as development of know-how, to keep them interested in research even if there were no patents.

Several big corporations have asked the House Space Committee to hold hearings on NASA's policies. But the committee will probably wait until next year when business has had a chance to live with the policies for a reasonable length of time.

Memorial Day, 1959

EXTENSION OF REMARKS
OF

HON. DON L. SHORT

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 28, 1959

Mr. SHORT. Mr. Speaker, all too often nowadays, Memorial Day comes and goes without our giving much consideration as to why we observe this holiday, what it means to our country and its people, and what it means to us as individuals. Memorial Day was first conceived to remember the heroes of the Civil War. Since that time it has become a day upon which remembrance is given to all loved ones who have passed on—but primarily it is a day devoted to the memory of members of our Armed Forces who have given their lives for their and our country. What is it that has brought us into war and what were these heroes fighting for—we have never fought a war to gain additional territory—we have never fought a war to gain economic advantages for this country—we have never fought a war to impose forcibly our system of government on another country. The basic premise that the United States of America was concerned with in all of its armed conflicts was freedom—a word that we have become so accustomed to that I fear many of us fail to appreciate its true significance.

When our Nation was founded in 1776, a new idea was introduced that was the first fundamental change that had been made since government was first formalized. It was a completely new idea.

What was this new idea? Was it the regular election of government leaders by the people? Was it the wide dispersal of the powers of government among Federal, State and local units? Was it the American method of checks and balances? No—these had been conceived by the Greeks, the French, or the English. Our new Government recognized the premise that in this new land the Government should be "of the people, by the people, and for the people." No other nation had ever gone so far to establish the right and duty of free citizens to manage their own governmental affairs.

This was a revolutionary concept of Government. Never before in history had the people said to the Government, "Thou shalt not." Always the Government had been able to say to the people, "You may," or "You must." Very specifically, the Bill of Rights comprising the first 10 amendments to our Constitution set out the powers of the Government and plainly stipulated that these were the only powers with which the Government was endowed, and that all others were reserved to the States or to the people.

It was this philosophy of individual freedom and individual responsibility that attracted to this country millions of persons from government-oppressed peoples all over the world. They represented every color, every race, and every creed. They were in search of personal freedom, not Government-guaranteed security. They earned and enjoyed here the greatest degree of security ever enjoyed by any people anywhere.

People who came to this new land wrote back to relatives praising the freedom they had found. They said here the Government guarantees you nothing except life, liberty, and the right to own whatever you have honestly acquired. Here you have the responsibility that goes with individual freedom. There is no law or custom that prevents you from rising as high as you are able. Here in America, you can do as you please so long as you do not violate the rights of others to do as they please.

Such comments would not be completely true today because that freedom for which our forefathers fought so hard and for which many of our young men have laid down their lives is slowly but surely being lost. It just seems to be seeping away slowly, and none of us seem inclined to abandon our pursuit of the almighty dollar long enough to repair the damage that has been done. The Bill of Rights still exists on paper, but the spirit that caused it to be written is surely fading away.

Under this plan of government, the people of this Nation have done well in a material way. Here we are—6 percent of the world's population on 7 percent of its land. A conglomeration of races and bloodlines with no more natural resources than many other areas of the globe—creating as much new industrial wealth as all the other 94 percent combined. One hundred and seventy some million of us own nearly six times as many automobiles as the other 2 billion people on earth combined. We produce and consume about as much steel as all the rest together, and own similarly fantastic proportions of bathtubs, telephones, refrigerators, and tractors and most of the other manifestations of prosperous living.

We produce enough foodstuffs on our farms and ranches to provide ourselves with the world's highest standard of living plus a surplus large enough to feed millions of people in foreign countries.

Our accomplishments are indeed fabulous and yet we know that men will not necessarily risk their lives, their fortunes, and their sacred honor for bathtubs or automobiles. America had no such luxuries in 1776, and it was a principle rather than a material gadget for which our forefathers were willing to lay down their lives.

We know that the spirit which makes and is America—the spirit which has inspired and made possible our amazing achievement—has been able to flourish only because of a system of government deliberately established to protect the right of the individual citizen to make his own decisions, to accept the responsibility for them and the consequences of them, and to establish his own personal pattern of life within the limits of trespass upon the rights of his neighbor.

No one person is to blame for sapping that spirit of individualism. No one political party is to blame. The people are as responsible as the elected and appointed leaders. It is we, the people, who seem to have forgotten that freedom and responsibility are inseparable. It is we, the people, who are discarding the concept of government that brought forth the Constitution and the Bill of Rights.

In short, few of us seem to want to keep government in its proper place which is out of our personal affairs and responsibilities. Many of us seem to favor various types of government-guaranteed and compulsory security—we say that we want personal freedom, but we demand government housing, government tax concessions to industry, to business, government price guarantees plus the controls that must go with them, government-guaranteed jobs and wages. We boast that we are responsible persons, but we vote for candidates who promise us special privileges, government subsidies, and so-called individual security.

Such schemes are directly contrary to the spirit of the Bill of Rights. Our heritage is being lost more through weakness than deliberate design. The Bill of Rights still shines in all its splendor but many of us are looking in another direction.

Many of us are drifting back to that old concept of government that our forefathers feared and rejected. Many of us are now looking to government for security. Many of us are no longer willing to accept individual responsibility for our own welfare. Yet personal freedom cannot exist without individual responsibility.

Thus the American people are on the verge of a final decision. We must choose between the destruction caused by government paternalism and the security insured by individual freedom with individual responsibility as expressed in the Bill of Rights. There is no other choice.

As it must, the choice rests with each of us as individual Americans. No one can tell us what to think or do; no one should. To do so would be a violation of both the spirit and the words of the Bill of Rights. As responsible persons, each of us has the privilege and the obligation to pursue what each considers to be the right course of action. But this above all—let us understand the meaning of these actions.

Without the possibility of failure, there is no meaning to achievement; without the possibility of sickness there is no meaning to health; without the possibility of hell there is no meaning to heaven. If a parent continues forever to make choices for a child, the child will never be mature and will never be free. If the State is given power and responsibility to make decisions for men, and thereby to save them from any result of making personal choices, the people never attain political freedom and moral responsibility.

It seems to me that we who are now enjoying the benefits of the supreme sacrifices made by our soldiers and sailors should not forget what this principle was that prompted them to be willing to fight to establish and in our later wars fight to preserve. They have passed on to us a responsibility that we must not fail in carrying out. Ours is not to take up arms in defense of freedom, but to exercise our duty now as responsible citizens. Responsibility and freedom are the reverse sides of the same coin. Neither can exist independently of the other.

The American patriots that we are remembering today have passed on to us a responsibility to carry on the defense of those principles upon which this Nation was founded. The words of Maj. John McCrae, the English army officer of World War I, who later give his life for his country, express the responsibility that is ours better than any I have been able to put together. In his immortal poem "In Flanders Fields" written on the battlefields of France, he said:

We are the dead
Short days ago we lived, felt dawn, saw sunset glow
Loved and were loved and now we lie in Flanders fields
Take up our quarrel with the foe
To you from failing hands we throw the torch
Be yours to hold it high
If ye break faith with us who die
We shall not sleep, though poppies grow in Flanders fields.

Armenian Independence Day

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 28, 1959

Mr. MULTER. Mr. Speaker, Armenian independence was brought about by the Russian Revolution of 1917, and ironically, its disappearance was also caused by forces which gave rise to that revolution.

In the midst of the First World War Armenians faced total extermination in the Ottoman Empire, but Armenians under Czarist Russia's domination were spared such a sad fate. In 1917 when the Russian autocracy was overthrown, various nationality groups there felt free, and each seemed to be the master of its own destiny. It was then that the Armenian people asserted their freedom

and proclaimed their independence on May 28, 1918.

Unfortunately the Armenian Republic thus established 41 years ago could not survive by itself under unstable and precarious conditions. Two years after its birth it was attacked by the Turks and by the Red army of Communist Russia. By early December of 1920 the country was overrun, its government overthrown and a puppet Soviet type of regime was set up under dictation from Moscow. Of course since then the country has been part of the Soviet Union, but the remembrance of the independence attained 41 years ago and lost 2 years later, still lingers on, and all Armenians celebrate the anniversary of that memorable day, the Armenian Independence Day.

We join them in the hope that their liberty may soon be restored.

Address by Hon. Edmund S. Muskie, of Maine, Before Tennessee Municipal League

EXTENSION OF REMARKS
OF
HON. ESTES KEFAUVER
OF TENNESSEE
IN THE SENATE OF THE UNITED STATES
Thursday, May 28, 1959

Mr. KEFAUVER. Mr. President, within the past few days it was my privilege to accompany my able colleague [EDMUND S. MUSKIE], the junior Senator from Maine, to Tennessee. Mr. MUSKIE addressed the Tennessee Municipal League at Gatlinburg. His remarks before that body were most inspiring and made special mention of the Tennessee Valley Authority. His recognition and understanding of this fine demonstration of power and resources development in my State is greatly appreciated by all of us in Tennessee. I ask unanimous consent that Senator MUSKIE's speech be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

While I deeply appreciate the invitation of the Tennessee Municipal League, extended through Senators ESTES KEFAUVER and ALBERT GORE, I must confess feeling a little as though I were carrying coals to Newcastle. It is not that the subject of my remarks is an unworthy one—far from it—but it may seem presumptuous for a new Senator from northern New England to come into this beautiful State to discuss the role of Government in achieving full utilization of our resources.

I say this because seldom in our history has there been such a spectacular example of creative and wise use of resources, as is exemplified in the Tennessee Valley.

I was interested to read recently that the TVA continues to be one of the first things that many youthful foreign visitors ask to see when they have an opportunity to travel in the United States. The TVA is still one of the best examples available of an imaginative approach to resource development within the framework of a Federal system of government. It goes without saying that the development of our natural resources represents one of our most fruitful areas of Federal, State, and local cooperation. It is striking that in the TVA instance, the decision was made to step outside the usual framework of government in order to achieve maximum results. This willingness to try the flexible approach undoubtedly was of crucial importance in producing the dramatic results which are today obvious to anyone who comes into this area with open eyes and an open mind. There are several important points which are underscored by the success of the TVA experiment. I should like to explore each of these points more fully.

Before I do that, I would like first to outline my general philosophical position on resource development. First, it is well to remember that the conservation movement is largely limited to the 20th century in America. Theodore Roosevelt was the first great public figure to dramatize conservation as a live issue and to make it part of the official policy of the U.S. Government to achieve conservation of our resources. Prior to Theodore Roosevelt, we had operated on the assumption that we had resources to burn and I suppose, in one sense, we did have. In any event, the abundant resources of this great continent were gobbled up and exploited as if there were no limits. Today, this is no longer true. We are operating in a period of history when we can no longer afford to waste a single resource, material, or human.

Indeed, if we are to achieve the good life for coming generations of Americans, we are probably going to need another Theodore Roosevelt to again rekindle the issue. With a population increasing at the rate of about 3 million a year, with every decade adding another 30 million Americans, we can easily look forward to the time when there will be more than 200 million of us and this probably within the lifetime of most of us here today.

It is clear that resource development rates very high on the agenda of American democracy. We dare not do less than the maximum in view of the cold war struggle in which our Nation is engaged.

What lessons can we draw from the TVA experiment which might apply on a broader national plane? First, there is the necessity for bold creative thinking. The Tennessee Valley Authority idea was several decades in the making, as various individuals dreamed of the possibility of harnessing the water resources of the Tennessee River.

Secondly, there is the need for courageous political leadership in behalf of the idea. Who knows what the fate of the TVA idea would have been if the late Senator Norris and a few other courageous pioneers had not been prepared to do battle over a long period of time.

Thirdly, there is the need for wise and effective administration to implement legislative plans once they have been drawn. Here the lesson of the TVA is most instructive.

The many excellent cooperative efforts carried on under the authority of the TVA have shown us how successfully modern federalism can function on a day-to-day basis. The TVA partnership efforts with State departments of health, conservation and parks, with municipal power boards, with rural electric cooperatives, with State and local planning commissions, with agricultural and engineering experiment stations, with State extension services, and with many other agencies, are all examples of how successful optimum use of a comprehensive water resource development project.

The value of such a comprehensive development project is that it provides for an overall development of an area's natural resources. A multipurpose project, such as the TVA, provides optimum benefits in a host of areas wherein conservation and development are essential for the advancement and protection of the general welfare. You have shown, here in Tennessee, that flood control, irrigation, soil and forest conservation, fish and wildlife conservation, power production, navigation, and recreational facilities, can be combined fruitfully in a common program of action. In the long run, such a program benefits not only the State and the region directly involved, but also offers direct benefits to the Nation itself.

This is true, of course, because the Nation's general welfare and economic growth are hampered or retarded when separate States, or even when whole regions, fall below a national minimum standard of performance. I think it is possible to see that these stimulants to the economic growth of individual States can sometimes be acquired best through cooperative Federal action.

Most important of all, the TVA experiment reveals so clearly that creative thinking in the field of conservation given the proper legislative support, and administered with boldness and dedication, can restore the faith of the people themselves in their capacity for self-government, and equally important for economic progress.

It would certainly be a philosophy of despair if we were to conclude that we lack the capacity within our democratic system to achieve the maximum utilization of our resources.

As a matter of fact, it seems to me that we have now reached the point in our Nation's development when an equally imaginative approach is needed with respect to the development of our human resources. Perhaps the conservation movement in the last half of the 20th century ought to be devoted to the wisest possible use of our people's talents and abilities. I do not profess to know the details of all of the major instances in which we are clearly wasting human resources but here are a few examples which have come to my attention recently:

1. In the field of education, we are told that for every young American successfully engaged in the pursuit of a higher education at the college level, there is one more having essentially the same ability who is not. At the public school level, the problem is well known: A recent survey by the Office of Education reveals a continual shortage of 140,000 classrooms. The National Education Association, research division, estimated at the beginning of the current 1958–59 school year that 135,000 more qualified teachers were needed than were available this year.

2. When the National Manpower Council published a volume entitled "A Policy for Skilled Manpower" in 1954, they found it impossible to tell exactly how many skilled workers there were in this country. In other words, as recently as the last Federal census in 1950, the best we could do was to estimate that there were between 8 and 9 million skilled workers. The council reported no reliable basis for estimating the number of skilled workers in operative, clerical, sales, service, farm, and certain other occupations. This reminds me of my elementary course in physics in high school when I first encountered the question which I am sure is still discussed in the same classes when they study sound. When a tree crashes in the wilderness outside the range of any ear, does its fall create sound? Can there be sound when there is no one to hear it? In connection with the subject we are discussing, is anything whose existence is unknown to anyone a resource? Is it a wise national policy not to know who our skilled workers are and where they are located?

3. A subcommittee of the Senate, of which I am a member, recently had prepared a study which reveals some rather glaring inadequacies relating to foreign language training. The study shows that only a token percentage of the members of the military, economic, and technical assistance programs

abroad are capable of speaking the language of the country they serve. By way of contrast, reports indicate that the majority of high level Russian personnel assigned to embassies and economic missions in most foreign countries have a fluent proficiency in the language of the country to which they are sent.

The Russians start the teaching of foreign languages in grade school. Their policy is for each of their 15 million high school students to study a foreign language. One authoritative source estimates that 45 percent of the Russian high school generation studies English, 35 percent German, and 25 percent French. At university level, the study of foreign languages in the Soviet Union is mandatory. By way of contrast, less than 15 percent of our 8 million high school students are currently studying any foreign language. Less than 10 public high schools out of a total of 25,000 in the United States offer a Russian language course. Probably less than one one-thousandth of 1 percent of our high school students are studying Russian. About 1 American university in 10 offers a Russian course. It has been estimated that 10 million Russians have the ability to read the English language, whereas most reports indicate that only 10,000 Americans, including students, have the ability to read Russian. Of course, this effects the scientific community as well as any other. Reports indicate that half of Russia's 1 million scientists can read English, whereas not more than 1,000 of the 1 million American scientists have the ability to read Russian. That would be about one-tenth of 1 percent.

On the basis of this evidence, it seems to me that the Soviet Union is making more effective use of its human resources in this important area of activity than we are.

4. Another Senate subcommittee, of which I happen to be a member, recently held hearings on a proposal to create a Department of Science and Technology with Cabinet status in the Federal Government. These hearings revealed the absence of any overall policy with respect to science at the highest level of the Federal Government. Here again we have a tragic example of an ineffective utilization of human resources. I am sure that if one had the personal knowledge and the research facilities, this kind of analysis could be pushed into many other areas of our national life. If, for example, the statistics are correct which show that 16 million Americans are suffering from some form of mental illness, one wonders what the cost is in terms of their inability to perform adequately their individual roles in our national life. While no one knows exactly what American industry loses each year because of mental illness, a survey completed in 1954 by the Menninger Foundation suggested that the loss would run into billions of dollars annually.

I think that the time has arrived for a new conservation movement which would center its attention on the purely human aspects of resource development. It is clear that in this area of public policy, we have often lacked imaginative thinking and courageous political leadership, to say nothing of administrative competence in dealing with the problem. I am encouraged to believe that I am not exaggerating the scope of the problem when I read that the President's Science Advisory Committee has just released an 18,000-word report which concludes that a doubling of our current annual investment in education is probably a minimal rather than an extravagant goal.

What are the lessons we should learn from the TVA as they apply to the broader problems of national survival and natural growth?

First, it seems to me that we want to do more than merely survive. That is to say, that when we speak of national survival, we have in mind something more than our continued existence as an independent, geographically identifiable state. If I am not mistaken, we have a deeper desire for America to survive and to prosper as a vital, meaningful force which, by its leadership and by its example, can lift the world upward gradually to higher levels of social and economic progress for men and women everywhere. This suggests, I hope, that we are concerned with more than Maginot Line security. We are concerned with more than a retaliatory capability which can destroy our potential enemy. We are concerned with more—and I should say something far different—than political domination of other areas of the world. We are concerned with demonstrating here, at home, and to the peoples overseas that our way of life does give us strength, that it does enable us to prevail over those who would destroy us, and that it is the last best hope of ordinary people everywhere who yearn for opportunity, dignity, and freedom.

Second, I say that we are concerned with this—and I mean concern with an emotion that we have never had to feel before. Our policies and programs since our beginning have been based on the assumption that we had resources to burn, that no other nation could match them, that our way of life and our institutions had an irresistible attraction for peoples not privileged to enjoy them—the assumption of manifest superiority.

This is an assumption that is no longer valid. What we are, what we have, and what we offer, are being weighted on the balance against the supposed attractions of an alien system. We are being judged by people who are not advocates of higher democracy or communism, but who are concerned as to their own status in life and its improvement. To these peoples, we are no longer manifestly superior.

To capture their minds and hearts—and there are more than a billion of them—it is necessary that we utilize to the maximum every resource at our disposal—material, human, and ideological. We must live our national life with a fire, and enthusiasm, and a confidence in ourselves that we have always found it possible to summon in times of national crisis.

What does maximum utilization require?

It requires, first of all, that we become a progressively stronger economic force in the world, gaining strength not only for ourselves, but for peoples everywhere who seek to develop an economic climate favorable to the recognition of the dignity and worth of the individual.

It requires secondly, the establishment of a military posture which is dynamic, not static, which utilizes to the full the tools of scientific research, and which unhesitatingly and firmly seizes every advantage and makes maximum use of every new development which promises to strengthen our sinews. Such a posture is the shield behind which we can mobilize the economic and ideological strength which will give us the ultimate victory.

Thirdly, that we develop every resource here at home. Measured by the tasks to be performed, there is plenty of work for all our people and they must all be kept busy to the limit of their skills and their capacities. We do not have enough scientists. We do not have enough teachers, we do not have enough doctors, nurses, psychiatrists, technicians of all kinds. Everywhere we turn we find shortages of skills. Who says there isn't enough work to keep all Americans employed? There is work begging to be done. How do we fit the square pegs in the round holes?

One great bridge between the man and the job is the educational process. This isn't to say that with the proper schools we can train anyone to do anything. It isn't to say that the answer to current unemployment is to send everyone to school. It is to say that we have great unfilled needs in the field of human skills, that we are doing too little about it, and that we cannot retain the image of America as the strength and hope of the world unless we utilize every potential talent which we have wherever it may be found. It is time to deal with a national problem by providing a national answer to it.

We won't do it today, or tomorrow, by sitting on our hands. We will not do it today, or tomorrow, by smugly glorying in past victories. We will not do it today, or tomorrow, without thinking, without taking the people into our confidence—without asserting the creative and productive capacity which lies in the hearts and minds of a free people.

Someone once said, "the road that stretches before the feet of a man is a challenge to his heart long before it tests the strength of his legs." What he was saying is that the heart is often capable of greater decisions than the mind: The heart of America is its secret weapon.

The Tactical Air Command

EXTENSION OF REMARKS
OF
HON. THOMAS N. DOWNING
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 28, 1959

Mr. DOWNING. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I would like to pay a brief tribute to one of the services of our Armed Forces.

The U.S. Air Force's Tactical Air Command was recently the recipient of two of American aviation's most coveted awards—the Mackay trophy in recognition of its swift deployment of the Composite Air Strike Force to the Far East during the Formosan crisis last year; and the Daedalian trophy for the most effective aircraft accident prevention program in the Air Force during the year 1958. I would like to place the story of these accomplishments in the RECORD with a distinct sense of pride since the headquarters of Tactical Air Command is located in the First Congressional District of Virginia, which I am privileged to represent in this House.

Langley Air Force Base, the Air Force's oldest active establishment and located on Virginia's historic lower peninsula, has played an outstanding role in the air age. Named after Samuel Pierpont Langley, the distinguished astronomer and head of the Smithsonian Institute who did important development work in the days of the infancy of aviation, Langley Air Force Base has seen the era of Billy Mitchell and his revolutionary experiments which proved the vulnerability of shipping to air power, and the establishment of the General Headquarters of the Air Force—the first inkling of the independent air arm. Langley has seen literally dozens of young men who are to be the Air Force's future general officers living upon its historic ground.

Tactical Air Command was awarded the Mackay trophy for Xray Tango, the code name for the command's deployment of the Composite Air Strike Force to the Far East during the Formosan

crisis. The citation accompanying the Mackay trophy credits the outstanding airmanship of the strike force crews and the skill and effectiveness of support personnel for the success of the internationally significant operation.

The Mackay trophy, established by the late Charles E. Mackay, a member of the Aero Club of America, is presented annually by the National Aeronautics Association for the year's most meritorious flight. Selection of the recipient of the award is made by the Chief of Staff, U.S. Air Force.

The Daedalian trophy, was established by the Order of the Daedalians, an organization of World War I pilots, and is awarded annually by the Chief of Staff of the U.S. Air Force to the major air command having the most effective accident prevention program.

Lt. Gen. Dean C. Strother, Deputy Chief of Staff for Operations, U.S. Air Force, presented the trophy at the annual meeting of the Order of the Daedalians at Kelly Air Force Base, Tex., on April 11.

Only major commands of the Air Force which flew more than an annual total of 100,000 hours are considered for the Daedalian trophy. In awarding the trophy, the types of aircraft flown and flying conditions are considered.

Tactical Air Command's flying safety record in the dispatch of many aircraft of various types to the troubled Middle East and Far East were undoubtedly factors which contributed to the award of the Daedalian trophy to Tactical Air Command.

The Composite Air Strike Force concept was developed in a large part at Langley Air Force Base. It was the brainchild of TAC's brilliant commander, Gen. Otto P. Weyland.

When the free world stood again on the brink of war in the Far East, Tactical Air Command had a balanced force of combat aircraft with support elements on the scene 16 hours after the many units had been alerted at various Air Force bases, including Langley.

Thus, in the space of less than 1 day, Tactical Air Command had its Composite Air Strike Force with nuclear striking power on combat patrol in the Far Pacific.

It is very appropriate that these two honors were bestowed on Gen. O. P. Weyland, before his retirement after a long career during which he distinguished himself during World War II and the Korean conflict.

Among my many other friends at Langley Air Force Base, I would like to mention Brig. Gen. Perry B. Griffith. General Griffith is the commander of the 836th Air Division, Langley's parent tactical organization, units of which so ably proved the validity of the Composite Air Strike Force concept twice last year. In the 9 months he has been commander of the air division at Langley he has abundantly demonstrated an outstanding degree of belongingness with the people of the local community.

I would like to mention just one example of the fine relationship which exists between Langley Air Force Base and the community upon which it lives—not merely exists. Through the efforts of General Griffith and several members of his capable staff and the generosity of the Air Force Museum at Wright-Patterson Air Force Base in Ohio, a diarama showing the bombing of the Ostfriesland by Gen. Billy Mitchell's bombers was presented to the Virginia War Memorial Museum in Newport News. It was my privilege and pleasure to accept on behalf of the museum, this diorama and exhibit of two bombsights. Thus, this pictorial presentation of one of the most important milestones in the story of air power reposes most appropriately in the unique War Memorial Museum, but a few miles from the place where the event took place.

A John Foster Dulles Diplomatic Academy for Peace Should Be Established as a Lasting Monument to One of America's Greatest Secretaries of State

EXTENSION OF REMARKS
OF
HON. WILLIAM C. CRAMER
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 28, 1959

Mr. CRAMER. Mr. Speaker, I am introducing today legislation to provide for the establishment of a U.S. Diplomatic Academy. This bill represents considerable study and thought and was ready for introduction just before the sad events of this week when death came to our great Secretary of State, John Foster Dulles.

Therefore, if a diplomatic academy is created by Congress, I now suggest that the name of this new institution should be "The John Foster Dulles Diplomatic Academy for Peace."

Eulogies for Mr. Dulles were many but I think that our revered Chaplain, in well-chosen words during his prayer at the opening of the session on Wednesday, stated the purposes for which John Foster Dulles lived and died. I would like to repeat a portion of this prayer but not as a prayer. I repeat it as a guide for the conduct of our American people and our Nation. The Reverend Braskamp said:

> Grant that through the discipline of hard experiences and trying circumstances we may learn the needed lessons of patience and perseverance.
>
> May we never yield to moods of defeatism and despair and allow our energies and resources to be weakened and dissipated by fears and anxieties.
>
> Give us the unfaltering confidence that there is a moral and spiritual power in the universe which is working for righteousness and justice, however seemingly frail and feeble our own human efforts and achievements.

Mr. Dulles knew, perhaps better than any living man, the ever present danger that we face from an alien scheme of life. He was worried that we were not devoting our full energy as we should have to fight back against the subversive weapons used by the Leninists of today.

Mr. Dulles commented in the very last two paragraphs of his book "War and Peace":

> There may come a time in the life of a people when their work of creation ends. That hour has not struck for us. We are still vital and capable of great endeavor. Our youth are spirited, not soft or fearful. Our religious heritage and our national tradition are not forgotten.
>
> If our efforts are still inadequate, it is because we have not seen clearly the challenge and its nature. As that is more clearly revealed, we shall surely respond. And as we act under the guidance of a righteous faith, that faith will grow until it brings us into the worldwide fellowship of all men everywhere who are embarked on the great adventure of building peacefully a world of human liberty and justice.

Many people in my State of Florida have been thinking very seriously about the effectiveness of the resistance we offer to the worldwide spread of communism. Perhaps the first forward step was taken at a Kiwanis meeting in Orlando, Fla. This grew into a movement, in turn, for the establishment of a freedom academy and a freedom commission. Companion bills to create these new Government-sponsored movements were introduced by my Florida colleague Mr. HERLONG, and by my fellow Republican Congressman, Mr. JUDD, of Minnesota, whose advice on matters pertaining to foreign affairs is respected on both sides of the aisle in this House. Both Mr. HERLONG and Mr. JUDD, as well as the late Secretary of State, were familiar with a study published in January of 1952 by the Rand Corporation called "The Organizational Weapon," which reported as follows:

> The Communists are winning because they have developed a new form of power struggle, a new dimension of political warfare, which makes it possible for them to get to the people in each target nation and to control or manipulate them in ever-increasing numbers in the interest of the Soviets. As long as the Communists can do this and we cannot counteract it, our own diplomacy and aid programs will be largely undercut, while those of the Soviet Union and Red China will achieve success all out of proportion for the money spent.

In principle, I subscribe wholeheartedly to the objective of the Freedom Commission and Academy legislation to counteract the Communist organizational weapons, but I am convinced that we must add the positive action of providing a general diplomatic training school in which our future diplomats can learn in a few years some of what John Foster Dulles learned and techniques in diplomacy he developed in a lifetime. He had no opportunity to go to one source, to one fountainhead of general diplomatic learning, to fit himself for his task. I think we learned our lesson in not providing such training in the great loss that this Nation sustained during the past week. We must move ahead and move ahead now without undue delay.

In my district of Florida, many people have been concerned with the problem of combating the organizational weapons of communism. John Foster Dulles has pointed the way with the accuracy of a bombsight. Without further delay

the U.S. Department of State should be authorized to establish a diplomatic school modeled after our service academies. The school can be started at once to counteract the Communists and to train free-world diplomats to carry the message of peace aggressively to all peoples in all lands.

Consequently, I urge that Congress take fast action on this subject and authorize immediately the creation of the John Foster Dulles Diplomatic Academy for Peace.

In the Rand study on the organizational weapon, I find this statement—page 8:

"The proletariat has no other weapon in the fight for power except organization * * * the proletariat can become and inevitably will become a dominant force only because its intellectual unity created by the principles of Marxism is fortified by the material unity of organization which welds millions of toilers into an army of the working class." This stress on organization is the kernel of Lenin's entire viewpoint; it is an emphasis that provides a threat of consistency through the variations in Communist political warfare.

As to our present ineffectiveness, let me quote from an editorial in a recent issue of Life magazine:

The gap lies between our military preparedness at one end and our conventional diplomacy at the other. On this wide and surging front we presently deploy a few smidgens of propaganda, economic aid, and covert intelligence activities. To the Communists, on the other hand, this is the most important front of all. Throughout it, and in depth, they deploy all those techniques of political warfare, both overt and covert, which are the day-and-night work of the world's Communist parties and which were known to Lenin, their inventor, as "the organizational weapon."

This weapon, with and without the help of military threats, is chiefly responsible for all the gains the Communists have made since World War II.

My bill provides that the curriculum "shall include the education and training of students at the Academy concerning all aspects of the international Communist conspiracy, and the education and training of such students in the science of the counteraction to the international Communist conspiracy, to the end that such students can be more useful to their Government in defeating the international Communist conspiracy," but, primarily, it also "shall be designed to meet the present and anticipated needs of the United States for adequately trained officers and employees in the diplomatic service of the United States."

Therefore, my bill encompasses the type of studies to counteract communism that are suggested by the proponents of the freedom academy proposal but it further provides for training in the academy in the basic sciences of diplomacy and it insures that this Nation would have an adequate supply of trained diplomats and consular personnel to serve in one of the most noble and most important professions so far as the long-range future welfare of the United States as well as the free nations and the world is concerned. It has been my belief for some time that there is no excuse, for instance, for sending personnel to a foreign country who are not equipped to speak the language of the country and who do not have a full understanding of the history of the country and the thinking of the people to which they are assigned. The Academy, in conjunction with the Department of State and other agencies of the Government, could see that this vacuum is filled through matriculation in the Academy. The Academy, of course, could also provide for graduate courses in the future for special training when such training is deemed necessary and special jobs have to be done.

The waging of the peace should be our paramount effort and, as such, certainly deserves at least the devotion of equal attention and resources as does the preparation for war. There are presently five service schools—Army, Navy, Air Corps, Merchant Marine, and Coast Guard—to make sure that our trained personnel are available should war be necessary. It is inexcusable to me that an equal effort is not being put forth to prepare for the waging of an equally aggressive battle on the peace front throughout the world.

Minority Report on Public Power From Atomic Sources

EXTENSION OF REMARKS
OF
HON. FRANK T. BOW
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 28, 1959

Mr. BOW. Mr. Speaker, so that the Members may have a more complete understanding of the issues raised by the gentleman from Iowa and others concerning the testimony of Secretary of Commerce Strauss during consideration of the second supplemental appropriation bill, 1957, and in support of the letter and statement I have previously presented to the House on this subject, I include with my remarks the minority report on this bill:

MINORITY REPORT, 84TH CONGRESS, 2D SESSION, HOUSE OF REPRESENTATIVES, REPORT NO. 2849, SECOND SUPPLEMENTAL APPROPRIATION BILL, 1957

We find ourselves unable to support a report, the conclusions in which are not in accord with the testimony. We cannot approve printed hearings, from which pertinent testimony has been omitted, or which has been molded to meet a desire to make a case, irrespective of the evidence, in favor of public power from atomic sources. We oppose committing the Government to spend large amounts of money which would otherwise be spent by private industry; and to building reactors in various parts of the world before we have established the relative merits of these reactors by continued research in the United States. We are unwilling to jeopardize the security of our own Nation by spreading our scientists, our industrial know-how, and our own recognized thinly over so great an area as the report advances in a critical field, prematurely and contemplates. Evidence submitted before this committee, as well as at Geneva, indicates this Nation is ahead of all other nations in the development of atomic energy for peaceful uses, as it is for the demands of atomic powered war. We want to keep the United States in this position.

We believe the proposed crash program, supported by only one member of the Atomic Energy Commission (in opposition to the considered judgment of the other four members, and of skilled scientists and technicians on the Commission's staff) is intended deliberately to open the door for Federal domination and control of atomic power. This would be a long step toward the complete socialization of the electric utility industry, at a tremendous cost to the taxpayers.

Senator GORE, of Tennessee, who is one of the sponsors of the legislation which would authorize this "crash" program is quoted by the Evening Star of Washington, D.C., in the issue of Wednesday, July 18, 1956, as saying, regarding the bill, that "he regards its provisions for Government construction of atomic power plants as one of the keystones of a four-point public power program he expects the Democrats to spell out in their platform at the party's Chicago convention." This same article called attention to a statement, in the Senate, that President Eisenhower would veto the bill if it were passed by the House.

The Atomic Energy Act of 1954 is the law. The use of atomic energy and power, for the benefit of all the people, must be developed under the act. The declared purpose of that act was that (a) the development, use, and control of atomic energy shall be so directed so as to make the maximum contribution to the general welfare, subject at all times to the paramount objective of making the maximum contribution to the common defense and security; and (b) the development, use, and control of atomic energy shall be directed so as to promote world peace, improve the general welfare, increase the standard of living, and strengthen free competition in private enterprise.

This act became law less than 2 years ago, on August 30, 1954.

There can be little doubt that S. 4146 (H.R. 12061) upon which this "crash" program is based, represents an amendment to the Atomic Energy Act of 1954, contrary to and inconsistent with the declared policy of that act, shown in (b) above.

By no stretch of the imagination can the proposed "crash" program strengthen free competition in private enterprise.

The Atomic Energy Commission is charged with carrying out of the policy prescribed by the Atomic Energy Act of 1954. Four of the five Commissioners, accompanied by staff members, appeared before the Public Works Subcommittee of the Committee on Appropriations, from June 13 through July 3, 1956.

The record is filled with specious reasoning, and the preconceived conclusions of some members of the majority.

The objective was to justify a crash program for Federal construction of admittedly uneconomic, large and small scale atomic power plants. The facts brought out in the hearings disclose that such a crash program would hurt rather than help national program of developing the technical knowledge needed to construct and operate nuclear reactors for the production of economic electric power. More serious, however, is the detrimental effect such a crash program would have on the defense activities of the Commission, other defense activities, and of American industry.

Admiral Radford, Chairman of the Joint Chiefs of Staff, testifying on April 18, 1956 before a subcommittee of the House Appropriations committee, pointed up this shortage of competent scientific personnel for research and development work. He said:

"I have come to the conclusion that we are spending probably all the money in research

and development that we can spend to advantage. We have reached a stage where the limitation in that field is probably, a matter of competent scientific personnel available for that work.

"We can give a contract to a company for research and usually they will take it. Then we see ads in the paper where they try to hire trained men away from some other company that is producing on some other defense research program. There is a shortage. If we were to materially increase our efforts in this line I think we would cause trouble."

UNFAIR HEARINGS

One member of the Atomic Energy Commission (apparently the instigator of the crash program idea for the Federal construction of uneconomic atomic powerplants) was given almost unlimited opportunity to present his views and to insert quotations and material in the record. The present position on the part of Mr. Murray appears, from the testimony, to date only from February 23, 1956.

By contrast, Chairman Strauss, and the two other Commissioners present, were treated with unwarranted disrespect, and at times with abuse when they attempted to present facts. The three Commissioners were hindered in the presentation of their testimony, or were prevented from giving complete answers, or were denied the privilege of inserting pertinent information in the record.

An example of favoritism is shown on pages 74–78 of the hearings, where a lengthy statement by Mr. Murray was included without questions. Then, when Chairman Strauss asked permission to include a statement, representing the views of the majority of the Commission members, he was told to hand it to the clerk, and that it would be taken up in regular order. That was the last of it. (See pp. 63 and 64 of the hearings, pt. 2.)

Pages 41, 42, and 43 of the hearings, contain the major portion of a "Letter to the Editor," published in the Washington Post and Times Herald on June 25, 1956. These pages are part of the testimony of June 13, 1956. The inclusion of a letter written 10 days later, without explanation and without an opportunity for committee members to agree to its inclusion, or to question statements contained in it, is irregular. The first sentence of the letter was deliberately cut, to prevent divulging the date irregularity.

At one place (on pp. 8 and 9 of the reporter's transcript, No. 79769) there was deleted, from the published hearings, a statement and the questions of a minority member of the subcommittee, and the answers of the witness, without the knowledge and consent of that member.

There appears to us to be little question that the desire to put the Federal Government into the construction and operation of large- and small-scale atomic powerplants is part of an attempt to create a public power versus private power issue for the coming political campaign. Those concerned with this continuing movement toward the nationalization of the electric utility industry know that this poorly disguised basic intent would be futile. It would invite a veto by the President.

Curiously, ample evidence in opposition to a crash program, for the construction and operation by the Federal Government of a large number of atomic powerplants, here and abroad, can be found in an analysis of the statements of the chief proponent of this proposal, as well as in the testimony of the other AEC Commissioners, and of expert witnesses.

In the hearings (p. 362, of pt. 2) Dr. Libby testified frankly that the crash program would, in his opinion, result in drawing scientists from the work on which they were now engaged, in the Commission's carefully planned program, and spreading them thinly over the larger area contemplated in the Murray crash program, to the obvious handicap of an orderly development of such power for both civilian and military uses.

The testimony indicates repeatedly that the Commission's greatest problem is the shortage of technical manpower. With Mr. Murray's own admission (p. 339 of pt. 2) that the AEC staff now has its hands full, it is difficult to see where the additional trained engineers and scientists will come from to take on the proposed crash program. He suggests a new and additional staff in spite of constant testimony on the shortage of scientists.

We call attention to the waste of both money and manpower if we were to start building these reactors all over the world, before we have concluded the necessary research and development in this country. We would have to send technicians to the points of installation, no matter how far away these might be, every time a bug developed in one of the reactors.

Industry itself, cooperating with the Government, is engaged in research and development, leading to the exportation of reactors for foreign markets. The testimony shows a number already contemplated from these sources. As practical know-how increases, there is no reason to doubt that industry will enter this market and expand it.

The implications of the majority report are that the crash program would entail the construction of both large- and small-scale reactors, which have not yet been proven, and for which there is not yet assurance of successful or safe operation. It must be remembered that we are now appropriating money for continued research on five different types of reactors, only two of which are presently in operation on a practical scale.

The committee members who apparently wish to create a new Federal power monopoly are attempting to use the fact that private industry has not completed an atomic powerplant, and put it in operation, in the less than 2 years which have elapsed since the act was passed, to insist that the Federal Government must now step in. They know that neither industry nor Government can design and build large-size atomic reactors overnight, and that many new and technical problems must first be solved. This is a new industry in itself. They know that industry is today spending $30 million a year to develop this new industry, and plans an expenditure of almost a half-billion dollars.

Most important, these propagandists for public power monopolies know that, from the very start of the atomic age, when the Manhattan project was the most secret of all war secrets, we have depended on the manpower and the know-how of private industry, just as we should admit we must do today. Without Westinghouse, Du Pont, Dow, General Electric, and the rest of this distinguished list, there would be no bomb, and no "atoms for peace."

MISLEADING AND NONFACTUAL HEADINGS

We deplore the wide use, throughout part 2 of the AEC hearings, of headings that are not in accord with the testimony. This use of misleading and erroneous headings appears to be an effort to influence the reader to accept the interpretations and the preconceived opinions of the majority in charge of the hearings. To us, this indicates a fear, and justifiably so, that the reader would not reach the same conclusions by reading the hearings for himself.

An example will be found on page 375 of part 2. The heading reads: "President Eisenhower's Views Ratify the Approach of the Joint Committee." A few inches below, on the same page, Chairman Strauss points out that the President did not appoint the "McKinney Panel," to which reference is being made. It was appointed by the Joint Committee. The President had not expressed himself.

We call attention to specific inaccuracies in the accompanying committee report: On page 4, the statement is made that "the committee insisted that its hearings * * * be unclassified, etc." Frankly, the committee did no such thing, nor was there any need for it. We have been hearing this subject for more than 10 years, with a constant effort on the part of the Commission to provide "accurate and understandable information," and to declassify it.

On page 7, the report misinterprets the attitude of Chairman Strauss of AEC. Nothing in the testimony confirms this statement, nor does the AEC Chairman hold the opinions charged to him. The unreliability of Russian statistics is a matter of common knowledge, admitted by all AEC Commissioners, including Commissioner Murray, but the conclusion to be reached is an emphasis on the need for constant checking and observation, in addition to our own continued research.

Again, on page 7, the report states that we are 3 years behind Russia and Great Britain. The testimony before the committee, as in the conference at Geneva, is the opposite of this statement.

What the report neglects to state is that an atomic reactor does not produce electric power. The reactor is a substitute for the heat under a boiler. It may be used, among other things, to produce the steam which then operates equipment which in turn produces electric power or light. When the United States operates a reactor continuously for the length of time we have operated one in the *Nautilus*, we have in fact proven not only the design of the reactor, but our lead in this important field. To apply it to the production of electric power, to light a city for example, requires only the necessary designs and construction, and these follow in rapid and proper order, under the program submitted by the AEC.

On page 8, the report states flatly that the United States has nothing comparable to the Russian 5,000-kilowatt plant. In simple language, this is not so. The *Nautilus* and *Sea Wolf* are visible evidences of its inaccuracy. The report omits the known fact that the Russian reactor may or may not have been operating "continuously." The testimony shows it to be supported by a steam-plant tied to the same grid.

On page 9, the report states that "this Nation is bogged down in inexcusable stagnation." This statement is not correct. We have more developments, than at any time in our atomic civilian history. The big reactor and power setup at Shippingport is almost ready for operation. Planned for 60,000 kilowatts, it is now estimated to produce up to 100,000 kilowatts.

Referring to the report, on page 10, we point out that the majority members might at least try to be consistent. The report states that no nation in the world knows which type of reactor is best or safest, and then asks Congress to insist that the AEC build innumerable plants and "tie them into communities for the supply of electricity." In other words, we don't know yet just what to do, so let's go into full (and expensive) production, even if we have to spread our scientific knowledge so thin the safety of the United States may suffer. On page 13 the report states definitely that no industry "dares to take a chance." This is an untrue statement, in the face of the "chances" already being taken by industry to cooperate in the program, and the millions now being spent by industry. Contracts are concluded, or under negotiation, for atomic reactor developments with Commonwealth Edison Co., 180,000 kilowatts; Yankee Atomic Electric Co., 134,000 kilowatts; Consolidated Edison Co., 140,000 kilowatts; Detroit Edison and its

associates, fast breeder reactor over 100,000 kilowatts; Pennsylvania Power & Light Co., 150,000 kilowatts; Duquesne Light Co. and Westinghouse Electric Co. (Shippingport plant), 60,000 kilowatts or more; and numerous smaller companies and cooperatives.

On page 16 the report calls attention to the expenditure of $15 billion by the Government. We accept the figure but think the report would have been more honest if it had added that most of this was spent for weapon development, and that we spent the greater part through contractual relations with such industries as we now propose to draw into the picture in the partnership program of the AEC.

On page 16 this astonishing statement is made: "The United States * * * is not coping with these problems." How far can you get from the truth, and print such a statement in a report and still maintain the integrity of a congressional committee?

The original issue of the committee report, furnished the full committee at its meeting this morning, July 20, was so full of inaccurate, and at times almost libelous attacks of the Chairman of the Commission that several of the majority members themselves could not stomach it. We hope it will be cleaned up before it is filed with the Congress. The bitterness of the personal and untrue attacks on Commissioner Strauss, Mr. Visler, and other men who happened to disagree with the committee chairman's predecided opinions, or with the suggestions of the lone minority member of the Commission, is unequaled in the memory of minority members of this committee.

The readers of the report, at some future date, when the heat of the argument has cooled, but the report regrettably still stands as an official record, must understand that the slanderous assertions, if allowed to remain, are untrue, unfair, and unworthy of a committee whose past actions have demonstrated greatness, not pettiness, and that we not only disagree, but say to Chairman Strauss, and the other under attack, that we rank them among the great and the patriotic citizens of this Republic, willing to suffer these indignities in the service of the United States.

On page 20, the report characterizes a full-page advertisement, inserted as one part of an educational campaign, directed to the paper's readers by a group of private power companies, as misleading and ill-advised. We submit that the advertisement was not misleading, but clear and accurate, and we will not join any statement which labels, as "ill-advised," the constitutional right of any citizen or group of citizens to present their side of a controversial issue through either the editorial columns or the advertising pages of any newspaper.

We submit in conclusion, that—

There is no present lack of power in the United States.

We do not underestimate the advances in atomic knowledge made in other countries, and we are aware of them, but the United States still leads in practical research and the development of reactors. To maintain this lead, we must not waste either money or the scientists who have put us in the lead and can keep us there.

The proposed expenditure of $400 million, above the budget request, and against the majority opinion of the AEC Commissioners, is unnecessary, wasteful, and inimical to the best interest of the Nation.

The AEC is carrying on a well-considered and well-planned program, drawing in the best brains and abilities of American industry. We should not insist that these assets be spread as thin, as the bill and the appropriation proposes to spread them.

Nothing in the testimony, nor in the bill, specifies the number of reactors to be built by the United States, nor where they are to be built. We are just to start off in full flight—building them. Nor does any testimony indicate even approximately the probable cost of this "crash" program, nor the length of time it would delay the considered program now under way. Estimates have been made which place the total cost in the billions.

We oppose the inclusion of this initial $400 million, to put the Government in the public power business with atomic energy. We support the original budget request for $1,898,700,000, and are willing to accept the additional $40 million added by the committee.

JOHN TABER; BEN F. JENSEN; H. CARL ANDERSEN; IVOR D. FENTON; JOHN PHILLIPS; ERRETT P. SCRIVNER; CLIFF CLEVENGER; EARL WILSON; BENJAMIN F. JAMES; GERALD R. FORD, Jr.; EDWARD T. MILLER; CHARLES W. VURSELL; T. MILLET HAND; HAROLD C. OSTERTAG; and FRANK T. BOW.

H.R. 2729

EXTENSION OF REMARKS
OF
HON. ALVIN M. BENTLEY
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES

Thursday, May 28, 1959

Mr. BENTLEY. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I would like to insert a letter and a memorandum that I have recently sent to the members of the House Committee on Interstate and Foreign Commerce with regard to my bill, H.R. 2729. As I feel this legislation is of great interest to small business, I felt that it should be brought to the attention of this body.

The letter and memorandum follow:

MAY 26, 1959.

The Honorable OREN HARRIS,
Chairman, Interstate and Foreign Commerce Committee, New House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: I am writing this letter on the equal pricing bill, H.R. 2729, to all members of the House Committee on Interstate and Foreign Commerce in response to a request that they be informed about the measure, its mechanics, and its purposes.

There are two bases for this bill:

1. Complaints in growing numbers from independent businessmen that their manufacturer-suppliers are increasingly entering direct competition with them, either straight to consumer from factory or through factory-owned stores, at prices which the independents cannot meet, on any profitable basis.

2. Research which indicates that our present antitrust laws do not in any way afford any protections for these independent businessmen against this particular type of price discrimination.

There is ample evidence that this manufacturer direct-to-consumer or factory-owned store unfair price competition is injuring independent business people, which is set forth at length in the accompanying memorandum.

As to the second point made in the memorandum, I believe we are all in agreement with the need for such legislation as the Robinson-Patman law now on the books. This law prohibits unfair price discriminations which promote monopoly. But the fact is that while it covers relationships between manufacturers and their various classes of retailers and wholesalers, it does not cover the relationship between a manufacturer selling direct and his own independent retailers.

Mr. George J. Burger, vice president, National Federation of Independent Business had a more than 2-hour conference with the five Federal Trade Commissioners on this problem, last fall. He was told that in the Agency's opinion, the Robinson-Patman law, which aims to promote fair pricing competition, does not extend to price discriminations between manufacturers selling direct and through factory-owned stores on the one hand, and their independent dealers on the other. The plain fact is that as matters stand, so far as the independent who is being unfairly squeezed by his own manufacturer-supplier is concerned, he has no protection, and he has no hope of protection.

My own investigations confirmed this fact, and that is why I am sponsor of H.R. 2729. The one and only purpose of this bill is to afford the independent businessman the same assurances of fair, nonmonopolistic competition in his relationship with directly competing manufacturer suppliers as he already has in other respects.

I do think this bill is urgently needed, and I urge your favorable action on it so that it may become law.

Sincerely,

ALVIN M. BENTLEY,
Member of Congress.

MEMORANDUM REGARDING H.R. 2729

On March 25, 1959, Mr. James W. Cassedy, general counsel, National Auto and Flat Glass Dealers Association, spoke before this committee in support of H.R. 2729. He quoted reports from many of his group's members indicating injury from this type of factory direct competition. Here are a few of those quotes:

"Ed's Glass Shop, 739 Southwest 29th, Oklahoma City, Okla.: 'In 1956 our account with Pittsburgh Plate Glass was in excess of $17,000, but they did not think enough of my account, so in turn they solicit my accounts, selling some of them at the same price they sell auto glass shops.'

"Allentown Glass & Paint Co., 501 North Seventh, Allentown, Pa.: 'They (Pittsburgh Plate Glass) sell glass to our insurance and garage customers at the same price they sell to us who are dealers or retailers.'

"Bridgewood Auto Glass Co., 1422 Stiles, Philadelphia, Pa.: 'Pittsburgh Plate has gone into dealers and sold them bent glass at the price I buy it.' "

On March 23, Mr. Frank T. Underhill, executive director, Independent Shoeman, speaking in favor of H.R. 2729, told the committee: "My association naturally is in favor of H.R. 2729 inasmuch as (maintaining free enterprise in the shoe industry) is the very reason for Independent Shoeman's existence. It has frequently come to our attention that factory-owned or factory controlled retail outlets quite often enjoy a competitive advantage over the independent operator due to special prices, extra discounts or advertising allowances or some volume incentives. These reflect in the selling prices * * *. Testimony given in the Brown-Kinney trial (civil action No. 10,527) indicates that the practice of lower prices to factory owned or controlled stores is very much a reality by those companies engaged in dual selling."

On March 23, 1959, in my own testimony before this committee I quoted from one of my own constituents, Mr. Ron Bushey, Bushey Radiator & Auto Glass Co. of Saginaw, Mich.:

"I have been told by the manager of Pittsburgh Plate that they expect me to purchase from them between $35,000 and $40,000 of their glass, which represents about one-third of my yearly purchases, and if I didn't, they would find another outlet. Please remember that Pittsburgh is in the

retail business as my competitor. As such they have cut prices to my customers. Where I have sold to accounts for years, Pittsburgh has cut my price by 15 percent. * * * After cutting prices, Pittsburgh raised their price to me by 10 percent * * *. This is a tragic situation for us little fellows trying to survive. This great company that manufactures, wholesales, and is my supplier—is now openly trying to get all my customers for their own retail shop."

This is about the same situation as one independent tire dealer recently mentioned to Mr. George J. Burger, vice president, National Federation of Independent Business. In part, this dealer declared (I will supply his name on request):

"Since 1922 I have been a tire distributor for * * *. My business represents an investment of $365,000 in the physical plant alone, and a half a million dollars including equipment, plus my 49 years of experience in the tire business. I built this business up to a volume of $1 million a year. In recent years the unfair and discriminatory practices of the tire companies have reduced my business to where it is running at about $250,000 a year. Five years ago I had 27 employees. Today I have 12. Until 5 years ago my business was profitable. Today I am supporting my business out of my savings and investments. Last year I lost $26,000 in cash in my business, without taking out a penny for myself. In the past 8 months I have had to put $100,000 into the business. If present conditions continue I will soon be out of business. * * *

"The very tire manufacturers whose business we independent dealers helped build are now destroying our business by sending company salesmen into * * * to sell tires to our customers cheaper than our buying prices. As a volume distributor I buy tires from the manufacturer at a discount of 6 tens off the manufacturer's list price plus an additional discount of 8 percent. I know of many instances where the tire companies in recent years have sold tires to my former customers at discounts of 7 tens and even 8 tens off list price. No one of such customers buys half as many tires as I do. I am not talking about sales to national companies, which are bad enough. I am talking about local truckers and transportation companies. The tire companies will sell direct, at prices equal to and often below my cost, to anyone who has two trucks or more * * *. The situation cannot continue much longer without ruining me and other independent tire dealers."

The foregoing ties right in with an editorial which appeared recently in Super Service Station, a publication of the Irving-Cloud Publishing Co., for many years a recognized authority on the automotive aftermarket. In part, this editorial read:

"Regulation of pricing under dual marketing practices may be one bit of legislation that most independent petroleum marketers and tire dealers will agree would help their businesses by removing two of their worst griefs.

"Relief is promised in a bill (H.R. 2729) introduced in the Congress by Representative ALVIN M. BENTLEY, Republican, Michigan. It might stop one practice of which oil jobbers have been complaining for years, and equalize retail competition between gasoline and tire dealers, and their suppliers' stores.

"The Bentley bill might not affect gasoline at service stations as much as tires which, it is the belief of antitrust bill sponsors in Washington, are billed to company stores at lower prices than the prices charged other retailers. * * * The Bentley bill may not be the solution of all manufacturer-distributor-dealer price troubles, but its passage could bring considerable relief in some areas."

But getting back to the tire field, actually the conditions noted above are nothing more than a worsening of conditions found by Burger Tire Consultant Service in a survey of 4,000 independent tire dealers nationally. In signed statements (which are available to the committee for inspection), the following allegations were made, based on the operating experience of these independent businessmen:

Some 77 percent of the Goodyear dealers who replied said that prices set by manufacturers selling direct or through their own stores were so low as to deny them a chance to remain competitive and make a profit.

Some 90 percent of the Firestone dealers who replied said that prices set by manufacturers selling direct or through their own stores were so low as to deny them a chance to remain competitive and make a profit.

Some 100 percent of the Goodrich dealers who replied said that the prices set by manufacturers selling direct or through stores were so low as to deny them a chance to remain competitive and make a profit.

An average 75 percent of the foregoing dealers of all three manufacturers charged that tire manufacturers operating their own stores do not give independent dealers the same buying prices and services they offer their own outlets * * * and consequently, an average 84 percent said they knew of cases wherein tire manufacturers operating their own stores undersold their own dealers through these stores.

That is why one prominent midwestern dealer, Mr. Charles Raney, Jr., told Senate Judiciary Committee on May 21, 1954: "If I thought that the past and present trends in the (factory direct) distribution of tires were to continue without correction, I would sell my business without further consideration and attempt to obtain employment with one of the major rubber companies, because surely as time passes, there is where we dealers would eventually be if we wished to remain in the tire industry. How can I, as an independent tire dealer, hope to compete with my own suppliers, when they are attempting to make deals direct with the consumer at prices very near those that I pay and in some instances considerably below?"

With reference to the survey conducted by Burger Tire Consultant Service, you will note there is no reference in it to the U.S. Rubber Co. That was because at the time it was the policy of that firm not to operate through company stores. Actually, immediately before World War II, this firm did operate company stores. Alleged price discriminations between these stores and its own independent dealers were part of charges of unfair competition brought against it by the Federal Trade Commission. But FTC dropped these charges when informed that U.S. Rubber had closed its factory stores. You may be interested to know that several years later, U.S. Rubber told a congressional committee it was happy over this decision, because it found operating conditions better through independent dealers only. However, only recently, the firm reversed its policy on these things, and it now plans to open factory-owned retail stores once more.

Now I have mentioned testimony of the injurious nature of this type of factory direct competition with retailers in the glass, shoe, and tire industries. I have touched on evidence of its existence in the oil industry. I can assure you that it exists in other industries, such as paints and plumbing. In other words, there is ample evidence that this type of direct competition is not the problem solely of one independent in one industry, or of the independents in any single industry. It covers independents in a broad and important segment of industries, and as evidenced by reference to the United States Rubber Co. (above), and in the following testimony by George J. Burger, vice president, National Federation of Independent Business, before this committee, on March 18, 1959:

"In the retail shoe industry—as to the actual number of stores owned and operated by major shoe producers, at this moment, I do not have the estimated number but we have noted in a recent announcement in the Wall Street Journal February 6, 1959, that the General Shoe Co. proposes to open about 50 retail stores in the low-price women's shoe field, and of course it goes without saying that what this company does, others will follow."

It is a growing problem.

Furthermore, as Mr. George H. Frates, National Association of Retail Druggists, told the Senate Judiciary Committee, on May 21, 1954, while testifying in favor of S. 175, a bill to divorce tire manufacturers from retailing:

"We are in favor of passage of S. 175, which is now pending before your committee. It might seem at first blush that there is a wide variance between the retailing of automobile tires and the retailing of drugs and drug sundries, therefore, we respectfully wish to call to the committee's attention the fact that the invasion of one field, if financially successful, presupposes the entry into another area."

But suppose this problem did not exist on such a broad basis. Suppose it were limited to, say, part of only one industry. I contend this would not make it any the less deserving of our attention, or any the less actionable on our part. As Mr. George Burger, vice president, National Federation of Independent Business has said, time and again, the basic question is whether it is right for a manufacturer to be able to go into markets and, either through factory-owned stores or direct from factory, undersell his own established independent dealers, on a basis that has no necessary direct relationship to their efficiency of operations. Or, as Mr. George H. Frates, National Association of Retail Druggists, put it in his 1954 testimony:

"If a company is permitted to manufacture, distribute, and retail a given product, under our free enterprises system that act is their privilege. Our concern, however, stems from the utter unfairness of a manufacturer selling his own wares at retail for a price substantially lower than other retailers handling this same item—this applies to services as well as merchandise. We believe this manipulation is accomplished by rigged discounts and is a violation of fair dealing in the marketplace. A manufacturer who competes with his retailing distributors and engages in predatory price cutting uses the tools of a monopolist."

Address by Hon. William Jennings Bryan Dorn, of South Carolina, at the Annual Jefferson-Jackson Day Dinner of Eighth Virginia Congressional District Democrats, Charlottesville, Va.

EXTENSION OF REMARKS

OF

HON. WILLIAM M. TUCK

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 28, 1959

Mr. TUCK. Mr. Speaker, under leave heretofore granted me to extend my remarks in the CONGRESSIONAL RECORD, I am pleased to include an address delivered by our colleague, the Honorable WILLIAM JENNINGS BRYAN DORN, of South

Carolina, at the annual Jefferson-Jackson Day dinner of the Eighth Congressional District of Virginia, held at Charlottesville on May 23, 1959. The Eighth District of Virginia is represented in the House of Representatives by the distinguished dean of the Virginia delegation and chairman of the Rules Committee, the Honorable HOWARD WORTH SMITH.

The occasion attracted a very large assemblage of Democrats of the Eighth District. The Honorable Thomas H. Blanton of Caroline County, who is chairman of the Democratic State Central Committee for the State of Virginia, presided.

Congressman DORN is an able and effective speaker. He has cooperated with the Democrats of Virginia on a number of other occasions and rendered a similar service to the Democrats of the Fifth District of Virginia at a meeting held in that district, at Danville, in October 1958.

The able address of Congressman DORN was highly appropriate for the occasion and, in my opinion, will prove of interest to the Members of the Congress as well as to the public in general. The address is as follows:

Senator Blanton, Congressman SMITH, and my fellow Democrats, I am flattered and honored to be presented to you by one of the greatest Americans of our time—your own beloved Judge HOWARD SMITH, chairman of the powerful Rules Committee of the U.S. House of Representatives. Your Congressman is an American who places the welfare of his country above political expediency. He is rendering to the entire Nation the same unselfish service so typical of the early patriots of your illustrious Virginia history. Judge SMITH is recognized in the House as the leader of those of us who still believe in States rights, economy in Government, and individual liberty. Were it not for this great American, I shudder to think where our freedom and liberty might be at this very moment. We might well be under a Fascist type of complete national socialism. All of us in the Congress have been inspired by his logic and foresight, his calmness and patriotism. I congratulate you, the Democrats of the Eighth District, for your selection of this great man many years ago and your continuing support of him through the years.

May I say thank you for sharing with the entire Nation the devoted service of that stalwart champion of economy and individual liberty, your senior Senator HARRY F. BYRD. Senator BYRD upholds with honor and distinction the traditions, heritages, and philosophy of your great Commonwealth—the Mother of American Presidents. You are rightly proud of your entire delegation to the Congress for their leadership, forthrightness, and allegiance to the faith of our fathers. Under this able leadership, you are carrying on in the tradition of the men who supported George Washington, Thomas Jefferson, and the other Founding Fathers.

Virginia soil is sacred soil to all freedom-loving Americans. You gave to the Nation George Washington, the Father of our Country; James Monroe, and the Monroe Doctrine; George Mason, and his Bill of Rights; James Madison, the Father of the Constitution; Robert E. Lee, the English-speaking people's greatest military genius; Thomas Jefferson, author of the Declaration of Independence, and founder of our great Democratic Party. These great Americans and countless others you have produced contributed immeasurably to the creation of this palladium of liberty.

It is always an inspiration to visit your beautiful, cultured, and historic city of Charlottesville and to see again your charming University of Virginia, your great institution of higher learning which has always imparted to the youth of America some of the patriotism, intellectual sagacity, and love of liberty so characteristic of its founder, "the Sage of Monticello." My wife and I again paid our respects this afternoon to the memory of Thomas Jefferson at that great American shrine we all love. My mind drifted back to the Declaration of Independence when he so ably wrote, "We pledge our lives, our fortunes, and our sacred honor." My friends, we can do no less today if our great Republic is to be preserved as the arsenal of democracy, the heart and core of the free world. We have always been victorious in the war over the forces of oppression, centralization, and totalitarianism. Now, we must fight in peace as we have fought in war to preserve our basic fundamental liberties. It is just as important to save America and preserve our form of government as it was to create America, the Constitution, and the Bill of Rights.

We can and must breathe new life, vitality, and courage into the Democratic Party. Jefferson, as the founder of the great Democratic Party, was a liberal in that he believed that "the least governed are the best governed." He was a liberal when he said, "There is no danger I apprehend as much as the consolidation of our Government by the noiseless and, therefore, alarming instrumentality of the Supreme Court." He was a liberal when he expressed confidence in the people's ability to govern themselves at the local and State level. Judge SMITH is a liberal in that he believes in the time-honored principles and ideals as exemplified by Thomas Jefferson. The rest of us in the South, who have maintained a nucleus around which the Democratic Party could rise again, are liberals. We are the true liberals because we still have, during these trying times, confidence in the individual citizen. We are fighting to preserve for him his liberty and freedom. We want to safeguard his home and family from unwarranted search and seizure. We want to protect him from a Federal gestapo. We wish to preserve for him trial by jury and save for him his time-honored rights to educate his children at the local level. We have never forsaken the principles of the Democratic Party as enunciated by Jefferson. We realize that fundamental principles never change. They are the same "yesterday, today, and forever." We will not now deviate from these principles. We stand today with Thomas Jefferson, William Jennings Bryan, and John W. Davis.

It is the liberal radicals who have left the Democratic Party. It is they who have usurped the title of "liberal." They are really national Socialists, parading in the cloak of liberalism under the banner of the Democratic Party. Their philosophy is close to that of the Fascist and the collectivist in that they advocate centralized Federal authority. They look to Washington for the rectification of any and every evil. They endorse every decision of the Supreme Court. They are conformists, making every effort to brainwash the American people to their conformity. They advocate an increase in the national debt and more domestic and foreign spending. They express no confidence in the people—no confidence in local or State government by their advocacy of Washington paternalism. These radicals have repudiated the time-honored principles and ideals of the Democratic Party, principles that served the Nation and the party so well. These pseudo-liberals desire to regulate the lives of the American people from "the cradle to the grave." Their strength is censorship, special interests, agitation, political bosses and bloc voters. These national Fascists believe that only they should do the thinking and planning for the American people. Their policies have brought America to the brink of ruin. The American citizen is the victim of their unworkable schemes. These radicals now dominate, to a great extent, the policy of both great American political parties. They intend to give the American people no political choice, but they have not reckoned with the American people who are becoming aware of this socialistic plot.

The greatest threat to the American people today is inflation, the prospect of a 10-cent dollar and paper money with little purchasing power; inflation as a result of excessive spending and extravagance in government; inflation spawned by a colossal Federal debt with its stupendous annual interest; exorbitant taxation and foreign spending beyond our means; yes, and from our failure to retire the national debt during a time of unprecedented prosperity. Frankly, I fear cheap money more than I fear the Russian military might. I fear runaway inflation more than I do the Communists' probe into space or their economic war.

The history of inflation is the history of the decline and fall of great civilizations. Imperial Rome and the British Empire faltered on the road of inflation. Following World War I, inflation contributed greatly to the collapse of the German Republic, thus paving the way for the raving Hitler, his national socialism and his infamous secret police. The German housewife in 1923 had to carry a basket of paper money to purchase one loaf of bread. The frugal French people are today in a state of despair and desperation, the victims of insanity in government, the victims of wild government spending and fiscal irresponsibility. French political leaders dished out borrowed government money lavishly to their constituents and promised more and more from the government till. The result—an unbalanced budget, deficit financing and paper money. It takes 37 francs today to buy the same as one franc in 1927. The French housewife is forced to pay the equivalent of $10 for carrots, ham, potatoes, or bread that cost $1 in 1949. The hard-earned savings of the French people in the form of bank accounts, social security, veterans' pensions, unemployment and old-age insurance are all but worthless.

America is on that same road today. We are running through the same red lights. We hear the same warning sirens but, so far, we have failed to listen. The one-worlders, international spenders and radical liberals in both of our political parties would have you to believe that the answer to inflation is more inflation and more paper money. They ridicule the national debt and say "we owe it to ourselves." They accuse the Jeffersonian Democrats of being reactionary. They charge us with slowing the wheels of progress and turning back the clock to horse and buggy days. In a feeble attempt to justify their fallacious spending sprees, they point to our rising national income. They point to our increase in population and they point to the new stars in our flag.

But, oh my friends, their story is misleading. They do not tell you this—they do not compare our increase in the national debt or the increase in our budget to our gain in individual income. Our population has increased only 27 percent in 20 years. Yes, our national income has increased 673 percent in 20 years, but our Federal budget has increased 1,239 percent. The Federal budget in 1938 was $6.15 billion and today it is a staggering total of $82.4 billion. May I remind you also that our national debt of $285 billion is more than the debt of the rest of the world combined. At this fantastic rate of increase, in the near future we will be paying to the Federal Government the greater portion of our income and, unless this trend is halted, your boys and girls here in Virginia will see the collectivist

trend become a reality when they will all be working for the Federal Government or paying 80 percent of their income to that Government.

If there is any doubt about the seriousness of this hour, let me paraphrase my distinguished friend, Congressman SMITH, chairman of the Rules Committee, when he said on the floor of the House this week, "Old Uncle Sam came up with his plug hat in his hand and his stars-and-stripes coattails waving out behind him, and he said to the moneylenders: 'Please renew my note for a year.'

"Did he ask them to do it at 1¼ percent? He asked them to do it at 4 percent, and many of them did not do it; 33⅓ percent of those bondholders refused to renew your Uncle Sam's note at over three times the rate of interest of 1¼ paid last year."

This to me is a shocking state of affairs. It simply means our people are losing faith in the solvency of our country, in the soundness of our paper money. At this very moment no outstanding Government bonds are selling for one hundred cents on the dollar. There is no doubt about it—we are in a crisis, a national crisis brought on by the fallacious policies of the self-styled liberals in both political parties. We, as Democrats, can no longer blame all of these evils on a faltering administration. As a national political party, we can no longer run against that old bogeyman, the 1932 depression. We can no longer, in good conscience, run against Herbert Hoover. We must abandon this negative party policy and launch an offense against the evils of our day.

Let me remind you here tonight, my fellow Democrats, that we control the House and Senate by overwhelming majorities. Yet, we are in a serious depression, one partly of our own creation—a depression of inflation, a depression of cheap money, a depression as serious and more far-reaching than the one of the early 1930's. We must, as a party, cease celebrating our sweeping November victory and examine the future. Already I can see the distant storm clouds of political disaster. Already the rumbling and grumbling can be heard at the grassroots. The gravy train is running off the track. Payday is at hand. We, as a national party, must attack these problems with the spirit and courage of Old Hickory. If William Jennings Bryan could speak to us today he would be saying, "Do not crucify mankind upon a cross of inflation. Do not bear down upon labor a crown of unbearable taxation."

The Democratic Party should offer to the country now and to the Congress a program of tax revision, a sound dollar, a balanced budget, reduction in government spending and government bureaucracy, a tapering off of foreign aid—foreign aid which largely goes into the coffers of special interests. We must offer some incentive through depreciation and a revision of the tax structure so that American business can remain in America and alleviate the unemployment threat. We must abandon this negative foreign policy and launch an imaginative, offensive world policy based upon the Bill of Rights and the self-determination of peoples. The dollar sign must be eliminated as the symbol of our foreign policy. Many foreign policy failures are covered up by censorship and that untouchable—the bipartisan foreign policy.

Billions can be saved in our national defense program. The Democratic Party can offer consolidation of our missile programs, our four air forces. We can advocate a uniform supply system and unification of our varied defense activities. We should also explore the possibility of a single service.

We must protect American labor from unfair imports and make our trade program truly reciprocal and mutually advantageous. We have a moral obligation to offer some hope to the youth of America by a start now, however small, toward retiring the national debt. Let me remind you again that the interest on the national debt is the second largest item in our budget and is greater annually than all the expenditures of the Federal Government in the year 1940. It disturbs me greatly to see our national party only offering the American people more spending, deficit financing, and fiscal irresponsibility as a remedy for this monetary crisis. A realistic program should be offered to the American people now and in the 1960 Democratic Party platform. With it we can win. With it we will restore the confidence of the American people in the party of Thomas Jefferson.

The Federal Government holds a powerful club over the head of every American taxpayer. Our people are no longer free. They spend sleepless nights and anxious days worrying about the rapid approach of the tax deadline. No sooner are taxes paid than the housewife, small farmer, and the worker must begin keeping records, saving pennies, and looking to the next Federal demand on their income with fear and apprehension. The least we can do for the little taxpayer is to simplify tax forms and relieve him of this ceaseless anxiety.

The Government is actually losing revenue through our present tax policy. We have reached the bottom of the barrel. We are already at a point of no return. We are on a dead end street. There is no longer any incentive to expand business. There is no longer the pioneering spirit in business to take a chance and, as a result, unemployment will grow. There is no incentive for big business to expand, and little opportunity for small business to become big business. Our present tax policy, unless revised, will "kill the goose that lays the golden egg." This Congress and the Democratic Party, through a revised tax program, can encourage and bolster our economy and can thus go forward with full employment and with more revenue for the Federal Treasury.

It is past time that the Democratic Party advocate a return to the time-honored principles and ideals of our party—States rights, free local government, individual liberty, trial by jury, and local control of schools. The greatest Democratic platform ever written was the platform of 1932. It was a victorious platform. It was a sound platform. It was patriotic and appealed to the people. I commend to our national leadership a restudy and rereading of that great platform, a platform that called for a 25 percent reduction in Federal expenditures, a balanced budget, economy in Government, States rights, and individual liberty. I remind you tonight, this great platform closed with the philosophy of Thomas Jefferson—"equal rights to all, special privileges to none." Thomas Jefferson and Andrew Jackson launched the Democratic Party as the "Party of the People." They championed the cause of the small farmers, the workers, the underprivileged, and those in remote places on the frontiers of our country. These men had confidence in the people's ability to govern themselves at the local level. They respected the individual, regardless of wealth or aristocratic heritage. These fearless leaders rejected a system of special privileges. The foundation stones of Jeffersonian democracy became a sound currency, a minimum of government, States rights, and only such taxation as absolutely necessary.

If we are to continue to perform our traditional role in America as a political party, we must return to the time-honored principles that made our party stand through the years as the champion of the people and one that served our country so well. We must continue to champion the cause of the average American. Our people are crying for leadership today. We must not disappoint them. Our people are aroused over the complacency and indifference of Washington to their basic problems. They are aroused as never before. They are on the march. A political revolution is brewing. When the aged, poor, and disabled find that hard-earned social security cannot pay the house rent, and old-age insurance cannot meet the grocery bill, when those in the middle income brackets find the purchasing power of their dollar has vanished, then political unrest will be abroad in the land. The American people are going to vote—they are going to protect themselves and their children from a 10 cent dollar. They are not going to accept the platforms of 1952 and 1956, high-sounding platforms forced on the platform committee by the eggheads and pseudo-liberals. May I remind you that these platforms were overwhelmingly rejected by the people at the polls. The rank and file Democrats are not going to permit racketeers and big city bosses to dominate the Los Angeles convention. The people are going to be there. They are going to demand the bread and butter platform of a sound dollar, a reduction in the bloated Federal bureaucracy. They are going to demand job security and a fair deal for the American worker. It is going to take more than fancy jokes and five syllable words to unite the Democratic Party.

If we nominate a radical or a self-styled liberal with the same old phony platform, our presidential nominee will again be defeated. The heart and core of the Democratic Party has been the Solid South, the land of Jefferson and Jackson. For generations the South almost alone kept alive the time-honored principles and ideals of our party. We did not vote against Cleveland because he was from New York. We did not vote against Bryan because he was from the Middle West. We did not vote against Jim Cox because he was from Ohio, or John W. Davis because he was from New York, or Adlai Stevenson because he was from Illinois. In the South we do not consider sectionalism a qualification for the presidency. We voted for these men because they were great Americans and good Democrats.

On the other hand, the eggheads and liberals discriminate against southern candidates solely on the basis of sectionalism. I quote President Harry S. Truman from volume 2, page 494, of his "Memoirs":

"DICK RUSSELL * * * had the ability, integrity and honesty. He was one of the best informed men in the Senate * * * Senator RUSSELL was always able to present any problem in a clear and straightforward manner * * * I believe that if RUSSELL had been from Indiana or Missouri or Kentucky, he may very well have been the President of the United States."

Let me remind you that in the last two elections, the only electoral support Adlai Stevenson received was in the Solid South. The time has come today when the South should be recognized for its loyalty to the party throughout the years. This loyalty rewarded not with a vice presidential candidate who has little in common with the Jeffersonian and Jacksonian theories of Government, but with the presidential nominee.

The time has come for us to ask other sections of the country to cast aside prejudice and nominate as our standard bearer a man from the most democratic section of our country. With the platform of 1932 he could win. Not since 1848, when Zachary Taylor from Louisiana was nominated, has the Democratic Party nominated a man from the "land of Old Hickory" and "the Sage of Monticello." We must rescue the Democratic Party from the radicals, the Fascists and from the trend toward collectivism.

The radical liberals and Nazi-type Socialists in both national political parties are not only leading us into a Socialist pit of no return with their extravagance and waste of Federal funds, but are destroying the power of the States, usurping the rights of

our people and concentrating more power in the hands of the Federal Government, particularly the Attorney General. Again these pseudo-liberals are misleading the American people. They are setting up the machinery through which the people they claim to champion could eventually be liquidated or persecuted.

No racial persecution has ever taken place on a nationwide basis except under a powerful central government—autocratic power in the hands of one or a few men. This power is being created in America today. The rights of the States, the local communities and citizens are being taken over by this Federal autocracy. The greatest protection minority races have in America is not the Attorney General, the Supreme Court or Federal secret agents. These are instrumentalities of power that can be turned against minority races. The greatest protection minorities have, in fact their only real protection, is the States of our American Union, sovereign States with their own constitutions. It may be possible to have persecution because of race on the local level, but never on a nationwide basis as long as we maintain the sovereignty of States and free local government.

The same is true of religious persecution and trial by jury. The Spanish Inquisition was made possible by autocratic power in the hands of Philip II. The religious persecutions of Louis XIV and Adolph Hitler were perpetrated through the instrumentality of centralized power. Nikolai Lenin and Joe Stalin were able to destroy the churches of Russia and forbid religious worship only because they wielded absolute power in the Kremlin.

Thomas Jefferson said, in substance, that if there were no States at the time of the formation of the Republic, they must be created to guarantee the freedoms and liberties of our people. This continuous attack upon our States is an attack upon freedom. It is an insidious attempt to undermine individual liberty and create a totalitarian State. It is inconceivable that the American citizen will for long sit complacently and indifferently on the sidelines and watch the gradual liquidation of our Constitution, the destruction of State sovereignty and the usurpation of individual freedom by an all-powerful, ever-growing Federal plutocracy.

Congressman SMITH, your bill, H.R. 3, is a step toward preserving the constitutional power of our States from unwarranted usurpation and encroachment by the Congress and the Supreme Court. It will help preserve this Republic as we have known it. I hope it can become law at this session of Congress. I pledge you my cooperation, my every support and that of my people. We are taking our stand today beside the Founding Fathers of this Republic—George Washington, Thomas Jefferson, Madison, Monroe, and the others. Our struggle today is greater, more far-reaching and even more important than that of these early patriots. If we lose America and the free world today, we will be plunged backward 1,000 years into medieval darkness. The road to chaos and ruin is centralization and consolidation of all government in the hands of a few in Washington. To preserve our basic freedoms, guaranteed in the Bill of Rights, we must save our Constitution as written. This great document can only be preserved and passed on to coming generations by first preserving the integrity and sovereignty of our American States. Freedom of speech, trial by jury; freedom of choice; yes, freedom of the press and religious liberty can only be preserved and guaranteed by defending the rights of our States.

The South must take the lead in this crusade to save America from totalitarianism and from bankruptcy. It can be done through the Democratic Party of Jefferson. Only the South can assume this leadership because we are still free. The people of Virginia and the South can truthfully say with Thomas Jefferson when he said: "I have sworn upon the altar of God eternal hostility against every form of tyranny over the mind of man."

SENATE

MONDAY, JUNE 1, 1959

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father, God, from all the trivialities of small concerns that tire and frustrate, we turn to Thee with a sense of the immensities and the glories which surround us on the most commonplace days and ways.

We would pause at this wayside altar long enough to be reminded that what supremely counts has nothing to do with the appraisals of men or with honors and recognitions for which men contend, but has to do with what causes use us, what powers surge through us, what ideas master us before daylight fades and our little day is over.

Make us ministers of the good will which asks for itself nothing that it does not covet for the whole world, and which will not halt its growing sway until it joins all nations and kindreds and tongues and peoples into one fraternity that belts the globe.

We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, May 28, 1959, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 947) for the relief of Lenora Bent, and it was signed by the President pro tempore.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

INTERNATIONAL WHEAT AGREEMENT, 1959—REMOVAL OF INJUNCTION OF SECRECY

Mr. MANSFIELD. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from Executive E, 86th Congress, first session, the International Wheat Agreement, 1959, transmitted to the Senate today, and that the agreement, together with the report of the Acting Secretary of State, be referred to the Committee on Foreign Relations.

The PRESIDENT pro tempore. Without objection, it is so ordered, and the message from the President will be printed in the RECORD.

The President's message is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a certified copy of the International Wheat Agreement, 1959, in the English, French, and Spanish languages, formulated at the United Nations Wheat Conference which concluded at Geneva on March 10, 1959. The agreement was open for signature in Washington from April 6 to 24, inclusive, 1959. It was signed in behalf of the Government of the United States of America and the governments of 34 other countries.

I transmit also, for the information of the Senate, the report of the Acting Secretary of State regarding the agreement. Attention is invited particularly to the last two paragraphs of that report. It is my hope that the Senate will find it possible to give early consideration to the agreement so that, if the agreement be approved, ratification by the United States can be effected and an instrument of acceptance deposited by July 16.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *June 1, 1959.*

(Enclosures: (1) Report of the Acting Secretary of State; (2) International Wheat Agreement, 1959.)

CONSIDERATION OF NOMINATIONS—ORDER DISPENSING WITH CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, for the information of the Senate, the nominations on the Executive Calendar will not be taken up until later this afternoon, at the earliest.

Mr. President, I ask unanimous consent that the call of the calendar, under the rule, be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

Mr. McGEE. Mr. President, because of my deep conviction that the nomination of Lewis L. Strauss to be Secretary

of Commerce should not be confirmed, I rise today to share with my colleagues another of the numerous examples of Mr. Strauss' perfidy which is a part of the record of the recent Interstate and Foreign Commerce Committee hearings.

During those hearings, on May 7, 1959, Mr. Strauss again deliberately attempted to deceive the committee, when he denied knowledge of a communication which he, himself, had signed.

That denial was another attempt by Mr. Strauss to escape embarrassment and discomfort by taking refuge in a falsehood he hoped the committee could not detect.

On January 26, 1956, the Attorney General of the United States sent to the Department of Defense a letter setting forth his official opinion that any plans to share nuclear information with our allies should be discussed with the Joint Committee on Atomic Energy before any agreements were entered into. Simultaneously, he sent a copy of the letter to Mr. Strauss, as Chairman of the Atomic Energy Commission.

The question of whether the Atomic Energy Commission kept the Joint Committee fully and currently informed, Mr. Strauss himself termed "one of the most serious instances" of the charges against him.

So, in answer to my question with regard to the Attorney General's letter, Mr. Strauss testified during the hearings: "I should have seen it, it was a dereliction on my part not to have seen it. But I haven't seen it."

Mr. President, two facts which Mr. Strauss failed to disclose contradict that statement.

First. When called to account on this matter before our committee, he consulted AEC records overnight, and, after thus refreshing his memory advised our committee that the letter had been presented to the Commission on January 27, 1956, while he was out of the country, in Havana. The committee would have been misled by that half-truth if a letter from the present Chairman of the Atomic Energy Commission, Mr. John McCone, had not been presented. It revealed that, in addition to the January 27 meeting, there had been another meeting, 6 days later, on February 2, 1956, at which the letter was discussed and at which AEC records prove Strauss to have been present.

Second. Despite the categorical statement that he had not seen the Attorney General's letter, Mr. Strauss, acting at the request of members of the Committee on Atomic Energy, sent a copy of that letter, accompanied by a letter he himself had signed, to the Joint Committee on Atomic Energy on June 29, 1956. In light not only of the February 2 meeting at which Strauss was present, but also of his letter to the Joint Committee on June 29, Strauss was proved deceitful again. This was no mere dereliction on his part. It was a brazen attempt to hoodwink a committee of the U.S. Senate.

Mr. President, a man who attempts deception of a committee of the Congress should not be trusted to carry out the will of Congress as Secretary of Commerce.

Mr. President, I ask unanimous consent to have printed in the RECORD immediately following my remarks excerpts from the transcript of the Strauss hearings which bear upon this statement.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

Letter from Attorney General of the United States read into record of Interstate and Foreign Commerce Committee hearings on the nomination of Lewis Strauss as Secretary of Commerce on May 4, 1959 (pp. 717–718) (letter dated January 26, 1956):

"In view of the sensitive subject matter here involved and its apparent importance, I believe that, in this instance, the matter should be discussed with the Joint Committee before the agreements are entered into This, presumably, would be undertaken in an informal basis in the interest of ascertaining preliminarily the views of the committee and, at the same time, permitting the committee to become aware of proposed developments in the field of international cooperation which might have significant effects upon the atomic energy program."

Excerpts of testimony before the Interstate and Foreign Commerce Committee hearing on the nomination of Lewis Strauss as Secretary of Commerce May 7, 1959 (pp. 1159–1160):

"Senator MCGEE. You mentioned, Admiral, that the first time you had ever seen the letter or knew about it was when it was in the record?

"Mr. STRAUSS. The first time that I can recollect ever having had any acquaintance with the letter was the occasion, was it yesterday or the day before, and as I say, the letter was received, it was written on the 26th of January, it was received on the 27th in the Commission. It was discussed in a Commission meeting on the 27th. I had left for Havana.

Letter from Lewis L. Strauss, Chairman of the AEC, dated June 29, 1956, to Senator PASTORE, read into record of hearings on Mr. Strauss as Secretary of Commerce held May 14, 1959 (p. 1713):

"DEAR SENATOR PASTORE: We recently discussed with the Subcommittee on Agreements for Cooperation, proposed amendments to the respective agreements for cooperation with the United Kingdom and Canada which would permit the exchange of information on military reactors with these nations. In connection with these discussions, the subcommittee requested copies of a letter on this subject dated January 26, 1956, from the Attorney General to the Secretary of Defense. We have consulted with the Department of Defense and enclose two copies of the letter dated January 26, and two copies of a letter dated June 13, 1955, from the Attorney General to the Secretary of Defense on the same subject.

"Sincerely yours,

"LEWIS L. STRAUSS,
"Chairman."

Letter from John A. McCone, Chairman, Atomic Energy Commission, dated May 11, 1959, read into record of hearings on Mr. Strauss as Secretary of Commerce held May 14, 1959 (pp. 1714–1715):

"DEAR SENATOR ANDERSON: This responds to the oral inquiry from the Joint Committee staff as to the sequence of certain events regarding the letter of the Attorney General to the Department of Defense dated January 26, 1956, concerning the exchange of information on military reactors with the United Kingdom.

"By letter of January 26, 1956, the Attorney General transmitted to the Chairman of the Atomic Energy Commission a copy of his letter to the Department of Defense. This correspondence was circulated for the information of the Commission on January 27. At a Commission meeting on February 2, 1956, the AEC General Counsel discussed certain aspects of the Attorney General's opinion. Commission records reflect that Mr. Strauss attended this meeting.

"Sincerely yours,

"JOHN A. MCCONE,
"Chairman."

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

AMENDMENT OF SECTION 602 OF AGRICULTURAL ACT OF 1954

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend section 602 of the Agricultural Act of 1954 (with an accompanying paper); to the Committee on Agriculture and Forestry.

REPORT ON OVEROBLIGATION OF AN APPROPRIATION

A letter from the Acting Secretary of Defense, transmitting, pursuant to law, a report on the overobligation of the appropriation "Military Personnel, Air Force, 1958" (with an accompanying report); to the Committee on Appropriations.

VALIDATION OF PAYMENT OF FAMILY SEPARATION ALLOWANCES TO MEMBERS OF UNIFORMED SERVICES

A letter from the Acting Secretary of Defense, transmitting a draft of proposed legislation to validate the payment of family separation allowances to members of the uniformed services (with an accompanying paper); to the Committee on Armed Services.

FEDERAL HOME LOAN AMENDMENTS OF 1959

A letter from the Chairman, Federal Home Loan Bank Board, Washington, D.C., transmitting a draft of proposed legislation to amend the Federal Home Loan Bank Act, the Home Owners' Loan Act of 1933, and title IV of the National Housing Act, and for other purposes (with accompanying papers); to the Committee on Banking and Currency.

PAYMENT TO GOVERNMENT OF JAPAN

A letter from the Acting Secretary of State, transmitting a draft of proposed legislation to authorize a payment to the Government of Japan (with an accompanying paper); to the Committee on Foreign Relations.

AUDIT REPORT ON FEDERAL HOUSING ADMINISTRATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Federal Housing Administration, Housing and Home Finance Agency, fiscal year 1958 (with an accompanying report); to the Committee on Government Operations.

REPORT ON REVIEW OF BUFFALO (N.Y.) MUNICIPAL HOUSING AUTHORITY

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of the Buffalo Municipal Housing Authority, Buffalo, N.Y., Public Housing Administration, Housing and Home Finance Agency, dated May 1959 (with an accompanying report); to the Committee on Government Operations.

AUDIT REPORT ON ALEXANDER HAMILTON BICENTENNIAL COMMISSION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Alexander Hamilton Bicentennial Commission, for the period August 20, 1954, through April 30, 1958 (with an accompanying report); to the Committee on Government Operations.

ECONOMIC AND TECHNICAL ASSISTANCE PROGRAM FOR PAKISTAN

A letter from the Comptroller General of the United States, transmitting a copy of his

letter, dated May 28, 1959, to the Acting Director, International Cooperation Administration, setting forth his views relating to his report, dated March 31, 1959, on examination of the economic and technical assistance program for Pakistan (with an accompanying paper); to the Committee on Government Operations.

AUDIT REPORT ON COMMODITY CREDIT CORPORATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Commodity Credit Corporation, Department of Agriculture, fiscal year 1958 (with an accompanying report); to the Committee on Government Operations.

REPORT OF EXAMINATION OF AIR FORCE CONTRACTS WITH GENERAL PRECISION LABORATORY, INC., PLEASANTVILLE, N.Y.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the examination of negotiation of target prices under Department of the Air Force contracts with General Precision Laboratory, Inc., Pleasantville, N.Y., dated May 1959 (with an accompanying report); to the Committee on Government Operations.

PROJECT PROPOSAL UNDER SMALL RECLAMATION PROJECTS ACT OF 1956

A letter from the Secretary of the Interior, transmitting, pursuant to law, a project proposal in the Jackson Valley Irrigation District, at Ione, Calif., under the Small Reclamation Projects Act of 1956 (with accompanying papers); to the Committee on Interior and Insular Affairs.

REPORT ON PROVISION OF AVIATION WAR-RISK INSURANCE

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report on the provision of aviation war-risk insurance, as of March 31, 1959 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

AMENDMENT OF SECTION 4488 OF THE REVISED STATUTES, RELATING TO REGULATIONS GOVERNING CERTAIN EQUIPMENT ABOARD VESSELS

A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to amend section 4488 of the Revised Statutes, as amended, to authorize the Secretary of the Department in which the Coast Guard is operaing to prescribe regulations governing lifesaving equipment, firefighting equipment, muster lists, ground tackle, hawsers, and bilge systems aboard vessels, and for other purposes (with an accompanying paper); to the Committee on Interstate and Foreign Commerce.

AMENDMENT OF SECTION 7 (5 U.S.C. 341 f), RELATING TO ACQUISITION OF CERTAIN LAND

A letter from the Attorney General, transmittting a draft of proposed legislation to amend section 7 of the act of July 28, 1950 (ch. 503, 64 Stat. 381; 5 U.S.C. 341 f), to authorize the Attorney General to acquire land in the vicinity of any Federal penal or correctional institution when considered essential to the protection of the health or safety of the inmates of the institution (with an accompanying paper); to the Committee on the Judiciary.

NOTICE OF APPLICATIONS FOR INTERLOCUTORY RELIEF AGAINST ORDERS OF CERTAIN ADMINISTRATIVE AGENCIES

A letter from the Director, Administrative Office of the U.S. Courts, Washington, D.C., transmitting a draft of proposed legislation to provide for reasonable notice of applications to the U.S. courts of appeals for interlocutory relief against the orders of certain administrative agencies (with an accompanying paper); to the Committee on the Judiciary.

COLOR ADDITIVE AMENDMENTS OF 1959

A letter from the Secretary, Department of Health, Education, and Welfare, transmitting a draft of proposed legislation to protect the public health by amending the Federal Food, Drug, and Cosmetic Act so as to authorize the use of suitable color additives in or on foods, drugs, and cosmetics, in accordance with regulations prescribing the conditions (including maximum tolerances) under which such additives may be safely used (with accompanying papers); to the Committee on Labor and Public Welfare.

WELFARE AND PENSION PLANS DISCLOSURE ACT AMENDMENTS OF 1959

A letter from the Acting Secretary of Labor, transmitting a draft of proposed legislation to amend the Welfare and Pension Plans Disclosure Act, and for other purposes (with accompanying papers); to the Committee on Labor and Public Welfare.

AUTHORIZATION OF CERTAIN APPROPRIATIONS FOR ATOMIC ENERGY COMMISSION

A letter from the Chairman, U.S. Atomic Energy Commission, Washington, D.C., transmitting a draft of proposed legislation to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes (with an accompanying paper); to the Joint Committee on Atomic Energy.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Administrator, General Services Administration, Washington, D.C., transmitting, pursuant to law, a report of the Archivist of the United States on records proposed for disposal under the law (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The President pro tempore appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

Two joint resolutions of the Legislature of the State of Nevada; to the Committee on Interior and Insular Affairs:

" 'SENATE JOINT RESOLUTION 1

" 'Joint resolution memorializing the Congress of the United States to repeal the Pittman Act, and to amend the Desert Land Act by eliminating the exception of the State of Nevada from the provision that no person shall be entitled to make entry on desert lands unless he be a resident of the State in which the land is located

" 'Whereas the Pittman Act, enacted in 1919, is a law specifically designed to encourage reclamation in only certain arid lands in the State of Nevada; and

" 'Whereas the purpose for which the law was enacted no longer exists; and

" 'Whereas under a provision of the Desert Land Act, Nevada is the only State in the Union wherein an applicant for land entry need not be a resident of the State; and

" 'Whereas the Pittman Act and the Desert Land Act are now being used by unscrupulous speculators and nonresident promoters to take advantage of unsuspecting residents of Nevada and other States of the Nation; and

" 'Whereas a great many of the land entries under the Pittman Act and the Desert Land Act are ill advised with respect to quality of soils, limited ground waters, economic location, and other factors basic to success and are later abandoned; and

" 'Whereas the clearing and cultivation activities on such later abandoned entries destroy the native vegetation, open the land surface to wind and water erosion and invite invasion by poisonous weeds; and

" 'Whereas the administration of a program by the U.S. Bureau of Land Management to assure proper resource management and development of long-term economic stability over the vast federally owned lands in Nevada is greatly hampered by unwise entries under the Pittman Act and the Desert Land Act entries; and

" 'Whereas the unwise entries under the Pittman Act and the Desert Land Act present grave danger to the present water control system on many established farms and ranches in Nevada: Now, therefore, be it

" '*Resolved by the Senate and Assembly of the State of Nevada (jointly)*, That the Congress of the United States is hereby urged to repeal the Pittman Act, being 43 United States Code, sections 351–360, and to amend a section of the Desert Land Act, being 43 United States Code, section 325, by eliminating the exception of the State of Nevada from the provision that no person shall be entitled to make entry on desert lands unless he be a resident of the State in which the land is located; and be it further

" '*Resolved*, That a certified copy of this resolution be prepared and transmitted forthwith by the legislative counsel to the Vice President of the United States, the Speaker of the House of Representatives and to each Member of the State of Nevada's congressional delegation.'

"Adopted by the senate, February 4, 1959.

"REX BELL,
"President of the Senate.
"LEALA H. WOHFEIL,
"Secretary of the Senate.

"Adopted by the assembly, February 24, 1959.

"CHESTER S. CHRISTENSEN,
"Speaker of the Assembly.
"NATHAN T. HURST,
"Chief Clerk of the Assembly."

" 'SENATE JOINT RESOLUTION 4

" 'Joint resolution memorializing the Congress of the United States to prepare adequate State water rights legislation

" 'Whereas depite repeated congressional recognition in many statutes, such as the Federal Power Act, the Desert Land Act, and, more recently, the Water Supply Act of 1958, that the States have and should have the primary interest and responsibility for the control and coordination of water use, a series of judicial decisions in the last decade and a half has cast some doubt on the authority of the States to perform their appropriate tasks in this field, and has suggested the possibility of unlimited Federal prerogatives concerning water which casts doubt on the basis of vested water rights and weakens the ability of the States successfully to coordinate water development; and

" 'Whereas factors involved in water development are peculiarly dependent on local geography, climate, and economic needs and are consequently best handled within our Federal system by the State level of government; and

" 'Whereas the traditional role of the States in the administration, conservation and utilization of their water resources has led in the direction of optimum harmonious development of these water resources; and

" 'Whereas Federal agencies which have complied with State water laws in obedience to the expressed intent of Congress have not thereby jeopardized any of the legitimate interests of the Federal Government; and

" 'Whereas doubts raised by these judicial decisions as to the basis of vested water

rights, present and future, and doubts as to the relationships between the Federal and State Governments will, without corrective congressional action, tend to delay much needed water development for an indefinite time and discourage the States in their efforts to make such needed improvements in their facilities for water resource planning and development: Now, therefore, be it

"'*Resolved by the Senate and assembly of the State of Nevada, jointly,* That the Congress of the United States is hereby memorialized to enact legislation in unmistakable and effective terms to provide that the States have primary responsibility and authority for the administration and development of water resources within their boundaries; that such law be so clear and unambiguous as to be incapable of evasion by either executive order or judicial interpretations; and that such law require every agency, permittee, licensee, and employee of the Federal Government, as a condition precedent to the taking or use of any water, to acquire a right to the use thereof in conformity with State laws and procedures relating to the control, appropriation, use or distribution of such water; and be it further

"'*Resolved,* That the Congress of the United States is hereby memorialized to enact legislation defining the waters originating on federally owned or controlled lands which contribute to flowing or moving surface or ground waters, and thereby eliminate the doubts created by recent judicial decisions, and clarify the relations of the Federal and State Governments in the water field, so as to minimize litigation and delays and allow water development by the Federal and State Governments to proceed on a harmonious basis; and be it further

"'*Resolved,* That certified copies of this resolution be prepared and transmitted forthwith by the legislative counsel to the President of the United States, Vice President of the United States, Secretary of the Interior, Secretary of Agriculture, Speaker of the House of Representatives and each member of Nevada's congressional delegation.'

"Adopted by the senate February 12, 1959.

"REX BELL,
"President of the Senate.
"LEALA H. WOHLFEIL,
"Secretary of the Senate.

"Adopted by the assembly March 4, 1959.

"CHESTER S. CHRISTMAN,
"Speaker of the Assembly.
"NATHAN T. HURST,
"Chief Clerk of the Assembly."

A joint resolution of the Legislature of the State of Nevada; to the Committee on Labor and Public Welfare:

"'ASSEMBLY JOINT RESOLUTION 14

"'Joint resolution memorializing the Congress of the United States to grant Federal loans to needy students for graduate studies and providing for repayment over 20 years

"'Whereas numbers of our young people are prevented from pursuing graduate courses of study because of lack of funds; and

"'Whereas in the interest of national defense the Federal Government would profit from increased education for certain students: Now, therefore, be it

"'*Resolved by the Assembly and Senate of the State of Nevada, jointly,* That the Congress of the United States be, and the same hereby is memorialized to authorize Federal loans to needy college or university students for the pursuit of graduate studies when the following conditions are met: Need for such assistance; and graduation from a basic college course, and certification by the college that the student is qualified for higher training; and repayment, with interest, over a 20-year period; and be it further

"'*Resolved,* That certified copies of this resolution be forwarded by the Legislative Counsel to the President of the Senate, the Speaker of the House of Representatives, and each member of the Nevada congressional delegation.'

"Adopted by the senate March 14, 1959.

"REX BELL,
"President of the Senate.
"LEALA H. WOHLFEIL,
"Secretary of the Senate.

"Adopted by the assembly March 5, 1959.

"CHESTER S. CHRISTENSEN,
"Speaker of the Assembly.
"NATHAN T. HURST,
"Chief Clerk of the Assembly."

A resolution adopted by the Long Island Federation of Women's Clubs, Inc., at Rockville Center, N.Y., favoring the restoration of a sound fiscal policy; to the Committee on Appropriations.

A resolution adopted by the Official Board of the Methodist Church, of Slingerlands, N.Y., protesting against the recognition of Red China and its inclusion in the United Nations; to the Committee on Foreign Relations.

The petition of D. C. Kent, of Wilmington, N.C., praying for the enactment of legislation to provide more statisticians in cancer research; to the Committee on Labor and Public Welfare.

A letter, in the nature of a memorial, from the J. J. Jones General Fire Insurance Agency, Coolidge, Ariz., signed by J. J. Jones, remonstrating against the activities of certain union bosses against the United States; to the Committee on Labor and Public Welfare.

A resolution adopted by the West Valley Associated Chambers of Commerce, Woodland Hills, Calif., favoring the enactment of legislation to continue the construction of the National System of Interstate and Defense Highways; to the Committee on Public Works.

A resolution adopted by the Colorado State Highway Commission, favoring the enactment of legislation to continue the construction of the National System of Interstate and Defense Highways; to the Committee on Public Works.

A resolution adopted by the Municipal Board of the City of Dumaguete, Philippine Islands, expressing thanks to certain persons and organizations for their active participation in the promotion of international good will; ordered to lie on the table.

CONCURRENT RESOLUTION OF SOUTH CAROLINA LEGISLATURE

Mr. JOHNSTON of South Carolina. Mr. President, on behalf of myself and the junior Senator from South Carolina [Mr. THURMOND], I present for appropriate reference, a concurrent resolution of the General Assembly of South Carolina memorializing Congress to request the Government department administering social-security benefits to liberalize the requirements for such benefits, or to enact suitable legislation effecting this end.

There being no objection, the concurrent resolution was referred to the Committee on Finance, and, under the rule, ordered to be printed in the RECORD, as follows:

CONCURRENT RESOLUTION MEMORIALIZING CONGRESS TO REQUEST THE GOVERNMENT DEPARTMENT ADMINISTERING SOCIAL-SECURITY BENEFITS TO LIBERALIZE THE REQUIREMENTS FOR SUCH BENEFITS, OR TO ENACT SUITABLE LEGISLATION EFFECTING THIS END

Whereas the General Assembly believes that there are many citizens of the entire country below the age of 65—when the benefits of social security become automatic for those who have made the required payments—who have contributed to social security for many years and find themselves disabled physically to such an extent that they are unable to earn a living, yet are not disabled to such an extent as to satisfy the Social Security Administration and to bring them within the provisions of the statutes governing social security; and

Whereas the General Assembly believes that the requirements of the Social Security Administration should be liberalized either through regulations issued by such administration or by laws of Congress so as to make possible the enjoyment of the benefits of the system by many worthy persons who are below the age of 65 and yet who have contributed faithfully to the social-security system and who are disabled to such an extent that they cannot earn a respectable living for themselves and their families: Now, therefore, be it

Resolved by the Senate, the House of Representatives concurring, That the Congress of the United States is hereby memorialized to request the Social Security Administration to liberalize its requirements for disability so as to enable worthy citizens below the age of 65 to enjoy the benefits of the system to which they have faithfully contributed over a period of many years; or to enact suitable legislation effecting this end whichever the Congress deems right and proper; be it further

Resolved, That a copy of this resolution be forwarded to the Clerk of each House of the U.S. Congress in Washington and to each U.S. Senator from the State of South Carolina and each Member of the House of Representatives of Congress from this State.

The PRESIDENT pro tempore laid before the Senate a concurrent resolution of the Legislature of South Carolina identical to the foregoing, which was referred to the Committee on Finance.

EGG PRICES—LETTER

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter which I have received in regard to the price of eggs in the Midwest. For the fifth time—one, two, three, four, five—for the fifth time, Mr. President, I have brought to the attention of this body the fact that the farmers in that area are receiving 16, 17, or 18 cents a dozen for their eggs—which, on the basis of the 50-cent dollar, means 8 or 9 cents a dozen, I have asked, time and time again, that this matter be brought to the attention of the Committee on Agriculture and Forestry and to the attention of the Secretary of Agriculture. I want to do so once more; therefore, I ask unanimous consent that the letter be printed in the body of the RECORD, and also be appropriately referred.

There being no objection, the letter was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

MINOT, N. DAK., May 22, 1959.

HON. WILLIAM LANGER,
U.S. Senator, Washington, D.C.

DEAR MR. LANGER: In regards to the egg situation. What do you think of the low prices on eggs sold to retail stores? Do you think they (retail stores) have to make a 12- to 15-cent profit per dozen on eggs—delivered to the store by the farmer-producer and all other consumer goods are up?

At the present price of eggs we have a hard time to make expenses.

The workingman or consumer could buy more eggs if there were only an 8-cent profit or one-half the increase in price. We receive 22 cents in trade and they sell out for 35 cents and more. No. 1 eggs Minot, 22 cents in trade at the store. The Western States seem to hold the egg price up.

ABEL BEATON.

TRANSFER OF CERTAIN FUNDS IN DEPARTMENT OF AGRICULTURE APPROPRIATION BILL—TELEGRAM

Mr. LANGER. Mr. President, I ask unanimous consent that a telegram, received by me, from Ethel Heising, director of the North Dakota State lunch program, relating to the transfer of certain funds in the Department of Agriculture appropriation bill, may be printed in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

BISMARCK, N. DAK., *May 30, 1959.*

SENATOR WILLIAM LANGER,
Washington, D.C.:

Understand school lunch will be discussed on the Senate floor Monday wish to urge that the $43 million to be transferred from section 32 either be used as cash reimbursement or be given clear mandate to use transferred funds to purchase section 6 food early in the year unless clear mandate is given money will probably be spent in the late year for section 31 (32) items such as dried eggs purchased last year.

ETHEL HEISING,
Director, State Lunch Program.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. RUSSELL, from the Committee on Armed Services:

James A. Kelly, and Peter S. VanNort, midshipmen (Naval Academy), to be ensigns in the restricted line of the Navy;

Daniel E. Ralston, midshipman (Naval Academy) to be an ensign in the Supply Corps of the Navy;

Richard M. Krol (Naval Reserve Officers' Training Corps) to be an ensign in the line of the Navy;

Alan G. Brown (Naval Reserve Officers' Training Corps) to be an ensign in the Supply Corps of the Navy;

Arthur E. Archambault, Naval Academy graduate, for permanent appointment to the rank of second lieutenant in the Marine Corps; and

Robert M. Hall, Army Reserve Officers' Training Corps, for permanent appointment to the rank of second lieutenant in the Marine Corps.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. PROXMIRE:

S. 2081. A bill for the relief of Yadwiga Boczar; to the Committee on the Judiciary.

By Mr. PROXMIRE (for himself and Mr. WILEY):

S. 2082. A bill to provide for the issuance of nonquota immigrant visas to certain aliens; to the Committee on the Judiciary.

By Mr. KEATING (for himself, Mr. ALLOTT, Mr. BEALL, Mr. BUSH, Mr. CAPEHART, Mr. CASE of New Jersey, Mr. JAVITS, Mr. PROUTY, and Mr. SCOTT):

S. 2083. A bill to abolish mandatory capital punishment in the District of Columbia; to the Committee on the District of Columbia.

(See the remarks of Mr. KEATING when he introduced the above bill, which appear under a separate heading.)

By Mr. GOLDWATER:

S. 2084. A bill for the relief of Tam Sui Wah; to the Committee on the Judiciary.

By Mr. KERR (for himself and Mr. MONRONEY):

S. 2085. A bill to authorize the use of funds arising from a judgment in favor of the Kiowa, Comanche, and Apache Tribes of Indians of Oklahoma and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ALLOTT (for himself and Mr. CARROLL):

S. 2086. A bill to provide for the establishment of a National Wildlife Disease Laboratory; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. Allott when he introduced the above bill, which appear under a separate heading.)

RECOGNITION OF POLISH LEGION OF AMERICAN VETERANS AS A BONA FIDE VETERANS ORGANIZATION

Mr. BUSH (for himself and Mr. DODD) submitted the following concurrent resolution (S. Con. Res. 40); which was referred to the Committee on Finance:

Resolved by the Senate (the House of Representatives concurring), That the Congress hereby recognizes the Polish Legion of American Veterans (a nonprofit corporation created under the laws of the State of Illinois, certificate numbered 3746) as being a bona fide, patriotic, nonpolitical, veterans' organization. It is therefore the sense of the Congress that, in the administration of section 3402 of title 38 of the United States Code, the Administrator of Veterans' Affairs should, subject to the provisions of such section, recognize representatives of such organization in the preparation, presentation, and prosecution of claims under laws administered by the Veterans' Administration.

ABOLITION OF CAPITAL PUNISHMENT IN THE DISTRICT OF COLUMBIA

Mr. KEATING. Mr. President, on behalf of Senators ALLOTT, BEALL, BUSH, CAPEHART, CASE of New Jersey, JAVITS, PROUTY, SCOTT, and myself, I introduce, for appropriate reference, a bill to abolish mandatory capital punishment in the District of Columbia.

Under the provisions of the bill, it would be discretionary with a jury in murder cases to recommend either the death penalty or life imprisonment. Under the present District of Columbia law, death is the automatic punishment in all first degree murder cases without regard to the facts and circumstances in a particular case. I believe that such rigid justice is self-defeating. Mandatory capital punishment has been abolished in all the States, and it is high time that the District of Columbia Code was attuned to the practice in the rest of the country.

The language of the present bill is patterned after the provisions of the New York Criminal Code. I offer the bill in this form merely as a guide for action, since I recognize that there are a number of other procedures which could be utilized.

Under the Federal Criminal Code, for example, imprisonment for life must be imposed by the court if the jury qualifies its verdict of guilty by adding thereto "without capital punishment." Under the New York law, a jury recommendation of life imprisonment is not absolutely binding on the court, although in practice it is almost always followed. Another procedure, advanced by the American Law Institute contemplates a separate hearing with regard to imposition of the death penalty after a judgement of guilt. A possible advantage of this is that it would permit evidence to be presented on the issue of punishment which might not be admissible in the trial of the actual offense. I hope that all of these proposals will be studied by the District of Columbia Committee when it considers this subject.

Mr. President, our criminal laws have undergone a steady humanizing process. Nothing is more consonant with this trend than recognition of the principle that the punishment must fit the crime. Such factors as the age of the defendant, his prior record of criminal activity, his mental condition, and the actual degree of his complicity in joint crimes certainly should be weighed in assessing an appropriate penalty for his offense. This cannot be done under the present archaic provisions of the District of Columbia Code. Since it is our lot, albeit unhappily, to act as the local legislature for the District of Columbia, it is incumbent that we take the action necessary to carry out this most needed reform. I should be surprised if opposition developed to the merits of this bill from any source except for a few lawyers who see some tactical advantage in confronting a jury with a stark choice between completely freeing the defendant or sentencing him to death. We have long since abandoned this approach to law as a game of wits.

Mr. President, the citizens of the District of Columbia should be grateful for the outstanding work done on this problem during the recent meeting of the Judicial Conference for this circuit. I hope that Congress will give its prompt attention to the recommendations of this eminent group of judges and lawyers. Their study has exposed the needs of the situation It is our duty to fashion a solution which will most adequately reflect the requirements of sound legislation in this area.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD; and that the bill be allowed to lie on the desk until June 8, to give any other Senators who might desire to do so an opportunity to join as cosponsors.

The PRESIDING OFFICER (Mr. MCGEE in the chair). The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, and will lie on the desk

until June 8, as requested by the Senator from New York.

The bill (S. 2083) to abolish mandatory capital punishment in the District of Columbia, introduced by Mr. KEATING, for himself and Senators ALLOTT, BEALL, BUSH, CAPEHART, CASE of New Jersey, JAVITS, PROUTY, and SCOTT, was received, read twice by its title, referred to the Committee on the District of Columbia, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 801 of the Act entitled "An Act to establish a code of law for the District of Columbia," approved March 3, 1901 (31 Stat. 1189, 1321), is amended to read as follows:

"SEC. 801. Punishment.—The punishment of murder in the first degree shall be death by electrocution unless the jury recommends life imprisonment. A jury finding a person guilty of murder in the first degree may, as a part of its verdict, recommend that the defendant be imprisoned for life. Upon such recommendation, the court may sentence the defendant to imprisonment for life. The punishment of murder in the second degree shall be imprisonment for life, or for not less than twenty years."

AMENDMENT OF MUTUAL SECURITY ACT—AMENDMENTS

Mr. MANSFIELD submitted amendments, intended to be proposed by him, to the bill (S. 1451) to amend the Mutual Security Act of 1954, as amended, which were referred to the Committee on Foreign Relations and ordered to be printed.

AMENDMENT OF TARIFF ACT OF 1930, RELATING TO FREE IMPORTATION OF TOURIST LITERATURE—AMENDMENTS

Mr. ANDERSON. Mr. President, I submit amendments, intended to be proposed by me to the bill (H.R. 2411) to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of tourist literature. I ask unanimous consent that a statement, prepared by me, relating to the amendments, be printed in the RECORD.

The PRESIDING OFFICER. The amendments will be received, printed, and referred to the Committee on Finance; and, without objection, the statement will be printed in the RECORD.

The statement presented by Mr. ANDERSON is as follows:

STATEMENT BY SENATOR ANDERSON

I propose an amendment to H.R. 2411, a bill presently pending before the Senate Finance Committee. H.R. 2411 is designed to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of tourist literature.

My amendment would add a new section which will clarify and make uniform the present dutiable status of wood moldings imported into this country. Previously I introduced S. 913, which would accomplish the same objective. However, the executive departments concerned have raised objections to the language used in S. 913. One of the main objections voiced was of a technical nature, and I have rewritten the present amendment to make every effort to correct the bill in the eyes of the reporting departments.

Briefly, imported wood moldings used in construction work have been classified and taxed at the same rate as regular mill-run lumber of the common grades. Anyone familiar with these products knows that there is a great deal of difference in their respective value. On behalf of the manufacturers of wood molding in the Southwest, I brought this disparity to the attention of the Customs Bureau last fall when that office was considering the problem of glued-up molding. This is a process whereby two short pieces of wood are finger-joined and glued to make one longer product. At that time, the Bureau properly recognized the fairness both to the U.S. Treasury and our domestic producers, and by administrative action reclassified joined-moldings whereby they will now be taxed at 16⅔ percent ad valorem. But although the Bureau took a step in the right direction, it failed to fully correct the situation with respect to a solid piece of molding. A solid piece has never been broken or joined and is probably more valuable for that reason alone. I asked why this was not done, and the answer was that since molding has been classified as common lumber for so long, the Bureau took the position that this presumed congressional sanction. Therefore they concluded it will take congressional action to change the classification. I believe this could be done within the discretion allowed the administrative agency, but for purposes of erasing all doubt about the intent of Congress, I propose to amend the statutes.

My proposal would tax all moldings at the same rate now applied to wood moldings used in architectural and furniture decoration. Under the present trade agreements applicable, this will be 17 percent ad valorem. I think such action by the Congress is justified for purposes of clarifying procedure and taking a realistic appraisal of what could develop into a serious problem. It is my understanding that hearings will be held on H.R. 2411, and at such time an opportunity will be provided to hear all of the evidence on this matter. With this prospective advantage, we can decide which position will best determine the public interest.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATION BILL, 1960—AMENDMENTS

Mr. O'MAHONEY submitted an amendment, intended to be proposed by him, to the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. COOPER submitted amendments, intended to be proposed by him to House bill 7175, supra, which were ordered to lie on the table and to be printed.

Mr. DOUGLAS. Mr. President, on behalf of myself, and the Senator from Oregon [Mr. NEUBERGER], I submit two amendments, intended to be proposed by us, jointly, to House bill 7175, the Department of Agriculture appropriation bill. I ask unanimous consent that the amendments may be printed in the RECORD.

The PRESIDING OFFICER. The amendments will be received, printed, and will lie on the table; and, without objection, the amendments will be printed in the RECORD.

The amendments are as follows:

On page 20, line 6, strike out the figure "$39,135,000" and insert in lieu thereof the figure "$28,135,000".

On page 25, line 14, strike out the figure "$1,431,665" and insert in lieu thereof the figure "$1,269,665".

Mr. DOUGLAS. Mr. President, also, on behalf of myself, and the Senator from Minnesota [Mr HUMPHREY], I submit an amendment, intended to be proposed by us, jointly, to House bill 7175, the Department of Agriculture appropriation bill. I ask unanimous consent that the amendment may be printed in the RECORD.

The PRESIDING OFFICER. The amendment will be received, printed, and will lie on the table; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 30, line 10, strike out the period at the end thereof and insert in lieu thereof a colon and the following: "*Provided,* That no funds or stocks of the Commodity Credit Corporation shall be utilized for the purpose of carrying out price-support operations for any crop planted after January 1, 1960, for which the Secretary has failed to provide acreage allotments, production goals, and marketing practices pursuant to section 401 (c) of the Agricultural Act of 1949, as amended."

NOTICE OF MOTION TO SUSPEND THE RULE — AMENDMENT TO AGRICULTURE DEPARTMENT APPROPRIATION BILL

Mr. WILLIAMS of Delaware submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes, the following amendment, viz:

At the appropriate place add the following new section:

"SEC. —. The Agricultural Act of 1949, as amended, is amended effective beginning with 1960 production by inserting after section 420 the following new section:

" 'SEC. 421. The total amount of price support extended to any person on any year's production of agricultural commodities through loans or purchases made or made available by the Commodity Credit Corporation, or other agency of the U.S. Department of Agriculture, shall not exceed $35,000. The term "person" shall mean any individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity or a State, political subdivision of a State or an agency thereof. The Secretary shall issue regulations prescribing such rules as he determines necessary to assure a fair and effective application of such limitation, and to prevent the evasion of such limitation.

" 'In the case of any loan to, or purchase from, a cooperative marketing organization the limitation of $35,000 shall not apply to the amount of price support extended to the cooperative marketing organization, but the amount of price support made available to any person through such cooperative marketing organization shall be included in determining the amount of price support extended to such person for the purpose of applying such limitation'."

Mr. WILLIAMS of Delaware also submitted an amendment, intended to be proposed by him, to House bill 7175, making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

SALE OF CERTAIN MINERALS AND METALS—ADDITIONAL COSPONSOR OF BILL

Under authority of the order of the Senate of May 26, 1959, the name of the Senator from Alaska [Mr. GRUENING] was added as an additional cosponsor of the bill (S. 2048) relating to the sale of certain minerals and metals acquired by the United States, introduced on May 26, 1959, by Mr. MURRAY (for himself and Senators ALLOTT, BARTLETT, BIBLE, CANNON, CHAVEZ, CHURCH, GOLDWATER, HAYDEN, MANSFIELD, MARTIN, MOSS, and YOUNG of Ohio).

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. ERVIN:

Address delivered by Senator SYMINGTON at annual dinner of Chamber of Commerce of Winston-Salem, N.C., May 21, 1959.

Excerpts from address by Senator HARTKE at State convention of Young Democrats of North Carolina, Raleigh, N.C., on April 30, 1959.

By Mr. GOLDWATER:

Address delivered by Senator ALLOTT before Episcopal diocesan convention, Denver, Colo., May 6, 1959.

By Mr. MONRONEY:

Article published in the New York Journal-American of Sunday, May 31, 1959, entitled "And Now We're Losing the War of Oceans."

CONSTRUCTION OF ATOM SMASHER BY MIDWEST UNIVERSITY RESEARCH ASSOCIATION

Mr. PROXMIRE. Mr. President, for a long time the Midwest University Research Association has been working toward the construction of an atom smasher which would be many times more powerful than any other anywhere in the world. It would permit this country to leap far ahead of the Soviet Union in pure research in physics.

This association, known as MURA, is made up of some of the greatest universities in the country including all the Big Ten universities and several other Midwest institutions that are internationally famed for the strength of their physics departments.

More than a year ago they had proven the practicality of the brilliant new design of their unique machine. In fact, their atom smasher had even then been more thoroughly tested in model stage than any ever constructed.

Construction of the machine will cost $100 million. To date, they have not received the go-ahead from the Atomic Energy Commission or the Congress.

These MURA scientists have been as patient as Job. Just recently they have shown another sterling quality. President Eisenhower announced, last month, that he favored the construction of a $100 million atom smasher at Stanford, a so-called linear machine that would be 2 miles in length. This machine would, at best, develop one-twentieth to one-tenth the voltage of the MURA machine, although the cost would be the same. It would be added to several other atom smashers on the west coast, although there are none in the Middle West. There are also several on the east coast. Because these machines are immensely useful in research in high-energy physics, their presence on both coasts adds substantial strength to the faculties of educational institutions on both coasts, at considerable competitive cost to our great midwestern universities.

For all these reasons, I was at first disturbed and concerned about the President's announcement of plans to build the new atom smasher at Stanford.

I immediately got in touch with the executive director of MURA, Prof. Ragnar Rollefson, of the University of Wisconsin. Dr. Rollefson's reply impressed me very deeply. Far from expressing disappointment or antagonism to the President's proposal for Stanford, he was enthusiastic. He told me that, in his judgment, the President was right; that his decision would benefit the scientific community and the Nation.

Mr. President, in an era of cynical, ruthless competition for Government dollars, in which even university faculties fight tooth and nail for advantage, I think this attitude of the scientists of MURA merits commendation. This is scientific statesmanship.

I earnestly hope, Mr. President, that this high-minded, unselfish attitude will be remembered. MURA scientists are working at this very moment in Madison, Wis., on their third model of a clashing beam accelerator which can put us far ahead of Russia in pure research in high energy physics, and may truly revolutionize the future of mankind. I trust that when these great MURA scientists again come before the Atomic Energy Commission they will be given the same statesmanlike consideration they now give their Stanford colleagues. Incidentally, Dr. Rollefson expressed the hope to me that the MURA research at Madison will lead to the design for the next large accelerator to be constructed in the United States.

Mr. President, I ask unanimous consent that a letter to me from Dr. Rollefson, explaining his enthusiastic support of the Stanford linear electron accelerator, be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE UNIVERSITY OF WISCONSIN,
Madison, Wis., May 27, 1959.

The Honorable WILLIAM R. PROXMIRE,
U.S. Senate, Washington, D.C.

DEAR SENATOR PROXMIRE: I am writing in response to your questions regarding the present progress of the MURA program and the relationship between the MURA and Stanford programs.

First, let me say that we were delighted to learn that the President is going to recommend authorization of the Stanford linear electron accelerator. This is an excellent machine which is essentially a longer model of the accelerator already operating at Stanford, and since it involves no new techniques its performance and cost can be rather accurately predicted. The program will be under the direction of topnotch scientists who have the benefit of several years' experience with the smaller machine.

There are some who argue that it may be a mistake to go ahead with the large electron accelerator (15 to 45 Bev) before the 7 Bev machine at Harvard-MIT is in operation and can give a better indication of what may be expected at these higher energies. A detailed discussion of this point would be out of place here (even if I were prepared to give one). Suffice it to say that a very capable committee looked into the accelerator problem for the President and we know that they sought the best available advice before making their decision.

I should point out that the Stanford and MURA programs are not competitors in a scientific sense but will rather complement one another and give a more complete coverage of the high energy field than would be possible with either machine alone. The Stanford accelerator produces extremely high energy electrons which can be used for such things as probing the charge distribution in nuclear particles. The MURA machine, on the other hand, will produce high energy protons in great abundance, and these can be used for such things as creating beams of the strange new particles and antiparticles which have been discovered recently. These secondary beams of particles can then be used to study in more detail the nature of the strange particles. In the colliding beam version, the MURA accelerator would produce collisions between particles which are 10 to 100 times as energetic as can be produced in existing accelerators.

So far as the MURA program is concerned, I can report that the single ring, two-way electron model, which was being designed when you visited the laboratory, is now nearing completion. The component parts are all shaping up as planned, the only difficulty being that everything takes a little longer than we should like. For example, although we have two shifts working on the magnets, it will be another month before the measurements and adjustments of field strength can be completed.

In addition to completing the construction of the two-way electron model, we are proceeding with the design and construction of component models for a large accelerator. These are necessary both to aid in the detailed design of a large machine and to enable us to make realistic cost estimates.

In all of the above development work we are receiving excellent support and encouragement from the Atomic Energy Commission. We are being supported by them on a continuing basis as an accelerator development laboratory and it is our hope that these developments will lead to the design for the next large accelerator to be constructed in the United States.

We wish to thank you again for your interest and encouragement and we hope this reply to your questions has not been too long-winded. If you have a few minutes to spare in Madison sometime this summer, it would be a real pleasure to show you the two-way model.

Sincerely yours,

R. ROLLEFSON.

THE AMERICAN ECONOMY

Mr. PROXMIRE. Mr. President, the Wall Street Journal on last Friday carried a report by their reporter, Henry Gemmill, which should serve a grave warning on all of us who are concerned with the health and strength of the American economy. We are losing some of our closest and best customers, and if the recent past has brought us bad news in the competitive world market, the future looks far blacker unless we take a long, hard, serious, thoughtful look, and then act, and act vigorously.

Mr. President, this article is so timely and so well documented that I ask unanimous consent to have it printed in the RECORD following these remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GRINGO GRIP ON LATIN MARKETS IS LOOSENED BY PUSHING UP PRICES—EUROPEANS, JAPANESE EMPLOY THE HARD SELL, SOFT CREDIT TO PEDDLE MYRIAD PRODUCTS—BUT MR. GRACE IS OPTIMISTIC

(By Henry Gemmill)

CARACAS, Venezuela.—Is another round of wage hikes—for steel and then other industries—likely to price U.S. goods out of world markets? A reporter roaming the Latin lands in America's backyard gets the horselaugh when he asks that question. It has already happened, to item after item.

John Wynne, general manager of a leading import firm here, Officina Technica Stubbins, C.A., hails a subordinate on his intercom and checks competitive prices on an assortment of sizes and types of pipes and tubing—steel, cast iron, and galvanized. In nearly every case, the European quotation runs about 25 percent below the Yankee price.

"We used to represent only American suppliers," comments importer Wynne, "but now if a Venezuelan wants, say, some water pipe, he's not going to take it from the United States unless he's crazy or in a terrible hurry. We've switched over to a British mill—Stewarts & Lloyds."

In Bogotá, capital of neighboring Colombia, a foreign trade expert thumbs through a report on the delivered prices of electric motors, tiny to gigantic, manufactured in the United States, West Germany, Switzerland, and other nations. Without exception, the American models are undercut by at least 20 percent by comparable European motors—and in some instances, by more than 50 percent.

GLASS AND TELEPHONES

In Buenos Aires, Industrias Kaiser Argentina, maker of jeeps and passenger cars, has been importing most of its raw material, including sheet steel, from less costly European sources.

In Colon, Panama, a visitor tours a little factory making louvered windows and store fronts; it's owned by W. P. Fuller & Co. of San Francisco. "We're still getting our aluminum extrusions from Florida," remarks General Manager Neil Fuller, "but the glass comes from France and Belgium—it's at least 25 percent cheaper."

In San Jose, Costa Rica, bids were recently submitted to give the neat little country a complete new telephone system, under government contract. They came from a Japanese firm, a British company, and an Italian combine. "A Yankee phone firm had a man down here," a diplomat recalls, "but he said it was no use even going through the motions of trying to meet their prices; he was just rooting for the Italians, who would make their equipment under U.S. license."

For the United States to begin losing its grasp on this segment of the world market is, in a way, quite an achievement. "It takes some doing," wryly comments one U.S. commercial attaché. "Not only are these countries enormously closer to us than to Europe and Japan in terms of physical distance; they've also been closer to us psychologically. They remember vividly that during World War II they found only their American sources of supply remained dependable. Since then, until very recently, these places have been practically our private reserve."

TREND OF THE FIGURES

To a large extent, they still are. Here in Venezuela, for instance, 57.2 percent of all last year's imports, by value, flowed from the United States. But the thing to watch is the trend; this figure compared with 66.8 percent the year before. No other single nation supplied so much as a tenth of total 1958 shipments into this lush market, but again the trend was startling. The West Germans and Japanese surpassed their 1957 share of the market by about 12 percent; the British hiked their share 25 percent; the Italians chalked up a 65 percent gain. Even the Canadians, in this hemisphere, managed a 40 percent advance.

Any attempt to get a sweeping statistical picture of Latin American trade founders on the fact that some countries are still struggling to come up with 1957 figures and have yet to start on 1958. But here and there samples can be obtained which speak loud and clear. Glance, for instance, at a table showing the number of passenger cars brought into little Costa Rica from manufacturing countries during the past 3 years:

	1956	1957	1958
United States	530	452	256
Germany	108	159	282
England	184	232	205
France	90	71	120
Italy	41	67	76
Others	8	16	14

What this boils down to is the fact that in this one small market the United States managed to tumble within 2 years from a 55 percent share of auto sales to a 27 percent share, with Germany whizzing ahead. Observation indicates this is quite typical of what is happening elsewhere. True, there are other factors besides prices. Taxes are heavier on the bigger U.S. cars. Low-slung American chariots are likely to lose their mufflers, or more, a few moments after turning off the paved highway onto the typical Latin American back road.

THE LAST LAUGH

To compare similar products, which Latin American consumers buy primarily on price, take a look then at Costa Rica imports of utility vehicles—represented by such makes as the U.S. Jeep, the British Land Rover, the Japanese Toyota:

	1956	1957	1958
United States	174	134	65
Japan	2	84	142
England	87	142	125
Germany	0	0	17
France	0	0	5

"The Jeep distributor here laughed when the Japanese first invaded this market," recalls an American in the Costa Rican capital. "He said he'd just wait for customers to see how soon the Toyotas fell apart." But, as a local repair shop boss testifies, they haven't fallen apart—and the Costa Ricans keep buying more and more.

Some experts on Latin trade remain optimistic about the future of American exports, however. Though noting that U.S. shipments to southern lands of this hemisphere dropped from $4.6 billion in 1957 to $4 billion last year, J. Peter Grace, president of W. R. Grace & Co., argues, "There are certain factors in the picture which indicate we are not about to lose our share of the Latin American market." His company's economists produce figures showing that in the 1953–58 period average hourly factory wages in the United States increased 20 percent—but those in Japan rose 24 percent; in Britain, 34 percent; in Germany, 39 percent; in France, 48 percent; in Holland, 54 percent.

The significance of such statistics can be debated endlessly; one top American steel executive remarks that U.S. wage rates are so high that even a 5 percent hike can add more to the absolute cost of a ton of American steel than a 10 percent pay boost adds to the ton cost of steel abroad.

Peering ahead, Mr. Grace does emphasize that "there is no substitute for aggressive selling." And quite apart from pricing, it is difficult to avoid the conclusion that the United States is now often being outdone on its own creation, the hard sell.

It is possible to pick up a copy of the daily Prensa Libre in Guatemala City and find not a single ad for a U.S. auto—but spreads pushing such vehicles as the French Renault Dauphine. In another newspaper, El Imparcial, the only color ad trumpets the "elegance, economy and quality" of the Italian Fiat—and this same make turns up on the local movie screen in a brief but thrilling commercial showing a little red car careening around mountain curves while a glamorous senorita waves alluringly at the consumer audience. Here in Venezuela, the Japanese utility car is selling well partly because it has been dubbed "El Macho," which means "The He-Man"—a name that tickles the Latin temperament.

"If the Americans are going to keep selling here, they'll have to use more personal contact," says Hubert Federspiel, head of Universal, an organization which doubles as top San Jose department store and wholesaler to many other shops throughout Costa Rica. "Since January we've had fewer than 30 U.S. salesmen visit us, against more than 100 from Japan, Germany and France." He's so taken with Japanese wares and merchandising that he made a trip to Osaka last year and plans another soon. The only radio he sells is the Dutch-made Philips. He runs a printing shop, using mostly gleaming new German presses and Swedish paper.

Latin America is still reverberating from the tour this year of the Japanese display freighter, *Atlas Maru*, which touched most of the major ports. The emphasis was on showing off wares of high quality—with more attention given to industrial equipment than to familiar consumer items such as chinaware. About three score Japanese businessmen tagged along with the floating trade fair—but did their traveling by plane, so they could be doing business while the ship was at sea.

Japanese printing bills must be running high. "Did you ever see such a beautiful catalog?" inquires Dr. Carlos Guinand, head of a big construction company here in Caracas. He flourishes a volume put out by the Mitsubishi combine which makes heavy equipment in Japan; in Panama, merchant Alberto Motta exhibits, with similar cries of admiration, a similar thick illustrated catalog by Hitachi. Senor Motta also declares that Japanese companies, unlike Yankee rivals, go to the trouble of quoting delivered prices—and after the sale is made they give complete and detailed schedules of shipment and delivery dates. This combined with pricing ($23 for a handsomely designed eight-transistor, short-and-long-wave radio, in leather case) is enough for him; he's ordering and reordering items by the hundreds.

Credit is another weapon. "Europeans often will accept payment over 3 years while

the Americans are practically demanding cash," says Mr. Wynne of the Stubbins import firm here.

A good number of Yankee wares still meet no real competition because they are unapproached in technical excellence, he declares; among such he lists much heavy earth-moving equipment and laundry machinery. But even rather complex items are meeting new competition; a Japanese paint sprayer has moved in to undercut the price of American models, and German firefighting equipment of high quality is coming into Venezuela at prices 30 percent below U.S. prices.

Some Europeans are popping up with products that strike Latins as more modern, more advanced, than anything the gringos are offering. Item: A sleek and compact telephone made by L. M. Ericsson of Sweden; the dialing device and the handset have been engineered into one light and bright piece of plastic.

Many businessmen testify that the Yanks have not as yet felt the full impact of existing competition from other nations. There are a number of filters through which each challenge to an established American product must pass, and sometimes these delay the effect for many months. One of these filters is the big import house, which has its lines of representation well established and is reluctant to change. Skillful agents to handle new lines from Europe or the Orient are not easy to find.

One Japanese grins when he tells about his troubles in Peru. As sales director for the Nippon Toki Kaisha Chinaware concern, Y. Miyauchi, of Nagoya, traveled to Lima in 1957 and signed up a representative who knew china very well and seemed like an excellent salesman. But no sales. Mr. Miyauchi has just made a second visit to Lima and found out why; his agent was simply not socially acceptable to the rather aristocratic gentlemen who run Lima's better stores. So now another fellow has become the representative; he is a used car dealer who knows little about dinnerware but is honored as a member of the Rotary Club—already he's doing fine. Snickers Mr. Miyauchi: "From now on, I'm signing up nobody but Rotarians."

Another filter is established popular preference for branded gringo goods. "Their prestige is still fantastic," marvels a Panama merchant. "It's gotta be a Stetson hat, a General Electric refrigerator, a Maidenform bra." Here in Caracas elevators by Otis and Westinghouse are reported selling well, though prices are undercut by European rivals.

But prestige, too, can be subject to gradual erosion. In a strange way this is exemplified in Colombia, where new car imports have been prohibited the last couple of years. A 3-year-old American car originally priced at around $3,000 can now be sold at a figure inflated to around $4,000. But the reputation of the German Mercedes Benz for holding up without major repairs has in the same period enhanced its original $3,000 value to something like $6,500.

Many an American corporation is an active participant in the shift of imports away from the United States to Europe. In Brazil, International Harvester has been bringing in all its farm tractors from European affiliates rather than from the States, because they're cheaper. A large percentage of Ford tractors have been hauled from Great Britain for the same reason. A good share of the European cars flooding Central America come from General Motors and Ford plants in Germany and England. This reporter, checking into the overcrowded Tamanaco Hotel in Caracas, spent his first night in one of its offices, kept awake by the clicking of an I.B.M. machine—made in Germany.

Riding with a wave of Latin protectionism, numbers of Yankee corporations have also been setting up factories within South American lands—which saves these markets for the companies but reduces U.S. exports. G.M. autos and Arrow shirts are selling well in Venezuela, for instance—but they are made here. Such boom towns as Valencia in this country, Cali in Colombia, and San Paulo in Brazil are crammed with new plants of American companies.

Even the U.S. exporting firms often find themselves forced to move with the tide against products made in America. H. L. Buschman, president of Grey International Corp., of New York, pauses during a visit here to tell a fairly typical tale. He had swung a deal for more than $3 million worth of steel pipe for a water project, and was prepared to buy it in the United States since he had managed to get a stateside quotation only 5 percent higher than a low bid from Germany. But conference shipping rates from the United States proved sharply higher than those on the longer haul from Europe. While he was dickering to get an exception to these high freight rates, France came through with a pipe price undercutting the United States by 25 percent—and that's where he filled his order.

ADMINISTRATION'S WORDS SPEAK LOUDER THAN ACTION IN MEETING CHALLENGE TO EDUCATION

Mr. NEUBERGER. Mr. President, last week the President's Science Advisory Committee issued a 16,000-word report urging that the United States at least double its current annual investment in education. The Committee asserted that such a goal is "probably a minimal rather than an extravagant goal," and declared, "A broad base of education is needed to make America a better place in which to live—and a stronger Nation more likely to survive."

In a statement released with the Committee's report, President Eisenhower called for the strengthening of all education to meet the domestic and international challenge to our schools. He stressed the importance of raising the standing of teachers and stated that higher salaries for teachers are a first requirement.

Mr. President, I think that the objectives stated by the Science Advisory Committee and President Eisenhower are highly laudable. I regret that the administration has not seen fit to back legislation which would aid in making these worthwhile goals become reality.

NEED IS FOR ACTION

It seems to me that the administration suffers from political schizophrenia on educational issues.

President Eisenhower has formed numerous commissions, committees, and conferences to study our educational needs and recommend methods of dealing with the crisis in our classrooms. These groups have prepared a multitude of surveys, studies, and assessments indicating problem areas and possible solutions. The work of these groups has been extremely valuable in pointing out pressing demands and presenting corrective programs. But the worth of such efforts becomes largely academic unless it is followed by adequate and effective action.

Despite President Eisenhower's declaration that we must strengthen our educational system and increase amounts paid teachers, administration officials have steadfastly resisted enactment of the Murray-Metcalf bill which would permit the States to raise teachers' salaries and construct needed classrooms.

The Secretary of Health, Education, and Welfare has stated that teachers' salaries should be doubled. Yet the administration continues to oppose legislation which would allow us to initiate a program aimed at achieving this goal. The administration appears more interested in rhetoric than results.

ADMINISTRATION PROPOSES HARMFUL CUT

Not only has the administration refused to back new programs which would provide meaningful assistance in securing the quality and quantity of education essential to meet present and anticipated requirements; it has suggested slashing of current programs designed to meet special educational needs. The Secretary of Health, Education, and Welfare has sent to Congress proposed legislation to reduce drastically aid to school districts who face unusual demands upon their facilities due to the impact of Federal workers' families. This action was taken at a time when many State and local governments are searching desperately to find new revenue sources to finance an adequate educational program for a burgeoning school populace.

Programs involved are those operated under Public Law 874, which provides Federal matching money for operation of schools in federally affected areas, and Public Law 815, which authorizes Federal assistance in meeting construction costs for classrooms needed to meet enrollment rises caused by Federal families.

The administration proposal would reduce from the present 50 percent to 25 percent allotments for children of parents who work on Federal property outside the school district. Aid would be cut from the current 50 percent to 40 percent in the case of parents who work on Federal property in the school district.

LOCAL GOVERNMENT HARD PRESSED

Figures supplied by the U.S. Office of Education indicate that the Federal funds available for maintenance and operation of Oregon schools under the impacted-area program would be decreased from $815,707 to $499,916 if the amendment to existing law proposed by the administration is approved by Congress. This figure does not include construction help.

In my State, local government currently supplies approximately 68 percent of revenue for public elementary and secondary schools. The sum contributed at this level of government has increased by about 49 percent in the past four years. School districts in Oregon are making a real effort to meet the need created by rapidly rising enrollments. In view of this, and the fact that the Federal Government owns more than 50 percent of the land in our State, implementation of the administration plan would have a significant and adverse effect on school financing in Oregon.

EDUCATORS INDICATE ADVERSE EFFECTS

Particularly unfair is the proposed reduction from 50 to 25 percent in the

Federal contribution when parents employed by the Federal Government live in school districts outside the communities in which they work. The case of District No. 8, Unified, in Hermiston, Oreg., illustrates the inequity which would result. Many persons working on construction of McNary Dam, Ice Harbor Dam, and John Day Dam—all Federal projects—reside within the school district, but perform their jobs outside the school district. The burden on the school district is no less, yet the administration suggests that Federal assistance be cut in half.

Mr. President, recently I have received a number of letters from leading educators in my State indicating the unfavorable consequences for our public school system which would follow implementation of this administration proposal. In order that the Senate may have the benefit of these thoughtful comments by individuals who are concerned with the day-to-day operation of schools in federally affected areas, I ask unanimous consent that the communications be printed at this point in the RECORD.

There be no objection, the communications were ordered to be printed in the RECORD, as follows:

OREGON DEPARTMENT OF EDUCATION,
DIVISION OF GENERAL EDUCATION,
Salem, Oreg., May 25, 1959.

HON. RICHARD L. NEUBERGER,
U.S. Senate, Washington, D.C.

DEAR SENATOR NEUBERGER: The proposed reduction in Federal school aid to impacted districts would cause an estimated loss, to the school districts of the State of Oregon, of $187,245.80 for the current fiscal year. This figure is based upon information contained in the initial applications for this year, the entitlements assigned to school districts, and estimation of the relative numbers of parents claimed that are employed within and outside the boundaries of the districts. All three factors are variable and to some extent incomplete as of this date. However, we feel this to be a reasonably accurate figure and believe the amount of loss quoted by Secretary Flemming was based upon the gross entitlement figure which is entitlement prior to the deductions for forest receipts payments and similar moneys. These deductions result in a net entitlement figure that may be considerably lower than the gross figure. Since districts do not actually receive this amount of money, our figures are based upon net entitlements only.

There would, of course, be considerably more loss under Public Law 815, but since our current applications have not yet had entitlements determined, an accurate estimate of loss is very difficult to ascertain at this time.

It would appear that the proposed reduction is caused by a feeling that the intent of the program is reimbursement for loss of taxable property, "payment in lieu of taxes." This is difficult to reconcile with the emphasis on impact of children upon the local districts, since with modern transportation people do not often limit their residences to property adjacent to the location of their employment.

In the case of permanently located places of employment, such as military installations or dams, there would be no insurmountable problems in administration, should this plan be approved, although there would be some additional verification necessitated. The residence of each eligible pupil would have to be located and proof of being situated within the district would have to be filed to substantiate the claim.

Forest-connected pupils would present quite another problem. In addition to the present substantiating materials, a day-by-day account of the parent's exact location could become necessary in some situations and it is doubtful school districts could expect that much cooperation from employers. It is possible that the difficulties of accumulating substantiating data, coupled with the loss in revenue occasioned by the reduction could make it uneconomical for some districts to continue application under the law.

It is our feeling that implementation of such a plan would result in:

1. Loss of revenue to all applicant districts.

2. Additional and complicated record-keeping.

3. Considerable unrest and dissatisfaction among the people of the applicant districts.

It is our hope that no action upon any revision of the existing law be taken until a more definite statement of the basic intent of the program has been developed. We feel the program has functioned well and has been of great assistance in enabling many districts to bear the burden of Federal impact.

Your continued interest in the welfare of the public schools is appreciated.

Sincerely yours,

REX PUTNAM,
Superintendent of Public Instruction.
D. D. WILLIAMS,
Director, Schoolhouse Planning and Federal Assistance.

Oregon

School district	Type of Federal property involved	Estimated loss
Alsea	National forests, O. & C. lands	$2,261.97
Corvallis	SAGE, forest lands, Bureau of Mines	6,548.40
Philomath	National forests, O. & C. lands	1,180.92
Total, Benton County		9,991.29
Estacada	National forest	3,783.13
Total, Clackamas County.		3,783.13
Clatsop County nonhigh	Naval base	1,426.24
Astoria	do	5,685.78
Gearhart	do	803.76
Hammond	do	729.86
Knappa	do	5,061.05
Lewis and Clark	do	3,431.25
Olney	do	1,188.17
Seaside UHS	do	1,177.11
Seaside	do	1,197.07
Warrenton	do	3,199.36
Total, Clatsop County		23,899.65
Clatskanie UHS	Ammunition depot	588.56
Clatskanie	do	1,968.75
Mayger	do	875.49
Quincy	do	741.93
Total, Columbia County		4,174.73
Powers	National forest	1,000.00
Sunny Hill	Airbase	129.38
Total, Coos County		1,129.38
Redmond	Indian reservation, dams	909.94
Sisters	National forests	3,176.37
Total, Deschutes County		4,086.31
Camas Valley	O. & C. lands	2,087.67
Days Creek	National forests	530.31
Drain UHS	O. & C. lands	1,318.29
Drain	do	1,260.00
Elkton	do	1,595.00
Reedsport UHS	National forest, O. & C. lands	1,863.00
Reedsport	do	1,715.83
Roseburg	O. & C. lands, VA hospital, national forest	16,750.91
Tiller	National forests, O. & C. lands	268.89
Total, Douglas County		27,389.90
Condon	Air base	$252.00
Total, Gilliam County		252.00
Grant County nonhigh	National forest	452.59
Grant UHS	do	817.94
Seneca	do	1,063.55
Total, Grant County		2,334.08
Burns	Airbase, national forests, Indian village	469.42
Burns UHS	do	1,040.07
Hines	National forests, Taylor grazing	273.83
Total, Harney County		1,783.32
Hood River County unit	National forest, dams	606.04
Total, Hood River County.		606.04
Jackson County nonhigh	VA facility, forests	494.28
Butte Falls	National forests, O. & C. lands	869.52
Eagle Point	National forests, VA facility	2,476.75
Phoenix	do	300.00
Prospect	National forests	2,382.00
Talent	National forests, irrigation project	1,350.00
Total, Jackson County		7,872.55
Klamath County Unit	Airbase, Indian reservation	4,587.07
Total, Klamath County		4,587.07
Blachly	O. & C. lands	1,229.10
Disston	National forests, O. & C. lands	583.56
McKenzie	National forests	3,300.00
Mapleton	do	4,241.83
Noti	O. & C. lands	568.81
Oakridge	National forests	6,708.27
Florence	do	1,196.31
Springfield	O. & C. lands, dams	3,500.00
Westfir	National forests, dams	2,968.20
Total, Lane County		24,296.08
Albany UHS	SAGE, Bureau of Mines	1,800.51
Albany	do	2,592.84
Cascadia	National forest	193.32
Grand Prairie	Bureau of Mines	618.28
Knox Butte	do	618.28
Liberty	National forest, Bureau of Mines	400.00
Mill City Union High	National forest, dam	2,780.19

Oregon—Continued

School district	Type of Federal property involved	Estimated loss
Mill City	National forest, dam	$633.85
Sweet Home UHS	do	2,294.92
Total, Linn County		11,932.19
Detroit	National forest	1,679.59
Total, Marion County		1,679.59
Irrigon	Ordnance depot, dams	3,745.14
Total, Morrow County		3,745.14
Bonneville	Dam	260.70
Total, Multnomah County		260.70
Valsetz	O. & C. lands	939.90
Total, Polk County		939.90
Bay City	Naval air station	3,318.75
Beaver	Naval air station, airbase, national forest	554.44
Cloverdale	Air base, national forest	1,112.90
Garibaldi	Naval air station	688.50
Hebo	Air base, national forest	$666.36
Neah Kah Nie	Naval air station	1,569.44
Nestucca UHS	Naval air station, airbase, national forest	979.95
Sandlake	Naval air station, airbase	1,125.63
Tillamook	do	9,378.73
Total, Tillamook County		19,394.70
Echo	Ordnance depot, dam	1,303.61
Hermiston	do	16,389.22
Pendleton	Ordnance depot, dams, Indian reservation	1,431.42
Stanfield	Ordnance depot, dams	3,987.49
Umatilla	Dams	3,650.58
Total, Umatilla County		26,762.32
Wasco County nonhigh	Indian land, dams	1,217.06
Chenowith	Dams	923.19
Maupin UHS	National forest, Indian reservation	602.91
Petersburg	Indian land, dams	333.94
The Dalles	Dams	3,268.63
Total, Wasco County		6,345.73
Total, State of Oregon		187,245.80

HERMISTON PUBLIC SCHOOLS,
DISTRICT NO. 8 UNIFIED,
Hermiston, Oreg., May 26, 1959.

Hon. RICHARD NEUBERGER,
U.S. Senate, Senate Office Building,
Washington, D.C.

DEAR SENATOR NEUBERGER: We are somewhat alarmed at the administration's proposal to cut Public Law 874 funds from 40 to 50 percent per pupil for students whose parents are employed on Government projects but who reside in another community. This would hit us quite hard since we have people employed at McNary Dam, Ice Harbor Dam, John Day, and Hanford, all of which are not located in the Hermiston School District, but who employ people from our school district, whose families reside here and whose children attend the Hermiston public schools.

For your convenience I am enclosing a copy of the last teachers' quarterly report, May 31, 1959, for our school district. On this report we have 15 A2 pupils and 503 B2 pupils. These total 25 percent of our entire student body, and the number will increase next year as soon as they begin moving tracks for the Union Pacific Railroad and the S. P. & S., as well as many many portions of Highway 30.

Should our Federal payments under Public Law 874, which average about $50,000, be reduced to $25,000 the difference would have to be made up in local taxes. This in terms of millage would mean 5 more mills for this district, since our assessed valuation is $4,861,476.19.

Your support in opposing this proposed cut will be sincerely appreciated.

I read your newsletter from end to end. You certainly are doing a wonderful job for Oregon and the Nation. Your admirers and followers are legion.

David is still at U.S.M.M.A. and loves it. Some of his subjects give him a bad time, but I think he'll make it.

Sincerely yours,

ARMAND O. LARIVE,
Superintendent of Schools.

OAKRIDGE SCHOOL DISTRICT 76,
Oakridge, Oreg., May 26, 1959.

Senator RICHARD L. NEUBERGER,
U.S. Senate Office Building,
Washington, D.C.

DEAR SENATOR NEUBERGER: The reduction of Federal aid to schools, under Public Law 874, in impacted districts will reduce further the support of the Federal Government to this school district. We are completely surrounded by the national forest, and have to educate the children of the employees of the forest.

The proposed change will, perhaps, affect us only a few hundred to a thousand dollars, but this is hardly the year to reduce school support.

You may have thought that the 25 percent of the county share of the timber sales should take care of the local district, but the facts are that the 25 percent is spread over the entire county on a census pupil basis. That means a district having no Federal forest employees gets just as much money per pupil as a district such as this one, which has many Federal employees' children.

At no time has the forest sales income to schools amounted to more than $10 per census child in this district.

Yours sincerely,

PAUL S. ELLIOTT,
Superintendent.

UMATILLA PUBLIC SCHOOLS,
DISTRICT NO. 6,
Umatilla, Oreg., May 27, 1959.

Senator RICHARD NEUBERGER,
U.S. Senate, Washington, D.C.

DEAR SENATOR NEUBERGER: This letter is in regard to the proposed reduction of Federal school aid to Federal impacted districts (Public Law 874).

Umatilla School District No. 6, Umatilla, Oreg., has received this aid since the law went into effect because of the construction of McNary Dam. There are 50 students attending the Umatilla schools who have parents who live on Federal property. We also have 93 students whose parents live in the community but work on projects outside the district. Our total enrollment at Umatilla is 405. About 27 percent of our student body is involved in Public Law 874.

The budget for operating expenses of the school has been drawn up and passed by the public. As you can see, any curtailment in revenues estimated and expected for the coming year can seriously jeopardize our school program.

We would like also to add that the citizens of this community are making a great effort taxwise to support their schools. The tax at Umatilla for the coming school year for school purposes only will be a total of 78 mills.

Any aid that you can give to strengthen the support of Public Law 874, rather than reducing it, will be greatly appreciated by this community.

Sincerely yours,

DAVID VANDERHORST,
Superintendent.

STANFIELD SCHOOL DISTRICT NO. 61,
Stanfield, Oreg., May 26, 1959.

Senator RICHARD NEUBERGER,
U.S. Senate Building,
Washington, D.C.

DEAR SENATOR: I would like to urge that you use your good influence in resisting the proposal of reducing Federal school aid to impacted districts from 50 percent to 25 percent per pupil school cost.

This could cost the Stanfield district between $4,000 and $5,000 per year and add a burden of taxation to local taxpayers who are already paying about 80 mills tax for school purposes.

I know you are well aware of our school problems and will be active in preventing this ill conceived action.

Very sincerely,

ROBERT VAN HOUTE,
Superintendent of Schools.

BONNEVILLE GRADE SCHOOL,
Bonneville, Oreg., May 28, 1959.

The Honorable RICHARD L. NEUBERGER,
U.S. Senate, Washington, D.C.

DEAR SIR: The Bonneville School District of Multnomah County will violently protest any administration proposed cuts in the Federal aid to education bills 815 or 874. Thirty-nine percent of Bonneville school children live on Federal property which contributes no property tax moneys in a State that depends on the property tax for local financing of schools.

In the year 1958–59, Bonneville school budget was $39,969.06, and we will receive $5,740.71 from Federal aid under public law 874. This amounts to $250 per student living on Federal property in a district that spends over $500 per child.

A cut in these appropriations would seriously overburden the local property taxpayers in this school district.

Sincerely,

JACK A. JENSEN,
Principal.

VIEWS OF MEMBERS OF OREGON CONGRESSIONAL DELEGATION ON DIPLOMATIC RECOGNITION OF RED CHINA

Mr. NEUBERGER. Mr. President, the Oregon correspondent of one of our leading daily newspapers, Mr. A. Robert Smith, has polled all six members of the Oregon congressional delegation regarding their views on diplomatic recognition of Red China, and related questions.

Those surveyed by Mr. Smith include the senior Senator, Mr. MORSE; the junior Senator, Mr. NEUBERGER; Representative NORBLAD, First District; Representative AL ULLMAN, Second District; Representative EDITH GREEN, Third District; and Representative PORTER, Fourth District.

I believe many of our colleagues in the Senate and House will be interested in the views held by the Senators and Representatives from Oregon on this vital issue, Therefore, Mr. President, I ask unanimous consent that the article by A. Robert Smith, as published in the Eugene, Oreg., Register-Guard of May 24, 1959, under the title of "Red China Policy Changes Favored," be printed in the body of the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RED CHINA POLICY CHANGES FAVORED

(EDITOR'S NOTE.—Following is the first in a series of periodic reports by the Eugene Register-Guard's Washington correspondent, A. Robert Smith, in which he queries Oregon's congressional delegation on major issues of the day, both foreign and domestic. This article deals with U.S. policy toward Red China. Others on major issues will be forthcoming in the months ahead.)

(By A. Robert Smith)

WASHINGTON.—At this juncture of world affairs, every member of Oregon's six-member congressional delegation favors some change in America's China policy.

That policy for some years under John Foster Dulles and his Assistant Secretary for Far Eastern Affairs, Walter S. Robertson, has steadfastly opposed diplomatic recognition of the Peiping government, opposed any trade with the mainland Chinese, and backed the Nationalists of Chiang Kai-Shek on the island of Formosa with arms and diplomatic recognition as the Government of China. Whether there may be alterations of this policy under the new Secretary of State, Christian A. Herter, and J. Graham Parsons, who succeeds Robertson July 1, remains to be seen.

Changes advocated by Oregon's five Democrats and one Republican in Congress range from placing Formosa under U.N. trusteeship, to trade with Red China in nonstrategic goods, to immediate diplomatic recognition of the Peiping government.

None seem to think the United States can hope to weaken or bring down the Communist Chinese Government by withholding all contact from her and continuing to bolster the exiled Nationalist government of Chiang Kai-shek on Formosa. As Senator WAYNE MORSE put it:

"Red China presents to us a very ugly reality. The free nations of the world are going to have to deal with her whether we like it or not in respect to the control of nuclear testing, weapons, and disarmament.

MORSE, however, does not favor according diplomatic recognition to the Communist Chinese regime. Neither does Senator RICHARD L. NEUBERGER nor Representative WALTER NORBLAD. Representative CHARLES O. PORTER, on the other hand, favors diplomatic recognition now. Representatives EDITH GREEN and AL ULLMAN favor our taking steps in that direction.

Several took pains to point out that "recognition doesn't mean approval or respect," as PORTER put it. "It simply means opening up communications."

"We don't approve of poverty, but we have to recognize it exists," said Mrs. GREEN. "We don't approve of Red China's conduct either internally or externally but there she is, 600 million strong, whether we diplomatically recognize her or not. Thirty-five countries have now recognized Red China."

While MORSE agreed that the mainland government fulfills the historic international criteria on which diplomatic recognition is accorded, i.e., that it unquestionably controls the territory and governs the people of China—he argued that the United States has historically insisted, with some exceptions, that any new regime satisfy us that it can be counted on to fulfill its international obligations before we open direct diplomatic relations. Citing violations of the Korean truce, MORSE said on this criteria "the Communist Government of China has completely failed to date to make a record that entitles it to American diplomatic recognition."

MORSE favors relations short of diplomatic recognition and believes we must face up to the reality in world affairs that the Red Chinese Government is here to stay for a considerable time, perhaps, in some form, for centuries.

"I favor trade with Red China in such goods as textiles, flour and other foodstuffs, medicines, and other goods for civilian use that would help us reach a better understanding with the masses of China," MORSE added.

In arguing against recognition, Senator NEUBERGER cited aggression by China against Korea, Vietnam, Laos and Tibet, then asked: "Should America accord recognition in such an atmosphere? The diplomatic recognition which we accorded the Rusisan Government in 1933 followed a long period of observation. Nor was Russia invading its neighbors at the time of recognition."

NEUBERGER mentioned MORSE's point that "we should receive certain assurances from the Chinese Communists that they will adhere to acceptable standards of conduct in international relations."

Likewise, NEUBERGER opposed trade with China, saying: "Trade is recognition—economic and commercial recognition. It would be cynical to trade with a nation which we did not recognize diplomatically."

MORSE, PORTER and GREEN all contended that by opening trade relations, other relations between America and China might be improved. PORTER urged a trade mission be sent to China, saying: "World peace through world trade is no mere slogan. We can build better relationships through mutually profitable exchanges. We have some chance of luring China away from dependence on the Soviet Union."

Noting that Japan trades with China without recognizing the Peiping Government, MORSE said we can do the same "and it might very well be that such trade would hasten recognition because it might cause the leaders of Red China to appreciate that they should live up to their international commitments."

Congressman NORBLAD, only Republican from Oregon and usually a supporter of the administration, differed with the present China policy only on trade. He favored discussions with the Red Chinese on trade in nonstrategic materials like flour, lumber and things of that nature.

Several protrade lawmakers mentioned that Oregon products would find new markets in China. NEUBERGER challenged this argument, saying: "Red China seems far more interested in exporting abroad its own goods. Last year it shipped to major markets in neighboring countries five times as many goods as it imported. Due to its practice of setting prices to realize maximum competitive and political impact rather than merely to insure recovery of economic cost and profit, Communist China can effectively influence trade patterns to its own benefit. Red China's shortage of foreign exchange leads to an insistence on paying for imports in merchandise, not cash, thus decreasing the trading flexibility of the other nation involved. So far as Oregon is concerned, we might find that China's vast upland forests, now being reseeded, would keep that country from being a customer for our extensive lumber products."

Congresswoman GREEN endorsed the following statement of the Fifth World Order Study Conference of the National Council of Churches of Christ, in which she participated at Cleveland last fall: "Our policy should move in the direction of an acceptable solution of the problems of participating by the People's Republic of China in the councils of the U.N. and the establishment of diplomatic relations with that government by the United States."

A move in that direction, she believes, should be negotiations on issues of "Korean freedom, of the integrity of Formosa, Quemoy and Matsu, the freeing of Americans still held in Chinese prisons." She said these issues must all be "settled in such a way as to give evidence of Peiping's willingness to abide by the minimum standards of international relations to at least the same extent as Iraq, the UAR, Dominican Republic and the Soviet Union." Mrs. GREEN added:

"I do think it is stultifying in the extreme for our Government to take a position that Red China will never, under any circumstances, be recognized and that it is treasonable even to think about it."

Representative ULLMAN said "we should reorient our thinking. Our present policy is based on the politics of sentimentality rather than focusing on realities in the Orient. I abhore the philosophy of Red China, but we recognize Russia and Russia is the leader of the Communist world. I'm not prepared to say we should do it (recognize or trade) today. We should start with little things. For example why shouldn't our people be allowed to visit Red China? I don't want to see us recognize Red China across the board. We should bargain with the Chinese for it and say, 'OK, we will recognize you, but under these conditions.' Eventually we are going to have to recognize her."

MORSE, PORTER, and GREEN all mentioned a relatively new problem, how to get a ban on nuclear tests? PORTER said this is a vital U.S. goal and "China will have to be a party to that ban. What nonsense to deal with them through our delegations at Warsaw but to pretend this nation of 650 million doesn't exist juridically."

In this contest, PORTER urged diplomatic recognition now. He said: "We don't like the Chinese Government for many good reasons but experience teaches us that the nature of that Government will change. If we have communications we may be able to guide that change into directions more advantageous to us and favorable to our ideals of freedom."

MORSE said the U.N. offers the best vehicle for negotiations until "we feel Red China is deserving of our diplomatic recognition."

Mrs. GREEN differed. Supporting her advocacy of moving toward eventual recognition and admission of China to the U.N., she said: "Inspection systems of nuclear weapons and disarmament discussions with the United States seem pretty hopeless as long as Red China is outside of the U.N. and, therefore, not bound by any U.N. agreements."

If and when Red China is admitted to U.N., Mrs. GREEN suggested that the permanent seat on the Security Council held from the start by the Nationalist Chinese be allocated to India, and that both the Peiping and Formosa Governments be represented in the General Assembly. Formosa should not remain under Chiang, she said, but be placed under U.N. trusteeship until free elections can be held.

MORSE, NEUBERGER, PORTER, and ULLMAN, too, said Formosa should be under U.N. for now. MORSE said Chiang's regime looks like a puppet government of the United States to people in Asia and Africa. He said we

should recognize Formosan sovereignty and protect her from Red aggression.

NORBLAD, alone, favors the status quo on Formosa because it is "an important military base in the Pacific as far as we are concerned and one which we will have to hold on to. The United States has expended a great deal of money in training the Chinese Nationalist troops and in building up stations and it would be foolish to abandon them." NORBLAD also opposed recognition for this reason, and because China is still holding U.S. war prisoners and has demonstrated an aggressive policy in Tibet and elsewhere.

"We've spent enough on Chiang," said PORTER. "He and his army should be retired, and not on pensions paid by us. Secretary Dulles finally conceded last year that Chiang couldn't lead a return to the mainland. All that's left is to strike the tents and let this expensive interlude fade away."

CONGRESSIONAL FELLOWS—A SPLENDID PROGRAM

Mr. KUCHEL. Mr. President, each year for 5 years, the American Political Science Association has raised sufficient funds to award stipends to a dozen or more young political scientists and journalists so that they might spend 9 months as congressional fellows here on the Hill, dividing their time equally between the Senate and the House of Representatives.

These are mature young men experienced in both the intellectual and practical aspects of politics. They have come not only to observe how the legislative branch functions in our democracy, but also to contribute their part as a staff member to its successful functioning.

This year I have been able to observe the success of the program both through participation on the advisory committee of the program along with the Senator from Pennsylvania [Mr. CLARK] and through the activity of one of the fellows in my office, Stephen Horn. Mr. Horn received his doctorate in political science from Stanford University and has participated actively in several California political campaigns. In the other body, he served with Representative GLENARD P. LIPSCOMB, of Los Angeles. I am very happy to have the use of his services in my office.

It is gratifying to me that California has three other fellows on this year's program. Mark Ferber, a graduate student in political science at the University of California, Los Angeles, serves with the Senator from Missouri [Mr. SYMINGTON]; Ward Winslow, a reporter for the Palo Alto Times, is with the Senator from Alaska [Mr. BARTLETT]; and Charles Young, also a political science graduate student at UCLA, is with the Senator from Montana [Mr. MURRAY].

The awards to Mr. Winslow and Mr. Young were made possible through the financial participation of a distinguished California foundation, the John Randolph Haynes and Dora Haynes Foundation of Los Angeles. Its charter directs it "to promote the well-being of mankind." John Randolph Haynes was a minister and great figure of the progressive era in southern California. The efforts of him and his devoted wife left the City of Angels a finer community as a result of their service.

Next year two Californians will participate in the congressional fellowship program because of the Haynes Foundation. They are Robert G. Gilpin, a graduate student in political science at the University of California, Berkeley, and Gerald Rigby, who is a Charles Fletcher Scott Fellow in Political Science at the University of California, Los Angeles.

I know that all of us who are concerned with creating a better understanding of our democratic processes abroad will be pleased by the decision of the Asia Foundation which resulted in three fine young men coming from the Orient to America to see the working of American Government at firsthand. They are Ahmad Roose, formerly assistant secretary to the Malayan Minister of Interior and Justice, now with the Senate Republican policy committee; Mitsuru Uchida, a candidate for the doctorate in political science at Waseda University in Tokyo, Japan, with the Democratic policy committee; and Mr. Kingward Kuo, a member of the Ministry of Foreign Affairs of the Republic of China, who is with the junior Senator from Wyoming [Mr. MCGEE], who is interested in the program.

The funds for the remainder of the fellows have been supplied by the Ford, Shinner, New York Times, and Louisville Courier-Journal Foundations, and the Poynter Fund. The other members of this outstanding program and their Senate assignments are: Mr. ArDee Ames with Senator CHURCH, of Idaho; Mr. Joseph Ford with Senator CASE of New Jersey; Mr. William Gerberding with Senator MCCARTHY, of Minnesota; Mr. Donald Hadwiger with Senator KENNEDY, of Massachusetts; Mr. James Reichley with Senator CLARK, of Pennsylvania; Mr. Charles Joiner with Senator MUSKIE, of Maine; Mr. Howard Swearer with the Senate Committee on Foreign Relations; Mr. Arthur Underwood with Senator HART, of Michigan; Mr. Eddie Williams with Senator HUMPHREY, of Minnesota; and Mr. Thomas Wilson with Senator MCGEE, of Wyoming.

Besides their office responsibilities, the group maintains an active program of discussions and interviews with various Members of Congress, committee staffs, former and present administration officials, and the representatives of the various interest groups and newspapers who are located in Washington.

With the excellent backgrounds that these men bring to their service here and the rigid schedule they maintain during their stay, we can be sure that in future years as a result of the congressional fellowship program there will be a greater understanding of the role of Congress in our society both in the halls of the universities and in the newspapers of America.

I am grateful that the American Political Science Association under the leadership of Dr. Evron Kirkpatrick, its director, and Dr. Howard Penniman, the director of the congressional fellowship program, is continuing to take the lead in this endeavor—an effort which can only end in a better informed America.

POSSIBLE EXCHANGE OF FNMA MORTGAGES FOR GOVERNMENT BONDS

Mr. SPARKMAN. Mr. President, last Thursday, the Senator from Tennessee [Mr. GORE] and I were discussing a proposal made by the President to exchange FHA and GI mortgages—yielding approximately 3½ percent and held by the Federal National Mortgage Association—for certain 2¾ percent nonmarketable Government bonds.

During this colloquy, I indicated some doubt that this proposal would be in the best interest of the Government; and I stated that I should be glad to ask officials of the FNMA to come before the Banking and Currrency Committee and give the committee a full explanation of the proposal. I have not had an opportunity to discuss this question with the chairman or other members of the committee, but I am sure the committee schedule can be arranged to accommodate a hearing on this subject. In the meantime, I would expect the FNMA to postpone any plans it may have to begin the exchange of mortgages for bonds.

Mr. President, as I pointed out at that time, such a recommendation was carried in the report of the House Committee on Banking and Currency in connection with the housing bill, S. 57, which the House passed a week or so ago.

For the information of the Senate, I ask unanimous consent that at this point in my remarks there be printed in the RECORD the following excerpts from the record of hearings on the 1959 Economic Report of the President held before the Joint Economic Committee last January and February: First, questions and answers supplied by the Treasury Department, relating to the proposed exchange, which appear on pages 418 through 420; and, second, additional information supplied by the Treasury Department which appears on pages 770 through 775.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

ANSWERS TO MR. PATMAN'S QUESTIONS

1. Question. With what financial institutions would these exchanges be transacted? How would these institutions be selected?

Answer. The present plan is that the exchange of mortgages for Government bonds would be limited to those financial institutions which are qualified to invest in FHA-insured and VA-guaranteed mortgages and which are the holders of 2¾ percent Treasury bonds, investment series B. On December 31, 1958, these bonds were held as follows (excluding holdings by Government investment accounts):

	Million
Commercial banks	$130
Life insurance companies	1,898
Mutual savings banks	882
Fire, casualty, and marine insurance companies	144
All other [1]	2,496
Total	5,550

[1] Includes individuals, nonfinancial corporations, pension funds, savings and loan associations, State and local governments, and miscellaneous investors.

2. Question. What mortgages now held by FNMA would be offered in the exchange? What rate do they carry?

Answer. The principal mortgages in the management and liquidating portfolio of FNMA which would be eligible for exchange are about $1 billion of VA-guaranteed 4 percent mortgages.

Question. What is their current market value?

Answer. Since FHA and VA mortgages carrying 4 percent interest rate are not, generally speaking, available for purchase, there is no "current market value," as such. On a yield basis, the probable current market range would likely be between 86-88-90. Considering the seasoned character of the mortgages, the relatively early maturities, and the nature of the proposed exchange, the value of the mortgages should approximate the value of the bonds.

Question. At what value are they carried on FNMA's books?

Answer. These mortgages are carried on the books of FNMA at par, or 100 percent of their unpaid principal amount.

Question. Is there any statutory restriction against their sale by FNMA at less than par?

Answer. There is no statutory restriction against the sale or exchange of these mortgages by FNMA at less than par.

3. Question. What Government bonds held by the financial institutions would be exchanged for the mortgages? Are they marketable issues?

Answer. The 2¾ percent Treasury bonds, investment series B, are not marketable bonds. They may be exchanged at the election of the owners into 1½ percent 5-year marketable Treasury notes.

Question. What rate do they carry?

Answer. These bonds bear interest at 2¾ percent.

Question. When do they mature?

Answer. They mature April 1, 1980, but may be redeemed at the option of the United States on and after April 1, 1975, at par and accrued interest on any interest day or days on 4 months' notice of redemption.

Question. At what value are they carried on the books of the financial institutions?

Answer. This series of bonds was originally issued on April 1, 1951, at par in exchange for certain 2½ percent Treasury bonds. An additional amount of such bonds was issued in June 1952 for cash and in exchange for certain 2½ percent Treasury bonds. It is believed that the current owners of these bonds who are the original subscribers carry them on their books at par.

Question. What is their current market value?

Answer. The 2¾ percent Treasury bonds, investment series B, being nonmarketable do not have a current market value, as such. They are exchangeable for 1½ percent 5-year Treasury marketable notes which have a current market value for the current issues of about 90½.

4. Question. In the exchange, would the financial institutions record the mortgages acquired from FNMA at par, at current market value, or some other basis?

Answer. We cannot say with certainty how the financial institutions will record these mortgages, and probably no single rule will be applicable to all. Since they will be receiving in exchange for their bonds securities of approximately equal value, some of these institutions will probably record these mortgages at the same book value as their bonds. Other institutions may record them at current market value.

Question. Will there be a book gain or loss for these financial institutions?

Answer. The answer depends, of course, upon how the financial institutions carry the bonds on their books and how they will record the mortgages they acquire. If, as indicated in the answer to question 3, the bonds are carried at par, and if the mortgages are recorded at par, there will be neither book gain nor loss. If the mortgages are recorded at their value at date of exchange, then a book loss will, in general, be incurred.

Question. If loss, what would be the tax treatment of the loss?

Answer. The tax treatment would be long-term capital loss or ordinary loss depending on the type of institution and assuming, of course, that it is not exempt from tax on this type of exchange.

Question. How much would this cost the Treasury in tax revenues?

Answer. On the basis of our best estimates at this time, the revenue loss will be insignificant. To the extent that loss on the bonds is claimed for tax purposes it will be largely offset by later equivalent gain on the mortgages.

5. Question. Would the bonds acquired in the exchange by FNMA be recorded on FNMA's books at par, at current market value or at some other basis?

Answer. Because FNMA will get credit at par for these bonds in payment of its indebtedness to the Treasury, FNMA is entitled to record these bonds at par on its books. It is believed that FNMA should view the exchange of mortgages for bonds as being made on the basis of market values; but FNMA's temporary book loss on such exchange is promptly restored by the Treasury's acceptance of the bonds at par.

Question. Will there be a book gain or loss for FNMA, at this point?

Answer. At this point there will be a temporary book loss for FNMA, but FNMA's ability to get credit at par for the Treasury bonds it turns in restores the loss.

6. Question. What will FNMA do with the bonds if acquired?

Answer. It will turn the bonds over to the Treasury.

Question. Will they be presented to the Treasury for retirement?

Answer. Yes.

Question. If so, at what value will FNMA's account be credited—par value of bonds, market value, or what other?

Answer. With the par value of the bonds.

Question. Will this be the same, more than, or less than the book value of the mortgages exchanged?

Answer. On the basis of present values, as above indicated, for the mortgages and bonds the par value of the bonds will be approximately the same as the book value of the mortgages exchanged for them.

Question. If less than, how will this portfolio loss affect FNMA's financial position?

Answer. In the light of the answer to the preceding question, this question does not appear to be relevant.

7. Question. How will the Treasury's accepting the bonds and their retirement be reflected in the budget accounts?

Answer. Acceptance of the bonds at par and retirement of the bonds will be reflected in the budget as a receipt item (credited against the expenditures of the agency), just as the purchase of the mortgages was reflected in the budget as an expenditure item.

Question. If FNMA, upon presenting the bonds for retirement, is credited with the par value of the bonds, will the difference between the actual market value of the bonds and their par value be reflected in any way in the budget accounts?

Answer. No.

8. Question. As a result of these transactions, will the Treasury's financing needs be increased, reduced, or unchanged from those that would obtain if these transactions were not undertaken? In other words, how would the Treasury's financing requirements be affected as compared with the situation in which FNMA, instead of exchanging the mortgages, offered them for sale in the market? Won't the Treasury, in any case, have to borrow an additional $335 million? At what interest rate do you expect to be able to borrow this amount in fiscal 1960?

Answer. The exchange of mortgages by FNMA for the 2¾-percent Treasury bonds and the retirement of such bonds by the Treasury would not increase, reduce, or change the Treasury's financing needs during fiscal year 1960. If a like amount of mortgages were sold by FNMA for cash, the receipt of such cash by FNMA and its payment to the Treasury in reduction of its indebtedness would reduce the amount of Treasury's cash financing by an equivalent amount, but would also have the effect of reducing by that amount the funds of private investors otherwise available in the market for mortgages.

The exchange of mortgages by FNMA for Treasury bonds and the retirement of such bonds by the Treasury, while not affecting the financing needs of the Treasury in 1960, would have the effect of reducing the outstanding public debt and thereby furnish a like margin under the public-debt limitation which would be available for use by the Treasury.

In order to cover the estimated expenditures for fiscal year 1960 by FNMA for the purchase of mortgages under its special assistance program aggregating approximately $335 million, it will be necessary for the Treasury to issue a like amount of public-debt obligations to obtain the necessary funds for this purpose. It is impossible to determine at this time the character of obligations which will be issued by the Treasury or the rate of interest that will be payable on such obligations during fiscal year 1960.

TREASURY DEPARTMENT,
Washington, D.C., February 25, 1959.

Hon. WRIGHT PATMAN,
House of Representatives,
Washington, D.C.

MY DEAR MR. PATMAN: For Secretary Anderson, I am very glad to supply herewith answers to the additional questions which were enclosed in your letter addressed to the Secretary on February 20, 1959, concerning the proposed exchange of mortgages by FNMA for certain Treasury bonds.

Sincerely yours,

LAURENCE B. ROBBINS.

1. Question. In the answer to question 1, you show the distribution by type of holder of the currently outstanding $5,550 million of 2¾ percent Treasury bonds, investment series B. As reported in the budget, only $335 million of FNMA mortgages are to be offered in exchange. Since only a small fraction of the total 2¾ percent Treasury bonds, investment series B, will be accepted in exchange for the FNMA mortgages, wouldn't it be necessary to choose among the present bondholders those to be eligible for the exchange? Which of the present holders of the 2¾ percent Treasury bonds, investment series B, will be selected to engage in the proposed exchange? How will the selection be made?

Answer. As stated in Treasury's answer to previous question 1, only those companies or financial institutions qualified to invest in FHA-insured and VA-guaranteed mortgages and which are also holders of the 2¾ percent Treasury bonds, investment series B, would be eligible to acquire the mortgages to be sold or exchanged by FNMA. Many holders of the 2¾ percent Treasury bonds are not eligible to invest in the mortgages.

There would be a public notice of the proposed exchange and a specific notice would be mailed to each holder of the 2¾ percent bonds, as these bonds are issued only in registered form and the Treasury's registration records would be used as a mailing list for this purpose.

If FNMA should receive offers from holders of more than $335 million of the 2¾-percent bonds for the purchase or exchange of mortgages, the offers could be considered

in the order they are received, or only the most advantageous offers could be accepted. On the other hand, there is no compelling reason to limit the sale or exchange to $335 million. In this connection see the answer to question 5 below, in which it is pointed out that one of the purposes of the proposal is the liquidation of mortgages held by FNMA as contemplated by law.

FNMA in the course of its management and liquidating operations up to December 31, 1958, sold 130,000 VA-guaranteed mortgages amounting to $940 million, and held in this account at that date about 230,000 mortgages amounting to $1,350 million. The typical purchasers of FNMA's mortgages are usually interested in the mortgages on properties in certain localities, or in certain minimum principal amounts. Also, in many cases they acquire the mortgages from FNMA only after an inspection of the properties securing them. Other purchasers may be interested in acquiring mortgages which can be readily serviced by their existing servicing facilities. Because of the large mortgage holdings of FNMA, investors can find greater convenience of selection from seasoned holdings than by buying piece by piece from scattered sources. These are some of the many factors which bear upon the sale of mortgages by FNMA, in addition to the prices which purchasers offer for the mortgages.

2. Question. In the answer to question 4, you indicate some uncertainty about the manner in which the bondholders will record the FNMA mortgages acquired in the exchange. Yet you state that your best estimate is that the revenue loss will be insignificant. In order to make a revenue estimate, don't you have to make some assumptions about the class of bondholders whose bonds will be accepted in exchange for the FNMA mortgages and, moreover, some assumptions about the basis of the bonds in the hands of these holders and the basis of the FNMA mortgages in their hands? Since these respective bases will determine in large part the immediate tax consequences of the transaction, shouldn't the question of basis for the FNMA mortgages acquired be of considerable concern to the Treasury? Isn't the Treasury in a position to issue a ruling setting forth the basis to be used? If not, shouldn't the Treasury seek legislation to insure that no tax loss will result from the transaction?

Answer. If any uncertainty appears in the Treasury's answer to previous question 4 about the manner in which the bondholders will record for financial statement purposes the FNMA mortgages acquired in the exchange, this is due to the fact that a precise answer applicable to each purchaser cannot be given. (This should be distinguished from the treatment of such transaction for tax purposes.) The eligible purchasers of the mortgages, such as insurance companies, savings banks, pension and retirement funds, savings and loan associations, commercial banks, etc., are governed by Federal and State laws and regulations under which they are organized and operate, with respect to the manner in which they record and value their assets. Some purchasers may be allowed to record the mortgages they acquire at par value, and others may record them at market value at date of purchase.

In any event and no matter how the transactions are recorded on the purchaser's books, the purchase or exchange will constitute a taxable transaction under the Federal income tax laws. There will not be any special tax advantages to either party from the proposed transaction.

The management and liquidating function of FNMA is carried out as a governmental function and is not subject to tax or a charge in lieu of tax. As far as holders of Government bonds are concerned, the exchange of the bonds for the mortgages will be a taxable transaction (for those holders subject to tax), the gain or loss being a capital gain or loss in most cases. Due to the rise in interest rates in recent years, any exchanges can be expected to result in losses from a tax standpoint. The mortgages received in exchange will be valued for tax purposes at less than par and if paid off at maturity, or sold before maturity at more than the exchange value, will result in a gain to the holder, generally a capital gain.

These same results are taking place every day in ordinary market transactions. This is true even with respect to the 2¾ percent Treasury bonds mentioned in question 1 above. Although nonmarketable, the bonds can be exchanged for 1½ percent exchange notes. This is a nontaxable transaction with the notes taking the basis of the holder of the 2¾-percent bonds because it constitutes the transformation of the bonds pursuant to a right contained therein rather than a sale or exchange (Revenue Ruling 57-535). However, the 1½-percent notes are marketable and the seller who sells such notes then has a taxable transaction, which at the present prices will be a loss. In turn, the seller can use the proceeds from the notes to buy mortgages or bonds at a discount, or any other asset, with the intent of obtaining a capital gain.

The magnitude of the possible tax losses and future gains are set by the size of the proposed exchange and the present market price of the securities involved. If $335 million of mortgages are exchanged for equal amounts of Treasury 2¾-percent bonds, the maximum loss is about 10 percent or $33.5 million, with an approximate tax loss of $8.4 million (assuming a full 25-percent tax effect). Repayment of the mortgages at par will result in most cases in equal gains in later years. This also involves tax revenues of approximately $8.4 million on the same basis of 25 percent.

This assumes that all purchasers will be fully subject to Federal income taxes. This is not entirely the case, however, as mutual savings banks and savings and loan associations sometimes have no tax liability because of a statutory deduction permitted for additions to a reserve for bad debts. Pension funds generally are exempt from tax. In the case of commercial banks, any losses from the exchange of the bonds for mortgages would be fully reflected in reduced taxable income, as banks may treat the excess of losses from bonds as ordinary losses rather than capital losses. However, since commercial banks apparently hold only $130 million or about 2½ percent of the 2¾-percent Treasury bonds, their possible participation in the transaction will be relatively small.

It should be emphasized again, however, that the taking of the losses on the Government bonds is a common occurrence.

In view of the foregoing, there is no reason to issue any special ruling or to seek legislation.

3. Question. What is the volume of the VA guaranteed 4-percent mortgages now held by FNMA? What is the maturity schedule of these mortgages? Which of these would be offered in exchange for the 2½-percent Treasury bonds?

Answer. FNMA owned in its management and liquidating program as of December 31, 1958, an aggregate amount of $1,050 million of 4-percent VA-guaranteed mortgages. These are the principal class of mortgages it is proposed to sell or exchange for 2¾-percent Treasury bonds. These mortgages originally had terms of 20 to 30 years to maturity. They are amortized by monthly payments on account of principal and interest. Thus, based upon their original principal amounts and terms they had an average maturity of 26 years. They were acquired by FNMA during the period ending in 1954. FNMA's holdings of these mortgages are represented by 190,000 separate mortgages, the greater part of which are located in the following specified States (dollars in thousands):

	Amount
Alabama	$37,896
California	246,412
Florida	82,086
Georgia	43,082
Louisiana	24,209
Michigan	148,836
Oklahoma	81,538
Tennessee	28,830
Texas	150,631
Washington	41,187
Total	884,707

The average principal amount of the individual mortgages is about $5,600. Although the remaining terms of the mortgages necessarily vary, the bulk of final maturities will occur in a range having an average of about 16 years.

(See also answer to question 1, above.)

4. Question. The answers under questions 2, 3, and 4 suggest the possibility that the exchange will be treated by the present bondholders as a straight par value dollar-for-dollar exchange. In other words, for each par value of 2¾-percent Treasury bonds, investment series B, given up, the present bondholders will get a par value dollar of 4 percent VA-insured mortgage. According to the answer, the VA-insured mortgages are seasoned and have a relatively early maturity, whereas the investment series bonds do not mature until 1980, callable in 1975, and while nonmarketable, are nevertheless exchangeable for 1½-percent 5-year Treasury marketable notes which are currently selling at a 9½ point discount. Isn't the net effect of the proposed exchange, therefore, to give the present bondholders higher yielding assets than they now hold without any real capital loss (perhaps even with a real capital gain), even though they may be able to claim a capital loss or an ordinary loss for tax purposes?

Answer. The answer to question 2 above explains fully the taxable status of the proposed sale or exchange of the FNMA 4-percent VA-guaranteed mortgages for 2¾-percent Treasury bonds.

Investors who are willing to exchange their 2¾ percent bonds for 4 percent mortgages will obtain an asset on which they will collect somewhat more interest than they now receive on the Treasury bonds. However, as pointed out in the answer to question 7 below, the 4-percent interest received on the mortgage will be reduced by the expenses and servicing costs incurred by the mortgage holder (this may amount to one-half of 1 percent or more). Many of the present bondholders who may make the exchange are subject to Federal income taxes. Any increase in interest earnings will be reflected in higher tax collections by the Treasury.

The difference between the average maturity term of the mortgages and the maturity of the 1½ percent notes (into which the 2¾ percent bonds are convertible) is a factor which influences the current market values of the two instruments. Inasmuch as the market values at the present time are approximately equal, holders of the bonds who exchange them for the mortgages will be able to substitute in their assets approximately the same par value of mortgages (an instrument partially guaranteed by the Veterans' Administration) for an equal par amount of 2¾ percent Treasury bonds (a direct public debt obligation of the United States). Because of this coincidence based upon present market prices, it is believed that some holders will be willing to exchange their bonds for mortgages, since both instruments are based in varying degree upon the credit of the United States.

Again, as pointed out in answer to question 2, this type of transaction takes place frequently in the market as investors sell Government or other bonds at a discount and buy other securities or mortgages for the purposes of realizing greater investment income.

5. Question. The answer to question 8 indicates that in fact the proposed exchange will leave the Treasury with the need for borrowing $335 million, just as if the level of mortgage purchases by FNMA proposed in the budget were to be financed without recourse to additional sales or exchanges by FNMA. Is this inference correct? If so, what useful purpose is served by the proposed exchange of FNMA assets for Treasury bonds of a lower yield?

Answer. The Treasury's answer to previous question 8 was directed to the specific inquiries raised in that direction. It was pointed out that the exchange or sale of mortgages owned by FNMA for Treasury 2¾-percent bonds would not increase, reduce, or change the Treasury's need to borrow $335 million to be expended by FNMA for the purchase of mortgages in fiscal year 1960 under its special assistance program. However, a distinction was made between a transaction involving the sale or exchange of mortgages for Treasury 2¾-percent bonds and a transaction involving the sale of mortgages for cash.

The purpose to be served by the proposed exchange probably can be understood better if the operations of FNMA are briefly reviewed.

FNMA was reorganized under the FNMA Charter Act approved August 2, 1954. It was given three separate functions which are operated independently of each other, and for which FNMA must maintain separate accountability.

The first function involves the purchase of mortgages under its secondary market operations. The Treasury furnishes some capital for this operation, but the law contemplates that ultimately private capital will be substituted therefor. Funds for this activity are currently obtained principally by borrowing from the public. Expenditures under this program financed by borrowing from the public are not reflected in budget expenditures.

The second operation involves the purchase of mortgages under its special assistance functions. Funds for purchases of mortgages under this program are withdrawn from the Treasury and are reflected as budget expenditures. Collections and sales of mortgages under this program are also reflected as receipt items in the budget (credited against expenditures). Net budget expenditures for the special assistance program were $129 million in fiscal year 1958. They are estimated to amount to $867.8 million in fiscal year 1959 and $500 million in fiscal year 1960.

The third operation relates to mortgages held by FNMA when it was reorganized in 1954 which were required to be set aside under its management and liquidating functions. These mortgages had been acquired with funds borrowed from the Treasury, and when the mortgages were originally purchased by FNMA such purchases were reflected in budget expenditures. Collections from and the proceeds of sales of these mortgages have been reflected as receipt items in the budget (by credit against the expenditures). The Treasury is the residual recipient of all profits and losses from this operation. Net budget receipts (credited against expenditures) from the management and liquidating program amounted to $157.6 million in fiscal year 1958. They are estimated to amount to $190.2 million in fiscal year 1959 and $500 million in fiscal year 1960 (including the $335 million from the proposed sale of mortgages for 2¾ percent Treasury bonds).

The President included the following statement in his message to the Congress (p. M53) transmitting the budget for fiscal year 1960:

"For the fiscal year 1960, the Association will endeavor to cover its expenditures for mortgage purchases by receipts from mortgage sales and other sources. To make this possible without diverting the flow of new funds from the mortgage market, an estimated $355 million in Government-owned mortgages will be offered to investors in exchange for certain Government bonds which then will be retired."

The Congress made specific provision in the FNMA Charter Act, approved August 2, 1954, for the liquidation of mortgages owned by FNMA at that time. That act contains the following directive:

"The Congress hereby declares that the purposes of this title are to establish in the Federal Government a secondary market facility for home mortgages, to provide that the operations of such facility shall be financed by private capital to the maximum extent feasible, and to authorize such facility to—

"(a) * * *.

"(b) * * *.

"(c) Manage and liquidate the existing mortgage portfolio of the Federal National Mortgage Association in an orderly manner, with a minimum of adverse effect upon the home mortgage market and minimum loss to the Federal Government."

The proposed sale or exchange of $335 million of 4-percent, VA-guaranteed mortgages held in the management and liquidating program is a step in carrying out the congressional directive referred to above. In addition it will permit the maintenance of a balanced budget without requiring additional reductions in other expenditures or increases in taxes.

6. Question. The effect of the proposed exchange, as shown in the budget, is to reduce FNMA budget expenditures by $335 million. The answer to question 8 seems to state in effect that the proposed exchange does not affect the real volume or character of FNMA operations for the fiscal year. That is, the proposed net absorption or release of investable funds as a result of FNMA operations will not be affected by the proposed exchange. Is this inference correct? If so, doesn't it mean that the budget expenditure savings of $335 million is merely a bookkeeping savings?

Answer. The Treasury's answer to previous question 8 was not intended to lead to the inference that the proposed sale or exchange of $335 million of mortgages for 2¾-percent Treasury bonds does not affect the real volume or character of FNMA operations for fiscal year 1960.

As pointed out in the preceding answer to question 5, FNMA is conducting two operations having direct impact upon the Federal budget, namely, the special assistance program and the management and liquidation program. Net expenditures under these two programs, excluding the estimated receipts from the exchanges of mortgages for the 2¾-percent Treasury bonds, are estimated to amount to $335 million for fiscal year 1960. These estimated expenditures have been offset in the budget by estimated receipts of $335 million in the management and liquidating program from the sale of mortgages for 2¾-percent Treasury bonds. Unless these $335 million of receipts from the proposed sale of mortgages are realized, the estimated budget surplus of $70 million for fiscal year 1960 will be changed to an estimated deficit of $265 million. The sale or exchange of the mortgages for 2¾-percent Treasury bonds has the effect of applying these budget receipts to the reduction of an equivalent amount of the outstanding public debt. The public debt obligations will be received and retired. They will no longer represent an outstanding debt of the United States. Under these circumstances, it would seem clear that the proposal is not "merely a bookkeeping savings."

7. Question. The answer to question 8 also states that the proposed transaction, while not reducing the Treasury's cash needs, will have the effect of reducing the outstanding public debt, thereby furnishing the Treasury somewhat greater leeway under the present debt limitation. Is this the major public purpose to be served by the proposed exchange? If so, isn't the price to be paid—the possible loss in tax revenues, the reallocation of interest payments to private holders and away from FNMA, and the very likely net increase in total interest payments—too high?

Answer. In the Treasury's answer to previous question 8, it was stated that the proposed transaction "would have the effect of reducing the outstanding public debt and thereby furnish a like margin under the public debt limitation which would be available for use by the Treasury" in financing its other needs. This statement was intended to refer only to one of the collateral advantages of the proposal, and was not intended as an indication of its major public purpose.

As indicated in the Treasury's answer to previous question 4, and as more fully explained in answer to question 2 above, the proposed transaction involves only an insignificant loss at most in tax revenues.

The net rate of interest collected by FNMA on the mortgages (after deducting its expenses and servicing costs) is somewhat more than the rate of interest paid by the Treasury on the 2¾-percent Treasury bonds. However, this represents the evaluation of investors in the public marketplace of the relative difference between investments in direct public debt obligations of the United States and investments in private mortgages guaranteed by the Veterans' Administration.

The Government should not actively compete with private industry by purchasing and holding interest-bearing mortgages and other evidences of indebtedness of private parties solely because it can make a profit over the lower rates of interest it pays when it borrows on public debt obligations.

Mr. SPARKMAN. Mr. President, with further reference to the same subject matter, on April 29, I wrote the FNMA to inquire about plans being made for the proposed exchange of 4 percent mortgages for 2¾ percent bonds. After receiving a reply to this letter and after reviewing the material supplied to the Joint Economic Committee, I wrote the FNMA again on May 13.

In the second letter I questioned the wisdom of the exchange from the standpoints of, first, the obvious loss of yield by relinquishing the mortgages; and, second, the possible loss of revenue if participating institutions should find ways to claim losses for tax purposes. I also asked for certain specific information regarding the loss of income involved in trading 4 percent mortgages for 2¾ percent obligations. To date, I have not received an answer to my letter of May 13.

I still believe that this matter should be reviewed by the Committee on Banking and Currency. I hope that a hearing can be scheduled soon.

RESPONSIBILITY OF BUSINESS IN PUBLIC AFFAIRS

Mr. BUTLER. Mr. President, the preservation of American institutions requires a new awareness of the impor-

tance of government in the lives of all of us.

One of the important employers in the State of Maryland is the American Can Co. It has taken a leading role in encouraging its employees regardless of party affiliation to participate actively in politics, which in short is the science of government. I take pride in this civic activity.

Mr. William C. Stolk, president of the American Can Co., delivered an address entitled "The Responsibility of Business in Public Affairs" at the midyear meeting of the Chemical Specialties Manufacturers Association in Chicago on May 20. He concluded with the following quotation from Thomas Jefferson, which all of us can endorse:

I know of no safe depository for the ultimate powers of society but the people themselves; and if we think them not enlightened enough to exercise their control with a wholesome direction, the remedy is not to take it from them, but to inform their discretion through education.

It gives me great pleasure to commend Mr. Stolk for his enlightened leadership in encouraging his employees to become active citizens in their respective communities. I know that each of us will welcome the communications which he is urging his employees and managers to address to us on important issues of the day.

Needless to say, we may not always be in agreement, but if our constituents are informed about the issues which concern us, and they take the time and trouble to present us with information which otherwise might have eluded us, they will perform one of the most important functions which any citizen can undertake in a free society.

Mr. President, I ask unanimous consent that Mr. Stolk's stimulating address may be printed in the RECORD at this point.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE RESPONSIBILITY OF BUSINESS IN PUBLIC AFFAIRS

(Address by William C. Stolk, president, American Can Co.)

Having been in the sales end of business most of my life, your invitation to be here today is not only an honor but a real treat.

There could be no greater pleasure for a salesman than an invitation to sell his bill of goods before several hundred fine customers and equally fine prospective customers, without interruption.

Despite your generosity, I will avoid talking about insecticides, disinfectants, waxes, and polishes, and, of course, cans, though the temptation to do so is strong. It would be wonderful to discuss with you new developments, new products, and new markets, and to paint a picture of a great and glorious new future we might share together.

This I would do if it were not that I have become so deeply concerned—as have many other businessmen—with the ominous outlook facing our country. If things continue to go the way they have, there is real reason for serious doubt that we, as a nation, have a glorious future in store for us.

I came here to sell—but not containers. If any businessman has not already been sold, he needs to be sold on the absolute need and urgency to participate in public affairs. My goal today is to convince you of the need for your participation in this vital area and for your help in encouraging, stimulating, and helping your managers, your business associates, and your friends to do likewise.

We, as businessmen, have been working vigorously and conscientiously to increase productivity, cut costs, and provide a firm basis for a constantly improving standard of living. But people in increasing numbers are discovering that while we have been busy developing, financing, producing, and marketing new products and services, powerful forces have been working at least as diligently to develop, finance, produce, and market ideas that are seriously undermining our political and economic system.

Standards are being lowered, ideals are being downgraded, character is being weakened, and our Constitution is—in effect—being rewritten. The freedoms now becoming popular are: Freedom from care; freedom from effort; freedom from responsibility; and freedom to get without having to give.

The public is being hoaxed into believing that the Nation can consume more than it produces, that our standards of living can be increased by restricting output and reducing hours of work, and that the "good life" is a life of irresponsibility.

Efforts are being made to convince the public that the way to have booming prosperity in this country, improve living standards, and withstand the threat of annihilation by Russia—is to forget the balancing of the budget, maintain existing tax rates, increase Government expenditures, hamstring business incentive and initiative, build a larger and more powerful central government, and move further and further along the road toward socialism.

Some politicians in government, in labor unions, in our two great political parties, and—sad to say—even in our educational institutions have been promoting concepts, ideas, and legislative actions which will surely rob the public of a substantial part—if not ultimately all—of its bank savings, series E-bond savings, life insurance protection, pension rights, and other property values.

These same politicians are promoting the idea that business is suspect, that big business is particularly bad, that anything which is good for an employer could not be good for an employee. They are coldly contriving to break down public confidence in and respect for business—particularly big business. This despite the fact that business, and business alone, makes possible the goods and services used by consumers, the income used by tens of millions of people to support their families, and—both directly and indirectly—the great bulk of Government income.

To my mind, we businessmen, individually and collectively, have become much too refined for this day and age. We have striven too hard to seek universal acceptability for ourselves, as well as for our products.

We have devoted too much effort toward attempting to find areas where we can agree with other business managers, with labor leaders and with Government. We have made too little effort to think about, and speak out on areas of disagreement with labor leaders, with Government, and even among ourselves. We must not, of course, confine ourselves to the purely negative exercise of saying "we are against what you are for." But in order to make clear to everyone what we stand for and why, we cannot avoid taking an open position against schemes that are designed to overturn the things we seek to advance. For example, as we speak out to support and promote the continuance of a free competitive market for goods and services, we have to oppose the ideas of those who want to see all business management directed by some combination of Federal bureaucracy and union trusteeship.

Business managers have assumed that, in the area of public affairs, their responsibilities to society are adequately discharged by making a financial contribution, once every 2 years, to the party of their choice and by contributing to the support of business organizations which take stands on legislative issues. This may have been adequate in the dim past—but certainly not in the recent past, and assuredly not now.

You and I and other businessmen, as corporate executives, must give more personal attention to our unique opportunity to exercise the art of leadership—to fulfill our unique responsibility as managers of human resources. As corporate executives we have great opportunity to demonstrate and promote sensible ideas and constructive actions for the common good. Let me be specific: I believe that the economic realities, and the social and political principles, that have operated to achieve success for the American Can Co. as a corporation, are the same realities and principles that have operated to achieve success and prosperity for every employee—in our business, in your business, and for every citizen.

As corporate executives, you and I stand at the head of groups of employees who can and will judge, first-hand, whether our management ideas make sense and deserve their agreement and support. When our own people learn first-hand from us what we stand for—and when they decide for themselves that they agree with us—we will have accomplished our principal duty of leadership as corporate executives.

This, however, is not the end of our task. You, and I, and other businessmen—as individuals—must, in order to be good leaders and good citizens, become politically sophisticated. We must, as individuals, personally participate in the job of helping to select, nominate, and elect able people to public office.

If we fail to do so, we can look forward with certainty to the day when the corporation will become obsolete and the Government will become absolute.

Because we—in the American Can Co. management—are so strongly convinced of this, we decided some months ago to do something about it.

We decided we were not going to be passive and thus be a party to permitting our country to be led, unobstructed, into intellectual, moral and financial bankruptcy by a relatively few, highly vocal people—people who are either selfish, shiftless, power-hungry, well-intentioned, but misguided, or are proponents of another kind of political and economic system.

Here, briefly, is what our company is doing in an effort to help preserve and strengthen our economic and political institutions.

We at American Can Co. have laid out a four-part program. Some of the parts are already in action, others are in the make-ready stage. Let me emphasize that no part of our program is a one-shot project or a temporary campaign. All four parts are designed for long-term action, from now on. We wish we had started them years ago.

Part 1 is to inform, equip and encourage everyone in our management organization to lead out, and speak out, on the business facts that have a direct bearing on the economic and social well-being of our own company, our own people, and of the Nation. And by "everyone in our management organization" I mean our people at every management and supervisory level from the front office to the shipping dock.

Part 2 of our program is to make sure that every employee, and his family and his neighbors, gets from us, both face-to-face and in writing, a continuous flow of facts and viewpoints to round out his understanding and make it possible for him to reach judgments based on all of the truth rather than only part of it. We are constantly on

guard not to underestimate our people's intelligence, or overestimate the amount of information they already have.

The third part is to give our managers the opportunity to study political processes and learn the art of practical politics. Our purpose here is to give our managers, and through them all employees, genuine encouragement to participate actively in personal politics—on their own time and at their own expense, in their own precincts and wards, through the party of their individual and personal choice.

The fourth part of our program is to give elected officials, through our management organization, our management views on important national issues as they come up for consideration in pending legislation.

The first two parts of this program do not require anything different in the way of organization structure or operating techniques. This is not to say, however, that these parts will operate by themselves without careful planning and constant attention, from the chief executive on down. Several months ago I tried to summarize this area of our current program to our entire management organization, in the following three sentences:

1. Let us extend our principles of sound and successful management to provide an increasing initiative to lead out and speak out, in our plants and offices and in our communities, on the affairs that control the welfare of our business and the economic, social and political climate in which we live.

2. Let us take constant stock of our management decisions and actions, to be sure that our practices and actions are always consistent with our principles.

3. The task remaining, then, is to exercise both personal and corporate leadership, in talking and writing to people to get them to think straight—to make the right choice under sometimes difficult circumstances.

The third and fourth parts of our current program—encouraging personal political action, and putting our management viewpoint on national issues on record with Congressmen—are brandnew activities in our company. I want to take a few moments to describe how we are going about serving our apprenticeship in these new ventures.

Our decision to participate much more actively and aggressively in public issues and personal politics was made some months in advance of the 1958 elections, although not in time to make an effective contribution to a better understanding of the major issues involved. We did, however—through a personal letter sent to the home of each one—urge our 50,000 employees to register and vote.

During the second half of 1958, we also sent a series of letters to all of our top management people explaining the purposes of the program and soliciting their support. We asked 153 of these men—managers in plants and offices across the country—to act as official spokesmen for our company and establish direct relationships with the 153 Congressmen and 52 Senators representing the areas in which our facilities are located.

This group was asked to make themselves known to their legislators, to invite them to their plants and offices, and to discuss subjects of mutual interest. In addition, we wrote to the Senators and Congressmen telling them of our new policy of taking a much more active interest in public affairs, of our desire to be of service to them, of our plan to provide our employees with an increasing body of economic facts, and of our intent to speak out on important issues and to study legislative results.

It would be heart-warming to you and even inspiring, to read the substantial number of replies received from Members of Congress which expressed warm approval and enthusiastic endorsement of our purpose. These letters were about evenly divided among Republicans, Democrats, liberals, and conservatives.

We are not yet well enough equipped or experienced to be articulate on all important national issues before this session of Congress. So as a practical matter we are limiting ourselves this year to such critical matters as a balanced budget and sound fiscal policy, the encroachment of Government controls over business, and an effective labor law. On each of these, we have considered the problem and have taken a company stand on what we believe is right and what we think Congress should do.

These positions are documented in detail based on our analysis of the need to favor or to oppose proposed legislative actions. They are being given to every one of our top management people. Our positions are also being made known to middle management and all other employees through our normal communication channels.

The 153 managers selected as spokesmen for the company are asked to study these carefully formulated views, and then to make their conclusions known to their legislators. We, of course, expect that all of the others in top management, acting as responsible managers and public-minded citizens, are also studying our views and communicating their analyses to their Congressmen—on an individual and personal basis. We hope that eventually all 50,000 employees, their families and their friends, will join us in articulate support of the same objectives.

Needless to say we appreciate that, to the extent corporate managers confine their communication of ideas to legislators, their influence is limited. We want and expect our managers also to express themselves, on important issues to their management associates, to other employees, and in public. We want and expect them to help others to understand the fundamentals of sound business, sound government, and to enlist their support in working toward the common good.

We expect to be successful in helping our employees to gain an understanding of the kinds of legislation which will further the interests of themselves and their company, as well as the welfare of the country. But we know that we, as managers, cannot stop there. Management must also offer employees an opportunity to learn how to translate knowledge into forceful and constructive action.

For this reason we are currently testing out, at several of our facilities, a course designed to provide citizens with a basic understanding of the art of practical politics. This is a course prepared by the U.S. Chamber of Commerce which brings together 12 to 20 people for a 2-hour discussion, once a week, for 9 consecutive weeks. It is expected that those taking the course will be sufficiently well informed to exert a healthy and beneficial influence on politics in their precincts and wards.

How fast and how far we can go in offering this opportunity to an ever-increasing number of our employees will be determined on the basis of the results of our tests.

Nevertheless, we are firmly convinced that if our political and economic system is to survive—perhaps, even if our Nation is to survive—a very much larger number of citizens must actively work to aid in the selection of good candidates for public office, to nominate them, and to elect them. This being so, management has a definite responsibility to help provide its employees with opportunities for political education. We, in the American Can Co., are fully committed to bearing our fair share of this responsibility.

The payoff from all this educational effort will come only if and when knowledgeable people actually support the cause of good government with their own personal effort—using their own time and money. Thus, a vastly increased number of people must be encouraged, stimulated, and urged to work in their own precincts and wards for good government, through the party of their individual and personal choice. We intend to provide this incentive.

This is really all we should do. Because the decision to work or not work to promote the cause of good government must, of course, be left to the individual's personal conscience.

In conclusion I want to quote Thomas Jefferson. He said, "I know of no safe depository for the ultimate powers of society but the people themselves; and if we think them not enlightened enough to exercise their control with a wholesome direction, the remedy is not to take it from them, but to inform their discretion through education."

If and when your management, our management, and other business managements are well on the way toward discharging these important responsibilities to our employees, our companies, and our country, in the field of public affairs, the people will, we can be sure, become enlightened, and—as Thomas Jefferson phrased it—exercise their control with a wholesome direction.

THE BUREAU OF THE BUDGET AND DEFENSE FISCAL POLICY

Mr. BUTLER. Mr. President, in recent days we have heard much from officials quarters as to the assignment of priorities for the appropriation of Federal moneys. Apparently even within the administration this system has a fleeting or transient quality, a condition which places in the hands of the Bureau of the Budget a requirement, or power, of determination of growing magnitude. In the U.S. Naval Institute Proceeding for April 1959, Capt. Donald G. Gumz, USN, has astutely analysed this latter-day proclivity, and I ask Mr. President, that his excellent article entitled "The Bureau of the Budget and Defense Fiscal Policy" be printed in the body of the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE BUREAU OF THE BUDGET AND DEFENSE FISCAL POLICY [1]

(By Capt. Donald G. Gumz, U.S. Navy)

This paper was intended to be a castigation of high handed and arbitrary methods of budgetary control utilized by the Budget Bureau in a self-designated role of judge and executioner for all programs and plans requiring Federal expenditure. The author, in the course of research, has found that while the methods used are to some extent arbitrary, the role of judge and executioner is by no means self-imposed. Rather, the role of arbiter has been imposed on the Bureau by default.

The military departments within the Defense Establishment contain the professional talent necessary to evaluate and apportion the financial outlay best suited to meet national security requirements within the limits prescribed by national political and economic considerations. These talents have been used to a large extent in the parochial arena of inter- and intra-service debate. The result has been the evolution of an arbiter in the Office of the Bureau of the Budget.

[1] The opinions or assertions in this article are the personal ones of the author and are not to be construed as official or as the views of either the Navy Department or the U.S. Naval Institute.

An executive unit with the authority of Presidential decree in the field of finance, the Bureau has become an incisive decision-making body in any field requiring funding, with the sole objective and responsibility of insuring compliance with politico-economic policies which it helps to formulate. In effect, the bookkeeper has been called upon to manage the corporation. It does not necessarily follow, however, that a defense establishment generated in this manner will be effective. Nor can the responsibility of its lack of effectiveness rest with the bookkeeper.

Back in the comfortably uncomplicated days when there were only two military services and each of them was directly represented at the highest policy level of that day, the Presidential Cabinet level, spheres of conflicting interests between them were relatively few and easily resolved. The sea was the sea, and the land the land, and air free for all. Space above the air was certainly no issue. No program representing "dollars for survival" of a service, or even a branch of a service was essential. The kaleidoscopic age of technological advances has made a melange of this comfortable arrangement. Complexity of issues has grown beyond all bounds within which planning was conceived but 25 years ago.

In 1921 an office to provide suitable budgetary accounting was recognized as good business for a rapidly growing national budget. By 1946 the same office was dictating the size of the Military Establishment through control of the purse and was being asked for managerial concepts in all areas of Government. In the Cabinet, the Secretary of the Interior was protesting the methods by which "people down the line in the Budget not much above the status of clerks made allocations within departments between various bureaus and offices of that department." In October of 1946 the Secretary of the Navy was being advised by the Director of the Budget, James E. Webb, that he should submit alternative budgets in terms of fleet efficiency and capabilities. Mr. Webb expressed his desire that the Secretary of the Navy have an opportunity to submit any views along these lines before he, as Director of the Budget, went to the President with his own ideas of what to recommend to Congress for National Defense. In these cases it appears that already the bookkeeper is telling the president of the company how much to spend in which department rather than how much the company is worth. In point of fact the appropriation bills for fiscal 1948 did go through in accordance with the ideas of the Bureau of the Budget, and there was no visible effort to weigh the resulting military capabilities, or rather limitations, against diplomatic or security commitments. The beginning of the era of frustration in defense planning was at hand.

On July 27, 1947, Forrestal was confirmed by the Senate as the first Secretary of Defense. For the next 2 years, less 3 months, during which he served in this capacity, he was to be engrossed in the tremendous problems of organization. That year and subsequent years to the present were to witness the rapid erosion of an effective military machine under the lid of monetary ceilings held down by the Bureau. A struggle for the available dollars began between the services which was to forfeit for the Military Establishment its opportunity to develop and justify, as a unit, a sound program for defense. The battle for position in the newly created Department of Defense was absorbing the talents of those best qualified to advise the Nation of its armament needs.

In the meantime the Council of Economic Advisers, established in 1946 as the watchdog of the national economy, was getting off to a slow start. There was an obvious reluctance on the part of the Bureau of the Budget to accept another agency in the fiscal arena, as a part of the Presidential family. The Bureau of the Budget already operated a fiscal division which badly needed as an excuse for existence a permanent responsibility of economic forecasting. An agency independent of the Bureau would be another element to contend with in the already formidable job of interstaff collaboration. The Director of the Bureau was careful to assist the newcomer in the direction that would least interfere with the senior Executive Office unit. Under the first Chairman, the Council followed an ultraconservative and largely an academic policy. In comparison with the dynamic Budget Director, the voice of the Council faded to inaudibility. Even after Leon Keyserling became Chairman, the Council could not gain an influential position from which to advise. By 1952, when the Republicans moved in, its status was at a low ebb. An agency which might have developed into a suitable analytical and advisory mainstay for the President as a balance in economic judgment for the accountant group of the Budget Bureau was sidetracked into impotency. The Bureau remained the sole instrument of any permanence in a position to implement fiscal policy, and the executor of policy when policy is nebulous becomes a formulator of policy as well.

Experts in any accounting organization are influenced by a strong feel for economy through proper management. Accounting as a tool for management efficiency is considered by many experts in this field as the forte of accounting as a science. Novick of the Rand Corp. has written an entire methodology of military programing for the Air Force on this thesis. However, he is careful to point out that the methodology based upon accounting practices is a tool for developing the program, not a guide for establishing its scope or its content. Scope and content are fundamental parameters established through a study of military requirements. Since 1945 it has been more and more apparent that the Bureau of the Budget has gradually reversed this sequence by assuming scope and content based on arbitrary dollar ceilings in estimating defense requirements. The annual exercises engaged in by the services in arriving at their estimates of size of forces in support of the national security policy are made to fit this preconceived concept in budgetary review.

It cannot be argued that determination of the degree of security for which the Nation is able to pay is not an economic problem. In the expert opinions of a multitude of respected economists, however, even in a peacetime economy the average defense budget over the past 10 years has never become a dangerous strain on the Nation's ability to pay. It does not follow then that the Bureau of the Budget should be formed to fit defense funding under a level budget for economic reasons. The upper limits are fixed by disassociated processes, and the Bureau is required to provide the pseudo-technical, pseudo-tactical, and pseudo-strategic logic in support of such action in the process of shrinking military estimates to size to fit within arbitrary monetary ceilings. In the effort to squeeze material requirements into predetermined dollar packages, the lower echelons in the process of review have been called upon to second guess the military in detailed areas of military judgment in which, regardless of their caliber in their own field of endeavor, they cannot have and do not claim competence. But since political leadership does not find it expedient to accept such responsibility, and the military in good faith cannot, the bureaucrat must take the action himself to comply with the political leader's desires.

The Office of Budget Review is annually faced with the same dilemma. It must review the programs of the three services with regard to the size and scope of the required Military Establishment in relation to the broad policy set forth by the President, the cost as estimated by the military planners, and, in the process of review, reduce the cost estimate to a fiscal ceiling specifically set by Presidential decree. The size and scope of military requirements are developed from estimates suggested by the National Security Council based upon sources generally independent of the politico-economic advice upon which limits of the corresponding national budget are based. Invariably, because domestic considerations influencing the national budget are of immediate and local import and the international situations and commitments upon which the defense requirements are based are less obvious and of little immediate concern to the politically potent taxpayer, the two policy guidelines are far from compatible.

Just as invariably the fiscal policy guideline is the one that remains inflexible, and requirements for security are rationalized downward to fit—not by the military planner but by the Bureau of the Budget. Since the budget reviewers have no direct responsibility for the capabilities of the military machine to meet its commitments but have a very real one to insure that the cost remains within prescribed limits, they have far less hesitancy in gambling with forces both in being and potential than has the military witness presenting his requirement.

It is not intended by the above conclusion to imply that the reviewing authorities within the Bureau are lacking in integrity or that they are not motivated by the highest ideals of Government service. There is no question as to their past effective performance in saving the services considerable sums through knowledgeable suggestions based on past performance of industry, contractual negotiations, statistical analysis, and improved accounting procedures. These legitimate and beneficial aspects of accounting analysis and review, however, cannot hope to provide the large sums essential to reduce the initial cost estimates for required forces to within the established limits. A defense budget of $48 billion cannot be cut $10 billion by such means. Force goals must be radically reduced. Obviously the military must reevaluate their requirements and resubmit with fewer numbers and less cost to do the same jobs. This is the area of argument providing the opportune variable. This is where the broadly worded directive "to maintain level forces for the long pull" can be complied with most readily and where the myth of "level forces and level funding" can be conveniently prescribed.

But since the controlling policy directive for the military programer has remained unmodified and the commitments of the military are not to be reduced, the military planner can wrestle with his conscience just so far and must eventually resubmit programed forces costing well above the set figure. Even with the more flexible conscience of the Defense Department layman further reducing these estimates to figures more nearly compatible within his less than expert judgment, it remains for the budgeteer to find technicalities in areas other than military science to reduce forces to the funding limit which has been set.

It is at this time that the budget reviewer's store of statistical lore, historical background, continuity of office, and archaic files are used in the great rationalizing purge. The manufacturer cannot produce that many aircraft in the estimated lead-time allowed by contract, therefore, so many fewer B–52's are required. A shipbuilding and drydock company has a contract for a liner hull and the employment level cannot support the additional cruiser start this next year. Therefore one less cruiser is required. Chrysler Corp. will have difficulty getting a third plant into full production in time to meet the missile contract being

sponsored in the current budget, and so delete it as a requirement this year. One company's product currently operational in the fleet is rumored to have many faults which may well indicate the follow on model will not be very good, and so drop the order for so many new fighters for naval air for the time being. Reduce the numbers in inventory in the meantime by cutting the size of squadrons as necessary. Newer equipment is more efficient, and so the same job can be done with smaller numbers. Reduce the requirement. In some instances these conclusions are partially accurate. In many more they are far from being even a near estimate. But in all cases they are judgments rendered by budget review authority on force requirements based on the precept that in some manner the cost of the program must be reduced to prescribed ceilings.

Now it may be argued that at no time is the actual force requirement as established by the military questioned by the review. As a matter of fact the Bureau is very careful to avoid, by word, any semblance of attempting to fix force levels. By the process of finding in individual programs reasons why the monetary estimates are too high for the particular budget under study, however, the hardware is not funded, and as a matter of course the actual numbers in that particular equipment are reduced. The results are the same. Or in the case of current expenditure for operating costs, lower estimates than those submitted by the military programers, based on the judgment of the reviewers, effectively curtail the number or the quality of trained personnel produced and the number of machines and aircraft operated. The lower estimates of the Bureau over the past 3 years in the area of POL costs has in each of the three services forced curtailment of planned training rates in aviation, ship operations, and field maneuvers.

A CASE IN POINT

Let us take as a case in point, the development of a major slice of the Navy program, specifically, the planning and projection of aircraft force requirements to meet prescribed commitments of the Navy as set forth in broad NSC and JCS directives. It is fairly typical of the evolution and ultimate dissolution of programs in other defense areas.

Initially there is a certain amount of naivete in the approach of the neophyte military planner to his problem in Washington. He cannot understand how his predecessor could have gotten his projected program so completely confused. He searches for logic in irrelevant past procurement and for equipment which should have been ordered to meet reasonable, programed requirements in the past. The requirements remain fundamentally sound and have existed for years, but contracts if let were canceled or curtailed. In his search for answers, he continually runs against the lack of funds barrier. Gradually he senses that this phrase cannot possibly apply to all the troubles he finds himself in, particularly in the area of program balance.

After living with the problem for about 18 months and being of reasonably adequate intelligence, he recognizes that what is probably lacking is a realistic projection of his program far enough ahead in time to arrive at the required goal through an orderly evolution of procurement cycles. He reviews all available authoritative papers to establish his goal and discovers, generally, that a fairly constant military posture is to be anticipated. Seeking advice and counsel from his technical bureaus, he carefully develops inventories of hardware at periodic intervals into the future toward his goal. Plotting inventories against required types and numbers of equipment, he arrives at deficits to be filled in an orderly manner over these same time intervals. He turns again to his technical bureaus for the latest estimates in availability of specific hardware for purchase and, in consultation with his warfare desks and the forces afloat, selects the proper hardware for his shopping lists. He then has the basis for his cost estimates for new procurement for the budget years ahead in sequence. All that remains is to keep the program current by minor modifications as objectives change or breakthroughs in the state of the art may dictate.

He also has the essential information on which to base operating costs for each time cycle and to estimate manning levels required. He notes with some trepidation that the bill he must submit each year has a steady slope upward but is assured by his technical staff and comptroller groups that this is a forecast inflationary trend balanced by a similar rise in the gross national product, and, percentagewise, his cut is remaining reasonably constant. His program is contributing toward maintenance of "a level force for the long pull," and he has provided for an acceptable degree of equipment modernity with fair consistency. He is prepared to submit and justify the program on these grounds.

Across the river another group of planners are approaching the problem with a different set of guidelines. The majority of this group has been at this business for a considerably longer period of time and is much closer to the ruling body-politic. They are not handicapped by periods of absence in other pursuits nor by practical background and experience in managing the machine they are so adept at dissecting. Nor is their problem particularly complex their goal being far more specific. It is represented by a top limit beyond which the cost of a military program must not go. While the breakdown between and within the services is not so rigid, the end total must not be exceeded, and if the Defense Department cannot resolve the arithmetic of defense costs to meet this goal, it is the duty of the Budget Bureau to do the job for it. By law the Bureau must estimate costs of each program. By administrative procedure and by influence, the Bureau reshapes the program itself.

INFLUENCE ON DEFENSE PLANNING

To obtain a proper feel for the degree to which fiscal control can influence the shape of defense posture, it is necessary to compare the amount of total military budget available for modifying any status quo and the time period associated with the evolution of any significant change in existing forces. Most significant is the fact that less than 25 percent of the total annual fiscal outlay can be associated with the modernization of military hardware under normal long pull peacetime economy. The balance must go toward overhead and operating costs.

Of almost equal significance is the lead time associated with the development and production of modern weapons systems. It is obviously vital that carefully evaluated plans must extend well into the future to permit orderly phase-in of equipment which calls for up to 7 years to evolve from concept to quantity production.

When a major technological breakthrough occurs, such as jet propulsion for military aircraft, the problem becomes one of even greater magnitude. For example, the first jet propelled fighter for naval carrier aviation was flying in 1943. Even with a war economy and the added impetus of the Korean police action on budgeting largess, it was impossible for the Navy to completely reequip its fighter squadrons with jet types for 10 years. A similar example is presented by the replacement program of the Air Force in their introduction of the B–52 as a replacement for the B–36.

With but 25 percent of the annual expenditure for defense available for modernization and with the total capital outlay represented in the inventory of combat aircraft exceeding by a factor of 12 the average peacetime defense budget available for new procurement over the past 10 years, it is obviously impossible to maintain an adequately modernized force, regardless of reduction in development lead time. The reduction in both quantity and quality of military forces is inevitable.

It is mandatory that the military planner consider the established policy to maintain level forces as a maxim in developing projected military requirements. It is even more imperative that these scales of force remain as vital in support of national commitments overseas. Regardless of how fine the estimates are shaved, the long pull figure for the defense budget totals in the neighborhood of $52 billion annually, as of 1956, and rises each year at a rate of some 3 to 4 percent, paralleling the projected inflationary curve. Each year that this figure is undercut, it adds to the subsequent years' requirements and only postpones the inevitable reckoning. Ultimately, any serious logical attempt to maintain a strong military posture becomes impossible. Disoriented expediency becomes the determining factor governing size and modernity of forces. Programing disintegrates. Piecemeal replacement of obsolescence, with no chance to remold the character of the force, becomes the paramount goal. And the parameter of balanced forces loses its efficacy, since only imbalance can result from such fragmentary efforts.

In this piecemeal, fragmentary approach to creation of our military machine, we find a strong motivation for survival in each of the services, as each establishment sees itself in danger of elimination as a potent force under the shrinking dollar availability. Each service recognizes in the others a vital element of the defense team but cannot, in good faith, accept its own demise or impotency. Where there is insufficient for all to survive, and each thinks of itself as essential for the welfare of all, the most altruistic will be justified in approaching the problem from an individual point of view. On the other hand, if a group of individuals dedicated to a common cause have at their disposal the wherewithal to share in contributing to that cause, a logical approach toward the desired end can be expected. With adequate funding for defense made available (adequate from the point of view of balance against commitments), there would be an objective plan, rationally arrived at and feasible of accomplishment. With an impossible situation resulting from diametrically opposed objectives, i.e., world leadership, but at no cost, there can be no logical solution. The justification of size of forces essential to a nebulous objective, governed by a very firm cost ceiling, becomes an exercise in semantics.

It is this fixation on a budget ceiling without balanced consideration of what is to be done with the end product that has become a fetish destroying our capability to hold a place in the world power battle. The fetish strikes across the board at all potency in the field of international relations, but it is particularly damaging to military security. From a position of "Hang the cost, let's get on with it" to the other extreme of, "If it costs more, forget it," the pendulum of fiscal policy has swung its arc.

Even the military programer in any specific field of planning becomes mesmerized by this fixation on monetary ceilings. This is not cost consciousness. It is a reflex to oppose any and all action tending to raise costs, acquired through association with, and contamination by, the process of budget review. The first test of any suggested change to a program becomes one of cost,

the immediate dollar outlay. The answer to this question is usually decisive. If it doesn't fit within the current dollar ceiling, it must be discarded, potential future savings or hazards of ultimate deficiencies notwithstanding. Rationalization of such a decision to encompass military arguments must be undertaken, with the end justifying the means. Unimpassioned analysis is not practicable under this type of pressure.

The Budget Bureau is under no such pressure and requires no further logic than monetary limitation. Cold appraisal based on algebraic addition to arrive at a predetermined sum is the simplified approach of the budget review process. Rationalization of reduced estimates or elimination of entire programs is not necessary. There is no arbiter beyond the Bureau itself to reason with. Not even the Congress can increase appropriations and authorize additional funds with any degree of certainty that utilization of such funds will be implemented.

THE MONETARY CEILING

Theoretically the Military has recourse to the President as the final decision authority. Practically such recourse is not available. The Chiefs of Service are so far removed, buried under mountains of civilian secretaries, that direct access requires a crisis upon which a career must be staked. Theoretically, the Bureau of the Budget in its review of military programs receives its guidance for monetary ceilings from the President. Actually these orders are formulated and promulgated within the Office of the Bureau. They are intended to implement policy as prescribed by the President after consultation with his most responsible and able advisers. Attempts to identify these advisers invariably lead in a circle.

Defense Secretary Wilson publicly acknowledged that his budgetary requirements were well in excess of the ceilings imposed. Imposed by whom? Previously quoted was a passage from Defense Secretary Forrestal's diary pointing to the Director of the Budget. Under the present administration, George M. Humphrey, when Secretary of the Treasury, has been considered the most influential economic adviser. However, his influence on the Defense Department is not apparent, and he was not a member of the National Security Council nor in the line of command with the Budget Bureau. It is difficult to assign him responsibility for setting defense ceilings. The Council of Economic Advisers has had insufficient stature to influence such decisions, though their advice in their fifth annual report, devoted to the subject, found no such ceiling essential to the health of the national economy. The President's chief political advisers on the White House staff, including his Special Administrative Assistant, Hauge, are strongly influential, but are primarily concerned with domestic political policies. In this composite group there is lacking the consistency of tenure which has been apparent in our defense fiscal policies extending through both Democratic and Republican administrations. And this brings us back to the only group in a position to advise authoritatively and consistently at the highest governmental level, the Bureau of the Budget.

The potency of the Director of the Bureau in this regard is confirmed by Edward H. Hobbs in his favorably biased study of Executive Office agencies in which he reports:

"The Director's influence over the President, nevertheless, is always to be feared by department heads, for in times past he has served as keeper of the Presidential conscience, and his instinctive habit of saying "no" may often counter the Presidential bias toward saying "yes." A director who has the confidence of the President and the Congress is strategically located for exercising influences which go beyond strictly money affairs."

This was written in 1953. There is little doubt that what was true in times past is even more significantly so today. In fact, his suggestion that the Budget Director become the Presidential Chief of Staff is as close to an accomplished fact as can be, without specific administrative order. Mr. Hobbs must have added the Congress as an essential confidant of the Director through deference toward that body, as the Congress has no control over the appointment of the Director and no direct influence over his actions in any way. The Director is not even required to defend the various components of the budget which he prepares for submission. Hobbs' point that the Director "is not particularly useful unless he can get along with Congress" has lost its validity several times since, most recently when the past Director suggested to Congress that they do their own reviewing if they wanted to find budget areas to cut.

IMPACT OF DOMESTIC POLITICS

The Budget Director is the President's man. The President is an elected official whose party stands or falls with him. Increased costs of Government, unbalanced budgets, and higher taxes are not conducive to success at the polls without a strong sales campaign and an unpopular one. Without an obvious crisis, such a campaign could mean political suicide. The President's man is strongly motivated to protect against such politically hazardous fiscal policy. It is, in fact, his primary motivation. His decisions cannot help but be biased by this criterion. And from his influential and authoritarian position, he shapes the security of the Nation with this criterion as the deciding factor.

It has become expedient to provide a governor for this rapidly expanding economy of ours under our system of free enterprise. The methods used seem to be most effective and permit reasonably fine control. We have observed, among them, adjustment of margin requirements in stock transactions, easing and tightening of credit through discount rate adjustment, commodity controls through subsidies, and other relatively painless but modestly effective fiscal measures. These are the vernier calibration tools. For the coarser adjustments what better tool can be found for the economist than the defense budget? Here is $40 billion a year to play with, $10 billion of which can be turned on or off annually as expediency may dictate. Is it possible that budgetary dictatorship is leading in this direction? A look at specific military force levels budgeted for since 1947 would tend to support the affirmative. But the scope of this paper prevents a detailed analysis of this precept. Classified material would have to be used. However, in one major program area, graphic curves of operating aircraft numbers against time have the contours of a roller coaster. It would be interesting to compare the hills and valleys in point of time with the fluctuating political needs for control of the national economy.

In their book on "Financing Defense," written in 1951, Albert G. Hart and E. Cary Brown point out that "* * * economic stabilization sets the standards for budget policy in a readiness economy. The outgo side of the budget * * * has to be shaped to the needs of defense."

They describe budget policy as taking outgo as given, with the effective use of tax policy as a tool against inflation to stabilize the economy in the face of inflationary pressure. After acknowledging that the pattern of military budgeting invites inefficiency as a result of the feast-or-famine history based on austerity followed by panic and offering as a basically sound rule the motto inherited from World War II—"Take the dollar sign off defense"—they submit, paradoxically, to monetary ceilings for the military as insurance for getting the most for the defense dollar. The perpetual mistrust of the economists toward granting the military a bottomless pocketbook is in perennial conflict with the acceptance that "For defense economies within the general framework of defense plans, our reliance must be upon the military themselves * * *." That some credence should be placed on this mistrust of the military is evident from a history of mistakes and inefficiencies associated with the administration of such large sums composing the defense budgets. That which is not recognized is that excessive checks and balances through external comptroller control and arbitrary dollar ceilings can be extremely dangerous.

If we must fear that the military would delve into the open purse with abandon in a single track objective of getting all they could while the getting was good under conditions of national crisis, it would appear that by similar singlemindedness, the Bureau personnel would be inclined to keep that purse securely zippered when periods of international relaxation permit. Since public opinion swings widely to both extremes and in the final analysis exerts the major influence, this has been the pattern. That part of our governmental organization best qualified to temper the extremes finds itself in opposing camps and in bitter competition. We must look to political leadership to remove the economics of defense from the political arena in a bipartisan approach, which will create an atmosphere of harmony within the segments of Government responsible for the national defense.

A CHANGE IN PHILOSOPHY

No great reorganization would be necessary within the Military Establishment to develop and present an accurate analysis of the forces required to back U.S. foreign policies and insure adequate military strength to meet obligations to our allies and to provide for our own defense. It has become quite obvious that along with a strong deterrent capability, contact forces are essential. Barring semantics of the partisan struggle for an adequate share of the limited Defense budget, professional military men with sufficient background and experience recognize and acknowledge the need for strength on land and sea and in the air. Jointly they are capable of advising the country of the cost, in manpower, and equipment, to balance with military power the Nation's aspirations in the world arena. Should the bill presented be beyond the limits the Nation is willing to accept, at least the Nation will have a realistic view of the disparity. Within lower limits less can be done, but again a fairly accurate estimate of where we must reduce our commitments can be made, or the relative risks of overcommitment can be more accurately judged.

It is a change in the philosophy of approach to military planning that is needed. The military planner developing force requirements must have an accurate and specific goal in mind. He must be aware of the relative costs of meeting that goal by means of the various weapons systems available to him. Efficiency in application of military power in support of national policy should be a strong motivating force influencing his final decisions. But he should not be asked to fit his requirements for a specific goal within a preconceived dollar ceiling. He should be free to assess the degree to which a dollar limit will or will not meet the requirement. He should be the source of unbiased information on the Nation's military readiness and capabilities before Congress, completely divorced from the necessity to defend, on political grounds, the Defense budget. His professional integrity should be unimpeachable, and his politics bipartisan.

The Bureau of the Budget should not be required to justify force goals in the military field. Nor should this office find itself in the position of rationalizing downward the size of the Military Establishment to fit within a preordained monetary ceiling.

Again let the shoemaker stick to his last and the Budget Bureau concentrate on the economy of operations by accounting analysis. If it is impracticable to divorce this Bureau from the political arena surrounding the Office of the President, it should be insured that adequate balance is provided in matters of fiscal policy through the Council of Economic Advisers and, in the Congress, by closer liaison with, and access to, the military professional.

SECRECY IN THE MUTUAL SECURITY PROGRAM

Mr. GRUENING. Mr. President, there is a growing and justifiable resentment in this body—and in the other body as well—against the veil of secrecy which has been thrown up by the administration with respect to the entire mutual security program.

Take, for example, the situation with respect to Cuba.

The budget request for defense assistance to this country is classified "secret." I have seen this estimate but cannot discuss it on the floor because it is all classified—I cannot divulge whether it is to be more or less than what was obtained by Cuba last year.

We do know and can divulge that it is intended as a minor part of the aid to Cuba, and I emphasize that it is a minor part, to grant $500,000 in economic assistance during the coming fiscal year to Cuba. This is $100,000 more than it is estimated will be granted for the same purpose to the same nation during the current fiscal year. But the rest of the Cuban aid program I am forbidden to discuss because it is labeled "secret."

I do know, however, that recent events in that nation are disturbing. Reports emanating from that country increase my anxiety that, at least with respect to this portion of the mutual security program, our efforts are not proving successful.

We know that our aid program in the past has been severely criticized because of the great military aid we gave to the dictator, Batista, who used our arms and ammunition to maintain his dictatorship and to slaughter his own people.

Are we going to continue this folly to his successor, Fidel Castro, who is, to say the least, an unknown quantity, or at best a dubious quantity?

In this connection, I ask unanimous consent that an article in yesterday's New York Times by R. Hart Phillips, entitled "Communists in Cuba Pose a Big Problem," be printed at the conclusion of my remarks, as well as an article in the same edition of that paper by E. W. Kenworthy, entitled "Congress Now Grows More Restive Over Foreign Aid" be printed in full at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, the articles may be printed in the RECORD, as requested.

(See exhibits 1 and 2.)

Mr. GRUENING. I urge that the Congress take the necessary steps to declassify the Cuban program so that we may know what is about to be done and take whatever steps Congress deems advisable. I suggest that every Member of the Senate take a look at this classified proposal and judge for himself, whether it is not, as I believe it to be, a scandal.

Let us put an end to the secrecy at our doorstep, and establish control over our taxpayer's dollars sent there.

Mr. Kenworthy's article, as I said, is entitled "Congress Now Grows More Restive Over Foreign Aid." I should think the Congress well might.

EXHIBIT 1

[From the New York Times, May 31, 1959]

COMMUNISTS IN CUBA POSE A BIG PROBLEM—CASTRO HAS YET TO TAKE FIRM STAND ON THEIR ROLE IN POLITICS

(By R. Hart Phillips)

HAVANA, May 30.—Cubans and the outside world are today attempting to measure the degree of influence the Communists have in the revolutionary government of Premier Fidel Castro.

Many Cubans feel that Dr. Castro's reforms follow the Communist pattern. They note his steps toward expropriation of the lands of the big sugar companies, both American and Cuban, and other big tracts under the new agrarian law, his drastic lowering of land values through mandatory rent reduction, and other reforms, which they say indicate that the Government is being led down the path to communism. They point to many key figures in the Government who are known to be sympathizers and close collaborators with the Communists.

"The Communists are a part of Castro's 26th of July revolution," Dr. Carlos Rafael Rodriguez, editor of the Communist newspaper Hoy, told this correspondent. "We are not participating in the actual government, but we are participating in the revolution because this is a revolution of the people.

"If you will read our program written in January 1956 and published in December 1957, you will see the coincidence between the program of the Castro revolution and the Communist program for this historic moment."

DECLARED PROGRAM

Dr. Rodriguez went on to say that the Communists believe Cuba must have economic and political independence, industrial development, agrarian reform, a change in fiscal and tariff policies and other reforms before going into socialism.

Conrado Bequer, recently elected secretary general of the Federation of Sugar Workers of Cuba, said yesterday that the Communists never helped the 26th of July labor movement until the 26th of December—5 days before the fall of the Batista regime.

According to Senor Bequer, the Communists have lost force in Cuban labor unions since the 26th of July movement won the elections in all unions this year.

"The Communists never helped or cooperated with the 26th of July revolution during its 2 years' fight against Batista," he asserted.

Senor Bequer went on to say that the Communists had been unable to elect more than 13 delegates to the recent congress of the Sugar Workers Federation which elected him secretary general.

The Communist newspaper Hoy and the official organ of the Castro government, Revolucion, have been engaged in a public argument for the last 3 weeks. Revolucion charges that the Communists are trying to divide the Cuban revolution by maintaining their identity instead of working for the revolution.

COOPERATE CLOSELY

Since the victory of the Castro revolution last January 1, the Communists and the 26th of July movement have been in close cooperation. Premier Castro has repeatedly said, "We will never combat communism."

So far, there has been no statement by Premier Castro directly criticizing or expressing his opposition to the Communists. One man high in the 26th of July circles said this week that the revolutionary government has "no intention of taking any action against the Communists, who have the same liberty in Cuba as anyone else."

The numerical strength of the Communists in Cuba at present is difficult to estimate. However, their organizing ability and the dedication of their leaders and members make them a formidable force against even the overwhelming majority of the 26th of July movement, according to the opinion of many.

At one time during the forties the Communists had 150,000 registered members. They began to achieve strength during the first administration of former President Fulgencio Bastita (1940–44), when they were given every support, controlled island labor, elected Senators and members of the House of Representatives and were given Cabinet posts. Later, after the party was outlawed by the Prio government and again by General Batista after he seized power in 1952, the Communists broke down the party to a hard core of faithful.

David Salvador, present secretary of the Confederation of Cuban Workers, which controls labor of the island, seemed to be in accord with the Communists several weeks ago when he declared, "Cuba can never be with the United States, which oppresses us."

CASTRO SUPPORT

Premier Castro supported Senor Salvador at that time against the former President of Costa Rica, Col. José Figueres, who was here as a guest of the Government. Speaking to a huge crowd of workers, Colonel Figueres said that the Latin American countries should be on the side of the United States in case of war between that country and the Soviet Union. Dr. Castro replied that Cuba would be neutral.

While Dr. Castro said in the United States during his visit in April, that Cuba would adhere to her treaties on hemispheric defense, he has never made that statement in a speech to the Cuban people.

At present the Communists are trying to build up their power in the island. There are no political parties under the revolutionary law, but the Popular Socialist Party, the name by which the Communists have been known since the thirties, works to organize its followers for any coming elections.

The old leaders of the Communist Party are back again. Among them are Lazaro Peña, former czar of labor under the first Batista regime and the Grau administration; Blas Roca, regarded as the top Communist leader, and Carlo Rafael Rodriguez. All are speaking over the radio and appearing on television, supporting the revolutionary government and attacking the United States almost daily.

RADIO STATION

They are attempting to get back their former radio station, Mil Diez, which was the only free channel station in Cuba. This station was taken from them by the Prio administration.

Since last January 1, the Communists have acquired sufficient funds to install a modern printing plant for the newspaper Hoy, the former plant of which was destroyed by the Prio and Batista administrations. There seems no doubt from reading Hoy that the Communists are highly pleased with their progress under the Castro regime.

The policy of the revolutionary government is the policy of Premier Castro. So, until he openly opposes the Communists, who are today active in the revolution, few

people here will believe there has been any serious break between him and them.

It is pointed out in some quarters here that it would not be an act of political wisdom at present for Premier Castro to make an open break with the Communists. While they are still in the minority, they are powerful as a highly organized and disciplined group.

EXHIBIT 2

[From the New York Times, May 31, 1959]

CONGRESS NOW GROWS MORE RESTIVE OVER FOREIGN AID

(By E. W. Kenworthy)

WASHINGTON, May 30.—The President's $3,900 million foreign aid bill came through its first committee stage this week. The House Foreign Affairs Committee authorized appropriations of $3,600 million—a cut of roughly 8 percent. This is about par for this round. The heavy cutting is usually performed by the House Appropriations Committee on the appropriations bill—the bill that provides the actual cash within the limits set by the authorization bill.

What was significant in the Foreign Affairs Committee's action was that it cut $160 million from the President's request for military aid, and $107 million from defense support and special assistance. The administration had argued fervently that depletion of the money in the pipeline made the full amount for military aid absolutely necessary, and that the requests for defense support and special assistance were austere. At the same time the committee added $100 million to the $700 million the President asked for the Development Loan Fund.

In short, the committee cut grant aid while increasing loan aid, and this was interpreted here as further evidence of the growing revolt against the program among its stanchest supporters on Capitol Hill.

THREE OBJECTIONS

The mounting dissatisfaction with the present program centers on three things: (1) the large amount of grant economic aid, (2) the level of military aid as compared with economic aid to underdeveloped nations, (3) the secrecy on the amount of military and defense support aid for any given country. To take up these grievances in order:

Grant economic aid: The administration rightly maintains that since the Development Loan Fund got under way last year, loans are playing an increasingly larger part in economic aid. The fact remains, however, that in the administration's request this year roughly 70 percent of economic aid would still be in grant form.

The most controversial area involves defense support and special assistance. The former is economic aid given to 12 countries with which the United States is militarily allied. The latter includes the same kind of aid to a number of countries—among them Morocco, Tunisia, Libya, Jordan, and Bolivia—with which the United States has no military pacts.

The State Department has always explained these two categories as aid which enabled the recipients to maintain defense forces larger than they could otherwise support. This is true, but not the whole truth. The terminology and the explanation have given this form of grant aid a military gloss which has made it easier for many Congressmen to explain favorable votes to their constituents.

CUTS SUGGESTED

Recently, however, when legislators suggested that some underdeveloped countries were maintaining top-heavy defense establishments, and that if their forces were reduced defense support and special assistance could also be cut, the State Department cried havoc.

Two weeks ago Leonard J. Saccio, Acting Director of the International Cooperation Administration, told the Foreign Relations Committee that the economic needs financed by defense support and special assistance would have to be met whether or not military programs were cut back.

In bald terms what this means is that the administration believes the unviable economies of many of these countries will have to be subsidized for years to come. If this is the case, then many legislators believe it is time to say so, and change the name of defense support and special assistance to "economic grant aid."

In a Senate speech 2 weeks ago, Deputy Majority Leader MIKE MANSFIELD proposed that defense support be put on a loan basis at the end of 3 years. One of the reasons advanced against this by Mr. Saccio was that such a scheme would be a deception upon the American people. There would, he said, "be no remotely defensible justification for expecting meaningful repayment." By this he meant that the loans would have to be repaid in local currency.

But Senator MANSFIELD asked whether such repayment for defense support would be less meaningful than the same kind of repayment of loans from the Development Loan Fund, or for sales of surplus agricultural products.

Economic versus military aid: Last August eight Senators on the Foreign Relations Committee wrote the President that they were convinced of "a serious distortion" in the relative importance the administration attached to military as against economic aid in some less-developed countries. Believing that the Communist threat in these areas was primarily not military but economic, they asked for a reappraisal of the program.

DRAPER COMMITTEE

In November—partly but not wholly in response to this letter—the President named a nine-member Committee, headed by former Under Secretary of the Army, William H. Draper, to study the military assistance program. At the urging of some State Department officials who knew that the Senators meant business, the President included in his instructions a request that the Committee consider the relative emphasis which should be given to military and economic programs, and particularly in the less-developed areas.

In a preliminary report in March the Committee proposed a $400 million increase in the President's $1,600 million request for military aid, in order to provide modern weapons for NATO allies. It suggested more selectivity in allocating military aid to less-developed countries, but recommended no cuts. It found defense support at an austere level which it would be dangerous to reduce. It postponed until a later report the question of relative emphasis on military and economic aid.

The Committee will issue a second interim report in a few days. Again it will defer an answer to the Senators' request.

Meanwhile Under Secretary of State Douglas Dillon told the Foreign Relations Committee 3 weeks ago that "if still greater emphasis is to be given to the economic development program, it can only be through larger appropriations," and not through any shift in military aid funds.

The irony here is that J. W. FULBRIGHT, chairman of the Foreign Relations Committee, has introduced a bill to do just this. He has proposed that the Development Loan Fund be given Treasury borrowing authority to make loans at the rate of $1,500 million a year for 5 years. The administration has asked only $700 million for next year.

Mr. Dillon, in speeches and congressional testimony, has in the past advocated multiyear authorization for the fund to loan $1 billion a year. But he yielded to the economy pressure of the Treasury and the Budget Bureau in asking only $700 million. The administration also feared stirring up the Appropriations Committee on the issue of the Treasury's borrowing authority.

In a fish-or-cut-bait session with the Foreign Relations Committee this week, Mr. Dillon said he "strongly supports" the Fulbright bill "in principle," but did not "feel it appropriate" this year. However, he said the State Department will urge the administration to consider it next year.

Mr. FULBRIGHT found this answer equivocal, and wrote to the President, warning that unless he put his weight behind the Fulbright bill, he must expect continued cuts in his requests for the Development Loan Fund, with the inefficiency in planning and operations which results from lack of assurance on available funds. The administration is now meditating its answer.

Secrecy: The State Department argues that publication of country figures on military and defense support aid will subject it to competitive pressures. Senator MANSFIELD argues, first, that the information invariably leaks anyway, and second, that the State Department must learn to say "no" to demands for equalizing increases.

BEHIND SECRECY

There is good reason to believe that the security stamp is often used to hide dubious gimmicks from public view. For example, over 20 percent of the $96,500,000 requested for military aid in Latin America is earmarked to pay Brazil in weapons for an island on which the United States has a missile tracking station. Some legislators find this a dubious use of military aid.

The administration, it is agreed, will probably get 80 percent of its total aid request, as it has in recent years. But the view here is that the administration is deceiving itself if it believes this normal prospect actually reflects the true congressional temper toward the aid program.

There is a growing feeling on the Hill that the administration has been treating casually, almost cavalierly, the suggestions made by the program's friends. "One of these days," a Senator said this week, "the administration will wake up and find that the baby has been tossed out with the bath."

TRUTH TELLING IN HIGH OFFICE

Mr. McGEE. Mr. President, I should like to have included in the RECORD today the comments of a minister in this city, in a sermon which he delivered yesterday. The title of the sermon is "Truth Telling in High Office." It was delivered by Rev. Duncan Howlett, D.D., pastor of All Souls Unitarian Church in Washington, D.C.

The burden of this very intriguing sermon is that modern man has made great progress in technology, but has lagged in his sense of moral values, particularly as regards truth-telling in high office. I quote only his lead paragraph, to capture the tone of his comments. He says:

Modern man is alternately astounded by what he has accomplished and appalled at what he has yet to do. We have been in the habit of stating this contrast with the familiar groan that our technological progress has outrun our moral progress. It has, of course, as we know all too well. But there are other discrepancies in our rate of progress besides the moral and technological. One of them is the ability of language to convey a vast yet exact complex of information, as contrasted with the astonishing ambiguity of language which often results in conveying erroneous information and, in many cases, none at all.

Further on the sermon goes into the difficulty of applying meaning to words, and of evading senatorial questions with totally evasive and sometimes contradictory language.

I ask unanimous consent that Dr. Howlett's sermon, entitled "Truth Telling in High Office," be printed in the RECORD at this point as a part of my remarks.

There being no objection, the sermon was ordered to be printed in the RECORD, as follows:

TRUTH TELLING IN HIGH OFFICE

(A sermon by the Reverend Duncan Howlett, D.D., All Souls Church (Unitarian), Washington, D.C., May 31, 1959)

Modern man is alternately astounded by what he has accomplished and appalled at what he has yet to do. We have been in the habit of stating this contrast with the familiar groan that our technological progress has outrun our moral progress. It has, of course, as we know all too well. But there are other discrepancies in our rate of progress besides the moral and technological. One of them is the ability of language to convey a vast yet exact complex of information, as contrasted with the astonishing ambiguity of language which often results in conveying erroneous information and, in many cases, none at all.

Few of us appear to be aware of the problem. We hear about semantics. Occasionally we discover that a hot argument involved nothing more than the meaning of words. But for the most part, we are content to blunder along, assuming that through the use of words we are able accurately to transmit our thoughts to one another.

Science, in order to overcome the ambiguity of words, has been forced to develop a language of its own. Mathematics, one of the most exact of the sciences, has developed a complete set of private symbols.

The same is true, if to a slightly less degree, of the other sciences. Astronomers, biologists, chemists and psychologists, all have their special terms and signs. This technical language has not developed out of childish desire for a secret code, nor is it, as some have charged, a mechanics of self-importance. It is the result of the need for clarity and exactitude in communication, the need to eliminate ambiguity.

It is curious that moral progress should be so meager in contrast to technological progress. I suspect the reason is that we want it that way. We prefer the more primitive moral system that descends to us from a remote past, because it offers us more freedom to indulge our tastes than might a tighter system. In all probability, the ambiguity of language persists for the same reason. We like it that way. There is great value in thought and expression that is not too exact and not too precise. Neither literature nor poetry would be possible if we were confined in our expression to the sharply defined and carefully limited symbols of science.

But we have paid a high price for keeping our morals at a relatively low level of development, one that may well turn out to be catastrophic. We have also paid a high price for maintaining ambiguity in our speech. True, it affords us great freedom of expression, but freedom for one is freedom for all. It means freedom for literary and poetic expression; but it also means freedom to employ the ambiguities of language to defeat the purpose for which language itself was invented. It means the freedom to use language not to foster communication, but to inhibit and even to prevent its taking place.

A particularly aggravated instance of this kind of misuse of language is now very much at the forefront of American public life, that of Lewis Strauss in connection with his nomination to the high office of Secretary of Commerce. He has, as you know, been widely criticized. He has also been very lavishly praised. One fact, however, stands out above all others, and the longer the debate drags on, the clearer it becomes. It is this. In the person of Lewis Strauss we have a man who has apparently made a fine art of appearing to communicate while actually doing nothing of the kind. Either Mr. Strauss is willing on occasion to use the English language to obfuscate and confuse rather than to communicate, or he lacks the power to assemble English words into sentences in such a fashion as to convey what is in his mind.

This latter suggestion does not seem very likely. Mr. Strauss' ability has been testified to by many people. Furthermore, he has on many occasions spoken with the utmost clarity so that no one could mistake his meaning. Consequently, his occasional failure to do so, particularly under questioning, is a matter of some moment in a potential member of the President's Cabinet.

Really to grasp what those who wish to communicate with Mr. Strauss are up against—if he is in an uncommunicative mood—you have to go to the record of some of the hearings at which Mr. Strauss has been questioned. One of the better known examples took place on May 14, 1959, before the Interstate and Foreign Commerce Committee of the U.S. Senate—the famous remarks about the molded record.

The facts in the case are simple, once you have waded through two or three lengthy transcrips of testimony to see what they are. Let me summarize them in a few words. Some time back, when Mr. Strauss was Chairman of the Atomic Energy Commission, he wrote a letter. What it was about is, for our purposes, unimportant. What is important is that it was subsequently shown to have been duplicitous in character. Thus it became a document behind which it was no longer expedient for Mr. Straus or anyone else to stand.

In the course of the hearings before the Interstate and Foreign Commerce Committee held 2 weeks ago, for the purpose of reporting on Mr. Strauss' nomination, the letter came up for discussion. This was on the final day of the hearings (May 14, 1959). According to Senator MCGEE, a member of the committee: "On that day * * * the committee was concerning itself with the admiral's role in the well-known duplicitous letter incident which first came up during the hearing in the House of Representatives in June 1956. In our committee, responding to questions from the Senator from California, Mr. ENGLE, Strauss again denied responsibility for the controversial letter, as he had during the original House hearings. The chairman, Mr. MAGNUSON, then confronted Strauss with the official printed public record of the House hearings. According to the House transcript, Strauss had said in 1956, in regard to the duplicitous letter (see p. 318, hearings before subcommittee of Committee on Appropriations, House of Representatives, 84th Cong., 2d sess., 2d supplemental bill, 1957):

" 'You bet I stand by it. I would like to take full responsibility for having asked the General Counsel of the Commission to prepare the letter.'

"But his reply to Chairman MAGNUSON in the hearings this month on May 14, 1959, was:

" 'This is not what I said. I did not ask to have a letter prepared. I did not know what the letter contained. I did assume responsibility for it.'

"Then there followed this colloquy:

" 'The CHAIRMAN. Are you saying this record is not correct?

" 'Mr. STRAUSS. I say that I did not say what I am here quoted as saying.

" 'The CHAIRMAN. The portion I read to you is not correct?

" 'Mr. STRAUSS. No, I don't deny that what you read is correct as printed but not correct as attributed.

" 'The CHAIRMAN. In other words, you say you did not say what it says you said here.' "

CLARENCE CANNON, chairman of the House Committee on Appropriations, could not let that pass. So he went back to the original stenotype record, had it retranscribed, and it checked out word for word. And if you would really like to read some doubletalk, you should turn to the CONGRESSIONAL RECORD for last Tuesday, May 26, wherein is printed the transcript of questions addressed by Senator MCGEE, of Wyoming, to Mr. Strauss. Senator MCGEE sought in vain to pin Mr. Strauss down on his impugning of the record of the U.S. Congress. If you think he got an answer, you don't know Mr. Strauss' power not to communicate when he does not wish to. The attempt of Senator MCGEE to get Mr. Strauss to admit or to deny what he is recorded as saying, consume three columns in the CONGRESSIONAL RECORD.

You have to read the record all the way to the end to see how extraordinarily successful Mr. Strauss was in using the art of communication to bring communication itself to a standstill in the course of that hearing. After Senator MCGEE had pressed his questions for some time, other members of the committee broke in and accused MCGEE of "badgering" and "harassing" Mr. Strauss. The committee itself then fell to arguing over whether the admiral had answered MCGEE's questions. The chairman, Senator MAGNUSON, remarked in conclusion: "I do not think [the admiral] quite cleared up the question that the Senator from Wyoming asked, but nevertheless, the record will speak for itself."

It does, all right. It speaks eloquently of a man who has reversed his position and is sufficiently skilled in the use of words so that he cannot be made to say that he has done so; a man who clearly implies that the official record of a congressional hearing has been altered, but cannot be made to admit he has said so or to deny it, either. It reveals a man of enormous native talent for cutting off communication with his fellowmen, while striking the pose of earnestly trying to understand and reply to the questions he is asked.

How well he succeeded in his effort at obfuscation is seen in the charge that Senator MCGEE was badgering and harassing Strauss. We desperately need language so exact that no one could willfully confuse the badgering of a witness with an earnest attempt to pin a man down to the implication of his own words. It does not matter whether MCGEE's accusers were misled or whether they were not. The accusation seemed plausible, or it would never have been made.

We are not dealing with the old-fashioned lie any longer. Such things are too easily identified and guilt in this area is too easily fixed. The art of deception has advanced beyond that point and we, the citizens of this Nation, who are the guardians of our democracy, must not be permitted to blind ourselves to what has taken place. Where there is no communication, there is no democracy, for democracy depends upon the ability of the people to express themselves and the readiness of their leaders to do as the electorate wishes them to do. A leader who cuts off communication thereby ceases to be a representative of the people. He becomes an autocrat, acting alone, as he thinks fit, no longer answerable to the people because he

has developed a device by which he can effectively cut himself off from them.

It has sometimes been said, "Why all the fuss? After all, this is only a Department of Commerce appointment. It isn't as if he were to be Secretary of State." From my point of view, such a comment is irrelevant. If a man is unwilling or unable to be candid with his associates in government, I should think he was unfit for any post at all. But taking this observation at face value, let us see what would fall under Mr. Strauss' supervision as Commerce Secretary.

Consider for a moment how sensitive a post is that of any Cabinet member. Sidney Hyman in his recent study of the Presidency writes: "[Cabinet members] can be hostile to the President's program * * * they can be contemptuous of the President as a human being * * * they can use their place to enrich themselves through shady deals" and they may "feel they have no need to keep the President informed about what they are doing. If the President wants to get rid of a Cabinet member, he cannot do so without arousing a storm in the national group that has an * * * interest in keeping a particular Secretary next to the President." These words were written long before Mr. Strauss was proposed for any Cabinet post whatever.

Under his Department there fall the following Government functions: U.S. Patent Office, National Bureau of Standards, Coast and Geodetic Survey, Defense Air Transportation Administration, Inland Waterways Corporation, Maritime Administration, Federal Maritime Board, Bureau of Public Roads, Weather Bureau, Bureau of Foreign Commerce, Advisory Committee on Export Policy, Office of International Trade Fairs, Office of Business Economics, Business and Defense Services Administration, Bureau of the Census, Office of Area Development, and the National Inventors Council.

Opponents of the Strauss nomination have been casting about for a precedent on the basis of which to oppose him. It is very unusual for the Congress to oppose such a nomination. It has been suggested that this is like the nomination of Charles Warren as Attorney General in the Coolidge administration, because he was thought to be too closely identified with the efforts of big business to dominate American economy. But such a suggestion misses the point of the criticism of Strauss. He is no more identified with so-called big business than many another member of the present administration, perhaps not as much so.

It may well be that there is no precedent for this case. It may be that we are called upon to set one.

Talk for the purpose of cutting off rather than establishing communication is one of the great scandals of the modern world. It is to be found at every level of American society and it characterizes international negotiations to an unparalleled degree. Strauss is not its creator; he is its victim, and he is probably more astonished than anyone that he should be called to account for engaging in a practice that is so widespread. In denying a Cabinet post to Strauss, we do not make him our scapegoat. Rather, in an outburst of national conscience, we seek to stem a rising tide that could mean national disaster. Thus far shall this practice go and no further. That of which so many of us are guilty shall not be permitted to enter the Cabinet of the President of the United States.

Honesty in high office. Truth telling in high office. No one needs to defend this principle any longer. But there is a new principle we now need to state. It is this. Truth telling means communication. It means that, to the best of your ability, you present to others what you know. Specifically, it means that if you write a letter, or a subordinate writes it for you, and if, when asked about it, you say that you stand behind the letter; and after that you wish you had not written it, you say so. It means that you do not deny what you have previously said. More than that, you do not seek to impugn a public record where the words you now wish to take back are recorded. Above all, truth telling means that when questioned about a succession of events such as I have just described, you do not lead your questioner, a U.S. Senator of high repute, through 30 minutes of linguistic distinctions and verbal gymnastics—the end purpose of which is not truth but obfuscation.

We shall have nothing to say to the nations of the world if we succumb to the tactics of our opponents in the cold war, allow doubletalk to become an instrument of national or international policy. Let the precedent against it be set here and now.

I say we have learned how to deal with the barefaced lie, and our civilization is the stronger for it. Now with more sophistication we must also learn to deal with the falsehood that disguises itself in confusion: the lie which, rather than posing as the truth, vanishes together with the truth in a multitude of meaningless words.

When Thomas Jefferson drafted the Declaration of Independence, he wrote as the concluding sentence these words: "And for the support of this declaration, with a firm reliance upon the protection of divine providence, we mutually pledge to each other our lives, our fortunes, and our sacred honor."

"Our sacred honor." These are the final three words of one of the most famous statements of high principle the world has ever known—a statement of principle that has become the essence of our national life at its best. We ought not so soon to forget it. We ought not ever to forget that equated with life itself, and with all our material possessions, is honor—sacred honor, our sacred honor.

Only those men who hold and who live by this standard; only those who know what honor is, who believe in it and practice it, insofar as men may do so, can possibly serve a democratic people. This the Founding Fathers took for granted. It is one of the cornerstones upon which our present greatness rests. Apart from it, our way of life cannot continue. Honor was written into the structure of all society, before society itself was born. It was fundamental in democracy before self-government or any other kind had appeared. Any nation that would traverse it brings itself to judgment before the bar of history.

The God of righteousness and honor whom all men gladly worship is also Lord of history. The God of the nations is also the God of personal integrity. The God of truth is the God of right. And from his judgments, written into the nature of things, no nation, no people, may escape for very long.

PRAYER

God, grant us a clear mind, that we may know the right, and an upright spirit that we may do the right when we have seen it. Amen.

NATIONAL FOREST DEVELOPMENT—A PRIME CONSERVATION OPPORTUNITY

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that I may speak in excess of the 3-minute limitation.

The PRESIDING OFFICER. Without objection, the Senator from West Virginia may proceed.

Mr. BYRD of West Virginia. Mr. President, in the United States there are about 175 million of us. We have come up fast in many ways. More than that, unless the experts, the demographers, the projectors, are very wrong, there are going to be a lot more of our fellow citizens. By the year A.D. 2000, which some of us may reasonably hope to see, or shortly thereafter, the experts say we will have doubled our numbers—there will be something like 350 million of us, our children, our grandchildren, and our great-grandchildren yet to be. That is a lot of people to feed, to house, and to clothe. If the signs of the times are right, they will want and expect much more than the bare necessities—they will want and try to obtain and maintain a high standard of living, probably significantly higher than our own present affluent level.

That will require resources, human resources of many sorts, to be sure; but more especially, natural resources, multitudinous and multifarious in kinds and amounts. Even now, the limited calls upon our resources reveal in some areas inadequacies and emerging trends of scarcity if not actual depletion. Without being overly pessimistic or alarmistic, one may quote Gifford Pinchot to the effect that a nation deprived of liberty may again win it, a nation divided may reunite, but a nation whose natural resources are destroyed must inevitably pay the penalty of poverty, degradation, and decay. Fortunately, in our own case we have not yet reached the point of no return as to most of our resources. By taking thought, and more important, by prompt activation of essential programs, we can recoup and restore at least part of the natural complex. This we must do, not merely to be returning to some status quo ante, but because our great complex civilization requires and will require the raw materials. Those resources, which are now only partially sufficient for our present needs, will nevertheless be required in substantially greater amounts a quarter and a half century hence, to meet minimum needs of the much larger population. With none of the resources is this more likely to be the case than with those of the forest. With respect to no other resource complex can we do so much restoration and rebuilding if only we will take the needed steps promptly.

Not often do we so fortunately have need and opportunity in close juxtaposition. At few times, in few areas has one so nicely complemented the other. There are, as you must be aware, a lot of our fine people presently unemployed. I do not plan to discuss this matter in any considerable detail today. But it should be noted that there are well over 3 million, something like 3,600,000 workers without work. They are especially concentrated in certain areas of our fine country. We call those areas depressed, or underdeveloped. For one reason or another they have very substantial labor surpluses. There is a program, or perhaps I should say it is mostly a proposed program, to shore up such areas. It is the area development program part of which is referred to as the rural redevelopment program. As you might guess,

predominantly because of the long depression in the bituminous coal industry, West Virginia has more than its share of such problems. As of March 1959 my State had 301,264 needy persons in family units in the donated surplus foods program. There is real need, there are millions of able bodied, ready and willing to do real work. Meanwhile there are great forests and lands under public ownership, primarily in the West, in need of protection and development—protection especially from fire and disease; development to make possible more timely timber harvest of mature timber and to provide restocking. Provision must be made for vastly expanding recreation use. In the East and South there is a truly major conservation opportunity—to reestablish productive forests on understocked and cutover lands otherwise serving no good purpose. Here, too, multiple purpose development is called for.

This close co-occurrence in space and time of two critical problems may prove to be great good fortune. It should mean that an adequately productive solution can be achieved with uncommon ease. Here are people who need work and are able to work. Here is work which must be done now, partly to serve our present needs, but even more if our forests are to be able to meet the demands which certainly will be made of them in the next generation. The biological cycle of a forest is a long one; in the woods more than elsewhere the program must be forward looking.

Fortunately, we have had during the 1950's a comprehensive study of our forest and timber resources. The Forest Service of the U.S. Department of Agriculture in a study extending over several years, working with information already available plus new field studies, with State agencies, forest industries, and other public and private organizations, put together and released only 2 or 3 years ago the most comprehensive review that we have ever had of our forest situation, the most complete evaluation of timber supply and demand ever made.

There are a few things, highnotes so to speak, that we might keep in mind in regard to the overall situation. Over two-thirds of the total sawtimber volume is softwood. Sawtimber is divided about equally between public and private ownership. Private farm forestry, as distinguished from forest industries, accounts for about 34 percent of the commercial sawtimber forest area and about 15 percent of the volume. Forest industries on the other hand account for about 39 percent of the area and 37 percent of the volume. In total about 73 percent of the commercial forest area is privately owned; national forests make up about 17 percent, other Federal about 4 percent, and State and local about 6 percent. Partly because of the relatively mature age of the western sawtimber, about one-half of the Nation's annual growth is in the South; thus in the West the present cut is approximately double the present growth. For eastern softwoods, the cut is slightly less than the growth, about 17 billion board feet growth versus 14 billion board feet cut. For the hardwoods in the East the annual growth is about 19 billion board feet and the cut slightly more than 12 billion board feet. It should be noted almost immediately that low quality wood predominates in the hardwood stands, only 10 percent of the eastern hardwoods are high grade, another 16 percent medium grade; whereas 54 percent are low grade, and cull trees make up 20 percent, hence almost three-fourths of the total is of less than medium grade. Of the 53 million acres which in 1952 were indicated as commercial forest land in need of planting, almost 44 million acres were on private lands. Of the 8.2 million acres of public land in need of planting, 4.6 million acres were in national forests, about 1 million acres in other Federal lands; State and local accounted for about 2,600,000 acres. About 7 million acres of that total are indicated as having been planted since 1952, of which 5.2 million has turned out to be acceptable plantations, giving a planting success of about 76 percent. Plantings on the public lands have slightly exceeded the plantings on private; there were about 3½ million acres in each case. Success also has been somewhat slightly higher in the case of the public lands.

Turning to my own State of West Virginia, the total land area is almost 15,500,000 acres, of which about 9,900,000 acres are forest land, and 9,860,000 acres are classed as commercial forest land. About half of the commercial forest area, or 4,862,000 acres, are classed as sawtimber, all of which is young growth rather than old growth; of the remainder, 3,300,000 acres, approximately, are in pole timber stands and 1,462,000 acres in seedling or sapling stands. Nonstocked areas are indicated at only 238,000 acres. Federal ownership of forest lands in the State is 895,000 acres of which 881,000 acres are in national forests. We have 83,000 acres in State forest and small areas in county and municipal forests. Of the 8,878,000 acres of forest land of the State in private holdings, 3,197,000 acres are in farm forests and only 270,000 acres are held by forest industries. The private forest holdings of West Virginia are held by more than 133,000 owners of whom more than 120,000 have less than 100 acres each. At the time of this comprehensive study, it was indicated that about 1⅓ billion board feet of dead sawtimber was to be found in West Virginia. This was probably mostly wormy chestnut, part of which has been taken care of; the remainder is perhaps now beyond the point of being usefully harvested. The commercial forest land stands of West Virginia included almost 17 billion board feet of hardwoods, of which red oak constituted about one-fifth, and white oak about 2,800,000 board feet; yellow birch and sugar maple as well as soft maple and beech were other major items as were hickory and yellow poplar. West Virginia has very small amounts of softwoods, 606 million cubic feet, of which southern yellow pine makes up one-half of the total. Hardwood sawtimber in West Virginia in 1952 constituted about 95 percent of the total.

To summarize this aspect we may repeat that, looking forward 40 years, which is a short time in regard to tree growth, much more timber will be required. Overall timber products requirements by 1975, postulating 215 million population, would be increased by 37 percent as compared to 1952. By the year 2000, projecting the population on the low side only 275 billion, requirements would be up 75 percent; and assuming a more rapid population increase to 360 billion, requirements would be up 129 percent. On that more extreme basis required saw lags for lumber would increase from roughly 41 billion board feet to about 95 billion board feet, and pulpwood from 35 million cords to 81 million cords. Even fuel wood would double and all industrial uses would jump from about 10 million cubic feet to more than 23 billion cubic feet.

All of this raises a vital question of whether our forest resources are being managed in such a fashion as to make even reasonably possible the meeting of these projected requirements—requirements which in large part must be met, if they are to be met at all, from trees and timber stands now in being or those which are planted very soon. Of course, our forests do now serve certain essential needs but, even now, they serve those multiple needs less adequately than we might wish. Without improved management, without increased productivity from much of the forested area, they simply will fall far short of adequacy, as we project future needs and resources. Conservation, wise use, then, dictates that we must begin now to manage better our limited forest resources to meet what appears to be inevitable great expansion in demand for such products, if we are to maintain anything equivalent to our present standards of living.

As I noted above, we do have the monumental "Timber Resources for America's Future." That gives a fair idea of needs and problems which require attention. It does not do a complete job of delimiting in a tight geographical way, exactly what needs to be done where. But the regional personnel of the Forest Service do know their areas in detail and can no doubt provide invaluable guidance when we reach the planning and project stage.

Several steps already taken more or less prepare the way for prompt activation of such a developmental program to restore forest productivity to a higher level. At this stage I should have to rule out the National Outdoors Recreation Commission as being of very much immediate help in that direction. As badly as we require comprehensive guidelines with respect to the vastly increasing recreational uses of our forests, the Commission is just now really getting underway and it would be inexcusable to delay the prompt harnessing of the available unused manpower to do real forest work until the Commission in its own good time deals with that phase.

Incidentally, it is estimated that recreational use of the national forest system alone will soon reach 130 million visits per year and will reach a probable 600 million visits by the year 2000, as

compared with less than 70 million recently.

As you are perhaps aware, the conservation reserve phase of the soil bank has also involved reforestation. That program has been in operation for 3 years. In 1957 a total of 6 million acres was placed under contract; in 1958 an additional 4 million acres, and in 1959 a total of 13 million acres were contracted giving an overall total of 23 million acres. On the first 10 million acres placed in the reserve—during 1957 and 1958—establishment of protective cover has largely been completed; approximately 1 million acres have been planted to trees. While this is considered to be a major contribution to wise land use and conservation of soil and water on these lands, it is only a small fraction of the planting which is needed. On the 13 million acres placed in the reserve in 1959, final figures are not as yet available. However on the basis of a sample, it is estimated that 700,000 acres are to be planted to trees. In any case, the present indications are that the program is to be deemphasized, so we may not expect much more from it on the reforestation front.

More directly oriented toward a major action program is the "Program for the National Forests"[1] transmitted to the U.S. Senate in March 1959 by the Secretary of Agriculture. It does present some long-range objectives geared to the year 2000 A.D., though a shorter term program is directed toward what may be done in the next 10 or 15 years. Though it would apply especially to the national forests in 39 States and Puerto Rico, of which there are 181 million acres in 148 such forests, it is at least suggestive in regard to other forest areas. Incidentally some 87 percent of the national forest lands are in the West, mostly very largely derived from the public domain; those in the East, of course, have for the most part been purchased under the Weeks law of 1911; private holdings much predominate in the East and South. Proposals for the short-term period include the seeding or planting of approximately three-fourths of the 4,400,000 acres of nonstocked and poorly stocked plantable lands within the national forests. In addition, the productive condition of over 11 million of the 30 million acres of stands of less than saw log size would be substantially improved by weeding, thinning, release cutting, reinforcement planting of lightly stocked areas and the plantings of new burns in these stands.

Included in the proposals for the short-term period is the completion of a part of Operation Outdoors, a 5-year program initiated in 1957, to reconstruct and rehabilitate the recreation facilities then consisting of 4,700 campgrounds and picnic sites containing 42,400 family units; included would be the preparation and execution of development plans on 10,000 new campgrounds and picnic sites containing 102,000 family units.

[1] Program for the National Forests, Forest Service, USDA Miscellaneous Publication No. 794, April 1959, 26 pages.

Insect and disease control would be stepped up; the present blister rust control work would be extended to an additional 250,000 acres, and a program to control dwarf mistletoe on several hundred thousand acres would be initiated.

An example of the sort of thing which can be done, if and when sufficient help is available, is the use of antibiotics against blister rust of white pine. A recent Forest Service release indicates that some 300,000 Western white pine trees were saved from certain death in 1958 by the use of a new antibiotic weapon, acti-dione. Treatment cost about 4½ cents per tree and did not harm wildlife or fish. Millions of these trees, which if allowed to mature would be worth as much as $100 each, are killed each year by the blister rust disease. The Forest Service hopes this year to treat one to two million infected trees in northern Idaho. Its too late now, but think of the additional wealth of our Appalachians had there been adequate treatment for chestnut blight.

Fire protection and fire control would be in several ways stepped up, including removal of roadside fuel and the clearing and maintaining of a good many thousands of miles of fire breaks. There are now 24,000 miles of forest highways in the national forest system, almost 150,000 miles of forest development roads, and more than 112,000 miles of trails. Forest highways would be increased to about 70,000 miles and access roads to about 542,000 miles. The trail network would be reduced to about 80,000 miles. In the short term, reconstruction of about 90,000 miles of access roads and 8,000 miles of trails would be required.

In his recent discussion of the proposed program for the national forests, the Secretary of Agriculture called attention to the fact that lands in the national forest system developed or proposed for intensive use would be given protection from fire adequate to meet the fire situation in the worst years and under serious peak loads. This he said would include 125 million acres compared to 23 million acres now receiving such protection. Also an additional 15 million acres would be given a lesser degree of protection adequate to meet the average fire situation. This obviously calls for a great deal of forest work, many man-days of work; the source of such labor is not specified in his statement. Clearing and maintaining 12,000 miles of fire breaks would be one of the necessary steps.

Clearly, this work proposed for the national forests covers only a part of the problem. In some parts of the country the bulk of the problem, the greater part of the work to be done is in the national forests. That is not the case in my State or in many other areas. According to the Timber Resources Review, about one-quarter of the commercial forest land was poorly stocked, some 52 million acres as of the date of the study, or 9 percent of the total, was less than 10 percent stocked. Another 73 million acres, or 17 percent of the total, was 10 to 40 percent stocked, giving a total of 26 percent partly stocked. In general, understocking was and undoubtedly continued to be, more serious in the East.

Most significant for our present discussion, some 52 million acres were essentially idle and nonproductive of trees now needed or soon to be needed. It is estimated that the derelict area has now been decreased to about 48 million acres; this is roughly 10 percent of all commercial forest land in the Nation which needs to be planted soon if it is to become productive in a reasonable time. Roughly as a rule of thumb, it requires 1,000 trees per acre—that is something like 48 billion trees which need to be planted. That is one of the problems—without buildup time tree nurseries are not in position to meet the potential demand for planting stock. Recently, for the first time in any one year, a billion trees were planted, of which 860 million were planted on non-Federal land. Most of the 48 billion mentioned would of necessity be placed on small ownerships, non-Federal, non-State holdings. That, too, is one of the not-quite-solved problems—how to integrate work which needs to be done on the private lands with the broader program.

Senate Joint Resolution 95, and the equivalent House resolution recognize that much of the stepped-up program must be carried out on private lands:

> Whereas, if the forty-eight million acres of land are to produce their part of the timber that will be needed by the Nation in the year 2000 anno Domini, it is necessary that during the next ten years five hundred and sixty thousand acres of Federal land, two hundred and forty thousand acres of State and municipal land, and four million acres of privately owned land be planted in trees annually.

The resolution would declare it to be the policy of Congress to provide a continuing program of reforestation, including that needed on private land. Details of how it would be accomplished, except for the authorization of such additional and supplemental funds as may be needed, are not spelled out.

Fortunately for our present guidance, the Civilian Conservation Corps offers an excellent concept of what can be done and accomplished with surplus labor when it is properly organized and used in the woods. We will not here attempt to deal with many of the details of that fine chapter of the 1930's, but we will recount some aspects which are perhaps of particular significance to the present proposal.

Forest work for the unemployed had been thought of and included in the announced program as early as July 2, 1932, and Franklin D. Roosevelt, in accepting the nomination for the President of the United States on the Democratic ticket, said:

> We know that a very hopeful and immediate means of relief, both for the unemployed and for agriculture, will come from a wider plan of the converting of many millions of acres of marginal and unused land into timberland through reforestation. * * * In so doing, employment can be given to a million men.

It would appear that the Civilian Conservation Corps as then organized dealt with rather a younger group than would likely be the case under the present situation. Typically the enrollee of that movement was 17 years of age. It could

well be that a considerable fraction of the proposed work would again be done by the adolescent group, but there is now an older group unemployed, which certainly would be useful either as part of the overall group or in separate battalions. The present need is perhaps somewhat more localized than was then the case; in other words, in West Virginia and some other places there is a close juxtaposition of unemployed labor and areas to be reforested or forest areas to be made more accessible, but that is not now true of some of the areas of industrial unemployment. There are urban areas, far removed from forests, where many are unemployed. Nevertheless, there might be some arrangement made for transportation.

At the high point of employment, the Conservation Corps, excluding Washington personnel, included more than one-third of a million enrollees, actually 359,700; as many as 1,740 camps were in operation, of which 1,640 were CCC camps, the others being Indian group camps and territorial possession camps.

The work completed during the period April 1933 through December 31, 1941, included field planting or seeding of trees on 2,286,196 acres; forest stand improvement on more than 4 million acres. Truck trails or minor roads accomplished were in excess of 125,000 miles. About 68,000 miles of fire breaks were cut. Tree and plant disease control was applied to nearly 8 million acres and tree insect pest control to more than 13 million acres. Public campground development exceeded 10,000 acres.

The yearly cost of each enrollee approximated $1,000, undoubtedly considerably below what could now be anticipated. The enrollees were paid a basic cash allowance of $30 per month, with assistant leaders receiving $36 per month; and something like 6 percent serving as camp leaders and receiving $45 per month. Real monthly wages of enrollees, including everything, were estimated to have been $66.25. Total expenditures of the program were about $2,728 million for the total period. The mountain-Pacific region ranked first in distribution, accounting for a total of about $690 million. California was the leading State, with more than $143 million. The first camp was established in the George Washington National Forest, near Luray, Va., on April 17, 1933. It was called Camp Roosevelt.

Mr. President, it has been nearly 20 years since any of that work force was available. It is high time that we move promptly to employ many of our able-bodied unemployed in our forests. They as individuals and families will be greatly benefited. Society, in due course over the years, will reap manyfold in multiple benefits the conservation measures we now activate.

DEANE BEMAN, BRITISH AMATEUR GOLF CHAMPION

Mr. BUTLER. Mr. President, I have the great pleasure of announcing to the Senate officially that the new British amateur golf champion, Deane Beman, is a resident of the State of Maryland and one of my constituents. He won the British amateur championship Saturday in Great Britain.

Upon being asked what his ambition was, he said, according to the news releases which I have in my hand, that his ambition was to play with the world's best known golfer, the President of the United States.

I shall take great pleasure in trying to arrange a match with the President and I hope that I may be a golfing partner of my constituent and the world's best known golfer.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a copy of a news item taken from the news ticker in the lobby.

There being no objection, the news item was ordered to be printed in the RECORD, as follows:

BETHESDA, MD.—Deane Beman, back home after winning the British amateur golf championship, set his sights today on two other cherished goals—the National Open title and a chance to play with President Eisenhower.

The 21-year-old University of Maryland student takes a step today toward the first objective. He will be one of 37 golfers playing 36-hole matches on the Congressional Country Club course for a chance to earn one of 12 qualifying spots in the National Open.

Beman will be making the try with only 1 day of "rest" since winning the British title. And that day consisted of flying the Atlantic in a jet airliner and being accorded a hero's welcome at Washington National Airport.

His ambition to play with the world's best known golfer—Eisenhower—was expressed in reply to a reporter's question. Asked if he would like to play a match with the President, Beman said:

"Are you kidding? There is nobody I'd rather play with than the President of the United States."

POLISH CULTURE WEEK

Mr. KEATING. Mr. President, last week was celebrated as Polish Culture Week in New York State. By proclamation of Gov. Nelson A. Rockefeller, tribute was paid to the varied and rich contributions of Poland to the enlightenment, education, and entertainment of the world.

We in America are proud of the many sons and daughters of noble Poland who have settled in our midst and who have done so much to make our Nation great. We are pleased that through patriotic, fraternal, and civic organizations they have maintained and preserved the fine traditions and heritage of their native land, while at the same time remaining loyal to America.

Poland's genius through the years has been dedicated to freedom and progress and culture. It is therefore doubly important for all of us on this occasion to rededicate ourselves to work and pray for the day when Poland will be free of the yoke of their Communist overlords. By every means possible, we must assure the Polish people that they are not forgotten and that we are striving for the day when they will once more bask in the sunlight of freedom. God grant that day will not be long delayed.

In his message of proclamation Governor Rockefeller voiced eloquently the sentiments of many of us during Polish Culture Week. I ask unanimous consent to have the proclamation printed in the RECORD, following my remarks.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

It gives me great pleasure to pay official tribute to the contributions of Poland and her people to the cultural development of western civilization, which are many and magnificent.

Since the dawn of her recorded history, 1,000 years ago, Poland has always held fast to the ideals of western civilization based on the Graeco-Roman and Christian tradition. For centuries she defended Europe against the forces of Tartars, Mongols, Turks, and Muscovites. Her mission as a bulwark of Christianity enabled Europe to develop freely.

Apart from giving the world such champions of Christendom as King Wladyslaw of Warna and King John Sobieski, Poland steadily carried aloft the torch of education and progress. Her oldest university—Jagiellon in Krakow—is 600 years old. The great Nicolaus Copernicus was one of its most illustrious pupils.

The annals of learning and arts are adorned with Polish names: Reymont, Kasprowicz, Przybyszewski, Kochanowski, Mickiewicz, Sienkiewicz, and Conrad, in literature; Chopin, Szymanowski, Paderewski, and Rubinstein, in music; Matejko, Siemieradzki, and Styka, in painting; Sklodowska-Curie, Wroblewski, Olszewski, Smoluchowski, Natanson, Raciborski, Godlewski, and Cybulski, in the sciences, are but a few examples of Poland's contribution to the culture of the world.

Poland has maintained and developed her culture in the face of tremendous odds. Her people continue to do so today, in defiance of the alien ideology now imposed upon them.

Now, therefore, I, Nelson A. Rockefeller, Governor of the State of New York, do hereby proclaim May 24–30, 1959, as Polish Culture Week in New York State, and I urge the people of New York to pay tribute to the undaunted spirit of the people of Poland and the glorious traditions of their culture.

Given under my hand in the city of New York and the privy seal of the State at the capitol in the city of Albany this 22d day of May 1959.

NELSON A. ROCKEFELLER.

By the Governor.

HARRY J. O'DONNELL,
Assistant Secretary to the Governor.

Mr. MANSFIELD. Mr. President, is morning business concluded?

The PRESIDING OFFICER (Mr. McGEE in the chair). Is there further morning business? If not, morning business is concluded.

AGRICULTURAL APPROPRIATIONS FOR FISCAL YEAR 1960

Mr. MANSFIELD. Mr. President, I ask that Calendar No. 317, House bill 7175, which is the agricultural appropriation bill, be laid before the Senate.

There being no objection, the Senate resumed the consideration of the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes.

PROPOSED AMENDMENTS TO MUTUAL SECURITY ACT

Mr. MANSFIELD. Mr. President, on May 15, I advised the Senate that I intended to propose several amendments to the Mutual Security Act, S. 1451. A few days later the Acting Director of the International Cooperation Administration appeared before the Committee on Foreign Relations to argue for the foreign-aid program. His testimony had much to do with why the Senate should vote against the amendments which I had intended to propose.

I regret, Mr. President, that the Acting Director of ICA, for whom I have a very high regard, saw fit to react in this fashion. He had not seen the amendments for the simple reason that they had not been introduced. Nevertheless, he assailed them. His statement was not so much an expression on S. 1451 as it was an impassioned insistence that nothing must change in the way the executive branch proposes to dispense almost $4 billion in public funds under this legislation. Any change, he implied, would be a futile attempt to "legislate away the problems of this mid-20th century." Had I the desire to engage in that sort of polemics, I suppose I might say this in return: If you cannot legislate away the problems of this mid-20th century, much less can you spend them away with never-ending grants of foreign aid.

But, Mr. President, I am not interested in winning debates. What I am interested in is the recasting of the foreign aid program in a fashion which will gain for it a greater measure of acceptance among the people of this Nation and among recipient peoples abroad, a recasting which will make it more useful and effective.

Some may ask, Why not leave the aid program alone? That question has been asked many times. Why not follow the usual procedure of inflicting a sizable cut in the administration's request for foreign aid and let it go at that? I cannot accept that course any longer, Mr. President. I cannot accept it because it does not come to grips with the basic problems of this program. I cannot accept it because, at best, it merely puts off until tomorrow the day of reckoning. I cannot accept it because, in the end, that course threatens to destroy what is essential to the Nation, what is desirable in this program along with much that is nonessential and undesirable.

I believe I have a deep awareness of the importance of foreign aid to the welfare and safety of the United States. Certainly I have accepted and supported the concept and practice of this program as a part of the Nation's foreign relations since its inception. But I have not in the past, and I do not now accept the foreign aid program in an uncritical sense. No part of this program, as far as I am concerned, is sacrosanct. Some of it is damaging and costly. Much of it can be improved. In my opinion, it must be improved if it is to survive as a useful instrument of the foreign policy of this Nation and of the expansion of human freedom in the world.

Those who are immersed in the administration of foreign aid may indeed have been shocked by my remarks of May 15. It is rarely easy to recognize and accept the necessity for change in matters which affect us most closely. However, I can assure them and the Senate that the remarks which I made on May 15 were not intended to be shocking, except in a constructive sense. The remarks which I make today are, I trust, cast in the same mold.

PROPOSED CHANGES

These remarks, Mr. President, are preliminary to the offering of five amendments to S. 1451. If these amendments are adopted by the Congress and administered with a cooperative spirit by the executive branch, they should produce these visible effects in the foreign aid program.

First. Information on the total cost of the aid program in any recipient country, now in large measure classified, will be public information.

Second. Those who administer foreign policy and the aid program will plan for the progressive reduction and eventual elimination of massive and continuing grants. I emphasize that I am talking only about grants under the categories of defense support and special assistance. I am not talking about loans or point 4. These massive grants of defense support and special assistance will not be terminated in a single stroke, with all the dangers of chaos which might ensue. Rather, they will be reduced, gradually, progressively between now and 1963.

Third. The ICA—the present aid-administering agency—will be dissolved as a distinct official personality of this Government. Its necessary functions and personnel will become fully integrated parts of the Departments of State and Defense.

Fourth. The control of the Secretary of State, under the President, will be strengthened over all forms of foreign aid, including military assistance.

Fifth. The budgeting of military assistance will henceforth be juxtaposed with the budgeting for the domestic Defense Establishment to make certain that each dollar spent for such aid is better spent abroad than at home.

ENDING SECRECY ON MILITARY AID FIGURES

Mr. President, I do not want the Senate to have any misunderstanding about the significance of these changes. They are not intended to be minor. They are not intended to alter form but leave the substance of the program unchanged. They are designed to work profound changes in the concept and operation of foreign aid.

Take, for example, the amendment which is designed to end the secrecy as to aid figures for each recipient nation. It will require the executive branch to state frankly and directly how much money it is spending in each recipient country and to face up itself to the realities and the implications of these costs.

I would not propose this amendment if I thought that there was some compelling reason of national security which required the classification of the figures for military aid grants. Is there really such a reason? Let us ask ourselves this: Do we attempt to conceal the amount which we ourselves spend annually on our own Defense Establishment, a far more significant figure, it seems to me, in terms of security than a military aid figure? Of course we do not classify this figure. We would not tolerate for a moment any attempt to conceal that figure from the people of the United States who must pay to maintain the establishment.

Moreover, as I pointed out in my remarks on May 15, the military aid figures for individual countries—now officially classified secret—can frequently be obtained from public sources both here and abroad if one has the time and patience to search them out. In the light of these observations, is "preposterous" too strong a term to use to describe the security classification of "secret" on the amount of military aid which goes to any recipient country?

The principal effect of the present classification practice, as I see it, is to deny to the people of the United States essential information on the use of public funds, information needed for the development of rational judgments on specific aid programs.

I do not question the necessity for continuing military aid in some countries. I most certainly question it in others; and, in still others, I question its present level.

In general terms, it is not difficult to justify the concept of military aid as an instrument of international relations and, this, the executive branch has done. But, Mr. President, it is time to go from the general to the specific. We must begin to ask ourselves not, is military aid a good idea. We must begin to ask ourselves, Is military aid essential in X country or Y country? Is the level of it too high in Z country?

The first step in asking and answering these questions in a rational fashion is to get into public view a full picture of what countries now receive this aid and in what amounts. The mere publication of these figures, the mere knowledge that they will be published, should act to discourage the program from seeping—as it now tends to do—into any nation which will have it, at almost any level of expenditure which Congress will tolerate, with less and less specific relationship to the rational needs of national security and foreign policy.

I should be reassured, Mr. President, as to the rationality with which the military aid program has been administered, if I could find evidence that once in a while, the executive branch turns down requests of other governments for the establishment of U.S. military aid missions and military aid programs—just once. A search of readily available sources, however, indicates that in all the years of this program, with one or two possible exceptions, no nation so requesting, has been refused a regular military aid program. There may be others, Mr. President, but I have not been able to discover them. In the meantime, the aid program has sprawled

into 40 or more nations, large and small, all presumably in the interests of our national security.

TERMINATION OF GRANT AID

I turn now, Mr. President, to another of the changes which may be brought about by the amendments that I am submitting today. The executive branch will be required to submit for each country receiving such aid, a plan for a progressive reduction in massive grants of nonmilitary aid. Will the point 4 program, with its warm and friendly appeal of helping others to learn the modern techniques of helping themselves be affected by this amendment? No, it shall not, unless it is affected in the sense of receiving increased emphasis and importance. Will the lending functions of the Development Loan Fund, the Export-Import Bank, the International Bank and other worthwhile mutually beneficial undertakings of this kind be affected? They shall not, Mr. President, unless, again, the effect is to give them added impetus.

What then will be the impact of the amendment? It will affect the nations which receive the bulk of the heavy grants year in and year out under the aid program. Will they be adversely affected? They need not be. On the contrary, those of them that are anxious for national independence, in an economic as well as a political sense, will be benefited by this amendment. For what it will require, Mr. President, is a rethinking of the aid program, a reshuffling from top to bottom of the aid program in those countries. This rethinking, this reshuffling will be aimed at ending the state of one-sided, endless dependence in which they now find themselves.

If it is properly administered this amendment will act to establish mutually agreed upon, integrated economic goals for each recipient nation. It will set annual targets for increasing productivity, for closing the foreign exchange gaps, for reducing excess military forces where possible, for increasing investments, for carrying out internal tax and other economic reforms. In short, it will set specific goals for evoking the full energies of the people of each land for the economic progress of their nation. It will require the use of grants in a positive fashion to release that outpouring. It will bring about exploration of new ways, such as broad international participation in development, for helping to bring about economic progress. It should do much to place these recipient peoples, 4 years hence, in a position to move forward on their own momentum, with their needs for outside assistance limited to point 4 type aid, loans, and orthodox methods of international financing.

Mr. President, to those who say it is illusory to think in terms of a time schedule for ending grants and for achieving substantial self-sustaining economic progress in recipient countries, I can only reply: Look at the results of the Marshall plan. Look at what that plan did to help to meet the problem of self-sustained progress in Western Europe. Let us ask in retrospect: Would it have worked without specific goals, without a cutoff date?

I must ask, further, of those who say it cannot be done: What is the alternative? What has been done so far to move these countries toward a self-sustaining economic base? How much progress has been made? Are they a quarter of the way there? A half? Three-quarters? How many more years, how many more decades, will it be before subsidies to Pakistan, Bolivia, Cambodia, Vietnam, Formosa, and the other nations come to an end? In the meantime, what is the result of these subsidies? Do they not tend to create bitterness and estrangement between our peoples and the peoples of the recipient nations? On our part because we see no end to the one-sided giving? On theirs, because they see no way out of an endless dependency? On theirs, because a conspicuous alien privileged few inevitably creates suspicion and hostility when stationed indefinitely in the midst of a native unprivileged many?

Mr. President, I recognize that there may be some nations which despite the most dedicated efforts may not be able to stand on their own without grants, beyond the 4 years contemplated by this amendment. Taken on the whole, however, most of the recipients are rich in resources. The real gap between self-support and subsidy grows out of the inability to organize and utilize these resources for the benefit of their peoples. Let the executive branch plan seriously and in an integrated fashion with the recipients to bridge this gap. If they try and cannot bridge the gap in two or three countries then, I, for one, will be happy to reexamine those particular situations. Certainly, the Senate or Congress can have them reexamined independently. Adjustments, if found necessary, can be made. What is important, however, is that there be the desire and the determination to bridge the gap in a reasonable period of time. We do not have the balance of the 20th century, Mr. President, to get these nations on their own feet.

TERMINATING ICA

Mr. President, the other major change in foreign aid which I hope that these amendments will produce is the termination of the ICA as a quasi-independent agency of the executive branch. I am fully aware that in a theoretical sense the aid-agency is already a part of the Department of State. In a theoretical sense, too, the Secretary of State exercises supervision over the aid program. But what is the situation, not in theory, but in practice? Mr. President, if you wish to telephone someone about an aid matter in Laos, do you pick up the telephone directory of the Department of State or do you pick up the telephone directory of the ICA? If a person seeks a job in aid administration does he go to the personnel office of the Department of State or does he go to the personnel office of the ICA? If you ask a person employed in aid administration where he works, what will his answer be? The State Department? Or will it be the ICA?

I need not labor the point, Mr. President. The fact is that regardless of what the organization charts may show, there is a distinct and separate administrative personality, the ICA, which is heavily responsible for operating the aid program and for the making of significant decisions in connection therewith.

That is what I am trying to change. I seek to do so not in any spirit of antipathy to the people who are employed by the ICA. The great bulk of them, both at home and abroad, are able, decent, conscientious, and hard working. They are a great credit to the Nation. That is one of the reasons why I am seeking this change. These employees warrant an assured official status of equality, both at home and abroad which can be obtained only if they are included in established agencies of the Government. They are entitled to a measure of stability and security in employment which can never be theirs so long as the agency with which they are associated totters each year on the brink of extinction as it inevitably will continue to do.

But beyond concern for the personnel of the aid program, Mr. President, there is another consideration which suggests to me the desirability of a termination of the ICA. Involved in aid programs, particularly in massive grants of aid, are not only economic questions. Also involved are questions of internal political developments in recipient countries and questions of international political relations—questions of the most complex and difficult nature. It is essential, therefore, that aid programs be fully integrated into the overall foreign policies of the Nation. I do not believe we are going to get that kind of integration until those who devise these programs and administer them are not merely State Department employees on the organization charts, but are employees of the Department in fact and in spirit as well.

OTHER CHANGES

The remaining two changes which are contemplated in these amendments, Mr. President, refer to the control of military aid policies. One reasserts and emphasizes the authority of the Secretary of State over the military aid program. It cannot be stated too strongly that when this country speaks abroad, it must speak with one voice. When it acts abroad it must act with one mind. This attitude can best be expressed through the Secretary of State acting on behalf of the President. His authority to decide where, when, and how much military aid to extend abroad must be unequivocal, as it is in other matters of foreign relations. I trust that the amendment which I propose to offer will help him to assert that authority.

Finally, Mr. President, I am suggesting in these amendments that the left hand of the administration find out what the right is doing when it budgets money for military aid abroad. I am asking, in effect, that the interested agencies and the Bureau of the Budget look at domestic defense needs at the same time that they examine foreign military aid needs. I am asking that they determine

in a rational integrated fashion whether any given dollar of the latter might better be spent on the former.

Mr. President, that is all I have to add at this time to my remarks of May 15 on foreign aid. I send to the desk, five amendments to S. 1451 and ask that they be referred to the Committee on Foreign Relations, and printed in the RECORD.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The amendments will be received, printed, referred to the Committee on Foreign Relations, and printed in the RECORD, as requested by the Senator from Montana.

The amendments were referred to the Committee on Foreign Relations, as follows:

On page 1, before the period at the end of line 10, insert ", and by adding the following new sentences: "Programs of military assistance subsequent to the fiscal year 1960 program shall be budgeted so as to come into direct competition for financial support with other activities and programs of the Department of Defense."

On page 8 after line 18, insert the following:

"(c) Amend section 523(c)(2) to read as follows: 'determine whether there shall be a military assistance program for a country and determine the value of such program'."

On page 8, after line 18, insert the following:

(c) Amend section 525, which relates to the Foreign Operations Administration, to read as follows:

"SEC. 525. ECONOMIC AND TECHNICAL ASSISTANCE PROGRAMS IN THE DEPARTMENT OF STATE.—(a) The International Cooperation Administration and the office of its Director are abolished. There is established in the Department of State the Office of Deputy Under Secretary of State for Economic Affairs, which shall be filled by appointment by the President, by and with the advice and consent of the Senate.

"(b) All functions vested by law, Executive order or otherwise in the International Cooperation Administration or any of its agencies and its Director, are transferred to the Office of the Deputy Under Secretary of State for Economic Affairs, and the incumbent of such office shall carry out such functions under the direction and control of the Secretary of State.

"(c) The records, property, personnel, positions and unexpended balances of appropriations, allocations and other funds of the International Cooperation Administration are placed in the Office of the Deputy Under Secretary of State for Economic Affairs.

"(d) The Deputy Under Secretary of State for Economic Affairs may delegate or assign any of his functions to his subordinates and authorize any of his subordinates to whom functions are so delegated or assigned successively to redelegate or reassign any of such functions. He or his designees may from time to time, to the extent consistent with law, promulgate such rules and regulations as may be necessary and proper to carry out any of his functions.

"(e) The President shall place appropriate categories of persons employed by the Office of the Deputy Under Secretary of State for Economic Affairs in the Foreign Service of the United States. The President shall also merge functions of the Office of the Deputy Under Secretary of State for Economic Affairs with functions of other offices in the Department of State in cases in which such merging would better serve to carry out the policies of this Act.

"(f) Within 6 months after the enactment of the Mutual Security Act of 1959 the President shall issue a single executive order, consolidating and bringing up to date all outstanding orders pertaining to the administration of this Act and related functions."

On page 9, after line 12, insert: "(g) add the following new section:

"'SEC. 550. INFORMATION POLICY. Information about the dollar value of programs of military assistance, defense support and special assistance shall be made public for the current fiscal year by December 31 of that year. Such assistance shall be terminated and the programs liquidated, according to the terms of the last sentence of section 503, in any country with respect to which this requirement is not fulfilled.'".

On page 7, after line 13, insert the following:

"(a) In section 503, which relates to termination of assistance, designate the existing language as subsection '(a)' and add the following new subsection:

"'(b) The President shall include in his recommendations to the Congress for the fiscal year 1961 programs under this act a detailed plan for each country receiving bilateral grant assistance in the categories of defense support or special assistance, whereby such grant assistance shall be progressively reduced and eliminated within 3 years.'".

Mr. GRUENING. I commend very highly and without reservation the very thoughtful and comprehensive presentation which the Senator from Montana has made. His profound study for many years of the foreign aid program has logically brought to the Senator from Montana as great an awareness, perhaps, as that of any other Member of Congress of its intricacies, its importance, and its various implications.

I intend to study the speech fully and perhaps comment on it further at a future date, because I consider it of national importance and deserving of the closest attention by every Member of Congress.

I merely wish to raise one question, not necessarily for immediate answer, but for the consideration of the distinguished Senator from Montana. I refer to the problem of enforcing the amendments which he is presenting to the Mutual Security Act if they are adopted and become law. The other day I proposed to the Mutual Security Act an amendment which was wholly procedural, and which, I believe, would help greatly in the fulfillment of the Senator's desires in regard to his own several amendments. In a word, my amendment was to apply to the foreign aid program the same budgetary procedures which we now apply to the domestic programs; in other words, to have representatives of the State Department or other executive agencies engaged in the foreign aid program come before the Congress, submit specific items, and state what they intend to spend in each country, and for what purpose, and have those items go through the same procedure of approval by the appropriate committees—in this case, the Foreign Relations Committee of the Senate and the Foreign Affairs Committee of the House of Representatives for authorization—and then to the Appropriations Subcommittees to pass on the appropriations requested, then to the full Appropriations Committees, and finally have those appropriations voted on by the two bodies of Congress. I believe in that way the Senator may be assured that if the amendments are adopted—and I hope they will be—compliance with them will be obtained.

I think there is a possible hiatus between the desire to have Senator MANSFIELD's amendments adopted and their actual fulfillment; and I leave that thought with my colleague, for his consideration.

Mr. MANSFIELD. Mr. President, I appreciate the statement the Senator from Alaska has made. I assure him that his proposal will be given every consideration by the committee. I do not know whether it will be possible to go as far as the Senator from Alaska has indicated; but certainly I think the General Accounting Office should take a continuing look at these operations, as it is its duty to do; and I believe it would not now be reluctant to do that, although it seemed to be reluctant to examine the operations of the program in the Indochina area in the first years of the aid program in Laos, Cambodia, and Vietnam, following the withdrawal of the French and the assumption of independence on the part of those three States themselves.

It seems to me that a good many good amendments will be offered. Although I have offered one, which has to do with removing the label of secrecy, it is my intention to support the amendment offered by the distinguished Senator from Idaho [Mr. CHURCH], who has offered an amendment covering the same field. I believe his amendment is more meritorious than the one I have prepared.

In conclusion, Mr. President, I wish to say that in my opinion there is no Member of the Senate, and probably no Member of the entire Congress, who does not have a sense of uneasiness about this program. Many of our fellow members who have been voting against the program in recent years, will, I believe, if they can be assured of a greater degree of stability and security in regard to its administration, once again come back into the fold and accept the responsibilities which go with voting for a program of this kind.

All of us know that it is hard to explain foreign aid to the folks at home. But we can well comprehend their feelings when, under questioning, they indicate some of the doubts and fears and uneasiness they have. What they would like to see is, not a discontinuance of the aid program, but a tightening up of it and getting it down to bedrock. What they and we want is more businesslike efficiency and something on the order of, let us say, 95 cents of value in return for each dollar appropriated.

Mr. President, I yield the floor.

Mr. YOUNG of Ohio. Mr. President——

The PRESIDING OFFICER (Mr. GRUENING in the chair). The Senator from Ohio.

THE FOREIGN AID PROGRAM

Mr. YOUNG of Ohio. Mr. President, at the outset let me say that I have listened with profound admiration to the address delivered by the distinguished Senator from Montana [Mr. MANSFIELD].

I intend to study that address very thoroughly when it appears tomorrow morning in the CONGRESSIONAL RECORD. It is my hope that all my colleagues will read the fine address which was delivered today by the distinguished Senator from Montana. We have much to learn from it. I am a great admirer of his.

By the way, Mr. President, I can recall that some years ago—in 1949, I believe, at a time when I was serving in the other body, as Congressman at Large from my State of Ohio, and the distinguished Senator from Montana likewise was serving in the other body—he was offered appointment as Assistant Secretary of State. As a Senator from the State of Ohio, let me say that I am very happy, indeed, for the sake of the Nation, as well as for the sake of the State of Montana, that at that time the Senator from Montana, then a Representative in Congress from that State, had the good judgment to remain in his elective position, instead of accepting the high appointive position of Assistant Secretary of State. All of us profit from his presence here.

Mr. MANSFIELD. Mr. President, will the Senator from Ohio yield?

The PRESIDING OFFICER (Mr. GRUENING in the chair). Does the Senator from Ohio yield to the Senator from Montana?

Mr. YOUNG of Ohio. I yield.

Mr. MANSFIELD. I wish to thank the Senator from Ohio, with whom I served many years in the House of Representatives, for the kind words he has just uttered.

I had another objective in mind at the time to which the Senator from Ohio has referred. I have achieved that objective. I am quite happy in it, and I have no further ambitions.

Mr. YOUNG of Ohio. Mr. President, we, also, are happy that the Senator from Montana is here.

Mr. President, at this time I wish to add some remarks of my own in regard to the foreign aid program, ofter referred to as the mutual security program. Let me add that in my view the program should be continued.

President Eisenhower's budget request appears to me to be entirely within reason.

We accept—or, at least, I accept—the necessity of continuing this aid program.

It is essential that we do this to maintain our leadership of the free world, and to help underdeveloped nations to help themselves.

Of course, in committee and on the floor of the Senate we should continue to scrutinize, as we have done, all expenditures for economic aid and military assistance.

Military considerations, in the past, have played too great a part in the formulation of our program of aid to nations of the Western Hemisphere and of the Old World.

In the case of some countries, we must decide whether food or guns is more important.

If it is said that in the Near East, or elsewhere, there is a serious threat of Communist infiltration, then our answer is that we can best meet that threat with economic aid and with technical cooperation to help underdeveloped countries produce more and progress further. This aspect of our foreign aid program should find a response in the Senate.

Mr. President, economic development of backward nations should have first call. For example, Haiti and Pakistan—countries of the New and Old World—are being burdened with military efforts so great that their economic development has been retarded.

When we send arms, tanks, and artillery to an underdeveloped country, that certainly does not help the economic condition of that country.

On the other hand, the rulers add to the burdens on the people, to support increased armies and police forces; and the military caste, always eager for more tanks and planes, becomes more thoroughly entrenched.

Some assert that if we do not supply some of these countries with squadrons of jet planes, which they seek partly for prestige, some other country—meaning the Soviet Union—will supply the planes, although the recipient country is staggering under a load of poverty, disease, and ignorance.

Regarding our immediate neighbors to the south, here are some startling figures: Brazil pays 29 percent of its national budget for armaments; Paraguay, 28 percent; Chile, 24 percent; Colombia, 21 percent; Peru, 20 percent; and Honduras, 18 percent.

These countries, except for internal disorder, have not been seriously involved in warfare, nor are they threatened by other nations; yet, year after year, these tremendous expenditures for arms and armaments continue, and, at the same time, these nations ask our Government for economic aid.

It is startling that President Duvalier, when asked to discuss the urgency of Haiti's problems, instead of referring to inflation, disease and hunger, stated his urgent need for Haiti was for more modern fighter planes.

I advocate, as does the distinguished Senator from Alaska [Mr. GRUENING], who is now presiding over the Senate, that we should fully inform the general public as to the amount of military aid given to various countries.

We all know how pleased we are to receive, day after day—and I am not referring to letters and telegrams from pressure groups—personal letters, either handwritten or typed, from our constituents telling us how they feel about public questions and giving us the benefit of their views and advice. They help us materially in our efforts to represent our States and the entire Nation.

I assert the Department of Defense, not the State Department, should have responsibility for military aid we give to foreign nations; and I am sure the people we represent have the same feeling on the subject.

It has seemed to the American people that the end of foreign aid should be in sight. Unfortunately, we have watched the emphasis in the foreign aid program shift from economic aid, in the days of the Marshall plan and the Truman doctrine, to the predominantly military aid of recent years.

Of course, the Marshall plan and the Truman doctrine, as you know Mr. President, were great movements; and by those movements the strategic area of the Mediterannean containing the nations of Greece and Turkey was kept from going behind the Iron Curtain. In fact, Italy was saved from communism by the Marshall plan and by the Truman doctrine.

It was my good fortune to be a Member of the other body when President Truman proposed the Marshall plan and the Truman doctrine. Nowadays the trend seems to be shifting to economic aid and to technical cooperation, and, Mr. President, that is good.

Some foreign aid we have given in the past, running into billions of dollars, we find has not been productive of good will toward us and probably has been of doubtful benefit to the recipient nations. We must, therefore, carefully and sympathetically study the aid program in an effort to accomplish the most for the free nations of the world and for this Nation, at the minimum expense to our taxpayers.

President Eisenhower has asked nearly $4 billion for the next fiscal year. We should keep in mind specific objectives of such a tremendous expenditure. I desire to support his program and to support him in his aims. But we should seek to measure the results sought with the tremendous costs involved.

Mr. President, our foreign economic aid program must set for itself long-range goals. We have had enough of stopgap aid. We have put our thumb in the leak in the dike, only to have two more leaks spring up. So we must reach the masses of people in the underdeveloped nations, rather than merely line the pockets of corrupt public officials and contractors in those countries.

A hungry man does not understand, nor does he want to understand, democracy, regardless of what his leaders tell him.

We must find and train competent personnel to administer the program, persons who will be ambassadors of good will—American ambassadors of good will—persons who understand the real problems, needs, and wants of the underdeveloped nations of the world and their peoples.

Our foreign aid program must reach the little people of the world, as well as their rulers. It must help them to help themselves if it is to be worthwhile to us.

Mr. President, liberty plus groceries are important the world over. They are probably more important in underdeveloped nations than they are in this Nation, and we know how extremely important they are here.

Finally, Mr. President, we must discontinue the practice of appropriating money with no questions asked. The Senator from Alaska [Mr. GRUENING], who is now presiding over this body, is a pioneer in advocating that philosophy in the Senate; and it is to be hoped that his proposal will find support and will be adopted, so that when money is appropriated for economic aid and for mili-

tary aid, or any other kind of aid, the public will have the facts. The Congress is entitled to know, and should insist on knowing, exactly where and how requested appropriations are to be spent. We would not think of appropriating money for domestic purposes without knowledge of the specific purposes involved. Why should we not do so with foreign aid money? Our foreign aid officials and employees should account to the Congress for every dollar they intend to spend, before appropriations are provided. Here at least we can avoid some of the great tragic waste of the past.

Mr. President, it is my desire to support President Eisenhower. It happens that I was in the other body when the Marshall plan was initiated and when the point 4 program was proposed by President Truman.

I mentioned that fact before. I adverted a few minutes ago to the fact that the Marshall plan and the Truman doctrine furnished aid to Greece and Turkey and bolstered them, and served this Nation in maintaining its proper place as leader of the free world. We have saved those nations as we are saving other nations of the free world.

Mr. President, as a Senator I came here with a mandate from the people of Ohio to be prudent in safeguarding expenditures. I will follow that mandate as best I can. I had a mandate to eliminate unnecessary spending, and I propose to follow that mandate. I had a mandate to help maintain this Nation as the foremost leader of the nations of the free world. That is an important mandate which we should follow.

As a Senator from Ohio, representing my State and the entire Nation, I will go along with a program for mutual aid, which President Eisenhower has termed essential to the United States.

May I add that time is running out on foreign aid. All unnecessary expenditures should be eliminated. All that has been bad with respect to the foreign aid program—and considerable has been bad in the past—and all that has been nonessential must be ended without delay.

Mr. GRUENING. Mr. President, I should like to make a comment regarding the very thoughtful speech of my good friend the Senator from Ohio, at the conclusion of his remarks.

I think the Senator's very well balanced comments reflect the widespread concern which I am confident exists in this body, as well as in the other body, concerning the administration of our foreign aid program.

I greatly appreciate the Senator's kind reference to my amendment, which is designed to improve the procedure by which foreign aid money is expended; namely, by applying to such funds the same budgetary procedures we now apply to domestic items.

The Senator's remarks make it very clear that not a few Members of Congress who favor foreign aid as he does or who might favor foreign aid, are deterred from supporting the program because of the manifest waste, the enshrouding secrecy, and the refusal on the part of those who are conducting the program to be specific as to the purposes of the aid, and their determination to give as little specific information as possible about their designs.

It is clear that we are living in a rapidly changing world and that a program which has been undoubtedly useful, which indeed, may have been very useful a few years ago, is no longer necessarily applicable in the form in which the program was originally applied.

I fully share the views of the able Senator from Ohio concerning the great value of the Marshall plan. That plan probably altered the history of the world for the better. That program was conceived in the light of a great and pressing emergency. Certain countries of Europe faced imminent collapse and the danger of Communist invasion or infiltration, and that program certainly corrected the situation. But many years have passed since that time. Many countries which were then in very bad shape economically have had their economies restored, in large part because of U.S. aid.

A question arising in the minds of many of us is whether much of the foreign aid has not gradually partaken of the nature of a vested interest, in which those who administer the program desire to see it perpetuated and want to continue it in the same old patterns, or on more extravagant scales.

I share the Senator's views concerning the danger of continuing military aid, forced upon countries which may need economic assistance more and which cannot support the burdensome military programs we insist on thrusting upon them.

All the variations and the differences of opinion, will, I think, be solved in great part if the Congress will merely reassert its traditional and constitutionally provided procedure of scrutinizing such programs and of insisting that the agencies which are expending the foreign aid money shall come to Congress with specific items, to which they will be obliged to adhere. Such agencies should come before Congress each year and tell exactly what they intend to spend in each country and for what, justifying the program on the basis of what has been spent in the past and how successful or not successful the programs have been, thus permitting the Senate and the House of Representatives to share in the decisions which have been made virtually unilaterally by unseen men in distant bureaus down the street. That will constitute a great improvement in the program.

I hear that those who have had unlimited control will object to having their control restricted, since that is only a human reaction. I would urge those in charge of the foreign aid program to welcome that kind of congressional assistance, and if they do not welcome it, it is my hope Congress will insist on it anyway.

This is a very serious matter. We have up to the present spent in excess of $70 billion of the taxpayer's money on the program. Our national debt is mounting steadily. We are not balancing the budget. In this field we could well, by prudent economy and close observance of elementary budgetary procedures, reduce waste and produce a far more effective program.

I am very happy that the Senator from Ohio is a cosponsor of my amendment, and I greatly appreciate his support thereof. This is a move which should appeal both to those in favor of and those who do not favor foreign aid, because it is designed to bring efficiency, order, and constitutional procedure to a program which has been running riot, and the end of which, unless controlled, will be out of sight with consequences often contrary to the intent alleged for it.

Mr. YOUNG of Ohio. The distinguished Senator from Alaska has made a definite contribution, and his remarks are greatly appreciated.

Mr. GRUENING. I thank the Senator.

Mr. BIBLE. Mr. President, if there is no Senator who desires to address the Senate at this time, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PARTICIPATION BY THE UNITED STATES IN PARLIAMENTARY CONFERENCES WITH CANADA

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business, the agricultural appropriation bill, be temporarily laid aside, and that the Senate proceed to the consideration of Calendar No. 207, House Joint Resolution 254.

The PRESIDING OFFICER. The joint resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A joint resolution (H.J. Res. 254) to authorize participation by the United States in parliamentary conferences with Canada.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution, which had been reported from the Committee on Foreign Relations with amendments on page 1, line 7, after the word "Congress", to insert "or to meetings held in the United States"; on page 2, line 14, after the word "made", to insert "the House and Senate portions of"; and, in line 17, after the word "delegation", to insert a comma and "respectively."

The question is on agreeing to the committee amendments.

The amendments were agreed to.

Mr. MANSFIELD. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, after line 7, it is proposed to insert:

Such appointments shall be for the period of each meeting of the Canada-United States Interparliamentary Group except for the four members of the Foreign Affairs Committee and the four members of the Foreign Relations Committee, whose appointments shall be for the duration of each Congress.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Montana.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. O'MAHONEY. May I inquire on what measure the Senate is now acting?

Mr. MANSFIELD. We are not acting on the agricultural appropriation bill. The Senate is acting on a joint resolution providing for a joint congressional committee, to meet with representatives of the Canadian Parliament at ceremonies in Canada later this month.

Mr. O'MAHONEY. Is the measure on the calendar?

Mr. MANSFIELD. Yes; it is House Joint Resolution 254, Calendar No. 207.

Mr. O'MAHONEY. I assume the Senator will explain the joint resolution.

Mr. MANSFIELD. Yes. The purpose of the joint resolution is to create a joint committee on the part of the House and Senate, as recommended earlier by a senatorial committee. The joint committee is to meet with Canadian Members of Parliament later this month in connection with the St. Lawrence Seaway celebration, at which time various matters and problems common to the interests of both countries will be discussed and considered by the representatives of both parliamentary bodies.

Mr. KUCHEL. I approve of the joint resolution. However, while endeavoring to cement and further the relations of friendship and amity with our good neighbor to the north, I am sure the Congress, the Government, and the people of the United States are equally interested in advancing the same relations of friendship and amity with our good neighbor to the south, the United States of Mexico.

I wonder if the distinguished Senator from Montana could indicate what action the Committee on Foreign Relations proposes to take with respect to the establishment by appropriate legislative resolution of a similar parliamentary conference, or conferences, between the legislative bodies of the Republic of Mexico, and the United States of America.

Mr. MANSFIELD. In reply to the question of the distinguished senior Senator from California, the minority whip, I should like to state that I have discussed this matter not only with the Senator from California but also with the distinguished majority leader, the senior Senator from Texas [Mr. JOHNSON], and the distinguished senior Senator from New Mexico [Mr. CHAVEZ], who had submitted an amendment to the pending joint resolution, seeking to bring about the very objective to which the Senator from California has referred.

Mr. KUCHEL. And which I wholeheartedly approved, I am glad to tell the Senator.

Mr. MANSFIELD. Yes. After discussing the matter with the senior Senator from New Mexico, he agreed that it would be better if a joint resolution of this kind with respect to Mexico were introduced and considered on its own merits. He was assured that it would be given every consideration by the Committee on Foreign Relations.

Before the Canadian-United States interparliamentary group was instituted, we held discussions with our Canadian neighbors for about a year and a half, so as to make sure of the ground work. I hope the same kind of procedure may be followed in the case of a possible Mexico-United States parliamentary group, of which I highly approve, and which I believe would be of great significance. At a recent meeting in Lima the Mexican delegation took leadership and suggested the possibility of an inter-American parliamentary group. I should think that idea likewise should be given serious consideration.

Mr. KUCHEL. I am very grateful for the remarks of the able acting majority leader and for the reasonableness inherent in them. Certainly we need to advance friendly relations, through parliamentary conference, and otherwise, between us and our neighbors to both the north and the south. I thank my friend for spreading these comments on the RECORD.

Mr. MANSFIELD. Before a vote is taken on the joint resolution, I should like to repeat that I have discussed the subject with the distinguished senior Senator from New Mexico [Mr. CHAVEZ] and he has indicated he would not insist on consideration of his amendment to the pending joint resolution. He has served notice that he will introduce a joint resolution separately, which would serve the same purpose. I wish to assure him that, so far as I am concerned, it will receive every possible consideration in the Committee on Foreign Relations.

Mr. KUCHEL. I am pleased to say I have talked to the able senior Senator from New Mexico [Mr. CHAVEZ], and I will join him in urging approval of such a resolution.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Montana.

The amendment was agreed to.

The amendments were ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time and passed.

APPOINTMENT OF CHAIRMAN OF COMMITTEE ON INTERIOR AND INSULAR AFFAIRS AS EX OFFICIO MEMBER OF SELECT COMMITTEE ON NATIONAL WATER RESOURCES

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business, the agriculture appropriation bill, be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 297, Senate Resolution 121.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 121) appointing the chairman of the Committee on Interior and Insular Affairs [Mr. MURRAY] as an ex officio member of the Select Committee on National Water Resources.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 121) was considered and agreed to, as follows:

Resolved, That the Senator from Montana, Mr. MURRAY, chairman of the Senate Committee on Interior and Insular Affairs, is hereby appointed a member ex officio to the Select Committee on National Water Resources.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATIONS, 1960

The Senate resumed the consideration of the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes.

Mr. RUSSELL. Mr. President, the Senate now has under consideration H.R. 7175, which is the annual supply bill for the Department of Agriculture. I ask unanimous consent that the committee amendments be agreed to en bloc; that the bill as thus amended be considered as original text for the purpose of amendment; and that no points of order be waived.

The PRESIDING OFFICER. Is there objection?

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. O'MAHONEY. I had planned to offer an amendment to one of the committee amendments. I think perhaps it might be preferable if I were to offer that amendment now. It is merely a change in the amount of an appropriation. Inasmuch as the Senator from Georgia has asked for the approval of all committee amendments, perhaps this exception should be noted.

Mr. RUSSELL. The distinguished Senator from Wyoming would in no wise be precluded from offering any amendment he might desire to offer, because I requested that the bill as amended be considered as original text for the purpose of amendment. If the bill as proposed to be amended by the committee is considered original text, it will be open to any amendment which any Senator may desire to offer.

The procedure I have suggested is merely to clarify the bill and to simplify issues which might have been involved before the Senate if the request had not been made. It in nowise prejudices the right of the distinguished Senator from Wyoming. I shall be happy to have the distinguished Senator recognized first

when the bill is under consideration, so that he may offer his amendment.

Mr. O'MAHONEY. My amendment is on page 15, line 25, and is to strike out "$26,306,600" and to insert in lieu thereof "$26,557,515." This is an addition of $250,915 and makes the appropriation harmonious with the request of the Department of Agriculture as contained in the President's budget. I will discuss the amendment at the appropriate time.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Georgia [Mr. RUSSELL]? The Chair hears none, and it is so ordered.

The amendments of the Committee on Appropriations agreed to en bloc are as follows:

Under the heading Department of Agriculture—Title I—Regular Activities—Agricultural Research Service—Salaries and Expenses", on page 3, line 7, after the word "stations", to strike out "$63,961,590" and insert "$70,479,390", and in line 15, after the word "exceed", to strike out "$739,000" and insert "$3,815,000".

On page 4, at the beginning of line 1, to strike out "$48,340,600" and insert "$51,-050,600".

On page 4, line 9, after the word "butter", to strike out "$21,135,100" and insert "$21,-324,900".

Under the subhead "Watershed Protection", on page 9, line 13, after the word "expended", to strike out "$25,500,000" and insert "$20,000,000".

Under the subhead "Flood Prevention", on page 10, line 7, after the word 'expended", to strike out "$18,000,000" and insert "$15,000-000".

Under the subhead "Great Plains Conservation Program", on page 11, line 6, after "(16 U.S.C. 590p)", to strike out "$7,500,000" and insert "$10,000,000".

Under the subhead "Agricultural Conservation Program", on page 12, line 23, after the word "in", to strike out "either the 1957 or the 1958 programs" and insert "in the 1959 program", and on page 13, line 1, after the word "committee", to strike out the colon and *"Provided further,* That the proportion of the State fund initially allocated to any county for the 1960 program shall not be reduced from the distribution of such fund for the 1958 program year".

Under the subhead "Agricultural Marketing Service—Marketing Research and Service", on page 15, line 14, after the word "estimates", to strike out "$15,044,500" and insert "$15,514,100".

On page 15, line 25, after the word "States", to strike out "$24,862,600" and insert "$26,-306,600".

Under the subhead "Payments to States, Territories, and Possessions", on page 16, line 14, after "(7 U.S.C. 1623(b))", to strike out "$1,160,000" and insert "$1,195,000".

Under the subhead "School Lunch Program", on page 16, line 21, after the word "Act", to strike out the colon and the following additional proviso:

"Provided further, That, for additional payments to States in accordance with the National School Lunch Act for the purchase of food, $43,657,248 shall be transferred to this appropriation from the funds available in the fiscal year 1959 under section 32 of the Act of August 24, 1935", and in lieu thereof, to insert the following additional proviso:

"Provided further, That $43,657,248 shall be transferred to this appropriation from funds available under section 32 of the Act of August 24, 1935, for purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act, such additional funds to be used for the general purposes of section 32."

Under the subhead "Commodity Exchange Authority—Salaries and Expenses", on page 18, line 15, after "(7 U.S.C. 1–17a)", to strike out "$909,500" and insert "$900,000".

Under the subhead "Soil Bank Program—Conservation Reserve", on page 18, line 22, after the word "program", to strike out "$310,000,000" and insert "$340,000,000"; in line 23, after the word "exceed", to strike out "$18,000,000" and insert "$18,900,000"; on page 19, line 6, after the word "of", to strike out "$325,000,000" and insert "$450,-000,000"; at the beginning of line 11, to insert the word "rental"; in line 12, after the word "of", to strike out "$3,000" and insert "$5,000", and in line 16, after the word "participants", to strike out the colon and the following additional provisos:

"Provided further, That clause (2) of the fourth proviso relating to annual rental payments under this head in Public Law 85–459 shall not be applicable to contracts hereafter entered into: *Provided further,* That no part of these funds may be used to enter into contracts for a period in excess of five years or to pay annual rentals in excess of a fair rental value of land placed under contract, such fair rental value to be based on the actual production diverted each year."

Under the subhead "Farmers' Home Administration—Salaries and Expenses", on page 24, line 9, after the word "expenses", to strike out "$30,300,000" and insert "$31,-189,500".

Under the subhead "Office of the General Counsel—Salaries and Expenses," on page 24, line 19, after the word "service", to strike out "$3,115,300" and insert "$3,208,750".

Under the heading "Title II—Corporations—Commodity Credit Corporation—Limitation on Administrative Expenses", on page 27, line 14, after the word "exceed", to strike out "$39,600,000" and insert "$42,771,000", and on page 28, line 8, after the word "hereof", to strike out the colon and "Provided further, That no funds appropriated in this section shall be used to process a Commodity Credit loan which is in excess of $50,000", and in lieu thereof, to insert a colon and *"Provided further,* (1) That no part of this authorization shall be used to formulate or carry out a price support program for 1960 under which a total amount of price support in excess of $50,000 would be extended through loans, purchases, or purchase agreements made or made available by Commodity Credit Corporation to any person on the 1960 production of all agricultural commodities, (2) that the term "person" shall mean an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity, or a State, political subdivision of a State, or any agency thereof, (3) that in the case of any loan to, or purchase from, a cooperative marketing organization, such limitation shall not apply to the amount of price support received by the cooperative marketing organization, but the amount of price support made available to any person through such cooperative marketing organization shall be included in determining the amount of price support received by such person for purposes of such limitation, and (4) that the Secretary of Agriculture shall issue regulations prescribing such rules as he determines necessary to prevent the evasion of such limitation."

Under the heading "Title IV—General Provisions", on page 32, line 6, after the word "Not", to strike out "less" and insert "more".

Mr. MANSFIELD. Mr. President, will the Senator from Georgia yield so that I may suggest the absence of a quorum?

Mr. RUSSELL. If the leadership desires to have a quorum call, I am happy to yield for that purpose.

Mr. MANSFIELD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KUCHEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RUSSELL. Mr. President, I shall make a brief summation regarding the overall items of the bill. If any Member of the Senate desires to have any detailed information about any one of the hundreds of items covered by the bill, I shall undertake to obtain the information for him.

Mr. President, the bill, as reported to the Senate, provides for total appropriations of $3,975,505,148; $1,271,983,235 of that amount is for the regular activities of the Department. I may say that amount also includes the appropriations for the soil bank program.

The bill, as reported, provides $1,435,-424,413 for restoration of capital impairment of the Commodity Credit Corporation for the fiscal year 1958. The bill, as reported, provides $1,268,097,500 to reimburse the Commodity Credit Corporation for special program costs as estimated, for the fiscal year 1959.

The bill, as reported to the Senate by the Appropriations Committee, calls for appropriations of $837,825,202 less than the appropriations for 1959. The larger part of that decrease is due to the termination of the acreage reserve part of the soil bank program. That item alone is decreased by $446.2 million under 1959. Likewise, there is a decrease in the amount which has been allowed by the committee to restore the capital of the Commodity Credit Corporation. In the bill as reported to the Senate, that item is $393,600,000 less than the corresponding item in last year's bill.

Mr. President, for the regular activities of the Department, the bill provides appropriations of $443,192,000 less than the appropriation for 1959; and the amount of the bill as reported by the committee is, in the case of the regular activities of the Department, $5,859,715 less than the amount of the estimates, and $36,339,650 more than the amount voted by the House of Representatives.

I should like to point out that $30 million of the increase which the Senate committee recommends over the amount voted by the House of Representatives is to discharge the obligations of the Government under contracts entered into for the conservation reserve program. That sum is the best estimate we can obtain as to the necessary amount for the payment of contractual obligations for rental and practice payments.

The largest increase in the bill, as reported, other than in that item, is in the item for the Agricultural Research Service. Our committee has voted to increase the amount of that item to approximately $6,222,500 over the amount allowed in 1959, so as to enable a large number of activities in the field of research to be carried on.

Mr. President, I should like to call one matter to the attention of the Senate. Not only does the bill carry an appropriation to meet the contracts which have been entered into by the Department with various landowners for the conservation reserve program for the calendar year 1959 and prior years, but the bill also authorizes the conservation reserve program for 1960; which will be the last year a conservation reserve program can be in effect, unless the Congress passes a statute extending or reauthorizing a conservation reserve program.

The budget estimate submitted by the Department for the limitation on next year's conservation reserve program was $375 million. The sum allowed by the House of Representatives, in fixing the standards for next year's program, was $325 million. The Senate committee has recommended to the Senate that the program for next year's authorization be increased to the full amount authorized by law, or $450 million.

Last year the Department requested that amount. As my colleagues will recall, an item of $375 million was finally included in the appropriation bill.

Mr. YOUNG of North Dakota. Mr. President, at this point will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. YOUNG of North Dakota. Under the amount voted by the House of Representatives, only approximately 2 million additional acres would be permitted to go into the conservation reserve; is that correct?

Mr. RUSSELL. Under the amount voted by the House of Representatives, the Department estimates that 2,300,000 acres might be accepted into the conservation reserve.

Mr. YOUNG of North Dakota. Yes.

Will the Senator from Georgia agree with me that if there is to be only a small program, we would be better off with none at all, because only a small percentage of the applications could be accepted; and it would hardly be worthwhile to engage in an expensive program and stir up interest all over the Nation, but be able to place only approximately 2 million acres into the program.

Mr. RUSSELL. The Senator from North Dakota is well aware that last year there was a great deal of bitterness over the 1959 program because farmer A was able to get into the program, but farmer B was not.

Mr. YOUNG of North Dakota. Yes.

Mr. RUSSELL. Of course, under the figure recommended by the Senate committee, 8 million additional acres could be accepted into the program in the last year of its operation.

Mr. YOUNG of North Dakota. There have been some mistakes made in the operation of the program, and I believe some of the criticisms of it have been justified.

But I believe the Department, with the aid of the new regulations which are being put into effect, will correct the mistakes of the past; and I believe such mistakes will not again occur.

Mr. RUSSELL. I certainly hope and trust that will be the case.

The Senator from North Dakota is aware that the admonitions contained in the committee's report to the Department point out some of the more manifest mistakes in the program in the past, and demand that corrective action be taken in the administration of the program next year.

Mr. YOUNG of North Dakota. I may say I had not planned to vote for the continuation of this program and only will now because of certain changes that have been made. The State of North Dakota probably had a larger percentage of its land go into the program than did most other States. Both the North Dakota Farmers Union and the Farm Bureau in State convention have asked that the program be abolished, but I do not think that is the sentiment of the great majority of the people, if the program is changed as I understand it will be now.

Mr. RUSSELL. Mr. President, the Senator has correctly stated that it costs practically the same amount to administer the program which is recommended by the Senate committee as it does to administer the smaller program proposed by the House.

There was one other very significant change made by the Senate committee in authorizing next year's program. The House placed a restriction of 5 years in the bill as the period of time when a contract could run. The basic law provided a period of 15 years. But the longest period of which I have any personal knowledge that is now in effect is 10 years. We supported the 10-year limitation. In other words, it was the position of the committee that if we were to have any program at all, it should be as contemplated in the basic law which was passed by the Congress.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. RUSSELL. I am glad to yield to the distinguished Senator from Kentucky.

Mr. COOPER. I should first like to say to the chairman of the subcommittee that I am very pleased the committee has made revisions in the provisions of the House bill as they affect the conservation reserve program of the soil bank. The Senator will remember that I spoke to him about this matter and wrote to the committee giving my views. During discussion of the bill I expect to put into the RECORD a statement on the conservation reserve, or at least make some further comments on it.

Last fall I had occasion to make a study of this program. Before the Congress and the Department of Agriculture make any decision to abandon the conservation reserve program, I believe a further study of the possibilities of an extended and expanded program should be made. It is my judgment that this program, originally proposed by the Department of Agriculture, is the best one now available for solving the surplus problem. In addition to benefits of the program to farmers, the program can be beneficial to the Nation standing alone.

Last fall, when making a study of the program, I ascertained that if 60 to 75 million acres could be withdrawn from production, it was believed an expanded conservation reserve could go far toward solving the surplus problem. A few days ago I read an article, written by Dr. J. Carroll Bottum, of Purdue University, who said withdrawal of 50 million acres through the conservation reserve of the soil bank program might go far toward solving the farm problem of surplus production.

I believe the Department of Agriculture itself has been too timid about this program. Its program has taken only about 23 million acres out of production, and if the full amount is authorized for 1960, it will take some 31 million of our 400 million acres of cropland out of production.

I hope the committee, before it makes its recommendations next year, will go into the question further and will make a further study to ascertain whether productive cropland is being withdrawn, and with the idea that whole farms would be taken out of production in many cases. I think the conservation reserve, properly oriented, could be the program we are now looking for.

In my own State—and I found this to be true also of other States—there was not much interest in the conservation reserve program until last year. Now there is great interest in it, and many farmers are now participating. Besides the value of taking cropland out of production, the program has value in itself by providing conservation for future use, and in encouraging the planting of trees on land best suited for timber production.

I know of the Senator's interest in the subject, and of the committee's interest in it. I hope they will make a careful study of it before the time comes next year to make budget recommendations, and that the committee will give the benefit of its views on this question to the Department of Agriculture and to the Bureau of the Budget.

Mr. RUSSELL. I thank the distinguished Senator from Kentucky for his contribution to the record.

Mr. COOPER. Mr. President, I ask unanimous consent to have placed in the body of the RECORD at this point the following items:

First. A statement I made to the Honorable RICHARD B. RUSSELL, chairman of the Senate Subcommittee on Appropriations dealing with the Agricultural and Farm Credit Administration appropriation bill.

Second. A letter I have received from the Kentucky ASC Committee, composed of the Honorable Roy C. Gray, Flemingsburg, Ky., chairman; the Honorable William O. Gilreath, Pine Knot, Ky.; and the Honorable John O. Hill, Hopkinsville, Ky.

Third. Excerpts from three statements commenting on the economics of the conservation reserve.

Fourth. A brief statement of my own on the conservation reserve.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

MAY 26, 1959.

Hon. RICHARD B. RUSSELL,
Chairman, Subcommittee on Agriculture, Senate Committee on Appropriations, Washington, D.C.

DEAR SENATOR RUSSELL: I understand that the House Appropriations Committee im-

posed conditions in H.R. 7175 which could severely cripple the soil bank program for 1960.

I hope the Senate Committee on Appropriations will act to continue the conservation reserve as an effective farm program in 1960. In my opinion the soil bank as it began to work last year offers more hope as a constructive approach to the farm problem than anything tried in recent years. I believe the conservation reserve ought to be expanded, and that the new direction given the program this year—in putting whole farms to conservation use—could result in substantial gains in preventing surplus production, could permit shifts toward more efficient use of resources, and could do so more economically than other programs while maintaining farm income.

In my own State, the conservation reserve is attracting more farmers each year. Last fall nearly twice as many Kentucky farmers applied for the soil bank as could be accepted with the funds available. I received many appeals from farmers who were greatly disappointed to discover that their applications could not be accepted. I advised these farmers to apply again this year. In addition, the growing popularity of the program may double the number of applicants over last year.

In sharp contrast to approving an expanded program, however, the Department of Agriculture recommended funds under which far fewer new acres could be signed up this year. The action of the House committee, if sustained, would further slash the new acreage to a fraction of that reduced figure. Under the House proposal, I estimate that perhaps 1 Kentucky farmer out of 20 who wishes to sign up in the soil bank could be accepted—a discouragingly bleak prospect.

I cannot agree with the House report that the conservation reserve has been ineffective. For example, of 11 million new acres on whole farms signed up last fall, 3.2 million were allotment acres. Yet these acres were retired from production at a very low rate compared either to the old acreage reserve, or to the price support differentials for underplanting which are again before the Congress. In addition, the old problem of increasing yields on the remaining farm acreage is at last reached by this solution.

In Kentucky, 96 percent of the acreage added to the soil bank last year was in whole farms. In the first 3 years, only about one-fifth of the acreage was in whole farms, and I think this fact alone has in effect made the conservation reserve a wholly new and much more constructive program. I should think those who favor reducing farm program costs, who favor less Government control, and who favor long-range conservation efforts would be attracted to an expanded conservation reserve program.

It seems to me that the House action, if allowed to stand, will cripple the soil bank program in at least four ways: First, the $50 million reduction in authorization will cut acreage which can be accepted this fall not by 13 percent, but by 60 percent, because the reduction first cuts funds available for new contracts. The budget figure itself was $75 million below the authorization in the Soil Bank Act, which, in the absence of the acreage reserve might well be increased if the program is expected to deal with the very sizable farm problem.

Second, the ceiling of $3,000 for the combined annual rental and practice payments is far more drastic than the existing administrative ceiling of $5,000 on the rental payment alone. It would sharply reduce the eligibility of whole farms. While I favor reasonable limitations on all farm programs, the present limit does not seem to me too high. If $50,000 is an acceptable limit for price support on the production of any farm, $5,000 does not seem excessive for removing an entire farm from production.

Third, limiting contracts to 5 years will largely eliminate the tree-planting program. This is the practice most needed in Kentucky, and one to which the conservation reserve is well suited. Finally, some of the House language would impose requirements difficult or impossible to administer, or under which farmers could not be expected to participate since they would not know what they would receive.

I very much hope that the conservation reserve may be continued on a constructive basis. And I would be glad to join with any Members who share my belief that an expanded conservation reserve offers real hope for a successful, long-range attack on the farm problem—and represents, furthermore, a program already under way and understood by farmers.

Sincerely,

JOHN SHERMAN COOPER.

Soil bank conservation reserve, Kentucky

	Kentucky	United States
1959 program:		
Number of applications for 1959 conservation reserve contracts	7,021	228,430
Number of contracts which can be completed for 1959 (estimate)	3,700	155,000
Number of new acres offered, 1959	538,266	19,964,597
Number of new acres which can be accepted for 1959 (estimate)	284,000	13,200,000
Proportion of whole farms, new contracts, 1959 (percent)	93	82
Proportion of acreage in whole farms (percent)	96	84
1960 program:		
Acreage, based on $450,000,000 authorization in Soil Bank Act	186,000	8,300,000
Acreage goal, based on $375,000,000 budget authorization	112,000	5,000,000
Acreage, based on $325,000,000 House authorization	45,000	2,000,000

U.S. DEPARTMENT OF AGRICULTURE,
AGRICULTURAL STABILIZATION AND
CONSERVATION COMMITTEE,
Lexington, Ky., May 29, 1959.

Hon. JOHN SHERMAN COOPER,
U.S. Senate, Washington, D.C.

DEAR SENATOR COOPER: The State ASC Committee has read your letter to the Honorable RICHARD B. RUSSELL, chairman of the Subcommittee on Agriculture for Appropriations.

We wholeheartedly support you in your endeavor toward an expanded conservation reserve program. We feel that the conservation reserve program is an effective way toward meeting the farm surplus problem, conserving natural resources and stabilizing the farm income. Whole farm units made up the greater proportion of farms participating in the 1959 conservation reserve program in this State. This should be an effective attack upon surplus agricultural commodities. On part farm units, the land that was not placed under the conservation reserve program would be farmed more intensively, and the overall production may be as large as before any acreage was placed under contract. Administrative costs of whole farm units should be one approach toward reducing costs of administering the farm programs. The $3,000 ceiling for combined annual rental and practice payments would greatly reduce the whole farm participation. Five-year limitations of contracts would eliminate the tree planting practice for which there is a dire need in this State.

Only about one-half of the farmers who signed applications for 1959 conservation reserve contracts were able to participate in the program due to the limitation of funds. Our personnel did an effective job of explaining the provisions of the conservation reserve program to the farmers. When funds were not available to accept applications from all farmers who wanted to participate in the conservation reserve program, this had a discouraging effect upon our personnel and caused dissatisfaction among the farmers.

A number of farmers in our State will suffer a financial loss as they made preparation after signing the application to participate in the 1959 conservation reserve program. Livestock and farm equipment were sold and farmers made no plans in a number of instances to operate their farm during the coming year.

We had hoped that funds would be made available for the 1960 conservation reserve program that would allow these farmers to participate in the conservation reserve program. Based upon the interest in the conservation reserve program, we are of the opinion that Kentucky would be able to use its proportionate share of the $450 million, as authorized in the Soil Bank Act if the funds were appropriated.

Your letter to Senator RUSSELL was well written and truly expressed the needs of Kentucky farmers for an enlarged conservation reserve program. The committee wholeheartedly concurs with you in your recommendations for an extended conservation reserve program.

We appreciate your efforts in behalf of farmers in this State on this and other matters.

Sincerely yours,

ROY C. GRAY,
Chairman, Kentucky ASC State Committee.

EXCERPTS

A paper by Dr. J. Carroll Bottum, Purdue University entitled "The Soil Bank as a Solution to the Farm Price and Income Problem," Joint Economic Committee print, 85th Congress, 1st session, states: "Since 1952 the U.S. agricultural plant has been geared to produce 4 to 6 percent more total agricultural products than the market would take at generally acceptable prices. * * * To make a voluntary soil bank work, payment must be large enough and administered so that they will shift from 30 to 50 million acres from grain crops, cotton, and tobacco to grasses, legumes, fallow, and trees. * * * Thus we might have a soil bank of 25 to 30 million acres and still not see any noticeable effect on aggregate production, but a further shift of 10 to 15 million acres out of the nonroughage crops might provide a significant adjustment in total agricultural output. To try to bring about an adjustment by taking out 15 to 20 million acres when a soil bank requires 30 to 50 million is like pushing a modern automobile to get it started at 15 or 20 miles an hour when it takes 30 to do the job."

* * * * *

In its January 1956 statement, "Economic Policy for American Agriculture," the Committee for Economic Development stated: "The most effective means of assisting in production adjustments would be a program for renting or purchasing land to be withheld from cultivation. Such a program would have a number of advantages. It could get land removed from production entirely, except possibly from grazing or timber, and to that extent would help solve the surplus problem rather than push it around from one commodity to another. It would supplement farmers' incomes. Present programs benefit farmers only if they stay on the farm and produce. A land rental or purchase program, applied to whole farms, would, on the contrary, encourage and assist the farmers who want to shift to other occupations."

* * * * *

Mr. Lauren Soth of the Des Moines Register and Tribune presented a paper to the Joint Economic Committee, 85th Congress,

1st Session. Page 633 of the Joint Committee print contains the following statement: "The most recent application of the direct-payment method of supporting farm income is in the soil-bank program. The only action necessary to make this a real farm-income support program would be to increase the rate of payments. If Congress were to step up the soil-bank payments, it would be feasible to lower price supports still further without lowering the incomes of farm people.

* * * * *

"If general income-support payments were to be made, it would be more sensible to relate such payments to conservation of the Nation's soil resources. The general taxpaying public would then be paying individual landowners for performing a task in the public interest—keeping land out of use when it is not needed and preserving it for future generations. In the conservation reserve part of the present soil-bank program, farmers are paid relatively small amounts of money for putting land in permanent pasture, trees, or other long-range uses to conserve soil and water. This is the part of the program which could be readily expanded."

STATEMENT OF SENATOR COOPER

Everyone acquainted with agriculture knows that our farm surpluses are getting larger each year, despite efforts to increase consumption at home and to increase sales to foreign countries. Many experts who have studied the situation have concluded that the present productive capacity of our farms is about 5 to 10 percent greater than our ability to consume and export.

The only program now available that has any reasonable possibility of bringing about the needed adjustment in farm production is the conservation reserve. At this time the program has taken out of production some 23 million acres of cropland. The authorization in the pending bill would take out of production an additional 8 million acres. With continuation and expansion, the conservation reserve can be made into a real adjustment program that will get results toward a true solution of our surplus problem.

A reduction of this program will not save money. In fact it would leave the Public Treasury open to even greater cost in purchasing surpluses than would be incurred by an expanded conservation reserve, which will take cropland out of production.

I have looked into the matter of cost and find that to support the prices of the crops that would be normally produced on the 23 million acres now in the conservation reserve program would cost approximately twice as much as the payments under the conservation reserve. The costs for price support are losses, not original investment. So, every dollar we spend for the conservation reserve reduces price support program costs by $2. That is a distinct saving—a saving of public funds and at the same time progress toward stopping the accumulation of surpluses in Government warehouses. And the program through its tree planting, grass and legume practices, will save soil and water resources for the future needs of our country.

The program has aroused the interest of farmers all over the country. During the signup period for contracts to take effect in 1959, farmers applied to place 20 million acres of cropland in the program—about 7 million acres more than funds were available on which to make payments. In Kentucky, farmers applied to place almost twice as many acres in the program as could be accepted.

There is no doubt about farmers' interest in the program—its effectiveness, however, will be determined by what we are willing to provide in appropriations. Adjustment programs cannot be effective when carried out on a timid basis—timid programs have been tried before and always fail. I would say to the Congress—provide enough authorization to permit a bold, expanded conservation reserve program to be carried out.

In recent weeks public statements have been made and stories have appeared in the press indicating that the land in the conservation reserve is generally of poor quality and that annual payments are too high. I do not believe these statements apply, at least in Kentucky. The Kentucky Agricultural Stabilization and Conservation Committee, the committee responsible for the administration of the program in my State, composed of successful and reputable farmers, reports that the land in the conservation reserve is equal in quality to the average quality of cropland for the State. The quality of land is good, and in addition, Kentucky farmers have put over 7,000 wheat allotment acres, 226 cotton allotment acres, and 2,500 acres of tobacco allotment in the program. Nearly all the farms in Kentucky on which all the cropland has been placed in the program had an allotment on one or more of the basic crops. So, on those farms there is no chance of shifting the acreage to other crops—all of it is out of production.

Another aspect of the program is producing dividends now and will for many years to come. All of the land in the program is required to be devoted to grass, trees, or cover beneficial to wildlife. The grass cover prevents wind and water erosion, and benfits everyone. Trees for timber will be needed in the future; this program is helping establish forests on large acreages.

The conservation aspects of this program must not be overlooked. It has the wholehearted support of a number of conservation and wildlife organizations. Every conservation-minded member of this body should support this program.

I urge the Department of Agriculture, the Committees on Agriculture of the Senate and House, to make a study of the Conservation Reserve program in all its aspects—its influence on total production by taking cropland out of production, its conservation benefits, its cost, which I predict will be less than that of price support programs for many crops.

Mr. WILLIAMS of Delaware. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Delaware?

Mr. WILLIAMS of Delaware. Mr. President, I wish to send an amendment to the desk.

Mr. RUSSELL. I shall be glad to yield for that purpose.

Mr. WILLIAMS of Delaware. I send to the desk an amendment, and ask to have it stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Delaware will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 12, line 15, to strike out "$250,000,000" and to insert in lieu thereof $100,000,000."

Mr. RUSSELL. Mr. President, I should like to point out that, of course, the issue as to whether or not we shall have a conservation reserve program after 1960 is primarily within the jurisdiction of the standing Committee on Agriculture and Forestry, which authorized this program. If the committee amendment is approved by the Senate and succeeds in negotiating the tortuous processes of parliamentary hazards, a total of 31 million acres would be embraced within the conservation reserve program. The question as to whether that authorization should be extended is certainly worthy of consideration. I would not undertake to pass judgment on it here at this time.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. RUSSELL. I am glad to yield.

Mr. HOLLAND. I should like to comment particularly on the remarks of the distinguished Senator from Georgia with reference to the change made by the Senate Appropriations Committee from the 5-year limitation on the conservation reserve program, as contained in the House bill. I will ask the Senator to refer, if he will, to page 599 of the printed hearings, before I ask a question or two based on the relative differences between the 3-year, the 5-year, and the 10-year programs.

Mr. RUSSELL. I may say to the Senator that the tables which deal with the various phases of the conservation reserve program, and which are to be found beginning on page 593 of the hearings will, I think, be of great interest to all Members of the Senate; and I have some little familiarity with them because I undertook to get the Department to supply the information contained in these tables.

Mr. HOLLAND. I compliment the Senator for having made the request. I remember he did so. I think the inclusion of those tables shows with extreme clarity just why it is important that provision be made for the 10-year program.

If the Senator will note, practically all the Southeastern States have had to go almost entirely to the 10-year program, which is a program of tree planting and reforestation, and which I believe is the finest program available, at least in my part of the country.

Is it not true, as to Florida, the table on page 599 shows that only 1,125 acres are under a 3-year contract, 26,880 under the 5-year program, and 138,617 under the 10-year program—the tree-planting, reforestation program?

Mr. RUSSELL. The Senator is correct.

Mr. HOLLAND. In the case of the State of Georgia, the great State represented, in part, by the distinguished chairman of our subcommittee, I note almost identical ratios appear. Georgia has made greater use of the program than has the State of Florida, for natural reasons having to do with soil conditions. For instance, I notice that a little less than 5,000 acres in the State of Georgia have been under the 3-year contracts, as compared with 142,000-plus acres under the 5-year contracts, and 613,000-plus acres under the 10-year contracts. That is correct, is it not?

Mr. RUSSELL. That is what the table indicates. This is not altogether a sectional matter, of course. If the Senator will look at the figures, he will observe that for the State of Colorado the 10-year program is of tremendous importance. It is a very popular program in the West, as well as in the Southeastern States. In the State of Kansas, 530,604

acres are under the 10-year contracts, which is almost the same amount as stated for Georgia, and several times the acreage under the 10-year contracts in the State of Florida.

Mr. HOLLAND. That is correct. I hope the Senator will agree with me on the point I was trying to make, which is that if the 10-year contracts were not provided for, and the 5-year contracts covered the maximum period allowed, as would have been provided under the House bill, the reforestation program would have been entirely eliminated.

Mr. RUSSELL. It would have eliminated what I regard as being one of the most important phases of the program for future generations, which is the reforestation program, as stated by the Senator from Florida. It would not be worth any person's while to plant trees under a 5-year program, because nowhere in this land, even in northern Florida or southern Georgia, where trees grow faster than anywhere else in the world, would a tree be large enough to use commercially in 5 years.

Mr. HOLLAND. Of course the distinguished Senator is exactly correct. The action of the committee, as I recall, was unanimous in turning from the 5-year limitation, which was contained in the House bill, to the 10-year limitation, which has been shown so clearly to be the only one under which reforestation can be successfully accomplished. I think that was a splendid decision, and was in the interest of the long-range welfare of the Nation, as well as in the interest of many, many owners of property which is not desirable for anything else except reforestation. Does the Senator agree?

Mr. RUSSELL. The Senator has stated what appeared to me to be the unanimous opinion of both the members of the subcommittee and the members of the full committee, when they considered the proposal.

Mr. HOLLAND. I thank the distinguished Senator from Georgia.

Mr. RUSSELL. I thank the Senator from Florida for his contribution.

Mr. President, I have no further comment to make on the bill unless some Member of the Senate wishes to inquire as to some specific item.

I regret that it was impossible to accept all the amendments urged by Members of the Senate providing for various activities, particularly those in the field of research, but we have carried the research appropriations forward very rapidly in recent years.

There were a number of requests for amendments which would have created soil and water research facilities in various sections of the country. The committee has previously had those amendments before it and has undertaken to deal with them for several years. Last year we requested the Department of Agriculture to conduct a survey and to advise the committee with respect to the needs in this field, and to establish an order of priorities for the important work of soil and water research. The Department submitted a very lengthy study and findings.

At one time, considering the large number of requests we received for copies, this report threatened to get on the list of best sellers, at least among the technical publications. The Department indicated that interest had been expressed in some $20 million worth of facilities, which would require an annual maintenance cost of about $26 million. Of course, we could not approve a program of any such magnitude as that for one type of research, so we approved a program to which the Department gave priority, which, as I recall, embraced an expenditure of about $2,016,000.

Mr. DOUGLAS and Mr. YOUNG of North Dakota addressed the Chair.

Mr. RUSSELL. I yield first to the Senator from Illinois [Mr. DOUGLAS], and then I shall yield to the Senator from North Dakota.

Mr. DOUGLAS. First, I should like to ask the able Senator from Georgia some questions about the obligations which the country is assuming under the Commodity Credit Corporation.

As I understand the language of the report on pages 17 and 18, it is indicated, roughly, the committee recommends that the total obligations to be carried in the appropriation bill for 1959–1960 shall be approximately $2.7 billion.

Mr. RUSSELL. I think that is a correct rough addition. I will say, however, that the committee did not allow the full amount requested.

Mr. DOUGLAS. The Department appropriations for 1958–59 were $3,907 million.

Mr. RUSSELL. We reduced those requests only $100 million.

Mr. DOUGLAS. That is correct. The budget estimates for 1959–60 were $2,803,521,913, and the amount recommended by the Senate Committee was $2,703,521,913.

Mr. RUSSELL. The Senator is correct.

Mr. DOUGLAS. As I understand the situation, approximately $1,435 million is to cover obligations which were really incurred in the fiscal year ending June 30, 1958; that is, for the fiscal year 1957–58. We are now bailing out the CCC under the stabilization program for the fiscal year 1957–58.

Mr. RUSSELL. It is fiscal 1958, I believe for restoration of capital impairment.

Mr. DOUGLAS. I think it is 1957–58.

Mr. RUSSELL. No; it is not an estimate. It is the cost for 1958.

Mr. DOUGLAS. May I ask the meaning, then, of lines 6 to 9 on page 27 of the bill:

> To restore the capital impairment of the Commodity Credit Corporation determined by the appraisal of June 30, 1958, pursuant to section 1 of the Act of March 8, 1938, as amended (15 U.S.C. 713a–1), $1,435,424,413.

Mr. RUSSELL. I have not read the law recently but I can state my recollection. Under the law the Commodity Credit Corporation must make an appraisal and an estimate of its losses by a certain date. The figure in the bill was submitted pursuant to that provision of the statute.

Mr. DOUGLAS. I notice the use of the date June 30, 1958, which would seem to imply the appraisal deals with losses for the fiscal year 1957–58, and that the losses for 1958–59 would only be covered if the date of appraisal were June 30, 1959.

Mr. RUSSELL. It is for the fiscal year 1958. The figure of $1,435 million plus was agreed upon in order to restore the capital impairment of the corporation.

Mr. DOUGLAS. My query is, Is that for 1957–58 or for 1958–59?

Mr. RUSSELL. It is my understanding that it is for fiscal year 1958.

Mr. DOUGLAS. Fiscal year 1958?

Mr. RUSSELL. Yes.

Mr. DOUGLAS. So it would not cover losses for fiscal year 1959, the current year.

Mr. RUSSELL. No, it would not.

Mr. DOUGLAS. Is there any estimate as to what the current losses will be?

Mr. RUSSELL. I am sorry, but I am afraid I cannot furnish those figures to the Senator. I should be glad to undertake to obtain them.

Mr. DOUGLAS. We have heard estimates that they will amount to at least $2,700 million.

Mr. RUSSELL. The Senator from Georgia may have been derelict, but he did not inquire of the Department. We have had this question before us from year to year; but I must confess that the sums involved have a rather numbing effect on the Senator from Georgia.

Mr. DOUGLAS. I understand. They have a numbing effect on the taxpayers as well.

Mr. RUSSELL. In a modest way, I am counted among that number. The Department submits the figures it arrives at under the procedure set forth in the law creating the Commodity Credit Corporation.

Mr. DOUGLAS. With respect to the losses in the fiscal year 1958–59, we shall have to appropriate in 1960–61.

Mr. RUSSELL. We will appropriate in the bill for the fiscal year 1961, which the Congress is supposed to enact before the 1st of July 1960, a sum for the fiscal year 1959, to restore impairment of the capital.

Mr. DOUGLAS. So we are always from 1 to 2 years behind.

Mr. RUSSELL. We are always at least 1 year behind on this, but the item for reimbursement of the special activities has been handled in supplemental appropriations, I recall that distinctly.

Mr. DOUGLAS. With respect to the items shown on page 29, losses under the International Wheat Agreement and sale of surplus commodities under Public Law 480, and so forth, I take it that those are losses for the fiscal year 1958–59.

Mr. RUSSELL. I think those sums relate to the year 1959.

Mr. DOUGLAS. That is correct. But they were not anticipated in the appropriation bill for 1958–59, and have to be picked up after they occur, in the appropriation bill for 1959–60.

Mr. RUSSELL. These are estimated costs, as I understand.

Mr. DOUGLAS. Yes. But they are estimates for the funds which must be reimbursed for costs incurred in the fiscal year 1959.

Mr. RUSSELL. That is correct.

Mr. DOUGLAS. Under these latter items, we appropriate for losses suffered in 1958–59.

Mr. RUSSELL. The losses dealt with in this item, under the heading "Reimbursement to Commodity Credit Corporation for costs of special activities," are those which the Department estimates will occur in the fiscal year 1959.

Mr. DOUGLAS. That is correct.

This raises the obvious question, How are we ever to get rid of or reduce such expenditures? What we are now doing, in effect, is to give, by prior legislation, an open certificate to the Department of Agriculture to spend an indeterminate sum of money. Then, after the Secretary has made his decision, a year or 2 years later the appropriation bill comes along and we then pick up the tab.

The point I should like to raise is this: Is there any way of imposing limits which will operate in the future? Very frankly, I believe the country feels like a man running down a steep hill dragging a sled behind him. The sled is gaining on him, and any moment it is likely to hit him. He started out thinking he was pulling the sled, but shortly he will be tumbled into a snowdrift by the sled.

Mr. RUSSELL. I am afraid I do not have a specific one to suggest to the distinguished Senator from Illinois.

The Senator knows that these losses occur under other legislation which has been enacted by the Congress of the United States. The losses are not all due to one law. The items we are discussing now relate to reimbursement for the costs of special authorized activities. The $63,875,000 is to make good the losses incurred under the International Wheat Agreement. If I recall correctly, that was a treaty which was ratified by the Senate after it had been negotiated by the executive branch of the Government.

Another item is $104,508,000 for commodities disposed of for emergency famine relief to friendly peoples. I believe that authorization is found in Public Law 480, which was the original legislation dealing with the handling of surplus commodities. It has been extended by the Congress from time to time.

Under the same law, the largest item is $968,016,000 for the sale of surplus agricultural commodities for foreign currencies, which is authorized in title 1 of the legislation referred to. We now have quite a large amount of foreign currencies in almost every country in the world. We have found no satisfactory way to handle these foreign currencies. A number of suggestions have been made. I think the Senator from Oklahoma [Mr. MONRONEY] suggested that we use them in the foreign aid program. I heartily approve of that suggestion, rather than continuing to appropriate large sums of American dollars.

Mr. DOUGLAS. $1,435 million is for commodity stabilization within our own country.

Mr. RUSSELL. That is correct.

Mr. DOUGLAS. This is the question I should like to propound to my good friend from Georgia——

Mr. RUSSELL. The sum of $1,435 million for commodity stabilization within our own country includes a number of items, such as milk which is distributed to the school children, large quantities of food contributed to the school lunch program, and large amounts of food distributed to relieve distress and to provide for the more unfortunate within our own country which amount to $383 million of the total amount in this item.

Mr. DOUGLAS. The school lunch program, aside from the milk program, has a separate appropriation, on pages 16 and 17, of $43,657,248.

Mr. RUSSELL. That is true, but there is also a great deal of food furnished. I think last year it amounted to almost $75 million worth.

Mr. DOUGLAS. This is the inquiry I should like to make: The Secretary of Agriculture, under the laws enacted by Congress, can commit us to enormous expenditures, the full extent of which we do not know at the time, and the amounts of which become revealed only a year or 2 years later. This has been referred to as "back-door financing." I would call it "barn-door financing."

The Secretary of Agriculture should come forward with a better program than the one he now has. If the Senator will examine the figures, he will find that the total farm income for this year is estimated, at current rates, to be only $12.7 billion. This includes the cash value of farm products consumed in farm households, the gross rental value of farm dwellings, and Government payments to farmers.

Mr. RUSSELL. What was the figure the Senator gave?

Mr. DOUGLAS. $12,700,000,000.

Mr. RUSSELL. We have been compelled to increase the borrowing authority of the Commodity Credit Corporation from year to year, until it has reached the level of $14.5 billion.

Mr. DOUGLAS. I am speaking of the income of all farmers.

Mr. RUSSELL. I understand. We have had to increase this authority of the Corporation to a figure which is greater than the average annual income of all the farmers of the country; and we are told it will have to be increased again next year.

Mr. DOUGLAS. Almost a third of the cash income of the farmer seems to come either directly or indirectly from the Government.

Mr. RUSSELL. No. I do not accept that statement at all. The Senator has fallen into the common fallacy of charging up to the farmers food which enters into the school lunch program, food which is contributed to people in distress, food which goes to hospitals and eleemosynary institutions, food which is exported to the peoples of Europe, from which we get these foreign currencies, money paid out under the International Wheat Agreement, and all the uses to which food surpluses are put. The farmer does not receive the benefit of all of it.

Mr. DOUGLAS. Let me put it this way: The Government is spending on its farm program a sum equal to approximately one-third of the total income received by farmers, including the value of food grown on the farm and the value of farm dwellings occupied by farmers. It would be interesting to compute the cash payments by the Government to the farmers with their total cash income. It is my belief that this cannot be far from 30 percent. The expenditures of the Government for agriculture, charged to the Department of Agriculture, are equal to almost one-third of the total income from all sources of all the farmers in the United States.

Mr. RUSSELL. Those expenditures are charged to agriculture, but some of them are very unfairly charged to agriculture. Of course the Senator has overlooked the fact, for example, that a billion dollars a year is charged for storage, interest, administrative expenses for the commodity loans, and the handling of commodities acquired by the Commodity Credit Corporation.

Mr. DOUGLAS. The question the Senator from Illinois would like to ask is whether there is any way whereby we can diminish this flow at the spigot. Are we condemned to have this situation remain with us year after year and to be powerless to control the total amount which is spent? Is it not possible to find some way whereby we can reduce the amount? Frankly, I am baffled. Either by accident or design legislation has been adopted and rulings made in such a way that we are almost powerless to protect ourselves in any current year. I wondered why we could not impose a ceiling on the total amount which would be spent for all the commodity stabilization programs. But plantings for 1959 have already been made. If there are surplus crops which cannot be purchased by the Commodity Credit Corporation, they will be thrown on the market, and the price will break by even a greater proportion than before. So while I considered this possibility, I have had to discard it.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. YOUNG of North Dakota. With respect to wheat, the Government could eliminate all the costs if we were to adopt the domestic parity plan.

Mr. RUSSELL. The Senator from Illinois has posed a question. In common with all my colleagues from agricultural States, I have a farm plan. It goes to the basic legislation. However, we cannot attach it to the pending bill, and it would take too long a time to explain it.

I doubt that many of my colleagues would agree with me on it, because nearly every one of them has a farm program of his own. So far as dealing with it in connection with the pending bill is concerned, I do not believe it would be feasible to do that. The only function our committee had was to undertake to pass on the estimates which the Secretary of Agriculture submitted. The law says that Congress shall appropriate the funds for the Department.

Mr. DOUGLAS. Does that mean that we have lost control over our farm program?

Mr. RUSSELL. I do not doubt that the agricultural program, so far as the Commodity Credit Corporation is concerned, is completely out of hand, and has been for years.

Mr. DOUGLAS. I certainly feel very regretful that this should be so.

Mr. RUSSELL. I share the Senator's concern and the sense of frustration he feels. I have given this matter a great deal of thought, but I believe that in connection with this bill we cannot deal with that matter now.

Mr. DOUGLAS. I wonder if I could make a suggestion.

Mr. RUSSELL. I should be glad to have the Senator's suggestion.

Mr. DOUGLAS. Would it be possible to provide that no administrative expenses of the Department of Agriculture shall be paid unless for the year 1961–1962 the Secretary of Agriculture puts into effect certain restrictions upon output?

I am very frankly concerned with the situation so far as corn and feed grains are concerned. The Secretary of Agriculture has said that he will support corn at $1.12 and has told farmers to plant just as much as they wish; that the sky is the limit. Substantially the same provisions have been put into effect for the competing feed grains. I have checked with the men who sell seed in Illinois, and I find that more corn is being planted than ever before. If satisfactory weather prevails, we will have an enormous crop of corn. As a result, the deficit of the Commodity Credit Corporation will increase for 1959–60. Is there any way whereby we can at least protect ourselves in the future, if we have lost control over the present?

Mr. RUSSELL. I do not know of any way it can be done in connection with the pending bill. Of course Congress as a whole will have an opportunity to do it next year, because the Commodity Credit Corporation will be compelled to come to Congress and ask for an increase in its borrowing authority next year. That will put the whole issue before Congress, and Congress will be able to legislate in any way it sees fit.

Mr. LAUSCHE. But next year is an election year.

Mr. DOUGLAS. I wonder if it would be possible to add an amendment something along these lines: *"Provided,* That no funds or stocks of the Commodity Credit Corporation shall be used for any purpose if the use thereof will cause the capital impairment of the Corporation in the fiscal year 1960 to rise above $2,500,000,000."

Mr. RUSSELL. The Senator from Georgia is obliged to state that that would be legislation on an appropriation bill. Under rule XVI, he would be required to make a point of order against it.

Mr. DOUGLAS. What does the Senator think of the substantive provisions of such a restriction?

Mr. RUSSELL. Undoubtedly the patient is sick, but I think what the Senator proposes is a shotgun cure.

Mr. DOUGLAS. I saw how the Senator from Georgia worked when the size of the Marine Corps was in question. He approved of a restriction upon the Defense Department spending any money for administrative purposes in connection with a reduction of the Marine Corps strength to 175,000. That seemed to be iron tight. Why could we not impose a similar restriction on the Department of Agriculture, providing that the Secretary of Agriculture could spend no money for running his office unless for the year 1960–61 he imposed restrictions on the amount of each crop to be supported. Can we not at least protect ourselves for 1960–61 or 1961–62?

Mr. RUSSELL. The distinguished Senator from Illinois is justly proud of being able to claim association with the courageous organization known as the U.S. Marine Corps. However the proposal to which he refers was a legislative provision which was put on an appropriation bill. The Senator from Georgia was not in charge of the bill. He did not question it because he was supporting the amendment. However, if the Senator from Illinois will go back to the RECORD, he will find that it was a legislative proposal.

Mr. DOUGLAS. The amendment which the Senator from Montana [Mr. MANSFIELD] and the Senator from Illinois sponsored a few weeks ago was more definite than that. It struck out the use of administrative funds if the result of their use would be to effect a reduction in Marine Corps strength. I thought that I saw the Senator from Georgia give his approval.

Mr. RUSSELL. Yes.

Mr. DOUGLAS. That was iron tight. As a matter of fact, the Defense Department frankly stated—I believe I am safe in saying this—that it could not get around that provision. If the Defense Department could not get around that provision, let us fasten the same kind of provision in the pending bill so that Ezra Taft Benson cannot get around it.

Mr. RUSSELL. The laws which affect the Marine Corps are not quite so complicated as those which relate to the Commodity Credit Corporation.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. YOUNG of North Dakota. For example, the law requires that the Secretary of Agriculture shall support corn at 65 percent of parity. The Secretary cannot tell in the spring whether it will cost $300 million or $2 billion, and he cannot change the basic law. It would be necessary to wipe out the 65-percent provision if we wished to make sure that the cost would not go beyond $2 billion, for example.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. RUSSELL. I am glad to yield to the Senator from Florida. He and the Senator from Ohio [Mr. YOUNG] are distinguished members of the Committee on Agriculture and Forestry.

Mr. DOUGLAS. Both of the Senators double—I shall not say in brass—in responsibility for agricultural appropriations.

Mr. RUSSELL. I trust one of them will be able to supply some balm for the distress which the Senator from Illinois feels because of these increasing expenditures.

Mr. HOLLAND. Mr. President, I thank the distinguished Senator from Georgia for yielding. I wish to express my sympathy to the Senator from Illinois for the feeling of frustration which he so clearly entertains. I would say that that is not limited to those who are not members of the Committee on Agriculture and Forestry or the Appropriations Subcommittee which handles agricultural appropriations.

Those of us who are on those committees share the same feeling of frustration. But I think the record should show that there are a great many activities in agriculture which are proceeding normally, soundly, and substantially. For instance, the Farm Credit Administration, which the Senator will find discussed on page 14 of the report. It is correct, is it not, that the Farm Credit Administration is now not asking for the appropriation of any Federal funds, whatever, and that the $2,125,000 in the bill is a limitation of expenditure for administrative purposes; it is the same as that included in the budget estimate, and the same as that adopted by the House, meaning that those basic financing activities in agriculture which are comprehended within the Farm Credit Administration are proceeding soundly and with stability?

Mr. RUSSELL. The farm credit organizations have not required any direct appropriations for a number of years. The administrative funds to which the Senator from Florida refers do not come from the Treasury; they are not taxpayers' funds. They come from the funds which are accumulated by the various farm credit organizations. That has been the case for several years.

Mr. HOLLAND. The Senator from Georgia of course is correct. I simply wanted the RECORD to show that no Federal money is being appropriated for any of the basic financing activities which function through corporations operated by the Government, such as the Federal intermediate credit system, and all the Federal banks for cooperatives, or even for the administration expense, which is very minor. Congress simply prescribes a limitation; but they provide the money themselves out of their own funds. That is correct, is it not?

Mr. RUSSELL. That is correct, with the exception, I think I should say, that I do not find a great deal which is shipshape except the farm credit program.

Mr. HOLLAND. I wish to comment on one or two other items, because I think there are some other things which should be considered. I do not believe we should permit the RECORD to show a feeling of complete helplessness in the field of price supports and the activities of the Commodity Credit Corporation.

For instance, in the financing of the Farmers Home Administration, which Senators will find covered on page 11 of the report that administration being the lending agency of the Government which has to do with substandard or marginal activities, to mention its principal function, it is correct to say, is it not, that in that field the recommendations of the Budget and the actions of

the House and of the Senate are identical?

Mr. RUSSELL. No; the Senator from Florida is in error. If he will check the figures again, he will find that the Department has been trying to eliminate the Farmers Home Administration, which is one of the more worthwhile divisions of the Department of Agriculture, but Congress has resisted the Department's efforts.

Mr. DOUGLAS. The Farmers Home Administration deals with the poorer class of farmers, does it not?

Mr. HOLLAND. The amounts provided by the House and the Senate exceed the amount of the budget estimate by $33 million. But the House and the Senate are together on that item, and there is no controversy about that important agency.

Mr. RUSSELL. The Senator is correct.

Mr. HOLLAND. To refer to the Rural Electrification Administration, which is discussed on page 10 of the report, my recollection concerning that item is that the House and the Senate actions on the electrical end of the program and the telephone end of the program are identical.

Mr. RUSSELL. That is correct; and Congress has allowed a $25-million additional contingency fund in case the original funds provided are not adequate.

Mr. HOLLAND. With reference to the Federal Crop Insurance Corporation, is it not true that the budget estimate for this year is the same as that of last year, and that the budget estimate and the House and Senate amounts are the same for that important activity, which enables so many thousands of farmers to insure themselves against tragic losses due to weather conditions over which they have no control?

Mr. RUSSELL. The Senator is correct as to the funds involved in the administrative request for this Corporation. I may say that I think there is room for considerable discussion as to whether thousands of farmers are covered. This matter has never been permitted to go beyond an experimental insurance program. Only a few selected counties have been permitted to have the insurance. In other words, there is no crop which is fully insured, so far as I am advised.

Mr. HOLLAND. The Senator is corect; but the total number of farmers who are insured is in the thousands.

Mr. RUSSELL. I do not challenge that statement. I simply know that the insurance is not available to all farmers with respect to any one commodity.

Mr. HOLLAND. It is a mutual insurance program which the Federal Government has created to enable farmers and fruitgrowers to protect themselves against unexpected damaging weather conditions because of the failure of private enterprise to provide such coverage.

Mr. RUSSELL. We have labored with this problem for 20 years, to my certain knowledge.

Mr. HOLLAND. It is a function which provides financial savings and stability, as shown by the report. I could mention other features, such as the Sugar Act program, which appears above the Federal Crop Insurance Corporation in the report, on page 10. In that program, there is no increase over the budget estimate, and there is no difference between the Senate and House figures.

There are many items in the Department of Agriculture as to which there is great stability. The only reason why I am referring to these items is that sometimes we who are members of the Committee on Agriculture and Forestry and of the Subcommittee on Agriculture Appropriations suffer from exactly the same sort of frustration which I think has been felt and stated, and I think very properly, by the Senator from Illinois [Mr. DOUGLAS]. We are struggling with all these activities but I think it is sometimes good to call attention to the fact that many of them are in good, sound condition.

But as to the price support program, I call the Senator's attention to the fact that there has been a grievous difference of opinion, not merely in the committees, not merely on the floors of the Senate and House, but in the agricultural organizations themselves and among the farmers themselves, as to what may be a sound, adequate program. It is in that field alone that there appear any greatly frustrating facts in the whole diversified program.

So I hope those who are not confronted with the daily task of wrestling with these problems will not come to the conclusion that the whole agricultural picture is one of confusion and disappointment.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. COOPER. I wonder if the Senator from Florida would comment on one of the oldest programs, the Extension Service. Year after year the Extension Service, which is a joint undertaking by the Federal Government and the States, offers great value for the farmers and the country.

Mr. HOLLAND. The Senator from Kentucky is, of course, correct.

Mr. COOPER. I note that the amount recommended to be appropriated by the Senate committee is just the same as that approved by the House and by the Bureau of the Budget in its estimate.

Mr. HOLLAND. The Agricultural Marketing Service could be mentioned, as could many others. I was referring particularly to the financial activities. Perhaps I should have gone further and mentioned some of the other operating facilities of the Department of Agriculture, and of agriculture in the Nation and in the States, which are functioning with great credit to themselves and with great satisfaction to agriculture. But I do not want to minimize the position of the Senator from Illinois, because he has put his finger upon the most distressing and the most difficult problem in the entire field of agriculture. Some of us are willing to throw the whole price-support program overboard. Frankly, that has been my innate feelings for a long time. Yet I do not think we have come to the stage where it can be done away with, because to do so would hurt many, many good people.

I hold no brief for the Secretary of Agriculture; perhaps he has been unwise in some particulars, though I am not so charging at all, but I hope the Senator from Illinois will realize that the real fault is in the laws themselves which Congress has passed, and which do not, as I see it, at least, afford successful machinery for dealing with the price-support program.

Mr. RUSSELL. Of course, there is much in the bill which is very helpful. I am not one of those who have always agreed with Mr. Benson's policies. But, to give the devil his due, as the saying goes, in the field of research Mr. Benson has accepted almost every suggestion which has been made.

Of course the large appropriation items in the bill, when we get down to it, are the ones to which the Senator from Illinois has referred, which makes good the losses which have been incurred in the support programs. The fact that those losses have been incurred has generated other expenditures. We never would have had the soil bank and the $2 billion which has been spent on it if the support program had been soundly administered and if farm income had been maintained.

I personally think Mr. Benson is so bitterly opposed to any support program at all, that he is not disturbed about losses, so long as they discredit the effective operation of any support program; and I think the program has cost us a great deal of money for that very reason. Undoubtedly we are confronted with a situation in which Congress is powerless to get another Secretary of Agriculture; and I am convinced that the support program, as it is now written, is not going to function, so long as Mr. Benson is its guardian.

So we are now confronted with the necessity, as I see it, of trying to get on the statute books a law which will function in conjunction with the present Secretary of Agriculture.

In my judgment, the support program will never function under Mr. Benson, because he does not believe in it. He does not believe farm commodity prices should be supported, and he has just about convinced a majority of the people of the Nation that there cannot be a successful support program.

Mr. DOUGLAS. Mr. President, will the Senator from Georgia yield?

The PRESIDING OFFICER (Mr. KEATING in the chair). Does the Senator from Georgia yield to the Senator from Illinois?

Mr. RUSSELL. I yield.

Mr. DOUGLAS. First, let me say that I was greatly pleased by the eloquent tribute which implicitly was paid by the Senator from Florida [Mr. HOLLAND], and to some extent by the Senator from Kentucky [Mr. COOPER], to the administrations of Woodrow Wilson and Franklin D. Roosevelt, in regard to agricultural matters, because I remember that it was Woodrow Wilson who started the farm credit system when he

sent to Europe his commission which returned with the proposal for the farm credit land banks; and it was also in the administration of Woodrow Wilson that the Agricultural Extension Act—I refer to the act which provided for Federal aid for county agents—was enacted.

Furthermore, it was in the administration of Franklin D. Roosevelt that the Farmers Home Administration was begun—although it then had another title; nevertheless, it performed the same function of helping the poorer farmers. Moreover, I believe it was at that time that crop insurance was also begun.

All those measures were fought against strongly at the time by the opposition party. So I am glad to see that time has vindicated those programs.

Mr. COOPER. Mr. President, will the Senator from Georgia yield to me?

Mr. RUSSELL. I yield.

Mr. COOPER. Mr. President, I am very happy to pay my tribute to any President who promulgated and encouraged these programs.

I should also like to say that President Theodore Roosevelt established a Country Life Commission, composed of outstanding men who served without pay. I believe there were seven members of that commission. They made many of the recommendations which became law under later administrations.

I should also like to say that it was during the administration of President Abraham Lincoln that the Homestead Act and the Morrill Act, providing for the establishment of the land-grant colleges, were passed in 1862, as well as the act creating the Department of Agriculture.

Mr. DOUGLAS. Theodore Roosevelt had many good ideas which the Republican Party unfortunately would not put into effect. So it remained for the Democratic Party to put them into effect.

The county-agent system on a wide scale came, of course, with the Smith-Hughes Act of 1914, as I recall. The author of that first measure was the great Senator Hoke Smith, of Georgia, whose seat the present distinguished Senator from Georgia [Mr. RUSSELL] occupies, I believe, and who had been Secretary of Agriculture in the Cabinet of Grover Cleveland, as I recall.

So I am very glad our friends on both sides of the aisle join in approval of those actions of past Democratic administrations.

Now I come to the present Republican administration.

Mr. HOLLAND. Mr. President, before the Senator from Illinois discusses the Republican administration, I should like to say just a word, because I do not happen to come within that group.

Mr. DOUGLAS. Certainly.

Mr. HOLLAND. Mr. President, will the Senator from Georgia yield to me?

Mr. RUSSELL. I am glad to yield to the Senator from Florida.

Mr. HOLLAND. The reason why I chose the Farm Credit Administration, the Farmers Home Administration, and the REA as the basis for my remarks, in the main, was that I am chairman of the subcommittee which for some years has handled the legislative work in those three fields, and I happen to know that those three agencies are operating in a stable, sound, and satisfactory way. After mentioning them, I then referred to other sound activities.

Let me say that I am not particularly concerned with who was the father or the founder of any of those particular programs. The point I am trying to make to the Senator is that I hope he will not let his understandable frustration in regard to the price-support program, which has operated under both Democratic and Republican administrations—but I think has never been sound except as a war measure—I hope he will not let that frustration lead him to the conclusion that the Department of Agriculture is not serviceable and successful in most fields, regardless of the source from which the particular activities may have come. We who work daily in this field find it a most pleasant and rewarding field in which to labor, even though I share the Senator's frustration when it comes to the one great failure—the field of attempted price supports—which is the largest field of all, in terms of dollars and cents.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Illinois.

Mr. DOUGLAS. I am going to address some questions to the Senator regarding the matter of surpluses, and I wonder if it would be appropriate to ask unanimous consent that the colloquy be printed in the RECORD prior to the colloquy which the Senator from Georgia has had with the Senator from Minnesota.

Mr. RUSSELL. Mr. President, I am glad to ask unanimous consent that all of the colloquy between the distinguished Senator from Minnesota and the Senator from Georgia be printed after the discussion of the Commodity Credit Corporation clause.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Georgia? The Chair hears none, and it is so ordered.

Mr. DOUGLAS. Mr. President, do I correctly understand that the Commodity Credit Corporation surplus in the form of loans and inventories at the end of 1952 amounted to approximately $2,450 million?

Mr. RUSSELL. That is approximately correct.

Mr. DOUGLAS. And that, as of April 1, 1959, those surpluses amounted to approximately $9 billion.

Mr. RUSSELL. That is, the stocks on hand.

Mr. DOUGLAS. Yes.

Mr. RUSSELL. That is correct.

Mr. DOUGLAS. Do I correctly understand the Senator to say that we have increased the loan authorization of the Commodity Credit Corporation?

Mr. RUSSELL. I understand that the borrowing authority of the Commodity Credit Corporation at the present time is $14.5 billion.

Mr. DOUGLAS. And it is anticipated that the surpluses this year will increase very markedly above the $9 billion figure.

Mr. RUSSELL. Yes. I think there is no question that there will be a substantial increase in the surplus of some commodities.

Mr. DOUGLAS. It may reach $10 billion, $11 billion, $12 billion, or $13 billion.

Mr. RUSSELL. I would not undertake to make a guess. It is too early to tell; but if we have a good crop year, the figure may even reach the larger sum mentioned by the Senator. We have had unusually good crop years, and I would not be surprised if the figure mentioned by the Senator were reached.

Mr. DOUGLAS. Mr. President, will the Senator permit me to place in the RECORD at this point a table which I have prepared, which I believe to be accurate, showing surpluses, by commodities, comparing the surpluses on December 31, 1952, with the surpluses on February 28, 1959?

Mr. RUSSELL. The Senator is at liberty to place the table in the RECORD as part of his remarks.

Mr. DOUGLAS. The table shows that the surplus of corn has increased from 368 million bushels to 1,571 million bushels. The surplus of cotton has increased from 1 million bales to 7.9 million bales; the surplus of wheat from 467 million bushels to 1,300 million bushels; and there are similar surpluses, though in different proportions and amounts, for peanuts, rice, tobacco, barley, grain, sorghums, oats, and soybeans.

I ask unanimous consent that the table be printed in the RECORD at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Surpluses by commodities

Commodity	Unit	Dec. 31, 1952	Feb. 28, 1959	Times increased
Corn	Bushel	368,000,000	1,571,000,000	4.2
Cotton	Bale	1,000,000	7,900,000	7.9
Wheat	Bushel	467,000,000	1,300,000,000	2.7
Peanuts	Pound	192,000,000	256,000,000	1.3
Rice	Hundredweight	168,000	12,600,000	75
Tobacco	Pound	544,000,000	936,000,000	1.7
Butter	do	2,700,000	44,400,000	16.4
Barley	Bushel	9,000,000	158,900,000	17.6
Grain sorghums	Hundredweight	1,300,000	302,000,000	234.5
Oats	Bushel	19,000,000	104,000,000	5.4
Soybeans	do	8,000,000	134,000,000	16.7

Mr. DOUGLAS. Mr. President, I should like to inquire of the Senator from Georgia with regard to a possible means of reducing these charges in the future. I have been working on a rough draft of language, and I should like the offhand opinion of the distinguished Senator from Georgia as to what my

proposed amendment might accomplish. It is addressed to page 29, after line 5. It would constitute a further limitation.

Provided further, That no funds shall be paid for any purpose by the Commodity Credit Corporation for any crop planted after January 1, 1960, with respect to which the Secretary has failed to provide for production controls or acreage limitations, or restrictions as provided in section 401(c) of the Agricultural Act of 1949.

One of the basic reasons why the surpluses have increased and have mounted to such extremes is that the Secretary of Agriculture, Mr. Benson, has failed to carry out section 401(c) of the Agricultural Act of 1949, which provides that the Secretary has the power to demand compliance by the producer with certain restrictions which the Secretary may apply, in order to be eligible to receive price support from the price support loan fund.

Instead, the Secretary has put into effect low support prices without requiring any acreage or bushel restriction of any effective kind, for a long list of commodities, namely, corn, grain sorghums, oats, rye, barley, soybeans, honey, tung nuts, cottonseed, flaxseed, and dried edible beans. The effect of this failure to impose quantity restrictions is to provide an open-end program under which the Secretary essentially agrees to buy everything the farmer grows, and later presents us with the bill.

This is the problem with which we are wrestling in the Corn Belt already, as I have mentioned. The Secretary fixed the support price at $1.12 or $1.13 a bushel, but with absolutely no restrictions on planting, acreage, or bushels. He did this himself. This is his program. He requested it.

The result, as I stated earlier, is a tremendous planting of corn. If the weather is at all favorable, we shall have an enormous corn crop. The Secretary has pledged the taxpayer to buy all this crop at $1.12, with no limit upon the operation. We shall have a tremendous surplus, at an enormous cost.

The purpose of my amendment is to say that, perhaps, by reason of failure to act in the past, we cannot protect ourselves with respect to the plantings made in the past few months, but we can lock the door, so that next year the Secretary of Agriculture will have to establish some restrictions under the mandate which was given to him in the 1949 act.

I am not an expert on this subject, but it seems to me that such an amendment would be appropriate.

Mr. RUSSELL. Mr. President, I have not seen reduced to writing the amendment intended to be proposed by the distinguished Senator from Illinois. I have tried to follow it as best I could from his reading of it. I assume, if I correctly understand it, that if the committee amendment is in order, probably the Senator's amendment would be. I could not accept the amendment, because it was not considered by the committee. I think it would have a great impact on the entire agricultural situation of the country, and particularly on the corn farmers. I believe the corn farmers voted on this question. The Department encouraged them to vote for the program which is in effect.

Mr. DOUGLAS. The Secretary of Agriculture gave the corn farmers "Hobson's choice." They were not permitted, really, to vote for what they wanted.

Mr. RUSSELL. That is true. They had a narrow choice between two programs.

There are very few counties in my State in what was once called the old commercial corn area. As I understand it, that has been done away with now, and every farmer who plants corn anywhere in the United States is entitled to support. I assure the Senator that the farmers of Georgia are aware of that fact. They can grow a great deal of corn. They have not done so heretofore because most of them were not in the so-called commercial corn area. The Secretary will have a great many customers in that part of the United States supplying him with corn which he has not had before.

Mr. DOUGLAS. I think the Secretary of Agriculture has led us into disaster with respect to corn and grain feeds planted in 1959.

Mr. RUSSELL. If we have a good crop year there will be nowhere to store corn.

Mr. DOUGLAS. Can we not protect ourselves for 1960 by placing a proviso in the bill to the effect that no Commodity Credit Corporation funds may be used for any crop planted after January 1, 1960, with respect to which the Secretary of Agriculture has not provided for production controls or acreage limitations, as provided in section 401(c) of the 1949 act?

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. HUMPHREY. It seems to me that the amendment of the Senator from Illinois merits our most careful and sympathetic consideration. I should like to speak in behalf of the amendment. I wonder if the Senator from Illinois will submit the amendment to be printed.

Mr. RUSSELL. I should like to see it, so that we may understand what it would do.

Mr. DOUGLAS. I shall be glad to have it printed; but I thought the hurry sign was out.

Mr. HUMPHREY. Action will not be completed on the bill today.

Mr. DOUGLAS. If we have until tomorrow, we will have the amendment printed.

Mr. RUSSELL. It would not be too difficult to have someone make copies of it. I doubt if action on the bill will be completed today. If the amendment could be written that would be of some help.

Mr. DOUGLAS. I will see that it is written.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Minnesota.

Mr. HUMPHREY. The Senator may recall that in 1956 an amendment was offered in the Senate, with administration support, to pay $1.25 a bushel for corn, with unlimited production, in the commercial corn area. The Senator may also recall that the Senator from Minnesota spoke against that amendment. I voted against it in committee. I did so because, I said, to adopt that amendment, would mean the opening of a Pandora's box of trouble. I predicted that the Government would own hundreds of millions of bushels of corn. That, Mr. President, wrecked the corn program that year.

I should like to say to my friend from Illinois that last year the choice the farmer had was the choice between voting on acreage allotments of 35 million acres of the estimated 72 million acres which were being planted, or taking the other formula, which was just slow death, 65 percent of parity and unlimted acreage.

In the State of Minnesota, which is one of the leading agricultural States of the Nation, we produce a substantial amount of feed grains, a substantial amount of soybeans, and a substantial amount of corn, both for feeding purposes, and for commercial purposes. Corn is being planted at $1.10 or $1.11 or $1.12, depending on the area-guaranteed price. We will have an increase from 73 million planted acres to more than 90 million planted acres.

The Department of Agriculture has foisted upon the American people in this year, 1959, another potato fiasco. When I came to the Senate in 1949, the primary agricultural question was what to do about potato price supports. During the war years, because of the need for potatoes for the purpose of making alcohol, there was a price support program in effect to encourage the production of potatoes, and there was no control at all over production.

The Government of the United States was then spending about $600 million on the potato program, and that program was a national disgrace. Congress ultimately rejected the whole thing out of hand.

Of course, the same thing is happening to corn. We will have so much corn produced this year, 1959, that it will be utterly impossible to find the bins in which to store it. The only thing that can save us is an act of God, which would prevent the crop from maturing and being harvested.

Whom does such a program help? The farmer? Certainly not. Cheap corn means surplus corn. Surplus corn means surplus hogs. Surplus hogs mean cheap pork and cheap lard. That means the end of thousands of farmers.

Some of us have literally wept because of the foolish agricultural economics. The Department of Agriculture has committed itself to the policy of reducing price supports and taking off controls. Both actions lead to agricultural catastrophe. We have had a 20 percent reduction in price supports since 1953, on the average. In the meantime, commodity holdings have risen from $2½ billion to more than $9 billion. Thousands of farmers have been driven off the land. Whole agricultural communities have been destroyed. The hoax

which is being perpetrated is in leading of the people of the country to believe that Congress is responsible for all this.

Mr. President, we passed three farm bills, and all three were vetoed. We have had the gun pointed at our temples—it has been at my temple, certainly—and we have been told by the President and by the Department of Agriculture, "Pass this bill or you won't get any bill." So we passed bills which the administration demanded. The bills were worthless, and they have been administered in an even less worthy manner.

Now that they are a complete fiasco and now that the Nation is groaning under the load of the farm surpluses and under the maladministration of the Department of Agriculture and of the administration as a whole, it is said that it is our fault.

Let me make it perfectly clear that it is not my fault. It is not my fault that we provide 65 percent of parity as a price support for corn, with unlimited production. I voted against that miserable bill. It is a "lousy," no good bill. I said so to my people. It has been said that a referendum has been held on the question. How many people in the farm area voted on that question? Of the total number who had acreage allotments, less than 20 percent went to the polls. Of the 20 percent, a large number voted against the alternative.

I am sorry to take so much time of the Senator from Illinois, who is asking questions of the Senator from Georgia. However, I wish to say to the Senator that when we put a price support on a commodity which is in excess supply, that commodity ought to have a production control imposed on it. It is another thing to have a price support on a commodity when it is necessary to encourage production. Then it is not necessary to have production controls. Then we ought to have controls which would increase production. However, when we are dealing with a price support on a commodity of which we have millions of pounds or bushels in excess supply, it is necessary to have acreage controls, production controls, marketing controls, or whatever may be required.

The farmer will accept controls if we give him a good price. However, we cannot expect him to accept 60 percent of parity and a 30 percent reduction in acreage. He is not that foolish. He has suffered under Secretaries of Agriculture, under acts of God, and from pestilence, and bad weather. The farmer is not going to be so foolish as to accept lower price supports and larger acreage reductions, which cut the heart out of his business.

I know what farm people think. I have visited with them and worked with them. They have faith in me, and I have faith in them. I have said to my colleagues in the Senate and in committee that the farmer does not want a free ride. He will accept controls on his production. If we are big enough fools to offer him a free ride, he may say, "Everybody else is getting a free ride. The interest rates of the banks are being raised. There are almost unlimited profits for corporations. Everybody is on the gravy train." So he may feel that he might as well get on the gravy train too, even though it is slopping over.

If Congress will see to it that the farmer gets a chance to realize a fair price for what he produces, he will limit his production. If we give him a fair price, he will limit his production.

Mr. Benson is overfeeding the entire farm economy to the point where it has become the victim of Benson's gout. That is what is wrong with it. He is overfeeding the whole price-support program, and the whole economy is getting Benson's gout. The only cure for that sickness is a very drastic change, which will take place not very long from now. I shall speak on that point later.

Mr. RUSSELL. Mr. President, I have listened with great interest to what the Senator from Minnesota has said. I have been of the opinion for some time that the principal aim in life of the present Secretary of Agriculture is to prove that price supports will not work, even if it costs $20 billion to prove it.

Mr. HUMPHREY. The Senator is absolutely correct. In that endeavor, the Secretary has been quite effective thus far. I only hope that time runs out on him.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Illinois.

Mr. DOUGLAS. I merely wish to ask a very simple question. The Senator from Illinois does not pretend to be an expert on farm problems in any sense.

Mr. RUSSELL. I have resigned my claim to that distinction some time ago.

Mr. DOUGLAS. Like most of us, I am distressed by the enormous expenditures which we are making, while the condition of the farmer gets worse and worse from year to year.

The Senator from Minnesota spoke of thousands of people who are leaving the farms. I have here the latest issue of Economic Indicators, which shows that in 1952 the average number of farms was 5,400,000; and in the first quarter of 1959, 4,600,000, 800,000 fewer farms, which means from 4 million to 5 million fewer farm people. At the same time, the average price of a unit of farm goods, the prices received index, on the farm has been decreased by 15 percent or from an index number of 288 in 1952 to 244 as of April 15, 1957. The price of goods which the farmers buy has increased by 3 percent, and most of this, I may say, is in the field of living costs, not production costs. The parity index has fallen from 100 in 1952 to 82 as of April 15, 1959. So a composite unit of farm products today can purchase 18 percent less than it could purchase in 1952.

A farm depression exists today, with increasing governmental expenses and increasing surpluses. Sometime a change must be made; and to my mind, the quicker the change is made, the better.

The amendment which I have suggested is being mimeographed and will be available in a few minutes. I hope the Senator from Georgia will examine it. It requires the Secretary of Agriculture, by imposing a limitation on Commodity Credit Corporation funds, to provide some form of production controls for every crop planted after January 1, 1960, upon which a price support is given. I hope the Senator from Georgia will examine the amendment. If there are any errors, I hope he will point them out to me. I am not an expert in this field at all; I simply have a desire to protect the farmers, and at the same time afford protection to the taxpayers in general.

Mr. RUSSELL. I shall be very happy to look at the amendment which the Senator from Illinois is suggesting.

Mr. HUMPHREY. Mr. President, will the Senator from Georgia yield to me?

Mr. RUSSELL. I am glad to yield to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I understand that the bill has now been amended so as to appear before the Senate as a new or a clean bill, and subject to amendment as if it had been reported without amendment.

I should like to ask the Senator from Georgia a few questions in regard to certain technical portions of the bill; and thereafter I should like to make some general observations on the bill.

First, I should like to ask the Senator from Georgia about the brucellosis eradication program. I understand the 1960 budget estimate for the brucellosis eradication program was $15,538,800. Is that the understanding of the chairman of the subcommittee?

Mr. RUSSELL. The Senator from Minnesota is correct. I had the round figure of $15 million in mind as the estimate.

Mr. HUMPHREY. I gather that the committee added approximately $2,500,000 to that item, as a result of committee action.

Mr. RUSSELL. Yes; the Senate committee went into that matter. The Department seemed to believe that $15 million was adequate, because of the very fine progress which has been made with this program. But the committee had apprehensions as to the adequacy of that fund; and therefore it allowed $2,500,000 over and above the budget figure, so that nothing would happen to this program, which has been making great progress throughout the country.

In a number of States the program has been completed. Of course, it can never be completely closed out until it is completed on a national basis; and I do not know that that could ever be done. I am not that familiar with the nature of the disease.

Mr. HUMPHREY. Of course, the chairman of the subcommittee recognizes that in the fiscal year 1959, $20,556,800 was appropriated for the control of brucellosis.

Mr. RUSSELL. Yes; I am well aware of that. But that figure was increased last year by $5 million.

Mr. HUMPHREY. Let me say most respectfully to the distinguished chairman of the subcommittee, that I have seen no evidence to justify the budget estimate of the Department—namely,

$15,500,000 plus. There are every bit as many cattle. The brucellosis control program has just been getting under full way; and it is one of the most valuable programs we have, from the point of view of public health, as well as from the point of view of herd improvement.

As one who comes from a State which has a very fine brucellosis control program, I am appreciative, of course, of the $2,500,000 increase voted by the committee over and above the amount of the budget estimate. But I say most respectfully that the $20 million which was made available last year was not in excess of the needs; in fact, the needs were even greater than that.

So I hope this year we shall not "put the brakes" on this very effective program, which only just now has begun to operate in the way it really should operate in more and more States. I wonder if the chairman of the subcommittee would be strongly opposed, or opposed in any degree, to considering restoring the sum of money for the brucellosis control program which was provided last year; and if not, I wonder what evidence the Department presented to indicate that the needs will be less in 1960 than they were in fiscal 1959.

Mr. RUSSELL. I do not have before me the specific testimony, but inquiry was made of the Department. In the first place, we asked the Department what it had requested of the Bureau of the Budget. Very often, these requests are cut back in the Bureau of the Budget.

Dr. Shaw, the man charged with the responsibility for this program, testified that they requested $15 million. He further testified:

> Well, I certainly support the view that you expressed. We have got the program on a good going basis and we have an impetus in there to get the job done. I certainly want to keep it that way and get it done. I believe we can do it with $15 million. We would do it somewhat faster if we had $20 million. We can do it with $15 million.

He further testified that the States had increased their brucellosis programs from $12½ million to $17½ million, which was a $5 million increase. So that amount also, is available.

I am of the opinion, though I do not have the detailed figures before me, that the $17½ million would authorize a program of approximately as much as was available last year.

Mr. HUMPHREY. I believe that is correct. With the $2½ million increase which the Senate committee has recommended, plus the amount on the States' side, the sum total of both Federal and State funds would be as much as it was last year. However, at the same time, let me say, more States have entered into the picture and are participating more intensively in the brucellosis control program. So the program is on a broader basis than it was last year.

Mr. RUSSELL. I do not think the Senator is correct about that, because a large number of States have cleaned out brucellosis. Fifteen States now have brucellosis-free certification. That statement applies to some States which have a tremendous population of cattle.

We asked the Department to review the question and keep the committee advised. I can assure the Senator that if the program is impaired because of lack of funds, I shall be glad to include an item for it in a supplemental bill. I believed the committee had discharged its responsibility to a very important program when it increased the budget request by $2½ million.

Mr. HUMPHREY. The chairman of the subcommittee has given me a reassurance that is quite significant; namely, that in the evaluation of this program as to funds required, while the committee has recommended more than the estimate of the budget, if the funds provided are not adequate for carrying out the program of brucellosis control in the areas where there are infected herds, it is my understanding the chairman of the Subcommittee on Agricultural Appropriations will look with favor upon a supplemental appropriation at the appropriate time. Is that correct?

Mr. RUSSELL. I certainly would. I believe that is the view of practically all members of the subcommittee. We are all interested in this program.

Mr. HUMPHREY. I know the Senator is.

Mr. RUSSELL. At the time the subcommittee recommended a $2½ million increase, we had not heard from certain States. We did not hear from some of the States that urged the committee to recommend $20 million until after the committee had already allowed the $2½ million increase.

I want this program to go ahead. It is vital to the health of the people of the Nation, and particularly the most important ones, namely, its children, who consume the major portion of the milk produced.

If there is an impairment of the program because of the lack of funds, I shall be very happy to support a supplemental appropriation.

Mr. HUMPHREY. I may say to the Senator from Georgia, whose record in support of these valuable programs is beyond criticism, and has been exemplary, that the assurance which he has given the Senator from Minnesota and the farmers of the Nation who are in the dairy business is more than adequate.

I merely wanted to raise this point because I am sure questions will be asked as to why funds in the amount of $20,500,000 are not available for this year when funds in that amount were made available last year. As I see it, the total Federal and State funds for 1960 will result in a cumulative total of approximately the same amount as was made available last year, will it not?

Mr. RUSSELL. That is my recollection. I have not checked the figures, but my recollection is that that is the reason why the committee allowed the $2½ million.

Mr. HUMPHREY. I think we ought to pay our thanks to the States for their expanded participation in the program. This is one of the finest programs we have.

Mr. RUSSELL. I wish to thank the States which have increased their participation. There is great disparity in participation in the program as between the States. Some have participated very little. Some have participated to the extent of $2 or $3 for every Federal dollar. The committee asked the Department to undertake to do something to get State participation in better balance.

Mr. HUMPHREY. If the chairman of the subcommittee will indulge me for a few more moments on another item, in reference to the meat inspection service and the responsibility of that service. The subject of meat inspection appears on page 4 of the committee bill. The amount of money recommended by the full committee is $21,324,900.

In my testimony before the subcommittee, I had asked that there be allowed $21,475,000, and I submitted a statement in support of that amount. I believe the amount requested by the Bureau of the Budget was $21,475,000. Is that correct?

Mr. RUSSELL. The Senator is correct. That is the figure which the Senator very eloquently urged before the subcommittee.

Mr. HUMPHREY. The sum the committee recommended for appropriation was $21,324,900.

Mr. RUSSELL. That is correct.

Mr. HUMPHREY. I realize we are now dealing with a very small reduction, but I wondered what the justification was on the part of the committee.

Mr. RUSSELL. I can explain to the Senator. The sum allowed by the committee will maintain inspection at the same level as at the present time, including the supplemental funds recommended in the budget estimate. There will be no reduction whatever in the service. It will be maintained at its present level. The full amount requested by the Budget Bureau would have increased the inspection service by adding to the force—I have forgotten the exact figure—new inspectors. The committee thought that if the inspection service were maintained at the present level the Department should be able to get by. The amount was increased in the supplemental appropriation, as the Senator will recall. There is an overall increase of $539,000 above the 1959 appropriation.

Mr. HUMPHREY. That includes, does it, the poultry inspection?

Mr. RUSSELL. No.

Mr. HUMPHREY. It does not include poultry inspection, but is strictly for the red meat division.

Mr. RUSSELL. Yes. There is $10.5 million additional for poultry inspection.

Mr. HUMPHREY. As I recall, we separated those two items. As the Senator knows, from time to time I have discussed the subject of meat inspection on the floor of the Senate because of the great interest Minnesota has in meat, considering the number of packing houses located there.

Mr. President, the Committee on Appropriations of the other body has questioned, in its report on the Department of Agricultural appropriation bill, the wisdom of Federal inspection of further processing operations of meat and poultry. "Further processing" is the canning of meat and poultry and the preparation of a variety of meat and

poultry products, such as frozen, precooked dishes.

The Appropriations Committee of the other body declared:

> There appears to be little merit or public health protection from providing such costly inspection services at public expense.

It called the inspection a luxury, and hinted that it was a double inspection.

I respectfully, but strongly, disagree with that report. The inspection of further processing operations is neither unduly expensive nor is it a double inspection. It provides now, and has provided for decades, vital protection for consumers.

The inspection of further processing operations of meat has apparently been a part of meat inspection since the enactment of the Meat Inspection Act more than a half century ago. The Meat Inspection Division of the Department of Agriculture has been able to develop a program whereby an inspector does not look into every pot in which some meat product is cooking, but he is able to provide effective consumer protection.

Poultry inspection, as a new program, has not provided inspection for further processing operations yet. Unfortunately, the administration, playing its budget games, has not asked for appropriations for further processing inspection in its budget request. It is using, as a loophole, a provision in the Poultry Products Inspection Act, which allows the Secretary to make exemptions until July 1, 1960.

As one of the sponsors of legislation which led to the Poultry Products Inspection Act, I can say that the exemption provision was not put into the legislation for that purpose. It was to provide authority for the Secretary to exempt individual firms or small groups of firms when he could not provide inspection before July 1, 1960.

The exemption was definitely not aimed at exempting sizable sections of the poultry industry, nor was it to effect some kind of budget-balancing political strategy at the expense of, and danger to, the consumer.

The current exemption not only hurts consumers; it also harms the industry. Representatives of the industry, as well as of consumers and labor, opposed the use of the exemption provision in this matter in testimony before the Appropriations Committee.

To be sure, meat and poultry are inspected at the time of slaughter. However, this does not make the inspection at the time of further processing either an unnecessary or a double inspection. The inspection of further processing operations provides essential consumer protection.

Were it not for the inspection of further processing, the canning and preparation of meat and poultry products could easily become the dumping ground for such meat and poultry as could not pass inspection. The junk of the industry would go into the preparation of these food products.

Furthermore, meat and poultry are highly perishable products. They can easily have deteriorated between the time of slaughter and the time of the further processing operations. The cooking in further processing would mask this deterioration, but the food would still be undesirable to consumers.

Not only the meat and poultry, but also other products used in the further processing operations are highly perishable. These products may not be wholesome or they may be in such a state as to cause the meat and poultry to deteriorate.

The inspection at the time of further processing prevents or minimizes these dangers to the consumer. Is this type of protection then too expensive?

It is true that the cost of inspecting further processing operations in meat has increased and will continue to increase. But so has the cost of everything in and out of Government.

Actually, the inspection of further processing accounts for only a fraction of the meat inspection budget. And witnesses before the Senate Appropriations Committee urged the approval of $600,000 to cover the inspection of further processing operations in the poultry industry.

Mr. President, I believe that neither the cost of inspecting further processing operations nor the cost of meat and poultry inspection, as a whole, need alarm us. These operations are protecting the health of our Nation. And they are not unduly costly in view of the fact that they are designed to prevent sickness and death among tens of millions of Americans.

Of course, the meat inspection and poultry inspection programs must operate as efficiently and effectively as possible. If there is any waste in the operations, it must be eliminated.

But as I understand the situation, neither the Eisenhower administration, which did not ask for funds for inspection of further poultry processing in fiscal year 1960, nor the Appropriation Committee, which called the inspection of further processing a luxury, made charges of waste. The question is whether there is merit and public health protection in providing such inspection. I firmly believe there is, and I know that my colleagues agree.

As further evidence of the need for the inspection of further processing, I invite the attention of my colleagues to a scientific article, "A Study of Frozen Precooked Foods, Their Sanitary Quality, and Microbiological Standards for Control." This article, which was published in the current issue of the Quarterly Bulletin of the Association of Food and Drug Officials of the United States, discusses bacteriological studies made of these foods.

One of the points in the summary and conclusions of the article is that "poultry products appeared to be of poorer sanitary quality than other foods."

This situation can be remedied if legislation enacted by Congress is implemented. The inspection of further processing of poultry must be undertaken. And the inspection of further processing, long a part of the meat inspection program, must be safeguarded.

I may say to the chairman of the subcommittee, that I have gone into this detail because I have the feeling that the report of the Appropriations Committee of the other body, if left uncontested, would serve to limit the meat inspection program. The purpose of meat inspection is consumer protection. I feel it is important that the Senate, in its deliberations on this appropriation bill, make it crystal clear that the processed products of meat and poultry are included, and that the phrase "further processing" is included under both meat and poultry inspections.

I notice the Senate committee does not take the line which the other body took. I am merely making the record clear, so that the report of the other body will not stand uncontested, because that report violates the history of the meat inspection service, which for years has made inspections of all types of processed products produced by many of our packing houses.

Mr. RUSSELL. The Senator is, of course, aware of the fact that under the legislation which his committee successfully sponsored in the Congress these two inspection services are under different agencies in the Department of Agriculture.

Mr. HUMPHREY. Yes, I am.

Mr. RUSSELL. The language to which the Senator adverts I believe deals with the appropriations for the inspection of poultry.

Mr. HUMPHREY. I refer to the language in the House report.

Mr. RUSSELL. I do not think any issue has been raised with respect to meat inspection.

Mr. HUMPHREY. If the Senator will wait 1 minute, I will check the report.

Mr. RUSSELL. I will say to the Senator that the situation, as it developed in the testimony, was that the House was undertaking to appropriate for poultry inspection, and dealt with this matter from the angle of poultry inspection. It was stated that the money was appropriated for the eviscerating plants, to inspect poultry when killed and first processed, and that the House committee was not concerned as to whether the Department inspected the same chicken again when it was sold to be put into a pie or into some other food product.

Mr. HUMPHREY. Yes.

Mr. RUSSELL. As I recall the testimony, the Department testified that it had the authority to reinspect the chicken, if it were considered wise to reinspect it, when it went to the plant where it was to be put into frozen food, or whatever amalgam of flour and chicken the processor might decide to use.

We have allowed the full amount of the budget estimate.

Mr. HUMPHREY. The Senator is correct.

Mr. RUSSELL. So far as I know, there is nothing to prevent the Department from pursuing the inspection of any chicken to the time it reaches the wholesaler, at least.

Mr. HUMPHREY. The Senator's interpretation is my interpretation. I am most grateful for the Senator's comments.

My only reason for including the words "meat inspection" in this whole matter

was that on page 10 of the report of the other body the title used is "Meat and Poultry Inspection," and the entire matter is covered in one section. The reference to the inspection service is made in that one section.

Since I have been keenly interested in this matter for several years, all I have been trying to do is make the record manifestly clear that insofar as the authority of the Department in the field of inspections is concerned it does not necessarily stop in the first instance with the carcass, for example, of beef or pork, nor does it stop in the first instance in the initial processing of poultry, but instead it can go through the processing stage itself.

Mr. RUSSELL. The Senator, of course, is better prepared and more qualified to construe the law than is the Senator from Georgia. The distinguished Senator from Minnesota is one of the authors of the Poultry Inspection Act. I have undertaken to implement that act from the standpoint of the Committee on Appropriations.

I will say that the Senator from Georgia is one of those who thought we might have had these two inspection services in the same agency of the Department of Agriculture.

Mr. HUMPHREY. I think the Senator is correct.

Mr. RUSSELL. I care not in which agency they are, but I think they ought to be in the same agency. In my opinion, the work could be done for $2 million or $3 million less overhead if both the poultry inspection and the meat inspection were done by the same service.

Mr. HUMPHREY. I think the Senator is essentially correct. I believe the trouble we had before the legislative committee was due to a feeling on the part of many of those interested in the poultry business that they might not be given the kind of first-class treatment they ought to receive if they were amalgamated with the red meat inspection service.

Mr. RUSSELL. The poultry processors were very anxious to get under the Agricultural Marketing Service.

Mr. HUMPHREY. That is correct.

Mr. President, I do not care to labor this point any longer. The Senator from Georgia, as is to be expected, has been most helpful and most informative.

I wonder if the Senator from Georgia would have any objection to my asking unanimous consent to have printed at this point in our discussion the study of the frozen precooked foods made by the Department of Health of the City of New York, Bureau of Food and Drugs and Bureau of Laboratories. This is a descriptive report as to what is required for the adequate inspection of processed products.

Mr. RUSSELL. If the distinguished Senator, who is a member of the Committee on Agriculture and Forestry, thinks the study will illuminate the activity of the Department, I certainly have no objection.

Mr. HUMPHREY. It would be very helpful, I think, since obviously the city of New York represents one of the great consuming centers of the Nation. I have found this report to be very helpful, and in fact it was studied at the time we discussed the inspection service.

I thank the Senator very much, and I ask unanimous consent that the study be printed in the RECORD.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

A STUDY OF FROZEN PRECOOKED FOODS: THEIR SANITARY QUALITY AND MICROBIOLOGICAL STANDARDS FOR CONTROL [1]

(A. E. Abrahamson, Leon Buchbinder, John Guenkel, Milton Heller, Department of Health, City of New York, Bureau of Food and Drugs and Bureau of Laboratories)

With each passing year since World War II, we have witnessed a great, steady increase in the amount of frozen precooked food sold. Not only has the homemaker recognized its value as a convenience but even the military. The Quartermaster Corps of the Armed Forces of the United States has carefully watched the progress of the frozen food industry and has helped it in its many problems in technology. It has established a system of resident inspection, laboratory control, and quality standards, which includes indices of sanitation. Those who do business with the military must meet its standards. Commenting on the current microbiological standards of quality for frozen precooked foods, Rayman, and his associates write (14), "adequate standards will, of course, demand the absence of disease producing organisms, and will take into account environmental conditions consistent with discouraging the growth of microorganisms during production, transportation, and storage of the end product. Inasmuch as precooked frozen foods are generally subject to less thorough heat treatment prior to serving than that given during cooking of fresh frozen products, it will be apparent that microbiological standards for precooked types of food need to be somewhat more stringent and exacting."

Health officials and sanitarians have evinced more than casual interest in the protection of the vast army of civilian users of frozen precooked food. The committee on frozen food standards of the International Association of Milk and Food Sanitarians reported (5) in September 1956, "it is felt that since there is a potential danger in this type of food, some steps should be taken to gather together information to determine whether or not a public health problem exists." This committee's report continued with its laboratory work on samples taken mainly at retail stores of chicken, turkey, and beef pot pies, chicken and turkey dinners, swiss steak, chicken and noodles, and also chicken and dressing. The committee also studied the manufacture of chicken and turkey pot pies. It concluded that "it is the opinion of the committee that this is a potentially hazardous situation needing further attention and action by public health sanitarians."

Several food poisoning cases involving precooked frozen foods, such as chicken potpie, turkey potpie, codfish cakes, and breaded shrimp, have been reported by Abrahamson (1). The examination of these foods by bacteriological techniques disclosed the presence of the types of organisms, in high counts, which are associated with insanitary processing practices.

Thatcher (17) in a discussion of new foods marketed in massive amounts indicated a need for surveillance. He commented, "An alert public health agency ought to be positively concerned about the microbal content of comparatively new forms of processed foods for which it has not yet been possible to estimate their public health hazard based on experience. Any factory which changes the ecological balance of microflora in a nonsterile food presents a potentiality for a modified health and spoilage hazard.

"Food control agencies have a responsibility to be actively interested in the microbal quality of new foods marketed in massive amounts, especially when such foods appear to have received extensive handling during manufacture, and which, in the event of inadequate refrigeration, represent an admirable medium for the multiplication of pathogens and spoilage organisms or for the elaboration of toxins. To illustrate, reference is made to the mass-produced frozen precooked dinners, meat pies, poultry dishes and the like and the growing trend toward the sale of factory stuffed poultry."

A survey of the bacteriological status of a limited number of frozen precooked foods with special reference to chicken a la king by Buchbinder (2) in 1949 revealed total plate counts, coliform counts, staphylococci of the food poisoning type, and enterococci in amounts higher "than reasonable standards would allow." The disclosure of the role of frozen precooked foods in food-borne outbreaks indicated a need for further study of the sanitary quality of these foods.

The department of health of the city of New York, recognized its responsibility and undertook another investigation of this problem by initiating a bacteriological study of a wide variety of frozen precooked foods at both the consumer and subsequently the wholesale distribution levels. This approach was adopted for the purpose of establishing both the sanitary quality of these foods at each level, and to determine if any difference exists in the bacteriological results at these levels as judged by the standards of other workers.

The frozen precooked foods were grouped into five major categories as follows:

I. Poultry products: Dinners, pies, chicken a la king, chopped chicken liver.

II. Meat products: Dinners, pies, chopped liver.

III. Fish products: Dinners, pies, sticks, fillets, cakes, bites.

[1] Presented at 42d annual meeting of the Central Atlantic States Association of Food and Drug Officials, May 29, 1958, at Old Point Comfort, Va.

ASSOCIATION OF FOOD AND DRUG OFFICIALS

TABLE I.—*Samples frozen precooked food taken at retail*

Type product	Poultry		Meat		Fish		Shellfish		Chinese type		Total
Total taken	37		29		62		51		16		195
	Number	Percent [1]	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
Total count:											
Less than 50,000 col/gm	25	67.6	21	72.4	54	87.1	39	76.5	11	68.8	150
Less than 100,000 col/gm	25	67.6	22	75.9	58	93.5	43	84.3	12	75.0	160
Staphylococcus coagulase pos.:											
None	29	78.4	27	93.1	57	91.9	51	100	14	87.5	178
Less than 100	29	78.4	27	93.1	59	95.2	51	100	14	87.5	180
Satisfactory: Less than 100,000 col/gm and staphylococcus: None	20	54.0	22	75.9	52	83.9	42	82.4	12	75.0	148

[1] Indicates percent of total taken.

IV. Shellfish products: Shrimp, crab, lobster, dinners, deviled products.

V. Chinese style products: Dinners, chow mein, chop suey, egg rolls.

Beginning July 3, 1957, a total of 195 samples as shown in table I were obtained at the consumer (retail) level. These samples were selected so that as many nationally advertised brands as possible could be included. The criteria established for an acceptable quality of frozen precooked food were: a total plate count of less than 100,000 colonies per gram and the absence of staphylococcus aureus.[2] The samples taken, except poultry products, were found satisfactory by these criteria, in the order of about 80 percent. The major problem appeared to devolve about the poultry products which were found satisfactory to the extent of only 67.6 percent.

All manufacturers whose samples were found substandard were notified that "we have administratively adopted an indicative of an unsatisfactory finding a sample showing a count of 100,000 colonies per gram or more in the total plate count. We feel that the presence of staphylococci (coagulase positive type) indicates human contamination."

Beginning November 7, 1957, all the products and brands involved in the retail survey were sampled at wholesale distributors. Sixty-three brands and types were unavailable at wholesale, mainly private labels.

Table II discloses the results of bacteriological examination of 132 samples taken at wholesale distributors. It will be noted that the sanitary quality in all categories of these foods was of the same general order as those listed under Table I (retail level). Poultry products seemed to be of better quality at this level.

Because of the lapse of time between the original sampling at retail and the follow-up at the wholesale distributor's level, the same lots of frozen precooked foods were probably not obtained. Although there is some statistical variability because of the different phase of the sampling, the findings tend to confirm that control at the source is essential for the assurance of better sanitary quality. These findings furnished no evidence that handling at retail and consumer levels adversely affect a product which had already been contaminated through improper handling during processing. However, it should be stressed that a product clean ab initio, with the absence of organisms of a food poisoning strain, should not pose a problem through subsequent handling. Those samples found substandard at the retail level acquired their bacterial flora during processing. Although counts may increase in some instances, the initial contamination must have been present, since packaging these products for the control of moisture and air, as is the practice, assures against the transfer of external matter to the interior. Studies similar to the foregoing have also been made recently by others. Various microbiological standards or tolerances have been used as the basis for the conclusions which they reached.

TABLE II.—*Samples frozen precooked food taken at wholesale*

Type product	Poultry		Meat		Fish		Shellfish		Chinese type		Total
Total taken	30		23		35		31		13		132
	Number	Percent[1]	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
Total count:											
Less than 50,000 col/gm	21	70.0	17	73.9	26	74.3	23	74.2	6	46.2	93
Less than 100,000 col/gm	24	80.0	18	78.3	29	82.9	25	80.6	6	46.2	102
Staphylococcus coagulase pos.:											
None	24	80.0	21	91.3	33	91.7	28	93.3	11	84.6	117
Less than 100	24	80.0	21	91.3	34	94.4	28	93.3	11	84.6	118
Satisfactory: Less than 100,000 col/gm and staphylococcus: None	21	70.0	16	65.2	29	69.6	22	71.0	6	46.2	94

[1] Indicates percent of total taken.

Canale-Parola and Ordal (4) undertook to determine the bacteriological quality of some commercially prepared precooked frozen foods obtained on the retail market. In a preliminary survey, it was found that poultry pies had a higher degree of bacterial contamination than did other types of precooked frozen food. These workers examined five brands of turkey and chicken pot pies before and after baking according to the respective manufacturer's directions, and observed, "The microbiological quality of some brands is consistently good whereas the quality of others is to be questioned. As these products contain microorganisms which have a food poisoning potential, manufacturers should exert every effort toward reducing the actual numbers present by inauguration of improved technological and sanitary measures, and by use of strict quality control procedures. Likewise, further consideration should be given to the baking times supplied on each package." These workers reported, "that of the 40 unbaked pies that were tested, 20 had total counts above 100,000 per gram, and 18 had coliform above 10 per gram. Enterococci were present in all the samples tested and coagulase positive staphylococci were detected in 37 of 40 pies tested." Their studies with baked pies disclosed that the heat treatment during baking as directed is generally insufficient to produce a high enough center temperature to cause much if any destruction of the undesirable organisms.

Benarde (3), who studied the penetration of heating, as directed on the package of frozen precooked breaded and fried crab and oyster cakes, found that it was slow and did not reach levels sufficient to destroy pathogens.

Huber (11) and his associates examined 1,282 samples of meat and poultry products and pot pies bought for military use. It was reported that 86 percent of the samples examined, disclosed counts of less than 50,000 per gram. The present bacterial standard for military purchases of frozen precooked food is less than 100,000 per gram. The writers suggest that "if the present trend continues, this maximum may be revised downward in future specifications." Coliform examination of these samples revealed 94 percent to be coliform free or less than 10 per gram. Military specifications also require frozen precooked foods to have a coliform count of less than 10 per gram. It must be borne in mind that products for the military are produced under resident inspection of the U.S. Veterinary Corps and under controlled sanitary conditions.

In its report, the Committee on Frozen Food Standards of the International Association of Milk and Food Sanitarians (5) has not proposed a tolerance for total plate count for frozen precooked foods but points out "it is felt that the contamination of these products by coliform, paracolons, and other members of the gram negative enteric group of organisms is of greater importance. If the coliform test is to be used as an index of quality, then the only acceptable tolerance would be zero."

Rayman (14), reported the bacteriological examination of 231 samples of frozen precooked meats with 91 percent having plate count of less than 50,000 per gram, and stated that, "for the present we feel that a cut-off point can be established at 100,000 as a bacteriological standard which manufacturers could meet without difficulty."

According to Slocum (15) "food borne infections and intoxications have not decreased in recent years as have waterborne and milk borne diseases. Much of the food borne disease probably results from mishandling at the point of consumption. But it may well be that there is more bacterial contamination of foods shipped in interstate commerce than is generally realized."

DISCUSSION

The decrease in water and milk borne diseases can readily be ascribed to the establishment of microbiological standards and methods followed by enforcement. While some may attribute food borne diseases to mishandling at the point of consumption, the poor sanitary quality of some types of frozen precooked foods as demonstrated by the samples taken at the wholesale distributors level, does not remove these foods from suspicion as capable of producing food infection or intoxication following ingestion.

Logan et al. (13) demonstrated the feasibility of using no new techniques in producing low bacterial count frozen precooked foods on a commercial scale, which is completely acceptable to the consumer. All that was needed was good quality raw material, good sanitation practices, adequate heat treatment and rapid refrigeration.

The results of the bacteriological examination by the Department of Health of the City of New York of 195 frozen precooked food samples are tabulated and compared in table III using the criteria of the U.S. Quartermaster Corps, (14) Litsky and associates (12) and Department of Health of the City of New York (7).

As previously observed, the standards used by the U.S. Quartermaster Corps afford a more stringent basis for bacterial quality control than either of the two herein cited. Actual compliance with these Quartermaster standards by contractors is facilitated by resident inspection and continuous batch control which is feasible under the arrangements for production and sampling at the source. Adherence to such high standards can be justified by the critical purposes which this convenience food must serve, especially during air flight.

The usual mass production and distributing methods required to provide protection for the general consuming public probably does not permit use of the same standards on a pragmatic basis. However, it is believed that the administrative standards of the Department of Heatlh of the City of New York as proposed herein offer more than just a mere compromise. These standards are feasible as shown by the high percentage of conformity except for poultry. Control of staphylococcus aureus should in our opinion be incorporated in any set of criteria for frozen precooked foods at the source. Our findings, which disclose a high level of conformity to a standard of no staphylococcus aureus seem to justify the

[2] NOTE.—Where term staphylococcus aureus is used it is to be understood to be coagulase positive type.

revision of a previous more liberal view (1) to the presence of this type of organism. Of 195 samples taken at retail and 132 at wholesale (total 327) only 32 (9.8 percent) were positive for this organism and were mainly in numbers exceeding 100.

TABLE III.—*Retail samples from New York City judged as satisfactory by 3 different sets of standards*

Type of product	Total samples	U.S. Quartermaster Corps standard		Department of Health, New York City administration standard		Litsky's study criteria	
		Number	Percent	Number	Percent	Number	Percent
Poultry	37	18	48.6	20	54.0	25	67.6
Meat	29	22	75.9	22	75.9	22	75.9
Fish	62	49	79.0	52	83.9	58	93.5
Shellfish	51	38	74.5	42	83.4	43	84.3
Chinese type	16	12	75.0	12	75.0	12	75.0
Total	195						

In a review of bacterial food poisoning, Esselen and Levine (8) observe that "although staphylococci are ubiquitous in nature, most investigators agree that outbreaks of staphylococcus food poisoning can be traced to contamination of the food product by discharge of the nose and throat or by lesions on the hands of those who handle or prepare food." These writers state, "meat and meat products have been implicated in many staphylococci food poisoning outbreaks. Most of the outbreaks have been traced to contamination by humans and to improper care of food." Dack (6) reports, "the obvious opportunities for contamination of food through improper handling or accident and irregularities in processing makes staphylococcal food poisoning an acute or potential problem to all industries that handle food in which staphylococci are able to grow."

Gunderson (10), commenting on the need for sanitation standards in production and processing of frozen precooked foods observed, in the case of turkey meat, "I suppose that if we could set the standard at a count less than a hundred thousand (colonies/gm. total plate count)[2] we would have an extremely high goal." Of 26 turkey dinners and pies examined bacteriologically by the department of health, city of New York 15 (58 percent) conformed to this standard while 16 or (57 percent) of 28 samples of chicken dinners and pies complied. There seems not to be any distinction in sanitary quality between turkey and chicken products from the results of the New York City survey nor much difference from the samples of these products studied by Thatcher (16), wherein 10 out of 18 (56 percent) turkey product samples and 16 out of 25 (60 percent) of these chicken products were acceptable by New York City standards.

In 1957 following an outbreak of food poisoning in the city of New York, involving chicken salad, a study was made to determine the cause and make recommendations for correction of procedures to prevent a recurrence. It was our experience that a cleaner and safer product could be insured by the employment of uncomplicated sanitation procedures. The use of a nontoxic sanitizer on equipment food zones, work surfaces and workers' hands, in addition to terminal heat treatment of hand picked chicken and turkey meat and celery were effective in giving uniformly good bacterial counts and products with good consumer acceptance.

It was found that by placing this hand picked poultry meat in a colander or other perforated vessel, and submerging the contents in boiling chicken or turkey broth for 3 to 5 minutes, followed by draining and rapid cooling of the meat on a perforated pan the bacterial counts are reduced to the order of 4,000 colonies per gram with negative results for coliform, staphylococci and enterococci. The application of this process may well improve the sanitary quality of frozen precooked poultry products without impairing consumer acceptance. The resolution of this problem especially as it relates to poultry products lies in terminal heat treatment as described, or by baking in the case of chicken, turkey or meat pot pies.

[2] Material in parentheses, supplied.

RECOMMENDATION

As early as 1947 Fitzgerald (9), in his article on "How to Control the Quality of Frozen Cooked Food," called for a sanitary code for the industry setting forth as a maximum standard a plate count of 100,000 per gram and an E. coli (M.P.N.) index of 100 (confirmed) per 100 grams.

Bacteriological standards are not recommended for all frozen foods at present, but rather for those which because of their nature may be expected to be a hazard of health or a cause of spoilage. Standards have in the past proved to be the mechanism by which the consumer was protected against infection or consumption of spoiled food. These standards provided a means of estimating inadequate sanitation by which general improvement of quality could be obtained. They afforded a goal to the processor and a yardstick to enforcement agencies. Many authorities agree on the need for standards but not on the particular standards which will be of the greatest benefit to all concerned.

At this time when the question of the need and possible nature of legal standards is being debated, large quantities of frozen precooked foods are being sold, particularly poultry products, some of which are of doubtful sanitary quality.

This problem of sanitary standards requires national standards. A Federal agency, such as the Food and Drug Administration of the Department of Health, Education, and Welfare should set standards. Microbiological standards should be developed at the Federal level both for guidance of industry and consumer protection. The divergence concerning proper microbiological standards for control indicates what may happen if local, State and other agencies feel forced each to establish its own standards.

The department of health of the city of New York notified manufacturers of its laboratory findings following the examination of their products.

Manufacturers indicated their concern, their own findings and a desire to abide by the administrative standards of this department. The results of the survey and the comments of manufacturers give promise that these standards can be met. It seems to us that the enactment of similar legal standards would serve to encourage better sanitary practices and control.

SUMMARY AND CONCLUSIONS

In the city of New York a microbiological study was made of 195 samples of frozen precooked foods of nationally known brands, obtained at the retail level. At this level about 76 percent (including poultry products which conform to the extent of 54 percent were found to meet the Department of Health criteria of less than 100,000 colonies per gram and no staphylococcus aureus. Resamples of the same brands of these foods at the wholesale distributors level were found by similar tests to contain essentially the same ratio of acceptable quality products. Poultry products appeared to be of poorer sanitary quality than other foods. Similar studies have been made elsewhere in the United States and Canada using other criteria. When the department of health data were evaluated by the criteria of others, the results were not significantly different.

It has been shown that a high level of sanitation can be met by industry for the military as evidenced by conformity to the former's high microbiological standards. As Huber (11) stated, "this again demonstrates that sanitary quality control can be attained in the commercial production of precooked frozen foods."

A number of workers in the field are impressed with the need for the establishment of a microbiological standard for these foods but are not agreed on the standard.

This is not a local problem but one of national scope and seems to fall logically into the sphere of actiivty of the U.S. Food and Drug Administration. The standards used in the recent New York City study are recommended for adoption as a starting point for the improvement of the sanitary quality of frozen precooked foods of the types encompassed by the study.

Unless Federal microbiological standards for frozen precooked foods are soon established there is a great likelihood that various and varying levels of standards will be adopted by local and State agencies which may be of some help to the consumer but may not make it easier for the processor.

The authors gratefully acknowledge the assistance of Mrs. Leah Stieber, senior bacteriologist and Miss Jean Adler, assistant bacteriologist of the Bureau of Laboratories, Department of Health of the City of New York.

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Mr. HUMPHREY. Mr. President, will the Senator from Georgia yield further?

Mr. RUSSELL. I yield.

Mr. HUMPHREY. I know that what I am about to say is only indirectly related to the amendment to which the Senator from Illinois has referred. Only a few minutes ago I sent one of my staff assistants to my office to bring back to the Chamber a handful of letters out of the hundreds I have received in the past few days. They are available for one and all to see. They are from farm people of Minnesota and relate to the prices of eggs.

Yesterday I went to a delicatessen in Chevy Chase, Md., and bought 1 dozen of what are called random-sized eggs. They are less than large, not large, not extra large; they were simply what may be called basket selection. The price was 75 cents a dozen.

I have received these letters from some of the finest egg producers in the United States. They are getting 15 cents a dozen for medium-sized eggs in Minnesota; 17 cents a dozen for extra large eggs. Yet in Chevy Chase, Md., for what are called random-sized eggs—those are the ones which are called unclassified eggs—the price is anywhere from 65 cents to 75 cents a dozen. For the extra large egg, the kind which is really worth putting on the plate, they buyer will have to pay 70 cents, 77 cents, or 80 cents a dozen, depending on whether he buys them in a supermarket or in a store which stays open to accommodate the trade on Sunday. At the appropriate time in the debate, I intend to read every one of these letters.

I say to my good city friends, many of whom tell me about how the farmers are gouging the Treasury and the public, here are farm producers who have thousands of dollars invested in barns, equipment, land, feed, and fine poultry stock; and what do they get? As of May 22, they were getting 15 cents a dozen for medium-sized eggs. On May 27, in Minnesota, the second largest egg-producing State in the Union, the price for medium-sized eggs was 17 cents a dozen. For grade A—the best eggs—the price was 19 cents a dozen.

I hope some of our good city friends who are listening today will start asking the question: What happened to the difference between 17 cents and 75 cents? The farm people of Minnesota did not get any of it. By the way, there is not much processing to an egg. The only one who does any processing on the egg is the hen, and she is underpaid. If those prices continue, it will be necessary for Congress to pass humanitarian legislation. It is hardly worth the wear and tear on the hen. It seems to me it is about time something was done to correct the situation.

I saw a picture of Secretary Benson in the New York Times of Saturday, May 30. He was attending a meeting of representatives of the poultry industry of New Jersey. I have been writing to the Secretary about this condition since April 1. He announced to these producers that he planned to do nothing. In the meantime, hundreds of thousands of egg producers have been liquidated.

By the way, let me say to the Government that when they start messing around with egg prices, they do not only take on the men who are engaged in agriculture. I suppose a great many men may be handling eggs; but we are getting right down to the point where we are taking on a new adversary, because, remember, the egg money on the farms is virtually the only money which the farm wife has. It is money she sends to her son in college over and above his allowance. It is the egg money which papers the front room. It is the egg money which the mother sends off to the daughter who has just gotten married. It is extra money which she sends to her daughter.

I warn the Government that it is one thing to try to discriminate against the farmer; but, Ezra, you have got yourself a basket full of trouble, because the women are beginning to organize.

These are letters from women in Minnesota—charming, lovely, active, intelligent women. But when they get ready to move on you, Ezra, you had better be on their side.

I am of the opinion that they expect the Government to do something else besides talk about how the farmer is being subsidized. Who does the Senator think is being subsidized? The farmer is getting 17 cents a dozen for eggs in Minnesota. Someone around here is paying 75 cents a dozen. What I want to know is: Where did the 58 cents go? I do not think it went to the farmer. I think it is time we found out. If the Department of Agriculture has nothing else to do, I suggest that it begin to investigate and find out what happened to the 58 cents difference between the hen and the counter. That should not be so difficult.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. O'MAHONEY. I understand the leadership plans to have the Senate adjourn early this evening. I wondered if it would be agreeable to the Senator from Georgia to discuss the amendment which I suggested earlier in the afternoon, when the pending business was laid before the Senate. This is the amendment which I have offered:

On page 15, line 25, under "Marketing Service," strike out "$26,306,600," as reported by the committee, and insert in lieu thereof "$26,557,515," for the purpose of allowing the budget estimate on marketing services.

The explanation for the amendment lies in the fact that the act of September 2, 1958, which was passed last year in the closing weeks of the session, extended the responsibility of the Department of Agriculture with respect to the Packers and Stockyards Act.

It will be remembered that both the Senate and the House, in their Committees on Agriculture and Judiciary, had given much attention to the problem of the enforcement of the Packers and Stockyards Act. Testimony from the Department of Agriculture showed that for years it had not attempted to enforce the law set forth in title II against the unfair monopolistic trade practices in the operations of packers. The case was so clear that in the Senate both the Committee on the Judiciary and the Committee on Agriculture and Forestry approved the Senate bill. That bill went to the House. The House Committee on Agriculture had already gone to work on the problem and had reported the Cooley bill. There was no time for any further action. The Cooley bill was sent to the Senate, while the Senate bill was sent to the House. Because the Senate was moving to final action on the bill, the Senator from Illinois [Mr. DIRKSEN], the distinguished minority leader, and I joined in moving that the Senate pass the House bill; and the House bill was passed by the Senate.

The House Appropriations Committee, in passing upon this request of the Department of Agriculture, which now wishes to enforce the packers title of the Packers and Stockyards Act, as well as the stockyards title, made the statement which appears on page 20 of the House committee report, as follows:

> Changes in the Packers and Stockyards Act adopted in the last session of Congress brought all livestock transactions in interstate commerce, regardless of the size of the market, under the supervision of the Department. This has increased the number of yards subject to the Act from about 1,000 to 2,100. In order to enable the Department to meet this added responsibility, the increase of $250,000 is provided for this year.

That paragraph clearly omits any reference whatsoever to the packer phase of the activity. I wished to call the attention of the chairman of the subcommittee and of the other members of the Subcommittee on Agricultural Appropriations to the fact that on page 1083 of the Senate committee hearings there appears a presentation by the Department of Agriculture of the justification for the increase of $493,000, which it requested, but which the House allowed in the amount of only $250,000. The Senate committee adopted the House action.

In the second paragraph, under the heading "Justification", there appears the following:

> The $493,000 increase proposed in the 1960 budget estimate did not reflect the full amount necessary to carry out the mandatory provisions of this law including the increased responsibilities imposed by the recent amendment. The 1960 budget was limited to an estimate of what is urgently needed and reasonably could be done in that fiscal year in terms of (1) expanded supervision of posted yards, and (2) investigation of unfair trade practices.

The language of the House committee report and the action of the Senate committee in adopting the exact figure voted by the House will be interpreted as a limitation and an exclusion from the

power of the Secretary to conduct the investigations of unfair trade practices.

Observe the next paragraph of the justification:

> Around one-half of the $493,000 requested increase was for extending the program to posting and supervising additional markets and yards, including trade practices at such yards. The balance of the request—

And this is the important language—

> was for continuing the increased emphasis on investigations of trade practices of packers which has been the subject of intensive congressional discussions in the past few years, and which the Department considers to be an urgent matter.

An examination of the hearings held by the Senate Judiciary Committee and by the Senate Committee on Agriculture and Forestry will show that although the Department of Agriculture acknowledged that the enforcement provisions of the Packers and Stockyards Act had not been carried out against the packers by the Department of Agriculture, it never had received the appropriations necessary in order to do it. The Department was criticized because it did not enforce the law against the unfair trade practices and monopolistic practices. The Department's excuse was that it did not have the necessary funds.

So, Mr. President, if Congress does not now give the Department the necessary funds, that will only mean that enforcement of the antitrust laws—as favored by the Senate and as favored by the House, in their respective legislative enactments—will not be carried out.

Therefore, Mr. President, I believe that the distinguished chairman of the Agricultural Appropriations Subcommittee should be willing to accept the amendment and to discuss it in conference.

Mr. YOUNG of North Dakota. Mr. President, will the Senator from Wyoming yield to me?

Mr. O'MAHONEY. I yield.

Mr. YOUNG of North Dakota. If I had recalled, as does the Senator from Wyoming, the problem we have had in the past, I would have worked in the committee to increase the appropriation.

I think the House action does put a limitation on the Department of Agriculture. We have been accusing the Department of Agriculture of not enforcing this law. If we deny the Department the necessary funds, no doubt the Department would have a real excuse not to enforce this law.

So I believe we should either increase this appropriation or we should put the enforcement under the Federal Trade Commission, as was proposed last year.

Mr. RUSSELL. Mr. President, I have great sympathy for the view of the distinguished Senator from Wyoming [Mr. O'MAHONEY] and for the view of the ranking Republican member of the Agricultural Appropriations Subcommittee, the Senator from North Dakota [Mr. YOUNG]. Certainly it seems to me that some provision should be made for the investigation of the trade practices of packers, as urged so eloquently by the Senator from Wyoming.

However, I am frank to say that I am not so impressed with the necessity for posting all the smaller stockyards throughout the country, perhaps because I have some knowledge of the activities of the smaller yards, although I am not so intimately acquainted with the activities of the packers.

I should like to help in any way I possibly can, to see to it that the Department has the necessary funds and authority to investigate the trade practices of the packers. But I should dislike to have that accomplished by means of the wasteful expedient of allowing the full amount of the budget estimate, because I frankly do not think the posting of the stockyards in the smaller areas is at all essential.

Mr. O'MAHONEY. Of course the posting of the smaller stockyards is not essential. But it is essential, in the interest of the producers of livestock and in the interest of the consumers of livestock, that in the administration of the Packers and Stockyards Act, unfair trade practices be scrutinized very carefully.

Mr. RUSSELL. I agree as to that; and I am perfectly willing to accept an amendment which would apply the $250,000 to that purpose.

Mr. O'MAHONEY. Then why does not the Senator from Georgia accept the amendment and take it to conference, where the conferees can work out the matter, so it will be clear that the inclusion is to cover the entire jurisdiction of the Department of Agriculture.

Let me say to the Senator from Georgia, before he replies, that I hold in my hand the report made by Representative COOLEY, chairman of the House Committee on Agriculture, which was filed by him to accompany House bill 9020, an amendment to the Packers and Stockyards Act, which the Senate passed, and which is now the law.

In the second paragraph of the report we find the following:

> The Packers and Stockyards Act was enacted by Congress in 1921. The primary purpose of this act is to assure fair competition and fair trade practices in livestock marketing and in the meatpacking industry.

There is the House declaration in the House report of what the intention was.

On page 4 of the same report, under the heading "Changes Made by this Bill," I find this sentence:

> It is designed to amend the Packers and Stockyards Act so as to make it once again an effective instrumentality for the regulation of the livestock and meatpacking industry and for the protection of both producers and consumers.

I may say to the Senator from Georgia that when the Judiciary Committee of this body, after extensive hearings upon this matter, made its favorable report on an amendment to the law, and when that report, in turn, was submitted to the legislative Committee on Agriculture and Forestry, and that committee endorsed the bill, and the Senate then adopted the recommendation of those two legislative committees, it is a forceful statement of the opinion of this body that the meat packers section, title 2, of the Packers and Stockyards Act should be enforced.

Mr. RUSSELL. The distinguished Senator from Wyoming is always forceful. I can assure him I am not undertaking to challenge the statement he makes or the conclusions of the Judiciary Committee or of the Committee on Agriculture and Forestry.

Mr. O'MAHONEY. I appreciate that.

Mr. RUSSELL. I am merely referring to the fact that the appropriation has been increased very rapidly during the past few years, and I think we can put in the bill language which will earmark not less than $250,000 of the increase for the study of these practices and at the same time save $243,000. I agree that is a small amount of money, and perhaps the Senator from Georgia ought not even cavil or discuss such a small amount with one he holds in such esteem as he does the Senator from Wyoming. But let me point out that in 1956 the amount appropriated for this purpose was $652,105. In 1957 it was increased to $774,566.

Mr. O'MAHONEY. Is the Senator from Georgia aware of the fact that a Secretary of Agriculture by the name of Jardine many years ago deliberately issued an order by which the enforcement of the act by the Department of Agriculture was stopped?

Mr. RUSSELL. I was trying to give to the Senator the figures showing how this appropriation had been increased.

In 1958 the Senate increased the amount by $105,000, to $879,500.

In 1959 the amount went to $940,149.

The amount now in the bill is $1,327,000. It is a very substantial increase over the appropriations which have been granted heretofore. We have increased these appropriations right along.

I think we would be in a better position, I may say to my distinguished friend, to go into conference with the other body and say, "The trade practices of the packers never have been investigated. Congress passed a law. Therefore, we have provided that not less than $250,000 of this increase shall be used for that purpose."

That would come nearer to getting the job done than would merely increasing the amount by the whole $500,000, because, I may say, the House at times entertains the ungenerous sentiment that the Senate is entirely too prodigal in spending money for activities of which it does not approve. The Senate might fare better eventually in this item by putting in the bill language which earmarked the $250,000 for this purpose.

Mr. O'MAHONEY. I appreciate what the Senator has to say about the conference between the House and the Senate in matters of this kind, but I am very fearful that the suggestion which he makes would result in curtailing the posting of stockyards which ought to be posted, and would not produce an effective enforcement against unfair trade practices.

My suggestion to the Senator was based upon the thought that if he took the figure to conference, then the two Houses might agree in conference upon a proper figure in which both of these activities would be given equal considera-

tion. If the Senator is not willing to accept the $250,000 figure which I offered merely because it was in the budget, what would the Senator say to an increase of $150,000?

Mr. RUSSELL. I do not like to be compelled to horse trade with my distinguished friend from Wyoming, but if the Senator from Wyoming knew how long and arduously the Senator from Georgia had labored to keep the regular part of this bill $5,859,000 under the budget estimate, he would appreciate the fact that the budget had to be trimmed somewhere.

Mr. O'MAHONEY. I know that.

Mr. RUSSELL. But to show my great esteem for the Senator from Wyoming and to assure him that I will endeavor to see that some funds are available to carry on a satisfactory investigation of trade practices of packers, the Senator from Georgia would be willing to be overpersuaded to the extent of $120,000 over and above the committee figure.

Mr. O'MAHONEY. The offer is taken.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Ohio.

Mr. LAUSCHE. I listened with interest to the discussion between the Senator from Georgia and the Senator from Illinois——

Mr. O'MAHONEY. Mr. President, will the Senator pardon me?

Mr. LAUSCHE. The Senator from Georgia may withdraw the acceptance of the proposal of the Senator from Wyoming.

Mr. RUSSELL. No; I do not do that.

Mr. O'MAHONEY. If the Senator from Georgia will yield, Mr. President, I ask to change my amendment so that instead of an increase of $250,000, the increase will be $120,000, as suggested by the Senator from Georgia.

The PRESIDING OFFICER. The Chair may inform the Senator from Wyoming that there is before the Senate an amendment pending, which has been offered by the Senator from Delaware [Mr. WILLIAMS]. It would not be in order at this time to take up the amendment of the Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, my amendment has not been printed, so, since action on the bill will not be completed tonight, I will have my amendment printed in its modified form. So I shall not ask for action at this time upon the amendment.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield first to the Senator from Ohio.

Mr. LAUSCHE. The Senator from Georgia made the statement that the borrowing power of the Commodity Credit Corporation would have to be increased. Would the Senator from Georgia explain why it would have to be increased?

Mr. RUSSELL. I do not mean by that statement that there is any compulsion to do so. Congress can refuse to increase it. However, under the farm program as it stands, the Bureau of the Budget has stated that under the present support program it will be necessary to increase the borrowing authority during the next year in order to have adequate funds to lend on the commodities which will be produced. I am sure the distinguished Senator heard the discussion as to the probable increase in the quantity of corn, as an example of one of the crops on which loans will be required.

Mr. LAUSCHE. What is the borrowing power now?

Mr. RUSSELL. My recollection is that it is now $14,500 million.

Mr. LAUSCHE. With that $14,500 million limitation, the Corporation would not have enough funds to lend and to finance the transactions which will be necessary under the increased production which will take place in 1960?

Mr. RUSSELL. That was the finding of the Department and of the Bureau of the Budget, according to my information.

Mr. LAUSCHE. By how much has it been suggested the borrowing power will have to be increased?

Mr. RUSSELL. To date there has not been announced any specific amount.

Mr. LAUSCHE. Then the need for increasing the borrowing power has a relationship to the fact that we will have about $11 billion worth of surplus foods in the bins and storage houses in 1960.

Mr. RUSSELL. Food and fiber.

Mr. LAUSCHE. Yes. It does have a relationship.

Mr. RUSSELL. It does. I will say that the purposes of the support program have been somewhat twisted. For example, we passed a bill last year in which we provided two different loan values on the same commodity. Of course, when one becomes involved in something like that the higher loan value is obviously a form of subsidy to the borrowers who conform to a certain program announced by the Department of Agriculture.

The purposes of the farm support program, which, originally, were to maintain all prices at a certain level, have been largely abandoned, I will say to the distinguished Senator, in the face of these surplus accumulations.

Mr. LAUSCHE. I understood the Senator from Georgia to say that in his opinion the price support program has practically reached such a magnitude that it has run away from the possibility of being controlled in an intelligent and reasonable manner.

Mr. RUSSELL. Whatever may be the reason—whether it be administration; the advances of science, as some claim; the beneficence of heaven in providing good weather, as still others claim; the maladministration of Ezra Taft Benson, as a great many people think—the farm support program is certainly all out of hand. I think that is the statement the Senator from Georgia made.

Mr. LAUSCHE. I ask the Senator from Georgia to refer to the document issued by the U.S. Department of Agriculture which shows the aggregate cost of the price support program to be $15,725,000,000, with some Public Law 480 items and other items in it, as the Senator from North Dakota [Mr. YOUNG] has suggested.

I invite the attention of the Senator from Georgia to the years 1942, 1943, and 1944, years of World War II. I notice we had a price support program of $619,000,000 in 1942. That is the total figure shown at the bottom for 1942.

Mr. RUSSELL. Yes.

Mr. LAUSCHE. Is the Senator able to tell me why we had a price support program during the war years which cost us money, when we did not have enough food for the public to buy? Why was the price support program in force at that time?

Mr. RUSSELL. I can give the Senator my recollection. I think it was because we had a price ceiling on foods. Foods could not sell for more than a certain price, and we had price controls at that time. In order to maintain the level of the price controls, or the ceilings which had been imposed by law, these funds were used to make subsidy payments to the farmers, so as to get the farmers to produce and to sell below the price which they would otherwise have received, and thus to hold the line on the wage scale.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from North Dakota.

Mr. YOUNG of North Dakota. The program applied to the dairy commodities and to pork. The farmers were given subsidy payments, but really it was a subsidy to the consumers.

I think the Senator from New Mexico [Mr. ANDERSON] could explain it better than anyone else.

Mr. LAUSCHE. During the war years the subsidies were paid to influence the farmers, or to induce the farmers to plant and grow crops.

Mr. RUSSELL. In the case of certain commodities, largely dairy products but also meats to a degree, that was true. The Senator from New Mexico [Mr. ANDERSON] knows a great deal about this subject.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. ANDERSON. This money was not only used for the purposes mentioned, but also was used to direct the production of certain crops.

The very first item was to direct the farmers away from the production of cotton into the production of soybeans. Afterward people said, "You farmers did not plant cotton," but the cotton was not planted because there was a response to the patriotic appeal to plant soybeans.

Mr. RUSSELL. The farmers were paid, I believe, some subsidies for flax and ramie and products in short supply when the ordinary markets were closed to us. These subsidies were to induce the production of commodities necessary for the war effort.

Mr. ANDERSON. Mr. President will the Senator yield again briefly?

Mr. RUSSELL. I yield.

Mr. ANDERSON. The Senator has mentioned flax. As a matter of fact, it became my responsibility to try to get some linseed oil from Argentina. It was

an impossible situation, and Argentina would not do a thing about it. We appealed to the American farmers to produce flax in unprecedented quantities. We fixed the support price at $6.25, I believe, though it might have been $5.75. In any event, the price was sufficiently high so that there was a tremendous production of flax, and immediately the doors of Argentina opened and quantities became available to supply the linseed oil for the industries of this country.

The subsidy program in many ways reduced other costs. For example, linoleum prices would have been much higher if it had not been for the production of the flax for the linseed oil. The cost of paint would have been higher. We got a great deal of help from this program in holding the price line for many other commodities. The farmers were charged with the cost of it, but the farmers did not get all of the money.

Mr. RUSSELL. It was a consumer subsidy as a part of the overall war effort, to preserve the level of prices at the time we froze prices by law.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. LAUSCHE. I should like to ask the Senator from Georgia if I am correct in my understanding that under the present appropriation bill the general citizenry, the taxpayers of the United States, should expect no relief from the huge cost of the subsidy program, as envisioned either by the Congress or by the Department of Agriculture?

Mr. RUSSELL. Mr. President, I do not know that I said exactly that. I said that if the existing laws remain on the books and if the present policies are followed I see no hope of ever reducing these costs.

For example, there has been mention of corn. The amount of corn which the Government will have under loan this fall, in my opinion, will be staggering. An immense sum of money will be involved. What will we do with the corn? If the corn is used for feed, it will bring down the price of pork, beef, and poultry products. The prices of poultry have gone so low in the past few weeks that it would be difficult to get them any lower.

My statement is predicated on the assumption that there will be no change in the present laws or in the policies which obtain at the present time in the Department of Agriculture.

Mr. LAUSCHE. The appropriations recommended are based upon the assumption that neither the Department of Agriculture nor the Congress will do anything to bring down the cost to the taxpayers of this huge program of price supports?

Mr. RUSSELL. I will say to the Senator from Ohio, the figures we have presented are based on estimates of losses already incurred. My statement was that I feared the losses would be as great or greater next year, if there is no change in the policies.

Mr. LAUSCHE. The prospects are that the losses will be greater?

Mr. RUSSELL. Yes. That will be true in the case of wheat. It will be true in the case of corn. I fear it will be true in the case of cotton under the split-price system to which we have agreed.

Mr. LAUSCHE. Based upon his broad experience, does the Senator from Georgia feel that it is a narrow estimate of the surplus or a liberal one, when we say there will be $11 billion worth in the bins in 1960? Is that a conservative or liberal approach, in the Senator's opinion?

Mr. RUSSELL. Of course, there are so many imponderables, such as weather and many other things, it is impossible to say. If we have a good crop year, I think the surplus in 1960 will be staggering. That is my own judgment.

Mr. LAUSCHE. Yes. I will ask the Senator from Georgia a further question, and then I shall be through.

Mr. RUSSELL. The surpluses are already staggering, but they will be almost beyond comprehension.

Mr. LAUSCHE. Yes. When we had acreage controls with high supports, did we solve the problem at all by that program of subsidy?

Mr. RUSSELL. Mr. President, I know of no way one could answer that question categorically with any assurance of being correct. It has always been my view that if supports were kept at a reasonable level—which might be considered high by some persons—then, by reducing production something could be done to maintain farm income, and to make supplies available at a reasonable cost. The cost of the raw commodity in this day of fancy processing is a very small element in the final cost of almost any commodity when it gets into the hands of the consumer.

The difficulty, as I see it, has been the unwillingness of Secretary Benson to try any program but his program, which looks to the elimination of all price supports.

We passed a bill which provided for trying out a new program for wheat, which program, whether it worked or not, would be of some benefit. There would not have been a great deal of stored wheat under that program. We are spending $1 billion a year for storage alone.

Mr. YOUNG of North Dakota. And interest and carrying charges.

Mr. RUSSELL. That is a great deal of money to pay for handling, storage, and interest—carrying charges.

Mr. LAUSCHE. That is $3 million a day.

Mr. RUSSELL. Yes; $3 million a day for carrying charges and storage.

We tried to apply a two-price system to wheat. There was nothing particularly new about it. We went back to what was known as the old McNary-Haugen bill of 30 years ago or more. It was substantially the same. It was projected on the same philosophy. There were many little nuances and differences in application, but, fundamentally, it was the old McNary-Haugen domestic allotment and export debenture plan.

But that bill was vetoed. The administration and the Department of Agriculture have not been willing to accept a thing unless it looked to the fulfillment of Mr. Benson's idea of no supports, and turning the farmer loose, as he says. That is where we get into controversy. The farmer can afford to be turned loose better than anyone else in the economy, if we turn everyone else loose at the same time. But he cannot exist in a world of artificiality in every other phase of our economic life if he is the only man who is turned loose. That means he is in the squeeze.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. LAUSCHE. I am grateful to the Senator from Georgia for his replies to the questions which I asked.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield before proceeding to another subject?

Mr. RUSSELL. I yield.

Mr. YOUNG of North Dakota. The Senator from Ohio left the impression that the Government would have about $11 billion worth of grain in its bins. That is the total amount of the loans, many of which have been paid. The greatest carryover of wheat that is expected is 1,300 million bushels. The corn carryover this year would be about the same amount, together with some other grains.

Mr. RUSSELL. There is some cotton involved, also.

Mr. YOUNG of North Dakota. As the Senator from Ohio says, there is about $11 billion worth of grain in the bins.

Mr. LAUSCHE. But that is a potential cost if the farmer decides to abandon it as a loan, and to let the Government become the purchaser.

Mr. YOUNG of North Dakota. That would be true if none of the loans were redeemed. A large percentage of them are. The Government would not have anywhere near that amount of grain in default.

Mr. LAUSCHE. I cannot help but feel rather strongly that, after 25 years of the efforts of Congress, by controls planned to be diverse, but in the end being in principle identical, we have failed to solve this problem. It was contended that by means of controls a balance would be developed between reasonable consumption and production. After 25 years of experience, today we are in a worse position than we were when we started.

The Senator from Florida [Mr. HOLLAND] has made the statement that all the programs have worked substantially well except the price support program. I recognize that we cannot suddenly pull out, but I am also firmly of the opinion that we cannot continue to subsidize to the extent we have been subsidizing without producing ill results.

I have listened to such statements as, "Let us work on the problem. We will come up with something." We have worked for 25 years, and nothing has come from our efforts. We are sinking deeper and deeper into the mire. I agree with the Senator from Georgia; since we are subsidizing the merchant marine, the airlines, the metal producers, and the truckers on the highways—and the railroads are now asking for a subsidy—I suppose we must subsidize all up and down the line.

I was at the airport in Cleveland on Friday morning. The supervisor of limousines said, "Senator, I want you to do something for me." I said, "What is it?" He said, "I want you to get the Congress to pass a subsidy for limousine supervisors, but for no one else."

That statement was far graver to me than it was to him. There was this little man, with his uniform and his taxicab director's cap. He is beginning to say, "You are subsidizing every one else." He as much as said, "I am paying the bill."

From the standpoint of Ohio, the farmers are sick and tired of the Congress trying to tell them, "We have the Utopia. We will provide the formula." We have tried for 25 years, and we have produced nothing. We are worse off than when we started.

I thank the Senator from Georgia. I know of his deep interest in creating stable economic conditions. My remarks are not directed at him, because I know of his legitimate and honest objective in trying to establish stable government.

Mr. RUSSELL. I am sure the Senator's remark was not directed at me when he made his eloquent statement about the Congress promising the farmers Utopia. I was completely exculpated. I have never promised them Utopia. I have never known where to find it in the farm program. However, I think it behooves us to try to see that the farmer enjoys some of the blessings of this modern-day civilization.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. YOUNG of North Dakota. I can understand the concern of many people over the cost of the programs and how they are being operated. Some of them are not operating as successfully as they should. However, the alternative of no price support program whatever would be immeasurably worse. We would have a bankrupt agriculture today if it were not for these programs. Until we find a better means of assuring some semblance of fair prices to the farmers of America, we would be doing a disservice to all the people of the country if we were to let this important segment of our economy lose its purchasing power, as happened only a few years ago.

Mr. RUSSELL. Mr. President, I do not desire to prolong this debate unnecessarily. The Senator from North Dakota is exactly right.

Whatever our difficulties may be, our country is the only country in the world which is struggling with the problem of too much to eat and too much to wear. We should thank God that we alone, of all the countries of the world, do not have the problem of too little to eat and too little to wear. We have a very grave problem today. We are indeed fortunate in having too much to eat and too much to wear, rather than having to face the problem with naked backs and empty bellies.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. HUMPHREY. I wish to salute the Senator from Georgia for his statement. I have often thought that as we complain about the abundance of our great agricultural economy, and sometimes register public criticism, we should think of what Mr. Khrushchev would do with such an abundance. The aim, the hope, and the ambition of the Soviet leaders and of the leaders of Communist China is to be able to design an agricultural economy which will come even close to approximating the agricultural abundance of the United States. The one thing in which the Soviet leaders must always admit they are behind the United States is agricultural production. Our problem, apparently, is the abundance of our farm production.

I am of the opinion that that abundance can be well used if we design the proper programs for oversea utilization and for utilization here at home. I see on the floor the Senator from Kentucky [Mr. COOPER]. He comes from a State which has been beset with grave problems because of difficulties in the coal industry. The two distinguished Senators from West Virginia have addressed the Senate again and again about the problem of the needy people in their State.

Perhaps some day—and I hope it will be in this session—we will adopt a food stamp plan, so that an American citizen who, through no fault of his own, finds himself incapable of meeting some of his immediate needs in providing for his family, can walk into a grocery store and have made available to him our abundant agricultural production, through the use of food stamps, and in that way can take home to his family some of the products about which we complain, but processed and ready for use.

That can be done. However, what happens when we propose such plans or introduce bills providing for such plans? What happens in the Department of Agriculture and in the Bureau of the Budget? The word comes down, "No." They run the mimeograph machines and complain about the abundance. They never turn on the brains and figure out how to use the abundance.

I do not mind an administration which puts on the stop light or the go light. I complain about the amber light—that period betwixt and between—which shows that the administration has not made up its mind as to what it wants in an agricultural policy, except to say, "Let things get worse." That they are, Mr. President. Thank goodness we have some programs in effect.

I see on the floor the Senator from North Dakota [Mr. YOUNG]. He has been one of those who have favored a sound policy. Had the administration listened to his advice about wheat, cereal grains, and feed grains, and if it had listened to the voices of some of the rest of us as to other commodities, in my opinion, the situation would be considerably better for the taxpayers and for the consuming public.

Speaking of the consuming public, I should like to say that if the present trend continues, with fewer farmers on the land and fewer farms, and with more absentee ownership and more corporate farms, the day is not far distant when the American consumer will be faced with a kind of factory farm with hired hands, and then Mr. Hoffa and others will move forward and organize the farmhands. When that day comes I can see editors and editorial writers—and I say this most respectfully—who have a little difficulty differentiating between a petunia and a good field of corn, saying, "If only we had the good old days back again, when we had the family farm."

I say that because if conditions continue as they are there will be more processing companies. That is the situation today in the poultry industry. The poultry feed industry now has control over farmers as though they were hired hands. Thousands and thousands of birds on the huge poultry farms and on egg farms are controlled by them, and the farmer owns nothing, apparently, but the privilege, if we can call it that, or the right of raising the chickens. The feed is brought in, and the farmer does not own the chickens, and he does not own the eggs. He is a hired hand on his own farm.

I do not like that condition. It is not in the pattern of American agriculture. More of that will produce not lower consumer prices but higher consumer prices by far. It will change the pattern of the American countryside. I am thinking of towns in North Dakota which the Senator from North Dakota and I know, and some towns in Minnesota that he and I know, where there are schools and churches and Main Streets and baseball parks and small clubs. Those little towns are the heartlands of America. In some cases those towns have become ghost towns. I know of literally hundreds of farm families, right around one of our cities in Minnesota, who have left the land, and farms are becoming bigger and bigger units, with fewer and fewer farmers.

I say to my friends who are on Main Street that that is the situation with which we are confronted. I ask them: Who is going to buy the merchandise, who is going to support the school? Who is going to take care of the churches? Who is going to support the community clubs?

Oh, Mr. President, apparently everybody is going to move to Cleveland, to Minneapolis, to Chicago, to Buffalo, or to Rochester—I say that to the Presiding Officer [Mr. KEATING in the chair]—or to Louisville. However, I should like to point out that the problems for the cities grow worse and worse. Financing become more difficult. Sanitation and police protection become more difficult. Juvenile delinquency problems increase, so far as the younger element is concerned, and the problem of jobs for the older people becomes more difficult. All that some people can think of is, "Well, the farmers ought to be more efficient." Apparently we have made them so efficient that the inefficient Department of Agriculture does not know what to do about the problem. A good farm program can do something about it.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. YOUNG of North Dakota. I appreciate the comments of the Senator from Minnesota. He is absolutely correct. The farmers are receiving less today for their basic commodities—wheat, corn, cotton, dairy products, and almost everything they produce—than they did 10 years ago. That is something that I am sure few consumers realize, namely, that the farmer is receiving far less today for all these commodities than he received 10 years ago. I do not know of any industrial producer who is receiving less today than he did 10 years ago.

Mr. HUMPHREY. The Senator knows that whenever we read about farmers today, we read about someone getting a price support loan of $250,000, or something like that; or about someone putting his cousin's golf course under the soil bank. Of course there will always be a few thieves. There will always be those who will disobey the law. However, they are not the general run. There are always some who want some special privileges.

We do not condemn the entire banking structure of the country—the independent banker, the small banker in our hometown—because a big bank has pulled a fast deal. A few of them have, of course. We are proud of our banking system.

We do not condemn the whole business structure of America because there happen to be some pretty big businesses, and because some of them take advantage of the market, for example.

I wonder why Members of Congress are not so irate at some airplane companies for overcharging the Federal Government on defense planes as they are about some farmer getting an overpayment. It is interesting that the General Accounting Office should reveal that some of the large manufacturing establishments have actually overcharged the Government of the United States. When such a revelation is made, hardly a ripple goes through Congress. However, if a farmer leases his land under the soil bank, and gets a large payment, it becomes the subject of a great big investigation.

I hope Senators will not misunderstand me. That is wrong. An overpayment is wrong. I certainly do not wish to justify any wrongs. I do not justify one wrong because someone else does another wrong. All I am asking is that we take the same look at the agricultural program. By and large, without the program, bad as it is, the situation would be incredibly worse.

Mr. COOPER. Mr. President, I offer an amendment.

The PRESIDING OFFICER. The Senator from Georgia has the floor.

Mr. RUSSELL. I do not object to the Senator sending his amendment to the desk. I understand that the pending amendment is the amendment offered by the Senator from Delaware [Mr. WILLIAMS.]

The PRESIDING OFFICER. The pending amendment is the amendment offered by the Senator from Delaware.

Mr. COOPER. I send my amendment to the desk and ask to have it printed, together with the statement, attached to it, which is a justification of the amendment. That statement appears at pages 1087 and 1088 of the hearings.

The PRESIDING OFFICER. The amendment will be received and printed and will lie on the table; and, without objection, the statement will be printed in the RECORD.

The statement, ordered to be printed in the RECORD, is as follows:

FOREIGN AGRICULTURAL SERVICE SALARIES AND EXPENSES

"The budget estimate provides a total of $7,421,300 for the operation of this activity during the coming year. Of this amount, $4,268,300 is requested as a direct appropriation and $2,593,000 is requested as a transfer from section 32 funds. In addition, the use of $560,000 in foreign currencies derived from sales under Public Law 480 is proposed.

"The committee recommends total funds for fiscal year 1960 of $7,321,300. Of this amount, $3,518,300 is provided by direct appropriation, $2,493,000 is provided by transfer from section 32, and $1,310,000 is provided from Public Law 480 local currencies. Since local currencies are now available in large amounts, the committee feels that they should be used for a greater part of expenses of the Foreign Agricultural Service operations than heretofore" (House Rept. (p. 21)).

JUSTIFICATION

Use of foreign currencies in lieu of appropriated dollars: The House action in reducing the estimate for appropriated dollars by $750,000 and increasing the limitation on foreign currencies by $750,000 proposes the use of foreign currencies for expenditures which as a practical matter can only be made in dollars. The Department is in agreement with the principle of utilizing foreign currencies to the maximum extent practicable. However, when the necessary requirements of the Service are considered along with the currencies which are available in particular countries, the use of currencies to the extent contemplated by the House action would be impracticable.

This is illustrated by the following:

1. Only 31 of the 53 foreign posts are located in countries having Public Law 480 agreements. In several of these countries the agreements were in small amounts and currencies have all been utilized. In some others the amounts available are not sufficient to carry programs beyond 1960.

2. The foreign funds provided for market development under section 104(a) of Public Law 480 amount to less than 2 percent of the total receipts of foreign currencies resulting from the sale of surplus commodities under title I on Public Law 480. All available funds have been allocated in some countries, where market development work can be most effective. Uses by other agencies are taking all of the funds in some other countries. For example, in section 104(h) Congress gave the Secretary of State a priority in each country for funds up to $1 million a year for a period of up to 5 years for the international exchange program. In several countries where large amounts of funds are available, only limited market development activities or other agricultural attaché work is feasible at this time, for example: Indonesia, Yugoslavia, and Poland.

3. Foreign currencies can be used for only a limited part of the needs of the Service. To use foreign currencies for other costs would reduce the effectiveness of the operation by limiting the areas in which work can be done or by limiting the conditions under which it could be carried out. Foreign currencies are not "available in large amounts" to FAS in most of the countries in which the work is carried out.

4. If the foreign currencies authorized cannot be made available in countries where they can be used, a serious situation would develop which could not be met without further action by the Congress.

5. The increasing use of foreign currencies seriously complicates administration and increases administrative costs. Using a different currency in each country with constantly changing rates of exchange and with varying acceptability for payment of obligations, imposes serious and costly administrative problems.

ADDRESS BY SUPREME COURT JUSTICE WILLIAM O. DOUGLAS ON MISCONCEPTION OF THE JUDICIAL FUNCTION AND THE RESPONSIBILITY OF THE BAR

Mr. HUMPHREY. Mr. President, one of the most articulate and forthright defenders of our civil liberties as guaranteed to us in the Constitution of the United States is Supreme Court Justice William O. Douglas. His speeches, his writings, and most important of all, his great decisions on questions of civil liberties, have been an inspiration to all of us who cherish our American freedoms.

In view of the attacks which have been taking place in the past several months on the U.S. Supreme Court and on its decisions, I think it is well that we take a good, hard look at exactly what is the role of the Supreme Court under our form of government. Justice Douglas in his recent speech at the Columbia University Law Review dinner attempted to do just that.

I ask unanimous consent that Justice Douglas' excellent address, as it was published in the Columbia Law Review of February 1959, be printed in the RECORD at the conclusion of my remarks.

There being on objection, the address was ordered to be printed in the RECORD.

(See exhibit 1.)

Mr. HUMPHREY. Mr. President, I wish to note one paragraph in particular of Justice Douglas' fine speech:

Faith in America is faith in her free institutions or it is nothing. The Constitution we adopted launched a daring and bold experiment. Under that compact we agreed to tolerate even ideas we despise. We also agreed never to prosecute people merely for their ideas or beliefs.

It would be well, in my judgment, for those who have made such vicious attacks upon the Court to make a careful study of these words of Justice Douglas:

EXHIBIT 1

ON MISCONCEPTION OF THE JUDICIAL FUNCTION AND THE RESPONSIBILITY OF THE BAR

(Justice William O. Douglas [1])

While being interviewed recently by students in Washington, D.C., I was asked by a serious looking young man: "What is the attitude of the Court these days toward labor?" I was rather surprised by the question since it seemed to assume that judges sit not to dispense justice but to administer their prejudices.

Any American court is supposed to be pro-1st amendment, pro-4th amendment, pro-5th amendment, pro-14th amendment, and so on, for it is the Constitution that judges are sworn to defend. But it is somewhat shocking to hear that American judges

[1] Associate Justice, Supreme Court of the United States. This article is based on an address prepared for delivery at the annual banquet of the Columbia Law Review on April 3, 1959.

are expected to be pro or against anyone who stands before them for justice.

The legislature of course passes laws that favor or disfavor certain groups. Judges who enforce these laws according to their terms, however, cannot fairly have attributed to them the partiality of those who passed the laws. It is the very essence of a government of laws that the predilections of judges not carry the day, and that the law as written by the lawmakers be applied equally to all. This I had assumed to be elementary. I had likewise assumed that the provision of our Constitution have the same scope for everyone. But after being questioned by the young student and after reading some commentators who proclaim that at least in security cases the courts should use an abbreviated form of due process of law, I wonder whether the hysteria of a few has not made new demands on us. I recall Hutheesing's description of a trial of so-called counterrevolutionaries in Communist China.[2] The victims stood with their eyes to the ground and their hands behind their backs. Long streamers hung over their shoulders proclaiming them to be criminals and traitors. The prosecutor's address was interrupted by the crowd which clamored for retribution. When the prosecutor finished the people shouted for the blood of the victims. They even threw eggs, tomatoes, and stones at the accused. And the defendants were given no chance to reply to the charges. The governing principle was that those whom the public condemns the judges should execute. Certainly, that is not the kind of justice America wants even when the courts deal with people as despised here as "counterrevolutionaries" are despised in Communist lands.

Early in our history, John Marshall, presiding over the trial of Aaron Burr, deplored "any attempt * * * to prejudice the public judgment, and to try any person * * * by public feelings, which may be and often are artificially excited against the innocent as well as the guilty. * * * A practice not less dangerous than it is criminal. * * *"[3] This is a lesson in Americanism that needs to be taught many times over.

It is difficult at times for people to realize that the despised minorities in our midst are entitled to equal justice under law. It is easy to take the accusation as the proof and to condemn without more those who are charged with such unspeakable crimes as sedition or espionage. Yet we know from experience that if shortcuts are taken as to some citizens, a precedent is established which lowers the moral tone of the law and degrades it. Other minorities become the next victims as the breakdown in our safeguards and gurantees continues.

These safeguards and guarantees are designed to protect the citizen not only against mobs, but against government itself. Procedural due process gives protection to the citizen against overreaching officials. Abuse of power by government is an ancient evil. Those who drafted the Constitution and Bill of Rights had personal experience with attorneys general, public prosecutors, and even judges who were willing to take shortcuts to carry out the will of a king. They knew as well that a majority in a democratic society could be as tyrannical as any king. Our procedural safeguards were interposed, therefore, to prevent overreaching by officials, to immunize trials from public hysteria, and to make the public trial in America a calm, objective affair, not a spectacle.

These days there is occasional derision of judges who insist on a meticulous observance of these safeguards. I have even heard a few lawyers say that decisions requiring the observance of procedural safeguards when so-called subversives were at trial exalted technicalities to the detriment of the security of the Nation. Thoughtful lawyers never indulge in that pastime; they never downgrade procedure to technicalities. Lawyers before everyone else know that procedure is the touchstone of our free society, that it is the very essence of due process. In the words of one of our greatest lawyers:

"At the foundation of our civil liberty lies the principle which denies to government officials an exceptional position before the law and which subjects them to the same rules of conduct that are commands to the citizen. And in the development of our liberty insistence upon procedural regularity has been a large factor. Respect for law will not be advanced by resort, in its enforcement, to means which shock the common man's sense of decency and fairplay."[4]

Courts in recent years have had to make many rulings on matters of procedure in cases involving the so-called subversive. Should the regulations of an agency be suspended and the agency allowed to act lawlessly merely because a so-called subversive is involved? Should the presumption of innocence be denied those who are alleged to have committed offenses against the security of the Nation? What kind of notice should a citizen have before he is charged and convicted of contempt either of the courts or of Congress. Contempt is a criminal offense. Should that notice be as definite as the notice or warning required in the case of other crimes?

Notice is deeply embedded in our concepts of due process both where liberty and where property are involved, but there is sometimes pressure to lower the standard when security cases are before a court. Arthur Krock, in commenting on one of these cases, said:

"The only 'remedial legislation' Congress could supply in a situation like this would have to be: (1) a date for compliance must be that intended by a committee, even if it was not conveyed to a witness, or not conveyed unmistakably; (2) whenever a committee cites a witness for noncompliance on a certain date, the courts must accept that action as sufficient proof the witness perfectly well knew what the date was.

"The absurdity, not to mention the unconstitutionality and tyranny, of such a statute, is as obvious as the prospect that Congress would never pass such legislation."[5]

There can be no more important case before any court than one involving the security of the Nation. Yet security cases were occasions for such great oppression in days before our Constitution that the framers established special safeguards for their prosecution. Treason—the most heinous of all crimes—has a peculiarly high standard of proof written into article III, section 3 of the Constitution. The definition supplies a "hard test"[6] in order to avoid the evils of prosecutions for such illusory and dangerous charges as "compassing" a ruler's death.[7]

The philosophy of our system of laws is that men and women can be prosecuted only for overt acts, not for their ideas. This requirement has had a long history. The terrible trials of the Inquisition were concerned mainly with matters of dogma and belief, not with conduct against the Christian faith. The late A. Powell Davies wrote:

"Looking back over the Christian centuries, one is compelled to notice that not a single martyr has been burned at the stake for not going the second mile, or for being anxious about material things, or for laying up treasures upon the earth. Nor has anyone been persecuted for not loving his neighbor as himself. * * * But if * * * you expressed your belief about obscure matters through an unauthorized formula * * * you would be excommunicated and perhaps even lose your life."[8]

Our Bill of Rights was in part a reaction against that gloomy chapter in history. As Jefferson wrote, " * * * it is time enough for the rightful purposes of civil government for its officers to interfere when principles break out into overt acts against peace and good order. * * *" Clarence Darrow had much history on his side when he said that "there is no such crime as a crime of thought; there are only crimes of action."

These high ideals of our system of Government were well expressed by Thomas E. Dewey in a famous debate with Harold E. Stassen in 1948. The question was whether the Communist Party should be outlawed. Governor Dewey, who took the negative of the proposition, made the plea that "we should prosecute men for the crimes they commit but never for the ideas that they have."[9] He emphasized the need to avoid the adoption of totalitarian methods to defeat Communist tactics. He pleaded with Americans to be true to their tradition of freedom. "The free world looks to us for hope," he said, "for leadership and most of all for a demonstration of our invincible faith. The free way of life will triumph so long as we keep it free."[10] He reviewed the history of the Alien and Sedition Laws in this country, pointing out how they hurt and hindered the cause of free Government in America. The lesson they taught us, he said, was that you cannot "shoot an idea with the law."[11] He ended by saying "Let us go forward as Free Americans. Let us have the courage to be free."[12]

One sometimes needs to go abroad to get perspective on his own country. The American reputation for intolerance has grown alarmingly in recent years. The attitudes that reach the foreign press are not so much the quiet work of courts in seeing that even the despised person gets a fair trial, as the pronouncements of officials and other groups condemning people not for their deeds but for their ideas. The witch hunt, in addition to putting much pressure on agencies of government to lower the standards of law administration at home, has done us incalculable damage abroad.

When the FBI was making the so-called Red Raids in 1920, shamefully arresting many innocent people in a vast dragnet, there was a current saying, "Civil liberties? So is your old man." That slurring comment stung like a lash at the time and lingers as one of our most melancholy memories. It was repeated in similar words during the late forties and made America the symbol of intolerance in Europe and Asia.

On travels abroad one also sees in new perspective the role of a judiciary in a troubled world. Go to even the new countries of Burma, India, and Israel and you will see how judges are great rocks over which the waves of hysteria break. They stand their own in times of storm and stress, and do not become agents of public passion.

Often there are segments of society which want courts to be agencies of retribution, not dispensers of justice. It is against these groups that the bar must be opposed. It is to them that the bar should offer lectures and

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[2] Hutheesing, "The Great Peace," 201–203 (1953).

[3] *United States* v *Burr*, 25 Fed. Cas. 25, 27 (No. 14692b) (C.C.D. Va. 1807).

[4] *Burdeau* v. *McDowell*, 256 U.S. 465, 477 (1921) (Brandeis, J., dissenting).

[5] New York Times, March 17, 1959, p. 32, column 4.

[6] *Haupt* v. *United States*, 330 U.S. 631, 644 (1947).

[7] *Cramer* v. *United States*, 325 U.S. 1, 28 (1945).

[8] "The Mind and Faith of A. Powell Davies," 307 (Douglas ed. 1959).

[9] Dewey & Stassen, "Should the Communist Party in the United States Be Outlawed." 14 Vital Speeches of the Day, 482, 486 (1948).

[10] Ibid.

[11] Id. at 489.

[12] Id. at 487.

classes on the true Americanism of our Constitution and Bill of Rights. The educational program should be extended to every public forum, every classroom. It must reemphasize to each generation that in America a man may be condemned only for what he does, not for what he thinks or believes.

Those who would convict any so-called subversive, taking any necessary shortcuts to reach their ends, often point to Lenin's dictum that "we will build communism with non-Communist hands." With that as a starting point they conclude that anyone who insists that fair trials be given those who are charged with subversion are aiding communism. In an earlier day, Judge Anderson, writing of the obnoxious arrests, searches, and prolonged detentions, incommunicado, of hundreds of innocent people in one of the FBI's Red Raids, decried the "lawlessness" of "supposedly law-enforcing officials," who acted with "such disregard of law and of properly verified facts." [13] "It may, however, be fitly observed," he said, "that a mob is a mob, whether made up of government officials acting under instruction from the Department of Justice, or of criminals, loafers, and the vicious classes."

The strength of a free society is in its free institutions. There is tremendous power in those who dare to be free. A nation gets untold strength when every community knows that its courts are not agents of passion, that justice is administered impartially. We can not generate strength by adopting totalitarian methods. Every short cut against procedural and constitutional safeguards is an awful precedent. The victim may be a dyed-in-the-wool Communist today, but tomorrow he may be only one who knew a Communist, or one who believed in socialism, or one who was opposed to the segregation of the races. Once this tactic is approved, it is easy to accuse a person of being a Communist if he favors what a Soviet regime sponsors; e.g., socialized medicine.

Communism, as viewed on the homefront, is a dismal and miserable affair, revealing no accurate measure of its potential for evil. One has to travel the world to see how truly virulent and dangerous it can become. But even in the dreary and far reaches of the world where it has grievances without number to exploit, it has succeeded in fastening itself on a country only in extreme situations. No Communist regime has yet ever taken over a democratic nation. In Kerala, a state in India, the party won an election in 1957—its first parliamentary victory in world history. But that is a young democracy; and there were special grievances, including an average annual income of $24 per person. The Communists have been able to take over a nation by force and violence only under one of two conditions: (1) situations such as that in China where grievances and sufferings piled high, where morale dropped low, and where there were no democratic means to effectuate reforms; and (2) where Communist Party members were propelled into positions of power (as in Eastern Europe) by the intervention of an army from a neighboring Communist country.

Faith in America is faith in her free institutions or it is nothing. The Constitution we adopted launched a daring and bold experiment. Under that compact we agreed to tolerate even ideas we despise. We also agreed never to prosecute people merely for their ideas or beliefs. We have had many exponents of this faith; and none had been more eloquent than Mr. Justice Holmes in the Abrams [14] and Gitlow [15] cases, Mr. Justice Brandeis in the Whitney case,[16] and Chief Justice Hughes in De Jonge.[17]

Our experiment repudiated the precept long honored by totalitarian regimes that the ends justify the means. Procedure was in the forefront of the minds of those who drafted our Bill of Rights; the first eight amendments are indeed mostly devoted to procedure. They have been construed to be applicable only to the Federal Government and not to the States. But if all the dissenters [18] from that view who have been on the Court had sat at one time, the contrary would have been established and we would have higher standards for the enforcement of civil rights than many communities presently enjoy. Yet whatever the full scope of the protection offered by the Bill of Rights may be, it is clear that no matter how eloquently the rights of man might be stated in the abstract, it is their procedural protection that counts when a crisis arrives. These procedural safeguards were designed to serve everyone in the community—the lowly as well as the mighty, the despised as well as the respected.

Judge Stanley H. Fuld, of the New York Court of Appeals, has eloquently summed up this view:

"It is a delusion to think that the Nation's security is advanced by the sacrifice of the individual's basic liberties. The fears and doubts of the moment may loom large, but we lose more than we gain if we counter with a resort to alien procedures or with a denial of essential constitutional guarantees." [19]

We lawyers should be more alert to these infringements than other citizens who may not be so well trained in history and political science. We should know that total security is possible only in a totalitarian regime. Then all classrooms can be patrolled, all professors tested for unorthodoxy, the press censored, and radio and television scripts edited so that there will be no ideological strays. Then judges can be handpicked to carry out orders and removed if they fail to obey. Such a system would give us security in the Communist sense of the term. But we will have lost that passion for freedom which has made America the inspiration of oppressed people the world over.

HIGHER INTEREST RATES IN PROSPECT

Mr. HUMPHREY. Mr. President, the U.S. News & World Report for May 18 published an article entitled "If You're Going To Borrow Money," which warns the American people that interest rates are going to go even higher.

Already interest rates are higher than they were at the peak of the tight-money period of 1955 to 1957, and every sign points in the direction of even higher rates.

This increase in the cost of money means that a larger and larger portion of the consumers' dollars will be spent in the form of interest. No single item has increased so much in cost under this administration as has the cost of borrowing money. And yet this administration, which makes a habit of preaching on the importance of holding down costs, says not a word against ever higher interest rates. In fact, this administration has promoted and defended the tight-money policies which are costing the American people untold billions in added costs each year.

The annual interest payments, for example, on the public debt have soared to alltime highs. Interest payments alone this fiscal year are estimated at $7.6 billion on the public debt; and next year they are estimated to shoot even higher, to $8.1 billion.

High interest rates, which largely benefit the bankers and other money lenders, are defended by the GOP on the grounds that the tight-money policy is necessary to hold down inflation. This argument was punched full of holes back in the tight-money period of 1955 to 1957, when prices rose at the fastest rate in the peacetime history of our country.

When one sifts through all the arguments of the administration as to the virtues of tight money and soaring interest rates, he really gets down to the fundamental fact that the administration simply believes it is all right for the bankers to boost their prices and reap a harvest, but that somehow it is not quite proper for wage earners to ask to share in the increased productivity of the economy. What the administration actually believes in is the old trickle-down system, whereby the main course goes to the high and the mighty, and the leftovers to John Q. Public.

If the administration really wants to do something about the cost of living, I suggest that it stop and reexamine its position on monetary policy.

I ask unanimous consent that the article from U.S. News & World Report, to which I have referred, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IF YOU'RE GOING TO BORROW MONEY

It's cheaper to borrow money now than it's likely to be a few weeks from now. So say bankers surveyed across the Nation.

Interest rates on loans already are up in most places, and bankers say tight money is just starting to be felt.

Interest rates that people pay on money borrowed at the bank, already rising, are to rise still higher in weeks just ahead.

This is the consensus of bankers across the country, disclosed by a new survey just completed by U.S. News & World Report.

On the basis of interviews with officers of dozens of banks, large and small, this practical meaning becomes clear: If you expect to borrow money any time soon, you probably can save on interest costs by borrowing now.

Already, as disclosed by bankers, the typical bank is charging about a half percentage point more than last summer on mortgage loans. Businessmen, in most cases, also are finding that rates on their short-term loans have been marked up by half a percentage point. As the Government clamps down further on credit, making money tighter, bankers expect to put their own rates up another notch.

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[13] *Colyer* v. *Skeffington*, 265 Fed. 17, 43 (D. Mass. 1920).

[14] *Abrams* v. *United States*, 250 U.S. 616, 630 (1919) (dissenting opinion).

[15] *Gitlow* v. *New York*, 268 U.S. 652, 673 (1925) (dissenting opinion).

[16] *Whitney* v. *California*, 274 U.S. 357, 375 (1927) (concurring opinion).

[17] *De Jonge* v. *Oregon*, 299 U.S. 353, 364 (1937).

[18] Justices Harlan (*Twining* v. *New Jersey*, 211 U.S. 78, 117 (1908)), Field (*O'Neil* v. *Vermont*, 144 U.S. 323, 363 (1892)), Black, Douglas, Murphy, and Rutledge (*Adamson* v. *California*, 332 U.S. 46, 124, (1947)), are six. Justices Bradley and Swayne (*Slaughter-House Cases*, 83 U.S. (16 Wall.) 36, 118, (1873)), once had that view; and probably Mr. Justice Brewer did also (*O'Neil* v. *Vermont*, 144 U.S. 323, 370–371 (1892)).

[19] *Lerner* v. *Casey*, 2 N.Y. 2d 355, 378, 141 N.E. 2d 533, 546, 161 N.Y.S. 2d 7, 25 (1957) (dissenting opinion), aff'd, 357 U.S. 468 (1958).

And, says a high officer of one of the country's biggest banks, "It's an open-and-shut case that money will get a great deal tighter than it was at the peak of the boom in 1957."

When will the move to higher interest rates get under way? Most bankers expect it soon—many say before the end of next month. How individual borrowers will be affected, however, depends largely on where they live and what type of loan they want.

Mortgage rates: up. Families shopping for loans to buy homes face higher interest rates in most places than a year ago, with still higher rates to come.

"Mortgage rates," says a Washington, D.C., banker, "are trending up—there's no question about that. We charge 5½ percent ordinarily on a good risk, and that's one-fourth to one-half of a percentage point more than it was a few months ago. In addition, some lenders are adding commission fees, or raising those fees. * * * I look for a 6 percent rate soon."

In Memphis, the president of a savings and loan association reports, "Our mortgage rates have moved up in two small steps since last summer. Then, we were at a level of 5¼ to 5½ percent. That went to a range of 5¼ to 5¾, with a very few at 6 percent. In the past 60 days, we've shifted to a range of 5½ to 6 percent—with more at 5½ than 6. Now, we're moving toward more at 6, our legal limit in Tennessee."

A banker with banks in several Michigan cities, however, does not expect to raise his mortgage rates soon. "We get 5 percent from our best customers and up to 6 on others, with more going at 5½ percent than at any other rate," he reports.

In St. Petersburg, Fla., the head of a savings and loan association says: "Our rate on most nonguaranteed mortgages has been at 6 percent for a long time. We didn't cut it last year, in the recession, and we do not expect to raise it this year. In Sarasota, though, many lenders have gone to 6½ percent."

In California, where money always is relatively scarce, home buyers are paying a typical 6 percent, now, but many loans are being made at 6½ and some at 7 percent. "A year ago," says a San Francisco banker, "our rate was a soft 6 percent—now it's a firm 6."

COMPANIES PAYING MORE, TOO

Official figures show what has happened to rates charged by banks on business loans. Average rate in 19 large cities was 4.17 percent last June. That rose to 4.5 in December, and inched up a bit more in the slack lending season of January through March. Now, bankers report, there's more upward pressure.

Another round of increases in business-loan rates, these bankers say, is to follow a markup by the Federal Reserve System in the discount rate—the rate that banks must pay when they borrow new lending reserves from the System. The rise is expected to be to 3½ percent, from today's 3 percent.

When will that rise come? Most bankers believe the "Fed" has just been waiting for the U.S. Treasury to complete its current borrowing effort. Then, bankers predict, the discount rate will go up, and banks will raise the "prime" rate—charged on short-term loans to big companies with top credit ratings. That rate now is 4 percent. Higher rates paid by smaller firms would also go up.

"The signals," says an official of a big New York bank, "are loud and clear. Banks are loaded with Government bonds they can't sell—because they would take heavy losses at present prices of bonds. Money is 'tight,' already. With heavier demand ahead, it's quite likely that there will be another increase by the 'Fed' in the discount rate, to be followed by an increase in the prime rate."

In Dallas, the president of a large bank reports that: "Generally, our commercial loans are 5¼ to 5½ percent, with more at the higher rate than at the lower. Our oil loans—which run up to as long as 5 or 6 years—are at 5½ to 6 percent. A year ago, more were at 5½ than 6—now the reverse is true. And we look for this rise to continue."

A Detroit banker doubts that his institution will follow the prime rate upward. "We don't mark these rates up and down as much out here in the country as they do in New York," he explains. "Also, our range among different classes of customers is narrower. Right now, we're not looking at many loans at less than 5 percent—that's what you might call our base rate. A year ago it was 4½ percent. If there's a new rise in the discount rate and the prime rate, I think we'll probably stick at 5."

West coast bankers look for business-loan rates to hold steady, or rise. "Our commercial loans," notes a California banker, "are made all the way from the prime rate of 4 percent up to as high as 7 percent, which is higher than rates were some months back. The prospect is that they will remain steady, or go up."

And in Seattle: "I don't think interest rates on business loans will go down. They'll strengthen, if anything."

HOW CONSUMERS FARE

Only on consumers' installment loans can people count on fairly stable interest charges now, as the bankers see it.

"We don't change the rates on these loans much," says a Midwestern banker, "even when other rates are going up. Our rate on a new-car loan has been at 5 percent, generally, for several years. That, of course, is a 'discount' rate, which figures out to an ordinary interest rate of a bit less than 10 percent."

A Washington, D.C., banker notes this: "We charge only 4 percent on a consumer loan, but we're going to have to mark that up before long."

And, in Baltimore: "Strangely enough, lenders cut their rates on auto loans a few months ago, from 5 percent to 4½ percent. But I don't expect that to stick."

OVERALL VIEW

A Texas banker sums up: "It all depends on the 'Fed,' but I think the discount rate will go up soon, with the prime rate following and other rates going along. Only consumer rates will lag."

NOW BANKS ARE RAISING INTEREST RATES

Here's a report from bankers on what to expect, based on a survey by U.S. News & World Report:

For home buyers: Mortgage rates up about a half of 1 percentage point since last summer. Typical rate now, on mortgage not backed by Government, is around 5½ percent.

Prospect: A further rise coming soon.

For businessmen: Rates are up roughly half a point on short-term loans. Rates vary widely—from one borrower to another, and from one area to another.

Prospect: New increases on the way.

For installment buyers: Very little change so far in interest charges on cars, appliances, other items bought on installment plan.

Prospect: In some areas, small increases likely.

For all borrowers: As money for lending tightens, applications being screened more carefully by bankers, other lenders. Some being turned down.

Prospect: For many people and businesses it is to get harder, as well as more expensive, to borrow money in months just ahead.

PRESS COMMENT ON ADDRESS BY SENATOR HUMPHREY

Mr. HUMPHREY. Mr. President, it was my privilege to speak to an open public forum at the University of Florida on the date of April 3, 1959. The title of my address was "A New Era for Latin America." Apparently this speech attracted some attention, particularly in the Latin American countries. Regrettably, far too little attention is paid to United States-Latin American relations in the United States.

It is a pertinent topic of a handful of newspapers and journalists, rather than the day-to-day subject of interest to all areas of the United States.

Our neighbors to the south, our Latin American neighbors deserve our continuing attention and consideration. The political and economic developments in Latin America are of vital importance to the United States and the free world.

The inadequacies of our present policies concerning Latin America, while generally admitted, have received far too little thoughtful attention by public and private bodies in the United States. There is every indication that the international Communist movement has selected Latin America as its next target. We can expect to see much more activity on the part of Communists in that area. We shall not be able to combat it merely by repressive measures and military assistance.

The answer to communism in Latin America is an all out struggle against poverty, disease, hunger, and unemployment.

Latin America needs economic development. Our Latin American neighbors need a United States that is interested in the people of these countries and not merely in the resources, the mines, the oil, the timber. Indeed, we need to be the good neighbor and to extend the helping hand of friendship and understanding.

It is already late. Let us hope and pray it is not too late.

The State Department has been kind enough to provide me with a report of the press coverage in Latin America of my speech on April 3. I ask unanimous consent that the report be printed at this point in the RECORD.

It will be noted that the press and editorial comment concerning the address was friendly and in the main favorable and challenging.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REPORT OF PRESS COVERAGE IN LATIN AMERICA OF SENATOR HUMPHREY'S SPEECH

A survey of Latin American newspapers reveals that Senator HUMPHREY's speech of April 3, 1959, entitled "A New Era for Latin America," received the following publicity:

Newspaper	Page	Location
Associated Press wire stories:		
El Mercurio	1	Santiago, Chile.
La Nación	2	Buenos Aires, Argentina.
El País	1	Montevideo, Uruguay.
O Estado de S. Paulo	1	São Paulo, Brazil.
Excelsior	4	Mexico City, Mexico.
United Press International wire stories:		
El Día	6	Montevideo, Uruguay.
El Mundo	3	Habana, Cuba.

All the above straight news accounts of the speech appeared in newspapers of April 4, 1959.

Attention is invited to six enclosures which are translations of editorial comment found in the South American press concerning the speech. The newspapers quoted in the attachments have substantial circulation and range from moderate to conservative in political orientation. No editorial comment on the HUMPHREY speech has appeared in middle American newspapers available to us.

El Mercurio, Santiago, Chile, April 5, 1959:

"THE INTERVENTION OF SENATOR HUMPHREY

"The speech that Democratic Senator HUBERT H. HUMPHREY made recently at the University of Florida, passing judgment on the policy of the North American Government toward this hemisphere, is destined to echo in Latin America. Although the position of this politician appears to be directly influenced by the electoral plans of his party and its campaign to regain the leadership of the Nation, his statements recognize the errors that for some years have marked the policy of Washington toward the nations to the south of the Rio Grande.

"It must be said that this erroneous policy is not the exclusive property of the Republican administration, but that it has been shared also by the Democrats, who, until the year 1952, controlled the Government of the United States. If one observes a change now, it has been initiated by Eisenhower himself, as a series of recent rectifications demonstrates, especially support for the creation of an Inter-American Bank; and so the intervention of Democratic Senator HUMPHREY does not have the character of an absolute innovation with respect to the revision of Department of State policy regarding Latin America.

"These qualifications made, the essential thing stated in the speech is that North America has pursued a discriminatory and erroneous policy with respect to the region wherein lies its major interest. It was discriminatory because it conceded predominant importance to foreign aid for Europe and Asia, refusing to undertake a large-scale program in our countries; and, it was erroneous in mistaking its objective, which primarily should be the economic development of Latin America as a means of strengthening social peace and preventing Communist expansion in a vast underdeveloped zone.

"Senator HUMPHREY makes it clear that the Secretary of State Marshall set forth in the postwar period a correct policy with respect to the Americas that should have included them in a plan of economic aid similar to the one bearing that statesman's name and put in practice in Europe.

"We believe that this assertion is not very consistent. The Latin Americans have heard from the lips of Marshall, Byrnes, and Dulles that there would not be 'a Marshall plan for this hemisphere.' And this is explained because that powerful economic bond has been conceived in order to reconstruct the regions destroyed by the war and to aid the nations that had been allies and those with which the United States had overriding obligations. The Marshall plan at the decision of the State Department, was not used to develop resources, a process that required the efforts of the interested parties themselves, the cooperation of private capital, and the aid of development institutions (World Bank, Eximbank, etc.), created for those ends.

"In general terms, there have not been two policies toward Latin America although individual opinions could be pointed out, more from newsmen than statesmen, in disagreement with the thinking of the State Department.

"The credit for changing this state of affairs should doubtless be claimed by Latin America itself, by its press which has exposed in various tones, but with rare unanimity, the errors of conduct of foreign relations of the northern Republic and the resonance that has been given to these opinions at the Inter-American Conferences, especially that of 1954, at which was pointed out the inability of the governments of this region to maintain normal political conditions and sound democracy if foreign aid was not organized to promote economic development.

"The campaign thus maintained succeeded in convincing the North American executive and legislators, who finally have shown signs of correcting their points of view, even to the extent that one of the aspirants for the presidency, Senator HUMPHREY, believes it opportune forcefully to base his platform on a campaign to bring about a complete change of foreign policy regarding Latin America and to propose a real 'Marshal plan' for our countries.

"It is unnecessary to repeat again that the change in the North American spirit was considerably influenced by the opposition that Vice President NIXON experienced during his trip through various South American countries. The youthful politician succeeded in transmitting his impression to the President and people of the United States, and this resulted in an immediate reaction in favor of a change in direction by the Department of State.

"Now what we hear from the lips of Senator HUMPHREY is a reflection in the political field of what has been happening for some time in the financial and diplomatic fields. His words seem to show a vehement desire to reform the base of his country's foreign policy, and certainly the effect of such words will be to awaken greater zeal and desire for aid [to Latin America] in the enemy camp, that is, the Republican Party.

"The intervention of Senator HUMPHREY may have enough drama and violence to achieve a result similar to that caused by the shouts and stones in the path of Vice President NIXON. Both parties of the Union are becoming convinced that there is much to correct in inter-American relations and, as the sorrowful realities in which we live point up the urgency for this change, we can hope, if not for a Marshall plan for Latin America, a real expression of U.S. public opinion in support of effective economic aid to the group of nations that most influence the prosperity of North America, present and future."

La Tribuna, Lima, Peru, April 10, 1959:

Column "Temas Sindicales," by Luis López Aliaga:

"Democratic Senator HUMPHREY has made important statements with relation to Latin America. 'The Latin American people,' he said, 'want an end to semifeudal conditions in which 5 percent of the population owns 80–90 percent of the land, in which a handful of nationals and foreigners live in luxury and abundance while the majority live in squalor.' Here, the engineer Pascual Saco Lanfranco has asserted that, of 1,696,716 hectares [1]—the area of agricultural enterprises of the sierra, coast, and montaña—66.44 percent (1,126,685 hectares) belongs to large estates of more than 100 hectares, 13.08 percent belongs to medium-sized estates (20 to 100 hectares), and 20.43 percent belongs to small estates. This is to say that 4.59 percent of the agricultural enterprises possesses 66.44 percent of the land. * * * Senator HUMPHREY has sketched, furthermore, a program of nine points for a new policy toward our America. With compunction he says, 'While we have eagerly sought Latin American support to stop communism, we have demonstrated indifference toward despots.' The program outlines: 'An increase of economic aid to Latin America; rapid consideration for loans; increased technical assistance; vigorous support for the creation of regional markets and a review of the commercial and tariff policies of the United States; a larger exchange of persons program and a more balanced and wider coverage of Latin American news by the press, radio, and television in the United States; a review of the military aid programs, and support for the idea of regional control of armaments.' Upon this platform of genuine friendship inter-Americanism can be firmly maintained, for the workers will not harbor the suspicions they have today about an inter-Americanism which closes markets to us, lowers the prices of our exports, and sells to us at higher prices each day. That type of inter-Americanism is all right for fools. We want an inter-Americanism without imperialism."

[1] Equal to 2.471 acres.

Folha da Manhã São Paulo, Brazil, April 5, 1959:

Column "The World on the March," by Jan Costa:

"AN ACCURATE DIAGNOSIS BY A NORTH AMERICAN SENATOR OF THE LATIN AMERICAN CRISIS—PLAN FOR AID OR BETTER ECONOMIC RELATIONS?—THE STATE DEPARTMENT'S NEED TO READJUST ITS POLICIES IN THE AREA

"An interesting speech made in Florida by the North American Senator HUBERT H. HUMPHREY, Democrat, confirms what we have long maintained in this column: The Democratic Party of the United States is more sensitive to the needs and interests of Latin America than the Republican Party that returned to power with the victory of Eisenhower. The enlightened ideas and more realistic policy of the great President Franklin D. Roosevelt explain in part the position of the Democratic Party of which HUMPHREY's speech constitutes a new and reinvigorated manifestation. The Democratic Senator repeats the criticisms lately leveled at the State Department's policies toward Latin America and proposes substantial changes, including a program along the lines of the Marshall plan through which billions of dollars were applied in the reconstruction of Europe and in Asia. He reveals greater understanding of the present drives of the Latin American peoples toward economic development and social progress. The thesis of Senator HUMPHREY seems to be based also on assumptions which we have often affirmed here: North American democracy is conservative, and the democratic struggle in the United States presents itself as a means of defending a standard of living and a political system which, in general, the North Americans consider satisfactory. In Latin America democracy is a political system and at the same time an ideal of socio-economic progress which is being attained slowly and with difficulty; democracy is, in brief, a combination of things that the Latin Americans do not have and wish to acquire. Thus, to consider democracy only the forms of political organization and to ignore all the rest means in Latin America to take a conservative position which perpetuates the latifundium and its political concomitants which are caudillismo and dictatorship. Senator HUMPHREY seems to have understood this when he said, 'We must recognize that the Latin Americans now wish to put an end to the lamentable situation observed in a large number of countries of this hemisphere, where minorities of wealthy people retain possession of 90 percent of the arable land and a handful of privileged people live sumptuously while the rest of the population lives in nearly unbelievable conditions.' Following this he mentions the recent revolutions in Argentina, Colombia, Venezuela, and Cuba as a proof of the determination of the Latin Americans to attain their principal objective: Bread and liberty. Perhaps this was the most intelligent statement of a

North American politician on the Latin American crisis and on the need to readjust the policies of the State Department to this reality. Also in the thesis of Senator HUMPHREY, there seems to be implicit the assumption that institutions exist to serve men and human communities and that it is not for man to be a slave to immutable institutions. In no other way could the problem be seen in its proper historic perspective. Yet, in the area of practical solutions, things become complicated.

"Senator HUMPHREY speaks about aid and the Marshall plan. We should speak about the Humphrey plan. But the term 'aid' has been much abused, and we frankly do not like it. We know that aid brings results as the European experience of recent years has shown. Yet, we prefer that the problem be put on the basis of equitable economic relations. For example, an international accord on price stabilization of Latin American exports is more important than aid. Less rigidity in intergovernmental loans is also more important than aid. But at this stage it is important that progress has been revealed in the field of diagnosis as it is revealed in the speech of Senator HUMPHREY, who is considered as one of the possible candidates for the Presidency of the United States.

"Unfortunately, we cannot be optimistic about the general political prospects of Latin America in the near future. The experience of recent years has shown that political revolutions are not enough to eliminate the factors of unrest; i.e., to correct the structural economic defeats which make for political and social malaise. Argentina continues to lack tranquillity. Paraguay is subjected to a dictatorship against which discontent is mounting. The Cuban revolution is in the initial phase, and the reform plan of its leaders cannot be realized in a few months. Brazil is passing through one of its worst periods in recent years. High prices and the financial situation make the political future quite uncertain on the eve of what promises to become one of the most embittered political campaigns. But this is the inevitable road of democracy in countries that still bear the heritage of caudillismo."

El Correo, Medellín, Colombia, April 11, 1959:

"AID TO LATIN AMERICA

"The nine points of Senator HUBERT HUMPHREY for an aid plan to Latin America, expounded by him in a speech in Florida, are very important and show the interest that the people of North America are beginning to take in their friends in other parts of America.

"The considerations that accompany these points are absolutely realistic and show a well-informed view of existing relations between the United States and the other countries of the continent. He not only deals with economic problems, but also, even more important, with the attitude which one should take toward the struggle that the Latin Americans have endured to attain democratic governments, and with the casual and even paralyzed attitude of the Government of the United States toward this struggle.

"The great mass of North Americans almost totally ignore us. There are those who question a South American whether he arrived by train in New York, or at what age he visited there for the first time. But among the leading classes there is noted a marked interest and good information concerning our problems and the conditions under which we live."

El Tiempo, Bogotá, Colombia, April 5, 1959:

"LATIN AMERICA DOES COUNT

"Latin American affairs, which for so many years have counted little in the United States, are now beginning to be discussed on the platforms of internal politics. This was indicated in the recent eloquent speech of Democratic Senator HUBERT H. HUMPHREY, who is now being mentioned as one of the possible candidates of his party for the Presidency of the Republic. The speech, considering the authority and excellence of the speaker, is certain to exert significant influence on the relations between these countries and their good neighbors of the North.

"The policy that Senator HUMPHREY proposes for Latin America is, more or less, the same as that suggested, solicited, and reiterated to the point of fatigue by responsible spokesmen of our poeple. That policy can be summed up in three words: effective and sincere cooperation. There is no question of an outflow of millions such as the Marshall plan demanded, nor of the Latin Americans wishing to become a leech on the American economy. His eagerness is only for cooperation, for the development—with a view for the common good—of our huge resources that, adequately exploited, would be a fabulous source of wealth.

"The speech of Senator HUMPHREY is new and genuine proof that the mentality of the American politicians, in relation to Latin America, is beginning to change in a favorable direction. And this is not due exclusively to the experiences of Mr. NIXON during his visit to these countries, experiences so very uncomfortable but of elementary significance. In the North American Union they are beginning to give heed to the fact that this part of the continent also counts in world affairs and that something more than geographic proximity argues for solidarity: the community of political ideals, professed here as fervently as there."

El Tarapacá, Iquique, Chile, April 15, 1959:

"THE U.S. AND LATIN AMERICA

"A detailed description of the errors committed by the United States with respect to the countries of Latin America was made recently by Democratic Senator HUBERT H. HUMPHREY, who accused his Government of having abandoned Latin America at the same time that it showed great preoccupation and interest in Europe, the Mideast, and all of Asia.

"HUMPHREY demands a 'Marshall plan' for Latin America which would renew Latin American hopes and speed economic development. The plan proposed by the Democratic Senator calls for more rapid and sympathetic consideration of loan applications, increased technical assistance, energetic support for the creation of regional markets, revision of U.S. commercial and tariff policies, more extensive health and exchange of persons programs, 'wider and better balanced news coverage of Latin American affairs' by the U.S. press, radio and television, revision of the military aid programs, and support for the idea of regional control of armaments.

"The program of the Democratic Senator, whose name figures among his party's prospective presidential candidates, accurately interprets the basic hopes of the Latin Americans. Senator HUMPHREY's statements, although presented during an electoral campaign, in the heat of which words outrun the best intentions of the politicians, and despite being another of the many manifestations of U.S. understanding that have not been followed by positive action, reveal a precise knowledge of the problems of U.S.-Latin American relations and constitute a worthy contribution to the Latin American cause.

"In this column we have always censured U.S. vacillation toward Latin American problems, pointing out that economic stagnation and, often, the spread of misery among the peoples of the South American Continent not only constitute grave problems for our countries, but also work against North American political and economic interests.

"It would be unfair at this time, after hearing the correct diagnosis of an outstanding North American public figure, not to state that over a period of time we have witnessed a slow but positive evolution [in U.S. attitude] from indifference to understanding and a frank spirit of cooperation.

"We do not believe that the changes in U.S. attitude were caused by or stem from either the violence to which Vice President was subjected or the flashes of enthusiastic support for Latin America by individual Americans like Senator HUMPHREY. They have been operating on many broad fronts and have been expressed in such significant actions as the open U.S. cooperation with various countries to overcome economic emergencies, U.S. determination to promote the creation of the Pan American Bank, and its expressed support for efforts to establish regional markets in Latin America.

"It is appropriate, also, to mention that U.S. officials raised the first serious warnings about the unreasonable trend of national budgets in Latin America and about the great influence of high military expenditures on economic backwardness.

"There is still a long way to go; but it is comforting to note that the United States slowly, but with the certainty with which convictions are formed by the people themselves, there is greater understanding of these things and appreciation for the need and rightfulness of inter-American solidarity on all levels."

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATIONS, 1960

The Senate resumed the consideration of the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes.

Mr. HRUSKA. Mr. President, I call to the attention of the Senate the recommendation of the Senate committee concerning the school lunch appropriation and how this recommendation differs from the authorization provided by the House in its version of the agricultural appropriation bill for 1960.

Before discussing that difference, however, I point out that there is serious thinking and considerable progress in the direction that the States should be encouraged to assume increased responsibility in the school lunch program. This is consistent with the School Lunch Act of 1946. A desire to further such a policy is reflected in the budget estimate of $100 million regular appropriations for cash payments to States—a reduction of $10 million below the 1959 Appropriation Act. Other witnesses contended for higher amounts than were appropriated for fiscal 1959.

The Senate Appropriations Committee in its wisdom decided to support the same figure as in the current year and as also reported by the Appropriations Committee of the other body and later approved in final form by the other body itself.

Since the issue seems to be resolved in this particular aspect by both bodies, it is not my desire to address myself to it now.

Both the Senate committee bill and the House bill provide a total of $153.7 million for the school lunch program in 1960. So the question is not one of differences in how much support to the school lunch program is proposed by

the Senate and the House, but in how that support is to be provided.

The House and Senate bills both provide for a regular appropriation of $110 million. About $94 million of this amount will go to the States as cash payments, and about $15 million will be used by the Department to make special purchases for the program under section 6 of the National School Lunch Act. Both bills also provide for the transfer of approximately $43.7 million of section 32 funds to the program. The Senate bill proposes that this transfer be used to augment the regular section 6 food purchase program. The House bill provides that the $43.7 million be used to increase the cash payments to States from about $94 million to almost $138 million, or almost 50 percent.

I believe the proposed Senate action to be more responsive to school lunch needs as expressed by the local school people. I am sure Senators will recall the letters they received from school people when commodity donations were sharply reduced in 1958. The school people asked for commodities; few, if any, of them suggested that the cash side of the program be increased.

It was in response to those expressions that Congress authorized the transfer of $35 million of section 32 funds for commodity purchases last year. That action is in effect for the current fiscal year. The Department of Agriculture used these funds to provide good protein items for the schools—turkeys, dried eggs, and an excellent frozen ground pork. In addition, butter, cheese, dry skim milk, flour, cornmeal and rice were made available from the surplus stocks of the Commodity Credit Corporation. The large volume purchase facilities of the Department made it possible to provide the schools more pounds of high-quality food per dollar expended, and thus was of greater assistance in helping schools maintain both meal quality and moderate lunch prices.

I believe this year's experience with the expenditure of $35 million will demonstrate that such a program can happily serve both the nutritional and agricultural objectives of the national school lunch program. It permits commodity markets to have the stabilizing influence of a large-scale purchase; it permits schools to benefit from the economies of such volume purchases; and the educational efforts by the Department and the States to assist schools to use these foods are helping to develop sounder and bigger markets for these foods in the future.

The committee report at page 8 sums up the committee's thinking and conclusion in the following fashion:

> The committee believes that the Department is better equipped to handle the purchase of foods, and to balance this procurement with the donations of Government-owned foods, which it makes to the school lunch program than would prevail if the House proposal for utilizing $43,657,248 of section 32 funds were to be undertaken. The committee accordingly recommends the deletion of the House provision, and inserts in lieu thereof the following provision: *"Provided further,* That $43,657,248 shall be transferred to this appropriation from funds available under section 32 of the Act of August 24, 1935, for purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act, such additional funds to be used for the general purposes of section 32."
>
> The committee amendment inserts the language carried in the 1959 appropriation act, and the amount of the House proviso which provides a total of $153,657,248 of Federal financing for the school lunch program as proposed in the House bill.

I feel strongly that we should not only fully endorse the proposals of our Senate committee, but also that we should instruct the Senate members of the conference committee to urge the inclusion of the Senate language in the final appropriation bill.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. HRUSKA. I yield.

Mr. HUMPHREY. I am very much interested in the school lunch program; indeed, I am interested in the entire appropriation bill relating to the Department of Agriculture and its multitudinous services.

The Senator from Nebraska has related the history of the transfer of section 32 funds to implement and supplement the commodity section of the school lunch program. The purpose, as the Senator has said, is to provide a more varied and a more balanced diet for the school lunch program.

Mr. HRUSKA. That is correct.

Mr. HUMPHREY. This would permit the purchase of protein foods, in part, so as to round out the school lunch program and not rely entirely on the so-called surpluses. Is that correct?

Mr. HRUSKA. The reliance, even under section 32, is on the surpluses. As I understand, any purchases of surpluses by the Department of Agriculture are made available for certain specified purposes; but one of the highest priority, and perhaps the highest priority, is the school lunch program. As I understand, all the commodities made available in this fashion are from the Commodity Credit Corporation surpluses.

Mr. HUMPHREY. That is not the law which relates to the national school lunch program. The national school lunch program does not rely entirely upon so-called surpluses under the control of the Commodity Credit Corporation.

Mr. HRUSKA. That is true.

Mr. HUMPHREY. The commodities which may be required for a more balanced program may be purchased on the market.

Mr. HRUSKA. That is correct; and not only is that the purpose of the $110 million, but it is particularly the purpose of the $14 million of that amount which is available for the special purchases.

Mr. HUMPHREY. That is correct.

The only concern I have—and I am sorry the chairman of the subcommittee is not now in the Chamber—is that the Senate committee bill fails to earmark the funds transferred from section 32 as not to be used primarily for price-support purposes. In other words, I believe the Senate should emphasize that section 32 funds are to be used primarily for the school-lunch program and, second, for price-support purposes, and are to be used for section 6, to which the Senator has referred. In other words, if we speak of the funds transferred from section 32 as being primarily price-support funds or primarily directed toward price-support operations, then the use of those funds will be limited essentially to the purchase of surplus commodities.

Mr. HRUSKA. I do not think that has been the experience.

Mr. HUMPHREY. I do not think so, either; but I wish to make sure that there can be no such interpretation or limitation in regard to the availability of funds transferred from section 32, which, as we know, are obtained from the tariffs and fees on the importation of agricultural commodities.

Mr. HRUSKA. As a matter of fact, the designation of the $43,700,000 which will be transferred from section 32 will bolster the very thought the Senator from Minnesota has expressed. Actually, the Department contended that that language and that transfer are not at all necessary; that if those funds were spent under the provisions of section 32, the highest priority probably would be accorded the school-lunch program. If the transfer is made, it seems to me that will imply a greater liberality with the purchase of food for the purposes of the school-lunch program.

Mr. HUMPHREY. Exactly; and I thank the Senator from Nebraska for that interpretation, which also is mine. I simply wished to be sure that I understood the Senator's point of view and his observation.

It seems to me that the funds are being transferred for the purposes of the national school lunch program, and that therefore the funds are to fulfill the objectives of the national school lunch program, rather than the objectives of any price support operation.

Mr. HRUSKA. It would seem that that is one of the reasons why the transfer is made; and I believe that the selection of foods available for purchase by means of the transfer is sufficiently wide so that that purpose may be subserved.

Mr. HUMPHREY. Does the Senator believe that these foods should be purchased entirely by the U.S. Department of Agriculture; or does he believe that there might be flexibility which would permit the State authorities and the local authorities to work in this area?

Mr. HRUSKA. They should work closely with each other; but the actual mechanics of the purchasing are to be handled by the Department of Agriculture.

Mr. HUMPHREY. But it is to be hoped that the authorities in the respective States will have some leeway in terms of what will be a balanced program for their purposes.

Mr. HRUSKA. Yes; and I understand they will work closely in conjunction with the Agricultural Marketing Service, in connection with the program, although, as I have stated, the actual mechanics of the purchasing will be handled by the Department of Agriculture itself.

Mr. HUMPHREY. I thank the Senator from Nebraska for his clarification of that particular portion of the report on the bill which has been before us today.

THE EAGLE SOARS

Mr. ALLOTT. Mr. President, upon the occasion of the death of John Foster Dulles, Mr. Milford E. Shields, of Durango, Colo., the poet laureate of the State of Colorado, composed a poem entitled "The Eagle Soars," I ask unanimous consent that the poem be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the poem was ordered to be printed in the RECORD, as follows:

THE EAGLE SOARS: JOHN FOSTER DULLES

High in the sky the eagle soars,
Above the turbulence and strife
Of earth's perimeter of life;
There as he circles other shores
We see the light glint from his wings,
And what a joy its brilliance brings,
The joy of knowledge and of love,
That though his work was not complete,
We in his brilliance still will meet,
Here by the grace of God above,
Round out his efforts for the free
As he wings in Infinity.

—*Milford E. Shields.*

GRADUATION OF THE FIRST CLASS FROM THE U.S. AIR FORCE ACADEMY

Mr. ALLOTT. Mr. President, June 3, 1959, will mark the realization of a goal long dreamed, long hoped for, and long planned by the early pioneers of air power, as well as by the leaders of our Air Force. The graduation of the first class from the U.S. Air Force Academy at Colorado Springs, Colo., is in many ways the rekindling of the spirit of such Americans as Billy Mitchell, Hoyt Vandenberg, Hubert Harmon, Hap Arnold, and the many other great air commanders and men who gave their lives that the United States would never lack for air strength or for well-trained, dedicated leaders for our Air Forces.

We in the Congress should be equally proud that the newest of our service Academies is about to assume its rightful place along with the Academies of the Army, Navy, Coast Guard, and Merchant Marine. The Air Force Academy Act of 1954 gave life to the Academy. The young men whom we have nominated comprise the majority of the cadets of the Academy and of the graduating class. A portion of our national income which we have appropriated has built this institution, which undoubtedly will achieve a splendid reputation for men of scholarship as well as leadership. As a matter of fact, among its first graduates the Academy boasts a Rhodes scholar. Already the Academy has attained full academic accreditation.

On May 10 of this year the Air Force Academy Board of Visitors made its annual inspection of the school. As Chairman of that Board, I am pleased to announce that our report will shortly be in the hands of the President. I may say, however, that we were greatly impressed by the academic standards already achieved by this fledgling institution. Its faculty, we found, is second to none. We were particularly impressed with the emphasis placed on humanities, as well as the purely military aspects of the curriculum.

Another facet of the curriculum which made a great impression upon us, Mr. President, is the emphasis being placed on sciences. Fine laboratories, good equipment, and exceptionally fine instruction are producing what we are confident will be fully rounded, well educated leaders of the future. Astronautical and other courses provide them with the knowledge and the tools to conquer space.

Let us take pride in our Air Force Academy. Let us share with the Air Force and the Nation the achievement of a job well done. To the members of the first graduating class—the class of 1959—let us wish careers of service filled with success. They are as much men of destiny as those of the long gray line of West Point and the graduates of the Naval Academy at Annapolis.

Mr. President, in order that my colleagues may have an even more graphic idea of what a remarkable institution this one is, I ask unanimous consent that an article entitled "Air Academy's First Grads Take Wing," written by Cabell Phillips, and published in the New York Times magazine of May 24, 1959, be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AIR ACADEMY'S FIRST GRADS TAKE WING—THE FALCONS JOIN WEST POINT'S "LONG GRAY LINE" AND ANNAPOLIS' CAP-TOSSING MIDDIES

(By Cabell Phillips)

COLORADO SPRINGS, COLO.—A 4-year stride in the coming-of-age of the United States Air Force will be measured off here on June 3 when the first graduates of its new Academy march up to receive their diplomas—and inevitably to pass on into Air Force tradition as "the immortal class of '59."

The Air Force Academy opened in temporary quarters at Lowry Air Force Base, at the edge of Denver, on July 11, 1955. Of the 306 assorted and somewhat apprehensive high school and college kids who showed up for matriculation that day, 207 have survived to emerge as crisply uniformed and presumably well-trained young second lieutenants ready to go to work as navigators or student pilots or to prepare for the more exotic tasks of the missile age. And the scene of this historic first June Week will be the Academy's own spectacular but still unfinished $150 million campus here in the shadow of Pike's Peak.

To Air Force professionals and alumni all around the world, this will be a time to remember. It will mean the final attainment of equal professional and social status with the Army and the Navy, the birth of an elite officer corps steeped in distinctively Air Force doctrine and tradition. The Academy has been the dream of Air Force men ever since the old Air Corps won its independence from the Army 12 years ago. Congress authorized its creation in 1954, and it got haltingly under way a year later. It moved into its new quarters here last October. But only now, with its first fully qualified graduating class, has it become a proud and indisputable reality.

Just at present, things are in a bit of a flap here in order to make this historic debut as impressive and flawless as possible. The five principal buildings—administration, classroom, dormitory, etc—are of course, completed, their vast vertical acreage of glass, aluminum and white marble glistening pristinely in the spring sunshine. A sixth, the Social Center Building, with a 3,000-seat auditorium and a hangar-sized ballroom, is still crawling with artisans working against a May 30 deadline. A platoon of bulldozers chews away at the raw banks of red clay that stretch in every direction, molding their contours and covering them over with tons of imported black topsoil. Landscapers toil from dawn to dusk sowing quick-growing grasses, setting hundreds of shrubs and full-grown trees and anxiously nursing the formal plantings around the reflecting pools in the great central plaza.

And meanwhile cadet and faculty committees by the score wrestle with such agonizing and unfamiliar problems as the correct protocol for a graduation ceremony, invitation lists for teas and cocktail parties, the scheduling of a score of weddings, the devising of appropriate customs and rites that will make an Air Force June Week different from any other June Week, and even the scrounging of enough bleachers for the parade grounds to accommodate the thousands of visitors who are expected.

But this is another and happier sort of chaos than that which prevailed four years ago.

I was on hand on that blistering July day back in 1955 when this institution drew its first breath of life. The first class of cadets had streamed in over the week-end. The men had come from every State in the Union, lugging suitcases and brown paper parcels—and in some cases radios and tennis racquets, which were never to get past their barracks doors—and dressed in the casual, flamboyant style of teen-agers.

Militarily, they looked to be about as unpromising a lot as any random sample of young America caught in the dragnet of the draft. But in actuality they were anything but average. Each had passed a series of stiff competitive examinations to win his appointment. Scholastically, they were top-rank in their various high school and college classes, and their median score on College Board examinations, I learned later, was 580 as against 556 for freshmen of other colleges tested on the same scale.

Physically, they had to pass the standard Air Force examination for pilot training, one of the most rigid in the armed services, and there seemed to be a heavy preponderance of potential football material among them. Motivationally, they were uniformly bedazzled by the adventure and romance of flying, but here and there was an undertone of serious interest in the engineering and leadership phases of an officer's career.

The fledging Academy's quarters in those days was a cluster of cheerless brick and clapboard buildings on a corner of the Lowry preserve. By 7 o'clock that morning the prospective cadets had begun to queue up for registration, oathtaking, and formal matriculation, a process that was accompanied by the elaborate and deceptive solicitude of a group of young lieutenants and captains—air training officers—especially recruited from the regular ranks to spend this first academic year in the role of foster upper classmen.

"Mister, will you step into this line, please?"

"Now, sir, if you will just sign your name here—thank you."

"I'm sorry, fellow, but regulations won't permit you to keep your camera and radio in the barracks."

But when they were formed into squads a couple of hours later and marched the 50 fateful yards to their barracks area, they were exploded into a frenetic, harshly regimented world unlike any they had ever

known. The crisp young ATO's, who only a few moments before had seemed so courteous and friendly, suddenly became snarling, bellowing drillmasters.

"Get into those fatigues, mister, on the double—on the double, I said."

"Stand up straight, mister. Is that your belly or your chest? Well, get it up there where it belongs."

"Pull in that chin, mister—brace."

"You men will march on that field in military formation this afternoon or you'll regret it for the next 6 months, and that's a promise."

And at 3 o'clock that afternoon, looking awkward and uneasy in their starched khakis and blue caps, they marched bravely onto the parade ground for the formal dedication ceremonies—if not like veterans, then like a squadron of very recent civilians who had had an awful lot of close-order drill pounded into their heads in a brutally short time.

It was a moving spectacle and at the same time a portentous one. You realized that here, in this first parade of the Air Academy cadets, a fresh chapter in America's romantic and military folklore was being opened before your eyes. And you felt certain, too, that among this cluster of bewildered, sweating, bone-tired youngsters, trying desperately to keep step and a straight line, there were some who carried, unseen and unsuspected, the mark of destiny that would some day be revealed in a general's stars or a hero's medals.

When I revisited the Academy the other day there was both a vast difference in the surroundings and an almost equally great difference in the cadets of 4 years ago.

The new Academy, on 17,000 acres at the eastern rampart of the Rockies, is magnificent or hideous, depending upon your architectural prejudices. I found the sleek, functional lines of the buildings and the sophisticated use of rich panels of color wholly pleasing. The style is contemporary without being modernistic, and while no ivy will ever twine about the aluminum-sheathed columns, neither will these buildings ever suffer from the anachronistic blight of collegiate Gothic.

The scene is a bit stark, for there is still much landscaping to be done; there are obvious gaps in the great quadrangle where a chapel and a hospital are to be built, and there is an almost total absence of such sentimental gimmickry as statues, fountains, great trees, and other customary campus landmarks that would give it warmth and familiarity. These will come with time.

Up to now, the plant has cost, against an original estimate 5 years ago of $100 million, either $139 million or $197 million, depending upon whether you take the figures of Maj. Gen. James E. Briggs, the Superintendent, or of Joseph Campbell, the Comptroller General of the United States, whose disagreements have reached the point of polite acrimony. And by the estimates of both, the end is not in sight. For example, with its construction budget practically exhausted, there are as yet no flying facilities at this school for airmen, and cadets have to go by bus to Lowry Field, 60 miles away, for flight training.

At all events, a controversy is now raging in Congress over the question of how much of this handsome layout is boondoggling extravagance and how much is rational necessity. The conclusion of this uniformed observer is simply this: If there has been any pennypinching in bringing the Academy to its present state of sufficiency and architectural opulence it is not visible to the naked eye.

As for the cadets, attrition of one sort or another—academic, physical, psychological—has washed out nearly a third of their original number, which is about the norm for the other service Academies. Those who have survived have gained strikingly in physical bearing, in poise and almost certainly in knowledge. Among those whom I had particularly noted 4 years earlier, one has won a Rhodes scholarship, another (among five in his class) has been picked for graduate study at a leading eastern university, another has become the Academy's first football All-American, and one has achieved high military rank in the cadet wing. There were others in this small group, of course, who are just fair to middling in their academic attainments.

Survival is indeed a test of fitness at the Air Academy, for a cadet's life is rationed by minutes throughout the 4-year period and he is held to high performance standards in every field of activity. His day begins at 6 a.m. and follows a meticulous schedule to "lights out" at 10:30 p.m., Saturdays usually included.

A typical day includes 4 to 5 hours of classroom or laboratory work, a minimum of 2 hours of study, an hour of physical education, and an hour and a half of athletics. He stands daily room inspection, marches in formation to all meals, and has a parade and inspection in ranks on Saturday afternoons. Seniors spend an average of 2½ hours weekly in the air in air navigational training at Lowry Air Force Base. A "spit 'n' polish" appearance in full uniform is mandatory at all times except in the cadet's own room. Summer vacations are limited to 30 days, which, in effect, allows the compressing of a 5-year college course into 4 years.

Out of the dozen or more cadets with whom I recently talked at some length, three impressions emerged.

First, all have matured markedly. The rough academic and disciplinary grind appears to have been a good catalyst in working the transition from youth to young manhood.

Second, a measurable change in motivation seems to have taken place. Whereas 4 years ago most of these same youngsters seemed to have fixations on becoming hot pilots in the Steve Canyon tradition, many today have shifted their interest to astronautics and the related fields of science and engineering.

And third, they seem to have escaped much of the intellectual trade school regimentation that afflicts so many graduates of West Point and Annapolis.

This is undoubtedly attributable in part to the initial intention of the Air Force Academy—pretty well preserved over these first 4 years—to produce leaders as well as technicians, officers who are equipped to deal with the realities of the social and political life of the world at large as well as with the technology of flight. Each graduate is a rated navigator, and most will go on to pilot training. But each also has earned a valid collegiate degree as a bachelor of science.

The Academy's curriculum calls for the completion of 183 credit-hours, of which 48 are devoted to military airmanship and the remaining 135 divided approximately equally between the basic and applied sciences, on the one hand, and the humanities and social sciences on the other—a markedly different cultural balance from from that observed at the other service Academies.

English—literature and composition—is taught for 3 years; history for 3; philosophy, economics and psychology for 1; political science for 2; and 2 years of a foreign language—10 credit-hours—are crammed into the senior year, the student having a choice of French, German, Spanish or Russian.

The final semester of political science is devoted to a recently devised course called defense policy, which is a study from current books, periodicals and a specially prepared syllabus of international politics as they relate to American defense strategy. On the day when I visited one of these classes I found a lively discussion in progress based on a chapter from Henry M. Kissinger's Nuclear Weapons and Foreign Policy. Each two seniors (roommates) are required to share a subscription to the Sunday edition of the New York Times, which is delivered by air late on Sunday afternoons at a cost of 75 cents a copy. Articles in its magazine and News of the Week in Review become topics of classroom discussion throughout the week.

The impact of the age of the sputniks is evidenced by two facts. The first is that entering cadets are no longer required to measure up to the stiff physical and aptitude specifications for military pilots. The second is that a new department of astronautics was introduced into the academic table of organization last year, and is now a required subject in the senior year. A course in nuclear physics will be added in the new academic year beginning in September. These changes are tacit recognition by the Academy authorities that manned flight may one day become a military anachronism.

Recently the Academy was granted accreditation by the North Central Association of Colleges and Secondary Schools with this rather unusual accolade: "The examiners were both surprised and gratified to find that the Air Force Academy places such great emphasis on a broad program of general education with high standards of performance demanded and achieved * * *. In (their) judgment, the graduating cadet will have a substantial liberal education with much more solid science underlying it than is taken at the best colleges by anyone except the science majors."

The most obvious academic shortcoming appears to be in the caliber of the faculty. The entire faculty of 202 is recruited from the officer corps of the Air Force, and there are only 34 Ph. D.'s in the lot—a low proportion by national standards. Moreover, the level of teaching experience is quite low, as most faculty members are assigned to the Academy on a 3- to 4-year tour of duty, and then move on to some other assignment, usually a nonteaching one. Only four members at present, including the dean, enjoy permanent tenure on the Academy's teaching staff.

It seems likely, too, that succeeding classes will not reach the academic levels of those who are there now. Up to this year, the Academy has been permitted to select the best candidates from each State among all those nominated by Members of Congress from that State. Under a new selection law (similar to the one in force for the other service Academies), it is now limited to accepting the top-ranking nominee out of the 10 which each Member of Congress is permitted to propose.

Thus, there may be only 1 boy out of a group of 10 nominees who meets the minimum academic qualifications, but he must be chosen, irrespective of the fact that in the neighboring congressional district all 10 of the nominees may have superior qualifications.

"It seems clear," the accrediting examiners observed, "that the new law will reduce to an appreciable degree the quality of the potential future officers of the Air Force. If we cannot afford, as a Nation, to have the second-best Air Force in the world, then it seems highly unwise to recruit so many second-best cadets who may become air officers of the future."

One unacknowledged objective of practically everyone connected with the Academy incidentally, is to break into the service football monopoly now enjoyed by West Point and Annapolis. The Falcons, as the

Air Force has dubbed its team, turned out a powerhouse last year that went for an undefeated season which included the Cotton Bowl. Army is on its schedule this year, and Navy will be played in 1960. This stepped-up competition may work some change in the present rather modest emphasis on football, an emphasis that is underlined by the fact that four of last year's stars—including Brock Strom, the all-American choice—are academic stars as well.

General Briggs, the Superintendent, is proud of his Academy, but he has spent most of his time lately defending his construction program against its detractors in Congress and elsewhere. "This place," he says with some heat, "will be here for a hundred years and maybe longer. It has to be good and it has to last, and it has to be something the Nation will continue to be proud of. You can't build an institution of this kind out of plasterboard and secondhand lumber.

"We've got a tremendously important mission here," he went on. "We are trying to turn out professionally oriented young officers with a sense of self-discipline and a broad enough cultural background to live and work effectively in a regimented society. We hope most of them will make lifetime careers out of the Air Force, but we hope, also, they won't suffer from any delusions that because they are Academy graduates, they are somehow the Nation's elect. That's why we are trying to educate them instead of just training them.

"I know we are turning out some first-rate second lieutenants. But whether we are really succeeding in our mission will take 20 years to find out."

ESTABLISHMENT AND OPERATION OF A NATIONAL WILDLIFE DISEASE LABORATORY AT COLORADO STATE UNIVERSITY—INTRODUCTION OF A BILL

Mr. ALLOTT. Mr. President, out of order, I introduce, for appropriate reference, a bill—which is introduced by me, on behalf of myself and my colleague [Mr. CARROLL]—for the establishment of a National Wildlife Disease Laboratory at Colorado State University, in Fort Collins; and I ask unanimous consent that the bill be printed in the RECORD, at the conclusion of my remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, as requested by the Senator from Colorado.

(See exhibit 1.)

The bill (S. 2086) to provide for the establishment of a National Wildlife Disease Laboratory, introduced by Mr. ALLOTT (for himself and Mr. CARROLL), was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

Mr. ALLOTT. Mr. President, I have just now introduced a bill which provides for the establishment and operation of a National Wildlife Disease Laboratory at Colorado State University, in Fort Collins. Nowhere in America are the diseases of wildlife being investigated, either as to their incidence, control, or relationship to diseases of humans and farm animals, on a scope anywhere near comparable to that of the programs now devoted to the diseases of man and domestic animals. In fact, there is no adequately equipped installation where such undertakings can be cooperatively financed or brought together.

The Russians do have a facility of this type, however. It is located at the Kazakh Academy of Sciences, at Alma Ata, in the U.S.S.R. Visiting American scientists report that the installation is equipped with modern facilities and equipment, and has a staff of 28 full-time scientists, 60 technical and subprofessional employees, and an undetermined number of assistants. The laboratory is solely for the study of wildlife diseases in relation to man, livestock, and other wildlife. We have no remotely comparable research installation in the United States.

Medical science in the United States presently is faced with an unfortunate and serious gap in its overall knowledge of the diseases of wildlife. Little is understood about the role of wild mammals and birds in the transmission of the 86 diseases found to be intercommunicable between man and other animals. Several hundred diseases are known to affect domestic animals, but the relationship to wild animals virtually is unknown.

For the most part, scientists can only speculate about how much man is affected by wildlife-induced diseases. Some common wildlife diseases of a communicable and dangerous nature are rabies, anthrax, brucellosis, and encephalitis. Man is susceptive to all.

Campaigns to control rabies have occurred in all parts of the country. An outbreak of sleeping sickness—encephalitis—presently is causing much apprehension in the Southwest. Wyoming is confronted with an epidemic of anthrax in its sizable and recreationally valuable moose population.

Larger numbers of people engage in outdoor sports each year. Many may become exposed to various wildlife-borne diseases when they establish either direct or indirect contact with wild animals. How great this danger of infection is to human life, as well as to the vital livestock industry, will be the subject of comprehensive study at the proposed National Wildlife Disease Laboratory.

Colorado State University is an ideal location for the wildlife disease laboratory. Fort Collins is easily reached from all other parts of the country. It lies between an intensively farmed region and a vast area of public land. Livestock, poultry and habitat for all types of wildlife, ranging from the smallest birds and mammals to the largest, are within convenient reach.

The cooperative agreements which the university already has established with many Federal and State agencies could be extended to the new installation. These include agencies of the U.S. Departments of the Interior and Agriculture, the Colorado Game and Fish and Forestry Departments, livestock associations, and the Medical Center of the University of Colorado. Of course, cooperation of the departments of Colorado State University—the College of Veterinary Medicine, and the departments of forest recreation and wildlife, range management, zoology, animal husbandry, and others—also can be expected.

Mr. President, should my bill be enacted, Colorado State University stands ready to give—at no cost to the Federal Government—land for the laboratory building and animal holding pens of ample acreage and suitable location. The site is adjacent to the new, ultra-modern domestic animal disease isolation unit and laboratory now in operation on the campus. The advantages of such a location for the proposed wildlife disease laboratory are obvious.

In addition to cooperation from Federal and State agencies and from the Colorado State University, such private organizations as the Carnegie Foundation, Rockfeller Foundation, Ford Foundation, Pack Foundation, Wildlife Management Institute, and National Wildlife Federation should be vitally interested in participating in this necessary research program, through grants-in-aid for cooperative studies.

Mr. President, it is expected that $3.5 million would be required for constructing and equipping the original installation. The annual operating cost would be about $710,000. After the program gets under way, it is expected that the operating cost could be reduced by the amount that would be available from outside interests for cooperative studies.

I shall not burden the RECORD by stating the cost estimates for constructing the laboratory, the proposed number of personnel, and the operating expenses. A detailed breakdown of the required funds will be submitted when hearings are held on my bill. I fully expect that the results of the research studies that would be conducted at the national wildlife disease laboratory would far exceed these nominal costs in filling the present void in knowledge of the relationship of wildlife-borne diseases to wildlife, to man, and to domestic livestock and poultry.

Mr. President, I ask unanimous consent that the bill may lie on the desk until the close of business on June 4, so such Senators as may desire to do so may join in sponsoring the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXHIBIT 1

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is hereby authorized and directed to establish, equip, and maintain a National Wildlife Disease Laboratory and, at such laboratory, to conduct research into wildlife diseases and problems relating to their causes, diagnoses, epidemiology, specificity and interrelationships to other wildlife, to man, and to domestic livestock. The laboratory shall be established at a land grant college or university that has a recognized school of veterinary medicine and where graduate training in such research may be carried out.

SEC. 2. For the purposes of this Act, the Secretary is authorized to obtain by purchase or donation any property and interest therein, real or personal, in the name of the United States for the laboratory established pursuant to this Act and to utilize voluntary

or uncompensated services at such laboratory.

SEC. 3. In carrying out the purposes of this Act, the Secretary is authorized and directed to cooperate with other departments or agencies of the Federal Government, State conservation and game and fish departments, and other State agencies and institutions, counties, municipalities, business or other private organizations, corporations, associations, colleges and universities, scientific societies, and individuals, upon such terms and conditions as he may prescribe.

SEC. 4. There are hereby authorized to be appropriated, from time to time, such sums as may be necessary to carry out this Act, but the amount authorized to be appropriated for the original construction and equipment of the National Wildlife Disease Laboratory shall not exceed $3,500,000.

CAPITAL BUDGET BOOKKEEPING SYSTEM FOR FEDERAL GOVERNMENT

Mr. HUMPHREY. Mr. President, I have for many years advocated that the Federal Government adopt a capital budget bookkeeping system, whereby the current expenditures of the Government would be differentiated from investments of the Government upon which we will realize a return plus interest. Again this year I have introduced a bill to put such a bookkeeping system into effect, S. 1560.

At the time that I introduced this bill I noted that Great Britain, among other countries in Europe, has such a bookkeeping system.

I invite the attention of the Senate to an article which appeared in the U.S. News & World Report of April 20 on the British bookkeeping system. The article is entitled "How Britain Balances Budget." The article points out that if the United States used a capital budget such as Great Britain does, the Federal Government would show a surplus of at least $3 billion for fiscal 1960, rather than $100 million, as forecast by President Eisenhower, under our present antiquated bookkeeping system.

It has been my observation that discussions of the budget engender more emotional outbursts than rational thought. One of the main reasons is that our annual budget report does not reveal an accurate fiscal picture. No business would think of lumping current expenditures in with its investments; yet that is just what our Federal Government does under the present bookkeeping system.

I say it is time that we put our bookkeeping system in order. It is time that we adopted a modern, up-to-date capital budget.

We are indebted, indeed, to the author of this particular article for a very objective and factual survey of budgetary conditions in certain countries and how a capital budget would work. I was so pleased to find this particular material, because all too little attention is given to modernizing the budgeting system of this Nation. Until we modernize it, there will be all kinds of heat, thunder, and fury about budgets, but very little light and constructive information and reform.

Therefore I ask unanimous consent that the article to which I have referred may be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW BRITAIN BALANCES BUDGET

(Look closely at the new balanced budget in Britain, and you find that the balance isn't all it seems to be. Only one of the two parts of that budget is in the black. The other part is in the red. Overall, there's a big deficit. Even so, taxes are being cut. If United States kept books the same way, there would be room for cuts in American taxes, too.)

The Conservative Government of Great Britain on April 7 announced that its budget for the year just started on April 1 was balanced, with more than $1 billion to spare.

In dividing up this billion—

Taxpayers—both individuals and corporations—were given a reduction from 42.5 percent to 38.75 percent in the base rate of tax on incomes. Upper-income taxpayers were given smaller percentage cuts than low- and medium-income taxpayers.

People were given rather sharp cuts in the heavy sales taxes that they pay on all sorts of purchases.

Companies were granted a special tax writeoff in the years in which they make an investment in new plant and equipment.

All told, Britain's officials say, this relief will come to about $826 million in the bookkeeping year just started. Even then, they figure, the books will show a surplus of about $285 million for the year.

The British surplus would be the equivalent of about $1.5 billion for the much bigger U.S. budget, if figured in the same proportion.

If the U.S. Government were to turn back to taxpayers the same percentage of total Government revenues that Britain now proposes to return, taxpayers in United States would get reductions amounting to more than $4 billion.

Tax relief in Britain, however, is not a forerunner of tax relief in the United States. Tax cuts for American taxpayers apparently are nowhere in sight. In the United States, there is more talk of tax increases than of tax reductions.

DRAWING THE LINE

How has Britain been able to balance its budget and grant repeated tax cuts? How has the British Government managed to reduce income taxes, for example, to the lowest levels since before World War II, while income taxes in the United States are at the highest level in peacetime history—just below World War II peaks?

Main reason is that in Britain the Government keeps two sets of books. The British budget that was balanced was what is called the budget "above the line." It is the budget of operating expenses. This is the set of books that shows a sizable surplus—for this year and most years.

In addition, however, there is the set of books that Britain calls the below the line budget. This is the budget dealing with government loans and other investments in capital assets. In Britain, this budget is pretty much ignored by the public. Despite the enormous interest in the new budget, and the expected tax cuts. British newspapers that devoted one to two pages to the budget did not even report on the below the line spending.

The below the line budget, however, was not balanced and was not intended to be balanced. It showed, in fact, a deficit of $2.3 billion.

Over all, the British budget really shows a deficit of $2 billion for the year just started. This is the biggest deficit run by Britain since World War II.

Looked at in another way: If United States kept its books the way Britain does, the United States would show a surplus of at least $3 billion next year—rather than the $100 million forecast by President Eisenhower.

OTHER ANGLES

How much of Britain's surplus in the operating budget is due to military aid from the United States is hard to say. While that aid has dropped sharply, the intercontinental missiles that United States is giving Britain would cost that country sizable amounts to produce on its own.

More important, though, is the indirect effect of huge defense spending by the United States. In all, defense expenditures in the United States are equal to nearly 10 percent of total production—or gross national product—in this country. Britain is spending an amount equal to about 6 percent of its total national product on defense.

What would happen if the United States cut its defense spending to the British level, in relation to total production? There would be enough saving to give American taxpayers a real bonanza—about $15 billion of tax relief.

Then there is the huge flow of economic and military aid from the United States. For British taxpayers, the foreign-aid burden is far smaller. If the United States were to cut its aid, say, by half, Americans would save $1.8 billion a year in taxes.

STILL A HEAVY LOAD

Even with a relatively light defense burden, however, Britain's taxpayers are among the most heavily taxed in the world—outside Communist countries. Reason lies in Britain's vast welfare programs—family allowances, food subsidies, pensions, aids to housing and health, and the like. These are costing British taxpayers heavily.

Now, the tax load in Britain is to be lightened. Overall taxes are to be cut by more than 6 percent. Many taxpayers, particularly in the lower income brackets, will get bigger cuts than that.

Take a married couple with no dependents, earning $2,000 a year after tax deductions, but before exemptions. The couple now gets a tax cut of more than 10 percent. Yet the couple still will pay $196. In the United States, the tax would be $120.

A British couple with $5,000 of income will get a tax cut of 9 percent. Still, the tax of $1,091 will be nearly half again as high as the $760 the couple would pay in the United States.

At $10,000 of income, a British couple now will find its tax reduced by 7.5 percent. Result: a tax bill of $3,144—or two-thirds higher than the U.S. tax of $1,888.

And, at $25,000 of income, the British couple—even after a 5.6 percent cut—will pay $12,607. In the United States, this couple would pay only $6,724.

Sharp cuts in Britain's sales taxes also are to leave those taxes far higher than anything Americans pay.

British families have been paying a 60 percent tax on cars, radios and television sets, phonographs, records, cosmetics, perfume, and some other luxuries. Now they'll pay 50 percent.

The tax also is cut, from 30 percent to 25, on a long list of other things that families buy—watches, refrigerators, washing machines, sporting goods, toys, and many other items.

Kitchenware and some other household items will be taxed at 12.5 percent, instead of 15.

Americans, while envying the British for these new tax cuts, are not likely to envy British taxpayers for the burden they still must carry.

If United States kept its books the way Britain does—

[In billions]

	Year ended Mar. 31, 1959	Year ending Mar. 31, 1960
Britain's regular budget, with a surplus, looks like this:		
Income:		
Taxes on earnings	$7.7	$7.3
Other receipts	7.6	7.6
Total income	15.3	14.9
Outgo:		
Defense	4.1	4.2
Family allowances, pensions, relief	1.5	1.6
Aids to health, housing, etc.	2.2	3.3
Education and broadcasting	1.5	.6
Food and farm subsidies	1.0	.9
Interest on debt	1.9	1.7
All other programs	2.1	2.3
Total outgo	14.3	14.6
Surplus	1.0	.3
But: That's not the whole picture. There also is the so-called below-the-line budget—largely loans and capital outlays. It looks like this:		
Income below the line	0.9	1.1
Outgo below the line:		
Loans to railways	.3	.2
Loans to National Coal Board	.2	.3
Loans to other nationalized industries	1.0	1.4
Other outlays	.9	1.5
Total below-the-line outgo	2.4	3.4
Deficit below the line	1.5	2.3
Overall result: Deficit of	.5	2.0

NOTE.—United States, by contrast, includes all these below-the-line expenditures—billions of dollars of them—in its regular budget.

Conclusion: If United States figured its budget the same way Britain does, the $100,000,000 surplus called for in the President's budget would turn out to be a surplus of at least $3,000,000,000, probably more.

ST. LAWRENCE SEAWAY

Mr. HUMPHREY. Mr. President, I have received a letter from the Administrator of the St. Lawrence Seaway Development Corporation, Mr. Lewis G. Castle. The letter is self-explanatory. It is a letter directed to me as a friend of Mr. Castle, as well as a Member of the U.S. Senate.

Mr. Castle comes from Duluth, Minn. I believe he is doing a very fine job as Administrator of the St. Lawrence Seaway Development Corporation. He has had a lifetime of interest in the St. Lawrence Seaway. He, as the responsible administrator, of course, has grave concern over any development which may reflect adversely upon the St. Lawrence Seaway.

Mr. Castle has called my attention to a number of newspaper stories which relate to the St. Lawrence Seaway—some of which include adverse comment, such as the headlines which I now read: "Danish Skipper Balks at Seaway"; "Skipper Praises Seaway as Ship Reaches Duluth"; "Captain Says Seaway Running Much Smoother"—indicating earlier problems in the Seaway. I also have another story which was printed in the Duluth News-Tribune relating to some of the problems captains of ships had in terms of navigation in the Seaway.

I ask unanimous consent that the articles to which I have referred be printed in the RECORD at this point.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Massena Observer, May 14, 1959]

SKIPPER PRAISES SEAWAY AS SHIP REACHES DULUTH

George Hill, now operating the Sportsman's Bar, Grand Marais, Minn., has sent the Observer a copy of May 4, Duluth News-Tribune, telling about the first Seaway ship to arrive. Mr. Hill worked in Massena on the Seaway project.

The Duluth newspaper had the banner "Duluth-Superior Ports Linked to Atlantic Ocean." A six-column picture showed the SS *Ramon de Larrinaga* being welcomed by fire hose spray and a large crowd.

An interview with the skipper of the ship follows:

Capt. Joseph Meade is an enthusiastic champion of the St. Lawrence Seaway.

Meade, a resident of North Wales, England, believes the new waterway will be "the salvation of mankind."

He reasoned that it will provide cheaper transportation for grain to poverty stricken countries.

Meade is master of the *Ramon de Larrinaga*, first ship to come to Duluth via the Seaway.

"You know," he said, "I didn't know the names of the Great Lakes until a few days ago."

His arrival here was not without mishap.

As the *De Larrinaga* pulled along the Peavey elevator, her hull scraped the side of the dock.

"We were like a sailing ship," he said, "running before the wind. We couldn't stop in time." His ship carried three pilots at different times.

Meade, a veteran sailor, praised the American locks in the Seaway.

"It was a marvelous way the Americans handled them. They know their job because they're seamen. And I'm not praising them just because I'm in an American port."

It took the *De Larrinaga* 14 days to make the trip from Liverpool, her home port, to Montreal. From there to Duluth took 7 days.

While here Meade met an American Indian—Chief Good Sounding Sky, Sawyer, of the Chippewa Tribe.

Doffing his captain's hat, he rubbed his hand over his balding head. "I certainly haven't got enough to scalp," he joked.

Meade welcomed a number of city dignitaries in a ship's cabin.

He pointed out that the vessel is a shelter deck type, used exclusively in the grain trades. It flares out at the bow, unlike Great Lakes vessels.

He commented he was pleased at the size of the crowd that greeted the vessel's entry through the ship canal.

Duluthians were allowed to board Meade's ship and inspect it.

[From the Massena Observer, May 18, 1959]

CAPTAIN SAYS SEAWAY RUNNING MUCH SMOOTHER

MONTREAL.—The 1,599-ton Dutch freighter *Prins Willem George Frederik* is on her way back to Rotterdam after being the first ocean ship through the St. Lawrence Seaway and into the port of Toronto.

Her skipper, Capt. Teunis (Steve) Aaldijk, said: "The Seaway is functioning 100 percent more effectively now than when it opened."

He said moving down to the Seaway was simpler than his maiden voyage up because "the men on the canal now seem to know how to do their jobs."

[From the Duluth News-Tribune]

DANISH SKIPPER CALLS SEAWAY TOO RISKY

(By Jim Myhers)

The captain of a banged-up Danish tanker said yesterday the St. Lawrence Seaway locks are too narrow for huge oceangoing vessels.

Capt. Otto Kruger, master of the 18,500-ton *Asia*, said he will recommend to his firm, the East Asiatic Co., that his ship never transit the Seaway again.

"It's too risky," Kruger commented. "There's too much danger."

It had been announced previously that the ship would make several trips to the Lakehead this year. The *Asia*, largest vessel to come through the Seaway thus far, arrived in the Duluth-Superior harbor at noon yesterday.

As evidence of his belief, Kruger pointed to at least three large dents on his 7-week-old ship. She was damaged, he added, when she scraped against the locks.

Kruger said the locks, which are 80 feet in width, are not wide enough for ships such as his. The *Asia* has a beam of 72 feet.

The ship's bridge wing, which hangs over the side, had to be cut away to allow the vessel to go through the 27½-mile waterway. A 2-foot section was cut away on either side. The ship had to back out the St. Lambert lock to allow the work to be done.

Kruger prefers the two American locks to the five Canadian ones. The U.S. locks, he said, are equipped with wooden fenders. The fenders "stop a ship from going too far ahead and prevent damage."

Great Lakes pilots, who help guide the ships, also came in for criticism from Kruger.

"They don't have much experience with oceangoing vessels," he claimed.

Kruger reported he was warned his ship would encounter trouble. A representative of the St. Lawrence Seaway Development Corporation told Kruger he was hesitant about sending the ship through because of her size.

Foreign ships making the Seaway run are required to meet Corporation regulations before entering the waterway.

It was Kruger's belief that vessels will have to be specially built for the Seaway-ocean trade.

Ocean ships, he noted, flare out at the bow, in order to combat wave action. Great Lakes vessels have a boxlike feature.

"I intend to make a recommendation that we never go through the Seaway again," he declared.

The East Asiatic Co., Copenhagen, Denmark, has a fleet of 40 vessels.

Kruger, 36, who lives in Copenhagen, has been with the company for 8 years. Before joining the firm he was an officer in the regular Danish Navy. He served in the underground during World War II.

The *Asia* will take on 9,800 tons of barley at the Farmers Union elevator and Great Northern dock.

The ship will pick up close to 9,000 more tons at Montreal or Quebec, en route to Bremen, Germany. She carries a crew of 47 men, all Danish.

Kruger commented that the Twin Ports Harbor "is excellent." After dredging is completed, it will be "perfect for any type of ship."

The *Asia* was on the high seas for 9 days from Southampton, England, to Montreal. It took 8 days—"a lot of it spent waiting"—to journey from there to Duluth, Kruger added.

Mr. HUMPHREY. Mr. Castle, in his letter to me, stated:

The inaccuracies and exaggerations of press reporting are a great trial to us, and it is most unfortunate that some comments such as

contained in the clipping from a Duluth paper are accepted as general opinion and given wide circulation.

I digress from the letter to note that I had referred to some adverse comments as indicated in the headlines which I read.

Returning to the letter:

To answer some of the particular statements appearing in the clipping attached, no member of our Corporation ever said to any skipper that we were hesitant about sending a ship of large size through our lock facilities. To date we have transited over 700 vessels in a 25-day period without any major difficulties. Also, among those ships we have handled larger sizes than those of the oceangoing variety. We expect to transit ships carrying ore, grain and coal of 730 feet in length and 75 foot beam.

Some oceangoing skippers inexperienced in narrow channels were free in their critical comments. Many of them arrived in ballast with green pilots and encountered heavy winds, rain and fog. With a little more experience they will have no difficulty. I am led to believe that what difficulties they did encounter were due to their own bad seamanship, and to save face they blame the Seaway facilities. The Danish shipline owner of the *Asia* knew in advance our lock dimensions before the official opening, and because of the *Asia*'s bridge width they should not have put it in service for the Seaway.

Keep in mind also, that the Canadians opened their new locks for the first time this year, and need a reasonable length of time to train their lock crews and complete many refinements that are scheduled to be performed. Our Corporation had the advantage of 5 months' operation last year.

I beg you to be patient and give all Seaway employees an opportunity to show their resourcefulness to get things in good running condition before too long. The Seaway already has attracted many transits of new foreign lines, and very few of the skippers have complained. Our growing pains should be over before too long.

The final paragraph is of a more personal nature, and reads:

I hope it won't be long before you come up here to see our operations. They are efficient and successful, and I want you, as a Senator from Minnesota, to see our works with your own eyes. I know you will be pleased.

Sincerely yours

LEWIS G. CASTLE, *Administrator.*

I thank Mr. Castle for this very frank letter. He is working with great dedication to make the St. Lawrence Seaway project a successful enterprise.

It is difficult. It is new. I am hopeful that instead of looking at the slight mistakes which may be made along the way the American people and those who are responsible for informing the American people through the radio, press, and television will indicate the great achievement of this Seaway as well as some of its minor difficulties. I predict that in short order there will be great praise for the Seaway itself and for those who navigate its waters.

Indeed, we are looking forward in Minnesota to a great occasion at Duluth, Minn., this summer when we celebrate formally the opening of the Seaway. We hope to have one of our Navy's cruisers at Duluth. One of the cruisers, I believe, is now scheduled for Milwaukee. We also hope to have appropriate ceremonies to dedicate the new harbor and new facilities.

We in the Midwest, as I know is true of people along the St. Lawrence River and the Great Lakes system, are indeed pleased with, and, in fact, are excited about the possibility of economic development and growth which may come, and we pray and hope will come, with the opening of the St. Lawrence Seaway. It is a great thing to know that in the heartland of America great oceangoing liners of commerce can now render freight and passenger service.

Mr. President, I again wish to join with the many others who have commended those responsible for the good work in getting the Seaway open on schedule. I think that is quite an achievement within itself.

Mr. President, I yield the floor.

TRANSPORTATION: ACHILLES HEEL OF NATIONAL SECURITY

Mr. SCHOEPPEL. Mr. President, during the investigation conducted by the Senator from Florida [Mr. SMATHERS] we gave a great deal of consideration to the difficulties of the railroads; primarily in terms of their ability to perform the day-to-day functions expected of them in a peacetime economy.

The current issue of Political Science Quarterly, which is edited by the faculty of political science of Columbia University, contains an article entitled "Transportation: Achilles Heel of National Security." It was written by Robert W. Harbeson, professor of economics at the University of Illinois, who was formerly the principal economist in the Bureau of Transport Economics and Statistics of the Interstate Commerce Commission.

I have selected excerpts from this excellent paper. Since the Senate Interstate and Foreign Commerce Committee, of which I am a member, will shortly again embark on an extensive review of the entire transportation field, I believe this material will be of interest to my colleagues. I ask unanimous consent that it may be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TRANSPORTATION: ACHILLES HEEL OF NATIONAL SECURITY

The function of the transportation system in a modern economy has been likened to that of the circulatory system of the human body. Just as the degree of adaptability and reserve capacity in the circulatory system is of decisive importance in determining the extent to which the human organism can withstand unusual strain, so the degree of adaptability and reserve capacity of the transportation system sets limits to an economy's ability to withstand the unusual strain to which it is subjected by modern full-scale war. The present article is based upon the twofold conviction that our transportation system is not prepared to meet the requirements of a future full-scale war and that in neither official nor popular thinking is there full awareness of this fact and its implications.

One reason for this situation may be that those charged with the responsibility of planning national defense have become so preoccupied with the spectacular character and implications of satellites and intercontinental missiles as to have neglected the prosaic business of taking the measures necessary to insure that the transportation system will be adequate in the event of a future conflict. Yet neglect of the latter task may well prove to have as fatal consequences as failure to prepare for, and to maintain leadership in, space warfare. Unless corrective measures are taken, transportation may prove to be the vulnerable spot—the Achilles heel—in our provisions for national security.

A second contributing factor may be the belief in some quarters that the next war will be of a pushbutton character, fought with nuclear weapons which will decide the issue in such a short time that the adequacy of the transportation system could scarcely be a matter of decisive importance. There would probably be general agreement that, unfortunately, in all aspects of planning for national security primary consideration must be given to the very great risk of massive atomic attack. However, two points need to be made in this connection. First, there is at least some authoritative military opinion to the effect that even in a war involving nuclear weapons the importance of transportation will not be less, and may be greater, than in past conflicts. Second, responsible defense planning requires preparation not only for massive atomic attack but also for conflicts of a different character in which there can be no doubt that transportation will play as vital a role as heretofore.

In the third place the success of the inland transportation system of the United States in handling the greatly increased traffic of World War II may be responsible for some complacency concerning the ability of the transportation system to repeat this performance in a future conflict. However, closer consideration of the experience in World War II shows conclusively that there is no basis for such complacency. First of all, the transportation record of the last war is in considerable part attributable to good fortune rather than good planning. It was made possible by the existence of excess capacity in the railway system resulting from the heavy capital investment of the 1920's, by freedom from destruction by enemy action within the United States, and by the fact that there was time to build up a merchant marine, to expand air transport facilities and pipelines, to provide a synthetic rubber supply, and to create a governmental organization which could take the steps necessary for maintaining essential transportation services. Furthermore, even with these advantages the transportation system met the needs of the war effort by a narrower margin than is commonly supposed. One official who had a prominent part in directing wartime railway operations has expressed doubt that the transportation system would have remained adequate if the war had been prolonged much longer. Finally, and of the greatest importance, the successful transportation record of World War II would not have been possible except for predominant reliance upon rail transport and the presence of excess capacity which permitted the railways to absorb the added wartime traffic. Yet there has been a sharp decline since World War II both in the proportion of total traffic actually handled by the railroads and in the proportion which they could handle in a future emergency, and national security has been correspondingly weakened.

In order to visualize the transportation pattern of World War II it may be noted that railways handled 90 percent of all traffic moving on government bills of lading, 97 percent of all organized troop movements, from 67 to 71 percent of the total military and civilian freight traffic (excluding coastwise and intercoastal) and from 65 to 76 percent of the for-hire passenger transporta-

tion. They handled 83 percent of the increase in traffic between 1941 and the peak year 1944. Among other agencies of transportation only oil pipelines experienced a relatively larger increase in traffic, accomplished largely by the building of new lines.

It is necessary at this point to state the considerations supporting the statement made above that the decline in railway capacity since World War II represents a serious weakness in our provisions for national security. Why cannot other forms of transportation be relied upon to carry a larger share of the traffic load in a future war as they have in peace? First, for technological reasons railways are much more efficient carriers of volume movements of freight than are trucks or airplanes, and military operations depend upon volume movements. To maintain an army of 1 million men in World War II, 6 million tons of freight were required for initial supply and 1 million tons per month thereafter, and these figures are expected to be larger in a future conflict. In addition provision must be made for the mass movement of the men themselves. Bulk water carriers are also efficient in handling volume movements of freight but their usefulness is rather narrowly restricted by geographic and climatic factors.

Second, railways are far more economical of both fuel and manpower than are trucks or airplanes. It has been estimated that to produce a given number of ton-miles trucks require 4 to 4½ times as much fuel and 13 to 20 times as much manpower as in a rail movement; airplanes require 25 to 30 times as much fuel and 11 or 12 times as much manpower. The impending adoption of jet aircraft by airlines will greatly increase the foregoing differential in fuel consumption, although fortunately jet fuel—in effect, a mixture of gasoline and kerosene—is lower grade than aviation gasoline. It has been estimated that a DC–8 turbojet running 8 hours per day will consume 300,000 gallons of fuel in 15 days—as much as a DC–3, the standard plane of World War II, running the same number of hours per day, consumed in a year. A turbojet consumes more than twice as much fuel per mile as a modern DC–6B of similar size. The fuel requirements of jet aircraft also reduce the pay load which it is possible to carry on a long nonstop flight. It is reported that fuel may account for as much as 48 percent of the gross weight of a Boeing 707 jet as compared with 33 percent for a piston-engine DC–7. In the case of highway transportation it should be mentioned that automobile mileage per gallon of fuel has been reduced as a result of the trend toward higher horsepowers and automatic transmissions. Furthermore, the quality of gasoline provided for automobiles in a future war may deteriorate, as in World War II, because of the diversion of light hydrocarbons to the production of synthetic rubber and aviation gasoline; this will reduce the efficiency of modern high-compression engines designed for high-octane fuel.

In the light of the foregoing facts and the prospective oil supply situation, which will be further discussed below, it is safe to say that from a fuel standpoint it would not be possible in a future conflict to place the same relative reliance upon air and highway carriers as was placed upon railroads in World War II without impairing necessary supplies of gasoline for military use, local transportation, farming, and other essential uses. Likewise, manpower requirements would be such as to make exorbitant inroads upon both military and other essential civilian needs. As Railway Age remarked editorially, under the circumstances referred to, the Army would soon run out of recruits.

Third, experience indicates that it is almost impossible to immobilize railroads more than temporarily by bombing or sabotage; by means of emergency repairs, bypasses, or rerouting, traffic is maintained with a minimum of interruption. The organization, equipment and know-how which enable railroads to minimize the effects of damage caused by flood, fire or accident in peacetime are similarly effective in overcoming the effects of damage by enemy action in wartime. These statements are abundantly documented in a recent monograph written by Gen. J. A. Van Fleet, commanding general of the Eighth Army in Korea. To cite only one example, in the great air attack on Coventry in World War II, railway property received 122 bomb hits, yet the lines were open within 48 hours. It is also reported that in the atomic attacks on Hiroshima and Nagasaki, rail structures stood up among the best. This durability and recuperative power of railroads are of great importance in view of the possibility of extensive damage within the United States in the event of a future full-scale war.

There is some doubt as to whether railway trackage and terminal facilities could handle an increase in traffic of the foregoing magnitude. On the one hand, the Conway committee, a group of railway consultants appointed by the Office of Defense Mobilization in 1954, expressed the opinion that these facilities would be generally adequate in view of the continuing program of improvements since World War II, averaging $345 million per year. On the other hand, when the latter expenditures are adjusted for changes in construction costs, they are only about equivalent to the expenditures during 1936–40, a period of generally low traffic volume. Furthermore, the increase in traffic would not be spread evenly over the railway network but would be concentrated on certain main lines and routes, with a consequent danger of serious congestion. It is true that there is growing use of centralized traffic control, which increases the capacity of a single-track line by 75 to 85 percent, but the use of this device cannot fully offset the loss of capacity represented by the abandonment of 3,200 miles of multiple main track between 1946 and 1956.

There is also some uncertainty as to whether the present supply of motive power would be adequate to handle an increase in traffic of the magnitude just mentioned. The total tractive force of locomotives in 1956 was 19 percent below that of 1944 but the figures for the 2 years cannot be compared directly because of the wholesale shift from steam to diesel power. Diesel locomotives are more efficient than steam and are available for use more hours per day. The Conway committee found, as of 1954, that the existing motive power would be adequate to handle the traffic projected for the first year of mobilization but would fall short by 1,125 units of the number necessary for the projected full mobilization level. Even this was under the most favorable assumptions—a 7-day workweek, adequate manpower for inspection and maintenance, a previous stockpiling of component repair parts, and relaxation of inspection, maintenance, and testing standards. Since 1954 a large number of diesel units have been added to replace steam locomotives retired, but the aggregate tractive force of the locomotives has further declined. Hence it is not certain what the committee's findings would be under the present situation. However, President Symes, of the Pennsylvania Railroad, in recent testimony before the Smathers committee, expressed the opinion that at the present time the maximum volume of freight traffic which could be handled by the available motive power would be 5 to 8 percent below even 1944.

By contrast to the uncertainty concerning the adequacy of road property and motive power, the situation with respect to freight and passenger cars is strikingly clear. The number of freight cars available in 1957 has been estimated at 1.4 percent below the number in the peak World War II year 1944 and the aggregate capacity 5.8 percent greater than in the latter year. Taking into account the fact that 24 percent of the freight cars are over 30 years old and 36 percent are over 25 years old, and assuming a 6- or 7-day workweek, it seems clear that the volume of traffic which could be handled in a future emergency would be but little above that of 1944. The Conway committee estimated in 1954 that 320,000 additional cars would be required to carry the maximum volume of traffic projected by the Office of Defense Mobilization, and the number of freight cars available in 1957 was approximately the same as in 1954.

The situation with respect to passenger-carrying cars is the worst of all. The number of such cars, including 1,066 retired sleeping cars stored under control of the Department of Defense, declined 28 percent between 1944 and 1956, and the aggregate carrying capacity by 30 percent. Of the cars presently available, one-half are more than 30 years old and over two-thirds are more than 25 years old. Taking into account a statement by the Department of Defense that there would be an estimated 20-percent reduction in troop-training movements as compared with World War II and allowing for the cars stored by the Department of Defense, the Conway committee found, as of 1954, that 3,434 additional cars would be required to meet maximum mobilization needs in a future emergency. After allowing for 156 additional retired sleepers to be placed in the Defense reserve there was a net increase of 1,284 cars in the above deficit between 1954 and 1956. More recently, Maj. Gen. Samuel R. Browning, Deputy Chief of Transportation of the Department of the Army, in testimony before the Smathers committee, estimated mobilization requirements at 6,731 coaches and sleeping cars, or roughly 50 percent of the number available. However, it is noteworthy that he pointed out that coaches would have to be used in place of sleeping cars by some long-distance troop movements since the requirements for the latter cars were 398 in excess of the number available.

Neither of the foregoing estimates makes any attempt to include the requirements for essential civilian travel, yet the volume of the latter would undoubtedly be greater than in World War II. The writer estimates that if the same proportion of the 1956 traffic were handled by for-hire carriers as during the World War peak 1944, and if airlines and intercity bus operators increased the load factors of their present equipment to the maximum level of World War II, the railways would have to handle well over twice as many passenger miles as in 1944. Actually they would doubtless have to handle even more because more than one-fourth of the present fleet of planes is earmarked for a Reserve Air Force fleet and because of the likelihood that fuel rationing in a future conflict would be more severe than in World War II with a consequent greater shift to for-hire transportation. Finally, in the event of widespread destruction by atomic attack the requirements for mass movement of people would be still greater.

The weaknesses of our transportation system, both intercity and local, which have been analyzed in the foregoing pages derive basically from two related trends: a shift from rail to highway and air transportation and a shift from for-hire to private transportion. Corrective measures must therefore be of a sort which will modify or supplement these trends. Considering first intercity transportation, the most fundamental corrective measures required are those which are of primary importance in peace no less than in war, namely, measures which will insure that the trends in division of traffic just referred to reflect true economic advantage in the form of lower

social cost and not artificial advantages derived from subsidies or tax and regulatory inequalities. There is also urgent need of modernizing the railway rate structure by eliminating any "umbrella" rates maintained to protect high-cost competitors and by reducing the scope of discrimination in ratemaking to reflect the pervasiveness of intercarrier competition. Lack of space precludes elaboration and qualification of these propositions.

Although it is impossible to predict the extent to which the decline in railway traffic and in the capacity of railway plant would be arrested or reversed if all artificial handicaps of the railways were removed, it is a safe guess that even under these circumstances, in view of the extent to which the pattern of transportation has changed since World War II, the optimum level of railway capacity from a peacetime, profit-making standpoint would prove to be smaller than the optimum capacity from the standpoint of national defense. In any event, it has been shown above that under present conditions the railways lack the equipment, and possibly the motive power, to handle the volume of traffic which the Department of Defense has estimated that they would have to carry in a future emergency. Therefore, it would seem to be prudent for the Department of Defense to maintain a standby stock of equipment sufficient to offset this deficiency. Such a program has been criticized on the ground that it would be unduly expensive, but it would probably be less expensive than the program for a reserve merchant fleet and would be at least as essential from a defense standpoint. Moreover the imposition of charges for the use of airways and waterways—a desirable step in any case—might produce a budgetary saving equal to or greater than the cost of this program.

Consideration must also be given to the conclusions of Examiner Howard Hosmer, of the Interstate Commerce Commission, in his recently widely noted report, to the effect that, if present trends continue, railway sleeping and parlor car service will be almost extinct by 1965 and coach service (other than commutation) by 1970. If this forecast be accepted as even approximately accurate, it will manifestly be necessary to take steps to insure the availability not only of an adequate supply of passenger equipment but also of adequate passenger motive power, facilities, personnel, and organization. This would require provision in the defense budget for a subsidy sufficient to cover the out-of-pocket loss incurred as a result of the minimum level of passenger service which it is deemed necessary to maintain. It is important to note that the amount of the subsidy should be based on the carriers' out-of-pocket loss in the passenger service and not on the deficit on passenger service reported under ICC accounting rules. The danger that such a subsidy may be abused and may establish an undesirable precedent is clearly great but the importance of rail passenger transportation to national defense is such as to require that the risk be taken.

As indicated above, the situation of the railways from a defense standpoint is better in the case of tracks and terminals than in the case of equipment, although there may be some doubt as to the ability of the heavy traffic routes to carry the prospective wartime load. However, this situation threatens to change for the worse unless prompt action is taken. Consolidation has long been urged as a necessary step in strengthening the financial position of the railways and several important mergers are currently under consideration. One of the principal benefits expected from such mergers is the elimination of duplicate facilities. While this may be desirable from a financial standpoint, it will have the effect, at least in some cases, of removing excess capacity required in the interest of national defense. The appropriate remedies for this situation are less clear and present more difficulties than in the case of providing the necessary railway equipment. One possibility would be for the Department of Defense to pay a subsidy equal to taxes and the minimum cost of maintenance on facilities which are found to be superfluous in peacetime but which provides essential reserve capacity for defense.

It must be repeated, however, that efforts should be concentrated on measures which will insure that the railways secure all the traffic which they can handle at lower social cost than their competitors, and that the foregoing and similar measures be undertaken only to the extent that optimum railway capacity from an economic standpoint remains below the the level required by considerations of national defense.

The adaptation of local transportation to the requirements of national defense is a more complicated problem than that of intercity transportation, being involved in the problem of overall urban and metropolitan area planning, and is one for which no comprehensive solution is at hand. The basic difficulty is that considerations of national defense call for predominant reliance upon public transportation whereas personal comfort and convenience in most instances dictate predominant reliance upon private transportation, and the pattern of urban living and of location of industry has been adapted to this fact. Under these circumstances there is virtually no possibility of adopting measures which will increase the role of public transportation to the extent required by considerations of national defense. Even if this result were possible, it is not clear that it would be consistent with the requirements of overall urban planning. An additional difficulty is that planning for defense must be on a national basis whereas local transportation by its nature can be influenced by national policy only indirectly if at all.

Under the circumstances the best that can be done is take measures which will stabilize, and perhaps bring about a modest expansion in, the role of local public transportation. First, the use of automobiles can and should be controlled to some extent by measures designed to minimize traffic congestion, especially in downtown areas; these measures include in some instances a requirement of off-street parking and in others a level of on-street parking charges high enough to insure a rapid turnover in the use of space. The effect of these and similar measures would be to increase the expense of using automobiles at times and places where traffic congestion occurs and thus to discourage somewhat the use of automobiles under these conditions. Second, some form of tax relief and/or subsidy will be necessary in most cases. Wilfred Owen, in his recent comprehensive study of urban transportation problems, suggests what amounts to a pooling of revenue from all forms of local transportation. He would have a portion of the gasoline tax revenue generated in urban areas used to subsidize public transportation, on the ground that automobiles and buses use streets in common, that automobile users rely upon public transportation when cars are not available, and that the maintenance and extension of public transportation reduce the volume of street and highway capacity required to handle peak traffic movements and thereby reduce the financial burdens on automobile users. Owen points out that it is more logical for urban automobile users to subsidize urban public transportation than to subsidize users of local rural roads, which to some extent is the situation under present allocations of gasoline tax revenue. Third, there should be further experimentation in the pricing of urban transportation with the objective both of increasing revenue and of maximizing utilization of facilities.

Finally, the increasing extent to which the Federal Government assists in providing facilities for local transportation by sharing in the cost of urban extensions of the Federal-aid highway system will do more harm than good unless consideration is given to the appropriate roles of public as well as private local transportation and the relation of both to overall community plans. Therefore, urban highway grants should be conditioned on the presentation of community plans which include appropriate provision for public transportation, and this requirement might have the further desirable effect of providing an additional incentive to localities to maintain public transportation necessary in the interest of national defense. Some would go further and provide Federal subsidies to local public transportation as a supplement to urban highway grants. However, even if the foregoing and other measures thus far suggested were adopted, it is probable that, unfortunately, local transportation would remain a vulnerable spot in the armor of national security.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, June 1, 1959, he presented to the President of the United States the enrolled bill (S. 947) for the relief of Lenora Bent.

ADJOURNMENT

Mr. HUMPHREY. Mr. President, if there is no other business to come before the Senate, I move that the Senate now stand in adjournment until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 25 minutes p.m.) the Senate adjourned until tomorrow, Tuesday, June 2, 1959, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

MONDAY, JUNE 1, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Philippians 4: 6: *Have no anxiety about anything, but in everything by prayer and supplication with thanksgiving let your requests be made known unto God.*

God of grace and mercy, Thou art the light of all that is true, the glory of all that is beautiful, and the inspiration of all that is good.

We penitently confess that so frequently we allow ourselves to become troubled in spirits, depressed, and apprehensive.

Grant that we may be emancipated from all anxious and rebellious tempers of mind and heart and be delivered from those errors which blind, those doubts which darken, and the fears which weaken us.

Quicken our souls with a new hope and fill them with the glad assurance that Thou art always willing and ready to give Thyself unto us according to our needs.

Hear us in Christ's name. Amen.

The Journal of the proceedings of Thursday, May 28, 1959, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 5676. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1960, and for other purposes.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PASTORE, Mr. HAYDEN, Mr. KEFAUVER, Mr. FREAR, Mr. BIBLE, Mr. YOUNG of North Dakota, Mr. HRUSKA, and Mr. BEALL to be the conferees on the part of the Senate.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 5805. An act making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States for the fiscal year ending June 30, 1960, and for other purposes.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ROBERTSON, Mr. BIBLE, Mr. CHAVEZ, Mr. HAYDEN, Mr. MONRONEY, Mr. JOHNSTON of South Carolina, Mr. HRUSKA, Mr. BRIDGES, and Mr. KUCHEL, to be the conferees on the part of the Senate.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a concurrent resolution of the House of the following title:

H. Con. Res. 17. Concurrent resolution authorizing and requesting the President to designate the period beginning June 14, 1959, and ending June 20, 1959, as National Little League Baseball Week.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 947. An act for the relief of the estate of Verentes Bent, deceased.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 607) entitled "An act for the relief of the estate of Sinclair G. Stanley," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. O'MAHONEY, Mr. HART, and Mr. DIRKSEN to be the conferees on the part of the Senate.

MEMORIAL DAY ADDRESS BY SENATE DEMOCRATIC LEADER LYNDON B. JOHNSON

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and to include an address by Senator JOHNSON of Texas.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, at Hyde Park, N.Y., on Memorial Day, Senator LYNDON B. JOHNSON addressed the Hyde Park Home Club at the gravesite of the late President Franklin D. Roosevelt. Senator JOHNSON spoke with feeling and deeply impressed all of us who were privileged to hear him. My mother and family are most grateful to him and hope his words will gain wide recognition.

FRANKLIN D. ROOSEVELT

(Memorial Day address by Senate Democratic Leader LYNDON B. JOHNSON, Hyde Park, N.Y., May 30, 1959)

Mrs. Roosevelt, Congressman ROOSEVELT, and members of the family, ladies and gentlemen, grateful debtors all of us, pilgrims from many far off homes, we here commemorate the honored dead of Hyde Park, the home of Franklin Roosevelt. The hallowed places of our country are many. But this place is a shrine for the whole free world.

As with too few men, Franklin Roosevelt's home and home folks were a part of him and he of them. Here he was a solid countryman at heart, and as Churchill has said, a countryman used to natural catastrophe of flood and drought, lightning and storm, doesn't panic at human catastrophe.

All who lived here with him and all generations before him buried here contributed to what he was and what he did. We know he felt with Edmund Burke that society is a compact between the living, the dead, and those yet unborn, and a responsible statesman must at the same time respect and cherish all three.

In all Franklin Roosevelt did to meet the turmoil of his times he was never afraid of catastrophe, natural or human. He knew there was nothing to fear but fear itself. And he never forgot that he was an instrument of the American dream.

Fifteen years after his death, we are getting some perspective, some insight into the overall accomplishment of Franklin Roosevelt. It is too simple to say that he saved his Nation and he saved his world. This we know. Already, this is clearly the verdict of history.

DEMOCRATIC FORMS AND REALITY

The more absorbing question is how he managed to meet the terrible problems of depression and war without sacrificing the traditional liberty and democratic forms of the simpler 19th century civilization of America.

Revolution was in Roosevelt's day the order of the world. Only the English speaking nations were able to meet their problems without sacrificing the form and the substance of parliamentary democracy. Italy substituted fascism; Russia, international communism; Germany, nazism; and Japan, military dictatorship. All of these nations insisted upon, even glorified in, violence as a tool of state.

The glory of Roosevelt and the New Deal is, as I have said, that their achievements, both in peace and in war, were through the democratic process.

THE MIDDLE CLASS

Our hindsight, as we stand in memory before his grave today, allows us to see that certainly one of the most enduring of his accomplishments has been the strengthening of the great American middle class. This is the group most devoted to democracy and to a parliamentary and judicial process.

Here in 1933, as elsewhere in the world, were a small handful of very rich and masses of poor and dispirited. The backbone of the Nation, the homeowners, the merchants, and the small businessmen, professional men, were being ground into poverty.

Today almost all of America can be described as middle class in the best sense of the word. Our people are prosperous, devoted to home ownership and to private property, insistent in the preservation of their rights, strong and stable financially, demanding education for their children.

This is no happenstance, no latter-day miracle. It is the heritage of the New Deal. Roosevelt made money the servant and not the master of the people by his financial legislation. He promoted efficiency and economy in our lagging monopolies by such direct yardsticks as TVA. The productive machinery of our industries was stimulated, first, by the needs caused by the depression and, second, by the necessity of preparing ourselves for defense against the dictators of the world.

APPRENTICESHIP AND FULFILLMENT

How was he able as the only leader in the world to preserve the continuity between the past and the present and project it into the future?

Possibly just to live in government in New York State in the early period of his life was to anticipate the opportunities and the problems that were later to come to the whole Nation and acquaint him with the new forces that were to transform the world. In his freedom from fear he not only refused to obstruct these new forces, he encouraged and expanded them.

Franklin D. Roosevelt was born almost in the year of the erection of the Statue of Liberty—the symbol of the immigrant—whose 75th anniversary was observed last year.

The most significant forces of his early years were the emigration from the East to the West and the immigration from old Europe to the New World. The fullest impact of these forces was felt first in New York. New York Harbor was the important port of entry for the new immigrant. The Hudson River and the Erie Canal were the most important routes west for hundreds of thousands of farm settlers into the great West.

The American State is the only one in history—with the possible exception of ancient Athens—which arranged for its own bloodless invasion—with the sole condition that the newcomers take on the American identity of all.

FUSION OF SPIRIT

In this 75th year of the Statue of Liberty, it is not too much to say that the Democratic Party of Alfred E. Smith and Robert Wagner and Woodrow Wilson and the public schools were the means by which this fusion of spirit was accomplished. It is not too much to say that Franklin D. Roosevelt was both its master chemist—and its personal catalyst.

Neither he, nor the Democratic Party need look to the polls for vindication. The sons and daughters of these immigrants, gracing the highest places and councils of this Nation give full and magnificent answer every day of their highly useful and effective lives.

There were no underprivileged sections any more than classes, races, or creeds in his concept of the American dream. This he had received in trust from his fathers to improve for his own generation and to keep open for the future.

A NATIONAL PRESIDENT

He was a New Yorker and an easterner. But one of the first tasks which he set himself was the raising up of the South, economic problem No. 1, still suffering from the destruction of capital in the War Between the States. He was an easterner and a New Yorker, but the second important task he set himself was to bring to the West the electric power, the rural electrification, and the water which it needed to grow. And

the West and the South will forever love him, and follow where he led.

Franklin D. Roosevelt knew that the development of individual talent was the key to national well-being, as the raindrop is to the brook, and the brook to the river. Our democracy as such is not only opposed to mediocrity; it may justly claim that its fair chance for individual development is the only system in the world which provides for the bloodless rise of a functioning aristocracy. By their works not their words, shall ye know them. That is the measure of true aristocracy.

As the last generation saw the doors opened widely to all, for equal opportunity, the coming generations will apply the same standards to all, as befits a noble, competitive people.

VOICE OF HOPE

We need today to hear again the voice of Roosevelt through those whom he inspired and touched with fire. We need a voice that today gives hope and aspiration to the liberty-seeking peoples of central Europe—to the Poles and the Czechs and the Hungarians and the divided German people behind the Iron Curtain. We need the same kind of hope that the Democratic Party gave to the immigrant in Roosevelt's youth and that Roosevelt gave to a distraught and hopeless nation and world in his maturity. Our service at this shrine is a testimony to our faith as well as our hope that that voice will never die.

Here was the beginning, but here is not the end. Tens of thousands of people come to this shrine to renew their faith, as well as to pay their respect. All races, creeds, and nations are the better for his life, and of no man can more be said.

He was born an American, but he belongs to the world. Humbly, proudly, and reverently, we claim him as President Franklin D. Roosevelt of the United States of America. But his name, his great heart and spirit, and his magnificent life are a guardian in the skies—protecting his people whom he loved, always.

NATIONAL LITTLE LEAGUE BASEBALL WEEK

Mr. DOWDY. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the concurrent resolution (H. Con. Res. 17) authorizing and requesting the President to designate the period beginning June 14, 1959, and ending June 20, 1959, as National Little League Baseball Week, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the concurrent resolution.

The Clerk read the Senate amendment, as follows:

Amend the title so as to read: "Concurrent resolution authorizing and requesting the President to proclaim the week beginning the second Monday in June of each year as National Little League Baseball Week."

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. ARENDS. Mr. Speaker, reserving the right to object—and I shall not object—has this been cleared with all the Members concerned?

Mr. DOWDY. It has.

Mr. ARENDS. It is merely an acceptance of a Senate amendment?

Mr. DOWDY. To amend the title, that is all; there is no other change.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day.

The Clerk will call the first bill on the calendar.

CAPTAIN ANTHONY MELDAHL DAM

The Clerk called the bill (H.R. 904) to rename the New Richmond Dam in the State of Ohio as the Captain Anthony Meldahl Dam.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the New Richmond Dam on the Ohio River near Chilo, Ohio, shall be known and designated as the Captain Anthony Meldahl Dam. Any law, regulation, document, or record of the United States in which such dam is referred to under any other name or designation shall be held to refer to such dam as Captain Anthony Meldahl Dam.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That the New Richmond Locks and Dam on the Ohio River near Chilo, Ohio, shall be known and designated as the Captain Anthony Meldahl Locks and Dam. Any law, regulation, document, or record of the United States in which such locks and dam are referred to under any other name or designation shall be held to refer to such locks and dam as Captain Anthony Meldahl Locks and Dam."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed.

The title was amended so as to read: "A bill to rename the New Richmond Locks and Dam in the State of Ohio as the Captain Anthony Meldahl Locks and Dam."

A motion to reconsider was laid on the table.

DEFENSE DEPARTMENT OVERSEAS TEACHERS PAY AND PERSONNEL PRACTICES ACT

The Clerk called the bill (S. 96) to govern the salaries and personnel practices applicable to teachers, certain school officers, and other employees of the dependents schools of the Department of Defense in overseas areas, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, reserving the right to object, I would like to ask several questions concerning this legislation. I am concerned as to whether or not this legislation will put all teacher personnel working for the Department of Defense overseas under the pay scales and other legislation of the District of Columbia.

Mr. PORTER. Mr. Speaker, will the gentleman yield?

Mr. FORD. I would be very glad to have the question answered.

Mr. PORTER. Our colleague, the gentleman from Virginia [Mr. BROYHILL] sat with the committee in the hearing on this bill and is a ranking minority member of the committee. I think the gentleman ought to answer the inquiry.

Mr. BROYHILL. Was the gentleman's question whether or not there were other employees overseas working under legislation similar to this?

Mr. FORD. As I understand it, this legislation seeks to put the Department of Defense oversea teachers under the Pay and Personnel Practices Act of the District of Columbia.

Mr. BROYHILL. That is correct, but not in excess of what the District of Columbia schoolteachers are now receiving.

Mr. FORD. The question that comes to my mind is this: If the pay is increased in the District of Columbia for the teachers here; does that automatically increase the pay of teachers in the Department of Defense oversea teachers program?

Mr. BROYHILL. No; this would make it permissive.

Mr. FORD. What assurance do we have that that would not be the case?

Mr. BROYHILL. The intent of the legislation is to make the salaries and positions of oversea schoolteachers in line and competitive with those in the continental limits of the United States. You see we have a good school system there with 108,000 students overseas and 4,500 schoolteachers. It is a good school system and we want to assure that it remains a good school system as it is here within the continental limits.

Mr. FORD. I am quite familiar with the program because in our Subcommittee on Military Appropriations we have to pay the bill, and it is a very substantial bill on an annual basis. In fact, in some respects, I think the costs are too much. I am fearful that this legislation might add to the cost unnecessarily. It has been my experience that we have many more applicants for these teacher positions than there are vacancies. There is no lack of teacher applicants for these oversea jobs. I am personally concerned about this program getting out of hand, and I wonder if this legislation is a step in that direction.

Mr. BROYHILL. It is estimated that the maximum cost of this legislation providing they bring all of the costs up to the same level as the District of Columbia teachers, the maximum cost is $270,000 a year. It is true that they are not having a problem in recruiting teachers right now, but it is felt by having a more realistic schedule there, we might be able to keep the teachers over there just a little bit longer and in the long run it would be more economical than the present system.

Mr. FORD. I believe I would like to take a further look at this proposed legislation primarily because the subcommittee of which I am a member, of

the Committee on Appropriations, has to pay this bill and I have grave fears that the cost of this program could get out of hand and that this legislation may contribute to it.

Mr. PORTER. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield.

Mr. PORTER. I share the gentleman's concern as to the costs, but I do want to point out that the per capita cost for the students overseas is $252 compared to something like $434 for the students in the District of Columbia which is considerably lower, therefore, than in the District of Columbia or than say Maryland, for example, which has a per capita cost of $366. In other words, the costs are not out of line. The Department of Defense, which supports this bill, estimates that this will only mean an overall cost of $270,000 a year and this is primarily a matter of keeping and getting, as the gentleman from Virginia [Mr. BROYHILL] pointed out, better teachers overseas. The recruitment program shows more people applying for jobs than there are jobs to be filled. This will enable us to get a higher class teacher for a very small amount of money. The sum of $270,000 is the maximum estimated by the Defense Department. It would mean a great deal to the overseas teachers who are doing such a fine and important job.

Mr. FORD. I know that either last June or July the cost per student according to the money appropriated was $255 per pupil. The cost was more because of the increased pay of all Government personnel, including these overseas teachers. That increased the per student cost overseas to $265.

The defense appropriation bill which will be before us for consideration later this week still carries the cost at $265 per pupil. That does not seem to coincide with the $252 figure the gentleman just quoted. Maybe we should reduce it from $265 to $252.

Mr. PORTER. Mr. Speaker, if the gentleman will yield further, last year according to my information your committee appropriated a little over $27 million, representing about $252 for each of the 108,000 pupils. I want to state to the gentleman that if we could educate at that cost children in the United States, Maryland, New York, which is the highest, or in my own State of Oregon, which is very high—Oregon, for example, is $413 per pupil—the local taxpayers would be delighted. In other words, this $252 per pupil overseas—and the standards are high—is an excellent figure and one I think we should not feel is too high.

Mr. FORD. I now yield to the gentlewoman from Ohio [Mrs. BOLTON] who has been seeking recognition.

Mrs. BOLTON. I thank the gentleman for yielding to me.

Mr. Speaker, I am very happy to be able to comment at this point. About a year and a half ago when I was overseas I visited some of these schools. Afterward when I made my objections to the educational group in the Pentagon I was told, as we have been told here today, that there were more applications than there were places to be filled.

Then I asked for investigation to be made of the type of teacher, because what I saw there shocked and disheartened me very much. Overseas we have an opportunity to teach the standards of living and of good behavior of the United States. Although most of the teachers I saw were excellent representatives of American teachers, others were rather blatantly not. Certainly they would not make good demonstration of our culture for the people of the whole area. I would like to be able to feel that the committees involved here would take a serious view of the type of teacher who is chosen. The kind of investigation that was made by the Army was so casual that, after it was all over, nobody at the Pentagon ever answered my question.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, I withdraw my reservation of objection and ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

FURTHER AMENDING REORGANIZATION ACT OF 1949

The Clerk called the bill (H.R. 5140) to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time in conformity with the provisions of the act.

Mr. McCORMACK. Mr. Speaker, I think this is the same bill that is scheduled for consideration tomorrow. I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PAYMENT OF CERTAIN EXCESS REAL PROPERTY EXPENSES

The Clerk called the bill (S. 900) to amend section 204(b) of the Federal Property and Administrative Services Act of 1949 to extend the authority of the Administrator of General Services to pay direct expenses in connection with the utilization of excess real property and related personalty, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of subsection (b) of section 204 of the Federal Property and Administrative Services Act of 1949 (63 Stat. 388, as amended; 40 U.S.C. 485 (b)) is hereby further amended to read as follows: "Not more than an amount to be determined quarterly by the Director of the Bureau of the Budget may be obligated from such fund by the Administrator to pay the direct expenses incurred for the utilization of excess property and the disposal of surplus property under this act for fees of appraisers, auctioneers, and realty brokers, and for advertising and surveying."

With the following committee amendment:

Strike out all language after line 5, page 1, of the bill and substitute the following language therefor: "further amended by deleting the word 'dispositions' from the second sentence of said subsection (b) and inserting in lieu thereof the words 'utilization of excess property and the disposal'."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LANDS IN OKLAHOMA FOR CHEYENNE AND ARAPAHO INDIANS

The Clerk called the bill (H.R. 816) to set aside certain lands in Oklahoma for the Cheyenne and Arapaho Indians.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there are hereby eliminated from the Cheyenne and Arapaho subagency reservation at Concho, Oklahoma, approximately four thousand nine hundred acres of land considered excess to the present school and agency reserve needs. The Secretary of the Interior is authorized to set aside in trust for the use and benefit of the Cheyenne and Arapaho Tribes of Oklahoma such land located in township 13 north, range 7 west and range 8 west, Indian meridian, Canadian County, Oklahoma, together with improvements thereon.

With the following committee amendment:

Page 1, line 12, strike out the period and add the following language: "upon agreement of the Cheyenne and Arapaho Tribes to eliminate from their suit now pending before the Indian Claims Commission under the Act of August 13, 1946 (60 Stat. 1049) any claim based on alleged inadequate compensation for said land and to renounce any other claim they may have with respect thereto. Nothing contained in this Act shall be construed as an admission of liability on the part of the United States with respect to these or any other lands."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

USE OF LOAN FUND TO ASSIST KLAMATH INDIANS

The Clerk called the bill (H.R. 5519) to authorize the use of the revolving loan fund for Indians to assist Klamath Indians during the period for terminating Federal supervision.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that an identical Senate bill (S. 1242) be substituted for the House bill.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The SPEAKER. Is there objection to the present consideration of the Senate bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized to make loans, without interest, from the revolving fund authorized by the Acts of June 18, 1934 (48 Stat. 986; 25 U.S.C. 470), and June 26, 1936 (49 Stat. 1968; 25 U.S.C. 506), as amended and supplemented, to members of the Klamath Tribe of Indians who elected to withdraw from the tribe pursuant to the Act of August 13, 1954 (68 Stat. 718; 25 U.S.C. 564), as amended, regardless of the degree of Indian blood of the borrower, and to collect such loans by setoff against funds payable to the borrower pursuant to said Act of August 13, 1954, as amended. The Secretary is also authorized to refinance from such revolving fund any loan made by a lending agency to a withdrawing Klamath Indian that is secured by encumbrance of his beneficial interest in tribal property with the approval of the Secretary as required by section 4 of said 1954 Act, and to include therein a nonreimbursable grant equal to the interest charges incurred by the borrower prior to such refinancing. In the event adequate funds are not available from the revolving fund to refinance a loan by such lending agency, the Secretary is authorized to pay from the revolving fund, without reimbursement, the interest charged on such loan.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider and a similar House bill (H.R. 5519) were laid on the table.

ADDING CERTAIN PUBLIC DOMAIN LANDS IN NEVADA TO THE SUMMIT LAKE INDIAN RESERVATION

The Clerk called the bill (H.R. 6234) to add certain public domain lands in Nevada to the Summit Lake Indian Reservation.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the bill S. 1217, an identical bill to the House bill, be considered in lieu of H.R. 6234.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There being no objection, the Clerk read the Senate bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the southeast quarter northeast quarter, northeast quarter southeast quarter section 20, township 42 north, range 26 east, Mount Diablo meridian, Nevada, situated within the exterior boundaries of the Summit Lake Indian Reservation, Humboldt County, Nevada, containing 80 acres, are hereby withdrawn from the public domain, subject to any valid existing rights heretofore initiated under the public land laws, and added to and made a part of the Summit Lake Indian Reservation.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONFEDERATED TRIBES OF THE WARM SPRINGS RESERVATION (OREGON)

The Clerk called the bill (H.R. 6914) to donate to the Confederated Tribes of the Warm Springs Reservation, Oregon, approximately 48.89 acres of Federal land.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all of the right, title, and interest of the United States in the land described below are hereby declared to be held in trust for the Confederated Tribes of the Warm Springs Reservation, Oregon: Commencing at a point 5.38 chains west of center of section 25, township 9 south, range 12 east, north 30 chains, west 17.08 chains, south 20 chains, east 2.50 chains, south 10 chains, east 14.63 chains to point of beginning, containing 48.89 acres more or less, being parts of lots 5, 6, 11, 12, and 14 of section 25, township 9 south, range 12 east, Willamette meridian, Jefferson County, Oregon.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING SECRETARY OF THE INTERIOR TO ACQUIRE LANDS OR INTEREST IN LANDS FOR THE GEOLOGICAL SURVEY

The Clerk called the bill (H.R. 4483) to amend the act of December 24, 1942 (56 Stat. 1086, 43 U.S.C., 36b), entitled "An act to authorize the Secretary of the Interior to acquire lands or interest in lands for the Geological Survey."

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of December 24, 1942 (ch. 822, 56 Stat. 1086), is hereby amended to read as follows: "That the Secretary of the Interior may, on behalf of the United States and for use by the Geological Survey in gaging streams and underground water resources, acquire lands by donation or when funds have been appropriated by Congress by purchase or condemnation, but not in excess of ten acres for any one stream gaging station or observation well site. For the same purpose the Secretary of the Interior may obtain easements, licenses, rights-of-way, and leases limited to run for such a period of time or term of years as may be required for the effective performance of the function of gaging streams and underground water resources: *Provided,* That nothing in this Act shall be construed as affecting or intended to affect or in any way to interfere with the laws of any State or Territory relating to the control, appropriation, use, or distribution of water used in irrigation, or any vested right acquired thereunder, and the Secretary of the Interior, in carrying out the provisions of this Act, shall proceed in conformity with such laws, and nothing in this Act shall in any way affect any right of any State or of the Federal Government or of any landowner, appropriator, or user of water, in, to, or from any interstate stream or the waters thereof."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING FEDERAL EMPLOYEES PAY ACT OF 1945

The Clerk called the bill (H.R. 6134) to amend the Federal Employees Pay Act of 1945 to eliminate the authority to charge to certain current appropriations or allotments the gross amount of the salary earnings of Federal employees for certain pay periods occurring in part in previous fiscal years.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 604(b) of the Federal Employees Pay Act of 1945 (59 Stat. 303; U.S.C. 944(b)) is amended by striking out the following sentence: "When a pay period for such officers and employees begins in one fiscal year and ends in another, the gross amount of the earnings for such pay period may be regarded as a charge against the appropriation or allotment current at the end of such pay period."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CUSTIS-LEE MANSION IN ARLINGTON NATIONAL CEMETERY

The Clerk called the bill (H.R. 5138) to extend the grounds of the Custis-Lee Mansion in Arlington National Cemetery.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Represenatives of the United States of America in Congress assembled, That to make possible the restoration and preservation of a portion of the historic grounds associated with the Custis-Lee Mansion which, pursuant to the Act of June 29, 1955 (69 Stat. 190), has been dedicated as a permanent memorial to Robert E. Lee, the Secretary of the Army is authorized and directed to transfer to the jurisdiction of the Secretary of the Interior, without remuneration, for addition to the Custis-Lee Mansion, approximately 0.76 acre of land within the Arlington National Cemetery lying immediately south of the Custis-Lee Mansion, more particularly described as follows:

Beginning at a bronze disc in the east curb of Sherman Avenue at the southwest corner of the present Custis-Lee Mansion grounds marked C L 3, thence with the east curb of Sherman Avenue in a southwesterly direction 117.03 feet along the arc of a curve whose radius is 175.96 feet and whose long chord bears south 36 degrees 49 minutes 12 seconds west for 114.89 feet to a bronze disc in the curb marked C L 4, thence leaving Sherman Avenue, east 121.33 feet to a bronze disc set in concrete and marked C L 5, thence south 00 degrees 59 minutes 04 seconds east 135.03 feet to a bronze disc set in concrete and marked C L 6, thence north 88 degrees 33 minutes 40 seconds east 103.75 feet to a bronze disc set in concrete and marked C L 7, thence north 47 degrees 10 minutes 49 seconds east 10.03 feet to a bronze disc set in concrete and marked C L 8, thence north 1 degree 12 minutes 50 seconds east 217.61 feet to a bronze disc set in concrete and marked C L 9 in the south line of the present Custis-Lee Mansion grounds (the last three courses being 4 feet north, northwest, and west, respectively, from rows of existing headstones), thence with the south line of the present Custis-Lee Mansion grounds and

along the south side of an existing brick wall, west 170.46 feet to the place of beginning, containing 33,151 square feet or 0.76106 acre of land more or less, in accordance with a plat of survey made by National Park Service, National Capital Parks dated September 20, 1955, and bearing file number NCP 2.3–94.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CITY OF WARNER ROBINS, GA.

The Clerk called the bill (H.R. 5927) to authorize the conveyance to the city of Warner Robins, Ga., of about 29 acres of land comprising a part of Robins Air Force Base.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Air Force is authorized and directed to convey to the city of Warner Robins, Georgia, at the fair market value as determined by the Secretary of the Air Force, all the right, title, and interest of the United States in and to approximately 29 acres of land comprising a part of the Robins Air Force Base, including improvements which may be located thereon at the time of the conveyance as outlined in red on Robins Air Force Base map, sheet 1 of drawing numbered 8–58–105 dated October 16, 1958, on file at Robins Air Force Base, Georgia.

SEC. 2. The conveyance authorized by this Act shall be subject to the retention by the United States of a right-of-way for utility lines and over the land herein authorized to be conveyed.

SEC. 3. The Secretary of the Air Force may include in the deed of conveyance authorized under this Act such terms and conditions as he considers to be in the public interest.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING SECRETARY OF THE NAVY TO ACQUIRE CERTAIN REAL PROPERTY IN THE COUNTY OF SOLANO, CALIF.

The Clerk called the bill (H.R. 697) to authorize the Secretary of the Navy to acquire certain real property in the county of Solano, Calif., to transfer certain real property to the county of Solano, Calif., and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Navy is authorized to acquire on behalf of the United States, by gift, purchase, condemnation, or otherwise, the real property described in section 3 of this Act, for the purpose of relocating thereon certain railroad tracks located on the date of enactment of this Act on the real property described in section 4 of this Act.

SEC. 2. Upon acquisition of the real property described in section 3 of this Act, the Secretary shall convey to the county of Solano, California, all right, title, and interest of the United States in and to the real property described in section 4 of this Act, upon payment to the United States by such county of all expenses incurred by the United States under the first section of this Act, including expenses incurred by the United States in relocating the railroad tracks referred to in such first section.

SEC. 3. The real property to be acquired by the Secretary under the first section of this Act is situated in the county of Solano, California, and is more particularly described as follows:

A PORTION OF PARCEL NUMBERED 1

Beginning at a point 15.00 feet easterly and at right angles to engineers station 130+78.26, said engineers station being in the center of the existing United States Navy railroad tracks; thence along a curve to the right of radius 286.56 feet, central angle 17 degrees 03 minutes 20 seconds, and length 87.18 feet, to the true point of beginning, said point being north 0 degrees 06 minutes 33 seconds west, 152.70 feet distant from the northwest corner of parcel numbered 2 described in book 385 at page 190 of official records of Solano County; thence north 0 degrees 06 minutes 33 seconds west, 76.10 feet; thence along a curve to the right of radius 316.56 feet, central angle 15 degrees 46 minutes 42 seconds, and length 87.17 feet to a point, said point being south 11 degrees 45 minutes 08 seconds east, 20.30 feet distant from the southeast corner of parcel numbered 2 described in book 385 at page 190 of the official records of Solano County; thence south 11 degrees 45 minutes 08 seconds east, 36.28 feet; thence along a curve to the left of radius 286.56 feet, central angle 24 degrees 57 minutes 46 seconds, and length 124.85 feet to the true point of beginning.

A PORTION OF PARCEL NUMBERED 2

Beginning at a point 15.00 feet easterly and at right angles to engineers station 130+78.26, said engineers station being in the center of existing United States Navy railroad tracks; thence along a curve to the right of radius 286.56 feet; central angle 61 degrees 54 minutes 05 seconds and length 309.59 feet to the true point of beginning; thence north 11 degrees 45 minutes 08 seconds west, 31.14 feet to a point, said point being south 11 degrees 45 minutes 08 seconds east, 8.86 feet distant from the Hans Adler property as said property is described in book 109 at page 374 of official records of Solano County; thence along curve to the right of radius 316.56 feet, central angle 13 degrees 35 minutes 13 seconds, and length 75.07 feet; thence along a line tangent to the curve north 77 degrees 02 minutes 44 seconds east, 198.27 feet, said line being a portion of the south line of the Hans Adler property described in book 109 in page 374 of official records of Solano County, thence along a curve to the left of radius 286.56 feet, central angle 42 degrees 24 minutes 55 seconds, and length 212.14 feet to the south line of lot numbered 4 of El Campo Gardens subdivision recorded in book 14 at page 15 of official records of Solano County, thence along the south line of lot numbered 4 north 77 degrees 02 minutes 44 seconds east, 36.14 feet to the west line of the Southern Pacific Railroad Company right-of-way; thence along said right-of-way line south 5 degrees 16 minutes 03 seconds west, 6.06 feet; thence along a curve to the right of radius 316.56 feet central angle 46 degrees 35 minutes 01 seconds and length 257.39 feet; thence south 77 degrees 02 minutes 44 seconds west, 198.27 feet to a curve to the left, along said curve of radius 286.56 feet, central angle 15 degrees 10 minutes 36 seconds a distance of 75.91 feet to the true point of beginning.

A PORTION OF PARCEL NUMBERED 3

Beginning at a point 15.00 feet easterly and at right angles to engineers station 130+78.26, said engineers station being in the center of the existing United States Navy railroad tracks; thence along a curve to the right of radius 286.56, central angle 77 degrees 04 minutes 41 seconds, and length 385.50 feet; thence north 77 degrees 02 minutes 44 seconds east, 198.27 feet; thence along a curve to the left of radius 316.56 feet, central angle 46 degrees 35 minutes 01 seconds, and length 257.39 feet; thence along the Southern Pacific Railroad Company right of way north 5 degrees 16 minutes 03 seconds west, 6.06 feet, to the true point of beginning; thence south 77 degrees 02 minutes 44 seconds west 36.14 feet along the south line of lot numbered 4, El Campo Garden Subdivision, said subdivision is recorded in book 14 at page 15 of official records of Solano County; thence northeasterly along a curve to the left of radius 286.56 feet, central angle 13 degrees 45 minutes 44 seconds, and length 68.83 meet; thence along the east line of lot numbered 4 south 5 degrees 16 minutes 03 seconds east, 52.20 feet to the true point of beginning.

SEC. 4. The real property of the United States to be conveyed by the Secretary under section 2 of this Act is situated in the county of Solano, California, and is more particularly described as follows:

PARCEL NUMBERED 23

In the county of Solano, State of California, that portion of County Road Numbered 85 occupied in the year 1955 by the roadbed of the San Francisco and Napa Valley Railroad extending approximately from engineers' railroad centerline station 138+00 to 203+00; being the railroad right-of-way franchise granted by Ordnance Numbered 55, Solano County, California, adopted April 7, 1902.

PARCEL NUMBERED 24

That part situate in Solano County, California, only of the land conveyed by Mary Victoria Hamilton to the Vallejo, Benicia and Napa Valley Railroad Company by deed dated March 6, 1904, and recorded March 16, 1904, in book 145 of deeds, page 210, in the Office of the Recorder, Solano County. The land conveyed by said deed being described therein as follows:

Being a portion of the land formerly of D. and L. Mini and the Rutan estate distant about two miles southerly from Napa Junction, lying upon the west side of the Napa Road adjoining the lands formerly owned by John Mullin on the south and of D. and L. Mini on the north, said portion of land being more particularly described as folows, to wit:

Being in part a strip of triangular-shaped piece of land fronting upon the Napa Road for a distance of about eight hundred and sixty-four feet, described as follows, to wit: Said triangle of land having its apex at the intersection of the west line of Napa Road and an existing subdivision fence extending westerly from said Napa Road, said fence being distant about six hundred feet south of the residence on said property, the base of said triangle being a straight line extending northerly from said apex for a distance of about eight hundred and sixty-seven feet to a point on an existing corral fence, which point is sixty feet west of the west line of Napa Road, being also the west side of the right-of-way of the Southern Pacific Railroad Company;

Thence easterly along said corral fence distant sixty feet to an intersection with the said west line of the Napa Road. Said right-of-way also including a strip or tract of land parallel with and adjacent to the right-of-way of the Southern Pacific Railroad Company on the west side thereof, described as follows:

Beginning at a point on an existing corral fence, distant sixty feet west of the west line of the Southern Pacific Railroad right-of-way (coincident with said point above mentioned);

Thence northerly for a distance of about eight hundred and eighty-five feet to a point on an existing fence (which extends westerly from the west line of the right-of-way of the Southern Pacific Railroad Company and

is hereby designated as Mini's fence) distant seventy-five feet west of the west line of the right-of-way of the Southern Pacific Railroad;

Thence easterly for a distance of 75 feet to the said west line of said Southern Pacific Railroad right-of-way;

Thence southerly on the said west line of said Southern Pacific Railroad Company right-of-way for a distance of about eight hundred and eighty-one feet to the said corral fence; thence westerly distant sixty feet to the point of beginning; said right-of-way also including a strip of land seventy-five feet wide, parallel with and adjacent to the said right-of-way of the Southern Pacific Railroad Company on the west side thereof, said strip extending from the north line of said property (adjoining the property of D. and L. Mini) southerly for a distance of about two thousand six hundred and fifty-four feet, to said existing fence (above designated as Mini's fence) which extends westerly from the west line of the right-of-way of the Southern Pacific Railroad Company. The three strips of land herein separately described being one continuous strip or tract.

With the following committee amendments:

Page 2, line 8, add the following sentence at the end of section 2: "Any public works funds appropriated now, or hereafter available to the Department of the Navy, may be obligated for this purpose. Reimbursements to the Government on account of payments made pursuant to this Act shall be made to the appropriation against which such payments were charged."

Page 5, line 14, add the following words at the end of section 3:

"PARCEL NUMBERED 4

"A permanent easement for railroad purposes beginning at a point 15.00 feet easterly and at right angles to engineers station 130/78.26, said engineers station being in the center of the existing United States Navy railroad tracks; thence along a curve to the right of radius 286.56 feet, central angle 42 degrees 01 minutes 06 seconds length 215.03 feet, to a point on the westerly right-of-way line of Solano County Road Numbered 1070, said point being the true point of beginning; thence along said right-of-way line north 11 degrees 45 minutes 08 seconds west 36.28 feet; thence along a curve to the right of radius 316.56 feet central angle 17 degrees 34 minutes 24 seconds length 97.19 feet to a point on the easterly right-of-way line of Solano County Road Numbered 1070; thence along said right-of-way line south 11 degrees 45 minutes 08 seconds east 31.14 feet; thence along a curve to the left of radius 286.56 feet central angle 19 degrees 50 minutes 59 seconds length 99.28 feet to the true point of beginning."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMITTING APPLICATIONS FOR MOVING COSTS RESULTING FROM MILITARY PUBLIC WORKS PROJECTS TO BE FILED

The Clerk called the bill (H. R. 4656) to amend section 401b of the act of July 14, 1952, to permit applications for moving costs resulting from military public works projects to be filed either 1 year from the date of acquisition or 1 year following the date of vacating of the property.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, I would like to ask why moving costs are not included in the acquisition costs in this bill.

Mr. VINSON. Under the law today, in addition to the fair market value of the property, allowance can be made for the cost of moving. That is what this bill relates to. This was a decision of the Congress some years ago. After a piece of property has been acquired, this permits the Federal Government to pay a certain amount, not exceeding 25 percent of the value of the property, as moving costs.

Mr. GROSS. That does not answer the question as to why the moving costs are not included in the acquisition costs.

Mr. VINSON. In the acquisition costs you must, under the law, pay the fair market value. That is the law. You pay the fair market value and that is all you pay in a condemnation proceeding or in an acquisiton by purchase. This is in addition to the fair market value. For instance, if a farmer's land is taken, you would only pay him the fair market value; then when he is required to move himself and his implements this would give to him a certain additional amount that is agreed to for the additional cost of moving. It is nothing but fair legislation.

Mr. GROSS. This is legislation that we have had in the past?

Mr. VINSON. Yes, legislation along the same line, because it primarily permits a person to occupy the property for a year in which to file a claim. The only thing that this bill does is to permit the filing of an application for moving costs within 1 year of the date of vacating the property. The law as it reads today requires the application to be filed within 1 year of the date of acquisition of the property. It is frequently in the Government's interest to permit people to remain on the property which it acquires so as to protect it from vandalism, from fire, and from other similar hazards.

Mr. GROSS. Is this same policy used in the matter of condemnation for road building?

Mr. VINSON. It has no relation to road building. This relates to land acquisitions of the military departments.

Mr. GROSS. Is this policy used in road building throughout the country?

Mr. VINSON. No; not that I know of. This deals with the acquisition of property for military purposes. When a man is inconvenienced by the acquisition, then he is paid for moving costs to some other place to find a home. This is good legislation.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first two sentences of section 401b of the Act of July 14, 1952, as amended (66 Stat. 606, 624; 69 Stat. 352), are amended to read as follows: "The Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force are respectively authorized, to the extent administratively determined by each to be fair and reasonable, under regulations approved by the Secretary of Defense, to reimburse the owners and tenants of land to be acquired for any public works project of the military department concerned for expenses and other losses and damages incurred by such owners and tenants, respectively, in the process and as a direct result of the moving of themselves and their families and possessions because of such acquisition of land, which reimbursement shall be in addition to, but not in duplication of, any payments in respect of such acquisition as may otherwise be authorized by law: *Provided,* That the total of such reimbursement to the owners and tenants of any parcel of land shall in no event exceed 25 per centum of the fair value of such parcel of land as determined by the Secretary of the military department concerned. No payment in reimbursement shall be made unless application therefor, supported by an itemized statement of the expenses, losses, and damages so incurred, shall have been submitted to the Secretary of the military department concerned within one year following the date of such acquisition or within one year following the date that the property is vacated by the applicant, whichever date is later."

With the following committee amendment:

Amend the title so as to read: "A bill to amend section 401b of the Act of July 14, 1952, to permit applications for moving costs resulting from any public works project of a military department to be filed either 1 year from the date of acquisition or 1 year following the date of vacating the property."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISPOSITION OF SUMS DUE A DECEASED REPRESENTATIVE

The Clerk called the bill (H.R. 6435) to amend section 105 of the Legislative Appropriation Act, 1955, with respect to the disposition upon the death of a Member of the House of Representatives of amounts held for him in the trust fund account in the office of the Sergeant at Arms, and of other amounts due such Member.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BROWN of Ohio. Mr. Speaker, reserving the right to object, I wonder if someone would explain just what this bill would do. There are a great many Members of the House, I am sure, including myself, who would be interested in it.

Mr. BURLESON. Mr. Speaker, if the gentleman will yield, this follows the United States Code as now applicable to other Government departments. It is the same provision which is practiced by most banks of the country where they recognize a designated beneficiary after the death of the depositor. In other words, as it is now, the Sergeant at Arms is required to wait until a deceased Member's estate is probated. Under this arrangement the Member may designate a beneficiary or an alternate beneficiary. On the presentation of such required information and proof the Sergeant at

Arms is permitted to pay the beneficiary the sums he has on deposit.

Mr. BROWN of Ohio. Does this permit the payment of this fund to a person appointed by the deceased who serves as executor?

Mr. BURLESON. That is correct. In case an executor is named under a will or an administrator is appointed by a probate court, then funds belonging to a deceased Member is payable accordingly.

As a matter of fact, that is the present practice. The purpose of this measure is to make available to the survivor funds belonging to the deceased without the necessity of probate court procedures.

Mr. BROWN of Ohio. Does this apply, for instance, to any sum he may have in his stationery allowance or any other fund that actually belongs to the Member?

Mr. BURLESON. It does.

Mr. BROWN of Ohio. Now, does this permit in any way a joint and/or survivor account for the Member and his wife?

Mr. BURLESON. Yes; it does.

Mr. BROWN of Ohio. As to the money now on deposit?

Mr. BURLESON. That is permitted at the present time. The spouse may join with the Member in authorizing a joint account and alternate survivorship.

Mr. BROWN of Ohio. As far as the congressional pay is concerned; the amount deposited with the Sergeant at Arms?

Mr. BURLESON. That is correct.

Mr. BROWN of Ohio. I appreciate that explanation. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 105 of the Legislative Appropriation Act, 1955 (2 U.S.C. 38a), is amended to read as follows:

"SEC. 105. When any individual who has been elected a Member of, or Resident Commissioner to, the House of Representatives dies after the commencement of the Congress to which he has been elected, the Sergeant at Arms of the House of Representatives shall pay any unpaid balance of salary and other sums due such individual (including amounts held in the trust fund account in the office of the Sergeant at Arms) to the person or persons surviving at the date of death, in the following order of precedence, and such payment shall be a bar to the recovery by any other person of amounts so paid:

"First, to the beneficiary or beneficiaries designated by such individual in writing to receive such unpaid balance and other sums due filed with the Sergeant at Arms, and received by the Sergeant at Arms prior to such individual's death;

"Second, if there be no such beneficiary, to the widow or widower of such individual;

"Third, if there be no beneficiary or surviving spouse, to the child or children of such individual, and descendants of deceased children, by representation;

"Fourth, if none of the above, to the parents of such individual, or the survivor of them;

"Fifth, if there be none of the above, to the duly appointed legal representative of the estate of the deceased individual, or if there be none, to the person or persons determined to be entitled thereto under the laws of the domicile of the deceased individual."

With the following committee amendments:

Page 1, line 8, strike out "the Sergeant at Arms of the House of Representatives shall pay."

Page 2, line 4, after "Arms)" insert "shall be paid."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VILLAGE OF HIGHLAND FALLS, N.Y., AND TITLE 10, UNITED STATES CODE

Mr. VINSON. Mr. Speaker, I ask unanimous consent that H.R. 942 and H.R. 3321, Nos. 90 and 91 on the Consent Calendar, be passed over without prejudice due to the fact the author, the gentlewoman from New York [Mrs. ST. GEORGE], is absent on account of official business.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

PROVIDING FOR THE AWARD OF CERTAIN MEDALS

The Clerk called the bill (H.R. 5569) to amend title 10, United States Code, to authorize the award of certain medals within 2 years after a determination by the Secretary concerned that because of loss or inadvertence the recommendation was not processed.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title 10, United States Code, is amended as follows:

(1) Section 3744 is amended—

(A) by amending the part of subjection (b) that precedes the numbered clauses to read as follows:

"(b) Except as provided in subsection (d), no Medal of Honor, Distinguished Service Cross, Distinguished Service Medal, or device in place thereof, may be awarded to a person unless—"; and

(B) by adding the following new subsection at the end thereof:

"(d) If the Secretary of the Army determines that—

"(1) a statement setting forth the distinguished service and recommending official recognition of it was made and supported by sufficient evidence within two years after the distinguished service; and

"(2) no award was made, because the statement was lost or through inadvertence the recommendation was not acted on;

a Medal of Honor, Distinguished Service Cross, Distinguished Service Medal, or device in place thereof, as the cases may be, may be awarded to the person concerned within two years after the date of that determination."

(2) Section 6248 is amended—

(A) by inserting the designation "(a)" before the words "Except as provided" at the beginning thereof;

(B) by inserting the words "or subsection (b)" after the word "title"; and

(C) by adding the following new subsection at the end thereof:

"(b) If the Secretary of the Navy determines that—

"(1) a statement setting forth the act of distinguished service and recommending official recognition of it was made by the person's superior through official channels within three years from the date of that act or service and was supported by sufficient evidence within that time; and

"(2) no award was made, because the statement was lost or through inadvertence the recommendation was not acted on;

a Medal of Honor, Navy Cross, Distinguished Service Medal, Silver Star Medal, Navy and Marine Corps Medal, or bar, emblem, or insignia in place thereof, as the case may be, may be awarded to the person within two years after the date of that determination."

(3) Section 8744 is amended—

(A) by amending the part of subsection (b) that precedes the numbered clauses to read as follows:

"(b) Except as provided in subsection (d), no Medal of Honor, Distinguished Service Cross, Distinguished Service Medal, or device in place thereof, may be awarded to a person unless—" and

(B) by adding the following new subsection at the end thereof:

"(d) If the Secretary of the Air Force determines that—

"(1) a statement setting forth the distinguished service and recommending official recognition of it was made and supported by sufficient evidence within two years after the distinguished service; and

"(2) no award was made, because the statement was lost or through inadvertence the recommendation was not acted on;

a Medal of Honor, Distinguished Service Cross, Distinguished Service Medal, or device in place thereof, as the case may be, may be awarded to the person concerned within two years after the date of that determination."

With the following committee amendments:

On page 1, lines 7, 8, and 9 of the bill strike out "Medal of Honor, Distinguished Service Cross, Distinguished Service Medal" and substitute in place thereof "medal of honor, distinguished-service cross, distinguished-service medal".

On page 2, lines 11 and 12, strike out "Medal of Honor, Distinguished Service Cross, Distinguished Service Medal" and substitute in place thereof "medal of honor, distinguished-service cross, distinguished-service medal".

On page 3, lines 7 and 8, strike out "Medal of Honor, Navy Cross, Distinguished Service Medal, Silver Star Medal" and substitute in place thereof "medal of honor, Navy cross, distinguished-service medal, silver star medal".

On page 3, lines 15, 16, and 17, strike out "Medal of Honor, Distinguished Service Cross, Distinguished Service Medal" and substitute in place thereof "medal of honor, distinguished-service cross, distinguished-service medal".

On page 4, lines 4 and 5, strike out "Medal of Honor, Distinguished Service Cross, Distinguished Service Medal" and substitute in place thereof "medal of honor, distinguished-service cross, distinguished-service medal".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXPRESS GRATITUDE TO THE GROUND OBSERVER CORPS

The Clerk called the resolution (H. Con. Res. 86) to express the gratitude and appreciation of the Congress to the civilian volunteer members of the Ground Observer Corps for their devotion, sacrifice, and spirit of service in fulfilling, in a dedicated manner, the mission of the corps and for the great contribution they made to the security of the United States.

There being no objection, the Clerk read the concurrent resolution, as follows:

Whereas an air attack against the United States remained a capability of potential aggressors, requiring the maximum possible surveillance of the most likely enemy air approach areas; and

Whereas the limitations of electronic equipment required supplementation by a corps of civilian volunteer observers; and

Whereas the Ground Observer Corps was created in January 1950 as an adjunct to our air detection system to augment radar surveillance of air approach zones to the continental United States, particularly for low-altitude air attack which radar could not detect; and

Whereas the Ground Observer Corps was composed of volunteer civilian members serving throughout the United States; and

Whereas these volunteer members of the Ground Observer Corps in the performance of their duties were required to maintain constant vigilance over extended periods of time, especially from July 14, 1952, to January 1, 1958; and

Whereas other developments and improvements in our air defense system during the past year give assurance that adequate air defense can be provided without the Ground Observer Corps; and

Whereas the Ground Observer Corps was inactivated on January 31, 1959; and

Whereas these volunteers steadfastly, effectively, and without thought of personal gain or advantage maintained the watch under all conditions, from favorable to the most adverse, for a period of more than nine years; and

Whereas it is fitting and proper that a special tribute be paid to these volunteers who devotedly guarded our aerial frontiers for so many vital years: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress expresses its gratitude and appreciation to the civilian volunteer members of the Ground Observer Corps for their devotion, sacrifice, and spirit of service in fulfilling, in a dedicated manner, the mission of the Corps and for the great contribution they made to the security of the United States.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

MOUNT VERNON MEMORIAL HIGHWAY

Mr. JONES of Alabama. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2228) to provide for the acquisition of additional land along the Mount Vernon Memorial Highway in exchange for certain dredging privileges, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 4, line 3, after "'D'" insert: ": *Provided*, That nothing contained in this Act or any contract entered into pursuant to this Act, between the United States of America and the Smoot Sand and Gravel Corporation shall be construed as interfering with the uninterrupted right of the Smoot Sand and Gravel Corporation to dredge in areas 'C' and 'D' for the periods specified."

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

BOSTON NATIONAL HISTORIC SITES COMMISSION

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 4524) extending the time in which the Boston National Historic Sites Commission shall complete its work.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the joint resolution entitled "Joint resolution to provide for investigating the feasibility of establishing a coordinated local, State, and Federal program in the city of Boston, Massachusetts, and general vicinity thereof, for the purpose of preserving the historic properties, object, and buildings in that area", approved June 16, 1955 (69 Stat. 136), as amended by the Act of February 19, 1957 (71 Stat. 4), as amended by the Act of July 3, 1958 (72 Stat. 296), is further amended by striking out "four years" and inserting in lieu thereof "five years". Section 5 of the aforesaid joint resolution, as amended, is further amended by striking out "$60,000" and inserting in lieu thereof "$80,000".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADDITIONAL PROGRAM FOR TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I desire to announce that in addition to the program for tomorrow there will be unanimous consent requests made for the consideration of the following bills:

H.R. 5104, companion bill to S. 1197, relating to the Atomic Energy Act. The purpose of that bill is to make a report or reports once a year instead of twice a year.

H.R. 5105, companion bill to S. 1228, Atomic Energy Act authorization appropriation. The purpose of that bill is to increase the authorization in connection with an important defense facility by $1.3 million.

I make this announcement so that the Members may be on the alert.

Mr. ARENDS. Mr. Speaker, if the gentleman will yield, are those to be under suspension?

Mr. McCORMACK. By unanimous consent.

Mr. ARENDS. I have no objection, Mr. Speaker.

LEGISLATIVE BRANCH APPROPRIATION BILL, 1960

Mr. NORRELL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7453) making appropriations for the legislative branch for the fiscal year ending June 30, 1960, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 1 hour, one-half of the time to be controlled by the gentleman from Washington [Mr. HORAN] and one-half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Arkansas.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 7453, with Mr. TRIMBLE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. NORRELL. Mr. Chairman, I yield 10 minutes to the distinguished gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Chairman——

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield for just one question?

Mr. CANNON. I yield to my friend from Michigan.

Mr. HOFFMAN of Michigan. Is this a bill in which all the Congressmen are interested?

Mr. CANNON. It is an appropriation bill.

Mr. HOFFMAN of Michigan. I should say especially interested, personally interested. It is that kind of a bill?

Mr. CANNON. Congressmen are interested in all bills reported to the House.

Mr. Chairman, I hold in my hand a magazine which has just been called to my attention this morning. I had not seen it before. In this periodical is an article intimating that I am not overly fond of Speaker RAYBURN.

And that reminds me that some weeks ago another minor magazine of the country carried an article making a statement of similar import.

So, Mr. Chairman, at the first opportunity afforded, I want to deny that statement emphatically, categorically, dogmatically, in toto and otherwise. Simply because no one else likes Speaker

RAYBURN, is no reason why I should not like him.

In fact, Mr. Chairman, I am by nature—instinctively—for the underdog and therefore, of course, I am for Speaker RAYBURN.

But the earlier article does not stop there. It does not leave well enough alone. It is really a very interesting article. Naturally so, as that is the purpose for which it was written. And it goes on to state that Speaker RAYBURN is not particularly enamored of me.

Now, that statement falls into the same category. Speaker RAYBURN told me so himself. He said there was not a word of truth in it. He said he would not waste his time and attention—bestowing even his disfavor— upon such an unimportant, inconsequential nonentity.

He went on to say—and I appreciated that—he went on to say that he was for me and he would always be for me even if I went to the penitentiary, which—he added reflectively—was quite likely.

So you can see, Mr. Chairman, how undependable these magazines can be. They render a distinct disservice to the Congress and to the country when they try—however ineffectually—to disrupt such Damon-Pythias relations as those existing—and existing through the years—between me and the Speaker of the House.

I have served in the House with SAM RAYBURN for more than a third of a century. In all that time no Member of this House—or anyone else—has ever heard me express for him anything but the warmest friendship, and so far as I am aware, him for me. In other words, the statement is utterly without basis of fact.

Of course, I am busy at this time writing Speaker RAYBURN'S autobiography. It is not one of those barefoot farm boy sort of accounts. I charitably refrain from mentioning the year of his birth or the number of times he has been elected Speaker of the House. It is a purely parliamentary analysis of his reign as Speaker. It is not to be released until he retires, or until he gets married—neither of which catastrophes appear to be imminent.

In the meantime, I reserve all points of order.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the Speaker of the House.

Mr. RAYBURN. Mr. Chairman, when the gentleman from Missouri says that during all of his service in the House of Representatives and even when the gentleman from Missouri was parliamentarian of the House there has been a mutual, warm friendship and confidence between himself and me, he states the absolute fact.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the distinguished gentleman from Iowa.

Mr. GROSS. Would the gentleman let us in on the secret of where that article appeared?

Mr. CANNON. It is my understanding that every Member of the House has received a copy of the magazine. The gentleman will doubtless find it on his desk.

Mr. GROSS. If it is not too long, does the gentleman intend to put it in the RECORD so that we can all read it?

Mr. CANNON. I am afraid it would appear too plausible.

Mr. NORRELL. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, there are several things I would like to point out in reference to the pending bill. We are considering the legislative branch appropriation bill for 1960, sometimes called the housekeeping bill of the Congress. We hope we have presented a good bill. The bill has been written not by me, but by the members of the subcommittee, by Messrs. KIRWAN and STEED on the Democratic side and Messrs. HORAN and BOW on the Republican side with the able assistance of the chairman, Mr. CANNON of Missouri, and the ranking minority member, Mr. TABER.

Everything of consequence in this bill is authorized by law or resolution of the House.

Most of the appropriations merely continue things that have been provided for through the years.

We have a very fine clerk. I do want to say the highest words of commendation about our clerk. As far as he is concerned he is able and has done a magnificent job. I am talking about Paul Wilson, now clerk of our subcommittee.

Page 2 of the report contains a summary of the bill and a comprehensive statement of the appropriations for the next fiscal year is to be found between pages 11 and 15 of the report.

Mr. Chairman, the bill for 1960 as reported carries a total of $100,279,350. Following the custom of the past, the bill omits appropriations for the Senate and also omits certain items under the supervision of the Architect which pertain solely to that body. Such items will be added when the bill reaches the other body.

The bill before you is $5,180,655 below budget estimates of $105,460,005 and $5,748,365 below the 1959 appropriations to date. The reduction below the estimate is, in round figures, about 5 percent.

It is not practicable to make large reductions in this bill. Most of the provisions are statutory and cover necessary expenses of running the legislative establishment and do not fluctuate widely from year to year. The committee tried to make reasonable provision for necessary expenses.

Just in summary, $42,398,065 is included for items under the House of Representatives; $2,904,635 for certain joint offices and items set out in the bill; $25,335,900 for items under the Architect of the Capitol excluding, as I stated, items relating solely to the Senate; $327,500 for the Botanic Garden; $14,292,000 for the Library of Congress; and $15,020,350 for congressional printing and binding and for the Office of the Superintendent of Documents.

As appropriation bills go, Mr. Chairman, the legislative bill is not a big bill and, as I say, it is not possible to make large economies in the requests, because much of it is irreducible if the legislative establishment is to properly operate. We have followed the practice of the past in making reductions wherever we thought we could and yet still make reasonable provision for efficient functioning and services.

The largest item of decrease below the estimates is in the item for liquidation cash for obligations originally estimated to fall due next year under the Capitol Power Plant expansion program. That program operates under contractual authority granted in the basic law, the annual appropriation being for the purpose of paying the bills. There has been some slippage in the work scheduling and the evidence is that they will not need all of the funds originally estimated.

HOUSE OF REPRESENTATIVES

We recommend a total of $42,398,065 for all items under the House of Representatives section. We have made several small reductions, but I do not think any of them will in anywise interfere with the efficient functioning of the activities of the House. In some cases it is a matter of placing the judgment of the Committee as to the requirements against that of the budget estimates.

It may be of interest to call attention to the statement on page 3 of the committee report which shows that the number of clerks on the rolls of Members and Delegates is well below the total permitted by law; currently the number is approximately 1,000 less than the maximum permitted by the law. Also, the staffs of the committees are at a level somewhat below the total number authorized by law.

You may have noticed a reduction against the budget request for stationery. The situation there is explained fully on page 4 of the report, but briefly it is that the estimate assumed an extra $600 allowance but the difficulty there is that the current allowance for the first session of the 86th Congress is only $1,200 and in the absence of some authorization action to change that, the committee did not feel at liberty to go ahead and approve the estimate for an additional $600 for the second session, which is the session covered by the pending item.

JOINT ITEMS

For the various joint offices and items, as set out in the report, a total of $2,904,635 is recommended. The increase above the 1959 appropriation is for reimbursing the postal revenues for penalty mail costs. At the same time, the reduction below the estimate in this category of $900,000 is also against the mail item. We reduced that substantially because the information supplied to the committee was not sufficiently explanatory to satisfy the committee that the very sharp increase over last year was justified. The matter needs to be given further study before approving the full amount requested.

ARCHITECT OF THE CAPITOL

For all items covering the Architect of the Capitol in this bill, a total of $25,335,900 is included. This is a reduction of $3,425,700 below the estimates. As I said a few moments ago, the principal item of reduction relates to funds required to liquidate contract obligations

under the Capitol Power Plant expansion project because of some delay in the scheduling of the work.

Aside from this item, we have allowed a number of mandatory cost items which come along every year, and, for the purpose of keeping the physical plant in reasonably good order—and that includes the Library buildings—we have allowed various repair and improvement increases. We must keep the Capitol of the United States and its supporting buildings in good order. I do not think anyone would quarrel with that. The Architect asked for nine additional positions, but we have not allowed quite all of them.

The bill includes the amount requested to continue the work on the third House Office building. A summary of the status of the project is set out in some detail in the printed hearings in case you wish to refer to it; I believe it begins on page 90 of the hearings.

There is no money in the bill for the east front project because it has already been appropriated. Here again, a summary on the status of the work appears on page 75 of the hearings.

The Architect has jurisdiction of structural and mechanical care and furnishings for the Library. We made a couple of small reductions in these items but aside from that, we have allowed increases for a variety of purposes, all, however, aimed at keeping the physical plant of this valuable institution in good order; to provide a little more usable work space because they are very crowded for space in this growing institution; and to improve generally the efficiency of the operation. That is a great Library over there and it is the Library of the Congress, and for the Congress, and the committee has felt right along that we ought to keep it up and to so provide for it that we can get the kind of service needed from day to day.

BOTANIC GARDEN

There is nothing unusual about the request for the Botanic Garden. There is a net decrease below the 1959 appropriation because a special repair project provided for in the current year drops out of the budget picture for next year.

LIBRARY OF CONGRESS

Mr. Chairman, as I just indicated, we have a great Library across the street. It is the world's largest. It is an important institution. Its collections inevitably grow and grow and the demands on it continue to grow. For many years they have had trouble keeping up with the demands and they have accumulated some backlog situations which tend to impair the service of the Library of the Congress and to the Government and public generally. Their biggest single problem at the moment, and it will get worse before it gets better, is the lack of space. Unless something is done, and done fairly soon, they will soon reach the saturation point where they will have no place to store the ever increasing collections or the personnel to service them. We take note of the fact that bills have recently been introduced to authorize a study looking to a third building.

In this bill, we have been inclined, as the Congress was last year, to make reasonable provision for the Library. We have allowed some additional personnel although not quite as many as they wanted. Practically every one of them are in the low level salary grades for routine, volume-type work of one sort or another.

We have suggested a small general reduction against the budget of the Copyright Office but we believe we have provided satisfactorily for their work in the coming year. In the report, we call attention to the fact that with the rising costs of doing business in the last several years, the Copyright Office is not recovering to the Treasury as great a percentage of its costs through the charging of fees for registrations as it did 2 or 3 years ago. Fees are set by statute and they have not been changed for several years. We suggest the advisability of the legislative committees considering an upward revision in fees in the light of current conditions.

The catalog card operation continues to do well financially. It is estimated that 99 percent of the expenditure will be recovered to the Treasury this year through the sale of cards.

We have given a substantial boost, as the Library requested, for the books-for-the-blind program. That is a good program and we have been supporting it right along and we believe we ought to continue to do so.

GOVERNMENT PRINTING OFFICE

There are two items under the Government Printing Office heading, one for congressional printing and binding and the other for the Superintendent of Documents.

For printing and binding we have recommended the budget estimate of $11,500,000, and for the Office of the Superintendent of Documents we have likewise suggested approval of the estimate. No additional positions are involved here; only various mandatory cost items, and in the case of printing and binding, the increase over last year is to replace a deficiency in the appropriation. This is done under authority granted a couple of years ago because no one is in position to accurately forecast the requirements for congressional printing and binding, so we gave them authority to borrow from a succeeding year's appropriation with the understanding, of course, that the borrowing would be replaced in the ensuing year's bill.

The details of these items, as in the case of all the other items, are set out in the printed hearings.

Mr. Chairman, I have tried to touch on the principal highlights of the bill although, as I said before, there is really not too much involved in the bill this year. In general, I might summarize by saying that it provides for the legislative establishment to run along about like it has been for the last year or two, insofar as basic things are concerned.

I would be glad to respond to any questions if I can do so.

Mr. HORAN. Mr. Chairman, I will take only a short time to say that the entire subcommittee, as the chairman of our subcommittee has said, are in agreement.

Mr. Chairman, at this time I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I take this time to ask a few questions about this bill. I note on page 3 that there is provided $11,710 for a clerical assistant for the House delegation to the North Atlantic Treaty Parliamentarians Conference, a nice euphonious title.

I wonder if I might have an explanation of this item.

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I am glad to yield to my friend, the gentleman from Ohio.

Mr. BOW. I am delighted the gentleman has raised that question, for I did in committee. The explanation is that the NATO meeting is to be in the United States this year and this special employee was provided in a House resolution dated February 2, 1959. The question was raised as to whether or not this resolution should go in the bill as permanent law, in other words create this position permanently, to which I had some objection in committee, I might say to the gentleman.

Mr. GROSS. That is exactly the point I want to raise.

Mr. BOW. Then I went back to the CONGRESSIONAL RECORD of the day this passed the House. I should like to commend the gentleman from Iowa who is always alert on these questions on the fact that he questioned the author of the bill at the time this resolution was passed on this very question, first as to what it was for.

He was told then it was because of the NATO meeting coming to the United States. The gentleman from Iowa [Mr. GROSS] asked whether this was to be permanent and the reply was it was not to be permanent. The record is very clear on that. The gentleman from Iowa [Mr. GROSS] is to be complimented for the work he did on that day. He saved this from becoming a permanent position and because of the colloquy between the gentleman from Iowa and the author of the bill this resolution has not become a part of the permanent bill, so that at the end of the year it will expire. I compliment the gentleman from Iowa for saving the taxpayers that $11,710 a year. This would have become permanent, perhaps, if he had not been diligent back in February.

Mr. GROSS. I appreciate the statement of the gentleman from Ohio with reference to this particular item, and I trust that next year this subcommittee on appropriations, when the bill comes up for consideration, will take note of the fact this is not to be a permanent addition to the NATO Parliamentarians Conference.

Mr. BOW. I notice on page 23 of the bill, starting with line 1 and going through line 6, there is the usual provision making certain resolutions permanent law. You will note this House Resolution 36 is not included in those resolutions which have become permanent law; so that so far as the committee is concerned it has been determined it shall not become permanent law.

Mr. GROSS. I thank the gentleman from Ohio [Mr. Bow] and I want to

commend him for the attention he has given this matter in the interests of economy and stopping the growth of bureaucracy.

Now, I would like to turn to page 13 of the bill and refer to the item "Contingent expenses":

To enable the Architect of the Capitol to make surveys and studies and to meet unforeseen expenses in connection with activities under his care, $50,000.

I am wondering what is proposed. Is this a foot in the door for the building of another House Office Building?

Mr. STEED. This is an item that has been in the bill for several years. It is used by the Architect to meet any unforeseen contingencies that come up. And, the history of it is that mostly it is never all used. It is a fund he has to do certain things around the Capitol that cannot otherwise be provided for. This year, of the $50,000, as of the hearings date, they had used $29,200. The item is explained in detail on page 69 of the hearings.

Mr. GROSS. Then the gentleman would say that this is not a foot in the door to put up still another House Office Building or something of that kind?

Mr. STEED. No. This is used for studies and surveys around the Capitol that cannot be foreseen.

Mr. GROSS. I am sure the gentleman will remember that back in the 80th Congress—and I was not here at that time—a modest $25,000 was appropriated that started off the third House Office Building and the acquisition of a lot of property, at a cost of a many millions of dollars to the taxpayers of this country.

Mr. STEED. The gentleman will remember that several years ago there was a severe storm that did considerable damage to the Capitol. Sometimes we have unprecedented snowstorms that require more expense to handle than the normal provision will take care of. That is an example of the sort of emergency that this fund is set up for.

Mr. GROSS. On page 15 there is $16.5 million for acquisition of property, construction, and equipment, additional House Office Building. I assume that is in connection with the new dream castle, House Office Building, down there on Independence Avenue; is that correct?

Mr. STEED. The gentleman is correct. These are funds to pay the commitments under contract authority already granted by the Congress. The committee has no alternative except to pay the amounts that become due during the next fiscal year under this contract authority on contracts already entered into.

Mr. GROSS. Am I correct in my understanding that this third House Office Building, and the acquisition of property in connection with it, has already cost the Government some $45 million and that this, therefore, is in addition? Does the gentleman have any idea what this thing will cost before they get through with it?

Mr. STEED. We have appropriated $45 million. It has not all been expended. It is in the process of being completed. The construction program contemplated under contracts now in existence for the next year will, in combination with work in contemplation, require the additional amount now in the bill. If you will check page 94 of the hearings, you will see the breakdown and tabulation of the entire financial situation involving the building.

Mr. GROSS. It has cost approximately $45 million, and that is in addition to the $16.5 million in this bill, and no one seems to know how far this thing is going to go. Does anybody have any idea, may I ask the gentleman?

Mr. STEED. My understanding is that the total amount to be involved before the project is completed will be somewhere in the neighborhood of $82 million, as shown by the table on page 94.

Mr. GROSS. $82 million?

Mr. STEED. That is right. You will see the itemized account of what that money has been and will be used for on page 94 of the hearings.

Mr. GROSS. That is worse than I thought.

Mr. NORRELL. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Arkansas.

Mr. NORRELL. In 1955 we appropriated $5 million for the project, which is under general supervision of the House Office Building Commission. In 1957 we appropriated $10 million. In 1958 we appropriated $7.5 million. In 1959 we appropriated $22.5 million. Now, under this bill we are recommending $16.5 million because the contracts have practically all been let, except for the superstructure and equipment.

Mr. GROSS. I will say to the gentleman from Arkansas that were it not for the fact that a huge hole has already been dug in the ground down there and work has gone along——

Mr. NORRELL. Our committee has nothing to do with that.

Mr. GROSS. I would offer an amendment to strike out this $16.5 million.

Mr. NORRELL. The Committee on Appropriations has nothing to do with that. That is done by the House Office Building Commission, which is headed by Speaker RAYBURN.

Mr. GROSS. I understand that.

Mr. NORRELL. And Members of Congress on both the Democratic side and on the Republican side.

Mr. GROSS. I understand that perfectly. But, it is still taxpayers' money that is being spent and, to my mind, unnecessarily spent, when we have a $288 billion debt in this country. I have opposed it right down the line and I still am opposed to it, and I hope there will be no further effort made, I will say at this time, to remodel either of the existing House Office Buildings at least until that structure is completed. In other words, I will oppose the spending of any money on remodeling the Congressional Hotel or any other structure around here pending the completion of this building.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. VINSON. In response to the inquiry the gentleman has just made with reference to the remodeling of the old House Office Building and the New House Office Building, as a member of the Commission I want to assure the House that there is no intention at this time to remodel either one of those buildings, even though we have the blueprints. Our thought is to complete the new building under construction now, and when that is finished—and I do not know in what year it will be finished; I am a little disappointed in the progress we are making—then we will cross the bridge about remodeling the other House Office Buildings.

Mr. GROSS. I thank the gentleman for that assurance. It helps a little.

Mr. HORAN. Mr. Chairman, I have no further requests for time.

Mr. NORRELL. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read the bill for amendment.

The Clerk read the bill.

Mr. NORRELL. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. TRIMBLE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7453) making appropriations for the legislative branch for the fiscal year ending June 30, 1960, and for other purposes, had directed him to report the bill back to the House with the recommendation that the bill do pass.

Mr. NORRELL. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The SPEAKER. The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

ALASKA OMNIBUS ACT

Mr. SMITH of Virginia. Mr. Speaker, I call up the resolution (H. Res. 279) providing for the consideration of H.R. 7120, a bill to amend certain laws of the United States in the light of the admission of the State of Alaska into the Union, and for other purposes, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7120) to amend certain laws of the United States in light of the admission of the State of Alaska into the Union, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall

be read for amendment under the five minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN], and I now yield myself such time as I may require.

Mr. Speaker, this rule makes in order the bill, H.R. 7120, which concerns the State of Alaska. It is a sort of omnibus bill to bring about the transition between the status of a Territory and that of statehood. Of course, there are a great many complications to a bill of that kind. I want to say that the Committee on Interior and Insular Affairs, and particularly its chairman, the gentleman from Colorado [Mr. ASPINALL], and the gentleman from New York [Mr. O'BRIEN], who engineered this nefarious Alaskan statehood bill through the House last year, have done a magnificent piece of work, in my judgment, in bringing about this transition in the bill that will be before us. I do not think there is anything controversial about this bill. I want to compliment the committee in doing what I consider to be a rather economical job, much more economical than I had anticipated. Of course, you know as a Territory, Alaska required a good deal in the way of expenditures from the Federal Treasury. This bill provides for the transition period for the next 5 years. The calculations show that if it were run as a Territory, it would cost $25 million in the next 5 years, but under this bill it will cost $28,500,000 in the next 5 years. In other words, the difference over the next 5 years is $3,500,000 in expenses. I know that is happy news to our good friend, the gentleman from Iowa [Mr. GROSS].

There is one feature of the bill which I think the committee ought to change, and I wish they would change it. When we passed the statehood bill for Alaska, I was very much opposed to the entire bill, and I was particularly opposed to a feature of the bill which gave such a tremendous proportion of the natural resources of that great area to the State of Alaska, which should belong to all of the people of the United States. There was a provision in the bill which was particularly objectionable to me because it gave for a certain period of years the right to the State of Alaska to go into any part of the land that was retained by the Federal Government and pick sections in blocks of not less than 6,000 acres. The result of that, as I saw it then, and as I see it now, is that whenever the mineral resources or any part of that great area of the earth surface are developed, then the State of Alaska can step in and take it as a part of the State rather than that land being a natural resource belonging to all of the States of the Union. In this bill, I find a little clause in the early part of the bill, which I do not think ought to be in the bill.

I think we have been generous with Alaska in the amount of territory and the amount of resources and the amount of land we have given her as a State.

On page 28 of the bill—and I think I talked to the chairman of the committee about it the other day when he appeared before the Rules Committee—section 45 authorizes the President in connection with any land or personal property up there that belong to the United States to give it to the State of Alaska in his discretion until 1964. I just think it is bad policy to authorize the President to give away property. You know, Congress gets paid pretty substantial salaries for doing those things itself, and we have delegated entirely too much authority, in my opinion, to the President and to the executive departments in many areas. This is just one more example of it. There should not be any clause in this bill to authorize the President of the United States to give away the property of the people of the United States. If there is going to be any giving away it should be done by the Congress. We had a bill under consideration the other day in which a similar clause was included, or one to the effect that not more than so many millions of dollars should be spent for the particular subject then under consideration "unless authorized by the President." We ought to look out for that sort of thing. I hope that when the bill is read this provision will be modified.

In conclusion, I just want to compliment the committee for having done a splendid job. They have produced a good bill and I hope it will be adopted.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may use.

Mr. BROWN of Ohio. Mr. Speaker, I would like to join the gentleman from Virginia [Mr. SMITH] in support of this rule, making this bill in order, an open rule providing for 1 hour of general debate. The rule was reported unanimously by the Rules Committee.

Somewhat facetiously let me say that great minds seemingly run in the same channel today. I was prepared to call attention to section 45 on page 28 of the bill, mentioned so ably and so well by the gentleman from Virginia. But I think there are also other sections of the bill that do the same thing.

Section 45 gives the President certain powers to transfer property, both real and personal, until the year 1964, to the State of Alaska. There is no fixed amount, there is no restrictive language, as far as I can ascertain, as to the amount that might be involved.

I am also informed that section 21 on page 11 gives almost the same power, as I understand, to the Secretary of Commerce in connection with highways.

Then, section 35, on page 23, gives approximately the same power to the Administrator of the Federal Aviation Agency in connection with real and personal property situated at the air bases in Alaska.

I discussed this matter with the gentleman from Pennsylvania, the ranking minority member of the committee, but not as thoroughly as I would like; and I hope that when this bill is considered in general debate and then read for amendment, some real consideration and discussion will take place of these particular sections, and that, if it is found necessary by the House, as appears to me might possibly happen, some new restrictive language can be written into these particular sections for the protection of the general taxpaying public of the United States.

We were told that when the Alaska statehood bill was before the Rules Committee that Alaska was ready to assume the responsibilities of statehood, and that there would be no need for additional financing on the part of the Federal Government; yet we realize that this transition period must be taken care of, and it is pretty well taken care of in this bill.

The additional expenditures, as the gentleman from Virginia [Mr. SMITH] pointed out, would amount to only about $3,500,000 more in the next 5 years than if the territorial status had been continued. I hope that at the end of the 5 years there will be no further legislation required for expenditures from the Federal Treasury for the new State of Alaska, but instead that this new baby State, although the largest in the Union, will be able to stand on its own feet at that time. As has been said so ably and so well, we were very generous, that is, the Congress and the people of the United States, to the new State of Alaska in the transfer of such huge amounts of lands, more than had ever been done for any other State, with the right, I believe, to select the areas the new State may want to take over, for 25 long years. Of course, no State administration, whether it be Democratic or Republican, is going to be silly enough or stupid enough to pick bad land when they make their selection. They are going to pick the richest land, the oil lands, the mineral lands, the most productive in money and in resources, as the State's property, and we are going to find, in my opinion, that the Federal Government, the rest of us who helped pay for Alaska in the first place, and who have poured millions and millions of dollars into Alaska as a Territory, will own only a lot of arctic waste, the mountain tops, the muskeg areas, and all other lands, which are the least valuable. So I believe we should give some thorough attention to these sections. I am hoping the committee will have some suggestions as to amendments to these three sections, sections 21, 35, and 45, which will protect the property interest of the American taxpaying public.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Illinois

Mr. MASON. Do I understand, sir. that when we agreed to make Alaska into a State, we were more generous in giving to Alaska public lands than we have ever been to any other State? We now say we will even pay $3½ million more than we would have paid if you were a Territory to get the transfer done, and then we are saying in three sections: We will make it possible for the President, for the Secretary of Commerce, and some other people to give you more during the next few years? Is that the picture?

Mr. BROWN of Ohio. The gentleman from Illinois has made a proper statement. As I read these sections, I fear we will be giving Alaska, through these three sections 21, 35, and 45, more than the $3½ million contemplated in the other sections.

Mr. ASPINALL. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Colorado.

Mr. ASPINALL. In my opinion, the question asked by the gentleman from Illinois, and the way it was put, does not call for the answer tha' my colleague, the gentleman from Ohio, has given, for the reason, that first of all, the legislation provides for a transition period of 5 years. At the end of the 5-year period it will stop, and Alaska then has to take over these activities without Federal help. These activities consist only in the following categories of operation: The airports at Anchorage and Fairbanks and the small airports which are now owned by the Federal Government and operated by the Federal Government throughout the rest of Alaska; also the highway system now operated by the Federal Government; also the Federal health grant operation which we have had up there, and including the general health plan and the recreational plan. The recreational program amounts to only $100,000 a year for the first 2 years and nothing thereafter. Those activities would be carried on if we did not do something like this at the expense of the Federal Government, continuing as a territorial operation. What we are doing here is stopping the whole operation by the Federal Government in these activities at the end of 5 years. In so doing we are giving to Alaska $700,000 a year additional moneys in order to get this transition period taken care of.

Mr. MASON. Do I understand, then, that when we were so generous in giving public wealth away, in making Alaska a State, we did not take care of some of these expenses in this transition period?

Mr. ASPINALL. These are activities in which the Federal Government is presently engaged and has been for some years and will continue in the future to take care of if we do not go ahead and pass the necessary transitional legislation.

Mr. BROWN of Ohio. I want to get this matter clear in my own mind. This is a rather complex bill, somewhat controversial, and difficult to understand. Do I understand the gentleman to say that this $3.5 million extra we will spend in the next 5 years would cover all the costs included in sections 21, 31, and 45?

Mr. ASPINALL. No; I did not say that.

Mr. BROWN of Ohio. Well, does the gentleman agree that the expenditures provided for, or grants in Federal aid or property, or whatever you call it, in sections 21, 31, and 45 would be in addition to the $3.5 million?

Mr. ASPINALL. Oh no; I did not say that.

Mr. BROWN of Ohio. It has to be one or the other.

Mr. ASPINALL. What I said was this. Take, for instance, the operation of the airport at Anchorage. That is a Federal responsibility at the present time, and unless we pass legislation, it will continue as a Federal responsibility. Now, in order to take care of it as a State responsibility by the new State of Alaska, we appropriate approximately the same amount of money to Alaska for the next 5-year period that Alaska would get under the present law, and then at the end of 5 years we have no further Federal responsibility. In the meantime, we transfer, as the gentleman has so correctly said—I think it is in section 21—the land and the airport itself.

Mr. BROWN of Ohio. And all the equipment.

Mr. ASPINALL. And the equipment, which does not amount to very much, as I will attempt to show in general debate.

Mr. BROWN of Ohio. Can the chairman give us any estimate of the amount involved? That would be in addition to operating these other projects, as I understand page 3 of the report. It would be in addition to the extra $3.5 million you ask. In other words, it would cost, if Alaska was still a Territory, approximately $25 million to carry on these operations, or to carry on this work, or whatever you want to call it, for 5 years, and under the bill it would cost $28.5 million, only $3.5 million more. In addition, at the end of the 5-year period, or at any time during that period, we give this additional property, to wit, the airport, the mental institution, and so forth, to the State free of charge, all on top of all they have already received as a new State.

Mr. ASPINALL. Which, as far as the airports, are concerned, is exactly in line with what the Federal Government has been doing for all of the States in recent years. The gentleman has asked for an itemized statement.

Mr. BROWN of Ohio. I did not ask for an itemized statement; I just requested an estimate of what the additional cost would be to the taxpayers. How much are we giving away in this section where it does not fix any amount?

Mr. ASPINALL. Knowing the interest of the gentleman from Virginia, the distinguished chairman of the committee, and my colleague from Ohio, also a member of the committee, I tried to get an itemized account since we appeared before the Committee on Rules. I was unable to get an itemized account. I do not have a definite statement of the present values, but I do have a general statement which I shall give as soon as we go into general debate.

Mr. BROWN of Ohio. Can the gentleman tell us quickly what the total amount will be?

Mr. ASPINALL. As far as the airports are concerned, I will be glad to answer. Involved in this section are the runways and the other land, airport structures which are excess to Federal needs, and airport equipment. And, remember that the Secretary must make a finding that these are excess to Federal needs, and this includes structures and equipment in excess of Federal needs.

Mr. BROWN of Ohio. But the gentleman failed to mention the amount. What is the total amount?

Mr. ASPINALL. I do not have the total amount, because the legislation came up from the Bureau of the Budget and they were unable to give it to me.

Mr. BROWN of Ohio. The gentleman has always been very fair and frank, and he always operates in good faith, and has never failed to give us any information he has, whether it is helpful to his cause or harmful. But, from the answers the gentleman has given, it appears the House is being asked to accept these sections without any knowledge as to their possible cost, or as to the amount of money that may be involved, or as to the value of the property that will be given away. And, that is what I object to. I think we should know what we are doing, fairly well; or at least have a reasonably good estimate as to costs.

Mr. ASPINALL. If the gentleman will yield for just one further observation, I thank my colleage, and as long as I am a Member of this body I will work in a spirit of honesty and sincerity with my colleague. What is involved here is that we cannot turn over the jurisidiction and the operation of these facilities until we pass this legislation. In other words, the Federal Government must continue, if we do not pass such legislation as this. We have tried to get the information which my colleague has asked for. It is not available.

Mr. BROWN of Ohio. How long would it take to get it?

Mr. ASPINALL. My opinion is that it would take longer than the 29 days that are left, as far as this problem is concerned in Alaska. That is what is bothering me so much.

Mr. BROWN of Ohio. My only objection, and my whole point, is that we are being asked to write a blank check, as it were, to take this bill on faith. We do not know whether it is going to cost the people an additional $1 million or $10 million, or $50 million, or what the amount will be.

Mr. ASPINALL. Mr. Speaker, will the gentleman yield for just one more question?

Mr. BROWN of Ohio. I yield to the gentleman.

Mr. ASPINALL. Will my colleague wait until the gentleman from Colorado has a chance to present the information which he has on this particular matter before he makes up his mind definitely?

Mr. BROWN of Ohio. I certainly will. But still I would like to have an answer now to my question, and the gentleman does not seem to be able to answer that question. I would like to know what is going to be the approximate cost; even the gentleman's estimate would be helpful.

Mr. O'BRIEN of New York. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman.

Mr. O'BRIEN of New York. Mr. Speaker, I realize the concern that the gentleman from Ohio [Mr. BROWN] has about this. But he has repeatedly stated that the Federal Government is giving away something. I think we have to

consider what value the Federal Government has in this, or what it would have if it kept these things. For example, if we turn over the maintenance of the highways and do not turn over rights-of-way, we cannot roll them up and bring them back to the States. There is the equipment for roadbuilding and the camps that the roadbuilders have been using. We have precedent particularly with airports. Since the 1944 Surplus Property Act, the Federal Government has transferred 550 surplus federally constructed airports to the States and their subdivisions without monetary consideration. The cost originally to the Federal Government of those airports was about $1.5 billion.

Mr. BROWN of Ohio. I can understand that. Of course, I am not as well informed on Alaska as some of the other Members, but I just have a sort of a sneaking idea, just a country boy's belief, that somehow or other the Federal Government is going to continue to have a lot of airports up in Alaska as long as the world situation remains as it is; and it ought to continue to have. I just sort of have the idea that the Federal Government is going to be coming in here asking for appropriations in the future to build other airports, maybe, up in Alaska, after we give these away. And if we should give the other equipment away to the new State, I have the idea that the Government will be asking more funds to buy roadbuilding machinery to use in some of the national parks, or some on the Federal lands of the Nation, after, of course, we give this present roadbuilding machinery to the new State.

All I am trying to do is find out what it is all going to cost us. I am so used to being hooked, and the people in Ohio are so used to having to pick up the check and pay the taxes for a lot of these things, that it seems to me we are at least entitled, before this is done to us, to know what it is going to cost; some estimate, some idea, some expression of thought. I do not want to be critical, but it seems that somewhere, somehow, somebody ought to have some idea what the cost of all this will be.

Mr. ASPINALL. Mr. Speaker, will the gentleman yield further?

Mr. BROWN of Ohio. I yield.

Mr. ASPINALL. I have been handed a copy of the hearings. I did not get a copy of the hearings until this morning, I am sorry to say.

Mr. BROWN of Ohio. That is one of the troubles with legislating around here. We get a copy of the hearings after the bill has been passed.

Mr. ASPINALL. During the hearings, Mr. Quesada, who is the Administrator of the Federal Aviation Agency testified as follows:

These Anchorage facilities, with an allowance for depreciation, have a current capital value estimated at $11,600,000.

The airport at Fairbanks has only one runway and a terminal building with associated utilities constructed by the Federal Government. At this location there are some 90,000 passengers served annually and approximately 55,000 aircraft arrivals and departures of which about 13,000 aircraft movements are air carrier aircraft, 7,500 military aircraft and 34,500 are general aviation type of aircraft. Allowing for depreciation the Fairbanks facility has a current capital value of about $5.2 million.

These two airports are now collecting revenues of approximately $1.1 million annually which are deposited in general funds of the Treasury of the United States as miscellaneous receipts.

Mr. BROWN of Ohio. That is about $16 million.

Mr. ASPINALL. One further statement, if I may. With this transition the Federal Government reserves for its military aircraft the right to use these facilities whenever it is necessary to use them.

Mr. BROWN of Ohio. That is about $16 million, as I understand it, worth of property from which about $1 million of annual revenue is being received. That would be turned over in addition to the $3.5 million. Of course, that does not include highway construction equipment nor does it include the cost of the hospital that we were talking about.

Mr. GROSS. What is this $3½ million figure that the gentleman refers to?

Mr. BROWN of Ohio. It is on page 3 of the report. It is the difference between the cost of operating it as a State or a Territory. You will find it on page 3 of the report.

Mr. GROSS. I thought it was $28½ million over the next 5-year period.

Mr. BROWN of Ohio. It is, but it would cost $25 million if we continued under a territorial status. So the net difference in the actual cost would be $3½ million.

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. O'BRIEN of New York. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7120) to amend certain laws of the United States in light of the admission of the State of Alaska into the Union, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of H.R. 7120, with Mr. ANDERSON of Montana in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from New York [Mr. O'BRIEN] is recognized for 30 minutes, and the gentleman from Pennsylvania [Mr. SAYLOR] is recognized for 30 minutes.

The Chair recognizes the gentleman from New York [Mr. O'BRIEN].

Mr. O'BRIEN of New York. Mr. Chairman, I yield 5 minutes to the gentleman from Colorado [Mr. ASPINALL].

Mr. ASPINALL. Mr. Chairman, the purpose of the bill before us, H.R. 7120, is to provide for a smooth transfer of activities and responsibilities from the Federal Government to the government of our new State of Alaska. We anticipated this legislation. It did not come to us as a surprise. It is not a simple bill. It contains 50 sections. It is involved, and, in varying degrees, cuts across lines of jurisdiction of several legislative committees: Agriculture, Armed Services, Banking and Currency, Education and Labor, Government Operations, Interstate and Foreign Commerce, Judiciary, Merchant Marine and Fisheries, Public Works, Veterans' Affairs, and Ways and Means.

This legislation was introduced at the request of the President of the United States. The Director of the Bureau of the Budget sent an executive communication and asked that a representative of the committee, of which I am chairman, introduce the legislation and that the committee act on it as expeditiously as possible. The fiscal year ends on June 30, 29 days from now. For the most part, the present budget does not include items of expenditure which are found in this bill. Unless action is taken on this bill promptly there will be a hiatus of operations until the next budget is approved. The Government of Alaska cannot assume responsibility for these activities until they are relinquished by the Federal Government.

H.R. 7120 was prepared in the Bureau of the Budget after consultation with all agencies of the executive branch administering Federal statutes which were affected by the admission of Alaska into the Union. The bill deals with Federal-State relations and matters affecting the scope of Federal operations in Alaska. Some of the provisions may appear unimportant to many of us but their inclusions have been requested by different agencies of the Government.

Bills of a similar nature were acted upon by the Congress immediately following the admission of our last States, Oklahoma, Arizona, and New Mexico, into the Union. Those bills, however, were not so involved, because 50 years ago our Federal Government was less complicated, and not as involved in activities within State borders as it is today. Following enactment of organic legislation for Guam in 1950, and for the Virgin Islands in 1954, omnibus bills, somewhat similar in nature to H.R. 7120, were enacted by Congress. We expect to have an Hawaiian omnibus bill before Congress next year.

This is an important piece of legislation because it implements the act of July 7, 1958, which provided for admission of Alaska into the Union. Presently, for a number of practical purposes, Alaska is still operating as a Territory instead of a State. This bill transfers a number of activities to the State and makes applicable statutes to Alaska as a State rather than to Alaska as a Territory.

On April 2, 1959, as chairman of the Committee on Interior and Insular Affairs, I addressed letters to the chairmen of the previously mentioned House committees, inviting their attention to the bill and requesting such suggestions as they wished to offer. We are appreciative of the responses we received from those chairmen. Their suggestions were carefully considered and several were

incorporated into the present bill. Others have been referred to the Bureau of the Budget for further analysis.

ANALYSIS OF H.R. 7120

The Bureau of the Budget sent the draftsman of this legislation, Dr. Harold Seidman, to the committee hearings as its spokesman. He presented a careful analysis of the bill which is found beginning on page 2 in Committee Report No. 369 which is available to all Members. The 50 provisions in the bill are broken down into 5 categories of which 3 are of significant importance.

In the first category, there are provisions which would make Alaska eligible to participate in a number of Federal grant-in-aid programs on a comparable basis with other States. Good examples are section 18 of this bill, which relates to grants-in-aid to education, and section 24, which refers to vocational rehabilitation. These and several other sections apply to Alaska the same apportionment and matching formulae that are applicable to other States.

Provisions in the second category are those which terminate special Federal programs in Alaska. Examples of these special programs are those referred to in section 21—highways, section 35—airports, and section 39—recreational facilities. The net Federal expenditures involved in category 2, if they are not discontinued, will be about $10,260,000 in fiscal 1960. The President's budget carries no request for any of these activities except highway maintenance.

Sections in category 3 authorize various measures required to facilitate an orderly transition and include property transfers and transitional grants. These sections include 44(a)—dollar grants—and 46—Claims Commission.

Sections in the fourth and fifth categories contain perfecting amendments relative to the applicability of certain laws to the State of Alaska and the elimination of the appropriate reference to the Territory of Alaska instead of State of Alaska.

COST

Mr. Chairman, I know our colleagues are interested in the cost of this legislation. The total cost of this bill to the taxpayers of the United States over a 5-year period is $28,500,000. Do not let this sum mislead you, however. Had Alaska remained a Territory, about $25 million would have been expended over the 5-year period to operate and finance the activities which are being transferred. Therefore, the actual cost of this legislation is roughly $3½ million, or $700,000 a year. I call your attention to the cost analysis found on page 3 of our committee report. We can scale downward the anticipated appropriations for Alaska's special programs. There will be no appropriations for airport improvements after 1960, no appropriations for recreational facilities after 1961, and no appropriations for road maintenance after 1962.

I am not venturing to say that a saving will be represented to the U.S. Government after 1964 by the enactment of this legislation. Such a statement would be premature at this time.

Mr. Chairman, other members of the Committee on Interior and Insular Affairs will discuss other portions of this bill. I want to reiterate that this is sound legislation. It is necessary legislation and it is strongly backed by the administration. Dr. Seidman, representing the Bureau of the Budget, his assistant, and a representative of the Office of Territories, Department of the Interior, presented the bulk of the testimony for the administration at our extensive hearings. We also had testimony from the Acting Governor of Alaska, the Honorable Hugh J. Wade, and representatives of the Department of Commerce and the Federal Aeronautics Authority.

Mr. Chairman, three sections of H.R. 7120, the Alaska omnibus bill, would authorize the transfer to the State of Alaska of property now owned by the Federal Government:

First. Section 21 would authorize the Secretary of Commerce to transfer, without compensation but under conditions he deems desirable, all real and personal property pertaining to the activities of the Bureau of Public Roads in Alaska, except such property as may be needed by the Bureau for its continuing functions in Alaska, and such property as the Federal Government may want to retain for purposes other than road purposes. While no inventory is yet available of the property contemplated for transfer under that section, generally involved are road right-of-ways, depots, maintenance camps, motor vehicles and road-building machinery, equipment, and materials which will be excess to Federal needs when the State takes over from the Federal Government the task of constructing and maintaining State roads.

Second. Section 35 would authorize the head of the Federal Aviation Agency to transfer, without compensation but under conditions he deems appropriate, all real and personal property pertaining to the Anchorage and Fairbanks Airports constructed under the act of May 28, 1948, except such property as may be needed for continuing Federal functions in Alaska. Generally involved under that section are the runways and other lands, airport structures which are excess to Federal needs, and airport equipment, including maintenance and emergency equipment, which is excess to Federal needs.

Third. Section 45 authorizes the President, until July 1, 1964, to transfer, without compensation, all real and personal property pertaining to any Federal function in Alaska which is terminated or curtailed and which is assumed by the State. At present it is contemplated that general authority would be used to transfer certain furnishings of the Governor's mansion, a few excess jail and marshals' properties, intermediate and primary airports, excess office equipment, and some fish and game management equipment, including boats and aircraft.

The justification for such transfers as are authorized in sections 21, 35, and 45 of the bill rests on the following points:

First. In each case, the State of Alaska is assuming a function heretofore the responsibility of the Federal Government. The State is thus relieving the Federal Government of certain burdens which will result in a saving to the United States.

Second. To enable the State to assume those responsibilities now, and to prevent the Federal responsibility from continuing indefinitely, it is necessary and practical to turn over to the State certain property used by the United States in the performance of those functions. If the property were not transferred it would probably be necessary to give the State further monetary grants to enable it to take over the functions. Even if the State were given necessary funds, it would be unable to purchase equipment and have it on hand in time to take over functions on or about July 1, 1959.

Third. No property is to be transferred unless it is excess to U.S. needs in Alaska and unless it relates to a function taken over by the State—other excess would continue to be disposed of under regular excess property procedures. The Federal Government will retain all property needed for continuing Federal functions—for example, the Bureau of Public Roads will retain property and equipment necessary for its national forest highway program.

Fourth. It would be most difficult and costly to try to dispose of the excess property involved to someone other than the State. Much of it is useful only in connection with the functions being transferred. Insofar as the excess consists of real property in the form of roads, jails, airport runways, and the like, there is no other practical way of disposal than transfer to the State or some local public body.

Fifth. The highway equipment and properties to be transferred to the State were procured with funds made available to or contributed by Alaska under the Federal-Aid highway program or transferred from the Alaska Roads Commission when Alaska was first brought under the Federal highway program. Title to such property was vested in the United States only because the Bureau of Public Roads performed most of the functions of a territorial highway department. If Alaska had been treated as other States and Territories, title to these properties would have vested in Alaska from the very beginning.

Sixth. With respect to the transfer of Anchorage, Fairbanks and the intermediate airports, it should be noted that there is ample precedent for such transfers. Under the Surplus Property Act of 1944, the Federal Government has transferred some 550 surplus Federally constructed airports to the States and their subdivisions, without monetary consideration, but subject to certain terms and conditions. Those transferred airports originally cost the Federal Government about $1,420 million to construct. It is contemplated that similar terms and conditions would be imposed in transferring the Alaska airports.

It might also be noted that the other States also benefit from donations of excess Federal property. Currently, excess property is being donated to the States at a rate of over $340 million—in

acquisition costs—a year for airports, wildlife conservation, park and recreational purposes, public health, education, and civil defense purposes. About 85 percent of that material is personal property. California alone received $7.7 million worth of property in the first quarter of 1959; in the same period New York received $6.2 million worth of property, Texas $5.7 million and Virginia $2.3 million.

I recommended expeditious House action on H.R. 7120.

Mr. SAYLOR. Mr. Chairman, I yield myself 8 minutes.

Mr. Chairman, last year the 85th Congress considered the Alaska statehood bill and, as is always the case in important legislation before this body, there are those who were in favor of that bill and those who opposed it. According to the theory of government under which we operate, when the majority works its will we join forces and go forward. That is just what happened in this case. The majority of both the House and the Senate were in favor of admitting the 49th State to the Union under certain terms and conditions. The people of Alaska in a free election indicated their approval of what the Congress had done. So Alaska has in law become the 49th State of the Union.

But it is necessary to have more than just a law to make Alaska a State in fact. It is necessary to have a law which will enable the people of Alaska to share with the citizens of the other States of the Union all of our laws. In the President's state of the Union message in January of this year he stated one of the important things that would come before this present Congress was a bill to enable the new State of Alaska to become a State in fact. So today this bill is presented for your consideration as the result of a great deal of research work by the Bureau of the Budget, by the Department of the Interior, and by all of the related Federal agencies that appeared before our committee. This bill changes all of the existing Federal laws so that Alaska could become a State in fact as well as in law.

This bill will enable Alaska to participate in a number of Federal grant-in-aid programs on the basis of an equal with all of the other States. It will authorize the various measures required to facilitate the orderly transition, including property transfers and transitional grants to the State of Alaska.

On this point it seems that certain people feel that Alaska is receiving more favorable treatment than any other State in the Union. That, I do not believe, is a correct statement. It is certainly not the intention of the Bureau of the Budget to make such a recommendation, and it certainly is not the intention of our committee to allow the new State of Alaska to share on a more favorable basis than any other State.

The provisions of the three sections which have been referred to, sections 21, 35, and 45, do provide for transfer to the State of Alaska property now owned by the Federal Government. But it is important to note that none of this property can be transferred, either by the Secretary of Commerce, by the Federal Aviation Agency, or by the President, unless it is found to be in excess of the needs of the United States.

Let us look at some of the things that are here transferred. Right now all of the jails in the State of Alaska are being operated by the Federal Government. I do not know of anyone who would propose that we put up on the public auction block any cells up there so that they might be used by any private person, nor do I believe that anyone will propose that the jails be returned to the other States or Federal agencies for sale or disposal. Someone might suggest that is a rather ludicrous example to use, yet it is necessary to use such examples sometimes to point out just what this bill is trying to accomplish.

It is interesting to note that in the President's budget which was sent up early in January there are no provisions for carrying on any of the Federal functions that are included in this bill, beyond June 30, 1959. That is why time is of the essence. Unless this bill is passed by the House and the other body and signed by the President before July 1, 1959, it will be necessary for the Appropriations Committee to make certain supplemental appropriations in order to carry on the functions of the Federal Government. There is nothing in the laws presently on the books that would permit their termination unless this bill is passed, therefore this bill becomes a matter of urgent necessity.

Some people believe it would be necessary and in the public interest to have the State of Alaska pay the fair value of these properties that are being turned over to it. I do not agree with that. It is important to note that when these properties are being turned over to the new State of Alaska, Alaska is giving up something. And, when you give up something to which you are entitled under the law, there must be a consideration. The consideration here is the promise of a gift to the new State of Alaska if it is in excess of the needs of the Federal Government. This bill, while over a 5-year period will call for the expenditure of not more than $3.5 million, will, in the long run, be a real saving to the people of the United States, because all of the agencies that are presently operated by the Federal Government will soon be operated by the new State of Alaska, just as they are in your own State.

Mr. Chairman, I urge that this bill be voted upon favorably.

Mr. O'BRIEN of New York. Mr. Chairman, I yield 5 minutes to the gentleman from Alaska [Mr. RIVERS].

Mr. RIVERS of Alaska. Mr. Chairman, before proceeding with my remarks in favor of H.R. 7120, commonly referred to as the Alaska omnibus bill, I wish to take this opportunity of expressing a few thoughts which I consider to be of underlying significance.

I am here because the people of Alaska were granted statehood during the last session of this Congress. That grant of statehood was an historically significant achievement of the 85th Congress. After a lapse of 46 years since the admissions of Arizona and New Mexico in 1912, the grant of full citizenship rights to our fine citizens in Alaska sparked a widespread feeling of pride among the people of America because passage of the Statehood Act manifested the continuing vitality of the basic principles upon which our great Nation is founded, and added lustre, if you will, to the Government of the United States and our democratic institutions.

Statehood also carries with it other significant elements, foremost of which is the fact that the people of Alaska are not only grateful for their full rights as American citizens, but determined to shoulder their full share of the responsibility for promoting the strength and general welfare of our whole Union. Fortunately such loyalty is found in our new State because Alaska is the northwesterly bastion of our common defense, strategically located in the shadow of the Iron Curtain.

As more fully explained by the distinguished gentleman from Colorado, WAYNE ASPINALL, chairman of the Committee on Interior and Insular Affairs, the omnibus bill is before this body as a matter not only of convenience but of mutual necessity. In this modern industrial age involving complex relationships between the States and the Federal Government, it was virtually impossible to spell out all the transition details in the Statehood Act itself. That is the reason for this omnibus bill. The differences between the problem before us now and the transition steps which were necessary for Arizona and New Mexico, before the age of jet airplanes, international airports, a nationwide highway system, social security programs, and other modern developments, highlights the tremendous advances made by our Nation in the intervening 46 years.

Accordingly, H.R. 7120, under the auspices of the administration, acting through the Bureau of the Budget, with full cooperation by the House Committee on Interior and Insular Affairs, provides for the steps necessary to carry out an orderly transition from Alaska's former Territorial status to its present position as a State. Upon this phase I will speak only briefly as the subject matter has already been ably presented. I can best do this with some illustrations.

During the last 15 years the Federal Government has carried out a civil airport program in Alaska, a function which it does not perform anywhere else except at the National Airport serving Washington, D.C. Since the Federal Government is determined to get out of the civil airport business in Alaska, the new State has expressed willingness to take over that responsibility on the reasonable formula set forth in this omnibus bill. In the process of being accorded an equal footing with the other States, Alaska will also take over the highways within its boundaries—except national park roads—and will assume the added burden of highway maintenance under the terms set forth in this omnibus bill.

Other grant-in-aid programs in which Alaska already participates will, under this bill, be adjusted to put Alaska on the same basis as the other States. The transitional grants for

which this bill provides, covering a period of the next 5 years, total $28½ million, or approximately $3 million more than the amount the Federal Government would otherwise spend if it continued during that period the operations which are being turned over to the new State. In addition to these money grants, certain road equipment and other facilities which will become excess property as far as the Federal Government is concerned, will be transferred free of charge to the State to effectuate the transition without any interruption of the public services involved.

Besides the functions which are to be transferred under this bill, the State will also establish its own system of courts and take over the responsibility and cost of fish and wildlife management and control, and various other functions heretofore provided by the Federal Government at Federal expense. Thus, in due course the Federal Government will come out ahead financially, and the edifice of full State responsibility will be built on a sound foundation.

Before closing, I wish to express my high regard for the able and conscientious study and work done on this subject by Mr. Harold Seidman and other representatives of the Bureau of the Budget, and utmost appreciation of the sincere and brilliant work of the distinguished chairman of the Committee on Interior and Insular Affairs, Mr. ASPINALL, and of the very helpful work of our colleagues, the gentleman from New York [Mr. O'BRIEN], chairman of the subcommittee which held the hearings on the bill, and the gentleman from Pennsylvania [Mr. SAYLOR], the ranking minority member of the committee. In closing, and as the spokesman for my great State of Alaska, I voice full support of H.R. 7120 and urge its passage.

Mr. MOORE. Mr. Chairman, we have no further requests for time on this side.

Mr. O'BRIEN of New York. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I have no desire to prolong this discussion because obviously the distinguished chairman of the Committee on Rules has narrowed the issue here. He has stated, in his judgment, that he believes this bill should pass. He has been kind enough to suggest that the committee of which I have the honor to be a member has approached this whole problem in a conservative way.

I would like to say, though, that probably this bill is without precedent in the history of Congress because we have a striking demonstration in this rather bulky bill of how far the Federal Government has reached out into the affairs of all of us since the last States were admitted prior to Alaska, and that is why we have had to put so many things in this bill which were never even dreamed of when we admitted other States; such matters as aid for roads and airports—things of that sort.

I was in Alaska about 2 weeks ago, the first time I had gone there since 1955 and certainly the first time since Alaska was admitted as a State. I found the people there approaching their new and very heavy responsibilities soberly and conservatively. There are some growing pains, of course, because Alaska, in spite of its enormous size, is still an infant.

Mention has been made here of our generosity in dealing with the new State in the statehood bill, the enormous tracts of land which were made available to the new State. I do not propose to argue the value of those lands at this time, but I do think that we should again consider percentages as well. Even though it was more than 100 million acres of land, the Federal Government still retained two-thirds of all the land in Alaska, and the part retained by the Federal Government includes some of the very richest land there. But that is entirely beside the point because I believe, and I agree with the gentleman from Illinois, that it was a generous gift.

I believe that within 10 years enormous wealth will flow from those grants, but today we have a situation where we have placed a large steak dinner before a child which has still to acquire its molars. None of that land is bringing in any revenue at this time, and it will be some time before any revenue comes in. So we have to bridge that gap, and that is what we are doing in this bill.

We believe that it is a sound, sensible bill, from the viewpoint of the Federal Government which in a sense gets out from under in many of these fields. We also believe, while it does not meet the full requests of the officials and the people of Alaska, it goes a long way toward meeting their needs.

Specifically, on the subject of the question which has been raised by several Members here, including the distinguished chairman of the Committee on Rules, personally I would have no objection to an amendment to the bill which would not hog-tie the new State and make futile the transfers we are making. Let us take this matter of airports. We know that the Federal Government has transferred to the States and the political subdivisions thereof $1.5 billion worth of airports. So we are doing in Alaska what we have done in many places.

Then we get to the question of equipment for airports. Shall we just give them the runways and the bare buildings, or shall we give them the equipment there which will help operate those airports? I say that unless we give them that equipment, unless we give them the rights-of-way, the roads, and the equipment that our alternative might very well be a greater cost, because if we are to bridge for this new State the gap between early poverty and what I believe will be eventual riches, then we do have to provide for those things. And what is the alternative to the beat-up tractor on the road? It is to buy or provide the funds for buying new equipment. So, if the committee had not had some such provision here, the committee would have been forced to come to you, in all honesty, and as part of its responsibility, with a request for larger dollar grants.

You have a choice here between tractors and dollars, it seems to me. We also have, as the chairman of our full committee has said, a question of urgency where we are shortcutting the ordinary procedures not for the sake of shortcutting them and not for the sake of whittling down the power of the Congress, but because we are looking at a calendar that has July 1, 1959, in large, bold, red letters. So, as I say, if we can work out something here that will meet the objections raised by these distinguished gentlemen, and at the same time not deny this new State the tools which it must have, I certainly would be willing to accept it.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. O'BRIEN of New York. I yield.

Mr. ASPINALL. Is it not a fact that similar legislation was passed for the new States of Oklahoma, Arizona, and New Mexico when they were brought into the Union, and the only reason we did not have these large transfers of property and the grants, which are set forth in this legislation, is that they did not at that time have the Federal activities in those new States that we have had in Alaska for over 50 years as a Territory, and before that so far as an unincorporated Territory is concerned?

Mr. O'BRIEN of New York. The gentleman is very correct. We have in Alaska a peculiar problem because of size and also because the Federal Government has gone into fields that we did not dream the Federal Government would go into when the other States were being admitted into the Union. The question that bothers me in discussing this matter is—where would the savings be to the Federal Government if we deny this new State the equipment? What would we do with it? Well, I suppose we could sell it at public auction some place, but repeatedly we have had here before us examples of the Federal Government declaring personal property surplus, and then disposing of it to municipalities and to States. We are suggesting that we do the same thing here. The big difference is that because this is a new State and because this is an omnibus bill, we are coming in not with a particular type of surplus property, but we are coming in with property affecting roads, property affecting jails, property affecting health, and property affecting airports. So we are doing things on a bigger scale than we have done in the past. It is almost impossible to do anything in connection with Alaska without it being on a bigger scale because it is just so big itself and its problems are so big. But, I would like to conclude by saying my mind is open, provided that we do not accept here an amendment which will make a joke out of what we are trying to do. We cannot turn over just the airports and just the roads and just the responsibility for the hospitals without turning over the equipment that goes with it, and which is necessary to do the job, especially when that equipment and these tools are of no great value to the Federal Government unless they are employed

in the way that we propose to employ them.

Mr. SAYLOR. Mr. Chairman, will the gentleman yield?

Mr. O'BRIEN of New York. I yield.

Mr. SAYLOR. I concur in what the gentleman has said. I wish to impress this fact upon the committee that even if we gave Alaska money in this bill to purchase this equipment, they could not possibly purchase it and have it there to use on July 1 of this year.

Mr. O'BRIEN of New York. That is very true.

Mr. MUMMA. Mr. Chairman, will the gentleman yield?

Mr. O'BRIEN of New York. I yield.

Mr. MUMMA. What is the nature of this equipment that you cannot get it now?

Mr. O'BRIEN of New York. Well, for example, there are tractors.

Mr. MUMMA. Life magazine had a full double page picture of all of this machinery, this stack of tractors out there that they are trying to sell, that is, the Caterpillar Co. I believe the best plan would be to give it to them. But, I do not like that statement that it cannot be obtained because I believe it can be.

Mr. O'BRIEN of New York. Oh, I think possibly with American ingenuity being what it is that might happen. But, I would hate to be the purchasing agent in charge of the roads out there when he would be told on the 5th of June or on the 10th or whenever this bill had run its course that he had to do all these things by the 1st of July.

Mr. MUMMA. He might try us and he would find us very easy.

Mr. O'BRIEN of New York. He probably would, but it is much easier to take the tractor which is already in operation up there and just drive it out of the shed. If the Federal Government were going to suffer a huge monetary loss by the transfer of this property, I would be against it. I think that by transferring it, we are employing the dollars we have invested in it in the best possible way.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. O'BRIEN of New York. I yield.

Mr. HALEY. As a matter of fact, it would cost just about as much to bring that tractor back, let us say, to the United States as it would cost for the tractor new, and you would still have a second-hand, used tractor here in the United States. So it would be better to give them this road-building equipment and let it stay up there, and if the Federal Government must have it, we might as well buy it here and get new equipment. In the long run, it certainly seems to me there would not be much difference.

Mr. O'BRIEN of New York. That is true. Everyone knows that one of the greatest problems and one of the greatest elements of cost in Alaska is transportation, and one reason why we have such fine steaks up there is because they figure if they have to fly them in, they might as well get the best.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. O'BRIEN of New York. I yield.

Mr. GROSS. Does the gentleman have any idea of the cost of the new commission that is to be created, called the Claims Commission, and which is to operate for 5 years?

Mr. O'BRIEN of New York. According to my understanding, the Commission would not meet every day but would serve only when a dispute was referred to it. Where we have dealings between a State and the Federal Government from time to time there are bound to be disputes. Alaska is now a sovereign State. In such disputes there should be an umpire.

True, the per diem allowance is $50, but I doubt if it is going to run into any great deal of money; I would certainly hope not, but it seemed to the committee to be the best way to take care of disputes arising between the new State and the Federal Government.

Mr. GROSS. Is there no agency of Government with personnel already available to constitute this so-called Court of Claims?

Mr. O'BRIEN of New York. Yes; there doubtless is, but to use them would probably lead to political implications, especially where the State and the Federal Government should try to solve something and there were none but Federal employees on the Claims Commission.

As a matter of fact, I do not think this Commission is going to be very greatly used.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. O'BRIEN of New York. I yield.

Mr. HALEY. Actually, unless there were some dispute to be resolved they would not be called upon to function at all, and it should not take any great length of time to resolve such disputes as may arise.

Mr. O'BRIEN of New York. I think the gentleman is correct. I may say to the gentleman from Iowa that I think this will be less costly than any commission that could be set up here in Washington.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. O'BRIEN of New York. I yield.

Mr. PELLY. I want to express my support for this legislation. I think the committee has done the right thing in bringing in this bill and pushing it to passage. Certainly, it is very necessary legislation. Certainly, to try to salvage some money out of surplus Government equipment in Alaska would return very little to the taxpayers of the country. Some junk dealer might make a little profit out of it, but certainly I think the best thing to do is to transfer the material to Alaska. I think the committee has brought in proper legislation.

Mr. O'BRIEN of New York. I think the gentleman is so correct. If a rich uncle left me a hundred tractors in Alaska and I lived in New York I might be astonished to find that I had no inheritance whatsoever if I tried to bring them back to New York and dispose of them.

Mr. HALEY. Alaska is the only prospective purchaser of this equipment among the States. Not to let Alaska have it would save but little to the taxpayers and be of no help whatever to Alaska.

Mr. O'BRIEN of New York. The gentleman is correct.

Mr. Chairman, I yield back the balance of my time.

Mr. SAYLOR. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Alaska Omnibus Act."

FEDERAL JURISDICTION

SEC. 2. (a) Section 4 of the Act of July 7, 1958 (72 Stat. 339), providing for the admission of the State of Alaska into the Union, is amended by striking out the words "all such lands or other property, belonging to the United States or which may belong to said natives", and inserting in lieu thereof the words "all such lands or other property (including fishing rights), the right or title to which may be held by said natives or is held by the United States in trust for said natives."

(b) Section 6(e) of said Act is amended by striking out the word "legislative" and inserting in lieu thereof the word "calendar."

TERMINATION OF APPLICATION OF CERTAIN FEDERAL LAWS

SEC. 3. Any Territorial law, as that term is defined in section 8(d) of the Act of July 7, 1958 (72 Stat. 339, 344), providing for the admission of the State of Alaska into the Union—

(a) which provides for the regulation of commerce within Alaska by an agency of the United States, and

(b) the application of which to the State of Alaska is continued solely by reason of such section 8(d), shall cease to apply to the State of Alaska on June 30, 1961, or on the effective date of any law enacted by the legislature of the State of Alaska which modifies or changes such Territorial law, whichever occurs first.

SUGAR ACT

SEC. 4. Section 101 of the Sugar Act of 1948, as amended (7 U.S.C., supp. V, sec. 1101), is further amended by adding thereto a new subsection, to be designated subsection "(o)" and to read as follows:

"(o) The term 'continental United States' means the forty-nine States and the District of Columbia."

SOIL BANK ACT

SEC. 5. Section 113 of the Soil Bank Act (7 U.S.C., supp. V, sec. 1837), is amended to read as follows: "This subtitle B shall apply to the continental United States, except Alaska, and, if the Secretary determines it to be in the national interest, to the State of Alaska, the Territory of Hawaii, the Commonwealth of Puerto Rico, and the Virgin Islands, and as used in this subtitle B, the term 'State' includes Hawaii, Puerto Rico, and the Virgin Islands."

ARMED FORCES

SEC. 6. (a) Title 10, United States Code, section 101(2), is amended by striking out the words "Alaska, Hawaii," and inserting in lieu thereof the word "Hawaii."

(b) Title 10, United States Code, sections 802(11) and 802(12), are each amended by striking out the words "that part of Alaska east of longitude 172 degrees west,".

(c) Title 10, United States Code, section 2662(c), is amended by striking out the word "Alaska,".

NATIONAL BANK ACT

SEC. 7. Section 5192 of the Revised Statutes, as amended (12 U.S.C. 144), is further amended by striking out the words "in Alaska or."

FEDERAL RESERVE ACT

SEC. 8. (a) Section 1 of the Federal Reserve Act, as amended (12 U.S.C. 221), is further amended by deleting the period at the end of such section and inserting in lieu thereof the following: "; the term 'the continental United States' means the States of the United States and the District of Columbia."

(b) Section 19 of the Federal Reserve Act, as amended (12 U.S.C. 466), is further amended by striking the words "in Alaska or".

HOME LOAN BANK BOARD

SEC. 9. (a) Paragraph (3) of section 2 of the Federal Home Loan Bank Act, as amended (12 U.S.C. 1422(3)), is further amended by striking out the words "Territories of Alaska and Hawaii" and inserting in lieu thereof the words "Territory of Hawaii".

(b) Section 7 of the Home Owners' Loan Act of 1933, as amended (12 U.S.C. 1466), is further amended by striking out the words "continental United States, to the Territories of Alaska and Hawaii" and inserting in lieu thereof the words "continental United States (including Alaska), to the Territory of Hawaii".

NATIONAL HOUSING ACT

SEC. 10. The National Housing Act is amended by—

(a) striking out the word "Alaska," in section 9, 201(d), 207(a)(7), 601(d), 713(q), and 801(g) (12 U.S.C., secs. 1706d, 1707(d), 1713(a)(7), 1756(d), 1747 1(q); supp. V, sec. 1748(g));

(b) striking out the words "the Territory of Alaska," in section 207(c)(2) (12 U.S.C., supp. V, sec. 1713(c)(2)), and inserting the word "Alaska" in lieu thereof;

(c) striking out the words "the Territory of Alaska or in Guam" in section 214 (12 U.S.C., supp. V, sec. 1715d, 48 U.S.C., supp. V, sec. 484d), and inserting the words "Alaska, Guam," in lieu thereof; and

(d) striking out the word "Territory" in the two places where it appears in section 806 (12 U.S.C., supp. V, sec. 1748e), inserting the word "State" in lieu thereof.

COAST GUARD

SEC. 11. Title 14, United States Code, section 634(b), is amended by striking out the words "and for the territory of" in both places where they appear therein.

SECURITIES AND EXCHANGE COMMISSION

SEC. 12. (a) Paragraph (6) of section 2 of the Securities Act of 1933, as amended (15 U.S.C. 77b(6)), is further amended by striking out the word "Alaska,".

(b) Paragraph (16) of section 3(a) of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78c(a)(16), is further amended by striking out the word "Alaska,".

(c) Paragraph (18) of section 202(a) of the Investment Advisers Act of 1940, as amended (15 U.S.C. 80b–2 (a) (18)), is further amended by striking out the word "Alaska,".

(d) Paragraph (37) of section 2(a) of the Investment Company Act of 1940, as amended (15 U.S.C. 80a–2(a) (37)), is further amended by striking out the word "Alaska,".

(e) Paragraph (1) of section 6(a) of the Investment Company Act of 1940, as amended (15 U.S.C. 80a–6(a) (1)), is further amended by striking out the word "Alaska,".

SOIL CONSERVATION

SEC. 13. (a) Section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended (16 U.S.C., supp. V, sec. 590h(b)), is further amended by inserting, immediately following the words "continental United States", the words ", except in Alaska".

(b) Section 17(a) of the Soil Conservation and Domestic Allotment Act, as amended (16 U.S.C. 590q(a)), is further amended by striking out the words "the United States, the Territories of Alaska and Hawaii" and inserting in lieu thereof the words "the States, the Territory of Hawaii", and by striking out the word "Alaska" the second time it appears therein.

BALD EAGLES

SEC. 14. Section 1 of the Act of June 8, 1940 (16 U.S.C. 668), is amended by striking out the words "except the Territory of Alaska,".

WILDLIFE RESTORATION

SEC. 15. Section 8(a) of the Act of September 2, 1937, as amended (16 U.S.C., supp. V, sec. 669g–1), is further amended by striking out the words "the Alaska Game Commission," "said Territory of Alaska,", "not exceeding $75,000 for Alaska, and", and "the Territory of Alaska,".

FISH RESTORATION

SEC. 16. Section 12 of the Act of August 9, 1950, as amended (16 U.S.C., supp. V, sec. 777k), is further amended by striking out the words "the Alaska Game Commission," "said Territory of Alaska,", "not exceeding $75,000 for Alaska, and", and "the Territory of Alaska,".

CRIMINAL CODE

SEC. 17. (a) Title 18, United States Code, section 5024, is amended by striking out the out the words "other than Alaska" and in lieu thereof the words "including Alaska".

(b) Section 6 of the Act of August 25, 1958 (72 Stat. 845, 847), is amended by striking out the words "other than Alaska" and inserting in lieu thereof the words "including Alaska".

(c) Subsections (a) and (b) of this section shall be effective on July 7, 1961, or on the date of the Executive order referred to in section 18 of the Act of July 7, 1958 (72 Stat. 339, 350), providing for the admission of the State of Alaska into the Union, whichever occurs first.

(d) Title 18, United States Code, section 1385, is amended by deleting the last sentence thereof.

EDUCATION

SEC. 18. (a)(1) Subsection (a) of section 103 of the National Defense Education Act of 1958 (72 Stat. 1580, 1582), relating to definition of State, is amended by striking out "Alaska", each time it appears.

(2) Paragraph (3)(B) of section 302(a) of such Act (72 Stat. 1580, 1588), relating to definition of continental United States for purposes of allotments for science, mathematics, and modern foreign language instruction equipment, is amended by striking out "does not include Alaska" and inserting in lieu thereof "includes Alaska".

(3) Section 1008 of such Act (72 Stat. 1580, 1605), relating to allotments to Territories, is amended by striking out "Alaska,".

(b)(1) Section 4 of the Act of February 23, 1917 (20 U.S.C. 14), relating to allotments for teacher-training, is amended by striking out "$90,000" and inserting in lieu thereof "$93,500". The proviso in the last paragraph of section 5 of such Act (20 U.S.C. 16) and so much of section 12 of such Act (20 U.S.C. 22) as follows the last semicolon shall not be applicable to Alaska prior to the third fiscal year which begins after the enactment of this Act.

(2) Paragraph (1) of section 2 of the Vocational Education Act of 1946 (20 U.S.C. 151), relating to definition of States and Territories, is amended by striking out "the Territories of Alaska and Hawaii" and inserting in lieu thereof "the Territory of Hawaii".

(3) Subsection (e) of section 210 (20 U.S.C., supp. V, sec. 15jj(e)), and subsection (a) of section 307 of such Act (72 Stat. 1580, 1600), relating to definition of State, are each amended by striking out "Alaska,".

(c) Paragraph (13) of section 15 of the Act of September 23, 1950, as amended (72 Stat. 548, 558), relating to definition of State, is amended by striking out "Alaska,".

(d)(1) The material in the parentheses in the first sentence of subsection (d) of section 3 of the Act of September 30, 1950, as amended, relating to determination of local contribution rate, is amended to read: "(other than a local educational agency in Hawaii, Puerto Rico, Wake Island, Guam, or the Virgin Islands, or in a State in which a substantial proportion of the land is in unorganized territory for which a State agency is the local educational agency)".

(2) The fourth sentence of such subsection is amended by inserting "(including Alaska)" after "continental United States" the first time it appears in such sentence. The fifth sentence of such subsection is amended by inserting "(including Alaska)" after "continental United States" the second time it appears in such sentence.

(3) The last sentence of such subsection is amended by striking out "Alaska," and by inserting after "the Virgin Islands," the following: "or in any State in which a substantial proportion of the land is in unorganized territory for which a State agency is the local educational agency,".

(4) Paragraph (8) of section 9 of such Act (20 U.S.C., supp. V, sec. 244(8)), relating to definition of State, is amended by striking out "Alaska,".

IMPORTATION OF MILK AND CREAM

SEC. 19. Subsection (b) of section 9 of the Act of February 15, 1927 (21 U.S.C., sec. 149(b)), is amended by inserting the words ", including Alaska" immediately following the words "continental United States".

OPIUM POPPY CONTROL

SEC. 20. Section 12 of the Opium Poppy Control Act of 1942 (21 U.S.C., sec. 188k), is amended by deleting therefrom the words "the Territory of Alaska,".

HIGHWAYS

SEC. 21. (a) The Secretary of Commerce shall transfer to the State of Alaska by appropriate conveyance without compensation, but upon such terms and conditions as he may deem desirable, all lands or interests in lands, including buildings and fixtures, all personal property, including machinery, office equipment, and supplies, and all records pertaining to roads in Alaska, which are owned, held, administered by, or used by the Secretary in connection with the activities of the Bureau of Public Roads in Alaska, (i) except such lands or interests in lands, including buildings and fixtures, personal property, including machinery, office equipment, and supplies, and records as the Secretary may determine are needed for the operations, activities, and functions of the Bureau of Public Roads in Alaska after such transfer including services or functions performed pursuant to section 40 of this act; and (ii) except such lands or interests in lands as he or the head of any other Federal agency may determine are needed for continued retention in Federal ownership for purposes other than or in addition to road purposes.

(b) Notwithstanding any other provision of this section, any contract entered into by the Federal Government in connection with the activities of the Bureau of Public Roads in Alaska which has not been completed on the date of the transfer provided under subsection (a) hereof may be completed according to the terms thereof.

(c) (1) The State of Alaska shall be responsible for the maintenance of roads, including bridges, tunnels, and ferries, transferred to it under subsection (a) of this section, as long as any such road is needed for highway purposes.

(2) Federal-aid funds, apportioned to Alaska under title 23, United States Code, for fiscal year 1960 and prior fiscal years, and unobligated on the date of enactment of this act, may be used for maintenance of highways on the Federal-aid systems in Alaska.

(d) Effective July 1, 1959, the following provisions of law are repealed:

(1) Title 23, United States Code, sec. 103(f);

(2) Title 23, United States Code, sec. 116(d);

(3) Title 23, United States Code, sec. 119;

(4) Title 23, United States Code, sec. 120(h), except that the portion of the first sentence thereof relating to the percentage of funds to be contributed by Alaska shall continue to apply to funds apportioned to Alaska for fiscal year 1960 and prior fiscal years;

(5) Sections 107 (b) and (d) of the Federal-Aid Highway Act of 1956 (70 Stat. 374, 377, 378);

(6) Section 2 of the Act of January 27, 1905 (33 Stat. 616), as amended (48 U.S.C., sec. 322 and the following); and

(7) The Act of June 30, 1932 (47 Stat. 446), as amended (48 U.S.C., sec. 321(a) and the following).

(e) Effective on July 1, 1959, the following provisions of law are amended:

(1) The definition of the term "State" in title 23, United States Code, section 101(a), is amended to read as follows: "The term 'State' means any one of the forty-nine States, the District of Columbia, Hawaii, or Puerto Rico.";

(2) Title 23, United States Code, section 104(b), is amended by deleting the phrase ", except that only one-third of the area of Alaska shall be included" where it appears in paragraphs (1) and (2) of said section 104(b);

(3) Title 23 United States Code section 116(a) is amended by deleting the phrase "Except as provided in subsection (d) of this section" and by capitalizing the word "it" immediately following such phrase; and

(4) Title 23, United States Code, section 120(a), is amended by deleting the phrase "subsections (d) and (h)" and by inserting in lieu thereof the phrase "subsection (d)".

INTERNAL REVENUE

SEC. 22. (a) Section 2202 of the Internal Revenue Code of 1954 (relating to missionaries in foreign service), and sections 3121(e)(1), 3306(j), 4221(d)(4), and 4233(b) of such Code (each relating to a special definition of "State") are amended by striking out "Alaska,".

(b) Section 4262(c)(1) of the Internal Revenue Code of 1954 (definition of "continental United States") is amended to read as follows:

"(1) CONTINENTAL UNITED STATES.—The term 'continental United States' means the District of Columbia and the States other than Alaska."

(c) Section 4502(5) of the Internal Revenue Code of 1954 (relating to definition of "United States") is amended by striking out "the Territories of Hawaii and Alaska" and by inserting in lieu thereof "the Territory of Hawaii".

(d) Section 4774 of the Internal Revenue Code of 1954 (relating to territorial extent of law) is amended by striking out "the Territory of Alaska,".

(e) Section 7621(b) of the Internal Revenue Code of 1954 (relating to boundaries of internal revenue districts) is amended to read as follows:

"(b) BOUNDARIES.—For the purpose mentioned in subsection (a), the President may subdivide any State, Territory, or the District of Columbia, or may unite into one district two or more States or a Territory and one or more States."

(f) Section 7653(d) of the Internal Revenue Code of 1954 is amended by striking out "its Territories or possessions" and inserting in lieu thereof "its possessions or the Territory of Hawaii".

(g) Section 7701(a)(9) of the Internal Revenue Code of 1954 (relating to definition of "United States") is amended by striking out "the Territories of Alaska and Hawaii" and inserting in lieu thereof "the Territory of Hawaii".

(h) Section 7701(a)(10) of the Internal Revenue Code of 1954 (relating to definition of State) is amended by striking out "Territories" and inserting in lieu thereof "Territory of Hawaii".

(i) The amendments contained in subsections (a) through (h) of this section shall be effective as of January 3, 1959.

COURTS

SEC. 23. (a) Title 28, United States Code, section 48, is amended by striking out the word "Seattle." and inserting in lieu thereof the words "Seattle, Anchorage.".

(b) Title 28, United States Code, section 81A, is amended by inserting the word "Ketchikan," immediately following the word "Juneau,".

(c) Such authority as has been exercised by the Attorney General heretofore, with regard to the Federal court system in Alaska, pursuant to section 30 of the Act of June 6, 1900 (48 U.S.C. 25), shall continue to be exercised by him after the court created by section 12(b) of the Act of July 7, 1958 (72 Stat. 339, 348), providing for the admission of the State of Alaska into the Union, is established.

(d) All balances of public moneys received by the clerks of each division of the District Court for the Territory of Alaska pursuant to section 10 of the Act of June 6, 1900, as amended (48 U.S.C. 107), which are on hand after all payments ordered by that court and approved by the Administrative Office of the United States Courts shall have been made, shall be covered into the Treasury of the United States as required by law, and the Secretary of the Treasury shall pay the amounts so covered, which are hereby appropriated, to the State of Alaska.

VOCATIONAL REHABILITATION ACT

SEC. 24. (a) Subsection (g) of section 11 of the Vocational Rehabilitation Act (29 U.S.C. supp. V, sec. 41(g)), relating to definition of State, is amended by striking out "Alaska,".

(b)(1) Subsection (i) and paragraph (1) of subsection (h) of such section, relating to definition of allotment percentages and Federal shares for purposes of allotment and matching for vocational rehabilitation services, are each amended by striking out "(excluding Alaska)" and inserting in lieu thereof "(including Alaska)".

(2) Paragraph (1) of such subsection (h) is further amended by striking out "Alaska,".

(3) Such subsection (i) is further amended by striking out "Hawaii and Alaska" in clause (B) and inserting in lieu thereof "Hawaii".

GOLD RESERVE ACT

SEC. 25. Section 15 of the Gold Reserve Act of 1934, as amended (31 U.S.C. 444), is further amended by striking out the words ", the District of Columbia, and the Territory of Alaska" and inserting in lieu thereof the words "and the District of Columbia".

SILVER PURCHASE ACT

SEC. 26. Section 10 of the Silver Purchase Act of 1934 (31 U.S.C. 448b) is amended by striking out the words ", the District of Columbia and the Territory of Alaska" and inserting in lieu thereof the words "and the District of Columbia".

NATIONAL GUARD

SEC. 27. Title 32, United States Code, section 101(1), is amended by striking out the words "Alaska, Hawaii," and inserting in lieu thereof the word "Hawaii".

WATER POLLUTION CONTROL ACT

SEC. 28. (a) Paragraph (1) of section 5(h) of the Federal Water Pollution Control Act (33 U.S.C., supp. V, sec. 466 (h)(1)), relating to Federal share for purposes of matching for program operation, is amended by striking out "(excluding Alaska)" and inserting in lieu thereof "(including Alaska)" and by striking out in clause (B), "and Alaska".

(b) Subsection (d) of section 11 of such Act (33 U.S.C., supp. V, sec. 466j(d) is amended by striking out "Alaska,".

VETERANS' ADMINISTRATION

SEC. 29. (a) Title 38, United States Code, section 903(b), is amended by striking out the words ", or to the place of burial within Alaska if the deceased was a resident of Alaska who had been brought to the United States as a beneficiary of the Veterans' Administration for hospital or domiciliary care"; by inserting the word "continental" immediately before the words "United States" the second time they appear in such section; and by inserting immediately following the words "continental United States" in both places where they appear in such section, the parenthetical phrase "(including Alaska)".

(b) Title 38, United States Code, section 2007(c), is amended by striking out the word "Alaska,".

FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT

SEC. 30. (a) Subsection (f) of section 3 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 472(f)), is amended by striking out the words ", Hawaii, Alaska," and inserting in lieu thereof the words "(including Alaska), Hawaii,".

(b) Subsection (a) of section 702 of such Act (40 U.S.C., supp. V, sec. 522(a)), is amended by striking out the words "Territories of Alaska and Hawaii" and inserting in lieu thereof the words "Territory of Hawaii".

PUBLIC HEALTH SERVICE ACT

SEC. 31. (a) Subsection (f) of section 2 of the Public Health Service Act (42 U.S.C. 201(f)), relating to definition of State, is amended by striking out "Hawaii, Alaska," and inserting in lieu thereof "Hawaii," and by striking out ", the District of Columbia, or Alaska" and inserting in lieu thereof "or the District of Columbia".

(b) (1) Effective July 1, 1959, section 371 of the Public Health Service Act, as added by the Alaska Mental Health Enabling Act (42 U.S.C., supp. V, sec. 273), is repealed.

(2) Subsection (a) of section 372 of such Act (42 U.S.C., supp. V, sec. 274(a)) is amended by striking out "the Territory of".

(3) Subsections (b), (c), and (e) of such section are each amended by striking out "the Territory" each time it appears and inserting in lieu thereof "Alaska".

(4) Such subsection (e) is further amended by striking out "the Territory's" and inserting in lieu thereof "Alaska's".

(c) (1) Subsection (a) of section 631 of such Act (42 U.S.C., supp. V, sec. 291i(a)), relating to definition of allotment percentage for purposes of allotments for construction, is amended by striking out "(excluding Alaska)" and inserting in lieu thereof "(including Alaska)" and by striking out "for Alaska and Hawaii shall be 50 per centum each" in clause (2) and inserting in lieu thereof "for Hawaii shall be 50 per centum".

(2) Subsection (d) of such section, relating to definition of State, is amended by striking out "Alaska,".

SOCIAL SECURITY ACT

SEC. 32. (a) Paragraph (8) of section 1101(a) of the Social Security Act (72 Stat. 1013, 1050), relating to definition of Federal percentage for purposes of matching for public assistance grants, is amended by

striking out "Alaska and" in clause (ii) of subparagraph (A) and by striking out "(excluding Alaska)" in subparagraphs (A) and (B) and inserting in lieu thereof "(including Alaska)".

(b)(1) Subsection (a) of section 524 of the Social Security Act (72 Stat. 1013, 1054), relating to definition of allotment percentage for purposes of allotments for child welfare services, is amended by striking out "50 per centum in the case of Alaska and" in clause (B).

(2) Subsection (b) of such section, relating to definition of Federal share for purposes of matching for child welfare services, is amended by striking out "50 per centum in the case of Alaska and" in clause (2).

(3) Such subsections (a) and (b), and subsection (c) of such section, relating to promulgation of Federal shares and allotment percentages, are each amended by striking out "(excluding Alaska)" and inserting in lieu thereof "(including Alaska)".

(c)(1) The last sentence of section 202(i) of the Social Security Act (42 U.S.C., supp. V, sec. 402(i)), is amended by striking out "forty-eight" and inserting in lieu thereof "forty-nine".

(2) Subsections (h) and (i) of section 210 of such Act (42 U.S.C. 410(h), (i)), relating to definitions of State and United States for purposes of old-age, survivors, and disability insurance, are each amended by striking out "Alaska,".

(d) (1) Paragraph (1) of section 1101(a) of the Social Security Act (42 U.S.C., supp. V, sec. 1301(a)(1)), relating to definition of State, is amended by striking out "Alaska, Hawaii," and inserting in lieu thereof "Hawaii".

(2) Paragraph (2) of such action (42 U.S.C. 1301(a)(2)), relating to definition of United States, is amended by striking out "Alaska,".

CONGRESSIONAL RECORD

SEC. 33. Section 73 of the Act of January 12, 1895, as amended (44 U.S.C., supp. V, sec. 183), is further amended by striking out the word "Alaska,".

FEDERAL REGISTER

SEC. 34. Section 8 of the Federal Register Act (44 U.S.C., sec. 308), is amended by striking out the parenthetical phrase "(not including Alaska)" and inserting in lieu thereof the parenthetical phrase "(including Alaska)".

AIRPORTS

SEC. 35. (a) The Administrator of the Federal Aviation Agency is authorized and directed to transfer to the State of Alaska by appropriate conveyance, and subject to such terms and conditions as he may deem appropriate, all the right, title, and interest of the United States in and to the public airports constructed and operated pursuant to the Act of May 28, 1948, as amended (48 U.S.C. 485 and the following), including all the land, buildings, structures, facilities, equipment, and other personal property appurtenant thereto and necessary for the operation thereof, except for such property, real or person, as the Administrator may determine is needed for the performance of functions of the United States in Alaska after such transfer. Such transfer shall be without monetary consideration to the United States.

(b) Notwithstanding any other provisions of this section, any contract entered into by the Federal Aviation Agency in connection with its activities with respect to public airports constructed and operated pursuant to the Act of May 28, 1948, as amended (48 U.S.C. 485 and the following), which has not been completed by the date of enactment of this Act, may be completed according to the terms thereof.

SELECTIVE SERVICE

SEC. 36. Section 16(b) of the Universal Military Training and Service Act, as amended (50 U.S.C. App., sec. 466(b)), is further amended by striking out the word "Alaska,".

REAL PROPERTY TRANSACTIONS

SEC. 37. Section 43(c) of the Act of August 10, 1956 (50 U.S.C. App., supp. V, sec. 2285(c)), is amended by striking out the word "Alaska,".

RECREATION FACILITIES

SEC. 38. Section 2 of the Act of May 4, 1956 (70 Stat. 130), is hereby repealed. There are hereby authorized to be appropriated for the fiscal year ending June 30, 1960, such sums as may be necessary to complete the construction of facilities described in section 1 of such Act, as amended by the Act of August 30, 1957 (71 Stat. 510), if construction was begun prior to June 30, 1959, and to maintain the facilities pending their transfer pursuant to such section.

AIRCRAFT LOAN GUARANTEES

SEC. 39. Section 3 of the Act of September 7, 1957 (71 Stat. 629), is amended by striking out the words "Territory of Alaska" and inserting in lieu thereof the words "State of Alaska".

DEFENSE BASE ACT

SEC. 40. (a) Paragraph (2) and (3) of section 1(a) of the Defense Base Act, as amended (55 Stat. 622; 42 U.S.C. 1651 and the following), are amended by striking out "Alaska;" in the parenthetical phrase in each paragraph.

(b) Paragraph (6) of section 1(a) of that Act is amended by striking out "or in Alaska or the Canal Zone".

(c) Section 1(b) of that Act is amended by striking the period at the end of paragraph (3), inserting in lieu thereof a semicolon, and adding the following paragraph: "(4) the term 'continental United States' means the States and the District of Columbia."

TIMBER REMOVAL

SEC. 41. The Act of March 3, 1891 (26 Stat. 1093), as amended (16 U.S.C. 607), is further amended by deleting the words "Territory of Alaska" and the words "or Territory" where they there appear and by inserting the word "Alaska," after the words "In the State of".

WAR HAZARDS COMPENSATION ACT

SEC. 42. (a) Paragraphs (2), (3), and (5) of section 101(a) of the War Hazards Compensation Act, as amended (56 Stat. 1028; 42 U.S.C. 1701 and the following) are amended by striking out "or in Alaska or the Canal Zone".

(b) Section 104 of that Act is amended by adding the following new subsection at the end thereof:

"(c) The provisions of this section shall not apply with respect to benefits on account of any injury or death occurring within any State."

(c) Section 201 of that Act is amended by adding the following new subsection at the end thereof:

"(f) the term 'continental United States' means the States and the District of Columbia."

BUY AMERICAN ACT

SEC. 43. Section 1(b) of Title III of the Act of March 3, 1933 (41 U.S.C. 10c(b)), is amended by striking out the word "Alaska,".

TRANSITIONAL GRANTS

SEC. 44. (a) In order to assist the State of Alaska in accomplishing an orderly transition from Territorial status to statehood, and in order to facilitate the assumption by the State of Alaska of responsibilities hitherto performed in Alaska by the Federal Government, there are hereby authorized to be appropriated to the President for the purpose of making transitional grants to the State of Alaska, the sum of $10,500,000 for the fiscal year ending June 30, 1960; the sum of $6,000,000 for each of the fiscal years ending June 30, 1961, and June 30, 1962; and the sum of $3,000,000 for each of the fiscal years ending June 30, 1963, and June 30, 1964.

(b) The Governor of Alaska may submit to the President a request that a Federal agency continue to provide services or facilities in Alaska for an interim period, pending the provision of such services or facilities by the State of Alaska. Such interim period shall not extend beyond June 30, 1964. In the event of such request, and in the event of the approval thereof by the President, the President may allocate, at his discretion, to such agency the funds necessary to finance the provision of such services or facilities. Such funds shall be allocated from appropriations made pursuant to subsection (a) hereof, and the amount of such funds shall be deducted from the amount of grants available to the State of Alaska pursuant to such subsection.

(c) After the transfer or conveyance to the State of Alaska of any property or function pursuant to the Act of July 7, 1958 (72 Stat. 339), providing for the admission of the State of Alaska into the Union, or pursuant to this Act or any other law, and until June 30, 1964, the head of the Federal agency having administrative jurisdiction of such property prior to its transfer or conveyance may contract with the State of Alaska for the performance by such agency, on a reimbursable basis, of some or all of the functions authorized to be performed by it in Alaska immediately preceding such conveyance or transfer.

TRANSFER OF PROPERTY

SEC. 45. If the President determines that any function performed by the Federal Government in Alaska has been terminated or curtailed by the Federal Government and that performance of such function or substantially the same function has been or will be assumed by the State of Alaska, the President may, until July 1, 1964, in his discretion, transfer and convey to the State of Alaska, without reimbursement, any property or interest in property, real or personal, situated in Alaska which is owned or held by the United States in connection with such function.

CLAIMS COMMISSION

SEC. 46. (a) In the event that any disputes arise between the United States and the State of Alaska prior to January 1, 1965, concerning the transfer, conveyance, or other disposal of property to the State of Alaska pursuant to section 6(e) of the Act of July 7, 1958 (72 Stat. 339, 340), providing for the admission of the State of Alaska into the Union, or pursuant to this Act, the President is authorized (1) to appoint by and with the advice and consent of the Senate a temporary commission of three persons, to consider, ascertain, adjust, determine, and settle such disputes, and (2) to make such rules and regulations as may be necessary to establish such temporary commission or as may be necessary to terminate such temporary commission at the conclusion of its duties. In carrying out its duties under this section, such commission may hold such hearings, take such testimony, sit and act at such times and places, and incur such expenditures as the commission deems necessary. No commission shall be appointed under authority of this subsection after June 30, 1965.

(b) The commission may, without regard to the civil service laws and the Classification Act of 1949, employ and fix the compensation of such employees as it deems necessary to carry out its duties under this section. The commission is authorized to use

the facilities, information, and personnel of the departments, agencies, and establishments of the executive branch of the United States Government which it deems necessary to carry out its duties; and each such department, agency, and instrumentality is authorized to furnish such facilities, information, and personnel to the commission upon request made by the commission. The commission shall reimburse each such department, agency, or instrumentality for the services of any personnel utilized. The commission may establish such procedures, rules, and regulations as may be necessary to carry out its duties under this section.

(c) No member of such commission shall be an officer or employee of the United States or of the State of Alaska. Each member of the commission shall be paid compensation at the rate of $50 per day for each day spent in the work of the commission, shall be reimbursed for actual and necessary travel expenses, and shall receive a per diem allowance in accordance with the provisions of the Travel Expense Act of 1949, as amended, when away from his usual place of residence.

(d) There are hereby authorized to be appropriated such sums as may be necessary to enable the commission to perform its duties under this section.

EFFECTIVE DATES

SEC. 47. (a) The amendments made by paragraph (2) of subsection (a) of section 18, by subsection (a) of section 28, by paragraph (1) of subsection (c) of section 31, by subsections (a) and (b) of section 32, and, except as provided in subsection (c) of this section, by subsection (b) of section 24, shall be applicable in the case of promulgations of Federal shares, allotment percentages, allotment ratios, and Federal percentages, as the case may be, made after satisfactory data are available from the Department of Commerce for a full year on the per capita income of Alaska, and for this purpose such promulgations shall, before such data for the full period required by the applicable statutory provision as so amended are available from the Department of Commerce, be based on satisfactory data available from such Department for such one full year or, when such data for a two-year period are available, for such two years.

(b) The amendments made by paragraphs (1) and (3) of subsection (a) of section 18 shall be applicable, in the case of allotments under section 302(b) or 502 of the National Defense Education Act of 1958, for fiscal years beginning July 1, 1959, and, in the case of allotments under section 302(a) of such Act, in the case of allotments based on allotment ratios, promulgated under such section 302 (a), to which the amendment made by paragraph (2) of subsection (a) of section 18 of this Act is applicable.

(c)(1) The allotment percentage determined for Alaska under section 11(h) of the Vocational Rehabilitation Act, as amended by this Act, for the first, second, third, and fourth years for which the amendments made by this Act are applicable to such section shall be increased by 76 per centum, 64 per centum, 52 per centum, and 28 per centum, respectively, of the difference between such allotment percentage for the year involved and 75 per centum.

(2) The Federal share for Alaska determined under section 11(i) of the Vocational Rehabilitation Act, as amended by this Act, for the first year for which the amendments made by this Act are applicable to such section shall be increased by 70 per centum of the difference between such Federal share for such year and 60 per centum.

(3) If such first year for which such amendments made by this Act are applicable is any fiscal year ending prior to July 1, 1962, the adjusted Federal share for Alaska for such year for purposes of section 2(b) of the Vocational Rehabilitation Act shall, notwithstanding the provisions of paragraph (3)(A) of such section 2(b), be the Federal share determined pursuant to paragraph (2) of this subsection.

(d) The amendments made by paragraphs (2) and (3) of subsection (b), by subsection (c), and by paragraph (4) of subsection (d) of section 18; by subsection (a) of section 24; by subsection (b) of section 28; by subsection (a), by subparagraphs (2), (3), and (4) of subsection (b), and by paragraph (2) of subsection (c) of section 31; by paragraph (2) of subsection (c) and by subsection (d) of section 32; and, except as provided in subsection (b) of this section by paragraph (1) of subsection (a) of section 18, shall be effective on January 3, 1959.

(e) The amendment made by paragraph (1) of subsection (c) of section 32 shall apply in the case of deaths occurring on or after January 3, 1959.

(f) The amendments made by paragraph (1) of subsection (b) and paragraphs (1), (2), and (3) of subsection (d) of section 18 shall be applicable for fiscal years beginning July 1, 1959.

(g) The amendments in sections 40 and 42 shall take effect when enacted: *Provided, however,* That with respect to injuries or deaths occurring on or after January 3, 1959, and prior to the effective date of these amendments, claims filed by employees engaged in the State of Alaska in any of the employments covered by the Defense Base Act (and their dependents) may be adjudicated under the Workmen's Compensation Act of Alaska instead of the Defense Base Act.

DEFINITION OF "CONTINENTAL UNITED STATES"

SEC. 48. Whenever the phrase "continental United States" is used in any law of the United States enacted after the date of enactment of this Act, it shall mean the forty-nine States on the North American Continent and the District of Columbia, unless otherwise expressly provided.

OTHER SUBJECTS

SEC. 49. The amendment by this Act of certain statutes by deleting therefrom specific references to Alaska or such phrases as "Territory of Alaska" shall not be construed to affect the applicability or inapplicability in or to Alaska of other statutes not so amended.

SEPARABILITY

SEC. 50. If any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of this Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

Mr. ASPINALL (interrupting the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read and open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. ASPINALL. Mr. Chairman, I have at the Clerk's desk certain clarifying and perfecting amendments which I offer at this time.

The CHAIRMAN. The Clerk will read the amendments.

The Clerk read as follows:

Amendment offered by Mr. ASPINALL: Page 5, line 3, strike out "1756(d)" and insert "1736(d)."

The amendment was agreed to.

The Clerk read as follows:

Amendment offered by Mr. ASPINALL: Page 5, line 21, strike out "paragraph (6)" and insert "Paragraph (6)."

The amendment was agreed to.

The Clerk read as follows:

Amendment offered by Mr. ASPINALL: Page 11, line 21, strike out "40" and insert "44."

The amendment was agreed to.

The Clerk read as follows:

Amendment offered by Mr. ASPINALL: Page 23, line 13 strike out "amanded" and insert "amended."

The amendment was agreed to.

The Clerk read as follows:

Amendment offered by Mr. ASPINALL: Page 23, line 14, strike out "all," and insert "all".

The amendment was agreed to.

The Clerk read as follows:

Amendment offered by Mr. ASPINALL: Page 23, line 17, strike out "person," and insert "personal,".

The amendment was agreed to.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: Page 28, strike out all of lines 3 through 13.

Mr. GROSS. Mr. Chairman, I am sure this legislation is necessary. I have some doubts, however, about sections 21 and 35, and I am absolutely opposed to section 45 of this bill which provides:

SEC. 45. If the President determines that any function performed by the Federal Government in Alaska has been terminated or curtailed by the Federal Government and that performance of such function or substantially the same function has been or will be assumed by the State of Alaska, the President may, until July 1, 1964, in his discretion transfer and convey to the State of Alaska, without reimbursement, any property or interest in property, real or personal, situated in Alaska which is owned or held by the United States in connection with such function.

Mr. Chairman, that is a delegation of power which should not be given by Congress to any President, now or in the future. This is power which should not be given to any President and I am opposed to this section, and I will be forced to oppose the bill if the section remains as it is presently worded.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Washington.

Mr. PELLY. Would the gentleman feel that way with the General Services, if a department of Government would find that its property was surplus and it would be turned over to GSA to dispose of. Would that satisfy the gentleman?

Mr. GROSS. I simply want to get at this arbitrary power given to any President to turn over at his discretion, any property, real or personal. That is going entirely too far. If someone else wants to work out a clarifying amendment, that is all right with me. Unless that is done I must insist on my amendment to strike the entire section.

Mr. O'BRIEN of New York. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Iowa [Mr. GROSS].

Mr. Chairman, as I stated a moment ago, I can understand the concern of very distinguished Members of this body about the powers contained in the sec-

tion that the gentleman from Iowa would strike from the bill; but it is my very firm conviction that if we strike that section we have stricken the heart of the bill and we are going to with one hand extend help to the new State in its transition period and with the other hand withdraw.

We are not gagging at the idea of turning over the airports, we are not gagging at the idea of turning over the roads, we are not gagging at the idea of turning over the health system; but we are gagging at the idea of turning over equipment, which, in my opinion, is a substitute for dollars that some Members say you must add in your total cost of this bill. I am willing to make that addition, but if we say to this State: "You cannot have this under the requirement you must take over by July 1; you must go out in the highways and byways and buy it or do anything else to get this material," we are placing them in an impossible situation.

If some member of the committee has language which might refine or revise the section, I should be very happy to consider it, but to strike it out would strike a mortal blow to the bill itself.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. O'BRIEN of New York. I yield to the gentleman from Iowa.

Mr. GROSS. Why did not the committee place disposition of property in the hands of the Commission, and why set up one individual to say this property can be turned over and without limitation except as to the year 1964?

Mr. O'BRIEN of New York. May I say to the gentleman in reply that I would rather trust the President who would have the advice of experienced departments, such as the Department of the Interior and the Defense Department, than I would some as yet unnamed group of three, four, or five citizens to determine this thing. I think the committee was impelled partly by the fact that we are near the deadline, July 1, and it is necessary to make this transfer quickly if it is to be effective. I think we should keep in mind the very name of this bill. It is an omnibus bill. What we ordinarily do piece by piece with surplus property we are doing as a package in an omnibus bill. So I think there is justification here where it might not exist in other cases.

Mr. SAYLOR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SAYLOR: Page 28, line 4, strike out the present text of section 45 and insert in lieu thereof the following:

"SEC. 45. If the President determines that the performance of any function by the Federal Government in Alaska has been or will be terminated or curtailed, that performance of the same or substantially the same function has been or will be assumed by the State of Alaska, and that the termination or curtailment of the Federal function and the assumption thereof by the State will be facilitated by transferring, conveying, or lending to the State property or interests in property, real or personal, situated in Alaska which is owned or held by the United States in connection with such function, the President may, in his discretion and without requiring reimbursement therefor, (a) transfer and convey to the State any such real property or interests therein and (b) lend to the State, pending further enactment by the Congress of provisions for the ultimate disposition thereof, any such personal property. The power to make a transfer, conveyance, or loan contained in this section shall terminate July 1, 1964. The provisions of this section shall not be applicable to property transferred pursuant to sections 21 and 35 of this act or preclude transfers under the surplus property laws of the United States."

Mr. SAYLOR. Mr. Chairman, the purpose of this amendment is to clarify the committee's thinking so as to enable the new State of Alaska to function after the 1st day of January 1959. It is interesting to note that this entire bill was worked out by the Bureau of the Budget. I have heard people get up on the floor of the House and say that the amendments which have been offered should be accepted because the Bureau of the Budget recommended them. Now, the Bureau of the Budget, which is a creature of this House, which is set up to enable the Government to function properly, has recommended that section 45 be in this bill. They have recommended all the other sections be in this bill, and in order to enable the new State of Alaska to actually function and take over all of its facilities, I have offered this substitute amendment.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I shall be happy to yield to my chairman, the gentleman from Colorado.

Mr. ASPINALL. What the gentleman's amendment does is merely this: It authorizes the President to transfer and convey all real property that is necessary for the State to take over the activities which this bill makes necessary that the State take over.

Mr. SAYLOR. That is correct.

Mr. ASPINALL. At the same time it permits the President, if he desires, to lend any such equipment as is necessary which the Federal Government does not need, which is in excess of the Federal Government's needs. It makes it possible for the President to lend that property to the State of Alaska until we proceed through the regular procedures for the transfer of such excess to a governmental agency or State.

Mr. SAYLOR. That is correct. That should meet the objections of the gentleman from Iowa [Mr. GROSS] who says that we are giving the authority to the President to give away anything. This will bring it in conformity with his request.

Mr. ASPINALL. Not only that, if the gentleman will yield further, it ties perhaps a little bit better than the original provision the granting or the conveying of property, the lending of property, to the funcions that are set forth in this particular bill in these various instances.

Mr. SAYLOR. That is correct.

Mr. O'BRIEN of New York. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from New York.

Mr. O'BRIEN of New York. I would simply like to say, in an effort to be agreeable, that I would be very happy to support the amendment offered by the gentleman from Pennsylvania.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from Washington.

Mr. PELLY. How would your perfecting amendment affect property such as vessels and airplanes which the Fish and Wildlife Service use and for which they will have no further use when they transfer the fisheries resources management over to the new State?

Mr. SAYLOR. This will enable the President to loan them to the new State of Alaska.

Mr. PELLY. They are pretty obsolete as they are now. By the time they get through using them, they will not be worth much. They might as well give them away.

Mr. SAYLOR. That is correct.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I will be happy to yield to the distinguished majority leader.

Mr. McCORMACK. I notice in the amendment offered by my friend from Pennsylvania that the provisions of this section shall not be applicable to property transferred pursuant to sections 21 and 35 of this act, and particularly this language, "or preclude transfers under the surplus property laws of the United States." Now, my understanding is that if the Federal Government owns property and it is declared surplus in the case of personalty or excess in the case of realty, that under the present law, with reference to the disposition of surplus property, first the Federal agencies have got to be screened to see if any of them want it; is that correct?

Mr. SAYLOR. That is correct.

Mr. McCORMACK. The gentleman desires to protect them?

Mr. SAYLOR. I certainly do.

Mr. McCORMACK. Secondly, if any Federal agency desires surplus property, in the case of excess personalty or in the case of excess realty, then it goes to General Services to enable the beneficiaries under the present law, with reference to surplus property or excess real estate, to exercise their rights; is that correct?

Mr. SAYLOR. That is correct.

Mr. McCORMACK. I happen to be the author of the amendment to the Donable Property Act, with which I am sure the gentleman is acquainted.

Mr. SAYLOR. That is right.

Mr. McCORMACK. And, by the way, according to the report last month, institutions throughout the country got $33 million in acquisition value—that is, hospitals, colleges, schools, and other beneficiaries under the law. So that the gentleman's amendment protects their rights before there can be transferred or loaned any of this property to the State of Alaska; is that right?

Mr. SAYLOR. That is correct.

Mr. McCORMACK. I wanted to clarify the record in that respect.

Mr. SAYLOR. I thank the gentleman from Massachusetts.

Mr. SMITH of Virginia. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am in hopes that we can work out something here that would do what these gentlemen want to do and at the same time we would know what we were doing. As it is now, this is a blanket authority given to the President—not to Congress, but to the President to assume the legislative powers of Congress, to give away Federal property. I am just naturally opposed to that kind of procedure. I do not think we ought to do it. Why can we not write legislation so that we, as Members of Congress, will be doing the thing that we are required to do under the law?

This provides that the President may give away any property connected with any function that the Federal Government has been performing up there. The Federal Government has been the Government up there. The Federal Government has exercised every function, and every bit of property that the Government owned up there was operated in connection with some function that the Federal Government has been performing.

I think this language could be changed so that they could do the thing that is necessary, and I should like some of these gentlemen who know all about Alaska to tell me how we can do that. I do not know anything about Alaska except what I had learned last year when I was trying to prevent this statehood bill from going through in the first place.

For instance, who owns the Alaskan Railroad up there?

Mr. O'BRIEN of New York. If the gentleman will yield, the Federal Government.

Mr. SMITH of Virginia. And if the Federal Government should decide that it was going to decrease the service that it was providing up there, it would be diminishing the functions, and under this bill it would seem to me that the President can give away to the State of Alaska the Alaskan Railroad, on which the Government has spent hundreds of millions of dollars to build. That raises just one little question. And it is not such a little question after all.

If the gentleman would look at the Consent Calendar today—I picked it up while this debate was going on—he would find three bills on this calendar under which Congress, pursuant to its constitutional duties, was giving to this city or that city so many acres of ground, abandoned as an airport; giving to some other State something else where the Government had ceased to function. There were three bills of that kind on the Consent Calendar that we passed this morning. Why can we not do this thing with some degree of regularity? It seems to me we have been too lax in all of this statehood bill, and I am merely asking that we know what we are doing before we do it.

I would suggest that the amendment which the gentleman from Pennsylvania has offered, if it were confined to real estate, if it were confined to the real estate involved in the airports that you want to give away and the highway rights-of-way that you want to give away, I think that would very largely remedy the situation.

Mr. O'BRIEN of New York. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. Yes.

Mr. O'BRIEN of New York. Perhaps my understanding is not correct, but it is my understanding that the only real estate that would be turned over would be in connection with the functions which are turned over to the new State. There is nothing in this bill, nor is there any legislation planned that I know about, to turn over the Alaskan Railroad, to turn over our great forest reserves up there, or to turn over those very rich oil lands which the Federal Government has retained. And there is nothing in this bill that would permit the President to turn over any of those things to the new State.

Mr. SMITH of Virginia. It says, when any function performed by the Federal Government has been terminated or curtailed. If the Federal Government has got some land up there it does not want to police any more, it has terminated a function, and the President can then give it away. That is the fundamental thing to which I object, I will say to my friend; for the Congress to delegate its power to the President or anybody else to perform a constitutional duty that is laid upon Congress. I do not think we ought to do it for this bill or any other bill.

Mr. MORRIS of Oklahoma. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is an extremely important matter but I hesitate to make any observations because I am not a member of the committee and have not had an opportunity to sit in on the hearings. I have the highest respect and regard for this great committee that has reported this bill to us. But, I want to call your attention to the fact that the Constitution of the United States, and we are all familiar with the provision, but I would like to read the exact language of the Constitution in this regard, provides:

> The Congress shall have the power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States.

Of course, therefore the Congress can dispose of this or other property. It is true, I think, that constitutionally we could delegate authority to dispose of property. I assume we could give that right to the President, but it seems to me it would be a bad policy. I certainly do not want to be a party in any way to injuring this bill because, generally speaking, I think it is an excellent bill. But why would not the following language be a good provision here. I would suggest the following:

> If the President determines that any function performed by the Federal Government in Alaska has been terminated or curtailed by the Federal Government and that performance of such function, or substantially the same function, has been or will be assumed by the State of Alaska, the President may until July 1, 1964, in his discretion, subject to the approval of Congress, transfer and convey to the State of Alaska without reimbursement any property or interest in property, real or personal situated in Alaska which is owned wholly by the United States in connection with such function.

Some might say that that suggestion "subject to the approval of Congress" would be somewhat meaningless and would tend to nullify the other provisions of this section. But, I do not think it would because it would show that the purpose of the Congress is to permit the President to make a survey of the situation, and if he finds that it is advisable to do this, then, of course, he would have the right to do it subject to the approval of the Congress. I assume the Congress would go along with it, if it were a feasible and reasonable situation. But, it does seem to me that there is a pretty strong point made by the suggestion that it would be unwise to just permit the President of the United States to give away property without any checking on the part of the Congress. I merely offer this as a suggestion. It may not be a wise suggestion, but I am rather impressed with the idea that it is a bad practice here to say the President alone should determine whether or not this property should be given to the State of Alaska; it might amount to millions upon millions of dollars worth of property. I certainly do not want to hamstring the great State of Alaska in any way, but it just seems to me a pretty good idea to say that the Congress, which the Constitution, of course, enjoins to act in this field, should have some final say about it.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MORRIS of Oklahoma. I yield to the distinguished majority leader.

Mr. McCORMACK. The gentleman realizes that under the Saylor amendment, before the President can exercise his authority the various departments have to be screened as to whether they need the property. The gentleman understands that; does he not?

Mr. MORRIS of Oklahoma. Yes, sir; I understand that at least is understood.

Mr. McCORMACK. Secondly, before it can be transferred to Alaska, the hospitals and any colleges or schools have to be given an opportunity to determine whether they can use it under the donable property act. The gentleman understands that, of course?

Mr. MORRIS of Oklahoma. That is my understanding of the purport of the amendment.

Mr. McCORMACK. Of course, I realize the potency of the argument of my friend, the gentleman from Virginia and also the position of my friend, the gentleman from Oklahoma. I would probably be better off sitting on the sidelines, but here we have a new State which is just coming into the Union. The gentleman realizes, of course, that we are faced with a very practical situation in connection with the new State. Where these requirements have to be met, it might justify an exception to the general rule. The gentleman would recognize that; would he not?

Mr. MORRIS of Oklahoma. I recognize that it might; yes, sir.

Mr. McCORMACK. If my friend, the gentleman from Oklahoma, were to have his amendment adopted, it would be better to strike the whole section out because we are simply saying that the President can do something and then we say he cannot do it until he comes back to the Congress.

Mr. MORRIS of Oklahoma. Yes, I recognize that, but it would be expressing the thought on the part of the Congress that there would be that assumption that it probably would be a suitable thing to do; but to keep the power within the Congress. Naturally the President's findings would probably have great weight with Congress.

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. MORRIS] has expired.

Mr. MORRIS of Oklahoma. Mr. Chairman, I ask unanimous consent to speak for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MORRIS of Oklahoma. Mr. Chairman, I recognize the fact that we should be very liberal with this great new State that is coming into the Union. As I say, I certainly do not want to be a party in any way of doing anything that would be injurious to the regular, proper, and valid functioning of the new State. I have offered this proposal merely as a suggestion not as an amendment as yet. Then I would suggest this to the distinguished majority leader. As I understand the amendment offered by the gentleman from Pennsylvania [Mr. SAYLOR] it only applies to personal property and it does not apply to real estate; is that not correct?

Mr. SAYLOR. It allows the President to make a gift of real estate.

Mr. MORRIS of Oklahoma. But not of personal property?

Mr. SAYLOR. That is right.

Mr. MORRIS of Oklahoma. Mr. Chairman, I thought I would make these observations. It seems to me we are going a rather long way to permit the President of the United States to give away what might amount to millions and millions of dollars worth of both real property and personal property.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. MORRIS of Oklahoma. I yield.

Mr. ASPINALL. Does my colleague understand that the only real property involved here is real property which presently is owned and controlled by the Federal Government to take care of the functions of the Federal Government presently which will be turned over to the new State of Alaska? That is the only real property involved. For instance, if the property is not turned over the Federal Government has got to continue its operation of the airports at Anchorage and Fairbanks; not only that, but most likely there will be extensive work needed on them in the very near future.

Mr. MORRIS of Oklahoma. May I ask the distinguished chairman of the committee—and that is one reason why I most always go along with this committee, because of the high regard and respect I have for its great chairman, Mr. ASPINALL of Colorado, but may I ask if it is not conceivable that the President under the present wording could turn over military installations?

Mr. ASPINALL. No, because it is not one of the functions enumerated further down in the bill.

Mr. MORRIS of Oklahoma. Would the gentleman say, then, that under the practical setup the functions referred to here are of such nature that his turning them over to the State of Alaska would not seriously injure the functioning of the United States of America in that area?

Mr. ASPINALL. I would say that this applies only to certain things such as airports, highways, the mental hospital, and to the general hospital and the recreational programs that were authorized for Alaska two or three years ago.

Mr. MORRIS of Oklahoma. I think the gentleman has made that clear.

Mr. O'BRIEN of New York. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I have said that I would support the amendment offered by the gentleman from Pennsylvania, and I intend to do so. I think if that amendment should be adopted this controversy would be settled.

If this amendment is not adopted, I think it might ease the minds of some Members for fear that the President or somebody for the President might reach out and give a million acres to the new State or someone else, it might ease everybody's mind if we inserted a comma at the end of the present section and spelled it out as follows:

The transfer of which functions is authorized in this act or the act of July 7, 1958.

In other words, it would be limited strictly to functions of the new State in these specified fields: The taking over of the airport, the taking over of the mental health system, the taking over of highway construction and maintenance. I think that would spell it out very specifically for the Members.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. O'BRIEN of New York. I yield.

Mr. SMITH of Virginia. I wonder if that would be agreeable to the gentleman from Pennsylvania.

Mr. SAYLOR. That is perfectly agreeable to me.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. O'BRIEN of New York. I yield.

Mr. McCORMACK. Where does that leave the surplus property?

Mr. SMITH of Virginia. There is not any surplus property.

Mr. McCORMACK. Would surplus property be available to schools and hospitals up there? Would they have the benefit of the present law in relation to surplus property?

Mr. O'BRIEN of New York. It is my belief they would continue to have that as any State has.

Mr. McCORMACK. In other words, that is the intent of the committee, not as any other State, but any of the other beneficiaries.

Mr. O'BRIEN of New York. Any other beneficiaries; yes.

Mr. McCORMACK. Under organic law.

Mr. O'BRIEN of New York. Yes.

Mr. McCORMACK. That is all right with me.

Mr. SMITH of Virginia. Would the gentleman from Iowa be satisfied with that provision?

Mr. GROSS. Yes. Does the gentleman propose to offer an amendment to the pending amendment or will he offer it after the pending amendment is acted on?

Mr. O'BRIEN of New York. I think it might be a little better if the amendment to the amendment and the original amendment were withdrawn. I think that would simplify it. Then I would offer this amendment. I hope that clears up the doubt in the gentleman's mind.

Mr. MORRIS of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. O'BRIEN of New York. I yield.

Mr. MORRIS of Oklahoma. I want to say it certainly does satisfy me, and I am glad the gentleman has made that suggestion. I believe this short debate here on this matter has been very helpful and very clarifying. I express my appreciation to the gentleman for his willingness to offer it.

Mr. O'BRIEN of New York. I will say to the gentleman I know that the members of the committee have been disturbed by this as well as certain very distinguished Members of the House, and we have been striving to find some language that would ease those fears. I think this will do it. Certainly I would urge it most strongly.

Mr. SAYLOR. Mr. Chairman, I ask unanimous consent to withdraw the substitute amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GROSS. Mr. Chairman, I ask unanimous consent to withdraw the amendment which I offered. I take this action on the understanding that the amendment will be offered as stated.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. O'BRIEN of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'BRIEN of New York: On page 28, line 13, before the period insert the following: "The transfer of which function is authorized in the Act or the Act of July 7, 1958."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. O'BRIEN].

The amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ANDERSON of Montana, Chairman of the Committee of the Whole House on the

State of the Union, reported that that Committee having had under consideration the bill (H.R. 7120) to amend certain laws of the United States in light of the admission of the State of Alaska into the Union, and for other purposes, pursuant to House Resolution 279, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

Mr. ASPINALL. Mr. Speaker, in the O'Brien amendment offered in the Committee of the Whole the word "the" should be changed to read "this." I ask unanimous consent that the Committee amendment may be so changed.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ONE HUNDREDTH ANNIVERSARY OF THE SETTLEMENT OF THE STATE OF COLORADO

Mr. JOHNSON of Colorado. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 7290) to provide for the striking of medals in commemoration of the 100th anniversary of the settlement of the State of Colorado and in commemoration of the establishment of the U.S. Air Force Academy.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

Mr. ARENDS. Mr. Speaker, reserving the right to object, I think the gentleman has cleared this all the way around on both sides of the aisle?

Mr. JOHNSON of Colorado. That is right.

The SPEAKER. Is there objection to the request of the gentleman from Colorado [Mr. JOHNSON]?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in commemoration of the one hundredth anniversary of the settlement of the State of Colorado and in commemoration of the establishment of the United States Air Force Academy, the Secretary of the Treasury is authorized and directed to strike and furnish to the Colorado Rush to the Rockies Centennial Commission not more than ten thousand silver medals, one and five-sixteenths inches in diameter, with suitable emblems, devices, and inscriptions to be determined solely by the Secretary of the Treasury. The medals shall be made and delivered at such times as may be requested by the Commission in quantities of not less than twenty-five hundred, but no medals shall be made after December 31, 1959. The medals shall be considered to be national medals within the meaning of section 3551 of the Revised Statutes.

SEC. 2. (a) The Secretary of the Treasury shall cause such medals to be struck and furnished at not less than the estimated cost of manufacture, including labor, materials, dies, use of machinery, and overhead expenses; and security satisfactory to the Director of the Mint shall be furnished to indemnify the United States for the full payment of such cost.

(b) Upon authorization from the Colorado Rush to the Rockies Commission, the Secretary of the Treasury shall cause duplicates in silver of such medal to be coined and sold, under such regulations as he may prescribe, at a price sufficient to cover the cost thereof (including labor).

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SENATE JOINT MEMORIALS OF THE 50TH LEGISLATIVE ASSEMBLY OF THE STATE OF OREGON

Mrs. GREEN of Oregon. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to include memorials from the Oregon Legislature.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mrs. GREEN of Oregon. Mr. Speaker, it is with pleasure that I place before the House Senate Joint Memorials 6, 8, 9, and 11, of the 50th Legislative Assembly of the State of Oregon. These memorials have received the approval of both houses of the recently-adjourned Oregon Legislature.

SENATE JOINT MEMORIAL 6

To the Honorable Senate and House of Representatives of the United States of America, in Congress assembled:

We, your memorialists, the 50th Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent as follows:

Whereas the 85th session of Congress enacted a new military pay law, Public Law 85–422, concerning an increase in the basic and other pay of Armed Forces personnel; and

Whereas this law denies to those retired after June 1, 1958, including those retired because of disability incurred in line of duty, to have their retired pay computed at the increased rate; and

Whereas retired members of the Armed Forces of the United States reside in every portion of our country, and the State of Oregon is privileged to have many retired personnel who have served their country faithfully and with distinction; and

Whereas there appears to be no basis for this gross discrimination against retired personnel who by reason of past meritorious services are equally entitled to benefits granted active duty members of the Armed Forces and survivors of military personnel; and

Whereas the circumstances of retirement should not penalize these members of our society, who must meet the present increased cost of living the same as active duty personnel and survivors: Now, therefore, be it

Resolved by the Senate of the State of Oregon (the House of Representatives jointly concurring therein), That the Congress of the United States be memorialized to amend Public Law 85–422, or any similar legislation, to include presently retired members of the Armed Forces within the provisions increasing the basic pay of members of the Armed Forces, so that their retirement benefits will be increased accordingly, and to enact this legislation in such amended form; and be it further

Resolved, That copies of this memorial be transmitted to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to all members of the Oregon congressional delegation.

Adopted by senate April 17, 1959.

MEDA COLE,
Chief Clerk of Senate.
WALTER J. PEARSON,
President of Senate.

Adopted by house April 22, 1959.

ROBERT B. DUNCAN,
Speaker of House.

SENATE JOINT MEMORIAL 8

To the Honorable Senate and House of Representatives of the United States of America, in Congress assembled:

We, your memorialists, the 50th Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent as follows:

Whereas it is believed that the Congress of the United States, the Federal courts and all Federal departments and agencies concerned should recognize the importance and sanctity of water rights of individuals and of the several States; and

Whereas it is feared that failure to recognize and acknowledge the importance of such rights may develop into a pattern of Federal usurpation of individual and States' rights over water: Now, therefore, be it

Resolved by the Senate of the State of Oregon (the House of Representatives jointly concurring therein), That the Congress of the United States be and it respectfully is memorialized to take all necessary action:

(1) To preserve the water rights of the individual and of the States and to prevent Federal usurpation of those rights;

(2) To see that legislation is initiated and supported to reestablish to the individuals and to the States such rights as may have been taken from them by either the Federal courts or any department or agency of the United States; and

(3) In every way possible to reaffirm, renew, and defend the concept that water rights are property rights and that these established rights to the use of water, by a State or an individual, should not be taken away without due process of law and adequate compensation; and be it further

Resolved, That copies of this memorial be sent to the President and Vice President of the United States, and to those Members of the House of Representatives and the Senate representing the State of Oregon.

Adopted by senate April 15, 1959.

MEDA COLE,
Chief Clerk of Senate.
WALTER J. PEARSON,
President of Senate.

Adopted by house April 21, 1959.

ROBERT B. DUNCAN,
Speaker of House.

SENATE JOINT MEMORIAL 9

To the Honorable Senate and House of Representatives of the United States of America, in Congress assembled:

We, your memorialists, the 50th Legislative Assembly of the State of Oregon, in legisla-

tive session assembled, most respectfully represent as follows:

Whereas 1½ million American citizens are visiting, working, and living in foreign countries; and

Whereas no governmental agency makes permanent birth, death, marriage, divorce, adoption, and other vital records for these citizens comparable to those obtainable by citizens resident in the continental United States through State offices of vital statistics; and

Whereas vital events affecting many U.S. citizens go unregistered, and the lack of proof of the fact of such events make difficult the collection of insurance, qualification for inheritance, obtaining veterans' benefits and proof of U.S. citizenship; and

Whereas the forms and procedures used by the State Department make no allowances for errors and an incorrect State Department report of birth cannot be corrected or changed; a child of American citizens adopted by other American citizens in a foreign country can never have a birth certificate in his new name; an American woman bearing a child out of wedlock can never obtain a new birth certificate for her child if she marries; American citizens adopting foreign children overseas cannot obtain a new birth certificate for their child from the Federal Government until they have returned the child to this country; and

Whereas overseas births to American parents not registered with the State Department must be judged on an individual basis by the Immigration and Naturalization Service of the Department of Justice for the possible awarding of a certificate of citizenship, and neither this certificate nor the State Department report of birth is comparable to a standard certificate of birth issued by the State governments within the United States; and

Whereas a number of persons have been denied passports because either (a) the official State delayed certificates of birth which they present in evidence of their American citizenship are not acceptable to the State Department; or (b) they are adopted persons who have subsequently received new birth certificates in their adopted names when their status was legally changed; even though such certificates meet required national registration standards and clearly show the types of records used to establish conclusively the date and place of birth of the registrant and the names of his parents; and

Whereas all State registration offices recognize the principle that a person should have a birth certificate in his legal name and that such certificate should make no reference to his previous status: Now, therefore, be it

Resolved by the Senate of the State of Oregan (the House of Representatives jointly concurring therein), That action be taken to establish in the Federal Government a single vital statistics registration office with responsibilities, duties, and scope of activities similar to those of offices of vital statistics now existing in every State, such central Federal office of vital statistics registration to prepare, register, and issue necessary certified copies of birth, death, marriage, divorce, adoption, and allied records of such occurrences to American citizens visiting or living outside the United States and its Territories; be it further

Resolved, That the proposed Federal Vital Statistics Office should receive from the Immigration and Naturalization Service the facts of vital events concerning all naturalized citizens necessary to the preparation and filing of vital records and the issuance of certified copies thereof; and be it further

Resolved, That copies of this memorial be sent to the President and Vice President of the United States and to all Members of the Oregon congressional delegation.

Adopted by senate April 17, 1959.

MEDA COLE,
Chief Clerk of Senate.
WALTER J. PEARSON,
President of Senate.

Adopted by house April 21, 1959.

ROBERT B. DUNCAN,
Speaker of House.

SENATE JOINT MEMORIAL 11

To the Honorable Senate and House of Representatives of the United States of America, in Congress assembled:

We, your memorialists, the 50th Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent as follows:

Whereas the Tualatin River and its tributaries, located in northwestern Oregon, form a basin for an area of land covering approximately 711 square miles; and

Whereas in the past, due to the absence of any flood control and irrigation facilities, adjoining lands have been adversely affected by inundation during winter months and lack of adequate supplies of water during summer months; and

Whereas there is contained within the Tualatin River Basin many and varied interests urgently in need of preservation and protection, such as fish, wildlife, extensive recreational facilities, agricultural pursuits, and many other needs vitally affected by the presence or lack of water; and

Whereas the Bureau of Reclamation, Department of the Interior, in the course of an investigation and report submitted in 1956, did recommend an extensive plan of improvement for the Tualatin River Basin; and

Whereas the report of the Bureau of Reclamation did recommend immediate construction of Scoggin Dam and Reservoir to provide 46,000 acre-feet of usable storage space; and

Whereas due to the accelerated increase in population since 1955 within the Tualatin River Basin, with its attendant additional demands in uses of land, natural resources, and recreational facilities, the conditions requiring flood control, irrigation, and other protective measures in said area, have become acutely aggravated: Now, therefore, be it

Resolved by the Senate of the State of Oregon (the House of Representatives jointly concurring therein), That immediate action be taken by the Congress of the United States and the Federal Government to appropriate the necessary funds and to authorize and direct immediate consideration of suitable facilities, including but not limited to, a dam, reservoir, channel improvement, and such other reasonable and necessary facilities and improvements in the Tualatin River Basin, Oreg., to provide and preserve adequate and safe flood control, irrigation, and recreational facilities as will contribute to the betterment of fish and wildlife conditions and to the welfare of those citizens of the United States and the State of Oregon vitally affected and concerned thereby; and be it further

Resolved, That copies of this memorial be sent to the President and Vice President of the United States, and to all members of the Oregon congressional delegation.

Adopted by senate April 21, 1959.

Readopted by senate April 29, 1959.

MEDA COLE,
Chief Clerk of Senate.
WALTER J. PEARSON,
President of Senate.

Adopted by house April 27, 1959.

ROBERT B. DUNCAN,
Speaker of House.

REPEAL OF TAX ON TRANSPORTATION OF PERSONS

Mr. HUDDLESTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HUDDLESTON. Mr. Speaker, this afternoon I have introduced for appropriate reference a bill to repeal the tax on transportation of persons. As you know, just before World War II, the Congress enacted the excise tax on the travel of persons as an emergency measure. The tax was designed to discourage unnecessary use of the transportation facilities of our Nation in order that they could be used to the greatest possible degree for the war effort. The tax, of course, applied originally to both domestic and foreign travel.

As you know, the excise tax on foreign travel was repealed by the Congress some time ago, leaving this tax applicable only to domestic travel throughout the United States, thus giving more advantage in competition to foreign carriers over domestic carriers. Further, action has been taken with regard to similar wartime measures, such as the tax on freight.

Therefore, Mr. Speaker, because the continued imposition of this discriminatory tax is at odds with and works against our overall national transportation policy to encourage and stimulate travel on regulated carriers, because the tax especially adversely affects those American families of the lower income brackets who have to use public transportation facilities, and further because it is imperative that economic incentives be provided for our common carriers in order to enable them to combat the financial difficulties presently being experienced by many of them, this bill is a must and should be enacted into law at the earliest practicable time.

Mr. Speaker, I understand that there are now some 18 bills pending to remove the transportation tax on persons. This indicates not only the interest of Congress, but the interest of large segments of our citizenry in the proposed legislation.

I am myself acutely aware of the keen interest of my own constituents in such a measure because of considerable correspondence I have received on the subject and in view of the recent adoption of a resolution favoring the repeal of the transportation tax on persons by the Birmingham Chamber of Commerce.

Mr. Speaker, may I urge the earliest possible consideration of this bill by the House Interstate and Foreign Commerce Committee and by the Congress.

WEST VIRGINIA IS GETTING SHORT CHANGED

Mr. HECHLER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. HECHLER. Mr. Speaker, I believe that as a matter of principle our national defense installations should be located where they can best serve the national defense, as well as where they can be established and operated at a minimum of expense to the American taxpayers. Certain regions are more strategically located than others, and some are better suited by reason of climate, terrain, or accessibility to materials and transportation facilities.

For example, the Atlantic and Pacific missile ranges must be located in the coast States so we can test missiles over wide expanses of ocean. I am firmly against the kind of logrolling which would subject our defense program to narrowly sectional or selfish pulling and hauling.

But I am getting pretty hot under the collar about the way my State of West Virginia is shortchanged in Army, Navy, and Air Force installations. In contrast to the States which border West Virginia, the Mountain State has received virtually no share of the Department of Defense budget for installations. Even when you consider differences in population from State to State, it is an outrage that West Virginia is so far below the average in number of installations.

Now take the State of Ohio, a fine State bordering West Virginia. Ohio has four times as many people, but over 350 times as many active duty military personnel stationed within its borders. The annual payroll for Department of Defense civilian employees in the State of Virginia is over 75 times as big as West Virginia, but Virginia has only one and one-half times as many people as we have.

We have a chronic unemployment situation in West Virginia that has greatly reduced the State's gross income, and my State merits at least an even break in the defense picture. I am not suggesting that existing installations be boarded up so that new ones might be opened in West Virginia, or that some huge $10 billion missile center be opened up—all I am asking for is a fair deal within the limits of national strategy and economy.

When it comes to supplying men for war, Mr. Speaker, West Virginia supplies more than her share. When it comes to medals for valor, Mr. Speaker, West Virginia men are in the forefront. When it comes to Gold Star Mothers, the Mountain State has its full share. Why, then, is our State left out when the decisions are made on where to locate Army, Navy and Air Force installations?

This is only the opening gun in my campaign. I am going to stand up on my hind legs and roar until West Virginia gets the fair treatment she deserves.

Just to make sure that my own figures will not be interpreted as being prejudiced, I asked the Department of Defense to compile a series of tables for me on active duty military personnel, civilian employees, and major military installations in West Virginia and five surrounding States and under unanimous consent I ask that these be printed in the RECORD at this point:

Department of Defense—Number of military personnel (active duty) and civilian employees and estimated annual payrolls in West Virginia and surrounding States as of Dec. 31, 1958

	Active-duty military personnel		Civilian employees	
	Number	Estimated annual pay and allowances	Number	Estimated annual payroll
West Virginia	583	$2,183,000	1,113	$5,822,000
Ohio	20,705	81,970,000	40,709	209,933,000
Pennsylvania	16,953	60,386,000	69,360	363,110,000
Virginia	[1] 82,035	288,482,000	78,813	418,347,000
Maryland	[1] 49,369	178,253,000	41,564	217,566,000
Kentucky	42,780	149,057,000	11,986	62,607,000

[1] Partly estimated.

Number of active major military installations and activities in West Virginia and surrounding States as of Dec. 31, 1958

	Department of Defense	Army	Navy	Air Force
West Virginia	1	0	1	0
Ohio	16	8	2	6
Pennsylvania	30	10	18	2
Virginia	37	12	24	1
Maryland	26	8	17	1
Kentucky	6	5	1	0

LIST OF DEPARTMENT OF DEFENSE ACTIVE MAJOR MILITARY INSTALLATIONS AND ACTIVITIES IN WEST VIRGINIA AND SURROUNDING STATES

(Excludes contractor operated industrial plants)

(As of Dec. 31, 1958)

WEST VIRGINIA

Navy: Naval Ordnance Plant, South Charleston.

OHIO

Army: Columbus (Fort Hayes, headquarters XX Corps (Reserve); General Depot); Erie Ordnance Depot; Lima Ordnance Modification Center; Lordstown Military Reservation; Marion Engineer Depot; Rossford Ordnance Depot.

Navy: Cleveland Finance Center; Columbus Naval Air Station.

Air Force: Clinton County Air Force Base; Gentile Air Force Station; Lockbourne Air Force Base; Wilkins Air Force Station; Wright-Patterson Air Force Base (Headquarters Air Materiel Command); Youngstown Municipal Airport.

PENNSYLVANIA

Army: Carlisle Barracks; Indiantown Gap Military Reservation (Headquarters XXI Corps (Reserve)); Letterkenny Ordnance Depot; New Cumberland General Depot; Philadelphia (Frankford Arsenal, Quartermaster Depot, Army Signal Supply Agency); Tobyhanna Signal Depot; Valley Forge Hospital.

Navy: Mechanicsburg Supply Depot; Philadelphia (Boiler and Turbine Laboratory, Shipyard, Marine Barracks, Air Material Center, Marine Corps Supply Activity, Headquarters 4th Naval District, Aviation Supply Depot, Aviation Supply Office, Ordnance Supply Office, Ship Parts Control Center, Naval Home, Naval Hospital, General Stores Supply Office, Submarine Supply Office, Naval Receiving Station); Willow Grove Naval Air Station; York Ordnance Plant.

Air Force: Marietta Air Force Station; Olmstead Air Force Base.

VIRGINIA

Army: Arlington Hall; Cameron Station; Camp A. P. Hill; Fort Belvoir; Fort Eustis; Fort Lee; Fort Monroe (Headquarters Continental Army Command); Fort Myer; Hampton Roads Army Terminal; Richmond Quartermaster Depot; Vint Hill Farms Station.

Navy: Chincoteague (Naval Air Station, Aviation Ordnance Test Station); Dahlgren Proving Ground; Norfolk-Portsmouth Area (Naval Station, Supply Center, Retraining Command, Public Works Center, Naval Hospital, Shipyard, Naval Air Station, Headquarters 5th Naval District, Communication Station, Armed Forces Staff College, Fleet Training Center, Marine Corps Barracks, Dam Neck Fleet Defense Training Center, Little Creek Amphibious Base, St. Juliens Creek Ammunition Depot, Oceana Naval Air Station); Quantico (Naval Hospital, Marine Corps Air Station, Marine Corps Schools); Yorktown (Weapons Station, Schools Mine Warfare).

Air Force: Langley Air Force Base (Headquarters Tactical Air Command).

MARYLAND

Army: Aberdeen (Ordnance Depot, Proving Ground); Army Chemical Center; Army Map Service; Fort Detrick; Fort Holabird; Fort George G. Meade; Fort Ritchie.

Navy: Annapolis (Academy, Air Facility, Engineer Experimental Station, Naval Hospital, Naval Station, Small Crafts Facility); Bainbridge (Training Center, Naval Hospital); Bethesda (Naval Hospital, Naval Medical Center, Naval Medical Research Institute, Naval Medical School); David Taylor Model Basin; Indian Head Propellant Plant; Patuxent River Air Test Center; Hydrographic Office (Suitland); Naval Ordnance Laboratory (White Oak).

Air Force: Andrews Air Force Base (Headquarters Air Research and Development Command).

KENTUCKY

Army: Blue Grass Ordnance Depot; Fort Campbell; Fort Knox; Lexington Signal Depot; Louisville Medical Depot.

Navy: Naval Ordnance Plant (Louisville).

Department of Defense—Number and estimated annual pay and allowances of National Guard and Reserve personnel in drill pay status in West Virginia and Surrounding States [1]

	Number	Estimated pay and allowances
West Virginia	7,868	$3,101,000
Ohio	38,537	15,342,000
Pennsylvania	46,615	18,666,000
Virginia	17,267	6,713,000
Maryland	15,047	6,259,000
Kentucky	11,613	4,577,000

[1] Includes those undergoing 3-6 months active duty training for Army National Guard, Army Reserve and Air National Guard. Data from each of the military services are for dates between Dec. 31, 1958, and Mar. 31, 1959. Excludes Naval Reserves as data by State are not readily available. However, the total number of such Reserves in the 4th and 5th Naval Districts, which include these States plus Delaware, the District of Columbia, and part of southern New Jersey, is 25,124, and of these 8,757 are in the 5th Naval District which includes West Virginia, Virginia, Maryland, District of Columbia, and Kentucky.

THE FEDERAL RESERVE SYSTEM, AN AGENCY OF CONGRESS, OWNED 100 PERCENT BY THE FEDERAL GOVERNMENT, FIXES INTEREST RATES FOR CONGRESS ACCORDING TO THE TRICKLE-DOWN THEORY OF MELLON, HOOVER STRAUSS, ET AL.

The SPEAKER. Under previous order of the House, the gentleman from

Texas [Mr. PATMAN] is recognized for 20 minutes.

Mr. PATMAN. Mr. Speaker, the Federal Reserve System fixes interest rates for and on behalf of Congress. In truth, the Federal Reserve's Open Market Committee is acting for and on behalf of the Congress, not only when it determines interest rates, but when it determines how much money and credit shall be available to business, farmers, and consumers in this country. Who is this Open Market Committee and where does it get its authority?

OPEN MARKET COMMITTEE MOST POWERFUL GROUP

The Open Market Committee is composed of the seven members of the Federal Reserve Board and five presidents of Federal Reserve banks. These latter five members have been elected by representatives of the private commercial banks.

The Open Market Committee is no doubt the most powerful economic group in the world. It decides how much money shall be issued, and it decides what interest rates will be paid for the use of money. Congress has delegated this power to the Open Market Committee. It is a power—and a responsibility—reserved to Congress by the constitutional provision that "Congress shall have power to coin money, regulate the value thereof."

So when the Open Market Committee adopts policies that result in making money hard to get, or result in high interest rates, these policies are being adopted on behalf of the U.S. Congress. The Federal Reserve is acting as an agency of the Congress, and every Member of Congress has a responsibility for the things it does. The Federal Reserve is supposed to be carrying out the will of Congress. Therefore, when the Federal Reserve follows policies contrary to what Members of Congress believe to be in the best interest of the country, it is up to the Members to let that fact be known. This I am doing, and I think any Member of Congress who does not approve of the actions of this agency should consider doing the same thing—that is, speaking out against the renewed hard-money high-interest policy. I personally feel this to be a performance of my official duties. Why?

INCREASED INTEREST RATES ARE A HIDDEN TAX

Increased interest rates represent a hidden tax on all the people. Increased interest rates unbalance every budget in the United States, from the Federal Government's budget to the budget of the lowest income family. Increased interest rates cause all taxes to be increased and almost all prices to be increased. High interest rates are inflationary. The pretense that increasing interest rates is to fight inflation is just as ridiculous as pretending that pouring gasoline on a fire will put out the fire.

TRICKLE-DOWN THEORY

The main effect of increasing interest rates is to give a wage increase to the bankers and moneylenders. High interest is a hallmark of the trickle-down theory. The trickle-down theory was originated by a Secretary of the Treasury named Mellon who, it is said, had three Presidents serve under him. The high-interest policy was put into effect by President Hoover with the assistance of his able Secretary, Adm. Lewis L. Strauss. And I cannot help believing that many of the unwise decisions of President Eisenhower, particularly those concerning money, credit, and both foreign and domestic expenditures, have been influenced by such advisers as Admiral Strauss—and, I should add, George Humphrey. George Humphrey's policies were the same, and I believe they have continued to prevail in the Treasury, although he is no longer Secretary of that Department.

It has been my privilege to vote with President Eisenhower when I believed that he was right, and I have believed him to be right many times, particularly on matters of foreign affairs where no question of money and credit to foreign countries was involved. But on matters of money and credit, President Eisenhower's policies have been the traditional Republican policies initiated and pursued by Mellon, Hoover, Humphrey, and Strauss. Evidently it was such a group of advisers as this—advisers whose first allegiance is to the moneylenders—that persuaded President Eisenhower to take the position that the Federal Reserve System is an independent, fourth branch of the Government. Taking that position, as he has, seems to me to be President Eisenhower's greatest failure and his greatest misjudgment of the welfare of his country.

The Constitution places high duties and responsibilities upon the President of the United States. The Constitution specifically provides that "he shall take care that the laws be faithfully executed." The Federal Reserve Act is a law and, as I see it, the President has no authority to permit the Federal Reserve to secede from the Government, as it has done, nor to disclaim responsibility for taking care that this law be faithfully executed, as he has done. The President should prevent the Federal Reserve from following policies that levy extortionate interest charges on all the people and result in piling our debts, public and private, higher and higher.

Just how far do we think the Federal Reserve will go in using its delegation of congressional power for the special benefit of the bankers and moneylenders? Will it stop somewhere short of catastrophe?

Well consider this: The Federal Reserve Board is now recommending that Congress pass a bill to give away to the private banks about $15 billion of U.S. Government obligations. The Federal Reserve Board has asked Congress to pass the so-called vault cash bill, approving its proposal to turn over to the private banks, without cost to these banks, about $15 billion of securities which the Federal Reserve has bought in from the open market and paid for, and the interest payments on which now go back into the U.S. Treasury. If the Federal Reserve authorities had the slightest concern for the great mass of taxpayers, would they not propose that they turn these obligations into the Treasury for cancellation? Would they not propose that the Federal debt be reduced by this amount, instead of giving away these securities to the private banks?

FIFTEEN BILLION DOLLARS IN BONDS HAVE BEEN PAID FOR AND SHOULD BE CANCELED, THEREBY REDUCING THE NATIONAL DEBT BY 15 BILLION DOLLARS

The Federal Government has actually paid for it and owns the approximate $25 billion in bonds and other interest-bearing obligations of the United States now being held by the Federal Reserve System. It should retire $15 billion of these bonds now carried as a part of the national debt. This $15 billion in bonds should either be canceled and burned. The reasons for doing this were discussed by me in a talk last Monday, May 25, 1959, which appears in the CONGRESSIONAL RECORD of that date, commencing at page 9029. In this statement the following was shown:

First. The Federal Government owns the Federal Reserve System 100 percent, lock, stock and barrel.

Second. Three billion dollars a year could be saved in interest on our national debt; much more could be saved on other public and private debts.

Third. Commercial banks create money on credit of the Nation to buy and collect interest on United States Government bonds.

Fourth. The Federal Reserve Board in 1958 gave private commercial banks enough reserves free of charge to enable them to buy $10,400 million in Government bonds which will give them annual unearned interest of from $300 to $400 million a year; and then the Government will have to pay the amount due on the bonds to the commercial banks when they mature.

Fifth. The bankers' lobby, spearheaded by the American Bankers Association, the unregistered lobbying association, is now asking Congress to approve another giveaway in 1959 of $15 billion; this is contained in the so-called innocent-sounding "vault cash" bill.

In this statement of May 25 I inserted testimony from a number of prominent witnesses to prove without question that the Federal Reserve System is owned by the United States Government and that no proprietary interest is held by the private banks which hold certain so-called, but misnamed, capital stock. Although this point is not challenged by any authority, I am inserting herewith statements from other famous people with intimate knowledge of the Federal Reserve System who have appeared before congressional committees on this question. In addition, I will insert further testimony on the point that the Federal Reserves' Open Market Committee, acting for Congress, does in fact determine what interest rates shall be. And finally, I will insert a brief statement of Woodrow Wilson setting out the democratic objectives for the Nation's monetary system, as opposed to the trickle-down theory of the monetary system:

STATEMENT OF DR. E. A. GOLDENWEISER, MEMBER OF THE INSTITUTE FOR ADVANCED STUDY, PRINCETON UNIVERSITY, ON SO-CALLED STOCK IN FEDERAL RESERVE BANK—THE RECOGNIZED AUTHORITY ON FEDERAL RESERVE

Mr. GOLDENWEISER. Now, the ownership of the stock, as everyone here seems to agree,

has become a very minor matter. It is not a source of funds. I do not remember what the capital is now, but it is in the minor hundreds of millions, whereas the resources of the Federal Reserve are in the tens of billions, so that you can see that the ratio is negligible.

I think that it is of no particular consequence in that respect, and I think that if one were revising the banking system, that stock ought to be abolished, because I think it stands for the wrong principle, but, as I said at some length, I think it has lost all practical importance. (From hearings on Monetary Policy and Management of Public Debt before the Subcommittee on General Credit Control and Debt Management of the Joint Committee on the Economic Report, p. 775.)

Mr. GOLDENWEISER. The technical fact that the banks are legally owned by member banks has been referred to by several of the speakers, and it seems to me very properly it has been indicated that that is a piece of atavistic remnant of the philosophy of the Federal Reserve Act when it was enacted and that it has lost any important significance.

It is essentially a compulsory contribution to the capital of the Federal Reserve banks.

REMOVE THIS APPENDIX

If in the course of time a thorough revision of our whole banking legislation were undertaken, I would think that this appendix might be removed, and it could be done simply by having the Federal Reserve banks repay to the member banks the capital which is no longer necessary and which constitutes a very small part of the resources of the System.

If that were done, it would be done both because of logic and because of the appearance of political implications that are often attached to this. Practical importance it does not have. (From hearings on Monetary Policy and Management of Public Debt before the Subcommittee on General Credit Control and Debt Management of the Joint Committee on the Economic Report, pp. 761–762.)

Dr. Goldenweiser was the outstanding authority in the United States on the Federal Reserve System.

WHAT AN IMPORTANT PUBLIC OFFICIAL AND OUTSTANDING NATIONAL BUSINESS LEADER SAID ABOUT SO-CALLED STOCKOWNERSHIP IN FEDERAL RESERVE BANKS

Mr. WIGGINS. My name is A. L. M. Wiggins, of Hartsville, S.C. I am chairman of the boards of directors of the Atlantic Coast Line Railroad Co., the Louisville & Nashville Railroad Co., and several smaller associated railroads. I am also chairman of the board of directors of the Bank of Hartsville, S.C., capital stock $100,000, and president of a small nonbanking trust company.

For the larger part of my business career I have been a director and manager of a number of small-business institutions engaged in finance, merchandising, agriculture, and manufacturing, and newspaper publishing.

From January 1947 to July 1948 I was Under Secretary of the Treasury. In this capacity, one of my duties was to assist the Secretary of the Treasury in the management of the public debt and, in particular, to maintain liaison with the Board of Governors of the Federal Reserve System, and other representatives of the open-market committee. (From hearings on Monetary Policy and the Management of the Public Debt before the Subcommittee on General Credit Control and Debt Management of the Joint Committee on the Economic Report—March 14, 1952, p. 220.)

* * * * *

Representative PATMAN. I want to ask you one or two questions on that point, Mr. Wiggins.

Do you consider the Federal Reserve System is a public institution?

Mr. WIGGINS. So far as the—yes; it is a public institution.

Representative PATMAN. A public institution? You do not consider the amount of stock owned by the commercial banks as sufficient to give them control of the institution?

Mr. WIGGINS. The stock ownership, in my opinion, has nothing to do with the control. It is a peculiar type of stock that earns only 6 percent. The owners of the stock have no interest in the earnings of the bank beyond the 6-percent dividend they get.

Representative PATMAN. And they have only paid in 3 percent.

Mr. WIGGINS. Well, they get 6 percent on the amount paid in.

Representative PATMAN. Yes, they get 6 percent.

Mr. WIGGINS. Six percent on the amount paid in. They have paid in only half of the par amount of the stock.

Representative PATMAN. In other countries of the world, do you know of another country where the central bank is not owned by the government?

Mr. WIGGINS. At the moment, I do not.

Representative PATMAN. I think the fact is, Mr. Wiggins, that in all countries the central bank is owned by the government, and in this country I do not consider that the commercial banks own the Federal Reserve banking system because they have that token amount of stock, which is so small and insignificant compared to the business done by these institutions; you agree with that, do you not?

Mr. WIGGINS. That is right.

Representative PATMAN. It is too small to consider that they would have any supervisory power by reason of the ownership of that small amount of stock which gives them a 6-percent dividend each year?

Mr. WIGGINS. That is correct, sir. (From hearings on Monetary Policy and Management of Public Debt before the Subcommittee on General Credit Control and Debt Management of the Joint Committee on the Economic Report, p. 221.)

COMMITTEE FOR ECONOMIC DEVELOPMENT NOW MAKING MONETARY STUDY—TWO OF THEIR IMPORTANT OFFICIALS TESTIFIED IN 1952

The Chairman of the Committee on Monetary, Fiscal, and Debt Policy of the Committee for Economic Development, Mr. J. Cameron Thomson, testified before the Joint Economic Committee on Monetary Policy and Management of Public Debt in March 1952. His testimony commences at page 296 of the hearings. Mr. Thomson was at that time, and I think he still is, president of the Northwest Bancorporation of Minneapolis.

Also a witness with Mr. Thomson was Mr. Marion B. Folsom, Chairman of the Board of Trustees, Committee for Economic Development. His testimony commences at page 291 of the hearings.

Both witnesses were heard at their request before being questioned by the committee members. With both of these gentlemen before the committee at the same time as witnesses the following colloquy took place:

Representative PATMAN. Do you consider the Federal Reserve System a public institution, Mr. Folsom?

Mr. FOLSOM. Yes, sir.

Representative PATMAN. And do you agree with that, Mr. Thomson?

Mr. THOMSON. Well, an unusual public institution.

Representative PATMAN. Do you believe that the amount of stock that the commercial banks hold in the Federal Reserve banks which I believe aggregates about $241 million, do you believe that that gives the bankers a right to say that they are the owners of the Federal Reserve System?

Mr. FOLSOM. It is a very limited ownership and actually it works out in practice that the relationship is quite different from the relationship in the ordinary stock company.

Representative PATMAN. It is not intended to be ownership.

Mr. FOLSOM. No.

Representative PATMAN. Mr. Wiggins made the suggestion the other day in I think a most reasonable and logical argument for continuance of that stock ownership that because of that the bankers would be more interested in that System and the System would get the benefit of their counsel and advice and experience and their services.

Mr. FOLSOM. Yes, there is no question about that.

Representative PATMAN. But as far as controlling and having an effect in the capital structure, it does not mean anything.

Mr. FOLSOM. No.

Representative PATMAN. Because it is too small. (From hearings on Monetary Policy and Management of Public Debt before the Subcommittee on General Credit Control and Debt Management of the Joint Committee on the Economic Report, p. 322.)

SO-CALLED STOCK OWNERSHIP IN PRIVATE BANKS IN FEDERAL RESERVE SYSTEM

Mr. W. L. Hemingway appeared before our Committee on Monetary Policy and the Management of the Public Debt in 1952. His testimony commences at page 324 of the hearings. Mr. Hemingway at this hearing was speaking for the American Bankers Association. He was a former president of the American Bankers Association; and when he was a witness, he was chairman of the executive committee of the Mercantile Trust Co., of St. Louis, Mo. His testimony on the question of stock was as follows:

Representative PATMAN. As a matter of fact, the stock does not mean much in the Federal Reserve System, does it, Mr. Hemingway?

Mr. HEMINGWAY. Well, it means this to us: That we have a voice in the operation of the bank; it is not a very loud voice, but still we belong.

Representative PATMAN. But, as you said here, the banker should not have a controling interest in it.

Mr. HEMINGWAY. That is correct.

Representative PATMAN. And that stock—some of the witnesses have testified, at least I got this from their testimony, this inference, that it was more of a token subscription, and did not enter into the solvency of the institution in any substantial way.

Mr. HEMINGWAY. That is right.

Representative PATMAN. It is very small compared to the tremendous amount of business that these banks are doing.

Mr. HEMINGWAY. That is right; yes.

Representative PATMAN. In fact, the last year, I do not know what the total business was, but I imagine they ran up to between $1 and $2 trillion.

Mr. HEMINGWAY. A very large volume of business.

Representative PATMAN. Yes.

THE FEDERAL RESERVE, AN AGENCY OF CONGRESS, DETERMINES FOR THE CONGRESS WHAT INTEREST RATES WILL BE

The Housing Act of 1954—83d Congress, 2d session—H.R. 7839 was considered in hearings conducted March 2 to March 18, 1954 before the Banking and Currency Committee of the House.

Mr. William A. Clarke, president, Mortgage Bankers Association of America, accompanied by Maurice R. Massey, Jr., president, Peoples Bond & Mortgage Co., Philadelphia, Pa., and Sam Neal, general counsel, Mortgage Bankers Association of America, testified. Testimony commencing at page 405 of the hearings.

The following colloquy took place as disclosed on pages 438 and 439:

Mr. PATMAN. * * *

Mr. Clarke, since, by reason of your experience in not only the mortgage-banking field but in the insurance field, and in the financial field, you evidently know a great deal about the interest rates on long-term governments, and how the interest rates are fixed, don't you think that the Federal Open-Market Committee has more influence on the fixing of the rates, both short and long term, than any other one factor in the United States?

Mr. CLARKE. They certainly seem to me to have it.

Mr. PATMAN. Well, don't they have complete authority? In other words, they have unlimited power to buy bonds and sell bonds, and even to create the money to do it, manufacture the money to do it?

Mr. CLARKE. That is correct.

Mr. PATMAN. Without reference to what they have. They have just got it. They just do it on the Government's credit.

Mr. CLARKE. That is right.

Mr. PATMAN. At one time Mr. MONRONEY, who sat here next to me before he went to the Senate, in 1947, at a hearing before this committee, interrogated Mr. Eccles, and Mr. Eccles, I guess, was longer with the Federal Reserve Board than any other one person, and was Chairman at that time.

Mr. MONRONEY said "Do you mean to say that with your present Open Market Committee, and the operation of the Federal Reserve, as it now stands, that regardless of what the national income is, or other economic factors, that you can guarantee to us that our interest rate will remain around 2.06 percent?

Mr. Eccles said—

"We certainly can. We can guarantee that the interest rate, so far as the public debt is concerned, is where the Open Market Committee of the Federal Reserve desires to put it."

You agree with that statement, do you not?

Mr. CLARKE. I do; yes, sir.

Mr. PATMAN. A hundred percent?

Mr. CLARKE. Yes, sir.

Mr. PATMAN. Thank you.

How President Wilson described the objectives of the Nation's money and banking system:

We must have a currency, not rigid as now, but readily, elastically responsive to sound credit, the expanding and contracting credits of everyday transactions, the normal ebb and flow of personal and corporate dealings. Our banking laws must mobilize reserves; must not permit the concentration anywhere in a few hands of the monetary resources of the country or their use for spectulative purposes in such volume as to hinder or impede or stand in the way of other more legitimate, more fruitful uses. And the control of the system of banking and of issue, which our new laws are to set up must be public, not private, must be vested in the Government itself, so that the banks may be the instruments, not the masters, of business and of individual enterprise and initiative. (The Messages and Papers of Woodrow Wilson, vol. I, p. 13.)

COMMITTEE ON BANKING AND CURRENCY HAS REPORTED THE SO-CALLED VAULT CASH BILL CONTAINING $15 BILLION GIVEAWAY OF U.S. BONDS—COMMITTEE REPORT, INCLUDING DISSENTING VIEWS, IS AVAILABLE TODAY

Mr. PATMAN. Mr. Speaker, the Committee on Banking and Currency reported the so-called vault cash bill last week. The printed report, which is Report No. 403, 86th Congress, 1st session, is now available.

In the report, commencing at page 7, will be found dissenting views submitted by me. Reasons are given why this so-called vault cash bill is a giveaway bill; and my reasons are supported by a distinguished Harvard professor, Alvin H. Hansen. A statement by Professor Hansen, warning the Congress and the people against this proposal in the early part of 1958, published by the Harvard University Press in February, 1958, is contained in my dissenting views.

Members who are interested in this subject are urged to send to the document room for a copy of this report. It is in large type and in readable form.

BIOLOGICAL AND ENVIRONMENTAL EFFECTS OF NUCLEAR WAR

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to address the House for 20 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, the special Subcommittee on Radiation—Joint Committee on Atomic Energy—of which I have the honor to be chairman will begin a series of hearings on June 15. The subject of our hearings will be "Biological and Environmental Effects of a Nuclear War."

As you know, it is the function and the duty of the Joint Committee on Atomic Energy to keep the Congress and the public informed. We believe it is in the national and international interest to establish, with the data now available, the probable effects on man and earth's environment of a world war in which nuclear weapons would be used by two or more nations.

In order to establish a firm base for computation of the damage which would occur from the blast, heat and radiation of such a war, it is necessary to project basic factors into an assumption pattern. We have therefore established, after a thorough study by subcommittee members, our staff, and experts in the various fields involved, a hypothetical nuclear attack on the United States.

If the question is asked why did we project an attack on the United States rather than on a potential enemy, our answer is very simple: We are in possession of unclassified public information regarding the United States, its geography, its populated industrial areas and its vital installations. None of the information is classified. It has been used many times by the Federal Civil Defense Administration, now the Office of Civil and Defense Mobilization, in their various civil defense exercises—operations alert.

We are concerned most particularly in the fate of our own society and its institutions. We wish to avoid the charge of saber rattling or aggressive war planning against a potential foreign foe. Although our hypothetical attack will be programed against the continental United States in realistic detail, it will be necessary to include some total figures of weapons exploded outside the United States for global radiation computation reasons.

A future nuclear war could not be a one-way attack. Retaliatory attack would be an inevitable concomitant. It is impossible to estimate the capability of a retaliatory attack and therefore, an arbitrary but, we believe, reasonable total figure has been selected.

While damage effects on our country will be specifically set forth, we want it definitely understood that similar effects would be applicable to any large continental area of similar population and industrial centers.

A great deal of speculation has occurred regarding the effects of a nuclear war. Studies have been made by private professional study groups. Studies have been made, of course, by the Department of Defense and the National Security Council. These studies have not been made public, nor has this subcommittee requested access to them.

However, the Joint Committee on Atomic Energy has studied the effects of nuclear weapons tests on an unclassified basis. The hearings on radiation fallout from bomb testing that our subcommittee held in 1957 and again in May of this year are voluminous and revealing. Our study of weapon development and delivery methods has been comprehensive. The published material of the Atomic Energy Commission on nuclear weapons effects and radiation effects furnish an adequate basis for realistic judgment.

The recent declassification of total bomb test fission yield—92 million tons—provides a base for extrapolative interpretation of global radiation measurements to date. It also provides the base for extrapolation of measurements of a future nuclear war of a thousand or more megatons—million tons—of fission yield.

We, therefore, have decided to use declassified data, public information, and ordinary good reasoning to establish, in the public interest, realistic background information vital to mankind's destiny.

BACKGROUND JUSTIFICATION FOR A STUDY OF NUCLEAR WAR EFFECTS

Three large nations are producing, on a massive scale, inventories of various types and sizes of nuclear weapons. They are developing a multitude of delivery systems ranging from some tactical weapons to be used in short-range military action to megaton sizes which are to be delivered by manned aircraft, intermediate range missiles, Regulus- and Polaris-type submarine missiles, and intercontinental ballistic missiles.

Today the three nations having nuclear weapons arsenals are the United States, U.S.S.R., and the United Kingdom. France may hold her first nuclear weapons tests this summer. It is inevitable that other nations will, in a few years, also develop nuclear weapons capability.

It is unrealistic to ignore the drive for nuclear weapons capability and the increasing probability that through miscalculation or intent, this capability will be used. To ignore the possibility of another world war in which nuclear weapons will be used is to indulge in blind, wishful thinking and rejects all of the lesssons of history.

If we are to avoid a nuclear catastrophe, we cannot do it on the basis of ignorance of the danger of nuclear war. Before a problem can be solved, it must be understood. An intelligent conviction of the need for escape from the horrors of nuclear war must exist in the minds of, not only diplomats, but in the minds and hearts of a majority of the people in all nations. It must be based on a clear understanding of the effects of a nuclear war on the human race.

It will be the purpose of our subcommittee to establish, in an objective, analytical manner, the specific facts on the effects of a nuclear war in which a specified number of nuclear weapons might be used.

The specific facts will be established by the testimony of competent witnesses in the various areas of relevance.

We believe the time has arrived to treat the people of the free world and our own people as though they were adult participants in the democratic processes of self-determination.

For too long our people have been forced to rely on general statements and descriptive phrases for their understanding of the effects of nuclear war.

Let me call your attention to some of these descriptive words and phrases:

President Eisenhower said recently that a nuclear war was "unthinkable."

Prime Minister Khrushchev recently stated that a nuclear war would "destroy civilization." He also said, "We will bury you" and "eight hydrogen weapons would destroy West Germany and eight more Western Europe."

Other prominent people have said that nuclear war would be "suicidal," "bring back the Dark Ages," "contaminate the earth's evironment—air, water, food, soil," and one of our most famous geneticists recently stated that a full-scale nuclear war would "poison the genetic pool of human life."

These are powerful descriptive words and phrases. But, are they understood by the average person?

The enormity of their meaning is so great that it is high time that they be analyzed in such a way as to convey meaning to the people.

The scope of meaning which is included in each of these powerful words or phrases is so wide and portentous that they defeat their purpose to convince most minds of the dangers described.

Comprehension of nuclear war danger must be built, perhaps slowly and laboriously, on specific facts. These facts are now known. They are unclassified. They should be compiled in an orderly, understandable manner.

Our subcommittee will endeavor to establish nuclear war effects through testimony and papers of competent witnesses who have developed, exploded, and carefully measured the blast, heat, and radiation effects of nuclear weapons tests ranging in power from less than a thousand tons of TNT to single-weapon tests which released many millions of tons of TNT power. We shall also draw upon the knowledge of a whole gamut of professional men and women who have conducted innumerable experiments in laboratories and under almost every condition of earth's environment, in their efforts to determine the effects of nuclear phenomena.

Enough unclassified, basic scientific knowledge exists today to permit reasonably accurate extrapolation. For instance, the blast, heat, and radiation effects of a peacetime bomb test of a million-ton nuclear bomb can be projected into the effects of a thousand or 5,000 megaton weapons, which could be used in a nuclear war. Unclassified information exists today which enables a congressional committee to establish, through reasonable assumptions, (a) numbers of probable targets; (b) numbers and sizes of weapons needed to destroy the selected targets; (c) scientific computation of blast power, heat degree, and radiation intensity in point of time and coverage.

The committee is aware that their attack pattern has been arbitrarily set forth. We are confident that our assumptions are defensible as would be true of larger or smaller patterns of attack. Problems of strategy in delivery or psychological factors have been deliberately set aside, as have factors of military defense, early warning, degrees of retaliatory capability, and so forth.

Our pattern of attack is based on the net delivery of 1,453 megatons of nuclear weapons on 224 U.S. target areas, using 260 separate nuclear weapons.

This pattern furnishes a base which is necessary for mathematical computation and biological estimation of effects.

In conclusion, Mr. Speaker, we, as elected Representatives of the people of a great democratic Nation, must carry a heavy load of responsibility for our people. For reasons of national security some of us must maintain inviolate, highly classified information vital to our national defense.

This obligation we discharge in all good conscience. We also bear an additional responsibility to inform our people in as full a measure as possible regarding the perilous problems which face our Nation in this nuclear age—in this age of phenomenal technological and industrial advancement, when the major effort of our great scientific minds seem directed to ever-increasing methods and vehicles of mass destruction.

The people of our Nation and the world have an undeniable right to know the basic facts which threaten their survival. Our people are called upon to support a military expenditure which takes 61 percent of their Federal taxes. They have the right to know how effectively that tax money is spent, in relation to its purpose of protecting their lives against enemy attack.

We have developed certain basic philosophies in our relations with other nations. To support our international diplomatic positions, we have adopted certain expressed military doctrines. Our expressed military policy today is based on the doctrine of "massive retaliation with nuclear weapons after the attack of an aggressor nation using nuclear weapons."

What does this doctrine mean?

Can this Nation survive a massive nuclear attack?

Can we retaliate after such an attack?

What degree will our retaliatory attack be in relation to our preattack capability?

How effective at this time is defense capability—ours or theirs—in relation to attack capability?

These questions and many others are related to the effects of a nuclear war and the formation of our military doctrine. We believe that the people are entitled to understand these effects so that they can evaluate existing international policies related to military strength and capability.

In a democracy the people must be informed properly or they cannot intelligently participate in self-government. They must be informed in this nuclear age as to the possibilities for survival. They must be in a position to evaluate the wisdom of a national policy based on massive retaliation with nuclear weapons after a full-scale nuclear attack by an aggressor.

They have the right to know whether or not a full-scale nuclear war can bring victory to us and defeat to our enemies. They have the right to know the facts, so they can judge the wisdom of our national policy at this time, or of any substitute policy which may be advanced in the future.

NUCLEAR TEST BAN CONSIDERATIONS

Mr. ROBISON. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. HOSMER] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HOSMER. Mr. Speaker, proponents of banning any and all nuclear tests argue from a position of concern regarding fallout, that the ban would constitute a "step" toward disarmament, and it would lessen the danger of a nuclear war. Those who question the wisdom of such a ban have no less a concern for those matters as they pertain to the overall goal of a peaceful world. They concede that atmospheric tests, the only tests causing fallout, should, for that reason be restricted. However, they see reasonable doubts and questions that it would constitute a step

toward peace also to ban tests which do not cause fallout, that is, tests below the ground or far above the atmosphere. More specifically, they see strong possibilities it would constitute a step away from peace as the Western World understands that term.

The danger which the world faces is not from nuclear testing, limited so as not to cause fallout, but from nuclear war. Those who think otherwise mistake the shadow for the substance. Merely banning such tests applies no brake whatever on the buildup of arsenals of nuclear weapons which are neither clean nor discriminate. It would not in any sense represent meaningful disarmament or relax any of the world's tensions.

Further to evaluate claimed advantages of an all-out nuclear test ban, let us assume below-ground or above-atmosphere ban violations could be detected, stressing, however, that this is definitely not the fact. What then would be the situation if a Soviet violation were detected?

Would it be a cause for war? Probably not. An excuse for the West itself to resume testing? Probably. But how, as a practical matter, could the West do so? Western weapons laboratories would have been dismantled, research teams dispersed, and test equipment abandoned during the time which Soviet research teams and facilities were secretly kept together to overtake us and forge ahead in the military applications of nuclear energy. Result: Unlimited opportunity for Soviet nuclear blackmail.

What would happen if the West did detect Soviet violations and announced them? Undoubtedly, the Kremlin propaganda machine would issue denials and countercharges. Result: World opinion would be confused, probably many would disbelieve the Western disclosures, possibly many would believe the Soviet countercharges.

What would happen if tests were detected on the great land mass of Communist China? Would Communist Russia have merely shifted her testing o a coconspirator's soil? Or, has Communist China become a member of the nuclear club? In either event, could the West risk not attempting to regain nuclear equivalency by resuming tests? Could it ever do so because of the time lag?

These questions lead but to one conclusion: Even under optimum assumptions of violations detectability, a complete nuclear test ban would not, in and of itself, constitute any real "first step" toward disarmament, not materially lessen the danger of nuclear war. Rather, it could lead directly to a tremendous overbalance of nuclear power in Communist hands for use against the West. This possibility is particularly acute when considered in light of the 40-year consistent and doctrinaire use by Communists of treaty breaking and evasion as an artful tool in their drive to subjugate the non-Communist world.

Again, for the purpose of evaluation, let us disregard the detection question, disregard the Communist 40-year contempt of international agreements, disregard Red China, assume that inspection and detection is both politically and practically possible and assume the proposed all-out ban would, somehow, be scrupulously observed by the Soviets. Would it be a gain for world peace, or a gain for communism?

Rightly or wrongly the free world has based its defense on nuclear weapons simply because Communist manpower resources are such as to grant them overwhelming conventional superiority. Unless all its past actions are to be disregarded, the ultimate objective of the Communist bloc is one world, a Communist one. Realistically, it is safe to say that nothing stands in the way of the accomplishment of that objective except Sino-Soviet reluctance to pay the price of a nuclear war.

It is not illogical that this piece of realism explains Mr. Khrushchev's great efforts to paralyze both the West's will and the West's ability to use nuclear weapons.

The Communist "first step" is ban testing. Their "second step" follows: If nuclear weapons are too terrible to test, they are too terrible to use—so ban their use even though the difficulty of detecting stockpiles of existing weapons would make such a prohibition meaningless. Result: The West's nuclear capability is eliminated; Sino-Soviet conventional military power emerges overwhelming, and the objective of world domination becomes readily achievable at slight cost.

It is thus clear that unless the free world is prepared to surrender to Communist demands and Communist terms, it must have a Military Establishment which is not "second best" and which it is prepared to use effectively to prevent the free world's obliteration.

The moral question then is not the type of weapons with which the free nations must stock their arsenals to preserve freedom and the rich heritage of Western civilization. It is the morality of stripping those arsenals, imperiling that civilization and relegating its millions of souls to the slavery of the communes.

CRASH PROGRAM OF MEDICAL RESEARCH

Mr. CARTER. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. CARTER. Mr. Speaker, today I introduced in this House a bill calling for $500 million to finance a crash program of medical research to discover the cause and cure of cancer, heart disease, and other major illnesses which, despite existing scientific efforts, remain incurable. Not only have we just lost our Secretary of State to cancer, but there are millions of other Americans afflicted with this terrible disease. There are several Members who sit in this House as well as in the Senate who are suffering from cancer as of this moment.

The best estimates available tell us 26 million people now living in the United States will die of cancer, 250 thousand of them this year. It is only through a sustained application of a great amount of effort and money that a breakthrough can be achieved and the barriers of the unknown rolled back. There are many admirable research programs being conducted at the present time, but I feel they are somewhat piecemeal and lack the sustained and relentless character that only adequate funds from a central national source can provide. The fortuitous one-man discoveries in medicine and science are gone forever and an all-out national effort is now the only thing that will successfully overcome the last remaining obstacles to a long and healthy life for everyone. I feel that since we were able to build a hydrogen bomb and embark on the space age through concentrated effort, that most certainly a similar effort should provide a cure for these tragic human maladies.

This bill which I am introducing would put the administration of the proposed crash program under the Surgeon General of the Public Health Service. He would be the coordinator of the research efforts of his own National Institutes of Health and National Cancer Institute, medical branches of the armed services, as well as universities, hospitals, medical schools, foundations, and other private institutions.

The program would be a cooperative effort between all existing research organizations, both public and private, engaged in work in the medical field. I feel every American has a tremendous stake in a program such as this bill proposes and that the per capita expense for the program is one that I feel every citizen would be happy to bear in order that the ominous cloud of these killing and crippling diseases might be removed from our individual lives.

In conclusion, Mr. Speaker, I would like to have included for the RECORD the wording of this bill, which is indeed brief and simple in form, and yet, if carried through, I sincerely think could have a tremendous impact on the welfare of all mankind:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $500,000,000, to be expended by the Surgeon General of the Public Health Service in conducting a crash program of basic research (through the divisions and institutes established by or under title IV of the Public Health Service Act, and in such other ways as he may deem appropriate) with respect to cancer, heart disease, arthritis, multiple sclerosis, cerebral palsy, and other disesases of which the cause or cure remains unknown despite existing efforts in the sciences related to health, as authorized by (and subject to the provisions of) such title.

I humbly urge each and every one of my colleagues in the Congress of these United States, for and in the name of all mankind, to support and pass this bill.

Mr. WOLF. Mr. Speaker, will the gentleman yield?

Mr. CARTER. I yield to my colleague.

Mr. WOLF. Mr. Speaker, I am happy to congratulate my distinguished friend from Iowa and to say that I think he

has pointed to a very serious problem in America today. It seems that we are always in a hurry to appropriate money for military things, for roads, for housing; but sometimes we fail to look seriously at the human being himself and the requirements of humanity. I am sure that my distinguished friend knows very well the subject to which he speaks, and I am happy to join him in his remarks and to say that I hope all Members of Congress will urge the appropriate committee to take immediate action and hold hearings immediately on this vital legislation.

Mr. CARTER. I thank the gentleman.

FOOD ADMINISTRATION ACT OF 1959

Mr. RIVERS of Alaska. Mr. Speaker, I ask unanimous consent that the gentleman from South Dakota [Mr. McGOVERN] may extend his remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. McGOVERN. Mr. Speaker, one of the most glaring paradoxes of the current scene is the existence of large quantities of surplus farm commodities at a time when countless millions of people are hungry both at home and abroad. It does not make very good economic sense for the American people to pay nearly a billion dollars a year storing surplus commodities when many Americans and multitudes of people in other lands are suffering from malnutrition.

Early in this Congress I introduced legislation providing for a greater use of American farm surpluses in countries suffering from food shortages. There is no doubt in my mind that in many cases we can contribute more to the peace and freedom of nations through bread than through contributions of expensive military equipment. To the two-thirds of the world's people who are suffering from hunger, it must seem strange for the United States to talk about food abundance as though it were a calamity instead of a great national asset.

Sadly enough there are many people even in abundant America who do not have adequate diets. At least 17 million of our citizens are estimated to be suffering from malnutrition. Congress has recognized this problem in part by authorizing the distribution of surplus commodities to the needy and the establishment of the school milk and school lunch programs. These programs have not reached the food needs of many of our citizens, however.

To better meet the challenge of hunger in the presence of food abundance, Senator KENNEDY and others have introduced legislation (S. 1884) to transfer the administration of the program for the distribution of surplus agricultural food commodities to needy persons from the Department of Agriculture to the Department of Health, Education, and Welfare. I have today introduced similar legislation in the House.

It is clear that legislation of this kind is needed. As things now stand, the Secretary of Agriculture is reluctant to use his authority to grant surplus foods to the needy on a broad scale because to do so would be to further increase the already strained agricultural department budget. Farmers and the Department of Agriculture have already been subjected to sharp public criticism for rising farm program expenditures. This may partly explain why authority to use farm surpluses to feed the hungry has been used in such a limited and sporadic fashion. We are all interested in utilizing farm commodities in such a manner as to benefit our farm producers, but it must also be recognized that feeding hungry people is primarily a welfare function aside from any relationship it may bear to agricultural economics. Considerations of morality and the welfare of our fellow citizens ought to be the paramount consideration. Certainly there is no moral or economic defense for a system that permits vast quantities of food to lay idle in Government bins at the public's expense when other Americans are hungry. This being true, what is the explanation for the fact that last year with more than five million Americans unemployed and millions of others underfed, we utilized less of our surplus food for the needy than in the previous year?

The present weaknesses in our food distribution program have been summarized by Senator KENNEDY as follows:

First. Many communities cannot participate because they are unable to pay the cost of local storage and distribution.

Second. It exists as a fringe activity of the USDA.

Third. The Secretary of Agriculture is basically opposed to the idea of donating food.

Fourth. The Commodity Credit Corporation, seeking to minimize losses, is reluctant to process and donate commodities for which there is any prospective reimbursable use.

Fifth. Costs of the donations program are erroneously charged to the farm program.

Sixth. No attention is paid to subsistence food needs, which the Department of Health, Education and Welfare is best equipped to determine.

Seventh. Standards are lacking for equitable distribution of surpluses.

Eighth. The types of food distributed are limited, unappealing, and insufficient for adequate diets.

The legislation introduced by Senator KENNEDY and myself would correct these weaknesses in the following ways:

First. It would transfer to the Department of Health, Education, and Welfare the responsibility for distribution of the food. The Commodity Credit Corporation would continue to purchase and store crops and the Department of Agriculture would retain full responsibility for parity prices and agricultural operations—but HEW would take over the welfare phase of the program.

Second. All costs would be allocated to the Department of Health, Education, and Welfare, where they belong. It is time we recognized that the program is a welfare program rather than an agricultural program.

Third. The emphasis of the program would be shifted to the consumer side of the picture. Desirable as it is to reduce surplus stocks, this should not be the sole criteria for determining distribution to the needy. Equally important is the standard of living of the needy.

Fourth. In order to provide a balanced diet to the needy, $150 million is authorized for purchases of such necessary food items as milk, butter, eggs, fruits and vegetables, poultry, and other meats. Purchases will be made so as to improve farm income to the fullest extent possible.

Fifth. Although States and local governmental units would continue to establish standards of eligibility, the Department of Health, Education, and Welfare is authorized to give general direction to this procedure by promulgating minimum standards of eligibility.

Sixth. Local welfare agencies would be given limited financial assistance in transporting, storing, and distributing the food.

Mr. Speaker, I believe that this legislation is a humanitarian measure that is also based on sound economics and good public administration.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. CHENOWETH, for Tuesday and Wednesday of this week, on account of official business attending the commencement exercises of the Air Force Academy as a member of the Board of Visitors.

Mr. CHAMBERLAIN (at the request of Mr. ARENDS), for Monday and Tuesday, June 1 and 2, 1959, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PATMAN, for 20 minutes on today and tomorrow, to revise and extend his remarks and to include extraneous matter.

Mr. KING of Utah, for 30 minutes, on Thursday next.

Mr. PORTER, for 60 minutes, on June 4.

Mr. JOHNSON of Colorado, for 10 minutes, on tomorrow.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. ALGER.

(At the request of Mr. ROBISON, and to include extraneous matter, the following:)

Mr. CANFIELD.

Mr. SCHWENGEL.

Mr. MUMMA.

Mr. VAN ZANDT in two instances.

(At the request of Mr. RIVERS of Alaska, and to include extraneous matter, the following:)

Mr. DENT in two instances.

Mr. ANFUSO in two instances.

Mr. SANTANGELO.

Mr. RODINO.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1901. An act to amend section 101(c) of the Agricultural Act of 1949, and the act of July 28, 1945, to stabilize and protect the level of support for tobacco; to the Committee on Agriculture.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 947. An act for the relief of Lenora Bent.

ADJOURNMENT

Mr. RIVERS of Alaska. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 2 minutes p.m.) the House adjourned until tomorrow, Tuesday, June 2, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1039. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Federal Housing Administration, Housing and Home Finance Agency, for the fiscal year ended June 30, 1958 (H. Doc. No. 162); to the Committee on Government Operations and ordered to be printed.

1040. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Alexander Hamilton Bicentennial Commission for the period of its existence, from August 20, 1954, through April 30, 1958; to the Committee on Government Operations.

1041. A letter from the Comptroller General of the United States, transmitting a copy of a letter to the Acting Director of the International Cooperation Administration concerning a report dated March 31, 1959, to the Congress on an examination of the economic and technical assistance program for Pakistan; to the Committee on Government Operations.

1042. A letter from the Comptroller General of the United States, transmitting a report on the review of selected phases of the low-rent housing operations of the Buffalo Municipal Housing Authority, Buffalo, N.Y.; to the Committee on Banking and Currency.

1043. A letter from the Acting Secretary of Defense, transmitting a copy of a report covering a violation of section 3679, Revised Statutes, and Department of Defense Directive 7200.1, entitled "Administrative Control of Appropriations Within the Department of Defense"; to the Committee on Appropriations.

1044. A letter from the Under Secretary of Commerce, transmitting a draft of proposed legislation entitled "a bill to amend Public Law 85–880, and for other purposes"; to the Committee on Foreign Affairs.

1045. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation entitled "a bill to protect the public health by amending the Federal Food, Drug, and Cosmetic Act so as to authorize the use of suitable color additives in or on foods, drugs, and cosmetics, in accordance with regulations prescribing the conditions (includng maximum tolerances) under which such additives may be safely used"; to the Committee on Interstate and Foreign Commerce.

1046. A letter from the Secretary of Commerce transmitting a report of the activities under title XIII of the Federal Aviation Act of 1958 with respect to aviation war risk insurance for the period as of March 31, 1959; to the Committee on Interstate and Foreign Commerce.

1047. A letter from the Acting Secretary of Defense, transmitting a draft of proposed legislation entitled "a bill to amend title 10, United States Code, to establish a Bureau of Naval Weapons in the Department of the Navy and to abolish the Bureaus of Aeronautics and Ordnance"; to the Committee on Armed Services.

1048. A letter from the Comptroller General of the United States, transmitting a report on the audit of Commodity Credit Corporation, Department of Agriculture, for the fiscal year 1958 (H. Doc. No. 163); to the Committee on Government Operations and ordered to be printed.

1049. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated February 26, 1959, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of Mojave River, Calif., authorized by the Flood Control Act approved August 28, 1937 (H. Doc. No. 164); to the Committee on Public Works and ordered to be printed with illustrations.

1050. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated January 29, 1959, submitting a report, together with accompanying papers and illustrations, on a Great Lakes Harbors Study—Interim Report on Ashland Harbor, Wis., requested by resolutions of the Committees on Public Works, U.S. Senate and House of Representatives, adopted May 18, 1956 and June 27, 1956 (H. Doc. No. 165); to the Committee on Public Works and ordered to be printed with illustrations.

1051. A letter from the Secretary of the Army transmitting a letter from the Chief of Engineers, Department of the Army, dated January 14, 1959, submitting a report, together with accompanying papers and illustrations, on Great Lakes Harbors Study—Interim Report on Lorain Harbor, Ohio, requested by resolutions of the Committees on Public Works, U.S. Senate and House of Representatives, adopted May 18, 1956, and June 27, 1956. It is also submitted in final response to four other resolutions listed in the report (H. Doc. No. 166); to the Committee on Public Works and ordered to be printed with illustrations.

1052. A letter from the Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to validate the payment of family separation allowances to members of the uniformed services"; to the Committee on Armed Services.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASPINALL:

H.R. 7455. A bill to provide for the establishment of a National Wildlife Disease Laboratory; to the Committee on Merchant Marine and Fisheries.

By Mr. BALDWIN:

H.R. 7456. A bill to extend for 3 years the suspension of duty on imports of casein; to the Committee on Ways and Means.

By Mr. BENNETT of Florida:

H.R. 7457. A bill to amend section 21 of the Second Liberty Bond Act to provide for the retirement of the public debt; to the Committee on Ways and Means.

H.R. 7458. A bill to prohibit the sale, distribution, and use of certain plastic bags in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. BURKE of Kentucky:

H.R. 7459. A bill to amend section 207 of the National Housing Act to permit the dollar amount limitation applicable to mortgagees covering housing for elderly persons under the regular FHA rental housing program to be increased in high-cost areas; to the Committee on Banking and Currency.

By Mr. CARTER:

H.R. 7460. A bill making an appropriation for the conduct by the Surgeon General of a crash program of basic research into the cause and cure of cancer and other major diseases which remain incurable; to the Committee on Appropriations.

By Mr. CHENOWETH:

H.R. 7461. A bill to provide for the establishment of a National Wildlife Disease Laboratory; to the Committee on Merchant Marine and Fisheries.

By Mr. COHELAN:

H.R. 7462. A bill, to make permanent certain increases in annuities payable from the civil service retirement and disability fund; to the Committee on Post Office and Civil Service.

By Mr. DOWNING:

H.R. 7463. A bill to amend section 21 of the Second Liberty Bond Act to provide for the retirement of the public debt; to the Committee on Ways and Means.

By Mr. DURHAM (by request):

H.R. 7464. A bill to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. FASCELL:

H.R. 7465. A bill for the establishment of a Commission on Metropolitan Problems and Urban Development; to the Committee on Government Operations.

H.R. 7466. A bill to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time before June 1, 1961; to the Committee on Government Operations.

By Mr. FOLEY:

H.R. 7467. A bill to amend the Public Contracts Act (the Walsh-Healey Act); to the Committee on the Judiciary.

By Mr. GUBSER:

H.R. 7468. A bill to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. HEMPHILL:

H.R. 7469. A bill to amend the Budget and Accounting Act, 1921, to provide for the retirement of the public debt; to limit the size of the Federal budget; and for other purposes; to the Committee on Government Operations.

By Mr. HUDDLESTON:

H.R. 7470. A bill to repeal the tax on transportation of persons; to the Committee on Ways and Means.

By Mr. JOHNSON of Colorado:

H.R. 7471. A bill to provide for the establishment of a National Wildlife Disease Laboratory; to the Committee on Merchant Marine and Fisheries.

By Mr. KEARNS:

H.R. 7472. A bill to provide for the free entry of certain stained glass windows for use in St. Mark's Seminary, Erie, Pa.; to the Committee on Ways and Means.

By Mr. McGOVERN:

H.R. 7473. A bill to transfer the administration of the program for distribution of surplus agricultural food commodities to needy persons, and for other purposes; to the Committee on Agriculture.

By Mr. POFF:

H.R. 7474. A bill granting the consent of Congress to the compact entered into by the States of West Virginia and Virginia with respect to a certain part of the boundary between such States; to the Committee on the Judiciary.

By Mr. ROBERTS:

H.R. 7475. A bill to amend the act of August 5, 1954 (68 Stat. 674), and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 7476. A bill to extend for 2 additional years the authority of the Surgeon General of the Public Health Service with respect to air pollution control; to the Committee on Interstate and Foreign Commerce.

By Mr. ROGERS of Colorado:

H.R. 7477. A bill to provide for the establishment of a National Wildlife Disease Laboratory; to the Committee on Merchant Marine and Fisheries.

By Mr. ROGERS of Florida:

H.R. 7478. A bill to amend the act of July 27, 1956, with respect to the detention of mail for temporary periods in the public interest, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SMITH of Mississippi:

H.R. 7479. A bill to provide for the retirement of the public debt in amounts which reflect annual increases in the gross national product; to the Committee on Ways and Means.

By Mr. ULLMAN:

H.R. 7480. A bill to amend the Federal Food, Drug, and Cosmetic Act, with respect to label declaration of the use of pesticide chemicals on raw agricultural commodities which are the produce of the soil; to the Committee on Interstate and Foreign Commerce.

By Mr. METCALF:

H.R. 7481. A bill relating to the sale of certain minerals and metals acquired by the United States; to the Committee on Banking and Currency.

By Mr. DOWNING:

H. Con. Res. 190. Concurrent resolution expressing the sense of the Congress with respect to a program for paying the national debt; to the Committee on Ways and Means.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Nevada, memorializing the President and the Congress of the United States to enact legislation defining the waters originating on federally owned or controlled lands which contribute to flowing or moving surface or ground waters; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Nevada, memorializing the President and the Congress of the United States to repeal the Pittman Act (43 U.S.C. secs. 351–360) and to amend a section of the Desert Land Act (43 U.S.C. sec. 325) by eliminating the exception of the State of Nevada from the provision that no person shall be entitled to make entry on desert lands unless he be a resident of the State in which the land is located; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Nevada, memorializing the President and the Congress of the United States to aid the mining industry of Nevada and other sections of the United States either by imposing tariffs or by other reasonable and effective methods so that the United States may become more prosperous and be assured of a constant supply of minerals necessary for an effective defense program; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Texas, memorializing the President and the Congress of the United States relative to the role that the small family farmer and the small communities of our Nation have played and should continue to play in this, the great drama of America before God and man, in preserving and making steadfast our cherished way of life; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Texas, memorializing the President and the Congress of the United States, relative to requesting the executive and legislature departments of the Federal Government to issue the necessary administrative ruling or to pass the necessary legislation making poultry, egg, hog, and milk producers eligible for loans from the Small Business Administration; to the Committee on Banking and Currency.

Also, memorial of the Legislature of the State of Texas, memorializing the President and the Congress of the United States to enact restrictive and remedial legislation that will afford protection to the people of the United States against such enemies of our Government as reflected by the threats of Hoffa and his hoodlums; to the Committee on Education and Labor.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROOMFIELD:

H.R. 7482. A bill for the relief of John Walter Humber; to the Committee on the Judiciary.

By Mr. BUCKLEY:

H.R. 7483. A bill for the relief of Miss Allegra Azouz; to the Committee on the Judiciary.

By Mr. FOLEY:

H.R. 7484. A bill for the relief of Daniel B. Fogle; to the Committee on the Judiciary.

By Mr. UTT:

H.R. 7485. A bill for the relief of Serafin Estrada-Serna; to the Committee on the Judiciary.

By Mr. VAN ZANDT:

H.R. 7486. A bill for the relief of Panatalis Stamathioudakis and Anastasia Stamathioudakis; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

203. The SPEAKER presented a petition of Adelede E. Pearse and others, Hatboro, Pa., petitioning consideration of their resolution with reference to requesting enactment of legislation which will grant us social security coverage in addition to, but separate from, the U.S. civil service retirement program, which was referred to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

Memorial Day 1959

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 1, 1959

Mr. VAN ZANDT. Mr. Speaker, it was my privilege to deliver the following Memorial Day address at Fuoss Mills, near Tyrone, Pa., Philipsburg, State College, and Greenwood Cemetery, near Altoona, Pa.:

MEMORIAL DAY ADDRESS BY REPRESENTATIVE JAMES E. VAN ZANDT, MEMBER OF CONGRESS, 20TH DISTRICT OF PENNSYLVANIA, MAY 30, 1959

Memorial Day is the most solemn and sacred of our patriotic holidays.

It is a day of reverence when Americans assemble all over this broad land to pay tribute to those who have fallen in battle or who have served their country in the Armed Forces of the United States.

There is no greater honor than to be asked to participate in rendering homage to our departed comrades who gave the last full measure of devotion to the cause of freedom.

We the living, owe them an everlasting debt of gratitude for it can never be repaid.

They died in advancing the ideals of liberty and freedom which are responsible for the spiritual and material blessings which all Americans enjoy.

On Memorial Day when springtime with blossoms and song arrives once more to spread her mantle over the good, green earth, the thoughts of the American people turn to the herioc past and to those who have left them the legacy of freedom.

This day of memory is a time for meditation when with humility and reverence we salute the heroes of our Nation's wars.

Memorial Day or Decoration Day as it is still called in some sections of our land contributed greatly to temper the bitterness of the Civil War.

It recalls the fact that the forces of the North and South fought for the cause they believed to be just.

It brings realization that through their blood was welded a union of States.

A union of States which has had the strength to survive all international storms and to emerge as a Republic, yes, a Republic that has become the most powerful and richest Nation in the history of civilization, with the result that today as a Nation we lead the free world.

It is appropriate to express our gratitude to divine providence for the blessings we enjoy as citizens of this great Republic.

All of us should be mindful of the fact that the United States of America was founded upon a spiritual base and that to a major degree it still today rests upon that base.

We are reminded that our ancestors fled the intolerance and oppression of Europe with its strict class distinctions.

They left the Old World in order that they and their descendents might have greater opportunity to carve out an existence without being deprived of the God-given rights of liberty and freedom.

Our Founding Fathers fashioned this Nation from a vast wilderness by toil and sacrifice.

In so doing, they yearned for freedom of religion and freedom of expression.

They were firm in their conviction that a government should be the servant of a people—not the master.

To perpetuate this concept of government in a span of 42 years we have engaged in two world wars and a third conflict in

Korea with a godless, communistic horde, bent upon world domination.

During this Memorial Day period we honor those who fell in defense of our ideals of liberty and freedom which we are eager to see prevail throughout the world as a living symbol of international justice.

As we salute our departed comrades we realize that not only did they do their duty but they added to the glorious tradition of our Armed Forces that commenced at Concord and continued over the years every time our national security has been threatened.

By their victories our military forces made it possible for the United States to become a world power and to shoulder great international responsibilities.

Many historians agree that the Spanish-American War gave to our country international prestige accompanied by international problems that projected our Nation into the arena of major powers.

Our entry into World War I was the result of the threat of militarism seeking to engulf the world.

We came to the aid of war-weary England, France, and Italy.

That great conflict brings to many the stirring memories of such historic battles as the Meuse-Argonne, St. Mihiel, and Belleau-Wood.

Yes, for the first time in World War I we fought in the Old World from whence our forefathers came.

Time marches on; many veterans of World War I have died and although their deeds have been recorded in history their memory lives, especially in the minds of those of us who were their comrades in 1917–18.

They, too, in the American tradition performed deeds of valor that have enshrined them in the hearts of all liberty-loving Americans.

Following the Armistice of 1918, in the short span of less than 25 years we found ourselves engaged in World War II, in a deathless struggle against militarism and fascism—in short—against those whose sole aim was world dictatorship.

In that Titanic struggle we recall among the many bloody conflicts the Bataan death march, Anzio Beachhead, Iwo Jima, Okinawa, and the Battle of the Bulge.

In the historic struggles that marked World War II, many veterans of the first World War returned to active military service as they joined the millions of younger servicemen and women who comprised the personnel of our armed forces on nearly 100 World War II battlefronts.

When victory in World War II was achieved it was the prayerful hope that at last peace would be restored to a weary and heartsick world.

Unfortunately, the goal of universal peace was not within our grasp because in the short period of four years American youths were following the stars and stripes in the ricepaddies of Korea in a struggle against the forces of world Communism.

We are all familiar with the heroism of American servicemen on Pork Chop Hill, Old Baldy, and Heartbreak Ridge.

Today those heroic dead in Korea join Americans who made the supreme sacrifice in the two world wars, for the whole earth is girdled with their graves.

We who fought with them shall never forget them and throughout our lives we will carry an imperishable memory of their devotion to our country's case.

A profound, heartfelt devotion to the memory of the defenders of this Republic is expressed in sincere, dignified ceremonies observed throughout the land on every Memorial Day.

In reality they are ceremonials that bind the dead to the living, and the living to the unborn.

Such observances contribute to the spiritual unity of our people.

Particularly this program today manifests the imperishable brotherhood of our countrymen that transcends race, religion, and status.

It is in a spirit of humility and gratitude that we stand shoulder to shoulder to salute across the years those Americans who brought deathless glory to our arms.

It is customary on Memorial Day to read—as it is always read at Gettysburg—site of one of the most decisive battles of all times—the immortal address of Abraham Lincoln.

Looking out over the graves of the heroic dead, the brooding Lincoln said ". . . That we here highly resolve—that these dead shall not have died in vain—that this Nation under God—shall have a new birth of freedom—and that the Government of the people—by the people—for the people—shall not perish from the earth."

In these trying days when world communism has thrust the cold war upon us, Americans—and all free men everywhere—would do well to ponder the noble words of Abraham Lincoln, which provide the best definition of a republic ever given—"a government of the people, by the people, for the people."

We may not realize it, but our conduct as a Nation in the cold war is the basis for a momentous new chapter of history that is being written.

The result is—that the quality of America and of the American people is being subjected to a more rigid test than we have ever witnessed.

The heavily armed, resourceful, and ruthless communist tyranny is aimed at destroying the foundations of our civilization.

In fact, the menace of communist aggression has cast a shadow of darkness over the whole earth, dimming our ray of hope—that universal peace can be achieved among the nations of the world.

For over 40 years the architects of the Communist conspiracy from Lenin to Khrushchev have openly boasted of their intention of destroying everything—including the United States—which stands in the way of bringing about—the complete dominance of Communist imperialism throughout the world.

To attain their diabolic objective they have made it crystal clear that they will employ every resource at their command.

A review of world events reveals that the masters of the Kremlin have been pursuing such a course with fanatical zeal and ruthless determination.

Lenin preached the dogma of "permanent revolution" against every non-Communist country.

Since they are dedicated to the cause of Lenin, in like manner, the Chinese Reds are committed to unrelenting efforts to subdue the world for communism.

Although the Communists speak of peaceful coexistence, they are guilty of double-talk, because they operate on the doctrine that there can be no lasting peace between communism and freedom—that the revolution must go on until one or the other perishes.

The permanent revolution advocated by Lenin is not only a reality, but it has many different forms.

One moment the Communists with honeyed words preach peace, while in the next breath they brandish their ballistic missiles and H-bombs in the hope of frightening and blackmailing free nations into a fatal compromise with tyranny.

The record shows that Communist leaders seek to keep the free world off balance and in a state of constant tension and turmoil in order to uncover any weaknesses which may exist.

They seek to create critical situations which they can profitably exploit by propaganda, infiltration, subversion, or the ultimate appeal to military force.

At this moment we have a dramatic example of the "crisis technique" in the situation prevailing in Berlin.

The Communists have stirred up the Berlin situation with the expectation of obtaining information regarding the military defense of the free world, and at the same time test our moral armament.

While the Berlin crisis may be viewed as a testing ground, military observers realize that it would be dangerous to underestimate or scoff at the seriousness of the Berlin problem.

This is painfully true because of our knowledge of Communist technique and that the chief stock in trade of the Soviets is that of deceit and treachery.

We know that the Soviet leadership is wholly without moral scruples.

We know that it is absolute in its authority and since it is answerable to no one—it is able to put into split-second operation any plan of action.

We know that it is dedicated solely to the advancement of the Communist dictatorship and will go to any extreme to achieve its goal.

We know, finally, that the Soviet leadership has at its command the largest mobilized armed forces on the face of the earth.

When all these factors are taken into consideration, it should become clearly evident to the most wishful thinker that any complacency or indifference on our part is a plain invitation to disaster.

While we must avoid being led astray by the Communist-manufactured crises, we cannot afford to become panicky.

To the contrary, we gain renewed confidence in the fact that our Armed Forces and those of over 40 allied nations stand shoulder to shoulder with us in defense of the free world.

Yes; a mighty host is arrayed on the side of right and justice.

On this Memorial Day it is incumbent upon us to guard against the Communist campaign to confuse, delude, and conquer.

For example, they make the baseless charge that the people of the United States are warmongers, while the Soviets yearn only for peace.

In short, we Americans are charged as being the main cause for continuing the cold war.

In this connection it is imperative that we as a nation zealously guard against any shortcomings of memory which might obscure the truth.

The record of the cold war speaks for itself and should be kept before us at all times.

Frankly, no amount of Kremlin double-talk can change the fact that every aggressive move in the cold war has been made by the Communists themselves.

Did they not, for example, incite civil war in Greece in 1946?

Did they not blockade West Berlin in 1948?

Were they not responsible for the invasion of South Korea in 1950 and the 3 bloody years of war which cost the lives of more than 33,600 Americans?

Did they not brutally crush with overwhelming military might the patriots of East Germany in 1953?

Did they not likewise crush Hungarian patriots in 1956 when they bravely arose against tyranny and sought to reestablish free government of their own choice?

Did they not bombard the Quemoys in 1958?

I ask in all sincerity, who persistently and maliciously meddles in Asia, Africa, and the Middle East in attempts to stir up unrest and to undermine young and struggling nationalist governments?

And I ask you, who makes a practice of wantonly shooting down unarmed aircraft in peacetime holding the citizens of other countries for ransom and violating every principle of fair dealing among nations?

Finally, everyone knows who at the present time is bluntly threatening open warfare in order to force the guardian troops out of West Berlin.

Ladies and gentlemen, in every case the accusing finger of truth points directly at Soviet Russia and Red China.

By way of contrast, the record of the United States reveals that it has never coerced nor attempted to dominate any peaceful nation but has respected the integrity of all and sought to uphold it.

We as a Nation have sat down with the Communists at numerous conferences in a patient effort to explore all avenues leading to a just and lasting peace.

We have sought to reunify divided Germany, Korea, and Viet Nam on honorable terms.

We have taken the lead in the "atoms for peace" program and advocated a comprehensive system for the limitation and control of armaments together with any effective system of international military inspection which would prevent surprise attack by any aggressor.

All in all, our efforts with the other free nations of the world to negotiate with the Communists have been fruitless.

In addition, we have learned the bitter lesson that the Kremlin regime lives by the frankly stated philosophy that "promises are like pie crusts—made to be broken."

We have always regarded international agreements as sacred.

The Communists on the contrary regard such covenants as mere scraps of paper which may be thrown into the wastebasket when it suits their pleasure or convenience.

In trying to achieve the goal of universal peace, it is a significant and deplorable fact that Russia as a government lacks national integrity as evidenced by her long record of broken promises.

Ladies and gentlemen, on this Memorial Day of 1959 the need for national unity must rise above partisan politics—for every American must stand shoulder to shoulder—to let the Red rulers and the World know we are standing firmly against Communist agression that has plagued the world for 40 years.

By standing united not only can we resist Communist designs for world conquest, but we will uphold the cherished principles of liberty and freedom for which millions of Americans made the supreme sacrifice.

We dare not do less.

Although we earnestly seek peace, we cannot afford to merely dream about it—not in this day of coldly calculated unfriendliness.

We should keep in mind that those who died fighting for our country in time of war were realists.

They faced facts bravely when they plunged into battle—and certainly they would not have us falter today.

So it is in tribute to them that we translate our debt of gratitude into terms of practical thinking and positive action.

On Memorial Day we fulfill three obligations:

We strengthen our appreciation of the men whose sacrifices made secure, in large measure, the freedoms we have inherited.

We pay tribute to those men through our spoken word, our floral tokens, and our prayers.

Furthermore, we reaffirm our courage and determination to carry on our defense of the cause for which they fought.

Finally, we declare again that our honored dead shall never be forgotten.

And we quote these words from Theodore O'Hara's "Bivouac of the Dead":

Nor shall your story be forgot,
While fame her record keeps,
Or honor points the hallowed spot
Where valor proudly sleeps.

Address by Hon. Stuart Symington, of Missouri, at Annual Dinner of Chamber of Commerce of Winston-Salem, N.C.

EXTENSION OF REMARKS
OF
HON. SAM J. ERVIN, JR.
OF NORTH CAROLINA
IN THE SENATE OF THE UNITED STATES
Monday, June 1, 1959

Mr. ERVIN. Mr. President, on May 21, 1959, the able and distinguished junior Senator from Missouri [Mr. SYMINGTON] made a notable address at the annual dinner of the Chamber of Commerce of Winston-Salem, N.C.

I ask unanimous consent that the address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR STUART SYMINGTON AT THE ANNUAL DINNER, CHAMBER OF COMMERCE, WINSTON-SALEM, N.C., MAY 21, 1959

It is a great pleasure to be with you in Winston-Salem tonight.

I am glad to be with that nationally known statesman, a great businessman before he became a great Governor, my friend Luther Hodges.

It is my privilege to serve on the Senate Armed Services Committee with your senior Senator SAM ERVIN—and on the Senate Agriculture Committee with Senator EVERETT JORDAN.

Together, these two able and dedicated public servants give North Carolina a representation second to no State in the Union.

May I also pay my respects and my tribute to your able Congressman RALPH SCOTT.

In a way, coming here is like going home, because there is so much similarity between North Carolina and my own State of Missouri.

Many Missouri families came from North Carolina, crossing the Alleghenies to the Middle West.

Some of our towns were given your names. Winston, in Daviess County; and Salem, in Dent County in the Ozarks.

Your great chamber of commerce has as its goal the commercial, physical and social betterment of this outstanding city; and you all can be mighty proud of what has already taken place.

Through tobacco, textile, banking and other interests, you are now a leader of the industrial Southeast.

Through Salem College, Teachers College, and Wake Forest, you have pioneered in the educational development of that greatest of all our national resources—the youth of America.

Although it still retains its southern charm, Winston-Salem has now entered the age of space.

Restoration of the homes of Old Salem runs parallel with work at Western Electric on the guidance systems for Titan missiles.

The growth of Winston-Salem is well illustrated by lines from the Greek poet Alcaeus: "Not houses finely roofed or the stones of walls well-builded, nay nor canals and dockyards, make the city; but men able to use their opportunity."

And when we speak of civic-minded men, all of us think of that superb American, your former President Robert Hanes, whose death was a serious loss to North Carolina and America.

Although known better nationally as a banker, Bob Hanes was an able businessman. His entire life was dedicated to the public good and built around the importance of sound management as the best road to progress.

It is the management of our Government that I propose to talk briefly about tonight.

There are few subjects more important to me as a legislator and former businessman than the amount of money the Federal Government spends—and, at least equal in importance, how that money is spent.

We hear much debate these days about whether our Government should spend more or less.

But I do not believe enough attention is being paid to the way this money is being used.

All of us here are opposed to waste.

With about 18 percent of our national income now going to Federal taxes, the people have every right to demand that their money be expended with wisdom, under principles of sound management.

When the operation of any business becomes infected with waste, that business does not prosper.

The same is true of Government.

May I present a few illustrations of what has developed in recent years.

This analysis is not political. Many of the practices which worry businessmen today have existed for some time.

It is not political doctrines, or a particular political party, which produce waste.

It is the gradual accretion of shoddy practices by a Government grown too complex to check itself.

In today's Federal Establishment, there are now 104 agencies which either lend money or insure investments.

There are 26 departments and agencies engaged in health services.

There are 29 engaged in research and development.

Surely we all realize the unnecessary overhead expense involved in such duplication of functions.

It is growing all the time—like a jungle in the monsoons.

To be more specific: If we look at the President's budget for fiscal 1960, we see that more than 5 of every 10 tax dollars are scheduled to be spent by the Defense Department.

Large expenditures for security have been with us for many number of years; and will remain with us as long as strength is the price of freedom.

Partially because it handles so much of our money, the Department of Defense can claim the questionable distinction of being the greatest source of waste in the Federal Government.

I say partially, because every informed person knows that the unwillingness to reorganize our Defense Department on the basis of progress—our willingness to let it continue to drift in tradition—is costing the American taxpayer billions of dollars each year.

In addition, unbusinesslike procurement causes heavy unnecessary expense.

As example, a contract was awarded to an aircraft company whose existing plant capacity could produce approximately three times as many of the planes in question as was the maximum schedule.

But the administration put a ceiling on expenditures for these bombers, a ceiling tailored to a previously decided upon budget figure.

In order to keep down the amount of money spent on these planes in any one year, the Defense Department decided not to buy on a volume basis; and spread the program out.

As a result, the Government paid millions of dollars more for each of these planes than it would have paid if the program had been scheduled for completion in a shorter period of time.

This one action on this one plane cost American taxpayers over a billion dollars more for the same number of bombers.

Similar illustrations are in the planned programs for some of our missiles.

By purchasing missiles at a rate which utilizes but half of the plant capacity of the producer, the cost per missile is far greater than necessary.

It is a fact that the present organization of our defense structure in itself compounds waste.

Why do we have six separate Air Forces?

Why do we have four independent procurement contracting agencies?

All of these compete for personnel, for private contracting facilities, for scientists and engineers.

In the case of the latter, the competition at times is almost unbelievably expensive.

Out of this comes the duplication of personnel, the duplication of administrative staff, the duplication of office space, the duplication of paperwork, the duplication of general overhead, and all the thousands of other duplications which every businessman knows come in once the gates are opened.

This waste is more than a loss in money.

It presents a serious loss in security.

In this nuclear-space age, time is of the essence; and if we are attacked, under the present setup our capacity to retaliate quickly would be seriously affected.

Let us look now at the farm program.

That program is now 8 percent of the total Federal budget.

For some years, I have been a member of the Senate Agriculture Committee.

Since the present Secretary took office, and including estimates for the coming fiscal year, total spending of the Department of Agriculture amounts to $34.9 billion.

That is more money than was spent by all previous Secretaries of Agriculture since the Department of Agriculture was created.

In 6 years, the administrative cost of the price-support program has increased tenfold—from $34.6 million in 1952, to $364.9 million in 1958.

In these 6 years, Agriculture Department personnel has increased from 66,000 to 84,000.

The value of the Government investment in farm inventory is now $9 billion. It is growing daily.

Any businessman knows the grave dangers inherent to excessive inventory.

As but one illustration, let us take corn.

In 1956, the Government spent $179 million to reduce corn production through the soil bank.

But corn production increased 224 million bushels.

Nevertheless, this year the Government has recommended and obtained approval for a new corn program which not only removes all controls, but actually raises the price support.

And this is true despite the fact you and I already own a $3 billion inventory of corn and other feed grains.

It is totally unnecessary to have such an expensive and ineffective farm program—and the current tobacco program proves that to be true.

At least as much as any other commodity group, the tobacco industry has displayed the unity and discipline necessary for a sound program.

The tobacco industry keeps its production in line, refuses to compromise its quality, and reacts flexibly to changing conditions.

The result has been what everyone interested in farm legislation dreams about—a workable program at little expense to the taxpayers.

Only last Friday, under the able leadership of your distinguished Senator, EVERETT JORDAN, the Senate Agriculture Committee approved a tobacco bill which was supported by the tobacco industry. And just this afternoon, under the leadership of Senator JORDAN, the Senate approved the bill.

The industry voluntarily asked that the price of tobacco be stabilized at a point which would not cause loss of export markets.

This type of leadership is a powerful answer to those who believe the farmer should receive no support from a Government which heavily supports other segments of the economy.

A final illustration of unbusinesslike management: Our Government is not collecting the taxes it could collect.

Only a few weeks ago, the Commissioner of Internal Revenue estimated that each year $25 to $26 billion of taxable income is going unreported.

This is a tax avoidance on a massive scale; and if we could stop only part of it, we could obtain billions more in revenue without any tax increases.

The Internal Revenue Service is complaining that today it does not have enough people to see that each return is added up right; and states that each new enforcement agent brought in in turn brings in additional tax revenue from 10 to 15 times his salary.

Is it not logical to spend $1 in order to obtain $10 to $15? Wasteful revenue collection would seem as unfortunate as wasteful spending.

Waste should not be taken for granted in Government any more than it should be taken for granted in private business.

Government, too, must use sound accounting principles under good business management.

Today our country faces the greatest challenge in its history.

With our free enterprise system, under our representative form of government, I have full confidence we can meet that challenge.

Such success will not be automatic. We must work at it.

Through hard work and wise leadership in the past, we have built the most secure and prosperous nation in history.

With earnest effort and wise management we can continue to lead the world as its No. 1 nation, toward a just and lasting peace.

Placing of Trophy in Memorial Amphitheater at Arlington National Cemetery

EXTENSION OF REMARKS
OF
HON. GORDON CANFIELD
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Monday, June 1, 1959

Mr. CANFIELD. Mr. Speaker, on Memorial Day a trophy from mothers whose sons were killed in the Nation's wars was placed in the Memorial Amphitheater at Arlington National Cemetery.

The tribute to the Unknown Soldiers was conceived and designed by Mrs. Mabel C. Troy, national president of the American Gold Star Mothers and a resident of my home city, Paterson, N.J.

The original sketches of the trophy were made by Mrs. Troy with the insignia of the American Gold Star Mothers being used as the basis of her design. The trophy is in the form of a plaque.

The idea for such a tribute occurred to Mrs. Troy during last year's Veterans' Day ceremonies in the white marble amphitheater behind the Tombs of the Unknown Soldiers. She noticed that among all the tributes displayed there was none from the mothers to America's Unknown Soldiers.

Saturday afternoon's presentation was made possible by the cooperation of Lt. Col. John J. Flynn, chief of the cemetery branch, Memorial Division, Department of the Army; John G. Metzler, superintendent of the cemetery; Frank Lockwood, assistant superintendent, and Gen. John G. Van Houten, commanding general of the military district of Washington.

I commend Mrs. Troy for her thoughtfuness in reminding us that there are some things which cannot and should not be forgotten. She was truly performing her function as president of the American Gold Star Mothers.

Statement by Congressman Victor L. Anfuso on Cooperation With Russia in Outer Space Exploration

EXTENSION OF REMARKS
OF
HON. VICTOR L. ANFUSO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, June 1, 1959

Mr. ANFUSO. Mr. Speaker, I regret the recent misunderstanding between the chairman of the House Committee on Science and Astronautics, the Honorable OVERTON BROOKS, and myself. This misunderstanding should have never arisen between us. I feel sure it was all clarified satisfactorily in my personal talks with Mr. BROOKS on Thursday, May 28.

I have the highest regard for Mr. BROOKS and respect his judgment. He is doing a grand job as chairman of the full committee and I am most anxious to cooperate with him in every way. The chairman has allowed me to explore the matter further and to consult with our congressional leaders, as well as with the Department of State.

This whole matter raises the very important issue of the separation of powers between the legislative and executive branches of Government.

On my part as a legislator, I do not quarrel with the point of view that it is up to the administration to negotiate agreements, treaties, and so forth, between the United States and other countries. There can be no quarrel also that it is the duty of Congress to establish by legislation how far the administration can go in this field, and it is part of this duty to learn the facts. As a study and fact-finding body, the Legislature has the duty to inquire from administration witnesses and to travel within the continental limits of the United States and in foreign countries. Committees of the Congress do have the power to hold hearings anywhere within the United States, but not in foreign countries.

Having defined our respective duties, now let us examine the particular functions of the House Space Committee and particularly those of the International Cooperation and Security Subcommittee.

By House resolution, the committee has been given jurisdiction over the exploration and control of outer space. Both Congress and the President have approved the policy of limiting outer space to peaceful purposes. The dedication of outer space to peaceful purposes is essential, if mankind is to survive. It is the purpose of the Subcommittee on International Cooperation and Security to seek ways and means whereby the United States can cooperate with other nations in the peaceful uses of outer space. Such cooperation must necessarily include the Soviet Union. I firmly believe that the United States must take the lead in developing a peaceful and productive international space program.

Under this jurisdiction, the members of the House Space Committee have the right to go to Russia, if permitted of course by the Soviet Union, and to all other countries where international conferences or studies are in progress, in order to familiarize themselves with the programs and activities of those countries in the field of exploration of outer space and to examine communications and tracking stations involving international traffic in space.

Under this same jurisdiction, we have the right and the duty to learn for ourselves whether there is room for cooperation between the United States and the Soviet Union and other countries in the peaceful uses of outer space. In this atomic and space era we cannot approach world problems with 18th or 19th century philosophy. The question of finding ways and means of preserving the peace is not limited to any individual or any single branch of Government. Congress has its responsibility, too.

Speaking for myself—and I believe this to be true throughout the United States—the people of my district are worried about a world conflict and they expect me to do everything within my power to assist and work together with the State Department and any other branch of Government in this quest for peace and international cooperation.

To be more specific, the ad hoc committee of the United Nations, to which I have the honor to be an alternate delegate, was specifically formed to bring in all the countries of the world in one combined effort to explore what peaceful uses can be made of outer space and to explore the field of international communications, weather forecasting and control, and so forth. Thus far the Soviet Union, Czechoslovakia, and Poland, as well as India and the United Arab Republic, have refused to participate in this noble venture. This leaves a tremendous vacuum and a huge geographical area which remains uncovered for the proper and more extensive exploration of outer space. It will present insurmountable difficulties for the future and will leave the problem incompletely solved.

Does anyone deny that it is necessary to have Russian cooperation in the peaceful exploration of outer space? Does anyone contest the fact that she is still the only nation, outside of the United States, which has taken the giant step to space flight? Does anyone deny that Russia did cooperate in, and did make valuable contributions to, the International Geophysical Year?

The United States and Russia have the power of bringing about total destruction of the earth itself. Therefore, in the interest of peace, it is the duty of everyone to do everything humanly possibly to obtain Russian cooperation and avoid a world catastrophe. If after exercising these efforts and leaving no stone unturned the Soviet Union still refuses to cooperate, she must then be exposed to world censure.

There is still much division in many parts of the world as to who really wants peace—the United States or the Soviet Union. This division must be narrowed, and I hope on our side. When this is achieved, the danger of war will be materially reduced.

The Remarkable Achievements of the Credit Union Movement

EXTENSION OF REMARKS
OF
HON. JOHN H. DENT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, June 1, 1959

Mr. DENT. Mr. Speaker, I cannot let this opportunity pass without rising to express the gratitude and appreciation of Pennsylvania's 575,000 credit union members, for the benefits derived from the passage of the Federal Credit Union Act of 1934, and the continued interest and support of the Members of Congress. The 25 years of credit union history which are culminating in this quarter-century celebration, reflect the confidence of millions of families in a truly democratic institution. The history of the growth of credit unions in the United States and the rest of the world is worthy of note.

In the United States today there are more than 19,000 credit unions serving the credit needs of American families and teaching them the advantages of systematic savings. In 1947 there were only 7 credit unions organized outside of the United States and Canada; in 1957 there were more than 5,000 in countries located throughout the world.

There are more than 1,000—1,116—credit unions in my State of Pensylvania, serving over half a million members and their families. Nine hundred and forty-nine of these organizations are chartered under the Federal Credit Union Act, the remainder are chartered by the State. These small financial organizations, State and federally chartered, have been serving the financial needs of an estimated 23 percent of the population of Pennsylvania. Any institution which serves one-fourth of the population of a State through the cooperative efforts of its membership must indeed have much to offer. It must also enjoy the full trust that only an efficiently organized and managed institution can command.

Credit unions do have much to offer:

They help millions of individuals to establish regular saving habits.

They are available to, and operated by, people from every walk of life—governments, communities, churches, schools, manufacturing, retailing—and numerous other occupations.

They provide small loans for provident and productive purposes such as family emergencies, home repairs, purchases of consumer goods, at a cost of 1 percent or less.

They pay dividends on savings invested, that is a member's share balance, at a rate of 3 to 4 percent annually.

Their assets can be used only to make loans to members or to invest in Government securities, they are operated by the members for the members.

The following record of achievement will attest to the fact that credit unions enjoy membership confidence in the efficiency of their management:

In 1957, they held more than 17 percent of all personal loans outstanding.

They currently have assets in excess of $4 billion—almost 7 times larger than a decade ago—Pennsylvania alone has $192 million in credit union assets.

They have a total membership in the United States of more than 10 million, 3 times the 1947 membership.

Members' shares totaled $3.6 billion in 1957—Pennsylvania credit union members have deposited shares of $168.1 million.

There are 19,166 individual credit unions located throughout the United States. There were only 2,000 prior to the passage of the Federal Credit Union Act of 1934.

They are among the most numerous consumer-lenders in the United States.

Few organizations can point to a more impressive list of accomplishments.

I have a very deep conviction that freedom of economic opportunity can best be achieved if all available safeguards are made available to the workingman—the little man. The history of the credit union movement more than convinces me that my conviction is a valid one. Since the first credit union law was passed in Massachusetts, 50 years ago, credit unions have been growing in financial and numerical strength. Credit union members have been able to turn their backs on the loan sharks in times of adversity. Funds have been forthcoming from their own cooperative—the credit union. The only guarantees needed to receive a loan are personal integrity and approved membership.

Similarly, credit union members have not had to turn to unscrupulous installment finance companies to secure funds with which to acquire goods and services to assist in achieving an ever-rising higher standard of living. A recent article in Fortune magazine—May 1959—notes that the traditional class concepts which use "a neatly layered social pyramid" are today no more than a source of confusion:

> The basic reason for the increased confusion about class in the United States is the steady growth in the number of Americans who can afford at least some of the amenities once associated with the highest positions in our society.

Credit unions have contributed a fair share to the rising standard of living for

millions of American families. We have always been a nation rich in credit resources. However, we have never been rich in credit resources for the little fellow. Credit unions have filled the gap between the readily available credit for the wealthy, well established, and the loan shark's high-cost credit. These self-help organizations have solved both savings and credit problems for blue-collar and white-collar workers and many others who otherwise would have been unable to purchase consumer durable goods, or who would have had to pay double the cost through those lenders who profit from high-risk, high-interest, credit transactions.

The impact of these self-help institutions on both the social and economic well-being of this country, and the general welfare of American families cannot be too highly praised. They are the exemplification of the American ideals of equality of man, freedom of opportunity, and unselfish cooperation.

I join the Credit Union National Association in its confidence in the future—quoted from an anniversary brochure:

A better way of life is promised for more people around the earth, as the credit union movement continues to grow. Credit unions are more needed today than ever before.

Address by Hon. Gordon Allott, of Colorado, Before Episcopal Diocesan Convention, Denver, Colo.

EXTENSION OF REMARKS
OF
HON. BARRY GOLDWATER
OF ARIZONA
IN THE SENATE OF THE UNITED STATES
Monday, June 1, 1959

Mr. GOLDWATER. Mr. President, on the occasion of the Episcopal diocesan convention at Denver, Colo., on May 6, the distinguished senior Senator from Colorado [Mr. ALLOTT] delivered the banquet address. The remarks of the Senator from Colorado on our religious heritage are especially significant in these days of uncertainty. I compliment him on his insight and understanding of our spiritual need.

Mr. President, I ask unanimous consent that the text of the address delivered by the Senator from Colorado be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR GORDON ALLOTT BEFORE EPISCOPAL DIOCESAN CONVENTION, DENVER, COLO., MAY 6, 1959

All of you at this moment are probably thinking of one or two things. First, how can I best settle myself to endure the next half-hour with the least discomfort; or, second, what is this politician going to say for this time and occasion that will be of interest to me? For those in the first category, I can promise little, because life is, for them, essentially a passage of time and the best and easiest way through it is to tranquilize themselves. To the second group, I would say that it is my intention to avoid, out of deference to the occasion, the thicket of partisan politics. Yet, I intend to invade just a little the theologian's field and, in that, too, they will have their own reward by reason of this invasion of a field which more rightfully is theirs.

The old fashioned tithing man of our Puritan ancestors might well be the subject of this speech. You will recall he stalked the church with a long rod with a knob on the end of it, and soundly rapped those over the head who nodded during the course of a sermon which went to 2 or 3 hours. The first group I mentioned have a better way of doing this. No closed eyes or nodding head marks their semiconscious state. After years of practice, they have learned to go through anything—Board meetings, church speeches, luncheons—with eyes wide open, giving all the outward appearances of being awake while they have long since lapsed into a mental world of nothingness. It is their defense against boredom. Spiritually, too many of us are doing the same thing.

The tithing man has long since gone the way of the lamplighter and the surrey, along with the precentor who lined out the hymns. Yet, Sunday after Sunday, our priests, over and over again, try to perform spiritually the functions of the tithing man in the hearts and minds of the people of their parishes throughout our country. Every human ingenuity has been utilized by them to awake their parishioners to the living, vibrant qualities of the Christian religion and, somehow or other, to pull them out of this deep lethargy into which they have fallen.

On the one hand, we point to the great numbers of churches being built day after day in each community, the greatly increased attendance at each of these churches, the higher percentage of people attending churches than ever before. On the other hand, we see the gradual deterioration of respect for our institutions, our beliefs, our laws, and our courts. We see the specter of young mobs running our cities. The disclosures of the McClellan committee, after a period of 2 years, encompassing every known crime, now hardly causes a ripple of moral indignation among us.

At the same time, we see abroad, and throughout the world, a new religion—a vibrant one, communism—thrust out its jaws to gulp down one country after another. For, make no mistake, though it may not have a God, or Gods, it is a religion. It repudiates the ancient religion and calls them, as Marx called them, "The opium of the people."

Communism is a faith, a burning faith, which develops with amazing speed many of the structural outlines of a church. Its faith proclaims the arrival of man here and now, and his conquests and achievements over the material things of life, these being poverty, ignorance, and evil (as defined by them), and, with it, man's entrance into paradise. In its churchlike structure, it has its revelers and prophets in Marx and Lenin. It has its orthodoxy, its heresy, its martyrs, and its apostates. It also has its holy office, its initiation rights, and its consecrated burial grounds. It certainly has its missionaries and its hierarchies. The only thing it lacks to compare it with a religion today is divinities.

In such a paradoxical world as this, just where does our religion fit?

Most of the men who designed the Government of the United States—many of them were in their thirties—were a talented and influential group of joiners. They were joiners in the sense, not that they belonged to any band or group, but rather that they were the kind of working joiners who sought perfection through an integrated wholeness. These young American giants knew how to put men and ideas together. They connected spiritual beliefs to political action. They saw no walls separating science, philosophy, religion, or art.

Never before in the history of the world, and perhaps never again, will such a group of complete idealists associate themselves in such a work of complete reality. To them, it was unnatural for a man to fail to develop anything inside of him capable of growth. Man's rights were not limited to the political. His natural rights had something to do with his place in the world and the stretching power of his own spirit and talent. The end of government, therefore, was to translate freedom into creative growth. The government that understood this was a wise one and the whole men it helped to develop were fitted to understand the difficult business of operating a complex society. It conferred, in political terms, human dignity for the first time upon each and every man within this country.

To place all this in its proper context, it must be remembered that the constitutional freedoms of Americans are not the exclusive result of the reaction against the tyrannies in England and Europe which American settlers left behind. There was hardly a form of persecution known in the Old World which had not been transplanted to the New. The Bill of Rights came into being not so much as a reaction to the oppressions in Europe as a specific means for preventing the human indignity and the abuses of the kind of freedom experienced here in colonial America.

These young founders did not overlook European history. If anything, they took into account all of their common historical experience and they did not have to look very far for big and bold examples of persecution and denial of human freedom. These abuses existed all about them. Especially was this true in the field of religion. After utilizing the time-tested philosophy of Christendom, blending with it the hope of Hebrew prophecy, the sanity of the Roman law, and the resort to legal action guaranteed by the common law, they emphasized a new kind of philosophy called the common good. This is not the mere good of the state; it is more generous of the mere good of the individual. It is both personal and public, being not individual on one hand nor merely political on the other. It is what the scholastic philosophers of Christendom and the Founding Fathers of America sought for this common good.

As a result, it becomes impossible to examine the history of our country for its first 150 years without coming into constant references to the debt and obligation we owe to our Creator for the creation and preservation of our country.

Washington said, "No people can be bound to acknowledge and adore the invisible hand, which conducts the affairs of men, more than the people of the United States. Every step, by which they have advanced to the character of an independent Nation, seems to have been distinguished by some token of providential agency." This, then, is the first great tenet of our country: Faith in a deity.

The second one must be a response to realism. Our great believers in God have not been fatalists. They have not said, "Let the Lord do it." On the contrary. They have been men like Moses, St. Paul, Mohammed, St. Francis, Martin Luther, Ignatius Loyola, George Washington, Thomas Jefferson, William E. Gladstone, Stonewall Jackson, and Abraham Lincoln. All of these great figures in religion, in war, and in statecraft have been realists.

If we are to accept our own position of leadership in the world—a leadership, a position not desired by the American people in the sense that it has been thrust upon us—we also must be realists. We have been realists in actual war. What we have so far failed to accept is the fact that cold war is not peace, but war itself, and that it is being

fought upon a broad field of basic religions. The new religion, communism, competes with all of the ancient religions of the world.

I speak of America's leadership in this world because, by virtue of the gifts that the Lord has given us, we have assumed that leadership. But political leadership is what we in America make it. Real leadership does not rest in an individual in the name of the Presidency, nor in the individual members of the Supreme Court, nor in the individual Members of its Congress. It is what the people make it—it is what the people wish—it is what they want, and this is what it will be.

The political patterns of our country, the political patterns of the world, will always yield to the pressure of the people who constitute the countries of the world, if they are vigorously exerted. I speak primarily of America's responsibility, because our present position of leadership throws upon us the responsibility of the direction of the world of the future.

In our long, tortuous, tedious search for peace since the commencement of the cold war, we have almost entirely overlooked the power of the individual human being to create peace. Imagine, for a moment, what would happen in this world if all of the people of all faiths lived up to their faiths and their philosophies for even a short few weeks. Conceive, if you can, of the pressure that would be put upon statesmen, generals—yes, and even upon Communist leaders—for a real peace. Think what could be done if these human demands were backed with earnest prayers of all freedom and peace-loving human beings for divine strength to assure peace in the world—even though we grant that these might not be the same God in each case.

Earlier this spring, I thought of introducing a resolution in the U.S. Senate to propose the idea of a summit meeting of the religions of the world, and to request our President to take a leading role in bringing about such a meeting. I must say that it was a frustrating task to approach this proposal. In my discussions with leaders of our church and others, I heard anew all of the reasons that the religions of the world could not join together in such an undertaking. I heard again of the political differences, of the variances in their tenets and in their creeds, the relationship in the various churches in the various states of the world. I heard, too, of the problems that the State Department could foresee in the possibility of this group or that group seizing control of such a meeting and using it selfishly.

I still believe that there is a great need in our age for such a meeting. Perhaps it will have to come from people like ourselves assembled here, seeking to do the ways of God as we see them, and seeking to put into effect, on a world scale, the creation of a world in which each human being may walk the world with full human dignity and grace as one of God's children. As against this, I see a world in which material success and material well-being is the sole guidepost; and subservience to the state the only intellectual criteria; and where the moral good and the human dignity of man is subjugated to the material well-being of the state.

So far, I have avoided saying what must need be said here at this time. That is whether or not, in this country, our materialism has not so far exceeded our sense of spiritual values that we are in danger ourselves of becoming a materialistic democracy.

Are we guided more by so-called economic rights than personal ones?

In the 15 years since the end of the last World War, we have been more generous, both to other nations who are our allies and to those whom we defeated than any other nation has been on the face of this earth. And, like bewildered children, we ask, "Why do these people not love us, for whom we have done so much?" You have heard: "We cannot buy friendship in the world, and the last few years are the proof of it." You have heard these, and a hundred similar sayings, all growing out of the frustration of our inability to cope with the great Communist drives of the past year.

In my sessions with the members of the congresses and parliaments of some 51 countries, in the Interparliamentary Union first at Bangkok and then in London, I have had similar questions posed to me by the representatives of many parliaments. They are convinced of our productiveness; they are convinced of our wealth; they are convinced that we have more automobiles, more bathtubs, more TV's, more radios, more of everything than any other nation in the world. But they are not convinced that the great moral fiber and strength which created this country out of an adversity, and which maintained it through a Civil War and through World War I and World War II, is still here.

Many of these leaders have said this to me, not only in effect but in these exact words, "What is the difference between the materialistic philosophy of your country today and the philosophy of the Russians?" This is a hard question to answer, particularly when we must face the fact that in the 100 years which have elapsed since the Civil War, we have still failed to basically solve the racial problems of our country.

We can say that all men are created free and equal, but how do we convince three-fourths of the world who are not members of the white race that we mean it, when we can not show that in this country all men have the right even to vote equally? When we add to the fires of skepticism a few examples of Faubus, Little Rock, and lynchings, we need little more fuel to start a fire which consumes in the minds of other peoples all of the remainder of the great moral fiber, strength, and equality which we believe to be ours.

Jesus spoke at Nazareth and said, "The spirit of the Lord is upon me because he hath annointed me to preach good news to the poor; to proclaim release to the captives; to set at liberty those who are oppressed." In doing this, he challenged his own people to apply their religious faith to human relationships. He knew that religion without practical application and without ethical concern is mere superstition.

Here, then, we reach the heart of the American problem. The problem lies not in our economic progress, or our scientific progress, or our advances in these fields. It lies not in sputnik, nor yet in Atlases or Titans, nor in other missiles. It does not lie in the field of nuclear energy. All of these things we can cope with, all of these things we can do and will learn to do as fast as any other nation in the world learns to do them. But in simply doing these things and proving to the rest of the world that we can do them as well or better, or have more of them, we cannot convince the world of our leadership. The Russians will promise the world these things also.

To the man who has never had his stomach full, who has never known the uncomfortable feeling of having eaten too much, political ideology is meaningless. And so, the Russians' promises of full stomachs and a better life are as good as ours, and, unfortunately, we are associated in the minds of many of the newly formed, undeclared countries in the world with colonialism—a colonialism which was exerted primarily by the Caucasian race. If we were to place ourselves in the same position of some of these people, who for several hundred years have been under the bonds of an unenlightened colonialism, we, too, would look askance at the friends and the allies of those from whom we had recently broken these same bonds of colonialism.

Aside from the beliefs of our church, and as Americans, if we believe in anything we must believe in the essential dignity of the human being. And this is the fact with which we must face the world, and with which, ultimately, we will win our cold war: not by science, not by production, not by missiles, but by convincing the rest of the world that we do have a deep religious faith which makes each man upon the face of the earth a peculiar and particular product and concern of God. With it, we must believe that it is the desire of each and every human being upon the face of the earth to have the same dignity, the same freedom from oppression and from slavery.

This is what we have overlooked in this country, and this is why so many of the nations stand askance at this time, and succumb to the blandishments of the Russians. The heart of our own shortcomings lies in the fact that, somehow or other, we have failed to keep in our everyday life and in our normal outlook in this country the basic quality and fiber of the precepts which established our country.

We need—not a literal—but a figurative tithing man to awake us to the fact that our religion, whether it be Hebrew or Christian, is a daily part of our lives—and that it must become an active part of our national life, if we are to convince the other countries of the world that we are indeed their friends. We need it as a daily part of our lives so that these outstanding examples of injustice and lack of freedom in our own country will not be a glaring defect to which the Communists may point each and every time we are less than we should be as Christians.

This is the real task. A single misstep can set us back years. The world is looking for real moral leadership. We can supply it, with the spiritual strength of each of us. The sum total of this spiritual force of 170 million Americans is a force that will not be denied—if the temptation to compromise it away to material values does not become overwhelming. This is our job. This is our challenge.

Critical Lag in Oceanographic Research

EXTENSION OF REMARKS
OF
HON. A. S. MIKE MONRONEY
OF OKLAHOMA
IN THE SENATE OF THE UNITED STATES
Monday, June 1, 1959

Mr. MONRONEY. Mr. President, a most interesting story began to unfold before the American people yesterday in the columns of Hearst newspapers across the Nation.

Chairman WARREN G. MAGNUSON, of the Senate Interstate and Foreign Commerce Committee, undertook, at the request of Dave Sentner, chief, Hearst Headline Service Bureau in Washington, D.C., to report factually, fully, and most interestingly, how our Nation lags in the vital field of oceanographic research.

Both Chairman MAGNUSON and the Hearst newspapers are to be commended for this well-written series of articles, published in the public interest.

I ask unanimous consent that the article, taken from the New York Journal-American of Sunday, May 31, 1959, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SENATOR WARREN MAGNUSON WRITES: "AND NOW WE'RE LOSING THE WAR OF OCEANS"

(While America looks into space, says a leading U.S. Senator, we're losing a war with Russia right on our shores. In the following article Senator WARREN G. MAGNUSON tells why, and what he thinks must be done about it. Senator MAGNUSON, Democrat of Washington, is chairman of the Senate Committee on Interstate and Foreign Commerce and a member of the Committee on Aeronautical and Space Sciences.)

(By Senator WARREN G. MAGNUSON)

Soviet Russia is winning the struggle for the oceans.

Scientists call it the wet war, and say the outcome can determine the fate of nations and the human race.

Without firing a missile, a rocket or a gun, Soviet Russia has been winning in the Atlantic, the Pacific and the Antarctic. This year she is invading the Indian Ocean.

Had it not been for the stubborn persistence of wiry little Adm. Hyman Rickover, father of the atomic submarine, Russia also would be winning in the Arctic, where she has bases 2,200 miles from Seattle and within 3,550 miles of Detroit and Chicago.

Russia has been winning the wet war with more and bigger ships; more, if not better, scientists; more, and in some instances superior, equipment, and more aggressive government encouragement and action.

The United States cannot permit Russia to achieve a global conquest that would give her control of 95 percent of the earth's surface. We must meet Russia's challenge. We can meet it without sacrificing a drop of American blood if we start now, but if we wait for tomorrow it may be too late.

Soviet Russia has between 450 and 500 submarines and a capacity to build 100 more each year; the United States has 109.

Soviet Russia has 29 icebreakers, the world's biggest and heaviest, and is building more including an atomic icebreaker almost completed. The United States has eight.

Soviet Russia has the world's largest oceanographic research fleet with four times as many ships capable of deep sea work than we have. Her ships are modern, new; ours old and obsolete.

The Soviet is conducting intensive offshore explorations for oil beneath its continental shelves, and minerals research in all oceans. Three hundred miles off Lower California Soviet scientists have taken sharp deep-sea photographs of the mysterious manganese-cobalt-nickel-copper nodules which thickly carpet the ocean floor in that and some other oceanic areas.

REDS LEAD WORLD IN OCEANIC STUDIES

Russia has more ships and scientists in the polar regions than all other countries combined.

Russia has more ships and scientists assigned to deep ocean studies than any other nation. She has 800 professional oceanographers compared to the 520 in the United States.

Soviet Russia aspires to command the oceans and has mapped a shrewdly conceived plan, using science as a weapon, to win her that supremacy.

Should she be successful she would control commerce, weather, communications, much of the world's food supply, and ultimately earth's resources, health and climate. The human race, if it survived, would be in permanent bondage to Soviet masters.

"Soviet effort in oceanography is massive, of a high caliber, and is designed to establish and demonstrate world leadership," states Rear Adm. John T. Hayward, Assistant Chief of Naval Operations for Research and Development.

The wet war Russia is waging may be more dangerous to free world security than her space war or her polar war.

Supremacy in space would permit Russia to shower rockets on us from her continental domain four to six thousand miles away.

Conquest of the Arctic would shorten these distances 2,000 miles.

Victory in the wet war would enable Russia to blanket our coastal areas to a depth of more than a thousand miles with nuclear-headed missiles fired from hidden submarines a hundred miles or less offshore.

MISSILE-CARRYING SUBS POTENT WEAPON

"The submarine armed with long-range missiles is probably the most potent weapon system threatening our security today," states the recently formed committee on oceanography, composed of 11 eminent scientists, all civilians, selected from six universities and three private institutions.

Admiral Hayward says:

"It goes without saying that a complete understanding of the oceans and ocean bottom and the atmosphere above must be obtained if the Navy is to wage modern war successfully. The true submersible requires a precise method of navigation while under water. Ocean currents, bottom topography, magnetic and gravitational fields are all important in this respect."

Russia is making such studies. She is making them along our coasts, along her coasts, in midocean, along the continental shelves, and beyond in the North Atlantic, the South Atlantic, throughout the North Pacific, and in the Mid- and South Pacific, the Indian Ocean, and the Arctic and Antarctic Oceans. To make these complex investigations she is using the finest scientific ships afloat, the most laboratories, the most equipment, and the most professional oceanographers.

Scientists on these ships have discovered submarine mountain chains previously unknown, ocean canyons five times the depth of the Grand Canyon, and have plumbed the ocean to the deepest depths ever recorded. Her huge white research ships have visited the ports of west Africa, South America, the South Seas, the Antipodes. The *Vityas*, showboat of the Russian research fleet, also has called at San Francisco; Vancouver, British Columbia; and Honolulu.

Washington Report

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Monday, June 1, 1959

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following newsletter of May 30, 1959:

WASHINGTON REPORT BY CONGRESSMAN BRUCE ALGER, FIFTH DISTRICT, TEXAS, MAY 30, 1959

John Foster Dulles left a heritage to comfort and strengthen those he left behind, fellow Americans and the people of other nations. For Americans he embodied great truths, the ties that bind us, patriotism rooted in deep religious convictions, inflexible principles such as the inviolability of contractual obligation and the sacredness of human dignity and freedom. Confronted with the need to compromise differences of viewpoint, he endeavored to remain steadfast to basic principles. For this he was bitterly criticized as unbending. Unfortunately his greatest recognition by friend and former foes alike was saved until he had departed. Fortunately we can benefit from the lessons contained in the eulogies. His memory could yield much to world peace and understanding. For his part in maintaining world peace during his tenure of office we can all give thanks. To some, Christian charity of viewpoint was taxed by Russian Gromyko's presence at the funeral, a man dedicated to destroying all that Dulles stood for.

James Hoffa, teamster boss, currently is busily documenting the faults and dangers of union leader bossism in our country today. Consider these incidents together: (1) Hoffa's threat of a punitive nationwide strike (despite subsequent denials); (2) the teamsters clumsy efforts over a series of breakfasts to indoctrinate Congressmen concerning labor law and the lack of need for correction of union abuses; (3) Hoffa's charge that Reuther lacks brains or guts; (4) the AFL–CIO demands that the House weaken the already weak Senate labor bill; (5) the AFL–CIO mapping of a drive to repeal the States' right-to-work laws. Think about them. What do they mean?

Here's a labor leader who loudly proclaims he is above the law; that he is bigger than the government in a public be damned attitude; that he is bigger than the other segments of the labor movement (the skillet calling the kettle black); and he is operating within a framework of trade unionism that would by law force working people to join unions and then (by the success of political pressure) remove unionism from the reach of Congress and corrective legislation. Well, unfortunately, Congress will not lead; it will only follow the people. Public indignation only will force the necessary corrective legislation. For my part, I am not waiting but will continue to work for legislation to put unions under antitrust laws such as now apply to business.

The U.S. Government's financial position should cause every citizen to stop and reflect. In 1 year U.S. bonds have dropped in popularity as an investment as much as 14 points (the 1995 3 percent issue from $97 to $83); or another example, 1 year Government certificates of indebtedness a year ago were taken by investors at 1¼ percent interest. Recently, when 1 year renewals were offered not at 1¼ percent but 4 percent only one-third of the investors reinvested. Consider also that our money is becoming a soft currency overseas. The trend is toward increasing difficulty for Government to get money, and at that at a terrifically increasing interest rate which in turn will affect everyone as the national debt interest soars. The end result? Who knows, but the unpleasantness of the suggested possibilities should not be lost nor prevent our doing some stern thinking right now. The reason is quite obvious. The $13 billion deficit of last year and years of deficit financing are catching up with us. The correction necessary requires some public support and self-discipline; namely, that Government must live within its means and reduce spending. We will not do this without public pressure which exceeds the organized minorities pressure on Congressmen.

The Renegotiation Act extension of Government defense contracts brought on some controversy over whether to terminate the act or extend it by 2 years or 4 years. Ultimately, the fear of windfall or excessive profits by defense contractors precluded any House action to curtail the authority of the Renegotiation Board. It was extended 4 years. I suggested in debate a five-fold course of action more suited to preservation

of competitive free enterprise without permitting excessive profits (and will send to you on request) but the bill passed with only seven dissenting votes. Here's an example, as I see it, of a complicated law not being understood by the House membership. Yet the facts are there and will yet force an accounting of those who either do not understand or who wishfully expect of Renegotiation Board the wisdom of the Almighty, as they take back as profit the earned income of defense contractors.

Appropriation bills are coming to the floor in rapid succession. The Executive Office and general Government agencies, $14 million approximately; the State and Justice Departments, Judiciary and related agencies, $650 million ($19 million less than last year); others will be ready soon. Unquestionably, public displeasure is resulting in smaller expenditures, but the danger is ever present of public apathy causing almost overnight blowing up of the spending balloon.

National Bellamy Flag Award

EXTENSION OF REMARKS
OF
HON. WALTER M. MUMMA
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, June 1, 1959

Mr. MUMMA. Mr. Speaker, it was indeed a pleasure for me to participate in the Francis Bellamy Flag Award presentation to John Harris High School in Harrisburg, Pa., on May 18, 1959.

The Bellamy Flag Award, a national honor, was won by John Harris High School for its strong emphasis on academic achievement and for its outstanding guidance program.

David Bellamy, son of Rev. Francis Bellamy who wrote the Pledge of Allegiance to the Flag, and Miss Margarette Miller, Portsmouth, Va., donor of the award made the presentation.

There is hardly a public meeting held in America today that the Pledge of Allegiance to the Flag is not repeated. My thought about this pledge is that it beautifully tells in so few words the heritage of our country.

Patriotism, inspired in one way or another is a wonderful thing.

I want to include herewith a newspaper article that tells about the presentation and a copy of my telegram congratulating the California designate of the 1959 award.

The newspaper article and telegram follow:

[From the Harrisburg (Pa.) Patriot, May 18, 1959]

HARRIS HIGH SCHOOL GETS AWARD TODAY IN BELLAMY FLAG COMPETITION

John Harris High School will receive the Francis Bellamy Flag Award today with pupils, educators and dignitaries taking part in ceremonies in the school's auditorium. The program will begin at 9:30 a.m.

David Bellamy, Rochester, N.Y., son of Francis Bellamy who wrote the Pledge of Allegiance to the Flag, and Miss Margarette Miller, Portsmouth, Va., donor of the award, will make the presentation of the prize for the national competition.

The Bellamy Flag Award, a national honor, comes to John Harris for its strong emphasis on academic achievement and for its outstanding guidance program.

George A. Huber, president of the John Harris student body, will accept the award for the high school, and Miss Nancy M. Wickwire, of the class of 1943 at John Harris, prominent stage and television actress for the alumni.

Representatives of 6 of the 17 previous Bellamy Award recipients will extend greetings, as will Dr. Charles H. Boehm, head of the State department of public instruction, Mayor Nolan F. Ziegler, and WALTER M. MUMMA, Congressman from this district.

Among others who will participate in the program are Miss Helen J. Graeff, principal of John Harris High School; Rear Adm. John W. W. Cumming, USN (ret.); Miss Marcy Wilkins, Mary Washington College of the University of Virginia; the Reverend F. C. Thorne, pastor of Little Falls Baptist Church, New York; the Reverend Daniel H. Lewis, pastor of the First Baptist Church of Harrisburg; the Reverend Aaron M. Sheaffer, assistant pastor of Derry Street Evangelical United Brethren Church; Judy Ann Nicholas, governor of the Girls' State at John Harris; and Richard M. Warden, senior class president.

JUNE 1, 1959.

Mr. J. ELWIN LETENDRE,
Principal, Berkeley High School, Berkeley, Calif.:

Congratulations to all at Berkeley High School for being the State of California designate of the National Bellamy Award for 1959. Just recently had the honor of participating in Francis Bellamy Flag Award presentation to John Harris High School in my congressional district at Harrisburg, Pa.

Upon learning of your school's selection for such award just wanted to join many others in extending warm best wishes.

WALTER M. MUMMA,
Member of Congress, 16th Pennsylvania District.

Remarks by the Honorable Fred Seaton, Secretary of the Interior, at the Lincoln Sesquicentennial Stamp Dedication, Washington, D.C., May 30, 1959

EXTENSION OF REMARKS
OF
HON. FRED SCHWENGEL
OF IDAHO
IN THE HOUSE OF REPRESENTATIVES
Monday, June 1, 1959

Mr. SCHWENGEL. Mr. Speaker, among the notables attending the dedication of the 4-cent Lincoln sesquicentennial stamp at the Lincoln Memorial last Saturday, was our esteemed Secretary of the Interior, the Honorable Fred Seaton.

His remarks should become a part of the historical record of this sesquicentennial year. Under unanimous consent I submit them for the RECORD:

REMARKS BY FRED A. SEATON, SECRETARY OF THE INTERIOR, AT THE LINCOLN SESQUICENTENNIAL STAMP DEDICATION, WASHINGTON, D.C., MAY 30, 1959

With pleasure I join in welcoming all of you to this noble Lincoln shrine, dedicated 37 years ago today and now administered by the Department of the Interior.

It seems to me to be altogether fitting and proper that we pay tribute on Memorial Day to the man who delivered on the terrible battlefield at Gettysburg the classic tribute to our honored dead.

It is equally fitting that we honor him by issuing a commemorative stamp.

Though the historic fact is largely overlooked, in May of the year 1833, a new postmaster was commissioned at New Salem, Ill., the first office Abraham Lincoln ever held under the Federal Government.

According to Lincoln's friend and biographer, William Herndon, Postmaster Lincoln received a salary "proportionate to the amount of business done. Whether Lincoln solicited the appointment himself, or whether it was given him without the asking," Herndon continues, "I do not know; but certain it is his administration gave general satisfaction. The mail arrived once a week, and we can imagine the extent of time and labor required to distribute it, when it is known that he carried the office around in his hat. Mr. Lincoln used to tell me that when he had a call to go to the country to survey a piece of land, he placed inside his hat all the letters belonging to people in the neighborhood and distributed them along the way."

It would probably surprise a man of such humility to know of the many memorials to his honor, including this shrine, already visited by more than 54 million men, women, and children—nearly twice the U.S. population of 1860; the monuments in stone sculptured by Saint-Gaudens, Gutzon Borglum, Daniel Chester French, and Thomas Ball; the poems and prose writings of Emerson, Whitman, and Sandburg, the cities, towns, counties, colleges, and universities which proudly bear the name of Lincoln.

This commemorative stamp which we dedicate today lengthens that imposing list. Through it, 120 million times over, Americans will be reminded of him and of compassion and greatness of heart and mind and belief in all the people—characteristics which were his in abundance.

Green Discusses the Advice of the Pope on Communism

EXTENSION OF REMARKS
OF
HON. JOHN H. DENT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, June 1, 1959

Mr. DENT. Mr. Speaker, every now and then some Member of Congress makes a worthwhile contribution in our eternal fight to keep reporting and editorializing within the bounds of reason and some semblance of truth.

Such an article is the contribution I now make to the RECORD.

The report comes from the Rising Sun Times dated Thursday, May 28, 1959.

Congressman WILLIAM J. GREEN, JR., of Philadelphia, pointedly and vividly covers the subject involved in a forthright and unmistakable manner:

[From the Rising Sun Times, May 28, 1959]

REPORT FROM YOUR CONGRESSMAN: GREEN DISCUSSES THE ADVICE OF THE POPE ON COMMUNISM

(By William J. Green, Jr.)

On occasion I read New Republic, which is a self-confessed liberal weekly. Now its liberalism does not include freedom from religious bigotry. Harvard professor of history, Arthur M. Schlesinger, Jr., one of the writers came out with some anti-Catholic cracks several months ago. Now its editorial writer, known only to the reader by his initials is puzzled that the Pope would advise

Catholics everywhere to vote against communism and commie candidates.

This displays a woeful lack of understanding of the war against communism. For a magazine which sees all and knows all, it is astounding that this liberal journal, by its own admission, should fail to recognize the many facets of the battle waged by the Marxists. The multifronted war included attacks on the military, diplomatic, economic, and religious organization of the free world.

Dictators cannot allow a God in the public consciousness. Both the Declaration of Independence and Lincoln's Address at Gettysburg show our dedication to the Almighty. How you look up to Him is strictly your business. But even American coins bear the simple statement, "In God we trust."

New Republic questions the propriety of the Pope influencing individuals to vote against communism. I say he should be joined by all the religious leaders on all the continents. For one definite facet in our struggle against communism is the realm of religion. And it involves all religions equally. For the battle is religion versus irreligion—not just the Pope against Khrushchev. It is God versus the antigod of all who follow Marx. Of course, Catholics everywhere have had a dramatic demonstration through the American Embassy in Hungary granting sanctuary to Josef Cardinal Mindszenty.

Buddhists have seen their Dali Llama flee for safety across the Thibetan border. Worship has been stopped in many of the satellite nations behind the Iron Curtain. Again this order of the Pope is consistent in the fight of free people to look up to God as they understand Him. The Founding Fathers made that an American prime right, communism denies this right.

Address by Hon. Vance Hartke, of Indiana, to the State Convention of Young Democrats, North Carolina

EXTENSION OF REMARKS
OF
HON. SAM J. ERVIN, JR.
OF NORTH CAROLINA
IN THE SENATE OF THE UNITED STATES
Monday, June 1, 1959

Mr. ERVIN. Mr. President, on April 30, 1959, the able and distinguished junior Senator from Indiana [Mr. HARTKE] addressed the State convention of Young Democrats of North Carolina at Raleigh, N.C.

I ask unanimous consent that excerpts from the address be printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM SPEECH OF SENATOR VANCE HARTKE, DEMOCRAT, OF INDIANA, TO STATE CONVENTION OF YOUNG DEMOCRATS, RALEIGH, N.C.

It is my first trip here, but I feel right at home here in North Carolina. The welcome has been warm. And I am among young Democrats.

Of course, I am aware that the Young Democrats Clubs of this Nation spring from the first such organization in North Carolina.

In more recent times, your good Governor, the Honorable Luther H. Hodges, has gained a wide reputation for his effective, forward-looking administration. In every facet of government and development North Carolina shines as an example of sound administration tempered with moderate good judgment.

During my few months as a Member of the U.S. Senate, I have come to know your own two U.S. Senators quite well. I like them. I think everyone in North Carolina can be proud of SAM ERVIN and EVERETT JORDAN. Both are distinguished public servants who have made a great mark in military, partisan political and governmental fields. Both are fine gentlemen, sincere and capable. I am proud to sit among them and other distinguished colleagues.

Of course, you all know that the triumph of the labor-management relations bill about which I will have more to say soon is due in a great measure to Senator ERVIN. The bill carries his name and that of Senator JOHN F. KENNEDY, of Massachusetts.

May I add also that both your Senators asked me to extend their greetings and good wishes to you?

Let me dwell for a moment on some other recent history. I am myself not far removed from Young Democrats politics. Ten years ago I was neck deep in them myself. I was president of a congressional district Young Democrats organization. I consider it the threshold to full organizational politics and I take great pride in the fact that I was able to step over the threshold at a rather young age. I take great pride also in the fact that I was able to work my way up in organizational politics to run for the U.S. Senate.

Too many men and women in this world look down their noses at organizational politicians. Why should we Americans respect organizational success and efficiency in big business and deplore it in politics?

The fact is, politicians have made our country great and will continue to do so.

Politicians are a special breed. We eat, sleep, talk and live politics and government. We work long hours for comparatively little pay. We travel long distances at the drop of a hat. We see little of our wives and children. But we love it.

Politics is for the young. Even the oldtimers in politics are young in spirit and must live the lives of young men. This is why the experience and the enthusiasm of Young Democrats is so important.

And, when the backbone of our party needs stiffening, it must turn to new faces, new blood. It happened in Indiana last year and in other States as well.

We had had quite a dry spell in our State. Not in 20 years had Indiana voted for a Democrat to represent her in the Senate. It had been a decade since we had a majority of congressmen, a decade since we had a governor, 22 years since we voted Democratic for President.

Last year we trotted out a new Democratic Party. In it were some oldtimers. In it were many faces new to the State political scene, many of them like myself veterans of Young Democratic training grounds.

We beat six incumbent Republican Congressmen and held two seats of our own. We swept every State office at stake. I was 39 when elected. A law school friend of mine was one of the new congressmen. Another is 31. The others, with one exception, are in their forties or thirties. Most of our new State officials also are in their thirties or forties.

The speaker of the house of representatives in my State this year is 31 years old. The majority floor leader, a Democrat, is close to his 30th birthday.

We are building for the present and the future. This is the job of our whole party * * * in every State * * * in the Nation as a whole.

Why is this important in a State where Democrats usually win?

First, because our party must grow, must progress, or it will slide backward, even in North Carolina.

Second, and more important, because our job is only partly done today.

When I campaigned in my home State, I told the people of the problems as I saw them. I told them some possible solutions. But I also told them I was no miracle man and that we could find no magic solutions. I told them that Democrats were concerned about their problems and would work to try and solve them.

And we are working.

In the Senate in less than 4 months we have passed:

A new labor-management relations bill which should end hoodlumism and racketeering.

A housing bill that will help clear slums and help millions of Americans to become homeowners if they wish.

Extension of the draft.

An airport aid plan that should help the cities of our nation expand for the jet age that has already arrived.

Educational television assistance.

A measure setting up a thorough and fast study of unemployment and how to solve it.

An international monetary bill.

We are in the midst of a formula for the taxation of life insurance companies.

We will take steps to solve the farm problem. We will strive to provide our Armed Forces with the tools they need to keep up with and pass the Russians.

We will tackle the problems of recession, of world peace, of world trade, the problems of the aged and the inflation-hit people of every age.

We Democrats will do these things while remaining financially responsible because we dare to do things, because we are a national party. As Speaker SAM RAYBURN said when he came to Congress, "I want to work within a party that knows no North and knows no South, knows no East and knows no West."

Today, we in the Senate follow the leadership of another great man from Texas, a man whose grandfather carved a chunk out of the wild West. The philosophy of this leader, LYNDON B. JOHNSON, is that the policy committee he heads seeks to find the common ground from the extremes of the party.

The record that has been written and the record we will continue to write is the best testimony of the success of this program. In the meantime, we can do only part of the job.

Our real job is just beginning.

Able leadership, young blood, these are only part of the necessary ingredients for a real national program because we do not control the administration. This remains in the hands of the Republican Party and will through next year.

Republicans still have charge of financial management, foreign affairs, carrying out laws. They have failed to lead for 6 years and there is no indication there will be any great leadership in the coming months they have left.

Less, and not more, leadership is on the horizon as far as the administration is concerned.

We are threatened at this moment with vetoes in several fields and over several bills. The current party line of the pro-Republican columnists is that we Democrats are afraid of the vetoes and that the President really controls Congress through threats of vetoes.

We have had stumble, study, and stall. And we have had brinkmanship. Now we have vetoship, Government by threat of veto.

I know of no Democrat in the Senate losing sleep over threats of vetoes.

But I do know that this sort of talk does no one any real good, especially not the United States of America.

I know this will not change until we elect a President of the United States who is a Democrat capable of providing the leadership that so many Americans seem to have forgotten ever existed.

When we were elected to the Senate, class of 1958, we promised we would work with our President to strengthen our defenses, to rebuild sagging relations with other countries, to bring back prosperity and help find jobs for nearly 5 million unemployed, to help wipe out slums, restore dignity and profits to the small family farmer, halt runaway high prices.

The administration has responded with attacks on "wild-eyed radicals." It has called us spenders. It has threatened the veto as a dictator threatens war. It has continued the same lack of concern for the problems of the people that helped us win the elections of last fall.

The administration is selling a campaign for something which does not exist at this moment—a balanced budget.

This budget that was sent to us for consideration proposes seven new revenue-raising measures. It is based on an expected rise of some 30 percent in business. And then it is balanced only if we do some of next year's spending this year and throw this year's Republican budget even more out of whack than it is.

The administration's economic message did not even mention the specter of the unemployed, which have placed 13 cities in my State alone on the distress list.

But it has asked for 50,000 new Federal employees and more than $300,000 additional for White House expenses over this year and some $15 million more in new airplanes for the President and his staff.

In the first place, I resent the notion that a balanced budget is the goal of government. Government is to serve, to help solve national problems, to protect the citizens and to help keep the peace. It is wise, perhaps necessary, at this time to do so within the framework of a balanced budget. But the goal is peace, prosperity, progress.

Second, I resent the notion that we are spendthrifts if we so much as disturb a period or a comma in this budget we have been handed. In other words, this Republican administration is by threat of a veto attempting to control the legislative as well as the administrative branches of the Government. I especially resent being labeled as wild-eyed or spendthrift. This is especially true when this Republican administration has spent more money than any other administration in history and I point out to you that the budget submitted by the President this year is a record high budget. In other words, the biggest spender of all times is attempting to hide his own spendthrift activities by calling responsible Members of Congress spendthrift. Cuts are already being administered to budget items submitted by the administration.

The last Congress, led by Democrats, cut $617 million from the Republican administration's budget for this fiscal year. The fiscal year before that our party chopped more than $5 billion from the budget. And in the 2 fiscal years before than Democratic-led Congress lopped $2.334 billion from the budget. President Truman in his first 6 years showed a $3.7 billion surplus. President Eisenhower in his first 6 years showed a deficit of $19.8 billion.

The conclusion must be that we Democrats are financially responsible.

On the other hand, it was the Republican administration that slapped on the so-called tight money policy which has increased the interest of the national debt 90.5 percent in 6 years.

It is the Republican administration which has ignored the problem of rising unemployment, of sagging employment in manufacturing, which today is below that of 1952 even though 5.6 million more persons are in the total labor force today than there was in 1952.

It is the Republican administration which has added troubles upon troubles for the Nation's farmers. Since 1952 prices received by farmers have dropped 15 percent while prices to the consumers have risen 5 percent. The surpluses are four times the size they were 6 years ago. Farm employment is down 14 percent, farm expenses are up 10 percent. It is going to cost our Government about $7 billion to give the farmers a $13 billion income this year.

I predict this Congress will move toward the solution of the twin problems of our national economy—unemployment and farm depression. I predict we will attack the causes of rising living costs and not just the symptoms. I predict we will balance the budget and provide that which is necessary to give America peace, prosperity, and progress.

But will we face vetoes? Will the people learn who is responsible and responsive and who leads? Will you let them be fooled?

The job of complete leadership, of a real program rests not alone with Congress. We also must have the same kind of thinking in the Republican administration.

The job of getting this done rests not alone with those in the National Government. It rests to a greater extent even among you people who fight in the trenches.

To do this job means we must begin now to inform the people fully, to select carefully the candidates we will send into battle next year. * * * Straight talk. * * * Honest and sincere candidates.

The cause of freedom, of good government, of peace and prosperity, of progress demands that this be done. The welfare of our party demands that you and I and our friends do it.

Will you help finish the job? I hope and think you will.

"Belize"

EXTENSION OF REMARKS
OF
HON. ALFRED E. SANTANGELO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, June 1, 1959

Mr. SANTANGELO. Mr. Speaker, in my congressional district, which is probably the most heterogeneous district in the United States, there are many people with tremendous ability and knowledge of not only our Government but of our Latin-American neighbors. One of my constituents, also a good friend, is Attorney William J. Bianchi, former State senator of the 22d senatorial district of New York, which district I formerly represented.

Mr. Bianchi is an expert in Latin-American affairs, a linguist, and a dedicated public servant. During his spare time, he has concerned himself with problems affecting the Spanish-speaking peoples, and particularly of the problems confronting Latin-America.

I commend the editor and the director of the Las Americas Publishing Co., Mr. Gaetano Massa, who has recognized the talent of Mr. Bianchi and published his monograph dealing with the territory of Belize on British Honduras. The book "Belize" deals with the dispute between Guatemala and Great Britain over the territory of Belize. This dispute had its origin in the 17th century and still obtains. It cries out for solution and this book sheds light upon the problems and gives rise to a possible solution.

Even preliminary inquiry will reveal that the voluminous publications about the subject have, unfortunately, been ex-parte in nature.

For practical purposes the monograph may be divided into three parts.

The first part deals with the White Book, published by the Guatemalan Ministry of Foreign Affairs, which is the sum and substance of Guatemala's case against Great Britain.

The second part of the monograph is dedicated to tracing ownership, right, and title in relation to the territory of Belize or British Honduras. It includes, therefore, treaties, statutes, excerpts from government archives, diplomatic letters, and documents of state, as well as citations by Guatemala of cases and authorities on international law that bear materially on the question. It correlates their existence and relation to Great Britain's occupancy and ownership of the disputed territory.

The third portion of the monograph evaluates the reasoning employed and the claims raised against Great Britain as well as their validity in the light of logic, law, and historical fact. Both the reasoning and the claims are subjected to study, question, application to the facts, and analysis. In some cases, the premises on which the reasoning or claims are based are even conceded for purposes of discussion. Such a procedure insures thoroughness of treatment. Thus, where some fault is found with the immediate bases upon which a claim rests, all further consideration of the topic is not ipso facto terminated by reason of such fault. The correctness of the grounds upon which the claim or reasoning rests is assumed for the purpose of determining, in such an event, the soundness of the final or ultimate conclusion.

Mention is also made of documents like the Clayton Bulwer and Dallas Clarendon pacts. They have not been dealt with separately. Together with other treaties, excerpts from parliamentary debates, diplomatic communications, and letters of state that do not bear directly on the question, they have been accorded space and attention commensurate only with their importance as related but collateral matters.

Finally, the monograph calls attention to the extra legal methods proposed for settling the problem unilaterally and indicates several contingencies which may resolve the protracted dispute.

I am proud that a constituent of mine took the trouble to make a needed, thorough and impartial study of the entire matter.

Italy's Role in International Affairs

EXTENSION OF REMARKS
OF
HON. PETER W. RODINO, JR.
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Monday, June 1, 1959

Mr. RODINO. Mr. Speaker, the United States should take every opportunity to urge that Italy be given a more active role in international negotiations. Too often, Italy's importance in European affairs since the end of the last war

has been minimized or obscured. There were many reasons for this, the main one being that she was on the losing side of that war. However, Italy has now suffered enough the consequences and setbacks for her earlier deeds and no longer should be treated as a secondary power in Europe. Since the war, particularly during the last several years, Italy has changed so radically from what it was under Fascist dictatorship that it is a mistake for people to still regard Italy as a secondary power in European and in world affairs.

Italy's importance in the East-West cold-war struggle, especially in the context of the current Foreign Ministers' Conference in Geneva, and also in the proposed summit conference, looms large. In the tug-of-war type of diplomacy going on at the Foreign Ministers' Conference the unscrupulous and wily men of the Kremlin are constantly espousing the cause of their satellites and that of East Germany and are clamoring for full representation of Czechoslovak, Polish, and East German delegates at the Geneva Conference. Under these circumstances the Western statesmen should insist that if the Conference is broadened, Italy should be the first nation to be added.

Italy certainly has earned such a place at least in matters involving the fate of Europe. Moreover, she is entitled to due and serious consideration for an important role in all important negotiations. In the course of a dozen years Italy's present leaders have not only cleansed their country of all Fascist beliefs, but they have also established a democratic republic, the Republic of Italy, through an orderly democratic process. Italy has become an integral and important part, and also a rampart, of the free West in its fight against Communist totalitarianism. Politically, economically, commercially, culturally, and ideologically Italy is not only a stanch partner of the West but one of the leaders of the free world.

As we all know, Italy is not as rich in natural resources as are some other European countries, and for that reason it has sometimes been most difficult for her to support her teeming and industrious population. This has been particularly true since the end of the last war in view of the devastation of that war. But despite innumerable serious handicaps, internal unrest and external threats, in the course of a relatively short time Italians have registered some impressive successes in governmental, financial, and commercial fields. By the efficient use of the generous aid provided by this country, both in goods and in money, they recouped a part of their terrific war losses, and began to rebuild the country. With sheer force of determination and firm resolution the Italian people, under genuine and wise leadership, pulled themselves up by their bootstraps, and improved Italy's position immensely in the commercial, industrial, and technological world. Their gains were impressive and inspired confidence and hope in their friends and sympathizers. With these advances and improvements has come her just recognition as a major power in world affairs.

This recognition of Italy as a leader in the community of free and democratic nations is most clearly acknowledged in the North Atlantic Treaty Organization. In that bulwark of democracy, the most efficient and working handmaid of the West in its defense against surging Communist totalitarianism, Italy's role is clearly defined and is supremely important. That importance is attested to by the fact that now the NATO powers have agreed, with Italy's consent, to install guided missile bases in Italy. This is a measure of the confidence which Italy's allies have placed in her, and Italy is certainly worthy of such trust.

For all these reasons, the leaders of the West should insist unequivocally that Italy be given a real, audible, and effective voice in all negotiations between the free and democratic West and the Communist totalitarian East.

Judge Irwin Davidson's Book "The Jury Is Still Out"

EXTENSION OF REMARKS
OF
HON. VICTOR L. ANFUSO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, June 1, 1959

Mr. ANFUSO. Mr. Speaker, many of us in the House will recall Judge Irwin D. Davidson, of New York, who served with us here in the 84th Congress. He is now a judge of the court of general sessions, New York County, where he is serving with great distinction.

Judge Davidson is the author of a book "The Jury Is Still Out," which has recently been published and has aroused a considerable amount of interest. As an eminent jurist, Judge Davidson is well qualified to write this book and I commend it to all my colleagues. Those who are especially interested in problems of juvenile delinquency will find it very profitable reading.

I have known Judge Davidson for many years and am happy to count him among my dearest friends. He is a native of New York and received his bachelor of laws degree at New York University Law School. He began the practice of law in 1929 and during the 1930's served as counsel to the legislative bill drafting commission and the New York State Mortgage Commission. In 1936 he was elected to the New York State Legislature, where he served for a period of 12 years and at one time was acting Democratic leader of the assembly.

In 1948 he resigned from the State legislature to become a justice of the court of special sessions in New York. During the 6 years he was on the bench he made a distinguished name for himself as a great and fairminded jurist. He then resigned voluntarily to run for Congress in the 20th Congressional District of Manhattan and was elected in November 1954. It was during the ensuing 2 years, 1955 and 1956, that many of us here came to know him personally and to work with him. He is a great storyteller and many of us will surely recall his clean, wholesome humor.

Judge Davidson came to Congress shortly after his own family was struck by tragedy. His oldest son, Jonnie, had died after contracting a bone disease as the result of a football injury. Both Judge Davidson and his wife have since then taken an active interest in various charitable and philanthropic causes, particularly those seeking to aid crippled and destitute children. He has always been a wonderful family man, a devoted husband and a good father to his children. In fact, he is truly a man possessed of a warm heart and a keen sense of understanding of human problems. Now he is back on the bench, and these qualities undoubtedly are of great benefit not only to him personally but to all who come in direct contact with him.

As for his book "The Jury Is Still Out," it deals with a trial in a murder case which originally involved a gang of 18 boys, from the ages of 14 to 18 years. It was a famous case which happened some years ago when this gang, known as Egyptian Dragons, was accused of murdering a polio victim, Michael Farmer, who had been ambushed and killed at Highbridge Park in New York. The cases of 11 boys were disposed of in children's court because of the tender age of the accused. The other seven boys were tried for murder.

In the story as depicted by Judge Davidson we have a situation which shows juvenile delinquency at its worst. Yet, it should be noted that this situation could have happened anywhere else in the United States where children become the unfortunate victims of broken homes, where they are exposed to the influences of a bad environment, extreme poverty, lack of interest on the part of parents or the community, and other factors contributing to delinquency. Perhaps society is more to blame for all this. When youngsters who live in bad neighborhoods and under a poor environment find the need for organizing themselves into gangs for their protection, then we know that society has failed these children to an extent where it shapes their whole life in a manner which causes them to act contrary to the accepted ways of society.

Judge Davidson's book deals with these influences in the home, the neighborhoods, the gangs, and also how certain nationality groups are exploited and drawn into these situations. Evidently this case must have weighed heavily on Judge Davidson's mind as he wrote his book and sought to convey the message to the American people—the message of saving our youth from the pitfalls of crime and delinquency.

In the 85th Congress I had introduced a bill to establish a Bureau of Crime Prevention in the Department of Justice and to provide for assistance and cooperation with States in strengthening and improving State and local programs for the diminution, control, and treatment of juvenile delinquency. I am now planning to make some revisions and to re-introduce this bill at the earliest opportunity.

In the meantime, I strongly urge all my colleagues to read Judge Davidson's well-written book which is an excellent study of the subject.

Questions and Answers on the 1959 Amendments to the Railroad Retirement Act and Railroad Unemployment Insurance Act

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 27, 1959

Mr. VAN ZANDT. Mr. Speaker, railroad workers and their families will receive higher benefits as a result of amendments to the railroad retirement and unemployment insurance laws which were signed by the President May 19. The following questions and answers explain the changes that were made by these amendments.

RETIREMENT-SURVIVOR BENEFIT PROGRAMS

First. What changes were made in the railroad retirement and survivor programs?

Changes in these programs are as follows: First, monthly benefits and insurance lump sums were increased 10 percent; second, reduced benefits are payable as early as age 62 to spouses of 65-year-old retired employees and to women employees; third, employers and employees will pay higher taxes; fourth, the limit or creditable earnings was raised to $400 a month; fifth, the work restrictions for disability annuitants and for survivor beneficiaries who work outside the United States were modified; and sixth, payments under the Railroad Retirement Act are no longer considered income in determining eligibility for certain veterans' benefits.

Second. When will the higher annuities become payable?

The increases in annuities take effect with payments for the month of June and the increases in almost all benefits will be reflected in the July 1 or August 1 checks. Beneficiaries are asked not to write to the Board regarding increases in their benefits, as it will only delay the making of adjustments.

Third. How will employee annuities be affected by the amendments?

Benefits to employees will be about 10 percent higher under a new formula. The formula, which is applied to the employee's monthly compensation, is as follows: 3.35 percent of the first $50; 2.51 percent of the next $100; and 1.67 percent of the remainder.

The amount of the monthly benefit is found by multiplying the sum of these amounts by the employee's years of service.

Fourth. What is the highest annuity an employee who retired now could receive?

An employee with 30 years of service and maximum creditable earnings could receive an annuity of $205 beginning June 1, 1959.

Fifth. When I retired, my annuity was computed under the railroad minimum formula. Will I receive a higher benefit under the new law?

Yes. The amounts of minimum annuities were also raised 10 percent. If an employee has a current connection with the railroad industry when he retires, his annuity cannot be less than the lowest of the following amounts: $5 times his years of service; $83.50; or 110 percent of his monthly compensation.

Sixth. Is there a new formula for computing a wife's annuity?

No. A wife's annuity is equal to half of the employee's annuity, as under the old law. However, all wives on the Board's rolls will receive increases of about 10 percent in their annuities because the employee annuities on which they are based will be increased and because the amendments established a new maximum for wives' annuities. Formerly, the maximum wife's annuity was equal to the largest amount that could be paid as a wife's benefit under the Social Security Act; the maximum is now 110 percent of that amount.

Seventh. Will the survivors of deceased railroad employees get higher benefits?

Yes. A new formula for computing the "basic amount," which determines the amount of survivor benefits, provides for monthly survivor benefits and insurance lump sums which will be about 10 percent higher than under the old law.

Eighth. Were the maximum and minimum amounts of survivor benefits changed?

Yes. The new maximum family benefit under the railroad survivor formula is 2⅔ times the basic amount up to $193.60. The minimum family benefit is $16.95. However, benefits may be higher if they are computed under the social security minimum guarantee provision.

Ninth. I am receiving an annuity computed under the social security minimum guaranty provision. Will I receive a higher benefit?

Yes. Your benefit will be increased 10 percent. Railroad employees and their families are now guaranteed that their total monthly benefits under the Railroad Retirement Act will not be less than 110 percent of the amount, or 110 percent of the additional amount, that would be payable if the employee's railroad service after 1936 had been covered by the Social Security Act.

Tenth. My father's railroad pension was taken over by the Railroad Retirement Board in 1937. Did the amendments provide for an increase in his benefit?

Yes. The amendments provided for 10 percent increases in all monthly benefits, including pensions.

Eleventh. Will I have to apply for a recomputation of my annuity?

No. You do not have to apply for a recomputation of your annuity. Except for a small group who will be notified, all beneficiaries on the Board's rolls will receive the increases in their benefits automatically.

Twelfth. What are the new provisions for reduced benefits?

Wives and dependent husbands of retired 65-year-old employees and women employees who have less than 30 years of railroad service can retire as early as age 62 on reduced benefits. The annuity is reduced 1/180 for each month the applicant is under 65 when the annuity begins. The first month for which these benefits will be payable is June 1959.

Thirteenth. What is the new limit on creditable earnings?

Railroad earnings up to $400 a month after May 1959 will be creditable and can be included in figuring an employee's monthly compensation and average monthly remuneration.

Fourteenth. What are the new tax rates on employers and employees?

As of June 1, 1959, employers and employees will each pay a tax of 6¾ percent on earnings up to $400 a month. In 1962, the rate will rise to 7¼ percent, and after 1964, the rate will be increased, on a conditional basis, by the same number of percentage points as the social security tax rate exceeds 2¾ percent.

Fifteenth. Will the new tax rates provide enough income to put the railroad retirement system on a sound financial basis?

Yes. According to estimates by the Board's actuaries, the new tax rates are nearly adequate and will provide sufficient income to keep the system on a reasonably sound financial basis.

Sixteenth. If I pay higher railroad retirement taxes, will I be guaranteed higher benefits?

Yes, all formulas are increased 10 percent. Also, railroad employees are guaranteed by means of a residual payment that they and their families will receive more in benefits than they paid in railroad retirement taxes. The formula for computing this benefit—which becomes payable only after the employee's death—has been revised to take into account the higher taxes which will be paid by employees. The gross amount of the benefit, before any deductions because of railroad retirement or social security benefits, will be computed as follows: 4 percent of the employee's creditable earnings after 1936 and before 1947; 7 percent of his earnings after 1946 and before 1959; 7½ percent of his earnings after 1958 and before 1962; plus 8 percent of his earnings after 1961.

Seventeenth. What change was made in the work restrictions for survivor annuitants?

The work restrictions which apply to a survivor beneficiary who works outside the United States are the same as for individuals who work in the United States. Beginning with 1959, a beneficiary may earn up to $1,200 a year in employment—or self-employment—that is not covered by the Railroad Retirement Act without losing his annuity for any month. If he earns more than $1,200, his annuity will be withheld for 1 month for each $80 or part of $80 he earns over $1,200, but not for any month he earns less than $100—or, if self-employed, does not have substantial self-employment. These restrictions only apply if the beneficiary is under age 72.

Formerly, if a survivor beneficiary under age 72 worked outside the United States on 7 or more days in employment that was not covered by the Social Security Act, his annuity was withheld for that month.

Eighteenth. What are the new work restrictions for disability annuitants?

As before, if a disability annuitant under age 65 earns more than $100 in a month, his annuity is withheld for that month; and if he fails to report such

earnings on time his annuity may be withheld for one or more additional months as a penalty. These provisions have not been changed. However, any annuity payments which have been withheld may be payable at the end of the year if the employee's annual earnings are not more than $1,200.

In counting annual earnings for this purpose, earnings in last person and railroad employment are not counted, since no annuities are payable for any month in which such employment occurred. If the annual earnings are more than $1,200, the annuity cannot be withheld for more than 1 month for each $100 the employee earned in excess of $1,200, counting the last $50 as $100. This provision applies to earnings in 1959—and later years.

Nineteenth. How are railroad employees who are eligible for veterans' pensions affected by the new law?

A Veterans' Administration pension which is based on non-service-connected disability is not payable if the veteran's income exceeds certain limitations. Railroad retirement and survivor benefits are no longer considered income for this purpose. Retired employees who waived all or part of their annuity in order to qualify for a veteran's pension should revoke the waiver.

UNEMPLOYMENT-SICKNESS BENEFIT PROGRAMS

Twentieth. What changes were made in the unemployment and sickness programs?

A number of changes were made in these programs: First, unemployed and sick railroad workers will receive higher benefits; second, provision was made for extended unemployment benefits; third, the qualifying earnings requirement was increased; fourth, the limit on creditable earnings was raised; fifth, Sundays and holidays will be treated the same as other days in figuring unemployment benefits; sixth, the number of days of unemployment required before benefits can be paid in a first registration period was reduced from 7 to 4; seventh, employers will pay higher taxes; and eighth, the Railroad Retirement Board can borrow funds from the railroad retirement account when the balance in the unemployment benefit account is low.

Twenty-first. What are the new benefit rates for unemployment and sickness?

An employee's daily benefit rate for unemployment or sickness will be determined in one of two ways:

(a) From the following schedule:

Employee's creditable base-year earnings:	*Daily benefit rate*
$500 to $699.99	$4.50
$700 to $999.99	5.00
$1,000 to $1,299.99	5.50
$1,300 to $1,599.99	6.00
$1,600 to $1,899.99	6.50
$1,900 to $2,199.99	7.00
$2,200 to $2,499.99	7.50
$2,500 to $2,799.99	8.00
$2,800 to $3,099.99	8.50
$3,100 to $3,499.99	9.00
$3,500 to $3,999.99	9.50
$4,000 and over	10.20

(b) An employee's daily benefit rate is raised to 60 percent of his daily rate of pay on his last railroad job in the base year, if this amount is higher than his daily benefit rate according to the schedule. The daily benefit rate, however, cannot exceed $10.20.

The new rates are retroactive to July 1, 1958, for normal unemployment and sickness benefits, and to January 1, 1958, for extended unemployment benefits.

Twenty-second. What provisions were made for extended unemployment benefits?

Extended unemployment benefit periods were provided for employees who did not quit voluntarily without good cause or voluntarily retire, as follows:

First, employees who have 15 or more years of railroad service can be paid benefits for as many as 130 additional days of unemployment in a 26-week period after they exhaust regular unemployment benefits. Employees who have 10–14 years of service can be paid for as many as 65 additional days in a 14-week period after they exhaust regular unemployment benefits. These benefits can begin as early as January 1, 1958.

Second, employees who have at least 10 years of railroad service and who become unemployed in a benefit year in which they are not qualified for benefits may start the next benefit year early if they are qualified for that year. This provision is also retroactive to January 1, 1958.

Twenty-third. Can employees who have less than 10 years of railroad service receive extended unemployment benefits?

Yes, but the provision for these benefits was not made part of the Railroad Unemployment Insurance Act, and the benefits are payable on a temporary basis only. Employees who have less than 10 years of service and who exhausted their unemployment benefits after June 30, 1957, and before April 1, 1959, can be paid benefits for an additional 65 days of unemployment in registration periods beginning in the period June 19, 1958–June 30, 1959. However, an employee cannot establish a claim for benefits under both this provision and the Temporary Unemployment Compensation Act of 1958.

Twenty-fourth. If I have 10 or more years of railroad service and exhaust normal benefit rights for unemployment, what should I do to receive benefits in an extended benefit period?

Continue to register with your claims agent. The Board will determine your eligibility from its records and make payments for the extended period if you are eligible.

Twenty-fifth. What service is counted toward eligibility for benefits in an extended period?

Any service that is creditable under the Railroad Retirement Act. In addition to the service shown on an employee's BA–6, this includes creditable service before 1937 and service after the end of the base year.

Twenty-sixth. When does an employee exhaust his rights to regular unemployment benefits?

An employee exhausts his rights to regular unemployment benefits under any of the following conditions: First, he has been paid benefits for 130 days in a benefit year; second, he has been paid benefits in a benefit year equal to his base-year compensation, or third, a normal benefit year ends in which he has drawn unemployment benefits less than the maximum amount for which he was qualified.

Twenty-seventh. Can I receive sickness benefits during an extended benefit period or before the regular beginning date of a benefit year?

Yes. You can receive sickness benefits in a benefit year which has been extended for unemployment benefits or which began early. Sickness benefits will be paid as in a normal benefit year, with benefits limited to 130 days or to an amount equal to your base-year compensation.

Twenty-eighth. Are registration periods in an extended benefit period different from other registration periods?

Yes. Ordinarily, a registration period must start with a claimed day of unemployment. In an extended benefit period the registration periods are an unbroken sequence of 7 or 13 2-weeks periods, and the beginning date of each depends on when the extended benefit period began. This period begins on the first day of unemployment after exhaustion of benefits in the normal benefit year.

Twenty-ninth. How can I find out if I am eligible for retroactive benefit payments for unemployment or sickness?

The Railroad Retirement Board will notify all employees who are eligible for retroactive benefit payments for unemployment or sickness. Employees are asked not to write to the Board, as it will only delay the payment of benefits. All but a small number of 1958–59 beneficiaries will receive additional payments.

Thirtieth. What is the new qualifying earnings requirement?

An employee must have creditable railroad earnings of at least $500 in a base year (calendar year) in order to qualify for unemployment or sickness benefits in the benefit year which begins the following July 1. If an employee's creditable earnings were at least $500 in 1958, he is qualified for benefits in the period July 1, 1959–June 30, 1960.

Thirty-first. What change has been made in the waiting period for unemployment benefits?

In his first unemployment registration period, an employee can be paid for each day of unemployment over 4, instead of each day over 7. That is, benefits for the first period are payable on the same basis as benefits for subsequent periods.

Thirty-second. What is the effect of removing the Sunday and holiday disqualification?

Formerly, a Sunday or a holiday was counted as a day of unemployment only if the day before and the day after were days of unemployment. The removal of this requirement means that a railroad employee who, for example, regularly works a 5-day week has 4 days of unemployment in every 2-week period when he is employed full time. Since in all registration periods unemployment benefits can now be paid for 10 days out of the 14, an employee who regularly works a 5-day week can receive benefits whenever he loses a day's work, or whenever

there is a holiday—other than on a Saturday or Sunday—for which he is not paid wages.

Thirty-third. Was the waiting period for sickness benefits also changed?

No; as before, benefits are payable for all days of sickness over 7 in an employee's first sickness registration period.

Thirty-fourth. What is the new limit on creditable earnings?

Railroad earnings up to $400 a month after May 1959 can be counted in an employee's base-year compensation for service performed after May 1959.

Thirty-fifth. How were the provisions for financing the unemployment and sickness benefit programs modified?

Beginning June 1, 1959, railroad employers will pay taxes on earnings up to $400 a month and the tax rate will rise to 3¾ percent. This is the maximum rate under a new schedule for employer contributions. As before, the rate for any calendar year will depend on the balance in the railroad unemployment insurance account on September 30 of the previous year. The new schedule is as follows:

Balance:	Rate percent
$450 million or more	1.5
$400 million, but less than $450 million	2.0
$350 million, but less than $400 million	2.5
$300 million, but less than $350 million	3.0
Less than $300 million	3.75

The amendments also gave the Railroad Retirement Board authority to borrow money from the railroad retirement account for the railroad unemployment account when the balance in the unemployment account is not sufficient to pay benefits that are due. When the money is returned, interest at 3 percent a year will be paid to the retirement account.

SENATE

TUESDAY, JUNE 2, 1959

Rabbi Norman Gerstenfeld, minister of the Washington Hebrew Congregation, Washington, D.C., offered the following prayer:

O Thou who art the shield of our hopes, the tower of strength of our souls, the guide of our hands, the vision of our courage, and the love in our hearts; Thou who art the source of the law of righteousness, the disciplines of character that build the foundations of a just humanity: Strengthen Thou the skills of our mind and the devotion of our hearts, so that we shall be the revealers of Thy truth and the instruments of Thy guidance unto our fellow men. Lift up our hearts, so that we shall never forget that man lives not by bread alone but by the integrities of our lives, by the high standards of our skills, by the truth of our conscience, by the good will of our souls, and by the will for the common good beyond the line of duty.

Stiffen Thou the sinews of our lives, so that we shall guard the altars of our community from the expediency that corrupts and the apathy that kills, from the treachery that takes in vain the name of freedom and the apostasy that would sell our heritage for a mess of pottage, from the partisanship that would make us the tools of slander and reduce us to the self-righteousness that would inflict cruelty against those who differ with us in the counsels of free men.

Guide us in our deliberations and guard us in our utterances, so that winning the next election will not take priority over our duty as witnesses to the next generation, as testimony of the gracious spirit of free men.

Lead us so that from this gathering there shall come new light into our age and the vision of days of new blessing yet to be, when the world shall be filled with the knowledge of a righteous God, even as the waters cover the seas. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Monday, June 1, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 1217. An act to add certain public domain lands in Nevada to the Summit Lake Indian Reservation; and

S. 1242. An act to authorize the use of the revolving loan fund for Indians to assist Klamath Indians during the period for terminating Federal supervision.

The message also announced that the House had passed the bill (S. 900) to amend section 204(b) of the Federal Property and Administrative Services Act of 1949 to extend the authority of the Administrator of General Services to pay direct expenses in connection with the utilization of excess real property and related personalty, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the amendment of the Senate to the bill (H.R. 2228) to provide for the acquisition of additional land along the Mount Vernon Memorial Highway in exchange for certain dredging privileges, and for other purposes.

The message also announced that the House had agreed to the amendment of the Senate to the concurrent resolution (H. Con. Res. 17) authorizing and requesting the President to designate the period beginning June 14, 1959, and ending June 20, 1959, as National Little League Baseball Week.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 697. An act to authorize the Secretary of the Navy to acquire certain real property in the county of Solano, Calif., to transfer certain real property to the county of Solano, Calif., and for other purposes;

H.R. 816. An act to set aside certain lands in Oklahoma for the Cheyenne and Arapaho Indians;

H.R. 904. An act to rename the New Richmond locks and dam in the State of Ohio as the Capt. Anthony Meldahl locks and dam;

H.R. 4483. An act to amend the act of December 24, 1942 (56 Stat. 1086, 43 U.S.C. 36b), entitled "An act to authorize the Secretary of the Interior to acquire lands or interest in lands for the Geological Survey";

H.R. 4524. An act extending the time in which the Boston National Historic Sites Commission shall complete its work;

H.R. 4656. An act to amend section 401b of the act of July 14, 1952, to permit applications for moving costs resulting from any public works project of a military department to be filed either 1 year from the date of acquisition or 1 year following the date of vacating the property;

H.R. 5138. An act to extend the grounds of the Curtis-Lee Mansion in Arlington National Cemetery;

H.R. 5569. An act to amend title 10, United States Code, to authorize the award of certain medals within 2 years after a determination by the Secretary concerned that because of loss or inadvertence the recommendation was not processed;

H.R. 5927. An act to authorize the conveyance to the city of Warner Robins, Ga., of about 29 acres of land comprising a part of Robins Air Force Base;

H.R. 6134. An act to amend the Federal Employees Pay Act of 1945 to eliminate the authority to charge to certain current appropriations or allotments the gross amount of the salary earnings of Federal employees for certain pay periods occurring in part in previous fiscal years;

H.R. 6435. An act to amend section 105 of the Legislative Appropriation Act, 1955, with respect to the disposition upon the death of a Member of the House of Representatives of amounts held for him in the trust fund account in the office of the Sergeant at Arms, and of other amounts due such Member;

H.R. 6914. An act to donate to the Confederated Tribes of the Warm Springs Reservation, Oreg., approximately 48.89 acres of Federal land;

H.R. 7120. An act to amend certain laws of the United States in light of the admission of the State of Alaska into the Union, and for other purposes;

H.R. 7290. An act to provide for the striking of medals in commemoration of the 100th anniversary of the settlement of the State of Colorado and in commemoration of the establishment of the U.S. Air Force Academy; and

H.R. 7453. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1960, and for other purposes.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 86) to express the gratitude and appreciation of the Congress to the civilian volunteer members of the Ground Observer Corps for their

devotion, sacrifice, and spirit of service in fulfilling, in a dedicated manner, the mission of the corps and for the great contribution they made to the security of the United States, in which it requested the concurrence of the Senate.

HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were severally read twice by their titles and referred, or placed on the calendar, as indicated:

H.R. 697. An act to authorize the Secretary of the Navy to acquire certain real property in the county of Solano, Calif., to transfer certain real property to the county of Solano, Calif., and for other purposes;

H.R. 4656. An act to amend section 401b of the act of July 14, 1952, to permit applications for moving costs resulting from any public works project of a military department to be filed either 1 year from the date of acquisition or 1 year following the date of vacating the property;

H.R. 5569. An act to amend title 10, United States Code, to authorize the award of certain medals within 2 years after a determination by the Secretary concerned that because of loss or inadvertence the recommendation was not processed; and

H.R. 5927. An act to authorize the conveyance to the city of Warner Robins, Ga., of about 29 acres of land comprising a part of Robins Air Force Base; to the Committee on Armed Services.

H.R. 816. An act to set aside certain lands in Oklahoma for the Cheyenne and Arapaho Indians;

H.R. 4483. An act to amend the act of December 24, 1942 (56 Stat. 1086, 43 U.S.C., 36b), entitled "An act to authorize the Secretary of the Interior to acquire lands or interest in lands for the Geological Survey";

H.R. 4524. An act extending the time in which the Boston National Historic Sites Commission shall complete its work;

H.R. 5138. An act to extend the grounds of the Custis-Lee Mansion in Arlington National Cemetery; and

H.R. 6914. An act to donate to the Confederated Tribes of the Warm Springs Reservation, Oreg., approximately 48.89 acres of Federal land; to the Committee on Interior and Insular Affairs.

H.R. 904. An act to rename the New Richmond locks and dam in the State of Ohio as the Capt. Anthony Meldahl locks and dam; to the Committee on Public Works.

H.R. 6134. An act to amend the Federal Employees Pay Act of 1945 to eliminate the authority to charge to certain current appropriations or allotments the gross amount of the salary earnings of Federal employees for certain pay periods occurring in part in previous fiscal years; to the Committee on Post Office and Civil Service.

H.R. 6435. An act to amend section 105 of the Legislative Appropriation Act, 1955, with respect to the disposition upon the death of a Member of the House of Representatives of amounts held for him in the trust fund account in the Office of the Sergeant at Arms, and of other amounts due such Member; to the Committee on Rules and Administration.

H.R. 7120. An act to amend certain laws of the United States in light of the admission of the State of Alaska into the Union, and for other purposes; and

H.R. 7290. An act to provide for the striking of medals in commemoration of the 100th anniversary of the settlement of the State of Colorado and in commemoration of the establishment of the U.S. Air Force Academy; placed on the calendar.

H.R. 7453. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1960, and for other purposes; to the Committee on Appropriations.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 86) to express the gratitude and appreciation of the Congress to the civilian volunteer members of the Ground Observer Corps for their devotion, sacrifice, and spirit of service in fulfilling, in a dedicated manner, the mission of the corps and for the great contribution they made to the security of the United States, was referred to the Committee on Armed Services, as follows:

Whereas an air attack against the United States remained a capability of potential aggressors, requiring the maximum possible surveillance of the most likely enemy air approach areas; and

Whereas the limitations of electronic equipment required supplementation by a corps of civilian volunteer observers; and

Whereas the Ground Observer Corps was created in January 1950 as an adjunct to our air detection system to augment radar surveillance of air approach zones to the continental United States, particularly for low-altitude air attack which radar could not detect; and

Whereas the Ground Observer Corps was composed of volunteer civilian members serving throughout the United States; and

Whereas these volunteer members of the Ground Observer Corps in the performance of their duties were required to maintain constant vigilance over extended periods of time, especially from July 14, 1952, to January 1, 1958; and

Whereas other developments and improvements in our air defense system during the past year give assurance that adequate air defense can be provided without the Ground Observer Corps; and

Whereas the Ground Observer Corps was inactivated on January 31, 1959; and

Whereas these volunteers steadfastly, effectively, and without thought of personal gain or advantage maintained the watch under all conditions, from favorable to the most adverse, for a period of more than nine years; and

Whereas it is fitting and proper that a special tribute be paid to these volunteers who devotedly guarded our aerial frontiers for so many vital years: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress expresses its gratitude and appreciation to the civilian volunteer members of the Ground Observer Corps for their devotion, sacrifice, and spirit of service in fulfilling, in a dedicated manner, the mission of the corps and for the great contribution they made to the security of the United States.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

ESTABLISHMENT OF BUREAU OF NAVAL WEAPONS AND ABOLISHMENT OF BUREAUS OF AERONAUTICS AND ORDNANCE

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to establish a Bureau of Naval Weapons in the Department of the Navy and to abolish the Bureaus of Aeronautics and Ordnance, which, with the accompanying papers, was referred to the Committee on Armed Services.

RESOLUTION OF LUCAS COUNTY BAR ASSOCIATION, TOLEDO, OHIO

Mr. YOUNG of Ohio. Mr. President, I present, for appropriate reference, a resolution adopted by the Lucas County Bar Association, of Toledo, Ohio, relating to certain alleged erroneous representations concerning the operations of the U.S. District Court for the Western Division of the Northern Ohio District. I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Appropriations, and ordered to be printed in the RECORD, as follows:

Whereas it has been reported that a staff member of a U.S. Senate Appropriations Committee has made erroneous representations concerning the operations of the U.S. District Court for the Western Division of the Northern Ohio District, over which court the Honorable Judge Frank L. Kloeb presides; and

Whereas these representations are misleading to the public and work a grave injustice to Judge Kloeb; and

Whereas it is the common knowledge of every practicing lawyer of the bar of this community that the work of this court is performed most expeditiously, and with the highest degree of skill and diligence, and that cases are brought to trial approximately 6 months after they are filed; that the court uses his personal efforts to hear and reconcile differences between litigants before trial; that he carefully examines and studies the details of every individual case before him, and that, in the opinion of this bar association, this court ranks as high as any Federal court in the United States in efficiency, integrity, and ability; and

Whereas it is the common knowledge of the lawyers of this bar that Judge Kloeb has devoted a good part of his life, including time which had been set aside for his relaxation and rest, to the performance of his judicial duties; and

Whereas the perpetuation of an official senatorial report erroneously stating otherwise, outrages elementary justice and fairplay: We, the Lucas County Bar Association, hereby

Resolve, That this matter be brought to the attention of the U.S. Senate with the recommendation that the erroneous statements made concerning this court for the Western Division of the Northern Ohio District be officially and publicly corrected, and such corrected report spread on the records of the U.S. Senate Appropriations Committee.

THE LUCAS COUNTY BAR ASSOCIATION.

RESOLUTIONS OF ORGANIZATIONS OF STATE OF NEW YORK

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD, a resolution adopted by Capital City Post 225, the American Legion, at Albany, N.Y., relating to disability pension laws, and a resolution adopted by the Chenango County Chamber of Commerce, relating to the repeal of the soil bank program.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTION, CAPITAL CITY POST NO. 225, AMERICAN LEGION, ALBANY, N.Y.

Whereas, at a regular meeting of Capital City Post No. 225, the American Legion, held at Albany, N.Y., on the 20th day of May 1959, the members present carefully considered the plan submitted to the Congress by the Administrator of Veterans' Affairs and introduced in the House of Representatives, and known as H.R. 6432, 86th Congress, introduced by request by Representative OLIN E. TEAGUE on April 15, 1959, which bill is designed to revise existing disability pension laws and regulations affecting war veterans, their widows and dependent children; and

Whereas in the opinion of the members of Capital City Post No. 225, the American Legion, the provisions of the bill are not in the best interests of war veterans, their widows and dependent children, and would result in great injustice and inequality of benefits: Now, therefore, be it

Resolved, That Capital City Post No. 225, the American Legion, opposes the passage in the Congress of said bill, H.R. 6432, 86th Congress; and be it further

Resolved, That a copy of this resolution be transmitted to our U.S. Senators, JACOB K. JAVITS and KENNETH B. KEATING, and our own Representative in Congress, LEO W. O'BRIEN; and be it further

Resolved, That a copy of this resolution be likewise forwarded to the Albany County Committee of the American Legion.

JESSE J. BARROWS,
Commander, Capital City Post No. 225.
D. BRUCE CRATE,
Adjutant, Capital City Post No. 225.

RESOLUTION OF CHENANGO COUNTY, N.Y., CHAMBER OF COMMERCE

Be it resolved, That the Chenango County Chamber of Commerce recommend that the soil bank bill which calls for the renting of farms, be abolished; be it

Resolved, That legislators be encouraged to permit the price support provision to be lowered until the movement of agricultural commodities move into free markets instead of Government warehouses;

The committee on legislation of the Chenango County Chamber of Commerce recommends opposition to Senate bill No. 1056 and H.R. 4498 (bills providing for 1½ percent employee-employer payroll tax for free hospital and medical care benefits) for the following reasons:

(1) The initial rate of tax is only the beginning of the cost of such benefits, and the ultimate rate and cost is indeterminable;

(2) The history of such similar benefits indicates that the rate of payroll tax for hospital and medical care could continue on up to 10 to 15 percent. This cost added to the present projected cost of social security benefits would be burdensome to both employer and employee;

(3) Social-security benefits now in effect provide for an increase to employer-employee in 1960 of 1 percent, in 1963 of an additional 1 percent, in 1966 an additional 1 percent and, again in 1969, thus totaling a 9 percent payroll tax in 1969 and thereafter;

(4) The principle of free coverage is not possible as this type of benefit would inevitably fall on each and every citizen to an unnecessary high cost because of the usual high cost when handled by governmental authority;

(5) This type of coverage is now provided for the individual by our private insurance companies and by Blue Cross and Blue Shield.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. STENNIS, from the Committee on tions to the National Aeronautics and Space amendments:

H.R. 7007. An act to authorize appropria- Aeronautical and Space Sciences, with Administration for salaries and expenses, research, and development, construction, and equipment, and for other purposes (Rept. No. 332).

By Mr. MURRAY, from the Committee on Interior and Insular Affairs, without amendment:

S. 1819. A bill to amend the act of June 4, 1953 (67 Stat. 41), entitled "An act to authorize the Secretary of the Interior, or his authorized representative, to convey certain school properties to local school districts or public agencies" (Rept. No. 334);

S. 1903. A bill to authorize a per capita distribution of funds arising from a judgment in favor of the Quapaw Tribe, and for other purposes (Rept. No. 335); and

S. 1904. A bill to authorize the use of funds arising from a judgment in favor of the Citizen Band of Potawatomi Indians of Oklahoma, and the Prairie Band of Potawatomi Indians of Kansas, and for other purposes (Rept. No. 336).

By Mr. NEUBERGER, from the Committee on Interior and Insular Affairs, without amendment:

S. 1818. A bill to donate to the Confederated Tribes of the Warm Springs Reservation, Oreg., approximately 48.89 acres of Federal land (Rept. No. 337);

S. 2029. A bill to authorize a per capita distribution of funds arising from a judgment in favor of the Confederated Tribe of Siletz Indians in the State of Oregon, and for other purposes (Rept. No. 338); and

H.R. 5728. An act to set aside and reserve Memaloose Island, Columbia River, Oreg., for the use of the Dalles Dam project and transfer certain property to the Yakima Tribe of Indians in exchange therefor (Rept. No. 339).

By Mr. CHURCH, from the Committee on Interior and Insular Affairs, without amendment:

S. 2045. A bill to authorize the use of funds arising from a judgment in favor of the Coeur d'Alene Indian Tribe, and for other purposes (Rept. No. 333).

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce, without amendment:

S. 1367. A bill to amend title 14, United States Code, entitled "Coast Guard," to authorize the Coast Guard to sell supplies and furnish services not available from local sources to vessels and other watercraft to meet the necessities of such vessels and watercraft (Rept. No. 340).

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce, with an amendment:

S. 577. A bill to amend title 10, United States Code, section 2481, to authorize the U.S. Coast Guard to sell certain utilities in the immediate vicinity of a Coast Guard activity not available from local sources (Rept. No. 341).

REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES—CIVILIAN EMPLOYMENT IN EXECUTIVE BRANCH

Mr. BYRD of Virginia. Mr. President, as chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, I submit a report on Federal employment and pay for the month of April 1959. In accordance with the practice of several year's standing I ask unanimous consent to have the report printed in the RECORD, together with a statement by me.

There being no objection, the report and statement were ordered to be printed in the RECORD, as follows:

FEDERAL PERSONNEL IN EXECUTIVE BRANCH, APRIL 1959 AND MARCH 1959, AND PAY, MARCH 1959 AND FEBRUARY 1959

PERSONNEL AND PAY SUMMARY

Information in monthly personnel reports for April 1959 submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures is summarized as follows:

Total and major categories	Civilian personnel in executive branch			Payroll (in thousands) in executive branch		
	In April numbered—	In March numbered—	Increase (+) or decrease (−)	In March was—	In February was—	Increase (+) or decrease (−)
Total [1]	2,342,820	2,337,474	+5,346	$1,025,113	$940,193	+$84,920
Agencies exclusive of Department of Defense	1,268,066	1,261,842	+6,224	543,763	496,100	+47,663
Department of Defense	1,074,754	1,075,632	−878	481,350	444,093	+37,257
Inside continental United States	2,159,546	2,154,439	+5,107			
Outside continental United States	183,274	183,035	+239			
Industrial employment	567,344	567,275	+69			
Foreign nationals	191,584	192,737	−1,153	22,144	[2] 22,773	−629

[1] Exclusive of foreign nationals shown in the last line of this summary.

[2] Revised on basis of later information.

Table I breaks down the above figures on employment and pay by agencies.

Table II breaks down the above employment figures to show the number inside continental United States by agencies.

Table III breaks down the above employment figures to show the number outside continental United States by agencies.

Table IV breaks down the above employment figures to show the number of employees of the Federal Government in industrial-type activities by agencies.

Table V shows foreign nationals by agencies not included in tables I, II, III, and IV.

TABLE I.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during April 1959, and comparison with March 1959, and pay for March 1959, and comparison with February 1959*

Department or agency	Personnel				Pay (in thousands)			
	April	March	Increase	Decrease	March	February	Increase	Decrease
Executive departments (except Department of Defense):								
Agriculture	86,010	84,462	1,548		$35,185	$32,395	$2,790	
Commerce [1]	31,520	30,947	573		14,529	13,414	1,115	
Health, Education, and Welfare	57,941	57,767	174		26,981	24,537	2,444	
Interior	50,582	49,717	865		24,190	21,913	2,277	
Justice	29,757	29,931		174	17,016	15,503	1,513	
Labor	5,813	5,832		19	3,081	2,778	303	
Post Office	544,117	543,251	866		217,302	198,642	18,660	
State [2]	35,479	[3] 35,477	2		15,419	14,499	920	
Treasury	80,878	79,131	1,747		38,790	35,229	3,561	
Executive Office of the President:								
White House Office	401	391	10		232	225	7	
Bureau of the Budget	421	423		2	329	295	34	
Council of Economic Advisers	31	32		1	25	24	1	
Executive Mansion and Grounds	72	73		1	36	29	7	
National Security Council [4]	79	70	9		42	38	4	
Office of Civil and Defense Mobilization	1,683	1,656	27		1,043	948	95	
President's Advisory Committee on Government Organization	6	5	1		4	4		
President's Committee on Fund Raising Within the Federal Service	4	4			4	3	1	
Independent agencies:								
Alaska International Rail and Highway Commission	2				2	2		
American Battle Monuments Commission	517	516	1		83	71	12	
Atomic Energy Commission	6,742	6,735	7		4,216	3,821	395	
Board of Governors of the Federal Reserve System	603	606		3	345	314	31	
Boston National Historic Sites Commission	3	3			1	2		$1
Career Executive Board	4	4			3	3		
Civil Aeronautics Board	697	688	9		446	406	40	
Civil Service Commission	3,824	3,864		40	2,023	1,842	181	
Civil War Centennial Commission	6	6			4	4		
Commission of Fine Arts	4	4			3	2	1	
Commission on Civil Rights	74	67	7		36	34	2	
Commission on International Rules of Judicial Procedure [5]	2		2					
Development Loan Fund	66	64	2		48	42	6	
Export-Import Bank of Washington	222	226		4	150	140	10	
Farm Credit Administration	844	851		7	492	454	38	
Federal Aviation Agency	32,174	31,663	511		17,874	15,658	2,216	
Federal Coal Mine Safety Board of Review	7	7			4	4		
Federal Communications Commission	1,219	1,226		7	742	672	70	
Federal Deposit Insurance Corporation	1,237	1,232	5		688	630	58	
Federal Home Loan Bank Board	951	950	1		533	483	50	
Federal Mediation and Conciliation Service	337	339		2	259	234	25	
Federal Power Commission	820	818	2		494	441	53	
Federal Trade Commission	717	720		3	481	430	51	
Foreign Claims Settlement Commission	73	73			51	46	5	
General Accounting Office	5,172	5,181		9	2,783	2,535	248	
General Services Administration [6]	27,843	27,915		72	11,855	10,831	1,024	
Government Contract Committee	26	28		2	15	14	1	
Government Printing Office	6,544	6,541	3		3,296	2,889	407	
Housing and Home Finance Agency	11,010	11,003	7		6,022	5,429	593	
Hudson-Champlain Celebration Commission	3	3			2	1	1	
Indian Claims Commission	17	17			12	13		1
Interstate Commerce Commission	2,255	2,270		15	1,367	1,197	170	
Lincoln Sesquicentennial Commission	8	8			5	5		
National Aeronautics and Space Administration	8,904	8,685	219		5,275	4,694	581	
National Capital Housing Authority	310	307	3		129	116	13	
National Capital Planning Commission	31	31			20	17	3	
National Gallery of Art	319	315	4		121	111	10	
National Labor Relations Board	1,427	1,425	2		866	837	29	
National Mediation Board	114	119		5	92	80	12	
National Science Foundation	485	530		45	272	223	49	
Outdoor Recreation Resources Review Commission	11	11			3	3		
Panama Canal	14,099	14,077	22		4,073	3,899	174	
Railroad Retirement Board	2,301	2,328		27	1,100	1,026	74	
Renegotiation Board	311	314		3	226	207	19	
St. Lawrence Seaway Development Corporation	172	154	18		83	72	11	
Securities and Exchange Commission	921	929		8	563	507	56	
Selective Service System	6,378	6,430		52	1,814	1,630	184	
Small Business Administration	1,906	1,857	49		1,048	930	118	
Smithsonian Institution	1,026	1,026			435	394	41	
Soldiers' Home	1,021	1,001	20		239	270		31
South Carolina, Georgia, Alabama, and Florida Water Study Commission	15	12	3		3	1	2	
Subversive Activities Control Board	31	31			24	23	1	
Tariff Commission	223	223			147	134	13	
Tax Court of the United States	148	148			105	98	7	
Tennessee Valley Authority	15,024	14,947	77		7,994	7,189	805	
Texas Water Study Commission	12	12			4	3	1	
Theodore Roosevelt Centennial Commission	2	2			2	1	1	
U.S. Information Agency	10,775	10,767	8		3,682	3,349	333	
Veterans' Administration	172,237	172,315		78	66,761	61,022	5,739	
Virgin Islands Corporation	1,046	1,047		1	139	139		
Total, excluding Department of Defense	1,268,066	1,261,842	6,804	580	543,763	496,100	47,696	33
Net increase, excluding Department of Defense			6,224				47,663	
Department of Defense:								
Office of the Secretary of Defense	1,740	1,714	26		1,183	1,049	134	
Department of the Army	404,335	403,850	485		174,293	162,863	11,430	
Department of the Navy	354,488	355,115		627	167,481	154,053	13,428	
Department of the Air Force	314,191	314,953		762	138,393	[3] 126,128	12,265	
Total, Department of Defense	1,074,754	1,075,632	511	1,389	481,350	444,093	37,257	
Net change, Department of Defense			878				37,257	
Grand total, including Department of Defense	2,342,820	2,337,474	7,315	1,969	1,025,113	940,193	84,953	33
Net increase, including Department of Defense			5,346				84,920	

[1] April figure includes 216 seamen on the rolls of the Maritime Administration and their pay.

[2] April figure includes 12,889 employees of the International Cooperation Administration as compared with 12,931 in March, and their pay. These ICA figures include employees who are paid from foreign currencies deposited by foreign governments in a trust fund for this purpose. The April figure includes 1,939 of these trust fund employees and the March figure includes 1,993.

[3] Revised on the basis of later information.

[4] Exclusive of personnel and pay of the Central Intelligence Agency.

[5] New agency created pursuant to Public Law 85-906.

[6] Includes 3 employees of the Federal Facilities Corporation.

TABLE II.—*Federal personnel inside continental United States employed by the executive agencies during April 1959, and comparison with March 1959*

Department or agency	April	March	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	84,795	83,240	1,555	
Commerce [1]	30,901	30,350	551	
Health, Education, and Welfare	57,434	57,255	179	
Interior	49,949	49,081	868	
Justice	29,403	29,580		177
Labor	5,709	5,744		35
Post Office	542,057	541,194	863	
State [2]	8,834	[3] 8,833	1	
Treasury	79,982	78,234	1,748	
Executive Office of the President:				
White House Office	401	391	10	
Bureau of the Budget	421	423		2
Council of Economic Advisers	31	32		1
Executive Mansion and Grounds	72	73		1
National Security Council [4]	79	70	9	
Office of Civil and Defense Mobilization	1,683	1,656	27	
President's Advisory Committee on Government Organization	6	5	1	
President's Committee on Fund Raising Within the Federal Service	4	4		
Independent agencies:				
Alaska International Rail and Highway Commission	2	2		
American Battle Monuments Commission	14	14		
Atomic Energy Commission	6,707	6,704	3	
Board of Governors of the Federal Reserve System	603	606		3
Boston National Historic Sites Commission	3	3		
Career Executive Board	4	4		
Civil Aeronautics Board	697	688	9	
Civil Service Commission	3,813	3,854		41
Civil War Centenntial Commission	6	6		
Commission of Fine Arts	4	4		
Commission on Civil Rights	74	67	7	
Commission on International Rules of Judicial Procedure [5]	2		2	
Development Loan Fund	66	64	2	
Export-Import Bank of Washington	222	226		4
Farm Credit Administration	834	841		7
Federal Aviation Agency	30,677	30,175	502	
Federal Coal Mine Safety Board of Review	7	7		
Federal Communications Commission	1,205	1,212		7
Federal Deposit Insurance Corporation	1,235	1,230	5	
Federal Home Loan Bank Board	951	950	1	
Federal Mediation and Conciliation Service	337	339		2
Federal Power Commission	820	818	2	
Federal Trade Commission	717	720		3
Foreign Claims Settlement Commission	73	73		
General Accounting Office	5,094	5,102		8
General Services Administration [6]	27,791	27,864		73
Government Contract Committee	26	28		2
Government Printing Office	6,544	6,541	3	
Housing and Home Finance Agency	10,838	10,825	13	
Hudson-Champlain Celebration Commission	3	3		
Indian Claims Commission	17	17		
Interstate Commerce Commission	2,255	2,270		15
Lincoln Sesquicentennial Commission	8	8		
National Aeronautics and Space Administration	8,900	8,681	219	
National Capital Housing Authority	310	307	3	
National Capital Planning Commission	31	31		
National Gallery of Art	319	315	4	
National Labor Relations Board	1,403	1,401	2	
National Mediation Board	114	119		5
National Science Foundation	485	530		45
Outdoor Recreation Resources Review Commission	11	11		
Panama Canal	416	403	13	
Railroad Retirement Board	2,301	2,328		27
Renegotiation Board	311	314		3
St. Lawrence Seaway Development Corporation	172	154	18	
Securities and Exchange Commission	921	929		8
Selective Service System	6,200	6,252		52
Small Business Administration	1,877	1,828	49	
Smithsonian Institution	1,015	1,010	5	
Soldiers' Home	1,021	1,001	20	
South Carolina, Georgia, Alabama, and Florida Water Study Commission	15	12	3	
Subversive Activities Control Board	31	31		
Tariff Commission	223	223		
Tax Court of the United States	148	148		
Tennessee Valley Authority	15,024	14,947	77	
Texas Water Study Commission	12	12		
Theodore Roosevelt Centennial Commission	2	2		
U.S. Information Agency	2,671	2,669	2	
Veterans' Administration	171,075	171,152		77
Total, excluding Department of Defense	1,208,418	1,202,240	6,776	598
Net increase, excluding Department of Defense			6,178	
Department of Defense:				
Office of the Secretary of Defense	1,697	1,671	26	
Department of the Army	347,227	347,170	57	
Department of the Navy	321,537	322,251		714
Department of the Air Force	280,667	281,107		440
Total, Department of Defense	951,128	952,199	83	1,154
Net decrease, Department of Defense			1,071	
Grand total, including Department of Defense	2,159,546	2,154,439	6,859	1,752
Net increase, including Department of Defense			5,107	

[1] April figure includes 216 seamen on the rolls of the Maritime Administration.
[2] April figure includes 1,881 employees of the International Cooperation Administration, as compared with 1,865 in March.
[3] Revised on basis of later information.
[4] Exclusive of personnel of the Central Intelligence Agency.
[5] New agency created pursuant to Public Law 85-906.
[6] Includes 3 employees of the Federal Facilities Corporation.

TABLE III.—*Federal personnel outside continental United States employed by the executive agencies during April 1959, and comparison with March 1959*

Department or agency	April	March	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	1,215	1,222		7
Commerce	619	597	22	
Health, Education, and Welfare	507	512		5
Interior	633	636		3
Justice	354	351	3	
Labor	104	88	16	
Post Office	2,060	2,057	3	
State [1]	26,645	[2] 26,644	1	
Treasury	896	897		1
Independent agencies:				
American Battle Monuments Commission	503	502	1	
Atomic Energy Commission	35	31	4	
Civil Service Commission	11	10	1	
Farm Credit Administration	10	10		
Federal Aviation Agency	1,497	1,488	9	
Federal Communications Commission	14	14		
Federal Deposit Insurance Corporation	2	2		
General Accounting Office	78	79		1
General Services Administration	52	51	1	
Housing and Home Finance Agency	172	178		6
National Aeronautics and Space Administration	4	4		
National Labor Relations Board	24	24		
Panama Canal	13,683	13,674	9	
Selective Service System	178	178		
Small Business Administration	29	29		
Smithsonian Institution	11	16		5
U.S. Information Agency	8,104	8,098	6	
Veterans' Administration	1,162	1,163		1
Virgin Islands Corporation	1,046	1,047		1
Total, excluding Department of Defense	59,648	59,602	76	30
Net increase, excluding Department of Defense			46	
Department of Defense:				
Office of the Secretary of Defense	43	43		
Department of the Army	57,108	56,680	428	
Department of the Navy	32,951	32,864	87	
Department of the Air Force	33,524	33,846		322
Total, Department of Defense	123,626	123,433	515	322
Net increase, Department of Defense			193	
Grand total, including Department of Defense	183,274	183,035	591	352
Net increase, including Department of Defense			239	

[1] April figure includes 11,008 employees of the International Cooperation Administration as compared with 11,066 in March. These ICA figures include employees who are paid in foreign currencies deposited by foreign governments in a trust fund for this purpose. The April figure includes 1,939 of these trust fund employees, and the March figure includes 1,993.
[2] Revised on basis of later information.

TABLE IV.—*Industrial employees of the Federal Government inside and outside continental United States employed by the executive agencies during April 1959, and comparison with March 1959.*

Department or agency	April	March	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	3,203	2,761	442	
Commerce	1,997	2,039		42
Interior	6,886	6,852	34	
Treasury	5,379	5,427		48
Independent agencies:				
Atomic Energy Commission	154	152	2	
Federal Aviation Agency	817	820		3
Federal Communications Commission	13	13		
General Services Administration	1,224	1,236		12
Government Printing Office	6,544	6,541	3	
National Aeronautics and Space Administration	8,904	8,685	219	
Panama Canal	6,980	7,003		23
Tennessee Valley Authority	12,221	12,148	73	
Virgin Islands Corporation	1,046	1,047		1
Total, excluding Department of Defense	55,368	54,724	773	129
Net increase, excluding Department of Defense			644	
Department of Defense:				
Department of the Army:				
Inside continental United States	[1] 137,100	[2] 137,095	5	
Outside continental United States	[1] 8,650	[2] 8,599	51	
Department of the Navy:				
Inside continental United States	199,734	200,037		303
Outside continental United States	5,216	5,171	45	
Department of the Air Force:				
Inside continental United States	157,763	158,023		260
Outside continental United States	3,513	3,626		113
Total, Department of Defense	511,976	512,551	101	676
Net decrease, Department of Defense			575	
Grand total, including Department of Defense	567,344	567,275	874	805
Net increase, including Department of Defense			69	

[1] Subject to revision.

[2] Revised on basis or later information.

TABLE V.—*Foreign nationals working under U.S. agencies overseas, excluded from tables I through IV of this report, whose services are provided by contractual agreement between the United States and foreign governments, or because of the nature of their work or the source of funds from which they are paid, as of April 1959 and comparison with March 1959*

Country	Total		Army		Navy		Air Force	
	April	March	April	March	April	March	April	March
Belgium	13	13					13	13
England	3,930	4,081					3,930	4,081
France	22,083	21,992	16,759	16,656			5,324	5,336
Germany	83,665	84,055	71,533	71,934	56	57	12,076	12,064
Japan	68,884	70,000	25,335	25,950	15,890	15,996	27,659	28,054
Korea	8,392	7,966	8,392	7,966				
Malta	78	79			78	79		
Morocco	3,921	3,945	6	6	820	825	3,095	3,114
Netherlands	38	37					38	37
Norway	23	23					23	23
Trinidad	557	546			557	546		
Total	191,584	192,737	122,025	122,512	17,401	17,503	52,158	52,722

STATEMENT BY SENATOR BYRD OF VIRGINIA

Executive agencies of the Federal Government reported civilian employment in the month of April totaling 2,342,820. This was a net increase of 5,346 as compared with employment reported in the preceding month of March.

Civilian employment reported by the executive agencies of the Federal Government, by month in fiscal year 1959, which began July 1, 1958, follows:

Month	Employment	Increase	Decrease
July	2,373,410	6,306	
August	2,373,934	524	
September	2,356,493		17,441
October	2,355,482		1,301
November	2,354,767		715
December	2,351,833		2,934
January	2,337,820		14,013
February	2,335,209		2,611
March	2,337,474	2,265	
April	2,342,820	5,346	

Total Federal employment in civilian agencies for the month of April was 1,268,066, an increase of 6,224 as compared with the March total of 1,261,842. Total civilian employment in the military agencies in April was 1,074,754, a decrease of 878 as compared with 1,075,632 in March.

Civilian agencies reporting the larger increases were Treasury Department with 1,747, Agriculture Department with 1,548, Post Office Department with 866, Interior Department with 865, Commerce Department with 573, and Federal Aviation Agency with 511. Increases in Departments of Agriculture, Interior, and Treasury were largely seasonal.

In the Department of Defense decreases in civilian employment were reported by the Department of the Navy with 627 and the Department of the Air Force with 762. The Department of the Army reported an increase of 485.

Inside continental United States civilian employment increased 5,107 and outside continental United States civilian employment increased 239. Industrial employment by Federal agencies in April totaled 567,344, an increase of 69.

These figures are from reports certified by the agencies as compiled by the Joint Committee on Reduction of Nonessential Federal Expenditures.

FOREIGN NATIONALS

The total of 2,342,820 civilian employees certified to the Committee by Federal agencies in their regular monthly personnel reports include some foreign nationals employed in U.S. Government activities abroad, but in addition to these there were 191,584 foreign nationals working for U.S. military agencies during April who were not counted in the usual personnel reports. The number in March was 192,737. A breakdown of this employment for April follows:

Country	Total	Army	Navy	Air Force
Belgium	13			13
England	3,930			3,930
France	22,083	16,759		5,324
Germany	83,665	71,533	56	12,076
Japan	68,884	25,335	15,890	27,659
Korea	8,392	8,392		
Malta	78		78	
Morocco	3,921	6	820	3,095
Netherlands	38			38
Norway	23			23
Trinidad	557		557	
Total	191,584	122,025	17,401	52,158

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CAPEHART:

S. 2087. A bill for the relief of Janis Papulis; to the Committee on the Judiciary.

By Mr. CLARK:

S. 2088. A bill for the relief of Maria Lombardo; to the Committee on the Judiciary.

By Mr. EASTLAND:

S. 2089. A bill for the relief of Henry K. Lee (Hyun Kui); to the Committee on the Judiciary.

By Mr. KERR:

S. 2090. A bill to repeal the excise tax on communications provided by subchapter B of chapter 33 of the Internal Revenue Code of 1954; to the Committee on Finance.

By Mr. DOUGLAS:

S. 2091. A bill for the relief of Constantine A. Foster (alias Charles E. Jackson); to the Committee on the Judiciary.

By Mr. ALLOTT (for himself and Mr. NEUBERGER):

S. 2092. A bill to provide for the erection of a national monument symbolizing the ideals of democracy; to the Committee on Interior and Insular Affairs.

By Mr. CARROLL (for himself and Mr. BIBLE):

S. 2093. A bill to amend section 5 of the War Claims Act of 1948 to provide detention and other benefits thereunder to certain Guamanians killed or captured by the Japanese at Wake Island; to the Committee on the Judiciary.

By Mr. ANDERSON:

S. 2094. A bill to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. CHAVEZ (for himself, Mr. KUCHEL, Mr. ENGLE, Mr. YARBOROUGH, and Mr. MORSE):

S.J. Res. 102. Joint resolution to authorize participation by the United States in parliamentary conference with Mexico; to the Committee on Foreign Relations.

Mr. KUCHEL subsequently said: Mr. President, earlier today the distinguished senior Senator from New Mexico [Mr. CHAVEZ] introduced Senate Joint Resolution 102, which provides generally that Congress shall explore and then authorize participation in a parliamentary conference with the Republic of Mexico. The joint resolution is similar to a joint resolution with respect to parliamentary relations with Canada, on which action was taken on Monday of this week.

I have the honor to be a cosponsor of the joint resolution together with my colleague, the distinguished junior Senator from California [Mr. ENGLE], the distinguished senior Senator from Oregon [Mr. MORSE], and the distinguished junior Senator from Texas [Mr. YARBOROUGH].

Because I apprehended that other Senators might wish to join as cosponsors of the joint resolution, I asked the Senator from New Mexico [Mr. CHAVEZ] if he had any objection to letting the joint resolution remain on the desk until the end of this week. He said he had no objection. Therefore, having cleared the matter with the acting majority leader, the distinguished Senator from Montana [Mr. MANSFIELD], I ask unanimous consent that the joint resolution may lie at the desk until the close of business on Friday.

The VICE PRESIDENT. Without objection, it is so ordered.

By Mr. ROBERTSON:

S.J. Res. 103. Joint resolution authorizing the National Geographic Society to erect a memorial on public grounds in the State of Virginia to honor Rear Adm. Richard E. Byrd; to the Committee on Rules and Administration.

By Mr. BEALL:

S.J. Res. 104. Joint resolution designating May 15 of each year as Peace Officers Memorial Day; to the Committee on the Judiciary.

ADDITIONAL TIME WITHIN WHICH CERTAIN STATE AGREEMENTS UNDER SECTION 218 OF THE SOCIAL SECURITY ACT MAY BE MODIFIED—AMENDMENTS

Mr. KERR submitted amendments, intended to be proposed by him, to the bill (H.R. 213) to provide additional time within which certain State agreements under section 218 of the Social Security Act may be modified to secure coverage for nonprofessional school district employees, which were ordered to lie on the table and to be printed.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATION BILL, 1960—AMENDMENTS

Mr. ALLOTT submitted an amendment, intended to be proposed by him, to the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. WILLIAMS of Delaware submitted an amendment, intended to be proposed by him, to House bill 7175, supra, which was ordered to lie on the table and to be printed.

ACQUISITION OF SELECTED NATIONAL SHORELINE AREAS TO PRESERVE SITES FOR PUBLIC RECREATIONAL USES—ADDITIONAL COSPONSOR OF BILL

Mr. NEUBERGER. Mr. President, the next time it is printed, I ask unanimous consent that the name of the able senior Senator from Colorado [Mr. ALLOTT] be added as a cosponsor of the bill (S. 2010) to save and preserve, for the public use and benefit, a portion of the remaining undeveloped shoreline area of the United States, and for other purposes, introduced by me on May 20, 1959, at the request of the administration.

The VICE PRESIDENT. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. SALTONSTALL:

Article entitled "United States Ignores Coast and Spawns Many Pearl Harbors," written by Senator MAGNUSON, and published in the New York Journal American on June 1, 1959.

By Mr. WILLIAMS of New Jersey:

Article entitled "Foreign Ministers Should Seek Permanent Status for Berlin," written by Representative CORNELIUS E. GALLAGHER, of New Jersey.

By Mr. GOLDWATER:

Article entitled "When I Learned I Had Cancer," written by RICHARD L. NEUBERGER, U.S. Senator, and published in Harper's magazine for June 1959.

NOTICE OF HEARINGS ON CERTAIN NOMINATIONS BY COMMITTEE ON FOREIGN RELATIONS

Mr. MANSFIELD. Mr. President, on behalf of the Committee on Foreign Relations, I desire to announce that the Senate today received the nominations of William M. Rountree, of Maryland, to be U.S. Ambassador to Pakistan, and of G. Lewis Jones, of the District of Columbia, to be Assistant Secretary of State for Near Eastern and South Asian Affairs.

In accordance with the committee rule, the pending nominations may not be considered prior to the expiration of 6 days.

ATMOSPHERIC TEST BAN ON NUCLEAR WEAPONS

Mr. CHURCH. Mr. President, since March 2, when I took the floor of the Senate to propose that the United States offer to the Soviet Union an atmospheric test ban on nuclear weapons, as a first step in the direction of a total ban, I have, from time to time, inserted in the RECORD editorial comment on that proposal.

In April the President made such a proposal to the Russian Government, which commenced an exchange of notes between Mr. Eisenhower and Mr. Khrushchev. The Soviets have not accepted the atmospheric ban proposal, but they have made counterproposals involving significant concessions. Thus the deadlock in the test ban conference, soon to reopen, has been broken; and the chances that we shall reach an acceptable agreement have been vastly improved.

In accordance with the practice I have followed, I ask for unanimous consent, Mr. President, that three editorials not previously published in the RECORD, which relate to my proposal, be printed in the RECORD at the conclusion of these remarks. The first two are from Idaho newspapers—the Idaho Falls Post-Register of April 26, and the Minidoka County News of April 27. The third is from Drew Pearson's column which appeared in the Washington Post on April 26.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Idaho Falls Post-Register, Apr. 26, 1959]

SENATOR CHURCH'S PLAN

Behind President Eisenhower's direct appeal to Soviet Premier Khrushchev for a ban on atmospheric nuclear tests is some fruitful spadework by Idaho's Senator FRANK CHURCH.

Whether President Eisenhower's appeal was entirely an outgrowth of the earnest work of Senator CHURCH may be arguable in view of the work in depth at Geneva itself by this Nation's representatives at the nuclear test ban conference. However, it certainly can be said that Senator CHURCH was on the scene early, if not first, plugging for this most significant proposal.

Senator CHURCH more than 2 months ago urged the State Department to seek such a control. And Senator CHURCH's breach-filling proposal came at a time when the Geneva talks were grinding to a stalemate. As a new member of the Senate Foreign Relations Committee, Senator CHURCH has seized upon and resourcefully pursued one of the most significant crossroads issues of our time. Uncontrolled fallout could dissipate the sweeping benefits which the atom promises. It could become the crushing antidote to the sweep of civilization itself.

Senator CHURCH rightfully considered his proposal a first step which could lead to a general ban. It was also couched in a control framework which scientists have assured could be accomplished with knowledge of present controls.

The plan would leave unaffected a signal benefit of nuclear tests, the use of underground explosives to clear harbors and to tap new oil and ore sources under the Plowshare atomic program. It is in the atmosphere where fallout can wreck its vengeance on man.

We can hope with Senator CHURCH, and the rest of the world, that Premier Khru-

shchev will find that fallout is no partisan for either communism or democracy.

[From the Minidoka County News, Apr. 27, 1959]

SANE PLAN FOR NUCLEAR WEAPONS BAN SEEMS DOOMED FOR FAILURE

We applaud the efforts of Idaho's Senator FRANK CHURCH in behalf of a ban in further nuclear weapons tests. His arguments are convincing and sound.

No matter how convincing and sound, however, we doubt that if, from a practical standpoint, it will be accomplished. Last October's conference on the problem among the United States, Britain, and Russia got exactly nowhere. The reason is that Russia is not about to submit to the type of controls that would be necessary to insure that such a pact is observed. Without such safeguards, it would be ridiculous for the United States to stop testing nuclear weapons. Our entire defense is now being built around them.

Another reason we doubt that such a pact can be reached in the new conference soon to get underway is that military leaders here, and in Russia, want to continue the tests. More time is needed to refine present earth-shaking arms and to find even new and greater methods of destruction.

The nuclear armament race, we fear, will continue. The world will continue to live in fear of the awful destruction that could come with atomic war and nations will continue to run the risks of seeding the atmosphere with alarming quantities of poisonous nuclear fallout.

[From the Washington Post and Times Herald, Apr. 26, 1959]

SENATOR CHURCH INSPIRED IKE LETTER

(By Drew Pearson)

Senator FRANK CHURCH, Democrat of Idaho, is not only the baby of the Senate but is not ashamed of it. "I'm like a bumblebee," he kidded himself the other day; "It's biggest when it's born."

Nonetheless, CHURCH has just inspired a vitally important note to Khrushchev which could preserve the health of thousands of children and might lead to real improvement in our relations with the Soviet Union.

It was President Eisenhower's letter to Khrushchev regarding the banning of in-the-air H-bomb tests which made headlines last week; but it was Senator CHURCH who, working quietly backstage, inspired the letter.

Early last February, CHURCH was studying our bogged-down talks at Geneva aimed at ending H-bomb tests and determined that something could be and must be saved from them.

Since the Russians were suspicious regarding international teams which would travel over Soviet territory to inspect underground explosions, CHURCH figured that we should make a compromise by banning tests above ground. These can easily be detected by dust particles floating in the atmosphere; thus inspection teams would not be necessary.

Accordingly, CHURCH wrote Acting Secretary of State Herter February 25: "As a last resort, in order that the conference might not break up accomplishing nothing, I would strongly urge that the United States make a final proposal: an agreement to suspend all further nuclear tests in the earth's atmosphere."

Herter wrote back March 4 that he was studying the idea. Later, CHURCH followed up by urging the compromise on Senator Henry Cabot Lodge, our U.N. Ambassador, when he appeared before the Foreign Relations Committee; again on James Wadsworth, U.S. Representative on Disarmament, when he appeared before Senator HUMPHREY's Disarmament Committee. Wadsworth said the State Department had the Church proposal in mind and might use it to prevent a failure at Geneva.

The young Senator from Iaho continued needling the State Department. Finally, 10 days ago, just as it looked as if the Geneva talks might go on the rocks, President Eisenhower embodied the Church proposal in a personal letter to Premier Khrushchev.

THE HARD MONEY POLICY AND HIGH INTEREST RATES

Mr. PROXMIRE. Mr. President, for the record and for the information and interest particularly of Senators and others who favor the hard-money policy and high interest rates, I call attention to what happened the last time—in April—prices were reported to the country and to the Senate.

On the basis of that information, it seems that overall prices increased and food prices dropped. The culprit in increasing prices was the cost of State and local governments. The increase in local taxes was principally responsible for the very sharp rises in prices during April.

I believe that anyone who reflects on what local government and State government do will recognize that a principal cost of operating local government frequently is the cost of financing the construction of hospitals, schools, streets, and any other kind of municipal endeavor which requires borrowing funds.

It is perfectly evident that the increase in interest rates, which has been immensely sharp during the past year, has been a principal reason for the increasing cost of State and local governments, and particularly for the increase in local taxes. The fact is that a 1-percent increase in interest rates means an increase in the cost of financing a school, a hospital, or a municipal building equal to 25 percent, yes, 25 percent, of the full cost of construction if financing covers 40 years. I commend this consideration to the attention of the members of the Federal Reserve Board, and I hope they will reflect on it. They are very able and thoughtful men, of great integrity; but I think they have accepted for far too long the classical Ricardian theory in regard to hard money and high interest rates. I hope their consideration of these matters will persuade them to consider the possibility of coming forward with a monetary policy which will be helpful to the country.

ADMIRAL STRAUSS SHOULD WITHDRAW

Mr. ANDERSON. Mr. President, today the Washington Post has published an excellent editorial entitled "Admiral Strauss Should Withdraw." I think the editorial recognizes the differences and difficulties into which people have gotten with respect to their support of the nomination of Admiral Strauss. The Washington Post finally has found out on its own what he said when he was asked about the possibility of the appointment of Mr. Erpf to head a Department of Commerce study of transportation. I ask unanimous consent that the editorial, which urges the withdrawal of the nomination of Mr. Strauss, be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ADMIRAL STRAUSS SHOULD WITHDRAW

It is now evident that even if Lewis Strauss is confirmed as Secretary of Commerce his position will be hopelessly compromised. Approval by the Senate, if it comes at all, is likely to be by a very slim margin. Enough doubts have been cultivated, enough animosities have been stirred, to indicate that Admiral Strauss' tenure as Secretary would be clouded by an obvious lack of congressional confidence. This would be harmful both to the Department of Commerce and to relationships between the Executive and Congress. In the circumstances Admiral Strauss would be wise to ask the President to withdraw his name.

The ironic aspect of the whole affair is that Admiral Strauss has created most of his own difficulties. A certain amount of criticism of his record on the Atomic Energy Commission—his obsessive secrecy, his defense of the Dixon-Yates contract, his persecution of Dr. Oppenheimer—was to be expected. But the criticism could have been surmounted. Even some of his critics acknowledge that if Admiral Strauss had come before the Senate Commerce Committee and answered questions candidly, conceding that as a human being he might have made one or two mistakes, in all probability he would have been easily confirmed.

What made the difference was Admiral Strauss' behavior before the committee, along with the ill-advised effort of some Republican champions to make the confirmation a party issue. Admiral Strauss seemed totally unable to give a simple and straightforward answer. He persisted in talking about questions which the committee did not ask him, weaving tortuously around those that were put to him. He showed a great infatuation with fine print, thereby often conveying substantial misinformation while leaving himself a tiny out. It was almost as if he sensed conspiracy in others because of his own elaborate preoccupation with the indirect and obtuse.

Even this bad impression might have been overcome if it had not been for the Erpf case, which not only demonstrated Admiral Strauss' deviousness but also reflected upon his judgment and sense of propriety. On May 11 Admiral Strauss told the Commerce Committee that he had a man in mind to head a Department of Commerce study of transportation. Asked by Chairman MAGNUSON whether this was Armand G. Erpf, a New York railroad financier, Admiral Strauss said "Yes." Mr. Erpf himself told this newspaper that Admiral Strauss had asked him last February to head the study, but that he had said he could not accept until Admiral Strauss was confirmed. In an interview with another newspaper published before the May 11 hearing, he told in some detail of his plans for the study.

Yet when an issue was raised over Mr. Erpf's possible conflict of interest as a large railroad stockholder and broker heading a study of governmental policy toward railroads, the Department of Commerce attempted to deny his role. A Department release, which on so delicate a matter could hardly have been made without Admiral Strauss' approval, stated that Mr. Erpf had not yet been appointed and that he "is one of a number of transportation experts who have been sounded out by Secretary Strauss as to their availability." Technically it may have been true that Mr. Erpf had not been formally appointed (he has now withdrawn from consideration), but in view of the background the Department statement represented far from the whole truth.

This newspaper until now has supported the confirmation of Admiral Strauss—though with increasing misgivings—on the theory that tradition and the spirit of the Constitution require a large amount of freedom for the President in his selection of Cabinet associates. Rejection of a Cabinet nominee is not a matter to be approached lightly; it has happened only once in 91 years. Disagreements with Admiral Strauss' policies (some of which disagreements this newspaper shares) would not be sufficient, in our opinion, for rejection. If the question were one of mere harassment, there would be reason for Admiral Strauss to stick it out.

But there is another constitutional issue at stake, and that is cooperation between the Executive and Congress. Admiral Strauss has failed to convince many Members of Congress that as Secretary of Commerce he would present the facts forthrightly in response to legitimate inquiries. The enmities he has aroused among normally conservative and unimpassioned men in the Senate, men who in almost every similar case have been disposed to go along with the President, bespeak the breakdown in Executive-congressional relations. There is widespread feeling on Capitol Hill that cooperation from Admiral Strauss would be impossible.

There will be a temptation among some Democrats, now that Admiral Strauss has made his bed, to let him lie in it. His case might be valuable for exploitation as a partisan issue. But that would not be good for the country, and it certainly would not be good for the administration. Withdrawal of Admiral Strauss' nomination, which would not imply the slightest reflection upon his patriotism, would be a realistic acknowledgment of the impasse that has arisen. If Admiral Strauss is confirmed his usefulness will have been compromised; if he is rejected he and the administration will be humiliated. These new difficulties can be avoided by withdrawal now.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to consider executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce:

Frederick Henry Mueller, of Michigan, to be Under Secretary of Commerce;

Carl F. Oechsle, of Massachusetts, to be an Assistant Secretary of Commerce;

Rosel H. Hyde, of Idaho, to be a member of the Federal Communications Commission;

Frederick Stueck, of Missouri, to be a member of the Federal Power Commission;

Earl W. Kintner, of Indiana, to be a Federal Trade Commissioner; and

George W. Hardy, Jr., and sundry other persons, for appointment in the U.S. Coast Guard.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the nomination of William B. Franke, of New York, to be Secretary of the Navy. In explanation of this request, I may say that the distinguished minority leader [Mr. DIRKSEN] informs me that Mr. Franke's nomination has been on the calendar for several days; the nomination was unanimously reported by the committee; and Mr. Franke is to make the graduation address at the Naval Academy tomorrow. So we should like to have the Senate act on the nomination prior to that time.

It is our intention to consider all nominations on the Executive Calendar at an early date. We are attempting to work out an arrangement to that end now.

I should like to have the Senate on notice that we shall have a yea-and-nay vote on the treaty on the Executive Calendar. That will probably be Thursday. We shall also have a yea-and-nay vote on the nomination of Mr. George M. Johnson. I anticipate that will be on Thursday. There may be other yea-and-nay votes on nominations on the Executive Calendar of which I am not aware, but I should like to have all Senators on notice that we expect yea-and-nay votes in connection with the Executive Calendar later in the week, when we can arrange a suitable time convenient to the minority leader and the minority members of the committees concerned and the chairmen of the committees.

I am informed that at least 200 copies of the hearing on the Strauss nomination will be available tomorrow. It is my intention to move the consideration of that nomination at a time shortly after those hearings and reports are available. I will try to be more specific as to the hour and the date once the hearings are available and I have had an opportunity to confer with the chairman of the Committee on Interstate and Foreign Commerce, the ranking minority member of the committee, and the minority leader.

I ask for action now on the nomination of William B. Franke to be Secretary of the Navy.

SECRETARY OF THE NAVY

The VICE PRESIDENT. The clerk will state the nomination.

The chief clerk read the nomination of William B. Franke, of New York, to be Secretary of the Navy.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask that the President be immediately notified of the confirmation of this nomination.

The VICE PRESIDENT. The President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

THE 13TH ANNIVERSARY OF THE ITALIAN REPUBLIC: A TIME FOR REJOICING AND A TIME FOR RENEWED EFFORTS TO TURN BACK THE COMMUNISTS

Mr. KEATING. Mr. President, today marks another milestone in the glorious comeback of the Italian people from the chaos of World War II. June 2 is the 13th anniversary of the birth of the Italian Republic, and I am proud to take this opportunity to salute the people of Italy for the heartwarming and inspiring manner in which they have built a new and stable democracy in Western Europe.

In the 13 years since proclamation of the new Republic, Italy has compiled a notable record of effort and accomplishment in internal reconstruction and rehabilitation. One needs only to consider how World War II shattered Italy's economy, fed the fires of inflation, led to unemployment, lowered the people's morale, and brought Italy to the brink of communism, to appreciate the great forward strides which have been made.

In the years immediately following the end of the Second World War, the grim specters of hunger and economic disorder stalked the land in Italy. The disorganized state of the economy fed the fires of political unrest, and the Communists seized upon the situation as a fertile breeding ground for agitation.

However, the Communists were turned back. In this great effort, two men in particular led the way. They were, of course, Pope Pius XII, whose stern opposition to the Communists has served to deter their machinations all over the world, and the first Premier of the Italian Republic, Alcide de Gasperi. The inspired and inspiring opposition of these two great men permitted Italy to stem the tide of Communist infiltration and to set to work to bring democracy and order out of confusion.

It is true, of course, that American assistance was invaluable in turning back the Communists and putting Italy on her feet. We in this country can be eternally proud of our part in this effort. But the main factor was the gritty determination of the Italian people, combined with the stern spiritual and moral vein and dedication to democracy and free opportunity, which have always characterized these noble people.

Today, Italy is a loyal and important member of the North Atlantic Treaty Organization. She is a powerful force in this organization which has helped build the security and prosperity of Western Europe.

Most recently, we have witnessed a further example of Italian courage in the face of repeated threats from Premier Khrushchev. The manner in which Italy's leaders have cooly ignored the heavyhandled saber-rattling emanating

from Albania, and have reaffirmed their allegiance to NATO, is a heartwarming illustration of Italy's determination to stick with the free world and oppose communism.

However, as we today salute Italy on the happy occasion of the 13th anniversary of the Republic, and as we rejoice in the progress which has been made, we must not be blind to the continuing dangers of communism in the area.

For today, a new crisis confronts Italy. The Communists are fighting tooth-and-nail, by every means at their disposal, to score a victory in the elections in Sicily on June 7.

Hoping to capitalize on various economic and political problems, the Communists have trained their heaviest propaganda guns on Sicily. They hope that splits in opposition parties will permit them to make serious inroads when the Sicilians go to the polls on the 7th of June. If they are successful, it will constitute their most important political victory in Western Europe.

Mr. President, we must not let that happen. I believe it is incumbent upon each of us to do what we can to steel the people of Sicily in their opposition to communism. We must help mount a counteroffensive similar in nature to that which helped turn back the tide of communism in Italy in 1948. At that time, many of us urged the American people to write to their friends and relatives in Italy, exhorting them to oppose the Communists. Literally thousands of letters went forth from America to Italy, and I know, from my firsthand observations and the testimony of numerous eyewitnesses, that that great mail campaign was a decisive factor in defeating the Communists.

The gravity of the situation today in Sicily demands equal, vigorous efforts on our part. In this connection, I pay special tribute to the Hearst Newspapers, which have consistently been in the forefront of efforts to warn the American people of the dangers of communism and to stop the Reds at every turn. Spearheaded by the New York Journal-American, a great campaign is under way to have Americans send a message of hope and courage to Sicily. Special boxes are being run in these newspapers, the first part in English, followed by a coupon in Italian.

I ask unanimous consent that the English translation may be printed in the RECORD at this point.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Is there objection?

There being no objection, the translation was ordered to be printed in the RECORD, as follows:

HELP SAVE SICILY FROM COMMUNISM

You can help the cause of world freedom by clipping this coupon and sending it air mail to a relative or friend in Sicily:

To the People in Sicily:

We Americans of Italian descent are worried about the confused political situation in Sicily. If the Communists win the June 7 elections, not only will the friendship of Italy, and America suffer but you, yourself, may suffer. We—your American brothers and sisters—want to see Sicily grow in prosperity and not become the political slave of a foreign, godless imperialism. Do not let Sicily fall into the hands of the Communists. Cast your vote on June 7 for the candidates pledged to fight communism.

Mr. KEATING. Mr. President, I understand that many of these coupons are today on their way to Sicily. I am sure they will help a great deal to spur opposition to communism at the polls there. My hat is off to the Journal-American and other Hearst newspapers for their fine leadership in this effort.

It is my hope that thousands of Americans will answer this call to curb the Communists. I urge every American to dispatch a message to relatives and friends in Sicily, calling upon them to spread the word that the Communists must be turned back at the polls. Unless we join with the other powerful forces opposing the Communists, they may well score a potent coup in their never-ending battle to undermine the free world.

It would be a sad aftermath of the 13th anniversary of the birth of the Italian Republic if Sicily were to fall to communism. This must not happen. In spite of the great temptations and troubles which beset them, I am hopeful the fine people of Sicily, who have contributed so much to the greatness of Italy, America, and the entire world, will be equal to this challenge.

NEEDED: MAJOR TAX REFORM

Mr. WILEY. Mr. President, my colleagues will recall that recently I introduced a bill, S. 1885, aimed at carrying out a major revision of our tax structure.

Since the measure was introduced, I have been delighted not only to get the reactions of a number of Senators desiring to cosponsor the bill, but an indication of major interest in groups throughout the country.

Particularly, I was pleased recently to note that the U.S. Chamber of Commerce, in its publication, Taxpayer's Dollar, carried an article on the need for tax reform.

In addition to commenting on the bill which I introduced, S. 1885, the article, "Congress Considers Major Tax Study," underscores the fact that such a study is long overdue. As stressed, the current tax structure is a bewildering maze of laws, regulations, court decisions, exemptions, exclusions, deductions, and the like.

I was most interested to note that, since the introduction of my proposed legislation, the tax-writing committee of the House of Representatives—the Ways and Means Committee, under the able direction of Chairman WILBUR MILLS—has indicated an interest in moving forward toward the objective of tax reform.

This action, I believe, only again emphasizes the very real need for a top-to-bottom overhaul of the tax system and the establishment of a top-level commission.

Recognizing that the U.S. Chamber of Commerce's publication reflects the interest of an important body of thought in this country, I request unanimous consent to have the article printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Taxpayer's Dollar, June 1959]

(By the Chamber of Commerce of the United States)

CONGRESS CONSIDERS MAJOR TAX STUDY

Senator ALEXANDER WILEY, Republican of Wisconsin, recently called Congress' attention to mounting dissatisfaction with the present Federal tax system when he proposed the creation of a Commission on Federal Taxation. The purpose of the Commission would be to conduct a top-to-bottom survey of the present tax structure and recommend reforms. In introducing his bill (S. 1885) to establish the Commission, Senator WILEY stated:

"Over the years, the tax structure has developed through a complex process of enactment of new laws, repeal of old ones, and extensions, and/or other revisions of the statutes on the books.

"During this period, there have been tremendous changes in the economy. Insofar as possible, the tax structure should reflect these changes and be adapted to meet the needs of the Nation today.

"The basic principles governing tax reform are: (1) Taxes should be based on ability to pay; (2) taxes should allow reasonable incentive to earn, to grow, to expand; and (3) insofar as possible, taxes should be nondiscriminatory. In addition, the tax policy should promote efficiency, stability, equality and justice."

Joining with Senator WILEY as cosponsors of the bill were seven other Senators with both political parties represented.

TIME IS RIPE

Although a similar proposal by Senator WILEY 2 years ago did not progress far in the Congress, proponents of establishing a commission point to two important factors which should work in favor of the present bill.

1. The fiscal outlook for the Federal Government eliminates any realistic hopes for major tax reduction in the immediate future. This period could be very well spent in a comprehensive review of the present structure and the development of recommendations for revitalizing the taxing system when conditions permit.

2. Members of Congress have noticed a growing tax consciousness on the part of their constituents which could indicate strong public support for establishing a commission to study the tax structure. With actual or proposed increases in State taxes occupying an increasing amount of space in the press, taxpayers are understandably becoming more critical of their total tax burdens.

STUDY IS LONG OVERDUE

Despite the many revisions which have been made in the Federal taxing system since its inception, the last time the system was subjected to a searching and comprehensive analysis by a body such as presently proposed was in 1865. The appointment of the U.S. Revenue Commission by the Secretary of the Treasury was an innovation in American practice, but there were frequent precedents in both Great Britain and France. Although the tax structure at that time was quite uncomplicated by today's standards, it was felt that, with the Civil War ended, Federal taxes should be geared to a peacetime economy in a manner which would encourage the Nation's economic growth.

Our present system has evolved since that time in a peacemeal fashion to a degree of complexity that baffles the average taxpayer. He is confronted by the bewildering maze of laws, regulations, court decisions, exemptions, exclusions, deductions, and the like

which are so much a part of the present system.

The nationally shared ironic experience of having to grope through this maze in order to pay out a large share of one's earnings would seem to indicate that the proposal to establish a Tax Commission will receive considerable support from the taxpaying public generally.

THE CHRISTIAN SCIENCE MONITOR SALUTES OREGON'S CENTENNIAL OF STATEHOOD

Mr. NEUBERGER. Mr. President, the distinguished nationally circulated newspaper, the Christian Science Monitor, dedicated the front page of its second news section for May 28, 1959, to the centennial of my home State of Oregon.

Among the features of this special, illustrated salute to Oregon's 100th birthday is a well-written article by Mr. Malcolm Bauer, associate editor of the Portland Oregonian and a special correspondent of the Monitor, which describes Oregon after its first century in the Union. Also included are brief statements by my distinguished senior colleague [Mr. MORSE] and me.

I ask unanimous consent that these three articles, together with a partial calendar of Oregon centennial events which was also published in the Christian Science Monitor, be printed in the body of the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor, May 28, 1959]

OREGON CENTENNIAL

(By Malcolm Bauer)

PORTLAND, OREG.—As it marks the turn of its first century, Oregon is relatively a youngster among the States, and it is young, too, as settled country. When the Original 13 States united to form the Federal Republic, white men had yet to set foot on the Pacific shore of what is now Oregon. The discovery of the legendary great river of the West, the Columbia, the major feature of the Oregon country, waited until 1792. Captains Lewis and Clark made their way westward on the first overland journey to the Pacific only a century and a half ago.

The lyrical name Oregon, was not generally on people's lips until William Cullen Bryant published his "Thanatopsis," in 1817.

Thus when Oregon became the 33d State of the Union, on Feberuary 14, 1859, it was a land but a few years out of the wilderness. Portland was a village of a few hundred residents, carved out of the fir trees that grew to the banks of the Willamette River nears its confluence with the Columbia. Two early settlers had stood on the site a few years before and flipped a coin to determine whether the new town should be named for Boston, Mass., or Portland, Maine. There were no more than 50,000 residents in the entire State.

FAST-GROWING STATE

Now, a century later, Oregon is a fast-growing part of the fastest-growing region in the Nation. Portland is the center of a metropolitan region of nearly one million residents. Oregon wheat, fruit, berries, frozen foods, grass seeds, aluminum, and lumber go to markets around the world. More people roll into the State over the black topped Oregon Trail (U.S. Route 30) in 1 day than came in the entire year of the great migration of 1843.

Oregon has today the same attractions that drew the wagon trains over the 2,000 miles of anguish that was the Oregon Trail of 1841 and after. It has the land, the water, the trees, and the climate.

These resources promise a second century of progress and development no less remarkable than the first.

"The soil in this valley and in many other portions of the territory," a settler of 1843 wrote to friends in the Midwest, "is equal to that of Iowa or any other portion of the United States, in point of beauty and fertility, and its productions in many articles are far superior, particularly in regard to wheat, potatoes, beets, and turnips."

LEADING WHEAT STATE

The same could be said today, with, perhaps, some enlargement. Oregon is one of the leading wheat States, and specialization has proved the particular qualities of its soil for orchard fruits and berries. The greatest strawberry acreages in the world are almost within sight of Portland.

Agriculture is the State's second industry. Its first is lumber. No other State or region of comparable size in the world cuts and markets as much lumber as does Oregon. And this preeminence is likely to endure, for advances in fire prevention and protection and pest control have eliminated major natural losses in the forests; and the adoption of scientific methods and cutting cycles is bringing the forests to a point at which they will sustain a perpetual timber crop. Lumber has come to be harvested in annual cycles as are most other commercial products of the soil.

The third industry in volume of revenue is tourism. The growing awareness of Oregon's unique endowments in natural beauty and comfort promises that this may one day be the State's first industry. Oregon's mild climate—summer and winter—has attracted many emigrants from the harsher reaches of the East and the Midwest.

NATIONAL SEASHORE URGED

The National Park Service has recommended the creation of a 35,000-acre Oregon National Seashore along the central Oregon coast, emphasizing the natural merits of a 400-mile coastline that has been called "the most beautiful in the world."

Water is an invaluable Oregon resource. The Oregon country of the early 19th century was the only part of the Old West that had enough water—and to spare. Today, with water at a premium almost everywhere, this remains true.

The development of the Columbia River, which began systematically only a little more than 20 years ago, has brought a variety of benefits from water. Thousands of new acres are brought into production each year by irrigation from water stored behind dams in the Columbia and its tributaries, dams which also manufacture low-cost electricity to turn the wheels of Oregon industry.

There are yacht clubs now in the high plateau lands over which the early wagon trains rolled through parched sage. The water, as it is controlled and distributed, is another great recreational asset.

Oregon, in this centennial year, is a green and growing land, the physical embodiment of the dream that drove the pioneers along the Oregon Trail long years ago.

[From the Christian Science Monitor, May 28, 1959]

TWO SENATORS SPEAK

(By Hon. WAYNE MORSE, U.S. Senator from Oregon)

A centennial year, such as we are celebrating in Oregon this year, is a time for both retrospect and prospect. In my judgment, the long-range outlook for Oregon is a very bright one. It is bright in terms of population growth and economic growth. It is bright in terms of the better educational opportunities that have long been traditional in our State.

It is bright, above all, in that our Oregon people, whose forebears came from New England, the border States and the South, and from the Basque country, Finland, Scandinavia, Germany, the Alps and the Mediterranean in Europe, and from China and Japan in the Pacific, represent the whole United States. In their continued dedication to the civic and moral value the people of Oregon firmly endorse the operation of the democratic process.

Although our rapid population growth has brought temporary problems, I am confident that just solutions to these problems can and will be found. Our material wealth of great forests, ocean and beach, productive farms and bountiful orchards, our rich mines and huge aluminum plants, our sheep, cattle and busy shipping centers all provide the economic base upon which our people can build productive and satisfying lives.

I base my prediction, too, upon the fact that our people are well educated and determined that their children shall be given a full opportunity to realize their capabilities. The public library in Portland alone is now lending in excess of 2½ million books a year and we are expanding our school system, public, private, and collegiate, at a rapid rate.

One impression is worth a thousand words. I hope that tens of thousands of visitors will come to see us this year for I am sure they will return home with memories of our unforgettable scenery and warmed by recollections of our friendly welcome.

(By Hon. RICHARD L. NEUBERGER, U.S. Senator from Oregon)

After a wilderness excursion in Oregon many decades ago, Rudyard Kipling exclaimed: "I have lived." The great writer's enthusiasm is easily appreciated by any resident of our State, be he native son, or recent newcomer.

Where else do snow, mountain, and blue sea blend so majestically? On its 100th birthday, Oregon owns completely the allegiance of all who have come within the influence of its overpowering scenic grandeur.

Furthermore, the people who dwell in this storehouse of outdoor beauty have created a civilization of a high order. When the Army gave its GIs educational tests during the Korean crisis, only those from Minnesota ranked higher than soldiers from Oregon among the then 48 States. Oregon was the first State to bring about direct election of Senators, to inaugurate the initiative, and referendum and recall, to institute protective laws safeguarding women and children in industry.

Yet, in its centennial year, Oregon is not without major problems. Nearly 70 percent of all industrial payrolls are reliant on forest products. Lumber lags whenever housing is down because three-fourths of the output of Oregon sawmills goes into residential construction. Oregon has had relatively high unemployment during recent winters. Major fiscal problems face the State as it seeks to provide services made necessary by an expanding populace.

But when one considers Oregon's tremendous resources, the future is bright. Oregon has magnificent harbors which front on the rich Pacific Ocean frontier. Many of these, such as Yaquina Bay and the mouth of the Columbia, are being deepened to accommodate more water traffic, thanks to recent legislation. In the Columbia River lurks 40 percent of this country's latent water power—cheap power to turn the wheels of the industrial diversification which Oregon needs. Another St. Lawrence Seaway of

kilowatts and navigation is possible on the mighty Columbia.

In addition, Oregon has a skilled, reliable, and well-educated labor force. Oregon's general climate—temperaturewise and governmentwise—appeals to the young attorney and businessman as well as to the retiree.

The story of Oregon's first century is rich in the exciting lore of the taming of a "Wild West" frontier; Oregon's second century with its opportunity for industrial development offers the exciting promise of a frontier of the future.

[From the Christian Science Monitor, May 28, 1959]

A CALENDAR

Here is a partial calendar of events commemorating Oregon's Centennial of statehood:

May 28–31: Centennial Exposition Art Exhibit Preview, Corvallis.

May 29–30: Azalea Festival, Brookings.

May 30: Rogue River Boat Races, Grants Pass.

June 5–6: Miss Oregon Pageant, Seaside.

June 6: "1862 Days" celebrating discovery of gold, Canyon City.

June 7–8:4–H Club Wagon Songfest, wagon train departs Medford for Corvallis.

June 9–14: Art Festival in park blocks, Portland.

June 10–14: Portland Rose Festival, Portland and Mount Hood.

June 10: Opening of Oregon Centennial Exposition and International Trade Fair, Portland.

June 21: McKenzie River White Water Parade, east of Eugene.

June 23–24: International Folk Dance Meet, Portland.

June 25–27: Strawberry Festival, Silverton Hills.

June 27: Dedication of salt cairn established and used by Captain Lewis and Clark in 1805–06, Seaside.

July 2–4: Old Oregon Trail Stampede, Baker.

July 2–5: Timber Carnival World Championships, Albany.

July 3–5: Water Pageant, Bend.

July 3–5: National Intercollegiate Rodeo Finals, Klamath Falls.

July 4: Historical train excursion, Hood River to Parkdale.

July 17–19: Trappers' Rendezvous, Canyon City.

July 18–26: National Indian Encampment, Pendleton and Ukiah.

July 19: Centennial Boat and Water Ski Races, Corvallis.

July 19: Groundbreaking for Fort Clatsop National Memorial Park, at Lewis and Clark's trail's end, south of Astoria.

July 23: McLoughlin Tea, John McLoughlin House, Oregon City.

July 25–26: Agate Exposition, Delake.

July 25–26: Welcome to Overland wagon train, Vale and Nyssa.

July 25–26: Launching of *Morning Star*, replica of first Oregon-built ship, *Tillamook Bay*.

July 27–30: National Field Archers Association Tournament, Bend.

July 28–September 5: Oregon Shakespearean Festival, Ashland.

July 31–August 1: Square Dance Jamboree, Portland.

July 31–August 2: Chief Joseph Days, Joseph.

August 1: Old-time school reunion, Prineville.

August 1–2: Gold rush jubilee, Jacksonville.

August 2: Pioneer Pageant, Albany.

August 7–9: Douglas County Timber Days, Sutherlin.

August 8: Northwest Posse Show and square dance festival, St. Helens.

August 8–23: Outdoor amphitheater festival of music, Washington Park, Portland.

August 9: Fly-in fish fry, Pacific City and woods.

August 13–15: Western Oregon Exposition, Cottage Grove.

August 15: Scotch Highland games, Portland.

August 21–23: Oregon Coast art festival, Delake.

August 22–23: Nehalem Bay regatta, Nehalem.

August 26–31: Astoria regatta and Oregon fish festival, Astoria.

August 27–30: National orchid society show, Portland.

September 3–7: San Francisco Opera, Portland.

September 5–7: Centennial sing-song, Medford.

September 5–7: Illinois Valley miners' and lumbermen's jubilee, Cave Junction.

September 5–12: Oregon Centennial State Fair, Salem.

September 12: Cowbelle chuckwagon breakfast, Burns.

September 13–19: Coquille River Days, Coquille.

September 16–19: Roundup and Happy Canyon pageant, Pendleton.

September 17 : 110-day Centennial Exposition closes, Portland.

September 19: Coast salmon bake, Depoe Bay.

September 22: White Water boat races, Port Orford.

WILDERNESS PRESERVATION BILL

Mr. NEUBERGER. Mr. President, the St. Louis Post-Dispatch of May 21 has published a most impressive editorial listing the widespread bipartisan support which has been given to the wilderness preservation bill, S. 1123, which was introduced by the distinguished senior Senator from Minnesota [Mr. HUMPHREY] on February 19, 1959.

I am pleased to be listed with some of my distinguished colleagues as a cosponsor of this worthy legislation. I ask unanimous consent that the thoughtful editorial from the St. Louis Post-Dispatch be printed in the body of the CONGRESSIONAL RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PASS THE WILDERNESS BILL

A bipartisan group of 17 Senators—12 Democrats and 5 Republicans—is sponsoring the reintroduced bill to create a "national preservation system for the permanent good of the whole people." Its purpose is, as Senator HUMPHREY puts it, to "preserve the remnants of unspoiled wilderness lands still remaining in our national forest, parks, and wildlife refuges."

For the first time the Government would recognize the heritage of pure wilderness and protect it against grazing, timbering, and even roads and picnic grounds, and no bureau chief or Cabinet officer could alter this policy by Executive order. Specific areas of the national lands would be set aside, and new land would be bought for wilderness preservation if necessary.

The way the sponsorship of this bill spreads from coast to coast and joins both parties is a testimonial to it. Besides Senator HUMPHREY, of Minnesota, the Democratic backers are Senators DOUGLAS, of Illinois; CLARK, of Pennsylvania; LAUSCHE, of Ohio; PROXMIRE, of Wisconsin; WILLIAMS, of New Jersey; MANSFIELD and MURRAY, of Montana; MORSE and NEUBERGER, of Oregon; and BYRD and RANDOLPH, of West Virginia. The Republicans are Mrs. SMITH, of Maine, and WILEY, of Wisconsin; MARTIN, of Iowa; LANGER, of North Dakota; and MUNDT, of South Dakota.

Proper users of the wilderness lands, cattle grazers, for example, would be amply protected. The wilderness bill has been revised for that purpose. But at the same time, these bits and corners of the national heritage would be marked for retention in their natural state, free from the despoliation that so often goes with occupation by humankind.

A great deal of misinformation is being spread in opposition to the wilderness bill by selfish interests which hope to prevent its passage. Surely a bill with so much merit that it brings together Mrs. SMITH and Senator MUNDT on the Republican side, Senator LAUSCHE and Senator DOUGLAS among the Democrats, will not be obscured by misrepresentation, no matter how expertly contrived.

TRIBUTE TO FRANCE

Mr. GRUENING. Mr. President, one bright spot in the international picture is the recovery of France. It is a heartening and gratifying development, and one which ought to be particularly satisfying to Americans, for Americans should never forget, and we would do well often to remind ourselves of the close association and friendship which has existed between our Republic and the French Republic. Americans should never forget the tremendous assistance which France gave us in the securing of our independence through Lafayette, Rochambeau, and De Grasse. I will not turn the pages of history to detail how crucially valuable that French support was to the American Revolution and to the birth of our Nation. Likewise, we should never forget that within our own times France and the United States were allied in the desperate conflict against militarism and totalitarianism in World War I and World War II. Tens of thousands of our boys lie buried in the soil of France, young Americans who gave their lives to the cause of democracy and freedom, to which our two nations were jointly dedicated. The French losses in those wars were even far more staggering, and they go far to explain France's difficulties in recent years. France's finest blood was shed on her battlefields.

It is significant in this chaotic epoch of world revolution and rising totalitarianism that France is the only major nation on the European Continent which has never succumbed to totalitarianism, either of the right or of the left. Despite its internal governmental difficulties, France has never gone either Fascist or Communist. Of no other continental power is that true. The love of liberty is enshrined in the hearts of Frenchmen as in the hearts of Americans.

The Statue of Liberty, at the entrance to New York Harbor, the gift of France, is a visible symbol of the strong tie that has bound and binds Americans and Frenchmen. Indeed, France has itself carried the torch which the Statue of the Goddess of Liberty holds aloft. France has kept that torch of liberty and civilization lighted in Western Europe for nearly 2,000 years.

In this connection, I ask unanimous concent that there be printed in the CONGRESSIONAL RECORD, at the conclusion of my remarks, a special dispatch to the

New York Times by Robert C. Doty, the first article of a series headed "One Year of De Gaulle," and subheaded "Prestige and Stability Have Returned to France Under His Fifth Republic."

Likewise, I wish to have printed, following these remarks, an editorial, also from yesterday's New York Times, entitled "De Gaulle Wins in Algeria."

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alaska? The Chair hears none, and it is so ordered.

(See exhibits 1 and 2.)

Mr. GRUENING. Mr. President, these two inserts pay a tribute to the great leader and patriot who has reemerged in France and is leading that country in the paths of stability and democracy. For while President De Gaulle has wisely put an end temporarily to the parliamentary confusion which existed for so many years in France and resulted in the frequent overturns of government after government, he received a mandate to do this in a popular election. His is, in the fullest sense, a government by consent of the governed.

As the New York Times points out editorially in its comment on the victory of the moderates in the senatorial elections in Algeria:

> The goal that President De Gaulle seeks for Algeria has always been an ideal one for that territory and for France. "What the Government wants," he wrote in December, "is for Algeria, through her trials and in spite of all delays, little by little to reveal, thanks to the action of all France, her essential self." It is his conviction that this "self" is a state of mind, and feeling that will keep Moslem Algerians, European Algerians, and Frenchmen in harmony within a single political community which would bring economic well-being and juridical equality to all.
>
> It is a noble ideal, and men of goodwill everywhere must pray it comes to reality. A long time is needed, patience and the restoration of peace. The decisive question all along has been whether, in the modern atmosphere of nationalism and so-called anticolonialism, it is ever possible to find a solution short of independence. The experiences of Africa, the Middle East, and southeast Asia are not encouraging.

I salute France and our good friends the French people, and trust and pray, as does the New York Times, that the noble ideal expounded by President De Gaulle may become a reality. His leadership to date affords hope that he may achieve that goal so desirable not merely for France, but for the peace of a troubled part of this seething world.

EXHIBIT 1

ONE YEAR OF DE GAULLE, I—PRESTIGE AND STABILITY HAVE RETURNED TO FRANCE UNDER HIS FIFTH REPUBLIC

[From the New York Times, June 2, 1959]

(By Robert C. Doty)

PARIS, JUNE 1.—A year ago today Gen. Charles de Gaulle took over as a receiver in bankruptcy—political and financial—for the Fourth French Republic.

Governmental authority had broken down before an army revolt in Algeria, French prestige and French money were at a discount around the world. French individualism, permitted to run riot within the loose framework of the 1946 constitution, had produced governmental impotence fast sliding toward anarchy.

The great mass of the French people watched the death throes of the Fourth Republic dry eyed and passive. The voices raised in its defense were too weak, too compromised by identification with the republic's failures to mobilize popular sentiment to save it.

And, just offstage, really sinister forces—tough, authoritarian Fascists and Communists—girded for battle over the succession.

By adroit political sleight of hand, a small group of dedicated Gaullists turned the numerous and conflicting currents of discontent toward General de Gaulle.

RETIREMENT ENDS AT 67

On June 1, 1958, the wartime Free French leader came out of retirement at the age of 67 to demand and receive from a frightened and demoralized Parliament full powers to reshape French institutions and put the nation back on the rails.

In return, he gave the assurance that the new institutions would be republican ones and that traditional French liberties would be maintained.

To most nonpartisan observers the first year of Gaullism shows a clear balance on the credit side of the ledger.

The Fifth Republic with a strong stable executive—a presidential system masquerading as a parliamentary one—has been established. As the all-powerful Premier during a 7-month-long transitional period and as President since January 8 under a new constitution, General de Gaulle held and holds the legal tools that give him dominance.

ARMY RETURNS TO OBEDIENCE

But, despite the vastly increased executive powers, the machinery for expression of popular will is in place and even President de Gaulle could not long impose policies inimical to the majority.

The army, in the last analysis the ultimate arbiter in any domestic test of strength, has been returned to obedience to the civilian power. Critics of General de Gaulle assert that this is a fragile and provisional obedience that would not survive a severe test, that the President has merely skirted the issue by refraining from action—negotiations with the Algerian rebels, for example—that would run counter to the will of the army.

However, his position has become strong enough to permit him to order the army to discipline the civilian extremists in Algeria, who were its allies in the 1958 revolt.

President de Gaulle has had the authority to impose on the most powerful pressure groups—the farmers, the workers, the taxpayers, the veterans and the beneficiaries of social security—the sacrifices necessary to bring about a vast improvement in the economic and financial outlook. The franc, selling at a 20 percent discount a year ago, has survived a new devaluation to become stronger on the world markets than it has been in a generation.

Finally, the morale of the average Frenchman seems to be higher now than at any time since the transient euphoria of the immediate postliberation period. Criticism of General de Gaulle now stresses his failure to solve in 1 year the problem of the Algerian rebellion, with which his critics of the old regime struggled in vain for 4 years and the vague, doctrinaire, philosophical strictures against the centralization of authority in the Fifth Republic.

HUMILIATION ENDED

But President de Gaulle seems to have won the gratitude of the average Frenchman for having restored to him a sense of being governed, for having ended his semiannual humiliation before the world, the humiliation of the government crisis.

Against this record must be placed the inherent weakness of the great man concept of government—succession. There is currently no one on the political horizon to whom the French would be willing to entrust the extensive powers General de Gaulle holds. The system is not designed to encourage the growth of crown princes.

For this reason, the fifth Republic has something of the air of a temporary expedient, a regime designed to fit a man instead of a country. Gaullism without General de Gaulle is inconceivable. The President's removal from the scene, by death or the end of his 7-year term, would almost certainly entail new modifications of the French institutions.

By reducing the role of Parliament, debasing it, according to critics of Gaullism, President de Gaulle has sought to remedy the manifest evils of government by assembly. Depending on the long-term public reaction to this situation, the Parliament could either atrophy or try to reassert its primacy.

In 12 months General de Gaulle and France have learned quite a lot about each other.

The De Gaulle of 1959 is quite a different man than the one who abandoned power in disgust in 1946 and threw the keys in the gutter. A dozen years of isolation and reflection have taught him patience to outwait and outmaneuver the opposition, instead of trying to ride it down. He is not a soldier in politics but a politician who has been almost incidentally, a soldier.

President de Gaulle is democratic and republican only by intellectual conviction. By instinct he is aristocratic and monarchist. As a result, his regime is one of republican forms in a court atmosphere.

Most of the people around the President serve him as they would a sovereign devotedly and uncritically. Indeed, one distinguished foreign diplomat has come to the conclusion that the greatest weakness of the Gaullist republic is the shortage of men around the President who will tell him things that will displease him. This is the constraint of respect, rather than fear.

The aids probably feel that it would be as presumptuous for them to explain or interpret France and French affairs to President de Gaulle as it would be to explain and interpret a wife's moods to her husband.

For the central motivation of General de Gaulle, the source of his power and current popularity, is his long, long love affair with France. He has achieved a deep, instinctive, semimystical identification with his country, a conviction that France can never be less than great.

In the last year he has succeeded in rekindling this concept in French minds to displace the cynicism generated by the failures and disappointments of the postwar era.

EXHIBIT 2

[From the New York Times, June 2, 1959]

DE GAULLE WINS IN ALGERIA

The results of the senatorial elections in Algeria on Sunday confirmed the trend in favor of the moderates against the diehard integrationists. As such it was a good result for President de Gaulle and his efforts to build up popular support for an Algerian community that will remain attached to France.

As with the senatorial elections in metropolitan France at the end of April, this outcome was foreseeable. The electors were made up of deputies and municipal councilors elected last November and April. Their moderate and even conservative composition was known. It stood to reason that they were going to elect moderates and not European ultras demanding integration or Moslem nationalist extremists favoring immediate independence.

The importance of the results is not diminished by the fact that they were expected. They prove that General de Gaulle's patient, long-range policies and desire to ar-

range a peace of the brave have wide support in Algeria. It has long been evident that a great majority of the people are utterly weary of the cruel war that has now continued for 4½ years. However, the Algerian rebels who are fighting did not vote—and they go on fighting.

The goal that President de Gaulle seeks for Algeria has always been an ideal one for that territory and for France. "What the Government wants," he wrote in December, "is for Algeria, through her trials and in spite of all delays, little by little to reveal, thanks to the action of all France, her essential self." It is his conviction that this self is a state of mind and feeling that will keep Moslem Algerians, European Algerians and Frenchmen in harmony, within a single political community which would bring economic well-being and judicial equality to all.

It is a noble ideal, and men of good will everywhere must pray it comes to reality. A long time is needed, patience and the restoration of peace. The decisive question all along has been whether, in the modern atmosphere of nationalism and so-called anticolonialism, it is ever possible to find a solution short of independence. The experiences of Africa, the Middle East and southeast Asia are not encouraging.

PROPOSED AMENDMENTS TO MUTUAL SECURITY ACT

Mr. GRUENING. Mr. President, yesterday, at the conclusion of his remarks, I paid tribute to the distinguished Senator from Montana [Mr. MANSFIELD] for his very astute observations concerning the mutual security program and the need for the Congress to remold its form and direction.

On rereading that speech in the RECORD this morning I am again impressed with the Senator's thoughtful appraisal of the situation we in the Congress face in attempting to reassert congressional controls over our sprawling foreign aid programs.

He may be certain that his proposals for specific amendments will have the most careful consideration and, to the extent they are consistent with my own ideas about these programs—and I believe they are in most respects consistent—they shall have my support.

My only hesitancy stems from my belief that, while his proposals are clearly steps in the right direction, they must be coupled, it seems to me, with procedural budgetary and accounting reforms which will give meaning and effect to achieve fully the "new look" in the foreign aid program.

More is needed in the way of controls than removing the veil of secrecy—although that in and of itself is an important action.

More is needed than training the searchlight of publicity upon every nook and cranny of our foreign aid program.

What will it profit us to know if all that is brought to our attention are illustrations only of what has been done in the past and illustrations of things that might, or might not, be done in the future?

One of the great distinguishing features of the mutual security program—that is, a feature which distinguishes it from domestic programs—is that those administering the program are permitted, year after year, to come before the Congress to justify requests for funds on the basis of skimpy data and projected future expenditures for purposes to which they do not consider themselves bound.

In this year's presentation, for example, in the request for economic assistance, $7,450,000 has been requested for Brazil as compared with the estimate of $5,500,000 for the last fiscal year. We are told in broad generalities the subjects which will be aided, i.e., public and business administration, agriculture, education, public health, and so forth. Under each of these headings we are given some illustrations of what might be done.

But these are not firm commitments.

We may find that by the end of the next fiscal year $10 million has been granted to Brazil and that the additional amount has been spent on a road, or on teaching highway safety, or on any other project decided upon by the program administrators. Even if the grant stays within the $7,450,000 indicated, the emphasis can be shifted completely within the sole and uncontrolled discretion of the people charged with the administration of the program.

With all due deference to the greater knowledge and experience in these matters possessed by the distinguished Senator from Montana, I would suggest to him that unless his suggestion is coupled with budgetary and accounting controls along the lines of the ones I have suggested through an amendment to the Mutual Security Act the program will still take the direction and fit into the mold determined by the program administrators and not by the Congress. Their opposition to the Mansfield amendments even before they had seen them, even before they had been introduced, as the Senator from Montana stated on the floor yesterday, is a clear indication that any and all attempts to modify the administration's mutual security programs and procedures will be strongly resisted.

OUR HISTORIC FREEDOMS—WHERE DO THEY STAND TODAY?

Mr. MURRAY. Mr. President, every American is vitally concerned with the role of the Supreme Court of the United States in preserving the historic American freedoms embodied in our Bill of Rights. There is now pending before this Congress legislation which not only would seriously restrict the Court's authority in the future to protect individual rights, but which also would, in effect, constitute a rebuke to the Court for its valiant stand in the past. Recently the American Bar Association adopted a resolution calling for favorable action on legislation of this kind by the Congress.

In view of its fundamental importance and timeliness, I ask unanimous consent that there appear in the body of the RECORD, following my remarks, the text of an address by the Honorable Walter L. Pope, Chief Judge of the U.S. Court of Appeals for the Ninth Circuit, which he delivered before the Fresno County Bar Association, at Fresno, Calif., on Law Day, May 1, 1959.

In this address Judge Pope deals directly with the action of the American Bar Association and sets forth in clear, vigorous terms the basic issues.

Prior to his appointment to the Ninth Circuit Court of Appeals, Judge Pope was a distinguished leader of the bar of Montana. He served on the faculty of the University of Montana, and from 1937 to 1941 he was Special Assistant to the U.S. Attorney General in the Federal Government's case over the Northern Pacific land grants. On the Federal appellate bench, first as judge and then as chief judge, Walter Pope has become one of our truly great jurists. Even lawyers on the losing side of a case praise him for his eminent fairness and courtesy, for his perceptiveness, and for the depth and breadth of his legal knowledge and scholarship.

In his address to the Fresno County Bar Association, Judge Pope again has shown himself to be a warrior as well as a scholar, and I commend his clear, vigorous, timely statement on one of the basic issues of our day to the attention of every Member of the Congress.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

OUR HISTORIC FREEDOMS: WHERE DO THEY STAND TODAY?

(Address by Walter L. Pope before the Fresno County Bar Association, Fresno, Law Day, May 1, 1959)

It is fitting and proper that on this day members of the organized bar should attempt to explain, in meetings such as this, the meaning of law and its place in our society. In so doing I think we are interested not merely in law in the abstract, as a set of rules prescribing men's duties and liabilities, but more particularly, in our peculiar American constitutional system of law which in such large part accounts for our American way of life, our cherished individual liberties and human freedom.

For an understanding of this we must recall the problems that confronted our forefathers when they first brought forth the new Nation and framed our Constitution. They faced those problems from a background of religious and moral belief. They believed in a divine providence, a power superior to any manmade institution, to any king or parliament. In the Declaration of Independence Thomas Jefferson and his associates had said: "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness."

As suggested by that declaration's recital of grievances these men had seen oppresssion and abuse of power. They had fresh in their minds the absolute power of the kings of France, the misgovernment of the Stuarts in England, the abuse of absolute power by Westminster toward the Colonies. They admired the common law which had taught the English King that he was subject to law. They even distrusted their new Federal Government and would not ratify the Constitution until the first eight amendments were added as a Bill of Rights.

Thus was written into our fundamental law the concept of due process of law, of freedom of speech and of the press, of the right to trial by jury, along with the right to the writ of habeas corpus, and the prohibitions against bills of attainder, ex post facto laws, and double jeopardy.

This was a profound concept. Under other systems of law it is only the citizen, the subject, to whom the law's commands are directed. With us the Bill of Rights commands the sovereign, the Government itself. In behalf of the individual, no matter how humble he be, our law says "no" to the State when it would infringe his protected liberties and freedoms.

It is sometimes difficult for us to appreciate how these built-in protections for our freedoms have affected the way Americans have learned to live and to think. Until recently we have never known any other system—we have never lived in a totalitarian, police state.

Two years ago a 19-year-old boy, one of those who had just escaped from Hungary, was riding in Burlingame with a friend of mine who spoke his language. Suddenly the boy clutched his pocket, and with fear in his voice, cried: "I must go back. My identification card, I left it in my room. The police, they will arrest me.

We Americans have always walked and talked without fear. If the police tapped our telephones, they could not use what they heard against us. They could not, without a search warrant based on proof before a magistrate, search our homes. If they obtained evidence by unlawful arrest or coerced confessions, it would be suppressed.

We had another fundamental difference from the police state. With us, if a crime was committed, the wrongdoer was arrested and punished; but the rest of us were not investigated or classified in advance as dangerous, and put under some system of quarantine lest we do something wrong in the future. We could not be arrested for thinking wrong thoughts, nor, except in extreme and exceptional cases, for what we said.

All this made a kind of people who held their heads high, who walked with confidence, who lived without fear. We liked and enjoyed our neighbors, with whom we lived in mutual trust. It did not normally occur to any man that the man next door needed watching; he was never encouraged to spy on his neighbor, or check on his thoughts or associations. We were born free and we lived in freedom. As has been well said: "Until recently the finest achievement of the Americans in terms of progress has been their faith in a common humanity and the deliberate promotion of mutual respect and of reasoned toleration."

After a century and a half of that sort of human dignity which stemmed from our traditional freedoms we suddenly decided to try something new. Shortly following the World War II we instituted this new system. There are sharp, even violent, differences of opinion as to whether this was good or bad. As I proceed to try to describe the change I think I shall not be able to conceal my own views. They are not important. What I think cannot be disputed is that something new has happened; whether good or bad we established a radically new system of jurisprudence in this country.

What brought this about is now history. It was fear. We were possessed by fear. It was not fear of military attacks from abroad. It was fear of our own people—of the man down the street who we suddenly suspected was conspiring with 57 card-carrying Communists in the State Department.

We know what caused this fear. It was the exposure of Communist spy activities in this country and in Canada, and with it a sudden appreciation by the American people of the nature of communism, its plot to destroy our institutions, its absence of any sense of honor, its glorification of expediency, its degrading of religion and morals.

This experience John Lord O'Brian described in his 1955 Godkin lectures at Harvard: "When the exposures came the American people were at first confused and engulfed by an overmastering and unreasoning sense of fear * * * The sudden access of fear caused by the exposure of Russian activities provoked at first a reaction akin to panic."

Mr. O'Brian then goes on to describe what happened. Said he, this panic "evoked from the Executive and from Congress a series of drastic measures aimed at the suppression of subversive activities and at the same time having an appreciable effect upon the constitutional guarantees of the right to think and speak freely and, equally important, the right to criticize freely."

When the historians of the future try to describe this period of national hysteria from which we are now slowly beginning to recover, they will have difficulty in understanding it. It was too incredible. A year and a half ago, as I visited the meeting of the State bar of California at Monterey, I saw the chief justice give the oath of office to the new president of the State bar. The first part of the oath was the usual one, to support the Constitution of the United States and of the State of California—but the second part required this man, a top lawyer in his profession, just elected by his fellow lawyers to be their leader, to take an oath that he was not a Communist.

That was the first time I had ever observed the giving of a California official oath in California. It seemed a strange performance. Later I learned some others thought such things strange when I read the San Francisco Chronicle's editorial of July 1, 1958. It concerned another statutory oath. It was headed "The Loyalty Oath Gets It in Neck." Said the editor:

"The dreary non-Communist loyalty oath has taken another licking from the Supreme Court of the United States, to our very great satisfaction and relief.

"Yesterday's 7 to 1 decision knocks in the head a California State requirement that was born of hysteria and still shows its parentage. Passed by a legislature suffering from a craven abdication of courageous judgment and ratified by the electorate in the frenzy of the 1952 witch-hunting era, the loyalty oath in question denied State tax exemptions to people and institutions that failed to swear they were not subversive.

"This was a most miserable and mean-spirited action on the part of the State. We said at the time the tax-exemption oath was 'nothing a free people wants to have anything to do with,' and it is naturally gratifying that the Supreme Court's majority now finds it in violation of the due process clause of the 14th amendment to the Constitution.

"We would call to the special attention of the current legislature what Justice Douglas wrote: The placing of the burden on the citizen to prove his loyalty, he said 'goes against the grain of our constitutional system, for every man is presumed innocent until guilt is established.'

"In the city hall here yesterday, a citizen was sworn in as the chief administrative officer of San Francisco. An observer said afterward it seemed utterly degrading to demand of him a denial of Communist and subversive intent, as though he were a prisoner about to go out on parole.

"Amen to that, and may the Supreme Court speed the day when all loyalty test oaths are knocked out on principle."

The loyalty oath was only a symptom of something new that had come to live among us. Here is how Mr. O'Brian describes what we proceeded to add to our legal system—a new style of jurisprudence. It was characterized by:

"The establishment in our jurisprudence of the doctrine imputing guilt because of associations;

"Conferring upon administrative officials the right to investigate and pass upon the character of opinions entertained by an individual and upon his rights under the 1st and 14th amendments;

"Adjudging men to be untrustworthy, not because of wrongful acts, but because of their ideas, because of motives attributed to them, or because of suspicion as to their future conduct;

"The promulgation by the Attorney General of lists of organizations thought to be subversive and the use of these lists in determining qualifications for employment;

"The use of secret information contributed by anonymous accusers;

"The denial of the right of cross-examination to the accused person;

"The lack of any constitutional protection which might be given through judicial review;

"The supervision and limitation of the freedom of travel by American citizens;

"The participation of military officials in many decisions affecting the guarantees of the Bill of Rights;

"The interference with the right of a citizen to work in a defense plant or on American ships;

"The establishment of security officers and of hearing panels in all governmental agencies drawn exclusively from governmental personnel and operating without any central supervision or determination of uniform procedures."

In the 25th chapter of the "Acts of the Apostles" it is told how the high priest and the elders of the Jews sought to have the Roman governor turn Paul over to them. Said the governor: "It is not the manner of the Romans to deliver any man to die before that he which is accused have the accusers face to face and have license to answer for himself concerning the crime laid against him."

That was Roman law in the time of Paul, who was a Roman citizen. Nineteen centuries later an American citizen could be ousted from his job, his family impoverished, and he disgraced and made unemployable, all on secret information, with no chance to face or even to know the names of his accusers.

James Madison, in the Federalist, voiced his fears of new-fangled treasons, such as kings had invented, whereby treason could consist of mere writings, such as calling the king names. So treason in the Constitution was strictly defined, it "shall consist only in levying war" against the United States, "or in adhering to their enemies, giving them aid and comfort." There could be no conviction unless "on the testimony of two witnesses to the same overt act."

Today we have a new-fangled treason; we call it subversion. We don't imprison for it; we just make a man unemployable, an outcast, an untouchable.

And subversion has the advantage of covering a multitude of things. To some a man who denies the existence of a God is a Communist. Others would include one who believed in socialized medicine. My neighbor once assured me that another neighbor was a Communist because he supported Helen Gahagan Douglas for the Senate.

Another feature of the new jurisprudence is the manner in which congressional committees have taken over the traditional functions of courts and prosecutors. William S. White, chief congressional correspondent for the New York Times, wrote a book on the U.S. Senate, an institution of which he had intimate knowledge and which he greatly admired. He examines one kind of congressional investigation as follows: "The Senate simply has no right to indict men outside its rank or, at most, outside the Government. It has every right to indict issues, polices, systems, executive departments. * * *

"At all events, there is a deep and inevitable inherent disorder whenever and wherever the Senate sets out to punish or prosecute, in or out of Government.

"This fact has been so fully and so endlessly illustrated by the so-called Communist probes, conducted in the fifties by Senators McCarthy and McCarran and others, as surely to require no detailed illustration here. For many months in each of several years the very corridors of the Senate Office Building—the site of the echoing marble caucus room where so many of these inquisitions were conducted—stank with the odor of fear and the odor of monstrous silliness. * * *

"As for the Senate interrogators, never were so many vast charges made against so many with such piddling results."

It was inevitable that some of these new procedures would come up for scrutiny by the courts; and simultaneously the general public began to cool toward them.

When they were up against the requirement of reason before a court many of their excesses began to fall apart like the loyalty oath described by the editor. The Nelson case ended such things as the Tenney committee. The Yates case held the Smith Act punished only incitement to action, not mere advocacy of doctrine. The Watkins and Flaxer cases held congressional committees must afford elementary fairness in respect to notice and pertinency of questions. The Cole case held the Summary Suspension Act applied only to employees in sensitive positions; the Seamen's Screening Regulations were held invalid. I need not list other cases; you know them as well as I do.

The effect of this series of decisions was that, figuratively speaking, the American people could begin to climb up out of the sewers of fear in which they had been hiding, and breathe once more the fresh air of freedom. The Court was doing what it is meant for: protecting our liberties.

Then, just as it appeared that the country might be on the way back to a rerecognition of the value of the Bill of Rights, along came the action of the House of Delegates of the American Bar Association at its meeting at Chicago last February. That was when the House received the report of its Special Committee on Communist Tactics, Strategy, and Objectives.

I urge you to get and read this report. There has been much discussion of it in the papers. It must be read—all of it—to be appreciated.

In essence the report is a plea for bigger and better witch hunts. It lists some 24 decisions of the Supreme Court under the heading "Court Decisions Related to Communism," cases it says were "deemed unsound by many responsible authorities," and which were "decided in such a manner as to encourage an increase in Communist activity in the United States." The Court's technicalities were charged with paralysis of our internal security. It wants Congress to enact laws authorizing each thing that the Court in these cases held could not be done.

California had nine delegates there. Six of them voted against the resolutions which were based on the report; they were 2 to 1 against it. Several of them inform me the vote was forced through before the delegates had a fair chance even to read it, much less study or debate it.

Association officers assert their action was no attack on the Court. Of course, it was. The more important question is, what direction should the bar take? What is its duty respecting preservation of traditional liberties?

The answer was given, I would say, in a report made in 1956 under the auspices of the Association of the Bar of the City of New York. It was made by a committee of distinguished and outstanding lawyers. On that committee were Whitney North Seymour, of New York, the next president-elect of the American Bar Association, John O'Melveny, of Los Angeles, whom many of you know, Monte Lehmann, of New Orleans, a member of the council of the American Law Institute, director of the American Judicature Society, and former president of the Louisiana State Bar. There were six other lawyers of similar stature. These men, noting the necessity of security measures also considered that those can be put into effect without infringing or destroying our traditional freedoms or our ideals of fair play. Observing that such measures can be made adequate and effective without being carried to extremes, and speaking of the Communist menace, they said:

"The contest as now pitched is not a war of military forces. The contest is rather in the arena of ideals and culture and political and economic systems. For the United States to depart from its ideals to the end of supposed greater security would be to shift the contest to a level on which it cannot win. We can never equal the Communist countries in enforced, internal conformity. Their history and efficiency in suppression and regimentation are abhorrent to us. If we engage them on that line, we shall lose. Our superiority, inside our Nation and in the world contest is in the liberty of our people and the initiative and resilience which liberty can bring. * * * If fear of totalitarianism were to force us into coerced uniformity of thought and belief, we should lose security in seeking it."

The February report has produced astonishment everywhere. This is not merely because of the evident lack of care in its preparation (some parts of it appear just plain stupid), not just because of its intemperate tone, nor the haste and emotional excitement that attended action on it, but also because of its complete failure to appreciate, even to mention the fact, that the balancing of the demands of security against the preservation of individual rights poses a problem which must be solved with patience and wisdom if we are not to lose our liberties. Mr. O'Brian puts it thus:

"Assuming, as we do, that some system is necessary to protect the security of the Nation, is it necessary for the most powerful and the most civilized nation known to history to disregard, and perhaps discard, the principles of individual freedom which have been successfully maintained for nearly 300 years and which were given special sanctity in the Bill of Rights?"

Lenin is quoted as having said: "We will build communism with non-Communist hands." I wonder if he could have been reading the seventh chapter of the Book of Judges and the passage ending with the words: "And all the host ran and cried and fled." You recall the story. How Gideon, with only 300 men, stood outside the camp of the Midianites, who were like grasshoppers for multitude, and at the beginning of the middle watch in the night the men of Gideon "blew the trumpets and brake the pitchers and held the lamps in their left hands and the trumpets in their right hands to blow withal, and they shouted.

"And all the host ran, and cried and fled." "And the Lord set every man's sword against his fellow, even throughout all the host."

I am wondering if the American people will be fatuous enough to follow the lead of the hysterical apostles of fear?

Will we insist on extending security regulations so that everyone who works for or deals with the Government, whether in a sensitive or nonsensitive position, whether he sells secret military devices or merely lumber or coal, must be investigated by intelligence officers who interview all neighbors or acquaintances to find out how he thinks or what he says?

Is the Tenney committee to be reconstituted so that persons of unpopular opinions may be called to the stand and grilled, so that its agents may attend all university classes to check on what the professor is teaching and write down what questions each student asks?

If seamen's screening is to be revived and they are to be screened for possible sabotage, will we then turn the sleuths on railroad employees, bridge builders, airplane mechanics, and truckdrivers?

If I want to travel abroad am I to be denied that right if the State Department does not like what I say or think; and when I apply for a visa are intelligence agents to visit all my neighbors to gather secret information about me?

And as we step up the congressional witch hunts and call more and more citizens to the stand, which in the words of White, stink "with the odor of fear," will we not then be afraid to speak on any subject lest we ourselves be thought to be dangerous or subversive by the neighbor who is encouraged to report all suspicious acts or words to the FBI? Will we dare use the telephone? It might be tapped. Will we dare contribute to any cause? The soliciting organization might get on the Attorney General's list.

Is it possible that fear would have bred fear, and distrust distrust? Would that be freedom? Could it be said of us that we "ran, and cried, and fled."

WHITE HOUSE CONFERENCE ON REFUGEES

Mr. HUMPHREY. Mr. President, the recent White House Conference on Refugees focused nationwide attention on the refugee problem. As one who has been very much concerned over the plight of refugees throughout the world, I am most gratified at the attention which this conference attracted.

In the President's message to the conference there was one sentence in particular which deserves special emphasis. The President said:

> We must further our efforts to create lasting international understanding of and concern for this (refugee) problem, which I fear will be with us for a long, long time.

I think this point is most important. It must be continually emphasized. To date we have been largely considering the refugee problem as being only a passing situation. Unfortunately, this is not the case. In view of the unrest and turmoil in the world, and the brutal policies of the Soviets, it is almost inevitable that more and more men, women and children are going to be driven from their homes.

This is why I have called for a more long-range approach in dealing with the refugee problem. My bill, S. 952, provides that the President may admit to our country approximately 83,000 refugee-escapees each year; there would be no cutoff date. This, in my judgment, is the very least that we can and should do to help alleviate the sufferings of at least a part of these unfortunate people.

I ask unanimous consent, Mr. President, that articles from the New York Times and Washington Post of May 22, dealing with the White House Conference, along with an article sketching the background of Dean Francis B. Sayre, chairman of the U.S. Committee for Refugees, from the New York Times of May 22, be printed at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, May 22, 1959]

EISENHOWER URGES WORLD FOCUS ON AID TO REFUGEES

(By William J. Jorden)

WASHINGTON, May 21.—A White House conference to work out plans for assisting millions of refugees throughout the world began today. President Eisenhower, in a message read by one of his aides, urged further efforts to create lasting international understanding of and concern for the refugee problem.

He said the situation was acute and chronic and forecast it would remain "so long as the world suffers from political unrest and aggression."

More than 160 men and women, most of them active in refugee work or in groups providing assistance to refugees, gathered here at the President's invitation. They were asked to make recommendations as to what the United States could do as its contribution to World Refugee Year.

ALL ARE ASKED TO HELP

The year is a result of a United Nations resolution in which all interested governments and peoples have been asked to do what they can to help ease the plight of refugees in many parts of the world. The year begins July 1.

In his message, the President said it was a year "to focus the concern and the ingenuity—and the generosity—of the world on the continuing problem of refugees."

Some of the participants wondered why the President had not made at least a brief personal appearance at the opening of the conference he had called.

The first session was held in the Indian Treaty Room of the old State Department Building, now the Executive Office Building, next to the White House. The room is without air conditioning and as the conferees gathered the temperature and the humidity rose.

Vice President RICHARD M. NIXON, who spoke at the opening session, noted the heat, the glistening brows and the improvised fans.

"I was reminded, when I came here," he said, "that this is the old Indian Treaty Room, and I can only say that nothing has been done to the room since the time of the Indian treaties."

In the afternoon the conference was moved to the auditorium of the new State Department Building. The air conditioning there had broken down and the afternoon session was almost as warm as the morning gathering had been.

The Vice President said he thought the conference had a threefold purpose: first, "to bring home to the American people the magnitude of the problem"; second, to recommend what the Government should do, and finally, to remind people that refugees were a problem not only for governments but for them—"for people, for volunteer organizations, for individuals."

Mr. NIXON said many people had accepted mistakenly the picture of the United States helping other countries "to save our own necks." It is not true, he said, that "we help them only because we are afraid if we don't help them they will go on the Communist side."

He said he knew of no activity that would more accurately present "the true heart of America" than aid to refugees, given not because of any obvious gain but because it is "traditional and right."

John W. Hanes, Jr., head of the State Department's Bureau of Security and Consular Affairs, summarized for the conference the many ways in which the United States has been aiding refugees in all parts of the world since the end of World War II. More than a billion dollars of Government funds have gone into refugee assistance, he said, and billions more have been contributed by the American people through private agencies.

Since 1945, more than 750,000 people have arrived in the United States as refugees in addition to 2,500,000 others admitted under regular immigration visas, Mr. Hanes said.

UNITED STATES TO AID HARD CORE

During World Refugee Year, the U.S. Government plans a five-point program of assistance for at least some of the hard core refugees—those not absorbed into the societies where they find themselves and suffering the most serious hardships, including discrimination, as well as privation. Their number is estimated at 2,350,000.

Mr. Hanes outlined the points as follows:

1. Continued support for existing refugee programs at a cost of about $40 million a year.

2. An additional $4 million to be assigned to the most pressing refugee problems.

3. A special immigration program to bring to the United States part of the refugees requiring resettlement.

4. An increase of $10 million to $20 million for food distribution from the surplus agricultural commodity program.

5. Full support for programs undertaken by the U.S. Committee for Refugees, which is coordinating the efforts of private refugee relief groups.

The Government's immigration program would pool unused quotas from other countries for assignment to eligible refugees.

This would allow for admission into the United States of as many as 10,000 refugees more than the number admissible under existing programs.

Representative FRANCIS E. WALTER, Democrat, of Pennsylvania, chairman of the House Subcommittee on Immigration Matters, seemed to oppose this aspect of the administration's program.

In an address read at the meeting—Mr. WALTER was presiding at a House session on Capitol Hill—he attacked "the game of numbers."

The conference will meet again tomorrow morning for 3 hours.

[From the New York Times, May 22, 1959]

EISENHOWER'S MESSAGE

WASHINGTON, May 21.—Following is the text of President Eisenhower's statement to the White House Conference on Refugees, as read by Gerald D. Morgan, deputy assistant to the President:

"It is a pleasure to welcome you to the White House Conference on Refugees. At the same time, I want you to know how gratified I am that so many of you have been able to arrange your busy schedules to participate in this meeting. From it, I am sure, will come a clear concept of our country's role in the World Refugee Year.

"To such a group as this it is not necessary to describe the daily problems of the millions of dispossessed people around the world whom we call refugees. You are well aware of their problems. In fact, you and the organizations which many of you represent deserve the highest praise for what you have done and what you are now doing to help these refugees and to keep alive their hope for a better way of life.

"The response of the American people to the needs of the homeless and the outcast has always been generous and timely. Since the early days of nazism, and even more particularly since the end of World War II, Americans have opened their hearts and land to thousands of such people.

"MANY FOUND HOMES HERE

"With charity and understanding, the American people have welcomed these refugees to our shores. Here, immigrants have traditionally exchanged their despair for confidence, and their fears for security. Today they are citizens; many of them own their own homes; some of them own their own businesses; their children are in our schools; and they, as families, are making a full contribution to our national life.

"Much has been done, but the refugee problem remains—acute and chronic—and it will remain so long as the world suffers from political unrest and aggression. And as long as there are refugees, we cannot ignore them.

"That is why the United Nations, with the close and immediate support of the United States, sponsored the World Refugee Year. This is a year to focus the concern and the ingenuity—and the generosity—of the world on the continuing problem of refugees. Perhaps, with such a mobilization of effort—as in the International Geophysical Year—but for the advancement of humanity rather than science, it may even be possible to resolve some particular refugee problem. This would be a great step forward, and we can all hope for such progress. In any event we must further our efforts to create lasting international understanding of and concern for this problem, which I fear will be with us for a long, long time.

"Now, I have asked you to come together to share with the Government your experience, your judgment, and your insight regarding the things which should be done and how best to do them. The task of refugee care is not one for governments alone. It can be done only with broad and devoted citizen support. As leaders in your own communities, as officers of private groups, I know you will want to assume the greatest possible personal responsibility in this humanitarian cause.

"Working together, I am confident this can, and will be, a useful and promising meeting."

[From the Washington Post and Times Herald, May 22, 1959]

MORE U.S. AID FOR ALIENS SET IN PLANS FOR WORLD REFUGEE YEAR

(By Elsie Carper)

Increased Government aid for the more than 2 million refugees of the world was pledged here yesterday as the Nation prepared to mark World Refugee Year.

The administration set forth a five-point program that included stepped-up financial assistance, substantial increases in the distribution of surplus foods and easing of immigration restrictions to permit the entry of 10,000 additional refugees a year and 65,000 in an emergency such as the Hungarian uprising.

Representative FRANCIS E. WALTER Democrat, of Pennsylvania, chairman of the House Immigration and Naturalization Subcommittee, introduced legislation to authorize the Attorney General to admit an unspecified number of refugees fleeing oppression.

CONFERENCE IN SESSION

Both the administration program and the Walter proposal were outlined to the 200 delegates to the White House Conference on Refugees meeting here for 2 days. The meeting was called by President Eisenhower to plan for World Refugee Year beginning July 1.

In a message to the Conference, President Eisenhower said that although much has been done to aid refugees, "the problem remains—acute and chronic—and it will remain so long as the world suffers from political unrest and aggression."

The President called the nations of the world to mobilize as they had for the International Geophysical Year "but for the advancement of humanity rather than science."

"It may even be possible," the President said, "to resolve some particular refugee problems."

Later, when the administration program was presented, it provided for concentrated effort for the rehabilitation of anti-Communist refugees both in and out of camps in Europe and resettlement of European refugees from China.

The administration also pledged aid for anti-Communist Chinese refugees in Hong Kong, Algerian refugees in Tunisia and Morocco and Greek ethnic refugees from the Soviet Union now in Greece.

ARAB REFUGEE AID SOUGHT

Subject to congressional approval, the administration also proposed financial aid for Arab refugees and with other countries the establishment of rehabilitation centers.

The administration program was presented by John W. Hanes, Jr., head of the State Department's Bureau of Security and Consular Affairs.

He said the Government contemplates the expenditure of $40 million a year to carry on established refugee programs, a special contribution of $4 million during World Refugee Year for the pressing problems, and subtantial increases of from $10 to $20 million in the food distribution program.

The Government also pledged full support to the U.S. Committee for Refugees, as the primary agency for coordinating the efforts of private groups working to help refugees.

NIXON A SPEAKER

Vice President RICHARD M. NIXON, a speaker at the Conference, said private agencies should step up their programs of help and that the general public needs to be made more aware of the magnitude of the refugee problem.

The Very Reverend Francis B. Sayre, Jr., dean of the Washington Cathedral and Chairman of the U.S. Committee for Refugees, declared that the $4 million pledged by the Government is not going to go very far.

"There is a much bigger job for the American people to do," he said.

The Committee had recommended a $10 million Federal expenditure.

Walter introduced his bill in the House shortly before he was scheduled to speak at the Conference. House floor action kept him away. His speech, read for him, described his legislation as long range.

His bill differed from the administration proposal in that there would be no ceiling on the number of refugees admitted and there would be no termination date.

[From the New York Times, May 22, 1959]

REFUGEES' ADVOCATE: FRANCIS BOWES SAYRE, JR.

WASHINGTON, May 21.—Francis Bowes Sayre, Jr., went back today to his birthplace, the White House. At his birth it was occupied by his grandfather, President Woodrow Wilson. From then until now no other child has been born there.

Now 44 and dean of the Washington Cathedral (Protestant Episcopal), the Very Reverend Mr. Sayre went back to the White House offices as chairman of a U.S. Committee on Refugees. The purpose was a 2-day meeting with President Eisenhower to discuss this country's participation in World Refugee Year, a program to liquidate as far as possible the problem of the homeless across the globe.

Dean Sayre's leadership in this effort was typical of his wide range of interests—humanitarian, social, and political—outside the pulpit that have marked his career since he was ordained in 1940.

These actiivties have made him a somewhat controversial figure in the religious community, but he never has allowed the probability of controversy to stay him. He spoke out against the late Senator Joseph R. McCarthy, of Wisconsin, when the Republican Senator was at the peak of his power. He called the Senator's followers "the frightened and credulous collaborators of a servile brand of patriotism."

Though some of his wealthier parishoners remain stubbornly opposed to self-government for the voteless District of Columbia, the dean is a steadfast champion of home rule. He said some of its opponents now possessed "back alleys to power," but with home rule they would need "to find new pipelines to power."

The cleric, 6 feet 2 inches tall, leads a busy, energetic life. Up early, he conducts the early service of holy communion at 7:30 a.m. in the cathedral, then crosses Woodley Road to breakfast with his family.

DEAN IS FATHER OF THREE

His wife is the former Harriet Taft Hart, daughter of Thomas C. Hart, a retired admiral who commanded the Asiatic Fleet at the outset of World War II and later was briefly Senator from Connecticut.

They have three children, Jessie, 10; Thomas, 8, and Harriet, 3. A Thai boy, Tridhos Davakul, 17, has been living with them for 7 years while he attends the cathedral schools.

The Dean and Davakul's father grew up together, and whimsically the dean refers to his young charge as "my private point 4 program."

By 9 a.m. Dean Sayre is in his office for a series of appointments, informal meetings with his staff, dictation and telephone conversations.

Part of his job is to raise funds to finish the cathedral, started in 1907. When time permits, the dean loves to clamber up ladders and on platforms high in the unfinished cathedral. He talks with the carpenters, stone masons and stone carvers while his secretary tells telephone callers that the dean is "in construction conference."

YOUNG SAYRE STUDIED ABROAD

From his White House birthplace, young Sayre moved with his parents, Francis B. Sayre and the late Jessie Woodrow Wilson Sayre, to Cambridge, Mass. His father was then a professor of law.

Young Sayre spent his early years at Belmont Hill School near Cambridge. When his father became adviser to the King of Siam, he went to Bangkok for a year. He attended schools in Paris and in Switzerland before entering Williams College, from which he was graduated cum laude in 1937.

His theological training was obtained at the Union Theological Seminary in New York and at the Episcopal Theological School in Cambridge. His first assignment was as assistant minister at Christ Church, Cambridge.

He entered the Navy in 1942 and served nearly 4 years, including duty as chaplain on the heavy crusier San Francisco in the Pacific.

"We were bombed, hit, strafed, kamikazied," the dean recalled. "It was the finest ministry I ever had in my life.

"You really get to know people when you eat, sleep, get bored, get afraid with them."

After the war, he served churches in Cleveland until he was installed in May 1951, as the fifth dean of the cathedral in which his grandfather is buried.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 5805) making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States for the fiscal year ending June 30, 1960, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. GARY, Mr. PASSMAN, Mr. CANNON, Mr. PILLION, and Mr. TABER were appointed managers on the part of the House at the conference.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H.R. 2228) to provide for the acquisition of additional land along the Mount Vernon Memorial Highway in exchange for certain dredging privileges, and for other purposes, and it was signed by the President pro tempore.

The PRESIDING OFFICER. Is there further morning business?

ORDER FOR CONSIDERATION OF UNFINISHED BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the morning business is concluded, the unfinished business, House bill 7175, be laid before the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KEATING. Mr. President, I make the point of order that a quorum is not present.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MCCARTHY in the chair). Without objection, it is so ordered.

Is there further morning business?

Mr. O'MAHONEY. Mr. President——

The PRESIDING OFFICER. If not, morning business is concluded.

Mr. O'MAHONEY. Mr. President——

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATIONS, 1960

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business, pursuant to an order previously agreed to today, providing that when the morning business was concluded this action should be taken.

Mr. O'MAHONEY. Mr. President——

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware [Mr. WILLIAMS].

Mr. O'MAHONEY. Mr. President——

Mr. YOUNG of Ohio rose.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. O'MAHONEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Wyoming?

Mr. YOUNG of Ohio. I am glad to yield.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Ohio may yield to the Senator from Wyoming without losing his right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

Mr. O'MAHONEY. Mr. President, I thank the Senator from Ohio and the Senator from Texas. My attention has been drawn to an editorial which appears in the Washington Post this morning. Those of us who are privileged to read the Post and its editorial page know that it is a newspaper which tries to be objective and which does not hesitate to express its opinion upon pending matters. It is not influenced by passion, prejudice, or partisanship.

Its editorials claim attention throughout the country. I have heard from various parts of the country, from editors of newspapers, commenting on what the Post has said.

Earlier this year, when the question of the confirmation of the nomination of Admiral Strauss as Secretary of Commerce was pending in the Senate, and while the hearings were in progress, the Washington Post published several editorials endorsing the confirmation of the nomination of Admiral Strauss. The editorial to which I wish to call attention this morning is headed "Admiral Strauss Should Withdraw." This change of view is of the utmost significance. I had intended to ask that the editorial be printed in the RECORD, but I am informed that that has already been done on request of the Senator from New Mexico [Mr. ANDERSON], so I shall not ask that it be duplicated in the RECORD.

Mr. YARBOROUGH. Mr. President, will the Senator from Ohio yield to me, without losing the floor?

Mr. YOUNG of Ohio. Mr. President, I ask unanimous consent that I may yield to the Senator from Texas, without my losing the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. YARBOROUGH. I thank the distinguished Senator from Ohio for yielding to me for a few moments, while I comment on a matter which is of great national interest and importance in the country at this time.

Mr. President, some exceedingly wise advice was extended to Mr. Lewis Strauss this morning on the editorial page of the Washington Post. The Post, which had previously supported the confirmation of Mr. Strauss, suggested that he should ask the President to withdraw his nomination as Secretary of Commerce. The distinguished senior Senator from Wyoming has just commented on this matter.

As a member of the Interstate and Foreign Commerce Committee, it was my duty to participate in many hours of hearings in an honest and sincere effort to evaluate the character and the qualifications of Admiral Strauss for this key post in our Government. It was no easy task, for in all my years as an attorney, as a district judge, and as a Senator, I have never encountered a witness who was more devious in his answers. By his very evasiveness, he left the impression with some of us on the committee that he must be a man with something to hide, something that would not stand the light of free discussion or public scrutiny. If this impression is wrong, he must blame only himself; he created this impression in the hearings.

A serious question which persisted throughout the hearings concerned Admiral Strauss' sense of propriety where conflict of interest was concerned. This question was never satisfactorily answered. In fact, the testimony of Jarrell Garonzik, a Dallas attorney, raised such serious questions that it is my belief that a full-scale investigation should be made to determine whether his inferences are correct.

Even since completion of the hearings, it has become known that Admiral Strauss was planning an unquestionably serious conflict of interest violation by the appointment of railroad financier Armand G. Erpf to head a Commerce Department study of national transportation policy. If it proves nothing else, to say the very least, this proposed appointment proves that Admiral Strauss either has no awarness of the seriousness of conflict of interest in government, or else he does not care about them. In either case, he has proven his incapacity for the high post of Secretary of Commerce. He should follow the advice of the Washington Post and ask for withdrawal of his nomination.

Mr. President, I call attention to the editorial from the June 2 edition of the Washington Post, entitled "Admiral Strauss Should Withdraw," which will be printed on another page of today's CONGRESSIONAL RECORD, having been inserted in the RECORD by the distinguished junior Senator from New Mexico [Mr. ANDERSON].

Mr. President, I ask unanimous consent to have printed in the RECORD at this point an article written by Bernard D. Nossiter, and published in the May 28, 1959, edition of the Washington Post, entitled "Rail Financier Picked by Strauss To Direct Transportation Study."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post and Times Herald, May 28, 1959]

RAIL FINANCIER PICKED BY STRAUSS TO DIRECT TRANSPORTATION STUDY

(By Bernard D. Nossiter)

Secretary Lewis L. Strauss has picked a leading railroad financier, Armand G. Erpf, to head a Commerce Department study of national transportation policy.

Erpf, 61, is a partner of Carl M. Loeb, Rhoades & Co., 42 Wall Street, New York City. The firm is one of the Nation's biggest stock brokers and investment underwriters.

The Loeb, Rhoades partners and their customers own more than $20 million in shares in the biggest railroads.

DIRECTOR OF RAILROAD

Erpf himself owns 8,000 shares of Seaboard Air Line Railroad, worth $321,000 at the end of trading in the stock market on Tuesday. Erpf also is a director of Seaboard, the Nation's 19th ranking line, and a member of its executive committee.

The Commerce Department's transport study is already under way, Strauss told the Senate Commerce Committee on May 11. He also testified that there had been some conversation about bringing all independent ratemaking agencies in the transport field—Interstate Commerce Commission, Civil Aeronautics Board, Maritime Board—under Commerce Department control.

Some trucking, shipping and airline companies fear that this will give the competing railroads a big advantage in any Commerce agency shaped by railroad men.

In 1955, Commerce Secretary Sinclair Weeks came up with a proposed national transportation policy in a report that critics called prorailroad. Truckers were especially bitter because the report proposed flexible rail rates—a formula that was interpreted to mean that rails could cut certain rates long enough to eliminate truck competition over some routes and on some commodities.

ERPF DENIES CONFLICT

Erpf was asked yesterday whether his role as head of a Government study did not conflict with the dollar interests of himself, his partner and their customers in railroads.

Erpf replied over the telephone from New York:

"Of course not."

If any such question is raised by Congress, he said, "I'd be glad to bow out."

Erpf was told that Congress might also wonder whether he could be fair to trucks, ships and airlines in the light of Loeb, Rhoades rail stake.

He replied: "This reminds me of a Marxian notion."

He added that any suggestion that Loeb, Rhoades' investments would shape his advice to the administration was "an anti-American attitude." He said he was concerned about the growth of a theory he thought was false, that "the only way to be unprejudiced is to be ignorant."

He said that as partner in charge of Loeb, Rhoades' research section, he was qualified to head the Commerce study.

PLEDGES SHORT REPORT

In an interview with the New York Herald Tribune, printed on May 3, Erpf promised that his transportation report would be short "so that it will have action value."

Yesterday, Erpf said that he knew a projected organizational chart had been prepared by the study team to coordinate the ratemaking agencies under the Commerce Department. He said that this was consistent with his own thinking.

He said that Strauss had asked him to head the study last February but he had not yet taken on the post because the Senate has not confirmed Strauss as Commerce Secretary. Asked if he would accept Strauss' offer if the Senate did confirm the controversial nomination of said admiral, Erpf said:

"I suppose so."

He described his $321,000 holding in Seaboard as a small investment. He minimized the fact that Loeb, Rhoades is the holder of record of more than $20 million in 17 top railroads.

"That's our customers, not us," Erpf said.

He meant that many of the shares were held in the name of Loeb, Rhoades but were actually owned by other investors. Big buyers of stock often instruct their brokers to appear as owner of record to conceal their own ownership. Erpf could not break down how much of the $20-million-plus was customer owned and how much was owned by Leob, Rhoades partners. He estimated the partners' rail holdings at "way below $1 million."

OWN AIRLINE STOCK

To show that he was not exclusively an investor in railroad transportation, Erpf said he owned 8,000 shares of Northwest Airlines. At Tuesday's close, this was worth $308,000.

However, he added, "I'm not saying that we have neglected the field" of railroad investment.

Wall Street observers refer to Loeb, Rhoades as a leading railroad house.

In his May 11 testimony, Strauss mentioned Erpf and said of his study:

"One cannot prejudge what such a study would produce. I don't want to prejudge it surely.

At present, Strauss said, "the study is moving along with people in the (Commerce) Department and some academic people; no business people."

Shipping interests fear that the study will recommend big changes in the large subsidies they now get from the Government.

Strauss' press office was queried yesterday about the possible conflict of interest questions raised by Erpf's selection. However, the nominee's press aide said Strauss was "not available" for comment.

STRAUSS UNDER FIRE

Strauss has been sharply criticized by Senators opposing his confirmation for his role in the now-dead Dixon-Yates power contract. This deal, allegedly promoted by Strauss, was called off after the Senate learned that one architect of the contract was simultaneously advising the Budget Bureau and was also an official in a big investment house.

Loeb, Rhoades' railroad stake was determined from ICC records. Rails must report each year their 30 biggest stockholders and the number of voting shares each owns.

Loeb, Rhoades shows up as one of the top 30 in 17 of the largest 25 railroads. Railroad rank was based on 1958 revenues.

As of December 31, Loeb, Rhoades was owner of record of shares worth $22,808,-415.75 at Tuesday's closing prices.

The firm and its customers had $762,177.50 worth of Pennsylvania Railroad, and ranked as the 24th biggest holder in this, the biggest line; $1,219,890 in the New York Central, or 13th ranking holder in the 2d largest line; $2,215,723 for 18th place in Southern Pacific, the 4th line; $2,648,023.37 for 17th place in the Southern Railway, the 11th line; $1,907,126.12 for 4th place in the Chicago, Milwaukee, St. Paul, and Pacific Railroad, the 13th line; $2,868,456 for 8th place in Seaboard, the 19th line; and $2,538,-792 for 7th place in Northern Pacific, the 18th line.

Its investments in the other of the top 25 rails ran from $250,000 to $1.5 million and earned Loeb, Rhoades the distinction of ranging from 5th to 30th largest stockholder in these lines.

Mr. YARBOROUGH. Mr. President, this article, published in the Washington Post, fully illustrates the failure of Mr. Strauss to realize what is meant by conflict of interest in Government service. It is not so much a question of immorality in Government, as unmorality, or the absence of any sense of propriety. The article, published in the May 28 issue of the Washington Post, recites that Mr. Erpf, a partner in Carl M. Loeb, Rhoades & Co., of 42 Wall Street, New York City, had been picked by Mr. Strauss to head a study of the transportation policy of the Nation, and that his firm is one of the Nation's largest stockbrokers and investment underwriters.

I read from the article in the Washington Post of May 28:

The Loeb, Rhoades partners and their customers own more than $20 million in shares in the biggest railroads.

Erpf himself owns 8,000 shares of Seaboard Air Line Railroad, worth $321,000 at the end of trading in the stock market on Tuesday. Erpf also is a director of Seaboard, the Nation's 19th ranking line, and a member of its executive committee.

Mr. President, that is the man who was picked for a study of the transportation policy of the Nation, a study designed to determine an impartial policy as among competing methods of transportation. I shall not read the entire article; it will be printed in the RECORD today. However, it develops some very interesting questions concerning conflict of interest. I continue reading from the article:

Strauss has been sharply criticized by Senators opposing his confirmation for his role in the now dead Dixon-Yates power contract. This deal, allegedly promoted by Strauss, was called off after the Senate learned that one architect of the contract was simultaneously advising the Budget Bureau and was also an official in a big investment house.

Mr. Strauss has started with the same kind of deal concerning the transportation study as was involved in the Dixon-Yates contract; namely, to have someone represent the Government and at the same time represent the interests whom he is supposed to regulate in his governmental capacity; in this case one of the largest interests in the country. I continue to read from the article:

Loeb, Rhoades' railroad stake was determined from ICC records. Rails must report each year their 30 biggest stockholders and the number of voting shares each owns.

Loeb, Rhoades shows up as one of the top 30 in 17 of the largest 25 railroads.

The investment company of the man Mr. Strauss appointed to make an impartial study is one of the top 30 owners of stocks of 17 of the largest 25 railroads. I imagine it would be hard to find any one single business house in the country which owned a greater interest in railroads. I continue to read from the article:

As of December 31, Loeb, Rhoades was owner of record of shares worth $22,808,-415.75 at Tuesday's closing prices.

Then the article lists the companies road by road. The article further contains much information which I think will be of interest to the Senate in pointing out the Loeb, Rhoades interests.

Mr. President, I thank the distinguished junior Senator from Ohio for yielding to me to make this statement for the RECORD.

Mr. SCOTT. Mr. President, will the distinguished Senator from Ohio yield, so that I may reply to the Senator from Texas?

Mr. YOUNG of Ohio. Mr. President, I yield 5 minutes to the distinguished Senator from Pennsylvania, without losing my right to the floor.

Mr. SCOTT. Mr. President, what we have heard from my fellow member of the Committee on Interstate and Foreign Commerce, the distinguished junior Senator from Texas [Mr. YARBOROUGH], is a very good illustration of what the Chinese call "fighting a paper tiger," because, first, a rumor that something is going to be done is given currency; then the assumption is made that it has been done; then, on the assumption that it has been done, we are told how terrible it is.

I do not know Mr. Erpf; but I know I was present at the committee hearing on May 11, when Secretary Strauss said to the committee, in response to a question asked by the chairman, as I recall, that he was considering, among others, the selection of Mr. Erpf as a possibility to conduct the proposed study. Something was said, then or later about the study being under the direction of another man, whose name I have at present forgotten. That statement regarding Mr. Erpf lay in the record of the hearings for more than 2 weeks, until a reporter picked it up as a rumor which he had discovered. Then he reported that Secretary Strauss was, in fact, going to name the man, a statement which Secretary Strauss promptly denied, saying again what he had said on the 11th of May.

Following that, we have the statement in the newspaper today, the headline of which, I believe, was just read, to the general effect "Strauss Picks Erpf For Transport Job."

So we see what has happened. Mr. Strauss did not pick Erpf on the 11th of May, the 26th of May, today, or at any other time. Therefore, all that has been said about the railroad stockholdings of Mr. Erpf has no bearing upon this particular hearing. But not one of the Senators who each day rise in the Chamber to speak of conflict of interest, of evasion, of not having spoken frankly to the committee has yet referred to the trial by recrimination, innuendo, and piling of inference upon inference, as demonstrated by the two politicking scientists who vented their spleen against the Secretary because both of them did not approve of his actions in protecting the security of the country.

Mr. President, I listened to the hearings. I do not find any misleading statements by the Secretary. I do find a man badgered, harassed almost beyond endurance, confronted with a constant repetition of demands to answer the same question which he has already answered, a man who naturally has become extremely careful as to what answer he shall give, because one long line of examination turned on whether or not a certain thing has been said on a certain day or on another day near to it. The omission of a qualifying adjective and the failure to state everything in sufficient detail were seized upon in the examination of Secretary Strauss—pounced upon is probably a better phrase—in an effort to present this man as one who is not candid. Actually, I do not blame Mr. Strauss for being extremely careful of each of his answers; in insisting that the questions be placed within the proper context; and that he should be given an opportunity to reply with careful exactitude to the statements made.

Mr. Strauss is a man who has received the highest civilian award in the gift of this country; a man praised by five Presidents, beginning with President Woodrow Wilson; a man whose nomination heretofore was confirmed by this honorable body. But now he is subjected to daily attacks on the ground that he either approved or did not approve a letter—and that matter came up yesterday—and the allegation that

he knew of a certain letter having been written was again revived, and the matter was adequately answered by an able member of the Joint Committee on Atomic Energy, the distinguished junior Senator from Rhode Island [Mr. PASTORE]. The answer of Senator PASTORE was carefully recorded in yesterday's Washington Star, but in some manner was omitted from the same report of the same colloquy in the morning paper.

The statement is made that one newspaper is critical of Admiral Strauss. I have read editorials published in newspapers all over the country. There are two newspapers which have been critical of Admiral Strauss. There are approximately 150 newspapers which have praised him, and which have condemned the proceedings before the Committee on Interstate and Foreign Commerce as trial by harassment, as trial by innuendo and recrimination, as a vendetta, as flank attacks upon the President by persons who, for reasons which I respect as reasons of good judgment, hesitate long and well before launching a frontal attack upon the President.

This statement is a part of a pattern, a pattern designed by persons who have little or nothing of which to boast concerning the accomplishments of this session of Congress; a pattern of little major legislation being acted upon finally; a pattern which affords more opportunity for explanation, alibi, and similar methods of avoidance of embarrassment in the eyes of the public for nonperformance of legislative obligations. All these patterns of attack upon the President's nominees are designed to confuse and becloud the fact that this Congress has not, in fact, got very much done. If very much cannot be done, then the other alternative is to "get the President."

I noticed that one article published yesterday by a very good columnist, one who certainly is not always sympathetic to my own party, but one for whom I have great admiration, Miss Doris Fleeson, pointed out that so far "they have not laid a glove on the President."

Mr. President, before this debate is over, I submit, the country will be well aware of the motivations behind the opposition to Secretary Strauss. The people will be well aware of the kind of harassment which has been accorded. They will, indeed, react as solidly in criticism of the attempt to deny the confirmation of the nomination of Mr. Strauss as public opinion reacted to the Dreyfus case, when Emile Zola wrote his "J'accuse," and as public opinion reacted to the attacks upon Col. Billy Mitchell, in his early advocacy of air power.

I thank the Senator from Ohio.

Mr. YARBOROUGH. Mr. President, the remarks we have just heard from the distinguished Senator from Pennsylvania, who is apt in all the ways of politics, and is knowledgeable and experienced in government, are an illustration of the types of efforts which have been made to procure confirmation of the nomination of Mr. Strauss. They remind me of the advice which an old criminal lawyer once gave to a young lawyer who was just starting out in the practice of law. The young lawyer had a case to defend, but he could not see any valid defense. So he turned to the old lawyer and said to him, "I don't see that any defense is available. What can we do?"

The older lawyer said to the young man, "Well, when you don't see any defense in a criminal case, try the district attorney."

So, Mr. President, in the case of the nomination of Mr. Strauss, now that those who favor confirmation of the nomination find that no defense for his many and glaring shortcomings is available, they attempt to charge the committee and its chairman with improper procedure. In that connection, we have heard used such terms—and I regret that the Senator has used them, because certainly nothing that occurred in the committee would justify this use of them—as "mock trial," "vendetta," and "trial by innuendo"—terms which, coming from a member of the committee, are a discredit to the party which is trying to foist Mr. Strauss off on the American public.

Mr. President, except for 1 day, I attended the hearings on the Strauss nomination. I have never seen the chairman of any committee, governmental agency, Government board, court, or other tribunal act in a fairer way in dealing with anyone than the way the chairman of the committee, the Senator from Washington [Mr. MAGNUSON], acted in dealing with Mr. Strauss. The chairman of the committee granted Mr. Strauss extraordinary privileges not generally granted by the heads of Government agencies, courts, boards, bureaus, or other agency, to one appearing before it. The chairman of the Interstate and Foreign Commerce Committee permitted the nominee, Mr. Strauss, to sit at the witness tabel and to have every privilege which could possibly be granted a nominee. The bitter attacks against the committee which have been published in the press—I refer to allegations of an unfair trial—simply will not stand the light of day; they are a gross misrepresentation of the committee and its proceedings.

The nominee was granted every conceivable privilege at the hearings. He was permitted to sit at the witness table, all the time the witnesses were testifying. Not only that, but he frequently interrupted the witnesses when they were testifying. If Mr. Strauss thought that, by means of an interruption he had made during the testimony of a witness, he had been able to make a good point against the witness' testimony, Mr. Strauss would then turn around and smile at the audience of bystanders present; or nod and smile at the committee; his conduct for much of the time was that of an actor who was attempting to play to the gallery. No nominee at a hearing on the question of confirmation of his nomination could possibly have been accorded more favorable treatment. In fact, some of the members of the committee who favored confirmation of the nomination attacked the scientific witnesses so inquiringly that they would scarcely permit witnesses to testify, if they came forward to testify against confirmation of the nomination.

As another instance of the special privilege which was granted to Mr. Strauss by the committee, I cite the fact that after the testimony of each witness was completed, instead of proceeding to hear the testimony of the next witness, Mr. Strauss was permitted at that point to make whatever comment or answer he cared to make to the testimony of such witness which had just been concluded. He was allowed to have counsel and advisers sit at the witness table with him on each side of him; had other counsel and advisers sitting in the rear room; and they constantly handed notes and other information to the nominee, at the witness table, as the committee heard witness after witness. Mr. Strauss was accorded exceptional privileges as a nominee; he was given a witness-inquisitor-nominee status seldom accorded any person, similarly situated, in any proceeding.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. YOUNG of Ohio. Mr. President, without yielding the floor, I yield to the Senator from California.

Mr. KUCHEL. I thank my friend.

Is it not true that Admiral Strauss served under the administrations of both the late Franklin D. Roosevelt and former President Harry Truman?

Mr. YARBOROUGH. I believe that is true. I believe Admiral Strauss was in the Navy, in the procurement and purchasing branch in Washington. But I am not an expert as to that.

Mr. KUCHEL. Is it not also true that in at least one Democratic administration Admiral Strauss participated as a member of the Atomic Energy Commission?

Mr. YARBOROUGH. Yes; and in the record of the hearings there is a full development of the circumstances of that service by him and of the failure to have hearings on his nomination confirmations. That record is not yet available; but I hope it will be available in a few days, and I hope it will be printed in time to be read by the entire Senate, so that all Senators may know all those details before the Senate passes on the question of confirmation of his nomination. I am confident that if the entire Senate had heard personally the evidence we heard at the hearings, the nomination of Mr. Strauss would be overwhelmingly rejected.

Mr. KUCHEL. Mr. President, before I resume my seat, I only wish to say that it would be interesting to me to have some Member who opposes confirmation of the nomination of Admiral Strauss point out at what point in his career he suddenly acquired the characteristics to which my colleague, the Senator from Texas, now alludes, because the nominee served under three Presidents of the United States in positions of trust and responsibility. But now, all of a sudden, we are told that he is devious.

I say in all sincerity to my able friend, the Senator from Texas, that I believe that point is one to which some of my colleagues might very well devote some of their time and attention.

Mr. YARBOROUGH. Mr. President, in response to the inquiry of the distinguished Senator from California, I say that I believe those things will be fully developed in the debate on the nomination. I have no doubt that they will be. They were fully developed in the hearings before the committee.

Furthermore, the distinguished Senator from California will learn, from studying the hearings, that they were the first real hearings in years on a nomination of Admiral Strauss.

I will not say that the circumstances of the confirmation of his prior nomination were peculiar; but certainly they were unusual, and confirmation of those former nominations were sped through without hearings. But this time there was a hearing.

I am not an expert on the facts in regard to previous experiences of Admiral Strauss. I only know what happened at the hearings and what was shown there; and I know that on some days in the hearings, he gave answers to a question which later in the same hearings were proven to be false.

A question was raised today by the distinguished Senator from Pennsylvania, as to whether Mr. Erpf had been appointed to make the transportation study. Mr. Erpf told the newspapers that Admiral Strauss had asked him, last February, to head the study of transportation policy in this country, and that he had said he could not accept until Admiral Strauss' nomination had been confirmed. After that, when an issue was raised over a possible conflict of interest on the part of Mr. Erpf, who is a large railroad stockholder and broker, if he were made the head of a study of governmental transportation policy in regard to the railroads, the airlines, the truck lines, the barge lines, and the coastwise steamship lines, the Department of Commerce attempted to deny that Mr. Erpf was going to head that study.

In connection with that matter, at this point I wish to quote part of an editorial which appeared this morning in the Washington Post:

> A Department (of Commerce) release, which on so delicate a matter could hardly have been made without Admiral Strauss' approval, stated that Mr. Erpf had not yet been appointed and that he "is one of a number of transportation experts who have been sounded out by Secretary Strauss as to their availability."

That quotation is from a Department of Commerce release.

Now I wish to read a part of the Washington Post editorial itself:

> Technically it may have been true that Mr. Erpf had not been formally appointed (he has now withdrawn from consideration), but in view of the background the Department statement represented far from the whole truth.

So I would answer the inquiry of the distinguished Senator from California by saying that was the type of evasive answer we received from Mr. Strauss over and over in the hearings on the nomination.

I thank the distinguished Senator from Ohio for yielding to me, Mr. President.

CESSATION OF NUCLEAR WEAPONS TESTS

Mr. HUMPHREY. Mr. President——

Mr. YOUNG of Ohio. Mr. President, without losing the floor, I ask unanimous consent that I may yield 3 minutes to the distinguished Senator from Minnesota [Mr. HUMPHREY].

The PRESIDING OFFICER (Mr. MCCARTHY in the chair). Is there objection? Without objection, it is so ordered.

Mr. HUMPHREY. I thank the Senator from Ohio for his generosity.

Mr. President, I ask unanimous consent to have printed in the RECORD an editorial which appeared in this morning's Washington Post. The editorial describes very well the arguments for and against an international agreement for the cessation of nuclear weapons tests with an effective and workable control system. The Post believes that, when all the arguments are considered and weighed carefully, it is still in the interests of the United States to proceed to try to negotiate a treaty with the Soviet Union.

With respect to the arguments being made for and against a test ban treaty, I shall have more to say on this subject on Thursday of this week. I intend to address myself in some detail to the entire subject matter of the Geneva conference relating to the prohibition of further nuclear tests. I plan to state why I think the opponents of a ban on nuclear weapons tests are incorrect in some of the assumptions they make about military strategy and the need to prepare to fight limited atomic wars.

The editorial in the Post also calls for the publication of reports now classified by the executive branch that bear on the feasibility of a control system for the detection and identification of nuclear tests in all environments—in the atmosphere, underwater, underground, and at very high altitudes.

I wish to say that the unwillingness of the executive branch of this Government to make these reports public has indeed impaired the negotiations, and has made it much more difficult for those of us who are interested in policies relating to national security to talk about these matters intelligently.

The executive branch is engaged in a type of secrecy which in no way serves the public interest and which, in fact, eliminates the consummation of its own policy declarations.

I agree with the Post that these reports should be made public because they would contribute to a better understanding of some of the technical aspects of a control system. The reports contain words of caution as well as words of optimism and expectation.

I do not think the administration intends that these reports should remain classified. But in delaying their publication, the administration allows speculation and rumor to prevail rather than to permit the contents of the reports to speak for themselves. Actually there is nothing new of principle in these reports, but they do contain helpful suggestions and elaboration of several technical points which have been discussed previously on the detection of nuclear weapons tests.

I ask unanimous consent that the editorial to which I have referred be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 1, 1959]

THE NUCLEAR TEST STAKES

There is extraordinary urgency behind the pressure for declassification of scientific reports bearing upon nuclear weapon testing. Considerable sentiment appears to be welling up, with inspiration from the Atomic Energy Commission and the Pentagon against any overall test suspension agreement at Geneva. More facts are essential for balanced judgment.

Opponents of a complete ban believe that it would be dangerous for two principal reasons: the difficulty of sure detection of Communist violations, and the inhibition which a ban would place upon American development. These groups advocate instead a relatively easily policed ban on atmospheric and underwater nuclear tests, so as to leave the way open for continuation of underground testing in a manner which would not contribute materially to radioactive fallout. They have made some converts to this position on Capitol Hill. Others demand continuation of high-altitude testing, which would produce some fallout, for antimissile-missile development.

We confess to ambivalent feelings on the issue. In the first place, legitimate defense needs cannot be safely disregarded. It is lamentably true that in the past there has been relatively little emphasis on small tactical nuclear weapons which would produce minimal fallout, whereas there has been a great deal of emphasis on big and "dirty" weapons. It is possible that a complete test ban would frustrate the development of significant new weapons which could be important in giving the country additional defense flexibility.

In the second place, there is a reason to suspect that the Soviet Union may not be approaching a test ban with the same objectives as this country. The men in the Kremlin may sincerely look upon a test ban as a step in building East-West confidence. But they also may look upon it as a peg upon which to hang a new propaganda effort to renounce any use of nuclear weapons and thereby to leave the West at a considerable military disadvantage. If the inspection system were further diluted in an attempt to reach agreement, there might be a double opportunity for both cheating and propaganda.

On the other hand, the arguments for a complete cessation also are powerful, and to us they have seemed the more compelling. A partial ban that would permit the continuation only of underground tests presumably would eliminate most additional health hazards. But for the United States now to abandon the effort for an overall agreement with adequate inspection might be to convince the Soviet leaders that this country never was sincere in advocating a cessation.

There is some potential gain in an enforceable working agreement, however small, that might build confidence and pave the way for more substantive steps to reduce the danger of war. The longer a beginning toward arms control is delayed, the more difficult any control becomes. There will always be military reasons for continued testing; but they must be weighed against the political reasons for at least an effort at control before the world is blown to smithereens.

There is the further important consideration of additional entries into the nuclear

club. Three nations now manufacture nuclear weapons: the United States, Britain, and the Soviet Union. But France hopes soon to test its own nuclear weapons. Sweden has been debating whether to undertake a weapons program. Can Communist China be far behind? Understandably, nuclear weapons have become a badge of status. President de Gaulle seems to regard them as essential for French equality; others regard them as insurance against blackmail.

It may be unrealistic to think that the spread of nuclear weapons could be halted by a test-cessation agreement, or even that it could be halted at all. But the concern is by no means academic. With no effort at control, there is a likelihood that not only will the Communist satellites possess nuclear weapons, but also that the Nassers, Francos, and Trujillos each will have their own stockpiles. And then the holocaust envisaged in "On the Beach" could be but the angry push of a button away.

Such conflicting arguments make more information of the essence, whether or not the particular scientific reports are introduced for discussion at Geneva. How reliable would the detection system be, and how serious would be the compromises suggested at Geneva? Such is the consuming secrecy that we sometimes wonder whether the formulators of national policy themselves take into account all the facts. A candid public evaluation by the administration of the various political and military factors seems to us a fundamental need if Congress and the people are to support what may be done in this delicate field.

SOCIAL SECURITY FOR ALL EMPLOYED AND SELF-EMPLOYED

Mr. YOUNG of Ohio. Mr. President, our social security law, which is one of the greatest and most humane legislative achievements of all time, covers within its beneficent provisions 72 million men and women, employed and self-employed.

It should be made universal and apply to all employed and all self-employed in whatever occupations or professions they may be.

The American Medical Association, through its ruling clique and with the help of its powerful and expensive lobby in Washington, has succeeded, to this good hour, in prevailing upon Congress to exclude self-employed physicians and surgeons from coverage under the Social Security Act.

As a member of the Ways and Means Committee of the House of Representatives, it is my happy personal recollection that I helped draft the present liberalized and expanded social security law of our country.

At the outset, and until 1956, for the reason that not one bar association in the United States had sent a representative before the Ways and Means Committee asking that self-employed lawyers be included within social security, social security benefits were denied to lawyers.

At that time, just as now, the American Medical Association vigorously opposed the inclusion of physicians and surgeons under social security coverage.

LAWYERS AND DENTISTS ASKED FOR COVERAGE

In 1956, as president of the Cuyahoga County Bar Association, which is the second largest county bar association in the United States, I was privileged to appear as a witness before the Committee on Finance of the U.S. Senate and urge that self-employed lawyers be included within the coverage of social security. Shortly after that time, the Congress voted to include self-employed attorneys at law, responding to the request of the vast majority of lawyers of the United States to have this coverage.

Dentists, through their various State dental associations, held referendums of their memberships, and invariably, each referendum showed a large majority of dentists favoring inclusion within the provisions of our social security law. Self-employed dentists now have complete coverage under the Social Security Act.

The American Medical Association—that is, the small group of willful men running this organization—seems to be the only professional men who are still holdouts.

In Ohio, Pennsylvania, and New York, physicians and surgeons received ballots and were requested by the medical associations to indicate whether they wanted social security coverage or did not.

In Ohio, Pennsylvania, and in New York, those physicians and surgeons expressing themselves in favor of compulsory social security for physicians, outnumbered those voting in the negative by an approximate ratio of 66 percent for to 34 percent against. In Ohio, some 8,000 physicians were polled by the State medical association. Its members favored social security coverage by a vote of 4,095 to 2,737.

Just recently, in Essex County, N.J., the county medical society polled all physicians and surgeons on the question whether they favored or opposed compulsory social security. The total tabulation was 68 percent in favor of compulsory social security for physicians and surgeons.

Notwithstanding this clear-cut evidence that medical men generally desire to be included within the provisions of our social security law, State medical associations and the American Medical Association are silent. They are not requesting Congress to provide this remedial legislation.

AMERICAN MEDICAL ASSOCIATION REPUDIATES OWN POLL

All newspaper publishers, all dentists, all lawyers, and all undertakers have sought to be included within social security, and now have that beneficent coverage.

Physicians and surgeons who helped bring us into the world are not protected by social security by reason of the failure of the American Medical Association to represent their views. Those of the undertaking profession, or occupation, who help take us out of this world do have that coverage.

This August will mark the 24th birthday of the enactment of the social security law. The man who proposed this legislation and whose signature placed it on the statute books is dead. This is one of the many imprints that President Franklin D. Roosevelt has left upon the pages of history. This is, in fact, the most important social legislation ever considered by an American Congress. This is an insurance system; and it must remain so. This is not a mere pension system. It is actuarially sound.

Our social security system does not compete with private pension plans, but is complementary and supplementary to them. Self-employed and those who are employed, with coverage under the social security law, have the basic protection of this beneficent program. In addition, those who can afford to do so may purchase protection under supplementary plans with private insurance companies. They will find, as I have found, that retirement benefits obtained through pension plans in business and industry, and by purchase from insurance companies, are less liberal and much more expensive than is social security. Furthermore, the disability benefits of most private plans compare unfavorably with the present disability provisions of our social security law.

SOCIAL SECURITY SOUND INSURANCE PROGRAM

Our social security program is a pay-as-you-go program. We must keep it sound in every respect. The facts are, retirement and disability benefits could, at this time, be increased by 10 percent and, in addition, those who have retired due to age could be permitted to earn $2,400 per year instead of the inadequate amount at present, and still continue to receive retirement payments.

The liberalization of the limitation from $1,200 to at least $2,400 annually would enable many of our older people to maintain better living standards at no extra cost to the taxpayers. This action—in keeping with our spirit of individual initiative—would be in the best interests, not only of our senior citizens, but also of the Nation. The present surplus and the premiums coming in regularly would readily permit such liberalization and extension, which I favor.

My view is that we should provide social security coverage upon earnings up to $6,000 per annum.

Those covered by the social security law would gladly pay the additional premiums, as the disability and retirement benefits would also be increased.

Our social security system should, of course, be universal. It should apply to all employed and all self-employed in all occupations and professions outside of Government service. We seek—and, in fact, we achieve—under the social security system to free men and women from the fear of indigent old age.

In the United States we have gone a long way and under great leadership since those dark depression days of 1932, when a high-placed Government official said, "Relief is a local problem."

In this expanding system of safeguards against the hazards and cruelties of penniless old age, new concepts of security and human dignity are involved, as well as a new relationship between the individual and his Government. The hope we all cherish is an old age free from care and want. To that end people toil patiently and live closely, seeking to save something for the day when they can earn no more.

In the life of the worker there are weeks, often months, of enforced idleness, weeks of unavoidable sickness, and

losses from swindling. And then, as age creeps on, there is a constantly declining capacity to earn, until at 65 many find themselves unemployable. There was no more pitiful tragedy than the lot of the worker who had struggled all his life to gain a competence and who, at 65, was poverty stricken and dependent upon charity.

The black slave knew no such tragedy as this. It was a tragedy reserved for the free worker in the greatest Nation on earth.

Mr. President, back in 1931, in my home city of Cleveland, in Lorain, Ohio, and in many other cities throughout the country, there were bread lines and soup kitchens for the reason that the entire financial structure of the United States had collapsed. Our farmers were not making enough money to pay their taxes, nor meet interest on their mortgages; and millions of worthy and industrious men and women in our cities could not find employment.

Private charities, bread lines and soup kitchens must never again be the answer of American intelligence and sense of justice to the problems of unemployment and indigent old age.

The dignity of every individual is involved. Something deep inside of a person is offended if, after a lifetime of productive effort, all he or she gets is a handout. Social security should continue to be compulsory and it should be universal, covering all occupations and professions. Under its provisions people should be able to retire in comfort instead of at a mere subsistence level.

NOW MEDICAL ASSOCIATION SEEKS SPECIAL PRIVILEGE

Recently, in the other body, a Member has introduced H.R. 7295, designed to provide coverage under the Social Security Act for self-employed physicians on a voluntary, or optional, basis. Apparently the physicians this Member states he has contacted since his election to the Congress, seek—as does the ruling clique of the American Medical Association—a special privilege.

Elective coverage under social security law is unthinkable. It would prove actuarially unsound. How could any thoughtful person justify permitting self-employed physicians and surgeons to elect whether or not they desire to be covered by social security? Men and women who are employed accept compulsory coverage with gratitude. Self-employed lawyers and dentists, by huge majority votes in their associations, have evidenced a desire—as have self-employed physicians and surgeons in polls taken by their associations—to come within compulsory social security coverage.

Were self-employed physicians and surgeons to be granted this special privilege, obviously young professional men might not be interested. If they chose not to join the social security system and have that coverage, which gives full retirement payments at the age of 50 in event of disability, and at the age of 65 or thereafter upon retirement, the social security fund would not have the premiums paid in as paid by other professional men at the time of payment of their income taxes. Those physicians and surgeons in their 60's naturally would join the social security system and have the benefit of social security coverage.

Mr. President, obviously, no insurance and survivors system would long continue to be actuarially sound if coverage were granted to certain favored professions on an optional basis.

If a working man, a real-estate agent, or a grocer is required to participate in social security and have its benefits, how can the author of this bill—or, in fact, any physician or surgeon—defend the proposal that older physicians and surgeons may have coverage by paying premiums into the fund for a year and a half, while younger men and women in the same profession may choose not to enter the social security system. Almost immediately the social security fund would be out of balance and become actuarially unsound.

Mr. President, I assert the people's representatives can provide reasonable social security for the less fortunate among us without in any way sacrificing that liberty which we know as the American way of life.

An adequate old-age insurance program, reasonable aid to the unfortunate, and extension of retirement benefits is not statism, nor is it socialism.

If American industry—big business—can afford to pay huge pensions, as it does, to retired officials who do not need them, is it state socialism when the people's representatives impose a tax on industry and on employees and self-employed to pay retirement and total disability payments or social security payments to those who do need them?

Of course, members of the Committee on Ways and Means of the House of Representatives, who are intent on maintaining social security coverage for the employed and self-employed on an actuarially sound basis in accord with its name of old-age and survivors insurance, will not, in my humble judgment, give favorable consideration to H.R. 7295.

One may safely predict—and I do predict—H.R. 7295 will not, and should not, be favorably considered at any time in the Senate Committee on Finance. In truth, it is an outrageous proposal.

Mr. President, I yield the floor.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATIONS, 1960

The Senate resumed the consideration of the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes.

Mr. HUMPHREY. Mr. President, the unfinished business is the appropriation bill for the Department of Agriculture and the Farm Credit Administration for the fiscal year 1960.

We discussed the bill at some length yesterday, and during the discussion many comments were made about the general agricultural policy of our country.

I noticed today in the press stories concerning the wheat bill. Let me read a portion of the story which appeared this morning in the Washington Post under the byline of Mr. Bernard Brenner of United Press International, a very competent reporter, one who has a very intimate knowledge of agricultural legislative policies. The story reads:

President Eisenhower said yesterday the failure of the Democratic-controlled Congress to cope with the costly wheat surplus has brought the present wheat program "one step closer to disaster."

The President, who appealed to the lawmakers to enact a workable and less expensive program, issued his special statement shortly after Agriculture Secretary Ezra T. Benson proclaimed 1960 wheat quotas under a law he opposes.

Under the proclamation, which must be approved by the growers in a referendum July 23, farmers would be allowed to plant 55 million acres of wheat next year—the minimum permitted by law and the same as this year.

RISE IN SURPLUS SEEN

Officials said a crop of this size, coupled with present price support levels, probably would add another 150 million to 200 million bushels of wheat to surplus stockpiles, already valued at about $3 billion.

Mr. Eisenhower said the quotas which Benson was forced to issue under present law "will be a continuation of the existing discredited wheat legislation."

The President said the surplus wheat, already piled up under the program would meet this country's normal wheat needs for 2½ years.

This is a most interesting story. One would think that the legislation under which the Department of Agriculture is operating is legislation which it opposed. According to this story, the President of the United States would have us believe—and I am sure that is because of his lack of understanding of the subject, or lack of factual information furnished to him, because I do not believe the President would personally misrepresent anything—that the wheat policies, and the agricultural legislation referring to wheat are not of his design, not something which was enacted at the request of his Department.

What are the facts? It is very difficult to get the facts from the press, primarily because the press reports what the officials of the Department of Agriculture are saying, and the Department of Agriculture has mismanaged the farm program to the point where it cannot afford to say that this program is its own program, so it tries to place responsibility on the back of some other agency, namely, the Congress.

The New York Times of today carries a lead story entitled, "President Terms Wheat Program 'Step to Disaster.'"

Whose program do Senators think this is? It was designed, sealed, and delivered in the White House. I trust the President knew that he was advocating the policies which his own Department had recommended. I have had the reports of the Committee on Agriculture and Forestry examined, as to the recommendations of this administration in the field of wheat.

In 1954 the administration recommended for wheat a parity price support program of from 75 to 90 percent of parity, and it asked for no limitations,

no reductions in acreage. It asked for no other changes in the law whatsoever with respect to wheat, except to provide flexible price supports of from 75 to 90 percent of parity.

At the same time, it said that even though it wanted the flexible price supports from 75 to 90 percent of parity, it did not intend to impose a 75 percent price support. In fact, it intended to impose a price support at about 82 percent.

What did the Congress give the administration? I believe Senators will remember the battle in the Senate. They will remember the vetoes which took place with respect to the original bills passed by Congress.

Finally we come back to the administration bill.

In 1954 the Agricultural Act of 1954 was passed. The price support for wheat was 82½ percent for 1955, which was the figure the Department said it would recommend, so we put it into the law as a compromise.

For 1956 the law provided that the support levels might drop to 75 percent of parity, which was the request of the Department of Agriculture and the President of the United States. I was present at all the hearings. I participated in the debate. I think I have been reasonably diligent in my duties and responsibilities as a member of the Committee on Agriculture and Forestry.

The Senator from Minnesota is saying that the President got the program he wanted. I admit that he did not get it because I voted for it, but he got it. In 1955 he got what his own Department asked for. In 1956 he got what his own Department asked for. He wanted from 75 to 90 percent of parity, and he received it from the Congress.

In 1955, according to the testimony of his own witnesses, he wanted 82½ percent of parity, and he obtained it. He wanted no acreage reduction, and that is the way Congress left the law.

There is the record for 1954. In 1955 the administration asked for no wheat legislation. What about 1956? In 1956, as my colleagues will recall, we passed another bill, which was vetoed. So the same law, with provision for from 75 to 90 percent of parity, was on the books. The same law of 1954 with regard to flexible price supports was on the books.

What did the administration ask for in 1956, and what did it get? The so-called acreage reserve program was requested. That was the rich man's soil bank. That was the "golf club program." The administration asked for it, and it got it. Advertisements appeared in all the newspapers of America regarding the 10 points which the administration wanted for a farm program; and the administration received such a program, including the acreage reserve program. We authorized the program for 4 years, which was the request of the administration. It asked for annual expenditures of $750 million, and it obtained more through supplemental appropriations.

It asked for a continuation of the program providing from 75 to 90 percent of parity. It obtained it. Senators will remember that the first farm bill passed by Congress in 1956 was vetoed.

The administration asked for an expansion of the noncommercial wheat areas. I say to my good friends of the fourth estate that the administration asked for expansion of acreage, and it obtained it—not with my vote, but it was granted by the Congress.

It will be recalled that in 1956 the bill was vetoed—from the golf course. It was vetoed from Augusta, Ga. I believe it was at the eighth hole where the golf players stopped. Or was it at seven and one-half? Somewhere along there, at any rate. It was vetoed from the golf course.

They asked for an extension of the exemption from controls on Durum wheat. They got it. The administration asked for an exemption of feed and seed wheat from any controls. It wanted established the 30-acre exemption, to permit a farmer to plant 30 acres if he would use it for feed on his farm, with no controls. The administration got that too.

After President Eisenhower vetoed the Humphrey farm bill, and got through another bill by a close vote, what did President Eisenhower say? He said that the price support for wheat would be what his own Secretary of Agriculture had announced prior to that time.

The Secretary had said that the price support would be approximately $1.81 a bushel, or 75 percent of parity. After he had vetoed the bill which Congress had passed, the President decided to throw out a few more crumbs to the folks. He established, after he had vetoed the bill we had passed which had contained controls, arbitrary prices on wheat and feed grains, at a higher level than had previously been announced by the Secretary of Agriculture. After the veto from Augusta—the "golf course veto"—the President announced the price support on wheat at 82.6 percent of parity, or $2 a bushel, as compared with the previous announcement of $1.81. That is a matter of record.

In 1956, therefore, the price support on wheat was $2 a bushel, by administration announcement.

What happened in 1957? In 1957, the administration asked for the acreage reserve. That was agreed to. They asked for a range of from 60 to 90 percent for the basic commodities. The Secretary said he did not plan to go below 75 percent. They did not get the 60 to 90 percent provision. A range of from 75 to 90 percent was retained, which was what they had asked for when they talked about the terrible mess they would have to clean up in Washington in 1952. That was the 90 percent mess. They wanted flexibility. They got it. They got a provision allowing from 75 to 90 percent of parity.

In 1958, both Houses of Congress passed a bill to hold the price supports at the previous year's level, and the President vetoed it.

In 1959, the President of the United States, through the Secretary of Agriculture, his agent, asked for a wheat program which called for the abandonment of all controls. There would be no controls. It would be just like the corn program, under which there are now being planted approximately 90 million acres, as compared with 72 million acres previously. Every person who predicts crop production says that this year we will have the largest corn crop in the Nation's history, at a guaranteed price of from $1.10 to $1.12 a bushel, at 65 percent of parity, and unlimited production.

That is what they have asked for in connection with wheat, namely, an abandonment of controls. They ask price supports of 75 to 90 percent of the previous 3-year average market price or 0 to 90 percent of parity for 1960, 1961, and 1962, with a 50 percent increase in allotments. That means more acres and more production. Then, in 1963 and thereafter, there would be no allotments, no quotas—no controls—and price support would be set at 90 percent of the previous 3-year average market price—a beaten down market price—or at 0 to 90 percent of parity.

I ask Senators to listen to this—their preferred plan is to increase allotments by 50 percent through 1962, and then to abandon all allotments and quotas. In other words, we would increase the allotted acreage under price supports by as much as 50 percent through 1962, and then abandon the allotments.

What does the administration now have, therefore, as a wheat program? The wheat program of the administration is the flexible price-support program. The wheat program of the administration is far from 75 to 90 percent of parity. The wheat program of the administration is what they asked for, with one exception. They have asked to do to wheat what was done for corn. I say there is no use in cutting one's throat twice. There is no responsible agricultural economist in the country who does not know that this year the corn production will be from 20 to 30 percent greater than last year, unless God Almighty stops it. That does not include anyone in the administration, no matter what they think of themselves. [Laughter.]

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MANSFIELD. The Senator from Minnesota is making a very excellent speech, and he is prophesying with a great deal of accuracy that this country faces the largest corn crop in its history; and that, weather permitting, we may be on the threshold of one of the largest wheat crops in the Nation's history. The Senator from Minnesota was responsible for furnishing the leadership for the only two good farm bills which passed Congress, both of which were vetoed by the President of the United States. I wonder if he would tell the Senate how much the cost of the farm programs was between 1933 and 1953.

Mr. HUMPHREY. The total net loss during that period was slightly in excess of $1 billion.

Mr. MANSFIELD. Could the Senator tell us what the cost of the farm programs was, or how much the cost has increased since January 20, 1953?

Mr. HUMPHREY. The committee report of the other body tells us that in 1953, as of June 30th, there were approximately one-half million dollars

worth of supplies in the possession of the Commodity Credit Corporation. On June 30, 1959, there will be $9½ billion worth. It is predicted that by January 1960, commodities valued at approximately $10½ billion will be in the possession of the Commodity Credit Corporation. The vast increase in the Commodity Credit Corporation's holdings is, I suppose, percentagewise, approximately 375 percent greater than it was 6 years ago.

Mr. MANSFIELD. It is my understanding that the cost of maintaining the parity program for the farmers has increased by 700 percent under Mr. Benson.

Mr. HUMPHREY. The total cost—that is the total amount of the losses involved; that is correct.

Mr. MANSFIELD. I understand that the amount of the surplus products in storage has increased 7 times over. Is that correct?

Mr. HUMPHREY. The amount of the ownership by the Commodity Credit Corporation. There is a difference between ownership and loans. The amount of ownership; yes; that is correct.

Mr. MANSFIELD. Yet the administration had promised, at the same time, that it would reduce the payroll of the Department of Agriculture. What has happened to the payroll of the Department of Agriculture, from the standpoint of the number of persons employed since January 20, 1953?

Mr. HUMPHREY. It has increased by about 18,000. At the same time we have about 800,000 fewer farmers. Let us say that there are, in general, fewer farmers than at any time in the Nation's history. We are spending more money than at any other time in the Nation's history, and we have more Department of Agriculture employees, who are spending that money on fewer farmers than at any other time in the Nation's history. At the same time there are approximately 18,000 more people on the public payroll who are living off the backs of fewer farmers.

Mr. MANSFIELD. The farmer is supposed to be the one who is feeding at the public trough, and we are told that he is the only one in the country who is participating in that adventure.

Mr. HUMPHREY. The Senator's statement cannot be disputed.

Mr. MANSFIELD. But he is not the only one who enjoys subsidy or parity, as we who come from the farm and ranch country call it. What other segments of our population participate in the enjoyment—if I may use that word advisedly—of a subsidy, so that they could be given some degree of security in their struggle with other segments of the economy?

Mr. HUMPHREY. I read not long ago an editorial published in Life magazine about the so-called farm fiasco or farm policy fiasco and I intend to say a few words about it some time this month. The editorial, as the Senator from Montana knows, condemned subsidies.

Mr. MANSFIELD. Did Life magazine mention the subsidies it has been receiving for 20 years?

Mr. HUMPHREY. Oh, no. Subsidies are good for Life, but they are very bad for the moral fiber of farmers. In other words, while Life has grown more prosperous and its circulation has expanded with subsidies—the good, old-fashioned subsidies through the Post Office Department—when Mr. Farmer gets a little subsidy, that is bad, real bad. Nevertheless, one is as much a cost to the taxpayer as is the other.

Of course, there is a price-support program for the merchant marine, a very effective one.

Mr. MANSFIELD. And for the railroads.

Mr. HUMPHREY. The Senator is correct.

Mr. MANSFIELD. And for the steamship companies.

Mr. HUMPHREY. Certainly.

Mr. MANSFIELD. The tariff, which has been in existence for 180 years, is really a subsidy for business in general.

Mr. HUMPHREY. The Senator is correct.

Mr. MANSFIELD. There is a price-support program for newspapers.

Mr. HUMPHREY. The law provides for the free distribution of newspapers at the county level. I doubt that farmers get free transportation of their commodities at the county level. Mind you, Mr. President, I am not complaining about the right of county newspapers to free distribution in the county; I think that is fine.

Mr. MANSFIELD. We are not complaining about any of those subsidies.

Mr. HUMPHREY. No; on the other hand, we simply do not think the other groups should go around pretending that they are purer than Ivory soap.

Mr. MANSFIELD. The farmer is supposed to be fairly prosperous in this period of time, is he not?

Mr. HUMPHREY. According to the reports we hear, from the Department of Agriculture, they are said to be very prosperous.

Mr. MANSFIELD. Do not the figures of the Bureau of the Census show that today in the United States 1,400,000 farm families are earning less than $1,000 a year?

Mr. HUMPHREY. The Senator is absolutely correct.

Mr. MANSFIELD. That is according to the figures of the administration's own Bureau of the Census, is it not?

Mr. HUMPHREY. That is correct.

Mr. MANSFIELD. I thank the Senator from Minnesota.

Mr. HUMPHREY. I thank the Senator from Montana, who has again given to us, in his concise and accurate manner, a very revealing description of what is happening in the farm areas with respect to the farm program.

Mr. President, my purpose in rising today to speak on this particular subject matter is simply to set the record straight. Now let me set it straight. I have reported accurately the requests of the administration for legislation. I have reported accurately what the administration has obtained from Congress.

I say to the President of the United States that in 1956 he himself announced price supports for wheat at 82.6 percent of parity. I also remind him that it was his administration which proposed a price support of $1.25 a bushel for corn—on all the farmer could produce—without any controls. From that day on, the corn farmer has been in trouble.

I also point out that what the administration are now asking for is lower price supports and the removal of controls for wheat. But the lower price supports for which they are asking are 90 percent of the average of the market price for 3 years. The lower price supports will be practically the same as the price supports which now exist under the very program which the administration says is leading the farmers to disaster. After 3 years all controls are removed and production supported at 90 percent of the average market price. So what it amounts to is to say to the wheat producers everywhere in America, in commercial or noncommercial areas, "You need comply with no regulations, no marketing controls, no acreage controls; you can simply plant, plant, plant."

Mr. President, what do you think will happen to production? What has been the record? The record is that when that kind of program takes effect, production zooms.

I have here the production figures. In 1954 the support price for wheat farmers was 90 percent of parity, and the total wheat production in that year was 984 million bushels.

In 1958 the support price was 75 percent of parity, and wheat production was 1,462 million bushels.

In 1956 the support price was 82.6 percent of parity, and wheat production was 1,004 million bushels.

In 1954, with the support price at 90 percent of parity, wheat production was 984 million bushels.

In 1953, according to my memory—I shall ask one of my staff aides to verify this—the price support was 90 percent of parity, and slightly more than 1 billion bushels of wheat were produced.

When price supports are reduced to 75 percent of parity, is there a reduction in production? When price supports are reduced to 82 percent of parity, is there a reduction in production? There is not. Production increases. When farmers are required to take less under any kind of price-support program, they either plant more or fertilize the land, thereby getting a larger yield from each acre.

Every Senator knows that that is so. Yet the administration insist upon having the American people believe that the wheat program which they are administering is something which was forced down their throats.

I want the RECORD to be very clear. I stood in Minnesota, I say to my Republican colleagues, not once, but many times, and heard the Secretary of Agriculture say, "Give us flexible price supports; give us price supports of from 75 to 90 percent of parity; and we will remove controls, balance production, and raise prices."

In fact, Mr. Eisenhower himself said he wanted 100 percent of parity. I want to go back to the record. In 1952 he spoke in Columbia, S.C.; Brookings, S. Dak.; Fargo, N. Dak.; and Cowville, Minn., and promised the American farmer 100 percent of parity.

As the Senator from Montana [Mr. MANSFIELD] himself has so helpfully reminded me, the statement was made with no ifs, ands, or buts. It was a powerful statement.

The administration expected Congress to push through the bills it wanted. But I have not been cooperative in that respect; I have been a rather obstreperous fellow. I have bucked the administration all the way. The laws now on the books are the ones which this administration asked for; yet it is this administration which now says that the program is leading to disaster. When did they get that foresight? When did they get that prophetic knowledge? They surely did not have it last year. They did not have it the year before. What is more, every program which this administration has asked for has led to even more disastrous consequences than the one in the preceding year. So I think the administration would be better off and better advised if it stuck to the facts.

Mr. President, some farm legislation will be passed at this session of Congress. But I make the assertion now that if any is passed which is any good, it will be vetoed. If any farm legislation is passed at this session which provides effective controls along with meaningful price supports, it will be vetoed.

The senior Senator from Minnesota believes in certain fundamental principles of agricultural policy. First, I think there must be great emphasis on the soil conservation program over and above what exists at present. I support the so-called agricultural conservation program. I oppose the amendment offered by the Senator from Delaware [Mr. WILLIAMS].

I believe that the soil conservation program is good national policy. I support the conservation reserve program, which was the legitimate soil bank. Mr. President, I cannot help but remember that back in 1956 the administration first opposed the so-called conservation reserve; the administration did not favor it. I have the exchange of correspondence, which was entered in the RECORD. We then called it the conservation reserve; but the administration did not favor it. But then, one day, during the debate, either in this body or in the other body, some Member used the words "soil bank." When the administration heard the word "bank," it immediately said, "That's for us." [Laughter.] The word "bank" made the conservation reserve acceptable to the administration; and from that time on, the administration favored it. However, instead of making the soil bank of benefit to the depositors, the administration came up with the acreage-reserve program, which was a means of taking acreage out of production in the case of wheat, corn, and the other supported agricultural commodities. In that way the administration removed millions of acres from production. However, the administration did not thereby reduce the production.

Do you know why that was, Mr. President? It was because while the administration was removing large numbers of acres from production, it was reducing the price supports. I do not know of any better way to describe accurately the result of the reduction of price supports than to use the words which were used in this Chamber a short time ago by the distinguished Senator from Indiana [Mr. CAPEHART], who, with his customary frankness and candor, said that an agricultural policy which is based on lower supports does not reduce production; all it does is reduce the number of farmers and reduce agricultural income. Mr. President, I repeat all that is accomplished by an agricultural policy which is based on lower price supports is a reduction of the number of farmers and a reduction of agricultural income.

What we need, Mr. President, is, first, conservation; second, expanded farm credit; third, research, not only in regard to production, but also in regard to new uses for agricultural commodities, both for consumption by humans, for consumption by animals, and for industrial uses.

Then we come to the question of the type of economics required. If we provide the farmer with a price support for an agricultural commodity which is in excess supply, he should be willing to accept production controls. I repeat, Mr. President, that if a farmer is to receive a price support in the case of any agricultural commodity which is in excess supply, he should be willing to accept production controls. Those production controls may be acreage controls or acreage limitations or marketing quotas. I prefer that the controls be in terms of bushels or other units—bushels, pounds, or bales. I do not believe in providing price supports on agricultural commodities that are in excess supply, unless there are production controls.

However, Mr. President, this administration believes to the contrary. This administration talks about removing controls—which it is doing; but at the same time it maintains diluted price supports—for instance, 65 percent of parity price supports on all a farmer can produce, or 60 percent of parity price supports on all a farmer can produce; but the administration does not provide controls, even where there are fabulous quantities of surplus stocks.

The other principle in which I believe is that a Secretary of Agriculture should be empowered to use a variety of means to assure income protection and price supports; crop loans, such as we have under the Commodity Credit Corporation program; timely purchases in adequate amounts, which are needed today in the case of eggs and poultry, but which this administration refuses to do; compensatory payments; production payments. All of these—crop loans, expanded credit, compensatory payments, and purchases—should be a toolkit offered to the Secretary, for him to use in a farm program. He should be allowed to use any one that he finds usable or adaptable to the situation.

But I repeat that when a farm producer receives a guaranteed price, particularly in the case of a commodity which is in excess production, he should be required, and he must be required, to accept controls.

I repeat that this administration talks about lower price supports and no controls; and what it is doing is wrecking the farm economy.

Mr. DOUGLAS. Mr. President, will the Senator from Minnesota yield?

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Does the Senator from Minnesota yield to the Senator from Illinois?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Mr. President, I am very glad the Senator from Minnesota has made this point. He and I have joined in sponsoring an amendment to the pending bill; and our amendment requires the imposition of either acreage controls, production goals, or marketing practices in the case of every commodity planted after the first of next January for which price supports are provided.

Mr. HUMPHREY. The Senator from Illinois is correct; and I think such a provision is long overdue.

Mr. RUSSELL. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. RUSSELL. I do not wish to be estopped from differing with the distinguished Senator on the amendment. As I see it, nothing in the amendment would require the Secretary of Agriculture to take affirmative action to provide acreage allotments.

On the contrary, as I understand the amendment it would give the Secretary of Agriculture an excuse to annul any price-support program, which I believe he has been seeking to do all along. I think he wants to make price supports as unpopular as he can.

So I hope the authors of the amendments will study it further, because I do not believe it will accomplish what the Senator from Illinois has said it will.

As the amendment now stands, it will merely give the Secretary of Agriculture an "out"—an excuse for not providing any support program whatever. If this amendment were to be adopted, he would say that this Democratic Senate wrote into the bill a provision which prevented him from supporting any commodity at all.

Mr. DOUGLAS. Let me say that I recognize that the Secretary of Agriculture is a sort of Houdini who seeks to escape from the tight restrictions placed upon him by Congress; and I also recognize that it is hard to hold him in line with the requirements of the law. But I believe we shall close this escape hatch by means of a further amendment which I intend to propose later on, as a modification of this amendment.

Mr. RUSSELL. I shall await the further amendment, because I am confident that this amendment will merely provide the Secretary of Agriculture with an excuse for doing something he has been trying to do for a long, long time.

Mr. HUMPHREY. Mr. President, the observation of the Senator from Georgia is well made. As will be recalled, yesterday I asked that the Senator from Illinois have the amendment printed. It has been printed, and a copy of the amendment is now on the desk of each Senator.

I think the Senator from Georgia has raised a very valid point, and one of

which we shall take cognizance; and we shall make sure that what he has cautioned against does not become a reality, because none of us would want to provide the Secretary of Agriculture with an escape hatch by which he could avoid carrying out the declared desires of Congress.

Mr. President, there have appeared in the press many articles and comments in regard to the agricultural program and the present situation in that connection. I read the large metropolitan newspapers, and I take note of such articles. Of course the wheat program is in trouble; indeed it is. But for the moment, Mr. President, let us not attempt to assess the blame. Instead, let us simply ask whether the administration has requested a decrease in the number of acres planted or whether it has requested abolition of price supports or whether it has requested production controls. The answer is unmistakably and unqualifiedly "No." Despite the fact that literally billions of dollars are tied up in wheat in Commodity Credit Corporation storage, the administration's preferred proposal is to lift the controls and to expand the acreage and to make a very modest reduction in price supports. No one can show that by reducing price supports, production is reduced, unless supports are reduced to such a level that the entire agricultural economy is literally dried up, by driving the people off the land.

That was done in Russia, Mr. President; but in Russia it was done in a crueler way, although a more direct way; the Russian Government simply used the troops and the secret police to drive the farmers into the collectives, and to drive the farmers off their own farms.

Mr. President, we do not believe in such things. We do not believe in collectives, either private or public.

I believe that the farm program which is needed is one which will carry out the purpose of the Agricultural Adjustment Act of 1938, which is still on the statute books. The purpose of that act is to have a Government policy which will bring to the farmer full parity, his fair share.

All I ask of those who write the articles and report these statements is that they examine the record and honestly ask themselves whether any proposal which the administration has made in regard to wheat will reduce production by as much as 1 million bushels or, in fact, whether it will reduce production by as much as 100 bushels. Is there any proposal which the administration has made which will reduce the burden upon the Commodity Credit Corporation? The administration's proposals are still for price supports; the administration's proposals are for expanded acreage, on the one hand; and no acreage limitations, on the other hand; and all of this adds more and more stocks to those now in the hands of the Commodity Credit Corporation.

What we need to do, if we are to have a price-support program, is to have one that contains an incentive big enough so that farmers are willing to accept controls and production limitations.

Let me say to my colleagues in this body who once used to praise the farmer committee system, that was the heart and the core of an effective agricultural program. The farmer committee system resulted in democratically and freely elected farmers from their own communities to supervise the farm programs, to measure the fields, to administer the program, just as a township board administers the affairs of a township, and just as a county board administers the affairs of a county. Now, in every county throughout America we have county managers, some of them having come right from Harvard, skilled in agricultural economics, but, I may add, having very little information about some of the communities in which they work.

I received a while ago a letter from a distinguished gentleman from the great State of Ohio. The letter reads:

MY DEAR SENATOR: Permit me to introduce myself. I was a member of the Ohio AAA and PMA State committee from 1936 to 1952, when I retired. I was chairman of the committee from 1946 until my retirement. My old friend, Chas. W. Stickney, was chairman in your State at that time.

Now to what I want to tell you. Yesterday I received 17 cents a dozen for my eggs. I decided to sell half of my hens. I found the price I would get was 12 cents a pound.

We operate a dairy farm and are under continual pressure from the various inspectors who do everything from count the fly specks on the windows to measure the depth of the litter in the tromp shed. The only reason for the action of these little Hitlers we can figure out is that our operation is not considered a big one. With stricter and even unreasonable requirements the price of our grade A milk dropped 30 cents last month.

Our milk must get wide distribution as we are inspected by a chain retailer, two city health departments and occasionally others. All claim jurisdiction since our milk goes into the tank from which the milk sold in their bailiwick comes.

That's enough in the complaint department.

What I am more concerned about is the position of we farmers nationally.

The files in the Secretary of Agriculture's office are full of tests made of various plans to improve the farmer's economic position. Apparently they are now being read and the ones that were found least beneficial are being used to save the day.

Programs once effective are now found to be ineffective. Around 85 percent of our farmers used to cooperate, now only a few do.

The only change was in the national administration.

This gentleman goes on to explain his philosophy of agricultural production. Here is a farmer, a man who has spent a lifetime in agriculture, who was a public servant in the great State of Ohio, elected from 1936 to 1952 by his fellow farmer neighbors, a member of the old PMA committee or AAA committee, chairman of the State group from 1946 to 1952; certainly he knows of what he speaks.

I know in my own State of Minnesota, the farmer committee system is the heart and core of the whole farm program. The only way compliance can be had in any program is to have the farmers trust that committee system. It is fair to say that in 1950, 1951, and 1952, from 75 percent to 85 percent of the farmers complied with the program requirements. Less than 35 percent comply today. Why? They have lost faith in the farm program.

It seems to me this is what needs to be remembered: The program is not only a failure in Washington; it has been repudiated in the country. I call upon those who publish the news for the American people to tell them that the program being called upon to be used today is the Eisenhower program, the Benson program, the flexible price-support program. It is their program, and it is a failure. I have a feeling, gained from the Senator from Georgia, that it was so designed.

PERSONAL STATEMENT—NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

Mr. MORSE. Mr. President, I rise to discuss for a few minutes what I consider to be a very delicate matter, but never have I hesitated in my years in the Senate to discuss delicate matters if I felt they involved a question which ought to be publicly discussed in the public interest. I discuss this one, Mr. President, because I am very much saddened by two telephone calls I had this morning, and also saddened by a press announcement I have just taken off the ticker.

I was called this morning by two very prominent Jewish leaders in America, who advised me that their offices had received a great many telephone calls making the allegation—which they said they knew was false—that much of the opposition to Admiral Strauss that has arisen in the Senate of the United States is anti-Semitic. Now, Mr. President, we must face up to this question. These Jewish leaders may be heard from later. They made very clear to me that they are very much concerned about it, and they think it is very unfortunate that such a false bit of propaganda has been circulated.

I told them that, in view of my confidence in them, and the reliability of their statements to me, I intended to call the attention of the Senate to the type of propaganda which apparently has been circulated by those who wish to put a false accusation upon those of us who are opposing the Strauss nomination.

I came to the floor of the Senate, Mr. President, to report these telephone conversations and upon my arrival I noticed an AP dispatch which reads as follows:

A Republican Congressman said today, "It is being impressed upon me constantly that opposition to the confirmation of Lewis L. Strauss, as Secretary of Commerce, is based on religious prejudice.

"If this is true, it revolts me as an American citizen," Representative STEVEN B. DEROUNIAN, Republican, of New York, said in a statement for the CONGRESSIONAL RECORD.

Strauss is a Jew, a trustee of the Jewish Theological Seminary and a past president of Congregation Manu-el in New York.

His nomination by President Eisenhower to the Commerce post precipitated the bitterest Senate controversy in recent years over confirmation of a Cabinet appointee.

However, there has been no mention in the Senate of religious considerations; disputes have centered about Strauss' policies when he was Chairman of the Atomic Energy Commission and the answer he has given under Senate committee questioning.

DEROUNIAN said in his brief statement, "I have repeatedly refused to believe, but it is

being impressed upon me constantly that the opposition to Acting Secretary Lewis L. Strauss, in reality, is based on religious prejudice."

DEROUNIAN is a former president of the board of trustees of the First Presbyterian Church, Mineola, N.Y.

Mr. President, I am glad that Representative DEROUNIAN stated what had been reported to him, because I feel that one of the great strengths of democratic government is to be found in a frank public discussion of such issues as this once the issue is raised.

I think my colleagues know that I need to yield to no man in the Senate of the United States in opposition to any semblance of anti-Semitism; in opposition to any semblance of religious intolerance; in opposition to any semblance of discrimination anywhere in American life based upon race, creed, or color.

But I am opposed to the confirmation of the nomination of Admiral Strauss, and in my opposition I join with some of the great men in the Senate of the United States, in my opinion—and there are great men on the other side of the issue, too.

I think the time to stop this kind of vicious anti-American and un-American propaganda, Mr. President, is when it first bursts forth, and that is why I discuss this delicate subject today.

I hope, Mr. President, we will hear no more of it, because I am satisfied there is not a scintilla of truth in any such vicious propaganda which may emanate from any quarter in the belief that by spreading this kind of vicious un-American propaganda some sympathy may be aroused for the nominee.

It so happens, Mr. President, that on May 19, 1959, I answered a letter which had been written to me by Mr. Bernard Postal, the editor of the Jewish Digest, 3459 Frederick Street, Oceanside, N.Y. It was the second letter which I had received from Mr. Postal, and he very properly in his second letter expressed regret that he had not received a reply to the first letter. I mention that because in the first paragraph of my reply, which I shall read to the Senate, I state he had not received a reply to his first letter not because of any inclination for my part not to reply to him but simply because I had not had time to get around to answering all my mail.

Because this letter, I think, is an interesting exhibit, in view of the charge of anti-Semitism which is now being propagandized in the country, apparently in an attempt to becloud the Strauss issue, I want to read my reply to this Jewish editor.

Before I do that, I wish to say I think it is well known in this body that on many, many an occasion in 15 years of service in the Senate I have spoken in support of Jewish drives conducted by the United Jewish Appeal, the Anti-defamation League, B'nai B'rith, Jewish bond groups, and other Jewish organizations.

There can be no doubt that the position the Senator from Oregon has taken throughout his public life has been in support of any program which sought to protect this minority group, as well as any other minority group whenever the heads of bigotry and prejudice and intolerance have reared themselves against any minority group, including Jewish groups.

Mr. President, I pass judgment on the qualifications of each nominee irrespective of his religious faith. In my judgment, Strauss is disqualified to be Secretary of Commerce, but he is disqualified, in my judgment, on the basis, in my opinion, that he does not meet at least two of the four historic criteria which the Senate of the United States has applied over the decades under the advice-and-consent clause of the Constitution of the United States.

Those criteria are: First, character and mental soundness; second, loyalty to our form of government; third, freedom from conflict of interest; and, fourth, general competency necessary to perform the duties of the office.

I have said, and I shall say at greater length during the debate on the nomination of Mr. Strauss, I do not think he possesses the character which would qualify him for the job. I do not think he has the sensitivity for veracity which would qualify him for the job. I think time and time again he has demonstrated an arrogance and a lack of cooperation with the Congress of the United States which reflects upon his character. Second, I do not think he shows the sensitivity in regard to the conflict-of-interest criterion which would qualify him to be Secretary of Commerce.

When the total record is considered, Mr. President, I do not think Strauss has the quality of competency which would entitle him to have his nomination confirmed. It will be in respect to those criteria that the debate will proceed, so far as the senior Senator from Oregon is concerned.

Mr. President, today I desire to answer the anti-Semitism charge, about which the two Jewish leaders called me this morning. As Jewish leaders, they said they resented the fact that the charge was being made, because they knew there was not the slightest bit of anti-Semitism involved in the opposition of any Member of the U.S. Senate toward Admiral Strauss.

Mr. President, because I wrote this letter to Mr. Postal, the editor of the Jewish Digest, long before this matter arose this morning, I wish to read the letter for the RECORD, because it bears on the broader problem in regard to the relationship of religious faith and qualifications for public office:

MAY 19, 1959.

Mr. BERNARD POSTAL,
Editor, The Jewish Digest,
Oceanside, N.Y.

DEAR MR. POSTAL: The only reason that your earlier letter referred to in your last letter of May 13 has not been answered as yet is because my mail has simply been too heavy for me to answer it as rapidly as I would like to do. However, in view of the fact that your last letter has been called to my special attention, I am glad to give you this reply to both letters.

In the first place let me say that I think your question assumes as fact a proposition I am not sure exists in fact. You say, "Now that most Americans seem agreed that a Catholic could be nominated and elected President by either of the two major political parties * * *." I certainly hope that such is the fact, but I am not sure it is.

One of the saddest experiences I have is reading the mail that comes across my desk that still shows that a great deal of intolerance and racial and religious bigotry exist in our country. In replying to such mail, as well as in my public speeches, I have tried to make clear over and over that no one can justify opposition to any candidate for office in our country because of his religious faith or his racial origin. I certainly would not hesitate to support a candidate for the nomination of the Democratic Party in the 1960 election because he might be either a Catholic or a Jew.

On the other hand, I think we all have to be on guard against another danger that I think also stems from prejudice and intolerance. I refer to the tendency on the part of many to criticize anyone who opposes the candidacy for high office of one who may be Catholic or Jew by reading into that opposition a false accusation that it is motivated by the fact that the particular candidate is a Catholic or a Jew. For instance, as you know, I opposed the nomination of Clare Boothe Luce to be Ambassador to Brazil. My opposition had nothing whatsoever to do with the fact that she is a Catholic. Yet, I am sure you would be surprised at the amount of mail I have received from people who simply imply that my opposition to her was based on the fact that she is a Catholic. It so happens that the mail I received, which was voluminous, overwhelmingly supported my opposition to Mrs. Luce. Nevertheless, I was saddened by the fact that there were those who wrote in who jumped to the conclusion that my opposition was based on the fact that she is a Catholic.

In view of the fact that you are the editor of the Jewish Digest, I want to respectfully suggest that it has been my observation there is a tendency among too many Jews to make a false assumption that, if anyone opposes a Jew who is a candidate for public office, it must be because of some prejudice against Jews. The point I want to stress is that the individual candidate, as far as I am concerned, must be judged on the position he takes on legislative and governmental issues. I don't care a hoot about his religion or his race, but, if he takes a stand on issues that, in my judgment, is not in the public interest, I shall oppose him and my opposition will have nothing whatsoever to do with the matter of his religion or his national origin.

In the 1958 campaign, I made more speeches for the Democratic National Committee in behalf of candidates to the U.S. Senate than any other Member of the Senate. In several instances those candidates happened to be Catholic. My support of them was based upon their statesmanship and upon their stand on issues. However, in campaigning for some of them I was a little disappointed to discover that there were groups in their States who were urging that they be elected because they were Catholic and, on the other hand, groups who were urging that they be defeated because they were Catholic. I think both groups were on very unsound ground.

In my judgment, what is needed most in American politics on this issue is that all Americans who believe in first-class citizenship for all of our people, irrespective of race, color, or creed, make it perfectly clear that they are going to judge candidates on the basis of the stand they take in the public interest on specific legislative and governmental issues.

Sincerely yours,

WAYNE MORSE.

Mr. President, I have discussed this delicate question because I think that is the only way to keep democracy strong. When such ugly misrepresentations

arise, and this kind of vicious propaganda seeks to smear the landscape of American democracy, we ought to be willing to get out the Senate debate cleansers and clean up the situation.

I hope this will be the last time it will be necessary for me to say that those who are calling Jewish leaders, such as the two who telephoned me this morning, and asking them to get busy and support Strauss because the opposition to him is based upon anti-Semitic forces in the Senate are doing a great disservice to American democracy. I say most respectfully that they are following an un-American line.

Let Strauss be judged on his record. In my opinion, on the basis of his record, he is disqualified to be Secretary of Commerce. I hope that Members of this body will share my view with respect to the anti-Semitic hokum and buncombe which apparently some extremists are trying to spread by an effort to persuade some great Jewish organizations in this country to raise the hue and cry that because he is a Jew Strauss is being opposed in the Senate. I hope such extremists will be shown up in the false colors with which they clothe themselves.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an editorial entitled "Lobbyist Strauss," published in the St. Louis Post-Dispatch of May 29, 1959.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LOBBYIST STRAUSS

The spectacle of a prospective member of President Eisenhower's Cabinet lobbying for his own confirmation is, to say the least, disquieting. Yet that is what Lewis L. Strauss is doing as the day approaches when his controversial nomination as Secretary of Commerce goes before a divided Senate.

Why did Strauss seek a private meeting with Senator NEUBERGER and spend an hour closeted with the Oregon Democrat? What did he have to confide that he left unsaid in the exhaustive public hearings before the Senate Commerce Committee? NEUBERGER reports only that the former Atomic Energy Commission chairman offered to answer any questions and did not ask for his vote.

The disclosure of the Neuberger visit follows reports that Strauss has approached other Senators and that he has effected an informal quid pro quo with Senators from textile States. The New York Journal of Commerce asserts Strauss is banking heavily on the support of these eastern and southern Senators and that they in turn look hopefully to him for help in cutting down textile imports that compete with domestic products.

If Strauss is moving toward a protectionist position in an effort to assure his confirmation, it is another reason why he is unfitted for the Cabinet post. His Assistant Secretary for International Affairs, Henry Kearns, has done an excellent job in promoting administration policies on freer international trade, and has been particularly intrested in finding an equitable solution to the problem of Japanese textile imports. The question arises whether Strauss is undercutting administration foreign trade policy and his own assistant in his search for votes.

Support for the view that he is may be found in a report in the Daily News Record, a textile trade publication, that Mr. Eisenhower has authorized a new interagency committee on textile problems, "overruling State Department objections." A Commerce Department official said committee industry advisers would be named after "consultations with Senator PASTORE and others."

Two of the three Democrats on the Commerce Committee who lined up for Strauss in the 9-to-8 vote of approval were Senators from textile States—PASTORE, of Rhode Island, and THURMOND, of South Carolina.

Mr. Eisenhower's earlier Secretary of Commerce, Sinclair Weeks, came to believe in lower trade barriers. So did his Under Secretary, Walter Williams. Williams' successor is Frederick H. Mueller, who has been an ardent high tariff spokesman. It would be unfortunate indeed if the price of Strauss' confirmation was a setback in the administration's hard-won gains in the field of liberal trade policies.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. GOLDWATER. I presume the Senator is about to take up another subject.

Mr. MORSE. Yes.

Mr. GOLDWATER. Before he leaves the subject of Mr. Strauss, I wish to refer to the remarks of the distinguished Senator from Oregon on May 28, appearing on page 9324 of the CONGRESSIONAL RECORD. I am glad the Senator is present, because I intended to address myself to those remarks at some time in the future.

I believe the Senator is perfectly correct in making the statement which he has just made, in which I concur. I believe he is correct when he says that Mr. Strauss should be judged on his competency, and other considerations relative to the conduct of the particular office.

I should like to ask the Senator from Oregon if he honestly and sincerely believes that Mr. Strauss is, as the Senator said on May 28, an enemy of democratic government, or an enemy of the people?

Mr. MORSE. Yes; I believe that. I believe it because I think he is so lacking in the character qualifications which should be promised by a nominee for the Office of Secretary of Commerce. I can summarize my view by referring to what I consider to be Mr. Strauss' tendency toward duplicity, his tendency toward speaking half-truths, his tendency to act in bad faith with the Congress of the United States. If the Senator and I were in the same room with him, and the Senator asked him the time of day, I would look at the clock.

Mr. GOLDWATER. Mr. President, will the Senator further yield?

Mr. MORSE. I yield.

Mr. GOLDWATER. The Senator has just disclosed that he believes that Mr. Strauss is dishonest.

Mr. MORSE. I said so in my speech the other day.

Mr. GOLDWATER. Is he an enemy of democratic government? The reason I think the Senator made that statement was that the Senator from New Mexico [Mr. ANDERSON] had disclosed that, on the advice of his lawyer, Mr. Strauss had refused to disclose some of the secrets of the Patent Office.

I do not see how anyone could call a man an enemy of democratic government, or an enemy of the people, as the Senator did, if he was acting in what he believed to be good faith. The man acted on the advice of his lawyer—and I may say, after having read the following testimony introduced by the distinguished Senator from New Mexico, that although I am not a lawyer I am inclined to believe that Mr. Strauss was acting correctly.

Mr. MORSE. By his acts he will be judged. His conduct in a long list of activities which we shall discuss at greater length this week, including the Dixon-Yates matter, meets my definition of being an enemy of the people. I believe that his failure, when he was with the Atomic Energy Commission, to supply the Joint Committee on Atomic Energy, headed at that time by the Senator from New Mexico [Mr. ANDERSON], with the information which the committee needed in order to carry out its legislative duties, made him an enemy of the people. I believe that his conduct and his influence in 1954, in connection with the Atomic Energy legislation, showed that he did not have the public interest at heart.

I shall discuss this matter at further length, and I hope to show that he is an enemy of the people also because, in my judgment, he is a preventive war man. In my judgment, those who show a tendency toward support of preventive war are certainly not friends of the American people. I believe that his whole conduct in regard to atomic testing does not make him a friend of the people. I will, at some length, later in the week or next week or the following week, or whenever we get to it, specify why I consider Mr. Strauss to be an enemy of the people.

Mr. GOLDWATER. I must disagree completely with the Senator's assumptions. I cannot imagine that the Senator from Oregon sincerely believes that a man who is an admiral in the Navy and who has dedicated his life to the service of the American people, and who has served under three Presidents—I have heard it said that it was four Presidents, but I will stand on the record at three—is an enemy of the people. If he does, for the reasons he has outlined, I might say that he could include the junior Senator from Arizona in his designation of an enemy of the people. He could also include many distinguished Members of this body who have served with distinction and pride in the armed services and in other positions.

I am extremely hopeful that in the course of the debate we can avoid making accusations such as "enemy of the people." That is another term for traitor. It is another term for an unpatriotic man and an undedicated man.

I do not believe there is any person in America, whether he agrees with Admiral Strauss or disagrees with him, who will not admit that Admiral Strauss has been a patriotic American citizen and a dedicated American citizen. One can disagree with him or agree with him. I happen to agree with him and my friend from Oregon disagrees with him, but I ask that we should not let the debate get to the point where we are accusing a man of being unpatriotic

and an enemy of the people, because we do not agree with everything he has done.

I know the Senator from Oregon has been immaculate in his attention to civil rights and to the rights of the people. To make a charge like this on the floor of the Senate, when it cannot be answered by the man against whom it is made, is not in keeping with the liberal tradition which the Senator from Oregon, has established. I sincerely hope that after further consideration the Senator will agree to strike those words from the RECORD and substitute something that does not carry the connotation which "enemy of the people" carries.

Mr. MORSE. Let me say to the Senator from Arizona that, as a liberal, I intend to characterize people on the basis of what I think their record substantiates, and then proceed to document the characterization. I consider Mr. Strauss to be not only an enemy of the people, but also a very dangerous man and one who in my judgment is not fit to serve as Secretary of Commerce.

I did not expect the Senator from Arizona to agree with me. Now that the Senator from Arizona has made reference to himself, let me say to him that this is not the time or place for me to express my complimentary view in regard to the veracity of the Senator from Arizona. Whenever the Senator from Arizona tells me anything, I am satisfied that I am getting the truth. I do not feel that way when I listen to Mr. Strauss. Merely because I have a high regard for the Senator from Arizona, it does not follow that, therefore, I must have the same high regard for Mr. Strauss.

As I said earlier, Mr. Strauss does not meet the character criterion to be Secretary of Commerce. It is always unpleasant when it is necessary to discuss the character of an individual. However, I will not vote for Mr. Strauss on character grounds. I will not vote for Mr. Strauss on the ground of freedom of conflict of interest. I will not vote for him because his public record shows that he does not possess the degree of competency for the job that entitles him to confirmation of his nomination.

Mr. GOLDWATER. If the Senator would confine his objection to the grounds he has stated, I certainly would not have any quarrel with him. However, I cannot, as an American citizen, stand quietly by when a patriotic American is called an enemy of the people. Even with all the wisdom the Senator from Oregon possesses, I doubt that he can ever convince America that Lewis Strauss is an enemy of the people. He may not satisfy the qualifications the Senator outlines to the Senate this afternoon, and he may be able to convince some Senators in that regard, but I certainly doubt that any attempt to characterize Lewis Strauss as an enemy of the people will be successful; and I may suggest to the Senator that it will boomerang against his own cause.

Mr. MORSE. Let me say that I am willing to have the record speak for itself. I consider it to be my duty to tell the American people why I think this man is an enemy of the people and why I consider him to be a dangerous man. I shall do so. I am perfectly willing to let the people be the judge.

I appreciate the great interest the Senator from Arizona apparently has in my well being, politically speaking, but it never concerns me when I run great political risks in performing what I consider to be my duty. I happen to be a person who is not one whit afraid to be defeated. I am perfectly willing to take defeat any time when I seek to save the American people from the services of an untrustworthy public official.

Mr. GOLDWATER. I shall close with this observation. I hope the Senator from Oregon will recognize that, in calling an American an enemy of the people he is in effect violating his own high code of ethics as it relates to discussions on the floor of the Senate in respect to people.

When we discuss people on the floor of the Senate, I believe it is perfectly proper to go into their character or lack of character, their veracity or lack of veracity; but it is an entirely different matter to attack a man who has served his country well under three Presidents, who is an admiral in the Navy, who is a high ranking member of his own church, and who has done an exemplary job—and I have never heard the Senator object to him before—by calling a man like that an enemy of the people. Frankly, I cannot rationalize it with the historic stand my friend from Oregon has always taken on civil rights and civil liberties. I am therefore hopeful that in the future my friend from Oregon will confine himself to the facts of this man's life which he wishes to disclose, and not tear down in the people's mind the patriotic services of a dedicated man.

Mr. MORSE. All I wish to say in final reply to the Senator from Arizona is that I will speak later at greater length on this subject. Whenever I become convinced, as I am convinced, that we are dealing with a man who has followed a course of action with regard to the atomic weapon program of our country which enhances the probability of our getting into a preventive war, I cannot characterize such a man as a friend of the people. When I find a man who has engaged in the kind of duplicity in which in my judgment the record shows Mr. Strauss has engaged, I consider him to be a dangerous man. I cannot support him, and I am going to label him for what I think he is. I recognize that the Senator from Arizona, is trying to make a public angel out of Mr. Strauss, but I have never been able to discover his wings.

I am perfectly willing to follow my course of action in this debate. I will make my record against this man whose nomination, in my opinion, should not be confirmed.

While we are on the subject I should like to say to the acting majority leader that, contrary to reports over the weekend, I have no intention of engaging in prolonged debate against Mr. Strauss. I said yesterday on a television program that I would speak perhaps for three or four hours. That will be the extent of my argument; and so far as I am concerned, I will let my case rest on that presentation.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. JAVITS. I wish to associate myself with the expression of the distinguished Senator from Arizona [Mr. GOLDWATER] about the use of the phrase "an enemy of the people." The Senator from Oregon has a perfect right on the floor of the Senate to call anybody anything he pleases; but I think it would be less than just and dignified for those of us who, like myself, know Mr. Strauss, to allow such a statement to stand without challenge. I think the Senator from Arizona has covered the point fully, but I should like, perhaps, to add one other suggestion.

I knew Lewis Strauss long before he was in public office. I knew him when he was the president of his temple. I knew him when he served in the Navy. I have had a great deal to do with him in matters involving his work. I was a lieutenant colonel in the Chemical Corps, and served in relationships of the greatest confidence with Admiral Strauss, I as a part of the Army, and he as a part of the Navy. I have never had any reason to doubt his word. I have always believed him to be a man of honor. I can say advisedly that he is a man of honor.

I think I have just as much conscience as has the Senator from Oregon. The Senator from Oregon is entitled to his own opinion, except that it does not stand unchallenged. I do not always agree with Lewis Strauss in his ideological views; perhaps I might agree more often in that respect with the Senator from Oregon than with Lewis Strauss. But that does not make Mr. Strauss unfit to be Secretary of Commerce in the Cabinet of the President of the United States. On the contrary, I think Mr. Strauss will make a splendid, honorable, dignified Secretary of Commerce. I shall vote for him with the feeling that I am doing exactly the right thing in the interests of the American people.

It is all right for the Senator from Oregon to say that that is my business, just as his views are his business. But I should like to say a word about anti-Semitism. This is pretty slippery business. When it begins to intrude itself into the debate on the qualifications of a nominee it is bound to confuse and becloud the atmosphere.

It is well known that I am Jewish. I am very proud of the fact. I have from time to time found it necessary to speak on the floor with knowledge and pride in my faith. So I should like to make this point:

I have no reason whatsoever to question a single sentence or implication of the Senator from Oregon, and would not do so, of course, but whatever may have been said or done by any individual or the head of any organization which is considered a Jewish organization, it is

my conviction that the Jewish people of the United States, like all other American citizens, are either for or against Lewis Strauss, depending on whether or not they would like him to be Secretary of Commerce. I do not say that either affirmatively or negatively. But I do not think the issue should be raised or be used that Strauss is Jewish. That should not be used as an element in the confirmation of his nomination in any way.

I express the hope that the great capability which the Jewish people of our country have shown for being useful citizens will be honored at a time like this by letting the subject stand as is, strictly upon the record of citizenship and patriotism on the part of each individual. I do not think any of our colleagues will vote on the basis of the nominee being of the Jewish faith, and I hope that no Senator will allow that thought to intrude in any way into his consciousness.

I have received letters from many persons who, from their names, I would take to be Jewish, who are either for or against Admiral Strauss. That is eminently proper; that is the American way.

I appreciate the views of the Senator from Oregon and his bringing this matter to our attention in an endeavor to put it in focus in his way. I hope, perhaps, that I may help to put it in focus in my way. I hope and trust the fact that Mr. Strauss is Jewish will not intrude in any way into our discussions, I emphasize, either in an affirmative or a negative way, either by rebutting it or confirming it, for it does not belong to the considerations of the Senate of the United States.

It is my deep conviction that it does not intrude in the consciousness of the overwhelming majority of the citizens of the United States who are of my faith.

Mr. MORSE. Mr. President, I wish to comment, first, on the latter part of the statement made by the Senator from New York, namely, his comment with regard to the alleged anti-Semitic charge. I completely agree with his observations. I only emphasize that when the charge is raised, this is the place to answer it. That I sought to do. I thought I was in a particularly good position to do it. I am glad I have done it, because I think it would be a disservice to the nominee, a disservice to American Jewry, and a disservice to the American people generally, if that charge were not once and for all answered on the floor of the Senate. When Associated Press dispatches began to appear on the ticker concerning the subject, I felt something should be said here.

As to the first part of the Senator's comments, I know his high regard for Admiral Strauss. I simply do not share it.

I rest my characterization in the tradition of open, forthright debate in the Senate of the United States. The pages of the CONGRESSIONAL RECORD are replete, over the decades, with opposition to nominees. The comments have, in my judgment, been characterized by the same vein of opinion as that I have used in characterizing Mr. Strauss. Then the proof in support of those charges has been taken into consideration by the Senate, and the character of the nominee has been adjudged. I am always glad to submit my case on that basis, and I always shall.

I do not believe Mr. Strauss has demonstrated that he has either the understanding or the faith in the democratic legislative procedure which I think are essential in a democracy. That will be one of the reasons why I shall disapprove his nomination, so far as my vote is concerned.

Mr. JAVITS. I hope very much that our remarks will be understood with respect to what I really think is the timely phase of our discussion, which really is not about the Strauss nomination. There will be plenty of time to debate that. The Senator from Oregon will debate it, and perhaps I will, too. But it is the latter matter which concerns me. I am of the Jewish faith. I think it lies very much in my mouth to speak as I have. Therefore, I hope that our statements taken together will lay that question to rest, and that we may proceed to debate the nomination on its merits.

Mr. KEATING. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. KEATING. I would be less than honest to myself and the deep feeling I have about this matter were I not to say that I share emphatically the views expressed by my colleague, the distinguished senior Senator from New York [Mr. JAVITS], with the possible exception of his statement that he agreed with the Senator from Oregon more times than he might have agreed with Lewis Strauss. I am prepared to meet that as each issue comes up by itself.

But I know Lewis Strauss. I believe him to be a man of character, integrity, and accomplishment. In that respect, the Senator from Oregon disagrees with my views.

I simply hope that the issue which has been raised here today will be set at rest in this debate once and for all, and that we will not hear it again during the debate, because I do not believe it to be in the finest traditions of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 758. An act for the relief of Viktors Neimanis;

S. 1197. An act to amend the Atomic Energy Act of 1954, as amended; and

S. 1228. An act to amend Public Law 85-590 to increase the authorization for appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

The message also announced that the House had passed a bill (H.R. 5140) to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time before June 1, 1961, in which it requested the concurrence of the Senate.

HOUSE BILL PLACED ON CALENDAR

The bill (H.R. 5140) to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time before June 1, 1961, was read twice by its title and placed on the calendar.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATIONS, 1960

The Senate resumed the consideration of the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes.

Mr. RUSSELL. Mr. President, I should like to remind Senators that the measure now before the Senate is House bill 7175, making appropriations for the maintenance of the Department of Agriculture for the fiscal year 1960.

In the hope that we may now proceed to consider further amendments to the bill, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HART in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RUSSELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment which has been submitted by the Senator from Delaware [Mr. WILLIAMS].

Mr. WILLIAMS of Delaware. First, Mr. President, I ask that the yeas and nays be ordered on the question of agreeing to my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware.

Mr. MORSE. Mr. President, has the Senator from Delaware finished his presentation of the amendment?

Mr. WILLIAMS of Delaware. No, I have not.

Mr. President, the purpose of this amendment is to strike out, on page 12, line 15, the figure "$250,000,000", and to insert in lieu thereof "$100,000,000." The amendment represents a cut of $150 million.

This amendment is in line with the recommendations of the Bureau of the Budget.

In the report of the committee which is before us I notice—and I think the Senator from Georgia will agree with me as to this—the statement that the bill as reported to the Senate by the Senate Committee on Appropriations calls for appropriations totaling $3,975,505,148; and the report indicates that the bill as reported to the Senate by that committee is $105,859,715 under the budgetary estimates for 1960.

The report may be accurate so far as it goes; but it does not go far enough

to tell the true story. From an examination of the bill as it is now before us I find that it does not represent a reduction of $105 million in the President's budget but, instead, an increase of $250 million.

I call this point to the attention of the Senator from Georgia, and to the attention of the Senate. This particular provision which calls for $150 million more than the budget estimates represents one item that was not taken into consideration in connection with the tabulation which appears on the first page of the report.

Mr. RUSSELL. That is correct, because it relates to the authorization proposed for the year 1960. Then the estimate for 1961 will contain the request for the amount of funds needed to carry out the authorization in this bill.

In the same section of the bill we have an appropriation item of $241.5 million, which is sufficient to meet the expenses of the agricultural conservation program for this year. The bill also authorizes and directs the Secretary of Agriculture to develop and plan a program for 1960 which shall not exceed $250 million. The necessary appropriation for that item will be carried in the appropriation bill of next year.

Mr. WILLIAMS of Delaware. I recognize that point; however, I raise this question: If an amendment were offered to the bill, on page 11, in line 16, to make a change in the figure "$241,500,000", in such case the Senator from Georgia would argue, would he not, that that amount was required in order to cover a commitment and could not be changed?

Mr. RUSSELL. I certainly would. I would say that the Senator would be advocating the violation of contracts which have been entered into with more than 1 million farm families throughout the country for compliance with the soil-building, soil-conserving, and water-conserving practices authorized by the Department of Agriculture and Farm Credit Administration Appropriation Act of 1959.

Mr. WILLIAMS of Delaware. I concur in what the Senator from Georgia has said; namely, that the figure "$241,500,000," on page 11, in line 16, cannot be changed because it is required by contractural arrangements which have been made between the Federal Government and the farmers.

I point out, however, that a year ago, when the last appropriation bill for the Department of Agriculture was before the Senate, the administration recommended a $100 million ceiling on such expenditures for this year, and at that time also the authorization was increased $150 million in excess of the budgetary estimates. That accounts for the $241,500,000 item on this page of the bill. Sure, the apporpriation was requested by the Bureau of the Budget, because once having entered into those contracts there was no alternative other than for the Bureau of the Budget to request the Congress to provide the necessary funds. The Congress now has no alternative but to appropriate the funds for these contracts.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. RUSSELL. I think that is a fair statement. The issue we are dealing with today is how many contracts will be authorized for 1960.

Mr. WILLIAMS of Delaware. That is correct. Therefore, while it is true that the $241,500,000 was requested by the budget, it still represents $141 million which would not have been spent had the budgetary estimates been followed last year.

Mr. RUSSELL. That is correct. Ever since Mr. Benson has been Secretary of Agriculture, he has tried to destroy the agricultural conservation program. He has submitted, each year, budget estimates ranging from $100 million to about $175 million. Of course, the administrative expense of the program is about $42 million including transfers to the Soil Conservation Service. If we are going to trim the amounts down to $100 million, we ought to abolish it altogether.

It would be too extravagant to have a $100 million program for farmers that cost $42 million to administer.

Mr. WILLIAMS of Delaware. That gets back to the merits of my amendment which is now before the Senate. I think that this colloquy has clearly established that if we want to cut these expenditures for next year, the only way the Members of the Senate can do it is to vote to reduce the $250 million to $100 million.

We must do this today. It is our last chance. Furthermore, failure to adopt my amendment will mean that on this one item alone we will be exceeding the President's budget by $150 million.

Mr. President, I point out again that it cannot be said we are voting here only on an authorization for next year because, as has been established in the colloquy regarding the item on page 11, it is recognized by the Senator from Georgia and by all of us as a direct commitment. Therefore, this is the only opportunity that we as Members of the Senate will have to change the $250 million item. Either we will roll it back today, or next year we shall be required to carry out the contractual arrangement and appropriate the money. It cannot be said that it does not represent a $150 million expenditure so far as the next fiscal year is concerned.I think the Senator from Georgia will also agree that the $150 million item which we would be obligated to appropriate next year is not included in the front page of the report.

Mr. RUSSELL. I made that clear yesterday. The amount involved in this item is not an appropriation; it is an authorization. It would be binding upon the Government of the United States if it is approved. Sometimes the amount is all utilized; sometimes it is not all utilized. We authorized $250 million a year ago for the 1959 program but only $241 million was required to finance it. We are considering an authorization for the agricultural program for the calendar year 1960.

Mr. WILLIAMS of Delaware. But half of the fiscal year will be in calendar year 1960, and the commitments will all be made in the fiscal year 1960. Therefore, I do not think we can say this is not a budgetary item.

There is also in the appropriation bill, on page 19, line 6, another increase of $75 million which was not recommended by the Budget Bureau. This is for increased soil bank payments.

Again, there is a claimed reduction of $100 million on page 27, line 9, which is in reality not a reduction. This is in the item which provides for the restoration of capital for the Commodity Credit Corporation.

This does not represent any savings or cost to the taxpayers.

That money has already been lost by the Commodity Credit Corporation. It has been lost on commodities which have already been sold. Whether we restore the capital at this time or a year from now is immaterial so far as the taxpayers are concerned. We are still obligated for the amount stated. That is a $100 million item which is incorrectly claimed as a budgetary cut. If that is not true then let us eliminate the whole $1½ billion and save a lot of money. The Senate knows that cannot be done. It is merely a tricky bookkeeping procedure. We are not "kidding" anybody or saving a dollar when we cut out that $100 million.

I think the Senator from Georgia will agree that the budgetary request in this respect represents a bona fide loss already taken on products which have been sold—not estimated, but sold. Certainly there cannot possibly be any recovery.

This is just a false claim of cutting the budget.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. DIRKSEN. I think the Senator from Delaware is right. I regard the restoration of the $100 million as a mandatory matter under existing law. I propose, at the appropriate time, to offer an amendment to restore the $100 million. That loss was ascertained by a Treasury survey, and was effective as of June 30, 1958. That is nearly a year ago.

Obviously, since the loss is an actual loss which has already been realized, there is no way of avoiding it. I believe in exercising some responsibility in that field and in doing what the Congress is called upon to do, on the basis of a mandate in the law which has been on the books I do not know how long. As a matter of fact, the Commodity Credit Corporation was organized in 1933. That was nearly 26 years ago. At one time it was an adjunct of the Reconstruction Finance Corporation, before it was turned over to the Department of Agriculture.

In denying the Department the $100 million, we would circumscribe its operations in the field of price support, which is mandatory, and also in the field of disposal of surplus commodities, both at home and abroad.

The program is in existence. It is the contriving of Congress. I think, in all earnestness and sincerity, that we ought to exemplify some good faith, act in a responsible way, and restore the amount.

In due course, I shall offer an amendment to accomplish that purpose.

Mr. WILLIAMS of Delaware. The Senator is correct, and if anyone disagrees, I repeat my question: Why not eliminate the whole $1½ billion, which likewise is all lost? That is not the way to save money. It is too late once the loss has been established. The way to save money is to stop future losses. Once the losses have been incurred, we have no alternative but to pay for them. Whether they are paid for by this appropriation bill or by another one or by a supplemental bill makes no difference.

Altogether there is a total of $220 million spending authority in the bill which is not set forth in the table.

In addition, on page 23 of the bill we find increased loan authorizations for the Farm Home Administration amounting to $12 million, one for farm operation amounting to $20 million, and one for soil and water conservation amounting to $1 million—or a total increase loan authorization of $33 million above budget recommendations.

Altogether we find that there is in the bill under consideration a total of $253 million over and above the budget recommended by the President of the United States.

This information should be put in the RECORD and should be clearly understood when we vote on the bill. Let us not boast about cutting the appropriations, for under this bill there is an increase rather than a cut. If the bill is passed without any amendments, we shall be increasing the budget a total of $253 million rather than cutting it $106 million.

If there is any objection to that tabulation, I would be glad to yield to any member of the committee who wishes to take exception to it at this time.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. YOUNG of North Dakota. Does the Senator from Delaware take the position that a loan to an FHA borrower, a farmer, is a total loss?

Mr. WILLIAMS of Delaware. Certainly not. The last three items involving $33 million are definitely in a different category, and I so stated.

The point I am making is that these items are in excess of the budgetary estimates. On the front page of the report submitted by the committee we find a list of the budgetary estimates for comparison purposes, but the report does not give the accurate picture. Let us not try to kid ourselves or to mislead anybody.

I think the Senator from North Dakota will admit that in the loan authorization item there is a $33 million excess over the budgetary estimates. There also are $220 million of direct expenditures over budget request.

The other item above budget request is the $150 million for the agricultural conservation program payments, which the pending amendment proposes to correct.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. YOUNG of North Dakota. I agree that the increased authorization for the soil bank program will represent a loss and an obligation we will have to pay. I disagree with regard to the loans under the FHA program. The farmers have a good repayment record. I think repayments are approximately 90 percent, which is very unusual because these loans are made to farmers who are not eligible for loans from any other banking source. I would not list those loans as an expenditure.

Mr. WILLIAMS of Delaware. If the Senator from North Dakota had been present and had followed this presentation from the beginning, he would have seen that the tabulation divides the amounts between expenditures and other items. I did make a comment with regard to the loan authorization increase, but these are separate items. I made that clear in the beginning.

I am not for a moment indicating that those loans represent losses. They may represent losses or they may not. They do, however, represent money going out of the Treasury.

The point I am making is that, altogether, the bill proposes to appropriate and authorize a total of $253 million more than was recommended in the President's budget. Of that amount $220 million represents expenditures, and $33 million represents increased loan authority.

Mr. President, I should now like to return to consideration of the pending amendment, which proposes to reduce the item for next year's agricultural conservation payments from $250 million to $100 million. This is the item which includes the free lime, the free fertilizer, and various other types of aid for increasing the productive capacity of the farms.

There may have been a time when there was a need for this enlarged program. Certainly, many parts of the agricultural program have much merit.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. AIKEN. The Senator does not mean to refer to free lime or free fertilizer or free anything, does he? In every case the farmer pays, let us say, 50 percent of the cost.

Mr. WILLIAMS of Delaware. But what is the difference?

Mr. AIKEN. The Senator should say "furnish these materials at a reduced rate," because they are not free by any means.

Mr. WILLIAMS of Delaware. When a farmer buys 5 tons of lime and pays for 2½ tons and the taxpayers pay for 2½ tons it is exactly the same answer as though the Government sells him 5 tons at half price. It still represents a contribution by the taxpayers for the buying of lime, fertilizers, and phosphates, and for the supplying of wells for livestock, farm ponds, drainage, and various other types of operation; all of which has one purpose, to increase the productive capacity of the soil in order that there may be produced more of the commodities which we already have in oversupply.

I recognize that there is merit to many of these agricultural programs. If we considered them individually perhaps they could all be justified. We are, however, confronted with a situation wherein we are operating with a deficit of $12 billion per annum and the only manner in which we ever stand a chance of cutting back and balancing the budget is by stopping the authorizing of some of the spending. The only way we can stop authorizing some of the spending is to cut down on some of the programs, even those which many of us consider meritorious.

We are all going to have to sacrifice some if we ever expect to balance this budget.

Besides, this particular policy of spending millions to increase the productive capacity of our farms in the face of such huge surpluses is wrong.

It hurts not only the taxpayers but also our farmers.

I do not think there is a single program which has ever been advocated by any Member of the Senate about which the sponsor was not enthusiastic as to its merit. Certainly all these programs have some value.

There is also merit to balancing the budget. And we cannot balance this budget by continuously operating on the basis of spending more and more money merely because some of us happen to like a program.

In support of this amendment I have a letter from the Department of Agriculture, signed by True D. Morse, the Acting Secretary, dated June 1, 1959, which I shall later ask to have printed in the RECORD. In it the Department recommends that the item be cut back to $100 million.

I shall not read the entire letter, Mr. President, for I am sure the Members of the Senate are familiar with it. The Department of Agriculture points out that the bulk of the money will be used to increase the productive capacity of the farms, yet, we already are producing more commodities than we need. I shall quote one sentence from the letter:

> Much of the present expenditures for agricultural conservation program have the effect of increasing production.

I think it is time we recognize this point. If we are sincere and are concerned about the surpluses let us approach the issue squarely and really take corrective action. Let us not appropriate $150 million to increase the fertility of the soil in an effort to increase the production of those farm commodities of which there is an overabundance. We are never going to get rid of the surpluses if we continue this type of program. I think it is long past the time when Congress should recognize the problem and meet it head on.

Mr. President, I ask unanimous consent that the letter from the Department of Agriculture in support of the amendment be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., June 1, 1959.

Hon. JOHN J. WILLIAMS,
U.S. Senate.

DEAR SENATOR WILLIAMS: You have discussed with us H.R. 7175, the Department of

Agriculture and Farm Credit Administration appropriation bill for fiscal year 1960 as passed by the House and reported by the Senate Appropriations Committee, which provides for a 1960 agricultural conservation program of $250 million. As you know, the budget proposes an advance authorization of $100 million for the 1960 program. The proposed reduction in the program is sound and results from the continuing need to contain total Federal expenditures within total Federal revenue and for other sound reasons. We believe, under present circumstances, this program can be reduced without material damage to conservation accomplishment. This is particularly true because of increases in other conservation activities and programs.

The following illustrates funds used for agricultural conservation program practices which may be reduced without material effect upon total conservation accomplishment:

Practice:	Cost (in millions)
1. To lime farmers' lands	$29.8
2. To supply phosphates to farmlands	4.5
3. To establish rotation cover crops (These cover crops are later plowed under to contribute more surpluses in corn, other grains, and soybeans.)	12.0
4. To establish wells for livestock	4.0
5. For farm ponds	13.0
6. For open ditches (drainage)	3.8
7. For closed drainage ditches	8.0
8. Expenditures for cover crops of a seasonal nature—largely to supply winter grazing in the South and Southwest	25.7
Total expenditures	100.8

These are steps farmers would largely perform without any assistance from agricultural conservation program and would do in order to manage their farm effectively. There is little reason for the public to thus defray a part of farmers' recurring costs.

The proposed reduction in agricultural conservation program can be made without real damage to conservation and thus release funds for more compelling needs. Much of the present expenditures for agricultural conservation program have the effect of increasing production.

Sincerely yours,

TRUE D. MORSE,
Acting Secretary.

Mr. MORSE and Mr. AIKEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. MORSE. Mr. President, I shall be brief in speaking against the Williams amendment. I am always much happier when I find myself standing shoulder to shoulder with the Senator from Delaware, as we do on some occasions. I cannot on this occasion, because I think this is a program which is pretty vital to the future of our country.

We would make a mistake, it seems to me, if we assumed this is a program beneficial only to the farmers of our day. This is a program which in my opinion will give great support to the natural resources on which we will be dependent in the years not far ahead, when we will need every bit of productivity we can achieve on American soil in order to feed our people.

I am sure this body of Congress will not accept the amendment of my friend, the Senator from Delaware. The amendment is based on administration recommendations that the agricultural conservation program be reduced to $100 million. This would certainly be false economy. It seems to me that through the years the agricultural conservation program has proven itself. We have known for several years—for many years—that more farmers would participate in it than in any other program geared to conserve our soil and water resources.

If the Nation cannot afford $250 million for the agricultural conservation program, we certainly should not have $100 million appropriated, which would merely maintain a shell of the existing organization and have pennies available for expenditures where dollars are needed.

Mr. President, the soil is the most basic source of our wealth. From it we obtain the food and fiber, the metals and the minerals with which we build our complex economy. Unfortunately, over a period the natural resources derived from the soil are expended and therefore must be replaced. The American Republic has long recognized this fact and has through its representatives here in Congress developed a national policy of conservation. The agricultural conservation program is a vital part of this overall national policy. Through this program over a million and a quarter farm people yearly cooperate with other millions of Americans in conserving the agricultural soil and water resources of our Nation. If this amendment is adopted here today the soil and water conservation work which we have striven for many years to maintain at an adequate level will be sharply reduced.

Mr. President, I shall ask to be excused from voting on this amendment when the roll is called. I digress from my brief manuscript long enough to say that I believe I have probably received $200 or $300 over the years, by way of a Government contribution to the liming of some soil which I owned, as a good conservation practice.

The farmer pays a substantial part of the cost of liming. This experience at least has made me a pretty good witness, even though I may be a special pleader—and I would be if I were to vote on the amendment this afternoon—to observe the effectiveness of the program. I will participate in a program which seeks to strengthen the soil, because irrespective of who the owner of the land may be, I believe such a program was enacted in order to conserve the soil for future generations.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. MORSE. I shall be glad to yield in a moment.

I have never participated in a so-called soil bank program, because I have never owned land which, in my judgment, would justify putting it in a soil bank. I happen to believe that the soil bank program should be reserved for land so marginal, and so unproductive, that it should be treated for many years by being taken out of production, in order to prepare the way for its use some decades hence, when we shall need every pound of food we can produce in America in order to feed our people.

The population experts and the food experts who testify from time to time are warning us that perhaps as soon as the year 2000 we shall not be able to raise enough food in this country to feed our then increased population.

It is because I am satisfied, based upon my knowledge as a farmer, that this program is so sound that I make these comments in support of the program this afternoon. Then I shall ask to be excused from voting when the roll is called.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. AIKEN. Does not the Senator from Oregon realize that the law specifically authorizes him to vote on this question? He was patriotic enough to undertake to do his part in conserving soil and water resources; and that was taken into consideration at the time the program was first inaugurated, in the 1930's. In order to induce everyone to participate in the program and conserve the resources of the United States, the Senator from Oregon and other Senators were specifically authorized to vote on the question.

Mr. MORSE. I know that. However, the Senator from Vermont knows my political problems very well. I think I can always afford to lean over backward. Under those circumstances, it would be better if I did not vote, but contented myself with making this frank record this afternoon.

Mr. AIKEN. If the Senator from Oregon will permit me to say so, for many years the Senator from Vermont deliberately participated in the agricultural conservation program as an example to induce others to do the same. I hope he was helpful. I do not believe that any payment amounted to more than $50 a year. A number of years ago I discontinued my participation in the program because it was well under way, and people in my State and community were generally participating. However, even if I were participating, I would not wish to surrender my right to vote on important matters which vitally affect generations coming after us.

Mr. MORSE. I believe there is a great deal of merit in what the Senator from Vermont has said.

Mr. AIKEN. I hope the Senator from Oregon will vote on this question.

Mr. MORSE. The arguments which the Senator from Vermont makes, and the arguments which I make, indicate that what we are both advocating is not for the benefit of anyone now living, but to induce those who now own the land to participate in a program which will strengthen the land for use by future generations.

As the Senator from Vermont says, a Senator is specifically authorized to vote on such an issue as this. I only said I thought I would have to be excused because so many people do not draw the distinctions which the Senator and I have drawn on this question. I think it is important, in fairness to my friends who gave me such great support in running for office, that I be very careful not to

cast a vote this afternoon which might be distorted and misrepresented, and which might do injury to my friends who desire to support the things for which I stand.

Mr. AIKEN. The Senator from Oregon knows that if he participated in the program and reforested wasteland or slashland, he would pay at least half the cost. He would not get a nickel out of the program during his lifetime; yet the trees he planted would be harvested probably three generations hence. I cannot see why anyone who enters into a program designed to conserve the soil, water, and forest resources of the country for coming generations should be considered to be guilty of some crime, when, for the most part, all he gets out of it is expense.

Mr. MORSE. I agree that there is certainly nothing unethical or improper about casting such a vote.

I do not have the exact figures in mind, but I believe that the Federal Government has contributed between $200 and $300, over the years, to the cost of liming my property. I have contributed much more, of course. For that reason I felt somewhat hesitant to vote this afternoon.

I am almost persuaded by what I consider to be the almost unanswerable logic of the Senator of Vermont. I do not wish, by my failure to vote, to be placed in the position of seeming to fail to encourage the program for which I ask my colleagues to vote. So the Senator leaves me between two straw stacks. Many people will like that figure.

In a few moments, perhaps after conversation with the Senator from Vermont, I shall reach a final conclusion. I merely wished the RECORD to show that I have participated in the program to the extent I have indicated.

Returning to my statement, through the agricultural conservation program we have been working at the task of rebuilding our lands The present landowner pays approximately one-half the cost to perform a recommended and approved agricultural conservation program. These practices are determined locally for what is best needed for the particular locale. The farmer cannot afford to pay the entire bill. Should he be required to pay the total cost? A farmer's first consideration must be the economic well-being and security of his family. This does not always permit him to give adequate consideration to the most desirable longtime use and conservation of soil and water resources.

If a farmer wished to make the most money out of his farm he would not be thinking about a conservation program for it looking ahead 35 years from now. He would proceed to exhaust the fertility of the farm during his lifetime, and let future generations take care of themselves That is a pretty asocial attitude.

This program was developed to make a public contribution to a public interest which will exist long after the present owners of the titles to farms will have passed from the scene.

In the day of decreasing profits and increased cost to the farmer he is not sure from year to year—and in some cases from day to day—that he will remain on the farm. For this main reason if acceptable long-range conservation practices are to be secured, the Nation must bear a part of this financial burden. It is therefore very much in the public interest for the Federal Government to share in the cost of conservation measures. Farmers who have had the experience of agricultural conservation program participation and have seen the results of sound conservation practices on their farms would gladly pay the total cost if they were able to do so. To me it seems apparent that if sound conservation practices are to be carried out the American farmer must not be obligated to bear the entire cost.

The last report I have had from the Department of Agriculture concerning the 1957 agricultural conservation program is for the year 1957. In my State, nearly a third of the funds allocated under the agricultural conservation program were used in connection with the establishment of permanent cover. A total of 45,849 acres of permanent or perennial cover were established. Some of this acreage was treated with limestone. A little less than 13 percent of the total State allocation went into agricultural limestone. However, I want the record to show that limestone and fertilizer have not received assistance under this program except in connection with seeding or improvement of permanent or perennial cover. Nearly 60 percent of the State funds were used for practices primarily for the conservation or disposal of water. For example, 13,154 acres were drained of excess water through the use of enclosed drains, over 12,500 acres were leveled to permit the efficient use of irrigation water and to prevent erosion. The irrigation systems on 65,405 acres were reorganized to prevent erosion and conserve water.

These practices are important not only to the farmer concerned, as the Senator from Vermont [Mr. AIKEN] has just pointed out, but also to every citizen of the country many years hence, when the trees will be ready to be cropped, as we say in the forest industry. In the case of many types of trees it takes 50 to 100 years for them to be ready for cutting.

Therefore, Mr. President, these practices are important not only to the farmer concerned but also to the people as a whole, when we consider the fact that there may be a water shortage in this country in the not too distant future. Temporary cover was established on 25,935 acres, contour farming was established on 13,600 acres, forest trees were improved on 2,101 acres, and 1,551 acres were planted to trees. It is evident that these practices concern not only the farmer, but the general public. In my State, 7,031 farmers participated in the program. This covered over 4.8 million acres of farmland, which includes about 1⅓ million acres of cropland and 3⅓ million acres of open pasture and rangeland.

I wish to emphasize the need for maintaining the agricultural conservation program at $250 million. Actually the program throughout our country could be expanded as various estimates reveal many farmers apply for agricultural conservation program cost-sharing assistance but are turned down, due solely to lack of funds. If nothing else shows that the farmers of our country believe in the agricultural conservation program this certainly does. It is amazing to me how the administration proposes to reduce a program in which 1,159,033 farms participated during 1957 and 1,126,784 participated in 1958, while, at the same time asks for an increase in the soil bank which services only 79,761 and 126,515 in 1957 and 1958 respectively.

Mr. President, I am in favor of the soil bank in regard to some lands. I am against the soil bank in connection with lands which are presently fertile and presently productive. It would be better to keep them in a productive condition, rather than to encourage what I believe have been some very bad practices which have developed under the soil bank administration. It may be very properly said, I think, that many of my objections could be removed by better local administration of the soil bank program. To the extent it can be demonstrated that the soil bank improves the land, I am for it. But, as a farmer, with eyes which can see and with some background knowledge of what is involved in farming, I am not in favor of putting in the soil bank acres of land which never should be in the soil bank at all, because those acres are going to deteriorate, not appreciate, and the farms on which they are found are quite a menace in many localities to surrounding farms, because the administrative practices which ought to be followed are not being followed, such as keeping the weeds down. Some of the farms should also have attached to their soil bank program an erosion program.

I say that because it is possible to put a farm in the soil bank—and I have seen them in the soil bank—which ought to have also an erosion program attached to it, since erosion is proceeding at a much more rapid rate than would be the case if the farm had been kept in production.

But here again it is not all black and white. There is much good in the soil bank program, but I prefer to limit the soil bank program to the so-called clearly marginal lands, to the hillside farms, which ought to be taken out of cultivation and be covered with a cover crop, and on which, perhaps, some trees ought to be planted, too. I think that is sound conservation practice.

I have a great deal of difficulty with some of the soil bank practices, such as taking productive land out of cultivation and then adopting some of the administrative procedures which have been followed in regard to the operation of the program.

However, I wish the RECORD to show that I am in favor of the soil bank program, and that my criticism goes to its administration. Perhaps not in connection with the pending bill, but at a later time and probably in separate legislation dealing with the soil bank program, we ought to provide some legislative regulations for the improvement of its administration.

With respect to the other phases of the soil conservation program, to which the Williams amendment goes, I wish to say I am strongly in favor of the program for future Americans. I believe that is the way to protect a great capital investment the American people have. That is what our soil is. It is one of the great capital investments of our country. We ought to protect it and improve our lands on which we will raise in the future the food our increased population will need. For those reasons I shall oppose the amendment.

Mr. AIKEN. Mr. President, 25 years ago this country was plagued by a great depression. It was plagued by surpluses of farm commodities. Corn was selling for as low as from 10 to 15 cents a bushel, and wheat was selling at from 30 to 40 cents a bushel. Other farm commodities were selling at comparable low prices.

Our country was being plagued by the disappearance of the fertility of our soil. Dust storms were sweeping across the Plains States. Some of those storms covered thousands of square miles. The disappearance of our soil fertility was not confined to the West. It was disappearing, on a smaller scale, throughout the Eastern States.

Fortunately at that time there were those who realized that although we might have surpluses of farm commodities at ruinous prices, the time would come when we would require more to take care of the next generation than we were producing during the 1930's. Therefore, several programs were started. One was the rural electrification program. One was the agricultural conservation program, which got under way, as I recall, in 1935 or 1936, or about that time. That is the program which is now under discussion. It is the ACP program, as it is now called. We were able, during World War II, to increase the fertility of our soil, so that we could produce all the food which was needed to maintain our country and our allies. It was a remarkable performance and was probably exceeded only by the American fighting men themselves.

American agriculture doubled its production. It has increased its production since then, until at present 50 million more people are being fed than were here at the time when the ACP program was begun. I venture to say that if it had not been for this program, it would not be possible to feed the present population of the United States. This is a program which seeks to conserve the water resources, the soil resources, and the forest resources of the United States. It has been a very effective program. It has cost something. It has cost the farmer who has participated in it; it has cost the Government—and the Government, in my opinion, is the people—to pay the price of conserving and improving the soil, water, and forest resources of our country.

There has never been the soil fertility in this Nation—at least not during a period of 100 years—which exists today. There has never been the ability to produce which exists today. The United States is the greatest producing Nation on the face of the earth. Yet people complain because we have plenty. We have too much wheat today, temporarily. We have more eggs and poultry products than we need, and because of that situation many people are getting hurt. Some of them did not use good judgment in going into the poultry business at the time they did. But if it had not been for the ACP, about which we are now talking, it would not be possible to feed the present population of the United States.

I am sorry I cannot agree with the Senator from Delaware, as I frequently do. I am sorry to say that I cannot do so because I firmly believe that if the farm programs of the United States were suspended for 5 years, we would be asking other countries to send us food. The United States is expected to have an increase in population of not less than 3 million a year. That is about the number of people who live in Norway, as I recall. Three million is the population of one of our fair-sized States. We simply cannot let down on maintaining our ability to produce enough to feed and clothe a constantly increasing population.

I am sorry the administration takes the position it does, and wants to cut the ACP program. I am sorry it has tried to cut the ACP program and several other programs. Nevertheless, I realize it has the right to take the position it has. But I point out what the same people who are asking us to reduce the appropriation for the agricultural conservation program from $200 million to $150 million a year are asking us to do in other lines.

They are asking for $3,900 million for foreign aid programs. They are asking us to increase our contribution in gold and currency to the International Monetary Fund $1,375 million. They have asked us to guarantee an increase in investments in the World Bank totaling $3,150 million. I think they have asked us formally—I am pretty sure they have—to prepare for a contribution of $400 million in our cash and credit for the Inter-American Bank. They are asking us to guarantee private investments in foreign countries—what the amount is, I am not sure. It has been $500 million, and I think they are asking for another $500 million at this time.

That makes a total of $9,325 million which the administration is asking for foreign countries, at the same time that it is trying to cut $150 million off the future water and soil resources of the United States. I do not think that makes sense.

I am willing to balance the budget. I am willing to take it out of the $9,325 million. Up to now I have supported the administration's foreign aid programs, but, if I now have to choose between doing those things which should be done for the people of the United States, and doing them for the people of all the rest of the world, I will vote for the United States.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. HUMPHREY. I compliment the Senator from Vermont. I think he has made one of the most eloquent and persuasive statements which have been made in behalf of this program. The Senator has given his life to the program.

He has made every argument which could possibly be made in support of the agricultural conservation program. I salute the distinguished Senator from Vermont.

Mr. WILLIAMS of Delaware. Mr. President, there is no Member of the Senate for whom I have a higher regard than the Senator from Vermont, even though occasionally I differ with him. However, in reference to the long list of projects which he read as having been recommended by both the preceding administration and this administration, I think he will agree that I opposed many of them in the same manner as I am opposing the one which is now before the Senate.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield

Mr. AIKEN. I express my regret at having to disagree with the Senator from Delaware in this case, because we do agree on so many things. I particularly appreciate the fact that the Senator from Delaware has tried to keep these programs working properly, and to eliminate certain practices which have not been admirable, to say the least. However, I do have to disagree with him at this time.

Mr. WILLIAMS of Delaware. I respect the Senator's disagreement. But I point out that we are not destroying the program. We are cutting it back; yes. I think it is a program which had merit at the time it was sponsored. It has much merit to be considered, perhaps, at some future date when we need more production.

Even those of us who have spoken against the pending amendment have pointed out how the program has increased the fertility of the soil. Sure, the productive capacity of the American farmers has been greatly increased. That is true. But why spend $250 million, which is $150 million over and above what is even recommended, to increase the fertility of the soil at a time when there is such an overabundance? If at a later date the additional production is needed we can renew the program. But why enrich our soil now with fertilizers and lime at the taxpayers' expense simply to increase the productivity of farms at a time when we have more than we need.

If such a program is needed at a later time I shall support it. But it is not needed today, and we cannot justify it now by the argument that 10, 20, or 40 years from now we will need it. It will not be possible to keep all our surplus commodities in storage for 10, 20, or 40 years. We do not have sufficient storage capacity, and even if we did the commodities would rot. So why produce more now? Why not wait until the produce is needed? Certainly today this $150 million could be used better to help balance the budget. The point is that if the budget is ever to be balanced we shall have to start by voting against some of the programs, including some

which I like as well as some which other Senators like.

This is a place to start.

Mr. KEATING. Mr. President, I rise in emphatic support of the amendment offered by the distinguished Senator from Delaware. It is true that this is an appropriation bill, but it is our last clear chance to do anything about this program for the ensuing year. Surplus crops of many kinds are running out of our ears. It seems to me it makes little sense to provide a subsidy of $250 million to add to that surplus and to increase the production of various agricultural commodities.

I commend the distinguished Senator from Delaware also for setting us straight concerning the figures which appear in the report and for making it clear that the bill, at the end of its consideration, if it is enacted in its present form, will result not in appropriations under the estimates for 1960, of $105 million, but an actual figure of some $253 million over the budget estimate. In these matters, we cannot afford to indulge in fanciful figures.

APPROPRIATIONS AND BUDGET ESTIMATES

Mr. President, while I am on my feet, I may say that I note the presence of the distinguished majority leader. I desire to indulge in some flattery and commendation, so far as he is concerned. I desire to compliment the majority leader for the truly nonpartisan character of the speech which he made to the Senate last Thursday at the conclusion of the debate on the previous appropriation bill. I assume that he may make a similar address to us at the conclusion of our consideration of this appropriation bill. I refer to the address he delivered in the Senate on last Thursday. It was the result of the longstanding debate he has been carrying on with the distinguished minority leader over the amounts appropriated and the budget estimates. The subject of that debate has been—as all of us know—whether the Congress, controlled by the party of the majority leader, or the administration, represented by the party of the minority leader, is the more economical.

Mr. President, on that occasion—last Thursday—the distinguished majority leader made a speech which was so nonpartisan or unpartisan in its nature that he actually allowed Republicans as well as Democrats to benefit from the fallacies of his reasoning. Moreover, he included the Republicans in his description of "the majority"—a designation which, alas, my party has not enjoyed in the Senate for quite some time.

So, Mr. President, in an equally nonpartisan mood in this respect, I wish to extend my thanks to the majority leader.

I should like to go into a little detail, so that my colleagues may appreciate the full extent of the generosity of the majority leader's nonpartisanship. As many Senators know, he has contended that the Congress has been more economical than the President by approximately $10,603,874,716.07 in the past 5 fiscal years. We have heard that statement over and over again. I am particularly taken by his reference to the 7 cents; that shows extremely accurate figuring—dedicated, however, I feel, to an extremely inaccurate conclusion.

After citing that figure in his speech of last Thursday, the distinguished majority leader went on to explain why he was so happy about that saving; and he stated—as appears on page 9316 of the CONGRESSIONAL RECORD, "It makes the majority look good when we cut $10 billion from their requests."

Mr. President, I have been doing a little research in regard to this matter. I find that by using certain selected sets of figures, or by using roughly about one-seventh of the factors which actually are involved in determining whether the taxpayers' money is being conserved, I can arrive at figures which produce roughly the same result as that stated by the majority leader. Or, to put the matter in another way, I find myself one-seventh in agreement with him on that score—which is much better, I may say, than was stated by one of my constituents who, the other day, wrote to me a letter in which he said, "I like your stand, and all my family do, on this legislation; we are behind you 10 percent." [Laughter.]

But, Mr. President, for the life of me, I have not been able to find the 7 cents the majority leader listed—unless he was throwing in the net value of his entire argument.

In short, Mr. President, in order to arrive at the total of $10,603,874,716.07, there has to be included $2,610 million of cuts made during the second session of the Republican-controlled 83d Congress and also the total cuts made in appropriation requests during the 84th and 85th Congresses, which were controlled by the party of the majority leader. Let me say that I am still trying to continue in the same nonpartisan spirit which our majority leader was so careful to maintain in his speech of last Thursday.

However, Mr. President, in confining our consideration, for the moment, to the cuts made by those two Congresses, we find that the actual reductions made by those Congresses in the amounts of the requested appropriations actually total $7,993 million; with his permission, I shall leave off the cents. But let me be generous, Mr. President; let me say that the 84th and 85th Congresses lopped off $8 billion, in round figures, from the appropriation requests. This leaves the majority leader with an error in arithmetic of only $2,600 million-plus, which is not much when we deal with Washington arithmetic, which sometimes has been described as a strange and wonderful shell game. But that figure also ignores more than $12 billion which the Republican first session of the 83d Congress cut in one year from the last Truman budget.

However, Mr. President, in view of the nonpartisan discussion of this matter on the part of both the majority leader and myself, we should let that pass.

In any event, this $2,600 million error—if that is what it is—makes all of us in the Congress look better than we really are entitled to look; and, therefore, I suppose that Senators on both sides of the aisle should be grateful to the majority leader for making them look so good.

But, Mr. President, if we are going to take bows as the great economizers in Congress, in the face of the wastefulness of the wickedly spendthrift Eisenhower administration, we should be sure that we take them correctly. In all modesty—and I know that my appreciation of the majority leader's generosity and nonpartisanship is widely shared—I feel, therefore, that we Republicans in the Congress must not accept the majority leader's kind effort to include us in his litany of fiscal saints.

If the $10,600,000,000 figure cited by the majority leader really means anything—or if, indeed, the $8 billion figure, which is the accurate one, really meant anything—that would be different. But these figures refer only to the money which goes out the front door of the Treasury. As has been pointed out by the minority leader [Mr. DIRKSEN], there is also a very large back door.

When I was a boy, Mr. President, we used the back door even more than we used the front door; and I can assure you that the back door was important, as well as the front door.

This financial process reminds me a little of the man who had a joint checking account with his wife; but in arriving at his bank balance, he did not include in his figuring the amounts of the checks which were drawn by his wife.

So that is about what the majority leader's figures amount to; because if we consider the appropriations made in the 5 fiscal years to which the majority leader has referred, we find that the back door spending, over and above the administration's requests in that period of time, came to $11,588,000,000—I repeat, Mr. President, eleven billion, five hundred eighty-eight million, and some thousands, and some hundreds of dollars, and some cents. In addition, in the same years, Presidential vetoes saved, from the unrequested spending measures passed by the Congress, a total amount of $2,825,000,000. On top of that, Congress took unrequested actions reducing Federal revenues $1,665 million.

Add up the pluses and minuses and we reach this conclusion: In the 5 fiscal years referred to by the distinguished majority leader, far from cutting administration budgets by $10.6-plus billions, Congress has actually spent a net total—front door and back door—of $5,475 million, and maybe 7 cents on top of that, above administration recommendations.

So while I know we all deeply appreciate the majority leader's nonpartisanship, and his desire to include all of us in his delineation of what the Congress has accomplished, I am afraid we cannot really accept the beautiful simplicities of his reasoning.

Actually, the budget fight does not center solely on what the administration asks and the Congress appropriates, as the majority leader well knows, since he is one of the ablest Members of this body. While I am sure most Senators were probably aware that the majority leader was not really serious when he claimed the $10.6 billion saving, but had merely dreamed it up to annoy the minority leader, with whom he had been having

a colloquy, it might be taken seriously by some who are not familiar with Federal fiscal matters.

I suppose, for the record, it might be well to mention some of the back door items which are being overlooked, so that the taxpayers will not be confused by the majority leader's whimsy.

In the 2d session of the 85th Congress, for example, the authority to incur obligations in other than appropriation acts was increased by more than $2 billion with respect to only five public laws. That $2 billion does not show at all in the majority leader's figures, and, in his verbiage, if I may be permitted to adopt it, "$2 billion ain't hay."

Substantive legislation authorizing spending which was enacted during the 2d session of the 85th Congress, but for which appropriations were not made at the time of enactment, called for appropriations totaling $1,572,000. This does not appear, either, in the majority leader's figures.

Here we get much nearer to the heart of the budget fight. Here we are dealing with the matter, which is so important, of setting up huge programs calling for huge annual appropriations.

It is the same subject which we have under consideration, or one part of it, which is involved in the amendment offered by the Senator from Delaware.

Of course, the President, in carrying out the will of Congress, as determined in the legislation setting up such programs, must request funds annually to operate them. He has no alternative.

If he requested no funds, a howl would go up to high heaven from everyone who supported the original legislation. I am not necessarily criticizing all of the programs for which appropriations have been made. Some of those programs I have supported. Some of them I supported when the administration did not support them. I am criticizing—and this is the basis of my criticism—the practice of ignoring the impact on the Treasury of these programs in computing the budget effect of congressional actions.

Yet the President is criticized as a spender, in the line of reasoning pursued in such nonpartisan fashion by the majority leader. It is said the President is a spender because Congress has trimmed some of its own original concepts when it has gotten down to spending the money.

Certainly there is a difference between appropriations and authorizations, as was pointed out in the debate. Appropriations mean we spend the money today; authorizations mean we spend it tomorrow. But, either way one slices it, it still costs the taxpayers money. There is no trick arithmetic which can change that fact, or save even the 7 cents referred to.

Among other items which do not appear in the computation of the so-called $10.6 billion saving there may be mentioned the fact that some of the so-called cuts from appropriation requests actually had to be restored later in supplemental appropriations;

The fact that certain spending items were lopped off by Presidential veto;

The fact that there was a failure of Congress to provide requested revenue, which increased the budget problem;

The fact that loans were authorized directly out of the Treasury; and that there were prior year balances reappropriated.

Of course the majority leader is just as considerate as he is nonpartisan, and he naturally would not want to burden us with all these tiresome details. But in order to round out the full story, and before we as Members of Congress swell up and burst with pride over our frugality and over the great savings we have effectuated over the budget figures, it strikes me we ought to have the full story before us. So I thought perhaps it would be appropriate, again with my high compliments of the distinguished majority leader, to bring some of these figures to the attention of the Congress.

Mr. PROUTY. Mr. President, I am happy to join with my distinguished colleague from Vermont [Mr. AIKEN] in opposition to the pending amendment.

Our big problem in Vermont, as pointed out by speakers at the annual State ASC conference, is not how to spend our funds or how to spend them wisely, but, rather, the problem is determining how the small amount of funds made available to Vermont under the ACP program can be distributed to all the farms that want and need to participate.

It is easy to observe how important the agricultural conservation program is to Vermont when one takes a close look at the record. The State has traditionally led the country in the percentage of farms participating. For example, in 1957 62 percent of the farms in Vermont engaged in some activities from which they received cost-share allowances in accordance with the ACP.

At the present time we have 79 percent of our cropland participating, compared to a national average of about 36 percent. Our Vermont program is set up primarily to help establish a sod ground. Our aim in the use of minerals is not for direct production, but, rather, through the use of minerals to build up a better sod which will, over a period of years, aid materially our conservation effort.

In a talk before the annual ASC conference a representative of one of the largest banks in Vermont demonstrated the confidence which the banking community has in the ACP program and the farmers who participate in it.

The banker had this to say: "It is probably not safe to make any estimate of the total financial assistance that has been required to carry out the 1958 ACP program, which is reported as involving $800,000 in Vermont. However, a sort of an educated guess might be that lenders of all kinds have been involved in 50 percent of this volume. The main inference that could be drawn from these hastily collected statistics is, first, that Vermont banks are fully in sympathy with the ACP program; and, second, that they stand ready to back up this sympathy with loan funds to practically 95 percent of the requests."

Bankers have never been known to be softhearted or overly sentimental, and I think in the case of Vermont they strongly back the ACP program, because they know it is protecting our soil and our forest resources, increasing our efficiency of production, and at the same time making possible a larger income for Vermont farmers.

A recent report shows that over the years more than $8 million have been collected from Vermont farmers to pay for materials provided for them under the ACP, and it is estimated that farmers in the State have incurred additional expenses of $14½ million in order to carry on programs of improved practices to promote desirable land use and conservation of the soil.

If the farmers of Vermont and throughout America are willing to dig deep into their pockets to protect the soil, one of our greatest resources, then it would be tragic indeed for Congress to refuse to do its share and force the farmer to assume conservation costs beyond the point he can afford.

I strongly urge that we act in the interest of both the present and future by approving today the full amount recommended by the Appropriations Committee for the 1960 agricultural conservation program.

Mr. HUMPHREY. Mr. President, in the light of the discussion which has taken place, particularly on the part of the Senator from Delaware, it seems to me it might be appropriate to have the RECORD complete as to the accomplishments of the agricultural conservation program.

I should like to quote from the testimony on page 363 of the hearings with regard to H.R. 7175, which is the testimony of Mr. Koger, who is the Administrator of the Agricultural Conservation Program Service.

Mr. Koger was discussing the benefits of the program, the costs involved, and the nature of the services. He stated, for example:

> The average amount of assistance per participant in the 1957 program was $179, or $186 per farm for the 1,161,000 participating farms.

I think it is well for the Senate to note and for the public to note that 1,161,000 farms were the beneficiaries of sound soil conservation practices of an enduring nature.

The next line of Mr. Koger's testimony I think is the most convincing. He says:

> About 83 percent of the cost-sharing payments was for practices classified in the ACP National Bulletin, as having enduring benefits. The remaining 17 percent was used for practices with benefits of limited duration, such as the establishment of annual vegetative cover, and measures primarily for temporary protection from wind and water erosion.

A little later in the same testimony the Administrator of the program said:

> In keeping with the Secretary's announced policy that the ACP is to give particular attention to those conservation measures which are of major importance to farmers in making a transition from cropland to grass or trees and in keeping in protected cover land which otherwise might be shifted to a more intensive use, we have continued that type of program emphasis.

This is a direct answer to the statement made by the distinguished Senator from Delaware that all we are doing with the ACP is to intensify production. In fact, what we have been doing in a good deal of the program is to shift the land use from intensive cultivation to grass or to trees.

A little further in his testimony Mr. Koger says:

To illustrate, during the last 5 years, 1954 to 1958, inclusive, ACP has shared costs on the establishment of about 22 million acres of vegetative cover. A high percentage of this land was, prior to its establishment in conservation cover, cropland producing at an intensive level. These 22 million acres are made up of about 7½ million acres of practice A–2—

Which means permanent vegetative cover for soil protection—

eleven million acres of practice A–3—

Which means additional acres of vegetative cover and crop rotation to retard erosion and to improve the soil structure, as well as to increase the water holding capacity—

two and one-half million acres of practice D–4—

Another one of the so-called permanent practices which has been authorized by the ACP, which is a vegetative cover to protect cropland throughout the crop year—

and about 1 million acres of practices A–7 and A–8, trees and shrubs planted for permanent retirement of farmland from field crops and pasture.

These instances which I cite from the hearings should be adequate evidence of the purposes of the program.

I wish to say, most respectfully, to my colleague, I cannot imagine anyone who lives in a great metropolitan area who would want at any time to do anything which would retard the protection of our soil resources.

The other day a gentleman, who has dedicated his life to soil conservation, came to see me. He had been flying over the delta region of the Mississippi River and he had seen the good earth literally falling in to the sea. This was the good earth from the area of the Mississippi River and its tributaries—the Mississippi River watershed, so to speak.

All one has to do in order to see America being eroded is to fly in a helicopter or an airplane over the delta region of the Mississippi River, and witness the land literally being spewed out into the ocean.

This program does not involve simply the liming of the soil. It does not involve only some temporary practice. As a matter of fact, I believe the evidence will reveal that a good deal of the program, as I recall the testimony, as shown on page 364 of the hearings, relates to watersheds.

It is pointed out on page 364 that the program is tied specifically to the watershed program:

Watersheds which have received the major attention from ACP include the 11 authorized flood prevention watersheds, the watershed projects authorized under the Watershed Protection and Flood Prevention Act (Public Law 566) which have reached an operating status, and the small widely scattered pilot watershed projects initiated by the Congress in 1953.

These watershed programs provide upstream flood control. These watershed projects I think are the soundest type of flood control and conservation program we have. The ACP is tied in with that, just as the technical services of the ACP are under the general supervision of the Soil Conservation Service.

This is the kind of program we are talking about. This is not a giveaway program. This is a cost-sharing between Federal and local sources. Individual farmers participate. There is a renewing of grasslands. There is water and wind erosion control. There is the growing of timber and trees throughout areas which would be otherwise subject to erosion. Above all, there are watershed projects.

For that reason I feel this is perhaps the soundest investment we have in general agricultural policy.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. AIKEN. The Senator was listening to my colleague from Vermont a few moments ago, I am sure.

Mr. HUMPHREY. Yes.

Mr. AIKEN. The Senator heard my colleague say that the larger part of the ACP funds in Vermont is used for the establishment of grass sod.

Mr. HUMPHREY. Yes.

Mr. AIKEN. The purpose, of course, is to prevent the land from washing into the rivers and from washing into the sea eventually. That is the way, in our country, along with reforestation, we are attempting to hold the soil for future generations.

I point out that we have had particularly good luck with the weather for a long time. Instead of the 7 years of proverbial good crops we have had 17 years in which we have had reasonably good crops.

Mr. HUMPHREY. That is correct.

Mr. AIKEN. In part the result is due to the fact that the program was started 25 years ago, and we have been recovering and protecting a larger percentage of our arable land year after year.

Mr. HUMPHREY. I thank the Senator.

Mr. AIKEN. There is nothing more important. If we let the topsoil go, what good will what is left be to the people?

Mr. HUMPHREY. I would say that the history of nations can possibly be written by observation of the manner in which they care for their soil. One can observe the rise or fall of empires based almost upon the adequacy of conservation or the lack of conservation.

My good friend, the distinguished Senator from New York [Mr. KEATING], indicated his general support of the amendment of the Senator from Delaware. I regret that, because some of the better soil conservation practices in the Nation are conducted in his State.

Mr. AIKEN. The Senator is correct.

Mr. HUMPHREY. I notice that last year $4,746,000 worth of soil conservation work was done in upstate New York. I have seen some of that work, as has the Senator himself.

Mr. RUSSELL. That is only the Federal money.

Mr. HUMPHREY. As the Senator from Georgia points out, that is only the Federal money.

Mr. KEATING. There will still be quite a balance left, if we allow $100 million for this program. It seems to me that is adequate. It has been certified as adequate by the Department of Agriculture and the Bureau of the Budget.

New York receives $4 million of the $250 million. I am glad the Senator brought up that point, because it emphasizes what all these Federal aid programs mean to the taxpayers and to the people of the State of New York, whose farms are entitled, under a $250 million program, to vastly more than $4 million.

Mr. HUMPHREY. We are not using this program as a subsidy. We are using the program to protect land. Regrettably, for some reason or other, the State of New York is not as big as Texas. There are not quite so many acres of land to be cared for under soil conservation practices.

The only thing I can say to the Senator from New York is that this is one Union, one Nation; and the land in any part of it is as precious as the land in any other part.

The fact is, as the Senator from Vermont pointed out, that every dollar of the money is spent upon projects which conserve. The program represents an investment for the future. When we consider the population growth of the country and the tremendous drain on the soil resources, the importance of protecting those resources cannot be contested. The Senator may argue as to the amount of money, but I am sure we do not disagree on objectives.

Mr. KEATING. We do not disagree on objectives. I happen to believe that this is one of the sound programs in the agricultural area. I merely feel that farmers, and all other segments of our economy, must curtail. It is in their long-range interest to curtail, in order to use the anti-inflationary weapon of attempting to balance the budget. I believe that represents the thinking and feeling of the farmers of New York State, who are also taxpayers.

Mr. HUMPHREY. I noticed that the Senator did not apply the same reasoning when it came to brucellosis control for the dairy herds in his State, and I am glad he did not. I noticed that he did not apply the same reasoning in connection with some other objectives.

The truth is that the amount of money involved in this program is a very limited sum. If we are to select any place in this appropriation bill to make reductions, I say most respectfully that this is the wrong place. There may be others. Of all the programs which have been without stain, of all the programs which have done well, of all the programs which have built for the future, of all the programs which have fulfilled the great needs of conservation, I think this is the best. To cut the appropriation for it

as much as has been suggested would be to cut the heart out of it, and, to my mind, to strike a death blow at basic agricultural policy, which has been fought for since the time of Theodore Roosevelt, the great conservationist who, possibly more than any other individual, set the Nation on the path of conservation.

Mr. KEATING. That is always the answer when we try to make a reduction at any point in the budget. There is always the argument, "This is not the place to do it. You must seek some other place."

Mr. HUMPHREY. The Senator is a wise man. I think he can find it.

Mr. KEATING. This is an admirable program. It has helped. It has been one of the reasons for building up the huge surpluses; but, as the Senator from Delaware [Mr. WILLIAMS] has pointed out, there is a time and place for everything. With surpluses running out of our ears, and with our bins inadequate to hold the surpluses, might we not curtail this program, with the possibility later of increasing the amount?

Mr. HUMPHREY. If the Senator wishes to cut down on production, obviously he is not seeking to reduce acreage. The program we are discussing has a record of 22 million acres of intensively cultivated land being taken out of production. That is a sizable amount.

If the objective of the Senator from New York is to reduce production, why not stop research on new seeds? Fantastic new seeds and fertilizers have done more than anything else to increase production. Of course, the Senator does not wish to stop research on new seeds, and neither do I. Such research programs represent progress. We need research. We need better fertilizers, and we need better land. The Nation will be here a few years after we are gone, I hope. At present we are barely holding our own in the field of conservation. During the war years we had to give up much conservation. We went backward. Now we are catching up a little. Finally, we have a program in farm conservation which has begun to rebuild the fertility of the eroded soil of America. The soil of America, with the topsoil protected, has a greater security value than all the bonds in the Chase National Bank or in Wall Street in New York. The wealth of the Nation is in its topsoil. The wealth of the Nation is in its great God-given natural resources. The least we can do is to protect them.

Mr. KEATING. We are not here debating the question of the Wall Street banks——

Mr. HUMPHREY. We could.

Mr. KEATING. Or the merit of the banks or their value to the country. We are here trying to determine whether $100 million or $250 million is the right amount to spend for this program. It strikes me that those who have studied the problem in the Department of Agriculture—and certainly they are sympathetic to the program, and favor it, as do I—realize that $100 million "ain't hay."

Mr. BUSH. Mr. President, I wish to express my support for the amendment offered by the Senator from Delaware [Mr. WILLIAMS], and to commend him for offering it.

I also commend my good friend, the distinguished junior Senator from New York [Mr. KEATING] for his analysis of the remarks of the majority leader on last Thursday. I believe that what he said deserves the attention of all Senators, as well as of people throughout the United States, in order that they may see the fallacy of the statements which were made at that time, and which are still being made. Such statements seek to present the majority party as the party of economy, despite the fact that it seems to most people that they have not been the party of economy, but rather have fought the President's economy measures from time to time, and almost constantly in the past three Congresses, including this one.

While supporting this amendment, I intend to vote against the bill, House bill 7175, the appropriation bill for the Department of Agriculture and the Farm Credit Administration for 1960. I shall so vote in protest against the failure of the Democratic Party majority in control of the Congress to make possible essential reforms in farm programs, reforms which have been repeatedly recommended by President Eisenhower and the Secretary of Agriculture, Mr. Benson.

They have fought Secretary Benson every step of the way. They have tried repeatedly to force his resignation. Fortunately for the people of the country, he is a man of great courage and determination, and he has very patiently withstood all the attacks on him, and has proceeded to do his job in a workmanlike, patriotic manner, without allowing personal attacks to disconcert or upset him. I believe that he is one of the most admirable and deserving public servants I have ever seen. I hope his strength may endure, so that he may finish his administration with the courage and determination which have characterized his work heretofore.

It is imperative that the Congress act to prevent the continued piling up of surpluses of farm products, at enormous cost to American taxpayers. Yet the Democrats, in control of this and recent Congresses, have insisted upon a continuation of programs which can only result in more and more surpluses and more and more expense to the taxpayers, not only of my own State of Connecticut, but of all the States.

The pending bill calls for total appropriations of almost $4 billion. Included in that sum are funds for the support of programs which I thoroughly approve—for example, the school lunch program, the watershed protection program, the flood prevention program, and agricultural research.

My vote against the bill should not be construed as opposition to those desirable programs; but I cannot vote for funds for their support without also voting for enormous sums for the continuation of price-support programs, which inevitably will add to the surpluses, which now total almost $11 billion, and which cost the taxpayers of the country approximately $1 billion a year in storage and interest charges. This, Mr. President, I refuse to do.

I listened to the debate yesterday on the Senate floor and I heard distinguished Senators comment about the futility, almost, of the present situation. The distinguished senior Senator from Georgia [Mr. RUSSELL], who is in charge of the bill, referred to the farm program as being completely out of hand. The distinguished Senator from Illinois [Mr. DOUGLAS] admitted to a feeling of frustration about this program. The distinguished senior Senator from Florida [Mr. HOLLAND] spoke of the whole farm program as one of confusion and disappointment.

So, Mr. President, it appears to me that even those who are going to support the bill are very much confused and discontented with it. It is unfortunate that apparently no real attempt has been made or is being made by Congress to revise and economize and modernize our farm program.

I am afraid that so long as the standing Committee on Agriculture and Forestry, the legislative committee, is constituted as it is, we will get committee reports favoring largess for the farmers, as we have in recent years.

I for myself intend to vote against the bill as a protest against the status quo and as a plea for reform in farm legislation, and as a plea for support of policies which have been repeatedly sent to Congress and emphasized by the Secretary of Agriculture, Mr. Benson, and the President of the United States.

Mr. RUSSELL. Mr. President, were it not for the lateness of the hour, I would address myself at some length to the pending item. However, I wish to associate myself completely with the able and eloquent remarks of the distinguished senior Senator from Vermont [Mr. AIKEN], who has been familiar with this program since its inception. He has served as chairman of the Committee on Agriculture and Forestry and is an ex officio member of the Committee on Appropriations.

It is very easy for Senators who live in the large centers of population to look at this item and say, "I can vote against it with impunity." However, from an overall standpoint—as a program which affects the future of the country—I know of no program which merits the support of every Member of Congress as much as does this one.

We have in the United States 380 million acres of cultivable land. That amounts to 2½ acres for every person in the United States. I imagine that if we were able to set apart 2½ acres and make them available to every person in the United States, the distinguished Senators who have spoken against the item would be willing to pay out of their own pockets the cost of carrying on conservation practices. They would do so gladly that they might be able to eat, if they knew they could not eat except for the food that would be produced from those 2½ acres of land.

Mr. President, this is about the only program we have been able to preserve intact for the farmers of America. It is a program with which the farmers of

America are familiar. The testimony before the committee from the Department of Agriculture showed beyond any question that there was more interest in this program than there has been in any other program, and that more farmers are anxious to participate in it. Yet it is proposed here to cut it back.

Mr. President, this is one of the few farm programs that Mr. Benson, since he has been Secretary of Agriculture, has been unable to make any progress toward destroying. He has made tremendous progress in destroying the price-support program. That has brought down farm income. However, he has not been able to make any progress, since he assumed office in 1953, in destroying the ACP. When he first came into office he tried to cut the program down to $140 million. Congress at that time—and it was a Republican Congress—refused to go along with the destruction of the agricultural conservation program.

He persisted in his efforts. Last year he tried to cut it to $125 million. This year he has tried to cut it to $100 million.

This program is not only of great benefit to the farmers of today; it is insurance for the future to make sure that future Americans will not perish under the Malthusian theory that there will be so many people in this country that we will not be able to support them from the land, and that we will cannibalize each other.

There is no reason on earth that can be advanced for cutting this program by more than half. I wish to point out that if the amendment were to prevail and we should cut the program to $100 million, there would be only $62 million allocated to the States. It would require $48 million for administrative purposes and for the soil conservation technical program. We cannot justify spending almost as much to administer a program as would be distributed to the States. The next step would be to eliminate the program completely.

I could discuss the issue at great length, but I do not desire to labor the point. We have before us the commitments and expenditures for the major Federal credit program, as discussed by the distinguished Senator from New York [Mr. KEATING]. We have new commitments of about $14 billion or $15 billion worth of housing. We think nothing of that. We have other programs which run to staggering sums of money. Yet here it is proposed to destroy a program which has been nurtured and which has been a great conservation program for more than 23 years. It is a program which is of vital importance to those who will be living on the land long after the last one of us has passed on.

I wish to say in all sincerity that if the Senate is disposed to cut the program to the figure proposed, we should abolish it altogether, because the program would be so extravagantly wasteful from the standpoint of administrative cost that it could not be justified.

I hope that the amendment of the Senator from Delaware will be defeated.

Mr. WILLIAMS of Delaware. Mr. President, I shall be very brief in summing up my argument in behalf of the amendment. First, I wish to say that I do not question the sincerity of those who have spoken on behalf of the full amount of the proposed appropriation. Some of their arguments, however, might well be used in support of the amendment I have offered. Most of the arguments have emphasized that the program is one to increase the productive capacity of American farms. There is no argument on that point. But why should we spend $150 million over and above what the Bureau of the Budget requests, to increase the production of more agricultural products?

It is true that the Secretary of Agriculture since 1953 has been recommending that the program be cut. He made that recommendation on the basis that we were producing more than was needed.

Congress rejected his suggestions.

In the 6 years since 1953 we have compelled the Secretary of Agriculture to spend over $900 million more on this one program than he wished—all to increase the productive capacity of the American farms, and thus increasing the agricultural products in storage.

It does not make any sense. Why make the taxpayers pay for putting more lime and more fertilizer on the land in order to increase the productivity when at the same time we are charging them billions annually to store existing surpluses?

We are not only destroying the taxpayers but also rendering serious damage to our farmers.

In this debate, it has been said that the support of this amendment comes from the so-called metropolitan areas. I happen to live close to a metropolitan area. I represent, in part, the second smallest State in the Union. Delaware does not have many counties. Those it has are small. However, I point out to those who have spoken against this amendment that the county in which I live outranks in agricultural production every county in any of the States of those Senators who have spoken in favor of the full appropriation this afternoon. The county in which I live is the fifth county east of the Rocky Mountains in amount of agricultural production. So coming from an important agricultural area I think I have every right to stand up and say what I think the American farmers need.

Do not forget that the farmers are very much interested in a balanced budget. Certainly they as well as all other taxpayers are interested in getting rid of commodity surpluses, but that result cannot be achieved by a continuous pouring out of the taxpayers' money under one program to increase production while at the same time the taxpayers' money is being used to hold down production under another program.

Our Government is now spending millions of dollars to take land out of production. We spend billions to support crops being produced on cultivated acreage.

Where is it going to end?

The farmers in my State and in the State of the distinguished senior Senator from Georgia [Mr. RUSSELL] were penalized unjustly as a result of such a contradictory program a few years ago, when the Department of Agriculture, through various lending agencies, encouraged and financed increased production in the poultry industry. Today, poultry raisers and others connected with the poultry industry are suffering from this overproduction and overcapacity.

A contradictory program such as proposed here cannot be justified. Not only does it increase the amount recommended in the President's budget by $150 million but also it increases the productive capacity of the same farmers by providing free lime and free fertilizer to increase the production of crops which another agency will have to buy and put in storage houses.

In the name of both the American taxpayers and the American farmers the amendment ought to be adopted.

Mr. RUSSELL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RUSSELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Connecticut [Mr. DODD], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Rhode Island [Mr. GREEN], the Senator from Indiana [Mr. HARTKE], the Senator from Missouri [Mr. HENNINGS], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Louisiana [Mr. LONG], the Senator from Wyoming [Mr. McGEE], the Senator from Utah [Mr. Moss], the Senator from Montana [Mr. MURRAY], the Senator from Maine [Mr. MUSKIE], the Senator from Rhode Island [Mr. PASTORE], the Senator from Florida [Mr. SMATHERS], and the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

I further announce that, if present and voting, the Senator from Connecticut [Mr. DODD], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNINGS], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Louisiana [Mr. LONG], the Senator from Wyoming [Mr. McGEE], and the Senator from Montana [Mr. MURRAY] would each vote "nay."

On this vote, the Senator from Virginia [Mr. BYRD] is paired with the Senator from Indiana [Mr. HARTKE]. If present and voting, the Senator from

Virginia would vote "yea," and the Senator from Indiana would vote "nay."

On this vote, the Senator from Massachusetts [Mr. KENNEDY] is paired with the Senator from Florida [Mr. SMATHERS]. If present and voting, the Senator from Massachusetts would vote "nay," and the Senator from Florida would vote "yea."

On this vote, the Senator from Rhode Island [Mr. PASTORE] is paired with the Senator from Missouri [Mr. SYMINGTON]. If present and voting, the Senator from Rhode Island would vote "yea," and the Senator from Missouri would vote "nay."

Mr. KUCHEL. I announce that the Senators from Kansas [Mr. CARLSON and Mr. SCHOEPPEL] are necessarily absent.

The Senator from South Dakota [Mr. CASE] is absent on official business.

The Senator from Indiana [Mr. CAPEHART] is detained on official business.

If present and voting, the Senators from Kansas [Mr. CARLSON and Mr. SCHOEPPEL] and the Senator from South Dakota [Mr. CASE] would each vote "nay."

Mr. MORSE. Mr. President, under rule XII of the Senate, I ask to be excused from voting on this amendment. My reason is that over the years I have participated in the soil conservation program, on farmland which I own and operate, to the amount of approximately $300. These Federal payments were for the conservation program's share of the cost of lime. Therefore, in order to avoid any suggestion of a conflict of interest, and for reasons which I discussed earlier this afternoon, during the debate, I ask to be excused from voting on this amendment.

The PRESIDING OFFICER. The question is, Shall the Senator from Oregon, for the reasons assigned by him, be excused from voting on this amendment?

All in favor will signify by saying "Aye"; all opposed will signify by saying "No."

The "ayes" have it; and the Senator from Oregon is excused from voting.

The result was announced—yeas 26, nays 51, as follows:

YEAS—26

Anderson	Dirksen	Kuchel
Beall	Douglas	Lausche
Bennett	Frear	Martin
Bridges	Goldwater	Morton
Bush	Gruening	Saltonstall
Butler	Hickenlooper	Scott
Case, N.J.	Hruska	Smith
Cotton	Javits	Williams, Del.
Curtis	Keating	

NAYS—51

Aiken	Hart	Mundt
Allott	Hayden	Neuberger
Bartlett	Hill	O'Mahoney
Bible	Holland	Prouty
Byrd, W. Va.	Humphrey	Proxmire
Cannon	Jackson	Randolph
Carroll	Johnson, Tex.	Robertson
Chavez	Johnston, S.C.	Russell
Church	Jordan	Sparkman
Clark	Kerr	Stennis
Cooper	Langer	Talmadge
Dworshak	Magnuson	Thurmond
Eastland	Mansfield	Wiley
Ellender	McCarthy	Williams, N.J.
Engle	McClellan	Yarborough
Ervin	McNamara	Young, N. Dak.
Gore	Monroney	Young, Ohio

NOT VOTING—21

Byrd, Va.	Case, S. Dak.	Green
Capehart	Dodd	Hartke
Carlson	Fulbright	Hennings
Kefauver	Morse	Pastore
Kennedy	Moss	Schoeppel
Long	Murray	Smathers
McGee	Muskie	Symington

So the amendment of Mr. WILLIAMS of Delaware was rejected.

During the discussion on the amendment of Mr. WILLIAMS of Delaware,

Mr. O'MAHONEY. Mr. President, will the Senator yield to me for a moment? I had an amendment which I discussed yesterday afternoon at considerable length with the chairman of the Appropriations Subcommittee on Agriculture. There was an agreement between us as to the form of that amendment. If I were permitted to offer it now, I am advised it would be accepted by the chairman of the subcommittee, as he indicated yesterday.

Mr. WILLIAMS of Delaware. Mr. President, I understand the amendment has been agreed upon and there is no controversy about it. If by unanimous consent my amendment could be temporarily laid aside and the amendment of the Senator from Wyoming accepted, there would be no objection, because I understand the Senator from Wyoming has to leave. However, I would want to reserve the floor.

Mr. O'MAHONEY. That would be quite agreeable. I make that request, Mr. President, and call up my amendment, identified as "6–1–59—J."

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

The amendment of the Senator from Wyoming will be stated.

The LEGISLATIVE CLERK. It is proposed on page 15, line 24, after the word "therewith", insert a comma and the following: "including the Packers and Stockyards Act, as amended September 2, 1958".

On page 15, line 25, strike out "$26,306,600" and insert in lieu thereof "$26,426,600".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wyoming [Mr. O'MAHONEY].

Mr. RUSSELL. Mr. President, I have no objection to the amendment.

The amendment was agreed to.

Mr. O'MAHONEY. I thank the Senator from Delaware and the Senator from Georgia.

Mr. WILLIAMS of Delaware. Mr. President, I ask that this interruption appear in the RECORD following action on my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, I had contemplated offering an amendment to restore $100 million which, as a result of action of the House of Representatives, was taken out of the loss fund item under the Commodity Credit Corporation. That Corporation was organized in 1933, and has been functioning continuously during the Roosevelt administration, during the Truman administration, and during the Eisenhower administration. At one time, the Commodity Credit Corporation was an adjunct of the RFC; and, later, it was transferred to the Department of Agriculture, where it operates with the personnel of the Commodity Stabilization Service, and handles price supports and also the disposal of surplus commodities, both at home and abroad. Under the act of 1938, as amended, there is a requirement that the assets of the Corporation are to be surveyed by the Secretary of the Treasury. He is to make a report, and if it is found that the net worth of the Corporation is less than its capitalization, namely, $100 million, the amount of capital impairment shall be restored by a contribution to the Corporation in the amount of such impairment. That is mandatory. That is the law.

Mr. President, a Treasury appraisal was made on June 30, 1958. That appraisal shows the loss. The ascertained actual loss was $1,538,424,413. As I stated, that is a realized loss, and that was ascertained nearly a year ago.

The bill now before the Senate contains, not that amount, but $100 million less. That amount was requested by the budget. That amount was determined by the Treasury. It is not only the function, but it is the duty, of Congress to restore that loss and repair the capital structure of the Corporation. If it is not done, it means there will be that much less money the Corporation will have to carry on the surplus disposal program and to carry on the mandatory price-support program. If the money is not restored, those difficulties are going to fall upon the Commodity Credit Corporation; and, in addition, it will sustain an interest loss of $4 million.

I have conferred with the chairman of the subcommittee. He prefers that what I have suggested not be done, and has given me some assurances that this matter can be handled in a supplementary appropriation bill at a later time.

Mr. President, I am not inclined to disturb the operations and the work of the committee, knowing the diligence and the extraordinary amount of energy the chairman of the subcommittee always devotes to the agricultural appropriation bills. I am inclined, on the basis of those assurances, not to submit my amendment, because if the item is handled in a supplemental appropriation bill, it will still be taken care of in time.

Mr. RUSSELL. Mr. President, I appreciate the kind of personal references of the distinguished minority leader and the very understanding attitude he assumes with respect to this item in the bill. He has, of course, correctly stated the law. The losses incurred by the Commodity Credit Corporation must be restored by the Congress under the existing law.

I regard the obligation of Congress to restore the capital impairment as much of an obligation as the one to meet the public indebtedness, as evidenced by bonds and other instruments of indebtedness.

There has been a feeling in some quarters that the Department has not made as diligent an effort as should have been made to dispose of Government-owned commodities on the world market by sell-

ing at competitive prices. That feeling led to a reduction of $100 million in the item. As a part of the obligation of Congress, it not only must restore the capital impairment, but it must make good the estimated cost of special activities. The reduction was a total of $100 million, out of a total obligation of $2,800 million. The bill carries the other $2,700 million. It was thought that if the sale of commodities held by the Corporation was pressed more vigorously, there would be a reduction in the cost of storage, interest, and handling charges. These handling and other costs are very large.

Certainly, the impairment of the capital stock of the Corporation must be restored. It is an obligation of the Government, and one which Congress should meet. There are reasons why I would prefer to see the matter deferred until a supplemental bill is under consideration. While the amount involved is large, it is not excessive when weighed against the total being carried in the bill for the Commodity Credit Corporation. It could not possibly affect the operations of the Department until next year, at the very earliest.

I hope the Senator will not press the amendment. After further investigation into the sales program to dispose of commodities in the hands of the Commodity Credit Corporation, we can take care of it in a deficiency or supplemental appropriation bill. It would really be in the nature of a deficiency appropriation.

Mr. DIRKSEN. Mr. President, my purpose in presenting the matter is that I believe in responsible action by the Congress. Repair of the capital stock loss of the Commodity Credit Corporation is mandatory, under the law. It has been since 1938. An appropriation bill may be dressed up and made to look infinitely better as a result of the kind of action proposed; but it is not the right action, by any means, and I think the case and the record ought to be made in respect to it.

I shall accede to the wishes of the chairman of the subcommittee on the basis of his assurances. I am confident this amount will be provided in a supplemental appropriation bill, in due course. I assume the Corporation can get along for that period of time without the $100 million.

Mr. RUSSELL. There can be no doubt about that.

Mr. DIRKSEN. But restoration is mandatory, and the amount will have to be paid. I assert that we must be responsible in our endeavors no less than we expect the executive agencies of Government to be responsible.

Mr. President, I yield the floor.

Mr. WILEY. Mr. President, I have just returned from a trip across the State of Illinois, from Chicago to Carthage, in the southwestern area of the State. I was tremendously impressed with the fine soil, the great fields, and particularly was I impressed by the numerous bins of wheat and corn.

I am wondering, if we have bought all that wheat and corn, who owns the bins? I am also wondering if something should not be done to stop the half-million dollars we pay each day for rent. I think the matter should be looked into, because if the farmer who raises the corn has paid for it, and owns the bin and is paid for the storage, it seems to me, as was suggested today, the taxpayer has an interest in finding out just what the situation is.

I was informed that the farmers are getting 30 cents per bushel a year in storage, and that the bin costs them only 40 cents. So, practically in a year's time, the bin is paid for.

Mr. STENNIS. Mr. President, there is a very grave, serious, and far-reaching provision in the appropriation bill, on page 28, which incorporates a large part of the meaning of the so-called Williams amendment which was before the Senate last week in connection with the wheat bill. This is a provision to limit the amount of loans which the Commodity Credit Corporation can make to any borrower or producer. The limitation provided in the bill is $50,000.

Mr. President, this proposal was presented before the Appropriations Committee, and, as contrasted with another proposal, which I shall mention in more detail, was considered. There was a tie vote as between the two provisions.

As I say, the provision is shown on page 28 of the bill. The counterproposal or kindred proposal I wrote out in the form of an amendment, which is on the desks of Senators, amendment "5–28–59—F" to H.R. 7175.

Mr. President, I have in my hand a short address on this subject prepared by the Senator from Arkansas [Mr. FULBRIGHT] who is away on official business. I ask unanimous consent that his statement be printed in the RECORD at the conclusion of my remarks on this subject.

The PRESIDING OFFICER (Mr. GRUENING in the chair). Is there objection to the request of the Senator from Mississippi? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. STENNIS. Mr. President, referring again to the provisions of the bill, I wish to say to the Senate, with all deference to every Member, I seriously doubt that more than a very small percentage of the Senators have had a chance to study the provision to which I refer to the extent necessary even to begin to realize its far-reaching effects and its implied implications. I know I have given it much study and thought for several days and have not begun to get all the pertinent facts in connection therewith. I have gotten enough to be convinced that it represents a total change in policy for almost the entire agricultural marketing system. That is what we have, a marketing system. This provision would represent upsetting and reversing in a major way the price-support program which has been followed every year for 25 consecutive years. We are asked to do it, Mr. President, through the back door, in a way, as a rider to an appropriation bill.

I think such action would be a grave mistake, with all deference to everyone else who might vote to the contrary.

There is a provision in the House bill on the subject, and there is a provision in the Senate version of the bill. To show the division of thought, there was a tie vote in the Senate Appropriations Committee.

The provision which is now in the bill would limit all loans by the Commodity Credit Corporation to $50,000. In other words, the loans could go up to that amount and no more.

The version of the same subject matter which I proposed to the appropriations subcommittee which deals with agricultural matters would have the same effect, but would differ greatly. My proposal was that no borrower could leave more than $50,000 worth of commodities, or commodities combined, with the Commodity Credit Corporation at the end of the agricultural marketing year.

Stated in another way, the farmer could get loans for the total amount of his production, but he could not get a nonrecourse loan for any amount above $50,000.

I have an illustration to give as to how the proposal would work. It is somewhat complicated, but this is a very important and very far-reaching matter. I shall give my illustration, Mr. President, with reference to cotton because that is the subject about which I know the most, but the same principle would apply to other commodities or to any combination of commodities.

Under the proposal which I presented, the farmer could use the loan for the orderly marketing of his crop during the marketing year, exactly as he does now, and there would be no limitation on the amount he could use. However, at the end of the marketing year the value of all commodities combined which any farmer could leave under loan, to be taken over by the Commodity Credit Corporation, would be limited to $50,000. For all above that the borrower would be directly liable on his note or contract, the same as he would be liable to a bank. The borrower would be under obligation under the contract to redeem. If he did not redeem, the goods then would be collateral and could be sold. They would be sold. The balance, if any, which was due the Government would be a debt for which the farmer could be sued, and presumably he would be sued. If the farmer were a large producer he would be a responsible man with good judgment. Furthermore, if he did not pay what he owed he would be put on the debt list, as it is called, which would mean he would not be eligible for any loan of any amount at any time until his indebtness was discharged, and he could not receive ACP payments or any other payments under the farm program.

As to the other $50,000, which would be a nonrecourse loan, of course the Government would still have the commodities for which the sum of money was loaned. In such a case the same course would be followed which is followed now. The products would be available, and the Government could sell the products for whatever price they would bring, which usually would be within 90 to 95 percent of the amount of the loan,

but the borrower would not be liable for the difference.

As to the amount the borrower would have to pay back, he would have to pay interest on the money, carrying charges, insurance, and storage.

Mr. President, under this plan there would be afforded the benefit of a complete, orderly marketing act. If we do not have that, in my humble opinion the market will be glutted with a great quantity of agricultural products which cannot be placed under loan.

When the commodities are marketed, as would be true in the case of cotton, they will be free commodities and will seek a market somewhere, which will run down their price. That will inevitably happen. It is estimated by those who are in a position to have some idea of the subject that from 2 to 4 million bales of cotton each year will not be eligible for loan under the provisions of the bill we are now considering. Therefore, such cotton will have to seek sale or disposition somewhere else in the fall of the year. A few farmers would be able to hold the cotton, but not many. That process would tend to run down the market price.

Mr. President, we debate for weeks before we willfully reduce the price of the support programs 2 cents, 4 cents, or 5 cents a pound. In my humble opinion, the provision in the bill—with reference to cotton, at least—would do that very thing as soon as it went into operation.

The Senator from Alabama pointed out to me today that there are farms in the prairie belt of his State which have as many as 100 families on one farm. Such farms are going to be cut off from participating in the marketing act. So this provision does not refer simply to an individual, to the farmer-owner, but to the 100 tenant farmers who will suffer the consequences, whatever they may be—and no one knows what they will be—as a result of passage of this bill and the cutting off of loans to farmers at the $50,000 level. In order to get at one so-called large producer we are going to hit 100 small producers.

That illustrates that we do not fully realize the consequences of what we are doing. I believe this example could be multiplied many times in connection with other commodities. I have before me a hastily prepared list of commodities which would be affected by the proposed limitation. They include basic commodities under the present mandatory supports, namely, corn, cotton, wheat, rice, tobacco, peanuts, and extra long staple cotton; and so-called nonbasic or permissive commodities such as manufacturing milk, and milk products, chickens, eggs, hogs, butterfat, turkeys, dry peas, soybeans, flaxseed, tung nuts, honey, oats, rye, barley, grain sorghum, dry edible beans, cottonseed, and crude pine gum.

Excepted entirely from the provision are commodities covered under special acts, such as wool and sugar. I always thought they, too, were agricultural products.

A careful working out of this problem would certainly include some special provisions as to wool and sugar, although they are covered by somewhat different programs. I use that example as another illustration that we are running by some red lights. We are changing policies which we have followed for 25 years. We are not doing so by regular legislative procedure. No legislative committee of the Senate has passed on this question, and no legislative committee of the House has passed on it as yet.

So far as I have been able to learn, the Department of Agriculture has not given firm advice on the subject and placed on the table a statement of its opinion and the complexities involved in the administration of this provision. No one has attempted to analyze the problems connected with the administration of this far-reaching provision in the bill.

No one has attempted to say what the effects would be on the farm credit of the Nation, or to show how the Farm Credit Administration, the local farm credit groups, the smalltown banks, or any other agencies, would be affected. In my opinion the provision would very seriously impair future farm credits. I mean credits for making the crops. I am not referring to credits for buying land, building a house, or building a barn. I am referring to the year-to-year financing of the growing of the crops. Cotton and all other crops would be very seriously affected by this provision of the bill as it is now written.

Frankly, I do not believe there is an opportunity to make the issue clearly understood on the floor of this body. I believe that those versed in the program from the Senate, from the House, from the Department of Agriculture, and from businesses in the vast agricultural enterprise throughout the Nation should come together and give their opinions, exchange ideas, and try to reach some determination as to a limitation—if there is to be a limitation—which will not wreck the farm marketing program.

It is with a sad heart that I predict that if this provision of the bill is enacted into law, the farm marketing program will be wrecked, in the home of its friends, because I believe the great majority of the membership of the Senate and House are friendly to agriculture, and do not wish to punish it. We are taking some long shots in the dark in order to cut off a few so-called large producers, but we shall find that we shall be hitting the entire flock.

I am at a loss to give the Senate any further light than I have already given in these few words. I do not know how the farm credit system and the farm marketing program would be affected, but I know that the credit system would be in jeopardy. The entire marketing system would be in jeopardy. When we tear down the present house, even though it may not be perfect who can build another?

I have a few figures before me. It is estimated that between 5,000 and 6,000 farms will have more than $50,000 in cotton production for 1 year. A great may of those, as I have indicated, involve a large number of so-called tenant farmers and their families. Other farms and other commodities would be involved, to the extent of perhaps 10,000 or 14,000 in the entire Nation. Those are strictly estimates.

As I have already said, between two million and four million bales of cotton are certain to be floating around in an unprotected market, or a free market. Whatever the number might be, it would certainly be enough to set the tone of the market, and I think it would create havoc.

Someone asked me how many bales of cotton a $50,000 loan would take care of. Roughly, the figure is only about 300 bales.

We come now to the practical side of the problem. I do not know where to start or where to stop in explaining the effect on the credit structure. I once had some experience as a lawyer. For 7 years I was on the board of directors of a smalltown bank. I know something about the problems of financing small farms as well as large farms. Until we had the farm credit associations and related programs, together with some of the so-called Government programs, the small farmer was unable to obtain financial backing to grow his crops. He was absolutely bankrupt and broke, with no way of getting off the ground. Certainly we do not want to go back to those days.

I hope that someone who knows more about the subject than I do will have an opportunity, before the bill becomes a law, to study it and improve the language, in the light of its far-reaching effect. I am certain that the Senate does not intend today to carry out the harsh provisions of this particular language.

We are up against a practical problem. It is very difficult, if not almost impossible, to explain these questions on the floor of the Senate. We do not have the facts. For that reason I believe that a vote on this question this afternoon would be largely a vote in the dark. I would rather see whatever is to be done accomplished after more deliberation, and with more facts before us than it is possible to bring to bear on the floor of the Senate.

I note the presence in the Chamber of the Senator from Louisiana [Mr. ELLENDER], who is chairman of the Committee on Agriculture and Forestry. He is also a member of the Committee on Appropriations. I am not speaking for him, of course, but I know of his deep concern, because of what he has said in the Appropriations Committee. I do not know whether he expects to make any remarks this afternoon on the subject, but I believe that a word from him would be welcome.

The Senator from North Dakota [Mr. YOUNG], who is a member of the Committee on Agriculture and Forestry, as well as of the Committee on Appropriations, has been greatly concerned about this subject.

I do not intend to take a great deal of the time of the Senate this afternoon. As I say, I do not believe it is possible to get the controlling facts before this body in such a way as to shed light on the program and demonstrate the possible results of this language.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. RUSSELL. I believe that all of us who have any familiarity with the farm problem are vitally concerned about the possible effect of this language.

Of course, the Senate will recall that a record was made on legislation of this character during the past 10 days. The Senate, by a vote of 57 to 20, supported the Williams amendment, placing a limitation of $35,000 in connection with loans when it was acting on the wheat bill.

When the bill which is now before the Senate was pending in the other body, a limitation in the form of an amendment was offered on the floor of the House. That amendment appears on page 28 of the bill. It provided for a limitation of $50,000.

As is the case with most floor amendments, it is not perfectly clear as to just what effect it would have. However, the intention of the authors of the amendment and a majority of the Members of the House of Representatives was clearly reflected by the debate. A motion was made to recommit the bill with instructions to include the amendment after it had apparently lost earlier on a standing vote. On a yea-and-nay vote of 262 to 165, in favor of recommitting with instructions, the amendment was offered and added to the bill.

We are therefore confronted with a hard, blunt fact, not a theory. We have already put into the wheat bill, on motion of the Senator from Delaware [Mr. WILLIAMS], a limitation of $35,000. The House of Representatives has added an amendment of similar nature to the appropriation bill dealing with the same subject.

I voted against the so-called Williams amendment. I have no apologies to make for that vote. Whatever may be the merits or the demerits of our farm program, the effect of the amendment is to change the nature of the entire program. It changed it from what had been a price-support program, based on the theory that there should be an orderly marketing procedure so that the farmer could time the marketing of his products in order to sustain a high level of prices, into a subsidy program for farmers whose loans aggregate less than $35,000. This may be all right for the $35,000 farmer, but it would have a serious impact on the prices in the marketplace. It would cause about 65 or 75 percent of the production which comes from the large farms affected by limitation to be dumped on the market at a time when it is disadvantageous not only to the producers, but to the processors as well.

Therefore I voted against the amendment. I am opposed to this way of legislating. On a matter involving such a sweeping change of policy as this, legislation should be passed only after thorough investigation and consideration by the standing committee having jurisdiction over the matter.

I do not believe that any man can truthfully tell the Senate what the impact of the provision referred to by the Senator from Mississippi will be on whatever is left of agriculture in this country.

But we are confronted with a condition, not a theory. In recognition of that fact, the subcommittee undertook to rewrite the provision. We tightened up the House amendment to a certain extent, although such limitations do not meet with my approval. However, some kind of limitation was in accord with the present feeling of a majority of the Members of the Senate, irrespective of whether they fully recognized the effect of their earlier action on the wheat bill.

I do not believe there is any doubt that the losses which have been sustained by the Commodity Credit Corporation, and the large appropriations which have been necessary to repair the losses, have caused men who otherwise are reasonable and sane to strike out blindly at the farm program, because it costs a great deal of money. Unfortunately, the victim of this policy of striking out blindly is the farmer. It is not those who are responsible for the losses which have been incurred. However, as I have said, we are confronted with a condition. I hope it will not be as injurious to the farmers and indeed to the economy of the country as a whole as I fear it may be.

Mr. YARBOROUGH. Mr. President, will the Senator from Mississippi yield?

Mr. STENNIS. I yield.

Mr. YARBOROUGH. Along the line suggested by the Senator from Georgia, is not the most probable result of the proposed limitation, insofar as cotton is concerned, that it will break the price of cotton wide open all the way from Sea Island, Ga., west to the Imperial Valley in California, and absolutely wreck the cotton industry?

Mr. STENNIS. There can be no doubt that it will seriously affect it. Anyone of any understanding or common sense at all knows that the pitching of 3 million bales of cotton onto the so-called free market is bound to depress it. There are a great many small farmers in our area of the country who do not go into loans anyway. They sell on the open market, and obtain almost what the loan would be, or virtually the same. The provision, if wanted, means that the Government will have to take a great deal more cotton than ever before.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. STENNIS. I yield to the Senator from Florida.

Mr. HOLLAND. First, let me say that no one appreciates more than I the seriousness, the conscientiousness, and the very real desire to serve the farming communities of the Nation which always motivates the Senator from Mississippi in a matter of this kind. I wish to supplement, if I may, the remarks made by the distinguished chairman of the subcommittee, the Senator from Georgia [Mr. RUSSELL].

I did not vote for the Williams amendment the other day when it was pending during the consideration of the wheat bill. I did not vote for the substitute amendment to the Williams amendment which was offered by the Senator from Minnesota [Mr. HUMPHREY]. I agreed completely that the place to work out that kind of legislation was in the legislative committee. We had striven to bring forth something desirable in this field, and the Senator from Delaware, always conscientious in his approach to the problems in the field of agriculture and everywhere else, had in the Committee on Agriculture and Forestry offered an amendment somewhat similar to this amendment. It was not adopted by the committee.

When we reached consideration of the House bill in the Committee on Appropriations it seemed to me that, as stated by the Senator from Georgia, we were confronted with a very serious fact, not a theory. We had before us the fact that the House, notwithstanding the opposition of the leaders of its legislative committee, had by a very large vote placed this rather carelessly drawn provision in the House appropriations bill. The Senator from Georgia has already mentioned the fact that that amendment, which appears at lines 8 to 10 on page 28 of the bill, is very much more serious in its possible effects than the amendment which comes to the floor as a Senate committee amendment.

We were also wholly mindful of the fact that the Senate itself, but a few days previously, had approved an amendment a good deal more limited than the one on the House bill.

Therefore, speaking only as one of those who was present on the day the subcommittee amendment which now appears in the bill was formulated—and unfortunately I could not be present on the day to which the Senator from Mississippi has referred when other alternative approaches were suggested—we were trying to temper the House provision so as, first, not to apply it to this year's crop. The House provision apparently applies to this year's crop. Surely, fair play should dictate that agreements already made and plans for planting already proceeding—and planting has already been made in my State on every crop which comes under the price-support program—should not be interfered with, and that any limitation placed in the bill should not apply to this year's crop. There was no difference of opinion on that matter at all in the Committee on Appropriations.

Second, we were completely mindful of the fact that other provisions of the House bill which are variant from the so-called Williams amendment would bring about very great problems if we went into conference without giving careful thought to the formulation of an alternative proposal such as we have in the bill.

The alternative proposal follows the wording of the Williams amendment in its final form and applies only to crops of next year, not this year. It applies likewise in such a way as will be fair to those who market their crops through cooperative marketing organizations. We tried to get away from what we thought was the too small limitation in the Williams amendment by adopting the House figure of $50,000, but otherwise writing into the bill the provisions

of the last version of the Williams amendment, to be effective for the first time next year, and effective in the way that that amendment was finally adopted.

I do not know how we could more carefully lay the predicate for sound legislation in this field, since we had to have such legislation.

I may say, as well, that we were completely mindful of the fact that the wheat legislation was apparently lost, and that apparently nothing of the rather ambitious program which the Senate committee had reported, and a similar but, we thought, not so desirable program which the House committee had reported, would be enacted. So it seemed to me that the $50,000 limitation in this bill, applicable next year, might do much toward bringing to a head the wheat problem, which is, by all means, our most serious problem.

It seems to me not only that the Senate committee has approached the matter just as cautiously and carefully as possible, but that there may be great good to come from the inclusion of the amendment in connection with the wheat program, to which I have already alluded.

Mr. STENNIS. Mr. President, I am not trying to hold the floor, but I have a few more remarks I wish to make. First, though, I yield to the Senator from Georgia.

Mr. RUSSELL. Mr. President, I overlooked stating, and I should have told the Senate earlier, that when this matter was under consideration in the committee, the effort by the distinguished Senator from Mississippi to insert the amendment he discussed earlier lost in the committee by a tie vote. This illustrates the confusion and differences of opinion which arise in dealing with such a complex subject in shotgun fashion.

Mr. STENNIS. That is correct.

Mr. RUSSELL. I do not think anything could illustrate more dramatically the way in which the committee groped with proposed amendments, all offered in good faith, toward the solution of this problem.

I have not agreed with the American Farm Bureau Federation's policies in many respects, but many Senators thought they were certainly worthy of consideration in legislative matters. I assume all Senators have received telegrams from the president of the American Farm Bureau Federation, Mr. Charles B. Shuman, vigorously opposing this way of imposing a ceiling on price supports.

He says, in part:

> Such limitations deal with the symptom of the problem instead of the real cause of surplus production. In addition, it would break faith with farmers who have already voted marketing quotas.

I think that is true. In some cases, marketing quotas have been voted for more than 1 year, particularly in the case of tobacco. This proposal certainly will deal directly with the problem.

The more we study the problem as we proceed, the more difficulties we encounter in legislation of this kind. Even though we study it most carefully I fear that in the absence of hearings it will be found, in the last analysis, our action here and again in the conference with the House, in finally agreeing on language dealing with this subject, that we have left somebody out or have done something which is very damaging to some segment of our economy.

Mr. STENNIS. Mr. President, I yield to the Senator from North Dakota.

Mr. YOUNG of North Dakota. I commend the Senator from Mississippi for calling this amendment to the attention of the Senate and also calling attention to some of the adverse effects which it might have.

I am one who voted for the amendment to the agriculture bill, first limiting to $35,000 the amount of money anyone could receive in price supports for each commodity, and then an overall $35,000 limitation. I did so because I thought some limitation was necessary.

To legislate on an appropriation bill, as we are now attempting, is quite a different matter. I am afraid we may run into some serious trouble. For example, an attempt is now being made to exempt farm cooperatives. What shall we do about church organizations? In my State, practically all churches own a considerable amount of land. We may run into serious trouble now between the church organizations and the tenants who farm their land.

A loan on crops is desirable if it is repaid to the Federal Government. Let me give an example of how marketing conditions in my State have changed over the years. Thirty years ago, when we farmed with horses, it took 2 or 3 months for the grain to reach the market. Now, with combines, tractors, and good weather, all this grain is poured onto the market within 2 or 3 weeks. It is desirable from the point of view of operating a good price support program and orderly marketing that price support loans of any size be permitted to farmers, if they are repaid; and the proper limitation, from my point of view, would be on the amount of nonrecourse loans which any farmer might receive. That makes for more orderly marketing than the amendment we are discussing today.

Mr. STENNIS. Mr. President, I yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, I should like to have the Senator from Georgia, the chairman of the Subcommittee on Agricultural Appropriations, also listen to what I am about to say.

I commend the Senator from Georgia, the Senator from North Dakota, and other Senators who have worked so long on this agricultural appropriation bill. Not only have they reported a very good bill, but they have also succeeded in protecting it on the floor of the Senate.

However, I am advised by officials of the Department of Agriculture that the present provision in the Senate appropriation bill, limiting to $50,000 the amount of price support which any person may receive on all of his 1960 production, is impossible of administration in the case of the dairy price support program.

A dairy farmer markets milk. The Commodity Credit Corporation does not purchase or make loans on milk. As required by law, the Commodity Credit Corporation supports the price to producers of milk and butterfat through the purchases of the products thereof, namely, butter, cheese, and nonfat milk solids. These purchases are made from dealers and manufacturers in carload lots. Milk as it comes off the farm goes into a commingled mass at the receiving points where it is processed. Only that portion of the processing plant's product which cannot be sold on the market at support prices, and is, therefore, surplus, comes to the Commodity Credit Corporation. The identity of the farmers whose milk came to the Commodity Credit Corporation in the form of products is lost. Many small plants do not have carloads available for sale to the CCC, but forward their production to assemblers and other handlers for sale; and the assemblers and handlers, when they have a surplus carload, sell to the CCC.

Under these circumstances, it would be impossible to determine the amount of price support which has been extended to any particular farmer through the purchase of dairy products under the price support program. It is essential, therefore, that an exception to the limitation be permitted where price support is extended by purchases of a product of an agricultural commodity from processors and dealers, and there is no practicable way to apply such a limitation.

I had prepared an amendment, to be inserted at the proper place, which reads as follows:

> The limitation herein shall not apply if price support is extended by the purchase of products of an agricultural commodity from processors, dealers, or cooperatives.

I may add that the same obstacle would be encountered if an effort were made to support the prices of pork, beef, or other animal products.

Mr. RUSSELL. And poultry products.

Mr. AIKEN. And poultry products. I know that the Senate Subcommittee on Agriculture Appropriations did not intend to discriminate against any particular product or make it impossible to support any particular product up to the amount of $50,000. I am certain the House committee did not intend to discriminate, either; that this subject will be a legitimate matter for consideration by the conference; and that wording can be found which will accomplish the purpose which the committee intended to serve. Am I correct in my assumption?

Mr. RUSSELL. I am certain nothing could point out more clearly the difficulty of dealing with a matter of this kind, and of being fair to all segments of our variegated agricultural economy, than the statement the distinguished Senator from Vermont has just made.

Of course, there is no intention to discriminate against producers of milk or dairy products generally. Certainly we do not want to discriminate against the producers of beef, pork, or poultry.

I assure the Senator from Vermont that this matter will be studied under a magnifying glass before we go to con-

ference. I will endeavor within the limits of my ability to deal fairly with all methods of supporting agricultural commodities.

Mr. AIKEN. I think the intent of the committee has been made perfectly plain. The assurance of the Senator from Georgia is as good with me as acceptance of an amendment, because I know that whatever inequities exist will be corrected in conference.

Mr. RUSSELL. I assure the Senator from Vermont that we shall endeavor to do so; and I appreciate his calling our attention to this matter at this time.

Mr. STENNIS. Mr. President, I appreciate the Senator's remarks.

As I have said, I am not trying to keep the floor. I wish to make a few more remarks; and I shall do so very briefly.

Mr. President, the amendment to which I referred at the beginning of my remarks is the one which was offered in the Appropriations Committee. In the committee, it failed of adoption, by a tie vote. As the Senator from Georgia has stated, that happened on the very day after the subcommittee had written the language which now is in the bill. So that certainly shows that there was not great certainty about the matter in the minds of the members of the committee, as the Senator from Georgia has pointed out.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, in connection with my remarks, the text of my amendment which is identified as "5–28–59–F."

There being no objection, the amendment intended to be proposed by Mr. STENNIS was ordered to be printed in the RECORD, as follows:

At the end of item (1) of the last proviso in the item "Limitation on Administrative Expenses, Commodity Credit Corporations", insert the following: "without providing (notwithstanding section 405 of the Agricultural Act of 1949 as amended) for the full repayment of all amounts advanced in excess of $50,000 plus interest thereon in any marketing years".

Mr. STENNIS. Mr. President, let me give a brief illustration, in response to some of the criticisms of the price-support program.

The price-support program is looked upon by some as a direct subsidy to the farmers. Certainly that is not true, inasmuch as the Government takes title to the commodities when the loan period has expired. For example, the Commodity Credit Corporation took title to more than 2,420,000 bales of cotton as of August 1, 1958, at an acquired value of $323,687,000. That transaction has been interpreted by the general public as a complete loss to the Government. Of course, Mr. President, such an interpretation is absurd; it is far from accurate, because that cotton, which had an acquired value of $133 a bale, had an actual market value on the date when it was taken over by the Commodity Credit Corporation of only a little less than the acquired value. If that cotton had an average grade and staple equivalent to Strict Low Middling 1 inch, the market value on the day when it was taken over would have been $128 a bale—or almost as much as the Government actually loaned.

So, Mr. President, that illustrates that the actual loss on that day, on cotton of that average grade and staple, amounted to just a little less than $5 a bale, or, on the average, a little less than 1 cent a pound. So, after all, the so-called loss was just that small margin, rather than the gross sum. That is a perfect illustration of the orderly marketing of that commodity. If that number of bales were to be turned loose on the market, it would be crushed.

Mr. President, I wish to lay this alternative proposal before the Department of Agriculture, and before those who will follow the course of this bill, as being a proposal for consideration along with other points which continually are arising as this subject is probed further, as illustrated by the remarks of the Senator from Vermont [Mr. AIKEN] with reference to the very complicated and highly important question of dairying and dairying price supports.

Mr. President, I ask unanimous consent to have a statement which I have prepared on my amendment printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR STENNIS

This amendment modifies the amendment adopted by the Senate Agriculture Appropriations Subcommittee to limit the volume of commodities eligible for loans. My amendment retains the $50,000 limitation and is designed to restore the basic principles of orderly marketing to the agricultural program. It satisfies the objectives of advocates of limitations, in that it would protect the Government against nonrecourse loans in excess of $50,000.

This amendment is a slight modification of the price support limitation contained in the appropriations bill. The $50,000 limitation would apply at the end of the marketing season and would prevent dumping of agricultural commodities ineligible for loan on the market at the same time small farmers are marketing their crop. My amendment would permit all producers to use the loan as an orderly marketing tool but would limit the Government obligation at the end of the year to $50,000. Farmers placing more than this amount into the loan would be required to redeem from the Government any amount over this level.

The question has been raised as to the inability of the Government to force producers to repay loans in excess of $50,000. It is my understanding that farmers who do not comply would be placed on the Department's debt list and would not be eligible for future price support loans, conservation reserve payments, ACP payments, or other Government benefits, for example, soil bank payments. This penalty certainly appears to be adequate to enforce compliance. In addition, the Commodity Credit Corporation would take over the commodities in question which would have a value of at least 90 to 95 percent of the loan value. By sale of these commodities, the CCC would reduce possible Government losses to a minimum. Suit would then be brought against the producer to recover the balance.

The placing of limitations on price support loans without this important safeguard would result in untold damage to markets and could eventually destroy our agricultural program. In the case of cotton, the future markets for October 1960 has dropped $7.15 per bale since the limitation was placed on the House agriculture bill on May 20. It certainly seems reasonable to assume that this same condition and possibly even greater reductions would apply to other commodities.

Limitations could not possibly work to the advantage of anyone—farmers, manufacturers, distributors, or consumers. They do threaten to place an element of uncertainty in the market which would reduce the market price to farmers at a most critical time. Limitations will create confusion in the markets, year around, for both foods and fibers. If we must have limitations, they should certainly be applied in such a way as to do the least possible damage.

Our price support loan program is looked on by many people as a direct subsidy to farmers. This is certainly not true, as the Government takes title to the actual commodity when the loan period has expired. For example, the CCC took over 2,420,000 bales as of August 1, 1958, at an acquired value of $323,687,000. This transaction has been interpreted by the general public as a complete loss to the Government. This is far from accurate, because this cotton which had an acquired value of $133 per bale had an average market value on the date it was taken over by the CCC of a little less than the acquired value. If this cotton had an average grade and staple equivalent to Strict Low Middling 1 inch, the market value on the day the commodity was taken over would have been $128, almost as much as the Government actually loaned.

We are dealing with a most serious problem here. The market for many agricultural commodities reacts violently to uncertain change in supply and demand. The CCC loan program has been a great asset in giving stability to our market. If we destroy this basic concept of orderly marketing, we have destroyed the heart of the agricultural price support system. To place limitations on price supports without safeguards provided in my amendment to prevent an undetermined amount of ineligible commodities to be dumped on the market at one time, would create a grave uncertainly which would seriously effect all of agriculture.

There is one other point that should be given serious consideration. Aside from the direct effects of loan limitations on farm income and commodity markets, the disruption of orderly marketing will have a decided impact on farm credit agencies and organizations, both public and private. Agriculture today is undergoing drastic change. Capital investments on farms are at a record level. Production costs have been steadily going up. Risks are greater than at any time in history. The disruption of orderly marketing will threaten the very foundation of the agricultural credit system in this country.

If there is any one segment of our economy which needs stability and improved income, it is our farmers. My amendment is not giving our farmers anything, it is merely protecting them from what could develop into a most tragic situation.

Mr. STENNIS. Mr. President, at this time I gladly yield the floor.

EXHIBIT 1

STATEMENT BY SENATOR FULBRIGHT ON LIMITATION OF PRICE SUPPORT LOANS

The proposed $50,000 limitation on price support loans is unwise and unjust. It appears that the proponents of this limitation are not familiar with the objectives or the operation of our price support system.

The CCC commodity loan program is designed to enable farmers to market their crops in an orderly manner. Prior to the beginning of the loan program farmers were at the mercy of the market. Most farmers found it necessary to sell their crops immediately after harvesting in order to pay off production debts. In effect, a very large percentage of the crop was dumped on the

market in a short period, with a consequent effect on the market price. Few farmers could afford to store their crops until the market price became more favorable. The commodity loan program was initiated to smooth out the gyrations of the supply and demand curves and allow a farmer to sell his crops at any time during the marketing year. The farmer is no longer required to sell his crop at harvest time, but may place it under Government loan and withdraw it at a time when the market price is more favorable. The loan program has become an essential factor in our agricultural marketing operation.

There is a widespread misconception about the mechanics of the loan program. The public has been led to believe that farmers have a direct pipeline to the treasury and receive liberal Government handouts.

Much of the recent publicity which the loan program has received furthers this misconception. It is essential to remember that this is a loan program and not a direct subsidy. The farmer puts up collateral for his loan in the same manner as one who borrows from a bank. If the loan is not repaid the Government takes title to the commodity. The farmer may at any time during the marketing year repay his loan, plus interest and storage costs, and sell the crop on the market. Little attention is given to the fact that many of the loans are repaid. The opponents of the price support program concentrate solely on the loans made. It is also true that, even where a loan is not repaid, the Government can sell the crop put up as collateral and minimize its loss. Unfortunately, the cost figures for the farm program are unusually susceptible to distortion and misleading interpretations.

I oppose the proposed limitation. It would violate the basic principle of the CCC loan program. If the limitation is approved it will result in many large producers being forced to sell their crops at harvest rather than permitting them to be marketed in an orderly manner. The dumping of large quantities of a commodity on the market in a short period of time could have a disastrous effect on market prices. It is likely that such a decline would result in farmers putting much more of their crops under loan than before with a consequent effect on the cost of the price support program. As a practical matter, most smaller farmers sell on the market rather than put their crop under loan. The larger operators use the loan program more extensively because their marketing operations must be more closely geared to insuring an orderly, smooth flow in the marketing system. If the $50,000 limitation is imposed, the small farmer will put his crop under loan rather than sell on a distressed market. The CCC handling costs will rise sharply due to the greatly increased volume of small loans. This limitation will hurt, not help, the small farmer. All farmers, and especially the smaller ones, will suffer from the destructive effects of this limitation on the present marketing system.

The proposed limitation would deprive farmers of benefits which he is rightly due from his participation in the farm program. The Government has encouraged all farmers to cooperate in reducing production and in return for this cooperation has offered the advantages of the CCC loan program. The large farmer is subject to the same acreage and other restrictions as the small one but the proposed limitation would deny him the right to participate in the benefits promised by the Government. Instead of being rewarded for his cooperation, he will be penalized. Surely this is not in keeping with our traditional principles of justice and fair play.

I want to point out that this limitation applies to the gross value of the crop placed under loan. Out of a $50,000 loan it is possible that the farmer would receive little if any net income. Production costs or crop losses may be so severe that the farmer will realize no net income from the crop placed under loan. I fear that the public has been led to believe that commodity loans are all profit to the farmer.

I am aware of the popular appeal of this proposed limitation. However, I think that if the public could be made aware of the grave consequences of such a limitation the picture would be quite different. The limitation would disrupt the marketing system with harmful effects to both large and small farmers as well as agricultural processors. It would also increase the costs of administering the loan program and in the end cost the taxpayers more than the present system. And it would violate a moral obligation which our Government owes the farmer for his participation in the farm program.

I urge all Senators to study this question carefully. There is far more to this proposal than would appear on the surface. I hope that the limitation will be removed from the bill.

Mr. ELLENDER. Mr. President, it is not my purpose to detain the Senate for any great length of time. I covered thoroughly the subject of price support limitations when the Senate considered the wheat bill last week.

I regret very much that some Members of the Senate are trying more or less to legislate on agricultural problems without knowing the consequences which may ensue from such legislation.

There is no doubt in my own mind that all such talk has originated from various misleading statements which have been made by the press, as well as by the Department of Agriculture.

No doubt the trouble started when the conservation reserve and the acreage reserve programs were placed on the statute books. Some of us were very doubtful of the results which would be obtained from the so-called soil bank. I voted—very reluctantly—for it. Mr. Benson made a very impressive witness when he appeared before the committee and advocated the soil bank proposal. But, Mr. President, in the final analysis, all of the misrepresentation of the farm program came about because of the soil bank program. There is no doubt that many large operators obtained substantial payments for not planting crops. That gave the farm program a black eye—so much so that Members of Congress are of the opinion that the program we now have on the statute books may be compared with the one which I have just now been discussing—that is to say, the soil bank program. They forget that the program now on the statute books is primarily a stabilizer of prices of agricultural commodities, and nothing else; no direct payments are made to farmers.

Mr. President, as the distinguished Senator from Mississippi [Mr. STENNIS] has so ably pointed out, the purpose of the present program is to provide for the orderly marketing of agricultural commodities. As I pointed out the other day when the Senate was considering the wheat bill, there is no doubt in my own mind that if the larger growers, many of whom can produce much more cheaply than the smaller growers, were to dump cotton, let us say, or any other agricultural commodity on the market, such dumping would have the effect of depressing the prices to a considerable extent. As a result, many of the small farmers, who now do not take advantage of the loan program, but, instead, sell in the open market, would be forced to resort to the loan program.

Mr. President, I have before me a prepared statement which covers most of the points which were raised this afternoon during the debate. I ask unanimous consent that it be printed in the RECORD as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR ELLENDER

At the outset I would like to do nothing better than to cast my vote in favor of legislation which would reduce the cost of the price support program, reduce Government holdings of commodities, and enhance farm prices. In my judgment, however, the language the Senate is called upon to consider will do none of these things.

As a practical matter, I do not believe there is any way of telling just what this language will do, except that if approved, it may well destroy the present farm price program, increase Government costs, and injure those whom it professes to assist, namely, the small farmer.

During Senate debate on the wheat bill, a week or so ago, a similar amendment, limiting price supports to $35,000, was offered by the Senator from Delaware [Mr. WILLIAMS]. Senators who were on the floor during consideration of the Williams amendment may recall the debate that ensued. The specter of rising costs of the farm program was hauled out, set up as a gigantic strawman, and rhetorically flogged to pieces.

Aside from providing a few Senators with an opportunity for oratory, that debate also provided an opportunity for some of my colleagues to display what, in my opinion, is an abysmal lack of knowledge about the concept and mechanics of the present farm program.

Our farm program today is not a program of direct payments. If the Government were annually mailing a check for huge sums to some farmers, then a limitation such as that proposed by the Senator from Delaware, a limitation similar to that in the bill before us today may be justified.

But the price support program now on the statute books is not such a program. It does not involve cash subsidies. It is just what the name implies, a price support program—a marketing stabilization device—a means whereby market prices are stabilized. Let me repeat, it is not a direct subsidy.

There are a few Senators here today who may recall the genesis of the present program. Prior to its enactment, farmers were plagued with seasonally low prices. As crops were harvested, huge amounts were dumped on the market at about the same time. Prices were forced down, and because farmers had no place to put their commodities other than the market, a vicious circle began. As more crops moved to harvest, prices fell further and by the time the bulk of the crops were harvested, there were, for all practical purposes, no markets at all.

To correct this situation, the Congress enacted a marketing stabilization program. We provided a means whereby farmers would not be compelled to move their crops directly from the field into the marketplace. Instead, we offered an alternative. Instead, through the Commodity Credit Corporation, farmers were permitted to borrow a sum of money, expressed as a percentage of parity, and pledged their crops as collateral. The theory behind the program was very simple. Instead of forcing all crops into the

marketplace at the same time, farmers were offered a place to put those crops, until such time as market prices recovered from harvesttime gluts. As prices rose, farmers could redeem their crops by repaying the amount of their loan, plus interest and carrying charges. The crops so redeemed could then be sold on a stable market.

The availability of such price supports were and still are made subject to certain restrictions, however. In order to be eligible for price support loans, at least two-thirds of the farmers involved must agree, in a nationwide referendum to accept acreage restrictions, when found to be necessary in the light of estimated consumption, and carryovers from previous crops, among other things.

It is true, and I am the first to admit it, that the program has not worked well during the past few years. Vastly increased production, made possible by ideal weather conditions and our technological advances in agriculture, has outstripped markets. Despite acreage limitations, imposed as a condition precedent to obtaining price support loans, production has exceeded domestic and foreign requirements. Crops placed under loan have not been totally redeemed. Instead, some of the crops pledged as collateral have been taken over by the Government for nonpayment of loans, just as any lender seizes the collateral pledged as security for a loan when the borrower defaults in payment.

But the fact remains that the present price support program is basically a market-stabilization device, not a direct payment or subsidy. By adopting limitations such as that proposed in the pending bill, limitations which might have some place in a direct subsidy program, we will, I fear, destroy completely not only the concept, but the effectiveness, of the present price support program.

It is attractive politically to flay the large producers, but merely lambasting them, punishing them, does not make them cease to exist. They remain, whether some Senators like it or not, and once it is recognized that they remain, then any solution to the farm problem must take them into account.

Limiting price support to farmers who produce, in the aggregate, less than $50,000 of price supported crops, is not going to solve anything. On the contrary, it may well aggravate our problems.

The record shows that about one-third of our farm production originates on large, often corporate, farms.

By denying large producers the opportunity to put their crops under loan, such producers will be compelled to dump their crops on the market. In other words, it is highly possible that one-third of our farm production, if not more, will float around, dangle over the market, and adversely affect prices. Because the total production from large farms is so vast, market prices may well be further depressed, if this limitation is enacted, further widening the gap between the support price and the market price. Thus, when the time comes for the Government to dispose of surpluses taken over as a result of loans, the losses to the Commodity Credit Corporation may actually be increased, instead of reduced.

Yet, are not large CCC losses cited as a reason for needing this limitation?

Of course, there is an alternative. Instead of selling the crops it takes over under the loan program, and thereby incurring losses, the Commodity Credit Corporation could hold stored crops. Of course, this would mean increased storage costs—and another rise in the already enormous Commodity Credit inventory.

Yet, is not the magnitude of this inventory one of the other arguments advanced by those who urge the limitation of price support loans?

It strikes me that instead of going off halfcocked, instead of attempting to, in effect, write basic farm legislation through the dubious means of a cleverly drafted limitation amendment to an appropriations bill, the interest of all concerned—farmer, consumer, taxpayer, the Government—would be better served if we withheld action until at least we had some inkling of what the language in question would do.

Let me state at this time that the staff of the Committee on Agriculture and Forestry has already sought a prediction from the Department of Agriculture as to just what adoption of language similar to that proposed would mean in the way of production, Government costs, and farm income, among other factors. I am informed by the staff that the Department would not be able to provide such an analysis for another 30 to 60 days.

In other words, we are being asked to buy a pig in a poke. We are being stampeded, it seems to me, into voting on something which the slick magazines and a few newspapers have demanded through the use of untrue statements, juggled figures, and, I must add, an attitude confounded and compounded of inaccuracies, and nurtured by a lack of understanding of how the farm price support program works.

I, for one, am not going to participate in a blood offering on the altar of journalistic demagoguery. Furthermore, I believe the Senate is entitled to know just what the amendment will do before we vote on it, and there are quite a few questions remaining to be answered.

For example, what is going to happen to market prices if this limitation is placed in effect. In my judgment, they are going to be further depressed, since the larger producers will be compelled to dump the bulk of their output on the market at harvest time, just as was the case in the late 1920's and early 1930's, before a price stabilization program was provided.

If this occurs, what is going to happen to the very small producers? Let me tell Senators right now that there are quite a few small farmers who today do not avail themselves of the price-support program's loan feature. Instead, because they need cash immediately in order to pay their bills, they sell their crops f.o.b. the field, you might say—directly into the market. They have received protection in the past because the price-support program stabilized the entire market, but if this stabilization effect is removed, as I fear it will be if the limitation is adopted, then the small farmers will have no choice except to either accept lower prices, with lower income, or put their crops under loan.

Under the first alternative, they are bound to suffer. Under the second, the Government is going to actually end up taking over the same amount or even more crops at the end of the year.

What about milk producers?

In the case of dairy products, the Federal Government purchases milk products, such as cheese and butter, as a part of its price-support program. The Government deals directly with the processor, however, rather than the producer. Under these conditions, how will it be possible for a $50,000 limitation to be put on each farmer?

In addition, I remind Senators that the limitation in the bill would not limit farmers to placing a maximum of $50,000 per crop under loan. Instead, they could not receive price-support loans in excess of $50,000, no matter how many price-supported crops they might produce. What is the farmer who produces two, or three, or more price-supported crops going to do? How much of each is he going to put under loan?

In addition, can Senators imagine the administrative difficulties involved in a limitation of this kind? A farmer who produces both cotton and rice, for example, is going to be limited to $50,000 on both—not on each, but on both. This means that the Department of Agriculture is going to have to keep a complete set of books not only on individual farmers, but on each crop produced by each individual farmer. Talk about bureaucracy. This limitation, if enacted, may well create the biggest agricultural bureaucracy our country has ever seen.

It seems obvious to me that the proponents of this limitation have not considered what it involves. The limitation does not eliminate restrictions on planting insofar as farmers producing more than $50,000 of price supported crops are concerned. Large farmers would still be subject to acreage allotments and marketing quotas. Yet, even while subjected to the limitations of a price support program, these producers are being denied, in large part, its benefits. If proponents of such limitations want to be fair, they should be willing to remove acreage limitations on that part of a farmer's production which is not eligible for price support.

This would be the democratic way, it seems to me.

During recent weeks, many Senators have received quite a few letters about Farmer Yankus, who was penalized because he produced more wheat than the law allowed him, despite the fact that none of that wheat received price support. The gist of the complaints I received, and I assume the mail received by other Senators was similar to mine, was the injustice of requiring a farmer to abide by restrictions without according him the benefits of price support.

Yet, isn't that what proponents of this legislation want to do on an increased scale?

It just does not make sense.

Last week, during debate on the wheat bill, reference was made to the Delta Pine & Land Co. It was stated that not only did this large, corporate, operation receive a large price support loan, but that, in addition, Delta Pine was a foreign-owned corporation.

I do not intend to plead the cause of Delta Pine and Land, but I do believe Senators should consider what the implications of debate last week on that company may involve.

Laying aside the fact that Delta Pine repaid all of its price support loan, plus interest and handling charges, it nevertheless strikes me that if the Congress is going to begin limiting price support benefits on the basis of nationality, then it should realize what the logical result of such action may be.

Just recently, Mr. Fidel Castro, in Cuba, announced the promulgation of laws which would have the effect of squeezing out foreign-owned sugar-producing companies in that island republic. If the Congress wants to pull a Castro, that is its business, but I, for one, am not about to participate in it.

If Senators want to vote against assistance to foreign-owned or foreign-controlled industries, then I urge them to join me in voting against the foreign aid program.

I feel very deeply about this matter. I do not mean to endorse the faults of the present farm program, nor do I mean to leave any implication that I believe the costs of that program cannot be reduced.

I do believe, however, that the Senate should stop and think, that we are entitled to, and should have, all the facts before writing into law a restriction which I fear will not only prove unworkable, but may actually convert the present price support program into an outright Federal dole—something which I do not believe farmers, consumers, or the taxpayers as a whole, want.

In addition to all I have already stated, it seems to me that the limitation theory, as it appears before the Senate today, is unfair to agriculture as a whole. Why should one

segment of our economy—and let us remember that it is the segment that supplies our food and fiber—components necessary not only for human life, but much of industry, as well—be curtailed and every other segment entitled to unlimited protection of the Federal Government?

If we are to be fair, then why not limit the $9 million deficiency incurred by the Post Office in the delivering and handling of Life magazine to $50,000 per year?

Why not limit mail subsidies paid railroad and airline companies to $50,000?

If this theory is to prevail, then should not the subsidies on Federal aid to the maritime industry be limited to $50,000?

By the same token, perhaps profits on defense contracts for the production of aircraft, missiles, and the like, should be limited to $50,000, too.

Why should the Senate single out the brow of American agriculture as the sole recipient of a crown of economic thorns?

In summary let me emphasize three points:

First, this limitation will not reduce the cost of the farm program to the Government. On the contrary, it may actually increase such costs; it will certainly increase administrative costs.

Second, it will not reduce Commodity Credit Corporation inventories. Instead, as the difference between market prices and loan values is increased, Commodity Credit Corporation will be faced with the alternative of either selling its holdings at reduced prices, thus increasing CCC losses, or continuing to store such holdings, with an accompanying increase in storage costs and the value of CCC inventories.

Third, while purporting to safeguard farm income, it may actually further reduce such income, by driving market prices downward, under the pressure of large producer dumping, once the availability of price support loans to such producers is removed.

The proposition to limit price supports is politically appealing. I wish it were possible for me to ignore my convictions, forget the damage this amendment would do, and support it. It would certainly ease the task of answering my mail.

But I have done my best to be objective concerning all matters upon which I must cast my vote, and I do not believe that this issue should be an exception.

I plead only that others "go and do likewise."

Mr. COOPER. Mr. President, I call up my amendment——

Mr. WILLIAMS of Delaware. Mr. President, does the Senator want to speak on an amendment which is pending?

Mr. COOPER. No.

The PRESIDING OFFICER. (Mr. JORDAN in the chair). The Chair wishes to inform the Senator that there is no amendment pending.

Mr. COOPER. Mr. President, may I inquire if I have the floor. A parliamentary inquiry first. Is there an amendment pending?

The PRESIDING OFFICER. There is no amendment pending.

Mr. COOPER. Mr. President, I call up my amendment identified as "6–1–59–K."

The PRESIDING OFFICER. The amendment offered by the Senator from Kentucky will be stated.

The CHIEF CLERK. It is proposed on page 17, line 16, after the parenthesis and comma, to strike out "$3,518,300", and insert "$4,268,300."

On page 18, line 3 after the word "of" it is proposed to strike out "$1,310,000" and insert "$560,000."

Mr. COOPER. Mr. President, I modify my amendment as follows:

On page 17, line 16, strike out the figure "$3,518,300," and insert in its place the figure "$3,668,300."

On page 18, line 3, strike out the figure $1,310,000," and insert in its place the figure "$1,160,000."

The PRESIDING OFFICER. The Senator has the right to modify his amendment.

Mr. COOPER. Mr. President, I may say I have discussed my amendment with the chairman of the subcommittee in charge of the bill, the Senator from Georgia [Mr. RUSSELL]. It concerns itself with the section on page 17 entitled "Foreign Agricultural Service, Salaries and Expenses."

It appears that, as to this section, the House recommended and passed, and the Senate committee has recommended, an item of $3,518,300 to be used for salaries and expenses of the Foreign Agricultural Service. As I understand, this sum would be a regular appropriation of dollars.

It is also provided, as appears on page 18 of the bill, that $1,310,000 are appropriated from foreign currencies for the same purposes.

The Department of Agriculture and the Foreign Agricultural Service have contended that the provision of $1,310,000 for the purposes of salaries and expenses is unrealistic. It has given reasons for the contention, the first of which is that 31 of the 54 countries in which the Foreign Agricultural Service operates do not have any foreign currencies, and that in the other countries where foreign currencies are available, some of them are not convertible.

The Department of Agriculture wanted very much to have a change of $750,000 made as between the two sums.

At this point, I ask unanimous consent to have printed in the RECORD a communication addressed to Hon. True D. Morse, Under Secretary of Agriculture, by Hon. Loy W. Henderson, Deputy Under Secretary of State for Administration.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 2, 1959.

The Honorable TRUE D. MORSE,
Under Secretary of Agriculture.

DEAR MR. MORSE: This letter is in response to your inquiry concerning the practicability of utilizing Public Law 480 local currencies available to the United States abroad for payment of salaries and administrative expenses of the Foreign Agricultural Service, in excess of the approximate amount of $550,000 equivalent now used for this purpose.

As you are aware, Public Law 480 sales agreements provide that foreign countries purchasing surplus agricultural commodities under the terms of Public Law 480, as amended, shall pay for those commodities in their own currencies. It is this provision which makes such sales agreements attractive to them, and which permits us to dispose of large quantities of surplus commodities. It is clearly understood between us and the purchasing countries that the local currencies paid to the United States are not available for conversion into the currencies of other countries and are not available to pay obligations of the United States in other countries, except as specifically agreed at the time of negotiating the sales.

It has been our practice, in compliance with your Department's request, generally to request, in negotiating sales agreements, the right to convert into other currencies a limited portion of the local currencies set aside in the agreements for agricultural market development, but this is always a special request asked of the foreign government and negotiated at the time of sales. Necessarily the amounts involved must be kept small.

No provision has been made in existing sales agreements for conversion into dollars or other currencies of the amounts set aside for general U.S. use to pay its obligations abroad under subsection 104(f) of the act, nor is it possible, where convertibility has been agreed to for purposes of market development, to convert amounts set aside for this purpose into other currencies for any other purpose.

It is not practicable or feasible from the foreign policy point of view to reopen negotiations with governments with which we already have sales agreements, in an effort to obtain their consent to converting Public Law 480 local currencies into dollars or other currencies for the use of the U.S. Government in third countries. From the point of view of the other government this would amount to asking payment in dollars or other foreign exchange to the extent of the convertibility requested, and would be considered as an attempt to make new terms and conditions for the sale. The essence of the matter is that the countries purchasing surplus commodities under Public Law 480 in general are unable to make payment in currencies other than their own, and the willingness of the United States to accept their currencies, usable only within their territories, is the chief attraction of Public Law 480 sales for them.

This was stated succinctly by Secretary of the Treasury Anderson in testifying on the proposal for an International Development Association before a subcommittee of the Senate Committee on Banking and Currency, March 18, 1958:

"While the whole subject of local currency accumulation is extremely complex, it should be clearly understood that the United States does not have unilateral power of decision in these questions. Although the United States holds title to large sums in local currencies, these have been acquired only under specific agreements with foreign countries that their use would be limited in various specific ways, and generally these limitations do not permit their use for financing exports.

"The reason is clear. Most of these currencies were acquired from the sale of surplus agricultural commodities of which the United States wished to dispose. In order to avoid a drain on their foreign-exchange resources, foreign countries are willing to buy our agricultural surpluser only if strict limitations are placed upon the use of the currencies which are paid into our accounts. We would have to determine the extent to which these countries would consent to diverting any substantial portion of these currencies from the financing of development in their own country to financing exports to other areas."

Where the Treasury holds local currencies available to pay U.S. obligations, agencies with dollar appropriations to meet their expenses abroad are required to purchase such currencies from the Treasury to the extent required; where the Treasury does not possess such currencies in sufficient quantity, a legislative requirement that Foreign Agriculture Service expenditures be paid from Public Law 480 currencies would either be ineffective or involve us in negotiating difficulties with other countries. To the extent that the policy of meeting Foreign Agriculture Service expenditures in foreign countries from Public Law 480 funds is feasible, we understand that it is already

taken account of in the $550,000 requested in the Department of Agriculture budget.

This reply has been reviewed by the Bureau of the Budget which concurs in the views expressed.

Sincerely yours,

LOY W. HENDERSON,
Deputy Under Secretary for Administration.

Mr. COOPER. Mr. President, I have discussed the amendment with the chairman of the subcommittee.

Mr. RUSSELL. Mr. President, the entire question revolves around the degree of the exchangeability of the foreign currencies for use in different countries. I have agreed to take the amendment to conference. After the facts are reviewed, if it should develop that the currencies are interchangeable, I will so state in conference. If it is found there is not an interchangeability to the degree we were informed there was at the time the bill was written, I shall insist on the change in conference. I am happy to take the amendment to conference.

Mr. COOPER. I appreciate the action of the chairman of the subcommittee. After the bill is finally acted upon, if it should develop, as the Department contends, that the provision is unrealistic, and that no foreign currencies will be made available for salaries of the Foreign Agricultural Service, then I hope later, in a supplemental bill, the appropriation of the necessary number of dollars will be made. It is extremely important today that the export of our farm products be stimulated.

I appreciate the consideration of the Senator from Georgia.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kentucky, as modified.

The amendment, as modified, was agreed to.

ORDER TO RECONVENE AT 11 O'CLOCK A.M. TOMORROW—UNANIMOUS-CONSENT AGREEMENT TO LIMIT DEBATE ON AGRICULTURAL APPROPRIATION BILL

Mr. JOHNSON of Texas. Mr. President, I should like to explore the possibility of the Senate's convening at 11 o'clock tomorrow morning and having an agreement to allot 30 minutes on amendments and 2 hours on the bill, to be equally divided. So far as I am informed, I think we could get a vote at 1 or 2 o'clock tomorrow, and it would not be necessary to ask the Senate to stay in session later this evening.

I believe there are two or three or four amendments yet to be offered. There will be some discussion of those proposals.

If it is agreeable to the chairman of the subcommittee and the minority leader, I should like to propose at this time that the Senate convene at 11 o'clock tomorrow, and that at the conclusion of the morning hour there will go into effect a time limitation of 30 minutes on amendments and 2 hours on the bill, to be equally divided between the proponent of an amendment and the majority leader.

I think we could dispose of the bill quickly, and, I believe, have a majority of Senators pleased by that action.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. LANGER. I want to be present when the bill is considered, because the people of my State are very much interested in agriculture. I must attend a very important subcommittee meeting tomorrow morning. Could the Senator change his request to 11:15, instead of 11 o'clock?

Mr. JOHNSON of Texas. Yes, but I can assure the Senator there will be a morning hour, and insertions in the RECORD will be made during that period.

Mr. LANGER. There will be a morning hour?

Mr. JOHNSON of Texas. Yes.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. Yes, I yield.

Mr. ALLOTT. Reserving the right to object, and I shall not object, I have a very short amendment to offer. On tomorrow I must attend the Appropriations Subcommittee of which I am a member, and it will not be possible for me to be present on the floor. I wonder if we can dispose of my amendment before the Senate adjourns tonight.

Mr. JOHNSON of Texas. How long will it take?

Mr. ALLOTT. Five or 10 minutes.

Mr. JOHNSON of Texas. We shall be glad to do so. The agreement would not be effective until after the morning hour on tomorrow. After the agreement is entered, I shall yield the floor, and the Senator can call up his amendment. I understood the Senator to say it will take only about 5 minutes to dispose of it.

Mr. ALLOTT. I thank the Senator.

Mr. JOHNSON of Texas. Mr. President, may we have the question put?

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

The unanimous-consent agreement entered, as reduced to writing, is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective on Wednesday, June 3, 1959, at the conclusion of routine morning business, during the further consideration of the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 30 minutes, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from time under their control on the passage of said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

JUNE 2, 1959.

Mr. ALLOTT. Mr. President——

Mr. JOHNSON of Texas. Mr. President, will the Senator yield at this point so we may get the yeas and nays ordered on the passage of the bill, so Senators will know there will be a yea and nay vote on the agriculture appropriation bill?

Mr. ALLOTT. I yield for that purpose.

Mr. JOHNSON of Texas. Mr. President, on the passage of the bill I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. RUSSELL. Mr. President, has the unanimous-consent agreement been accepted?

The PRESIDING OFFICER. It has been accepted.

Mr. ALLOTT. Mr. President, I move to reconsider the vote by which the O'Mahoney amendment was agreed to earlier today.

I will take a few minutes to explain this unusual procedure. The circumstances are that when the O'Mahoney amendment was brought before the Senate I was engaged in the business of a Subcommittee on Appropriations of which I am a member and of which the Senator from Washington [Mr. MAGNUSON] is the chairman. I had no forewarning or knowledge that the amendment was going to be brought up at that time.

It so happens that particular amendment affects the portion of the bill to which I had previously planned to offer an amendment, so my only way out of this particular parliamentary dilemma is to move to reconsider the vote, with the hope that if the Senate will reconsider the vote I may offer my amendment to the O'Mahoney amendment and have it considered.

Mr. President, I wonder if I could have my amendment, which I would propose to offer, read at this time.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 15, line 25, it is proposed to strike out "$26,426,000", and to insert in lieu thereof "$26,452,600".

Mr. ALLOTT. Mr. President, the purpose of the amendment is to provide for marketing and reporting services for the Mountain States area, including Utah, Wyoming, South Dakota, western Nebraska, western Kansas, New Mexico, and Colorado. This service has been carried on since July, 1957, by the Livestock Division of the United States Department of Agriculture in cooperation with the Marketing Research Division of the Agricultural Marketing Service, United States Department of Agriculture. They have been reporting the direct sales of livestock at ranges and feed lots in southern Colorado, Wyoming, western Kansas, Nebraska, and a section of New Mexico.

This activity, commonly referred to as area reporting of direct sales, involves the issuing of weekly range and feed lot sales reports, giving a résumé of direct sales activities.

The amendment which I wish to offer would add $26,000 to continue this reporting service for another year commencing July 1. It would provide for

the employment of two persons only, plus travel expenses and communications expenses. The greater portion of the money would be used for travel and communications, for the purpose of assembling and getting the livestock reports together.

Members of the American Cattlemen's Association appeared before the chairman of the Appropriations Committee and testified as to this matter. I invite the attention of the Senate particularly to the remarks of the chairman of the Appropriations Committee, the Senator from Arizona [Mr. HAYDEN], as set forth on page 106 of the hearings before the Senate subcommittee this year. Among other things, the Senator from Arizona said:

> The information is very valuable to many, and it makes a lot of difference to the producer and feeder in his income tax return. If the information supplied to him is correct, and he can judge the market properly, he can make a profit, or he can sustain a loss if he doesn't have accurate information to guide his judgment and such loss doesn't help the Federal Treasury when he comes to pay his income tax.

The Senator was speaking, I believe, primarily with regard to annual reports, but he went on to say that the representatives of the Cattlemen's Association had asked for extension of this service, and in the colloquy the committee was told what the proposal was and the necessity for such action.

Mr. CURTIS. Mr. President, will the distinguished Senator yield for a question?

Mr. ALLOTT. I am happy to yield.

Mr. CURTIS. Will the Senator distinguish between what he proposes and what is proposed by the amendment of the Senator from Wyoming [Mr. O'MAHONEY]?

Mr. ALLOTT. The O'Mahoney amendment, as I understand it, included the marketing services in conjunction with the National Stockyards Act. I do not have the amendment before me, and it is not printed. I looked at the amendment at the desk a few minutes ago. The Senator included some marketing services in connection with the Stockyards Act. My amendment is not connected with the Stockyards Act or the stockyards service.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. ALLOTT. I am happy to yield to my colleague from Colorado.

Mr. CARROLL. The Senator from Colorado indicates, as I understand, that a research program has been carried on by the Department of Agriculture with reference to reporting range and feedlot cattle sales for the past 2 years, and after 2 years of a sort of pilot study the Colorado area seeks to receive equal treatment with the Phoenix, Ariz., area and at the Clovis, N. Mex. area, with reference to a permanent reporting service.

The purpose of the appropriation would be to provide for the reporting of cattle sales on the range and in feedlots which would tend to stabilize livestock marketing conditions. In a sense, the stability of livestock marketing conditions will improve general economic conditions; and revenues to be received will increase many times over if the market is stabilized.

Does the Senator from Colorado agree with that statement?

Mr. ALLOTT. I agree with it completely. I thank my colleague, who has stated the situation very succinctly.

Mr. President, among other communications I have received is one from Ted Videen, the executive secretary of the Colorado Cattle Feeders Association, in which he says:

> There is abundant evidence to show that the range and feedlot sales reports have worked to the best interests of all segments of the livestock industry in those areas where they have been issued for some years on a regular basis (these include, among others, areas around San Francisco, Calif.; Spokane, Wash.; and Amarillo, Tex.). A great deal of effort has been set forth in establishing these reports in the Denver area during the last 2 years, and we submit that it would be a loss to the livestock industry in this area to have them discontinued at this time.

The reason for this, as my colleague has just pointed out, is that only a few years ago all the sales, or the greater portion of the sales, passed through the livestock yards of the big centers, and it was very easy to get the prices for cattle and to know what the cattle would bring. Now the great majority of the sales are made on the open range, or in feed lots and other places, and only a service of this kind can give the information needed to stockmen and feeders so that they may go ahead with their business.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. ALLOTT. I am happy to yield to my colleague.

Mr. CARROLL. I will say to my distinguished colleague, I discussed this matter only this afternoon with the distinguished senior Senator from Georgia.

I am amazed that it has taken a month and a half to have this matter brought to my attention. I heard of this problem for the first time yesterday in a telephone call from Colorado cattlemen and I was visited by a Colorado cattlemen's representative this afternoon. Actually the cattlemen presented the problem to the Senate Appropriations Committee on April 14; however that testimony was not available to me until a few days ago.

As the junior Senator from Colorado the importance of this program to my State was brought to my attention only yesterday afternoon and again at noon today.

I immediately talked to the distinguished senior Senator from Georgia.

At no time were the facts brought to my attention, until yesterday.

I understand that the senior Senator from Georgia made a determination, after conferring with other members of the committee. I went to the Senator this afternoon, with telegrams received from the Cattlemen's Association of Colorado, and with information based upon the long-distance telephone call I had received yesterday from Colorado. The senior Senator from Georgia said, "You have come too late."

The question is, having been informed of this for the first time from any source yesterday, what can be done? I will say to the distinguished Senator from Georgia, this is very important to my State. There is involved only a small sum of $26,000. That is all that is asked for. It would provide livestock market stability. It would help the economy of the Rocky Mountain area. It would result in more income tax revenues as a result of improved income to the stockmen.

I cannot find it in my heart to criticize the senior Senator from Georgia. This request was not brought to my attention so that I could have gone to the Senator from Georgia with the senior Senator from Colorado, moving in unison in the interest of our State.

I am critical of the cattlemen of Colorado for not coming to my office and speaking to me, so that I could represent them and confer with the senior Senator from Georgia. I think it is most unfortunate that I am placed in this position at this late hour. Here we are, at 6:30 o'clock in the evening, in the closing hours of debate on this important bill. If the Senator from Georgia can see fit, under the circumstances, to accept this amendment, his action will be greatly appreciated.

This amendment does not concern the 1958 O'Mahoney-Watkins meatpacker legislation at all. It concerns a different aspect of the marketing services appropriation. We ask for treatment similar to that already given Arizona and the northern part of New Mexico. No other part of the country but Colorado can qualify for this cattle sale reporting service. The marketing service appropriation has already been increased over the House figure by $1,440,000. I ask the indulgence of the senior Senator from Georgia, notwithstanding the negligence of the Colorado cattlemen, and the manner in which they have treated one of their own Senators from Colorado. This item is of sufficient importance to the State of Colorado that if this amendment can be agreed to, it will be appreciated by Members who are not playing partisan politics in connection with this important measure.

Mr. ALLOTT. Mr. President, I have not had an opportunity to discuss this subject with my colleague from Colorado. Early in the spring, at a meeting of the Appropriations Committee, members of the American Cattlemen's Association were in Washington. There were four or five of them. I happened to be present at that meeting of the committee. The Senator from Arizona [Mr. HAYDEN] made a place for those witnesses, in the midst of another hearing, and took testimony from them about the necessity for this item.

That is all I have heard from them, except for the letters and telegrams which I have received within the past few days.

Mr. CARROLL. Mr. President, will the Senator further yield?

Mr. ALLOTT. I shall be glad to yield in a moment.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks various telegrams and letters which I

have received during the past few days on this subject.

There being no objection, the telegrams and letters were ordered to be printed in the RECORD, as follows:

DENVER COLO., *June 2, 1959.*

Senator GORDON ALLOTT,
Senate Office Building,
Washington, D.C.:

Due to volume of livestock being sold on direct basis, there is certainly a need to continue the reporting service of direct range and feed lot sales. We strongly support the Colorado Cattle Feeders Association in their request that this service be continued.

Respectfully,

DAVID G. RICE, Jr.,
Executive Secretary, Colorado Cattlemen's Association.

DENVER, COLO., *June 1, 1959.*

Hon. GORDON ALLOTT,
U.S. Senate,
Senate Office Building,
Washington, D.C.:

This association supports and its members are in need of information reported by USDA direct range and feedlot sales of livestock report. Request all possible assistance to secure necessary appropriation for continuance this needed activity.

Respectfully,

ROBERT FIELD,
Executive Secretary, Colorado Wool Growers Association.

DENVER, COLO., *June 2, 1959.*

The Honorable GORDON ALLOTT,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ALLOTT: Your efforts in the favoring of appropriations for USDA market livestock reporting in Colorado will be appreciated. This reporting of direct sales has been a great service to the agricultural industry of this area.

Thank you,

ALBERT J. DINNER.

COLORADO CATTLE
FEEDERS ASSOCIATION,
Denver, Colo., May 30, 1959.

Hon. GORDON ALLOTT,
U.S. Senator,
Washington, D.C.

DEAR SENATOR ALLOTT: I am taking the liberty of furnishing to you the following information on a matter concerning the livestock industry in this State, in order that you might better understand some messages concerning it, which I believe you will be receiving in the next few days.

Since July 1957, the Livestock Division, USDA, in cooperation with the Marketing Research Division, Agricultural Marketing Service, USDA, has been reporting the direct sales of livestock at ranches and feedlots in Colorado, southern Wyoming, western Kansas, and Nebraska, and a section of New Mexico. This activity, which is commonly referred to as "area reporting of direct sales," issues a weekly Range and Feedlot Sales Report", giving a résumé of the direct sales activity.

The reporting referred to above has been carried on in Denver as an experimental project, under a 2-year appropriation which will expire on June 30, 1959. It has been the hope of this association that the reports might be continued and funds to finance such reporting (approximately $25,000) be made a part of the regular appropriation of the Department of Agriculture. This desire has been made known to the respective chairmen of the Subcommittees on Agricultural Appropriations of both the House and Senate, by letter, and by personal representation on the part of this writer to Representative WHITTEN. This has been supported by statements presented in writing, and by personal appearance before the committees by representatives of the American National Cattlemen's Association, which concurs with the Colorado Cattle Feeders Association in wishing to see this work continued. Representative Byron L. Johnson, of the Second District, has been aware of our interest in this matter, and has been most helpful to us.

However, we understand the House Subcommittee on Agricultural Appropriations did not recommend the inclusion of this activity in its report, and we are therefore asking your help to see if some action cannot be taken to secure the insertion of these funds by amendment in the House, if such amendments are permitted, or, failing that, if it might be inserted in the Senate recommendations.

I am sure that any examination of sales figures will show that the direct selling of livestock in this area at the ranch or feedlot has increased greatly in the past few years. There is abundant evidence to show that the "Range and Feedlot Sales Reports" have worked to the best interests of all segments of the livestock industry in those areas where they have been issued for some years on a regular basis (these include, among others, areas around San Francisco, Calif.; Spokane, Wash.; and Amarillo, Tex.). A great deal of effort has been put forth in establishing these reports in the Denver area during the last 2 years, and we submit that it would be a loss to the livestock industry in this area to have them discontinued at this time.

We will appreciate any efforts which you gentlemen can make for us in this matter.

Very truly yours,

TED VIDEEN,
Executive Secretary.

THE DENVER UNION STOCKYARD CO.,
Denver, Colo., June 1, 1959.

The Honorable GORDON ALLOTT,
Senator from Colorado,
U.S. Senate, Washington, D.C.

MY DEAR SENATOR: I am writing this letter on behalf of the American Stockyards Association, as the chairman of its board, and thus speaking for its membership, as well as president of the Denver & Ogden Stockyards and our subsidiary companies.

Information we receive from Washington indicates that the House has passed the agricultural appropriation bill, and that it has been reported out of the appropriate Senate committee to the full Senate. We are quite concerned with that section of the bill having to do with an additional appropriation for enforcement of the amended Packers and Stockyards Act. We understand that the original request for complete enforcement of the amended act, under titles II and III thereof, together with posting of those remaining unposted markets, was for $493,000, of which $283,000 was scheduled for expanded enforcement of titles II and III, and the remaining for posting and supervising posted stockyards. As reported out of the House and of the Senate committee we understand only $250,000 has been recommended, but with the restriction that such funds go to the sole use of the Department for addtional posting and supervision of posted markets, and with no recommendation for funds for expanded enforcement of the act against country dealing violators or packers.

If this is true it seems to us that the intent of Congress is not going to be carried out as to the enforcement of the amended act insofar as country operations of dealers and agencies are concerned, under title III or to expanded jurisdiction over packer practices under title II and, to many, these were the most important phases of the amended act. Not to rigidly enforce them will be a bad thing for the industry as a whole.

Our observations would indicate that those auction markets not now posted could quite readily be posted with present personnel even though it might take a little longer so to do; and that without much addditional in the way of increased appropriations. However, the complete enforcement of the amended act in connection with those posted yards, and those packers, dealers, and agencies, intended by Congress to be registered under the amended act, would be entirely neglected under the House and Senate committee restrictions on this appropriation to use it only for posting and enforcement of posted yards.

We would appreciate it greatly if you would examine this when it comes before the Senate, and if our interpretation of House and Senate committee action is correct, we would strongly urge that the Senate amend the bill to provide for complete enforcement of titles II and III of the act, and not solely for posting and supervising presently unposted markets. But, if a lesser appropriation than $493,000 is made, its use certainly should not be restricted to the mere posting of additional markets and supervision over posted markets only.

Sincerely,

W. C. CREW,
President and General Manager, Chairman of the Board, American Stockyards Association.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. ALLOTT. I am happy to yield to my colleague.

Mr. CARROLL. Let me say to the distinguished Senator from Georgia, who is in charge of the bill, that for the first time today a representative of the American Cattlemen's Association came to my office. I said to him, "Have you conferred with the senior Senator from Colorado?" His first answer was, "No," and then he reconsidered and said, "Yes."

I did not know that there had been previous contact with the senior Senator from Georgia on this subject until late this afternoon, when I conferred with him.

This situation emphasizes the need for cooperation in the State of Colorado. Not all cattlemen are Republicans. This is not a partisan issue. This is a matter requiring cooperation within the State. For the first time this afternoon I learned that this approach had been made.

Notwithstanding all these mistakes, let me say to the Senator from Georgia that this item is important to the cattle industry in Colorado. It is important to the economy of our State and to the economy of the Nation, because far more in tax revenue would be produced than would be involved in the granting of this small sum for such very laudable purposes.

Mr. ALLOTT. Mr. President, I am not sure whether my colleague is attempting to chastise me or not. I wish to make the RECORD perfectly clear.

I have always found cooperation to be a two-way street. I talked with representatives of the association late yesterday afternoon. The Senator from Georgia [Mr. RUSSELL] will bear me out when I say that I came immediately to the floor of the Senate and discussed the subject with him.

Mr. RUSSELL. Mr. President, will the Senator yield to me for a brief statement?

Mr. ALLOTT. I yield.

Mr. RUSSELL. The Senator from Georgia seems to be in the middle and is receiving considerable pressure from both sides.

The senior Senator from Colorado came to me yesterday afternoon and asked me to accept an amendment adding $26,000 to the bill for the purpose referred to. I told the distinguished Senator that I would very much like to help him. My instinct is to approve all such amendments, so far as possible. Unfortunately this was one of a number of amendments having to do with marketing service reports, and I could not accept this amendment without accepting the others. That is as I remember my statement to the senior Senator from Colorado.

Mr. ALLOTT. The Senator is absolutely correct.

Mr. RUSSELL. Today the junior Senator from Colorado [Mr. CARROLL] came to me and urged me to accept this amendment. He said it involved only a small item. I said to him, "I should like very much to accept it, but I have already had to tell your colleague that I could not accept it because there were other items of a similar nature."

The Senator from Nebraska [Mr. CURTIS] asked a question about the O'Mahoney amendment. Although all these items are embraced in one appropriation for the marketing service, there is no connection between them out in the field. One had to do with the investigation of practices of packers, and this has to do with the furnishing of reports on range and feedlot sales.

If there is any one thing in the bill which has caused confusion through the years, it has been the variety of amendments which have been offered on this subject. Some have been accepted and some have been rejected. Those amendments provided for marketing service in various areas and for different commodities.

Some years ago the situation became so bad that we asked the Department of Agriculture to establish a policy with respect to this subject. It did so. It provided a definition for projects coming within category 1, category 2, and category 3. Of course, category 1 had priority, including the appropriation needed.

The project to which one of the Senators from Colorado referred was said to be similar to a project in northern Texas and New Mexico.

Mr. ALLOTT. Yes. I have released the letter on the subject.

Mr. RUSSELL. That project was placed in category 1, and was included in the bill last year after it had been placed in category 1, by the Department.

The project urged by the two Senators from Colorado has not been assigned any category, so far as I am advised. I know that it has not yet been classified as category 1.

I could not accept this amendment without having to accept others of similar character, having to do with marketing reports in various areas. If the Senators from Colorado will go to the Department and have a category assigned to this activity, which they say is so important to the economy of the farmers and ranchers of Colorado, I am sure that before another year we will be able to arrive at an arrangement to take care of the situation.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. ALLOTT. I am glad to yield, if the Senator from Georgia has concluded.

Mr. RUSSELL. I have concluded. I regret to say that I cannot accept the amendment.

Mr. ALLOTT. I yield to my colleague.

Mr. CARROLL. Mr. President, I had no thought of attempting to chastise the senior Senator from Colorado. He, too, is moved by the requests of constituents in Colorado. What I am trying to say to our constituents in Colorado is that they have not one Senator, but two Senators; and those two Senators must work together.

For more than 45 days I had not known of this issue, until yesterday, when I learned of it by telephone, and today, when I received telegrams and a visit to my office by a representative of the Cattleman's Association.

I came in upon the heels of the senior Senator from Colorado, after the amendment had been rejected by the distinguished Senator from Georgia. That makes my job very difficult. Let me say to the distinguished Senator from Georgia that my information today from the Department of Agriculture is that the Colorado livestock market is in category 1.

On the other hand, to absolve the committee from any charge of a lack of proper treatment of Colorado, the Department of Agriculture could have asked for an appropriation of this amount of money, but it did not do so. The Bureau of the Budget apparently restrained them. All we are asking for is for equal treatment with Arizona and New Mexico. I forget on which page of the hearings it appears, but I noted that Arizona and the northern part of New Mexico are included in this kind of reporting of sales of cattle.

I wish to say to the senior Senator from Colorado that I do not attribute any of this fault to him. To the people in Colorado who want this I have said, "You cattlemen are making money. Why don't you pay for this yourself?" They answered me in this way, and I think there is some logic to what they say: "This is a function that only Government can perform. We need reports from an objective source that buyers and sellers will trust and believe in, and thus stabilize market sales."

Only a small amount of money is involved, and I regret that there has been this confusion.

The senior Senator from Colorado and I are always trying to work together on matters of a nonpartisan nature, in the interest of our State.

I ask the senior Senator from Georgia to reconsider his refusal in the light of my recent statement. If I am correct that the Colorado market is in category 1, I ask him to reconsider his decision. I received that information this afternoon.

I should also like to say to the senior Senator from Georgia one more thing. If he adds $26,000 and then takes the matter to conference and then determines that my information on the category is incorrect, he can cut out the item, and I will support the senior Senator from Georgia in that regard.

Mr. RUSSELL. The matter is not quite so simple as that. There is a similar item which has to do with exactly the same kind of market news work which has been proposed for Oklahoma, Louisiana, western Arkansas, and northeast Texas. Much as I should like to accede to any request of the Senators from Colorado, I cannot in good conscience accept their proposal even under these circumstances, without accepting the others.

Mr. CARROLL. We are not talking about a cattle-on-feed report. We are talking about sales of range cattle. My information from the Department of Agriculture this afternoon is that the Colorado market is included in category 1. If I am wrong I will agree to withdraw the statement. That is our information coming from the Department of Agriculture. My information from the Department is that this is the only such new project in the whole West. I have checked with the Department, and that is the information I have received.

Mr. RUSSELL. I have before me the testimony of the Department which shows that this started out as a research project.

Mr. CARROLL. I agree with the Senator on that.

Mr. RUSSELL. It shows that the research project has gone on for 2 years. The Department has so testified. I read from a part of the testimony given by Mr. Lennartson, which appears at page 106 of the hearings:

> We feel that insofar as the research phase is concerned it has been completed. It has not been included as a regular service item in view of the bugetary considerations in the 1960 budget. There is little question but that it has developed into a very popular and very worthwhile type of service.

Nowhere does the Department say that this is essential and that it will contribute materially to the betterment of the income of ranchers in that area. Therefore, I cannot accept the amendment under those circumstances.

If the Senators wish to carry it over until tomorrow, I shall be glad to look further into it and get further information as to the similarity between this and other amendments. Much as the Senator from Georgia would like to do it, he cannot accept the amendment under pressure, when he has declined to accept amendments from other Senators who are interested in marketing reports.

Mr. CARROLL. That is a perfectly reasonable request on the part of the Senator from Georgia. I assume that we will not be precluded from offering such amendment, if the Senate were to recess now.

Mr. RUSSELL. If the Senate were to recess now, I could look further into it, if the Senators from Colorado wish to carry the matter over until tomorrow.

Mr. CARROLL. That is a perfectly fair request. I am sure that our information is correct.

Mr. RUSSELL. I do not say that I would accept the amendment even if the

proposed project were placed in category 1, by the Department.

Mr. CARROLL. I understand. The distinguished Senator from Georgia would consider it, I assume, without committing himself on it this evening.

Mr. RUSSELL. I try to be reasonable, although sometimes it may appear that I am unreasonable.

Mr. CARROLL. I am sure the Senator is always reasonable. Therefore, I ask my colleague if under the circumstances we cannot hold the amendment until tomorrow.

Mr. ALLOTT. Mr. President, I should like to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ALLOTT. We have now entered into a unanimous consent agreement beginning tomorrow morning. As the parliamentary situation stands, I understand I do not have a right to offer the amendment without a motion which is now pending to reconsider the vote by which the O'Mahoney amendment was adopted. If we put this matter over until tomorrow morning, would the various amendments take precedence over my motion, or could the motion be called up tomorrow at the conclusion of the morning hour?

The PRESIDING OFFICER. The Parliamentarian informs the Chair that the Senator's motion would be the pending question if the amendment is not acted on.

Mr. ALLOTT. Would it be subject to the limitation of debate to which the other amendments would be subject?

The PRESIDING OFFICER. When the bill is taken up, the Senator's motion would be subject to the limitation provided.

Mr. ALLOTT. Is that satisfactory to my colleague?

Mr. RUSSELL. I am perfectly willing to have it go over. I am advised that at least one of the other projects which I declined to take to conference is in category 1. However, even if it is in category 1, I do not know whether I will be in a position to accept it. I am willing to have it go over until tomorrow to see what another day will bring.

Mr. ALLOTT. I thank the Senator.

Mr. MORSE. Mr. President, I wish to thank the members of the Appropriations Committee, and especially the very able and distinguished Senator from Georgia [Mr. RUSSELL] for the sympathetic consideration given the need of cane and bushberry producers for crop reporting and estimation services.

Although the measure as reported did not carry the $125,000 amount many of us had asked for, the language of the committee report found upon page 7 does state:

> The committee has been presented with testimony regarding the need for crop estimating and reporting work on caneberries, bushberries, and other small fruit crops. The Department is requested to examine this carefully with a view to making a start on this work within the total amount provided.

This language of the committee should be a most persuasive indication to the Department of the interest shown in this worthy project. I trust that the Department will proceed quickly to review the testimony and then to lay plans accordingly in order that a start can be made in the near future toward providing the necessary service.

In expressing my appreciation to the Senator from Georgia for the great work he has done and the assistance he has been to those of us who have asked him for an appropriation on this subject, I should like to ask him this question:

Does the Senator from Georgia agree with me that, given the language cited from the report, a start can be made upon this project, and that additional funds can be sought in the future to carry on the full program?

Mr. RUSSELL. There is no doubt in my mind that the Department, particularly in view of this expression in the committee report, has ample authority to prepare crop estimates and reporting work on caneberries and bushberries and on other small fruit crops which are included in this item.

I hope the two Senators from Colorado will pay particular heed to the fact that this item was vigorously supported by the distinguished Senator from Oregon [Mr. MORSE] and his colleague, from Oregon [Mr. NEUBERGER], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Pennsylvania [Mr. CLARK], the Senator from Ohio [Mr. LAUSCHE], the Senator from Wisconsin [Mr. PROXMIRE], and the Senator from Minnesota [Mr. MCCARTHY]. For that reason the committee inserted this statement in the report. There is no reason why the Department cannot start some estimating. It would have to come up again on its merits for budget estimates in subsequent years.

Mr. MORSE. Mr. President, I wish to pay tribute to the Senators mentioned by the Senator from Georgia, who have joined with me in urging upon the committee favorable action with respect to providing this segment of agriculture with the same service as is provided other producers.

Mr. President, I ask unanimous consent that there be included in the RECORD at the conclusion of my remarks a series of letters and statements pertaining to this program which will permit my Oregon constituents to know of the interest these good friends have taken in this project.

There being no objection, the letters and statements were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON LABOR
AND PUBLIC WELFARE,
Washington, D.C., April 9, 1959.

Hon. WAYNE MORSE,
U.S. Senate, Washington, D.C.

MY DEAR WAYNE: I have your letter of April 8, with enclosure, about the need for funds to enable the Agricultural Marketing Service to provide crop reports on cane and bushberry production. I know how much it would mean to our berry producers to have adequate information upon which to plan their crops intelligently.

I will be glad to make known to Senator RUSSELL, who is chairman of the subcommittee which handles the Agriculture Appropriation bill, and to my other colleagues on the Senate Appropriations Committee my interest in seeing the funds provided. Rest assured of my support in the matter and let me thank you again for your helpful letter and enclosure.

With kindest regards, I am,
Very sincerely,

LISTER HILL.

U.S. SENATE,
COMMITTEE ON INTERSTATE
AND FOREIGN COMMERCE,
Washington, D.C., April 30, 1959.

Hon. WAYNE MORSE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: Your letter of April 8 was awaiting me upon my return from Texas after the Easter recess.

I have read with close attention what you say about the necessity for an appropriation of $125,000 annually to correct inadequacies in the present setup in the Agricultural Marketing Service of the USDA.

I shall certainly follow through on your suggestion.

Sincerely,

RALPH W. YARBOROUGH.

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
April 20, 1959.

Hon. WAYNE MORSE,
U.S. Senator,
Washington, D.C.

DEAR SENATOR: Thank you for your recent communication and enclosed information dealing with cane and bushberry production. I shall be pleased to check into the proposed appropriation for the issuance of necessary reports on these crops with the Committee on Appropriations.

Very sincerely yours,

KENNETH B. KEATING.

U.S. SENATE,
COMMITTEE ON BANKING AND CURRENCY,
April 27, 1959.

Hon. WAYNE MORSE,
Senate Office Building,
Washington, D.C.

DEAR WAYNE: Thank you for your recent letter calling my attention to the possibility of an expansion within the Agricultural Marketing Service of crop-reporting services, which would be helpful to those interested in cane and bushberry production.

Our immediate problem in Maine is to try to have established, a crop-reporting office since there is only one office for all of New England located in Boston.

Sincerely,

EDMUND S. MUSKIE.

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
April 10, 1959.

Hon. WAYNE MORSE,
U.S. Senate, Washington, D.C.

DEAR WAYNE: Thank you for your letter of April 8 regarding additional appropriations for the Department of Agriculture to use in giving more complete plans on the production of certain types of berries.

I shall be glad to speak to members of the Appropriations Committee in support of your recommendation.

With kind regards, I am,
Sincerely,

JOHN SPARKMAN.

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
April 14, 1959.

Hon. WAYNE MORSE,
U.S. Senator, Washington, D.C.

DEAR WAYNE: I have your letter, with enclosures, and shall be glad to support the request of an estimated $125,000 per year to

provide cost of providing crop reports on eight small fruits for the 17 principal producing States.

Sincerely yours,

SAM J. ERVIN, Jr.

U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
April 13, 1959.

Hon. WAYNE MORSE,
Senate Office Building,
Washington, D.C.

DEAR WAYNE: I have your letter of April 8 regarding a proposed appropriation of $125,000 for fiscal year 1960 for the purpose of providing cane and bushberry producers with adequate reporting information on which to plan the production of these crops.

When the Department of Agriculture appropriation bill for 1960 comes before the Senate Appropriations Committee, I will be very happy to do what I can to provide the funds you have recommended for the Agricultural Marketing Service.

I wish to thank you for bringing this to my attention.

Sincerely yours,

THOMAS H. KUCHEL,
U.S. Senator.

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
April 11, 1959.

Hon. WAYNE MORSE,
U.S. Senate,
Washington, D.C.

DEAR WAYNE: Thank you for your letter of April 8 with enclosures from the Department of Agriculture regarding expansion of the program of the Agricultural Marketing Service to include crop-reporting services for cane and bushberry production.

I appreciate your bringing this matter to my attention, and I will look into the possibility of the expansion when the fiscal 1960 budget for the Agricultural Marketing Service is before the full Appropriations Committee for consideration.

Best regards.

Sincerely,

LEVERETT SALTONSTALL,
U.S. Senator.

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
April 10, 1959.

Senator WAYNE MORSE,
U.S. Senate,
Washington, D.C.

DEAR WAYNE: Thank you for your letter of April 8, with the information on the $125,000 annual appropriation needed to provide estimates of acreage, production forecast, and final report on cane and bushberry production.

I will be glad to join in any communication which you may address to the Committee on Appropriations, urging inclusion of these funds in the agriculture appropriations bill for fiscal 1960. I intend to appear personally on a number of items, but probably it would be better if several of us make a joint representation on this one, so we won't go to the well too often.

With best personal regards.

Sincerely yours,

CLAIR ENGLE,
U.S. Senator.

STATEMENT OF HON. FRANK E. MOSS, A U.S. SENATOR FROM THE STATE OF UTAH

BERRY CROP REPORTS

While I am here I would like also to mention the great assistance berry producers in my State would get from the regular receipt of crop reports. I understand that currently crop reports are provided only for the strawberry and cranberry industries, and that producers of eight other small berries, including blackberries, dewberries, boysenberries, loganberries, raspberries, youngberries, blueberries, currants, and gooseberries, do not have this service. I am told unofficially by the Department of Agriculture that it would be possible to provide three reports each year for each crop—an acreage estimate, a production forecast, and a final report—for a total annual appropriation of $125,000.

My colleague from Oregon, Senator MORSE, is taking the lead in proposing that $125,000 be written into the agriculture appropriation bill for this purpose, and I wish to support him in this request. Utah is a heavy berry producing State.

Thanks for your time and consideration.

Thank you, Senator RUSSELL.

Senator RUSSELL. Thank you, Senator Moss. We appreciate your appearance.

STATEMENT BY SENATORS WARREN G. MAGNUSON AND HENRY M. JACKSON, OF WASHINGTON

EXPANSION OF CROP REPORTING SERVICE FOR BERRY PRODUCERS

While an additional $125,000 to expand the crop reporting service available to our Pacific Northwest berry producers may seem a small item, it certainly is an item of extreme importance to this industry. Talking with Senator WAYNE MORSE, we are assured that berry producers in Oregon need this information as badly as do the Washington growers.

Cane and bushberry production is a significant crop in both States.

An expansion of the Agricultural Marketing Service, currently provided for only strawberries and cranberries, would result in berry growers receiving an estimate of acreage production forecast, and final report regarding each crop annually.

Acting Secretary True D. Morse, of the Department of Agriculture, advised on April 3 that "the cost of providing crop reports on 8 small fruits for the 17 principal producing States is estimated at $125,000."

The eight small fruits would include five caneberries, blackberries and dewberries, boysenberries, loganberries, raspberries, and youngberries; and three bushberries, blueberries, currants, and gooseberries.

Value of these crops nationally was $28,484,000 as shown by the 1954 agricultural census. Washington production accounted for $3,575,000 of this total, and Oregon $4,491,000.

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
April 22, 1959.

Hon. RICHARD B. RUSSELL,
Chairman, Agriculture Subcommittee,
Committee on Appropriations,
U.S. Senate,
Washington, D.C.

DEAR SENATOR RUSSELL: Attached are statements which we have prepared in support of fiscal 1960 appropriations for (1) Federal meat inspection, (2) the school lunch program, (3) the special milk program, (4) plant and animal disease and pest control and (5) for expanding the crop-reporting service of the Department of Agriculture.

I would appreciate it very much if these statements could be incorporated in the record of your subcommittee's hearings on appropriations for the Department of Agriculture.

Kindest personal regards.

Sincerely yours,

HUBERT H. HUMPHREY,
EUGENE J. MCCARTHY.

STATEMENT OF SENATOR HUBERT H. HUMPHREY AND SENATOR EUGENE J. MCCARTHY

APPROPRIATIONS FOR EXPANDING CROP-REPORTING SERVICE OF USDA

Mr. Chairman, according to a statistical table developed by the U.S. Department of Agriculture and based on data prepared by the U.S. Census Bureau in 1954, the State of Minnesota is one of the 17 largest small-fruit-producing States in the country. The eight small fruits considered in this report are blackberries, dewberries, boysenberries, loganberries, raspberries, and youngberries, all of the caneberry variety, and blueberries, currants, and gooseberries of the bushberry group. Minnesota ranked No. 8 among the 17 States in the harvesting of raspberries for sale.

The 17 largest small-fruit-producing States are Minnesota, Maine, Massachusetts, New York, New Jersey, Pennsylvania, Ohio, Michigan, Wisconsin, North Carolina, Alabama, Arkansas, Texas, Utah, Washington, Oregon, and California.

The small fruit producers in these States need adequate information concerning small fruit crops in order to make intelligent plans for production. Such information is prepared for strawberry and cranberry producers by the crop-reporting service of the Department of Agriculture's Agricultural Marketing Service. However, no such information is prepared for the producers of the eight small fruits mentioned above.

Each year the crop-reporting service prepares an acreage estimate, a production forecast, and a final report at the end of the season for strawberry and cranberry producers. This information has been very helpful to producers of these two small fruits.

Mr. Chairman, producers of the other eight small fruits need and want similar information concerning their crops.

Therefore, we strongly urge the Committee on Appropriations to favorably report an appropriation of $125,000 each year, beginning with the coming fiscal year, to permit the Department of Agriculture to expand its crop-reporting service so it can prepare three reports each year on these eight small fruits.

Because the Department of Agriculture already has sufficient authority to make proposed estimates of acreage, production forecasts, and final reports, no substantive legislation is needed.

U.S. SENATE,
COMMITTEE ON POST OFFICE
AND CIVIL SERVICE,
April 30, 1959.

Hon. RICHARD B. RUSSELL,
Chairman, Subcommittee on Agriculture,
Committee on Appropriations,
U.S. Senate.

DEAR MR. CHAIRMAN: I desire to express my concurrence with Senator WAYNE MORSE's statement of April 20 before the Subcommittee on Agriculture, regarding an addition of $125,000 to the appropriation for the Agricultural Marketing Service in fiscal year 1960 for the provision of crop-reporting services to cane and bushberry producers.

Pennsylvania's secretary of agriculture, W. L. Henning, has written me as follows:

"First, the 5-year census of agriculture really does not give us all the information we need about such minor crops, and Senator MORSE's proposals would help to correct this situation. Secondly, the same crop-reporting services that are being requested are actually being performed for vegetable crops such as celery, lettuce, and spring spinach, each of which has a lower cash value to Pennsylvania than do these berries. Thirdly, as you well know, our Pennsylvania agriculture is highly diversified and it is such cash crops as these berries which stabilize Pennsylvania agriculture and help our farmers maintain a reasonable income."

I am attaching excerpts from the 1949–54 census of agriculture covering the production of these berries in Pennsylvania.

Thank you for giving this statement your consideration.

Sincerely,

JOSEPH S. CLARK.

	Blue-berries, 1954	Bush-berry, 1949	Rasp-berries, 1954	Cane-berry, 1949	Other berries, 1954	Other berries,[1] 1949
Number of farms reporting	92	----------	1,652	2,048	----------	----------
Acres reported	107	----------	924	969	67	245
Quarts produced	47,722	----------	635,414	703,913	----------	----------
Value of produce	$19,088	----------	$266,873	$262,375	$33,685	$56,032

[1] Represents black, dew, boysen, logan, goose, young berries.

U.S. SENATE,
COMMITTEE ON FINANCE,
April 23, 1959.

Hon. CARL HAYDEN,
Chairman, Committee on Appropriations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: At the present time, crop-reporting service within the Agricultural Marketing Service of the USDA is provided only for strawberries and cranberries.

The cost of providing crop reports on eight small fruits for the 17 principal producing States is estimated at $125,000 per year.

In order that our berry producers may have adequate information upon which to plan their production of these important crops intelligently, I urge the committee's consideration of this appropriation.

Sincerely yours,

EUGENE J. MCCARTHY.

LETTERS AND STATEMENTS SUPPORTING EXTENSION AND EXPANSION OF CROP AND LIVESTOCK REPORTING SERVICE

Senator RUSSELL. I have a statement here from Senator MORSE, of Oregon, plus six letters sent by or to Senator MORSE and several resolutions by the Northwest Berry Association; a letter from Senator LAUSCHE addressed to Senator HAYDEN as chairman of the Appropriations Committee, dated April 14, 1959; a letter from Senator NEUBERGER to myself as chairman of this subcommittee, dated April 13, 1959, and my reply dated April 14, 1959; and a letter from Senator PROXMIRE addressed to me as chairman of this subcommittee, dated April 14, 1959, and my reply dated April 15, 1959, all pertaining to this subject and all of which will be placed in the RECORD at this point.

(The letters referred to follow:)

"STATEMENT OF SENATOR WAYNE MORSE

"Mr. Chairman, I am very pleased to present to the subcommittee this statement in behalf of the addition of $125,000 to the appropriation for the Agricultural Marketing Service in fiscal year 1960 for the provision of crop reporting services to cane and bushberry producers.

"There is a continuing and growing need for the three reports a year which would be made available if the funds are provided. The reports would include an acreage estimate, a production forecast, and a final report, which would be of great value to the farmers of the 17 States whose production in 1954 accounted for 95 percent of the crops.

"The tables I submit to the subcommittee set forth basic statistical data on crops and give the number of growers who would be benefited by the proposed action. These tables were prepared by the U.S. Department of Agriculture at my request. I ask the consent of the subcommittee that, together with copies of pertinent correspondence with the Department, these tables be printed in the hearing record at the conclusion of my statement.

"In order that the subcommittee may appreciate the importance of the desired reporting service to the producers of my State I should like to quote from a letter received from Mr. Robert L. Conroy of the Conroy Packing Co., Woodburn, Oreg. In a letter dated March 13, he said, in part:

" 'Hon. WAYNE MORSE,
" 'Hon. RICHARD L. NEUBERGER,
" '*Senate Office Building, Washington, D.C.*

" 'GENTLEMEN: You will recall a recent letter from Paul T. Rowell of the Oregon Department of Agriculture in regard to Agricultural Marketing Service crop reporting on caneberries.

" 'I would like to emphasize again the serious need for such crop reporting and forecasting among our hundreds of caneberry producing farms in Oregon. It is extremely difficult for the growers and processing firms to properly market this fruit without adequate knowledge of the crop or acreage both in this State and in competing States such as Michigan and New York.

" 'The market on these canefruits has been characterized by extreme ranges of price from highs of 15 cents per pound to lows of 5 cents per pound. And when you realize that production costs and costs of the finished product to the consumer are quite stable, you can see what these wild fluctuations are doing to grower and processors. It results in lack of confidence all along the line.

" 'It is my personal feeling that if we had proper crop reporting and forecasting developed by the Agricultural Marketing Service, we would see the above price fluctuations modify to a workable 9- to 12-cent level which would reflect normal supply and demand and be within workable range.

" 'When you realize that this is a $10 million industry here in Oregon which could become even greater with stable marketing, you can see its importance to the State's economy. Certainly we need new industry in Oregon but we also could do as much good by improving the industry we now have here and in operation.

" 'Please note, too, that this is in no way a price suported industry at huge cost to the taxpayer. We simply need some statistical work by the Agricultural Marketing Service at a fraction of the cost of the supported crops. We can do our own work but we need a bit of help on these marketing statistics or crop reporting.'

"Again on March 27, in response to my request for additional information he wrote:

" 'Hon. WAYNE MORSE,
" '*U.S. Senator,*
" '*Senate Office Building, Washington, D.C.*

" 'DEAR SENATOR MORSE: Thank you kindly for your letter of March 19 in regard to obtaining an adequate crop reporting program on caneberries with the Agricultural Marketing Service of the Department of Agriculture.

" 'I wish to provide some specific cases which will clearly show the need for such crop reporting.

" 'In 1957 the total crop of blackberries in the Northwest was 24 million pounds. This represented a fast buildup from the 1950–55 average of 15 million pounds. Frozen fruit processors, thinking that new plantings and other factors might increase the total to 30 million pounds or over in 1958, dropped the grower price from 8 to 5 cents in anticipation of a huge surplus. Many sales to eastern preservers were made on that basis before the actual pack was known. The actual pack turned out to be 21 million pounds and thus far below the early estimate. But when this was known, it was too late to raise the grower price because most final sales had been made. This represented a loss to the growers of a minimum of 1 to 2 cents a pound or $210,000 to $420,000.

" 'In 1957 the total crop of raspberries in the Northwest was 32 million pounds. Again there was a fast buildup from the 1950–55 average of 18 million pounds. Likewise the processors were cautious because further production of 35 million or more was expected in 1958. The actual grower price was 10 cents a pound, down from 16 cents the previous year. Many sales were made at the beginning of the season to eastern buyers. But the actual pack turned out to be 24 million, or far less than expected. This represented a grower loss of about 2 cents a pound or $480,000.

" 'One very good reason for the processors being overly cautious was that in 1956, after a winter's freeze, processors estimated a blackberry pack of 8–9 million pounds for 1956. Accordingly, a 15-cent grower price was named up from 10 cents the previous year. The actual pack turned out to be 13 million, or far more than expected, and processors lost an average of 3 cents a pound, or about $390,000 on this one fruit alone.

" 'Again in 1957, blackberry processors were expecting a normal crop of about 18 million pounds and set the grower price and sale price of finished products accordingly. An actual pack of 24 million pounds caused heavy losses before the extra 6 million were finally sold. A chaotic market resulted with some packers who sold early coming out all right but later ones suffering the full loss from depressed prices when the surplus became known. Even eastern preservers who bought early in good faith at the higher price were then faced with depressed jam and jelly prices at the chainstore level put out by preservers who waited and bought their raw product after western prices had declined about 3 cents a pound.

" 'These are examples of poorly managed marketing brought about by lack of good statistical crop reporting and forecasting. It is granted that good crop reporting will not solve all problems, but it will remove the wild variations in price levels which have troubled the caneberry industry for many years.

" 'Another application of crop reporting is the publication of acreage changes in a given fruit in different growing areas. For example, the 1950–55 average production of black raspberries in Oregon was 4.7 million pounds. This increased to 8.9 million in 1958. Perhaps the industry could have absorbed this increase but at the same time Michigan growers stepped up their acreage and production from an old average of 2 million pounds to a 1958 level of 7.6 million pounds. Thus the national crop of this one fruit had in a few years gone from 6.9 million to 16.5 million. Grower prices on black raspberries have fallen from a reasonable 22 cents a pound to the present 9 cents a pound. This is about 7 cents a pound below the actual cost of production or a nationwide loss to those growers of $1,155,000 on this one caneberry crop.

" 'These huge losses are caused by overproduction with growers in Oregon planting heavy acreage, not knowing that Michigan growers were doing likewise. Michigan growers had no way of knowing the extent of our Oregon planting. It is obvious that with proper knowledge brought about by crop reporting, growers in both States would have used more restraint in planting such a surplus. A similar tragedy exists among the gooseberry growers of Oregon who now receive 5 cents a pound for a fruit that was worth 12 cents a few years ago. Economists will quickly verify that they are now 3 cents below the cost of production.

" 'The sad part is that each grower put up $150 per acre in planting such fruit and is reluctant to plow out such a good planting when it is a surplus commodity. Acreage reduction to normal again is slow and painful. Losses continue for 2 to 4 years. Good advance acreage and market knowledge would have avoided surplus planting before it happened.

" 'Some of these overplanting problems are resulting from growers having their acreage reduced on grains and other price-supported crops and then going blindly into caneberries which were formerly profitable but not any more.

" 'The above cases are taken from experience of industry members and can be quickly verified by the Department of Agriculture.

" 'All of the other fruits that have crop reporting, such as strawberries and cranberries, have shown relative stability over the past 10 years. Changes in the crop production picture bring about immediate small corrective changes to the grower price level. At present, crop reporting on strawberries indicates a 5-percent reduction in acreage nationwide. This tells the industry that a slightly firmer market is in prospect. A small improvement in the grower price level for this fruit will become evident in time to do some good. Processors will raise the grower price with confidence on strawberries in 1959. Even if a reduction in acreage on caneberries were guessed by industry, processors would raise prices very cautiously and slowly, perhaps too late to do any good, because they simply have no confidence in guesses, only good statistical crop reporting.

" 'Likewise, the preserve industry which uses large quantities of caneberries has very little confidence, because guesses have been so costly in the past. Bankers, too, would welcome crop reporting, because this would add stability to their loans to caneberry growers and packers.

" 'Good statistical crop reporting and forecasting by the Agricultural Marketing Service would be a valued investment that would return the cost about fivefold each year.

" 'Oregon raises raspberries, blackberries, boysenberries, loganberries, and related gooseberries. Washington has identical crops. California has boysenberries. Michigan has raspberries.

" 'Your help in promoting crop reporting for our industry is sincerely appreciated by all of its members. Any information that you wish will be gladly provided.'

"I should like in this connection to pay tribute to Paul T. Rowell, chief of the division of market development of the Oregon State Department of Agriculture, who has been working closely with me on this matter, as evidenced by his letter, dated March 16, which I shall appreciate having made a part of the record at the conclusion of my statement. Mr. Rowell's words speak more persuasively than mine.

"I have canvassed this matter with the Senators from the 17 States most affected by the proposal. In letters similar to the one addressed to my colleague on April 8, 1959, I presented them with the information obtained from the U.S. Department of Agriculture and asked them to make their views known to the subcommittee. I am very pleased to be able to report that I have received support from a large number of those to whom I had written. The record will show conclusively that there is solid backing for the proposal which is a bipartisan one and which affects all sections of the Nation.

"I conclude with bringing to the attention of the subcommittee a resolution signed by 52 growers who are members of the Northwest Berry Association. This resolution strongly supports the appropriation for caneberry crop reporting services. I ask that it be printed in the hearing record at the conclusion of my statement.

"Thank you for the opportunity to present this request for the modest sum necessary to achieve a service urgently needed and greatly desired by the tens of thousands of farmers who grow these crops. I sincerely hope you will recommend the appropriation of $125,000 requested for this worthwhile purpose and that you will be able to retain it in conference."

"STATE OF OREGON,
"DEPARTMENT OF AGRICULTURE,
"Salem, February 16, 1959.

"Hon. WAYNE MORSE,
"Hon. RICHARD L. NEUBERGER,
"Senate Office Building, Washington, D.C.

"GENTLEMEN: You will recall that last spring you joined in a request to Senator RICHARD B. RUSSELL, chairman of the Senate Agriculture Appropriations Subcommittee, urging that the subcommittee approve inclusion of appropriations for Agricultural Marketing Service crop reporting on caneberries. This would cover 8 crops in 17 States and would provide 3 reports: One for acreage, a crop forecast, and a final report, at a cost estimated by the USDA at around $125,000 per year.

"In the meantime caneberry industry factors and others interested in Oregon and Washington have indicated the need for information on acreage and production estimates for a number of varieties of berries that are not now included in the USDA reports. The Northwest Canners & Freezers Association last April mailed a questionnaire to their berry processor members, with a response that was surprising even to its officers. Executive Vice President Cecil R. Tulley reported that a total of 24 firms in Oregon and Washington responded to the questionnaire and all of them except one favored the addition of acreage and production estimate reports by the crop reporting service on the berries they pack, including red raspberries, blackberries, boysenberries, black raspberries, loganberries, and gooseberries, with not all handling all of these kinds.

"At the annual meeting of the USDA Deciduous Fruit and Tree Nut Research and Marketing Advisory Committee, its Chairman, Dr. J. Harold Clarke, of Long Beach, Wash., and its member, Mr. Ralph E. Dugdale, of Cornelius, Oreg., made strong presentations explaining the need for caneberry acreage and crop estimates. Mr. Reginald Royston, head of the Division of Fruit and Vegetable Statistics of the Agricultural Marketing Service, stated that the lack of a caneberry program was a big gap in their crop reporting service.

"The need for a caneberry crop reporting service was graphically illustrated during the 1958 season. With heavy carryover stocks, market prices to processors and by them to growers were very low until after the crops were harvested and processed. Even though 1958 production was reduced sufficiently to justify better prices, it was impossible to convince eastern wholesalers of this until it was borne out by final storage figures after harvest. As a result many producers and processors who had to sell during the harvest season were forced to take lower prices than were available later on.

"Another illustration is in the lack of reliable acreage information, particularly between areas in different parts of the country. As an example, substantial planting of black raspberries were made in the Willamette Valley during the past few years without proper knowledge of heavy plantings also in the Michigan area. This resulted last year in low market prices which might have been largely avoided through lesser plantings with the benefit of up to date acreage data developed through an adequate acreage reporting service.

"With most of the members of the USDA Fruit and Tree Nut Research and Marketing Advisory Committee having primary interests in such broad and important proposals as increasing market news reporting of truck receipts, annual tree fruit and nut acreage estimates, objective methods of estimating production, etc., and with Chairman Clarke the only member on the 15-man committee directly interested in small fruits, it is not surprising that the committee members as a whole gave highest priority to the proposals which seemed most important to their phases of the fruit and tree nut industry. Thus, small fruit production was left in its No. 7 priority rating as the committee listed this item last year.

"While the advisory committee rating may not reflect it, there is no question that all of its members now realize the need for an adequate crop reporting service and should at least be sympathetic toward any efforts or action by the Congress in its behalf. Your continued efforts on this important matter will be deeply appreciated by and in behalf of our Willamette Valley producers, processors, and the labor affected, particularly the many schoolchildren and others thus employed during the summer months.

"Sincerely yours,

"PAUL T. ROWELL,
"Chief, Division of Market Development."

"FEBRUARY 19, 1959.

"Hon. EZRA T. BENSON,
"Secretary of Agriculture,
"Washington, D.C.

"DEAR MR. SECRETARY: You will recall that in the 85th Congress I urged that the Department of Agriculture, through the Agricultural Marketing Service, give careful attention to the possibility of including within the scope of operations of that agency reporting services for caneberries.

"A recent letter from Mr. Paul T. Rowell, chief of division of market development, State of Oregon Department of Agriculture, was of great interest to me and, since it bears upon the problem, I am enclosing a copy of it for your information.

"I would appreciate very much an early indication from the Department as to whether or not it proposes in the near future to give consideration to the request of the caneberry growers for crop reporting services.

"Sincerely yours,

"WAYNE MORSE."

"DEPARTMENT OF AGRICULTURE,
"Washington, D.C., March 2, 1959.

"Hon. WAYNE MORSE,
"U. S. Senate.

"DEAR SENATOR MORSE: This is in reply to your inquiry of February 19 concerning the possibility of the inauguration of statistical reports for caneberries by the Department.

"Last year, following a similar inquiry from your office, some information relating to the problem of inaugurating such estimates for caneberries and small fruits in the 17 principal producing States was provided. At that time it was stated that the heavy program of work carried by the Agricultural Estimates Division of the Agricultural Marketing Service made it impossible to undertake new projects, such as estimates for caneberries, with existing facilities. The same situation exists today.

"We are sympathetic to the problem of the small fruit and berry producers and appreciate their need for crop-reporting services on these crops. We shall be glad to render these services as soon as the resources available to us permit.

"Sincerely yours,

"CLARENCE L. MILLER,
"Assistant Secretary."

"MARCH 12, 1959.

"Hon. EZRA TAFT BENSON,
"Secretary of Agriculture,
"Washington, D.C.

"DEAR MR. SECRETARY: In order that I might have current information to present to the Agricultural Subcommittee of the Senate Appropriations Committee with respect to the cost of inaugurating a program within the Agricultural Marketing Service of the Department of Agriculture which would provide reports on acreage forecasts and final reports on 8 caneberry crops in the 17 principal producing States, I need to determine from your agency your best estimate as to

the first year appropriations needed to establish the program, as well as what would be needed in subsequent years, upon an annual basis, to carry such a program out.

"It would also be helpful if you would provide with your reply such data as may be available to the Service with respect to the cash receipts to farmers in the 17 largest producing States, the number of farmers receiving these receipts, and the average size of farm holdings producing these crops.

"I note that in your March 2, 1959, reply to my February 19 inquiry on this general subject you did not, as in the previous year, indicate what priority listing caneberry reporting services currently enjoy within the departmental listing of desirable functions not currently enforced. This information would, in my judgment, be helpful to me in preparing my presentation.

"I would assume the Department feels that crop reporting services are of benefit to the American farmer. Any recent publication or release by the Department outlining the views made known to the Department by farmers with respect to this service would be helpful to me.

"While I can understand that in a time of budget stringency the Department might not feel free to advocate the extension of such services to farmers as I propose, nevertheless I should appreciate, if the Department is able to do so, receiving assurances that the extension of the crop reporting service would not be opposed on other than budgetary grounds.

"Sincerely yours,

"WAYNE MORSE."

"STATE OF OREGON,
"DEPARTMENT OF AGRICULTURE,
"Salem, March 16, 1959.

"HON. WAYNE MORSE,
"Senate Office Building, Washington, D.C.

"DEAR SENATOR MORSE: Thanks for your letter of March 12 advising that the Department of Agriculture has not included in their appropriation estimates a request for supplemental funds for a crop reporting service for caneberries, but that you are asking them to furnish you with some statistical information which may be helpful to the committee when it considers the agriculture appropriation bill.

"In response to your suggestion for any information we would like to have you present, we are checking with caneberry industry factors as to any statistics which can be developed substantiating statements which we made in their behalf in my letter of February 16 to you. We believe this can be done within the next 10 days and trust that this will be in time to be of assistance to you in your presentation to the committee.

"With kindest regards, I am,

"Sincerely,

"PAUL T. ROWELL,
"Chief, Division of Market Development."

"DEPARTMENT OF AGRICULTURE,
"Washington, D.C., April 3, 1959.

"HON. WAYNE MORSE,
"U.S. Senate.

"DEAR SENATOR MORSE: Pursuant to the request contained in your letter of March 12, 1959, the cost of providing crop reports on 8 small fruits for the 17 principal producing States is estimated at $125,000 per year. The eight small fruits include five caneberries—blackberries and dewberries, boysenberries, loganberries, raspberries, and youngberries—and three bushberries—blueberries, currants, and gooseberries. Costs have been figured on the basis of providing three reports a year for each crop—an acreage estimate, a production forecast, and a final report at the end of the season. The estimate of $125,000 per year applies both to establishing the program and to continuing it in subsequent years. You understand, of course, that this estimated cost cannot be considered as official or as a recommendation by this Department, since it has not had budgetary consideration in either the Department or the Bureau of the Budget.

"In obtaining information on these specialty crops one of the biggest problems is the establishment and maintenance of up-to-date lists and securing current reports from numerous small producers.

"We are enclosing two tables which summarize the 1954 U.S. census data available for these crops. Table 1 lists the value of each of the 8 small fruits in each of the 17 States that had a significant production of that crop in 1954. Table 2 shows 1954 census data on the number of growers, average acreage per grower, and value for each of the eight small fruits. These census value figures relate to production harvested for sale. For simplicity the figures in table 2 are based on the census totals for all States. Table 1 shows that the 17 principal producing States account for about 95 percent of the value of these 8 crops for all States.

"This matter was considered by the Deciduous Fruit and Tree Nut Research and Marketing Advisory Committee at their last meeting, January 5–8, 1959. Other matters were considered by the committee of interest to the fruit and tree nut industry, such as market news reporting of truck receipts, annual fruit and nut acreage estimates, objective methods of estimating production, etc. The Department plans to make provision in its estimates for these various items, among others in an orderly manner as resources available to us permit.

"Since most of the comments from farmers are received in the various State offices, we have not endeavored to prepare a general publication outlining farmers' views with respect to the value of crop reports. However, the fact that over one-half million farmers report one or more times a year without any compensation except the reports they receive is of itself an indication of the importance placed on this service by farmers. Farmer interest is also demonstrated by the fact that both growers and processors of small fruits in your State have joined in the request for reports on these crops.

"Sincerely yours,

"TRUE D. MORSE,
"Acting Secretary."

"TABLE 1.—*Selected small fruits* [1]*—Value of production harvested for sale, 1954 U.S. census*

"[Dollar amounts in thousands]

"State	Blackberries and dewberries	Boysenberries	Loganberries	Raspberries [2]	Youngberries	Blueberries	Currants	Gooseberries	Total, 8 crops [2]
Maine				$48		$2,067			$2,115
Massachusetts						232			232
New York				1,130		64	$323		1,517
New Jersey				131		3,744			3,875
Pennsylvania				267					267
Ohio				318					318
Michigan	$331			2,723		2,560	74		5,688
Wisconsin				113					113
Minnesota				192					192
North Carolina	98					263			361
Alabama	324								324
Arkansas		$130							130
Texas	692								692
Utah				113					113
Washington	544		$41	2,754		179	57		3,575
Oregon	1,060	828	231	2,227				$145	4,491
California	92	2,268	197	429	$92				3,078
17 States	3,141	3,226	469	10,445	92	9,109	454	145	27,081
All States	3,366	3,295	475	11,004	126	9,522	518	176	28,482
Percent [3]	93	98	99	95	73	96	88	82	95

[1] The term "Selected small fruits" includes 5 caneberries and 3 bushberries as follows: Caneberries: Blackberries and dewberries, boysenberries, loganberries, raspberries, youngberries. Bushberries: Blueberries, currants, gooseberries.
The Department's present program of small fruit estimates covers only cranberries and strawberries.
[2] Separate estimates are needed for red raspberries and black raspberries, making the equivalent of 9 crops.
[3] 17 States as a percent of all States.

Source: Fruit and Vegetable Statistics Branch, Agricultural Estimates Division, AMS, USDA, Mar. 17, 1959.

"TABLE 2.—*Selected small fruits—Number of growers and acres and value of production harvested for sale, United States, 1954, U.S. census*

"Crop	Number of growers	Acres harvested for sale	Average acreage per grower	Value	Average value per acre
Caneberries:					
Blackberries and dewberries	5,872	10,621	1.8	$3,366,000	$317
Boysenberries	2,554	5,412	2.1	3,295,000	609
Loganberries	577	1,022	1.8	475,000	465
Raspberries	22,399	23,868	1.1	11,004,000	461
Youngberries	334	291	.9	126,000	433
Bushberries:					
Blueberries	4,065	42,812	10.5	9,522,000	222
Currants	851	1,130	1.3	518,000	458
Gooseberries	301	442	1.5	176,000	398
Totals, 8 crops		85,598		28,482,000	333"

Source: Fruit and Vegetable Statistics Branch, Agricultural Estimates Division, AMS, USDA, Mar. 17, 1959.

"RESOLUTION OF WOODBURN FRUIT GROWERS' COOPERATIVE ASSOCIATION, WOODBURN, OREG.

"Resolved, That the Northwest Berry Association go on record in favor of recommending that the U.S. Department of Agriculture expand their crop reporting service estimates to include other small fruits as well as strawberries, that they contain acreage, cold storage, estimated tonnage for the year, and the tonnage that the trade can

consume, and that the reports be published monthly.

"Herbert E. Steiner, Emil Kraft, L. L. Cooper, Avis A. Giffels, B. O. Belden, Ben Hochhalter, E. F. Kennedy, Charles H. White, L. Roy Ewing, Pete Holt, C. H. Steiner, Ronald X. Smith, Axel H. Hanson, Wilford Nelson, Cecil O. McKay, Louis Pflaum, Alden Waterson, C. J. Montagne, N. L. Groswold, Alan Misba, William Kaiser, Ernest E. Cullison, Clarence C. Cummings, Marvin M. Richter, F. L. Shipley, I. L. Tallinan, Arthur Needham, Leonard Larson, Thomas McNultie, Howard L. Dilley, Andrew Boutain, W. H. Welch, Chris T. Jochanz, Hjalmute Mattson, E. F. Leming, W. C. Bacon, L. H. Roach, John Beecraft, Lewis A. McBeth."

"RESOLUTION TO HAVE THE UNITED STATES DEPARTMENT OF AGRICULTURE EXPAND CROP REPORTING SERVICE ESTIMATES TO INCLUDE THE FOLLOWING FRUITS: RED RASPBERRIES, BLACK RASPBERRIES, BOYSENBERRIES, LOGANBERRIES, BLACKBERRIES, GOOSEBERRIES

"Whereas unknown crop acreages and crop conditions have caused (1) wide market price fluctuations; (2) unsettled market conditions; (3) serious financial losses to growers, processors, and product manufacturers; (4) lack of confidence by all concerned: be it

"Resolved, That since this is a $10 million industry in the State of Oregon and therefore vital to our Oregon economy, the undersigned persons or organizations request that the U.S. Department of Agriculture expand their crop reporting service estimates to include the above fruits and that reports be published monthly to include acreage estimates, cold storage holdings, estimated tonnage for the year, and estimated tonnage that the trade can normally consume.

"E. R. Mette, Frank J. Burke, Marvin Van Cleve, Fred Safli, Bill Shim, B. O. Melden, J. M. Coulson, Alan D. Wiesner, A. E. Oldenburg, Pierre Saucy, Stanley Sneed, Donald Davidson, Ed Zielinski."

"U.S. SENATE,
"COMMITTEE ON FOREIGN RELATIONS,
"April 14, 1959.

"Hon. CARL HAYDEN,
"Chairman, Appropriations Committee,
"U.S. Senate, Washington, D.C.

"DEAR SENATOR HAYDEN: I am informed that there will be presented to your committee a request for funds for an expansion within the Agricultural Marketing Service of the U.S. Department of Agriculture which would permit new crop reporting services which would be of value to farmers in 17 States, including Ohio.

"Currently, I am informed the service in this category covers only strawberries and cranberries.

"I am informed that an appropriation of $125,000 annually would permit the continuation of the present reporting with the addition of cane and bushberry production.

"If funds necessary to carry out this expansion in the U.S. Department of Agriculture crop reporting service are available without unbalancing the Federal budget, I urge favorable consideration of this proposal.

"Sincerely yours,
"FRANK J. LAUSCHE."

"U.S. SENATE,
"COMMITTEE ON INTERIOR
AND INSULAR AFFAIRS,
"April 13, 1959.

"Hon. RICHARD B. RUSSELL,
"Chairman, Agriculture Appropriations Subcommittee, Committee on Appropriations, U.S. Senate, Washington, D.C.

"DEAR DICK: As you know, Oregon is one of the Nation's major producers of caneberries and bushberries. Growers of these fruits in my State are currently handicapped in making planting and marketing decisions by a lack of information regarding activities of producers outside their immediate area. They have asked to have included in the Agricultural Marketing Service section of the U.S. Department of Agriculture Appropriations Act for fiscal year 1960 an item of $125,000 to provide acreage and crop reporting services for caneberries and bushberries. This cost figure has been supplied by the Department of Agriculture and would provide for crop reports on 8 small fruits, including blackberries, dewberries, boysenberries, loganberries, raspberries, youngberries, blueberries, currants, and gooseberries for the 17 principal producing States. The cost estimate was based on three reports a year for each crop: (1) an acreage estimate, (2) a production forecast, and (3) an end-of-season final report. No additional authorization legislation would be necessary.

"The need for this service is generally acknowledged. The Department of Agriculture has indicated that it recognizes the desirability of the suggested program. Grower support in Oregon is strong. To illustrate the degree of enthusiasm for creation of such a service, I would like to quote briefly from a recent letter which I received from Mr. Paul T. Rowell, chief of the division of market development of the Oregon State Department of Agriculture. Mr. Rowell told me:

" '* * * caneberry industry factors and others interested in Oregon and Washington have indicated the need for information on acreage and production estimates for a number of varieties of berries that are not now included in the USDA reports. The Northwest Canners and Freezers Association last April mailed a questionnaire to their berry processor members, with a response that was surprising even to its officers. Executive Vice President Cecil R. Tulley reported that a total of 24 firms in Oregon and Washington responded to the questionnaire and all of them except one favored the addition of acreage and production estimate reports by the crop reporting service on the berries they pack, which included red raspberries, blackberries, boysenberries, black raspberries, loganberries and gooseberries, with not all handling all of these kinds.'

"Mr. Rowell also cited specific examples to indicate the benefits which would derive from establishment of the acreage and crop reporting service. He stated:

" 'The need for a caneberry crop reporting service was graphically illustrated during the 1958 season. With heavy carryover stocks, market prices to processors and by them to growers were very low until after the crops were harvested and processed. Even though 1958 production was reduced sufficiently to justify better prices, it was impossible to convince eastern wholesalers of this until it was borne out by final storage figures after harvest. As a result many producers and processors who had to sell during the harvest season were forced to take lower prices than were available later on.

" 'Another illustration is in the lack of reliable acreage information, particularly between areas in different parts of the country. As an example, substantial plantings of black raspberries were made in the Willamette Valley during the past few years without proper knowledge of heavy plantings also in the Michigan area. This resulted last year in low market prices which might have been largely avoided through lesser plantings with the benefit of up-to-date acreage data developed through an adequate acreage reporting service.'

"Producers of the eight berries proposed for inclusion in the Department of Agriculture's crop reporting service account annually for over $28 million in farm income. Among the 17 States which supply 95 percent of the value of these crops for all States, Oregon ranks fourth in value of production harvested. Information which would be made available under the proposed plan would, of course, be of great significance to my State.

"I hope that your subcommittee will wish to give this suggestion careful consideration in review of fiscal year 1960 appropriations for the Agricultural Marketing Service section of the Department of Agriculture, and that you and your fellow members will see fit to provide the funds needed to initiate the program.

"With best wishes, I am,
"Sincerely,
"RICHARD L. NEUBERGER."

"APRIL 14, 1959.

"Hon. RICHARD L. NEUBERGER,
"U.S. Senate, Washington, D.C.

"DEAR SENATOR NEUBERGER: Permit me to acknowledge and thank you for your letter of April 13 expressing your strong interest in seeing funds included in the agricultural appropriation bill for fiscal 1960 to enable the Agricultural Marketing Service to provide acreage and crop reporting services for caneberries and bushberries.

"I shall be glad to see that the information outlined in your letter is called to the attention of the other members of the Agricultural Appropriations Subcommittee at the proper time. We have scheduled hearings to begin on the Department's bill the early part of next week, and at such time as we reach the section dealing with funds for the Agricultural Marketing Service you may be assured the item in which you are interested will have the careful attention of the subcommittee.

"With every good wish, I am,
"Sincerely,
"DICK RUSSELL."

"U.S. SENATE,
"COMMITTEE ON AGRICULTURE
AND FORESTRY,
"April 14, 1959.

"Hon. RICHARD RUSSELL,
"Chairman, Subcommittee on Agriculture, Senate Committee on Appropriations, U.S. Senate, Washington, D.C.

"DEAR SENATOR RUSSELL: Sales of fruit from cane and bushberry varieties is a significant crop in Wisconsin and a number of other States. Producers of these berry crops, however, have virtually no dependable economic information upon which to plan their production and marketing policies. It would be most helpful to producers of these crops to have the Agricultural Marketing Service of the U.S. Department of Agriculture expand its crop reporting services to cover other berry crops on a basis similar to the service now provided for strawberries and cranberries.

"The Department of Agriculture now has sufficient authority to carry on this crop-reporting service for these fruit crops. However, appropriations have not in the past been provided to enable the Department to accomplish this crop-reporting work. According to information from the Department of Agriculture an annual appropriation of $125,000 would be sufficient to provide for this crop reporting service.

"I would greatly appreciate your calling this matter to the attention of the subcommittee and the full committee, and I request that most careful consideration be given to providing the necessary appropriation for this proposed expansion of the crop-reporting service.

"Sincerely yours,
"WILLIAM PROXMIRE,
"U.S. Senator."

"U.S. SENATE,
"COMMITTEE ON ARMED SERVICES,
"*April 15, 1959.*

"Hon. WILLIAM PROXMIRE,
"*U.S. Senate, Washington, D.C.*

"DEAR SENATOR PROXMIRE: Permit me to acknowledge and thank you for your letter of April 14 expressing your strong interest in seeing funds included in the agricultural appropriation bill for fiscal 1960 to enable the Agricultural Marketing Service to provide acreage and crop reporting services for caneberries and bushberries.

"I shall be glad to see that the information outlined in your letter is called to the attention of the other members of the Agricultural Appropriations Subcommittee at the proper time. We have scheduled hearings to begin on the Department's bill the early part of next week, and at such time as we reach the section dealing with funds for the Agricultural Marketing Service you may be assured the item in which you are interested will have the careful attention of the committee.

"With every good wish, I am,
"Sincerely,

"DICK RUSSELL."

THE CONSERVATION RESERVE OF THE SOIL BANK

Mr. HUMPHREY. Mr. President, the conservation reserve of the soil bank has been of significant value to progress in the conservation of natural resources. Under this program, the farmer is offered the opportunity voluntarily to set aside land for periods of from 3 to 10 years, during which time it is diverted from the production of agricultural crops. During the contract period the land is protected from deterioration by the establishment of cover which contributes to soil, water, forest, or wildlife conservation.

Twenty-three million acres have now been placed in the conservation reserve, 13 million acres during the 1959 signup. On the 10 million acres placed in the reserve in 1957 and 1958 there have been some impressive conservation accomplishments. Let me illustrate one of these. Ever since the end of World War I, a major conservation problem has been the wind erosion in the so-called Dust Bowl of the Southwestern States. Much of this area was plowed up and used for the production of wheat. While this may have been necessary as part of a war effort, it left behind a tremendously difficult situation, for this was land which quickly developed a wind erosion problem. Millions of dollars have been expended in this region in the intervening years to assist farmers in the area where agricultural economy had been disrupted and additional millions have gone into attempts to restore the grass cover which had been destroyed.

Quietly, and without fanfare, the conservation reserve has placed 3 million acres of land in this region under contract and has seeded this land to grass. On hundreds of farms in this region, where 4 years ago there was blowing dust, today there are thriving stands of grass.

Another quick illustration: On the worn out lands of the Piedmont Plateau of the Southeast, almost 600,000 acres have been planted to pine trees. This will contribute to the saving of this land from the ravages of erosion and at the same time will make a substantial contribution to the future needs of America for forest products.

All told, a total of 1 million acres have been planted to trees and 9 million acres are protected by grass on the first 10 million acres placed in the conservation reserve. For the 13 million acres placed in the reserve in 1959 the conservation job is, of course, not completed, although establishment is being carried out at this time. On the basis of preliminary data projected for the entire acreage, it appears that another 11.5 million acres will be protected with grass and 700,000 acres will be planted to trees, and the balance is to be established in wildlife cover or other miscellaneous uses.

The benefits to wildlife from this program are also particularly worthy of mention. Increases in farm game species have been reported from every section of the country where substantial acreages have been placed in the conservation reserve. Sportsmen are particularly enthusiastic about the fine hunting they have been enjoying on conservation reserve lands. Since one out of every three families in the United States has a member who either hunts or fishes, this benefit from the program has the endorsement of urban as well as rural people.

In the face of this record of conservation accomplishment, I believe that the committee acted wisely in setting the authorization for the 1960 conservation reserve at $450 million, and I urge all Senators to continue to support this program.

NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

Mr. McGEE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a portion of the testimony from the recent hearing before the Committee on Interstate and Foreign Commerce concerning the nomination of Lewis L. Strauss to be Secretary of Commerce.

The testimony will demonstrate again, for the benefit of Senators who were not present at the hearings, the pattern of deviousness and evasion which made the path of those who sought to elicit factual answers from Mr. Strauss a very difficult one.

It is unthinkable that the Senate should confirm the nomination of this man, who himself prolonged the hearings on his nomination by such tactics. This sort of performance constitutes still another reason why the nomination of Mr. Strauss to be Secretary of Commerce should not be confirmed.

There being no objection, the portion of the testimony ordered to be printed in the RECORD, as follows:

Mr. STRAUSS. I stated a few minutes ago, Senator McGEE, that I did not have the benefit of AEC files on this subject. It is my recollection, but not positive, that the letter from the Attorney General, in question, was addressed to the Department of Defense. I am not sure. Now, Senator, I didn't have the opportunity of cross-examining you, during your testimony——

Senator ANDERSON. I hate to see a statement like that made.

The CHAIRMAN. We will let the Senator from Wyoming ask questions.

Senator McGEE. Is it not true that this Attorney General opinion did reach your office?

Mr. STRAUSS. I am unable to answer, but I will be glad to find out and submit the answer for the record.

Senator McGEE. This is important because this is the core of Senator ANDERSON'S charge, not the thing to which you were addressing yourself in this rather lengthy statement.

Mr. STRAUSS. I am sorry. It is just a matter of a disagreement——

Senator McGEE. Here it is. We can read it for the committee, presented in testimony from Senator ANDERSON, and this is what the committee must have an answer to if it is to be destroyed.

Mr. STRAUSS. As far as I know, at this moment, when the conversations began with the British, between the Defense Department and the British and the State Department, information to that effect was conveyed to the Joint Committee.

It may be that a member of your committee, who sat as chairman of the Subcommittee on Agreements for Cooperation of the Joint Committee may have a more positive recollection of it.

(Senator PASTORE then discussed the personal role he played in the matter of the *Nautilus* submarine as chairman of the Subcommittee on Agreements for Cooperation.)

Senator McGEE. Mr. Chairman, may I return to this only by citing—I didn't have the original experience that the Senator from Rhode Island had, and I appreciate that addition to the climate that prevailed at that time, because it helps those of us who weren't able to be there. But I am concerned here today with the testimony of the nominee, who has it in print here that he considers the most serious instance of the Senator's charges that the AEC failed to keep the Joint Committee fully and currently informed.

Those are not my words. Those are not the rumors that prevailed at the time, or the difference of opinion. This comes from the nominee. And he is questioning the validity of Senator ANDERSON'S charge involving that.

Senator ANDERSON'S charge I have just read again into the record, and the witness did not address himself to the point that he admits was the most important in Senator ANDERSON'S accusation.

Senator PASTORE. Let me say to the Senator from Wyoming that I am not going to quarrel with him. As a matter of fact, the Senator from Rhode Island takes the position that he is not going to come between two men whom he has loved and respected for 2 years. This is a very tragic and sorrowful situation for the junior Senator from the State of Rhode Island and I am very very sorry that because of duty, of compulsion, must become a part of it.

Let me say this to the Senator from Wyoming: I think in view of the fact that the point has been raised, I think Admiral Strauss should answer on that point unequivocally and categorically.

Mr. STRAUSS, Senator PASTORE, I am sure that in this case, and in many others—if I knew what they were—there were delays in time of reporting. The Atomic Energy Commission is a large and complicated enterprise.

This particular negotiation was not primarily Atomic Energy responsibility, although under the law the agreement had to be an agreement which the Atomic Energy Commission, to which the Atomic Energy Commission became a party.

I know that at the time everyone—no; I know that at the time many of us considered that the provision in the statute for the cooling period allowed the Congress, and was designed to allow the Congress, an opportunity

to take appropriate steps to prevent a contract—an agreement with another nation—from becoming effective if it desired to do so.

I also note that this particular agreement was suspended by the President, although no action was taken by the Joint Committee or the Congress within the 30-day period, and it was suspended in effect for a year before any exchanges occurred.

Senator PASTORE. And that was the agreement which was reached with the committee, after we had this confusion and this misunderstanding before the Joint Committee; it was understood and decided and agreed that nothing would happen until enough time was given to look into all the facts.

Am I correct?

Mr. STRAUSS. That is so. It seems to me that that would have absolved me from an error.

Senator PASTORE. I will say here frankly, and I will repeat this again, it is a very tragic moment for me, but it all depends on how you felt and how you looked at it. It all depends on through what eyes you saw the proposition. I didn't see all the deception and I didn't see all the deceit. That is from my own point of view. I am only expressing myself. I understood it as a misunderstanding. I thought that Admiral Strauss was wrong. I think, on the other hand, some of us may have been wrong as well. But I didn't see it in any such drastic way as it has been pictured here. I am sorry to say this, but that is as I feel, as God is my judge.

Senator MCGEE. I certainly, for one, Mr. Chairman, appreciate the depth of that statement and conviction. I would only like to ask the Admiral this: What is your position? Did you, in fact, confront the committee with the instruction from the Attorney General the day of the British agreement when it was sent to the President for approval?

Mr. STRAUSS. Senator, on the basis of the chronology that I have given—I have given you the chronology that I have.

Senator MCGEE. My question is very simple, Admiral. Did you or did you not?

Senator COTTON. Mr. Chairman, I think the witness should be allowed to answer the question without being interrupted.

The CHAIRMAN. I think the Senator from Wyoming is trying to ask a question, and he has repeated it. I am sure the Admiral will try to answer it to the best of his ability.

Mr. STRAUSS. I think I can answer the question to your satisfaction.

It does appear that the agreement was sent to the President, in its draft form, the day before it came to the Joint Committee; it was not approved by the President until 6 days after it was sent to the Joint Committee. If there is a crime involved in that——

Senator MCGEE. We are talking about the letter now from the Attorney General.

Mr. STRAUSS. No, you said the agreement. The letter from the Attorney General, sir, I can't identify. I don't have a copy of it. I don't know to whom it was addressed. I would have to reserve any answer on that until I can obtain the facts.

Senator MCGEE. Will you testify—has this been testified to before the Joint Committee?

Mr. STRAUSS. Pardon?

Senator MCGEE. Has that been testified to before the Joint Committee?

Mr. STRAUSS. Has what been testified to?

Senator MCGEE. This action involving the Attorney General's——

Mr. STRAUSS. I can't answer; but the records of the Joint Committee will bear out the answer to that. I don't know, sir.

Senator MCGEE. It seems to me a great deal hangs on this, Mr. Chairman, because this is the crux of the Admiral's answer to Senator Anderson. We have to clear this up.

Mr. STRAUSS. There was testimony before the Joint Committee on the 21st of May, on the 8th of June, and on the 9th of July, and I am sure that Senator ANDERSON would permit the records of those hearings to be examined.

Senator MCGEE. Do you question this statement, then?

Mr. STRAUSS. No. I said I didn't know. I can't question it. I don't know whether that letter was introduced in evidence or not, Senator.

Senator MCGEE. Do you withdraw then your three or four pages here——

Mr. STRAUSS. I withdraw nothing from the statement that I have made thus far. Nothing.

ADJOURNMENT TO 11 A.M. TOMORROW

Mr. KUCHEL. Mr. President, I move, in accordance with the previous order, that the Senate adjourn until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 6 o'clock and 55 minutes p.m.) the Senate adjourned, in accordance with the order previously entered, until tomorrow, Wednesday, June 3, 1959, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate June 2, 1959:

DIPLOMATIC AND FOREIGN SERVICE

William M. Rountree, of Maryland, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Pakistan, vice James M. Langley.

G. Lewis Jones, of the District of Columbia, a Foreign Service officer of the class of career minister, to be an Assistant Secretary of State, vice William M. Rountree.

NATIONAL LABOR RELATIONS BOARD

Boyd Leedom, of South Dakota, to be a member of the National Labor Relations Board for the term of 5 years expiring December 16, 1964. (Reappointment.)

U.S. ATTORNEY

Walter E. Alessandroni, of Pennsylvania, to be U.S. attorney for the eastern district of Pennsylvania for a term of 4 years, vice Harold K. Wood.

U.S. PUBLIC HEALTH SERVICE

The following candidates for personnel action in the Regular Corps of the Public Health Service subject to qualifications therefor as provided by law and regulations:

I. FOR APPOINTMENT

To be senior assistant surgeons

James C. Allen	Arthur Karmen
Burton Allyn	James H. Kauth
David L. Aronson	Kurt W. Kohn
Joseph A. Bauer	Irwin J. Kopin
Thomas C. Bithell	Leavie E. Lee, Jr.
Kurt J. Bloch	Leonard M. Linde
Jacob A. Brody	Philip R. B. McMaster
Howard M. Cann	Arthur D. Merritt
Theodore R. Carski	Edward L. Michals
Thomas M. Cassidy	Richard S. Moraites
George E. Cobb	Charles F. Nadler
Robert B. Couch	Robert J. Olson
Robert L. Dernlan	Robert J. B. Osnos
H. Bruce Dull	Malcolm I. Page
Frederick L. Dunn	Bertram W. Pepper
Leland L. Fairbanks	Douglas K. Powers
George H. Franck	John C. Pruitt
Herschel C. Gore	Carroll B. Quinlan
Charles L. Greenblatt	Robert R. Schenck
John H. Hammann	Donald P. Schilder
Avery R. Harrington	Sam Silbergeld
Hugh R. Hayward	George P. Sperry
Alan F. Hofmann	William H. Strange
Alfonso H. Holguin	Gerald G. Van Arendonk
John P. Hughes	

To be assistant surgeons

Paul G. Belau	James L. Johnson
Norris D. Buchmeyer	Donald E. McMillan
Joseph O. Dean, Jr.	Charles A. Peterson
John W. Dickson	James S. Sullivan
S. Paul Ehrlich, Jr.	Paul N. Vann

To be senior assistant dental surgeon

Richard L. Smith

To be assistant dental surgeon

Oscar H. Tatum, Jr.

To be assistant sanitary engineers

Robert G. Bostrom	Gerald G. Vurek
Gerald M. Hansler	Carl M. Walter
Parker C. Reist	

To be junior assistant sanitary engineer

Paul H. King

To be senior assistant pharmacists

Frank W. Hollister
M. Thomas Wagner, Jr.

To be assistant pharmacists

James R. Grigdesby	Walter J. Ludwig
George R. Hall	Bernard Shleien
John H. Herath	Lawrence D. Smith

To be senior assistant scientists

Herbert F. Hasenclever	Roslyn Q. Robinson
Leonard A. Herzenberg	Kenneth K. Takemoto

To be assistant scientist

Alan Burkhalter

To be senior assistant veterinary officer

Richard L. Parker

To be assistant veterinary officers

John E. Holman, Jr.
Charles W. McPherson
Gerald L. Van Hoosier, Jr.

To be senior assistant nurse officer

Ellen I. McDonald

COAST AND GEODETIC SURVEY

Subject to qualifications provided by law, the following for permanent appointment to the grades indicated in the Coast and Geodetic Survey:

TO BE LIEUTENANT (JUNIOR GRADE)

Philip L. Rotondo

TO BE ENSIGNS

John D. Bossler	Billy M. Keltner
Ernest E. Brown	James G. LaBastie
Anthony J. De Luzio	James S. Lawson
David F. S. Galloway III	William C. Linn, Jr.
	John T. Maldari
Thomas Ganard	Clifford W. Randall
James S. Gragg	Thomas R. Rutila
Thomas F. Humphrey	Melvin J. Umbach

CONFIRMATION

Executive nomination confirmed by the Senate June 2, 1959:

DEPARTMENT OF THE NAVY

William B. Franke, of New York, to be Secretary of the Navy.

HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 2, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Galatians 5: 14: *For all the law is fulfilled in one word, even in this, Thou shalt love thy neighbor as thyself.*

Eternal God, our Father, in whom we find that perfect love which casteth out all fear, inspires us in this sacred moment of prayer with a new sense of the joy and blessedness of Thy divine love.

May the hearts of men and nations everywhere be welded and united into that kind of love which will make them eager to seek one another's welfare.

We earnestly beseech Thee to forgive and take away those hatreds and envies, those suspicions and misunderstandings, which are keeping the members of the human family asunder.

Help us to cultivate and exemplify a more magnanimous spirit, and may we have such a love of Thy truth that we shall come to experience more vividly the truth of Thy love.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a joint resolution of the House of the following title:

H.J. Res. 254. Joint resolution to authorize participation by the United States in parliamentary conferences with Canada.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the Joint Select Committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the U.S. Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 59–11.

SWEARING IN OF MEMBER

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the gentleman from New York, Mr. CHARLES E. GOODELL, JR., be permitted to take the oath of office today. The certificate of election has not arrived, but there is no contest, and no question has been raised with regard to his election.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. GOODELL (accompanied by Mr. TABER) appeared at the bar of the House and took the oath of office.

APPROPRIATIONS FOR TREASURY AND POST OFFICE DEPARTMENTS AND TAX COURT, 1960

Mr. GARY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 5805) making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States for the fiscal year ending June 30, 1960, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Virginia? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. GARY, PASSMAN, CANNON, PILLION, and TABER.

Mr. GARY. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report on the bill, H.R. 5805.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

PUBLIC WORKS APPROPRIATIONS, 1960

Mr. CANNON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a report on the public works appropriation bill for the fiscal year 1960.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. TABER reserved all points of order on the bill.

CALL OF THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 61]

Abernethy	Hess	Oliver
Adair	Jackson	Powell
Albert	Jennings	Randall
Barden	Jensen	Reece, Tenn.
Canfield	Keith	Rees, Kans.
Celler	Kilburn	Riley
Chamberlain	Knox	Rivers, Alaska
Chenoweth	May	Smith, Miss.
Clark	Miller,	Spence
Daddario	George P.	Taylor
Durham	Moulder	Widnall
Flynn	O'Konski	Withrow
Forrester		

The SPEAKER. On this rollcall, 393 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

ACTING SECRETARY LEWIS L. STRAUSS

Mr. DEROUNIAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DEROUNIAN. Mr. Speaker, I have repeatedly refused to believe and I still refuse to believe, but it is being impressed upon me constantly, that the opposition to Acting Secretary Lewis L. Strauss, in reality, is based on religious prejudice. If that is true, it revolts me as an American citizen.

CONTESTED ELECTION CASE OF ELMO J. MAHONEY VERSUS WINT SMITH (H. DOC. NO. 167)

The SPEAKER. The Chair lays before the House the following communication from the Clerk of the House.

The Clerk read as follows:

JUNE 2, 1959.

The Honorable The SPEAKER,
House of Representatives

SIR: From the contestant in the contested election case of Elmo J. Mahoney versus Wint Smith for a seat in the House of Representatives from the Sixth Congressional District of the State of Kansas, I have received a letter dated May 29, 1959, transmitting a motion and request that the House of Representatives take action directing the impounding and preservation of all ballots involved in the election in said district, and setting forth specifically the reasons upon which this request is made.

This case is nearing completion under the statute administered by the Clerk. Since, however, it presents an urgent question which can only be answered by the House itself, the letter, together with accompanying motion, is transmitted for reference to the Committee on House Administration.

Respectfully yours,

RALPH R. ROBERTS,
Clerk, U.S. House of Representatives.

The SPEAKER. The letter, together with the accompanying papers, is referred to the Committee on House Administration and ordered to be printed.

AMENDING REORGANIZATION ACT OF 1949

The SPEAKER. The unfinished business is the reading of the engrossed copy of the bill H.R. 5140, to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time before June 1, 1961.

The Clerk will read the engrossed copy.

The Clerk read the engrossed copy of the bill.

The SPEAKER. The question is on the passage of the bill.

Mr. HOFFMAN of Michigan. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The bill was passed.

The title was amended so as to read: "A bill to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time before June 1, 1961."

A motion to reconsider was laid on the table.

PRIVATE CALENDAR

The SPEAKER. This is the day for the call of the Private Calendar.

MRS. ELBA HAVERSTICK CASH

The Clerk called the bill (H.R. 1434) for the relief of Mrs. Elba Haverstick Cash.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the

Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $25,000. The payment of such sum shall be in full settlement of all claims of the said Mrs. Elba Haverstick Cash against the United States arising out of the death on March 30, 1955, of her son, Ralph Raymond Haverstick (Veterans' Administration claim numbered XC3227005) from injuries sustained by him while a patient in a Veterans' Administration facility. This claim is not cognizable under the Federal Tort Clams Act: *Provided*, That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

SEC. 2. Upon the enactment of this Act, all pension payments to Mrs. Elba Haverstick Cash is authorized by the provisions of section 31 of the Act of March 28, 1934 (48 Stat. 526; 38 U.S.C. 501a), shall be terminated.

With the following committee amendments:

Page 1, line 5, strike the amount "$25,000" and insert "$21,700."

Page 2, line 1, after the word *"Provided"* insert: "That the enactment of this Act shall not alter Mrs. Elba Haverstick Cash's right to insurance payments as the beneficiary of a policy of national service life insurance on the life of her son, Ralph Raymond Haverstick: *and provided further."*

The committee amendments were agreed to.

Mr. LANE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LANE: On page 2, line 14, after the word "Cash" strike out "is" and insert in lieu thereof of the word "as."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VIKTORS NEIMANIS

The Clerk called the bill (H.R. 1391) for the relief of Viktors Neimanis.

Mr. WALTER. Mr. Speaker, I ask unanimous consent that a similar Senate bill (S. 758) be considered in lieu of the House bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the title of the Senate bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of paragraph (6) of section 212(a) of the Immigration and Nationality Act, Viktors Neimanis may, if he is found to be otherwise admissible under the provisions of such Act, be issued a visa and be admitted to the United States for permanent residence under such conditions and controls as the Attorney General, after consultation with the Surgeon General of the United States, deems necessary to impose: *Provided*, That a suitable or proper bond or undertaking, approved by the Attorney General, shall be given by or on behalf of the said Viktors Neimanis in the same manner and subject to the same conditions as bonds or undertakings given under section 213 of such Act: *Provided further*, That this Act shall apply only to grounds for exclusion under paragraph (6) of section 212(a) of such Act known to the Secretary of State or the Attorney General prior to the date of enactment of this Act.

The bill was ordered to be read a third time, and was read the third time, and passed.

A motion to reconsider and a similar House bill (H.R. 1391) were laid on the table.

DOROTHY E. GREEN AND THELMA L. ALLEY

The Clerk called the bill (H.R. 5836) for the relief of Dorothy E. Green and Thelma L. Alley.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, neither Regular Army Warrant Officer Dorothy E. Green, V-904322, nor Regular Army Warrant Officer Thelma L. Alley, V-904321, may be separated from active duty with the United States Army solely by reason of the provisions of title 10, U.S. Code, section 1164(b), and section 46 of the Act of August 10, 1956 (Public Law 1028, Eighty-fourth Congress), until she has completed 20 years of active service that could be credited to her under section 511 of the Career Compensation Act of 1949 (37 U.S.C. 311).

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIEF OF CERTAIN ALIENS

The Clerk called the resolution (H.J. Res. 354) for the relief of certain aliens.

There being no objection, the Clerk read the resolution, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Violet E. Weekes, Romeo Magagna, Ajit Singh Rana, Gurdeve Singh Brar, Draga Djuricin, and Mrs. Dorothy Yu Hwang shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fees. Upon the granting of permanent residence to each alien as provided for in this section of this Act, if such alien was classifiable as a quota immigrant at the time of the enactment of this Act, the Secretary of State shall instruct the proper quota-control officer to reduce by one the quota for the quota area to which the alien is chargeable for the first year that such quota is available.

SEC. 2. For the purposes of the Immigration and Nationality Act, Jimmy I-Chen Chiang shall be held and considered to have been lawfully admitted to the United States for permanent residence as of March 18, 1953.

SEC. 3. For the purposes of the Immigration and Nationality Act, Walter Vali shall be held and considered to have been lawfully admitted to the United States for permanent residence as of September 8, 1949.

SEC. 4. The Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bonds which may have issued in the cases of Amelia Maria Angela Taccola, Maria Aurora Cabral, Mar Man Li, and Mar Wong Li Shee. From and after the date of the enactment of this Act, the said persons shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued.

SEC. 5. For the purposes of the Immigration and Nationality Act, Mrs. Ana P. Cowan shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee.

SEC. 6. For the purposes of the Immigration and Nationality Act, Yung Man Wong shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act. The number of refugees to whom permanent residence in the United States may be granted under the provisions of section 6 of the Refugee Relief Act of 1953, as amended, is hereby reduced by one.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LOUIS J. DEWINTER AND SIMONE H. DEWINTER

The Clerk called the bill (H.R. 1705) for the relief of Louis J. DeWinter and Simone H. DeWinter.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, section 352(a) of that Act shall not apply to Mr. Louis J. DeWinter and Mrs. Simone H. DeWinter, citizens of the United States, for such time as the employment of Louis J. DeWinter by the N. V. Leo de Winter and Company is the reason for their continued residence abroad: *Provided*, That Louis J. DeWinter and Simone H. De Winter begin to reside permanently in the United States prior to the expiration of one year after the termination of such employment.

With the following committee amendment:

On page 1, line 6, after the words "of the United States" change the comma to a colon, strike out the remainder of the bill and add the following: "*Provided*, That the said Louis J. DeWinter and Mrs. Simone H. DeWinter establish residence in the United States before August 4, 1966, or within 1 year after the termination of Louis J. DeWinter's employment by the N. V. Leo de Winter & Co. whichever is earlier."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. That concludes the calling of the Private Calendar.

AMENDING THE IMMIGRATION AND NATIONALITY ACT

The SPEAKER. The Chair recognizes the gentleman from Pennsylvania [Mr. WALTER].

Mr. WALTER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3088) to amend sections 353 and 354 of the Immigration and Nationality Act, as amended.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, section 353(7) of the Immigration and Nationality Act, is hereby amended to read as follows:

"(7) is the spouse or child of, or has a son or daughter who is, an American citizen, and who has his residence abroad for the purpose of being with his American citizen spouse, parent, or son or daughter who has his residence abroad for one of the objects or considerations specified in paragraph (1), (2), (3), (4), (5), or (6) of this section, or paragraph (2) of section 354 of this title; or"

SEC. 2. The first sentence of section 354(1) of the Immigration and Nationality Act is hereby amended by inserting after the words "or World War II," the following: "or of the Korean hostilities (having served honorably in an active-duty status in the military, air, or naval forces of the United States during a period beginning June 25, 1950, and ending July 1, 1955),".

SEC. 3. Section 354(5) of the Immigration and Nationality Act is hereby amended to read as follows:

"(5) who shall have had his residence in the United States for not less than fifteen years subsequent to his naturalization and prior to the establishment of his foreign residence; or who prior to attaining the age of twenty-one years, shall have had his residence in the United States for not less than fifteen years subsequent to his lawful admission for permanent residence."

The SPEAKER. Is a second demanded?

Mr. MOORE. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. WALTER. Mr. Speaker, this legislation is designed to modify certain provisions of title 3 of the Immigration and Nationality Act which affect the retention of U.S. citizenship by naturalized citizens who reside outside the United States.

Under existing law, automatic loss of U.S. citizenship occurs in the case of a naturalized citizen who established residence abroad, first, for 3 years in a country where he was born or of which he was formerly a national; or second, for 5 years in any other country.

There are several exemptions from this general rule, such as, residence abroad in the employ of the U.S. Government, or an American business organization, or a scientific institution, and so forth. One of the exemptions applies to the spouse or child accompanying a U.S. citizen who has his residence abroad for reasons specified in the law.

Section 1 of H.R. 3088 will add to the exempted the parent of a U.S. citizen who resides abroad with such citizen. An illustrative case would be that of a woman born in Ireland, now about 60 years of age, a naturalized citizen of the United States, who is residing in Ireland with her daughter, a native-born U.S. citizen employed by the Department of State and at the present time assigned to the U.S. Embassy at Dublin, Ireland.

Section 2 of the bill will benefit certain veterans of the Korean conflict.

Among persons exempted from automatic loss of citizenship under the 5-year rule are veterans of the Spanish-American War, World War I, and World War II. The American Legion has for several years advocated the inclusion among the exempted class, the honorably discharged veterans who served during the Korean conflict. A resolution petitioning Congress to provide for such change in the law was passed by the National Convention of the American Legion in 1957, and as recently as April 29, 1959, readopted again by the National Executive Committee of the American Legion. The resolution is as follows:

RESOLUTION 543, 1957 NATIONAL CONVENTION OF THE AMERICAN LEGION, ATLANTIC CITY, N.J., SEPTEMBER 16–19, 1957

Committee: Americanism.

Subject: Section 354(a) of Nationality Act of 1952 be amended to include veterans of Korean conflict.

Whereas under section 352(a) of the Nationality Act of 1952, also known as the McCarran-Walter Act, naturalized citizens lose their citizenship if they reside 5 years in a foreign country other than that of their origin; and

Whereas the same Nationality Act, in section 354(1) exempts veterans of the Spanish-American War, World War I, and World War II from such loss of citizenship; and

Whereas those of our naturalized citizens who served in the Armed Forces during the Korean conflict showed the same fine qualities of citizenship as those who fought in the Spanish-American War and the two World Wars, including their willingness to lay down their lives for their adopted country: Now, therefore, be it

Resolved by the American Legion, Department of Mexico, That a petition be sent to the Congress of the United States of America through the American Legion National Convention in Atlantic City, N.J., September 16–19, 1957, to the effect that the said Nationality Act be amended to include among those exempted from loss of citizenship under section 352(a)(2) also veterans of the Korean conflict.

As to section 3 of the bill, naturalized citizens of the United States who have had continuous residence in the United States for 25 years subsequent to their naturalization, are exempted from loss of citizenship which would occur if they resided for more than 5 years in a foreign country other than the country of their birth or former nationality. No such exemption is provided in the case of their residence in the country of their birth or former nationality.

It is felt that the steadily increasing activities of American citizens abroad justify the reduction of the 25 years' residence requirement to 15. Similarly, it is felt that naturalized U.S. citizens who entered the United States in their early youth, prior to their sixth birthday, and thus spent their formative years in this country, should have all of their residence in the United States, prior to attaining 21 years of age, counted within that residential requirement which would exempt them from loss of their citizenship.

An illustrative case would be one of a child who entered the United States, with its parents, say at the age of 3. For one reason or another the parents did not acquire U.S. citizenship. They may have not desired to do so, or may have failed to establish their eligibility for naturalization by being unable to meet, for instance, the educational requirements of the law. In that event, the child would not have derived U.S. citizenship through the naturalization of the parents and under the law had to wait until after its 18th birthday before it could petition for naturalization in its own right. That person would have spent in the United States 15 years before he was admitted to U.S. citizenship. Under existing law, the 25 years' residence in the United States would begin as of the date of naturalization and the 15 years spent in this country prior to obtaining citizenship would not count although for all intents and purposes, particularly for the purpose of assimilation, that child having spent its formative years in American schools, among American surroundings, and so forth, could certainly be deemed to have become a part of our society even to a greater extent than it would be in the case of an adult immigrant whose assimilation in this country is understandably slower than the assimilation of a child. The purpose of the second clause of section 3 of this bill is to include within the residential requirements which result in the protection of U.S. citizenship that period of time which a minor spent in the United States as a permanent resident prior to his naturalization.

Departments of State and Justice have expressed their approval of this legislation and the Committee on the Judiciary has reported it unanimously.

Mr. MOORE. Mr. Speaker, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from West Virginia.

Mr. MOORE. I should like to ask a question with respect to the three sections of the law which the bill proposes to amend. Actually will this not serve to reduce the number of private bills which we have been considering in the subcommittee with respect to each of the amendments that this bill proposes to enact?

Mr. WALTER. That is correct. We have always acted favorably on the type of private bills that would be unnecessary under this general legislation.

Mr. MOORE. This legislation comes before the House with a unanimous report of the committee?

Mr. WALTER. Yes.

The SPEAKER. The question is on the motion of the gentleman from Pennsylvania [Mr. WALTER] that the rules be suspended and the bill be passed.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

AUTHORIZING AWARD OF EXEMPLARY REHABILITATION CERTIFICATE TO CERTAIN DISCHARGED SERVICE PERSONNEL

Mr. DOYLE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 88) to amend section 1552, title 10,

United States Code, and section 301 of the Servicemen's Readjustment Act of 1944 to provide that the Board for the Correction of Military or Naval Records and the Boards of Review, Discharges, and Dismissals shall give consideration to satisfactory evidence relating to good character and exemplary conduct in civilian life after discharge or dismissal in determining whether or not to correct certain discharges and dismissals; to authorize the award of an exemplary rehabilitation certificate; and for other purposes.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 79 of title 10, United States Code, is amended as follows:

(1) Section 1552 is amended—

(A) by amending the first sentence of subsection (a) to read as follows: "(a) Under uniform procedures prescribed by the Secretary of Defense, the Secretary of any military department, acting through boards of civilians of the executive part of that military department, may correct any military record of that department when he considers it necessary to correct any error or remove an injustice.";

(B) by adding the following new sentence at the end of subsection (a): "When it considers the case of any person discharged or dismissed, before or after the enactment of this sentence, from an armed force under conditions other than honorable, the board shall take into consideration the reasons for the type of that discharge or dismissal, including—

"(1) the conditions prevailing at the time of the incident, statement, attitude, or act which led to that discharge or dismissal;

"(2) the age of the person at the time of the incident, statement, attitude, or act which led to that discharge or dismissal;

"(3) the normal punishment that might have been adjudged had that incident, statement, attitude, or act occurred or been made in civilian life; and

"(4) the moral turpitude, if any, involved in the incident, statement, attitude, or act which led to that discharge or dismissal."; and

(C) by adding the following new subsections at the end thereof:

"(g) In the case of any person discharged or dismissed, before or after the enactment of this subsection, from an armed force under conditions other than honorable, the board may, with the approval of the Secretary concerned, issue to that person an "Exemplary Rehabilitation Certificate" dated as of the date it is issued, if, after considering the reasons for that discharge or dismissal, including those matters set forth in clauses (1)–(4) of subsection (a), it is established to the satisfaction of the board that he has rehabilitated himself, that his character is good, and that his conduct, activities, and habits since he was so discharged or dismissed have been exemplary for a reasonable period of time, but not less than three years.

"(h) Applications and reapplications for correction of records under subsection (g) may be filed at any time, but not before three years after that discharge or dismissal.

"(i) For the purposes of subsection (g), oral or written evidence, or both, may be used, including—

"(1) a notarized statement from the chief law enforcement officer of the town, city, or county in which the applicant resides, attesting to his general reputation so far as police and court records are concerned;

"(2) a notarized statement from his employer, if employed, attesting to his general reputation and employment record;

"(3) notarized statements from not less than five persons, attesting that they have personally known him for at least three years as a person of good reputation and exemplary conduct, and the extent of personal contact they have had with him; and

"(4) such independent investigation as the board may make.

"(j) No benefits under any laws of the United States (including those relating to pensions, compensation, hospitalization, military pay and allowances, education, loan guarantees, retired pay, or other benefits based on military service) accrue to any person to whom an Exemplary Rehabilitation Certificate is issued under subsection (g) unless he would be entitled to those benefits under his original discharge or dismissal. Except as otherwise provided in this section or section 1553 of this title, no Exemplary Rehabilitation Certificate may be issued except under subsection (g), and after a specific finding by the board that it is issued under that subsection.

"(k) The Secretary of Defense for the military departments, and the Secretary of the Treasury for the Coast Guard when it is not operating as a service in the Navy, shall report to Congress not later than January 15 of each year the number of cases reviewed by each board under subsection (g), and the number of Exemplary Rehabilitation Certificates issued under that subsection."

(2) Section 1553 is amended to read as follows:

"§ 1553. Review of discharge or dismissal

"(a) The Secretary concerned shall, after consulting with the Administrator of Veterans' Affairs, establish boards of review, each consisting of five members, to review, under uniform procedures prescribed by the Secretary of Defense in the case of a military department, the discharge or dismissal of any former member of an armed force under the jurisdiction of his department upon its own motion or upon the request of such former member or, if he is dead, his surviving spouse, next of kin, or legal representative.

"(b) A board established under this section may, subject to review by the Secretary concernd, change a discharge or dismissal, or issue a new discharge, to reflect its findings.

"(c) A review by a board established under this section shall be based on the records of the armed force concerned and such other evidence as may be presented to the board, including those matters set forth in clauses (1)–(4) of section 1552(a) of this title. A witness may present evidence to such a board in person or by affidavit. A person who requests a review under this section may appear before such a board in person or by counsel or an accredited representative of an organization recognized by the Administrator of Veterans' Affairs under chapter 59 of title 38.

"(d) In the case of any person discharged or dismissed, before or after the enactment of this subsection, from an armed force under conditions other than honorable, the board may, with the approval of the Secretary concerned, issue to that person an 'Exmplary Rehabilitation Certificate' dated as of the date it is issued, if, after considering the reasons for that discharge or dismissal, including those matters set forth in clauses (1)–(4) of section 1552(a) of this title, it is established to the satisfaction of the board that he has rehabilitated himself, that his character is good, and that his conduct, activities, and habits since he was so discharged or dismissed have been exemplary for a reasonable period of time, but not less than three years.

"(e) Applications and reapplications for correction of records under subsection (d) may be filed at any time, but not before three years after that discharge or dismissal.

"(f) For the purposes of subsection (d), oral or written evidence, or both, may be used, including those matters set forth in clauses (1)–(4) of section 1552(i) of this title.

"(g) No benefits under any laws of the United States (including those relating to pensions, compensation, hospitalization, military pay and allowances, education, loan guarantees, retired pay, or other benefits based on military service) accrue to any person to whom an Exemplary Rehabilitation Certificate is issued under subsection (d) unless he would be entitled to those benefits under his original discharge or dismissal. Except as otherwise provided in this section or section 1552 of this title, no Exemplary Rehabilitation Certificate may be issued except under subsection (d), and after a specific finding by the board that it is issued under that subsection.

"(h) The Secretary of Defense for the military departments, and the Secretary of the Treasury for the Coast Guard when it is not operating as a service in the Navy, shall report to Congress not later than January 15 of each year the number of cases reviewed by each board under subsection (d), and the number of Exemplary Rehabilitation Certificates issued under that subsection."

The SPEAKER. Is a second demanded?

Mr. BRAY. Mr. Speaker, I demand a second.

Mr. DOYLE. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DOYLE. Mr. Speaker, the purpose of H.R. 88 is to authorize the Boards for the Correction of Army, Navy, and Air Force Records, and the Boards of Review, Discharges, and Dismissals, to grant, under certain circumstances, an exemplary rehabilitation certificate to individuals that have previously received less than honorable discharges from the armed services.

Many of the Members will recall that in the 85th Congress the House passed a bill, H.R. 8772, which would have authorized these boards to award a general discharge—limited to certain discharged personnel.

For some time many of us have been concerned with the plight of the more than 278,000 individuals who have received undesirable discharges from the Armed Forces since 1940, together with the 200,000 persons who since that date have received bad conduct discharges or dishonorable discharges pursuant to the sentence of a courts-martial.

The bill before the House today requires the boards who review these cases to take into consideration the following factors in deciding whether or not to change a discharge:

First. The conditions prevailing at the time of the incident, statement, attitude, or act which led to that discharge or dismissal.

Second. The age of the person at the time of the incident, statement, attitude, or act which led to that discharge or dismissal.

Third. The normal punishment that might have been adjudged had that incident, statement, attitude, or act occurred or been made in civilian life.

Fourth. The moral turpitude, if any, involved in the incident, statement, attitude, or act which led to that discharge or dismissal.

In addition, these boards, after taking into consideration the original factors which led to the discharge under conditions other than honorable, may consider an individual's postservice conduct for a period of not less than 3 years following discharge. If this conduct is exemplary and the original factors leading to his discharge warrant such action, the Board may award an exemplary rehabilitation certificate.

This certificate will not be a substitute for the previous discharge. It will be dated as of the date it is issued by the Board, and it will not be issued in lieu of the original discharge.

The certificate, if granted by the Board, will not entitle an individual to any benefit to which he was not otherwise entitled under the original discharge.

The net effect of the proposed legislation is that individuals will be given an opportunity to submit evidence of exemplary postservice conduct for a period of 3 years after separation, which, when taken into consideration with all other factors surrounding the original discharge, will entitle them, if recommended by the Board, to a certificate which, it is hoped, will be of assistance to them in readjusting to civilian life.

The proposed legislation, as recommended by the committee, will make the following changes in the law:

First. It will require the Boards of Review, Discharges, and Dismissals, and the Boards for the Correction of Military, Navy, and Air Force Records to operate under uniform procedures established by the Secretary of Defense. That uniformity does not exist today.

Second. It will require the Boards to take into consideration the following factors in all cases that are being reviewed by the respective Boards:

(a) The conditions that prevailed at the time of the incident, statement, attitude, or act which led to the original discharge or dismissal.

(b) The age of the individual at the time of the incident, statement, attitude, or act which led to the original discharge or dismissal.

(c) The normal punishment that might have been adjudged had the act or incident been committed in civilian life.

(d) The moral turpitude, if any, involved in the incident, statement, attitude, or act which led to the discharge or dismissal.

These will be the minimum criteria for all future reviews.

The Boards may establish other criteria. In addition to that, however, all Boards will be authorized to award an exemplary rehabilitation certificate in those cases where the individual requesting a review of his discharge or dismissal introduces evidence of not less than 3 years of postservice conduct in justification of his request for a review of his discharge or dismissal. The same criteria will be applicable in these cases as in all other cases reviewed by the Boards. But under the proposed legislation, the Boards will be required to take into consideration, as a factor, postservice conduct indicating that the individual has rehabilitated himself, that his character is good, and that his conduct, activities, and habits since discharge have been exemplary for a period of not less than 3 years following discharge.

The committee also recommends two additional changes in existing law dealing with the Boards of Review, Discharges, and Dismissals.

At present these Boards do not have authority to review the sentences of general courts-martial since discharges issued pursuant to a general courts-martial can be reviewed by the Board for the Correction of Military, Naval, or Air Force Records. However, an individual with a dishonorable or bad conduct discharge issued pursuant to a general courts-martial will, under the proposed legislation, be able to submit his case to the Boards of Review, Discharges, and Dismissals in order that that Board, composed entirely of military officers, may first review the case before it is again submitted for review by the Board for the Correction of Military, Naval, or Air Force Records, which is composed entirely of civilians.

In addition, the committee has eliminated the termination date, contained in present law, for the filing of applications of review by the Boards of Review, Discharges, and Dismissals.

Mr. Speaker, the high purpose of H.R. 88, and almost 30 companion bills, is to authorize the Board for Correction of Army, Navy, and Air Force Records, and also the Boards of Review, Discharges, and Dismissals of our military departments to grant, under uniform procedures, under certain circumstances, an exemplary rehabilitation certificate to such former members of the military who have previously received less than honorable discharges from our armed services.

Members of this House during the 85th Congress will no doubt remember that the House passed a similar bill, designated as H.R. 8772, under suspension of the House Rules by an overwhelming vote of 226–8. But it was so late in the session that it was not taken up by the Senate. That bill provided for the issuance of a general discharge limited while this bill before us today, instead of providing for a general discharge limited, provides for the issuance of an exemplary rehabilitation certificate. This, my colleagues, is the major and important difference between the two bills.

The same special subcommittee which held extensive public hearings on the subject during the 85th Congress was again appointed by the Honorable CARL VINSON to consider H.R. 88, and companion bills, in this 86th Congress. Because of the committee's extended study and public hearings in the 85th Congress, beginning June 24, 1957, together with the fact that the bill which passed the House by the overwhelming vote of 226–8, and this present bill, H.R. 88, and companion bills, are so similar, we concluded that we were not justified in repeating the expense of public hearings. However, there is now available to you a very comprehensive committee report. The House Armed Services Committee unanimously recommended that H.R. 88 do pass.

It is recognized as distinctly a humane bill. And while the military again opposes it, the committee frankly states that the military opposition to the bill is not sound, but is in fact ridiculous. It does not set up any new boards or commissions and the committee believes that our Military Establishment has a very ample supply of personnel to administer it efficiently and in utmost good faith with the many thousands of former military personnel sought to be reclaimed from the ranks of the almost forgotten men. The bill does not change even a dot or a comma in the record of the previous military discharge. Nor does the exemplary rehabilitation certificate become a substitute for such original military discharge which was less than honorable. It does not purport to either change the military record nor become a substitute nor take its place. It will be dated as of the date it is issued by the Board, and I repeat, will not be issued in lieu of the original discharge. It does not give recipient any Government benefits unless he would receive same under his military discharge.

At the outset, I have real pleasure in acknowledging that on January 14, 1959, there issued from the Department of Defense a directive on the subject of administrative discharges, setting forth uniform procedures for processing administrative discharges. It is a distinct and timely improvement in what even many military leaders have long recognized as unfair and untenable of American military personnel. It is significant that the special subcommittee of the Armed Services Committee, holding the public hearing in 1957, as previously stated by me, discovered that the Army, Navy, Air Force, and Marine Corps had sharp differences in their procedures for processing administrative discharges. No uniformity existed. The committee report now before this House on H.R. 88, amongst other things, stated on page 4 as follows:

Prior to January 14, 1959, the Army, Navy, Air Force, and Marine Corps had different procedures for processing administrative discharges. In the report to the House last year with regard to H.R. 8772, the committee stated:

"It is apparent that a uniform system for the processing of undesirable discharges is long overdue. An undesirable discharge carries with it a stigma that remains with an individual for the rest of his life. Certainly that individual should be entitled to the equivalent amount of protection that surrounds an individual who is finally awarded a

punitive discharge pursuant to the action of a court martial."

This latest directive issued January 14, 1959, appears to be considerably in accord with the committee's report. We have included the entire text of this directive. It will inform the House as to what the present policy and procedure of the Department of Defense is on military discharges; it also describes and defines the different types of discharges, and the factors which cause military personnel to receive them. No doubt experience gained in the administering thereof will frequently improve such uniform system.

Mr. Speaker, while again it gives us pleasure to compliment the Defense Department on finally adopting a uniform policy as set forth in this directive, it is to be deeply regretted that it still leaves many thousands of previously discharged military personnel with less than honorable discharges as forgotten men. It is absolutely silent and void of any provision whereby military personnel who have received any type of discharge less than honorable, prior to January 14, 1959, are authorized to take any steps whatsoever to have their discharges reviewed or to make application for exemplary rehabilitation certificates, or otherwise. This directive does nothing for the 130,576 personnel who have received undesirable discharges from the uniform services since fiscal 1954; nor for the 278,000 individuals who have received undesirable discharges since 1940; nor for the 200,000 individuals who since 1940 have received bad conduct discharges or dishonorable discharges pursuant to sentence of court-martial. Therefore, Mr. Speaker, there is a total of at least 608,576 former military personnel for the benefit of whom this directive does not speak a single word. I recognize that not all—nor even the great majority—of these thousands of presently forgotten American citizens could possibly qualify for the receipt of the exemplary rehabilitation certificate. But, Mr. Speaker, I also state without equivocation that some percentage of these American citizens presently not taken into account by the Military Establishment can reasonably qualify for said exemplary rehabilitation certificate. Even if it is only 1 percent of the total numbers it means the reclaiming and rehabilitation and treating fairly of 6,085 American citizens. If it be only one-half of 1 percent of the total it still is a group of a few over 3,000 American citizens who should have a prompt and reasonable chance to clearly establish that they are no longer to be considered liabilities to themselves, their families, their communities, and the Nation, but that they have rehabilitated themselves in spite of the stigmatizing life sentence burden which they have had to carry because of the type of discharge they were originally inflicted with. No American citizen deserves to be forgotten. No American citizen is so unimportant that he deserves either injustice or to be forgotten. Certainly the fact that a young American citizen has either enlisted or been drafted into the Military Establishment and has made mistakes, even serious mistakes, therein should not stigmatize and separate him from most American privileges throughout the rest of his normal life. The issuance of this directive of January 14, 1959, still leaves statutory regulations and policy essential in the field of less than honorable discharges. By experience directives are far more subject to change—even radical change—than our statutory provisions. In this field of less than honorable discharges where humane treatment of paramount importance is involved, it is especially pertinent that statutory declarations govern.

This bill is a humane bill because it is chiefly designed to accomplish two worthy objectives. First, to remove at least a little of the stigma which definitely attaches for life to the recipient of any type of military discharge less than honorable.

And second, it is designed to aid a rehabilitated American citizen in the obtaining of decent employment for the support of himself and his family. My statement just made about the attaching of a stigmatized life sentence is borne out by the testimony and admissions of Hon. Stephen S. Jackson, Deputy Assistant Secretary of Defense for Manpower, Personnel and Reserve, during the special subcommittee hearings in June 1957. At page 2370 of those printed hearings there appears the following questions and answers:

Mr. DOYLE. May I ask a couple of questions? There is no question in your mind, then, Mr. Secretary, but that any discharge less than honorable does, as you said in your fine statement, and in your answers to questions, leave the holder or the recipient thereof with a stigmatized condition. Is that true?

Mr. JACKSON. That is correct, sir.

Mr. DOYLE. Both as to the social standing in the community, and as to ready ability to obtain dignified and commensurate employment. Would you agree with me?

Mr. JACKSON. Yes, sir.

Mr. DOYLE. And, of course, in writing the bill which I did, after my study of a couple of years, I then learned that which you now state in agreement with me, only I then learned that there are thousands—I do not mean hundreds—I mean there are thousands, many thousands, of former members of the military who have less than honorable discharges, and who do not, therefore, have any reasonable opportunity to gain commensurate employment, and who are frowned upon in their own communities; not only they, Mr. Secretary, but I discovered their whole families were in many cases frowned upon by their neighbors because the boys, temporarily in the military services in thousands of cases, got less than an honorable discharge.

In addition to not setting up any new or different or additional boards to consider applications from any of these former military personnel for whom no adequate provision is presently made, the bill also expressly provides that the applicant must prove that he has rehabilitated himself to the satisfaction of the Board for a period of not less than 3 years. In other words, the Board has the exclusive jurisdiction and exclusive final say. Furthermore, it is optional with the Board as to whether or not they shall issue the exemplary rehabilitation certificate. In fact, there is only one place in the total bill where the mandatory word "shall" appears and that is on page 14, line 1, wherein the Board is required to take into consideration the four factors as set forth. This provision leaving the entire decision at the sole discretion of the Board is expressly included so that there can be no just or sound claim made by the military that this provision interferes with military discipline. Neither this provision nor in any other place in the bill is there any provision which may be justly claimed by the military to be interference with their military discipline. The committee has no intention of there being any such interference. It recognizes that military discipline is an essential element within a military establishment. But, it still must be reasonable and humane. The bill expressly provides that no benefit shall accrue to any recipient of an exemplary rehabilitation certificate unless he would be entitled to those benefits under his original discharge or dismissal. The bill, at page 15, line 25, expressly provides:

No benefits under any laws of the United States (including those relating to pensions, compensation, hospitalization, military pay and allowances, education, loan guarantees, retired pay, or other benefits based on military service) accrue to any person to whom an exemplary rehabilitation certificate is issued under subsection (g) unless he would be entitled to those benefits under his original discharge or dismissal. Except as otherwise provided in this section or section 1553 of this title, no exemplary rehabilitation certificate may be issued except under subsection (g), and after a specific finding by the board that it is issued under that subsection.

The bill provides that applications may be made at any time but not before 3 years after discharge or dismissal and there is no time limit within which an application must be made. The bill requires a report to Congress by January 15 each year as to the number of exemplary rehabilitation certificates issued. And, at page 15, beginning at line 9, there is set forth the methods of proof of rehabilitation by applicant, both oral or written, both of which may be used, including the following:

(h) Applications and reapplications for correction of records under subsection (g) may be filed at any time, but not before 3 years after that discharge or dismissal.

(i) For the purposes of subsection (g), oral or written evidence, or both, may be used, including:

(1) a notarized statement from the chief law enforcement officer of the town, city, or county in which the applicant resides, attesting to his general reputation so far as police and court records are concerned;

(2) a notarized statement from his employer, if employed, attesting to his general reputation and employment record;

(3) notarized statements from not less than five persons, attesting that they have personally known him for at least 3 years as a person of good reputation and exemplary conduct, and the extent of personal contact they have had with him; and

(4) such independent investigation as the board may make.

The one place in the bill where the mandatory word "shall" is used is found

in the following, beginning at line 21, page 13 of the bill:

(B) by adding the following new sentence at the end of subsection (a): "When it considers the case of any person discharged or dismissed, before or after the enactment of this sentence, from a armed force under conditions other than honorable, the board shall take into consideration the reasons for the type of that discharge or dismissal, including—

"(1) the conditions prevailing at the time of the incident, statement, attitude, or act which led to that discharge or dismissal;

"(2) the age of the person at the time of the incident, statement, attitude, or act which led to that discharge or dismissal;

"(3) the normal punishment that might have been adjudged had that incident, statement, attitude, or act occurred or been made in civilian life; and

"(4) the moral turpitude, if any, involved in the incident, statement, attitude, or act which led to that discharge or dismissal."

With reference to the objection by the Department of Defense to H.R. 88, and companion bills, on the grounds that the military does not want to have any obligation or responsibility to investigate the civilian conduct of any former military personnel who have received less than honorable discharges in connection with an application to receive an exemplary rehabilitation certificate at the hands of the military board, I suggest that this opposition is without foundation or sound reasoning for the reason that the Department of Defense itself did, on August 7, 1957, through the Office of the Assistant Secretary of Defense, signed by Stephen S. Jackson, Deputy, issued a directive on the subject of "Reenlistment of persons discharged under less than honorable conditions." I herewith set forth the exact language of said directive of August 7, 1957:

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., August 7, 1957.

MANPOWER, PERSONNEL, AND RESERVE

Memorandum for Assistant Secretary of the Army (MP&RF), Assistant Secretary of the Navy (P&RF), Assistant Secretary of the Air Force (MP&RF).

Subject: Reenlistment of persons discharged under less than honorable conditions.

Persons discharged or dismissed under less than honorable conditions who demonstrate exemplary civilian behavior for a minimum period of 2 years subsequent to separation may, under appropriate conditions, be granted an opportunity to reenlist in order to permit them to earn honorable discharge by performance of further military duty of a character which warrants such higher recognition.

3. In determining the acceptability of such an applicant for reenlistment the following, among other factors should be carefully evaluated:

(a) Nature, seriousness, and circumstances surrounding the offense(s) or conduct for which previously discharged.

(b) Age and military experience at the time of commission of offense(s).

(c) Civilian background, education, employment record, and general reputation in the community before and after military service.

The entitlement of an applicant to reenlist under these conditions is subject to the discretion of the individual service secretaries, dependent upon the needs of their services. It is not to be construed as establishing a priority for the enlistment of this group in preference to other reenlistees or nonprior service personnel.

This procedure was previously agreed to by members of the armed services in coordinated consultation.

It is requested that your implementing directives be forwarded to this office.

STEPHEN S. JACKSON,
Deputy.

You will note in paragraph 1 thereof that the following language is set forth:

Persons discharged or dismissed under less than honorable conditions who demonstrate exemplary civilian behavior for a minimum period of 2 years subsequent to separation may, under appropriate conditions, be granted an opportunity to reenlist in order to permit them to earn honorable discharge by performance of further military duty of a character which warrants such higher recognition.

Mr. Speaker, manifestly this directive by the military itself, gave opportunity and procedures for civilians who have been separated from the military service to demonstrate their exemplary civilian behavior to the military in order to be reconsidered for reenlistment. How can the military now soundly raise objection to being required to look into the civilian conduct of a former military offender when in paragraph (c) of this directive of August 7, 1957, the directive expressly states that one of the factors which should be carefully evaluated in an application for reenlistment was as follows:

Civilian background, education, employment record, and general reputation in the community before and after military service.

Mr. Speaker, you will note that it expressly provided for an evaluation of the applicant in civilian background after military service was terminated as well as before in the community. This certainly is comparable, in fact, almost identical with the like factor in H.R. 88, and companion bills. It is significant, Mr. Speaker, that this directive, dated August 7, 1957, was issued 2 days after H.R. 8772 passed the House by a vote of 226 to 8. And the committee is pleased to call your further attention to the paragraph in the directive which says:

This procedure was previously agreed to by members of the armed services in coordinated consultation.

There was also coordinated consultation between the Special Subcommittee of the Armed Services Committee and the distinguished Deputy Assistant Secretary of Defense and was a very pleasant and profitable consultation and conference; and the three factors (a), (b), and (c) in the directive are almost exactly factors which were set out in the text of H.R. 8772.

So, Mr. Speaker, the objection by the military to H.R. 88, in that the military could not make an individual investigation of the civilian conduct of an application for said exemplary rehabilitation certificate, as specified in H.R. 88, falls flat on account of its own lack of any weight whatsoever. It is certainly inconsistent for them to now object to H.R. 88 on said grounds, when almost 2 years ago they issued their own directive specifying that a person discharged under less than honorable conditions could demonstrate post service exemplary civilian behavior to the military and also that the acceptability of an application for reenlistment under that directive should include the civilian background, education, employment record, and general reputation in the community before and after military service.

Mr. Speaker, by reason of the text of the Department of the Air Force objections to this bill dated April 20, 1959, and which objections are printed verbatim in the committee report, there is found further justification for this legislation. For, at the top of page 16 of our committee report, after calling attention to the new directive of January 14, 1959, the Department of Defense says:

Accordingly, it is believed that much of the justification for additional legislation in this area has been obviated.

Any way you read this statement, Mr. Speaker, it is crystal clear that there was justification for this legislation and furthermore, that there still remains justification for additional legislation in this area.

As to the suggestion of the Department on page 17 of the committee report that the Department would have no objection to this exemplary rehabilitation certificate being issued by some local civilian agency whose primary interest is in the sociological and welfare aspects of the civilian community instead of by the military which issued to the recipient of the less than honorable discharge for conduct occurring while in the military, it is crystal clear that such certificate issuing from a local civilian agency would have absolutely no value toward the removal of the life sentence or stigma, nor toward him obtaining decent employment. No, these forgotten men are either justly and soundly entitled to a document from the Military Establishment which discharged them, or from no source whatsoever. If the Department of Defense is not interested in the sociological and welfare aspects of its former military personnel, why is it continuing, at the cost of many thousands of dollars, the Amarillo rehabilitation plan at Amarillo, Tex.; or why would it issue the directive of August 7, 1957, giving opportunity to former military personnel who demonstrate exemplary civilian behavior for a minimum of 2 years subsequent to military separation an opportunity to reenlist based upon exemplary civilian conduct in the community? I would respectfully suggest that our Military Establishment is already admittedly spending hundreds of thousands of dollars annually for rehabilitation at Amarillo, Tex., and elsewhere largely based upon sociological and welfare aspects of the individual, and the civilian community from which he seeks reenlistment. That rehabilitation effort is commendable. But it is respectfully observed that the military should likewise be interested in the sociological and welfare rehabilitation of any and all of its previous military personnel in the civilian community. For it is from there that the Military Establishment personnel is drawn. It is believed that the military department does have investigative facilities and has

proven competency to evaluate civilian rehabilitation of former military personnel. It is already exercising this facility and competency.

Following is statistical and factual information furnished me by the Department of Defense during the years 1957, 1958, and 1959 to date, beginning in 1957. I found it of great benefit to be able to make a study of this problem over a period of about 2 years before daring to suggest the text of the first bill on the subject which was H.R. 1108, filed January 3, 1957. In connection with that study I received statistical and other factual information which I herewith present so that the committee may have the fullest possible information in the premises for its consideration. Some of the information came to me in answer to specific questions asked by me:

TABLE 1.—*Enlisted discharges by type of discharge*

Type of discharge	Fiscal year 1957					Fiscal year 1958				
	DOD total	Army	Navy	Air Force	Marine Corps	DOD total	Army	Navy	Air Force	Marine Corps
Total	679,202	319,197	153,912	130,629	75,464	738,691	350,031	192,398	138,789	57,473
Honorable	607,683	292,984	142,329	108,887	63,483	662,028	321,690	178,414	115,130	46,794
General (honorable conditions)	32,103	6,593	5,431	11,347	8,732	35,225	7,814	6,901	12,664	7,846
Undesirable	27,786	15,228	3,882	7,214	1,462	31,448	17,514	4,259	8,300	1,375
Bad conduct	7,983	1,681	2,220	2,470	1,612	7,767	1,321	2,784	2,267	1,395
Dishonorable	3,647	2,711	50	711	175	2,223	1,692	40	428	63

TABLE 2.—*1,000-man sample data—Fiscal year 1958*

UNDESIRABLE AND BAD CONDUCT DISCHARGES

	DOD total	Army	Navy	Air Force	Marine Corps
Total	1,000	400	200	300	100
Undesirable	818	395	124	250	49
Unfitness	(353)	(116)	(81)	(131)	(25)
Misconduct	(465)	(279)	(43)	(119)	(24)
Bad conduct	182	5	76	50	51

REASONS FOR UNDESIRABLE DISCHARGES

	DOD total	Army	Navy	Air Force	Marine Corps		DOD total	Army	Navy	Air Force	Marine Corps
Total	818	395	124	250	49	Antisocial/amoral trend	41	17	-------	21	3
						Drug addiction	1	1	-------	-------	-------
Homosexual	59	12	40	-------	7	Drunkenness, intemperate use of alcohol	42	5	-------	37	-------
Fraudulent enlistment	33	20	5	6	2	Bad checks, indebtedness, etc	17	-------	-------	17	-------
Civil court conviction (including J.D.)	143	26	38	59	20	Other undesirable habits and traits of character, or combinations of behavior rendering individual undesirable for military service	284	272	-------	10	2
Repeated offenders	144	31	41	59	13						
Desertion—a. w. o. l., trial waived	3	1	-------	-------	2						
Unclean habits (including repeated V.D.)	23	4	-------	19	-------						
Habitual shirker	28	6	-------	22	-------						

AGE AND LENGTH OF SERVICE

	DOD total	Army	Navy	Air Force	Marine Corps
Average age at discharge	22.6	24.0	21.4	21.5	23.0
Average age at enlistment	19.4	21.1	17.9	18.4	19.0
Average length of service (years)	3.2	2.9	3.5	3.1	3.8

TABLE 3.—*Actions by discharge review boards*

	Fiscal year 1957				Fiscal year 1958				Cumulative to June 30, 1958			
	DOD total	Army	Navy [1]	Air Force	DOD total	Army	Navy [1]	Air Force	DOD total	Army [2]	Navy [1 3]	Air Force [4]
Number of discharges reviewed	7,612	3,220	1,986	2,406	9,104	4,415	1,899	2,790	124,144	60,775	43,836	19,533
Number of discharges changed	1,162	749	226	187	1,610	1,022	272	316	21,816	10,285	9,612	1,919
Number of less-than-honorable changed to honorable conditions or better	886	653	142	91	1,214	939	182	93	14,318	9,381	3,838	1,099

[1] Includes Marine Corps
[2] Cumulative from Oct. 11, 1944 (date board established).
[3] Cumulative from July 22, 1944 (date board established).
[4] Cumulative from June 14, 1948 (date board established).

TABLE 4.—*Actions by boards for the correction of military records*

	Fiscal year 1957				Fiscal year 1958				Cumulative to June 30, 1958			
	DOD total	Army	Navy [1]	Air Force	DOD total	Army	Navy [1]	Air Force	DOD total	Army [2]	Navy [1 3]	Air Force [4]
Number of discharges reviewed	1,517	729	343	445	1,449	731	331	387	18,976	10,031	6,641	2,304
Number of discharges changed	102	32	44	26	82	16	28	38	1,843	818	856	169
Number of less-than-honorable changed to honorable conditions or better	74	17	38	19	55	11	25	19	1,061	195	741	125

[1] Includes Marine Corps.
[2] Cumulative from June 15, 1947 (date board established).
[3] Cumulative from Feb. 24, 1947 (date board established).
[4] Cumulative from June 1, 1950 (date board established).

TABLE 5.—*Applications for reenlistment from persons discharged under less-than-honorable conditions*

	Apr. 1 to June 30, 1958					July 1 to Oct. 31, 1958					Cumulative, September 1957 to Oct. 31, 1958				
	Total [1]	Army	Navy	Air Force	Marine Corps	Total [1]	Army	Navy	Air Force	Marine Corps	Total [1]	Army	Navy	Air Force	Marine Corps
Applications for reenlistment	108	14	15	79	(2)	172	30	21	121	(2)	553	71	69	413	(2)
Previous discharge:															
Undesirable	90	10	7	73		126	24	11	91		418	53	38	327	
Bad conduct	9		7	2		41	4	10	27		115	6	30	79	
Dishonorable	9	4	1	4		5	2		3		20	12	1	7	
Approved for reenlistment	8	5	3		(2)	21	19	1	1	(2)	57	34	15	8	(2)
Previous discharge:															
Undesirable	6	5	1			19	17	1	1		45	28	9	8	
Bad conduct	2		2			2	2				10	4	6		
Dishonorable											2	2			

[1] Total for Army, Navy, and Air Force.

[2] Data not compiled by the Marine Corps.

Age and length of service and separation

	July 1, 1958, to Oct. 31, 1958				
	Total [1]	Army	Navy	Air Force	Marine Corps
Average age of applicants at time of discharge	22.5	25.5	21.0	22.0	(2)
Average length of active duty prior to discharge (years)	3.4	3.6	2.8	3.5	(2)
Average time elapsed between discharge and application to reenlist (years)	3.8	3.7	4.8	3.6	(2)

Reasons for disapproval (one or more applicable):
- Conviction of felony
- Psychiatric conditions
- Alcoholism
- Poor military record
- Offense involving moral turpitude, sex perversion, alcoholism
- Lack of evidence of past-service rehabilitation or exemplary behavior
- Repeated military offenses and many opportunities for rehabilitation
- Unstable past-service employment record

[1] Total for Army, Navy, and Air Force.
[2] Data not compiled by the Marine Corps.

Applications for reenlistment from persons discharged under less-than-honorable conditions, Nov. 1, 1958, to Mar. 31, 1959

	Total [1]	Army	Navy	Air Force	Marine Corps		Total [1]	Army	Navy	Air Force	Marine Corps
Applications for reenlistment	206	42	21	143	(2)	Approved for reenlistment	38	25	1	12	
Previous discharge:						Previous discharge:					
Undesirable	163	36	13	114		Undesirable	32	21	0	11	
Bad conduct	35	1	8	26		Bad conduct	3	1	1	1	
Dishonorable	8	5	0	3		Dishonorable	3	3	0	0	

[1] Total for Army, Navy, and Air Force.
[2] Data not compiled by Marine Corps in comparable format. Total applications for reenlistment reported in calendar year 1958, 155; number accepted, 28.

DEPARTMENT OF THE NAVY (NAVY)

4. Question: Using layman's language, please give me the basis of each type of discharge or separation issued in 1945 and each type of discharge or separation issued under present regulations. Give the number of each type of discharge or separation issued in 1945, and the number of each type of discharge used under present existing regulations.

Answer: (a) The following types of discharges or separations were in effect for the Department of the Navy in fiscal year 1945:

Type	Criterion	Number issued
Honorable	Fidelity, obedience, and excellent service.	
Under honorable conditions.	Satisfactory conduct and performance of duty but not sufficiently deserving or meritorious to warrant honorable discharge.	[1] 177,542
Undesirable	Unfitness, desertion without trial, trial and conviction by civil authorities, or fraudulent enlistment.	4,570 [3]
Bad conduct	Approved sentence of general or summary court-martial. Appropriate for offenses which warranted separation as part of punishment but which were not of sufficiently grave nature to warrant dishonorable discharge.	8,619
Dishonorable	Approved sentence of general court-martial. Appropriate for serious offenses warranting dishonorable separation as part of punishment.	283

[1] Total honorable and under honorable conditions discharges issued. Statistical information for fiscal year 1945 does not include separate figures.

DEPARTMENT OF THE ARMY

4. Question: Using layman's language, please give me the basis of each type of discharge or separation issued in 1945 and each type of discharge or separation issued under present regulations. Give the number of each type of discharge or separation issued in 1945, and the number of each type of discharge used under present existing regulations.

Answer: (a) The following types of discharges or separations were in effect for the Department of the Army (including Air Force) in fiscal year 1945:

Type	Criterion	Number issued
Honorable	Honest and faithful service.	567,814
Discharge (blue)	Administrative discharge without characterization of service awarded	15,085
Discharge—Continued	through board action for reasons of unfitness, undesirableness, etc.	
Dishonorable	Approved sentence of a general court-martial for serious offenses warranting dishonorable separation as a part of punishment.	9,634

(b) The following types of discharges or separations were in effect for the Department of the Army in fiscal year 1955:

Type	Criterion	Number issued
Honorable	Honest and faithful service.	619,194
General	Satisfactory conduct and performance of duty but not sufficiently deserving or meritorious to warrant an honorable discharge.	18,684
Undesirable	Issued pursuant to board action for such reasons as unfitness, misconduct, disloyalty or homosexuality.	14,566
Bad conduct	Approved sentence of a general court-martial for offenses which warrant separation as part of punishment but which were not of a sufficiently	965

See footnote at end of table.

Type	Criterion	Number issued
Bad conduct—Continued	grave nature to warrant a dishonorable discharge.	

DEPARTMENT OF THE AIR FORCE

4. Question: Using laymen's language, please give me the basis of each type of discharge or separation issued in 1945 and each type of discharge or separation issued under present regulations. Give the number of each type of discharge or separation issued in 1945, and the number of each type of discharge used under present existing regulations.

Answer: (a) The following types of discharges or separations were in effect for the Department of the Air Force in fiscal year 1955:

Type	Criterion	Number issued
Honorable	Honest and faithful service.	175,400
General	Satisfactory conduct and performance of duty but not sufficiently deserving or meritorious to warrant an honorable discharge.	7,200
Undesirable	Issued by administrative action under conditions other than honorable, i.e., unfitness, misconduct or disloyalty.	6,200
Bad conduct	Issued pursuant to the sentence of a general or special court-martial as prescribed in the Manual for Courts-Martial, United States 1951. It is a discharge under conditions other than honorable. Bad-conduct discharges are appropriate for offenses that warrant separation as included punishment but are not of a sufficiently grave nature to warrant dishonorable discharge.	2,400
Dishonorable	Issued only by approved sentences of general courts-martial and appropriate for serious offenses warranting dishonorable separation as included punishment.	1,000

(b) Appropriate information for fiscal year 1945 is reflected in paragraph 4a, Department of the Army, page 4–1. The Air Force was included in the Army at that period of time.

DEPARTMENT OF THE NAVY (MARINE CORPS)

4. Question: Using laymen's language, please give me the basis of each type discharge or separation issued in 1945 and each type of discharge or separation issued under present regulations. Give the number of each type of discharge or separation issued in 1945, and the number of each type of discharge used under present existing regulations.

Answer: (a) The types of discharges utilized by the Marine Corps in fiscal years 1945 and 1955 are the same, with the single exception noted in the answer to question 3. However, statistical data pertaining to the number of the various types of discharges issued is not available prior to fiscal year 1949.

(b) The following types of discharges or separations were in effect for the Marine Corps in fiscal years 1949 and 1955:

Type	Criterion	Number issued	
		Fiscal year 1949	Fiscal year 1955
Honorable	Excellent service; proficient in rating, industrious, and possessing good conduct record.	18,873	22,023
General	Satisfactory conduct and performance of duty but not sufficiently deserving or meritorious to warrant honorable discharge.	521	1,407
Undesirable	Pursuant to board action for unfitness or misconduct.	626	1,901
Bad conduct	Approved sentence of general or summary court-martial. Appropriate for offenses which warrant separation as part of punishment but which were not of sufficiently grave nature to warrant dishonorable discharge.	832	2,669
Dishonorable	Approved sentence of general court-martial. Appropriate for serious offenses warranting dishonorable separation as part of punishment.	165	127

DEPARTMENT OF REVENUE

7. Question. How many discharges have been reviewed by each of the military services by the respective Boards of Review of Discharges and Dismissals? List each type of discharge or separation given during each of the last 5 years.

Answer. (a) The total number of discharges reviewed by the separate Discharge Review Boards are as follows:

TO JUNE 30, 1955

Total discharges reviewed

Service:	
Army	49,399
Navy	33,968
Air Force	12,506

(b) For the results over the 5-year period ending June 30, 1955, see attached sheets immediately following.

DEPARTMENT OF DEFENSE

9. Question. Have any discharges been changed as prayed for by the Board for the Correction of Military Records or the Board for the Correction of Naval Records?

Answer. Yes; 561 discharges or separations have been changed during the 5-year period June 1, 1950, to June 30, 1955.

DEPARTMENT OF DEFENSE

10. Question. In considering the review of the diverse types of discharges upon the request of the dischargee, is any consideration given by the reviewers to exemplary behavior subsequent to the date of discharge on the part of the petitioner?

Answer. Generally speaking, the answer is "No." However, in those borderline cases where the Board considers that the dischargee, on the basis of his record of service alone, could have been properly and equitably discharged with a higher type discharge, the Board may be influenced in its decision to change or not to change the awarded discharge by his record since discharge.

Tabulation by service of type discharges and number issued for fiscal years 1945 and 1955:

	Army	Navy	Air Force	Marine Corps
Fiscal year 1945:				
Honorable	567,814	177,542	(1)	18,873
General	---------	---------	---------	521
Honorable conditions	---------	---------	---------	---------
Discharge (blue)	15,085	---------	---------	---------
Undesirable	---------	4,570	---------	626
Bad conduct	---------	8,619	---------	832
Dishonorable	9,634	283	---------	165
Total	592,533	191,014	---------	21,017
Fiscal year 1955:				
Honorable	619,194	173,251	175,400	22,023
General	18,684	6,675	7,200	1,407
Honorable conditions	(2)	---------	---------	---------
Discharge (blue)	(2)	---------	---------	---------
Undesirable	14,566	3,529	6,200	1,901
Bad conduct	965	3,127	2,400	2,669
Dishonorable	2,546	76	1,000	127
Total	655,955	186,658	192,200	28,127

[1] (b), pp. 4–6.
[2] Not utilized in fiscal year 1955.

Department of Defense Discharges That Have Been Changed

Discharges reviewed and action taken during period July 1, 1950–June 30, 1955

Service	Discharge cases reviewed	Dishonorable bad-conduct discharges, and dismissals changed to better type discharges or separations under honorable conditions	Undesirable discharges (blue) and resignations changed to better type discharges or separations under honorable conditions	Total discharges or separations changed	Total discharges or separations denied
Army	3,423	171	[1] 20	191	3,232
Navy	3,946	278	25	303	3,643
Air Force	773	48	19	67	706
Total	8,142	497	64	561	7,581

[1] An approximate number.

TOTAL NUMBER OF DISCHARGES REVIEWED BY THE SEPARATE DISCHARGE REVIEW BOARDS TO JUNE 30, 1955

Services:	*Total discharges reviewed*
Army	49,399
Navy	39,968
Air Force	12,506

Discharges reviewed by each of the separate discharge review boards over 5-year period ending June 30, 1955

Service	Appeals denied after review of discharge	Findings modified without change in type of discharge	Discharges changed after review from—					
			General to honorable	Blue to honorable	Undesirable to general	Bad conduct to—		
						Honorable	General	Undesirable
Army	14,646	235	447	428	1,043	5	11	
Navy	7,753	265	555	62	556	31	424	4
Marine Corps	1,725	40	145	9	85	5	23	1
Air Force	8,886	282	138	94	366	3	5	2
Total	33,010	822	1,285	593	2,050	44	463	7

TOTAL APPEALS PROCESSED BY SERVICE

Army	16,815
Navy	9,650
Marine Corps	2,033
Air Force	9,776
Total	38,274

Tabulation by type discharges of service and number issued for fiscal years 1945 and 1955

	Honorable	General	Honorable conditions	Discharge (blue)	Undesirable	Bad conduct	Dishonorable
Fiscal year 1945:							
Army	567,814			15,085			9,634
Navy	[1] 177,542		([1])		4,570	8,619	286
Air Force	([2])	([2])	([2])	([2])	([2])	([2])	([2])
Marine Corps [3]	18,873	521			626	832	165
Total	764,229	521		15,085	5,196	9,451	10,082
Fiscal year 1955:							
Army	619,194	18,684	([4])	([4])	14,566	965	2,546
Navy	173,251	6,675			3,529	3,127	76
Air Force	175,400	7,200			6,200	2,400	1,000
Marine Corps	22,023	1,407			1,901	2,669	127
Total	989,868	33,966			26,196	9,161	3,749

[1] Total "honorable" and "under honorable conditions" discharges issued. Statistical information for fiscal year 1945 does not include separate figures.
[2] The Air Force was included in the Army this period of time.
[3] The figures under fiscal year 1945 represent fiscal year 1949 as statistical data prior to 1949 not available.
[4] Not utilized by Department of the Army in fiscal year 1955.

DEPARTMENT OF THE ARMY

Army Board for Correction of Military Records Action. Discharges reviewed and action taken during the period July 1, 1950, to June 30, 1955:

Discharge cases reviewed	3,423
Dishonorable, bad-conduct discharges, and dismissals changed to better type of discharges or separations under honorable conditions	171
Undesirable discharges (blue), and resignations changed to better-type discharges or separations under honorable conditions	[1] 20
Total discharges or separations changed	191
Total discharges or separations denied	3,232

[1] An approximate figure.

DEPARTMENT OF THE NAVY

Board for Correction of Naval Records Action. Discharges reviewed and action taken during the period July 1, 1950, to June 30, 1955:

Discharge cases reviewed	3,946
Dishonorable, bad-conduct discharges, and dismissals changed to better-type discharges or separations under honorable conditions	278
Undesirable discharges and resignations changed to better-type discharges or separations under honorable conditions	25
Total discharges or separations changed	303
Total discharges or separations denied	3,643

DEPARTMENT OF THE AIR FORCE

Air Force Board for Correction of Military Records Action. Discharges reviewed and action taken during the period July 1, 1950, to June 30, 1955:

Discharge cases reviewed	773
Dishonorable, bad-conduct discharges, and dismissal changed to better-type discharges or separations under honorable conditions	48
Undesirable discharges (blue) and resignations changed to better-type discharges or separations under honorable conditions	19
Total discharges or separations changed	67
Total discharges or separations denied	706

(b) The following types of discharges or separations were in effect for the Department of the Navy in fiscal year 1955.

Type	Criterion	Number issued
Honorable	Excellent service: proficient in rating, industrious and possessing good conduct record.	173,251
General	Satisfactory conduct and performance of duty but not sufficiently deserving or meritorious to warrant honorable discharge.	6,675
Undesirable	Pursuant to Board action for unfitness or misconduct.	3,529
Bad conduct	Approved sentence of general or summary court martial. Appropriate for offenses which warrant separation as part of punishment but which were not of sufficiently grave nature to warrant dishonorable discharge.	3,127
Dishonorable	Approved sentence of general court martial. Appropriate for serious offenses warranting dishonorable separation as part of punishment.	76

Following are the dates and pages in the CONGRESSIONAL RECORD on which Congressman CLYDE DOYLE of California, made statements about H.R. 8772, which dealt with less-than-honorable discharges in the 85th Congress. H.R. 8772 passed the House by a vote of 226–8 on August 5, 1957. H.R. 1108 was the original bill introduced by Congressman DOYLE, but the number was changed to H.R. 8772 when it was reported from the Armed Services Committee:

February 18, 1957, CONGRESSIONAL RECORD, volume 103, part 1, page 129: Some information about H.R. 1108.

February 18, 1957, CONGRESSIONAL RECORD, volume 103, part 2, page 2184: Other than honorable discharges in the armed services.

March 20, 1957, CONGRESSIONAL RECORD, volume 103, part 3, page 3757: More of questions and answers from Defense Department re H.R. 1108.

April 18, 1957, CONGRESSIONAL RECORD, volume 103, part 5, page 6034: Military discharges less than honorable.

June 18, 1957, CONGRESSIONAL RECORD, volume 103, part 6, page 8270: Special subcommittee, etc., on military discharges to hold public hearings to begin Monday, June 24, and run through June 28.

June 20, 1957, CONGRESSIONAL RECORD, volume 103, part 7, page 9673: Announcements of hearings on H.R. 1108.

May 15, 1958, CONGRESSIONAL RECORD, volume 104, part 7, page 8877: Armed forces discharges.

July 17, 1958, CONGRESSIONAL RECORD, volume 104, part 10, page 13307: The status of H.R. 8772 relating to less-than-honorable discharges.

August 12, 1958, CONGRESSIONAL RECORD, volume 104, part 13, page 17119: H.R. 8772.

The Doyle bill, H.R. 88, and companion bills in this 86th Congress have been opposed by the military in this 86th Congress. Congressman DOYLE's remarks on H.R. 88 in this 86th Congress appeared in the CONGRESSIONAL RECORD on the following dates and pages:

January 9, 1959, page 366: Legislation on less-than-honorable discharges.

January 27, 1959, page 1213: Less-than-honorable discharges.

March 20, 1959, page 4825: Less-than-honorable discharges.

April 27, 1959, page 6623: Less-than-honorable discharges.

May 28, 1959, page 9358: Less-than-honorable discharge legislation.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, D.C., May 5, 1959.

Hon. CLYDE DOYLE,
House of Representatives,
Washington, D.C.

DEAR MR. DOYLE: This is to advise that I am herewith reconstituting the Subcommittee on Military Discharges for the purpose of conducting hearings on your bill, H.R. 88.

The membership will be the same as in the 85th Congress: Mr. DOYLE, chairman; Mr. HUDDLESTON; Mr. KITCHIN; Mr. BRAY; and Mr. GUBSER.

The other members of your subcommittee will be notified of this section by a copy of this letter which I will today forward to each of them.

I would suggest that as soon as circumstances will permit that you call your subcommittee together, take such action as the subcommittee may determine, and report to the full committee.

Sincerely yours,

CARL VINSON,
Chairman.

Mr. Speaker, so many of our colleagues have asked to say a word on this bill, and while I have much I could say and would like to say, I will jusk ask unanimous consent to revise and extend my remarks and include pertinent data with tables and charts and also give the other Members of the House who wish to share in the support of the legislation an opportunity to do so at this time.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DOYLE. Mr. Speaker, I yield to the distinguished majority leader.

Mr. McCORMACK. Mr. Speaker, I want to congratulate my friend the gentleman from California [Mr. DOYLE] for the very fine work he has done in connection with this bill which I think is a very meritorious one.

I have been very much interested in legislation of this type. Many years ago I introduced the first bill to establish boards to correct or review military records of discharges. This bill is another step forward. I hope some day Congress will pass a law providing that if a person has received an undesirable discharge or dishonorable discharge, and he has lived a good life for a period of, say, 10 years, and evidence completely confirms that, some means will be developed to enable the record to be changed; because an undesirable or a dishonorable discharge is a punishment that goes with a person to the grave. When we punish criminals, they may serve a year or 2 years. They serve their time. But when anyone gets an undesirable discharge or a dishonorable discharge, it follows that person through his life. Every time he files an application for employment, it is bound to develop that he has received this undesirable or dishonorable discharge. To me it has always seemed as being a punishment that follows a person to his grave. I recognize that there are some cases which may justify that, but certainly after a man has been discharged, and his case is not a particularly serious one, and he has lived a good life for at least 10 or 15 years, consideration ought to be given in connection with a change of an undesirable or dishonorable discharge.

Mr. DOYLE. Mr. Speaker, I thank the gentleman. I know the record shows that our distinguished majority leader has pioneered in the principles involved in this legislation for many, many years.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. DOYLE. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Mr. Speaker, I want to take this opportunity to congratulate the gentleman from California on bringing this fine piece of legislation to the House. I know how hard he has worked on this measure, and I am sure we can all vote for it with confidence.

Mr. BRAY. Mr. Speaker, I rise in support of this legislation. I have been the ranking minority member of this subcommittee. I am not going into a great deal of detail in my remarks because the gentleman from California [Mr. DOYLE] has already covered the matter rather thoroughly. I do however want to remind the House that this same bill came up last year and on a rollcall vote there were only 6 votes against it. Those who voted against it wanted a stronger bill. I assure you, Mr. Speaker, if it were possible to have a stronger bill, I would support it. The other body took no action last year, so we are trying to pass a bill this year early enough so that action may be taken by the other body so that this bill become law.

One of the great injustices in the service has been the bad discharges that have been made. The record of courts-martial has been going down, yet this procedure of bad discharges without courts-martial is much more dangerous, because there is no real protection of the individual such as he would have in a court-martial. This type of discharge that is bad conduct and undesirable discharges without a court-martial has been going up in numbers.

I do believe that our action last year had one salutary effect. Even if we did not get the bill passed into law, I believe as a result of our action the Department of Defense did work out a uniform procedure for administrative discharges. That is contained in the report on this bill beginning at page 5. I should like to refer, however, to page 9, VIII paragraph D, which among other things says that an individual who is subject to an undesirable discharge will be given an opportunity to request, or to waive in writing the privilege of being represented by counsel who, if reasonably available, should be a lawyer.

This is a step in the right direction but not a very good step. The Department of Defense certainly has been derelict in its duty in not even giving a man who is coming up for a bad discharge a real hearing, or the opportunity of being represented by a lawyer, unless a lawyer is easily available.

Mr. Speaker, this legislation, frankly, does not go as far as many of us would like it to go. But it is a step in the right direction. I believe it calls attention to a very grave injustice that is being done to the serviceman.

There is also a subcommittee of the Committee on Armed Services that is studying the Uniform Code of Miliitary Justice and we are going to try to bring before the House, before this session is over, legislation that does provide better protection for the serviceman, to keep the errors of the past from creeping into the future.

I am very much in favor of this bill. I have enjoyed working the last 2 years with the gentleman from California [Mr. DOYLE] in reporting this legislation.

Mr. WESTLAND. Mr. Speaker, will the gentleman yield?

Mr. BRAY. I yield to the gentleman from Washington.

Mr. WESTLAND. Mr. Speaker, I rise in support of the bill H.R. 88.

The military services are making progress in their efforts to rehabilitate servicemen involved in misconduct cases, but these efforts do not help thousands of individuals who must go through life with a discharge less than honorable regardless of an exemplary life after separation.

The reason is the Legislative Reorganization Act of 1946 and the Servicemen's Readjustment Act do not authorize such consideration, and such rehabilitation in civilian life is not recognized as legal or appropriate grounds by the military boards for correction of discharge or dismissals.

I know of cases in my own district of Washington State where immature youths were exposed to a new way of life to which they could not adjust. I do not excuse them for their conduct, but there should be some method whereby those who have successfully rehabilitated themselves in civilian life could receive recognition. I believe the legislation before this body today would serve this purpose.

During the 85th Congress, I introduced H.R. 5152. A special subcommittee of the House Committee on Armed Services held public hearings on the subject of less than honorable discharges in connection with H.R. 8772, an identical bill. This legislation later passed the House by an overwhelming vote of 226 to 8. Unfortunately, time ran out and the Congress adjourned before the Senate could act.

On February 11, 1959, I introduced H.R. 4417, a bill identical to the legislation we are considering here. I believe this legislation is an improvement on that which passed the House during the 85th Congress. The legislation provides for an exemplary rehabilitation certificate instead of the proposed general discharge—limited, provided for in H.R. 5152 and H.R. 8772.

The effect of the proposed legislation is that persons who received discharges other than honorable will have the opportunity to submit and have considered, evidence of exemplary postservice conduct for a period of 3 years after separation. This evidence, when taken into consideration with all other factors surrounding the original discharge will determine if the applicant is entitled to the certificate. Such a certificate, it is hoped, will assist them in their readjustment.

Again, let me say I do not excuse their conduct, but I certainly would recommend recognition of favorable postservice records. The certificate proposed here is an answer to the difficult situation these people find themselves in They have failed in one instance, but have proven themselves in another. Surely, they should receive credit for the good in the same way they were discredited for the bad.

Mr. Speaker, I urge the passage of H.R. 88.

Mr. BALDWIN. Mr. Speaker, will the gentleman yield?

Mr. DOYLE. I yield to the gentleman from California.

Mr. BALDWIN. Mr. Speaker, I should like to congratulate the gentleman from California [Mr. DOYLE] for his persever-

ance in carrying this bill through. I think all of us have had experience with cases of young men who have been discharged from the Armed Forces, who have come to our office, perhaps with a wife, perhaps with one or two small children, and who have pointed out to us the difficulty of getting any type of job. That opportunity has been ruined because they have received an undesirable or dishonorable discharge.

It is true that many people, when they are 17, 18 or 19, will make a mistake. But when these mistakes are made part of their record when they are discharged, anyone who has responsibility for employment seems to think that, whatever the mistake was, it should be carried with that person the rest of his life.

Therefore, they are penalized for the rest of their lives. It is unfair to them. Many of them do rehabilitate themselves and it is unfair to their wives and, certainly, unfair to their children. I think this is a very fine measure, and I want to congratulate the gentleman from California who has taken the initiative in bringing this to the floor of the House.

Mr. FULTON. I would like to join with the gentleman in complimenting the gentleman from California because he has been persistent and patient and has worked out a good bill, which I think the House should accept. I feel this is giving the servicemen another chance when they have made good in private life, and we, in the Congress, should always give a fellow another chance even if he does make a mistake or two.

Mr. SANTANGELO. Mr. Speaker, will the gentleman yield?

Mr. DOYLE. I yield.

Mr. SANTANGELO. Mr. Speaker, I commend the gentleman from California [Mr. DOYLE]. He has performed yeoman work on this very important legislation known as H.R. 88. No bill, in my opinion, has a greater humanitarian appeal or greater rehabilitation opportunities. I was proud to join my colleague in cosponsoring a similar bill, known as H.R. 3201.

Under present practices, a boy who receives less than an honorable discharge is a marked man. He has a stigma which exemplary conduct can never erase. He has no hope; he has no chance for absolution. Humanity, sympathy, and justice demand that we give our youths a chance to redeem themselves, to rehabilitate themselves by exemplary conduct after discharge.

I have received 23 requests for help. One of these requests came from a boy who served 11 years in the Armed Forces, had two honorable discharges, and reenlisted for a third time. Because he was AWOL for several days, he received a less-than-honorable discharge and a black mark against his record. All the good that he had accomplished, all the years of meritorious service, were of no avail.

History teaches that during wartime, some boys go AWOL, and subsequently prove themselves good fighters in combat. One of my old friends, who was AWOL on several occasions and punished by military demotions, proved himself to be a hero in combat. Notwithstanding these peccadilloes, which in peacetime might earn a discharge less than honorable, my friend by his gallantry won two Silver Stars and our country's greatest honor, the Congressional Medal of Honor. I support this bill wholeheartedly.

Briefly, the principal purpose of this bill is to authorize Military and Naval Review Boards, including the Coast Guard, to issue exemplary rehabilitation certificates to deserving individuals who heretofore or hereafter are discharged or dismissed from any of the Armed Forces under conditions other than honorable.

I am sure that many of the honorable Members of this House recall the difficulty of adjusting from civilian to military life in a few short weeks. While some individuals make the transition easily, the rigors of basic training and strict military discipline cause others to fall by the wayside. Sometimes, through no fault of their own, or by the accident of fate—being in the wrong place at the wrong time—they are precipitated into trouble and wind up with a session in the guardhouse and a dishonorable discharge.

It is well known that a dishonorable discharge or a discharge other than honorable will haunt a person the rest of his life. In addition to barring Federal benefits, it adversely affects the individual's employment opportunities and other civil rights, such as the right of suffrage.

Since many of the individuals who receive discharges other than honorable from the armed services do not enter service voluntarily but are drafted, it seems only fair that the Government should, in some small way, recognize and assist the individual who since his discharge has attempted to make good in the community and who has, since leaving military service, maintained a good reputation and conducted himself in an exemplary manner.

Such is the purpose of H.R. 3201. While an exemplary rehabilitation certificate would not entitle the individual to any benefits under any laws of the United States except those to which he was entitled under his original discharge or dismissal, and would not have any cash surrender value in the world markets, it would serve as a talisman and provide visible evidence to its possessor that he was entitled to a fair break in the competition and fight for existence.

Specifically, the bill would amend section 1552 of title 10, United States Code, and section 693h of title 38, United States Code, to authorize the issuance of such certificates to deserving individuals. To establish eligibility for a certificate the individual could present to the Board oral or written evidence, or both, including, but not limited to:

(1) A notarized statement from the chief law enforcement officer of the city, town, or county in which the individual resides attesting to the individual's general reputation insofar as police and court records are concerned.

(2) A notarized statement from the individual's employer, if employed, attesting to the individual's general reputation and employment record.

(3) Notarized statements from not less than five persons, attesting to the fact that they have personally known the individual for not less than 3 years as a person of good reputation and exemplary conduct, and further attesting to the actual extent of personal contact with the individual concerned.

If appropriate, the review boards could conduct independent investigations to determine if the individual has rehabilitated himself, that his character is good, and that his conduct, activities, and habits since his original discharge have been exemplary for a reasonable period of time, and in any event for not less than 3 years.

In addition the bill would require the review boards in the armed services and the Coast Guard to take into consideration in each case the reasons for the type of the original discharge or dismissal, including, but not limited to:

(i) The conditions that prevailed at the time of the incident, statement, attitude, or act which led to the original discharge or dismissal;

(ii) The age of the individual at the time of the incident, statement, attitude, or act which led to the original discharge or dismissal;

(iii) The normal punishment that might have been adjudged had the act or incident been committed in civilian life; and

(iv) The moral turpitude, if any, involved in the incident, statement, attitude, or act which led to the discharge or dismissal.

In some respects a certificate of dishonorable discharge from the armed services is as archaic as the practice of imprisonment for debt, the theory of corruption of blood, or the branding of an adulteress.

The Uniform Code of Military Justice provides for forfeiture of pay and confinement in military prisons for violation of prescribed offenses. On the theory that the individual who pays a fine or serves a sentence of confinement has paid his debt to society and is readmitted to the community on a par with others, the armed services should not further penalize the errant individual by hanging a dishonorable discharge certificate around his neck.

According to the Declaration of Independence all men are endowed by their Creator with certain unalienable rights, including the pursuit of happiness. The individual who has paid his debt to society and since lived an exemplary life for a reasonable period of time should be entitled to at least a rehabilitation certificate to help him on his way.

Mr. HUDDLESTON. Mr. Speaker, will the gentleman yield?

Mr. DOYLE. I yield.

Mr. HUDDLESTON. Mr. Speaker, as a member of the special subcommittee under the able leadership of the distinguished and very sincere gentleman from California, the Honorable CLYDE DOYLE, I would like to take just a few moments to explain why I am supporting H.R. 88, the bill which would authorize the award of an exemplary rehabilitation certificate to certain discharged service personnel.

This bill is the very least ray of hope that we can offer almost one-half million men and women of this Nation who have received discharges under less than honorable conditions from the armed services.

I do not question for one moment that many of them received the discharges which they deserved.

I do know, and I am sure that all of the Members of this House know, that mistakes have been made, and that the various boards established by law have corrected some of these mistakes.

But there are some mistakes that remain uncorrected, and there are other discharged personnel who are not the hardened criminals or undesirable citizens that their discharges otherwise indicate.

Some of these people will benefit through the enactment of H.R. 88. If only a handful benefit as a result of H.R. 88, then we have been successful in rehabilitating that number of citizens who today cannot take their rightful place in society because of the type of discharge they received from the armed services.

In this bill, we do not attempt to change the original discharge; we merely authorize the various boards to take into consideration postservice conduct, as well as the factors that led to the original discharge, if an individual wants postservice conduct taken into consideration for the purposes of obtaining an exemplary rehabilitation certificate.

I am supporting this bill because it will not adversely affect the maintenance of discipline in the armed services, but it may help some of these men and women who today carry an indelible stigma as a result of their military service, which does not necessarily reflect their true character and worth as private citizens.

GENERAL LEAVE TO EXTEND REMARKS

Mr. DOYLE. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks at this point.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. GUBSER. Mr. Speaker, as a member of the special subcommittee that considered the bill introduced by the distinguished gentleman from California [Mr. DOYLE], I want to take this opportunity to merely state my wholehearted support.

We do not change the discharge that the individual may have received as a result of his military service. Therefore, we have not affected the maintenance of discipline. Nor have we deprived the individual of his opportunity to have his discharge changed if he can justify a change before either of the two boards that are involved in the consideration of these cases. What we have said in effect is this:

If you have a discharge under less than honorable conditions and feel that an exemplary rehabilitation certificate may be of some assistance to you in explaining your military record and your military discharge, here is an opportunity to seek such a certificate. We will give you an opportunity to present to the Board 3 years after your discharge evidence of exemplary postservice conduct which, when considered with the factors leading to your original discharge, may justify the award of such a certificate.

Mr. Speaker, we are hoping that this bill will be enacted and that some of the people who now have undesirable, bad conduct, or dishonorable discharges may be able to obtain an exemplary rehabilitation certificate which will be of assistance to them in being again accepted in their local communities as first-class citizens.

Mr. BOW. Mr. Speaker, I have joined with the gentleman from California in sponsoring this important legislation to overcome the effect of a less-than-honorable discharge which may have been issued only because of the youth, immaturity, or inexperience of an individual. I know of many cases in which youngsters were permitted to enlist in the services before they were emotionally mature enough to withstand the pressures of military life. When such young men get into trouble or fail to adjust, the less-than-honorable discharge may be a burden to them for the remainder of their lives. Fortunately, many of them do mature and do rehabilitate themselves in civilian life, and I think we need machinery such as that provided in this measure to take note of that rehabilitation.

In my original bill on this subject, I added sections providing for a similar correction of the records for those unfortunate young men who are receiving less-than-honorable discharges by reason of their conviction in a foreign court. If this bill were open to amendment today, I would offer my Status of Forces amendment. As everyone knows, our Government has entered into Status of Forces treaties or agreements with some 50 nations, giving those nations the right to try our servicemen in their courts. Conviction in a foreign court is used by the military services as reason for administrative discharge.

I have studied this subject carefully. No other country in the world offers an accused person the safeguards that are afforded by the American system of justice. Court procedures and laws differ widely in these 50 countries, but in every one of them some important constitutional right, which is his birthright as an American, is denied the serviceman who must stand trial. In addition, reports of official observers at the trials give shocking evidence that the accused American has little chance of a fair trial. Many of these convictions simply could not stand up in an American court.

Members know of my opposition to arrangements that permit foreign trials for our men. I deplore the sacrifice of their constitutional right to a fair trial. Even more serious, however, is that their rights as citizens of the United States may be denied them forever because of a conviction in a foreign court. This is what happens when the armed services issue a less than honorable discharge based upon such a conviction. It is the ultimate injustice.

The language of the amendment I would like to have offered to this bill, and which was included in my own original bill on this subject, is as follows:

In the case of any individual heretofore or hereafter discharged or dismissed from any of the Armed Forces under conditions other than honorable for the reason that the individual had been subjected to a trial and had been convicted by any court in any foreign country as a result of the North Atlantic Treaty Organization Status of Forces Agreement or other similar agreement, the appropriate board upon application shall issue to such individual a discharge or release under honorable conditions, dated as of the date it is issued by the board, if it is established to the satisfaction of the board by oral or written evidence, or both, and by such independent investigation as the board may make, that such individual was deprived in such foreign court of any of the constitutional rights he would enjoy in the United States, or any of the rights which he would have under the Uniform Code of Military Justice enacted by Congress. Applications for correction of records under this paragraph may be filed at any time. No benefits under any laws of the United States (including, but not limited to, pension, compensation, hospitalization, military pay and allowances, education, loan guaranty, retired pay and other benefits) shall be afforded any individual issued a new discharge or release under this paragraph unless he would be entitled to such benefits without regard to the action of the board.

Mr. LANE. Mr. Speaker, the records prove that the Armed Forces are sometimes harsh and unyielding in respect to those men in service who are given less-than-honorable discharges. In effect, there is no distinction made between those who were guilty of major offenses and those in minor violation of military discipline.

This lumping together does not square with our concepts of justice. Sometimes it was but an error or mistake on the part of a young man, but the military, without a court-martial and through arbitrary administrative action, return him to civilian life under a stigma that he cannot erase. This places him under a civil disability especially when he seeks employment, that haunts him forever.

This extreme punishment that admits of no relief must be moderated. Last year, the House of Representatives, by the overwhelming vote of 226 to 8, demonstrated its determination to ease this relentless code. It is our purpose that review boards shall recognize the honorable conduct of the veteran subsequent to his discharge. As a people, we have always encouraged rehabilitation, in the belief that every human being is entitled to a break, we have given those who make mistakes, an opportunity to redeem themselves.

Why should a man in the ranks who is sometimes the victim of a misunderstanding, be punished in this one-sided manner that dogs him for life? Why, even when it is plain that he did commit a misdemeanor, must he carry the burden and the stigma of a less-than-honorable discharge that tags him as a military criminal for all the years remaining to him, impairing his ability to earn a living, and shaming him in the eyes of his own children?

We are not proposing to cheapen the pride and the dignity of those who earned "Honorable Discharges" by the

complete and faithful performance of their duties while in military service.

We, on our part, do not intend to repeat the lumping together policy of the military authorities. H.R. 88 will not restore those who received less-than-honorable discharges to equality with their comrades whose conduct was above reproach. They will not be entitled to Government benefits. But they will, based on subsequent good conduct in civilian life, be relieved of the unfair discrimination that currently operates against them when they seek employment.

As more than 30 Members, including myself, have introduced bills identical with H.R. 88, it is apparent that this bill is certain to go through and deservedly so.

The award of an exemplary rehabilitation certificate to a veteran who has established, over a period of 3 years after his separation from service, a good reputation, will do much to balance the scales of justice in those worthy cases where the punishment has been excessive.

Swift and emphatic approval by the House will guarantee that H.R. 88 will become law before Congress adjourns. This is a humane bill that will restore hope and confidence to many embittered veterans who have already paid, time and time again, for minor mistakes that they made while in military service, years ago.

Mr. BERRY. Mr. Speaker, I join in urging consideration and passage of H.R. 88, as I believe it is one of the most humane bills that will come before this session of Congress.

It has been my privilege to join Congressman DOYLE in introducing like legislation, my bill being H.R. 2457. I was anxious to join in the introduction of this legislation because during my service in Congress I have found a number of young men who, because of mistakes or lack of reasoned judgment on their part, actually committed infractions which cost them a less-than-honorable discharge—a blot on their character, a serious limitation upon their ability to obtain employment, and a disgrace to their families.

Actually, all this bill does is to make it possible for a young man who served in the military forces of this Nation and who is not a criminal and never would be classed as a criminal, but who was given a less-than-honorable discharge, to prove that for not less than 3 years in civilian life he has had a good record. When the military itself under H.R. 88 is expressly left as the sole judge and sole authority to determine whether or not the applicant for the exemplary rehabilitation certificate should receive one, such a certificate shall be issued. There have been thousands of less-than-honorable discharges issued, not by court-martial, but by some military officer or group of military officers, without any judicial proceedings of any kind to sustain them.

One instance that has come to my attention is a young man who left high school and entered the Navy when he was 16 by falsifying his age. His true age was known to the officer in command because as they crossed the international date line on his 17th birthday, the crew gave him a real birthday celebration. He served well and was cited a couple of times, but because he was only a boy and inclined to be a boy when off duty, neglected on four or five occasions to return after leave and was several days late. As punishment he was given an undesirable discharge about 3 months before he was eligible for release.

After getting out of the service he has assumed the position of a man and has done a very commendable job of providing for his family and in taking part in community activities, and so forth. I assisted in an effort to have his discharge changed. Under existing law it cannot be done. His advancement in life is blighted because as a boy he acted as a boy when his officers felt he should act as a grown man.

I am convinced the normal punishment that might have been adjudged had the act or incident been committed in civil life should guide the review boards, as well as the age of the individual and the conditions that prevailed at the time, and that the board should be able to take into account postservice life as an indication of service maladjustment or service irresponsibility. Under this bill, postservice conduct indicating that the individual has rehabilitated himself, that his character is good, and that his conduct, activities, and his habits since discharge have been exemplary for a period of not less than 3 years following such discharge, may be taken into consideration.

The bill provides relief in many occasions where the veteran has clearly rehabilitated himself and has earned a pardon, so to speak, from the stigma of dishonorable, bad conduct, or undesirable, removed from his status.

He is not placed in the same status with a man with an honorable discharge, but the stigma may be removed by proof of his future good conduct. He is, in this legislation, given an opportunity, where the facts warrant, to show to society a new type of discharge which reflects not only service, but postservice, conduct.

Mr. DORN of New York. Mr. Speaker, one of the most difficult and discouraging problems I have had to try and help solve in the 7 years of my membership in the House has been that of an older constituent who has been carrying the stigma of a discharge from the armed services which was not an honorable one. This problem has come up so frequently and with no apparent possibility of a solution in favor of a man who has lived an exemplary life since his discharge, that I have been disheartened. I believe this bill now under consideration takes a step in the right direction, although I doubt if it will entirely reach its mark.

Most of the boys—now men—who have come to me with these various types of discharge were youths when they were in the service—ill equipped both mentally and physically for the rigors of discipline or for the comparative freedom found in the armed services. They came from broken homes, with little education and practically no youthful supervision. Yet most of them since their release from military duty have made honest efforts to become useful citizens. It is this type of person who needs a lift in the right direction. Certainly the provisions of this bill would give them an assist.

At the present time, the type of discharge which must be mentioned when applying for jobs, prevents them in great measure from obtaining the type of employment for which they may otherwise have fitted themselves. Normally speaking, before discharge, they have paid their debt to society—in the form of punishment dealt by the services themselves. They should not be required to continue to do so for the rest of their lives.

I hope the exemplary rehabilitation certificate provided for in this legislation will be made possible, and that it will be accepted by prospective employers and society in general in lieu of an honorable discharge. It is important for the sake of many of our citizens that the provisions of this bill be interpreted liberally and in favor of the person seeking a change in the nature of his discharge.

Mr. LIBONATI. Mr. Speaker and Members of the House, H.R. 88, which has for its purpose the provision that the Board for Correction of Military or Naval Records and Boards of Review, Discharges, and Dismissals shall give consideration to satisfactory evidence relating to good character and exemplary conduct in civilian life after discharge or dismissal in determining whether or not to correct certain discharges or dismissals.

The authority vested herein to authorize the award of an exemplary rehabilitation certificate to persons who have been discharged or dismissed from the Armed Forces under conditions other than honorable—after the Board is satisfied that the affidavits, statements, and affirmations of local law enforcement officers, employers, and citizens informed on the premises as to the good reputation and exemplary conduct of the individual—for not less than a 3-year period.

Thus the serious handicaps and injustices encountered in civilian life due to the prejudices and disqualifications in every avenue of political, professional, and economical activity—including employment—as a result of having received a less-than-honorable discharge.

The committee is to be congratulated on the foresight and understanding of high humanitarian principles based upon the truth of realities in life; and then measuring the fallacies of this youth based on inexperience in terms of the comparative adult life in manhood of the same individual.

It is an important change and will stimulate greater ambition and restore lost pride to men who, because of their youthful errors and mistakes, were relegated to the back roads and shadowed vales of life's activity, and subjected to the shame and ridicule of both members of their families and intimates. A man who in his youth suffered a mistake—proving himself a citizen of high repute in adulthood—is a finer citizen for having weathered the experience and thus certainly adds to his stature of respectability and acceptance by others. My bill, H.R. 4281, follows the same principle. A good law needs no defense—its effect proves its worth.

Mr. METCALF. Mr. Speaker, in rising to support this bill, I wish to pay tribute to the gentleman from California [Mr. DOYLE] for taking the lead in the seeking to give another chance to men and women, discharged from the armed services under conditions other than honorable for minor offenses.

If a youngster commits a misdemeanor in civilian life, he can be rehabilitated. But, as the law now reads, if he commits that same misdemeanor while in the armed services, he will never get another chance. He may be discharged under less than honorable conditions and carry that stigma with him to his grave, no matter how he conducts himself following his discharge.

Two years ago, I appeared before the subcommittee in support of a predecessor bill, which I also cosponsored. I had with me a copy of the complete file on a youngster from my district who received an undesirable discharge from the Air Force the year before.

He was found guilty of a charge of "repeatedly committing offenses."

He was accused of being late for work. He was. He was tardy for a total of 96 minutes over a period of 10 months. This can be averaged to 9 minutes and 36 seconds per month, or 2 minutes and 24 seconds per week—indicating that this was an unusually prompt outfit.

It was said that he seldom called officers "Sir," and that he seldom said "Sergeant" to sergeants.

He was accused of failure to do his work and/or laxness, and in several instances it was said that he was disrespectful. There was testimony by an officer that "on several instances this airman would come out of the barracks without his hat, or his blouse unbuttoned," that he "shrugged his shoulders" when he was reprimanded, had a "know-it-all attitude," and that he "would not want to be regimented." The airman's first sergeant testified that the boy "does not like to take orders, does not like the Air Force" and "on several occasions when I have asked him to do something, he jumps on me just as if I was a private also." The first sergeant also quoted the airman as saying, "I want to get out of this God-damned Air Force." The assistant adjutant testified that the airman "always has an argument." The personnel sergeant major said he had given the airman correspondence "where he has left out a whole sentence."

As I read over these proceedings, the airman did not take kindly to military discipline. But the Air Force knew that when he enlisted. Part of his enlistment record is a waiver of juvenile offense. According to his enlistment record, he was investigated almost 3 years prior to his enlistment, and when he was 14 years old, on a charge of disorderly conduct. The case was dismissed.

So the Air Force chose to enlist this unruly youngster. According to official records, he was disciplined only once in the 2 years he was in service. That was when he was "busted" from airman third class to airman basic following an argument with his first sergeant. On several occasions, he was counseled by his superior officers; he was reprimanded in writing on several occasions, but there is no record of any other disciplinary action.

When I was in the Army, all kinds and degrees of disciplinary action were taken to keep rowdy youngsters in line. At the very least, a troublemaker was assigned to a line outfit, and not kept around company headquarters.

As I see it, this was simply a case of a few officers and a couple of sergeants deciding they did not like the youngster, keeping a book on him, then throwing it at him. If the Air Force cannot handle one mixed-up 18-year-old American, I do not know how it expects to cope with tough, professional soldiers.

This airman has learned his lesson. Following his discharge, he wrote in part as follows:

> I regret that I have taken my military responsibilities lightly and that I failed to realize the importance of military discipline. I did not understand the seriousness of these offenses, despite repeated counseling and oral reprimands, until it was too late. I know that I was wrong. I have no excuse or justification for such action. My only regret is that I had to pay such a high price to learn this lesson.

I also have a copy of a letter he wrote his father. The boy wrote that he could not find work, presumably because of his undesirable discharge.

He has requested a change in the type of discharge. He cannot get one. He is guilty of having "repeatedly committed offenses" while he was in the Air Force. Most of these "offenses" would not even be misdemeanors in civilian life.

I do not believe this boy, and thousands of others like him, should carry the stigma of an undesirable discharge with him to his grave because he did not like to get up in the morning, because he sometimes forgot his hat or forgot to button his blouse, because he did not like to call officers "Sir" or sergeants "Sergeant." I think he rates another chance.

Mr. HOLIFIELD. Mr. Speaker, I rise in support of H.R. 88. I wish to congratulate the gentleman from California [Mr. DOYLE] for his great interest in the problem of correcting the harsh treatment by military courts in meting out dishonorable discharges to young men.

We all realize that military discipline is necessary if we are to have an efficient defense force. In the opinion of many Members of this Congress, the harsh punishment which has been imposed on boys of tender age, has gone far beyond the point of reasonable punishment. Dishonorable discharges bear a stigma which endures throughout a boy's life. Many of these dishonorable discharges have been made on the basis of breaches or violation of regulations which in civil life would constitute a crime of misdemeanor.

Granting that military discipline requires a stricter behavior and a more rigid obedience to authority than in civil life, it still seems unjust to visit on a boy impressed into service at the age of 18, 19, or 20 by the Selective Service, a punishment for a misdemeanor in civilian life, which lasts throughout his lifetime.

Today, a dishonorable discharge for petty theft, striking an officer in a sudden fit of anger, or being absent without leave can seriously jeopardize the opportunity for employment throughout a person's life.

Such harsh and unusual punishment goes far beyond the level of reasonable punishment. In my opinion this bill, H.R. 88, will provide a much needed procedure whereby review of dishonorable discharge cases can be obtained and mercy can be granted in justifiable cases.

I was glad to introduce an identical bill to H.R. 88. My bill is numbered H.R. 2543 but I want it distinctly understood that my colleague, the gentleman from California [Mr. DOYLE], deserves the full credit for origination of this bill and for his arduous months of work in bringing it to the floor for the consideration of the Members. I gladly support Mr. DOYLE's bill, H.R. 88.

Mr. BOSCH. Mr. Speaker, the bill H.R. 88, now under consideration, is identical to my bill H.R. 2462. I am firmly convinced that this is legislation meriting early enactment.

On a number of occasions I have had fine young men who are my constituents come to me asking assistance because they are unable to obtain a position or retain one because of the type of discharge received from military service. In almost every case these men deeply regret the mistake made while in service which led to the type of discharge received, they have been men of good character since discharge, and are highly respected in their local communities. I know of the difficulty they encounter in their efforts to have the discharge changed. I think it is not morally right to make these men suffer the rest of their lives for a mistake made while in military service, provided, of course, that same was not a serious crime. There should be a way for them to remove some of this stigma after they have proved good citizenship and responsibility in civilian life, after a period of 3 years. H.R. 88 provides the means of accomplishing this.

I agree with the other sponsors of this legislation that an exemplary rehabilitation certificate, if it is to accomplish what we seek, must come from the military—our purpose would not be served by having, as suggested by the Department of Defense, a local civilian agency issue such a certificate. A young man can now get a statement from a local police department that he has had no difficulty with local law enforcement agencies—it has been proved that this does not counteract the less than honorable discharge.

I urge my colleagues to support this meritorious bill.

Mr. COHELAN. Mr. Speaker, I wish to commend my senior colleague, the gentleman from California [Mr. DOYLE], for the understanding which has led to his concern with the problem of less-than-honorable military discharges and for his perserverance over the years in sponsoring legislation to permit review and correction of such discharges. His bill, H.R. 88, which is on the floor

today, has my full support. I have introduced a similar measure, H.R. 4495.

This legislation is intended to apply to the military certain procedures which have long existed in civil law, namely the review of cases to take into account rehabilitation as evidenced by good conduct. Such review and correction of the record where such is deemed justified shall be done only under the jurisdiction of the Board of Correction of Military Records.

The intent of this legislation is only to assure that punishment shall not be out of proportion to the crime. It is not intended and cannot create a loophole for those who have committed serious crimes. Instead, it will result in removal of the stigma from individuals whose record shows lesser infractions of military law, a stigma which so often creates unwarranted hardship in later years.

This is legislation which will, I know, deserve and receive the support of my colleagues in the House.

Mr. WOLF. Mr. Speaker, I have seen several cases where otherwise outstanding young men have made a single mistake and as a result have a mark on their record which could affect their lives for many years, perhaps their entire lives. The gentleman from California [Mr. DOYLE], has presented an excellent opportunity to us for democracy to dramatize true compassion to many deserving young men.

Mr. DOYLE. Mr. Speaker, in closing I wish to very cordially thank all the members of the special subcommittee of the Armed Services Committee, of which special subcommittee I had the honor of being chairman, both in the 85th Congress and this 86th Congress. They have been most helpful to the purposes of this legislation. Also, on behalf of the special subcommittee, I wish to thank Committee Counsel Russell Blandford, of the Armed Services Committee staff, for the application of his great ability and knowledge in the area of the legislation. Also I thank the considerable number of Members of the House for their continued expressions of good will and support of the objectives of this legislation, both during the 85th Congress and this 86th Congress also. Also my thanks go to the Honorable CARL VINSON, chairman of the House Armed Services Committee, and to all members of that important committee on account of their always interested consideration of this vital subject.

Mr. GAVIN. Mr. Speaker, as a member of the Armed Services Committee, I have followed with great interest the development of the bill H.R. 88 with respect to military discharges, introduced by the gentleman from California [Mr. DOYLE].

I fully support this measure because I believe that it will, if enacted, provide relief for some people who today have derogatory discharges which are not truly reflective of their character and worth as American citizens.

At this point I would also like to indicate my understanding of H.R. 88 and the necessity for its enactment.

The proposed legislation, as recommended by the committee, will make the following changes in the law with regard to the review of discharges of service personnel:

First. It will require the Boards of Review, Discharges, and Dismissals, as well as the Boards for the Correction of Military, Naval, and Air Force Records to operate under uniform procedures established by the Secretary of Defense. That uniformity does not exist today.

Second. It will require the boards to take into consideration the following factors in all cases that are being reviewed by the respective boards:

(a) The conditions that prevailed at the time the incident, statement, attitude, or act which led to the original discharge or dismissal;

(b) The age of the individual at the time of the incident, statement, attitude, or act which led to the original discharge or dismissal;

(c) The normal punishment that might have been adjudged had the act or incident been committed in civilian life;

(d) The moral turpitude, if any, involved in the incident, statement, attitude, or act which led to the discharge or dismissal.

These will be the minimum criteria for all future reviews. The boards may establish other criteria.

Third. In addition, all boards will be authorized to award an Exemplary Rehabilitation Certificate in those cases where the individual requesting a review of his discharge or dismissal introduces evidence of not less than 3 years of exemplary postservice conduct in justification of his request for a review of his discharge or dismissal. The same criteria will be applicable in these cases as in all other cases reviewed by the boards. But under the proposed legislation, the boards will be required to take into consideration, as a factor, postservice conduct indicating that the individual has rehabilitated himself, that his character is good, and that his conduct, activities, and habits since discharge have been exemplary for a period of not less than 3 years following discharge.

Fourth. The committee also recommends two additional changes in existing law dealing with the Boards of Review, Discharges, and Dismissals.

At present these boards do not have authority to review the sentences of general courts-martial since discharges issued pursuant to a general courts-martial can be reviewed by the Boards for the Correction of Military, Naval, or Air Force Records. However, an individual with a dishonorable or bad-conduct discharge issued pursuant to a general courts-martial will, under the proposed legislation, be able to submit his case to the Boards of Review, Discharges, and Dismissals in order that that Board, composed entirely of military officers, may first review the case before it is again submitted for review by the Board for the Correction of Military, Naval, or Air Force Records, which is composed entirely of civilians.

In addition, the committee has eliminated the termination date, contained in present law, for the filing of applications of review by the Boards of Review, Discharges, and Dismissals. Under present law, the review must be requested within 15 years after discharge, or 15 years after June 22, 1944, whichever is later.

More than 278,000 persons have received administrative undesirable discharges since 1940.

More than 200,000 persons have received bad conduct and dishonorable discharges since 1940.

The SPEAKER. The question is: Will the House suspend the rules and pass the bill, H.R. 88, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The title was amended so as to read: "A bill to amend chapter 79 of title 10, United States Code, to provide that certain boards established thereunder shall give consideration to satisfactory evidence relating to good character and exemplary conduct in civilian life after discharge or dismissal in determining whether or not to correct certain discharges and dismissals; to authorize the award of an exemplary rehabilitation certificate; and for other purposes."

A motion to reconsider was laid on the table.

AMENDING ATOMIC ENERGY ACT OF 1954, AS AMENDED

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1197) to amend the Atomic Energy Act of 1954, as amended.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 251 of the Atomic Energy Act of 1954, as amended, is amended by deleting the words "and July" in the first sentence thereof.

Mr. HOLIFIELD. Mr. Speaker. S. 1117 is a very simple bill. This bill has been asked for by the Atomic Energy Commission and it has been unanimously recommended by the Joint Committee on Atomic Energy. It provides that the Atomic Energy Commission can make one report to the Congress a year instead of two reports. The passage of this bill will result in saving a modest sum of money, and will provide the Congress with an adequate report on the activities of the Atomic Energy Commission. I ask for a favorable vote for the bill.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

AMENDING PUBLIC LAW 85-590 TO INCREASE AUTHORIZATION FOR APPROPRIATIONS TO ATOMIC ENERGY COMMISSION

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to take from the

Speaker's desk the bill (S. 1228) to amend Public Law 85–590 to increase the authorization for appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 101(c) of Public Law 85–590 is amended by striking therefrom the figure "$2,250,000" for project 59–c–5, phermex installation, Los Alamos, New Mexico, and by inserting in lieu thereof the figure "$3,550,000".

Mr. HOLIFIELD. Mr. Speaker, this bill was requested by the Atomic Energy Commission. It has been recommended unanimously by the Joint Committee on Atomic Energy. It passed the other body on April 27. The bill provides for an increase of $1,300,000 in certain defense installation projects at the Los Alamos Laboratory.

I yield to my colleague, the gentleman from Pennsylvania [Mr. VAN ZANDT], the ranking minority member of our committee.

Mr. VAN ZANDT. Mr. Speaker, page 2 of the committee report explains the purpose of the pending bill.

This project will provide a weapons diagnostic facility consisting of laboratory and power control buildings, phermex chamber, detection chamber and X-unit pad.

Mr. Speaker, I might say this is a highly classified project and the less we say, I think the greater the contribution we will make to the security of our country.

Mr. HOSMER. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. HOSMER. I wish to assure the House that the committee went into this very thoroughly, examined the purpose and consequences of not going forward with the project. I can, therefore, assure the House that this is a necessary and needed piece of legislation and that the amount requested is well within reason and bears direct relationship to the amount required.

Mr. HOLIFIELD. I thank the gentleman from California and move the previous question.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider and a similar House bill were laid on the table.

LEGAL DEFENSE OF MEMBERS, FORMER MEMBERS, AND EMPLOYEES OF THE COMMITTEE ON UN-AMERICAN ACTIVITIES

Mr. WALTER. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Resolution 28.

The Clerk read the resolution, as follows:

Resolved, That effective from January 3, 1957, the provisions of H. Res. 190, Eighty-third Congress, agreed to March 26, 1953, and H. Res. 386, Eighty-third Congress, agreed to August 1, 1953, are continued in effect.

With the following committee amendment:

Page 1, line 1, after "3," strike out "1957" and insert in lieu thereof "1959,".

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. GROSS. Mr. Speaker, reserving the right to object, and I shall not, may we have a brief explanation of the bill?

Mr. WALTER. Mr. Speaker, House Resolution 28 would continue the authority granted by House Resolutions 190 and 386 of the 83d Congress, agreed to on March 26, 1953, and August 1, 1953. That authority has been renewed by resolutions adopted in the 84th and 85th Congresses. Specifically, authority is conferred upon the Judiciary Committee of the House of Representatives to arrange for the legal defense of members, former members, and employees of the Committee on Un-American Activities of the House of Representatives.

Since 1953, several lawsuits have been filed against members, former members, and employees of the Un-American Activities Committee. These suits have arisen from the actions of members, former members, and employees of the Un-American Activities Committee while in the performance of their official duties.

In the past in the case of Wilson et al. against Loew's, Inc., et al., while a verdict for the defendant was obtained, litigation carried over several years and eventually went to the Supreme Court of the United States. Last fall a series of lawsuits was instituted in California against one William Wheeler, an investigator for the House Un-American Activities Committee. Subsequently, suits were filed against Messrs. MOULDER, TUCK, JOHANSEN, and WALTER, members of the committee, by various individuals.

In each of these cases the law firm of Wright, Wright, Goldwater, and Wright was retained by the Committee on the Judiciary to represent the defendants. To date, all of these suits with the exception of one have been dismissed. However, one case is now pending on appeal in the ninth judicial circuit and it is expected that an appeal will be taken in the other cases that have been dismissed. The law firm retained has submitted a bill for services rendered in the Wheeldin et al. against Wheeler et al. case for $387.57 for 15½ hours' work. In the case of Burton against Wheeler, the same law firm has submitted a bill for $1,662.50 for 66½ hours' work. In the Burton against Walter and Sloat against Walter cases the law firm has submitted a bill for $306.26 for 12¼ hours work.

The total bill for legal services rendered to date is $1,968.75. In order that these fees may be paid it is necessary that this resolution be adopted since the authority under which the attorneys were retained terminated with the end of the 85th Congress. Since it is necessary to continue to provide legal defense both in the case on appeal as well as the single pending case, it is necessary that authority again be conferred on the Judiciary Committee of the House of Representatives to continue to arrange for the defense of these members, former members, and employees of the Un-American Activities Committee. Moreover, should any new lawsuits be instigated, authority would be needed to arrange for the proper defense of the members, former members, and employees who may be involved.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The House resolution was agreed to.

The title of the resolution was amended to read: "Resolution to continue in effect House Resolution 190 and House Resolution 386, 83d Congress."

A motion to reconsider was laid on the table.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1960

Mr. MAHON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 7454, making appropriations for the Department of Defense for the fiscal year ending June 30, 1960; and pending that motion I ask unanimous consent that general debate be limited to 6 hours, to be equally divided between the gentleman from Michigan [Mr. FORD] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 7454 with Mr. KEOGH in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

The CHAIRMAN. Under the consent agreement the gentleman from Texas [Mr. MAHON] will be recognized for 3 hours, and the gentleman from Michigan [Mr. FORD] for 3 hours.

The Chair recognizes the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Chairman, I yield myself such time as I may require.

It is raining in Washington this noon, and I understand that there is no sunshine in Geneva; so probably this is as good a time as any to begin consideration of the Defense Department appropriation bill for this session of Congress.

Today we deal with the issues of war and peace. I hope and pray, as I know you do, that we deal with these issues adequately.

I think most of you know that we have brought this appropriation bill before you this year below the budget in the sum of about $400 million. That is some-

thing which many of us had not thought would be possible when the hearings began in January. I for one doubted it would be possible to bring a bill to the floor below the budget because I was convinced there was the probable necessity for adding $600 or $800 million above the budget for certain very significant items which were not included in the original budget submitted to Congress in January. I might say that if a new budget were submitted today by the President, some of these items would, in all probability, be included. This is a fast moving world, particularly in the area of defense, and a defense budget which was made up by the administration late last year would be somewhat out of date on June 2, 1959. The same would be true under any administration.

How are we able to present to you a bill below the budget? We did it by making certain reductions which were in excess of the additions which we made.

In the Army there was an increase. In the Navy there was a decrease in funds for the conventional carrier in the sum of $260 million, but this decrease was immediately absorbed, in large part, by an increase for antisubmarine warfare. So there was no large reduction here.

In the case of the Air Force considerably more of a decrease was made. For example, the Air Force requested $127 million to finance the Mace, which is a pilotless bomber, a subsonic missile somewhat similar to the IRBM but of lesser capability. The majority of us on the committee felt that time had caught up with this missile and that we had other ways to achieve the objectives of the Mace without providing these funds; and we made that reduction. It will be up to the Department of Defense to determine whether or not it wishes to present a request for the restoration of these funds in the other body and undertake to justify such a request. We made certain reductions because we were able to transfer unneeded money from the stock funds in the Army to other purposes, such as pay of the Army. So we picked up some money there which was helpful in enabling us to bring in a bill below the budget.

We have been talking a long time about achieving better contracting methods in the Department of Defense. In order to try to enforce better contracting procedures, the committee made a reduction of 1 percent in all requests for procurement funds. Certainly, by better contracting methods or by a little frugality and economy and better planning, the Defense Department can finance the procurement part of the budget for 1 percent less. This resulted in a $131-million reduction.

There is a great contest in progress over air defense missiles. As a compromise, an arrangement was agreed to by the Committee on Appropriations whereby $162 million was taken from the Bomarc air defense program. This represents a maneuver, an effort to force a decision on this program—nevertheless, we left considerable funds in the bill for that program. This will be discussed in more detail shortly.

Mr. Chairman, I believe that covers some of the major reductions. We tell the Air Force that we will deny the $50 million which it requested for cargo jets. We were aware that at this time in the Department of Defense efforts are being made to assign more of this cargo work to civil air carriers. So we made some reductions there.

We do not believe that if war came in 1960 or thereafter the reductions we have made would in any important way embarrass or impair the combat effectiveness of the United States. We do believe that we have made this bill more in keeping with the demands of the hour by certain accelerations and additions. We have provided for the acceleration of the intercontinental ballistic missile program. We provided for almost double the number of squadrons of the Atlas intercontinental ballistic missiles in this bill.

We must not deceive ourselves. We put money in this bill to provide for the financing of the missiles, but if this program is activated in full it will require other and further appropriations by way of military construction, and otherwise. This is a downpayment on a much larger program.

I would be the last one to boast that we have made any great saving of money in this bill. And, I must say to you frankly that while the committee was concerned and interested in saving money, the primary consideration of the committee was saving civilization and the United States of America and the lives of the people of this country. I do not think there is anybody in this Congress who wants, in the name of economy or budget-balancing, to impair the defense position of the United States.

Now, I would like to call to your attention the report. However, I should mention the six volumes of hearings. As is always true, we have to have extensive hearings over a period of months, as we did, in order to ascertain as nearly as we may what the facts are. We have done that from year to year over many years, and we did it again this year. The hearings have never been so interesting and so much to the point. The hearings will be productive to those who really wish to take the time to study the defense needs and the defense capabilities of this country. Most of you will simply not have the time to read the hearings, but you can look carefully at the 83-page report which was prepared with painstaking care. The officers of the Pentagon were requested to go over these figures in the report. Only a minor error in figures was discovered.

Now, I would like to turn to page 2 of this report which I now insert in the RECORD:

Summary of appropriations

Title	Appropriations, 1959	Budget estimates, 1960	Recommended in bill, 1960	Bill compared with—	
				Appropriations, 1959	Budget estimates, 1960
Title I—Military personnel	$11,809,409,000	$11,624,924,000	$11,614,624,000	−$194,785,000	−$10,300,000
Title II—Operation and maintenance	10,055,281,800	10,502,978,000	10,403,367,000	+348,085,200	−99,611,000
Title III—Procurement	15,263,563,000	13,347,963,000	13,003,013,000	−2,260,550,000	−344,950,000
Title IV—Research, development, test, and evaluation	2,759,953,300	3,772,335,000	3,827,335,000	+1,067,381,700	+55,000,000
Total, titles I, II, III, and IV	39,888,207,100	39,248,200,000	38,848,339,000	−1,039,868,100	−399,861,000
Distribution of appropriations by organizational component:					
Army	9,051,701,200	8,985,000,000	9,206,905,000	+155,203,800	+221,905,000
Navy	11,480,310,400	11,107,775,000	11,025,103,000	−455,207,400	−82,672,000
Air Force	17,982,276,800	17,767,200,000	17,228,506,000	−753,770,800	−538,694,000
Office of the Secretary of Defense	1,373,918,700	1,388,225,000	1,387,825,000	+13,906,300	−400,000
Total, Department of Defense	39,888,207,100	39,248,200,000	38,848,339,000	−1,039,868,100	−399,861,000

The table shows that $11.6 billion would go for military personnel; $10.4 billion for operation and maintenance of the three services, and $13 billion for procurement. And then, to keep the U.S. military power abreast of the rapidly changing conditions, we provide $3.8 billion in research and development.

Now, of course, each of the services is interested in getting all the money it can possibly squeeze from the defense budget for its own programs. The services, with every degree of conviction and seriousness, believe in their own work, and they have a tendency to believe that their own individual service is more important than the competing services. In a general way most of the witnesses more or less follow the party line of the particular service of which they are a member. This is perfectly understandable. But, of course, these tendencies must be taken into consideration by the committee and by the Congress in making decisions.

The total number of dollars provided for in this bill is $38.8 billion. Well, you say, "We expected a $40 billion bill." This bill is below $40 billion, because the military construction appropriation bill will be handled by the subcommittee headed by the gentleman from California [Mr. SHEPPARD] and those funds are not included in the pending measure. In this bill, the Army gets $9.2 billion, the Navy gets $11 billion, and the Air Force gets $17.2 billion, the Office of Secretary of Defense gets $1.4 billion. Most of this money available to the Office of the Secretary of Defense is for the pay of retired personnel and advanced research

projects not assigned to one of the military services.

The pending measure is below the defense bill of last year, and it is $400 million below the budget estimates which were submitted. The decreases in the budget are $1.2 billion. The increases in the budget are approximately $800 million. And at this point I shall insert in the RECORD a summary of the bill which is contained in the committee report.

SUMMARY OF THE BILL

The bill as reported by the committee is $399,861,000 below the President's budget request. Over a period of 4 months the budget programs have been thoroughly reviewed. As a result of these studies the committee has determined that a number of changes should be made. Some of the recommended changes provide for increases in appropriations, some for decreases. The changes made, it is believed, will increase, over the next few years, the overall deterrent power of U.S. military forces.

We continue to live in a period of rapid change and new concepts. The budget presented to Congress was formulated in large measure during the latter part of last year. Budget planners must of course have a cutoff date in order to put the budget in final form for presentation to Congress. After the budget is presented and while it is being considered by Congress it is not practical for the executive branch to seek numerous modifications. If the executive branch were to submit a new budget today there would no doubt be many modifications of the programs submitted in January. It should be said, however, that the great majority of the programs which were presented in the budget have been provided for.

Major committee changes are summarized at this point. All changes are explained in detail throughout the body of the report. Increases provided for by the Committee's action total $779,800,000, including (a) $152,500,000 for maintaining the National Guard at a strength of 400,000 and the Army Reserve at a strength of 300,000; (b) $200,000,000 for Army procurement to advance the Nike-Zeus anti-ICBM missile and to continue modernization of Army equipment; (c) $255,300,000 for Navy anti-submarine warfare capability; (d) $85,000,000 as a down payment on an additional eight squadrons in the projected Air Force Atlas-ICBM program; and (e) $87,000,000 for acceleration of the Air Force Minuteman ICBM.

Offsetting these increases are a number of sizable decreases totaling $1,179,661,000, which a majority of the Committee felt would have no substantial effect on our defense capability. Among these were reductions in the amount of $83,000,000 in military personnel offset to the extent of $81,000,000 by an additional transfer from Army stock fund cash; $163,911,000 in the Operation and Maintenance appropriations for the respective services; a reduction of $260,000,000 by elimination of the proposed Navy super aircraft carrier; a reduction of $127,500,000 in the Air Force Mace missile program; a reduction of $162,700,000 in the Air Force Bomarc antiaircraft missile program; reductions totaling $101,400,000 in the proposed Air Force aircraft procurement of passenger-type jet aircraft; a reduction of $100,000,000 in contingencies for aircraft modification; a reduction of $50,000,000 in radar improvement procurement programs; and a $131,150,000 across the board 1 percent reduction in all procurement for the purpose of enforcing competition in military contracting and improved procurement practices generally.

Should these actions be approved, the Congress will place a significant imprint upon the fiscal year 1960 defense program in a way which should improve our defense posture. The committee in effect is saying to the Department of Defense you can do a better defense job for less by eliminating or cutting back or otherwise modifying certain programs and by tightening up on operations generally. At the same time the committee is also saying that more should be done in certain areas. The $38,848,339,000 recommended for appropriation is $399,861,000 less than the $39,248,200,000 requested for appropriation by the President and is $1,039,868,100 less than the $39,888,207,100 appropriated for the same purposes in fiscal year 1959.

The amounts above do not include $1,563,200,000 requested in the President's Budget for military construction which will be included in a separate bill, to be reported later.

Committee action on the Defense budget results in a net increase in funds for the Army totaling $221,905,000; a net decrease in funds for the Navy totaling $82,672,000; and a net decrease in funds for the Air Force totaling $538,694,000.

SUMMARY OF MAJOR FORCES

May I call your attention to page 23 of the report. This gives a summary of the major forces. There is no time to discuss all the major parts of this table, but you will want to become more familiar with the information contained on page 23:

Department of Defense—Summary of major forces (fiscal years 1958–60)

	Actual, June 30, 1958	Planned	
		June 30, 1959	June 30, 1960
Department of the Army:			
Divisions	15	14	14
Regiments/RCTS	5	5	5
Armored combat commands	1	1	1
Brigades (Infantry)	2	2	2
Battle groups (Infantry)	6	8	8
Field artillery missile groups (heavy)	2	3	3
U.S. Army missile commands	4	4	4
Air defense anti-aircraft battalions	(87)	(82)	(80¼)
Guided missile battalions	65	71	73¼
Other	22	11	7
Active duty military personnel	898,192	870,000	870,000
Reserve component personnel (drill pay status)	667,012	700,000	700,000
Army National Guard	394,329	400,000	400,000
Army Reserve	272,683	300,000	300,000
Active aircraft inventory	5,027	5,289	5,363
Helicopter	2,193	2,467	2,558
Fixed wing	2,834	2,822	2,805
Department of the Navy:			
Active ships	891	864	864
Warships	396	387	389
Other ships	495	477	475
Carrier air groups	17	16	16
Carrier antisubmarine squadrons	22	22	22
Patrol and warning squadrons	39	42	42
Marine divisions	3	3	3
Marine aircraft wings	3	3	3
Active duty military personnel	830,500	805,000	805,000
Navy	641,005	630,000	630,000
Marine Corps	189,495	175,000	175,000

	Actual, June 30, 1958	Planned	
		June 30, 1959	June 30, 1960
Department of the Navy—Continued			
Reserve components personnel (drill pay status)	172,367	176,933	177,811
Naval Reserve	129,632	135,000	135,000
Marine Corps Reserve	42,735	41,933	42,811
Active aircraft inventory	10,533	9,527	9,117
Operating aircraft	8,424	7,595	7,200
Logistical support aircraft	2,109	1,932	1,917
Jet aircraft as percent of aircraft inventory	(42)	(44)	(45)
Department of the Air Force:			
USAF combat wings (including missile wings)	117	105	102
Strategic	44	43	43
Air defense	28	27	25
Tactical (including airlift)	45	35	34
USAF combat support forces:			
Air refueling squadrons	48	56	62
MATS squadrons	27	27	24
Other specialized squadrons	62	59	59
Active duty military personnel	871,156	850,000	845,000
Reserve components personnel (drill pay status)	118,282	126,425	135,060
Air National Guard	69,995	73,000	74,500
Air Force Reserve	48,287	53,425	60,560
Active aircraft inventory	22,578	20,358	19,982
Operating aircraft	18,949	18,850	18,499
Nonoperating aircraft	3,629	1,508	1,483
Jet aircraft as percent of aircraft inventory	(62)	(65)	(65)

Briefly, the bill provides for an Army of 870,000 men. That is a controversial figure. It provides a Navy of 630,000 men, and a Marine Corps of 175,000. The figure for the Marines is another controversial figure. For the Air Force funds are provided to pay 845,000 military personnel.

With respect to the Reserve forces we get into additional controversial figures. We provide, even though the budget fails to do so, for an Army National Guard of 400,000 men, as we did last year; and we provide for Army Reserves to the extent of 300,000 men. That figure is also a figure which is above the budget.

Now, with respect to ships. We provide for 864 ships for the Navy. That figure was formerly about 1,000.

We provide for active aircraft for the Army in the number of 5,363. We provide for active aircraft for the Navy in the number of 9,117; and for active aircraft in the Air Force of 19,982.

We provide for 14 Army divisions which is one division below that which was provided in the bill of last year. That, in summary, represents some of the basic things which are provided for in this bill.

SPECIAL ACTIONS TAKEN

We provide the Army with $1.2 billion for equipment and for modernization, and in this sum is considerable money for the antimissile missile, the so-called Nike-Zeus. In fact, we added $200 million above the budget for Army procurement for the purpose of accelerating Army modernization and the Nike-Zeus.

The development of the Nike-Zeus is one of the most significant programs from the standpoint of people who live in the cities, large population centers, and defense areas of the Nation. Of course, it is one of the most challenging problems that has ever been undertaken by the military and by science and industry. Hardly anything could be more difficult than intercepting and destroying an intercontinental ballistic missile before it is able to strike a target.

Providing additional funds for Army modernization and the Nike-Zeus seems to me to be, among the more significant things done in this bill from the standpoint of making us better able to cope with the threat of limited war, and better able to cope with certain phases of the threat of all-out atomic war.

For the Navy we provide in the bill for 19 new ships of a modern type, geared to the needs of 1959 and future years. We have sought to look forward not backward. In the ship program there are 13 conversions of existing ships. There are 4 new atomic submarines provided in the list of 19 new ships. Aircraft is becoming less and less significant in the Navy and in the Air Force. A few years ago, in the annual defense appropriation bill we were providing five or six thousand new airplanes for the armed services each year. We provide, in the pending measure for 244 aircraft for the Army, including helicopters, 700 for the Navy, and 654 for the Air Force, a total of 1,598 for all services. In the Air Force we are providing large sums for development of the F–108 long-range supersonic fighter.

We are providing for the procurement of the Atlas intercontinental ballistic missile. We provide the budget estimate plus an acceleration. We are providing for the Titan which is the follow-on missile to the Atlas. We went above the budget again this year as we did last year in providing funds to further accelerate the so-called Minuteman Intercontinental Missile. The so-called Minuteman ICBM will be a solid propellent missile. It will be cheaper than any other ICBM. It will be easier to operate. It will be more workable and it will more or less be the ultimate weapon at least for the next decade in the field of intercontinental warfare. The Minuteman has not progressed sufficiently to go into production.

We make these proposals in an effort to be responsive to the needs of the hour.

I forgot to say in discussing the Navy that we provide the beginnings of three additional Polaris submarines. Last year we provided funds for nine of these ships. You will remember the Polaris submarine is a submarine which is designed to fire an intermediate range ballistic missile from beneath the sea within the area of the adversary. In effect it is an ICBM, or rather it will be when it joins the fleet.

This covers in brief, some of the more important provisions in the pending bill.

MAJOR THREATS TO UNITED STATES

May I discuss with you, some aspects of the threats to our security. It seems perfectly evident to me that there are two great threats for the next decade to the survival of the United States as the preeminent power in the world.

The first threat is the Soviet ICBM program which, according to those who estimate the status of the programs of the Soviet Union, will be considerably ahead of our own during the next 2 or 3 years. One of the great dangers of the intercontinental ballistic missile is that we have no warning system which would detect its approach. We have no warning system at present and we will have no warning system for quite some time. This leaves us in a condition of considerable vulnerability. We have provided in previous years for several hundred millions of dollars to construct a detection system, a system which would enable us to tell when an intercontinental ballistic missile might be fired at the United States. But, that system has not yet been perfected. Under all the circumstances it seems fair to say that the gravest military threat to this country is the intercontinental ballistic missile. Of course, we will discuss the manned bomber threat shortly, but a manned bomber attack could not be a complete surprise to us because we have the ability through our radar and distant early warning systems, to secure information of the approach of a manned bomber attack.

The second great threat for the coming decade is the submarine fleet of the Soviet Union. The Soviet Navy has been retiring old type submarines and has replaced them with new ones, and the fleet has been expanded. A conservative estimate as to the number of Soviet submarines in active commission at this time, most of them modern and long range, is 450. It can be said, I think, without doubt that the Soviet Union is busily engaged in the business of making some of these submarines capable of firing the intermediate range ballistic missile. It would be difficult to think of a greater threat to the security of this country during the decade ahead, during the 1960's, than the possibility of enemy submarines lying off our coastline undetected and capable of lobbing ballistic missiles into the heartland of America. That is a very serious threat to our security. It was in connection with that threat that we took important and specific action in the pending bill. We provide $225 million above the budget to combat the submarine menace.

We applied these additional funds to various phases of antisubmarine warfare. We do not have to read history very carefully to find that during World War II the German Navy, which started the war with 48 submarines almost swept allied shipping from the surface of the seas and threatened for a time to be the decisive element in that war.

Should we have a war of considerable duration in which control of the seas should become an important factor, there is considerable doubt as to our survivability on the seas. So we said, in the bill, "Let's do something dramatic and drastic about this business of the submarine threat."

I agree with those who believe that in the event of another big war of considerable duration, the capability of the participants in undersea warfare may determine in great measure the outcome of the conflict.

Sometimes we do not do things until we have to. Mr. Chairman, we have got to do something about the submarine menace; there is no option; we have to do something about it.

There were those who said that we could not build an atomic submarine. They advanced all manner of reasons why we could not build atomic submarines. But a man by the name of Rickover said, "Give me the men, money, and the authority and I will build you an atomic submarine;" and he did.

We must find a way to break the barrier which separates us from effectiveness in antisubmarine warfare. I want the Defense Department to give to industry, to give to the engineers and the scientific people the problem and say: "You have no alternative; come up with the answer." I have enough confidence and faith in American industry and American workmen to believe that the answer to the antisubmarine warfare problem can and will be found, especially in view of the fact that the issue may involve our survival.

So we present you with a bill which is a quarter billion dollars above the budget in an effort to get an important job done.

Admiral Burke, Chief of Naval Operations, is quoted on page 17 of this report, as follows:

> We need to improve our capability to combat submarines.

And this is the shocking thing which he said and which is hard to get through to the thinking of the people in the Pentagon, and perhaps the country.

> Since World War II, the submarine has progressed faster than the antisubmarine warfare capability to combat it.

Talk about a missile lag. It is spectacular, and has caught the fancy of the press and the people, but I say, that the lag in antisubmarine warfare capability may be the more significant lag in our defense program. We have in this bill taken specific steps to try to do something about the situation.

It is unfortunate that so much emphasis and ingenuity of man has been devoted to offensive weapons that not enough energy seems to have remained available for defensive weapons. At any rate, defensive capability has been far outrun by offensive capability. It is true today, perhaps more true than ever in the history of warfare—and it has perhaps always been true—that the best defense is a strong offense. It was partly because of the fact we had no defense against the ICBM that we decided to

give ourselves a greater offensive capability in the ICBM area and try to narrow the missile gap as much and as soon as possible. It was for that reason we provided funds beyond the budget for the Atlas missile.

We do not stand alone in this matter. Since the hearings began, the Air Force has come around to the position of many members of the committee. The Air Force is now seeking a budget estimate to provide funds which we have taken the responsibility of providing in this bill for the acceleration of the intercontinental ballistic missile.

We did something else here. We gave the Department of Defense the authority to incur a deficit if necessary for the purpose of maintaining an airborne alert. An airborne alert, as you know, is an alert that you get by keeping strategic aircraft or a certain percentage of them in the air at all times. We have encouraged a full exploration of this matter. We had General Power of the Strategic Air Command before us on two different occasions to discuss with him the problems of airborne alert. We thought this matter was of sufficient concern, at least for the period when we have no detection system against the ICBM, that it would be desirable for us to say in this bill that the President may have the discretion of exceeding the budget in the operation of the Strategic Air Command, if necessary to maintain an airborne alert. No one can tell when an airborne alert might be necessary. So we give the President this elasticity which it seems to me might be of great value in the difficult days ahead.

AIR DEFENSE

Now, the subject of the manned-bomber threat has been in the newspapers recently. It was a few years ago that the Soviet Union undertook to build a fleet of intercontinental bombers. The U.S.S.R. began such a program and we were alerted to the situation. The Soviets built a number of these long-range bombers, but suddenly they seemed to have lost interest in large numbers of intercontinental bombers. Of course, a large fleet of intercontinental bombers would tax the resources of any country. The indications are that the manned-bomber threat is not becoming greater, that the Soviet Union has undertaken to leapfrog the so-called manned-bomber capability and has given top priority to intercontinental missiles. But as long as the Soviet Union has a few hundred long-range bombers, we cannot afford to be unaware of that threat to our security, even though we would get some warning of the release of that sort of attack upon us. Hence, we have provided considerable funds over a period of years for defense against manned bombers. In fact, to counter the manned-bomber threat during the last 10 years we have provided $30 billion. Now, there are plenty of people who believe that $30 billion was too much to invest in a defense against the manned bomber. If we followed all of the suggestions which are being seriously made, we would spend in the next 5 years $20 billion more to counter the manned-bomber threat, doing this at a time when it seems we are inevitably moving more rapidly toward a significant intercontinental-missile-type threat.

In this bill we have reduced the Bomarc air defense missile request, which is in excess of $400 million by $162 million. We have provided, however, considerable funds for the Bomarc and Nike missiles.

I should like to insert at this point in the RECORD the following portion of the committee report in relation to air defense and air defense missiles:

AIR DEFENSE

A primary objective of the defense program is to deter war. All facets of our defense program, the capabilities of each service down to the last man, play a role in this great effort. Inasmuch as a complete defense against a potential foe is practically unattainable, and that is especially true today, there is common agreement that an overwhelming offensive capability is the best defense. Our military program has been patterned in that direction for years. This is not to say that no effort has been made or should be made to attain a good defensive posture. Indeed, our offensive power must never be left open to destruction from surprise attack. Protection against such an eventuality is the primary role of our air defense forces.

In an effort to protect our offensive retaliatory forces, as well as the population centers of the Nation, we have spent over the past 10 years in the area of $29 billion. This includes radar warning networks, fighter aircraft, and antiaircraft missiles—the entire air defense package. Proposals have been made and are under study within the Defense Department which could increase this total spending to about $49 billion by 1963. A detailed listing of what the system entails would be of little value for our purposes here. Generally, however, the system now in being can be described as encompassing (a) early warning radar networks and radar coverage of most of the United States tied into the electronic computer control centers of the semiautomatic ground environment system known as Sage, (b) hundreds of supersonic fighter aircraft stationed throughout the Nation, and (c) Nike antiaircraft batteries surrounding most major target areas. The so-called Bomarc antiaircraft missile defense system, and ability to combat the ICBM or even to detect its approach, is yet to come.

By the end of fiscal year 1959, we will have expended or committed for expenditure nearly $3,700 million for Nike-Ajax and Nike-Hercules air defense missile systems. By the end of fiscal year 1959, we will have expended or committed for expenditure approximately $1,900 million on the Bomarc air defense missile system. The above figures for both missiles are all inclusive, including direct assignable costs for military personnel and operating expense. The Nike is an Army program; the Bomarc is an Air Force program. In addition, the 1960 budget contains estimates amounting to nearly $1 billion for these two missile systems. This, of course, is only a part of the total overall air defense budget, and if all programs are approved the cost curve is projected to rise sharply. Coupled with the air defense program is the increasingly important anti-ICBM program, including an ICBM early warning system. This will add additional billions to the expense involved.

The question naturally arises—wherein lies the greater threat, and what is to be done about it? Systems are under construction to provide for early warning of intercontinental ballistic missile attack. Actual defense presents a much more difficult problem. This problem is being attacked and the committee is providing additional funds for advance procurement in order to speed along the Nike-Zeus anti-ICBM missile program. Development takes time and there is little more that can be done for the present. We have a number of competing systems, however, for defense against aircraft. Great progress has been made in aircraft warning systems, in fighter interceptor aircraft armed with air-to-air missiles, and in the development of ground-to-air missiles, such as the Bomarc and the Nike-Hercules. The problem in this area may well be that we have too many possibilities, or too many services involved. Competing systems supported by enthusiastic industrial and service advocates tend to create confusion and uncertainty. Great promises, often somewhat nebulous but calculated to get support and contract awards, are held out by the advocates of all systems.

The availability of more than one promising possibility frequently makes it necessary to pick and chose, often an extremely technical and difficult process. In the air defense area, we have a very definite problem of this type in the competing concepts behind the Bomarc and the Nike-Hercules ground-to-air missiles.

The Bomarc air defense missile system has been under development for many years. The first missile was test fired in 1952 and still none are in operational units. This missile is designed to intercept attacking aircraft at much greater distances from the target area than the Nike-Hercules missile. The greater range capability which is sought for the Bomarc has added complexity and additional cost to the missile. However, because of the greater range planned for the Bomarc over the Hercules missile, and therefore the fewer number of missiles required to defend a given target area, it is not definitely known which system would be the more expensive in the long run. The committee, in the light of all the uncertainties, is unable to make such a cost determination at this time.

The official position of the Department of Defense is that we need both the Nike-Hercules and the Bomarc missiles. This conclusion may be correct but the entire issue is clouded by the claims and counterclaims of representatives of the individual services. Billions of taxpayers' dollars are involved in this controversy. It is believed that a final decision in this area can only be made after a careful military analysis. Admittedly, the issues involved are extremely complex and difficult to resolve. An immediate reexamination of the whole problem at the highest level is urgently required. The Committee requests that such action be taken.

The Committee in a further effort to focus attention upon the necessity for an early decision on the air defense missile controversy has made a sharp reduction in funds requested for the Bomarc missile system. The budget request for the Bomarc missile for production, development, test, and evaluation totaled $447,300,000. Of this amount, $84,600,000 is for test and evaluation. The Committee has reduced funds for production by $162,700,000. This is not claimed as a long-range saving. The Committee would be willing to appropriate the full budget estimate and more if it had full confidence in the proposed Bomarc missile—if it had the assurance that the system would actually work. The contractor for this missile has already received over a period of years commitments in excess of $1,100 million. Before further commitments and expenditures pile up, a new hard look should be given to the proposed Bomarc and the whole air defense problem.

The so-called Furnas Committee, at the request of the Department of Defense, has recently completed a study of the Bomarc. The Committee gave the Bomarc approval

with certain important reservations. By the terms of its directive from the Department of Defense, the Furnas Committee did not give full consideration to Nike-Hercules, fighter aircraft, and other important air defense factors in making the study. The study, as a result, is inadequate and not conclusive with respect to the overall air defense picture.

It should be observed that neither the Nike-Hercules nor the proposed Bomarc are capable of combating the ICBM or even missiles of the Hound Dog type launched at targets from distant aircraft. We are spending vast sums on air defense. It is time to reexamine what we are getting for our money.

Mr. Chairman, for those of you who have not had an opportunity to study the situation rather carefully, let me say this, that in the event of a manned bomber attack upon this country the plan is as follows: Our long-range interceptors would go out—and we have hundreds of them—and fight the air battle as far away from the U.S. shores as possible. A manned bomber carrying an atomic bomb and designed to strike Cleveland, if it should strike over Chicago or some other place would be just as destructive, probably, as if it got through to its target. Not only that, we have atomic weapons to fire at these manned bombers, so to have these two atomic outbursts over the heads of the people is not a very comforting thing to contemplate, as we all know. So, we have to remote the air battle, to use an industry term, and we first try to do it with the long-range fighters; then next we try to do it with the Bomarc missiles, the Bomarc B particularly, if we are able to perfect the Bomarc B, and then with the Nike-Hercules, which is a point defense weapon. The Nike-Hercules is the last-ditch weapon to be used against the attacking planes which penetrate the fighter aircraft and Bomarc B defenses.

The committee report explains our reduction in the Bomarc missile program.

We proposed to help bring this controversy to a showdown through the utilization of the power of the purse. The funds may have to be restored later. I had a discussion yesterday with the Acting Secretary of Defense, who assures me that probably next week a decision will be handed down by the Secretary of Defense which will clear the atmosphere and bring to an end, at least for the time being, this raging, red-hot battle among the services with respect to air defense.

But, we have no prospect of an air defense system which will be as adequate as we would like. During World War II more than 98 percent of our bombers got through the enemy defenses. In the event of another war, could 98 percent of our attacking bombers get through? I doubt it. The percentage would be lower. How much lower we could not be sure. We do not know what percentage of attacking bombers could penetrate our defenses. But, there is no one I know who thinks we would be able to have an airtight, 100-percent defense against the manned bomber. Of course, if you cannot perfect a 100-percent defense against the manned bomber, you have to be pretty optimistic to believe that we can shortly perfect an adequate defense against the intercontinental ballistic missile with its terrific speed.

GENERAL WAR VERSUS LIMITED WAR

Now, may I speak to you only briefly in a more generalized way about limited war versus global war. We have heard more discussion this year about limited war than we have in the last 3 years. Each service has a stake in this matter, and they have very strong and sincere convictions on the subject. In our country there are those who are saying, "Get your minds off a big atomic war; there is not going to be one. The thing to be concerned about is a limited war." There are those who are saying that the thing to be concerned about is not a big all-out war, but a limited war. This is a very dangerous doctrine which the American people cannot afford to embrace. If we adopt such a doctrine, we will adopt it to our sorrow and to our peril.

I wish that each of us could afford the luxury of saying to ourselves, "A big war is too horrible to contemplate. I am a small war man." But, my colleagues of the House, we cannot afford that luxury. We do not need, nor does our country need, at this critical stage in world history, tranquilizers. We do not need make-believe plans and wishful thinking, they will not suffice. We need to continue, as we have in recent years, to face up to the stark reality that the issue involved is the survival of the United States. Preparation for limited war is necessary—and I mark my words—and such effort is proceeding. There are some weaknesses. We do not have enough mobility. We provided some mobility funds above the budget last year in this field to cope with the small war threat. Yes; preparation for limited war is proceding. But to emphasize preparation for limited war as the top priority consideration is to invite disaster, is to invite general war.

Let me emphasize what appears to be a fact. Adequate preparation for total war is the best possible deterrent to limited war. This is true because of the great danger that any limited war of consequence may very probably expand into general war. This causes the aggressor to beware of instigating not only global war, but a limited war because he knows that the next step after a limited war may probably be global war; and before he starts a limited war he will consider whether or not he is able to absorb a general war.

I would like to try to put the whole matter in a little better focus. Lebanon and Formosa have been misinterpreted. Our limited war capabilities were not the decisive factors in these areas. Our overall general war capability was the thing that deterred the Red Chinese and the Soviet Union from becoming active against us in the Formosa Straits and in Lebanon. It was not forces in being at the spot at the time, though they had a place and performed a very fine cold war mission, but the overall deterrent power of the United States was the thing that deterred the Red Chinese and the Soviet Union from becoming involved in those small wars, if I read the record of the times correctly.

Some have said that there have been 18 limited wars of sorts since World War II. Our relationship to most of them has been quite remote. To some of them our relationship has been, of course, more direct. But this can be said. Except for the overall deterrent power of the United States several of these wars could very easily have expanded into world conflict.

If you will turn with me to pages 8, 9 and 10 of the report, I should like to refer to some of the very pertinent statements made by the members of the Joint Chiefs of Staff with respect to retaliatory capabilities and therefore related to the subject under discussion.

Gen. Maxwell V. Taylor, Chief of Staff of the Army, says that we have too much deterrent power, we ought to concentrate more on limited war. That is a viewpoint which was given consideration. He says:

I consider that we have an excess number of strategic weapons and weapons systems in the atomic retaliatory force.

Continuing to quote:

In my judgment the aggregate is excessive to the requirements.

That is one Army view. Then Adm. Arleigh Burke, Chief of Naval Operations, says:

I think there is a rate of building up retaliatory capability which is greater than that which is necessary.

* * * * *

I think we do have too much retaliatory power, and I think that we should put more money into limited capability.

There is a viewpoint worthy of consideration, which did receive the consideration of the committee.

Then on the next page of the report Gen. Lauris Norstad, Supreme Allied Commander in Europe, is quoted as saying, with reference to this matter of retaliatory power:

We certainly do not have too much.

Is it not true that if we are able to cope adequately with all the aspects of general war the chances are we will be able to meet the limited war threat? Why do I say it? We have an Army of 870,000 men trained in versatile types of military procedure. We have a Navy; we have the Marines. We have amphibious landing capability. We have 23 active carriers. We have the Tactical Air Force. We have troop carrier aircraft. We have a variety of weapons designed to be useful in general war and in limited war.

Gen. Thomas S. Power, the commander of the Strategic Air Command, is quoted on page 9 of the report. He says:

I maintain that we have sufficient Armed Forces to tailor a force to handle any small war.

If the fire department of a great city is able to put out a big fire in a 40-story building, the chances are it will be able to put out a little fire in a 1-story building. Our $40 billion defense program for next year provides for a military force of 2½ million men and women in uniform. These men and women are

supported by millions of people in industry and by about 1,200,000 civilian employees in the Department of Defense. This might not be adequate to deal with the threat of global war, but it ought to be adequate to deal reasonably well with a limited war threat.

The American people are worried about limited war, and properly so. But, the thing that concerns them most is the threat of global atomic war which would destroy their lives and their homes. They want us to give this problem top priority in our efforts here.

In conclusion, let me say the object of this bill is peace. For myself, I am not a big war man—I am not a small war man—I prefer to be a no war man. This I believe represents the position of every Member of the House. The object of this bill is to prevent war. Let us make sure that we are reasonably well prepared for limited war, but let us make it even more certain that beyond peradventure of doubt we have the ability in great abundance to deter global war and to cope with the eventuality should such a war be forced upon the peace-loving people of this great Nation. The stakes are high. They have to do with the lives of tens of millions of people and the survival of civilization itself.

Let us be bold and resolute. Let us be strong in the face of this danger. Therein lies the best hope of peace.

The CHAIRMAN. The gentleman from Texas has consumed 53 minutes.

Mr. FORD. Mr. Chairman, I yield myself such time as I may desire.

Mr. Chairman, I think we have been treated to a very great privilege to hear the explanation of this proposed legislation, as given by the gentleman from Texas [Mr. MAHON], chairman of the Military Subcommittee of the House Committee on Appropriations. I can say personally, and I believe speaking for all the members of the subcommittee, that during the consideration of this legislation this year, he was fair, he was diligent, and he made a conscientious and intelligent effort to come to the right conclusions for the national security of our country. I wish to thank both the majority members and the minority members of the subcommittee for being most helpful to me in this my first year as ranking minority member of the subcommittee. I am most appreciative of their cooperation and assistance.

I would be remiss also if I did not speak kindly and in complimentary fashion of the work of our staff. Under Mr. Samuel W. Crosby, we have the most effective and most competent people working for the 17 members of the subcommittee.

Now, Mr. Chairman, I wish to speak about the bill itself. I stand before you to endorse the bill.

Mr. FLOOD. Mr. Chairman, will the gentleman be kind enough to yield before he goes on to speak about the bill?

Mr. FORD. I yield to the gentleman.

Mr. FLOOD. I am going to say something nice about the gentleman from Michigan, if he does not mind. We do not make a practice of doing this on the Defense Subcommittee on Appropriations, as the gentleman knows, however, let me say for the majority side of this Defense Subcommittee, that we are pleased and delighted the gentleman from Michigan is acting as the leader of the minority side. He is a hard worker, a gracious gentleman, and we are very fond of him and we are pleased and delighted to have his assistance on this most important matter of the defense of our country.

Mr. FORD. I thank the gentleman from Pennsylvania.

Mr. Chairman, as I have indicated, I am in general concurrence with this action by the committee. If I had the sole responsibility of writing the bill or the report, I am sure it would have been different in some specifics in each case. I do, however, commend this bill to you as good legislation, and I will defend the committee action both as to the bill and the report, during the consideration of this matter in the next several days.

At this point I might review quickly again one or two of the points touched on by the gentleman from Texas. The President's budget as submitted to us in January for fiscal year 1960 in this area called for $39,248,200,000. The President's request for fiscal 1960 was approximately $640 million less than was finally approved by the Congress for fiscal 1959 for the Armed Services.

The bill before you today calls for appropriations totaling $38,848,339,000. This is approximately $1,039,000,000 less than was included in the appropriation bill for fiscal 1959; $399,861,000 less than the budget estimate submitted by the President.

In reality, however, it is only $318,861,000 less than the President's budget, because we have transferred $81 million from what we call the Army stock fund to the Army military appropriations account. It is simply a bookkeeping transfer and not a transfer of substance.

I think it appropriate to discuss what has transpired in our defense program over the last several years. I am sure you will agree without any doubt that a bad military program is one that is handled on a peak-and-valley basis, a feast one year and a famine the next, where you have limited manpower of active duty personnel in a period of years and then war comes and you zoom upward; then peace comes and we go down to the low manpower level. That kind of a military program, peaks and valleys, feast and famine, is costly in dollars; but it is also extremely costly in American lives. Over the years, this country unfortunately has had that kind of program. We have never seemed to learn that the better way is to maintain a personnel of strength and maintain it over the long pull without wide variation or fluctuation.

When President Eisenhower first took office he advocated the abolition or the abandonment of a peak-and-valley program, and he endorsed a program that provided for substantial funding, for sizable forces in being over the long pull. Such a program means that you have a large enough military organization to prevent a war; at the same time, it is a sufficiently strong military organization to win a war should it become our fate to become involved.

To emphasize what I have said, I would like to talk for a minute about how the trend has been over the last 10 years in three important categories: obligations, expenditures, and unexpended balances. We will take first this chart dealing with obligation authority. As you will see, starting with the year 1950 and ending with the year 1960 the amount of dollars is shown. This is the trend of our obligation authority during a 10-year period.

Perhaps it should have been pointed out that when the Congress approves an appropriation bill we do not pay cash out of the Treasury and turn it over to the Pentagon; we simply authorize the Pentagon to draw on the Federal Treasury. That authority is what we call obligation authority.

This chart shows that in 1950 the Congress made available for the Armed Forces approximately $12 billion. The Korean war came along and the obligation authority made available went up to $58 billion in 1952. In 1955 we dropped down to an obligation authority for the three services of approximately $29 billion.

For fiscal 1960, when you add the totals of this bill and the totals of the military construction bill, the obligation authority is approximately $41 billion. This line indicates that we are more or less leveling off dollarwise. It is my firm belief that over the long run for the foreseeable future we will be called upon to spend or make available an obligational authority of approximately this much or perhaps more on an annual basis.

In addition to the problem of obligational authority we have the problem of expenditures. The money that is made available each year in an obligational authority for the Armed Forces is not always spent in the same fiscal year that it is made available. We have what we call 1-year funds, and that obligational authority expires at the end of the fiscal year. We also have no-year funds. Of course, that obligational authority is available for an unlimited time.

However, this does illustrate in another way the fact that we are leveling off. If you take 1950, approximately $12 billion were spent by the Armed Forces. In 1953, during the height of the Korean war, the Army, Navy, and Air Force spent approximately $43 billion, and in 1955, that expenditure total was $36 billion. For the last several years, including fiscal 1960, it has been more or less at a level of $42 billion annually. I say again, as far as we can foresee, this will be our level of annual expenditures, and it may even be greater.

One of the best tests of competence in the Defense Department, at least from a fiscal point of view, is how the problem of unobligated balances and unexpended balances is handled. At times the Congress has given too much money to the Pentagon, money which could not be properly and wisely obligated during a fiscal year, and as a result

they have had unneeded unobligated balances available for carrying over into subsequent fiscal years. In other cases funds have been made available and an obligation made but there were delays in contract performance, the net result being that the unexpended balances rose substantially. In the last several years the trend of unobligated balances has gone down very markedly. In 1954 the unobligated balances were approximately $15 billion. At the end of fiscal 1960 the unobligated balances will be in the area of about $6 billion. That is a very substantial reduction, and I commend the Pentagon for this highly desirable change for the better.

This chart shows the status of the unexpended balances. It would include, of course, the unobligated balances. But in many cases the Army, Navy, and Air Force have made obligations but the funds have not been paid out under the contract. You see here that in 1950 the unexpended balance was $9.9 billion. After reaching a peak in 1953 of $62.3 billion, it has been brought down to $32 billion in fiscal year 1960. It is the consensus among competent fiscal people in the Army, Navy, and Air Force that this figure of approximately $32 billion is about the proper area for unexpended balances and any effort to reduce it below that figure might be harmful and detrimental to a proper management of the military program.

At this point I would like to discuss military personnel, which is the first title of the committee bill. You see on this chart military personnel, active duty. This bill provides $10,218,663,000. This figure provides a strength of 2,520,000 personnel. It provides 870,000 active duty personnel for the Army at a cost of $3,233,063,000. This proposal by the Committee on Appropriations provides for an active duty strength of 630,000 for the Navy. The figure included in the bill to pay for this is $2,476,700,000. The President recommended, and this subcommittee and the full committee has approved, an active duty strength for the Marine Corps of 175,000 at a cost of $596,900,000. The Air Force strength is 845,000. According to the bill before you, this will cost $3,912 million.

Now let us turn, if I might, to reserve personnel cost and figures. According to this chart our total reserve cost will be $680,961,000. We get for that expenditure reserve forces totaling 1,012,871, broken down as follows: 400,000 for the Army National Guard, 300,000 for the Army Reserve, 135,000 for the Naval Reserve, 42,811 for the Marine Corps Reserve, 74,500 for the Air National Guard, and 60,560 for the Air Force Reserve. The committee in no instance reduced funds for the Reserve Forces; in fact, we added money for the Army National Guard and for the Army Reserve to the extent of $152,500,000. This adds on to the President's budget increases the Army National Guard strength by 40,000 over and above the President's budget and 30,000 over the President's recommendations for the Army Reserve.

I might add at this point that in my judgment our Reserve Forces are a very vital and highly important part of our military organization, and we should support them actively both with funds for strength and with funds for modern equipment. If we do, we will have a very strong backup for our Active Forces, the Army, the Navy, and the Air Force and the Marines.

Now let us turn to operation and maintenance. This is a very unglamorized part of the budget. It provides for a multitude of services and items of procurement. This is the day-to-day operating expenditures for all of the services. As you will see from this chart, the total amount in this bill for operations and maintenance is $10,403,367,000. In the case of the Army the committee has recommended $3,056,390,000. This is an increase of $11,605,000 over the President's budget. This results primarily because of the increased strength we provided for the Army National Guard and the Army Reserve. In other words, we not only increased the dollars for the added strength of the Guard and the Reserve, but we also provided the funds to operate and maintain the many units.

In the case of the Navy, for operations and maintenance, you see a figure of $2,599,320,000. Superficially this may appear to be a reduction of $203,872,000 in the Navy operations and maintenance account. That is not an accurate picture, because the committee in its wisdom took from the Navy's operations and maintenance account as recommended by the President $171,350,000 for a separate account for the Marine Corps O. and M., which means that the Marine Corps will have its own O. and M. account to handle. I am certain that this is a desirable change. It could lead to internal conflict between the Navy and the Marine Corps.

The chart will indicate that for the Air Force the operations and maintenance figure is $4,167,506,000. This is a slight reduction below the President's budget of $89,294,000.

Mr. FLOOD. Mr. Chairman, if the gentleman will yield, with reference to the O. and M. account for the Marine Corps, I believe the gentleman said it was a desirable change. But, as a matter of fact, that is the way the Marine Corps has always been operating. By change, the gentleman means within the present budget structure.

Mr. FORD. That is correct. The gentleman from Pennsylvania [Mr. FLOOD] has indicated that the President recommended a change from past practice to include the Marine Corps maintenance and operation funds within the Navy O. and M. account. The committee disregarded that recommendation and went back to the system we had used heretofore.

These are some of the things you get in your O. and M. account. You buy $88 million for the dependent medical-care program. It provides for the employment of approximately 1 million civilians by all branches of the service. It pays the water bill. It provides for the maintenance and operation of over 300,000 housing units for military personnel on a worldwide basis. It provides the day-to-day operating costs of over 30,000 aircraft, again for all three services. It means that the Armed Forces can operate about 800,000 wheeled vehicles. It pays for the petroleum product cost. It provides for the street and highway maintenance at our multitude of bases all over the world. The O. and M. account may appear lacking in glamour, but it is a very important portion of our defense appropriation bill.

May I turn for a minute to the account for procurement? The total procurement bill recommended to you for the fiscal year 1960 is $13,003,013,000. The Army's share of that is $1,232,300,000. The committee, as the chairman indicated, increased the President's budget in this area by $200 million. The committee felt that the President, the Secretary of Defense, and the Army should have additional funds on hand in this account in case there should be a breakthrough in our scientific development of the Nike-Zeus system. The Nike-Zeus system is the only program we have today that is active as an antiballistic missile defense program. It has been extremely well funded in the research and development area. As I recall, there is $300 million in the program in fiscal 1960 for continued research and development for the Nike-Zeus. The Army felt that the program should go into production. The Secretary of Defense, on a recommendation of a very high scientific policy group made up of top scientists of the country, recommended against production in fiscal 1960 for Nike-Zeus. However, our committee did receive some information to indicate that in fiscal 1960 it might be wise, because of potential scientific breakthroughs, to have some additional funds on hand to implement long lead time procurement for Nike-Zeus. However, we are not urging them to do so unless they get the competent military or scientific advice to proceed.

This $200 million, however, has a dual purpose, and I personally do not place any higher priority on the Nike-Zeus aspect than I do on the part that I shall speak of at this time. Over the years the Army's procurement of all kinds of equipment has fallen a bit behind. There are those in the Army who think we have badly neglected our Army equipment modernization program. I do not share entirely that view, although I do feel that we should spend or make available more money in fiscal 1960 in this program than was recommended by the President. And, therefore, I join with a majority of the members of our subcommittee in supporting this additional sum of $200 million for Army procurement. This additional $200 million is just as important for the utilization or the procurement of additional firepower for the ground soldier as it is for Nike-Zeus procurement.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. SIKES. I wonder if we might also have the attention of the gentleman from Texas [Mr. MAHON] at this point. The gentleman has stated a very important fact. It is not entirely borne out, in my opinion, by the language in

the report. The language in the report could leave the impression, though I realize it is unintentional, that this $200 million additional is primarily for the development of the Nike-Zeus in the event of a breakthrough in its development. Actually, in the discussion in the committee, it was fully understood and fully agreed that on an equal footing with Nike-Zeus, is the development of new weapons, increased firepower, and improved equipment for the foot soldier, and that we consider these items just as important as Nike-Zeus. I want to be sure the record brings out that fact. The gentleman is now speaking to that point. I hope the chairman of the subcommittee will agree with what I have said.

Mr. MAHON. I believe we can concur in this statement. In other words, we made no distinction between modernization and the Nike-Zeus program. I think the record should show at the moment that the Army itself requested $875 million in the current budget for the antimissile missile. The President approved about $300 million. There are elements in the Office of the Secretary of Defense, and of course the Army, that feel this program should be expedited a great deal. But, this is a matter of great controversy. What we have done here is to agree that these funds can be used for much needed and realistic Army modernization, and to whatever extent may be possible, for the actual acceleration of the Nike-Zeus program as well, with the selection of priority in the hands of the Department of Defense.

Mr. FORD. May I say this, which I believe is the unanimous view of the subcommittee. We are not at all convinced that the list of priorities which the Army submitted to us at the time of the hearings is the priority list we are talking about in this $200 million. We think their list of priorities is not adequate and we do not want it spent the way they suggested they might. We want it for more firepower for the GI.

Mr. SIKES. Mr. Chairman, will the gentleman yield further?

Mr. FORD. I yield.

Mr. SIKES. Will the gentleman also concur with me that there should be no misunderstanding in the Department of Defense about the purpose for which this $200 million is intended. It is definitely for development and procurement of new weapons and equipment, and it is not under any circumstances intended as money to be used for the possible replacement for funds in the reimbursement account in which there may be a shortage in the Army procurement account due to circumstances over which the Army has no control. There is a possibility that the funds allocated for procurement and production within the Army will be short as a result of the failure of certain reimbursements to materalize. In that case, this committee does not intend that the $200 million under discussion shall be used for the regular procurement and production account, as justified to the committee, but expects the Army, if it needs additional money, to go through regular channels, to the Department of Defense and the Bureau of the Budget, and to come back to Congress for a supplemental appropriation.

Mr. FORD. I agree with the gentleman from Florida. I believe our committee report says in effect the same thing.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. Is this not the fact: We have provided $200 million additional as the gentleman from Michigan stated. We have said this is to be used by the Army for procurement for Nike-Zeus and/or—and, we hope, modernization of the Army. The gentleman has indicated what he means by the type and kind of priority, or shopping list, as we call it. But, is this not the fact? We have said absolutely nothing in the bill or in the report or anyplace else that will prevent the Army from using every dime of that $200 million for Nike-Zeus and nothing for modernization. We have not divided it in any way and we have left it entirely to them. It is my opinion that the long-haired, flat-heeled, science boys are going to get hold of that $200 million and Nike-Zeus is going to get every dime and there will be little or nothing spent for any modernization. That is what is worrying me and we have done nothing to prevent it.

Mr. FORD. I can say in response to the gentleman's statement, I believe, the RECORD is crystal clear as to what we intend. God willing, most of us will be back here next year and we will certainly be very interested as to how they have made their obligations.

Mr. FLOOD. Will the gentleman state for me: What does he intend of that $200 million?

Mr. FORD. I think I have stated it rather clearly. This money is for a dual purpose. There is no priority between the two. One, if there is a scientific breakthrough, they can utilize what part is recommended for the long lead time items in procurement for Nike-Zeus. However, there are just as important areas for increasing firepower for the foot soldier and under no circumstances should this area be neglected.

Mr. FLOOD. My friend, the gentleman from Michigan has worked with me for years. I admire him and he is famous for the precision and the clarity of his statements. He has made the first completely ambiguous statement that says nothing since he left high school. What did the gentleman say then?

Mr. FORD. I will add to it by saying that this additional $200 million is not to be utilized as the Army suggested they might utilize any additional funds. They were talking about some additional wheeled vehicles, and so on, and so forth, which have relatively little bearing on additional firepower. But in their priority list they set out certain things about which the gentleman from Florida, the gentleman from Pennsylvania, the chairman, others, and myself were thinking. Those are the kind of things I hope they will utilize this additional money for. Unfortunately, in some instances those items are classified information. I can, however, give the name of one. It is the Davy Crockett. In my judgment they cannot spend too much for that nuclear weapon for the foot soldier.

Mr. WEAVER. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Nebraska.

Mr. WEAVER. Just on that same point, on page 58 of the report it states that next year the Department of Defense will have to give a full accounting.

Mr. FORD. I can assure the gentleman from Nebraska that he and other members of the committee will be most interested in how this money is obligated.

The chart likewise shows that for the Navy the procurement account—actually in the case of the Navy the procurement account totals $3,918,763,000. This is a reduction of approximately $93 million below the President's budget. It results primarily because we took out $260 million for a conventionally powered aircraft carrier.

We substituted, however, a total of $255 million for antisubmarine warfare. Most of the $255 million goes into the procurement account for the Navy. Some of that $255 million, however, went into research and development, some went into the O. & M. account.

In the case of the Marine Corps the procurement account totaled $133,850,000. Actually this is 1 percent below what the President recommended, a 1-percent reduction. The committee felt that in all of the services we could legitimately call upon the procuring officers to exercise greater wisdom, greater skill, and a little tighter-fisted attitude. I think they can squeeze out 1 percent as a saving, and we expect them to do it.

In the case of the Air Force you will see here in the three procurement accounts there is a figure of $3,718,100,000. This is a net reduction of $457 million below the President's budget. The chairman has itemized, and the committee report itemizes, the various reductions.

Now let us turn to research and development. You see here that the total R. & D. accounts of all of the services is $3,827,335,000. We made no reduction in any research and development account for either Army, Navy, Air Force, or Marines. The Army account for R.D.T. & E. as it is called, totals $1,546,376,000 this year.

For the Navy the bill provides for R.D.T. & E. a total of $1,015,920,000. This portion of the bill is $45 million more than the President recommended. This $45 million add-on is to give greater impetus to our antisubmarine warfare program.

The Air Force research and development program shows an obligation proposed of $1,159,750,000. Ten million dollars is earmarked as an add-on for the solid propellent Minuteman program.

The Advanced Research Projects Agency is in for $455 million for fiscal year 1960. This covers the most advanced R. & D. type of projects.

Then, of course, we have a $150 million emergency fund account, plus a $150 million transfer authority for the Secretary of Defense. The Secretary of De-

fense also has $30 million in a contingency fund.

In general this covers the various titles of the bill.

I would like now to turn to two specific areas where I am certain there will be amendments offered, to increase in one or two cases and to decrease in the other. The first problem is that of manpower. The President recommended 870,000 personnel for the Army and 175,000 for the Marine Corps.

Manpower is fundamentally a problem in two areas: First, quantity; and, second, quality. In addition to quantity and quality, we have other related problems.

The first is the problem of firepower. If we were still using the weapons of World War I, 870,000 people in the Army would be insufficient in 1960; but the facts are our firepower has increased tremendously for our division and other units in the field. As a consequence we can make some reductions in the amount or the numbers that are in our Army units.

I would like to quote, if I might, from the testimony of General Taylor, appearing on page 470 of the policy statements, part I, about the problem of firepower, and I quote a portion of his testimony:

> The destructive capability of atomic weapons has greatly increased the firepower of the combat divisions and combined with modern conventional weapons has placed under control of the commanders the greatest fire potential in the history of warfare.

Yes; because we have had substantial increases in firepower we do not need the same quantity of manpower, although we should accentuate the quality of manpower.

I can recall very vividly several years ago when we had General Ridgway as Chief of Staff of the Army in committee, we discussed various factors that would dictate how many men would be needed in the Army. He spoke of related matters plus firepower that have always made a very great impression on me. He said the problem of mobility is vital to the Army, the problem of communications is extremely important to an Army, and if you will turn to pages 407 and 408 of the hearings, you will see where General Taylor in 1959 makes comment about how we are doing in the area of mobility and how we are doing in the area of communications. Unfortunately, much of the testimony in these particular categories has to be off the record. I can say to you beyond any doubt that in these two categories we are making substantial progress.

Another aspect of the problem of active duty forces is the strength of our Reserves. We have in the last 4 or 5 years made a terrific effort to build up our Reserve strength. Legislation has been passed to augment the Reserve. We set up a 6-month training program. As a result, today our Reserve forces in the Army and Marine Corps are at their finest level of performance.

Let me give you some figures showing the relative strength of the Reserves. In 1950 the Army National Guard had a strength of 326,395. In fiscal 1960 that strength will be 400,000. In other words, we have now a National Guard of about 75,000 more in the way of active duty personnel. You can find in the hearings where General McGowan, head of the National Guard, has said that the National Guard forces today are the best equipped that they have ever been in the history of the National Guard. They have more people, they have better equipment, consequently they make a better contribution to our overall military strength.

The same can be said for the Reserve forces in the Army. In fiscal 1950 the Army Reserve was 186,141. Under this legislation the strength of the Army Reserves will be 300,000. This is an increase of 114,000, about a 40 percent increase. Again, however, the equipment that the Army Reserves has is better and more plentiful than in any period in its history.

Another aspect of this personnel problem is, What kind of strength can we expect from our allies? We have a good many stanch and steadfast allies throughout the world. They have made a substantial contribution on their own, dollarwise and manpowerwise; not as much, perhaps, as some might like. Yet, you can go from one end of the globe to the other and find leaders and soldiers who have stood shoulder to shoulder with our forces in the battle line and have done a magnificent job with us to help preserve the freedoms which we have. It is the consensus among our top military people that our allies, many of whom we are helping with our mutual security program, are better equipped, better trained, and better able to do the job today than at any time in recent history.

Now let us turn, after a discussion of these various and related programs, to the specifics of quantity and quality of our own Army. The President has recommended for fiscal 1960, 870,000. The Army felt that they should have a minimum of 900,000 for fiscal 1960. It should be pointed out that during the Korean war the strength of the Army rose to a figure of approximately 1.5 million, this 4 or 5 years ago during a period of a serious conflict 8,000 miles away. I feel very strongly when all factors are considered that 870,000 for the Army in fiscal 1960 in a period of peacetime is adequate.

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Seventy-seven Members are present, not a quorum.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 62]

Abernethy	Celler	Kasem
Adair	Chamberlain	Keith
Albert	Chenoweth	Kilburn
Andersen, Minn.	Davis, Tenn.	Kirwan
Auchincloss	Dawson	Knox
Barden	Dingell	Macdonald
Barrett	Durham	May
Baumhart	Forrester	Miller, George P.
Bonner	Garmatz	Morrison
Bosch	Hébert	Moulder
Bowles	Hess	O'Konski
Broyhill	Holifield	O'Neill
Canfield	Jackson	Oliver
Passman	Riehlman	Taylor
Powell	Riley	Teague, Tex.
Randall	Rivers, Alaska	Thompson, La.
Reece, Tenn.	Smith, Miss.	Wier
Rees, Kans.	Spence	Withrow

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H.R. 7454, and finding itself without a quorum, he had directed the roll to be called when 378 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. FORD. Mr. Chairman, just prior to the quorum call I was discussing the problem of manpower, specifically as it affects the Army and the Marine Corps. I was discussing the quantity of manpower which is needed to provide an effective Army. I had indicated that at the height of the Korean war during fiscal 1952 the Army manpower strength was 1.5 million, more or less. The President has recommended for fiscal 1960, in a period of peacetime, an Army manpower strength of 870,000. This is below the Army manpower strength during the Korean war, but naturally during peacetime we should expect that our active Armed Forces should be smaller. It is the view of the President, a military expert of considerable competence, and this Committee on Appropriations that 870,000 for fiscal 1960 is fully adequate.

Another comparison that might be valid is what we had in the way of Army manpower in fiscal 1950 just prior to the Korean war. In fiscal 1950, just prior to the Korean war, the Army active duty strength was 593,000; in other words, in fiscal 1960 it is anticipated under the President's budget that our Army manpower strength will be 276,800 more than it was at a period prior to the Korean war.

May I point out that the Army in the next fiscal year, under the President's recommendation, will not only be 270,000 more in active duty strength, but it will have infinitely greater firepower; it will have far more and better mobility and tremendously more communications ability. In addition, our Reserve strength, the Army National Guard and the Army Reserve, will be substantially greater.

Now let us turn to the problem of quality in the Army. For the last 5 or 6 years the President and leaders in the Pentagon, both military and civilian, and the Congress have been concerned about making our Armed Forces an attractive career. We have sought to keep people in the service and we have sought repeatedly to raise the ability, the average ability, of those on active duty. On the recommendation of the executive branch of the Government, the Congress has passed in recent years three very important laws that I think have made the career in the military more attractive. We approved the Military Pay Act of 1958. It added substantially to the annual cost of our military appropriation bill. In 1957 we approved the Servicemen's and Veterans' Survivors Benefit Act. This legislation also added

substantially to the cost of our military appropriation bill. It had a beneficial impact in keeping people in the service and appealing to better people to join the service. In 1958 we passed legislation called the preinduction screening legislation. The preinduction screening legislation has made it possible for the Armed Forces to weed out the less desirable people from a capability point of view. Those folks are, in the main, in what we call category 4. The net result is that today our Armed Forces have a higher degree of manpower capacity than at any time in the history of the Army and the Navy or the Air Force.

Let me give some concrete examples. If you will turn to page 385 of volume 1 you will see some highly interesting statistics. As of January 31, 1957, 244,300 members of the U.S. Army were in what we call category 4. That was 28.2 percent of the people in the Army. By September 30, 1958, approximately 18 months later, the Army had 133,000 people in category 4, only 16.5 percent of those on active duty. This indicates that the general intellectual and capability level of the Army has gone up substantially in a period of 18 months, and it is improving more and more each month.

As a matter of fact, in fiscal 1958 the Army released under a prerelease program 70,000 low potential personnel. Again let me quote a figure that I think is significant. In fiscal 1958, 60 percent of the Army was in the top three categories. In fiscal 1959, the first three months, 75 percent of the Army were in the top three mental categories. This only illustrates that we are making tremendous progress in making our Army significantly better in the handling of the complicated weapons of today.

Another interesting statistic: Under our new enlistment program, of the top three groups, in fiscal 1957, 83 percent were in that category, but in fiscal 1958 we had gone up from 83 percent to 93 percent. The net result is that in almost every instance we are getting better people, who are more competent to do a better job in the Army which, of course, has a favorable impact on the active strength. If you have better quality you do not need as many people to do the same job.

Let us talk about reenlistments. Here is another area where I think the Congress and the executive branch have done a first-class job. If you will turn to page 358 of the hearings, volume 1, you will find testimony by the Secretary of the Army, the Honorable Wilber Brucker. I believe the distinguished gentleman from South Carolina [Mr. RILEY] was interrogating the Secretary of the Army who had this to say:

> Now with respect to another matter—and this is in relation to the fact that the pay bill has been enacted within the last year and that increases the reenlistment rate which ought to make up the difference—our experience is that it has made a difference of about 3,000 in the overall that have reenlisted.

He goes on to say:

> As to whether this is anything of a permanent nature that we can bank on, I do not know, but taking it at 3,000, that makes a difference of 510 trainers,

In other words, when you get an increase in your reenlistment rate, it means you do not have to get a raw recruit, bring him in, send him to basic training and run him through the various courses that takes him up to a soldier that is competent and qualified to serve in the ranks. It means that you can reduce your training load. It means, also, that your personnel are basically better throughout the Army.

What is the situation on reenlistment rates? In fiscal 1957, for all Regular members of the Army it was 49.6 percent. In 1959 in the same category it had gone up to 54.1 percent.

In the category of first term Regulars, in fiscal 1957 it was 18.9 percent. In fiscal 1959 it had gone up to 23.3 percent.

In the case of career Regulars, in fiscal 1957, 82.1 percent; in fiscal 1959 it was 85.6 percent. In the case of inductees, in fiscal 1957 it was 2.7 percent, and in fiscal 1959, 4.8 percent.

In other words, in every case, because of legislation passed by the Congress, on the recommendation of the executive branch of the Government, we are getting a better reenlistment rate which means a better trained soldier and a lesser burden on our training establishment. One further statistic, I think, is important. In the Active Army the enlisted personnel with 4 or more years of service in 1956 was 30 percent. In 1958 it had gone up to 37 percent.

The Army during the hearings spoke with pride, and I commend them for it, about the progress they have made in the area of discipline. The Secretary of the Army pointed out on page 357 of the hearings that on May 31, 1955, they had in various disciplinary barracks 6,303 Army personnel. Those were people who were confined in Army disciplinary barracks who obviously were not making any contribution to the combat effectiveness of the Army.

The CHAIRMAN. The gentleman from Michigan [Mr. FORD] has consumed 1 hour.

Mr. FORD. Mr. Chairman, I ask unanimous consent to yield myself such further time as I may desire.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. FORD. Mr. Chairman, on August 31, 1958, the number of Army personnel in disciplinary barracks had gone down to 1,532, a reduction of 4,771 in this time span or a 75 percent reduction. This indicates that we have picked up from noneffective spots almost 5,000 and transferred them to combat units for availability for the U.S. Army. In addition, we have been able to close one and maybe two disciplinary barracks and reduce the supervisory and the maintenance personnel to the extent of 381. In other words, by getting better people in the service, we have reduced our discipline problem and increased our combat effectiveness of those who are in the service.

I want to refer to one other aspect of this important problem. We have spent in this Army, Navy, and Air Force program substantial sums to improve the health of those on active duty. This has been a successful program. We have been able to reduce the number of Army hospital beds. We have been able to reduce the amount of time that Army personnel have had to spend in our hospitals. Consequently we have been able to increase the amount of time that our Army personnel has been able to be with units in the field. The net result is that we get better utilization of personnel. The net result is that the 870,000 Army, active duty personnel, in fiscal 1960, in my judgment, is a stronger Army by far than 900,000 in fiscal year 1958. It is better qualified. It has better equipment. It is more combat ready.

Mr. Chairman, our committee has come to this conclusion. But, I would just add this one comment. A Member of this body in testimony on May 12, 1959, to the Manpower Utilization Subcommittee of the House Committee on Armed Services made a very forceful statement about utilization of manpower in the Army. I suspect after reading this statement by the gentleman from Connecticut [Mr. KOWALSKI] that he would agree with the views of this subcommittee and the views of the President. I suggest that all Members of the House, if they have any doubts about this action and the President's recommendation, that they read this statement by the gentleman from Connecticut [Mr. KOWALSKI], a former member of the U.S. Army and a graduate of the U.S. Military Academy.

Now, if I may, I would ask your indulgence and talk for a few minutes about the air defense problem. The chairman discussed it in some detail, I would like to supplement his views. We have an air defense problem today for only one reason and that is because of the Soviet manned aircraft threat, a threat which exists today and a threat which will exist up to and possibly through 1970. There are some who will say that the manned aircraft threat will pass out of existence in a year or two. Many people say by mid-1965. However, the Furnas report which was submitted to the Secretary of Defense on April 6, 1959, says, and I quote:

> Intelligence estimates indicate that the U.S.S.R. air-breathing threat will decrease in relative importance with time. Nevertheless, for several years it will be of sufficient magnitude to justify a major defensive effort against the air-breathing threat on the part of the United States.

On page 14 of this document, the Furnas Committee, it says:

> Intelligence estimates available to the panel have led to the conclusion that there will be a manned-bomber threat at least until 1970.

What is the Furnas Committee?

Mr. MINSHALL. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. MINSHALL. I do think it is only fair to refer to the statement in the committee report, a statement directly from our own committee report, prepared by our staff—and I refer to page 16, about midway down the page. In

referring to the Furnas report, which the gentleman from Michigan just talked about, the committee report contains this statement:

The study as a result is inadequate and not conclusive with respect to the overall air defense picture.

Mr. FORD. I am glad the gentleman from Ohio brought that out. I would like to give a little biographical background, if I may, of the Furnas Committee.

On December 24, 1958, the Secretary of Defense requested that a committee look into the possibility and desirability of proceeding with what we call the Bomarc program. He selected for this committee the following members:

Chairman, Dr. C. C. Furnas, chancellor, University of Buffalo, who for a period of approximately 2 years was the Assistant Secretary of Defense for Research and Development.

We also had on that Committee Mr. William E. Bradley, director of research for the Philco Corp.

Lawrence R. Hafstad, vice president in charge of research, General Motors Corp.

Albert G. Hill, vice president and director of research, Institute for Defense Analyses.

Frederick L. Hovde, president, Purdue University. May I say that the inclusion of Dr. Hovde is very significant. He was, and I believe still is, one of the principal advisers to the Secretary of the Army for Research and Development. In other words, it was not a stacked committee because Dr. Hovde does serve and has served with the Department of the Army as a scientific adviser.

Also as members of this Committee are Mr. Allen Puckett, vice president and director of the System Development Laboratory, Hughes Aircraft Co.; Hector R. Skifter, Assistant Director, Air Defense, Office of the Director of Defense Research and Engineering.

This Committee with a number of assistants operated in the area of data processing and control, data links, airframes and powerplants, airborne guidance and fuzing and radar.

It is true that this Committee had a responsibility in this area of the Bomarc system; but as you look at the competence of those people and the experience of those on the committee I am sure we can rely on their recommendations to be broader than their initial responsibility.

Mr. MINSHALL. Mr. Chairman, will the gentleman yield further?

Mr. FORD. I yield.

Mr. MINSHALL. Again on page 16 of the report of the committee it says:

The so-called Furnas Committee—

And I hold the members of that Committee in the highest esteem; they are men of unusual obligation, but their directions were not according to Hoyle. I read further from the committee report this statement:

The so-called Furnas Committee at the request of the Department of Defense, has recently completed a study of the Bomarc. The Committee gave the Bomarc approval with certain important reservations. By the terms of its directive from the Department of Defense, the Furnas Committee did not give full consideration to Nike-Hercules, fighter aircraft, and other important air defense factors in making the study.

Mr. FORD. Let me say in that regard that the committee by reducing the Bomarc fund to $162 million indicated that in the committee's opinion the program was partially overfunded. I think the committee action in approving $284 million in funds for fiscal year 1960 agreed with the Furnas Committee recommendations that Bomarc B should be pushed forward.

Mr. OSTERTAG. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. OSTERTAG. Our colleague on the committee, the gentleman from Ohio, called attention to the committee report and quoted reference to the Furnas Committee report, quoting from the committee report the statement:

The study, as a result is inadequate and not conclusive with respect to the overall air defense picture.

When you take those words and put them into their proper meaning that reference has to do with the overall air defense picture rather than specifically the Bomarc missile.

Mr. FORD. That is correct.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. FORD. If the gentleman will permit me to finish this statement I would be glad to yield or to release the floor.

I want to point out again that there is no doubt but what we have a manned aircraft threat today, and in the opinion of those who have studied the matter this threat will exist up to and through 1970. It involves long-range bombers, comparable to our B–52's, it involves medium-range bombers such as our B–47's. Of course, the Soviet manned aircraft threat has a nuclear capability.

What is the objective of our defense program? It is primarily to destroy the manned aircraft before these aircraft are in a position to drop their weapons on the populated areas of North America. That includes the populated areas of Canada as well as the United States.

I will turn to a chart I have here which I think will illustrate what our defense picture involves. Here is the North American Continent. The area that is in brown shows the area that will be covered by our manned aircraft, our fighter interceptors, from bases within the continental limits. You can see that extends far north both on the east as well as on the west. The area in red is the area which will be covered for the defense of North America and, of course, the United States by the Bomarc A and B programs. The area on the inside of the red is the area which will be covered by our Nike-Hercules and Nike-Ajax systems. Limited areas in and around our major areas of population will be protected particularly from low flying aircraft by what we call the Army Hawk system.

In other words we have a mixture of air defense weapons, fighter interceptors, Bomarc, Nike, Ajax, Nike-Hercules, and Hawk. In my judgment, we need all of them. If we are to do the job effectively for the defense of our country, we must have a mixture. It is of vital importance in a threat with a nuclear capability to destroy that threat outside of the heavily populated areas, whether they are in Canada or the United States.

I am not speaking derogatorily about Nike-Hercules or Ajax. I supported that program and I have from its inception. I support it now. I am not here to speak disparagingly of the Army Hawk system. A Hawk is a vital weapon, it performs a very important function. I am not here to speak badly of our fighter interceptors. They are vital too. I am here to talk about an overall system that involves four vital elements, and I hope the Congress supports such a program.

It was indicated by the chairman of the subcommittee that by the early part of June the Defense Department would make a final decision as to what this mix should be. I learned today it is quite probable it will be a mix. It will not overly emphasize one weapon against another.

Let me speak, if I may, about the Bomarc program itself. This is the Air Force air defense weapon for what they call area defense. The Bomarc A program is fully taken care of. It involves five bases on the eastern seaboard of the United States, these five bases that I have indicated. The first base will become operational in September 1959, and additional bases will become operational at the rate of about one each 3 or 4 months, so that by September or October of 1960 we will have our Bomarc A program operational in its entirety.

In recent weeks some of our people in the Pentagon and the services have been more interested in a barrage of propaganda than they have been in barrages for the benefit of the air defense program. I am sick and tired of this bickering, and I think the public is likewise. I include the Air Force, the Army, the Navy, and others. If they would concentrate on doing the job rather than issuing press releases, we would all get a better job done with the money we make available.

I have tried to find out what the facts are on the Bomarc program, and I have made a conscientious effort to find out what the facts are on the Nike program. The facts, as I understand them—and I have made a careful check—are that the Bomarc A test program is as follows: They have had 74 missile flights. Fifty-seven of these missile flights of Bomarc A have been launched against real targets. There have been 32 successful intercepts.

Now, I know some people are going to say that out of those 57 a number of those real targets were B–17's, old World War II aircraft. It is true there were some, but I think any service will tell you that when they first flight test a missile or an aircraft, they start with the target that is the easiest to destroy, but as they go along in the testing program, they take on the more difficult targets. The facts are that Bomarc A has knocked down 12 jet fighter aircraft or drones. Eleven of these tests

killed the bomb, and three were absolute direct hits. In December of 1958 a jet fighter was intercepted by a Bomarc A traveling at the rate of 450 knots, or 500 miles an hour, at a range of 145 miles and at an altitude of approximately 30,000 feet. I think the Bomarc A test program has proven the fact that we need Bomarc A. As I said, it is fully funded.

Now, on the question of Bomarc B, what are the basic differences of Bomarc B? It has a range of 400 miles; Bomarc A a range of about 200 miles. Bomarc A has an altitude capability of around 40,000 feet and Bomarc B some 80,000 to 85,000 feet. In order to get this increased capability Bomarc A had to go through additional testing, and it has become Bomarc B. Bomarc B has in the budget, as recommended by President Eisenhower, $447 million, including $84 million for further test and evaluation. The committee reduced the Bomarc program, that is, Bomarc B, from $447 million to $284 million, a reduction of $264 million. That is a 36 percent cut. If the cut stands, it will eliminate 5 squadrons out of the proposed 16 Bomarc B squadrons, those squadrons which will be located in the northern area of the United States and on the west coast. This is an area which will provide long-range missile protection against the enemy threat to a distance of 400 miles seeking to intercept and knock down Soviet or enemy aircraft before they come to our populated industrial areas.

Now, some comment has been made by people both in the Pentagon and elsewhere that Bomarc B has not been tested. Bomarc B, as a program, was instituted on January 20, 1958. A little over a year ago Bomarc B got the go-ahead sign. On May 27th of this year, a few days ago, we had our first test flight of Bomarc B. It was aimed at proving two things which are important to the success of Bomarc B: One, that a solid fuel booster is practical; and, two, that certain modifications could be made in the ramjet engine. In the first category, which is important from the point of view of range, the test of May 27 was 100 percent successful. They had a problem as far as the ramjet engine is concerned, but in the minds of those people who have worked with Bomarc this is not a significant problem.

Now I would like to point out to you what the differences are between Bomarc A and Bomarc B. Here is Bomarc A, a liquid booster. This is the seeker. As I said, it has a range of 200 miles; an altitude of 35,000 to 40,000 feet. When you really want to get range and you want to get a better capability, particularly a lower altitude capabilty, you have to have Bomarc B with a solid fuel booster, a larger fuel tank and an all-altitude radar. They have proved out the solid fuel booster, and I might add that the all-altitude radar has been tested in aircraft, and it has been proven successful. It has not been flown yet on a Bomarc B missile.

I think some of the criticism of Bomarc B is unwise. I am told that the Army's Hawk system has substantially the same radar, all-altitude radar, as the Bomarc B. So if we are going to have Hawk with this radar we certainly will get it with Bomarc B.

With the introduction of Bomarc B into our system, the fighter-interceptor squadrons are to be cut from 60 to 48 by the end of fiscal 1962. In other words, as we move in with the Bomarc B program, which will bring about the first operational squadron in March of 1961 and with a new squadron on site each month thereafter for the next 16 months, you can cut down your manned interceptor aircraft from 60 to 40 outfits. You move up your Bomarc, but you move down your manned aircraft.

I think this is an interesting fact. Back in February of 1956 when the Defense Department was planning their future budgets, including the budget for fiscal 1960, it was their forecast that they would require 40 Bomarc installations instead of the 19 that are in the program now. They estimated that they would have to buy in the fiscal year 1960, 580 manned aircraft, fighter-interceptors. That would be at about $3 million apiece. Those are the F–101's and the F–106's. In other words, it was the forecast 2 or 3 years ago that in fiscal 1960 we would need 580 F–101's and F–106's at a cost of $1.5 billion, and we would need 40 Bomarc sites.

What is the picture in fiscal 1960 that we are considering today? There is not $1 in here for manned aircraft, of the F–101 or F–106 variety. Instead of 40 Bomarc B sites there are 16. Because of the increased capability and potentiality of the Bomarc A and B we have been able in the Air Force budget to knock out manned aircraft procurement at a saving of about $1.5 billion. And how much is the total request here for Bomarc B? Four hundred and forty-six million dollars. So you have cut your air defense program in this area by about $1 billion by going from manned aircraft of the F–101 and F–106 variety to the Bomarc B program. I think that is a pretty good deal for the taxpayer, and I think it is a pretty good deal for the defense of America.

As I have said, in my opinion, this air defense program is bigger than any service, bigger than any contractor. It is a program that involves the national security of our homeland. Nothing appears more ridiculous to me than to see two services headed by responsible people acting like a bunch of spoiled children as to which one is going to have the job. Nothing is worse, in my opinion, than to see competitive contractors seeking to outbid the other and outadvertise the other. As I said, this air defense program is a pretty important program for our own security. It is bigger than any service. It is bigger than any contractor. I hope and trust the Department of Defense will make this decision as to how the balance will be between the four groups: manned aircraft, Bomarc, Nike-Hercules, and Hawk in order to handle the air defense problem. I am convinced it has to be a mix. I think the responsibility for determining that mix should be made by the competent, scientific military people rather than by us by the meat-axe method.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield for a question.

Mr. FORD. I yield.

Mr. EDMONDSON. Mr. Chairman, I think the applause of the Members expresses better than my words the appreciation most of us feel for the informative report that the gentleman from Michigan has given to us. I appreciate the facts that he has brought before us with regard to missiles. I am interested, however, in the comments made regarding the continuing need for some manned aircraft and the effect of the missile program upon the aircraft needs of our country. I had hoped that the gentleman would comment upon that particular aspect of our defense situation since many of us are concerned about the elimination of the new aircraft carrier from the Department of Defense request for the coming fiscal years.

Mr. FORD. In response to the gentleman from Oklahoma, I would like to say this. Personally, I think we should have had an aircraft carrier in the defense program for the fiscal year 1960. The committee felt otherwise. We made a good substitution by including a beefed up ASW program. I think we ought to have a nuclear carrier in fiscal year 1960 rather than a conventional carrier. But, that did not prevail either. I do not think the advent of the IRBM or the ICBM destroys the need for a new carrier. Actually, the small war threat is going to be with us as long as we have any war threats. One of the significant ways to meet that threat is with an adequate aircraft carrier program at least for the period up to 1970. I did not like the decision to delete the carrier, but I have abided by the majority of the committee's views.

Mr. EDMONDSON. Does the gentleman feel that missile development will meet the needs such as the Lebanese crisis which we had last year in the same way and with the same effectiveness that aircraft striking power will meet a situation of that kind?

Mr. FORD. Under no circumstances will an ICBM or an IRBM program be helpful directly in handling the Lebanese type of conflict nor will it be helpful in handling the Tiawanese type of situation. I do not believe our aircraft carrier availability is going to be deteriorated tomorrow. We have a number of attack carriers. We have some more coming into the inventory. The carrier I hoped we could include would have been for delivery by 1964 when we may need it, and I believe will need it.

Mr. EDMONDSON. Is it accurate to say that our *Essex* class carriers, at least nine of them, are not adequate to handle the modern, high performance aircraft at this time?

Mr. FORD. There is no doubt that the *Essex* type aircraft carrier, as modernized, is inadequate to handle the new Navy fighter aircraft and fighter bomber aircraft. The record shows comparing the *Essex* class carrier, as modernized, with the newer classes that the accident rate is about five times higher in the *Essex* class carrier. The property loss as a result of accidents and personnel loss as a result of aircraft acci-

dents are substantially higher on the *Essex* in comparison to the *Forrestal* type. You can make some real good charts to show that you can pay for a substantial part of the new type aircraft carrier by having it operating rather than the *Essex* class. You do not have to convince me that we need it.

Mr. EDMONDSON. It is pretty obvious that the gentleman feels pretty strongly as I do on this subject. I want to thank the gentleman once again for the information and for the balanced picture he has brought to the House on the defense situation today.

Mr. FORD. I thank the gentleman from Oklahoma.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield for a question?

Mr. FORD. I yield.

Mr. CURTIS of Missouri. The chairman in his presentation emphasized the point that is set out in the committee report, from which I will read as follows:

The pertinent part is on page 11:

As was pointed out earlier in this report, the military budget before the committee was prepared many months ago. Considerable change with respect to plans for certain programs have already been suggested by military sources.

Incidentally, on page 3 of the committee report are listed the major committee changes showing the increases, and there are five major increases; then it sets out the decreases. I do not know how many of those there are. But the question is this: Of the changes the committee made was the Defense Department in accord? Because on some of the changes obviously I presume they felt they were proper, in line with military development, but there are probably some others with which they are not in accord. Would the gentleman care to discuss that briefly?

Mr. FORD. I may say that all of the changes the committee made did not meet the approval of the Defense Department. Some of these changes would meet the approval of the Army, the Navy, or the Air Force as branches of the military services, specifically on one of the missiles, the Atlas program. We increased it from 9 squadrons to 17, an 8-squadron add-on. This was the recommendation of the Department of the Air Force, but to date the Department of Defense has not approved it. They may or they may not, but that is a change which I think ties into the language. If you read that language carefully you will find that it does not necessarily say "The Departments" or "The Bureau of the Budget have agreed to these changes;" it says that significant military leaders or responsible people in the Pentagon have indicated that in this passage of some 7 or 8 months from the time the budget was formulated to now justify certain changes as to dollars and as to programs.

Mr. CURTIS of Missouri. Would it be good procedure to request an opinion from the Defense Department on changes that the committee makes which are due, in large degree, to the result of passage of time, just as was pointed out? There was a freezing of the budget. I think it would be helpful to the Congress at any rate to know whether they are in accord, because certainly if we are going to deviate from their considered judgment we want to know what the situation is.

Mr. FORD. The best answer I know to that is that when the bill goes over to the other body the witnesses will appear there and reclaim what they did not get or ask for a reduction in something they do not need.

Mr. CURTIS of Missouri. Would the chairman of the subcommittee, the gentleman from Texas, care to comment on that?

Mr. MAHON. I think the gentleman from Michigan [Mr. FORD], has properly answered the question. The Committee on Appropriations has done its best to formulate a realistic, appropriate, effective defense program based upon the testimony presented. We have made some changes in the programs which were presented to the Committee on Appropriations. The House, of course, is authorized, and has the authority to do what it wishes with these recommendations. When the bill is passed and goes to the Senate the Department will have an opportunity to go to the appropriate committee of the other body and they will say in what respects they agree with what the House did and in what respects they disagree; and if they make a good case on the disagreement the Senate will put the item back in the bill, and then the conferees will be able to work out the proper solution in conference. Air defense weapons development is one field which may be open to disagreement. It probably will require the Air Force to go to the other body for some adjustment, and the differences will be worked out in conference.

So it seems to me that this is a regular and appropriate legislative process which we should follow.

Mr. CURTIS of Missouri. I thank the gentleman.

The CHAIRMAN. The gentleman from Michigan has consumed 1 hour and 40 minutes.

Mr. MAHON. Mr. Chairman, I yield 15 minutes to the gentleman from Florida [Mr. SIKES].

Mr. SIKES. Mr. Chairman, the Committee has been privileged to hear two very fine presentations today, and I think these able discussions should demonstrate amply to the membership the intensive study which accompanies the preparation of a defense bill by this subcommittee. We spend a considerable part of each day behind closed doors formulating this bill. Sometimes we are denied the privilege of participating in many of the things which take place on the floor of the House in which we feel we should have a part. But, after all, this is a bill which involves more than half of the budget of the United States. Its adequate preparation simply requires a great deal of time. Far beyond that is the fact that it involves the very safety of this Nation and of the free world. Therefore, we do spend many, many hours of intensive study in preparation of each defense bill. The two able talks amply reinforced with facts which you have heard today show some measure of the difficulties and the responsibilities which confront us and the studious attention which is given them.

Under the leadership of the gentleman from Texas, chairman of the subcommittee, we have brought to the House one of the best defense bills I have seen in my time in Congress. I earnestly recommend a careful reading by the membership of the Congress of the report which accompanies this bill. It is voluminous but it is highly informative and it is well worth the time required for its reading.

I am proud of the fact that the subcommittee has had the courage to rewrite this bill in a number of particulars; to make reductions, and to make increases, and to change the bill where it appeared wise and proper to do so after we had the advantage of the best advice that the best informed men in the military services of this Nation could give us. We were particularly careful to hear these military leaders, some of them more than once. These are men who are charged with the responsibility of carrying out each phase of our defense effort. From the facts they gave us we have formulated the bill before you today.

The committee last year followed a similar practice, and I point out in particular that as a result the Congress last year pushed ahead the Polaris program. Why? Because it was foreseeable that within a few years it is quite likely that our major cities and our fixed bases would be targeted by missiles from behind the Iron Curtain, and that on some date—God forbid—a rain of missiles might descend on this Nation and so seriously cripple our defense posture that we would not be able to retaliate. That was and is a future possibility we have to consider.

The Polaris submarine appeared to be on outstanding answer to that threat, a weapon which would continue to give America a powerful deterrent to war no matter what might happen to the other weapons and capabilities in our arsenals; something that the enemy would know could not be destroyed as bases and cities might be destroyed.

The Polaris submarine, each of which will carry 16 nuclear warhead missiles, can cruise for great periods of time beneath the surface of the sea. Each Polaris submarine can carry more destructive power than all of the submarines of World War II combined. Published information shows that nuclear-powered submarines can cruise for 60 days or longer beneath the surface of the sea. It is almost impossible to find them with presently known detection devices. Courageous young men in the *Nautilus* and in the *Skate* have proved that submarines can live for weeks beneath the ice cap of the polar region, that they can break up through the ice of the Arctic Ocean, making it doubly and triply difficult for an enemy to find them; making it possible for them to rain destruction upon our enemy if it becomes necessary that they do so. This Congress pushed ahead the Polaris program and made it virtually impossible for America's deterrent power to be knocked out in a single day under a

single rain of missiles sometime in the future by our enemies.

Last year the Congress also determined that we should push ahead with the missile program. We were lagging badly, so very badly that all of America was alarmed and frightened; but Congress stimulated the activities of the Defense Department, expanded on and pushed ahead with the missile program. With persistence and determination we helped to breathe new life into this all-important activity.

This year the pattern is similarly bold and courageous. This year we bring to you a recommendation for a decided increase in the appropriation for antisubmarine warfare. More and more is it being brought out that this may be the greatest danger that exists today—antisubmarine warfare. We are terribly outnumbered in submarines by the enemy. We know that they have capable submarines. We know that it is extremely difficult to detect submarines now. Advances in antisubmarine warfare measures have been slower than in any other field of defense. So, our committee says to the Department of Defense: America must push ahead; America must bridge the gap in antisubmarine warfare; we must develop adequate measures to defend ourselves against the huge number of enemy submarines which could lurk off our coast and fire their missiles against our cities and our bases in the event of warfare.

Then the committee took another long forward step, and this, Mr. Chairman, I think is possibly the most significant one item in this bill today. The committee has directed that we step up very materially the number of Atlas intercontinental ballistic missiles and the number of Atlas ICBM launching sites. Why? Because our missile program is now beginning to show highly significant progress. Long hours and intensive efforts are paying off. In many important phases of the missile program we are closing the gap. In some we believe we are leading the Russians. Certainly we are no longer lagging far behind the Russians in missile activity. That does not mean we are out of the woods, and there is one aspect of missile development by the Russians which is of especial concern. It is estimated they will have the capability of possessing within a very few years several hundred functional intercontinental ballistic missiles. We cannot ignore that threat. We must match it at least in part. An increase in the Atlas program is the answer which our committee offers to the Nation. So rapidly has the Atlas program progressed that authorities in the Defense Department now share out view in this matter; a direct reversal of their position at the beginning of the year.

Significantly the ICBM remains today the only weapon for which there is no defense. No, there is no defense against the ICBM today and there may never be. Now, if we can put these missiles onto launching pads within a relatively short time, we gain another positive and powerful deterrent to Russia and we gain a countermeasure to Russia's growing ICBM capability. Russia respects a weapon against which there is no defense, and Russia will be much more cautious about starting the war no sane person wants if she knows she is going to be visited by just as much or more destruction as she deals to us.

It has been said before today, there is no defense like a good offense. The enemy recognizes that fact and will always recognize it.

I am very glad that there has been placed in the bill $200 million for new Army procurement; money that can be used for the breakthrough on Nike-Zeus development or for needed new weapons and equipment. It has been shown in earlier exchanges that this money is not intended for Nike-Zeus alone or even that Nike-Zeus should be given preference over other weapons needed by the ground forces. I hope that we can develop Nike-Zeus into an effective ICBM weapon. Frankly, I am not optimistic. To me it is almost incomprehensible that we should be able to shoot down missiles traveling at the tremendous speeds at which they travel in the short time available, but we have to try to find a weapon that can do it. Hence we are appropriating money that can be used to exploit breakthroughs. But, also long overdue is the need for money which can be used to develop new weapons with increased firepower and new equipment for the ground forces. The Army simply has not had the money to do that. The Army has been pushed so far in the background in the clamor for missiles and airplanes and other more glamorous developments that they have had to work with utmost diligence to secure the bare necessities with which to keep our troops equipped. Modernization of equipment for the forces simply has not progressed as fast as they want or as it should or as we want.

Primarily the weaknesses in new equipment are to me in such fields as amphibious landing equipment. Actually, we have not progressed very far since World War II, despite great changes in warfare since World War II with amphibious landing equipment. We have only token modernization.

There is a need for new, lighter, more modern weapons suitable for airborne equipment and for rapid maneuverability. New rifles and machineguns, which are standard in nearly all major armies, are only available in token quantities. Even Nasser's Arabs in the Mideast at the time of the Lebanon incident had more modern ones. We are buying some additional ones in this bill but I think we should be developing a more advanced rifle and machinegun. We know that it can be done.

We need better and lighter tanks. There has been a growing apprehension for years that our tanks just do not measure up to the Russian tanks.

We need small editions of the super weapons, like the Davey Crockett. We need multifuel engines. We are about the only power left—in fact, about the only one that since World War II, has not been using the less costly, more economical, diesel fuel in tanks and trucks. These things are just inexcusable for the most powerful nation on earth.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the distinguished gentleman from Pennsylvania.

Mr. FLOOD. With reference to the tank problem, I know the gentleman is aware that after all the effort in connection with the research and development on the Army tank program, we produced a new so-called tank and we wind up with a British gun.

Mr. SIKES. Yes; the gentleman is correct.

Mr. Chairman, in this bill, fortunately, we continue to implement our bomber strength, supplemented by jet tankers. I should not like us to lose sight of the fact that through recent years while we have been developing the new super weapons, it has been the old reliable SAC, the Strategic Air Command, which has been the great deterrent to general war. Ringed as she was with American bases, Russia had no desire to push us too far. And now as new defensive weapons are being developed which make it extremely dangerous and difficult to fly aircraft over targets, our SAC aircraft will be equipped more and more with air-to-ground missiles, such as the Hound Dog, which permit the aircraft to stand out 300, 400, 500 miles from a target and fire its nuclear warhead missile onto the target. SAC still is a great and powerful force and it helps to give us multiple striking power.

We must have a well rounded, well balanced force, which takes in all branches of the military services.

Mr. Chairman, there are some changes that I would recommend in this bill. I would like very much to see this bill carry a nuclear carrier. It would cost $120 million more than the conventional carrier, and it would certainly be worth it. During the life of the carrier we would probably save that amount of money in supply and gain many times the value in added effectiveness. Larger, nuclear carriers are required because of the increasing size and weight and speed of the planes which use the carriers. I beg of you to remember that our carrier fleet is not large and the years are passing. Some of the carriers are becoming obsolescent. There must be replacements. It is dangerous to wait too long to add the one which was programed for this year.

I would like to see a 900,000-man Army, with mandatory language requiring that the strength of the Army be maintained at 900,000.

Mr. RIVERS of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the distinguished gentleman from South Carolina.

Mr. RIVERS of South Carolina. Is it going to be the purpose of the gentleman from Florida to offer an amendment to restore the nuclear carrier or to provide for it?

Mr. SIKES. It is not my present purpose to add language to provide the nuclear carrier. There was a conventional carrier, which was stricken out in committee. If a carrier is not added here, it will be my hope that when this bill reaches the other body the carrier will be added there. I believe a carrier will

be added before the bill becomes law and I hope it is a nuclear carrier.

Mr. RIVERS of South Carolina. If it is well to do it in the other body, why would it not be wise to do it in this body?

Mr. SIKES. I would be very pleased, indeed, to see it done in this body. I cannot predict the action of the House.

Mr. RIVERS of South Carolina. And if it is not done in the other body, we are without the carrier, leaving our forces unbalanced, with an instrument which has been tried and proven, and which is indispensable to make our fleet a modern striking force.

Mr. SIKES. The gentleman has a very good point. Each body of the Congress should do its own work. If such an amendment is offered I intend to vote for it.

Mr. RIVERS of South Carolina. I thank the gentleman; I want to say that I congratulate him on his broad and forward-looking thinking.

Mr. GATHINGS. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the distinguished gentleman from Arkansas.

Mr. GATHINGS. Mr. Chairman, I would like to ask the gentleman from Florida just what provision is being made in this bill for the protection of the bases in the interior; that is, the Nike program?

Mr. SIKES. I am glad to say to the gentleman that this subcommittee made no cut in the contemplated Nike program, which carries altogether about three-quarters of a billion dollars, a part of which is for the operation of the Nike-Ajax bases which already are in being. A part of it is for the phasing in of the Nike-Hercules program which is a much more advanced and more effective program. A part of it is for continued testing of the Nike-Hawk program which is for use against low-flying aircraft. A part of it is for the continuation of research and development of the Nike-Zeus.

Mr. GATHINGS. There seems to be some confusion though at the moment and I just wonder whether or not the gentleman feels that that confusion might be cleared up shortly.

Mr. SIKES. I think possibly the gentleman is concerned about the continuation of the BOMARC program.

Mr. GATHINGS. Yes.

Mr. SIKES. The Bomarc program which is another segment of the defense program for our cities and our bases is intended to provide protection in areas beyond the capability of the Nike system to reach.

In that program there was initially $360 million for production plus $84.6 million for the testing of the Bomarc B. The committee in its wisdom saw fit to strike $160 million from the Bomarc production program but not to strike any funds from the test funds for the Bomarc B. Therefore, there is still in the bill approximately $286 million for the continuation of the Bomarc B.

If I may go just a step further. The gentleman recalls in the other body all the Nike money recently was stricken from a bill under consideration there. I do not feel this action by the other body is a final action. I believe, as the bills are considered further, and as we go to conference with this and other bills, that almost certainly money will be provided to carry on both programs.

Mr. GATHINGS. That is the point on which I wanted to get the gentleman's views.

Mr. SIKES. I do not think this committee is in a position to solve this problem. They are so technical and so highly advanced, I think people who have a much more intimate knowledge than we have must solve the differences of opinion between these weapons and determine the proper place of each. I personally feel there is a need for each to defend our cities and our bases.

I would like to quote from a statement by Secretary of Defense McElroy after the other body had struck the Nike language out of their bill. Here is what Mr. McElroy said:

> In our planning for the protection of the North American continent against air attack, we visualize a defense in depth which consists of three stages.
>
> The first attempt to destroy or turn back invading aircraft would be made by our interceptors, supersonic planes which would meet the enemy as far out from our own borders as can be done.
>
> The second stage of our defense would be furnished by the Bomarc which, in its new version, will have a range of about 400 miles. Again, the attempt would be to reach out and intercept the attackers as he comes closer to but before he reaches our continental borders. The Bomarc, sited around the periphery of the United States and in Canada, would be integrated into the SAGE system that directs both the Bomarc and the interceptors to their targets.
>
> Finally, as the third stage, the Nike-Hercules would be sited for additional close-in protection of high priority targets.

And this is the concluding and highly significant paragraph:

> Nothing in my suggestion to the Senate Appropriations Committee was meant to indicate that there would not be a place for both the Nike-Hercules and the Bomarc. As I have indicated above and as I have indicated in my testimony, our concept of defense in depth leaves a place for both types of missile system.

Mr. GATHINGS. I thank the gentleman so much and I do appreciate the way in which he has handled this problem, and I also wish to express my appreciation to the speakers who have taken the floor before him.

Mr. SIKES. Mr. Chairman, if I may proceed further. I said I would like to see a mandatory provision for 900,000 troops and a mandatory provision for 15 divisions. We have only a limited number of superweapons. Despite the fact that they are generally discussed as having implemented the capability of our Army, we have a very limited number of them. It takes men to man weapons and generally our Army is still dependent upon World War II and Korean type weapons. Last year the Congress provided funds to maintain the Army at 900,000, even the Department of Defense recommended a reduction of 870,000. The administration, as so frequently happens, paid no attention to the recommendation of the Congress because it was not made mandatory and cut the Army to 870,000. But the Department did not cut it until after the Taiwan and Lebanese incidents were behind us. If the Army did not need the full 900,000 to meet limited warfare potentialities, why did the Department not go ahead and start to reduce the Army as soon as the bill became law? Why did they wait and keep 900,000 men in uniform until the Taiwan and Lebanese crises were behind us and until there was nothing to indicate the occurrence of a limited war. I do think we need these additional forces and I deplore the fact that the Army is being reduced.

I hope also, Mr. Chairman, that in the final analysis mandatory language will be written in this bill to ensure that the Reserves and the guard will not be cut below the figure for which they are funded in this bill. They are funded for their current strength of 300,000 Reserves and 400,000 in the guard. But, in my opinion, that is only an empty gesture unless we make it mandatory. Last year it was mandatory and they were not cut. Last year the Army was funded for a higher number, but it was not mandatory and the Army was cut. All of them deserve better treatment.

I wish there were in this bill additional provisions for chemical, radiological, and biological warfare. It would not take but about a dozen of those submarines which the Russians have in such great numbers, and which could operate almost at will off our coasts to impregnate the entire eastern seaboard with disease agents against mankind, against animals, and against crops. We have only a limited defense against that type of warfare.

Since World War I when gas warfare came into such terrible disrepute there has been very little emphasis and very limited appropriations for chemical, biological, or radiological warfare. Yet a courageous group of dedicated men are carrying on as best they can in this field and making phenomenal strides in developments which may be invaluable in the event the Russians should decide that we are so ill-equipped to defend ourselves in those fields that they turn to it suddenly in warfare. No one can state with certainty where an alert adversary will strike or with what weapons.

One or two more things and I am through. I am disappointed as others have been by what appears to be a lack of effectiveness on the part of the chiefs of state in coordinative defense. activities and programs. I am disappointed that it appears each of the services is trying to set up its own empire and be a complete and independent organization which ignores the capability or value of the others. Service rivalries are getting out of hand.

I am distressed, as you are, by the complacency on the part of our own people about what is going on in the world. Americans do not even appear to be particularly disturbed by the Berlin crisis; apparently they feel this is just another conference and that we are going to yield something in the conference to buy a measure of peace. Unfortunately the price is getting higher and higher in each succeeding conference.

But I am proud to say this committee subscribed to no such complacency. We believe in the policy of power for peace. I would like to remind you that in 1904 during the second administration of Theodore Roosevelt there occurred an incident involving the Moroccan bandit Rasouli, who kidnapped an American and his son-in-law in Morocco, carried them off, and demanded a ransom for their release of $70,000 from the U.S. Government.

Mr. Roosevelt, who was a determined man, demanded the unconditional release of the American citizens within 48 hours, or he promised to raze the city of Tangiers. He dispatched a message to the Sultan in that city containing these five words: "Pericardis alive or Rasouli dead."

By this resolute show of force and determination, Mr. Pericardis was released immediately and unharmed. Times have changed, and I realize that, but the principle is the same, Mr. Chairman: Diplomatic successes arise from observation by dictators of the power for peace and the willingness to use it which this Nation possesses.

Mr. MAHON. Mr. Chairman, I yield 10 minutes to the gentleman from Alabama [Mr. ANDREWS].

Mr. ANDREWS. Mr. Chairman, this bill represents about 4½ months' work on the part of the members of this subcommittee.

I want to commend our chairman, the gentleman from Texas, and the ranking minority member, the gentleman from Michigan, for what I think is a job well done.

I want to discuss with you briefly the position of our Navy in connection with the provisions for the Navy in this bill.

The position of the Navy in our defense posture is unique. Through the Marine Corps it must be prepared to fight on the ground, and in amphibious operations. Through naval aviation it must fight in the air and assist our Air Force when required to do so. Yet, with it all, the Navy must be prepared, primarily, to maintain our control of the seas, in the air, on the surface and below the surface. It must be ready at all times to project our military power in coordination with the other services throughout this world wherever it is necessary for the protection of our Nation and of the free world. It must be prepared to play its part in the so-called total war, yet it must also be prepared to maintain its essential position for the so-called small or limited war and for show of force in support of our foreign policy in the vital cold war which is being waged today.

Actually, this free world of which we speak so glibly is a large oceanic confederation, tied together through lifelines maintained on the oceans of the world. The raw materials which keep the industrial heart of this Nation running move to a large extent over our sealines of communication. If this country and the free world are to survive we must maintain supremacy of the seas. It is the primary mission of our Navy to control these seas.

While I cannot support all the actions of the committee with respect to the Department of the Navy appropriations, primarily, with reference to the elimination of the attack carrier, and to holding the strength of the Marine Corps at 175,000 men instead of 200,000, I would like to point out that this bill will make the Navy much stronger than it has been in the past. For example, the bill provides support for an active fleet of 864 active ships. A fleet which will be improved in 1960 by addition of newly constructed vessels, including the first Polaris submarine. The shipbuilding program, although eliminating the carrier, adds much to the strength of the Navy, including guided-missile frigates and destroyers, nuclear-propelled submarines as well as essential conversions and other important naval vessels.

Aircraft procurement in 1960 is estimated at approximately 700 aircraft. These are all modern aircraft developed primarily for Navy missions aimed at strengthening the attack, combat and antisubmarine warfare capability of the Navy.

The details of the committee action is set forth in the report and has been explained in some detail by the gentleman from Texas [Mr. MAHON] and others. For a few minutes, however, I would like to point out to you three specific areas of the Navy appropriation which I believe are of concern to all of us and where the committee has taken definite action to strengthen our naval forces.

The first of these relates to antisubmarine warfare. I can but reiterate what has been said before that we face in the growing Soviet submarine fleet an unprecedented threat to our control of the seas. For the first time in the history of this country, we face possibility of an attack not only from the ballistic missiles of a potential enemy, but from missile firing submarines which can lie hidden off of our coasts. It is a threat against every city in America, no matter where it is located. It is a threat which must be contained. It is a primary mission of the Navy. The budget estimates contained over $1 billion for antisubmarine warfare efforts. The committee, however, believes that this is not sufficient. Accordingly, it has increased the estimate by $255,300,000. The increase provides for 38 additional aircraft, an additional guided missile destroyer and another nuclear powered submarine, both with antisubmarine warfare capability. It also includes an additional $45 million sorely needed research and development funds to assist the Navy in major efforts in this field to achieve breakthroughs in the detection, identification and destruction of enemy submarines, which must be realized if we are to combat the submarine forces which oppose us.

In addition to the items added by the committee, the budget also provides for the first increment of a major program for the rehabilitation and modernization of the antisubmarine warfare ships existing in the Navy at the present time. This program will provide not only increased ASW capability to the Navy of today but will also add many years of useful life to these vessels.

Now, let us switch from underseas to the long-range missile capability of the Navy. The fleet ballistic missile program, commonly called Polaris, cannot be overemphasized. Submarines hiding under the surface of the earth, maneuvering at will and capable of launching long-range ballistic missiles against the homeland of any enemy pose a potential threat almost without parallel. Funds approved by the committee for this program total $611,700,000. These will permit the construction of a second fleet ballistic missile submarine tender, permit advance procurement in fiscal year 1960 of long leadtime components for three additional fleet ballistic missile submarines in the 1961 program, bringing the total number to 12. It will also procure additional tactical missiles, provide for an intensive flight, test and evaluation program, and a research and development effort which are aimed at bringing this missile into being at the earliest possible moment.

Mr. Chairman, in my opinion, every effort must be made to place the Polaris weapons system in the arsenal of our Navy as promptly as possible. The bill reported out by the committee represents a major step in this direction. It must, however, be followed up by the maximum acceleration of this program in the future as a result of any breakthroughs which might be achieved.

The third aspect of the Navy program to which I would like to direct your attention, is that of the Marine Corps. I have already stated my position with reference to the strength of this corps. But, I would like to tell you for a few moments what this bill does do for the Marines.

Funds are provided in this appropriation to maintain the Marine Corps at a strength of 175,000 during the fiscal year. This will permit the corps to continue its statutory organization of three combat divisions and three air wings though at somewhat reduced strength.

In the area of maintenance and operations for the Marine Corps, the bill continues to provide these funds as a separate Marine Corps appropriation. The amount involved, about $171 million, will enable the corps to maintain its combat forces and supporting installations at about the same level as in fiscal year 1959. I think the committee is to be commended for its wise action in retaining this appropriation as a separate Marine Corps item in the overall budget structure. To merge it into the Navy appropriation for maintenance and operation, as was originally proposed in the budget transmittal, would have tended to deprive the Marine Corps, as a separate service, of an adequate degree of control over these funds.

The committee has provided funds which will permit the Marine Corps to embark upon significant procurement of the new 762 family of infantry small arms. In addition, money has been made available in this bill to provide the corps additional firepower in the form of the Hawk, Red Eye, and Terrier missile systems, the ones most suited to the

corps' amphibious mission and its air defense needs.

The bill contains funds which will make it possible for the corps to push on its efforts to adapt its units and their equipment to the doctrine of vertical envelopment. Faced with the fact that this Nation, in an era of atomic plenty, must maintain a strong amphibious warfare capability for both general war and the more likely threat of limited war, the corps has developed new methods of assault from the sea utilizing the versatile helicopter.

To further this development, the bill contains money for a new helicopter carrier and a new amphibious transport of the modern LPD type. In addition, funds to increase the number of transport-helicopters are included by the committee. And finally, money is made available to improve the corps' communication equipment necessary to the greater distances involved in the vertical envelopment doctrine and to continue programs to lighten and sectionalize some of the equipment needed in the amphibious assault in order that a maximum degree of helicopter transportability may be achieved.

Mr. Chairman, we may look at the glamour of space vehicles, the massive threat of our manned bombers, our sophisticated ballistic missiles and all of the other so-called weapons systems of modern warfare, but when we face the cold realities of the world in which we live today, with its cold war threat and the constant sword rattling of limited wars, we must face up to the fact that a primary weapons system in which we must place our dependence is the force in readiness which we have to meet at a moment's notice the threat of the cold war or a limited war in any area of the world and to play its role in any all-out war. That role and mission has been assigned to the U.S. Marine Corps. I need not tell you how it has filled that role in the past or how it is filling it today. If it is to continue to fill it in the future, then we must make adequate provision for a strong and ready group of dedicated military personnel. With the exception of the strength of the corps, this bill provides the funds for such a force in readiness.

The late great Secretary of State John Foster Dulles always stressed this for the United States to bear in mind:

> So long as a dictatorship exists in Russia, operating in secrecy behind an Iron Curtain, and possessed of weapons that can destroy the United States, there can be no real safety for this country other than a powerful defense.

This bill, Mr. Chairman, in my opinion provides our country with a powerful defense.

Mr. FORD. Mr. Chairman, I yield 15 minutes to the distinguished gentleman from New York [Mr. OSTERTAG].

Mr. OSTERTAG. Mr. Chairman, today we have under consideration what might be termed the most important measure to come before us during this session of Congress. Not only from the standpoint of size in terms of dollars, but also, in relation to its application and effect on our national security and the preservation of the free world.

It is an honor and a privilege to serve as a member of the Defense Appropriations Subcommittee, and I want to take this opportunity to pay tribute to our distinguished chairman, the gentleman from Texas [Mr. MAHON], for his able leadership, his understanding, and his integrity, in the arduous task of the committee over the past 5 months while the entire defense budget has been under consideration. Likewise, the ranking Republican member of the committee, the gentleman from Michigan [Mr. FORD] has exhibited outstanding understanding and ability in meeting the heavy responsibilities we must share in matters of this kind. I commend these colleagues along with each and every associate of mine on this committee and I can say with pride that I believe this defense appropriation bill represents a job well done.

As the committee report states, "We continue to live in a period of rapid change and new concepts."

President Eisenhower, in his state of the Union message, said:

> We must not be swayed in our calculations by groundless fear, or by complacency. In these days of unceasing technological advance, we must plan our defense expenditures, systematically and with care, fully recognizing that obsolescence compels the never ending replacement of older weapons with new ones.

I agree wholeheartedly with the committee report and, generally speaking, this is a good bill. While some of us may not agree with all of the changes made by the committee, in the main, it can be readily conceded that it represents terrific strides in our defense posture, and a decided increase in the overall deterrent power of our U.S. military forces.

Let us never forget that, while we may be at peace today, the goal of the Soviet Union and the Communists, is that of world domination. Although it is generally agreed that the military threat posed by the Communist bloc is the major element of concern to our national security and that of the free world, we must also recognize the serious threat to our position of leadership in the economic, scientific, and technological fields.

As late as yesterday, in a speech in Albania, Soviet Premier Khrushchev is reported to have coupled a threat of total destruction for the West in the event of war, with a prediction of capitalism's inevitable defeat.

Mr. Chairman, we have witnessed the dawn of the space age, and the development of fantastic weapons with destructive power beyond conception. We find ourselves considering programs involving ballistic missiles, missiles from submarines, missiles, from ships, missiles from the air, antimissile missiles, atomic submarines, supersonic bombers, and many other new and modern weapons against which no absolute defense is possible.

Our report refers to a most important aspect of defense and preparedness, and that is limited versus general war. Our military leaders and planners are aware of the potential danger of an all-out general war developing from a limited war. So long as we maintain a retaliatory force of unquestionable power, it is believed that no possible enemy would resort to an all-out attack upon the United States of America.

Mr. Chairman, I shall not attempt to discuss every phase of this huge defense appropriation bill. By virtue of its very nature, it is costly, and it is vital to our very existence. This $38,848 million appropriation, by comparison to last year, is a decrease of over $1 billion. As of this moment, it is $400 million under the budget request.

Mr. Chairman, this $38 billion defense appropriation is a staggering sum. To give you an idea as to its meaning, I might point out that, if you spent $1 million a day, it would take 110 years to spend that amount.

In dividing the defense budget into areas of use, rather than by the services, you will find that it takes more than $11.5 billion for military personnel, $10.4 billion for operation and maintenance, $13 billion for procurement, and nearly $4 billion for research and development.

Mr. Chairman, we can all agree that the development of the missile has been the most extraordinary and revolutionary of all military weapons in the history of mankind. In this bill, we appropriate more than $3.5 billion for this program. It is costly—it is going through many and rapid changes, and it has been referred to as the ultimate weapon.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. OSTERTAG. I yield.

Mrs. CHURCH. I would like to congratulate the gentleman on the speech he is making as well as to congratulate the gentleman from Texas and the gentleman from Michigan in the exposition they have given of this military appropriation. There is just one question I want to ask. I remember during the winter when the question of our defense came under consideration, we were assured by the Secretary of Defense and by others in the Department that what was being presented was a balanced plan. Would the gentleman tell me whether in his opinion, with the changes that have been made in the plan, we still have a balanced plan of defense?

Mr. OSTERTAG. In my humble judgment, the program as embraced in this bill is a balanced program. I think it has been fairly well described by the gentleman from Texas [Mr. MAHON] and the gentleman from Michigan [Mr. FORD] and others as to its many ramifications and the considerations that have been given to it. We must bear in mind, too, that in our defense mechanism by virtue of its peculiarity, all the moneys for defense are not in this bill. There are many, many billions of dollars that are unexpended and that are made a part of the program of procurement over a number of years so that when we talk in terms of $3,500 million going for missiles in this bill, it does not mean that that is all going to be spent for missiles but it means that that much more is made

available as of now for future obligations and for future expenditures. I would say offhand that while I believe the committee has done a good job, for example, in eliminating a carrier, by the same token the committee increased the budget by some $250 million for antisubmarine warfare which does give it that added lift that was very necessary in that particular field. So, I think I can say to you without feeling I am unfair to my convictions that this is a good bill and a good program and that we are in a strong position.

Mrs. CHURCH. I thank the gentleman.

Mr. OSTERTAG. There is much that might be said about the strife and stresses, and the growing pains that this vital field has brought about. The intercontinental ballistic missile—namely, the Atlas—the Titan and the Minuteman all have their place in the picture at the moment. The report deals briefly with the situation and points out the fact that increases have been made of $85 million for the Atlas and $87 million for the Minuteman over and above the budget request.

As pointed out, this will provide only a down payment on eight additional squadrons of Atlas missiles, but it will fill the gap at an earlier date pending the time the more reliable, advanced, solid-propellent Minuteman comes into being. Our committee added the additional funds for the Minuteman in the hope and expectation, that by so doing, the program will be accelerated.

Another missile program which was ably described by our committee members, particularly the gentleman from Florida [Mr. SIKES], perhaps is the most outstanding development of all, and I am referring to the Polaris, the ballistic missile submarine. Much might be said about the great promise this weapon holds for us. Its mobility and its effectiveness with ability to strike with atomic missiles, from beneath the sea, at great distances, and its tremendous retaliatory capabilities, is certainly an outstanding deterrent to attack.

Air Defense, so ably referred to by our chairman and by the gentleman from Michigan [Mr. FORD], commands an important chunk of our defense budget, and attention has been focused on the Bomarc-Nike-Hercules controversy. This problem and issue, will be discussed by others of the committee. But, I do want to say this, that although a substantial cut of some $162 million was made by the committee in the Bomarc program, I believe it would be a serious mistake of far-reaching consequences, to eliminate all the funds for this weapon. It is my understanding that a master plan covering the overall air defense will soon be unfolded and it is reasonable to assume that this plan will embrace the antiaircraft missiles.

Mr. Chairman, I want to call your attention to another area of our defense system in which your committee made a substantial increase over the budget request. I refer to the field of antisubmarine warfare. As our report points out, the Russian Navy is second only to ours in size, and they have a submarine force of about 450. Because of this number, and the progress made in submarine development, it makes sense to step up our antisubmarine capabilities. For these reasons, the committee has increased the estimates by some $250 million which will go into added research and development, for essential ammunition and fire control equipment which includes missiles, mines, and torpedoes.

Mr. Chairman, though the missile program constitutes the largest part of the defense appropriation, nevertheless, manned bombers will continue to be an important element of our retaliatory forces for some years to come. We were told, during the hearings, that the manned bomber is still the principal means of striking a decisive retaliatory blow. This appropriation bill provides funds for the procurement of additional B–52's—the intercontinental jet bomber, B–58's—the supersonic bomber, and the supporting KC 135—jet tankers. And I might add, funds for the "Hound Dog," which is the air-to-ground missile for use in connection with the B–52.

The bill provides over $1 billion for shipbuilding and conversion and, of course, funds for our vast detection systems.

Our military manpower takes a good size hunk of our defense dollars. The total standing force for our regular services is planned at 2,500,000, which breaks down as follows: Army, 870,000; Navy, 630,000; Marine Corps, 175,000; and Air Force, 845,000. In addition to this standing force, funds are provided for our National Guard and Reserve forces of 1,012,871, all of whom are in drill pay status. This makes our military manpower total more than 3,500,000 in number. I subscribe to the committee action in providing funds to continue the Army National Guard at a strength of 400,000 and the Army Reserve at 300,000. These Reserve forces represent an effective and economical alternative to the maintenance of large standing forces.

Mr. Chairman, this defense appropriation bill of nearly $39 billion which the committee presents is, in my opinion, a good bill. It is realistic, and one that assures us that our essential defense needs will be met. It commands our careful and sober consideration.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. OSTERTAG. I yield to the gentleman from Iowa.

Mr. GROSS. I note on page 912 of the hearings, Air Lift Service Industrial Funds. What is meant by the phrase "Industrial Funds" in connection with the Air Lift Service? I am still puzzled even though I have read the hearings; I still do not understand what "Industrial Funds" means in connection with that.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. OSTERTAG. I yield.

Mr. MAHON. There has been a demand for a period of years, which I might say the Air Force to some extent has resisted, to place the Military Air Transport Service which transports cargo and manpower, upon a business basis so that a more accurate accounting of expense could be achieved. That is a part of the program, to put MATS to some extent on a businesslike, industrial type, commercial type operation.

Mr. GROSS. Does the gentleman think that is a pretty farfetched title for such an organization?

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. FORD. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. GROSS. Does not the gentleman think that is a rather big title for an organization, industrial fund organization, dealing with airlift by the military air transport?

Mr. MAHON. We have a program in dealing with certain kinds of goods, which operates through stock funds. That is one type of operation, a commercial business type operation, to make it more businesslike, to insure better accounting, and to insure better management control. We have this industrial fund type operation for similar purposes. When the services of the Military Air Transport Service are utilized the user will pay for it and there will be a better accounting system, a better control provided. This is a very difficult and complicated subject, but there are portions of the hearings where the matter is gone into in some detail.

Mr. OSTERTAG. Let me respond in addition to the chairman's response that industrial funds are not uncommon in our whole military setup. We have a number of industrial funds which are part and parcel of the economic development of reserve potentials to make for better production and operation as is possible. In other words, it sets it up in connection with the military relationship to industrial development.

Mr. GROSS. They are wheeling that plane out at 5 o'clock this afternoon to take that bunch of junketeers over to London. Is the cost of that to be charged to the industrial fund?

Mr. OSTERTAG. I do not know what the gentleman is talking about.

Mr. GROSS. I am talking about this industrial fund. Is that to be charged to this industrial fund operation? I am trying to get it straight.

Mr. FORD. The answer to that is that these so-called junketeers, to which the gentleman refers, pay their transportation, their transportation will have to be paid for, and the Air Force industrial fund will be reimbursed.

Mr. GROSS. Who is going to pay for it?

Mr. FORD. It will come out of the funds made available by the Congress for that purpose.

Mr. GROSS. There does not happen to be any funds made available by the Congress. Who is going to pay for it?

Mr. FORD. It will have to come out of some other appropriation bill because the MATS program is not authorized to pay for it out of any authorizing fund. They have to be reimbursed.

Mr. OSTERTAG. I would like to inquire of the gentleman who is junketeering. I am not familiar with the gentlemen you are referring to.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. OSTERTAG. I yield to the gentleman from Michigan.

Mr. JOHANSEN. I direct this question to the gentleman or to any member of the committee who can answer it because I am disturbed by the presence of a certain item in this bill, an item that the gentleman and the committee would not unwittingly want to contribute to the psychological support of the very enemies against whom in this bill we are trying to defend the Nation. I have observed, I may say to the gentleman, on page 19 of the bill, an amount of $400,000 for the Olympic winter games and for expenses in connection with that. I would like to ask the gentleman if those are the same games and under the same sponsorship which according to the press reports within the last week had to submit to blackmail from Russia to the point of expelling Nationalist China and replacing them with Communist China, the very outfit that this Congress has specifically barred recognition of.

Mr. OSTERTAG. This is, of course, a military appropriation for military purposes.

Mr. JOHANSEN. But there is an item in here for operation and maintenance of the Olympic winter games, and for the participation by the Defense Department in those games.

Mr. MAHON. The Congress has provided for our participation in the Olympic Games. Congress has provided for some rather extensive expenditures in the State of California for the winter sports part of the Olympic games. Congress having authorized the program, the committee is now providing the funds. The Committee on Appropriations has no way to govern the inner workings of the Olympic games. The question here seems to be do we want to have the winter Olympic games and participate in them, or do we not? Congress has said it is the will of the country that we participate. The expenditure was authorized, and the Committee on Appropriations simply followed through by providing the funds. The matter to which the gentleman is referring is a very recent development about which nothing was known at the time the Appropriations Committee acted on this bill.

Mr. JOHANSEN. I am perfectly aware of all of what the gentleman has recited.

I will say that I have not had an answer to my question as to whether these are the same Olympic games to which Red China now is to be admitted instead of Nationalist China. I wish I could get an answer to that question.

Mr. OSTERTAG. Our committee cannot answer that question.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. MAHON. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I saw some press reports involving the Olympic games, but whether this had to do with that portion of the Olympic games to be held in California I do not know. But, of course, it is always possible for the Congress, if it desires to do so, to refuse to appropriate funds for our participation in Olympic games.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Iowa.

Mr. GROSS. We would not be refusing to participate if we knocked out this $400,000, because they have already gotten $3 million plus $500,000, so we have made a pretty good contribution without this expenditure of money.

Mr. MAHON. Yes; a major contribution in addition to this fund.

Mr. GROSS. Something we have not done before in the history of this Congress, I do not believe.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. JOHANSEN. I am not raising any issue as to what we did in the past, be it right or wrong. I am simply saying that I should like to determine whether this involves participation with athletes from Red China who are put into this thing by blackmail pressure, and I shall make every effort to determine that, because I think the matter ought to be reviewed in the light of developments that have occurred.

Mr. MAHON. I think the facts with respect to that matter can be clarified prior to the debate on this measure tomorrow.

Mr. JOHANSEN. I hope they will be, and I thank the gentleman.

Mr. MAHON. Mr. Chairman, I yield 10 minutes to the gentleman from Washington [Mr. MAGNUSON].

Mr. MAGNUSON. Mr. Chairman, I do not wish to let this opportunity go by without saying a few words about one aspect of our missile program which is of particular interest to me and to my constituency. It will come as no surprise to my colleagues in Congress that I am talking about the Bomarc missile and the present controversy between the Bomarc and the Nike systems as essential components of our air defense.

It is perhaps natural that I should be partisan in this question, because the Bomarc missile is manufactured by the Boeing Airplane Co. in the heart of the Seventh Congressional District of Washington, which I represent. My natural reaction was that of some initial dismay when I first learned of the action of the Defense Subcommittee in reducing the funds for the production of the Bomarc missile by some $162,000,000. Just as in following major league baseball, a partisan fan is always unhappy when his team loses. But I recognize that this is not a game we are engaged in—although the competition among missile systems seems to have taken on some of the aspects of a sporting event. The stakes are much too high, the costs are much too staggering for partisan considerations to govern the final decisions which are made on issues of this kind. When I speak of partisanship, I refer not only to the partisanship natural to a Member of Congress when a sizable interest of his own constituency is at stake, but I also refer to the partisanship of the armed services, which I am afraid has played altogether too important a part in this affair.

I should like at this time briefly to review the situation as I am able to piece it together and make some coments on where the overriding national interest applies, in my judgment.

First, it should be understood that the mission of both Nike and Bomarc is to defend this country against enemy attack by manned bombers and air-breathing missiles.

Due to all the publicity which has been focused on ballistic missiles, a natural question arises in the minds of the public as to whether it is necessary to devise a defense against manned bombers and air-breathing missiles, on the assumption that they soon will be obsolete if they are not obsolete already. As far as I can tell, the experts agree that although the missile threat is increasing, the bomber threat will continue to be a great danger at least through 1975. Verification of this can be found in the very fact that for the next decade we are placing principal reliance on the Strategic Air Command, with its manned bombers and its growing family of air-to-surface missiles.

So, the answer here is that we do need a defense against the manned bomber threat and we shall need it for the next 10 or 15 years.

The next question is: Why are we confronted with competing missile systems designed to defend against enemy bomber attack? It is my understanding that there are two major reasons for this. The first has to do with the rivalry between the Army and the Air Force. The second is derived from the inescapable facts of rapid technological obsolescence.

It is my understanding that back in November of 1956, Secretary of Defense Wilson issued a memorandum attempting to clarify the controversy between the Army and the Air Force over the respective roles of each service in our air defense. This memorandum assigned to the Army the responsibility for point defense; that is, for defending specific target areas against air attack. At the same time, the Air Force was assigned the responsibility for area defense; that is, for shielding large areas of our country from attack. The Army point-defense responsibility is an outgrowth of its antiaircraft command in the Second World War.

In discharging its responsibility for point defense, the Army has developed the Nike family of missiles, which consists of the Nike-Ajax and the more powerful, long-range Nike-Hercules. Both are guided by radar impulses from ground radar tracking stations which locate the enemy target and guide the missile to the point of impact. There is a substantial number of Nike-Ajax installations in operation throughout the country protecting major target areas. The Nike is perhaps the best known missile to the public because the launching sites are close to large centers of population and the Army properly has engaged in a public-information campaign consisting in part of conducted tours through these installations. The chief drawback to the Nike-Ajax is its limited range of up to 25 miles. This

limited range causes some concern, because shooting down an enemy plane within the 25-mile range over the major target area still might cause considerable destruction on the ground. The Nike-Hercules would have a range of up to 80 miles. It is my understanding that production of the Ajax has been terminated and that plans are underway to replace the Ajax missiles with Hercules missiles. Both the Ajax and the Hercules weapons have the further disadvantage that they do not operate against low-flying targets, so the Army plans to supplement them with the Hawk missile, which operates effectively at the lower altitudes. The Hawk, however, itself has a very limited range, being effective only to a distance of approximately 22 miles.

Now, the Nike-Ajax has one supreme advantage, and that is that it is here—it is in existence. The launching installations have been built, crews have been trained, and it is under constant readiness 24 hours a day. The Hercules, which is in production, can be put into the Nike launching sites with modification of the launching equipment but without any signficant loss, of the defensive capability.

So much for the Army's Nike-Ajax and the Nike-Hercules—supplemented by the Hawk.

The Air Force, meanwhile, in 1952, began the development of an area defense missile, the Bomarc. Here again we have two missiles, the Bomarc A and the Bomarc B. The Bomarc A has completed what apparently has been a successful testing program and is ready to be made operational. The Bomarc A has a range up to 200 miles. Instead of being guided entirely from the ground as the Nike weapons are, the Bomarc has its own hunting radar equipment, and, once launched and directed toward the target, its own equipment locks onto the enemy target and takes over from there for the final kill. The Bomarc B will have an even longer range—more than 400 miles. Faster and more powerful than the A, it also will have the advantage that it is powered by a solid propellant which will make it easier to handle and quicker to launch, and will require fewer personnel to operate.

The wider range of the Bomarc missiles have several advantages over the Nike. One is that fewer launching installations are required to cover the same area. A second is that there is a much better chance that the enemy target can be intercepted and shot down farther away from the target area over less populated countryside where the risk of ground damage from the resulting explosion is less. Third, the launching sites can be placed farther out in the countryside and thus land costs are lower and the risks of damage from an accidental detonation of the missile on the ground are reduced. A fourth advantage of the longer range is the greater probability that an enemy bomber can be shot down before it has had an opportunity to launch its own air-to-surface missiles. If this can be done, it means we have to shoot down only one target, the bomber, rather than six or more targets, depending on the number of missiles which the bomber might carry.

I am told that the Bomarc has one additional advantage; namely, that it does not have as quick a saturation rate as the Nike. By this I mean that the Bomarc can fire more missiles within a given period of time than can the Nike system.

Obviously, we would have a maximum air defense capability if we authorized the whole development and installation of both missile systems as envisioned by the most partisan supporters of each. This might result in duplication of effort, but it would be the easiest course to pursue if defense were our sole concern. This also would keep both the Army and the Air Force happy.

But if there is duplication in utilizing both defensive missiles, then the duplication quickly will become extremely costly.

Obviously, there are four choices open to us. First, to go ahead full scale with both systems. Second, to junk the Bomarc and rely solely on Nike. Third, to junk Nike and rely solely on Bomarc. And fourth, to devise some mixture of the two systems which gives us the most defense for our money and uninterrupted defensive capability over the longest period of time.

Whose responsibility is it to make this decision? Not long ago, the Secretary of Defense in an appearance before a committee of the other body frankly admitted that he was having difficulty in reaching a decision because of the conflicting claims of the Army and the Air Force on behalf of their own favorite weapons. At that time Secretary McElroy expressed the hope that the Congress would hold "our feet to the fire" and force the Pentagon to make up its mind. I feel it is a serious deficiency that the Defense Department finds itself incapable of reaching a decision on so important an issue. I fully support the view that the Congress should and must review whatever decision is made, but I think it is the responsibility of the Department to make a recommendation in the first instance.

It was my hope in voting for the Defense Reorganization Act last year that the Defense Department could develop sufficient unity of organization and approach that decisions of this kind would not become bogged down in interservice controversy.

I welcome, Mr. Chairman, the unequivocal demand by the committee in its report on the pending bill that the Pentagon make such a decision.

I believe I can predict what the final outcome will be; namely, some mixture or combination of the two systems. This is predictable solely because of the sharp rivalry between Army and Air Force on this issue and the inability of the Department of Defense to override the one service or the other.

Now a final word about the Bomarc. At the risk of sounding provincial, I should like to call your attention to the remarkable record of its builder—the Boeing Airplane Co.—in the field of weapons of war.

It was Boeing which produced the B–17, the famous Flying Fortress, which was the backbone of our air offensive against Europe in the Second World War.

It was Boeing which produced the B–29, the so-called Superfortress. This airplane superbly met the requirement for longer range aircraft when the principal focus of the war shifted to the Pacific.

And it was Boeing—again—which gave us the B–47 and the B–52, chief reliance of our Strategic Air Command today. There have been many other significant contributions to our defense by this great company, but these are the best known.

We all know that defense of our country in these times involves gigantic gambles.

Let me suggest, then, that if we must gamble—and we must—we could do worse than to gamble on class. We could do worse than to gamble on quality.

Mr. MAHON. Mr. Chairman, I yield 5 minutes to the gentleman from Maryland [Mr. FOLEY].

Mr. FOLEY. Mr. Chairman, I have asked our distinguished chairman of the Department of Defense appropriations subcommittee for an opportunity to rise before you today to inform you that I intend to offer an amendment to the bill pending before the committee at the proper moment. I want to present to you very briefly the factual basis for my amendment. In my short period here in the Congress, I have never met up with a more classic example of bureaucratic bungling, hesitancy and failure to decide and lack of consideration for human elements than the facts of the case I am about to present to you. In my district, at Hagerstown, Md., we have a relatively large aircraft producer, Fairchild Engine & Development Corp. At this very moment that I stand here, over 10,000 people have no source of income, no means to buy food, no source of the wherewithal to pay the weekly rent, and it all goes back to bureaucratic bungling. Let me read to you a few facts which I received this past week from the Maryland Department of Employment Security, affiliated with the Bureau of Employment Security. They present facts that were prepared and collated during May of this year:

> Unemployment at Hagerstown was estimated at 4,425 or 11.7 percent of the civilian labor force of 37,675 in April 1959.

This is the largest depressed area with the largest unemployment in the State of Maryland. This official State agency finding continues:

> The major factors contributing to this employment decline at Fairchild are the cancellations of the defense contract for the C–123 cargo type aircraft as well as the $50 million contract for the Goose "decoy" guided missile. In the past month, production was also cut on the F–27, a turboprop type of aircraft used primarily for short hauls and commercial business.

I am going to present to the Members of the Committee of the Whole House another side of the spectrum of aircraft vehicles. I am going to present a request that the Air Force be authorized and money be provided to procure only 10 of these turbo prop type aircraft for various uses that I will enumerate in due

time. This large and increasing group of unemployed persons in Washington County as found by the Maryland State agency are as follows:

Included in the unemployed are professional personnel, skilled workers such as turret-lathe, milling machine, tool makers, aircraft electricians, welders, maintenance and sheet metal workers and semi-skilled, such as bumper operators, welders, milling machine operators, engine lathe operators, riveters and assemblers.

The report concludes:

If new military contracts are not obtained by Fairchild Aircraft in the next few months the already crucial unemployment problem will become more acute as the winter advances.

And finally:

There is no anticipated industrial expansion to absorb the large number of jobless aircraft and construction workers. The outlook for the Hagerstown area is for continuation of the problem of critical unemployment. By the end of May the U.S. Department of Agriculture will begin to distribute free food packages to 975 families representing 3,200 people, and they estimate another 3,000 are eligible for this assistance.

Today we have professional personnel, the highest skilled workers in America standing in breadlines in my district because of bureaucratic bungling.

I want to thank the chairman and members of the subcommittee for the very favorable and cordial treatment they have accorded me in my visits and my communications with them concerning this problem.

I am going to propose a matter that was not presented to the subcommittee. The subcommittee was not given an opportunity to analyze it, and yet it concerns the 1960 Defense Department appropriation bill.

This bureaucratic bungling started last year and I want to present a corrective measure at this time. I am talking about the F–27 aircraft. This F–27 aircraft as contained in the brochure I hold in my hand is listed as a military utility transport. Let me enumerate just briefly some of the uses that this new aircraft can be put to and should be put to and will be put to as I will explain when I offer my amendment tomorrow.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

Mr. FOLEY. Mr. Chairman, will the gentleman yield me 2 additional minutes?

Mr. MAHON. I yield the gentleman 2 additional minutes, and after that I shall move that the Committee rise.

The CHAIRMAN. The gentleman from Maryland is recognized for 2 additional minutes.

Mr. FOLEY. This aircraft, because of its greater range, larger payload, and additional speed, an F–27 has 2½ times the productivity or usefulness of the C–47. It costs 56 cents a ton-mile to operate a C–47 today. It costs 22 cents a ton-mile to operate the F–27. Thus the F–27 does 2½ times more work than the C–47 at only 39 percent of the ton-mile cost.

This great and needed aircraft which the Air Force, because of internal bungling, friction, hesitancy, and refusal to decide, has not requested be included in its 1960 budget, can be used as a cargo or personnel transport, for navigational training, for medical evacuation, for aerial photography and charting, for personnel transport, for light cargo transport, for administrative transport, and for logistics and as maintenance support aircraft.

I will present tomorrow the fact that top generals have requested the procurement of this aircraft, that the Weapons Board of the Air Force has requested this aircraft, that a committee of the Air Force has requested the procurement of 150 of these aircraft; yet in the face of this need in this budget presented to the House and before this Committee no request has been made by the top spokesmen of the air arm.

Under our legislative system the only time an elected representative of the people can make a request that an item, a needed item, be included in the budget appropriations is at such a time as the present. On behalf of increasing unemployed thousands of people in my district who depend upon this manufacturing concern for their existence, as their last spokesman, I will ask this committee to approve an appropriation request for the F–27.

As I say, I intend to offer an amendment tomorrow to authorize the Air Force to purchase 10 F–27's during the 1960 fiscal year and I respectfully ask the Members of the Committee of the Whole House to support me.

I want to thank the chairman of the subcommittee, Mr. MAHON, of Texas, for his consideration in allowing me to speak at this time.

Mr. MAHON. Mr. Chairman, I yield myself one-half minute to make a statement.

I understand the gentleman from Michigan has about an hour remaining and that this side has about an hour remaining for general debate. I have said that I would move that the committee rise at this time, but I understand the other side has one more speaker who wishes to be heard at this time. I have no further requests for time this afternoon on this side.

Mr. FORD. The gentleman from Texas is correct. There is one Member on our side of the aisle who wishes 15 minutes on the bill at this time.

Mr. Chairman, I yield 15 minutes to the gentleman from Nebraska [Mr. WEAVER].

Mr. WEAVER. Mr. Chairman, I would like to preface my remarks first with this observation. Never since my own service in World War II have I met a group of men more dedicated to the defense of their Nation than I have during my service on the Subcommittee on Defense, of the House Appropriations Committee. The Chairman, the distinguished gentleman from Texas [Mr. MAHON], has been fair and just at all times and has handled the committee assignment with vigor, and dedication. His counterpart on my side of the aisle, the distinguished gentleman from Michigan [Mr. FORD], has likewise provided unexcelled leadership and has done a most commendable job.

I congratulate our able staff for their patience, help, and cooperation. There have been differences of opinion within the committee, but they have been honest differences by men who bring to their task a differing viewpoint. Never were these differences expressed to gain advantage, either personal or partisan.

Mr. Chairman, in this appropriations bill we are providing a total of $38,848,339,000 in new obligational authority for the Department of Defense and the various armed services. This is a reduction of $399,861,000 from the requests submitted to the Congress by the Department of Defense this year. In making those reductions we have not weakened our future defenses. In fact, it is my feeling that we have strengthened the programs which show promise. We have made two basic types of reductions, those which eliminate programs that are wasteful or not promising in the overall defense structure and those which by their reduction will encourage greater efficiency and economy in other areas.

Since January 23 of this year we on the committee have struggled with the problem of providing the Nation with a total defense. This required us to make grave decisions on problems affecting not only our safety but the safety and freedom of Americans for generations to come. We now invite all Members of the House of Representatives to share with us these burdensome decisions and responsibilities.

The grave and continuing problems underlying our deliberations are, of course, the threat of world communism and the ambitions of its leaders in the Kremlin and Peiping.

The grim fact of present-day life is that the Communist world outweighs us in manpower by two or three to one at every point in the globe where we might be forced to fight. Another grim and certain fact is that in most strategic materials, the Communist world outweighs us in the matter of natural resources.

But there is an even more disturbing factor. For the first time in three generations we are faced with a Communist bloc, potential to surpass us in the matter of scientific and technical knowledge and the application of that knowledge.

Never before in history has any nation or group of nations devoted so much time and energy and resources to the development of the machinery of war as has the Communist bloc. Not even in the days of Hitler did so much of any nation's potential go into the direct production of warmaking equipment and the arming of her people.

This has been going on for a dozen years with a singleness of effort that marks the overwhelming ambitions of world communism.

Our potential enemy as we know him is a cold and brutal killer with world domination his ambition. He can achieve this ambition only by destroying the free world and America, either by direct attack, by nibbling away at the edges or through subversion. We must prepare to meet him on his own grounds and with his own rules wherever he may choose to move.

This means the Communist has a singular advantage over us. Being a totalitarian, he can, without regard to the

will of the people, select the time and place for attack. This pressure can come in the form of a continued cold war, small brush-fire wars along his periphery, or, in the final hour, the holocaust of nuclear ballistic missile attack. The method and time are for him to decide. It is characteristic of a true democracy such as ours that the awful decision of warmaking must be made by the aggressor.

Our Communist enemy is prepared for all three. He has geared his economy to a prolonged period of world tensions, according to our best intelligence estimates. He is building missiles for intercontinental attack, and he is amassing a weight of armed forces never before known in the history of the world because manpower and human life to him are cheap and expendable.

In airpower, our potential enemy does not match us but he still maintains sufficient numbers of heavy bombers to warrant maintenance of air defenses against this kind of attack.

In the field of ballistic missiles the Communist has adopted a leap-frog program. Instead of moving from the B–29 to the B–36 and B–52 and then into the area of missiles as we have done, he shunned the continued development of highly potent long-range bombers in favor of the development of missiles. He is apparently jumping from an aircraft comparable to the B–52 directly into the missile field.

This has placed the United States at a temporary disadvantage. This appropriations bill will go a long way toward ending that gap.

In the missile field the Communists have shown a remarkable singleness of purpose. They have no real diversification with a vast array of types of weapons systems, each geared to do a specific job, each system perhaps overlapping the mission of the next. Instead, they have concentrated on a few missile families, that have shown promise of quick production and deployment. They have concentrated on thrust and loadcarrying capacity with less attention to navigation and accuracy. In this we have the advantage.

This concentration on missiles is both a strength and a weakness. It gives the Communists heavy fire power, but it also sets them up for our own missile systems to attack. Their missiles are also susceptible to destruction by the antimissile weapons we ourselves are developing.

SUBMARINE WARFARE

In still another area the Communists by concentrating their effort over a dozen years have evolved a most formidable and potent force. This submarine force, I am frank to admit, is one with which we are at present unable to cope. Again, in this bill, we are attempting to change that situation.

In this area of production, as in the missile field, the Communists show a singular concentration of purpose. It has been their policy to build one type, to concentrate on it, and to mass produce that type. Between them, Russia and the Communist Chinese have developed a vast fleet of undersea craft. However, from the best naval estimates available, none of the Communist submarines is nuclear powered and at present none is capable of carrying a ballistic missile.

The situation, however, will not last. Russia has slacked off on submarine production during the past year and Admiral Burke, our Chief of Naval Operations, has expressed the belief they are switching over to nuclear power or to a form of missile carrier. Still, though, in effectiveness of single craft, we outperform the Communists in this field. Their advantage of numbers cannot be taken lightly. Indeed it is a most grave threat.

In this appropriations bill we are continuing to exploit our present advantage of speed and range and length of submerging by funding the development of new submarines powered by atomic energy and capable of carrying ballistic missiles.

There is one area of power where the United States cannot hope to match the power of the Communist world, and that involves the sheer weight of manpower. We are in this bill making no attempt to match the Communists, man for man. We are, however, developing the kind of firepower and reserve strength that can hope to even the score in this area.

DEFENSE STRATEGY

In general, our defense must be geared to a total offensive capacity. The only way we have found by which we can offset the Communist might and the Communist ability to create total destruction is by being able, ourselves, to create total destruction. This is not a pretty picture, nor is it a pleasant thing to think about. However, it is the grim and realistic approach we must adopt to be able to survive.

This, in reality, involves a dreadful race with each other and against time. It requires our being willing to expend our energies, our time, and our natural resources and national treasure. It also means we must remain alert to changes and to new developments. We must remain constantly abreast of the rapidly changing scientific and technological developments. At no time in human history has change taken place so rapidly and so steadily in the scientific and technical areas as in the past decade.

To meet the threat of total war and to keep this Nation in step with the times, this appropriations bill attempts to build a total deterrent power, a balanced force capable of instant and total retaliation. We are attempting to build a mobile force capable of striking back regardless of where and how and with what accuracy the Communists launch their attack.

SPECIFIC DEFENSES

The gravest Communist threat, as I mentioned, lies in three areas—missiles, conventional airpower, and submarines. The committee has tried to provide a defensive force geared to meet these threats individually or together.

First, to meet the threat of general, total war, and by preparation perhaps avert that danger, this appropriations bill provides for a balanced missile attack force.

Let me outline for you that program, weapon by weapon.

First, we have provided for continuation of the Titan program at its present level. We have not made provision for increasing the size of the Titan force because that weapon requires fantastic amounts of money for its hardened bases. The Titan is at best an interim weapon which does not offer mobility or diversification. Any potential enemy will know exactly where each base is located and how many weapons it contains. He cannot fail to know.

However, the Titan is a good interim weapon capable of intercontinental range, great accuracy and devastating destruction.

This bill increases the Atlas program by $85 million over the Defense Department requests. The committee took this action because, in Atlas, we have an interim weapon capable of dispersal since its bases do not need the kind of hardening that Titan must have. Atlas, a liquid fueled weapon but with boosters of solid propellant, will carry a heavy payload more than 6,000 miles and we can from our present and proposed bases rain destruction on any target in the heartland of any potential aggressor.

In Atlas we are getting more deliverable payload for every dollar spent.

Along with Atlas and Titan in this interim period, we have operational and on-station Thor and Jupiter. Although these weapons are intermediate range missiles, by locating them along the fringe of our potential enemy's homeland, they become in effect intercontinental. They also provide a greater degree of dispersal, meaning the enemy must hit more targets in order to knock out our retaliatory forces.

The big disadvantage of Titan and Atlas, Thor and Jupiter is that they are really sitting ducks. However, if these weapons are plentiful enough the enemy cannot possibly destroy them all.

Supporting these missile systems during this interim period we have our wings of long-range atomic bombers capable still of hammering home heavy blows against any attacker. As missile strength grows, however, the dependence on these heavy bombers lessens. The committee, however, continued, the Air Force program of developing and procuring supersonic bombers. It is felt this still holds promise of increasing our defense capacity.

FUTURE MISSILES

Some of this interim period missile development is already operational, as in the case of our intermediate weapons. Other systems will be operational and deployed, ready for any eventuality within a matter of weeks.

The next step beyond this is the development of a mobile striking force which the Communists or any other potential aggressor cannot pinpoint and therefore cannot destroy. The committee in this, too, has attempted to provide funds in a realistic manner to provide for orderly development of this kind of attack force.

We have increased by $87 million the funds requested for development of Minuteman. This is a solid propellant missile capable of being launched from a flatcar or barge and capable of carry-

ing an atomic payload to the heart of any enemy.

Minuteman lacks some of the carrying capacity of Atlas or Titan but more than makes up for this fact because it is a cheaper weapons system and therefore can be produced in greater quantity. It also provides the kind of mobility we need in this area.

Perhaps the most significant new development, and the one holding the most hope for the future attack force of missiles is Polaris. Every member of the Joint Chiefs of Staff has agreed that it is a weapon of great merit and capability. It is so good, in fact, that one Air Force general of high rank and influence has suggested that it be assigned to the Strategic Air Command because of its strategic characteristics.

Polaris is an expensive missile because it is carried by a nuclear-powered submarine which can fire it while submerged. This very fact, however, makes Polaris, if such a thing is possible, an invulnerable weapon. As long as the Polaris submarine is in motion, no present enemy missile can hit it because the missile has to be preset and if the target moves, the missile is helpless to find it.

Additionally, funds have been made available to the Air Force to develop air-to-surface ballistic missiles. This would, in fact, remake our bombers into launching platforms for guided missiles and, if the systems work out satisfactorily, our bombers can strike from a safe range.

This, then, is the shape of our deterrent force. It is, however, not absolute protection as long as there is danger of a madman turning the world into an inferno of nuclear fire. If the enemy should adopt this course, no amount of deterrent force could possibly avert catastrophe for both sides.

For this reason then, we have presented in this bill, methods of specific defense against specific dangers of attack. This is by far the most costly area of our defense program and it is the area in which we must concentrate effort, time, money, and energy. Otherwise we are extending an invitation to attack through weakness and unpreparedness.

SPECIFIC DEFENSES

Against the enemy's possible air attack, this bill makes provision for two types of defense. One is the Air Force Bomarc, a surface-to-air missile which is highly controversial. The committee cut Bomarc procurement funds by $162,700,000 because in our estimation this missile holds no promise of defense against ICBM's or even air-to-surface missiles such as Hound Dog. The development of this missile has lagged considerably. However, we left funds for further research, development, test and evaluation, and some advance procurement. The ultimate mission of Bomarc, if effectiveness is attained, is for peripheral defense against conventional air attack.

For protection inside the United States, for our individual cities, we have concentrated on Nike-Hercules. The Nike system has proved its worth time and again. Although it has a shorter range than the Air Force claims for Bomarc, the Nike-Hercules has greater accuracy and is considered an extremely effective system for protection of our interior. No other service as of today has an operational weapon which is comparable to the Nike-Hercules and can meet a similar mission assignment.

We have, as yet, no provision for defense against incoming guided missiles. This is one area where the problem is twofold—first, scientific, second, economic. In the scientific field, the committee in convinced that there is great potential in the Nike-Zeus program of the Army. For that reason we increased the Department of Defense funds by $200 million, a substantial part of which will be used for Nike-Zeus.

Although there is scientific promise here, the fact remains that at present it is cheaper to launch a guided missile than it is to knock one down. This problem must be licked. Since Zeus holds the best hope in this field, the committee increased its funds.

Against submarine attack, too, we are woefully weak. It has been established the Communists have more than 400 submarines now, some of which are at present capable of carrying a 500-mile range air-breathing missile to our shores for firing. This would mean that most strategic cities in the United States are not safe from enemy submarine attack.

This problem, too, involves scientific development. But it also involves the necessity for developing a bigger and better attack force to counter the submarine threat. For this purpose, the committee increased antisubmarine warfare requests by $255,300,000. This will give the Navy funds with which to develop the research necessary to give us antisubmarine weapons capable of finding the subs at a distance of miles instead of yards, and then to kill them.

This bill also provides the Navy with funds to build up its hunter-killer fleet to patrol the oceans and keep these vicious undersea craft away from our shores and to keep the ocean lanes open to travel.

The elimination of the Navy's request for a new aircraft carrier by the committee would provide the additional funds for this purpose. This carrier would have been conventional in its power system and its need for constant refueling would have meant an increase in the support fleet of the Navy. We must not build something that is out of date and outmoded when we start. Any future carriers should be of the atomic type so that the Navy can fulfill its mission in any limited or regional war situation that develops.

In one other important and vital area the committee took action to increase funds available to the military. This involved development of the National Guard. It is the committee's intent, and I hope this is shared by the House, that the National Guard's strength be increased and maintained at the 400,000 level. For this purpose we have provided $152 million more than the defense budget requested.

It is our belief that the National Guard is an integral part of our defense system, both against potential aggressors from abroad, and against possible disasters here at home the guard must be maintained at full strength and fully trained.

This applies, too, to the Reserve program which the committee feels is a most needed aspect of defense. It must be kept at full force.

CONCLUSION

In conclusion, I would like to say that for defense we are providing $38,848,339,000. This is $399,861,000 less than the Department requested, and is $1,039,868,000 less than was appropriated for this current fiscal year.

For this nearly $39 billion we are not buying total, impenetrable defense. If we could spend $200 billion or even 10 times that amount, we could not buy a total defense this year. There are too many, too rapid changes in the scientific and technical knowledge at our command and at the command of any potential enemy.

However, this bill provides the groundwork for a fine and workable defense system. It provides a defense system which we can afford, and which will afford us the maximum amount of protection and striking force for every dollar spent.

If this bill has failings, they are the failings of human beings who are not omniscient, who are not gifted with the powers of prophesy.

I think it is a good bill, one which deserves support and one which should pass.

Mr. FORD. Mr. Chairman, I yield to the gentleman from New York [Mr. DORN].

Mr. DORN of New York. Mr. Chairman, unfortunately the bill before us does not contain appropriations for a new aircraft carrier.

The budget presented to Congress by the President of the United States calls for it and the United States Navy wants it, yet this committee has not chosen to include an appropriation for its construction. It is a mistake and the hearings before the committee prove it to be a mistake.

Admiral Hayward on page 308 of part 6 of the Defense Department appropriations hearings, in answer to a question from Mr. FORD stated:

> My view is that we need the carrier * * * because if we do not have the carrier, in years to come we shall not be able to meet our commitments * * * when the jet engine came, this immediately dictated your size * * * People say, "Why don't you come down in size of aircraft." Our experience and nothing that has gone on in the situation in limited wars has changed our ideas that manned aircraft and the Mark I "eyeball" is still here to stay. This ability of ours to project our power across the sea is dependent on the aircraft carrier.

The comments of the gentleman from Michigan on the floor indicate he agrees with Admiral Hayward. It is good to have his support and I compliment the gentleman on his forthright remarks.

Mr. SHEPPARD on page 116 of part 1 asked Secretary McElroy:

> Is there any remote possibility from the presentation you have made of this budget where you feel that the flattop requested here should be eliminated or could be eliminated without destroying the balance you have

put together for military purposes in the defense of this country?

Secretary McElroy answers:

We put the carrier in only after a great deal of soul searching, not only in our own Department but in other parts of the executive branch. This decision was made at the very highest level of Government and after the most thorough examination. So I can say that the administration feels this carrier is an integral part of the defense program. The importance of the carrier as a means of projecting our military power for a limited war situation into the peripheral areas of the world was very clearly demonstrated in both Lebanon and in Taiwan. When I say peripheral I refer principally to those areas which are reachable best by sea.

Secretary Gates states on page 563 of part 1:

We think it would be a vital error of the United States to delay this. As Admiral Burke has explained, we are operating nine *Essex* carriers as attack carriers. These are World War II carriers. They cannot handle the modern aircraft. What we need are aircraft carriers first. Propulsion is an advantage if it is nuclear-powered, but we need, vitally, aircraft carriers, at least two, and possibly three, on a 2-year orderly basis. This, I assure you, withstood the critical review—along with every other program in the country in the Department of Defense and this has the unqualified endorsement of the Secretary and the higher levels.

Admiral Burke then added:

I would like to supplement that a bit regarding the delay part. We delayed a carrier last year until this year. If we delay this carrier another year it will not be operational until 1965. At that time our *Essex* class carriers simply are not going to be able to operate and we are going to have only 10 carriers operational. With only 10 carriers you cannot keep 2 carriers continually deployed to the Mediterranean and 2 carriers to the Far East. We will not be able to support forces that we will have to commit to limited wars. There is just not any other way of doing it. There is no way that we can get around the use of manned aircraft in limited wars, and there are many places in the world where the only way that manned aircraft can get there is by the use of carriers in sufficient quantity. If we do not have sufficient carriers, we are not going to be able to project our military power to those places. We will simply have to let that part of the world go.

Mr. MAHON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7454) making appropriations for the Department of Defense for the fiscal year ending June 30, 1960, had come to no resolution thereon.

GENERAL LEAVE TO REVISE AND EXTEND REMARKS

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members who have spoken on the bill today may have permission to revise and extend their remarks and insert pertinent extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

OLYMPIC PARTICIPATION

Mr. DORN of New York. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DORN of New York. Mr. Speaker today I have introduced a concurrent resolution stating in part that it is the sense of the Congress that if friendly pro-United States "Taiwan," Nationalist China, is prevented from participating in the Olympics, the United States should not participate.

In expelling Nationalist China from the International Olympic Committee—and thus perhaps eventually from Olympic participation, it was stated by an informed newspaper editorial "the committee has yielded to the rawest sort of political blackmail." The action taken is shameful and against all tradition of the Olympics. It is the first step in eventually preventing Nationalist China from participating in the Olympics. The United States must not allow a friend of many years to be pushed aside by Communist blackmail. We must prove to our allies that the United States will support every one of our friends. To countenance the banning of Nationalist China from the International Olympic Committee would be another victory for the Communist bloc.

It is vital for our own safety that members of international organizations follow the foreign policy of their country and the wishes of their countrymen. Avery Brundage, president of the committee, in condoning the action states that Nationalist China "no longer represents sports in the entire country of China." The same editorial commented what we all know to be a fact and what Mr. Brundage certainly should know, "that no Communist regime truly represents sports unless they are an adjunct to policy and conspiracy."

In view of Mr. Brundage's statement and attitude, he should resign as president of the committee, for he, in turn, no longer represents sports in the United States. Instead, he chooses to defeat the end of sports, and in so doing, injures the U.S. foreign policy and our national interest.

It is time the United States stopped dancing to the Soviet tune in the field of sports, as it has done elsewhere. We should walk out of the Olympics if this ruling prevails. In 1956 Red China walked out of the Olympics because free China was allowed to participate. We should turn the tables and walk out in 1959 if free China is not permitted to participate.

I call on all of those who contribute their donations for the Olympics to withhold their contributions until the position of the United States is firmly established as supporting the participation of Nationalist China, the Republic of China.

PANAMA CRISIS

Mr. WALTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point and include a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALTER. Mr. Speaker, an informative review by Hilary Dunsterville in the May 28, 1959, issue of The Villager, the well-known weekly newspaper of Greenwich Village, N.Y., features the important recent book, "The Untold Story of Panama," by Earl Harding.

Because of the mounting gravity of Panama-United States relations with respect to the Panama with which subject the Harding volume treats and the necessity for a wider understanding of the historical background, under leave to extend, I quote the indicated review:

A VILLAGER VIEWS THE PANAMA CRISIS

(By Hilary Dunsterville)

"The Untold Story of Panama" began for Earl Harding in 1908 when, as a young correspondent, he was appointed special investigator for the New York World. Fifty-one years later the story, just published by Athene Press, is still unfolding—urgent and highly topical.

Today, a retiring air, bifocal glasses, and gray hair do not offset Author Harding's steady, inquisitive eyes. His 79 years have not blunted a bulldog talent for relentless examination of facts. The veteran reporter, who came to New York in 1904, in time to ride the first subway, was once a westerner, born in Colorado. Now entrenched in the Village, he and his wife, a lawyer and journalist, have lived here for the past 21 years. They reside at 31 West 12th Street, not far from their church, the Church of the Ascension.

"The cold, hard facts of history," said Congressman DANIEL J. FLOOD about Panama, should be discovered and told. This inquiry is the objective of Mr. Harding's book. In the preface he writes, "Nasser set a pattern for canal seizure at Suez in 1956. The seriousness of the situation at the Isthmus was brought home to the United States by the Nixon incidents in Lima and Caracas in May 1958, and with defiant challenging of U.S. sovereignty over the Canal Zone." A recent issue of the Saturday Evening Post describes the Panama danger spot as a "festering crisis that could shake the foundations of the Western Hemisphere within the next 6 months."

The fascinating, little known history behind the current situation began with the 1903 revolution in Panama. The complex history is told authoritatively by Mr. Harding, who, at the time he was sent to investigate the revolution, was day news editor of the World. His investigations mushroomed into a 2-year labor and netted half a ton of written research, which for almost 50 years remained in storage, unpublished. The "spontaneous" uprising by Panama against Colombia proved to have been engineered in the United States, and carried out by a handful of Panama Canal backers and U.S. troops. The birth of the Republic, and United States control over the canal, gave rise to a further succession of turbulent incidents in the United States.

The most famous of these was a libel prosecution, initiated in 1909 by President Theodore Roosevelt against the New York World and the Indianapolis News. The suit, which Roosevelt would have made a Federal case, concerned statements about the distribution of the Canal Company's purchase price—$40 million. The World, for whom

Mr. Harding was acting as investigator, and the Indianapolis News, successfully defended a grave attack on the freedom of the press—the attempt to extradite the accused for trial in Federal instead of State courts. The result was quashed in 1910 by a Federal court ruling that there was no Federal libel law. Earl Harding's research was left unread.

The Panama problem is being kept alive in Congress by DANIEL J. FLOOD, Pennsylvania Congressman. He urges that the United States should openly avow to keep the canal, and he has used Mr. Harding's book to illustrate his congressional remarks.

The book, on the day of its publication, April 27, was heralded in UPI press cables by correspondent Harry Frantz to Latin America, Europe and Panama. He wrote, "The book appears to have current significance because of its general exposition, of the historical background of Panama-U.S. controversy concerning Canal Zone sovereignty provisions in treaty of 1903; agitation for 'internationalization' of the Panama Canal."

Mr. Harding believes that anti-American attitude in Panama can be traced to the fact that neither party knows the historical truth about the birth and growth of the Republic. There has recently been an episode, called "Operation Sovereignty," in which Panamanians planted a flag in an "invasion" of the U.S. Canal Zone. In his role as watchdog for the public, Earl Harding has extended his talents to the radio. He was the creator of a weekly radio program, "Americans, Speak Up" which was continued from 1949 until 1952, when his collaborator, Bill Slater, retired.

An active speaker, he was heard early in May by 500 members of the New York City Federation of Women's Clubs, in an address on "National Security and Panama" at the annual convention. Two weeks ago he again spoke here about Panama, appearing at a meeting of the Republican Committee of One Hundred.

Another New York World reporter who was involved in Roosevelt's libel suit was Robert Hunt Lyman, long a friend of Mr. Harding. His daughter, Susan Lyman, is a member of the Pen and Brush Club.

REMEMBER THE LIVING

Mr. KASEM. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. KASEM. Mr. Speaker, I was particularly impressed by a column in the Thursday, May 28, issue of the Pico-Rivera News, Pico-Rivera, Calif., entitled "How About That" and written by Mr. Stan Slome, editor of that excellent paper.

A few minutes to read this item, which follows, would give us all a fresh viewpoint from which to study our attitudes regarding the observance of Memorial Day:

HOW ABOUT THAT

(By Stan Slome)

"Stan," said a canny, levelheaded man we know, "Saturday's Memorial Day and you ought to print something in your column about it that's different from the same old blarney we get year after year in the papers—something with real meaning."

Our friend is quite right. Too many editorials for Memorial Day carry little weight. They're written by tired men with tired minds. From one year to the next, we hear the same cliches.

One of those cliches is referring to the war dead as heroes. Rarely does anybody who has even been in any of the wars this country has fought think of himself as a hero in the Hollywood movie sense of someone blithely, almost cheerily, facing death for the sheer glory of being a hero.

The men and women who died in these wars would have preferred living out their normal lives in peace. They had an unpleasant job to do and the only thing was to do it.

Only fate prevented them from coming back.

The essential tragedy is that they were caught in something not of their own making.

We remember our war dead on Memorial Day. We pay tribute to those who didn't come back. But Memorial Day should not be just for us in the United States. It should extend worldwide as a remembrance of the futility of wars that lay waste the youth of mankind.

Let's not forget that the relatives and friends of men and women who fought and died on the side of Great Britain, France, the Soviet Union, South Korea, and, yes, even Germany, Japan, and Communist China, have as great a sense of personal loss as those here.

Today weapons are available that can destroy not only this country, but mankind itself. This is a fearful thing to contemplate.

We can talk of preparedness, staying strong militarily. But there is so little people, as people, throughout the world can do if they are precipitated into war by some trigger-happy fool.

The best tribute we can pay to the war dead of all nations is to try to do something about working at what, in some measure, we can personally control.

We can do nothing about preventing war. That is out of our hands. But there are things we can strive for.

We can contribute badly needed funds to eradicate the scourge of cancer and heart disease and other ailments that beset mankind. We can actively combat the ogre of bigotry and prejudice. We can be better parents to our children to knock out juvenile delinquency. We can be better informed about government. We can cut the highway death toll.

All these we have personal roles in. But perhaps the greatest thing we can do to properly honor the war dead is—since we are the children of God—to deal ethically and kindly toward each other as He would have us do.

WEST VIRGINIA IS GETTING SHORTCHANGED

Mr. HECHLER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. HECHLER. Mr. Speaker, yesterday I presented some figures to show the way in which my home State of West Virginia is being shortchanged when it comes to national defense. I am going to keep talking about this subject until it gets some attention by those in a position to correct this outrageous discrimination.

Today I want to read from an editorial which appeared in the Huntington, W. Va., Herald-Dispatch yesterday which bears out the point I am making:

It has been stated repeatedly that West Virginia has never had its fair share of the Nation's defense spending. But until recent figures were released most were not aware of how shockingly wide the discrepancy really is.

A prime example lies in the fact that although West Virginia and Virginia share a common boundary they are a nation apart when it comes to sharing in the Department of Defense's annual $40 billion expenditures for military needs.

West Virginia has a total of only 1,696 persons on Defense Department military and civilian payrolls.

Virginia, with barely 50 percent more population, has a total of 160,848 persons on defense payrolls—a lead of an unbelievable 10,000 percent.

The figures used in the defense spending survey are from the office of Fourth District Representative KEN HECHLER.

The spread between the West Virginia and Virginia defense payrolls is correspondingly great. West Virginia pays 583 military personnel $2,183,000 annually; Virginia pays 82,035 in the military a yearly total of $288,482,000. Among civilian employees 1,113 in West Virginia get $5,822,000 while in Virginia 78,813 receive $418,317,000.

Part of this, of course, is explained in terms of Virginia's seacoast installations, including the Norfolk Navy Base and its proximity to Washington and the Pentagon.

Parenthetically, it must be stated that this situation is not new. It cannot be blamed on any one administration nor any one Secretary of Defense. It is a neglect which has built up slowly over two World Wars and in the postwar period.

The discrepancy is not confined to West Virginia and one other State. Here are defense spending statistics for other States bordering on West Virginia:

Ohio, 20,705 military drawing $81,970,000 and 40,709 civilians drawing $209,933,000; Kentucky, 42,780 military drawing $149,057,000 and 41,564 civilians drawing $217,566,000; Maryland, 49,369 military drawing $178,253,000 and 41,564 civilians drawing $217,566,000; and Pennsylvania, 16,953 military drawing $60,386,000 and 69,360 civilians drawing $363,110,000.

The naval ordnance plant at South Charleston is the only active major military installation in the entire State of West Virginia today.

The State again has been grossly discriminated against. The major defense installations in bordering States are: Virginia 37, Pennsylvania 30, Maryland 26, Ohio 16, and Kentucky 6.

Further discrimination comes in National Guard and Reserve personnel and spending. A breakdown shows these figures:

West Virginia, 7,868 and $3,101,000; Ohio, 38,537 and $15,342,000; Pennsylvania, 46,615 and $18,666,000; Virginia, 17,267 and $6,713,000; Maryland, 15,047 and $6,250,000; and Kentucky, 11,613 and $4,577,000. Navy figures are not available.

The dreary list goes on and on.

The proposed defense budget this year is $43 billion, almost a billion dollars for each State in the Union. There is little hope that West Virginia will receive more than a twentieth, or at best, a tenth of its share.

And, sadly enough, there appears to be a very little that can be done about such continuing discrimination at the moment. Remedy will have to be long range.

West Virginia has natural resources and a topography which should make the State an attraction for defense installations in an atomic and space age.

This State's elected officials and interested citizens would do well to band together to continually remind the Defense Department of this inexcusable discrepancy.

Indifference toward and neglect of West Virginia and its defense potential has gone on long enough.

INDUSTRY-EDUCATION COUNCIL

Mr. KASEM. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. KASEM. Mr. Speaker, Mr. Charles F. Horne, manager of the Convair Division, General Dynamics Corp., Pomona, Calif., recently testified before the House Space Committee on the efforts of the Southern California Industry-Education Council to motivate schoolchildren into entering scientific and engineering careers.

The article below, from the Pomona Progress-Bulletin of Tuesday, May 26, shows the extent and success which these efforts are reaching:

HORNE ASKS EARLY SCIENTIFIC TRAINING

WASHINGTON.—A southern California missiles executive today advocated a nationwide partnership of industry and education to help channel more youngsters into the scientific and engineering careers.

Charles F. Horne, vice president and division manager of the General Dynamics Corp. Convair Missile and Aircraft Division at Pomona, advanced his proposal in testimony before the House Space Committee.

Horne, a retired naval admiral, testified as chairman of the Southern California Industry-Education Council, a private organization created 2 years ago to try to overcome the shortage of technical manpower.

"Our council has done more to motivate youngsters at the grassroots level into entering scientific and engineering careers than anything else I know," Horne said.

He suggested that Congress provide money for use by the National Science Foundation in helping form similar councils in other parts of the Nation.

Horne didn't say how much money he believed would be required, but said "the fact remains that modest funds are needed to start these councils and maintain them for the first year or two until local industry can be informed and enlisted."

"We feel we are on the right track," Horne said, adding that enrollment in science and engineering courses in southern California schools has climbed in the past 2 years despite the slump elsewhere in the Nation.

The California council, he continued, soon learned that it must start its motivation program at the grade school and junior high school levels.

Horne also proposed that the National Science Foundation undertake a nationwide study to determine just what shortage exists and where in technical manpower.

"Such meager data as exists is conflicting or confusing," he said.

In addition, Horne advocated broadening of Federal scholarships for science and mathematics teachers and more emphasis on Government and industry loans to help qualified students attend college.

Convair Pomona's chief stated that "If we are to win our struggle for survival, we must have young people who are being trained for tomorrow's leadership." Horne, in the Nation's Capital to attend the national conference for the missile industry, was invited to address the congressional committee.

"It is too late," he said, "to talk about reaching these youngsters in college or even in the last 2 years of high school. Our prime emphasis must be upon early and strong motivation. This can be best accomplished in the 6th, 7th, 8th, 9th, and 10th grades."

Horne said that early education and motivation is the goal of the Southern California Industry Education Council, organized in 1957 by educators and industrialists who were concerned about the quality and quantity of graduates in engineering and science.

The council has since then pooled the resources of both industry and education to insure that all youngsters are challenged to the maximum extent of their individual capabilities, he said.

"From this original concept have sprung local and county councils which are now federated within the southern California council framework. These active councils are located in Los Angeles, Orange, San Diego, and San Bernardino-Riverside Counties," Horne said, adding that he hoped that similar councils will be formed in Ventura and Santa Barbara Counties.

Horne said that in the four active county councils there are 311 companies and 43 individual school systems participating. Since September 1957, more than 1,365 lecture-demonstrations have been given for benefit of 26,000 students. Last summer, 161 teachers were employed by industry, and three of the four counties are either sponsoring or cosponsoring science fairs. During the 1957–58 school year, thousands of students submitted exhibits for these fairs. In addition, Horne said, each of the councils furnishes industry speakers for vocational days in the various schools, and three of the four councils have sponsored workshops for teachers.

"We recognized that industrial firms had a very real responsibility in the area of providing summer employment for teachers of science and mathematics," Horne declared. "This facet of the solution to our problem was important, because the educators told us that many of the science and mathematics teachers needed to be brought up to date on the industrial application of their disciplines.

"In addition," Horne continued, "we recognized that industry needed to join forces with our educators to encourage young people in the area of science exhibits and science fairs. School counselors needed to be brought into real touch with the problems of industry so they would have an adequate background from which they could advise their students. The interesting thing," Horne noted, "is that educators did not feel that we in industry were trespassing on their right of eminent domain. They asked, and in some cases even pleaded, for our assistance."

Horne told the committee that the shortage of qualified engineers and scientists has existed since World War II. A study made more than 2 years ago on this subject indicated, he said, that in the southern California area alone "We will need to double our supply of engineers and scientists in the next decade."

He said that this outlook has been challenged by articles in the last several months indicating there is no real shortage of qualified scientists and engineers. "I disagree with these articles, because I find no basis of fact in them," Horne declared. "My experience, both in the study and in discussions with many industry executives, leads me to believe there is a definite shortage now, especially in the field of qualified scientists and engineers.

"With the ever increasing emphasis being placed upon chemistry, electronics and automation, the need for certain types of qualified and competent engineers and scientists becomes more acute, and will be still greater in the future." Horne said.

In conclusion, Horne stated that "We feel that we must have better quality scientists and engineers, and we also feel that every citizen in this atomic age must have some real understanding of the world in which he lives. By encouraging students to become interested in science, mathematics, and engineering, we feel that we are making a contribution not only to professional groups, but also to the population as a whole."

STATEMENT IN EXPLANATION OF A BILL (H.R. 7489) TO AMEND THE WELFARE AND PENSION PLANS DISCLOSURE ACT, AND FOR OTHER PURPOSES

Mr. ROBISON. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. FRELINGHUYSEN] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FRELINGHUYSEN. Mr. Speaker, in approving last year the Welfare and Pension Plans Disclosure Act—Public Law 85–836, 72 Stat. 997—President Eisenhower stated that he was doing so only because it established a precedent of Federal responsibility in this area. He said then that the new statute would require amendment at the next session of the Congress if it is to be effective.

I have today introduced a bill, H.R. 7489, designed to make amendments to the act as recommended by the President. In addition, experience gained in developing the report forms which the Secretary of Labor is required to make available to plan administrators has revealed the need for certain technical amendments to the act. These amendments will provide a workable disclosure system that will carry out the President's recommendations.

The provisions of the bill which would effectuate the President's proposals are as follows:

First. The word "summary" would be deleted from section 7(b) of the act which presently provides that the annual reports shall contain, among other things, a summary statement of the plan's assets, liabilities, receipts, and disbursements. As the President pointed out, this language may make it possible to conceal abuses with respect to a number of important aspects of the financial operations of those plans. By eliminating the word "summary," the amendment would ensure that these abuses cannot be concealed by the simple expedient of making the statement extremely sketchy or incomplete.

Second. Plan administrators and others affected by the act would be permitted to place full reliance upon the opinions and report forms of the administering agency. This would correct another defect, described by the President, in the present provisions of the act. A provision of the bill, patterned on section 10 of the Portal-to-Portal Act of 1947, would enable persons charged with violation of the act to plead as a defense that they acted in good faith in compliance with and in reliance on interpretations of the Secretary of Labor. Likewise, if charged with failing to publish or file any information required by the act, they would have a defense where

they show that they published and filed the required description and annual reports on the forms prepared by the Secretary of Labor, in conformity with his instructions accompanying such forms. The establishment of such a plea would protect the person from any liability or punishment for the actions in question even though those actions were later determined not to have been in conformity with the act.

Third. The present enforcement deficiencies in the act would be remedied. As the President stated, compliance presently rests solely on court proceedings brought by individual employees, with no investigatory or enforcement powers conferred upon any agency of government. The amendment would confer appropriate power, including that of subpena, upon the Secretary of Labor and would authorize him to seek injunctions compelling compliance with and restraining violations of the act. This amendment is essential for a real enforcement program.

Fourth. The flagrant abuses of embezzlement and kickbacks would be directly dealt with by new criminal provisions. The embezzlement or unlawful conversion of money or any other assets of these plans would be made a Federal felony. In addition, administrators and other representatives of plans, as well as officers of employers and unions whose employees or members are covered by these plans, would be prohibited under criminal sanctions from receiving monetary or other inducements, in the nature of bribes, to influence their actions or decisions respecting important operations of the plan. The same penalty would be imposed upon those convicted of giving any inducement prohibited by the proposal. This would go far toward remedying an evil which disclosures in the area of employee welfare plans during the past few years have shown to be both prevalent and serious.

I have already mentioned that experience gained since the enactment of the statute has shown the necessity of certain technical amendments to insure that the new disclosure system is fully effective, and that it does not place an undue burden upon those affected by its reporting requirements. There may later be a need for additional amendments. This bill would make the following technical changes:

The bill would permit the remedying of certain defects sure to be troublesome to certain plan administrators. For example, section 7(d) of the act now requires plans which utilize an insurance carrier or service organization in providing the benefits under the plan to furnish certain specific data respecting insurance premiums, subscription charges, and the like, in addition to the information required from all plans by section 7(b). Information relating to benefits provided through insurance is generally available on the basis of the contract year, but section 7(b) appears to require information respecting benefit payments to be furnished on the basis of the plan's reporting year. Since these 2 years will in many instances not be coincidental—that is, where a trust reporting on a calendar year basis purchases insurance under policies covering a different period or a plan provides benefits through two insurance contracts, each covering different periods—it appears that it will be a hardship for many insured plans to provide certain information on the basis of the plan's reporting year rather than on a contract year.

In addition, paragraph (2) of section 7(d) of the act requires the covered plans to report, among other things, the total claims paid by the insurance carrier or service organization covering benefits under the plan. However, it is extremely burdensome for certain carriers and organizations which do not maintain separate experience records covering the specific groups they serve to supply this information to plan administrators respecting individual plans. Paragraph (2) recognizes this burden by providing an appropriate alternative reporting requirement in these situations. This alternative is plainly essential, but it appears to be largely nullified because subsection (b), on its face, will still require these plans individually to report the amount of benefits paid or otherwise furnished, including those benefits paid by such carriers or organizations.

Paragraph (2) of section 7(d) in its present form would also prove burdensome, particularly to the Government, in another respect. This provision requires every plan which it covers to attach to its annual report a copy of the financial report of the carrier or service organization. Since some organizations service as many as several hundred plans, it is evident that the files of the Labor Department will be encumbered with a multitude of unneeded copies of the same report of the same organization or carrier.

These defects could be remedied and relief could be expeditiously granted from these burdens under the proposed amendment to section 5(a) of the act, which deals with the duty of plan administrators to disclose and report information. The requirement of this section that plan descriptions and annual reports contain the information specified in sections 6 and 7 of the act would be preserved. However, new language would be added to take care of situations where specific information required by the statute respecting certain kinds of plans or the classes of benefits provided by such plans cannot, in the normal method of the plan's operations, be practicably ascertained or made available for public inspection in the manner or for the period prescribed by any provision of the act, or where the information if published in such manner or for such period would be duplicative or uniformative. The Secretary of Labor would be authorized, where he finds after hearing that such a situation exists, to prescribe by regulations such other manner or such other period for the publication of the particular information as may be appropriate to carry out the act's purposes.

Subparagraph (C) of section 7(f)(1) of the act requires the reports of plans funded through the medium of a trust to include detailed lists of all investments, including information as to cost, present value, and percentage of total fund, in securities or properties of the employer, the employee organization, or other party in interest; but the identity of and details respecting brokerage fees and commissions on securities listed and traded subject to certain Federal laws need not be disclosed if "the statement of assets shows the total investments in common stock, preferred stock, bonds, and debentures, respectively, listed at their aggregate cost or present value, whichever is lower." The quoted language differs from that of subparagraph (B) providing for the valuation of assets for purposes of the subparagraph (B) statement, and it appears that in some cases plan administrators would have to revalue these four types of securities before they can exercise the option of not disclosing the identity of their "party in interest" securities. The amendment would relieve these administrators of this burden by permitting the securities to be valued "as provided in subparagraph (B)."

STATEMENT IN EXPLANATION OF A BILL (H.R. 7490) TO EXTEND THE COVERAGE OF THE FAIR LABOR STANDARDS ACT

Mr. ROBISON. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. FRELINGHUYSEN] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FRELINGHUYSEN. Mr. Speaker, there is a real need to extend the protection of the Federal wage and hour law to many workers who are not now covered by the act. I have today introduced a bill (H.R. 7490), which meets this need, by first, including in the interstate commerce coverage of the law employees who are engaged in the activities of any business enterprise in which the total annual value of incoming merchandise, materials or supplies moving directly across State lines to its place or places of business is $1 million or more and 100 or more employees are employed by the employer; and second, excluding from certain minimum wage exemptions in the present act, employees of employers of 100 or more workers.

The proposal embodied in the bill is part of the legislative program of the Department of Labor. It is designed to carry out the recommendation made by the President in his recent economic report and budget message.

NEED FOR EXTENDING THE PROTECTION OF THE ACT TO ADDITIONAL WORKERS

The declared policy of the Fair Labor Standards Act is to eliminate as rapidly as practicable, without substantially curtailing employment or earning power, substandard labor conditions in industries engaged in commerce or in the production of goods for commerce. It is also designed to eliminate unfair competition in these industries resulting from substandard labor conditions.

The present provisions of the act, however, omit or exclude from their application many of the employees in the varied industries included in this statement of policy. As a result, the approximately 24 million employees who have minimum wage protection under the present act represent only slightly more than 50 percent of the privately employed wage and salary workers, exclusive of administrative, executive, and professional employees, in this country.

PAST AMENDMENTS TO THE ACT

The last comprehensive amendments to the Fair Labor Standards Act were enacted in 1949. They were not entirely consonant with the overall purpose of accomplishing the stated objectives, because a contraction in coverage and increase in exemptions was coupled with an increase of the minimum wage to 75 cents an hour. The exact extent of the contraction in numbers of workers has never been clearly established. There is no question, however, that a substantial number of low-paid workers who most needed the help of the wage floor provided them by the act were not only denied the increase, but were deprived of the minimum floor under their wages which they previously had. This produced the inequitable result of providing, at the expense of these workers, a minimum wage increase for those less in need of it—many of whom already had protection through collective bargaining.

Again, in 1955, when the minimum wage was increased to $1 an hour, nothing was done to bring the act's protection to many additional workers in need of a minimum wage. While the raising at that time of the minimum wage without considering the expansion of coverage, complicates our task now, it is important that the coverage of the act be broadened as soon as possible. Otherwise, the wages of the covered workers will be so much higher than those without protection that the problem of providing reasonable and practical wage protection in new areas will be increasingly difficult.

PROPOSED AMENDMENTS TO THE ACT

This bill would extend the protection of the Fair Labor Standards Act to employees in enterprises doing business in commerce to a substantial extent who are employed by an employer of 100 or more employees. "Enterprise doing business in commerce to a substantial extent" would be defined as any business enterprise in which the total annual value of incoming goods moving directly across State lines to its place or places of business is $1 million or more. "Enterprise" would mean the related activities performed by any person for a common business purpose of providing goods or services, or a combination of them, to others. It would include all such activities, whether they were performed in one or more establishments or by one or more corporate or other organizational units.

The bill would also exclude from certain minimum wage exemptions contained in the present act employers of 100 or more workers so as to ensure the protection of a minimum wage to employees of these large employers who come within the interstate commerce coverage of the act either under the present language of the law or under the proposed amendments.

The proposed amendments would not change the present status of employees employed in executive, administrative, professional, or outside sales capacities because the exemption for these employees in section 13(a)(1) would not be changed. The present exemptions in section 13(a)(5) for fishermen; section 13(a)(6) for agriculture and irrigation workers; section 13(a)(7) for learners, apprentices, messengers and handicapped workers; section 13(a)(10) for work on agricultural commodities in the area of production; section 13(a)(14) for seamen on foreign vessels; and section 13(d) for newsboys would likewise remain unchanged.

This bill, subject to the exceptions noted above with respect to the exemptions in sections 13(a) and 13(d) which would remain unchanged, would provide minimum wage protection for, first, employees working for an employer of 100 or more who do not come within the basic coverage language of the present law, but would be brought within it by the proposal to cover employees of such an employer engaged in the activities of an enterprise which meets the proposed test of substantial engagement in interstate commerce; and second, employees working for an employer of 100 or more who come within the basic coverage language of the present law and would have minimum wage protection now if they were not excluded under a specific exemption.

These large business enterprises are now within the meaning of interstate commerce as this term is applied to employees under the act. Their operation depends on substantial and continuous engagement in interstate commerce and are an integral part of the interstate commerce of the Nation. It is in such enterprises that protection under the Federal law is most needed.

Although no change is proposed in present exemptions from the overtime pay and child labor provisions of the act, the bill would provide protection under these provisions to employees working for an employer of 100 or more, first, who do not come within the basic coverage language of the present law but are engaged in the activities of an enterprise meeting the proposed tests of substantial engagement in interstate commerce, and who second, do not come under any present exemption from the overtime and child labor provisions.

The proposal would also amend the definition of "wage" in section 3(m) to authorize the Secretary of Labor to determine the fair value of tips, as well as of board, lodging or other facilities furnished by an employer to his employees—if they are customarily furnished by such employer to his employees—in ascertaining the wages paid to any employee.

Finally, the proposal would add a new paragraph to section 6(a) of the act requiring that seamen on American vessels to whom the minimum wage would apply must be paid not less than the rate which will provide them wages equal to compensation at the minimum hourly rate prescribed in section 6(a)(1) of the act for all hours that the seamen were actually on duty or standing by.

AUTOMOBILE EXCISE TAXES NOT ADDITIONAL GASOLINE TAXES SHOULD BEAR THE COST OF INTERSTATE HIGHWAYS

Mr. CARTER. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. DULSKI] may extend his remarks in the body of the RECORD and to include therein extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. DULSKI. Mr. Speaker, today I introduced a bill which provides that all of the excise taxes which directly relate to the automobile shall be deposited in the highway trust fund, namely, trucks, buses, trainers, parts, and accessories. I am vehemently opposed to any temporary gasoline tax increase from 3 to 4½ cents per gallon as proposed by the President.

We, in New York State, recently received a jolt in a gasoline tax increase by the new Republican administration to the tune of 2 cents a gallon gas and 3 cents on diesel oil.

Now the President has again asked Congress to enact a 1½-cent-per-gallon increase in the Federal gasoline tax for the next 2 years on a temporary basis. The word "temporary" is a long-lasting word in Government. To my way of thinking there is no such thing as a temporary tax. We have a good example of temporary taxation from the wartime period when excise taxes were levied and they are still part of our income tax producing revenue.

I state now that to expect the automobile driver to bear the full burden of the cost of interstate highways is unrealistic for it does not take into account other benefits—both direct and indirect—accruing to different classes of people as a result of Federal aid to highways; for example, the effect on property values near these highways and the importance of these highways to the national defense program. In this respect, account should not only be taken of the highway users' taxes which are specifically allocated to the highway trust fund, but also all other highway user or related excise taxes imposed by the Federal Government.

I am informed that the Federal highway program was originally scheduled to be a 13-year program which would involve some 40,000 miles of interstate highways. This program should proceed at full speed. Already the estimated cost of $27.6 billion has risen to an amount over $40 billion because costs of construction, and so forth, have increased since the program was first initiated.

I believe the cost of this program should be paid out of current income, and the transfer of automobile excise taxes to the trust fund would keep it on a pay-as-you-go basis.

In this fiscal year, the income from the 3-cent Federal gasoline tax is expected to be about $2.2 billion, and it is estimated that this income will be approximately $2.3 billion in the next fiscal year. The Federal portion of our highway program will cost $3.1 billion in the coming fiscal year, and this figure will probably increase to $3.6 billion by the fiscal year 1962. If we add the additional $1.5 billion in auto excise taxes to the trust fund each year, the total revenue will come to approximately $3.8 billion and will give us leeway for any future cost increases.

I want to call to the administration's attention that Federal gasoline taxes did not come into existence until 16 years after the first Federal Aid Highway Act was enacted, and it was levied as a temporary emergency budget-balancing measure.

It is my contention that the billions of dollars of automobile excise taxes now flowing into the general fund should be earmarked for the highway trust fund. By designating this revenue for the highway program, it would move all of us to further reduce spending in those areas where funds are appropriated from the general fund.

I further state that the piling of taxes solely upon gasoline is not an equitable distribution of the tax burden among the users or persons deriving benefits from these highways, and I will follow a course of action designed to speed the distribution in a more fair manner.

THE REPUBLIC OF ITALY—13 YEARS OLD TODAY

Mr. CARTER. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey Mr. [ADDONIZIO] may extend his remarks in the body of the RECORD and to include therein extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. ADDONIZIO. Mr. Speaker, 13 years ago today, on June 2 of 1946, the Kingdom of Italy came to an end and the Republic of Italy was born. This fundamental change was brought about by an orderly democratic process of popular referendum. During that relatively brief period of 13 years the Republic of Italy has not only become firmly established, but it has become a leading and important force in European and world affairs.

Since its rise, the Republic of Italy has had its ups and downs; it faced hardships and many difficulties, especially in its early years. But the persistently industrious people of Italy and their devoted and dedicated leaders, have had their reward of joy and satisfaction in the security of their democratic government. Even before the formal termination of the last war, devastated and war-ravaged Italy lay prostrate at the feet of her conquering foes. She also appeared to be ready prey to surging Communist ideology. Her economy, her finances, and her industry were all wrecked, and nearly everything was in disorder, everything except the robust determination of the people to face all calamities realistically and courageously. Fortunately during this most critical period of Italy's recent history, two important factors worked in Italy's favor. The character of the people of Italy and the caliber of their leaders on the one hand, and the imaginative statesmanship displayed by American and British governments were the two factors which saved Italy from further ravages, and were instrumental in bringing about the Republic of Italy.

Today, more than 14 years after the conclusion of the war in Europe and 13 years after the birth of new Italy under the republican form of government, we can see the working of multiple forces, often working at cross purposes, and seeming to cause much confusion in which only the forces of evil and destruction would have obtained had it not been for the sound and robust sense of the Italian people under cool-headed and sensible leadership. Even in misery, they kept faith with the ways of the West, drew together, stoutly faced and overcame both internal and external threats to their free existence.

In this terrific struggle for survival as an independent, sovereign state, the people and the government of this country played an important, and perhaps a decisive part. We did what we could to help the people of Italy in their period of travail and tribulation, and our moral support must have given them courage in their immense struggle. I am glad and proud to recall the financial and material aid given to Italy, under the UNRRA, the Marshall plan, the foreign aid and mutual assistance programs, technical, cultural, and military assistance plans. And in the end, we as well as others of the free West, have gained a loyal, dependable, and devoted ally for our cause, in our fight against Communist totalitarianism.

The Republic of Italy has weathered political, economic, and social storms, and has emerged as a pillar of democracy in today's Europe. Its leaders have defiantly ignored all threats and blandishments of powerful Communist elements from within, and they have also bravely faced even more serious totalitarian threats from without. They have carefully laid the foundations of a democratic government in which the people exercise their supreme authority through the democratic process of voting, and by which the rule of law and justice is assured.

In the sphere of economics and finance, they have been successful in making and maintaining Italy a solvent country. Even with the loss of some territory to Yugoslavia, and the resulting overcrowding of the already densely populated country with refugees from lost areas, Italy has managed to look after the welfare of its needy citizens. In the important fields of commerce and industry the Republic of Italy has made tremendous advances. New and large chemical, oil refining, and cement industries have been built and these are being operated with power obtained from hydroelectric powerplants and stations. Today Italy provides finished industrial goods of high quality, and its technological services are made available to many countries of the Middle East. Thus she has been successful, in this way, in regaining at least a part of her prewar commerce and shipping in that part of the world.

The 13-year-old Republic of Italy, born in agonizing political, economic, social and financial pains has, in a relatively short time, come of age; she has grown to maturity and has become a progressive, prosperous country. She has already taken her high place in the community of nations of the free world. In freedom's and democracy's defense she has armed herself, with her allies, against Communist totalitarianism and against all forms of dictatorships. On this 13th anniversary of the Republic of Italy, let us hope that she will live in peace and her citizens enjoy the blessings of freedom and democracy.

THE BANKERS' BOND GIVEAWAY BILL IS BEING RUSHED THROUGH CONGRESS—CONGRESS COULD REDUCE THE FEDERAL DEBT BY $15 BILLION INSTEAD OF GIVING AWAY BONDS NOW OWNED BY THE GOVERNMENT

The SPEAKER. Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 20 minutes.

Mr. PATMAN. Mr. Speaker, someone should let the American people know about this bond "giveaway" bill. It will reach deep into the pockets of every family in the United States. This will be the biggest giveaway of Government property in all history. All the Teapot Domes, Dixon-Yates deals, public-land grabs, timber steals, and defense contract riggings put together amount to only pennies by comparison.

This is no "vault-cash" bill, as the bankers' lobby calls it. It is nothing more nor less than a bill to give away $15 billion of the people's property to the private banks. This bill has already passed the Senate. It passed the Senate on May 13, with only eight Members of the Senate present and voting. It has been approved by the House Committee on Banking and Currency. The Rules Committee of the House has been asked for a rule, and we can expect that a rule will be granted promptly. In short, we can expect that within about 2 weeks from today the House will pass this bill. The President will sign it, and the deed will have been done. This seems a certainty, because the bankers' lobby is working for the legislation, and the American people are not objecting to it. They are not objecting because they do not know about it. I doubt if one person in a million—other than the bankers—ever heard of this bill. And I doubt if even that many people understand that this Congress is enacting legislation to give away $15 billion of their property to the bankers.

PEOPLE WOULD OBJECT TO THE GIVEAWAY—IF THEY KNEW ABOUT IT

The American people have certainly not learned about this legislation from

the newspapers. And unlike Members of Congress, they do not have the CONGRESSIONAL RECORD and the committee reports which let us know what this legislation is all about. If this legislation were not being slipped through Congress and given the silent treatment by the newspapers, I think we could be sure that a few patriotic citizens would be writing or wiring their Congressmen in indignation. I think these people would say to us plainly they do not approve of our confiscating their property and giving it to the bankers.

This legislation, S. 1120, approves a proposal to give away to the private banks about $15 billion of U.S. bonds and other interest-bearing obligations of the United States which are now in the vaults of the Federal Reserve banks. I use the term "giveaway" in a quite literal sense. The method by which the Federal Reserve authorities propose to transfer these securities to the private banks is slightly complicated, of course, but not very much so. A grade-school child of average brightness can readily understand it. The proposal is that the Federal Reserve will "sell" these securities to the private banks and, at the same time, give these banks the money with which to "buy" these securities. Actually, no money will change hands. What the legislation proposes is simply to "jimmy the bookkeeping," in the process of which ownership of the securities will be transferred from the public to the private banks.

Is my phrase "jimmy the bookkeeping" too strong? If so, let me quote the more dignified language of Dr. Alvin H. Hansen, a distinguished Harvard professor and world-renowned monetary expert, who was writing in a scholarly journal about the bankers' original proposal for this legislation—a proposal which proposed a giveaway of $9.8 billion. He wrote:

> The bankers are, in effect, asking Congress to hand them on a silver platter $9.8 billion of earning assets in place of an equivalent amount of unearning cash assets which they are now required to hold as reserves.[1]

Now is this not nice legislation for a Democratic Congress to be passing—or for any Congress to be passing? Do not the Members of this body suppose that quite a few American families would like to have a slice of these bonds on the same basis as we are about to let the banks have them? What family would not like an opportunity to "buy" these bonds on the basis that we give them the money with which to buy them? If we divided up this $15 billion among each family in the country, each family's share would go a long way toward putting the children through school or college. It would help pay for a house, a new automobile, or pay medical bills. The only reason which has been given for this legislation is that it will increase bank profits. Well, I could make a better argument that we ought to increase family incomes. Yes; the American people would like to own these bonds. In fact, they do own the bonds, because the Government owns them. The bankers have no claim to them whatever. Furthermore, the interest payments on these bonds are now paid back into the U.S. Treasury and go to help meet Government expenses. If we give away the bonds, the interest payments will then go into bank profits, and every family in the country will have to help make up the loss by paying increased taxes.

[1] "The Review of Economics and Statistics," February 1958, vol. XL, Alvin H. Hansen, "Bankers and Subsidies," p. 50.

CONGRESS TO INCREASE THE FEDERAL DEBT AND RAISE THE INTEREST-RATE CEILING—WHILE GIVING AWAY BONDS ALREADY PAID FOR

Here we are with the Federal debt at an alltime high. And the administration is about to ask Congress to increase the debt ceiling by another $12 billion, so that the debt can be increased by another $12 billion. More than that, we know that as soon as this bond giveaway legislation is disposed of, Congress will be asked to raise the ceiling on interest rates—the administration has already warned us of that. The Federal Reserve has pushed interests rates up so high that U.S. bonds are now selling in the open market at yields above 4¼ percent. So we know that Congress will be asked to raise the interest-rate ceiling at which the Treasury can issue new bonds since Congress will be asked to break the legal ceiling which has been in effect since World War I, or, to be exact, since 1918.

Why should we increase the Federal debt and pile up more debt? Why should we not amend this bill to transfer over to the Treasury for cancellation $15 billion of the bonds the Federal Reserve is sitting on? Why should we not reduce the Federal debt by $15 billion instead of giving bonds to the private banks?

The Federal Reserve System is now holding about $25 billion of interest-bearing obligations of the United States. It has bought these securities over the years from the open market. It has paid for them by issuing other non-interest-bearing obligations of the United States, known as currency or Federal Reserve notes. It has reported to the Committees on Banking and Currency of the Senate and House that its holdings—or what it calls its "portfolio"—are a great deal more than it needs to hold, for both income purposes and possible future purposes of monetary controls.[2] Specifically, this report which the Board of Governors has submitted on this legislation states:

> The present System portfolio is adequate to permit a substantial reduction and still leave enough to provide sufficient earnings to cover necessary expenses, as well as for current purposes of policy.[3]

The Federal Reserve authorities are proposing by this legislation to reduce its holdings of these securities by giving a healthy slice to the private banks. Furthermore, these authorities have given one reason for this, and one reason only, which is that it will "improve the earning position of banks and aid them in building up their capital positions."[4] In short, the argument is that giving away bonds to the private banks will increase the profits of the private banks, and that it will certainly do.

[2] For a fuller explanation of how Reserve requirements are used by the Federal Reserve System to effect monetary controls, see my testimony, hearings, "Member Bank Reserve Requirements," Subcommittee No. 2, Committee on Banking and Currency, 86th Cong., 1st sess. (1959), pp. 283–325.

[3] U.S. House of Representatives, Committee on Banking and Currency, Subcommittee No. 2, hearings, "Member Bank Reserve Requirements," 86th Cong., 1st sess. (1959), p. 28.

THE TREASURY WILL LOSE REVENUE

The interest payments which the Federal Reserve System collects on these obligations provide substantially all the income the Fed receives. The Treasury makes the interest payments on these obligations, and the Fed then returns most of this money to the Treasury. First, however, the Fed takes out whatever it needs for operating expenses—most of which are incurred in providing free services to the private banks, such as clearing checks. And it also takes out whatever it cares to for some very "plush" luxuries, including banquets with paid entertainers and $1,000 "gifts" to "friends of the System."[5] These are, of course, Government funds that are being spent, and such expenditures are comparable to the postmasters in the local communities spending freely from the funds the post offices takes in from the sale of stamps; and in all of these years the Federal Reserve System has never been audited by the Comptroller General of the United States, or by any other auditor except their own, internal, self-appointed auditors. Furthermore, instead of turning in to the Treasury all of what is left of its funds after expenses, it holds back some in a "surplus" fund, though no member of the Board has ever been able to mention any need which he thinks the Fed might have for such a surplus fund.

Even so, the Fed returns a great deal more money than it spends or holds. In 1957, the last year for which a report is available, the Fed had an income of $763 million. Of this it spent or held $221 million and returned $542 million to the Treasury. Obviously, then, if obligations from this portfolio are transferred to the private banks, the interest payments will go into bank profits instead of into the Federal Treasury. And whatever amount is so diverted will be that much more that will have to come out of the taxpayers' pockets each year.

The point is that the Government has paid for these securities once. It has bought them in the open market and has, in effect, canceled them. They should be canceled in fact. If they are given away, the Government will have to pay for them again when they become due. Or at least the Government will have to issue new interest-bearing obligations to replace them. And until the Government does pay for them again and cancels them, it will also have to pay interest charges on them. For example, let us

[4] Hearings, op. cit., p. 272.

[5] U.S. House of Representatives, Committee on Banking and Currency, "Hearings, Financial Institutions Act of 1957, Pt. 2," 85th Cong., 2d sess. (1958), see my testimony beginning p. 1535, and particularly p. 1562.

assume that it will be 25 years before the Government pays off these obligations again and then cancels them; and let us assume that it will pay an interest rate of 4 percent—then giving away $15 billion of these obligations now will ultimately cost the Government $30 billion.

Now as to the exact amount of these interest-bearing obligations which will be transferred to the private banks, the Federal Reserve authorities have not said; and insofar as I can learn, no one has asked them. Speaking only in general terms about how much reserve requirements may be reduced, they have said:

> Any decrease in requirements, however, should leave the Federal Reserve with a portfolio adequate to cover possible future contingencies, such as a large inflow of gold or economies in the use of currency that might add reserves in excess of appropriate needs.[6]

My own estimate is $15 billion, which is based upon what is in the bill and what the Fed has said as to the amount of securities it feels it should keep. According to the description it has given of its needs, $10 billion in its portfolio will be more than adequate.[7] Furthermore, under this bill the Fed will have authority to reduce required reserves of the private banks by a total of $11.3 billion.[8] This means that the Fed could transfer to the banks $11.3 billion worth of these obligations immediately—assuming the banks cooperate—without waiting for the Government to purchase any new gold or for any further inflow of gold from abroad.

The Federal Reserve authorities have made it plain that they do not intend to permit the money supply to increase more than about 3 percent a year, which is about the rate at which the economy expands. At present levels of required reserves, a reduction in these requirements which freed one-half billion dollars of bank reserves would permit a 3-percent expansion of the money supply.

The inescapable fact is, then, that the Fed cannot reduce required reserves of its member banks by more than one-half billion dollars per year without (a) setting off a tremendous inflation or (b) selling the private banks $1 of securities from its portfolio for each $1 of reserves it gives the banks in excess of one-half billion dollars. And of this we can be certain—neither the Federal Reserve authorities nor the private banks intend any inflation of the money supply.

THE FEDERAL DEBT CAN BE REDUCED BY $15 BILLION IMMEDIATELY

From my point of view, however, the exact amount of Government-owned securities which is to be given away is not important. I am opposed to giving away even so much as $1 billion worth—and, as for that matter, even $1 worth. Therefore, I have proposed an amendment to this bill which will require the Federal Reserve System to transfer $15 billion of these obligations to the U.S. Treasury for immediate cancellation. This amendment would immediately reduce the Federal debt by $15 billion. It will also have the effect of placing a severe limitation on the amount of the Fed's holdings which can then be given away under this legislation. Furthermore, the amendment will in no way interfere with the Fed's ability to make all the shifts in reserve requirements as between classes of banks which it is asking for authority to make. In fact, the Fed could make most of these adjustments—which are presented as being what this legislation is mostly about—under the present law, I must admit, however, I think the bankers' pressure for adjusting required reserves will quickly disappear once it is made clear that there is to be no vast giveaway of the Fed's holdings of U.S. Government securities.

Clearly, $15 billion of the obligations which the Federal Reserve is holding should be returned to the Treasury and immediately canceled. This much of the Federal debt should be canceled in any case. We have every reason to expect that as soon as this legislation has been disposed of, Congress will be asked for other legislation to raise the Federal debt ceiling and for legislation to raise the interest-rate ceiling which has been in effect since 1918 on marketable bonds issued by the Treasury.

Consequently, I hope to be able to offer and obtain serious consideration of the amendment I propose when the bill reaches the floor of the House.

Now as to the argument that bank profits should be increased, let me point out that bank profits are now at an all-time high. The Fed's report on this legislation shows that profits of all commercial banks last year, after taxes, gave a net return of 10 percent on net worth, which includes the stockholders' undivided profits. Yet the Fed's report argues that such a profit rate seems low, only because manufacturing and trade corporations enjoyed higher profit rates. (Public utilities had lower profit rates.) A profit rate of 10 percent, after taxes, in the banking business seems to me adequate, if not excessive, considering that the banking business enjoys monopoly protection from the Federal Government, enjoys having the Federal Government underwrite substantially all of its risks, and enjoys quite a variety of subsidies and special benefits generously bestowed by the Federal Reserve System. For example, last year the commercial banks made profits of $681 million just from buying and selling securities—a tenfold increase from the previous year—for which they can thank the Federal Reserve "monetary policies."

If Congress decides, however, that it should provide an additional subsidy to the private banks, then I suggest this bill is the wrong way to provide it. Whatever subsidy Congress decides upon should be provided through appropriations, so that the subsidy is subject to the President's budget control, subject to the continuing control of Congress, and subject to public examination and debate. Giving away interest-bearing obligations will provide a subsidy in perpetuity, perhaps in years when Congress would not agree that the subsidy is needed.

GOVERNMENT BONDS OF $25 BILLION BEING HELD BY THE FED ARE OWNED BY THE PUBLIC

In considering my proposal to cancel $15 billion of these obligations instead of giving them to the banks, Members of the House may be sure that the propositions stated below are not in dispute. The present Chairman, as well as previous Chairmen, of the Board of Governors of the Federal Reserve System are on record as agreeing to each of them.[9]

First. The Federal Reserve's $25 billion of securities is owned by the public—owned by the Federal Government—not by the private banks; the Federal Reserve System itself is owned by the Federal Government.

Second. Not so much as a penny of the private banks' reserves deposited with the Federal Reserve banks has been used to acquire these securities, and no other funds deposited or invested by the private banks have been used to acquire these securities.

Third. These securities have been paid for with Government funds. In the last analysis, these interest-bearing obligations of the United States have been acquired in exchange for non-interest-bearing obligations of the United States. They have been acquired by reason of the fact that the general public has accepted and is holding about $27 billion of non-interest-bearing Government obligations known as "Federal Reserve notes."

In case the Member does not know what "Federal Reserve notes" are, these are currency—the $10 and $20 bills he has in his pocket. And if he has any bills in denominations of $50, $100, $1,000, $10,000, and so on, these are also "Federal Reserve notes." A $5 bill is likely to be a "Federal Reserve note," too, although some of the $5 bills are issued by the Treasury and are described as "silver certificates."

Federal Reserve notes are obligations of the United States, as is plainly stated on their face. They are backed by the Government's gold. You cannot exchange them for the actual gold—that is, unless you are a foreigner. Foreign holders of dollars can, under the law, demand and receive an equivalent value of the Government's gold, if they care to do so. And, to an extent, balances of payments due between nations are settled by payments in gold. The fact that the Government has declared the notes legal tender, good for payments of debts and taxes, makes it unnecessary to draw out the gold to settle debts within this country.

The Federal Reserve System obtains Federal Reserve notes from the Bureau of Engraving and Printing at its pleasure, in whatever quantities it asks for, and without cost. It then issues this currency in whatever amounts banks ask for, and this is determined, in the last analysis, by the amount which business and consumers find convenient in carrying on trade and commerce.

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[6] Hearings, "Member Bank Reserve Requirements," op. cit., p. 28.

[7] Ibid., p. 28; and (my testimony), pp. 287–289.

[8] See U.S. House of Representatives, Committee on Banking and Currency, "Report on Member Bank Reserve Requirements," Report No. 403, 86th Cong., 1st sess. (1959), pp. 26–27.

[9] See documentation cited in my speech in the daily CONGRESSIONAL RECORD of May 25, 1959, p. 9029.

There are now outstanding—in circulation outside the Federal Reserve banks—$27 billion of these Federal Reserve notes. Let it be said, however, that these Federal Reserve notes are not the "printing press" money which is sometimes said to cause inflation. All currency in circulation represents only a small fraction of the total money supply. Most of the money is in the form of bank deposits, or "checkbook" money, and this is created by the private banks on the basis of reserves given them by the Government as I will explain later.

LONGER STATEMENT

The Federal Reserve authorities have recommended this legislation—except for the amendments which have been added—and so have the officials of the executive departments concerned with banking matters.

ORIGINS OF THE GIVEAWAY BILL

For several years now the bankers have been exerting organized pressures to have their required reserves reduced. The Federal Reserve System has, under the present law, wide authority for doing this. In fact, since mid-1953, the Federal Reserve Board has made seven reductions in required reserves, making available to the banks a total of $4.3 billion of additional reserves.

One of the most striking aspects of the request for additional authority for reducing required reserves at this time, however, is that the minimums of required reserves specified in present law leave the Federal Reserve with authority to make further tremendous reductions for all classes of banks—country banks, Reserve city banks and central Reserve city banks. In the case of no class of bank has the Federal Reserve reduced required reserves to anything like the minimums permitted by present law. In fact, the Federal Reserve could not now give any single class of banks all of the additional reserves the present law permits without either (a) setting off a tremendous inflation, or (b) immediately taking back the reserves thus given by "selling" the Federal Reserve banks' securities.

Required reserves on net demand deposits, under February 1953 regulation, present regulation, and under minimums of present law, by class of bank

[In millions of dollars]

Class of bank	Net demand deposits (February 1959) [1]	Percent of reserves required by Federal Reserve regulation		Minimum reserves required by present law, February 1959
		February 1953	February 1959	
				Percent
Central Reserve city banks (New York and Chicago)	$25,958	24	18	13
Reserve city banks	40,240	20	16½	10
"Country" banks	37,494	14	11	7
All member banks	103,693	[2] 18.8	[2] 14.9	[2] 9.7

[1] Demand deposits subject to reserve requirements, i.e., gross demand deposits minus cash items reported as in process of collection and demand balances due from domestic banks.
[2] Weighted averages.

Even so, the bankers began several years ago working to have the law changed to reduce these legal minimums. Late in 1956 the Economic Policy Commission of the American Bankers Association completed a 2-year "study" of bank reserves and submitted a report to the Federal Reserve Board setting out a plan by which the bankers wished to have their reserve requirements reduced, including changes in law which would be necessary to bring about these reductions in the manner the bankers wanted. The ABA report not only specifies the ultimate level of required reserves which the bankers wished to achieve, but it specifies that its legislative plan should require that these levels be reached within a 5-year target date.

The bill as originally introduced was the Federal Reserve Board's counterproposal to the ABA's legislative plan. Substantially all of the authority for doing what the bankers wanted done was in the bill, however, and is still in the bill. After considering the ABA's plan, the Board concluded "That the far-reaching changes in law are not necessary." Further, the Board objected "in particular" to being under "a mandate to reach some particular level of requirements at any time in the future." The main difference between the bill as introduced and the ABA's plan was that the bill did not tie the Fed's hands so firmly, either as to the level to which reserves were to be reduced or as to a time schedule by which the level was to be reached. It was a bad bill. It is now a worse bill.

In their report and testimony to both this committee and the Senate Committee on Banking and Currency, the Federal Reserve authorities strongly objected to the ABA's proposal to eliminate the classification "Central Reserve City Banks," and they objected to being put under the ABA's mandatory time schedule for reducing the level of reserves of these banks to the levels of the Reserve city banks. The ABA's time schedule, proposed a little more than 2 years ago, was 5 years. The committee has amended the bill to eliminate the central Reserve city classification, and it has given the Federal Reserve Board a mandatory period of 3 years in which to reduce reserve requirements for these banks to the level of those of the Reserve city banks.

The bill will, in the bankers' language, "reform" the "structure" of reserve requirements, as well as reduce the general level of required reserves. Reforming the "structure" means that whatever the amount of reserves the banks will be required to keep, this amount will be distributed among the three classes of banks in different proportions from those which have been required in the past. In other words, one or more classes will be required to keep relatively more reserves and one or more classes will be permitted to keep relatively less. As a consequence, there has been some controversy among the banks as to how the total windfall in the bill is to be divided, but such disagreement appears to be of a minor nature. All classes of banks now seem reasonably satisfied that they will receive a munificent share of the booty, if not a share which is in exact proportion to what they would like.[10] The report of the ABA's Economic Policy Commission put the matter quite succinctly:

> A target date has the additional important advantage that it will give definite assurance that the two objectives of reduction in reserve requirements and reform of the reserve structure will be pursued simultaneously. No proposal for recasting the reserve structure can hope to win wide banker support unless it is combined with overall reserve reduction in a single legislative package.[11]

In his review of the ABA's original plan, Professor Hansen observed:

> It is evident that only a very small part of the windfall would accrue to the smaller so-called country banks which hold about 38 percent of the total assets of member banks. The proposal, if enacted into law, would conspicuously favor the large banks.[12]

In asking for the authority but not the requirement for reducing requirements according to the ABA plan, however, the Reserve Board has been somewhat vague about how it intends to divide the windfall.

RESERVES CANNOT BE REDUCED WITHOUT GIVING AWAY GOVERNMENT BONDS

There may be more than one reason why the drive for this legislation has come to a head at this particular time. Certainly it is most premature for the purpose of redistributing required reserves among the three classes of banks. The Federal Reserve Board has more than adequate discretionary authority in the present law for that. But the fact that the Federal Reserve is seeking Congress, blessing of the giveaway aspect of the proposal before embarking on any extensive program of reducing required reserves is reason enough. And let it be said here that these blessings are liberally provided throughout the legislative history of this bill. The legislative history is replete with explanations that the Federal Reserve will "offset excess reserves through open market operations," "take other actions to prevent undue credit expansion," and so on. These are all phrases of art, the meaning of which may not be immediately apparent to those not versed in Federal Reserve operations. The phrases mean, simply, that the Federal Reserve will sell securities from its portfolio in the

[10] See, for example, discussion of the bill in the Senate on date of passage, CONGRESSIONAL RECORD of May 13, 1959, especially p. 8070.

[11] American Bankers Association Economic Policy Commission "A Plan for Member Bank Reserve Requirements," 1957, p. 25.

[12] The Review of Economics and Statistics, February 1958, Alvin H. Hansen, "Bankers and Subsidies," p. 50.

exact amount by which required reserves are reduced.

It is important to notice, too, that while the Fed has now a vast unused authority for reducing required reserves, the practical conditions which must be met now are decidedly different from those which prevailed at the times when required reserves were reduced during the past several years. In short, these reductions of the past several years were made at times when the Fed's monetary policy permitted increases in the money supply. To state the matter another way, these reductions were made at times when the Federal Reserve authorities felt they could give the private banks additional reserves without at the same time selling the banks equal amounts of securities from portfolio in order to prevent the reserves being used to inflate the money supply.

For example, in the first half of last year, the Fed reduced required reserves of the member banks several times, making available in total an amount of reserves which permitted the banks to create about $10.4 billion of new money. The banks created this amount of new money in the process of acquiring an additional $10.4 billion of Federal securities from the open market and from the Treasury. In that period of the general business recession, however, the Fed considered it appropriate to permit such an increase in the money supply to bring about a slight reduction in interest rates, and, it was hoped, to stimulate borrowing. Economic conditions now are much different, as is the Federal Reserve's monetary position. Furthermore, the reductions in required reserves anticipated in this legislation are many times greater than those made last year.

LEGISLATION TO INCREASE MONEY SUPPLY NOT NEEDED IN THIS CENTURY

Let it be noted here that no one claims that this legislation is needed to provide for a growth in the Nation's money supply in the years ahead. The money supply—which the Fed defines as demand deposits plus currency in circulation—is now $140.7 billion. I would define the money supply to include time deposits also, because in practice almost all time deposits are immediately available to the depositors, but this is not essential to the point I am making. The point is that under the Fed's present authority for expanding credit, on the basis of the present $20.6 billion of gold in the Treasury's money stock, the money supply could be increased by $386 billion. On the basis of the Fed's expectation of allowing the money supply to increase by no more than 3 percent a year, the present law will provide for the country's growth needs well into the next century. So the problem is not to provide for an increase in the money supply, the problem is how to reduce required reserves without increasing money supply.

To understand why it is that the Fed cannot make any substantial reduction in required reserves without simultaneously selling the banks an equal amount of securities from its portfolio, it is only necessary to note the mechanics by which bank reserves and money are created.

First, when the Fed adds a dollar to the reserve account of the member banks, or lowers member banks' requirements to free a dollar by their reserves, the banking system will expand the money supply by several dollars for each dollar of reserves thus added or freed. In other words, bank reserves are what are called high-powered dollars, because the banking system makes loans and investments amounting to several dollars for each dollar of reserves. The money multiplier depends upon the percentage of reserves which the banks are required to keep against their deposits. To illustrate, if reserve requirements are 50 percent, then the banks may create $2 of money on $1 of reserves. If reserve requirements are 25 percent, they may create $4 of money. If required reserves are 5 percent, they may expand loans and investments up to $20 for each $1 of reserves. Thus, an added dollar of reserves in the banking system means that the banks will expand the money supply. And it matters not by which method the Federal Reserve gives the banks a dollar of new reserves—that is, whether it creates a dollar of new reserves or whether it lowers reserve requirements to make available to the banks a dollar of the reserves previously given.

To illustrate, when the Fed reduced reserve requirements last year, it reduced these requirements sufficiently to give the banks only an added $1.5 billion of reserves. At that time the money multiplier was about 7 to 1, which meant that on this $1.5 billion of reserves the banks could increase their loans and investments by $10.5 billion. What actually happened was that the banks did create approximately this amount of new money, which they used to acquire $10.4 billion more in U.S. Government securities.

The second point to note is that when the Fed purchases a dollar's worth of securities in the open market, it gives the banks a dollar of new reserves. To be specific, when the Fed purchases securities in the open market, it gives the security dealer a check drawn on a Federal Reserve bank. The security dealer deposits this check with his bank, and the bank sends the check to a Federal Reserve bank where it receives a credit on its reserve account.

When the Federal Reserve sells a dollar's worth of securities from its holdings, on the other hand, it reduces or extinguishes bank reserves by $1.

Thus, the proposal here is for the Fed to give the banks additional reserves by reducing their reserve requirements and at the same time immediately take back, as it were, these additional reserves by simultaneously selling the banks an equal amount of securities from its holdings. In no other way could the Fed reduce required reserves by any substantial amount without permitting a runaway inflation of the money supply.

BANKERS ARE DEMANDING A BIGGER SHARE OF THE GOVERNMENT'S POWER OF ISSUING MONEY

This brings us to the nub of the issue in this legislation. The issue is how shall the Government's power to create money be divided—how much of it shall be delegated to the private banks and how much of it be used by the Government itself. This is the question, not how much money shall be created. The power, indeed the duty, to issue money and regulate the value of money is assigned to Congress by the Constitution. But the function of creating money is delegated in part to the Federal Reserve System and in part to the private commercial banks. And the function of regulating the value of money, on the other hand, is delegated solely to the Federal Reserve. Regulating the value generally means the Federal Reserve must decide what the total amount of money in the private banking system shall be. Furthermore, the Federal Reserve decides, within wide limits laid down in the law, how much of the total money supply shall be of its own creation and how much shall be the creation of the private banks.

Under the present mechanics specified in the Federal Reserve Act, when the Federal Reserve System decides that there is to be an increase in the money supply of a given amount, it may bring about the increase in either of two ways. It may create part of the money itself and allow the banks to create a part. The parts may be varied within wide limits, at the Fed's discretion. Alternately, the Fed may take steps which permit the private banks to create the whole amount. In either case, the effect on the money and credit supply—or inflation—is precisely the same. The Federal Reserve authorities decide how much money shall be added to the private banking system, and this decision stands fixed, independent and separate from the decision as to what portion it will create and what portion it will allow the banks to create. To illustrate, let us say that the Federal Reserve decides that it wishes the total money supply in the private banks to be $500. One way it might bring this about would be to purchase and hold $100 of U.S. obligations, then set the level of required reserves for the private banks at 20 percent. This would give the banks a money-creating potential of $5 for each $1 of reserves, and the banks could make loans and investments up to $500. Or another way the Fed could bring about a $500 money supply would be to purchase and hold $50 of securities, and set required reserves for the banks at 10 percent. This would give the banks a money-creating potential of $10 for each $1 of reserves, and thus $50 in their reserve accounts would serve as a basis for loans and investments amounting to $500. This illustration is repeated as follows:

Reserves (or Fed's holdings of U.S. securities)	Private banks money-creating power	Money supply in private banks
$100	$5 to $1	$500
$50	$10 to $1	$500

This makes the point that the Federal Reserve could have itself acquired the $10.4 billion of Government securities which it allowed the banks to acquire

last year with precisely the same effect on the money supply. It could have purchased this $10.4 billion of securities from the open market, and, by raising required reserves of the member banks somewhat, made precisely the same amount of money and credit available in the banking system. The banks created the money to acquire these securities, at no cost to themselves. But the interest payments will go into bank profits instead of into the Treasury. This $10.4 billion was a gift to the banks.

The big bankers understand this full well. In fact the ABA's Economic Policy Commission report to the Federal Reserve Board explains it. Furthermore, this report also explains exactly how much of the Federal Reserve's holdings of Government securities the bankers plan to take, and exactly how much they expect to gain in the future by creating a larger share of the money to be created in the years ahead, and having the Federal Reserve create a smaller share. That is, the report explains how much the bankers expect to gain by the redistribution of the money-creating powers which is inherent in the lower level of required reserves, through the next 2½ years, or until the end of 1961.

As to the amount of the reserves which would be "freed" to the banks and then offset by transfers of an equal amount of securities already in the Fed's portfolio, the ABA report states:

> If the commission's proposals were in effect at the present time [June 30, 1956] * * * required reserve balances that member banks must maintain at the Federal Reserve banks would be $9.8 billion lower (53 percent lower) than their actual current level.[13]

In other words, if the ABA plan had been put into full force and effect in mid-1956, it would have required the Fed to transfer to the banks immediately $9.8 billion of its holdings of securities.

Then, on the question of how increases in the money supply are to be made to meet the needs of a growing economy in the years ahead, the ABA report points out that this could be accomplished in either of two ways: First, by the Federal Reserve's purchasing and holding more Government securities, in which case there would be no cost to the taxpayer; or, second, by the Federal Reserve's reducing required reserves of the member banks and thus allowing the private banks to create all of the additional money that might be needed. In this way the private banks would, of course, maintain their present holdings of Government securities and, in addition, create all of the new money needed to purchase additional Government securities and to meet the loan demands of business and consumers. The ABA report first states the matter in general terms:

> Looking ahead, it is clear that the needs of the public for currency and bank deposits will increase with the growth of the American economy. To meet these needs, it will be necessary to expand the reserve base of the banking system either by creating more reserves through open-market operations or by reducing reserve requirements.
>
> The first approach, that of augmenting the reserves of member banks, would commit the Federal Reserve authorities to a large-scale program of open-market purchases of Government securities designed to inject additional funds into the banking system. This would necessitate a further increase in the size of the Federal Reserve's portfolio which, it is widely agreed, is already excessively large.[14]

And where, we might ask, is the wide agreement that the Federal Reserve's present "portfolio" is already excessively large? Only among the bankers, we can be sure, who wish to have a slice of this portfolio transferred to them. Certainly there would be no such agreement among other taxpayers—if they knew about this proposal—because they will have to make up for what we give away by paying increased taxes.

In more specific terms, the ABA report estimates the normal expansion of the money supply expected in the period from June 30, 1956, to December 31, 1961, as follows:

> If such an expansion were to be met without reducing reserve requirements, it would be necessary to supply the banks with about $7 billion of additional reserve balances by means of open-market purchases of Government securities by the Reserve banks.[15]

In other words, if the Fed had maintained reserve requirements of the private banks at 1956 levels as they were in 1956, the Fed would have provided for a normal growth in the money supply through the end of 1961 by acquiring an additional $7 billion of U.S. securities over and above the $25 billion it held in 1956. And the taxpayers would have been saved the interest on this $7 billion, as well as the $25 billion. The ABA report adds, however:

> It would be far better to provide for this growth by lowering the reserve requirements of member banks over the coming years.[16]

Of course, it is better from the bankers' point of view, because this means the banks acquire, without one penny of cost, the $7 billion of securities on which the Government will pay interest.

Finally, the ABA report admits that one result of this plan will be that the Government will lose what it calls a "small amount" of revenue. The report states:

> It is true that the Government would lose a small amount of revenue, since about 90 percent of the Reserve banks' annual earnings after dividends are now being voluntarily paid over to the Treasury. However, the Reserve banks were never intended to be a source of revenue to the Government, and policy regarding the level of required reserves should certainly not be determined on the basis of the effect on Federal Reserve payments to the Treasury.[17]

If our policy on this question of giving away Government-owned securities to the private banks "should certainly not" be determined by what this will cost the Government, then may we ask on what basis should it be determined? The only argument which has been advanced for giving these securities to the banks is that it will increase bank profits. So why should we forget about Government costs, and throw the taxpayers' interest to the winds, just because the bankers are proposing to raid the Federal Treasury to increase their profits?

HOW THE GOLDSMITHS CREATED MONEY

For the Member who is not already familiar with the principles by which money is created, it is easy to illustrate them by the way the goldsmith bankers came into being. The goldsmith bankers, the historians tell us, operated in western Europe in the 17th century, before there was any banking system as we know it today. These goldsmiths were the forerunners of the modern banking system.

The goldsmith got into the banking business because it was customary for people who had gold to leave it with the goldsmith for safekeeping. In this case the goldsmith gave the depositor a receipt, or claim check for his gold. Such a receipt was supposed to mean that the depositor could come back and get his gold at any time. These receipts were, however, transferable, so anyone acquiring a receipt was supposed to be able to present it to the goldsmith and obtain the gold. What happened, of course, was that people discovered they could pass these receipts from hand to hand, making commercial transactions without going back to the goldsmith to obtain the actual gold. The receipts, in short, became money.

Furthermore, the goldsmith soon learned that since people rarely brought these receipts in and demanded the gold, he could, without too much risk of embarrassment, issue more receipts than he had gold. In other words, the goldsmith began making "loans." He "lent" a loan customer another depositor's gold, issuing the customer a receipt for gold which had not been deposited. All receipts went into circulation as money, just as though the goldsmith had enough gold to redeem them. This was risky business. Each goldsmith was "playing the odds," as it were, that too many people would not come in with some of his receipts—within a short time—and demand the gold. Since there was no regulation it was up to the individual goldsmith to decide how many receipts he felt he could issue against a given amount of gold. Or, as we would say today, each goldsmith decided what his reserves would be. History records that experiences with this goldsmith system of money varied at different places and at different times.

There was considerable risk involved, not only that the goldsmith might be embarrassed, but that the business of the community might be disrupted—with forced liquidations, foreclosures, and perhaps paralysis—and that individuals' savings might be wiped out. Obviously, these risks depended upon a number of factors.

First and foremost, of course, the riskiness of the venture depended upon how many receipts the goldsmith issued as claims on a given amount of gold. In

[13] ABA Economic Policy Commission report, previously cited, p. 26.

[14] Op. cit., p. 12.
[15] Op. cit., p. 14.
[16] Op. cit., p. 14.
[17] Op. cit., p. 32.

other words, what percentage of reserves did the goldsmith have against the money he had created? The risk depended also on what his depositors' habits were as to the frequency with which they drew out the gold—in other words, what is called today the turnover of bank deposits. Further, how much of the goldsmith's money was concentrated in the hands of large depositors and the nature of their business were also important factors. This was especially true after the goldsmiths began paying interest on gold deposited with them. Large depositors, especially those with connections in other financial centers, were likely to draw out their gold for redeposit where higher interest rates were offered, or to conclude some large trade transactions. Furthermore, the safety of one goldsmith's banking business depended in large measure upon the practices, the ill fortunes, and so on, of other goldsmiths.

Many goldsmiths made out quite well, and over long periods of time. On the other hand, there were a great many luckless experiences, both to goldsmiths and to the business life of their communities.

The goldsmith principle of issuing several dollars of money on each dollar of reserves is what we call the fractional reserve system by which commercial banking is done today. And most of the banking regulations and reforms which have been imposed over the centuries have been designed as safeguards against the troubles which can arise from this fractional reserve system. Yet all of these attempts at safeguards have not proven successful. For example, Amsterdam, Holland, was at one time an important center of goldsmith banking, and the goldsmith bankers there got a law passed which made it a hanging offense for anyone to start a run on the goldsmith. But there was a run on a goldsmith, and, of course, he could not pay, and the matter was resolved by hanging the goldsmith.

EIGHTY-ONE CENTS OF DEPOSIT INSURANCE FOR $100 OF BANK DEPOSITS

In our own country the main purpose of establishing the Federal Reserve System in 1914 was to regulate this fractional reserve system and to provide other regulations and safeguards against the frictions and frequent breakdowns in the banking system which had previously occurred to disrupt business and commerce. Further, following the last breakdown in the early 1930's, new banking reforms were imposed which consisted principally of the establishment of the Federal deposit insurance system.

Let us take a moment to focus on this highly interesting subject of how the depositors' money is safeguarded. The bankers have objected to keeping as much as $15 in reserves against each $100 of deposits, at the same time saying:

> It is now universally recognized that for the banking system as a whole, liquidity depends, ultimately, on the ability, and willingness of the Federal Reserve to supply additional funds to the banking system in periods of stress.[18]
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> • • • • •
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> While this limited protective aspect of legal reserves was no doubt of some importance before the advent of deposit insurance, it never provided anywhere near adequate protection for depositors in closed banks. In fact, it was for this very reason that a completely different approach to the problem was adopted, namely, Federal insurance of bank deposits.[19]

Furthermore, the official reports on this legislation take the position that:

> Similarly, the assumption that required reserves would aid the depositor in time of bank distress has been changed; for it has been seen that these reserves would only cover a fraction of a depositor's claim. Hence, deposit insurance has replaced required reserves as a means of deposit protection.[20]

But what the reports neglect to say is that all the "insurance" funds in the Federal Deposit Insurance Corporation amount to only 81 cents for each $100 of deposits in the commercial banking system. So we are in the happy position of being asked to believe that a reserve of $15 against each $100 of the depositors' money is no worthwhile safeguard, but 81 cents is.

PRIVATE BANKS CREATE MONEY BY THE GOLDSMITH METHOD

In order to complete the description of the goldsmith system, let me illustrate how it works in the commercial banking system. From the viewpoint of the individual bank, it seems to work this way. If I deposit $100 with my bank, and the reserve requirements imposed by the Federal Reserve are 20 percent, then the bank can make a loan to John Doe of up to $80. Where does the $80 come from? It does not come out of my deposit of $100; on the contrary, the bank simply credits John Doe's account with $80. The bank's deposits are now $180 where they were $100 before. The bank has simply created $80. Furthermore, now that it has another $80 of deposits, it may, by putting 20 percent of this in reserves, make still another loan in the amount of 80 percent of $80, which is $64. And so on, until the last loan it can make is zero. Or the bank can acquire Government obligations by the same process by simply creating deposits to the credit of the Government. Money creating is a distinctive feature of commercial banks. It is not permitted to other types of financial organizations—savings and loan associations, insurance companies, credit unions, and so on.

But the actual money-issuing process of the commercial banking system is not quite what it seems to the individual bank. By the process just described the banks would build up their reserves, just as they build up their deposits. And in truth an individual bank may build up its reserve account in this way, but additional reserves it acquires by the process must come about by a corresponding reduction in the reserves of the other banks.

To begin at the beginning of our illustration, we must ask where my $100 came from in the first place. We will find that the banking system created it. So then we must ask where the banking system got the reserves on which to create this $100 in the first place? I will explain.

ORIGIN OF BANK RESERVES AND THE BURDEN OF REQUIRED RESERVES

The commercial banking system in this country differs from the goldsmith banker in two main respects.

First, the private banking system uses a delegation of the Government's power to create money. This is the power assigned to Congress by the Constitution.

Second, instead of paying interest on its reserves, as the goldsmiths did, the private commercial banking system gets its reserves as a gift, or at least an interest-free loan, from the Government.

If this sounds fantastic, it is not nearly so fantastic as the phrases the bankers and some of the Federal Reserve people use to describe this matter. For example, the Vice Chairman of the Federal Reserve Board has objected to my saying the Fed has "given" the banks reserves, particularly when the gift was made by reducing required reserves. He prefers to say the Fed has made more of the banks' reserves "available" to them—which would imply the Fed has been holding on to something that really belongs to the banks. Let us see, then, where the reserves come from.

There are many factual reports on this question. One of the most lucid ones was published by the Federal Reserve Bank of New York in 1953, while Mr. Allan Sproul was president of that bank.[21] In this report it is pointed out that when the Federal Reserve System was set up in 1914, all commercial banks in the country—both member banks and nonmember banks—had reserves of less than $2 billion.[22] The member banks had reserves of $1.5 billion; yet 38 years later at the end of 1952, they had reserves of almost $20 billion. Where did the new reserves come from?

First, from the fact the Federal Reserve purchased Government securities in the open market, "Federal Reserve credit during this same period showed a net expansion of close to $25 billion—almost entirely through purchases of Government securities." [23] In other words, the private banks were given $25 billion of reserves, with which they could acquire interest-bearing assets, at today's rate, of almost $9 of assets for each dollar of reserves given.

Second, from a net inflow of gold from abroad amounting to $21 billion, "bringing the gross additions to member bank reserves to a total of over $47 billion." [24]

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[18] ABA Economic Policy Commission report, previously cited, pp. 8 and 9.

[19] ABA Economic Policy Commission report, previously cited, p. 9.

[20] U.S. Senate, Committee on Banking and Currency, "Report on Member Bank Reserve Requirements," Report No. 195 to accompany S. 1120, 85th Cong., 1st sess. (1959).

[21] Federal Reserve Bank of New York, Bank Reserves, Some Major Factors Affecting Them, November 1953.

[22] Op. cit., p. 12.

[23] Op. cit., p. 14.

[24] Op. cit., p. 14.

In other words, when this country exports more goods than it imports, as it almost always does, and the balance of international payments are settled in gold, the banks receive the gold, pay off the business firms in dollars, deposit the gold with the Treasury, and receive, not dollars, but credit in "high powered" dollars in their reserve accounts.

Against the Government's gross contribution of $47 billion to the member bank's reserves in these 38 years, there was, however, one large partial offset:

> Over the same period, currency in circulation increased by more than $27 billion, as banks obtained currency to meet the needs of their customers and to maintain adequate supplies of vault cash. Since the banks obtain this currency by drawing on their reserve accounts in the Federal Reserve banks, a corresponding amount of reserve funds were absorbed, leaving a net increase in member-bank reserve balances of slightly under $20 billion.[25]

WHERE BANK RESERVES COME FROM

To summarize how the member banks got their reserves up through 1952, but omitting the inconsequential items:

	Billions
Reserves in 1914	$1.5
Federal Reserve purchase of Government securities	24.6
Gold inflow from abroad	21.0
Total gross reserves	47.2
Less increase in currency in circulation	−27.4
Net reserves of member banks	19.8

This report asks two questions:

> Is it correct to suggest, that, historically, as deposits have expanded, member banks have been forced to turn over vast sums to the Federal Reserve banks to meet reserve requirements, thus depriving the commercial banks themselves of funds that might otherwise have been put to profitable use? Would it be correct to go even further, to suggest that the holding of member bank reserves by the Federal Reserve banks has enlarged their potential earning power, at the expense of the commercial banks?[26]

And gives these answers:

> Actually, the Federal Reserve banks have been the principal source from which the commercial banks have derived reserve funds since the founding of the Federal Reserve System in 1914. Under our fractional reserve banking structure, the Federal Reserve credit created by the Reserve banks has, in effect, permitted commercial banks to effect a vast expansion in their loans and investments that otherwise would not have been possible * * *. Instead of levying a "tribute" from the commercial banks, the Federal Reserve banks have instead (mainly through their purchase of Government securities) provided the reserve base upon which a vastly enlarged balance of commercial bank loans, investments, and deposits has been erected over a period of nearly four decades.[27]
>
> * * * * *
>
> Most of this increase in reserve balances was used as the basis for expansion of bank credit and was absorbed in increases in required reserves, leaving only a small residue to be added to excess reserves. The expansion in total loans and investments of member banks during this 38-year period was approximately $111 billion, and total member bank deposits increased by $139 billion.[28]

In plain words, the Federal Reserve has given the private banks $25 billion of reserves by purchasing its $25 billion of Government securities. (In fact, except for the purchase of these securities the bank customers' increased demands for currency would have put the banks in a minus reserve position—and out of business.) Yet we find the report of the ABA's to the Federal Reserve Board complaining of these reserves being barren assets and complaining of an inequitable distribution of the burden among the banks:

> For member banks, legal reserves are barren assets.
>
> * * * * *
>
> The burden of carrying non-interest-bearing reserves should be distributed equitably and logically among the member banks.[29]

Nonsense. The banks have received these reserves as a free gift. They have been allowed to use them to acquire, free of charge, interest-bearing assets amounting to $9 for each dollar of reserves given. And now they are asking to be allowed to create $10, $15, perhaps $20 on each dollar of these reserves. They want more of the reserves that have been given them made available to them. They have been allowed to use the Government's credit, free of charge, to extend credit to the Government and charge the Government interest on it. Member banks last November held $153.9 billion of the Government's interest-bearing obligations. And on this they were charging the Government fabulous interest rates.

For a more up-to-date statement of how the banks have been given their reserves by the Government, it may be found in the Federal Reserve Board staff report submitted on this legislation. The report states:

> The supply of reserve balances is almost wholly derived from gold, other currency issued by the Treasury, and Federal Reserve credit, less amounts drawn out in currency. Other factors that affect the supply of reserves are generally of minor or temporary significance.[30]

And the report gives the "principal factors in the reserve equations" outstanding in November 1958, from which we may note the following:

	Billions
Sources of Government credit:	
Monetary gold stock	$20.6
Treasury currency	5.2
Federal Reserve credit	27.2
Total outstanding	53.0
Uses of Government credit:	
Member bank reserves	18.5
Currency in circulation	31.7
Other factors, net	2.8
Total uses	53.0

Let us note the division of the shares reflected in the above table. First, on the $20.6 billion of gold in Treasury gold stock, the Federal Reserve had created $27.2 billion of credit, mostly by purchase of $25.7 billion of Government obligations.

Of the $18.5 billion of credit extended to the member banks—in the form of "reserves"—the member banks had created credit, or money, with which to acquire $153.9 billion of interest-bearing assets, including $55.3 billion of Government obligations, plus $39.1 billion of cash assets. The total stockholders' money used to acquire these $196.9 billion of interest-bearing and cash assets amounted to $15.5 billion, including all surpluses, reserves, and undivided profits.

Who would like to explain why the banks should be allowed to use the Government's credit—free of interest charge—to extend credit to the Government at an interest charge? Who would like to explain why, when the Federal Reserve decides to allow more money to be created to acquire interest-bearing Government obligations, it does not itself create the money and acquire the obligations? Who would like to explain why the interest charges should not go back into the Treasury instead of into bank profits?

My remarks on the features of this bill which would redistribute required re-

ADJUSTING THE "BURDEN" OF REQUIRED RESERVES

serves among member banks will be brief. Many undesirable effects would flow from these features of the bill, as well as from the bill's main feature, which is the general reduction in required reserves that is to accompany the transfer of Government-owned assets over to private banks. Some of these effects would be a weakening of bank safety, increased requirements for monopoly protection to be provided by the Government, increased monopolization of banking, less loans to business firms—particularly small business—involving ordinary commercial risks, and—as the Federal Reserve admits—a weakening of its monetary control machinery. These matters are all covered in considerable detail in my testimony on this legislation before Subcommittee No. 2 of the House Committee on Banking and Currency,[31] for those who may wish to pursue these matters. As is plain, however, these proposals for "adjusting" required reserves are subsidiary to the main purpose of the legislation. The bill as reported would bring about three major "reforms" in the system of required reserves.

First. It would eliminate the classification of central Reserve city banks—the New York and Chicago banks—and it makes it mandatory that the Federal Reserve Board reduce required reserves of these banks to the level of reserves

[25] Op. cit., p. 14.
[26] Op. cit., p. 12.
[27] Op. cit., p. 12.
[28] Op. cit., p. 14.
[29] ABA Economic Policy Commission report, previously cited, p. 14.
[30] U.S. House of Representatives, Committee on Banking and Currency, Subcommittee No. 2, hearings, op. cit., p. 24.
[31] U.S. House of Representatives, Committee on Banking and Currency, Subcommittee No. 2, hearings, "Member Bank Reserve Requirements," 86th Cong., 1st sess. (1959).

required for the Reserves city banks within a period of 3 years.

Second. It would authorize the Federal Reserve Board to reclassify any and all central Reserve city banks, and any and all Reserve city banks, as country banks, and to do this on the basis of individual banks. It would thus reduce required reserves of these banks to the level prescribed for country banks.

Third. It would authorize the Federal Reserve Board to promulgate regulations permitting any and all banks to count part or all of their so-called vault cash against required reserves.

All of these provisions are bad. As to the mandatory elimination of the central Reserve city classification, the ABA Economy Policy Commission proposed it as one of the main features of its plan. Despite that, the Federal Reserve Board vigorously opposes it, which is evidence enough that the proposal is doubly bad. The committee has adopted the proposal anyway.

As to the provision which would allow the Federal Reserve System to reclassify any and all banks as country banks, this would confer on the Federal Reserve Board enormous discretionary power, the proposed exercise of which has been only vaguely described. I am opposed to enlarging the Federal Reserve Board's discretionary powers, and particularly its powers to deal with banks on an individual basis concerning matters which are of such large importance to the bank.

As to the proposal that the banks be permitted to count part or all of their so-called vault cash against their required reserves, this has been made a matter of considerable absurdity.

One of the striking features of the legislative history of this bill is that substantially all of the presentations made in support of the legislation begin with an argument for the vault cash feature of the bill. These presentations thus begin with the one argument which seems plausible—that is, it seems plausible until we examine it.

It has been pointed out by factual reports that the country banks as a class are holding larger amounts of cash in their vaults. The country banks have relatively more cash in relation to their reserves than do the other classes of banks. Then it is argued that the reason for this is that the country banks cannot as a practical matter turn their surplus cash in in exchange for reserves, because they are frequently remote from the banking centers and must, as a practical matter, keep the cash on hand to meet some sudden requirements of their customers. The statement has been repeatedly made, moreover, that the legislation will help the country banks most, although all sponsors of the legislation have made clear that one certain effect will be to reduce the differential in the level of required reserves as between the three classes of banks. It seems that both the country banks and the central Reserve city banks are going to be helped most by this legislation and, interestingly enough, nothing is said about helping the Reserve city banks. Yet we may be sure that the Reserve city banks are no less influential and no less optimistic in their expectation of benefits than the other two classes of banks.

VAULT CASH ARGUMENT IS ABSURD

How plausible is the argument that vault cash should be counted against reserves?

In the first place, the fact that country banks normally have a larger amount of cash in relation to their reserves was taken into consideration when the present level of required reserves was established. The so-called inequity of not being able to count cash against required reserves has already been corrected.

Second, if we turn to the reports for February 1959, on the basis of which it has been pointed out that country banks held 61 percent of all the vault cash held by the member banks, we also find that the country banks held 85 percent of all the excess reserves of the member banks. In short, the country banks had $390 million of excess reserves, which was over 7 percent of their required reserves. Central Reserve city banks, on the other hand, had 0.3 percent excess reserves, and Reserve city banks had 0.7 percent excess reserves.

Required, excess, and free reserves, and borrowings of member banks, by classes, February 1959

[Dollar amounts in millions]

	Total all member banks	Central Reserve city banks (New York and Chicago)	Reserve city banks	Country banks
Required reserves	$18,117	$5,004	$7,723	$5,390
Excess reserves	$460	$16	$55	$390
Excess reserves as a percent of required reserves	25	0.3	0.7	7.2
Member bank borrowings from the Federal Reserve	$508	$70	$250	$188
Free reserves	−$47	−$54	−$195	$202

Source: Federal Reserve bulletins.

Furthermore, there is another factor which the Federal Reserve considers to be an even better measure of the banks' use or nonuse of their reserves. This is the factor called free reserves. It is obtained by subtracting from the banks' excess reserves the amount of reserves which they have on loan from the Federal Reserve banks. In other words, free reserves are excess reserves minus the banks' borrowings from the Federal Reserve's discount window. On this basis we find that in mid-February the country banks had $202 million of free reserves. The other two classes of banks, on the other hand, were in a minus reserve position. In other words, not only were these two classes "loaned up" to the full extent of their reserves, but they were in debt to the Federal Reserve banks for borrowed reserves. Does it make sense to argue then that the country banks were unable to turn in their surplus cash in exchange for reserves, because they have to hold this cash to meet the possible needs of their customers?

Why would the country banks bother to turn in cash to obtain more reserves when they had not used up the reserves they already had?

Finally, what the banks are asking the Government to do here is, in effect, take a mortgage on the cash in the bank, not merely in the vaults of the bank, but cash which is in the till and passing in and out of the tellers' windows by the hour and by the minute. I wonder what would happen if a merchant went into the bank and asked the banker to make him a loan which would be secured by the cash which the merchant reports that he has in his cash register, and which the merchant is to keep to transact his business? The fact is that most of the State banking laws prohibit the banks from making loans, or accepting as security for loans, a mortgage on goods which are daily exposed to sale, and no sensible banker would think of accepting such a mortgage. The only way the Federal Reserve System could police this bank-vault provision would be to maintain an inspector at each bank each day. The Comptroller of Currency has said of this provision:

> If it is assumed that a daily check at the office of each national bank and branch were required to make sure that the cash is always on hand at the close of business each day, we estimate it would require approximately 20,000 people or more.[32]

If we made a reasonable assumption as to the cost of this unreasonable proposal, say $10,000 per year in salary and expenses for each of the 20,000 people the Government would have to employ, this would cost the Government $200 million a year.

The present system of classifying banks for purposes of reserve requirements has been in effect for many years and is admitted to have been a good one. The classification is not based on geography, as such, but on the basic factors which must be considered in determining reserve requirements, and these factors merely happen to be associated with the geographic characteristics.

Yet it is also admitted that a better and more scientific system of reserve requirements could be adopted. Proposals for such a system have been discussed for many years, and I, for one, would have no objection to a more scientific system. The so-called reform provided in this bill, however, would not provide such a system.

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[32] Hearings, Subcommittee No. 2, op. cit., p. 184.

APPENDIX TABLE

Required reserves under present law and Fed regulation as of February 1959

[Dollar amounts in millions]

	Total, all member banks	Central Reserve city banks (New York and Chicago)	Reserve city banks	Country banks
Net demand deposits	$103,693	$25,958	$40,240	$37,494
Percent required reserves	[1] 14.9	18	16½	11
Amount of reserves required	$15,436	$4,672	$6,640	$4,124
Time deposits	$53,602	$6,626	$21,660	$25,315
Percent required reserves	5	5	5	5
Amount of required reserves	$2,680	$331	$1,083	$1,266
Total, required reserves	$18,116	$5,003	$7,723	$5,390

[1] Weighted average.

Minimum required reserves permissible under present law

[Dollar amounts in millions]

	Total all member banks	Central Reserve city banks (New York and Chicago)	Reserve city banks	Country banks
Net demand deposits	$103,693	$25,958	$40,240	$37,494
Percent minimum required reserves	[1] 9.7	13	10	7
Amount of minimum required reserves	$10,024	$3,375	$4,024	$2,625
Time deposits	$53,602	$6,626	$21,660	$25,315
Percent minimum required reserves	3	3	3	3
Amount of minimum required reserves under proposed bills	$1,608	$199	$650	$759
Total, minimum required reserves	$11,632	$3,574	$4,674	$3,384

[1] Weighted average.

Minimum required reserves permissible under H.R. 5237 and S. 1120

[Dollar amounts in millions]

	Total, all member banks	Central Reserve city banks (New York and Chicago)	Reserve city banks	Country banks
Net demand deposits	$103,693	$25,958	$40,240	$37,494
Percent minimum required reserves under proposed bills	7	7	7	7
Amount of minimum required reserves under proposed bills	$7,259	$1,817	$2,817	$2,625
Time deposits	$53,602	$6,626	$21,660	$25,315
Percent minimum required reserves under proposed bills	3	3	3	3
Amount of minimum required reserves under proposed bills	$1,608	$199	$650	$759
Minimum required reserves under proposed bills	$8,867	$2,016	$3,467	$3,384
Less vault cash	$2,039	$160	$645	$1,234
Total, reserves	$6,828	$1,856	$2,822	$2,150

Source: Federal Reserve Bulletin, April 1959.

DOES THE FEDERAL RESERVE SYSTEM USE MEMBER BANK RESERVES FOR ITS OWN PROFIT?

There has been some genuine misunderstanding on the part of some of the smaller and less sophisticated bankers how the Federal Reserve acquired its holdings of Government securities. They have thought that these securities really should belong to the member banks, because they have believed, mistakenly, that the Fed has used the banks' reserves to purchase these securities.

Actually, the Federal Reserve has never invested the required reserves of the member banks nor used these reserves for any income purpose. One of the main purposes of required reserves is to help assure that the banks will remain solvent. In other words, the purpose is to prevent what the goldsmith sometimes did, which was to issue too many claims against a given amount of his gold reserve. And to use these reserves—that is, make them do double duty— would be to violate the purpose of reserves.

In 1951 Marriner S. Eccles, who was then Chairman of the Board of Governors of the Federal Reserve System, wrote an article for the Federal Reserve Bulletin in which he said:

I want to say in passing that, contrary to a persistent popular fallacy, the Reserve System does not use reserves deposited with it by member banks to buy Government securities. As a matter of fact the System creates the funds used in open-market operations. These funds are in no way dependent upon such reserves as member banks carry with the Reserve banks. (Federal Reserve Bulletin, January 1941, p. 15.)

In December 1956, William McC. Martin, Jr., the present Chairman of the Board of Governors, was before the Joint Economic Committee, along with several other Reserve officials. As chairman of this session, I questioned Mr. Martin closely on this point and got the same answer Mr. Eccles had given. I quote a portion of this record:

The CHAIRMAN (Mr. PATMAN). The point I am trying to make, Mr. Martin, is, I am trying to answer a fallacious argument that is going over the country; No. 1, that these reserves that the member banks have in their Federal Reserve banks are used to buy these bonds. That is a fallacy; is it not?

Mr. MARTIN. That is a fallacy.

The CHAIRMAN. That is a fallacy; it is not true.

Mr. MARTIN. That is right. (Hearings before the Subcommittee on Economic Stabilization of the Joint Economic Committee on Monetary Policy: 1955–56, Dec. 10–11, 1956, p. 118.)

Allow me to quote again from the 1956 testimony of Chairman Martin:

The CHAIRMAN (Mr. PATMAN). You have $24 billion worth of bonds. Now, those bonds were bought by giving of Federal Reserve notes in exchange for the bonds; were they not?

Mr. MARTIN. Well, Federal Reserve credit.

The CHAIRMAN. What is that?

Mr. MARTIN. Federal Reserve credit. They were not specific——

The CHAIRMAN. That is what I mean. But every one of them is an obligation of the U.S. Government; is it not?

Mr. MARTIN. That is correct.

The CHAIRMAN. And that is what makes it good.

Mr. MARTIN. That is right (hearings, ibid., p. 118).

Now let us see what the American Bankers Association says on the subject. Early in 1955 a spokesman for that association was before the House Committee on Banking and Currency, and, in passing, made a statement which repeated the mistaken notion that member bank reserves are used by the Federal Reserve System. I called upon the American Bankers Association to examine into this matter further and let me know what its position on the question is. I received a letter dated May 11, 1955, signed by Mr. George R. Boyles, chairman of the Committee on Federal Legislation of the American Bankers Association, which reads in part as follows:

Federal Reserve bank operations and functions are distinct in that they do not use their deposit liabilities, which are the reserves of member banks, to purchase U.S. Government securities. Individual bankers and others have had the opposite impression from time to time, and it has been necessary for us, as well as the Federal Reserve banks, to correct such misunderstanding when the occasion has arisen.

Plainly, the Federal Reserve banks do not invest the reserves of the member banks. Furthermore, let me repeat, for emphasis, a point which I have already demonstrated. The point is this: By buying Government securities, not only has the Reserve System not used reserves which, it might be argued,

would otherwise be available for use by the member banks, but the System's purchase of these securities has actually given reserves to the member banks. The Federal Reserve Bulletin for February 1941 puts this matter very simply, as follows:

Not only do the Reserve banks not depend for their lending power on member banks, but they are themselves in a position to increase or decrease the lending power of these banks. When the Reserve banks buy U.S. Government securities or make advances, they put reserve funds at the disposal of member banks, and thereby increase their lending power. And, contrariwise, when the Reserve banks sell securities or reduce advances, they withdraw funds from member banks and thereby reduce their power to extend credit. By these means the Federal Reserve banks, as creators and extinguishers of reserve funds, are in a position to exert an influence on the cost and volume of bank credit. This is, in fact, their principal function as a monetary authority, and the policies pursued in performing this function are determined, not on the basis of the reserves available to the Reserve banks, but with reference to the economic needs of the country.

On July 15, 1957, Mr. Martin testified on the financial institutions bill—S. 1451—before the House Banking and Currency Committee at page 55 of the hearings, as follows:

Mr. PATMAN. * * *

Now, these statements of the Federal Reserve Board, covering the 12 Federal Reserve banks, shows that 96 or 97 percent of all the earnings of all the Federal Reserve banks comes from interest on Government bonds.

Now, Mr. Martin, in acquiring those bonds for the 12 Federal Reserve banks, isn't it a fact that you don't use as backing for the money which you exchange for those bonds, for instance $23 million worth for the Dallas bank, you didn't use the reserve of the member banks; did you?

Mr. MARTIN. That is correct.

Mr. PATMAN. You did not use the capital stock of the member banks; did you?

Mr. MARTIN. That is correct.

Mr. PATMAN. You did not use the reserves or the surplus funds of the member banks?

Mr. MARTIN. That is correct.

Mr. PATMAN. Isn't it a fact that the only thing you used was money that you created which, of course, you have a right to do under the law? You created $23 million in Federal Reserve notes. Whether you actually transferred them physically or not, the result was that you created that much in Federal Reserve notes and traded them for U.S. Government bonds. That is correct; is it not?

Mr. MARTIN. That is one way of stating it.

In an article published by the Federal Reserve Bank of New York,[33] the question of whether the Federal Reserve banks invest the member banks' reserves is clarified.

The idea has been expressed from time to time that member banks, by depositing these reserve funds in the Federal Reserve banks, have enabled the Reserve banks to enlarge their earnings assets and hence their earnings. This has led to the conclusion in some quarters that the earnings of Reserve banks have been derived from funds provided by the member banks, and hence that the member banks should be permitted to participate more largely in the earnings of the Reserve banks. On the basis of this conclusion, some observers have even contended that the payment of a large proportion of the Reserve banks' net earnings to the Treasury indirectly involves the subjection of member banks to a disproportionately heavy tax burden. * * *

Indeed, the view that the Federal Reserve banks invest the reserve deposits of their member banks in Government securities can now be seen to be the opposite of the actual process. What really happens is that, when the Reserve banks purchase Government securities in the open market, they create bank reserves. * * *

Finally, since the earning power of the Federal Reserve banks arises from the note issue and credit-granting authority given them by Congress, and since actual earnings are largely related to various functions performed in the national interest, the Reserve banks either have been legally obliged (from 1914 to 1932) or have considered it appropriate (from 1947 to date) to turn over a large proportion of their earnings (after expenses and the statutory dividend of 6 percent on their paid-up stock) to the U.S. Treasury.

[33] Federal Reserve of New York, Bank Reserves, Some Major Factors Affecting Them, "Sources and Uses of Member Bank Reserves, 1914 to 1952," by A. J. R. Smith, November 1953, pp. 14–17.

WHO OWNS THE FEDERAL RESERVE SYSTEM?

There is a misconception among some bankers that member banks own the Federal Reserve System itself, being stockholders in the System. This idea arises from the fact that the law requires the member banks to make a small investment in the System, and the law unfortunately uses the term "stock" in this connection. The specifications in the law make it clear, however, that this is in no sense stock in the normal meaning of the term, which would have some ownership or proprietary rights. But those who overlook the specifications in the law get a notion that with a stock investment of $373 million, the member banks have acquired ownership of the Government's money-creating powers now amounting to $82.4 billion, including $20.6 billion worth of gold.

The law makes it abundantly clear, however, that this so-called stock is not ownership stock and carries none of the rights and privileges of stock. This "stock" cannot be sold, it cannot be voted, it cannot be hypothecated, it cannot pay dividends, it does not entitle the stockholders to inspect the books, and it does not entitle the stockholders to a share in the assets. Further, the law plainly states that even if the Federal Reserve System were liquidated, the so-called stock would have no claim on the assets of the System, except to the extent of the principal actually paid in.

What this so-called stock actually amounts to, in effect, is another required reserve. It serves no purpose except as an additional safeguard to the solvency of the member banks. The Federal Reserve does not invest the funds from this stock and has itself no use for these funds, although it does pay the banks a handsome interest of 6 percent. In fact, the Federal Reserve is now continuously holding idle and unused $868 million of its own earnings in a surplus account for which it can also find no purpose. This $868 million belongs to the Federal Treasury and ought to be paid in to the Treasury at once, to be used to pay off some of the Federal debt. Holding back these funds is costing the taxpayers $100,000 a day in unnecessary interest charges. Furthermore, the so-called stock investment should also be paid back. Since these funds serve no purpose, paying interest on them is taking money out of the taxpayers' pocket for no purpose, except to pay the banks a subsidy.

In the hearing records of congressional committees over the lifespan of the Federal Reserve System, there has been accumulated abundant evidence to substantiate the fact that the Federal Reserve System is owned by the Federal Government—all the people of the United States—not by the member banks. I shall cite from these investigations statements made by Federal Reserve officials, Members of Congress, and others to support this fact.

From 1935 to 1938, there was considerable agitation in Congress—particularly in the House of Representatives—about the ownership of the Federal Reserve banks. Some of us had the impression at that time that the Federal Reserve banks were owned by the private commercial banks. This caused a large group of Members of the House of Representatives to form an unofficial steering committee for the enactment of a law providing for Government purchase and ownership of Federal Reserve banks. This steering committee, composed of 160 Members of the House of Representatives from 39 States, caused to be introduced in my name a bill, H.R. 7230, in the 75th Congress providing for the Government ownership of the 12 Federal Reserve banks.

PUBLIC HEARINGS ON THE PROPOSAL

There were public hearings on this bill, before the Banking and Currency Committee of the House commencing March 2, 1938. The hearings comprise 508 pages and contain the testimony of a number of Members of Congress, including myself; former U.S. Senator Robert L. Owen, who was the coauthor of the Federal Reserve Act in 1913, which became a law December 23, 1913, by the signature of President Woodrow Wilson; Hon. Marriner S. Eccles, Chairman of the Board of Governors of the Federal Reserve System; Hon. Ronald Ransom, Vice Chairman of the Board of Governors of the Federal Reserve System; many outstanding economists.

By reason of these hearings many of our group were convinced that the Government already owned the Federal Reserve banks.

Chairman Henry Steagall, presiding at these hearings, who was chairman of the Banking and Currency Committee of the House when the 1935 Federal Reserve Act became a law, disputed the contention that the Federal Reserve banks were owned by the member banks. He stated, and this is recorded at page 50 of the hearings:

And while I understand that the contribution to the capital of the Federal Reserve banks under the system now obtaining is not in a true sense a subscription to capital—I do not know exactly how to characterize it; it is more in the nature of an investment, like an investment in a Government bond where your return is definite and limited, but where you do not share in the

profits of the system as ordinarily is the rule in the case of investments in the capital of a banking institution.

Chairman Eccles of the Board of Governors of the Federal Reserve System testified about the ownership as follows:

It is more nearly in the nature of a compulsory capital contribution than stock ownership (p. 446 of the hearings on H.R. 7230).

All of us were convinced later on after investigating further and particularly by the hearings before the Joint Economic Committee in 1952 where this question was carefully gone into. It was shown beyond any doubt that the Federal Reserve banks are instrumentalities of the Government and are owned by the Federal Government. The so-called stock, which is 3 percent of the capital and surplus of the member banks, is more of an involuntary investment upon which these banks receive 6 percent annually. This so-called stock is not needed and it is not used; it is not even invested. It has never been invested. If it were invested, it would save the Government that much between its earnings and the 6 percent that is paid each year on it.

PRIVATE BANKS HAVE NO PROPRIETARY INTEREST IN THE FEDERAL RESERVE

After the 1952 hearings, no one who has studied the question and is unbiased has contended that the private banks own the Federal Reserve System. On the other hand, they are recognized as being owned by the U.S. Government. It is possible for me to quote former Chairman Eccles and the present Chairman of the Federal Reserve Board, Mr. Martin, dozens of times in printed testimony wherein it is stated repeatedly in answer to questions that the member banks do not have a proprietary interest in the Federal Reserve banks. There is no doubt about it.

In a letter to me dated April 18, 1941, the Chairman of the Federal Reserve Board, Mr. M. S. Eccles, stated:

This so-called stock ownership, however, is more in the nature of an enforced subscription to the capital of the Federal Reserve banks than an ownership in the usual sense. The stock cannot be sold, transferred, or hypothecated, nor can it be voted in accordance with the par value of the shares held. Thus, the smallest member bank has an equal vote with the largest. Member banks have no right to participate in earnings above the statutory dividend, and upon liquidation any funds remaining after retirement of the stock revert to the Government.

In hearings before the Subcommittee on Economic Stabilization of the Joint Economic Committee in 1956,[24] I asked Chairman Martin of the Federal Reserve Board whether this statement has any validity.

The CHAIRMAN (Mr. PATMAN). No 2 [The proposition] is that the banks own the Federal Reserve Banking System, and it is run by the banks; it is operated for their benefit.

That is a fallacy, is it not?

Mr. MARTIN. That is a fallacy.

* * * * *

[24] U.S. Congress, Joint Economic Committee, Subcommittee on Economic Stabilization, hearings, 84th Cong., 2d sess., 1956, pp. 119–120.

The CHAIRMAN. That stock, or that word "stock," is a misnomer, is it not?

Mr. MARTIN. If you are talking about stock in terms of proprietorship, ownership—yes.

The CHAIRMAN. Well, of course, that is what stock is; yes. Normally that is what stock is; when you say "stock," you mean a proprietary interest of some kind, do you not?

Mr. MARTIN. In the ordinary sense, yes.

The CHAIRMAN. That is right, in the ordinary sense.

Mr. MARTIN. You and I are in agreement that it is not proprietary interest.

The CHAIRMAN. Yes.

Therefore, this does not convey any proprietary interest at all, and the word "stock" is a misnomer. It is not a correct word at all. It is just an involuntary assessment that has been made on the banks as long as they are members.

Now, if they go out, the money is refunded to them. But as long as they are members, they get 6 percent annually on that.

And as evidence of the fact that they do not have any proprietary interest, which you admit, is the fact that this so-called stock cannot be sold, it cannot be hypothecated, and as a convincing and unanswerable argument that the banks have no interest in the Federal Reserve System as such, financial or proprietary interest, the law specifically provides that in the event of the liquidation of a Federal Reserve bank, that after they get their $300 million stock back, the Government gets everything else. That is right; is it not?

Mr. MARTIN. That is right.

The CHAIRMAN. Now, if the banks had any proprietary interest in that, they would get what was left after liquidation, would they not?

Mr. MARTIN. Well, you and I are in agreement it is not proprietary interest.

The CHAIRMAN. Yes.

Therefore, the statement that the banks own the Federal Reserve System is not a correct statement, is it?

Mr. MARTIN. The banks do not own the Federal Reserve System. (Hearings before a Joint Subcommittee on Economic Stabilization of the Joint Economic Committee, 84th Cong., 2d sess., December 1956, pp. 119–120.)

FEDERAL RESERVE SURPLUS OF BILLION DOLLARS SHOULD BE USED NOW TO REDUCE NATIONAL DEBT

The Federal Reserve does not need the funds invested in its so-called capital stock. It does not need any surplus reserve—that is, money held back from the Treasury each year after the expenses of the System have been met. It operates on the credit of the Nation and has the power to create money and does create money. Mr. Martin, chairman of the Board, has said the Federal Reserve does not need the capital stock.

When Chairman Martin was testifying July 15, 1957, with Governor Robertson, also a member of the Board, at his side, Governor Robertson asked to be allowed to answer a question about the surplus fund of the Federal Reserve that I had propounded to Chairman Martin. So the answers are the answers of both Governors Martin and Robertson as follows:

I wonder, however, since you have about three-quarters of a billion dollars in the surplus fund of the Federal Reserve banks, why you want 10 percent more each year. What will you do with it? It doesn't serve any purpose. It is idle, unused. What do you want to put it aside for?

Governor ROBERTSON. May I answer that?

Mr. PATMAN. Certainly.

Governor ROBERTSON. There is no magic in any 90 percent or 10 percent or anything else.

Mr. PATMAN. Why do you want any percent? Why do you want any amount, as long as you have a certain amount in the surplus fund of a bank? Why are you not satisfied with that? Why do you want to keep piling up more money, which is unused and doesn't serve any purpose?

Governor ROBERTSON. The only thing we were trying to do here was to follow out the original concept of the statute. It did provide for a surplus. This contemplates building up the surplus, not because you needed it today but because you might need it some other time.

FED CANNOT IMAGINE ANY NEED FOR FUNDS HELD BACK FROM THE TREASURY

Mr. PATMAN. What would you need it for?

Governor ROBERTSON. I can't imagine. I hope there is never a situation to need it.

Mr. PATMAN. To keep you from coming back to Congress for an appropriation; that is the only thing.

Governor ROBERTSON. Oh, no; we would never have to come back for appropriations.

Mr. PATMAN. Well, you would if you ran out of funds.

Governor ROBERTSON. We are not going to.

Mr. PATMAN. You almost did at one time.

Governor ROBERTSON. Well, we will never have another such situation.

Mr. PATMAN. You have too much money piled up.

Governor ROBERTSON. Maybe that would be a good purpose to serve, so we wouldn't have to come back.

Mr. PATMAN. Maybe we should make it possible for you to pay a hundred percent into the Treasury, as long as there is a surplus equal to a specified amount in each Federal Reserve bank. Don't you think that would be reasonable?

Governor ROBERTSON. We suggested this in the alternative, as you know. We suggested we be authorized to turn over to the Treasury amounts, or put it in franchise tax, and that was the one selected. We don't care which way it is. We think the money must go to the Treasury.

Mr. Martin testified, page 396 on S. 1451 in July 1957 about the stock owned by the member banks in the Federal Reserve banks as follows:

Mr. PATMAN. And it cannot be voted except according to the rules that you explained to him.

For what purpose is that money used, Mr. Martin? Can you name one purpose for which that money is needed, except as you said, that it creates a good relationship with the banks and makes them feel they are part of the System. Outside of that, what purpose does that capital stock serve?

Mr. MARTIN. I don't think it has any purpose at the moment. I think originally it was part of the organization capital of the Federal Reserve banks.

Mr. PATMAN. To set up the Reserve banks?

Mr. MARTIN. Certainly.

Mr. PATMAN. But now it is not needed at all, is it?

Mr. MARTIN. I think we could get along without it today.

Mr. PATMAN. All right.

"BANKERS AND SUBSIDIES," BY ALVIN H. HANSEN

The recent report of the Economic Policy Commission of the American Bankers Association entitled "A Plan for Member Bank Reserve Requirements" is a remarkable document. The bankers are, in effect, asking Congress to hand them on a silver platter $9.8 billion of earning assets in place of an equivalent amount of unearning cash assets which they are now required to hold as reserves.

The proposal is to count vault cash as part of the required reserves and to reduce the reserve requirements from the present levels—20 percent for Central Reserve city banks in New York and Chicago, 18 percent for Reserve city banks in some 50 of the largest cities, and 12 percent for smaller banks—to a uniform 10 percent.[35] Of the $9.8 billion, $7.7 billion is accounted for by the reduction in reserve requirements and $2.1 billion is accounted for by the inclusion of vault cash as part of required reserves.

It is evident that only a very small part of the windfall would accrue to the smaller so-called country banks which hold about 38 percent of the total assets of member banks. The proposal, if enacted into law, would conspicuously favor the large banks.

American history is replete with Government subsidies on a handsome scale. In many, possibly even in most cases, these subsidies—from the railroad land grants to low-cost public housing—can be justified from the standpoint of the general welfare. But no one will deny, I think, that there are few if any actions of Government that demand a more conscientious assessment of general social benefits and costs. Subsidies, open or veiled, should continually be subjected to careful scrutiny. And this is especially true of subsidies which are veiled in mystery as is the case with the one here under consideration.

The Commission says that a "clear-cut understanding on the part of the public" is highly important. Unfortunately, the report falls consideably short of this worthy aim. Still there is no need to feel alarmed. The Congress has evidenced in recent years a high degree of enlightenment with respect to monetary and banking matters and is not likely to act hastily on this proposal.

World War II could have been financed entirely—apart from taxes and bond sales to the public—by the Federal Reserve banks. This would have involved no subsidy to anybody. The war was indeed partly financed in this manner. The Federal Reserve banks absorbed about $22 billion of new U.S. securities. The commercial banks, however, absorbed much more, about $69 billion. To enable them to acquire this huge volume of earning assets, they were supplied with the requisite reserves. This cost the banks not a cent.

Some economists objected strongly to this procedure. They wanted the Federal Reserve to do all the bank financing in order to prevent the bestowal of a huge windfall of earning assets on the commercial banks.

The policy pursued could, however, be justified. The volume of monetary transactions was rising by leaps and bounds under the rapidly growing war economy. This development involved huge increases in the cost of banking operations. War financing involved extensive banking services performed for the Treasury by the banks. Had the war bank financing been done exclusively by the Federal Reserve, the commercial banks would have had to be subsidized in some other manner, or else they would have been compelled to charge unbearably high service charges.

The Economic Policy Commission deplores the fact that the Federal Reserve banks had absorbed so high a proportion of the war issues. The commercial banks could have done the job with less use of Federal Reserve credit had the reserve requirements been reduced. Had this been done, nearly all of the asset windfalls would have fallen to the commercial banks and virtually none of the Federal Reserve banks. The Commission now wishes to backtrack and undo what was done. They wish to hand over $9.8 billion of earnings assets to the member banks.

The Commission makes note of the fact that the drastic reduction in reserve requirements which it recommends might result in a multiple expansion of bank credit with inflationary implications. The report rightly points out, however, that this could easily be offset by open-market sales of securities by the Federal Reserve. But the report fails to point out that a $9.8 decrease in required cash, offset by a $9.8 sale of securities by the Federal Reserve, would give the commercial bank a $9.8 billion windfall by transforming $9.8 billion of nonearning assets into earning assets. Yet the report takes pains to explain that in 1948, in the opposite direction, the temporary increase of about $2 billion in reserve requirements, offset by open-market purchases by the Federal Reserve, forced the banks "to part with about $2 billion of their earning assets."

The committee does indeed in another section admit somewhat niggardly that the proposed plan would cost the Government something since the Federal Reserve would hold $9.8 billion less U.S. securities, the profits from which revert largely to the Treasury. The report admits that bank earnings under their plan would probably be benefited.

For a growing economy, an important issue is raised in this report. Which method of Federal Reserve control is to be preferred: First, changes in reserve requirements; or, second, open-market operations? From the short-run cyclical standpoint, it makes perhaps less difference which method is used, though the open-market method is likely to work more smoothly, and, especially in the case of contraction, with less discriminatory effect on different banks. From the growth standpoint, however, the two methods operate very differently. Both methods, it is true, provide earning-asset windfalls to the commercial banks. But there is this difference. When the expansion is effected by way of open-market operations, the earning-asset windfall is shared—as was the case with wartime financing—between the banks and the Federal Reserve. The net effect of the open-market method is that the Government, since it is paid about 90 percent of the Federal Reserve profits, would participate in the money-creating windfall. The open-market method is thus clearly the more favorable to the taxpayer.

The commercial banks, as holders of Government securities acquired painlessly through the process of war financing, are already on the defensive. The "100 percent reserve" people can and do press the attractive "free enterprise" argument that banks, like other businesses, ought to earn their own way. The "100 percenters" want to move in exactly the opposite direction from that suggested by the bankers' commission. They want to squeeze U.S. securities out of the commercial banks although by means of Federal Reserve purchases, offsetting the added reserves thus created by raising the reserve requirements toward the "100 percent" goal. This process would virtually eliminate commercial banking. In contrast, the system we now have, with open-market purchases by the Federal Reserve as expansion of bank credit is needed for growth, provides the basis for a dynamic and healthily growing commercial banking system—from "The Review of Economics and Statistics," Harvard University Press, Cambridge, Mass., volume XL, No. I, part I, February 1958.

[35] The report suggests that this may be lowered or raised by the Federal Reserve Board within the range of 8 and 12 percent.

NATIONAL WILDLIFE DISEASE LABORATORY

The SPEAKER. Under previous order of the House, the gentleman from Colorado [Mr. JOHNSON] is recognized for 10 minutes.

Mr. JOHNSON of Colorado. Mr. Speaker, yesterday I introduced H.R. 7471, a bill calling for establishment and operation of a National Wildlife Disease Laboratory. Other members of the Colorado delegation have introduced companion bills. I hope that the Congress will create such a laboratory and that it will be located at Colorado State University in Fort Collins.

The death of important men has pointed up the urgency of action to fight disease and thus to prolong human life, which is our greatest natural resource. Probably no other investment made by people, private organizations, or government bring such a positive and significant a return as money spent on health. Through research on health, we have already greatly prolonged life. Yet millions still die every year from the ravages of diseases we have thus far failed to conquer.

We in America need to learn more about how diseases are carried and communicated among our wildlife—both sporting and commercial, and from them to domestic animals and to man himself.

Current studies of diseases of humans, livestock, and poultry emphasize the need for such a facility as a National Wildlife Disease Laboratory so that research can be made of wildlife diseases, their causes, diagnosis, epidemiology, host specificity, and interrelationships to man, domestic animals, and all other wild creatures.

Competent persons have demonstrated that in animal pathology, and related medical sciences, the greater dearth of knowledge is in the field of wildlife diseases.

Human diseases are under study at a score of American colleges and universities and at many hospitals by private foundations, State agencies, and the U.S. Public Health Service. Diseases of livestock and poultry are being investigated

at the National Animal Disease Laboratory in Ames, Iowa, under auspices of the Department of Agriculture. Schools of veterinary medicine and agricultural experiment stations are doing additional work.

But nowhere in America are the diseases of wildlife being investigated, either as to their incidence, control, or relationship to diseases to humans and farm animals on a scope anywhere near comparable to the programs now devoted to the diseases of man and domestic animals. There is no adequately equipped place where such undertakings can be cooperatively financed or brought together.

Medical science is faced with an unfortunate and serious gap in this connection in its overall knowledge of disease and disease control. Relatively little is understood about the role of wild animals in transmitting the 86 diseases that can be communicated between man and other animals. Much must be learned about the roles of wildlife in transmitting these diseases, and the degree to which wildlife serve as living, infectious reservoirs.

Several hundred diseases are known to affect domestic animals, but with few exceptions the position of wild mammals and birds in those fields is unknown.

This lack of knowledge is appalling, because there is grave danger that most diseases of domestic animals are communicable to some undomesticated mammals and birds which may be serious carriers. Wild and domestic ruminants, such as cattle and deer or elk, would seem to be subject to the same infections, but in few instances is there specific knowledge either of how these infections can be transmitted among various animals or of what species may carry what diseases.

The same unknowns mark our present knowledge of wild versus domestic members of the dog and cat families, of mink and game birds on fur or game farms. These speculations lead us to another logical question—how much more is man affected by wildlife-induced diseases than has been determined thus far?

Our limited knowledge shows these are not idle speculations. For example, common wildlife diseases of a known communicable and dangerous nature are rabies, anthrax, brucellosis, and encephalitis—to which man is susceptible. Many are known but, almost certainly, others are not. Rabies has become common and widespread with the increase in foxes, coyotes, skunks, and other free-roaming animals. Campaigns to control this serious human and livestock malady have been waged in States all over the country.

An outbreak of sleeping sickness is causing much apprehension in the Southwest. Wyoming faces an epidemic of anthrax in its sizable and very valuable moose population. I could cite many more examples.

We cannot overlook the important fact that each year larger numbers of people engage in outdoor sports. Many people have direct and indirect contact with wild animals and may become exposed to animal reservoirs of disease.

Incidence of wildlife diseases and their potential infectiousness for humans and other animal life are probably more widespread than cursory surveys have disclosed. A comprehensive study is long overdue. It should be pointed at human health, our vital livestock industry, and our extremely valuable wildlife resources.

Wildlife diseases are relatively unstudied in North America. Limited investigations are in progress at certain agricultural and medical institutions; the Bureau of Sport Fisheries and Wildlife has disease projects at the Patuxent and Bear River national wildlife refuges; the U.S. Public Health Service is engaged in specific studies in the general field; and private agencies are making scattered investigations.

Nowhere in this country, however, is there a research center of national scope, adequately staffed with well trained and competent persons, equipped with all necessary facilities, and dedicated to a planned, long-term attack on the wide range of viruses, bacteria, and parasites having common affinities for man, domestic animals, and wild mammals and birls.

Not all other nations have been as backward as we in studying such matters. In Russia, American scientists have visited an institution designed and operated solely to study wildlife diseases in relation to man, livestock, and other wildlife. The facility is located at the Kazakh Academy of Sciences at Alma Ata in the U.S.S.R. Visiting Americans report that the installation has the best of modern facilities and equipment, a staff of 28 full-time scientists, 60 technical employees, and many laborers. American scientists cannot point to any remotely comparable installation anywhere in the United States.

We like to believe that our Nation is a pioneer in basic research. Yet here is another area in which it is evident that we lag behind.

The progress of other countries in such research especially emphasizes the importance of diseases associated with wildlife and the need for exploring their many pathological, ecological, and economic relationships in the public interest. If the Russians are willing to invest in securing knowledge in this field, may we not also research its possibilities for our national health and welfare?

The ideal site for this National Wildlife Disease Laboratory, we believe, is Colorado State University at Fort Collins. It is well situated both nationally and locally. This section of our country is reached easily from all others while at the same time the site lies between an intensively farmed region and the vast areas of public lands. Each of these areas—the farmed and the public land—supports varied kinds of domestic livestock and poultry and provides habitat for all types of wildlife ranging from the smallest birds and mammals to the largest.

In addition to its highly advantageous geographical location, the university embraces and already is working with, and is close to, the following:

First. Colorado State University: (a) College of veterinary medicine with extensive research and training in diseases of domestic animals and big game and with large, completely up-to-date disease isolation research unit and laboratory; (b) department of forest recreation and wildlife conservation; (c) department of range management; (d) department of zoology; (e) department of animal husbandry; (f) Colorado State Forester, office and headquarters.

Second. U.S. Department of the Interior: Cooperates at Colorado State University in support of (a) Colorado Cooperative Wildlife Research Unit with research programs in varied wildlife fields; (b) forest-range wildlife investigations concerned with range-rodent relationships.

Third. U.S. Department of Agriculture: Supports at Colorado State University and at Fort Collins (a) Rocky Mountain Forest and Range Experiment Station; (b) headquarters, Roosevelt National Forest; (c) Colorado Agricultural Experiment Station; (d) Regional Soils Laboratory; (e) National Seed Laboratory.

Fourth. Denver Federal Center, suburban Denver: Headquarters, regional or otherwise, for the third largest group of Federal governmental agencies in the United States. Agencies having a direct interest in wildlife and various national environments are: (a) Fish and Wildlife Service: Denver Wildlife Research Laboratory; office of river basin studies; predator and rodent control; (b) Forest Service, region II headquarters; (c) Bureau of Land Management, land and grazing office; (d) Bureau of Reclamation, region VII headquarters; (e) Bureau of Entomology, agricultural insect control; (f) Soil Conservation Service, State-Federal office; (g) Geological Survey, Administration Division field office; (h) Bureau of Mines, region IV headquarters.

Fifth. Colorado Game and Fish Department, Denver: Now actively supporting programs of the Colorado Cooperative Wildlife Research Unit and big-game research in College of Veterinary Medicine. Headquarters, Northeast region, at Fort Collins.

Sixth. Livestock associations: (a) Colorado Cattlemen's Association; (b) Colorado Wool Growers' Association. These two agencies work closely with their national organizations.

Seventh. University of Colorado, Medical Center, Denver, with which the College of Veterinary Medicine has close working relationship, is only 60 miles from the Colorado State University campus.

Should my bill be enacted, Mr. Speaker, Colorado State University is prepared to give, at no cost to the Federal Government, land for the laboratory building and animal-holding pens in ample acreage and suitable location. I also wish to point out that the site is adjacent to the large ultramodern domestic animal disease isolation unit and laboratory now in operation on the campus.

The advantages of such a location are obvious. The university pledges its full cooperation in establishing, staffing, operating, and supporting the general pro-

gram of the proposed National Wildlife Disease Laboratory.

Creation of the laboratory would afford the United States its first opportunity to thoroughly explore the wildlife disease field. The laboratory would serve as a central study and reference station, provide information and assistance in various wildlife disease fields, and be a national repository for specimens, media, preparations, and other scientific aids pertinent to wildlife disease programs. All kinds of cooperative studies could be financed thereby private organizations through grants-in-aid. Private organizations, such as the Max C. Fleischmann Foundation, Carnegie Foundation, Rockefeller Foundation, Ford Foundation, Pack Foundation, the Wildlife Management Institute, and National Wildlife Federation, might participate jointly. The laboratory also would be a valuable training ground for students.

Mr. Speaker, the following tables show the nominal estimated costs of the laboratory and its annual operation. You will note that it is expected that $3,500,000 would be required for constructing and equipping the original installation. Annual operating costs would be $708,300.

After the work got going, much of the laboratory program would be financed by cooperative efforts. Thus, the amount to be requested from Congress each year rightfully would be less.

Cost of the main building, providing offices and laboratories for the administrative and research staffs, is:

Facility:	*Estimated cost*
Laboratory, building and utilities	$1,968,960.00
Equipment, built-ins and major	703,200.00
Equipment, minor and portable	421,920.00
Buildings, shop, storage, animal colony	140,640.00
Holding pens, isolation stalls	220,960.00
Vehicles	44,320.00
Total	3,500,000.00

Professional positions necessary to man and operate the laboratory are:

Personnel:	*Completed*
Director	1
Assistant Director	1
Veterinarians	4
Parasitologists	2
Pathologists	8
Bacteriologists	3
Physiologists and pharmacologists	4
Chemists, general	2
Nutritionists	3
Ecologists	2
Anatomists	2
Statisticians	2
Assistants, technicians, and laborers	51
Total	85

Personnel costs based on current salary rates are:

Position	Number	Amount
Director	1	$15,000
Professional, at $9,500 average	33	313,500
Technical, at $6,000 average	26	156,000
Labor, at $3,600 average	24	86,400
Total	84	570,900

To conduct the research programs contemplated for the Laboratory, annual major operation items and estimated costs are:

Item:	*Completed*
Travel	$7,000
Travel, common carrier	6,000
Subsistence, at $12 a day	16,000
Chemicals, glassware, etc	70,800
Laboratory animals	6,000
Feed, penned animals	7,000
Utilities	9,600
Miscellaneous and contingency	5,000
Research reports and publications	10,000
Total	137,400

Mr. Speaker, the sportsmen of America spend hundreds of millions of dollars each year in pursuit of fish and wildlife. The livestock and poultry industry produces billions of dollars worth of meat for our tables. The discovery of one answer to diseases afflicting any of these would more than justify the entire outlay here proposed.

Beyond that, citizens do die from diseases common to wildlife and man. In our support of research in human disease, we have provided fairly well. It is proper that we complete the attack on disease by work on this front of wildlife disease.

Conservationists join citizens generally in urging that this Congress take this step forward.

REPORT OF WORLD HEALTH ASSEMBLY IN GENEVA

The SPEAKER. Under previous order of the House, the gentleman from Wisconsin [Mr. LAIRD] is recognized for 20 minutes.

Mr. LAIRD. Mr. Speaker, at the request of the President of the United States, I just participated, along with the gentleman from Rhode Island [Mr. FOGARTY] in one of the most dramatic demonstrations of international good will in action that the world has ever known.

The occasion was the World Health Assembly in Geneva, the yearly meeting of delegates from 90 member nations of the World Health Organization. The people that I met there, the information they presented on the health problems of their people, and the spirit in which they sought to solve these problems, alone and together, spoke eloquently of the force that international health can be for international peace. I returned with a renewed conviction that working together is the key to living together, with recognition of individual and cultural differences, and with respect for each other's point of view.

Unfolded there before us in Geneva was a moving spectacle of man's endless quest for freedom from hunger, freedom from disease, freedom from tragic disability and premature death.

It seemed not to matter that our problems in the United States are different from those of many nations that are not so fully developed as we: We are concerned with the control of cancer, but our sister nation is concerned with the control of cholera; we search for ways to prevent arteriosclerosis, but our brother nation seeks basic sanitation; we try to extend a life span of three score years and ten, but our neighbor to the southeast merely tries to live to be two score; we emphasize neurological diseases and mental health and the rheumatic disorders in our health program, but our neighbor to the southwest emphasizes schistosomiasis and filariasis and onchocerciasis.

The important thing is that health issues tend to accent similarities and minimize differences, just as they tend to obliterate both political differences and geographical boundaries. It is important, too, that in world health programs, we in the United States have a great deal to receive as well as a great deal to give. Thus health provides the nations of the world with a forum in which they can meet together and work together with unity of purpose and as equals.

I cannot, in this brief report, even begin to indicate the broad range of topics covered by the Assembly—from malaria eradication, leprosy control, and tuberculosis treatment, to the problem of making uncontaminated drinking water available. I was impressed by the greater importance most nations place on health education as a measure for the control of disease. And I was delighted that the Assembly embarked on a program of medical research, voting funds for this purpose for the first time.

There are two major points that I wish to make to the Congress and to the American people about the 12th World Health Assembly and the work of the World Health Organization.

The first point is that by its conduct, by its leadership, and by the position it took on the important issues before the Assembly, the U.S. delegation clearly advanced the prestige of our Nation and achieved signal victories for the many nations that are allied in the cause of freedom. The World Health Organization is not a political forum. But it is an international agency, and it was perfectly clear to me that on several major issues, the position of the United States was supported not only by those nations that are customarily with us in matters of principle, but also by a great many nations that are just beginning to throw off the shackles of disease and of economic and social underdevelopment, and to emerge as productive and participating members of the family of nations. The delegates from the Soviet Union and other nations allied with them suffered one setback after another. I shall never forget the image of the Soviet delegate, standing before the full Assembly, and decrying the unwillingness of underdeveloped countries to take advantage of the consultation, technical aid, equipment, and other assistance offered by the Soviet Union.

The second point I wish to emphasize is the effective use that is made of U.S. dollars in the work of the World Health Organization. As a member of the Committee on Appropriations for health, education, and welfare activities of our Federal Government, I have good reason to know the financing of health programs and the kinds of progress that are purchased by the investment of dollars in the health field. I want to make it clear

that the total financing of the World Health Organization will be slightly less than $17 million in 1960. The U.S. assessment will be 30 percent of the total budget.

A major part of the increase over the 1959 budget of WHO is represented by $500,000 for the start of a program of international medical research, proposed by the United States. The inclusion of this medical research item in the 1960 budget was a major accomplishment of the U.S. delegation in Geneva. Here again the Russian delegation opposed the start of this program of international medical research and exchange.

I want to state my deep conviction that it is hard to think of ways in which so few American dollars could purchase so much that is intimately related to our national and international aspirations. On returning to the United States from this 12th yearly meeting of representatives of nations united to improve people's health, I have renewed confidence in the explicit and implicit values to be derived from international working collaboration. It is my deep conviction that the activity of the World Health Organization will be broadened and strengthened in the years ahead, and that at the same time the United States should strengthen its own unilateral activities in the health field, including international health programs. This type of people-to-people activity in the health area on the part of the United States will go far in keeping peace.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. WALLHAUSER (at the request of Mr. ARENDS), on account of official business as a delegate of the House of Representatives in connection with and during the Atlantic Congress in London, England.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. LAIRD (at the request of Mr. ROBISON), for 20 minutes, today.

Mr. BRAY (at the request of Mr. ROBISON), for 15 minutes, tomorrow.

Mr. HIESTAND (at the request of Mr. ROBISON), for 1 hour, on Monday next.

Mrs. GRANAHAN (at the request of Mr. CARTER), on Monday next, for 1 hour.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. PORTER and to include extraneous matter.

Mr. POFF.

Mr. VAN ZANDT and to include extraneous matter.

Mr. COAD.

(At the request of Mr. ROBISON and to include extraneous matter the following:)

Mr. KEARNS.

Mr. UTT.

(At the request of Mr. CARTER, and to include therein extraneous matter, the following:)

Mr. RODINO.

Mr. DADDARIO.

BILL PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 2228. An act to provide for the acquisition of additional land along the Mount Vernon Memorial Highway in exchange for certain dredging privileges, and for other purposes.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 2228. An act to provide for the acquisition of additional land along the Mount Vernon Memorial Highway in exchange for certain dredging privileges, and for other purposes.

ADJOURNMENT

Mr. CARTER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 5 minutes p.m.) the House adjourned until tomorrow, Wednesday, June 3, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1053. A letter from the Clerk, U.S. House of Representatives, relative to the contested election case of Elmo J. Mahoney against Wint Smith for a seat in the House of Representatives from the Sixth Congressional District of the State of Kansas (H. Doc. No. 167); to the Committee on House Administration and ordered to be printed.

1054. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation entitled "A bill to amend the act of July 3, 1956 (70 Stat. 492), entitled 'An act to authorize the Secretary of the Interior to cooperate with Federal and non-Federal agencies in the prevention of waterfowl depredations, and for other purposes' "; to the Committee on Banking and Currency.

1055. A letter from the Acting Secretary of State, transmitting a draft of proposed legislation entitled "A bill to authorize a payment to the Government of Japan"; to the Committee on Foreign Affairs.

1056. A letter from the Comptroller General of the United States, transmitting a report on the audit of the District of Columbia Redevelopment Land Agency for the fiscal years 1957 and 1958; to the Committee on Government Operations.

1057. A letter from the Comptroller General of the United States, transmitting a report on the examination of the pricing of selected prime contracts negotiated by the Department of the Air Force and subcontracts negotiated by Air Force prime contractors; to the Committee on Government Operations.

1058. A letter from the Assistant Secretary of the Interior, relative to the south San Joaquin Irrigation District of Manteca, Calif., having applied for a loan of $4,900,000 on a project that is estimated to cost $6,288,000, pursuant to the Small Reclamation Projects Act of 1956; to the Committee on Interior and Insular Affairs.

1059. A letter from the Under Secretary of Commerce, transmitting a draft of proposed legislation entitled "A bill to amend section 209(f)(1) of the Highway Revenue Act of 1956 in order to provide for the financing of forest highways and public lands highways from the highway trust fund"; to the Committee on Ways and Means.

1060. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Public Housing Administration, Housing and Home Finance Agency, for the fiscal year ended June 30, 1958 (H. Doc. No. 168); to the Committee on Government Operations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H.R. 255. A bill to amend section 358 of title 38, United States Code, to provide for apportionment of compensation of veterans who disappear; without amendment (Rept. No. 409). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H.R. 267. A bill to amend title 38 of the United States Code to provide that multiple sclerosis developing a 10 percent of more degree of disability within 3 years after separation from active service shall be presumed to be service connected; without amendment (Rept. No. 410). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H.R. 268. A bill to amend title 38 of the United States Code to provide additional compensation for veterans having the service-incurred disability of deafness of both ears; without amendment (Rept. No. 411). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H.R. 269. A bill to amend title 38, United States Code, to provide certain allowances and benefits to personnel of the Veterans' Administration who are U.S. citizens and are assigned to the Veterans' Administration office in the Republic of the Philippines; without amendment (Rept. No. 412). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H.R. 270. A bill to amend title 38, United States Code, to increase the rate of special pension payable to certain persons awarded the Medal of Honor, and for other purposes; without amendment (Rept. No. 413). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H.R. 271. A bill to amend title 38 of the United States Code to provide a further period for presuming service con-

nection in the case of veterans suffering from Hansen's disease (leprosy); without amendment (Rept. No. 414). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H.R. 283. A bill to amend section 314(k) of title 38, United States Code, to provide an increased statutory rate of compensation for veterans suffering the loss or loss of use of an eye in combination with the loss or loss of use of a limb; with amendment (Rept. No. 415). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H.R. 3?69. A bill to amend section 3103 of title 38, United States Code, to provide for payment of veterans' benefits to certain veterans whose discharges have been corrected; with amendment (Rept. No. 416). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H.R. 5446. A bill to provide for the recovery of costs of building space utilized by the Veterans' Canteen Service in the Veterans' Administration; without amendment (Rept. No. 417). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H.R. 5447. A bill to extend the authority of the Administrator of Veterans' Affairs to maintain offices in the Republic of the Philippines; without amendment (Rept. No. 418). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H.R. 5996. A bill to provide that no application shall be required for the payment of statutory awards for certain conditions which, prior to August 1, 1952, have been determined by the Veterans' Administration to be service connected; with amendment (Rept. No. 419). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H.R. 7106. A bill to amend title 38, United States Code, with respect to forfeiture of benefits under laws administered by the Veterans' Administration; with amendment (Rept. No. 420). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. S. 1901. An act to amend section 101(c) of the Agricultural Act of 1949, and the act of July 28, 1945, to stabilize and protect the level of support for tobacco; without amendment (Rept. No. 421). Referred to the Committee of the Whole House on the State of the Union.

Mr. WILLIS: Committee on the Judiciary. H.R. 3. A bill to establish rules of interpretation governing questions of the effect of acts of Congress on State laws; without amendment (Rept. No. 422). Referred to the House Calendar.

Mr. MOORE: Committee on the Judiciary. H.R. 2807. A bill to provide for the judicial review of orders of deportation; with amendment (Rept. No. 423). Referred to the Committee of the Whole House on the State of the Union.

Mr. CANNON: Committee on Appropriations. H.R. 7509. A bill making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, and the Tennessee Valley Authority, for the fiscal year ending June 30, 1960, and for other purposes; without amendment (Rept. No. 424). Referred to the Committee of the Whole House on the State of the Union.

Mr. GARY: Committee of conference. H.R. 5805. A bill making appropriations for the Treasury and Post Office Departments and the Tax Court of the United States (Rept. No. 425). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KEOGH:

H.R. 7487. A bill to amend section 421 of the Internal Revenue Code of 1954 with respect to stock options granted by principal shareholders; to the Committee on Ways and Means.

By Mr. MASON:

H.R. 7488. A bill to amend section 421 of the Internal Revenue Code of 1954 with respect to stock options granted by principal shareholders; to the Committee on Ways and Means.

By Mr. FRELINGHUYSEN:

H.R. 7489. A bill to amend the Welfare and Pension Plans Disclosure Act, and for other purposes; to the Committee on Education and Labor.

H.R. 7490. A bill to amend the Fair Labor Standards Act of 1938, as amended; to the Committee on Education and Labor.

By Mr. ASPINALL:

H.R. 7491. A bill to provide for the erection of a national monument symbolizing the ideals of democracy; to the Committee on Interior and Insular Affairs.

By Mr. FASCELL:

H.R. 7492. A bill to amend section 353 and 354 of the Immigration and Nationality Act; to the Committee on the Judiciary.

By Mr. HARMON:

H.R. 7493. A bill to repeal section 8 of the District of Columbia Appropriation Act, 1960, and all other provisions of law prohibiting the use of appropriations in connection with the possible installation of meters in taxicabs in the District of Columbia; to the Committee on the District of Columbia.

By Mr. HEMPHILL:

H.R. 7494. A bill to provide for the comprehensive operation of hydroelectric power resources of the United States, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HOLT:

H.R. 7495. A bill to amend the Internal Revenue Code of 1954 to increase the amount of the income tax deductions for medical expenses and child care, and to authorize deductions for certain transportation costs, tuition expenses, and residential depreciation; to the Committee on Ways and Means.

By Mr. KEARNS:

H.R. 7496. A bill to provide for the payment of expenses of administration of the workmen's compensation provisions of the Longshoremen's and Harbor Workers' Compensation Act by insurance carriers and self-insurers authorized to insure under section 32 of the act, and for other purposes; to the Committee on Education and Labor.

By Mrs. PFOST:

H.R. 7497. A bill to provide for the erection of a national monument symbolizing the ideals of democracy; to the Committee on Interior and Insular Affairs.

By Mr. SAYLOR:

H.R. 7498. A bill to provide for the erection of a national monument symbolizing the ideals of democracy; to the Committee on Interior and Insular Affairs.

By Mr. WALLHAUSER:

H.R. 7499. A bill to amend title II of the Social Security Act to provide that a woman who has lost entitlement to widow's or mother's insurance benefits by remarriage may regain such entitlement if the remarriage terminates within 1 year, whether such termination is caused by her husband's death or by divorce; to the Committee on Ways and Means.

By Mr. MORGAN:

H.R. 7500. A bill to amend further the Mutual Security Act of 1954, as amended, and for other purposes; to the Committee on Foreign Affairs.

By Mr. WESTLAND:

H.R. 7501. A bill to provide for the erection of a national monument symbolizing the ideals of democracy; to the Committee on Interior and Insular Affairs.

By Mr. AVERY:

H.R. 7502. A bill to amend the basis for certifications with respect to basic pay for dependency and indemnity compensation award purposes; to the Committee on Veterans' Affairs.

By Mr. DULSKI:

H.R. 7503. A bill to amend section 209 of the Highway Revenue Act of 1956 to provide that 100 percent of the excise tax on automobiles, trucks, buses, trailers, and parts and accessories shall be deposited in the highway trust fund; to the Committee on Ways and Means.

By Mr. FLOOD:

H.R. 7504. A bill to transfer the administration of the program for distribution of surplus agricultural food commodities to needy persons, and for other purposes; to the Committee on Agriculture.

By Mr. McDOWELL:

H.R. 7505. A bill to provide a program of assistance to correct inequities in the construction of fishing vessels, to enable the fishing industry of the United States to regain a favorable economic status, to provide disaster relief to the oyster industry which has been almost completely destroyed in some areas of the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. POFF:

H.R. 7506. A bill to create a judicial officer for the Post Office Department; to the Committee on Post Office and Civil Service.

By Mr. SMITH of Virginia:

H.R. 7507. A bill to amend section 3 of title III of the District of Columbia Income and Franchise Tax Act of 1947 with respect to deductions for charitable contributions; to the Committee on the District of Columbia.

By Mr. VINSON:

H.R. 7508. A bill to amend title 10, United States Code, to establish a Bureau of Naval Weapons in the Department of the Navy and to abolish the Bureaus of Aeronautics and Ordnance; to the Committee on Armed Services.

By Mr. CANNON:

H.R. 7509. A bill making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, and the Tennessee Valley Authority, for the fiscal year ending June 30, 1960, and for other purposes.

By Mr. GARMATZ:

H.R. 7510. A bill to amend the Interstate Commerce Act with respect to reasonable differentials in favor of joint rates for through transportation by rail and water, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PHILBIN:

H.R. 7511. A bill to provide for the issuance of a special postage stamp to commemorate the 50th anniversary of the founding of the Camp Fire Girls; to the Committee on Post Office and Civil Service.

By Mr. ROBISON:

H.R. 7512. A bill to amend section 114 of the Federal-Aid Highway Act of 1956 to state the policy of Congress with respect to reimbursement for certain highways on the Interstate System; to the Committee on Public Works.

By Mr. TEAGUE of Texas:

H.J. Res. 408. Joint resolution to provide for the development of a program for controlling the production of cotton on a bale basis; to the Committee on Agriculture.

By Mr. YOUNGER (by request):

H.J. Res. 409. Joint resolution designating the Luther Burbank Shasta daisy as the national flower of the United States; to the Committee on House Administration.

By Mr. DORN of New York:

H. Con. Res. 191. Concurrent resolution expressing the sense of the Congress with respect to the expulsion of the Republic of China from the International Olympic Committee, and with respect to the participation in the Olympic games of representatives of the Republic of China; to the Committee on Foreign Affairs.

By Mr. ULLMAN:

H. Con. Res. 192. Concurrent resolution to make an investigation concerning anadromous fish in the Columbia River Basin; to the Committee on Merchant Marine and Fisheries.

By Mr. JOHNSON of Colorado:

H. Con. Res. 193. Concurrent resolution providing for the development through the United Nations of international cooperation in educational programs; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. MORRIS of Oklahoma: Resolution No. 549 of the House of Representatives of the State of Oklahoma, entitled "A resolution taking official notice of the efforts of the U.S. Government to combat communism by bolstering the economies of foreign underdeveloped countries; taking further notice of a bill introduced in Congress by the Honorable HALE BOGGS, of Louisiana, to encourage investments abroad by American industry through the establishment of reasonable taxes on foreign earnings; and officially commending Congressman BOGGS on his efforts with respect to this legislation"; to the Committee on Ways and Means.

By Mr. SCHENCK: Memorial of the General Assembly of the State of Ohio, memorializing the Congress of the United States to preserve Ellis Island as a national shrine; to the Committee on Government Operations.

By Mr. THORNBERRY: Memorial of the Senate of the State of Texas memoralizing the leadership of America to awaken to the role that the small family farmer and the small communities of our Nation have played and should continue to play in this, the great drama of America before God and man, in making steadfast and secure the desire to preserve our cherished way of life which found its first victory in the birth of America; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Texas, memorializing the executive and legislative departments of the Federal Government to issue the necessary administrative ruling or to pass the necessary legislation making poultry, egg, hog, and milk producers eligible for loans from the Small Business Administration; to the Committee on Banking and Currency.

Also, memorial of the Legislature of the State of Texas, memorializing Congress to enact restrictive and remedial legislation that will afford protection to the people of the United States against such enemies of our Government as reflected by the threats of Hoffa and his hoodlums; to the Committee on Education and Labor.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H.R. 7513. A bill for the relief of Moses Licht; to the Committee on the Judiciary.

H.R. 7514. A bill for the relief of Rocco Boscattini; to the Committee on the Judiciary.

By Mr. DADDARIO:

H.R. 7515. A bill for the relief of Mrs. Luigia Lenardon DeCarli; to the Committee on the Judiciary.

By Mr. DENTON:

H.R. 7516. A bill for the relief of Mr. and Mrs. Francis G. Stader; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H.R. 7517. A bill for the relief of Annunziata Monteroso Cutri; to the Committee on the Judiciary.

By Mr. FEIGHAN:

H.R. 7518. A bill for the relief of Rudolph Rozman; to the Committee on the Judiciary.

By Mrs. GRANAHAN:

H.R. 7519. A bill for the relief of Tso-Ming Ku; to the Committee on the Judiciary.

By Mr. HUDDLESTON:

H.R. 7520. A bill for the relief of Dr. Ricardo Ceballos; to the Committee on the Judiciary.

By Mr. McDONOUGH:

H.R. 7521. A bill for the relief of Isei Sakioka; to the Committee on the Judiciary.

By Mr. TEAGUE of California:

H.R. 7522. A bill for the relief of Serafima Afrakova Ponomaroff; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Statement in Explanation of H.R. 7496, a Bill To Charge the Costs of Administration of the Longshoremen's and Harbor Workers' Compensation Act to Carriers and Self-Insurers Under the Act

EXTENSION OF REMARKS

OF

HON. CARROLL D. KEARNS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1959

Mr. KEARNS. Mr. Speaker, the American system of workmen's compensation is not financed out of general taxation but places its costs only on those members of the public who are also employers. In accordance with this concept, employers are charged with the costs of payments to injured employees either as self-insurers or through insurance carriers. In many States employers are also charged with the administrative costs of the workmen's compensation program. Under the Longshoremen's and Harbor Workers' Compensation Act, however, a Federal statute which applies to certain private employments in much the same manner as a State workmen's compensation law, the costs of administration are borne by the Federal Government. This places on the Federal Government a burden inconsistent with a basic concept of workmen's compensation.

The draft bill would charge administrative costs of the workmen's compensation features of the Longshoremen's Act to the industry covered by that act. Under the proposed bill the funds necessary for administrative expenses—direct expenses and the applicable share of indirect and overhead expenses—would continue to be fixed and appropriated annually by Congress. However, at the end of each fiscal year, the cost of administering the workmen's compensation provisions of the act during that year would be determined by the Secretary of Labor and prorated among insurance carriers writing insurance under the act, and among self-insurers. The assessment would be based on the total money benefits paid by such carriers and self-insurers during such year. They would not be charged with cost of administering the recently enacted amendment to the act which authorizes the issuance and enforcement of safety standards.

It is estimated that this proposal, if adopted, would result in a reimbursement to the Federal Government of over $700,000 a year. The cost for administering the law was $701,657 during the past fiscal year and because of the recent Federal pay increase it is estimated that the administrative costs will be somewhat higher during the 1959 fiscal year.

The rights of a self-insurer or carrier would be protected by an administrative hearing on assessments, if requested, and by a right to judicial review.

If it failed to pay the amount assessed when due, a carrier or self-insurer would be liable to fines and interest on unpaid balances. Similar penalties and possible suspension or revocation of its authorization to insure are provided where a carrier or self-insurer misrepresents material facts or fails to furnish information called for by the bill or by regulations of the Secretary.

This proposal would also apply to all extensions and applications of the Longshoremen's and Harbor Workers' Compensation Act with the exception of the War Hazards Act (42 U.S.C. 1701 et seq.). The existing extensions and applications to which this proposal would apply are the District of Columbia workmen's compensation law, the Defense Base Act, the Outer Continental Shelf Lands Act, and the act of July 18, 1958, amending section 2 of the act of June 19, 1952 (5 U.S.C. 150k–1), applying the Longshoremen's Act to certain civilian employees of nonappropriated fund instrumentalities of the Armed Forces. The reimbursement to the Federal Government, estimated above at over $700,000, includes reimbursement for the administrative costs involved in all extensions and applications of the act except for the administration of the District of Columbia workmen's compensation law.

An additional sum of approximately $200,000, now included in the budget of the municipal government of the District of Columbia, is transferred annually to the Department of Labor for the administration of the District's workmen's compensation pay. The draft bill would credit to the District government its shares of the reimbursement received from the carriers and self-insurers.

The Secretary would also have authority, in his discretion, to establish a single, consolidated administration fund for the act and its extensions and applications, or to have separate administration funds for the act and the respective extensions and applications.

Expanded Ocean Research Needed

EXTENSION OF REMARKS
OF

HON. LEVERETT SALTONSTALL

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Tuesday, June 2, 1959

Mr. SALTONSTALL. Mr. President, attention was called yesterday to the first of a series of articles written by Chairman WARREN G. MAGNUSON of Senate Interstate and Foreign Commerce Committee for Hearst newspapers pinpointing deficiencies in our oceanographic research program.

Today I would like to place the second of my colleague's series of articles in the CONGRESSIONAL RECORD. I do this because of the significant reference made by Senator MAGNUSON to the work being carried on at the Woods Hole Oceanographic Institution on Cape Cod. This institution has accomplished much in furthering our knowledge of the ocean, but the accomplishments have been made in the face of limited budgets and limited support. Indeed there is a lack of full understanding by the public of the herculean task facing us in this effort.

I ask unanimous consent that Senator MAGNUSON's article appear in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Journal-American, June 1, 1959]

UNITED STATES IGNORES COAST AND SPAWNS MANY PEARL HARBORS

(In a penetrating analysis of our stupendous, costly efforts to probe space to the virtual neglect of the seas surrounding us, Senator MAGNUSON, in his concluding article, observes: "What will it profit us to win the skies and lose the oceans if the oceans become infested with enemy submarines?")

(By Senator WARREN G. MAGNUSON)

Soviet Russia is better equipped to probe and study our waters than we are ourselves, and better equipped to exploit our ocean resources after she has explored them.

One reason is that since World War II our Government, with the exception of a few scattered scientists and a segment of our Navy, has virtually abandoned interest in the oceans.

A billion dollars has been spent for space research to date, exclusive of military operations, and a half billion will be spent in the coming fiscal year. Our space committees have been told that a billion dollars annually probably will be required in the years following.

Support these appropriations as essential to our defense.

But only a trifling $8 million has been spared annually for studying the 300 million cubic miles of water that cover 72 percent of the earth's surface.

As a result we are losing the wet war.

STUDIES NEGLECTED

As a result, the youngest and least developed of all military sciences—antisubmarine warfare—is being neglected by the United States.

As a result, the United States—all along its 12,255 miles of coastline touching three oceans and the Gulf of Mexico—is wide open to as many Pearl Harbors and Nagasakis as there are missile-firing Russian submarines.

What will it profit us to win the skies and lose the oceans if the oceans become infested with enemy submarines?

BUILDING DELAYED

"From the point of view of military operations there is no comparison between the urgencies of the problems of the oceans and those of outer space," states the Committee on Oceanography in its introduction to a 12-page report in process of publication.

"There has been no effort to improve research ships in this country in the last 15 years," states a Navy report approved by the Chief of Naval Operations, Adm. Arleigh A. Burke. "We have 25 years of shipbuilding to accomplish in 10 years."

"There has been no program for the replacement of our research fleet as the ships become old and unsafe," the report states elsewhere. "If we are to get ahead of the Russian submarine menace and stay there a 10-year program must be implemented."

We are losing the wet war by default and our lapses are likewise obstructing the effective operations of our own submarines.

The Navy says:

"Submarines cannot function properly in strategic areas without adequate knowledge of currents, bottom topography, sound velocities, ocean temperatures, and weather. We are now ill equipped to provide the knowledge because we lack ships capable of working in the northeast Atlantic, the north Pacific and the Indian Ocean."

American scientists have been dangerously skimped while Russian oceanographers have an amplitude of scientific ships, laboratories, gear, and special instruments.

RUSSIAN FLEET

The Soviet scientific fleet includes the 12,000-ton icebreakers *Ob* and *Lena*, soon to be supplanted by the 16,000-ton atomic icebreaker *Lenin*, and the 15,500-ton diesel-electric icebreaker *Moskva;* the 6,000-ton specially designed *Mikhail Lomonosov;* 5,546-ton *Vityaz*, 5,000-ton *Pole*, 3,000-ton *Sevastopol* and *Okean*, 1,500-ton *Diamond* and *Equator*, and the world's first nonmagnetic research ship *Zarya*, the last now working in the Indian Ocean.

The *Mikhail Lomonosov*, constructed exclusively for deep sea research in 1957, alone displaces more tonnage than all our basic research ships combined.

Only one ship originally designed for research has ever been built in the United States, the *Atlantis* at the Woods Hole Oceanographic Institution on Cape Cod, Mass., and it was constructed in 1931.

The Navy, wisely in my opinion, has delegated its basic research to universities and affiliated laboratories and institutions.

Our universities thus have become our first line of defense in the naval warfare of the future, which indisputably will be fought not on the seas, but in the air above and the dark waters below the surface of the oceans.

Until last November the largest ship for basic research at the disposal of the United States was the *Vema*, displacing 533 tons or less than one-tenth that of the *Vityaz*. The *Vema* is a one-time auxiliary schooner built in 1923 and sponsored by Columbia University's Lamont Geological Observatory.

The *Vema* is supplemented by the *Horizon* and *S. F. Baird* at the Scripps Institute of Oceanography, San Diego, both 505-ton former tugs built in 1944, and the *Stranger*, a 300-ton former yacht.

Woods Hole also had a one-time cutter of uncertain vintage, the *Crawford*, displacing 230 tons. The University of Washington's department of oceanography has the *Brown Bear*, a 270-ton converted coastal freighter built in 1934.

Texas Agricultural and Mechanical College had the 243-ton *Hidalgo*, built in 1944; Scripps the 200-ton *Orca*, a former patrol boat, and Woods Hole the 200-ton *Bear*, an ex-coastal freighter.

The University of Miami's marine laboratories conducts research in the 80-ton *Gerda*, a one-time North Sea trawler but still the newest ship of all, having been built in 1949. Scripps has a 111-ton one-time purse seiner, the *Paolina T.*, constructed only a year earlier.

Chesapeake Bay Institute of Johns Hopkins University, Baltimore, has the 32-year-old *Joan Bar II*, displacing 60 tons, and New York University's department of oceanography and meteorology the 28-ton *Action* built in 1930. The Narragansett Marine Laboratories of the University of Rhode Island has the smallest craft of all, the 12-ton *Lil Joy*, one thousand times smaller than Russia's *Ob* or *Lena*.

LINE OF DEFENSE

All of these ships continue in operation. Our basic research fleet recently has been joined by the 1,800-ton *Chain*, a converted submarine rescue ship supplied by the Navy and assigned to Woods Hole.

This is our basic research fleet, our first line of defense in the wet war.

In the field of applied research, which Government agencies handle themselves, the Navy has three hydrographic survey ships capable of working in the high seas, the Coast and Geodetic Survey three sound oceangoing vessels, and the Fish and Wildlife Service's Bureau of Commercial Fisheries four that are considered usable in rough waters.

WHAT UNITED STATES NEEDS

What are we going to do about it? How are we going to recover our lost ground in the wet war?

To check Soviet aggression in the greatest sea war in history it is my opinion that Congress and the administration must do these things:

1. Construct a superior fleet of submarines that can launch missiles with atomic warheads from anywhere beneath the surface of the oceans.

2. Expand our aging merchant marine with fast, new ships of which at least several in our eastern and western oceans should be nuclear-powered, and provide air cover adequate to protect them and our trade routes in time of war.

3. Supplement the eight 3,500- to 6,500-ton icebreakers we now have with atomic-powered crushers powerful enough to keep a sea route open north of this continent.

4. Expand our deep sea research to all depths of the oceans and in all aspects to assure maximum operation of our underseas fleets and maximum defense against enemy submarines.

The last would entail the smallest expenditure of all, but it is imperative to security of our coastal areas and commerce.

Labor Reform Legislation

EXTENSION OF REMARKS
OF
HON. JAMES B. UTT
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 2, 1959

Mr. UTT. Mr. Speaker, under leave to extend my remarks, I would like to insert my Washington Report of June 4, on the subject of labor reform legislation:

WASHINGTON REPORT

(By your Congressman JAMES B. UTT)

The so-called labor reform legislation known as the Kennedy-Ervin bill, passed by the Senate and now before the House, has generated more correspondence than any other single issue. Most of the letters oppose passage of the bill, but for different reasons. Some want no labor legislation whatsoever, but in most of the letters constituents are demanding a strong labor reform bill. This might be called a split-level attack.

As originally introduced in the Senate, the Kennedy-Ervin bill was a resurrection of the Kennedy-Ives bill which the House buried last year without ceremony and with little weeping. This year when the legislation came to the floor of the Senate, Senator MCCLELLAN, Democrat, of Arkansas, and chairman of the Labor Rackets Committee, introduced a set of amendments which he termed "labor's bill of rights." These amendments provided for: (1) Equal voting rights and equal protection of all union members under their own rules; (2) freedom of speech, so that a union member could express his views without fear of reprisal; (3) freedom of assembly; (4) freedom from an arbitrary levy of dues and assessments without a majority vote of the union members in a secret ballot, or a majority vote of delegates at a regular meeting; (5) the right of a member to sue his union for violation of the member's rights; (6) protection of members against improper disciplinary action; and (7) the right of a candidate for union office or his agent to inspect the union membership list.

These simple rights would seem to me to be desired by the rank and file of union members, and there is nothing therein to which each is not entitled, and I can conceive of no fair-minded American citizen who would deny a union member these rights. This list of amendments was adopted late one night, only after Vice President NIXON cast the deciding vote in favor of them after a 45–45 tie. Great rejoicing was heard on the part of millions of working people who have long suffered under labor bossism, but the rejoicing was not for long. International labor leaders read in these amendments a threat to their dictatorship and in less than a day's time a handful of Senators became conscience stricken because they had bitten the political hand which had been feeding them for lo, these many years, and a hasty retreat was executed. A set of compromise amendments was offered and adopted, leaving the form but changing the substance, so that the bill of rights was made lifeless. The body was there but the soul was gone. Senator KENNEDY gleefully admitted that the union bosses had prepared the tricky wording in these amendments.

Two years of hearings, and thousands of pages of testimony from the Labor Rackets Committee, were gone but not forgotten by the American people. The labor lords had permitted in this bill only as much as they thought necessary to satisfy an outraged public that had witnessed on TV and in the press the hearings of the McClellan committee, exposing as they did the corruption, the arrogance, the racketeering, and the conspiracy of the international labor bosses, many with long criminal records including arson and murder, to control this great Republic by force and violence.

After this stunning retreat, the brave Senators passed the bill by a vote of 90 to 1, even though it had more holes in it that a fresh swiss cheese. Senator BARRY GOLDWATER, of Arizona, was the lone member to vote "No." President Eisenhower congratulated the Senator on his vote, and said that if he were a Senator he would also have voted "No."

President Eisenhower said in his message to Congress, and has since affirmed, that no labor reform bill is acceptable which does not prohibit blackmail picketing, eliminate secondary boycotts, grant State court jurisdiction in cases where the National Labor Relations Board refuses to assume jurisdiction, and which does not require the smaller unions, which constitute 60 percent of all labor union membership, to report on their welfare funds. To this should be added, so far as I'm concerned, "featherbedding," as about 20 percent of the selling price of a home is made up of "featherbedding."

As an example of blackmail picketing, I have on my desk a letter from local 710 of the Teamsters Union addressed to a large trucking firm in Indiana which reads in part as follows: "Local 710, IBT, has decided to embark upon a campaign to organize your office and clerical employees. To induce your employees to join this union, we shall begin to picket your establishment on or about the 11th of May 1959. * * * Local 710 does not represent a majority of your employees. * * * The purpose of our picketing is solely to call to the attention of union members and supporters of organized labor that your office and clerical employees are not members of local 710." The next move would be a secondary boycott and "hot cargo." Any one of these procedures, and surely the combination of all three, has the power to destroy any American business which refuses to pay tribute to the international union.

People were astounded at the arrogance of Jimmy Hoffa in stating that he would call a nationwide strike if Congress dared to enact labor legislation, but most of these same astounded people prance down to the polls and vote for the puppets of Jimmy Hoffa.

Citizens are shocked to witness the spectacle of Harry Bridges hiding behind the fifth amendment on questions concerning his Communist activities, and in the next breath declaring that he would call a work stoppage if this country dared to oppose Red China. Again I say, many of these same Americans hurry to the polls to vote for his puppets, just because they have the designation "Democrat" after their names. This is truly split-level logic.

Permanent Status for Berlin

EXTENSION OF REMARKS
OF
HON. HARRISON A. WILLIAMS, JR.
OF NEW JERSEY
IN THE SENATE OF THE UNITED STATES
Tuesday, June 2, 1959

Mr. WILLIAMS of New Jersey. Mr. President, Representative CORNELIUS E. GALLAGHER, of New Jersey, a member of the House Committee on Foreign Affairs, recently spent 10 days in Berlin as chairman of a special study mission.

In this capacity, he was able to observe firsthand the problems of Berlin. In a series of articles, he probes the underlying cause-and-effect of the rapidly deteriorating situation which holds such a serious threat to world peace.

In a clear-cut, concise fashion, Mr. GALLAGHER presents things as they are, and not as we might wish them to be. In his first article he says:

We cannot abandon hope of the eventual reunification of Germany * * * however, we must face up to the fact that reunification now or in the near future is not likely.

Confronted as we are with the need not only to ease the present situation by providing a temporary solution, he says:

The United States and her allies must look beyond the present crisis and insist on agreements which are clearly defined and of some permanency.

It is obvious to say that the impact of decisions which will be made in Berlin today will have far-reaching consequences for years to come.

As a guide for all of us interested in seeking out solutions and for the attention of my distinguished colleagues, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD, Representative GALLAGHER'S first article, entitled "Foreign Ministers Should Seek Permanent Status for Berlin."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FOREIGN MINISTERS SHOULD SEEK PERMANENT STATUS FOR BERLIN

(By Representative CORNELIUS E. GALLAGHER, member, Committee on Foreign Affairs, House of Representatives)

In any negotiations between the free nations of the West and the Soviet Union, seeking to dissolve the present crisis in Berlin, the United States and her allies must look beyond the present crisis and insist on agreements which are clearly defined and of some permanency. This is the task confronting Secretary of State Herter and the Ministers of the other free nations in their forthcoming meetings with representatives of Communist nations.

What is needed most in Berlin is a permanent agreement that would spell out working arrangements for the continued support of the military garrison of the Allied Powers, the citizens of West Berlin, and the maintenance of the economy and commerce of West Germany.

Only if this sort of agreement is reached can we hope to avoid in time to come—a month, a year, or longer—repetition of crisis.

It is important that the immediate problems stemming from the Berlin crisis be studied and understood against the broad background of East-West relations as they presently exist and as they may be carried on in years to come.

We are in trouble in Berlin today because there are no clear-cut and well-defined agreements. Certainly we have a right to be in that city, just as the Soviet Union has a right to be there. But nowhere is there a formal agreement which was ever intended to have any degree of permanency.

What agreements do exist were drawn up some 14 years ago, and it was never expected by those who prepared them that they were to be anything but temporary in nature.

As an example of the type of agreement on which we base certain rights in our dealings with the Russians in Berlin, the right to deny inspection of our vehicles moving through

Communist East Germany is based on a memorandum for record written by Gen. Lucius Clay following a discussion on the subject with the Russian Marshal Zhukov. Clay at the time was Military Governor in Germany.

While we should aim for agreements that will work to our advantage in future dealings with the Soviet, there should be no underestimating the urgency of the present crisis. The thought is intended as a guide in seeking solutions that will do more than temporarily ease tension in Berlin.

A well-defined agreement of status will bring to both East and West Berlin a degree of stability that is badly needed. Neither sector can be expected to live from crisis to crisis. The impact of such uncertainty is telling on the economy, the government, and the people.

The writer is aware that we cannot abandon hope of the eventual reunification of Germany, and that we must keep the desire for freedom alive in the hearts of the East Germans. However, we must face up to the fact that reunification now or in the near future is not likely.

Next best, then, is to bring about stability in the economy, the administration, and the day-to-day, year-to-year living of the people of Berlin.

In addition to doing this, a new status of agreement would eliminate the vague and ambiguous arrangements on which we base the right to our position in Berlin. Thus, we would reduce the likelihood of new crisis and the likelihood of war.

We have in the past given up certain rights, particularly in the period following the 1948 blockade of Berlin. The Allied Powers no longer, for example, maintain motor patrols on the Autobahn from Helmstedt to Berlin, nor do we maintain rest stations or installations of any type along the way. During the 1948 blockade, telephone lines which were maintained by the allies along the corridor were cut. These have never been put back into operation.

These, admittedly, are minor points, but they are rights which we abandoned and they serve to point up the need for agreements covering all phases of our position in Berlin.

In any move toward negotiating a new status for Berlin, the West should determine what rights are necessary to the existence of West Berlin as a healthy economic and political body and should settle for nothing less than measures which will assure such a status.

A New Weapon To Combat Obscenity in the Mails

EXTENSION OF REMARKS
OF
HON. RICHARD H. POFF
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 2, 1959

Mr. POFF. Mr. Speaker, I have today introduced in the House of Representatives a bill designed to give the Post Office Department a new weapon in its war against the flow of obscene and fraudulent material in the U.S. mails.

The bill complements H.R. 1877, which I introduced on January 9, 1959, and which was referred to the Committee on the Judiciary. H.R. 1877 deals with the criminal provisions of the United States Code—specifically, with section 1461 of title 18.

The bill I have introduced today deals with the administrative aspects of the problem. Specifically, it provides:

That there shall be in the Post Office Department a Judicial Officer, who shall be appointed by the Postmaster General, who shall perform such quasi-judicial duties as the Postmaster General may designate. This officer shall be the agency for the purposes of the requirements of the Administrative Procedure Act (5 U.S.C. sec. 1001 et seq.).

Mr. Speaker, Congress must at this session legislate to reduce the flow of obscenity in the mails. I have studied the problem in detail. I have conferred with members of the Committee on Post Office and Civil Service, with the Postmaster General, the Honorable Arthur E. Summerfield, with the General Counsel of the Post Office Department, the Honorable Herbert B. Warburton, and with lawyers on Mr. Warburton's staff.

On May 18, 1959, I appeared before the Subcommittee on Postal Operations of the Committee on Post Office and Civil Service, which was holding hearings on the general subject of obscene literature in the mails. At that time I expressed some of my thoughts concerning the need for amending the Criminal Code as proposed in my bill, H.R. 1877, and I also discussed the possibility of a uniform antiobscenity statute to be adopted by individual States and localities along the lines of the Uniform Negotiable Instruments Act, the Uniform Reciprocal Enforcement of Support Act, and others.

The bill I have this day introduced attacks the problem from another approach. At first brush, it might appear the bill had nothing to do with the fight against obscenity. The fact of the matter is that the bill is designed to aid the Post Office Department in a very practical way, and perhaps only those who are familiar with some of the administrative law problems confronting the Post Office Department will appreciate the full significance of the bill.

What does my bill do?

It establishes in the Post Office Department as a matter of statute a position which already exists as a matter of administrative decree, viz, judicial officer for the Post Office Department. The judicial officer renders the final agency decision on all obscenity and fraud matters for the Post Office Department. He is the alter ego of the Postmaster General in that respect. He is, by necessity, experienced in the legal and practical problems of curbing obscenity and fraud in the mails. He is an independent officer of the Post Office Department in the sense that he is not responsible to the General Counsel, to the inspectors, or to any person in the Post Office Department except the Postmaster General himself. Normally he renders his decisions as to whether a mailing is obscene or fraudulent on appeal by either the complainant—who is the General Counsel of the Post Office Department—or the accused.

However, the Post Office Department has only two hearing examiners, and it is not likely that in the foreseeable future it will have any more hearing examiners. Therefore, as a matter of economy and practicality, inasmuch as these hearings are held all over the country, it is sometimes advisable to have the judicial officer preside at the reception of evidence—that is to say, at the trial—and render one decision which is both the trial decision and the administrative appellate decision.

More important, however, is the fact that sometimes it is impossible for the General Counsel of the Post Office Department to seek successfully an interim impounding order; or, as often happens, after the General Counsel once obtains the order, a purveyor of obscenity goes to court and gets the order dissolved or restrained. In such cases, it is sometimes advantageous for the General Counsel to be able to move the judicial officer to hear the case and render the final agency decision all in one proceeding, thereby avoiding a long delay, during which the purveyor of obscenity is successfully distributing his pornographic poison to the homes of America. This procedure for bypassing the hearing examiners has in the past been utilized selectively by the Post Office Department. However, I believe it is a weapon that the Post Office Department should have and employ as a matter of statute. After all, if a purveyor can make all his profits during the pendency of the administrative proceeding, what good is the administrative proceeding?

The rules of procedure for administrative hearings in the Post Office Department already provide that the judicial officer has this authority. However, a Federal district court in New York City, in the case of Borg-Johnson against Christenberry, held that the judicial officer, not being statutory and not being a regular hearing examiner within the purview of section 11 of the Administrative Procedure Act, could not be permitted to preside at the reception of evidence.

Thus, my bill is simply designed to overcome the effect of the Borg-Johnson decision, and to reestablish the authority of the judicial officer as the Postmaster General had established it by the regulations published in the Federal Register prior to this court decision in New York City.

The need for these procedures was mentioned by the General Counsel of the Post Office Department in his April 23, 1959, statement. Accordingly, I feel confident that my bill will receive the complete endorsement of the Post Office Department.

Anniversary of the Italian Republic

EXTENSION OF REMARKS
OF
HON. EMILIO Q. DADDARIO
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 2, 1959

Mr. DADDARIO. Mr. Speaker, June 2 marks another anniversary in the brief but determined recovery of Italy since World War II. It was on this date in

1946 that the Italian people voted in favor of a republic and King Humbert II went into exile.

The conditions in which the Italian Republic took root were not auspicious. There was dissension among the peoples of Italy as a result of the war. Some hoped ardently for a full restoration of the monarchy. Others wanted a more progressive democratic constitution than they seemed to have been promised. And the Communists, cynically hoping to deliver Italy into the hands of a foreign power, were hard at work trying to frustrate the workings of any government.

Italy had many natural difficulties to overcome. The residue of the war, the damaged countryside, was a major problem. The restoration of rail lines, public works, agricultural production, all loomed large. In addition, there were the natural problems of Italy with the great need to overcome economic depression and poverty.

The Italian Republic, in this less than encouraging position, faced up to the challenge. It set to work to secure political stability, and has done so. It set to work to rebuild its military strength on a sound base, and is today a valued ally in the North Atlantic Treaty Organization. Recently it was announced that Italy is preparing to establish Jupiter missiles as part of the NATO defenses. Thus, Italy is one of the two countries establishing missile bases on the forward lines of the western defenses.

Italy has also set to work to rebuild enterprise and a sound economy and has put people back to work.

The results have been amazing. In recent years, there has been a sharp rise in industrial activity averaging an annual 8.2 increase from 1954 to 1957. In 1958, although industrial production slowed, a rise in agricultural production stimulated the increase in gross national product to 3.5 percent, keeping it on the upward curve.

With all this, Italy has also taken a position of leadership among the European states. She has been active in the cause of European integration and has announced her willingness to study direct elections to a European Parliamentary Assembly. She upholds the peaceful resolution of international disputes in the United Nations.

She has been a friendly host to millions of Americans who have gone to visit her as tourists and it has become one of this Nation's favorite excursion and holiday points. Of some 15 million people who visited Italy last year, almost a million were Americans.

Italy has gone on working to improve her domestic economy and society. She has done much to house her people, combat unemployment, and promote the economic welfare of the south as well as fight other problems.

In education, a 10-year plan has been created to make schooling compulsory for all children through the age of 14. In the past, facilities have unfortunately not been available to do this. Now a special appropriation of $2 billion has been earmarked over and above ordinary appropriations. It should provide 150,000 new classrooms, and 70,000 more teachers.

So, in this anniversary of the founding of the Italian Republic, it is fitting to stop and salute what has been accomplished. We should renew our welcome to Italy as a great ally and a progressive nation and wish her well as she continues working to improve herself and the lot of her people.

A Real Service Project

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 2, 1959

Mr. VAN ZANDT. Mr. Speaker, my recent experience with a real service project has impressed me to the extent that I feel compelled to speak about it. Distressed because of having lost my set of keys for my automobile, house, office, safety deposit box, and so forth, I was about to undergo the rather bothersome task of getting them all replaced, if possible. Then I received a package from the Idento-Tag Department of the Disabled American Veterans, 5555 Ridge Avenue, Cincinnati, Ohio, containing my set of lost keys. A brief letter indicated that someone, having found them, had dropped them into a mailbox, whereupon, because of my miniature auto license tag being attached, the Post Office Department delivered them to the DAV. Its Idento-Tag Department thereby ascertained my name and address; hence their speedy trip back to me.

I have been receiving such an Idento-Tag each year for many years, and had faithfully responded with my successive dollar donations. It had not occurred to me that such Idento-Tags were any more than a clever attention-getter to arouse the generosity of the recipient to help the DAV to maintain its nationwide personalized rehabilitation services for discouraged disabled veterans, their dependents, and their survivors. This much needed DAV rehabilitation service, extended each year to scores of thousands, is of great humanitarian value to those directly affected, which also converts them into assets for their respective communities.

This personal experience aroused my curiosity to try to find out some pertinent facts about this DAV Idento-Tag project. As the result of my inquiries I have come to the personal conclusion that it is a real service project, in three important ways to, first, automobile owners, second, those employed thereby, and third, those distressed disabled defenders of our country whom the DAV is thereby enabled to help with their multifarious problems.

As to automobile owners, since 1942, some 1,400,000 sets of lost keys have been returned to them, because of attached Idento-Tags, at an extra cost to the DAV, on the average, of more than $1 for each set returned. Incidentally, without any effort whatsover by the DAV first to find out whether the owners had previously sent in donations for their Idento-Tags, it was very surprising—and almost disillusioning as to the gratitude of some people—to learn that only about 21 percent of those persons to whom sets of lost keys have been returned have responded with any donations to at least reimburse the DAV for its extra expenses thereby incurred. Moreover, only about an additional 8 percent sent back "thank you" letters, with no accompanying donations. More than 70 percent failed to even express any appreciation. Every such return of a set of lost keys, it would seem, ought to result in a real generous donation, for the services received from this service-giving organization, the DAV.

It was even more surprising to learn that only about 15 percent of those who received Idento-Tags respond with donations. Fortunately, those who do so respond, with donations in many various amounts, have done so with such average liberalness as to have enabled the DAV to pay for: First, the costs of the carefully compiled lists of auto owners, their addresses and their auto license numbers, the Idento-Tags material, and incidental equipment; second, the salaries of its Idento-Tags employees, and third, the expenditures involved in maintaining some 140 full-time accredited trained national service officers, and their secretaries, in all of the 63 regional offices, and three district offices, and the central office of the U.S. Veterans' Administration where they have ready access to the official claim folders of all VA claimants.

Another eye-opening bit of information has been received as to "those employed thereby." The DAV policy is to extend preference of employment opportunity to its own members—all of whom, of course, are handicapped war veterans—its DAV Auxiliary members, the dependents and survivors of disabled veterans, and to other handicapped Americans. Among the 442 persons employed at the DAV national headquarters, according to a very recent compilation, 329, or 74.4 percent, are either DAV or DAV Auxiliary members. Moreover, most of the 113 with no veteran status are severely handicapped employees.

This exemplary record of useful employment of handicapped Americans ought to be regarded as a vocational rehabilitation project in itself. Their salaries, in fairness, ought not to be charged up as a part of its fundraising expense, although that's the classification of any auditor. If such salaries were not charged up as an expense of the project, then the fundraising percentage cost would naturally be at a much lower figure.

Even more important, if a higher percentage of the Idento-Tag recipients and of owners of returned lost keys, would respond with substantial donations, then the percentage figure as to its fundraising costs would go drastically down, and the percentage of its net income would be proportionately higher. Such sorely needed additional net income would maintain its national service officer setup on a more adequate basis and

possibly enable it to put into effect its long cherished objective—to maintain one or more full-time national service representatives in each of the 173 hospitals operated by the U.S. Veterans' Administration, where they could accomplish so much for so many disheartened disabled veterans.

Detailed monthly service reports, required to be sent in to the DAV national director of claims, located at 1701 18th Street NW., Washington, D.C., by all of the DAV's some 140 national service officers, reveal that, during a recent 10-year period, they had reviewed 3,453,604 claim folders, made 1,382,863 appearances before VA claims and rating boards, obtained 537,367 favorable awards, including 99,054 disability service connections, and so forth, thus each year bringing additional thousands of dollars of governmental benefits into every community throughout the Nation.

If each auto owner were to go to the nearest VA regional office, and there contact one of the DAV's expert special advocates, who advise and assist less well informed handicapped war veterans, then I feel sure that thereafter every such Idento-Tag recipient would respond generously, when he receives an Idento-Tag or the return of his lost keys—knowing that his generosity will thereby help the DAV to obtain justifiable disability compensation, medical treatment, physical and vocational rehabilitation for distressed disabled war veterans—who deserve the opportunity to surmount their service-incurred handicaps, in order to be enabled to live in our American way.

Service to, for, and by America's disabled defenders is the one-purpose program of the DAV—as its best contribution to them, to all of their communities, and to America. The DAV's unique Idento-Tag project combining a real service for automobile owners, handicapped DAV emplyoees and to all DAV serviced claimants—deserves the enthusiastic and generous support of all Americans.

Public Works Appropriation Bill

EXTENSION OF REMARKS
OF
HON. MERWIN COAD
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 2, 1959

Mr. COAD. Mr. Speaker, the public works appropriation bill is scheduled for consideration by the House on Friday of this week.

I wish to commend Chairman CANNON and the members of his subcommittee for the very thorough consideration they have given to each of the items in that bill. I wish to urge my colleagues to vote for the bill.

There is one item in the bill which is of the greatest importance to my district and to all of western Iowa.

The item to which I refer is an appropriation to enable the Bureau of Reclamation to commence construction of an electric transmission line from Sioux City, Iowa, to Spencer, Iowa, and from Sioux City to Creston, Iowa.

Many of the REA cooperatives and municipalities have been unable to receive allocations of low cost electric power from the Missouri River Dams because there has been no transmission system available to deliver the power to them. Such a transmission system has been provided in the other Missouri basin States. In anticipation of the new projects on the Missouri commencing to generate power, new allocations of that power are shortly to be announced. The line provided for in the public works appropriation bill will enable that power to be delivered to the places where the cooperatives and municipalities need it.

Studies show that Bureau power results in savings to the cooperatives and municipalities to be served by the proposed line of more than two and one-quarter millions of dollars per year. It should be emphasized that the construction of this line will not cost taxpayers one penny. The entire cost of the line, together with interest, will be amortized over a period of 50 years by the cooperatives and municipalities through the rates they pay the Bureau of Reclamation for power. After paying all costs, including replacement costs, the Government will make a profit of more than $12,000 per year.

When the original allocations of power were made several years ago, many of our cooperatives and municipalities were told they could not receive an allocation because no transmission was available. The power companies in the area made no offer to provide such transmission and those cooperatives and municipalities have had to do without the benefits of Missouri River power. Now, with new allocations about to become available, they have come to Congress asking for an appropriation to enable the Bureau to build the necessary transmission system so that they might share in the benefits of that power. What do the power companies do now? They rush in here to oppose the line and in an attempt to block the line offer to wheel the power to the cooperatives and municipalities over the company's lines. This would be fine if their proposal would fill the needs of the preference customers. Unfortunately, it just would not do the job.

The company's lines over which they propose to wheel do not go to the places where the power is needed by the cooperatives and municipalities. They would be forced to expend large sums of money to connect to the company's systems. The proposed Bureau lines would take the power to where it is needed.

The company's wheeling arrangement would cost the cooperatives and municipalities more than $600,000 per year in excess of their costs if the Bureau line is built. This is a staggering amount to these small consumer owned organizations, and would have a most detrimental effect on the farm economy of Iowa.

There is no assurance excess capacity will be available in the company's lines sufficient to wheel the Bureau power in the future. Also there is no firm commitment to wheel dump and secondary power.

The following article appearing in the Iowa Farm Bureau Spokesman on Saturday, May 16, 1959, sums up the benefits to be deprived by the construction of these lines:

URGE CONSTRUCTION OF POWERLINES FROM MISSOURI DAMS

The Iowa Farm Bureau Federation has recommended that Federal funds be used to help construct transmission lines to bring electric power into Iowa from Bureau of Reclamation dams on the Missouri River.

Farm Bureau approval of the new project came following a study by the IFBF board of directors which indicated that further delays would be costly to farmers and private funds from farmer-owned rural electric cooperatives and municipal power companies in the western one-third of Iowa were not immediately available.

In making its recommendation, the board of directors pointed out that allocation of power for this area is already available from the Department of the Interior.

The proposed transmission lines would carry power from the Bureau of Reclamation facilities near Sioux City to the Corn Belt Power Cooperative's station near Spencer. One other line would carry power to the Southwestern Federated Power Cooperative's station near Creston.

It is estimated the new transmission lines would serve 60,000 people reached by municipals and 299,000 people reached by rural electric cooperatives.

Finns and Oregonians: "Finnogonians"

EXTENSION OF REMARKS
OF
HON. CHARLES O. PORTER
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 2, 1959

Mr. PORTER. Mr. Speaker, the Finlandia Pictorial, Finland's only magazine in English, has devoted its May 1959 issue to the Oregon Centennial, emphasizing the ties between Oregon and Finland. Under previous consent, I include the editor's greetings to the Oregon Centennial and the lead article, the "Finnogonians." Also included are cables of welcome to the Finnish exhibit at the Portland International Trade Fair from Oregon's Governor Hatfield and from our distinguished junior Senator, RICHARD L. NEUBERGER:

FINLANDIA PICTORIAL EDITOR COMMEMORATES OREGON'S CENTENNIAL

This is a special issue of Finlandia Pictorial commemorating the 100th anniversary of the Beaver State of Oregon. We are pleased to have the opportunity of devoting our pages to the memories and the links that, since 1638, have built a bridge of kind thoughts and good will across the Atlantic between our country and the United States.

A hundred years ago Oregon was promoted to statehood. Now, in 1959, Oregonians are celebrating the event with scores of festivals, shows, and fairs. Finland is one of the more distant countries taking part in the International Trade Fair at Portland in connection with the centennial exposition. Finlandia Pictorial wishes to join the birthday party, and copies of this issue will be distributed to visitors to the fair.

Why is Finland participating? For those who really do not know and for those who

do but like to see the answer in print, Finlandia Pictorial gives the reasons. The Finns, like so many other peoples, helped build America. The Americans and Finns are no strangers to each other, even those who have no mutual intimate connections.

We wish to greet especially the Finns of Oregon, the Finnogonians, if a neologism is allowed. In a truly pioneer spirit, with Mr. John O. Virtanen as their enthusiastic leader, they are realizing the project of the Finnish classroom in Portland State College. Every pupil of the Finnish room will learn something of the land of the Finnish forefathers and gather a fact or two about Finland.

This is our reward. It is not only the Finns and Americans of the present generation that learn to know each other. In the future both they and all nations may understand better how to help each other to build the world.

THE EDITOR.

We have pleasure in publishing these two cables received from the United States of America:

The Governor of Oregon: "Oregonians are proud of the many Finnish people who reside here and the role they have played in our century of statehood. We are most grateful, to learn that the publishers of Finlandia Pictorial are dedicating their May issue to Oregon and our centennial exposition and international trade fair which begins June 10th and continues for 100 days. We welcome the world, and especially readers of this publication to Oregon in 1959.

"MARK O. HATFIELD."

The junior Senator from Oregon: "Oregon always has had close ties of friendship and admiration for Finland. Both realms share seacoast grandeur, vast timberlands, and wealth in fisheries. The Finnish colony at Astoria has enriched and improved our State. We welcome the official Finnish Government exhibit at our international centennial trade fair. Warm regards to all.

"RICHARD L. NEUBERGER."

THE FINNOGONIANS

(By Walter Mattila, Portland, Oreg.)

The first Finn whose name survives in early Oregon history was a colorful Wild West citizen—a gold prospector, Indian fighter, politician, real estate operator, flour mill owner and finally, of course, consul for Russia and the then Grand Duchy of Finland.

Like the other early Finnish settlers of the coastal areas, he was a seaman. After panning but little gold in California, he arrived in Portland—the home of the 1959 centennial of Oregon's statehood—in 1853 when the city was only 3 years old and the State of Oregon was still to be carved out of the vast region between the new State of California and the new Canadian border.

The first Finnogonian was Gustaf Hennila, but at sea and in the goldfields he was plain Gust Wilson, the name he used in Oregon until he became Consul Gustaf Wilson. Through his first year in Oregon Territory he was Private Wilson of the volunteer militia which took the fight out of the Indians in the Puget Sound area, now Seattle and Tacoma.

Home from the war, he made good in politics in Josephine County. He was first elected coroner, a high office in the gunhappy gold camps, and later county clerk for 4 years. Then he returned to Portland and acquired considerable property in real estate operations.

FARMING A BATTLEFIELD

More than 20 years after Wilson was through fighting Indians, the new Finnish settlement in the wheatlands of eastern Oregon became a battlefield in the last Indian war of Far West history. Weapons were rushed to these frontier farmers by U.S. soldiers who were amazed how well the simple immigrants could shoot. The Indians swept over the Finnish farms but burned no buildings. Nor is there any record that the Finns ever shot any Indians but their splendid U.S. Army rifles later kept them in deer meat. Among those who watched for Indians on hilltops while father plowed in the valley were Albert Haarala, a retired Portland insurance man, and his brother, Henry, a retired Spanish-American War veteran in California.

It was not until the railroads were built by Swedes, Norwegians, Chinese, Finns and others across America that nonsailor Finns came to the new State of Oregon which had fine land for homesteading, fine timber for slashing and fine fish for kala moijakka—fish stew to you. Some of these immigrants arrived direct from Finland but most of them hopped across America from mining camp to mining camp and from mining camp to Dust Bowl.

LITTLE FINLANDS

They were eager to get started on farms, but most of them also fished in the Columbia and worked in the winter at building in the nearest towns. Besides, they were the migratory workers of the day, picking hops for the breweries, berries for canneries, and prunes for dryers. They created Little Finlands in which they had their own churches, confirmation schools, instruction in the Finnish language, temperance societies and of course their own Saturday night sauna gatherings. The temperance society broadened into a cultural crusade which gave plays, recitals and songfests.

THE HELSINKI OF THE NORTHWEST

Once Finnish emigrants found that they could make a living at Columbia River fishing alone without having to farm on the bank, they settled in Astoria and other growing communities. Eventually Astoria became the Helsinki of the Northwest with two Finnish newspapers, one church edited and the other published by Socialists. The district attracted outstanding Finnish emigrants, such as the three Kankkonen brothers, Matti, Kalle and Frithiof, who had had building experience in Finland. They established a boatshop which expanded during World War I into wooden shipbuilding. They were for 40 years the leaders of the large Finnish cooperative cannery, Union Fisherman's Cooperative Packing Co. Some of their boatshop employees, such as Kivijarvi and Tolonen, set up their own boatbuilding enterprises and turned out fishing vessels for Oregon, Washington, and Alaska waters. Many early Finnish fishermen built their own boats.

Besides clearing thousands of acres of rugged Oregon wilderness for their own farms, Finnish emigrants were active in logging and sawmilling. Later emigrants from Finnish plywood centers played an important part in developing that industry in the Northwest.

Many of the Finnogonians who are participating in the Oregon centennial, which has a large Finnish exhibition of export goods, are old Americans but new Oregonians. This is not strange for 60 percent of the population of Oregon was born outside the State.

THE FINNISH-SPEAKING HOUTARIS

The sons of hard-working Finnish pioneers got a good start in machine logging when mechanization came to the northwest forests after 1890. Still an operating engineer in Portland, 68-year-old John Henry Simonson (Juhan Hentrik Maattala) at 15 years of age was forcing logs onto railroad flatcars by turning jackscrews, the same principle as raising a house.

Among the many comparatively recent arrivals in Oregon is the clan of Mr. and Mrs. Edwin Houtari. He was born near Hancock, Mich., and after graduating from the eighth grade attended Suomi College in its first year of existence before it had a permanent home. At 16 years of age he went to his uncle's homestead in Hayti, S. Dak., where he was joined later by his parents and the other children. He farmed there for years and married Ida, a Finnish girl who arrived alone at 17 from Oulu.

The Houtaris were active in the Finnish community, supporting its church and various other activities. Assessor of the township, Houtari ran for sheriff on the Nonpartisan ticket but lost to a Republican. He moved to Oregon in 1936 and worked as a carpenter and in shipyards until he retired to make toys for his 15 grandchildren and 5 great-grandchildren. Most of them are in Oregon, too, the new home of many Finnish-born.

Thirteenth Anniversary of the Italian Republic

EXTENSION OF REMARKS

OF

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1959

Mr. RODINO. Mr. Speaker, today is the 13th anniversary of the founding of the Italian Republic. It was on June 2, 1946, that Italy began her new life as a modern democratic republic. Anniversaries are days to remember the accomplishments of the past that give us inspiration for the future. The Italian people indeed can be proud of what they have done in these 13 years. There is no need to retell once more the impact of World War II upon the Italian nation. Suffice to say that widespread economic reconstruction was necessary and the foundations of a new political system had to be laid over the ruins of fascism. But beyond this were the personal wounds of more than 20 years of totalitarian dictatorship. These had to be healed with the balm of hope that Italian freedom would not once again be snuffed out.

In 1959, it is clear that Italian democracy is working. The center coalition has a broad basis of popular support and the Italian people have rejected the minor neo-Fascist groups. Although the Communists remain a deterrent to more effective national government, they stand little chance of coming to power because even though they receive some 22 percent of the popular vote, the other parties have isolated them and rejected all Communist offers to form a coalition.

The Italian Republic has made a frontal attack upon the economic problems facing the country. The 10-year Vanoni plan for national economic growth aims at a 5 percent annual increase in the gross national product by 1964. In order to do this capital investment has been stepped up, the perennial unemployment problem tackled, and foreign trade expanded. Special attention has been given to development of the economically less-well-off parts of the country and in particular, to southern Italy. Progress has been made though much remains to be accom-

plished. In 1958, Italy had a 4.1 percent real increase in its gross national product and for the second time since the early 1900's Italy was a net exporter of goods and services, by some $200 million. Investment is now increasing after a setback caused by last year's recession and the first victories have been recorded in the battle against unemployment.

The Italian Republic has also inaugurated a new life for the nation in foreign affairs. Economic and military cooperation are now the watchwords for the day. Italy has joined with the United States and most of the countries of Western Europe for the common defense in the face of the common threat presented by Soviet Russia. Italy has nine divisions in the NATO forces and some of the first NATO intermediate range missiles are to be placed on Italian territory. On the economic front, it is apparent that Italy is linking her economic future to that of the other western European countries. One of the first examples of this was Italian participation in the Organization for European Economic Cooperation, set up in 1947 for the success of the Marshall plan. Italian cooperation has been continued in such groups as the European Coal and Steel Community, the Common Market, and Euratom. They all give new hope for improvement of the Italian economic future and the future of the whole of Western Europe.

Italy's great political advances which successfully stemmed the tide of communism and brought about this significant economic recovery can be attributed, in the main, to the determination and foresight of one of its ablest leaders, the late Alcide de Gasperi. It was he who set the course and happily his successors followed. And today, under the stewardship of Prime Minister Segni and the able Minister of Foreign Affairs, Pella, Italy looks ahead to even greater tomorrows.

It is important on this 13th anniversary of the founding of the Italian Republic to pause and remember how great the progress has been in little more than a decade. This progress also gives assurance to the Italian people and to all the free world that Italy is walking steadily down the road to democracy, economic progress, and international cooperation. Italy, we salute you.

When I Learned I Had Cancer—Article by Senator Neuberger

EXTENSION OF REMARKS

OF

HON. BARRY GOLDWATER

OF ARIZONA

IN THE SENATE OF THE UNITED STATES

Tuesday, June 2, 1959

Mr. GOLDWATER. Mr. President, in the June issue of Harper's magazine there is a very interesting article written by one of our colleagues, the junior Senator from Oregon, RICHARD L. NEUBERGER. It is a most interesting description of the coming of cancer to a patient by a man who has been through it. It is well written, as is always the case with this distinguished Senator.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHEN I LEARNED I HAD CANCER

(By RICHARD L. NEUBERGER, U.S. Senator, Oregon)

(The intimate personal story of a successful treatment, by recently developed methods and the effect of such an experience on one man's character and outlook on life.)

My grandmother died a lingering death at the age of 57. I then was 12 years old and devoted to her, since she took my part whenever parental discipline threatened. On the day of her death I was brought into the bedroom. "RICHARD," she told me, "Grandma's dying."

Afterward, frightened and trembling, I asked the nurse what had caused my grandmother's death. "She had cancer," the nurse replied. Not until then had I been trusted with this information. My grandmother had never known the nature of her illness, and the family had feared I might betray the secret to her.

Perhaps because of the emotional impact of this episode, I have been deeply concerned with medical-research legislation ever since I entered the U.S. Senate in 1955. Under the tutelage of Senator LISTER HILL, of Alabama, the pioneer legislator in this field, I helped to get approval of increases in research grants for the National Cancer Institute from $21 million to $75 million. Many times during those debates I mentioned that 40 million Americans now living were destined to suffer from cancer. I believe I stressed it on the afternoon last spring when Senator HILL, Senator HUBERT HUMPHREY, and I welcomed delegates from the Cured Cancer Congress, who dramatically thronged the Senate galleries.

Yet none of this prepared me for the day last August, in Portland, Oreg., when our family doctor—who is also my closest friend—told me that I probably had cancer. Ironically, I had gone to him merely to ask him to look at a sore in my mouth, which turned out to be trivial. The malignancy had produced no symptoms.

While I lay on the table waiting for a specialist from the University of Oregon Medical School to confirm the diagnosis, my mind kept insisting that this could not possibly be. This was the kind of thing which always happened to somebody else, but never to me. I soon would awaken from the nightmare, the cold chills would subside, my heart would stop pounding—and my wife and I would be driving through evergreen forests to our annual vacation on the seacoast.

But when I did awaken, it was after surgery at the Teaching Hospital. The little lump in my testicle, caught miraculously early, was nonetheless malignant. There was no doubt about that. I lay back, physically and psychologically exhausted, and wondered how soon I was to die. Then I heard the doctor, who earlier had been so candid with me, saying:

"We think you're going to be all right."

Through the haze of the anesthetic which had not yet worn off, I remember that I answered, "You're just telling me that to keep me from being overcome by panic. It's not true."

The doctor's reply was dogmatic: "If the permanent histological sections tomorrow confirm the frozen section studies in the surgery today, we're very hopeful that you are going to have a complete recovery."

I still suspected that, like my grandmother, I was just another cancer patient who was being drugged with lies.

THE SAVING COBALT BEAMS

And so began the long and patient effort of my physicians to teach a layman—even a layman who had been sponsor of cancer-research legislation—that cancer is not one disease, but many. If my tumor had turned out to be any of several other types, my outlook would have been hopeless. These types, explained my doctors, were not responsive to radiation, and it was on radiation that my life now depended. Fortunately, my cell-type was that of a tumor long regarded as susceptible to destruction by radiotherapy.

"Was there spread?" I inquired fearfully.

Yes, admitted my doctors, there was spread. This tumor almost invariably metastasized early. Rapid dissemination was one of its characteristics. There were indications of cancer in both my lungs. They added that the spread was "minimal"—so little, in fact, that they had missed it on the first X-rays. But it was there, a very small spot on the periphery of each lung. If not destroyed, the spots would grow until they were the size of baseballs or larger. After that, they would eventually spill out of the lung, reaching to the brain and other vital organs. This, of course, would be the terminal stage of the disease.

This candor encouraged me. If my doctors were so truthful with me about the spread of the illness and its fatal possibilities, would they be lying about the vulnerability of the tumor to radiation? This glimmer of hope was strengthened when medical texts came down from the shelves and I was shown, like a schoolboy, that the cell-type named in my pathological report had been proven destructible by radiation over a long history of medical cases.

I will never forget the afternoon I spent in a rowboat on a quiet mountain lake with the radiologist who was to treat me.

"Cure is not inevitable," he began, and I felt perspiration creep over my body. "But if we get any breaks at all," continued the radiologist, "we think you're going to be cured."

"What do you mean by breaks?" I asked.

"First," he answered, "you must be able to tolerate the treatment so the necessary number of roentgens can be applied to the affected areas. That's a whole lot easier with cobalt than with the old-style X-ray therapy. Second, we hope that additional new lesions do not appear throughout your chest in such numbers that we would have to apply a high dose of radiation to your entire lungs—for that cannot be done safely. To a limited area in the chest, definitely yes; to entire chest, no."

As I started my brief daily treatments beneath the cobalt-60 cone, my doctors pared down my speaking schedule. They let me keep some speaking engagements in Oregon, because they felt it would be better for my mental outlook to be moderately active rather than to become a semi-invalid. They made me warn each sponsoring group, however, that my appearance might be canceled at the last moment because of radiation reactions. During 5 months of treatment, I spoke 53 times. In addition, I presided at six Senate hearings, some as distant from Portland as San Francisco and Kalispell, Mont. Not one had to be canceled. This indicates not only how I tolerated the cobalt treatments but also the skill with which I was treated.

Hope lives by example, and I think one of my main sources of strength during a long period of anxiety was to meet other men who had suffered the same malignancy and gone on to full recoveries. Several were in the little lumber town of Lebanon, Oreg., and called themselves "the club." My spirits soared when William C. Doherty, president of the National Association of Letter Carriers, told me one of his sons had recovered from a testicular tumor 6 years ago. And I read at least a dozen times a letter from a talented Portland doctor my age, who was

teaching in the medical school at Djakarta on the Indonesian island of Java. "Eight years ago I traveled the same path you are traveling now," he wrote. This kind of encouragement to a cancer victim cannot ever be measured.

Where is the best treatment available?

From the beginning, my friends in the East were greatly alarmed that I was receiving therapy in a place which, to them, seemed so remote and even primitive. Why wasn't I at the Mayo Clinic, or the National Institutes of Health, or the Harvard Medical Center? Several friends generously offered to pay the travel and medical bills to any center of international renown. I know that throughout my entire therapy they worried over the quality of my care. A member of President Eisenhower's staff wanted to help arrange for treatment at Walter Reed.

Yet my own decision was never in doubt. I had complete personal confidence in my doctors in Portland. I think this is enormously important with a disease that imposes such heavy psychological stress. Furthermore, I was meeting people day after day who had survived malignancies more serious than mine, and they had received their care in Oregon.

This faith in my own doctors was justified when, midway during my treatments, one of the Nation's great cancer specialists visited Portland—Dr. Sidney Farber, director of the Children's Cancer Foundation of Boston and chairman of many of the chemotherapy panels of the National Cancer Institute. He and I had become intimate friends through my sponsorship of legislation for medical research. He studied my case thoroughly.

At the Portland airport, as he made ready to fly back to Boston, Dr. Farber said to me, "If I had been in the least dissatisfied with your care, you would be on the Mainliner with me tonight, en route east. But you must stay here. You are being treated with skill and wisdom. I am impressed with your doctors as real medical scholars. In fact, I think you should let them complete your therapy in Portland, even if it extends over into the start of the next session of Congress. Don't transfer your case."

As Dr. Farber's plane took off, my hopes stood higher than at any time since I had heard the bad news in August. I had also been confirmed in my belief that many talented doctors are scattered all over the United States and not concentrated in one or two celebrated medical centers.

Dr. Farber left with my doctors a supply of actinomycin—one of the new chemical agents recently developed for the treatment of cancer. Administered by itself, actinomycin often must be used in such large quantities, in order to have an effect on tumors, that it comes as a toxic reaction. But, used in conjunction with radiation, even small doses of actinomycin have helped to make the radiation far more effective on certain types of tumors. My particular type of lesion happened to be one of these.

My doctors took chest films from week to week, as they applied the cobalt rays and injected actinomycin into my arm. The feared mass seeding of my lungs had not occurred. This, in itself, was a source of jubilation to the doctors. Yet I still worried. What if the original pathology had been wrong? What if the spot in each lung proved resistant to the cobalt beams and continued to grow? And would my doctors tell me the truth if this should happen? Many times I awakened in the night and imagined I could feel the lesions expanding within my chest.

What a cancer victim thinks about

In the daylight, fantasy yielded to reality. No one could have feigned the relief and satisfaction of my doctors when the lung lesions began to show signs of growing smaller relatively soon after the cobalt treatment started—indeed, far earlier than they had dared to hope. They lost their hard outlines on the X-ray film and appeared fuzzy and ghostlike. The time was to come when a trained radiologist, taking films for a routine checkup in Washington, could not discern the exact location where the lesions originally had been.

So the pathology done at the Teaching Hospital was confirmed. Equally significant, my doctors felt that the worth of the actinomyocin, as a so-called potentiating agent with the cobalt had been clearly proved. And I recalled the day before Senator HILL'S Subcommittee on Health Appropriations when Dr. Farber and his brilliant medical associate, Dr. I. S. Ravdin, had testified that, in their opinion, chemotherapy offered the single most promising avenue for hastening our ultimate conquest of cancer. While I may overdramatize my own case, I thought it was an extraordinary coincidence that a Senator so actively interested in cancer-research legislation should himself, at the age of 46, have been treated by all three methods thus far discovered—surgery, radiation, and chemotherapy.

I imagine all sensitive people have wondered about the mental outlook of somebody who has cancer. Of course, such reactions are highly individualistic. "Cancer finds us as we are," Dr. Farber has said. "It does not make the weak strong or the strong weak." Furthermore, my own case, from its earliest stages, was regarded as hopeful—although my doctors had a trying time convincing me of this.

Yet a change came over me which I believe is irreversible. Questions of prestige, of political success, of financial status, became all at once unimportant. In those first hours when I realized I had cancer, I never thought of my seat in the Senate, of my bank account, or of the destiny of the free world. I worried over my cat Muffet. Who would take care of him? What would happen to my wife when I was gone? And how would it feel to die?

My wife and I have not had a quarrel since my illness was diagnosed. I used to scold her about squeezing the toothpaste from the top instead of the bottom, about not catering sufficiently to my fussy appetite, about making up guest lists without consulting me, about spending too much on clothes. Now I am either unaware of such matters or they seem irrelevant. In their stead has come a new appreciation of things I once took for granted—eating lunch with a friend, scratching Muffet's ears and listening for his purrs, the company of my wife, reading a book or magazine in the quiet cone of my bed lamp at night, raiding the refrigerator for a glass of orange juice or slice of coffee cake.

For the first time I think I actually am savoring life. I realize, finally, that I am not immortal. I shudder when I remember all the occasions that I spoiled for myself—even when I was in the best of health—by false pride, synthetic values, and fancied slights.

Politics looks different

Politically, I have changed, too. I doubt if ever again I could be wholly partisan. The response of the people in Oregon to my illness reflected no party lines. Republicans as well as Democrats offered us the use of their beach cottages or mountain cabins for convalescence. The press, without exception, was friendly and concerned. The Republican State chairman wrote a glowing letter about what a good Senator I had been. Another Republican politician telephoned my sister, offering to give blood if a transfusion were necessary. Senator BARRY GOLDWATER sent a telegram from a remote Arizona town, telling us that he and his wife Peggy were praying for me. Other Republican or conservative Senators, including GEORGE AIKEN of Vermont, MARGARET CHASE SMITH of Maine, and ALAN BIBLE of Nevada went by my suite in the Senate Office Building frequently to inquire about my health. On the other hand there were some fellow Democratic liberals from whom I never received so much as a postcard during the 5 months of my treatment.

Under such circumstances it becomes hard to bristle at people for political reasons. At the treatment center, each patient receiving radiation had a separate little shelf for his or her linen smock. Here were the names of a Republican banker, a Democratic Senator, a liberal college professor, a socially prominent housewife. We might be separated on questions of balancing the budget or public power, but we were united by something more fundamental: a realization that life itself is a privilege and not a right.

I am glad that I insisted upon my doctors' disclosing publicly, from the very start, the nature of my illness. The medical profession and the press are not the most congenial of companions, and doctors often think that what affects their patient is none of the public's business. I disagree, when the patient is a public official of any prominence. Several times during recent years major officials in Oregon have suffered from cancer but no announcement of the fact was made except posthumously. This contrasts with the commendable candor surrounding the illness of John Foster Dulles. Beyond all this, I believe that a heavy obligation rests on any individual who has recovered from cancer, particularly somebody who is in the public eye.

Leaders in the American Cancer Society have told me that cancer has such horrifying connotations to many people that thousands, even after they recognize their symptoms, still refuse to seek prompt medical treatment. They fear their case is hopeless and that they will be hurt by doctors to no purpose. Time for successful treatment may run out for these people while they hesitate.

They find it difficult to believe that 30 percent of cancer cases are being saved right now, even though no major breakthrough has yet been made. But this fact can be given dramatic impact whenever a person of prominence is included in the 30 percent. When I was welcomed back on the floor of the Senate the Senator from Idaho, 34-year-old FRANK CHURCH, revealed that he had suffered from the same sort of cancer when he was a student at Stanford Unversity 11 years earlier.

From my experience an old word has come to have new meaning for me. It is "serendipity." It was coined by Horace Walpole to describe the three wandering Princes of ancient Serendip (Ceylon), who were always making lucky and unexpected finds by accident. If there is any one issue about which I long have felt strongly, it is the fact that our total investment in cancer research—Federal and private—falls far short of what we spend on permanent waves or even parimutuel wagers. It is less than 2 percent of what we spend on cigarettes and barely more than 1 percent of what we spend on liquor. Two out of three American families will be afflicted by cancer; yet the Federal Treasury pours out 65 times as much money on price supports for six favored crops as it does to investigate the causes of and possible cures for cancer.

Now I can talk about this situation more effectively to my colleagues in Congress. For I can tell them that I, myself, am alive today because of medical research. What would have happened in my case without cobalt radiation and actinomycin?

Like the Princes of Serendip, I was in quest of one thing and I found something else. I sought desperately a restoration to health and I discovered, along with it, the opportunity to symbolize a cause which may help in the future to bring health to countless others.

SENATE

WEDNESDAY, JUNE 3, 1959

The Senate met at 11 o'clock a.m.

Rev. John Robertson McCartney, D.D., pastor of the Palm Springs, Calif., Presbyterian Church, offered the following prayer:

Except the Lord build the house, they labor in vain who build it.

Let us pray:

God of our life, through all the circling years, we trust in Thee. In all the past, through all our hopes and fears, Thy hand we see. With each new day, when morning lifts the veil, we own Thy mercies, Lord, which never fail.

These are the gifts we ask of Thee, spirit serene;
Strength for the daily task, courage to face the road,
Good cheer to help me bear the traveler's load,
And for the hours of rest that come between
An inward joy in all things heard and seen.

These are the sins I fain would have Thee take away:
Malice and cold disdain,
Hot anger, sullen hate,
Scorn of the lowly, and envy of the great, and discontent,
Which casts a shadow gray
O'er all the beauty of the common day.

An especial blessing, we ask, O God, upon these, Thy servants, to whom the people have entrusted the guidance of the Ship of State. O how they need a lift from Thee, that they may nobly preserve the traditions of our past and praise the God who hath made and kept us a nation. Have in Thy loving care and keeping the President and Vice President of these United States, the Members of the Cabinet, the Supreme Court, the Senate, the House of Representatives, our armies the world around, and their loved ones. Especially, O Lord, this day do we pray for our diplomats, that they may be given wisdom in the deliberations which are deciding the destinies of our country and the world. Speed the day when the Prince of Peace shall come and when the war drums shall beat no longer, the battle flags be furled, and the kingdoms of this world shall become the Kingdom of our Lord and of his Christ. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, June 2, 1959, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H.R. 88. An act to amend chapter 79 of title 10, United States Code, to provide that certain boards established thereunder shall give consideration to satisfactory evidence relating to good character and exemplary conduct in civilian life after discharge or dismissal in determining whether or not to correct certain discharges and dismissals; to authorize the award of an exemplary rehabilitation certificate; and for other purposes;

H.R. 1434. An act for the relief of Mrs. Elba Haverstick Cash;

H.R. 1705. An act for the relief of Louis J. DeWinter and Simone H. DeWinter;

H.R. 3088. An act to amend sections 353 and 354 of the Immigration and Nationality Act;

H.R. 5836. An act for the relief of Dorothy E. Green and Thelma L. Alley; and

H.J. Res. 354. Joint resolution for the relief of certain aliens.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred as indicated:

H.R. 88. An act to amend chapter 79 of title 10, United States Code, to provide that certain boards established thereunder shall give consideration to satisfactory evidence relating to good character and exemplary conduct in civilian life after discharge or dismissal in determining whether or not to correct discharges and dismissals; to authorize the award of an exemplary rehabilitation certificate; and for other purposes; and to the Committee on Armed Services.

H.R. 5836. An act for the relief of Dorothy E. Green and Thelma L. Alley; to the Committee on Armed Services.

H.R. 1434. An act for the relief of Mrs. Elba Haverstick Cash;

H.R. 1705. An act for the relief of Louis J. DeWinter and Simone H. DeWinter;

H.R. 3088. An act to amend sections 353 and 354 of the Immigration and Nationality Act; and

H.J. Res. 354. Joint resolution for the relief of certain aliens; to the Committee on the Judiciary.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Committee on Foreign Relations was authorized to meet during the session of the Senate today.

On request of Mr. MANSFIELD, and by unanimous consent, the Committee on Agriculture and Forestry was authorized to meet during the session of the Senate today.

On request of Mr. MANSFIELD, and by unanimous consent, the Antitrust and Monopoly Subcommittee of the Committee on the Judiciary was authorized to meet during the session of the Senate today.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

PREVENTION OF WATERFOWL DEPREDATIONS

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend the act of July 3, 1956 (70 Stat. 492), entitled "An act to authorize the Secretary of the Interior to cooperate with Federal and non-Federal agencies in the prevention of waterfowl depredations, and for other purposes" (with an accompanying paper); to the Committee on Agriculture and Forestry.

SMALL BUSINESS INVESTMENT ACT AMENDMENTS OF 1959

A letter from the Administrator, Small Business Administration, Washington, D.C., transmitting a draft of proposed legislation to amend the Small Business Investment Act of 1958, and for other purposes (with accompanying papers); to the Committee on Banking and Currency.

REPORT OF FEDERAL HOME LOAN BANK BOARD

A letter from the Chairman and members, Federal Home Loan Bank Board, Washington, D.C., transmitting, pursuant to law, a report of that Board, for the calendar year 1958 (with an accompanying report); to the Committee on Banking and Currency.

FINANCING OF CERTAIN HIGHWAYS FROM HIGHWAY TRUST FUND

A letter from the Under Secretary of Commerce, transmitting a draft of proposed legislation to amend section 209(f)(1) of the Highway Revenue Act of 1956 in order to provide for the financing of forest highways and public lands highways from the highway trust fund (with an accompanying paper); to the Committee on Finance.

AUDIT REPORT ON PUBLIC HOUSING ADMINISTRATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Public Housing Administration, Housing and Home Finance Agency, fiscal year 1958 (with an accompanying report); to the Committee on Government Operations.

AUDIT REPORT ON DISTRICT OF COLUMBIA REDEVELOPMENT LAND AGENCY

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the District of Columbia Redevelopment Land Agency, fiscal years 1957 and 1958 (with an accompanying report); to the Committee on Government Operations.

REPORT ON EXAMINATION OF PRICING OF SELECTED DEPARTMENT OF THE AIR FORCE CONTRACTS AND SUBCONTRACTS

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the examination of the pricing of selected Department of the Air Force contracts and subcontracts, dated May 1959 (with an accompanying report); to the Committee on Government Operations.

REPORT ON RECEIPT OF PROJECT PROPOSAL UNDER SMALL RECLAMATION PROJECTS ACT OF 1956

A letter from the Assistant Secretary of the Interior, reporting, pursuant to law, that the South San Joaquin Irrigation District of Manteca, Calif., had applied for a loan of $4,900,000 for project works estimated to cost $6,288,000; to the Committee on Interior and Insular Affairs.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A joint resolution of the Legislature of the State of Ohio; to the Committee on Public Works:

"SENATE JOINT RESOLUTION 36

"Resolution memorializing the Congress of the United States to take appropriate action to assure the continuance of surveys and planning and cooperation in the construction of projects of the State of Ohio that are vital and necessary to the control of floods and the conservation of soil and water by sufficient appropriations being granted for this purpose to the Bureau of Reclamation, the U.S. Department of Agriculture, and the Corps of Engineers, and other Federal agencies and departments

"Whereas water and soil are the most valuable natural resources of Ohio; and

"Whereas the citizens, industries, farms, and cities of Ohio have always been subject to floods, but more recently they have experienced severe hardships and great financial losses from floods; and

"Whereas the nature of rivers is such that storms occuring in headwater regions of a stream in one area frequently inflict damage to points in other areas, and the benefits of stream stabilization resulting in adequate and dependable water supplies in one area become beneficial to points in other areas; and

"Whereas it has become evident that we must use every means available and feasible to conserve and control all of the sources of water supply for agricultural, municipal, industrial, and recreational use; and

"Whereas watershed development has been increasingly emphasized as vital to all programs for the flood control and conservation of water and soil by the several agencies of Government, and the program is lagging because of the insufficiency of Federal funds for planning purposes; and

"Whereas the Federal Government through acts of Congress has delegated to two agencies, namely, the Corps of Engineers and the Soil Conservation Service of the U.S. Department of Agriculture the primary responsibility for flood control and conservation of water and soil: Therefore be it

"Resolved by the General Assembly of the State of Ohio, That we respectfully urge, request, and petition the Congress of the United States to take such action necessary to assure (1) continuance of surveys, planning and cooperation in the construction of projects in the State of Ohio that are vital and necessary to the prevention of floods and to the conservation of water and soil and (2) that Federal funds for this purpose be appropriated in sufficient amounts to the Corps of Engineers and the Soil Conservation Service of the U.S. Department of Agriculture, and also other Federal agencies and departments; and that we adopt this resolution and cause a copy thereof to be spread upon the Journal; and be it further

"Resolved, That the clerk of the Senate transmit authenticated copies of this resolution to the President of the United States, the Vice President of the United States, each Member of the Congress of the United States, and the Director of the Bureau of the Budget of the United States."

"JOSEPH W. BARTUNEK,
"Clerk of the Senate."

A joint resolution of the Legislature of the State of Nevada; to the Committee on Finance:

" 'ASSEMBLY JOINT RESOLUTION 13

" 'Resolution memorializing the Congress of the United States to aid the mining industry in Nevada and other sections of the United States either by imposing tariffs or by other reasonable and effective methods so that the United States may become more prosperous and be assured of a constant supply of minerals necessary for an effective defense program

" 'Whereas the mining industry in Nevada and other sections of the United States has been seriously curtailed by the importation of minerals from foreign countries in which the costs of production are much lower than those which prevail in the United States under American standards; and

" 'Whereas many areas of the United States are dependent in large measure upon the production of metals for the maintenance of their economics, and the drastic curtailment of such production has seriously affected the welfare of such areas through losses of revenue to local merchants, employees, business enterprises, and State and local governments; and

" 'Whereas a healthy, stable domestic mining industry is a key to national security because without such industry the United States cannot be assured of a constant supply of minerals necessary for an effective defense program; now, therefore, be it

" '*Resolved by the Assembly and Senate of the State of Nevada (jointly)*, That the Congress of the United States be memorialized to aid the mining industry of Nevada and other sections of the United States either by imposing tariffs or by other reasonable and effective methods so that the United States may become more prosperous and be assured of a constant supply of minerals necessary for an effective defense program; and be it further

" '*Resolved*, That a certified copy of this resolution be prepared and transmitted forthwith by the legislative counsel to the Vice President of the United States, Speaker of the House of Representatives, and each Member of Nevada's congressional delegation.'

"Adopted by the senate March 10, 1959.

"REX BELL,
"President of the Senate.
"LEALA H. WOHLFEIL,
"Secretary of the Senate.

"Adopted by the assembly February 26, 1959.

"CHESTER S. CHRISTENSEN,
"Speaker of the Assembly.
"NATHAN HURST,
"Chief Clerk of the Assembly."

A resolution of the House of Representatives of the State of Missouri; to the Committee on the Judiciary:

"HOUSE RESOLUTION 180

"Whereas the years 1961–65 will mark the centennial of the American Civil War, the supreme experience in our history as a nation; and

"Whereas the sacrifice of our people in that great ordeal was severe in Missouri and all sections of the land; and

"Whereas the far-reaching events of the Civil War established that the United States would remain permanently one nation; and

"Whereas the Civil War, the greatest internal crisis through which this Nation passed, forged the unity of this country and the sons of both the Union and the Confederacy have subsequently fought side by side for human freedom, justice, and the dignity of the individual among people everywhere; and

"Whereas Public Law 85–305, 85th Congress, House Joint Resolution 253, September 7, 1957, established the Civil War Centennial Commission because it is incumbent upon us as a nation to provide for the proper observance of the centennial years of this great and continuing force in our history; and

"Whereas the Honorable James T. Blair, Jr., Governor of Missouri, has established by proclamation the Civil War Centennial Commission of Missouri to develop a program to commemorate the significant role of Missouri in the Civil War; and

"Whereas the Carthage Chamber of Commerce, in cooperation with the Carthage City Council and the Jasper County Court, has created the Civil War Centennial Committee of Carthage in honor of the late Col. Ward L. Schrantz, noted Missouri writer and Civil War historian; and

"Whereas Colonel Schrantz suggested the erection of memorials at Carthage to honor the officers and men of both the Union and Confederacy; and

"Whereas these memorials will be dedicated on the 100-year anniversary of the Battle of Carthage; and

"Whereas the Battle of Carthage, July 5, 1861, was an important military event in the struggle for Missouri; and

"Whereas the memorial to the Union will be a statue of the late Maj. Gen. Franz Sigel, formerly of St. Louis, who was a distinguished leader in many Civil War battles including the Battle of Carthage; and

"Whereas the memorial to the Confederacy will be a statue of the late Claiborne Fox Jackson, distinguished public servant for Howard County, who was speaker of the Missouri House of Representatives, member of the Missouri Senate, Governor of Missouri, and champion of the Confederacy; and

"Whereas the Honorable John Flanigan, Jr., a distinguished Missouri attorney, is committee chairman, and the Honorable Robert N. Eddy, mayor of Carthage, is honorary chairman: Now, therefore, be it

"Resolved by the Missouri House of Representatives—

"That the citizens of Carthage be commended for conceiving and supporting a magnificent program in splendid cooperation with the National Civil War Centennial Commission and Civil War Centennial Commission of Missouri;

"That members of the Carthage City Council and members of the Jasper County Court be commended for launching this program as proposed by the Carthage Chamber of Commerce;

"That all citizens of Missouri join in appreciating and understanding the Civil War efforts of Governor Jackson and General Sigel as symbolic of all the officers and men who fought and sacrificed in Missouri and other States between 1861 and 1965;

"That the Honorable Robert Eddy and the Honorable John Flanigan, Jr., be especially commended for their leadership on behalf of the program of commemoration at Carthage;

"That the late Col. Ward L. Schrantz be gratefully remembered for his contribution to the content of the program and his scholarship on the Missouri role in the Civil War;

"That all citizens direct interest to plans and programs of other Missouri communities for commemorating the 100th anniversary of the Civil War;

"That Missouri citizens make available books, manuscripts, miscellaneous printed matter, memorabilia, relics, and other Civil War materials to the Civil War Centennial Commission of Missouri for permanent preservation in libraries and museums within the State; and be it further

"Resolved That suitable copies of this resolution be furnished by the chief clerk of the Missouri House of Representatives to the following officers of the National Civil War Centennial Commission, 700 Jackson

Place NW., Washington, D.C.; the Honorable Dwight D. Eisenhower, Honorary Chairman; the Honorable Richard Nixon, Honorary Vice Chairman; the Honorable Sam Rayburn, Honorary Vice Chairman; Maj. Gen. U. S. Grant III, Chairman; Mr. Karl S. Betts, Executive Director; be it further

"*Resolved*, That copies of this resolution also be furnished: Dr. Bert Maybee, of Kansas City, Mo., chairman of the Civil War Centennial Commission of Missouri; the Honorable Carl Mose, of St. Louis, Mo.; the Honorable Byron Fly, of Joplin, Mo., presiding judge of the Jasper County Court; Mrs. Ward L. Schrantz, of Carthage; Col. Robert S. Dale, president of the Carthage Chamber of Commerce and assistant publisher of the Carthage Press; the Honorable John Flanigan, Jr., chairman of the Civil War Centennial Committee of Carthage; the Honorable Robert N. Eddy, honorary chairman of the committee."

A paper in the nature of a petition from B. F. Combs, of East Berkshire, Vt., favoring a complete takeover of the price controls, and so forth; to the Committee on Banking and Currency.

A resolution adopted by the Washington, D.C., chapter of the Unitarian Laymen's League, and by the National League of Unitarian Laymen, favoring the enactment of legislation to provide home rule for the District of Columbia; to the Committee on the District of Columbia.

A letter from the Chamber of Commerce of the United States, Washington, D.C., signed by Erwin D. Canham, president, embodying a resolution adopted by that organization endorsing the steps taken by the National Legislatures of the United States and Canada to institute periodic discussions; to the Committee on Foreign Relations.

Telegrams, in the nature of petitions, from Manuel Cordero Valle, and sundry other citizens of Isabela, P.R., praying for the enactment of the bill (S. 2023) to provide for amendments to the compact between the people of Puerto Rico and the United States; to the Committee on Interior and Insular Affairs.

A letter, in the nature of a petition, from Mrs. Lyman Stewart, of Los Angeles, Calif., relating to the conduct of unions and a sound Federal fiscal economy; to the Committee on Labor and Public Welfare.

RESOLUTION OF VILLAGE COUNCIL OF MADELIA, MINN.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that a resolution adopted by the Village Council of the Village of Madelia, Minn., in opposition to the taxation of interest from municipal bonds, be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION 1959–24

Resolution requesting Members of Congress to oppose legislation making the interest from municipal bonds subject to Federal tax

At a regular meeting of the Village Council of the Village of Madelia, held on May 11, 1959, the following resolution was offered by R. Brandt, who moved its adoption:

"Whereas the Village Council of the Village of Madelia, Minn., has been informed that legislation is presently pending in the Congress of the United States, the adoption of which would make the income from municipal bonds subject to Federal income tax; and

"Whereas at the present time, municipal securities are finding a favorable market with investors; and

"Whereas there are presently pending many proposals for necessary improvements of municipal facilities, all of which will necessitate issuing of municipal bonds; and

"Whereas it is the opinion of the Village Council of the Village of Medelia, Minn., that the proposed legislation would have an adverse effect on the market for municipal securities: Now, therefore, be it

"*Resolved by the Village Council of the Village of Madelia, Minn.*, That we hereby request our representatives in the Congress of the United States to oppose the proposed legislation; be it further

"*Resolved*, That the village clerk be authorized to forward a copy of this resolution to Senator HUBERT HUMPHREY, Senator MCCARTHY, and to ANCHER NELSEN, Member of Congress of the Second Congressional District of Minnesota."

C. L. BOHAN,
Mayor.

Attest:

WILLIS OWEN,
Village Clerk.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. NEUBERGER, from the Committee on Interior and Insular Affairs, without amendment:

S. 1976. A bill to make payments to Indians for destruction of fishing rights at Celilo Falls exempt from income tax (Rept. No. 342).

By Mr. HAYDEN, from the Committee on Rules and Administration, without amendment:

S. Con. Res. 29. Concurrent resolution authorizing attendance of delegations from the Senate and House of Representatives at the meeting of the Commonwealth Parliamentary Association (Rept. No. 343);

S. Res. 114. Resolution authorizing attendance of a delegation from the Senate at meeting of Commonwealth Parliamentary Association (Rept. No. 343); and

S. Res. 122. Resolution to print additional copies of Senate Document No. 22, of the 86th Congress, on labor-management policies.

JANET S. DUNN

Mr. HAYDEN, from the Committee on Rules and Administration, reported an original resolution (S. Res. 127) to pay a gratuity to Janet S. Dunn, which was placed on the calendar, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Janet S. Dunn, daughter of William M. Dempsey, an employee of the Senate at the time of his death, a sum equal to eight months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

BILLS INTRODUCED

Bills were introduced, read the first time, and by unanimous consent, the second time, and referred as follows:

By Mr. MUNDT:

S. 2095. A bill to establish a U.S. Passport Service within the Department of State, and for other purposes; to the Committee on Government Operations.

(See the remarks of Mr. MUNDT when he introduced the above bill, which appear under a separate heading.)

By Mr. JAVITS:

S. 2096. A bill to provide that any person to be eligible for appointment as Governor of the Virgin Islands shall have resided in the Virgin Islands not less than 3 years prior to being appointed; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. JAVITS when he introduced the above bill, which appear under a separate heading.)

By Mr. WILEY (by request):

S. 2097. A bill to provide for the payment of losses sustained by persons investing in and holding farm loan bonds authorized and issued by joint-stock land banks which defaulted in payment of a portion of the principal and interest due on such bonds; to the Committee on Agriculture and Forestry.

By Mr. HUMPHREY (for himself and Mr. SYMINGTON):

S. 2098. A bill to transfer the administration of the direct commodity distribution program, under which agricultural food products are made available to the needy in charitable institutions and family units, from the Department of Agriculture to the Department of Health, Education, and Welfare, and to establish a food stamp plan, and for other purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. BYRD of West Virginia (for himself and Mr. RANDOLPH):

S. 2099. A bill to provide for the striking of medals in commemoration of the 100th anniversary of the admission of West Virginia into the Union as a State; to the Committee on Banking and Currency.

By Mr. MCCARTHY:

S. 2100. A bill for the relief of Milka Jurisich; and

S. 2101. A bill for the relief of Ourania Ben Blikas; to the Committee on the Judiciary.

By Mr. WILLIAMS of New Jersey:

S. 2102. A bill for the relief of Irene Burda; to the Committee on the Judiciary.

By Mr. BIBLE:

S. 2103. A bill to provide that surplus personal property of the United States may be donated to the States for the promotion of fish and wildlife management activities, and for other purposes; to the Committee on Government Operations.

By Mr. SPARKMAN:

S. 2104. A bill to bring employees of Agricultural Stabilization and Conservation County Committees within the purview of the Civil Service Retirement Act and the Federal Employees' Group Life Insurance Act of 1954, and to permit a Federal employee to obtain accredited service for period(s) of employment by Agricultural Stabilization and Conservation County Committees; to the Committee on Post Office and Civil Service.

ACCEPTANCE OF STATUE OF THE LATE SENATOR PATRICK A. McCARRAN

Mr. BIBLE (for himself and Mr. CANNON) submitted the following concurrent resolution (S. Con. Res. 41); which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring), That the statue of Senator Patrick A. McCarran, presented by the State of Nevada, to be placed in the Statuary Hall collection, is accepted in the name of the United States, and that the thanks of the Congress be tendered such

State for the contribution of the statue of one of its most eminent citizens, illustrious in the field of law and government; and be it further

Resolved, That a copy of these resolutions, suitably engrossed and duly authenticated, be transmitted to the Governor of Nevada.

TEMPORARY PLACEMENT IN ROTUNDA OF STATUE OF THE LATE SENATOR PATRICK A. McCARRAN

Mr. BIBLE (for himself and Mr. CANNON) submitted the following concurrent resolution (S. Con. Res. 42); which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring), That the State of Nevada is hereby authorized to place temporarily in the rotunda of the Capitol a statue of the late Senator Patrick A. McCarran, of Nevada, and to hold ceremonies in the rotunda on such occasion; and the Architect of the Capitol is hereby authorized to make the necessary arrangements therefor.

PRINTING AS A SENATE DOCUMENT THE PROCEEDINGS OF PRESENTATION AND ACCEPTANCE OF STATUE OF LATE SENATOR PATRICK A. McCARRAN

Mr. BIBLE (for himself and Mr. CANNON) submitted the following concurrent resolution (S. Con. Res. 43); which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring), That the proceedings at the presentation, dedication, and acceptance of the statue of Senator Patrick A. McCarran, to be presented by the State of Nevada in the rotunda of the Capitol, together with appropriate illustrations and other pertinent matter, shall be printed as a Senate document. The copy for such Senate document shall be prepared under the supervision of the Joint Committee on Printing.

SEC. 2. There shall be printed three thousand additional copies of such Senate document, which shall be bound in such style as the Joint Committee on Printing shall direct, and of which one hundred copies shall be for the use of the Senate and one thousand six hundred copies shall be for the use of the Members of the Senate from the State of Nevada, and five hundred copies shall be for the use of the House of Representatives and eight hundred copies shall be for the use of the Members of the House of Representatives from the State of Nevada.

RESOLUTION

Mr. HAYDEN, from the Committee on Rules and Administration, reported an original resolution (S. Res. 127) to pay a gratuity to Janet S. Dunn, which was placed on the calendar.

(See the above resolution printed in full where it appears under the heading "Reports of Committees.")

PROPOSED U.S. PASSPORT SERVICE WITHIN DEPARTMENT OF STATE

Mr. MUNDT. Mr. President, the Committee on Government Operations, of which I have the honor to be the ranking minority member, has for some time been studying the establishment of a U.S. Passport Service within the Department of State. We have published a couple of documentary studies on the subject, one entitled "Reorganization of the Passport Office," and another one entitled "Increased Cost of Issuing Passports."

Growing out of those studies and out of our work in the committee, I have drafted a bill to create a U.S. Passport Service within the Department of State, and I introduce it for appropriate reference.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2095) to establish a U.S. Passport Service within the Department of State, and for other purposes, introduced by Mr. MUNDT, was received, read twice by its title, and referred to the Committee on Government Operations.

RESIDENTIAL REQUIREMENT FOR GOVERNOR OF VIRGIN ISLANDS

Mr. JAVITS. Mr. President, I introduce for appropriate reference, a bill to provide that the Governor of the Virgin Islands must be a resident of that Territory for at least 3 years prior to his appointment by the President. By statute the civilian commissioners of the District of Columbia must be 3-year residents, and a similar provision of law applied to Hawaii during its Territorial period. The present Governor of the Virgin Islands, John David Merwin, is the first native-born Virgin Islander to hold that island's chief executive position; Morris F. de Castro was the only previous governor to be an islander—the others have been mainlanders.

The more than 30,000 Virgin Islanders have enjoyed full U.S. citizenship since 1927. Since that time, they have seen Puerto Rico moving into its present commonwealth status and were stirred when last year it was announced that the British Caribbean possessions of Trinidad, Jamaica, Barbados and the Leeward and Windward Islands would gain independent status in a West Indies Federation. While under the Revised Organic Act of the Virgin Islands of 1954, Virgin Islanders elect an 11-man legislature with limited powers, their governor, appointed from Washington, should also have roots in their land.

It is natural that the people of the Virgin Islands, as Americans, should wish a greater control of their own government. The bill which I am today introducing will be a step forward in this direction and an indication to the people of the Caribbean lands of the very real concern we have for the people of the Virgin Islands. Not only do the Virgin Islanders look to their neighbors who are achieving independence and increasing self government but many Latin Americans measure in our relations with Puerto Rico and the Virgin Islands our devotion to the freedoms which we preach. We have been judged—and judged well—by our fair and equitable relations with Puerto Rico which have become the jewel in our crown of Latin American relations. If we wish the Virgin Islands should not be considered as an American "colony" then we must assume our responsibilities in helping the islanders move toward increasing self-government and self-responsibility.

The Virgin Islands, an unincorporated, organized territory of the United States situated in the Caribbean Sea, were purchased from Denmark in 1917. Congress extended U.S. citizenship to the Virgin Islanders in 1927 and in 1931 administration of the islands was transferred to the Department of the Interior where it now rests. The Governor of the Territory is appointed by the President for an indefinite term and the appointment is approved by the Senate; the Government Secretary is also appointed by the President but this appointment is not subject to Senate approval. The popularly elected legislation meets at least once annually but its enactments are subject to veto by the Governor. Where the Governor's vetoes are overriden, then the bill goes to the President of the United States who makes the final determination. The judiciary is also appointed by the President.

Mr. President, I think it is very important in the case of the Virgin Islands, as it is in the case of Puerto Rico, that we demonstrate our policy with respect to territories which adhere to the United States. We have been judged, and we will continue to be judged, by our relations with both Puerto Rico and the Virgin Islands, and indeed with the Philippines, in respect of our general policy with regard to all the other American Republics and all the territory of Latin America. I believe proposed legislation of this character, if enacted, would have a fine effect in that area, and I submit it in that spirit, and hope it will have early consideration by the committee.

The PRESIDING OFFICER (Mr. KEATING in the chair). The bill will be received and appropriately referred.

The bill (S. 2096) to provide that any person to be eligible for appointment as Governor of the Virgin Islands shall have resided in the Virgin Islands not less than 3 years prior to being appointed, introduced by Mr. JAVITS, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

FOOD ACT OF 1959

Mr. HUMPHREY. Mr. President, on Thursday and Friday of this week, June 4 and 5, the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices, of which I am a member, will hold hearings on bills to expand the domestic consumption of food.

I am both a sponsor and a cosponsor of several of the bills before the subcommittee. I have joined my distinguished colleague from Vermont on the Senate Committee on Agriculture and Forestry in sponsorship of a bill to assure an adequate diet, based on nutritional standards, to families and individuals who, through no fault of their own, cannot afford to buy an adequate diet. This is a good bill. From the standpoint of meeting the full nutritional needs of low-income families among us, it is the best bill before the subcommittee. It would also cost more to operate than some of the other bills before the subcommittee.

I might also add that even in years when budget balancing was not in vogue in this administration, the Secretary of Agriculture could see no need for it. I cannot predict with certainty that the Secretary will again oppose S. 585, but in the event that he does, I just want to be prepared to offer him something as an alternative to Senate bill 585.

Therefore, Mr. President, on behalf of myself and the Senator from Missouri [Mr. SYMINGTON], I introduce, for appropriate reference, a bill which provides for a food stamp program, not as a substitute for the existing program of commodity distribution, but to work in conjunction with it.

Under the commodity distribution program, wheat flour, butter, nonfat dry milk, cornmeal, and dry beans are distributed to needy families. As nutritious as these commodities are, they do not provide a balanced diet. There is not available for example, such items as fluid milk and cheese; fresh beef, pork, poultry, and lamb; fresh vegetables and fruits; canned vegetables and fruits; peanuts and peanut butter, and cooking oil.

The food stamp bill I am introducing provides for $5 per person in the form of food stamps which, when matched with a like amount, can be used to buy food items designated by the administrator as needed to provide a better nutritional balance to the diets of those who are already receiving commodities and others who may be eligible under the provisions of the bill.

Provision has been made for the administrator of the commodity distribution program to assist States financially with administrative problems in the commodity distribution program, including storage and handling. Only a little over one-third of the 3,003 counties are participating in the commodity distribution program. For many, the cost of storage and handling has resulted in nonparticipation, thus denying needy families of CCC commodities.

In keeping with the rapidly developing sentiment to transfer the administration of the commodity distribution program from the Department of Agriculture to the Department of Health, Education, and Welfare, the bill so provides. Administration of the school lunch and milk programs would be left in the Department of Agriculture under provisions of the bill.

I have included in the bill a provision to require the enrichment of wheat flour, rice, grits, and cornmeal available under the commodity distribution program and to provide for sanitary and convenient packaging of these foods. The chairman of the subcommittee has held hearings on his bill, which I fully support, and I feel it should be a part of any bill the subcommittee approves.

Mr. President, I will support this bill in the subcommittee, and I invite other Members of the Senate to consider the provisions of the bill and to join in support. As I stated at the outset of my remarks, it will not meet nutritional requirements of the low income and needy as well as will the bill of the Senator from Vermont. But it is a step in the right direction, since it does increase the number of food items available and since it does provide for meeting needs of all areas under the present commodity distribution program.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2098) to transfer the administration of the direct commodity distribution program, under which agricultural food products are made available to the needy in charitable institutions and family units, from the Department of Agriculture to the Department of Health, Education, and Welfare, and to establish a food stamp plan, and for other purposes, was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Food Act of 1959".

STATEMENT OF PURPOSES

SEC. 2. It is the purpose of this Act to (1) transfer the domestic program of direct commodity distribution to the needy from the Department of Agriculture to the Department of Health, Education, and Welfare, (2) provide for the extension and expansion of the direct commodity distribution program by authorizing assistance to State and local governments in administering and handling such programs, and (3) to provide for a food stamp plan for the purpose of securing an adequate and proper diet of foods high in nutritional value which are ordinarily consumed in inadequate quantities by the unemployed, the needy, and persons with low income, and others.

DEFINITION

SEC. 3. As used in this Act—

(a) The term "food commodity" means any food product raised or produced in the United States on farms, including agricultural, horticultural, and dairy products, livestock, poultry and honey.

(b) The term "direct commodity distribution" means the program for the distribution of food commodities transferred to the Secretary of Health, Education, and Welfare under section 4 of this Act.

(c) The term "food stamp" means a certificate, coupon, or other similar medium of exchange issued to eligible recipients.

(d) The term "State" includes the District of Columbia, Puerto Rico, and the Virgin Islands.

(e) The term "Secretary" means the Secretary of Health, Education, and Welfare.

(f) The term "eligible food store" means an established grocery store, or merchant engaged in the distribution of food at the retail level, located in the community, meeting the requirement of eligibility as determined by the Secretary.

(g) The term "sanitary container" means any container of such material and construction as (1) will not permit the infiltration of foreign matter into the contents of such container under ordinary conditions of shipping and handling, and (2) will not, for a period of at least one year, disintegrate so as to contaminate the contents of the container, necessitating the washing of the contents prior to use.

TRANSFER OF DOMESTIC FOOD PROGRAMS TO DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

SEC. 4. Not later than ninety days after the date of enactment of this Act, the administration of the direct commodity distribution programs under section 416(3) of the Agricultural Act of 1949, as amended, is, except as hereafter provided, hereby transferred to the Secretary of Health, Education, and Welfare, and all functions and activities carried out by the Secretary of Agriculture under such section shall be carried out by the Secretary within the Department of Health, Education, and Welfare. Such transfer shall not apply with respect to the donation of food commodities under such section for use in nonprofit school-lunch programs and in nonprofit summer camps for children.

TRANSFERS OF AGRICULTURAL FOOD PRODUCTS

SEC. 5. To facilitate the administration and continuation of such program, upon request by the Secretary of Health, Education, and Welfare, the Secretary of Agriculture and the Commodity Credit Corporation shall make available a maximum quantity of the agricultural food products acquired by the Commodity Credit Corporation. The Secretary shall reimburse the Commodity Credit Corporation for costs incurred by the Corporation in making such commodities available to the Secretary under the provisions of this Act. The Commodity Credit Corporation shall upon request of the Secretary arrange for the processing, packaging, and delivery to designated points of any agricultural food product.

ENRICHMENT AND SANITARY PACKAGING OF CERTAIN COMMODITIES

SEC. 6. In order to insure the nutritional value of cornmeal, grits, white rice, and white flour when such foods are made available for distribution under the direct commodity distribution program or for distribution to schools under the National School Lunch Act or any other Act, such foods shall be enriched so as to meet the standards for enriched cornmeal, enriched corn grits, enriched rice, or enriched flour, as the case may be, prescribed in regulations promulgated under the Federal Food, Drug, and Cosmetic Act; and in order to protect the nutritional value and sanitary quality of such enriched foods during transportation and storage such foods shall be packed in sanitary containers. For convenience and ease in handling, the weight of any sanitary container when filled shall not exceed fifty pounds.

ADMINISTRATIVE ASSISTANCE TO STATES

SEC. 7. The Secretary is authorized to give assistance to State and local governments in meeting the costs of food distribution, including local storage, under the direct commodity distribution program to the needy in charitable institutions and family units. Such assistance shall be made available in accordance with standards developed by the Secretary and used as the basis for securing the appropriation of funds for this purpose. To this end the Secretary shall conduct a study of the current expenditures of local governments on the direct commodity distribution program, the amount necessary to extend and expand the program as directed in this Act, including the addition of other cities and counties in the program, and report to the Congress on a formula for division of the funds requested, such formula to be based on the per capita revenues of the local government from whatever source, and the extent of need as represented by needy persons eligible under such program.

STANDARDS

SEC. 8. The Secretary is authorized and instructed to establish minimum and maximum standards for participation in the program of direct commodity distribution to the needy in charitable institutions and family units. Maximum standards shall establish the upper limits in terms of income or other resources which an individual or family may have and remain eligible for participation in the program. Minimum

standards shall establish the lower limits in terms of income or other resources paid or furnished to the needy by State or local governments, and shall constitute a bar to participation in such program by any State or local government which pays or furnishes less than the minimums fixed by the Secretary: *Provided*, That the right of any State or local government currently participating in this program shall not be denied under any such standards until the appropriate legislative body of such unit of government shall have had reasonable opportunity to adjust standards to those established by the Secretary: *And provided further*, That no State or local government which denies food available under the direct commodity distribution program to needy persons who are ineligible for reasons of lack of legal residence only shall be permitted to participate in such program.

OTHER AID AS RELATED TO STANDARDS

SEC. 9. In establishing minimum standards in the direct commodity distribution program, the Secretary shall deal specifically with recipients of other types of aid under the Social Security and related Acts, as well as the assistance available from State and local governments and shall bear in mind that the receipt of other types of assistance, as such, shall not bar participation. Maximum standards for participation shall insofar as possible, relate only to income currently available to needy persons on a per capita basis.

FOOD STAMP PLAN TO SUPPLEMENT DIRECT COMMODITY DISTRIBUTION FOR NEEDY FAMILIES

SEC. 10. (a) The Secretary is further authorized and directed to establish and administer a national food stamp plan to supplement the direct commodity distribution program for needy individuals in family units or in charitable institutions. The Secretary shall promulgate rules and regulations for carrying out such program.

(b) The Secretary shall from time to time designate the specific food commodities which may be purchased with food stamps issued pursuant to the provisions of this Act, and such stamps may be used only for the purchase of such designated food. Food commodities shall be designated by the Secretary which contain nutrient ingredients found by him to be commonly deficient in the diets of persons receiving agricultural food products under the direct commodity distribution program.

PERSONS ELIGIBLE FOR FOOD STAMPS

SEC. 11. (a) The following persons shall be eligible to receive food stamps for any month—

(1) Every individual who is a recipient of assistance or benefits for such month under the programs of old-age assistance, aid to dependent children, aid to the blind, or aid to the permanently and totally disabled provided for in titles I, IV, X, and XIV, respectively, of the Social Security Act.

(2) Every individual who is a recipient of unemployment compensation benefits for all or any part of such month from any State.

(3) Every individual who is the recipient of financial assistance, including agricultural food products under the direct commodity distribution program, for such month provided for the needy by any State or political subdivision thereof.

(4) Every individual who, but for lack of legal residence only, would be eligible for such month for financial or other assistance provided for the needy by the State or local subdivision in which such individual is located.

(5) Every individual in any nonprofit charitable institution, including hospitals, orphanages, homes for the aged and infirm, and other similar types of institutions not eligible under paragraphs (1), (2), (3), (4), or (6) of this subsection.

(6) Every needy individual, including unemployed individuals not eligible for unemployment compensation benefits, with respect to whom the Secretary has received a certification for such month from the welfare or public assistance agency of a State or political subdivision thereof under an agreement entered into pursuant to subsection (b) of this section.

(b) The Secretary is authorized to enter into agreements with the welfare or public assistance agency of any State or political subdivision thereof whereby such agency shall certify to the Secretary, under regulations to be prescribed by the Secretary, the names of individuals of such State or political subdivision who are in need of public assistance but are not eligible for food stamps under paragraphs (1), (2), (3), or (5) of subsection (a), and the Secretary shall provide for the issuance of food stamps to be distributed to such individuals.

ISSUANCE AND VALUE OF FOOD STAMPS

SEC. 12. (a) The Secretary shall provide for the preparation of monthly food stamps for issuance to individuals eligible therefor under section 11. Such stamps shall be in such denominations as the Secretary shall determine and no individual shall receive food stamps with a face value exceeding $5 for any month. They shall be issued monthly and shall be valid only with respect to purchases made during the month for which they are issued.

(b) Food stamps issued under the provisions of this Act may be used only at eligible food stores and may be used only as part payment for food commodities purchased. Part payment shall not exceed one-half of the total cost of the food commodities purchased at the time such stamps are used, and in no event shall such stamps be used as part payment for any food commodities other than those food commodities designated by the Secretary pursuant to section 10.

(c) Food stamps shall be distributed by the Secretary, in the case of State agencies making payments to individuals under the programs referred to in paragraphs (1), (2), and (3) of section 11(a), to the State agency making such payments, and, in the case of individuals eligible to receive food stamps under paragraphs (4), (5), and (6) of such section, to the State agency which certified the name of such individual to the Secretary. Subject to such rules and regulations as may be prescribed by the Secretary, the eligibility of any individual for food stamps shall be determined by the State agency making the payment by reason of which the individual is eligible for such stamps.

(d) Unless otherwise provided by the Secretary, food stamps for the use of individuals described in paragraphs (1), (2), and (3) of section 11(a) shall be issued to such individuals at the same time and together with any payments made by the State under programs described in such paragraphs. Food stamps for the use of individual's described in paragraphs (4) and (6) of section 11(a) shall be issued to individuals in such manner as the Secretary shall prescribe.

(e) Food stamps shall not be transferred except as provided in this Act, and shall be valid only with respect to purchases made by or on behalf of the person to whom they are issued.

REDEMPTION OF FOOD STAMPS

SEC. 13. (a) The Secretary shall provide for redemption of food stamps through the cooperation of banking institutions throughout the Nation. For such purposes, he shall designate banking institutions which shall be authorized to accept such stamps from designated food stores. Institutions so designated shall pay at the time of presentation in cash or by credit to a demand deposit the full value of all food stamps presented to them.

(b) Banking institutions accepting food stamps may present to the Secretary, or such other agency as the Secretary may designate, evidence of the deposit with them of food stamps presented by eligible food stores, together with appropriate vouchers. Such evidence of deposit and vouchers shall be considered complete documentation for payment and payments may be made thereon.

(c) The Secretary may advance moneys to banking institutions, where such action appears necessary, to provide funds for the redemption of food stamps. Such advances shall be accounted for by such banking institutions at least monthly.

(d) The Secretary may contract to pay banking institutions designated to receive food stamps, a charge determined by the Secretary to be reasonable for the services rendered in acting as such depositories.

CRIMINAL PROVISIONS

SEC. 14. (a) Whoever shall falsely make, alter, forge, or counterfeit or cause or procure to be falsely made, altered, forged, or counterfeited any food stamp or stamp similar thereto for the purpose of obtaining or receiving, or of enabling any other person to obtain or receive, directly or indirectly, from the United States or any of its officers or agents, any money or other thing of value, and whoever shall transfer or utter as true, or cause to be transferred or uttered as true, any such false, forged, altered, or counterfeited food stamp or stamp similar thereto, with intent to defraud the United States or any mercantile establishment, banking institution, or person, shall, upon conviction thereof, be fined not more than $5,000 or imprisoned not more than 10 years, or both.

(b) Any person not being so authorized by this Act or the regulations issued pursuant thereto, who shall have food stamps in his possession or under his control, or any person who shall use, transfer, or acquire food stamps in any manner not authorized by this Act, or the regulations issued pursuant thereto, or who shall buy, sell, or exchange food stamps without being authorized to do so by this Act or regulations issued pursuant thereto shall be guilty of a misdemeanor and shall, upon conviction thereof, be fined not more than $5,000, or imprisoned for not more than one year, or both.

REPORTS

SEC. 15. The Secretary shall make an annual report to Congress describing the operations of the programs administered by him under this Act, and such report shall include but not be limited to information with respect to the following: The number of individuals entitled to receive assistance; the number which have received assistance; the extent to which the program has been effective in improving or maintaining health; the costs of the program to the Federal, State, and local governments; and recommendations for improvement of the program.

RULES AND REGULATIONS

SEC. 16. The Secretary may, from time to time, issue such rules and regulations as he deems necessary or proper in order to carry out the purposes and provisions of this Act.

APPROPRIATIONS

SEC. 17. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

EFFECT ON OTHER ASSISTANCE PROGRAMS

SEC. 18. Any benefits received under this Act shall not be deemed to be income or resources for the purposes of any provisions of the Social Security Act, nor shall such benefits be used to justify any decrease of cash or other benefits paid to any individual by any State or local subdivision thereof.

FEDERAL POWER COMMISSION LICENSES ON RIVERS INHABITED BY MIGRATORY FISH—AMENDMENTS

Mr. NEUBERGER. Mr. President, by request, I submit, for appropriate reference, amendments to the bill (S. 1420) to give the Secretary of the Interior jurisdiction over the issuance of hydroelectric project licenses issued by the Federal Power Commission. These amendments have been suggested as the result of action by agencies of the State of Oregon interested in development of fishery and water resources of our region. According to information I have received from Oregon Governor Mark O. Hatfield, these amendments have been endorsed unanimously by the Oregon Water Resources Board, the Oregon Fish Commission, and the Oregon Game Commission.

I submit these proposals, so that they may receive parallel consideration with my own bill, which is aimed at protecting migratory fish and game in areas where dam projects have been proposed. I am not certain that the amendments are necessary to assure protection of migratory fisheries; however, I intend to maintain an open-minded attitude, so that they can be thoroughly examined at any committee hearings.

When I originally introduced a fishery-protection bill at the last session of Congress, I made no effort to disguise the fact that I sought to protect migratory fish by giving the Secretary of the Interior some control over the issuance of power-dam licenses. My intention was to preserve migratory fisheries in areas where they might be imperiled by dam structures. I did not intend that dams should be built where the fishery resources would be irreparably damaged. It is still my belief that we must enact some legislation with strong safeguards to protect migratory salmon and steelhead of the Columbia River basin. Perhaps this objective can still be achieved under my bill with some amendments.

While I am glad to submit these amendments to Senate bill 1420, as a service to agencies of the State of Oregon, I do not believe the amendments provide sufficient protection against the issuance of licenses which would adversely affect the Columbia River fishery. It must be remembered that the Secretary of the Army has full authority to veto any project detrimental to navigation on our waterways; and I see nothing inconsistent in providing similar authority to the Secretary of the Interior, for the protection of fish.

The PRESIDING OFFICER. The amendments will be received, printed, and referred to the Committee on Interstate and Foreign Commerce.

EQUALIZATION OF PAY OF RETIRED MEMBERS OF UNIFORMED SERVICES—ADDITIONAL COSPONSOR OF BILL

Mr. JACKSON. Mr. President, I ask unanimous consent that the name of the distinguished junior Senator from Nevada [Mr. CANNON] may be added as a cosponsor of the bill (S. 541) to equalize the pay of retired members of the uniformed services, introduced by me, for myself and other Senators, on January 20, 1959.

The PRESIDING OFFICER. Without objection, it is so ordered.

MUTUAL SECURITY ACT OF 1959—ADDITIONAL COSPONSORS OF AMENDMENT

Under authority of the order of the Senate of May 28, 1959, the names of Senators BARTLETT, BYRD of Virginia, JOHNSTON of South Carolina, and McGEE were added as additional cosponsors of the amendment to the bill (S. 1451) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, submitted by Mr. GRUENING (for himself and Senators BYRD of West Virginia, CANNON, CHAVEZ, DOUGLAS, MORSE, MOSS, NEUBERGER, PROXMIRE, RANDOLPH, TALMADGE, YOUNG of Ohio, KEFAUVER, and LANGER) on May 28, 1959.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. BUSH:

Commencement address delivered by Secretary of the Treasury Robert B. Anderson at the University of Houston on May 30, 1959.

By Mr. WILEY:

A statement of the purposes and objectives of the American Country Life Association of Chicago, Ill.

NOTICE OF HEARING ON CERTAIN NOMINATIONS

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for 10:30 A.M., Wednesday, June 10, 1959, in room 2300, New Senate Office Building on the nominations of Herbert S. Boreman, of West Virginia, to be U.S. circuit judge for the Fourth Circuit, vice John J. Parker, deceased, and Charles L. Powell, to be U.S. district judge for the eastern district of Washington.

At the indicated time and place all persons interested in the above nominations may make such representations as may be pertinent. The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Nebraska [Mr. HRUSKA], and myself, as chairman.

FOOD ADMINISTRATION ACT OF 1959—NOTICE OF HEARINGS ON SENATE BILL 1884

Mr. MURRAY. Mr. President, I desire to call the attention of my colleagues to a hearing on a very important bill, S. 1884. Hearings will be held tomorrow, Friday, and next Monday by the Subcommittee on Agricultural Production Marketing and Stabilization of Prices of the Agriculture Committee.

S. 1884 was introduced by the Senator from Massachusetts [Mr. KENNEDY] and is cosponsored by 14 other Members of the Senate. It is a bill to improve the surplus food distribution program by turning it into a real welfare food program.

The senior Senator from Oregon [Mr. MORSE] reported only last week that there are hungry children by the thousands right here in the Capital City, and millions of others hungry or malnourished up and down the land. I think it is this contrast between the alleged burdens of agricultural abundance and the obvious facts about malnutrition and hunger which bring bills like S. 1884 into the hopper year after year.

I hope we can pass a welfare food bill of some kind this year. I hope we can get past the bill-printing stage and the hearing stage and start a program, which will make our agricultural abundance an obvious blessing and not a problem.

But I suggest that all of us keep an eye on these hearings, and watch particularly for the appearance of that elder statesman of the free market, Mr. Ezra Taft Benson.

S. 1884 calls for transferring the domestic surplus food program to the Department of Health, Education, and Welfare where the Secretary would be allowed to buy up additional products in adequate supply and thereby provide something more like a balanced diet for the needy. The cost of the surplus foods which would be supplied by CCC upon request would be charged to welfare, as would the cost of the additional foods purchased. This would mean that the farmers would not be charged with the cost of a welfare program. To that extent the rising costs of Mr. Benson's programs would be reduced—not much, but some. Here is a golden opportunity for Mr. Benson to come forth in favor of the farmer and still be consistent with some of his previous positions.

Mr. Benson has been opposed, firmly opposed, to a welfare food program in the Department of Agriculture. He is on record to this effect. He is also in favor of a welfare food program in the Department of Agriculture and is on record on this, too. This may make it hard to follow his testimony this week. Let me read a little of the record on this.

Mr. Benson's most recent position, so far as I know, was expressed in a couple of letters to President George Meany of the AFL–CIO last month. Mr. Meany, disturbed by the condition of the unemployed workers over the land, had asked Mr. Benson if the surplus food program could be improved, and if he could use any more authority and any more money for this purpose.

Mr. Benson's reply was signed by True D. Morse, but I do not doubt that Mr. Benson and Mr. Morse are in agreement on these fundamentals. Mr. Morse stated that they had all the authority they wanted and all the money they needed for all the food program they intended to carry on. He said that the Department of Agriculture was not in the welfare business and that it was not interested in running up the cost of the

farm program by giving away its surplus inventories.

This is no new position on Mr. Benson's part. Year after year he has been turning funds back to the Treasury—section 32 funds—which could have been spent to buy a better balanced diet for the needy. He has the authority. He has had section 32 money. But he simply did not like a welfare food program.

This attitude goes pretty far back, not all the way back, but pretty far. On May 12, 1955, long before Mr. Benson's flexible chickens began to come home to roost by the billions, there was a hearing before the Subcommittee on the Commodity Credit Corporation. The senior Senator from Florida [Mr. HOLLAND] was chairman and conducted the hearings. One of the first entries in the hearing was a letter from Mr. Benson's letter writer, Mr. True D. Morse.

Mr. President, I ask unanimous consent to have a copy of that letter printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., March 29, 1955.

HON. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry, U.S. Senate.

DEAR SENATOR ELLENDER: This is in reply to your request for a report on S. 661, a bill to authorize the Commodity Credit Corporation to process food commodities for donation under certain acts.

The Department does not favor passage of S. 661.

S. 661 would authorize the Commodity Credit Corporation to pay the cost of processing food commodities into a form suitable for home or institutional use in connection with donations to domestic recipients of price-support commodities made under the authority of sections 407 and 416 of the Agricultural Act of 1949. By providing authority to pay processing costs, S. 661 would permit the donation of wheat and corn, in the form of flour and meal, respectively, to eligible domestic recipients.

The domestic distribution of wheat flour and cornmeal cannot be justified on the basis of the need for surplus-disposal operations. Such distribution would be more in the nature of a welfare or a relief program, which is not a direct responsibility of this Department.

Wheat and corn are storable commodities, and with stock rotation there presently is not a danger of substantial loss or waste of CCC-owned stocks. From the standpoint of inventory management, particularly since stocks of wheat and corn can be considered a reserve for strategic purposes, the Department's first responsibility is to secure all possible sales.

Moreover, as a possible surplus-disposal operation, the domestic distribution of wheat flour and cornmeal would have limited impact. The amounts so moved would be small in relation to the size of present holdings. The additional costs to CCC (including administrative costs) would outweigh any probable increase in domestic consumption of wheat and corn or any possible net reduction in the level of Government stocks.

Because of the widespread use of cereal products, we also believe that it would be difficult to avoid significant interference with normal marketings of wheat flour and cornmeal, particularly in the case of schools and institutions. Even among needy persons and families, because of their relatively high consumption of cereal products, we would anticipate that a donation program would result in only a small overall increase in the use of cereal products.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE,
Acting Secretary.

Mr. MURRAY. Mr. President, it will be apparent to anyone reading this letter that Mr. Benson and Mr. Morse wanted nothing to do with a welfare food program. They were opposed to Senate bill 661 because it authorized them to grind wheat and corn into flour and cornmeal for distribution to the needy. They were opposed because they did not think distributing flour and corn meal to the poor was a proper function of the Department. They did not think that it would use up the corn and wheat surpluses, and they were disturbed lest it interfere with the sales of those products by commercial firms.

The Congress did not agree with Messrs. Benson and company. We passed a bill authorizing them to grind wheat and corn and give it to the poor. Now more than half of the total poundage of food distributed to needy families is made up of flour and cornmeal. If it were not for this program the suffering which exists in this Nation would be very much greater.

Based on these examples, one would think that Mr. Benson would appear at the forthcoming hearings and take the position that if Senate bill 1884 passes, it must pass as written, that is, the domestic surplus food program should be transferred to the Department of Health, Education, and Welfare. This would be consistent with his position that welfare food distribution is not a proper function of the Department of Agriculture. It would be consistent with his position that the farmers' program should not be jeopardized by having food for the needy charged against it. I hope Mr. Benson will take this position because I would like to see a real welfare food program launched and administered by the Welfare Department.

But I want to warn the Senate that this may not take place. Mr. Benson is a many faceted character. Sometimes he shines his light in the strangest directions.

Back in January 1944, before Mr. Benson became the farmer's savior, he appeared to be heard on the Aiken-La-Follette bill, the national food allotment plan, a bill to establish a national food stamp program to protect the low-income people of the Nation from suffering during the war.

According to the other witnesses on Senate bill 1331, this food stamp program was going to cost approximately $3 billion a year. The gross national product in the preceding year had been $192.5 billion. It was $436.7 last year (1958) considerably more than twice as much as it was in 1943. I mention this because today we would think about a $6 or $7 billion dollar program now about the same way we would have thought about this $3 billion program in 1944.

Mr. Benson appeared in his role as executive secretary of the National Council of Farmer Cooperatives. He was very much in favor of that $3 billion welfare food program. He said his organization represented 4,600 farmer cooperatives and that they had a membership of 2.3 million members and that his council was all for the food stamp plan and had been for years.

He read a resolution by his council adopted in January 1940, which commended the Department of Agriculture for his food-stamp plan, called it an effective mechanism for moving agricultural surpluses into consumption among low-income groups, and urged extension of the plan to a national level as rapidly as possible.

He went on to say that in January 1944, the council adopted another resolution which read, in part:

> We favor the adoption of a sound food-stamp plan, administered at the State and local levels.

Presumably, Mr. Benson was not in disagreement with his council at the time and thought that a welfare food program was a very fine thing, even a stamp plan which today would cost $6 or $7 billion a year. I should like to think that he would stride into that hearing this week and say that S. 1884 should be passed, except that the amount made available should be increased to $6 or $7 billion a year. Or maybe he will come in and say that S. 1884 does not go nearly far enough and urge that the school lunch and school milk programs should be transferred from the Department of Agriculture because they are welfare programs and not a proper function of that Department, and he might even urge that the very limited S. 1884 be abandoned and the old Aiken national nutritional bill passed so that we could really do the job properly.

Maybe he will do that, because I am sure that, despite the nauseating job he now has of eating his own words on his fluctuating price program, he still has in his heart a little of the milk of human kindness for the poor.

But I am afraid we cannot count on him for this kind of a performance. In the hearings in 1944 he was all for a national food stamp plan because one of the provisions of the bill in which the food stamp plan was included called for killing consumer food subsidies which we were using to hold the price line. It became pretty evident during the hearing that what Mr. Benson was really out to do was to kill the consumer food subsidies with that bill, being confident that he and his confidants could then kill the food stamp program, or reduce it to nothing by cutting off appropriations.

In those same hearings there appeared Don Montgomery representing the national CIO. He favored a food stamp program and consumer subsidies, but was opposed to the bill Mr. Benson was supporting because he recognized what Mr. Benson was up to. He said:

> This bill is as coldblooded in its stated purposes as one who would say, "Let's help the poor families freezing in the garret of the tenement and the bums who have taken refuge in its cellar by setting fire to the place and burning it down.

Mr. Montgomery was convinced that the food stamp provisions were a "snare and a delusion, because, while purporting to protect needy families from the impact of rising food prices it will do no such thing, but on the contrary will subject them and all of us to the hazards of inflation which cannot be overcome by mere relief measures."

Whatever recommendations Mr. Benson has to make on S. 1884, I hope the chairman and the other members of the subcommittee will pursue his logic at some length so as to make sure that what he recommends is not another snare and delusion dressed up to look appealing.

SAVING AND BORROWING

Mr. BUSH. Mr. President, I call attention to an editorial entitled "Saving and Borrowing," which appears today in the Washington Post. I particularly call attention to the editorial's recognition of the problem of saving, and its indirect recognition of the serious problem of the dangers of inflation. I ask unanimous consent that the editorial be printed in the RECORD, following these remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 3, 1959]

SAVING AND BORROWING

If the Soviet Union should overtake the United States industrially and economically in the coming decades it would probably be in spite of the cumbersomeness of central state planning and management. Such a development, however, might occur sooner than many expect because the Russians are showing an increasing capacity to save—that is, to form capital. To be sure, there is nothing voluntary about it. What is done with business and personal earnings is dictated by the state. But however, it is accomplished, a greatly superior rate of capital growth could bring the Soviet economy into line with ours quite rapidly.

Against this background, the news of rising interest rates in this country, coming so soon after the depth of the recent recession, is of more than ordinary interest. Superficially, it might be thought to illustrate nothing more than the excess of zeal with which this administration is striving for monetary stability (pursuing the goal in such a fashion, regrettably, that critical social deficits are growing faster than the budget deficit is being closed). There may be some truth in such a conclusion, since the banks raised their prime rate in obvious expectation of the Federal Reserve Board increase in the rediscount rate which has now occurred.

But there is a more important truth in other statistics with which the "Fed" is largely powerless to cope. These are the figures which show that the banking system has been steadily pushed into a tighter and tighter position all through the past decade; that the ratio of loans to loanable funds has risen steadily, right through the recession. Now nearly 90 percent of the country's available banking resources are at work in the form of loans, compared with about 50 percent a decade ago.

The rise in interest rates fundamentally reflects this narrowing gap between saving and borrowing. Although the "Fed" can force interest rates down somewhat—as it did last year—by facilitating the easier use of available savings, it cannot increase the rate of saving. What the "Fed" has done now, in other words, is merely to lift somewhat the artificial lid on rates which it clamped on during the recession, and the relative shortage of funds has naturally forced up borrowing costs.

The natural corrective upon which a free economy must rely is, of course, the prospect that higher interest rates will now induce more saving. Perhaps they will. Working against this, however, is the general ebullience over the immediate economic outlook, a state of mind not usually conducive to saving. Taxes, too, and the fear of inflation set up forces working in the contrary direction. The problem seems to be how to encourage higher levels of private and corporate saving while at the same time enhancing the Government's revenue position to help meet urgent public spending requirements without deficits.

TRIBUTES TO DR. JAMES R. KILLIAN, JR.

Mr. KEATING. Mr. President, the resignation of Dr. James R. Killian, Jr., as the President's scientific adviser, is a great loss to our Nation and the entire free world. In his unobtrusive, quiet, but effective manner, Dr. Killian has applied his broad scientific background and administrative ability to the pressing scientific problems which beset our Government.

The result has been an increasing understanding and appreciation within the Government of the importance of science in our world today. Dr. Killian has also provided an important bridge between the scientific community and our Government. Finally, his influence has been an effective spur to America's vital efforts to press forward with the conquest of outer space.

I salute Dr. Killian for the invaluable services he has rendered to his country in this post and the many other positions he has filled over the years. I am sure the thanks and good wishes of all of us will go with him in the days ahead.

It is significant to note that many of the Nation's leading newspapers have paid tribute to Dr. Killian upon his resignation. I share their high opinion of this outstanding scientist, as well as their hope that his successor, Dr. George B. Kistiakowsky, will continue the fine work he has begun. I ask unanimous consent to have two of these editorials printed in the RECORD, following my remarks.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times, May 29, 1959]

DR. KILLIAN'S SERVICE

All Americans can share the "very sincere regrets" that President Eisenhower voiced yesterday in accepting the resignation of Dr. James R. Killian, Jr., as his Special Assistant for Science and Technology. In his year and a half in that office Dr. Killian worked quietly but effectively to improve the organization of the Nation's research effort and to increase our resources, both human and material, for further progress in science and technology. He deserves the Nation's thanks.

We welcome the President's decision to continue the post of Special Assistant for Science and Technology and his choice of Prof. George B. Kistiakowsky of Harvard to fill it. The man occupying this position provides a direct liaison between the Nation's Chief Executive and the world of science which is so centrally important in this era. Professor Kistiakowsky is one of our most distinguished chemists, a man who has served our Nation well in a variety of earlier Government posts, including service with the Manhattan project. Professor Kistiakowsky, we may note, is one of the many foreign-born Americans who have contributed greatly to the strength and health of our society.

[From the Washington Post and Times Herald, May 30, 1959]

DR. KILLIAN'S SERVICE

Dr. James R. Killian, Jr., who has resigned as the President's science adviser, did much more in his 18 months at the White House than render invaluable personal services to this administration. He has, in our judgment, demonstrated beyond all doubt the need for full and continuing scientific representation in the top echelon of the Government.

The reports of his advisory committee favoring greater emphasis on science education and intensified basic research in the nuclear field have been outstanding contributions of a kind that previously had to be brought to bear on national policy by indirect or ad hoc means. Dr. Killian also had much to do with accelerating the space exploration program and putting it under civilian control. He restored a badly needed sense of balance on the nuclear test question.

More important than these particular decisions and recommendations, however, has been the salutary effect of his presence on administration decision-making generally. He has enabled the President to have a broader and less political judgment on scientific questions, too often befuddled with politics, service rivalries, and the grinding of parochial axes. Moreover, Dr. Killian has shown the scientific community how better to make its weight felt in the Government and has fostered much-needed confidence between Government and the scientists. His successor, Dr. George B. Kistiakowsky, appears to possess the qualities needed to carry on this useful work, and we hope that the President will employ him to as great advantage as he has Dr. Killian.

COMMON SENSE TALK ON THE FARM PROBLEM

Mr. KEATING. Mr. President, in a recent editorial, the New York Times pinpointed some of the basic issues involved in congressional consideration of farm legislation. As the Times correctly emphasizes, we are not dealing with whether aid to agriculture should be continued. We all know that certain assistance will be given by the Federal Government to help our farmers.

However, there is a limit to the amount and type of aid which should be extended. It is my firm view that the sooner we let our farmers run their own businesses—with reasonable, but very limited help from Uncle Sam—the better.

I agree wholeheartedly with the New York Times editorial which specifies that the real issue on farm bills is whether we intend to continue the emergency World War II programs, which were originally designed to stimulate production. And I likewise agree that an important part of this question is how long—oh, how long—can we continue burdening America's taxpayers with the tremendous costs of these outmoded price support programs?

It is my hope that as this session progresses we will make further strides toward returning reason to our farm programs, in line with the recommendations of Secretary Benson and the administration. Only in that way will we be able to

get squarely on the road which will eventually lead to a solution of the farm problem.

Mr. President, I ask unanimous consent to have printed in the RECORD the common sense comments of the New York Times on this subject.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, May 26, 1959]

RECKLESS WHEAT POLICY

Farm bloc leaders in Congress are engaged in a race against time this week to obtain passage of a new wheat control law that would be even less defensible, if passed, than the law as it now stands. Next Monday is the deadline for such legislation, since Secretary Benson must then announce planting controls under whatever law may be in effect.

Price support and acreage allotments now stand at the minimum levels provided by the law—75 percent and 55 million acres, respectively. Since these are automatically determined by the wheat supply situation, and since the huge oversupply has not abated since a year ago, the Secretary of Agriculture has no legal authority, even if he so desired, to relax acreage controls or add further to the already overstimulated production by reducing the present level of price supports.

The decision of the Democrats to risk sending such a veto-inviting bill to the President in the face of the prospective rise in the Government-held surplus of that grain is almost unbelievably reckless. Its immediate explanation—if it can be called an explanation—is, as a Times correspondent suggests, that they have been made a little tipsy with the sense of power stemming from last week's victory over the administration on the housing issue.

The plan approved by the House Agricultural Committee would give farmers the choice of two alternatives. The first would reduce acreage by 25 percent (or to about 41 million acres) and boost price supports to 90 percent of parity. The other would eliminate all production controls and drop supports to 50 percent of parity. It is believed that, given a bill based on the second of these two proposals alone, the administration—which favors low price supports and a minimum of Government controls—might give it a blessing. The record of farmer referendums such as is provided for here, indicates, however, that the low price support alternative would almost certainly be rejected.

The basic question involved in the whole "farm problem" as it stands today has nothing to do with the question of whether we intend to continue aid to agriculture. The basic question is whether we intend to continue indefinitely a policy of price supports that were introduced as a world War II measure and were designed essentially as an incentive to increase production in that emergency.

Only less fundamental than this question is its principal corollary. This is: "Are we prepared to go on burdening the Government, the taxpayer, and the consumer with a huge program of subsidies that not only gives every evidence of continuing to grow, but roughly 80 percent of whose benefits may be expected to flow, as they have been flowing now for years, into the pockets of some 1,700,000 prosperous farm proprietors (about one-fourth the total of all farmers)?" Under mechanized production these farm proprietors can, in the case of wheat, for example, produce that grain for as little as 60 cents a bushel at a time when the Government is prepared to take their surpluses off their hands at $1.90 a bushel.

The legislator who expects to record himself in favor of either of the proposed Democratic wheat bills must be prepared, first, to answer "aye" to the underlying questions.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PUBLICATION OF SENATE PAYROLLS

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the story which appeared this morning in the Washington Post, concerning the ruling by Judge Holtzoff on the suit brought by Vance Trimble, of the Scripps-Howard publications, seeking publication of Senate payrolls.

Let me direct the attention of the Senate to the statement made by J. R. Wiggins, executive editor of the Washington Post, on behalf of the board of directors of the American Society of Newspaper Editors:

The judge says "this subject is within the legislative power." That it certainly is. The House demonstrated this several times years ago when it opened to public inspection the payrolls of the Members. The Senate can do likewise. Both Chambers have the power to make public the information sought.

My Senate Resolution 99 is, I remind the Senate, pending in a subcommittee of the Senate Rules and Administration Committee.

I am not certain that Judge Holtzoff's ruling is the final judicial opinion on this matter. But I believe it puts the burden upon the Senate to make public on a current basis the information about its expenditures that the people—the taxpayers—are entitled to have.

I ask unanimous consent to have printed at this point the text of my Senate Resolution 99.

There being no objection, the text of the resolution (S. Res. 99) was ordered to be printed in the RECORD, as follows:

Resolved, That (a) the Secretary of the Senate is directed to include in his annual report to the Senate the amounts paid by him during the fiscal year covered by the report to each person employed in the office of each Senator, to each person employed in the office of the Vice President, and to each person employed by each committee of the Senate or subcommittee thereof, by reason of such employment.

(b) The Secretary of the Senate is directed to furnish, under such reasonable rules and regulations as he may prescribe, such information concerning current disbursements of public funds as may be requested of him by any person.

(c) Subsection (b) of this resolution shall take effect thirty days after the date of its adoption.

Mr. MORSE. Mr. Trimble and Mr. Wiggins deserve the thanks of the American people for the battle they are waging on behalf of the people's right to know how their money is being spent. I hope this decision by Judge Holtzoff will prompt an early hearing by the Rules Subcommittee on my resolution.

I also ask unanimous consent that, along with my resolution, there be printed in the RECORD the story which appeared in the Washington Post of this morning.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SUIT BY NEWSPAPERMEN TO VIEW SENATE PAYROLLS IS THROWN OUT

District Court Judge Alexander Holtzoff threw out a newspaperman's suit to compel Senate disclosure of its payroll records yesterday, upholding all three of the major arguments advanced by the Government in its motion to dismiss the action.

The memorandum opinion presumably will be held applicable to a similar suit involving the House records brought by the small plaintiff, Vance Trimble, Scripps-Howard news editor. Judge Holtzoff's 10½-page opinion held that:

The matter at issue was the Senate's own legislative business and "it is no part of the judicial function to supervise or control" it under the constitutional doctrine of the separation of the governmental powers.

Trimble was without right, either constitutional or personal, to inspect the records in question. In this connection Holtzoff observed that "the constitutional privilege of freedom of the press does not include a right on the part of newspapermen to inspect documents not open to members of the public generally."

Refusal of Senate officials to disclose the data Trimble sought for publication did not interfere with the newspaperman's pursuit of his right to earn a livelihood. On this last point, Holtzoff commented that "the most that can be said is that they have declined to aid him to see documents which Congress has not seen fit to make accessible to the public."

Currently on file in both Houses of Congress are identical petitions of grievances seeking disclosure of the records involved, filed 2 weeks ago by J. R. Wiggins, vice president and executive editor of the Washington Post, on behalf of the board of directors of the American Society of Newspaper Editors. Wiggins is president of the society.

In the wake of Holtzoff's opinion, Wiggins commented:

"With one sentence of Judge Holtzoff's opinion all parties surely are in agreement. The Judge says 'this subject is within the legislative power.' That it certainly is. The House demonstrated this several times years ago when it opened to public inspection the payrolls of the Members. The Senate can do likewise. Both chambers have the power to make public the information sought.

"It is to be hoped that they will, not because the information sought is needed by the press but because it is needed by the people in order to form a more perfect estimate of the services of those they elect to office."

CHANGE IN FOREIGN AID POLICY

Mr. MORSE. Mr. President, the New York Times for Tuesday, June 2, 1959, contained an article entitled "MANSFIELD Spurs Aid Policy Shift—Pleads in Senate for End of Grants as Way To Prevent Peril to Whole Program."

It is an excellent article, and it causes me, as I ask unanimous consent to have it inserted in the RECORD, to pay this commendation to the Senator from Montana [Mr. MANSFIELD].

I serve with the Senator from Montana on the Committee on Foreign Relations. I well know, Mr. President, what one must

expect when one makes suggestions for modifications of the mutual aid program. One must expect a great deal of criticism, because the impression has been created through the media of information in this country that anyone who makes a suggestion for any modification in the mutual security program is apparently following a policy which is not in the public interest.

I always admire the courage of statesmanship, Mr. President. I think the Senator from Montana has demonstrated that courage time and time again in the past several years when, as a member of the Committee on Foreign Relations, he has suggested very constructive proposals for amendments to the mutual security program, which amendments, in my opinion, would really strengthen the security of our Nation and give us a better mutual security program.

Thus again this year the Senator from Montana, as a member of our committee, is taking the leadership in offering amendments to the program. If one will analyze a good many of the amendments some of us are proposing in the Committee on Foreign Relations one will discover that they are based upon the recommendations of the studies which were prepared for the Committee on Foreign Relations, almost 3 years ago now, by groups of experts from various universities and research institutes, for which studies the Senate appropriated some $240,000.

I have waited long and patiently for any answer to these recommendations which would justify the Senate in not following them. I shall support, until someone can show me any specific recommendation is unsound, the major recommendations of the experts.

I want the RECORD to show this morning that I intend to stand shoulder to shoulder with the Senator from Montana in support of the amendments he is offering in the Committee on Foreign Relations and in the Senate with regard to the mutual security program.

Mr. President, I ask unanimous consent to have the article printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 2, 1959]

MANSFIELD SPURS AID POLICY SHIFT—PLEADS IN SENATE FOR END OF GRANTS AS WAY TO PREVENT PERIL TO WHOLE PROGRAM

(By Russell Baker)

WASHINGTON, June 1.—Senator MIKE MANSFIELD renewed his demands today for a fundamental revision of the foreign aid program.

The Montana Democrat, who is pressing for abolition of the bulk of outright grant aid, said that the administration's impassioned insistence that nothing must change would ultimately destroy the entire program.

Senator MANSFIELD would require the administration to produce by next year plans for abolishing special assistance and defense support by 1963. This year the administration is requesting about $1,100,000,000 for these two forms of grant aid, or more than a quarter of the total $3,900,000,000 program.

Defense support is an euphemism for grants to 12 countries with which the United States has military pacts. Special assistance provides grants to underdeveloped countries with which this country does not have military alliances. Both are essentially forms for subsidizing fragile or nonviable economies.

Senator MANSFIELD wants the Administration to produce new devices for doing this job. He argues that the grant technique makes for inefficiency, creates discontent with the entire program's future.

Leonard J. Saccio, Acting Director of the International Cooperation Administration, has opposed the changes as an attempt to legislate away the problems of this mid-20th century.

Mr. MANSFIELD told the Senate today:

"If you cannot legislate away the program of this mid-20th century, much less can you spend them away with never-ending grants of foreign aid."

FEARS DAY OF RECKONING

To continue the program in its present form, he said, "merely puts off until tomorrow the day of reckoning.

"I cannot accept it because, in the end, that course threatens to destroy what is essential to the Nation, what is desirable in this program, along with much that is nonessential and undesirable."

Senator MANSFIELD said that his speech was preliminary to the introduction of five amendments to the foreign aid bill. In addition to calling for a program to abolish special assistance and defense support grants they would:

Require disclosure of data on the total cost of the aid program to any recipient country.

Require that the ICA be dissolved and its functions be integrated in the Departments of State and Defense.

Strengthen control of the Secretary of State over all forms of aid, including military.

Put military aid directly in the Defense Department budget to make certain that each dollar spent for such aid is better spent abroad than at home.

The hard question raised by the MANSFIELD proposal to cut off grant aid is this:

If the Government is forbidden to make outright grants, what legitimate device can be used for keeping unviable economies such as Jordan and Libya from collapsing?

The administration argument is that such countries will find it impossible for years to come to survive economically without subsidy.

Senator MANSFIELD sought to answer this point today. Recipient countries, he said, need not be adversely affected by a cutoff of grants.

What such a change "will require," he said, "is a rethinking of the aid program, a reshuffling from top to bottom of the aid program in those countries. This rethinking, this reshuffling will be aimed at ending the state of one-sided, endless dependence in which they now find themselves."

Mr. MANSFIELD had no specific suggestions. He said, however, that his project would require that targets be set in the recipient countries for increasing productivity, closing foreign-exchange gaps, reducing excessive military forces, raising investments, and carrying out internal economic reform.

"I will bring about exploration of new ways, such as broad international participation in development, for helping to bring about economic progress," Mr. MANSFIELD said. "It should do much to place these recipient peoples, 4 years hence, in a position to move forward on their own momentum."

Most of the recipients, he said, are rich in resources. The administration, he went on, should help them to "organize and utilize these resources" for their own benefit.

If two or three countries cannot be helped to solve their problems, he said, Congress almost certainly would be willing to make exceptions to fit individual cases.

Senator MANSFIELD's proposal is consistent with many ideas being put forth this year by supporters of foreign aid to end the annual political fighting that they fear may eventually destroy the program.

NOMINATION OF LEWIS STRAUSS TO BE SECRETARY OF COMMERCE

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks a telegram I received from Mr. and Mrs. Alland in regard to the Strauss nomination.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

NEW HAVEN, CONN., *June 3, 1959.*

Senator WAYNE MORRIS,
Senate Office Building,
Washington, D. C.:

We support your stand against Lewis Strauss, and as members of the Jewish faith we realize that anti-Semitism is not an issue here.

Sincerely yours,
ALEX and SONIA ALLAND.

REPORT OF INTERSTATE COMMERCE COMMISSION ON GENERAL INVESTIGATION OF RAILROADS

Mr. JAVITS. Mr. President, on February 2, 1959, I introduced for myself, for my colleague from New York, the distinguished present occupant of the chair [Mr. KEATING], and for the distinguished senior Senator from Massachusetts [Mr. SALTONSTALL], S. 858, a bill which would amend the Internal Revenue Code in order to permit railroads to take full advantage of tax relief granted by States or municipalities by amending the Internal Revenue Code to provide that the amount of such tax relief be exempt from Federal income taxes.

A report of the Interstate Commerce Commission, docket No. 31954, in the proceeding entitled "Railroad Passenger Train Deficit," was published on May 18, 1959, after an investigation which extended more than 2 years.

The report of the Interstate Commerce Commission strongly endorses the amendment of the Federal tax laws to encourage local and State tax relief "at least to the extent of disregarding State and local provided 'pretax net income' for Federal tax purposes." Indeed, that is one of the nine specific suggestions made by the Commission at the conclusion of its study.

The discussion by the Interstate Commerce Commission of this subject is so apt that I ask unanimous consent to have it printed in the RECORD following these remarks.

I hope very much it will be carefully considered by the members of the committee, because I think it supports markedly the proposed legislation to which I have referred.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

INTERSTATE COMMERCE COMMISSION REPORT NO. 31954—RAILROAD PASSENGER TRAIN DEFICIT—DECIDED MAY 18, 1959

Facts developed upon general investigation to inform the Commission as to the

manner and method in which carriers by railroad subject to part I of the Interstate Commerce Act conduct their passenger business, particularly in respect to the nature and causes of the deficit therefrom and possible ways of eliminating that deficit. Recommendations made pursuant to section 12(1) of the Interstate Commerce Act and proceeding discontinued.

The NARUC (National Association of Railroad and Utilities Commissioners) questions "the practicability of obtaining ad valorem property tax relief on the local level" but suggests that "there is precedent for relief on the national level in the adjustment of corporate income tax." One reason for reluctance of State authorities to lighten the railroad's taxload is the fact that the increased earnings would be subject to the Federal income tax. On this point the New York Public Service Commission states:

"Coincidentally, and prerequisite to effective State and local action along similar lines, provision must be made in the Federal Internal Revenue Code preserving for railroads the full benefit of any and all forms of State and local tax relief or aid so that 52 percent or more thereof will not be siphoned away and find its way into the Federal Treasury by operation of the present income tax law."

Federal taxes are of such nature that they tend to vary in the degree with fluctuations in railroad revenue, while State taxes show less relation to such fluctuations. For example, preliminary figures for 1958 show that class I railway operating revenues in that year were $9.56 billion compared with $10.51 billion in 1957, a reduction of 9 percent. Federal income and payroll taxes in the same period declined from $664 million to $558 million, a reduction of 16 percent. In the case of all other taxes, however, the reduction was from $405.8 million to $399.2 million, 1.6 percent.

The tax burden on passenger revenue is somewhat heavier than that on freight. In 1957, 12.8 percent of passenger service revenue was required for taxes assigned to that service, and the corresponding percentage for freight was 8.9 percent. For that reason any possibility of lower taxes affecting passenger service is important. We concur in the suggestion of the Senate committee "that State and local governments reexamine taxes now borne by the railroads for the purpose of determining and correcting inequitable tax situations that exist."

We recognize that the field of taxation is not our responsibility nor prerogative, yet to the extent that both Federal and State revenue measures tend to impede progress in public transportation and in the present rail passenger crisis even constitute a major factor against survival, we cannot disclaim responsibility for doing what we can to help find proper solutions. In this spirit this Commission has consistently urged repeal of the Federal excise tax on freight revenues and continues to urge repeal of the similar, but higher, tax on passenger revenues. Now it appears from our studies in this docket and by the New York studies followed by the Purcell Report that ad valorem income, franchise and other types of taxes should be reviewed and modified, particularly in States where the burdens are disproportionately heavy on railroads operating within their borders. Judging from developments to this point, however, even when States or municipalities agree relief is warranted, they see no justification for giving up local revenues only to have these savings reflected in the gross income of each railroad for Federal income tax purposes.

It has been pointed out forcefully, for example, that one railroad while losing some 33 million in 1958 in passenger operations, nevertheless, earned overall $4,050,000 net revenue for Federal tax purposes. If the several States and cities were agreeable to tax relief, in an effort to retain passenger service, including commuter trains, their willingness to enact appropriate measures, as well as their justification therefor in the public interest, necessarily would depend upon the railroads' retention of such benefits. This means the Federal tax laws and regulations must in some manner give reciprocal recognition of State relief. We understand legislation looking to that result has been introduced and will be considered by the appropriate committees.

The Congress, on the other hand, has the broad consideration of both freight and passenger service and the national system of transportation, apart from the essentially local concern over commuter services. It may properly feel that tax relief which it is called upon to provide, or that which it is asked to recognize as resulting from local and State relief measures, should be reflected to some extent in improved maintenance of railroad properties and in capital replacement, additions, and the like. With this in mind we suggest that differences in local and Federal viewpoints might be resolved by consideration of reasonable conditions requiring evidence of appropriate use of State tax relief funds as a prerequisite for Federal recognition.

Whether such conditions are warranted in the current crisis is not for us to say, but it seems evident from current State studies that local tax relief to railroads, an essential factor in continuance of local passenger and commuter train operation, will not be forthcoming where most needed and to the extent required until proper Federal recognition is assured. We strongly recommend, therefore, that the Congress consider appropriate measures to encourage local and State tax relief to railroads, at least to the extent of disregarding State and local provided pretax net income for Federal tax purposes.

THE ELECTIONS IN SICILY

Mr. JAVITS. Mr. President, I should like to associate myself with the remarks made by my distinguished colleague from New York, the present occupant of the Chair [Mr. KEATING], in urging Americans of Sicilian extraction to communicate with their friends and relatives in Italy with respect to the pending election in Sicily.

My colleague has brought to our attention a very important event, with which we in New York have some familiarity. Mayor La Guardia, as my colleague noted, was a great leader in the fight in 1948 which resulted in a very material change, we all feel, of sentiment in Italy.

I do not consider this to be interference in the affairs of another country. This is people-to-people communication, an ideological and evangelical kind of communication, urging others to do as we do and also urging others to have the objective view which we have on the grimness of the struggle between communism and freedom.

I think we have a right to feel that if communism should win in Sicily it would just be a base of operations, a sort of Achilles heel for an attack upon the Italian boot.

I deeply believe, since we have a great population of Italian extraction in New York, this is a particular message to the people of New York. I hope very much others of our colleagues will join with us in similarly urging their constituents who may have friends and relatives in Sicily to take a good, hard look at the conditions there, not only in terms of what they may feel about the local situation but also in terms of the grim struggle in which the whole world is engaged and in which the people of the United States have such a burning interest.

I wish to congratulate my colleague, and also the Hearst newspapers for urging a great letter-writing and coupon campaign on this subject, for their enterprise and initiative. I emphasize, from my own experience in the foreign policy field, that this does not represent interference in any official or Government way with the affairs of another country. This represents what we call people-to-people communication. We have a right to participate in it. We have a right to feel that the people of Sicily or of Italy, if they want to say anything to the people of the United States of whom they are relatives and friends, are welcome to do so.

The free world not only guarantees freedom of elections, but also guarantees freedom of communication.

ANNIVERSARY OF THE FOUNDING OF THE REPUBLIC OF ITALY

Mr. WILLIAMS of New Jersey. Mr. President, friends of freedom in all lands are gratified when they observe a nation emerge from the shadow of totalitarianism and resume its rightful traditions of justice and liberty.

On June 2, 1946, the Republic of Italy was founded in a postwar climate of uncertainty and hardship.

Thirteen years later this Republic is one of the most productive of all European nations. It is a keystone of defense for the West. Its industries are producing goods on a scale not known before.

There are many other facts which could be quoted today to show how Italy has now won the admiration of the free world. I would like to recall, however, the crucial test of the 1948 Italian election.

Italy at that time had been the target of an intensive Communist campaign for control. Writers told us after the election that Communist groups had spent more than 4 years to prepare for a victory which would put Italy behind the Iron Curtain.

Great efforts were made to prevent this. Hundreds of thousands of letters were written by Italo-Americans to friends and relatives in Italy. April 18 and 19, 1948, were days of suspense as voters went to the polls.

An article in the November 1948, Reader's Digest summed up the returns:

The election results were truly staggering. More than 90 percent of those eligible had cast their votes. Anti-Communists had won control of both Houses of Parliament and a government without Communist ties was assured for the next 5 years. But most sober-minded persons realized that the victory was only an incident, even though a happy one. Italy had saved herself, as Churchill later pointed out, "for the time being" from Moscow dictatorship. The question on the lips

of many was, "How long can this victory be made to last?"

This week's anniversary of the Republic, and the many anniversaries yet to come, give a confident answer to that last question.

DOUBLE TALK AND EVASION BY LEWIS L. STRAUSS

Mr. McGEE. Mr. President, on Monday I obtained unanimous consent to have a sermon by the Reverend Duncan Howlett, pastor of the All Souls Church in Washington, D.C., placed in the CONGRESSIONAL RECORD. In this eloquent sermon, Dr. Howlett has laid bare one of the most important reasons why the Senate should not confirm Lewis Strauss as Secretary of Commerce.

We have long recognized that the infinitely technical development of our language has made it possible for us to give the appearance of communicating without actually communicating at all. This—and not any wish of the Interstate and Foreign Commerce Committee to persecute Mr. Strauss—is the precise reason why the recent hearings consumed so much time. It proved impossible for even the most diligent members of the committee to obtain direct answers from Mr. Strauss.

Many of us are inadvertently ambiguous on occasions; but here is a man who has developed the practice of deliberate ambiguity to an art—a man so successful in the art of communication that he brought communication itself to a standstill. Our task in obtaining information from Mr. Strauss at the hearings was not always a simple matter of discerning simple untruths. In the words of Dr. Howlett, we had to "learn to deal with the falsehood that disguises itself in confusion; the lie which, rather than posing as the truth, vanishes together with the truth in a multitude of meaningless words."

A perfect example of this apparently responsive, but meaningless obfuscation was the reply to Senator ANDERSON'S double charge that Strauss' stand against the shipment of radioactive isotopes abroad was contrary to both sections 5a and 10a of the McMahon Act. After Senator ANDERSON carefully established his charge on this double basis, Mr. Strauss blandly replied that the charge was based only on section 5a, and implied that this was not pertinent because his defense was based on section 10a.

I submit, Mr. President, that here is a mathematically exact half-truth. It was true to say that Senator ANDERSON'S charge was based on section 5a. But it was just as true that it was based on section 10a. By implying that the charge was thus irrelevant, Strauss skillfully obscured the fact that he could not answer the charge and diverted the attention of the committee from his inability to do so.

Mr. President, we must not, in the words of Dr. Howlett, "allow double talk to become an instrument of national or international policy."

Talk for the purpose of stopping, rather than furthering communication has become a disease in public life. This is more dangerous than the technique of the big lie. It is more insidious because it is more subtle. Mr. Strauss did not create this disease, but he has succumbed to it. Our refusal to confirm Mr. Strauss would not be an act of personal malice—it would be an act for the public good.

Let the precedent against double talk and evasion be set here and now. Let us refuse to confirm Mr. Strauss as Secretary of Commerce.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks excerpts from the testimony at the hearing before the Interstate and Foreign Commerce Committee on May 6, 1959, which illustrate the evasiveness and half truths of which I have been speaking.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS OF TESTIMONY TAKEN FROM INTERSTATE AND FOREIGN COMMERCE COMMITTEE HEARINGS, MAY 6, 1959, ON THE NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE, PAGES 1008–1015

Senator MCGEE. What was the exception?

Mr. STRAUSS. The word is "foregoing." "And the actual test of the law goes on, but does not include source materials as defined in section 5b(1)." Period, end of the section.

Senator PASTORE. In other words, Mr. Strauss—let me see if I can clear this up—it was your understanding that Senator ANDERSON had asserted or had accused you of assuming your position under interpretation of the atomic energy law, section 5a, but you did not take your position under the interpretation of the law under section 5a which has to do with fissionable material; you took your position under section 10, which has to do with not communicating information to any other country in the world.

Mr. STRAUSS. Yes; and I so testified before the Joint Committee, and it is of record in the document to which the chairman a moment ago alluded, on page 42.

Senator PASTORE. If I am not right, you can correct me.

Senator MCGEE. Mr. Chairman, we haven't gotten to the end of this point.

Mr. STRAUSS. I am aware of that, Senator. I know that this will be protracted.

Senator MCGEE. We are trying to get down to the——

Senator PASTORE. Please read on, Mr. Strauss.

Mr. STRAUSS. "It is therefore apparent that fissionable material was intended to include plutonium, enriched uranium and other similar materials capable of causing a chain reaction and thus useful in the nuclear weapons."

This is the part I quoted:

"But it would require a very strained and incorrect interpretation of the act to state that the term 'fissionable material' included radioisotopes, which have no weapons potential and are used for peaceful purposes."

I will read on, but that was not the section of the act which I interpreted, and no strain was involved, I assure you.

Senator MCGEE. The bottom of the page——

Senator PASTORE. Keep on reading.

Mr. STRAUSS. I will reach it. I will read every point of it, if you will permit me to:

"It is true that the Congress has subsequently amended this section of the act, in 1951, and again in 1958, to keep up with changing world conditions and need for cooperation with our military allies in the nuclear weapons field. However, at no time did the Congress prohibit export of radioisotopes for peaceful purposes."

I will end the quote for the moment. I differ with that:

"The 1954 act in fact contained a specific provision (sec. 7c) concerning 'byproduct materials,' or radioisotopes, and specifically authorized distribution of these materials for various purposes without any prohibition as to export or import."

I forgot that I was going back on the record, quoting Senator ANDERSON, beginning with the 1954 act:

"The prohibition as to export or import pertained specifically to 'fissionable materials' and not to 'byproduct materials,' or radioisotopes.

"Section 10a of the 1946 act"——

Senator MCGEE. Are you reading from Senator ANDERSON?

Mr. STRAUSS. I am—(continuing) "pertained to control of information and did not prohibit exchange of materials. It would be a strained and incorrect interpretation of the act to state that transfer of an isotope involved 'an exchange of information' as there so clearly pointed out by Dr. Oppenheimer and others during the hearing."

Senator PASTORE. Mr. Strauss, don't you interpret that to mean that the position of Mr. ANDERSON was—and I will be corrected—that whether you interpret it under 5a or 10a, the point he was trying to make is that you could export a radioisotope; and your position is that you could if it was strictly for medical purposes, but you couldn't if they could be used for industrial purposes?

Mr. STRAUSS. That is correct, Senator.

Senator PASTORE. It is just as simple as all that. We have wasted 2 days over it.

Senator MCGEE. Mr. Chairman, I was not quite finished here, in order to get this cleared up.

I am still quoting from Admiral Strauss' statement, on Page 15, when he says that "the Senator from New Mexico was not a member of the Joint Committee at the time and may not be as familiar with the Atomic Energy Act of 1946 as I then was." The pertinent section is not Section 5, he said, but section 10.

Mr. STRAUSS. That is correct.

Senator MCGEE. Entitled "Control of information."

Mr. STRAUSS. That is right.

Senator MCGEE. Yet you leave that out in terms of the Senator's case and his reference to it on which he built his charge. I am only asking that we clear up the record and make it read accurately, without the rather conspicuous omission here of the fact that his case rests on section 5a and section 10.

That is all that is at stake there. You read it very well.

Mr. STRAUSS. Thank you, Senator.

The Senator appeared to me to base his argument on section 5a(3). I base mine on section 10. I clearly stated in 1949 that that was the section upon which I relied.

Senator MCGEE. Let the record show——

Mr. STRAUSS. To bring in another section was extraneous to my case.

Senator MCGEE. You were attacking Senator ANDERSON'S case, and here it is in section 5a and 10a, and you have just read it.

Mr. STRAUSS. What is your point, Seantor?

Senator MCGEE. That there was a significant omission in your statement here that you have handed to the press and to the members of the committee, in premising your attack on the Senator's case on the interpretation which you place on section 5 and quote from it, but you omit, and I trust inadvertently, his reference also in building his case, to section 10. That is all I asked that we clear up in the very beginning. It is as simple as that.

Mr. STRAUSS. I also omitted his reference to section 7c, Senator. The fact is that I was defending my position, not trying to establish Senator ANDERSON'S.

And Senator ANDERSON had advance knowledge of my position over the years. If he had wished to demolish my position, he would have directed his attention to section 10, instead of to section 5. And he made some fun of me by indicating that I thought this isotope was fissionable material. I never had any such idea.

Senator ANDERSON. May I——

Mr. STRAUSS. It is a reference to a bottle and a shovel.

Senator ANDERSON. Could I make a personal statement there?

The CHAIRMAN. If it is all right with the committee, it is all right with the Chairman.

Senator ANDERSON. Every word——

The CHAIRMAN. Wait a minute.

Is there any objection by the committee? All right.

Mr. STRAUSS. Could I go ahead?

Senator ANDERSON. Every word I wrote out originally was based on section 10a. Every word. It had nothing to do with section 5.

Dave Toll, the attorney for the committee, came over and said, "You mustn't overlook the other sections and in fairness you ought to put them in," and he wrote them in. And I took out the sections that related primarily to section 10, and let him file the whole thing. If you want to go check it, you can check it. To say that I have based my case on five is absurd and ridiculous, and nobody knows it better than the witness.

Senator MCGEE. Mr. Chairman, since I introduced it——

Mr. STRAUSS. The record speaks for itself.

Senator MCGEE. I would like to conclude.

The CHAIRMAN. All right.

Senator MCGEE. I remind the committee that in the charge here today leveled by the admiral we have read his statement on page 15 in which he impugns the knowledge available to Senator ANDERSON by suggesting he was not a member of the Joint Committee, and then educating him on what his lack of knowledge seemed to bring forth from him by saying the pertinent section is not section 5 but section 10. This is precisely what Senator ANDERSON reported in the committee hearing yesterday.

Mr. STRAUSS. Mr. Chairman, I am not impugning anyone. I am defending myself against an unwarranted attack. I have stated that the pertinent section is not section 5 but section 10, and the report of the Joint Committee makes it abundantly plainly clear: "Admiral Strauss relied upon section 10a of the act."

Senator COTTON. Mr. Chairman, we made no objection, and welcome the statement by Senator ANDERSON. But the record should show that in Senator ANDERSON'S testimony he spent most or part of page 684, a considerable part of 685, discussing section 5a, and then he mentions section 10a at the bottom of page 686 and dismisses it in just six lines.

Senator ANDERSON. That is not fair. Turn to page 688 and read it: "You will see that the Joint Committee on Atomic Energy went carefully into Mr. Strauss' comments that section 10a of the act, which I will not try to quote in full, says," and so forth. I knew about his opinion; and I quoted it properly.

I am sure the Senator from New Hampshire will recognize that.

The PRESIDING OFFICER. Is there further morning business?

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. JOHNSON of Texas. Mr. President, I wish to inform the Senate that when action shall have been concluded on the agriculture appropriation bill today, it is the intention of the leadership to move that the Senate proceed to the consideration of Calendar No. 318, Senate bill 1541, to amend certain laws of the United States in light of the admission of the State of Alaska into the Union, and for other purposes. The junior Senator from Alaska [Mr. GRUENING] has talked to me about the bill several times. It is a very important bill. The senior Senator from Alaska [Mr. BARTLETT] is prepared to address himself to the bill this afternoon. So as soon as the Senate has completed action on the agriculture appropriation bill, it is planned to call up Senate bill 1541, if that is agreeable to the Senator from Alaska.

Mr. GRUENING. Yes; indeed.

Mr. JOHNSON of Texas. I desire all Senators to be on notice.

When action has been concluded on Senate bill 1541, it is planned to have the Senate consider Calendar No. 321, H.R. 7007, to authorize an appropriation of about a half billion dollars to the National Aeronautics and Space Administration. That amount is, I think, identical with the figure in the President's budget. It is an important bill, one which should be sent to the President promptly for signature, so that the House may then begin its consideration of the appropriation to carry out the authorization. The bill was reported unanimously by the Committee on Aeronautical and Space Sciences. I do not believe there is any objection to it. The able Senator from Mississippi [Mr. STENNIS] will handle the bill on the floor. I wanted to make this announcement so that all Senators would be on notice.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. JAVITS. Is it planned to take up any nominations today?

Mr. JOHNSON of Texas. That will depend on the progress which is made on the bills. I would not like to have the Senate work until too late an hour. But if action should be concluded on the bills I have just mentioned, it might be possible to begin the consideration of nominations.

Mr. JAVITS. Will the nominations, then, be taken up tomorrow?

Mr. JOHNSON of Texas. They will be taken up when action has been concluded on the bills I have listed. I hope we may take them up during the latter part of the afternoon. I do not anticipate that there will be much discussion of the Alaska bill or the space bill. But whether the nominations will be taken up this afternoon will depend on how much time is consumed on the bills I have mentioned. As the Senator from New York knows, I am very desirous that the Senate shall begin the consideration of the nominations as soon as that is practicable.

INCREASED GOVERNMENT PURCHASES OF EGGS

Mr. HUMPHREY. Mr. President, the New York Times today has published an editorial entitled "Grain Props, and Eggs." Also, the New York Times this morning has published an article entitled "United States Will Increase Purchase of Eggs To Help Farmers." I ask unanimous consent that the article and editorial may be printed at this point in the RECORD.

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

[From the New York Times, June 3, 1959]

GRAIN PROPS, AND EGGS

Secretary of Agriculture Benson has announced the Department's wheat program for the crop year beginning July 1. The amount of planting authorized has again been set at the minimum permitted by law, 55 million acres. On July 23 the customary referendum will be taken among wheat farmers. If they cast a two-thirds vote in favor of accepting marketing quotas (the compulsory part of the program) the support levels for complying farmers will be about $1.81 a bushel; in the remote case that marketing quotas should be turned down the support level would drop to about $1.05 a bushel.

President Eisenhower took the occasion to protest once more against the changes incorporated in pending legislation in Congress, which would increase price supports still further for farmers complying with acreage and marketing restrictions.

The administration has contended that incentive price supports are self-defeating. That is why the President declared that "continuation of this legislation for another year leads the wheat program one step closer to disaster."

The wheat program and other compulsory price support programs need to be better understood by other groups in the economy. At the present moment this is particularly true in the case of the financially troubled egg-producing farmers of the Nation. There is a huge disparity between the cost of producing wheat and corn on the big commercial farms of the country and the level at which price supports are fixed. Thus the average production of wheat an acre works out at 27 bushels. But the comparatively small number of farms that contribute about three-fourths of commercial supply each year average between 60 and 70 bushels.

While the Government will be standing by in 1960 prepared to absorb the Nation's surplus at $1.81 a bushel, millions of bushels of this surplus will be produced in the great Southwestern farm areas at as little as 60 cents a bushel.

This revolution in grain production should not be permitted to stop at that point. We know that whereas in the thirties 50 pounds of feed were required to produce 77 eggs, today the same amount will produce 145 eggs; tomorrow it is expected to be 160.

Why, then, doesn't the condition of the egg farmers reflect these enormous gains? The answer is that the producers of the basic food and feed grains have prevented them from being passed on to the producers of eggs, poultry, and meat by insisting on legislation designed to maintain price supports for their crops completely out of touch with reality.

[From the New York Times, June 3, 1959]

UNITED STATES WILL INCREASE PURCHASE OF EGGS TO HELP FARMERS—PROGRAM FOR FROZEN WHOLE PRODUCT TO START SHORTLY—DETAILS DUE LATER—WEEKLY BUYING SLATED—PRESSURE FROM NEW JERSEY AND PRODUCER GROUPS CITED—CASE LAUDS ACTION

(By William M. Blair)

WASHINGTON, June 2.—The Department of Agriculture announced today that it would buy frozen whole eggs to help the egg and poultry industry.

The Department said that it would begin the weekly purchases soon. The farmers have been seeking aid to help bolster sagging prices.

Details of the new frozen whole egg purchase program will be made known to the industry later this week, Department officials said. The frozen whole eggs will be stored for drying later this year and for distribution in the national school lunch program and in charitable and welfare programs.

Officials said that egg dryers were running at full capacity because of the heavy production, thus necessitating the frozen whole egg program rather than a step-up in dried egg purchases.

BUYING DRIED EGGS

The Department has been buying dried whole eggs to help stabilize prices to producers since April 16, the date on which it stopped the purchase of dried eggs for the national school lunch program. Total purchases to date under both programs has been 13,500,000 pounds or the equivalent of 1,400,000 cases of shell eggs. A case contains 30 dozen shell eggs.

The cost of these programs has exceeded $15 million. There was no immediate announcement on the probable cost of the frozen whole egg program.

Frozen whole eggs are used principally by bakers. The yolks and whites of eggs are separated from the shell and packed for freezing in 37½-pound containers. A container of this weight holds 30 dozen or 360 eggs. Ten pounds of dried eggs comes from the same number of eggs.

Ezra Taft Benson, the Secretary of Agriculture, agreed last Friday to reconsider further subsidies to the egg industry after a meeting with Philip Alampi, New Jersey Secretary of Agriculture and 10 representatives of New Jersey farmer and feed groups.

Senator CLIFFORD P. CASE, Republican, of New Jersey, said today that he had been informed by the Department that other proposals by the New Jersey delegation were "still under active consideration." This was relayed to Senator CASE by Clarence I. Miller, Assistant Secretary of Agriculture.

The other proposals included the purchase of chickens for canning to be held for later use in the school lunch and welfare programs, release of feed grains going out of condition at a price 50 percent of what New Jersey producers pay for feed, purchase of shell eggs and a price-support program for poultry.

Mr. Benson has made clear that a price-support program would not be undertaken and that he frowned upon purchase of eggs in the shell because of storage problems and the interference with normal trade channels.

CASE HAILS PURCHASE

Senator CASE hailed the purchase of frozen whole eggs as "a sound and realistic step in the right direction to meet the immediate crisis."

But New Jersey's Democratic Senator, HARRISON A. WILLIAMS, JR., attacked Mr. Benson for failing to use the power and funds he has "to curtail the waves of bankruptcies now forcing farmers out of business in many States."

On the Senate floor, Mr. Benson came in for more criticism as the Senate rejected an administration-supported effort to cut $150 million from soil and water conservation payments in 1960.

The roll-call vote was 51 to 26 against an amendment by Senator JOHN J. WILLIAMS, Republican, of Delaware, who has been trying to slash the program for years.

He proposed that the agriculture appropriations bill before the Senate authorize only $100 million for payments under the agricultural conservation program, known as ACP. The Senate vote upheld a provision calling for advance authorization of $250 million. This was the same amount authorized for this year and the same amount voted for 1960 by the House.

PAYMENTS TO FARMERS

ACP payments are made to farmers who install specified soil and water savings practices on their farms. Mr. Benson contends that these practices including use of lime, contour plowing, and terracing are routine modern farm methods for which no payments should be made. He has sought to cut the program almost every year since 1953.

This was the only major action taken by the Senate on the $3,975 million agriculture appropriations bill for the fiscal year beginning July 1. Frequent interruptions for other matters and statements by Members held up action on several amendments, including the contested limit of $50,000 on the amount of Federal price support that could be given to an individual farmer.

Mr. HUMPHREY. Mr. President, I am pleased, of course, that the Department of Agriculture, in this month of June, has at long last seen the necessity of making additional egg purchases. The price of eggs has been disastrously low since late March and continuing into April and May—2½ months. Millions and millions of dollars of savings have been liquidated, and hundreds of farmers have actually been broken on the rack because of the disastrous prices for eggs. But at long last the Secretary of Agriculture, who has had the authority all the time, who has had the money, by appropriation from Congress, all the time, and who has had the machinery for effectuating a policy of purchases all the time, has decided to move a little bit more in an effort to bolster prices.

By the way, these products are usable. They are usable at hospitals, usable in the school lunch programs, and usable in the overseas aid program. It is not as if the products would be wasted, and that all the Government would be doing would be to buy eggs and throw them into the ocean. That is not the case. The eggs will be dried and frozen, and, as such, will be edible and usable.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. RUSSELL. I am not familiar with the article to which the Senator has referred. Does the Senator say that the Government is supporting the price of eggs?

Mr. HUMPHREY. I am saying that the administration now has decided, according to the article written by Mr. William M. Blair, to buy frozen whole eggs in order to help the egg and poultry industry. Mr. Blair, who is one of the respected writers on agricultural subjects and other topics for the New York Times, states:

The Department of Agriculture announced today that it would buy frozen whole eggs to help the egg and poultry industry.

The Department said that it would begin the weekly purchases soon. The farmers have been seeking aid to help bolster sagging prices.

Details of the new frozen whole egg purchase program will be made known to the industry later this week, Department officials said. The frozen whole eggs will be stored for drying later this year and for distribution in the national school lunch program and in charitable and welfare programs.

Officials said that egg dryers were running at full capacity because of the heavy production, thus necessitating the frozen whole egg program rather than a step-up in dried egg purchases.

Mr. RUSSELL. I thank the Senator. I assume that that program would apply to the production of eggs all over the United States.

Mr. HUMPHREY. I hope so. I hope it will not be limited merely to certain seaboard areas, because many other egg-producing areas in the country are in distress.

Mr. RUSSELL. I can assure the Senator from Minnesota that most of the egg producers in Georgia are in a precarious situation, and I hope that something will be done to enable them to remain in business.

Mr. HUMPHREY. The Senator is very lucky if the egg producers in Georgia are still able to remain in business.

Mr. RUSSELL. Some are not; but most of the stalwart ones are still surviving.

Mr. HUMPHREY. The good, stalwart people of Georgia need to remain stalwart in these perilous days.

Mr. RUSSELL. Indeed, they must.

Mr. HUMPHREY. Mr. President, I was intrigued by the agricultural editorial published in that great newspaper, the New York Times, a publication for which I have always had great respect. The two concluding paragraphs are quite interesting to read:

This revolution in grain production should not be permitted to stop at that point—

That is a reference to earlier comments in the editorial—

We know that whereas in the thirties 50 pounds of feed were required to produce 77 eggs, today the same amount will produce 145 eggs; tomorrow it is expected to be 160.

Why, then, doesn't the condition of the egg farmers reflect these enormous gains? The answer is that the producers of the basic food and feed grains have prevented them from being passed on to the producers of eggs, poultry, and meat by insisting on legislation designed to maintain price supports for their crops completely out of touch with reality.

Oh, Mr. President, every once in a while something is written which makes a man feel that he may know a little something. I do not profess to be an expert in these matters; but right now I feel like a graduate student in agricultural economics, compared with the writer of that paragraph in the New York Times editorial. In other words, if this is the thinking of the experts on the editorial

staff of the New York Times, then I qualify as a graduate student in agricultural economics, Phi Beta Kappa.

What do the members of the New York Times editorial staff think farmers have been paying for feed? The only reason, I suppose, why more egg and poultry producers have not gone broke—and plenty of them have—is that the price of feed grains, likewise, is at a very low level. I wonder how much those editorial writers think the price supports are on feed grains? They are 60 percent of parity. What is the price, may I ask, of feed grains in the market? It is less than 60 percent of parity. What do they think chickens are fed? They are not being fed uranium—I hope. The feed grains which poultry use are at this time selling at about the lowest price feed grains have been sold for at any time in the past 15 years.

Of course, there is processed feed. But the farmer is not the processor of the feed. The farmer produces the raw material. Indeed, the processed feed does get a little expensive. But the processors of feed happen to be some of the friends of the New York Times. The oats produced by Mr. Farmer—and oats are a good raw food for chickens—sell in the marketplace for around 60 cents a bushel. That is not much of a price. The price support on basic feed grains is very, very low—not 90 percent of parity, not 75 percent of parity, but 60 or 65 percent of parity, when they are supported at all.

Mr. President, the problem is that even with all the modern scientific advancement, when eggs are selling for 17, 19, or 21 cents a dozen—grade A, large eggs—the egg producer cannot make any money. He has to receive a little something for what he produces.

The PRESIDING OFFICER. Under the 3-minute limitation in the morning hour, the time available to the Senator from Minnesota has expired.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that I may proceed for another 3 minutes, so as to edify the New York Times editorial staff on some matters such as feed-grain prices.

The PRESIDING OFFICER. Without objection, the Senator from Minnesota may proceed.

Mr. HUMPHREY. Thank you, Mr. President.

Mr. President, the New York Times editorial staff would be better off if they knew a little about some of the medicinals and some of the other things which are required for a modern chicken ranch or chicken farm.

Today, all kinds of drugs are used to make sure that the poultry are not infected—for instance, mycin drugs, which, by the way, are used for both livestock and poultry—and all sorts of vaccines. I do not know how many of the editorial writers of the New York Times have vaccinated chickens. But I have vaccinated many chickens; and I have sold some of the vaccine, too.

Today, the problem of the poultry producer is not the cost of raw feed which the farmer produces, because the poultry producer can produce some of the raw feed on his own land. The problem the chicken farmer has is the high cost of money, under this administration's interest policies, in case he wants to build a chicken house or wants to improve his chicken ranch or farm; the high cost of materials; the high cost of processed feeds; and the higher cost of a host of other commodities which go into making a modern chicken farm or poultry farm.

Mr. President, I am not complaining particularly about the prices a farmer has to pay for the feed he uses for his poultry. After all, a feed processor is entitled to make a profit. I believe in the profit system, too, but not alone for some people's friends. I believe that if a profit is good for some people, it is good for everyone—just as I believe in private property: If it is good for Cousin Joe and Uncle Ned, it is also good for Cousin Sam; it is good for everybody.

I believe that the feed processor is entitled to a fair price for the feed, and the pharmaceutical manufacturers are entitled to fair prices for their drugs, and the serum manufacturers are entitled to fair prices for their products, and the worker is entitled to a fair wage, and the banker is entitled to fair interest.

But, having said that, I wish to say that I think Mr. Farmer, too, is also entitled to a fair price for his products, which, in this case, are the eggs and the chickens.

But as of this morning, in the State of Minnesota, hens are selling for 11 cents or 12 cents a pound, and they have been selling for as little as 9 cents a pound; and grade A, top, superior quality eggs have sold in Minnesota—which is one of the top poultry producing States of the Union—for as little as 17 cents a dozen. On the other hand, the same eggs have been sold in the metropolitan centers for 59 cents a dozen, 65 cents a dozen, or, at delicatessens, 75 or 80 cents a dozen.

Mr. President, I repeat, here on the floor of the Senate, that there needs to be a full-scale investigation into the egg brokerage business, because there is a big, big difference between what happens at the henhouse and what happens at the supermarket. Believe me, Mr. President, as I said earlier, the only one who processes an egg is a hen. That is not a matter of processing or wrapping or advertising. An egg is an egg; and eggs are classified on the basis of whether they are small size, pullet, middle, random, large, or super large—king size. Mr. President, if you get a king-size egg, you have to pay a pretty good price for it. But I wish to say that some of our queen-size hens that make these king-size eggs are not getting king-size payments for their work beyond the call of duty. [Laughter.]

All I am asking for is that the Department of Agriculture, as it proceeds with this belated, tardy program of egg purchases, do something for the egg producers, for the farmers, and do it before it is too late.

So I give a word of thanks to the Secretary of Agriculture for having been convinced by some of my colleagues from New Jersey and elsewhere. Some of us from the Middle West are not so persuasive. I started working on the Secretary away back in April. However, I hope that my persistence was a part of the general effort which moved the Secretary to some belated action.

If the Secretary or anyone else wishes any figures in regard to grain prices, we can provide them.

Let me add that it makes little difference how much lower the price of grain goes; that will not help the predicament of the poultry farmer, because his prices have already fallen to a disastrously low level. What is needed is a better poultry and egg market.

UNIFORM STANDARDS OF UNEMPLOYMENT BENEFIT PAYMENTS SHOULD BE ESTABLISHED AT THE FEDERAL LEVEL

Mr. McNAMARA. Mr. President, I hold in my hand an excerpt from the morning ticker which deals with a statement, attributed to the President of the United States, in regard to unemployment. This news item begins as follows:

> Jobless benefits: Eisenhower said he signed a bill recently to increase pension and unemployment benefits of railroad workers because after very careful study he concluded that it was a well balanced measure.

But the next paragraph of the ticker item reads as follows:

> But as for extending more liberal unemployment benefits to all other workers, the President made it clear he still feels that is a job which the States should handle primarily. He recalled that he has urged repeatedly that the States adopt uniform standards with longer duration of benefit payments.

Mr. President, I think all of us agree that uniform standards should be adopted; I think the President was absolutely correct.

But I do not know how uniform standards can be adopted without having it done at the Federal level.

I am surprised at the statement, attributed to the President, that so far as unemployment insurance or unemployment benefits are concerned, they should be left to the States. It seems to me that is about the only area as to which that kind of thinking is being engaged in.

We are about to launch a program of increasing the interest on Government bonds; and apparently the ways are pretty well greased to shoot that program into operation in a hurry. I think this shows a great concern for the moneylenders and a great concern for the Wall Street crowd. When we consider unemployment programs and economic programs to make work, then consideration for the people should be shown. It seems to me that we should attack this problem at the national level.

Unemployment insurance has always been a joint program as between the Federal Government and the States. I could not disagree more with the President's statement in which he said that it should be left to the States. I think we should show a little more concern in this Congress particularly for the problems of the people. We show so much concern about the problems of the great financial institutions of the country.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATIONS, 1960

Mr. MANSFIELD. Mr. President, is morning business concluded?

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Is there further morning business? If not, morning business is closed.

Mr. MANSFIELD. Mr. President, what is the pending business?

The PRESIDING OFFICER. Under the agreement entered yesterday, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes.

The PRESIDING OFFICER. Without objection, the motion to reconsider is withdrawn, and the question is on agreeing to the motion of the Senator from Colorado [Mr. ALLOTT] to reconsider the vote agreeing to the so-called O'Mahoney amendment on page 15, line 25.

Mr. ALLOTT. Mr. President, I withdraw my motion and call up the amendment which I have at the desk, which I offer on behalf of myself and the junior Senator from Colorado [Mr. CARROLL].

The PRESIDING OFFICER. The amendment offered by the senior Senator from Colorado for himself and the junior Senator from Colorado will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 15, in line 25, after the comma following the figure, to insert the following: "of which $15,000 shall be available for range and feedlot market reporting in Colorado and adjacent areas and."

Mr. ALLOTT. Mr. President——

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. RUSSELL. Mr. President, information has come to me that those in charge of the market reporting service in the Department of Agriculture regard the proposed reporting service as a very important activity. It is in category 1. The witnesses for the Department did not apprise us of that fact when they were before the committee. They were asked about this specific project, and did not then tell us it was classified in category 1.

Other items involving category 1 marketing reports were disallowed by the committee. For that reason, I have suggested to the two Senators from Colorado that they content themselves with a bare-bones operation for the next year, which would be involved in this $15,000 item. However, there would be nothing which would prevent the Department from allowing more than $15,000 for this service.

I think I should say for the record that I have been told by responsible officers of the Department that they could carry on this work with $17,000. If they desired, of course, they could allot other funds for this purpose.

In view of the extraordinary conditions affected by this amendment, I shall take the "dangerous" step of accepting it and taking it to conference and seeing what we can work out.

I hope those who have offered proposals as to other items which the committee has been unable to accept will understand that this project is in a somewhat different category, because it has been in operation for 2 years on an experimental basis and financed from research funds. Unless I accept the amendment, those involved will be deprived of a service they have already enjoyed. As to other activities for which we have declined to make provision, those interested in them have not tasted of the enjoyment of having a marketing service, and perhaps they will not be too bitter about being requested to wait for another year.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield to the junior Senator from Colorado.

Mr. CARROLL. I agree with the statement of the Senator from Georgia that this item is in a different category. There were some errors made in not making a proper presentation when the testimony was given before the committee. I thank the senior Senator from Georgia for his fair consideration of this proposal.

Mr. ALLOTT. Mr. President, from the colloquy had yesterday, as to the nature of the amendment, I feel the record is complete, so I shall not burden the RECORD further. I believe, however, I should say, in all seriousness, the service referred to is considered to be a very, very necessary part not only of the livestock industry in Colorado and the adjacent area, but also the agricultural community as a whole.

To the Senator from Georgia let me say that I appreciate his taking the steps which he has taken in accepting this amendment, which I hope we shall be able to hold in conference, because I know that what he said yesterday, even though perhaps it was not pleasing to me, was based upon the high principles which always govern him in these matters, and for which he has been noted throughout his entire career. So I express my appreciation to him.

Mr. RUSSELL. I thank the Senator.

Mr. President, I yield back any time that may remain in opposition to the amendment.

Mr. ALLOTT. Mr. President, I yield back the remainder of my time on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the senior Senator from Colorado [Mr. ALLOTT] for himself and the junior Senator from Colorado [Mr. CARROLL].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. WILLIAMS of Delaware. Mr. President, I call up the amendment which I have at the desk, identified as "6–2–59–B." I ask the clerk to read it with the modification that the last figure be $375 million, which was intended.

The PRESIDING OFFICER. The amendment of the Senator from Delaware will be stated.

The LEGISLATIVE CLERK. It is proposed on page 19, line 6, strike out the figure "$450,000,000" and insert in lieu thereof "$375,000,000."

Mr. WILLIAMS of Delaware. Mr. President, this amendment deals with the expenditures under the soil bank program. The bill as reported by the committee provides for $450 million.

That represents an increase of $125 million over the House figure and $75 million over the budget estimate. It proposes to spend $75 million more for this program next year than is even recommended by the budget.

Personally, I think the whole soil bank program, from its inception, has been a failure and that it would be much better to strike the provision for it from the law. I do not think it has accomplished the purpose for which millions of dollars are being expended. We should not be paying $300 million or $400 million to take acreage out of production particularly in view of the fact that the Senate has on numerous occasions appropriated millions of dollars to other agencies to bring new acreage into production.

If we stop this contradiction we could save billions and have a better farm program.

Only yesterday the Senate agreed to an additional $250 million to increase the fertility of the acreage already in production. Certainly, if we do not stop this kind of procedure these contradictory programs are going to bankrupt us.

It appears evident that we are making a mistake on this program. It has been criticized by practically all Members of the Senate. I do not think anyone today would defend the program as being a workable one. Certainly we should not put $75 million more in this program, which is an admitted failure, than even the Department wants.

I hope the chairman of the subcommittee will accept the amendment.

Mr. RUSSELL. Mr. President, I regret very much that I must decline the kind invitation extended by the distinguished Senator from Delaware. I cannot accept the amendment. I appreciate the Senator's courtesy in calling it to my attention and inviting me to accept it. I wish I could agree with the Senator. It is always pleasant to agree with one's colleagues. However, I cannot accept the amendment.

We are dealing with only one stage of the legislative process when we consider these matters on the floor of the Senate. This item still must go to conference. The other body reduced the program authorization for next year $50 million below the budget estimates. Judging from my experience in the past I rather suspect the Senate will be compelled to yield a part of the recommended $450 million in the conference.

The committee has taken action on the matter by a vote in the subcommittee and in the full committee. Under the circumstances, as much as I appreciate the courtesy and ability of the distinguished Senator from Delaware, I do not feel I

could on my responsibility accept this amendment.

Mr. WILLIAMS of Delaware. Mr. President, may I ask how much time there is remaining to each side?

The PRESIDING OFFICER. The Senator from Delaware has consumed 2 minutes, and the chairman of the subcommittee has consumed 1 minute. The Senator from Delaware has 13 minutes remaining.

Mr. WILLIAMS of Delaware. Mr. President, the debate on the amendment will be very brief. This is a very simple amendment and merely boils down to a question of how enthusiastic we are for the soil bank program. In particular, do we wish to compel the administration to spend $75 million more than is even recommended?

I think we are practically ready to vote. If it is all right with the chairman of the subcommittee, I am going to suggest that we have a quorum call with the time not charged to either side, in order to get Members to the Chamber. I should like to have a yea and nay vote.

I think we can vote very promptly.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time necessary for the call of the roll not be charged to either side.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAMS of Delaware. Mr. President, I ask for the yeas and nays on my amendment.

Mr. RUSSELL. Mr. President, I hope the yeas and nays may be ordered on the Senator's amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. Do the Senator from Delaware and the Senator from Georgia yield back the remainder of their time?

Mr. WILLIAMS of Delaware. I yield first to the Senator from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. President, I shall take only a moment before the remainder of the time is yielded back.

I invite the attention of Senators to the fact that this item relates to the last year of the conservation reserve program. This is an authorization for that program, with respect to which the budget estimate was $375 million. That has been increased to $450 million by the Senate committee. That is $125 million above the House figure, as I understand. I think it would be rather singular if we were to undertake to approve the Senate committee figure, under the circumstances, when it is so much in excess of the House figure, and $75 million above the budget estimate.

It has been pointed out that some farmers could not get in under the program heretofore, because of the contention that the funds for the 1959 program were inadequate. But this is the last year. The program will go out of business. I am sure that the Budget Bureau and the House have gone into this subject very thoroughly. I believe we should sustain the budget figure. I hope the amendment of the Senator from Delaware will prevail.

Mr. RUSSELL. Mr. President, I desire to take a few minutes of my time.

I would like to point out that if this program were to be extended over a period of years, as the President requested in his message to the Congress of January 29, 1959, it would cost a great deal more than $450 million. From all I have been able to ascertain it is very obvious that there is no possibility whatever that this program will be extended as has been requested by the President in his message.

The committee was attempting to carry out the philosophy of the President's message by raising this authorization to $450 million. I am somewhat astonished that the senior Senator from Illinois did not take cognizance of that fact.

The bill has not yet become a law. It must run all the hazards of conference. It is highly unlikely that we shall be able to preserve the figure of $450 million in conference. If we were to reduce the figure to $375 million, we would not be able to preserve that figure.

When dollars and cents are involved, a conference becomes a matter of give and take. We must give as much as we are able to take. It is not like a conference on the language of a provision of a bill—which can be rewritten. But when dollars and cents are involved, we cannot expect either body of Congress to yield completely to the other.

In my opinion the committee was completely justified in its action. I hope the Senate will support the action of the committee.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. HOLLAND. Is it not true that action by the other House would have reduced the program to a program to be carried out within 5 years, and would have excluded the 10-year program?

Mr. RUSSELL. That is true.

Mr. HOLLAND. The action of our committee was to restore the 10-year program, which was, in effect, restoring reforestation among the objectives to be covered by the bill.

Mr. RUSSELL. The 5-year limitation, which we eliminated in committee, is not involved in the pending amendments. But the reforestation program is involved in the pending amendment which would cut the authorization by $75 million.

Mr. HOLLAND. It is a fact that the action of the committee in continuing the reforestation program by changing the 5-year limitation to a 10-year limitation means that if we are to have true reforestation contracts, we must have the money to support such contracts.

Mr. RUSSELL. There can be no question about that. If the House figure were to prevail, there would be an allocation of only 2,300,000 new acres for the conservation reserve program next year, I point out that we cannot justify the expenditure of this large administrative fund on such a small acreage.

Mr. HOLLAND. Is it not true that this is one of the effective methods still left open to us by which, in taking tilled land out of production, we are making a definite approach to wiping out continued farm surpluses?

Mr. RUSSELL. With the Department pursuing its policy in so many areas of removing planting restrictions, this is the only program that I know of that we can hope to use to take acreage out of production of those commodities which are proving to be such a glut on the market.

Mr. HOLLAND. I thoroughly approve the Senator's answer. My view, in supporting writing into the bill the full authorized amount of $450 million, is that this is the most effective blow we shall have an opportunity to strike for the discontinuance of increasing surpluses in farm production during this session of Congress.

Mr. RUSSELL. This is the only opportunity we shall have.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. LANGER. Was the action of the committee unanimous?

Mr. RUSSELL. As I recall, it was not unanimous, but it was practically so. The vote was more than 2 to 1. There was a show of hands. Those who expressed any doubt did not even request a rollcall. I think there were two or three objections in the committee. However, I hope the Senator will bear in mind that this is a large committee, with a membership of 27.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. HUMPHREY. I listened to the colloquy between the Senator from Florida and the Senator from Georgia. I fully agree with the expressions made by the Senator from Georgia in response to the questions of the Senator from Florida.

The entire authorization is needed. It is more needed this year than it was last year. As the Senator has pointed out, when we eliminate acreage controls and rely on only one mechanism to reduce production, namely, lower supports, there must be something to absorb some of the marginal land, which has been repeatedly put into production, thereby increasing the surpluses which the Commodity Credit Corporation owns.

This program, besides affording control over production, represents a sincere and consistent effort at real service. The more farm people we can bring into the conservation reserve program over an extended period of years, the better our conservation program will be.

This is not a year-to-year program. In many instances these contracts run for 10 years or longer.

As the Senator from Georgia has pointed out, what we are doing is merely fulfilling the authorization which Congress once made, in the light of the program laid down by the experts in the Department.

I support the action of the committee. I hope the amendment of the Senator from Delaware—offered, of course, in good faith—will be defeated, in equally good faith, by a resounding majority.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Does the Senator yield back the remainder of his time?

Mr. WILLIAMS of Delaware. I should like to take a little time to point out again that we are dealing with the soil bank program. What the bill proposes to do is to spend $75 million more than the amount which has been recommended by the Bureau of the Budget. Remember this is a program which has been very much criticized by many Members of the Senate on both sides of the aisle. Only yesterday I heard one of the orators on the other side of the aisle refer to the program as the Eisenhower golf club program. He said it was of benefit primarily to the golf clubs, the rich men's clubs. Today we have a chance to vote to cut back the program. I wonder how he will vote today. Let the RECORD show that as we vote on the soil bank program, we are voting on not only its merits but also on the question of approving it to an extent beyond even that visualized by the administration. The committee bill would provide $75 million more than even the administration believes should be spent on the program.

Let us make this issue very clear, Mr. President. Personally, I believe that the soil bank program should be rolled back even more than the amendment proposes. In my opinion, it has been a failure. I do not believe we can justify spending $450 million of the taxpayers' money for this program, which takes land out of production, especially when we are going to spend through another agency hundreds of millions of dollars for bringing new land into production. If we reject the pending amendment, we will not only be approving the soil bank program but also be approving it to an extent far beyond that which is recommended by the administration. Seventy-five million dollars are involved in the amendment. All the amendment proposes to do is to bring the program back to the minimum of the budgetary estimates. I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a report as furnished by the Comptroller General of the United States in which he points out certain specific examples of abuses under the soil bank program. This is further evidence in support of the contention that by all means this program should be cut back.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

LAND DIVISIONS—HIDALGO COUNTY, TEX.

Case No. 1: In 1957, a 6,500-acre tract of land was divided into 12 parcels and sold. Acreage on 11 of these parcels was subsequently placed in the conservation reserve program for a period of 10 years. The annual payments on the conservation reserve contracts amount to $44,600, or a total for the 10-year contract period of about $446,000.

In addition, acreage reserve program contracts amounted to $64,800, and estimated practice payments amounted to $35,200 on these properties through 1958. Other information pertaining to the transactions follows:

1. No downpayments were required of the purchasers.

2. There is evidence that the purchasers were required to obtain maximum payments under the soil bank programs and assign the payments against the purchase price.

3. In October 1958, 5 of the 11 parcels were refinanced and the annual installments payable by the purchasers were reduced to $5,000, the maximum amount a producer may receive under the conservation reserve program. The reduction of annual installments coincided with the discontinuance of the acreage reserve program.

4. Two of the purchasers were shown as doctors.

Case No. 2: Division of this tract of land totaling about 16,000 acres began in 1956. Sales were generally made on the same terms as those outlined in case No. 1. In 1958, 23 separate pieces of this tract had been entered into the conservation reserve program under 10-year contracts. The annual payments on these contracts amount to $105,000, or a total for the 10-year period of the contracts of about $1,050,000.

In addition, acreage reserve program contracts amounted to $131,000, and estimated practice payments amounted to $40,800 on these properties through 1958.

PRELIMINARY RESULTS OF CURRENT REVIEW OF 1959 CONSERVATION RESERVE PROGRAM

1. In Curry County, N. Mex., 2,600 acres of a 3,600-acre farm were divided into five parcels and sold in 1957. The sale was contingent upon the purchasers' execution of 10-year conservation reserve contracts. Annual conservation reserve program payments on these five parcels total $21,000.

2. We found 12 instances in Curry County, N. Mex., where land leased from the State had been placed in the conservation reserve program. In one of these instances, about 550 acres leased for 25 cents an acre was placed in the conservation reserve program at an annual rental rate of $9 per acre. Detailed information as to acreage and rental rates is being developed on the remaining cases.

3. In Bottineau County, N. Dak., the land value estimates established by the county committee and used in establishing the payment rates appear high based on our review. The county committee established a value of $65 per acre for land of average productivity, whereas the average per acre sales price of 52 farmland sales since 1956 was $48, including buildings and wasteland.

In one case, a 600-acre farm, including buildings, was purchased in 1956 for $19,000. If the purchase price of $19,000 was considered applicable only to the 530 acres classed as cropland, the value per acre would be only $36 compared to the value of $65 assigned by the county committee.

4. Our review to date in two counties in North Dakota has not disclosed evidence of land divisions to avoid the $5,000 payment limitation.

Mr. RUSSELL. I yield back the remainder of my time. I assume all time has been yielded back.

The PRESIDING OFFICER. That is correct.

Mr. RUSSELL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RUSSELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The question is on the amendment of the Senator from Delaware [Mr. WILLIAMS]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Connecticut [Mr. DODD], the Senator from Rhode Island [Mr. GREEN], the Senator from Indiana [Mr. HARTKE], the Senator from Missouri [Mr. HENNINGS], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Louisiana [Mr. LONG], and the Senator from Utah [Mr. MOSS] are absent on official business.

The Senator from Tennessee [Mr. KEFAUVER] is absent on official business as a Member of the U.S. Committee of the Atlantic Congress.

The Senator from Arkansas [Mr. MCCLELLAN] is absent because of illness.

The Senator from West Virginia [Mr. RANDOLPH] is necessarily absent.

On this vote, the Senator from Indiana [Mr. HARTKE] is paired with the Senator from Kentucky [Mr. MORTON]. If present and voting, the Senator from Indiana would vote "nay" and the Senator from Kentucky would vote "yea."

I further announce that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Connecticut [Mr. DODD], the Senator from Missouri [Mr. HENNINGS], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Louisiana [Mr. LONG], the Senator from Arkansas [Mr. MCCELLAN], and the Senator from West Virginia [Mr. RANDOLPH] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business.

The Senator from Kentucky [Mr. MORTON] is necessarily absent and is paired with the Senate from Indiana [Mr. HARTKE]. If present and voting the Senator from Kentucky would vote "yea" and the Senator from Indiana would vote "nay."

The result was announced—yeas 37, nays 48, as follows:

YEAS—37

Allott	Dirksen	Pastore
Anderson	Douglas	Prouty
Bartlett	Dworshak	Robertson
Beall	Frear	Saltonstall
Bennett	Goldwater	Schoeppel
Bridges	Hickenlooper	Scott
Bush	Hruska	Smathers
Butler	Javits	Smith
Byrd, Va.	Keating	Thurmond
Capehart	Kuchel	Williams, Del.
Case, N.J.	Lausche	Young, Ohio
Cotton	Martin	
Curtis	Muskie	

NAYS—48

Aiken	Hart	Monroney
Bible	Hayden	Morse
Byrd, W. Va.	Hill	Mundt
Cannon	Holland	Murray
Carlson	Humphrey	Neuberger
Carroll	Jackson	O'Mahoney
Church	Johnson, Tex.	Proxmire
Clark	Johnston, S.C.	Russell
Cooper	Jordan	Sparkman
Eastland	Kerr	Stennis
Ellender	Langer	Symington
Engle	Magnuson	Talmadge
Ervin	Mansfield	Wiley
Fulbright	McCarthy	Williams, N.J.
Gore	McGee	Yarborough
Gruening	McNamara	Young, N. Dak.

NOT VOTING—13

Case, S. Dak.	Hennings	Morton
Chavez	Kefauver	Moss
Dodd	Kennedy	Randolph
Green	Long	
Hartke	McClellan	

So the amendment of Mr. WILLIAMS of Delaware was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. RUSSELL. Mr. President, I desire to offer a clarifying amendment. On page 4 there is an item of $1 million for the Agricultural Research Service, to provide for additional labor to be employed under contracts and cooperative agreements to strengthen the work at research installations in the field.

Under the language of the proviso, there would be a restriction on the type of services to which this appropriation would be applicable. Therefore, I ask that after the word "Service," in line 15, the words "in Departmental research programs" be added. This is a clarifying amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Georgia [Mr. RUSSELL].

The amendment was agreed to.

Mr. DOUGLAS. Mr. President, I submit the amendment which I send to the desk and ask to have stated. Copies of the amendment have been prepared, and I ask that they be distributed to other Senators.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 30, in line 10, it is proposed to strike out the period at the end thereof, and insert in lieu thereof a colon and the following:

Provided, That in carrying out price support programs required by law no funds or stocks of the Commodity Credit Corporation shall be utilized for the purpose of carrying out price support operations for any crop planted after January 1, 1960, for which expected production for such year exceeds domestic consumption plus exports by more than 3 per centum and for which the Secretary has failed to provide acreage allotments, production goals, and marketing practices pursuant to section 401(c) of the Agricultural Act of 1949, as amended.

Mr. DOUGLAS. Mr. President, if this amendment is adopted and carried into effect by the Secretary, in my judgment, it will save approximately $1 billion in the fiscal year running from July 1, 1960 to June 30, 1961. I believe the adoption of the amendment is also necessary in order to save the farm program from the hands of Secretary Benson.

The amendment provides:

That in carrying out price support programs required by law—

And most agricultural commodities do have a price-support program required by law—

no funds or stocks of the Commodity Credit Corporation shall be utilized for the purpose of carrying out price support operations for any crop planted after January 1, 1960, for which expected production for such year exceeds domestic consumption plus exports—

Including those under Public Law 480—

by more than 3 per centum and for which the Secretary has failed to provide acreage allotments, production goals, and marketing practices pursuant to section 401(c) of the Agricultural Act of 1949, as amended.

Mr. President, all of us know that the surpluses of agricultural commodities have increased under Secretary Benson from $2,450 million worth when he came into office in 1953 to $9 billion worth at the present time, and all predictions are that this amount will increase next year to $11 billion, $12 billion, or $13 billion worth, or possibly even more than that, depending upon the weather.

I think the basic reason why that has happened has been Mr. Benson's erroneous price theory.

Mr. YOUNG of North Dakota. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. Mr. President, I wish to complete my statement; and then I shall yield.

MR. BENSON'S MISTAKEN PRICE THEORY

Mr. Benson's price theory, which has been adopted by the President, is that firstly, lower prices for agricultural products will bring such an increased demand for those products as to provide the farmers with a higher total income. He also believes secondly, that lower prices for farm products will decrease the production of those products, and thus there will be an effective and proper equilibrium between supply and demand.

Let me say that I believe this theory of his is mistaken on both counts, because a reduction of agricultural-commodity prices does not appreciably stimulate demand, for two reasons: first, it is not passed on to any real degree to the consumers; second, even if it were passed on to the consumers, since the demand for food is inelastic, there will not be a great increase in the quantities demanded. Next, I think experience has taught us that a reduction in the price per unit of agricultural commodities will in most cases cause farmers to produce more, rather than less, because in order to meet their fixed costs of taxes, interest, depreciation, time payments, and so forth, they will work harder to produce more bushels and more pounds, in an effort to offset the decrease in the prices per bushel and per pound.

PRICE SUPPORTS WITHOUT PRODUCTION LIMITS IS IRRESPONSIBLE

Furthermore, Secretary Benson has, in the case of grain and other feed crops, fixed a price-support program without any attempt to reduce the quantities which will be produced. In fact, he has fixed, for corn, for the current year, a price of between $1.12 and $1.13 a bushel; and he will pay that amount to all farmers regardless of the quantities of grain they produce. In other words, the sky will be the limit; he has thrown everything open. The result is already being seen: The acreage planted to corn this year is very much greater than the acreage planted to corn last year. Yesterday, the Senator from Minnesota [Mr. HUMPHREY] said that the acreage planted to corn this year will be close to 90 million acres, instead of 72 million acres last year. Reports which I have received from seed firms in Illinois are that the sale of seed is very much greater this year than it was last year; and that if the weather is at all favorable, there will be, not 3.3 billion bushels of corn, but many hundreds of millions of bushels more; and the Government will have to take the corn at $1.12 a bushel. So the surpluses will increase enormously.

What the Secretary has done in the case of corn, he has also done in the case of certain other agricultural commodities, such as feed grains, including grain sorghums, oats, rye, barley, and also for soybeans, honey, tung nuts, cottonseed, flaxseed, and dried edible beans. The effect of these actions by the Secretary is to provide an open-end program under which he agrees to buy, and the country to pay for, everything in these products the farmers grow. I think that will cause the expenditure of unnecessary hundreds of millions of dollars. In my judgment, unless this program is reversed next year, the cost will be $1 billion greater than they have been in past years.

My amendment is designed to strike at this discertionary power of the Secretary, be providing that when he establishes price supports under the law he must also impose some restrictions upon production as required in section 401(c) of the Agriculture Act of 1949.

I know that a technical objection has been raised; it has been said by some, "Well, in that event, the Secretary will not put price supports into effect, and he will not put acreage restrictions into effect; and then the whole program will go down the drain."

Certainly that is not my intention, Mr. President. Although I do not pretend to be an expert on all the facets of this complex subject, we have had the laws examined very carefully, overnight; and if the amendment is read carefully, it will be seen that in the case of support programs required by law, the Secretary will have to provide acreage allotments, if funds are to be paid from the Commodity Credit Corporation.

AMENDMENT WOULD NOT ALLOW SECRETARY TO JUNK PROGRAM

Some may say the Secretary could use the amendment to junk the programs, and, by failing to provide acreage allotments, he would not have to pay price supports. I do not believe this to be the case. For most of the open ended crops, the Secretary must set price supports. They are required by law. Since he must set supports and pay the sums from CCC funds, he will have to provide acreage allotments, if my amendment is adopted.

I have prepared a table, by crops, of present support levels in the law. I shall merely refer to corn, which is the leading commodity. The present support level is 66 percent, or $1.12.

The law provides that in the case of corn the price must be set at 65 percent of parity or 75 percent of the market price of the past 3 years, whichever is higher.

Barley, oats, rye, and grain sorghums are tied to the corn price, so what holds for corn applies to these other crops. Cottonseed, soybeans, flaxseed, and inedible beans are tied together. Honey

has a mandatory price provided of 60 percent of parity, and for 1959 the price has been established at 60 percent for extracted honey.

The law provides that the price of tung oil shall not be less than 60 percent, but must be 65 percent if the supplies of tung oil are not excessive.

In short, on close examination of the various acts, it will be seen that not even Ezra Taft Benson can escape from the provisions of the amendment, and cannot use the terms of my amendment as a means of nullifying this program.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DOUGLAS. Yes; I am glad to yield.

Mr. HUMPHREY. I should like to call attention to the language in the fourth line from the bottom of the Senator's amendment, which relates to excess or surplus commodities. It reads, "plus exports by more than 3 per centum." It seems to me the Senator's amendment would be better if the language were "plus exports plus a supply for 3 months," or a certain period of time, because, I say, most respectfully, the provision of 3 percent would leave the consumer pretty much at the mercy of a very tight market at all times.

Mr. DOUGLAS. I point out that the language relates to expected production, and not to existing stocks. The stocks of all these commodities are very ample, as the Senator well knows.

In the case of corn, the supply in CCC loans and storage amounts to 1,571 million bushels.

In the case of barley, the supply is 159 million bushels.

In the case of grain sorghums, the supply is 302 million hundredweight.

In the case of oats, the supply is 104 million bushels.

In the case of soybeans, the supply is 134 million bushels.

I think the existing CCC supplies are ample, so we can apply this test to the current production.

Mr. HUMPHREY. The only other factor I desire to bring to the attention of the Senator is what we call the normal set-asides or reserves which are specified in existing law. For example, a certain percentage of the annual production—I think it is 15 percent for wheat—is called a reserve or set-aside, as a sort of cushion for national emergency uses. I would hope the language likewise could be in terms of what the supply qualifications are based on. In other words, what is a surplus and what is a set-aside? A set-aside cannot be called a clear surplus, if it is a legitimate percentage of set-aside or surplus for national emergency purposes.

Mr. DOUGLAS. If there were no surplus, the Secretary would not be required to put into effect acreage allotments.

Mr. HUMPHREY. My point relates to the definition of "surplus." The word "surplus" I think should be defined as that amount which is over and beyond the necessary requirements for domestic consumption and the estimate of normal exports, plus the set-asides or reserves which are required for national security or national emergency purposes.

What I am worried about is that sometimes when we define "surpluses" we think it includes everything which is in the warehouses, private or public, over normal exports and domestic consumption, when, in fact, there is provided in the law, which has been in existence since 1938, and which has been amended a couple of times, a provision for set-asides and reserves for national security and national emergency purposes and national disasters. It is 15 percent or 20 percent of certain crops. The percentages vary depending on the basis of the estimated needs in case of national disaster.

Mr. DOUGLAS. In other words, does the Senator from Minnesota assert that the supplies of corn and other feed grains—barley, grain sorghums, oats, and rye—are not excessive?

Mr. HUMPHREY. I am sure the stocks of corn are excessive, obviously. I say the stocks of wheat, for example, are excessive. I do not believe the stocks of oats or barley or soybeans would be considered to be excessive, because those are variable crops, and they are crops, by the way, as to which the production pattern goes up and down. Are there 120 million bushels of soybeans in supply?

Mr. DOUGLAS. There are 134 million bushels of soybeans.

Mr. HUMPHREY. That is more than we have had in the past.

I understand the acreage planted to soybeans this year is going down, primarily because of the corn program. Acreage is being shifted from the production of soybeans to corn because of the guaranteed price on corn. All I am saying is that, when reference is made to surpluses of soybeans, there must be considered the domestic soybean consumption—which the amendment covers—normal exports—which the amendment covers—plus what is needed for a set-aside. Perhaps the set-aside would be only 15 or 20 million bushels; but, whatever it is, it should be evaluated.

Mr. DOUGLAS. Mr. President, in order to make my meaning clear—and my meaning is intended to be, roughly, what the Senator from Minnesota has stated—I ask to modify my amendment by including the word "normal" between the words "plus" and "exports," and to include after the word "exports," the phrase, "plus set-asides required by law for national emergency purposes."

Mr. HUMPHREY. That would considerably strengthen the amendment.

AIM IS TO SAVE FARM PROGRAM AT LESS COST

Mr. DOUGLAS. I so modify my amendment. I think it would meet the objection of the Senator from Minnesota. I think he has made a very valuable suggestion. These are highly complicated subjects. What I am trying to do is to turn the spigot off in future years. I want to save the farm program, particularly for the low income farm and the farm family. I think ultimately we shall probably have to shift to a system of supporting incomes, with a limitation on the amount of income which is supported, rather than a system of support prices, in order to maintain the family farm. It may not always be the most efficient farm unit, although there are now numerous studies to show that it may well be as efficient as the huge corporate farms, but it is the most efficient social unit in which children may grow up.

I think the program can be carried into effect at a much lesser cost than the present farm program, which seems to be running about $3 billion a year in CCC losses, and which next year may run at the rate of from $4 billion to $5 billion. I think we can provide a decent farm program at a cost of not more than $2 billion a year, and that we can effect savings and at the same time rescue the farm program from the hands of Secretary Benson, who I am convinced is trying to wreck the program by guaranteeing price supports without any restrictions on production. Finding himself swamped with corn, he will say to Congress and to the country next year: "The program has broken down, and we must eliminate it completely." Unless we take protective steps now, he is likely to face us next winter with precisely such a suggestion.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. HUMPHREY. The Senator's purposes are exactly right. From my point of view the Senator is surely to be commended, because what the present situation will lead to is exactly what the Senator from Illinois is pointing to not only as a possibility but as a reality.

If the present situation is extended to wheat, as it was to corn—which was the proposal of the administration—it will lead to unbelievable production and accumulation of surpluses. What the Senator seeks to do by his amendment—and what the Senator is discussing—is to provide some way to shut off unlimited production.

Mr. DOUGLAS. That is correct.

Mr. HUMPHREY. The Senator would not shut off price supports, provided there are measures of marketing practices, allocations, or restrictions upon production.

The PRESIDING OFFICER (Mr. WILLIAMS of New Jersey in the chair). The time of the Senator from Illinois has expired.

Mr. DOUGLAS. I ask the majority leader if he will yield me 5 minutes or 10 minutes from the time on the bill.

Mr. JOHNSON of Texas. Mr. President, I yield 10 minutes to the Senator from Illinois.

Mr. DOUGLAS. Mr. President, I know that at the conclusion of a long debate on a highly complicated measure Members of the Senate may seem puzzled by the submission of this amendment, and, in the absence of specific knowledge, they may be tempted to vote against it on the ground that it may get us into difficulties, although I do not foresee any. We have tried to meet the difficulties in the several days this amendment has been under preparation and discussion. I assure Members of the Senate that we have searched the laws very carefully,

and we believe the adoption of the amendment will mean it will not be possible for the Secretary of Agriculture to escape from the provisions.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the tabular study which has been prepared on the basic laws governing these various commodities.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

Crop	Unit of quantity	Present support levels		The law
		Percent	Price	
Barley	Bushel	60	$0.77	Feed grain. Tied to corn on a feed value equivalent.
Corn	do	66	1.12	65 percent of parity or 75 percent of the market price of the last 3 years, whichever is higher.
Flaxseed	do	60	2.38	Set at 0 to 90 percent.
Grain sorghums	Hundredweight	60	1.52	Feed grain. Tied to corn.
Oats	Bushel	60	.50	Do.
Rye	do	60	.90	Do.
Soybeans	do	64	1.85	Tied to cottonseed. If set for one must be set for the other. Legislative history began with Stegall amendment to OPA on cottonseed. Gave price support for long list of commodities. Extended for 2 years following hostility and since by the Agriculture Act of 1948, 1949, etc. Basis is legislative history and the tying to cottonseed.
Cottonseed	Ton	57	38.00	Cottonseed and soybeans must be related.
Honey	Pound	60	.082	Mandatory. Minimum of 60 percent of parity and has been established for 1959 for extracted honey at 60 percent—8.2 cents per pound.
Tung nuts	Ton	[1] 65		Law reads not less than 60 percent but must be 65 percent if supplies of tung oil are not excessive. As the latter was imported from China and there is now a small supply, essentially the 65 percent minimum prevails. Designated a nonbasic in Agriculture Act of 1949.
Beans, dry edible	Hundredweight	60	5.35	Same as cottonseed and soybeans.

[1] Minimum.

EXPENDITURES WILL INCREASE NEXT YEAR

Mr. DOUGLAS. Mr. President, I merely wish to say that if we do not adopt some amendment such as the one I am proposing we will find ourselves committed to the expenditure of a much larger sum of money next year than the $3 billion for this year; and for the year after next, unless something is done, the expenditures will be still greater.

The Secretary of Agriculture, in fixing price supports without any restriction upon production, violated the most basic rule of farm economics. I have practically never heard anyone advocate price supports without provision for some controls over production. I have heard a few persons advocate such a course, but they have been regarded as extreme leftists, so to speak. Now we have the Secretary of Agriculture adopting a program which only the wildest radicals would put into effect, namely, price supports without any limitation upon the number of bushels which the U.S. Treasury is asked to buy, or must be forcibly fed, so to speak, in unlimited quantity. The only difference is that the Secretary of Agriculture would fix a low price, whereas some of those who have advocated unlimited production have advocated high price supports. However, the Secretary of Agriculture has really followed the most discredited policy possible in fixing farm prices.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. HUMPHREY. The Senator is citing the ironical situation of an administration which, on the one hand, talks about wanting to control surpluses and preventing surpluses, and which, on the other hand, actually follows policies and lays down policies which promote the accumulation of surpluses.

Mr. DOUGLAS. The Senator is correct.

Mr. HUMPHREY. I invite the Senator's attention to the fact that one of the reasons why the holdings of the Commodity Credit Corporation are as large as they are today is the unbelievable practices of the Commodity Credit Corporation itself in handling its stores or its stocks. It used to be true, for example, with regard to the soybean business, that a private processer or exporter would have his own inventory. Today such an individual simply lets the Government hold the product all the time, which means he does not have to have an inventory. He does not have to have warehouses. The Government has them. The beans go into the warehouse under loan, and if exporter X wishes to make a deal overseas, whether it is a Public Law 480 deal or a cash sale, all he does is go to the Commodity Credit Corporation to get his stocks.

It used to be true that many private grain traders would have their own warehouses, their own elevators, and so on, in which they took care of their own stocks. Today all of them let the Government do it.

Mr. DOUGLAS. Do I correctly understand the Senator from Minnesota to say that Mr. Benson has put into effect a form of socialism in warehousing?

Mr. HUMPHREY. The Senator from Minnesota has said on the floor before that never in the history of this country has agricultural warehousing been closer to socialism than it is today. The Government today is the main warehouser, the main storage depot of commodities not only for public use, but also for private use. It is commonly known in the grain trade that really one is simply not much of a businessman if one is foolish enough to warehouse his own commodities. All one does is let the Government do it for him, and then take the commodities out of the Government bins whenever they are needed. In the meantime, the Commodity Credit Corporation has to pay all the administrative costs which are involved.

This is a part of the problem we face today. This is what the Senator seeks to correct by his amendment.

Furthermore, I wish to point out that the administration low price-support program, with no controls, is designed to get rid of the small farmer and to maintain the large farmer, because it is perfectly true that with price supports at 60 percent of parity, in the case of some commodities, if a farmer has a 20,000-acre farm, a 5,000-acre farm, or a 10,000-acre farm, particularly if the farm is an adjunct to a corporation, so that it has the benefit of tax laws and can charge off certain losses, such a farmer can produce by using modern machinery, many millions of bushels at a low price and perhaps make a small profit upon the total operation. However, Mr. and Mr. Hans Schmidt—who are farming in Brown County, Minn., on 120 acres of land; who are paying taxes at the township level, at the county level, and at the State level; who are paying Federal and State income taxes and excise taxes; who have to buy machinery for the farm; who have to provide for their family; who contribute to the church, contribute to many fraternal societies, and contribute to charitable organizations—have a little tougher time getting by on 60 percent of parity.

What we see is a determined policy on the part of the Government to eliminate what is called the marginal farmer. Who are the marginal farmers? That is a question to be determined by the omnipotent power in the Department of Agriculture. It is to be determined by what the Department says is marginal. I suppose they use the yardstick of the automobile industry. The only ones which are not marginal are those left, and there are some of those about which they are a bit dubious.

SECRETARY BENSON'S "BARN DOOR" FINANCING

Mr. DOUGLAS. Mr. President, in concluding my argument I wish to say that the administration has made many bitter charges against Congress and against the Democratic Party, alleging we have engaged in back-door financing in that we have guaranteed supports which later called for the expenditure of greater funds than were initially to be appropriated. This has been chiefly true with regard to the farm program, but I want to remind Congress and the country that the farm program now on the books is the product of the Eisenhower administration. They dictated it at the point of the gun. I am glad to say I voted against it. The action of the Secretary of Agriculture in fixing price supports without any control over the quantities produced is not merely back-door financing, it is barn-door financing. I submit that a barn door is bigger than a back door.

The action of the Secretary of Agriculture, in my judgment, will cost us at least $1 billion next year; and while I

hesitate to make this charge, the Secretary of Agriculture must have known that this would happen. In my judgment he did it in order so to swamp the public with expenditures that in disgust the people not understanding the issues, would vote to eliminate the entire program.

As one who wishes to support a decent farm program, as well as to save money for the taxpayers of the country, I believe that this move to try to restrict plantings beginning the first of January 1960, with respect to those commodities for which price supports are required by law, is the best way of turning off the spigot.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. ELLENDER. Will the Senator tell us what effect his amendment would have on those crops on which acreages have been fixed? Last year, as the Senator will remember, Congress enacted laws affecting corn and other feed grains, as well as cotton and rice. In the case of cotton, the minimum acreage was fixed at 16 million acres plus 350,000 acres to take care of small farms. In the case of rice the minimum acreage was fixed at 1,652,000 acres.

Mr. DOUGLAS. My amendment would not affect cotton, rice, tobacco, and peanuts; but it would affect——

Mr. ELLENDER. Would it affect wheat?

Mr. DOUGLAS. No; it would not affect wheat.

Mr. ELLENDER. What about the practice of overplanting? There is some overplanting in wheat.

Mr. DOUGLAS. That is a separate question. But it would affect corn, the feed grains, and some other minor products upon which the Secretary has fixed a separate price, without any control over quantities or acreage—notably flaxseed, honey, and tung nuts.

Mr. ELLENDER. Mr. President, I ask unanimous consent to have included in the RECORD at this point an analysis of the amendment offered by the Senator from Illinois, prepared by the Senate Agriculture Committee.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

EXPLANATION OF DOUGLAS AMENDMENT (6–1–59–H) TO H.R. 7175, AS FINALLY MODIFIED

This amendment prohibits use of Commodity Credit Corporation funds in carrying out price-support programs required by law for any crop planted after January 1, 1960, if—

(1) expected production exceeds domestic consumption, normal exports, and set asides required by law for national emergency purposes by more than 3 percent, and

(2) the Secretary has failed to provide acreage allotments, production goals, and marketing practices pursuant to section 401(c) of the Agricultural Act of 1949.

The Secretary is authorized by section 401(a) of the 1949 act to provide price support through the Commodity Credit Corporation and other means available to him. The amendment would prevent use of Commodity Credit Corporation funds in certain circumstances, thereby requiring the Secretary to resort to other means available to him. Possibly section 32 funds, appropriated funds or other means might be found to carry out the required program, but this might be difficult or impossible since price support is usually made available through use of Commodity Credit Corporation funds. The Secretary would be required to use any funds available, and Congress might feel it necessary to provide appropriated funds, since the amendment is applicable only to programs required by law.

Since the amendment applies only to programs required by law, it is restricted to those commodities upon which Congress has made price support mandatory. The Secretary would be free to support prices of all other commodities, where authority is discretionary, without regard to the amendment. If the amendment were to prevent the carrying out of a price-support program required by law, it may be that the amendment would not interfere with a discretionary support program for the same commodity, but this would certainly be dubious.

The amendment is restricted to crops planted after January 1, 1960. It would therefore not apply to any commodities which are not planted such as milk, butterfat, wool, mohair, and honey; and might not apply to commodities for which production is not on a crop basis. It is difficult to determine how it would apply to the 1960 wheat crop, part of which is planted in 1959 and part of which is planted in 1960, or to tree crops, such as tung nuts and crude pine gum, where part of the trees may have been planted in years past.

The amendment would enable the Secretary, by failing to provide acreage allotments, production goals, and marketing practices pursuant to section 401(c) of the Agricultural Act of 1949, to disregard the will of Congress and prevent price support required by Congress.

The effect of the amendment upon the basic agricultural commodities, other than corn, for which acreage allotments and marketing quotas are provided by the Agricultural Adjustment Act of 1938, is obscure. Section 401(c) specifically includes marketing quotas authorized by law. These would appear to meet the marketing practices requirements of the amendment, and it is unlikely that section 401(c) could be construed to provide for acreage allotments or quotas more stringent than those required by law. Certainly the amendment would be satisfied by the Secretary's prescription of allotments or quotas required by law insofar as acreage allotments and marketing practices are required. However, it may be that the amendment may be satisfied only if the Secretary prescribes acreage allotments, production goals, and marketing practices. Production goals are generally somewhat contrary in nature to allotments and quotas, looking to the achievement of a certain minimum production, rather than to curtailment of production.

The trigger point at which the amendment would become effective varies from that provided by law for quotas or allotments. Where the statutory formulas for quotas may take production, carryover, and imports into consideration, the amendment takes only expected production into consideration. Where the statutory formulas may take domestic consumption, exports, and an allowance for carryover into consideration, the amendment takes domestic consumption, exports, and set-asides required by law for national emergency purposes into consideration. We do not know of any set-asides required by law for national emergency purposes.

The amendment would probably have some effect with respect to corn, barley, grain sorghums, oats, and rye, but its principal purpose would be to appear to give the Secretary discretion to avoid carrying out programs required by Congress. Thus the Secretary now has authority to impose restrictions under section 401(c) and the amendment gives him no additional authority. The amendment does not require the Secretary to impose any restrictions. It simply prohibits price support if he does not impose restrictions. The Secretary may avoid price support by failing to impose restrictions. On the other hand, if he desires that the price support program be carried out as directed by Congress, he may impose the simplest of restrictions under section 401(c), such as allotments equal to the planted acreage (as he has done at times for sugar), production goals equal to some percentage of the normal production of the planted acreage, and marketing practices of the most minimum nature and which would be carried out in any event.

Mr. ELLENDER. With respect to the commodities the Senator has just mentioned, there is no doubt that the present law would be changed should his amendment be adopted.

Mr. DOUGLAS. No; I do not think so. The Secretary would be required to comply with the present law. The present law requires price supports for those commodities; and we would require control over fresh planting, or additions to current stocks.

Mr. ELLENDER. Is the Senator stating, in effect, that the Secretary is not following the law?

Mr. DOUGLAS. He is taking every advantage of the law to break the farm program; and this amendment is designed to prevent him from doing so.

Under section 401, as the eminent chairman of the Committee on Agriculture and Forestry knows, the Secretary has discretion in these matters of production controls. This amendment is intended to remove such discretion by a limitation on the funds spent.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. YOUNG of North Dakota. No doubt the amendment of the Senator from Illinois is offered with the best of intentions; but, in effect, it would repeal much of our basic law. For example, there is no provision at the present time for production controls on dairy commodities. If we should find a surplus of dairy commodities——

Mr. DOUGLAS. I will say to my friend that my amendment reads "crops planted" and would thus exclude dairy products.

Mr. YOUNG of North Dakota. The Senator said he would yield to me.

Mr. DOUGLAS. I understand.

Mr. YOUNG of North Dakota. In effect, the amendment would repeal most of our basic legislation affecting price supports. It would create a most chaotic economic situation. It would break prices of many of our major farm products. I believe it is legislation on an appropriation bill. It requires affirmative action by the Secretary of Agriculture in a field in which there is no basic law for production controls. Therefore I make the point of order that this amendment proposes legislation on an appropriation bill.

The PRESIDING OFFICER (Mr. WILLIAMS of New Jersey in the chair). The Chair is ready to rule on the point

of order raised by the Senator from North Dakota.

Mr. DOUGLAS. Mr. President, may I be heard on the point of order?

The PRESIDING OFFICER. The Chair recognizes the Senator from Illinois.

Mr. DOUGLAS. If the Parliamentarian and the Chair will examine the nature of my amendment, they will see that it reads:

Provided, That in carrying out the price support programs required by law—

That is, programs already in effect under the law—

no funds or stocks of the Commodity Credit Corporation shall be utilized for the purpose of carrying out price support operations for any crop planted after January 1, 1960, for which expected production for such year exceeds domestic consumption plus normal exports, plus set-asides required by law for national emergency purposes, by more than 3 percent, and for which the Secretary has failed to provide acreage allotments, production goals, and marketing practices pursuant to section 401(c) of the Agricultural Act of 1949, as amended.

What the amendment would do would be to remove the discretionary powers of the Secretary of Agriculture and require him to fix production restrictions if price supports are guaranteed. Price supports are guaranteed for the commodities covered by this amendment; but it would remove the discretion to which I have referred, not by a change in the law, but by a limitation upon the funds spent.

Mr. YOUNG of North Dakota. Mr. President, the Senator from Illinois makes a pretty good case for the point of order I am making. He admits that his amendment would repeal certain legislation; and for that reason it is legislation on an appropriation bill.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. YOUNG of North Dakota. I yield.

Mr. LAUSCHE. My question to the Senator is asked for the purpose of obtaining his opinion as to the merits of the basic proposal of the Senator from Illinois, that there should be a limitation upon the quantity of the price-supported farm products.

Mr. YOUNG of North Dakota. The general thinking of the Senator from Illinois, I believe, is that if we are to have a reasonably high price-support program, we must have production control. I subscribe to that part of his argument.

Mr. LAUSCHE. Is there any bill pending in the Committee on Agriculture and Forestry which would limit farm products, in the face of the huge surpluses which we are piling up?

Mr. YOUNG of North Dakota. The wheat bill which was passed the other day would decrease the production of wheat by from 200 million to 300 million bushels. The two-price or domestic parity plan for wheat would eliminate most of the Government cost. It would get the Government completely out of the business of acquiring and storing wheat.

Mr. LAUSCHE. How about corn?

Mr. YOUNG of North Dakota. I do not know of any particular application to corn.

Mr. LAUSCHE. In order to achieve the objective the Senator from Illinois has in mind, it would be necessary to follow the method suggested by him, that is, by the enactment of legislation to make mandatory the fixing of limitations on the quantity of products whenever price supports are paid. Am I correct in that understanding?

Mr. YOUNG of North Dakota. Perhaps the chairman of the committee [Mr. ELLENDER] may want to reply.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. YOUNG of North Dakota. I yield.

Mr. ELLENDER. Let me state to my good friend that last year Congress passed an act—and opportunity was afforded the Senator from Ohio and other Senators to amend the bill—which dealt with the production of corn and other feed grains. What we did was to comply with what the Secretary of Agriculture desired—that is, lower price supports with respect to corn and other feed grains.

The support price this year has been reduced to 66 percent of parity. It could go down to 65 percent of parity. It was felt that reducing the support price to as low as 65 percent of parity would deter the future planting of corn and other feed grains.

It is true that under the present law corngrowers can plant any amount they desire. There is no restriction. The same situation prevails with respect to other feed grains. There is no limitation whatever on the acreage; but the theory which has been advocated by the Department was that if lower price supports were provided production would be deterred.

Mr. LAUSCHE. My question has not been answered.

Mr. ELLENDER. Yes; it has. I said there was no restriction.

Mr. LAUSCHE. My question was whether there is any other method of achieving what the Senator from Illinois desires to do by way of placing in an appropriation bill this condition with respect to the right of spending money, or fixing a limitation upon the products on which price supports are paid. Is there any other method?

Mr. ELLENDER. It would be necessary to amend the law, and to do it in the proper manner.

Mr. YOUNG of North Dakota. It would require a complete change in the law, which I would favor.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. YOUNG of North Dakota. I yield.

Mr. CARROLL. A few days ago I read in the New York Times a very spirited attack by the President of the United States on Congress because of the farm legislation which has been passed by Congress. As I understand the principle involved—and I believe the Senator from Louisiana has explained it—the theory of the administration is that a reduction in price supports will thereby curtail production. That is basically it; is it not?

Mr. ELLENDER. Yes. As a matter of fact, I say to my good friend from Colorado that the Senate went on record in support of that theory last year by passing a bill which was more or less sponsored by the Department of Agriculture.

Mr. CARROLL. That has reference to corn. Is that correct?

Mr. ELLENDER. Yes. With respect to corn, the price support has been fixed at the average price received for that crop over the past 3 years, but not under 65 percent of parity.

Mr. CARROLL. If the Senator from North Dakota will yield further I should like to say that I wish to follow the argument of the distinguished Senator from Illinois. As I understand his argument, the concept of reducing the price-support program without imposing controls is nonsense. Is that correct?

Mr. DOUGLAS. That is correct.

Mr. CARROLL. The next question is this: As I understand the Chair is ready to rule on the point of order. However, I believe the amendment offered by the distinguished Senator from Illinois is based on that premise, and it would take from the Secretary certain discretionary powers now contained in law, and in a sense would overcome what we might have done last year in connection with the price-support program in dealing with corn.

In other words, we would say to the Secretary of Agriculture, "You shall not exercise your discretionary power under the law." Therefore, to answer the question of the distinguished Senator from Ohio, we are placing a limitation on an appropriation bill. Is this the argument on the question of the point of order?

Mr. YOUNG of North Dakota. I should like to add a word or two. If the Douglas amendment should prevail, the Secretary of Agriculture would be required to put production controls on corn, and there would be a price support of only about $1.12 to $1.15 a bushel. It would create an intolerable situation. The corn farmer could not stand it. He could not stand the imposition of production controls along with that low price. If we are going to have a production control program, the corn farmer is entitled to a better price-support level.

Mr. CARROLL. If I may follow that reasoning a little further; in other words, by virtue of what we have done previously with the corn program, it would be a limitation on the production of the corn farmer without giving him the benefit of the price-support program. Is that the point?

Mr. YOUNG of North Dakota. He would have the present price support program, with is a minimum of 65 percent of parity, or about $1.12 a bushel. However, on top of that, he would have strict production controls.

Mr. CARROLL. How much control would there be?

Mr. YOUNG of North Dakota. The amendment has not been printed, but I should think it would require the strictest kind of control.

Mr. CARROLL. Under existing law, is there any control?

Mr. YOUNG of North Dakota. There is no basic law for production controls on corn.

Mr. CARROLL. Does the Senator from Illinois care to comment on this subject?

Mr. DOUGLAS. Yes. What I have tried to do is impose a limitation on the purposes for which the funds are spent. If that is out of order, then the whole language on page 28 beginning on line 10 and running to line 5 on page 29 is also out of order. There are no less than four restrictions listed there with respect to the use of the funds, which the committee itself included. It includes a limitation on price supports in excess of $50,000, a definition of what is meant by a person, and so forth.

Mr. RUSSELL. Mr. President, what is the order of business?

The PRESIDING OFFICER (Mr. WILLIAMS of New Jersey in the chair). It is the point of order which has been raised by the Senator from North Dakota [Mr. YOUNG].

Mr. RUSSELL. As chairman of the subcommittee in charge of the bill, I should like to know what the pending question is.

The PRESIDING OFFICER. It is the point of order raised by the Senator from North Dakota.

The Chair is prepared to rule on the point of order.

Mr. RUSSELL. I should like to have the regular order, with all deference to everyone concerned.

The PRESIDING OFFICER. In the opinion of the Chair, the amendment offered by the Senator from Illinois [Mr. DOUGLAS] is subject to a point of order, and the point of order will be sustained for two reasons: The provision dealing with the excess of expected production over domestic consumption plus normal exports creates a contingency as set forth in paragraph 4 of rule XVI and, therefore, in the opinion of the Chair, is in contravention of the rule. In addition, it imposes additional duties upon the Secretary of Agriculture.

For these reasons, the Chair sustains the point of order.

Mr. DOUGLAS. Mr. President, I shall not take the time to appeal from the ruling of the Chair, although I wish to say that if the amendment is subject to a point of order, so also is the amendment of the committee restricting to $50,000 the amount of crops which can be purchased from any one person. That also is legislation and subject to a point of order. I shall not indulge in any reprisals. I shall not raise a point of order on that provision.

I do, however, most respectfully request the Committee on Agriculture and Forestry to give serious consideration to the amendment in committee—I understand it is now under consideration by the committee—and to reaffirm my belief that it is perfectly ridiculous to allow the Secretary of Agriculture to fix prices on commodities on the output of which he imposes no restrictions of any kind. In my judgment, the Secretary of Agriculture is leading us not only down the road to disaster but almost to bankruptcy.

The responsibility lies directly on the shoulders of the Secretary of Agriculture and the President of the United States. I am sick and tired of having it said that Congress is involving us in this open-end, back-door appropriation. The barn-door expenditures of Mr. Benson are infinitely greater than any other appropriations by Congress.

I also have an amendment to save $11 million. However, since my attempt to save a billion dollars has been defeated, I am sure there is no chance of our saving $11 million. Therefore I merely ask unanimous consent that the text of the proposed amendment be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page 20, line 6, strike out the figure "$39,135,000" and insert in lieu thereof the figure "$28,135,000".

On page 25, line 14, strike out the figure "$1,431,665" and insert in lieu thereof the figure "$1,269,665".

The PRESIDING OFFICER. The bill is open to further amendment. If no further amendment is to be offered, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed for a third reading, and the bill to be read a third time.

The bill was read the third time.

Mr. WILLIAMS of Delaware. Mr. President, I wish to speak briefly on the amendment in this bill which deals with the $50,000 limitation of supports.

It should be pointed out for the RECORD that so far as I am concerned this amendment is satisfactory and that I am supporting the committee position. The Senate had approved an amendment which I offered last week, calling for a limitation of $35,000. I would have preferred the same limitation of $35,000; however, being realistic, I felt that if we could hold the limitation at the $50,000 figure and make a bona fide limitation, it would be much better than to engage in a legislative fight on this appropriation bill and perhaps lose all.

I was not overlooking the fact that under the parliamentary situation we are in at this time I would need a two-thirds vote to put the $35,000 limitation in this bill.

This amendment, as the Senate approved it and as the committee approved it—and I wish to commend the committee for approving it—effectively provides that there shall be a limitation on the total of all loans of $50,000 with respect to all agricultural commodities produced in any one calendar year that are available to anyone person. This is a bona fide limitation, as was the limitation prescribed in the $35,000 amendment upon which we voted earlier. The term "person" is adequately defined to prevent its being abused.

The amendment provides that if a person wishes he may market his produce through a cooperative and obtain the same credit. The language, however, is drawn in such a manner that if a man uses a cooperative and obtains, say, a $30,000 loan through the cooperative, he then becomes eligible for a loan of only $20,000 when he goes outside the cooperative. The limitation is a total of $50,000, no matter how the loan is made nor whether it is to an individual, through a corporation which he owns or through a cooperative. The language is adequately drawn so as to apply the limitation to a total loan of $50,000 for any one year on all commodities produced.

The amendment is also phrased in such language that, as it applies to a cooperative, while it reserves the right of individual members to obtain the maximum loan, either through the cooperative or outside, it does not give the cooperative the right to count its membership and say, "We have 10 members; therefore we can borrow $500,000," and then allocate the money so that perhaps one member would receive $100,000 and another only $1,000. This is not an averaging arrangement. It is a definite ceiling.

The language of the bill limits the loan to $50,000 under all circumstances, and it instructs the Secretary of Agriculture to prescribe proper regulations to carry out the law. I believe the language is adequate to take care of the situation, and while I would have offered the amendment to reduce it to $35,000 had the parliamentary situation been right, I am supporting the committee amendment.

I point out that previously the House accepted the $50,000 figure. While the House language was not adequate, nevertheless from the legislative debate the intent of the House was clear. I not only have high hopes that this provision will remain in the bill in conference and become law but also state that if it is not kept in I shall oppose the conference report when it returns.

As I pointed out to Senators who were supporting me in connection with the $35,000 amendment, the present amendment is attached to a bill which is going to the White House whereas the amendment which the Senate approved earlier was attached to a bill which may have an uncertain fate ahead of it. I have tried to be realistic. Therefore I feel that, all things considered, we had better take what limitation we can get, and here we have a victory in our grasp.

I think this step is a major victory for the taxpayers and will stop the free ride which these large corporate-type farms have been enjoying.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RUSSELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The time remaining on the bill has not been yielded back.

Mr. RUSSELL. Mr. President, I yield back all time which may be at the disposal of the committee or the majority leader, with the understanding that the time remaining to the opposition will be yielded back also.

Mr. AIKEN. Mr. President, with that understanding, I yield back the time remaining on this side.

The PRESIDING OFFICER. All time has been yielded back. All time has expired. The question is, Shall the bill pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Connecticut [Mr. DODD], the Senator from Rhode Island [Mr. GREEN], the Senator from Indiana [Mr. HARTKE], the Senator from Missouri [Mr. HENNINGS], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Louisiana [Mr. LONG], and the Senator from Utah [Mr. Moss] are absent on official business.

The Senator from New Mexico [Mr. CHAVEZ] is absent because of a death in the family.

The Senator from Tennessee [Mr. KEFAUVER] is absent on official business as a member of the U.S. Committee of the Atlantic Congress.

The Senator from Arkansas [Mr. MCCLELLAN] is absent because of illness.

The Senator from West Virginia [Mr. RANDOLPH] is necessarily absent.

I further announce that if present and voting the Senator from New Mexico [Mr. CHAVEZ], the Senator from Connecticut [Mr. DODD], the Senator from Rhode Island [Mr. GREEN], the Senator from Indiana [Mr. HARTKE] the Senator from Missouri [Mr. HENNINGS], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Louisiana [Mr. LONG], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Utah [Mr. Moss], and the Senator from West Virginia [Mr. RANDOLPH] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business. If present and voting, the Senator from South Dakota would vote "yea."

The Senator from Kentucky [Mr. MORTON] is necessarily absent, and, if present and voting, would vote "yea."

The result was announced—yeas 74, nays 10, as follows:

YEAS—74

Aiken	Hart	Murray
Allott	Hayden	Muskie
Anderson	Hickenlooper	Neuberger
Bartlett	Hill	O'Mahoney
Beall	Holland	Pastore
Bennett	Hruska	Prouty
Bible	Humphrey	Proxmire
Byrd, W. Va.	Jackson	Robertson
Cannon	Javits	Russell
Carlson	Johnson, Tex.	Saltonstall
Carroll	Johnston, S.C.	Schoeppel
Church	Jordan	Scott
Clark	Kerr	Smathers
Cooper	Kuchel	Smith
Curtis	Langer	Sparkman
Douglas	Lausche	Stennis
Dworshak	Magnuson	Symington
Eastland	Mansfield	Talmadge
Ellender	Martin	Thurmond
Engle	McCarthy	Wiley
Ervin	McGee	Williams, N.J.
Frear	McNamara	Yarborough
Fulbright	Monroney	Young, N. Dak.
Gore	Morse	Young, Ohio
Gruening	Mundt	

NAYS—10

Bridges	Case, N.J.	Keating
Bush	Cotton	Williams, Del.
Butler	Dirksen	
Capehart	Goldwater	

NOT VOTING—14

Byrd, Va.	Hartke	McClellan
Case, S. Dak	Hennings	Morton
Chavez	Kefauver	Moss
Dodd	Kennedy	Randolph
Green	Long	

So the bill (H.R. 7175) was passed.

Mr. RUSSELL. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. RUSSELL, Mr. HAYDEN, Mr. HILL, Mr. ROBERTSON, Mr. ELLENDER, Mr. YOUNG of North Dakota, Mr. MUNDT, and Mr. DWORSHAK the conferees on the part of the Senate.

PURPOSE OF THE SECRETARY OF AGRICULTURE IS TO WRECK THE FARM PROGRAM

Mr. DOUGLAS. Mr. President, I voted for the agricultural appropriation bill with a very heavy heart. I believe it is now apparent, from the ruling of the Chair and the procedures of the Senate and the House of Representatives, that it is impossible to control the Secretary of Agriculture, and that the Secretary of Agriculture will be able to carry out what I believe to be is his intended purpose of wrecking the agricultural price-support program, although in the process he bankrupts the U.S. Treasury.

PRODUCTION LIMITATIONS COULD BE FIXED

The Secretary of Agriculture has fixed price supports upon corn and other feed products without placing any restriction whatsoever upon the number of acres to be planted or the quantities to be produced. He could have protected the taxpayers and the farmers. A good Secretary of Agriculture would have done so. But not Ezra Taft Benson.

There will be an enormous corn crop this fall, which the Secretary of Agriculture, by his own act, will support at $1.12 a bushel; and by his failing to have imposed any restrictions whatsoever, we shall be committed to buy and to support every bushel that is turned in.

We may have a 4 billion bushel corn crop. Certainly we shall have a much larger corn crop than we have had in previous years, unless there is disastrous weather. The large crop will be directly the result of the actions of the Secretary of Agriculture.

In my opinion, the Secretary is both wrecking the farm support program and helping to bankrupt the Treasury. Let it not be said by him or by the administration that Congress is responsible for this. It is the acts of the Secretary that are responsible.

The amendment which I offered, and which was ruled out of order on a point of order, attempted to control the abuse in the next year by restricting price supports, in the cases where it was required by law, only to those commodities where restrictions on output had also been imposed by the Secretary. I think my amendment would have saved at least $1 billion, and would have made the farm support program more acceptable to the American people. But it was ruled out of order as being legislation on an appropriation bill.

CONGRESS HAS LOST CONTROL OVER AGRICULTURE APPROPRIATIONS

I only hope the Committee on Agriculture and Forestry will bring out of committee soon a farm bill, and that it will contain restrictions such as I have suggested. I think, as a result of actions by the Secretary, we have largely lost control over the farm program. The Secretary can throw the gates open, as he has shown every evidence of throwing the gates open, to unlimited production, fixing price supports, and bringing about a huge expenditure, so he can then misrepresent the facts to the American people, and then say it is the farm program that is at fault, and ask to eliminate all farm programs.

I had thought of voting against the appropriation bill to show my disgust at a situation in which the Congress finds itself delivered into the hands of Ezra Taft Benson and the Eisenhower administration; but I also remembered that there are many good features in the farm bill—not so much on the commodity stabilization side of the bill, but in appropriations for school lunches, for the REA, and for other purposes which are very close to my heart, and which I think are close to the hearts of most Americans.

I must say that if the fate of the appropriation bill had been in my hands, I should not have wished to kill it. So it went through my mind that enough Senators would be in favor of the bill so that it would pass, and that one Senator could express his disappointment by voting against it.

Then I remembered the moral rule that the German philosopher, Immanuel Kant, laid down—one's "so act that the purpose of thy action should become universal law;" or, in nontechnical language, "Never do that which you do not want to see universalized." While this is not an invariable rule of conduct, it is fairly good rule.

I concluded that to vote "nay," knowing the vast majority of the Senate would vote "yea," might make me look good in the eyes of the voters, but it would be morally unacceptable. So, therefore, with a very heavy heart, and with what I hope was a weak voice, I voted "yea."

I think the whole farm program needs to be revised. I am for a farm program, but I want to see it geared particularly to protect the small-sized family farm. I do not believe the present program has over a year more to run. As we revise the program, I hope we shall center our efforts toward protecting the family-sized farm.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. CARROLL. I wish to commend the distinguished senior Senator from Illinois for his legislative effort, which has been ruled out of order. He has not only emphasized to the committees that have control of this type of legislation but he has emphasized again and again and again on the floor of the Senate and

elsewhere the need for real farm legislation. He has emphasized again to Secretary Benson that he ought to be exercising some leadership in this field. We know that in our total economy, agriculture is the softest spot. Last year we exchanged viewpoints on this matter on the floor of the Senate. I for one have been urging a unit control—a bushel control—on wheat and corn.

I think the distinguished senior Senator from Illinois is 100 percent right. We must curb production, and not merely reduce price supports. We have got to curb production in this field. We shall never have any success in the farm program until production is reduced.

I may say to the distinguished Senator from Illinois that I have talked to many Senators who are on the committee, and, without exception, they have agreed on the desirability of unit control for tobacco, cotton, wheat, and corn; but, as Mark Twain said one time about the weather, everybody talks about it, but nobody does anything about it. The distinguished junior Senator from Georgia [Mr. TALMADGE] has a bill advocating this very approach.

We have got to do something, because there is no question in my mind of the logic of the remarks of the senior Senator from Illinois. To use an old expression, he hit the nail on the head when he said there is a deliberate effort to undermine the farm program and to try to create the impression that the Democrats are responsible for the uneconomic condition which exists in agriculture.

I commend the Senator from Illinois for his fine effort to try to save $1 billion in the farm program.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield to the Senator from Missouri.

Mr. SYMINGTON. I also should like to congratulate the distinguished senior Senator from Illinois for his perspicacity in this field. As the Senator knows, the Secretary of Agriculture has pursued two basic premises which have been proved to be entirely wrong. The first is that lower price supports would have a tendency to reduce production. The second is to give price supports, without, as the Senator so ably pointed out, enforcing controls.

On February 16 last, the distinguished chairman of the committee, the distinguished junior Senator from Wisconsin, and I all received a promise from the Secretary of Agriculture that he would give the committee an omnibus bill—giving his recommendations for dealing with the farm problem. Nevertheless, he has not yet produced the bill which he promised many months ago.

Mr. DOUGLAS. I had read of that matter in the press and in the CONGRESSIONAL RECORD. I am very glad to have the Senator from Missouri make the statement again on the floor of the Senate. I think it is another indication that the Secretary does not wish even to advance any policy. He wants to be able to advise the President to veto any bill the majority of the House and the Senate may pass, and then force us to accept the existing law, which, unfortunately, does give discretion to him to put into effect price supports without imposing production controls.

Using that power on corn and feed grains, the Secretary refused to impose production controls, and we are going to have corn running out of our ears and money running out of the Treasury.

Mr. SYMINGTON. Mr. President, will the Senator yield further?

Mr. DOUGLAS. I am glad to yield.

Mr. SYMINGTON. What the Secretary is really trying to do, is he not, is to blame the Congress for the failure of his program and for his own administrative inefficiency?

Mr. DOUGLAS. I think that is absolutely correct. The Secretary is ready to defeat price supports even if it costs the American taxpayers $5 billion or $10 billion.

Mr. SYMINGTON. I again commend the able Senator for his analysis of this situation.

Mr. DOUGLAS. I thank the Senator from Missouri.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield to the junior Senator from Minnesota.

Mr. McCARTHY. The Senator from Illinois is making a fair case against the Secretary of Agriculture. I ask the Senator whether he can imagine anything the Secretary of Agriculture might have done, within the authority he has had, to undermine the farm program which he has not done?

Mr. DOUGLAS. I do not know of anything. I would give the Secretary a 100 percent grade on every measure designed to injure the American farmer.

Mr. McCARTHY. I wish to point out to the Senator that through the years the Secretary of Agriculture, Mr. Benson, has pointed to the egg industry as an example of how the agricultural economy would correct itself if we permitted the free market forces to operate. The Secretary is more prophetic than he anticipated. Today we know that eggs are selling at about 40 percent of parity. This process has gone on for 3 or 4 months.

Mr. President, last week egg prices reached the lowest national average since 1941. The position of the egg producers in Minnesota, which is an export market where prices of eggs are several cents a dozen lower than the national average, has been desperate for several months.

The fact is that in an uncontrolled market the price does not drop in the same proportion as the supply goes up. Price reductions do not reflect, in simple rates, the increase in supply. The egg supply this year is only a little more than 4 percent over last year's average, but this has resulted in a 29 percent drop in the price of eggs.

As Senators know, the Committee on Agriculture of the House of Representatives has held hearings on the egg and poultry market, and on May 13 in a letter forcefully requested the Secretary of Agriculture to "review all existing authority and availability of funds with the purpose of immediately and fully implementing, in every practical manner, such programs of purchase, diversion and export of eggs and poultry products as will lead toward improvement in the present critical situation within the domestic poultry industry."

Last week the answer came in the form of a letter from Mr. Clarence L. Miller, Assistant Secretary of Agriculture, stating that the Department would not use the authority and funds provided through the section 32 program and Public Law 480 to purchase laying hens, shell eggs or broilers for use in the relief programs in the United States, or for export, or for the school lunch program.

Mr. President, instead of following the policy laid down by the Congress, Mr. Benson called a well-publicized meeting of 27 national and regional representatives of poultry farmers, farms organizations and food retailers, and after this gathering the Secretary produced his solution. His words were:

> An accelerated program of promotion, advertising, and merchandising, calling into play all the imaginative and creative forces which have characterized many successful food promotions in the past.

Mr. President, I submit that this is a wholly inadequate response, and one which makes light of the considered judgment of Congress. The crisis in the egg and poultry market is not a result of the failure of Madison Avenue advertising. Its basic cause lies in the Secretary's faith in a free and uncontrolled market for farm products within a nation where all other major segments of the economy are subject to some degree of rational control over supply and demand. Immediately, the crisis is a response to the cheap feed policy of the Department and generally reduced farm income, which have led farmers to take a chance to break even by expanding livestock and poultry production. There is every reason to believe that the poultry emergency will soon be followed by a similar crisis in pork.

Senators will recall that, at the beginning of his administration in 1953, Mr. Benson assured the Senate Committee on Agriculture and Forestry that he believed in a price-support program, at least to the extent that it was needed to "prevent disaster to the farm-producing plant."

It seems to me that the major step which the Congress must now take is to define the word "disaster." Egg prices in Minnesota have been at 42 percent of parity and lower for 3 months. I have called and written the Department of Agriculture frequently, asking the Department to use the funds and authority it has, and the responses have been similar to those received by the House Committee on Agriculture last week. I think we can fairly conclude that 42 percent of parity is not low enough to constitute disaster in the Secretary's lexicon. What does—35 percent or 25 percent?

The emergency in the case of poultry and eggs is simply the present manifestation of general crisis threatening agriculture. During the past several years farm prices and farm income have declined steadily, although the cost of food

to the consumer has risen. The farmer's share of the consumer's dollar has dropped from nearly one-half to about 39 percent. We are all aware of the surpluses which have accumulated in wheat, cotton, and certain other farm products.

There is a pressing need for a reevaluation of the entire farm program, as the Senator from Illinois has said, starting with the principle that the family farm is not only an economic base but is also a social and spiritual force, and that its continuation is a primary objective of the farm program.

There is a real danger that the farm program will be undermined by some who, in fact, would like to see the whole program abolished, but who take a position which makes them appear as defenders of the family farm.

I may say that today I received what I believe to be the first publication in which the Department of Agriculture lends its name to the sales promotion program, which I mentioned. The publication is entitled "The Gold Rush of 1959—Eggs—Nutritious Nuggets for Your Menu."

The "gold rush" has no reference whatsoever to the income of the farmer who produces the eggs. So far as I can discover, it relates to the fact that the yolk of the egg is still yellow and has some nutritional value.

I shall not read this report, but I notice, as I look at about the second from the last paragraph, that the Secretary of Agriculture, the Department of Agriculture, at last gives some advice to the people of this country on how to cook eggs. This is an important contribution, particularly since it relates to how to boil eggs. I suppose there may be a few people in this country who do not know how to boil eggs.

Mr. DOUGLAS. Does Mr. Benson say that one should place eggs in boiling hot water to boil them?

Mr. McCARTHY. It is said that the first and fundamental rule, whether cooking eggs in water, in a frying pan, or an oven, is to use low or moderate, even heat, and that, like all protein foods, eggs cooked at too high a temperature become tough and leathery.

I am sure the American people who read this report will proceed in a great rush to the supermarkets and to the stores to buy eggs.

Mr. DOUGLAS. The Senator from Minnesota is a master of sardonic understatement. I think the Senator has made an excellent point.

PRESIDENT MUST ALSO TAKE RESPONSIBILITY

Mr. President, I have one final point before I yield the floor and go downstairs to have lunch, to eat some eggs and help to reduce the egg surplus. I do not think we should blame Mr. Benson alone on this matter. The policy of Mr. Benson is also the policy of Mr. Eisenhower and the Republican administration. I think we have centered responsibility too much on the Department of Agriculture and not sufficiently on 1600 Pennsylvania Avenue, because every step Mr. Benson has taken has also been a step approved by the President.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. McCARTHY. I certainly agree with the Senator from Illinois. Sometimes the impression is created that when Mr. Eisenhower took office as President, in January of 1953, he went out on the White House lawn and found all the various Secretaries waiting for him, and somehow he got them to take their respective offices. This was not the case, as the Senator has pointed out. Those Secretaries had to be picked; they had to be recommended; they had to be confirmed.

Mr. DOUGLAS. The President not only appointed Mr. Benson, but he has held him in office against the protests of a large proportion of American farmers. He has approved all the legislation suggested by Secretary Benson. He has vetoed legislation passed by the Congress which Secretary Benson asked to have vetoed. He has placed his stamp of approval upon every act of the Secretary of Agriculture.

While I like the President personally, while I think he is a very decent man—if I had sufficient skill at golf and if I were invited I would be glad to play golf with him; or if I had sufficient skill at bridge and were invited to come to the White House I would be glad to play bridge with him—while I think he is a very fine person individually, so far as agriculture is concerned I think he is simply a ditto mark for Ezra Taft Benson.

Mr. WILLIAMS of Delaware. Mr. President, the appropriation bill which has just been passed calls for the expenditure next year of $220 million over and above the amount which the administration requested in its budget estimate.

I shall give a tabulation of the amounts.

The Senate by a vote authorized the expenditure of $75 million more under the soil bank program than was requested by the administration.

I will say at this point that it is rather interesting and somewhat amusing to note that so many of those who have denounced the soil bank program and even some who have referred to the program as the "golf links program" voted today not only for the program but also for $75 million more than the administration wanted.

It could be that this was a practice Presidential campaign speech. Rather than being against the program, I suppose the criticism is that it has not been elaborate enough. Anyway, the Senate had a yea and nay vote and provided $75 million above the budget request for the soil bank program.

The next item, the ACP program, which is shown on page 12 of the bill, is another program involving additional expenditures. The Senate by another yea-and-nay vote provided $150 million over and above the amount requested by the administration. This, again, will be a direct expenditure which must be accounted for by the taxpayers.

Again, in reference to page 27 of the bill, the chairman of the subcommittee admitted there was a false claim with regard to a $100 million saving in the bill as reported by the committee. The chairman of the subcommittee, who was in charge of the bill, admitted in a colloquy with the Senator from Illinois [Mr. DIRKSEN] that it was not a bona fide reduction so far as expenditures were concerned. This is in reality another $100 million increase.

That brings the total increase in the bill to $325 million. Now, as the committee reported with regard to the rest of the bill, taking into consideration the increases and decreases, there was provided a $105 million reduction in the other items. That leaves an increase of $220 million which this bill, just passed by the Congress, will call for in expenditures in the next year over and above the administration request.

In addition, the bill also provides for $33 million of loan authorizations for the Farmers Home Administration again over and above the amount requested by the administration.

There has been much boasting about the fact that the appropriation bills call for cuts from the Eisenhower budget. I think the RECORD should show that the yea-and-nay vote on this bill called for $253 million over and above the budgetary request.

I call this to the attention of the majority party because I know that they want to keep the tabulation correct, and if there is any question as to this tabulation, I will yield to any Senator at this time who wishes to take exception to it because these are the figures the taxpay will be called upon to pay. Since there is no answer I assume they agree. The taxpayer will not pay on any such figures as are shown on the first page of the report. These are "trick" figures to show a savings of $105 million and are arrived at only by eliminating from the computation all of those items which have substantial increases. The taxpayers will pay for the bill as a whole and have a right to be told the real truth.

I say that the report when it states on the front page a reduction of $105 million, refers only to a portion of the bill and does not refer to all of the bill. There is in reality $253 million increase, and the report should show it. This has been confirmed by the colloquy with the chairman of the subcommittee who yesterday admitted the accuracy of these figures. There is no question about them. And I say again, I shall be glad to yield to any Senator who desires to question the figures. I repeat, the bill as passed represents a $220 million cash expenditure increase and a $33 million loan authorization increase.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. KEATING. Again I wish to commend the distinguished Senator from Delaware for the way he has dug into the figures and has been so influential in endeavoring to keep the bill within budgetary bounds. We have been furnished by him with the accurate figures, which are not questioned, so far as I know. Let me say to the Senator that I voted against the bill, as he did, as a

protest against "busting" the budget in connection with items with respect to which it seemed to me that the budgetary provisions were ample. Every time we try to keep within budgetary bounds we are told, "We must loosen up here, and cut out somewhere else." But the "somewhere else" never appears.

In connection with the amendments which the Senator from Delaware offered, we had our opportunity to keep the bill within reasonable bounds, but a majority of the Senate voted not to do so.

If the bill comes back from conference in some reasonable form, I shall be happy to vote for it. I hope that the figures the Senate has placed in the bill will not be sustained in conference.

Mr. WILLIAMS of Delaware. I thank the Senator from New York. I likewise hope that the amount of appropriations can be brought down in conference. With the $12 billion budget deficit confronting us this year, I think it is essential that we in the Congress reduce these appropriations. We cannot do it by increasing them above the amounts which are recommended by the Bureau of the Budget.

I am not saying that there is anything sacred about the Budget figures. Many of the figures are even too high; but certainly, as a bare minimum, we can live within a $77 billion budget. If we are not going to live within it, let us as Members of Congress accept our responsibility and not boast about how much we are cutting here and there. Let us not report appropriation bills with reports to the effect that we are saving $105 million when there is not a Senator who will stand up and say that those figures, as they were reported to the Senate, have any degree of accuracy. They were merely bookkeeping items, juggled around to look good to the taxpayers.

They do not reflect any degree of accuracy as far as reporting the full cost of the bill. That statement cannot be challenged by any Member of the Senate. If any Senator wishes to challenge it, I will yield to him for that purpose.

No Senator wishes to challenge my statement.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5805) making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States for the fiscal year ending June 30, 1960, and for other purposes.

The message also announced that the House had agreed to the amendments of the Senate to the joint resolution (H.J. Res. 254) to authorize participation by the United States in parliamentary conferences with Canada.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 758. An act for the relief of Viktors Neimanis;

S. 1197. An act to amend the Atomic Energy Act of 1954, as amended;

S. 1217. An act to add certain public domain lands in Nevada to the Summit Lake Indian Reservation;

S. 1228. An act to amend Public Law 85-590 to increase the authorization for appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes; and

S. 1242. An act to authorize the use of the revolving loan fund for Indians to assist Klamath Indians during the period for terminating Federal supervision.

REIMBURSEMENT OF STATES BY FEDERAL GOVERNMENT ON HIGHWAY CONSTRUCTION

Mr. BUSH. Mr. President, I am pleased to advise the Senate the House Committee on Public Works has voted today to report favorably H.R. 6303, a bill to provide fair and equitable reimbursement by the Federal Government to States which constructed certain sections of the National System of Interstate and Defense Highways.

H.R. 6303, introduced by the distinguished chairman of the House committee, Representative CHARLES A. BUCKLEY, of New York, is a companion measure to S. 1714, which I have introduced for myself and other Senators, including the senior Senator from Oklahoma [Mr. KERR], the senior Senator from Ohio [Mr. LAUSCHE], the junior Senator from New York [Mr. KEATING], the two Senators from West Virginia [Messrs. BYRD and RANDOLPH], and my able colleague from Connecticut Mr. [DODD].

Mr. President, the enactment of legislation to reimburse the States for highways taken for the Interstate System is necessary in the interests of justice. The action taken today by the House committee is a significant step forward toward that goal.

I hope that the Senate Committee on Public Works, on which I had the privilege of serving in former Congresses, will soon begin to consider the reimbursement problem, and that this Congress will act to solve it.

I ask unanimous consent that a statement I made before the House committee on May 19 may be printed in the RECORD following these remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF U.S. SENATOR PRESCOTT BUSH, OF CONNECTICUT, URGING SUPPORT OF BILLS TO PROVIDE FOR EQUITABLE REIMBURSEMENT BY THE FEDERAL GOVERNMENT TO THE STATES FOR HIGHWAYS TAKEN INTO THE NATIONAL SYSTEM OF INTERSTATE AND DEFENSE HIGHWAYS, DELIVERED BEFORE THE HOUSE COMMITTEE ON PUBLIC WORKS, MAY 19, 1959

Mr. Chairman and members of the committee, I am grateful for your invitation to testify before this committee, once again, on bills providing for fair and equitable reimbursement by the Federal Government to States which constructed certain sections of the National System of Interstate and Defense Highways.

For several years I have urged Congress to do justice to the States which have contributed mileage to the Interstate Highway System, but which have not been reimbursed. I sincerely hope that action will be taken this year.

As a matter of equity, Congress should now establish the principle that the States are entitled to reimbursement for highways which were completed or were put under construction by contract on the Interstate System between August 7, 1947, and June 30, 1957, and take definite steps to provide such reimbursement within a reasonable time.

The bills relating to this subject which I have introduced in the present Congress are S. 570 and S. 1714. S. 570 is a refinement of bills I have introduced in former Congresses. S. 1714 is a companion measure to H.R. 6303, introduced by the distinguished chairman of this committee, Representative CHARLES A. BUCKLEY, of New York, I am pleased to join Chairman BUCKLEY in a mutual effort to seek support for this needed legislation. I am delighted to inform you that the bill has attracted considerable interest and support in the Senate. Among its cosponsors are the senior Senator from Oklahoma, Senator KERR; the senior Senator from Ohio, Senator LAUSCHE; the junior Senator from New York, Senator KEATING; the two Senators from West Virginia, Senators BYRD and RANDOLPH; and my able colleague from Connecticut, Senator DODD.

S. 570 and S. 1714 have the same goal of equitable reimbursement in view, but would provide different methods of reaching it.

S. 570 would:

1. Declare it to be the policy of the Federal Government to reimburse the States, on an equitable basis, for acceptable highways, free or toll, which have been incorporated into the Interstate System.

2. Authorize the Secretary of Commerce to provide reimbursement, upon request of a State, if he determines highways so incorporated meet Interstate System standards. The amount of reimbursement would be limited to the cost of the highway, less depreciation, and less the total amount of Federal funds used in its construction. Additionally, in the case of toll highways, the reimbursement would be further reduced by deductions for the cost of all auxiliary facilities needed for its toll operation.

3. Require the States to use funds so reimbursed for construction of projects on highways which connect with the Interstate System and enhance its utility and, after completion of such projects, on any Federal-aid system. No State matching funds would be required.

In order to prevent excessive additions to the normal flow of funds from the highway trust fund in any single year, S. 570 provides that a State shall have until July 1, 1974, to obligate reimbursed funds to its credit, with a provision that no more than 10 percent of the total credit may be obligated in any fiscal year.

Your chairman's bill, H.R. 6303, and my companion bill, S. 1714, declare a policy that each State in which a toll or free highway, or portion thereof, has been included in the Interstate System is entitled to reimbursement and that funds so reimbursed shall be used for construction of highways on the Federal-aid primary system.

The bills authorize appropriations out of general funds in the Treasury not otherwise appropriated and not out of the highway trust fund—and this, of course, is a major departure from the financing proposed in my earlier bill, S. 570, and provided for in the Highway Revenue Act of 1956 which was intended to finance completion of the Interstate System.

The appropriations would be authorized over a 15-year period commencing with the fiscal year ending June 30, 1962, and would total the net reimbursable amount of $4,295,600,000. The amounts involved for any one fiscal year range between $225 million and $360 million—clearly within a feasible area.

The argument most often advanced against the Federal Government paying its just debts to the States for their contributions to the Interstate System is based solely on expediency. Where, it is asked, is the money coming from?

Gentlemen, let us grasp the nettle firmly. It is time for this Congress to recognize that the Federal Government can pay its bills only by taxing the people. Either we tax openly and honestly, or we impose the hidden, dishonest, cruel tax of inflation through deficit financing.

The proposed reimbursements to the States will, it should be noted, have no effect upon the budget for the next fiscal year. If the bills are enacted, ample time will be provided for inclusion of the amounts to be reimbursed in the budget for the succeeding fiscal year, commencing June 30, 1961. If off-setting savings cannot be found elsewhere in the budget—a solution which is to be hoped for—then the money must come from taxation.

I would prefer that the bill be paid by those who enjoy the benefits of these modern, safe highways. As you all know, we already face an impending shortage of funds in the highway trust fund which, under present law, will make it impossible this year to apportion funds for the interstate system.

President Eisenhower has recommended a temporary increase of 1½ cents a gallon in the Federal tax on motor fuels, effective July 1st, to keep the highway trust fund on a pay-as-you-go basis and to maintain the planned construction schedule.

I regret that the leadership of this Congress apparently is unwilling to act upon the President's recommendation. Should, however, the Committee on Ways and Means of this body and the Senate Finance Committee belatedly give active consideration to a temporary increase in the motor fuels taxes, I hope they would also consider additional sources of revenues from highway users which could be used to finance the reimbursement program.

The other alternative, as proposed by Chairman BUCKLEY's bill and the companion bill, is to finance reimbursements from general funds in the Treasury. Unless off-setting savings can be found elsewhere in the budget for fiscal 1961, the Congress in the next session will be faced with the necessity of financing the program by taxation—either by raising taxes openly and honestly, or by the inflation tax of deficit financing. Of these unpleasant alternatives, I prefer the former.

In any event, gentlemen, this committee and this Congress have the duty to pay debts owed by the Federal Government to the States. There is an obligation on the part of the Federal Government to reimburse the States for the mileage the Federal Government has taken into the Interstate System without compensation. The Federal Government encouraged the States to believe that they would be given credit for these highways; otherwise many of them would not have been built. It would be a gross miscarriage of justice if heavy penalties are imposed upon the very States who had the courage and vision to undertake the construction of urgently needed highways prior to the enactment of the Federal-Aid Highway Act of 1956. Failure to enact a reimbursement bill would inflict such unjust penalties.

THE NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

Mr. BUTLER. Mr. President, on the floor of this Senate on Thursday, May 28, the distinguished Senator from Oregon called Secretary Strauss "an enemy of the people." He described his record as "horrendous."

Is a man who in his youth helped to feed the starving people of France, Belgium, and central Europe an enemy of the people?

Is a man who has spent many thousands of dollars of his own earning to find a better means of controlling cancer an enemy of the people?

Is a man who served his country during war with such distinction that his services were twice recognized and commended by the President of the United States an enemy of the people?

Is the man who insisted upon the establishment of a system to tell when our potential enemies achieved atomic weapons capability an enemy of the people?

Is the man who first and alone urged and stoutly maintained, against powerful opposition—almost unanimous opposition—that we should not be less well armed than the Soviet—that we must develop the hydrogen weapon—is that man an enemy of the people?

Is the man who played a leading role in helping formulate the President's program of atoms for peace an enemy of the people?

Is the man whose idea established the International Atomic Energy Agency, who sponsored the Scientific Conferences on the Peaceful Atom, who gave the impetus of support to the program to control the fusion reaction for power development, who never hesitated to stand by an unpopular cause when it was his duty in the national interest, is that man an enemy of the people?

It seems to me we should look to our own accomplishments and our own record. What are the criteria for judging a man to be an enemy of the people?

I say to you, Mr. President, that history will be confounded by the judgment of the distinguished Senator from Oregon. Let us not make the mistake of being so misled by him that we do an unparalleled injustice to Mr. Strauss.

TREASURY AND POST OFFICE DEPARTMENTS AND TAX COURT APPROPRIATION BILL—CONFERENCE REPORT

Mr. ROBERTSON. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5805) making appropriations for the Treasury and Post Office Departments and the Tax Court of the United States for the fiscal year ending June 30, 1960, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report. (For conference report, see House proceedings of June 3, 1959, pp. 9696–9697, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. ROBERTSON. Mr. President, I move that the report be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Virginia.

The motion was agreed to.

Mr. MANSFIELD. Mr. President, I move that the vote by which the conference report was agreed to be reconsidered.

Mr. ROBERTSON. Mr. President, I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider the vote by which the conference report was agreed to.

The motion to lay on the table was agreed to.

Mr. ROBERTSON. Mr. President, I ask unanimous consent that there be printed at this point in the RECORD a table on the Treasury-Post Office appropriation bill. The table reflects, by each appropriation item, the amount voted by the House of Representatives, the amount voted by the Senate, and the amount agreed to by the conference committee.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Treasury-Post Office appropriation bill, 1960 (H.R. 5805)

	Budget estimate	House Bill	Senate Bill	Conference action
TREASURY DEPARTMENT				
TITLE I				
Office of the Secretary: Salaries and expenses	$3,300,000	$3,300,000	$3,300,000	$3,300,000
Bureau of Accounts:				
Salaries and expenses	3,464,000	3,464,000	3,464,000	3,464,000
Division of Disbursement: Salaries and expenses	22,280,000	21,500,000	22,000,000	22,000,000
Total, Bureau of Accounts	25,744,000	24,964,000	25,464,000	25,464,000
Bureau of the Public Debt, Administering the Public Debt	47,500,000	47,000,000	47,000,000	47,000,000
Office of the Treasurer, United States: Salaries and expenses	17,750,000	17,500,000	17,500,000	17,500,000
Bureau of Customs: Salaries and expenses	53,865,000	53,865,000	53,865,000	53,865,000

Treasury-Post Office appropriation bill, 1960 (H.R. 5805)—Continued

	Budget estimate	House Bill	Senate Bill	Conference action
TREASURY DEPARTMENT—Continued				
TITLE I—continued				
Internal Revenue Service: Salaries and expenses	$365,500,000	$363,000,000	$365,500,000	$364,250,000
Bureau of Narcotics: Salaries and expenses	4,080,000	4,080,000	4,080,000	4,080,000
U.S. Secret Service:				
Salaries and expenses	4,100,000	4,000,000	4,032,000	4,016,000
Salaries and expenses, White House Police	1,055,000	1,055,000	1,055,000	1,055,000
Salaries and expenses, guard force	338,000	338,000	338,000	338,000
Total, U.S. Secret Service	5,493,000	5,393,000	5,425,000	5,409,000
Bureau of the Mint: Salaries and expenses	4,300,000	4,300,000	4,300,000	4,300,000
U.S. Coast Guard:				
Operating expenses	[1] 190,780,000	[2] 189,000,000	189,000,000	189,000,000
Acquisition, construction, and improvement	[1] 24,500,000	[2] 22,000,000	[3] 24,500,000	[4] 23,250,000
Retired pay	29,900,000	29,500,000	29,500,000	29,500,000
Reserve training	15,000,000	15,500,000	15,500,000	15,500,000
Total, Coast Guard	260,180,000	256,000,000	258,500,000	257,250,000
Total	787,712,000	779,402,000	784,934,000	782,418,000
POST OFFICE DEPARTMENT				
TITLE II				
Administration, regional operation, and research	72,600,000	71,500,000	72,398,600	71,750,000
Operations	3,010,000,000	2,988,000,000	2,998,000,000	2,993,000,000
Transportation	527,320,000	524,000,000	524,000,000	524,000,000
Facilities	200,660,000	188,660,000	194,660,000	190,660,000
Postal modernization	[5] 88,500,000	[2] 75,000,000	[3] 88,500,000	[4] 80,000,000
Public services	(172,000,000)		(37,400,000)	(37,400,000)
Total	3,899,080,000	3,847,160,000	3,877,558,600	3,859,410,000
TAX COURT OF THE UNITED STATES				
TITLE III				
Salaries and expenses	1,535,000	1,535,000	1,535,000	1,535,000
Grand total, Treasury, Post Office, and Tax Court	4,688,327,000	4,628,097,000	4,664,027,600	4,643,363,000

[1] Language limiting annual accrued expenditures.
[2] House deleted language.
[3] Senate restored language.
[4] Deleted language.
[5] Language providing "no year" funds.

Administrative expenses of Government corporations (limitation on amount of corporate funds to be expended)

Corporation	Estimate	House bill	Senate bill	Conference
Liquidation of RFC	($95,000)	($90,000)	($90,000)	($90,000)

AMENDMENT OF CERTAIN LAWS AFFECTING THE STATE OF ALASKA

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 318, Senate bill 1541. My purpose is to have the bill made the pending business.

The PRESIDING OFFICER. The bill will be read by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1541) to amend certain laws of the United States in light of the admission of the State of Alaska into the Union, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 1541) to amend certain laws of the United States in light of the admission of the State of Alaska into the Union, and for other purposes, which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 1, line 5, after "Sec. 2.", to insert "(a)"; on page 2, after line 4, to insert:

(b) Section 6(e) of said Act is amended by striking out the word "legislative" and inserting in lieu thereof the word "calendar".

On page 8, after line 8, to insert:

(d) Title 18 United States Code, section 1385, is amended by deleting the last sentence thereof.

On page 11, line 17, after the word "section", to strike out "40" and insert "44"; on page 15, line 17, after the letter "(a)", to strike out "Title 28, United States Code, section 48, is amended by striking out the word 'Seattle,' and inserting in lieu thereof the words 'Seattle, Anchorage.' ", and, in lieu thereof to insert "The Judicial Conference of the United States, with the assistance of the Administrative Office of the United States Courts, shall conduct a study, including a field survey, of the Federal judicial business arising in the State of Alaska with a view toward authorizing the United States Court of Appeals for the Ninth Circuit to hold such terms of court in Anchorage or such other Alaskan cities as may be necessary for the prompt and efficient administration of justice."; on page 16, line 18, after the word "court", to insert "and approved by the Administrative Office of the United States Courts"; at the top of page 25, to insert:

DEFENSE BASE ACT

SEC. 40. (a) Paragraph (2) and (3) of section 1(a) of the Defense Base Act, as amended (55 Stat. 622; 42 U.S.C. 1651 and the following), are amended by striking out "Alaska;" in the parenthetical phrase in each paragraph.

(b) Paragraph (6) of section 1(a) of that Act is amended by striking out "or in Alaska or the Canal Zone".

(c) Section 1(b) of that Act is amended by striking the period at the end of paragraph (3), inserting in lieu thereof a semicolon, and adding the following paragraph: "(4) the term 'continental United States' means the States and the District of Columbia."

After line 12, to insert:

TIMBER REMOVAL

SEC. 41. The Act of March 3, 1891 (26 Stat. 1093), as amended (16 U.S.C. 607), is further amended by deleting the words "Territory of Alaska" and the words "or Territory" where they there appear and by inserting the word "Alaska," after the words "In the State of".

After line 18, to insert:

WAR HAZARDS COMPENSATION ACT

SEC. 42. (a) Paragraphs (2), (3), and (5) of section 101(a) of the War Hazards Compensation Act, as amended (56 Stat. 1028; 42 U.S.C. 1701 and the following), are amended by striking out "or in Alaska or the Canal Zone".

(b) Section 104 of that Act is amended by adding the following new subsection at the end thereof:

"(c) The provisions of this section shall not apply with respect to benefits on account of any injury or death occurring within any State."

(c) Section 201 of that Act is amended by adding the following new subsection at the end thereof:

"(f) the term 'continental United States' means the States and the District of Columbia."

On page 26, after line 9, to insert:

BUY AMERICAN ACT

SEC. 43. Section 1(b) of Title III of the Act of March 3, 1933 (41 U.S.C. 10c(b)), is amended by striking out the word "Alaska,".

At the beginning of line 15, to change the section number from "40" to "44"; on page 27, line 1, after the word "of", where it appears the first time, to strike out "$2,500,000" and insert "$3,000,000"; on page 28, in line 4, after "Sec.", to strike out "41" and insert "45. (a)"; in line 6, after the word "terminated", to insert "or curtailed"; after line 13, to insert:

(b) Structures and improvements of block 32 of the city of Juneau granted to the State of Alaska by section 6(c) of the Act providing for the admission of Alaska into the Union (72 Stat. 339, 340) shall include all furnishings and equipment in the structure known as the Governor's mansion, or used in the operation or maintenance thereof.

At the beginning of line 21, to change the section number from "42" to "46"; in line 22, after the name "Alaska", to insert "prior to January 1, 1965,"; on page 29, at the beginning of line 3, to

strike out "to appoint a temporary commission of three persons to consider, ascertain, adjust, determine, and settle such disputes." and insert "(1) to appoint by and with the advice and consent of the Senate a temporary commission of three persons, to consider, ascertain, adjust, determine, and settle such disputes, and (2) to make such rules and regulations as may be necessary to establish such temporary commission or as may be necessary to terminate such temporary commission at the conclusion of its duties."; in line 14, after the word "necessary.", to strike out "Any settlement made by such commission under the authority of this section shall be final and conclusive for all purposes, notwithstanding any other provision of law to the contrary." and, in lieu thereof, to insert "No commission shall be appointed under authority of this subsection after June 30, 1965."; on page 30, at the beginning of line 8, to insert "The commission may establish such procedures, rules, and regulations as may be necessary to carry out its duties under this section."; at the beginning of line 13, to insert "Any commissioner may be removed by the President for inefficiency, neglect of duty, or malfeasance in office. A vacancy in the commission shall not impair the right of the remaining commisisoners to exercise all the powers of the commission."; in line 24, after the letter "(d)", to strike out "The President is authorized to make such rules and regulations as may be necessary to carry out the provisions of this section."; on page 31, at the beginning of line 5, to change the section number from "43" to "47"; on page 33, after line 17, to insert:

(g) The amendments in sections 40 and 42 shall take effect when enacted: *Provided, however,* That with respect to injuries or deaths occurring on or after January 3, 1959, and prior to the effective date of these amendments, claims filed by employees engaged in the State of Alaska in any of the employments covered by the Defense Base Act (and their dependents) may be adjudicated under the Workmen's Compensation Act of Alaska instead of the Defense Base Act.

On page 34, at the beginning of line 2, to change the section number from "44" to "48"; after line 6, to insert:

OTHER SUBJECTS

SEC. 49. The amendment by this Act of certain statutes by deleting therefrom specific references to Alaska or such phrases as "Territory of Alaska" shall not be construed to affect the applicability or inapplicability in or to Alaska of other statutes not so amended.

And, at the beginning of line 14, to change the section number from "45" to "50"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Alaska Omnibus Act".

FEDERAL JURISDICTION

SEC. 2. (a) Section 4 of the Act of July 7, 1958 (72 Stat. 339), providing for the admission of the State of Alaska into the Union, is amended by striking out the words "all such lands or other property, belonging to the United States or which may belong to said natives", and inserting in lieu thereof the words "all such lands or other property (including fishing rights), the right or title to which may be held by said natives or is held by the United States in trust for said natives".

(b) Section 6(e) of said Act is amended by striking out the word "legislative" and inserting in lieu thereof the word "calendar".

TERMINATION OF APPLICATION OF CERTAIN FEDERAL LAWS

SEC. 3. Any Territorial law, as that term is defined in section 8(d) of the Act of July 7, 1958 (72 Stat. 339, 344), providing for the admission of the State of Alaska into the Union—

(a) which provides for the regulation of commerce within Alaska by an agency of the United States, and

(b) the application of which to the State of Alaska is continued solely by reason of such section 8(d), shall cease to apply to the State of Alaska on June 30, 1961, or on the effective date of any law enacted by the Legislature of the State of Alaska which modifies or changes such Territorial law, whichever occurs first.

SUGAR ACT

SEC. 4. Section 101 of the Sugar Act of 1948, as amended (7 U.S.C., supp. V, sec. 1101), is further amended by adding thereto a new subsection, to be designated subsection "(o)" and to read as follows:

"(o) The term 'continental United States' means the 49 States and the District of Columbia."

SOIL BANK ACT

SEC. 5. Section 113 of the Soil Bank Act (7 U.S.C., supp. V, sec. 1837), is amended to read as follows: "This subtitle B shall apply to the continental United States, except Alaska, and, if the Secretary determines it to be in the national interest, to the State of Alaska, the Territory of Hawaii, the Commonwealth of Puerto Rico, and the Virgin Islands, and as used in this subtitle B, the term 'State' includes Hawaii, Puerto Rico, and the Virgin Islands."

ARMED FORCES

SEC. 6. (a) Title 10, United States Code, section 101(2), is amended by striking out the words "Alaska, Hawaii," and inserting in lieu thereof the word "Hawaii".

(b) Title 10, United States Code, sections 802(11) and 802(12), are each amended by striking out the words "that part of Alaska east of longitude 172 degrees west,".

(c) Title 10, United States Code, section 2662(c), is amended by striking out the word "Alaska,".

NATIONAL BANK ACT

SEC. 7. Section 5192 of the Revised Statutes, as amended (12 U.S.C. 144), is further amended by striking out the words "in Alaska or".

FEDERAL RESERVE ACT

SEC. 8. (a) Section 1 of the Federal Reserve Act, as amended (12 U.S.C. 221), is further amended by deleting the period at the end of such action and inserting in lieu thereof the following: "; the term 'the continental United States' means the States of the United States and the District of Columbia."

(b) Section 19 of the Federal Reserve Act, as amended (12 U.S.C. 466), is further amended by striking the words "in Alaska or".

HOME LOAN BANK BOARD

SEC. 9. (a) Paragraph (3) of section 2 of the Federal Home Loan Bank Act, as amended (12 U.S.C. 1422 (3)), is further amended by striking out the words "Territories of Alaska and Hawaii" and inserting in lieu thereof the words "Territory of Hawaii."

(b) Section 7 of the Home Owners' Loan Act of 1933, as amended (12 U.S.C. 1466), is further amended by striking out the words "continental United States, to the Territories of Alaska and Hawaii" and inserting in lieu thereof the words "continental United States (including Alaska), to the Territory of Hawaii."

NATIONAL HOUSING ACT

SEC. 10. The National Housing Act is amended by—

(a) striking out the word "Alaska," in sections 9, 201(d), 207(a)(7), 601(d), 713(q), and 801(g) (12 U.S.C., secs. 1706d, 1707(d), 1713(a)(7), 1736(d), 1747 1(q); supp. V, sec. 1748(g));

(b) striking out the words "the Territory of Alaska," in section 207(c)(2) (12 U.S.C., supp. V, sec. 1713(c)(2)), and inserting the word "Alaska" in lieu thereof;

(c) by striking out the words "the Territory of Alaska or in Guam" in section 214 (12 U.S.C., supp. V, sec. 1715d; 48 U.S.C., supp. V, sec. 484d), and inserting the words "Alaska, Guam," in lieu thereof; and

(d) striking out the word "Territory" in the two places where it appears in section 806 (12 U.S.C., supp. V, sec. 1748e), and inserting the word "State" in lieu thereof.

COAST GUARD

SEC. 11. Title 14, United States Code, section 634(b), is amended by striking out the words "and for the territory of" in both places where they appear therein.

SECURITIES AND EXCHANGE COMMISSION

SEC. 12. (a) Paragraph (6) of section 2 of the Securities Act of 1933, as amended (15 U.S.C. 77b (6)), is further amended by striking out the word "Alaska,".

(b) Paragraph (16) of section 3(a) of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78c(a)(16)), is further amended by striking out the word "Alaska,".

(c) Paragraph (18) of section 202(a) of the Investment Advisers Act of 1940, as amended (15 U.S.C. 80b–2(a)(18)), is further amended by striking out the word "Alaska,".

(d) Paragraph (37) of section 2(a) of the Investment Company Act of 1940, as amended (15 U.S.C. 80a–2(a)(37)), is further amended by striking out the word "Alaska,".

(e) Paragraph (1) of section 6(a) of the Investment Company Act of 1940, as amended (15 U.S.C. 80a–6(a)(1)), is further amended by striking out the word "Alaska,".

SOIL CONSERVATION

SEC. 13. (a) Section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended (16 U.S.C., supp. V, sec. 590h(b)), is further amended by inserting, immediately following the words "continental United States", the words ", except in Alaska".

(b) Section 17(a) of the Soil Conservation and Domestic Allotment Act, as amended (16 U.S.C. 590q(a)), is further amended by striking out the words "the United States, the Territories of Alaska and Hawaii" and inserting in lieu thereof the words "the States, the Territory of Hawaii", and by striking out the word "Alaska" the second time it appears therein.

BALD EAGLES

SEC. 14. Section 1 of the Act of June 8, 1940 (16 U.S.C. 668), is amended by striking out the words "except the Territory of Alaska,".

WILDLIFE RESTORATION

SEC. 15. Section 8(a) of the Act of September 2, 1937, as amended (16 U.S.C., supp. V, sec. 669g–1), is further amended by striking out the words "the Alaska Game Commission,", "said Territory of Alaska,", "not exceeding $75,000 for Alaska, and", and "the Territory of Alaska,".

FISH RESTORATION

SEC. 16. Section 12 of the Act of August 9, 1950, as amended (16 U.S.C., supp. V, sec.

777k), is further amended by striking out the words "the Alaska Game Commission,", "said Territory of Alaska,", "not exceeding $75,000 for Alaska, and", and "the Territory of Alaska,".

CRIMINAL CODE

SEC. 17. (a) Title 18, United States Code, section 5024, is amended by striking out the words "other than Alaska" and inserting in lieu thereof the words "including Alaska".

(b) Section 6 of the Act of August 25, 1958 (72 Stat. 845, 847), is amended by striking out the words "other than Alaska" and inserting in lieu thereof the words "including Alaska".

(c) Subsections (a) and (b) of this section shall be effective on July 7, 1961, or on the date of the Executive order referred to in section 18 of the Act of July 7, 1958 (72 Stat. 339, 350), providing for the admission of the State of Alaska into the Union, whichever occurs first.

(d) Title 18 United States Code, section 1385, is amended by deleting the last sentence thereof.

EDUCATION

SEC. 18. (a)(1) Subsection (a) of section 103 of the National Defense Education Act of 1958 (72 Stat. 1580, 1582), relating to definition of State, is amended by striking out "Alaska," each time it appears.

(2) Paragraph (3)(B) of section 302(a) of such Act (72 Stat. 1580, 1588), relating to definition of continental United States for purposes of allotments for science, mathematics and modern foreign language instruction equipment, is amended by striking out "does not include Alaska" and inserting in lieu thereof "includes Alaska".

(3) Section 1008 of such Act (72 Stat. 1580, 1605), relating to allotments to territories, is amended by striking out "Alaska,".

(b)(1) Section 4 of the Act of February 23, 1917 (20 U.S.C. 14), relating to allotments for teacher-training, is amended by striking out "$90,000" and inserting in lieu thereof "$98,500". The proviso in the last paragraph of section 5 of such Act (20 U.S.C. 16) and so much of section 12 of such Act (20 U.S.C. 22) as follows the last semicolon shall not be applicable to Alaska prior to the third fiscal year which begins after the enactment of this Act.

(2) Paragraph (1) of section 2 of the Vocational Education Act of 1946 (20 U.S.C. 151), relating to definition of States and Territories, is amended by striking out "the Territories of Alaska and Hawaii" and inserting in lieu thereof "the Territory of Hawaii".

(3) Subsection (e) of section 210 (20 U.S.C., supp. V, sec. 15jj(e)), and subsection (a) of section 307 of such Act (72 Stat. 1580, 1600), relating to definition of State, are each amended by striking out "Alaska,".

(c) Paragraph (13) of section 15 of the Act of September 23, 1950, as amended (72 Stat. 548, 558), relating to definition of State, is amended by striking out "Alaska,".

(d)(1) The material in the parentheses in the first sentence of subsection (d) of section 3 of the Act of September 30, 1950, as amended, relating to determination of local contribution rate, is amended to read: "(other than a local educational agency in Hawaii, Puerto Rico, Wake Island, Guam, or the Virgin Islands, or in a State in which a substantial proportion of the land is in unorganized territory for which a State agency is the local educational agency)".

(2) The fourth sentence of such subsection is amended by inserting "(including Alaska)" after "continental United States" the first time it appears in such sentence. The fifth sentence of such subsection is amended by inserting "including Alaska)" after "continental United States" the second time it appears in such sentence.

(3) The last sentence of such subsection is amended by striking out "Alaska," and by inserting after "the Virgin Islands," the following: "or in any State in which a substantial proportion of the land is in unorganized territory for which a State agency is the local educational agency,".

(4) Paragraph (8) of section 9 of such Act (20 U.S.C., supp. V, sec. 244 (8)), relating to definition of State, is amended by striking out "Alaska,".

IMPORTATION OF MILK AND CREAM

SEC. 19. Subsection (b) of section 9 of the Act of February 15, 1927 (21 U.S.C. 149(b)), is amended by inserting the words ", including Alaska" immediately following the words "continental United States".

OPIUM POPPY CONTROL

SEC. 20. Section 12 of the Opium Poppy Control Act of 1942 (21 U.S.C. 188k) is amended by deleting therefrom the words "the Territory of Alaska,".

HIGHWAYS

SEC. 21. (a) The Secretary of Commerce shall transfer to the State of Alaska by appropriate conveyance without compensation, but upon such terms and conditions as he may deem desirable, all lands or interests in lands, including buildings and fixtures, all personal property, including machinery, office equipment, and supplies, and all records pertaining to roads in Alaska, which are owned, held, administered by, or used by the Secretary in connection with the activities of the Bureau of Public Roads in Alaska, (i) except such lands or interests in lands, including buildings and fixtures, personal property, including machinery, office equipment, and supplies, and records as the Secretary may determine are needed for the operations, activities, and functions of the Bureau of Public Roads in Alaska after such transfer, including services or functions performed pursuant to section 44 of this Act; and (ii) except such lands or interests in lands as he or the head of any other Federal agency may determine are needed for continued retention in Federal ownership for purposes other than or in addition to road purposes.

(b) Notwithstanding any other provision of this section, any contract entered into by the Federal Government in connection with the activities of the Bureau of Public Roads in Alaska which has not been completed on the date of the transfer provided under subsection (a) hereof may be completed according to the terms thereof.

(c) (1) The State of Alaska shall be responsible for the maintenance of roads, including bridges, tunnels, and ferries, transferred to it under subsection (a) of this section, as long as any such road is needed for highway purposes.

(2) Federal-aid funds apportioned to Alaska under title 23, United States Code, for fiscal year 1960 and prior fiscal years, and unobligated on the date of enactment of this Act, may be used for maintenance of highways on the Federal-aid systems in Alaska.

(d) Effective July 1, 1959, the following provisions of law are repealed:

(1) Title 23, United States Code, section 103(f);

(2) Title 23, United States Code, section 116(d);

(3) Title 23, United States Code, section 119;

(4) Title 23, United States Code, section 120(h), except that the portion of the first sentence thereof relating to the percentage of funds to be contributed by Alaska shall continue to apply to funds apportioned to Alaska for fiscal year 1960 and prior fiscal years;

(5) Sections 107(b) and (d) of the Federal-Aid Highway Act of 1956 (70 Stat. 374, 377, 378);

(6) Section 2 of the Act of January 27, 1905 (33 Stat. 616), as amended (48 U.S.C. 322 and the following); and

(7) The Act of June 30, 1932 (47 Stat. 446), as amended (48 U.S.C. 321(a) and the following).

(e) Effective on July 1, 1959, the following provisions of law are amended:

(1) The definition of the term "State" in title 23, United States Code, section 101(a), is amended to read as follows:

"The term 'State' means any one of the forty-nine States, the District of Columbia, Hawaii, or Puerto Rico.";

(2) Title 23, United States Code, section 104(b), is amended by deleting the phrase ", except that only one-third of the area of Alaska shall be included" where it appears in paragraphs (1) and (2) of said section 104(b);

(3) Title 23, United States Code, section 116(a), is amended by deleting the phrase "except as provided in subsection (d) of this section," and by capitalizing the word "it" immediately following such phrase; and

(4) Title 23, United States Code, section 120(a), is amended by deleting the phrase "subsections (d) and (h)" and by inserting in lieu thereof the phrase "subsection (d)".

INTERNAL REVENUE

SEC. 22. (a) Section 2202 of the Internal Revenue Code of 1954 (relating to missionaries in foreign service), and sections 3121(e)(1), 3306(j), 4221(d)(4), and 4233(b) of such Code (each relating to a special definition of "State") are amended by striking out "Alaska,".

(b) Section 4262(c)(1) of the Internal Revenue Code of 1954 (definition of "continental United States") is amended to read as follows:

"(1) CONTINENTAL UNITED STATES.—The term 'continental United States' means the District of Columbia and the States other than Alaska."

(c) Section 4502(5) of the Internal Revenue Code of 1954 (relating to definition of "United States") is amended by striking out "the Territories of Hawaii and Alaska" and by inserting in lieu thereof "the Territory of Hawaii".

(d) Section 4774 of the Internal Revenue Code of 1954 (relating to territorial extent of law) is amended by striking out "the Territory of Alaska,".

(e) Section 7621(b) of the Internal Revenue Code of 1954 (relating to boundaries of internal revenue districts) is amended to read as follows:

"(b) BOUNDARIES.—For the purpose mentioned in subsection (a), the President may subdivide any State, Territory, or the District of Columbia, or may unite into one district two or more States or a Territory and one or more States."

(f) Section 7653(d) of the Internal Revenue Code of 1954 is amended by striking out "its Territories or possessions" and inserting in lieu thereof "its possessions or the Territory of Hawaii".

(g) Section 7701(a)(9) of the Internal Revenue Code of 1954 (relating to definition of "United States") is amended by striking out "the Territories of Alaska and Hawaii" and inserting in lieu thereof "the Territory of Hawaii".

(h) Section 7701(a)(10) of the Internal Revenue Code of 1954 (relating to definition of State) is amended by striking out "Territories" and inserting in lieu thereof "Territory of Hawaii".

(i) The amendments contained in subsections (a) through (h) of this section shall be effective as of January 3, 1959.

COURTS

SEC. 23. (a) The Judicial Conference of the United States, with the asisstance of the Administrative Office of the United States Courts, shall conduct a study, including a field survey, of the Federal judicial business arising in the State of Alaska with a view toward authorizing the United States Court of Appeals for the Ninth Circuit to hold such

terms of court in Anchorage or such other Alaskan cities as may be necessary for the prompt and efficient administration of justice.

(b) Title 28, United States Code, section 81A, is amended by inserting the word "Ketchikan," immediately following the word "Juneau,".

(c) Such authority as has been exercised by the Attorney General heretofore, with regard to the Federal court system in Alaska, pursuant to section 30 of the Act of June 6, 1900 (48 U.S.C. 25), shall continue to be exercised by him after the court created by section 12(b) of the Act of July 7, 1958 (72 Stat. 339, 348), providing for the admission of the State of Alaska into the Union, is established.

(d) All balances of public moneys received by the clerks of each division of the District Court for the Territory of Alaska pursuant to section 10 of the Act of June 6, 1900, as amended (48 U.S.C. 107), which are on hand after all payments ordered by that court and approved by the Administrative Office of the United States Courts shall have been made, shall be covered into the Treasury of the United States as required by law, and the Secretary of the Treasury shall pay the amounts so covered, which are hereby appropriated, to the State of Alaska.

VOCATIONAL REHABILITATION ACT

SEC. 24. (a) Subsection (g) of section 11 of the Vocational Rehabilitation Act (29 U.S.C., supp. V, sec. 41(g)), relating to definition of State, is amended by striking out "Alaska,".

(b)(1) Subsection (i) and paragraph (1) of subsection (h) of such section, relating to definition of allotment percentages and Federal shares for purposes of allotment and matching for vocational rehabilitation services, are each amended by striking out "(excluding Alaska)" and inserting in lieu thereof "(including Alaska)".

(2) Paragraph (1) of such subsection (h) is further amended by striking out "Alaska,".

(3) Such subsection (i) is further amended by striking out "Hawaii and Alaska" in clause (B) and inserting in lieu thereof "Hawaii".

GOLD RESERVE ACT

SEC. 25. Section 15 of the Gold Reserve Act of 1934, as amended (31 U.S.C. 444), is further amended by striking out the words ", the District of Columbia, and the Territory of Alaska" and inserting in lieu thereof the words "and the District of Columbia".

SILVER PURCHASE ACT

SEC. 26. Section 10 of the Silver Purchase Act of 1934 (31 U.S.C. 448b), is amended by striking out the words ", the District of Columbia, and the Territory of Alaska" and inserting in lieu thereof the words "and the District of Columbia".

NATIONAL GUARD

SEC. 27. Title 32, United States Code, section 101(1), is amended by striking out the words "Alaska, Hawaii," and inserting in lieu thereof the word "Hawaii".

WATER POLLUTION CONTROL ACT

SEC. 28. (a) Paragraph (1) of section 5(h) of the Federal Water Pollution Control Act (33 U.S.C., supp. V, sec. 466d(h)(1)), relating to Federal share for purposes of matching for program operation, is amended by striking out "(excluding Alaska)" and inserting in lieu thereof "(including Alaska)" and by striking out, in clause (B), "and Alaska".

(b) Subsection (d) of section 11 of such Act (33 U.S.C., supp. V, sec. 466j(d)), is amended by striking out "Alaska,".

VETERANS' ADMINISTRATION

SEC. 29. (a) Title 38, United States Code, section 903(b), is amended by striking out the words ", or to the place of burial within Alaska if the deceased was a resident of Alaska who had been brought to the United States as a beneficiary of the Veterans' Administration for hospital or domiciliary care"; by inserting the word "continental" immediately before the words "United States" the second time they appear in such section; and by inserting, immediately following the words "continental United States" in both places where they appear in such section, the parenthetical phrase "(including Alaska)".

(b) Title 38, United States Code, section 2007(c), is amended by striking out the word "Alaska,".

FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT

SEC. 30. (a) Subsection (f) of section 3 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 472(f)), is amended by striking out the words ", Hawaii, Alaska," and inserting in lieu thereof the words "(including Alaska), Hawaii,".

(b) Subsection (a) of section 702 of such Act (40 U.S.C., supp. V, sec. 522(a)), is amended by striking out the words "Territories of Alaska and Hawaii" and inserting in lieu thereof the words "Territory of Hawaii".

PUBLIC HEALTH SERVICE ACT

SEC. 31. (a) Subsection (f) of section 2 of the Public Health Service Act (42 U.S.C. 201(f)), relating to definition of State, is amended by striking out "Hawaii, Alaska," and inserting in lieu thereof "Hawaii," and by striking out ", the District of Columbia, or Alaska" and inserting in lieu thereof "or the District of Columbia".

(b)(1) Effective July 1, 1959, section 371 of the Public Health Service Act, as added by the Alaska Mental Health Enabling Act (42 U.S.C., supp. V, sec. 273), is repealed.

(2) Subsection (a) of section 372 of such Act (42 U.S.C., supp. V, sec. 274(a)), is amended by striking out "the Territory of".

(3) Subsections (b), (c), and (e) of such section are each amended by striking out "the Territory" each time it appears and inserting in lieu thereof "Alaska".

(4) Such subsection (e) is further amended by striking out "the Territory's" and inserting in lieu thereof "Alaska's".

(c)(1) Subsection (a) of section 631 of such Act (42 U.S.C., supp. V, sec. 291l(a)), relating to definition of allotment percentage for purposes of allotments for construction, is amended by striking out "(excluding Alaska)" and inserting in lieu thereof "(including Alaska)" and by striking out "for Alaska and Hawaii shall be 50 per centum each" in clause (2) and inserting in lieu thereof "for Hawaii shall be 50 per centum".

(2) Subsection (d) of such section, relating to definition of State, is amended by striking out "Alaska,".

SOCIAL SECURITY ACT

SEC. 32. (a) Paragraph (8) of section 1101(a) of the Social Security Act (72 Stat. 1013, 1050), relating to definition of Federal percentage for purposes of matching for public assistance grants, is amended by striking out "Alaska and" in clause (ii) of subparagraph (A) and by striking out "(excluding Alaska)" in subparagraphs (A) and (B) and inserting in lieu thereof "(including Alaska)".

(b)(1) Subsection (a) of section 524 of the Social Security Act (72 Stat. 1013, 1054), relating to definition of allotment percentage for purposes of allotments for child welfare services, is amended by striking out "50 per centum in the case of Alaska and" in clause (B).

(2) Subsection (b) of such section, relating to definition of Federal share for purposes of matching for child welfare services, is amended by striking out "50 per centum in the case of Alaska and" in clause (2).

(3) Such subsections (a) and (b), and subsection (c) of such section, relating to promulgation of Federal shares and allotment percentages, are each amended by striking out "(excluding Alaska)" and inserting in lieu thereof "(including Alaska)".

(c)(1) The last sentence of section 202(i) of the Social Security Act (42 U.S.C., supp. V, sec. 402(i)), is amended by striking out "forty-eight" and inserting in lieu thereof "forty-nine".

(2) Subsections (h) and (i) of section 210 of such Act (42 U.S.C. 410(h), (i)), relating to definitions of State and United States for purposes of old-age, survivors, and disability insurance, are each amended by striking out "Alaska,".

(d)(1) Paragraph (1) of section 1101(a) of the Social Security Act (42 U.S.C., supp. V, sec. 1301(a)(1)), relating to definition of State, is amended by striking out "Alaska, Hawaii," and inserting in lieu thereof "Hawaii".

(2) Paragraph (2) of such section (42 U.S.C. 1301(a)(2)), relating to definition of United States, is amended by striking out "Alaska,".

CONGRESSIONAL RECORD

SEC. 33. Section 73 of the Act of January 12, 1895, as amended (44 U.S.C., supp. V, sec. 183), is further amended by striking out the word "Alaska,".

FEDERAL REGISTER

SEC. 34. Section 8 of the Federal Register Act (44 U.S.C. 308) is amended by striking out the parenthetical phrase "(not including Alaska)" and inserting in lieu thereof the parenthentical phrase "(including Alaska)".

AIRPORTS

SEC. 35. (a) The Administrator of the Federal Aviation Agency is authorized and directed to transfer to the State of Alaska by appropriate conveyance, and subject to such terms and conditions as he may deem appropriate, all the right, title, and interest of the United States in and to the public airports constructed and operated pursuant to the Act of May 28, 1948, as amended (48 U.S.C. 485 and the following), including all the land, buildings, structures, facilities, equipment, and other personal property appurtenant thereto and necessary for the operation thereof, except for such property, real or personal, as the Administrator may determine is needed for the performance of functions of the United States in Alaska after such transfer. Such transfer shall be without monetary consideration to the United States.

(b) Notwithstanding any other provisions of this section, any contract entered into by the Federal Aviation Agency in connection with its activities with respect to public airports constructed and operated pursuant to the Act of May 28, 1948, as amended (48 U.S.C. 485 and the following), which has not been completed by the date of enactment of this Act, may be completed according to the terms thereof.

SELECTIVE SERVICE

SEC. 36. Section 16(b) of the Universal Military Training and Service Act, as amended (50 U.S.C., app., sec. 466(b)), is further amended by striking out the word "Alaska,".

REAL PROPERTY TRANSACTIONS

SEC. 37. Section 43(c) of the Act of August 10, 1956 (50 U.S.C., app., supp. V, sec 2285(c)), is amended by striking out the word "Alaska,".

RECREATION FACILITIES

SEC. 38. Section 2 of the Act of May 4, 1956 (70 Stat. 130), is hereby repealed. There are hereby authorized to be appropriated for the fiscal year ending June 30, 1960, such sums as may be necessary to complete the construction of facilities described in section 1 of such Act, as amended by the Act of August 30, 1957 (71 Stat. 510), if construction was begun prior to June 30, 1959,

and to maintain the facilities pending their transfer pursuant to such section.

AIRCRAFT LOAN GUARANTEES

SEC. 39. Section 3 of the Act of September 7, 1957 (71 Stat. 629), is amended by striking out the words "Territory of Alaska" and inserting in lieu thereof the words "State of Alaska".

DEFENSE BASE ACT

SEC. 40. (a) Paragraph (2) and (3) of section 1(a) of the Defense Base Act, as amended (55 Stat. 622; 42 U.S.C. 1651 and the following), are amended by striking out "Alaska;" in the parenthetical phrase in each paragraph.

(b) Paragraph (6) of section 1(a) of that Act is amended by striking out "or in Alaska or the Canal Zone".

(c) Section 1(b) of that Act is amended by striking the period at the end of paragraph (3), inserting in lieu thereof a semicolon, and adding the following paragraph: "(4) the term 'continental United States' means the States and the District of Columbia."

TIMBER REMOVAL

SEC. 41. The Act of March 3, 1891 (26 Stat. 1093), as amended (16 U.S.C. 607), is further amended by deleting the words "Territory of Alaska" and the words "or Territory" where they there appear and by inserting the word "Alaska," after the words "In the State of".

WAR HAZARDS COMPENSATION ACT

SEC. 42. (a) Paragraphs (2), (3), and (5) of section 101(a) of the War Hazards Compensation Act, as amended (56 Stat. 1028; 42 U.S.C. 1701 and the following) are amended by striking out "or in Alaska or the Canal Zone".

(b) Section 104 of that Act is amended by adding the following new subsection at the end thereof:

"(c) The provisions of this section shall not apply with respect to benefits on account of any injury or death occurring within any State."

(d) Section 201 of that Act is amended by adding the following new subsection at the end thereof:

"(f) the term 'continental United States' means the States and the District of Columbia."

BUY AMERICAN ACT

SEC. 43. Section 1(b) of Title III of the Act of March 3, 1933 (41 U.S.C. 10c(b)), is amended by striking out the word "Alaska,".

TRANSITIONAL GRANTS

SEC. 44. (a) In order to assist the State of Alaska in accomplishing an orderly transition from Territorial status to statehood, and in order to facilitate the assumption by the State of Alaska of responsibilities hitherto performed in Alaska by the Federal Government, there are hereby authorized to be appropriated to the President, for the purpose of making transitional grants to the State of Alaska, the sum of $10,500,000 for the fiscal year ending June 30, 1960; the sum of $6,000,000 for each of the fiscal years ending June 30, 1961, and June 30, 1962; and the sum of $3,000,000 for each of the fiscal years ending June 30, 1963, and June 30, 1964.

(b) The Governor of Alaska may submit to the President a request that a Federal agency continue to provide services or facilities in Alaska for an interim period, pending the provision of such services or facilities by the State of Alaska. Such interim period shall not extend beyond June 30, 1964. In the event of such request, and in the event of the approval thereof by the President, the President may allocate, at his discretion, to such agency the funds necessary to finance the provision of such services or facilities. Such funds shall be allocated from appropriations made pursuant to subsection (a) hereof, and the amount of such funds shall be deducted from the amount of grants available to the State of Alaska pursuant to such subsection.

(c) After the transfer or conveyance to the State of Alaska of any property or function pursuant to the Act of July 7, 1958 (72 Stat. 339), providing for the admission of the State of Alaska into the Union, or pursuant to this Act or any other law, and until June 30, 1964, the head of the Federal agency having administrative jurisdiction of such property prior to its transfer or conveyance may contract with the State of Alaska for the performance by such agency, on a reimbursable basis, of some or all of the functions authorized to be performed by it in Alaska immediately preceding such conveyance or transfer.

TRANSFER OF PROPERTY

SEC. 45. (a) If the President determines that any function performed by the Federal Government in Alaska has been terminated or curtailed by the Federal Government and that performance of such function or substantially the same function has been or will be assumed by the State of Alaska, the President may, until July 1, 1964, in his discretion, transfer and convey to the State of Alsaka, without reimbursement, and property or interest in property, real or personal, situated in Alaska which is owned or held by the United States in connection with such function.

(b) Structures and improvements of block 32 of the city of Juneau granted to the State of Alaska by section 6(c) of the Act providing for the admission of Alaska into the Union (72 Stat. 339, 340), shall include all furnishings and equipment in the structure known as the Governor's mansion, or used in the operation or maintenance thereof.

CLAIMS COMMISSION

SEC. 46. (a) In the event that any disputes arise between the United States and the State of Alaska prior to January 1, 1965, concerning the transfer, conveyance, or other disposal of property to the State of Alaska pursuant to section 6(e) of the Act of July 7, 1958 (72 Stat. 339, 340), providing for the admission of the State of Alaska into the Union, or pursuant to this Act, the President is authorized (1) to appoint by and with the advice and consent of the Senate a temporary commission of three persons, to consider, ascertain, adjust, determine, and settle such disputes, and (2) to make such rules and regulations as may be necessary to establish such temporary commission or as may be necessary to terminate such temporary commission at the conclusion of its duties. In carrying out its duties under this section, such commission may hold such hearings, take such testimony, sit and act at such times and places, and incur such expenditures as the commission deems necessary. No commission shall be appointed under authority of this subsection after June 30, 1965.

(b) The commission may, without regard to the civil service laws and the Classification Act of 1949, employ and fix the compensation of such employees as it deems necessary to carry out its duties under this section. The commission is authorized to use the facilities, information, and personnel of the departments, agencies, and establishments of the executive branch of the United States Government which it deems necessary to carry out its duties; and each such department, agency, and instrumentality is authorized to furnish such facilities, information, and personnel to the commission upon request made by the commission. The commission shall reimburse each such department, agency, or instrumentality for the services of any personnel utilized. The commission may establish such procedures, rules, and regulations as may be necessary to carry out its duties under this section.

(c) No member of such commission shall be an officer or employee of the United States or of the State of Alaska. Any commissioner may be removed by the President for inefficiency, neglect of duty, or malfeasance in office. A vacancy in the commission shall not impair the right of the remaining commissioners to exercise all the powers of the commission. Each member of the commission shall be paid compensation at the rate of $50 per day for each day spent in the work of the commission, shall be reimbursed for actual and necessary travel expenses, and shall receive a per diem allowance in accordance with the provisions of the Travel Expense Act of 1949, as amended, when away from his usual place of residence.

(d) There are hereby authorized to be appropriated such sums as may be necessary to enable the commission to perform its duties under this section.

EFFECTIVE DATES

SEC. 47. (a) The amendments made by paragraph (2) of subsection (a) of section 18, by subsection (a) of section 28, by paragraph (1) of subsection (c) of section 31, by subsections (a) and (b) of section 32, and, except as provided in subsection (c) of this section, by subsection (b) of section 24, shall be applicable in the case of promulgations of Federal shares, allotment percentages, allotment ratios, and Federal percentages, as the case may be, made after satisfactory data are available from the Department of Commerce for a full year on the per capita income of Alaska, and for this purpose such promulgations shall, before such data for the full period required by the applicable statutory provision as so amended are available from the Department of Commerce, be based on satisfactory data available from such Department for such one full year or, when such data for a two-year period are available, for such two years.

(b) The amendments made by paragraphs (1) and (3) of subsection (a) of section 18 shall be applicable, in the case of allotments under section 302(b) or 502 of the National Defense Education Act of 1958, for fiscal years beginning July 1, 1959, and, in the case of allotments under section 302(a) of such Act, in the case of allotments based on allotment ratios, promulgated under such section 302(a), to which the amendment made by paragraph (2) of subsection (a) of section 18 of this Act is applicable.

(c)(1) The allotment percentage determined for Alaska under section 11(h) of the Vocational Rehabilitation Act, as amended by this Act, for the first, second, third, and fourth years for which the amendments made by this Act are applicable to such section shall be increased by 76 per centum, 64 per centum, 52 per centum, and 28 per centum, respectively, of the difference between such allotment percentage for the year involved and 75 per centum.

(2) The Federal share for Alaska determined under section 11(1) of the Vocational Rehabilitation Act, as amended by this Act, for the first year for which the amendments made by this Act are applicable to such section shall be increased by 70 per centum of the difference between such Federal share for such year and 60 per centum.

(3) If such first year for which such amendments made by this Act are applicable is any fiscal year ending prior to July 1, 1962, the adjusted Federal share for Alaska for such year for purposes of section 2(b) of the Vocational Rehabilitation Act shall, notwithstanding the provisions of paragraph (3)(A) of such section 2(b), be the Federal share determined pursuant to paragraph (2) of this subsection.

(d) The amendments made by paragraphs (2) and (3) of subsection (b), by subsection (c), and by paragraph (4) of subsection (d) of section 18; by subsection (a) of section 24; by subsection (b) of section 28; by subsection (a), by subparagraphs (2), (3), and

(4) of subsection (b), and by paragraph (2) of subsection (c) of section 31; by paragraph (2) of subsection (c) and by subsection (d) of section 32; and, except as provided in subsection (b) of this section by paragraph (1) of subsection (a) of section 18, shall be effective on January 3, 1959.

(e) The amendment made by paragraph (1) of subsection (c) of section 32 shall apply in the case of deaths occurring on or after January 3, 1959.

(f) The amendments made by paragraph (1) of subsection (b) and paragraphs (1), (2), and (3) of subsection (d) of section 18 shall be applicable for fiscal years beginning July 1, 1959.

(g) The amendments in sections 40 and 42 shall take effect when enacted: *Provided, however,* That with respect to injuries or deaths occurring on or after January 3, 1959, and prior to the effective date of these amendments, claims filed by employees engaged in the State of Alaska in any of the employments covered by the Defense Base Act (and their dependents) may be adjudicated under the Workmen's Compensation Act of Alaska instead of the Defense Base Act.

DEFINITION OF "CONTINENTAL UNITED STATES"

SEC. 48. Whenever the phrase "continental United States" is used in any law of the United States enacted after the date of enactment of this Act, it shall mean the 49 States on the North American Continent and the District of Columbia, unless otherwise expressly provided.

OTHER SUBJECTS

SEC. 49. The amendment by this Act of certain statutes by deleting therefrom specific references to Alaska or such phrases as "Territory of Alaska" shall not be construed to affect the applicability or inapplicability in or to Alaska of other statutes not so amended.

SEPARABILITY

SEC. 50. If any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of this Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

Mr. JACKSON. Mr. President, the pending bill, S. 1541, was introduced at the request of the President of the United States. As submitted, the bill represents the considered thinking of all departments of the administration and it was evolved in close cooperation with all members of the Alaska delegation. S. 1541 was introduced by the able and distinguished chairman of the Senate Interior and Insular Affairs Committee, the senior Senator from Montana, and cosponsored by Senators ANDERSON, GOLDWATER, KUCHEL, O'MAHONEY, and myself.

The purpose of this bill is twofold: First, it seeks to make many technical changes in the law which have as their only purpose the recognition that Alaska is now a State and not a Territory. Secondly, certain substantive changes are also included. In the main, these changes merely give to the State of Alaska that equality which is now enjoyed by the several States. Certain transitional grants are made and allocated over a period of 5 years to assist the State of Alaska in establishing its role as a full-fledged partner of the Union. The yardstick that has been used to determine the amount of money to be given is that which Alaska would have received had it remained a Territory rather than becoming a State.

H.R. 7120, a companion bill to the one which we are considering was passed by the House of Representatives on June 1, 1959. That bill differs but slightly from S. 1541, the bill which we are considering. For example, at the request of the senior judge of the Ninth Circuit Court of Appeals we have amended section 23 to provide for a field survey of the necessity for the Ninth Circuit Court of Appeals sitting in Alaska rather than the mandatory language which had previously been a part of the legislation.

There is ample precedent for this bill in that following the admissions of Oklahoma, Arizona, and New Mexico legislation was enacted by Congress enabling the transition to be made more easily, although it must be realized that this bill is much more complex, reflecting the many more federally sponsored programs.

S. 1541, reported unanimously by the Interior and Insular Affairs Committee, is recommended for prompt passage.

Mr. President, there are two technical amendments at the desk; and I ask for their immediate consideration.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

Mr. JACKSON. Mr. President, I send two technical amendments to the desk and ask that they be stated.

The PRESIDING OFFICER. The amendments will be stated.

The LEGISLATIVE CLERK. On page 4, line 20, after the word "inserting" it is proposed to insert the words "in lieu."

On page 13, line 16, in lieu of the word "except" it is proposed to insert the word "Except."

The PRESIDING OFFICER. Without objection, the amendments are agreed to.

Mr. JACKSON. Mr. President, the distinguished junior Senator from Alaska [Mr. GRUENING] has a technical amendment to offer.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 28, line 13, it is proposed to strike the period after the word "function", insert a comma, and the following: "the assumption of which function is pursuant to this act or the act of July 7, 1958, 72 Stat. 339."

Mr. GRUENING. I may state the purpose of the amendment. In the other body there seemed to be some fear that the transfer of property was too sweeping, and that it might include property which was not a part of the functions which would be assumed by the new State. Therefore, the House added an amendment, which is exactly the same as the one I proposed, with the exception of one word. The House amendment reads:

> The transfer of which function is authorized in this act or the act of July 7, 1958.

My amendment reads:

> The assumption of which function is pursuant to this act or the act of July 7, 1958, 72 Stat. 339.

We feel that it is accurate to use the word "assumption" instead of "transfer," because actually the Federal Government does not transfer functions to a State; the State assumes those functions when the Federal Government ceases to assume them.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alaska [Mr. GRUENING].

The amendment was agreed to.

Mr. GRUENING. Mr. President, I ask unanimous consent that a statement explaining the amendment be printed in the RECORD at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR GRUENING

This amendment is submitted for the purpose of clarifying certain questions which arose in the other body upon passage by it on June 1 of the companion bill to S. 1541.

As passed by the House, section 45, which provides for the transfer of certain property by the Federal Government to the State government, was amended to modify conditions applicable to transfers of property to specify that property would be transferred incident to transfers of governmental functions from the Federal Government to the State.

Upon review of the discussion in the House it would appear that the real intent of the modifying language adopted would be better expressed by inserting a requirement that functions of the Federal Government, the termination or curtailment of which will occasion the transfer of property, must be assumed by the State government, rather than by specifying that there must be a transfer of functions from the Federal to the State government.

In reality, it is clear that the transition from Territorial government to State administration will not be a process of transferring functions of the Federal Government to the State. In fact, such a transfer is impossible, since under our form of government, functions which are the responsibility of the Federal Government cannot be transferred to the States.

The process of transition will, in fact, be accomplished as a result of the termination or curtailment of numerous Federal functions which were required for Territorial government, but which can now be undertaken by the State government. This act of termination or curtailment of Federal Government functions will be accompanied by action of the State in assuming responsibility for the activities formerly carried on by the Federal Government which are necessary to orderly and efficient government of the State.

The purpose of section 45 is to provide that, as the State develops greater and more extensive responsibility for governmental activities, the Federal Government will be authorized to transfer to the State such property as was formerly required for Federal operations but is no longer needed by the United States for such purposes. In view of the facts that (1) the Federal Government will no longer need the property; (2) the property in question will be required for efficient and orderly functioning of the State government; and (3) the State of Alaska will be the only agency which can make effective use of the property, section 45 would appear to be an eminently sensible and useful provision of the bill.

The important aspect of the amendment I am proposing here is that the section provides for transfer of property, and not for the transfer of governmental functions.

A second part of this amendment on which I would like to comment is that which provides that the property transfers to be made

under section 45 will be transfers incident to the assumption of functions by the State pursuant to provisions of this act or pursuant to the Alaska Statehood Act.

As this bill was passed by the House, and as it was reported by the Senate Interior and Insular Affairs Committee, there are two conditions for the transfer of Federal property to the State, namely, that (1) the Federal Government functions concerned must have been terminated or curtailed; and (2) the State must have assumed responsibility for those functions. This amendment would further limit the scope of Presidential authority to transfer Federal property to provide that property transfers would have to be made with reference to provisions of the two statutes under which the State is required to assume Government activities. This provision is recommended in order to eliminate possible questions which may arise as to the nature of the property which the President is authorized to transfer to the State.

Mr. BARTLETT. Mr. President, as has been stated by the able and distinguished junior Senator from Washington, the chairman of the subcommittee, S. 1541 is before the Senate as a result of an executive communication of last July, shortly after the President signed the Alaska statehood bill. The President designated the Bureau of the Budget to make a study among all the Federal departments. That study resulted in the drawing up of S. 1541.

I wish to express my thanks to Dr. Harold Seidman and Mr. Howard Schnoor, of the Bureau of the Budget, and to Miss Ruth Van Cleve, Assistant Solicitor of the Department of the Interior, for their highly effective work in months of study and in the preparation of the proposed legislation.

Likewise, I should like to thank the distinguished junior Senator from Washington [Mr. JACKSON], and the chairman of the Committee on Interior and Insular Affairs, the Senator from Montana [Mr. MURRAY], and all the other members of that committee, as well as Chairman ASPINALL and Representatives O'BRIEN and SAYLOR, of the corresponding House committee, for their consideration and reporting of the proposed legislation.

Mr. JACKSON. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 7120.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 7120) to amend certain laws of the United States in light of the admission of the State of Alaska into the Union, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. JACKSON. Mr. President, H.R. 7120 is a companion bill to S. 1541, passed by the House on June 1. I move that all after the enacting clause in H.R. 7120 be stricken, and that there be inserted in lieu thereof the text of the Senate bill, S. 1541, as amended and perfected.

The motion was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The question is on the passage of the bill.

The bill (H.R. 7120) was passed.

The PRESIDING OFFICER. Without objection, S. 1541 is indefinitely postponed.

Mr. GRUENING. Mr. President, I move that the Senate reconsider the vote by which it passed H.R. 7120.

Mr. JACKSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORIZATION OF APPROPRIATIONS TO THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of H.R. 7007, Calendar No. 321.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 7007), to authorize appropriations to the National Aeronautics and Space Administration for salaries and expenses, research and development, construction and equipment, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Aeronautical and Space Sciences with amendments on page 1, line 5, after the word "of," to strike out "$480,550,000" and insert "$485,300,000"; on page 2, line 1, after the word "equipment", to strike out "$53,050,000" and insert "$57,800,000"; on page 3, line 3, after the word "facilities", to strike out "$15,250,000" and insert "$20,000,000"; in line 4, after the word "Administrator", to insert "or his designee"; in line 5, after the word "the", to strike out "House"; in line 6, after the word "Astronautics", to insert "of the House of Representatives", in the same line, after the word "the", to strike out "Senate"; in line 7, after the word "Sciences", to insert "of the Senate"; in line 13, after the word "contracts", to insert a colon and "*Provided*, That none of the funds appropriated for 'Research and development' pursuant to this Act may be used for construction of any major facility, the estimated cost of which, including collateral equipment, exceeds $250,000, unless the Administrator or his designee notifies the Committee on Science and Astronautics of the House of Representatives and the Committee on Aeronautical and Space Sciences of the Senate of the nature, location, and estimated cost of such facility."; and on page 5, line 13, after the word "Administration", to strike out "for any period prior to July 30, 1965".

SOVIET DIPLOMACY: A CHALLENGE TO FREEDOM

Mr. MARTIN. Mr. President, I am impressed with the address delivered by Hon. Francis O. Wilcox, Assistant Secretary of State for International Organization Affairs, before the American Academy of Political and Social Science in Philadelphia. His address relates to the question of the future of Soviet-American relations. Because of the vast importance of this subject and the great understanding he has shown in his discussion, I will place it in the RECORD so that others may have the privilege of reading it.

Iowa is proud of the record which Mr. Wilcox has made. He was an outstanding student and athlete at the University of Iowa. He served capably on the staff of the Senate Committee on Foreign Relations, and he is now one of our great national leaders.

I ask unanimous consent that the address delivered by Mr. Wilcox be printed at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SOVIET DIPLOMACY: A CHALLENGE TO FREEDOM

(Address by the Hon. Francis O. Wilcox, Assistant Secretary of State for International Organization Affairs, before the American Academy of Political and Social Science at the Warwick Hotel, Philadelphia, Pa., Friday, April 10, 1959)

I am pleased to have this opportunity to participate in your discussions this evening. For more than half a century the members of the American Academy of Political and Social Science have made a significant contribution to better public understanding of our political and social problems. There is no more important question in world politics today than the subject of this meeting, the future of Soviet-American relations.

I believe that the character of the relations between the U.S.S.R. and the United States and our allies will determine the nature of man's life on this planet for generations to come. It may indeed determine whether that life itself will continue or be abruptly snuffed out. In resolving this question the role of diplomacy is highly important.

Therefore, I would like to explore with you certain aspects of Soviet diplomacy which have a significant bearing on Soviet relationships with the free world.

THE CENTRAL CHALLENGE

Reduced to its essentials, the key question confronting us is this: Can a democratic, free enterprise, open society successfully compete in diplomacy with a totalitarian, centrally controlled society which is able to marshal its total resources in support of its foreign policy objectives?

In a little more than 40 years, the U.S.S.R. has changed from a comparatively backward, agricultural country to the second-ranking industrial nation in the world. Its gross national product is now increasing between 6 and 7 percent annually. Mr. Khrushchev confidently looks forward to the day when the economy of the Soviet Union will surpass that of the United States. Soviet technical capacity is forcefully demonstrated by the fact the Soviet Union launched the first satellite into outer space. Soviet

development of intercontinental ballistic missiles underscores its present military potential.

Every facet of the U.S.S.R.'s regimented society—economic, scientific, social, cultural, and psychological—as well as political and military—is at the constant and immediate disposal of Soviet diplomacy.

In contrast, in the conduct of foreign policy, our Government is accountable to the Congress and the people of the United States whom its Members represent. It must also take into account varied sectional and group interests. Mr. Khrushchev, however, is accountable mainly to himself, and perhaps a few of his Kremlin colleagues.

Mr. Khrushchev's ability to take independent decisions enables him to move swiftly in using trade with other nations to advance the U.S.S.R.'s foreign policy objectives. The Soviets offer guns and grains to carefully selected countries in order to reap maximum political advantages. They extend long-term, low-interest loans. They buy up surplus commodities—which they may not need—if it is in their national interest to do so. Whether or not these transactions are essential to their economy is immaterial to the Soviets. "We value trade least for economic reasons and most for political purpose," Mr. Khrushchev has said.

On this basis it may seem that the struggle is an unequal one. A free society, which must constantly be responsive to the pressures of public opinion, cannot move with the speed and monolithic force of a totalitarian state.

Let me emphasize, however, that free societies have invariably proved more resilient, creative and enduring than those under the deadening hand of dictatorship.

The United States has simultaneously achieved the greatest industrial capacity and the highest standard of living known to man. We have built a defense establishment which protects us and the free world against the threat of surprise attack. In cooperation with other free nations we have developed a system of collective security arrangements which serve as a formidable deterrent to Communist aggression anywhere. Our Marshall plan prevented a Communist takeover of an economically exhausted and prostrate Western Europe after World War II, and our foreign aid programs have enabled free nations to develop on an increasing scale their economic and social well-being.

These achievements can scarcely be called the dying gasps of a decadent capitalism as the Soviets would have it. On the contrary, they offer to the free world its greatest hope for a just peace and a cooperative way of life for free men in the future.

Of course, the diplomatic arrangements of the free world may at times appear cumbersome. This is inherent in the nature of the alliance. Nevertheless, free world diplomacy has demonstrated tremendous strength. The position of the free world is based on real and mutual interests. Our allies are partners and not puppets. Each country understands the stakes. Each appreciates the basis for action. Each wants to cooperate in a positive way in the common interest. The recent 10th anniversary meetings of the NATO Council clearly demonstrate this.

The handicaps of freedom in this struggle are therefore apparent rather than real. Its strengths are great. Not the least of these is the faith of the free world's people in the virtue and durability of freedom itself, a faith based on experience. In my judgment, this faith—this belief in the dignity and worth of the human being—is an element of strength which gives our military power vitality and direction. This is an unbeatable combination which the Soviet Union does not have.

CHANGES IN SOVIET DIPLOMACY

In 1946 Josef Stalin asserted that the wartime partnership between the U.S.S.R. and its Western allies had been a mere expedient. This set the pattern of postwar Soviet diplomacy. He served notice that war was inevitable until international communism had supplanted capitalism. Stalin even went so far as to blueprint the economic planning which would give to the Soviet Union a mighty arsenal to wage the "inevitable" war.

Stalin's successors, on the other hand, have consistently preached the virtue of peaceful coexistence. Nevertheless, the long-range goal of Soviet foreign policy has remained constant—world domination. Soviet foreign policy has been made up largely of a series of probes seeking out free world vulnerabilities or attempting to create them. Its record is studded with such probes: Iran, Greece, the Berlin blockade, and through its Far Eastern partner, the Red Chinese, aggressive actions against Korea, Vietnam, Taiwan Strait, and Tibet, to mention only a few. The latest and most immediate of these is the current crisis in Germany.

THE GERMAN CRISIS

Let us examine just what the situation in Berlin involved.

First of all, it is a deliberately staged and carefully timed Soviet maneuver designed in part to divide the free world. The Soviet rulers are well aware that communism flourishes in conditions of tension and unrest. They have never hesitated to attempt to create such conditions when they considered this to be in their interest.

By artificially creating a crisis over Berlin, they seek to divert attention from the real issues of German unification and European security. They seek to draw us into negotiations on isolated aspects of these problems whenever they think they have an advantage. Berlin is but one aspect, and certainly not the basic one, of the German problem as a whole. Many suggestions have been advanced for a solution of the Berlin problem, including some involving the United Nations. However, for the reasons I have mentioned, the United States is not interested in discussing formulas for Berlin as an isolated question.

Second—and most important—the Soviet Union is hoping to build up the international status of the East German regime and thereby bring about the permanent division of Germany. This is the only way its puppet regime, the so-called German Democratic Republic, can survive. In the longer run, the future of the satellite empire of Eastern Europe likewise hangs in the balance.

Finally, the Soviet Union hopes to eliminate the monument to freedom which West Berlin constitutes deep inside the Communist bloc. However, as long as West Berlin and the Federal Republic of Germany are allied with the West and remain strong in their determination to maintain their freedom, they will stand as a symbol of the right of the German people freely to determine their future. Given this situation, the Soviets will not be able to achieve their objectives.

That is why the Soviet Union is now trying to launch a course of events designed to extend its rule to Germany as a whole and to exclude free world influence in the area. The aim of the Soviet Union is not only to bring about the withdrawal of all Western forces from Berlin but also the withdrawal of all American forces from the Continent.

Having said this, it should be clear how vital a stake we have at this moment in Germany and in Berlin. Our forces are in West Berlin as a matter of right, on the basis of solemn international obligations to which the Soviet Union is a party. Mr. Khrushchev's proposals mean simply that the Soviet Union is now threatening, deliberately, and unilaterally, to disregard these obligations if we do not agree to conclude a "peace treaty" with Germany on Soviet terms.

President Eisenhower emphasized an important principle in his speech to the Nation on March 16. He made clear that we cannot accept the right of any government to break unilaterally solemn agreements to which we and others are parties. This principle must be upheld.

You will recall that for more than a decade the Western Powers have been trying—in every feasible way—to bring about the unification of Germany. The Soviet Union has frustrated every such effort. One scarcely need ask why.

Establishment of a free, unified Germany does not coincide with the long-range objectives of the Soviet Union. At the least, it would mean postponing the communization of Europe, which remains a Soviet goal of long standing.

The course we should pursue in these circumstances is clear. We must never succumb to Soviet blandishments. Our heritage of freedom requires us to stand firm. At the same time we must make unmistakably clear our willingness and readiness to engage, as reasonable men should, in meaningful negotiations.

Such negotiations must have as their primary purpose the maintenance of our rights in Berlin until the unification of Germany is achieved under conditions which will assure its people of their right to a government of their own choosing. We cannot and we will not betray the trust of those millions of free Germans who depend upon the free world to protect them.

Since World War I we have repeatedly seen that hesitation and lack of resolution on the part of free countries invite aggression. As President Eisenhower recently declared, "All history has taught us the grim lesson that no nation has ever been successful in avoiding the terrors of war by refusing to defend its rights. * * * The risk of war is minimized if we stand firm."

Even with good faith on both sides—which the Soviet Union has not always demonstrated—we cannot hope to settle the complex problem of Germany overnight. We can, however, continue to expect that a sound beginning can be made. Firmness combined with reasonableness now may be the most important key to meaningful negotiations with the Soviet Union. To follow any other course would invite the gravest perils to all we hold dear.

DISARMAMENT

The problem of disarmament gives us yet another vantage point from which to view the challenge of Soviet diplomacy to the free world. Here, the use of diplomacy to achieve the objectives of international communism has been subordinated to certain traditional Russian attitudes and concepts. These apparently must be maintained in order to perpetuate the present Soviet system.

Traditionally, both Imperial and Soviet Russia have suspected, distrusted and even feared nearly everything foreign. They have normally regarded the outsider as a threat to the system imposed on the Russian people. We cannot afford to ignore this facet of Russian behavior, which is one of the driving forces of Soviet disarmament policy.

The United States and its allies have consistently sought agreement on comprehensive and balanced disarmament under effective international control. Such control naturally requires sufficient inspection on both sides in order to be reasonably certain that the terms of any agreement are in fact lived up to. In our proposals inspection involves entry into the territory of the parties to the agreement, although both the United States and the United Nations have made clear it must be carried out in such a way that no State would have cause to feel

its security is endangered. It is on the question of inspection, however, that we have encountered almost insurmountable difficulties with the Soviet Union.

We remain ready and willing to negotiate effective disarmament agreements. We are prepared to permit Soviet representatives to participate in inspection arrangements in our territory. We do not fear their presence. In the circumstances envisaged, we would have nothing to hide.

The Soviet Union, on the other hand, continues to fear the presence and the impact of Western representatives in its territory. Consequently, it resists—almost psychopathically—effective international inspection.

Let me give you some illustrations. Shortly after World War II, when the United States had a nuclear monopoly, we submitted the so-called Baruch Plan for the international control of atomic energy. This plan—which was one of the most generous proposals made in the history of sovereign states—was designed to insure that man's new knowledge of the atom would be used for the good of mankind. It provided for certain inspection and control arrangements to this end. This would have opened the Soviet Union and the United States to foreign inspectors. The Soviet Union rejected the plan.

Since last October we have sought to negotiate an agreement with the Soviet Union for the discontinuance of nuclear weapons tests under an effective control system. When free world and Soviet experts agreed last summer that it was possible to establish an effective control system to police an agreement to discontinue testing, we were hopeful that this indicated a significant change in Soviet attitudes. Now, after nearly 5 months of continuous negotiations with the Soviets, we find ourselves up against the same old stumbling block—the question of inspection and control.

The Geneva nuclear test talks are now stalled on three key issues. These are the question of the veto, the question of onsite inspection of suspected violations of the agreement, and the staffing of the control posts. On each of these issues the Soviet position reflects its traditional desire to deny or restrict access to Soviet territory to foreigners.

Let us look first at the problem of the veto.

The Soviet Union insists that there must be unanimity of the United States, the United Kingdom, and the Soviet Union on all matters of substance under the agreement. This would include amendments to the treaty; all matters relating to possible treaty violations; the findings of inspection teams; the dispatch of inspection teams to investigate possible nuclear explosions; changes in the control system; positioning of control posts; and all fiscal, administrative, logistic, and personnel questions.

Obviously, the application of the veto power on this broad scale would render the control system meaningless and ineffective. The Soviet Union has advanced various technical arguments to support its position, but it appears to me that its main interest is to be sure that the machinery of the control system will in no way impair the ability of the Soviet Union to isolate its people from external influences.

This Soviet attitude is further borne out by the Russian proposals concerning onsite inspections. Here, too, the Soviet Union maintains that any inspection of an explosion or an unidentified event should only be made on the basis of unanimous decision. But it is perfectly clear to us that unless inspection teams can be dispatched without hindrance, there can be no effective control system.

The Soviet Union objects to having teams of this nature cross its frontiers because, they allege, such teams could act as a cover for espionage. We have sought to meet this fear by expressing our willingness to have the host country prescribe the routes to be taken by onsite inspection teams and to assign liaison officers to insure that the teams do not exceed their proper functions.

The control mechanism to police an agreement to discontinue nuclear weapons tests recommended by the Conference of Experts provided for establishment of control posts in various parts of the world. We believe that the supervisory and technical personnel of such control posts should not be nationals of the countries in which the posts are located. We are quite willing to have such posts in this country supervised by Soviet nationals. By the same token, control posts in the Soviet Union should not be supervised by Soviet citizens, but by others.

It is true that the Soviet Union has expressed willingness to accept a limited number of non-Soviet personnel in the control posts located in the Soviet Union. At the same time, it has refused to clarify the duties and privileges of such personnel. Apparently they would serve as mere observers. It appears that what the Soviets really want is self-inspection within their territory, which, in turn, would insure continued Soviet isolation from outside influence.

Can anyone believe that such a system, made up of Soviet inspectors, would provide us with the safeguards we need? Can anyone believe that Soviet nationals would be permitted to report Soviet violations of the agreement and to report them promptly?

The Geneva nuclear talks will be resumed in the next few days. We sincerely hope that the Soviet Union may come to realize that the conclusion of an agreement for the discontinuance of nuclear testing, with an effective control system, is much more in its interests than its traditional policy of shutting off its territory from foreigners. Certainly if they really want nuclear tests discontinued, we can make progress.

Time is on our side. Technological progress and constantly increasing mass communications facilities are making it more and more difficult for Soviet leaders to maintain the isolation of their people from the rest of the world. As the Soviet Union expands its own industrial and scientific facilities, contacts between the people of Soviet Russia and the free world will continue to increase. It brings closer the day when the Soviet policy of secrecy will be abandoned and one great obstacle to controlled disarmament will be removed.

THE SOVIET ECONOMIC OFFENSIVE

Let us turn briefly to another aspect of Soviet diplomacy. I have mentioned the tremendously increased economic power of the Soviet Union. Armed with the formidable weapon of a totally controlled economy, Soviet diplomacy has not overlooked the golden opportunities inherent in the new wave of nationalism and the revolution of rising expectations in the underdeveloped areas.

To the Soviets in foreign trade as in every facet of foreign policy, the end justifies the means. Soviet foreign trade has always been an absolute state monopoly with Soviet leaders able to turn trade off and on or to shift its direction to suit their strategy. Nations that become dependent upon trade with the Soviet Union for their well-being may soon discover what a devastating weapon this is when it is placed in the hands of unscrupulous leaders.

Since 1954, there has been what might be called a strategic departure from the Soviet trade pattern. Eying the important prize of the newly developing countries of Asia, Africa, and Latin America, the U.S.S.R. is making a determined drive to penetrate and eventually subvert them. Since that year the Soviet Union, its satelilte, and Communist China have extended $2.4 billion worth of credits to these countries. In 1958, alone, these credits amounted to $1 billion.

During 1957, Soviet bloc trade with underdeveloped free world countries was $1.7 billion. This was more than double such trade in 1954. And the upward trend is continuing.

Nor is this all. There are now 4,000 well-indoctrinated and dedicated Soviet technicians operating in Asia, the Middle East, and Africa. This represents an increase of 65 percent in a single year.

In this connection, we should not overlook the increased interest which Soviet leaders have shown in the economic, social and humanitarian activities of the United Nations. For years they had only bitter criticism to offer for the U.N. technicial assistance program and the specialized agencies. More recently they have become active members of the International Labor Organization, the United Nations Educational, Scientific, and Cultural Organization, the World Health Organization, and the International Atomic Energy Agency. If you can't lick them, join them, now appears to be their motto.

I might add that these economic weapons have been blended by Soviet total diplomacy with carefully calculated military assistance, propaganda, and political moves. Their short-range goal is to provoke and exploit friction between these nations and those of the West. Their long-range goal is to prepare for eventual Communist subversion and takeover.

We must not forget, however, that the United States pioneered the concept of helping the underdeveloped countries advance their social and economic well-being. Our efforts in this respect are not always publicized with the fanfare and headlines that Soviet assistance programs obtain. But our programs are designed to achieve results which are solid and lasting. Soviet foreign aid has as its purpose the furthering of the U.S.S.R.'s goal of world domination. Our assistance from the very beginning has had but one purpose, to strengthen freedom.

I do not think it becomes a great nation like ours to boast about the assistance we have given. It is a fact, however, that the Marshall plan constitutes only a fraction of our postwar foreign aid. If we were to add the mutual security program and the contributions we have made through the Export-Import Bank, the World Bank, the International Monetary Fund, and various other types of assistance including United Nations' programs, our total foreign aid would run to something like 72 billions of dollars since 1945. This figure serves as clear proof of our deep interest in helping to build a stable and a peaceful world.

Many people ask whether the United States can afford the mutual security program. My answer to them would be clear and unequivocal: Of course our economy can safely bear the cost of this program. The total mutual security appropriation for 1959, which amounts to $3.3 billion, is only 0.75 percent of the estimated U.S. gross national product.

Excluding military assistance, funds for our mutual security program for all economic purposes run to about two-thirds of 1 percent of our gross national product—which is less than we spend each year for cosmetics. Our mutual security program provides us with the greatest amount of security at the lowest possible dollar cost. It assists less developed free countries to build sufficient economic strength to maintain their freedom and sustain peace. I say that it is so vital to the conduct of American foreign policy that we cannot afford not to have it.

Neither we nor our allies have the complete identity between government and economy that the Soviet Union has—nor, I am

sure, would we wish to. But there is a long history in the West of an effective working partnership between government and private enterprise in times when the existence of our free society has been seriously threatened. We are now living in such a time. We will continue to for the foreseeable future. I suggest that the hour has come when we should find new, imaginative, and effective ways to implement a vigorous and voluntary working relationship between free enterprise and free government.

SOVIET PROPAGANDA TECHNIQUES

In the arsenal of Soviet total diplomacy, no weapons are more important than those of psychological warfare and propaganda. In addition to its own gigantic propaganda machine at home, the U.S.S.R. exploits the many opportunities to advance its objectives which are presented by the worldwide network of mass communications media, both free and controlled.

For example, every time Mr. Khrushchev makes a speech, the text is normally faithfully and fully reported throughout the free world in its press and by other mass information media. Similarly every Soviet diplomatic note of any importance is printed. Even the cocktail talk of Mr. Khrushchev is reported as news in the free world, thus presenting the Soviet Union with a tailor-made trial balloon device. His statements can readily be denied—and have been—when it suits the Soviet purpose. If the balloon floats, informal conversation may be elevated to the dignity of a pronouncement of state policy.

In sharp contrast, the addresses of Western leaders, and their press conferences, diplomatic correspondence and formal statements of policy, are almost never published in full in the Soviet press and often are not even summarized. On those rare occasions when they are published it is invariably after considerable delay. Even more, the texts which are quoted are frequently emasculated, interlarded with editorial comment and very often accompanied by lengthy rebuttal. President Eisenhower's recent address to the Nation on the Berlin crisis was reported in the Soviet Union in the usual selective terms. For example, his assertion that "the American and Western peoples do not want war" was not reported by any major Soviet media.

These are but a few striking examples of how Soviet diplomacy utilizes and exploits media of public information as a weapon. In spite of their talk about the ruling circles, the Soviet leaders are well aware that real power in the free world ultimately rests with the general public rather than any governing group. They know full well that every utterance or action of an American diplomat receives closest public scrutiny and criticism. Soviet leaders, therefore, seize every opportunity to appeal to the people of the free world over the heads of their governments. Such appeals, which are often accompanied by distortion and plain untruth, are a standard technique of Soviet diplomacy.

In combating this worldwide Soviet propaganda campaign, our information program based on truth has become a potent weapon. Its emphasis on fact and moderate tone have given it a growing reputation for reliability that has resulted in a vast and constantly increasing audience among the peoples in the Communist empire. The best testimony to the effectiveness of the U.S. Information Agency is the fact that the Soviets spend more money on jamming its broadcasts than USIA spends on its entire operation.

I might also add that each issue of the Agency's magazine, America Illustrated, is a sellout the moment it arrives on the Soviet newsstands. Obviously there is a growing number of Soviet citizens who want to know the truth. Indeed, their number may be much greater than we think.

CONCLUDING COMMENTS

In view of the frustrations we have encountered, some Americans seem to oppose any serious attempt to negotiate with the Russians. Given the unreasonable attitude of the Soviet Union, the argument runs, given their rigid approach toward world problems, how can we ever expect to arrive at any serious agreement with them.

Admittedly, there is much to be said for this argument. The fact is the Soviets are inflexible. They are rigid. They are unbending. They are difficult, uncompromising, stubborn, intractable, and obdurate.

But the facts also show that it is not impossible to find important areas of agreement with the Soviet Union. Three examples will suffice to make my point. In 1955, after 10 long years of frustrating negotiations, they finally agreed to the Austrian State Treaty. In 1957, after considerable opposition, they signed the Statute of the International Atomic Energy Agency. Finally, in 1958, after extremely difficult negotiations, they agreed to the terms of the Lacy-Zaroubin Exchange Agreement.

Now these examples demonstrate that perhaps it is not impossible to get blood out of a turnip. They demonstrate that, if we search hard enough and persistently enough, it is not impossible to find certain areas of agreement with the Soviet Union.

No one can doubt that the task ahead of us will be a long and tedious one. It will call for many years of determined effort and sustained sacrifice on the part of the free peoples everywhere.

In our negotiations with the Russians we should always remember that they are not an impatient people. They are never in a hurry to get away from an international conference. They believe that history is on their side. And they are content to bide their time, constantly testing and probing for soft spots.

On our part we must do what we can, therefore, to develop an infinite amount of patience. Moreover, if we are to throw back the Communist challenge, we must display at least as much firmness, persistence, and determination as the Russians.

If we will pursue this course, Soviet leaders—encouraged by world opinion—may come to realize that it is in their own national interest to relax tensions and to come to further agreement with free world nations.

Above all we must never give up our eternal quest for a just peace. We must never give way to despair. We must never allow ourselves to become fatalistic about the prospects of war.

Thucydides reminds us that fatalism tends to produce what it dreads, for men do not oppose that which they consider inevitable.

In these circumstances, free world strategy should be clear. If the free nations will hold fast to those policies which deter armed attack; if they will continue to support the purposes and principles of the United Nations Charter; if they can, through constructive economic programs, prevent Communist subversion in the underdeveloped areas; and if they will demonstrate, by word and deed, the enduring values of freedom, then we can be sure the cause of freemen will prevail.

MEXICO AND THE UNITED STATES

Mr. KUCHEL. Mr. President, while the eyes of the Western World have focused on Europe, Asia, the Middle East, and Africa, developments of crucial importance for the future of Western civilization have been taking place in the countries to our south. Throughout all of Latin America, political and economic changes of a revolutionary character are occurring—changes which may well determine whether these traditionally good neighbors will remain with the West or will cast their lot with the Sino-Soviet bloc.

Since the end of the Second World War, and especially in the last 7 years, the old style caudillo-general has been replaced by governments having large mass support in Costa Rica, Argentina, Colombia, Venezuela, Peru, Bolivia, and Cuba. Communism was not an issue in the struggles of the liberal, democratically oriented governments which succeeded in throwing out the dictators. Corruption, poverty, and exploitation of the many by the few in the perpetuation of oligarchies, lay at the root of the seething discontent which culminated in the demands for widespread reforms. Whether the governments which have come to power in the last few years can achieve the reforms demanded by their people soon enough to insure the continuation of representative government will largely depend upon the United States and the support it is willing to supply. Failure to act, and act now, can only strengthen the conditions which will shift political power to the Communists.

While the Monroe Doctrine has served to preserve Latin America from external seizure by foreign powers, the Communists operate through political parties within a given country, attempting to gain political control from within, rather than from without. Unlike the Nazis, who sought to penetrate Latin America principally through trade before 1939, the Communists seek political control closely alined with the foreign policy of the Soviet Union. The surrender of freedom by any part of Latin America must have consequences of the gravest kind for the United States and for the Western World.

Before one may objectively assess the situation now existing in Latin America, he must comprehend something of its past and the turbulence which has marked the course of its history to the present. Considerations of time rule out the possibility of a thorough review which should be given to all of Latin America, in this regard, so I shall confine my observations to our great and good neighbor to the south, Mexico. I do so in the spirit of suggesting that Mexican-American relations in the latter 20th century furnish us with an excellent case study of how best to conduct our relations with the rest of Latin America. Moreover, because of Mexico's long cultural ties with my own State of California, I know this splendid storied land far better than the other nations of Latin America. It should be remembered that the rest of Latin America tends to judge our behavior toward them by the way we conduct our affairs with Mexico.

Like all of Latin America, Mexico did not share the smooth transition from colonial status to nation which marked our own development. Throughout the whole of the 19th century, Mexico's

struggles centered on the effort to establish a working government responsive to the greater needs of the mass population. Her success in this field did not come until the early part of the 20th century with the overthrow of Porfirio Diaz and the eventual adoption of a liberal constitution in 1917.

Mexico can be regarded as a developing democracy because of her representative governmental structure and her recent progress in the direction of responsibility to the people. The Mexican democratic ideals have been well known since the revolution—ideals of freedom, justice, human dignity, social welfare, representative government, well-known goals of American and European liberalism, and social democracy. The achievements along these lines have varied greatly.

First should be mentioned personal freedom. As Whetten has said, this "is probably the greatest achievement of the Mexican Revolution. In the long run, this may prove important enough to counterbalance whatever mistakes may have been made." Freedom of speech is a fact, as well as a provision. Even in the still unsettled days of the twenties, our distinguished colleague and historian, the author of the outstanding work, "Mexico and Its Heritage," Senator ERNEST GRUENING, of Alaska found that—

> The United States could learn much from Mexico in regard to freedom of expression and tolerance. And a saving grace about Mexico's worst abuses is that those who practice them are generally ready, humorously to admit the worst.

With notable exceptions, he found an atmosphere of personal independence unknown in most parts of the United States:

> In Mexico a man may live as he pleases, think what he pleases, say what he pleases—that is considered his own business. He is not ostracized for it.

Although this land is so accessible that one can walk into a dozen handy points from four States, Mexico still remains largely a terra incognito to the people of the United States. Its border communities have tended to give the pedestrian and taxi tourist a totally false picture of Mexico, with sometimes unfortunate results for friendly relations between the two countries. Such superficial contacts do not contribute to our knowledge and understanding of the second largest and most populous Spanish-American country in the Western Hemisphere.

We tend to forget some of the more obvious facts about Mexico. For one thing, it is not new. Mexico was colonized long before British America; and while some areas are still largely inaccessible, and underdeveloped regions remain, a great university had been flourishing in Mexico City almost 100 years when Harvard University was founded.

Mexico is truly noted for its diversity, as a land of spectacular contrasts, described by one student of Mexico in these words:

> Lush, barren, cragged, flat, solemn, capricious, gnarled, slashed, smoothed and painted, the landscape of Mexico unfolds like the shuffling of thousands of colored postcards, none the same, all extremes.

The multipatterned terrain produces a great diversity of climate and of flora and fauna; and it has conditioned a diversity of racial and population patterns. Saenz wrote:

> There is a note of tragedy in the Mexican landscape. The flat-topped, pyramidal hills seem to bear the weight of the skies. The mountains are bare and ragged, the highlands cut deep by gully and ravine * * * deep ravines and impassable canyons cut mercilessly into the broad and high central plateau where most of Mexico lives. Land on end, a tumbled down world, unfinished to look at, and yet firmly set.

It is a land of great beauty and charm.

Mexico is a country that lives on the land, but topography and rainfall conspire against her. Therefore, only about one-ninth of the land area is cultivated, much of it on erosion-prone slopes. Probably an equal area could be cropped if irrigation were provided. Pasture and forest lands together comprise nearly two-thirds of the land area. Centuries of thoughtless exploitation of the land have left a heritage of serious erosion over much of Mexico's area.

Much of agricultural Mexico lacks adequate rainfall. One estimate is that half the total area is deficient in moisture throughout the year, while another 36 percent has a moisture deficiency in the winter months. The areas having adequate moisture are in general tropical and more sparsely inhabited; but current governmental programs are emphasizing the development of these regions. Considerable annual variation in rainfall in various regions adds to the problems of agriculture.

Mexico is still a country of rural people, somewhat geographically and culturally isolated, despite the recent rapid growth of the larger cities. There is little immigration, and the natural increase in population was slow until about 1930. During the last three decades it has spurted. The increase was more than 18 percent between 1930 and 1940, and some 31 percent between 1940 and 1950, bringing the 1950 figure to 25,791,000. The present population is close to 33 million. The population density per square mile among the 29 states and 2 territories ranges from 0.2 to 27.5, with a national average of 5. The population is quite centralized, and is largely concentrated in the central highlands. This area is broken down into separate clusters of villages, each village the focus of a rural-urban community. The national life focuses on Mexico City, the beautiful Mexican capital, which, like other cities, is growing much faster in population than are the rural areas. This city is enormous—larger than Madrid, Barcelona and, with the single exception of Buenos Aires, all other cities that speak Spanish.

A salient feature of Mexico is her heterogeneous population. Historical influences have shaped the social and cultural landscape to mold a new people, the mestizos, a European-native amalgam. One estimate is that some 90 percent of the people are Indian or part Indian, with 60 percent mestizos. Over the past century, the Indian portion and the whites have declined, with the white percentage losing most—by half. The Indian world is being slowly modernized; but several million live in relative cultural isolation, and about 1 million speak only an Indian language. Another 2 million speak little Spanish.

One grouping by cultural divisions puts the "Indian world" at 15 percent of the people; the "transitional world" at 37 percent; the "modern world" at 48 percent. A relatively small well-to-do class heads the 48 percent; and a small, but growing, middle class is developing in the fast-growing cities. The culture of Mexico derives from the intriguing, romantic, and highly advanced Indian civilization of thousands of years ago, and also, of course, from Spain and France. The influence of the United States is growing, as our mutual respect and friendship widen. Withal, Mexico is still "many Mexicos," a land of local and regional cultures and patriotism.

Is Mexico a rich land or a poor land? She was long regarded as a fabled cornucopia; and her mineral resources have given substance to that view. Her potential as a producer of meat and dairy products is good. Her southeastern lowlands give promise of substantial agricultural development, and irrigation can open up other interior lands. The potentialities of her tourist industry are excellent, and this industry already holds high rank as a national income producer. But agriculturally speaking, Mexico is not a wealthy country; and her potential in this direction is limited.

For about the past three decades, Mexico has been in the throes of an industrial revolution. In manufacturing and industry, expansion has been rapid; but it has been uneven from one industry to another. Some consumer-goods production has boomed, while other more important lines of activity have lagged. The means of transport, especially roads, have increased; but they have not yet met the pressing demand. Agricultural output has long been a problem, but recently the picture has been improving. Per capita income and standards of living advance, but are still low, compared with those of the more advanced industrialized countries.

Like all Latin America, Mexico is engaged in an enormous and continuing undertaking to raise the standard of living for all her people. The average annual rate of increase in industrial production has varied over the past decade, but has remained at least 3 percent annually. It was calculated at 4.4 percent annually for 1929–39, 7 percent for 1940–44, 3 percent for 1945–49, 5 percent for 1950–55—including the 2 bad years of peso difficulties, and 8 percent for 1955. Such progress is needed to bring a rise in living standards in the face of a high rate of population increase, nearly 3 percent annually.

In the capital market of Mexico, the Government has played an important role in stimulating economic development—by encouraging private investment, by participating in development—through loans and through joint ownership in important firms with private

capital—and through wholly government-financed investments. The climate for private investment is favorable, because of relatively moderate taxes, important specific tax concessions, high rates of return on industrial capital, and the absence of exchange controls.

Mexico's principal goal today was best expressed by the distinguished Ambassador of Mexico to the United States, Antonio Carrillo Flores.

In speaking a few days ago at Rice Institute, in Texas, Ambassador Carrillo Flores declared:

> The principal goal in industrializing Mexico is to achieve maximum utilization of all of our human and natural resources.
>
> In these terms the conflict between agricultural and industrial development has been resolved, in practice, on the basis of complementary and simultaneous development in both sectors.

Great changes are occurring in the Mexican economy. Agricultural production has increased 10 percent over that a year ago. Production of crude petroleum and refined products has shown a 10 percent increase. Electric power generating capacity increased by 11 percent, and the production of steel ingots showed a 5 percent increase.

Capital originating in the United States has been calculated at slightly more than a billion dollars. Of this total, $825 million is long-term capital, which can be broken down as follows: $600 million, direct private investments; $120 million, Export-Import Bank credits; $81 million, public debt; $24 million, obligations with commercial banks. Direct public investment accounts for nearly 40 percent of the total; but much of it is in the fields—such as railways, highways, electric power, and irrigation—which are of aid to private investments. Import controls are also used to promote industrialization; there are restrictions on the importation of luxury goods, and concessions are granted to machinery, machine tools, and other capital goods. Machinery imports, irrigation developments, crop insurance, and agricultural credit are government aids to agriculture.

To a developing country such as Mexico, international trade on an equitable basis is essential. Yet to compete effectively in world markets, Mexico needs to step up her industrialization program and to diversify her economy. One step in this direction has been to enter into international agreements which, when necessary, would adjust production to the levels of consumption. A start in the application of this formula has been undertaken with respect to coffee; and an experimental program of developing a common market by six Central American nations may prove the means of finding a solution to the dilemma of overproduction of coffee. That there are dangers inherent in attempting to maintain artificially high prices for agricultural products should be readily apparent to every Member of the Senate who has to deal with our own agricultural surpluses created by government subsidies and price supports, and especially so in view of the fact that only a few minutes ago the Senate concluded dealing with the agricultural appropriation bill for the ensuing fiscal year.

In commenting on the need for access to markets, Ambassador Carrillo Flores said:

> We are aware of the difficulties, especially of a local, political order, that must be overcome, but we are firmly convinced that it becomes clearer every day that the interest of the great democratic nations, and I repeat, among them above all, the United States, lies in finding formulas that will allow the countries which are producers of raw materials to obtain, not through gifts, but through their own efforts, the resources necessary for their economic development, and specifically for their industrialization. And this requires, at the very least, an opportunity of access to the international markets under conditions of fair competition.

Our cheers go, indeed, Mr. President, to an independent and courageous diplomat speaking for an independent and courageous nation.

The new Inter-American Bank will help to furnish the credits needed for stepped-up industrialization.

The message recommending its creation and participation in it by this country came, Mr. President, as you will recall, from the White House within the last few weeks. I am glad to see it is here, and I hope the Senate and the House will take prompt action on it.

It will have an advantage for Mexico not available from the Export-Import Bank, and that is the opportunity to spend funds loaned by the International Bank in any of the markets of its member countries. Mexico will use those funds, as she has used previous loans from the International Monetary Fund and the Export-Import Bank, to strengthen large segments of its economy needed to make it increasingly independent. The great progress in transportation and hydroelectric power development were financed by such loans over the last 5 years.

Above all, Mexico, like all of Latin America, needs foreign investments from private capital. She needs price stability outside of Mexico. Violent fluctuations in prices paid for Mexican exports can have disastrous effects in these critical stages of her economic regeneration. Inflation in America is certain to produce consequences which can only undermine the long-term gains which Mexico especially has achieved since the constitution of 1917 went into effect. She has successfully resisted Communist aggression, and it seeks to demonstrate today that economic security and social justice are compatible ends; that democracy and freedom can survive without surrender to the garrison state.

Mexico's economic potential is, and its present high prosperity are, attributable to the political and social stability the country has enjoyed for the past quarter of a century. Under the able leadership of Mexicos' vigorous and distinguished new President, Adolpho Lopez Mateos, we can predict that this period of stability will be strengthened and enhanced. As many of my colleagues know, industrial strife was successfully avoided during the time President Lopez Mateos was Minister of Labor. Yet despite the very favorable climate of opinion in Mexico toward the United States, an undercurrent of resentment toward the United States is sometimes unhappily apparent.

For example, a leading Mexican lawyer, writing in a prominent Mexican newspaper, a newspaper with wide circulation throughout Latin America, has ascerbated old wounds when he says:

> Thus the United States, upon the expulsion of Spain from the Antilles and the construction of the Panama Canal, viewed our people only as inferior races of color—just like the European did—who were being exploited and harassed by the big commercial trusts, its ambassadors having no other mission than that of watching over these interests, always supported by dictators of the type of Estrade in Guatemala, Diaz in Mexico, Gonzales Blanco and Gomes in Venezuela, in addition to other less conspicuous figures, whose mission was no other than to protect the rather substantial investments by North American capitalism, which were, however, notoriously inferior as compared with those made by European capitalism, ending up not only in permitting but in requesting the intervention of North American troops in order to squelch any protest, any nonconformity of the large Spanish American masses committed to these interests.

It is unfortunate that occasionally that sort of comment is made. Bad feelings of the kind to which I have just alluded are generated by reports of tragic incidents like Little Rock, and by the attitudes expressed most regrettably by some Americans toward different races. Nothing serves to kindle the flames of hatred like the conviction that the representative of one race basically regards members of any other race as inferior. In this regard, deeds, whether in Texas or California, Arizona or New Mexico, or any place else, affecting Americans of Mexican extraction, are likely to have far more devastating effects than we have been willing to recognize. In this respect, the treatment of any racial group in our country, such as denying the right to vote to some qualified American citizens, or denying them the right to attend the same public schools available to others, undermines, weakens, indeed, tends to destroy the bonds of friendship and of amity between our peoples and our governments and the goals of human freedom which are common to both of us.

Mexico was more fortunate than much of Latin America. While she shares a common Iberian tradition with the rest of Latin America, she had, as I observed, an ancient and beautiful civilization of wonderful, unbelievable attainment, which enabled her to absorb and blend Spanish influences and to create a more fascinating culture, a passionate and devoted love of country and of the cause of man's freedom. Mexico consolidated the gains of its own revolution several years ago, and her path now seems marked out by the will of heaven to achieve the promise of a better life under government based on consent of the governed, in the fashion of the nations of the Western World.

It is our first duty to remove as much of the resentment toward us as we can, not only in the field of race relations, but

in economic affairs. We cannot, we must not, turn aside from friendly, neighborly consideration of the problems confronting Mexico or, indeed, the rest of Latin America. While it is unthinkable that the Communists would succeed in undermining Mexico, the recent expulsion of two Soviet officials from the Soviet Embassy in Mexico was a thundering example of the zeal by which the Mexican Government protects her people from foreign provacateurs anywhere in the world. Communist successes anywhere in Latin America must ultimately affect Mexico and, automatically, the United States.

We must concede that there is a continuing attempt by communism to penetrate the minds of the peoples of free nations. Those of us who witnessed the extraordinarily large and highly effective group from Soviet Russia who went to Mexico last November to participate in the ceremonies attendant on the presidential inauguration must be aware that we, too, need constantly to put our own best foot forward.

As a means of strengthening our ties with the Mexican Government, I believe the United States should now authorize participation in parliamentary conferences with representatives of the Mexican Congress. Yesterday the Senate joined the House of Representatives in passing a joint resolution to authorize participation by the United States in parliamentary conferences with Canada. This is a valuable and significant means of working out problems of common legislative interest with our Canadian friends to the north. But I submit to my colleagues that we cannot, we must not, neglect our historic good neighbors below the Rio Grande. That is why the distinguished senior Senator from New Mexico [Mr. CHAVEZ] yesterday introduced a similar resolution with respect to Mexico. That is why I am proud to join him as a coauthor.

We have many problems of common interest with Mexico besides a common border. What better way can be found to build toward a prosperous future than to meet with the legislators of Mexico to discuss ways and means for solving common problems, for maintaining close and cooperative relations between our two countries?

From the experience gained with our two closest neighbors, Canada and Mexico, I look forward to the day when such parliamentary conferences will include all of the Americas.

The resolution, by unanimous consent, will lie on the desk until Friday. I ask unanimous consent that a copy of the joint resolution may be printed in the RECORD at this point in my remarks.

There being no objection, the joint resolution (S.J. Res. 102) was ordered to be printed in the RECORD, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That not to exceed twenty-four Members of Congress shall be appointed to meet jointly and at least annually and when Congress is not in session (except that this restriction shall not apply during the first session of the Eighty-sixth Congress or to meetings held in the United States) with representatives of the Chamber of Deputies and Chamber of Senators of the Mexican Congress for discussion of common problems in the interests of relations between the United States and Mexico. Of the Members of the Congress to be appointed for the purposes of this resolution (hereinafter designated as the U.S. group) half shall be appointed by the Speaker of the House from Members of the House (not less than four of whom shall be from the Foreign Affairs Committee), and half shall be appointed by the President of the Senate from Members of the Senate (not less than four of whom shall be from the Foreign Relations Committee). Such appointments shall be for the period of each meeting of the Mexico-United States Interparliamentary Group except for the four members of the Foreign Affairs Committee, and the four members of the Foreign Relations Committee, whose appointments shall be for the duration of each Congress.

SEC. 2. An appropriation of $30,000 annually is authorized, $15,000 of which shall be for the House delegation and $15,000 for the Senate delegation, or so much thereof as may be necessary, to assist in meeting the expenses of the U.S. group of the Mexico-United States Interparliamentary Group for each fiscal year for which an appropriation is made, the House and Senate portions of such appropriation to be disbursed on vouchers to be approved by the chairman of the House delegation and the chairman of the Senate delegation, respectively.

SEC. 3. The U.S. group of the Mexico-United States Interparliamentary Group shall submit to the Congress a report for each fiscal year for which an appropriation is made including its expenditures under such appropriation.

SEC. 4. The certificate of the chairman of the House delegation or the Senate delegation of the Mexico-United States Interparliamentary Group shall hereafter be final and conclusive upon the accounting officers in the auditing of the accounts of the U.S. group of the Mexico-United States Interparliamentary Group.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield to the able Senator from Alaska, to whose magnificent work on Mexico I alluded in my comments. I salute my colleague as one who is intimately acquainted with Mexico and her great potentials.

Mr. GRUENING. Mr. President, saving only those very flattering and generous remarks about me and my work concerning Mexico, I should like to associate myself with the remarkably fine comments the senior Senator from California has made about our neighbor to the South.

I feel that the resolution, introduced by the senior Senator from New Mexico [Mr. CHAVEZ] and other Senators, to provide for a parliamentary interchange with Mexico, is a most constructive step. In my opinion, it is of paramount importance in our foreign relations that we establish the best relationship with our immediate land neighbors. We have only two.

Mexico touches four of our States, one of which is represented, in part, by the distinguished senior Senator from California, who has just delivered this memorable address.

Our two nations have much to give to each other. There is much in the way of reciprocity, exchange of ideas, exchange of cultures, exchange of achievements and exchange of developments which will be mutually beneficial.

It has been very gratifying to me to note during the last 10 years, since the end of what might be called the more violent period of the Mexican Revolution, the tremendous evolutionary progress which has been made by our neighbor to the South. There has been progress in democratic procedure, cultural progress, economic progress, and perhaps most gratifying of all, a great progress in the good feeling which exists between the people of Mexico and the people of the United States. We want to further that progress. We want to do everything we can to promote it. We want the people of Mexico to feel as much at home with us as we want to feel at home with them, with the idea that the words "foreign nation" will relate only to differences in cultural matters, and that the conflicts which once beclouded our relations will always be solved by amicable discussion around a council table.

I am sure this is an attainable goal. I think the joint resolution which has been introduced represents an important step forward.

I wish to commend highly our colleague, the senior Senator from California [Mr. KUCHEL], for his important part in promoting this splendid relationship. No one is better acquainted with or has a greater desire for neighborliness with the Mexican people. There are many people of Mexican origin within the Senator's State. He is familiar with them, and they love him. They trust him. He will be a great factor in promoting the true neighborliness which should be No. 1 on the agenda of our foreign policy.

Mr. KUCHEL. Mr. President, I am exceedingly grateful to our distinguished colleague for the comments he has made. The able Senator from Alaska has pointedly indicated the great need for having this country go forward in cementing relationships based upon mutual understanding and respect between the people who make up our country and the gallant population of our neighbor to the south.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield to the able majority whip.

Mr. MANSFIELD. Mr. President, I wish to join the distinguished Senator from Alaska in commending the able Senator from California, the minority whip, for the speech he has made this afternoon. It was a speech about a great nation, a proud people, a good neighbor.

Though there have been in the past, and are even today, differences between Mexico and the United States, I express the hope, as I am sure was the intent of the distinguished Senator from California, that there will develop a greater sense of tolerance, mutual understanding, and closer cooperation. There is much we can learn from Mexico, and in return there are a few things which Mexico can learn from us.

I am happy the Senator has emphasized the dual nature of the Mexican

culture; the contributions made by Castilians and the greater contribution made by the Indians, the aboriginal inhabitants, to the present day Republic of Mexico.

Mexico, as the distinguished Senator from Alaska has pointed out, has made great strides since the revolution. It is our hope that not only will we be able to establish a Joint Interparliamentary Committee which will represent our people in their country and the Mexican people in this country, but also that on this basis we shall be able to bring about a closer degree of cooperation and a better degree of understanding, notwithstanding the fact that there may have been errors and grievances in the past, in the hope that today and in the future Mexicans and Americans, side by side, will be real citizens of this hemisphere, and together may be able to make the contribution which should be made to the development and betterment of the hemisphere as a whole.

I again commend the distinguished Senator for his very able speech about a very worthy project and certainly in relation to a very fine people.

Mr. KUCHEL. I thank the distinguished majority whip for his comments. He has been a leader in promoting the policy of good neighbor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CANNON in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONVEYANCE OF CERTAIN LANDS IN ALASKA TO MARTHA L. BABINEC—INDEFINITE POSTPONEMENT OF BILL

Mr. BARTLETT. Mr. President, on January 9 of this year I introduced a bill (S. 168) to authorize the conveyance of certain lands in Alaska to Martha L. Babinec, as administratrix of the estate of Laurence Starns, deceased. The measure was referred to the Committee on Interior and Insular Affairs.

Subsequent information and developments have led me to conclude that further proceedings with this proposed legislation are not desirable. Accordingly, I have conferred with the distinguished chairman of the Committee on Interior and Insular Affairs, the Senator from Montana [Mr. MURRAY], and the able ranking minority member of the committee, the Senator from Idaho [Mr. DWORSHAK]. Both are agreeable that no further action should be taken on the bill.

Therefore, Mr. President, I ask unanimous consent that the Committee on Interior and Insular Affairs be discharged from further consideration of the bill, S. 168, and that further action on the measure be indefinitely postponed.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alaska? The Chair hears none; and, without objection, the committee will be discharged from the further consideration of the bill, and the bill will be indefinitely postponed.

Mr. BARTLETT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION OF APPROPRIATIONS TO THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

The Senate resumed consideration of the bill (H.R. 7007) to authorize appropriations to the National Aeronautics and Space Administration for salaries and expenses, research and development, construction and equipment, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, as chairman of the Committee on Aeronautical and Space Sciences, I should like to make a brief statement concerning the bill now under consideration. This bill, H.R. 7007, authorizes the appropriation of $485,300,000 for the National Aeronautics and Space Administration for fiscal year 1960.

Before discussing the bill further, I believe a few comments are in order concerning the manner in which this bill was developed. As we all know, the space age is still in its very early infancy. Accordingly, the very able and distinguished chairman of the NASA Authorization Subcommittee, the junior Senator from Mississippi [Mr. STENNIS] divided the hearings on the bill into two major phases.

The first phase was devoted to detailed consideration of the scientific and technical aspects of the important elements of our national aeronautical and space activities as currently planned for the next 5 to 10 years.

The hearings then moved into the second phase, during which the specific programs proposed for fiscal year 1960 were examined in great detail.

Copies of the bill and of the comprehensive committee report are on the desks of the Senators.

Before proceeding further, I should like to commend the illustrious Senator from Mississippi [Mr. STENNIS] and the other dedicated members of the subcommittee—the very gracious lady from Maine [Mrs. SMITH], the very able Senator from Ohio [Mr. YOUNG], the very able Senator from Iowa [Mr. MARTIN], the very able Senator from Connecticut [Mr. DODD], and the very able Senator from Nevada [Mr. CANNON].

All these Senators were diligent. They examined into the matter thoroughly. The country can be grateful that in this hour of trial it had this outstanding group of dedicated Senators sitting in judgment and making these vital decisions.

Thanks are also due to the committee staff, and especially Mr. Kenneth E. Be Lieu, and Mr. Max Lehrer, who served as professional staff members of the subcommittee.

Since my esteemed colleague from Mississippi would be too modest to mention it, I should like to quote the comment made by Dr. Glennan, the Administrator of the National Aeronautics and Space Administration, concerning the scientific and technical hearings:

> To my mind, the transcript of those hearings is the most comprehensive, understandable and educational document on the Federal Government's aeronautical and space activities that exists today. I hope that this record will be given wide public dissemination.

Since the Senator from Mississippi will shortly discuss the bill in some detail, I will confine my further remarks to a few of its highlights.

The $485,300,000 authorized in this bill is broken down as follows:

Salaries and expenses, $94,430,000.

Research and development, $333,070,000.

Construction and equipment, $57,800,000.

On the basis of all the testimony, it was the unanimous recommendation of the subcommittee—and I am proud of that fact—that the amounts requested, coupled with continued careful and imaginative management, would meet the currently foreseeable needs of the nonmilitary space program. I am proud to be able to tell the Senate, the country, and the world that this view is concurred in by the full committee, and that in this hour of trial, when the executive branch is headed by one party, and the legislative branch by another, in a critical field like this we can have hearings, reach accord in our views, and arrive at common understandings.

While the NASA Authorization Subcommittee was proceeding with its review of the specific space programs proposed to be financed in fiscal year 1960, the Subcommittee on Governmental Organization for Space Activities was conducting an investigation of governmental organizations involved. Although the hearings of this latter subcommittee developed a number of problem areas requiring resolution, its chairman, the distinguished Senator from Missouri [Mr. SYMINGTON], advises that such findings do not question the desirability of proceeding vigorously and fully with the NASA programs proposed for fiscal year 1960.

Mr. President, the Aeronautical and Space Sciences Committee recommends that the bill as reported be given favorable consideration.

Mr. President, I yield to the chairman of the subcommittee, the distinguished Senator from Mississippi [Mr. STENNIS]. Again, I express to him the thanks and the understanding of the Senate and of a grateful Nation for the outstanding, patriotic service he has performed throughout the long road which the bill has traveled through the subcommittee and the full committee.

Mr. STENNIS. Mr. President, on behalf of the entire subcommittee, I thank the Senator from Texas for his most

generous remarks. I also thank the members of the subcommittee for the interest and attention which they showed during the hearings. At each sitting practically every member of the subcommittee was not only present, but paying attention, showing interest, and asking constructive questions. The hearings were extraordinarily illuminating as they related to the space program and the field of space science.

I call particular attention to the printed hearings. It is expected that they will be available some time this afternoon in two parts, the first part being "Scientific and Technical Presentations," and containing graphs, pictures, and other scientific illustrations. The second part of the hearings relates to the specific programs to be financed by the bill.

The value of the first part of the NASA authorization hearings has already been recognized widely. Orders for large numbers of the publication, subtitled "Part I: Scientific and Technical Presentations," have been placed by several agencies of the Government, including the Department of the Air Force, Department of Defense, and the National Aeronautics and Space Administration. The Government Printing Office has anticipated a large demand and has already reserved 1,500 copies for future sale. The GPO will also describe and advertise the publication in its biweekly circular which is distributed to approximately three-quarters of a million people in the United States and throughout the world.

That part of the record will contain approximately 700 pages and will cost $2. It will be a matter of general interest to the public.

Mr. President, I do not think the amendments will be controversial. I ask unanimous consent that the committee amendments be agreed to en bloc and that the bill, as thus amended, be considered as original text for the purpose of amendment. The Chair understands, as does the Senate, that such action will not preclude amendments being offered to the bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Mississippi? The Chair hears none, and the committee amendments are agreed to en bloc.

Mr. STENNIS. Mr. President, H.R. 7007, as amended, which is now being considered by the Senate, authorizes the appropriation of $485,300,000 for the National Aeronautics and Space Administration for fiscal year 1960.

I should like to state that this bill and the accompanying committee report were unanimously recommended by the subcommittee, on which it is my privilege to serve as chairman. As stated earlier by the chairman of the committee, the distinguished Senator from Texas [Mr. JOHNSON], the bill and report have also been approved unanimously by the Committee on Aeronautical and Space Sciences.

Not only was there no real difference of opinion within the committee concerning the authorization covered by the bill, but there are only relatively minor differences between the bill before the Senate and the bill as passed by the House of Representatives. I shall discuss each of the amendments to the House bill later in my remarks.

As shown on page 1 of the committee report, the $485,300,000 authorized by this bill covers three NASA appropriation titles, as follows:

Salaries and expenses, $94,430,000.

Research and development, $333,070,000.

Construction and equipment, $57,800,000.

SALARIES AND EXPENSES

The salaries and expenses appropriation covers the day-by-day noncapital costs of operating and maintaining the activities and personnel of the National Aeronautics and Space Administration.

A total of $94,430,000 is projected for salaries and expenses for fiscal year 1960, compared with $74,316,698 authorized for this purpose in fiscal year 1959.

Of the $94,430,000 proposed for salaries and expenses for fiscal year 1960, $69,976,000, or 74 percent of the total, is devoted to salaries. This is almost 19 percent above the comparable figure for fiscal year 1959, and primarily reflects the increase in total NASA employment. Direct civilian employment is expected to increase from 8,961 at the end of the current fiscal year to 9,988 at the end of fiscal year 1960, an increase of 1,027 people. Average employment, however, is expected to rise from 8,300 in fiscal year 1959 to 9,600 in 1960, an increase of 1,300, or approximately 16 percent.

No increase in employment above the 1959 level is planned for the four research centers which were built up under the NACA and incorporated into NASA. The projected increase in NASA employment is limited to that required to handle the new duties and responsibilities imposed by the expanding civilian space program. This is shown clearly by the chart on page 2 of the report.

The various other items covered by the salaries and expenses appropriation total $24,454,000 for fiscal year 1960, compared with $15,339,798 in fiscal year 1959. In general, the increase from 1959 to 1960 reflect the increased employment level projected for 1960. Somewhat disproportionate increases have been projected for costs of travel and of communications. The large increases in these areas are directly attributable to the significant expansion in worldwide tracking and observation activities projected for 1960.

The projected distribution of the $94,430,000 for salaries and expenses for fiscal year 1960 is summarized in a table on page 4 of the report.

Mr. President, at this point I wish to make clear that NASA has taken over and has acquired all the activities and administration of what heretofore has been known as NACA; and NASA also has an expanding space program, although it has been in existence as an agency of the Government for a little less than 1 year.

RESEARCH AND DEVELOPMENT

The research and development appropriation provides the funds required for contractual research, development, operations, technical services, repairs, alterations and minor construction, and for supplies, materials, and equipment necessary for the conduct and support of aeronautical and space research and development activities of the National Aeronautics and Space Administration.

A total of $333,070,000 is projected for fiscal year 1960, compared with $237,506,834 authorized for the same purposes in fiscal year 1959. This represents an overall increase of some 44 percent, which is not as great as it may seem, considering the fact that NASA, as such, was not even in existence at the beginning of fiscal year 1959. Again, this is due to the expanding program.

A summary breakdown of the $333,070,000 proposed for research and development in the fiscal year 1960, as well as a breakdown of the $237,506,834 authorized for the fiscal year 1959, is shown on page 5 of the report.

It is hardly necessary to point out that the space program is still in its infancy, and can be expected to grow significantly in cost and scope in the years ahead. As a corollary, it must be anticipated that the plans for, and estimated costs of, various individual research and development programs will be subject to continuing change. It is simply not possible to make precise forecasts for programs in which we are going beyond existing scientific knowledge.

In this connection, Mr. President, I should like to point out that although the committee has approved the authorization of the $333,070,000 requested by the administration for research and development in fiscal year 1960, substantial changes have been made during the past few months in the specific programs and items covered by these funds. As shown by the table on page 9 of the report, changes in the major research and development programs proposed for fiscal year 1960 have amounted to $98 million, or over 29 percent of the total funds involved. In addition, reprograming of the funds already authorized for research and development in fiscal year 1959 amounted to almost $45 million, or about 22 percent of the total.

In testifying before the committee, Dr. Glennan stated:

> At NASA we are consumed with the infinite possibilities of space, but we are determined to base our space program upon facts, not fancies. With this in mind, we will constantly be reviewing our program—and our budgets. It is highly probable that our programs will change rapidly during the first years of effort in this new medium simply because we are opening up a new frontier and most of the ground rules are yet to be worked out and understood.

Mr. President, at this point let me express my own opinion—and I believe it is also the opinion of our subcommittee which held these hearings—that we were exceptionally well impressed with Dr. Glennan, the Administrator of NASA, and Dr. Dryden, formerly the Director of NACA, and now the Deputy Administrator of the new agency; and we were well impressed with their staff, who are exceptionally capable scientists, engineers, and professional personnel of the very highest order and, apparently, of the very highest type of dedication—although that is an overused word. We

think this program highly important because of its many possibilities in the commercial and economic world, as well as the military; and those of us who followed the hearings felt strengthened as well as encouraged by the headway which is being made.

In addition to the summary table on page 9 of the report, an outline by Dr. Glennan of the major changes made in the 1960 budget estimates is quoted on pages 7 and 8. The committee wishes to commend Dr. Glennan and his associates for their continuing efforts to get the maximum effective return from the funds entrusted to them. At the same time, the volatile nature of the space program clearly demands close and continuing congressional oversight.

I shall now briefly cover the key research and development programs proposed for the fiscal year 1960. I do not believe it is necessary to cover them in any detail at this time, since they are all explained fully in the committee report.

The first item is support of NASA plant. This requires a total of $16,670,000 in 1960, compared with $11,726,102 in 1959. The reasons for the necessary increases are shown on page 10 of the report.

The next item, "Support of JPL plant," calls for $8,156,000 in 1960. The Jet Propulsion Laboratory is a Government-owned facility near Pasadena, Calif., which is operated on a contract basis by the California Institute of Technology. This installation was transferred to NASA from the Army on December 3, 1958, and is a key factor in NASA's future plans for research and development in support of the space program.

The program breakdown of this item is shown on page 11 of the report.

On pages 11 and 12 of the report there is a breakdown of the $5,200,000 authorized for research contracts. The next four pages cover the key programs under the general category of "Scientific Investigations in Space." These are:

Sounding rockets, $10 million.

Scientific satellites, $22,800,000.

Lunar probes, $7,140,000.

Deep-space probes $6,803,500.

Pages 16 and 17 of the report deal briefly with the programs involved in satellite applications investigations. While this area involves relatively modest sums—$10,800,000 for meteorology and $4,700,000 for communications—the programs are exciting, and the potentialities are enormous.

Mr. President, even though the space program of the United States is still in its infancy, it already has led to several promising applications that will benefit man directly. For example, Vanguard II, which the National Aeronautics and Space Administration launched into orbit on February 17 of this year, has proved the feasibility of the weather-satellite concept. One day, similar satellites will scan weather patterns around the globe, and will report the information by radio to ground receiving stations.

At present, weather observations are available only from a limited number of stations on land and from a few ships at sea. The vastly greater amount of information collected by satellites taking readings over the whole earth will increase to an incalculable degree the accurracy of weather forecasts. Besides improving day-to-day forecasting, meteorologists might be able to predict, months in advance, droughts and rainy spells.

The value of such information to our economy is beyond estimation. Relatively small improvements in the accuracy of forecasts can save literally billions of dollars in farming, food processing, public utilities, and in many other vital activities. And equally important, in terms of human lives, hurricanes and tornadoes could be spotted at birth, and their deadly paths predicted.

Indeed, in the foreseeable future, we may well be able to modify climate. According to Dr. Joseph Kaplan, Chairman of the U.S. Committee for the International Geophysical Year:

> Control by man of the earth's weather and temperature is within the realm of practicality now.

Another promising development on which NASA scientists are at work is the communications satellite. Several systems are under study, and initial experiments have been carried out successfully. One type, the so-called passive system, involves inflatable plastic satellites coated with highly reflective material that will deflect or bounce radio or television signals back to earth to areas that otherwise would be out of range. The other is an active system, involving a satellite payload that contains receiving and transmitting equipment that picks up signals and retransmits them as a relay station.

The NASA program will eventually provide systems of these communications satellites capable of transmitting programs across continents and oceans, and completely eliminating the so-called line-of-sight limitations that have restricted FM and TV reception to a few hundred miles, at most. For the first time, worldwide, not nationwide, radio and TV reception will be possible and feasible. Similarly, commercial communications can be expanded and speeded tremendously.

Our space effort has yielded much new knowledge about the earth and the universe. For example, geodetic measurements which NASA has made by means of satellites have led to more precise mapping of islands and continents, making for more accurate, and, therefore, safer, sea and air navigation.

Work is also in progress to employ satellites as actual navigation aids, to eliminate or greatly decrease the dependence of ships and aircraft on conventional navigation aids, such as radio beacons, radio stations, or sightings of stars. With techniques already known, a navigator can fix his position within an accuracy of about 1 mile. This accuracy can undoubtedly be increased through use of navigation satellites.

The next major item is manned space flight, better known as Project Mercury, for which $70 million is planned for the fiscal year 1960. This is in addition to the $58,411,200 authorized for the fiscal year 1959. Dr. Glennan has testified that "before we have completed this first U.S. effort to put man into space, the bill will have exceeded $200 million."

In the interest of saving time, I shall forgo further explanation of the other research and development programs that are contemplated under this bill. All of these are covered in the discussion set forth on pages 19 through 29 of the committee report.

CONSTRUCTION AND EQUIPMENT

I now turn briefly to the "Construction and equipment" title. This appropriation title covers the construction and equipment at laboratories and other installations of the National Aeronautics and Space Administration and for the acquisition or condemnation of real property.

A total of $57,800,000 is projected for the fiscal year 1960. Of this, $34,800,000 will be utilized for additions and improvements to existing NASA research centers and stations; $3 million will be used for specific facilities required by NASA at the Pacific Missile Range; and $20 million will be devoted to new facilities and to the improvement of global tracking and communications facilities.

These global tracking and communications facilities are very expensive undertakings. We have tracking facilities in connection with missiles, as well as with satellites. We have done what we could to look into the possibilities of duplications. On the basis of the available evidence, we are well satisfied that no outright duplications are included in the authorizations provided by this bill.

The $34,800,000 devoted to additions and improvements of existing NASA research centers and stations is equivalent to less than 9 percent of the total value of such plant, which currently is estimated at $390 million. Considering the rapid pace of technology, the committee felt that this does seem to warrant Dr. Glennan's description that "this is really an austerity program."

A summary of the 1960 construction program is shown on page 29 of the report, while the details of the individual construction projects are summarized on pages 32 through 42. It is in this area that we find the only dollar difference between the bill as reported by the House and the bill as amended by the Senate. Accordingly, I shall now proceed to discuss this item and the other two amendments made by the committee to the House bill.

SENATE AMENDMENTS TO H.R. 7007

The committee made three substantive amendments to H.R. 7007. They are as follows:

First. Restoration of funds: The committee restored $4,750,000 to the "Construction and equipment" appropriation for a new central facility for high-energy solid- and liquid-fuel rocket propellants. The House Committee on Science and Astronautics, in deleting this item, stated:

> The committee recognizes that this type of facility is necessary for the testing of high-energy propellants. It is further recognized that such testing at present locations such as the Lewis Research Center and the Jet Propulsion Laboratory would be dangerous to the urban population nearby. Even so, the committee did not believe itself justi-

fied in authorizing funds for the preparation of a site, for roads and fencing, for a water system, and for other items, for a site still unknown. Once NASA has arrived at a decision as to the location of the site for this facility, the committee will entertain legislation for the authorization of funds for construction on the site.

It does appear that the NASA witnesses, in an effort to justify the total cost estimate of $4,750,000, gave an impression of greater precision as to the individual cost elements than is possible with regard to an unknown site. Dr. Glennan clarified this matter in his testimony before this committee and provided persuasive evidence as to the urgent need for this facility.

Some of the pertinent testimony on this item is contained on pages 43 through 45 of the committee report. This testimony boils down to the simple fact that failure to authorize the facility at this time could delay the development of urgently needed high-energy propellants. Since the earliest possible development of such propellants would benefit our military missile and space programs, as well as the NASA space program, the committee considered such delay to be unwise.

The problems faced by NASA in selecting a site for this research facility are similar to those faced by the military services. There is ample precedent with respect to the military services for authorizing certain projects even though the exact locations have not yet been chosen. The committee considers that NASA has exhibited an appropriate combination of speed and caution in proceeding with the site selection, and has accordingly restored the $4,750,000 to preclude unnecessary delay in this important program.

Second. Use of research and development funds for capital items: H.R. 7007 contains a new provision, section 1(b), which reads as follows:

> Appropriations for "Research and development" may be used for any items of a capital nature (other than acquisition of land) which may be required for the performance of research and development contracts.

While the committee recognized the need to grant NASA additional flexibility in the use of its research and development funds, the language in question appeared to be unnecessarily broad and possibly subject to misuse as a means to avoid congressional scrutiny over, and the specific prior authorization of, major construction projects.

Accordingly, in order to assure that this flexibility would not be abused, the committee added a notification provision to section 1(b), which reads as follows:

> *Provided*, That none of the funds appropriated for "Research and development" pursuant to this Act may be used for construction of any major facility, the estimated cost of which, including collateral equipment, exceeds $250,000, unless the Administrator or his designee notifies the Committee on Science and Astronautics of the House of Representatives and the Committee on Aeronautical and Space Sciences of the Senate of the nature, location, and estimated cost of such facility.

In pursuing research and development projects, there arise construction requirements which cannot be anticipated or authorized in advance, and a great deal of leeway must be provided. The committee merely provided that if the cost of any individual facility exceeded $250,000, there would have to be filed with our committee a report of the nature, location, and estimated cost of the facility. In that way coordination and cooperation would be maintained at all times.

Mr. President, we have no reason to suspect the present personnel would do anything else, but we thought, since this would be a permanent law, the better policy would be the one laid down by the committee.

Third. Authorization requirement: Present law requires the National Aeronautics and Space Administration to obtain legislative authorization before appropriations may be made. Under section 4 of H.R. 7007, this requirement was extended until July 30, 1965.

The committee agrees with the House concerning the desirability of extending the requirement for authorization of appropriations to the National Aeronautics and Space Administration. It seems obvious that close and continuing congressional review and surveillance is in order in this area. The situation was perhaps best summarized by Dr. Glennan, in his testimony quoted earlier in this statement:

> It is highly probable that our programs will change rapidly during the first years of effort in this new medium simply because we are opening up a new frontier and most of the ground rules are yet to be worked out and understood.

Because of the nature of the space program, rapid and substantial changes as to magnitude, direction, and detail can be expected to continue indefinitely. For this reason the committee deleted the terminal date of July 30, 1965, in the authorization requirement, thereby making the requirement of indefinite duration.

I wish to point out to the Senate and to each individual Member thereof that this is a major provision in the bill. It is a major policy question to be decided at the congressional level. It is far-reaching in its effect as to any department. It is not a surveillance or a curtailment of any kind that the committee is trying to direct at the National Aeronautics and Space Administration because of any shortcoming of that agency. It is a strong, important principle of government which is being applied to an important function, and I think it is one that Congress should consider expanding and having applied to other departments, beyond what we have done in the past.

In conclusion, Mr. President, I should like to express my sincere appreciation to the other members of the subcommittee for their continued interest and cooperation in considering and handling this bill. I refer to the Senator from Maine [Mrs. SMITH], the Senator from Ohio [Mr. YOUNG], the Senator from Iowa [Mr. MARTIN], the Senator from Connecticut [Mr. DODD], and the Senator from Nevada [Mr. CANNON].

I desire especially to thank, for their very fine assistance, Mr. Kenneth BeLieu, who is staff director of the Committee on Aeronautical and Space Sciences, Mr. Max Lehrer, who is assistant staff director of the committee and has been working closely with us in the subcommittee in the long and involved process of preparing and coordinating the hearings, and also the other members of the fine staff.

Mr. President, the Committee on Aeronautical and Space Sciences recommends that the bill be given favorable consideration, as reported.

Mr. President, that concludes my remarks, and I yield the floor.

Mrs. SMITH. Mr. President, the details of the pending bill have already been presented in an outstanding fashion by the distinguished chairman of the full committee, the eminent Senator from Texas [Mr. JOHNSON] and by the distinguished chairman of the subcommittee, the beloved Senator from Mississippi [Mr. STENNIS]. For this reason, I do not propose to discuss any of the individual items in the bill, but I do want to say that I am in complete accord with the action taken by the committee and urge approval of the bill as presented to the Senate.

If I may, I should like to make a few personal remarks. It has been my privilege to be a member of this Chamber for the past 10 years. During this period, I have had the pleasure of serving with both the Senator from Texas and the Senator from Mississippi on both the Appropriations and the Armed Services Committees. When the new Committee on Aeronautical and Space Sciences was created last year, under the chairmanship of the Senator from Texas, I was delighted to have the opportunity to serve with them on that committee.

I must say that serving on the Space Committee has been a very gratifying experience. The new field of space is incredibly complex and demands the very best abilities that can be brought to bear upon it. I am heartened by the fact that this appears to be the case.

During the course of the subcommittee hearings, we have received testimony from Dr. Glennan, Dr. Dryden and all the key personnel, both at the NASA Headquarters and in the field. I believe the American people are fortunate in having such dedicated and able people providing their services for this vital program.

The Aeronautical and Space Sciences Committee also has been fortunate in having an unusually able and hard-working staff. The staff has worked untiringly and effectively for all the members of the committee on a truly nonpartisan basis, in line with the policies established at the very outset by the chairman of the committee, the distinguished Senator from Texas.

Mr. President, I am proud of the work that has been done by the committee under the inspired leadership of the Senator from Texas. I believe that the record of the hearings, and the committee report, fully attest to the fact that the committee's sole consideration, as stated by the chairman, has been to take

whatever action is required in the national interest. The bill now before the Senate meets this criterion, and I join in urging its approval.

Mr. BRIDGES. Mr. President, as the ranking minority member of the Committee on Aeronautical and Space Sciences, I simply want to add my word of commendation of the subcommittee for the very excellent work it has done and for the report which it has submitted. I think it deserves the commendation of the full committee and also the commendation of the Senate. I hope the report will be adopted as recommended.

Mr. CANNON. Mr. President, I believe we cannot overemphasize the importance of the bill for appropriations for the National Aeronautics and Space Administration which has just been discussed by the distinguished Senator from Mississippi [Mr. STENNIS] and other Senators.

Mr. President, it is of the utmost importance that the United States gain and keep the lead in the exploration of space. One of the most compelling reasons lies in the struggle for the minds of men. It is vital for us to achieve supremacy in space if we are to meet this challenge.

Obviously, technological preeminence in space will pay us direct dividends in the form of greatly strengthened national defense. It is equally certain that such scientific progress will bring in its train many technological discoveries which will mean a better way of life for the American people.

In our free society, the curiosity and imagination which are the hallmarks of the creative scientist are encouraged instead of being directed toward rigid totalitarian goals. Moreover, we have repeatedly shared the benefits of our scientific advances with other nations. It is no coincidence that nation after nation seeking independence has looked to our system as a model.

There is another aspect which we must bear in mind. Our persistence as a free and democratic state has provided a strong shield, ideologically as well as physically, for weaker countries. If we should fail now to progress, if we should give over leadership in science to a totalitarian nation, then we would have betrayed our traditions and failed the trust which the free world has placed in us. Beyond any question, if we slacken our efforts toward space exploration, for whatever reason, in the minds of men everywhere our position vis-a-vis the Soviet Union will be weakened immeasurably, perhaps disastrously.

The chance that space might become a theater of war requires that we consider this possibility. So long as other nations have the power to use space for aggression, we must be prepared to defend ourselves and our friends, and must maintain enough military potential to discourage any attack from this direction.

The Russians realize—perhaps more clearly than we do—how persuasive are spectacular accomplishments in space. They have missed no opportunity to impress upon all peoples the scope of their accomplishments in launching the sputniks and putting lunik past the moon and into orbit around the sun. We can be sure they will be equally alert to the values of any future Russian firsts in space.

How does our space effort compare with that of the Soviets? The blunt answer—based on information from Soviet publications and from our own observations—is that they are able to place heavier payloads into space than we can. The reason is simple. The Soviets began serious work in the ballistic missiles field 6 or 8 years before we did.

Our present lack of space-propulsion vehicles of high thrust limits our opportunities to expand our knowledge. It also limits advanced experiments which depend on such high-thrust vehicles.

The National Aeronautics and Space Administration, which began operating October 1, last year, is at work on means to narrow the Soviet lead in high-thrust vehicles. To provide greatly increased payloads, range and reliability for future space experiments, NASA is developing a new family of rocket engines. This program includes a contract for a single-chamber engine of 1.5 million pounds thrust. Contracts have been let for other advanced general purpose vehicles to serve a wide variety of needs. They will be the basic power systems for NASA probes and satellites in the next few years.

We trust and hope that these and other projects in our national space program can be brought forward with as much speed as sound development will permit.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. STENNIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STENNIS. May I ask the acting majority leader if there will be a vote on the pending measure this afternoon?

Mr. MANSFIELD. It is the intention of the majority leader to try to have a yea-and-nay vote on the measure tomorrow. At the present time I am endeavoring to get in touch with the minority leader, to see if a common agreement can be reached. If it can be reached, there will be an announcement to that effect.

Mr. STENNIS. There will be no vote on the measure this afternoon?

Mr. MANSFIELD. No.

Mr. STENNIS. I thank the Senator.

Mr. MANSFIELD. Mr. President, I wish to make an announcement that there will be no vote on the authorization bill for the National Aeronautics and Space Administration today, but there will be a vote on it as early as possible tomorrow after the Senate convenes.

NOMINATION OF LEWIS STRAUSS TO BE SECRETARY OF COMMERCE

Mr. ANDERSON. Mr. President, the State, a newspaper published at Columbia, S.C., Friday, May 22, 1959, printed an editorial entitled "Admiral Strauss Deserves the Support of the South."

Mr. President, I ask unanimous consent that the editorial be printed in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ADMIRAL STRAUSS DESERVES THE SUPPORT OF THE SOUTH

Adm. Lewis Strauss should be confirmed as Secretary of Commerce. Traditionally, the person nominated by the President to be a member of his Cabinet has been confirmed unless there was evidence of moral turpitude or total incompetence.

In the case of Admiral Strauss, there is no claim by his senatorial opponents of disqualification on such grounds. He has rendered signal service to the Government in the Navy Department and in directing the operations in the atomic field. He is an able administrator.

The State's Washington correspondent writes that opposition is led by Senators KEFAUVER, of Tennessee, and ANDERSON, of New Mexico. KEFAUVER's attitude is understandable, even if disappointing. Because of TVA, KEFAUVER is politically interested in public power. He wanted nuclear power development for peaceful purposes to be paid for by the taxpayers and to be located in Tennessee. Strauss believed that private enterprise, anxious to pay the costs of development, should bear the burden instead of the taxpayers.

The opposition of Senator ANDERSON is more surprising because he has not been as extreme as KEFAUVER in his views. Asserting he does not like the personality of Admiral Strauss, he makes a personal appeal to his colleagues to reject the man who now is serving as Secretary of Commerce by appointment of the President.

Strauss has proved himself friendly to South Carolina and the Southeast. When the Government first proposed to encourage the development of nuclear power for peaceful purposes, Strauss advocated locating that development at Parr Shoals near Columbia. At the last minute a Pittsburgh company, supposedly backed by Westinghouse Electric Co., offered the Government such financial inducements that the Commission selected the Pittsburgh site.

A year later, when the power companies of Virginia, North Carolina, and South Carolina pooled their interests and bid for the location of a similar plant in the Southeast, though the project was not favored by Senator ANDERSON, Admiral Strauss again favored the Parr Shoals site and is responsible for its location here, which means much for Columbia.

Recently when the textile industry complained that mills were losing money and workers were losing jobs because of the importation of cotton goods from Japan, our mill interests protested to the State Department against Japanese importations. Admiral Strauss was one of the few officials in Government to show sympathy for the South's position and give aid. Only last week, when a Senate committee, after investigation, urged the appointment of a commission to consider a solution for this problem, the President selected Admiral Strauss as chairman. The appointment has given hope to our textile industry.

In agreeing with the South in these two matters, Admiral Strauss undoubtedly did

so solely because he believed it was best for the interest of the United States. Nevertheless, his action proved that Southern interests can secure fair treatment at his hands.

It would be unfortunate for South Carolina and the Southeast if the Admiral should be dismissed from public service because of the personal antagonism of Senators KEFAUVER and ANDERSON.

Mr. ANDERSON. Mr. President, I was not particularly pleased with the editorial, because it states that the project which was located in the Southeast was not favored by the junior Senator from New Mexico, and that Admiral Strauss again favored the Parr Shoals site, and was responsible for its location, which meant so much for Columbia, S.C.

I wrote the editor of the State a letter under date of May 27, 1959, in an endeavor to point out that there were some inaccuracies in the editorial; that the project had come to the Joint Committee only because the Atomic Energy Commission was not doing anything with it; and that I was shocked to learn I had opposed it and somebody else had helped it along. I pointed out that the Senators from South Carolina had gotten in touch with me and with other members of the Joint Committee, and that the Joint Committee had interceded with the Chairman of the Atomic Energy Commission and had tried to persuade him that the project should be pushed along and that the location should be in the area of Parr Shoals, S.C.

Mr. President, I ask unanimous consent that the letter as it was submitted to the editor of the State, Columbia, S.C., May 27, 1959, and printed by that newspaper on May 30, 1959, be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON ATOMIC ENERGY,
May 27, 1959.

The EDITOR,
The State, Columbia, S.C.

DEAR SIR: An editorial in the May 22, 1959, edition of the State concerning my opposition to the nomination of Admiral Strauss as Secretary of Commerce has recently been brought to my attention. Certain inaccuracies were contained in the editorial which I am certain you would wish to correct when you have the true facts.

The inaccuracies to which I refer were in the following portion of your May 22 editorial:

"When the Government first proposed to encourage the development of nuclear power for peaceful purposes, Strauss advocated locating that development at Parr Shoals near Columbia. At the last minute a Pittsburgh company, supposedly backed by Westinghouse Electric Co., offered the Government such financial inducements that the Commission selected the Pittsburgh site.

"A year later, when the power companies of Virginia, North Carolina, and South Caroline pooled their interests and bid for the location of a similar plant in the Southeast, though the project was not favored by Senator ANDERSON, Admiral Strauss again favored the Parr Shoals site and is responsible for its location here, which means much for Columbia."

The statement that I did not favor the Carolinas-Virginia Power Associates project is completely untrue as is the implication that Admiral Strauss was responsible for its location at Parr Shoals, S.C., over my opposition.

First, let me say that your mention of the selection of Pittsburgh for the site of an early power reactor apparently refers to the Shippingport project which the Government built in cooperation with the Duquesne Electric Co. and Westinghouse. If Admiral Strauss had advocated the location of that project at Parr Shoals, as you indicate, it is news to me. According to a written history of the Shippingport project, prepared by the AEC, at a time when Admiral Strauss was Chairman and which is on file with the Joint Committee, the Commission, on March 11, 1954, selected Shippingport, a town approximately 25 miles from Pittsburgh, as the site. It was Admiral Strauss, on March 14, 1954, who publicly made the announcement of the Shippingport site selection.

The Carolinas-Virginia Nuclear Power Associates which includes Duke Power Co., Carolina Power & Light Co., Virginia Electric & Power Co., and South Carolina Electric & Gas Co. was officially organized and incorporated on October 4, 1956.

I am enclosing for your information a history of the Carolinas-Virginia Nuclear Power Associates which was prepared on April 11, 1958, by the South Carolina Electric & Gas Co. when they were concerned over a delay on the part of the AEC in supporting the project. This history was sent to me by Senator THURMOND on April 18, 1958, when he and Senator OLIN JOHNSTON, both of whom where especially active in support of the project, requested my assistance to overcome the Commission's lack of action. You will note from the enclosed history that although the associates had met and discussed their objectives with Admiral Strauss as early as January 18, 1957, and had officially submitted their proposal to the Commission on August 29, 1957, the Commission, under Admiral Strauss' chairmanship, had not as of April 11, 1958, made any recommendation.

At the time, I readily understood the concern of Senator JOHNSTON, Senator THURMOND, and other supporters of the Parr Shoals project and instructed the Joint Committee staff to ascertain the cause of the delay. There is in file at the Joint Committee a letter from Senator THURMOND to me thanking me for my interest in helping Senator JOHNSTON and him on this matter.

It was not until after I, and particularly Congressman CARL T. DURHAM, of North Carolina, the then Chairman of the Joint Committee, had several times inquired as to the delay that Admiral Strauss finally, on May 16, 1958, submitted the proposed cooperative arrangement to the Joint Committee as required by law. Previously Admiral Strauss, on April 30, 1958, had submitted two other proposals, one at Elk River, Minn., and one at Piqua, Ohio, for which he requested a waiver of the 45-day statutory waiting period required after their submission to the Joint Committee. He did not, however, request a waiver of the 45 days for the Parr Shoals project.

On May 23, 1958, within a week of receiving the Parr Shoals proposal from the Commission, the Subcommittee on Legislation of the Joint Committee held a hearing on the matter. Five days later, on May 28, 1958, the Joint Committee met and on its own initiative by resolution waived the 45-day waiting period in order not to delay the Parr Shoals project any longer than it had already been delayed.

At the time these actions were under consideration, I was vice chairman of the Joint Committee. Congressman CARL T. DURHAM, of North Carolina, was the chairman and was most active in assisting the Carolinas-Virginia Nuclear Power Associates in overcoming unnecessary delay in securing approval for their project. I was more than pleased to assist him, Senator JOHNSTON, Senator THURMOND, and the others who did so much in support of this project.

As to who was responsible for the selection of the site at Parr Shoals, I would suggest that you inquire of the officials of the Carolinas-Virginia Nuclear Power Associates. You will find, I believe, that the member companies of that organization made the selection rather than Admiral Strauss.

In the event the State's Washington correspondent wishes to see any of the Joint Committee's unclassified records in connection with the Parr Shoals project to verify the accuracy of my statements, I will be more than pleased to arrange for him to do so. I am certain that, having knowledge of the true facts, you will wish to publicly acknowledge the inaccuracies in your May 22 editorial.

Sincerely yours,
CLINTON P. ANDERSON,
Chairman.

Mr. ANDERSON. Mr. President, along with the letter I sent a report from the company itself, which is the South Carolina Electric & Gas Co., of Columbia, S.C. This was a "History of Carolinas-Virginia Nuclear Power Associates, Inc.," which had been sent to the junior Senator from South Carolina [Mr. THURMOND], and which he had furnished to me, showing the chronology of events. I assume it is as accurate as it can be, so far as the company knows. It was supplied to me on April 15, 1958. At that time, the able senior Senator from South Carolina [Mr. JOHNSTON] was also working very hard and vigorously on this project, and he, along with the junior Senator from South Carolina, was most anxious that the Joint Committee do what it could to help the project along.

I was a little bit disappointed that the newspaper, which was so sure of its information, did not publish that chronology, but at this time I should like to submit for the RECORD, and ask unanimous consent to have printed, the "History of Carolinas-Virginia Nuclear Power Associates, Inc.," as supplied by that organization to the junior Senator from South Carolina and by him to the members of the Joint Committee on Atomic Energy.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

SOUTH CAROLINA ELECTRIC & GAS CO.,
Columbia, S.C., April 11, 1958.

HISTORY OF CAROLINAS-VIRGINIA NUCLEAR POWER ASSOCIATES, INC.

1. October 4, 1956: Carolinas-Virginia Nuclear Power Associates, Inc., officially organized and incorporated in the State of North Carolina. Associates include Duke Power Co., Carolina Power & Light Co., Virginia Electric & Power Co., and South Carolina Electric & Gas Co., organized as a nonprofit group to advance the art of power reactor technology through research, construction, and operation of a suitable reactor type. N. A. Cocke, president of Duke Power, elected president of associates.

2. November 26, 1956: Stone & Webster Engineering Corp. selected as consulting engineers.

3. January 18, 1957: Meeting in Washington with Admiral Strauss to advise him of associates' objective.

4. February 20, 1957: Selection of General Nuclear Engineering Corp. (Zinn) as nuclear consultant to associates.

5. April 4, 1957: Meeting in Washington with Division of Reactor Development, AEC, to procure information on third round requirements.

6. May 9, 1957: Selection of Westinghouse Electric Corp. to design and build nuclear part of nuclear plant.

7. May 29, 1957: Meeting in Washington with AEC to advise them of progress.

8. June 1957: Study of various reactor concepts and visits to several AEC installations.

9. July 1957: Detailed estimates and study of four types for comparison.

10. July 31, 1957: Selected pressure tube, heavy water reactor 17,000 kilowatts electrical capacity.

11. August 1957: Preparation of proposal to AEC.

12. August 29, 1957: Submission of proposal to AEC.

13. October 10, 1957: Meeting with AEC, Washington, to discuss proposal.

14. November 13, 1957: Public announcement of Parr site.

15. November 13, 1957: Meeting with AEC, Washington, to further discuss proposal.

16. December 20, 1957: Meeting with AEC, Washington, at which AEC outlined objections contained in proposal.

17. December 30, 1957: Meeting with AEC, Washington, at which associates and their consultants provided further detailed support to the proposal.

18. January 7, 1958: Letter from AEC enumerating, formally, three objections to proposal.

19. January 20, 1958: Letter to AEC accepting changes in proposal to remove objections.

20. February 14, 1958: Letter from AEC acknowledging changes and asking for further clarification on one point.

21. February 19, 1958: Letter to AEC clarifying one point to the effect that associates would reimburse AEC for all costs incurred by AEC in event of unilateral termination of project by associates.

22. Changes required by AEC increases cost to associates up to $26 million.

23. No official word from AEC since last letter noted above.

Mr. ANDERSON. Mr. President, I regret sincerely that one by one we have to pick up these items and handle them. I never would have believed a claim would be made that the Chairman of the Atomic Energy Commission had to fight this project through over the opposition of the junior Senator from New Mexico. There are many persons around the Capitol who know something about the history of this project, and there are many persons engaged in the utility business in South Carolina who are informed about the matter. If a campaign is to be made, I think it might well be made upon the basis of the actual facts and not upon an assumed set of facts, arising at a later date.

COMMUNISM: CULTURE OR CONQUEST?

Mr. BRIDGES. Mr. President, in this day of stepped-up cultural exchange programs, including touring troops of dancers, I am glad that some voices are still raised to ask that we not let ourselves be brainwashed with all this show of sweetness and light. We must never forget that every Soviet move is for propaganda purposes, to attempt to lull us asleep and to throw us off balance. More to the point would be a real willingness for sincere negotiation at Geneva in an honest attempt to alleviate the world's tension spots.

One of the voices of warning to be heard is that of George Todt, whose column of May 26, 1959, published in the Valley Times, San Fernando, Calif., I recommend to my colleagues. For that reason, I ask unanimous consent that the column be printed in the body of the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

COMMUNISM: CULTURE OR CONQUEST?

(By George Todt)

"They who love dancing too much seem to have more brains in their feet than in their heads" (Terence).

From the artistic and esthetic standpoint, few would care to argue the point that the Soviet Union's Bolshoi Ballet and its incomparable prima ballerina, Galina Ulanova, have been a marvelous success here in Los Angeles, as well as elsewhere.

This point is not to be debated; it is readily conceded. But there is another side to the coin—and thereby hangs a tale.

Recently I was conversing with one of our fair city's outstanding business and political figures, a gentleman whom I have long held in the highest esteem for his forthright speech and common sense, and this is what he told me:

"I just couldn't come to the party," he said. "A big lush was thrown for the Soviet representatives of this so-called cultural exchange, to which I had been invited, but it just didn't seem right somehow to me. Couldn't put my finger on it exactly—but I decided not to attend. And I didn't, either."

"Well, in that cool attitude you expressed on this matter," I replied, "you're not very far removed from the thinking of astute Senator STYLES BRIDGES, Republican, of New Hampshire, who refused not so long ago to break bread with one Anastas Mikoyan, when he made with his latest snow job in Washington, D.C. The New England solon suggested that because the Reds held 11 of our downed fliers incommunicado, as well as for many other cogent reasons pertaining to the cold war, we ought to give all of them the cold shoulder."

"That makes sense to me," said my friend. "If it's a cold war we're fighting, let's not propose to win it by the 'buddy system' with our rough-and-tough opponents. That's not the right way to do it."

"The worst part of it all is that it is only an artful dodge," I suggested to the gentleman. "There is no denying that these fine artists are exceptionally competent and very effective in their field. That's the very point of it. These lovely and gifted dancers are sent here by their government with this paramount idea in mind: to distract our attention with their outstanding beauty from the ugliness of the Soviet regime—the cruelest gang of murderers and paranoiacs this world of ours has ever stomached."

"While the Kremlin shows us this better side of the U.S.S.R.," I was reminded by the gentleman, "we are supposed to forget about the innocent blood which the Reds have shed and their universal terrorism against humanity. Do you think that we will do so?"

"That's hard to guess upon," I replied. "Americans forget too easily, I'm afraid. Since Nicolai Lenin came to power in 1917, the Soviet leadership is reliably estimated by informed Russians to have liquidated—by war, planned famine, execution, and other means—more than 50 millions of their own people. That's some record of sweetness and light, isn't it?"

"I can't understand why some of us think we must play up to this murderous crowd with so-called cultural exchanges between our peoples," said my companion. "Let's face it: The American people and their Russian counterparts have no desire to fight each other. But what the Soviet citizenry may happen to think about the matter doesn't amount to a tinker's dam in the long run. War is in the hands of the scheming tyrants in the Kremlin today—not the cowed people they control."

"That's exactly it," quoth I. "And a good example of what you are talking about—on a scale just short of war, of course—happened with the armies of occupation in central Europe after the Second World War. We Yanks, British, and French were all getting along just dandy with Ivan when, out of a clear sky, the Soviet high command ordered: 'No more Tovarisch, period.' And that was it. The erstwhile friendship was turned off at the Red spigot overnight. It was phony, just an instrument of Soviet policy."

"Well, I think we ought to wise up a little bit on this score," said my friend, "before we lose all the rest of our marbles. Right?"

DECAY OF THE AMERICAN DOLLAR

Mr. BRIDGES. Mr. President, the present outflow of gold from this country provides a very graphic illustration of the gradual decay of the American dollar.

When foreign countries show a complete disregard for our current high interest rates and insist on removing their dollar credits in gold, and when American investors prefer stocks at lower interest rates rather than bonds, I believe the time is past due for a great awakening among those who feel that a little inflation is good for our economy.

An editorial which was published in the May 29, 1959, edition of the Boston, Mass., Herald presents a clear picture of the dollar's decline at home and abroad. I ask unanimous consent that this penetrating editorial be printed in the RECORD as a part of my remarks, and I commend it to the attention of all Senators.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE DECAY OF THE DOLLAR

The dollar has lost standing at home and abroad. American investors prefer stocks to bonds. Foreign governments and investors prefer gold to dollar balances. The symbol of American greatness is a little tarnished. Are we going to wake up in time to the warning?

It is easy to say and true that America is still strong financially. Though our gold stock has been cut down to a 13-year low of $20 billion, it is still far above anything we had before World War II, and larger than the combined total of all official gold reserves in the free world. We could continue to lose gold for some time if the loss merely represented the natural adjustment of international exchanges.

But the evidence is strong that the gold outflow is in part a declining confidence in the dollar. Last year, when interest rates here were around 1 percent, the British and others had small incentive to leave their dollar balances here, so the gold outflow of $2.3 billion could be cheerfully explained away. But this year the United Kingdom and Japan, particularly, are ignoring high interest rates and taking their dollar credits away in gold. They are, in effect, doing what American investors are doing in choosing stocks at 2-percent return rather than bonds at 5 percent.

The rate of gold loss so far this year has been less than in 1958. But foreign nations are expected to obtain more than $3.3 billion

in net dollar earnings in 1959. If in spite of high interest rates they should decide to take $2.3 billion of this in gold, as they did in 1958, we would be in trouble. A drain at this rate would in 2 or 3 more years exhaust our free gold, the amount left after the 25 percent gold backing for Federal Reserve banks' notes and deposits.

But long before that happened, foreign nations and investors would become so alarmed over a possible embargo on gold or a devaluation of the dollar, that the run would be on, and we would be in the soup.

We have been so sure of the enduring value of the dollar that even to suggest such a disaster seems irresponsibly alarmist. But we ought never to think that we can lightly continue to tolerate inflation with impunity.

Economists can say that a little inflation is better than unemployment, or that labor must get enough wages to buy all that America will produce, or that the Federal Government can indefinitely spend more than it takes in taxes, but none of these excuses for inflation will satisfy investors. The run on gold, if it ever threatens, will not be halted because we seem to have good reason for inflation. It will be stopped only when we show a responsible concern for a dollar that is worth holding.

The dollar already shows a little decay. Have we in America the economic and political backbone to do something about it?

REPUBLICAN WOMEN OF NEW HAMPSHIRE

Mr. BRIDGES. Mr. President, it should be of interest to my Republican colleagues to learn that we recently had in New Hampshire the largest turnout of women Republicans in the State's history. Not only should this be of interest to Republicans, but also to Democrats as well, because it is an indication of the strength of our representative form of government.

In this day when we are so strongly challenged by a totalitarian-type of government, when the individual is of little concern except for his slave-labor capabilities, it is heartening that our society of free men and women stands so strongly in the cause of human rights.

This great turnout of New Hampshire Republican women is not a matter of accident. It is the product of an abiding belief in a representative form of government and the realization that this form of government can only be preserved by active participation. That is typical of New Hampshire women, but perhaps it was aided and abetted by the fact that our able national chairman of the Republican Party, the Senator from Kentucky [Mr. MORTON] was guest of honor for the occasion.

So that my colleagues on both sides of the aisle may have the benefit of the description of this gala New Hampshire occasion, I ask, Mr. President, unanimous consent to have printed in the body of the RECORD an account published in the May 21, 1959, issue of the Exeter News-Letter in the column "Down in Our Corner," written by James P. Lynch, editor and publisher.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DOWN IN OUR CORNER

(By James P. Lynch)

That southern gentleman from Kentucky who now rules the roost of the Republican Party left New Hampshire the other day convinced that the GOP is an energetic organization as long as the women have something to say about it.

Even in his genial southern charm Senator THRUSTON B. MORTON was not overemphasizing the admirable contribution of the feminine workers of the GOP.

The men certainly had to sit back and take notice as the New Hampshire Republican Women's Clubs staged one of the most successful luncheons ever held by a political organization.

They flocked from all corners of the State to participate in this big event. There were liberals and conservatives and some who just didn't know where they stood. As a matter of fact it was unimportant at the time for all they were interested in was a united effort to show the national chairman that the Republican women of New Hampshire can organize into a very strong "army."

MORTON was emphatic in describing his views of their accomplishments in the early moments of his address.

SETTING EXAMPLE

He stated: "I am not here to tell you how to elect Republicans or how to choose attractive candidates or how to build an effective organization. You have demonstrated that you know how to do all of these things. New Hampshire today is the only one of the 49 States which has a solid Republican delegation in Congress, and, just as importantly, you also have a Republican Governor and a Republican legislature.

"Frankly I am here to learn, not to instruct. Your formula for political success is urgently needed in other States."

SURPRISED LEADER

Naturally MORTON had some idea of the good work being done year in and year out by the women's group. Regardless of all the laudable comments that perhaps were made to him prior to his arrival undoubtedly he was amazed at the exceptional turnout for this affair.

Presumably, too, he was quite impressed at the coordination between all groups. To an outsider this certainly must have been impressive but to those who have been around political circles for many years it has come to be more or less expected.

For the women within the GOP take their assignment seriously. Much more so than many of the male members.

EXCEPTIONAL TURNOUT

According to the figures there were 800 present and when one considers that the affair was mid-day it wouldn't have been surprising to find an even greater number in attendance had it been a dinner party.

MORTON received a good applause when he referred to Senator STYLES BRIDGES. "It has been a great honor for me to serve with your distinguished senior Senator STYLES BRIDGES, who is also chairman of the Republican policy committee and the senior Republican Member of the U.S. Senate. I know that all of you are proud of him as are his colleagues in the Senate," opined Senator MORTON.

DUE RECOGNITION

Assuredly by the response to this remark it was the understatement of the day for Senator BRIDGES and his wife are held in high esteem by the women's GOP clubs. But neither STYLES nor Doloris Bridges were around to hear the ovation due to unfortunate circumstances.

The national chairman then paid tribute to New Hampshire's other distinguished Member of the U.S. Senate. He mentioned: "It has been my privilege to serve both in the House and Senate with your able junior Senator, NORRIS COTTON, who has also rendered outstanding service to his State and to the Nation.

PRAISE FOR MERROW

"I had the honor of serving with Congressman CHESTER EARL MERROW, as well, and I know that he and Congressman PERKINS BASS give New Hampshire one of the most effective delegations in the House of Representatives."

He added: "No State is more vigorously represented than New Hampshire."

This tribute from the national chairman is not only praiseworthy to the two Senators and two Congressmen but it is a salute to the intelligence of the electorate in this State.

GOOD TRIBUTE

Instead of accepting it lightly the people should realize the importance of this close harmony within the delegation and how it is benefitting the State. During an off-year the voters have an opportunity to appraise the situation and thus when campaign time comes rolling around they will be able to overlook some of the political charges that are so prevalent during the heat of a campaign.

Of the four Members of the Washington delegation Senator BRIDGES is dean of the group. His long years of service in the interest of the State and the Nation is an assurance that New Hampshire offers to the Nation great leadership.

LONG TENURE

Next in line in longevity of representing the public from this State in Washington is Congressman MERROW. His years of faithful service to his constituency from the first district have won him reelection every 2 years.

NORRIS COTTON has served both in the House and the Senate and even though his tenure in Washington is less, this experience can't be matched by either BRIDGES or MERROW.

When NORRIS moved up to the Senate PERKINS BASS joined the quartet and has been carving out a good record in Congress.

The national chairman commented on the State political scene by paying tribute to the Governor and the Republican State legislature. He emphasized: "All of us who are in politics recognize how tremendously important it is to hold control of State and local offices."

WORDS OF CAUTION

The national chairman cautioned his listeners on the need to recapture losses suffered during previous elections. "Wherever the Republican Party lost governorships in 1956, congressional losses followed in 1958. A major Republican objective in 1960 must be the recapture of the governorships which have been slipping away from the party since 1952."

Because of this situation the new chairman called for strengthening our organization at the State and local levels.

NEW DRIVE

MORTON emphasized the importance of the "recruit now for 60" program which has started. According to him: "We are seeking to mobilize 2 million more party workers between now and September of 1960. I know most of it must come from Republican women's organizations such as yours to recruit these workers."

He placed on this project a stamp of high priority and he feels its successful accomplishment will insure a sweeping Republican victory in 1960.

The Senator described politics as being a composite of small efforts. "It's not the big jobs that always count. It's a consummation of little jobs. They may seem trivial but they are necessary," he remarked.

WELL AWARE

This was an assurance rather than a challenge to the New Hampshire Republican women for they are for the most part well aware of this type of planning. As a matter

of fact it will not be surprising if the national chairman follows some of the New Hampshire pattern when outlining plans for other States.

PRESENT PROSPERITY

The Senator reminded his audience: "This Nation has enjoyed 6½ years of expanding economy, prosperity and progress under the present administration. Measured by virtually every yardstick, they represent the best years in our history.

"Currently there is a tremendous upswing in employment. Some spots have a long way to go. General business activity seems certain to carry over into 1960. New records are being established on virtually every economic front."

The national chairman cited present employment. "In April of this year there were more Americans at work than in any other April in history."

GOOD SIGN

"Unemployment dropped by 735,000 in April, double the normal seasonal decline. At the same time, employment rose by nearly 1.2 million to a total of more than 65 million.

"There were 2.1 million more jobs than in April of 1958.

"At the same time, average weekly earnings of factory workers climbed," he reminded his listeners. He pointed out that these "represent real gains in purchasing power as the cost-of-living index continued to hold steady throughout this year. This stands in sharp contrast with the postwar years, when galloping inflation under former President Truman virtually wiped out wage gains."

But Senator MORTON was quick to remind his listeners: "Although unemployment remains a problem in some areas and some industries, there is continuing improvement in the job picture."

FAVORABLE CHANGE

He mentioned other favorable economic indicators, including the latest Federal Reserve Board index of industrial production. "This was at an all-time high of 147, up nearly 15 percent above a year ago.

"Gross national product, the measure of the Nation's total output of goods and services, is running at a record annual rate of $465 billion, up nearly 9 percent over the same period in 1958."

In regard to housing he cited that it was at an all-time high, with the figure for the first 4½ months at an annual rate of 1,390,000 units.

PEACE UNDER GOP

In outlining the Republican record of accomplishment he did not fail to mention: "The most important dividend is the fact that the peace has been maintained."

In closing, he emphasized, "We have a proud record which needs not defense but effective presentation."

That sentence seems to have much greater meaning than probably most of his listeners realized, for it presented an entirely new approach to the battle ahead for the Republicans.

NEW LIFE

"Not defense" is a bold approach and is far from being idealistic. The national chairman of the GOP has put it up squarely to the workers to get off the defensive side and be more convincing.

It's a good shift in strategy and could win more votes in the days ahead. Being on the defensive all the time tends to weaken a party. Thus, with the approach as suggested by the national chairman, the fighting spirit can grow within the organization.

FACING THE PROBLEM

It's realistic in the sense that it is telling an intelligent electorate that you don't argue politics; you discuss them. It has a twofold purpose also, for it tends to familiarize the people with the problems of government and produce better candidates.

The southern gentleman came to New Hampshire and left inspired by the work of the women's organization.

Before he left, he proved that Senator NORRIS COTTON's description was quite accurate. When the junior Senator was introducing him, he stated, "Senator MORTON says more with fewer words than any Member."

Perhaps the national chairman will establish a new concept in political campaigning in the months to come. Already he has proven that Yankee hospitality and southern charm go hand in hand.

CORNER POLITICS

While we are passing out bouquets to the women for their splendid contribution to politics, some of the fair sex from the area should get special mention.

One of the hardest workers for the affair was Mrs. Clara Gale, of Hampton. Long active in politics Mrs. Gale has been prominently identified with many of the successful endeavors of the women's organizations. Throughout the years she has been a tireless campaigner on behalf of the GOP ticket.

EXETER WOMEN

Others from the area who certainly strived to make Monday's affair a huge success were Mrs. Florence Gaudreault and Mrs. Dorothy Baird.

There were others too but the praise is due all for their united effort in making the affair one of national envy and definitely impressive to the national chairman.

SHORT VISIT

The Governor stayed only a short time as he had to return to his office in Concord for a series of appointments. As a matter of fact he wasn't around to listen to the praise from the national chairman.

The only one who made the slightest mention of any candidate for next year's presidential race was the Governor when he paid tribute to President Eisenhower and then gave equal tribute to Vice President NIXON.

This perhaps was a test to see the Nixon strength within the dining room. But there was no tumultuous ovation and undoubtedly when he realized this he refrained from further mention of the Vice President's name.

HAD OPPORTUNITY

Even though Congressman MERROW did not remark about Governor Rockefeller there were plenty of people talking to him before and after the luncheon of the possibility of a Rockefeller campaign in the State.

MERROW had the same opportunity to discuss Rockefeller's chances as the Governor had to talk about NIXON but MERROW preferred to keep the luncheon address away from presidential possibilities.

DWINELLS APPEAR

Former Gov. Lane Dwinell and his wife received a good ovation when introduced.

WIGGIN REPRESENTED SENATOR

Chet Wiggin, administrative aid to Senator BRIDGES, represented the senior Senator at the affair although he did not address the group. The capable aid was being greeted equally as much as any of the officeholders, for most politicians realize the important contribution Wiggin makes to the Bridges office.

Plaistow's Women's Republican Club walked away with a prize for increasing its membership.

The speed of air travel was demonstrated by the appearance of the national chairman. Saturday afternoon he was in Hawaii.

NORRIS NEEDLES

NORRIS COTTON had plenty of courage when he faced the women. He referred to Grafton County as the greatest.

There was quite a chuckle when NORRIS referred to Senator MORTON as having a grandfather on each side of the Civil War. He added that's a good idea, especially if you live in Kentucky.

Although it was a women's luncheon, there were plenty of male politicians in attendance. As one summed it up, the gathering consisted of the female brains and the male brass.

CONSTITUTIONAL AMENDMENT TO REQUIRE A BALANCED BUDGET

Mr. BRIDGES. Mr. President, in my 23 years in the U.S. Senate, I have always tried to strike the keynote of economy. There are various ways of striking that note, and one of the devices I have used has been to introduce a resolution for a constitutional amendment requiring that the President submit, and the Congress enact, a balanced budget, except in times of national emergency.

It may be said that the Congress has that present power, and, indeed, that is true. Nevertheless, I feel that writing the requirement into the Federal Constitution would have a salutary effect.

The deterioration of our currency should be a matter of concern to everyone. One of the best ways to prevent further deterioration is to provide for a balanced budget. The increasingly high interest rate for short-term borrowing reflects a lack of confidence in this country's currency. One of the best ways to restore that confidence would be to provide, by constitutional amendment, the requirement of a balanced budget so that the people of this country could be sure that their dollar would not be further depreciated by deficit spending.

Mr. President, I ask unanimous consent that the editorial published in the Washington Daily News of May 30, 1959, remarking on my proposal, be printed in the body of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BALANCE BY CONSTITUTION

Senator STYLES BRIDGES, of New Hampshire, wants to write into the Constitution a virtual ban on Government deficit spending.

He has proposed a constitutional amendment which would require the President each year to submit a balanced budget and Congress to adopt a balanced budget.

The Senator doesn't think this would guarantee a balanced budget—since even the best estimates frequently go amiss. But, as he says, "It would go a long way in that direction."

We are under no illusions that Congress will submit this amendment to the State legislatures, where it would have to be ratified. Although we think the necessary three-fourths of the States readily would approve it.

There are some notable individual exceptions, but the majorities in Congress obviously are not much concerned about deficit spending. If they were, they would put a stop to it. Moreover, Congress long has had a law of its own, requiring itself to balance the budget. The law merely is ignored.

Just the same, it is a good idea. And there seems to be only one other way to force Congress to do what it ought to do as a matter of simple duty. When the people get sufficiently tired of inflation, and sufficiently understand that the Government's red-ink spending is the main cause of inflation, the people will turn on the heat—and Congress will act.

In that event, if the people were riled enough, Congress might even pass the Bridges amendment.

SUGGESTION THAT THE MONKEY "ABLE" BE RETURNED TO KANSAS

Mr. CARLSON. Mr. President, in connection with the discussion on the bill relating to the authorization for the National Aeronautics and Space Administration, I think it is fitting to read into the RECORD a telegram which I have just sent to Dr. T. Keith Glennan, Director of the National Aeronautics and Space Administration. The telegram reads as follows:

Dr. T. KEITH GLENNAN,
Director, National Aeronautics and Space Administration, Washington, D.C.

Last week the citizens of our Nation were thrilled at the achievements of your organization in sending two monkeys into space and directing their safe return to earth. The people of Kansas are singularly honored in this historic event by having produced Able, one of the monkeys. I feel that it is only fitting that Able should be returned to her native State for preservation. We have at Kansas University one of the outstanding museums in charge of a nationally known curator who would properly mount and preserve this monkey for future generations. We in Kansas feel this should be a fitting tribute to Able, who has pioneered space flight and would be an historic reminder to all who came to see her. We will be glad to cooperate with you in any suggestions you may have.

FRANK CARLSON,
U.S. Senator.

Mr. President, we in Kansas are truly proud to have participated in this historic event by having furnished a monkey, which was born at Independence, Kans., a few months ago. I trust that the National Aeronautics and Space Administration will give serious consideration to the request I have made today on behalf of the people of Kansas.

ORDER FOR RECOGNITION OF SENATOR HUMPHREY TOMORROW

Mr. HUMPHREY. Mr. President, I ask unanimous consent that tomorrow, at the conclusion of the morning business, and following the yea-and-nay vote on the so-called space bill, I may be recognized for a period of 30 minutes for the purpose of addressing the Senate.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BARTLETT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF CERTAIN LAWS AFFECTING THE STATE OF ALASKA

Mr. BARTLETT. Mr. President, the bill passed earlier today by the Senate, S. 1541, and a corresponding bill passed earlier in the week by the other body, will smooth and assist the transition to statehood of the 49th State, Alaska.

Shortly after signing the Alaska statehood bill, President Eisenhower directed the Bureau of the Budget to inquire among the several Departments of the Federal Government concerning the legislation which would be required in the light of Alaska's having become a State. Subsequently, the draft of the proposed legislation which became S. 1541 was sent to the Senate, and also to the House of Representatives, by Executive communications.

There is precedent for legislation of this type. It is true that similar but much more restricted legislation was passed after some of the earlier Territories entered the Union as States. But since the admission of the last previous Territories, New Mexico and Arizona, in 1912, the whole field of Federal-State relationships has been enlarged and changed. For that reason, and for another very important reason, the bill considered and passed today by the Senate was much more complex than any previous legislation of this nature.

The other important reason—the main reason, in fact—was that in the case of Alaska, the Federal Government never permitted the Territory to assume and perform functions which had been undertaken normally and naturally by other Territories. For example, Alaska was never permitted to care for its own mentally ill until about 2 years ago. Alaska was never permitted, until it became a State, to erect its own court system. Until the enactment of the Federal Aid Highway Act of 1956, Alaska never shared in the benefits of such legislation, which has been so important to the other States.

As a consequence, in this vast area of about 586,000 square miles, one-fifth as large as the earlier 48 States put together, Alaska has today only about 4,000 miles of roads. Under the 1956 act, Alaska joined the Federal highway system, but under special circumstances and special conditions. The bill passed today makes Alaska a full partner in the Federal highway system, except that she does not share in the benefits of the Interstate Highway System. Alaska will continue, as it has in the past, to pay taxes for that program, but will reap from it no benefits whatsoever.

In this connection, I was delighted to learn that the distinguished senior Senator from Michigan [Mr. MCNAMARA] plans to visit Alaska this fall with his Subcommittee on Public Roads and there inquire into Alaska's highway needs.

The omnibus transition bill passed earlier today is, in the main, a statement of technical corrections to existing law, merely deleting the word "Territory" from ever so many laws, and including Alaska as one of the States. Certain transitional grants are authorized under the terms of the bill totaling $28,500,000 over a period of 5 years. I point out and emphasize that this amounts to only $3,500,000 more than the Federal Government would have appropriated had Alaska remained a Territory. Indeed, for the coming fiscal year—the fiscal year 1960—the additional charge to the Federal Government on account of the transitional bill will be only slightly more than $200,000. These appropriations, which I hope will be made in the full amounts to be recommended by the Bureau of the Budget from year to year, will go into the general fund of the treasury of the State of Alaska, and thus will give to Alaska a helping hand in its early and most difficult years of statehood.

Furthermore, the two international airports, the one at Anchorage and the one at Fairbanks, are to be conveyed to the new State. It is hoped that the transitional appropriations will permit the State government—and promptly—to extend the runways at both these airports, so that they will be suitable at the earliest possible time for the operation of jet airplanes. As is realized, many international carriers bound from Asia to Europe, or the other way around, go through Alaska and use particularly the airport at Anchorage. That airport and the one at Fairbanks must be put in physical shape to accommodate jet plane operations without delay.

I think it can properly be said that the people of Alaska approve the omnibus bill. However, they do not regard it—and neither do I—as any great gift from the Federal Government. All things considered, I believe that perhaps the majority of Alaskans would have preferred the continuation of the present system of road building under a revised formula for the next few years; and there was some sentiment that the continued operation by the Federal Aviation Agency of the two airports I have mentioned might have been desirable, so that the Federal Agency could have proceeded to put them in shape for the jet plane operations to which I have referred. But Alaskans are willing to accept the bill and to do their best—and their best will be successful, I know—to proceed under the terms and conditions of the legislation.

Mr. President, in conclusion, again I wish to express the very strong hope that the appropriation, which I understand has already been requested by the Bureau of the Budget, or will be requested within the next day or two, for these transitional grants for the fiscal year 1960 will be made promptly, because July 1, the start of the new fiscal year, is almost here; and those funds will be required so the State may enter into these operations in an orderly and proper manner.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, June 3, 1959, he presented to the President of the United States the following enrolled bills:

S. 758. An act for the relief of Viktors Neimanis;

S. 1197. An act to amend the Atomic Energy Act of 1954, as amended;

S. 1217. An act to add certain public domain lands in Nevada to the Summit Lake Indian Reservation;

S. 1228. An act to amend Public Law 85-590 to increase the authorization for appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic

Energy Act of 1954, as amended, and for other purposes; and

S. 1242. An act to authorize the use of the revolving loan fund for Indians to assist Klamath Indians during the period for terminating Federal supervision.

ADJOURNMENT

Mr. BARTLETT. Mr. President, I move that the Senate do now adjourn.

The motion was agreed to; and (at 5 o'clock p.m.) the Senate adjourned until tomorrow, Thursday, June 4, 1959, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JUNE 3, 1959

The House met at 12 o'clock noon.

Rabbi Arthur Schneier, Congregation B'nai Jacob, Brooklyn, N.Y., offered the following prayer:

Almighty God, you have endowed us with the power to speak, to utter syllables and to frame them into intelligible means of communication.

The medium of our daily deliberations is the spoken word. All of us know its power; words heal grief and open wounds, they lift us up and crush us, they bolster our confidence and they rob us of our dignity, used thoughtfully they enhance our regard for one another, used maliciously they splinter reputations. And yet the chaos of the Tower of Babel has reappeared in our time, the value of the spoken word has depreciated, its sanctity and clarity has vanished. For too often our words do not reflect the sincere sentiments of our heart and have become meaningless, subject to misunderstanding and misinterpretation.

Make us realize, O Lord, that words uttered in this Chamber are carefully watched by the entire world; once spoken they are no longer controlled by the speaker. Let us restore to words the value which they have lost. Let us resolve to weigh and not to count our words and to adorn them with the sacred garb of appropriate deeds. May the words of our mouth and the meditation of our heart be acceptable unto Thee, O Lord, our Rock and our Redeemer. Amen.

The Journal of the proceedings of yesterday was read and approved.

TREASURY, POST OFFICE, AND TAX COURT APPROPRIATION BILL, 1960

The SPEAKER. The Chair recognizes the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Speaker, I call up the conference report on the bill (H.R. 5805) making appropriations for the Treasury and Post Office Departments and the Tax Court of the United States for the fiscal year ending June 30, 1960, and for other purposes, and ask unanimous consent that the statement of the managers may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 425)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5805) "making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States for the fiscal year ending June 30, 1960, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 5 and 11.

That the House recede from its disagreement to the amendments of the Senate numbered 1 and 6, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$364,250,000"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,016,000"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$23,250,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$71,750,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,993,000,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$190,660,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$80,000,000"; and the Senate agree to the same.

J. VAUGHAN GARY,
OTTO E. PASSMAN,
CLARENCE CANNON,
JOHN R. PILLION,
JOHN TABER,
Managers on the Part of the House.

A. WILLIS ROBERTSON,
ALAN BIBLE,
DENNIS CHAVEZ,
MIKE MONRONEY,
OLIN D. JOHNSTON,
ROMAN L. HRUSKA,
STYLES BRIDGES,
THOMAS H. KUCHEL,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5805) making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States for the fiscal year ending June 30, 1960, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I—TREASURY DEPARTMENT

Amendment No. 1: Appropriates $22,000,000 for salaries and expenses of the Division of Disbursement as proposed by the Senate instead of $21,500,000 as proposed by the House.

Amendment No. 2: Appropriates $364,250,000 for salaries and expenses of the Internal Revenue Service instead of $363,000,000 as proposed by the House and $365,500,000 as proposed by the Senate.

Amendment No. 3: Appropriates $4,016,000 for salaries and expenses of the United States Secret Service instead of $4,000,000 as proposed by the House and $4,032,000 as proposed by the Senate.

Amendment No. 4: Appropriates $23,250,000 for acquisition, construction, and improvements, U.S. Coast Guard, instead of $22,000,000 as proposed by the House and $24,500,000 as proposed by the Senate.

Amendment No. 5: Deletes language proposed by the Senate providing for a limitation on expenditures.

TITLE II—POST OFFICE DEPARTMENT

Amendment No. 6: Appropriates $37,400,000 for payment for public services as proposed by the Senate. The House bill carried nothing for this item.

The committee on conference concurs fully in the language contained in the Senate report, which reads as follows:

"The committee wishes to point out that the total amount of $37.4 million recommended for Payment for Public Services does not increase or decrease the obligational or expenditure authority of the Postal Department. This is merely a bookkeeping device to separate that amount of postal cost to be recovered from the users of the mails from that to be recovered from the taxpayer by means of reimbursement from the general fund of the Treasury.

"The committee wishes to make one further important point. Ever since September 24, 1950, the Congress has required fourth-class mail or parcel post to be self-supporting. This recommendation for a public service appropriation does not affect this principle or the manner in which it has been carried out in the last 8 years. Other than in the case of books, library books, and mail for the blind, the committee finds no public service costs attributable to fourth-class mail and believes that the Congress intends that fourth-class mail shall pay its fully allocated costs."

Amendment No. 7: Appropriates $71,750,000 for administration, regional operation, and research instead of $71,500,000 as proposed by the House and $72,398,600 as proposed by the Senate. The increase agreed to in conference is to be used entirely for additional inspectors for investigative duties, and in this connection it should be emphasized that the conferees are alarmed over the large amount of noninvestigative work performed by inspectors. It is hoped that the Postmaster General will give consideration to the use of inspectors primarily for investigative duties.

Amendment No. 8: Appropriates $2,993,000,000 for operations instead of $2,988,000,000 as proposed by the House and $2,998,000,000 as proposed by the Senate.

Amendment No. 9: Appropriates $190,660,000 for facilities instead of $188,660,000 as proposed by the House and $194,660,000 as proposed by the Senate.

Amendment No. 10: Appropriates $80,000,000 for postal modernization instead of $75,000,000 as proposed by the House and $88,500,000 as proposed by the Senate.

Amendment No. 11: Deletes Senate language which would have permitted the appropriation for postal modernization to remain available until expended.

J. VAUGHAN GARY,
OTTO E. PASSMAN,
CLARENCE CANNON,
JOHN R. PILLION,
JOHN TABER,
Managers on the Part of the House.

Mr. GARY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. GARY. Mr. Speaker, the final amounts recommended by the conferees are as follows:

Treasury Department	$782,418,000
Post Office Department	3,859,410,000
Tax Court of United States	1,535,000
Total	4,643,363,000

This is $44,964,000 less than the budget estimates. The House originally cut the budget estimates $60,230,000. The Senate restored $35,900,600. The final figure agreed upon in conference therefore is $15,266,000 above the House figure and $20,664,600 less than the Senate figure. It will be seen therefore that the House conferees gained better than a 50–50 compromise.

The major increases agreed to in conference provide additional funds for the Internal Revenue Service and the Coast Guard in the Treasury Department and for operations, facilities, and postal modernization in the Post Office Department.

The increases of $1,250,000 for the Internal Revenue Service provides a total appropriation of $364,250,000 which will permit that agency to increase its average employment by approximately 550, and the conferees have arrived at this amount with the understanding that emphasis will be placed on the addition of revenue agents.

The increase of $1,250,000 for the Coast Guard is related primarily to the program for replacement of patrol boats and will permit economies through procurement in volume for that program. The action of the House has prevailed in deleting the provision for an accrued expenditure limitation under this appropriation item.

The conferees have accepted the Senate provision for incorporation of an item in the amount of $37,400,000 for payment for public services in accordance with the Postal Policy Act of 1958. This action is important in that it recognizes the rate concession concept of earmarking funds for public services. This action has no effect on total funds available to the Post Office Department nor on total funds to be withdrawn from the Treasury.

The conference report includes an increase of $5 million for the Post Office Department in the appropriation item for operations and is consistent with an increase of 3 percent in mail volume for 1960. The difficulty of accurately forecasting mail volume is manifest and the conferees believe their agreement represents the most realistic estimate possible at this time.

The House Members at this conference agreed to an increase of $2 million in the appropriation for facilities but were in general agreement with the Members of the other body that the vehicle replacement program of the Post Office Department should be carried out on a sustained basis and that large increases in funds such as those requested this year should not be supported.

The amount agreed to in conference for the postal modernization appropriation is an increase of $5 million over that approved by the House. This is a new appropriation item and is intended to enable the post office to place modern equipment into operation. The total figure recommended should support an active program of modernization in practically all of the post offices which the Post Office Department has planned for this program in fiscal year 1960. The House position has prevailed in striking out the language which would have provided no-year availability of funds under this appropriation item.

In the opinion of the House conferees, Mr. Speaker, the conference report presents a very satisfactory compromise of the differences between the House and Senate versions of the bill. It represents a unanimous agreement on the part of the conferees and I urge its adoption by the House.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

U.S. PARTICIPATION IN PARLIAMENTARY CONFERENCES WITH CANADA

The SPEAKER. The Chair recognizes the gentlewoman from New York [Mrs. KELLY].

Mrs. KELLY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the resolution (H.J. Res. 254) to authorize participation by the United States in parliamentary conferences with Canada, with Senate amendments thereto and concur in the Senate amendments.

The Clerk read the title of the resolution.

The Clerk read the Senate amendments, as follows:

Page 1, lines 6 and 7, after "Congress" insert "or to meetings held in the United States."

Page 2, after line 7, insert "Such appointments shall be for the period of each meeting of the Canada-United States Interparliamentary group except for the four members of the Foreign Affairs Committee and the four members of the Foreign Relations Committee, whose appointments shall be for the duration of each Congress."

Page 2, line 14, after "made," insert "the House and Senate portions of."

Page 2, line 16 and 17, after "delegation" insert ", respectively."

Mr. GROSS. Mr. Speaker, reserving the right to object, I wonder if we might have an explanation? What has happened in connection with this legislation?

Mrs. KELLY. Mr. Speaker, this resolution was passed by the House and on yesterday passed by the Senate with corrective, technical amendments which do not affect the substance of the resolution. Does the gentleman want me to explain the nature of each amendment?

Mr. GROSS. Yes. This deals with the parliamentary conference in Canada; is that correct?

Mrs. KELLY. That is correct.

Mr. GROSS. How much is this going to cost? Does the gentlewoman have any idea?

Mrs. KELLY. $15,000 is the appropriation, divided between the other body and this body.

Mr. GROSS. Was there any objection in the other body?

Mrs. KELLY. None whatsoever. These are just technical changes, one with respect to the chairmanship and the other with respect to disbursements.

Mr. GROSS Let the record show that I am still opposed to this proposal. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentlewoman from New York?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

LABOR REFORM LEGISLATION

Mr. LANDRUM. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. LANDRUM. Mr. Speaker, as most of the House membership know, a Joint Subcommittee of the House Committee on Education and Labor has been engaged for several months in hearings on labor reform legislation. Representatives of practically every phase of our society have been heard. It has not been possible to hear all of those who have requested the opportunity to present their views to the subcommittee, but we have endeavored to select a good cross section of those offering to testify in an effort to bring the best information possible to the committee members.

Within the last 6 weeks, more than 100 requests were received from various points on the west coast, requesting that they have an opportunity to present their views to the subcommittee, and the majority of these requests were from so-called rank-and-file union members, wishing to testify particularly on the section of the bill dealing with the individual union member's bill of rights. After careful study of the requests and consideration of all the problems involved in bringing people from the west coast to Washington to testify and with particular consideration of the very large industrial interests on the west coast, it was the decision of the chairman of the full committee and the ranking minority member, concurred in

by the cochairmen of the subcommittee, that a special subcommittee be dispatched to the west coast for the purpose of hearing as many witnesses as possible from that section. Consequently, hearings were held in Los Angeles, Calif., on May 28 and 29 from 9 o'clock in the morning until 6 o'clock in the afternoon by a special subcommittee composed of the gentleman from Georgia as chairman, the gentleman from California [Mr. ROOSEVELT], and the gentleman from California [Mr. HIESTAND]. Approximately 20 witnesses were heard and I believe the other members of the subcommittee will support me in the statement that the testimony delivered to us during the Los Angeles hearings was well worth the expense of sending the subcommittee out to California. We believe the information received will be of tremendous help in the writing of legislation, particularly with regard to the section dealing with the individual union member's bill of rights.

Some conversation has occurred to the effect that it is the intention of certain members of the House Committee on Education and Labor to delay and finally block the passage of any legislation in the labor reform field. I think I can speak for the entire committee membership in saying that no one of us has ever entertained such idea and I can assure you that the close association I have been privileged to have with the chairman of the full committee, the Honorable GRAHAM A. BARDEN, allows me to know that it has been his intention from the beginning of these hearings to report a good bill at the earliest possible time. As a matter of fact, the distinguished chairman has consistently urged the cochairmen of the subcommittee to expedite the hearings and get the committee into executive session for the purpose of writing a bill at the earliest possible date.

It is the sincere hope of the cochairmen of the subcommittee, the Honorable CARL PERKINS, of Kentucky, and myself, that hearings can conclude sometime next week, after which the committee will go into executive session and will work as diligently as possible and as long as necessary to report a bill for the consideration of the membership of this House.

The mail addressed to the committee regarding legislation in this field indicates that the general public is demanding that some measure be passed to protect the interests of the working union member, the businessman, and the general public. In my considered judgment, for the House to fail to write an adequate, meaningful bill in the field of labor reform would be a disaster.

LABOR REFORM LEGISLATION

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, what the gentleman from Georgia [Mr. LANDRUM] has just said is very important to all of us and we must answer the demand of the people for adequate legislation dealing with organization of labor. The Committee on Education and Labor has been holding hearings but our difficulty grows out of the fact that a witness will come in, for example Mr. Meany is on the stand today, and will read a long statement, a statement which should have been furnished us a couple of days in advance so that we might have time to read and consider it and to ask a few questions about it. The way it is now all we get is propaganda from a few top witnesses. We do not get as much as we should from the average employee and employer.

My hope is that we will report out a bill without delay then, difficult as it may be, with a comparatively simple bill on the floor.

COMMITTEE ON WAYS AND MEANS

Mr. MILLS. Mr. Speaker, I ask unanimous consent to have until midnight tomorrow night to file a report, including any supplemental or minority views, on H.R. 7523.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

CALL OF THE HOUSE

Mr. LANDRUM. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 63]

Adair	Diggs	May
Alford	Durham	O'Brien, N.Y.
Baumhart	Edmondson	O'Konski
Byrnes, Wis.	Evins	Pfost
Canfield	Forrester	Powell
Celler	Green, Oreg.	Randall
Chamberlain	Hays	Rogers, Tex.
Chenoweth	Holifield	Smith, Va.
Coad	Kilburn	Wallhauser
Davis, Tenn.	Knox	Withrow
Dawson	Lesinski	
Denton	Madden	

The SPEAKER. On this rollcall 400 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1960

Mr. MAHON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 7454) making appropriations for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 7454, with Mr. KEOGH in the chair.

The Clerk read the title of the bill.

Mr. MAHON. Mr. Chairman, I yield 30 minutes to the gentleman from Pennsylvania [Mr. FLOOD], a member of the committee.

Mr. FLOOD. Mr. Chairman, this committee has had a very tough assignment and I assure you it has been a very tough job. We worked on this matter for over 5 months, mornings and afternoons; we heard over 500 witnesses; there are over 5,000 pages of testimony, and I want you to know that we gave proper attention to this bill, which is over 50 percent of the national budget. That is a lot of money in any language.

It will be $1 billion under last year's bill, and we cut the President's budget for this year $400 million. Unless this House has the good judgment to accept the amendments I will introduce later on and the amendments to be introduced by the distinguished gentleman from Ohio on the Bomarc, we will give you a nice little package in which my amendments will increase, his amendments will reduce, and we will come out just about where we are in nice, round, fat numbers.

I want to say, and I want you to know, that the gentleman from Texas [Mr. MAHON] has done a terrific job. I agree with him only about half of the time, but he is a hard worker; he has the patience of Job, believe me. First of all, he has to put up with me, and that is no picnic, and also with about six other Members on both sides of the aisle who are headaches in their own right, during these 5 months of hearings. When this bill is signed by the President, I think the taxpayers ought to give Mr. MAHON and his lovely wife a vacation at the taxpayers' expense and excuse him from attending the balance of this session. His was a tough job.

Now, let me add this. Everything all during this debate yesterday and so far today would give you the impression that this has been all sweetness and love; that everybody agreed upon this program; that this was a very duck-wucky arrangement. Well, nothing could be further from the truth. We spent 5 days marking up this bill, Mr. Chairman, and they had to practically call in the marines to get us off each other's neck. I want you to know that there were a lot of strong opinions both ways about this bill, and we hammered it out behind closed doors after great debate and hard work.

Now, there are a lot of things about this bill I do not like; there are a million things in this bill that I do not like. A few of them I will mention. But, we worked together, and I will introduce amendments only on matters of policy. That is the practice of our committee, a practice we agreed on, right or wrong. I want some things, they want some things, and we work it out that way except matters of policy. But, on matters like the end strength of the Army and the end strength of the Marine Corps, I reserve the right to amend it.

Now, let me tell you a few things about this defense setup. Talk about your

great Air Force—and thank God it is a great Air Force. Had it not been for the B–52 bombers, there would have been world war III. World war III never happened, and it is because of the B–52 bombers that it did not happen. But, that is world war III. We turn over that page. That is gone. It did not happen, and that is why. But, you talk about your great retaliatory Air Force, the bombers; that we are going to destroy the world with our bombers. What bombers? You have 2,000 in the Strategic Air Command; 500, in round numbers, B–52's; a great pigeon; none better in the world. What about your other 1,500? The other 1,500 are B–47's. Three-quarters of your SAC command is obsolete today. Do you know that? Three-quarters of your bombers are 10 years old. The life of a bomber is 10 years. Your B–47's are 10 years old. One crash, night before last, killed three men. I am disclosing information to the Russians? Do not be ridiculous. Everything I am telling you they know in spades. Do not worry about me telling the Russians. Now, that is your bomber command; three-quarters obsolescent. How do you like that? But, we have got to have them. We are going to have a mixed retaliatory power with missiles. Do not worry about what we can do to them. Anything they can do we can do better, if that makes you feel any better. They will kill a hundred million of you and we will kill a hundred million of them. Now, is that not ducky, especially if you are one of the hundred million? But, if that is the way you want it, that is the way it is. It is in the bill.

Now, what about your Navy? It is a great Navy; a wonderful U.S. Navy. It is wearing out with blocked World War II obsolescence; blocked obsolescence. It will wear out in one big chunk at the same time. Your fighting ships are 20 years' life. The whole block obsolescence of the U.S. surface fleet will wear out in 20 years from World War II ships at one time. But, in this bill you do not have the money to replace the wear-out. You cannot replace the annual wear-out of your fleet. So, your fleet is going down, down, down; not literally but figuratively. What about the manpower? You cannot man the fleet you have got. You cannot man it. So, you can man 80 percent of the fleet becoming obsolescent with no money to replace the wear-out. That is the fleet. How do you like that? Your Army. Well, if it was not for the parliamentary rules, I would use language to tell you what I think about anybody who will cut the Marine Corps and the Army at a time like this. Step out in the hall after I finish and I will tell you in real strong language what they have done to the Army and the marines. I am not sure who did it. I will start with the Secretary of the Treasury, then the Director of the Bureau of the Budget, and finally the Secretary of Defense, in that order. I recommend that we approve a uniform for the Director of the Bureau of the Budget that has seven stars for that fellow, and that they be lit up with neon lights, that he have pink pants, a Luftwaffe cap, and a riding crop.

The good thing about the gentleman from Texas [Mr. MAHON], and our committee, is that we have put our imprimatur at least upon the bill that came here. We did not squander any of this money; we did not squander anything; we are $400 million under the bill that was sent up. We just scattered it around a little more intelligently and put it where it should belong; only we were not quite intelligent enough, according to my way of thinking.

Let me give you a word about this Army for a minute. I want you to hear this. Do you know that this administration has cut the U.S. Army one division a year for the last 6 years? Do you know that? Five years ago we had 20 divisions in the U.S. Army. Do you know what you will have when you are through with this bill? Fourteen. That is your Army. This is your idea and the President's idea, not mine.

As for the Marine Corps, the administration has been after it for the last 6 years; you have been trying to emasculate the U.S. Marines and make them a police force or bellhops. Do you know how many combat units hit the beach at Lebanon—Marines? Do you know how many we sent into Lebanon? Six—one, two, three, four, five, six. That is what we hit the beaches with at Lebanon. Do you know how many you are cutting out in this bill? Six? That is a great way to run a railroad, the Marine Corps, or anything else. I guess there "just ain't going to be no more Lebanons." Somebody has a pipeline to heaven. Well, there will be; God forbid. But there will be, all over the world, and you will want marines to hit the beaches. And then they will come back with a supplemental or a sudden request, and they will get it. Everybody will be for it.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. Of course.

Mr. FORD. Is it not true that the six battalion landing groups that hit the beaches at Lebanon were somewhat under strength; the ones that will remain in the Marine Corps in fiscal 1960 under this program will be at practically full strength?

Mr. FLOOD. Why, of course.

Mr. FORD. In other words, the battalion landing teams you will have under this program will be stronger than the battalion landing teams they had in the year they went to Lebanon.

Mr. FLOOD. Yes. And let me give the gentleman a wonderful answer that I just thought up out of my own little head. The gentleman from Michigan [Mr. FORD] is a great baseball player. He played on our House ball team. He was a great ballplayer for the University of Michigan. I say to him, sir, that on a ball team you have got to have nine men. You may have hitless wonders or you may have world champions, but you have got to have nine men. You cannot play a ball team on the field with six or seven. If you try, you have no ball club. You have something else, but not a baseball team. That is the trouble. Now let me show you what happened.

Let me talk about the Army. Mr. Chairman, if this committee remembers no other one thing that I say, I beg that they remember this. Now hear this. Shame upon the makers of military policy of the United States of America. Do you know what happened? Our people in this Nation, from the dawn of history, abhorred mercenary troops. Shades of the Hessians that the British brought to America—the Hessian mercenaries. We despise and detest a nation that hires bodies to fight and die for it. Any great nation in the world that did that died, and should die. Well, you are eating pretty high on the hog here. You are pretty fat and sassy and lazy. So you have got to go and hire troops.

You have to hire infantry; do you? Is not that great? How many divisions do you have in Korea? You have two divisions in Korea. The divisions are the 1st Cavalry and the 7th Infantry Divisions. How do you make it up? Over one-third of the troops in this cavalry and the 7th U.S. Infantry Division, the great 7th Infantry Division of Korea, one-third of them are hired mercenary Korean infantry—integrated down to the squad level. How do you like that? I intend no aspersion against the brave Korean soldiers, our allies of proven loyalty. I speak only of integrating into U.S. divisions Koreans as individuals rather than of unit.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. In a moment. My friend, you spoke for 1 hour and a half yesterday and you yielded to me once or twice; we are great friends, but just let me alone, will you? Just let me alone.

Now let me tell you, do you know what the Koreans are getting paid—integrated at the squad level? Now, remember, these are not battalions—not integrated Korean command units, but they are soldiers integrated at the squad level—the Korean soldier in your rifle platoon. Do you know what he gets paid by the Korean Government? He gets $1.44 a month—$1.44 a month. You give him a tube of toothpaste and a pair of pants once in a while—but $1.44 a month is what one-third of your combat Korean infantry is paid. The exact figures by number are top secret. I cannot give you the exact figures by division. But any of you men who are cleared at that level can get it. Go to the telephone now and call up. Go to the telephone. Call the Army and ask them. Could I lie to you here? With God's help and the great intelligence of the people of my district, I will be here a long time. I cannot lie to you. I cannot lie to you. But, that is what you have done. When we are considering the bill under the 5-minute rule, I will have more to say about the Army. I will not take much more time on it now. My friend, the gentleman from Ohio, is going to introduce an amendment on the Bomarc. Well, I hope he wins. That is as phony as a $3 bill—that Bomarc. I know that General Motors ran this town for 4 or 5 years when "Engine Charlie" Wilson was aboard. But, do you know who is running it now? Boeing. The gentleman from Georgia [Mr. VINSON] told us

that Boeing had a backlog of $2,100 million worth of contracts—$2,100 million. Do you know how much they are into you for Boeing now? Two and one-half billion dollars—and they have not shot down a starling from off the Archives Building in 6 years. That is it. Do you know how much more it will cost you? Six billion dollars more. Yes; $6 billion more. Well, they do not have that much money in the House administration fund here—$6 billion more—and who has a better right, ha? That is the situation. You have this Army and Marine personnel going up and down changing like the phases of the moon. How can you run departments that way? No wonder good men are quitting and getting out of the business. Why would they not—with the Bureau of the Budget breathing down their neck and setting up defense policy? Like an artist trying to draw beautiful designs on a mural from an activated pogo stick. That is what they are trying to do. That is what they are trying to make you do—here today and gone tomorrow. This House—oh, more praise to you—more praise to the House—more praise to the Congress—last year they tried to cut the Army and you would not let them do it—you would not let them do it. You said, "No—the Army was at an irreducible minimum. You are drawing blood. You have cut us six divisions a year. One-third of the Army you have cut. Leave it alone." God knows you are liable to need it at any minute. Now I belong to that school of thinking—in the minority now but increasing—increasing in size, I believe that the next fighting—the next war, if, God forbid, there is one, there will only be one kind of war that you are going to fight. Nobody is going to fight a missile war. What is the matter with you? Nobody is going to fight a missile war.

Snap out of that. Khrushchev and the sputnik scared you to death. What is the matter with you? He scared you to death.

Everything that the gentleman from Texas [Mr. MAHON] wants in that bill for missiles I am for giving him; he has got to have it. Every bird he wants to fly I am for. ICBM, IRBM, Polaris—you have got to have them. The other side has got to have them; they have got them; you are going to have them but you are 2 or 3 years behind him, but you will catch up to him, so you will both be loaded; you will have missiles coming out of your ears.

It is then a standoff. Do you think anybody is going to fire one of those? If you do you are out of your mind. But they will fight. The Good Book says "there will be wars and rumors of wars to the end of time"—and there will be; that is "the nature of the beast," there will be.

Ah, somebody will say "You do not think you can fight Russian divisions, do you? We are not going to fight Russia on the ground." Then I am supposed to shut up and drop dead. That is the end of the argument. That is nonsense.

I know that. He has got two and a half million in his army, and they are better equipped than you will ever be the way we are going. He has done over his army, modernized it one and one-half times since World War II, one ar 1 one-half times, everything; he is terrific. You have not.

Fifty percent of your hardware in the Army, 50 percent is World War II stuff, 50 percent. Add 15 percent more and you have got obsolescent Korea hardware. Sixty-five percent of the hardware of the United States is obsolescent World War II and Korea hardware. And that is the kind of hardware you want to send your boys out to fight with?

Would you send the Air Force against the Russians with B–17's or P–51 Mustang fighters tomorrow?

What do you want to send the Army out like that for?

Did you see "Pork Chop Hill" downtown this week? That is what your Army will have to fight with, the wrong war, the wrong hardware. That was Korea. That was not good then, and certainly not now, and that is more than half of what you have got.

Two hundred million dollars in this bill to modernize the Army. Ha, ha, ha. Well, now, is not that a joke? We write into that bill $200 million to be used for Nike-Zeus or Army modernization provided there are promising breakthroughs in the long-haired development. Well, I know what the Army long-haired flat-heeled scientists are going to do with that $200 million. They will use three-quarters of it for Nike-Zeus. Oh, you ought to hear these boys: Nike-Zeus. What a field day these Olympians are having in this year of our Lord—Nike-Zeus. That is what they are going to do.

Why, the Army will not get even a new truck out of the $200 million. You wait and see; and, God willing, I will be back here next year to tell you what they did with that $200 million. You wait and see. Oh, they are fast on their feet.

And they are not so hot in R. & D. The Army spent millions of dollars to make us a new tank. Great deal. We go over to the proving grounds to see this great new American tank that R. & D. has got up for us—with a British gun. Is not that great? A great tank, but a British gun.

What happened to the American gun? Oh, somebody with birds on his shoulder said the English gun is better, the best we could buy.

Now, this is a serious matter. I believe—I believe this sincerely, I want you to understand me, I have been fighting about this all year in the committee—I believe the only kind of war we will fight will be limited war. We will not be fighting Russia. When they are set to have a cancer burst somewhere, when they are set to have a rash break out, it is going to break out at different ends of the world on the same day, 10,000 miles apart; and the local troops will have been infiltrated, and down to the battalion level there will be Russian commanders, and technicians, and logicians, every key position will be filled by Russians. In the line they will have their commissars. And in your line you will have your mercenaries. You two big brave boys. Great United States of America. Great Soviet Russia. How surely can you rely on the mercenaries?

You want to cut your Army; you have got to balance this budget. I want to balance the budget for you. Restore my 900,000 to the Army; give me the division back you have taken away. Do not take another this year.

You have taken this. The Army is hurting. Give me the 25,000 marines; give me back my 6 combat battalions that you used at Lebanon. I need them tomorrow; give them back to me. The whole thing will cost you $130 million. You still have $250 million under the budget. I am not going over the budget.

Now, a lot of people have said to me: "Look, FLOOD, do not introduce those amendments here because you will get licked. Let us wait until we go to the other body." I am fed up with that up to here. I am sick and tired that in the House of Representatives, the greatest deliberative body in the world, I must stand by when my conscience tells me what to do, and to permit a conference committee, a third house of conference, to act. That is an evil thing. The most dangerous thing under our system of government is this conference system. It is bad; I think it is unconstitutional; it should be examined and purged, something done about it. I am not going to withhold my amendments and let a conference committee write my law.

Not me. I will introduce amendments that I want to introduce and this House will act, if only I am the one who votes for them. I think it is time you did the same thing. Never mind about the other body. We have a right to debate and vote here. Never mind the other body; never mind the third-house conference committee. Do away with the conference committee. It is stultifying. Did you hear that, do you know that, it is stultifying. Wake up.

Let us vote amendments up or down; never mind this fancy footwork. It is a bad thing.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. FLOOD. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. KEOGH] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KEOGH. Mr. Chairman, it is most unfortunate that the committee did not see fit to include funds for an aircraft carrier. I should like to add my voice to that of the many persons in and out of the military departments who feel strongly that an additional aircraft carrier is vital to our needs. I make no more pretension to competence in this field than the members of the subcommittee of the Appropriations Committee. However, it is my strong conviction that as laymen we should all give the most serious consideration to the views of the professionals in matters of this kind. It is my understanding that the Defense Department with its comprehensive view of the overall defense picture, balancing

the needs of the respective military, naval, and air arms, believes that such a carrier is essential. The Navy Department with its intimate knowledge of the requirements for maintaining our global security also is absolutely convinced that to do its job properly it needs such an aircraft carrier.

Our preoccupation with space matters and missiles has warped the judgment of many people in and out of government. Like the young student whose father recently complained that he knew all about space but could not add two and two properly, we are prone to neglect the conventional but essential aspects of military and civil affairs. Certainly ballistic missiles, however necessary they may be, do not render obsolete our conventional weapons either in a global war or particularly in limited local war situations. It is the latter with which we have been faced many times since World War II. On those occasions the aircraft carrier has been an essential part of our strategy. Carriers are extremely mobile and versatile weapons. Obviously, the developments in modern warfare have rendered our earlier World War II carriers obsolescent. The new types of planes carried aboard the ships require advance design and capabilities of the carrier. In almost every respect the supercarrier will do a better job in cutting down accidents in landings and takeoffs. They will have a capacity which was lacking in the earlier carriers that will make them incomparably more effective by reason of the amount of fuel, weapons of all kinds, and types and number of planes that they can carry.

The principal point that I am attempting to make is that we must have balance in matters of defense. I believe that it would be disastrous if we were to concentrate solely to missiles and similar weapons. The spirit, courage, and ingenuity of the American fighting man cannot be installed in a missile. We still have a great need for ships, especially aircraft carriers manned by the fine American personnel that have served us so well in all our military crises.

Mr. FORD. Mr. Chairman, I yield 20 minutes to the gentleman from Ohio [Mr. MINSHALL].

Mr. MINSHALL. Mr. Chairman, at the appropriate time, as my distinguished friend from Pennsylvania has already indicated to you, I am going to offer an amendment to this Defense Department appropriation bill to strike from the bill the procurement funds in an amount of $200 million for Bomarc.

At the very outset, though, I would be remiss if I did not today say what an honor and what a wonderful education it has been to serve on the Defense Subcommittee of this great Committee on Appropriations. I can truthfully say that there is no committee of this House or subcommittee of this House that works harder and longer hours than does this subcommittee. I know that from my own personal experience.

I can also say that I know of no subcommittee that has considered legislation on a more bipartisan, nonpartisan if you wish, basis than has this distinguished subcommittee. We might have argued and pulled at one another's hair, as the distinguished gentleman from Pennsylvania said, on certain facets of this bill, and I agree in the main with the basics of this bill, but when the chips were down the vote was on a bipartisan basis.

Yes, I offered my amendment in the subcommittee and it lost by a very close vote of 11 to 8.

I also would be remiss, Mr. Chairman, if I did not say what a distinguished chairman, a most preeminently fair chairman, we have heading our committee in the gentleman from Texas [Mr. MAHON]. He has conducted the hearings with fairness, with complete candor, and I can say he is one of the finest gentlemen it has ever been my privilege to know.

Of course, I can say equally the same thing and equally as much for the distinguished ranking minority member of this committee, my good friend, the gentleman from Michigan [Mr. FORD]. As you all know he is one of the most able and well-liked Members of Congress. He has been very helpful to me. When I spoke to him about offering my amendment, he said, "BILL, you go ahead and do what in your good judgment you think is right." As to the amendment which I will offer later, I have these brief remarks to make.

Let us look at the record—in the defense of the continental United States—against a manned aircraft attack.

At the outset I want to emphasize that I have no ax to grind for any of the armed services—nor do I want to become involved in an interservice fight. But the facts must be pointed out.

Defense authorities feel we do need protection against manned aircraft today—and I agree. What do we have in the way of missiles fired from the ground against enemy aircraft? Aside from the Navy Talos and several other missiles with a capacity against low-flying aircraft, the Army has developed two Nike air defense missiles—the Ajax and the Hercules. The Ajax now is operational at approximately 200 batteries. It is no longer being produced, having been superseded by the Nike Hercules, a much improved air defense weapon with a range of approximately 80 miles and an atomic warhead. The Nike-Hercules now in operational at some 50 batteries.

The Air Force has initiated another antiaircraft missile system, a ground-to-air weapon—the Bomarc. The Bomarc program was started in 1951. It now is 4 years behind schedule. It was not until a little over a year ago that it finally successfully shot down a slow 300-mile-an-hour World War II B–17 Drone. The Bomarc A has had its only success against subsonic targets. Its only firing at a supersonic target was completely unsuccessful. In range even the Bomarc A has not approached its 200-mile objective.

After 9 long years, there is not yet an operational Bomarc site with the Bomarc A, the first missile in the system. Some Bomarc A missiles now are on order. With delivery of these, the Bomarc A program will be concluded. The present dispute involves only the Bomarc B. On paper, the Bomarc B is an improvement on the "A," having a different propulsion system, different guidance, and a designed hoped-for on drawing board range of 400 miles.

The funds of which I am speaking today include $200 million for procurement for the Bomarc B program and $84.6 million for testing and evaluation. My amendment takes nothing from Bomarc A which is completely funded. The Department of Defense sought an additional $162.7 million for procurement, but this amount was eliminated by the Appropriations Committee.

My objective is to eliminate the remaining $200 million for procurement for fiscal 1960.

The committee report on page 16 on the defense appropriation says:

> The committee would be willing to appropriate the full budget estimate and more if it had full confidence in the proposed Bomarc missile—if it had the assurance that the system would actually work. The contractor for the missile has already received over a period of years commitments in excess of $1.1 billion. Before further commitments and expenditures pile up, a hard, new look should be given to the proposed Bomarc and the whole air-defense problem.

The Defense Department concept of air defense in depth has obvious merit. Nike-Hercules would cover the distance of 80 miles from the area being defended. On paper, Bomarc B would reach out to 400 miles. Manned interceptors would cover ranges beyond this. If we could spend money today and buy this concept, I would be 100 percent in favor of it, and would not be offering my proposed amendment.

The fact is, of course, that no funds voted today would do any such thing.

The Air Force wants to produce the Bomarc B based on highly inconclusive tests of the Bomarc A. The Air Force doesn't even have a B ready for full testing. The Air Force claim that the manufacturer's first test flight a few days ago was highly successful is a gross exaggeration. If the B fails to meet its programed requirements to the same extent as the A, we shall have spent billions without improving to the slightest degree our National Defense against manned aircraft.

Even if the Bomarc B does live up to its programed requirements, it will be of little value by the time it becomes available in an acceptable operational role.

The Air Force's own date for the first operational Bomarc B is early 1961. Even if the program continues on schedule, the missile will operate with minimum capacity until 1964.

Who in this House believes that the Soviet threat in 1964 or later will be primarily a threat of manned aircraft? The long-range ballistic missile is not a threat today, but it will have become one by the time the first Bomarc B is operational in 1961 and certainly will be the major danger long before 1964 and certainly thereafter.

We thus are being asked to vote $200 million additional now in order to have a

weapon which will be outmoded and obsolete by the time it joins the U.S. defense arsenal.

Mr. FLOOD. Mr. Chairman, will the gentleman yield on that one point?

Mr. MINSHALL. I am glad to yield.

Mr. FLOOD. I think the gentleman is aware with reference to Bomarc that if and when Bomarc B is operational—about a 2 to 3 year period—on or about the same date, the Russian Air Force will have operational, most probably, since we will, its Hound Dog air-to-ground missile; which means that the Russians will be firing an air-to-ground missile from Russian airplanes 500 miles away from the target, and the extreme range of the Bomarc is 400 miles. So on the day Bomarc is operational it will be 100 miles short of its target at maximum range.

Mr. MINSHALL. I am glad the gentleman brought out that point. I shall go into it later. But I should like to interject at this time, that Bomarc, even if an air-to-ground missile were within range, does not have the capability of hitting a Hound Dog-type missile.

These millions of dollars in the 1960 budget constitute only a fraction of Bomarc cost. The Bomarc program, by the Air Force's own estimate, already has cost approximately $2 billion. It is expected to cost between $3 and $4 billion more by 1962. This does not include the SAGE control system on which Bomarc B is completely dependent. SAGE will have involved a cumulative expenditure of another $7½ billion.

I cannot understand the validity of committing ourselves to additional billions of dollars or an additional $200 million for a weapons system which will not be available in quantity until its usefulness has passed.

Let me emphasize that Bomarc is not a missile which will knock down enemy ballistic missiles. This is not its purpose. Nor is it a defense against air-to-ground missiles which may be launched by enemy bombers against our surface targets. It would only have a capability against air-breathing, ground-to-ground missiles or manned aircraft. The Russian emphasis is on ICBM's against which the Bomarc is useless.

Never have the Congress and the public been subjected to a more professional sales and promotion campaign than has been characterized by this billion dollar boondoggle.

These high-pressure salesmen in and out of uniform have parlayed an unproven—and as yet unavailable—weapon into a $2 billion operation. They have every intention of doubling that figure if we in Congress do not call a halt.

Proponents have taken the Bomarc A—a miserably unsuccessful weapon—and increased its range and accuracy with a series of supercharged promises and veiled half-truths. A classic example of this is the full page advertisement on the Bomarc which appeared recently in publications throughout the country. To the uninformed, the impression is very definitely left that the Bomarc is on site—ready to fire to defend our homes. The truth of the matter is that after spending $2 billion on the program, we do not have one single Bomarc unit deployed in the defense of this country. After spending $2 billion and 9 years—we do not have one cent's worth of protection out of the Bomarc system. In fact, the Air Force will not even have a Bomarc A unit operational until this fall.

My conviction is that we should "wash out" the program completely. Since we have spent so much money on it already, perhaps it is discretionary to provide some funds for further testing and evaluation. So far as I am concerned, this program promises nothing except more promises. In deference to those of my colleagues who do not share my conviction, however, I am willing to give Bomarc enough rope with which to hang itself. This rope is in the $84.6 million for testing and evaluation provided by our committee in the bill now before you.

I do not pretend to be a military expert who is wise enough to tell the Defense Department what mixture of air defense weapons is desirable. I am quite prepared to agree with those who are authorities that our best defense system would be Nike-Hercules, Bomarc, present manned century series interceptors and such long-range to be acquired interceptors as the F–108. But the program we are asked to vote for today would not give us that mixture until the threat is no longer from manned aircraft.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. MINSHALL. I yield.

Mr. ANDREWS. I want to say that I expect to support the amendment to be offered by the gentleman from Ohio. As I understand it, if the gentleman's amendment prevails, $200 million for the procurement of Bomarc will be stricken from the bill, but there will remain in the bill $84.5 million for testing and evaluating the Bomarc program; is that correct?

Mr. MINSHALL. That is correct.

Mr. ANDREWS. I certainly think we should stop, look, and listen before spending $200 million for the procurement of a missile that has never been produced, and never been fired, with no record of any kind but the miserable record of failure.

Mr. MINSHALL. I thank the gentleman for his remarks and I certainly agree with him.

The argument has been made that the Russians will follow a ballistic missile attack with an attack of manned bombers, using their own mix of attacking weapons. It is claimed Bomarc would thus be useful even in 1963.

This does not seem feasible to me. Bomarc B will be dependent upon a $7 billion SAGE system—semiautomatic ground environment. These electronic computer control centers are not scheduled to be hardened against attack by ballistic missile. So that the initial ballistic missile attack would deprive us even of the capability of using Bomarc in those later years against aircraft coming in after the first waves of ballistic missiles.

Mr. Chairman, to summarize:

Bomarc is a $2 billion failure.

The Bomarc program, launched in 1952, has cost nearly $2 billion, yet has not produced a single operational missile on site.

Tests of Bomarc A repeatedly revealed its unreliability against subsonic targets. In its one effort against a supersonic target, it failed miserably. It never reached its 200-mile-range objective.

Bomarc B was evolved from Bomarc A. On paper it shows changes in propulsion and guidance systems and an increase in hoped-for range capability. Like Bomarc A, Bomarc B is useless against ICBM's.

During the next 3 years, it will cost $3 to $4 billion more to develop the Bomarc system.

And today after spending 9 years and nearly $2 billion, we still are not receiving one cent's worth of protection from the Bomarc system.

Bomarc will be obsolescent before it is operational.

It will be at the very least 2 years before Bomarc B may become available. Even if the program is on schedule, it is expected that the missile would operate on minimum capacity until 1964. Our best estimates show that as early as 1961 the threat will be the ICBM. Bomarc is useless against such missiles.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MINSHALL. I yield.

Mr. BROWN of Ohio. I want to take this opportunity as a Member of the Ohio delegation in the Congress and the House to compliment my colleague, the gentleman from Ohio [Mr. MINSHALL], for the hard work and the excellent study he has given to his assignment as a member of this very important subcommittee. All of us in the Ohio delegation are very proud of the record he has made here in the Congress of the United States.

Mr. MINSHALL. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. FORD. Mr. Chairman, it was my understanding with the gentleman from Texas [Mr. MAHON] that the chairman of the Committee on Appropriations, the distinguished gentleman from Missouri, would be the last speaker.

Mr. MAHON. That is the understanding.

Mr. FORD. Does the gentleman from Texas have any other speaker?

Mr. MAHON. No.

Mr. FORD. That being the case, I yield 15 minutes to the gentleman from Wyoming [Mr. THOMSON].

Mr. THOMSON of Wyoming. Mr. Chairman, I join my colleagues on the committee in the sentiments they have expressed as to the chairman and ranking member. This is my first year to serve as a member of this committee. It is an interesting, challenging, and frustrating experience. During the hearings, senior members of the committee often pointed out the impossibility of any one person ever being completely informed on all of the elements of our complicated and huge defense system. I was continually and progressively impressed with the importance of improving our systems of obtaining information and exercising informed control over the expenditures of funds so that Congress can make its

maximum contribution to an adequate defense system on the most economic and efficient basis.

Almost everyone, I believe, will agree that this country can afford and the American citizen is willing to pay for an adequate defense system to assure, insofar as possible in the world in which we live, our peace and security. The extent of our military undertakings, however, must be limited by common sense and our economic capabilities, with due consideration to other requirements of Government and the overall drain of Government on the economy.

We are considering a defense budget and appropriation, but it is not a war budget and appropriation. Rather, it is to provide for peace. All of us hope for more acceptable means. We must constantly continue to explore such, but for the moment the peace and security of the United States and of the free world must be maintained through strength; adequate strength to deter any possible aggressor.

Based on the unanimous, considered judgment of our military leaders, the budget submitted by the President and the Defense Department provides in the overall for an adequate defense posture. The committee, particularly the chairman, made certain that this question was specifically answered by each appropriate witness. In this respect, Secretary McElroy stated, at page 49, volume 1 of the hearings:

> Beyond 1962 I do not think there is too much value in our trying to guess. But in those years between now and 1962—which is as far as I think we can accurately judge—I think our position will still be one in which we will have adequate force to retaliate against an attacker, with the result that the effectiveness of that force will be sufficient to deter him from starting a general war.

General Twining, at the same page of the hearings, stated:

> I would like to concur in everything the Secretary said, but I would like to point out in addition on the military side of the house our planning is to do this clear down the road, even to 1964 and 1965, and to always have this under control. It depends upon the annual budget. That can change, but if we get the budgets we need to support the program we have in mind, the answer is "Yes."

He further answered "Yes" to the question, "Do we have in the present military budget, the groundwork, the necessary provisioning of ourselves that we can follow through and accomplish the objectives which you have suggested?" Each of the chiefs of the separate services, although having reservations about specific programs, similarly agreed to the overall adequacy.

That the budget as presented, as was the fact, is a good and well-considered budget, does not mean that there should be no changes in the provisions thereof. The preparation of budget recommendations is a long process. I am advised that work is already going forward in the Pentagon on the preparation of next year's budget. The fiscal year 1960 budget which the committee had before it was based upon conditions existing as of last summer and last fall. With the rapid changes in today's world, these conditions necessarily change. Secretary McElroy stated, at page 65 of the hearings:

> In all of these areas of new technology, Mr. Chairman, you find technical knowledge advances very rapidly, really almost month by month. As soon as we found that the program could be accelerated as our understanding of the technical problems involved advanced, we put in the additional funds. The reason we did not ask for these additional funds last year was that we did not know then how to make proper use of them. When we found that we could make proper use of additional funds we did so.

This was to explain the expenditure of an additional $114 million above the program for fiscal year 1959 on the Minuteman missile. The Defense Department regularly reprograms funds as conditions change, as it should do. Similarly, changed conditions between preparation of the budget and our consideration of it justifies some alterations.

There are many items which I would like to discuss with you, but I shall largely confine myself to the committee recommendations for changes in the Atlas and Minuteman missile program. General thinking is that these are weapons of general war rather than limited war. It must be recognized, however, that our ability in the missile field has a definite deterrent effect upon limited wars as well as general wars. The two, cannot be isolated and considered separately. Criticism has been made of the budget on the basis that it does not adequately provide for limited war forces. There can be no doubt of the desirability of improving our limited war capabilities, but the fact is, as per the testimony, that over 60 percent of this budget goes to those forces. The committee has made significant changes for the further strengthening of these elements.

Our objective is to deter, not to fight war, and thereby to preserve the peace. I refer to the missile as a deterrent weapon. To evaluate this, and particularly the numbers required, we must recognize the problems, questions, and differences of opinion which arise in determining what constitutes an adequate deterrent force. We most frequently hear that to deter war, we must have a sufficient military force, the will to use such force, and that any possible opponent must know and believe that we have both.

The real problem, though, is to determine how our various capabilities, as determined by the level of our military forces, will affect any aggressor in either starting or not starting a general or limited war, by reason of how he thinks that force would inflict damage upon him, or would affect our will to use that force. As the hearings moved along, I appreciated the complexity of this problem and the difficult decisions that lie ahead of us as to the size of a military force which we will maintain. Some believe that we would have an adequate deterrent force if we have sufficient response capability that with minimum warning of an attack, we could have enough on the way before the attack hits us, together with enough left over for surviving after the attack, to add up to a retaliatory strike that the opponent could not, or would not choose to absorb. Some believe that it is sufficient if we have such a retaliatory force to be capable of destroying the aggressor's population centers without regard to specific military targets.

It is most important that we analyze that on the basis of the effect that it would have on increasing the likelihood of limited wars. The important element, of course, is how it will affect the possible aggressor's thinking with regard particularly to our will to use our forces. This would have a very marked effect upon all of our diplomatic negotiations. Prior to this so-called missile era, we have endeavored to maintain a military striking force sufficient to destroy the military capabilities of any possible opponent. Therefore, in determining whether to start a limited war or a diplomatic position, any opponent must say to himself that we have the power to destroy him and his ability to destroy us. If, however, we are to adopt a concept with missiles that we have only a retaliatory force sufficient to destroy the opponent's population centers, then the possible opponent must, in determining whether or not to start a limited war or upon deciding upon the diplomatic position, determine whether or not we are willing to absorb destruction to stop him. In other words, instead of being in the position of saying to a possible opponent, "If you go too far, we will destroy you," we would in effect be placed in the position of saying, "If you go too far, we will destroy each other." Most important under such circumstances would be the possible opponent's estimate of our continued will to use the forces available to us, to either prevent or stop a limited war. For this reason, some people believe that in order to maintain an adequate deterrent force we must, in addition to our retaliatory capability, have sufficient missiles or other weapons to be able to knock out the opponent's significant military targets and means of devastating ourselves and our allies, as a means of stopping or preventing a limited war.

This also involves a most difficult problem of detecting the targets. I am inclined to believe that this is the type of deterrent force which we must develop. Whether or not this is feasible and whether or not we will undertake to develop such a force is the most difficult decision facing us militarily in the immediate years ahead.

Not so long ago, much was read in the press, giving specific figures of the so-called U.S. missile gap. I would first like to emphasize that these figures were not a fair basis for comparison. Figures used for the Soviet were based on their estimated capability, as opposed to what we will actually have in being. Estimated capability seldom measures up to what is actually done. A striking example of this is the previous estimated capability of the Soviet to have at this time a total of 600 or 700 advanced long-range bombers. They did not build them, have a much lesser number, and we have a clear superiority in this area.

Even if the figures were accurate, numbers alone form no sound basis for comparison. Recent studies have emphasized the importance of the effect of hardening the missile site. By hardening is meant the protecting of the missile in concrete and steel, underground. It appears to be proven that one hardened missile has the retaliatory effect of many missiles placed in an exposed position.

Some people have insisted that we should exactly match the Soviets in the numbers of our ICBM's. This is not the measure at all. If you contemplate what I have just previously said, you will appreciate that such could be too much for an adequate retaliatory deterrent force, and yet would be completely inadequate to give us a positive deterrent force capable of knocking out the aggressor's significant military targets and means of devastation.

It is important, I think, that we realize that the missile is a vehicle, a means to deliver a nuclear warhead. As such, it is only one of the means. Some have made an attempt to isolate the ICBM's and to judge the relative strength of the United States and the Soviet at a given time on this basis alone. This cannot be done. Basically, as a delivery system or a vehicle, the ICBM gains speed and time. The ICBM is capable of delivering its warhead to Moscow or from Moscow in 30 minutes, as compared to the 6-hour delivery time for the bomber presently in use. Its bomb load is smaller, but it eliminates much of the necessity for overseas bases. There are many other factors too numerous to discuss, such as reliability, reusability, and so forth.

The President's budget, as presented, I think provided for a well-considered program. Since that time, however, there have been substantial changes. When the budget was in its final stages of preparation, the Atlas missile had not been fully tested. Since that time, there have been significant developments as to the Minuteman. The Minuteman is a solid-propellent advanced missile. I think we must recognize, it is presently not a weapon in being, but is one under development. I think it is important to note that the full amount of the Air Force requests for both the Minuteman and the Atlas was approved by the Defense Department, and in turn by the President. Because of subsequent developments, however, it is estimated that additional funds could be expended on the Minuteman, and that we could thereby speed up the estimated time when it would be available as a weapon in our arsenal by approximately 6 months. To accomplish this, the committee has recommended an addition of $87 million to the program.

Although much is claimed for the Minuteman, with confident estimates that it will prove out, it was uniformly agreed that the best way of increasing our missile capabilites in the years 1961, 1962, and 1963, which were considered to be the critical years, was by acceleration and expansion of the Atlas program. This again becomes a reasonable consideration by reason of developments since the budget was prepared. Prior to that time, the missile had not been fully tested. Since that time, the studies on the effect of hardening of the launching site have been completed. As a matter of fact, a new guidance system has been developed which permits the hardening of the Atlas missile sites.

As a result of changes in the situation, the committee proposes to add $85 million for incremental financing of an additional eight Atlas squadrons. The Congress should not be misled with reference to the real cost of this program. In addition to the $85 million for the missile itself, there will be required to carry out this expanded program, again on an incremental financing basis, that $193 million be added in the military construction program, which is the subject of a separate bill. The total additional funds for this year is thereby $278 million. To fully finance the eight additional squadrons in this and subsequent appropriations will require $1,360 million. I believe that the committee is justified in making these funds available, on the information available to it; but in my opinion it should not be considered as a directive to the Defense Department or the President that these funds should in all events be expended.

What is the changed situation? There is now no doubt that the Atlas is a good weapon. General Schriever, then Commander of the Ballistic Missile Division and now heading the Air Research and Development Command, testified to this effect before our committee and recommended an expanded program. As a matter of fact, even more ambitious programs were suggested. Different proposed alternatives and their costs appear at page 629 of volume 5 of the hearings. General Power of the Strategic Air Command, which has operational responsibility for the Atlas as well as our strategic bombers, had this to say:

> I think you should produce the Atlas at the maximum logical, practical rate, because you are going to get it first. It is the only ICBM weapon system that has really fired up to now and it is a good weapon. It is almost a proven weapon. It has had a very successful R. and D. But read the papers, and you would think the missile had been unsuccessful. Actually, it has been more successful than we ever expected it to be. It has had a very high degree of success. I think we ought to get it as fast as we can, and get it in hardened sites. I think it is a very good deterrent weapon system.

There has been some suggestion that, because of its liquid-fuel characteristics, the Atlas would become obsolete in the very near future, or as soon as the Minuteman was operational. So far as I know, no responsible military opinion supported this. Refinements and improvements can be expected in the Atlas. Secretary McElroy summed up this very well when he stated that the Minuteman will complement and not replace the liquid-fueled missile. Both the Atlas and the Titan will carry a larger warhead than is programed for the Minuteman, which will be more suitable against certain types of targets.

Just as I have indicated, with new developments, there is and should be a continuing review and rereview of programs within the Defense Department. During the course of our hearings, we were advised that the Air Force was reviewing the requirement for additional Atlas squadrons. Before the bill was reported by the subcommittee, we were informed that following such review the Air Force had recommended to the Secretary of Defense the eight additional squadrons for which funds are provided in the committee bill. Although in January, when Secretary McElroy and General Twining appeared before the committee as our first witnesses, it was made quite clear by them that they were not recommending an additional or accelerated Atlas program by April; but when former Secretary Quarles appeared before the committee, he had this to say:

> We are, however, restudying it in the light of subsequent experience, particularly the test experience with Atlas, as the most significant aspect of the thing. I would say that it is still possible, we feel, within the next few months that there could be a better mix, shall I say, of these programs than the ones presented at that time.

On the basis of these and other developments, I think the committee and the Congress is quite justified in providing the funds required to carry out the additional eight-squadron Atlas program. These reviews should be continued. If the Defense Department concurs in the recommendation and the President agrees, they will be available to execute the program without delay. Should this concurrence not be forthcoming, then the funds need not be released and expended. This is as I think it should be.

Several reductions have been made in this bill which have resulted in it being reported at about $319 million below the President's budget request. Some of these specific cuts I did not support in committee. Others which I did support did not prevail. I think that we must strive for increased economy and efficiency, while at the same time maintaining an adequate defense. Thereby, we in fact contribute to the maintaining of the best possible defense. The reductions of 1 percent in operation and maintenance and procurement are, in my opinion, well considered. We, together with the Executive, should continue to strive for means whereby we can eliminate waste, duplication, and inefficiency.

Nevertheless, I do support the overall committee bill. I think it is most significant and important that the committee has stayed within the President's budget request. As I have mentioned, all responsible military opinion expressed to the committee suggests that this in the overall is adequate to maintain the necessary deterrent effect and the peace and security. As additional testimony is received and the bill is considered in the other body, there will undoubtedly be some restorations. There may be justification for some increases or decreases. Generally speaking, however, I think that this must be kept within the area of the President's budget request, and that our conferees should insist upon this. Failure to do so, in light of the military testimony, would appear to be completely irresponsible.

Mr. FORD. Mr. Chairman, I have no further requests for time.

Mr. MAHON. Mr. Chairman, I ask unanimous consent that all Members of the House may have permission to extend their remarks at this point in the RECORD.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. HEMPHILL. Mr. Chairman, I am concerned over what has happened to the Army of the United States since the advent of atomic warfare. I need not remind the Congress, except briefly, of the impact of air power on military thinking and planning as a result of experiences of World War II. The Hiroshima blast started off a growing philosophy of doubt for the need for land troops which we subscribed to increasingly through the years, despite our knowledge of numerical superiority by the Communist bloc Korea should have taught us the advisability of maintaining, at all times, a sufficient, modern Army, ready for any war.

In this era of the space age our U.S. Army finds itself in a situation similar to that faced by David when he went down to fight Goliath. David was armed with a sling and five smooth stones, Goliath carried a shield and sword and wore body armor. Our Army is also being asked to face a better equipped opponent and I feel that this is unnecessary.

You may well ask how this situation came about. Why is our Army not the most modern, the most mobile, the best equipped Army in the world? I'm afraid that all of us must share some of the blame for this. Ever since the end of World War II, with a short respite during the Korean war, we have been engrossed in the idea of putting all of our eggs in the massive retaliation basket. We have allocated tremendous amounts of money to the atomic weapons stockpiles, we have developed and built hundreds of modern airplanes, we have developed a number of guided and ballistic missiles, but we have, to all intents and purposes, overlooked the requirement to provide our Army with weapons and equipment that is adaptable to the atomic battlefield of today. I admit that Congress provided funds in last year's budget specifically for Army modernization, but there has been no major initiation of this program by the Department of Defense to date.

Very basically this is the situation facing the Army: There is not enough procurement money in this year's budget to replace the equipment that is wearing out or becoming obsolete, much less to attempt any modernization program. If this situation is permitted to continue our Army stocks will be steadily decreased and our preparedness will correspondingly decrease.

The Army Chief of Staff, General Taylor, realizes that this situation if it is permitted to continue will eventually mean a poorly equipped inadequate Army. He has proposed a 5-year program calling for the expenditure of $2.8 billion a year, which would provide $1.2 billion for producing new weapons and equipment for all the Army's active divisions and some of the National Guard and Reserve divisions, and some $200 million for tooling and production facilities. The Army admits that this plan involves some risks, but it would be a starting point for a modernization effort and for that reason it should be supported.

I sincerely believe that the American people want their sons who are serving in the Army to have the very best and latest equipment that can be found, and that they would be appalled if they did not think that every effort was being made to provide this equipment.

We should insure that the appropriations for fiscal year 1960 includes adequate funds for Army procurement of modern equipment and we should strongly urge the Department of Defense to utilize these funds without delay. Only by taking such action can this body be certain that we have done everything in our power to provide for a modern hard-hitting Army.

I have heard much of the Pentomic concept of smaller forces with greater weapon, offensive or defensive, capacity. As I understand the concept, it cannot materialize unless the troops have the most advanced weapons, and the background training to use them with superiority.

We need sufficient troops.

We need superior weapons.

I have been informed that one of our military men has recently stated:

> In terms of dollars, approximately 60 percent of the Army's inventory today was procured during World War II or the Korean war. Ten percent of it is pre-World War II vintage.

Let us see what we know the Soviet has. I am sure our intelligence is incomplete, but we believe they have—

First, 160 to 175 divisions;

Second, standardize small arms at 7.62 millimeters and have equipped their forces with these weapons;

Third, recoilless rifles and antitank guns that fire shaped charges;

Fourth, an excellent family of tanks up to a heavy tank;

Fifth, tracked armored personnel carriers;

Sixth, a family of helicopters; and

Seventh, estimated stockpile of items adequate to support a 300-division army for 6 months or more.

Is the U.S. Army outgunned and outmanned? Some of our experts tell us so. They ought to know. If they are armed with World War II and Korean weapons, they are outgunned.

The Army did an excellent job at Redstone Arsenal. Shall we quit there?

What do we need beside more troops? I believe we need—

First. Honest John rockets in infantry and and armor division and Little John rockets in its airborne divisions.

Second. An air-transportable M56 90-millimeter self-propelled gun.

Third. New tanks that weigh less, have greater operational range, and carry improved guns.

Fourth. The new M60 machinegun, a general purpose weapon.

These are just a few. I am not an Army man but I am interested in having a good Army. Now, if we are not going to give them numbers, let us give them sufficient appropriations for modern, the best possible, equipment.

In order to effect ground mobility the Army needs jeeps, mechanical mules, and most importantly, a lighter and faster armored personnel carrier, like the all-aluminum M113 personnel carrier.

Weapons and machines that will give our pentomic divisions the mobility and striking power that they must have if our Army is to be qualitatively superior to the Soviet army are available for production. The problem has been and is to obtain sufficient funds to produce them in sufficient quantity to give us qualitative superiority.

I am not privileged to set on either Armed Services or Appropriations. I know they work hard. I also know they are beset by the responsiblities of watchdogging the defense of this country. I salute the gentleman from Texas [Mr. MAHON] for his hard work and dedication to high purposes.

My purpose is to incite us to do a little more for our Army. It is a great, a necessary service; it should be given the opportunity to do what we intend for them, defend; and if attacked, counterattack; and above all, win. They cannot do the job without sufficient troops or the best modern weapons.

Mr. DADDARIO. Mr. Chairman, the committee action in recommending an increase of $200 million for Army modernization is exceedingly wise and deserves the wholehearted support of this House.

This Nation cannot forget that it must be prepared to meet the sudden threat of conflict at thousands of points across the globe. The United States is the principal guarantor of peace. It is a major concern that we be prepared to keep that peace.

Yet the budget submitted for the Army provided approximately $1.2 billion for procurement of missiles and equipment, while it takes $1.4 billion to permit the Army to maintain its present inventory. There is a gap there, too, that requires attention.

This is what the committee has done in putting the $200 million back into the budget. This sum will allow the Army to maintain its present level of inventory and stay even with the wear-out and obsolescence rates. Some new equipment can now be put into the inventory.

This is a positive step in the right direction. It is a most important step when you consider that more than half of the Army's equipment was procured during World War II and the Korean war. Of the $14 billion equipment inventory that the Army has now, $5 billion consists of World War II models or older.

There are many disturbing things about the forces that now are programed to maintain the peace. We see, for instance, that under present strength ceilings, the Army must plan to cut by one-fourth the force it maintains as its top priority strategic reserve.

We see that the United States can only maintain its 8th Army at full strength in Korea by using wholesale

infusions of Korean personnel to fill the ranks. In Europe, our 7th Army depends on a large number of foreign nationals maintaining its lines of communication.

We have heard a good deal in recent years about more bang for a buck. Yet, while there have been pleasing exclamations about the advanced firepower that can be put in the soldier's hands, the truth remains that it has not been put in his hands. As the committee notes on page 58 of its report, the budget does not make adequate provision for equipping the Army with the firepower weapons it has finally developed, particularly the new M–14 rifle, the new machinegun and the Davy Crockett weapon.

In fact, at the recommended rates of production in the fiscal 1960 budget as General Taylor testified to the Appropriations Committee, the forces in Europe will not be reequipped with the M–14 rifle until fiscal year 1962; the Strategic Army Corps Reserve until 1964 and the entire Regular Army until 1968 or later.

Let me point out a way in which this slowness of mobilization affects the readiness of our reserve military structure. We have heard in recent years of Trainfire, a system of rifle marksmanship training that has been introduced in the Regular Army. It is a combination of the old musketry and combat range techniques with new mechanical equipment that is available.

That method was widely introduced in the regular services last year. It is a matter of providing new ranges. Shortage of funds is slowing the building of these special ranges and it will take several years for the system to spread Army-wide. Yet it is a definite improvement over present known distance range training. To deny it to any soldiers is to slow down their training and weaken the effectiveness of our forces in being.

While it may slowly reach the Army as a whole, it will be still later in coming to the National Guard and Reserves that are a vital part of the Nation's strength. The National Guardman estimates this month, on the basis of advice from CONARC, that not until fiscal 1962 will funds be available for construction at active installations and State-owned camps to provide this type of training.

From training to the front lines, this slowness of modernization affects the Army. We have heard a good deal about the new Pentomic divisions and the advantages they are claimed to represent. Yet these divisions will reach maximum effectiveness only when modern equipment has been issued to each of them.

Their flexibility depends on the new mobility and communications equipment designed for the nuclear battlefield, but we have not yet been able to replace the World War II types of communications in the hands of troops. And what about the allied forces on which we may place heavy reliance in time of war?

In order to understand the Army's need for modernization, it is necessary to balance the present inventory of $14 billion against a $20 billion modern inventory required to support combat forces in the first 6 months after D-day.

Also, we must look at the Soviet Union and consider that, since World War II, the Soviets have re-equipped their 160 to 175 divisions with newly designed weapons, transport, and other equipment. In selected categories, the U.S.S.R. has five times the modern equipment that we have.

They have standardized their small arms—rifles, light machine guns, and submachine guns—at 7.62 millimeter and have equipped their forces with these weapons.

In addition to surface-to-surface missiles of ranges from 10 miles to 1,500 miles, they have developed a new family of guns and howitzers, mortars—one of 240 millimeter is judged to be capable of firing an atomic warhead—recoilless rifles, and antitank guns with shaped charges.

They have an excellent family of tanks up to a heavy tank with a 122-millimeter gun. They have tracked armored personnel carriers with an estimated range of 165 miles.

They have standardized on a diesel engine that they use in 15 pieces of equipment—tanks, self-propelled artillery, personnel carriers, and so on. It is estimated that a tank powered with one of those engines burns no more than a gallon of gas a mile. They have a family of helicopters similar to ours, except that they have also exhibited a giant one capable of carrying a 27,000-pound payload.

Despite the fact that they can plan to wage war with inner lines of communication, they are also reported to be building a large fleet of long-range air transports. Most, if not all, of these modern pieces of equipment are in the hands of their troops—not in a paper budget.

Competent authorities have estimated that the Russian stockpile of items in readiness are adequate to support a 300-division army for 6 months.

General Taylor has summed up Soviet advances in these fields by observing that the second generation of Soviet equipment now appearing "typifies simplicity in design, mobility, ease of manufacture, interchangeability, and standardization."

I have already pointed out that our own forces still largely are armed with World War II and Korean equipment. The noticeable exceptions are the surface-to-surface missile commands, and the question that may be raised immediately is whether we have enough.

But the most important question remains the armament of the pentomic division and the battle group. The combat effectiveness of these divisions is directly related to the modern equipment available within them. The Army has not been allotted funds in fiscal 1959 or in fiscal 1960 to obtain the equipment needed to modernize the divisions.

What does the Army need?

For atomic firepower, it needs Honest John rockets in infantry and armor divisions and Little John rockets in its airborne divisions. Atomic warheads are needed for 8-inch guns. These are first-generation, division-type atomic weapons. Funds are needed to provide enough production so that our divisions can be armed with them.

For conventional firepower, many more items are needed:

A conventional artillery piece similar to the versatile 175-millimeter gun which combines the advantages of a howitzer and a gun. New tanks that weigh less, can move farther and fire farther. New machineguns already approved, and new M–14 rifles just going into production. The present funding rate, incidentally, would stretch out rearming the entire peacetime Army with these new weapons until 1975.

Take communications. The Appropriations Committee has heard of new radios that represent a definite step forward. There are plans for new drones and battlefield surveillance instruments.

Take ground mobility. There is a lighter, faster, all-aluminum personnel carrier that has been approved that the Army should have. In the air, the Army needs more helicopters and light aircraft.

All of these items are ready for production. The problem is money. If the Government tries to stretch out this procurement too long, it runs a risk of having to duplicate sources of supply while two generations of weapons are in the hands of troops.

How much can we afford to spend on such modernization? How much can we afford to spend on survival? We have dispatched troops to all corners of the earth to maintain freedom and insist on peace. We owe it to them to see that they are equipped to carry out their mission, and to see that no lives are lost because of inferior arms.

Nor is this something that can be ended with one effort. We need to keep searching out new and better arms, and buying them when we are assured they are necessary. Modernization is never finished.

We are only making a start toward giving the Army what it needs. I wish we were doing a great deal more, but I commend the committee on having added $200 million to correct a serious deficiency in the Army budget. To those who would cavil over this cost, I would like to quote some words of Sir Winston Churchill, delivered in the House of Commons in the year 1675. This, quite obviously, was an ancestor of the present Sir Winston, but he too, stood up for adequate defense of his country when he reminded critics:

> Saving money is no argument, when saving the nation is the case.

Mr. RIEHLMAN. Mr. Chairman, we have considered today a subject which is of great concern to every man, woman, and child in the free world. We have been asked to vote some $38 billion for the operation of our Defense Establishment. As we should expect when dealing with a subject so vital, there has been a good deal of controversy, both on and off the floor.

We can never be sure that the funds we appropriate for national security will be sufficient. We must rely on the best judgment of those who have held the hearings and worked on the bill and presented their arguments to us.

The committee has given careful study to the many provisions of this bill. I commend the members for their work and for the manner in which this bill has been handled on the floor.

Through the years, I have always supported every dollar that the Department of Defense and the committee felt was necessary for the defense of this country and I shall do so again today.

ARMY GROUND TROOPS NEED MODERN WEAPONS CAPABILITY FOR BRUSH FIRE WARS

Mr. BOLAND. Mr. Chairman, I want to take this opportunity to thank and commend the chairman, the gentleman from Texas [Mr. MAHON], and members of his Defense Department Subcommittee, for their diligence and thorough study of these budgetary estimates and their patience during long hours of testimony from the top civilian and military officials at the Pentagon.

As a member of the full Appropriations Committee, I was particularly pleased with our committee's action in providing for more funds than was asked for in the budget for equipment modernization. Funds for Army procurement have been increased by $200 million to provide for advances in the Nike-Zeus anti-ICBM program and equipment modernization.

MANY NEW WEAPONS DEVELOPED AT SPRINGFIELD ARMORY

The research and development of many of these new and smaller weapons has been accomplished at the historic Springfield Armory in my home city of Springfield, Mass. The armory is now in pilot line production of the newly adopted M–14 Springfield rifle, and it is my understanding that the first of this type of shoulder weapon will be off the production line in about a month. In addition, the armory is also setting up the pilot line for the recently adopted M–60 machinegun.

Only last week, the Ordnance Weapons Command at Rock Island, Ill., awarded contracts to the Springfield Armory for pilot line production of the M–73, 7.62 millimeter tank machinegun, and the T175E2 .50 caliber machinegun.

ARMORY WILL PRODUCE NEW TANK MACHINEGUNS

The M73 tank machine gun was designed and developed at the Springfield Army and was standardized and adopted by the Army last May 14. It is scheduled for use on the M60 tank, the Army's new main battle tank. The T175E2 .50 tank machine gun was also developed at the Springfield Armory for tank use. Initial delivery date for the M73 weapon from the Armory pilot lines will be in June 1960 while the T175E2 is scheduled for delivery in October 1960. It is my understanding that studies are currently being made by the Army on both weapons for further application to other ground combat vehicles.

Mr. Chairman, the appropriation of an additional $200 million for equipment modernization is necessary if we are to have a program for limited war preparation, as outlined by Army Chief of Staff, General Taylor, before the subcommittee.

UNITED STATES FACES LIMITED WAR THREAT FOR MANY YEARS

Here we are dealing with the question of limited versus general war and, as the committee report states, it is doubtful whether this issue can ever be fully resolved. However, the United States must have the modern weapons at its command to deal with brush-fire type wars that may erupt. The threat of such warlike incidents, such as the crisis over Berlin, or those over Formosa and the Mid-East last year, may be with us for a long time. The Soviets will exert pressure on the West in any section of the world where they think we are weak, and one of their pressure exercises might result in shooting. Our Armed Forces, particularly the ground troops of our Army, must have a capability to cope with such incidents and make sure that the localized brush fire war does not grow into an all-out nuclear war. American troops must be adequately equipped with the best and most modern weapons.

FIRST M–14 SPRINGFIELD RIFLE TO BE PRODUCED THIS MONTH

Our distinguished colleague, Congressman SIKES, a member of the Defense Department Appropriations Subcommittee, pointed out on the floor of this House last August 19 that American ground forces were sent into Lebanon carrying the M–1 rifle that had been adopted by the Army in 1936 and Browning automatics adopted in 1918. In contrast, Arab Republic troops were carrying modern lightweight rifles and machineguns somewhat similar to the new M–14 Springfield rifle and the M–60 machinegun. It is gratifying to know at this time that this situation is fast changing and soon our ground troops will begin receiving supplies of the new M–14 Springfield rifle and the M–60 machinegun. The first M–14 will come off the pilot line at the Springfield Armory within a few weeks.

Mr. BOSCH. Mr. Chairman, I am very much disturbed by the fact that the Defense Department appropriation bill before us does not carry the requested $260 million for a new aircraft carrier. I realize that the subcommittee has a large and difficult task in writing a bill of the proportions of this one, but they can err. I am convinced that they have erred in eliminating this vital item.

Providing for this carrier this year means that it would be available 5 years from now. I believe that we can rely on the statements of the Department of the Navy authorities when they tell us that in 5 years our *Essex* class carriers will not be operational and at that time we will have only 10 carriers capable of transporting the modern manned aircraft.

I am sure that a study of my record will disclose to the membership of this body that my record has not been one of wild spending; in fact, I am sure you would agree that my record is very definitely on the conservative side, but I have supported necessary defense expenditures. This carrier definitely falls in the necessity class. I want the House to know that I definitely favor the inclusion of funds for this carrier in the fiscal 1960 budget for the Department of Defense.

Mr. MAHON. Mr. Chairman, I yield the distinguished chairman of the Committee on Appropriations, the gentleman from Missouri [Mr. CANNON], the remaining portion of the time.

The CHAIRMAN. The gentleman from Missouri [Mr. CANNON] is recognized for 33 minutes.

Mr. CANNON. Mr. Chairman, if this bill as passed by the House today fails in its objective there will shortly be no need to pass further bills of any character or spend more money for any purpose.

This is the one vital bill of the session under which the Nation survives or perishes.

And if we fail, if this bill fails to serve the purpose for which it is reported by the committee to the Congress and serve it adequately, it is merely a question of time before all these other purposes for which we are spending money and for which we are legislating, will revert to the Russians, and nothing else will matter.

Mr. Chairman, this is an annual bill. We have been passing these bills regularly every year. And the bills which we previously passed since 1945 have failed to achieve the purpose for which they were enacted.

Judged by the supreme criterion of results secured, they have dropped behind the objective. Every year we have been slipping. Every year we have fallen further behind; further behind in world leadership; further behind in our race with Russia; further behind in our capability and capacity for national defense, and further behind in the security of world civilization. If anybody has any objection to that statement, or facts which will contradict it, let us have them now.

At the close of the World War in 1945, upon the deck of a great battleship, we summoned the representatives of Japan and Germany, the two greatest military powers of their day; we said, "You sign on the dotted line." And they signed.

We did not negotiate with them. We did not go through all this rigmarole we have been going through over in Korea and at Geneva. We said, "Sign," and they signed.

Why? Because we were at that time the greatest military power the world had ever seen. We had the greatest Navy, we had the greatest Army, we had the greatest Air Force, we had the greatest undersea force ever mobilized.

We had developed that vast military potential, mobilized that magnificent Army and launched those armadas of seapower with just such bills here in this Chamber as the bill which we have before us today.

And America was safe, and the world was safe.

Now it is with no little trepidation that we view the world situation today. Time marches on. And we have not kept pace with it. We have been slipping while Russia has steadily forged ahead.

Oh, I know that high-ranking officers have come before the committee and said, "We are perfectly safe; we can win any war; we can destroy any nation. Have no concern about it at all." They have lulled us to sleep with that sort of sedative, and they got away with it until the Russians put their sputnik into orbit. They couldn't deny that. That set them back on their heels. They could not explain that away. We had

been trying to put a missile through the stratosphere over a long period and we had not been able to do it, and for more than a year after we were not able to do it. But they did it.

And it is still there. It is still there for the world to see—our allies, our enemies and the neutrals.

And we are still earthbound. Of course there are the monkeys. But the Russians made monkeys of us long ago.

So these last bills have failed. That is no fault of the great committee which reported them out, and which has reported out this bill. It certainly was not through any neglect of the great chairman who is in charge of this bill today, and who, in my opinion, after many years of observation is not only one of the greatest American statesmen of his time, but has ahead of him a brilliant career as one of the greatest American statesmen of the future—if we have any future.

No one can say today, not even these beribboned and bemedaled gentlemen from the Pentagon, whether we have any future. Certainly not unless this bill is superior to those reported out in former years.

That is the question before us this afternoon. Will this bill do the work? Will it retrieve the situation? If not, then we are nearing the end of everything. The shores of time are strewn with the wreckage of nations that thought they were impregnable—nations in which personal considerations were allowed to usurp the place of the national interest. So it behooves us to consider carefully what is before us. It could be the last war bill we will have opportunity to consider.

The amount of money in the bill is comparatively unimportant. It is not so much a matter of how much money the bill appropriates. You could have ten times the amount of money in this bill and still fail completely.

It is how you spend the money that you do have in the bill. It might be possible to take this bill and cut it down one-half and take the other half and spend it as it ought to be spent and get a better bill than you have before you today. The thing to be emphasized is how you spend it. And we have not been spending it on the right things during these last years. Nobody can deny that.

We have failed miserably in that respect. And as a result the United States is today a second-rate power. All we have is the chance of redemption—that is a mere chance. It is later—much later—than many of us think. We have been sleeping. We have not been spending the money in these bills for the right things and in the right way these later years. Too many other considerations have been allowed to affect our judgment when the bill was sent up here from the Pentagon.

And it must also be noted that even if we pass the bill that we ought to pass, a bill that will make us impregnable, a bill that will keep the Russians on the other side, that still does not mean that the war potential of our allies will also be taken care of.

The truth of the matter is that we might as well concede now that when we finally fight, if fight we must, we will have to fight alone. Now, none of our allies would willingly desert us, of course, but they will be in a position directly under the gun and will have no choice. Unless we in this bill make America strong enough to take care of ourselves, nobody else is going to take care of us.

In all of these last wars England and France protected us. After war was declared, England and France kept the enemy off us until we could get ready and arm ourselves and train an army. That is no longer possible. There is no longer any ally anywhere who can protect us for one day, one hour or one minute.

The war will be fought in America. Khrushchev has told us that. He said, "You have always fought in Europe and Asia, but, the next war will be in the United States." Now what does that mean?

A high official in the Armed Forces of the United States said just the other day that if we are attacked by missiles or by bombers, we might be able to knock down 10 percent or 20 percent of them. Maybe by good luck, we could knock down a few more. But he said that the rest were coming through. When they start from Russia do not entertain any misapprehension about that—more than half of them will hit the target.

What did he say about that? He said if we would could knock down 20 or 30 percent we might save 20 or 30 million people.

Mr. Chairman, we have no 20 to 30 million people to give them.

It would mean the wreckage of every American city. There would be no vestige of this Capitol remaining, and you who are here would go with it. Do not entertain any illusions about that.

Let us consider the elemental facts. First, if a war starts, Russia will start it; we will not start a war. So we are at a disadvantage to begin with; they get the first blow.

They would attack 84 American cities simultaneously, and 1 bomb to a city is enough. When we hit Hiroshima one bomb did the work, but that bomb was as a Model T Ford compared to a modern Cadillac. When they hit a city or an army this time it is all over. Let us entertain no doubt about that.

In the first place, Russia will start it.

In the second place, they will attack from the air. Does anybody have any doubt about that?

They are not going to bring an army over here; they are not going to bring a navy over here. What good would our Army do and what good could our Navy do when they attack 84 cities simultaneously from the air at midnight?

There will never be another war with rifles. Absurd. We will never send another expeditionary force to Europe. If war came the first big problem would be how to get out of Germany the men we already have there.

For us to talk about fighting Russia's 175 divisions on the ground is utter idiocy, Russia would be delighted if we tried. If they attack they will attack from the air.

The question before us this afternoon is whether this bill will protect us in such contingency.

I put in the RECORD, a year ago, a secret report by the Navy. The Navy never denied the authenticity of the report.

The report said that 12 submarines deployed along our coasts, could destroy 70 percent of our economy, 70 percent of our cities. It was an official statement.

You know there are a lot of things they do not tell us down there. Too often they go on the theory that what we don't know won't hurt them.

They held a very elaborate review a couple of years ago. Months were spent preparing for it. It covered some 12 States. The Army was divided equally—half took the part of defenders. The other half attacked. Within 23 minutes as reported by the newspapers which were not censored, the attackers (the supposed Russians) destroyed 80 percent of the home bases, knocked out half of the defender striking force, and took complete control of the air. The decisive phase of a world war was over in 40 minutes and the United States was helpless.

So in any event it will not be a long war. It is going to wipe you fellows out in a hurry. You will not suffer, you will not have much time to think about it. It will all be over before you know it.

One of the greatest enigmas of all time is the fact that the United States in 1945 was the undisputed master of the world, with the greatest force ever mobilized in the history of mankind, yet in the short time that has elapsed, since, we are hopelessly behind. We invented the submarine, we invented the airplane, we invented the atomic bomb. Then the Russians came in, took them away from us, and went us one better. Today they have more planes than we have, they have more submarines, they have more ground troops, and they are better armed. They are superior to us in every branch of the service.

How did it happen that in this bill every year, with the advice of the Pentagon, we have allowed Russia to outstrip us in every phase of warfare when we had the start and every advantage? How has it happened? Who can answer that? I ask any man here to tell us how it happened.

The Russians had hardly emerged from barbarism. They had no mechanics, no industry, no inventive geniuses, no scientists. And we had everything. We had it all. We were the most scientific, the most advanced, the most progressive Nation in the world. How has it happened that we have passed this bill every year to defend the Nation, and it has not defended the Nation? We have dropped steadily behind every year, every bill.

It is very simple. Our admirals were not interested in submarines. They do not want to go down in pig boats. So they came out with the great carriers. These carriers, the most expensive piece of machinery ever built in the history of any nation, cost more, took more strategic materials, required more sci-

entists and technicians. But were as vulnerable as an eggshell.

We have it from a supreme military authority, that those planes might get off the first flight but they would never get off the second time. Somebody says you can hide them and take the enemy by surprise. I was very much impressed by many things that the gentleman from Pennsylvania [Mr. FLOOD] said. We might read very carefully what Mr. FLOOD said. He said we were not going to take Russia by surprise. She knows as much about our plans as we know ourselves. She would know where that carrier was every minute of the day or night.

They objected so strongly to going down in submarines and so ignored our one chance of survival, that had it not been for one man, Admiral Rickover, we would be in a desperate situation today. We will never be able to fully evaluate the service he has rendered the Nation. He inspired the building of the nuclear-powered submarine, the *Nautilus*. It can penetrate under the polar ice cap and come up anywhere. And when they come up the Russians are at their mercy.

Now, another thing that the gentleman from Pennsylvania [Mr. FLOOD] said. I do not like to emphasize so many things that this truly great legislator has said, but he has emphasized the one deterrent which has prevented a third world war because, as he said, we had SAC, and the Russians, knowing that they would be destroyed by SAC, bided their time and deferred the attack, waiting until SAC is neutralized. The gentleman is right about that. We would have had a third world war if it had not been for SAC. But, time is running out for SAC. Russia has already developed a device which will, they claim, stop our bombers at the border. When they neutralize SAC, then the submarines will take its place. They cannot spot the submarine. They cannot find it, and when they find it, they cannot destroy it. A nuclear-powered submarine coming up under the ice cap within the range of Russian cities will take over where SAC leaves off.

They say we must be prepared for the brush wars. What brush wars are they winning today? They are losing every brush war in the world today. They will continue to lose them.

Communists are taking Iraq—second greatest oil producing center on the globe. Its loss will have a very serious effect on the war and even on our peace economy.

The Communists are in Afghanistan. They are building what they call civil air fields—only 50 miles from the border of Pakistan—obviously runways for Russian jet fighters. Soviet engineers are building motor roads in Afghanistan. Any casual observer can see that these roads are capable of carrying tanks and mobile guns through Afghanistan to India. The Communists have established training schools to train Afghans to reconnoiter over adjacent territory. These roads and these fields have direct access to Iran and Pakistan and both countries are warning us of what is going on. But our carriers are doing nothing about it. Of course they can do nothing about it. The carriers are losing the limited wars.

Over in Tibet the Communists have violated every agreement, every treaty, every tenet of civilized warfare and are crushing the Tibet Government and religion. It is the most pitiable outrage in all the long list of Communist atrocities.

What are the army and the Navy doing about it. Especially what are our vaunted carriers doing to win the limited wars. Some of our statesmen are claiming to be limited war men. How are they meeting these limited wars? How are they extinguishing these brush fires?

But our nuclear-powered, missile firing submarines—if we have enough of them—if we had been building them while we were wasting time and material and money and technicians building carriers—can rise through the Arctic ice cap at any selected spot and blow any Russian city off the map. The Russians laugh at our carriers and our improved rifles. But they do not laugh at submarines or missiles.

If Russia knows that attacks upon allies or neutrals can be followed—and will be followed—by prompt submarine retaliation they will control their hatchetmen both at home and abroad. Nothing else will satiate their appetite for world conquest and world slaughter, plunder, and rapine.

In West Berlin neither the Army nor the Navy can hold the 175 divisions of Russian troops—not to mention the innumerable Chinese hordes—when they get ready to move. Carriers could not get within half a continent of them. Submarines which they can neither find nor combat but which can rise in the polar wastes undetected and drop nuclear oblivion on cities and concentration centers of production, mobilization, communication, and supplies after SAC is neutralized will change world history.

The carriers are losing every limited war on the globe. But this bill wisely provides extra funds for submarines and missiles. It is a race against time but it is our only recourse, our last chance.

How are they resolving the limited wars in Indonesia, in Malaya, in Indochina, in Korea where the Communists are violating every promise and butchering Christians daily? How are they alleviating the bloody repressions in Poznan, in Hungary, in Muscat, and Oman?

The Russians have as much respect for the carriers as they would for so many rowboats.

Now, the most important consideration of this bill. This bill is not written or at least it should not be written to win a war. We do not want to win a war. We cannot afford to win a war. We cannot afford to have our cities wrecked and millions of our people destroyed even if we win. So, the purpose of this bill is to deter Russia from attacking us.

I want to say, my friends, that I am not an Army man; I am not a Navy man; I am not an Air Force man. All I want to do is keep the Russians out of the United States. And the only way to do it is for them to understand that when they attack us they, too, are going to be wiped out, just as we are.

Now, as to the submarines and the missiles, may I express my deep appreciation of the services of the great chairman of this committee, the gentleman from Texas [Mr. MAHON]. His influence always has been to collaborate and to cooperate and to coordinate all of our forces, all of our committees. He had exceeded the budget on missiles and submarines, and those are the only two things which will stop the Russians.

Nobody will study this bill, nobody will study this report, as carefully as the Russians. They have been watching it. They will keep on watching it. They laugh at air carriers. They have not got one. They have copied everything we have produced which was effective in warfare, but they have not been foolish enough to build an air carrier. So if they find when they read this bill that we are going to depend on air carriers to keep them out of America, they will plan to be right over. But when they find our committee has laid the emphasis on submarines and on missiles, they will take a sober second thought.

Mr. Chairman, there is another phase which is to be considered here. Every newspaper is discussing today the question of a conference at Geneva.

Mr. Chairman, I am going to ask that in my time the Reading Clerk of the House read a resolution which I offered this morning.

The CHAIRMAN. Without objection, the Clerk will read the resolution.

The Clerk read as follows:

Resolved, That it is the sense of the House of Representatives that, for the present, the peace of the world will not be served by a conference of heads of nations at Geneva or elsewhere.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. CANNON] has expired.

Mr. CANNON. Mr. Chairman, I deeply regret I do not have time to say why this resolution has been offered at this time.

The CHAIRMAN. All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

TITLE I

Military personnel

Military Personnel, Army

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), expenses of temporary duty travel between permanent duty stations, for members of the Army on active duty (except those undergoing reserve training), expenses of apprehension and delivery of deserters, prisoners, and members absent without leave, including payment of rewards of not to exceed $25 in any one case, $3,233,063,000, and, in addition, $281,000,000 to be derived by transfer from the Army Stock Fund.

Mr. FLOOD. Mr. Chairman, I offer an amendment. I have a series of amendments.

The CHAIRMAN. The Clerk will report the first amendment offered by the gentleman from Pennsylvania [Mr. FLOOD].

The Clerk read as follows:

Amendment offered by Mr. FLOOD: On page 2, line 12, strike out "$3,233,063,000" and insert "$3,292,063,000."

Mr. FLOOD. Mr. Chairman, I have three amendments dealing with this same problem. Because of the budget structure, one is personnel and the other is operation and maintenance.

I ask unanimous consent that the third amendment and the first amendment be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. FORD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FORD. Do both of these amendments to which the gentleman refers pertain to the increase in Army personnel strength from 870,000 to 900,000?

Mr. FLOOD. That is correct.

Mr. FORD. That is all?

Mr. FLOOD. That is all.

Mr. FORD. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. GROSS. Mr. Chairman, reserving the right to object, we are going to have the other amendment read; are we not?

Mr. FLOOD. I am going to ask now to have the second amendment read by the Clerk.

The CHAIRMAN. Without objection, the Clerk will read the second amendment.

There was no objection.

Mr. FORD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FORD. Is the gentleman from Pennsylvania referring to the so-called third amendment?

Mr. FLOOD. I have not yet asked the so-called third amendment to be read yet.

Mr. FORD. Then we are now limiting ourselves to the first and second amendments, and the first is as to military pay for the Army and the second has to do with O. and M. for the Army; is that correct?

Mr. FLOOD. That is correct.

The CHAIRMAN. The Clerk will report the so-called third amendment, which has been offered by the gentleman from Pennsylvania, which under the unanimous consent request will be considered with the first amendment.

The Clerk read as follows:

Amendment offered by Mr. FLOOD: On page 3, line 13, strike out "$596,900,000" and insert "$632,400,000."

Mr. FORD. Mr. Chairman, it was my understanding that the amendments we were to consider en bloc at this point were amendments only to the Army section, one to the Army military pay and second to the Army O. and M. As I understand the amendment which has just been read, it refers to Marine Corps military pay.

Mr. FLOOD. May I say, Mr. Chairman, there is at the Clerk's desk a series of amendments, and the chances are they may be intermingled. May I ask the Clerk to examine the amendments and make certain that only the two amendments are read which deal with Army personnel and O. and M.

The CHAIRMAN. The Chair will ask the gentleman from Pennsylvania [Mr. FLOOD] to select the so-called third amendment.

Mr. FLOOD. Yes, Mr. Chairman.

The CHAIRMAN. Without objection, the Clerk will report the amendments offered by the gentleman from Pennsylvania [Mr. FLOOD].

Mr. FORD. Mr. Chairman, I reserve the right to object until I have heard the amendments read.

The CHAIRMAN. The Clerk will report the amendments offered by the gentleman from Pennsylvania. The gentleman from Michigan [Mr. FORD] reserves the right to object.

The Clerk read as follows:

Amendments offered by Mr. FLOOD: On page 2, line 12, strike out "$3,233,063,000" and insert "$3,292,063,000."

On page 8, line 14, strike out "$3,065,390,000" and insert "$3,108,390,000."

Mr. FORD. Mr. Chairman, I withdraw my reservation of objection.

Mr. GROSS. Mr. Chairman, reserving the right to object, as I understand it one of these amendments goes to page 8 of the bill.

Mr. FLOOD. That is correct. Under our budget structure, you are dealing with the operation and maintenance under our new system, and the first amendment deals with personnel. They affect the Army, and I am asking that these two amendments be considered en bloc, if the gentleman will bear with me, so that instead of doing this twice, they deal with the exact same subject so that it can be done together. I assure the gentleman there is no intent at any evasion of any sort. One is for operation and maintenance and the other is for personnel. I am merely trying to save the time of the House by dealing with both subjects at the one time.

Mr. GROSS. Mr. Chairman, I submit that the Clerk has not read beyond line 15 on page 2 of the bill.

Mr. FLOOD. Mr. Chairman, I ask unanimous consent that despite the fact that the Clerk has not read beyond page 2, in view of the circumstances as to the budget structure in this bill that both of the amendments that have been read by the Clerk be considered en bloc since they deal with precisely the same subject.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FLOOD. Mr. Chairman, in my direct argument I dealt at length with the subject. This is a problem with which you are all well acquainted. I will not be impertinent and presume to instruct you with reference to this, but we have dealt with this amendment for several years and for the same purpose. Last year this committee and the House of Representatives in its sound judgment passed this amendment. We raised the Army to 900,000. You will hear it said that quality is better than quantity. Mr. Chairman, this Army has been cut one division a year for the last 5 years. Five years ago we had 20 divisions in the U.S. Army. If this bill passes, as it is, you will have 14 divisions. You have lost six divisions—one-third of the Army.

You cannot cut it any more. Quality, that is not the point as against quantity. I have listened to that argument once a year for 6 years, and down, down, down has gone the Army. I want you to leave it at 15 divisions. God knows that is bad enough, bad enough.

This amendment will restore a division. This amendment will give us one Battle Group to be moved any place in the world at any time. It will strengthen the logistics and the combat effectiveness of the four great STRAC divisions which are the defense to be left in the United States. Just a few years ago I heard the Pentagon say, "We will give you four great divisions in reserve in the United States to be flown any place."

Do you know which division they cut? One of those four. This bill cuts out one of the four. There will be only three. Ridiculous. Dangerous.

They speak of the Reserves. We are putting a floor under the reserves of 300,000 and a floor under the guard of 400,000. Mr. Chairman, my State has one of the greatest guard divisions of the country, the 28th; one of the four or five best divisions of the guard; yet we cannot put the 28th in the field in less than 4 months. If you cannot put the 28th Pennsylvania guard division in the field in less than 4 months, you cannot put others in the field in less than 8 months. That is the testimony I developed in the hearings; and the Reserves, great as they are, are to be integrated into builtup divisions; they will not, except in a few cases, be sent in as units and groups.

With all due and great respect to the guard and the Reserves I am talking about the Regular Ready U.S. Army, to be ready at once.

We will not have them. We will not have them.

You talk about the Marines; and we will talk about them later. But the Marines at their greatest and their best, and God knows they are great and the best, are sent in to hit, not to hold. The Marines went into Guadalcanal and hit it; you sent the Army in to hold it for the long pull. The Marines are not intended to hold. They are a limited high-combat attack unit that establishes beachheads. The Army holds when they move in over the longer period. That has always been the practice; they work together, but the purposes ultimately are different.

Quality goes only so far. General Taylor said to us in the committee:

We are at the point of no return with the Army. This is the irreducible minimum, 900,000 men; you cannot take any more or you will bleed the Army.

You cannot take any more.

I remember my grandfather saying that a million men would spring to arms overnight. A great American tradition. Take the rifle from over the mantelpiece and fight the enemy. Not in this man's

war, grandpa, not in this man's war you will not do that.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. WAINWRIGHT. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WAINWRIGHT. Mr. Chairman, the Appropriations Committee has conducted an exhaustive penetrating study of our defense structure, its needs, its strengths and weaknesses. To those of you who have not had the opportunity to digest the committee report on the defense appropriation bill, I recommend it as required reading. I believe the Congress and the Nation at large is indebted to the illustrious chairman of the Defense Subcommittee, the gentleman from Texas [Mr. MAHON], and all the members of his subcommittee for a masterful analysis of the state of our defenses.

The committee recommends $200 million above budget recommendations for Zeus, the anti-ICBM missile and for modernization of Army equipment. This is a completely sound recommendation based on thoughtful judgment.

On page 34 of the committee report, the committee states that it regrets that the funds appropriated last year to maintain the strength of the Army at 900,000 men were not used and that strength reductions are being applied. In commenting on the reduction, the committee language was admirably restrained.

It is, indeed, regrettable that defense authorities have seen fit to reduce the Army from 900,000 to 870,000, although the Congress has provided the funds to maintain the higher strength and has expressed its desire that this strength be sustained. The committee states that it gave serious consideration to providing funds for a 900,000-man Army in the fiscal year 1960 bill.

I can understand their ultimate decision not to do so, for the Secretary of Defense and the Chairman of the Joint Chiefs of Staff steadfastly maintained that the lower strength of 870,000 was adequate. On the other hand, the Secretary of the Army and General Taylor recommended an Army of 925,000, and stanchly held that the very minimum should be not less than 900,000. It is difficult, indeed, to make a judgment and recommendation to the House under these trying circumstances. Obviously, the committee was seriously disturbed on this point and calls to our attention its regret that the Army is being reduced today.

I submit that the gentlemen of the committee require the active support of this House. Last year we expressed ourselves as opposing this cut in the Army. The international situation is no less perilous now than it was last year. Let us assume some of the burden which the committee has borne and demand, even require, an Army of proper strength. We know in our hearts it is not logical or sensible to reduce the Army now. Let us say so now, and let us applaud the strength and judgment of the committee in pointing out this problem for us.

I have heard the Department of Defense arguments in justification of the reduction: greater personnel stabilization, improved reenlistment rates, higher quality personnel, more effective weapons, improved disciplinary situations. These are splendid accomplishments, I certainly agree, but however you measure it, an Army of 870,000 will be composed of just that many and no more, regardless of improved quality in men and weapons. If it takes two good men to man an improved weapon and you have only one good man available, the improved weapon is of doubtful use. What we must have is an Army of adequate strength with adequately modern arms and equipment. Anything less will give us a second-rate defense; a second-rate defense, for example that depends upon the soldiers of a foreign nation to maintain the strength of two of its divisions overseas. What a dreadful condition for us to have to own.

Mr. FORD. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Pennsylvania because in my judgment the 870,000 Army strength recommended by the President in January for fiscal 1960 is sufficient for our national security.

Over the last few years the Congress has been asked by the executive branch of the Government, and we have responded, to pass certain legislation which would improve the quality of our Armed Forces.

We passed the Military Pay Act in 1958 which added millions and millions of dollars to the cost of operating our Military Establishment. In 1957 we passed the Servicemen's and Veterans Survivors Benefit Act, and it added substantially to the cost of the Army.

In 1958 we passed the preinduction screening program which was aimed at improving career quality of the Army, Navy, and Air Force. This, of course, has cost considerable money in order to get a real career service, a service of tested personnel.

What has been the result? The result is precisely this: From January 1957 to September 1958 there was a tremendous capability improvement in the personnel of the Army. In January of 1957, 28 percent of the Army was in what we call category 4, that is a group who by test are considered to be of low potential. By September of 1958 this figure had gone from 28 percent to 16 percent; in other words, the quality of the Army has improved substantially under the legislation which we enacted and which has been implemented by the Departments.

The pay legislation and other fringe benefit legislation which we have passed has resulted in a tremendous increase in reenlistments. In every category reenlistments have gone up substantially. This has brought about a combat improvement as a result of a lesser training burden. I can recall one colloquy between a member of our subcommittee and the Secretary of the Army where he said that as a result of a certain improvement in reenlistment rates they were able to reduce their induction by some 3,000 and as the result of the reduction of that number of new inductees the training load, the number of trainers, had been reduced something like 600. In other words, by keeping people in on the higher reenlistment rate we improved the Army's experience and lowered the training burden for the Department of the Army, which means you transfer people from noncombat assignments to combat assignments. That is where we want them to be.

It is interesting to note since this legislation I referred to has been enacted that the number of people in the Army, the enlisted personnel, with 4 or more years' service went up from 30 percent in 1957 to 37 percent in 1958.

In addition to the improvement of personnel quality we have had a tremendous improvement in a number of other areas. Specifically, let us talk about the issue of fire power. The Army is procuring in 1960 what we call the Davy Crockett, which is an atomic weapon for the field soldier. It will come into the inventory in substantially larger numbers in 1961 and 1962. This increased fire power will be a tremendous asset to the Army, and, of course, when you have a greater fire power you rely to a lesser degree on large numbers of personnel. Obviously you can reduce the personnel provided they are of the quality we want. We are now getting that quality.

If you will look through the hearings and turn to page 407 of volume I, you will find that General Taylor said the Army had improved substantially its mobility and its communications ability.

Of course, we are all familiar with the improvement of the National Guard and of the Army Reserves. At the present time the Army National Guard is approximately 400,000. Compare this, if you will, with the size of the Army National Guard in 1950 when it was 326,000, plus the fact that the Army National Guard has the best equipment and they are better trained than at any time in the history of that organization. Of course, the Army Reserves are in the same category. The Reserves are an increasingly important asset in our defense program.

Because of all the factors I support the President's view that Army strength should be 870,000 and therefore oppose the amendment offered by the gentleman from Pennsylvania [Mr. FLOOD].

Mr. MAHON. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 15 minutes, and that I have the concluding 5 minutes.

Mr. FLOOD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FLOOD. Depending on the outcome of the vote on this amendment, I have another type and kind of amendment to the same line, same section. Would I be restricted under this motion?

The CHAIRMAN. The request of the gentleman from Texas pertains to the pending amendment and all amendments thereto.

Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Montana [Mr. ANDERSON].

Mr. ANDERSON of Montana. Mr. Chairman, I take this time to support the amendment offered by the gentleman from Pennsylvania [Mr. FLOOD] to provide funds to maintain our Army at 900,000 men. I would also support any move to write into this bill language which would prevent the Pentagon from cutting the figure back to their proposed 870,000.

First, I should like to commend the committee on the fine job they have done in this bill. They have made judicious cuts in the bill proposed by the administration so that the total recommended is about $400 million less than the budget request, and more than a billion dollars below last year's figure. At the same time, they have provided some increases above the budget which were most vital to the national defense, and I have in mind funds to maintain civilian components at 700,000, the $200 million added for Army modernization to meet the Nation's most likely threat, limited war—even though this is less than one-tenth of what is needed—and to advance the Nike-Zeus which is our Nations' only answer to the most terrible threat that faces us, assault by intercontinental ballistic missiles with hydrogen bomb warheads.

Still more must be done if we are to plug the gaping holes which still exist in our national defense. The greatest of these holes is our vulnerability to limited war threats, essentially ground conflict.

All of us can agree with the statements from our top leaders quoted by Mr. MAHON and summarized in the committee report that, as expressed by Secretary of Defense McElroy, "a limited war is more likely than a general war." Now, while I am going to talk mostly about limited war, I fully realize that this is but one facet of our defense and that America must be able to fight and win, no matter what the time or place or weapon of the Soviet attack, in the air, on the sea, or in the sea, or on the ground. Unfortunately for us, there are advantages to being the aggressor. These advantages, we have learned in tactics, accrue to the attacker, who seeks surprise and chooses the time, the place, and the weapons of conflict. We must be prepared to meet, and defeat, every Communist aggression, whether political subversion, economic warfare, all-out nuclear warfare or limited war, each of which, by threat or action, has won the Soviets victories in the past. If the Communists can defeat us in any field, with any weapon, they will. There is no one-shot defense, no easy way out, no way to slash the budget and still provide for the national security.

We are in a vulnerable position, in some ways a weak position, because we have fallen victim to the siren's song that we could concentrate on the means of massive retaliation, that we could develop weapons so horrible that all men would recoil from their use, that with the products of our research laboratories, our factories, and with the aid of our physicists, our nuclear scientists, our rocket men, and our production men we could meet all threats with a "push button" defense. We have believed that it would not be necessary any more for men to fight and die on the battlefield, we have not even provided the men or the means to adequately carry out our worldwide commitments for mutual defense. We have been wrong in thinking that our intercontinental bombers, or intercontinental missiles can maintain peace in Laos, or Korea, or Berlin. We have cut back our Army and its means to fight so far as to endanger our national security. Russia is not making this mistake. She is putting twice as much of her national product into the military effort as we are. She regards the army as the dominant service and the army gets the lion's share of the Russian budget. The Sino-Soviet bloc has 8 million men in her ground forces. She will use them if she thinks she can profit by that use. As an example of how ground war could develop, let us examine the situation in Berlin: We have over in Berlin a group of American military forces, probably less than a division of men. Facing them and the few troops that our allies, France and Great Britain have in Berlin, is, in fact, an armed force of more than 100,000 men in the so-called peoples' police who are in barracks in East Germany. This East German force, ruled by the Russians, is equipped with tanks, aircraft, and heavy armament. To call this army a police force does not change the facts. This Soviet East German element is in addition to the 20 to 22 Soviet divisions stationed in East Germany. Contrast that, if you please, to the equivalent of less than one division of allied combat troops in Berlin. True, we have about 15,000 to 16,000 West Berlin police, but these are strictly city-type police. The forces of the United States, Great Britain, and France in Western Europe are about 10 or 11 divisions, well armed and trained and backed up with sizable tactical air forces. If war comes over Berlin, it will start as a ground war. If nuclear weapons were not used, it is obvious that the three Western powers would have only about one-half the strength of the Soviet and East German forces.

The Soviets would not hesitate to use their soldiers and conventional weapons if they knew that we would not use our nuclear weapons. In the Soviet Union the air force and the navy are considered to be mere adjuncts of the force which the army will use to seize ground and control populations—people. The biggest air force in the world, the biggest intercontinental ballistic missile, the biggest aircraft carrier on the high seas—not one of these can seize the geographical area itself and exercise control over the people of that area. Obviously, all our military forces, integrated as a team in any conflict, are vital to our ultimate success. Each has a significant and essential role. In the concluding battle, however, the fighting will be man to man.

These limited wars, or brushfire wars, require a force in being ready for combat. That in the 7th Army in Europe, plus the so-called STRAC force, and the U.S. Marines. These forces have the major responsibility for dealing with limited military outbreaks. It is these men in uniform who must be able to deal with the emergencies on the ground.

How can we meet this manpower threat posed by the Communist high command?

We do have STRAC, the Strategic Army Corps, consisting of four divisions kept in the continental United States. STRAC was formed with the idea of being ready to go anywhere on the globe in a hurry and ready to hit hard. STRAC was planned to be the Army's thunderbolt in this atomic age when the swift extinction of a small fire is just as important as the power to expand a large one until whole continents are fried to a crisp. by nuclear attack. Yet STRAC does not have enough modern equipment, it does not have enough air transport, it does not have enough sea transport. If the Pentagon goes through with their budget cutting, it will no longer be four divisions, but only three. Not only will STRAC forces be below minimum safe strength levels, but they are not sufficiently mobile.

STRAC airborne troops could be ready to move within 24 hours, but with present planning and equipment it would take 17 days to airlift a single division. By that time, as you well know and can understand, the Soviet divisions could have pushed through and seized their objectives in that part of the world.

This is the confusing, sometimes contradictory picture that the public sees, that the world sees—that Khrushchev is going to take advantage of if he can—not by waging war, but by waging blackmail. The best reaction against blackmail is not to say "We will pay only $1,000 of the $10,000 you demand." The effective answer is to refuse to pay and to be prepared to strike back effectively.

We need to make STRAC the effective force it was planned to be. We must accept the fact that the initial stages of any conflict, at any time in the next couple of years at least, will be between ground forces. We must be prepared to equalize the present disproportion of manpower with tactical atomic weapons. We must be prepared to win a limited war.

Out in my home State of Montana we are still close to pioneer days, and I have known some of those frontiersmen who carried a Colt six-gun in the days when it was the protector of life and property. They had a name for that Colt—"the Equalizer"—because it made the little man the equal of any 6-foot, 200-pound bruiser. We have just such an equalizer in the tactical atomic weapons that today are flowing into the hands of our troops along the Iron Curtain.

With this "equalizer" we can and will carry out the sword-and-shield concept of NATO defense, but we need to restore the Army to 900,000 men.

Whether or not there is any use of mass destruction weapons, and I do not see such use during the next 2 years at least, a Soviet or satellite ground offensive will be inevitable in any imminent conflict. The basic objective of our

sword-and-shield concept is that this offensive or penetration must be blunted, preliminary to isolating the salient and defeating the enemy piecemeal. This is clearly the first combat role of ground forces in Europe. It can be accomplished best by the use of small yield tactical atomic weapons with discriminating characteristics. Use of large-scale nuclear weapons, with great disaster imposed on friendly countries and their peoples, would not avail in this situation in the theater of operation, Western Europe. Nor could we hope to meet the flood of Communist manpower with our smaller forces and conventional weapons.

Do not expect that any possible conflict with the Communists would develop in such a way that we could choose an all-out nuclear attack on the U.S.S.R. as an alternative to limited war. The U.S.S.R. by clever use of her satellite troops will see that we never have that choice. Like it or not, the blackmail today is based on satellite ground forces, and that is the threat we must meet.

And do not conclude, either, that this limited war must or would necessarily develop into all-out war. Bad as limited war under these circumstances might be, it is still better than incinerating the world with general use of hydrogen bombs. Certainly our planning should take into account the possibility of localizing the conflict, because we could win that limited war and no one could win a general war.

In the summer of 1950 we committed U.S. ground forces to action in Korea. There followed a grim period when these forces were crowded back into the Pusan perimeter and all but pushed into the sea by a relatively primitive enemy. The Army's 2d Infantry Division was rushed from Fort Lewis, Wash., to Korea as the first reinforcement of U.S. troops committed from Japan. I say they were rushed, and they were. But before they could be rushed, the Department of the Army had to draw equipment and men from all over the continental forces to fill up this division before it could move. We almost lost this war at its start, and yet, of all the places in the world where the Communists could have instigated a local war, Korea was the one place where the United States could respond in any positive degree. This was so because of our forces and logistic base in Japan.

Why did we come so near to losing at the start? The U.S. Army was neglected and inadequately supported. I state this as an historical fact and, please understand me, without recrimination or pointing a finger at anyone. I intend nothing more than to state a fact.

The reason I state this fact is that I am seriously concerned lest we repeat our mistake. I am concerned over the evidence that is again on the road to stripping the Army of its means to meet its assigned missions.

Let me draw your attention to the situation which is causing my uneasiness. In 1955, we had an Army of 1.4 million men with 20 active divisions. This force has diminished at present to 900,000 men with 15 divisions. Now it is being reduced further to 870,000 men with 14 divisions in fiscal year 1959.

This reduction below 900,000 and 15 active divisions, it is obvious, does not reflect the judgment of the Department of the Army, nor does it reflect the judgment of the Joint Chiefs of Staff. They did not approve the reduced strength of 870,000.

The Soviet threat today most surely does not indicate we should reduce the Army below 900,000. I need not dwell long on this threat. The bare headlines of your daily newspaper manage to convey much of the story. We cannot shut our eyes to the Soviet military forces of 4 million men, which includes an army of 2½ million. To this must be added a Chinese Communist force of another 2½ million.

Consider, now, the 15 active divisions we presently have—5 in Europe, 2 in Korea, 1 in Hawaii at reduced strength, and the remaining 7 in the continental United States and Alaska. This is little enough for the Army to meet its commitments. A reduction from 900,000 to 870,000 means one less division, which must come out of the strategic Army force here in the United States, and the loss of essential combat and logistic support for oversea and continental forces.

This means reduced ability in the Active Army to carry on training and to support a paid drill Reserve force of 700,000 which we most certainly must have—a National Guard of 400,000 and a Reserve of 300,000. Viewed against these basic necessities, it is my firm conviction that to reduce the Active Army to 870,000 or the Reserve force below 700,000 is dangerously unrealistic.

This continuing reduction in our Army and the lessening of its capabilities results in a continued sole reliance upon a strategy of massive retaliation, thus greatly reducing our capability for dealing with any aggression short of general war; weakening our collective security system; encouraging neutralism among our allies; and encouraging aggression by the Communists. To stop such a trend, I sincerely believe we must have an Active Army of 900,000, including 15 divisions, which are well equipped with modern weapons and the latest equipment, and a 700,000 paid drill Reserve force structure with units equipped and organized exactly the same as our active units.

Always, Mr. Chairman, we are faced with the question: How much is enough; what does it cost, and can we afford it? To my mind, we are now faced with an obvious fact that this proposed Army of 870,000 is not enough. The present 900,000 with 15 divisions is a bare minimum. I do not think there is a question of whether we can afford to spend $59 million to keep the Army force at 15 divisions. The question is whether we can afford not to spend it.

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut [Mr. KOWALSKI].

Mr. KOWALSKI. Mr. Chairman, I have a great deal of respect for the gentleman from Pennsylvania. I not only learned a great deal from his talk, but I enjoyed it very much. However, I rise in opposition to his amendment.

Mr. Chairman, I rise in opposition to the amendment for two fundamental reasons: First, I cannot vote for any program which will draft a single young man that we do not need; and, second, I cannot vote for one dollar that the Army does not need. I think this program requires unnecessary expenditures, and the men are not needed in the Army. I am convinced the Army is adequately staffed.

Let me give you some figures. As of March 31, 1959, only 2 months ago, the Army had 878,692 men. It had 15 divisions. In other words, it would appear from the Army report that 878,692 men are sufficient to support 15 divisions. Today we have 14 divisions and approximately 870,000 men. If the amendment is for the purpose of giving us 15 divisions, then let us amend this bill so that it will give us 15 divisions and not increase the number of men.

I would like to also tell you where I believe the Army can find these men. In my survey in Washington, limited only to three Army installations, one large and two small, I found about 500 enlisted men performing nonessential duties, working as servants for colonels, generals, and other officers, working in officers' clubs and in messes and sorting groceries in commissaries. The Navy, Air Force and Marines are in the same boat. These 500 men are available for the 15th division. By extrapolating these findings, I am convinced that throughout the Army the 8,692 men that are needed for the 15th division can be found and should be found, and that the Army is not playing ball with the country and with the Congress.

Therefore, I shall support only such a program as will give us the 15 divisions, but will not support an increase of 1 penny or one drafted soldier when we do not need the money or the men.

I cannot vote for any personnel increases in the military service until they utilize the manpower they now have effectively and efficiently.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. MAHON] to close the debate on the pending amendments.

Mr. MAHON. Mr. Chairman, I rise to speak in opposition to the amendment which has been offered by my able friend from Pennsylvania, Mr. FLOOD. The amendment provides for an increase in the bill in the sum of approximately $100 million. We cannot let budgetary matters predominate when the security of our country is involved. But we are interested in budgetary matters and in the taxpayers' dollars and in fiscal responsibility. Most of the appropriation bills that have been brought in this year have been brought in below the budget. It seems that we are making a fairly good record for economy. We should continue to do the best we can.

I would hesitate, after we had made a $400 million reduction below the budget in the pending bill, to wipe out one-fourth of that reduction in this instance unless the reasons were most compelling.

Mr. Chairman, I would like to point out clearly what the issue is here. The

issue is whether or not we will provide funds for 30,000 more men in the Army than we will have on June 30 when this bill is scheduled to become effective. Last year we had a controversy over this matter, but at that time the Army was approximately 900,000. Today it is approximately 875,000, and at the time when this bill will take effect, on July 1, 1959, we will have 870,000.

To say that you have got to go out and draft 30,000 additional men and pay them, train them, and buy the equipment for them, does not seem necessary under the circumstances. This could not, in my judgment, be a decisive action in any future conflict in which we might become engaged.

I was interested in the discussion of the gentleman from Connecticut who just preceded me. He is, I understand, a graduate of West Point, a former Army colonel. He says that he will not sanction the drafting of additional men or increasing the size of the Army as long as the Army is failing to utilize appropriately several thousand people which it now has. I understand he and others of the Committee on Armed Services are working on legislation which may be fruitful with respect to the question of more effective utilization of Army personnel.

So I trust that the House will support the position of the committee, the position of the Secretary of Defense and others. The bill provides funds to continue during the coming fiscal year the same size Army, manpowerwise, as we shall have at the end of the current fiscal year.

That seems to be a sensible conclusion, particularly in view of the fact that in order to be better prepared for limited war we are already considerably over the budget with respect to the Army. And not only that, in an effort to take precautions for a limited war of some duration and to strengthen our position in this field we have gone above the budget in the Reserves, and we have gone above the budget in maintaining 400,000 men in the National Guard. So I trust, Mr. Chairman, the committee will be supported and that this amendment which calls for an additional appropriation of $100 million will be defeated.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. BONNER. Who decides this question as to what will be the size and strength of the army—the Committee on Armed Services of the House or the Committee on Appropriations? Whose responsibility is that?

Mr. MAHON. We have before us a budget for supporting an army during the coming fiscal year of 870,000 men. We have provided funds for that number. It is up to the Congress to decide what it wishes to do with respect to funds.

Mr. BONNER. Has the present size of the Army been designated by the House Committee on Armed Services?

Mr. MAHON. I do not believe the present size has been fixed. There are members on the Committee on Armed Services present who might comment in more detail.

Mr. BONNER. I am just trying to find out who to follow in this matter.

Mr. MAHON. I do not believe there is a definite fixed ceiling with respect to the size of the Army.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. FLOOD. In this bill we are putting a floor under the Guard of 400,000 and under the Reserve of 300,000. My purpose is to do the same thing for the Army and for the Marines.

Mr. MAHON. But, we have a reserve strength now in the National Guard of 400,000 and we provide in this bill for continuation of the same strength as of June 30 of this year.

Mr. BONNER. The only question that I want to have answered is—whether it is the prerogative of your committee or the prerogative of the legislative committee to set the size of the Army.

Mr. MAHON. I would say it is the prerogative of the legislative committee to set the size of the Army, if we are going to set the size of the Army. What we are doing here is to provide the funds for an Army of 870,000.

Mr. BONNER. So if there is any dispute in this matter, then the legislative committee should hold hearings and determine the question; is that correct?

Mr. MAHON. I think the gentleman is correct.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendments offered by the gentleman from Pennsylvania [Mr. FLOOD].

The question was taken; and on a division (demanded by Mr. FLOOD), there were—ayes 43, noes 131.

So the amendments were rejected.

Mr. FLOOD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FLOOD: Page 2, line 12, strike out "$3,233,063,000" and insert "$3,233,000,000, to be disbursed in such manner that the military personnel, Regular Army, shall be maintained at not less than 900,000 during fiscal year 1960."

Mr. MAHON. Mr. Chairman, I make a point of order against the amendment on the ground that it is legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from Pennsylvania desire to be heard on the point of order?

Mr. FLOOD. Yes, Mr. Chairman; I would like to be heard.

The CHAIRMAN. The Chair will be pleased to hear the gentleman.

Mr. FLOOD. Mr. Chairman, the amendment I have just offered, instead of raising the bill and adding money, reduces the amount of the appropriation and is in the nature of a retrenchment. I take the position that it is, first, germane to the bill, obviously. And, secondly, it is obviously a retrenchment because it reduces the amount of the appropriation instead of adding to it, and it directs that the funds be used for the purpose of keeping the Army strength or making the Army strength at 900,000. The only question that would be in debate on the point of order made by my friend, the gentleman from Texas, would be as to the latter provision. Certainly, this amendment is germane. Secondly, I submit it is a retrenchment. I refer the chairman to rule XXI, paragraph 2. The Chair is aware, of course, that it says:

Nor shall any provision in any such bill, or amendment thereto, changing existing law be in order except such as, being germane to the subject matter of the bill, shall retrench expenditures * * * by the reduction of amounts of money covered by the bill.

I submit, Mr. Chairman, that on the first two points I am flatly in point and I submit to you, sir, in the bill itself there is a provision under the general provisions thereof stating that the funds in this bill cannot be used for any other purpose than those declared in the bill, and no other funds can be used for that purpose.

I submit, sir, that this is a flat, and intended by me to be a flat, limitation upon the Department of Defense. It permits no discretion to be utilized so it can be abused. It is a flat limitation upon the expenditure of funds.

It is not trying to do indirectly what I cannot do directly. I submit, therefore, that this constitutes an exception to the so-called Holman rule.

The CHAIRMAN. Does the gentleman from Texas desire to be heard on the point of order?

Mr. MAHON. Mr. Chairman, I would like to be heard briefly.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. MAHON. Mr. Chairman, all limitations on the size of military personnel have been suspended by Public Law 86–4, section 2, until 1963. Therefore there are no limitations—ceilings or floors—in effect during fiscal year 1960.

The amendment proposed would have the effect of establishing a floor as to the size of military force.

This amendment imposes additional duties on the executive branch since it would require them to maintain a specific number of troops, a requirement which does not exist at the present time. The amendment therefore is legislation on an appropriation bill.

This does make a reduction of $63,000 in the amount carried in the bill but funds would have to be disbursed on the deficiency basis which will require the appropriation of additional funds for this same purpose during fiscal year 1960 which is the period covered by this bill. Therefore, this is not a retrenchment as provided by the Holman rule. The language itself does not show retrenchment on its face.

Mr. FLOOD. Mr. Chairman, may I be heard briefly in rebuttal?

The CHAIRMAN. The Chair will hear the gentleman briefly.

Mr. FLOOD. Mr. Chairman, what I say will be a complete rebuttal. The only element the gentleman brings in is the question of the use of the funds. Certainly this affects the use of additional funds unless the Department of Defense came in for supplemental appropriations which would have to be by act of the President as an affirmative act.

The amendment is a limitation on the expenditure of funds in their discretion.

The CHAIRMAN (Mr. KEOGH). The Chair is prepared to rule.

The gentleman from Pennsylvania offers an amendment to the pending bill which seeks in addition to reducing the amount by $63,000 to add language directing that the appropriation be disbursed in such manner that the military branch of the Regular Army shall be maintained at not less than 900,000 for the fiscal year 1960.

While in the opinion of the Chair this amendment does in effect seek to retrench expenditures, it does by the language added impose upon the executive branch a mandatory duty of maintaining personnel at a figure greater than provided in the pending bill; and in the opinion of the Chair constitutes legislation on an appropriation bill. Therefore, the Chair sustains the point of order.

The Clerk will read.

The Clerk read as follows:

MILITARY PERSONNEL, MARINE CORPS

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), expenses of temporary duty travel between permanent duty stations, for members of the Marine Corps on active duty (except those undergoing reserve training), and expenses of apprehension and delivery of deserters, prisoners, and members absent without leave, including payment of rewards of not to exceed $25 in any one case, $596,900,000, and, in addition, $15,000,000, to be derived by transfer from the Marine Corps stock fund.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I sought this time in order to ask a question of the chairman of the subcommittee. I should like to know where in the bill funds are provided for MATS, the Military Air Transport Service?

Mr. MAHON. The principal provision for MATS is in operation and maintenance under the Air Force, which is carried in a later section of the bill. However, wherever there is travel in the various sections of the bill there is money for MATS, because the Military Air Transport Service is under an industrial-type operation, and the various services which utilize MATS pay for these services.

Mr. GROSS. The funds are scattered all through the bill?

Mr. MAHON. Yes.

Mr. GROSS. And cannot be reached in one amendment?

Mr. MAHON. Not very well.

Mr. GROSS. Let me ask this further question: Is MATS reimbursed for plane travel by Members of Congress?

Mr. MAHON. No.

Mr. GROSS. I do not mean by Members of Congress; I mean reimbursed by the Congress.

Mr. MAHON. No.

Mr. GROSS Or by any committees of Congress?

Mr. MAHON. Whatever service MATS performs somebody has to pay for, and it is paid for from other appropriations, from these various funds.

Mr. GROSS. The reason I ask is because one of MATS four-motored jobs was wheeled out last night to take a load of Members of Congress over to London to a meeting of the U.S. Committee for the Atlantic Congress. I am informed that the meeting is sponsored by a so-called nonprofit organization.

I have checked and I find no resolution has been passed by Congress, no legislative action of any kind taken by Congress to provide for this meeting in London. I called MATS this morning to find out who is going to reimburse, who is going to pay MATS for the use of this plane that went over last night to London carrying this bunch of junketeers.

MATS says it is not going to be reimbursed; that by some hocus-pocus this junket to London is called a defense meeting. I say again it has no sanction in Congress, and no funds have been provided by the Congress.

As I understand it from reading the hearings, these MATS planes are carpeted from wall to wall, they have a compartment in the front end which has special seats and accommodates 10 people. I understand that compartment is designed to take care of the VVIP's—the very, very important people. But at any rate this MATS plane which was wheeled out last night is one of the four jobs that fly back and forth across the Atlantic hauling junketeers, among others.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. The gentleman forgets the beautiful blond Wafs who are on board.

Mr. GROSS. Is that something the gentleman inquired about during the hearings?

Mr. Chairman, with or without the blonds or brunets, it is high time that this matter be looked into. I find that this plane was ordered out by the chairman of the House Foreign Affairs Committee, the gentleman from Pennsylvania [Mr. MORGAN]; that is, he wrote a letter to the Secretary of Defense requesting use of a plane for this junket. I say to you it is high time that Congress takes note of what is going on. It should not be within the authority of the chairman of any committee of the House of Representatives or of the other body to be able to order out a four-motored plane to go off on a junket that has not even been sanctioned by the Congress. I want you to know that I am going to pursue this thing to find out how MATS is paid for this trip and who is picking up the check for the so-called Atlantic Congress meeting in London.

Mr. MAHON. This is the first knowledge I had of this trip.

Mr. GROSS. There are others.

Mr. MAHON. I am not able to answer this particular question as to who pays for it, or if the State Department is calling upon MATS to perform the service.

Mr. GROSS. I said the chairman of the House Foreign Affairs Committee had got this job done insofar as the plane is concerned.

Mr. MAHON. If it is a request of the Congress and it has something to do with the military budget, it may be taken from the contingent funds of the Department of Defense. I do not have enough information at the moment. I shall be glad to cooperate with the gentleman in getting the facts.

I may say that while there are some abuses by Members of Congress in using military means of travel, the abuse by Members of Congress is infinitesimal when compared with the abuses of the military themselves in the unwarranted use of aircraft.

Mr. GROSS. That is like saying that because the military does something wrong, it is less worse if done by Congress, and I do not buy that at all.

Mr. MAHON. I am not defending the improper use of Department of Defense aircraft by Members of Congress or others. I regret I cannot give my friend a better answer at this moment.

The Clerk read as follows:

RESERVE PERSONNEL, ARMY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army Reserve on active duty while undergoing Reserve training or while performing drills or equivalent duty, and for members of the Reserve Officers' Training Corps, as authorized by law, $231,700,000.

Mr. SIKES. Mr. Chairman, I have two amendments at the Clerk's desk, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. FORD. Mr. Chairman, reserving any and all points of order, I will be glad to have them read en bloc, but I would like to hear what they are and, therefore, reserve a point of order against both of them.

The CHAIRMAN. Without objection, the Clerk will report the amendments, then the Chair will put the unanimous-consent request of the gentleman from Florida.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. SIKES: Page 4, line 9, after the figure, strike out the period, add a semicolon, and the words "*Provided*, That the average strength of the Reserve personnel, Army, shall be maintained at not less than 300,000 during the fiscal year 1960."

Page 5, line 16, strike out the period, add a semicolon and the words, "*Provided further*, That the Army National Guard shall be maintained at not less than 400,000 during the fiscal year 1960."

The CHAIRMAN. Is there objection to the request of the gentleman from Florida that the reported amendments be considered en bloc?

Mr. FORD. Mr. Chairman, I reserve a point of order against the amendments. I have no objection to their being considered en bloc, but I still reserve a point of order against them, either en bloc or singly.

The CHAIRMAN. The gentleman may make his point of order after the unanimous-consent request has been granted. Without objection, the amendments will be considered en bloc.

There was no objection.

Mr. SIKES. Will the gentleman reserve his point of order so that I may discuss the reasons for my amendments?

Mr. FORD. Of course, I will accept the request of the gentleman from Florida.

Mr. SIKES. Mr. Chairman, of course these amendments are subject to a point of order. We all recognize that fact. I trust, however, Mr. Chairman, that the distinguished gentleman from Michigan, who is a friend of the Guard and a friend of the Reserve, will not press his point of order, and here are some of the reasons why I trust he will not do so.

I would like to emphasize to the membership, Mr. Chairman, the fact that these amendments will not cost one additional red cent. All the money that is needed is in this bill to maintain the Guard at 400,000 and to maintain the Reserve at 300,000. Therefore, to make the language mandatory adds no cost to this bill. It does insure, however, that we will have a National Guard of 400,000 and a Reserve of 300,000. I submit that is a very important consideration in view of the fact that the Regular Army is being cut back year after year after year. We are now down to 870,000. We are now down to 14 divisions. If we want to insure that the Guard and the Reserve, which are the lowest cost military forces that we have, will be maintained in a position to step in and help the Regular Forces, this is the way to do it.

Now, I submit, Mr. Chairman, that last year the Department of Defense wanted to cut back the Guard as they do this year, wanted to cut back the Reserve as they do this year, wanted to cut back the Army as they have done. In the Congress mandatory language was written to make it prohibitive that the Guard and the Reserve be cut back. Money was carried in last year's bill for the maintenance of the strength of the Guard and the Reserve and the Army, but since there was no mandatory language, to protect the strength of the Army, the Army was cut by the Department of Defense while the Guard and the Reserve were maintained at the levels specified by Congress. So, if we want to be sure that the Guard and the Reserve will be maintained, that this money in the bill may not become simply a meaningless gesture, the only way we can do it is to write in the mandatory language I offer. I hope that the gentleman from Michigan or any other Member will not see fit to press for a point of order. The Guard and the Reserve are your people back home, and America has never won a war without them. Now let us give them a break.

Mr. SIKES. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. WOLF] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. WOLF. Mr. Chairman, the present Reserve program as it is constituted is not one which gives the United States the kind of security that we should demand of it in this period in our history. The fault is not with the Reserve officers and men who belong to the various units around the country. Rather it is the fault of the Regular armed-service officers in the Pentagon who refuse to assign an important role to the Reserve arm of our military forces.

Last winter I had the pleasure to appear before a Reserve Air Force officers' group in Milwaukee, Wis. Mr. Chairman, these men are bored with their training. Their training is clearly silly and has no connection with the national defense. They are angry with their Government because their Government has not given these men serious tasks to perform even though these men are highly trained and skilled officers.

What were these men ordered to do? They were to study effective public speaking. What does that subject have to do with national defense? Who are we kidding in these programs? Ourselves? The Russians? I am afraid we are kidding ourselves.

Mr. Chairman, we live in fearful times. We talk and think national defense and national security. We spend billions for national defense. But I doubt if we really have an adequate defense. We are drifting. We are clinging to the habits of the past like desperate men, refusing to reexamine our basic defense system. We refuse to ask if we are not heading for mass destruction by building more and more weapons and missiles and hydrogen bombs without considering that mankind is at stake. This, I feel, is the basic question.

But even accepting the frame of reference that we are all operating in, I fear that we are throwing out millions without stopping to ask if we are utilizing our manpower in the ways that it can best be used. And a good example of this is our present Reserve programs where men come to meetings, sit around and study handbooks which have such chapters as the following in them:

TABLE OF CONTENTS OF PUBLIC SPEAKING MANUAL NK45–0001

Chapter 1. Effective Speaking Essentials.
Chapter 2. Speech Preparation.
Chapter 3. Effective Speech Introduction and Conclusion.
Chapter 4. Delivering the Talk—Platform Etiquette.
Chapter 5. Expression in Conversation.
Chapter 6. Conference Methods.
Chapter 7. Effective Expression in Writing.
Chapter 8. Preparation of Correspondence.
Chapter 9. Preparation of Orders.

Day after day I receive mail from very serious military reservists who are extremely critical of our Reserve programs. I sincerely hope that the military leaders and Congress will look seriously into this program and see how we may improve our national defense posture by making the Reserve a significant part of our defense system.

Mr. FORD. Mr. Chairman, I make the point of order that this is legislation on an appropriation bill. I believe there are ample precedents to sustain such a point of order.

May I say, however, that I join the gentleman from Florida and others on the subcommittee in increasing the appropriation for the Army National Guard and the Army Reserve, to raise the number on active duty in the guard from 360,000 to 400,000 and for the Army Reserve from 270,000 to 300,000.

I am in full accord with the desire for larger strength, but I do feel that it is unwise to put this kind of language in an appropriation bill. Therefore, Mr. Chairman, I insist on my point of order.

The CHAIRMAN. Does the gentleman from Florida desire to be heard further?

Mr. SIKES. No, Mr. Chairman. I concede the point of order.

The CHAIRMAN. The Chair sustains the point of order.

The Clerk will read.

The Clerk read as follows:

RESERVE PERSONNEL, MARINE CORPS

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Marine Corps Reserve and the Marine Corps platoon leaders class on active duty while undergoing reserve training, or while performing drills or equivalent duty, as authorized by law, $24,300,000.

Mr. MAHON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise simply to say that I think the RECORD should show that it is the sense of the particular subcommittee that worked on this bill and, in my opinion, it is the sense of Congress, that the Army National Guard should be continued at 400,000 and the Army Reserve at 300,000. We have provided funds for that purpose. It would not be appropriate in this bill to provide mandatory language, but I want the RECORD to show that it is the wish and the desire of Congress that the Guard and Reserve be maintained at this level. I am constrained to believe that the Department of Defense will follow the will of the Congress in this matter.

Mr. SHEPPARD. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from California.

Mr. SHEPPARD. Would the gentleman also indicate to the membership that if this fund is not expended for this purpose, it is the intent of the Congress that it shall not be diverted to other purposes?

Mr. MAHON. The gentleman is correct.

Mr. ANDERSON of Montana. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Montana.

Mr. ANDERSON of Montana. Last year we appropriated money for a 900,000-man Army. Would it not equally have been the view of the chairman of this subcommittee that the Department of Defense should have used that money to provide a 900,000-man Army?

Mr. MAHON. I felt that the Army should have been maintained at 900,000, in view of the fact that Congress provided funds for an Army of 900,000, but the Army, nevertheless, has been reduced to 870,000.

I have been in touch with some of the people in the Pentagon who have to do with Reserve and National Guard matters, and I am of the opinion that as a compromise with respect to this issue of the strength of the various forces that the will of Congress will be carried out with respect to the National Guard and with respect to the Reserves.

It does seem to me, though, that if we are going to have mandatory strength levels, we ought to have hearings in the

Committee on Armed Services and we ought to come in here and vote on these matters and fix the policies and the strengths. We should not do it by amendments on an appropriation.

Mr. ANDERSON of Montana. Mr. Chairman, will the gentleman yield further?

Mr. MAHON. I yield.

Mr. ANDERSON of Montana. In the hearings before the Committee on Armed Services, of which I am a member, the Department of Defense definitely gave us the impression that unless such floors as proposed by the gentleman from Florida [Mr. SIKES], were inserted this year, they would cut the Guard and the Reserve to the lower figures of 270,000 and 360,000.

Mr. MAHON. I hope that reconsideration will be given that position, and I am inclined to believe it will.

Mr. WINSTEAD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think the committee has done a good job in making available funds for the National Guard and Reserve units, but I am confident what the gentleman from Montana [Mr. ANDERSON] just said is true. Defense witnesses told us in committee, or just as good as told us, that they expected to cut back.

I would like to call attention of the Members of this House to the record, which speaks for itself. In case we get into a limited war, such as the Korean conflict, in my judgment we will be in worse shape or are in worse shape today than we were then, if they limit us on the weapons that can be used to fight the war. We were limited in the Korean conflict. Let us make no mistake about it.

I think the record should show that the Congress of the United States and the American people supported the Military Establishment in a policy of keeping us out of war or of winning a war if we had to get in one. It was the administration under President Truman that cut back the funds for airplanes and other weapons that Congress had appropriated, and, therefore, did not give us the strength that Congress called for. I recall that he called in then Mr. Eisenhower who was head of a university, as a civilian adviser to Mr. Forrestal and Mr. Louis Johnson, and upon the recommendations that he got, we were cut back. The record will speak for itself.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. WINSTEAD. I yield to the gentleman from Florida.

Mr. SIKES. Mr. Chairman, the gentleman is making a very important contribution to this debate. I would like to call attention to the fact that in the hearings before the Appropriations Subcommittee not one Army officer, after he had been freed from the requirement that he support the budget, said that the Reserve and the Guard should be cut. Every one of them said they should be maintained at present levels, regardless of the recommendations of the Bureau of the Budget and the Department of Defense. And I assume that that is exactly what happened in the gentleman's committee.

Mr. WINSTEAD. That is exactly so. Some time ago, they came before us to brief us—I believe in 1955—and I believe they asked for something like 600,000 National Guardsmen, as well as great numbers of active reservists. Admiral Radford, Chairman of the Joint Chiefs, and the various secretaries, and others in the administration said, "If you do not do this, it will be necessary to reappraise the whole thing."

But do as you please about it, I do not think Congress can make the President of the United States spend the money on the National Guard or on the Reserves, either. We could not do it under President Truman, and I do not think we can do it under the Eisenhower administration. I want the record to speak for itself, so far as I am concerned. I think the American people should know that it was not the Congress of the United States that cut the military back prior to the Korean war. All we could hear in our committee at that time were the admirals and generals and secretaries saying, "If Congress will appropriate the money, we will be able to meet the situation." We had previously appropriated money which was never used.

I say to you, if they are going to limit us on the weapons that we can use, as they did when we sent the troops into Korea and Lebanon, we will find ourselves in a critical plight. They sent conventional war equipment in these places. We heard a lot about the use of atomic weapons prior to that time, but we heard nothing about their use around the time when they were firing on Matsu and in other sections of the world. I say that the testimony from Secretary McElroy, before our committee, on questioning by myself and others, shows that he admitted there is far more danger of being involved in a limited war than in a general war.

As far as I am concerned, we have the right kind of weapons today if Russia wanted to start a global war. Thank God, the President took a firm stand in the situation in Berlin in Western Europe. I think he did a wonderful job when he made his position clear. I am not afraid of actually winning with the weapons that we have and would use in case of a global war with Soviet Russia.

I have not taken the same position about rockets and missiles as some others have taken because I think they are talking about a few years from now. But, I say to you, I am concerned with our limited warfare capability. What I say today is only to point up in the RECORD that the administration should take the responsibility if they refuse to keep our National Guard and Reserves strong enough to meet the situation. It is the cheapest manpower that we can have to meet the situation. I just wanted the record to be definitely clear. So far as I am concerned, I hope the administration will not do as they have done time after time. We provided for a Reserve of 300,000, and a National Guard of 400,000 last year but neither the Guard nor the Army Reserves have been maintained at those strengths. The Army was reduced to 870,000 and they are cutting back the Marine Corps from 188,000 to 175,000. Frankly, that does not suit me, in view of all this talk of what might happen in Berlin and elsewhere.

Mr. JOHNSON of Colorado. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have listened with deep appreciation to the fine explanation given this bill by members of the committee. The chairman, Mr. Mahon, concluded his remarks with the observation that he favored neither big wars nor small wars—he favored no wars. Certainly he speaks for every member of the House, and every responsible American, in this statement.

The pending bill represents one-half of all the money this Congress is likely to approve this session. In considering this measure, we are acting on our constitutional obligation to pay the debts and provide for the common defense and general welfare of the United States.

The Preamble of the Constitution clearly provides that the purpose of our Government is to establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity.

Mr. Chairman, I think the time has come in our national existence when we must reexamine the meaning of common defense. We now have in our arsenal weapons in the name of common defense which, if used, will prevent us, and prevent the world, from having any posterity who might enjoy the blessings of liberty. Certainly we must consider all of our duties as harmonious rather than as mutually inconsistent.

What does it mean, then, truly to provide for the common defense? If our Nation used its atomic arsenal, and our adversary did not retaliate, we would destroy not only our adversary but hundreds of millions of neutrals, and millions of our own people as well, from the effects of radioactivity. Similarly, if our adversary attacked us, and we did not retaliate, millions of neutrals as well as people in the attacking country would still be destroyed. This represents a practical reason, in addition to the overwhelming moral reasons, for ruling out any preventive or preemptive war. If our adversary were to retaliate, as many as half of the population of the United States might well be vaporized within 6 hours after the outbreak of hostilities, and another one-fourth might also be stricken by radioactivity.

In view of these circumstances, it is not surprising that the sober military judgment is that there is no defense against warfare which includes nuclear bombs. There is only the capacity for mutual extinction. To speak of preparation for such a war as common defense is to believe that neither side will ever resort to the use of the weapons with which each is provided. Yet it is the history of every arms race that it has ended in hostilities in which the arms are employed.

Mr. Chairman, this generation has a rendezvous with destiny. We must provide for the common defense, not merely

of our Nation, but, even more, of the right of human life to exist on earth. It is tragic that our Nation has been so gripped by fear of communism we have spent as much on military programs since the war as we spent on World War II.

Many of this generation seem to believe that the most significant event in history was the Communist manifesto and its aftermath. Other sober students of history would still insist that the American Revolution, the Declaration of Independence, and the U.S. Constitution have been more profound influences on world history. I am one who believes that the greatest event in history took place in Bethlehem over 1,900 years ago.

Under the law, before that time, it was said that justice consisted of an eye for an eye and a tooth for a tooth. There have been those who raised that law to a life for a life and a city for a city. In this budget, and what it represents as part of the great powers' arms race, we are preparing to raise that law to a civilization for a civilization.

And yet the man from Galilee gave us a new law that you overcome evil with good; that we should not give ourselves up to vengeance; indeed, that we should love our enemies. With this as our moral principle, let us take another look at the Federal budget.

Mr. Chairman, the total national defense and mutual security budget this year will require about $260 per capita in the United States. The world's population today is something over two and a half billion persons. Each year we are spending about $18 for every man, woman, and child on the face of the globe in preparing for man's destruction.

Yet the Congress appropriated last year only $50,000 for the Senate Subcommittee on Disarmament to work on alternatives to the arms race. The Communist offensive now is increasingly one of economic aid and penetration. For economic aid, for technical asssitance, for all the refugee programs, educational exchange, atoms for peace, all our donations of agricultural surpluses to needy people abroad in about 80 countries, and for the Development Loan Fund, these appropriations amounted to little more than $1.4 billion. That represents $8 per U.S. citizen, or about 50 cents per capita globally.

For the settlement of disputes by peaceful means, and to encourage the growth of world law through the United Nations, our expenditures for the fiscal year 1958 were approximately 10 cents for each U.S. citizen.

When we add the specialized agencies for food, health, children, refugees, the United Nations Emergency Force, the grand total for the United Nations agencies and programs last year came to a $120 million, or about 68 cents per each U.S. citizen; or about 4 cents for each person in the world.

The high cost of defense is the strongest argument against adequate schools, hospitals, and other essential services at home. Have we examined fully the other costs of this program in the waste of material, in the support of dictatorship and tyranny, and in other ways?

Are we concerned with the growing power of the military establishment over the national economy, over research and over the allocation of so many of our resources?

We are told this is a peace budget. Peace will be built, not by terror, but by the settlement of disputes by peaceful means—however difficult negotiation may be—by all-out support of the United Nations in establishing the rule of reason and the rule of law, and by earnest support of general disarmament. The hundreds of millions of hungry persons in Asia and Africa cannot eat our bayonets, do not want to be blanketed with fall-out from our bombs, but do want our sympathetic help in establishing healthy economies and in overcoming hunger, misery, illiteracy, disease and poverty without the totalitarian methods of communism.

I submit, Mr. Chairman, that in providing for the common defense we are operating too heavily from our fears and too little from our faith. This generation has it within its power to attack successfully men's ancient enemies—hunger, misery, illiteracy, disease, and poverty. If we could significantly reduce this military budget and apply only a third of the reduction to a global war on these enemies, I believe that we would by so doing more truly provide for our common defense.

An all-out assault on illiteracy, for example, would take but a small portion of our present military budget. Yet it would be the finest investment we could make in the cause of world peace and human freedom. Indeed, without such an all-out assault, our efforts at economic development will be faulty and inadequate.

If another portion of the reduction could be applied to improving the well-being of our own citizens, this would contribute to our common defense and to the peace of the world.

Several billions of dollars a year here at home would soon get rid of our slums, clean up our streams; eliminate air pollution and purify the very air we breathe; help develop decent housing for all our citizens, give us better highways and systems of mass transportation; and provide adequate park and recreational facilities for our people.

By devoting a portion to these purposes, the taxpayer would enjoy a higher standard of living at no increase in taxes. I submit that the remainder of any saving should be used to balance the budget, retire debt, and reduce personal taxes.

If the world saw the United States earnestly pursuing this course of action, and so changing its budget, in the years ahead, our prestige in the world would rise tremendously. The fears of war would be greatly abated. The hopes of the world would be given a tremendous lift.

Mr. Chairman, I conclude simply by quoting Adlai Stevenson at Urbana, Ill., on May 12, when he said:

> What we seek is a world in which our children need not live under the atomic shadow. We need it as much as anyone else, we have more to lose than anyone else, and no exchange of benefit is involved. And if it is the cost that is in question, I suggest that what we do to lift our neighbors' living standards is entitled to the same priority as what we do for our defense.
>
> And in the same measure we should be neither sure nor proud. We are part of a human experiment that may founder. We have all set our hands to a science we cannot control. We all stand on the edge of the mysteries of outer space. We all live under judgment before an infinite Godhead. It behooves us, therefore, to express in all our dealings with the other peoples our sense of belonging to one endangering family, and sharing with it our part of hope and aspiration, our part of error and shame. Then perhaps our voice will be tolerable, our wealth forgiven, and men will sit down with us in amity to work for a better, safer world.

Mr. Chairman, it is with heavy heart that I must say to the House that I believe this appropriation measure represents 1 more year of neglect of the course of action I believe this Congress and this Nation must pursue in the interests of providing for the common defense, promoting the general welfare, and securing the blessings of liberty to ourselves and our posterity.

We say we are buying time. Yet, as General Bradley has properly warned: "Time is running out—with the speed of a sputnik." The time for more constructive action is now.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. MAHON. Mr. Chairman, I ask unanimous consent that the gentleman from Colorado be allowed to proceed for 5 additional minutes. He was promised time in general debate, but as things developed it was not available to him.

Mr. MASON. Mr. Chairman, I object.

The Clerk read as follows:

RESERVE PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air Force Reserve on active duty while undergoing reserve training or while performing drills or equivalent duty, and for members of the Air Reserve Officers' Training Corps, as authorized by law, $54,000,000.

Mr. ALGER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to respectfully direct questions to the gentleman from Texas [Mr. MAHON] relative to a matter that he and his colleagues have taken up in committee on a number of occasions. I have endeavored to follow as much of it as I can in volume 1 of the hearings and I have been studying this subject, I might say, for quite some time inasmuch as it also affects my district. I am talking about the cancellation of the Regulus II missile. The gentleman from Texas spoke of this, and the gentleman from Pennsylvania [Mr. FLOOD] just directed his attention to this.

I could refer directly to the testimony in the hearings but I think it better just to ask the question and then refer to the testimony if the answers are not adequate.

Mr. Chairman, then, I would like to ask the gentleman from Texas this first question: In the committee hearings did it develop that there did seem to be a timelag or a time gap, rather, between

Polaris coming into being, coming into reality, and the use of Regulus II as a missile in being? In other words, creating a gap between the two.

Mr. MAHON. The evidence, I believe, will show that this Regulus II of the Navy is a surface-to-surface missile to be used aboard ship. In trying to get as much defense as possible from a limited amount of money, as could safely be done, the Secretary of Defense had various programs surveyed, and it was determined that the Regulus program could safely be eliminated, because the Polaris program of the Navy was moving forward so rapidly and the Polaris would be available much earlier than previously anticipated. It was felt that considerable money could be saved without any great hazard to national defense by canceling the Regulus, and that was done. The Regulus is a good missile, but it was stricken for reasons of economy, and under the circumstances I think it probably was the correct decision.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. ALGER. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. The gentleman refers to the chairman's answer to the question of the gentleman from Texas [Mr. ALGER] is that there will be a definite gap between the operation of the Polaris and the operation of the Regulus already in being. The Regulus is a great missile. We are concerned about the Russian opposite number of the Regulus. The Russians have the opposite number of the Regulus to be fired from submarines. We are worried about it. It is a dangerous weapon, and we have nothing in its place against these short-range Regulus missiles. So if the gentleman is worried, keep on worrying; you should.

Mr. ALGER. I thank the gentleman. I think all of us are concerned to know what our position will be if we limit our use of operational missiles successfully tested.

My second question of the distinguished gentleman from Texas relates to the comparison or differences between these two missiles, as it is sought to replace one with the other. I understand that the Regulus is in being and that is proven; that the other is not yet operational. Do not these missiles fall in different categories and is not one supplemental to the other? I talked to the Chance-Vought people and they told me categorically that one missile would not replace the other but that they were complementary missiles each supplementing the other. The Regulus, unlike the Polaris, can be guided throughout its flight.

Mr. MAHON. To some extent I think Chance-Vought is right; there is considerable difference between the two missiles. They are more or less complementary. But in view of the great deterrent power of the Polaris missile as compared with the Regulus, and this is a question of opinion, all we could do was to accept the decision of the Secretary of Defense to cancel this missile. It is not possible for the Congress to decide what types of missiles should be utilized by the armed services.

Mr. ALGER. I appreciate the gentleman's answer very much. May I ask the Chairman if he feels there was any difference of opinion, recognizing that there could be honest differences of opinion, of the people dealing with these weapons in the office of the Secretary of Defense and the Navy, respectively, and that the Navy wanted the Regulus II?

Mr. MAHON. Unquestionably the Navy people interested in Regulus wanted to concentrate on Regulus. This was a decision made by the Navy, feeling that they had to live within a reduced budget and that this was the best action they could take to carry out the missile program with the funds at their disposal.

Mr. ALGER. Mr. Chairman, all of us are interested in maximum defense for the money spent. We also expect a well rounded defense program. For these reasons I am very concerned over the cancellation of the Regulus II missile. I have studied the hearings, that which has not been deleted for security reasons.

On page 94 and elsewhere in the hearings statements are made in which the Polaris has been cited as a better weapon as replacement for the Regulus II. It is to be expected, of course, that weapons become outmoded and replaced. Weapons do become obsolete. That is precisely the situation in the Regulus II situation but the vital objection or criticism which I make is that the Polaris is not ready to replace the Regulus II. The Regulus II has had 48 flight tests most highly successful and is much nearer readiness to protect us than is the Polaris which was intended to be ready in 1963, though now this date has been accelerated somewhat. On page 94 of the hearings the Polaris is cited as "virtually overtaken the Regulus II." Well, virtually is not good enough. By terminating Regulus II it seems to me we have created a gap of 2 years or more in this area of our defense program. Several references are made to the promise of ballistic missiles, as on page 220 of the hearings. "Regulus II and its overall weapons potential has similarly been overtaken by the 'promise' of ballistic missiles." Well, it's better to have a weapon in being than the promise of one to come.

Secondly, an air breathing missile like the Regulus II which can be guided throughout it flight can perform a fraction which the ballistic missile cannot. If there are indeed supplemental or different programs rather than similar programs how can Polaris replace the Regulus II? Certainly, unless this is explained and clearly understood, which the hearings do not explain, it seems too hasty a decision, this matter of canceling the Regulus II program.

Third, during my investigation of the Regulus II cancellation, and from studying these hearings, I am not able to learn whether economy in the defense budget, is or is not, a basic reason for this cancellation. Although it is mentioned on pages 581, 605, and 607, either it is an important factor or not. It is unthinkable to me that, while we spend money lavishly in welfare programs, we should cancel a deterrent weapon of the demonstrated success of the Regulus II.

Finally, I fail to see why the Navy, which has found the Regulus II to be a good weapon, should bow so readily to the wishes of the Secretary of Defense. The very fact that there can be honest differences of opinion, and there obviously were in this program between the Defense Department and the Navy, is reason enough for the Committee on Appropriations to have investigated the differing viewpoints more thoroughly.

A perplexing problem in our defense system obviously is the time lag between weapon research and the production model. In the case of the Regulus II and Polaris missile program it seems to me that the future hopes for Polaris caused us to cancel a successful present program. In defense we may not be permitted many mistakes. Even as we compliment the diligence of the Appropriations Committee, we are reminded of the ceaseless need for Congress to investigate and evaluate all factors of our overall defense program at all times. How tragic it would be if we indeed cancel worthwhile programs for future hopes in new weapons. In war we can use only those weapons that we have then in being. The Regulus II program was tested, in production, and ready to do its part in protecting our Nation. The Polaris lags behind and is a different type of system.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. ALGER. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. MASON. Mr. Chairman, I object.

The Clerk read as follows:

NATIONAL GUARD PERSONNEL, ARMY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army National Guard while on duty under section 265 of title 10, United States Code, or while undergoing training or while performing drills or equivalent duty, as authorized by law, $234,961,000: *Provided*, That obligations may be incurred under this appropriation for the foregoing expenses for training of units designated for early deployment under mobilization plans or for antiaircraft defense of the United States and Hawaii without regard to section 107 of title 32, United States Code.

Mr. MEYER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am sure that the chairman of the subcommittee and the members of the subcommittee have done a good and a thorough job in preparing this bill. However, I would like to make one point that I think is quite important. I believe very definitely if these committees had larger staffs and if those staffs were enabled to investigate better, even though it would cost more in a congressional appropriation bill, I am certain these committees could cut a good bit of waste out of bills such as this.

It seems to me quite definitely that all the talk that has gone before, this afternoon and yesterday, just confirms the fact that we know more or less of nothing; in other words, we do not know

very much about where we are going, we do not know very much about a military or defense program for this country. We have not gotten anywhere in developing a unified service that would promote economy. In fact, in my opinion, this Congress has fallen down on the job tremendously in solving this problem and in taking any truly constructive steps.

As we talk about strategy and things of that kind, it seems most clear to me that we are unable to depart from old ideas and we accept the new fetish of a military deterrent. I am certain that this country is going to have a very rude awakening. In the meantime we are spending and wasting our substance, and we are doing this for nothing.

I am as certain as I am standing here at this moment that for every $3 we spend, if we would do it wisely and do it efficiently, we could do the same job for $2.

Mr. Chairman, as I understand it, we have about $60 billion of obsolete equipment. Some obsolete equipment is to be expected, but there is no need for the tremendous amount of waste that has gone before. In fact, if my figures are correct, thinking here on my feet, this amount of money would run the State of Vermont from before the time of Christ until today.

Another thing, in all the debate that we have had we develop nothing but propaganda, a war spirit and a spirit of hate. We have no idea of working out a new solution, a new way. With the technological developments of the day we need a new way. These old military methods will not work, yet we do not have the courage to find a new way.

Another point that comes to my mind is that when people want to speak a little bit about a different thing they do not get the time to speak. We do not have here in this Congress the opportunity to debate the issues. I was rather ashamed as I sat around yesterday afternoon to note that there were about 26 Members on the floor of the House when we were discussing a bill which includes more than 50 percent of the total budget of the United States. What interest do we have in the welfare of the American people if only about 26 of us will sit here when such a subject is discussed and when half or more than half of these were members of the committee? What use is there in such a debate? There are many here who will probably laugh when I sit down, and many of them may say that what I got up and talked about does not amount to anything, but I do not think the Members of this Congress are doing their constitutional duty and fulfilling their oath of office when passing a bill in the way it is being passed.

I could go on and go through the whole bill and point out many things that are wrong, but I will not have time. I know I will get the gavel pretty quickly. A friend of mine got it not long before. So I think I will sit down, but I think it is about time this Congress does something constructive about the issue of war and peace, and not keep on voting billions of dollars and throwing about one-third of those dollars down the drain.

The Clerk read as follows:

TITLE II

Operation and maintenance

Operation and Maintenance, Army

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Army, including administration; medical and dental care of personnel entitled thereto by law or regulation (including charges of private facilities for care of military personnel on duty or leave, except elective private treatment), and other measures necessary to protect the health of the Army; care of the dead; chaplains' activities; awards and medals; welfare and recreation; information and educational services for the Armed Forces; recruiting expenses; meals furnished under contract for selective service registrants called for induction and applicants for enlistment while held under observation; subsistence of prisoners at disciplinary barracks, and of civilian employees as authorized by law; expenses of apprehension and delivery of prisoners escaped from disciplinary barracks, including payment of rewards not exceeding $25 in any one case, and expenses of confinement of such prisoners in nonmilitary facilities; donations of not to exceed $25 to each prisoner upon each release from confinement in a disciplinary barracks; military courts, boards, and commissions; authorized issues of articles for use of applicants for enlistment and persons in military custody; civilian clothing, not to exceed $40 in cost, to be issued each person upon each release from confinement in an Army or contract prison and to each soldier discharged for unsuitability, inaptitude, or otherwise than honorably, or sentenced by a civil court to confinement in a civil prison, or interned or discharged as an alien enemy; transportation services; communications services, including construction of communication systems; maps and similar data for military purposes; military surveys and engineering planning; contracts for maintenance of reserve tools and facilities for 12 months beginning at any time during the current fiscal year; repair of facilities; utility services for buildings erected at private cost, as authorized by law (10 U.S.C. 4778), and buildings on military reservations authorized by Army regulations to be used for a similar purpose; purchase of ambulances; hire of passenger motor vehicles; tuition and fees incident to training of military personnel at civilian institutions; field exercises and maneuvers, including payments in advance for rentals or options to rent land; expenses for the Reserve Officers' Training Corps and other units at educational institutions, as authorized by law; exchange fees, and losses in the accounts of disbursing officers or agents in accordance with law; expenses of inter-American cooperation, as authorized for the Navy by law (10 U.S.C. 7208) for Latin-American cooperation; not to exceed $5,855,000 for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Army, and payments may be made on his certificate of necessity for confidential military purposes, and his determination shall be final and conclusive upon the accounting officers of the Government; $3,065,390,000.

Mr. TOLLEFSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this bill contains almost $40 billion, and I hesitate a little bit to discuss a matter which could mean a saving of only $10 million or $20 million per year. But, I do have some questions in my mind that I should like to ask of the committee. Before doing so, may I preface the questions with a brief statement? I obtained from the Department of Defense some information with respect to Defense Department passenger travel having to do with travel of military personnel within the confines of the United States. The figures they have submitted to me indicate that, for fiscal 1958, 1,250,000 military personnel traveled by one means of transportation or another in the United States. Of this amount 461,700 traveled by commercial air. Of that amount roughly 71 percent traveled by first class, 3 percent by coach, and 4 percent by charter plane. In passenger miles traveled, 54 percent of the military personnel traveled by airplane, 35 percent by first class, 7 percent by coach, and 11 percent by charter.

Now, it came to my attention a couple of months ago—and I have not checked this out, but I assume it to be true from the information I have obtained—that, for instance, on a jet flight across the Atlantic Ocean where they have two classes of passengers on the same plane, the rear section being the luxury class, the front section the economy class, the cost differential for a round trip is around $425. It is not unusual, so I am told, to find that the luxury-class compartment is occupied chiefly by Government civilian and military personnel while the economy department is occupied by private business people.

Mr. MORRIS of Oklahoma. Taxpayers.

Mr. TOLLEFSON. Taxpayers, yes; and the same thing is true on flights across the country. A number of companies now have combined types of flight on the same plane, one, the first-class flight, occupied by passengers in the rear part of the plane and the fore part occupied by what they call coach flight passengers. And, it is not unusual to find the first-class compartment occupied by Government civilians and military personnel whereas the taxpayers, as the gentleman indicated, occupy the coach compartment or coach part of the plane. The cost differential on a round trip across the country is about $100.

Now, I have traveled by coach both on combination flights and where the flights are entirely coach, and in my estimation they are all first class.

Now, I would like to ask the committee if it has given consideration to adopting or suggesting a policy to the military whereby we could possibly save from $10 million to $20 million in the military transportation cost in flights in this country alone simply by having the military personnel who are traveling from one assignment to another travel by coach wherever possible. When I say "coach," I am calling attention to the fact that these coach flights are designations only. They are actually first-class flights. Can the committee give me any information on this matter?

Mr. FORD. Mr. Chairman, if the gentleman will yield, in response to the inquiry we have consistently over the last 3 or 4 years, to my knowledge, condemned the various departments for excess of travel, too many changes of stations, not only within the continental limits of the United States but on a worldwide basis.

I cannot say that specifically we have approached the problem that has been mentioned.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman from Texas.

Mr. MAHON. As I understand the law, Government personnel, military or nonmilitary, are permitted to travel first class. Of course, it would be possible to change the laws and the regulations. It is not mandatory, if one wishes to travel second class, that he travel first class. Since they have the privilege of traveling first class, most people in the military and Government agencies do travel first class whereas many citizens otherwise ride the coach flights. Now, the legislative committee could consider changing the law with respect to that subject or we could put a prohibition, perhaps, in this bill, but I doubt that this would be the best procedure.

Mr. TOLLEFSON. I thank the gentleman. I trust the committee will give consideration to this point, because, as I have said, a coach flight today is a first-class flight so far as comfort and flight time is concerned. In addition to the possible savings of $10 million to $20 million annually on flights within the continental United States there can be substantial savings in transoceanic flights as well.

Mr. SIKES. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. WOLF] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. WOLF. Mr. Chairman, I rise to discuss the Polaris system and its importance to our overall defense posture of the future.

The fleet ballistic missile, Polaris, occupies a place all of its own in our overall national program of developing long-range rocket powered weapons systems. Its purposes can be stated simply. That purpose is to provide us with a means for retaliating to major aggression massively, immediately, unpreventably from positions unknown to the aggressor, positions which cannot be identified and zeroed-in for destruction by missiles in advance of attack. Its military significance to us or to any potential enemy may prove to be decisive for with missiles ships deployed at sea we will hold in our hands the death warrant of any attacker no matter where, when, or how he might strike.

From a strategic standpoint the ocean areas from which Polaris missiles could reach major targets in the Communist bloc of nations totals some 30 million square miles of international waters. These seas provide a choice of launching positions nearly eight times the area of the United States, and about half again as large as the Sino-Soviet area itself. A fleet of Polaris missile ships deployed throughout this vast hiding place would be almost impossible to locate, especially as they are well concealed deep below the surface. Even a dozen or so such ships could carry enough missiles to wipe out the great bulk of the major Communist military targets within an hour of the order to fire.

The first Polaris weapons system will combine into a unique partnership the two most significant developments in military hardware since aircraft became major elements in warfare. One of these, of course, is the ballistic missile which uses outer space for its trajectory. The other is a ship which can actually live in the ocean depths—the new type of nuclear powered submarine.

A ballistic missile is a huge electronically guided rocket powered "throwing arm," for which to date there is no known defense at present nor in the foreseeable future. Ballistic missiles can destroy the historic barriers of warfare namely oceans, mountains, deserts, distances, and even the weather.

The new type nuclear submarine is a great mechanical fish that can operate deep in the ocean depths longer than its crew can endure. It needs to refuel only about every 2 years. The nuclear submarine and Polaris are our best deterrent to aggressive action against us because we have no defense against ballistic missiles.

The Polaris itself is unable to defend us against ballistic missiles, but our only hope is to prevent an enemy from attacking. With the Polaris he knows that if he does attack he will be clobbered back in return by these hidden but tremendously powerful and illusive weapons.

If an enemy tried to destroy the Polaris system, he would have to shoot or deliver his warheads out over the oceans of the world and not on our homeland.

The Polaris system must become a vital link in our defense. It is scheduled to have its first operational submarine in 1960. It beautifully provides flexible deterrent striking power necessary to complement land-based deterrent weapons.

In conclusion, Mr. Chairman, I would like to repeat again the need and advantages of Polaris. It is undetectable by radar, invulnerable to missile pinpointing, has coverage of all important military targets, has dispersal area of all the oceans.

It removes target from the U.S. soil; it is instantly ready. I am confident our engineers will hurry this program along at maximum speed. The free world needs this great deterrent weapon, Mr. Chairman.

Mr. VANIK. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I take this time to express my criticism on Army policies which arbitrarily idle and reserve defense production facilities and prevent their use by job-creating private enterprise operations.

In my city of Cleveland, we have a heavy bomber plant built in World War II—which never did receive much use for bomber assembly. This is, however, one of the finest buildings of its type in America, 25 acres under roof, a hangar-type construction. It is ideally suited for aircraft or missile production.

Since 1951 General Motors used this plant to manufacture Army tanks and until recently the M–56 airborne antitank gun carrier. Production terminated last month on the antitank gun carrier, and the Army has declared its intention to shut the plant down and keep control of the structure on a reserve status. At the same time, the Army has released other similar facilities in various parts of the country.

The declared Army policy on this plant reflects a dog-in-the-manger attitude toward the facility. The basic design and structure of the plant is for aircraft or missile assembly and not for weapons production, generally characteristic of Army requirements. Release of the plant for private enterprise use would make it available for research or production which would contribute to the Nation's defense more usefully than an idle, deteriorating plant rapidly proceeding to obsolescence.

It is ridiculous to see this type of plant—one of the finest in America—idled, while new missile-making structures of similar type are popping up at public expense like mushrooms in the night all over southern California and Texas.

Cleveland needs the 5,000 jobs that would be created if this plant were put to proper use.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to my distinguished and very able colleague from Ohio, Mr. ASHLEY.

Mr. ASHLEY. I thank the gentleman. Mr. Chairman, I think it is interesting, too, though this may not be exactly the appropriate place to raise this point, that the Army has behaved in a very secretive fashion with respect to the closing down, presumably for economy purposes, of various military installations around the country. Recently the Rossford Ordnance Depot in my district was closed down for what the Secretary of the Army has said will result in a $5 million a year saving. A month ago or longer, I requested the cost figures upon which this decision was based. And do you think I have been able to get one single figure from the Department of the Army? Absolutely not. And it is not only that I have not been able to get these figures. They have been refused me by the Secretary of the Army. And yet the people of Toledo are supposed to swallow this move that will cause an increase in our unemployment from 7.2 to 7.9 percent. Sixteen hundred men and women in the Toledo area are going to be put out of work because of this Army order, and they are being asked simply to take the word of the Secretary of the Army that this is for economy purposes—to take his word while he hides the facts.

The fact of the matter is that all of the information that has come to me from independent audit teams and from high ordnance personnel, which has come voluntarily, has been to the effect that the move to transfer activity from Rossford to Erie Ordnance Depot is for a purpose quite contrary to what has been stated; that economy is not going to be served, that this is a fabulously uneconomic and inefficient move.

I want to call the attention of the House to this matter because we are being asked today to consider a $40 billion military budget item. All I can say is that if this budget was arrived at by the same kind of methods and by the same procedures that I have experienced from the Department of the Army, it is going to be a little hard for me to recommend it or explain it to the people I represent.

Mr. VANIK. Mr. Chairman, I yield to the gentleman from Ohio [Mr. MINSHALL].

Mr. MINSHALL. Mr. Chairman, I do not know if my good friend, the gentleman from Ohio [Mr. VANIK], has read the record the subcommittee established on this point.

Mr. VANIK. I certainly have.

Mr. MINSHALL. But I should like to point out to him that I explored this entire situation with a great deal of thoroughness. I asked the Department of the Army to give me a complete report on this as to why the plant was being buttoned up. After receiving their report, I discussed it with them at some great length.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MINSHALL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, during the committee hearings I asked the Department of the Army to give me a complete report on this as to why the plant was being buttoned up. After receiving their report, I discussed it with them at some great length. I explored this subject thoroughly. I am convinced, after having checked with the Army officials, and in view of the report that they gave me, that the buttoning up of this plant was not an economy measure no more than any facet of this defense budget is an economy measure. This defense budget is based primarily on getting the most for our defense dollar and giving the American public the maximum security for their defense dollar. I feel that the Department of the Army in mothballing this plant and having it on a standby basis is doing the proper thing. This is not the place to jeopardize our national defense just to try to make jobs. I am naturally in complete sympathy with any one out of a job but do not think we should make jobs by jeopardizing our national security.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. MINSHALL. I yield.

Mr. VANIK. I want to point out that the plant was never designed or constructed for the kind of use to which it has been put by the Army.

Mr. MINSHALL. Does the gentleman know what the plans of the Army are for this plant?

Mr. VANIK. This is a hangar type of plant designed for aircraft and aircraft missile manufacture. I think it should be used for that purpose. If the Army cannot use it, then some type of private enterprise ought to be permitted to make use of it. It is not at all suited to the heavy type of work that the Army has in its public announcements indicated would be the purpose for which it would desire to use this plant.

Mr. MINSHALL. I should like to point out to the gentleman from Ohio that the Army has given me every assurance that this plant will be used in the best interests of the public, and even though it is buttoned up temporarily, in all probability they will be using it in the very near future, but not solely to make jobs.

Mr. VANIK. I certainly hope the gentleman is correct and that the Army will soon make proper use of it. It is my experience that a great many plants are put on a standby basis to be held in reserve and never be used until they become completely obsolete. I hope the Army will not make that mistake in this situation.

The CHAIRMAN. The time of the gentleman has expired.

The Clerk will read.

The Clerk read as follows:

OPERATION AND MAINTENANCE, NAVY

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Navy and the Marine Corps, including aircraft and vessels; modification of aircraft; design and alteration of vessels; training and education of members of the Navy; administration; procurement of military personnel; purchase (not to exceed 1,117 for replacement only, including 10 at not to exceed $2,900 each) and hire of passenger motor vehicles; not to exceed $40 per person for civilian clothing, including an overcoat when necessary, for enlisted personnel discharged for inaptitude, unsuitability, or otherwise than honorably; welfare and recreation; medals, awards, emblems and other insignia; transportation of things (including transportation of household effects of civilian employees); industrial mobilization; medical and dental care; care of the dead; lease of facilities; Latin American cooperation; charter and hire of vessels; relief of vessels in distress; maritime salvage services; military communications facilities on merchant vessels; dissemination of scientific information; administration of patents, trademarks, copyrights; losses in exchange and in accounts of disbursing officers, as authorized by law; annuity premiums and retirement benefits for civilian members of teaching services; tuition, allowances, and fees incident to training of military personnel at civilian institutions; repair of facilities; departmental salaries; utility services for buildings erected at private cost as authorized by law (10 U.S.C. 7580), and buildings on military reservations authorized by Navy regulations to be used for welfare and recreational purposes; conduct of schoolrooms, service clubs, chapels, and other instructional, entertainment, and welfare expenses for the enlisted men; cryptographic equipment; procurement and production of services, special clothing, supplies, and equipment; procurement of plant equipment, appliances, and machine tools, and installation thereof in public or private plants; exploration, prospecting, conservation, development, use, and operation of the naval petroleum reserves, as authorized by law; not to exceed $12,325,000 for emergency and extraordinary expenses, as authorized by section 7202 of title 10, United States Code, to be expended on the approval and authority of the Secretary and his determination shall be final and conclusive upon the accounting officers of the Government; and support of the town of Olongapo, as authorized by law; $2,599,320,000, of which $975,000 shall be transferred to the appropriation "Salaries and expenses," Weather Bureau, Department of Commerce, fiscal year 1960, and $16,885,000 shall be transferred to the appropriation "Operating expenses," Coast Guard, fiscal year 1960, for the operation of ocean stations.

Mr. CURTIS of Missouri. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CURTIS of Missouri: On page 10, line 10, strike out "$2,599,320,000" and insert "$2,594,820,000."

Mr. CURTIS of Missouri. Mr. Chairman, this is one of five amendments that in total would strike $255 million from the budget. You can find the reference on page 18 of the committee report. This has to do with the additional moneys not recommended by the administration for antisubmarine warfare. I regret to say that under the parliamentary situation here I will not be able to discuss all five of these amendments together because, obviously, they cannot be discussed in 5 minutes. But, I join with the gentleman from Vermont who raised a question as to this method of considering a bill of this importance. This is said in no sense as a criticism of this committee. Yesterday, the committee took the entire time for debate. I tried to get time and apparently others did too who were not on the committee, but it is quite obvious that the committee did need the time in order to present this matter to us. As I say, it is not in criticism that I am bringing this out, but there are some of us who do study certain aspects of these appropriation bills and I think there are some of us who can contribute something to them. Certainly, this issue of $255 million which the administration did not request deserves considerable exploration, particularly, I might state, from my own standpoint, inasmuch as this is a matter which deals with antisubmarine warfare, which I have been following very closely ever since spending 3½ years in the Navy during World War II in that activity.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I do not have much time to explain the first of the amendments and I want to get through that first so that the House might possibly understand certain aspects of it.

Mr. SIKES. I was hoping that if we could get the gentleman more time, we might consider all of these amendments en bloc.

Mr. CURTIS of Missouri. That is what I would like to do.

Mr. SIKES. Mr. Chairman, I ask unanimous consent that the gentleman from Missouri may proceed for 10 additional minutes so that he can discuss all five of the amendments.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. MASON. Mr. Chairman, I must object.

Mr. CURTIS of Missouri. Mr. Chairman, I want to thank the gentleman from Florida. I do regret that we cannot do this now, and I will have to go over this fairly rapidly.

Mr. Chairman, the report of the committee on page 17 that has to do with antisubmarine warfare, I regret to say, does not correctly reflect the testimony

in the committee hearings on this subject. The committee hearings in the volume that has to do with this in part I on policy statements have five references to this, and if anyone is interested, they can be found on pages 35 and 36, page 69, page 546, page 614, and page 757. Now, far from the testimony being that the Soviet fleet is growing, the testimony is that it has been cut back. As a matter of fact, there has been misrepresentation as to what the Soviet submarine fleet really was in the beginning. Incidentally, I have tried to indicate this for some time.

There are two aspects to submarine warfare. Only one has to do with submarines; the other has to do with submarine bases, and I submit to anyone here that throughout all the extent of Soviet Russia you will not find one single, not one single year-around ice-free open sea harbor.

This comparison of the Soviet submarine menace with the German submarine menace of World War II is utter nonsense, because the German submarines did have bases. That is one of the issues involved.

When Secretary McElroy appeared before the committee, he this year points out for the first time this question of the limitation of bases, and maybe that came about as a result of my calling his attention to this serious question.

On page 69 Secretary McElroy states he has not been concerned too much about Soviet submarine capability because he does not visualize the type of war where you might utilize these submarines which presently have to do with a war of a limited type, limited warfare between Soviet Russia and the United States.

But aside from that, the point is that this is something that was placed in the budget not at the request of the administration; and the interesting thing, as I get into it is this: That the committee in its wisdom saw fit to take away an aircraft carrier. Whether that is justified or not I do not know, but having cut out the money for the carriers the committee, I suspect, said: "We ought to give the Navy this quarter of a billion dollars we are cutting out for the carriers, so we will give it to them in an area where there has been no justification, namely, for antisubmarine purposes."

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. FLOOD. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Pennsylvania is recognized for 5 minutes.

Mr. FLOOD. Mr. Chairman, I yield to my friend from Missouri who has just left the floor. I do not agree with him but I will to the death defend his right to say what he thinks is right.

Mr. CURTIS of Missouri. I certainly thank the gentleman from Pennsylvania. I think this is important. I think we should get into the meat of this matter and I am very much interested, I might state, in the hearings before the committee and the committee's explanation of the testimony that is in the hearings.

I want to refer, for example to page 614, to Admiral Burke's statement, or rather to the statement made by the gentleman from New York [Mr. OSTERTAG] in his questioning of Admiral Burke.

Mr. GROSS. Which volume of the hearings?

Mr. CURTIS of Missouri. This is No. 1.

Mr. OSTERTAG. Our calculation of what the Soviet Union would have by way of submarine strength was in error. In other words, they do not have as many as we thought they were going to have.

Admiral BURKE. That is correct, they do not, although what they did was retire their old ships, and we thought they might not.

In a previous statement by Admiral Burke on page 546 he confirms what I have said.

The colloquy runs as follows:

Mr. SIKES. How significant do you consider the apparent cutback in Soviet submarine production?

Cutback, mind you.

I think it is very significant, sir, because they manufacture equipment on a mass production scale.

And he goes on further in that line. But the point is there has been apparently a stoppage of the construction of these submarines. The essential thing is this, Mr. Chairman, and a thing I wish the committee had interrograted the admirals about, and this is concerned with the antisubmarine problem.

The problem of the Soviet submarines is the problem of bases. Those who have listened to the Navy pleading for appropriations remember how they told us that it is not just ships alone that make the Navy, you have got to have bases; and we remember how they came up and justified the need for billions of dollars for naval bases. They can talk in eloquent terms about how they cannot sail ships and operate a Navy without bases when it comes to our own fleet; and they are absolutely right about it. But when it comes to appraising the force of the enemy they forget all about bases, and not anywhere in the testimony here is there any indication that this committee has inquired into that.

One thing Admiral Burke did say was that he thought the Russians would be silly if they built more than 450 submarines; and I say he is certainly right, and I doubt if they ever contemplated building that many.

So that is the basic issue involved here. I interrogated the chairman of the committee yesterday and the ranking minority member along these lines: Where you altered the administration's requests either by cutting off or by increasing the amounts in the light of new information which comes about because of developments after the budget has been frozen months before it is presented, did you take into consideration whether the Department of Defense had approved of these areas of increase or cutbacks. I was interested in the answer that the gentleman from Texas gave me to the effect that that could be ironed out over on the other side of the Capitol in the other body.

I think the way to iron out this increase for antisubmarine activities is not to give the administration what they have not asked for. Do not include this extra quarter of a billion dollars for which there is no justification in these hearings. Eliminate it, and then if it is important let whoever thinks it is important try to put it in on the other side. That is the essence of that.

One final point: This has to do with the tremendous propaganda campaign that is going on and has gone on for many years. I call your attention to Look magazine of May 26, 1959, in which there is a real propaganda article, "The Way We Are Not Ready to Fight," "Our Flanks Are Completely Open to a Giant Soviet Submarine Fleet," "An Inadequate Force of Sub Hunters Is Stretched Thin Across the Atlantic," this article deals with the Soviet submarine threat. It contains inaccurate statements throughout. It is misinformation deliberately given for propaganda purposes. The article quotes several admirals. This was published on May 26, 1959, obviously in order to get the propaganda just in time for us to consider this matter on the floor of the House. This kind of propaganda every Member of the Congress should resent. Let us get to the facts of the thing. The committee has not the facts on the question of the dangers from submarines. According to the testimony of Admiral Burke, we have a very adequate antisubmarine force and we have a good balance in this area.

For that reason I urge the committee to adopt the amendment I have offered and the other amendments which I will offer later.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. MAHON. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAHON. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, in testimony before the Committee on Appropriations, Admiral Burke, Chief of Naval Operations, made reference to the submarine menace. He pointed out that the threat had become much greater than it formerly had been. He said, "We need to improve our capability to combat submarines." He said, "Since World War II the submarine has progressed faster than the antisubmarine warfare capability to combat them." He made those direct statements in his testimony before the committee. He also reminded us that Russia is operating about 450 submarines at this time. When World War II began the Germans were operating only 48 but the submarine almost proved decisive in that war.

Yet, in spite of that recent history, the gentleman is suggesting that we are doing too much about antisubmarine warfare. Admiral Burke told us that the

older Soviet submarines were being retired. There has been some lag in their production because of some significant reasons. I do not know whether it is on or off the record, but everybody I know of who is knowledgeable on this subject feels that the slow down has been brought about by their desire to construct nuclear-powered submarines.

The gentleman read from one of the six volumes of hearings in regard to antisubmarine warfare, but in volume II, beginning on page 196, we have for many, many pages testimony of the military experts who work very directly with the antisubmarine program, and who are responsible for its success. They came up from Norfolk and elsewhere to testify before us. When we called upon Navy officials to say whether or not additional funds were required in the Navy budget we were told that $500 million worth of additional expenditures were really required if they were to do the job they would like to do for the United States. These additional funds included far more than is being recommended by the committee. In other words, these funds for the additional antisubmarine warfare programs were not in the budget that came to us, but it is not the fault of the Navy they were not because Admiral Burke and the Secretary of the Navy both supported the full program before the Secretary of Defense. The gentleman knows if we have a war of any duration it is important for the United States to maintain control of the seas and 450 submarines constitute the greatest menace that could possibly threaten us on the seas. It seems to me that Congress must be alert about this matter if we want adequate protection for the people and the industrial areas which might be destroyed by the submarines off our coasts. The gentleman should not oppose this action which has the support of the Navy and the need for which has been so thoroughly justified by the Navy.

I hope that the Committee will support the Committee on Appropriations in this matter. In the report the information as to how these funds will be spent is shown on page 18.

Among other things it provides for an additional nuclear submarine, and for an additional destroyer. Here is the place where we are lagging. Here is where our survival may be threatened. To consider for one moment striking this from the bill seems to me unthinkable and I hope the Committee will support the action taken.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. This was the uanimous action and the enthusiastic action of the full subcommittee, was it not?

Mr. MAHON. The gentleman is correct.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. CURTIS].

The amendment was rejected.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we have been hearing a good deal about submarine bases. I would like to draw attention to the fact, although I do not think it is necessary, because many Members have told me they felt it was very important to put back into this bill the money for the attack aircraft carriers. As you know, the carriers are mobile bases and they are vital to our national defense. If countries where we have airplane bases, airfields, should suddenly decide they do not want us there and put us out, we would be very dangerously weakened. That might happen in a number of instances. And, without these mobile bases, we would be terribly vulnerable. We remember the valuable service the Navy has performed with its great carriers. The performance at Lebanon showed that as an example.

I shall not try to offer an amendment, Mr. Chairman, because I believe we will secure the carriers later. I found many Members tremendously interested in the carriers. This bill was supposed to be a balanced service bill. Thus with the attack aircraft carriers deleted it is not a balanced defense service bill. It would be a horrible thing not to have the carriers. Thanks to each and all of you who have worked so hard on this bill, I know it has been a grueling task and one that tries the souls and hearts of men.

Mr. ROONEY. Mr. Chairman, will the distinguished gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from New York.

Mr. ROONEY. I should like to say in regard to the attack aircraft carrier—it is singular—that I thoroughly agree with the distinguished gentlewoman and that I intend to follow her leadership in this matter.

Mr. ROGERS of Massachusetts. I am very grateful. The gentleman is extremely smart and very clever in getting what he wants.

Mr. HOSMER. Mr. Chairman, I move to strike out the last word.

AIRCRAFT CARRIERS

Mr. HOSMER. Mr. Chairman, I wish to associate myself with the remarks of the gentlewoman from Massachusetts. We are truly a seapower Nation. We are bound to the sea by economics, by politics and by military strategy. We receive and ship materials of vital importance to the entire group of free world nations; we are allied and committed to many maritime nations throughout the world to whom we have pledged our strength and support. The nations of the world with whom we share the common bond of determination to resist Communist aggression would be isolated from us and from each other without the vast network of ocean shipping. Moreover, this isolation would occur at a time in history when consolidation of Western civilization's defensive strength is more critical than ever before. Our world strength, depends in part upon our seapower to hold this network together. But in a vastly larger sense, our world strength depends not only upon our seapower as it projects the Nation's power over the seas of the world, but as it has the mobile capability of projecting this Nation's power from those seas onto any land area of the world where it is needed to stem the tide of Communist aggression and to keep the peace.

Thus our seapower is an important element of our world strength and our seapower depends upon our Navy. Recognizing this, we have wisely built a strong Navy, capable of guarding our shores and our shipping, and of equal importance, capable of striking effectively anywhere in the world where the need should arise. There is no luck or coincidence involved in the fact that our fleets have been ready to move the Nation's power for peace into any area where aggression has threatened. Rather, it has resulted from a unique U.S. comprehension of the concept of seapower, the creation of naval forces capable of implementing that concept, and the skill with which we have done it. We in the Congress have a solemn responsibility to understand what that seapower concept is, its vital role in the Nation's destiny and what balance of naval forces are required to perpetuate it. For if we in the Congress, failing in this understanding, fail thereby to provide the naval forces basic to seapower, we also fail in our obligation to provide for the common defense.

This understanding comes readily if we will but look to the vaunted British navy whose actions for almost three centuries gave rise to generation on generation of proud Britain's declarations that "Britannia Rules the Waves." This, in the literal sense, was true during the emergence and flowering of the British Empire. Britain controlled the sealanes of the world and was thus able to move her land forces where she pleased. Because there was no really effective shore-based resistance she was able to land those forces in many areas of the world and engage in the extensive colonization which created her empire.

But with all due respect to our good friends and allies, it can be said with historial hindsight that never, in all these hundreds of years, did the British ever understand or possess true seapower in the sense that she discovered the concepts, manufactured the hardware, and developed the know-how which would have enabled her effectively and efficiently to project her great national power on to land areas against resistance. This failure was evident during the wars with France, it was evident at Galipoli, and it was evident in the 1957 Suez fiasco.

Britannia did, indeed, for hundreds of years rule the waves, but never did she gain real understanding of their full potentiality for transferring her power to the world's beaches. Thus she never basically utilized and exploited the sea to more than a fraction of the effectiveness she might have. Not, I hasten to add, because of any incompetence. Actually because conditions never really called upon her to do so. The unfortunate result in modern times has been that the Admiralty gave little or no attention to amphibious warfare as a means of projecting British power from sea to land and it relegated the aircraft carrier to a primary role of fleet protection rather than using it for spearhead-

ing powerful striking forces aimed at beachhead objectives.

Fortunately for the United States, a small group exists within our services primarily confronted with the specific problem of projecting this Nation's power from the sea to troubled spots ashore, namely, the U.S. Marine Corps. Fortunately again for this United States, this group is intertwined organizationally with the U.S. Navy. The two groups could, and did plan and work together between the two World Wars. Together, and often with cooperation of the U.S. Army, they expanded the narrow "rule the waves" concept of seapower to a wide and masterful concept of its effective utilization to carry the Nation's full military power anywhere on the oceans of the world and project it from sea to land at times and places of our own choosing. The magnificently successful amphibious campaigns of World War II resulted.

But these amphibious task forces were not merely men trained to hit the beach, or amphibious ships, or attack spearheading aircraft carriers. They were a carefully and precisely balanced combination of all. It must be recognized that without the task force air cover supplied from the carrier, the campaigns would have failed. Without the close air support supplies from these ships to the men on the beach, the campaigns would have failed. Not only in hot war, but in cold war as well, these carriers are a basic element of the Nation's vital seapower. Without aircraft carriers the Lebanon landings would certainly have failed. Without this same type of ship to balance and effectuate the projection of this Nation's power for peace at future trouble spots, we cannot expect the results we have obtained in the past. Without the aircraft carrier this Nation's mastery of seapower is incomplete, its basic power to resist the aggressions of communism is weakened, and thus its ability to deter those aggressions either in cold war or in hot war diminishes.

These are the considerations we should have in mind as we consider the fiscal fate of the Navy's aircraft carrier program and its relation to our strength to defend ourselves in a troubled world.

The arguments we all have heard the Navy use in support of its attack carrier make sense. The Navy has not suggested that the carrier is the sole item of value in our defense, and has not, to my knowledge advocated that the carrier replace any other major defense system. Our Department of Defense has planned a balanced military force, ready to meet either the threat of a nuclear war, or the threat of limited aggression. The Navy within its balanced fleet concept has designed the attack carrier for versatility, capable of accomplishing different kinds of missions. With the attack carrier our fleet can move as it did into Lebanon, as it does in the Formosan area and elsewhere to exert our influence, to limit the spread of fighting, and to serve notice of our intentions to support our national foreign policy. Not only does the carrier have the capability of using discriminate and discrete force, but it carries the big wallop, too. As a self-contained airbase, easily and quickly transported anywhere in the world, free from foreign diplomatic control, the carrier is able to add to the total nuclear punch that we promise in retaliation. I am convinced that no small part of the present nuclear stalemate exists because the Navy is not a preset target, and never will be. An enemy attack simply cannot surprise all of our forces at the same time: he would have to make a decision whether to try for a knock-out blow on our land installations or on our fleet. He could not win both. Our safety is assured to the extent that he continues to know that the United States with the help of a far-ranging fleet can launch such a force.

But the nuclear power of the Navy is not the most significant aspect of our seapower to my mind. I am impressed with the diplomatic way in which the Navy has always been able to show our influence and the speed with which it brings considerable airpower, seapower, and marine-power into focus on local situations.

I believe, Mr. Chairman, that if the striking power of our Air Force or of our Army were in question that I would feel equally strongly. We may arrive in time at a point when we can reduce our armed strength—we have not yet arrived there. We need to become aware of all of the capabilities of our major defense weapons. The attack carrier certainly stands out as one of the most important. The new carriers are far superior to the older ones in that they are safer for the pilots, they can handle the modern aircraft so necessary in this jet-age, and they are free from the failures that accompany overage. The testimony before the House subcommittee which emphasized the fact that our ships are approaching the point of being over-age is not surprising. The Navy has, for some years, had the understanding sympathy of the Congress toward this problem. The planned program of replacement of ships, and the modernization of others is necessary to good management. To keep our defense structure strong we must have the most modern aircraft carriers we can afford.

Mr. MAILLIARD. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to my colleague from California.

Mr. MAILLIARD. Mr. Chairman, I would like to commend the gentleman for a very profound statement on this subject and to say that I fully agree with him.

Mr. MAILLIARD. Mr. Chairman, the defense health of our Nation must be appraised over a space of time, not just at any one moment. In recent years, we have been subject to nuclearitis, sputnikitis, and, of course, chronic and increasingly severe, budgetitis. A quick check on our present pulse indicates that there are reasons to be somewhat concerned with our military posture. We have the views of the military specialists in attendance as well as those of the general practitioners. With a staff of diagnosticians, professional and amateur, vying for prominence, the resulting recommendations must be looked at very carefully to avoid more drastic treatment than the patient can stand.

My concern at the moment is with the status of our naval power. We hear our Navy friends talk about mobility, flexibility and versatility, and we read these words so often that their real meaning as a frame of reference for making judgments may be lost. These words are not, in my opinion, merely descriptive, for they refer to the basic concepts which underlie our naval planning—the philosophy established by the Congress and accepted by our citizens. This is a philosophy which rests upon our dedication not only to prepare for defense but to be ready to return any attack.

Our geographic position between two oceans requires that we develop and maintain a fleet which can move anywhere in these vast three dimensional battlefields to meet threats under, on, or above the surface of the sea, with the kind of force that is matched to the kind of threat presented. This is what is meant by mobility, flexibility, and versatility.

To be mobile the fleet must be able to move rapidly and it must be able to move with confidence. The fleet must have the speed, armament and air cover that cannot be bluffed. A fleet of ships with limited capability—and such limitations increase with years of service—cannot do the job. The term flexibility is probably one of the most significant in our thinking of military problems today: in this one word the Navy emphasizes that a balanced fleet must be ready to meet different kinds of problems, deal with different kinds of threats, and deliver different kinds of force.

Now what about this flexibility? Is the Navy flexible? Will it continue to be flexible? The growing strength of our submarine force is well known. The highly publicized exploits of our subs and their quiet, steady competence in accomplishing their mission has earned them strong support. There are those who have promoted conflict between the submarine concept and the carrier concept—let us hope that they have become aware of the consequences of an unbalanced fleet—one which, like the unbalanced Russian fleet, could only carry out restricted purposes.

There are those who confuse limited war with limited capability. The capability of our carriers to apply effective force should not be limited regardless of whether we anticipate limited war, or all-out general war. Our carriers should be as modern, as efficient, and as powerful as we can make them. There is no substantiation in history for the "sitting duck" criticism. There is no likelihood that future enemy capabilities to attack will be so superior to our capabilities to defend that such criticism will be valid. Opponents of the attack carrier hypothecate the total destruction of the duck with one nuclear bomb or submarine attack. Such destruction rests upon the assumption that the duck is placidly preening herself. A further assumption underlying some of the criticisms of the attack carrier is that the next war will be a general, all-out, nuclear war. Aside from the fact that our military and political leaders disclaim the imminence or

probability of such general war, common sense assures us that such wholesale destruction can hardly be called an instrument of national policy.

If we accept that we have reached and can maintain a point of mutual deterrence, then the existence of a strong balanced military force capable of dealing with limited wars becomes of primary importance. Each of our Armed Forces must maintain a balanced force, and this balance in the Navy rests to a large extent upon the flexibility of its fleet.

Can the Navy continue to maintain this flexibility? What does it take to insure flexibility to meet limited threats in a limited way as well as to be ready for general war?

First, we must dedicate ourselves to providing the defense we need. We must not be governed solely by the cost in dollars.

Second, we must dedicate ourselves to a concept of a balanced military force, ready to meet any kind of threat, ready to apply appropriate force in support of national policy.

Third, we must be ready to provide for a regular program of procurement of major defense items and to renew and to replace them in accordance with good management procedures.

Fourth, we must resist attempts to unbalance our military force. We cannot plan for our national defense health by following a popularity contest among spectacular developments in modern weaponry. Specifically, we cannot scuttle the regular augmentation of our carrier force, if we are to maintain balanced naval power.

Although I complete 20 years of commissioned service in the Naval Reserve this month, I am not a naval aviator and have not served more than brief training periods on aircraft carriers. Although I have always been proud of my naval service and perhaps sentimental about personal associations within the Navy, I have also been severely critical at times of various attributes of naval policy. I do not subscribe to the blank-check kind of support of the Navy's carrier construction program; the Congress should reexamine all long-range programs each year in the light of changing conditions. I have myself suggested that perhaps less costly carriers might be built as Polaris takes over the "big bang" responsibility of the Navy in an all-out nuclear war. However, I am convinced it is folly to neglect the less than all-out war capability of which the attack carrier task force is our most potent and flexible weapon system. To expect World War II ships, even though modified and modernized, to continue to perform reliably after 20 years of strenuous service is absurd; to expect these carriers to handle efficiently modern aircraft for which they were never designed is foolhardy; to demand naval fulfillment of present and prospective worldwide commitments with obsolete or obsolescent major vessels is to invite costly operational losses in peacetime and disastrous unreliability in time of combat.

These carriers take years to build. The Congress declined to appropriate to build one in the fiscal year 1959, and the committee has deleted the one proposed for the fiscal year 1960. The ability of our Navy to do the job we have assigned it will be in serious jeopardy if we fail to restore funds for orderly replacement of World War II built ships which even today are obsolescent and which will soon be both obsolete and just plain worn out.

Mr. ROONEY. Mr. Chairman, I move to strike out the last word.

Mr. ROONEY. Mr. Chairman, I rise at this time to venture the opinion that the committee has made a serious mistake in not supplying in the pending bill the needed funds for construction of an additional attack aircraft carrier which was included in the Navy Department's budget in the amount of $260 million. The attack aircraft carrier is a vital and unique element of our military strength. Its role in coping with international situations has been clearly demonstrated during the Suez, Lebanon and Formosa difficulties.

The Navy is presently operating 14 attack aircraft carriers. Under normal circumstances, four to six of these carriers are deployed overseas in the Mediterranean and the Far Eastern waters of the Pacific. In times of international stress, the carriers deployed to these areas number from 10 to 12. The remaining at such times are engaged in intense training programs, and necessary shipyard overhauls.

Nine of the 14 active attack carriers are of the World War II *Essex* class and must be replaced as their inherent age and infirmity will preclude their utilization by 1966 as attack aircraft carriers. At present they are marginally suitable for the operation of our present high performance aircraft, and will be unable to effectively accommodate the type of aircraft required to keep pace with Russian technology in the field of manned aircraft.

There are now three *Forrestal* class attack aircraft carriers in the fleets, with an additional one scheduled to join the fleet this year. Three more are under construction, including the nuclear-powered attack aircraft carrier *Enterprise*. One of these will be completed each year until 1962. As a *Forrestal* carrier joins the fleet, an overage *Essex* World War II class attack aircraft carrier, is retired from the attack carrier force.

To maintain the naval task forces now deployed overseas, the Navy must continue to replace the overage World War II *Essex* class carrier with modern carriers capable of accommodating the high performance aircraft of today and the foreseeable future. The Navy testified before the Appropriations Committee that if all attack carriers were of the *Forrestal* class, the improved safety factor would result in saving the lives of a dozen or more pilots and $70 million each year. Furthermore, the *Forrestal* class carrier carries two times as much jet aircraft fuel, three to four times the number of nuclear and conventional bombs, and can deliver these bombs on the target at three to four times the rate of the *Essex* class.

Originally the Department of the Navy asked President Eisenhower's Bureau of the Budget and his Secretary of Defense for an additional nuclear-powered *Forrestal* class attack carrier. The Administration compromised by allowing funds for a conventional *Forrestal* class attack carrier costing $120 million less than the nuclear-powered carrier. During the course of the hearings of the Subcommittee on Department of Defense Appropriations, I made efforts to have funds for the carrier included in the bill, and subsequently at the meeting of the full Committee on Appropriations I was prepared to offer an amendment to the pending bill which would have provided them. At about this time all of those who felt that funds for the carrier, either nuclear or conventional, should have been included in the bill agreed that the best strategy would be to forego the offering of an amendment in the full committee and to forego the offering of an amendment here on the House floor with the expectation that the funds will be included in this bill when it is considered by the other body. Relying upon the unanimous judgment of those concerned, I shall not this afternoon offer an amendment to include the carrier funds.

Mr. SHELLEY. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from California.

Mr. SHELLEY. Mr. Chairman, I join the gentleman and others who have spoken on behalf of the carrier.

Mr. Chairman, I wish to concur wholeheartedly with the remarks of the gentleman from New York. During a period of several days last fall, it was my privilege to observe aircraft carrier operations at sea off the coast of Formosa with the 7th Fleet. I can assure you that the modern attack carrier striking force is a vital and necessary arm of our national security. The modern carrier can project the exact degree of force required with precise direction and intensity. It can gain and maintain control of the air in the area of operations, which is so vital in times like these when we are liable to have small, limited wars break out at any troubled spot in the world. It provides close air support for troops ashore. As events in the past have shown over and over again, the attack carrier is an optimum weapon system for deterrence of, or successful prosecution of, limited war.

I think two facts of paramount importance should be mentioned here. First and foremost, in the foreseeable future no system of weapons or armament can replace the aircraft carrier, deployed with its manned planes ready to go. Land-based aircraft must have bases from which to operate in order to project themselves. Missiles cannot replace manned aircraft because they cannot discriminate or select targets or actions required. Once a missile is on its way, it cannot be recalled.

Mr. Chairman, just this past week there occurred on the attack carrier *Essex* a tragic and unnecessary accident that could have been averted, possibly, if these planes had been operating from *Forrestal*-size carriers. In the forenoon of last Thursday 2 men were killed and

18 injured, with 3 burned seriously, when a plane crashed on the carrier deck. In times when high-speed heavy jet aircraft are operated on a day-to-day, night-to-night basis, for the safety of our men in the Navy and the crews that so valiantly serve them, we need larger and more modern aircraft carriers in our Navy.

I sincerely hope the other body, with their deliberate consideration of this item in the budget as proposed, will see fit to approve funds for the construction of a supercarrier.

Mr. TOLLEFSON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. TOLLEFSON. Mr. Chairman, since the attack aircraft carrier is the heart of U.S. seapower, I sincerely trust that the House will make provision for a nuclear-powered *Forrestal* type of carrier in this bill. The budget presented by the President requests a carrier and the Navy wants it badly. Of course, both the Budget and the Navy have asked for a conventional type carrier. My impression is that a nuclear-powered vessel would be preferred by them but for budgetary problems.

Admiral Hayward in the hearings before the Appropriations Committee stated that we need a carrier, because if we do not have it in the years to come we shall not be able to meet our commitments. He said that our experience indicates that manned aircraft is here to stay, and that our ability to project our power across the sea is dependent upon the aircraft carrier.

Secretary McElroy stated at the hearings that the decision to request a carrier was made at the highest level of Government after a great deal of consideration not only by the Navy but in other parts of the executive branch. The administration feels this carrier is an integral part of our defense.

Secretary Gates told the committee that it would be a vital error of the United States to delay the construction of a carrier. He said that we are operating nine *Essex* carriers as attack carriers. They are World War II type and cannot handle modern airplanes.

Admiral Burke said that we would not be able to support forces that we might have to commit to limited wars without new carriers. He said that without them we would not be able to project our military power to certain areas of the world.

Mr. Chairman, I believe the new carrier should be nuclear powered. We should not build something that is outmoded at the start. Admiral Rickover has strongly supported the view that new carriers should be nuclear powered. It would, of course, cost $120 million more to build, but it would most certainly be worth it. During the life of the carrier the Navy would probably save that amount of money in supply, and gain several times the value in effectiveness. There would be no refueling costs such as is the case with conventional vessels. The carrier could stay at sea for indefinite periods of time, and by reason of its almost unlimited mobility would be a tremendously effective instrument in any kind of war.

Mr. BROOKS of Louisiana. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the sums which the bill provides for research and development.

The studies and investigations conducted by the Committee on Science and Astronautics have indicated unmistakably that research and development will play a vital part in the future growth and security of the Nation. Advanced technology lies today at the very heart of our national defense. It also spurs economic growth and activity, which tomorrow will form the foundation of our security as well as our comfort and well-being. We therefore support a strong program of scientific research and development.

Effective research and development, even if adequately funded, needs continuity. In the past, on-again off-again support of research programs has led to waste and delay. We can no longer afford the luxury of erratic support to which we have too often been prone. Lead times are inescapable, and cannot be wholly redeemed even by crash programs or lavish later expenditures. Sound, efficiently managed programs should be continued at adequate levels, and not cut back or interrupted.

In this connection, it behooves us to think twice before we transfer a going program from one agency to another. I am not speaking now of new programs which may be started, for example, in the National Aeronautics and Space Administration rather than the armed services. But a sound program on which the armed services are doing a good job should not be transferred without compelling reasons.

The Appropriations Committee deserves our praise and gratitude for its fine report on this bill. It deserves our thanks for giving substantial support to research and development. If anything, the amounts provided for research and development should be even larger, as in future years they will surely be.

At present, as we all recognize, the spearhead of military technology is missile and space development. While progress must be made on a broad front, and no promising avenue should be left unexplored, research and engineering on military missiles, including their electronic and other associated equipment, demand the highest priority. This, at the moment, is the critical field on which our future and our hopes may well depend. It deserves our full support in all its phases.

Mr. Chairman, I should like to commend the subcommittee and the full committee for its action in reference to research and development generally; research and development covering the Army, the Navy and the Air Force and ARPA, which is a new defense organization covering scientific research and development.

There are funds available to each department of the Department of Defense for this purpose. This represents really the first time, I think, that we have had what you would call a real program of research and development. The program in these different departments runs to something like $3.5 billion or $4 billion. ARPA runs to something like $445 million, and if the gentleman from Florida [Mr. SIKES] would care to correct that figure, I should appreciate it.

Mr. SIKES. Four hundred and fifty-five million dollars.

Mr. BROOKS of Louisiana. It all represents a continuing program. This is the first time, as I say, that we are having a continuing program that will run from year to year.

Frankly, since I have been serving on the Committee on Science and Astronautics I have just begun to fully appreciate the economic value and the security value to the Nation of our program of research and development. I know of nothing that means more to the security of our Nation than for us to keep abreast of developments in scientific research and to see that they are properly and promptly applied to the defense operations of this Nation. In this respect, the committee has been liberal in taking care of the different departments, and I certainly think they are entitled to a word of commendation from us.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

OPERATION AND MAINTENANCE, MARINE CORPS

For expenses, necessary for the operation and maintenance of the Marine Corps including equipment and facilities; procurement of military personnel; training and education of regular and reserve personnel, including tuition and other costs incurred at civilian schools; welfare and recreation; utility services for buildings erected at private cost as authorized by law, and buildings on military reservations authorized by Navy regulations to be used for welfare and recreational purposes; conduct of schoolrooms, service clubs, chapels, and other instructional, entertainment and welfare expenses for the enlisted men; not to exceed $40 per person for civilian clothing, including an overcoat when necessary, for enlisted personnel discharged for inaptitude or unsuitability or otherwise than honorably; procurement and manufacture of military supplies, equipment and clothing; hire of passenger motor vehicles; transportation of things; medals, awards, emblems and other insignia; losses in exchange and in accounts of disbursing officers, as authorized by law; and departmental salaries; $171,350,000.

Mr. SHELLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, first of all, may I compliment the members of this committee on the painstaking way in which they have done an arduous job, in bringing this bill to the House. I agree that there are probably problems presented in the minds, particularly of some of the new Members, concerning our procedure in handling the debate. But we seem to move along. What I have to say at this point may not apply to the committee's handling of this specific matter with the Air Force. It may apply to the Legislative Committee, but methinks it must be said at this time.

The pressing, legitimate, and unmet needs of our defense system today go well beyond what our revenues can presently support, what the administration has sought, or what the Congress is likely to

approve. We are constantly in the position of responding to requests in accordance with degrees of urgency, leaving many acknowledged gaps and deficiencies unfilled. Even so, as we are constantly reminded, the support of our present Military Establishment is a heavy burden upon the civilian economy.

This being the case, we should be doubly alert today against any use of defense funds for purposes that are unnecessary and uneconomical, that do not contribute in a positive way to the state of our defenses, and that are clearly and directly detrimental to the civilian economy from which those funds are drawn. When, for example, a branch of the Armed Forces proposes to create a military labor force for the express purpose of taking over work that is now being loyally and skillfully performed by private firms and civilian workers more efficiently and at lower cost, it is our duty as Members of Congress to blow the whistle and call a halt.

Specifically, the objections of Congress ought to be expressed in the strongest possible terms against the announced plans of the Air Force to supplant civilian contractors and civilian employees with enlisted personnel in the operation and maintenance of all SAGE plants that have been and will be established throughout the country. These plants are now being operated by skilled and experienced workmen who were led to believe that these jobs offered some degree of security and stability of employment. They were never told, nor was it the understanding when they were engaged, that these were short-term jobs and that after the plant had been placed in smooth working order, they would be dumped on the unemployment rolls in a small town with no other demand for their services, or for those more fortunate—kept on just long enough to help break in inexperienced Air Force enlisted men on their old jobs.

It should hardly be necessary to point out how much more difficult this Air Force plan will make it for contractors who will still be called upon to build and to undertake the initial operation of future SAGE plants to recruit the kind of reliable, skilled, and experienced men they will need to carry out their responsibility. It is equally obvious that the increase in civilian unemployment resulting from this loss of private employment opportunities will be harmful to the economy, both locally and nationally, and to relations between civilians and the military in the communities where these plants are located.

A survey conducted by the Air Force itself has found that the number of years of experience that civilians presently employed at these plants have for their jobs is exceedingly high. Constant turnover as men are transferred and enlistments expire, on the other hand, has consistently handicapped and made more expensive past efforts to train enlisted men for skilled occupations of this character or to give them any real interest or stake in such jobs.

From the standpoint of operating economy, any comparison of costs will expose the Air Force proposal as an example of sheer, senseless, large-scale extravagance. At Grandview, Mo., the American Hydrotherm Co. operates a SAGE plant, by contract with the Air Force, with 48 employees at a cost to the Government of about $264,000 per year. No case has been or can be made that this operation is not being conducted or maintained in keeping with the requirements of the program.

Effective July 1, 1959, the following system will go into effect:

American Hydrotherm will retain, for the time being, a contract covering 22 employees. Seven civil service employees will be used and 60 enlisted personnel have already been asssigned. The annual cost of maintaining the enlisted personnel alone has been estimated at $637,740. The total cost for all 89 of the contemplated personnel will be about $771,940 per year. The difference in cost over the present system is $507,940 a year.

Ultimately the contract with American Hydrotherm, according to present Air Force plans, will be completely canceled, so that this cost will be reduced by about $80,000, but the net cost will still remain more than $425,000 a year higher than under the present system. When it is realized that some 30 of these SAGE plants will eventually be established in different parts of the country, it can be seen that the result of applying the Air Force policy will be an added cost to the American taxpayer of $15,000,000—spent in disregard of the most effective use of military manpower in a manner which needlessly deprives skilled and loyal American workmen of their livelihoods.

The one argument advanced by the Air Force is an old one, constantly invoked by the military whenever it has sought to extend its boundaries into civilian territory, to multiply its duty stations, and to enlarge its reservoir of potential assignments for personnel. It maintains that the iron discipline of military law, with absolute control over the lives of personnel, is necessary to assure continuous operations and to avoid the possibility that a work stoppage might occur during an emergency.

I believe that this argument is a totally unjustified slur upon the loyalty, responsibility and patriotism of American workers. If this attitude of the military is correct—that the only way to assure performance of duty when the safety of the Nation and of every family is threatened is a gun in the back—then we are in a very bad way, and we had all better be inducted into the Armed Forces right away. If there is no workable alternative to a possible breakdown of vital operations but militarization then we had better begin either to find one or to consent to a far more sweeping extension of the authority of the military over civilian life than any we have tolerated before in a free nation.

The character and complexity of modern weapons and modern warfare is such that, unless we conscript most of the population, there is no alternative but to rely upon civilian experience, civilian cooperation, and civilian devotion to duty in many vital industries, sciences, and skills that are just as essential as a SAGE project to the support of the defense effort. We are doing so now in the production and testing of missiles and in the operation of missile bases, in the operation of atomic installations, and in a host of other areas of direct and vital importance to our national safety. It would not only be foolish and costly in the extreme, but impossible, to incorporate and to keep in the ranks of the military every job, skill or technical function that bears upon our military security.

So far as the continuous operation of SAGE installations as a part of the defense network is concerned, it should be enough, so long as civilian operation is otherwise satisfactory and economical, to be fully assured that the parties involved are completely aware of the responsibilities they bear and have developed reliable methods and procedures for the resolution of differences without work stoppages.

In this connection, I am advised that in all the period that SAGE plants have been in operation, not 1 minute of time has been lost by reason of strikes, work stoppages, slowdowns, or labor disputes of any kind, and that the labor agreements between the contractors and trade unions representing employees in these plants contain the most ironclad no-strike provisions to be found in the country. Methods and criteria for bargaining and reaching settlements on wages and other terms of employment, in the absence of the ultimate strike weapon, have been developed and employed successfully in areas such as the TVA and on atomic energy projects, and can certainly be applied with success in SAGE situations. I understand that the unions whose members are employed in SAGE facilities have expressed their complete willingness to cooperate with any steps or procedures necessary to assure that operations do not suffer from work stoppages or shortages of skilled manpower.

Cooperation of this kind has proved of very great value to the Nation in the past. It should not be spurned now, in favor of costly and unnecessary military regimentation.

I have very clearly in mind the present administration's many promises and strong declarations over the years, as to the need to get the Federal Government out of business and to turn over to private industry all of those functions which it could perform more efficiently. This is certainly one of those functions, and certainly no intrusion of Government into private enterprise is more dangerous or destructive of American values than an encroachment of the Military Establishment. Has the Commander in Chief no influence with the Air Force or were those promises for the birds? I now suggest that the Congress redeem them, if the President will not.

Mr. WIER. Mr. Chairman, will the gentleman yield?

Mr. SHELLEY. I yield.

Mr. WIER. Mr. Chairman, I want to associate myself with the position taken by the gentleman from California because it has come to my attention that

in the SAGE operations around Duluth about 30 experienced operating engineers have been given notice that their services will be terminated and that Air Force employees will take over, which I protest against.

Mr. SHELLEY. I thank the gentleman for this contribution.

Mr. PRICE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am familiar with the problem that has just been discussed by the gentleman from California [Mr. SHELLEY]. I think it is something that is worthy of the attention of the Congress. I hope they will read the testimony given by the gentleman from California [Mr. SHELLEY] and the statement which I am making in the RECORD.

When I heard of the proposal of the Air Force to replace civilians with enlisted personnel in the operation of SAGE plants I sent an inquiry to the Air Force in an effort to ascertain the facts. Like many other Members who did the same, I received a reply through the Office of the Air Force Legislative Liaison.

In this reply I was informed:

> In the past it has been our practice to initially maintain and operate utility systems at SAGE installations by contract until such time as Government personnel could be properly trained to perform this service.

I had some difficulty with this sentence because it seemed to imply that the replacement of civilians with military personnel at these installations was an old established procedure that had been going on for some time with the knowledge of all concerned. Yet, if my information is correct, contract operation has been the standard operating procedure up to now, and the takeover by military personnel is something new that had not previously been done. Furthermore, if it was the intention of the Air Force all along to throw out the contractor and the civilian work force, and to put enlisted men in their jobs, knowledge of this intention was, it seems, pretty much the private property of the Air Force itself.

Apparently the contractors were not made aware of it when they took the jobs. At least, so I am informed, in organizing the work force they needed to man these installations, skilled workmen were, in many cases, persuaded to quit good stable jobs they held with private utilities and elsewhere and to give up years of seniority and other employment rights in order to meet the need for experienced men to operate the SAGE plants. They were offered steady jobs, not floaters' havens.

Now the Air Force proposes to dump them unceremoniously for the sake of more billets for the military. They gave up their former jobs and pioneered the SAGE projects just to pave the way for the troops. I doubt very much that any skilled experienced craftsman, holding the kind of job that would qualify him to help put a SAGE plant in good order, would care to go to work for a SAGE contractor if he were told what lay at the end of the road.

The Air Force's manner of doing business in this situation seems, on the face of it, to represent the rankest kind of highhanded injustice—aside from the cost element, which is damning in itself.

The Air Force reply went on to say:

> The Air Defense Command is currently conducting a study to determine the method of operation to be used for the SAGE sites. This study will cover all factors involved in these operations, including a comparison of the costs of contract operation versus Government operation.
>
> Any final decision in this matter which may result in a change in the present plans to operate these installations with Government personnel will be made only after this study has been completed and the results thoroughly evaluated.

In other words, after making the decision to replace civilian contractors and employees with enlisted personnel, effective July 1 of this year, the Air Force is going to make a long and careful study, extending into the indefinite future, to determine whether that decision was a wise one. Would it be too much for the Congress to ask that this study be undertaken before a radical change in the method of operating these facilities is made, rather than after? Without further belaboring the obvious absurdity of the Air Force's approach to this matter, let me simply express the devout hope that this is not the way that all military decisions are now being made.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

OPERATION AND MAINTENANCE, OLYMPIC WINTER GAMES, DEPARTMENT OF DEFENSE

For necessary expenses in connection with the VIII Olympic Winter Games, 1960, as authorized by section 1 of the Act of April 3, 1958 (Public Law 85-365), $400,000.

Mr. LAIRD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LAIRD: On page 19, line 5, after "$400,000" insert "provided that funds in this paragraph shall not be available for support of any international game or events in which participation is denied any of the free countries of the world."

Mr. SIKES. Mr. Chairman, I make a point of order against the amendment, and reserve the point of order.

Mr. LAIRD. Mr. Chairman, this amendment is offered to prohibit the use of the $400,000 which this bill makes available for Army support personnel to carry on the winter Olympic games at Squaw Valley if any free nation of the world is prohibited from taking part in these winter Olympic games.

The International Olympics Committee recently decided to expel the athletes of the Republic of China from participation in Olympic activities. It seems to me this decision of the International Olympics Committee is purely an act of political discrimination. It does not seem to me that the U.S. taxpayers' dollars should be used for support of the winter Olympic games if representatives of the Republic of China, by the action of the International Olympics Committee, are barred from participation in these games.

This amendment is fair and just. It is necessary for the International Olympics Committee to give further consideration to their action in barring representatives of Nationalist China from taking part in the Olympic activities.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. BECKER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BECKER. Is a point of order going to be made against the amendment?

The CHAIRMAN. A point of order has been reserved.

Mr. BECKER. If a point of order is to be made against the amendment I wish it could be disposed of at the present time, for if it is sustained I have an amendment I wish to offer.

The CHAIRMAN. The gentleman from Florida has informed the Chair that he will withdraw his point of order.

Mr. BECKER. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. The gentleman from New York is recognized.

Mr. BECKER. Mr. Chairman, I want to heartily endorse the amendment offered by the gentleman from Wisconsin. I have an amendment at the desk which would do the same thing by striking out those lines on page 19.

I think it is about time that we in the Congress of the United States expressed our feelings not only to the people of our Nation but the people of the world and let them know that we support our allies and our friends now and at all times.

Mr. Chairman, I was indeed very pleased to read in the newspapers that since the Olympics Committee made the decision barring Chinese nationalists from participation that our own State Department has made a public statement condemning the action of the International Olympics Committee. I believe this is quite a step in the right direction, and I am pleased that our State Department has made known our feelings on behalf of the U.S. Government. We, the taxpayers of the United States, do not intend that our money and our name, our country and our land be used to purge a friend, and a very good friend of the United States, Nationalist China.

Why, at this particular time, the Olympics Committee should see fit, on the demand of Soviet Russia, Red Russia, to purge a sporting outfit, an outfit to be sent to the Olympic games, to purge a friendly nation, is difficult to understand.

Let me take you back to the forming of the United Nations and remind you that it was Red Russia that forced the governments of the world participating in that United Nations formative assembly to bow before her demands for the elimination of opening each session of the U.N. with prayers calling upon divine wisdom to guide the United Nations in their actions. That very surrender cost us a great deal of prestige in the eyes of the world.

I believe this is the time for the Congress to say we will not appropriate $1 for this purpose under this purge at this time.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. BECKER. I yield to the gentleman from Texas, certainly.

Mr. MAHON. I cannot speak for the full committee, but I believe that we are in agreement that this amendment is probably acceptable, and there is no serious objection that I know of to the amendment.

Mr. BECKER. My respect continually increases for the gentleman from Texas [Mr. MAHON].

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. BECKER. I yield.

Mr. FORD. On behalf of the minority members of the subcommittee we likewise agree that this amendment is acceptable.

Mr. BECKER. I appreciate the attitude of my colleagues on my side of the aisle.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. BECKER. I yield.

Mr. JOHANSEN. I raised the question originally as to whether these funds would go for support of the Olympics in which the Nationalist Chinese were barred. I have been assured they would not be barred from participation, and, therefore, I do not offer the amendment I had at the desk which would have eliminated the funds.

I support the gentleman's desire that we express in appropriate words our feelings. We all remember the slogan "Millions for defense but not one cent for tribute." We certainly do not want to put ourselves now in the position of appropriating $38 billions for defense and $400,000 or some other amount for tribute.

Mr. DORN of New York. Mr. Chairman, will the gentleman yield?

Mr. BECKER. I yield.

Mr. DORN of New York. In all fairness I think the attention of the House should be called to a telegram I have just received from Robert L. King, executive director, organizing committee, Eighth Olympic winter games. It reads as follows:

SAN FRANCISCO, CALIF., *June 3, 1959.*
Hon. FRANCIS E. DORN,
House Office Building,
Washington, D.C.:

Recent action of International Olympic Committee does not make Red China member of that body. They cannot and will not participate in VIII Olympic winter games. The organizing committee invited Nationalist China, and they accepted prior to I.O.C. action. The organizing committee will stand behind this invitation and accept entries of Nationalist China competitors at Squaw Valley. Therefore, this I.O.C. action has no actual effect whatsoever on our conduct of the Squaw Valley games.

ROBERT L. KING,
Executive Director, Organizing Committee, VIII Olympic Winter Games.

I join in support of this amendment because it is in keeping with the resolution I introduced heretofore that it would be the sense of this body that if Taiwan, that is, the Republic of China, Nationalist China, were excluded from participation in the Olympic games that the United States would withdraw from the Olympic games.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. OSTERTAG. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as a member of the committee and one who shares some concern in this matter, I want to join with my colleagues in support of the pending amendment. I am confident that it can be said that the action we are taking in adopting this amendment will meet with the wholehearted approval of the State Department of the United States. I understand that the State Department is very much incensed with the action taken by the International Olympics Committee, and I believe this move certainly will have an important place in correcting this discrimination and this injustice.

I hope the Committee will accept the amendment.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. OSTERTAG. I yield to the gentleman from Washington.

Mr. PELLY. Mr. Chairman, I want to join in the support of this amendment. I would like to recall to the gentleman from New York an occasion in this very Chamber when our former colleague from New York, Mr. Reed, made a great speech in which he said that the Olympic game participants used to go through conflicting armies without challenge. There was absolute freedom from politics.

I hope the pending amendment will be agreed to.

Mr. POFF. Mr. Chairman, will the gentleman yield?

Mr. OSTERTAG. I yield to the gentleman from Virginia.

Mr. POFF. I assume that America has a representative on the International Olympic Games Committee. Is that true?

Mr. OSTERTAG. I believe that to be so.

Mr. POFF. Can the gentleman supply us with the name of the American representative on that Committee?

Mr. OSTERTAG. I cannot offhand. I think a gentleman by the name of Brundage is serving on this Committee.

Mr. POFF. Is it the gentleman's understanding that the American representative on this Committee also voted to exclude Nationalist China?

Mr. OSTERTAG. I am not familiar with the procedure that is followed in the International Olympic Committee.

The Department of State did make clear that this action, whatever the method employed by the Committee, was regarded as a clear act of political discrimination.

Mr. WAINWRIGHT. To answer the gentleman from Virginia, it is my understanding that the vote was 33 to 19 and at the time there was the very disgraceful situation of the United States delegate voting with the Soviet Union.

Mr. POFF. Mr. Chairman, I want to join in support of this amendment. I also want to pay sincere tribute to the gentleman from Wisconsin [Mr. LAIRD], the gentleman from New York [Mr. BECKER], and all those who have brought this disgraceful affair to our attention. They have rendered a real service to their fellow Americans. Acquiescence in the action of the International Olympics Committee would be interpreted in many quarters as a retreat from America's consistent policy in opposition to diplomatic recognition of Red China and as a repudiation of Nationalist China. Rather, the Congress, by adopting this amendment, will repudiate the vote of the American representative on the International Olympics Committee which was in no wise representative of America's foreign policy.

Mr. MAHON. Mr. Chairman, I ask unanimous consent that all Members may be permitted to revise and extend their remarks at this point in the RECORD with regard to the Olympic games controversy.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. PORTER. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. PORTER. Mr. Chairman, I would like to ask some questions. It seems to me that we are not acting on the basis of good information here. If someone knows what actually happened there, I will be glad to yield. Can the gentleman from New York answer? I understand that what this Committee did was to decide it was a misnomer to call the government of Chiang Kai-shek China, and that if the government of Chiang Kai-shek wants to come back purporting to represent Formosa that would be all right. It seems to be a matter of nomenclature. What was the issue?

Mr. WAINWRIGHT. The question was brought up at the meeting by the Soviet Union. As the gentleman knows, Communist China is not a member of the International Committee. So the Soviet Union speaking for Communist China proposed to the assembled international delegation, which was incomplete, there were at least 22 members not present at the time, in effect that Chiang's China be thrown out; and if Chiang's China is not thrown out, we and all of our satellites will not participate. And they carried on with a further threat and said, "We will establish our own Olympic games."

Mr. PORTER. Would the gentleman confirm that if Chiang's China wants to come back, using a more accurate but still erroneous name, the Government of Formosa, then they would be allowed to be admitted?

Mr. WAINWRIGHT. The gentleman from Oregon is discussing this matter on a question of semantics. The question was that it was the Republic of China that was being thrown out, and the Republic of China stood on its rights, recognized by the United States and, as far as I know, everyone else, but the Communist Chinese insisted that they should be called the Republic of China and participate as the Republic of China.

Mr. PORTER. But the point is that apparently it is just a matter of nomen-

clature who has a right to call itself China.

Mr. WAINWRIGHT. No; the gentleman from Oregon and I disagree. I do not think that it is a question of nomenclature. It is a question of real high moral principles.

Mr. PORTER. I am not against high moral principles, of course.

Mr. WAINWRIGHT. I am sure the gentleman is not.

Mr. PORTER. What are you doing?

Mr. WAINWRIGHT. All we are doing is saying that no free nation shall be barred from participating in the Olympics.

Mr. PORTER. That is, any free nation?

Mr. WAINWRIGHT. Yes.

Mr. PORTER. Is it your understanding that a free nation was barred by the action of the Olympic Committee?

Mr. WAINWRIGHT. Absolutely correct, by the action of the Olympic Committee.

Mr. PORTER. I thank the gentleman.

Mr. MAHON. Mr. Chairman, I move that all debate on this amendment do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. LAIRD].

The amendment was agreed to.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 19, strike out all of lines 1 through 5.

Mr. GROSS. Mr. Chairman, in the argument over the amendment just offered, I think we are losing sight of the fact that this is nearly another half a million dollars in Federal funds to be appropriated to the winter Olympic games in Squaw Valley, Calif. I would like to ask either the chairman of the subcommittee or the ranking minority member of the subcommittee how much money is here being appropriated or has been appropriated to the winter Olympic games in California?

Mr. FORD. The appropriation totals $400,000. There was a request for an additional $500,000, as I recall, based on additional costs that have materialized in recent months. This had to be authorized. I understand that authorization bill has been approved by the House but has not as yet been approved in its final form by the Congress as a whole. Because that additional authorization is not law, we did not approve the request for the additional $500,000.

Mr. GROSS. Well, now, let me call the gentleman's attention to the hearings on page 986:

Mr. LAIRD. We are also building a pavilion out there with Federal tax dollars.

Mr. KING. Yes, sir.

Mr. LAIRD. What is the total cost of that?

Mr. KING. $3,500,000. The total Federal contribution to the Olympic games will wind up $3,500,000 plus the $900,000 of military support for a total of $4,400,000. That will be the final total.

Now, is that correct? Does this $400,000 put the total up to $4,400,000, or what is the story?

Mr. FORD. There were funds made available originally for construction. That is the more sizable amount. The $400,000 in the bill here is for what we call military support for the winter games. They did request an additional $500,000 for that purpose, but that is not authorized by law.

Mr. GROSS. Does this $400,000 put it up to $4,400,000? I am not clear on that point.

Mr. FORD. It puts it up to $3,900,000.

Mr. GROSS. Then there is how much more to come?

Mr. FORD. There is an additional authorization of $500,000 more.

Mr. GROSS. On top of the $400,000 in this bill; is that correct?

Mr. FORD. No.

Mr. GROSS. So there is another $900,000, including this?

Mr. FORD. There would be $900,000 in military support plus the $3.5 million for construction, and if all is approved it would be a total of $4.4 million for both construction and military support.

Mr. GROSS. And that is not the end of it, because Mr. King testified before the gentleman's committee and said: "I may have to come back for more," did he not?

Mr. SHEPPARD. Mr. Chairman, will the gentleman yield at that point?

Mr. GROSS. I am glad to yield.

Mr. SHEPPARD. May I say that I do not think there will be any more requests because of the fact that California has put $7½ million into the project as against the Government's $4.4 million.

Mr. GROSS. That is what Mr. King said when he came before the committee before that. He said, "I won't be back, this is it." But then he said here before the committee:

In answer to your statement, I believe I made the statement to Mr. SHEPPARD'S query that so far as I knew, this was all that was going to be asked, and I even think that I embarrassed myself at this point by stating at that time that if there was to be any additional request, somebody else would have to come back—

Then he goes on to say, in effect: "Here I am again, looking for another handout from the Federal Government." Here we have all the taxpayers, including those in Iowa, underwriting a big part of the cost of the Winter Olympic Games out in Squaw Valley, Calif.

I am not for this appropriation.

Mr. SHEPPARD. This is not the first time the Federal Government has participated in an appropriation for a purpose of this character as I understand it. Furthermore, I would like to suggest, as a matter of timing, that if they do come back for more, that would have to be in a supplemental, not a regular appropriation and we could stop it then if it should be stopped.

Mr. GROSS. It does not make a bit of difference whether it comes in a supplemental or in a deficiency or in a regular appropriation. It still comes out of the taxpayers' pockets, and I am opposed to this proposed $400,000 appropriation.

Mr. JOHANSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to make two comments. The first is that while I share the interest of the gentleman from Iowa [Mr. GROSS] from the standpoint of economy, my concern in this particular issue today relates to the financing of the Olympic activities in which the Nationalist Chinese would be barred by the Communist blackmail activity and the surrender to blackmail that occurred just this last weekend. It is for that reason I have adhered strictly to that issue.

Now that the gentleman from Oregon has seen fit to suggest that the action that was taken was proper, I should like to observe simply this, that if this Congress accedes to that intolerable position, we will have receded completely from the position which this House has taken repeatedly in opposing any proposals for the recognition of or the seating in the United Nations of Red China.

I want to commend the State Department for its emphatic protest against this action by the Olympics committee. I want to point out that in 1957 the United States, I think with some questionable wisdom, acceded to the request of the Chinese Communists to participate in the Olympics. But the Communists are not satisfied with that. Their interest is political and ideological, and the only thing that will satisfy them is to drive the free Chinese, the representatives of a friendly power, recognized by this Government, out of the Olympics. And there is nothing that the gentleman from Oregon can say that can alter that fact.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. JOHANSEN. I am glad to yield.

Mr. SIKES. The gentleman has made a very fine statement, and I think we all subscribe to it. I would like to point to the fact that there was some confusion about the contents of the amendment when it was first offered. Many of us had not had the opportunity to see it, but I would like to point further to the fact that when the amendment was explained and understood, its adoption was unanimous, and I think that shows clearly the strong feeling of the House in the matter.

Mr. JOHANSEN. Mr. Chairman, I appreciate the gentleman's statement. I have been in no way critical of any statements made in connection with this or the position of the committee whatsoever beyond the one fact of the attempt of the gentleman from Oregon to defend the action that was taken under Communist blackmail.

Mr. PORTER. Mr. Chairman, will the gentleman yield?

Mr. JOHANSEN. I am glad to yield.

Mr. PORTER. Tomorrow afternoon, when there will be more time and I will not be holding up so many Members, I intend to make a speech about China, and I hope the gentleman will be present.

Mr. JOHANSEN. I shall make it a point to be present, I assure the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The amendment was rejected.

The Clerk read as follows:

TITLE III

Procurement

Procurement of Equipment and Missiles, Army

For expenses necessary for the procurement, manufacture, and modification of missiles, armament, ammunition, equipment, vehicles, vessels, and aircraft for the Army and the Reserve Officers' Training Corps; purchase of not to exceed one thousand three hundred and fifty-nine passenger motor vehicles for replacement only (including twenty at not to exceed $2,900 each); expenses which in the discretion of the Secretary of the Army are necessary in providing facilities for production of equipment and supplies for national defense purposes, including construction, and the furnishing of Government-owned facilities and equipment at privately owned plants; and ammunition for military salutes at institutions to which issue of weapons for salutes is authorized; $1,232,300,000, to remain available until expended.

Mr. MAHON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is the intent of the committee to undertake to finish the bill tonight and have a rollcall vote on the final passage. As I understand the situation, if the consideration of the bill went over until tomorrow, a rollcall vote on tomorrow would have to be postponed until next week. So I hope that we can move along as rapidly as possible.

The CHAIRMAN. The clerk will read.

The Clerk read as follows:

AIRCRAFT AND RELATED PROCUREMENT, NAVY

For construction, procurement, and modernization of aircraft, missiles, and equipment, including ordnance, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, including the land necessary therefor, without regard to section 3734, Revised Statutes, as amended, and such lands, and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title by the Attorney General as required by section 355, Revised Statutes, as amended; procurement and installation of equipment in public or private plants; and departmental salaries necessary for the purposes of this appropriation; $1,969,394,000, to remain available until expended.

Mr. CURTIS of Missouri. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CURTIS of Missouri: On page 20, line 16, strike out "$1,969,394,000" and insert "$1,930,394,000."

Mr. CURTIS of Missouri. Mr. Chairman, this is the second of the five amendments which relate to the extra money amounting to $255 million, which was put in the budget for antisubmarine purposes and not requested by the administration. I am not going to offer the other amendments inasmuch as the House has shown its desire in this matter unless by some chance in these brief 5 minutes, I might still persuade the House that this thing is a very serious matter and needs correction. I regret to say that the chairman would not yield to me when he was quoting certain parts of the hearings. I simply wanted him to give me the citations because I still make the statement that the report of the committee on page 17 is not in accordance with the hearings at all. It actually misrepresents the case.

Under the privilege of extending my remarks I want to answer a point made by the chairman immediately following my remarks. He now refers to part 6 of the hearings and the testimony of Admiral Hayward appearing on page 299. I trust the House will read that testimony, particularly the information the Admiral supplied for the record. Here it is.

During the last year many well qualified industrial concerns have made a large number of interesting proposals to do all types of work in all phases of antisubmarine warfare research and development.

Because of stringent funding limitations, only a small percentage of these proposals have been followed up with a contract. Only those proposals which the Navy felt were sure to produce an increase in ASW effectiveness were funded. This means that many new ideas which were of a high risk nature have been left unfunded for lack of funds. It is entirely possible that one of these new ideas could hold the secret to a real successful improvement in antisubmarine warfare. The $100 million additional requirement for ASW R.D.T. & E. contains an appreciable sum which will be used to explore new or novel ideas with the hope of increasing our capability to detect, classify, and kill the enemy submarine.

I think this clearly shows that the judgment by Admiral Hayward's superiors in cutting back on these funds was entirely in reason. Why did the committee disregard the considered judgment of the Navy heads and the Department of Defense?

It actually misstates the case. I regret to say I believe the distinguished chairman has not reviewed the testimony in regard to this matter. I want to refer to page 216 of volume 2 of the following testimony. Admiral Weakley was appearing before the committee and the chairman was interrogating him on this matter of research and development money that was needed:

Admiral WEAKLEY. We went after a figure in antisubmerine warfare research and development of $246,330,000. This is for antisubmarine warfare R.D.T. & E.

The figure that is now in your budget is $174,692,000 for antisubmarine warfare, R.D.T. & E.

Mr. MAHON. That is research, development, test, and evaluation?

Admiral WEAKLEY. That is the new budget line which has taken the place of the old R. & D. budget line.

Mr. MAHON. You felt that would be fully adequate?

Admiral WEAKLEY. We felt it was adequate and about what we could fund.

That is what the testimony was.

Also, I want to call attention to a very interesting exchange on page 214 where the gentleman from Texas [Mr. MAHON], began interrogating the witness, mind you, a member of our committee that is supposed to find out the justification for these items.

I may say that I intend to take the floor at a later time under a special order and point out the inaccuracies of this committee's report. The gentleman from Texas [Mr. MAHON] on page 214, starting this out, says:

Admiral, I was shocked to see that there is not a more dramatic program for antisubmarine warfare. Maybe this is as good as we can have.

Therefore I say it is very obvious that the chairman of the committee is the one who wanted to put more money in, not the witness, who testified that this sum was adequate.

One other point from the hearings dealing with the subject matter of whether or not there is a growing submarine threat. I refer to page 222 of the hearings:

Mr. MAHON. We have been told that the Soviet Union has drastically reduced its rate of production of submarines. What do you make of that?

However, the point I am getting at is the limitation of bases from which submarines might operate. I challenge anyone to point out a single question the committee directed to any witness as to what submarine bases Soviet Russia might have. We all know, or should know, that bases are a limiting factor in submarine warfare.

I again point to this article in Look magazine which quotes these same admirals who, of course, are pumping for their funds. It is a pure propaganda sheet, and this committee instead of protecting the House and bringing us factual information almost repeats in its report the propaganda which is carried in this magazine. And the report is at variance with what limited information there is in the hearings.

The administration has not asked for this money. This money has been put in, I maintain, because the committee having deleted the aircraft carrier fund felt that to make up for it they should give the Navy more money to use in research and development, a quarter of a billion dollars which had not been requested and which the record will show, if we really had a record, was not needed. Certainly this record does not justify putting a quarter of a billion dollars into this item.

Mr. MAHON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAHON. Mr. Chairman, it is not practical to undertake to run through the various volumes of the hearings and seek out testimony at this time. It is not possible for members of the committee to remember what testimony was printed and made a part of the record and what was not printed. About one-third of the testimony is not in the record but is locked in the vaults downstairs and is available, because we have taken the secret testimony in order that we may have it available when we mark up the bill.

I have not had an opportunity to review all this testimony during this discussion, but I do have page 299 before me, volume 6. The witness testifying is Admiral Hayward. The gentleman from California [Mr. SHEPPARD] was acting chairman of the committee at this time.

I call attention to the following statement by Admiral Hayward:

Admiral HAYWARD. As you may remember, last year Congress gave us $48 million additional for ASW research and development. However, I felt personally that we did not have sufficient money in the research and development phases, and we need an additional $100 million for 1960.

He said they need $100 million additional for 1960 for research and development in the field of antisubmarine warfare. We gave them, as shown in the report, $45 million in addition to the estimates for antisubmarine warfare research and development.

The people who worked on this bill and listened to the testimony will remember that when the vote came on the amendment to provide more funds for programs of antisubmarine warfare, the motion I believe was unanimously approved. The gentleman from Michigan may be able to state whether or not it was unanimous. I do not know.

Mr. BOYLE. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Illinois.

Mr. BOYLE. Mr. Chairman, if the committee will observe page 537, "Part I, Policy Statements," it will see that Admiral Burke indicated that he needed about $500 million in three categories: First, new ships; second, aircraft; and, third, research. He divided those into three generic classifications further into, first, antisubmarine warships—1 guided missile destroyer (DDG), 1 attack submarine (SSN), 1 guided missile frigate (DLG); second, aircraft, 12 all-weather fighters (FAH–1), 24 early warning aircraft (WF–2), 18 carrier ASW aircraft (S2F3), 20 ASW helicopters (HSS); third, ASW research and development; fourth, modernization and maintenance and operation funds; and, fifth, Polaris—1 Polaris submarine (SSBN).

This testimony came when the gentleman from Florida [Mr. SIKES] was in charge of the committee. I had asked the admiral earlier what he would do if the subcommittee gave him the money for a new nuclear carrier, and he said that in the light of the fact that his fleet was superannuated to the tune of 82 percent, being ships of World War II vintage, he could not in good conscience spend the money on a new nuclear carrier, but he would break it up in the previously itemized fashion which would cost $507 million. The testimony is replete that Russia has 450 operational submarines. If the gentleman from Missouri is going to research the point of the need for antisubmarine warfare funds he will do a wonderful service, to the whole House and to the country, but it was the unanimous opinion of the subcommittee that the submarine threat did exist, and I submit the money is necessary in light of all the facts disclosed by both the secret record and the record that is printed.

Mr. MAHON. I thank the gentleman.

It will be recalled that Congress accelerated the Polaris program, which is to be one of the brightest hopes for deterring war in the arsenal of this country. Congress will remember that the Constitution says it is up to the Congress, and Congress is authorized, to raise military forces and support them. Why should not Congress try to direct, insofar as it reasonably can, an effort to solve a problem that has to do with the very survival of the country?

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Michigan.

Mr. FORD. Mr. Chairman, I disapprove the elimination of funds for the carrier, and as an alternative I support this effort for an increase in our antisubmarine warfare capability. I believe this amendment, which includes $255 million spread out in three or four appropriations was unanimous in the subcommittee.

The CHAIRMAN. The time of the gentleman from Texas has expired.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. CURTIS].

The amendment was rejected.

The Clerk read as follows:

PROCUREMENT OF ORDNANCE AND AMMUNITION, NAVY

For expenses necessary for the production and procurement of Navy ordnance and ammunition, including missiles (except ordnance for new aircraft, new ships, and ships authorized for conversion); expansion of public and private plants, including land necessary therefor, without regard to section 3734, Revised Statutes, as amended, and such land, and interests therein, may be acquired and construction prosecuted thereon prior to approval of title by the Attorney General as required by section 355, Revised Statutes, as amended; and procurement of plant equipment, appliances, and machine tools, and installation thereof in public or private plants; $627,369,000, to remain available until expended.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to ask a question or two, and the first one I would like to ask the chairman of the subcommittee is whether or not he made the statement a moment ago that if a vote was not had on this bill tonight it would have to go over until next week?

Mr. MAHON. I conferred with the leadership and was told they would be glad if we could finish this bill this evening, that a vote on tomorrow would be passed over until next week.

Mr. GROSS. Can the gentleman tell me why?

Mr. MAHON. I am not able to give that information.

Mr. GROSS. I cannot understand why we cannot vote on this bill on tomorrow.

Mr. MAHON. May I say to the gentleman from Massachusetts [Mr. MCCORMACK], that I have said we hoped to finish this bill by 6 o'clock and have a roll call. I stated that probably a roll call which might be ordered tomorrow in the event we do not finish tonight would be passed over to next week.

Mr. GROSS. I may say to the distinguished gentleman from Massachusetts I wonder what big event is going on tomorrow that would preclude the House from voting on this bill.

Mr. MCCORMACK. Of course we are anxious to dispose of this bill today. The question of what might happen tomorrow or the day after has nothing to do with the hope of disposing of the bill today.

Mr. GROSS. Then we could have a vote on this bill tomorrow?

Mr. MCCORMACK. If it goes over, but I doubt it very much. What might happen tomorrow or on Friday has nothing to do with the desire to get rid of the bill today.

Mr. GROSS. I still do not know what world-shaking event would preclude a vote tomorrow.

Mr. MCCORMACK. We are not going to be here all night. We are pretty close to the end now. There are important matters coming up and we would like to dispose of this bill today, because if the bill is not disposed of today the program I had intended for tomorrow will not come up. Now, if we could get this bill out of the way, I could bring a bill up tomorrow that I have in mind.

Mr. GROSS. Well, will there be a vote on that bill tomorrow, may I ask the gentleman? I am not trying to usurp the functions of the leadership on the minority side. I am just trying to get some information.

Mr. MCCORMACK. Am I using the gentleman's time?

Mr. GROSS. Yes; but I have a motion that I can use if I have to. I yield to the gentleman.

Mr. MCCORMACK. I do not want any statement I make about tomorrow or the next day to be imputed by the gentleman today to have an application to the bill pending.

Mr. GROSS. Whatever that means I do not know.

Mr. MCCORMACK. Now, with that understanding, I might say that the leadership on both sides—because of circumstances that they think are justifiable and, if the occasion should arise, with the permission of the House—have agreed that if any rollcall should come up tomorrow or Friday, that it go over until next Tuesday.

Mr. GROSS. Well, I am afraid I will have to object to any unanimous consent request for that purpose.

Mr. MCCORMACK. Of course, knowing the fairness of the gentleman, I do not want him to commit himself now but wait until that situation arises.

Mr. GROSS. I thank the gentleman.

Now, I wonder if there is any money in this bill to construct any ordnance depots, in view of the fact that Army is supposed to be abandoning one of the finest, if not the finest, ordnance depot in the United States, the San Jacinto depot in Texas.

Mr. MAHON. There is no money in this bill to build ordnance depots. Such a program would be carried in another bill.

Mr. GROSS. I hope the gentleman will give some attention to that, because I am very much interested in the San Jacinto ordnance proposition.

I notice in the bill $54,380,000 for what is called extraordinary expenses, and most of that money is spent on the accounting of the Secretary of Defense or the Secretaries of the various branches of the armed services. I can understand that some money is necessary for that

purpose, but I am wondering if this subcommittee is really riding herd on these people to find how this money is being spent. I do not suppose the average, common, garden variety Member of Congress can find out, but I hope the committee will ride herd on these items under the title of extraordinary expenses.

Mr. MAHON. The vast majority of this money is spent for highly classified purposes, and we would do a great disservice to the country with any statement made with respect to those expenditures, but we are doing our best to ride herd on these people and safeguard public funds.

The Clerk read as follows:

AIRCRAFT PROCUREMENT, AIR FORCE

For construction, procurement, and modification of aircraft, and equipment, including armor and armament, specialized ground handling equipment, and training devices, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land without regard to section 9774 of title 10, United States Code, for the foregoing purposes, and such land, and interests therein may be acquired and construction prosecuted thereon prior to the approval of title by the Attorney General as required by section 355, Revised Statutes, as amended; reserve plant and equipment layaway; and other expenses necessary for the foregoing purposes, including rents and transportation of things; $4,165,700,000, to remain available until expended: *Provided*, That during the current fiscal year there may be merged with this appropriation such amounts of the unobligated balances of appropriations previously granted for "Aircraft, missiles, and related procurement," and "Procurement other than aircraft and missiles," as the Secretary of Defense may determine to be necessary for the accomplishment of the programs for which this appropriation is made.

Mr. FOLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FOLEY: On page 22, line 23, delete "$4,165,700,000" and substitute "$4,175,700,000."

Mr. FOLEY. Mr. Chairman, my amendment is at bottom an appeal to you members of the Committee of the Whole. It is an appeal that I make as an elected Representative of many thousands of unemployed persons in the Sixth District of Maryland and the many more thousands who are dependent upon these unemployed persons. As I pointed out yesterday in my remarks to the Committee, appearing on pages 9608 and 9609 of the CONGRESSIONAL RECORD, these unemployed persons are highly skilled, many of them professional employees and many semiskilled employees. They are employees layed off by the Fairchild Co. in Hagerstown, Md., within the past 17 months. In my investigation to determine the basic reasons for this great economic setback to the proud, progressive and truly outstanding American community of Hagerstown in Washington County, I have found these facts to be true:

The great and growing surge of unemployment in Hagerstown has been caused by the layoffs by the Fairchild Aircraft Co. It is the same Fairchild Co. of Air Force flying boxcar, the C–119, fame, and the builder of the C–123. But these proven craft no longer are being built. The Air Force last December canceled a $50 million contract for the Goose decoy guided missile which would have been produced by Fairchild. In addition, the J–83 engine for the Goose missile was canceled. These cancellations have cost Fairchild not only considerable current income production and profit, but amount to approximately $200 millon loss in future business. But my complaint is not with these inevitable developments in the swift technological change that is characteristic of the missile age. My complaint centers upon the nonglamorous, more prosaic part of the aircraft spectrum. It has to do with support aircraft. More particularly is has to do with the current need and future demand for the F–27 twin prop jet transport produced by Fairchild.

Last August, in 1958, the Air Force officials requested approval of procurement of the F–27 from the Senate Appropriations Subcommittee. Because of the lateness of the hour of the request, the F–27 was not included in last year's budget. In January of 1959, before the House Subcommittee on Department of Defense Appropriations, of which the distinguished gentleman from Texas is chairman, the request was made for approval of the F–27 for limited air attaché or embassy use. This request was turned down by the subcommittee. In my subsequent conversations with the members of the subcommittee, by letter and by personal visit, I pointed out the many broader and greater needs for the F–27 by the Air Force. I will itemize these needs a little later. Suffice it to say that the Air Force has seen this aircraft and has approved the aircraft and has demanded the aircraft.

I can inform the Members of the Committee without any fear of contradiction, that Gen. Curtis LeMay has requested this aircraft, that Gen. Thomas White, Chief of the Air Force, has requested this aircraft, that the Air Force weapons board has approved the F–27 and has requested through channels requisitions of the aircraft. Moreover, an Air Force committee, studying the future needs of support aircraft to replace the C–47, the old DC–3, has recommended the purchase of 150 of the F–27 over a period of time. Yet, in the face of this expert appraisal and recommendation of the top Air Force Defense official, the civilian spokesman for the Department did not come before the Defense Appropriations Subcommittee and request the F–27 for the 1960 fiscal year.

Let me remind you that last December the Air Force cancelled the Goose missile. The Air Force has terminated production of the C–123. Fairchild Company as a result of these actions has had to lay off close to 3,000 of its employees within the last 17 months. The company lost considerable money in 1958, and will lose increasing amounts in 1959. In fact, unless there is a military requisition effective within a few months to come, the whole F–27 production program of Fairchild will come to an end.

For this reason, I have presented this amendment to the Committee of the Whole House. Since the top spokesman for the Air Force, for no reason, to my mind, failed to request this necessary aircraft vehicle, I, as the elected Representative of the many thousands of unemployed persons and the last person who can register an appeal with you members of the Committee of the Whole House, you who are the last refuge for my constituents, make this appeal for support of my amendment. For in our governmental system, it has been necessary for me to wait until this very moment to have the authority and opportunity to make a request of the Committee of the Whole House for appropriations for these needed aircraft vehicles.

By approving my amendment these will be the immediate effects of the action taken by the Committee of the Whole House:

First. A proven aircraft producer, namely Fairchild, of Hagerstown, Md., will be saved from imminent economic disaster, and I am not overstating the case.

Second. A proven aircraft, namely the F–27, the logical economical replacement for the old DC–3's will be provided the Air Force.

Third. Employment conditions will immediately improve in Hagerstown and in Washington County for the Fairchild Company can recall many hundreds if not thousands of those now in the bread lines in Hagerstown and the policy of the Congress to aid a surplus labor area will be implemented.

Fourth. A source of spare parts for the F–27's presently in operation by feeder aircraft throughout the country will be continued in operation.

My amendment will make it possible for the Air Force to order 10 F–27's during fiscal 1960. The additional funds requested will be earmarked for the procurement of this particular aircraft.

Fairchild Co. needs this military order to maintain its F–27 production line in operation. Likewise, the Air Force needs this F–27 to replace the DC–3. These are demonstrable needs but because of bureaucratic bungling the needs have not been presented, until these last few moments. I have felt that it is my constitutional duty to present the needs to the members of the Committee of the Whole House. And in between the needs of the company to produce and the need for the Air Force to acquire the F–27, are the 3,000 unemployed persons anxiously waiting to get back to the production line. By this Committee's approval of my amendment the first and most important step back to the production line for these thousands of unemployed will have been taken. My amendment is not asking for a grant. My amendment is not asking for a loan. My amendment is merely asking the members of the Committee of the Whole House to provide for a genuine, economically sound quid pro quo. The Air Force will get needed proven support aircraft—the company will get desperately needed requisitions to continue production of the F–27. But more importantly, and over-

riding every other consideration, thousands of unemployed persons with their many more thousand dependents, will once again have the chance to exercise their high skills and earn a living.

By approving my amendment, the members of the Committee of the Whole House, the last refuge for thousands of my constituents, will have once again and forcefully condemned bureaucratic bungling. The members of the Committee of the Whole House, in the practical circumstances I have presented to you today, by approving my amendment, will have given meat, substance, and marrow to the oft declared policy of providing contracts for labor surplus areas.

I respectfully request the members of the Whole House to approve my amendment and I wish to thank the chairman of the Subcommittee on Defense Appropriations and all members of that subcommittee for their courtesy and consideration that they have shown me in this very important and crucial matter to thousands of my unemployed constituents.

MILITARY USES OF THE F–27

First. The F–27 is a natural replacement for the DC–3—C–47—which the Air Force uses as a general work horse all over the world. The DC–3's are anywhere from 12 to 18 years old. They are getting expensive to maintain; the spare parts problem grows more acute with time; and they are wholly unsuited to a member of Air Force missions today.

Second. The Air Force could use the F–27 in the photographic and charting service in the low and medium altitudes. The F–27 is the best airplane in the world for this use because of its high wing configuration. The commanding general of the charting service at Orlando, Fla., has requested the F–27 in the most glowing terms.

Third. There is the Medical Air Evacuation Mission, particularly in Europe, South and Central America. Because the Air Force is responsible for the medical care of not only its own personnel, but State Department personnel and oversea Government agency employees, some 1,200 people are transported each month by the Medical Air Evacuation Service, ranging from Burma to Iceland. These people are carried from bases or places of employment to military hospitals, and so forth. The capacity of the F–27 for either ambulatory or litter patients or both, greatly exceeds that of the C–47—DC–3. With its jet engines and vibrationless performance it can do the medical mission better than any airplane presently flying.

Fourth. There is a navigational training mission. The F–27 is particularly suited for the work carried on at the Air Academy, Colorado Springs, Colo. Because of its superior high altitude and hot temperature performance, the F–27 is ideally suited for student navigational training work. There are navigational training jobs at a number of airbases in the United States where present aircraft should be replaced by a more modern aircraft.

Fifth. The Caribbean Air Command based in Panama has a daily flight requirement of supplying high priority equipment, mail, and personnel to some 20 military missions maintained by our Government in Latin, Central, and South America. This work is now being accomplished by old DC–3's. The DC–3's are also being used to furnish high priority cargo and personnel service to a number of remote radar facilities.

Sixth. The Air Attaché Mission, particularly for countries close to or behind the Iron Curtain, is now carried on by old DC–3's.

In general, because of its greater range, larger payload, and additional speed, an A–27 has two and one-half times the productivity or usefulness of the C–47. It costs 56 cents a ton-mile to operate a C–47 today. It costs 22 cents a ton-mile to operate the F–27. Thus the F–27 does two and one-half times more work than the C–47 at only 39 percent of the ton-mile cost.

The CHAIRMAN. The time of the gentleman from Maryland [Mr. FOLEY] has expired.

Mr. MAHON. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. WOLF].

Mr. WOLF. Mr. Chairman, I desire to compliment the gentleman from Maryland [Mr. FOLEY] on the work he does constantly for his constituents.

Perhaps, because the gentleman from Maryland [Mr. FOLEY] has inherited some of the Midwestern aggressiveness and sincerity of his parents, he serves his people in Maryland better.

I can say that in this case, however, he serves the country, too.

I only want to say, Mr. Chairman, that I support my distinguished friend from Maryland in his significant amendment.

I ask unanimous consent, Mr. Chairman, to revise and extend my remarks and to yield the balance of my time to the gentleman from West Virginia [Mr. STAGGERS].

The CHAIRMAN. Is there objection to the unanimous consent requests of the gentleman from Iowa [Mr. WOLF]?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. STAGGERS].

Mr. STAGGERS. Mr. Chairman, I rise in support of the amendment. I should like to say that I agree with what the gentleman from Iowa [Mr. WOLF] said about our colleague from Maryland, JOHN FOLEY, that he is sincerely trying to do a good job for his people.

Certainly, he is here today making an earnest plea for several thousand unemployed people in his district as well as their families.

Mr. Chairman, there are some points that I would like to emphasize following what my colleague has told you about this situation.

First, a proven aircraft producer, namely Fairchild of Hagerstown, Md., will be saved from imminent economic disaster, and I am not overstating the case.

Secondly, a proven aircraft, namely the F–27, a logical economical replacement for the old DC–3, will be provided the Air Force.

The gentleman pointed out several other facts in support of his amendment, but I suggest the strongest point that he has to make is the saving of one of our pioneer aircraft producers from possible disaster. The gentleman is making a plea and so am I for several thousand workers, and also for the modernization of our Air Force, and to do away with a lot of the obsolete DC–3's that are now being operated all around the world, with many of them that have been held over since World War II and replacing them with modern jet airplanes that will be capable of doing a much better job and at much less cost, in other words, at about 39 percent of the cost of operating the old DC–3's. The Air Force itself has made a plea for this. I do not know why the Air Force did not come before the committee, but as the gentleman from Maryland [Mr. FOLEY] pointed out, General LeMay and General White, I believe were in favor of the F–27. The F–27 has proven its worth and its capabilities. I am certain it would help to modernize our Air Force and replace a lot of planes which are now obsolete.

The F–27 has also proven its worth in air medical evacuation. Some of the officers who are in charge of this have said that they would like very much to have this plane.

Mr. Chairman, I hope the amendment offered by the gentleman from Maryland is adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Chairman, the Air Force requested funds for certain cargo planes which were eliminated by the committee, and which represent a reduction of $50 million. Certain other administrative type of planes were also eliminated from the budget. The plane in question is one manufactured by Fairchild at Hagerstown. It was not presented to us as a budgetary item at all for 1960. It was discussed somewhat with regard to the program for fiscal year 1959. I have the greatest sympathy and the greatest interest in the people involved here, but, Mr. Chairman, there have been many cancellations of programs throughout the Nation and many people have lost their jobs. Of course, such a thing is always regrettable, but the object of our defense program is to provide the best possible defense for the country with the maximum utilization of the funds available. If we use these funds primarily to aid communities with unemployment problems, we will get ourselves very far afield from our main objectives. I want to say in behalf of the gentleman from Maryland [Mr. FOLEY] that he has done a diligent and a good job in presenting this very serious problem to the Committee and to the Congress. I do not blame him for offering the amendment. I wish I could support it, but it would be contrary to the principles that this Congress must follow in

making defense appropriations. Therefore, Mr. Chairman, I must recommend that the amendment be voted down.

The CHAIRMAN. The time of the gentleman has expired. All time has expired.

The question is on the amendment offered by the gentleman from Maryland [Mr. FOLEY].

The question was taken; and on a division (demanded by Mr. FOLEY) there were—ayes 25, noes 86.

So the amendment was rejected.

The Clerk read as follows:

MISSILE PROCUREMENT, AIR FORCE

For construction, procurement, and modification of missiles, rockets, and related equipment, including spare parts and accessories therefor, ground handling equipment, and training devices; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land without regard to section 9774 of title 10, United States Code, for the foregoing purposes, and such land, and interests therein may be acquired and construction prosecuted thereon prior to the approval of title by the Attorney General as required by section 355, Revised Statutes, as amended; reserve plant and equipment layaway; and other expenses necessary for the foregoing purposes, including rents and transportation of things; $2,448,300,000, to remain available until expended: *Provided*, That during the current fiscal year there may be merged with this appropriation such amounts of unobligated balances of appropriations previously granted for "Aircraft, missiles, and related procurement, Air Force", and "Procurement other than aircraft and missiles, Air Force", as the Secretary of Defense may determine to be necessary for the accomplishment of the programs for which this appropriation is made.

Mr. MINSHALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MINSHALL: On page 23, line 21, strike out "$2,448,300,000" and insert "$2,248,300,000."

Mr. MINSHALL. Mr. Chairman, earlier in the day during general debate, I discussed at some length my argument against Bomarc. I also took the liberty of addressing a letter to the Members of Congress last night which I assume many of you saw on your desks this morning, in which I outlined, at least, some of my arguments against Bomarc.

I should like to state very briefly, just what my amendment does. This amendment does but one thing: By reducing the appropriation by some $200 million it will take out the funds that are appropriated for the Bomarc program only.

I am leaving in the bill what you might call rope with which they can hang themselves, $84.6 millions for test and evaluation.

Mr. Chairman, I agree with the Defense Department concept of defense in depth. As you all know, around our cities and around our important areas in this country we have Nike-Hercules. That covers an area of about 80 miles surrounding those particular installations. Beyond that we would have Bomarc B, which is designed to reach out another 400 miles. Then we have the manned interceptors that would also cover this range and farther out beyond that.

If we could spend that money today and be assured of attaining the concept of defense in depth, including the Bomarc, I would be 100 percent in favor of it and would not be offering this amendment. But fact is, of course, that no funds voted today would do any such thing.

For 9 long years the Air Force has been tinkering around with the Bomarc program, and to date they have spent a total of $1,900 million for a program that has yet to be proven.

Bomarc B, which is the only thing we are talking about here today, has still to be fully tested; and according to the Air Force's own estimate will not be operational for at least another 2 years and will only have a minimum capability until 1964. Who in this House is going to say that the only threat against our country in 1964 would be manned aircraft? Manned aircraft is the only weapon against which Bomarc is effective, not the ICBM upon which the Russians are basing their entire offensive threat according to our best intelligence estimates. Bomarc is useless against the ICBM.

In summarizing my remarks today in general debate I said that Bomarc is a $2 billion failure. Call it, if you will, a $2 billion boondoggle. They have not produced as yet a single operational weapon, yet they want to carry on this program which if continued will cost another $3 billion or $4 billion. And this, of course, does not include $7½ billion for SAGE, the semiautomatic ground environment electric computer system upon which the Bomarc system is entirely dependent.

Bomarc B was developed from Bomarc A. Bomarc A has been completely abandoned except for five squadrons which are going to be put in position next year. Bomarc B shows some change in the propulsion and guidance systems, and an increase in power. Bomarc B, as I have just said, is useless against the ICBM; which will be our threat in the next few years. After 9 long years and nearly $2 billion we are still not receiving 1 cent's worth of defense, not 1 cent's worth of protection from the Bomarc system, yet this program if carried out will cost $3 to $4 billion more not including SAGE.

The most important thing in my opinion is the fact that the Bomarc will be obsolescent before it is operational, and it will be at least 2 years before Bomarc will become operational even if Bomarc is on schedule.

Mr. SIKES. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have a very great appreciation for the gentleman from Ohio and the work he has done on our committee. He has been a valuable member of the committee. He has been diligent in his work, and I compliment him very sincerely.

I do not support his amendment; in fact, I recommend very strongly that his amendment be defeated. I would like to point out, Mr. Chairman, that we are now talking about the defense of America. We are talking about the defense of the cities and towns of this Nation and the people who live in them, the millions of people who would be exposed to attack by Russian bombers. They are the people for whom protection must be provided by the Congress in this bill. That is why I do not want to take a chance on $200 million or any other sum which might deny the people the protection that you and I want them to have.

In addition I am talking about the protection of our military bases, the bases from which retaliatory efforts must spring if we are attacked.

Mr. Chairman, we in the Congress cannot really decide on the wisdom or lack of wisdom of this step. It is something that must be determined by those who have the technical knowledge, the advanced scientific knowhow which will permit them to decide properly on such an important step.

I call your attention to the fact that not a single scientist, not a single top ranking official from the fields of research and development testified that this program should be discontinued. I call your attention to the fact that the Secretary of Defense himself stated very positively that this program should be carried forward, that there is need for this weapon and a place for it.

I realize that the Nike program is a very good weapon, and I am proud that our committee made no cut in the Nike program, but that program does not possess the range which Bomarc offers. Bomarc, according to reliable data, will reach out into an area 400 miles from our own borders and to a height of 85,000 to 90,000 feet in the atmosphere.

Mr. Chairman, we simply have no other weapon available now or foreseeable which in the years immediately ahead will do the job for which Bomarc B is intended. Bomarc A is not under discussion, nor is it affected by this amendment.

I call your attention to the fact Bomarc A becomes operational in September 1959, this year. I call your attention to the fact that Bomarc B will become operational in March 1961, and that one installation a month will become functional beginning on that date. Bomarc B does have the capability to shoot down supersonic aircraft, it does carry an atomic warhead, it does have the potentiality to knock down entire formations of hostile aircraft.

There is not a miserable record of failure in connection with either Bomarc A or Bomarc B. More than 50 percent of the tests that have been conducted were successful, and for any new weapon a record of 50 percent is a very good one.

Until 1970 there is no evidence that manned aircraft will cease to be operational. We must maintain the best defenses we can against manned aircraft while they remain a threat to America's security. This has been a slow weapon to come into focus and into production. I recognize that it has been disappointingly slow, but this is a complex weapon. Frequently we have found that once a breakthrough is achieved, progress is thenceforth rapid. This was true of Thor, Atlas, and other weapons—all of them were disappointingly slow at one time.

If we do not spend this $200 million we lose ability to procure this missile during the coming fiscal year and thereby take the risk of setting back the defenses of our cities and bases a full year. That is what we are being asked to do here.

We saved a billion dollars in this bill by cutting down on the number of manned interceptors we would have to buy if we did not buy the Bomarc B. Bomarc B is not an addition to our defenses, it is a replacement.

We may never have a need for this weapon. I hope we do not. But I want to be sure we do not fail to have all reasonable protection available for our people if it should be needed.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. FORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Ohio [Mr. MINSHALL]. I rise in support of the position taken by the Committee on Appropriations. The reason is this: I believe there is an aircraft threat by the Soviet Union, a manned aircraft threat, that exists today and one that will exist at least until the late 1960's. This can be said for this reason, that the Furnas Committee report states—and if you have a chance to look at the people on the Furnas Committee, I think you will be impressed—that they are confident that intelligence estimates available to the panel have led to the conclusion that there will be a manned bomber threat at least until 1970. And, as long as we have that manned bomber threat, we have to face it with a mix of air defense weapons.

This graph shows in outline our plan for our air defense program. That area in brown will be defended by manned aircraft. At the present time they are F–101's and F–106's. We have some research and development money in this budget for a new manned aircraft, the F–108, that would have a longer range, greater speed, and greater altitude. But, that is only in research and development at the present time. This area which is shown in red is the range that will be covered by Bomarc A but more specifically by Bomarc B. This is a range out to approximately 400 miles.

These dots on the graph are the proposed sites for Bomarc A and Bomarc B. Those on the east coast, five of them, are Bomarc A sites. The first will be operational in September of 1959. The remainder will be coming along on a schedule of one each 3 or 4 months thereafter. The 16 Bomarc B sites will go into operation, the first one, in March 1961. They will become operational at the rate of one each month thereafter. They will all be operational by 1964 at a time when we still have a very substantial manned aircraft threat.

Now, if you knock out this $200 million for Bomarc B, you might as well wipe out all of the area defended by the red except that on the east coast which will be defended by Bomarc A. If you approve this amendment to take $200 million out of the bill, you can wipe off all of the protection you will get from Bomarc B, and Bomarc B is the only weapon which gives you this vitally important protection or will give it to you starting in 1961.

I disapprove of the action taken by the Senate Committee on Armed Services where they have made a deep slash in the Nike programs. I believe in the Nike program. The Nike sites will protect our major population areas. I hope that the Congress will take remedial action to straighten out the situation caused by this action taken by the Senate subcommittee. Our action, if we approve this amendment, will be as wrong as the action taken by the Senate committee.

This amendment is the meat ax approach. I do not think any of us in this body are competent to decide on a very technical matter such as this. We have a responsibility to provide adequate funds for a good air defense program, and if we leave this money in the budget, a total of $284 million for Bomarc, then the Secretary of Defense can make an intelligent decision as to which weapons, and in what mix, should be in our defense of depth. The Secretary of Defense has indicated in a communication dated May 11, 1959, "I have indicated above, and as I have indicated in my testimony, our concept of defense in depth leaves a place for both types of missile systems."

This was a letter addressed to the chairman of the Senate Military Appropriations Subcommittee.

Mr. Chairman, I hope the amendment offered by the gentleman from Ohio is defeated.

Mr. MAHON. Mr. Chairman, I ask unanimous consent that all Members may extend their remarks at this point in the RECORD in regard to this controversy over the Bomarc and the question of our defense missiles.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ANDERSON of Montana. Mr. Chairman, yesterday on the floor of the House, I was amazed when one of my distinguished colleagues, who is an avowed supporter of the Air Force Bomarc program, said that the Bomarc B target seeker will be used on the Army's Hawk missile, which is a low-to-medium altitude field-type missile.

The reason for my amazement was that I know the Bomarc B has no perfected target seeker at this time. Numerous approaches have been made to the problem, but as yet there have been no proven successes. The Bomarc B target seeker which my distinguished colleague has apparently been led to believe is successful is undoubtedly one which is under development by Westinghouse. The technical principle involved in this device is entirely different from the one which is used in the Hawk.

Now, let me digress for a moment and emphasize that the Hawk missile used by the Army, and whose target seeker was first developed in 1952 by Raytheon, is a highly effective, operational system this day, and has been in operation for a considerable period of time. Whereas, the Bomarc B seeker is in the same state of development now as was the early model of the Hawk seeker in 1952. That was 7 years ago.

Yet we hear that the Air Force Bomarc B seeker is indeed the best device possible for the use of the Army's Hawk. That suggestion, that the Bomarc B seeker be used in the highly efficient Hawk is just about as silly as the idea of a football coach at a junior high school offering one of his bench-warming eighth grade touchball players to the coach of the Cleveland Browns pro football team for use as the mainstay of that rugged group of men. It is just plain ridiculous.

I read one of the many voluminous press releases, which are ground out with regularity, that the Bomarc B was test-fired on May 27. We were told here on the floor of the House yesterday that this test firing was, and I quote, "entirely successful." I know that this test was far from successful—unless success means that it got off the launcher and then plunked down to earth again not far away.

I am tired of the Air Force making these highly ridiculous claims through their press agents, and their continuing efforts first to degrade and then later to capture the fine developments which the Army and the Navy have achieved in the missiles field.

Mr. PRICE. Mr. Chairman, the floor of the House is hardly the place to make a technical decision so vital to the internal defense of our Nation.

Economy may be a desirable thing; we may welcome a balanced budget, but the greenbacks saved in this manner will not be useful in warding off an enemy air attack on our homeland—they will not shoot down a single plane.

I support the position of the committee in this matter. I feel we would be very unwise to make a technical decision here this afternoon as to the relative merits of the Nike-Zeus and the Bomarc missile. In my own layman's judgment I believe we would be wise to follow good military advice and until far more is known about this matter we should give adequate support to both of these air defense programs.

Both programs have much to recommend them. Until all the answers are available I feel it is the better part of wisdom, in the interest of the preservation of millions of American lives, to defeat the amendment of the gentleman from Ohio [Mr. MINSHALL].

Mr. HORAN. Mr. Chairman, I am opposed to this amendment.

Much has been said pro and con regarding the general conclusions of the Furnas report. I should like to quote from the summary of that report:

> The panel considers the Bomarc IM–99B an important element of continental air defense against the air-breathing threat. Because we are now facing this threat, it is of paramount importance that our defensive posture be improved as rapidly as possible. Hence, it is recommended that a limited, though vigorously expedited IM–99B program be pursued at this time. Deployment should be limited to locations on the perimeter of the area to be defended, as outlined in section 6 of this report. Deployment at sites in the interior is not recommended.

That, Mr. Chairman, comes from an able panel who knew what they were talking about.

Mr. PELLY. Mr. Chairman, the gentleman from Ohio [Mr. MINSHALL] stated that at the proper time he intends to introduce an amendment to strike out $200 million which is earmarked for the Bomarc missile.

I have some interest in this matter, Mr. Chairman, because the Boeing Co. which makes the Bomarc is located in a neighboring congressional district of mine and I am somewhat familiar with the controversy that has existed as between the Bomarc and the Nike-Hercules. Basically, of course, this is a conflict as between the military services. It is a fight between the Air Force and the Army, each of which desires to fill a certain mission in our overall defense picture.

As to the Nike-Hercules, I believe it is an excellent defensive missile. I have visited the Nike sites in my district and have been briefed on the capability of this particular weapon. I say nothing of a derogatory nature about it.

Of course, I was disappointed when the committee struck out certain funds requested by the Defense Department and recommended by the President for the Bomarc B. I would have liked to see the $447 million that was in the budget included in the bill. However, when the committee reduced this to $284 million I considered that it was doing what it thought proper and I was prepared to support the committee.

Now I have heard many statements about the lack of capability of the Bomarc. However, let me refer to the testimony of our colleague, the gentleman from Michigan [Mr. FORD], on this subject. He pointed out that Bomarc A last December intercepted a jet fighter traveling at 500 miles per hour at a range of 145 miles at an altitude of approximately 30,000 feet. I do not think that the record of tests from Bomarc A is anything except a good one. Furthermore, I believe the Bomarc B with its increased range of 400 miles and the increased capacity as to altitude certainly deserves support on this merit.

Mr. Chairman, I intend to support the committee in all respects and in particular hope that any attempt to reduce the appropriation for the Bomarc B will be defeated.

Mr. MAHON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. MAGNUSON. Mr. Chairman, I must object.

Mr. MAHON. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 12 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. MAGNUSON] for 1½ minutes.

Mr. MAGNUSON. Mr. Chairman, in a minute and a half I am not going to be able to say very much. I think I shall confine my remarks to commenting on the fantastic propaganda campaign which has been carried on against the Bomarc missile. I know that most of the members of this committee are not aware of the incredible lengths to which the adherents of the Nike defense system have gone in their attempt to discredit the Bomarc. I think some of the methods used have been quite questionable; extremely questionable.

Of course, this is Army inspired. The Nike is an Army weapon, and if the Nike should be stricken out, the Army will be out of the missile business. So I can understand it.

Let me say that I am not one who proposes that the Nike should be eliminated. I think we need both of these weapons.

Mr. Chairman, this morning the gentleman from Pennsylvania [Mr. FLOOD] was at his histrionic best.

Mr. Chairman, of course, I wish to record my vehement objection to this amendment. Rather than cut any more funds from the Bomarc program, I believe that this Committee has an obligation to restore those already deleted by the Appropriations Committee and to take a serious look at this whole Nike-Hercules-Bomarc controversy.

Never in all of my experience as a Congressman have I witnessed such a volume of claims and counterclaims as that surrounding the vital subject of the defense of the United States. And this, ladies and gentlemen, is the basic issue—what is the best defense system for the United States?

In order to answer that question, let us start by looking at the threat. The basic threat that exists today is Soviet bombers and known air-to-surface missiles. In addition, we know that the Russians are developing nuclear bombers and high-energy fuel bombers with supersonic speeds. This, then, is the airborne threat that Russia has today or will have in the coming years. We also know that Russia is busily engaged in developing and implementing production of a ballistic threat, or the intercontinental ballistic missile. Eventually, as the ICBM is improved in accuracy, range, and the technology required to make it a reliable weapon, it will replace the airborne threat. However, for today and a number of years to come, the airborne threat is still the most accurate and cheapest way to deliver a nuclear bomb.

Now, the Nike-Hercules and the Bomarc are aimed at taking care of this airborne threat. They are not intended to tackle the ICBM's. So let us now examine just how these two weapons will accomplish their jobs. First of all, I am sure you will agree that we have to keep any nuclear explosion sufficiently far away so that its effects will not cause marked destruction of either property or life, either by action of the enemy or by our own action in destroying the carrier of such nuclear weapon. In order to do this, we have to effect the kill of the oncoming weapon warhead by destroying it before it reaches the target zone. The problem is further complicated by the fact that new weapons of the air-to-surface missile type are being developed which can be launched from bombers a number of hundreds of miles away. This means that in order to be sure that we get and kill the attack before it can hurt us we should kill the carrier before it releases its missile. This is the concept of any defense weapon. If it does not do this job, it is not protecting the target area.

To understand this better, let us take a look at two targets—one a city and the other a SAC base. Both are protected by Nike-Hercules, Hawk, and Bomarcs. The Bomarc uses the eyes of existing radars in early warning airplanes, picket ships, Texas towers and land-based radars. All of these provide the early detection that enables Bomarc to carry the battle as far out as possible. In contrast, the Nike-Hercules and Hawk depend on radars adjacent to their particular sites and therefore cannot take full advantage of the early warning airplanes, picket ships, and Texas tower type of radars. This brings up the first difference between the Nike-Hercules and the Bomarc. The Bomarc, tying in with SAGE, uses farflung existing radar systems for early detection and control. The Nike-Hercules and Hawk depend upon individual radars, which, because they are located next to a battery, are very limited in line-of-sight, plus the fact that they can control only the weapon of that particular battery, and do not have the depth of early warning and control gained by an entire integrated radar network.

Secondly, we have the difference in range. Roughly, the range of the Nike-Hercules is 86 nautical miles and the altitude approximately 100,000 feet. The Hawk, which is designed to compensate for the lack of low-altitude capability on the part of the Nike-Hercules, has a maximum range of approximately 21 miles at its top altitude of 50,000 feet and approximately 12 miles at sea level. These two systems must go together to provide point defense from sea level to high altitude.

On the other hand, the high-altitude range of the Bomarc is more than 400 nautical miles, while its low-altitude capability is approximately 300 miles. This means that from the center point a Bomarc missile could go 400 miles at high altitudes in any direction and at low altitude approximately 300 miles in any direction. It gives protection from sea level to high altitude without adding any other missile.

Thirdly, we have the difference in manpower. To operate a Nike-Hercules battalion takes approximately 460 men. To operate a Hawk battalion requires approximately 400 men. To man a Bomarc base requires approximately 140 men.

Fourthly, we have the difference in cost. The average cost of a Nike battalion, based upon the number of battalions required to protect 62 targets in the United States, is $67.5 million per battalion. The Hawk, based on the same ground rules, costs approximately $70 million. The Bomarc costs approximately $82.5 million for this same coverage. While the cost of the Bomarc is individually higher than either the Nike-Hercules or the Hawk, you must remember that the Nike-Hercules and the Hawk have to be combined to give you the same protection as the Bomarc. Therefore, the total figure for coverage by the Nike-Hercules and the Hawk is close to $135 million, while the Bomarc will give you this same coverage for $82.5 million.

In summary, I believe that the Bomarc weapon system will provide the best and cheapest air defense. We need a defense system to meet the manned-bomber threat which exists through 1970. The way to meet this threat effectively is to have a remote battle, one that keeps the destruction of the enemy and the blast effects of our own missiles away from our shores. It is also desirable to store air-defense-missile warheads away from our populated areas by remote deployment. And, finally, the Bomarc system provides the most economical way to achieve effective air defense.

The CHAIRMAN. The time of the gentleman from Washington [Mr. MAGNUSON] has expired.

The Chair recognizes the gentleman from Washington [Mr. TOLLEFSON].

Mr. TOLLEFSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, like most Members of Congress, I am not a military expert. Therefore, on many items in this bill I must rely on the advice of members of the Armed Services Committee and the Appropriations Subcommittee which year after year gives consideration to military matters.

I must oppose the amendment to strike from this bill the sum of $200 million for Bomarc missiles. The Department of Defense, the Bureau of the Budget, and a majority of the members of the Appropriations Committee recommend funds for continued construction of Bomarc missiles.

If there is any question with respect to the effectiveness of the Bomarc we should resolve that question at this time in favor of the defense of our Nation. Let us not gamble with the security of our Nation by eliminating a missile which the Defense Department says we need.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. PELLY].

Mr. PELLY. Mr. Chairman, I think that the interservice competition is largely back of this amendment. I feel that I am not competent to pass on the merits of the two missiles. I am going to support the committee. I think it is very unfortunate that we on this floor should be in the position of having to try to settle a highly technical matter.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. FLYNT].

Mr. FLYNT. Mr. Chairman, I take this time not to argue or discuss the merits of this issue but to ask questions of either the chairman of the subcommittee or the ranking minority member. Has any member of the subcommittee observed a successful firing of the Bomarc?

Mr. MAHON. The Bomarc has been tested for a number of years. It goes operational in units in September. I personally have not been present at any of the firings, but some of the other members perhaps have.

Mr. FORD. I have not seen a firing myself, but the record indicates that out of 54 firings against targets they have had 37 successful launchings, I think.

Mr. MINSHALL. Mr. Chairman, will the gentleman yield?

Mr. FLYNT. I yield to the gentleman from Ohio.

Mr. MINSHALL. I would like to say that the Bomarc B, which is the only weapon we are considering here today, has never been fully tested. They fired it on May 27, the night before the subcommittee met, and then grossly exaggerated what it did.

Mr. FLYNT. That was going to be substantially my next question. Have there been any successful firings of any significance of the Bomarc prior to the 27th of May?

Mr. FORD. I can say this, that that test was the first Bomarc B launching.

Mr. SIKES. There has to be a first of everything.

Mr. FORD. This was on a schedule that was set 12 months ago.

Mr. SIKES. There have been many successful firings of the Bomarc A. There has to be a first for everything, and this is the first of the Bomarc B.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. BOW].

Mr. BOW. Mr. Chairman, I take this time to ask the gentleman from Ohio a question, which is not clear to me. Just what is the $200 million that your amendment seeks to take out to be used for?

Mr. MINSHALL. The $200 million, may I say to my colleague, the gentleman from Ohio, would be used solely for procurement.

Mr. BOW. That is for procurement of a missile that has not had but one unsuccessful test; is that correct?

Mr. MINSHALL. It was tested once and that was a very qualified success. I cannot repeat it here because the results are classified, but I can say the report which was published in the public press was highly exaggerated, and I saw the official results.

Mr. BOW. I understand the gentleman's amendment leaves the $84 million in for the Bomarc B for further development; is that correct?

Mr. MINSHALL. Yes; for further testing and evaluation. It will in no way affect the testing and evaluation of this weapon. We are leaving that money in there, but we do not think we should spend $200 million more for procurement and send more good money after bad.

Mr. BOW. To what extend will this delay the missile program?

Mr. MINSHALL. In my opinion and in the opinion of many military experts, it will not delay the Bomarc program one iota.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield.

Mr. SIKES. It will delay the procurement of the Bomarc B for 1 full year thereby setting back the defenses of our cities and towns and bases 1 full year.

Mr. BOW. Does the gentleman believe that the Bomarc B will be successful or will we be providing money for a missile that has not yet been proven to be successful and which may not be successful.

Mr. SIKES. I have every reason to believe it should be successful. If it is not successful, the money does not have to be spent, but it would be held.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. WOLF].

Mr. WOLF. Mr. Chairman, the gentlemen of the committee are very fine and sincere men; thus I regret I must make the following statement.

I rise in defense of the amendment to exclude the moneys for the Bomarc program. Mr. Chairman, the Bomarc program is completely obsolete, and it appears that the proponents of this Bomarc program are thinking in terms of spending approximately $12 billion by 1962 to make a weapon operational which was obsolete at its inception. According to the best estimates which I have been able to gather, it will take $7½ billion additional funds—I said billion, Mr. Chairman—to finish the research and development program on the SAGE system, the central control system for Bomarc, and it will take more than $3 billion additional in research and development funds in the Bomarc program.

It is my contention, Mr. Chairman, that this $12 billion—if we must spend it—could very well be put into advanced research on defense weapons against the ICBM which travels above Mach 5. This is, and has been, a tragic waste of taxpayer's money.

What are some of the secrets of this weapon heretofore not generally made public?

From my research, I have discovered that there has been only one engagement by a Bomarc weapon against a supersonic target, and that one was unsuccessful. The Bomarc B is on the planning boards only. The Bomarc program was started in 1949 against a projected target 1955 style, so that today in 1959 we are talking about spending about $12 billion, Mr. Chairman, for a weapon which was planned to meet its peak of efficiency in 1955, and 4 years later is still not operational. The 400-mile range is free flying, not on target. An engineer's dream. Not 400 miles and intercept.

What are the weaknesses of this weapons system? The first point that we have to make immediately is its limited altitude range, the ultimate range of which is slightly in excess of 60,000 feet. By the best estimates 40,000 feet is the maximum effective range, and again it is not operational today. This is only projected thinking. The ramjet engine which it has obviously indicates that it has to have air to breathe, and this is the reason for its limited altitude. Compare this to the rocket engine of the Hercules complex which has a maximum altitude of somewhere around 150,000 or more feet.

Further, it is a slow-speed weapon which is indicated by the fact that it has not made a supersonic kill as yet. About 2.7 Mach.

Another weakness of this system it appears to me is the recognition of the guidance and centralized control system needed for the Bomarc. It becomes completely inoperable if the SAGE system is knocked out. This can be a very

dangerous thing to have a country depending upon this weapon for defense, even if we project ourselves to the time when it will be operational if we must rely on a guidance and computing system which can be made useless so easily.

Contrast the Nike-Herc system with Missile Master Guidance System which has its own operational centralized control system. Each battalion in the Nike-Herc system has its own target-acquiring control and target-tracking control. This is completely the opposite to the SAGE system which has a centralized control for the entire system in the Bomarc program.

The proponents of the Bomarc system seem to sell it on the strength of its great range, but I would like to ask, with all due respect, Mr. Chairman, "What good is range, if when it gets there it can't hit the target?" It is like sending a boy to a dry well for a drink of water—only in this case, the defense of our country is what is at stake.

And, as it stands, the SAGE system tests have shown that it cannot support the Bomarc at extreme range. It does not have enough definitive warning at this great distance, and again we are talking about a theoretical maximum distance of 400 miles, and we are still talking about a ramjet engine which limits its speed and its altitude.

Now, what about the cost of maintaining a Bomarc B squadron? According to the best estimates the Bomarc B squadron with 60 missiles will cost about $2 million. For contrast purposes only, the Nike-Herc battalions of 84 missiles each will cost about $70,000. Or, in other words, we can have 30 Nike-Herc battalions for the same cost as 1 Bomarc squadron. Common sense dictates my thinking as to which I would prefer to have.

In other words we can put out 2,400 Nike-Hercs for the price of 60 Bomarcs. Let us scatter these out wider. A proven system operational today.

Not the Bomarc which the great DAN FLOOD so eloquently said, "Hasn't even shot down a starling." One of the gentlemen suggested yesterday that the Bomarc B was using the same seeker in its nose as the Hawk. I believe the Hawk is using a ratheon seeker. Westinghouse is building the Bomarc seeker and hopes to test it this fall. It terrifies me when I think what will happen when we rely on the too automatic dream world created by the supporters of Boeing Aircraft Corp. and the Bomarc program. Remember, obsolete today, but not in sight until 1964.

I sincerely hope the amendment of the gentleman from Ohio is agreed to.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. WOLF. I must yield to my colleague since he has been so very kind to me, but, as the gentleman knows, our time is very, very limited.

Mr. SIKES. The SAGE program is not intended primarily for Bomarc. It uses the SAGE program thereby avoiding the expense of a separate guidance program for Bomarc. The SAGE program is part of the warning network and interceptor control system of the Nation and is not intended primarily for Bomarc. It is considered a necessary facility whether or not we have the Bomarc program.

Mr. WOLF. May I ask the gentleman from Florida in return what would the SAGE program do if it is proven that the Bomarc is worthless? What would its service be then?

Mr. SIKES. It would do exactly what it is intended to do, regardless of whether Bomarc continues in the defense system. SAGE is part of the warning network of the Nation and has an important function in the guidance of our aircraft.

Mr. WOLF. Is it as expensive a program without the Bomarc involved?

Mr. SIKES. It would be at a comparatively lower operating cost but there would be no major difference in the installation costs.

The CHAIRMAN. The Chair recognizes the gentleman from Utah [Mr. DIXON].

Mr. DIXON. Mr. Chairman, I must rise to take vigorous issue with this radical and dangerous proposal to strike out the procurement funds for the Bomarc missile.

First, this action would dramatically undercut the U.S. defense posture at a critical time, just at this very time Secretary McElroy and Secretary Herter are both in Europe and our negotiations with the Communists over Berlin must be backed by a display of our military determination.

The Bomarc missile has been studied and restudied by military committees, and the development and procurement of the missile has been consistently recommended. The Weapons System Evaluation Group, currently headed by an admiral, recommended that the Bomarc be stepped up. The Joint Chiefs of Staff and Secretary McElroy have also supported the green light on Bomarc development.

Thus to strike out procurement funds now would be premature. Furthermore, I understand Secretary McElroy has promised Congress within about a week and a half a complete overall air defense plan.

Second, it should be made clear that the Bomarc is not a duplication of the Nike system, but is, to the contrary, a distinct complement to the Nike system, with abilities that the Nike system does not have. Let me explain. The Nike includes three series; the Ajax, which replaces antiaircraft defenses for point defense; the Hercules, which is also for point defense and has a range of approximately 75–85 miles. This, of course, is a last-ditch effort, and far too close for comfort. We must have weapons which will down enemy aircraft long before they get within 75 miles of a city.

The Nike-Zeus is designed to destroy intercontinental ballistic missiles. It will be good for long ranges and go very high. On the other hand the Bomarc is designed for air-breathing vehicles. The A which has a liquid fuel booster and then cruises with ramjet power has a range of 200 miles. The B which has a solid fuel booster and then cruises with ramjet engine has a range of 400 miles. While cruising these can be maneuvered, which the Nike missile cannot. The B therefore will be able to destroy enemy aircraft at a much greater distance from the target than the Nike, Ajax, or Hercules could do, and the Nike-Zeus would not be suitable at all for antiaircraft.

Some of my colleagues who favor striking the Bomarc procurement funds apparently believe that there is no need for us to defend ourselves against aircraft because of the coming missile age. However, this is fallacious for two reasons. The first is that the groups which have access to all of the American intelligence about the Russian military potential and plans, such as the Joint Chiefs of Staff and the Weapons System Evaluation Group, know best the nature of the threat to the United States and they strongly endorse the Bomarc missile as a necessary part of our defense structure. The second is because we would be inviting Soviet air attack by planes if we do not prepare a defense against aircraft.

Mr. WOLF. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of Montana. I yield.

Mr. WOLF. Mr. Chairman, I would like to make one more point, if I can. I thank the gentleman from Montana for yielding to me. Some of the discussion here today has referred to the cost of these two programs. You can set up a battalion of Nike-Hercs which is 84 missiles for $70,000 approximately and a squadron of Bomarcs when they are operational, which they are not today, of 60 for about $2 million. Now you can have 2,400 missiles, Nike-Herc missiles, for the price of 60 Bomarcs. Suppose you were to scatter these out over this area. You are going to cover more with these 2,400 Nike-Herc missiles. You cannot take it out in the Atlantic but you have the Polaris out there that we are providing money for. I think these are some of the things that should be thought about here very carefully. As I say, we are not talking about $200 million here about the Bomarc but $12 billion. It is a boondoggle and has been a boondoggle from the start. In 1949 when they started this program for a missile which was supposed to be operational against a target date of 1955 and it is not today in 1959 operational. Again I remind you that it will be 1964 before it will be fully operational and on site and I fear then we will be worrying about an ICBM which will travel at 2 times the speed of the Bomarc. This, of course, will eliminate the Bomarc as a defensive weapon against the ICBM.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. LAIRD].

Mr. LAIRD. Mr. Chairman, the Secretary of Defense asked the Congress to put both feet of the Department of Defense to the fire as regards this country's air defense system. In my opinion the Appropriations Subcommittee on Defense started to put the feet of the Defense Department to the fire but they only went half way. I would like to read to you from page 16 of this committee report, which supports my position. It states:

> The committee would be willing to appropriate the full budget estimate and more if it had full confidence in the proposed Bo-

marc missile—if it had the assurance that the system would actually work. The contractor for this missile has already received over a period of years commitments in excess of $1,100 million. Before further commitments and expenditures pile up, a new hard look should be given to the proposed Bomarc and the whole air defense problem.

In this particular case our subcommittee was unanimous in providing all of the money necessary for research and testing; but certainly by giving half the money requested to set up a production line I think we are taking one foot of the Defense Department away from the fire. The Minshall amendment makes the Department of Defense face up to this air defense problem and come to the Congress before this bill is enacted into law with a firm decision.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

The Chair recognizes the gentleman from Texas [Mr. MAHON] to close the debate.

Mr. MAHON. Mr. Chairman, the figures in regard to the Bomarc program will be found in the discussion yesterday in the House. This issue was discussed for several hours. The committee report which begins on page 14 under the heading "Air Defense" covers the situation. The gentleman from Wisconsin has quoted from this section of the report.

We did strike out $162.7 million of budgeted funds for the Bomarc missile in order to compel a decision.

Secretary McElroy has sent word to the Congress that a decision will be forthcoming with respect to air defense within the next 10 days.

It seems to me that under the circumstances the committee action is as good a compromise, as to how this matter should be handled, as could be obtained.

This is not a new missile. The Bomarc B is a follow-on to Bomarc A. This missile has been in production in one form or another, or under research and development, for about 8 years, and the major and the important technological questions have already been solved.

We are trying to telescope time in the Bomarc program in order to give us some degree of air defense. We did that last year with the Polaris missile; we are doing it in this bill with the Atlas and other missiles. It is simply a matter of trying to gain time from the beginning of research to the production of an operational missile.

I hope the Committee will vote down the Minshall amendment.

The CHAIRMAN. The time of the gentleman from Texas has expired, all time for debate on this amendment has expired.

The question is on the amendment offered by the gentleman from Ohio [Mr. MINSHALL]

The question was taken; and on a division (demanded by Mr. MINSHALL) there were—ayes 51, noes 178.

So the amendment was rejected.

The Clerk read as follows:

CONSTRUCTION OF SHIPS, MILITARY SEA TRANSPORTATION SERVICE, DEPARTMENT OF DEFENSE

The appropriation to the Department of Defense for "Construction of ships, Military Sea Transportation Service," shall not be available for obligation after June 30, 1959.

Mr. SANTANGELO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SANTANGELO: On page 25, after line 17, add new section, as follows:

"GENERAL PROVISIONS

"SEC. 301. None of the funds contained in this Title may be used to enter into a contract with any person, organization, company or concern which provides compensation to a retired or inactive military or naval general officer who has been an active member of the military forces of the United States within 5 years of the date of enactment of this act."

Mr. FORD. Mr. Chairman, I make the point of order that the amendment is subject to a point of order. I have not seen a copy of the amendment.

The CHAIRMAN. Is the gentleman making a point of order? If so, will he state it?

Mr. FORD. Mr. Chairman, it is legislation on an appropriation bill. I will reserve a point of order.

Mr. SANTANGELO. Mr. Chairman, this amendment is designed to eliminate influence by retired military officers above the rank of colonel and to reduce the cost of our defense program. It will permit those who grant procurement contracts to let them without offending their former bosses or colleagues.

It has become rather general practice for high-ranking military officers to accept important positions in defense industry after their retirement from active military service. We have approved the budget request of 715 million for retired pay of military personnel. Retired officers receive substantial retirement benefits. In some cases such officials take positions with companies which have large contracts for the furnishing of war materiel to the Defense Department.

There can be little doubt that this is a very unhealthy situation and should be changed immediately. It can have a very definite effect on contracting policies and procedures within the Defense Department. It can result in unnecessary expenditures and waste.

Persons within the Department who may be looking forward to possible employment within a certain organization after retirement can display partiality and favoritism without ever realizing it. Further, prominent military figures in retirement can have a great influence over their former subordinates who are still in the Department. Contact at social and professional gatherings between active and retired officers can provide a perfectly natural setting for influence and favoritism.

Past history before the Renegotiation Board indicates that defense contractors have made excessive profits. Last year, procurement contractors voluntarily or involuntary disgorged $112 million. During the past 10 years since the creation of the Renegotiation Board our Government has recovered or recouped over a billion and a half in excess profits. From the nature of things, excess profits are concommitants to negotiated contracts and letter contracts, they follow when bids are noncompetitive. In our haste to be efficient, we have become shamefully prodigal.

Of the President's $77-billion budget for 1960, $45,805 million goes to national security programs. Of the $45,805 million, $13,938 million is allocated to procurement, the purchase of aircraft, missiles, ships, and other military equipment. A great bulk of this $13,978 goes to contractors producing planes or missiles. About 10 companies received the bulk of negotiated contracts. Page 68 of hearings which deal with procurement discloses what defense contractors received in 1958:

ADVERTISED VERSUS NEGOTIATED PROCUREMENT

(Extent of single source procurement, fiscal year 1958)

The total value of Air Force single source procurement on negotiated contracts during fiscal year 1958 was $9,221,542,000 (AF–N27 report). This was made up of $4,668,134,000 of amendatory actions pursuant to the terms of existing negotiated contracts and $4,553,408,000 of new procurements negotiated with a single source. Of the total of the single source procurement, $6,672,791,430 or 72.3 percent was effected with 10 contractors. Those 10 contractors are our major source of aircraft, missiles, installed systems, and ground radar. The 10 contractors and the value of the procurement placed with each is as follows:

Boeing: Bomarc, B–52, KC–135, Minuteman	$2,209,793,957
Douglas: C–133, Thor, Genie	386,735,577
General Dynamics: B–58, X–15, F–106, Atlas	1,268,395,457
General Electric: ASG–14 fire control, J–79 and J–58 engines, guidance systems, nose cones, FPS–6 ground radar	654,795,742
Hughes: ASQ–25, MG–13, MA–1 fire control systems, Falcon	385,381,034
Lockheed: F–104, C–130, system 417L, reconnaissance missile	557,982,372
Martin: Titan, Mace	166,916,863
McDonnell: F–101	260,574,882
North American: B–70, F–100, F–108, propulsion units for Thor, Atlas, Jupiter, guidance systems, Hound Dog	501,607,864
Republic: F–105	280,607,682
Total	6,672,791,430

What has been the development of these defense contractors?

Let us take three companies. Boeing from 1952 to 1958 was able to increase its capital investment on the basis of profits made almost entirely from Government contracts from $34 million to $145 million. In 1958, Boeing made $29 million profits after taxes. Who are their public relations men, who are the retired officers on their payroll?

Douglas Aircraft in 1953 had a private capital investment of $53 million. In 1957, Douglas had a private capital investment of $111 million and made a profit of $30,665,000 after taxes. Who are their public relations men—who are the retired military or naval personnel on their payroll?

Lockheed in 1953 had a private capital investment of $57 million. Today it has a private capital investment of $129 million. In 1958, after taxes, they made

a profit of $18,556,000. Who are their public relations men, who are the retired military or naval officers on their payroll?

The committee report on page 42 clearly indicates that policy decisions by the Joint Chiefs of Staff are not taken and infers that their indecision is influenced by industrial contractors. The committee report demonstrates their concern about the influence of retired personnel on procurement of contracts by defense contractors. Why this indecision which is so costly? I do not hazard a reason but I can surmise.

Why do these industrial contractors engage or hire retired military or naval officers at inordinate salaries? Is it because of their technical knowledge or is it because of their relationship with their former colleagues or former subordinates who are at the levers of control? This amendment seeks to minimize that influence by denying funds to a defense contractor who engages a retired general officer within 5 years from date of retirement solely for purposes of capturing contracts.

Further, it seems that most of these contracts are going to companies who have their plants out West. Eastern contractors are losing their work and the loss of contracts is depressing areas in the East, in New York and Maryland. This amendment will give all companies an equal chance without interference by retired officer personnel.

My proposal is similar to legislation which makes it illegal for an Internal Revenue agent to handle private tax cases during a period of 3 years after leaving that organization.

I urge the passage of this amendment.

Mr. FORD. Mr. Chairman, I renew my point of order. I agree that there are abuses indicated by the gentleman from New York [Mr. SANTANGELO]. I think those abuses should be corrected. But, I think at this point, this is the wrong way to do it, and for that reason I make the point of order. In my opinion, this amendment or this limitation places additional burdens on the executive branch of the Government which are not now required by law, and therefore it is legislation on an appropriation bill; therefore subject to a point of order.

The CHAIRMAN. Does the gentleman from New York desire to be heard on the point of order?

Mr. SANTANGELO. Yes, Mr. Chairman. This is not legislation upon an appropriation bill. This is a limitation of expenditures and restrictions as to the way they shall spend these funds, and it is in no wise legislation. I submit it does not violate the parliamentary rules.

The CHAIRMAN. Does the gentleman from Texas desire to be heard on the point of order?

Mr. MAHON. Mr. Chairman, I desire to be heard on the point of order on the basis presented by the gentleman from Michigan that this would impose additional duties upon the Department of Defense.

The CHAIRMAN (Mr. KEOGH). The Chair is prepared to rule.

The gentleman from New York [Mr. SANTANGELO] offered an amendment in the nature of an addition to the pending bill by adding a new section, the language of which was reported with the amendment: None of the funds contained in this title may be used to enter into a contract with any person, organization, company, or concern which provides compensation to a retired or inactive military or naval general officer who has been an active member of the military forces of the United States within 5 years of the date of enactment of this act, to which amendment the gentleman from Michigan makes the point of order that it is legislation on an appropriation bill.

It is obvious that the intent of this amendment is to impose a limitation on the expenditure of the funds here appropriated, and while the point might be made that imposing limitations will impose additional burdens, it is nevertheless the opinion of the Chair clearly a limitation on expenditures, and therefore the Chair overrules the point of order.

Mr. MAHON. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 6 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. STRATTON].

Mr. STRATTON. Mr. Chairman, I rise in opposition to the amendment. It is with some reluctance that I oppose this amendment offered by my friend and colleague from New York, because I believe there are certain cases to which he has referred in which this has been a serious problem. But, I think there are two points that ought to be borne in mind by the House. In the first place, we are denying to our defense industries, if this amendment goes into effect, the services and assistance of the very people who have had the most experience in the fields of weapons and related matters to which the Government looks to such contractors. If this amendment were to go through in this extreme form, we would actually be jeopardizing our own national defense. We would be throwing out the baby with the bath. Secondly, this House not too long ago adopted the so-called "hump" bill for the Navy, and we are expected soon to be presented with a similar piece of legislation for the Air Force, under which valuable officers in the higher ranks will be forced to retire before their time with a lesser return in retirement pay. If this amendment were to be adopted, therefore, we would be foreclosing to these loyal officers, many with families still to educate, the chance of entering certain fields of gainful employment after their forced retirement, particularly those fields where they are best qualified and best able to serve. How can we force loyal officers to retire, and then deny them a chance to find a living in those very civilian fields which are most likely to be open to them?

Mr. Chairman, this, I think, would work a serious injustice to these officers and would impair our national defense. I hope the amendment will be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Chairman, I shall ask unanimous consent to place in the RECORD at this point a portion of page 42 of the report on this bill in which the Department of Defense is called upon to supply the names of military personnel working for defense contractors:

> The committee is seriously concerned over problems which arise as a result of the acceptance by retired senior officers of employment in responsible executive positions with defense contractors. The problem has been discussed within the committee over a period of years. Hearings before the House Armed Services Committee in previous years have been consulted. The committee is advised that further hearings before the House Armed Services Committee are scheduled for the near future. As a prelude to further analysis of this problem, the Office of the Secretary of Defense is requested to supply the committee, prior to the 1961 appropriation hearings, with a list of retired officers of or above the rank of colonel, or the equivalent, employed by persons or firms having contracts with the Department of Defense or any of its agencies.
>
> The Office of the Secretary should also be prepared to discuss its lack of a Defense-wide policy in this matter, as well as its interpretation of the force and effect of section 281 of title 18, United States Code.

Representatives of this committee have been in touch with members of the Committee on Armed Services, particularly the gentleman from Louisiana [Mr. HÉBERT], who is about to start a series of hearings on this issue looking toward necessary legislation in this field. This matter was explored by the Committee on Armed Services of the House a few years ago. Hundreds of pages of testimony were taken.

This issue is not as plain, simple, or uncomplicated as it may appear on the surface. It seems to me that this is quite drastic action to be taking here on this appropriation bill without the benefit of adequate testimony.

I realize that this amendment has considerable appeal, and I realize that my able friend from New York is seeking to do a good service. But I am sure he would not want to take steps that he might later find to be undesirable and injurious to the cause of national defense. So I hope that this amendment will be voted down, and I sincerely hope that the gentleman from Louisiana [Mr. HÉBERT] and those associated with him on the committee will be able to come up with legislation dealing with this very delicate and difficult problem.

There is an area here for something to be done. I believe that the interest which has been shown in this matter and the action here on the floor today will tend to bring into focus the issue and help to bring about some sort of decision on the issue.

Mr. O'NEILL. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman.

Mr. O'NEILL. Recently I had the opportunity to talk with a colonel who is considered to be one of the outstand-

ing nuclear men in our Armed Forces. He was telling me about a great personal problem that he had. He had been educated at West Point at the expense of the Government, then sent to the Massachusetts Institute of Technology, and then to California Institute of Technology. He is indeed a great expert in his field.

He told me that he had over 20 years in service and was entitled to retirement at the present time. He said, "I have a family of four youngsters all going to high school at the present time, about ready to go to college. I have the opportunity to retire and to go to work for one of the larger companies at a salary twice what I am now receiving. To whom do I owe the obligation? Do I owe it to the country who gave me my education, who sent me to MIT and to Cal. Tech., and for whom I have worked through the years? Or do I owe the obligation to my family, to take my pension and go out into newer fields where I can double my salary?"

I think there is a tremendous amount of merit in the amendment offered by the gentleman from New York. It is high time, some provision was made to prevent the industries doing business with the Government from pirating the brains of our Armed Forces.

Mr. MAHON. Mr. Chairman, I am sorry, but I cannot yield further. I want the Members of the House to vote their own convictions on this difficult matter. My question is, Is this too hasty and is this too severe under all the circumstances without any hearings or further consideration?

The CHAIRMAN. The time of the gentleman from Texas [Mr. MAHON] has expired. All time has expired.

The question is on the amendment offered by the gentleman from New York [Mr. SANTANGELO].

The question was taken; and on a division (demanded by Mr. MAHON) there were—ayes 130, noes 131.

Mr. SANTANGELO. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. SANTANGELO and Mr. MAHON.

The Committee again divided and the tellers reported that there were—ayes 125, noes 147.

So the amendment was rejected.

Mr. BONNER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have asked for this time so that I might ask the chairman of this Appropriations Subcommittee for an answer to the following question: I am reading from a letter that was transmitted from Chief of Transportation of the Army to the commanding officer of Military Sea Transport. Military Sea Transport has the responsibility of transporting our troops and supplies to troops. This letter states:

> Air transportation as the primary mode of transportation to and from overseas for Army passenger movements in peacetime is under active consideration.
>
> For discontinuance, it is planned, commencing with the month of October 1959, to decrease surface movement by approximately 10 percent and increase air movements by this amount. Similar transfers will be made in succeeding months and all surface movements phased to the irreducible minimum.

I want to ask the chairman of this committee: Have funds been put into this bill to transport the Army personnel, and the dependents of the Army, by air in lieu of available transportation by MST and private modes of transportation on the high seas?

Mr. MAHON. I will yield to the gentleman from Florida [Mr. SIKES], one of the senior members of the committee, for his comment in regard to the problem.

Mr. BONNER. Mr. Chairman, this is the question: If this is the intent I think the Merchant Marine Committee should be told about it, because it is our responsibility to keep a certain amount of ships available for the national defense in the case of an emergency, and I am wondering whether you plan a program to move the entire Army in a case of emergency by air. If you do, that is one thing; but if you are going to cut out this peacetime movement, then how in the world do you expect private industry and MST to be available at the time of emergency when you need them for great movements of national defense forces?

Mr. SIKES. May I say to the gentleman that there is money in the bill, of course, as the gentleman realizes, for the transportation of personnel as we have carried it heretofore. We have not attempted to specify to the services what mode of transportation they should use; we have left it generally to the services to attempt to find the most economical mode of transportation.

The gentleman may have noted on page 25 of the bill that $1 billion is appropriated to the Department of Defense for the construction of ships for military sea transportation, sea transport service. He probably is interested in that item also.

Mr. BONNER. I am going to ask about that later, but I think this question should be answered either by somebody on this committee if you have taken charge of the Army in its movements and its regulation, or at least it should be answered by the Armed Services Committee.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield.

Mr. FORD. In the testimony it shows that the MATS operation for fiscal 1960 planned to spend exactly the same amount for passenger ton miles in fiscal 1960 that they are spending in fiscal 1959; and they also indicate the same for commercial aircraft. In other words, there is not going to be any build-up in fiscal 1960 either on commercial aircraft or on MATS over what they are doing in fiscal 1959.

Mr. BONNER. I am glad that the gentleman has made this contribution. However, may I say that this letter is signed by Maj. Gen. F. S. Besson, Jr., Chief of Transportation for the Army. He says he is going to keep all transportation to a minimum conventional sea service and put it all in the air. That is the reason I asked the question.

I would like to say there is nothing whatever in the report about this section of military sea transport and I thought that had some connection with this.

Mr. Chairman, the letter I referred to above is as follows:

> APRIL 27, 1959.
>
> To: Commander, Military Sea Transportation Service, Washington, D.C.
>
> Subject: Department of Army policy on use of air transportation for passengers.
>
> 1. Air transportation as the primary mode of transportation to and from overseas for Army passenger movements in peacetime is under active consideration. Under this plan, all military personnel and their dependents will be furnished air transportation except in cases where air transportation is not suitable or available, or is medically contraindicated or when dependents refuse to travel by air.
>
> 2. It is planned, commencing with the month of October 1959, to decrease surface movements by approximately 10 percent and increase air movements by this amount. Similar transfers will be made in succeeding months and all surface movements phased to the irreducible minimum by July 1, 1960. Revised estimates of requirements reflecting these adjustments will be furnished in the near future.
>
> 3. In order to plan for the orderly transition from a surface and air to a maximum air passenger movement program, a meeting will be held in the Office, Chief of Transportation, room G–824, building T–7, at 1330 hours May 1, 1959.
>
> 4. The purpose of the meeting is to discuss the various implications adoption of this plan will have on your operations.
>
> 5. It is requested that the names of representatives of your organization who will attend this meeting be furnished Lieutenant Colonel Harding, extension 56060, as soon as possible.
>
> F. S. BESSON, Jr.,
> *Major General, United States Army,*
> *Chief of Transportation.*

Mr. SIKES. Mr. Chairman, I move to strike out the last word so that the gentleman from North Carolina may continue his line of questioning. Does the gentleman want to ask me something about the section on the construction of ships?

Mr. BONNER. Yes.

Mr. SIKES. There is nothing in the report about it.

Mr. BONNER. No; there is nothing in the report.

Mr. SIKES. I will be glad to explain the action of the committee. The gentleman is discussing an item which appears on page 25 of the bill, which says:

> The appropriation to the Department of Defense for "Construction of ships, Military Sea Transportation Service," shall not be available for obligation after June 30, 1959.

May I say that this item was in an appropriation. The gentleman is an expert in this matter, and the program provided for the construction of commercial ships and high-speed tankers which could not be satisfied from existing sources. As indicated by the Department of Defense, no further program of this type is contemplated and the remaining money would, therefore, revert to the Treasury. That may possibly have some connection with the matter the gentleman brought up insofar as this committee is concerned. While there is no reference made in the report, this committee is concerned with items of expense for transportation and would be seriously concerned with the adoption by the Department of Defense of any

mobile transportation more costly than is now being used. I am glad the gentleman calls this to the attention of the committee, and I am sure the committee will inquire if the result would produce higher costs.

Mr. BONNER. I thank the gentleman.

The Clerk read as follows:

EMERGENCY FUND, DEPARTMENT OF DEFENSE

For transfer by the Secretary of Defense, with the approval of the Bureau of the Budget, to any appropriation for military functions under the Department of Defense available for research, development, test, and evaluation, or procurement or production related thereto, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation to which transferred, $150,000,000, and in addition not to exceed $150,000,000 to be used upon determination by the Secretary of Defense that such funds can be wisely, profitably, and practically used in the interest of national defense and to be derived by transfer from such appropriations available to the Department of Defense for obligation during the current fiscal year as the Secretary of Defense may designate: *Provided*, That any appropriations transferred shall not exceed 7 per centum of the appropriation from which transferred.

The Clerk concluded the reading of the bill.

Mr. CURTIS of Missouri. Mr. Chairman, I wish to commend the committee for its statement on page 48 in regard to the disposition of surplus property. The point I want to drive home is the amount of surplus involved. The testimony indicated that $26.7 billion worth of material is presently awaiting disposition. The gentleman from Massachusetts [Mr. McCORMACK], myself, and others, have been very much interested in this problem of procurement, and this is a demonstration at the other end of the line of the surplus that is generated. I have tried to point out in the past 2 or 3 years that we are generating surplus at the rate of about $7 billion or $8 billion a year that we dispose of, getting about 8 cents on the dollar. So, if anyone thinks there is not considerable room for improvement in our procurement practices, just think of this $26.7 billion of property that is ready to be disposed of at this time.

The CHAIRMAN. Are there any amendments to the remainder of the bill?

Mr. MAHON. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7454) making appropriations for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. MAHON. Mr. Speaker, I move the previous question on the bill and the amendment thereto to final passage.

The previous question was ordered.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. MAHON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 392, nays 3, not voting 39, as follows:

[Roll No. 64]

YEAS—393

Abbitt	Cederberg	Green, Pa.
Abernethy	Celler	Griffin
Addonizio	Chelf	Griffiths
Albert	Chiperfield	Gross
Alexander	Church	Gubser
Alford	Clark	Hagen
Alger	Coffin	Haley
Allen	Cohelan	Hall
Andersen, Minn.	Collier	Halleck
	Colmer	Halpern
Anderson, Mont.	Conte	Hardy
	Cook	Hargis
Andrews	Cooley	Harris
Anfuso	Corbett	Healey
Arends	Cramer	Hébert
Ashley	Cunningham	Hechler
Ashmore	Curtin	Henderson
Aspinall	Curtis, Mass.	Herlong
Auchincloss	Curtis, Mo.	Hess
Avery	Daddario	Hiestand
Ayres	Dague	Hoeven
Bailey	Daniels	Hoffman, Ill.
Baker	Davis, Ga.	Hoffman, Mich.
Baldwin	Davis, Tenn.	Hogan
Barden	Dawson	Holifield
Baring	Delaney	Holland
Barr	Dent	Holt
Barrett	Derounian	Holtzman
Barry	Derwinski	Horan
Bass, N.H.	Dingell	Hosmer
Bass, Tenn.	Dixon	Huddleston
Bates	Dollinger	Hull
Becker	Donohue	Ikard
Beckworth	Dooley	Irwin
Belcher	Dorn, N.Y.	Jarman
Bennett, Fla.	Dorn, S.C.	Jennings
Bennett, Mich.	Dowdy	Jensen
Bentley	Downing	Johansen
Berry	Doyle	Johnson, Calif.
Betts	Dulski	Johnson, Md.
Blatnik	Dwyer	Johnson, Wis.
Blitch	Elliott	Jonas
Boland	Everett	Jones, Ala.
Bolton	Fallon	Jones, Mo.
Bonner	Farbstein	Judd
Bosch	Fascell	Karsten
Bow	Feighan	Karth
Boykin	Fenton	Kasem
Boyle	Fino	Kastenmeier
Brademas	Fisher	Kearns
Bray	Flood	Kee
Breeding	Flynn	Keith
Brewster	Flynt	Kelly
Brock	Fogarty	Keogh
Brooks, La.	Foley	Kilburn
Brooks, Tex.	Forand	Kilday
Broomfield	Ford	Kilgore
Brown, Ga.	Fountain	King, Calif.
Brown, Mo.	Frazier	King, Utah
Brown, Ohio	Frelinghuysen	Kirwan
Broyhill	Friedel	Kitchin
Budge	Fulton	Kowalski
Burdick	Gallagher	Lafore
Burke, Ky.	Garmatz	Laird
Burke, Mass.	Gary	Landrum
Burleson	Gathings	Lane
Bush	Gavin	Langen
Byrne, Pa.	George	Lankford
Byrnes, Wis.	Giaimo	Latta
Cahill	Glenn	Lennon
Cannon	Goodell	Lesinski
Carnahan	Granahan	Levering
Carter	Grant	Libonati
Casey	Gray	Lindsay
Lipscomb	Osmers	Siler
Loser	Ostertag	Simpson, Ill.
McCormack	Passman	Sisk
McCulloch	Patman	Slack
McDonough	Pelly	Smith, Calif.
McDowell	Perkins	Smith, Iowa
McGinley	Pfost	Smith, Kans.
McGovern	Philbin	Smith, Miss.
McIntire	Pilcher	Smith, Va.
McMillan	Pirnie	Spence
McSween	Poage	Springer
Macdonald	Poff	Staggers
Machrowicz	Porter	Steed
Mack, Ill.	Preston	Stratton
Mack, Wash.	Price	Stubblefield
Madden	Prokop	Sullivan
Magnuson	Pucinski	Taber
Mahon	Quie	Taylor
Mailliard	Quigley	Teague, Calif.
Marshall	Rabaut	Teague, Tex.
Martin	Rains	Teller
Matthews	Randall	Thomas
Meader	Ray	Thompson, Tex.
Merrow	Reece, Tenn.	Thomson, Wyo.
Metcalf	Rees, Kans.	Thornberry
Michel	Reuss	Toll
Miller, Clem	Rhodes, Ariz.	Tollefson
Miller, George P.	Rhodes, Pa.	Trimble
	Riehlman	Tuck
Miller, N.Y.	Riley	Udall
Milliken	Rivers, Alaska	Ullman
Mills	Rivers, S.C.	Utt
Minshall	Roberts	Vanik
Mitchell	Robison	Van Pelt
Moeller	Rodino	Van Zandt
Monagan	Rogers, Colo.	Vinson
Montoya	Rogers, Fla.	Wainwright
Moore	Rogers, Mass.	Walter
Moorhead	Rogers, Tex.	Wampler
Morgan	Rooney	Watts
Morris, N. Mex.	Roosevelt	Weaver
Morris, Okla.	Rostenkowski	Weis
Moss	Roush	Westland
Moulder	Rutherford	Whitener
Mumma	St. George	Whitten
Murphy	Santangelo	Widnall
Murray	Saund	Wier
Natcher	Saylor	Willis
Nelsen	Schenck	Wilson
Nix	Scherer	Winstead
Norblad	Schwengel	Wolf
Norrell	Scott	Wright
O'Brien, Ill.	Selden	Yates
O'Brien, N.Y.	Shelley	Young
O'Hara, Ill.	Sheppard	Younger
O'Hara, Mich.	Shipley	Zablocki
O'Neill	Short	Zelenko
Oliver	Sikes	

NAYS—3

Harmon	Johnson, Colo.	Meyer

NOT VOTING—39

Adair	Durham	May
Baumhart	Edmondson	Morrison
Boggs	Evins	Multer
Bolling	Forrester	O'Konski
Bowles	Green, Oreg.	Pillion
Buckley	Harrison	Powell
Canfield	Hays	Simpson, Pa.
Chamberlain	Hemphill	Thompson, La.
Chenoweth	Jackson	Thompson, N.J.
Coad	Kluczynski	Wallhauser
Denton	Knox	Wharton
Devine	McFall	Williams
Diggs	Mason	Withrow

So the bill was passed.

The Clerk announced the following pairs:

Mr. Buckley with Mr. Adair.

Mr. Boggs with Mr. Wallhauser.

Mr. Morrison with Mr. Withrow.

Mr. Edmondson with Mr. Jackson.

Mr. Kluczynski with Mr. Devine.

Mr. Coad with Mr. Baumhart.

Mrs. Green of Oregon with Mr. Chamberlain.

Mr. Hemphill with Mr. Wharton.

Mr. Durham with Mr. Canfield.

Mr. Multer with Mr. Simpson of Pennsylvania.

Mr. Forrester with Mr. Mason.

Mr. Williams with Mr. Knox.

Mr. Thompson of New Jersey with Mr. Chenoweth.

Mr. Harrison with Mr. Pillion.

Mr. Denton with Mr. O'Konski.

Mr. Powell with Mrs. May.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members speaking on the bill today may have permission to revise and extend their remarks and include pertinent excerpts; and I ask that all Members may have 5 legislative days within which to extend their remarks on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

WEST VIRGINIA IS GETTING SHORT CHANGED

Mr. HECHLER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. HECHLER. Mr. Speaker, the House has just passed a bill carrying billions of dollars for the national defense and security of our country.

It was with some misgivings that I voted for this bill, realizing as I do that West Virginia will be far down near the bottom of the list in military installations, personnel, and expenditures resulting from this appropriation.

There have been some Members of the House who have chided me in a friendly way about my campaign to reduce this outrageous discrimination against West Virginia. Some of my colleagues have kidded me by saying I was interested in some kind of pork barrel for West Virginia. All I can say is that we are reaching the bottom of another kind of barrel in many communities of my State.

We are not asking for pork-barrel handouts; all we are asking for in West Virginia is an even break when it comes to locating defense installations and defense contracts.

But what has happened in the five States bordering West Virginia? Ohio, with 4 times the population of West Virginia, has over 30 times as many active-duty military personnel, 40 times as many civilian employees of the Department of Defense, and 16 times as many active military installations.

Pennsylvania, which is 5 times as large in population as West Virginia, has over 25 times as many active-duty military personnel, 60 times as many civilian employees in the Department of Defense, and 30 times as many active major military installations.

Virginia, with 50 percent more population than West Virginia, has 140 times as many active-duty military personnel, 70 times as many civilian employees in the Department of Defense, and 37 times as many active major military installations.

The same facts in relative degrees hold true for the other two bordering States of Maryland and Kentucky.

I listened today, Mr. Speaker, to the debates on this military appropriation bill. I heard some of my colleagues state that in their view the national defense was an issue which should be approached from a national standpoint, and that it was inimical to the interests of our national security to consider the claims of States and areas.

I submit, Mr. Speaker, that this is all very fine doctrine in the abstract. But I also submit that when there are flagrant discriminations against a single State, as in the case of West Virginia, it is high time for someone to blow the whistle and put a stop to this discrimination. For the strength of our national defense, Mr. Speaker, is tied in with the strength of the Nation. If one area or State in the Nation is neglected, overlooked, underprivileged, and deprived of virtually everything which other States and areas receive, the whole Nation will eventually and inevitably suffer.

West Virginians are a proud people, Mr. Speaker. We can take it. We are used to standing on our own feet. Our State motto is "Montani Semper Liberi"—"Mountaineers Are Always Free". But you cannot push us around this way much longer and expect the Nation's defense to grow stronger.

PROGRAM FOR THE WEEK

Mr. ROBISON. Mr. Speaker, I ask unanimous consent to proceed for 1 minute to ask the gentleman from Massachusetts if he can advise us what the program will be for the balance of the week.

Mr. McCORMACK. Tomorrow we will consider the water pollution bill.

On Friday, we will take up the public works appropriation bill, and I would like to meet Friday at 11 o'clock.

Any rollcall on tomorrow or Friday with the exception of a rollcall on a rule will go over until Tuesday of next week. That will apply also to Monday of next week.

Mr. Speaker, I ask unanimous consent that when the House adjourns tomorrow, it adjourn to meet on Friday at 11 o'clock.

Mr. GROSS. Mr. Speaker, reserving the right to object.

Mr. McCORMACK. That is why I made the request now while my friend was present, so he could ask about it if he wished to.

Mr. GROSS. I ask why we should meet at 11 o'clock Friday.

Mr. McCORMACK. The public works bill I expect will be debated considerably and we want to dispose of it that day.

Suppose we let my request go until tomorrow.

Mr. Speaker, I withdraw my request.

MICROFILMING OF THE JAMES MADISON PAPERS

Mr. McCORMACK. Mr. Speaker, I offer a resolution (H. Res. 281) and ask unanimous consent for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Clerk of the House of Representatives be, and he is hereby, authorized to transmit to the Papers of James Madison, a research project sponsored by the University of Chicago and the University of Virginia, at Chicago, Ill., microfilm or photostatic copies of certain James Madison documents in the files of the House of Representatives, as described in the 46th page list deposited with the Clerk, the cost of such photostatic copies to be paid by the Papers of James Madison.

Mr. FULTON. Mr. Speaker, reserving the right to object, may I ask how long this loan is for?

Mr. YATES. It is not a loan. This is a research project undertaken by the Universities of Chicago and Virginia. This resolution is necessary to authorize the Clerk to permit the universities to take microfilms of these papers within his possession for delivery to the universities at the expense of the universities. The papers will still be in the Clerk's possession. This merely permits them to be microfilmed.

Mr. FULTON. My only thought was that if it were a loan the period of the loan should be specified; there should be a time limit.

Mr. YATES. It is not a loan.

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, the adoption of the resolution offered by the distinguished majority leader, the gentleman from Massachusetts [Mr. McCORMACK] will greatly facilitate the undertaking of the University of Chicago and the University of Virginia, sponsors of the project, in collecting and publishing the papers of James Madison, the fourth President of the United States. It is a project that properly has stirred wide interest not only among scholars but in all circles where information of the undertaking has become known.

James Madison, who kept the minutes of the Constitutional Convention, who served as a Congressman from Virginia 1789–97, was Secretary of State, 1801–09, and President of the United States, 1809–17, is one of the great figures in American history. The publication of all his writings and utterances on the many complexing issues of the years of conception and early development of our Republic, including the period of the War of 1812, will be an important contribution to scholarship and our understanding of our national history.

The editors of the Papers of James Madison are Dr. William T. Hutchinson, of the University of Chicago, and Dr. William M. E. Rachal, of the University of Virginia. On May 27, 1959, Dr. Hutchinson wrote me:

There is, I believe, a standing rule of the House, requiring it to give clearance to anyone who wishes to make copies of its records in the National Archives. With the consent of Mr. Roberts, the Clerk of the House, and the cooperation of Dr. Wayne C. Grover, Archivist of the United States, Mr. Robert Scribner of our editorial staff searched through the records of the House from 1789 to 1817 for items by or to Madison. Because of his outstanding prominence during those

years, as a Congressman from Virginia 1789–97, Secretary of State, 1801–09, and President, 1809–17, the resulting list was a long one.

We sent a copy of this list to Mr. Roberts requesting that we be favored with permission to photocopy the papers with a view to editing and publishing them in a comprehensive edition (probably about 22 volumes) of the Papers of James Madison, to be published by the University of Chicago Press. Clearly this edition will be far from "comprehensive" if it omits Madison's many writings in the House records. We are informed by Dr. Grover that Mr. Roberts to clear so many papers for microfilming will require permission by the passage of a special resolution by the House.

I trust that you will agree that we are responsible scholars, solely interested in providing as complete an edition as possible of the writings of one of America's ablest political thinkers and statesmen.

My colleague, the gentleman from Illinois [Mr. YATES] and I are most appreciative of the fine cooperation of the distinguished majority leader and the promptness with which he has acted in order to avoid any delay in the compilation of the papers of James Madison. Our appreciation for their parts in a fine cooperative effort in a matter of historic significance is expressed to the Honorable OMAR BURLESON, chairman of the Committee on House Administration, to Mr. Roberts and Dr. Grover.

The SPEAKER. The question is on the resolution.

The resolution was agreed to and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. BONNER. Mr. Speaker, I ask unanimous consent that in my remarks during debate on the national defense appropriation bill I may be permitted to include a letter from Maj. Gen. F. S. Besson, Chief of Transportation, U.S. Army, to the Chief of the Military Sea Transport Service, advising that the Army contemplated using airplanes in lieu of ocean vessels for transportation of military personnel and their dependents.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

AMERICAN NATIONAL EXHIBITION IN MOSCOW

Mr. WALTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALTER. Mr. Speaker, on Sunday, May 31, the U.S. Information Agency announced that 49 paintings and works of sculpture had been selected for showing at the American National Exhibition in Moscow this summer. The art collection has already been crated and was scheduled to be shipped to the Soviet Union on the steamship *Finnsailer*, which I understand is now on the high seas.

The 6-week American National Exhibition at which these works will be shown will be opened in Moscow's Sokolniki Park on July 25 by Vice President NIXON. It is billed by the USIA as containing "cultural, scientific, and technological exhibits designed to further Soviet understanding of life in America."

The USIA press announcement concerning the art collection lists the names of the 67 artists whose works will be displayed at the exhibition. In the 3 or 4 days which have transpired since the press announcement was distributed by USIA, I have requested the staff of the Committee on Un-American Activities to furnish me with information in the committee files on the artists whose work has been shipped to Moscow. I wish to emphasize that the information which I shall now reveal is not the result of any field investigation or even of an exhaustive check of all possible sources of information, but is the result of a routine check of committee files made on 67 people in the course of a few days' time.

This routine check, may I state, is a service which the Committee on Un-American Activities regularly renders to any executive agency of the Government which requests it.

Of the 67 artists whose works have been chosen for exhibition in Moscow, 34—a fraction more than 50 percent—have records of affiliation with Communist fronts and causes. Of these 34 there are 12 whose records appear to be relatively inconsequential because they involve connections with only one or two Communist fronts or causes, and include no affiliation for a period of 10 years or more.

This leaves 22, or one-third of the 67 artists, with significant records of affiliation with the Communist movement in this country. The routine check against the files of the House Committee on Un-American Activities indicates that these 22 artists have a minimum of 465 connections with Communist fronts and causes.

One of these artists, Max Weber, has been publicly identified as a Communist Party member. The affiliations of some of the others, however, are so extensive and of such a nature that they raise serious questions as to where their loyalty actually lies.

Three of them have been connected with Communist Party schools.

Six of them have publicly urged participation in the Communist Party's May Day parades.

Five of them have publicly recommended the election of known Communists to public office.

Three of them have contributed articles to, or openly supported, the Communist Daily Worker or its west coast counterpart, The People's World.

Eight of these artists have been members of the Communist John Reed Clubs.

Two of them have had their paintings offered as prizes for Daily Worker subscriptions.

Four of them defended Stalin's bloody Moscow purge trials of the late 1930's.

Four have contributed their art work to the Communist magazine The Liberator.

Two have similarly served Fight, the publication of the Communist front, the American League Against War and Fascism and, later, of the American League for Peace and Democracy.

Three have done the same for Soviet Russia Today, another Communist magazine.

Two of them have been owners of the Communist publication, the Masses.

Sixteen have contributed their art work to the Communist magazine New Masses.

Thirteen have similarly served its successors, Masses and Mainstream.

Three have contributed art material to the Communist publication Jewish Life.

Twenty-six of these 67 artists have contributed their paintings to art exhibitions staged by Communist fronts: 12 to the China Aid Council, 5 to the Joint Anti-Fascist Refugee Committee, 1 to People's Drama—a Communist Party theatrical agency—and 8 to the Communist-line weekly newspaper, The National Guardian.

Eleven of these artists signed the call to the American Artists Congress of 1936, one of the major art fronts set up by the Communist Party in this country.

Three of these artists have publicly defended V. J. Jerome, Communist Party cultural commissar, for delivering his speech, "Grasp the Weapon of Culture," at the 1950 convention of the U.S. Communist Party. This speech was one of the overt acts on which Jerome was subsequently indicted—and convicted—for conspiring to overthrow the Government of these United States by force and violence.

Just a short time ago two of these artists signed a public statement calling on the United States to completely reverse its foreign policy, particularly in regard to Formosa and Labanon. This statement was, in effect, a call for United States surrender to Moscow.

Now, I should like to tell you a few things about some of these artists as individuals. First, let us consider the case of Jack Levine, who, the routine check made by our committee indicates, has been affiliated with at least 21 Communist fronts and causes. Levine's work, "Welcome Home," is being sent to Moscow to portray and impress the people of the Soviet Union with American culture.

A recent issue of the Communist Worker described this painting as a picture of a stuffed-shirt American general. Jack Levine himself has described this painting in the following words:

> And no matter how commanding and impressive a general, he will be chewing. His wife, however smart and fashionably turned out, will be chewing. Everybody in the general's party will be chewing, as a gesture of kinship with the lower orders of mankind. What is more absurd than an august gathering abstractedly chewing their cuds * * * my thesis, that armies are a continuation of class snobbery.

So that there will be no doubt about Levine and the style and purpose of his art, I quote from a review of an exhibit of his works which was published in the

Communist newspaper, The Worker, on April 10, 1955:

Jack Levine is an artist of social satire and social caricature. He paints dead souls in living bodies with devastating power and insight. He paints the men and women who would stifle humanity, starve mankind, brutalize the world for their own parasitic, selfish, greedy ends. He divests these people of their outer garments of wealth, position, and respectability and exposes the sham that covers the leering evil, the greed, the corrosion of upper-class immorality and self-indulgence.

One cannot look at these canvases without experiencing the impact of their terrific power. The painting, The Trial, has deep political significance today as witchhunts and hysteria have made a mockery of courtroom justice.

* * * * *

Throughout the exhibition it is more clear what Jack Levine hates. He says himself, "Those I love I simply leave out. A painter should do what he does best."

It is obvious from Levine's own words that he hates the U.S. general he has portrayed in "Welcome Home."

The Worker review of Levine's exhibit also stated:

One of the functions which art is expected to perform is to intensify man's emotions and sharpen his insights. Jack Levine has done this in a merciless exposure of corroding evil dressed in riches and respectability. He has created unforgettable faces expressive of corruption that grows and decays, of hypocritical souls wielding power today.

This statement makes it clear that not only does Levine hate American generals but that, in his artwork, he follows the dictates of the world Communist conspiracy. Addressing the 21st congress of the Communist Party of the Soviet Union on January 27 of this year, Nikita Khrushchev made the following statement:

It is the duty of * * * painters to raise still higher the content and artistic level of their work, to continue as energetic assistants of the party and the state in the Communist education of the working people.

Writing in the Communist New Masses magazine in 1946—the magazine to which 16 of these artists have contributed—U.S. Communist Party Chairman William Z. Foster, said:

There must be a clear understanding that art is a weapon in the class struggle. Not only is art a weapon, but a very potent one as well. Moreover, rising revolutionary social classes instinctively realize the importance of art as a social weapon and have always forged their own art and used it to challenge that of the existing ruling class.

It is clear from these statements that neither Khrushchev nor Foster has any complaints as far as the work of Jack Levine is concerned. He uses his art as a weapon to arouse hatred of our free society and people considered representative of it.

His picture of the gum-chewing, "stuffed shirt" American general will help the Kremlin convince its enslaved people that its vicious propaganda about American military leaders is true, and is supported even by the American people.

Another artist whose work the USIA has chosen to exhibit in Moscow is Ben Shahn, who has been affiliated with over two dozen Communist fronts and causes. Shahn has been repeatedly described in the Communist press as a "people's artist." Shahn is one of the artists in this group who recently signed a statement calling on the United States to reverse our policy of resisting Communist aggression.

A Daily Worker review of his paintings a number of years ago contained the following statement:

Shahn has always considered art as a medium for the communication of ideas and his ideas have always been progressive. (When used in the Communist press, "progressive" means Communist or pro-Communist). He is one of our finest artists and one of our best social painters.

The Communist newspaper's use of the word "our" in referring to Shahn is significant.

The People's World, west coast Communist Party newspaper, in April of 1955, described some of Shahn's paintings in a Los Angeles exhibit as follows:

His brilliant caustic social paintings * * * an acid portrait of a policeman, a sympathetic drawing of a miner * * * drawn by an artist who takes sides and expresses his viewpoint in a powerful style.

The same Communist newspaper in a 1948 review of an exhibition of Shahn's works made the following comment:

It is interesting to note, also, that posters such as "We Want Peace, Register, Vote," "For All These Rights We've Just Begun To Fight," and others are fine, qualitative examples of the work to the artist. * * * Here, simply and definitely, is an artist of the people.

During the 1948 election campaign Shahn put his talents to the use of the Communist-controlled Progressive Party by painting a campaign poster which mocked President Truman and his Republican opponent, former Governor Dewey of New York.

Still another artist chosen for the Moscow exhibit is Max Weber, the one who has been identified as a Communist Party member by Louis Budenz, former managing editor of the Daily Worker and member of the Communist Party national committee.

Weber has been connected with some 70 Communist fronts and causes. The Communist magazine Masses and Mainstream, issue of April 1949, contained an article on Weber praising him as follows:

Weber grew up an artist in the atmosphere of quest and revolt * * * Weber sought an answer to the anarchy of capitalist society in the controlled order of formal manipulation.

Through the depression years of the thirties, Weber took an active and leading part in the struggles of artists. And at this time his work * * * reflects the social scene through the inclusion of new thematic material in such paintings as "At the Mill," "The Builder," and "Refugees."

His passionate social awareness makes him constantly affirm his alliance with those who have begun to break through.

In passing, Mr. Speaker, permit me to quote certain appraisals made by art critics of the work of Max Weber. These appraisals are taken from a publication copyrighted by the Whitney Museum of American Art in 1949:

Their ugliness is appalling.

No one is going to believe that nature alone ever made anybody as bad an artist as all this. Such grotesquerie could only be acquired by long and perverse practice.

Here are travesties of the human form, here are forms that have no justification in nature, but that seem for all the world like the emanation of someone not in his right mind, such as one might expect from the inmate of a lunatic asylum. * * * It is difficult to write of these atrocities with moderation, for they are positively an insult to ordinary intelligence.

A brutal, vulgar and unnecessary display of art license.

Philip Evergood, another artist whose work will be displayed in the exhibit, has been connected with over 75 Communist fronts and causes, has contributed articles to the Communist Daily Worker and has been a staff writer for the west coast Communist Party newspaper, the People's World.

Evergood is one of the many artists in this group who sponsored or took an active part in the notorious Communist initiated Cultural and Scientific Conference for World Peace held in New York City in March 1949, and frequently referred to as the Waldorf conference.

Evergood was a panel speaker at this conference. His subject was "The Artist as Interpreter of His Age." Addressing the numerous Communists and fellow travelers who took part in this gathering, he said:

The tools of the artist may vary, his philosophy may change, but the substance of his art, if it is to live, is always the reflection of his time. Today the artist is living in the most complex of societies. How can today's artist cope with and express the chaotic state of the world in which he lives? The artist must enter the struggle for peace like the people who are for peace and the continued growth of their kind, because to quote Paul Robeson, "The people are engaged in a mighty creative battle for progress."

The worm-rotted shells whose stench of putrefaction permeates our contemporary mental atmosphere will disintegrate and disappear like the nightmare they are.

Entering the struggle for peace himself, Evergood did a charcoal drawing of a "Dove of Peace" for an art exhibition staged in 1951 by the New York branch of the National Council of Arts, Sciences, and Professions, the Communist Party's cultural front. It was at this time that Moscow's Stockholm peace appeal was being circulated throughout this country and the Communist artist Picasso's peace dove had become the symbol of the Kremlin's hypocritical peace drive.

The art exhibition the USIA is sending to Moscow is supposed to portray—and help the enslaved people of the Soviet Union appreciate—the art and culture of the United States. The theory behind the exhibit is that it is an exhibition of the art of freemen. It appears that we are sending the so-called art of men who have prostituted whatever talents they possess to the foulest conspiracy in the history of man. I ask you, "can anyone claim—and the USIA claim—that these men really represent American culture?"

It is repulsive to me that a U.S. Government agency should glorify so-called artists who stand for nothing that this country represents and for everything it is opposed to, men who stand for, promote, and defend Communist slavery, mass murder, and destruction of freedom; men who, by their actions and statements over the course of many years, have proclaimed themselves the enemies of the United States.

I also wish to state my objection to what is implied by the backgrounds of the artists the USIA has selected to represent this country in Moscow; namely, that of all the painters and sculptors in the United States, one-third of them are either Communists, conscious and deliberate fellow travelers, or dupes of the Communist conspiracy.

I am cognizant, Mr. Speaker, of the "liberal" line proclaiming the intrinsic esthetic value of "art for art's sake," irrespective of the background or design of the artist and that somehow by displaying in Moscow, at U.S. taxpayer's expense, the art work of American Communists and Communist-fronters, Khrushchev and his gang of international outlaws will cease being Communists dedicated to world revolution. In my judgment, this is plain poppycock.

How long is it going to be, Mr. Speaker, before it is recognized that the Communist conspiracy is at total war with the free world? It is a war of intrigue, subversion and force. It is above all, a war in which the Communist conspiracy is irrevocably dedicated. If our method of fighting communism is to display in Moscow art works of American Communists and Communist fronters our cause is lost.

I cannot believe that the overwhelming majority of the patriotic American citizens will stomach this nonsense.

ANTILYNCHING LEGISLATION

Mr. ADDONIZIO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. ADDONIZIO. Mr. Speaker, about 5 weeks ago, on April 25 a man was taken from a jail cell in the dead of night and murdered without trial. This did not happen in Communist Russia, nor among the head-hunters of Borneo. It happened here, in the United States, the most powerful bastion of human dignity and of the rule of law. The perpetrators of this crime have not been apprehended, and there is strong evidence to suggest that they will go unpunished. The Federal Government is powerless to prosecute, and the government of Mississippi is moving with little determination and even less diligence toward a perfunctory grand jury inquiry. Yet the crime at issue is heinous, and its effect reaches far beyond the unperturbed county of Pearl River, Miss.

The 15 or 20 masked criminals who took the life of Mack Charles Parker are guilty of more than murder. They have spat in the face of decency and morality, and they have ridden roughshod over the standards that are essential to the survival of freedom and democracy in this country. In spirit, they are the direct descendants of all the hate-poisoned murderers of history, from Jenghiz Khan's barbaric hordes to Hitler's evil hoodlums. By their crime, the killers of Parker have flown in the face of every basic tenet of the American creed.

This is a very serious matter. It is a source of deep shame to every thinking American, and it seriously undermines our international stance as leading champions of freedom and democracy. Yet, the authorities in Mississippi seem to think that the case requires no more than the cavalier treatment that has traditionally been accorded such crimes in that State. Governor Coleman has announced that the case will be presented to the grand jury in Pearl River County during the next regular session in November. In other words, there will be no action until more than half a year after the date of the murder. The likelihood of effective action at that late date is infinitesimal. The Federal Government, meanwhile, is excluded from the case because no Federal law was violated.

For some time past, the Congress has been urged to pass antilynching legislation. Many bills to that effect have been drawn, but so far they have always failed on enactment in the face of southern assurances that lynching was on the wane and that the States had the matter well under control. Mr. Speaker, I submit that the time has come to brush such assurances aside and to pass a bill containing an antilynching clause. One unpunished lynching in 10 years—nay, in a century—is one too many. For the sake of our national conscience and our national interest, we cannot afford to tolerate such unspeakable barbarism in our Nation.

Let us enact such a law now, before another Mack Charles Parker case shocks the Nation and the world.

GONE-EMPLOYMENT IS THE REAL MENACE

The SPEAKER. Under previous order of the House, the gentleman from West Virginia [Mr. SLACK] is recognized for 10 minutes.

Mr. SLACK. Mr. Speaker, we have had heartening news recently about national economic trends, and I know that all of us are happy to see a marked upturn from the 1958 recession levels. Throughout this session many of us have been very seriously concerned with the problem of unemployment, and we have given evidence of that concern by the introduction of a variety of measures aimed at both stimulating employment and easing the plight of the unemployed. The improvement in business activity during recent weeks has reduced the total number of unemployed, and I am sure that all of us are thankful for that. However, it has not had any effect on long-term chronic unemployment, which is the most stubborn opponent to full prosperity for our country.

I have no desire to minimize our improved economic picture, but I feel it is my duty to rise and bring to your attention a very real need which faces us today.

The Secretary of Labor issued a study recently which analyzed the employment situation in terms of total unemployment and of the gains in the number of employed during the spring of 1959. Almost all of the criteria of measurement were on the plus side. In this report, however, there is a most significant statement which, to my mind offers a major challenge to the wisdom and ingenuity of this Congress.

Secretary Mitchell's report stated that there had been a decline in the number of unemployed during the past year to a total of 3,600,000, a figure which constitutes 5.3 percent of the total labor force. He acknowledged, however, that there were "1.4 million persons unemployed for 15 weeks or longer, and of these, 700,000 had been without jobs for more than 26 weeks." These 700,000 men and women are the long-term chronic unemployed who represent a particular problem which is developing along with the growth of our national economy—a problem for which we must find a solution.

If you study the area of location of these 700,000 workers who have been unemployed for more than 26 weeks, a year or more, or even 2 years, they are the workers whose present circumstances are responsible for the existence of what we have been discussing in this session as depressed areas.

There have been four changes in our economy since the end of World War II, during which there have been increases and declines in the general economy. After each dip the economy has recovered, but each recovery has left behind an addition to the total number of men and women whose means of livelihood has disappeared under the impact of technological advance. Most of the attention directed toward this development has been focused on mining and a few other industries in which the impact has been felt most heavily. Yet the trend is such, and the indications on the horizon are such, that we must recognize the inevitability of the growth of pools of chronic unemployment in all areas and industries over a period of years.

Obviously, we must continuously strive for top operational efficiency in our business industry. Not to do this would mean that we would one day rank as the No. 2 industrial power in the world. We all know what that would mean. It would simply mean that we would lose our leadership among the free nations of the world, and soon thereafter we would lose our very national existence. We must, therefore, learn to live and grow with the growth of automation and mechanization developments and techniques. It seems to me that whenever there is a downturn in the business cycle, there is a tendency to give some thought to this matter. When business revives to a degree, we tell ourselves that the unemployed, or at least those who want to work, will all find jobs without any further thought being given to the situation.

I note the beginnings of such thinking again both among business spokesmen and among some of my colleagues. I say to you that this is a very dangerous position to take. I say it not in criticism so much as in the belief that most of us have never analyzed the true scope of the problem in the light of our national requirements, and I believe we have failed to do so because the problem has never been labeled, identified, and segregated from its surrounding background. We must put the problem under the microscope and study it. We must also give it a specific identification, and talk of it specifically when we discuss the chronically unemployed.

The men and women who are without jobs for periods of time ranging up to 26 or 30 weeks, and who receive some assistance through unemployment compensation and similar benefits while unemployed, are simply unemployed employables. Their situation is temporary; even if they are out of work for as much as 6 months, they are still unemployed employables because their jobs will again be open to them as soon as a temporary economic setback is reversed by an upward business trend. We have considered many measures to deal with unemployment of this kind; some of these measures are more effective than others, but on the whole our efforts in recent years have combined to produce a fairly effective array of protection devices for workers in that position. The great majority of these unemployed employables who were without work as a result of the 1958 recession are now being called back to work. Most of the States are again able to report that their unemployed totals are declining to prerecession levels. It is not of these workers that I would speak with you today.

I wish to call your special and particular attention to the circumstances in which the 700,000 previously mentioned chronically unemployed find themselves. They will not be called back to work. They cannot do so because the jobs to which they previously owed a source of livelihood no longer exist at all. The jobs are gone. They are gone forever. They have vanished under the pressure of technological advance. We must learn to segregate this body of the unemployed from the larger group that comprises the majority of all national unemployment. As a device to assist you in identifying this group of workers I offer for your approval a new word to be added to the language—a word which shall be used to describe the condition in which these men and women find themselves.

That word is "gone-employment."

When we talk about the chronically unemployed displaced by mechanization or new automation methods or techniques we are talking about gone-employment. It is gone forever, and these persons can never hope to obtain employment again in the capacities in which they previously earned a livelihood.

I know that many of my colleagues, almost a hundred in fact, have been disturbed during recent years over the growth of persistent pools of unemployment in their districts. I have watched the progress of legislation in the session by means of which efforts have been made to better the situation. One of the most far-reaching such efforts was embodied in the area redevelopment bill which passed the Senate and was referred for action by this House. Both the last Congress and this one have made approaches to the problem through depressed areas or area redevelopment legislation. Today, however, in the light of the more favorable news about employment generally, there appears to be far less enthusiasm for efforts to deal with the problems of the chronically unemployed through this or similar legislation.

What I wish to call to your attention with greatest emphasis, however, is the fact that whatever measures are enacted by this Congress for immediate relief of the unemployed in depressed areas will not strike at the core of the problem. Even if we should place on the books an area redevelopment measure, and should stimulate public works programs and housing and airport construction, and the development of flood control and similar engineering projects, and should add to the prevailing unemployment compensation benefits and appropriate money to broaden and increase the agricultural surplus commodities program we would still be working in the dark.

By this time I believe most of us realize that the long-term chronically unemployed—the gone-employed—are the victims of technological advance. We have seen the growing effects of mechanization and automation develop in many industries and in many parts of the country. What we need to approach the problem intelligently is a roadmap or guide to our planning and spending.

In other words, while we approach the problem at the national level and encourage activity at the State and community level, we must also institute measures to support our activities by obtaining definitive findings at the theoretical level. We are dealing here with an economic disease and it must be handled like a campaign against any other disease. I am reminded of the national effort to conquer poliomyelitis. For many years we contributed dimes and dollars to fight poliomyelitis. The money was spent to buy crutches and braces for the children who were suffering from the effects of this disease. Millions of dollars were spent over a period of years to this purpose, and it was a good purpose, but we knew at the time that it was not getting at the root of the trouble. Meanwhile, there were those with special knowledge who approached the problem in the laboratories, at the theoretical level, and in due course they produced a vaccine which dramatically reduced the ravages of polio.

In the same manner a background of theoretical experiment and scientific inquiry is badly needed if we are to ever hope to lay down an effective method of dealing with gone-employment.

It is fruitless to believe that we can in any manner halt or mitigate the effects of technological advance in industry. In fact, the international competition today requires that our national policy contemplate the encouragement of continuously growing efficiency among our productive forces. In the same manner that we could not expect polio to simply die out, we cannot expect the undesirable effects of mechanization and automation to disappear either.

I am proposing, then, that we deliberately search for a theoretical basis for correctives. We know the problem will be with us for a generation or more; how serious it will be depends upon how wisely we plan to meet it now. We can spend money for any number of possible solutions, but we will never know whether or not we are spending the money wisely, and whether or not we may expect a favorable final result.

To obtain a basis upon which future Congresses may take action in this area of need, I propose the authorization of a study of long-term chronic unemployment, such study to be made by the President's Council of Economic Advisers. My suggestions are contained in a House joint resolution which I am introducing today. The resolution calls for an exhaustive inquiry into the recent economic history of areas and communities so affected, and into the trends of their industrial growth and decline, in an effort to segregate and identify as a basis for corrective action whatever factors may be applied as yardsticks of measurement in dealing with the economic decline of areas and communities in the future.

The study would be confined to those areas generally considered to be depressed areas within the meaning of the terms of the various area redevelopment measures under consideration. It would be pursued over a period of 3 years with a progress report to be filed at the end of the first and second years and a final report with recommendations to be filed in June 1962. I might say at this time that there have been suggestions for studies of unemployment recently and that this House has been reluctant to take action because of the political implications of such short-term studies and the fact that we are again approaching a presidential election year. This resolution is written in such a manner as to avoid all partisanship and all political implications for the forthcoming 1960 election. Its adoption will reflect credit on both parties and will signify to the people whose livelihood has been destroyed by technology that this Congress is aware of their problems and is undertaking to assign the best qualified economists in the United States to the search for a solution.

If we do not move in this area at once, we will soon be lulled to sleep by the increasingly pleasant statistics regarding gross national product and personal income. In recent weeks I have heard comments from fellow Members who represent districts in New York, Pennsylvania, Illinois, Kentucky, and several other States voicing distress over the tendency to sweep the chronic unemployment problem under the rug simply because the general national economic outlook is improving. I believe the only way we can obtain a commitment to a

solution of this problem is to authorize a specific study of this nature and thereby demonstrate that we have a strong interest in the subject, even though certain specific measures before the Congress designed to deal with various particular aspects of the problem may finally fail of passage.

A few days ago the White House Conference on Refugees suggested that we open our gates to hundreds of thousands of refugees from overseas, and a State Department official suggested that we boost American aid to foreign refugees to about $65 million per year. Many public statements were made to the effect that we have a responsibility to do something about the rehabilitation and resettlement of some 2,500,000 refugees in Europe and the Near East. I remind you also that it is proposed to appropriate $700 million for the Development Loan Fund to rehabilitate and develop certain oversea areas.

This resolution would call for an expenditure of only $150,000 per year for 3 years, and it is designed to save us money in the long run. If the amount—$150,000—appears high, you might remember that this constitutes only one-fiftieth of 1 percent of the amount of money we proposed to spend to correct similar problems overseas. I realize that we have been advised by some self-appointed experts to the effect that it is not necessary to study the problem; it is only necessary to appropriate and spend money. I disagree with this position. I do agree that short-range, politically motivated inquiries are without value.

The trend toward growing gone-employment in those areas and industries first affected by the rapid technological advance has been growing and increasing ever since the end of World War II, and we will not obtain the answers during the course of a 60-day or 90-day inquiry. We may not obtain all of the answers for a decade or more. But we must start at once before the problem gets completely out of control. I remind you that under the terms of the National Defense Education Act we are supplying funds to intensify the development of engineers and technicians, so that their talents may be sharpened to the utmost and added to the working tools of our economy. In other words, we are subsidizing an increase in the rapidity of the cycle of technological advance. I believe this is necessary and desirable. But we must also prepare our economy to ward off the ill effects which we know will develop coincident with increased technology.

I do not propose this study as a substitute for any of the measures now pending before the Congress which would apply short-term relief to the depressed areas of today. The people in those areas must have immediate and practical relief. But, while we take steps to aid them today, we must support a strong inquiry into the origins of the situation in which they find themselves, so that their sons and daughters may look forward in full confidence that the despair of their unemployed fathers will not fall to their own lot.

I realize that there are many among my colleagues whose districts do not face this situation, and whose people are today enjoying the full economic and social benefits of an expanding economy in a prosperous Nation. To them I say that you above all should join in support of this resolution because your people will have the most to lose. Do not think for a minute that any city or State or industry is immune to the economic and social ravages that can be created by the rapid installation of automatic machinery and automation techniques. Give a moment's pause to this statistic, and think of its implications: Between 1947 and 1957, when industrial production was rising 40 percent, the number of production workers in industry increased only 1 percent.

We must be informed about this trend, so we may legislate wisely and inform our constituents, and to that end I ask support for this resolution.

HOW TO BECOME A MAJOR GENERAL

Mr. WOLF. Mr. Speaker, I ask unanimous consent that the gentleman from Oregon [Mr. PORTER] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. PORTER. Mr. Speaker, these remarks could have been made under a point of personal privilege, but I do not want to take the time of the House, or any more of my own time, to dispose of this matter.

I spent most of World War II as a second lieutenant. Now I am a major in the Air Force Reserve. That is the only military rank I hold. I am not a major general in the revolutionary army of national liberation of Santo Domingo. I never have been and I never will be.

Many Members of Congress and journalists received copies of a legal sized multigraphed, single-spaced newsletter called "Special Memorandum From: Universal Research and Consultants, Inc." who are identified on the letterhead as being consulting geopoliticians, foreign negotiations, operations research.

The May 26, 1959, issue contained four paragraphs about me. Here is the first paragraph:

> The Dominican Republic Herald recently confirmed an announcement made early in May by Congressman CHARLES O. PORTER that he had been appointed a major general in the revolutionary army of national liberation of Santo Domingo. Such an announcement by an American Congressman is indeed a shocking one. The revolutionary army of national liberation is no honorary society or chowder and marching club but an active revolutionary force dedicated to a physical invasion of the Dominican Republic and the overthrow of its Government. For a Congressman of the United States to publicly announce his acceptance of a commission in a revolutionary army is by no means compatible with his duties to his constituents in Oregon, nor is it compatible with the interests of the Nation.

This item was the first notice I had of any such appointment. I never announced any such thing or anything remotely similar. This is made from whole cloth. And as for one of Trujillo's newspapers confirming any such item, well, it is not likely they would favor me or care about the truth.

My administrative assistant, Jack Billings, spoke with the editor of the newsletter and was told he read the item in the Dominican Republic Herald for whom, incidentally, I understand the editor writes a column.

My action has been to refer the newsletter to attorneys to advise me as to the grounds therein for a libel suit. I don't mind being cussed and vilified but outright misrepresentation as gross as this tends to annoy me. Moreover I know that some of my colleagues have seen it and it may be that one or more of them will believe that it is true.

To set the record as straight as I can I am inserting these remarks. Of course I am against Trujillo and against any other tyrant, whether he rules Formosa, mainland China, the Soviet Union, Spain, or any other country. I rejoice when a tyrant's power is challenged and overthrown, but I never have alined myself with any particular revolutionary group. I feel a kinship and a sympathy for persons who fight tyranny. I will continue to urge my Government to give the formal handclasp to dictators and the warm embrace to democratic leaders. I will continue to stand up for the principles of freedom and human rights on which this Nation was established.

But I will not be a major general or even a private or a marshal in any particular revolutionary army of another nation. Of course, no one has asked me to be, no doubt with good reason. It is generous of Trujillo to bestow such rank on me and certainly broadly tolerant of Special Memorandum to accept the word of Trujillo's newspaper.

Special Memorandum has come on rough days. Not long ago it was paid by Batista and by Pérez Jiménez to be a foreign agent for their illustrious cutthroat governments, and also by some purportedly anti-Communist league with a high-sounding name. Now these clients are gone, but perhaps the editor seeks to sign up Rafael Trujillo before it is too late for both himself and Trujillo.

Many strange animals roam the corridors and infest the cocktail parties of this Capital City of the United States. The strangest and slimiest snakes of all, in my opinion, are those creatures who take blood money from tyrants to do their prostitute journalism and other chores in this citadel of democracy and the free world.

THE AMERICAN BAR ASSOCIATION'S PLAN FOR PEACE: REGIONAL AND WORLD CONFERENCES OF LAWYERS

Mr. WOLF. Mr. Speaker, I ask unanimous consent that the gentleman from Oregon [Mr. PORTER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. PORTER. Mr. Speaker, on May 18 the American Bar Association completed the study it undertook at the request of the International Cooperation Administration. The study's recommendations are of key importance in the long, hard and frequently frustrating fight to establish the rule of law in the world.

Yet, I understand, ICA may refuse to allocate the funds, even in the amount promised in a letter from former ICA Director James Smith. It may be that an attempt to amend the Mutual Security Act should be made when it reaches the House floor so as to earmark the necessary funds.

The report affirms that "it is feasible to conduct a series of conferences, culminating in a world conference, of lawyers from the United States and other nations, to consider and recommend specific measures for the achievement of world peace through law."

The regional conferences would be held possibly in Rio de Janeiro, New Delhi, Accra, and Vienna, the world conference possibly in Stockholm. Each regional conference would run for 5 days, and the world conference for 3 weeks.

GENERAL OBJECTIVES

The report states:

The general objectives of each of the conferences would be to further the basic goal of world peace through the rule of law and to make international law and international courts a more powerful force in international relations, thereby reducing international tensions.

The details may be found in the report, the complete text of which I am appending to these remarks.

The men who prepared this report, with the help of many other lawyers, are idealists, yes, in a sense but not starry eyed. They know that the only route to survival is the rule of law. The American Bar Association committee's chairman, a former president of the American Bar Association, is Charles S. Rhyne of Washington, D.C., whose work for the rule of law in the world has been widely, justly and highly praised.

His committee members are outstanding lawyers from all over the United States, including among others such distinguished lawyers as Dean Erwin N. Griswold, of Harvard Law School; Arthur H. Dean, of New York; and former American Bar Association president, Robert G. Storey, Sr., of Austin, Tex.

When law replaces weapons,

The report concludes—

in the control of the fate of humanity, the mission of lawyers will have been completed. In a world ruled by law man can walk in freedom, in dignity, and in peace.

REPORT TO THE INTERNATIONAL COOPERATION ADMINISTRATION

The American Bar Association has completed the study which it undertook at the request of the International Cooperation Administration and has reached the conclusion that it is feasible to conduct a series of conferences, culminating in a world conference, of lawyers from the United States and other nations, to consider and recommend specific measures for the achievement of world peace through law.

OUTLINE OF PLAN

According to the plan submitted herewith, lawyers from the four continents (the Americas being considered as a single continent) would meet first in international regional conferences at cities to be decided upon, possibly Rio de Janeiro, New Delhi, Accra, and Vienna, and eventually in a world conference at a city to be decided upon, possibly Stockholm.

Each of the international regional conferences would run for 5 days, and the world conference for 3 weeks.

The general objectives of each of the conferences would be to further the basic goal of world peace through the rule of law and to make international law and international courts a more powerful force in international relations, thereby reducing international tensions.

The agenda for the conferences would be determined by committees, provided for in the plan, upon consideration of topics which would include:

(1) Means of increasing use of the International Court of Justice, including:

(a) Exercise of the Court's existing authority to sit outside The Hague and to form chambers of three or more judges for hearing and final decision of particular cases or classes of cases;

(b) Achievement of acceptance of the compulsory jurisdiction of the Court by all nations without crippling reservations;

(c) Inclusion in future international agreements of a provision that disputes over their interpretation will be subject to the compulsory jurisdiction of the Court;

(d) Improvement in the practice, procedure, and administration of the Court.

(2) Establishment of regional courts of international law, outside the judicial system of the United Nations, by bilateral and multilateral treaties.

(3) Extension of the jurisdiction of international courts, by amendment of the statute of the International Court of Justice and by bilateral and multilateral treaties, to disputes between governments and individuals and between private parties, either generally or with specific reference to disputes growing out of contracts between governments and individuals or out of international business transactions.

(4) Extension and improvement of institutions and procedures for arbitration of disputes between governments and disputes growing out of concession contracts and international business transactions between governments and individuals and between private parties.

(5) Extension and improvement of institutions and procedures for international cooperation in promoting the economic advancement of all nations, including the improvement of the legal framework for such advancement and the removal of the legal uncertainties and fears which now block such advancement.

(6) Consideration of means to strengthen the United Nations both by Charter changes and by increased use of existing United Nations machinery for peaceful settlement of disputes under the rule of law.

(7) Establishment or improvement of agencies and procedures for clarification of uncertainties of existing international law and for adaptation of existing rules of international law to changing conditions with a view to furthering the growth of a body of international law acceptable to all nations by drawing upon all legal systems of the world.

(8) Consideration of methods for compilation, reporting, and analysis of legal decisions and other developments in the international field.

It is believed that a series of conferences prepared for and conducted in the manner suggested in the accompanying plan would result in the marshaling of the resources of the legal profession of all the participating nations for the achievement of world peace through law and for the education of the world opinion which is essential to that end.

EVOLUTION OF THE PLAN

The accompanying plan was prepared, under the direction of the board of governors of the association, by a special committee on world peace through law. The names of the members of that committee appear at the end of this report. As stated in an interim report of February 23, 1959, to the house of delegates, a copy of which is submitted herewith, the committee decided at its first meeting, 6 days after the signing of the contract with the International Cooperation Administration, to seek the cooperation of lawyers, professors of international law, and associations of lawyers in this country and abroad and the cooperation of legal organizations such as the International Bar Association, the Inter-American Bar Association, and the International Law Association, to study the efforts of the United Nations and other official agencies in the field of world law; to arrange a number of regional conferences of leading lawyers in the United States for discussion of tentative ideas, suggestions, plans, and proposals; and to employ a staff to assist the committee in its work. It decided also that its staff should give special attention at the beginning of its work to the compilation and analysis of ideas and information as to how the proposed conference might advance the use of the rule fo law in world affairs, promote the use of the judicial concept in the settlement of disputes between nations, extend international judicial institutions to disputes of individuals growing out of international transactions, and increase the sense of responsibility and the influence of members of the legal profession in the field of international relations.

Presidents of 1,400 State and local bar associations in the United States and 182 professors of international law were requested to send the committee comments, suggestions, and ideas as to what a world conference on the rule of law should do and can do.

Similar letters, accompanied by a partial list of topics which had been suggested for discussion at the proposed conference, were sent to 1,300 members of the section of international and comparative law, 2,400 members of the American Society of International Law, and the presidents of 74 bar associations in foreign countries.

The responses to the above-mentioned letters were almost uniformly favorable to the idea of the proposed conference. Many of them contained extremely helpful suggestions as to the questions to be discussed and as to the practical arrangements required for successful conduct of the conference. These communications provided substantial evidence that lawyers assembled from many nations may be able to achieve concrete advancement of carefully stated programs for the establishment of international relations on the basis of respect for law and the observance of its orderly procedures.

Equally encouraging indications were received from specially qualified persons whose views were sought in private conversations and at conventions and conferences of lawyers in the United States and abroad.

On March 28 and 29, 1959, the first of five regional conferences in the United States was held at Boston, Mass., for the purpose of consultation on what lawyers assembled from many nations could do toward the achievement and maintenance of world peace. Similar conferences were held at Charlotte, N.C., on April 10 and 11; Chicago, Ill., on April 17 and 18; San Francisco, Calif., on April 24 and 25; and Dallas, Tex., on April 28 and 29. The participants in each of these conferences included the presidents of State bar associations in the several regions

(comprising from 7 to 11 States) and four or more leading lawyers of each State invited by these presidents or by the committee. The participants in each of the conferences were provided, in advance of the conference, with working papers, prepared by the committee's staff, with the assistance of experts in the fields of international law, which contained the background information required for intelligent discussion of the questions raised in the conferences. Copies of the working papers prepared for these conferences are submitted herewith.

The potentialities of the program under study by the committee were recognized by one of the most eminent clergymen in the United States, Cardinal Cushing, in the following statement at the beginning of the Boston conference:

"The work on which you have ventured may well be the most significant of our time. For it can set the pattern for the future of the world, and it may indeed decide whether or not this civilization of ours will survive at all."

Equally enthusiastic comments were made by lawyers participating in this and subsequent conferences.

The consensus of the participants in the five regional conferences, with specific reference to the feasibility of conferences of lawyers on a continental or global scale, may be fairly summarized as follows:

1. A world conference of lawyers should be held. To make it a true world conference, lawyers from behind the Iron Curtain should be invited.

2. The groundwork for the world conference should be laid by international regional conferences in Latin America, Asia, Africa, and Europe.

3. The conferences will serve a very useful purpose whether or not Iron Curtain lawyers and their governments are willing or able to seek to extend the rule of law. It is important meanwhile for the other countries of the world to gain experience in the settlement of international disputes by judicial means and to build up a record of accomplishment in the settlement of such disputes among themselves.

4. The world conference and the international regional conferences which precede it should concentrate chiefly on the improvement of existing international institutions and the creation of the new international institutions that will be required if the rule of law is to achieve internationally the degree of order and stability that it has achieved nationally.

5. As a first step in this direction, the conferences should consider the means of getting more international disputes into the existing International Court of Justice and into new circuit or regional courts of international law. They might appropriately urge the International Court of Justice to exercise the authority which it now has to sit outside The Hague and to establish chambers of three or more members of the Court for hearing and decision of particular cases or classes of cases. Sitting in New York and elsewhere throughout the world, the Court would be more accessible to the parties, and proceedings would be much less expensive. Regional courts of international law could be established by agreements without amendment of the Charter of the United Nations or the Statute of the International Court of Justice.

6. The world conference and the international regional conferences should give special consideration to ways and means of extending the jurisdiction of international courts to disputes between governments and individuals growing out of international business transactions.

7. The world conference and the international regional conferences should also consider the means of expanding and improving procedures for arbitration of disputes growing out of international business transactions and the means of encouraging greater use of legal rules in international commercial arbitration.

8. The conferences now contemplated should not attempt agreement on substantive rules of international law. Restatements of present rules and drafts of new rules of international law should be left to existing official and unofficial groups of experts. If further world conferences are recommended, committees may be created to review progress in various fields of substantive law and make recommendations to further that progress or to initiate new work on old or new problems.

9. The mere fact of holding international regional conferences and eventually a world conference of lawyers on the rule of law among nations would have tremendous import. Lawyers have never before worked together on this subject on a multinational or global scale. The prospect of worthwhile accomplishments has stirred all prospective participants in such conferences.

10. Participants at the conferences would be jurists, practicing lawyers and teachers of law.

11. The conferences should consider establishment of a permanent clearinghouse of ideas, programs, and experience pertinent to the extension of world peace through the rule of law. In this connection they should consider the possibility of proclamations of a World Law Day and a World Law Year to stimulate and coordinate the efforts of lawyers.

12. The U.S. reservation, which presently limits our acceptance of the jurisdiction of the International Court of Justice, was discussed extensively. The consensus was that the unilateral determination clause of this reservation should be eliminated. Under this clause the United States and other nations having similar clauses sit as judges of the World Court's jurisdiction in each case filed against them. They decide whether the case involves an international or a domestic issue even though the United Nations Charter prohibits the Court from exercising jurisdiction over domestic issues. As one of the greatest users of the rule of law nationally, the United States must prove that we trust the rule of law internationally. Such leadership on our part is essential.

13. A tremendous grassroots educational program is essential in the United States as well as in other countries. This program should spotlight that it is essential to exercise sovereignty for survival, to build law into the legal vacuum which now exists internationally.

14. World government is impractical and impossible in today's world. This program is directed toward increasing the use of the rule of law in courts and building new law in the world community. This is a practical and meaningful forward step toward a peaceful world.

15. This effort to create a lawful world should be largely financed by private money. It should be a lawyer-to-lawyer-to-people program. As lawyers explain the potential use of law in the world community, the idea should attract tremendous support among laymen.

16. We should do all we can to strengthen the United Nations by urging increased application of, and adherence to, the rule of law in the deliberations and actions of all of its organs and agencies, as well as by urging amendments to the Charter to further the ideal of world peace through law.

17. The objectives of this program cannot be accomplished within a short time. A long-range continuous effort must be planned for by the legal profession of the nations of the world.

GENERAL OBSERVATIONS

The views summarized above are the views of practicing lawyers, not experts in international law, throughout the United States. They are in many instances different from the views that were held by participants in the regional conferences in advance of those conferences. There are doubtless many lawyers in this country, as well as in other countries, who are not fully aware of the imperative necessity for the establishment of the rule of law among nations. Conferences similar to the five regional conferences that have been held in the United States will probably be indispensable in other countries in preparation for effective participation of lawyers of those countries in international regional conferences. A further conference of lawyers of the United States, including those who participated in our regional conferences, would also be desirable before the beginning of the international conferences.

It is realized that not every tension-producing dispute is susceptible of judicial determination. There are political and diplomatic questions and problems which are not justiciable; the program envisioned herein is not to be understood as suggesting that they are. The function of the rule of law is to keep the peace while necessary and desirable changes can be worked out through other means. In a fully developed world civilization all disputes should be settled by means other than force.

The special committee on world peace through law began its study from the premise that, as law has achieved order and stability within nations, it could, if given the opportunity, do the same among nations. With full realization that the unprecedented dangers of today create overwhelming public support for any idea which will prevent war, it has sought to develop plans and programs by which the rule of law can bring about the same order, stability and peace internationally which it has already created nationally.

On the basis of the study made by the special committee, it is believed that the rule of law can justifiably be raised as a new standard of decency in international relations. Years and decades of hard labor are ahead of us before this goal can be realized. The absence of law in the world community is indeed the greatest gap in the growing structure of civilization. To fill that gap, or legal vacuum, is no easy task. The path to success is strewn with many pitfalls and immense difficulties.

Lawyers throughout the world are confronted by a task that they must do. No other group or profession has assumed, or will or should assume, a responsibility equal to ours in translating the idea of world rule of law into reality. Lawyers in centuries of effort have created the legal rules and institutions and procedures which now exist; lawyers of this and other nations are the logical group to do this new work of creating a lawful world.

People everywhere are hoping and searching for some way to avoid the holocaust of missile-atomic war. They know that history teaches that every arms race since the world began has exploded into war by design or accident. They watch the current ever-accelerating arms buildup and fear that war is as certain as tomorrow's sunrise unless a great leap forward is made in the sphere of law. World peace through law offers the greatest potential of all the ideas yet advanced to avoid self-destruction by mankind. The law's proved capacity in achieving and maintaining order and stability within nations augurs well for its success if used between nations.

Lawyers at our regional meetings have signified their willingness to lead the way in a great effort to inform and unite the people of the world in support of this great idea. Through conferences such as those provided for in the accompanying plan, lawyers throughout the world can develop a program to push forward the idea of the rule of law among nations from general concept to proposals for concrete action which will bring the idea closer to reality.

When law replaces weapons in the control of the fate of humanity, this mission of

lawyers will have been completed. In a world ruled by law man can walk in freedom, in dignity, and in peace.

Respectfully submitted.

Charles S. Rhyne, Chairman; Homer G. Angelo, Arthur H. Dean, Erwin N. Griswold, Arthur Larson, Philip H. Lewis, Howard C. Petersen, Herman Phleger, Robert H. Reno, Robert G. Storey, Sr., Lyman M. Tondel, Jr., Loyd Wright.

MAY 18, 1959.

PROPOSED PLAN FOR CONFERENCES OF LAWYERS OF MANY NATIONS

OBJECTIVES OF THE CONFERENCES

(1) To marshal the resources of the legal profession of all countries for the achievement of world peace through law and for the education of world opinion to gain essential public support.

(2) To consider and recommend action on matters within the special competence of the legal profession.

AGENDA

See pages 2 and 3 supra.

PREPARATIONS FOR REGIONAL CONFERENCES

(1) The president of the American Bar Association communicates with the president of the national bar association, or its nearest equivalent, in each of the countries which were represented at the Geneva conference on the law of the sea. He summarizes the results of the American Bar Association study of the feasibility of conducting a conference of lawyers from many nations and suggests the desirability of the establishment of a special committee of lawyers on world peace through law in each of the said countries to cooperate with the American Bar Association special committee in organizing a conference of lawyers in each of the regions specified below and in organizing an eventual conference of lawyers from all the aforesaid countries. He offers further information, technical assistance in promoting the interest of lawyers and financial assistance in connection with arrangements for the regional conferences and the eventual world conference. Subject to the possibility of reallocations for convenience of travel, the regions referred to would be (1) the Americas; (2) Asia; (3) Africa; and (4) Europe.

(2) The formal communications to presidents of national bar associations are supplemented by informal approaches. Some of the aforesaid countries are visited by members of the American Bar Association special committee and its staff. Information and technical assistance are supplied as requested. Within an estimated period of 3 months, correspondence and personal meetings result in the establishment, in each of the regions, of a planning committee, one member of which is designated by the president of each of the participating national bar associations.

(3) The conference planning committee for each region meets at an agreed place and time to work out detailed arrangements for a regional conference. These details include time, place and duration of conference, number of delegates from each country, rules of procedure including limitation of discussion to the agreed-upon agenda, conference rooms, local staff, working languages, simultaneous translations, reporting and social functions.

(4) Provision is made at the same meeting for preparation and advance circulation of working papers (in the working languages) on the topics placed on the agenda. Qualified experts in each of the countries in the pertinent region will be employed. The text of the working papers will be approved by a subcommittee of the planning committee representative of the principal legal systems which exist in the region. The staff of the American Bar Association special committee is augmented to such extent and for such period as may be necessary.

(5) It is anticipated that travel expenses of two lawyer delegates to and from each of the conferences and the subsistence of two lawyer delegates at each of those conferences, for a period of 5 days, will be paid from funds at the disposal of the American Bar Association.

CONDUCT OF REGIONAL CONFERENCES

Subject to determination by the respective planning committees, it is anticipated that:

(1) Each of the regional conferences will last 5 days.

(2) All sessions of each conference will be plenary, with simultaneous translations into the working languages, and fully reported. The working languages will be English and Spanish for the Americas; English and French for Asia and Africa; English, French and Russian for Europe.

(3) At the first plenary session rules of procedure, previously drafted, will be considered and adopted, and necessary committees (steering, drafting, etc.) will be appointed. Special committees may be appointed subsequently to study and report on matters referred to them.

(4) Committees will be small. Their sessions will be informal, provided with interpreters but not with simultaneous translation, reported summarily by assigned members of the conference staff.

(5) Each of the regional conferences will publish a report of its proceedings and recommendations.

(6) Each of the regional conferences will elect three members of a world conference planning committee. The chairman of the American Bar Association special committee on world peace through law will be a member ex officio of the world conference planning committee.

PREPARATIONS FOR WORLD CONFERENCE

(1) The world conference planning committee is convened at Washington. Travel expenses and subsistence of foreign members are paid from funds at the disposal of American Bar Association. The chairman summarizes the results of the regional conferences and submits for consideration proposals of arrangements for the world conference.

(2) After agreement on the arrangements, the president of the American Bar Association invites the president of the bar association, or nearest equivalent, of each of the foreign countries that participated in the regional conferences to designate the authorized number of delegates to the world conference and states that the travel and subsistence expenses of two of these delegates will be paid from funds at the disposal of American Bar Association. If so instructed by the world conference planning committee, he issues similar invitations to presidents of national bar associations of countries which were represented at the Geneva conference but not in any of the regional conferences and to presidents of national bar associations of countries which have subsequently become members of the United Nations.

(3) Working papers are prepared by an augmented staff of the American Bar Association special committee, under substantially the same conditions as indicated above, and circulated in advance in the working languages of the world conference.

(4) The greater part of the staff of the American Bar Association special committee is transferred to the seat of the conference 1 month before the opening date. The staff is responsible for carrying out before that date the instructions of the world conference planning committee with respect to physical arrangements for the conference.

CONDUCT OF THE WORLD CONFERENCE

Subject to determination by the planning committee, substantially as outlined under conduct of regional conferences except as follows:

(1) Duration 3 weeks.

(2) Simultaneous translations into English, French, Spanish, and Russian.

(3) Published report to be transmitted by each delegation to its own government and disseminated to all members of participating bar associations.

(4) A continuing committee of the conference to be established to keep participants informed of pertinent developments.

(5) Arrangments to be made for a proper followup on all of the plans and programs developed at the conference.

BUDGET ESTIMATE

Meetings of planning committees:	
(a) In South America	$13,000
(b) In Asia	12,000
(c) In Africa	6,000
(d) In Europe	7,000
(e) In Washington, D.C., for world conference	13,000
Total	51,000
Nationwide U.S. conference:	
(a) Preparatory expenses	2,500
(b) Expenses of conference	2,500
Total	5,000
Regional conferences:	
(a) In South America	42,300
(b) In Asia	49,500
(c) In Africa	27,000
(d) In Europe	30,000
Total	148,800
World conference	300,000
American Bar Association staff (2 years):	
(a) Salaries of lawyers, translators and secretaries	100,000
(b) Staff travel in field	15,000
(c) Fees to consultants	5,000
Total	120,000
Office expenses of American Bar Association staff (2 years):	
(a) Office rental	6,000
(b) Stationery, postage, etc	10,000
(c) Outside printing and mimeographing, including final report	25,000
Total	41,000
Total	665,800
Miscellaneous (5 percent of total)	33,290
Total	699,090

NOTES

(1) Expenses of meetings of planning committees, the international regional conferences and the eventual world conference are based on figures available with respect to travel to and from the cities mentioned in the report and with respect to maintenance and facilities in those cities.

(2) The estimates include travel and maintenance for two delegates from each of 22 nations for the Western Hemisphere conference; 25 for the Asian conference; 11 for the African conference; 34 for the European conference; and 89 for the world conference.

(3) It is assumed, for budgetary purposes, that all conference halls, meeting rooms, offices, office furniture and equipment will be rented at normal rental prices.

(4) Actual costs may be considerably below the estimates if different sites are selected, or if the number of participating nations is less than that assumed, or if conference halls, etc.; are provided free of charge for some or all of the conferences.

(5) A detailed memorandum on the bases of the estimates is attached.

BASES FOR ESTIMATED BUDGET

Regional Planning Committee Meeting

Travel expenses are estimated on the basis of air transportation, tourist class, round trip; per diem maintenance in accordance with U.S. Government schedules.

If the site selected in South America is Rio de Janeiro, travel expenses will be approximately $12,000; maintenance expenses approximately $1,000.

If the site selected in Asia is New Delhi, travel expenses will be approximately $11,000; maintenance expenses approximately $1,000.

If the site selected in Africa is Accra, Ghana, travel expenses will be approximately $5,000; maintenance expenses approximately $1,000.

If the site selected in Europe is Vienna, travel expenses will be approximately $6,000; maintenance expenses approximately $1,000.

World Conference Planning Committee

On the basis indicated above, if this committee meets in Washington, D.C., travel expenses will be approximately $12,000; maintenance expenses (for a 4-day session) approximately $1,000.

Nationwide U.S. Conference

Delegates would travel to and from this conference at their own expense and there would be no maintenance allowance. Preparatory documents and other similar expenses would amount to approximately $2,500, and expenses of reporting and facilities at the conference site would amount to approximately $2,500.

Regional Conferences

Air travel and maintenance expenses are estimated on the basis indicated above. Rental prices for conference halls, meeting rooms, offices, office furniture, equipment and facilities are estimated, for the most part, on the basis of data obtained from the Office of International Conferences of the Department of State. Service costs are estimated on the basis of data from the same source, supplemented by data from service companies.

Regional Conference in South America

If this conference is held in Rio de Janeiro, the approximate expenses will be as follows:

(a) Room for plenary session	$1,300
(b) Committee meeting rooms	700
(c) Offices	600
(d) Office furniture, equipment and supplies	3,200
(e) Communication services	1,000
(f) Interpreting services (wireless receiver sets and equipment	1,500
(g) Transportation (hire of vehicles)	700
(h) Four interpreters	1,000
(i) One typist recruited locally	100
(j) Two messengers recruited locally	200
(k) Two registration clerks recruited locally	200
(l) Two tape recorder operators recruited locally	200
(m) Transportation of staff personnel from Washington, D.C. to Rio and return	3,700
(n) Per diem expenses for personnel in (m) above	1,000
(o) Travel of delegates	23,600
(p) Per diem for delegates	3,300
Total	42,300

If the conference is held in Mexico City, the savings in travel expenses will reduce the total cost of the conference to approximately $13,400.

If the conference is held in Lima, the savings in travel expenses would reduce the total cost of the conference to approximately $36,400.

Regional Conference in Asia

If the conference is held in New Delhi, the expenses of the conference will be approximately as follows:

(a) Items corresponding to (a) through (l) in Rio de Janeiro schedule	$13,200
(b) Items corresponding to (m) and (n) in above schedule	11,600
(c) Items corresponding to (o) and (p) in above schedule	24,700
Total	49,500

If the conference is held in Bangkok, the savings in travel expenses will reduce the total cost of the conference to approximately $45,800.

Regional Conference in Africa

If the conference is held in Accra the expenses of the conference will be approximately as follows:

(a) Items corresponding to (a) through (l) in Rio de Janeiro schedule	$11,800
(b) Items corresponding to (m) and (n) in above schedule	4,300
(c) Items corresponding to (o) and (p) in above schedule	10,900
Total	27,000

Regional Conference in Europe

If the Conference is held in Vienna the expenses of the Conference will be approximately as follows:

(a) Items corresponding to (a) through (l) in Rio de Janeiro schedule	$11,000
(b) Items corresponding to (m) and (n) in above schedule	3,900
(c) Items corresponding to (o) and (p) in above schedule	15,100
Total	30,000

World Conference

If the World Conference is held at the Hague, the expenses of the Conference will be as follows:

(a) Rental of meeting rooms, offices, office equipment supplies and other facilities	$68,000
(b) Interpreting services	8,000
(c) Communication services	3,400
(d) Transportation (hire of vehicles)	5,000
(e) Cost of contract personnel	39,000
(f) Travel of staff personnel	7,100
(g) Maintenance of staff personnel	3,400
(h) Travel of delegates	105,200
(i) Maintenance of delegates	44,900
(j) Reproduction of documents	16,000
Total	300,000

ABA Staff salaries

Three attorneys paid at the annual rate of $20,000, $7,500, and $6,500, respectively.

Two secretaries paid at the rate of $5,000 per year each.

Translators employed as needed, $6,000 per year.

JOINT ECONOMIC COMMITTEE STUDIES OF AUTOMATION

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, I am often gratified at the widespread recognition and high level use which is made of some of the materials which come into existence, often essentially as by-products of the legislative process and legislative watchfulness of matters involving the national interest. In 1955 a Joint Economic Committee Subcommittee of which I was chairman made a careful and objective study of the impact of "Automation and Technological Change" on employment levels and our standard of living. Other members of the subcommittee at that time were Senator Joseph C. O'Mahoney, of Wyoming; Senator Arthur V. Watkins, of Utah; Representative Augustine B. Kelley, of Pennsylvania; and Representative Jesse P. Wolcott, of Michigan. Through similar subcommittees in later Congresses, we have kept in close touch with the problem by regular supplemental hearings and continuing study.

At our pioneering congressional hearing on this intensely important subject we heard the testimony of a carefully selected and varied group of experts from industry and research. The widespread interest and regard for the statements and answers of these witnesses is attested by the fact that printed transcripts of hearings of the committee have long been out of print. It has been necessary to reprint the committee's report—Senate Report No. 1308, 84th Congress—several times to satisfy the public interest in the subject.

Both the hearings and the report have, moreover, been widely quoted and cited both here and abroad. For example, the findings of the Committee have been translated into German and published in the Zeitschrift für angewandte Konjunkturforschung—Journal for Applied Business-Cycle Research. It was widely referred to in the 1957 report of the Director-General of the International Labor Office—Geneva—entitled "Automation and Other Technological Developments." Similar reference has been made in the report of the Department of Scientific and Industrial Research—United Kingdom—published by Her Majesty's Stationery Office in 1956. Innumerable domestic publications, such as a pamphlet by Almarin Phillips entitled "Automation—Its Impact on Economic Growth and Stability," make frequent quotes from the testimony of experts in the Joint Committee's hearings.

Just recently there has been published a book, "Automation and Society," edited by Howard Boone Jacobson and Joseph S. Roucek of the University of Bridgeport in which 11 out of 32 chapters do honor to the Joint Economic Committee's hearings by quoting, with slight editing, the statements of the expert witnesses whose testimony is reported in the committee's hearings.

I am prompted on this occasion to remind Members of Congress that credit for such obviously respected work is of course not always given. While materials developed in congressional hearings are quite properly in the public domain, I am sorry that the authors in the present instance neglected to acknowledge and remind their readers of the debt owed to the Joint Economic Committee and particularly to the debt which the committee owes to those public-spirited citizens, industrialists and union officials who have prepared statements at the committee's request. The respect paid to the Joint Economic Committee's pioneering study in this field by

generous quotation, even though unacknowledged, is testimony of its objectivity, its selection of expert witnesses, and the lasting contribution which such hearings have made to our knowledge of this rapidly developing subject.

ELECTIONS SUBCOMMITTEE OF THE COMMITTEE ON HOUSE ADMINISTRATION

Mr. WOLF. Mr. Speaker, I ask unanimous consent that the Elections Subcommittee of the Committee on House Administration may be permitted to sit tomorrow during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to:

(At the request of Mr. HALLECK, as follows:)

Mr. CHAMBERLAIN, for June 3, through June 5 on account of official business away from Washington, D.C.

Mr. SAYLOR, on June 4 and 5, 1959, on account of official business.

Mr. CANFIELD, for an indefinite period, on account of physicians order for recuperative rest.

(At the request of Mr. MCCORMACK:)

Mr. HAYS on account of official business.

Mr. DENTON, on account of official business.

Mrs. GREEN of Oregon, on account of official business.

Mr. HEMPHILL, on account of official business.

Mr. COAD, on account of official business.

Mr. MOELLER, on account of official business.

Mr. DEVINE (at the request of Mr. ARENDS), on account of death in family.

Mr. KEARNS, for 1 week, beginning June 8, on account of attending the I.L.O. meeting at Geneva, Switzerland.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. SLACK, for 10 minutes, today, and to revise and extend his remarks.

Mr. BRAY (at the request of Mr. ROBISON), for 30 minutes, on June 16.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. HOGAN.

Mr. THOMPSON of Texas and to include extraneous matter.

Mr. REECE of Tennessee in three instances and to include extraneous matter.

Mr. PHILBIN and to include extraneous matter.

The following Member (at the request of Mr. ROBISON) and to include extraneous matter:

Mr. DOOLEY.

The following Members (at the request of Mr. WOLF) and to include extraneous matter:

Mr. MULTER

Mr. HERLONG

Mr. WOLF

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 758. An act for the relief of Viktors Neimanis;

S. 1197. An act to amend the Atomic Energy Act of 1954, as amended;

S. 1217. An act to add certain public domain lands in Nevada to the Summit Lake Indian Reservation;

S. 1228. An act to amend Public Law 85-590 to increase the authorization for appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes; and

S. 1242. An act to authorize the use of the revolving loan fund for Indians to assist Klamath Indians during the period for terminating Federal supervision.

ADJOURNMENT

Mr. WOLF. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 9 minutes p.m.) the House adjourned until tomorrow, Thursday, June 4, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1061. A letter from the Secretary of the Army, transmitting a report of the number of officers on duty with the Department of the Army and the Army General Staff on March 31, 1959, pursuant to Public Law 581, 81st Congress; to the Committee on Armed Services.

1062. A letter from the Chairman, Federal Home Loan Bank Board, transmitting the annual report of the Federal Home Loan Bank Board for the calendar year 1958, pursuant to the Federal Home Loan Bank Act, as amended; to the Committee on Banking and Currency.

1063. A letter from the Administrator, Small Business Administration, transmitting a draft of proposed legislation entitled "A bill to amend the Small Business Investment Act of 1958, and for other purposes"; to the Committee on Banking and Currency.

1064. A letter from the Secretary of Labor, transmitting a draft of proposed legislation entitled "A bill to provide for the payment of expenses of administration of the workmen's compensation provisions of the Longshoremen's and Harbor Workers' Compensation Act by insurance carriers and self-insurers authorized to insure under section 32 of the act, and for other purposes"; to the Committee on Education and Labor.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MCMILLAN: Committee on the District of Columbia. H.R. 3030. A bill to amend the act entitled "An act to authorize the establishment of a band in the Metropolitan Police force" so as to provide retirement compensation for the present director of said band after 10 or more years of service, and for other purposes; with amendment (Rept. No. 426). Referred to the Committee of the Whole House on the State of the Union.

Mr. MCMILLAN: Committee on the District of Columbia. S. 643. An act to amend the act entitled "An act relating to the levying and collecting of taxes and assessments, and for other purposes," approved June 25, 1938; without amendment (Rept. No. 427). Referred to the Committee of the Whole House on the State of the Union.

Mr. MCMILLAN: Committee on the District of Columbia. H.R. 6378. A bill to authorize the American Society of International Law to use certain real estate in the District of Columbia as the national headquarters of such society; without amendment (Rept. No. 428). Referred to the Committee of the Whole House on the State of the Union.

Mr. MCMILLAN: Committee on the District of Columbia. H.R. 6662. A bill to amend the District of Columbia Hospital Center Act in order to extend the time during which appropriations may be made for the purposes of such Act; without amendment (Rept. No. 429). Referred to the Committee of the Whole House on the State of the Union.

Mr. MCMILLAN: Committee on the District of Columbia. S. 949. An act for the incorporation of the Ladies of the Grand Army of the Republic; without amendment (Rept. No. 430). Referred to the House Calendar.

Mr. MCMILLAN: Committee on the District of Columbia. H.R. 4283. A bill to amend the District of Columbia Income and Franchise Tax Act of 1947, as amended, to provide that under certain conditions officers of the executive branch of the Federal Government appointed by the President shall be exempt from such act; with amendment (Rept. No. 431). Referred to the Committee of the Whole House on the State of the Union.

Mr. WALTER: Committee on the Judiciary. H.R. 2368. A bill to establish rules of interpretation governing questions of the effect of acts of Congress on State laws; without amendment (Rept. No. 432). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MILLS:

H.R. 7523. A bill to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates; to the Committee on Ways and Means.

By Mr. SIMPSON of Pennsylvania:

H.R. 7524. A bill to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates; to the Committee on Ways and Means.

By Mr. BROWN of Missouri:

H.R. 7525. A bill to amend section 152 of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. IRWIN:

H.R. 7526. A bill to amend section 3104 of title 38, United States Code, to permit the payment of pension or compensation to veterans concurrently with reserve retired pay under chapter 67 of title 10, United States Code; to the Committee on Veterans' Affairs.

By Mr. KILDAY:

H.R. 7527. A bill to validate the payment of family separation allowances to members of the uniformed services; to the Committee on Armed Services.

By Mr. LANE:

H.R. 7528. A bill to amend title 28, entitled "Judiciary and Judicial Procedure," of the United States Code to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment, and for other

purposes; to the Committee on the Judiciary.

H.R. 7529. A bill to authorize the waiver of collection of certain erroneous payments made by the Federal Government to certain civilian and military personnel; to the Committee on the Judiciary.

By Mr. LATTA:

H.R. 7530. A bill to amend the Agricultural Adjustment Act of 1938, as amended, and title I of the Agricultural Act of 1949, as amended, and for other purposes; to the Committee on Agriculture.

By Mr. LOSER:

H.R. 7531. A bill to amend chapter 3 of title 18, United States Code, so as to prohibit the use of aircraft or motor vehicles to hunt certain wild horses or burros on land belonging to the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. McDOWELL:

H.R. 7532. A bill to provide for the establishment of a Federal Advisory Council on the Arts to assist in the growth and development of the fine arts in the United States; to the Committee on Education and Labor.

H.R. 7533. A bill to amend the International Cultural Exchange and Trade Fair Participation Act of 1956 to authorize the President to provide for participation by foreign governments and citizens of other countries in artistic and cultural activities in the United States, and for other purposes; to the Committee on Foreign Affairs.

H.R. 7534. A bill to promote the foreign policy of the United States by providing for the appointment of an assistant to the Secretary of State to assure the coherent development of all official international cultural activities of the United States; to the Committee on Foreign Affairs.

By Mr. McINTIRE:

H.R. 7535. A bill to provide that surplus personal property of the United States may be donated to the States for the promotion of fish and wildlife management activities, and for other purposes; to the Committee on Government Operations.

By Mr. ULLMAN:

H.R. 7536. A bill to provide for assistance to the Klamath County School District, Oregon, in the construction of a high school building on the Klamath Indian Reservation; to the Committee on Interior and Insular Affairs.

By Mr. DURHAM:

H.R. 7537. A bill to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes; to the Joint Committee on Atomic Energy.

By Mrs. GRANAHAN:

H.R. 7538. A bill to amend the Postal Field Service Compensation Act of 1955 with respect to the position descriptions and salary levels of mail handlers, and for other purposes; to the Committee on Post Office and Civil Service.

By Mrs. GREEN of Oregon:

H.R. 7539. A bill to amend the Agricultural Act of 1956 to provide donations of surplus food commodities to State penal institutions; to the Committee on Agriculture.

By Mr. GREEN of Pennsylvania:

H.R. 7540. A bill to provide financial assistance for the support of public schools by appropriating funds to the States to be used for teachers' salaries; to the Committee on Education and Labor.

By Mr. HALPERN:

H.R. 7541. A bill to allow small business corporations which had less than 90 days after the enactment of the Technical Amendments Act of 1958 in which to make an election under section 1372 of the Internal Revenue Code of 1954 an additional 30 days in which to make such election; to the Committee on Ways and Means.

By Mr. PILLION:

H.R. 7542. A bill to amend the National Labor Relations Act to provide that foremen shall in certain cases be considered as employees for purposes of that act; to the Committee on Education and Labor.

By Mr. STAGGERS:

H.R. 7543. A bill to authorize the acquisition of land for expansion of the Grafton National Cemetery; to the Committee on Interior and Insular Affairs.

By Mr. VAN ZANDT:

H.R. 7544. A bill to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. WESTLAND:

H.R. 7545. A bill to provide for the erection of a national monument symbolizing the ideals of democracy; to the Committee on Interior and Insular Affairs.

By Mr. BENNETT of Florida:

H.R. 7546. A bill to amend the Vocational Rehabilitation Act in order to provide assistance to the States for certain workshops, rehabilitation facilities, and rehabilitation evaluation services; to the Committee on Education and Labor.

By Mr. ULLMAN:

H.R. 7547. A bill to amend the Agricultural Act of 1956 to provide donations of surplus food commodities to State penal institutions; to the Committee on Agriculture.

By Mr. HARMON:

H.R. 7548. A bill to amend the Internal Revenue Code of 1954 to repeal the tax on cabarets; to the Committee on Ways and Means.

H.R. 7549. A bill to amend the Internal Revenue Code of 1954 to repeal the tax on the transportation of persons; to the Committee on Ways and Means.

By Mr. GUBSER:

H.J. Res. 410. Joint resolution providing for a White House Conference on Human Public Relations; to the Committee on the Judiciary.

By Mr. SLACK:

H.J. Res. 411. Joint resolution to provide for a special research inquiry into the causes of chronic unemployment in economically depressed areas, and for other purposes; to the Committee on Government Operations.

By Mr. SMITH of Virginia:

H.J. Res. 412. Joint resolution authorizing the National Geographic Society to erect a memorial on public grounds in the State of Virginia to honor Rear Adm. Richard E. Byrd; to the Committee on House Administration.

By Mr. CANNON:

H. Res. 280. Resolution expressing the sense of the House of Representatives with respect to a presently contemplated conference of heads of nations; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII memorials were presented and referred as follows:

By Mr. BARING: Assembly Joint Resolution No. 14 of the State of Nevada, memorializing the Congress of the United States to grant Federal loans to needy students for graduate studies and provides for repayment over 20 years; to the Committee on Education and Labor.

Also, Assembly Joint Resolution No. 18 of the State of Nevada, memorializing the Congress of the United States to adopt the Youth Conservation Act of 1959 and expressing the appreciation of the Legislature of the State of Nevada to Senator HUBERT H. HUMPHREY and Congressman JOHN A. BLATNIK for sponsoring such act; to the Committee on Education and Labor.

Also, Senate Joint Resolution No. 4 of the State of Nevada, memorializing the Congress of the United States to prepare adequate State water rights legislation; to the Committee on Interior and Insular Affairs.

Also, Senate Joint Resolution No. 1 of the State of Nevada, memorializing the Congress of the United States to repeal the Pittman Act, and to amend the Desert Land Act by eliminating the exception of the State of Nevada from the provision that no person shall be entitled to make entry on desert lands unless he be a resident of the State in which the land is located; to the Committee on Interior and Insular Affairs.

Also, Assembly Joint Resolution No. 13 of the State of Nevada, memorializing the Congress of the United States to aid the mining industry in Nevada and other sections of the United States either by imposing tariffs or by other reasonable and effective methods so that the United States may become more prosperous and be assured of a constant supply of minerals necessary for an effective defense program; to the Committee on Ways and Means.

By the SPEAKER: Memorial of the Legislature of the State of Florida, memorializing the President and the Congress of the United States, to pass legislation proposing an amendment to the Constitution of the United States reserving to the States exclusive control over public education; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of South Carolina, memorializing the President and the Congress of the United States to request the Government department administering social security benefits to liberalize the requirements for such benefits, or to enact suitable legislation effecting this end; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BUCKLEY:

H.R. 7550. A bill for the relief of Vartanouche Kalfayan; to the Committee on the Judiciary.

H.R. 7551. A bill for the relief of Hubert O. Beckles; to the Committee on the Judiciary.

By Mr. DOWNING:

H.R. 7552. A bill for the relief of Willie Lemuel Brooks; to the Committee on the Judiciary.

By Mr. FOGARTY:

H.R. 7553. A bill for the relief of Hrant H. Shoushanian; to the Committee on the Judiciary.

By Mr. LINDSAY:

H.R. 7554. A bill for the relief of Kit Fong Wong; to the Committee on the Judiciary.

By Mr. LANE:

H. Res. 282. Resolution providing for sending the bill (H.R. 3958) with accompanying papers to the U.S. Court of Claims; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

204. By the SPEAKER: Petition of the president, American Society of Newspaper Editors, Washington, D.C., petitioning consideration of their resolution with reference to a redress of grievance and requesting that the officers of the House of Representatives be directed by the House to disclose to the public those transactions concerning the disbursement of public funds for payrolls, salaries, expenses, and such other purposes as are a matter of record; to the Committee on House Administration.

205. Also, petition of Jesse Glenn, Chicago, Ill., requesting support for a civil rights bill; to the Committee on the Judiciary.

REGULATION OF LOBBYING ACT

In compliance with Public Law 601, 79th Congress, title III, Regulation of Lobbying Act, section 308(b), which provides as follows:

(b) All information required to be filed under the provisions of this section with the Clerk of the House of Representatives and the Secretary of the Senate shall be compiled by said Clerk and Secretary, acting jointly, as soon as practicable after the close of the calendar quarter with respect to which such information is filed and shall be printed in the CONGRESSIONAL RECORD.

The Clerk of the House of Representatives and the Secretary of the Senate jointly submit their report of the compilation required by said law and have included all registrations and quarterly reports received.

QUARTERLY REPORT

The following reports for the fourth calendar quarter of 1958 were received too late to be included in the published reports for that quarter:

A. Active-Retired Lighthouse Service Employees Association, Post Office Box 2169, South Portland, Maine.
D. (6) $128. E. (9) $352.02.

A. Air Transport Association of America, 1000 Connecticut Avenue NW., Washington, D.C.
D. (6) $1,770.90. E. (9) $1,770.90.

A. American Carpet Institute, Inc., 350 Fifth Avenue, New York, N.Y.
E. (9) $3,033.10.

A. American Civil Liberties Union, Inc., 170 Fifth Avenue, New York, N.Y.
D. (6) $1,531.42. E. (9) $1,531.42.

A. American Dental Association, 222 East Superior Street, Chicago, Ill.
D. (6) $9,968.50. E. (9) $9,968.50.

A. American Hospital Association, 18 East Division Street, Chicago, Ill.
D. (6) $11,847.60. E. (9) $10,547.60.

A. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.
D. (6) $9,916.90. E. (9) $23,831.76.

A. American Library Association, 50 East Huron Street, Chicago, Ill.
D. (6) $144.25. E. (9) $4,895.66.

A. American Merchant Marine Institute, Inc., 11 Broadway, New York, N.Y.
E. (9) $4,178.85.

A. American Nurses' Association, Inc., 2 Park Avenue, New York, N.Y.
D. (6) $15,205.74. E. (9) $3,391.58.

A. American Vocational Association, Inc., 1010 Vermont Avenue NW., Washington, D.C.

A. Ash, Bauersfeld & Burton, 1921 I Street NW., Washington, D. C.
B. Edwin W. Pauley, 717 North Highland Avenue, Los Angeles, Calif.
E. (9) $9.13.

A. Charles B. Bailey, Sr., 2035 South Avenue, Toledo, Ohio.
B. Brotherhood of Railway Clerks, 1015 Vine Street, Cincinnati, Ohio.

A. Balfour, Guthrie & Co., Ltd., 72 Wall Street, New York, N.Y.
E. (9) $150.35.

A. George W. Ball, 224 Southern Building, Washington, D.C.
B. Clearly, Gottlieb, Friendly & Ball, 224 Southern Building, Washington, D.C.

A. Irvin L. Barney, 401 Third Street NW., Washington, D.C.
B. Brotherhood Railway Carmen of America, 4929 Main Street, Kansas City, Mo.
D. (6) $3,225.

A. Frederick J. Bell, 2000 K Street NW., Washington, D.C.
B. National Auto Dealers Association, 2000 K Street NW., Washington, D.C.
D. (6) $3,792.29. E. (9) $8.70.

A. Bennett Associates, Inc., 6 East 45th Street, New York, N.Y.
B. National Wool Textile Export Corp., Commerce House, Bradford 1, Yorkshire, England.
D. (6) $11,250. E. (9) $1,998.93.

A. Carl H. Berglund, 1219 Washington Building, Tacoma, Wash.

A. Bergson & Borkland, 918 16th Street NW., Washington, D.C.
B. Freeport Sulphur Co., 161 East 42d Street, New York, N.Y.
E. (9) $0.75.

A. Helen Berthelot, 1808 Adams Mill Road NW., Washington, D.C.
B. Communications Workers of America, 1808 Adams Mill Road NW., Washington, D.C.
E. (9) $3,667.57.

A. C. B. Blankenship, 1808 Adams Mill Road NW., Washington, D.C.
B. Communications Workers of America, 1808 Adams Mill Road NW., Washington, D.C.
E. (9) $3,111.01.

A. W. G. Blewett, 301 Olive Street, St. Louis, Mo.
B. Peabody Coal Co., 301 Olive Street, St. Louis, Mo.

A. Blue Cross Commission, 840 North Lake Shore Drive, Chicago, Ill.

A. John J. Boland, 40 Wall Street, New York, N.Y.
B. Merrill Lynch, Pierce, Fenner & Smith, 70 Pine Street, New York, N.Y.
D. (6) $15,000. E. (9) $67.88.

A. J. Wiley Bowers, Sixth and Cherry Streets, Chattanooga, Tenn.
B. Tennessee Valley Public Power Association, Sixth and Cherry Streets, Chattanooga, Tenn.

A. Boykin & De Francis, 1000 16th Street NW., Washington, D.C.
B. Claire Hugo Stinnes, Grossenbaumerstrasse, 253, Mulheim-Ruhr, Germany.
E. (9) $137.

A. Boykin & De Francis, 1000 16th Street, NW., Washington, D.C.
B. Studiengesellschaft fur Privatrechtliche Auslandsinteressen, e.v. Contrescarpe 46, Germany.
E. (9) $247.

A. Brotherhood of Locomotive Engineers, 1122 Engineers Building, Cleveland, Ohio.

A. J. Olney Brott, 730 15th Street NW., Washington, D.C.
B. American Bankers Association, 12 East 36th Street, New York, N.Y.
D. (6) $537.50.

A. C. Blake Brown, 839 17th Street, NW., Washington, D.C.
B. National Association of Motor Bus Operators, 839 17th Street NW., Washington, D.C.

A. Brown & Lund, Cafritz Building, Washington, D.C.
B. American & Foreign Power Co., Inc., 100 Church Street, New York, N.Y.
D. (6) $375. E. (9) $82.96.

A. Russell B. Brown, 1110 Ring Building, Washington, D.C.
B. Independent Petroleum Association of America, 1110 Ring Building, Washington, D.C.
E. (9) $21.77.

A. Lyman L. Bryan, 270 Madison Avenue, New York, N.Y.
B. American Institute of Certified Public Accountants, 270 Madison Avenue, New York, N.Y.
D. (6) $75. E. (9) $40.

A. George B. Burnham, 132 Third Street, SE., Washington, D.C.
B. Numerous stockholders of the Burnham Chemical Co., 132 Third Street SE., Washington, D.C.
D. (6) $219. E. (9) $219.

A. George P. Byrne, Jr., 53 Park Place, New York, N.Y.
B. U.S. Wood Screw Service Bureau, 53 Park Place, New York, N.Y.

A. John L. Carey, 270 Madison Avenue, New York, N.Y.
B. American Institute of Certified Public Accountants, 270 Madison Avenue, New York, N.Y.
D. (6) $100.

A. Clarence B. Carter, Post Office Box 798, New Haven, Conn.
B. Railroad Pension Conference, Post Office Box 798, New Haven, Conn.

A. William L. Carter, 1105 Barr Building, Washington, D.C.
B. International Association of Ice Cream Manufacturers.

A. Classroom Periodical Publishers Association, 38 West Fifth Street, Dayton, Ohio.

A. Colorado Railroad Association, 845 Equitable Building, Denver, Colo.

A. Leo E. Connor, 1201 16th Street NW., Washington, D.C.
B. Lexington School for the Deaf, 904 Lexington Avenue, New York, N.Y.

A. Eugene P. Conser, 36 South Wabash Avenue, Chicago, Ill.
B. National Association of Real Estate Boards, 36 South Wabash Avenue, Chicago, Ill.
D. (6) $875.

A. Bernard J. Conway, 222 East Superior Street, Chicago, Ill.
B. American Dental Association, 222 East Superior Street, Chicago, Ill.
D. (6) $3,250.

A. Council of Conservationists, Inc., 588 Fifth Avenue, New York, N.Y.
B. Fred Smith & Co., Inc., 588 Fifth Avenue, New York, N.Y.

A. Council for Exceptional Children, 1201 16th Street NW., Washington, D.C.
D. (6) $72. E. (9) $127.

A. Council of State Chambers of Commerce, 1025 Connecticut Avenue, Washington, D.C.

A. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.
D. (6) $109,330.51. E. (9) $575.

A. Leo J. Crowley, 840 Equitable Building, Denver, Colo.
B. Colorado Railroad Association, 845 Equitable Building, Denver, Colo.

A. S. P. Deas, 520 National Bank of Commerce Building, New Orleans, La.
B. Southern Pine Industry Committee.

A. John F. Deeds, 1405 G Street NW., Washington, D.C.

A. Robert J. Demichelis, 640 Central Avenue, Deerfield, Ill.
B. The National Committee for Insurance Taxation, The Hay-Adams House, Washington, D.C.
D. (6) $1,762.50. E. (9) $223.33.

A. John M. Dickerman, 1625 L Street NW., Washington, D.C.
B. National Association of Home Builders of the United States, 1625 L Street NW., Washington, D.C.
D. (6) $1,031.25. E. (9) $49.73.

A. William C. Doherty, 100 Indiana Avenue NW., Washington, D.C.
B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C.
D. (6) $3,125.

A. Robert E. Dougherty, 1145 19th Street NW., Washington, D.C.
B. Hardwood Plywood Manufacturers Committee, 1145 19th Street NW., Washington, D.C.

A. Clyde T. Ellis, 2000 Florida Avenue NW., Washington, D.C.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C.
D. (6) $91.93. E. (9) $8.66.

A. John W. Emeigh, 1040 Warner Building, Washington, D.C.
B. The National Rural Letter Carriers' Association, 1040 Warner Building, Washington, D.C.
D. (6) $548. E. (9) $10.

A. The Far East Group, Inc., 1000 Connecticut Avenue NW., Washington, D.C.
D. (6) $10.

A. Mrs. Albert E. Farwell, Box 188, Route 2, Vienna, Va.
B. National Congress of Parents and Teachers, 700 North Rush Street, Chicago, Ill.

A. Maurice H. Fouracre, 1201 16th Street NW., Washington, D.C.
B. Teachers College, Columbia University, 120th Street, New York, N.Y.

A. Nolen J. Fuqua, Duncan, Okla.
B. National Association of Soil Conservation Districts, League City, Tex.

A. Murray Hanson, 425 13th Street NW., Washington, D.C.
B. Investment Bankers Association of America, 425 13th Street NW., Washington, D.C.
D. (6) $600. E. (9) $535.90.

A. Hardwood Plywood Manufacturers Committee, 1145 19th Street NW., Washington, D.C.

A. Robert N. Hawes, 1145 19th Street NW., Washington, D.C.
B. Hardwood Plywood Manufacturers Committee, 1145 19th Street NW., Washington, D.C.

A. Robert B. Heiney, 1133 20th Street NW., Washington, D.C.
B. National Canners Association, 1133 20th Street NW., Washington, D.C.
D. (6) $875. E. (9) $1,096.26.

A. Joseph D. Henderson, 431 Balter Building, New Orleans, La.
B. American Association of Small Business, Inc., 431 Balter Building, New Orleans, La.
D. (6) $1,500.

A. William B. Henderson, 1013 Woodward Building, Washington, D.C.
B. Parcel Post Association, 1013 Woodward Building, Washington, D.C.
D. (6) $1,903. E. (9) $1,853.

A. M. F. Hicklin, 507 Bankers Trust Building, Des Moines, Iowa.
B. Iowa Railway Committee, 507 Bankers Trust Building, Des Moines, Iowa.

A. L. S. Hitchner, 1145 19th Street NW., Washington, D.C.

A. Harold K. Howe, Mills Building, Washington, D.C.
B. American Institute of Laundering, Box 1187, Joliet, Ill.
D. (6) $2,649.99. E. (9) $1,120.65.

A. Harold K. Howe, 207 Mills Building, Washington, D.C.
B. The Lawn Mower Institute, Inc., 207 Mills Building, Washington, D.C.
D. (6) $2,400.

A. B. A. Hungerford, 53 Park Place, New York, N.Y.
B. George P. Byrne, 53 Park Place, New York, N.Y.

A. John M. Hurley, 302 Hoge Building, Seattle, Wash.
E. (9) $160.75.

A. W. J. Hynes, 611 Idaho Building, Boise, Idaho.
B. Union Pacific Railroad Co., 1416 Dodge Street, Omaha, Nebr.
E. (9) $1,585.64.

A. Joe Jenness, 2000 Florida Avenue NW., Washington, D.C.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C.
D. (6) $56.

A. The Jewelry Industry Tax Committee, Inc., 820 Highland Avenue, Newark, N.J.
D. (6) $25. E. (9) $1,158.75.

A. Jewish War Veterans of the United States of America, 1712 New Hampshire Avenue NW., Washington, D.C.
D. (6) $2,749.98. E. (9) $271.92.

A. Hugo E. Johnson, 1400 Hanna Building, Cleveland, Ohio.
B. American Iron Ore Association, 1400 Hanna Building, Cleveland, Ohio.

A. Lyle W. Jones, 705 Warner Building, Washington, D.C.
B. The United States Potters Association, East Liverpool, Ohio.

A. Jerome J. Keating, 100 Indiana Avenue NW., Washington, D.C.
B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C.
D. (6) $1,873.

A. Francis V. Keesling, Jr., 605 Market Street, San Francisco, Calif.
B. West Coast Life Insurance Co., 605 Market Street, San Francisco, Calif.
E. (9) $675.33.

A. James C. Kelley, 1900 Arch Street, Philadelphia, Pa.
B. American Machine Tool Distributors' Association, 1900 Arch Street, Philadelphia, Pa.

A. Franklin E. Kenner, Berwick Bank Building, Berwick, Pa.
B. Associated Railroads of Pennsylvania, room 1022, Transportation Center, Philadelphia, Pa.

A. Rowland F. Kirks, 2000 K Street NW., Washington, D.C.
B. National Automobile Dealers Association, 2000 K Street NW., Washington, D.C.
D. (6) $3,807.66. E. (9) $111.91.

A. James F. Kmetz, 1435 K Street NW., Washington, D.C.
B. United Mine Workers of America, 900 15th Street NW., Washington, D.C.
D. (6) $2,052.

A. A. W. Koehler, 839 17th Street NW., Washington, D.C.
B. National Association of Motor Bus Operators, 839 17th Street NW., Washington, D.C.

A. Kominers & Fort, 529 Tower Building, Washington, D.C.
B. A. H. Bull Steamship Co., 115 Broad Street, New York, N.Y.

A. Kominers & Fort, 529 Tower Building, Washington, D.C.
B. Luckenbach Steamship Co., Inc., 120 Wall Street, New York, N.Y.

A. Kominers & Fort, 529 Tower Building, Washington, D.C.
B. Marine Transport Lines, Inc., 11 Broadway, New York, N.Y.

A. James W. Lamberton, 224 Southern Building, Washington, D.C.
B. Cleary, Gottlieb, Friendly & Ball, 224 Southern Building, Washington, D.C.

A. James W. Lamberton, 224 Southern Building, Washington, D.C.
B. Cleary, Gottlieb, Friendly & Ball, 224 Southern Building, Washington, D.C.

A. Charles R. Larson, 1040 Warner Building, Washington, D.C.
B. National Rural Letter Carriers' Association, 1040 Warner Building, Washington, D.C.
D. (6) $548. E. (9) $10.

A. Dillard B. Lasseter, Post Office Box 381, Washington, D.C.
B. Organization of Professional Employees of the U.S. Department of Agriculture, Post Office Box 381, Washington, D.C.
D. (6) $450.

A. J. Austin Latimer, 1001 Connecticut Avenue NW., Washington, D.C.
D. (6) $450.

A. John Lawler, 270 Madison Avenue, New York, N.Y.
B. American Institute of Certified Public Accountants, 270 Madison Avenue, New York, N.Y.
D. (6) $125. E. (9) $55.

A. Randall J. LeBoeuf, Jr., 15 Broad Street, New York, N.Y.
B. Consolidated Edison Co. of N.Y., Inc., 4 Irving Place, New York, N.Y.

A. Harold O. Lovre, 1424 16th Street NW., Washington, D.C.
B. American Trucking Associations, Inc., 1424 16th Street NW., Washington, D.C.
D. (6) $3,000. E. (9) $92.61.

A. Harold O. Lovre, 639 Woodward Building, Washington, D.C.
B. Chicago Mercantile Exchange, 110 North Franklin Street, Chicago, Ill.
E. (9) $42.23.

A. Harold O. Lovre, 639 Woodward Building, Washington, D.C.
B. Porter Brothers Corp., Post Office Box 667, Boise, Idaho.
D. (6) $600. E. (9) $53.02.

A. LeRoy E. Lyon, Jr., 530 West Sixth Street, Los Angeles, Calif.
B. California Railroad Association, 215 Market Street, San Francisco, Calif.
D. (6) $2,134,33. E. (9) $215.85.

A. Robert J. McBride, 1424 16th Street NW., Washington, D.C.
B. Regular Common Carrier Conference of American Trucking Associations, Inc., 1424 16th Street NW., Washington, D.C.

A. J. A. McCallam, 1507 M Street NW., Washington, D.C.
E. (9) $497.09.

A. Charles E. McCarthy, 1501 Broadway, New York, N.Y.
B. Council of Motion Picture Organizations, Inc., 1501 Broadway, New York, N.Y.
D. (6) $390. E. (9) $161.71.

A. William A. McClintock, Jr., 7447 Skokie Boulevard, Skokie, Ill.
B. National Committee for Insurance Taxation, The Hay-Adams House, Washington, D.C.

A. Joseph B. McGrath, 1625 L Street NW., Washington, D.C.
B. National Association of Home Builders of the United States, 1625 L Street NW., Washington, D.C.
D. (6) $1,875. E. (9) $258.70.

A. Charles R. McNeill, 730 15th Street NW., Washington, D.C.
B. American Bankers Association, 12 East 36th Street, New York, N.Y.
D. (6) $425.

A. MacLeish, Spray, Price & Underwood, 134 South LaSalle Street, Chicago, Ill.
B. National Committee for Insurance Taxation, 221 North LaSalle Street, Chicago, Ill.
D. (6) $5,775. E. (9) $114.60.

A. James D. Mann, 714 Sheraton Building, Washington, D.C.
B. Council of America, Inc., 714 Sheraton Building, Washington, D.C.

A. James Mark, Jr., 1435 K Street NW., Washington, D.C.
B. United Mine Workers of America, 900 15th Street NW., Washington, D.C.
D. (6) $3,802.

A. Marks & Trowbridge, Ring Building, Washington, D.C.
B. Basic Industries Power Committee, 400 Erie County Savings Bank Building, Buffalo, N.Y.
D. (6) $2,500.

A. The Medical Association of the State of Alabama, 17 Molton Building, Montgomery, Ala.
D. (6) $300. E. (9) $2,725.

A. Ross A. Messer, Post Office Box 1611, Washington, D.C.
B. National Association of Post Office & General Services Maintenance Employees, Post Office Box 1611, Washington, D.C.
D. (6) $1,200. E. (9) $66.48.

A. Harold C. Miller, 1001 Connecticut Avenue NW., Washington, D.C.
B. American Society of Composers, Authors and Publishers, 575 Madison Avenue, New York, N.Y.
D. (6) $4,324.99. E. (9) $200.75.

A. Claude Minard, 215 Market Street, San Francisco, Calif.
B. California Railroad Association, 215 Market Street, San Francisco, Calif.

A. M. D. Mobley, 1010 Vermont Avenue NW., Washington, D.C.
B. American Vocational Association, 1010 Vermont Avenue NW., Washington, D.C.

A. Moot, Sprague, Marcy & Gulick, 400 Erie County Savings Bank Building, Buffalo, N.Y.
B. Basic Industries Power Committee, 400 Erie County Savings Bank Building, Buffalo, N.Y.
D. (6) $38.31. E. (9) $2,500.

A. Silas A. Morehouse, Post Office Box 4085, Alexandria, Va.
B. F. W. Clarke, 112 North St. Asaph Street, Alexandria, Va.

A. Andrew P. Murphy, 1625 L Street NW., Washington, D.C.
B. National Association of Home Builders of the United States, 1625 L Street NW., Washington, D.C.
D. (6) $1,625. E. (9) $173.03.

A. John H. Myers, 1224 Cleveland Street, Wilmette, Ill.
B. National Committee for Insurance Taxation, The Hay-Adams House, Washington, D.C.

A. National Associated Businessmen, Inc., 910 17th Street NW., Washington, D.C.
D. (6) $287.70. E. (9) $501.70.

A. National Association of Home Builders of the United States, 1625 L Street NW., Washington, D.C.
D. (6) $12,063.94. E. (9) $13,950.59.

A. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C.
D. (6) $52,041.50. E. (9) $9,717.15.

A. National Association of Motor Bus Operators, 839 17th Street NW., Washington, D.C.

A. National Association of Post Office and General Services Maintenance Employees, Post Office Box 1611, Washington, D.C.
D. (6) $10,177.98. E. (9) $1,856.35.

A. National Association of Real Estate Boards, 36 South Wabash Avenue, Chicago, Ill., and 1300 Connecticut Avenue NW., Washington, D.C.
E. (9) $15,210.48.

A. National Association of Retired Civil Employees, 1625 Connecticut Avenue NW., Washington, D.C.
E. (9) $850.

A. National Association of Soil Conservation Districts, League City, Tex.
D. (6) $388.55. E. (9) $230.25.

A. National Automobile Dealers Association, 2000 K Street NW., Washington, D.C.
E. (9) $9,383.85.

A. National Bureau for Lathing and Plastering, 1401 K Street NW., Washington, D.C.

A. National Canners Association, 1133 20th Street NW., Washington, D.C.
D. (6) $402,096.95. E. (9) $3,222.11.

A. National Committee for Insurance Taxation, the Hay-Adams House, Washington, D.C.
D. (6) $24,190. E. (9) $22,325.71.

A. National Congress of Parents and Teachers, 700 North Rush Street, Chicago, Ill.
B. National Congress of Parents and Teachers.

A. National Council, Junior Order United American Mechanics, 3027 North Broad Street, Philadelphia, Pa.
E. (9) $170.

A. National Federation of Business and Professional Women's Clubs, Inc., 2012 Massachusetts Avenue NW., Washington, D.C.
D. (6) $42,499.36. E. (9) $2,267.94.

A. National Rehabilitation Association, Inc., 1025 Vermont Avenue NW., Washington, D.C.
B. National Rehabilitation Association, Inc., 1025 Vermont Avenue NW., Washington, D.C.
D. (6) $6,266.92. E. (9) $1,104.66.

A. National Rural Electric Co-op. Association, 2000 Florida Avenue NW., Washington, D.C.
E. (9) $415.34.

A. The National Rural Letter Carriers' Association, 1040 Warner Building, Washington, D.C.
D. (6) $5,655.87. E. (9) $9,034.46.

A. National Tax Equality Association, 1000 Connecticut Avenue NW., Washington, D.C.
D. (6) $2,719.54. E. (9) $1,616.89.

A. The National Woman's Christian Temperance Union, 1730 Chicago Avenue, Evanston, Ill.
D. (6) $551.95 E. (9) $1,625.10.

A. Samuel E. Neel, 1001 15th Street NW., Washington, D.C.
B. Mortgage Bankers Association of America, 111 West Washington Street, Chicago, Ill.
D. (6) $4,500. E. (9) $2,684.48.

A. George S. Newcomer, 900 First National Bank Building, Baltimore, Md.
B. The Peoples Water Service Co., 1607 Mercantile Trust Building, Baltimore, Md.

A. Joseph A. Noone, 1145 19th Street NW., Washington, D.C.

A. Organization of Professional Employees of the U.S. Department of Agriculture, Post Office Box 381, Washington, D.C.
D. (6) $834.93. E. (9) $569.97.

A. Robert J. O'Donnell, Majestic Theater Building, Dallas, Tex.
B. Council of Motion Picture Organizations, Inc., 1501 Broadway, New York, N.Y.

A. Charles A. Parker, 1346 Connecticut Avenue NW., Washington, D.C.
B. National Aviation Trades Association, 1346 Connecticut Avenue NW., Washington, D.C.

A. Mrs. Karla V. Parker, 1729 Union Boulevard SE., Grand Rapids, Mich.

A. The Patent Office Society, Box 685, Washington, D.C.
D. (6) $225. E. (9) $225.

A. Peoples Lobby, Inc., 2011 I Street NW., Washington, D.C.
D. (6) $213.

A. Mrs. Esther Peterson, 815 16th Street NW., Washington, D.C.
B. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C.
D. (6) $1,278.83. E. (9) $200.98.

A. Andrew A. Pettis, 100 Indiana Avenue NW., Washington, D.C.
B. Industrial Union of Marine & Shipbuilding Workers of America, 534 Cooper Street, Camden, N.J.
D. (6) $3,346.14. E. (9) $1,226.25.

A. Philco Corp., Tioga and C Streets, Philadelphia, Pa.

A. Albert T. Pierson, 54 Meadow Street, New Haven, Conn.
B. The New York, New Haven & Hartford Railroad Co., 54 Meadow Street, New Haven, Conn.

A. Piper & Marbury, 900 First National Bank Building, Baltimore, Md.
B. The Peoples Water Service Co., 1607 Mercantile Trust Building, Baltimore, Md.
E. (9) $9.52.

A. Ralph D. Pittman, 500 Wire Building, Washington, D.C.
B. George B. Soto, 1801 Calvert Street NW., Washington, D.C.

A. William I. Powell, 1110 Ring Building, Washington, D.C.
B. Independent Petroleum Association of America, 1110 Ring Building, Washington, D.C.
E. (9) $10.

A. Homer V. Prater, 900 F Street NW., Washington, D.C.
B. American Federation of Government Employees, 900 F Street NW., Washington, D.C.
D. (6) $2,268.

A. Gordon M. Quarnstrom, 7447 Skokie Boulevard, Skokie, Ill.
B. National Committee for Insurance Taxation, The Hay-Adams House, Washington, D.C.

A. Mrs. Richard G. Radue, 3406 Quebec Street NW., Washington, D.C.
B. National Congress of Parents and Teachers, 700 North Rush Street, Chicago, Ill.

A. Railroad Pension Conference, Post Office Box 798, New Haven, Conn.
E. (9) $13.47.

A. Donald J. Ramsey, 1612 I Street NW., Washington, D.C.
B. Silver Users Association, 1612 I Street NW., Washington, D.C.
D. (6) $425. E. (9) $104.26.

A. William T. Reed, 5800 Connecticut Avenue, Chevy Chase, Md.
B. Standard Oil Co., 910 South Michigan Avenue, Chicago, Ill.
D. (6) $1,500. E. (9) $195.40.

A. Regular Common Carrier Conference of American Trucking Associations, Inc., 1424 16th Street NW., Washington, D.C.

A. Louis H. Renfrow, 1000 Connecticut Avenue, Washington, D.C.
D. (6) $6,250. E. (9) $6,909.68.

A. Hubert M. Rhodes, 740 11th Street NW., Washington, D.C.
B. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.
D. (6) $575.

A. Roland Rice, 618 Perpetual Building, Washington, D.C.
B. Regular Common Carrier Conference of American Trucking Associations, Inc., 1424 16th Street NW., Washington, D.C.

A. Royall, Koegel, Harris & Caskey, Wire Building, Washington, D.C.
B. National Tax Equality Association, 231 South La Salle Street, Chicago, Ill.
D. (6) $4,982.67. E. (9) $3,519.70.

A. John Forney Rudy, 902 Ring Building, Washington, D.C.
B. Goodyear Tire & Rubber Co., Akron, Ohio.

A. Francis J. Ryley, 519 Title & Trust Building, Phoenix, Ariz.
B. General Petroleum Corp., Los Angeles; Richfield Oil Corp., Los Angeles; Shell Oil Co., San Francisco; Standard Oil Co. of California, San Francisco; Tidewater Oil Co., Los Angeles; Union Oil Co., Los Angeles.
D. (6) $1,000.

A. Ira Saks, 1008 Standard Building, Cleveland, Ohio.

A. James D. Secrest, 1721 DeSales Street NW., Washington, D.C.
B. Electronic Industries Association, 1721 De Sales Street NW., Washington, D.C.

A. Selvage & Lee, Inc., 1625 I Street NW., Washington, D.C.
B. American Carpet Institute, Empire State Building, New York, N.Y.
D. (6) $3,000. E. (9) $33.10.

A. Selvage & Lee, Inc., 1625 I Street NW., Washington, D.C.
B. Ivanhoe Trading Co., Inc., 274 Madison Avenue, New York, N.Y.
D. (6) $5,000. E. (9) $3.60.

A. Selvage & Lee, Inc., 1625 I Street NW., Washington, D.C.
B. New York Coffee & Sugar Exchange, 70 Pine Street, New York, N.Y.
D. (6) $1,200. E. (9) $54.41.

A. Silver Users Association, 1612 I Street NW., Washington, D.C.
D. (6) $50. E. (9) $836.76.

A. Fred Smith & Co., Inc., 588 Fifth Avenue, New York, N.Y.
B. Edward Mallinckrodt, 16 Westmoreland Place, St. Louis, Mo.
D. (6) $6,059.11.

A. M. Frederik Smith, 588 Fifth Avenue, New York, N.Y.
B. Council of Conservationists, Inc., 588 Fifth Avenue, New York, N.Y.
E. (9) $1,455.04.

A. Southern Pine Industry Committee, 520 National Bank of Commerce Building, New Orleans, La.
D. (6) $669.49. E. (9) $295.91.

A. William W. Spear, 214 National Bank Building, Fremont, Nebr.
B. Standard Oil Co., 910 South Michigan Avenue, Chicago, Ill.
D. (6) $900. E. (9) $486.40.

A. Raymond E. Steele, National Press Building, Washington, D.C.
E. (9) $183.45.

A. Mrs. Alexander Stewart, 214 Second Street NE., Washington, D.C.
B. Women's International League for Peace and Freedom, 214 Second Street NE., Washington, D.C.
D. (6) $17,331. E. (9) $15,766.85.

A. Ada B. Stough, 132 Third Street SE., Washington, D.C.
B. American Parents Committee Inc., 132 Third Street SE., Washington, D.C.

A. William A. Stringfellow, 6004 Roosevelt Street, Bethesda, Md.
B. National Association of Mutual Insurance Agents, 829 Investment Building, Washington, D.C.
E. (9) $9.

A. Surrey, Karasik, Gould & Efron, 1116 Woodward Building, Washington, D.C.
B. Compagnie Immobiliere Marc Rainaut et Compagnie.

A. Surrey, Karasik, Gould & Efron, 1116 Woodward Building, Washington, D.C.
B. Walter H. Duisberg, 231 South Dwight Place, Englewood, N.J.

A. Surrey, Karasik, Gould & Efron, 1116 Woodward Building, Washington, D.C.
B. Ronson Corp., 1 Ronson Road, Woodbridge, N.J.

A. Surrey, Karasik, Gould & Efron, 116 Woodward Building, Washington, D.C.
B. S. A. Orci, Geneva, Switzerland.

A. Julia C. Thompson, 711 14th Street NW., Washington, D.C.
B. American Nurses' Association, Inc., 2 Park Avenue, New York, N.Y.
D. (6) $1,638.60.

A. Townsend Plan, Inc., 808 North Capitol Street NW., Washington, D.C.

A. Transportation Association of America, 1000 Connecticut Avenue NW., Washington, D.C.

A. Trustees for Conservation, 251 Kearny Street, San Francisco, Calif.
D. (6) $3,135.50. E. (9) $4,517.88.

A. United Cerebral Palsy Associations, 321 West 44th Street, New York, N.Y.
E. (9) $1,350.07.

A. The United States Trotting Association, 1349 East Broad Street, Columbus, Ohio.

A. Herbert F. Walton, 7447 Skokie Boulevard, Skokie, Ill.
B. National Committee for Insurance Taxation, the Hay-Adams House, Washington, D.C.

A. Weaver & Glassie, 1225 19th Street NW., Washington, D.C.
B. Philco Corp., Tioga and C Streets, Philadelphia, Pa.

A. John C. White, 838 Transportation Building, Washington, D.C.
D. (6) $750. E. (9) $176.07.

A. John J. Wicker, Jr., 501 Mutual Building, Richmond, Va.
B. Mutual Insurance Committee on Federal Taxation, 20 North Wacker Drive, Chicago, Ill.
D. (6) $2,241.53. E. (9) $2,241.53.

A. Myron Wiener, 1000 Connecticut Avenue NW., Washington, D.C.
B. The Far East Group, Inc., 1000 Connecticut Avenue NW., Washington, D.C.

A. Claude C. Wild, Jr., 1625 K Street NW., Washington, D.C.
B. Mid-Continent Oil & Gas Association, 300 Tulsa Building, Tulsa, Okla.
D. (6) $450. E. (9) $50.

A. John Willard, Box 1172, Helena, Mont.
B. Montana Railroad Association, Helena, Mont.

A. Kenneth Williamson, Mills Building, Washington, D.C.
B. American Hospital Association, 18 East Division Street, Chicago, Ill.
D. (6) $2,568.87. E. (9) $571.34.

A. James L. Wilmeth, 3027 North Broad Street, Philadelphia, Pa.
B. The National Council of the Junior Order of United American Mechanics of the United States of North America.
D. (6) $20. E. (9) $20.

A. Burton C. Wood, 1625 L Street, NW., Washington, D.C.
B. National Association of Home Builders of the United States, 1625 L Street NW., Washington, D.C.
D. (6) $1,375. E. (9) $53.17.

A. Harley Z. Wooden.
B. Exceptional Children, 1201 16th Street NW., Washington, D.C.
D. (6) $55.

A. Albert Y. Woodward, 1625 I Street NW., Washington, D.C.
B. The Flying Tiger Line, Inc., Lockheed Air Terminal, Burbank, Calif.

A. Albert Young Woodward, 1625 I Street NW., Washington, D.C.
B. Signal Oil & Gas Co., 811 West Seventh Street, Los Angeles, Calif.

QUARTERLY REPORTS

The following quarterly reports were submitted for the first calendar quarter 1959:

(NOTE.—The form used for reports is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective letter and number.)

FILE TWO COPIES WITH THE SECRETARY OF THE SENATE AND FILE THREE COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19_____ ◀	REPORT PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT	P	QUARTER 1st	2d	3d	4th
		(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:
(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)
(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".
(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:
(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.
(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:
1. State name, address, and nature of business.

2. If this Report is for an Employer, list names or agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (a) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (b) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(a) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).
(b) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).
(c) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, ☐ place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (a) Short titles of statutes and bills; (b) House and Senate numbers of bills, where known; (c) citations of statutes, where known; (d) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (a) Description, (b) quantity distributed, (c) date of distribution, (d) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report. ◀

AFFIDAVIT

[Omitted in printing]

PAGE 1 ◀

NOTE ON ITEM "D."—(a) *In General.* The term "contribution" includes *anything of value.* When an organization or individual uses printed or duplicated matter in a campaign attempting to influence legislation, money received by such organization or individual—for such printed or duplicated matter—is a "contribution." "The term 'contribution' includes a gift, subscription, loan, advance, or deposit of money, or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution"—Section 302(a) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN EMPLOYER.—(i) *In General.* Item "D" is designed for the reporting of all receipts from which expenditures are made, or will be made, in accordance with legislative interests.

(ii) *Receipts of Business Firms and Individuals.*—A business firm (or individual) which is subject to the Lobbying Act by reason of expenditures which it makes in attempting to influence legislation—but which has no funds to expend except those which are available in the ordinary course of operating a business not connected in any way with the influencing of legislation—will have no receipts to report, even though it does have expenditures to report.

(iii) *Receipts of Multipurpose Organizations.*—Some organizations do not receive any funds which are to be expended solely for the purpose of attempting to influence legislation. Such organizations make such expenditures out of a general fund raised by dues, assessments, or other contributions. The percentage of the general fund which is used for such expenditures indicates the percentage of dues, assessments, or other contributions which may be considered to have been paid for that purpose. Therefore, in reporting receipts, such organizations may specify what that percentage is, and report their dues, assessments, and other contributions on that basis. However, each contributor of $500 or more is to be listed, regardless of whether the contribution was made solely for legislative purposes.

(c) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE.—(i) *In General.* In the case of many employees, all receipts will come under Items "D 5" (received for services) and "D 12" (expense money and reimbursements). In the absence of a clear statement to the contrary, it will be presumed that your employer is to reimburse you for all expenditures which you make in connection with legislative interests.

(ii) *Employer as Contributor of $500 or More.*—When your contribution from your employer (in the form of salary, fee, etc.) amounts to $500 or more, it is not necessary to report such contribution under "D 13" and "D 14," since the amount has already been reported under "D 5," and the name of the "employer" has been given under Item "B" on page 1 of this report.

D. RECEIPTS (INCLUDING CONTRIBUTIONS AND LOANS):

Fill in every blank. If the answer to any numbered item is "None," write "None" in the space following the number.

Receipts (other than loans)

1. $_____Dues and assessments
2. $_____Gifts of money or anything of value
3. $_____Printed or duplicated matter received as a gift
4. $_____Receipts from sale of printed or duplicated matter

5. $_____Received for services (e.g., salary, fee, etc.)
6. $_____TOTAL for this Quarter (Add items "1" through "5")

7. $_____Received during previous Quarters of calendar year
8. $_____TOTAL from Jan. 1 through this Quarter (Add "6" and "7")

Loans Received

"The term 'contribution' includes a . . . *loan* . . ."—Sec. 302(a).

9. $_____TOTAL now owed to others on account of loans
10. $_____Borrowed from others during this Quarter
11. $_____Repaid to others during this Quarter

12. $_____"Expense money" and Reimbursements received this Quarter

Contributors of $500 or more (from Jan. 1 through this Quarter)

13. Have there been such contributors? Please answer "yes" or "no": _____
14. In the case of each contributor whose contributions (including loans) during the "period" from January 1 through the last days of this Quarter total $500 or more:

Attach hereto plain sheets of paper, approximately the size of this page, tabulate data under the headings "Amount" and "Name and Address of Contributor"; and indicate whether the last day of the period is March 31, June 30, September 30, or December 31. Prepare such tabulation in accordance with the following example:

Amount	*Name and Address of Contributor* ("*Period*" from Jan. 1 through _____, 19____)
$1,500.00	John Doe, 1621 Blank Bldg., New York, N.Y.
$1,785.00	The Roe Corporation, 2511 Doe Bldg., Chicago, Ill.
$3,285.00	TOTAL

NOTE ON ITEM "E".—(a) *In General.* "The term 'expenditure' includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure"—Section 302(b) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE. In the case of many employees, all expenditures will come under telephone and telegraph (Item "E 6") and travel, food, lodging, and entertainment (Item "E 7").

E. EXPENDITURES (INCLUDING LOANS) in connection with legislative interests:

Fill in every blank. If the answer to any numbered item is "None," write "None" in the spaces following the number.

Expenditures (other than loans)

1. $_____Public relations and advertising services
2. $_____Wages, salaries, fees, commissions (other than item "1")
3. $_____Gifts or contributions made during Quarter
4. $_____Printed or duplicated matter, including distribution cost
5. $_____Office overhead (rent, supplies, utilities, etc.)
6. $_____Telephone and telegraph
7. $_____Travel, food, lodging, and entertainment
8. $_____All other expenditures

9. $_____TOTAL for this Quarter (Add "1" through "8")
10. $_____Expended during previous Quarters of calendar year

11. $_____TOTAL from January 1 through this Quarter (Add "9" and "10")

Loans Made to Others

"The term 'expenditures' includes a . . . *loan* . . ."—Sec. 302(b).

12. $_____TOTAL now owed to person filing.
13. $_____Lent to others during this Quarter
14. $_____Repayment received during this Quarter

15. Recipients of Expenditures of $10 or More

In the case of expenditures made during this Quarter by, or on behalf of the person filing: Attach plain sheets of paper approximately the size of this page and tabulate data as to expenditures under the following heading: "Amount," "Date or Dates," "Name and Address of Recipient," "Purpose." Prepare such tabulation in accordance with the following example:

Amount	*Date or Dates—Name and Address of Recipient—Purpose*
$1,750.00	7–11: Roe Printing Co., 3214 Blank Ave., St. Louis, Mo.—Printing and mailing circulars on the "Marshbanks Bill."
$2,400.00	7–15, 8–15, 9–15: Britten & Blatten, 3127 Gremlin Bldg., Washington, D.C.—Public relations service at $800.00 per month.
$4,150.00	TOTAL

A. J. Carson Adkerson, 976 National Press Building, Washington, D.C.
E. (9) $51.80.

A. Arthur F. Aebersold, 900 F Street NW., Washington, D.C.
B. Retirement Federation of Civil Service Employees of the U.S. Government, 900 F Street NW., Washington, D.C.
D. (6) $1,417.45. E. (9) $20.25.

A. AFL–CIO Maritime Committee, 132 Third Street SE., Washington, D.C.
D. (6) $9,897. E. (9) $8,131.54.

A. Air Transport Association, 1000 Connecticut Avenue NW., Washington, D.C.
D. (6) $5,482.68. E. (9) $5,482.68.

A. Aircraft Industries Association of America, Inc., 610 Shoreham Building, Washington, D.C.
D. (6) $11,170.35. E. (9) $11,170.35.

A. Aircraft Owners and Pilots Association, 4650 East-West Highway, Bethesda, Md.

A. Louis J. Allen, 1121 Nashville Trust Building, Nashville, Tenn.
B. Class I Railroads in Tennessee.

A. Nicholas E. Allen & Merrill Armour, 1001 15th Street NW., Washington, D.C.
B. Music Operators of America, Inc., 128 East 14th Street, Oakland, Calif.
D. (6) $150. E. (9) $21.28.

A. W. L. Allen, 8605 Cameron Street, Silver Spring, Md.
B. The Commercial Telegraphers' Union, 8605 Cameron Street, Silver Spring, Md.

A. William B. Allen, 917 15th Street NW., Washington, D.C.
B. United Rubber, Cork, Linoleum & Plastic Workers of America, High at Mill Street, Akron, Ohio.
D. (6) $2,210. E. (9) $6.50.

A. Amalgamated Association of Street, Electric Railway & Motor Coach Employees of America, 5025 Wisconsin Avenue NW., Washington, D.C.

A. American Bottlers of Carbonated Beverages, 1128 16th Street NW., Washington, D.C.
E. (9) $1,818.28.

A. American Cancer Society, 521 West 57th Street, New York, N.Y.
E. (9) $7,249.69.

A. American Cotton Manufacturers Institute, Inc., 1501 Johnston Building, Charlotte, N.C.
D. (6) $6,869.86. E. (9) $6,869.86.

A. American Farm Bureau Federation, Merchandise Mart Plaza, Chicago, Ill., and 425 13th Street NW., Washington, D.C.
D. (6) $23,898. E. (9) $23,898.

A. American Federation of Labor and Congress of Industrial Organizations, AFL–CIO Building, Washington, D.C.
E. (9) $34,514.59.

A. American Federation of Musicians, 425 Park Avenue, New York, N.Y.
D. (6) $189,931. E. (9) $7,636.76.

A. American Hospital Association, 840 North Lakeshore Drive, Chicago, Ill.
D. (6) $12,670.48. E. (9) $10,720.48.

A. American Hotel Association, 221 West 57th Street, New York, N.Y.

A. American Medical Association, 535 North Dearborn Street, Chicago, Ill.
D. (6) $20,000. E. (9) $11,362.81.

A. American Merchant Marine Institute, Inc., 11 Broadway, New York, N.Y.
E. (9) $5,340.65.

A. American National Cattlemen's Association, 801 East 17th Avenue, Denver, Colo.
D. (6) $76,419.88. E. (9) $1,523.51.

A. American Nurses' Association, Inc., 10 Columbus Circle, New York, N.Y.
D. (6) $770,500.91. E. (9) $5,659.90.

A. American Optometric Association (development fund-legislative), care of Dr. H. Ward Ewalt, Jr., 8001 Jenkins Arcade, Pittsburgh, Pa.
D. (6) $4,072.62. E. (9) $2,470.45.

A. American Osteopathic Association, 212 East Ohio Street, Chicago, Ill.
D. (6) $572.55. E. (9) $572.55.

A. American Paper & Pulp Association, 122 East 42d Street, New York, N.Y.

A. American Parents Committee, Inc., 132 Third Street SE., Washington, D.C., and 52 Vanderbilt Avenue, New York, N.Y.
D. (6) $1,087.04. E. (9) $1,640. 32.

A. American Petroleum Institute, 50 West 50th Street, New York, N.Y.
D. (6) $22,669. E. (9) $8,937.

A. American Pulpwood Association, 220 East 42d Street, New York, N.Y.

A. American Retail Federation, 1145 19th Street NW., Washington, D.C.
D. (6) $87,661.19. E. (9) $4,476.97.

A. The American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C.
D. (6) $5,649.76. E. (9) $5,649.76.

A. American Steamship Committee on Conference Studies, 206 Barr Building, Washington, D.C.
D. (6) $2,602.35. E. (9) $23,656.09.

A. American Sugar Beet Industry Policy Committee, 500 Sugar Building, Denver, Colo.
D. (6) $3,625. E. (9) $38.14.

A. American Tariff League, Inc., 19 West 44th Street, New York, N.Y.

A. American Textile Machinery Association, 60 Batterymarch Street, Boston, Mass.
D. (6) $32.98.

A. American Tramp Shipowners Association, Inc., 11 Broadway, New York, N.Y.
D. (6) $1,000. E. (9) $15, 803.53.

A. American Trucking Associations, Inc., 1424 16th Street NW., Washington, D.C.
D. (6) $10,290.06. E. (9) $15,881.52.

A. American Veterinary Medical Association, 600 South Michigan Avenue, Chicago, Ill.
E. (9) $650.37.

A. American Warehousemen's Association Merchandise Division, 222 West Adams Street, Chicago, Ill.

A. American Zionist Committee for Public Affairs, 1737 H Street NW., Washington, D.C.
D. (6) $3,059.04.

A. America's Wage Earners' Protective Conference, 815 15th Street NW., Washington, D.C.
D. (6) $1,545. E. (9) $1,705.22.

A. Buist M. Anderson, care of Connecticut General Life Insurance Co., Hartford, Conn.
B. Connecticut General Life Insurance Co., Hartford, Conn.
E. (9) $135.

A. Jerry L. Anderson, 2000 Florida Avenue NW., Washington, D.C.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C.

A. Walter M. Anderson, Jr., care of Alabama Railroad Association, Montgomery, Ala.
B. Alabama Railroad Association, 1002 First National Bank Building, Montgomery, Ala.
D. (6) $336. E. (9) $770.95.

A. Robert Anthoine, 1065 Lexington Avenue, New York, N.Y.
B. Pension Fund of Local 1, Amalgamated Lithographers of America, 113 University Place, New York, N.Y. and Inter Local Pension Fund, Amalgamated Lithographers of America, 204 South Ashland Boulevard, Chicago, Ill.
E. (9) $102.69.

A. Richard H. Anthony, 19 West 44th Street, New York, N.Y.
B. The American Tariff League, Inc.

A. Area Employment Expansion Committee, 1144 Pennsylvania Building, Washington, D.C.
D. (6) $35. E. (9) $1,223.11.

A. Arkansas Railroad Committee, Boyle Building, Little Rock, Ark.
B. Class 1 railroads operating in the State of Arkansas.
D. (6) $221.13. E. (9) $901.80.

A. W. C. Arnold, 200 Colman Building, Seattle, Wash.
B. Alaska Salmon Industry, Inc., 200 Colman Building, Seattle, Wash.

A. George E. Arnstein, 1201 16th Street NW., Washington, D.C.
B. Division of Legislation and Federal Relations of the National Education Association of the United States, 1201 16th Street NW., Washington, D.C.

A. Arthritis & Rheumatism Foundation, 10 Columbus Circle, New York, N.Y.
E. (9) $1,169.95.

A. Lester Asher, 130 North Wells Street, Chicago, Ill.
B. Illinois State Conference of Building & Construction Trades, 130 North Wells Street, Chicago, Ill.
D. (6) $600. E. (9) $2,687.54.

A. Associated General Contractors of America, Inc., 20th and E Streets NW., Washington, D.C.

A. Associated Third Class Mail Users, 1406 G Street NW., Washington, D.C.
D. (6) $19,643.73. E. (9) $1,000.

A. Association of American Medical Colleges, 2530 Ridge Avenue, Evanston, Ill.
E. (9) $3,333.36.

A. Association of American Physicians and Surgeons, Inc., 185 North Wabash Avenue, Chicago, Ill.
D. (6) $1,500. E. (9) $1,500.

A. Association of American Railroads, 929 Transportation Building, Washington, D.C.
D. (6) $25,867.06. E. (9) $25,867.06.

A. Association of American Ship Owners, 76 Beaver Street, New York, N.Y..

A. Association of Casualty and Surety Cos., 60 John Street, New York, N.Y.
D. (6) $2,218.65. E. (9) $2,218.65.

A. The Association of Western Railways, 224 Union Station Building, Chicago, Ill.
D. (6) $1,040. E. (9) $1,040.

A. Edward Atkins, 51 East 42d Street, New York, N.Y.
B. National Association of Shoe Chain Stores, Inc., 51 East 42d Street, New York, N.Y.
D. (6) $250.

A. The Atlantic Refining Co., 260 South Broad Street, Philadelphia, Pa.

A. Charles E. Babcock, Route 2, Box 406, Vienna, Va.
B. National Council, Junior Order United American Mechanics, 3025 North Broad Street, Philadelphia, Pa.
D. (6) $150. E. (9) $1.25.

A. Harry S. Baer, Jr., 1115 17th Street NW., Washington, D.C.
B. Aeronautical Training Society, 1115 17th Street NW., Washington, D.C.
D. (6) $2,500.

A. Charles B. Bailey, Sr., 2035 South Avenue, Toledo, Ohio.
B. Brotherhood of Railway Clerks, 1015 Vine Street, Cincinnati, Ohio.
D. (6) $400. E. (9) $389.54.

A. George P. Baker, Soldiers Field Post Office, Boston, Mass.
B. Transportation Association of America.

A. John A. Baker.
B. The Farmers' Educational and Cooperative Union of America, 1404 New York Avenue NW., Washington, D.C.
D. (6) $2,806.84. E. (9) $352.78.

A. Thomas F. Baker, 1128 16th Street NW., Washington, D.C.
B. American Bottlers of Carbonated Beverages, 1128 16th Street NW., Washington, D.C.
D. (6) $102.75.

A. Joseph H. Ball, 90 Broad Street, New York, N.Y.
B. Committee on Conference Studies, 207 Barr Building, Washington, D.C.
E. (9) $365.75.

A. J. H. Ballew, 1105 Stahlman Building, Nashville, Tenn.
B. Southern States Industrial Council, Nashville, Tenn.
D. (6) $2,400.

A. Roy A. Ballinger, 801 19th Street NW., Washington, D.C.
B. United States Cuban Sugar Council, 801 19th Street NW., Washington, D.C.

A. Hartman Barber, 401 Third Street NW., Washington, D.C.
B. Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employes, 1015 Vine Street, Cincinnati, Ohio.
D. (6) $2,301.96. E. (9) $703.02.

A. Arthur R. Barnett, 1200 18th Street NW., Washington, D.C.
B. National Association of Electric Cos., 1200 18th Street NW., Washington, D.C.
D. (6) $670. E. (9) $70.36.

A. Irvin L. Barney, 401 Third Street NW., Washington, D.C.
B. Brotherhood Railway Carmen of America, 4929 Main Street, Kansas City, Mo.
D. (6) $3,225.

A. William G. Barr, 711 14th Street NW., Washington, D.C.
B. National Parking Association, Inc., 711 14th Street NW., Washington, D.C.

A. Laurie C. Battle, 918 16th Street NW., Washington, D.C.
B. National Association of Manufacturers, 2 East 48th Street, New York, N.Y.

A. Roy Battles, 744 Jackson Place NW., Washington, D.C.
B. The National Grange, 744 Jackson Place NW., Washington, D.C.
D. (6) $3,600.

A. E. F. Behrens, 1319 18th Street NW., Washington, D.C.
B. National Lumber Manufacturers Association, 1319 18th Street NW., Washington, D.C.
D. (6) $12.

A. Ernest H. Benson, 401 Third Street NW., Washington, D.C.
B. Brotherhood of Maintenance of Way Employees, 12050 Woodward Avenue, Detroit, Mich.
D. (6) $4,500.

A. Bert Bell, 1 Bala Avenue, Bala-Cynwyd, Pa.
B. National Football League, 1 Bala Avenue, Bala-Cynwyd, Pa.
E. (9) $980.45.

A. Rachel S. Bell, 1025 Connecticut Avenue NW., Washington, D.C.
B. Legislative Committee of the Committee for a National Trade Policy, Inc., 1025 Connecticut Avenue NW., Washington, D.C.

A. Bergson & Borkland, 918 16th Street NW., Washington, D.C.
B. Freeport Sulphur Co., 161 East 42d Street, New York, N.Y.
D. (6) $30. E. (9) $0.75.

A. Helen Berthelot, 1808 Adams Mill Road NW., Washington, D.C.
B. Communications Workers of America, 1808 Adams Mill Road NW., Washington, D.C.
E. (9) $3,146.06.

A. Andrew J. Biemiller, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $3,630. E. (9) $593.08.

A. Walter J. Bierwagen, 900 F Street NW., Washington, D.C.
B. Division 689, Amalgamated Association of Street, Electric Railway and Motor Coach Employes of America, 900 F Street NW., Washington, D.C.

A. Hudson Biery, 4517 Carew Tower, Cincinnati, Ohio.
B. Ohio Valley Improvement Association, Inc., 4517 Carew Tower, Cincinnati, Ohio.

A. Bigham, Englar, Jones & Houston, 99 John Street, New York, N.Y., and 839 Shoreham Building, Washington, D.C.
B. American Institute of Marine Underwriters, The Association of Marine Underwriters of the United States, American Cargo War Risk Reinsurance Exchange, American Hull Insurance Syndicate.
E. (9) $238.10.

A. Robert J. Bird, 816 Connecticut Avenue NW., Washington, D.C.
B. Massachusetts Indemnity and Life Insurance Co., 654 Beacon Street, Boston, Mass.

A. Robert J. Bird, 816 Connecticut Avenue NW., Washington, D.C.
B. Massachusetts Protective Association, Worcester, Mass.

A. Robert J. Bird, 816 Connecticut Avenue NW., Washington, D.C.
B. Occidental Life Insurance Co. of California, 1151 South Broadway, Los Angeles, Calif.

A. Robert J. Bird, 816 Connecticut Avenue NW., Washington, D.C.
B. Paul Revere Life Insurance Co., Worcester, Mass.

A. A. H. Bishop, Machinists Building, Washington, D.C.
B. International Association of Machinists, Machinists Building, Washington, D.C.
D. (6) $1,500. E. (9) $30.75.

A. John H. Bivins, 50 West 50th Street, New York, N.Y.
B. American Petroleum Institute, 50 West 50th Street, New York, N.Y.
D. (6) $550.

A. Joel D. Blackmon, 1028 Connecticut Avenue NW., Washington, D.C.
B. Confederated Unions of America, Reymond Building, Baton Rouge, La.
D. (6) $300.

A. Joel D. Blackmon, 1028 Connecticut Avenue NW., Washington, D.C.
B. Federation of Independent Oil Unions, Post Office Box 1449, Ponca City, Okla.
D. (6) $450.

A. William Rhea Blake, 1918 North Parkway, Memphis, Tenn.
B. National Cotton Council of America, Post Office Box 9905, Memphis, Tenn.

A. C. B. Blankenship, 1808 Adams Mill Road NW., Washington, D.C.
B. Communications Workers of America, 1808 Adams Mill Road NW., Washington, D.C.
E. (9) $3,471.10.

A. W. G. Blewett, 301 Olive Street, St. Louis, Mo.
B. Peabody Coal Co., 301 Olive Street, St. Louis, Mo.

A. William Blum, Jr., 1741 K Street NW., Washington, D.C.
B. Committee for the Study of Revenue Bond Financing, 149 Broadway, New York, N.Y.
D. (6) $1,715. E. (9) $103.85.

A. Eugene F. Bogan, 1108 16th Street NW., Washington, D.C.
B. National Association of Investment Companies, 61 Broadway, New York, N.Y.
E. (9) $14.69.

A. Hyman Bookbinder, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $2,926. E. (9) $369.80.

A. Joseph L. Borda, 918 16th Street NW., Washington, D.C.
B. National Association of Manufacturers.

A. Lyle H. Boren, Seminole, Okla.
B. The Association of Western Railways, 224 Union Station Building, Chicago, Ill.
D. (6) $1,040.

A. Robert T. Borth, 777 14th Street NW., Washington, D.C.
B. General Electric Co., 570 Lexington Avenue, New York, N.Y.
D. (6) $375. E. (9) $293.75.

A. G. Stewart Boswell, 502 Ring Building, Washington, D.C.
B. National Cotton Council of America, Post Office Box 9905, Memphis, Tenn.
D. (6) $450.

A. J. Wiley Bowers, Sixth and Cherry Streets, Chattanooga, Tenn.
B. Tennessee Valley Public Power Association, Sixth and Cherry Streets, Chattanooga, Tenn.
D. (6) $175.56. E. (9) $510.50.

A. Charles B. Bowling, 744 Jackson Place NW., Washington, D.C.
B. The National Grange, 744 Jackson Place NW., Washington, D.C.

A. Joseph E. Brady, 2347 Vine Street, Cincinnati, Ohio.
B. International Union of United Brewery, Flour, Cereal, Soft Drink and Distillery Workers of America, 2347 Vine Street, Cincinnati, Ohio.

A. Harold P. Braman, 907 Ring Building, Washington, D.C.
B. National League of Insured Savings Associations, 907 Ring Building, Washington, D.C.
D. (6) $180.

A. Harry R. Brashear, 610 Shoreham Building, Washington, D.C.
B. Aircraft Industries Association, 610 Shoreham Building, Washington, D.C.

A. W. Kenneth Brew, 122 East 42d Street, New York, N.Y.
B. American Paper & Pulp Association, 122 East 42d Street, New York, N.Y.

A. W. S. Bromley, 220 East 42d Street, New York, N.Y.
B. American Pulpwood Association, 220 East 42d Street, New York, N.Y.

A. Milton E. Brooding, 215 Fremont Street, San Francisco, Calif.
B. California Packing Corp., 215 Fremont Street, San Francisco, Calif.
D. (6) $750. E. (9) $200.

A. Derek Brooks, 1028 Connecticut Avenue NW., Washington, D.C.
B. National Retail Furniture Association, 666 Lake Shore Drive, Chicago, Ill.
D. (6) $600. E. (9) $620.55.

A. Brotherhood of Locomotive Engineers, 1122 Engineers Building, Cleveland, Ohio.

A. Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, 1015 Vine Street, Cincinnati, Ohio.
D. (6) $7,541.21. E. (9) $7,541.21.

A. J. Olney Brott, 730 15th Street NW., Washington, D.C.
B. American Bankers Association, 12 East 36th Street, New York, N.Y.
D. (6) $575. E. (9) $46.60.

A. Bryant C. Brown, 425 13th Street NW., Washington, D.C.
B. American Mutual Insurance Alliance, 20 North Wacker Drive, Chicago, Ill.

A. C. Blake Brown, 839 17th Street NW., Washington, D.C.
B. National Association of Motor Bus Operators, 839 17th Street NW., Washington, D.C.

A. J. D. Brown, 1025 Connecticut Avenue NW., Washington, D.C.
B. American Public Power Association, 1025 Connecticut Avenue NW., Washington, D.C.
D. (6) $386.

A. Brown & Lund, 1625 I Street NW., Washington, D.C.
B. National Association of Electric Companies, 1200 18th Street NW., Washington, D.C.
D. (6) $1,425. E. (9) $1,405.15.

A. Russell B. Brown, 1110 Ring Building, Washington, D.C.
B. Independent Petroleum Association of America, 1110 Ring Building, Washington, D.C.
E. (9) $20.20.

A. F. Raymond Brush, 635 Southern Building, Washington, D.C.
B. American Association of Nurserymen, Inc., 635 Southern Building, Washington, D.C.
D. (6) $21.25. E. (9) $21.25.

A. Mr. Lyman L. Bryan, 270 Madison Avenue, New York, N.Y.
B. American Institute of Certified Public Accountants, 270 Madison Avenue, New York, N.Y.
D. (6) $125. E. (9) $60.

A. George S. Buck, Jr., Post Office Box 9905, Memphis, Tenn.
B. National Cotton Council of America, Post Office Box 9905, Memphis, Tenn.
D. (6) $225. E. (9) $31.

A. Henry H. Buckman, 54 Buckman Building, Jacksonville, Fla.
B. Florida Inland Navigation District Citizens Bank Building, Bunnell, Fla.
D. (6) $1,350. E. (9) $191.06.

A. Henry H. Buckman, 54 Buckman Building, Jacksonville, Fla.
B. The Florida Ship Canal Navigation District, 720 Florida Title Building, Jacksonville, Fla.
D. (6) $1,350. E. (9) $233.35.

A. George J. Burger, 740 Washington Building, Washington, D.C.
B. Burger Tire Consultant Service, 250 West 57th Street, New York, N. Y.

A. John J. Burke, 1062 West Platinum Street, Butte, Mont.
B. Pacific Northwest Power Co., Post Office Box 1445, Spokane, Wash.
E. (9) $475.

A. Burley and Dark Leaf Tobacco Export Association, Post Office Box 860, Lexington, Ky.
D. (6) $450. E. (9) $482.44.

A. David Burpee, Doylestown, Pa.
E. (9) $214.36.

A. J. Edward Burroughs, Jr., Suite 701, Tower Building, Washington, D.C.
B. Unilac, Inc., and its subsidiary, Nestle's Products (Export), Inc., Ridgeway Center Building, Stamford, Conn.

A. Orrin A. Burrows, 1200 15th Street NW., Washington, D.C.
B. International Brotherhood of Electrical Workers, AFL–CIO, 1200 15th Street NW., Washington, D.C.
D. (6) $3,624.99.

A. Hollis W. Burt, Room 1212, Munsey Building, Washington, D.C.
B. National Association of Supervisors of State Banks, Munsey Building, Washington, D.C.
D. (6) $41.25.

A. Sherman E. Burt, 1625 I Street NW., Washington, D.C.
B. American Coal Sales Association, 1625 I Street NW., Washington, D.C.

A. Charles C. Butler, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 2300 Merchandise Mart, Chicago, Ill.
D. (6) $704.16. E. (9) $21.83.

A. George P. Byrne, Jr., 53 Park Place, New York, N.Y.
B. U.S. Wood Screw Service Bureau, 53 Park Place, New York, N.Y.

A. C. G. Caffrey, 1145 19th Street NW., Washington, D.C.
B. American Cotton Manufacturers Institute, Inc., 1501 Johnston Building, Charlotte, N.C.
D. (6) $760.20. E. (9) $46.

A. Gordon L. Calvert, 425 13th Street NW., Washington, D.C.
B. Investment Bankers Association of America, 425 13th Street NW., Washington, D.C.
D. (6) $300. E. (9) $393.73.

A. Campaign for the 48 States, Cotton Exchange Building, Memphis, Tenn.

A. Carl C. Campbell, 1200 18th Street NW., Washington, D.C.
B. National Cotton Council of America, Post Office Box 9905, Memphis, Tenn.
D. (6) $28.13.

A. James A. Campbell, 900 F Street NW., Washington, D.C.
B. American Federation of Government Employees, 900 F Street NW., Washington, D.C.
D. (6) $2,884.62. E. (9) $288.46.

A. John L. Carey, 270 Madison Avenue, New York, N.Y.
B. American Institute of Certified Public Accountants, 270 Madison Avenue, New York, N.Y.
D. (6) $500.

A. John T. Carlton, 2517 Connecticut Avenue NW., Washington, D.C.
B. Reserve Officers Association of the United States, 2517 Connecticut Avenue NW., Washington, D.C.

A. Braxton B. Carr, 1025 Connecticut Avenue NW., Washington, D.C.
B. The American Waterways Operators, Inc., 1025 Connecticut Avenue NW., Washington, D.C.
D. (6) $1,500. E. (9) $269.

A. Robert S. Carr, 1220 Pennsylvania Building, Washington, D.C.
B. Hiram Walker & Sons, Inc., Penobscot Building, Detroit, Mich.

A. Henderson B. Carson, 600 First National Bank Building, Canton, Ohio, and 744 Pennsylvania Building, Washington, D.C.
B. East Ohio Gas Co., 1405 East Sixth Street, Cleveland, Ohio.
D. (6) $1,000. E. (9) $815.

A. William L. Carter, 1105 Barr Building, Washington, D.C.
B. International Association of Ice Cream Manufacturers.
E. (9) $31.74.

A. Francis R. Cawley, 1101 Vermont Avenue NW., Washington, D.C.
B. Magazine Publishers Association, Inc., 232 Madison Avenue, New York, N.Y.
D. (6) $1,280. E. (9) $307.78.

A. Jay H. Cerf, 300 Independence Avenue SE., Washington, D.C.
B. Foreign Policy Clearing House, 300 Independence Avenue SE., Washington, D.C.
D. (6) $3,300. E. (9) $698.41.

A. Justice M. Chambers, 2521 Connecticut Avenue NW., Washington, D.C.
B. M. Golodetz and Co., 120 Wall Street, New York, N.Y.
D. (6) $2,500.

A. Chapman, Wolfsohn & Friedman, 923 Pennsylvania Building, Washington, D.C.
B. American Taxicab Association, Inc., 4415 North California Avenue, Chicago, Ill.

A. Chapman, Wolfsohn & Friedman, 923 Pennsylvania Building, Washington, D.C.
B. Union Nacional De Productores De Azucar, S. A. De C. V. Balderas 36—Primer Piso, Mexico, D. F. Mexico.
D. (6) $6,875.

A. Charitable Contributors Association, 100 Old York Road, Jenkintown, Pa.
D. (6) $1,800. E. (9) $1,000.

A. Enoch D. Chase, 1102 Ring Building, Washington, D.C.
B. American Mining Congress, Ring Building, Washington, D.C.
D. (6) $600. E. (9) $21.85.

A. The Christian Amendment Movement, 804 Penn Avenue, Pittsburgh, Pa.
D. (6) $3,710.53. E. (9) $5,514.94.

A. Earl W. Clark, 132 Third Street SE., Washington, D.C.
B. Labor-Management Maritime Committee, 132 Third Street SE., Washington, D.C.
D. (6) $900. E. (9) $125.71.

A. Robert M. Clark, 525 Shoreham Building, Washington, D.C.
B. The Atchison, Topeka & Santa Fe Railway Co., 80 East Jackson Boulevard, Chicago, Ill.

A. Clear Channel Broadcasting Service (CCBS), 532 Shoreham Building, Washington, D.C.

A. Clarence E. Cleveland, Montpelier, Vt.
B. Vermont State Railroads Association, Montpelier, Vt.

A. Herman Clott, 711 14th Street NW., Washington, D.C.
B. International Union of Mine, Mill & Smelter Workers, 941 East 17th Avenue, Denver, Colo.
D. (6) $1,540.50. E. (9) $1,136.39.

A. Joseph Coakley, 815 16th Street NW., Washington, D.C.
B. Building Service Employees International Union, 155 North Wacker Drive, Chicago, Ill.
D. (6) $2,800.

A. W. H. Coburn, 315 Bowen Building, Washington, D.C.
B. Western Forest Industries Association, 526 Henry Building, Portland, Oreg.
D. (6) $1,500. E. (9) $649.65.

A. A. C. Cocke, 821 Gravier Street, New Orleans, La.
B. American Steamship Committee on Conference Studies, room 207, Barr Building, Washington, D.C.
E. (9) $659.90.

A. Coles & Goertner, 1000 Connecticut Avenue, Washington, D.C.
B. American Tramp Shipowners Association, Inc., 11 Broadway, New York, N.Y.
D. (6) $10,000. E. (9) $328.81.

A. Coles & Goertner, 1000 Connecticut Avenue, Washington, D.C.
B. Sand Products Corp., 2489 National Bank Building, Detroit, Mich.
E. (9) $15.15.

A. Colorado Railroad Association, 845 Equitable Building, Denver, Colo.

A. Committee for Broadening Commercial Bank Participation in Public Financing.
E. (9) $1,000.

A. Committee for Collective Security, 90 John Street, New York, N.Y.
D. (6) $1,025. E. (9) $492.91.

A. Committee on Laws, National Board of Fire Underwriters, 85 John Street, New York, N.Y.
D. (6) $2,606. E. (9) $1,250.

A. Committee for Oil Pipe Lines, 418 Munsey Building, Washington, D.C.

A. Committee for Study of Revenue Bond Financing, 149 Broadway, New York, N.Y.
E. (9) $6,359.23.

A. John C. Cone, 815 15th Street NW., Washington, D.C.
B. Pan American World Airways System, 815 15th Street NW., Washington, D.C.

A. Julien D. Conover, Ring Building, Washington, D.C.
B. American Mining Congress, Ring Building, Washington, D.C.
D. (6) $1,000. E. (9) $35.95.

A. Contracting Plasterers' & Lathers' International Association, 711 14th Street NW., Washington, D.C.

A. Orval R. Cook, 610 Shoreham Building, Washington, D.C.
B. Aircraft Industries Association of America, Inc., 610 Shoreham Building, Washington, D.C.

A. J. Milton Cooper, 1100 Bowen Building, Washington, D.C.
B. New York Stock Exchange, 11 Wall Street, New York, N.Y.

A. J. Milton Cooper, 1100 Bowen Building, Washington, D.C.
B. R. J. Reynolds Tobacco Co., Winston-Salem, N.C.

A. Cooper & Silverstein, 1100 Bowen Building, Washington, D.C.
B. Association of Advanced Life Underwriters, 708 Bowen Building, Washington, D.C.

A. Cooper & Silverstein, 1100 Bowen Building, Washington, D.C.
B. National Coal Association, Southern Building, Washington, D.C.

A. Wilmer A. Cooper, 104 C Street NE., Washington, D.C.
B. Friends Committee on National Legislation, 104 C Street NE., Washington, D.C.
D. (6) $188.46.

A. Ben C. Corlett, 730 15th Street NW., Washington, D.C.
B. American Bankers Association, 12 East 36th Street, New York, N.Y.
D. (6) $1,250. E. (9) $366.39.

A. Edward J. Coughlin, 900 F Street NW., Washington, D.C.
B. American Federation of Technical Engineers, 900 F Street NW., Washington, D.C.
D. (6) $195. E. (9) $20.

A. Council of Mechanical Specialty Contracting Industries, Inc., 610 Ring Building, Washington, D.C.
D. (6) $5,147.50. E. (9) $1,856.46.

A. Donald M. Counihan, 1000 Connecticut Avenue NW., Washington, D.C.
B. American Corn Millers' Federation, 1000 Connecticut Avenue NW., Washington, D.C.

A. Donald M. Counihan, 1000 Connecticut Avenue NW., Washington, D.C.
B. Classroom Periodical Publishers Association, 38 West Fifth Street, Dayton, Ohio.

A. Paul L. Courtney, 1001 Connecticut Avenue NW., Washington, D.C.
D. (6) $300.

A. Covington & Burling, 701 Union Trust Building, Washington, D.C.
B. Committee on Joint Resolution 1955 Legislature, Post Office Box 3170, Honolulu, T.H.
E. (9) $0.50.

A. Covington & Burling, 701 Union Trust Building, Washington, D.C.
B. Mutual Savings Banks' Committee on Taxation, 60 East 42d Street, New York, N.Y.

A. Covington & Burling, 701 Union Trust Building, Washington, D.C.
B. National Machine Tool Builders' Association, 2071 East 102d Street, Cleveland, Ohio.

A. Covington & Burling, 701 Union Trust Building, Washington, D.C.
B. Ohio Deposit Guarantee Fund, 1303 Fifth Third Bank Building, Cincinnati, Ohio.
D. (6) $2,275. E. (9) $29.90.

A. A. M. Crawford, 704 Title and Trust Building, Phoenix, Ariz.
B. Southern Pacific Co., 65 Market Street, San Francisco, Calif., and The Atchison, Topeka and Santa Fe Railway, 121 East Sixth Street, Los Angeles, Calif.
D. (6) $125. E. (9) $370.25.

A. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.
D. (6) $996. E. (9) $996.

A. Joseph M. Creed, 1317 F Street NW., Washington, D.C.
B. American Bakers Association, 1317 F Street NW., Washington, D.C.
D. (6) $50. E. (9) $5.80.

A. William A. Cromartie, North LaSalle Street, Chicago, Ill.
B. Swift & Co. Employees Benefit Association, 4115 Packers Avenue, Chicago, Ill.
E. (9) $1,474.20.

A. H. C. Crotty, 12050 Woodward Avenue, Detroit, Mich.

A. Leo J. Crowley, 840 Equitable Building, Denver, Colo.
B. Colorado Railroad Association, 845 Equitable Building, Denver, Colo.

A. Paul Cunningham, 575 Madison Avenue, New York, N.Y.
B. American Society of Composers, Authors and Publishers, 575 Madison Avenue, New York, N.Y.

A. John T. Curran, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $2,926. E. (9) $523.28.

A. Ralph E. Curtiss, 917 15th Street NW., Washington, D.C.
B. National Licensed Beverage Association, 420 Seventh Street, Racine, Wis.
D. (6) $750.

A. Bernard Cushman, 1001 Connecticut Avenue NW., Washington, D.C.
B. O. David Zimring, 1001 Connecticut Avenue NW., Washington, D.C.

A. Charles L. Cusumano, 42 Broadway, New York, N.Y.
B. Vincenzo Buttaro, 64 Nelson Street, Brooklyn, N.Y., and Miss Domenica Buttaro, via Zuccarine 76, Mola di Bari, Province of Bari, Italy.
E. (9) $40.

A. John R. Dalton, 1508 Merchants Bank Building, Indianapolis, Ind.
B. Associated Railways of Indiana, 1508 Merchants Bank Building, Indianapolis, Ind.

A. D. C. Daniel, 1627 K Street NW., Washington, D.C.
B. National Independent Dairies Association, 1627 K Street NW., Washington, D.C.

A. John C. Datt, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 2300 Merchandise Mart, Chicago, Ill.
D. (6) $629.17. E. (9) $18.17.

A. Joan E. David, 4737 36th Street NW., Washington, D.C.
B. National Counsel Associates, 229 Shoreham Building, Washington, D.C.

A. Charles W. Davis, 1 North La Salle Street, Chicago, Ill.
B. Sears, Roebuck & Co., 925 South Homan Avenue, Chicago, Ill.

A. Charles W. Davis, 1 North La Salle Street, Chicago, Ill.
B. Singer Manufacturing Co., 149 Broadway, New York, N.Y.
D. (6) $103,004.42. E. (9) $1,712.17.

A. Charles W. Davis, 1 North La Salle Street, Chicago, Ill.
B. Swift & Co., Employees Benefit Association, 4115 Packers Avenue, Chicago, Ill.
E. (9) $1,474.20.

A. Donald S. Dawson, 731 Washington Building, Washington, D.C.
B. C. I. T. Financial Corp., 650 Madison Avenue, New York, N.Y.

A. Donald S. Dawson, 731 Washington Building, Washington, D.C.
B. National Consumers Life Council, Washington Building, Washington, D.C.

A. Donald S. Dawson, 731 Washington Building, Washington, D.C.
B. Schenley Industries, Inc., Empire State Building, New York, N.Y.

A. Dawson, Griffin, Pickens & Riddell, 731 Washington Building, Washington, D.C.
B. Businessmen's Committee for Hawaiian Statehood, Honolulu, Hawaii.

A. Dawson, Griffin, Pickens & Riddell, 731 Washington Building, Washington, D.C.
B. C. I. T. Financial Corp., 650 Madison Avenue, New York, N.Y.
D. (6) $2,000.

A. Dawson, Griffin, Pickens & Riddell, 731 Washington Building, Washington, D.C.
B. National Consumers Life Council, 731 Washington Building, Washington, D.C.
D. (6) $5,000.

A. Tony T. Dechant.
B. Farmers' Educational and Cooperative Union of America, 1575 Sherman Street, Denver Colo., and 1404 New York Avenue NW., Washington, D.C.

A. John F. Deeds, 311 Western Union Building, Washington, D.C.

A. Richard A. Dell, 2000 Florida Avenue NW., Washington, D.C.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C.
D. (6) $36.27.

A. Mary S. Deuel, 3026 Cambridge Place NW., Washington, D.C.
B. Washington Home Rule Committee, Inc., 924 14th Street NW., Washington, D.C.

A. R. T. Devany, 918 16th Street NW., Washington, D.C.
B. National Association of Manufacturers, 2 East 48th Street, New York, N.Y.

A. Cecil B. Dickson, 1523 L Street NW., Washington, D.C.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill.
D. (6) $1,125. E. (9) $107.61.

A. Timothy V. A. Dillon, 1001 15th Street NW., Washington, D.C.
B. Sacramento Yolo Port District, 705 California Fruit Building, Sacramento, Calif.
D. (6) $2,718.15. E. (9) $93.15.

A. Timothy V. A. Dillon, 1001 15th Street NW., Washington, D.C.
B. Westlands Water District, Post Office Box 4006, Fresno, Calif.
D. (6) $3,013.30. E. (9) $213.30.

A. Disabled American Veterans, 5555 Ridge Avenue, Cincinnati, Ohio.
E. (9) $1,750.

A. Disabled Officers Association, 1612 K Street NW., Washington, D.C.
E. (9) $3,750.

A. District Lodge No. 44, International Association of Machinists, 1029 Vermont Avenue NW., Washington, D.C.
D. (6) $17,556.98. E. (9) $21,032.66.

A. Division 689, Amalgamated Association of Street, Electric Railway and Motor Coach Employees of America, 900 F Street NW., Washington, D.C.

A. Division of Legislation and Federal Relations of the National Education Association of the United States, 1201 16th Street NW., Washington, D.C.
E. (9) $20,577.34.

A. Robert C. Dolan, 1200 18th Street NW., Washington, D.C.
B. National Association of Electric Companies, 1200 18th Street NW., Washington D.C.
D. (6) $141.25. E. (9) $26.30.

A. James L. Donnelly, 200 South Michigan Avenue, Chicago, Ill.
B. Illinois Manufacturers' Association, 200 South Michigan Avenue, Chicago, Ill.

A. Robert F. Donoghue, 239 Wyatt Building, Washington, D.C.
B. Pacific American Tankship Association, 25 California Street, San Francisco, Calif.
D. (6) $1,625.01.

A. Thomas J. Donovan, 155 East 44th Street, New York, N.Y.

A. J. Dewey Dorsett, 60 John Street, New York, N.Y.
B. Association of Casualty and Surety Cos., 60 John Street, New York, N.Y.
D. (6) $127.50.

A. Jasper N. Dorsey, 1001 Connecticut Avenue NW., Washington, D.C., Hurt Building, Atlanta, Ga.
B. Southern Bell Telephone & Telegraph Co., Hurt Building, Atlanta, Ga.
D. (6) $500.

A. C. L. Dorson, 900 F Street NW., Washington, D.C.
B. Retirement Federation of Civil Service Employees of the U.S. Government, 900 F Street NW., Washington, D.C.
D. (6) $1,468.44. E. (9) $84.75.

A. Ben DuBois.
B. Independent Bankers Association, Sauk Centre, Minn.

A. Stephen M. Du Brul, 11–134 General Motors Building, Detroit, Mich.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich.

A. Read P. Dunn., Jr., 1200 18th Street NW., Washington, D.C.
B. National Cotton Council of America, Post Office Box 9905, Memphis, Tenn.
D. (6) $255. E. (9) $17.97.

A. Stephen F. Dunn, 918 16th Street NW., Washington, D.C.
B. National Association of Manufacturers, 2 East 48th Street, New York, N.Y.

A. William E. Dunn, 20th and E Streets NW., Washington, D.C.
B. The Associated General Contractors of America, Inc., 20th and E Streets NW., Washington, D.C.

A. Henry I. Dworshak, 1102 Ring Building, Washington, D.C.
B. American Mining Congress, Ring Building, Washington, D.C.
D. (6) $600. E. (9) $6.95.

A. Eastern Meat Packers Association, Inc., 740 11th Street NW., Washington, D.C.
D. (6) $10.20. E. (9) $105.96.

A. Herman Edelsberg, 1640 Rhode Island Avenue NW., Washington, D. C.
B. Anti-Defamation League of B'nai B'rith, 515 Madison Avenue, New York, N.Y.
D. (6) $140. E. (9) $15.

A. Harold Edwards, 2400 16th Street., Washington, D.C.
B. National Health Federation, 2454 Van Ness Avenue, San Francisco, Calif.
D. (6) $700.

A. John Doyle Elliott, 808 North Capitol Street, Washington, D.C.
B. Townsend Plan, Inc., 808 North Capitol Street, Washington, D.C.
D. (6) $1,092.

A. John M. Elliott, 5025 Wisconsin Avenue NW., Washington, D.C.
B. Amalgamated Association of Street, Electric Railway and Motor Coach Employees of America, AFL–CIO, 5025 Wisconsin Avenue NW., Washington, D.C.

A. Clyde T. Ellis, 2000 Florida Avenue NW., Washington, D.C.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C.
D. (6) $61.78.

A. Otis H. Ellis, 1001 Connecticut Avenue NW., Washington, D.C.
B. National Oil Jobbers Council, 1001 Connecticut Avenue NW., Washington, D.C.
D. (6) $10,000.

A. Perry R. Ellsworth, 1145 19th Street NW., Washington, D.C.
B. Milk Industry Foundation, 1145 19th Street NW., Washington, D.C.
D. (6) $200. E. (9) $8.35.

A. John H. Else, 302 Ring Building, Washington, D.C.
B. National Retail Lumber Dealers Association, 302 Ring Building, Washington, D.C.
D. (6) $3,750. E. (9) $219.70.

A. Ely, McCarty and Duncan, 1200 Tower Building, Washington, D.C.
B. American Public Power Association, 1025 Connecticut Avenue NW., Washington, D.C.
D. (6) $2,000.

A. Ely, McCarty and Duncan, 1200 Tower Building, Washington, D.C.
B. Department of Water and Power of the City of Los Angeles, 207 South Broadway, Los Angeles, Calif.
D. (6) $1,500.

A. Ely, McCarty and Duncan, 1200 Tower Building, Washington, D.C.
B. Department of Water Resources, State of California, Sacramento, Calif.
D. (6) $2,437.50.

A Ely, McCarty and Duncan, 1200 Tower Building, Washington, D.C.
B. East Bay Municipal Utility District, 2130 Adeline Street, Oakland, Calif.
D. (6) $1,600.

A. Ely, McCarty and Duncan, 1200 Tower Building, Washington, D.C.
B. Imperial Irrigation District, El Centro, Calif.
D. (6) $2,100. E. (9) $36.55.

A. Ely, McCarty and Duncan, 1200 Tower Building, Washington, D.C.
B. Six Agency Committee and Colorado River Board of California, 909 South Broadway, Los Angeles, Calif.
D. (6) $4,510. E. (9) $11.60.

A. Myles W. English, 966 National Press Building, Washington, D.C.
B. National Highway Users Conference, Inc., 966 National Press Building, Washington, D.C.

A. Lawrence E. Ernst, 301 East Capitol Street, Washington, D.C.
B. National Star Route Mail Carriers Association, 301 East Capitol Street, Washington, D.C.
E. (9) $204.20.

A. Family Tax Association, 2110 Girard Trust Building, Philadelphia, Pa.
D. (6) $8,700. E. (9) $5,901.66.

A. The Farmers' Educational and Cooperative Union of America (National Farmers Union), 1575 Sherman Street, Denver, Colo., and 1404 New York Avenue NW., Washington, D.C.
D. (6) $96,115.83. E. (9) $22,816.67.

A. Joseph G. Feeney, 201 World Center Building, Washington, D.C.
B. Association of American Railroads, Transportation Building, Washington, D.C.
D. (6) $3,000. E. (9) $150.

A. Harold E. Fellows, 1771 N Street NW., Washington, D.C.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C.

A. John A. Ferguson, 918 16th Street NW., Washington, D.C.
B. Independent Natural Gas Association of America, 918 16th Street NW., Washington, D.C.

A. Josiah Ferris, 510 Union Trust Building, Washington, D.C.
B. American Sugar Cane League, New Orleans, La., United States Sugar Corp., Clewiston, Fla., and Okeelanta Sugar Refinery, Inc., South Bay, Fla.
D. (6) $6,099.96.

A. John B. Fisher, 425 13th Street NW., Washington, D.C.
B. American Coal Shipping, Inc., 17 State Street, New York, N.Y.

A. John B. Fisher, 425 13th Street NW., Washington, D.C.
B. Bangor and Aroostoock Railroad, 84 Harlow Street, Bangor, Maine.

A. John B. Fisher, 425 13th Street NW., Washington, D.C.
B. C. H. Sprague & Son Co., 10 Post Office Square, Boston, Mass.

A. Berchmans T. Fitzpatrick, 1025 Connecticut Avenue NW., Washington, D.C.
B. Wood, King & Dawson, 48 Wall Street, New York, N.Y.
D. (6) $1,000. E. (9) $125.

A. Norman A. Flaningam, 425 13th Street NW., Washington, D.C.
B. Consolidated Natural Gas Co., 30 Rockefeller Plaza, New York, N.Y.

A. Roger Fleming, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 2300 Merchandise Mart, Chicago, Ill.
D. (6) $1,300. E. (9) $25.52.

A. Donald G. Fletcher, 820 Midland Bank Building, Minneapolis, Minn.
B. Rust Prevention Association, 820 Midland Bank Building, Minneapolis, Minn.
D. (6) $3,750. E. (9) $203.05.

A. Florida Citrus Mutual (Legislative Fund), Lakeland, Fla.
E. (9) $2,116.95.

A. Florida Inland Navigation District, Citizens Bank Building, Bunnell, Fla.
E. (9) $1,388.78.

A. Florida Railroad Association, 404 Midyette-Moor Building, Tallahassee, Fla.
D. (6) $15,867. E. (9) $6,495.33.

A. Florida Ship Canal Navigation District, 720 Florida Title Building, Jacksonville, Fla.
E. (9) $1,583.35.

A. W. Robert Fokes, 400 Midyette-Moor Building, Tallahassee, Fla.
B. Florida Railroad Association, Midyette-Moor Building, Tallahassee, Fla.

A. W. Robert Fokes, 400 Midyette-Moor Building, Tallahassee, Fla.
B. The Florida Savings and Loan League, Post Office Box 2246, Orlando, Fla.

A. Mrs. J. A. Ford, 808 North Capitol Street, Washington, D.C.
B. Townsend Plan, Inc., 808 North Capitol Street, Washington, D.C.

A. Foreign Policy Clearing House, 300 Independence Avenue SE., Washington, D.C.
D. (6) $4,400. E. (9) $5,517.69.

A. Forest Farmers Association, Post Office Box 7284, Station C, Atlanta, Ga.
D. (6) $372.78. E. (9) $372.78.

A. James W. Foristel, 1523 L Street NW., Washington, D.C.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill.
D. (6) $737.50. E. (9) $40.85.

A. James F. Fort, 1424 16th Street NW., Washington, D.C.
B. American Trucking Associations, Inc., 1424 16th Street NW., Washington, D.C.
D. (6) $400. E. (9) $97.95.

A. Ronald J. Foulis, 1001 Connecticut Avenue NW., Washington, D.C., and 195 Broadway, New York, N.Y.
B. American Telephone & Telegraph Co., 195 Broadway, New York, N.Y.
D. (6) $1,200.

A. L. S. Franklin, 2309 Pine Craft Road, Greensboro, N.C.
D. (6) $195. E. (9) $475.

A. Robert W. Frase, 812 17th Street NW., Washington, D.C.
B. American Book Publishers Council, Inc., 24 West 40th Street, New York, N.Y.
D. (6) $1,100. E. (9) $625.35.

A. Robert W. Frase, 812 17th Street NW., Washington, D.C.
B. National Postal Committee for Books, 24 West 40th Street, New York, N. Y.
D. (6) $1,100. E. (9) $642.20.

A. George H. Frates, 1163 National Press Building, Washington, D.C.
B. National Association of Retail Druggists.
D. (6) $3,900. E. (9) $1,124.

A. W. E. Fravel, 401 Third Street NW., Washington, D.C.
B. Brotherhood of Railroad Trainmen.

A. Elmer M. Freudenberger, 1701 18th Street NW., Washington, D.C.
B. Disabled American Veterans, 5555 Ridge Avenue, Cincinnati, Ohio.
E. (9) $1,750.

A. Philip P. Friedlander, Jr., 1012 14th Street NW., Washington, D.C.
B. The National Tire Dealers & Retreaders Association, Inc., 1012 14th Street NW., Washington, D.C.

A. Friends Committee on National Legislation, 104 G Street NE., Washington, D.C.
D. (6) $28,193.23. E. (9) $9,078.39.

A. O. L. Frost, Jr., 1151 South Broadway, Los Angeles, Calif.
B. Occidental Life Insurance Co. of California, 1151 South Broadway, Los Angeles, Calif.

A. Garrett Fuller, 1210 Wyatt Building, Washington, D.C.
B. West Coast Steamship Co., 601 Board of Trade Building, Portland, Oreg.
D. (6) $652.50. E. (9) $18.

A. Wallace H. Fulton, 1707 H Street NW., Washington, D.C.
B. National Association of Securities Dealers., Inc.

A. Henry T. Gage, 1000 Connecticut Avenue NW., Washington, D.C.
B. Wine Institute, 717 Market Street, San Francisco, Calif.

A. Lawrence H. Gall, 918 16th Street NW., Washington, D.C.
B. Independent Natural Gas Association of America, 918 16th Street NW., Washington, D.C.

A. M. J. Galvin, 207 Union Depot Building, St. Paul, Minn.
B. Minnesota railroads.
D. (6) $500. E. (9) $411.55.

A. Earl H. Gammons, 1735 DeSales Street NW., Washington, D.C.

A. Gardner, Morrison & Rogers, 1126 Woodward Building, Washington, D.C.
B. Bigham, Englar, Jones & Houston, 99 John Street, New York City, and Shoreham Building, Washington, D.C.
E. (9) $111.37.

A. Marion R. Garstang, 1731 Eye Street NW., Washington, D.C.
B. National Milk Producers Federation, 1731 Eye Street NW., Washington, D.C.
D. (6) $200.

A. Gas Appliance Manufacturers Association, Inc., 60 East 42d Street, New York, N.Y.

A. J. M. George, 165 Center Street, Winona, Minn.
B. The Inter-State Manufacturers Association, 163–165 Center Street, Winona, Minn.
D. (6) $1,500.

A. J. M. George, 165 Center Street, Winona, Minn.
B. National Association of Direct Selling Companies, 163–165 Center Street, Winona, Minn.
D. (6) $3,000.

A. Ernest Giddings, 1201 16th Street NW., Washington, D.C.
B. Division of Legislation and Federal Relations of the National Education Association of the United States, 1201 16th Street NW., Washington, D.C.
D. (6) $2,059.80. E. (9) $297.99.

A. Joseph S. Gill, 16 East Broad Street, Columbus, Ohio.
B. The Ohio Railroad Association, 16 East Broad Street, Columbus, Ohio.
D. (6) $300. E. (9) $118.

A. Lief Gilstad, 1000 Connecticut Avenue NW., Washington, D.C.
B. Transportation Association of America, 6 North Michigan Avenue, Chicago, Ill.

A. Henry W. Goodall, 209 South La Salle Street, Chicago, Ill.
B. Mississippi Valley Association, 1978 Railway Exchange Building, St. Louis, Mo.
D. (6) $2,333.33.

A. John A. Gosnell, Washington, D.C.
B. National Small Business Men's Association, 801 19th Street NW., Washington, D.C.
D. (6) $1,500.

A. Lawrence L. Gourley, 1757 K Street NW., Washington, D.C.
B. American Osteopathic Association, 212 East Ohio Street, Chicago, Ill.
D. (6) $375.

A. Government Employees' Council, AFL–CIO, 100 Indiana Avenue NW., Washington, D.C.
D. (6) $6,863.03. E. (9) $6,131.33.

A. Government Relations Committee of the Office Equipment Manufacturers Institute (OEMI), 777 14th Street NW., Washington, D.C.

A. James L. Grahl, 1025 Connecticut Avenue NW., Washington, D.C.
B. American Public Power Association, 1025 Connecticut Avenue NW., Washington, D.C.
D. (6) $100.

A. Grain & Feed Dealers National Association, 400 Folger Building, Washington, D.C.
E. (9) $46.99.

A. Grand Lodge of the Brotherhood of Locomotive Firemen & Enginemen, 318–418 Keith Building, Cleveland, Ohio.
D. (6) $15,547.20. E. (9) $13,485.35.

A. Edward R. Gray, 3501 Williamsburg Lane NW., Washington, D.C.
B. National Congress of Parents and Teachers, 700 North Rush Street, Chicago, Ill.

A. Virginia M. Gray, 3501 Williamsburg Lane NW., Washington, D.C.
B. Citizens Committee for UNICEF, 132 Third Street SE., Washington, D.C.
D. (6) $45. E. (9) $10.23.

A. Jerry N. Griffin, 731 Washington Building, Washington, D.C.
B. Businessmen's Committee for Hawaiian Statehood, Honolulu, Hawaii.

A. Jerry N. Griffin, 731 Washington Building, Washington, D.C.
B. C.I.T. Financial Corp., 650 Madison Avenue, New York, N.Y.

A. Jerry N. Griffin, 731 Washington Building, Washington, D.C.
B. National Coal Association, Southern Building, Washington, D.C.
D. (6) $1,875.

A. Jerry N. Griffin, 731 Washington Building, Washington, D.C.
B. National Consumers Life Council, 731 Washington Building, Washington, D.C.

A. Weston B. Grimes, 1001 Bowen Building, Washington, D.C.
B. Cargill, Inc., 200 Grain Exchange, Minneapolis, Minn.
D. (6) $6,000. E. (9) $2.05.

A. Gus F. Geissler.
B. The Farmers' Educational and Co-Operative Union of America (National Farmers Union), 1575 Sherman Street, Denver, Colo., and 1404 New York Avenue NW., Washington, D.C.

A. I. J. Gromfine, 1001 Connecticut Avenue NW., Washington, D.C.
B. O. David Zimring, 1001 Connecticut Avenue NW., Washington, D.C.

A. Albert A. Grorud, 816 E Street NE., Washington, D.C.
B. Yakima Indian Association of Washington State.
D. (6) $75. E. (9) $36.25.

A. Thomas J. Guilfoil, 319 North Fourth Street, St. Louis, Mo.
B. General Finance Corp., 1301 Central Street, Evanston, Ill.

A. Rodger S. Gunn, 4618 Highland Drive, Salt Lake City, Utah.
B. Liberty Under Law, Inc., Post Office Box 2013, Salt Lake City, Utah.

A. Mrs. Violet M. Gunther, 1341 Connecticut Avenue NW., Washington, D.C.
B. Americans for Democratic Action, 1341 Connecticut Avenue NW., Washington, D.C.
D. (6) $1,753.80. E. (9) $201.89.

A. Frank E. Haas, 280 Union Station Building, Chicago, Ill.
B. The Association of Western Railways, 224 Union Station Building, Chicago, Ill.

A. Hoyt S. Haddock, 132 Third Street SE., Washington, D.C.
B. AFL–CIO Maritime Committee, 132 Third Street SE., Washington, D.C.
D. (6) $1,560. E. (9) $435.45.

A. Hoyt S. Haddock, 132 Third Street SE., Washington, D.C.
B. Labor-Management Maritime Committee, 132 Third Street SE., Washington, D.C.
D. (6) $900. E. (9) $137.18.

A. Harlan V. Hadley, Transportation Building, Washington, D.C.
D. (6) $625. E. (9) $261.90.

A. Hal H. Hale, 423 Transportation Building, Washington, D.C.
B. Association of American Railroads, Transportation Building, Washington, D.C.

A. Hugh F. Hall, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 2300 Merchandise Mart, Chicago, Ill.
D. (6) $747.22. E. (9) $16.71.

A. Radford Hall, 801 East 17th Avenue, Denver, Colo.
B. American National Cattlemen's Association, 801 East 17th Avenue, Denver, Colo.
D. (6) $1,000. E. (9) $523.51.

A. E. C. Hallbeck, 817 14th Street NW., Washington, D.C.
B. National Federation of Post Office Clerks, 817 14th Street NW., Washington, D.C.
D. (6) $4,374.96. E. (9) $184.85.

A. Harold F. Hammond, 1000 Connecticut Avenue NW., Washington, D.C.
B. Transportation Association of America, 6 North Michigan Avenue, Chicago, Ill.

A. Murray Hanson, 425 13th Street NW., Washington, D.C.
B. Investment Bankers Association of America, 425 13th Street NW., Washington, D.C.
D. (6) $600. E. (9) $523.33.

A. Eugene J. Hardy, 918 16th Street NW., Washington, D.C.
B. National Association of Manufacturers, 2 East 48th Street, New York, N.Y.

A. Conrad P. Harness, 1117 Barr Building, Washington, D.C.
B. Home Manufacturers Association, 1117 Barr Building, Washington, D.C.
D. (6) $1,250.

A. Herbert E. Harris II, 425 13th Street NW., Washington, D. C.
B. American Farm Bureau Federation, 2300 Merchandise Mart, Chicago, Ill.
D. (6) $1,108.34. E. (9) $30.83.

A. Merwin K. Hart, 7501 Empire State Building, New York, N.Y.
B. National Economic Council, Inc., 7501 Empire State Building, New York, N.Y.
D. (6) $200.

A. Stephen H. Hart, 520 Equitable Building, Denver, Colo.
B. National Livestock Tax Committee, 301 East 17th Avenue, Denver, Colo.
D. (6) $2,573.70.

A. John A. Hartman, Jr., 67 Broad Street, New York, N.Y.
B. American Cable & Radio Corp., 67 Broad Street, New York, N.Y.
E. (9) $533.98.

A. Paul M. Hawkins, 1701 K Street NW., Washington, D.C.
B. Health Insurance Association of America, 1701 K Street NW., Washington, D.C.
D. (6) $539. E. (9) $289.83.

A. Glynn C. Hawthorne, 401 Third Street NW., Washington, D.C.
B. Brotherhood of Locomotive Firemen and Enginemen, 318 Keith Building, Cleveland, Ohio.
D. (6) $1,185.

A. Joseph H. Hays, 280 Union Station Building, Chicago, Ill.
B. The Association of Western Railways, 224 Union Station Building, Chicago, Ill.

A. John C. Hazen, 711 14th Street NW., Washington, D.C.
B. National Retail Merchants Association, 100 West 31st Street, New York, N.Y.
E. (9) $151.30.

A. Health Insurance Association of America, 1701 K Street NW., Washington, D.C.
E. (9) $857.87.

A. Patrick B. Healy, 1731 I Street NW., Washington, D.C.
B. National Milk Producers Federation, 1731 I Street NW., Washington, D.C.
D. (6) $300. E. (9) $17.40.

A. George J. Hecht, 52 Vanderbilt Avenue, New York, N.Y., and 132 Third Street SE., Washington, D.C.
B. American Parents Committee, Inc., 132 Third Street SE., Washington, D.C.

A. Robert B. Heiney, 1133 20th Street NW., Washington, D.C.
B. National Canners Association, 1133 20th Street NW., Washington, D.C.
D. (6) $875. E. (9) $333.15.

A. Kenneth G. Heisler, 907 Ring Building, Washington, D.C.
B. National League of Insured Savings Associations, 907 Ring Building, Washington, D.C.
D. (6) $550.

A. Chas. H. Heltzel, 1700 K Street NW., Washington, D.C.
B. Pacific Power & Light Co., Public Service Building, Portland, Oreg.
D. (6) $930. E. (9) $211.35.

A. Willon A. Henderson, 612 South Flower Street, Los Angeles, Calif.
B. General Petroleum Corp., 612 South Flower Street, Los Angeles, Calif.

A. Edmund P. Hennelly, 150 East 42d Street, New York, N.Y.
B. Socony Mobil Oil Co., Inc., 150 East 42d Street, New York, N.Y.
D. (6) $2,175.69. E. (9) $1,050.69.

A. Maurice G. Herndon, 1002 Washington Loan & Trust Building, Washington, D.C.
B. National Association of Insurance Agents, 96 Fulton Street, New York, N.Y., and 1002 Washington Loan & Trust Building, Washington, D.C.
D. (6) $322.93. E. (9) $322.93.

A. Clinton M. Hester, 432 Shoreham Building, Washington, D.C.
B. Boston Wool Trade Association, 263 Summer Street, Boston, Mass.
D. (6) $600. E. (9) $39.77.

A. Clinton M. Hester, 432 Shoreham Building, Washington, D.C.
B. National Association of Hot House Vegetable Growers, Post Office Box 659, Terre Haute, Ind.

A. Clinton M. Hester, 432 Shoreham Building, Washington, D.C.
B. National Football League, 1 Bala Avenue, Bala Cynwyd, Pa.
E. (9) $98.76.

A. Clinton M. Hester, 432 Shoreham Building, Washington, D.C.
B. National Wool Trade Association, 263 Summer Street, Boston, Mass.

A. Clinton M. Hester, 432 Shoreham Building, Washington, D.C.
B. Philadelphia Wool & Textile Association, Post Office Box 472, Station E, Philadelphia, Pa.

A. Clinton M. Hester, 432 Shoreham Building, Washington, D.C.
B. United States Brewers Foundation, 535 Fifth Avenue, New York, N.Y.
D. (6) $5,000. E. (9) $78.25.

A. W. J. Hickey, 2000 Massachusetts Avenue NW., Washington, D.C.
B. American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C.
D. (6) $218.75.

A. Ray C. Hinman, 150 East 42d Street, New York, N.Y.
B. Socony Mobil Oil Co., Inc., 150 East 42d Street, New York, N.Y.
D. (6) $1,325.05. E. (9) $75.05.

A. L. S. Hitchner, Associations Building, Washington, D.C.
D. (6) $25. E.(9)$3.

A. George C. Holdrege, 1416 Dodge Street, Omaha, Nebr.
B. Union Pacific Railroad Co., 1416 Dodge Street, Omaha, Nebr.
D. (6) $4,875.

A. Edward D. Hollander, 1341 Connecticut Avenue NW., Washington, D.C.
B. Americans for Democratic Action, 1341 Connecticut Avenue NW., Washington, D.C.

A. Fuller Holloway, 1000 Shoreham Building, Washington, D.C.
B. The Toilet Goods Association, Inc., 9 Rockefeller Plaza, New York, N.Y.
D. (6) $5,000.

A. Stanley G. Holmes, 311 California Street, San Francisco, Calif.
B. American Steamship Committee on Conference Studies, 207 Barr Building, Washington, D.C.
E. (9) $930.79.

A. Richard C. Holmquist, 570 Lexington Avenue, New York, N.Y.
B. General Electric Co., 570 Lexington Avenue, New York, N.Y.
D. (6) $140. E. (9) $100.

A. Home Manufacturers Association, 1117 Barr Building, Washington, D.C.
D. (6) $1,250. E. (9) $2,200.

A. Winfield M. Homer, 1001 Connecticut Avenue NW., Washington, D.C.
B. O. David Zimring, 1001 Connecticut Avenue NW., Washington, D.C.

A. Edwin M. Hood, 441 Washington Building, Washington, D.C.
B. Shipbuilders Council of America, 21 West Street, New York, N.Y.

A. J. M. Hood, 2000 Massachusetts Avenue NW., Washington, D.C.
B. American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C.
D. (6) $318.75.

A. Samuel H. Horne, Munsey Building, Washington, D.C.
B. Singer Manufacturing Co., 149 Broadway, New York, N.Y.
D. (6) $103,004.42. E. (9) $1,712.17.

A. Lawrence W. Horning, 1010 Pennsylvania Building, Washington, D.C.
B. New York Central Railroad Co., 466 Lexington Avenue, New York, N.Y.

A. Donald E. Horton, 222 West Adams Street, Chicago, Ill.
B. American Warehousemen's Association.

A. J. Cline House, 817 14th Street NW., Washington, D.C.
B. National Federation of Post Office Clerks, 817 14th Street NW., Washington, D.C.
D. (6) $4,500.

A. Harold A. Houser, 1616 I Street NW., Washington, D.C.
B. Retired Officers Association, 1616 I Street NW., Washington, D.C.
D. (6) $2,499.89.

A. Vernon F. Hovey, 101 Nott Terrace, Schenectady, N.Y.
B. National Dairy Products Corp., 260 Madison Avenue, New York, N.Y.
D. (6) $3,000. E. (9) $370.80.

A. Erma D. Hubbard, 509 Ridgely Avenue, Annapolis, Md.
B. Military Survivors, Inc., 509 Ridgely Avenue, Annapolis, Md.

A. William T. Huff, 918 16th Street NW., Washington, D.C.
B. Independent Natural Gas Association of America, 918 16th Street NW., Washington, D.C.

A. William J. Hull, 326 Cafritz Building, Washington, D.C.
B. Ashland Oil & Refining Co., 1409 Winchester Avenue, Ashland, Ky.

A. William J. Hull, 326 Cafritz Building, Washington, D.C.
B. Ohio Valley Improvement Association, Inc.

A. Robert L. Humphrey, 918 16th Street NW., Washington, D.C.
B. National Industrial Council, 2 East 48th Street, New York, N.Y.

A. B. A. Hungerford, 53 Park Place, New York, N.Y.
B. George P. Byrne, 53 Park Place, New York, N.Y.

A. C. E. Huntley, 2000 Massachusetts Avenue NW., Washington, D.C.
B. American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C.
D. (6) $298.75.

A. W. J. Hynes, 611 Idaho Building, Boise, Idaho.
B. Union Pacific Railroad Co., 1416 Dodge Street, Omaha, Nebr.

A. Illinois Railroad Association, 33 South Clark Street, Chicago, Ill.
E. (9) $1,079.85.

A. Illinois State Conference of Building and Construction Trades, 130 North Wells Street, Chicago, Ill.
D. (6) $3,000. E. (9) $2,687.54.

A. Bernard J. Imming, 777 14th Street NW., Washington, D.C.
B. United Fresh Fruit and Vegetable Association, 777 14th Street NW., Washington, D.C.

A. Independent Natural Gas Association of America, 918 16th Street NW., Washington, D.C.
D. (6) $153,301.04.

A. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C.
D. (6) $15,883.77. E. (9) $15,883.77.

A. Institute of American Poultry Industries, 59 East Madison Street, Chicago, Ill.
D. (6) $537.50.

A. Institute of Scrap Iron & Steel, Inc., 1729 H Street NW., Washington, D.C.
D. (6) $300.

A. International Association of Machinists, Machinists Building, Washington, D.C.
E. (9) $3,353.75.

A. Inter-State Manufacturers Association, 163–165 Center Street, Winona, Minn.
D. (6) $3,000. E. (9) $3.50.

A. Iron Ore Lessors Association, Inc., W–1481 First National Bank Building, St. Paul, Minn.
D. (6) $1,105. E. (9) $1,382.68.

A. Chester W. Jackson, 744 Jackson Place NW., Washington, D.C.
B. The National Grange, 744 Jackson Place NW., Washington, D.C.
D. (6) $3,126.

A. Robert C. Jackson, 1145 19th Street NW., Washington, D.C.
B. American Cotton Manufacturers Institute, Inc., 1501 Johnston Building, Charlotte, N.C.
D. (6) $2,000. E. (9) $182.

A. Andrew Jacobson, 1476 South Fourth East, Salt Lake City, Utah.

A. Harold G. Jacobson, 1476 South Fourth East, Salt Lake City, Utah.

A. Japanese American Citizens League, 1634 Post Street, San Francisco, Calif.
D. (6) $400. E. (9) $375.

A. Daniel Jaspan, Post Office Box 2013, Washington, D.C.
B. National Association of Postal Supervisors, Post Office Box 2013, Washington, D.C.
D. (6) $2,817.51. E. (9) $52.65.

A. Ray L. Jenkins, 700 Washington Building, Washington, D.C.
B. Societe Internationale, Pour Participations Industrialies Et Commerciales, S.A., Peter Merianstr 19, Basel, Switzerland.

A. Joe Jenness, 2000 Florida Avenue NW., Washington, D.C.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C.

A. Robert G. Jeter, Dresden, Tenn.
B. H. C. Spinks Clay Co., Paris, Tenn., et al.
E. (9) $232.91.

A. Jewish War Veterans of the United States of America, 1712 New Hampshire Avenue NW., Washington, D.C.
D. (6) $2,749.98. E. (9) $359.23.

A. Peter Dierks Joers, 810 Whittington Avenue, Hot Springs, Ark.
B. Dierks Forests, Inc., 810 Whittington Avenue, Hot Springs, Ark.

A. Gilbert R. Johnson, 1208 Terminal Tower, Cleveland, Ohio.
B. Lake Carriers' Association, 305 Rockefeller Building, Cleveland, Ohio.

A. Hugo E. Johnson, 600 Bulkley Building, Cleveland, Ohio.
B. American Iron Ore Association, 600 Bulkley Building, Cleveland, Ohio.

A. Reuben L. Johnson.
B. The Farmers' Educational and Co-Operative Union of America, 1404 New York Avenue NW., Washington, D.C.
D. (6) $1,589.76. E. (9) $425.79.

A. George Bliss Jones, Montgomery, Ala.
B. Alabama Railroad Association, 1002 First National Bank Building, Montgomery, Ala.
D. (6) $231. E. (9) $467.36.

A. L. Dan Jones, 1110 Ring Building, Washington, D.C.
B. Independent Petroleum Association of America, 1110 Ring Building, Washington, D.C.
E. (9) $31.90.

A. Phillip E. Jones, 920 Tower Buliding, Washington, D.C.
B. United States Beet Sugar Association, 920 Tower Building, Washington, D.C.

A. Rowland Jones, Jr., 1145 19th Street NW., Washington, D.C.
B. American Retail Federation, 1145 19th Street NW., Washington, D.C.
D. (6) $1,000. E. (9) $189.91.

A. Edwin W. Kaler, 547 Washington Building, Washington, D.C.
B. Waterman Steamship Corp., 61 Saint Joseph Street, Mobile, Ala.
D. (6) $8,750.

A. John E. Kane, 1625 K Street NW., Washington, D.C.
B. American Petroleum Institute, 50 West 50th Street, New York, N.Y.
D. (6) $3,780. E. (9) $253.22.

A. Francis V. Keesling, Jr., 605 Market Street, San Francisco, Calif.
B. West Coast Life Insurance Co., 605 Market Street, San Francisco, Calif.
E. (9) $1,418.97.

A. James C. Kelley, 1900 Arch Street, Philadelphia, Pa.
B. American Machine Tool Distributors' Association, 1900 Arch Street, Philadelphia, Pa.

A. George J. Kelly, 730 15th Street NW., Washington, D.C.
B. American Bankers Association, 12 East 36th Street, New York, N.Y.
D. (6) $375. E. (9) $54.

A. Elizabeth A. Kendall, 2310 Connecticut Avenue, Washington, D.C.
E. (9) $37.

A. I. L. Kenen, 1737 H Street NW., Washington, D.C.
B. American Zionist Committee for Public Affairs, 1737 H Street NW., Washington, D.C.

A. Harold L. Kennedy, 420 Cafritz Building, Washington, D.C.
B. The Ohio Oil Co., Findlay, Ohio.
D. (6) $500. E. (9) $256.70.

A. Miles D. Kennedy, 1608 K Street NW., Washington, D.C.
B. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.
D. (6) $3,500. E. (9) $202.18.

A. Ronald M. Ketcham, P. O. Box 351, Los Angeles, Calif.
B. Southern California Edison Co., Post Office Box 351, Los Angeles, Calif.
D. (6) $576.22. E. (9) $1,380.22.

A. Omar B. Ketchum, 1000 Vermont Avenue NW., Washington, D.C.
B. Veterans of Foreign Wars of the United States.
D. (6) $3,750. E. (9) $343.20.

A. Thomas J. Keyes, Jr., 815 16th Street NW., Washington, D.C.
B. International Association of Fire Fighters, AFL–CIO, 815 16th Street NW., Washington, D.C.
D. (6) $1,186.54. E. (9) $4.

A. Jeff Kibre, 1341 O Street NW., Washington, D.C.
B. International Longshoremen's & Warehousemen's Union, 150 Golden Gate Avenue, San Francisco, Calif.
D. (6) $1,628. E. (9) $1,280.64.

A. John A. Killick, 740 11th Street NW., Washington, D.C.
B. Eastern Meat Packers Association, Inc., 740 11th Street NW., Washington, D.C.
D. (6) $12.50.

A. John A. Killick, 740 11th Street NW., Washington, D.C.
B. National Independent Meat Packers Association, 740 11th Street NW., Washington, D.C.
D. (6) $221.25.

A. H. Cecil Kilpatrick, 912 American Security Building, Washington, D.C.
B. Minot, DeBlois & Maddison, 294 Washington Street, Boston, Mass.
D. (6) $3,038.45. E. (9) $228.55.

A. Kenneth L. Kimble, 1701 K Street NW., Washington, D.C.
B. Life Insurance Association of America, 488 Madison Avenue, New York, N.Y.
D. (6) $299.25. E. (9) $5.53.

A. James F. King, 1825 Connecticut Avenue NW., Washington, D.C.
B. Manufacturing Chemists' Association, Inc., 1825 Connecticut Avenue NW., Washington, D.C.
D. (6) $1,250.

A. Ludlow King, 2071 East 102d Street, Cleveland, Ohio.
B. National Machine Tool Builders' Association, 2071 East 102d Street, Cleveland, Ohio.

A. King and Noble, 1028 Connecticut Avenue NW., Washington, D.C.
D. (6) $880.89. E. (9) $880.89.

A. T. Bert King, 812 Pennsylvania Building, Washington, D.C.
B. United States Savings and Loan League, 221 North LaSalle Street, Chicago, Ill.
D. (6) $1,350.

A. Mr. and Mrs. Harry L. Kingman, 200 C Street SE., Washington, D.C.
D. (6) $720. E. (9) $720.

A. Clifton Kirkpatrick, 1918 N. Parkway, Memphis, Tenn.
B. National Cotton Council of America, Post Office Box 9905, Memphis, Tenn.
D. (6) $450. E. (9) $36.47.

A. Rowland F. Kirks, 2000 K Street NW., Washington, D.C.
B. National Automobile Dealers Association, 2000 K Street NW., Washington, D.C.
D. (6) $3,807.66. E. (9) $39.72.

A. Clarence C. Klocksin, 3049 N. Hackett Avenue, Milwaukee, Wis.
B. The National Board of Fire Underwriters, 85 John Street, New York, N.Y.
D. (6) $1,000. E. (9) $300.

A. James F. Kmetz, 1435 K Street NW., Washington, D.C.
B. United Mine Workers of America, 900 15th Street NW., Washington, D.C.
D. (6) $2,040.

A. Burt L. Knowles, 20th and E Streets NW., Washington, D.C.
B. The Associated General Contractors of America, Inc., 20th and E Streets NW., Washington, D.C.

A. Robert M. Koch, 1015 12th Street NW., Washington, D.C.
B. National Agricultural Limestone Institute, Inc., 1015 12th Street NW., Washington, D.C.
E. (9) $34.50.

A. Robert M. Koch, 1015 12th Street NW., Washington, D.C.
B. National Crushed Limestone Institute, Inc., 1015 12th Street NW., Washington, D.C.
E. (9) $15.

A. A. W. Koehler, 839 17th Street NW., Washington, D.C.
B. National Association of Motor Bus Operators, 830 17th Street NW., Washington, D.C.

A. Germaine Krettek, 200 C Street SE., Washington, D.C.
B. American Library Association, 50 East Huron Street, Chicago, Ill.
E. (9) $2,313.25.

A. Mrs. Catherine G. Kuhne, 2012 Massachusetts Avenue NW., Washington, D.C.
B. National Federation of Business and Professional Women's Clubs, Inc., 2012 Massachusetts Avenue NW., Washington, D.C.

A. Labor-Management Maritime Committee, 132 Third Street SE., Washington, D.C.
D. (6) $5,609.52. E. (9) $4,470.05.

A. Lake Carriers' Association, 305 Rockefeller Building, Cleveland, Ohio.

A. Fritz G. Lanham, 2737 Devonshire Place NW., Washington, D.C.
B. American Fair Trade Council, Inc., 1434 West 11th Avenue, Gary, Ind.
D. (6) $749.96.

A. Fritz G. Lanham, 2737 Devonshire Place NW., Washington, D.C.
B. National Patent Council, Inc., 1434 West 11th Avenue, Gary, Ind.
D. (6) $999.96.

A. Fritz G. Lanham, 2737 Devonshire Place NW., Washington, D.C.
B. Trinity Improvement Association, Inc., 808 Trans-American Life Building, Fort Worth, Tex.
D. (6) $1,275.

A. Dillard B. Lasseter, 1424 16th Street NW., Washington, D.C.
B. American Trucking Associations, Inc., 1424 16th Street NW., Washington, D.C.
D. (6) $3,000. E. (9) $150.

A. Dillard B. Lasseter, Post Office Box 381, Washington, D.C.
B. Organization of Professional Employees of the U.S. Department of Agriculture, Post Office Box 381, Washington, D.C.
D. (6) $450.

A. J. Austin Latimer, 1001 Connecticut Avenue NW., Washington, D.C.
D. (6) $450.

A. Alan Latman, 210 East 38th Street, New York, N.Y.
B. National Committee for Effective Design Legislation, 122 East 42d Street, New York, N.Y.
D. (6) $1,249.98. E. (9) $153.

A. John L. Lawler, 270 Madison Avenue, New York, N.Y.
B. American Institute of Certified Public Accountants, 270 Madison Avenue, New York, N.Y.
D. (6) $100. E. (9) $40.

A. John V. Lawrence, 1424 16th Street NW., Washington, D.C.
B. American Trucking Associations, Inc., 1424 16th Street NW., Washington, D.C.
D. (6) $411.25. E. (9) $1.20.

A. Warren Lawrence, 225 Bush Street, San Francisco, Calif.
B. Standard Oil Co. of California, 225 Bush Street, San Francisco, Calif.
E. (9) $75.

A. Elton J. Layton, 4730 Arlington Boulevard, Arlington, Va.
B. The National Association of Retail Druggists, 205 West Wacker Drive, Chicago, Ill.
D. (6) $500. E. (9) $100.

A. Gene Leach, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 2300 Merchandise Mart, Chicago, Ill.
D. (6) $593.75. E. (9) $7.

A. H. Harold Leavey, 2020 L Street, Sacramento, Calif.
B. California-Western States Life Insurance Co., 2020 L Street, Sacramento, Calif.
D. (6) $1,094.50. E. (9) $1,158.42.

A. Robert F. Lederer, 635 Southern Building, Washington, D.C.
B. American Association of Nurserymen, Inc., 635 Southern Building, Washington, D.C.
D. (6) $13.33. E. (9) $13.33.

A. Ivy Lee and T. J. Ross, 405 Lexington Avenue, New York, N.Y.
D. (6) $2,083.33. E. (9) $3,523.66.

A. Legislative Committee of the Committee for a National Trade Policy, Inc., 1025 Connecticut Avenue NW., Washington, D.C.
D. (6) $154. E. (9) $8.20.

A. G. E. Leighty, 401 Third Street NW., Washington, D.C.

A. Hal Leyshon, 122 East 42d Street, New York, N.Y.
B. American Federation of Musicians, 425 Park Avenue, New York, N.Y.
D. (6) $4,999.98. E. (9) $3,277.99.

A. Liberty Under Law, Inc., 1411 Major Street, Salt Lake City, Utah.
D. (6) $202.05. E. (9) $202.05.

A. Life Insurance Association of America, 488 Madison Avenue, New York, N.Y., and 1701 K Street NW., Washington, D.C.
D. (6) $13,278.42. E. (9) $13,278.42.

A. L. Blaine Liljenquist, 917 15th Street NW., Washington, D.C.
B. E. F. Forbes, 604 Mission Street, San Francisco, Calif.
D. (6) $3,125. E. (9) $137.03.

A. Jonathan Lindley, 740 11th Street NW., Washington, D.C.
B. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.
D. (6) $400. E. (9) $13.30.

A. Lester W. Lindow, 1735 DeSales Street NW., Washington, D.C.

A. Charles B. Lipsen, 215 DeSales Building, Washington, D.C.
B. Retail Clerks International Association, DeSales Building, Washington, D.C.

A. Robert G. Litschert, 1200 18th Street NW., Washington, D.C.
B. National Association of Electric Companies, 1200 18th Street NW., Washington, D.C.
D. (6) $675. E. (9) $125.59.

A. Walter J. Little, 944 Transportation Building, Washington, D.C.
B. Association of American Railroads, Transportation Building, Washington, D.C.
D. (6) $500. E. (9) $1,015.53.

A. John M. Littlepage, 840 Investment Building, Washington, D.C.
B. The American Tobacco Co., Inc., 150 East 42d Street, New York, N.Y.

A. John M. Littlepage, 840 Investment Building, Washington, D.C.
B. General Acceptance Corp., 1105 Hamilton Street, Allentown, Pa.

A. Arthur Y. Lloyd, 1025 Connecticut Avenue NW., Washington, D.C.
B. Burley & Dark Leaf Tobacco Export Association, P.O. Box 860, Lexington, Ky.
D. (6) $330. E. (9) $152.44.

A. Leonard Lopez, 1029 Vermont Avenue NW., Washington, D.C.
B. District Lodge No. 44, International Association of Machinists, 1029 Vermont Avenue NW., Washington, D.C.
D. (6) $2,499.90. E. (9) $15.

A. Joe T. Lovett, 1145 19th Street NW., Washington, D.C.
B. American Retail Federation, 1145 19th Street NW., Washington, D.C.
D. (6) $100.

A. Harold O. Lovre, 1424 16th Street NW., Washington, D.C.
B. American Trucking Associations, Inc., 1424 16th Street NW., Washington, D.C.
D. (6) $3,000. E. (9) $136.72.

A. Otto Lowe, Cape Charles, Va.
B. National Canners Association, 1133 20th Street NW., Washington, D.C.
D. (6) $750.

A. Scott W. Lucas, 1025 Connecticut Avenue NW., Washington, D.C.
B. American Finance Conference, 176 West Adams Street, Chicago, Ill.
D. (6) $1,250.

A. Scott W. Lucas, 1025 Connecticut Avenue NW., Washington, D.C.
B. Mobile Homes Manufacturers Association, 20 North Wacker Drive, Chicago, Ill.
D. (6) $1,000.

A. Scott W. Lucas, 1025 Connecticut Avenue NW., Washington, D.C.
B. Outdoor Advertising Association of America, Inc., 24 West Erie Street, Chicago, Ill.
D. (6) $500.

A. Scott W. Lucas, 1025 Connecticut Avenue NW., Washington, D.C.
B. Roadside Business Association, 646 North Michigan Avenue, Chicago, Ill.
D. (6) $500.

A. Scott W. Lucas, 1025 Connecticut Avenue NW., Washington, D.C.
B. Western Medical Corp., 415–423 West Pershing Road, Chicago, Ill.
D. (6) $1,000.

A. Scott W. Lucas, 1025 Connecticut Avenue NW., Washington, D.C.
B. Western National Life Insurance Co. of Texas, 210 East 10th Street, Amarillo, Tex.
D. (6) $200.

A. Scott W. Lucas, 1025 Connecticut Avenue NW., Washington, D.C.
B. Adolph von Zedlitz, 60 Sutton Place South, New York, N.Y.

A. H. B. Luckett, 311 California Street, San Francisco, Calif.
B. American Steamship Committee on Conference Studies, 207 Barr Building, Washington, D.C.
E. (9) $687.94.

A. John M. Lumley, 1201 16th Street NW., Washington, D.C.
B. Division of Legislation and Federal Relations of the National Education Association of the United States, 1201 16th Street NW., Washington, D.C.

A. Milton F. Lunch, 2029 K Street NW., Washington, D.C.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C.
D. (6) $750.

A. John C. Lynn, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 2300 Merchandise Mart, Chicago, Ill.
D. (6) $2,108.33. E. (9) $29.69.

A. A. E. Lyon, 401 Third Street NW., Washington, D.C.
B. Railway Labor Executives' Association.
D. (6) $1,050.

A. LeRoy E. Lyons, Jr., 530 West Sixth Street, Los Angeles, Calif.
B. California Railroad Association, 215 Market Street, San Francisco, Calif.
D. (6) $2,785.66. E. (9) $1,469.35.

A. J. A. McCallam, 1507 M Street NW., Washington, D. C.
B. American Veterinary Medical Association, 600 South Michigan Avenue, Chicago, Ill.
E. (9) $650.37.

A. William C. McCamant, 1145 19th Street NW., Washington, D.C.
B. American Retail Federation, 1145 19th Street NW., Washington, D.C.
D. (6) $700. E. (9) $20.

A. John A. McCart, 900 F Street NW., Washington, D.C.
B. American Federation of Government Employees, 900 F Street NW., Washington, D.C.
D. (6) $2,005.60. E. (9) $58.40.

A. J. L. McCaskill, 1201 16th Street NW., Washington, D.C.
B. Division of Legislation and Federal Relations of the National Education Association of the United States, 1201 16th Street NW., Washington, D.C.
D. (6) $290. E. (9) $406.60.

A. Robert E. McCormick, 801 Sheraton Building, Washington, D.C.
B. National Retail Merchants Association, 100 West 31st Street, New York, N.Y.

A. Angus McDonald.
B. Farmers' Educational and Co-Operative Union of America, 1404 New York Avenue NW., Washington, D.C.
D. (6) $1,739.52. E. (9) $186.78.

A. Joseph T. McDonnell, 425 13th Street NW., Washington, D.C.
B. National Association of Electric Companies, 1200 18th Street NW., Washington, D.C.

A. E. D. McElvain, 1625 I Street NW., Washington, D.C.
B. Phillips Petroleum Co., Bartlesville, Okla.
D. (6) $500. E. (9) $320.

A. Joseph A. McElwain, 500 Main Street, Deer Lodge, Mont.
B. The Montana Power Co., Butte, Mont.
D. (6) $781.26 E. (9) $1,262.17.

A. A. J. McFarland, 126 North Eighth, Sterling, Kans.
B. Christian Amendment Movement, 804 Penn Avenue, Pittsburgh, Pa.
D. (6) $999.99. E. (9) $250.

A. Edward F. McGinnis, 375 Park Avenue, New York, N.Y.
B. Joseph E. Seagram & Sons, Inc.

A. Thomas Edward McGrath, 4012 14th Street NW., Washington, D.C.
B. Taxpayers, U.S.A., 4012 14th Street NW., Washington, D.C.
D. (6) $225. E. (9) $225.

A. William F. McKenna, 535 Lincoln Building, New York, N.Y.
B. National Association of Mutual Savings Banks, 60 East 42d Street, New York, N.Y.
D. (6) $111.10. E. (9) $131.11.

A. William H. McLin, 1201 16th Street NW., Washington, D.C.
B. Division of Legislation and Federal Relations of the National Education Association of the United States, 1201 16th Street NW., Washington, D.C.
D. (6) $1,885.20. E. (9) $136.45.

A. W. H. McMains, 1132 Pennsylvania Building, Washington, D.C.
B. Distilled Spirits Institute, 1132 Pennsylvania Building, Washington, D.C.

A. Clarence M. McMillan, 1424 K Street NW., Washington, D.C.
B. National Candy Wholesalers Association, Inc., 1424 K Street NW., Washington, D.C.

A. Ralph J. McNair, 1701 K Street NW., Washington, D.C.
B. Life Insurance Association of America, 488 Madison Avenue, New York, N.Y.
D. (6) $1,223.25. E. (9) $33.95.

A. Charles R. McNeill, 730 15th Street NW., Washington, D.C.
B. American Bankers Association, 12 East 36th Street, New York, N.Y.
D. (6) $425. E. (9) $23.70.

A. William P. MacCracken, Jr., 1000 Connecticut Avenue NW., Washington, D.C.
B. American Optometric Association, Inc., % Dr. H. Ward Ewalt, Jr., 8001 Jenkins Arcade, Pittsburgh, Pa.
D. (6) $2,460. E. (9) $10.45.

A. William P. MacCracken, Jr., 1000 Connecticut Avenue NW., Washington, D.C.
B. Frankel Bros., 521 Fifth Avenue, New York, N.Y.
E. (9) $0.75.

A. John G. Macfarlan, 1503 H Street NW., Washington, D.C.
B. Railway Express Agency, Inc., 1503 H Street NW., Washington, D.C.
D. (6) $2,750.01. E. (9) $1,043.51.

A. James E. Mack, 1028 Connecticut Avenue NW., Washington, D.C.
B. National Confectioners' Association, 1028 Connecticut Avenue NW., Washington, D.C.

A. Maclay, Morgan & Williams, 76 Beaver Street, New York, N.Y.
B. Association of American Ship Owners, 76 Beaver Street, New York, N.Y.

A. James B. Madaris, 401 Third Street NW., Washington, D.C.
B. Brotherhood Railway Carmen of America, 4929 Main Street, Kansas City, Mo.
D. (6) $2,462.

A. Albert E. Maddocks, 1883 South Seventh East, Salt Lake City, Utah.
B. Liberty Under Law, Inc., P.O. Box 2013, Salt Lake City, Utah.

A. Don Mahon, Box 959, Ben Franklin Station, Washington, D.C.
E. (9) $945.08.

A. William J. Mahon, 1 Gracie Terrace, New York, N.Y.
B. Associated Railroads of New York State.

A. John H. Mahoney, 80 Broad Street, New York, N.Y.
B. Seaboard & Western Airlines, Inc., 80 Broad Street, New York, N.Y.
D. (6) $250.

A. Walter E. Maloney, 40 Wall Street, New York, N.Y.
B. American Steamship Committee on Conference Studies, 207 Barr Building, Washington, D.C.
D. (6) $6,040. E. (9) $1,359.03.

A. Carter Manasco, 4201 Chesterbrook Road, McLean, Va.
B. National Business Publications, Inc., 1913 I Street NW., Washington, D.C.
D. (6) $600.

A. Carter Manasco, 4201 Chesterbrook Road, McLean, Va.
B. National Coal Association, Southern Building, Washington, D.C.
D. (6) $3,000. E. (9) $255.37.

A. Manufacturing Chemists' Association, Inc., 1825 Connecticut Avenue NW., Washington, D.C.
D. (6) $2,625. E. (9) $2,475.

A. James Mark, Jr., 1435 K Street NW., Washington, D.C.
B. United Mine Workers of America, 900 15th Street NW., Washington, D.C.
D. (6) $3,790.

A. Rodney W. Markley, Jr., Wyatt Building, Washington, D.C.
B. Ford Motor Co., Dearborn, Mich.
D. (6) $4,200. E. (9) $1,070.

A. Edwin E. Marsh, Salt Lake City, Utah.
B. National Wool Growers Association, Salt Lake City, Utah.
D. (6) $2,666.64. E. (9) $417.97.

A. Winston W. Marsh, 1012 14th Street NW., Washington, D.C.
B. National Tire Dealers and Retreaders Association, 1012 14th Street NW., Washington, D.C.

A. Fred T. Marshall, 1112 19th Street NW., Washington, D.C.
B. The B. F. Goodrich Co., 500 South Main Street, Akron, Ohio.

A. J. Paull Marshall, 944 Transportation Building, Washington, D.C.
B. Association of American Railroads, Transportation Building, Washington, D.C.
D. (6) $273.76. E. (9) $40.31.

A. Mike M. Masaoka, A919 18th Street NW., Washington, D.C.
B. Japanese American Citizens League, 1634 Post Street, San Francisco, Calif.
D. (6) $200. E. (9) $181.

A. Walter J. Mason, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $2,926. E. (9) $528.25.

A. David Mathews, Jr., 345 Fourth Avenue, Pittsburgh, Pa.
B. The Pittsburgh Coal Exchange, 345 Fourth Avenue, Pittsburgh, Pa.
E. (9) $355.69.

A. P. H. Mathews, 944 Transportation Building, Washington, D.C.
B. Association of American Railroads, Transportation Building, Washington, D.C.
D. (6) $1,222.41. E. (9) $466.84.

A. Joe G. Matthews, 944 Transportation Building, Washington, D.C.
B. Association of American Railroads, Transportation Building, Washington, D.C.
D. (6) $50.25.

A. C. V. and R. V. Maudlin, 1111 E Street NW., Washington, D.C.
B. National Association of Waste Material Dealers, Inc., 271 Madison Avenue, New York, N.Y.
E. (9) $4.75.

A. Cyrus H. Maxwell, M.D., 1523 L Street NW., Washington, D.C.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill.
D. (6) $800. E. (9) $58.52.

A. Albert E. May, 1000 Connecticut Avenue NW., Washington, D.C.
B. Committee of American Steamship Lines, 1000 Connecticut Avenue NW., Washington, D.C.
D. (6) $356.25. E. (9) $24.49.

A. John S. Mears, 1608 K Street NW., Washington, D.C.
B. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.
D. (6) $1,980.

A. Ross A. Messer, 724 9th Street NE., Washington, D.C.
B. National Association of Post Office & General Services Maintenance Employees, Post Office Box 1611, Washington, D.C.
D. (6) $1,200. E. (9) $80.38.

A. J. T. Metcalf, 1002 L. & N. Building, Louisville, Ky.
E. (9) $393.82.

A. James G. Michaux, 1145 19th Street NW., Washington, D.C.
B. American Retail Federation, 1145 19th Street NW., Washington, D. C.
D. (6) $1,000. E. (9) $46.

A. G. R. Milburn, Grass Range, Mont.
B. American National Cattlemen's Association, 801 East 17th Avenue, Denver, Colo.

A. Clarence R. Miles, 1615 H Street NW., Washington, D.C.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C.

A. John R. Miles, 1615 H Street NW., Washington, D.C.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C.

A. Military Survivors, Inc., 509 Ridgely Avenue, Annapolis, Md.
D. (6) $2,654. E. (9) $1,044.57.

A. Milk Industry Foundation, 1145 19th Street NW., Washington, D.C.

A. Miller & Chevalier, 1001 Connecticut Avenue NW., Washington, D.C.
B. Aircraft Industries Association, Shoreham Building, Washington, D.C.
D. (6) $5,350. E. (9) $1,086.33.

A. Miller & Chevalier, 1001 Connecticut Avenue NW., Washington, D.C.
B. Blue Cross Association, Inc., 55 East 34th Street, New York, N.Y.
D. (6) $3,000. E. (9) $26.45.

A. Miller & Chevalier, 1001 Connecticut Avenue NW., Washington, D.C.
B. Blue Shield Medical Care Plans, 425 North Michigan Avenue, Chicago, Ill.
D. (6) $1,400. E. (9) $29.17.

A. Dale Miller, Mayflower Hotel 372, Washington, D.C.
B. Dallas (Tex.) Chamber of Commerce.
D. (6) $1,500.

A. Dale Miller, Mayflower Hotel 372, Washington, D.C.
B. Intracoastal Canal Association of Louisiana and Texas, 2211 South Coast Building, Houston.
D. (6) $2,250.

A. Dale Miller, Mayflower Hotel 372, Washington, D.C.
B. Texas Gulf Sulphur Co., Newgulf, Tex., and New York, N.Y.
D. (6) $2,250.

A. Edwin Reid Miller, 1004 Farnam Street, Omaha, Nebr.
B. Nebraska Railroads Legislative Committee, 1004 Farnam Street, Omaha, Nebr.
D. (6) $2,553. E. (9) $256.50.

A. Harold C. Miller, 1001 Connecticut Avenue NW., Washington, D.C.
B. American Society of Composers, Authors and Publishers, 575 Madison Avenue, New York, N.Y.
D. (6) $1,824. E. (9) $1,076.35.

A. Lloyd S. Miller, 1001 Connecticut Avenue NW., Washington, D.C., and 195 Broadway, New York, N.Y.
B. American Telephone & Telegraph Co., 195 Broadway, New York, N.Y.
D. (6) $2,500.

A. Slator M. Miller, 723 Investment Building, Washington, D.C.
B. Hawaiian Sugar Planters' Association, Honolulu, T.H.

A. Claude Minard, 215 Market Street, San Francisco, Calif.
B. California Railroad Association, 215 Market Street, San Francisco, Calif.

A. Seymour S. Mintz; William T. Plumb, Jr.; Robert K. Eifler, and Richard A. Mullens, 810 Colorado Building, Washington, D.C.
B. Hughes Tool Co., Houston, Tex.

A. Seymour S. Mintz, 810 Colorado Building, Washington, D.C.
B. Tennessee Products & Chemical Corp., Nashville, Tenn.

A. Clarence Mitchell, 100 Massachusetts Avenue NW., Washington, D.C.
B. National Association for the Advancement of Colored People, 20 West 40th Street, New York, N.Y.
D. (6) $1,875.

A. Harry L. Moffett, 1102 Ring Building, Washington, D.C.
B. American Mining Congress, Ring Building, Washington, D.C.
D. (6) $750. E. (9) $20.60.

A. Albert H. Monacelli, 161 East 42d Street, New York, N.Y.
B. National Committee for Municipal Bonds, Inc., 161 East 42d Street, New York, N.Y.

A. Donald Montgomery, 777 14th Street NW., Washington, D.C.
B. American Hotel Association, 221 West 57th Street, New York, N.Y.
D. (6) $400. E. (9) $78.75.

A. Walter H. Moorman, 4650 East-West Highway, Bethesda, Md.
B. Maryland Railroad Association, 300 St. Paul Place, Baltimore, Md.
D. (6) $2,500.

A. Silas A. Morehouse, Post Office Box 4085, Alexandria, Va.
B. F. W. Clarke, 112 North St. Asaph Street, Alexandria, Va.

A. Morison, Murphy, Clapp & Abrams, Pennsylvania Building, Washington D.C.
B. American Reciprocal Insurance Association, Kansas City, Mo.

A. Morison, Murphy, Clapp & Abrams, Pennsylvania Building, Washington, D.C.
B. Area Employment Expansion Committee, 1144 Pennsylvania Building, Washington, D.C.

A. Morison, Murphy, Clapp & Abrams, Pennsylvania Building, Washington, D.C.
B. Chambers of Commerce of St. Thomas and St. Croix, V.I.
D. (6) $652.85. E. (9) $348.

A. Morison, Murphy, Clapp & Abrams, Pennsylvania Building, Washington, D.C.
B. Ford Motor Co., The American Road, Dearborn, Mich.

A. Morison, Murphy, Clapp & Abrams, Pennsylvania Building, Washington, D.C.
B. The Sperry and Hutchinson Co., 114 Fifth Avenue, New York, N.Y.
D. (6) $500.

A. Giles Morrow, 1012 14th Street NW., Washington, D.C.
B. Freight Forwarders Institute, 1012 14th Street NW., Washington, D.C.
D. (6) $5,625. E. (9) $212.30.

A. H. S. Mosebrook, 220 East 42d Street, New York, N.Y.
B. American Pulpwood Association, 220 East 42d Street, New York, N.Y.

A. Harold G. Mosier, 610 Shoreham Building, Washington, D.C.
B. Aircraft Industries Association of America, Inc., 610 Shoreham Building, Washington, D.C.
D. (6) $4,056. E. (9) $417.45.

A. William J. Mougey, % General Motors Corp., Washington, D.C.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich.

A. Bernard R. Nullady, 1200 15th Street NW., Washington, D.C.
B. International Brotherhood of Electrical Workers.
D. (6) $2,600.

A. T. H. Mullen, 711 14th Street NW., Washington, D.C.
B. American Paper and Pulp Association, 122 East 42d Street, New York, N.Y.

A. Vincent S. Mullaney, 777 14th Street NW., Washington, D.C.
B. General Electric Co., 570 Lexington Avenue, New York, N.Y.
D. (6) $875. E. (9) $748.

A. T. H. Mullen, 711 14th Street NW, Washington, D.C.
B. American Pulpwood Association, 220 East 42d Street, New York, N.Y.

A. Walter J. Munro, Hotel Washington, Washington, D.C.
B. Brotherhood of Railroad Trainmen.

A. Dr. Emmett J. Murphy, 5737 13th Street NW, Washington, D.C.
B. National Chiropractic Insurance Co., National Building, Webster City, Iowa.
D. (6) $300. E. (9) $300.

A. J. Walter Myers, Jr., Post Office Box 7284, Station C, Atlanta, Ga.
B. Forest Farmers Association, Corp., Post Office Box 7284, Station C, Atlanta, Ga.
D. (6) $111.08. E. (9) $261.70.

A. Paul A. Nagle, 1300 Connecticut Avenue NW., Washington, D.C.
B. National Postal Transport Association, 1300 Connecticut Avenue NW, Washington, D.C.
D. (6) $3,000.

A. National Agricultural Limestone Institute, Inc., 1015 12th Street NW., Washington, D.C.
D. (6) $2,125. E. (9) $2,125.

A. National Association for the Advancement of Colored People, 20 West 40th Street, New York, N.Y.

A. National Association of Direct Selling Cos., 163–165 Center Street, Winona, Minn.
D. (6) $13,750. E. (9) $12.50.

A. National Association of Electric Companies, 1200 18th Street NW., Washington, D.C.
D. (6) $59,563.65. E. (9) $12,216.17.

A. National Association of Frozen Food Packers, 1415 K Street NW., Washington, D.C.

A. National Association of Insurance Agents, Inc., 96 Fulton Street, New York, N.Y.
D. (6) $3,500. E. (9) $7,269.04.

A. National Association of Margarine Manufacturers.

A. National Association of Motor Bus Operators, 839 17th Street NW., Washington, D.C.
E. (9) $1,234.24.

A. National Association of Mutual Savings Banks, 60 East 42d Street, New York, N.Y.
D. (6) $979.37. E. (9) $979.37.

A. National Association of Plumbing Contractors, 1016 20th Street NW., Washington, D.C.
E. (9) $478.50.

A. National Association of Post Office and General Services Maintenance Employees, Post Office Box 1611, Washington, D.C.
D. (6) $13,550.74. E. (9) $1,738.95.

A. National Association of Postal Supervisors, Post Office Box 2013, Washington, D.C.
D. (6) $15,450. E. (9) $6,332.03.

A. National Association of Retired Civil Employees, 1625 Connecticut Avenue NW., Washington, D.C.
E. (9) $850.

A. National Association of Soil Conservation Districts, League City, Tex.
D. (6) $3,053.58. E. (9) $232.05.

A. National Association of Wheat Growers, Wasco, Oregon.
D. (6) $1,023.67. E. (9) $1,023.67.

A. National Automobile Dealers Association, 2000 K Street NW., Washington, D.C.
E. (9) $9,383.85.

A. National Bureau for Lathing & Plastering, 1401 K Street NW., Washington, D.C.

A. National Canners Association, 1133 20th Street NW., Washington, D.C.
D. (6) $204,389.23. E. (9) $2,802.79.

A. National Coal Association, 802 Southern Building, Washington, D.C.

A. National Cotton Compress & Cotton Warehouse Association, 1085 Shrine Building, Memphis, Tenn.

A. National Committee for Effective Design Legislation, 122 East 42d Street, New York, N.Y.
D. (6) $1,550. E. (9) $3,192.19.

A. National Committee for Muncipal Bonds, Inc., 161 East 42d Street, New York, N.Y.
D. (6) $1,996. E. (9) $1,684.74.

A. National Committee on Parcel Post Size and Weight Limitations, 1625 I Street NW., Washington, D.C.

A. National Committee for Research in Neurological Disorders, University Hospital, Minneapolis, Minn.
E. (9) $1,000.

A. National Conference for Repeal of Taxes on Transportation, 1000 Connecticut Avenue NW., Washington, D.C.

A. National Congress of Parents and Teachers, 700 North Rush Street, Chicago, Ill.

A. National Cotton Compress and Cotton Warehouse Association, 1085 Shrine Building, Box 23, Memphis, Tenn.

A. National Cotton Council of America, Post Office Box 9905, Memphis, Tenn.
D. (6) $5,240.03. E. (9) $5,240.03.

A. National Council on Business Mail, Inc., 1028 Connecticut Avenue NW., Washington, D.C.
D. (6) $183.25. E. (9) $600.75.

A. National Council, Junior Order United American Mechanics, 3027 North Broad Street, Philadelphia, Pa.
E. (9) $168.

A. National Council of Naval Air Stations, 3929 Castro Valley Boulevard, Castro Valley, Calif.
D. (6) $1,834.23. E. (9) $2,134.82.

A. National Counsel Associates, 229 Shoreham Building, Washington, D.C.
B. Association of First Class Mailers, 210 East Ohio Street, Chicago, Ill.
D. (6) $1,511.13. E. (9) $1,673.62.

A. National Counsel Associates, 229 Shoreham Building, Washington, D.C.
B. Independent Airlines Association, 1328 I Street NW., Washington, D.C.
D. (6) $2,956.25. E. (9) $1,970.

A. National Crushed Limestone Institute, Inc., 1015 12th Street NW., Washington, D.C.
D. (6) $585. E. (9) $585.

A. National Economic Council, Inc., 7501 Empire State Building, New York, N.Y.
D. (6) $710.69. E. (9) $692.17.

A. National Electrical Contractors Association, Inc., 1200 18th Street NW., Washington, D.C.

A. National Electrical Manufacturers Association, 155 East 44th Street, New York, N.Y.
D. (6) $9,732.81. E. (9) $9,732.81.

A. National Federation of Federal Employees, 1729 G Street NW., Washington, D.C.
D. (6) $111,854.01. E. (9) $12,077.32.

A. National Federation of Post Office Clerks, 817 14th Street NW., Washington, D.C.
D. (6) $183,168.31. E. (9) $15,802.94.

A. The National Grange, 744 Jackson Place NW., Washington, D.C.
E. (9) $10,476.

A. National Housing Conference, Inc., 1025 Connecticut Avenue NW., Washington, D.C.
D. (6) $22,450.59. E. (9) $18,912.60.

A. National Independent Dairies Association, 1627 K Street NW., Washington, D.C.
D. (6) $32. E. (9) $32.

A. National Independent Meat Packers Association, 740 11th Street NW., Washington, D.C.
D. (6) $1,794.26. E. (9) $1,598.48.

A. National League of Insured Savings Associations, 907 Ring Building, Washington, D.C.
D. (6) $287,437.77. E. (9) $1,570.25.

A. National Live Stock Tax Committee, 801 East 17th Avenue, Denver, Colo.
D. (6) $2,573.70.

A. National Lumber Manufacturers Association, 1319 18th Street NW., Washington, D.C.
D. (6) $689.93. E. (9) $752.98.

A. National Milk Producers Federation, 1731 I Street NW., Washington, D.C.
D. (6) $5,168.65. E. (9) $5,168.65.

A. National Multiple Sclerosis Society, 257 Fourth Avenue, New York, N.Y.
E. (9) $779.97.

A. National Parking Association, Inc., 711 14th Street NW., Washington, D.C.

A. National Postal Committee for Books, 24 West 40th Street, New York, N.Y.
D. (6) $9,375.

A. National Postal Transport Association, 1300 Connecticut Avenue NW., Washington, D.C.
D. (6) $7,020.05. E. (9) $7,020.05.

A. National Reclamation Association, 897 National Press Building, Washington, D.C.
D. (6) $8,641. E. (9) $12,104.34.

A. National Rehabilitation Association, Inc., 1025 Vermont Avenue NW., Washington, D.C.
D. (6) $5,939.70. E. (9) $1,126.80.

A. National Retail Furniture Association, 666 Lake Shore Drive, Chicago, Ill.

A. National Retail Merchants Association, 100 West 31st Street, New York, N.Y.
D. (6) $4,125. E. (9) $5,240.71.

A. National River & Harbors Congress, 1028 Connecticut Avenue, Washington, D.C.
D. (6) $26,455. E. (9) $13,726.43.

A. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C.
E. (9) $421.71.

A. National Shoe Manufacturers Association, 342 Madison Avenue, New York, N.Y.
D. (6) $819.28. E. (9) $819.28.

A. National Small Business Men's Association, 801 19th Street NW., Washington, D.C.
D. (6) $5,000. E. (9) $4,596.48.

A. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C.
D. (6) $251,551.60. E. (9) $4,896.50.

A. National Tire Dealers & Retreaders Association, 1012 14th Street NW., Washington, D.C.
D. (6) $30. E. (9) $30.

A. National Woman's Christian Temperance Union, 1730 Chicago Avenue, Evanston, Ill.
D. (6) $2,800.35. E. (9) $2,420.59.

A. National Wool Growers Association, 414 Crandall Building, Salt Lake City, Utah.
D. (6) $13,008. E. (9) $3,084.61.

A. Nation-Wide Committee of Industry, Agriculture & Labor on Import-Export Policy, 815 15th Street NW., Washington, D.C.
D. (6) $11,700. E. (9) $16,327.14.

A. Robert R. Neal, 1701 K Street NW., Washington, D.C.
B. Health Insurance Association of America, 1701 K Street NW., Washington, D.C.

A. William S. Neal, 918 16th Street NW., Washington, D.C.
B. National Association of Manufacturers, 918 16th Street NW., Washington, D.C.

A. Samuel E. Neel, 1001 15th Street NW., Washington, D.C.
B. Mortgage Bankers Association of America, 111 West Washington Street, Chicago, Ill.
D. (6) $4,500. E. (9) $4,368.73.

A. Joseph L. Nellis, 908 Colorado Building, Washington, D.C.
B. National Association of Consumer Organizations, Inc., 9424 Dayton Way, Beverly Hills, Calif.
D. (6) $600. E. (9) $142.99.

A. A. Z. Nelson, 1319 18th Street NW., Washington, D.C.
B. National Lumber Manufacturers Association, 1319 18th Street NW., Washington, D.C.
E. (9) $6.10.

A. George R. Nelson, Machinists Building, Washington, D.C.
B. International Association of Machinists, Machinists Building, Washington, D.C.
D. (6) $1,500. E. (9) $323.

A. Paul Nelson, 2000 Florida Avenue NW., Washington, D.C.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C.
D. (6) $20.

A. New York and New Jersey Dry Dock Association, 161 William Street, New York, N.Y.
D. (6) $4,250. E. (9) $4,434.41.

A. New York Stock Exchange, 11 Wall Street, New York, N.Y.
E. (9) $3,000.

A. Herschel D. Newsom, 744 Jackson Place NW., Washington, D.C.
B. The National Grange, 744 Jackson Place, NW., Washington, D.C.
D. (6) $3,750.

A. Henry G. Nolda, 1729 G Street NW., Washington, D.C.
B. National Federation of Federal Employees, 1729 G Street NW., Washington, D.C.
D. (6) $2,692.34.

A. Joseph A. Noone, 603 Associations Building, Washington, D.C.
B. National Agricultural Chemicals Association, 1145 19th Street NW., Washington, D.C.
D. (6) $50. E. (9) $3.

A. O. L. Norman, 1200 18th Street NW., Washington, D.C.
B. National Association of Electric Cos., 1200 18th Street NW., Washington, D.C.
D. (6) $577.50. E. (9) $61.09.

A. Robert H. North, 1105 Barr Building, Washington, D.C.
B. International Association of Ice Cream Manufacturers, 1105 Barr Building, Washington, D.C.
E. (9) $253.65.

A. E. M. Norton, 1731 I Street NW., Washington, D.C.
B. National Milk Producers Federation, 1731 I Street NW., Washington, D.C.
D. (6) $300. E. (9) $133.

A. Harry E. Northam, 185 North Wabash Avenue, Chicago, Ill.
B. Association of American Physicians and Surgeons, Inc., 185 North Wabash Avenue, Chicago, Ill.

A. Northern Hemlock and Hardwood Manufacturers Association, 207 Northern Building, Green Bay, Wis.
D. (6) $100.

A. Brice O'Brien, 1102 Ring Building, Washington, D.C.
B. American Mining Congress, Ring Building, Washington, D.C.
D. (6) $600.

A. George J. O'Brien, 225 Bush Street, San Francisco, Calif.
B. Standard Oil Co. of California, 225 Bush Street, San Francisco, Calif.

A. E. H. O'Connor, 176 West Adams Street, Chicago, Ill.
B. Insurance Economics Society of America, 176 West Adams Street, Chicago, Ill.
D. (6) $27,770.17.

A. R. E. O'Connor, 122 East 42d Street, New York, N.Y.
B. American Paper and Pulp Association, 122 East 42d Street, New York, N.Y.

A. Herbert R. O'Conor, 919 18th Street NW., Washington, D.C.
B. American Merchant Marine Institute, Inc., 919 18th Street NW., Washington, D.C., and 11 Broadway, New York, N.Y.

A. John A. O'Donnell, 1424 16th Street NW., Washington, D.C.
B. American Trucking Associations, Inc., 1424 16th Street NW., Washington, D.C.
D. (6) $1,500. E. (9) $600.

A. John A. O'Donnell, 1025 Connecticut Avenue NW., Washington, D.C.
B. Philippine Sugar Association, 1025 Connecticut Avenue NW., Washington, D.C.
D. (6) $1,500. E. (9) $1,500.

A. Hurley F. Offenbacher, 815 16th Street NW., Washington, D.C.
B. International Association of Fire Fighters, AFL–CIO.
D. (6) $1,160.52. E. (9) $39.

A. The Ohio Railroad Association, 16 East Broad Street, Columbus, Ohio.
E. (9) $539.64.

A. Alvin E. Oliver, 400 Folger Building, Washington, D.C.
B. Grain & Feed Dealers National Association, 400 Folger Building, Washington, D.C.
D. (6) $21.66. E. (9) $1.

A. E. L. Oliver, 1001 Connecticut Avenue NW., Washington, D.C.
B. Labor Bureau of Middle West, 1001 Connecticut Avenue NW., Washington, D.C.

A. Richard M. Oliver, 610 Shoreham Building, Washington, D.C.
B. Aircraft Industries Association of America, Inc., 610 Shoreham Building, Washington, D.C.

A. Clarence H. Olson, 1608 K Street NW., Washington, D.C.
B. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.
D. (6) $2,490.

A. Samuel Omasta, 1015 12th Street NW., Washington, D.C.
B. National Agricultural Limestone Inst., Inc., 1015 12th Street NW., Washington, D.C.
E. (9) $10.

A. Charles T. O'Neill, Jr., 730 15th Street NW., Washington, D.C.
B. American Bankers Association, 12 East 36th Street, New York, N.Y.
D. (6) $375. E. (9) $106.60.

A. Organization of Professional Employees of the U.S. Department of Agriculture, Post Office Box 381, Washington, D.C.
D. (6) $1,347.08. E. (9) $1,040.93.

A. Clayton L. Orn, 539 South Main Street, Findlay, Ohio.
B. The Ohio Oil Co., Findlay, Ohio.

A. Morris E. Osburn, Central Trust Building, Jefferson City, Mo.
B. Missouri Railroad Committee.

A. Kermit Overby, 2000 Florida Avenue NW., Washington, D.C.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C.
D. (6) $164.

A. John A. Overholt, 10315 Kensington Parkway, Kensington, Md.
B. National Association of Retired Civil Employees, 1625 Connecticut Avenue NW., Washington, D.C.
D. (6) $454.54.

A. Vaux Owen, 1729 G Street NW., Washington, D.C.
B. National Federation of Federal Employees, 1729 G Street NW., Washington, D.C.
D. (6) $3,365.39. E. (9) $11.90.

A. Pacific American Tankship Association, 25 California Street, San Francisco, Calif.
D. (6) $200. E. (9) $1,625.01.

A. Edwin F. Padberg, 1223 Pennsylvania Building, Washington, D.C.
B. The Pennsylvania Railroad Co., 6 Penn Center Plaza, Philadelphia, Pa.

A. Everett L. Palmer, 901 Hamilton Street, Allentown, Pa.
B. Pennsylvania Power & Light Co., 901 Hamilton Street, Allentown, Pa.
E. (9) $194.42.

A. Lew M. Paramore, Town House Hotel, Kansas City, Kans.
B. Mississippi Valley Association, 1978 Railway Exchange Building, St. Louis, Mo.
D. (6) $3,625.

A. J. D. Parel, 944 Transportation Building, Washington, D.C.
B. Association of American Railroads, Transportation Building, Washington, D.C.

A. Joseph O. Parker, 531 Washington Building, Washington, D.C.
B. Institute of American Poultry Industries, 59 East Madison Street, Chicago, Ill.
D. (6) $212.50. E. (9) $4.45.

A. Mrs. Karla V. Parker, 1729 Union Boulevard SE., Grand Rapids, Mich.

A. A. Lee Parsons, 1145 19th Street NW., Washington, D.C.
B. American Cotton Manufacturers Institute, 1501 Johnston Building, Charlotte, N.C.
D. (6) $50. E. (9) $25.39.

A. Edwin B. Patterson, 1523 L Street NW., Washington, D.C.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill.
D. (6) $958.98. E. (9) $28.03.

A. James G. Patton.
B. The Farmers' Educational and Cooperative Union of America, 1575 Sherman Street, Denver, Colo., and 1404 New York Avenue NW., Washington, D.C.
D. (6) $1,250. E. (9) $1,170.17.

A. Paul, Weiss, Rifkind, Wharton & Garrison, 575 Madison Avenue, New York, N.Y.
B. American Heritage Publishing Co., Inc., 551 Fifth Avenue, New York, N.Y.
D. (6) $20,000.

A. Paul, Weiss, Rifkind, Wharton & Garrison, 575 Madison Avenue, New York, N.Y.
B. Saturday Review, Inc., 25 West 45th Street, New York, N.Y.
D. (6) $6,500.

A. Edmund W. Pavenstedt, 14 Wall Street, New York, N.Y.

A. Albert A. Payne, 1300 Connecticut Avenue NW., Washington, D.C.
B. National Association of Real Estate Boards, 1300 Connecticut Avenue NW., Washington, D.C.
D. (6) $2,000. E. (9) $278.41.

A. Philip C. Pendleton, Second Street Pike, Bryn Athyn, Pa.
B. Charitable Contributors Association, 100 Old York Road, Jenkintown, Pa.
E. (9) $64.55.

A. Philip C. Pendleton, Second Street Pike, Bryn Athyn, Pa.
B. Family Tax Association, 2110 Girard Trust Building, Philadelphia, Pa.
D. (6) $5,200. E. (9) $624.65.

A. The Peoples Water Service Co., 1607 Mercantile Trust Building, Baltimore, Md.

A. Mrs. Esther Peterson, 815 16th Street NW., Washington, D.C.
B. Industrial Union Department, AFL–CIO., 815 16th Street NW., Washington, D.C.
D. (6) $2,784.22. E. (9) $965.63.

A. Hugh Peterson.
B. Georgia Power Co., 75 Marietta Street, Atlanta, Ga.
D. (6) $3,750.

A. Hugh Peterson.
B. U.S. Cane Sugar Refiners Association, 1001 Connecticut Avenue NW., Washington, D.C.
D. (6) $3,000.

A. J. Hardin Peterson, Post Office Box 111, Lakeland, Fla.
B. Florida Citrus Mutual, Lakeland, Fla.
D. (6) $1,800. E. (9) $316.95.

A. J. Hardin Peterson, Box 111, Lakeland, Fla.
B. West Coast Inland Navigation District, Court House, Bradenton, Fla.
D. (6) $600. E. (9) $21.

A. J. Hardin Peterson, Post Office Box 111, Lakeland, Fla.
B. C. C. Woodard, 7630 Biscayne Boulevard, Miami, Fla.
D. (6) $1,250. E. (9) $10.

A. Philco Corp., Tioga and C Streets, Philadelphia, Pa.

A. J. E. Phillips, 225 Bush Street, San Francisco, Calif.
B. Standard Oil Co. of California, 225 Bush Street, San Francisco, Calif.

A. Albert T. Pierson, 54 Meadow Street, New Haven, Conn.
B. The New York, New Haven & Hartford Railroad Co., 54 Meadow Street, New Haven, Conn.
D. (6) $73.12. E. (9) $89.50.

A. Albert Pike, Jr., 488 Madison Avenue, New York, N.Y.
B. Life Insurance Association of America, 488 Madison Avenue, New York, N.Y.
D. (6) $70.

A. James F. Pinkney, 1424 16th Street NW., Washintgon, D.C.
B. American Trucking Associations, Inc., 1424 16th Street NW., Washington, D.C.
D. (6) $1,000. E. (9) $40.91.

A. T. E. Pinkston, 101 East High Street, Lexington, Ky.
E. (9) $278.36.

A. Ralph D. Pittman, 500 Wire Building, Washington, D.C.
B. George B. Soto, 1801 Calvert Street NW., Washington, D.C.

A. Plains Cotton Growers, Inc., 1720 Avenue M, Lubbock, Tex.
D. (6) $106,478.69. E. (9) $525.

A. J. Francis Pohlhaus, 100 Massachusetts Avenue NW., Washington, D.C.
B. National Association for the Advancement of Colored People, 20 West 40th Street, New York, N.Y.
D. (6) $827.94.

A. James K. Polk, 40 Wall Street, New York, N.Y.
B. Consolidated Edison Co. of New York, Inc., 4 Irving Place, New York, N.Y.

A. James K. Polk, 40 Wall Street, New York, N.Y.
B. The Western Pacific Railroad Co., 526 Mission Street, San Francisco, Calif.

A. Frank M. Porter, 50 West 50th Street, New York, N.Y.
B. American Petroleum Institute, 50 West 50th Street, New York, N.Y.

A. Nelson J. Post, 1731 I Street NW., Washington, D.C.
B. National Milk Producers Federation, 1731 I Street NW., Washington, D.C.
D. (6) $200. E. (9) $216.25.

A. William I. Powell, 1110 Ring Building, Washington, D.C.
B. Independent Petroleum Association of America, 1110 Ring Building, Washington, D.C.
E. (9) $9.10.

A. Walter I. Pozen, 1519 26th Street NW., Washington, D.C.
B. Washington Home Rule Committee, Inc., 924 14th Street NW., Washington, D.C.
D. (6) $2,499.99.

A. William H. Press, 1616 K Street NW., Washington, D.C.
B. Washington Board of Trade, 1616 K Street NW., Washington, D.C.
D. (6) $4,800.

A. Ganson Purcell, 910 17th Street NW., Washington, D.C.
B. Insular Lumber Co., 1406 Locust Street, Philadelphia, Pa.
E. (9) $2.26.

A. Purcell & Nelson, 910 17th Street NW., Washington, D.C.
B. Detroit Bakery Employers' Council, 2901 Grand River Avenue, Detroit, Mich.

A. Purcell & Nelson, 910 17th Street NW., Washington, D.C.
B. Government Development Bank for Puerto Rico.
E. (9) $409.58.

A. Alexander Purdon, 1000 Connecticut Avenue NW., Washington, D.C.
B. Committee of American Steamship Lines, 1000 Connecticut Avenue NW., Washington, D.C.
D. (6) $1,031.25. E. (9) $438.31.

A. C. J. Putt, 920 Jackson Street, Topeka, Kans.
B. The Atchison, Topeka & Santa Fe Railway Co., 920 Jackson Street, Topeka, Kans.
E. (9) $140.80.

A. Arthur L. Quinn, 1625 K Street NW., Washington, D.C.
B. Instituto Cubano de Establizacion del Azucar, Agramonte 465, Havana, Cuba.
D. (6) $3,000.

A. Luke C. Quinn, Jr., 1001 Connecticut Avenue NW., Washington, D.C.
B. American Cancer Society, New York City, Arthritis & Rheumatism Foundation, New York City, United Cerebral Palsy Associations, New York City, National Multiple Sclerosis Society, New York City, National Committee for Research in Neurological Disorders, Minneapolis, Minn., Association of American Medical Colleges, Evanston, Ill.
D. (6) $12,583.33. E. (9) $5,693.64.

A. Alex Radin, 1025 Connecticut Avenue NW., Washington, D.C.
B. American Public Power Association, 1025 Connecticut Avenue NW., Washington, D.C.
D. (6) $317.24.

A. Edward F. Ragland, 6917 Marbury Road, Bethesda, Md.
B. The Tobacco Institute, Inc., 910 17th Street NW., Washington, D.C.
D. (6) $31.25. E. (9) $1.50.

A. Railway Labor Executives' Association, 401 Third Street NW., Washington, D.C.

A. Alan T. Rains, 777 14th Street NW., Washington, D.C.
B. United Fresh Fruit & Vegetable Association, 777 14th Street NW., Washington, D.C.

A. Donald J. Ramsey, 1612 I Street NW., Washington, D.C.
B. Silver Users Association, 1612 I Street NW., Washington, D.C.
D. (6) $425. E. (9) $83.75.

A. Joseph H. Ream, 1735 De Sales Street NW., Washington, D.C.
B. Columbia Broadcasting System, Inc., 485 Madison Avenue, New York, N.Y.

A. Stanley Rector, Suite 506, Hotel Washington, Washington, D.C.
B. Unemployment Benefit Advisors, Inc.
D. (6) $1,000.

A. Otie M. Reed, 1107 19th Street NW., Washington, D.C.
B. National Creameries Association, 817 New York Building, St. Paul, Minn.
D. (6) $1,875. E. (9) $1,926.67.

A. J. B. Reeves, Ninth and Jackson, Topeka, Kans.

A. K. M. Regan, Post Office Box 172, Midland, Tex.
B. Angelina & Neches River Railroad Co., Keltys, Tex., et al.
D. (6) $9,444.22. E. (9) $4,424.22.

A. George L. Reid, Jr., 1424 16th Street NW., Washington, D.C.
B. American Trucking Associations, Inc., 1424 16th Street NW., Washington, D.C.
D. (6) $1,999.98. E. (9) $53.55.

A. George L. Reid, Jr., 1010 Vermont Avenue NW., Washington, D.C.
B. National Association of Wheat Growers, Wasco, Oreg.
D. (6) $900. E. (9) $123.67.

A. Herbert S. Reid, 466 Lexington Avenue, New York, N.Y.
B. New York State Association of Railroads, 466 Lexington Avenue, New York, N.Y.
D. (6) $1,312.50. E. (9) $725.39.

A. James Francis Reilly, 1625 K Street NW., Washington, D.C.
B. Potomac Electric Power Co., 929 E Street NW., Washington, D.C.
E. (9) $612.

A. Louis H. Renfrow, 1000 Connecticut Avenue, Washington, D.C.
D. (6) $6,250. E. (9) $7,067.08.

A. Reserve Officers' Association of the United States, 2517 Connecticut Avenue NW., Washington, D.C.

A. Retired Officers' Association, 1616 I Street NW., Washington, D.C.
D. (6) $96,110.60.

A. Retirement Federation of Civil Service Employees of the U.S. Government, 900 F Street NW., Washington, D.C.
D. (6) $4,625. E. (9) $8,798.52.

A. Hubert M. Rhodes, 740 11th Street NW., Washington, D.C.
B. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.
D. (6) $575. E. (9) $7.70.

A. Theron J. Rice, 1615 H Street NW., Washington, D.C.
B. Chamber of Commerce of the U.S.A., 1615 H Street NW., Washington, D.C.

A. Bill Richards, Orleans, Nebr.
B. National Association of Soil Conservation Districts, League City, Tex.

A. James P. Richards, 1536 44th Street NW., Washington, D.C.
B. The Tobacco Institute, Inc., 910 17th Street NW., Washington, D.C.
D. (6) $175. E. (9) $31.95.

A. James W. Richards, 4510 Trent Street, Chevy Chase, Md.
B. Standard Oil Co., 910 South Michigan Avenue, Chicago, Ill.
D. (6) $1,500. E. (9) $180.

A. James W. Riddell, 731 Washington Building, Washington, D.C.
B. CIT Financial Corp., 650 Madison Avenue, New York, N.Y.

A. James W. Riddell, 731 Washington Building, Washington, D.C.
B. National Consumers Life Council, Washington Building, Washington, D.C.

A. Edward McGee Rider, Munsey Building, Washington, D.C.
B. National Association of Margarine Manufacturers.

A. Siert F. Riepma, Munsey Building, Washington, D.C.
B. National Association of Margarine Manufacturers.

A. C. E. Rightor, 3300 Rolling Road, Chevy Chase, Md.
D. (6) $1,356.04. E. (9) $136.

A. George D. Riley, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor, and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $2,926. E. (9) $501.30.

A. John J. Riley, 1128 16th Street NW., Washington, D.C.
B. American Bottlers of Carbonated Beverages, 1128 16th Street NW., Washington, D.C.

A. John J. Riley, 20th and E Streets NW., Washington, D.C.
B. The Associated General Contractors of America, Inc., 20th and E Streets NW., Washington, D.C.

A. Hugo J. Ripp, 811 North 22d Street, Milwaukee, Wis.
B. Brotherhood of Railway Clerks, 1015 Vine Street, Cincinnati, Ohio.
D. (6) $1,000. E. (9) $806.19.

A. E. W. Rising, 328 Pennsylvania Avenue SE., Washington, D.C.
B. Western Sugar Beet Growers Association, Post Office Box 742, Great Falls, Mont.
D. (6) $300. E. (9) $318.71.

A. William Neale Roach, 1424 16th Street NW., Washington, D.C.
B. American Trucking Associations, Inc., 1424 16th Street NW., Washington, D.C.
D. (6) $3,000. E. (9) $290.55.

A. Paul H. Robbins, 2029 K Street NW., Washington, D.C.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C.
D. (6) $250.

A. Frank L. Roberts, 1700 K Street NW., Washington, D.C.
B. Chrysler Corporation, 341 Massachusetts Avenue, Detroit, Mich.
D. (6) $250. E. (9) $100.

A. Charles A. Robinson, Jr., 2000 Florida Avenue NW., Washington, D.C.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C.
D. (6) $82.13.

A. Edward O. Rodgers, 1000 Connecticut Avenue NW., Washington, D.C.
B. Air Transport Association of America, 1000 Connecticut Avenue NW., Washington, D.C.
D. (6) $950. E. (9) $44.30.

A. Donald L. Rogers, 730 15th Street NW., Washington, D.C.
B. Association of Registered Bank Holding Companies, 730 15th Street NW., Washington, D.C.
D. (6) $625. E. (9) $7.85.

A. Frank W. Rogers, 1701 K Street NW., Washington, D.C.
B. Western Oil & Gas Association, 609 South Grand Avenue, Los Angeles, Calif.
D. (6) $4,333.50.

A. Henry F. Rood, 1301 South Harrison Street, Fort Wayne, Ind.
B. Lincoln National Life Insurance Co., 1301 South Harrison Street, Fort Wayne, Ind.

A. George B. Roscoe, 1200 18th Street NW., Washington, D.C.
B. National Electrical Contractors Association, 1200 18th Street NW., Washington, D.C.

A. Maurice Rosenblatt, 316 A Street NE., Washington, D.C.
B. National Counsel Associates, 229 Shoreham Building, Washington, D.C.
D. (6) $1,300.

A. Royall, Koegel, Harris & Caskey, Wire Building, Washington, D.C.
B. National Tax Equality Association, 231 South La Salle Street, Chicago, Ill.
D. (6) $6,095.85. E. (9) $2,352.33.

A. Robert M. Ruddick, 738 Shoreham Building, Washington, D.C.
B. United Air Lines, 5959 South Cicero Avenue, Chicago, Ill.

A. John Forney Rudy, 902 Ring Building, Washington, D.C.
B. The Goodyear Tire & Rubber Co., Akron, Ohio.

A. Albert R. Russell, 1918 North Parkway, Memphis, Tenn.
B. National Cotton Council of America, Post Office Box 9905, Memphis, Tenn.
D. (6) $590.52. E. (9) $523.27.

A. Horace Russell, 221 North La Salle Street, Chicago, Ill.
B. United States Savings & Loan League, 221 North La Salle Street, Chicago, Ill.
D. (6) $618.75. E. (9) $115.27.

A. M. O. Ryan, 777 14th Street NW., Washington, D.C.
B. American Hotel Association, 221 West 57th Street, New York, N.Y.
D. (6) $500. E. (9) $241.70.

A. William H. Ryan, 1029 Vermont Avenue NW., Washington, D.C.
B. District Lodge No. 44, International Association of Machinists, 1029 Vermont Avenue NW., Washington, D.C.
D. (6) $2,999.88.

A. Ira Saks, 1008 Standard Building, Cleveland, Ohio.

A. Robert A. Saltzstein, 508 Wyatt Building, Washington, D.C.
B. Associated Business Publications, 205 East 42d Street, New York, N.Y.
D. (6) $3,500. E. (9) $69.47.

A. Kimball Sanborn, 4000 Massachusetts Avenue NW., Washington, D.C.
B. Boston and Maine Railroad, Boston, Mass.
D. (6) $140. E. (9) $205.

A. L. R. Sanford, 21 West Street, New York, N.Y.
B. Shipbuilders Council of America, 21 West Street, New York, N.Y.

A. Harrison Sasscer, 1201 16th Street NW., Washington, D.C.
B. Division of Legislation and Federal Relations of the National Education Association of the United States, 1201 16th Street NW., Washington, D.C.

A. O. H. Saunders, 1616 I Street NW., Washington, D.C.
B. Retired Officers Association, 1616 I Street NW., Washington, D.C.
D. (6) $1,950.

A. Henry P. Schmidt, 401 Third Street NW., Washington, D.C.
B. Brotherhood of Railway & Steamship Clerks, Freight Handlers, Express and Station Employees, 1015 Vine Street, Cincinnati, Ohio.
D. (6) $1,350.

A. Schoene and Kramer, 1625 K Street NW., Washington, D.C.
B. Railway Labor Executives' Association, 401 Third Street NW., Washington, D.C.
E. (9) $19.26.

A. Harold H. Schroeder, 1001 Connecticut Avenue NW., Washington, D.C., and 195 Broadway, New York, N.Y.
B. American Telephone & Telegraph Co., 195 Broadway, New York, N.Y.
D. (6) $1,100.

A. John L. Schroeder, 1511 K Street NW., Washington, D.C.

A. V. L. Schultz, 401 Third Street NW., Washington, D.C.
B. Brotherhood of Maintenance of Way Employees, 12050 Woodward Avenue, Detroit, Mich.
D. (6) $1,982.61.

A. J. A. Schwab, 1223 Pennsylvania Building, Washington, D.C.
B. The Pennsylvania Railroad Co., 6 Penn Center Plaza, Philadelphia, Pa.

A. Seaboard & Western Airlines, Inc., 80 Broad Street, New York, N.Y.
E. (9) $450.

A. Durward Seals, 777 14th Street NW., Washington, D.C.
B. United Fresh Fruit & Vegetable Association, 777 14th Street NW., Washington, D.C.

A. Hollis M. Seavey, 532 Shoreham Building, Washington, D.C.
B. Clear Channel Broadcasting Service (CCBS), 582 Shoreham Building, Washington, D.C.

A. Harry See, 401 Third Street NW., Washington, D.C.
B. Brotherhood of Railroad Trainmen.
E. (9) $136.30.

A. Clayton A. Seeber, 1201 16th Street NW., Washington, D.C.
B. Division of Legislation and Federal Relations of the National Education Association of the United States, 1201 16th Street NW., Washington, D.C.
D. (6) $102.81. E. (9) $1,122.85.

A. Fred G. Seig, 944 Transportation Building, Washington, D.C.
B. Association of American Railroads, Transportation Building, Washington, D.C.
D. (6) $57.16. E. (9) $17.35.

A. Leo Seybold, 1000 Connecticut Avenue NW., Washington, D.C.
B. Air Transport Association of America, 1000 Connecticut Avenue NW., Washington, D.C.
D. (6) $1,125. E. (9) $53.75.

A. Alvin Shapiro, 919 18th Street NW., Washington, D.C.
B. American Merchant Marine Institute, Inc., 919 18th Street NW., Washington, D.C., and 11 Broadway, New York, N.Y.
D. (6) $625. E. (9) $34.98.

A. A. Manning Shaw, 1625 I Street NW., Washington, D.C.
B. Brown & Lund, 1625 I Street NW., Washington, D.C.
D. (6) $893.

A. Leander I. Shelley, 608 Fifth Avenue, New York, N.Y.
B. American Association of Port Authorities, Inc., Washington, D.C. and Airport Operators Council, Inc., Washington, D.C.
D. (6) $1,250.06. E. (9) $546.66.

A. Bruce E. Shepherd, 488 Madison Avenue, New York, N.Y.
B. Life Insurance Association of America, 488 Madison Avenue, New York, N.Y.
D. (6) $150.

A. Laurence P. Sherfy, 1102 Ring Building, Washington, D.C.
B. American Mining Congress, Ring Building, Washington, D.C.
D. (6) $600. E. (9) $7.80.

A. Robert H. Shields, 920 Tower Building, Washington, D.C.
B. United States Beet Sugar Association, 920 Tower Building, Washington, D.C.
D. (6) $500.

A. Robert L. Shortle, 801 International Building, New Orleans, La.
B. Mississippi Valley Association, 1978 Railway Exchange Building, St. Louis, Mo.
D. (6) $3,250. E. (9) $263.73.

A. Charles B. Shuman, Merchandise Mart Plaza, Chicago, Ill.
B. American Farm Bureau Federation, Merchandise Mart Plaza, Chicago, Ill.
D. (6) $625.

A. Silver Users Association, 1612 I Street NW., Washington, D.C.
D. (6) $2,441.90. E. (9) $884.15.

A. Leonard L. Silverstein, 1100 Bowen Building, Washington, D.C.
B. National Association of Women's and Children's Apparel Salesmen, Inc.

A. Six Agency Committee, 909 South Broadway, Los Angeles, Calif.
E. (9) $3,011.60.

A. Stephen Slipher, 812 Pennsylvania Building, Washington, D.C.
B. United States Savings and Loan League, 221 North La Salle Street, Chicago, Ill.
D. (6) $2,187.50. E. (9) $19.80.

A. Elizabeth A. Smart, 144 Constitution Avenue NE., Washington, D.C.
B. National Woman's Christian Temperance Union, 1730 Chicago Avenue, Evanston, Ill.
D. (6) $606.12. E. (9) $115.64.

A. T. W. Smiley, 135 East 11th Place, Chicago, Ill.
B. Illinois Railroad Association, 33 South Clark Street, Chicago, Ill.
E. (9) $254.85.

A. Dudley Smith, 732 Shoreham Building, Washington, D.C.
B. Association of Sugar Producers of Puerto Rico, 732 Shoreham Building, Washington, D.C.

A. Harold Arden Smith, 605 West Olympic Boulevard, Los Angeles, Calif.
B. Standard Oil Co. of California, 225 Bush Street, San Francisco, Calif.
D. (6) $275. E. (9) $85.

A. James R. Smith, 719 Omaha National Bank Building, Omaha, Nebr.
B. Mississippi Valley Association, 1978 Railway Exchange Building, St. Louis, Mo.
D. (6) $3,850.

A. Lloyd W. Smith, 416 Shoreham Building, Washington, D.C.
B. Chicago, Burlington & Quincy Railroad Co., 547 West Jackson Boulevard, Chicago, Ill., and Great Northern Railway Co., 175 East Fourth Street, St. Paul, Minn.
D. (6) $4,257.

A. Wallace M. Smith, Pennsylvania Building, Washington, D.C.
B. American Mutual Insurance Alliance, 20 North Wacker Drive, Chicago, Ill.

A. Wayne H. Smithey, 1200 Wyatt Building, Washington, D.C.
B. Ford Motor Co., Dearborn, Mich.
D. (6) $1,750. E. (9) $1,070.

A. Lyle O. Snader, 944 Transportation Building, Washington, D.C.
B. Association of American Railroads, Transportation Building, Washington, D.C.
D. (6) $183.33.

A. Edward F. Snyder, 104 C Street NE., Washington, D.C.
B. Friends Committee on National Legislation, 104 C Street NE., Washington, D.C.
D. (6) $1,362.98. E. (9) $0.80.

A. J. D. Snyder, La Salle Hotel, Chicago, Ill.
B. Illinois Railroad Association, 33 South Clark Street, Chicago, Ill.
D. (6) $825.

A. J. R. Snyder, 401 Third Street NW., Washington, D.C.
B. Brotherhood of Railroad Trainmen.

A. Society for Animal Protective Legislation, 745 Fifth Avenue, New York, N.Y.
D. (6) $2. E. (9) $71.26.

A. Marvin J. Sonosky, 1028 Connecticut Avenue NW., Washington, D.C.

A. J. Taylor Soop, 401 Third Street NW., Washington, D.C.
B. International Brotherhood of Electrical Workers, 330 South Wells Street, Chicago, Ill.
D. (6) $2,074.65.

A. Southern States Industrial Council, 1103 Stahlman Building, Nashville, Tenn.
D. (6) $48,111.50. E. (9) $24,437.26.

A. William W. Spear, 214 National Bank Building, Fremont, Nebr.
B. Standard Oil Co., 910 South Michigan Avenue, Chicago, Ill.
D. (6) $900. E. (9) $460.05.

A. Lyndon Spencer, 305 Rockefeller Building, Cleveland, Ohio.
B. Lake Carriers' Association, 305 Rockefeller Building, Cleveland, Ohio.

A. Thomas G. Stack, 1104 West 104th Place, Chicago, Ill.
B. National Railroad Pension Forum, Inc., 1104 West 104th Place, Chicago, Ill.
D. (6) $1,800. E. (9) $4,431.41.

A. Howard M. Sterling, 837 Washington Building, Washington, D.C.
B. Association of Casualty and Surety Cos., 60 John Street, New York, N.Y.
D. (6) $150.

A. Raymond E. Steele, National Press Building, Washington, D.C.

A. Mrs. C. A. L. Stephens, Post Office Box 6234, Northwest station, Washington, D.C.

A. Russell M. Stephens, 900 F Street NW., Washington, D.C.
B. American Federation of Technical Engineers, 900 F Street NW., Washington, D.C.
D. (6) $240. E. (9) $20.

A. Herman Sternstein, 1001 Connecticut Avenue NW., Washington, D.C.
B. O. David Zimring, 1001 Connecticut Avenue NW., Washington, D.C.

A. B. H. Steuerwald, 401 Third Street NW., Washington, D.C.
B. Brotherhood of Railroad Signalmen, 503 Wellington Avenue, Chicago, Ill.
D. (6) $750.

A. Stevenson, Paul, Rifkind, Wharton & Garrison, 1614 I Street NW., Washington, D.C.
B. N. R. Caine & Co., 40 Exchange Place, New York, N.Y.

A. Stevenson, Paul, Rifkind, Wharton & Garrison, 1614 I Street NW., Washington, D.C.
B. Howard F. Knipp, 3401 South Hanover Street, Baltimore, Md.
E. (9) $2.55.

A. Stevenson, Paul, Rifkind, Wharton & Garrison, 1614 I Street NW., Washington, D.C.
B. National Committee for Insurance Taxation, Hay-Adams House, Washington, D.C.
D. (6) $400. E. (9) $74.99.

A. Charles T. Stewart, 1300 Connecticut Avenue NW., Washington, D.C.
B. National Association of Real Estate Boards, 36 South Wabash Avenue, Chicago, Ill.
D. (6) $1,583.33.

A. Erskine Stewart, 1028 Connecticut Avenue NW., Washington, D.C.
B. National Council on Business Mail, Inc., 1028 Connecticut Avenue NW., Washington, D.C.

A. Edwin L. Stoll, 1300 Connecticut Avenue NW., Washington, D.C.
B. National Association of Real Estate Boards, 36 South Wabash Avenue, Chicago, Ill.
D. (6) $1,208.33.

A. Joseph M. Stone, 821 15th Street NW., Washington, D.C.
B. Local 1, AFSCME, 333 National Press Building, Washington, D.C.
D. (6) $125.

A. W. S. Story, 1729 H Street NW., Washington, D.C.
B. Institute of Scrap Iron and Steel, Inc., 1729 H Street NW., Washington, D.C.
D. (6) $300.

A. Sterling F. Stoudenmire, Jr., 61 Saint Joseph Street, Mobile, Ala.
B. Waterman Steamship Corp., 61 Saint Joseph Street, Mobile, Ala.
D. (6) $1,250.

A. Ada B. Stough, 132 Third Street SE., Washington, D.C.
B. American Parents Committee, Inc., 132 Third Street SE., Washington, D.C.

A. Francis W. Stover, 610 Wire Building, Washington, D.C.
B. Veterans of Foreign Wars of the United States.
D. (6) $1,750.02.

A. O. R. Strackbein, 815 15th Street NW., Washington, D.C.
D. (6) $1,615.38.

A. O. R. Strackbein, 815 15th Street NW., Washington, D.C.
D. (6) $6,250.

A. O. R. Strackbein, 815 15th Street NW., Washington, D.C.
D. (6) $6,250.

A. Strasser, Spiegelberg, Fried & Frank, 1700 K Street NW., Washington, D.C.
B. Adhesive Manufacturing Association of America, 441 Lexington Avenue, New York, N.Y.

A. Strasser, Spiegelberg, Fried & Frank, 1700 K Street NW., Washington, D.C.
B. Blackfeet Tribe of the Blackfeet Reservation, Browning, Mont.

A. Strasser, Spiegelberg, Fried & Frank, 1700 K Street NW., Washington, D.C.
B. Hualapai Tribe of the Hualapai Reservation, Peach Springs, Ariz.

A. Strasser, Spiegelberg, Fried & Frank, 1700 K Street NW., Washington, D.C.
B. Laguna Pueblo of New Mexico, Laguna, N. Mex.

A. Strasser, Spiegelberg, Fried & Frank, 1700 K Street NW., Washington, D.C.
B. Nez Perce Tribe, Lapwai, Idaho.

A. Strasser, Spiegelberg, Fried & Frank, 1700 K Street NW., Washington, D.C.
B. The Oglala Sioux Tribe of the Pine Ridge Reservation, Pine Ridge, S. Dak.

A. Strasser, Spiegelberg, Fried & Frank, 1700 K Street NW., Washington, D.C.
B. The San Carlos Apache Tribe, San Carlos, Ariz.

A. William A. Stringfellow, 6004 Roosevelt Street, Bethesda, Md., and 829 Investment Building, Washington, D.C.
B. National Association of Mutual Insurance Agents, 829 Investment Building, Washington, D.C.

A. Norman Strunk, 221 North La Salle Street, Chicago, Ill.
B. United States Savings & Loan League, 221 North La Salle Street, Chicago, Ill.
D. (6) $1,000. E. (9) $143.12.

A. William L. Sturdevant, Jr., 8300 Burdette Road, Bethesda, Md.
B. National Counsel Associates, 229 Shoreham Building, Washington, D.C.
D. (6) $1,300.

A. Arthur Sturgis, Jr., 1145 19th Street NW., Washington, D.C.
B. American Retail Federation, 1145 19th Street NW., Washington, D.C.
D. (6) $200.

A. J. E. Sturrock, 607 Littlefield Building, Austin, Tex.
B. Texas Water Conservation Association, 607 Littlefield Building, Austin, Tex.
D. (6) $2,000. E. (9) $905.59.

A. J. Monroe Sullivan, 1625 K Street NW., Washington, D.C.
B. Pacific American Steamship Association, 16 California Street, San Francisco, Calif.
D. (6) $843.75. E. (9) $1,096.13.

A. Frank L. Sundstrom, 350 Fifth Avenue, New York, N.Y.
B. Schenley Industries, Inc., 350 Fifth Avenue, New York City.

A. Surrey, Karasik, Gould & Efron, 1116 Woodward Building, Washington, D.C.
B. Walter H. Duisberg, 231 South Dwight Place, Englewood, N.J.

A. Surrey, Karasik, Gould & Efron, 1116 Woodward Building, Washington, D.C.
B. Ronson Corp., 1 Ronson Road, Woodbridge, N.J.

A. Charles P. Taft, 1025 Connecticut Avenue NW., Washington, D.C.
B. Legislative Committee of the Committee for a National Trade Policy, 1025 Connecticut Avenue NW., Washington, D.C.

A. Glenn J. Talbott.
B. The Farmers' Educational and Cooperative Union of America, 1404 New York Avenue NW., Washington, D.C., and 1575 Sherman Street, Denver, Colo.

A. Edward D. Taylor, 777 14th Street NW., Washington, D.C.
B. Office Equipment Manufacturers Institute (OEMI), 777 14th Street NW., Washington, D.C.

A. Tyre Taylor, 1010 Vermont Avenue NW., Washington, D.C.
B. Southern States Industrial Council, Stahlman Building, Nashville, Tenn.
D. (6) $3,000. E. (9) $532.85.

A. William L. Taylor, 1341 Connecticut Avenue NW., Washington, D.C.
B. Americans for Democratic Action, 1341 Connecticut Avenue NW., Washington, D.C.
D. (6) $1,000. E. (9) $38.87.

A. Temporary Committee on Taxation of Mutual Life Insurance Companies, 7140 Broadway, New York, N.Y.
D. (6) $42,450. E. (9) $40,752.37.

A. Texas Water Conservation Association, 607 Littlefield Building, Austin, Tex.
D. (6) $4,250. E. (9) $6,481.03.

A. Christy Thomas & Barry Sullivan, 536 Washington Building, Washington, D.C.
B. The National Association of River and Harbor Contractors, 15 Park Row, New York, N.Y.
D. (6) $750. E. (9) $158.66.

A. Christy Thomas & Barry Sullivan, 536 Washington Building, Washington, D.C.
B. Puget Sound Bridge & Dredging Co., 2929 16th Street SW., Seattle, Wash.

A. J. Woodrow Thomas, 1000 16th Street NW., Washington, D.C.
B. Trans-World Airlines, Inc., 10 Richards Road, Kansas City, Mo.

A. Oliver A. Thomas, 125 North Center Street, Reno, Nev.
B. Nevada Railroad Association, 125 North Center Street, Reno, Nev.

A. Julia C. Thompson, 711 14th Street NW., Washington, D.C.
B. American Nurses' Association, Inc., 10 Columbus Circle, New York, N.Y.
D. (6) $2,082.50.

A. Thomas C. Thompson, Jr., 816 Connecticut Avenue NW., Washington, D.C.
B. Occidental Life Insurance Co. of California, 1151 South Broadway, Los Angeles, Calif.

A. William B. Thompson, Jr., 944 Transportation Building, Washington, D.C.
B. Association of American Railroads, Transportation Building, Washington, D.C.
D. (6) $125. E. (9) $47.

A. Eugene M. Thoré, 1701 K Street NW., Washington, D.C.
B. Life Insurance Association of America, 488 Madison Avenue, New York, N.Y.
D. (6) $4,005. E. (9) $154.97.

A. Arthur R. Thurston, 3929 Castro Valley Boulevard, Castro Valley, Calif.
B. National Council of Naval Air Stations Employee Organizations, 3929 Castro Valley Boulevard, Castro Valley, Calif.

A. G. D. Tilghman, 1612 K Street NW., Washington, D.C.
B. Disabled Officers Association, 1612 K Street NW., Washington, D.C.
D. (6) $3,750.

A. William H. Tinney, 1223 Pennsylvania Building, Washington, D.C.
B. The Pennsylvania Railroad Co., 6 Penn Center Plaza, Philadelphia, Pa.

A. M. S. Tisdale, 4200 Cathedral Avenue, Washington, D.C.
B. Armed Services Committee, Chamber of Commerce, Vallejo, Calif.
D. (6) $295. E. (9) $571.55.

A. Tobacco Associates, Inc., 1025 Connecticut Avenue NW., Washington, D.C.
E. (9) $537.

A. H. Willis Tobler, 1731 I Street NW., Washington, D.C.
B. National Milk Producers Federation, 1731 I Street NW., Washington, D.C.
D. (6) $2,418.75. E. (9) $196.55.

A. John H. Todd, 1085 Shrine Building, Memphis, Tenn.
B. National Cotton Compress & Cotton Warehouse Association, 1085 Shrine Building, Memphis, Tenn.

A. F. Gerald Toye, 777 14th Street NW., Washington, D.C.
B. General Electric Co., 570 Lexington Avenue, New York, N.Y.
D. (6) $750. E. (9) $129.65.

A. Transportation Association of America, 6 North Michigan Avenue, Chicago, Ill.

A. Richard S. Tribbe, 1508 Merchants Bank Building, Indianapolis, Ind.
B. Associated Railways of Indiana, 1508 Merchants Bank Building, Indianapolis, Ind.

A. Matt Triggs, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 2300 Merchandise Mart, Chicago, Ill.
D. (6) $1,620.83. E. (9) $74.47.

A. Glenwood S. Troop, Jr., 812 Pennsylvania Building, Washington, D.C.
B. United States Savings & Loan League, 221 North La Salle Street, Chicago, Ill.
D. (6) $1,093.75. E. (9) $47.25.

A. Stanley R. Tupper, 154 State Street, Augusta, Maine.
B. Boston & Maine Railroad, North Station, Boston, Mass.
D. (6) $750. E. (9) $143.21.

A. Harold J. Turner, Portland, Oreg.
B. Spokane, Portland & Seattle Railway Co., Southern Pacific Co., and Union Pacific Railroad Co., Henry Building, Portland, Oreg.

A. William S. Tyson, 821 15th Street NW., Washington, D.C.
B. California Range Association, 2438 Tulare Street, Fresno, Calif.
D. (6) $5,000. E. (9) $31.10.

A. William S. Tyson, 821 15th Street NW., Washington, D.C.
B. Local No. 30, Canal Zone Pilots, I.O.M.M. & P., Post Office Box 601, Canal Zone.

A. Lewis H. Ulman, 1001 Connecticut Avenue NW., Washington, D.C., and 195 Broadway, New York, N.Y.
B. American Telephone & Telegraph Co., 195 Broadway, New York, N.Y.
D. (6) $800.

A. Union Producing Co., 1525 Fairfield Avenue, Shreveport, La.
E. (9) $1,138.83.

A. United Cerebral Palsy Associations, 321 West 44th Street, New York, N.Y.
E. (9) $1,299.93.

A. United States Cuban Sugar Council, 801 19th Street NW., Washington, D.C.
E. (9) $239.02.

A. United States Savings and Loan League, 221 North La Salle Street, Chicago, Ill.
E. (9) $31,984.89.

A. The United States Trotting Association, 1349 East Broad Street, Columbus, Ohio.

A. Thomas M. Venables, 2000 Florida Avenue NW., Washington, D.C.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C.

A. L. T. Vice, 1700 K Street NW., Washington, D.C.
B. Standard Oil Co. of California, 1700 K Street NW., Washington, D.C.
D. (6) $370. E. (9) $140.

A. R. K. Vinson, 1346 Connecticut Avenue NW., Washington, D.C.
B. Machinery Dealers National Association, 1346 Connecticut Avenue NW., Washington, D.C.

A. Carl M. Walker, 1731 I Street NW., Washington, D.C.
B. National Milk Producers Federation, 1731 I Street NW., Washington, D.C.
D. (6) $100. E. (9) $106.70.

A. Paul H. Walker, 1701 K Street NW., Washington, D.C.
B. Life Insurance Association of America, 488 Madison Avenue, New York, N.Y.
D. (6) $482.13. E. (9) $6.15.

A. Stephen M. Walter, 1200 18th Street NW., Washington, D.C.
B. National Association of Electric Companies, 1200 18th Street NW., Washington, D.C.
D. (6) $478. E. (9) $20.

A. Thomas G. Walters, 100 Indiana Avenue NW., Washington, D.C.
B. Government Employes' Council, AFL-CIO, 100 Indiana Avenue NW., Washington, D.C.
D. (6) $3,042.

A. Charles A. Washer, 1145 19th Street NW., Washington, D.C.
B. American Retail Federation, 1145 19th Street NW., Washington, D.C.
D. (6) $100.

A. Washington Board of Trade, 1616 K Street NW., Washington D.C.

A. Washington Home Rule Committee, Inc., 924 14th Street NW., Washington, D.C.
D. (6) $4,645.50. E. (9) $4,919.59.

A. Vincent T. Wasilewski, 1771 N Street NW., Washington, D.C.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C.

A. Jeremiah C. Waterman, 165 Broadway, New York, N.Y.
B. Southern Pacific Co., 165 Broadway, New York, N.Y.

A. Waterways Council Opposed to Regulation Extension, 21 West Street, New York, N.Y.
D. (6) $178.75. E. (9) $3,338.89.

A. J. R. Watson, Room 1, I.C.R.R. Passenger Station, Jackson, Miss.
B. Mississippi Railroad Association, Room 1, I.C.R.R. Passenger Station, Jackson, Miss.
E. (9) $836.01.

A. Merrill A. Watson, 342 Madison Avenue, New York, N.Y.
B. National Shoe Manufacturers Association, 342 Madison Avenue, New York, N.Y.
E. (9) $282.90.

A. Robert Watson, Tower Building, Washington, D.C.
D. (6) $1,413.60.

A. Watters & Donovan, 161 William Street, New York City.
B. New York and New Jersey Dry Dock Association, 161 William Street, New York City.
D. (6) $3,750.

A. Thomas Watters, Jr., 161 William Street, New York, N.Y., and Shoreham Building, Washington, D.C.
B. Bigham, Englar, Jones & Houston, 99 John Street, New York City, and Shoreham Building, Washington, D.C.
E. (9) $231.60.

A. Weaver & Glassie, 1225 19th Street NW., Washington, D.C.
B. The Atlantic Refining Co., Inc., 260 South Broad Street, Philadelphia, Pa.

A. Weaver & Glassie, 1225 19th Street NW., Washington, D. C.
B. Eastern Meat Packers Association, Inc., Statler Hotel, New York, N.Y.
D. (6) $500. E. (9) $265.89.

A. Weaver & Glassie, 1225 19th Street NW., Washington, D. C.
B. National Electrical Manufacturers Association, 155 East 44th Street, New York, N.Y.
D. (6) $6,000. E. (9) $192.35.

A. Weaver & Glassie, 1225 19th Street NW., Washington, D. C.
B. The National Independent Meat Packers Association, 740 11th Street NW., Washington, D.C.
D. (6) $3,750. E. (9) $422.27.

A. Weaver & Glassie, 1225 19th Street NW., Washington, D. C.
B. Philco Corporation, Tioga and C Streets, Philadelphia, Pa.

A. William H. Webb, 1028 Connecticut Avenue, Washington, D.C.
B. National Rivers and Harbors Congress, 1028 Connecticut Avenue, Washington, D.C.
D. (6) $1,824.12. E. (9) $509.97.

A. Donald D. Webster, Room 207, Barr Building, Washington, D.C.
B. Committee on Conference Studies, Room 207, Barr Building, Washington, D.C.
D. (6) $3,750. E. (9) $1,132.81.

A. E. E. Webster, 401 Third Street NW., Washington, D.C.
B. Brotherhood of Maintenance of Way Employees, 12059 Woodward Avenue, Detroit, Mich.
D. (6) $3,803.64.

A. William E. Welsh, 897 National Press Building, Washington, D. C.
B. National Reclamation Association, 897 National Press Building, Washington, D.C.
D. (6) $3,750. E. (9) $116.99.

A. West Coast Inland Navigation District, Court House, Bradenton, Fla.
E. (9) $621.

A. Joseph T. West, 401 Third Street NW., Washington, D.C.
B. Brotherhood of Locomotive Firemen and Enginemen.
D. (6) $1,185.

A. George Y. Wheeler II, 1625 K Street NW., Washington, D.C.
B. Radio Corporation of America, 1625 K Street NW., Washington, D.C.

A. Wherry Housing Association, 1737 H Street NW., Washington, D.C.
E. (9) $12,137.13.

A. Marc A. White, 1707 H Street NW., Washington, D.C.
B. National Association of Securities Dealers, Inc.

A. Richard P. White, 635 Southern Building, Washington, D.C.
B. American Association of Nurserymen, Inc., 635 Southern Building, Washington, D.C.
D. (6) $37.50. E. (9) $105.51.

A. H. Leigh Whitelaw, 734 15th Street NW., Washington, D.C.
B. Gas Appliance Manufacturers Association, Inc., 60 East 42d Street, New York, N.Y.

A. Louis E. Whyte, 918 16th Street NW., Washington, D.C.
B. Independent Natural Gas Association of America, 918 16th Street NW., Washington, D.C.

A. Claude C. Wild, Jr., 1625 K Street NW., Washington, D.C.
B. Mid-Continent Oil & Gas Association, 300 Tulsa Building, Tulsa, Okla.
D. (6) $450. E. (9) $50.

A. Mrs. Harvey W. Wiley, 2345 Ashmead Place NW., Washington, D.C.

A. Wilkinson, Cragun & Barker, 744 Jackson Place NW., Washington, D.C.
B. Arapahoe Tribe of Indians, Wind River Reservation, Fort Washakie, Wyo.
E. (9) $25.85.

A. Wilkinson, Cragun & Barker, 744 Jackson Place NW., Washington, D.C.
B. The Confederated Salish and Kootenai Tribes of the Flathead Reservation, Mont.
E. (9) $9.14.

A. Wilkinson, Cragun & Barker, 744 Jackson Place NW., Washington, D.C.
B. Menominee Tribe of Indians, Keshena, Wis.
E. (9) $256.01.

A. Wilkinson, Cragun & Barker, 744 Jackson Place NW., Washington, D.C.
B. Nicholas B. Perry, 626 Belleview Boulevard, Alexandria, Va.
E. (9) $2.

A. Wilkinson, Cragun & Barker, 744 Jackson Place NW., Washington, D.C.
B. Quinaielt Indian Tribe, Taholah, Wash.
E. (9) $2.46.

A. Wilkinson, Cragun & Barker, 744 Jackson Place NW., Washington, D.C.
B. Spokane Indian Tribe, Wellpinit, Wash.
E. (9) $40.03.

A. John Willard, Box 1172, Helena, Mont.
B. Montana Railroad Association, Helena, Mont.

A. Franz O. Willenbucher, 1616 I Street NW., Washington, D.C.
B. Retired Officers Association, 1616 I Street NW., Washington, D.C.
D. (6) $3,000.

A. Harold M. Williams, 59 East Madison Street, Chicago, Ill.
B. Institute of American Poultry Industries, 59 East Madison Street, Chicago, Ill.
D. (6) $325.

A. John C. Williamson, 1300 Connecticut Avenue NW., Washington, D.C.
B. National Association of Real Estate Boards, 36 South Wabash, Chicago, Ill., and 1300 Connecticut Avenue NW., Washington, D.C.
D. (6) $3,700. E. (9) $623.85.

A. Kenneth Williamson, Mills Building, Washington, D.C.
B. American Hospital Association, 840 North Lakeshore Drive, Chicago, Ill.
D. (6) $2,568.87. E. (9) $411.85.

A. James L. Wilmeth, 3027 North Broad Street, Philadelphia, Pa.
B. The National Council of the Junior Order of United American Mechanics of the United States of North America.
D. (6) $18. E. (9) $18.

A. E. Raymond Wilson, 104 C Street NE., Washington, D.C.
B. Friends Committee on National Legislation, 104 C Street NE., Washington, D.C.
D. (6) $1,507.89. E. (9) $1.

A. Everett B. Wilson, Jr., 732 Shoreham Building, Washington, D.C.
B. Association of Sugar Producers of Puerto Rico, 732 Shoreham Building, Washington, D.C.

A. W. E. Wilson, 1525 Fairfield Avenue, Shreveport, La.
B. Union Producing Co., 1525 Fairfield Avenue, Shreveport, La., and United Gas Pipe Line Co., 1525 Fairfield Avenue, Shreveport, La.
D. (6) $600. E. (9) $538.83.

A. W. F. Wimberly, 873 Spring Street NW., Atlanta, Ga.
B. The Pure Oil Co., 35 East Wacker Drive, Chicago, Ill.

A. Everett T. Winter, 1978 Railway Exchange Building, St. Louis, Mo.
B. Mississippi Valley Association, 1978 Railway Exchange Building, St. Louis, Mo.
D. (6) $4,375.

A. Frank G. Wolfney, 59 East Madison Street, Chicago, Ill.
B. Institute of American Poultry Industries, 59 East Madison Street, Chicago, Ill.

A. Wood, King & Dawson, attorneys at law, 48 Wall Street, New York, N.Y.
B. Committee for Broadening Commercial Bank Participation in Public Financing, 50 South La Salle Street, Chicago, Ill.

A. Wood, King & Dawson, 48 Wall Street, New York, N.Y.
B. Committee for Broadening Commercial Bank Participation in Public Financing, 50 South La Salle Street, Chicago, Ill.

A. Russell J. Woodman, 401 Third Street NW., Washington, D.C.
B. The Order of Railroad Telegraphers, 3860 Lindell Boulevard, St. Louis, Mo.

A. Frank K. Woolley, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 2300 Merchandise Mart, Chicago, Ill.
D. (6) $1,779.17.

A. Edward W. Wootton, 1100 National Press Building, Washington, D.C.
B. Wine Institute, 717 Market Street, San Francisco, Calif.

A. Donald A. Young, 1615 H Street NW., Washington, D.C.
B. Chamber of Commerce of the U.S.A., 1615 H Street NW., Washington, D.C.

A. J. Banks Young, 1200 18th Street NW., Washington, D.C.
B. National Cotton Council of America, Post Office Box 9905, Memphis, Tenn.
D. (6) $1,050. E. (9) $125.18.

A. John H. Young, 1411 Major Street, Salt Lake City, Utah.
B. Liberty Under Law, Inc., 1411 Major Street, Salt Lake City, Utah.
E. (9) $140.

A. Edmund A. Zabel, 1000 Vermont Avenue NW., Washington, D.C.
B. Veterans of Foreign Wars of the United States.
D. (6) $1,699.98. E. (9) $200.05.

A. Gordon K. Zimmerman, Washington, D.C.
B. National Association of Soil Conservation Districts, League City, Tex.

A. O. David Zimring, 11 South La Salle Street, Chicago, Ill., and 1001 Connecticut Avenue NW., Washington, D.C.
B. Amalgamated Association of Street, Electric Railway and Motor Coach Employees of America, AFL-CIO.

REGISTRATIONS

The following registrations were submitted for the first calendar quarter 1959:

(NOTE.—The form used for registration is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective letter and number.)

FILE TWO COPIES WITH THE SECRETARY OF THE SENATE AND FILE THREE COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19_____

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:
(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)
(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".
(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:
(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.
(ii) Employes subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:
1. State name, address, and nature of business.

2. If this Report is for an Employer, list names or agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (*a*) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (*b*) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(*a*) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).
(*b*) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).
(*c*) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, place an "X" in the box at the left, so that this Office will no longer expect to receive Reports. ☐

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known; (*d*) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (*a*) Description, (*b*) quantity distributed; (*c*) date of distribution, (*d*) name of printer or publisher (if publications were paid for by person filing) or name of donor if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.

AFFIDAVIT

[Omitted in printing]

PAGE 1

A. Amalgamated Association of Street, Electric Railway and Motor Coach Employees of America, AFL–CIO, 5025 Wisconsin Avenue NW., Washington, D.C.

A. American Veterans Committee, Inc., 1830 Jefferson Place NW., Washington, D.C.

A. American Yugoslav Claims Committee, 61 West 87th Street, New York, N.Y.

A. Robert Anthoine, 1065 Lexington Avenue, New York, N.Y.
B. Pension Fund of Local 1, Amalgamated Lithographers of America, 113 University Place, New York N.Y.; Interlocal Pension Fund, Amalgamated Lithographers of America, 204 South Ashland Boulevard, Chicago, Ill.

A. David O. Appleton, 801 East 17th Avenue, Denver, Colo.
B. American National Cattlemen's Association, 801 East 17th Avenue, Denver, Colo.

A. The Atlantic Refining Co., Inc., 260 South Broad Street, Philadelphia, Pa.

A. Thomas F. Baker, 1128 16th Street NW., Washington, D.C.
B. American Bottlers of Carbonated Beverages, 1128 16th Street NW., Washington, D.C.

A. H. M. Baldridge, 1001 Connecticut Avenue NW., Washington, D. C.
B. United States Cane Sugar Refiners Association, 1001 Connecticut Avenue NW., Washington, D.C.

A. Roy A. Ballinger, 801 19th Street NW., Washington, D.C.
B. United States Cuban Sugar Council, 801 19th Street NW., Washington, D.C.

A. Barnes Dechert, Price, Myers & Rhoades, Philadelphia, Pa.
B. Albert M. Greenfield.

A. Walter J. Bierwagen, 900 F Street NW., Washington, D.C.
B. Division 689, Amalgamated Association of Street, Electric Railway and Motor Coach Employees of America, AFL–CIO, 900 F Street NW., Washington, D.C.

A. Thomas D. Blake, 4664 Reservoir Road NW., Washington, D. C.
B. National Association of Motor Bus Operators, the Hill Building, Washington, D.C.

A. BNG Industries, Inc., 1632 K Street NW., Washington, D.C.

A. Daniel L. Boland, 1500 Rhode Island Avenue NW., Washington, D.C.
B. National Paint, Varnish and Lacquer Association, Inc., 1500 Rhode Island Avenue NW., Washington, D.C.

A. Charles M. Boyer, 2517 Connecticut Avenue NW., Washington, D.C.
B. Reserve Officers' Association of the United States, 2517 Connecticut Avenue NW., Washington, D.C.

A. Roger E. Brooks, 923 20th Street NW., Washington, D.C.

A. F. Raymond Brush, 635 Southern Building, Washington, D.C.
B. American Association of Nurseymen, Inc., 635 Southern Building, Washington, D.C.

A. Newman D. Buck, Mount Pleasant, S.C.
B. National Association of Soil Conservation District, League City, Tex.

A. Harold Burke, 140 Front Street, New York, N.Y.
B. United States Cane Sugar Refiners Association, 1001 Connecticut Avenue NW., Washington, D.C.

A. J. Edward Burroughs, Jr., Suite 701, Tower Building, Washington, D.C.
B. Unilac, Inc., Ridgeway Center Building, Stamford, Conn.

A. Chapman, Wolfsohn & Friedman, 425 13th Street NW., Washington, D.C.
B. American Taxicab Association, Inc., 4415 North California Avenue, Chicago, Ill.

A. Chapman, Wolfsohn & Friedman, 425 13th Street NW., Washington, D.C.
B. Camara Minera De Mexico, Gante, Mexico, D. F. Mexico.

A. Chapman, Wolfsohn & Friedman, 425 13th Street NW., Washington, D.C.
B. Union Nacional De Productores De Azucar, S. A. De C. V., Balderas, Primer Piso, Mexico, D. F. Mexico.

A. Charitable Contributors Association, 100 Old York Road, Jenkintown, Pa.

A. A. H. Chesser, 401 Third Street NW., Washington, D.C.
B. Brotherhood of Railroad Trainmen.

A. Citizens Foreign Aid Committee, 1001 Connecticut Avenue NW., Washington, D.C.

A. Ernest W. Clausen, 401 Third Street NW., Washington, D.C.
B. Brotherhood of Locomotive Firemen & Enginemen, 318 Keith Building, Cleveland, Ohio.

A. Henry J. Clay, 55 Liberty Street, New York, N.Y.
B. Howe Sound Co., 500 Fifth Avenue, New York, N.Y.

A. W. H. Coburn, 815 15th Street NW., Washington, D.C.
B. Western Forest Industries Association, 526 Henry Building, Portland, Oreg.

A. Edwin S. Cohen, 25 Broad Street, New York, N.Y.
B. National Association of Investment Companies, 61 Broadway, New York, N.Y.

A. Coles & Goertner, 1000 Connecticut Avenue, Washington, D.C.
B. Sand Products Corp., 2489 National Bank Building, Detroit, Mich.

A. Herbert S. Colton, 1625 K Street NW., Washington, D.C.
B. Burl Johnson & Association, Box 1115, Fairchild AFB, Spokane, Wash.

A. Robert B. Craig, 1012 14th Street NW., Washington, D.C.
B. Fairbanks, Morse & Co., 600 South Michigan Avenue, Chicago, Ill.

A. Joseph M. Creed, 1317 F Street NW., Washington, D.C.
B. American Bakers Association and National Trade Association.

A. William A. Cromartie, 1 North LaSalle Street, Chicago, Ill.
B. The Singer Manufacturing Co., 149 Broadway, New York, N.Y.

A. William A. Cromartie, 1 North La Salle Street, Chicago, Ill.
B. Swift & Co. Employes Benefit Association, 41st and Exchange Avenue, Chicago, Ill.

A. Laurence A. Crosby, 801 19th Street NW., Washington, D.C.
B. United States Cuban Sugar Council, 801 19th Street NW., Washington, D.C.

A. John B. Curan, 5605 61st Place, Riverdale, Md.
B. International Brotherhood of Firemen and Oilers, 100 Indiana Avenue NW., Washington, D.C.

A. Bryce Curry, 907 Ring Building, Washington, D.C.
B. National League of Insured Savings Associations, 907 Ring Building, Washington, D.C.

A. Bernard Cushman, 1001 Connecticut Avenue NW., Washington, D.C.
B. O. David Zimring, 1001 Connecticut Avenue NW., Washington, D.C.

A. Charles W. Davis, 1 North LaSalle Street, Chicago, Ill.
B. Swift & Co. Employes Benefit Association, 4115 Packers Avenue, Chicago, Ill.

A. Donald S. Dawson, 731 Washington Building, Washington, D.C.
B. C. I. T. Financial Corp., 650 Madison Avenue, New York, N.Y.

A. Dawson, Griffin, Pickens & Riddell, 731 Washington Building, Washington, D.C.
B. Businessmen's Committee for Hawaiian Statehood, Honolulu, Hawaii.

A. Dawson, Griffin, Pickens & Riddell, 731 Washington Building, Washington, D.C.
B. C.I.T. Financial Corporation 650 Madison Avenue, New York, N.Y.

A. John F. Deeds, 1405 G Street NW., Washington, D.C.
B. John H. Trigg, Post Office Box 5629, Roswell, N. Mex. and Ralph S. Trigg, Box 1312 Albuquerque, N. Mex.

A. Philip M. DeVany, 639 Woodward Building, Washington, D.C.
B. Porter Brothers Corp., Post Office Box 667, Boise, Idaho.

A. Division 689, Amalgamated Association of Street, Electric Railway and Motor Coach Employes of America, AFL–CIO, 900 F Street NW., Washington, D.C.

A. Jasper N. Dorsey, 1001 Connecticut Avenue NW., Washington D.C., and Hurt Building, Atlanta, Ga.
B. Southern Bell Telephone & Telegraph Co., Hurt Building, Atlanta, Ga.

A. Douglas, Obear & Campbell, 822 Southern Building, Washington, D.C.
B. Anne Archbold, 3905 Reservoir Road, Washington, D.C.

A. Evelyn Dubrow, 1710 Broadway, New York, N.Y.
B. International Ladies Garment Workers Union, 1710 Broadway, New York City, N.Y.

A. K. H. Easley, Waco, Tex.
B. Amicable Life Insurance Co., Waco, Tex.

A. James B. Ehrlich, 1000 Connecticut Avenue NW., Washington, D.C.
B. Air Transport Association of America, 1000 Connecticut Avenue NW., Washington, D.C.

A. Electronics Small Business Council, 1000 Vermont Avenue NW., Washington, D.C.

A. John M. Elliott, 5025 Wisconsin Avenue NW., Washington, D.C.
B. Amalgamated Association of Street, Electric Railway and Motor Coach Employes of America, AFL–CIO, 5025 Wisconsin Avenue NW., Washington, D.C.

A. George Estok, Bridgeport, Conn.
B. Electronics Small Business Council, 1000 Vermont Avenue NW., Washington, D.C.

A. Bonner Fellers, 1001 Connecticut Avenue NW., Washington, D.C.
B. Citizens Foreign Aid Committee, 1001 Connecticut Avenue NW., Washington, D.C.

A. John B. Fisher, Suite 1112, Pennsylvania Building, Washington, D.C.
B. Estate of Mr. R. B. von Courten, 60 State Street, Boston, Mass.

A. Louis Fisher, 1500 Rhode Island Avenue NW., Washington, D.C.
B. National Paint, Varnish & Lacquer Association, Inc., 1500 Rhode Island Avenue NW., Washington, D.C.

A. Aaron L. Ford, 609 Plaza Building, Jackson, Miss.
B. Joseph Abrams, 33 Great Neck Road, Great Neck, N.Y.

A. Clark Foreman, Post Office Box 1275, Washington, D.C.
B. Emergency Civil Liberties Committee, 421 Seventh Avenue, New York, N.Y.

A. George J. Francisco, 68 Narragansett Avenue, Ossining, N.Y.
B. International Brotherhood of Firemen and Oilers, 100 Indiana Avenue NW., Washington, D.C.

A. Jerry N. Griffin, 731 Washington Building, Washington, D.C.
B. Businessmen's Committee for Hawaiian Statehood, Honolulu, Hawaii.

A. Jerry N. Griffin, 731 Washington Building, Washington, D.C.
B. C.I.T. Financial Corp., New York, N.Y.

A. I. J. Cromfine, 1001 Connecticut Avenue NW., Washington, D.C.
B. O. David Zimring, 1001 Connecticut Avenue NW., Washington, D.C.

A. Albert A. Grorud, 816 E Street NE., Washington, D.C.
B. Yakima Indian Association of Washington State.

A. Alfred N. Guertin, 230 North Michigan Avenue, Chicago, Ill.
B. American Life Convention, 230 North Michigan Avenue, Chicago, Ill.

A. Walter Guild, 261 Franklin Street, Boston, Mass.
B. New England Manufacturing Confectioners' Association, 261 Franklin Street, Boston, Mass.

A. Thomas J. Guilfoil, 319 North Fourth Street, St. Louis, Mo.
B. General Finance Corp., 1301 Central Street, Evanston, Ill.

A. C. L. Hancock, 420 Lexington Avenue, New York, N.Y.
B. Copper & Brass Research Association, 420 Lexington Avenue, New York, N.Y.

A. David Hartfield, Jr., 14 Wall Street, New York, N.Y.
B. Alleghany Corp., 230 Park Avenue, New York, N.Y.

A. Ray F. Hesch, 815 16th Street NW., Washington, D.C.
B. Canal Zone Central Labor Union-Metal Trades Council, Box 471, Balboa Heights, C.Z.

A. Lewis E. Hoffman, 711 14th Street NW., Washington, D.C.
B. John H. Trigg, Post Office Box 5629, Roswell, N. Mex., and Ralph S. Trigg, Post Office Box 1312, Albuquerque, N. Mex.

A. A. D. Holmes, Jr., Gallion, Ala.
B. National Association of Soil Conservation Districts, League City, Tex.

A. Stanley G. Holmes, 910 17th Street NW., Washington, D.C.
B. American Steamship Committee on Conference Studies, Room 206, Barr Building, Washington, D.C.

A. Winfield M. Homer, 1001 Connecticut Avenue NW., Washington, D.C.
B. O. David Zimring, 1001 Connecticut Avenue NW., Washington, D.C.

A. Edwin M. Hood, 441 Washington Building, Washington, D.C.
B. Shipbuilders' Council of America, 21 West Street, New York, N.Y.

A. DeWitt S. Hyde, Shoreham Building, Washington, D.C.
B. Laundry & Dry Cleaners' Association of the District of Columbia, 2400 16th Street NW., Washington, D.C.

A. Clifford J. Hynning, 1821 Jefferson Place NW., Washington, D.C.
B. Movers' Conference of America, 1424 16th Street NW., Washington, D.C.

A. Institute of Logopedics, 2400 Jardine Drive, Wichita, Kans.

A. International Chiropractors' Association, 741 Brady Street, Davenport, Iowa.

A. Andrew F. Jacobson, 1476 South Fourth East, Salt Lake City, Utah.

A. Harold G. Jacobson, 1476 South Fourth East, Salt Lake City, Utah.

A. Philip F. Jehle, National Press Building.
B. National Association of Retail Druggists, 205 West Wacker Drive, Chicago, Ill.

A. Frank S. Ketcham, 261 Constitution Avenue NW., Washington, D.C.
B. Movers' Conference of America, 1424 16th Street NW., Washington, D. C.

A. W. A. Key, 401 Third Street NW., Washington, D.C.
B. Order of Railway Conductors and Brakemen, Cedar Rapids, Iowa.

A. Robert F. Klepinger, Rust Building, Washington, D.C.
B. Peninsula Retired Officers Club, Moffett Field, Calif.

A. William L. Kohler, 1025 Connecticut Avenue, Washington, D.C.
B. The American Waterways Operators, Inc., 1025 Connecticut Avenue, Washington, D.C.

A. Laboratory Apparatus & Optical Instrument Sections, Scientific Apparatus Makers Association, 20 North Wacker Drive, Chicago, Ill.

A. Elton J. Layton, 4730 Arlington Boulevard, Arlington, Va.
B. The National Association of Retail Druggists, 205 West Wacker Drive, Chicago, Ill.

A. Gene Leach, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 2300 Merchandise Mart, Chicago, Ill.

A. Robert F. Lederer, 635 Southern Building, Washington, D.C.
B. American Association of Nurserymen, Inc., 635 Southern Building, Washington, D.C.

A. John M. Littlepage, 840 Investment Building, Washington, D.C.
B. General Acceptance Corp., 1105 Hamilton Street, Allentown, Pa.

A. Ray B. Lucas, 1701 K Street NW., Washington, D. C.
B. American Life Convention, 230 North Michigan Avenue, Chicago, Ill.

A. Scott W. Lucas, 1025 Connecticut Avenue NW., Washington, D.C.
B. Outdoor Advertising Association of America, Inc., 24 West Erie Street, Chicago, Ill.

A. Scott W. Lucas, 1025 Connecticut Avenue NW., Washington, D.C.
B. Roadside Business Association, 646 North Michigan Avenue, Chicago, Ill.

A. Scott W. Lucas, 1025 Connecticut Avenue NW., Washington, D.C.
B. Western National Life Insurance Co. of Texas, 210 East 10th Street, Amarillo, Tex.

A. John W. MacKay, 918 F Street NW., Washington, D.C.
B. National Postal Clerks Union, 918 F Street NW., Washington, D.C.

A. Julia L. Maietta.
B. Amalgamated Clothing Workers of America, AFL–CIO, 15 Union Square, New York, N.Y.

A. Tommy M. Martin, 1040 Warner Building, Washington, D.C.
B. The National Rural Letter Carriers Association, 1040 Warner Building, Washington, D.C.

A. Cecil Morgan, 30 Rockefeller Plaza, New York City, N.Y.
B. Standard Oil Co. (New Jersey), 30 Rockefeller Plaza, New York City, N.Y.

A. Morison, Murphy, Clapp & Abrams, Pennsylvania Building, Washington, D.C.
B. Chambers of Commerce of St. Thomas and St. Croix, V.I.

A. James R. Morris, 1000 Vermont Avenue NW., Washington, D.C.
B. Electronics Small Business Council, 1000 Vermont Avenue NW., Washington, D.C.

A. National Community Television Association, Inc., 1111 E Street NW., Washington, D.C.

A. National Council of Naval Air Stations, 3005 Fernside Boulevard, Alameda, Calif.

A. National Paint, Varnish and Lacquer Association, Inc., 1500 Rhode Island Avenue NW., Washington, D.C.

A. National Postal Clerks Union, 918 F Street NW., Washington, D.C.

A. John A. O'Donnell, 1025 Connecticut Avenue NW., Washington, D.C.
B. Philippine War Damage Claimants Association, 46 Escolta, Manila, Philippines.

A. E. L. Oliver, 1001 Connecticut Avenue NW., Washington, D.C.
B. Labor Bureau of Middle West, 1001 Connecticut Avenue NW., Washington, D.C.

A. John A. Overholt, 10315 Kensington Parkway, Kensington, Md.
B. National Association of Retired Civil Employees, 1625 Connecticut Avenue NW., Washington, D.C.

A. W. H. Painter, United Fidelity Life Insurance Co., Dallas, Tex.
B. United Fidelity Life Insurance Co., Dallas, Tex.

A. J. D. Parel, 944 Transportation Building, Washington, D.C.
B. Association of American Railroads, Transportation Building, Washington, D.C.

A. Philip C. Pendleton, Second Street Pike, Bryn Athyn, Pa.
B. Contributors Association, 100 Old York Road, Jenkintown, Pa.

A. Hugh Peterson, 1001 Connecticut Avenue NW., Washington, D.C.
B. U.S. Cane Sugar Refiners Association, 1001 Connecticut Avenue NW., Washington, D.C.

A. J. Hardin Peterson, Post Office Box 111, Lakeland, Fla.
B. C. C. Woodward, 7630 Biscayne Boulevard, Miami, Fla.

A. Walter I. Pogen, 1519 26th Street NW., Washington, D.C.
B. Washington Home Rule Committee, Inc., 924 14th Street NW., Washington, D.C.

A. Promotion Associates, Inc., 120 North Pitt Street, Alexandria, Va.

A. Puget Sound Bridge & Dredging Co., 2929 16th Avenue SW., Seattle, Wash.

A. Arthur L. Quinn, 1625 K Street NW., Washington, D.C.
B. Institute Cubano de Establizacion del Azucar, Agramonte 465, Havana, Cuba.

A. Luke C. Quinn, Jr., 1001 Connecticut Avenue NW., Washington, D.C.
B. Institute of Logopedics, 2400 Jardine Drive, Wichita, Kans.

A. James P. Richards, 910 17th Street NW., Washington, D.C.
B. The Tobacco Institute, Inc., 910 17th Street NW., Washington, D.C.

A. James W. Richards, 1000 16th Street NW., Washington, D.C.
B. Standard Oil Co., 910 South Michigan Avenue, Chicago, Ill.

A. James W. Riddell, 731 Washington Building, Washington, D.C.
B. CIT Financial Corp., 650 Madison Avenue, New York, N.Y.

A. Sand Products Corp., 2489 National Bank Building, Detroit, Mich.

A. Henry P. Schmidt, 77 Lincoln Street, Jersey City, N.J.
B. Brotherhood of Railway Clerks, 1015 Vine Street, Cincinnati, Ohio.

A. Harold H. Schroeder, 1001 Connecticut Avenue NW., Washington, D.C., and 195 Broadway, New York, N.Y.
B. American Telephone & Telegraph Co., 195 Broadway, New York, N.Y.

A. John L. Schroeder, 1511 K Street NW., Washington, D.C.

A. V. L. Schultz, 401 Third Street NW., Washington, D.C.
B. Brotherhood of Maintenance of Way Employees, 12050 Woodward Avenue, Detroit, Mich.

A. C. E. Schwab, Box 29, Kellogg, Idaho.
B. Emergency Lead-Zinc Committee, Room 1102, Ring Building, Washington, D.C.

A. Selvage & Lee, Inc., 1625 I Street NW., Washington, D.C.
B. Fluorspar Consumers Committee, 500 Fifth Avenue, New York, N.Y.

A. P. L. Shackelford, 4545 Connecticut Avenue, Washington, D.C.
B. Sheet Metal Workers' International Association, 1000 Connecticut Avenue, Washington, D.C.

A. David R. Shelton, Munsey Building, Washington, D.C.
B. Joseph Abrams, 33 Great Neck Road, Great Neck, N.Y.

A. Ralph Showalter, 1126 16th Street NW., Washington, D.C.
B. United Automobile, Aircraft, Agricultural Implement Workers of America, 8000 East Jefferson Avenue, Detroit, Mich.

A. David Silvergleid, 918 F Street NW., Washington, D.C.
B. National Postal Clerks Union, 918 F Street NW., Washington, D.C.

A. M. Frederik Smith, 588 Fifth Avenue, New York, N.Y.
B. Council of Conservationists, Inc., 588 Fifth Avenue, New York, N.Y.

A. Stanley L. Sommer, 1033 Investment Building, Washington, D.C.
B. Eugene L. Stewart, 1001 Connecticut Avenue, Washington, D.C.

A. John F. Speer, Jr., 1105 Barr Building, Washington, D.C.
B. International Association of Ice Cream Manufacturers.

A. Ernest H. Staubitz, Hotel Congressional, Washington, D.C.
B. Nebraska Mid-State Reclamation District, Grand Island, Nebr.

A. Steadman, Collier and Shannon, 1700 K Street NW., Washington, D.C.
B. United States Life Insurance Company in the City of New York, 84 William Street, New York, N.Y.

A. Herman Sternstein, 1001 Connecticut Avenue NW., Washington, D.C.
B. O. David Zimring, 1001 Connecticut Avenue NW., Washington, D.C.

A. Eugene L. Stewart, 1001 Connecticut Avenue, Washington, D.C.
B. Laboratory Apparatus and Optical Instrument Sections of the Scientific Apparatus Makers Association, 20 North Wacker Drive, Chicago, Ill.

A. Joseph M. Stone, 821 15th Street NW., Washington, D.C.
B. GPO Press Division Employees Union, Post Office Box 1644, Washington, D.C.

A. Surrey, Karasik, Gould & Efron, 1116 Woodward Building, Washington, D.C.
B. Fluorspar Importers & Producers Institute, 41 East 42d Street, New York, N.Y.

A. Joseph C. Swidler, 415 Nashville Trust Building, Nashville, Tenn.
B. Tennessee Valley Public Power Association, Power Building, Chattanooga, Tenn.

A. William L. Taylor, 1341 Connecticut Avenue NW., Washington, D.C.
B. Americans for Democratic Action, 1341 Connecticut Avenue NW., Washington, D.C.

A. Christy Thomas and Barry Sullivan, 536 Washington Building, Washington, D.C.
B. Puget Sound Bridge & Dredging Co., 2929 16th Avenue SW., Seattle, Wash.

A. Donald S. Thomas, Post Office Box 858, Austin, Tex.
B. Texas Life Convention, 4310 Dunlavy, Houston, Tex.

A. Thomas L. Thomas, Rockville, Md.
B. Electronics Small Business Council, 1100 Vermont Avenue NW., Washington, D.C.

A. George O. Tiffany, Ridgeway Center Building, Stamford, Conn.
B. Unilac, Inc., Ridgeway Center Building, Stamford, Conn.

A. Phillip Tocker, 3335 Herring Avenue, Waco, Tex.

A. Joseph A. Todd, Investment Building, Washington, D.C.
B. Freeport Sulphur Co., 161 East 42d Street, New York, N.Y.

A. William S. Tyson, 821 15th Street NW., Washington, D.C.
B. California Range Association, 2438 Tulare Street, Fresno, Calif.

A. United States Cuban Sugar Council, 801 19th Street NW., Washington, D.C.

A. Thomas M. Venables, 2000 Florida Avenue NW., Washington, D.C.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C.

A. John H. Walker, 702 North Owen Street, Alexandria, Va.
B. Society of American Florists, Sheraton-Park Hotel, Washington, D.C.

A. David W. Wallace, 230 Park Avenue, New York, N.Y.
B. Alleghany Corporation, 230 Park Avenue, New York, NY.

A. Bailey Walsh, 1300 Connecticut Avenue NW., Washington, D.C.
B. Lion Manufacturing Co., 2640 Belmont Avenue, Chicago, Ill.

A. Bailey Walsh, 1300 Connecticut Avenue NW., Washington, D.C.
B. United Manufacturing Co., 3401 North California Avenue, Chicago, Ill.

A. Vera M. Waltman.
B. National Consumers League, 1025 Vermont Avenue NW., Washington, D.C.

A. Merrill A. Watson, 342 Madison Avenue, New York, N.Y.
B. National Shoe Manufacturers Association, 342 Madison Avenue, New York, N.Y.

A. Robert Watson, Tower Building, Washington, D.C.

A. Thomas Watters, Jr., 161 William Street, New York, N.Y., and Shoreham Building, Washington, D.C.
B. Bigham, Englar, Jones & Houston, 99 John Street, New York City, and Shoreham Building, Washington, D.C.

A. Henry B. Weaver, Jr., Edwin H. Pewett, Ray S. Donaldson, and Quinn O'Connell, 1225 19th Street NW., Washington, D. C.
B. The Atlantic Refining Co., Inc., 260 South Broad Street, Philadelphia, Pa.

A. Weaver & Glassie, 1225 19th Street NW., Washington, D.C.
B. National Community Television Association, Inc., 1111 E Street NW., Washington, D.C.

A Albert E. Wilkinson, 417 Investment Building, Butte, Mont.
B. The Anaconda Co., 616 Hennessy Building, Butte, Mont.

A. Wilkinson, Cragun & Barker, 744 Jackson Place NW., Washington, D. C.
B. Nicholas B. Perry, 626 Belleview Boulevard, Alexandria, Va.

A. Frederick L. Williford, 511 Edmonston Drive, Rockville, Md.
B. Society of American Florists, Sheraton Park Hotel, Washington, D.C.

A. C. C. Woodward, 7630 Biscayne Boulevard, Miami, Fla.

A. Sidney Zagri, 25 Louisiana Avenue NW., Washington, D.C.
B. International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, 25 Louisiana Avenue NW., Washington, D.C.

A Gordon K. Zimmerman, Washington, D.C.
B. National Association of Soil Conservation Districts, League City, Tex.

A. O. David Zimring, 11 South LaSalle Street, Chicago, Ill., and 1001 Connecticut Avenue NW., Washington, D.C.

EXTENSIONS OF REMARKS

Improving the Rural Life of America

EXTENSION OF REMARKS
OF
HON. ALEXANDER WILEY
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES
Wednesday, June 3, 1959

Mr. WILEY. Mr. President, my colleagues will recall that recently I introduced proposed legislation to establish a Country Life Commission. The purpose of the measure would be to take a long-range look at problems and challenges in agriculture, and come up with some sound solutions on the problems we face today.

Fortunately, the Agriculture Committee in the House of Representatives has seen fit to hold hearings on similar proposals pending before that body.

I have respectfully urged that similar action be taken as early as possible in the Senate.

In view of the fact that we have been unsuccessful in resolving our farm problems—as evidenced by the discussions currently now going on in the Senate—a long-range, objective look at the agricultural scene, I believe, is definitely merited.

As always, I am of course delighted to see individuals and groups, on their own initiative, attempting also to deal with challenges in a particular field.

I am especially referring to the activities of the American Country Life Association, which has as its objective the encouragement and promotion of more satisfactory and wholesome rural life in America.

The annual conference of this association is scheduled for July 13 and 14, 1959. The theme of this conference is, "Making the Most of Human Resources Through Community Development."

Among the specific topics to be discussed at the meetings are:

Economic adjustments in rural life and agriculture;

The rural community as a unit for rural development;

Rural educational institutions and agencies responsible for development.

Recently, I received from Roy C. Buck, president of the American Country Life Association, a statement of the purposes and objectives of that organization. Believing that this represents a thoughtful, constructive approach to dealing with the problems now in agriculture, I ask unanimous consent to have the statement printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The purpose:

To study and promote discussion of the problems and objectives in country life.

To clarify and integrate the objectives and efforts of various agencies and organizations that work with rural people.

To facilitate means of the attainment of these objectives.

To sponsor meetings for discussion and media for analysis of problems, trends, and influences affecting the pattern of American country living.

To evaluate the special contributions of country people to American citizenship and freedom.

To aid in rural improvement.

Lest We Forget

EXTENSION OF REMARKS
OF
HON. PHILIP J. PHILBIN
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 3, 1959

Mr. PHILBIN. Mr. Speaker, speaking at Memorial Day exercises at Westminster, Mass., I hailed the unforgettable contributions of American heroes in every generation, who, by their devotion and sacrifice, preserved the Nation.

I said in part:

All of us living in this period of great stress and great threat to our precious liberties must give something more than lip-service to perpetuate the ideals and principles for which these heroes fought and died.

We have special and urgent responsibilities, not only to exercise vigilance, but to work unceasingly to guard and defend the Nation and the Government from the great perils of the hour.

If we would adequately protect the freedoms we cherish, we must exert every effort, and be prepared to make every sacrifice, to safeguard the way of life bequeathed to us by the noble defenders of the country we honor today.

Military strength alone, though essential and vital, will not meet this challenge. Economic prosperity, though imperative, will not of itself preserve this Nation.

Only the indomitable will and fierce determination of free Americans to live by the spiritual tenets of religion and patriotism that have nurtured and built our national greatness can stem the surging tides of revolution and moral deterioration that are beating upon our shores, threatening to destroy our institutions and invading our very homes.

It is for all of us, regardless of class, creed, or station, as never before, to cease petty bickering, bury inconsequential differences, renounce selfishness and greed and rally as a united people resolved and dedicated to defend the peerless edifice of American liberty, if we hope to preserve freedom and spiritual values in a world where tyrannical, powerful forces are marching to enslave mankind. Victory will be ours, if we emulate the inspiring example of those who gave their all that American freedom might live.

The Soviet Cosmic Rocket

EXTENSION OF REMARKS
OF
HON. LEONARD G. WOLF
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 3, 1959

Mr. WOLF. Mr. Speaker, by now those who believe the Soviet lunik or mechta was a hoax have had their say. The officials who are equally convinced it performed approximately as advertised have also been heard. There have been opportunities before the House Committee on Science and Astronautics for rebuttal and counterrebuttal. Short of a full disclosure by the Soviet Union, little more is likely to be gained by pursuing the subject.

The committee, of which I am a member, will write its report in due course. Personally I suspect that the editors of True magazine which carried Lloyd Mallan's articles wish they had done more independent checking of the material

before printing it for national circulation.

Having heard a parade of witnesses, some with access to all the facts available and equipped with the scientific training to evaluate these facts, the conclusion is almost inescapable, as these witnesses have testified, that a Soviet rocket was launched, that it went to the vicinity of the moon, and that the only reasonable interpretation is that it is now in orbit around the sun.

The hearings have been instructive in a broader sense. They have brought forth many illustrations of the problems of scientific fact gathering, interpretation, and evaluation. They have also thrown some light on the general scope of Soviet scientific endeavors and capabilities. They illustrate a need for continued committee study of Soviet scientific programs, whose size and impetus give pause to our own policymakers. The hearings show the importance of the work this committee is conducting in study of our own science education and manpower needs, dissemination of technical information, research and development programs, use of computers, and a number of other matters.

Perhaps it is time that we turn from worrying over past Soviet accomplishments to steel ourselves for the surprises which lie ahead, and that we make sure our own house is in order to meet the challenges which will confront us.

Anniversary of the Death of Khristo Botev

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 3, 1959

Mr. MULTER. Mr. Speaker, there have been many great leaders who fought and gave their lives for the cause of freedom and liberty, and who are not as well known to the people of the free world as they should be. Many leaders who have left their memorable legacy in their homelands and among their own people are hardly known to other peoples.

Among such gifted, resourceful, daring, and liberty-loving men Khristo Botev of Bulgaria ranks high.

As a matter of fact this doughty defender of oppressed Bulgarians and defiant challenger of the Ottoman regime in the Balkans was one of the truly great champions of freedom in 19th century Bulgarian history. As a writer as well as a fighter, in his youth he became a leader of the Bulgarian people in their fight for freedom. Though he lost his life in his youth in the bloody massacres perpetrated by the Turks in 1876, 83 years ago, today all Bulgarians of whatever persuasion pay homage to his memory.

I am glad to join Americans of Bulgarian descent in paying my respects to the memory of this great fighter for freedom, the immortal Khristo Botev of Bulgaria.

Cartoonist

EXTENSION OF REMARKS
OF
HON. A. S. HERLONG, JR.
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 3, 1959

Mr. HERLONG. Mr. Speaker, in my Fifth Florida District, an honor has come to a friend of mine who is one of the great editorial cartoonists of our age. His name is Lynn Brudon. Since 1943 he has worked for the powerful newspaper of central Florida, the Orlando Sentinel.

Now the Sentinel has two honors. The first, of course, is having my friend, Lynn Brudon, on its staff. The second is this: the Orlando Sentinel is the only newspaper in the United States which 7 days a week—year in and year out—publishes a color cartoon on the front page.

After making another of its studies on mass communication, analyzing the influence of the Brudon cartoons, the Center for Practical Politics, located at Rollins College and organized under a grant from the Maurice and Laura Falk Foundation, invited Mr. Brudon to stop by for a visit. When he arrived the conference room was overflowing with central Florida leaders from my district.

Under the signatures of Mayor Robert Carr, of the city of Orlando, Mayor J. Lynn Pflug, of the city of Winter Park, Prof. Paul Douglass and Miss Alice McMahon, who guide the policy of the distinguished educational enterprise which contributes so much to Florida politics, presented to my friend, Lynn, a plaque on which were inscribed these words:

> Lynn Brudon, editorial cartoonist, the Orlando Sentinel since 1943, cynical protagonist of public rectitude, whose acid pen exposes folly, sham, and pretense and champions integrity, competence, and sound judgment in leadership.

As a part of this study the Center for Practical Politics sent interviewers all over the metropolitan area to find out whether they read the Brudon cartoon and whether they agreed with it. The statistical tabulations of the interviews showed that the Lynn Brudon cartoon is a major influential feature of communication.

From the content analysis of the cartoons, Judy Baez, center analyst, described the cartoon idiom of Lynn Brudon as—

> both goodnatured and constructive, which in general is a tonic acid helping people to see their problems so that they can laugh at themselves while others laugh at and with them.

I wish you could know Lynn Brudon, Mr. Speaker. On the day the Center for Practical Politics was going to honor him he was so overwhelmed with work that he said he couldn't leave his drawing board. And he wouldn't—until Henry Balch and William Conomos called him into Martin Andersen's office and ordered him to take a half hour off. And that's all the time he did take off.

With a modesty which characterized his life, Lynn Brudon was touched by the tribute to him—so much so that he made one of the few talks of his life. With a sincerity expressive of the highest ethics of journalism, Lynn said to the distinguished citizens—and my constituents—who had gathered to honor him:

> I never intend in any of my drawings to put any venom in what I cartoon. Sometimes people come to me and say: "You say you weren't mad at me when you drew that. God help me if you had been." What I try to do is pick an incident and help a man to see his folly and laugh at himself. I can laugh at myself. My drawings are like an editorial. Time and time again I've sat there drawing and said to myself: "No, that's not it. I've flopped this time." The next day the man calls up for the picture.
>
> The Sentinel likes to bring out issues. If it's right, we stand up and say so. If it's wrong we holler. Mr. Andersen says: "I can hire all the big national cartoonists in the country—but we don't live in New York or Chicago or California. Our beat is central Florida."
>
> Now what I do is keep track of issues. It is my job to keep the record straight. It's not a big job. But it's an important job. And best of all it's my job. I like it.

Mr. Speaker, because of my job here in Washington, I missed that conference to honor Lynn Brudon just as he almost missed it himself because of his duty to the Sentinel. I merely want to call the attention of this House to my hope that our world can have more men like Lynn Brudon in it. For 16 years I have known him and respected his courage and his political judgment. For more than a quarter of a century I have known his publisher, Martin Andersen, and worked with him to make central Florida become the great region that it is. To Lynn Brudon I send my own personal greetings and congratulate the Center for Practical Politics on the outstanding research in communication which identified the work of this great visual journalist to honor.

DAV Services in Indiana

EXTENSION OF REMARKS
OF
HON. EARL HOGAN
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 3, 1959

Mr. HOGAN. Mr. Speaker, an exceptional record of vital rehabilitation services freely extended to thousands of Indiana citizens has recently come to my attention. These splendid humanitarian services are not sufficiently appreciated by those who have benefited thereby, directly or indirectly.

Among the several congressionally chartered veteran organizations, which have State departments and local chapters in Indiana, is the Disabled American Veterans. The DAV is the only such organization composed exclusively of those Americans who have been either wounded, gassed, injured, or disabled by reason of active service in the Armed Forces of the United States, or of some

country allied with it, during time of war. I have been a member of the DAV since 1946.

Formed in 1920, under the leadership of Judge Robert S. Marx, DAV legislative activities have benefited every compensated disabled veteran very substantially. Its national adjutant is John E. Feighner, of Cincinnati, Ohio. Its national legislative director is Elmer M. Freudenberger, its national director of claims, Cicero F. Hogan, and its national director of employment relations, John W. Burris—all located at its national service headquarters at 1701 18th Street NW., Washington, D.C.

Inasmuch as less than 10 percent of our country's war veterans are receiving monthly disability compensation payments for service-connected disabilities—some 2 million—the DAV can never aspire to become the largest of the several veteran organizations. Nevertheless, since shortly after its formation in 1920, the DAV national headquarters, located in Cincinnati, Ohio, has maintained the largest staff, of any veteran organization, of full-time trained national service officers, 138 of them, who are located in the 63 regional and 3 district offices of the U.S. Veterans' Administration, and in its central office in Washington, D.C. They have ready access to the official claim records of those claimants who have given them their powers of attorney. All of them being war-handicapped veterans themselves, these national service officers are sympathetic and alert as to the problems of other less well-informed claimants.

DAV SERVICE FACILITIES IN INDIANA

The DAV presently maintains one national service officer in Indiana, Mr. John H. Weiss, located in the VA regional office, 36 South Pennsylvania Street, Indianapolis. The department adjutant is Mr. Gerald M. Smitley, 436–438 K. of P. Building, Indianapolis, Ind. The Department service officers are Mr. George McWilliams, 117 South Williams Street, South Bend, Ind.; Mr. Ralph Kincaid, Post Office Lock Box 248, Indianapolis, Ind.; and Mr. John Roth, Courthouse, Boonville, Ind.

Four hospitals are maintained by the Veterans' Administration in Indiana; a 200 bed general and medical hospital at Fort Wayne; a 486 bed general and medical hospital at Indianapolis, a 241 bed tuberculosis hospital at Indianapolis and a 1,650 bed neuropsychiatric hospital at Marion.

The DAV department of Indiana has nationally appointed representatives to the Veterans' Administration Voluntary Services Advisory Committees at each of the Veterans' Administration hospitals servicing Indiana veterans. These DAV representatives and the hospitals are as follows: Fort Wayne VA Hospital, Leo N. Cashdollar, 909½ Powers Street, New Haven, Ind.; Indianapolis VA Hospital, Mrs. Helen Miller, 257 East Minnesota Street, Indianapolis, Ind., and Mr. Bernard Van Sell, 219 South Arlington Avenue, Indianapolis, Ind.; Marion VA Hospital, Mrs. Mary Schmidt, 705 West Franklin Street, Hartford City, Ind.

During the last fiscal year, the VA paid out $106,493,000 for its veteran program in Indiana, including $30,729,528 disability compensation to its 36,031 service disabled veterans. These Federal expenditures in Indiana furnish substantial purchasing power in all communities.

About 19 percent—7,092—are members of the 69 DAV chapters in Indiana.

This 19 percent record is strange, in view of the very outstanding record of personalized service activities and accomplishments of the DAV national service officer in behalf of Indiana veterans and dependents during the last 10 fiscal years, as revealed by the following statistics:

Claimants contacted (estimate)	50,486
Claims folders reviewed	42,072
Appearance before rating boards	20,275
Compensation increases obtained	3,370
Service connections obtained	1,275
Nonservice pensions	2,116
Death benefits obtained	209
Total monetary benefits obtained	$1,989,250.71

These above figures do not include the accomplishments of other national service officers on duty in the central office of the Veterans' Administration, handling appeals and reviews, or in its three district offices, handling death and insurance cases. Over the last 10 years, they reported 83,611 claims handled in such district offices, resulting in monetary benefits of $20,850,335.32, and in the central office, they handled 58,282 reviews and appeals, resulting in monetary benefits of $5,337,389.05. Proportionate additional benefits were thereby obtained for Indiana veterans, their dependents and their survivors.

SERVICES BEYOND STATISTICS

These figures fail properly to paint the picture of the extent and value of the individualized advice, counsel and assistance extended to all of the claimants who have contacted DAV service officers in person, by telephone, and by letter.

Pertinent advice was furnished to all disabled veterans—only about 10 percent of whom were DAV members—their dependents, and others, in response to their varied claims for service connection, disability compensation, medical treatment, hospitalization, prosthetic appliances, vocational training, insurance, death compensation or pension, VA guaranty loans for homes, farms and businesses, and so forth. Helpful advice was also given as to counseling and placement into suitable useful employment—to utilize their remaining abilities. Civil service examinations, appointments, retentions, retirement benefits, and multifarious other problems.

Every claim presents different problems. Too few Americans fully realize that governmental benefits are not automatically awarded to disabled veterans—not given on a silver platter. Frequently, because of lack of official records, death or disappearance of former buddies and associates, lapse of memory with passage of time, lack of information and experience, proof of the legal service connection of a disability becomes extremely difficult—too many times impossible. A claims and rating board can obviously not grant favorable action merely based on the opinions, impressions or conclusions of persons who submit notarized affidavits. Specific detailed, pertinent facts are essential.

The VA, which acts as judge and jury, cannot properly prosecute claims against itself. As the defendant, in effect, the U.S. Veterans' Administration must award the benefits provided under the laws administered by it, only under certain conditions.

A DAV national service officer can and does advise a claimant precisely why his claim may previously have been denied and then specifies what additional evidence is essential. The claimant must necessarily bear the burden of obtaining such fact-giving affidavit evidence. The experienced national service officer will, of course, advise him as to its possible improvement, before presenting same to the adjudication agency, in the light of all of the circumstances and facts, and of the pertinent laws, precedents, regulations, and schedule of disability ratings. No DAV national service officer, I feel certain, ever uses his skill, except in behalf of worthy claimants, with justifiable claim.

The VA has denied more claims than it has allowed—because most claims are not properly prepared. It is very significant, as pointed out by the DAV acting national director of claims, Chester A. Cash, that a much higher percentage of those claims, which have been prepared and presented with the aid of a DAV national service officer, are eventually favorably acted upon, than is the case as to those claimants who have not given their powers of attorney to any such special advocate.

Another fact not generally known is that, under the overall review of claims inaugurated by the VA some 4 years ago, the disability compensation payments of about 37,200 veterans have been discontinued, and reduced as to about 27,300 others at an aggregate loss to them of more than $28 million per year. About 1.7 percent of such discontinuances and reductions have probably occurred as to disabled veterans in Indiana with a consequent loss of about $476,000 per year.

Most of these unfortunate claimants were not represented by the DAV or by any other veteran organization. Judging by the past, such unfavorable adjudications will occur as to an additional equal number or more during the next 3 years, before such review is completed. I urge every disabled veteran in Indiana to give his power of attorney to the national service officer of the DAV, or of some other veteran organization, or of the American Red Cross, just as a protective measure.

The average claimant who receives helpful advice probably does not realize the background of training and experience of a competent expert national service officer.

COSTS OF DAV SERVICES

Measured by the DAV's overall costs of about $12,197,600 during a 10-year period, one would find that it has expended about $3.50 for each claim folder reviewed, or about $8.80 for each rating board appearance, or, again about $22.70

for each favorable award obtained, or about $123 for each service connection obtained, or about $54 for each compensation increase obtained, and has obtained about $14.10 of direct monetary benefits for claimants for each dollar expended by the DAV for its national service officer setup. Moreover, such benefits will generally continue for many years.

METHODS OF PROVIDING SERVICES

Evidently, most claimants are not aware of the fact that the DAV receives no Government subsidy whatsoever. The DAV is enabled to maintain its nationwide staff of expert national service officers primarily because of income from membership dues collected by its local chapters and from the net income on its Idento-Tag—miniature automobile license tags—project, owned by the DAV and operated by its employees, most of whom are disabled veterans, their wives, or their widows or other handicapped Americans—a rehabilitation project in thus furnishing them with useful employment. Incidentally, without checking as to whether they had previously sent in a donation, more than 1,400,000 owners of sets of lost keys have received them back from the DAV's Idento-Tag department, 13,917 of whom, during the last 8 years, were Indiana residents.

Every eligible veteran, by becoming a DAV member, and by explaining these factors to fellow citizens, can help the DAV to procure such much-needed public support as will enable it to maintain its invaluable nationwide service setup on a more adequate basis. So much more could be accomplished for distressed disabled veterans, if the DAV could be enabled, financially, to maintain an expert service officer in every one of the 173 VA hospitals.

MEMORIAL HONOR ROLL

During the last 10 years, the DAV has also relied on appropriations from its separately incorporated trustee, the DAV Service Foundation, aggregating $3,300,000 exclusively for salaries to its national service officers. Its reserves having thus been nearly exhausted, the DAV Service Foundation is therefore very much in need of the generous support of all serviced claimants, DAV members and other social-minded Americans—by direct donations, by designations in insurance policies, by bequests in wills, by assignment of stocks and bonds and by establishing special types of trust funds.

A special type of memorial trust fund originated about 3 years ago with concerned disabled veteran members of the DAV chapter in Butte, Mont., which established the first perpetual rehabilitation fund of $1,000 with the DAV Service Foundation, to which it recently added another $100. Since then every DAV unit in that State has established such a special memorial trust fund, ranging from $100 to $1,000, equivalent to about $5 per DAV member—an excellent objective for all other States. Benefactors from 30 States have, up to this time, become enrolled on the memorial honor roll.

Inasmuch as only the interest earnings from special donations will be available for appropriation to the DAV for its use in maintaining its national service officer program in the State of residence of each such benefactor, this is an excellent objective also for Indiana. Each such special benefactor is enrolled on a permanent memorial honor roll which, updated, is then included in the annual report of the DAV and of its incorporated trustee, the DAV Service Foundation, to the U.S. Congress.

Each claimant who has received any such free rehabilitation service can help to make it possible for the DAV to continue this excellent rehabilitation service for other distressed disabled veterans and their dependents in Indiana by sending in donations to the DAV Service Foundation, 631 Pennsylvania Avenue NW., Washington, D.C. Every such serviced claimant who is eligible can, and should, also become a DAV member, preferably a life member, for which the total is $100—$50 to those born before January 1, 1902, or World War I veterans—payable in installments within 2 full fiscal year periods.

Every American can help to make our Government more representative by being a supporting member of at least one organization which reflects his interest and viewpoints—labor unions, trade associations, and various religious, fraternal, and civic associations. All of America's veterans ought to be members of one or more of the patriotic, service-giving veterans' organizations. All of America's disabled defenders, who are receiving disability compensation, have greatly benefited by their own official voice—the DAV. I consider it a privilege and an honor to belong to the Disabled American Veterans.

Address by Secretary of the Treasury at University of Houston Commencement Exercises

EXTENSION OF REMARKS
OF
HON. PRESCOTT BUSH
OF CONNECTICUT
IN THE SENATE OF THE UNITED STATES
Wednesday, June 3, 1959

Mr. BUSH. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address delivered by Secretary of the Treasury Robert B. Anderson at the commencement exercises of the Univeristy of Houston, at Houston, Tex., on Saturday, May 30.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS BY SECRETARY OF THE TREASURY ROBERT B. ANDERSON AT THE COMMENCEMENT EXERCISES, UNIVERSITY OF HOUSTON, HOUSTON, TEX., MAY 30, 1959

This evening I should like to talk about a trilogy—men, money, and minds. The effective merger of men, money and minds is an aim of the educational process. It presents pressing problems with which you as university graduates are particularly concerned.

The most obvious characteristic of a civilization, society, or nation is that it is an association of people. It is directly concerned with human beings—their wants and needs, their fears and hopes, their capacities and limitations. We in this country believe that the sole purpose of a political economy is to make life for people more decent and rewarding and free. We believe further that by giving the individual the maximum chance for expression, the whole community—whether one nation or many—may more nearly reach the goal of fulfillment for all its members. This is our objective, however imperfectly we may have realized it so far.

One of our greatest challenges today arises out of the fact that the human community is growing very fast—and its needs are growing in proportion to its numbers. There are well over 2½ billion people living today. By the time you have been out of college as long as I have there will easily have been added a billion more. That means, if you please, 100 million more Americans by the time your children sit where you do now.

Talk about growth. Your generation is obviously in for a lot of it.

Within the next 25 years we will virtually double the producing capacity of America. We are going to have to create some 35 to 40 million new jobs. We shall need something like 1 million additional schoolrooms and 30 million more homes. We shall have to build hundreds of thousands of miles of new highways and thousands of new hospitals, and somehow find room for 60 million more automobiles and trucks. We must develop more than 10 million acres of bare land for homes and streets in our spreading metropolitan areas. The development and conservation of water resources will be a major task, and so will the development of an energy base to meet a demand which may well triple.

These are a few of the problems with which the process of growth will confront us. We must solve them in terms of benefits to people—and in ways which maintain and strengthen our traditional freedoms. We know that our growth will not be even; there will be difficult problems of time and adjustment. Some of the answers must wait on yet undiscovered scientific truths; others on the refinement of data already known. All require the coordinated action of millions of Americans and all require staggering amounts of money, running to the hundreds of billions of dollars.

This brings me to the second point: money. From what source are we going to accumulate the necessary capital for a doubling of output over a 25-year period?

From just one place: savings. The excess of what we earn as a people over what we spend. There is no other acceptable source.

To achieve these savings, individuals must set aside a part of their earnings. Corporations must retain some earnings for capital account. Improvements and techniques which enable us to increase our savings potential through using our resource more efficiently must be constantly sought. These are the principal sources of investment funds, whether they are used to build a steel mill, a highway, a university, or a space ship to Mars.

Wealth is not created merely by increasing the number of dollars in the economy. It cannot be brought into being by Government decree. Wheels must turn, hammers must fall, and people must work with mind and hand, before anything definable as wealth emerges. We owe the handsome increase in our standard of living to technology, invention, and hard work—not to any fiscal or monetary legerdemain. We live better than we used to because we produce more.

There are hopeful signs in our economy that Americans are becoming increasingly aware of that simple but important fact. They are becoming increasingly alert to both the dangers and the futility of trying to bring about greater growth during periods of prosperity by simply pouring more money into the economy. With governments, as with individuals, spending in excess of income must be financed by means of loans. During periods of high activity, when the private demand for loan funds is high, a considerable part of Government borrowing must come from the banking system. Such borrowing is inflationary—it increases the number of dollars in the economy without necessarily increasing the things that can be bought with them.

Backed by public opinion, outstanding leaders of both parties in Congress are now giving strong support to a program for sound management of the Government's fiscal affairs. One of the significant developments behind this attitude is the resilience which our economy has recently demonstrated. Despite the predictions of many, the change from recession to recovery occurred with little direct Government intervention. In most sectors of activity the economy has now advanced beyond its former record highs. While there are still areas of employment dislocation, it is heartening that employment generally continues to improve noticeably contrary to some predictions that large-scale Government intervention would be required to open up job opportunities for many of those out of work.

These experiences have served to demonstrate once more a long-standing characteristic of the American economy. Reasonable stability of prices is not the enemy of a high rate of economic growth. Rather, we find that economic progress has thrived on the basis of sound money when the inflationary impact of war finance is taken out of the picture.

A notable example is the tremendous economic growth which took place in this country during the latter part of the 19th century, when prices were in a general downtrend following the rise associated with the Civil War. Again, from 1910 to 1915, manufacturing production expanded by almost one-third against a background of moderate price decline. In the 1920's, also, national output increased 50 percent during an 8-year period characterized by remarkable price stability. More recently, between 1951 and 1955, a high level of prosperity was accompanied by relative stability in the broad indexes of wholesale and consumer prices.

In the face of this evidence, there are still some who unwisely argue that continual deficit spending and the inflation which it promotes are somehow necessary to encourage growth. But what really happens when inflationary forces are at work in the economy?

First of all, the buying power of both current earnings and accumulated savings begins to shrink. This brings cruel hardship to those who cannot bargain effectively for wage and salary increases and to those living on past savings—annuities, pensions and so on. Savings eroded through price inflation command fewer goods in exchange. They have less ability to transform human effort and ingenuity into productive capacity and in consequence their potency as a positive instrument of economic growth is seriously weakened.

Second, continuing inflation brings about maladjustments in the economy which beget recession—and recession is the enemy of sustained, rewarding economic growth. When we dilute the worth of the standard by which we measure value, dislocations necessarily result. Businessmen who must replenish their inventories and capital equipment at higher prices raise their prices in turn. Labor demands and gets higher wages which add further to costs. People are discouraged from saving—indeed, many in the fixed-income groups find it impossible to save. With declining savings, sufficient capital to finance normal growth is not forthcoming, and the cost of available capital is high. Programs for expansion and improvement are cut back, and output may be restricted—at the same time that costs are rising. And so the spiral goes.

Now the most hopeful aspect of this entire situation is that it happens to be one of the major problems that we can—and must—do something about.

As a primary step, we can exercise the discipline and restraint needed to keep Government spending within Government income during prosperous times like the present. The evidence of growing support on the part of Congress and the public for sound fiscal policies gives hope that we can be successful in reaching this goal in fiscal 1960.

In other areas, also, it is within our power to keep inflationary pressures from growing so strong as to disrupt the process of growth. Any practices which act as a continual spur to costs and prices must be carefully examined. Waste and inefficiency must be eliminated—not only in Government, but wherever they may be found. In all of our affairs, public and private, we must endeavor to look at the whole economy; not just at the sector of it with which we ourselves are most concerned.

This is a task for the mind—the third element of the merging process I mentioned earlier.

What a person does is something which comes from the inner part of his being. It is the fruit of his mind. And in a free society, each individual has a personal responsibility for developing his powers of judgment and decision to the fullest.

Goethe has said that what one inherits from his father he must earn all over again, or it will not be truly his. This is a penetrating commentary on the quality of wisdom required in our own day. We must earn, all over again, the freeedom and security, the capacity for growth and adaptability to change, which constitute our American heritage from the past.

It is true that there are periods in an individual's life, as in a nation's, when change seems to be occurring almost imperceptibly. At these times, little seems to be required beyond the application of established rules and precepts received unearned—as Goethe would say—from the past.

But when change takes place rapidly or abruptly, a crisis may occur. Decisive new actions may be required. It is not enough, then, to look only to patterns of the past. What we require are principles which have been developed from historic precedents and out of our own experience and ingenuity. In the absence of such principles, the tendency will be to take a negative attitude. Generalities will be sought which can obscure the need for action, and reasons will be found why things should not be done.

Let me give you an example right out of recent newspaper headlines. There are those few who are coming forward with reasons why we should not maintain a balanced budget, why we cannot plan to pay off any of our huge debt at any foreseeable time. They cloak their arguments with the generality that more growth is needed—and then move on to the false assumptions that inflation stimulates growth and that a creeping erosion in the value of the dollar need be of little concern. The end result of what they are advocating is a destruction of values which will advance so slowly that it will not be noticed by the naive and trusting.

How long could we expect the habits of thrift and savings which have built this country to survive in such an atmosphere? How could we, under any circumstances, morally justify a program which is a continuing invitation to unsoundness as a way of purporting to meet our obligations? I leave these questions with you. As educated people, I hope and believe that you will never be deluded by those who say that safeguarding the value of our money isn't really very important.

It is the responsibility of each one of us to develop convictions strong enough to replace a shallow approach of this kind. And this can only be done by dedicated thought—by the application of mind to the experience of the past and the problems of the present. More than four centuries ago, Leonardo da Vinci wrote: "Wrongly do men cry out against experience and with reproaches accuse her of deceitfulness. * * * Experience is never at fault; it is only your judgment that is in error."

Today, a great deal—probably more than any of us can now comprehend—depends on the judgment of the American people. It is not too much to say that the future of freedom in this world may depend on what we do and what we achieve here in America during your lifetimes.

We are living in a time of great international tension—but it is also a time of great promise. Our particular system of competitive enterprise is superbly equipped to meet the growth needs which are clearly foreseeable in the period just ahead. With the maintenance of discipline in both our public and private affairs, the possibilities for the further development of the American economy are truly dazzling.

We are starting off on firm ground—a fact, you may be sure, which is being carefully evaluated in other countries as well as in our own.

The American private enterprise system is sound.

It is healthy.

It is growing.

It is capable of adjusting to changes which are inherent in the growth process.

It is capable of adjusting—we have recently seen—without resort to the dangerous stimulus of massive Government intervention.

Economic growth is compounded from many ingredients. It requires basic research—in an atmosphere of free-ranging inquiry. It requires technological advance, following closely on the leads provided by research. It requires an efficient production process—and the planning which goes with successful marketing and distribution. It requires mobility of resources, so that the old and outmoded can give way to the new and improved without crippling aftereffects. It requires, finally, sufficient savings and investment to make all of these things possible.

Let us never forget that the merger of men, money, and minds which is the essence of the growth process can be fruitful only if we keep steadily in view this important truth: Values, in whatever form they may take—a political system, a university education, a powerplant—have no meaning except in relation to people.

Woodrow Wilson once said, "Sometimes people call me an idealist. Well, that is the way I know I am American."

In the eyes of the world, America stands for freedom and humanity, as it has throughout our history. We can be rightly proud of the fact that the first postage stamps issued by the Republic of Indonesia turned out to bear the portraits of Washington, Lincoln, Franklin, and Hamilton, side by side with the founders of the new republic.

But we cannot rest complacently on the achievements of our forefathers. During the past 15 years 700 million people in 20 countries have won political independence. Whether these new nations swing toward

East or West will depend largely on you—on what you in your generation do to help them achieve the conditions of living which give scope for the inventiveness and resourcefulness of the human mind.

This, then, I conceive to be our Nation's charge to all of us: Enter your chosen professions with a keen awareness of the lessons of the past and the challenges of the future. Apply your minds not only to the problems of daily living but also to the pressing national and international issues which must be resolved if freedom is to be preserved at home and furthered abroad. In so doing may we remember the inquiry of Edwin Markham, the American poet who was deeply dedicated to the cause of his fellow men:

"Why build these cities great
If man unbuilded goes.
In vain we build the world
Unless the builder also grows."

Our Agricultural Program

EXTENSION OF REMARKS
OF
HON. CLARK W. THOMPSON
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 3, 1959

Mr. THOMPSON of Texas. Mr. Speaker, it is unfortunately true that it has become popular to be against agriculture and to oppose the efforts of those of us who seek to solve the many and perplexing problems of this important phase of our economy.

It is deplorable that much of the publicity so unfavorable to our farmers is based on information coming from the Department of Agriculture. The impression left on casual readers of press and periodicals is that farmers are chiselers and seekers after handouts. If the truth were told in full, the public would have a far different picture.

The current newsletter of the gentleman from Texas [Mr. IKARD] tells in a clear and concise manner some of the favorable aspects of the agricultural program which ought to be read and remembered as the Congress prepares to wrestle with some of our most troublesome problems.

The newsletter follows:

(By Congressman FRANK IKARD)

Recently the House acted upon the appropriation for the Department of Agriculture. While there can be no real question but what our present agricultural program needs to be changed in many respects—in fact, probably completely reworked—there is a great deal of misunderstanding about the program, and about the use for which the funds appropriated are used. Many implications recently in the press leave the impression that all of the money spent by the Department of Agriculture goes directly into a farm subsidy program. The truth of the matter is that a great number of activities are carried on by the Department of Agriculture for the benefit of the public generally and should not be charged to the farmer or to those engaged in farming exclusively. In the first place, the Department is the largest regulatory body in the Federal Government. It administers over 50 different laws, many of which protect the consumer, such as insuring clean, healthy meat and poultry through Federal inspection, and the grading of meat products. Second, all of the farm commodity export program is is handled through the Department. Third, millions of dollars in the form of loans are made annually through the Farmers Home Administration and the REA. This money is all in the form of loans, and the rate of repayment has been very high. The Department also conducts an extensive market research program which has developed new handling methods of farm produce and has provided the technique for reducing food handling costs, all of which are of primary benefit to the consuming public, and about $22 million a year is spent on the eradication of brucellosis which is primarily a program to protect the health of the public. The Department of Agriculture also disposes, through sales to friendly foreign countries, of a substantial part of our agricultural surpluses. Up to now they have sold over $7½ billion worth. It also administers the school lunch program and the program which provides dairy products to veterans in Armed Forces hospitals. In addition, the Department also handles soil and water conservation work which is one of the most vital and important programs to those of us living in the Southwest. The simple point is that even though there is a need for substantial revision in our agricultural program, much of the expenditures that are allegedly charged up to the farmer never reach him but are spent on programs for public benefit.

Remarks by the Honorable Edwin B. Dooley, Memorial Day Services, Larchmont, N.Y.

EXTENSION OF REMARKS
OF
HON. EDWIN B. DOOLEY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 3, 1959

Mr. DOOLEY. Mr. Speaker, Memorial Day is a period of tremendous spiritual significance to millions of Americans, particularly the bereaved families of war dead, and the friends and neighbors of those who have made the supreme sacrifice in behalf of our country.

In my hometown of Mamaroneck and its villages of Mamaroneck and Larchmont, fitting tribute is reverently paid annually to the deceased members of the Armed Forces.

On last Memorial Day, I was one of those chosen to pay homage to the departed men and women of the Armed Forces who once lived in these communities.

My remarks follow:

On this day which is commemorated across our country, we pause to pay reverent tribute to those who gave the full measure of their devotion to this great land, and we pause also to reflect on the course which our country has taken since these men and women whom we honor, made the supreme sacrifice.

It has been said, and said sagely, that the pragmatic axioms of the past are not a reliable index to guide future actions. Never was a fact so evident as that is today.

Without in any sense diminishing the stature of the Father of our Country, whose memory is enshrined in every good citizen's heart, it must be said nevertheless that the admonition he gave us against foreign alliances was made at a time, before days were telescoped into hours—before space was annihilated by supersonic speeds, and before nations were so interdependent on one another.

The course of our country, its material wealth, its idealistic concepts, and its immutable ties to the free way of life, delineate in bold lines its historic destiny. By all the tenets given us by God, through our Judeo-Christian heritage, and by all manmade patterns of life, as evidenced by our common and statutory law, we are irrevocably committed to accept the Biblical phrase, "I am my brother's keeper."

Therein lies all the justification needed for our global generosity—for our constant effort to feed the world's hungry; to give inspiration and moral and physical aid to the distressed multitudes of the Asia-African block who are rising in belated revolt against the unmoral imprisonment and abuse they have endured through the centuries. If we believe in freedom as we proclaim so steadfastly, then we believe that the people of Nyasaland, of Ghana, and of other areas of the world have the same God-given right to preserve their destiny, unhampered by the imperialistic whims of other nations and other men.

We believe that Vietnam has a right to repel the invasions of the Communists, that each nation and each people in fact has an innate right, a tacit right, if you will, to fashion its own destiny.

But today with the world teetering recklessly on the brink of self-annihilation, with mankind's ingenuity focused on the problem of how to devise the most destructive instrument of mass slaughter attainable, it is necessary, yes, even urgent, that we reexamine our attitude toward our allies and our attitudes toward ourselves, with the aim of trying to rescue reason from chaos, and of preserving what we can of our way of life and the precious heritage which was handed down to us from our forebears.

First, I think that in appraising our position we must express thanks to our Almighty Father for the infinite variety of blessings he has showered upon this land and on our generation.

He gave our forefathers a source of natural wealth virtually unprecedented in human history. Sturdy and courageous people that they were, they could not have survived had it not been for the boundless forests, the rivers teeming with fish, the rich soil, and the proper climate.

Europe and other lands from which our ancestors came had long since exhausted their resources. And from the bounty inherent in the new land our forebears built the great cities, the industries, the educational institutions, the norms, and the culture which are ours today.

Now we face the supreme test of whether those things which are ours can be preserved for ourselves and our children's children.

When we reflect on the fact that a fleet of enemy submarines halted momentarily off our coast has the power to virtually obliterate all of us, and our culture, we realize that we have reached a critical stage from the standpoint of our chronological history—a turning point in our destiny.

We have reached a time when more than ever before we must be willing to make sacrifices for our country that Americans were never called upon to make before. I am not referring to the imminence of sudden extinction which the present strategy of warfare makes possible, but rather to the need for sacrifice of material things in order that our Government can have the resources to carry on.

The burden of our defense program is oppressive, but so long as the Communists continue to threaten, so long as Khrushchev makes a mockery of international diplomacy, and a toy of protocol, we must of necessity keep our sinews of preparedness sturdy and

resilient. All of this costs money and our taxes are our chief source of revenue. We must be willing to pay our fair share, if we are to survive.

We must too sacrifice certain illusions, the illusion for example that we can stand alone in this tumultuous and somewhat fearsome world.

We must of necessity forge stronger the links which bind us to friendly peoples of distant lands, not out of humanitarian impulses alone but out of enlightened selfishness so that we may weather any storm that may eventually buffet us.

We must sacrifice funds if need be for the development of our young people's minds—and for the just remuneration of those who teach them—in order that they will be fittingly equipped to meet the problems which they will be called upon to face. Fluency in language, adaptability to science, flexibility of mind and loyalty to country are the virtues our young people must acquire if they are to adjust to the swiftly changing patterns of the world.

As one prominent aspirant for high office put it, "He who sells freedom cheaply is a deceiver, or is himself deceived. He who sells it cheap or offers it as the byproduct of this or that economic system is a knave or a fool. For freedom necessitates infinitely more care and devotion than any other political system. It puts consent and personal initiative in a place of command and obedience. It supplants the harsh and oppressive disciplines of dictatorial tyrannies with individual devotion and personal initiative."

All of these qualities are compatible with adherence to our principles, and to the heritage which the honored dead handed down to us.

Ours is a great land, but we must respect other men and women who love their native lands; ours is a great and opulent country, but if we are to enhance it, we must be willing to do our fair share in its behalf.

One thing is certain, in this confusing world, we have much to be grateful for, and we must never lose heart. Ours is a land rich in blessings, ours a tradition bright as a star. All of us must ever be grateful, for out of gratitude flows patriotism and loyalty undying.

Address of Congressman Carroll Reece, Prepared for Delivery at Virginia Intermont College, Bristol, Va.-Tenn., May 31, 1959

EXTENSION OF REMARKS

OF

HON. B. CARROLL REECE

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 3, 1959

Mr. REECE of Tennessee. Mr. Speaker, under leave to extend my remarks, I include an address prepared for delivery at Virginia Intermont College, Bristol, Va.-Tenn., May 31, 1959:

RESPONSIBILITIES OF FREEDOM

I

It is the custom of speakers, on occasions such as this one, to make profound observations regarding what is wrong with the Government of our great Nation and how the legislators are standing at the crossroads of destiny.

The heartening part of history is that there always seems to be another destiny beyond the one which has, according to the orators, been irretrievably compromised.

But this is going to be a different kind of speech—sort of a "man bites dog" proposition.

I am not going to talk about what is wrong with the Government of the United States—I am going to talk about what is wrong with the people of the United States.

For a man in public office this could be a dangerous form of heresy, but I have reached the time of life when one builds up a certain immunity to criticism.

At any rate, the subject of my remarks will be the character of the American people and the responsibilities of freedom.

This particular audience is particularly important to this subject because it is the women of a nation who are in the best position to shape the character of a nation.

I do not necessarily agree that the hand that rocks the cradle is the hand that rules the world, but I do agree that it is the character-forming period spent at our mother's knee that gives our lives the trajectory which guide us to the right or wrong decisions in our adult life.

II

As a public servant, I hear a lot of complaints from members of the general public about what goes on in the halls of government and I would like to register some of my complaints about what goes on outside of the halls of government.

In the first place, there is no point in criticizing the Government in Washington because what it does is generally only a reflection of what the general public wants it to do.

That is the kind of government we set up—government of the people, for the people, and by the people.

If we have bad government, therefore, it is because we have bad people.

I would not go so far as to say that the American people are bad but it must be said that for some time now their judgment has been bad in many instances.

Let's look at some of the problems that have been created by misguided public opinion.

Let's start with what most people consider our No. 1 problem—inflation.

Inflation is fun.

It is always fun to spend money which has not yet been earned—that is, it is fun in the beginning, until the results begin to come home.

Inflation begins in Washington.

But why does it begin at all?

Because the people want it to.

You may say that the people do not want it to and in a way you would be right, but in a much more important way you would be wrong.

The people do not want inflation, but they do want the Government to do things for them, which can only be accomplished through inflationary spending and in inflationary processes.

As long as people wish the Government to do more things for them there will be political candidates eager to promise the fulfillment of their wishes and when the bitter fruits of inflation come to their dining-room table they have no one to blame but themselves.

Our trouble, as citizens, is that we believe so many things that are not true.

One of these things is that Government has any money to give anybody without taking it away from somebody else, or even from the same people it gives it to.

Common sense tells us that there is no such thing as something for nothing, that there is no such thing as a free meal, but our selfishness prevails over our commonsense.

III

As an illustration I would like to quote a few sentences from an editorial on the fallacy that Federal aid is free by the American Economic Foundation.

It was written by two friends of mine, Fred Clark and Richard Rimanoczy.

Here is what the editorial says:

"Money, in political affairs, is the original shell game of now you see it, and now you don't."

A good example is the illusion that Federal aid is free—that it is something for nothing.

The way to dispel this illusion is to check it against two of the prime principles of economics.

The first is: Nothing in our economic life comes from nowhere or goes nowhere; there is always a source and a destination.

The second is: Government cannot give the people anything that it does not take from them.

With these two truths in mind it doesn't require much detective work to discover that Federal aid is money taken from the people, sent to Washington, and then returned to the people.

Federal aid therefore is money that could have been local and State aid, had that money stayed within the States.

To the best of our knowledge, only one State, Mississippi, gets back as much as it puts in.

IV

At this moment you are probably thinking: "But there must be more to it than this. The States and cities are always short of money and the Federal Government is always loaded."

You are right—there is more to it than this: the Federal Government has a legal right to counterfeit all the money it wants to as long as it stays within the debt limit, which Congress raised to $288 billion.

"Counterfeit" may be a slightly inaccurate word but it comes very close to the truth.

Here is the way it works.

Cities and States, when they need money, must get it from the people in taxes or borrow it privately against future taxes.

In other words, cities and States must raise real money—money that has been earned.

But the Federal Government, when it needs money, can put its I O U's (that can become permanent debt) into the banking system and cause the banks to create brand-new unearned money, money that takes on value only by taking away part of the value of the earned money.

That is what counterfeit money does, and that is why we use the word "counterfeit."

Another word for this money is "inflationary."

You may say: "But this bottomless Federal purse contradicts your statement that everything Government gives to the people must first be taken from the people."

On second thought, however, you will see where you are wrong: This money is taken from the people invisibly because, as previously suggested, when it is spent the value of the people's money goes down by approximately the same amount.

For example, the $12 billion the Federal Government is adding to the money supply this year (June 1958 to June 1959) will subtract about $12 billion from the value of the rest of the money.

The people will give up that $12 billion just as certainly as if it had been taxed from them.

This, too, should be ample evidence that Federal aid cannot be free.

Yet, we continue to keep pressure on the Federal Government to give away money that must first be taken away from us or borrow it and then take from us threefold to repay it.

V

Back of public approval, or at least tolerance, of deficit spending is the rather unadmirable notion that in some way or other,

when government goes deeper into debt it saves us taxes.

Actually, deficit spending is triple taxation.

The first payment is made almost immediately, because the spending of the unearned money subtracts an equivalent amount from the value of the total money supply.

This payment is really an invisible capital levy affecting everyone—rich or poor—young or old—employed or retired.

The second payment is made over the period during which interest is paid on the debt.

This payment may amount to more than the debt itself.

If the interest were 2½ percent per year and the debt were allowed to run for 40 years (a not-at-all impossible situation) we would have paid out enough interest to retire the debt.

(Today about $8 billion a year of our tax money is required to pay interest on the Federal debt).

The third payment, of course, is when the debt is actually paid off.

This, too, must come from our tax money.

So we can easily see, even though we may refuse to look, that the $12 billion of deficit spending in the current fiscal year could cost the American people $36 billion.

By no stretch of the imagination could a rational person consider that this deficit saved anybody any money.

But still we persist in our delusion.

VI

Another blind spot—closely related with our attitude toward deficit spending—is our stubborn belief that higher wages—in themselves—mean a higher standard of living.

Here again we are acting against commonsense but our ignorance seems invincible.

Suppose we reduce the argument to ridiculous proportions and see what happens.

Let's suppose that tomorrow morning everyone received twice as much money as they are now getting for their contribution to society.

We can easily figure out what would happen.

No more would be produced.

No more things would be on sale.

But there would be twice as much money paid out for the production.

So the price would have to become twice as much.

Nothing else could happen.

Everybody would agree that this 100 percent unearned raise would be obviously stupid—but almost everybody would eagerly accept a 5 percent unearned raise if they could get it.

Like many other problems of human nature this is an imponderable.

It cannot be explained—it can only be observed.

And as long as there are paymasters weak enough to continue to give unearned increases the practice will continue.

But don't try to blame it on the Government.

VII

Another source of self-generated trouble is our attitude toward employment and unemployment.

About 25 years ago some English socialists planted the economic theory that 100 percent full employment is both possible and desirable.

The American mind was fertile soil for this planting and today public opinion is largely behind the idea that corporations can and should be expected to provide 100 percent full employment, and if they fall down on the job the Federal Government must do something about it.

The only thing wrong with this idea, as a little study will disclose, is that corporations do not provide employment, or, at least do not generate it.

Our confusion arises from the fact that employment is measured in payroll and payroll comes from corporations, therefore the corporation must be the employer.

But another look at the situation reveals that the payroll came from the customers, so if payroll is synonymous with employment the customer is the employer, or at least, generates employment.

This puts the corporations in a different light.

They are responsible for employment only to the extent that they are responsible for finding customers.

But this cannot be done by management without the cooperation of the men and women in the plant whose relative efficiency and productivity is frequently the reason why customers are either found or not found.

Unless the people on the payroll cooperate in producing goods of a quality and price that will win the customer, there is nothing that management can do to prevent unemployment.

This raises the question of why the labor leaders, whose purpose is to further the welfare of their union members, so frequently throw roadblocks in the path of management instead of trying to smooth the way.

It also raises the question of why labor union members, many of whom must know the truth, permit their leaders to handicap instead of help the very people whose job it is to find them employment.

But as long as these union members want their leaders to have the power to interfere with management's effort to provide employment there is little that the Federal Government can be expected to do about it except to provide the machinery for freedom of action by the union members and that is just what we are trying to do.

The fact that our system works as well as it does is proof that there is a destiny which shapes our ends, roughhew them though we may.

VIII

There is another facet of 100 percent full employment that raises a serious economic question were the Federal Government to take the extreme measures that would be required to provide it.

One-hundred percent full employment in a growing economy insures chronic inflation.

To its sorrow, socialist England discovered this hard fact when the Socialist Government set out to guarantee it by Government fiat.

Here is what happens: in a growing economy there are always new businesses that must be able to find workers.

Under 100 percent full employment all of the people who want to work already have a job.

What happens, therefore, is the only thing that could happen: the new business takes workers away from old business by offering them more money; old business to retain their workers raises the wages.

As we know, when higher wages are not offset with higher productivity, they simply add to the cost of production and cause higher selling prices.

The result is an endless inflationary spiral.

It is interesting to note that in England the author of the full-employment theory, Lord William Beveridge, was personally ruined financially by the results of his own plan.

He wrote the plan in 1944.

In 1956 he denounced it in a speech made before the Racial Reform Group Conference in London.

In his very personal remarks Lord Beveridge told his audience that he had retired with what he thought was enough savings for a happy old age.

Under full employment, however, his savings had lost about two-thirds of their purchasing power due to chronic inflation.

The following was the high point of his speech.

"The underlying reason is claims of each industry (meaning each labor group) to fix its own money wages by sovereign action. Under full employment that is leading to the destruction of the value of money and is spreading widespread poverty among all who are trying to live on savings or fixed pensions."

The answer is a normal amount of unemployment—perhaps 3 percent of the labor force.

It must not be thought that this 3 percent consists of a starving desperate impoverished people.

Many of them don't want a job right away.

Most of them have rainy day savings.

Many of them live in families where there is more than one income.

Moreover, the unemployed is a constantly changing group.

The average period of unemployment being about 120 days, the actual number of people involved in unemployment in a year would be about four times the percentage for a given year.

So manageable unemployment is not a fearsome problem—it is essential to economic stability.

You may hear speeches challenging this statement but you can be thankful that the Government in Washington does not push the panic button every time there is a mild recession.

IX

The final observations I would like to make are more general than the foregoing.

They are rather hard to put into words.

The present generation of Americans do not seem to love their country the way it was loved by previous generations.

Nationalism, today, is almost something to be ashamed of.

This was dramatically demonstrated during the brainwashing of American prisoners in Korea.

This was probably the largest sampling of national character that was ever conducted in controlled conditions and accurately recorded.

Regarding the results, I would like to quote from a recent radio sermon by the Reverend John F. Fisler, delivered for the Protestant Council of the City of New York.

Dr. Fisler went into a great deal of detail some of which I will read to you.

The Amercan prisoners did not behave as on previous occasions when Americans were captured.

They did not organize. They did not try to escape. They did not steal telephone and radio equipment in order to transmit reports to our lines. They did not defy the enemy with the usual American spirit.

Many of those who died, died not from disease, cold or hunger, but from what the Army psychiatrists are calling "give-up-itis." They would go to bed, pull the covers over their heads, and, in 48 hours, they were dead. Fifteen hundred men died in this way.

Dr. Fisler quoted part of the communication from the chief of intelligence of the Chinese People's Volunteer Army in Korea to his chief in China.

"Based upon our observations of American soldiers and their officers captured in this war for the liberation of Korea from capitalist imperial aggression the following facts are evidenced: The American soldier has weak loyalties to his family, his community, his religion, his country and his fellow soldier. His concept of right and wrong is hazy. Opportunism is easy for him. By himself he feels frightened and insecure. He underestimates his own worth, his own strength and his ability to survive. He is ignorant of social values, social tensions and conflicts."

What Dr. Fisler says is certainly not true of our soldiers generally but it is true of the significantly large numbers who yielded to the brainwashing.

x

I don't suppose anybody knows for sure just what has come over so many of our young Americans.

They don't seem to believe in what we used to call the homely virtues and the eternal verities.

They know all about the faults of our country and the weakness of our economic system but we don't seem impressed with the fact that we still have the finest civilization this world has ever known.

These young people knit their brows and shake their heads over the social injustices in a nation that does not automatically provide economic security.

Angry young men write about the tyranny of conformity and hard work.

What these people are expressing, without knowing it, is their reluctance to take on the responsibilities of freedom.

Freedom is for strong men and, with it, must go self-reliance.

But most people can acquire the strength when they acquire a full appreciation of freedom.

The difficulty of appreciating freedom is greater for the American people than any other people on earth because we enjoy so much of it with so little effort.

We have a tendency to see only the burdens of freedom.

But there is good news for those who don't believe that freedom isn't worth the effort: of all our responsibilities it is the easiest to get rid of—all we have to do is elect the men who are all too eager to take over the problem of making our economic decisions.

What can one say to a man who is weary of being free?

You should remind him that every adult, as a child of God, has the moral responsibility to be free.

As a matter of fact the idea of personal freedom came from the teachings of Jesus.

The entire Western World is rooted in these teachings.

That is why communism must attack Christianity.

Communism is a form of emotional dependency upon somebody or something else and the desire for security through obedience.

To the Communists, Christianity and self-reliance are synonymous.

Their weapon against them is fear—the fear of personal failure—the fear that drives the individual backward to the childish instinct for security.

But the self-reliant Christian is not defeated by fear.

He has, in his religion, a mother, a father, a partner, a counselor, and a comforter.

There is, for him a different type of security through obedience—the security that comes from obedience to God's will.

With God at his side the most deserted of men do not feel alone, the most beleagured men do not feel fearful, because he has the strength and courage that overcomes panic and despair.

He does not fear economic hardship because in a Christian society there is always Christian charity.

xi

To sum it all up what I am really trying to say to you all is that a good index of America's belief in liberty, self-government, and self-reliance is the strength of America's belief in God.

And if faith in God is the foundation of our civilization, the strength of our civilization depends upon the strength of that faith.

That is why, in spite of any of the superficial signs of character deterioration that may occupy some of the headlines today, I cannot believe that the American dream is failing, because Christian faith is growing.

It may sound odd for a politician to say that good government is to a great extent a religious problem, but good character is a religious problem, and good government depends upon the good character of its citizens.

There is evidence to back up the correlation between Christianity and character: Not one of the American prisoners in Korea who had deeply religious convictions were successfully brainwashed by the Communists.

xii

If America's problem were a highly intellectual one, I would have less hope for our future, because mass education at the intellectual level is difficult.

But it is not an intellectual problem—it is merely a matter of commonsense motivated by good character.

Most people know what they are doing wrong; in fact they feel a little guilty about it.

And it is the American conscience that, I believe, will guarantee our future.

It needs a little prodding, but it is still a healthy conscience.

It needs a lot of self-appointed missionaries to talk as I have been talking, and I believe those missionaries will appear.

I hope that right here, in this audience, a few of them may have been enlisted even as I spoke. Good luck and may God bless you always.

SENATE

THURSDAY, JUNE 4, 1959

Rev. Joseph S. Johnston, D.D., minister, Reveille Methodist Church, Richmond, Va., offered the following prayer:

Breathe on us, Breath of God,
Fill us with life anew,
That we may love what Thou dost love,
And do what Thou wouldst do.

Father, in the brief compass of this day we cannot do everything. But we can do something. Help us to know what are the important things, and to do them.

Save us from loss of life through the careless use of time, the waste of energy, the mishandling of our opportunities; keep our thinking straight and true; and when we grapple futilely with problems that seem immense, remind us that in Thee is wisdom adequate for every need. Thou hast dignified our lives by giving us significant work to do; save us from the foolishness of trying to do it without Thy aid. Let these moments of prayer be meaningful moments of waiting in which we attune our life to Thy purposes, and then as coworkers with Thee move forward to establish the reign of Thy will where we are.

In the name of Jesus Christ, we pray. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, June 3, 1959, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting nominations was communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting sundry nominations, which was referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H.R. 7454) making appropriations for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 7454) making appropriations for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

AGREEMENTS FOR RECOGNITION OF SENATORS IN ADVANCE

Mr. DIRKSEN. Mr. President, I should like to raise a question with the distinguished majority leader.

I observe that yesterday a Member of the Senate reserved 30 minutes of time today after the taking of the vote on the bill authorizing appropriations to the National Aeronautics and Space Administration. I would suggest that if we fall into the habit of reserving time ahead, although the amount thus reserved could be for longer or for shorter periods, it could run well into the future. As a practice, I am afraid that would certainly destroy the flexibility of Senate operations.

I would be reluctant always to object to such a request—knowing, of course, that, within reasonable limits, a Senator is able to obtain the floor at almost any time. But I believe that a practice of reserving time 1 day or 2 days ahead would present some difficulties. So I make this suggestion for the consideration of the majority leader.

Mr. JOHNSON of Texas. Mr. President, I am delighted to have the distinguished minority leader present his

personal viewpoint. I quite agree with him that it would be better if such requests were not made. Of course, when they are made, unanimous consent is required; and at such a time each Senator who cares to exercise his responsibility as a Member of the Senate can object.

Had I been in the Chamber yesterday at the time when the request was made, I would have asked that it not be made. However, I was not in the Chamber at the time. I am sure the Senator from Illinois would have done the same—although I remember, I believe, that on occasions the Senator has asked me to follow that practice for some of the Members on his side of the aisle.

I do not believe the public interest will be hurt a great deal, either one way or the other.

If a Senator obtains consent to be recognized for a specific length of time, Senators who wish to hear his remarks can be present at that time; Senators who do not wish to hear his remarks will then be on notice that they need not be present. In any event, a Senator who wishes to address the Senate can obtain recognition.

However, generally speaking, I share the viewpoint of the Senator from Illinois.

Mr. DIRKSEN. Mr. President, I bring up the matter only because it is a little awkward, and sometimes it is offensive, to object to a request by a Senator.

If a common practice of that sort were to develop, it would present difficulties. So, if it can be discouraged, I think that will be helpful.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON NUMBER OF OFFICERS ON DUTY WITH DEPARTMENT OF THE ARMY AND ARMY GENERAL STAFF

A letter from the Secretary of the Army, transmitting a report of the number of officers on duty with the Department of the Army and the Army General Staff on March 31, 1959 (with accompanying papers); to the Committee on Armed Services.

REPORT PRIOR TO RESTORATION OF BALANCES, DEPARTMENT OF JUSTICE

A letter from the Administrative Assistant Attorney General, transmitting, pursuant to law, a report prior to restoration of balances, Department of Justice, as of May 25, 1959 (with accompanying papers); to the Committee on Government Operations.

IMPROVEMENT OF ADMINISTRATION OF TRANSFERS OF CERTAIN REAL PROPERTY

A letter from the Administrator, General Services Administration, transmitting a draft of proposed legislation to improve the administration of transfers of certain real property for wildlife or other purposes by repealing the act of May 19, 1948, and incorporating the essential provisions thereof in the Federal Property and Administrative Services Act of 1949, as amended (with an accompanying paper); to the Committee on Government Operations.

AUTHORIZATIONS FOR COAST GUARD TO ACCEPT, OPERATE, AND MAINTAIN A DEFENSE HOUSING FACILITY AT YORKTOWN, VA.

A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to authorize the Coast Guard to accept, operate and maintain a certain defense housing facility at Yorktown, Va., and for other purposes (with an accompanying paper); to the Committee on Interstate and Foreign Commerce.

OPINION IN CASE OF ALMA BLABON, ET AL. V. THE UNITED STATES

A letter from the Clerk, U.S. Court of Claims, Washington, D.C., transmitting, pursuant to law, the court's opinion in the case of *Alma Blabon, et al.* v. *The United States*, rendered on June 3, 1959 (with accompanying papers); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Two letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law pertaining to each alien, and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

GRANTING OF STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting the applications for permanent residence filed by certain aliens, together with a statement of the facts and pertinent provisions of law as to each alien, and the reasons for granting such applications (with accompanying papers); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution of the Legislature of the State of Florida; to the Committee on Appropriations:

"HOUSE MEMORIAL 1657

"Memorial to the Congress of the United States to provide sufficient funds for commencement of construction of the West Coast Intracoastal Waterway from the Caloosahatchee River to the Anclote River, Fla., at the earliest possible time

"Whereas the Florida Legislature has heretofore created the West Coast Inland Navigation District by legislative action in 1947, which legislative authority has been from time to time amended; and

"Whereas Congress has heretofore authorized this project and did in the last Congress appropriate $135,000 for advance planning and engineering; and

"Whereas the Corps of Engineers of the U.S. Army has reported that it will be able to economically use $1,400,000 for immediate commencement of construction; and

"Whereas studies have indicated that the project is economically feasible and is in the best interest of the citizens and taxpayers of the particular area involved and of the State of Florida in general and of commerce generally in the United States and further justified on the basis of national defense needs in having an inland waterway connecting the great port of Tampa to the already established waterway system of the eastern United States; and

"Whereas local interests have raised more than $1,500,000 in local taxes to meet local commitments and now stand ready and able to carry out requirements for local interests, and the Legislature of the State of Florida having just extended the taxing authority of the West Coast Inland Navigation District for an additional 10 years to insure full cooperation and participation by local interests in the completion of this great project: Now, therefore, be it

"Resolved by the Legislature of the State of Florida, That the Congress of the United States be and it is hereby requested to provide at the earliest possible time $1,400,000 as found by the Corps of Engineers of the U.S. Army may be economically expended at this time for commencement of construction of the West Coast Intracoastal Waterway from the termination of the existing cross Florida waterway at the mouth of the Caloosahatchee River, to the Anclote River, Fla., during the next fiscal year and that such funds be provided from time to time thereafter as may be needed to pursue this project expeditiously to completion; be it further

"Resolved, That copies of this memorial be dispatched to the President of the United States; to the President of the U.S. Senate; to the Speaker of the U.S. House of Representatives; to each of the ablest congressional delegations in the U.S. Congress, the Florida delegation; to the Chief of Engineers, Corps of Engineers, Washington, D.C., and to the Governor of the great State of Florida."

(Filed in office secretary of state June 1, 1959.)

A resolution of the Legislature of the State of Florida; to the Committee on the Judiciary:

"SENATE COMMITTEE SUBSTITUTE FOR HOUSE MEMORIAL 190

"Memorial to the Congress of the United States to pass a joint resolution proposing an amendment to the Constitution of the United States reserving to the States exclusive control over public education.

"Whereas on January 27, 1959, Senator TALMADGE, of Georgia, and others introduced a joint resolution in the Senate of the United States proposing an amendment to the Constitution of the United States, reserving to the States exclusive control over public schools; and

"Whereas Congressman ROBERT L. F. SIKES, of Florida, on the 29th day of January 1959, introduced a joint resolution in the House of Representatives of the Congress of the United States, proposing an amendment to the Constitution of the United States, providing that the judicial powers of the United States shall not give the Supreme Court of the United States the power to overrule, modify or change any prior decision of that Court construing the Constitution of the United States or an act of Congress promulgated pursuant thereto; and

"Whereas the Legislature of the State of Florida is in accord with the purpose and intent of these resolutions: Now, therefore, be it

"Resolved by the Legislature of the State of Florida, That the Congress of the United States is requested to pass the joint resolutions known as Senate Joint Resolution 32 and House Joint Resolution 201 of the 86th Congress, and that the Congress do move with all possible haste to adopt the said resolution and submit to the respective States for ratification the proposed amendment; be it further

"Resolved, That copies of this memorial be dispatched to the President of the

United States; the Vice President of the United States; to the Honorable LYNDON JOHNSON, majority leader in the Senate of the United States; to the Speaker of the House of Representatives of the United States and to SPESSARD HOLLAND and GEORGE A. SMATHERS, of Florida; and to Congressmen ROBERT L. F. SIKES, WILLIAM C. CRAMER, CHARLES E. BENNETT, A. SYDNEY HERLONG, JR., JAMES A. HALEY, DANTE B. FASCELL, PAUL G. ROGERS, and D. R. (BILLY) MATTHEWS."

(Filed in office secretary of State May 25, 1959.)

A concurrent resolution of the Legislature of the State of Texas; to the Committee on Labor and Public Welfare:

"SENATE CONCURRENT RESOLUTION 1

"Whereas on the 19th day of May 1959, James Hoffa, president of the Teamsters Union, in a speech at Brownsville, Tex., threatened the Congress of the United States with a primary strike all across the Nation that will straighten out the employers for once and for all if Congress imposed restrictive labor laws; and

"Whereas such a threat of a nationwide strike constitutes a reprehensible code of conduct so typical of Hoffa and his gangsters; and

"Whereas such conduct threatens the very foundation of our democratic form of government and maligns and degrades the Congress of the United States; and

"Whereas the citizens of the United States through their duly elected Members of Congress are entitled to remedial legislation that would protect them from such lawless and irresponsible union leaders who, by their threats, are in fact denying the supremacy of government over their nefarious activities; and

"Whereas the people of this great Nation are entitled to and must demand legal protection from such demagogs and maligners of our Constitution, laws, and our Congress; and

"Whereas the laboring men and women are patriotic law-abiding citizens and should be protected from a gang of labor racketeers headed by Hoffa; Now, therefore, be it

"Resolved, That the Senate of the State of Texas, of the first called session, the House of Representatives concurring, call upon the Members of Congress to enact restrictive and remedial legislation that will afford protection to the people of the United States against such enemies of our Government as reflected by the threats of Hoffa and his hoodlums; and be it further

"Resolved, That copies of this resolution be mailed to the members of the Texas delegation in the Senate and the House of Representatives; a copy to Senator JOHN L. MCCLELLAN; and a copy to the Vice President of the United States, RICHARD M. NIXON.

"BEN RAMSEY,
[SEAL] *"President of the Senate.*
"WAGGONER CARR,
"Speaker of the House.
"CHARLES SCHNABEL,
"Secretary of the Senate.
"DOROTHY HALLMAN,
"Chief Clerk of the House."

A concurrent resolution of the Legislature of the Territory of Hawaii; to the Committee on Banking and Currency:

"SENATE CONCURRENT RESOLUTION 90

"Whereas the comfort and well-being of many members of the armed services and their families call for an early completion of the Capehart housing projects within the city and county of Honolulu; and

"Whereas it is has come to the attention of this body that there have been work stoppages and slowdowns at such projects, thus delaying early completion: Now therefore, be it

"Resolved by the Senate of the 30th Legislature of the Territory of Hawaii, the House of Representatives concurring, That the committees on Capehart housing of the Senate and the House of Representatives of the Congress of the United States be and they are hereby respectfully requested to conduct an investigation of work stoppages and slowdowns of Capehart housing projects within the city and county of Honolulu, and particularly at Kaneohe, Oahu, Hawaii, and ascertain the reasons for such stoppages and slowdowns; be it further

"Resolved, That certified copies of this concurrent resolution be transmitted to JOHN A. BURNS, Delegate from Hawaii to the Congress of the United States, the Speaker of the House of Representatives, the President of the Senate and the respective chairmen of the committees of Capehart housing in the Senate and House of Representatives of the Congress of the United States."

RESOLUTIONS OF ORGANIZATIONS OF STATE OF NEW YORK

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Long Island Federation of Women's Clubs, Inc., relating to governmental expenditures, and a resolution adopted by the State Restaurant Liquor Dealers Association of New York, Inc.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTION FROM LONG ISLAND FEDERATION OF WOMEN'S CLUBS, INC., BELLEROSE, N.Y.

Whereas a rising tax rate adds to the cost of Government, of consumer goods and of services; and

Whereas such increases contribute to inflation: Therefore be it

Resolved, That the Long Island Federation of Women's Clubs, Inc., in convention assembled this 15th day of May 1959, urges our elected Representatives to resist the trend toward mounting governmental expenditures, and to work toward the restoration of a sound fiscal policy; and be it further

Resolved, That copies of this resolution be sent to the following: Dwight D. Eisenhower, President of the United States; Richard M. Nixon, Vice President of the United States; majority and minority leaders of the U.S. Senate and House of Representatives; Members of the Senate and House elected from Long Island; Nelson A. Rockefeller, Governor of New York; majority and minority leaders of the New York State Senate and Assembly; members of the New York State Senate and Assembly elected from Long Island.

Mrs. HAROLD A. BAUMAN,
Chairman.

RESOLUTION OF STATE RESTAURANT LIQUOR DEALERS ASSOCIATION OF NEW YORK, INC.

Whereas the 20 percent cabaret tax was one of the levies imposed as a temporary expedient at the time of the outbreak of war; and

Whereas said tax is a detriment to the economic stability of that segment of the restaurant industry which furnishes entertainment for its patrons; and

Whereas over 40,000 musicians and employees could be put to work immediately upon repeal of this onerous burdensome tax: Now, therefore, be it

Resolved, That the board of governors of the State Restaurant Liquor Dealers Association of New York, Inc., in meeting assembled at Garden City, Long Island, N.Y., this 19th day of May 1959, go on record as calling for the immediate repeal of this unjust tax; and be it further

Resolved, That copies of this resolution be forwarded to appropriate Members of Congress and to the President of the United States.

ANTHONY VISCIGLIO,
President.
DONALD J. RICK,
Secretary.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HILL:

S. 2105. A bill to amend the laws relating to Saint Elizabeths Hospital so as to fix the salaries of the Superintendent, Assistant Superintendent, and first assistant physician of the hospital, and for other purposes; to the Committee on Labor and Public Welfare.

By Mr. ERVIN:

S. 2106. A bill for the relief of Emiko Nagamine; to the Committee on the Judiciary.

By Mr. CHURCH:

S. 2107. A bill to amend section 1 of the Act of January 2, 1951, prohibiting the transportation of gambling devices in interstate and foreign commerce; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. CHURCH when he introduced the above bill, which appear under a separate heading.)

By. Mr. NEUBERGER:

S. 2108. A bill to provide for assistance to the Klamath County School District, Oreg., in the construction of a high school building on the Klamath Indian Reservation; to the Committee on Interior and Insular Affairs.

By Mr. BYRD of West Virginia (by request):

S. 2109. A bill for the relief of Edwin A. Haddad; to the Committee on Finance.

By Mr. BEALL:

S. 2110. A bill to authorize the Department of Defense to indemnify its contractors against nuclear and other unusually hazardous risks, to limit the liability of contractors so indemnified, and for other purposes; to the Committee on Armed Services.

By Mr. ELLENDER (by request):

S. 2111. A bill to amend section 602 of the Agricultural Act of 1954; to the Committee on Agriculture and Forestry.

By Mr. JACKSON (for himself, Mr. MAGNUSON, Mr. EASTLAND, Mr. ENGLE, Mr. BUTLER, Mr. STENNIS, and Mr. YARBOROUGH):

S. 2112. A bill to prohibit the importation into the United States of polluted shellfish; to the Committee on Finance.

By Mr. MCNAMARA:

S. 2113. A bill for the relief of George K. Caldwell; to the Committee on the Judiciary.

By Mr. PROXMIRE:

S. 2114. A bill for the relief of Mathilde Basenach; to the Committee on the Judiciary.

By Mr. BUTLER:

S. 2115. A bill to amend chapters 2, 3, 4, 5, 6, and 8 of the Immigration and Nationality Act; and

S. 2116. A bill for the relief of Aristivis Koukounaris; to the Committee on the Judiciary.

By Mr. ENGLE:

S. 2117. A bill to amend section 304 of the Tariff Act of 1930 to require that all cast iron soil pipe and fittings imported into the United States be marked with the name of the country of its origin; to the Committee on Finance.

By Mr. MAGNUSON (by request):

S. 2118. A bill to amend section 4488 of the Revised Statutes, as amended, to au-

thorize the Secretary of the Department in which the Coast Guard is operating to prescribe regulations governing lifesaving equipment, firefighting equipment, muster lists, ground tackle, hawsers, and bilge systems aboard vessels, and for other purposes; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bill, which appear under a separate heading.)

By Mr. LANGER:

S. 2119. A bill to provide automatic free insurance for members of the Armed Forces; to the Committee on Finance.

By Mr. RANDOLPH (for himself and Mr. BYRD of West Virginia):

S. 2120. A bill to authorize the establishment of the Washington's Western Lands National Monument in the State of West Virginia; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. RANDOLPH when he introduced the above bill, which appear under a separate heading.)

By Mr. RANDOLPH:

S.J. Res. 105. Joint resolution providing for participation by the United States in the West Virginia Centennial Celebration to be held in 1963 at various locations in the State of West Virginia, and for other purposes; to the Committee on the Judiciary.

CONCURRENT RESOLUTIONS

Mr. WILLIAMS of New Jersey submitted the following concurrent resolutions, which were referred to the Committee on Foreign Relations:

S. Con. Res. 44. Concurrent resolution relative to the strengthening of the scientific and technological progress of the free nations through cooperation of the North Atlantic Treaty Organization; and

S. Con. Res. 45. Concurrent resolution relative to the establishment of an informal advisory committee of the North Atlantic Treaty Organization.

(See the above concurrent resolutions printed in full when submitted by Mr. WILLIAMS of New Jersey, which appear under a separate heading.)

RESOLUTION

Mr. O'MAHONEY submitted the following resolution (S. Res. 128); which was referred to the Committee on Rules and Administration:

Resolved, That the final report of the Theodore Roosevelt Centennial Commission be printed, with illustrations, as a Senate document.

PROHIBITION OF TRANSPORTATION OF GAMBLING DEVICES IN INTERSTATE AND FOREIGN COMMERCE

Mr. CHURCH. Mr. President, I am about to introduce a bill, and I ask unanimous consent that I may be allowed to speak on it for 5 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. CHURCH. Mr. President, since 1951 a Federal law has prohibited the transportation of certain gambling machines in interstate and foreign commerce. The Johnson Act of that year has effectively controlled the slot machine devices known colloquially as one-armed bandits.

The hearings of the Select Committee on Improper Practices of Labor and Management last year established that the ingenuity of the gamblers has proved equal to the challenge of the Johnson Act. The time has come for a tightening of the Federal law to cope with the new electronic and mechanical devices which are in reality nothing more nor less than horizontal slot machines.

I am introducing today a bill to make two important changes in the Johnson Act. The first is to add the "bingo" or "in-line" pinball machines to the controlling definitions in the act, and the second is to close an obvious loophole which has been used by gambling machine manufacturers to defeat the purposes of the act ever since it became law.

The testimony before the McClellan committee about the "bingo" or "in-line" machines established that these machines, which are made to look like amusement-type games, in reality give increased odds on the insertion of additional coins and have foolproof payoff systems which operate by means of meter devices to record the payment of free games in cash or merchandise. The witnesses before the McClellan committee showed that these machines have all the fast play gambling features of the one-armed bandit and some new ones besides. Although it is illegal to operate them in every State except Nevada and part of Maryland, there nevertheless are approximately 100,000 of them in use throughout the country, and it is estimated that the gross revenues from their illegal operation are in excess of a quarter of a billion dollars a year. This is the money which feeds the cancer of organized crime in this country.

Mr. President, the proposed new definition would include any machine which, by the operation of a chance element, gives a player any change in playing odds for successive plays or any recorded credit.

This last provision separates the gambling machines from the amusement machines. Gambling machines must perform three functions: Take the player's money, apply an element of chance, and control the return consideration or prize. The subterfuge machines which are not now controlled by the Johnson Act because no coins, coupons or other tangible evidence of winning are involved, are set so that the owner of the location can clear the machine of accumulated free-game credits in such a way as to leave a record in the machine of the number of free games so cleared. This is an essential element of the operation in order that the owner of the device and the location owner can account between themselves as to the winnings paid out by the location owner to the player of the machine. If there is no recording of this information and the games can only be played off, then the device is for amusement only and would not be subject to my amendment or the original Johnson Act.

Gambling is a key element in the crime syndicates which operate in this country. The Johnson Act ought to be tightened up in the way suggested.

In addition to this amendment, a second proposed amendment follows a change recently made in the Federal gambling tax law—title 26, United States Code Annotated, section 4462—by providing that machines which otherwise fall in the gambling category do not literally have to be coin operated.

Mr. President, it is my understanding that the Attorney General has recommended legislative action along these lines. I am informed, however, that the bill which he has sent to the Congress is one which has been questioned by responsible law enforcement officials as technically insufficient to meet the ingenuity of the manufacturers of these evil machines. I believe the bill I am offering will get the job done.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD at this point in my remarks.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2107) to amend section 1 of the act of January 2, 1951, prohibiting the transportation of gambling devices in interstate and foreign commerce, introduced by Mr. CHURCH, was received, read twice by its title, referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a)(2) of the first section of the Act entitled "An Act to prohibit transportation of gambling devices in interstate and foreign commerce," approved January 2, 1951 (64 Stat. 1134), is amended to read as follows:

"(2) any machine or mechanical device designed and manufactured to operate by means of insertion of a coin, token, or similar object and designed and manufactured so that when operated it may deliver, as the result of the application of an element of chance, any money or property, any change in playing odds on successive operations, or any credit recorded beyond the immediate duration of the play of such machine or device; or"

SEC. 2. That subsection (a)(3) of the first section of the Act of January 2, 1951 (64 Stat. 1134) is renumbered "(4)", and is further amended by the insertion of a new subsection (a)(3) reading as follows:

"(3) any machine or mechanical device which is similar to machines described in subparagraphs (a)(1) or (a)(2), and is operated without the insertion of a coin, token or similar object; or".

AMENDMENT OF SECTION 4488 OF REVISED STATUTES, RELATING TO REGULATION GOVERNING CERTAIN EQUIPMENT FOR VESSELS

Mr. MAGNUSON. Mr. President, by request, I introduce, for appropriate reference, a bill to amend section 4488 of the Revised Statutes, as amended, to authorize the Secretary of the Department in which the Coast Guard is operating to prescribe regulations governing lifesaving equipment, firefighting equipment, muster lists, ground tackle, hawsers, and bilge systems aboard vessels,

and for other purposes. I ask unanimous consent that the letter from the Acting Secretary of the Treasury, requesting the proposed legislation, be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 2118) to amend section 4488 of the Revised Statutes, as amended, to authorize the Secretary of the Department in which the Coast Guard is operating to prescribe regulations governing lifesaving equipment, firefighting equipment, muster lists, ground tackle, hawsers, and bilge systems aboard vessels, and for other purposes, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The letter presented by Mr. MAGNUSON is as follows:

OFFICE OF THE
SECRETARY OF THE TREASURY,
Washington, D.C., May 22, 1959.

THE PRESIDENT OF THE SENATE.

SIR: There is transmitted herewith a draft of a proposed bill to amend section 4488 of the Revised Statutes, as amended, to authorize the Secretary of the Department in which the Coast Guard is operating to prescribe regulations governing lifesaving equipment, firefighting equipment, muster lists, ground tackle, hawsers, and bilge systems aboard vessels, and for other purposes.

The purpose of this proposal is to revise the archaic and preclusive regulations relating to lifesaving appliances on ocean, lake, and sound steamers and foreign vessels through a consolidation and a broader application of certain statutes which relate to lifesaving appliances, firefighting equipment, muster lists, ground tackle, hawsers, and bilge systems aboard vessels.

Items contains in the International Convention for Safety of Life at Sea, 1914, were adopted as regulations by the Congress and enacted into law by the act of March 4, 1915. The 1914 convention was never put into force due to the hostilities during World War I. With the later ratification of the 1929 and 1948 International Conventions for the Safety of Life at Sea, the provisions of Revised Statutes 4488 should have been amended to reflect the changes in lifesaving appliances these conventions had adopted. Rather than amending the law, the requirements of the conventions were established through promulgation of regulations pursuant to the enabling provisions of Revised Statutes 4488.

The detailed statutory regulations of Revised Statutes 4488 are archaic today and restrict the progress of science and industry as it applies to safety of life at sea. The proposal would be a return to the basic enabling statute without its encumbering regulations but with its substantive amendments and a consolidation of other laws closely related and falling within the scope of the subject matter covered. A memorandum attached sets forth in greater detail the need for and the nature of this proposal.

It would be appreciated if you would lay the proposed bill before the Senate. A similar proposed bill has been transmitted to the Speaker of the House of Representatives.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this proposed legislation to the Congress.

Very truly yours,

T. GRAYDON UPTON,
Acting Secretary of the Treasury.

MEMORANDUM RE PROPOSED BILL TO AMEND SECTION 4488 OF THE REVISED STATUTES, AS AMENDED, TO AUTHORIZE THE SECRETARY OF THE DEPARTMENT IN WHICH THE COAST GUARD IS OPERATING TO PRESCRIBE REGULATIONS GOVERNING LIFESAVING EQUIPMENT, FIREFIGHTING EQUIPMENT, MUSTER LISTS, GROUND TACKLE, HAWSERS, AND BILGE SYSTEMS ABOARD VESSELS, AND FOR OTHER PURPOSES

As originally enacted Revised Statutes 4488 was essentially an enabling act, leaving the details of specifications and methods to regulations promulgated by the Board of Supervising Inspectors (now the U.S. Coast Guard). This act was amended by the act of March 2, 1889, which required the carriage of line-carrying projectiles and the means of propelling them. It was again amended by the act of March 3, 1905, which required that a life preserver be carrier on board for each person permitted on board; also, this amendment contained provisions penalizing those manufacturing, selling or intending to sell, unsafe lifesaving appliances or fire prevention equipment.

Due to the hostilities of World War I, the International Convention for Safety of Life at Sea, 1914, was never put into force. However, the Congress adopted certain items of this convention as regulations amending Revised Statutes 4488 (act of March 4, 1915). At that time similar requirements were also adopted to cover domestic vessels other than those in river service. These latter were covered broadly, the detailed requirements being left to regulations of the supervising inspectors.

With the ratification of the 1929 International Convention for Safety of Life at Sea, the changes in lifesaving appliances (lifeboat equipment, increased buoyancy in life jackets and ring buoys, increased number of ring buoys, etc.) required were not incorporated in Revised Statutes 4488 as substantive law. The changes were instead reflected in regulations promulgated by the Board of Supervising Inspectors pursuant to the enabling authority contained in Revised Statutes 4488. This resulted in regulations which were in many respects incompatible with the law authorizing them, yet consistent with international agreement.

The confusion was compounded upon ratification of the 1948 International Convention for Safety of Life at Sea. For instance, Revised Statutes 4488 sets forth details for lifeboats with external buoyancy and collapsible sides, whereas the 1948 convention permits only internal buoyancy and fixed sides. Revised Statutes 4488 requires an oceangoing cargo vessel to have 100 percent lifeboatage, whereas the 1948 convention calls for 200 percent. As with the 1929 convention, no attempt was made to amend the details of Revised Statutes 4488, particularly the regulations contained therein. Coast Guard regulations issued under authority of the enabling portion of Revised Statutes 4488 implemented the requirements of the 1948 convention.

Inasmuch as the greater portion of the regulations contained in Revised Statutes 4488 serve only to hamper an intelligent and progressive administration of safety requirements as dictated by changing modern demands, abolishment of the regulations is long overdue. An enabling act with penalty provision included will permit adherence to international obligations and allow the flexibility so sorely needed. Protection from arbitrary or capricious regulations is adequately provided for through the Administrative Procedure Act.

The following statutes are either inadequate or unnecessary by reason of limited applicability due to advances achieved in science and industry or their supersession by later laws of broader scope. They should be repealed.

Revised Statutes 4470 (46 U.S.C. 463): This statute relates to requirements for steam smothering systems. Regulations governing fire prevention and fire extinguishing are promulgated presently under the broad authority of the act of October 9, 1940 (54 Stat. 1028; 46 U.S.C. 463a). The statute is no longer necessary.

Revised Statutes 4471 (46 U.S.C. 464): This statute relates to fire pumps on steamers carrying 50 or more passengers, and on steamers carrying passengers which also carry cotton, hay, or hemp. It further requires sprinklers on vessels of wooden construction. The statute is archaic and its requirements are considerably below present standards set by the Coast Guard in regulations promulgated under the act of October 9, 1940 (54 Stat. 1028; 46 U.S.C. 463a). The statute is not necessary.

Revised Statutes 4479 (46 U.S.C. 472): This statute relates to the carriage of portable fire extinguishers on steamers. It is in effect an act authorizing promulgation of regulations but of limited scope. The statute is inadequate and unnecessary.

Revised Statutes 4481 (46 U.S.C. 474): This statute relates to lifesaving equipment for certain river vessels. It requires, among other things, that each passenger vessel should have at least one "metallic lifeboat". The statute as written precludes use of plastic or composition lifeboats. It has limited application and has not been employed by the Coast Guard in regulating lifesaving equipment aboard river steamers. It is archaic and unnecessary.

Revised Statutes 4482 (46 U.S.C. 475): This statute relates to the carriage of life preservers for passengers and crew on board river steamers. Floats are authorized in lieu of life preservers. The statute will be unnecessary in the event of enactment of the instant proposal.

Revised Statutes 4483 (46 U.S.C. 476): This statute relates to the carriage of fire buckets, axes and water barrels on board passenger-carrying river steamers. It is archaic. The provisions of the statute relating to fire buckets and water barrels is no longer enforced and fire axes are required on board all vessels pursuant to the provisions of the act of October 9, 1940 (54 Stat. 1028; 46 U.S.C. 463a).

Revised Statutes 4492 (46 U.S.C. 490): This statute relates to the carriage of fire buckets, axes, water barrels, life preservers and yawls on board barges carrying passengers while in tow of any steamer. The statute is archaic. Its standards are below those prescribed by the Coast Guard in regulations governing lifesaving and fire-fighting equipment aboard vessels generally. The statute is too restrictive in its coverage.

Act of October 9, 1940, section 2(a) (54 Stat. 1028; 46 U.S.C. 463a): This statute is in effect an act enabling the promulgation of regulations by the Board of Supervising Inspectors (now the Coast Guard) governing fire prevention and fire protection. Inasmuch as Revised Statute 4488 in its present form contains some fire protection requirements, combining the two statutes will eliminate the need for this one.

Act of May 28, 1908, section 11 (35 Stat. 428; 46 U.S.C. 396): This statute requires sea-going barges to carry certain appliances (lifeboat, anchor, chain and preservers) of a kind approved by the Coast Guard. The statute is restrictive, precluding the prescription of more modern equipment. The statute lacks the flexibility necessary to adequately administer a safety program aboard this type of vessel.

PROPOSED WASHINGTON'S WESTERN LANDS NATIONAL MONUMENT IN WEST VIRGINIA

Mr. RANDOLPH. Mr. President, I introduce, for appropriate reference, a

bill to authorize the establishment of the Washington's Western Lands National Monument in West Virginia. My able colleague, the junior Senator from West Virginia [Mr. BYRD], joins in sponsoring this measure.

It is our belief that our State is possessed of many historical and scenic shrines and lands which can be given additional and official recognition.

To some degree, Mr. President, the State of West Virginia has been a part of the country which has been overlooked by millions of Americans who travel from metropolitan and congested cities to the countryside for rest and recreation—and a stimulus from a past when pioneers opened for civilization a beautiful land. In our mountains and valleys, and along our rivers, there are historical values which need to be preserved in our National Park Service domain.

George Washington is believed to have owned, through grants and otherwise, some 35,000 acres of land in what is now West Virginia. These lands were along the Ohio and Great Kanawha Rivers. The proper preservation and marking of these areas, with facilities to serve millions of our fellow citizens, can well be accomplished on the western borders and adjacent areas of West Virginia.

Mr. President, in the eastern panhandle of our State, we have the Harpers Ferry National Monument. Here in Jefferson County is a facility which is being visited by more and more persons each year. In 1956 there were some 115,000 individuals who came to see and then to appreciate the beauties of the landscape, the places of historical significance, and the landmarks so closely related to the War Between the States. A year later the number had increased to approximately 170,000. In 1958 the total was nearly 271,000.

It was my privilege, when a Member of the House of Representatives, to author the bill to establish the Harpers Ferry National Monument. I was pleased to read in today's Washington Star, in the interesting column conducted by The Rambler, of his journey to that historic area. He wrote, in part, as follows:

> Oh, the ride to Harper's Ferry. It was delightful.
>
> This is the centenary year of John Brown's raid. He and his followers captured the town on October 26, 1859. That was a year and a half before the Civil War and had a lot to do with bringing it on.
>
> * * * * *
>
> Most of the old part of the town is owned by Uncle Sam, and the National Park Service is doing its best to restore it. The arsenal and the armory, the objects of the John Brown raid, are gone, probably forever, destroyed by retreating Confederates.
>
> But they have restored the house of Robert Harper, who arrived in 1747 and started the ferry across the Potomac and a row of early 19th century houses alongside. They will be occupied by NPS staff members.
>
> They have torn down some buildings because they were not there in 1859. They have removed tons of rubble and trash. The deserted city is neat and tidy for visitors who will crowd it this fall.
>
> Frank Anderson, the National Park Service ranger in charge, guided us up the steps to St. Peter's Roman Catholic Church, a stone Gothic structure which is now a chapel of a parish in nearby Charles Town. Almost alongside it are the ruins of St. John's Episcopal Church, destroyed by fire decades ago.
>
> The stone steps continue to the rock commanding the view of the confluence of the Potomac and the Shenandoah, of which Thomas Jefferson said, "The scene is worth a voyage across the Atlantic. Yet here, as in the neighborhood of the Natural Bridge, are people who have passed their lives within a dozen miles and have never been to see these monuments of a war between the rivers and mountains which has shaken the earth to its center."

Mr. President, on the eastern border of West Virginia, we have a truly great national shrine. It is practical to proceed to the passage of legislation to carry forward a national monument on the western border of our beautiful and beloved State.

I ask unanimous consent that the bill be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2120) to authorize the establishment of the Washington's Western Lands National Monument in the State of West Virginia, introduced by Mr. RANDOLH (for himself and Mr. BYRD of West Virginia), was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purpose of establishing an area of national historical importance for the benefit of the people of the United States, the Secretary of the Interior is authorized to acquire certain land or interest in land (including structures and improvements thereon) in the State of West Virginia for national monument purposes. The land so acquired shall be selected by the Secretary of the Interior from lands formerly owned by George Washington which are commonly referred to as Washington's Western Lands, and from other historic sites within the area.

SEC. 2. (a) The property acquired under the provisions of the first section of this Act shall be designated as the Washington's Western Lands National Monument and shall be set aside as a public national memorial to commemorate the historic role played by George Washington in the expansion of the frontiers of the United States. The National Park Service, under the direction of the Secretary of the Interior, shall administer, protect, and develop such monument, subject to the provisions of the Act entitled "An Act to establish a National Park Service, and for other purposes", approved August 25, 1916, as amended and supplemented, and the Act entitled "An Act to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes", approved August 21, 1935, as amended.

(b) In order to provide for the proper development and maintenance of such national monument, the Secretary of the Interior is authorized to construct and maintain therein such markers, buildings, and other improvements, and such facilities for the care and accommodation of visitors, as he may deem necessary.

SEC. 3. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

STRENGTHENING OF NORTH ATLANTIC TREATY ORGANIZATION

Mr. WILLIAMS of New Jersey. Mr. President, the NATO alliance is 10 years old. Leaders from NATO countries are now gathered in London to talk about the next 10 years, and ways to strengthen the Atlantic Community of Nations.

As a military deterrent, the NATO alliance has in large part served its purpose. No Communist advance has been made in Europe since its creation. While some question the adequacy of conventional forces under NATO's command as a deterrent to brush fire wars, the overall military development has been the most successful aspect of the North Atlantic Treaty Organization. But it is clear that the military development of NATO, which grew out of fear of Soviet advance, has proven to be a much more cohesive cement for the NATO alliance than the more constructive aspects of economic, political, and scientific cooperation.

Clearly, article 2 of the NATO pact was designed to authorize broad cooperation in nonmilitary fields. With this in mind, I am submitting, for appropriate reference, two concurrent resolutions. The first proposes that it is the sense of the Congress that the NATO organization be strengthened in the sphere of scientific cooperation and development. It specifically proposes that the following be considered:

The establishment of a NATO University and Scientific Research Institute, jointly organized, managed, and financed by all members of NATO, to provide advanced training to scientists from NATO countries, conduct special research projects, and provide for the exchange of scientific knowledge throughout the Atlantic Community; the creation of an adequate scholarship fund for students to this NATO University and other universities in NATO countries; the establishment of a scholarship fund for young students from underdeveloped areas of the world, to contribute to the technical advancement of these areas and to give these students training in the political, social, and cultural atmosphere of the NATO nations; provision for a freer exchange of scientific and technical information among the NATO countries; the creation of a register of scientific and technical manpower for the Atlantic Community; and the creation of a NATO fund for research projects in military application and basic research, which have common interest or value to the governments and peoples of the Atlantic Community.

The second concurrent resolution proposes the strengthening of NATO in the informational field. It specifically suggests that:

> It is the sense of the Congress that the President of the United States invite the other governments which are parties to the North Atlantic Treaty to establish an informational advisory committee of the North Atlantic Treaty Organization. This committee shall be composed of outstanding publishers, editors, writers, educators, and artists of the member countries. The committee shall meet annually, or at such other times as may be deemed desirable or necessary, by the North Atlantic Council. The functions of the committee shall be to render advice

and counsel to the member governments on programs and projects which may more effectively combat Communist propaganda or emphasize the prinicples and ideals of Western democracy to the nations of the free world, and to stimulate, organize, and conduct under private auspices information and cultural activities which will contribute substantially to the promulgation of the ideology of free civilization as opposed to the ideology of the Communist orbit.

Mr. President, I ask unanimous consent that a statement I have prepared explaining these concurrent resolutions be printed in the RECORD at this point, along with the text of the two concurrent resolutions.

The VICE PRESIDENT. The concurrent resolutions will be received and appropriately referred, and, under the rule, will be printed in the RECORD; and, without objection, the statement will be printed in the RECORD.

The concurrent resolutions, submitted by Mr. WILLIAMS of New Jersey, were received and referred to the Committee on Foreign Relations, as follows:

S. Con. Res. 44. Concurrent resolution relative to the strengthening of the scientific and technological progress of the free nations through cooperation of the NATO organization.

Whereas the Communist bloc has made clear its determination to achieve ultimate domination of the entire world, including the United States of America; and

Whereas the Communist rulers hope to achieve this goal by attaining gradually an overwhelming preponderance of political, military, and economic power; and

Whereas a major element in the Communist program for world domination is its plan to achieve a general superiority over the United States and the remainder of the free world in the various fields of science and technology; and

Whereas science and technology represent the basic foundation of a nation's military and economic power; and

Whereas the Communist bloc has demonstrated during recent years an alarming growth in its scientific and technological capabilities; and

Whereas the economic, scientific and technological progress of the free nations, although potentially enormous, has been seriously impeded by the fact that these nations have pursued their individual programs and projects on a national basis; and

Whereas the parties to the North Atlantic Treaty Organization have declared themselves "determined to safeguard the freedom, common heritage, and civilizations of their peoples, founded on the principles of democracy, individual liberty, and the rule of law", and have joined together to resist all forms of Communist aggression and expansion; and

Whereas these member nations of the North Atlantic Treaty Organization possess a major part of the scientific and technological potential of the free world; and

Whereas the parties to the North Atlantic Treaty Organization can no longer afford to disperse their scientific and technological efforts in a manner which would permit the Soviet Union and the vassal forces of international communism to gain ground in the vital scientific and technological race: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the President be urged to invite the governments signatory to the North Atlantic Treaty to join with the United States Government in exploring the feasibility of adopting the following measures as means by which the purposes set forth in article 2 of that treaty may be more fully effectuated:

1. The establishment of a permanent North Atlantic Treaty Organization (hereinafter referred to as NATO) University and Scientific Research Institute, jointly organized, managed, and financed by all the members of NATO, for the purpose of (A) providing advanced training to scientists from the NATO countries and other areas sharing NATO's interest in freedom and social progress; (B) conducting and directing special scientific and technical research projects and programs of mutual interest to the NATO countries; (C) providing for the exchange and dissemination of scientific knowledge throughout the Atlantic community, and the encouragement of a common effort toward scientific and technological advancement which will be sufficient to maintain for the indefinite future the scientific and technological superiority of the free world over the Communist bloc; and (D) assuring that there will be made available to all free peoples the multiplied scientific and technical benefits accruing from this combination of effort and resources.

2. In addition to the fellowship program already being conducted by NATO, the creation, by joint contributions from all the members of NATO, of an adequate scholarship fund to provide scholarships to the NATO University or other approved universities in nations which are members of NATO for promising young scientific and technical students from such nations, to be chosen on the basis of competitive examinations.

3. The establishment of a fund, jointly managed and financed by the NATO members, for the provision of scholarships to young students from the underdeveloped areas of the world, for the purpose of contributing to the technical advancement of such underdeveloped areas, and insuring that outstanding students from these areas will receive their training in an atmosphere of freedom and will be made familiar with the political, social, and cultural values of the NATO nations.

4. The adoption of a directive to the Science Committee of NATO that such committee undertake the formulation and recommendation to member countries of policies and procedures designed to provide, with a minimum detriment to security requirements, for a freer exchange of scientific and technical information among the member countries of NATO with a view to assuring the maximum declassification and dissemination of useful information throughout the Atlantic community.

5. The creation and maintenance by NATO of a NATO-wide register of scientific and technical manpower, in order to provide a basis for the assessment and maximum utilization of the human potential of the Atlantic community.

6. The creation of an adequate NATO fund, based on common financing by all the NATO governments, for the purpose of encouraging and subsidizing scientific and technical research projects, both in the field of military application and in the field of basic research, which have common interest or value to the governments and peoples of the Atlantic community.

S. Con. Res. 45. Concurrent resolution relative to the establishment of an informal advisory committee of the North Atlantic Treaty Organization.

Whereas the current contest between the forces of Communist imperialism and the peoples of the free world is largely a struggle of words and ideas, a struggle of education and culture, and a struggle of knowledge and intellect; and

Whereas the Soviet propaganda machine, by virtue of an enormous expenditure of effort in propaganda activities and by virtue of a total disregard of factual considerations, has achieved certain outstanding successes in this continuing struggle; and

Whereas the ultimate survival of free civilization may depend to a very great extent upon the ability of free peoples to communicate their ideas and principles to one another; and

Whereas the peoples and governments of the Atlantic Community have a common interest in resisting the spread of Communist imperialism and in making known to the remainder of the world the essential principles and values upon which their civilization is based; and

Whereas the governments of the member countries of the North Atlantic Treaty Organization have already pledged themselves to cooperation in political, social, and cultural activities; and

Whereas the informational, educational, cultural and artistic activities of the countries within the North Atlantic Community are, by virtue of the essential character of the societies of such countries, conducted primarily by private individuals and institutions; and

Whereas the ability of the free societies of the North Atlantic area to compete effectively with Communist propaganda depends to a very great extent upon the initiative and imagination demonstrated by these private individuals and organizations in the educational, informational, cultural, and artistic fields: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the President of the United States invite the other governments which are parties to the North Atlantic Treaty to establish an informational advisory committee of the North Atlantic Treaty Organization. This Committee shall be composed of outstanding publishers, editors, writers, educators, and artists of the member countries. The Committee shall meet annually, or at such other times as may be deemed desirable or necessary, by the North Atlantic Council. The functions of the Committee shall be to render advice and counsel to the member governments on programs and projects which may more effectively combat Communist propaganda or emphasize the principles and ideals of Western Democracy to the nations of the free world, and to stimulate, organize and conduct under private auspices information and cultural activities which will contribute substantially to the promulgation of the ideology of free civilization as opposed to the ideology of the Communist orbit.

The statement presented by Mr. WILLIAMS of New Jersey is as follows:

STATEMENT BY SENATOR WILLIAMS OF NEW JERSEY

The NATO alliance is 10 years old. Leaders from NATO countries are about to gather in London to talk about the next 10 years and ways to strengthen the Atlantic community of nations.

As a military deterrent, the NATO alliance has in large part served its purpose. No Communist advance has been made in Europe since its creation. While some question the adequacy of conventional forces under NATO's command as a deterrent to brush-fire wars, the overall military development has been the most successful aspect of the North Atlantic Treaty Organization. But it is clear that the military development of NATO which grew out of fear of Soviet advance has proven to be a much more cohesive cement for the NATO alliance than the more constructive aspects of economic, political, and scientific cooperation.

Fear of aggression caused NATO in its first decade to devote most of its energy to defense purposes. This same fear brought Greece and Turkey into the alliance, and

thereby extended NATO into the eastern Mediterranean.

But today, the threat of military advance is not the only aspect of the Communist offensive.

Khrushchev's announced goal to overtake the West in scientific development and economic accomplishment, his clear willingness to use a disproportionate share of the Soviet's economic means to penetrate the uncommitted nations of the world, and the clear evidence of Soviet success in the scientific field constitute an equally dangerous challenge in the long run to our security than the hundred and seventy hostile army division poised in Eastern Europe.

Of course, this is not to suggest we can let down our military arm. The fact is we must be prepared to fight Communist imperialism on all levels. I sometimes hear debates as to whether the military or economic challenge is the most dangerous. This reminds me of posing the alternative to a man of whether he would rather die of shock or by bleeding to death. While some, with good grounds, question the adequacy of our overall military ability to deter Soviet aggression, whatever form it takes, my purpose here today is to discuss the other aspects of the Soviet challenge, and the potential contribution NATO can make in meeting these challenges.

Clearly, article II of the NATO Pact was designed to authorize broad cooperation in nonmilitary fields.

Many committees and subcommittees were set up to work out blueprints for cooperation. These blueprints have been drawn and are on file. They are wonderfully thought-through documents that will soon be available for research on Ph. D. theses, but in my judgment, it's about time we put them to work.

Without exaggeration, I think that if we do not provide more constructive types of cement to hold the NATO Alliance together, there is very serious danger that NATO in the next decade will decline and possibly even disappear. If we do not move forward in the NATO Alliance in providing new means of holding it together, in my judgment we will slip backwards.

As a Member of the House of Representatives, I submitted a resolution suggesting a series of ways to strengthen nonmilitary cooperation under the NATO Alliance. Since then, much has been accomplished, particularly in fields of scientific development and political coordination.

As the famous report of the NATO Committee of Three on Non-Military Cooperation said in 1956, "The fundamental fact is that the nation-state, by itself and relying exclusively on national policy and national power, is inadequate for progress or even for survival in the nuclear age. As the founders of the North Atlantic Treaty foresaw, the growing interdependence of states politically and economically, as well as militarily, calls for an ever-increasing measure of international cohesion and cooperation. Some states may be able to enjoy a degree of political and economic independence when things are going well. No state, however powerful, can guarantee its security and its welfare by national action alone."

On the political level there has been a good deal more consultation than in the past. The habit of collective discussion seems to be growing, and that is certainly a healthy development. But much more needs to be done.

I am submitting today for appropriate reference two concurrent resolutions, one dealing with some ideas for scientific cooperation among the NATO members, the other dealing with cooperation on the level of our informational activities.

The concurrent resolution dealing with scientific cooperation proceeds from the rather well-established assumption that a widening of scientific cooperation and interchange of knowledge among the NATO countries would serve to hasten scientific advance.

In addition, it proposes the establishment of a NATO University and Scientific Research Institute to be jointly organized, managed, and financed by all the members of the NATO alliance. This university would first of all serve as an additional symbol of NATO cooperation. In addition, it could serve the very practical purpose of providing advanced training to scientists from all NATO countries, and other areas sharing NATO's interest in freedom and social progress.

Some may say that existing national facilities for scientific training are adequate and they should be strengthened, rather than establishing a new Institute. However, in my judgment, we need to do both. The evidence of Soviet advance is too clear to warrant any halfhearted measures.

As Norman F. Ramsey, scientific adviser to the Secretary General of NATO, stated recently, "The problem of science in the Atlantic Community remains a challenge. Much has been done by national efforts and by international enterprise. Compared to the past, the scientific and technical cooperation now existing among the NATO nations is impressive. Yet, compared to what is needed to be done, when we think of the swift advance of Russian research—even if Russia has yet to catch up with the West in most subjects—then our efforts are still too slow footed. The present is a beginning but the challenge still remains."

In addition to establishing a NATO University, the concurrent resolution suggests that the present fellowship program conducted by the NATO organization, which anticipates 400 fellowships next year, be supplemented with an adequate scholarship fund to provide scholarships to the NATO University or other approved universities for promising young scientific and technical students throughout the NATO area to be chosen on the basis of competitive examinations. Again, of course, the scholarship fund would be supported by joint contributions from all members of NATO.

Also, the concurrent resolution proposes the establishment of a scholarship fund for young students from underdeveloped areas, either to the NATO University or to other approved NATO country universities, for the purpose of contributing to the technical advance of the underdeveloped areas of the world, and also to insure that these promising young people receive their training in an atmosphere of freedom, and are made familiar with the political, social, and cultural values of the West.

The concurrent resolution further proposes that the Science Committee of NATO be urged to set up a freer exchange of scientific and technical information among the member countries and to come up with recommendations to the member governments for policies and procedures which would assure the maximum degree of declassification and dissemination of useful information throughout the Atlantic Community. Of course, this would be confined by needed security considerations.

In addition, the concurrent resolution proposes to the President that we explore with our NATO allies the creation of a NATO-wide register of scientific and technical manpower, and further that we explore the creation of an adequate NATO fund based on common financing for encouraging and subsidizing scientific and technical research projects, both in the field of military application and in the field of basic research.

Mr. President, this concurrent resolution suggests a series of ideas for consideration by the Congress. I am hopeful that after adequate discussion and thought some version of this concurrent resolution could be agreed to as a recommendation to the President, thereby indicating the concern of the Congress in this most important area.

Mr. President, this concurrent resolution is in accord with one of the major recommendations of the President's Committee on Scientists and Engineers in their Decemger 1958 report. This recommendation urged the coordination of scientific activities between the countries of the free world. It reads as follows: "The Federal Government at the White House level assume the responsibility for coordinating and stimulating the Nation's efforts in the development and utilization of highly trained manpower * * * the coordination of governmental and private efforts abroad further to develop and better to utilize the pool of highly trained manpower available to us and the friendly nations so as to promote the most effective arrangements for maximum utilization of these resources."

Following sputnik there was a great national awakening to the challenge we face in the scientific sphere in the years ahead. I am fearful, however, Mr. President, that this national awakening has not resulted in sufficient action. We cannot wait any longer. Do we need a sputnik once a year to realize that this challenge is not something that can be discussed for a few months, and then pigeonholed?

It is long range and it is serious. Let us take the opportunity of the up-coming discussions in London to advance thoughts along this line.

Much is to be gained from more intensive and extensive cooperation among the NATO countries in the scientific field. I believe that a NATO University could serve the highly desirable purpose of mobilizing this potential for cooperation and put it to work.

My second concurrent resolution deals with the problem of adequately communicating the basic tenets of Western democracy and civilization to the underdeveloped areas of the world, and, indeed, to those who are now enslaved by Communist imperialism. It has been repeatedly said that the long-run contest between freedom and slavery will be ultimately won at the level of the war between ideas. One of the great strengths of our Western democracy is the diversity which exists between nation states in cultural development.

I would not suggest any effort to try to adopt a coordinated information program between the NATO countries. This would negate the very diversity that is our strength. But I do believe that the NATO countries could benefit greatly from a constant exchange of views on information programs and on the current Communist tactics in the informational field. Therefore, my concurrent resolution proposes the establishment of a NATO Committee to explore types of cooperation that might be appropriate in the information field.

There are, of course, many other ideas that have been advanced suggesting additional cooperation between the NATO community under article II of the alliance. But I think it's time that we do more than talk about article II. If we do not provide additional cohesion for the NATO Alliance I think we run the serious rick of seeing it wither on the vine in its second decade. We in the Atlantic Community are now facing the supreme test of our capacity to unite. Nothing less than our survival may be at stake if we fail in this test.

PRINTING OF FINAL REPORT OF THEODORE ROOSEVELT CENTENNIAL COMMISSION AS A SENATE DOCUMENT

Mr. O'MAHONEY. Mr. President, the Theodore Roosevelt Centennial Commission, created by Public Law 183, 84th Congress, provided for an appropriate celebration during the year beginning

October 27, 1957, and ending on October 27, 1958. The report of the Commission is now ready, the work having been completed. The Commission will disband as soon as the report has been submitted.

The President of the United States is ex officio a member of the Commission, as is also the Speaker of the House of Representatives. Vice President NIXON is chairman, and I have the honor of being vice chairman of the Commission. The membership included the Senator from South Dakota [Mr. MUNDT], Representative STEVEN DEROUNIAN, and Representative LEO O'BRIEN, both of the State of New York. The members at large throughout the United States are: Mrs. Hazel H. Abel, Nebraska; C. Norman Brunsdale, North Dakota; Hal Davies, North Dakota; Hermann Hagedorn, director and secretary, New York; Mrs. Sherman Post Haight, Connecticut; Herbert Millen, Pennsylvania; Lowell Stockman, Oregon; Oscar S. Straus II, New York.

The career of former President Theodore Roosevelt and the centennial celebration are such that the report should be printed as a Senate document.

The VICE PRESIDENT. The resolution will be received and appropriately referred.

The resolution (S. Res. 128) was referred to the Committee on Rules and Administration, as follows:

Resolved, That the final report of the Theodore Roosevelt Centennial Commission be printed, with illustrations, as a Senate document.

ADDITIONAL TIME WITHIN WHICH CERTAIN STATE AGREEMENTS UNDER SECTION 218 OF THE SOCIAL SECURITY ACT MAY BE MODIFIED—AMENDMENT

Mr. McCARTHY (for himself and Mr. HUMPHREY) submitted an amendment, intended to be proposed by them, jointly, to the bill (H.R. 213) to provide additional time within which certain State agreements under section 218 of the Social Security Act may be modified to secure coverage for nonprofessional school district employees, which was ordered to lie on the table and to be printed.

NATIONAL ECONOMIC COUNCIL FOR SECURITY AND PROGRESS—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of May 28, 1959, the names of Senators KEATING, PASTORE, YOUNG of Ohio, BYRD of West Virginia, BEALL, MUSKIE, and BARTLETT were added as additional cosponsors of the bill (S. 2080) to establish a National Economic Council for Security and Progress to provide planning and to coordinate programs to meet the Communist challenge in the economic sphere, introduced by Mr. WILEY on May 28, 1959.

NATIONAL WILDLIFE DISEASE LABORATORY—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of June 1, 1959, the names of Senators MAGNUSON, MURRAY, MORSE, HUMPHREY, and NEUBERGER were added as additional cosponsors of the bill (S. 2086) to provide for the establishment of a National Wildlife Disease Laboratory, introduced by Mr. ALLOTT (for himself and Mr. CARROLL) on June 1, 1959.

AUTHORIZATION FOR COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO SUBMIT REPORTS

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the Committee on Interstate and Foreign Commerce be permitted until midnight tonight to file reports.

Mr. KUCHEL. Mr. President, reserving the right to object—and I shall not object—I inquire whether the minority was consulted with regard to the request.

Mr. MAGNUSON. I request permission for the filing of both majority reports and minority views.

The VICE PRESIDENT. Is there objection to the request of the Senator from Washington? The Chair hears none, and it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. HILL:

Address delivered by him on the subject "The International College of Surgeons and the Health of Our People," at Huntsville, Ala., May 21, 1959.

By Mr. DOUGLAS:

Address entitled "Balancing the Moral Budget," delivered by Senator HUMPHREY at the 18th annual Century Club dinner of Harlem YMCA, at New York City on May 25, 1959.

By Mr. WILLIAMS of New Jersey:

Address by Senator RANDOLPH, delivered at the Memorial Day services, at Franklin, W. Va., May 30, 1959.

Article written by Congressman CORNELIUS E. GALLAGHER, member, Foreign Affairs Committee, House of Representatives, entitled "Berlin: City of Crisis Where Free Germans Must Trade With Communists."

By Mr. BYRD of West Virginia:

Statement on proposed legislation to expand the distribution of food to the needy, made by him before the Senate Committee on Agriculture and Forestry on June 4, 1959.

By Mr. HUMPHREY:

Memorial Day address delivered by Representatives GEORGE M. RHODES, of Pennsylvania, at Womelsdorf, Pa.

By Mr. CLARK (for himself and Mr. SCOTT):

Statement regarding forthcoming dedication of Albert Einstein Medical Center, Philadelphia.

SEVENTY-FIFTH ANNIVERSARY OF UNION STOCKYARDS CO. OF OMAHA

Mr. HRUSKA. Mr. President, the Union Stockyards Co. of Omaha was established in 1884—75 years ago. This diamond jubilee was observed by an Omaha Chamber of Commerce public affairs luncheon on May 21, on which occasion Mr. A. Z. Baker, president of the American Stockyards Association, delivered an address.

The founders of the company were honored. The company itself was commended for its steadfast and competent service to the livestock industry. These efforts, together with the cooperation of the entire community, and of the livestock raisers and feeders of Nebraska and her neighbors, have brought to my home city the rightful and proud title of "World's Largest Livestock Market and Meatpacking Center."

In joining the many who recognize and commend this three-quarter century achievement, I should like to pay tribute to the present management of the Union Stockyards Co., and especially to Harry B. Coffee, who has served as its president for the past 16 years.

Many of my colleagues personally remember and know him as a onetime Congressman from Nebraska's big Fifth District—from 1935 to 1943. He made a notable contribution to national legislation by his independence and vigor. He was a westerner and a cattleman of the first order. But overall, he was an American citizen interested in the advancement and improvement of his country's well-being along proven, historical, and constitutional lines.

That is still his credo. That is why the Union Stockyards Co. has prospered and served so well. That is why Omaha, Nebr., and its neighbor States have become better places in which to live than they would have been without a man like Harry B. Coffee. Mr. President, I ask unanimous consent that the address delivered by President A. Z. Baker, of the American Stockyards Association, entitled "Built on a Firm Foundation," be printed in the body of the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

BUILT ON A FIRM FOUNDATION

(Address by A. Z. Baker, president, American Stockyards Association, at a public affairs luncheon of the Omaha Chamber of Commerce, May 21, 1959)

Upon the firm foundation laid by seven courageous and farsighted men just 75 years ago has been built a great institution which has helped to develop the vast livestock and meatpacking industry, and the resources of this community and these two neighboring States, as it has become the world's largest livestock market and meatpacking center.

You honor them and their successors in this celebration of the 75th anniversary of the establishment of the Union Stockyards Co., of Omaha, and you honor me in permitting me to join you on this happy occasion. You do well to especially honor the president of that company, Harry B. Coffee, for his outstanding service over the last 16 years in the development and management of this tremendous enterprise.

An anniversary is the occasion for a pause in the onward rush of time—to look back along the road we have traveled and see how far we have come and what we have built; to determine where we are and how well we are using our heritage to serve the present and safeguard the future; and to look forward as far as we can see to get a vision of what lies ahead and how we may carry on.

The Union Stockyards Co. has published a special and very attractive 75th annual

report in which it has recounted the early history of the industry, the laying of the foundation for Omaha's livestock market, and the laying of the foundation for Omaha's meatpacking industry. I am sure all of you have seen and perhaps had an opportunity to study the report; so it would be presumptuous of me to attempt to repeat or rephrase any part of it. However, from a lifetime in the livestock marketing and meatpacking business, I know how many people know so little about this great industry. Even those who use or serve it, and those who live nearby, sometimes seem to understand it the least. Because of its size and its ramifications, it seems to be all things to all men.

I recall the story of six blind men who went to see an elephant. The first approached the elephant, and, happening to fall against its broad and sturdy side, at once began to call "Why bless me; the elephant is very like a wall." And each in turn, touching a different part of the elephant, concluded that it was like a spear, a snake, a tree, a fan, and a rope. And so they disputed loud and long, each in his own opinion exceeding stiff and strong; though each was partly right, they all were in the wrong.

I suspect any six men viewing the world's greatest livestock market and meatpacking center would fail to understand or appreciate the immensity or the importance of the different segments of this huge industry.

One person might view its location and fail to appreciate the well-nigh ideal site upon which the foundation of Omaha's livestock market and meatpacking industry was laid. And yet you will appreciate the genius and foresight of the founders who laid the foundations alongside a great river; almost astride the boundary between two great livestock-producing States; in the very center of what was, and was to be, the greatest concentration of livestock production; almost exactly midway between the Atlantic and the Pacific coasts; and readily accessible from all directions. As a result of its convenient location and accessibility, last year livestock was received from 31 different States and from Canada, and forwarded to packers in 172 cities in 34 States and to livestock grazers and feeders in 21 States and Canada. In addition to this, the packers making up the meatpacking industry forwarded their products in all directions, perhaps to every State in the Nation and to many other countries.

From the farms of these 2 neighboring States of Nebraska and Iowa in 1958 were marketed 6 million cattle and calves, 19½ million hogs, and 2⅓ million sheep and lambs. The cash received by farmers from the marketing of this livestock was nearly $2½ billion, or nearly 22 percent of the cash received from farm marketings of livestock for the whole United States.

In the same year, the commercial slaughter of cattle and calves in these two States was nearly 17 percent of the total of the Nation; hog slaughter was nearly 22½ percent of the total; and sheep and lamb slaughter was nearly 15 percent of the total. The total live weight of all this slaughter amounted to 19.4 percent of the total for the United States.

Ninety percent of the total receipts of livestock at the Omaha Union Stockyards comes from the two adjoining States of Nebraska and Iowa, but the States of Wyoming, South Dakota, Kansas, Texas, Oklahoma, Colorado, Minnesota, and Montana also supply substantial numbers of livestock.

The total livestock receipts at the Omaha Union Stockyards in 1958 from Nebraska was equivalent to 59 percent of the total marketings of cattle and calves, 41 percent of the total marketings of hogs, and 46 percent of the total marketings of sheep and lambs from that State. The Omaha market received from Iowa 17 percent of its total marketings of cattle and calves, and 11 percent of its marketings of hogs, sheep, and lambs.

Another person might be impressed by the physical structures and facilities which make up this giant industry. He might see only the modern, well-designed, well kept, and efficiently operated livestock marketing facilities spread over 200 acres providing "hotel accommodations" for the continuous stream of livestock coming to this market; the convenient receiving facilities for the prompt unloading of thousands of railroad cars and many more thousands of motor trucks with 124 rail chutes, 72 truck chutes devoted to this service; the 22 miles of alleys through which the livestock is driven to the pens of the consignees; the 6,339 pens in the cattle, hog, and sheep divisions into which livestock is yarded for feed, water, rest, preparation for sale, and sale to the best buyers; the modern scales upon which the livestock is weighed by employees of the stockyard company with utmost care and accuracy; the vast storage areas for holding the livestock until it is delivered to the buyer; the loading facilities for safe and prompt loading and shipping of the livestock and alleyways through which the livestock can be driven to the adjacent slaughterhouses; the 30 miles of railroad tracks operated by the subsidiary terminal railroad, the connecting link between the livestock market and meatpacking industry and the various railroads serving the community; or fail to see, because of the remarkable cleanliness that prevails, the 22 miles of water lines and 23 miles of sewers which serve the property. Perhaps first of all and always, he would see and be impressed by the imposing Livestock Exchange Building which houses the various agencies engaged in business at the world's greatest livestock market and meatpacking center. He might see all these things; but he might fail to appreciate their use.

He would see and be impressed with the extent of the huge meatpacking industry located adjacent to the livestock market and constituting the world's largest meatpacking center with 18 individual companies, including 4 large national packing companies slaughtering all classes of livestock, which slaughtered last year more than 5 million head of livestock. And here again seeing all these physical things, he might fail to realize that it is people who make them useful.

Another person viewing this great livestock market and meatpacking center composed of scores of independent agencies might fail to appreciate the functions which they perform and the services by which they are accomplished, for a terminal livestock market, typified by the market operated and conducted by the Union Stockyards Co. of Omaha, is a coordination of many independent specialized agencies performing well-defined and special functions, making up a unified market, serving the livestock industry on one hand and the slaughtering and meatpacking industry on the other.

There are 40 separate commission firms or market agencies registered and bonded by the U.S. Department of Agriculture engaged in the business of selling livestock on a commission basis at this market.

Then there are more than 30 major registered and bonded order buyers and dealers engaged in buying livestock on a commission basis for packers and feeders at other points or in buying and selling livestock for their own accounts.

In addition, there are a Livestock Exchange, a Traders' Exchange, a Livestock Foundation, and numerous other agencies engaged in various services for the industry.

Each of the 18 packers is an independent company or firm.

The 500 employees of the Union Stockyards Co. and its subsidiary, the employees of the various agencies making up the market, and the hundreds of employees of the packing companies constitute a sizable part of this community. The income for goods produced and services rendered in this industry is a vital element in the economic life of the community.

The principal function of a livestock market, such as this one, is to convert livestock into dollars. To do this efficiently and effectively, it must assemble a large volume of all kinds of livestock from a wide area and attract buyers from the adjacent packinghouses and from other localities so that there will be an ample supply of the various kinds of livestock to meet the demands of the slaughtering industry and enough buyers wanting different kinds of livestock to absorb the entire supply at reasonable prices. In carrying out its function of converting livestock into dollars, the market undertakes to provide suitable facilities and every proper safeguard and condition enabling, encouraging, and requiring buyers and sellers to negotiate the conversion of livestock into the proper number of dollars under fair and favorable conditions so that the full number of dollars will be returned to the producer. The market is a public market to which any livestock producer may consign his livestock at any time for sale in open competition with other livestock producers to buyers who also are in open competition with other buyers; and to which all buyers may come and bid upon the livestock offered for sale. It is a competitive market with competition among sellers, among buyers, and even with other markets and marketing systems. It is a reliable market policed by the stockyard owner who is neither the seller nor the buyer but the third man in the ring, who provides the facilities and requires that they be used fairly, who weighs the livestock, and safeguards the livestock while in the stockyards. It is a regulated market under supervision and regulation by agencies of the U.S. Department of Agriculture to assure reasonable facilities, services, and charges and fair practices without discrimination in any respect.

Another major function of the market, which may not be appreciated by the casual observer, is the determination of values of livestock reflecting total and real supply and demand resulting from the negotiation in open competition between qualified, experienced, and well-informed sales agents representing the producers, and buyers representing the packers and slaughterers.

A third function is the communication of reliable information regarding prices and conditions of sale of livestock to producers to guide them in their production and marketing programs, to slaughterers to guide them in their day-to-day purchasing and slaughtering policies, to distributors to acquaint them with supplies of the different kinds and grades of meat, and even to the consumers to acquaint them with the immediate and prospective supplies of different kinds of meat to influence their buying and meat consumption.

Equally complicated and unappreciated are the functions of the slaughterer, the meatpacker, the processor, and the distributor who must move into consumptive channels all the livestock offered. Some packers limit their operations to a particular kind of livestock and to a particular trade with a selective demand and consequently follow selective livestock buying policies; some slaughter all classes and grades of livestock and undertake to find buyers for the product in one place or another; while some packers confine their operations in local areas, some distribute their products over the entire country and even into other countries.

The functions and services performed by this great livestock market and meatpacking center are public services benefitting the livestock industry, the consumers, and the

friendly community in which they are located.

Another person might fail to appreciate that the foundation for this great enterprise was laid in the past by people who recognized the need for a livestock market and a meatpacking center in this particular locality, who recognized the need for adequate structures to permit efficient operation of a livestock market and a packing industry; and who took steps to provide the physical facilities in which the business could be carried on and found the way to develop the industry and put the facilities into efficient and effective use. Because of the firm foundation, it has been possible to build an enduring structure.

Another person might fail to recognize the immensity of the present operations; but I am sure everyone of you is acquainted with the developments during the present era of some 16 years, and the aggressive management program which has brought this industry to its present status as the world's largest livestock market and meatpacking center.

In this 16-year period nearly 96½ million head of livestock have been marketed at the Omaha Union Stockyards. Although the volume of sheep and lambs has declined along with the decline in production, there has been a substantial increase in the volume of cattle receipts. Calf and hog receipts have changed very little. In spite of the large volume of hogs marketed at interior Iowa and southern Minnesota points, which has grown to more than 16 million head per year in this period, the Omaha market has maintained a rather constant volume of around 3 million head of hogs.

In this present period the company has met changed and changing conditions with changes in its facilities and services. It has met decentralization, disintegration, disharmony in marketing, and other conditions, by coordination of functions and operations. It has met competition of other markets, marketing systems, and marketing practices by improved and more effective services. It has met increased costs with increased efficiency. It has maintained and improved facilities and services, kept rates and charges to users within reasonable limits, and earned a modest net profit for its owners. The 75th annual report shows the soundness of its present operations.

A sixth person might not see the future of this great enterprise. He might wonder about the effect of so-called vertical integration; but he should understand that this market can match the advantages of integration with even greater advantages of coordination of independent specialized agencies, serving both the producer and the consumer as well as the intermediate marketing and processing agencies, while preserving the independence of the producer and the consumer to determine the conduct of their own enterprise.

He might wonder about the disintegration of the livestock marketing and meatpacking industry; and fail to appreciate that this particular livestock market and meatpacking center has been developed in the face of these conditions and can, by its efficient and effective service, meet, and even surpass, the less efficient and less effective services offered by disintegrated segments of the industry.

He might wonder about the possible shift of livestock production to other areas; and again fail to appreciate the opportunities for economical livestock production in the general area of this livestock market and packing center, with proper coordination of supply and demand, production and marketing to meet the challenges of other areas.

And he might wonder about the development of other systems of marketing; and fail to appreciate the vital service performed by this market throughout its history, and by similar markets in other sections of the country, which has helped to develop, and will be needed even more in the future to preserve and maintain a healthy livestock industry, an efficient and effective competitive marketing system, a prosperous community, and an adequate supply of meat for all the consumers, at reasonable prices, in the days of the future.

The world's largest livestock market and meatpacking center has been built on a firm foundation; it is strong and healthy; but it must be understood and defended, if it is to prosper and contribute to the welfare of the livestock industry, the community and the Nation.

I hope unlike the six blind men, in every kind of meeting, when disputants convene, you will have an understanding of what each other means and talks about a stockyard each one of you has seen.

THE PRACTICE OF RELIGIOUS DISCRIMINATION AGAINST AMERICAN CITIZENS IN EMPLOYMENT

Mr. BARTLETT. Mr. President, on May 18 of this year, an article appeared in the Washington Post and Times Herald, stating that pressures brought by the Government of Saudi Arabia are inducing certain American corporations to practice religious discrimination against American citizens in employment and in business dealings with other American firms. The article suggested that such discrimination may constitute violations of certain State laws. Most significantly, it was reported that our Department of State had told a New York State law-enforcement agency that religious discrimination by the Arabian American Oil Co. is a consequence of Saudi Arabia's attitude toward Jews, which in turn, is a consequence of tensions in the Middle East. It was reported that the Department advised the New York agency, the State commission against discrimination, that a finding by the commission that the employment policies of the Arabian American Oil Co. are in violation of New York law would prejudice the company's operations in Saudi Arabia and would probably adversely affect other U.S. interests there as well.

Mr. President, American diplomacy is but a tool designed to serve and safeguard our national honor, and secure the values of our country, including a cardinal principle of our creed—the belief in human dignity and equality. Always, the power our Nation has acquired in world affairs should be put to work in the cause of justice, not diminished by a confused appraisal of narrow, short-range expediency. Very properly, the United States is scrupulous about noninterference in the internal affairs of other nations. The United States should be equally scrupulous about the rights of the American people to be free, in our internal affairs, from foreign interference.

The Senate has a traditional policy on these fundamental questions, and has expressed itself time after time on them. The issues implicit in this matter of religious discrimination against American citizens are so significant that I believe the Senate and the public should have access to all available information.

Mr. President, I ask unanimous consent that correspondence in which I have participated with the Department of State, consisting of four letters, be printed in the RECORD, following my remarks.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

MAY 21, 1959.

Hon. CHRISTIAN A. HERTER,
Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: On Monday, May 18, 1959, the Washington Post and Times Herald published a news article from United Press-International. According to the article, the Arabian American Oil Co. (ARAMCO), a U.S. corporation, does not employ or refuses to hire American citizens of the Jewish faith. ARAMCO's employment policy, the article reports, applies to positions in this country, as well as to positions in Saudi Arabia. In addition, the New York Supreme Court will decide shortly whether the employment policy of ARAMCO violates New York antidiscrimination statutes.

The news article indicates that ARAMCO has ceased its business relationships with certain American corporations in whose economic life Americans of Jewish faith play a significant role. The Philco Corp., which formerly sold electronic equipment to ARAMCO, is one such corporation, according to the press. Charges have been made that American corporations in which Jews may not play a significant role but which deal with businesses located in Israel have been placed under Saudi Arabia pressures and boycotts.

I am informed that the alleged policies of ARAMCO, enumerated above, are the consequence of actions or threatened actions by the Government of Saudi Arabia. If the article prepared by United Press-International is correct, Assistant Secretary of State Rountree intervened through correspondence he addressed to the New York State Commisison Against Discrimination, which urged the commission to exempt ARAMCO from the operation of the New York antidiscrimination laws. Moreover, Mr. Lincoln White, press officer of the Department of State, is reported to have issued a press release in which he characterized Arab efforts to enforce economic sanctions against our fellow Americans of the Jewish faith as an outgrowth of conflict created between Israel and her Arab neighbors.

As you will appreciate—particularly in view of past action by the Senate on the basic questions involved in this matter—I regard the recent newspaper reports as being of great potential importance. In so saying, I am thinking not only of the consequences the situation as reported may have to the Jewish community, but also of other religious groups and of racial groups, too, which might be affected one day by a precedent arising from the Saudi Arabia-ARAMCO situation.

Accordingly, I am seeking all the available facts, in order to put the problem in the most appropriate perspective. Therefore, your comments or materials or documents, including the reported letter of Assistant Secretary Rountree and the reported press release or statement of Mr. White, would be of interest and assistance to me, if they can be made available.

With best wishes, I am

Sincerely yours,

E. L. BARTLETT.

JUNE 1, 1959.

Hon. E. L. BARTLETT,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BARTLETT: I have for reply your letter of May 21 to the Secretary of State

regarding certain allegations arising out of a case brought by the American Jewish Congress against the Arabian American Oil Co. in New York State.

As has been indicated in the press, the American Jewish Congress has appealed to the New York State Supreme Court an earlier decision of the New York State Commission Against Discrimination with respect to the Arabian American Oil Co. You will, I am sure, appreciate that it would not be appropriate for the Department to comment on the substance of a case which is currently before the courts of a State.

I attach for your information a copy of the letter which the Department, over the signature of Assistant Secretary Rountree, sent to the New York State commission. You will note that this letter was in response to inquiries from the commission and was intended to present the facts of the situation in Saudi Arabia as we understood them. It was not in any sense intended as a recommendation to the commission and was solely concerned with the situation in Saudi Arabia, without reference to the situation in New York State.

I also attach for your information a transcript of the comments which Mr. Lincoln White made to the press in this same matter. Mr. White did not issue a formal release nor did he comment on the relationship of this problem to the conflict between Israel and her Arab neighbors.

It is true, however, that the restrictions affecting persons of the Jewish faith which have arisen in certain countries of the Arab world are to a large extent the result of the tensions arising from this conflict. The United States has continually sought, both directly and through the United Nations, to lessen these tragic tensions. At the same time this Government has, as occasions for effective representation have arisen, impressed upon the foreign governments concerned our deep concern over the continuation for whatever reason of restrictions tending to curb the opportunities for trade and travel of any of our citizens. You may be sure that the Department does not acquiesce in or condone the actions of foreign governments which may tend to discriminate against groups of American citizens.

Sincerely yours,

WILLIAM B. MACOMBER, JR.,
Assistant Secretary
(For the Acting Secretary of State).

SEPTEMBER 23, 1957.

Mr. ELMER A. CARTER,
Commissioner, State Commission Against Discrimination, New York, N.Y.

DEAR MR. CARTER: I refer to your letter of September 5 to Secretary Dulles concerning the verified complaint of the American Jewish Congress against the Arabian American Oil Co. With regard to the specific questions you asked the Secretary in this communication, the following replies are pertinent:

1. Saudi Arabia does not permit persons of the Jewish faith to work in Saudi Arabia.

2. Saudi Arabia requires a visa for entrance and does not issue visas to persons of the Jewish faith.

3. The United States does not discriminate in the issuance of passports among its citizens on grounds of race, color or creed.

4. Any finding by the Commission which would compel ARAMCO to employ persons of the Jewish faith in Saudi Arabia could hardly be made effective in view of the known attitude of the Saudi Government. Efforts by ARAMCO to implement such a finding would most certainly prejudice the company's operations in that country and would probably adversely affect other United States interests there as well.

The Department has long been aware of the difficult problems presented by the reluctance of the Saudi Government to permit individuals of the Jewish faith, regardless of nationality, to enter Saudi Arabia. The Department has on appropriate occasions made representations to the Saudi Government regarding this problem but continuing tensions in the area; largely resulting from the Arab-Israel conflict, have so far prevented any improvement in the Saudi attitude. This Government will continue to seek an improvement in this situation as opportunities to do so arise. In the meantime, any immediate change in current Saudi Arabian policies on this issue would not appear likely.

I trust that the foregoing will be helpful to you in your consideration of this matter.

Sincerely yours,

WILLIAM M. ROUNTREE,
Assistant Secretary, Near East, South Asian, and African affairs.

JUNE 3, 1959.

Mr. WILLIAM B. MACOMBER, Jr.,
Assistant Secretary of State,
Department of State,
Washington, D.C.

DEAR MR. MACOMBER: Your letter of June 1 regarding the restrictions which Saudi Arabia has sought to apply against Americans of the Jewish faith is appreciated. Although your letter does not discuss allegations that Saudi Arabia has applied economic sanctions against American corporations which hire Jews to work in the United States, against American corporations which are controlled or directed by Jews, and against American corporations which deal in Israel, it is responsive to my request for information regarding the role of the Department of State in the New York judicial proceedings against the Arabian American Oil Co. (ARAMCO). These proceedings result from a complaint by the American Jewish Congress that ARAMCO has violated New York law prohibiting discrimination in employment on the basis of religion.

Even without reference to the reported efforts of Saudi Arabia to interfere in the internal economic and political life of the American people, the refusal of Saudi Arabia to accept the admission of Jews to Saudi Arabia—even as part of our military components—is a serious matter that compromises our national honor. Of course, I am speaking in reference to the legitimate desire of American Jews to enter Saudi Arabia for tourist, business, educational, or public service purposes. I am glad that the Department of State recognizes the fundamental nature of the problem and is working toward its solution.

In a legal sense, however, your comment that Saudi Arabia's restrictions against American Jews is a product of conflict and tragic tensions between Israel and the Arab world is, of course, a nonsequitur. First, an armistice is in force between Israel and her Arab neighbors, and no conflict exists in a juridical sense, according to the United Nations. I recognize, however, that in an emotional sense, your statement may be correct, considered in reference to the irrational hates and fantasies in the Middle East. Second, it should be made clear that the existence of the State of Israel does not alter the legal status of our Jewish countrymen, and their right to treatment by foreign nations that is commensurate with treatment afforded other Americans. It is my fear that the Department of State, by attributing sanctions against some Americans to tensions in other parts of the world, may be giving an appearance—contrary to fact—of condonation of such sanctions. There is the danger, too, of a very serious precedent being established to the detriment of other groups of Americans.

I have noted with satisfaction your statement, in your letter of June 1 written for the Department, that "it would not be appropriate for the Department to comment on the substance of a case which is currently before the courts of a State." That position is clearly the only proper one, under our system of government. Therefore, the failure of the Department to adhere to that position in respect to the proceedings before the New York State Commission Against Discrimination is very regrettable. The commission was established by the Legislature of New York, and pursuant to the New York statute, the commission has a quasi-judicial function. I am sure you will agree that if the Department had told the commission merely that the application of New York law was not a matter of Federal cognizance, much criticism and misunderstanding would have been avoided. Instead, the Department informed the commission, through Mr. Rountree's letter to Commissioner Carter, that a finding in the proceedings by the commission against ARAMCO "would most certainly prejudice the company's operations in that country and would probably adversely affect other U.S. interests there as well." This statement is susceptible only to the reasonable interpretation that it was intended as a recommendation by the Department. The statement, then, was not one "without reference to the situation in New York State" (as contended by you in your letter of June 1, 1959) because the ramifications of a possible finding by the New York commission against ARAMCO were the subject matter of the statement.

Finally, and perhaps most disturbing of all, is the fact that Mr. Rountree's letter misconstrues the nature of the New York proceedings and the relief sought by the American Jewish Congress. The commission was not faced with a request that ARAMCO be compelled to take Jewish employees to Saudi Arabia. In view of the Saudi Arabian visa policy, such a request would have been a futile one, calling upon the commission to attempt to do that which it is powerless to do. Instead, the commission was asked to require ARAMCO to abide by the New York law against discrimination. Inability of Jewish employees to gain admission to Saudi Arabia would be another matter, which could not be remedied in State proceedings. But the difference is that under the requested procedure, discrimination would be the doing of Saudi Arabia, and not the doing of ARAMCO.

Again, let me express my gratitude for the promptness and responsiveness of your letter. I can assure you that continued efforts by the Department of State to obtain an end to sanctions against Americans by Saudi Arabia will be welcomed generally and will help our country in its leadership of freedom's cause.

With best wishes, I am

Sincerely,

E. L. BARTLETT.

HOME RULE FOR THE DISTRICT OF COLUMBIA

Mr. BARTLETT. Mr. President, I am very happy to note that the Senate, earlier this month, approved S. 866, a bill authorizing the Commissioners of the District of Columbia to allow separate departments of the District government to include charts, maps, and graphs in their annual reports.

I mention this legislation because the events of Berlin and Geneva may have caused the issues relating to visual aids in annual reports to be obscured. For the record, Mr. President, I do not know why S. 866 has been so long before the Congress. Approval still is pending in the other body. The struggle for this

legislation to allow the Commissioners to permit visual aids in annual reports of the District departments began in February 1957, when the late Senator Matthew Neely introduced S. 1041—to which S. 866 is identical—in the Senate. S. 1041 passed the Senate in March 1958. No action was taken in the House of Representatives during the 85th Congress, and S. 1041 failed of enactment.

But perhaps, Mr. President, we can imagine the causes of delay. Picture the Congress divided into several ideological camps on the visual aids issue. Some Members favor the use of charts and maps, but not graphs. Others believe that maps and graphs should be inincluded in the annual reports, but not charts. Still others—resisting those ideological extremes—would allow charts and graphs, but not maps.

Mr. President, to make my own position clear before the waiting Nation, let me say that I stand foursquare for the use of charts, maps, and graphs, in departmental reports of the District of Columbia if authorized by the Commissioners of the District of Columbia, who, of course, have the responsibility which I would not share. I realize, Mr. President, that my bold stand for charts, maps, and graphs, may cause me to be labeled a spender, but that is one of the risks of statesmanship.

Mr. President, I have indulged in this bit of whimsey to demonstrate the absurdity which must mark efforts by Congress to continue as the city council for the District of Columbia. The proposal to allow the Commissioners to authorize visual aids in departmental reports has been before the Congress for more than 2 years, and is still not law. No business, no community, and no nation can grow and prosper under such cumbersome handicaps. As an Alaskan, I know that even a most sympathetic U.S. Congress cannot be fully responsible to the needs of a non-self-governing area. As in the case of S. 866, many other noncontroversial—but necessary—measures are never enacted, or are delayed, by the sheer cumbersomeness of congressional machinery and by the natural preoccupation of Congress with larger matters.

Home rule for the District of Columbia, for which I was privileged to testify before the Judiciary Subcommittee of the District of Columbia Committee, is a necessity. We would have a more sensible, more workable, city government machinery. That machinery would be responsible to the people of the District. Congress would be relieved of a real burden during these years of crisis. Congressional talents would be freed for other duties, and District of Columbia talents would be unleashed and put to work on the rightful responsibilities of the people of the District.

Most of all, Mr. President, by enactment of home rule legislation, Congress will be extending once again the principle of self-government. This time, Mr. President, the extension of self-government will occur in the most dramatic setting of all, the seat of the National Government. Once again, Congress has an opportunity to demonstrate by deed as well as by word the quality of our democracy.

Mr. President, on another subject——

The VICE PRESIDENT. The Senator from Alaska.

TRANSPORTATION FACILITIES FOR ALASKA

Mr. BARTLETT. Mr. President, transportation is one of our most serious problems in Alaska.

We look to the Alaska International Rail and Highway Commission, which was revived and extended by recent congressional action, to do the groundwork necessary before plans can be laid for new links between Alaska and the other 48 States, through Canada.

The Commission this month is expected to begin a full-scale research study of resources, markets, and existing transportation facilities. On this study, future plans will be built.

Two of my colleagues from the Pacific Northwest, the senior Senator from Washington, chairman of the Senate Interstate and Foreign Commerce Committee, and a member of the Commission [Mr. MAGNUSON], and the junior Senator from Oregon [Mr. NEUBERGER], have been of particular aid, and we from Alaska are grateful.

J. R. Walker, the able and industrious Washington correspondent of the Vancouver, British Columbia Province, outlined the work that lies before the Commission in an article published May 25, 1959.

I ask unanimous consent that Mr. Walker's article be printed in the body of the RECORD, together with my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SEARCH STARTS IN JUNE—NEW ALASKA ROUTE SOUGHT IN BRITISH COLUMBIA

(By J. R. Walker)

WASHINGTON.—The search for new or improved transportation routes from the United States to Alaska through Canada will begin in earnest in June.

It will be next year before the newly reactivated Alaska International Rail and Highway Commission in the United States knows whether a new railway line, a new road, or a paved Alaska Highway is required to mesh the 49th State closer to the Union, and, undoubtedly, it will take longer to discover what can be worked out in cooperation with the Canadian Government.

The Commission, which was established in 1956 and held a few meetings here in 1957 and 1958, and talked with Canadian Federal and Provincial officials, was brought back to life late last week by congressional action to extend the Commission's existence until June 30, 1961. Funds for its work have also been appropriated.

As a result, according to Commission Secretary Carl Junge, a full-scale research study of the resources, markets, and transportation facilities of this northwest sector of North America will be started, probably in June.

This study of the natural resources and necessary transportation, not only in Alaska but in British Columbia, Alberta, and the Yukon Territory, was proposed in November 1957 by the Commission. An agency was chosen in 1958 to do the job, but Congress did not appropriate funds for the study late last year, and the Commission had to go into hibernation.

Now that Alaksa has been admitted to the Union and has two able and industrious Senators in Congress, there has been pressure to get started again. The Commission now hopes that one of the national research agencies can make its extensive study of the area's economic resources, its potential markets, its population and income trends, and the feasibility of new or improved transportation routes and feeder roads during the rest of this year.

Members of the Commission itself hope to reschedule an inspection trip to Alaska, British Columbia, and the Yukon in September.

Senators WARREN MAGNUSON, of Washington, and E. L. BARTLETT, of Alaska, have been the prime movers behind the recent congressional action and both of them are on record as being anxious to improve connections with Alaska in full cooperation with Canada. They feel, however, that no substantive move can be made here until a thorough study of the region and its requirements has been made.

The same feelings now apparently are motivating the actions of Senator RICHARD NEUBERGER, of Oregon. The cool shoulder which the Diefenbaker government has again given his bill to pave the Alaska Highway—which, contrary to his information, is not even being actively considered by Canada—has caused the Senator to ease up on his favorite project at this time, while awaiting the report of the Commission's study group. That report might well consider paving of the highway an uneconomic or unnecessary effort at the present time.

As far as extension of the Pacific Great Eastern or the Northern Alberta Railways into the Alaska region is concerned, none of those interested in these problems has heard of any projects under consideration. And they don't expect to until the Commission's study program is completed. Then the whole picture of whether new rail or highway or even water or air routes to Alaska are needed may be clarified, and the problems of shipments in bond, maintenance charges, and so on can be looked at more realistically.

In fact the only discussion of railways here is in the Interior Department where the bill to incorporate the Government-owned Alaska Railroad, which operates in the State, has just been put through committee.

NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

Mr. McGEE. Mr. President, I desire to bring to your attention and that of the Senate an instance, during the recent hearings on Admiral Strauss' nomination as Secretary of Commerce, of a minor falsehood with major implications.

On May 5, 1959, a newspaper column by Drew Pearson charged that Mr. Strauss called the Atomic Energy Commission to seek information on a hostile witness. In attempting to discredit this charge, Mr. Strauss said that, although he had made such a call, he had done so only after being provoked by the appearance of the Pearson article. This statement clearly implied that ordinarily he would never do such a thing. To make sure the Admiral meant what he said, I asked him to repeat his statement that his inquiry was made after the column appeared. He did so.

This statement was proved false when a letter from AEC Chairman, Mr. John

McCone, which appears on page 844 of the printed record of the hearings, revealed Strauss had made no inquiries after the column appeared, but made two inquiries before the column appeared.

Mr. JOHNSON of Texas. Mr. President, may we have order, please, so we can hear the Senator?

The VICE PRESIDENT. The Senate will be in order.

Mr. McGEE. Mr. President, when I pointed out to Mr. Strauss this discrepancy in his testimony, he attempted to ridicule my concern by saying sarcastically, "I realize in your opinion this is a very heinous difference," and added that I would "have to draw whatever inference" I could from what he said.

Mr. President, this was a heinous difference. If he had not himself so carefully stressed that he had made no inquiry until after being provoked, it might have been a little different, but this contradiction of fact demonstrated again that rather than admit a simple, if embarrassing falsehood, Mr. Strauss preferred to employ another falsehood.

This performance compels me to ask again—why did not Mr. Strauss admit the simple facts? Why did he not tell the committee the truth? Was it perhaps because, as a recent Washington Post editorial suggested, Strauss "sensed conspiracy in others because of his own elaborate preoccupation with the indirect and obtuse"?

Mr. President, as I said in my opening remark, this was a minor falsehood. But it was a minor falsehood with major implications. The inference I draw from this falsehood is deepened when I recall the many other falsehoods Mr. Strauss employed before our committee. My inference, indeed my conclusion, is that Lewis Strauss cannot be trusted to tell the truth to Congress as Secretary of Commerce and his nomination should not be confirmed in that office.

Mr. President, I ask unanimous consent to have printed in the RECORD the appropriate extracts from the hearings which bear upon my remarks this morning.

There being no objections, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS OF TESTIMONY FROM HEARINGS HELD BEFORE THE INTERSTATE AND FOREIGN COMMERCE COMMITTEE OF THE SENATE ON THE NOMINATION OF LEWIS L. STRAUSS AS SECRETARY OF COMMERCE MAY 13, 1959 (PP. 1490–91, 1497–1500)

Senator McGEE. No. As a matter of fact, the witness on Friday added a clause or an appended phrase in several places. The burden of the area on which I questioned you was unchanged. And you had had that copy of that since the first day of May.

Mr. STRAUSS. I hope to be able to reply to these charges in as much detail as you will permit, and I will take the time to do it. If I cannot get away, as the chairman had so kindly arranged for me to do, it will just be too bad.

The CHAIRMAN. I am not in control of all the questions and the time of the answers. If I were in full control of it, we would be out of here long before this.

Mr. STRAUSS. With respect to the column which has been the subject of the discussion today, I may say, Mr. Chairman, that it is quite academic to me as to whether or not the previous witnesses were under oath. I call attention to the fact that in big red letters it was stamped "Confidential," where it could be read, but it was described in the column sent out as marked "Top Secret."

I called the Commission to ask what about—after this had appeared—where was Mr. Inglis' security files, and they said they were in Chicago.

Senator McGEE. Was that after this?

Mr. STRAUSS. After this had appeared. Had they been in Washington? No, not in recent years. I called to ask whether Mr. Inglis was still employed by the Commission, whether he had a "Q" clearance, and what kind of job he did, what his qualifications were. And I was referred to American Men of Science, which is a publication of general circulation. That is all I have to say on that.

With your kind permission, Mr. Chairman, I would like to get into this statement because I am sure that parts of it will be interesting.

Senator McGEE. Mr. Chairman, I object to going further without another question, if I may.

The CHAIRMAN. You can ask a question. Is that all you have to say?

Mr. STRAUSS. That is all that I have to say. Senator McGEE, does that answer your question?

Senator McGEE. Yes. It raises another one now in view of what you testified to here today. If I heard you correctly—you may want to review your testimony—in regard to Mr. Pearson or Mr. Anderson's testimony here, that you had made a call down there and made routine inquiry after the Drew Pearson article appeared on Tuesday, May 5, 1959.

Mr. STRAUSS. No. I said that after this article appeared, I had asked whether anyone had inquired for this top secret file on Mr. Inglis, which all personnel security files are secret or top secret.

Senator McGEE. That is correct.

Mr. STRAUSS. I was told they had not. This was done in order to find out whether, as I suspected, this story was out of the whole cloth. I think it is a lie from start to finish.

Senator McGEE. May we have the clerk read the questioning at that point in Drew Pearson's testimony?

The CHAIRMAN. Yes.

Senator McGEE. I think there is a statement here from the Admiral that we have to make very clear.

The CHAIRMAN. The clerk will go back.

What portion do you want?

Senator McGEE. The part where there was some comment from the Admiral about when he himself volunteered the information that he had made a phone call down to the AEC after the article appeared.

(The reporter read the testimony.)

Senator McGEE. May I call back to your mind, Mr. Chairman, the dates of the letter and the language of his letter which touches on every one of those points that you have just referred to in the context of your statement to Drew Pearson—to me, as I remember—that this had followed after the Drew Pearson column had appeared. And now this stands in direct contradiction to the evidence in this letter that we have received.

Mr. STRAUSS. Senator McGEE, I realize that in your opinion this is a very heinous difference. The Commission calls me and I call the Commission on matters several times a week. I do not know that this was the subject of the call. But the conversation took place between myself and some officer of the Commission—perhaps even the Chairman, I don't know. But I see absolutely—I see absolutely no significance in whether the date was the 22d of April or May the fifth, or what.

Senator McGEE. Admiral, we are going on your testimony here today. You have belabored Mr. Wenzell, if I recall correctly, because he could not remember some things that happened. And you have suggested that his memory only happened to click when he remembered that you and he had talked about his connections.

But now we find you cannot remember what you said the day that you said it.

Mr. STRAUSS. Senator, let us say that I called him on whatever date you said. The fact of the inquiry, and the reply—

Senator McGEE. That is not what you said, Admiral, and the record shows it.

Mr. STRAUSS. Senator, you have to draw whatever inference you can.

Senator McGEE. I am not drawing inferences. I am quoting your words on the record.

The CHAIRMAN. Let's not have the witness—try to answer the questions here.

Senator McGEE. There is no inference at all. You have made categorical statements and I want them cleared up.

Mr. STRAUSS. I have nothing more to say, Mr. Chairman, on this point.

RESULTS OF SURVEY IN ILLINOIS IN REGARD TO NOMINATION OF LEWIS L. STRAUSS

Mr. DOUGLAS. Mr. President, as I mentioned on the floor of the Senate about 2 weeks ago, I sent a letter to the 722 members of the American Physical Society who are listed as living in the State of Illinois. I asked them their confidential opinions as to whether the nomination of Mr. Lewis L. Strauss to be Secretary of Commerce should be confirmed.

As I indicated at that time, the replies were to be anonymous, so that no one would know how the men voted. I am pleased to say in many cases I received signed amplifications of the positions taken.

We have now completed a final tabulation of the poll, and I believe the Senate and the country will be interested in the results.

There were 327 replies to the 722 inquiries. Some of the 722 persons had changed their addresses, and so could not reply. However, the return was 41 percent of the number from whom the ballot was requested. This is a very high percentage for a mail return.

Of the 327 who did express themselves, 30, or 9 percent of the total, were noncommittal; 203, or 62.3 percent of the total, voted "No," against confirmation; 94, or 28.7 percent of the total, voted "Yes."

Of those who did express themselves, excluding the 30 who were noncommittal, 69 percent voted "No" and only 31 percent voted "Yes"; so the vote of these physicists was more than 2 to 1 against the confirmation of the nomination of Mr. Strauss, based on their experience with him as Chairman of the Atomic Energy Commission.

Mr. President, I do not think any eulogies on my part with regard to the physicists of Illinois are needed. It was at my own university that the atom bomb was discovered. The physicists in my State are probably as eminent as those

in any other State of the Union, since not only a number of great universities but also the Argonne National Laboratory are located there.

I think this is a fairly good sample of the informed public opinion of the physicists. I offer these figures for what they may be worth—and they may be of some value to the Members of the Senate and the general public.

TRIBUTE TO SENATOR FULBRIGHT

Mr. CHURCH. Mr. President, in this age of prolonged crisis, there can be no substitute for intelligence and imagination in the job of giving shape to our national response to the Soviet challenge.

With the prospect of an unremitting cold war lying indefinitely before us and with foreign policy now a matter affecting the daily lives of every one of us, we are truly fortunate to have as chairman of the Senate Foreign Relations Committee a man with the stature, wisdom, and experience of the junior Senator from the State of Arkansas. He is preeminently qualified to meet the need.

Mr. President, an article entitled "Egghead From the Ozarks," written by the Washington editor of the Saturday Evening Post, Beverly Smith, Jr., appearing May 2, 1959, rounds out a complete picture of the man, his background, his interests, and his achievements. I ask unanimous consent that excerpts of this article be printed in the RECORD, at this point.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EGGHEAD FROM THE OZARKS

(By Beverly Smith, Jr.)

Toward the close of 1920 in Vienna, that favorite center of diplomatic intrigue in Eastern Europe, American correspondents used to foregather at the Cafe Louvre to swap information. An attentive kibitzer admitted to these sessions was young BILL FULBRIGHT. He was a likable companion, athletic and boyish-looking, easygoing in manner, his soft Arkansas drawl intact after 3 years of graduate study at Oxford.

He was not a newspaperman, but, having specialized in history, was fascinated by the seamy nether side of international maneuver in Vienna. Here was stuff not found in the textbooks. His chief preceptor in such matters was M. W. Fodor, experienced correspondent of the old Philadelphia Public Ledger. FULBRIGHT accompanied Fodor as a volunteer helper on many reportorial assignments and on travels ranging from central Europe down through the Balkans. Through Fodor he met many of the top politicos of the area. He also encountered some of the shadier underlings—specialists in propaganda and infiltration—who worked for Stalin, for Mussolini or for a still-obscure demagogue named Hitler.

When he went home to Arkansas in 1929 young BILL FULBRIGHT was certainly no international "expert." But he had sniffed the devil's broth which, 10 years later, was to boil over into World War II. The experience gave him a special interest in foreign affairs which he has followed up through the years, whether he was working as a teacher of law, a farmer, a businessman, a university president or a lawmaker.

In Congress this has manifested itself in legislation—particularly that creating the Fulbright exchange scholarships—which has made his name known throughout the world.

Now this same FULBRIGHT—Senator J. WILLIAM—has taken over as the new chairman of the powerful Senate Committee on Foreign Relations. Thus his long interest in world affairs has been clothed with a responsibility which, in the present deepening crisis, is awesome. He has become a top adviser on life-and-death decisions which may involve us all.

* * * * *

In recent years FULBRIGHT has been one of the sharpest critics of administration foreign policy. He may return to the attack in the future. But when he succeeded to the chairmanship in early February there was a noteworthy new moderation in his attitude. This may have been due in part to the darkening of the international scene, in part to the chill responsibility of his new position. A Senator can sound off freely without shaking the foundations; but when the chairman of the Foreign Relations Committee speaks, it may be assumed, especially abroad, that he speaks for the committee and for the majority of the Senate itself. Chairman FULBRIGHT began to ponder his words as though seeking the subtle line between useful suggestion and divisive criticism.

A few weeks after he took his new post, the increasing danger of the Russian threats toward Berlin provoked a flurry of worried speeches in the Senate. FULBRIGHT said he was sure the suggestions were meant to be helpful, that they reflected a concern natural under the circumstances. Then he added:

"No football team can expect to win with every man his own quarterback. * * * To force the President into a negotiating straitjacket or to overwhelm him—and the world—with uncoordinated and perhaps conflicting advice would cause nothing but trouble. The Foreign Relations Committee is available to advise the President, but his is the primary responsibility. * * *

"The President has stated clearly, forcefully and authoritatively the policy of the United States in Berlin—that is, we will not give 'one single inch,' and if there be any shooting, it will be someone else who started it. This does not, of course, mean that we will not negotiate on any reasonable basis."

Does this mean that the usually outspoken FULBRIGHT has laid aside his right of criticism and given the President's foreign policy blank check support? Evidently not. Soon after the quarterback statement, and following a visit to the White House, FULLBRIGHT returned to his earlier urgings that we show more imagination and initiative in our response to the Russians. He repeated his support of our firmness in Berlin, but suggested we counter Russia's demands with demands of our own that she withdraw from her satellite countries.

Later he added further comments. He said we should not be so "sticky" about summit conferences. "It leaves the impression that we are afraid to talk to the Russians or that we haven't anything to say. Actually we have a lot to say." He said he thought Mr. Eisenhower spoke in the sense that we will not give 1 inch * * * unless there are concessions on the other side to justify it.

As one example of possible mutual concessions, he said that if both sides along the East-West German boundary were to move their armed forces back an equal distance—no matter how slight the distance—the possibilities of war, especially accidental war, would be reduced. He suggested that if a clear Western corridor could be established into Berlin, free of any inspection, coupled with some form of international control in Berlin, the possibility should be seriously considered. He also warned that the Russians may go very far in Berlin and that it is premature to assume they will not start a war.

How do these statements square with FULBRIGHT'S earlier objection to too many quarterbacks? Probably he decided that he cannot chart for himself any exact course of action in a crisis which changes from one day to the next. As chairman his problem of full support versus loyal opposition is one of extreme delicacy, made the more so by events which followed his assumption of the post.

* * * * *

On November 27 Khrushchev had begun his ominous threats to give control of Berlin's western lifelines to his East German puppet government. He originally set May 27 as a deadline, and the time was ticking away. * * * And America's Secretary of State Dulles, rugged embodiment of our foreign policy since 1953, was ailing, though the seriousness of his illness was not yet known.

As the new chairman, FULBRIGHT'S immediate concern was his relationship with Mr. Dulles. He had often been highly critical of the secretary, and now certain ones of his more caustic remarks were being resurrected in the press. Some commentators pictured a bitter feud between the two men which might weaken American policy and unity in the critical period ahead. * * *

The secretary and the chairman realized that the impression of a personal feud between them was harmful; they were already moving to correct it. Fulbright emphasized his admiration for Dulles' "many fine qualities." The secretary, about to leave for Europe, invited Chairman FULBRIGHT to his home for an evening of private conversation. In this friendly exchange, both felt they had reached a more sympathetic understanding.

When the gravity of Mr. Dulles' illness became known, there were suggestions that the time had now come, in justice to himself and the Nation, for his resignation. FULBRIGHT did not join in these. In a Senate speech he said that Mr. Dulles "must play the leading role, both in formulating our foreign policy and articulating it." * * *

Elsewhere in his remarks he said that "the day of all men everywhere * * * may be short," that the time in which we live is "the mose dangerous in the 60 centuries of man's recorded history." These are not cheerful comments. They reflect what some critics consider a tendency on FULBRIGHT'S part toward a brooding pessimism. He disagrees with this assumption, which in our optimistic land amounts almost to a charge of defeatism. Rather, he feels, the sane and healthy attitude is to look at the dark as well as the bright side of the world situation.

Generally conservative in economics, FULBRIGHT agrees with Eisenhower on the dangers of continued deficit financing and inflation. But he rejects the idea that we cannot "afford" what we need for education, science and defense. He regards these as necessities, which we can afford by forgoing some of our luxuries and raising taxes. In reply to the argument that we "cannot live with higher taxes," he points out that we lived pretty well prior to the Federal tax cut of 1954.

* * * * *

He has in him a certain strain of individualism, of independence, of wry humor, which does not quite harmonize with the clublike camaraderie of the Senate. He is more studious, more reflective, less gregarious than most of his colleagues. He spends much time in reading which others devote to politicking and persuasion among their fellows. He cannot be fitted into any group or category. It has been said that he is a liberal in international affairs, a conservative in domestic matters, but this rule has its exceptions. While he usually votes with the Democratic majority, he is not regarded exactly as a "regular." He has often offended the higher-ups in his party, including President Truman, who in a heated moment

once referred to him privately as "an overeducated Oxford s.o.b."

In early 1954, when the late Senator Joseph McCarthy was riding high, FULBRIGHT was the only Senator who cared, or dared, to vote against further funds for McCarthy's melodramatic investigations. McCarthy called FULBRIGHT Senator Halfbright, but the nickname did not stick. He has also been called the Egghead from the Ozarks. More kindly, when he became Foreign Relations chairman, it was widely commented that he brought to the post the most thorough background of any Senator in recent memory.

FULBRIGHT came to Congress as though by accident. He might never have entered public life if he had not been fired as president of the University of Arkansas. He was fired partly because he refused to play politics with the job. It might thus be said that he got into politics because he didn't want to play politics. Before exploring this paradox, we had better look back to FULBRIGHT'S beginnings.

The fourth of six children, he was born on a farm near Sumner, Mo., on April 9, 1905. When he was a year old the family moved to another farm near Fayetteville, in Ozark country of northwest Arkansas.

In college his grades were good, but not tops. Much of his energy went into athletics. He played 3 years of varsity football as a regular halfback. He also captained the tennis team. In his last year he was organizer and first president of the university's system of student self-government.

In BILL'S junior year his father died suddenly at 56. He left the university to help his mother with his father's estate and business interests. She soon proved herself such a capable manager that he was able to return to his studies. Despite this time out, he won his bachelor of arts degree in February 1925, when he was not quite twenty. He stayed on during the spring to take additional courses.

When he was about to return to the family business, one of his professors suggested he apply for a Rhodes Scholarship. He journeyed down to Little Rock, appeared before the examiners, and was surprised next day to hear that he was the new Rhodes selection for Arkansas.

His time at Oxford, with vacations passed in Europe, was an eye opener for the young man who hitherto had hardly ventured beyond the Arkansas hills except on football trips to Texas and Oklahoma. He met students from every continent and began to understand something of the world's vast variety of political and religious beliefs. At Oxford's Pembroke College he took what was known as the Final Honour School of Modern History, graduating with the equivalent of B-plus grades.

In 1929, back in Fayetteville, Ark., he settled down to what seemed might be his lifework in the family business. A couple of years later chance intervened. On a trip to Washington he ran into a friend who invited him to dinner. There he met a beautiful young lady from Philadelphia, Miss Elizabeth Williams. This, he quickly decided, was the girl.

Soon afterward he convinced himself that he ought to study law. He enrolled at the George Washington University Law School in Washington. Looking back, Senator FULBRIGHT thinks that maybe his real idea was to get within courting distance of Betty Williams. They were married in 1932. It has been a most happy marriage. They have two daughters, Elizabeth and Roberta.

At George Washington University FULBRIGHT took his law degree in 1934, second in a class of 135. He served as a prosecutor in the Justice Department for a year, then taught law at George Washington University for a year. In 1936 his mother needed help at home and he returned again to Fayetteville. For the next 3 years he helped in the family business, raised beef cattle on the farm, practiced law and taught law courses at the University of Arkansas. So far his life had been pleasant, but without clear direction. In 1939 chance stepped in again. Dr. John Futrall, president of the university for a quarter century, was killed in an automobile accident. FULBRIGHT, popular among the students and faculty, was chosen by the trustees to succeed him.

Now his career seemed set. Here was work he could take pride in. He did not think of his position as a political one. He concentrated on recruiting the best teaching talent which the university's modest budget could afford.

In 1940 there was a hot gubernatorial fight in Arkansas. The incumbent reform Governor, Carl Bailey, was defeated by Homer Adkins. FULBRIGHT'S mother, affectionately known as Miss Roberta, was a strong partisan of Bailey. Among her other energetic activities, she for many years wrote a daily column in the Fayetteville paper. It was called As I See It, and she never hesistated to call it as she saw it. On the election of Adkins, Miss Roberta commented that the voters apparently preferred a handshaking, backslapping politician to a statesman.

Adkins, annoyed with the Fulbright family, began quietly putting in his own men as trustees at the university. In the spring of 1941 he wrote to FULBRIGHT, suggesting that the university employ an Adkins protege as public-relations man. FULBRIGHT replied that he needed another good professor more than he did a publicity man. Soon afterward his resignation was requested. He said it would make things clearer all around if he were fired. And so on commencement day, despite roars of protest from students and alumni, FULBRIGHT was duly fired.

Again he returned, less happy now to the family business. The following spring his friend, Clyde Ellis, Congressman from the Fayetteville district, urged FULBRIGHT to run for the House seat he was vacating. FULBRIGHT said no, but when Ellis reminded him of his preachments to students about the duty of public service, he began to waver.

Once he made up his mind to run, he went all out. A novice and a long shot, he plunged into the heat and dust of the fight like an old pro. His wife Betty, friends say, turned out to be an even better campaigner than Bill, and a great hit with the farm wives. Together they reversed the odds; FULBRIGHT won by 4,000 votes.

It is rare for a congressman to get much attention in his first few years. The new Representative from Arkansas won fame in a matter of months with the so-called Fulbright resolution, favoring "the creation of appropriate international machinery, with power adequate to establish and maintain a just and lasting peace * * * and the participation of the United States * * * through its constitutional processes." The entire resolution contained only 55 words. Passed overwhelmingly in 1943 by the House, and later endorsed by the Senate, it became a historic milestone. It marked the end of our long policy of isolation and the first official step toward the United Nations. FULBRIGHT feels the mistake in setting up the U.N. was to permit the veto, thus depriving the organization of the "adequate power" envisioned by his resolution.

In 1944 FULBRIGHT ran for the Senate. His chief opponent was none other than the Homer Adkins whose influence had ended his university presidency 3 years before. He beat Adkins by 32,000 votes. Politics, he found, has its compensations.

In 1946 Senator FULBRIGHT, through the fusion of two simple ideas, produced a beneficent chain reaction which still continues through the non-Communist world. The first idea, drawn from his own experience, was that study abroad makes for better international understanding. Second was the fact that quantities of surplus American war materials—such as trucks, jeeps, and bulldozers—were rusting away in many foreign lands; these countries wanted to buy the stuff, but lacked dollar exchange. Why not let each country pay in its own currency? The proceeds could then be used for two purposes: (1) scholarships for selected American students who wished to study in that country, and (2) travel expenses for its own students chosen to study in America.

Such was the genesis of the famous Fulbright scholarships. The Senator, with unwonted political energy and savvy, fought his bill through Congress to final passage in the closing hours of the 1946 session. Under the Fulbright Act, supplemented by later legislation, exchange scholarships have been awarded to date to more than 37,000 American and foreign students and teachers. In its contribution to better understanding among peoples, according to a State Department report, the law has been "the most fabulously profitable investment ever authorized by Congress." * * *

Shortly before the 1946 elections FULBRIGHT was pondering aloud to a colleague about the difficulties which would arise if, with a Democrat in the White House, the Republicans should capture both Houses of Congress. In such case, he thought, it might be a patriotic thing for Mr. Truman to appoint a Republican as Secretary of State, and then resign. In the absence of a Vice President and under the law at that time, the Republican—perhaps Vandenberg—would become President. Thus the White House and Congress could work together harmoniously.

The Republicans did win both Houses. A reporter, who had noted down FULBRIGHT'S casual remarks, hit the headlines with them the morning after election. Hence the explosion of wrath in which Mr. Truman referred to FULBRIGHT as an overeducated so-and-so.

FULBRIGHT was embarrassed as well as amused by all the rumpus. But he still seriously believes it is a weakness in our governmental system which permits the President to be of one party and the Congress of the other, that it could produce delays and divisions in time of crisis. Seeing such danger he is likely, as chairman of the Foreign Relations Committee, to take special care not to aggravate it during these troubled times.

* * * * *

While he worked effectively as chairman of the Banking and Currency Committee, his heart wasn't in it. His strongest interest was in America's foreign relations. Under the Eisenhower administration he became increasingly critical of Secretary Dulles, not so much for his fundamental policy as for his methods of approach. He felt that the Secretary's attitude was too negative, that when Russia makes proposals we should not just say "No," but should counter with proposals which would put Russia on the spot.

He also objected to Mr. Dulles' reports to the Foreign Relations Committee as not being fully frank, as painting too rosy a picture of the world situation, and as adopting a papa-knows-best tone.

He has long been a critic of our policy in the Middle East, which he thinks has played into the hands of the Communists. He has asked for more economic, less military aid to other countries, and has especially opposed lavish shipments of arms to prop up reactionary and tottering regimes. And he has blamed both Republicans and Democrats for continuing the custom of awarding ambassadorial posts to fat-cat political contributors.

FULBRIGHT himself is in difficulty on one hot American issue—that of racial segregation. He has opposed the Supreme Court integration decisions as being too hasty and as trying to oversimplify an immensely complex problem. This has disappointed his liberal admirers and can cause uneasiness among the nonwhite nations of the free world. On the other hand, the fact that his opposition to the court decisions has been temperately expressed has hurt him in his home State of Arkansas, where extremist segregation feelings run high. The power of such sentiments was shown in the defeat of Arkansas' hitherto extremely popular Representative Brooks Hays. He, like FULBRIGHT, had signed the so-called southern manifesto, but counseled moderation at a time when fanaticism was demanded. Unless these passions cool, FULBRIGHT may face dangerous opposition for re-election in 1962. There is talk that Gov. Orval Faubus may challenge him.

But that eventuality is 3 years away, and FULBRIGHT is not likely to let it distract him from his chief ambition, which is to do the finest job he can as chairman of the Foreign Relations Committee. As to what his course there will be, carrying a new responsibility and facing new situations at home and abroad, I think the best clues may be found in his general character, background and ability.

He has been a student of international problems ever since those days at the Café Louvre 30 years ago. He is intelligent, with an original, inquiring mind which has proved itself fertile in constructive ideas. He cannot be ranked among the optimists, but perhaps they are already in surplus supply. His honesty and patriotism are unquestioned—if he makes mistakes, it will not be in pursuit of partisan advantage. He approaches his work as chairman as the climax and supreme test of his entire career. All this gives good reason to hope that Chairman FULBRIGHT will serve his country well among the unprecedented perils ahead.

PUBLIC EDUCATION IN THE UNITED STATES

Mr. HUMPHREY. Mr. President, in the Washington Post of today, June 4, there appears an excellent article by the distinguished columnist, Walter Lippmann, on the serious long-range problem we face in financing public education in the United States.

I commend this thoughtful article to my colleagues and to the attention of the American people. The quality and capacity of our educational system are vital factors in our domestic progress and in our scientific competition with the Soviet Union.

In his article, Mr. Lippmann refers favorably to the Rockefeller brothers report on costs of education, "The Pursuit of Excellence." I think this report is must reading for everyone seriously concerned with the problems of rising school enrollments and the costs of school construction and teacher salaries.

I ask unanimous consent that Mr. Lippmann's article from the Washington Post and Times Herald be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE PURSUIT OF EXCELLENCE

(By Walter Lippmann)

The report of the President's Science Advisory Committee, of which Dr. Killian was the chairman, was published about 10 days ago. It has a general blessing from the President who said that he hoped it would be widely read and that it would stimulate a wider understanding of the importance of excellence in our educational system.

Among the crucial ideas that need a wider understanding is the conclusion of the report that doubling our current annual investment in education is probably a minimal rather than an extravagant goal. This does not mean, of course, that if we spent twice as much on our schools, they would automatically become twice as good. The sponsors of the report are among the most distinguished men in American science, and they make it clear that to improve American education very important reforms are needed in the recruiting of teachers and in the curricula which they teach.

What they do say is that these reforms will have to be paid for and they imply that no one is really serious about the improvement of education who does not want to think about raising more money.

The best discussion of the problem of money and education is to be found in the Rockefeller brothers report under the title of "The Pursuit of Excellence." To see the problem clearly, says the report, we must realize that since 1870 we have heaped upon our educators one of the most heroic assignments a society could have invented. The assignment has been to educate the whole mass of the American people. Between 1870 and 1955 our population has been multiplied by four. But the number of students in our public high schools has multiplied approximately 80 times.

In a period of three-quarters of a century "we have taken into the school system a greater proportion of our youngsters and we have kept more of them in the system longer than any other nation." Sheer size and mass are not the only, but surely they are the main reasons, why our educational system is so far short of being excellent.

Education on such a scale, if it is to be good for the great mass and excellent for the very gifted few, is bound to be expensive. As of 1955, the most recent year for which the figures are available, the total spent in this country on education was $14 billion a year. This breaks down into $9.4 billion for public elementary and secondary schools, $1.2 billion for private elementary and secondary schools, $1.5 billion for public higher education and $1.9 billion for private higher education.

The President's Science Advisory Committee and the Rockefeller brothers report agree that the total of $14 billion will have to be doubled if education is to be good enough for the times we live in. As the two groups which concur in this conclusion are composed of eminent, very highly qualified, and widely experienced men, we may assume that they know what they are talking about. Indeed, so far as I know, no one has seriously disputed their conclusion.

The real question is how to raise the money. Here, we may begin by insisting that this country can indubitably afford to raise the money. From 1930 to 1957 the expenditure on education was more or less stationary at about 3.5 percent of the gross national product. It has now risen to about 4 percent. As the gross national product has risen since 1930, the amount spent on education has risen too. But it has not risen fast enough to keep pace with the rise in enrollments. Thus, in fact, less money is available for each pupil. There is more money. But the school population is much bigger. There is, therefore, a growing shortage in our educational facilities, in classrooms and in teachers and the like, to deal with our expanding population.

If we adopt the conclusion of the President's Committee, we should be prepared to spend, by say 1967, something like 30 billions. It is generally estimated that by 1967 the gross national product will be around 600 billions. Thus, the expenditure for education would rise from about 4 percent, as at present, to about 5 percent of the gross national product.

This percentage looks small, but the real figures are big, and the most difficult question arises as to how these extra $15 billion a year are to be raised. Most of us would prefer to have them raised locally. But we cannot be dogmatic and absolute about this preference.

In the past 25 years there has been a drastic shift in the burden of school support from the local governments to the State governments. Whereas in 1930 the State governments carried only 17 percent of the load, by 1954 they were carrying 37 percent. There is no use expecting or hoping that the whole new burden of cost can be borne by the States. For, as the Rockefeller report says, "State and local tax systems are in some respects archaic," chiefly because of their dependence upon the real property tax.

There is no escape from the conclusion that if the new and necessary costs are to be met, if they are not to be ignored and neglected, we shall have to raise some considerable part of them out of Federal taxes. This is bound to happen, and the sooner we face up to the necessity, the more likely are we to be prepared to act with deliberation and with awareness of the hazards and with wisdom.

FINE ARTS SELECTIONS FOR THE MOSCOW EXHIBIT

Mr. HART. Mr. President, this morning the Washington Post reports some criticism directed at the selection of certain works of art to be exhibited at the American National Exhibit in Moscow this summer, which exhibition, I am delighted to know, will be attended by the Vice President, the distinguished Presiding Officer of the Senate.

The criticism is directed to the fact that certain of the artists whose works have been selected were affiliated with Communist efforts or causes. I had hoped that we had grown beyond the point where a political litmus test would be applied to our judgment of art. All that this hullabaloo would do would be to take the Russians off the hook of world opinion on which they find themselves in connection with the Pasternak case, and put us right on it.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point the release issued by the Office of the American National Exhibition in Moscow. The release lists the names of the selection committee and the names of the owners of the works of art which have been selected. The selection committee and the owners of the art works are distinguished Americans or American institutions. The release also names the artists of the various works of art which have been selected.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

FINE ARTS SELECTED FOR MOSCOW EXHIBIT

Franklin C. Watkins, chairman of a special four-man art committee, today announced the 49 paintings and 23 works of

sculpture which have been selected for showing at the American National Exhibition in Moscow this summer.

In addition to Mr. Watkins, artist and for many years an instructor of painting at the Pennsylvania Academy of Fine Arts, Philadelphia, members of the selection committee were: Lloyd Goodrich, director of the Whitney Museum of American Art, New York City; Henry Radford Hope, chairman of the Fine Arts Department of Indiana University; and Theodore Roszak, internationally known sculptor and faculty member of Sarah Lawrence College, Bronxville, N.Y.

Mr. Watkins said the paintings and sculpture were chosen as distinguished examples of the variety and wide range of American art produced during the period from 1918 to the present.

The art collection has been crated and will be shipped on the S.S. *Finnsailor*, sailing from New York tomorrow (Monday, June 1).

The paintings and some of the sculpture will be shown in the main exhibition hall. Other works of sculpture will be exhibited outdoors.

The 6-week American National Exhibition opens in Moscow's Sokolniki Park, July 25. It will contain cultural, scientific, and technological exhibits designed to further Soviet understanding of life in America.

The works of art selected by the committee:

Artist	Painting	Lender
Ivan Le Lorraine Albright.	The Hole in the Wall Gang, 1952, oil.	Mr. and Mrs. Lawrence A. Fleischman, Detroit, Mich.
William Baziotes	Moby Dick, 1955, oil	Mr. and Mrs. William A. M. Burden, New York, N.Y.
Thomas Hart Benton	Boom Town, 1928, oil	Rochester Memorial Art Gallery, University of Rochester, Rochester, N.Y.
Hyman Bloom	Younger Jew With Torah, 1942–44, oil.	Smith College Museum of Art, Northampton, Mass.
Peter Blume	The Eternal City, 1937, oil.	Museum of Modern Art, New York, N.Y.
Alexander Brook	My Son Sandy, 1932, oil	Metropolitan Museum of Art, New York, N.Y.
Charles Burchfield	Promenade, 1928, water color.	Mr. A. Conger Goodyear, New York, N.Y.
John Steuart Curry	Wisconsin Landscape, 1938–39, oil.	Metropolitan Museum of Art, New York, N.Y.
Stuart Davis	Combination Concrete No. 2, 1958, oil.	Mr. and Mrs. Earl Wade Hubbard, Lime Rock, Conn.
William De Kooning	Asheville II, 1949, oil	Phillips Gallery, Washington, D.C.
Charles Demuth	After All . . . , 1953, oil	Norton Gallery and School of Art, West Palm Beach, Fla.
Edwin Dickinson	Ruin at Daphne, 1943–53, oil.	Metropolitan Museum of Art, New York, N.Y.
Philip Evergood	Street Corner, 1936, oil	Mr. Himan Brown, New York, N.Y.
Lyonel Feininger	Manhattan, The Tower, 1944, oil.	Mrs. Drew Chidester, San Francisco, Calif.
William Glackens	Soda Fountain, 1935, oil	Pennsylvania Academy of Fine Arts, Philadelphia, Pa.
Frits Glarner	Relational Painting, 1949–51, oil.	Whitney Museum of American Art, New York, N.Y.
Anshile Gorky	Water of the Flowery Mill, 1944, oil.	Metropolitan Museum of Art, New York, N.Y.
Morris Graves	Flight of the Plover, 1955, oil.	Whitney Museum of American Art, New York, N.Y.
George Grosz	Peace II, 1946, oil	Do.
Philip Guston	Passage, 1957, oil	Mrs. Phyllis B. Lambert, New York, N.Y.
Marsden Hartley	Mount Katahdin, Autumn, No. 1, 1942, oil.	University of Nebraska Art Collection, Lincoln, Nebr.
Edward Hopper	Lighthouse at Two Lights, 1929, oil.	Mr. Richard D. Tucker, San Francisco, Calif.
Karl Knaths	Winter Wharf, 1955, oil	Whitney Museum of American Art, New York, N.Y.
Walt Kuhn	Seated White Clown, 1929, oil.	The Honorable and Mrs. W. Averell Harriman, New York, N.Y.
Yasuo Kuniyoshi	The Amazing Juggler, 1952, oil.	Des Moines Art Center Des Moines, Iowa.
Jacob Lawrence	Fulton & Nostrand, 1958, tempera.	Mr. and Mrs. Alexander Rittmaster, New York, N.Y.
Jack Levine	Welcome Home, 1946, oil.	Brooklyn Museum, Brooklyn, N.Y.
Conrad Marca-Relli	Pamplona, 1958, college and oil.	Kootz Gallery, New York, N.Y.
John Marin	Movement—Sea and Sky, 1946, oil.	William H. Lane Foundation, Leominster, Mass.
Reginald Marsh	Steeplechase Park, 1936, egg tempera.	Joseph H. Hirshhorn, New York, N.Y.
Robert Motherwell	Wall Painting No. 4, 1953, oil.	Mr. I. Donald Grossman, New York, N.Y.
Georgia O'Keeffe	Ram's Head, White Hollyhock and Little Hills, 1936, oil.	Milton Lowenthal, New York, N.Y.
Jackson Pollock	Cathedral, 1947, oil	Dallas Museum of Fine Arts, Dallas, Tex.
Abraham Rattner	Two Figures and Masks, Composition No. 3, 1949, oil.	Mr. and Mrs. Joseph Shapiro, Oak Park, Ill.
Mark Rothko	Old Gold Over White, 1956, oil.	Mr. Roy Neuberger, New York, N.Y.
Ben Shahn	Parable, 1958, tempera	Munson-Williams-Proctor Institute, Utica, N.Y.
Charles Sheeler	Upper Deck, 1929, oil	Fogg Museum, Harvard University, Cambridge, Mass.
Do	Lunenberg, 1954, oil	William H. Lane Foundation, Leominster, Mass.
John Sloan	Sixth Ave. Elevated at 3d Street, 1928, oil.	Whitney Museum of American Art, New York, N.Y.
Raphael Soyer	Waiting Room, 1942–43, oil.	Corcoran Gallery of Art, Washington, D.C.
Eugene Speicher	Red Moore, Blacksmith, 1935, oil.	Mrs. Eugene Speicher, New York, N.Y.
Niles Spencer	In Fairmont, 1951, oil	Museum of Modern Art, New York, N.Y.
Joseph Stella	American Landscape, 1929, oil.	Walker Art Center, Minneapolis, Minn.
Yves Tanguy	Multiplication of the Arcs, 1954, oil.	Museum of Modern Art, New York, N.Y.
Mark Tobey	Delta, 1952, tempera	Mr. Dan R. Johnson, New York, N.Y.
Franklin Watkins	Portrait of Thomas Raeburn White, 1940, oil.	Mrs. Thomas R. White, Pennlyn, Pa.
Max Weber	Music, 1940, oil	Brooklyn Museum, Brooklyn, N.Y.
Grant Wood	Pastor Weems' Fable, 1939, oil.	Mrs. John P. Marquand, Cambridge, Mass.
Andrew Wyeth	Children's Doctor, 1949, tempera.	Dr. Margaret Handy, Wilmington, Del.

Sculptor	Sculpture	Lender
Saul Baizerman	Extase, 1950–57	World House Gallery, New York, N.Y.
Alexander Calder	Seven Footed Beastie, 1958.	Mr. Austin Briggs, Redding, Conn.
Do	Black Mobile, 1957	Perls Gallery, New York, N.Y.
Jo Davidson	Dr. Albert Einstein, 1934.	Whitney Museum of American Art, New York, N.Y.
Jose De Creeft	Youth, 1956	The artist, New York, N.Y.
Jose De Rivera	Copper Construction, 1949.	Grace Borgenicht Gallery, New York, N.Y.
Do	Construction No. 47, 1957.	Do.
Herbert Ferber	Once Again, 1954–58	Kootz Gallery, New York, N.Y.
Ibram Lassaw	Galactic Cluster No. 1, 1958.	Do.
Robert Laurent	La Toilette, 1944	Kraushaar Galleries, New York, N.Y.
Jacques Lipchitz	Mother and Child, 1941–45.	Philadelphia Museum of Art, Philadelphia, Pa.
Seymour Lipton	Sorcerer, 1957	Whitney Museum of American Art, New York, N.Y.
Oronzio Maldarelli	Bianca II, 1950	Metropolitan Museum of Art, New York, N.Y.
Elie Nadelman	Head of a Woman, 1922	Robert Isaacson Gallery, New York, N.Y.
Isamu Noguchi	The Ring, 1957	Stable Gallery, New York, N.Y.
Bernard Reder	Adam and Eve, 1957	World House Art Gallery, New York, N.Y.
Hugo Robus	Walking Figure, 1957	The artist, New York, N.Y.
Theodore Roszak	Hound of Heaven, 1953	Pierre Matisse Gallery, New York, N.Y.
William Zorach	Victory, 1945	Downtown Gallery, New York, N.Y.

Mr. HART. Mr. President, it would be well to read, also, the article written by Emily Genauer and published in the New York Herald Tribune of May 31, and I therefore ask unanimous consent that that article be included in the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES SENDING BEST ART TO EXHIBIT IN MOSCOW

(By Emily Genauer)

The first big and official exhibition of contemporary American art which Russia will have seen in 40 years was being packed and crated in a West Side warehouse yesterday for shipment overseas tomorrow.

Filling over 30 huge and specially designed wooden cases, the 48 paintings and 23 pieces of sculpture assembled to represent the variety, vitality and quality of modern American art will travel aboard the *Finnsailor* to Helsinki, and be dispatched from there to Moscow for display in the American National Exhibition of our sciences, industry, and culture scheduled to open in that city's Sokolniki Park July 25.

Viewed by this writer yesterday in the Santini Bros. warehouse at 449 West 49th Street, the works indicate clearly that however badly the United States may have bungled the opportunity, in the highly controversial art show at the Brussels Worlds Fair last year, to tell the rest of the world about our concern for cultural and spiritual values as well as for material things, we will be putting our best foot forward in Moscow this summer.

In view of the importance Russia itself places on the arts as propaganda in the cold war, it is inevitable that the exhibition will stir a lively reaction in that country where the art clock was turned back around 1930, where artists are officially enjoined from working in modern styles, and where the only art ever displayed is done in the super-realistic prettier-than-life styles of posters and heroic monuments.

It ought, however, to provoke no controversy in America at all. The show will include every significant aspect of our art from the realism of Grant Wood, Thomas Benton, and Andrew Wyeth, to abstractions by the best-known exponents of the avant-garde, like Jackson Pollock and William de Kooning.

The jury which assembled the exhibition consisted of two museum officials and educators, Lloyd Goodrich, director of New York's Whitney Museum of American Art, and Henry R. Hope, head of fine arts at Indiana University, and two artists, Franklin C. Watkins, painter and for many years an instructor at the Pennsylvania Academy of Fine Arts, and Theodore Roszak, internationally know sculptor who is also a teacher at Sarah Lawrence College, in Bronxville.

ONE WORK BY EACH

The position the jury took in organizing the show was that our Government and the cause of art freedom would both best be served by an exhibition that did not, as in Brussels last summer, limit itself to the latest efforts of our most experimental young painters and sculptors, but would, instead, indicate the broad development of American art in the past 40 years. Because the freedom allowed our artists to work in any direction they like is the chief story we have to tell, they limited the representation of each painter and sculptor to a single work, rather than show several works by each artist. The only exception made was for the sculptors Calder and De Rivera, where an additional example will be used in the garden of the exhibition building.

It is anticipated that the Russians will be as surprised by some of the subjects of our art as by its occasional lack of subject. Painters Eugene Speicher, Philip Evergood, Reginald Marsh, Jack Levine, George Grosz, Peter Blume, Raphael Soyer, John Sloan, and Charles Burchfield are all seen in realistic pictures treating with workers, their homes, their amusements, the subways they ride, or with the evils of war and dictatorship (Blume's canvas is the Museum of Modern Art's famous "Eternal City," a view of Rome dominated by the head of Mussolini).

In contrast to works of this nature are John Curry's glowing panoramic "Wisconsin Landscape," owned by the Metropolitan Museum of Art, Benton's lively "Boom Town," Hopper's serene "Lighthouse at Two Lights," Franklin Watkins' portrait of a businessman. Indicating that Americans, if they chose, can satirize, even a hero like George Washington, is Grant Wood's painting "Pastor Weems' Fable," loaned to the show by Mrs. John Marquand. And to prove that we can match or outdo in technical facility any realistic working anywhere and still avoid banality, is Andrew Wyeth's study called "Children's Doctor."

VARIETY OF WORKS

Paintings selected by the jury not only for their quality but also because it was felt they would bridge the gap for spectators between realism and abstraction and help a public unfamiliar with the latter to understand how it developed, include canvases by Georgia O'Keeffe, Charles Sheeler, Max Weber, Stuart Davis, Feininger, Marsden Hartley, John Marin, Morris Graves, Abraham Rattner, Ben Shahn. At the other end of the show's span are recent works by the most extreme nonobjective painters, among them Rothko, Gorky, Guston, Marca-Relli, Motherwell, and Tobey.

The range of sculpture to be seen is no less broad, reaching from the portraiture of Jo Davidson, and classical pieces by Maldarelli, Zorach, and Baizerman, to the metal constructions of men like Lassaw, Roszak, and Ferber.

The collection, owned by museums and private collectors all over the country, is estimated as exceeding a half million dollars in value. It was assembled and is being shipped under the auspices of the U.S. Information Agency. The exhibition will continue through September 4.

Mr. HART. I believe that it is the Soviet Union which has lost face by attempting political censorship of its artists. We do not want to get ourselves into that situation. There are a great many people in the world who think one can judge a civilization and the soul of a people more clearly by looking at its works of art and sculpture than by counting its plumbing and automobiles. The sooner we understand that fact, the better it will be for us, and the more comfortable will be the visit of the Vice President to Moscow.

NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

Mr. JAVITS. Mr. President, I ask unanimous consent that there be included in the RECORD, as a part of my remarks, an editorial published in this morning's New York Times entitled "The Strauss Appointment."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE STRAUSS APPOINTMENT

President Eisenhower said yesterday that it would be tragic if anti-Semitism became a serious issue in connection with the Senate controversy over the appointment of Lewis L. Strauss to be Secretary of Commerce. Every thinking American will agree, we are sure.

Neither Mr. Strauss nor our country has been served by the suggestion two of his congressional supporters made Tuesday that anti-Semitism has played a role in Senate opposition to his appointment. It is incomprehensible that Senator SCOTT should have thought it either wise or accurate to try to draw a comparison between Mr. Strauss' present difficulties and those of Alfred Dreyfus in France more than a half century ago. There simply is no comparison.

Whatever one may think of Mr. Strauss' appointment, it is clear that opposition to it can be explained adequately on very different grounds. Mr. Strauss has been a controversial figure many times in his distinguished career as a public servant. He is a vigorous personality; he fights energetically for what he belives right and in doing so he has undoubtedly stepped on many toes and, as recent events have shown, has made some strong enemies. But we believe none of this has anything to do with anti-Semitism and it is a disservice to all concerned to suggest that it has.

On the more fundamental issue of Mr. Strauss' confirmation we have stated our position and do so again. We believe he deserves confirmation on two grounds: First that a President has the right to name the members of his Cabinet and that right should not be denied by the Senate for any but the most serious reasons, reasons of a sort that do not exist here. Second, we believe Mr. Strauss has been a useful and able public servant in the past and gives every sign of continuing that positive record of contribution to the national welfare if he is confirmed as Secretary of Commerce, which we hope he will be soon.

Mr. JAVITS. Mr. President, it seems to me that as we get into the debate on this appointment, it is very important that the issue be clear. The New York Times, notwithstanding the obfuscations of irrelevant issues, such as the one which was discussed on the floor of the Senate the other day, about Mr. Strauss' religious faith, lays the issue down so clearly that I believe it deserves repetition on the floor of the Senate.

Of course, the New York Times is in favor of the confirmation of Mr. Strauss' nomination. Interestingly enough, it seems to me that the Times is fairly moral conscious, too, and realizes what would be the implications of confirming the nomination of Mr. Strauss, if he morally did not deserve confirmation. That is a subject, of course, which is the basis of the real opposition to the confirmation.

The editorial in the New York Times makes the fundamental point that "the President has the right to name the members of his Cabinet, and that right should not be denied by the Senate for any but the most serious reasons—reasons of a sort that do not exist here."

I believe that the standard which should be applied ought not to be whether or not Senators agree fully with Mr. Strauss' thinking or with the way in which he has performed his work, but, rather, whether he possesses moral force. That, properly, should be a subject of debate, although I do not believe there is enough question in that regard in the case of Mr. Strauss to deserve it. Any other considerations should be ruled out.

Although I expect to leave for Europe tonight, I shall be back in a few days, and I hope to address myself in great detail to the character of Lewis Strauss, whom I have known for many years. I believe that he will welcome a trial of his character on the floor of the Senate, and I believe that when that trial is had in the open light of day on the floor of the Senate he will have the support of a majority of the Senators, assuming that they will judge him on the basis of character. I am convinced from my long association with him that, whatever may be argued against Mr. Strauss in any other field, certainly in terms of high character, his nomination deserves confirmation, if that is going to be the test.

PLIGHT OF EGG PRODUCERS AND GROWERS IN THE STATE OF OREGON

Mr. NEUBERGER. Mr. President, many of us in the Senate have watched with apprehension the disaster which has struck egg and poultry producers in our States.

The average farm price of eggs has fallen to the lowest level in 18 years and the farm price of broilers is the lowest on record for this season of the year.

Recently Mr. Cyril Chambers, of Oregon City, Oreg., wrote me describing the plight of my State's egg producers. He pointed out that:

> The amount of feed that one dozen eggs would buy in mid-March was the lowest since 1937, and in April and May we are going to find that our feed/egg ratio will be the lowest in recorded history while our cost of living is at an all-time high.

The decline of egg prices in the last 9 months has been rapid and ruinous. In September of 1958 the average farm

price per dozen for all eggs sold in the United States was 41.8 cents. In May of 1959 the figure was 25.1 cents. In only 9 months, the price received by farmers for a dozen eggs dropped by 33 percent.

Mr. President, I ask unanimous consent that a chart prepared from statistics supplied me by the U.S. Department of Agriculture and indicating the terrific fall in egg prices to the farmer over the last 9 months be printed in the RECORD at this point in my remarks.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

Average price per dozen for all eggs sold:

	Farm price	AMS retail price
	Cents	*Cents*
1958—September	41.8	64.6
October	39.0	60.0
November	38.9	58.9
December	37.0	56.4
1959—January	36.4	56.4
February	35.8	54.7
March	34.1	53.0
April	28.1	[1] 46.6
May	25.1	

[1] Preliminary.

Source: Department of Agriculture.

Mr. NEUBERGER. Mr. President, I think it is significant to point out that the average retail prices for all eggs have not declined as fast as the prices paid the farmer. During the 9-month period considered in this chart, consumer cost of a dozen eggs fell by only 29 percent. Furthermore, I note with some chagrin that our own Senate dining room, as of June 2, was charging 55 cents for two breakfast eggs. This dish was the same price in September when eggs were selling for about 30 percent more.

Many broiler raisers in Oregon are presently in serious financial straits. One grower told me earlier this year:

We as growers have not made a cent of profit on the last two bunches of broilers we marketed and have gone $1,200 in debt. Other growers are in the same sad circumstances and those who have larger flocks have gone in the red even more so. All of the allied industries—the hatcheries, the feed companies, the processor, and the retailer—have realized a profit while the growers have gone drastically in the red.

Unfortunately, broiler growers in my State anticipate a continued adverse relationship between broiler prices and production costs in the early part of 1959. Oregon State College reported recently:

Broiler growers cannot hope for as favorable prices in early 1959 as they enjoyed from January through June 1958. Broiler prices in the first half of 1958 were buoyed by two factors: Higher than usual prices for red meats and delayed or reduced marketings of broilers, caused by cold weather in the South and by heavy losses from improper feedstuffs. Consequent favorable prices were followed by weekly broiler chick placements as much as 26 percent larger than in the corresponding week the year before.

Under the impact of increased supplies, broiler prices declined during the summer, and have not since made any sustained recovery. Nevertheless, recent placements and egg settings—which will contribute to 1959 production—have been above a year ago and the large number of layers in breeder flocks suggest potentially large placements for some time to come.

Because of my concern with the economic distress which is currently prevalent among egg and poultry producers in Oregon and in other States where these commodities are produced, I wrote Secretary of Agriculture Ezra Taft Benson last month urging that the Department of Agriculture take steps to assist in alleviating this situation. I ask unanimous consent that the text of my letter to Secretary Benson be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MAY 26, 1959.

Hon. EZRA TAFT BENSON,
Secretary of Agriculture,
Washington, D.C.

DEAR MR. SECRETARY: On May 13, 1959, the Committee on Agriculture of the House of Representatives approved a resolution requesting that your Department "review all existing authority and availability of funds with the purpose of immediately and fully implementing, in every practical manner, such programs of purchase, diversion and export of eggs and poultry products as will lead toward improvement in the present critical situation within the domestic poultry industry."

The request of the House Committee is of great import to poultry and egg producers of my State. The production of eggs in Oregon during April was 2 percent above the same month last year, according to the Oregon Crop and Livestock Reporting Service. Prices received by producers are at record lows. Producers in Oregon inform me that the feed-to-egg price ratio is at the lowest point since depression days. Economic disaster faces many producers. In view of these facts, I wish to urge upon you the need to institute emergency measures as suggested by the House committee in order to provide relief to egg and poultry producers. The economic distress currently being experienced in this sector of agriculture has ramifications for the entire economy. Failure to act will mean business failures, the consequences of which will fall not only upon the families directly dependent upon the sale of poultry products for a living, but also upon those enterprises which serve them.

I would appreciate your office informing me as to what steps the Department of Agriculture has taken, in addition to the proposal for an accelerated merchandising program suggested in your press release of May 20, to alleviate this situation, including possibilities for further expansion of poultry product purchases for use in the school lunch program and for distribution to the States under the needy persons and welfare institutions programs for the distribution of surplus foods.

Sincerely,

RICHARD L. NEUBERGER,
U.S. Senator.

Mr. NEUBERGER. Mr. President, I was pleased to observe that the Dairy and Poultry Subcommittee of the Committee on Agriculture of the House of Representatives will hold public hearings on June 17 and 18 to consider plans for reviving the egg and poultry industry. Both egg producers and broiler raisers will have an opportunity to be heard.

The dried and frozen egg purchase programs announced by the Department of Agriculture will undoubtedly be of assistance in lifting the present depressed egg market.

However, serious consideration should be given now to programs which will deal with egg surpluses in a more comprehensive fashion and which will assist broiler producers. Use of poultry products in the school lunch and welfare programs, buying of shell eggs and marketing agreements should be given detailed study now with the thought of implementing desirable action as soon as possible in order to relieve existing hardship.

At the present time several poultry marketing bills are pending in the House Dairy and Poultry Subcommittee. A number of poultry men in my State have indicated their belief that some type of cooperative marketing agreement among producers will enable the industry to control surpluses and have a better opportunity to receive a fair price for their product.

Within the next few days I plan to write to a number of egg and poultry producers in my State soliciting their views on these matters. Most of the egg producers and poultry raisers in my State cannot afford either the time or the money to make a trip to Washington to present their individual views. Therefore, I plan to submit to the House Dairy and Poultry Subcommittee, a résumé of the responses which I receive in order that subcommittee members will have a chance to study the comments of these men and women who depend on the poultry industry for a living.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD two articles published recently in the New York Times which describe in some detail the problems facing the poultry industry. Although one of the articles is based on the economic difficulties facing New Jersey egg producers, the elements of the situation in which these farmers find themselves are similar in other States.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, June 1, 1959]

EGG OUTPUT RISING WITH NO END NEAR—RECORD SPRING SLAUGHTER OF POULTRY ALSO REPORTED—BENSON WARY OF AID

WASHINGTON, MAY 31.—The Department of Agriculture noted last week that egg production in the Nation was well above that of 1958 and predicted that the high output might continue the rest of the year.

The Department further reported a record spring slaughter of broilers and turkeys. Hatching of chicks, it added, continued high until April 1, but has since declined.

Faced with these statistics and cognizant of the current drastic decline in poultry and egg prices, Agriculture Secretary Ezra Taft Benson has appeared extremely reluctant to extend more than limited aid to the distressed farmers.

Under pressure from producers in the Middle West, he agreed to step up the Department's promotion activities in the poultry field. At his direction, the Department also has been buying dried eggs at the rate of 500,000 pounds a week since early April.

Last week, after hearing a plea from New Jersey farmers, he agreed to reconsider his stand against further assistance. Meanwhile the House subcommittee on poultry has slated public hearings June 17 and 18 to consider emergency action to alleviate the depression in the industry.

PRICE CONTROLS BACKED

There are also two bills before the House that would permit the industry to establish price controls. In each instance these controls would be enforced by Washington.

In its report, the Agriculture Department noted that the Nation's farmers received an average of 28.1 cents a dozen for their eggs in mid-April, 16.3 cents a pound for their broilers, and 23 cents for their turkeys. These are the lowest quotations for the products since pre-World War II days.

In 1940 the on-the-farm price of broilers stood at 14 to 16 cents a pound, and the average price of eggs ranged from 26 to 30 cents a dozen.

The Department speculated that the recent reduction in hatchings, coupled with a strong demand for broilers in the summer months, might well raise the price of that product substantially by fall. At the same time the report offered little hope for an improvement in turkey prices unless hatchings were sharply reduced without delay.

[From the New York Times, June 1, 1959]

JERSEY'S EGG PRODUCERS SHAKEN BY PRICE SLUMP

(By George Cable Wright)

FREEHOLD, N.J., May 31.—"We're setting on a keg of dynamite, and the fuse is burning low." With these words, a driver for Henfruit Express summed up today the critical depression in the Nation's poultry industry. He was hoisting egg crates onto the tail of his truck.

Charlie Silver, a 70-year-old farmer, emerged from an egg-grading shed to interject: "Two months like this, you wouldn't see one egg farmer."

The scene was the Silver farm on the Freehold-Lakewood road. A tour of modern rural highways and deep-rutted, tree-lined dirt roads from Mullica Hill to English Creek; from Lakewood to New Egypt, and north to Flemington and Somerville dramatically emphasized the plight of egg and poultry producers.

FARMS BEING SOLD

Scores of farms displayed "for sale" signs; others were boarded up and abandoned. Producers still tending their flocks complained of devastating financial losses.

Some, unable to weather the economic storm, had become sharecroppers on acreage they only recently proudly possessed. The industry calls this "vertical integration." It is not a racial term but a form of contract farming.

The depression began to engulf the egg and meat poultry business in early March. Since then it has reduced producers of these products to as low an economic status as they have experienced in more than 40 years. Egg prices have descended to the lows of the 1930's; broiler prices to 1940 quotations.

Farmers who were interviewed estimated their cost of production at 35 to 39 cents for a dozen of eggs. This week they received 30 cents a dozen wholesale; a week ago 26 cents; and 2 weeks ago, 25 cents.

Retail prices in New York City last week were listed by the department of markets as 49 cents a dozen for the best white eggs and 41 cents for mediums. A year ago the prices were 59 cents and 53.

New Jersey, eighth among the States in the output of eggs, has suffered most. Here most poultry farmers have long put all their eggs in one basket, their only contact with the meat business has been the sale of older laying hens to soup canners.

The comparatively few who breed broilers, rather than layers, do not market eggs.

New Jersey farmers' hen houses, hatcheries, ranges, and homes occupy some of the most valuable farmland in the Nation. These producers pay a higher price for feed than their counterparts in the Midwest and South, and unlike the latter, they grow no feed of their own.

Their labor costs are among the highest in the industry. In the eyes of the Iowa, Minnesota, Georgia, and Arkansas farmer, Jersey taxes are tremendous.

"Some of us are farming on land as valuable as New York's Central Park," an East Brunswick farmer asserted.

Egg production in New Jersey represents in dollars one-third of the State's agricultural output.

WEEKLY LOSSES SUSTAINED

Charlie Silver, like a large percentage of the more than 6,000 other farmers here, has been producing eggs at a profit for many years. Since April 1, he said, fingering his feed bills and egg receipts, "I have lost from $200 to $400 a week; my feed bill last week was $1,100, but my eggs brought only $700."

Farm foreclosures in the State are at a record level. The farm bankruptcy rate in the last 3 months—17.5 percent—is the highest in the Nation.

Samuel Dubrovsky and Max Kravet also owned profitable egg farms in Howell Township for 17 and 10 years, respectively. Late last year they were forced to abandon their holdings—each valued at $30,000.

"Our flocks were not too big. We lost every penny. It's been bad since the Korean war," Mr. Dubrovsky said.

In the little general store they have since purchased together with borrowed funds, Mr. Kravet quietly mixed a bucket of potato salad. "Maybe we're lucky," he muttered.

Individual appraisals by farmers of the present situation vary widely. At one extreme is George Parker of Plainsboro.

"I DON'T EXPECT SYMPATHY"

"Since I was stupid enough to get into this business, I don't expect sympathy," he said. "I'll just try and stick it out. Controls and supports are a thing of the past. They're not for me."

At the other extreme is Jerome Taub of Bound Brook.

"We are entitled to a reasonable profit," he asserted. "Price supports and controls are the answer. There are no more inefficient farmers. They've already been forced out."

The majority of farmers interviewed in the last week agreed that to attribute the present situation solely to overproduction and reduced consumption was gross oversimplification.

Until a year ago New Jersey producers were surpassed only by those of Iowa and Minnesota in volume of eggs supplied to the New York market.

In the last 12 months a major portion of this market has been seized by farmers of the South. Hundreds of broiler raisers in that area, hit by falling prices, have switched to egg production.

SOUTHERN COMPETITION HURTS

These eggs from the South, Martin Schubkegel noted as he gathered eggs just layed by his flock of 19,000 birds, are being candled, crated, and shipped to the metropolitan area at prices comparable to the farm production cost here. Mr. Schubkegel has farmed 27 years on the Lake-New Egypt Road.

"Twenty years ago," he continued, "I paid $1 for a bag of feed. Now I pay $4. In 1932 I could hire a man for $40 a month and his board; now I must pay him $200. In the same period my taxes have climbed from $400 to $3,000."

Similar reports were voiced by all farmers approached. Samuel Jarmus of Englishtown, Irving Berger of Lakewood, Irwin Berstein of Howell, who is now seeking to dispose of his 120-acre egg farm, blame the South's overnight change from an egg-deficit to an egg-surplus area for much of their troubles.

Yet most farmers here agree that expansion of production in the Midwest, improved methods of breeding, the widespread use of miracle drugs to control flock diseases, improper farm financing, soaring feed costs and farm mechanization are important factors in the egg and poultry price decline.

"Even sharp reductions in the office and factory coffee break, as well as publicity concerning the effects of cholesterol in the diet cannot be overlooked," Mr. Schubkegel remarked.

MOST WANT U.S. AID

Most farmers want some form of temporary relief from Washington. But they appear confused and divided as to the best method for curing the ills of their industry. George Parker, Martin Schubkegel and others look for the survival of the fittest.

The bulk of the State's producers favor production controls set by the farmers but administered by Washington. Few want direct subsidies, except as a measure of temporary relief.

Integration—in the industrial sense—is generally frowned upon in New Jersey. As practiced here, feed distributors buy and stock a farm. A farmer then contracts to manage the operation and is pledged a specific price for each dozen eggs he produces. The feed concern markets the product. In some instances an incentive bonus is included in each contract.

"Many of such tenant farmers in New Jersey are producers who became so indebted to their benefactor that such integration was their only way out," an official of the State department of agriculture noted.

Down at the K & R Hatchery a few miles southwest of here workmen were busy yesterday dismantling huge incubators for shipment to a Mississippi integrator. The plant last year produced 4 million baby chicks. Now it has been sold for warehouse purposes.

"With chicks selling for 4 cents each," explained a farmer woefully surveying the operation, "you lose money on every egg you hatch."

SOUTH AND MIDWEST HANG ON

A spot check of the egg situation in the South and Middle West by correspondents of the New York Times showed production costs in those areas to be considerably lower than in New Jersey.

The view of industry experts in the South is that the efficient, large poultry producer will survive the present depressed market for broilers and eggs.

But many of the marginal and inefficient operators may become business casualties. Northern producers, even the efficient ones, are expected to be squeezed tighter and tighter because of the competitive advantage that the South has from lower labor and flock housing costs.

The simple fact is that production has caught up with consumption. Some steps have been taken to reduce the size of flocks to stem the glut. A slight improvement in the egg market in the last week appears to have lowered the number of eggs used for setting and to have diverted them to market.

THREE KEY REASONS NOTED

A shift to production on a contract basis, overexpansion by the entrance of amateurs into the industry as a side line and the operations of small producers who do not know that they are selling eggs at a loss are among the reasons cited for market conditions.

Charles D. Hawks of North Little Rock, Ark., general manager of the Arkansas Poultry Federation and head of the Arkansas Egg Council, thinks the egg glut on the New York market can be traced to a sweeping transition to assemblyline production.

Contract production of eggs is becoming increasingly the rule. Under this system, the entrepreneur—usually a feed dealer—obtains feed, the big item in egg and poultry production, from a manufacturer on credit. He

then buys pullets and places them with a farmer grower.

The grower operates the egg factory under contract and is guaranteed a fixed price for eggs. As an incentive, the grower gets a bonus to turn out larger, cleaner eggs on less feed. The entrepreneur markets the eggs.

The big egg factories in the South can turn out eggs for 27 cents a dozen, including production costs, interest, and depreciation on equipment. They are not making money now but are holding their own.

Mr. Hawks contends that while the broiler industry has cut costs to a minimum, there is still room to shave costs in the egg field.

Gordon Sawyer of Gainesville, Ga., southeast manager of the National Broiler Council, summed up the present broiler market in two words: "We're hurting."

It costs a large operator 16.3 cents a pound to raise a broiler. The wholesale market is running 14 to 15 cents.

The pricing practices of chainstores are cited as one factor depressing the poultry market. Broilers were moving slowly at 49 cents a pound, so every 2 weeks or so stores featured them at 29. There was no bottom to the market at this price. But neither was there a profit. And it spoiled the market for 49-cent broilers.

FEDERAL CONTROL A FACTOR

Another problem grew out of the placing of processing plants under Federal regulations January 1. Changes needed to conform to standards increased costs. Since plant changes were needed many processors decided to increase capacity at the same time. This added to the oversupply.

Carl Tower, marketing specialist in the North Carolina Agriculture Department, reported that some improvement in egg prices recently had caused many poultry raisers to switch their laying eggs to the egg market.

The State jumped from fourth to second in poultry production last year. Georgia ranks first.

The chief complaint among Tarheel producers is that the Federal Government has failed to clear away surpluses. Some smaller producers, especially newcomers, complain that they were oversold on the business.

North Carolina farmers were getting 31 cents a dozen for large eggs last week. A year ago the price was 38.5 cents. The retail price was 39 cents compared with 49 cents a year ago.

At Richmond, Va., R. Frank Frazier, executive vice president of the National Broiler Council, and other industry observers detected some hopeful signs. Among them were a fast production adjustment to reduce the hatching of baby chicks; warm weather, which increases consumer demand for broilers; heavier culling of old hens to keep the number of laying hens within bounds, and an upturn of 3 to 4 cents in the market price of eggs last week.

IOWA FARMERS REPORT PROFIT

In Iowa, the special producer of chickens and eggs has been able to cut his cost and is making from 3 to 6 cents a dozen on quality eggs.

The average cost of producing a dozen eggs on the farm is between 20 and 21 cents. The farmer uses his cheap corn and even cheaper oats mixed with a food concentrate to make mash for the laying hens in an effort to keep costs down.

Leading grocery markets are selling eggs to the consumer at prices of two dozen for 75 cents for grade A; two dozen for 79 cents for grade A all whites, and two dozen for 69 cents for grade B. A year ago the grade A prices ranged from 59 to 61 cents a dozen.

In Minnesota, falling prices have put the egg and poultry business in "the most disastrous condition in two decades," according to Byron G. Allen, Minnesota Commissioner of Agriculture.

Minnesota farmers are receiving an average of 18 cents a dozen for grade A eggs, compared with 29 cents in May of 1958.

The commissioner said the cost of producing a dozen eggs on the farm—the cost of feed alone, with no return for labor, poultry housing or death losses—was 18 cents a dozen.

Today's retail price is about three dozen for $1, he said.

Production of chickens for the table is just as dismal as egg production, Mr. Allen said. He noted that meat hens were being sold to producers of soups and packaged dinners for as low as 6 to 8 cents a pound.

As a result, he said, farmers are moving out of both businesses in large numbers.

"CAN MONEY LICK CANCER?"—NEWSWEEK MAGAZINE ANALYSIS

Mr. NEUBERGER. Mr. President, the June 8, 1959, issue of Newsweek magazine has presented a most thorough analysis of the need for further funds for cancer research, a topic which achieved dramatic emphasis by the recent tragic death of John Foster Dulles.

The article makes evident that additional money for cancer research can have a profound impact on the ultimate conquest of cancer. It quotes a top researcher as follows:

As to whether more money can be usefully spent, the answer is definitely "yes." What we can do immediately (in research) is limited by the availability of people qualified in this field. But we could use much more for training these people, more equipment, better facilities.

Mr. President, the President's budget requested $75,218,000 for the National Cancer Institute. The House of Representatives has raised this to $83,308,000. But such eminent men as Dr. Sidney Farber, the leading exponent of cancer chemotherapy, and Dr. I. S. Ravdin, noted cancer surgeon, have pointed out that $109 million is needed just to fulfill commitments and programs of the National Cancer Institute.

I had the privilege of testifying, as leadoff witness, before the Subcommittee on Health, Education, and Welfare, headed by the able senior Senator from Alabama [Mr. HILL], on May 27 in the company of Drs. Farber and Ravdin. I support their requests completely.

I believe that the Newsweek article of June 8 makes emphatic the urgent justification for the Senate voting the complete $109 million required in this vital cause.

Mr. President, I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

(From Newsweek, June 8, 1959)

CAN MONEY LICK CANCER?

More money almost surely will hasten the the day when researchers discover a cure for cancer, the medical experts were agreed last week.

A top specialist in the field, expressing the consensus said:

"As to whether more money can be usefully spent, the answer is definitely 'yes.' What we can do immediately (in research) is limited by the availability of people qualified in this field. But we could use much more for training these people * * * more equipment * * * better facilities."

TARGET: A CURE

The body of John Foster Dulles, dead of cancer, still lay in the vaulted nave of Washington National Cathedral when the Senators convened solemnly in a walnut-paneled room of the New Senate Office Building last week.

"We dedicate these hearings this morning to both the memory of John Foster Dulles and to the hope that our deliberations here may serve to bring closer the day when medical research will wipe this infamous disease from the face of the earth," said Senator LISTER HILL, of Alabama, chairman of the Health Appropriations Subcommittee.

Seldom had a Senate committee met in such a moment of urgency and determination. All over Washington and all across the United States the death of the 53d Secretary of State seemed to forge a new and iron dedication in the assault on the Nation's No. 2 killer.

Cancer had taken many distinguished men—five Senators, including Robert A. Taft, in recent years—and it claims the lives of 250,000 Americans a year, next only to heart disease, which kills 900,000 annually. But somehow Dulles' extraordinary fortitude through months of cruel suffering, and his loss when his services were most needed, made his name a battle cry.

In the hearing room, where the Hill subcommittee was considering an increase in appropriations for the National Cancer Institute from the $75,218,000 proposed by the administration to $110,203,000, John Foster Dulles was in every mind. And support for the increase was unanimous.

A VAST PROGRAM

The first witness, Democratic Senator RICHARD L. NEUBERGER of Oregon, who recently underwent surgery and radiation treatment for cancer himself, went farther and urged consideration of his previously proposed $500 million-a-year crash program to combat the cruel killer of so many humans.

"* * * What greater way could there be to honor Mr. Dulles' memory," he asked, "than to launch a vast program * * * aimed at vanquishing the disease which took his life?"

At the end of Senator NEUBERGER's testimony, Chairman HILL read into the RECORD a letter from TV star Arthur Godfrey, another recent cancer sufferer, pressing for "greatly increased appropriations * * * for the fight against cancer. The lives of too many irreplaceable people have been cut short by this horrible disease," Godfrey wrote.

THE EXPERTS SPEAK

The other witnesses were Dr. Isador S. Ravdin, president of the American Surgical Society and a consultant to both President Eisenhower (when he was stricken by ileitis) and Dulles, and Dr. Sidney Farber, chairman of the Cancer Chemotherapy Committee and professor of pathology at Harvard.

Explaining the need for more money, Dr. Ravdin said optimistically.

"Great breakthroughs in medical knowledge are usually the result of research by many workers, each of whom adds to the sum total."

Dr. Farber detailed three great areas of promise for exploitation:

Chemotherapy (use of chemicals for the arrest of the disease).

The search for cancer diagnostic tests that can be carried out rapidly, inexpensively, and with complete accuracy for the entire population.

Studies of cause, leading to the prevention of cancer.

When the hearing ended, shortly before the Dulles funeral service began, substantially increased funds for cancer research were clearly in prospect.

Already the House had increased the President's request to $83,308,000, and after Dulles' death, it might go higher. Mr. Eisenhower would find it difficult to veto appropriations inspired by his friend's death.

If money could beat cancer, Congress would provide the money—and it would do so in the name of John Foster Dulles.

NEED FOR ARCTIC RESEARCH

Mr. GRUENING. Mr. President, our foreign policy and our appropriations seem to be largely geared to opposition to the totalitarian regime which rules in Moscow. More than half the proposed budget—in excess of $40 billion—is to be expended on national defense and mutual security. Yet in another field, in which the Russians have long been eminent, and where comparatively negligible sums would go a little way if not to enable us to catch up in the field of Arctic research, at least not to drop further behind, we are tragically neglecting our opportunities.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks an editorial entitled "United States Neglects Need For Arctic Research," published in the Anchorage (Alaska) Daily Times, which deals cogently with this subject. The editorial points out that appropriations which are needed to carry on the work which we have been doing effectively in Alaska have been so curtailed in amount that there is great danger that much of this very vital activity will be suspended. These are relatively minor sums. It seems to me that we are being pennywise and dollar foolish when we are spending billions in other ways to meet the Russian threat, and neglect this very important field of Arctic research, which is bound to play a very important part in the future in our struggle against the totalitarian regime across the Bering Strait.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Anchorage (Alaska) Times, June 2, 1959]

UNITED STATES NEGLECTS NEED FOR ARCTIC RESEARCH

Arctic research in the field of health is languishing for lack of interest on the part of the U.S. Government.

Programs of the Arctic Health Research Center in Anchorage are dying on the vine. Federal appropriations now pending in Congress are inadequate to maintain present work schedules.

Alaska's two Senators recently made a plea for greater allocations. They asked that funds also be made available for planning an adequate headquarters building.

Senator BARTLETT told a committee that two entire sections of the research c erations may have to be discontinued because the appropriations are insufficient to support them.

This is an alarming situation. The need for research in the field of health is greater today than it was in 1948 when the program was established.

The research center is the only American organization devoting its entire efforts to biological and physical sciences concerned with health in Arctic areas.

When it was established the purpose was twofold. First, it was to catch up on Federal delinquency in the Arctic health investigations which resulted from long neglect. Second, it was to safeguard the health of the growing population resulting from the influx of people—military, veterans, defense construction workers, and others.

Substantial progress has been made in the 11 years of study. But the need for continuation of the program is urgent today. Alaska has become a State. Modern technology has placed her at the heart of a small world. Continued increase in population is inevitable.

Time and restless men will not wait for answers to low-temperature living. As communities grow and new settlements spring up in the wilderness, better answers are needed for permafrost engineering, food production and processing, endemic diseases and factors affecting their control.

The Alaska research program was a courageous and sound measure to alter the traditional course of civilization. Until then public health activities had developed in the wake of civilization. The new effort was to make these activities a leader instead of a follower. Public health was to pioneer new fields and become a creative force in opening new frontiers.

Accomplishments under the program have been noteworthy. Included among them are a water distribution system that will work in permafrost, identification of parasites affecting animals and man in the Arctic, discovery of effective controls over biting insects, development of home treatment program for tuberculosis, learning about anemia among Eskimos.

Federal neglect of the Arctic health research program is deplorable in the light of its great accomplishments and the great need.

But the neglect becomes alarming when compared to the activities of Soviet Russia in the same and other scientific fields.

While the United States has only one establishment carrying forward its health studies in the Arctic, the Soviets have 31 institutions engaged in medical sciences in the Arctic.

The Soviet's concern with Arctic health is only a small part of a larger program in which it has 374 institutions participating. Those institutions operated 107 polar stations during 1956 and the trend is for more of them, not less.

These scientific programs play an important role in Russia's great success in carrying civilization into the far reaches of the Arctic, the area of the world that is destined to be one of the most important in coming generations.

It is ridiculous that the leaders of the United States should lack the vision to see the need for expansion rather than contraction of scientific studies in Arctic areas.

The Arctic Health Research Center should be given adequate funds for a widening of its investigations. It should also be provided with adequate buildings in which to conduct its scientific studies.

The request for Federal funds to do this is not a boondoggling proposition, nor a pork barrel operation for the edification of the Senators elected here. It is a sound warning that this Nation must keep pace with the northward migration of civilization.

The Arctic is no longer a vacuum beyond the periphery of human interest. It is one of the most strategic areas of the globe and the destiny of the American way of life might well be decided there.

THE FRIENDLY RELATIONSHIP BETWEEN THE UNITED STATES AND FRANCE

Mr. GRUENING. Mr. President, on Monday last it was my privilege to pay a tribute to France and to express the satisfaction which I personally felt, and which I was sure a great number of Americans likewise felt in the recovery of France. It is one of the brightest spots in a troubled world. It is a recovery which spells increasing peace and stability, and should rejoice Americans, who ought never to forget our great debt to France, which began with the invaluable assistance which the French people gave us in the Revolution which gave birth to our Republic.

The friendship between our two peoples, the American people and the French people, has been—despite a brief lapse in the 1790's—for nearly a century and three-quarters, one of the most gratifying and inspiring examples of the relationship of two peoples, both cherishing the ideals of liberty, equality, and brotherhood, and of the dignity of man.

I placed in the RECORD last Monday the first of a series of excellent articles written by Robert C. Doty and published in the New York Times, entitled "A Year of De Gaulle," together with an editorial published in the same issue of the New York Times, outlining President De Gaulle's hopes for a peaceable and permanent settlement of the relationship between France and Algeria.

I shall ask unanimous consent to have printed in the RECORD, at the conclusion of my remarks, the second and third articles of that series, as well as an article contained in a special dispatch of the New York Times of this morning headed "De Gaulle Sets Stage for Algeria Debate," and, finally, an article written by the well-known columnist Constantine Brown which was published in last night's Washington Evening Star entitled "France Revitalized in One Year," with the subheading "Nation a Sample of What Can Be Done When It Rallies to Patriotic Leadership." All these articles are extremely well worth reading, and I commend them to the attention of my colleagues.

I call particular attention to the enlightened way in which President De Gaulle is approaching the Algerian problem. As we know, the world has moved rapidly away from the idea and practice of colonialism. By and large, the Western Powers have made, or are in the process of making, an end to their colonial policies. The Russians are now practicing it, and in particularly brutal fashion, with a ruthlessness which makes other colonial regimes of the past seem benign by comparison. With complete hypocrisy, while fastening the shackles of colonial servitude on their helpless satellites and reaching out for more such victims, they are denouncing the vanishing colonialism of the Western Powers with the hope of posing as liberators and then infiltrating the newly liberated nations to try to convert them to communism and to bring them into the Soviet orbit.

The Chinese Reds have likewise followed suit in this policy, as their recent conquest of Tibet demonstrates. That is all the more reason why the Western World may point with pride to its present trend and performance to liquidate the colonialism of the past.

Our own Nation has set a conspicuous and shining example within the year by granting our two incorporated Territories, Alaska and Hawaii, statehood. I have no hesitation in saying that Uncle Sam would have been guilty of colonialism had we not taken this step, and I know that we are prepared to move as rapidly as possible in providing the maximum of self-government, in accordance with the wishes of the people, to our remaining possessions. We liberated the Philippines 13 years ago, and we have given Puerto Rico the political status which its people approved less than a decade ago. The British Empire, meanwhile, is pursuing an extremely enlightened policy of combining the liberation of its former colonies with the utmost in the way of adequate preparation for their new role of self-government.

The Algerian question is far more complicated than perhaps any of the other problems which come under the heading of colonialism. It is more complicated for a number of reasons, which, incidentally, are set forth in the articles which will follow, but principally because the French have been in Algiers for well over a century. Some five successive generations of Algerian-born Frenchmen have been born there. With the assistance of successive French governments, and through their own energies, they have established a growing and successful economy and have introduced French culture and civilization there. At the same time, perhaps 8 or 9 times the number of Algerian Moslems have felt in the past that their wishes and their aspirations have not prevailed and that they should not be ruled by a minority. Involved in this, of course, are ethnic and religious differences, as well as differences of economic status which enormously complicate the problem. There is the further difficulty arising from the efforts of nearby dictators to stimulate and assist rebellion.

There are the constant intrigues of the Kremlin's emissaries. There are the errors committed by past French governments. There are the rancors aroused by past acts of violence of both sides.

President De Gaulle's policy is the height of enlightenment and courage. He proposes a thoroughly democratic solution by giving full equality in the suffrage to all the people of Algiers. There will be no loading of the vote in favor of Algerians of French origin. Majorities will, according to democratic practice, determine the future status of Algeria. Needless to say, De Gaulle will have much opposition, some in France, some in Algiers. But if he succeeds, the benefits, not merely for France and Algiers, but for the whole world, will be incalculable.

As Robert C. Doty puts it:

If the inevitable political evolution of Africa takes place within the sphere of democracy, the huge continent could become an economic, politic and military bastion of that world. If, on the other hand, the young African nationalists should turn toward Moscow and Peiping for inspiration, guidance and material help, the loss would be a staggering blow to the West.

President De Gaulle's is a direct attack on colonialism. It is the effort to liquidate colonialism by eliminating its essential character. It is a radical solution because it goes to the root of the trouble. Let us hope for its success.

It is interesting to recall one of the basic tenets of President De Gaulle's philosophy, contained in the opening words of his war memoirs, namely that "France cannot be France without grandeur." President De Gaulle's policies are bringing to France that grandeur which he feels is indispensable. It is grandeur reached for through the enlightened application of democratic principles.

Let no one be under any illusion concerning the great difficulties which lie ahead for France in this inspiring program of its far-visioned and courageous leader. It calls for the sympathy and moral support not only of the United States, but of the people of the entire free world.

Mr. President, I ask unanimous consent that the articles to which I have referred, published in the New York Times and the Washington Evening Star be printed at this point in my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, June 3, 1959]

A YEAR OF DE GAULLE—II

(By Robert C. Doty)

PLACE IN HISTORY MAY HINGE ON ABILITY TO STABILIZE FRENCH-AFRICAN RELATIONS

PARIS, June 2.—Gen. Charles de Gaulle's final place in history may well depend on his success or failure in putting France's relations with Africa on a healthy, durable basis.

The stakes, not for France alone, but for the West as a whole and for Africa as well, are immense.

If the inevitable political evolution of Africa takes place within the sphere of democracy, the huge continent could become an economic, political and military bastion of that world.

If, on the other hand, the young African nationalists should turn toward Moscow and Peiping for inspiration, guidance and material help, the loss would be a staggering blow to the West.

As long ago as his Brazzaville declaration during World War II, General de Gaulle demonstrated a penetrating awareness of the vital importance of Africa to France, Europe and the West.

As a result, in the 12 months since his return to power a year ago yesterday, the General has devoted more of his time and energy to reflection, discussion and action on African problems than all his other preoccupations combined.

PROBLEM IN TWO PARTS

The problem presents itself in two interrelated parts: on the one hand, Algeria and the rest of Moslem North Africa, on the other, the French African territories south of the Sahara and the island of Madagascar—altogether a solid third of the total area of Africa.

In his final news conference before his retirement from active politics in June, 1955, General de Gaulle set the pattern for the action he has taken since his return to power.

"There are two facts about which no one can do anything," he said at that time.

"The first is the nationalist passion that the general shakeup of the world has caused to flame up almost everywhere and that makes itself felt also in French North Africa."

And, further on: "But I say that no other policy than that which has as its aim the substitution of association for domination in French North Africa * * * can be either valid or worthy of France."

In North Africa, the die was already cast in tragic fashion when General de Gaulle assumed power again. In Tunisia and Morocco, former French protectorates, fairly satisfactory forms of association had already been worked out to replace domination, consistent with the Gaullist formula.

But the cancer of the unresolved Moslem rebellion in Algeria, engaging increasingly the Moslem solidarity of the two neighboring states, threatened and still threatens to frustrate hopes for mutually profitable collaboration between France and the rest of North Africa.

General de Gaulle's action in Algeria has been inhibited by two factors.

First, the presence of an important European minority, rooted there for more than a century, makes of Algeria an almost unique colonial problem, demanding a solution that will safeguard European rights while satisfying Moslem nationalist aspirations.

Second, 4½ years of warfare, marked by brutality on both sides, having so inflamed passions, so hardened the extreme positions that no reasonable compromise seems to have any chance of acceptance—assuming a reasonable compromise can be found.

VOTING EQUALITY GRANTED

Although no details of a solution in Algeria can now be discerned, President de Gaulle, by one act and one declaration, has set the country irrevocably on the road to self-determination, or the right to choose its own future. The act was the granting of voting equality to the Moslems, outnumbering the Europeans by a margin of about 9 to 1. The declaration, oft-repeated, was that the political status of Algeria would ultimately be determined by free election.

This clearly means that, soon or late, the Moslem majority can achieve any sort of a solution it wants, up to and including independence.

General de Gaulle's gamble, in Algeria as elsewhere in Africa, is that through patient efforts to restore peace without yielding to rebel demands for a grant of independence, coupled with earnest efforts to improve the economic and social conditions of the Moslems, the Algerians will be led ultimately to choose continuing association with France in some mutually acceptable form.

In Algeria, the President has been forced to fight an improvised rear-guard action in a situation already badly deteriorated. In the rest of French Africa, he has been able to take the lead, to set on foot action to anticipate and forestall the critical, violent stage of nationalism.

His method was to offer the 14 French African territories the choice of full independence or participation in a new French community in which they would exercise local autonomy, leaving foreign affairs, defense and community financial policy to France.

Only one, Guinea, took the first option. In all the others, General de Gaulle's name and record of enlightened views on colonial matters won big majorities for association in a referendum last September.

But by the terms of the community constitution, member states retain the permanent right of secession and access to full independence. This means that the community will remain cohesive for just as long as France can counterbalance the siren song of pan-Africanism rising from independent Guinea and Ghana, and from even farther afield, with solid advantages for those African territories that remain with France.

Thus, at best, the French community could become a permanent grouping of states taking cultural and economic leads from

Paris, much as the Commonwealth states do from London.

At least, even if it should prove to be impermanent, the community can serve as a framework for mutual aid and peaceful evolution toward whatever final political status is chosen by the African States.

President de Gaulle is enough of a realist to foresee both possibilities. He understands that France's essential interest in Africa is not in the French flag's waving over large territories but rather in French humanist ideas expressed in French by millions of Africans, by choice rather than constraint, in the profitable exchange of French and African products on both continents, and in the assurance that, in a showdown, those same Africans would find it to their own interest to stand up and be counted for the free world.

[From the New York Times, June 4, 1959]

A YEAR OF DE GAULLE—III

(By Robert C. Doty)

HE STRUGGLES TO ASSURE FOR FRANCE A ROLE CONSISTENT WITH HER GREATNESS

PARIS, June 3.—The foundation of Gen. Charles de Gaulle's view of world affairs in his refusal to accept the idea that national influence should be proportionate to national material power.

Implicit in all of his declarations and initiatives in foreign affairs is the idea that the old French humanist tradition is at least as powerful as the atom bomb. He intends, however, to have the bomb, too, by allied aid if possible, by independent development if necessary.

A second and corollary tenet, expressed in almost the opening words of his war memoirs, is:

"In brief, to my mind, France cannot be France without grandeur."

It is in this that the De Gaulle of the wartime Free French movement, struggling without legal status, without funds, without an army, with only an idea and the force of character, for recognition of France as a full partner most resembles the President de Gaulle of 1959, 1 year after his return to power last June 1.

Today he is again struggling to assure for France a role consistent with his concept of her greatness in the resolution of what he conceives to be the real issues of our times.

Quarrels held transitory

In General de Gaulle's scheme of things, established with the long view of the historian, the issues that excite and divide the European-Atlantic world today—rival ideologies, Berlin, Germany, and the arms race—are mere transitory petty quarrels—annoying, even dangerous—but basically irrelevant to the real issue of man's fate.

"In our time, the only worthwhile cause is that of man," he said, defining his foreign policy views at his March 25 news conference. "It is man that must be saved, made to live and develop."

The important stake for him does not lie in the quarrels between the Communist and democratic worlds, which he sees as essentially members of a common European family of nations, but in the portents for the future in the two-thirds of mankind who live in misery outside the European tradition.

It is the task, he says, of the entire European-Atlantic world, from the Urals to San Francisco, to bring material and moral aid to less-favored peoples.

He sees France, once her own house has been set in order by settlement of the Algerian problem, as qualified to take a leading role in that approach to the "third world" of Asia and Africa without arousing the fears of domination that the Soviet Union or the United States by their rivalry and power would arouse.

These views, regarded as utopian and unrealistic by some of France's allies, are nonetheless important, for they motivate the general's policy in each of the major domains of foreign affairs.

Thus, he does not regard the East-West rivalry as a new struggle between Rome and Carthage from which one must emerge victorious, the other defeated. But he is no neutralist. In current Western councils, France has been most insistent on the maintenance of the Western positions in Berlin and Germany.

Again, General de Gaulle does not permit the disparity between France's tough line and her military means for backing it up to dissuade him from proclaiming what he believes to be the wise policy.

Firmness, General de Gaulle holds, offers the best hope of bringing the Russians to reason so that, at a summit conference, he could raise for discussion by the big powers the real issue of cooperation in worldwide development.

Here, again, the fact that France could contribute less, materially, to such a program than could her major allies is regarded by General de Gaulle as an irrelevancy. So is the suggestion, advanced by cynics, that France would need such a program to enable her to carry out promises of vast development projects in Algeria and the French community in Africa.

In his attitudes toward the North Atlantic Treaty Organization and the European unification movement General de Gaulle is opposed to those aspects of both movements that tend to blur the lines of national identity and responsibility.

Despite his vision of the worldwide obligations of the European-Atlantic world as a whole, General de Gaulle believes that for Frenchmen, at least, the essential fact is the fact of nationhood.

Accordingly, in NATO he disputes and resists the tendency toward the integration of national forces in international commands.

Stand on fleet explained

Explaining his decision to keep France's Mediterranean fleet under national command in time of war, he said:

"I think, in fact, that [the alliance] will be so much the more living and stronger if the great states will unite in a form of cooperation where each bears his own responsibility rather than in that of an integration where peoples and governments would find themselves more or less stripped of their role and responsibility in the domain of their own defense."

The fleet move was designed also to point up General de Gaulle's demands on Britain and the United States for French participation with them in the constitution of a global political and military strategy board. The move served also to underline General de Gaulle's desire for revision of the NATO command structure to give France a larger role, particularly by the extension of the alliance's strategic planning to Africa.

His attitude toward European unification projects is consistent with his nationalist principles.

Those who established the first three supranational European Economic Communities—the Coal-Steel, Atomic Energy, and Common Market Communities—saw them as preliminaries to a real federal political union of France, West Germany, Italy, Belgium, the Netherlands and Luxembourg and any other European states willing to merge their sovereignties with those of the founding six.

General de Gaulle does not share this view. His ideal of European unification is that of increasingly close consultation and collaboration among national governments, with no nonsense about a merging of sovereignties.

He has honored France's signature on the existing six-nation treaties but is unlikely to take France into any more supranational organizations authorized to exercise jurisdictions independently of national governments.

Instead, General de Gaulle can be expected to continue to seek to formalize contacts between heads of government, like those he has established with Dr. Konrad Adenauer, the West German Chancellor.

FRANCE REVITALIZED IN 1 YEAR—NATION A SAMPLE OF WHAT CAN BE DONE WHEN IT RALLIES TO PATRIOTIC LEADERSHIP

(By Constantine Brown)

This column has reported frequently the emergence of France as a new and revitalized force among the nearly demoralized free nations of the world. That country with a small population compared to the 208 million in the Soviet Union and 170 million in the United States has set an example of what a nation can do when it rallies around genuine patriotic leadership.

When Gen. Charles de Gaulle took over the reins of France a year ago, he had on his hands a state close to total moral, financial and political bankruptcy. There were as many political parties as there were ambitious politicians. These parties and politicians, while jockeying for power, combined their efforts to overthrow any administration which gave a vague impression of strength by remaining in office for more than a few months. The interests of the country had become an expression used only for the purpose of replacing a set of politicians by another office-hungry crowd.

The French people themselves had lost not only faith in their leaders but had become so frustrated that the voices they expressed at the polls had become meaningless. "Je m'enfoutism" (I don't care a damn) had become the political slogan. And cheap, selfish politicians were thriving on it. Everyone for himself was the watchword. Translated into practical consequences, it meant a lessening of concentrated economic efforts for the good of all, and particularly a flight from the franc.

The big industrialists and financiers transferred large sums to banks in Switzerland and the United States. Little people bought gold coins or ingots. This was done especially by the still-prospering farmers.

France was going to her destruction fast. This, at least, was the consensus, not only of the casual foreign observer but also that of many French people themselves. It was heard all over that only a man on a white horse could save the situation.

The man appeared, not on a white horse but in a black limousine. He was General de Gaulle, whom every political observer in France abroad regarded as having been thrown on the political junk heap after the errors and incompetence he had shown as head of the Government after the liberation.

We construe the expression "man on a white horse" to mean a military dictatorship with all its implications of harshness and curtailment of civil rights and human freedoms. This is apparently an obsolete conception, at least insofar as France is concerned. For while there were serious misgivings about the De Gaulle dictatorship not only among the French politicos who saw the end of an era but also among the British and American people to whom interference of the army in political strife is repugnant, the results of the De Gaulle administration in 1 year are close to miraculous.

There was an almost instantaneous return of confidence among the French masses, with a decisive decline in Communist infiltrations. After acceptance by plebiscite of the new constitution and the election of a new Parliament this return of confidence became more accentuated. The flight from the franc not only ceased, but those who placed their

funds in the safety of American banks began to withdraw them. Between January 1 and April 30 of this year, not less than $971 million returned to France from the United States alone. The French currency is now hardening fast.

There are, of course, still many hurdles in the way of France's economic recovery. A moribund economy cannot be revived in only a few months. But what is far more important is the fact that the French people feel that they have regained much of their lost dignity and prestige. There is an almost unprecedented moral revival which even the casual traveler can sense after a few days in what was described a year ago as a dying democracy.

France's moral revival is being strongly felt on the international scene. At all the past conferences the French were merely there. At the present foreign ministers powwow in Geneva, France is playing as much of a role as the United States or Britain. It is true that the Muscovites are trying to shove De Gaulle's foreign minister aside as they did at the past gatherings. But the effect of De Gaulle's stand had already been felt when he disposed in a few words of Premier Khrushchev's manipulations to hold a summit conference somewhere in the United States.

Similarly, if the strenuous efforts of the advocates of a meeting of the heads of state fail it will be because De Gaulle refuses to attend. He has made his decision known to President Eisenhower and Secretary of State Herter that unless tangible results come from the Geneva meeting, there is no reason for him to go to the summit.

The renaissance of France has had an impact on the rest of the Western European countries which have found Paris to be a new rallying point which could in a pinch replace London or Washington.

[From the New York Times, June 4, 1959]

DE GAULLE SETS STAGE FOR ALGERIA DEBATE

PARIS, June 3.—President Charles de Gaulle set the stage today for the first French parliamentary debate on Algeria in more than a year.

"Like it or not," he said democracy is now the rule in the rebellion-racked north Africa territory.

Since the uprising by the army and the European settlers in Algeria in May 1958, General de Gaulle, as Premier and then President with full powers, has traced a course in Algeria without reference to the legislators.

Tomorrow, in the National Assembly, those who feel that his policy has been too liberal, those who think it has not been liberal enough and those—probably a majority—who think it has been just right will confront each other for the first time.

The immediate issues will be two bills proposed by Premier Michel Debré to merge the French and Algerian currency ultimately and to give the National Assembly the right to vote on the Algerian budget.

In a general way these measures tend to give satisfaction to those who demand the full integration of Algeria with France. But Government proposals for delays in their application would retain freedom of action for President de Gaulle and the Government to avoid an irrevocable commitment to the integrationist cause.

General de Gaulle's statement to the Council of Ministers today had a direct bearing on the issue of integration.

In view of the activist leaders of the European colony of Algeria integration means the complete absorption of the 9 million Moslems there into the French state of 43 million Europeans. This would give a result quite different from that which would result from the "integration" of the 1,200,000 Europeans of Algeria with the 9 million Moslems there.

REVOLUTIONARY STEP TAKEN

By decreeing, in the early days of June last year, that Moslems and Europeans should vote in a single college on the basis of man-for-man equality, General de Gaulle took the revolutionary step of putting the future of Algeria ultimately into the hands of the Moslem majority. The European extremists have grumbled since then that they would not bow to the law of mere numbers.

It was in this context that President de Gaulle, according to Minister of Information Roger Frey, told the Cabinet today:

"From now on the door is open to the equality of rights and democracy. Whether one likes it or not, democracy exists in Algeria. Nothing can prevent the holding of elections—legislative, senatorial, or municipal—and that is the essential thing."

Alluding to the guerrilla warfare going on in Algeria, the President said that "the difficulties inherent in the situation" there "have not been of a nature to impede the carrying out of free consultations."

"These have thus brought proof of the Moslem accession to political equality, to equality of rights and, definitely, the establishment of democracy in Algeria," he added.

Until 1958, Moslems and Europeans voted in separate colleges, each community electing the same number of representatives at all levels of government. This made one European vote worth nine Moslem votes and, in effect, gave the Europeans permanent dominance.

Since there could be no question of Moslems' opposing the change of the system that brings their numerical superiority to bear, General de Gaulle's like it or not appeared to be directed at the European grumblers as well as at the rebels, who have sought unsuccessfully to enforce a boycott of elections.

Meanwhile the integrationists were mobilizing to try to force the Government to move more swiftly toward their desired goal of the compelte merging of Algeria in the French Republic.

An Algerian Deputy, Marc Lauriol, announced that the would move to strike out of the Government's project to merge the French and Algerian currenices a provision delaying action until expiration of the Algerian Special Powers Act—in effect, until the end of the rebellion. It was anticipated that Premier Debré would oppose the Lauriol amendment.

ACCELERATION OF REFORESTATION PROGRAMS

Mr. MURRAY. Mr. President, the Hungry Horse News in its May 8 issue has a series of five excellent pictures describing the reforestation of Teakettle Mountain on the northwest edge of the Flathead Valley by the U.S. Forest Service. It is unfortunate that this was entirely a pictorial story from the standpoint of printing it in the CONGRESSIONAL RECORD, but I consider the story of such signal interest that I want to call the matter to the attention of the Senate.

This area was burned over in 1929 and the people of this Nation have had to wait 30 years for reforestation efforts to get under way. One excellent picture by Mel Ruder, the editor of the Hungry Horse News, shows the slopes of Teakettle Mountain with its rocky outcrops and the remains of dead trees still standing. A crew of six men is in the foreground of this steep slope, working their way up through the brush with their tree-planting mattocks and their bags of Douglas-fir seedlings. This reforestation project involved only 13,000 trees being planted 7½ feet apart, or enough trees to reforest only about 15 acres.

There are far too many areas in our national forests which were burned over 10, 20, and even, as this area, 30 years ago, which are in need of reforestation. The 4.4 million acres of national forests that need to be planted to trees can be adequately and promptly planted if the administration will endorse the purposes of Senate Joint Resolution 95, introduced by my colleague, the junior Senator from Montana [Mr. MANSFIELD], and a bipartisan group representing all sections of our Nation.

I want particularly to mention the forest crew who did this planting job—Jerry Rose, Dwight Dauber, George Gilbert, Ed Blankenship, Joe Misiewicz, Don Carroll, Art Findlay, Don Bunker, Francis Anywaush, Curtis Chagun, Bruce Pyles, Henry Schlueter, Dick Hellstrom, T. W. Paulin, Jim Hutchens, and Del Hutton. These men who are doing this work on the ground are the ones who can do the job. All it takes is for this administration to decide that the future of America requires a balanced resource budget—a budget that is balanced in terms of the needs of a growing nation rather than the ledger sheets of a budgeteer.

Mr. President, let me tell the Senate how grassroots Montana leaders see the need for resource development. Here is what Mel Ruder, president of the Columbia Falls Chamber of Commerce as well as editor and publisher of the Hungry Horse News, writes:

The United States is doing practically nothing out here in the mountain West when it comes to reforestation, thinning, pruning and the like.

This is a matter of consequence. Our county—none of it is desert—is the size of the State of Connecticut, and is 84 percent publicly owned. Of course part of it is Glacier National Park, but then more than 2 million acres is Flathead National Forest.

We had a better than usual planting year this spring with 106,000 small trees put out. I expect that's about 1 percent of the need. Heard a figure that at the rate we were going it would take 400 years to cover what we should be doing now.

Yes, Teakettle was burned over in 1929, and a small portion of the wasted slope was planted to trees in 1959. None last year, etc.

Of much more consequence to us is the situation where trees on flats have come back like hair on a dog's back. There are tens of thousands of acres of Flathead Government-owned land where natural forestation has taken place, but the trees grow too close together, and won't develop into a resource of value. We need a thinning-pruning program. We need roads to get to these areas so that the resource can be managed.

You folks have access to foresters, who can tell this story better than I.

He speaks on the one hand of the failure to plant burned over areas and, on the other hand, the failure to thin and prune other areas, and the need for roads to manage this Federal property. He thus presents a compelling argument not only for Senate Joint Resolution 95 but also for S. 812, which would authorize establishment of a Youth Conservation Corps and put young men to work

managing and conserving our great timber, soil, water, range and recreational resources.

The PRESIDING OFFICER (Mr. HART in the chair). Is there further morning business? If not, morning business is closed.

AUTHORIZATION OF APPROPRIATIONS TO THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate.

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 7007) to authorize appropriations to the National Aeronautics and Space Administration for salaries and expenses, research and development, construction and equipment, and for other purposes.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. JOHNSON of Texas. Mr. President, I should like to have the yeas and nays ordered on this question; and then I shall yield the floor.

I ask unanimous consent that on the question of the passage of the bill, the yeas and nays be ordered.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, I yield the floor.

Mr. YOUNG of Ohio. Mr. President, exploration and development in the field of space and aeronautical sciences are bound to cost our taxpayers billions—not millions, but billions—of dollars in the years to come.

Somewhere along the line, we must cut expenditures to meet the new demands of this age of challenge. Difficult though it may be, we must discard some of our concepts of defense, in the light of the new era which we are now entering.

As a member of the Committee on Aeronautical and Space Sciences, I have, to this good hour, voted full financial support for America's exploration of outer space.

Here is an area in which we are starting afresh. Here is an area in which we can, by careful scrutiny and management, avoid the tragic waste of many other Government programs, both foreign and domestic.

But equally important with the task of financing this exciting adventure into space is the task of developing positive national policy on the control and use of outer space by the peoples of the world.

Lt. Gen. Bernard Schriever testified, when he appeared before the Senate Committee on Aeronautical and Space Sciences, that if the Soviet Union controlled outer space, it would have the power to destroy the United States.

We, in this Nation, in adopting a positive national policy, must convince nations of the world that we are willing to negotiate on space agreements, on orbiting objects, giving notice of launchings, providing identification of space vehicles, and keeping free from interference communications frequencies involving manned space craft.

The benefits to science from space exploration are less obvious than the practical benefits, but are of supreme importance to mankind. As the introduction to outer space, prepared by the President's Science Advisory Committee, pointed out last year, man has "A compelling urge * * * to explore and to discover." All the great scientific discoveries, on which our civilization has been founded, arose from this basic wish to learn more about the universe in which we live.

In the human search for knowledge, no distinction can be made between "space science" and any other kind of science. Everything that we learn about the cosmos—about the stars which are the source of energy, the planet on which we make our home and find our material resources, about the forces that govern our activities, about the origins of life itself—all these bits of information which we hope to find in space add to the whole fabric of our knowledge.

The earth is an extremely imperfect platform from which to carry on astronomical observations. Its atmosphere is a hazy medium that causes deviations in the light passing through it, and often obscures objects in the sky. By placing instruments in satellites circling outside the atmosphere, we can secure a clear view of Mars, of the moon, of a host of distant stars which are now hidden from our sight. Just recently, a photograph taken from a rocket above the atmosphere gave us for the first time a detailed picture of the surface of the sun. Similar photographs of the entire visible universe can be made from a satellite observatory.

Many experiments need to be made on the behavior of materials and chemicals—including elemental specimens of life—in a vacuum. The most complete vacuum we can create on earth is far less nearly perfect than the vacuum in space. So we have a use for scientific laboratories permanently orbiting in space satellites.

We have much to learn about the dimensions and composition of our own earth—about its magnetic fields, its electrical forces, and its gravitational attraction. These studies can be made best from satellites and other vehicles in space. They should add greatly to our understanding of geology, navigation, meteorology, and a dozen related studies which are included in the earth sciences.

One of the questions we want to answer is how matter has been created in the first place. We can see how the basic element, hydrogen, is being converted into helium and other elements all the time, in the interior of stars like the sun. Yet there seems to be no decrease in the supply of hydrogen. We should like to know whether new hydrogen is constantly coming into existance, somewhere in space; or whether, as many scientists think, the amount is limited, and will some day come to an end as the universe ages.

There are many facts we wish to discover—about the behavior of light and of objects traveling at the enormous speed of light, about cosmic radiation and the many different particles and pulsations that continually bombard the earth from space, about the atmosphere and mineral formations, if any, on other planets, and so on, beyond any knowledge that we can conceive of, until men have traveled in space and seen what new problems and unsuspected natural forces are there.

There is only one satisfying way by which we can learn about the universe: namely, by having those who travel in it take note of what they find.

I shall continue study and work on these continuing problems, and shall help, to the extent of my energy and whatever ability the Almighty has given me, to the end that we adopt a forward looking national policy for the control and use of outer space for the welfare of this Nation and the other nations of the world.

I respectfully urge Members of the Senate to give their support to this bill, so we may rapidly establish the leadership of our Nation in this new age of challenge.

Mr. DIRKSEN. Mr. President, the committee report which accompanies the bill is certainly worthy of examination by every Member of the Senate, if for no other reason than the cost of the future implications of this program. I shall summarize it very briefly, and shall point out that it involves $485 million, and that approximately 10,000 persons—all of them technical experts, I presume—now are employed in the Space Agency. Of the salaries and expense account, 75 percent is allocated to salaries.

Dr. Glennan, who appeared before the committee, gave some rather exciting and dramatic testimony when he said this authorization is nothing more than a downpayment on this program.

Of course, Mr. President, everyone knows that when one is purchasing an article of commerce—whether a refrigerator, an automobile, a washing machine, an electric toaster, or any other item—the downpayment is only a fractional part of the entire cost.

So it is rather impressive when Dr. Glennan says this is only a downpayment on the future cost of the program.

Dr. Glennan said:

> Today, we are making the downpayments on programs that, inevitably, will cost very much more in the years ahead.

So that is the first item which has impressed itself upon us, namely, that this is only a downpayment, and that every implication is that the amounts involved in the authorizations in the future will increase. In fact, Dr. Glennan indicates that the cost will rise year after year.

But there is a highly exciting statement in the report; and again it is from the testimony of Dr. Glennan, as follows:

> The 1960 cost of Project Mercury is $70 million, and before we have completed this

first U.S. effort to put man into space, the bill will have exceeded $200 million.

A few days ago it was my good fortune to have a brief visit with the young men who have been selected, for their mental, physical, and all other attributes and virtues, to be the experimental astronauts. I visited with and shook hands with every one of them; and I sized them up as, in a way, typical Americans. One of them will be the first to go up into space, I suppose. At the hearings, Dr. Glennan said it will cost us $200 million to put a man into space.

So the conquest of space is going to be at once exciting and costly; and I think we should interpret it in terms that our people can readily understand.

Finally, there was the following statement in the testimony of Dr. Glennan:

> The cost of the national booster program, to provide the building block units of basic rocket motors needed for our space programs, will exceed $2 billion, in my opinion.

Two billion dollars for rocket boosters and basic rocket motors.

I am quite sure our people have as yet no good concept of how costly it is going to be to send a man swirling into orbit and finally do all the things contemplated by the program; but it is an astronomical dimension in which we operate. I am hopeful, of course, that there will come back, in the form of data, solutions, and answers to speculations and queries which are not solved and answered, fruitful information which will enrich and expand the enjoyment of living by the billions of people who have inherited and who live upon the earth.

Those things I wanted to emphasize, Mr. President, because we are going to hear more about this subject. Since those matters are prospective rather than restrospective, they are going to find their way into the annual budget, and I suppose the budget will be going up year by year.

That fact gives point to what a great Senator once said to me, and he was a great Senator. The Honorable Reed Smoot, of Utah, said to me once, "Young man, when you get on a high budget plateau, you never recede to a lower plateau, except temporarily. It will always be upward and forward."

I have lived with and been a part of this legislative process for a quarter of a century and have seen how the budget goes up. In 1933, when I first came to Congress as a freshman Member of the House of Representatives, as I recall, the whole cost of Government was in the neighborhood of $3 billion. That sum was for the Army, Navy, Air Corps, all the regulatory agencies, all the regular departments, for every function and purpose and activity of Government. So in 25 years, the budget has risen from $3 billion to $77 billion. That is a terrific increase. If it accelerates in an equal proportion in the years that lie ahead, of course, it is going to challenge our people and, among other things, there will be times when they will have a right to be filled with wrath. In those times every high quality of statesmanship will have to be summoned in order to meet the challenge and the issue.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. JOHNSTON of South Carolina. I am sure the Senator remembers that the first year when the appropriations reached $1 billion was 1911. Then, from time to time, until the year he mentioned, possibly, they rose until they became $3 billion, the budget having increased 300 percent in that period.

Mr. DIRKSEN. I believe the time to which my distinguished friend from South Carolina [Mr. JOHNSTON] alludes was the time when Thomas B. Reed was the Speaker of the House of Representatives. When a Member of the House observed that we had finally got to a billion-dollar budget, his answer was, "This is a billion-dollar country."

It could have been said that this country was a $7 billion country, or that it is now a $77 billion country. I presume in due course it may be said that it is a $100 billion country, and even more.

Mr. President, I yield the floor.

Mr. STENNIS. Mr. President, with reference to House bill 7007, the NASA authorization bill, in my opinion, it has been fully presented to the Senate, so far as the factual information in the report and in the bill is concerned. I have nothing further to say, if the Senate is ready to vote on the bill.

I should like, however, to call attention to a matter which I mentioned yesterday. I refer to part I of the hearings on the bill which contain a great deal of data, pictures, illustrations, graphs, as well as scientific testimony on the amazing projects which are under way and are planned, as reflected in the provisions of the bill. That part of the hearings is now available. There has not been time to distribute it on the Senate floor, but it is available to any Senator who may wish to have one. I think the document is of unusual interest, not only to Senators, but to their staffs who work on these matters. It will be a matter of great interest throughout the Nation, especially in scientific and educational circles.

Mr. President, I have no more comments. I was glad to hear the comments of the Senator from Illinois with respect to the contemplated programs. It shows his familiarity with the subject. So far as that is concerned, he is familiar with everything which comes up on the floor. Furthermore, I think he is certainly pointing in the right direction when he calls to the attention of the country the importance of these programs and states that one of them, which is merely for the purpose of carrying a man to the moon, certainly does not tell the full story, although it is a part of the story. I appreciate the remarks of the Senator from Illinois very much.

Mr. DIRKSEN. Mr. President, if the Senator will yield, I mentioned at the outset I thought the committee report was good reading for the American people. There are too many persons who still think in rather academic terms about the subject. It is a reality. We are in the space age, and we are going forward. I have no doubt of it. I think the majority leader merits a compliment on that score for the diligence and devotion he has applied to the whole program and the leadership he has manifested in regard to it. But the space age is here, and we are going to deal with it. We should familiarize ourselves with the facts involved.

Mr. STENNIS. The majority leader certainly does deserve to be commended, as time will prove still further year by year.

The attention of the minority leader was diverted a moment ago when I referred to the hearings which are available, particularly the scientific part, with illustrations, pictures, graphs, and documents, which will have a nationwide, and perhaps a worldwide interest.

Mr. President, I yield the floor.

Mr. JOHNSON of Texas. Mr. President, I appreciate the generous statement of my friend the minority leader, although I realize how unworthy I am of the commendation.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Rhode Island [Mr. GREEN], the Senator from Indiana [Mr. HARTKE], the Senator from Arizona [Mr. HAYDEN], the Senator from Missouri [Mr. HENNINGS], the Senator from Louisiana [Mr. LONG], and the Senator from Utah [Mr. Moss] are absent on official business.

The Senator from New Mexico [Mr. CHAVEZ] is absent because of death in the family.

The Senator from Tennessee [Mr. KEFAUVER] is absent on official business as a member of the U.S. Committee of the Atlantic Congress.

The Senator from Arkansas [Mr. MCCLELLAN] is absent because of illness.

I further announce that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Rhode Island [Mr. GREEN], the Senator from Indiana [Mr. HARTKE], the Senator from Arizona [Mr. HAYDEN], the Senator from Missouri [Mr. HENNINGS], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Louisiana [Mr. LONG], and the Senator from Utah [Mr. Moss] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Connecticut [Mr. BUSH], the Senator from Indiana [Mr. CAPEHART], the Senator from South Dakota [Mr. CASE], the Senator from Kentucky [Mr. MORTON], and the Senator from

Massachusetts [Mr. SALTONSTALL] are absent on official business, and, if present and voting, they would each vote "yea."

The Senator from Arizona [Mr. GOLDWATER] is necessarily absent, and, if present and voting, would vote "yea."

The result was announced—yeas 81, nays 1, as follows:

YEAS—81

Aiken	Frear	Morse
Allott	Gore	Mundt
Anderson	Gruening	Murray
Bartlett	Hart	Muskie
Beall	Hickenlooper	Neuberger
Bennett	Hill	O'Mahoney
Bible	Holland	Pastore
Bridges	Hruska	Prouty
Butler	Humphrey	Proxmire
Byrd, Va.	Jackson	Randolph
Byrd, W. Va.	Javits	Robertson
Cannon	Johnson, Tex.	Russell
Carlson	Johnston, S.C.	Schoeppel
Carroll	Jordan	Scott
Case, N.J.	Keating	Smathers
Church	Kennedy	Smith
Clark	Kerr	Sparkman
Cooper	Kuchel	Stennis
Cotton	Langer	Symington
Curtis	Lausche	Talmadge
Dirksen	Magnuson	Thurmond
Dodd	Mansfield	Wiley
Douglas	Martin	Williams, N.J.
Dworshak	McCarthy	Williams, Del.
Eastland	McGee	Yarborough
Engle	McNamara	Young, N. Dak.
Ervin	Monroney	Young, Ohio

NAYS—1

Ellender

NOT VOTING—16

Bush	Green	McClellan
Capehart	Hartke	Morton
Case, S. Dak.	Hayden	Moss
Chavez	Hennings	Saltonstall
Fulbright	Kefauver	
Goldwater	Long	

So the bill (H.R. 7007) was passed.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. HART in the chair) appointed Mr. JOHNSON of Texas, Mr. STENNIS, Mr. YOUNG of Ohio, Mr. DODD, Mr. CANNON, Mr. BRIDGES, Mrs. SMITH, and Mr. MARTIN.

NOMINATION OF MR. LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

Mr. SMATHERS. Mr. President, in the light of the fact that we shall soon be called upon to vote on the nomination of Mr. Lewis L. Strauss to be Secretary of Commerce, I thought it might be interesting for Senators to know that, at least in a couple of instances in my State, there has been the use of people's names without their authorization.

I hold in my hand a telegram from Palm Beach, Fla., which reads as follows:

PALM BEACH, FLA., *May 18, 1959.*

Senator GEORGE SMATHERS,
U.S. Senate:

Your vote is important to confirm the nomination of Lewis Strauss. Please cast it in his favor.

Mr. and Mrs. MORTIMER PHILLIPS.

I responded to that telegram by telling that I did not intend to vote for Mr. Strauss, and stating the reasons why. In reply I received the following letter:

PALM BEACH, FLA., *May 30, 1959.*

Senator GEORGE SMATHERS,
Senate Office Building,
Washington, D.C.

DEAR MR. SMATHERS: Thank you for your letter concerning approval or disapproval of Mr. Strauss for Secretary of Commerce. This letter brings out the fact that neither my husband nor I ever sent you a letter urging you to vote for approval of Mr. Strauss. As a matter of fact we do not want you to vote for him, and are pleased that you agree.

Is there any way of ascertaining who sent you the letter in our name? My husband is quite incensed and would like to see it run down.

Truly yours,

ANNE D. PHILLIPS
Mrs. M. B. Phillips.

I received another telegram, reading as follows:

PALM BEACH, FLA., *May 18, 1959.*

Senator GEORGE SMATHERS,
U.S. Senate, Washingon, D.C.:

We need more public servants with the ability of Lewis L. Strauss. Do cast your vote for him.

Mr. and Mrs. BARNEY BLICHER.

I wrote them the same kind of letter, stating that I did not intend to vote for confirmation of the nomination, and the reasons why.

I received the following letter in reply:

WEST PALM BEACH, FLA., *May 30, 1959.*

Hon. GEORGE SMATHERS,
Senator, U.S. Senate,
Washington, D.C.

DEAR SENATOR SMATHERS: I am in receipt of a letter from you dated May 26, which is in reply to an alleged communication from me. I am quite disturbed by this letter of yours because of the fact that I had never written you one in the first place. Someone must have used my name without my permission, and I am particularly upset by the fact that it was used to further the cause of Admiral Strauss.

Apparently there must be a pressure group which is resorting to all sorts of tactics, including unwarranted endorsements. I am happy that you, as my representative in the Senate, feel as I do regarding the confirmation of Admiral Strauss to the position of Secretary of Commerce, and I hope you continue your opposition to this man.

It may not be possible, but I would like to know the source of this letter which you received. Something should be done to prevent recurrences of this nature.

Sincerely yours,

BARNEY BLICHER, D.D.S.

I do not know how many of such messages I have received, but one afternoon, from 3 until about 5 o'clock, I was in receipt of nearly 300 telegrams.

I had begun to think that the people whose names were on the communications actually did not know that their names were being used.

ORDER OF BUSINESS

The PRESIDING OFFICER (Mr. HART in the chair). Under the order entered yesterday, the Senator from Minnesota [Mr. HUMPHREY] is entitled to the floor for 30 minutes.

U.S. DEFENSE AND DISARMAMENT POLICIES

Mr. HUMPHREY. Mr. President, as the three nuclear powers—the United States, and Soviet Union, and the United Kingdom—move closer to an agreement to stop nuclear weapons tests under an effective and workable control system, those who question the wisdom of such an agreement continue to voice their doubts.

In a free society each citizen has the right to give his opinions and to present his arguments. An informed citizen on a particular question not only has the right to present his case; he has an obligation to share his knowledge and views with others. When many of our fellow citizens, including some of my good friends, champion the cause of continued nuclear testing they are performing a service by stimulating debate and discussion on a subject of vital concern to all Americans. I feel sure that these friends will welcome the fact that I, too, wish to join with them in debate, and to offer some comments and arguments of my own.

Those who oppose an international agreement on the cessation of nuclear weapons tests have two main arguments. One argument is that the control and inspection system would not be good enough to detect secret tests in violation of any test ban treaty that might be agreed to. I have discussed aspects of a control system on three separate occasions on the Senate floor since the beginning of this Congress. I do not at this time intend to dwell at length on the nature of the control system now being negotiated except to reiterate my own position. My position, in short, is that, while no system can be perfect, it is possible to install an effective and workable control system to monitor an agreement to suspend all nuclear weapons tests. Such a control system must have as its main elements five basic features:

First. The establishment of appropriately instrumented control posts at specified intervals throughout the territories of the nuclear powers, and including provision for the improvement of the system.

Second. The staffing of the control posts and all other personnel connected with the control system to be international in character so that objectivity and impartiality in the operation of the system will be guaranteed.

Third. The right of the control commission to conduct an unimpeded on-site inspection of any event which the control system cannot identify as being natural in origin.

Fourth. A time schedule whereby the agreement and the control system shall extend to other nations and areas in addition to the territory and test areas of the three nuclear powers.

Fifth. A control organization which can conduct its business without being thwarted by the use of a veto on key decisions.

So far as I am aware, the United States and the United Kingdom in their negotiations with the Soviet Union for a test ban treaty have not sacrificed any of these five fundamental features of a control system. I do not agree with those who say that the control system cannot be made to work. Furthermore, I do not agree with those who say that the United

States has already accepted aspects of a control system which are not sufficient to deter a violator or to catch him if he tries to sneak a few tests undetected.

ATOMIC TESTS AND LIMITED NUCLEAR WAR

The second argument that is given in opposition to a test ban treaty concerns a thesis of military strategy. The advocates of this thesis would have us reject a test ban agreement regardless of the type of control and inspection system that the nuclear powers might agree to.

What is this thesis and why do these people feel so strongly about the need to continue nuclear weapons tests?

First, they believe that war with the Soviet Union and perhaps Communist China is probable and, therefore, we must do everything in our power to prepare for such a war.

Second, since a war is likely, they believe it is vital that we try to prevent it from spreading to envelop the whole world in a nuclear holocaust with the consequent possible result of the end of civilization as we know it. In order to prevent the spread of such a war, it is necessary to limit the weapons used and also, insofar as possible, to restrict the geographical area of combat.

Third, if we are to limit the weapons and restrict the area of combat, they believe it is imperative that we have a large family of tactical nuclear weapons at our disposal. These weapons cannot be the large megaton hydrogen bombs which are not really weapons of war so much as they are weapons of mass destruction of innocent peoples. Furthermore, it is argued, we cannot use nonnuclear weapons because these weapons are not powerful enough to fight a limited war. What power they have is further handicapped by their heavy weight. In other words, conventional armaments are considered no longer adequate for the United States because in helping to defend the entire free world we must be able to move large numbers of weapons quickly and with great mobility to the scene of crisis or actual combat. The use of our Armed Forces in limited wars without the resort to nuclear weapons is likewise considered inadequate because the Soviet Union and Communist China, having a combined population vastly greater than ours, and having less appreciation than we of the worth of human lives and the dignity of individual human beings, would have an insurmountable advantage. Thus goes the argument of those who oppose any prohibition of the testing of nuclear weapons under an international agreement.

The advocates of a program of continuous atomic weapons tests say that when big hydrogen bombs are eliminated as too powerful and when conventional armaments are eliminated as not powerful enough, the only thing left is the category of small atomic weapons. These weapons, say these advocates of continued testing, have the advantage of being light in weight, and therefore highly mobile, and of being sufficiently powerful to destroy an opponent's armed forces, but not so powerful as to be weapons of mass destruction. Only in this way, they say, can limited wars be fought and won without great destruction to human life around the globe.

The proponents of continued testing claim that the United States does not now have a sufficient number and variety of small atomic weapons for the purpose of defense in limited wars. Furthermore, the opponents of a nuclear test ban also contend we have not reached the necessary stage of development of these weapons. They conclude that under no circumstances should the United States enter into an agreement to discontinue tests of atomic weapons at this time.

The advocates of continued atomic testing for the purpose of assuring an arsenal for defense in limited nuclear war ignore, in my view, many of the realities of present day international political life. Their thinking, I submit, is based on a faulty concept of the nature of the crises facing us. They have constructed hypothetical situations about fighting wars which do not correspond to the actual situation in which we are apt to find ourselves.

What are the weaknesses in the arguments which I have presented on the part of those who favor continuing nuclear tests and who believe that we must have an ever-expanding arsenal of small tactical atomic weapons?

WEAKNESSES OF LIMITED ATOMIC WAR THESIS

Let us take a look at the weaknesses of the limited atomic war thesis. Weakness No. 1: The assumption that small nuclear weapons must be used as a defense against the large armies of the Soviet Union and Communist China fails to recognize that the Soviet Union also has a large supply of nuclear weapons and that if we use such weapons there is nothing to prevent her from using them, or making them available for use against us. If small atomic tactical weapons are effective against the large armies of the Communist bloc, they are no less effective against smaller armies of the Western bloc. The idea that small nuclear weapons will give us a decisive military advantage in a war in which both sides use nuclear weapons is fallacious. This is not to deny that the small weapons may be militarily useful in a nuclear war. But there is no evidence that they will be substantially more useful to us than to the other side. And to assume that the Communists will not recognize their utility and be prepared to exploit it would be to repeat an old error. We have no monopoly on these weapons, large or small.

Indeed, we must accept the fact that if we use these weapons there is no assurance that an enemy would not reciprocate in kind. To some extent, this concept about having nuclear weapons to use against large armies of a potential enemy is a hangover from the days back in the midforties when the United States had a monopoly on the atomic bomb and when the U.S. Armed Forces were cut back way below those of the Soviet Union. Then we could say that our nuclear weapons stockpile was an active deterrent to aggression by the swollen Soviet armies, but this comforting idea has become increasingly outdated during recent years as the Soviets have developed a stockpile of nuclear weapons comparable to our own. The deterrent may still exist, but it is a deterrent that now applies to both sides.

Weakness No. 2: If the United States ever became involved in using nuclear weapons against the land armies of the Chinese Communists and the Soviet Union this would probably not remain a limited war. It would become a major conflict. What is there to make anyone believe there can be limited war with the Soviet Union and Communist China simply on the basis of the size of weapons? It is extremely difficult to envisage a situation whereby the United States, the Soviet Union, and Communist China would be engulfed in a nuclear war without large strategic weapons being used. It seems almost impossible to contemplate a nuclear war in which tactical weapons of small size are used against the large Communist armies but in which the war is politely limited to these weapons. It is unlikely that the belligerents in such a major war would limit the size and nature of the weapons through fear of retaliation in kind. And even if the big bombs were not used, the Soviets would have the small weapons just as we.

The conclusion seems unavoidable that when the advocates of limited atomic war capabilities speak of a limited atomic war, they are thinking primarily in terms of conflict on territory controlled neither by the United States nor the Soviet Union. As I shall suggest in a moment, it is not at all clear that third parties welcome the idea of being used as a nuclear battlefield.

Weakness No. 3: If the United States is the first to use nuclear weapons, be they tactical or strategic, this country will be stigmatized throughout many parts of the world. We would deliver to the Communists a political victory of such proportions that any military victory, if one were achieved, might not offset the political defeat. At least, I say this must be taken into consideration. I have tried to test my viewpoint in this matter by addressing to the Department of State and the Department of Defense questions related to the attitudes of other nations on the use of nuclear weapons. I asked, for example, whether the difference in kind between the conventional weapons—even the largest, and nuclear weapons, even the smallest—is not such that it is inevitable that a distinction be present in the minds of people. The Department of State did not deny that such a distinction exists. It merely held that the development of tactical nuclear weapons "would help—I emphasize the word 'help'—to correct the distinction now made between nuclear and non-nuclear weapons and obtain recognition that there is a continuous spectrum of yields." The Department of Defense answered my question by saying that it was not "attempting to propagandize the fact that nuclear weapons are no different than conventional weapons. The nuclear weapon is different and this fact stands up by its own recognition." What this means to me is that nuclear weapons are regarded by many, if not by most people in the

world, as a class of weapons quite different from so-called conventional weapons.

Of course, the nation that commits the act of aggression should and would be stigmatized and condemned by all peace-loving nations. But since many people do place nuclear weapons in a special category, and since it is doubtful that we could succeed in changing their attitudes, then we must live with the reality that such attitudes exist.

My concern on this score is echoed in a letter recently received by the Committee on Foreign Relations from a distinguished career diplomat now retired. He was asked by the Committee on Foreign Relations to comment on certain aspects of American foreign and defense policy. He pungently states the case in the following comment:

> It is said that we need not worry over this eventuality because we will more than counter a conventional aggression with the use of our nuclear weapons. This does not reassure me because I, for one, am anything but convinced that in a showdown we will dare to loose a nuclear war if the other side does not. The responsibility is too great, the moral abloquy too heavy, the danger to our own existence too overwhelming. If my suspicion is correct, where would this leave us?

In other words, this eminent witness points out that in any kind of so-called limited war the use of nuclear weapons would leave the United States with a tremendous moral responsibility, one which could not be ignored.

Weakness No. 4: We cannot assume that all countries would risk the total devastation that would probably result from the use of nuclear weapons as the price of defense against Communist imperialism. No country wishes to be the victim of Communist aggression, and each would want to have help defending its people against Soviet and Chinese tyranny. In fact, a number of countries have accepted our aid in building their defenses and in preventing Communist aggression from being successful. But the defense that we employ must be commensurate with the threat.

There is a tendency to talk about small tactical nuclear weapons as though they were similar to the weapons of World War II, but these weapons are not similar. Our small tactical nuclear weapons contain enormous destructive power. They are small in size only, not in destructive capability. This destructive power is not only inherent in the weapon itself, but it also comes from local radioactive fallout. This local fallout can affect the water supply, the soil, foodstuffs, and all the various kinds of materials on which a population must feed itself.

I call the attention of Senators to a very important military operation which I think substantiates my argument. Four years ago, the U.S. Army and Air Force held some joint maneuvers in Louisiana called Operation Sage Brush. This was one of the first attempts to use tactical nuclear weapons in a simulated way in local warfare. The exercise showed, as a result of an analysis made by the military chiefs following the exercise, not only that the enemy was defeated, but that our own troops also suffered severely from the local radioactivity. Mr. Hanson Baldwin, the eminent military specialist of the New York Times, who witnessed these maneuvers at the time, termed them a "frightening experience." It was found that during these maneuvers not only the State of Louisiana, but also an area the size of 12 States would have been devastated, the cities partially destroyed, and the surviving inhabitants completely affected by radioactivity. The size of weapons used in this maneuver were the so-called small, tactical, nuclear weapons, ranging from 2 kilotons to more than 40 kilotons. The military terms such weapons small tactical weapons. I admonish Senators to remember that when they hear the terminology "small tactical weapons," they are hearing about weapons of from 2 to 40 kilotons, or even larger.

Operation Sage Brush took place 4 years ago. It is possible that the Armed Forces have learned how to use tactical nuclear weapons to better advantage since that time, so that the residual radioactivity will not be so damaging to civilian populations. I tried to learn something about this problem when the members of the Joint Chiefs of Staff testified earlier this year before the Disarmament Subcommittee. Unfortunately, they would not be communicative even in executive session. Their lack of candor makes me suspect that our ability to reduce local fallout in a limited atomic war has not increased in 4 years. I urge Representative HOLIFIELD, chairman of the Special Subcommittee on Radiation of the Joint Committee on Atomic Energy, who is about to hold hearings on the results of a thermonuclear war, to hold hearings and inquire into the results of a limited atomic war as well. This study is urgently needed in light of recent efforts to underscore the importance of continued atomic weapons testing for the purpose of developing so-called smaller tactical atomic weapons.

My point in bringing up the results of Operation Sage Brush is that I question whether any nation wants to be the battlefield for a limited atomic war, to defeat an enemy only to turn around and find even its agricultural produce has been well fertilized with radioactive dust. I am aware there are those who claim this problem can be solved by developing so-called clean bombs. The Atomic Energy Commission has produced large yield weapons with reduced fallout. Although the development of small weapons with reduced fallout has not yet been achieved, some of our scientists think this, too, can be realized. But even if the fallout hazard can be reduced, it is doubtful that it can be completely eliminated. Moreover, it does not help our safety and those of people everywhere if our weapons are 60 to 90 percent clean and those of an opponent are not.

I repeat that if our weapons are from 60 to 90 percent clean, but if those of the opponents are not clean, but, instead, are dirty, the fallout from the opponents' weapons could be just as deadly as an extremely dirty fallout from our own. So clean weapons on our side, but dirty weapons on the part of the opposition, would not make for clean fallout.

Weakness No. 5: Our defense officials have persuaded us that the free world with its armed forces, conventional armaments, and industrial power cannot without nuclear weapons withstand the armies and armaments of the Soviet bloc. Again, we are presented with reasoning that is inconsistent. If the full land armies of the Soviet Union and Communist China were even thrown into battle, the war would no longer be limited. Both sides—starting, perhaps, with the side that seemed to be losing—would use nuclear weapons.

Another of our high officials in the Foreign Service stated recently to the Committee on Foreign Relations, with respect to our NATO strategy:

> A military policy that reaches for nuclear weapons as its main ingredient, is a self-defeating policy, in that it guarantees a dead Europe. Moreover, a military policy tailored to the concept of "limited nuclear war" is also a policy which is likely to lose us our European allies. For what this notion comes down to, is a confession that America and Russia realize that the nuclear weapons are too dangerous to use against each other. Hence they will be used against Europe or on European terrain alone.
>
> What we need is a military policy leading to military forces in being that will not be more terrifying than the fear of hostile threats.

A number of experts in military strategy contend that conventional armed strength can be made to offset that of the Soviet bloc, without the use of nuclear weapons, at least if the conflict is not all-out war. In other words, if the full force of Soviet and Chinese Communist armed forces were not used in a conflict, the conflict would already be significantly limited. In such a case, the use of nuclear weapons by us might well not be appropriate; indeed, their employment by the defense might serve only to breach the limits and bring on total war.

It is in the area of conventional armaments and Armed Forces that the United States and the free world should build up their defenses. Unfortunately, the administration and some of the advocates of continued nuclear testing at all costs have persuaded the American people that a defense consisting of nuclear weapons is about all that we need to have. They have tried to lull us into the concept that we can be strong and deter aggression without sacrifices in men and money. This is a new type of defense panacea—a kind of automation. These same people argue that wars can be prevented, or, if they break out, can be won, with only limited participation of our manpower, and without the cost of paying for an adequate Defense Establishment based on the principle of balanced forces and balanced weapons. We have been so brainwashed about this automation of our defenses that today, when a Member of Congress rises to point out the tragic lack of balance in our defenses, people are likely to accuse him of undermining the deterrent effect of our nuclear arms.

NEW CONCEPT NEEDED OF DEFENSE AND DISARMAMENT

I have attempted to cite the weaknesses in the arguments of those who advocate continued atomic tests at all costs, because I am convinced that the faulty and misguided strategies on which this concept is based must be revealed and brought forth for debate.

I wish to make it quite clear that I am not arguing that we should unilaterally forego the use of atomic weapons, their testing, development and production, and the determination to employ them if the world situation became so intolerable that our very existence and survival were at stake. Furthermore, compared to the military strategists who would place most of our reliance for defense on the very large, multimegaton hydrogen bombs and on long-range missiles, I think the advocates of a diversified atomic stockpile have the stronger case. And so long as the nuclear powers fail to reach an agreement based on effective and workable controls, I support them in their efforts to expand and diversify our nuclear weapons stockpile.

Where I part company with many of my friends in the atomic weapons field is in their notion that continued atomic weapons development is more important than anything else we can do, that it is more important than trying to have an effective test ban agreement based on effective controls, more important than trying to slow down the arms race, more important than trying to prevent the spread of nuclear weapons production throughout many countries, and more important than getting the Soviet Union to accept and implement the principle that control and inspection must be parts of the reduction of armaments. It is here that balance is lost and judgment becomes blurred. It is on this point that certain military factors are overlooked and political and psychological factors are almost completely ignored. And it is here that the fatalism about the inevitability of another war and the skepticism and cynicism about the prospects for progress on disarmament produce a distorted concept of what the goals of our defense and foreign policy should be.

Mr. President, I shudder to think of the military situation that would confront this Nation and, indeed, the world if several other nations achieved a nuclear weapons and missile delivery capability of our own. To prevent such a situation is one of the main reasons why a total ban on nuclear weapons tests is more desirable and more urgent than a ban only on tests in the atmosphere and underwater. It is to our own national interest, and indeed to the interest and well-being of humanity to try to limit the membership of the nuclear power club.

Mr. President, do not misunderstand me. I have said before, and I repeat, that a ban on atmospheric tests is desirable. But I am speaking now of what I consider to be most desirable, namely, a total ban.

For too long now the words "defense" and "disarmament" have been treated in our thinking as though they represented the opposite points on a compass or the extremes in the thermometer. Writers on defense and military strategy compose long and scholarly dissertations without once mentioning the subject of armaments control; or occasionally they may throw in a sentence or two, almost as a sop. At the other extreme, there are writers and organizations who prepare equally long and learned theses on the subject of disarmament, without mentioning weaknesses in our Defense Establishment.

I do not see why disarmament and defense cannot be made the inseparable twins of national security policy. I should liike to illustrate this concept by referring to the present missile gap.

Ample evidence has been presented that the United States has allowed the Soviet Union to move dangerously ahead in the development and production of long-range ballistic missiles. We now know that unless we put forth great effort, within the next 2 years especially, this gap will so widen that the Soviets may feel able to attempt a major surprise strike. The Soviet Union may be tempted to strike, because the Kremlin will know that we do not have enough long-range missiles, well enough protected and dispersed, to strike back after an initial attack, and that our strategic bomber command would not have sufficient time to get off to deliver a major blow against the Soviet Union, in retaliation. A military balance of terror is not very comforting; in fact, it is a horrible thing. But this horror is exceeded by the prospect of an imbalance of terror, an imbalance favoring the Soviets.

I am not a defense expert, nor do I claim to be, but insofar as I am aware no one in the administration and no one in the military departments of our Government has argued that these are not facts. As a consequence, the United States is inviting disaster through a failure to take the necessary steps to close the missile gap and to take the necessary steps to harden our strategic airbases.

At the same time, the United States has not persisted in the development of plans whereby the threat of an attack by long-range missiles might be removed and the missiles eliminated or their production and testing curtailed. The Surprise Attack Conference was a start, but at that Conference the United States terms of reference were limited to inspection only. Measures of control and reduction of missiles, for example, were not included. We were not prepared for that Conference, and neither were the Soviets. But that Conference is over now and we should not be standing idle. We must start to talk and to prepare for the next one. We ought to have a plan and a policy which is pursued vigorously for the control or the eventual elimination of these missiles. Soon the missiles will be installed in their launching platforms and readied for instant firing. A mistake, a miscalculation, or madness on the part of one or a few people could send these gigantic birds of destruction on their way to foreign territory. Yet, months and years go by, and little serious effort is made toward their control.

Mr. ANDERSON. Mr. President——

Mr. GORE. Mr. President, will the Senator yield?

Mr. HUMPHREY. Let me complete my statement. I am under a time limitation. I have another page.

The noted scientist, Dr. Harrison Brown, has stated the problem very well. He has said:

> We are faced during the course of the next 25 years with the prospect of seeing one nation after another achieve the means of manufacturing nuclear explosives and of delivering them with planes, missiles, and submarines. With the addition of each new nation to the list, the problem of achieving control of any sort will increase enormously. As missiles become more dependable agents for delivery, increased emphasis will be placed upon the use of nuclear explosives for defensive purposes. Eventually most nations will be heavily armed with these weapons. Stockpiles for offensive purposes will be numbered in the hundreds of thousands and those for defensive purposes will be numbered in the millions.

We must simultaneously increase our efforts and our expenditures, if necessary, to close the missile gap, on the one hand, and to devise plans for missile control, on the other. Such an effort should be pursued all down the line in areas of defense and disarmament. Alongside such a program of action, our negotiators, our information service, and our diplomats should be waging a campaign to bring pressure on the Soviet Union and other nations to enter into serious negotiations. This campaign should be waged at every level—at the United Nations, at summit conferences, at foreign ministers meetings, and at any other forum where representatives of the major powers meet.

Mr. President, I know the time granted to me has expired. I need about 3 more minutes to complete my prepared statement. I ask unanimous consent that I may complete my statement.

The PRESIDING OFFICER. The time allowed to the Senator under the limitation has expired, but there is no restriction on debate, if the Senator desires to continue.

Mr. HUMPHREY. I ask for time to continue my statement.

The PRESIDING OFFICER. Without objection, the Senator from Minnesota is recognized.

Mr. HUMPHREY. I thank the Chair.

Mr. President, the American people are not unwilling to make sacrifices for adequate security and defense. They will make the sacrifices, provided two conditions are met. First, they must be told the truth—the hard facts about the world situation—facts that are military, political, social, and economic. And secondly, they must be shown that these sacrifices may one day contribute to the emergence of a better world—a world in which competing systems, be they religious, economic, social, or political, can compete without the fear that the competition must lead to all-out war.

The international crises demand that we adopt such a program for our national security and for the security of the rest of the world. Military preparedness alone cannot give us the security we want. A policy of defense only is inadequate and promotes attitudes of

hopelessness on the part of our people. And we can use beautiful words about disarmament and peace, but these will be futile also unless we apply ourselves and make the necessary efforts both to control and reduce the weapons of war and to build a Defense Establishment that is balanced and meets the Nation's defense requirements.

If we do these things, then our sights can be lifted beyond the terrible thought that a nuclear war, large or small, is probable. So long as the United States views the world crisis primarily in military terms, and exclusively as a crisis against communism, its moral stature and its leadership qualities will be seriously questioned, and may be irrevocably undermined in nations and among peoples throughout the world who have not a prayer of a chance to defend themselves against aggression by a major power. It is one thing to build varied and strong defenses, but quite another to say this defense is all we have. If the democracies of the world are to survive, they must place more emphasis and put more effort into works of peace at the same time that their defense efforts act to deter war from breaking out. Defense is a shield designed to give protection and buy time while we pursue with courage, imagination, and purpose the war against man's ancient and relentless enemies—poverty, hunger, disease, illiteracy, injustice, and economic stagnation.

Now I yield to the distinguished Senator from New Mexico.

Mr. ANDERSON. The Senator from Minnesota is under no time limitation. The Senator from Tennessee [Mr. GORE] represented this country at the disarmament meeting. Why does not the Senator yield to him now, and he can yield to me later.

Mr. HUMPHREY. The distinguished Senator from New Mexico had asked me to yield first. I was going to yield to him. I am delighted to yield to my good friend from Tennessee.

Mr. GORE. I appreciate the courtesy of the senior Senator from Minnesota and the junior Senator from New Mexico, the able chairman of the Joint Committee on Atomic Energy.

The senior Senator from Minnesota has performed a service by opening for debate an extremely important subject. I shall not undertake today, under the situation prevailing on the floor, to discuss this matter in detail; but I shall, at the very first available opportunity, discuss it in some detail.

In the first sentence of the prepared statement of the Senator from Minnesota, he stated:

> As the three nuclear powers * * * move closer to an agreement to stop nuclear weapons tests under an effective and workable control system—

That is the first clause in the sentence. Now I come to the first one of the five main elements or basic features which the Senator says must be incorporated in an agreement:

> (1) The establishment of appropriately instrumented control posts at specified intervals throughout the territories of the nuclear powers, and including provision for the improvement of the system.

I should like to point out to the able Senator that that first basic feature is not in complete accord with the first sentence in his speech from which I quoted, nor does it appear to meet fully the criteria set forth in the agreement of the experts reached in Geneva in July of last year. It is not in accord with the Senator's own resolution, approved by the Senate recently, which called for a worldwide system of control and inspection. The experts in Geneva agreed upon a worldwide system, not a system confined to the territories of the three nuclear powers.

I wanted to invite the attention of the able Senator from Minnesota to that fact, because the concept of worldwide control is impicit in an effective and workable control system.

I believe the experts said it would be necessary to have approximately the same number of control posts for the land mass of Red China as they recommended for Red Russia; I do not recall the exact number. If the entire land mass of Red China is eliminated, and control posts apply only to the territories of the existing nuclear powers, I doubt if the condition which the Senator describes in his first sentence could possibly be met.

Mr. HUMPHREY. I submit, most respectfully, that the nuclear powers cannot negotiate what they will do in the lands of other nations. Those powers can only negotiate with respect to the areas over which they have sovereignty.

It is perfectly true that there are control posts, of a type, in other lands under certain lease rights. The nuclear powers are attempting to negotiate an agreement among themselves covering the territories of the three nuclear powers. Once on-site inspection in the areas of the nuclear powers themselves is brought about, then the expansion of a control system on a worldwide basis can and must be accomplished.

I point out to the Senator that that is point No. 4, which reads:

> A time schedule whereby the agreement and the control system shall extend to other nations and areas in addition to the territory and test areas of the three nuclear powers.

Mr. GORE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. GORE. I had intended to interrogate briefly the able Senator about the fourth point. His statement brings up the question of when and how the proposed agreement shall go into effect. Shall the agreement go into effect before an effective and adequate control system is established, or shall the effective date of the agreement await the establishment of an effective control system? If the able Senator will answer that question, then it can be determined how his suggested basic features of a control system apply to the first sentence of his speech.

Mr. HUMPHREY. The Senator has an answer.

Mr. GORE. I should be happy to hear it.

Mr. HUMPHREY. The Senator's answer is this: If it is possible to get an agreement to suspend nuclear weapons tests; to get an agreement which does not provide for a veto of on-site inspections on the part of any one of the members; if there can be an agreement which will permit mobility and movement within the nuclear areas themselves for the purposes of inspecting alleged violations of a nuclear test ban; if there can be an international control organization; if, within the mechanism for policing the agreement, there can be means and methods for the improvement of the system as new technology develops; then we can accept the agreement and proceed from that point to the broadening of the area of the agreement, because the nuclear powers cannot negotiate as three separate sovereign powers what the other nations of the world will do. It is necessary to negotiate from that point with the other nations for further extension of control posts and for their inclusion within a nuclear test ban agreement.

So far as I know, to date no other nation is a nuclear power. France may become one shortly. There is reason to believe that perhaps Communist China will become one.

As the Senator knows, in case the nuclear test ban agreement arrived at does not include any other power which is a nuclear power, then the agreement is off. In other words, there is an agreement among only those powers which are nuclear powers, and if any nuclear power comes into the "club," so to speak, and does not join up with the terms of the agreement, then all controls are off and the entire agreement is off.

Mr. GORE. Mr. President, will the Senator yield further?

Mr. HUMPHREY. I assuredly do.

Mr. GORE. Do I correctly understand that the able Senator would not have us enter into an agreement effective within the United States and effective within the territory of the Soviet Union, but not effective within the territory of Red China?

I take it that the able Senator wants, as he has said, an effective and workable control system.

Mr. HUMPHREY. That is correct.

Mr. GORE. The Senator knows that none of the 3 negotiating powers at Geneva has so far made mention of Red China in the on-the-record negotiations.

Mr. HUMPHREY. I believe that it is a correct statement. I can tell the Senator why. It is because this Government says Red China does not exist, insofar as official recognition is concerned.

I happen to believe that Red China ought to be covered. I think it is very important that Red China is covered. I say, most respectfully, I think it is equaly important or more important that nuclear technology be curbed. The truth is that there is some information of late to the effect that Red China may well be at the point of perfecting an atomic device. When that day arrives, I will say to the Senator from Tennessee, with all respect, when the day comes when Red China has been able to test atomic weapons and perfect atomic weapons,

considering the kind of irresponsible leadership which is characteristic of that country today, there will not be a person or nation in the world who will be safe. It seems to me there is almost a God-given mandate that we attempt to stop the spread of this technology before it gets to that point.

Mr. GORE. I seems to me the Senator has indulged in the presumption that an agreement among the United States, Great Britain, and the Soviet Union would somehow prevent other nations from becoming nuclear powers.

Mr. HUMPHREY. No.

Mr. GORE. I know of no such provision under negotiation. I know of no provision or proposal made by any country which could bring about such a result.

I agree with the Senator as to the seriousness of the possibility that possession of this horrible weapon of destruction may spread to other nations, but I do not know upon what basis the Senator presumes that an agreement among the existing nuclear powers will suddenly bring an end to that possibility.

Mr. HUMPHREY. I will say, most respectfully, to my colleague, who knows this subject better than I, that the policy of the United States, rightly or wrongly, is one of no recognition of Red China. It is a policy of its nonacceptance in the United Nations, into the international community. We are therefore dealing with the powers which we recognize and with the knowledge which we have at hand. We know that there are three nuclear powers today; that there are three nations capable of nuclear destruction and capable of nuclear testing. Therefore, we are attempting to limit at this stage—I repeat, at this stage—further nuclear weapons development by these three nuclear powers.

Mr. President, the position of our country, of course, is one of nonrecognition of Red China.

Mr. GORE. Mr. President, will the Senator yield further?

Mr. HUMPHREY. I yield.

Mr. GORE. That is undoubtedly a fact; and the Senator cited that fact a moment ago as one of the reasons why the U.S. Government has made no mention at Geneva of the country of Red China. That reason, however, does not obtain with respect to Great Britain, which has accorded recognition to Red China; and it surely does not apply to the Soviet Union, which accords more than recognition.

Mr. HUMPHREY. But the Soviet Union has asked for world-wide control at Geneva. We are the ones who have stated that while we want it as an objective, we have not yet raised this question in the negotiations.

What we are prepared to negotiate is what I laid down as the fourth principle, namely, a time schedule which will become a part of the agreement, "whereby the agreement and the control system shall extend to other nations and areas in addition to the territory and the test areas of the three nuclear powers."

We have attempted to say on the one hand, "We are not willing to negotiate about Red China now, but perhaps some day we shall have to." So we include in the agreement a time schedule; and that part of the agreement, if signed and agreed to, would be as controlling as any other part. If the time schedule is not fulfilled, if the test areas are not expanded under the terms of that schedule, the agreement is off.

The Senator and I have discussed this subject at length on previous occasions, both publicly and privately. It is much more desirable to include Red China, but we cannot include her at this stage if she is an untouchable from the diplomatic point of view.

There are three nuclear powers, and the three nuclear powers have the prime responsibility at this stage to slow down the nuclear weapons race.

Third, an agreement should include a provision which would provide for the extension of coverage of both the member nations and the areas to be considered.

I have laid down five fundamental principles which are generally agreed upon, perhaps not as to details, but as to principles, by the participating nations.

Mr. GORE. Mr. President, will the Senator further yield?

Mr. HUMPHREY. I yield.

Mr. GORE. The facts which the Senator has just stated, subject to one modification, are facts which I cited last fall as one reason why an effective and workable inspection and control system applying to underground tests was not achievable at that time. The Senator said a moment ago that the Russians have advocated a worldwide control system.

Mr. HUMPHREY. That is correct.

Mr. GORE. I think it might be more accurate to say that the Russians have proposed that all tests be stopped. In fact, the very first day we met in Geneva, they said, "We have an agreement now to stop all tests. Let us sign on the dotted line, and we will talk about controls later."

Mr. HUMPHREY. Of course, we know that we would not accept such a foolish document.

Mr. GORE. That is correct.

So far as I know, the Russians have never advocated or agreed to accept a workable and effective control system, even within their own country, let alone on a worldwide basis. The fact that Red China has not been mentioned by either of the negotiating powers is one reason why we must proceed with the greatest of caution in entering into an agreement to stop all types of nuclear tests, precluding further development of tactical nuclear weapons, and thereby, by omitting the great land mass of the Himalayas, leaving Red China, in cooperation with Red Russia, free to make such development.

Mr. HUMPHREY. The Senator from Minnesota is prepared to negotiate control over atomic weapons testing on a worldwide basis, and I believe our Government should be willing. There is no doubt about that.

But the point that needs to be raised is not whether the Soviets have agreed to a workable control system, because they have not, but that they have been yielding a little each time. We have not given up any basic principle, despite some comments to the contrary.

We have refused to accept the principle of the veto. We have refused to be denied the right of on-site inspections. We have refused to accept the proposal of the Soviets that they inspect on their grounds, and we inspect on ours. We have demanded international inspection.

I believe that, so far as negotiations have proceeded thus far, we have edged closer to workable, effective proposals, to a greater degree than the Soviets have been able to block us in such proposals.

The argument has suddenly been raised that one of the reasons why we need more nuclear weapons is because of the need for tactical weapons. Why do we need tactical weapons? Because they are smaller weapons, and because, with smaller weapons, we could fight a limited nuclear war.

With whom are we to fight a limited nuclear war? With Egypt? With Norway? With Afghanistan? Of course not. The only place we would need nuclear weapons, if we were to fight a war, would be against Communist China or against the Soviet Union.

I ask my colleagues, what makes anyone think that if we should get into a war with China or the Soviet Union, it would be a limited war? What makes anyone think that the Soviet Union would want to limit the war to a war with small nuclear weapons, on a limited scale? The concept of a small nuclear weapon, to be utilized in limited atomic warfare, is a contradiction in terms. There is no such thing as a small, limited nuclear war with a major power.

Finally, it is presumptuous on our part to believe that we would be the only ones with small weapons.

Mr. ANDERSON rose.

Mr. DODD. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield first to the Senator from New Mexico.

Mr. ANDERSON. Mr. President, I was keenly interested in the Senator's statement, and in the colloquy he had with the Senator from Tennessee [Mr. GORE].

I turn to page 6 of the Senator's prepared statement. Later I shall return to the first page of his statement. On page 6 there is a paragraph reading in part:

> I shudder to think of the military situation that would confront this Nation and, indeed, the world if several other nations achieved a nuclear weapons and missile delivery capability of their own.

I am sure the Senator would not mind my placing in the RECORD at this point a memorandum concerning the proposed agreement between the United States and France and a proposed amendment to an existing agreement between the United States and Great Britain, for cooperation in the uses of atomic energy for mutual defense purposes; also a memorandum concerning proposed agreements between the United States and, first, Canada; second, the Netherlands; third, Germany; and fourth, Turkey for cooperation in the uses of atomic energy for mutual defense purposes.

Mr. HUMPHREY. I shall be very glad to have that material in the RECORD.

There being no objection, the memorandums were ordered to be printed in the RECORD, as follows:

JOINT COMMITTEE ON
ATOMIC ENERGY,
CONGRESS OF THE UNITED STATES,
May 25, 1959.

To: All committee members.
From: James T. Ramey, executive director.
Subject: Proposed agreements between the United States and France and the United States and Great Britain for cooperation on the uses of atomic energy for mutual defense purposes.

Under date of May 19, 1959, the President of the United States submitted to each House of the Congress an agreement between the United States and the Government of France for cooperation on the uses of atomic energy for mutual defense purposes. On the same day the President also submitted to Congress an amendment to the agreement between the United States and the United Kingdom for cooperation on the uses of atomic energy for mutual defense purposes, originally signed July 3, 1958.

In accordance with section 123d of the Atomic Energy Act of 1954, as amended, both have been referred to the Joint Committee on Atomic Energy for the required 60 days, which assuming no adjournment of either House of more than 3 days, will expire at 12 o'clock midnight July 18, 1959.

The proposed agreement with France provides for the United States to transfer by sale agreed amounts of U^{235} for use in the development and operation of a land-based prototype submarine nuclear propulsion plant during a period of 10 years. It does not involve the exchange or communication of any restricted data.

The amendment to the United Kingdom agreement provides for the transfer from the United States to the United Kingdom of (a) nonnuclear parts of atomic weapons and other nonnuclear parts of atomic weapons systems involving restricted data for the purpose of improving the United Kingdom's state of training and operational readiness; (b) special nuclear materials for research on, development of, production of, or use in utilization facilities for military applications; and (c) certain source, by-product, and special nuclear materials, and other materials for research on, development of, or use in atomic weapons necessary to improve the United Kingdom's atomic weapon design, development, or fabrication capabilities.

The amendment also provides for the transfer of similar materials and equipment from the United Kingdom to the United States.

Specific details of the materials and quantities involved are contained in classified documents on file at the Joint Committee.

The above is being furnished for your information. Members will be notified as to when hearings will be held by the Subcommittee on Agreements for Cooperation.

JOINT COMMITTEE ON
ATOMIC ENERGY,
CONGRESS OF THE UNITED STATES,
June 1, 1959.

To: All committee members.
From: James T. Ramey, executive director.
Subject: Proposed agreements between the United States and (1) Canada, (2) the Netherlands, (3) Germany, and (4) Turkey for cooperation on the uses of atomic energy for mutual defense purposes.

Under date of May 26, 1959, the President of the United States submitted to Congress four proposed agreements for cooperation for mutual defense purposes. They are separate agreements between the United States and each of the following individual nations: Government of Canada, Federal Republic of Germany, Kingdom of the Netherlands, and Government of Turkey.

The individual proposed agreements provide that the United States will transfer nonnuclear parts of atomic weapons systems to the individual nations for the purpose of improving the state of training and operational readiness of that nation's armed forces. In addition each agreement will permit the United States to transfer classified information necessary for the development of defense plans; the training of personnel in the employment of and the defense against atomic weapons and other military applications of atomic energy; the evaluation of the capability of potential enemies in the employment of atomic weapons and other military applications of atomic energy; and the development of delivery systems capable of carrying atomic weapons.

It should be noted that these agreements only provide for transfer of nonnuclear parts of atomic weapons systems and not nonnuclear parts of atomic weapons. Nonnuclear parts of weapons can only be transferred to a country that has made substantial progress in the development of atomic weapons, i.e., only the United Kingdom at the present time. The distinction between the two is explained in the statement of the managers on the part of the House in the conference report, dated June 27, 1958:

"The conference agreement, therefore, makes provision for the transfer of two distinctly different types of nonnuclear parts. One type, the nonnuclear parts of atomic weapons, relates to the integral components of the weapon itself which could only be transferred to those nations that have made substantial progress in the development of atomic weapons. The other type relates to nonnuclear parts of atomic weapons systems which are not integral to the weapon itself but pertain to various kinds of equipment involving restricted data to make possible the operational use and maintenance of the weapon, such as adaption kits. This latter category of nonnucelar parts relating to the atomic weapons systems is not as sensitive as the first category of nonnuclear parts and would not disclose internal design information of the weapon. This type, under the new language, may be transferred to a nation provided that the transfer will not contribute significantly to that nation's atomic weapon design, development, or fabrication capability."

In addition to transfer of nonnuclear parts of atomic weapons systems, which is contained in each, the proposed agreement with Canada would also provide for the United States to transfer classified information pertaining to research, development, and design of military reactors with an express intent to agree at some future time by an amendment to the agreement for the transfer of military reactors and special nuclear material for research on, development of, production of, and use in military reactors. This latter provision would be similar to what was entered into with the United Kingdom last year by which the United Kingdom is purchasing an American built nuclear submarine reactor.

In accordance with section 123d of the Atomic Energy Act of 1954, as amended, each of these agreements must lie before the Joint Committee for 60 days, during which time they may be subject to congressional resolution of disapproval. Assuming no adjournment of either House of more than 3 days, the 60-day period will expire at 12 o'clock midnight July 25, 1959.

Members will be notified as to when hearings will be held by the Subcommittee on Agreements for Cooperation on these agreements as well as on the proposed agreements between the United States and France, and the United States, and Great Britain, which were the subject of my memorandum of May 25, 1959.

Mr. ANDERSON. These memoranda are indicative of the fact that pretty soon other nations will join the nuclear power club. The Senator from Minnesota has said that it would be desirable to try to limit the membership of the nuclear power club. Here they come. We all know that Canada could very quickly test nuclear weapons if she wished to do so.

Australia may be about to test some sort of weapon which might be regarded as a nuclear weapon. A similar situation exists with respect to the Federal Republic of Germany, the Kingdom of the Netherlands, and the Government of Turkey, which will get nuclear parts of atomic weapons systems. These are not nuclear parts of atomic weapons. There is a nice line being drawn betwen adaptation kits which can be placed in an airplane, and other devices. There is also the question of what to do with them after we let them get hold of them.

In the case of France, I expect that shortly we shall be confronted with the request that France be supplied with some materials and plans. There is even discussion to the effect that France may wish to be supplied with a nuclear propulsion system for a nuclear submarine.

I suggest to the able Senator from Minnesota that if we give France a nuclear submarine with a reactor built in the United States, it will not take the French very long to understand how it works, and they may also build for themselves some other nuclear weapons. Does not the able Senator believe that all this leads to the inevitable conclusion that if we do not do something very shortly, there will be no way to limit membership in the nuclear power club?

Mr. HUMPHREY. That is my view. The Senator from New Mexico is right. I have heard some persons speak about nuclear weapons being made available for sovereign possession by other nations. There is a difference between weapons being in our possession in Europe, and under our control, on our military bases in a foreign country, and those weapons being in the possession of the sovereign power and host country. I believe there is a considerable difference between the two situations. For example, let us say that we have weapons in the possession of the United States in Germany for mutual defense purposes, under U.S. control. Let us compare that situation with nuclear weapons in the possession of the German Government within the German armed forces, outside our own control. There is a difference. I wish to add that these people have responded by saying, "If that happens, the Soviets will put some atomic weapons inside Poland."

I doubt that the Soviets will put such weapons under Polish control. What that will lead to is the stationing of more and more Soviet troops in the satellite countries, and more and more nuclear weapons in those particular countries for Soviet use and under Soviet use and under Soviet control.

Therefore we would spread the possibility of the dispersal of Soviet weapons over a much greater terrain. Indeed, if we were to give, for example, our major allies complete and unlimited control over such weapons, with no restraint upon them at all, the Soviet Union would do the same.

Mr. ANDERSON. Mr. President, I do not desire to take too much of the Senator's time. I only wish to say to him that I have examined some installations of nuclear weapons in countries other than the United States. Without trying to say where those locations may be, I have seen many of the installations, and I do not believe that those installations are manned with a sufficient staff. So, if a situation should arise under which the host country wanted to take the installations over, it could now do so with a small group of men.

We are unable to maintain a large number of individuals at those installations. They are men there for the purpose of servicing the weapons. They are men who may be regarded as protectors of those weapons. However, a small group in the foreign country could very quickly take control of those weapons.

My question is what would happen if they got control? Obviously it would be a group of irresponsible people who would take over the weapons.

I merely wish to say to the Senator that some of us do not have much confidence in the fact that a representative of the United States or of the United Nations or NATO would be on hand to say effectively, "We have control and sovereignty over these weapons." In case of an emergency and in the case of bombs dropping on that country, I am sure the people there would say, "We will take these weapons and fight back with them."

It would be a perfectly understandable result for people to try to protect their country. I do not believe that they would worry too much about sovereignty.

I should like to turn now to the top of page 4 of the Senator's prepared address, where the able Senator from Minnesota said:

> The nuclear weapon is different, and this fact stands up by its own recognition.

He was quoting the Department of Defense. The Senator went on to say:

> What this mean to me is that nuclear weapons are regarded by many, if not by most people in the world, as a class of weapons quite different from so-called conventional weapons.

Mr. HUMPHREY. I surely do regard them as such.

Mr. ANDERSON. I, too, regard them as such. We do have to take unusual steps when it comes to weapons which are different from conventional weapons. When I was Secretary of Agriculture, I found that our country had established in the St. Lawrence River area a very unusual installation. The Department of Agriculture had there a payroll which was fantastic. The people there were not engaged in the cultivation of crops. They were developing poison gas and disease germs which could attack not only human lives, but all kinds of livestock as well. The development of the poison gases was so awful that we did not use them.

When our armies marched into Germany, they found that the Germans had the same types of poison gases and the same type of disease germs. These things were so frightful that no nation used them. These were unconventional weapons which could have been used; a government, in desperation, could have seized upon them and used them.

Could we not say that there is something comparable or similar, at least—similar, if not comparable—in the use of very large and very unusual types of nuclear weapons? Could we not say that it gives some support to what the Senator was saying?

Mr. HUMPHREY. I believe so. I could imagine that the large megaton weapons on which we supposedly rely for our great defense, might be weapons with such horrible consequences, that, with both sides knowing it, we could get into the situation to which the Senator refers, on the basis of bacteriological warfare and poison gas warfare.

Mr. ANDERSON. I believe so. I believe that we might develop some multimegaton weapons with greater firepower than any target would justify. That situation may very well develop. On the other hand, it may not develop, and we may find that we should have some of these weapons. However, I think we have greater firepower than any target would justify.

I should like to refer now to page 3 of the Senator's prepared text. I refer particularly to the second paragraph. The Senator refers to the Soviets having developed a stockpile of nuclear weapons comparable to our own. In order that there may be no misunderstanding of what the Senator says, I am sure he is not suggesting that the Soviets may have more than we have. He is not speaking of the number of weapons, is he?

Mr. HUMPHREY. No.

Mr. ANDERSON. Many of us doubt that the Soviets have the same number that we have in certain styles, or in all styles. I wonder whether it is the Senator's opinion, as it is my opinion, that it is not necessary to have as many as we have to cause a great deal of damage.

Mr. HUMPHREY. First of all, I should like to say that I do not believe any of us are sure of how many weapons the Soviets have. We have to accept what is told us on the basis of intelligence reports. I know that the distinguished Senator from New Mexico and the Senator from Tennessee, who are members of the Joint Committee on Atomic Energy, have a much better idea than the Senator from Minnesota on that point.

However, let us not underestimate the Soviets. We were not so sure about the sputniks and about a great many other things. The Soviets constantly come up with surprises. However, the important thing is what the Senator from New Mexico is saying. If it takes only 1,000 bombs to destroy the United States——

Mr. ANDERSON. Ten bombs. I suggest that the Senator need not go above 10 bombs. Ten bombs of the size we have now, if properly dropped on populous areas of the United States, would do such damage that the Senator and I would not be much interested in what could happen to the country afterward.

Mr. HUMPHREY. Let us say that 10 such bombs could do catastrophic damage to the United States. If we have 200 of those bombs, and if the Soviet Union has 100, the difference in ratio really is not so controlling as it would appear to be, because it would be presumed that a sizable portion of those bombs could be delivered. That is something that can almost be guaranteed. There is no military authority today who will say that we have perfected a defense system which can prevent the delivery of a major portion of the weapons which the enemy wishes to send against us or that we, in turn, can deliver against the Soviets. What we are talking about, in other words, is the continuation of a situation which we call one of massive deterrence, and because of which it is hoped no one will use those weapons.

Then someone comes along and says, "That is true. Therefore, we must perfect smaller nuclear weapons which we can use if we need to use them."

That presumes, of course, that the Soviets are going to play dead, so to speak, and not develop any small nuclear weapons. We have no guarantee that they will be so accommodating to our national purposes. There is no evidence of which I know—perhaps the Senator from New Mexico has some—to the effect that smaller weapons are any less lethal if they hit the target than a big nuclear bomb. If we drop enough small bombs, the effect becomes that of dropping a big one.

Mr. ANDERSON. I only wish to say to the Senator from Minnesota that, without getting into classified information, the present designs of the small nuclear weapons are more deadly per pound or ton of bang than the large weapons, because they are fission weapons. That is well established and well known.

Mr. HUMPHREY. I should like to add at this point, so there will be no misunderstanding, that the Senator from Minnesota is not advocating any unilateral action.

Mr. ANDERSON. The Senator has made that abundantly clear to me, and I hope to everyone else.

Mr. HUMPHREY. I am not advocating that we cease our testing or cease our production or cease our development, or cease the expansion of our stockpile, unless and until we can be reasonably sure of an effective agreement, which is policed and inspected, so that the Soviet Union and the other nuclear powers, are doing the same thing. Such an agreement must be one which is satisfactory to us. Those who are opposed to that proposition and those who believe in continued testing say we cannot arrive at any agreement. If that is the case, what we are saying is that we are determined to build for ourselves a Frankenstein monster which will tear the world to bits.

The more we promote the expansion of nuclear technology along with guided

missiles, the more we shall have to rely upon the individual officer at a control post always being mentally stable, emotionally stable, having a sound mind and a sound body, one who will never do anything which will in any way jeopardize the peace of the world.

I am of the opinion that we may arrive at the day when we shall be uncertain from whence these weapons come. If the day ever comes when weapons can be launched from countries other than the major powers, how will we know at what country to strike back? How will we know upon whom to unleash our tremendous retaliatory power? What if we should make a mistake and unleash our retaliatory power on the wrong nation? That is surely a way, it seems to me, to provide for the end of civilization—at least, as we have known it.

I do not wish to be an alarmist, but it seems to me that greater effort must be made to attempt to determine how to control this situation, rather than, as I believe has been happening in the last month, namely, a concerted effort somewhere in Washington—I imagine in the Defense Establishment itself—to get the American people to believe that it is not possible to reach an agreement to control these weapons; that it is not possible to control these weapons. I must say if that is the case, then we are at a sad impasse in the history of the world.

Mr. CARROLL. Mr. President, will the Senator yield, so that I may ask a question of the Senator from New Mexico?

Mr. HUMPHREY. I yield.

Mr. CARROLL. This is the first time I have ever heard, and I am not sure that the information has been widely publicized, that the small nuclear weapon is dirtier from the standpoint of fallout than a large bomb. I have no special or classified information on this subject. Only recently I read on the front page of a Washington newspaper a description of a small nuclear weapon similar to the bazooka which we used in World War II. A bazooka, now, can launch a small nuclear weapon. I assume, the story being on the front page of the newspaper, the information is no longer classified. The size of the weapon was not mentioned, but we are talking about small nuclear weapons. However, if these small weapons are dirtier and the fallout dangers are greater than from a big bomb, and if we are to be confronted with more and more changes to this type of weaponry—that is the small nuclear weapons, then I think this is a very important point that should be discussed, because certainly, as the distinguished Senator from Minnesota has said, if these small nuclear weapons are dispersed throughout the nations of the world that is a serious matter. I wonder if the Senator from New Mexico will comment?

Mr. ANDERSON. I will try to be very careful, because I do not want to get into the field of classification. I did not say the small weapon would cause more fallout than a large one. I said that per ton or pound of bang, it was dirtier.

If a small weapon, having a bang of 10,000 tons, is discharged, as against a large weapon having a bang running to millions of tons, the amount of plutonium or some similar substance, which is required, which makes it a different style weapon, causes it to be a dirtier weapon, because there is fission instead of fusion. In a large hydrogen bomb, the fusion process does not cause strontium 90 fallout as does the smaller fission bombs. This has been brought out in our recent fallout hearings before the Special Subcommittee on Radiation.

The larger weapons may be built with a more efficient process; but in the small bomb there is a completely different situation, and it is, relatively, a dirtier bomb as far as strontium 90 is concerned.

I dislike getting into a discussion of this subject, because we had a long argument at one time about clean and dirty bombs. I think the matter was finally resolved by a release from the Department of Defense, which set the question at rest for a while. But there is no question, relatively speaking, that per ton of bang there are more fission products from a small atomic bomb than from a large hydrogen one.

Mr. HUMPHREY. Before we get away from the relevancy of the argument, the witnesses from the Department of Defense who appear before the appropriate committees of Congress tell the American people and tell Congress, first, that we are ahead of the Soviet Union in thermonuclear and nuclear weapons, both as to size, quantity, and variety. In other words, we have been told repeatedly, both in public session and in executive session, that the United States has a more diversified arsenal, and more sophisticated weapons, better in quality and greater in quantity. The records of the appropriate committee of Congress, reveal that the most eminent witnesses of the Government say that the United States has more small tactical weapons than does the Soviet Union. In this case, then, why should we want to stop testing? We are ahead.

But I have heard from the evaluation experts of the Atomic Energy Commission that we were much farther ahead 3 years ago than we are now. I have heard that if testing continues, the gap will be narrowed so that our lead can be diminished. I do not say overcome; I qualify my statement by saying that our lead can be diminished, limited, or restricted.

So it seems to me that if we can find a system whereby we can have some reliance as to the effectiveness of inspection and control, it is to our national advantage, and surely to the advantage of the world, for us to try to perfect such a system and reach an agreement upon it.

I realize also that there is no absolute guarantee of any perfect control system. There is no absolute guarantee that a pilot who is flying a plane with a bomb load will not go berserk and drop his bombs. Mental illness and emotional instability are characteristic of our times. Men who are in the very sensitive, highly important service of the defense of our country are under terrific strain. It is entirely probable—at least, it is a remote possibility—that someone might go off the beam, and there could be a first class war by sheer accident. There are such possibilities.

When I hear people say that we must be absolutely and positively certain that a control system is foolproof, then I ask them, What is foolproof about the continuation of the nuclear race? What proof is there that we will not lose it? At present we seem to have proof that we are ahead. There is an old adage, both in politics and poker: "When you are ahead, it is time to quit." That saying may even apply to war; it may apply to defense.

Mr. CARROLL. Mr. President, will the Senator yield, so that I may finish my colloquy with the Senator from New Mexico?

Mr. HUMPHREY. I yield.

Mr. CARROLL. The junior Senator of Colorado did not misunderstand. He knew we were having small weapons. But I wanted to reemphasize the importance of change in military weaponry, and the fact that, so far as the question of fission is concerned, there is greater danger from fallout and radiation, from small nuclear weapons, and I think this is reflected by records everywhere; but this Nation and other nations will continue to move ahead in this field.

Now may I ask the distinguished Senator from New Mexico, based upon his experience on the Joint Committee—and this is a question I have asked of numerous officials high in Government—is there the slightest doubt in the mind of any leader the Senator from New Mexico has heard express himself that if we become involved in world war III, we will not use small nuclear weapons?

Mr. ANDERSON. I do not have any doubt that they will be used. When I use the word "dirtier," I am talking about local areas, because the other time when we got into a discussion about dirty bombs, it was said it was the world fallout which mattered most, and that is probably correct.

What we must worry about with respect to small weapons is strontium 90, and possibly, in the large weapon, carbon 19, which is relatively greater in a large fission weapon than in a small fission one. But I am not quite so much worried about that. We get into a large range of possibilities. So far as I am concerned, I simply would not care to have even a small nuclear weapon in my backyard.

Mr. CARROLL. In all countries which have become familiar with this discovery, there is a change in military weaponry. This is evidenced by the Navy cutting down and other groups cutting down the large, traditional, conventional type weapons, and placing greater emphasis on small nuclear weapons.

I think the distinguished Senator from Minnesota has made a valuable contribution here today by calling attention to these dangers and insisting upon working out, if possible, some sort of control, at least, to bring some semblance of common sense into this very dangerous field.

Mr. HUMPHREY. I thank the Senator from Colorado.

Mr. ANDERSON. Some time I hope the Senator from Minnesota will comment further on the possibilities of agreement. In the beginning of our negotiations at Geneva there seemed to be a possibility of agreement. There were announcements of agreement on this section, on that section, or on another section. But, all of sudden, there came from the representatives of this country an announcement that some of the figures our representatives had used could not be trusted, and that announcement blew up the entire conference.

There was general satisfaction with the figures our representatives had in regard to the 180 monitoring stations; but suddenly there was a drive to bring in a new set of figures, figures which upset the proceedings.

So I hope the Senator from Minnesota will carefully watch, to make sure that no new set of figures is brought in now, as our representatives strive so hard to reach at least a partial agreement.

Mr. HUMPHREY. I wish to thank the Senator from New Mexico for his very helpful comments and observations.

First of all, we recognize that there is constant need for improvement of the inspection and control machinery. That is one of the points which was under consideration at the time when the conference at Geneva took a recess until June 8.

As the Senator from New Mexico has pointed out, the conference at Geneva started out fairly well, when dealing with the broader problems which were easier of solution. But when the question of detection systems and on-site inspection systems arose, the Soviets said, "No."

In regard to the question of who would have authority in those fields, the Soviets demanded the right of veto, just as the Soviets have demanded in connection with the United Nations proceedings. At that time the representatives of our Nation said that our Nation would not agree to such a veto, but that our Nation insisted on inspection on the site and on the internationalization of the control posts and, recently, that consideration be given to improvements in the detection of underground tests.

I wish to make it clear that there are serious problems in regard to detection and inspection of underground tests; there is no doubt at all of that. That is one reason why some of our colleagues have advocated the cessation of atmospheric tests. From a human point of view, the cessation of atmospheric tests will be very good. From a technical point of view, much testing for nuclear weapons development can be done underground. Therefore, the Secretary of State and the President have encouraged our representatives to negotiate with the Soviet Union—on the basis of new information we have received from the Hardtack series of tests and the Argus series of tests—for improvement of the system.

In fact, my proposal was that there be allowed a year's time in which to attempt in unison to improve the system; in other words, that there be an experimental period before the agreement in fact would really go into complete effect. In short, I proposed that there be a period for inspection itself, in order to test the mechanism of inspection. I am advocating, first, that we keep in proper focus the dangers involved in doing nothing; that we keep in proper focus some of the arguments being used against a successful agreement at Geneva—one of those arguments being that we need to have more testing in regard to tactical nuclear weapons, inasmuch as it is argued that, by means of tactical nuclear weapons, perhaps there could be a limited tactical war.

In answer to that argument, I ask with whom we would have a small atomic war. Apparently there are only two major powers with whom our country might engage in such a limited war in which tactical nuclear weapons would be used. One of them is Communist China; the other is the Soviet Union. I want our defense experts who argue the necessity for additional testing of tactical nuclear weapons to demonstrate that in a war with the Soviet Union, the Soviets would accommodate us by keeping that war limited. I should like to have those experts prove that the Chinese Reds would also be willing to accommodate us—on the basis of the recommendations of our Bureau of the Budget or on some other basis—to keep such a war limited in that way.

I wonder what basis anyone has for believing that if we have tactical weapons of a smaller size, the Soviet Union will not have them, also. To the contrary, I think there is no proof that in that event the Soviets would be without them. I do not think it could be demonstrated that they would then be without them.

Finally, if we are now ahead—and expert witnesses have so testified—and if we are superior in the field of tactical nulear weapons, both in terms of quantity and in terms of quality, and if we have a larger stockpile of them, and if our technology is more advanced, is this not the time for us to obtain an agreement to slow down those developments throughout the rest of the world?

Is this not the time to make a greater effort to obtain some kind of workable, enforceable inspection system which will protect our national interests?

In that connection, let me state that all of us recognize that such a system should be worldwide. One hundred and eighty stations were recommended. The number of those stations is not the only thing which is important; of importance also is the instrumentation at the stations, in other words, the type of instruments at the stations. Particularly is that important in terms of the underground tests.

I have advanced five principles. The first is for the establishment of appropriately instrumented control posts—and the word "appropriately" means adequate to the needs—at specified intervals throughout the territories of the nuclear powers, and to have those territories include the test areas of the nuclear powers, and to include provision for improvement of the system. That is my first principle. It is very, very important, and it includes provision for improvement of the system.

Another of the provisions which must be included in such an agreement is one for a time schedule in regard to having the agreement and the control system extend to other nations and areas, in addition to the territories and the test areas of the three nuclear powers. In other words, Mr. President, we know that 180 control posts could not be established in 1 year or in 6 months. We also know that the existing inspection system which we have is fairly good; in fact, it has been testified that it is very good. And we know that that inspection system is in operation.

But we also should include in the agreement a provision that if, within, let us say, 2 years or 3 years, the 180 stations are not spread throughout the world, as was indicated at the experts conference in Geneva a year ago this summer, then the agreement will be off. In other words, the provisions relating to the extension of the system and the inclusion of more nations must be fundamental parts of the agreement. I happen to believe that the system needs to be worldwide, but I also believe that the only nations which can negotiate nuclear test suspensions are the nations which are the nuclear powers; and today those nations are the United States, Great Britain, and the Soviet Union. It is imperative that those three nations first agree in regard to the system which will be used. It is imperative that those three nations agree to improve the control system. It is imperative that those three nations agree to extend the control system; and if the extension is not accomplished within the date established by the agreement, or unless there is mutual agreement to extend the date for the expansion and extension of the control system, then the agreement will be off—exactly as the agreement would be off if any nation violated it.

The only provision of that sort already included in the proposed agreement is one to the effect that if a nation violates it, the agreement will be off.

I really believe that this point is worth pursuing. I have been of the opinion—and I must say this, although I do so with great reluctance—that somewhere, somehow, in the Capital of our great Nation, from some source or sources, there is a flow of material and information—which I believe to be misinformation—in an attempt to indicate to the American people that such an agreement to prohibit further nuclear weapons testing cannot be consummated; and that even if such an agreement were consummated, it would jeopardize our security.

Mr. President, I submit that, to date, there is no evidence to indicate that such an agreement would not be in our national interest. On the other hand, there is a preponderance of evidence which indicates that an agreement to suspend nuclear testing would be in our national interest and would be a mighty blow for peace and a beginning of a solution of the problem of nuclear arms

control. The world longs for it. There is as yet no one who can prove that in an uncontrolled arms race humanity would have any assurance of peace and tranquillity.

Mr. CHURCH, Mr. GORE, Mr. CARROLL, and other Senators addressed the Chair.

The PRESIDING OFFICER (Mr. CANNON in the chair). Does the Senator from Minnesota yield; and, if so, to whom?

Mr. HUMPHREY. Mr. President, I yield first to the Senator from Idaho [Mr. CHURCH]—who, by the way, has made a most important contribution in this field. I am sure that he and the Senator from Tennessee and other Senators know that what we are doing today is done in an effort to stimulate thoughtful consideration of one of the most serious and thought-provoking problems of our time.

Mr. CHURCH. I thank the Senator, and I appreciate the opportunity to participate in this colloquy.

I concur with the statement made earlier in the afternoon by the distinguished Senator from Tennessee [Mr. GORE] that the Senator from Minnesota has rendered a most important service to the country in opening up for debate the subject that he has examined this afternoon. As the Senator from Minnesota knows, I have a great interest in this field, and I find myself somewhat drawn between the position he has taken and that espoused by the Senator from Tennessee.

I wonder if he would indulge me if I were to ask him one or two questions. I concur wholeheartedly that an agreement with the Soviet Union and with the United Kingdom suspending further nuclear weapons tests, backed up by an effective and enforcible detection system, is not only sorely needed by these three countries, but is needed by all humanity.

I am very much encouraged that from the time the President made his proposal in April, that we first seek a ban on atmospheric testing, that such significant concessions have been made by the Soviet Union, bringing us closer together than we have yet been since the conference began. Thus the hopes for an agreement are rising.

As the Senator has pointed out, an effective inspection system needs ultimately to embrace the entire world. I think there can be no debate on this point. It is also true that, so long as the United States, the United Kingdom, and the Soviet Union remained the only three countries having access to nuclear weapons then an inspection system limited to these three countries might suffice.

Now, I take it that it is a part of the argument of the distinguished Senator from Minnesota that if these three countries come to an agreement and establish a system to enforce such an agreement, there thus will be created a harness in being.

Mr. HUMPHREY. That is correct.

Mr. CHURCH. And thus, if France develops an atomic capacity, or if Red China develops an atomic capacity, then the inducements will be very powerful indeed to bring these countries within that existing harness, and thus subject them to the suspension agreement and to the inspection system.

Mr. HUMPHREY. Otherwise, I may say, the agreement would have to be off. That would have to be a part of the agreement.

Mr. CHURCH. It would be a part of the agreement that unless these countries were brought into that harness, then the United States would no longer be committed to the agreement or subject to it.

That being so, there still remains a very serious point raised earlier by the distinguished Senator from Tennessee. Let us assume that the United States, the Soviet Union, and the United Kingdom entered into an agreement to establish such a system. If that system were not worldwide in such a way as to give us surveillance as to what was going on inside Red China, is there not a possibility that the Soviet Union, in close alliance with Red China, could undertake a series of subterranean tests, in the remoteness of the Himalayas, from which the Soviet Union could covertly profit, and which would never come to the attention of the United States or the United Kingdom because of the insufficiency of the inspection system?

Mr. HUMPHREY. Yes. I wish to say to the Senator that some 3 years ago, the then junior Senator from Minnesota raised, in Room F–39, right here in the Senate Wing of the Capitol, with the late Secretary of State, Mr. Dulles, the very serious matter of even negotiating a disarmament agreement without the inclusion of Red China. The response at that time was vague and general. He said it was better not to discuss the matter.

Let me add that the proposal of 180 test stations, which is actually the figure which was agreed upon by the scientists, is the number of test stations which would be included in a final agreement.

The first point of the 5 basic features of a control system was that there must be an agreement among the 3 major powers—I like the term the Senator from Idaho used when he said that the 3 powers would be harnessed in the agreement—and that there would be a climate of worldwide political pressure or orientation for expansion of the agreement.

Then my point No. 4 of the 5 basic features—which are not only mine, but which had been talked about at Geneva—was that a time schedule must be included in the agreement whereby the agreement and the control system shall extend to other nations and areas in addition to the territories and the test areas of the 3 nuclear powers, and that the agreement must include the provision for 180 control posts. I think the Senator from Tennessee agreed that a rather substantial number of those stations would be in China. I think 30 or 40 of them would be in the Asian area.

Mr. GORE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. GORE. As I recall, the number proposed was 37 on the continent of Asia, with approximately the same number contemplated for China as for Russia.

Mr. HUMPHREY. That is correct.

My point is, that in the negotiations at Geneva between the three negotiating powers, there cannot be negotiations as to what Red China and other nations are going to do because the three nations have no sovereign power over those countries. But we can include in the agreement between ourselves that 1½ years from now, or 2 years, or 3 years, other nations, as provided in the text of the conclusions reached in the conference in August 1958, shall be included, and it shall be the duty of the Administrator and the Control Commission, which will be an international instrumentality agreed to by the three major powers, to bring the other nations in. Or, if not, that the agreement is off. Or that it is subject, as has been indicated by the discussions so far, to a revision of time as to when they can be brought in.

Mr. CHURCH. I should like to ask the distinguished Senator one further question. What would be his view with respect to the possibility of conditioning the agreement that puts an end to all kinds of further nuclear tests—in space, in the atmosphere, and underground—upon the successful negotiation by the International Commission of the agreements necessary to put into effect the 180 stations that the experts have said are essential to a system of effective control?

Mr. HUMPHREY. I think this goes without argument. I understand the Senator's position.

What I say is that we should not start out by saying there will be no agreement among the 3 major powers until all the 180 stations are in. A time limit has to be set because the 180 stations cannot possibly be installed at once. A period of time has to be set for the establishment of the worldwide network, a subject which has been discussed by the experts themselves.

We cannot expect that to be done by the United States and the Soviet Union. It has to be done by an international instrumentality which will take upon itself the responsibility for inclusion therein of the control system. If such a control system is not extended, in terms of coverage or numbers, one of two things will happen.

Either the 3 major powers who are the original parties of the International Control Commission will extend the time for bringing in other nations, or the agreement will lose its meaning.

Mr. CHURCH. When I asked the Senator whether the agreement would be conditioned upon the establishment of the entire worldwide system within a given period, what I meant to say, and what I should like now to say more precisely, was: Could the effectiveness of the agreement as to the termination of all kinds of tests be conditioned upon the successful negotiation by the International Commission of agreements which would establish the necessary sites for the worldwide system?

Mr. HUMPHREY. I understand the Senator's point, which is well taken.

The point is that if we do not have a worldwide system we can never be sure with regard to underground testing in particular. Without a worldwide system we could be fairly sure with regard to atmospheric tests. Therefore, in order to make sure of a comprehensive and complete banning of all tests—underwater, high altitude, underground, and atmospheric—we must have the 180 control posts with modern instrumentation and with provision for improvement in technology.

I agree. I think the Senator is correct. I did not feel there was any basic disagreement between the Senator from Tennessee and me on this point before. What I said in that additional point was that the agreement must include within it not merely provision for the extension of the worldwide system but also a time and a date certain when that system shall be in effect and shall be operative.

Mr. CHURCH. I appreciate these remarks by the distinguished Senator from Minnesota, because it seems to me there is no necessary irreconcilable conflict of viewpoint between the Senator from Minnesota and the Senator from Tennessee.

Mr. HUMPHREY. There surely has not been.

Mr. CHURCH. And it would be possible, giving full credence to the danger the Senator from Tennessee points out, for us to proceed at Geneva to negotiate an agreement which would obviate that danger. That agreement might take the form of an immediate ban on atmospheric tests, backed up with an inspection and control system, together with on-site inspections within the countries negotiating the agreement—namely, the United States, the United Kingdom, and the Soviet Union—to take effect immediately, plus a provision which would condition the effectiveness of a suspension of underground tests upon the establishment of a worldwide system within a designated period of time.

Mr. HUMPHREY. The Senator makes a very valuable contribution.

I will add that in my letter to the Secretary of State, Mr. Herter, approximately 2½ weeks ago, I suggested that there be a period of time in order more carefully to ascertain the effectiveness of the inspection and control system, and that we have a test period for improving it and testing it. I really believe this is another variation.

My point, basically, is not to argue that this must be done my way on such-and-such a day. My point is that we must keep these negotiations alive. We must look to the day of developing an inspection and control system for comprehensive coverage. In the meantime, we must improve the mechanism we have, scientifically as well as politically. We can start, as both the Senator from Tennessee and the Senator from Idaho have recommended, with some variation, with an effort on our part—though I would prefer it to be multilateral and to be an effort by all parties—with regard to atmospheric tests. We should not give up the opportunity to stop the race above ground, underground, under water, in the atmosphere, at high altitudes, and every place else.

My point, made to the distinguished Senator from Tennessee earlier, is that, under the present diplomatic situation, we cannot negotiate for a treaty with Red China as a sovereign nation; but we can have an international instrumentality—such as the Control Commission, which is to be agreed upon among the three sovereign powers of the United States of America, the U.S.S.R., and the United Kingdom—negotiate on its own for the expansion of the control system. We ought to set a certain date for that to be done in the agreement to be signed by the three nuclear powers, whenever that is possible.

Mr. GORE. Mr. President, will the Senator yield to me?

Mr. HUMPHREY. I am happy to yield.

Mr. GORE. In regard to that point I should like to read a statement of the late Secretary of State, the Honorable John Foster Dulles, as reported on June 10, 1958.

> I think that, as far as I can see from the initial reports to me of our experts, that an adequate system to supervise a suspension of testing agreement would have to cover the possibility of testing being conducted by the Soviet Union within Communist China.

Mr. HUMPHREY. Surely.

Mr. GORE. So we find that the late Secretary of State was also keenly aware of the possibility of tests being covertly conducted, as the junior Senator from Idaho has described, within Red China.

Mr. HUMPHREY. I will add at this point, I am sure the Soviet Union is also suspicious that we will be covertly conducting tests somewhere in the Sahara or some other place. Therefore, it is all the more important that we have a worldwide detection system.

Mr. GORE. I must express disagreement with that statement. I doubt if even the leaders of the Soviet Union believe a democracy has the facility, even if it has the desire, to operate covertly, equal to that available to the totalitarian state, with its secrecy, its Iron Curtain, and its regimentation, such as are inherent in the Soviet system.

Mr. HUMPHREY. I agree with the first part of the Senator's statement, but the qualification the Senator attached with regard to "equal" with the totalitarian state is another thing.

If the Senator presumes to state the Soviets think we are paragons of virtue, I am sure he does not mean to so state. They distrust us. They dislike us. They try to confound us in every way.

What I say is that the Senator makes a point with reference to Red China which has been made, and with which I agree.

I raised this point with the Government at the time it was a delicate subject. Any Member of the Senate who even asked a question about Red China got about three hues of pink on him before he could look around.

We have to face up to the fact that this is the situation, and the question must be dealt with. Some 3 years ago the response of the Government witness was, "Let us not talk about this now. Let us hope, somehow or other, that we do not have to."

Mr. GORE. Mr. President, will the Senator yield further?

Mr. HUMPHREY. Yes.

Mr. GORE. With further reference to the degree of confidence or distrust Red Russia may entertain with respect to the United States, I should like to point out that the United States has a record of treaty observation which the Russians have not emulated and which the Russians cannot cite as typical of their own record.

If the United States enters into an agreement and a solemn treaty, I am sure the United States will keep it.

Mr. HUMPHREY. Of course, the United States would keep it. But the Soviets do not necessarily believe this.

Mr. GORE. I am not sure I would agree with that. I think all nations believe that the United States would keep a treaty.

Mr. HUMPHREY. The Senator and I both know that the United States of America has kept its treaty commitments, but I do not happen to believe that the liars in the Kremlin and those who have been able to distort every rule of evidence and every bit of truth the world has ever known are going to believe that we are nice people, even though we are. In international politics it is not always truth that prevails. That is particularly so in the case of the Soviet Union.

We have every right to be suspicious of the covert activities of the Soviets in Red China. If we Americans do not understand that the Soviets are suspicious of us, there is something wrong. I think we should act like grownup men and face up to the fact that they do not trust us. I hope we do not trust them; and because we do not trust them, we want a system of inspection.

Mr. GORE. Mr. President, will the Senator further yield?

Mr. HUMPHREY. I yield.

Mr. GORE. I should like to ask one further question, and then I shall desist.

In connection with the Senator's third point, the third basic feature of any agreement, he states:

> The right of the Control Commission to conduct an unimpeded on-site inspection of any event which the control system cannot identify as being natural in origin.

Mr. HUMPHREY. Yes.

Mr. GORE. With that I agree. I only wish to point out that the so-called Macmillan plan does not meet the test of the third point the able Senator has set forth.

Mr. HUMPHREY. The Macmillan plan meets the test up to a certain number of on-site inspections, but a ceiling would be placed on the number of on-site inspections. We do not know how high the ceiling would be. It would certainly need to be related to the scientific capabilities of the detection system.

We would be a great deal better off if the executive branch of the Government would occasionally confide in us and in the American people. There is a report known as the Berkner report, which is the result of a scientific study which

was made, relating to improvements in the seismic aspects of the inspection and detection system, following the Hardtack series of tests.

That report has been classified. It has been made available to a few of us. We must keep it under lock and key, in the vault. We are not supposed to talk about it in the Senate, among our colleagues. Yet that report is required reading if we are intelligently to discuss the possibilities of an adequate inspection and detection systems. It is a disservice to the negotiations, on the one hand, to permit certain individuals to frighten the American people into believing that their security is jeopardized because someone is talking about an agreement to suspend nuclear tests, by saying that we cannot really test to see whether or not the Soviets are cheating on the tests, when there is available a report prepared by highly qualified scientists and technicians, appointed by the President or by the President's agent, Dr. Killian, which will give us accurate and new information relating to detection and inspection.

I hope the executive branch of the Government has representatives in these environs. If so, I hope they will respond to the request to make the Berkner report public. It is time this kind of information was made available to those who convey news to the American people—to our press reporters, our columnists, Members of Congress, and others who convey information to the American public at large.

The terms of the report have not been made available to Members of the Senate or the House of Representatives, or to the American people. I appeal to the President to make available as quickly as possible the report to which I have referred, because it will give us additional information, which is required for intelligent discussion of this highly important issue.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CARROLL. I have a very important question to put to the Senator, in view of his mentioning the Berkner report.

I commend the distinguished Senator for talking about a workable control system. Many questions have been raised in the minds of some of us about the validity and efficiency of such a system. We must take a look at the alternative. What if we continue to do nothing? Other nations are building these devices, and they will continue to build them. That is why I wish to go on record today before the distinguished Senator leaves the floor. In the years to come—in the next 1, 2, 3, 4, or 5 years—we shall see the construction of these weapons spreading all over the world—if not big bombs, small nuclear weapons. The question is, "What do we propose to do about it?" If we do nothing about it, as surely as I stand on this floor—and I have been in two wars, and have seen the development of new firepower—no nation in the world will reject the development of new firepower in world war III. It will start with a small bomb, a small nuclear weapon, and will grow step by step, until we are thrown into a terrible world war III, a nuclear war. All the military authorities of this Nation know this. The Soviets know it, too.

I desire to propound a question relating to the Berkner report. When we talk about control, do we mean only control of big bombs? Do we have an inspection system with respect to the control of small bombs? Why is it that the Berkner report can be given to the delegates of other countries, but not to the members of the Congress of the United States, who are representatives of the people? How are the people to obtain this information?

Does the Senator have information to the effect that the Berkner report might be helpful in ascertaining whether there should be a comprehensive, efficient control system giving us information with respect to small underground explosions as well as large explosions?

Mr. HUMPHREY. When the Berkner report is released—and I hope it will be; that is what the appeal is here today—it will be seen that it contains information which is both refreshing, on the one hand, and disturbing on the other. One of the purposes of this discussion is to get these issues out into the open. If an agreement is ever signed at Geneva, it must come back to the Senate. The questions which the Senator from Tennessee [Mr. GORE] asks, and the observations he makes, are pertinent, relevant, and important. We should discuss them now, ahead of time, so that our negotiators will know what is in the minds of Members of the Senate.

I am not at liberty at this stage to discuss the Berkner report. As chairman of the subcommittee, I have had an opportunity to examine it.

Mr. CARROLL. Is it a report by scientists?

Mr. HUMPHREY. It certainly is.

Mr. CARROLL. Does it have to do with the possibility of an inspection system?

Mr. HUMPHREY. Indeed it does.

It contains many proposals and suggestions relating to improvement of inspection systems. It also contains other proposals. It contains materials which are rather disturbing, in terms of some of the problems we shall encounter in connection with an inspection system.

Mr. CARROLL. I commend the distinguished Senator from Minnesota, the distinguished Senator from Tennessee [Mr. GORE], and the distinguished Senator from Idaho [Mr. CHURCH], who have participated in this discussion. This is what we need more of in this country, instead of drifting aimlessly. We must let the people know the real dangers of atomic warfare. They are not small. They are great.

The crisis confronting us in West Berlin today is not a small crisis. If we intend to give up, to appease, and to back off, our stand must be made known, and our people must know what we propose to do. That is why I congratulate the Senator from Minnesota for stimulating thinking along these lines.

Mr. HUMPHREY. I think it is unlikely that the subject matter of nuclear testing will be settled at Geneva. It will be brought into the so-called summit conference. That is what I believe the Soviets prefer to do. I am pleased that our Government has taken the view that all the technical aspects, all of what we might call the work-table aspects, the detailed aspects, must be hammered out among the negotiators at Geneva.

I am convinced that the Soviets want to take the whole subject of nuclear test prohibition to the summit conference. That is one thing they want to do. Therefore it is imperative, before it gets into the hands of the heads of state at a summit conference, where the observations of Members of Congress, may I point out, are surely limited at best, that we discuss it here. There is no Member of the Senate who knows the atomic energy field better than the two Senators who were discussing it today, the Senator from New Mexico [Mr. ANDERSON] and the Senator from Tennessee [Mr. GORE]. There is no Member of Congress who has made a finer contribution to an intelligent discussion of the problems at Geneva than the Senator from Idaho [Mr. CHURCH]. It is my privilege to be the chairman of the Subcommittee on Disarmament. I am not an expert. However, I believe that we ought to get these matters into the open, and I believe we should discuss them. I would rather argue in public these great national policies, and make my share of mistakes in the arguments, than to see them negotiated in secret, without the information being made available to Members of Congress, on the basis of reports such as the Berkner report, and subsequently find out that the negotiators had agreed to something which, later on, the Senate either accepted on the basis of blind acceptance, or rejected because of fear or misunderstanding. We are going to have understanding on this issue. This debate is all to the good.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield the floor. The Senator may conclude the debate, if he wishes.

Mr. CARROLL. I should like to make one short observation, Mr. President. I should like again to commend the distinguished Senator from Minnesota and all his colleagues who are experts in this field. The questions involved are tremendously important to the American people. I say to the Senator from Minnesota that, so far as the future is concerned, he need have no qualms about having overreached himself. This is a matter for discussion and debate. I frankly have many qualms as to whether we can have an efficient control system. I do not know how we are going to control smaller weapons.

Science may solve it for us. A year and a half ago, when I discussed the subject with the Senator from Minnesota, we were talking about reconnaissance satellites. The time seemed far away when we could ever have in orbit a satellite, containing cameras taking photographs of countries. At that time we did not know how reentry could be made.

Only 2 or 3 days ago Able and Baker reentered in a cone. And a few days ago I read of further progress with a camera-satellite.

Science will make great advances in this field. The Berkner report shows the scientific advance which has been made in seismological instruments, as I believe they are called. The importance of a debate such as this is that we discuss the subject, and become aware of it, and do not agree with any attitude or mentality or military jingoism, which holds that the only way out is war. As surely as I am standing in the Senate today, if we ever get to the point of dropping small nuclear weapons, the big ones will follow. That is the whole history of military warfare whenever a new system of firepower has been developed. This is the way we have developed in the field of atomic energy and nuclear warfare.

That is why I again commend the Senator from Minnesota and his colleagues who have made this contribution.

Mr. PROXMIRE. Mr. President——

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Georgia.

AGRICULTURAL APPROPRIATIONS

Mr. RUSSELL. Mr. President, my attention has just been called to some remarks which were made yesterday by the senior Senator from Delaware [Mr. WILLIAMS] after I had left the floor and after the passage of the agricultural appropriation bill for fiscal year 1960.

The Senator from Delaware in his speech challenged anyone to take exception to some very erroneous figures. I do not know whether any members of the subcommittee were on the floor at the time. If they were, I imagine they were so staggered by the failure of the Senator from Delaware to comprehend the nature of the bill that they did not desire to undertake any controversy with him.

The Senator fell into the most grievous error. He said—and I am reading from page 9670 of the RECORD:

> Mr. President, the appropriation bill which has just been passed calls for the expenditure next year of $220 million over and above the amount which the administration requested in its budget estimate.

That statement was repeated two or three times during the course of the Senator's statement. The Senator goes on to refer to some increases which were made in the authorization for expenditures for which appropriations will be made in the appropriation bill for fiscal 1961. He thus has pyramided the expenditures which will be made in fiscal 1960 on top of the expenditures which will be made in fiscal 1961.

He repeated that statement several times. I read from page 9670:

> That leaves an increase of $220 million which this bill, just passed by the Congress, will call for in expenditures in the next year over and above the administration request.

The statement is completely in error. Even conceding that all of the $100 million which he also discussed, and which was reduced from the amount ultimately needed to restore the capital impairment of the Commodity Credit Corporation, would be necessary, the bill is $5½ million below the budget estimates. I admit that that is a very small amount for such a large bill, but the facts in the case are that appropriated funds for expenditures in the next fiscal year under the bill as passed, even conceding the validity of the Senator's statement as to the $100 million, is $5½ million below the budget estimates submitted by the President to Congress.

I do not understand how the Senator could possibly have mistaken an authorization of a program, for which appropriations will be made next year, for an expenditure item. The money may have to be expended, but if it is it will be in the next fiscal year. It cannot be expended unless the appropriation is made for it in the appropriation bill for the Department of Agriculture for the fiscal year 1961.

I make that statement, Mr. President, merely for the purpose of attempting to correct the RECORD. I am sure the distinguished Senator from Delaware, when he looks into it, will admit that so far as the expenditure total referred to is concerned his statement was completely in error.

Mr. KEATING. Mr. President, it strikes me that the Senator from Delaware, who appeared to have made a very convincing case, should be privileged to be present, so that we could have these two stalwart Senators discuss the matter, which is of such importance to both of them and to the Senate. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. JORDAN in the chair). Does the Senator from Wisconsin yield to the Senator from New York for that purpose?

Mr. KEATING. I understand the Senator from Delaware is on his way to the Chamber and will be here shortly.

Mr. MANSFIELD. May I ask the Senator from Georgia a question?

Mr. PROXMIRE. I yield to the Senator from Montana for the purpose of his asking a question of the Senator from Georgia.

Mr. MANSFIELD. Did I understand the distinguished senior Senator from Georgia, the chairman of the Senate Subcommittee on Appropriations for the Department of Agriculture, to say that the bill as passed by the Senate yesterday is approximately $5½ million below the requests submitted by the President of the United States?

Mr. RUSSELL. It is $105½ million below, but there is a question as to $100 million of it. It will be necessary to make an appropriation of $100 million at a later time, to restore the capital impairment of the Commodity Credit Corporation. I believe that we will have to appropriate it. However, adding up the appropriations made for expenditure in the next fiscal year, the bill is $5½ million below the President's budget.

Mr. MANSFIELD. At the very least?

Mr. RUSSELL. Yes.

Mr. MANSFIELD. I thank the Senator.

Mr. PROXMIRE. Mr. President, I yield 3 minutes to the Senator from Texas.

NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

Mr. YARBOROUGH. Mr. President, as a member of the Committee on Interstate and Foreign Commerce, I was rather amazed to read in the New York Times this morning a report of the press conference yesterday quoting President Eisenhower on the question of the nomination of Lewis Strauss to be Secretary of Commerce. The President was quoted in the Times article as follows:

> I have seen no criticism whatsoever of his work in the last 8 months, when he has been doing, filling the post. And, therefore, I see no reason whatsoever that he can't do it efficiently, no matter how long he stays there.

When the Chief Executive says that he has seen no criticism whatsoever of Mr. Strauss' work as Secretary of Commerce in the past 8 months, the natural question which comes to my mind is: Who has been misleading the President during the past 8 months? Are items derogatory of his appointments not brought to his attention? What are his advisers doing? Are they keeping the President misinformed?

In the hearings before the Committee on Interstate and Foreign Commerce on his nomination, Mr. Strauss reluctantly admitted that he had chosen Mr. Armand Erpf, a large railroad stockholder, to head a study of national transportation policy. Once the press had revealed Mr. Erpf's background of the ownership of railroad shares, his partnership in a large investment banking house, which is one of the principal holders of railroad shares in this country, it being one of the top 30 shareholders in 17 out of 29 of the largest railroads in the United States, there was shown beyond a peradventure of a doubt a conflict of interest unparalleled, without question, in the history of this Government, and so serious as to make impartial recommendations almost an impossibility. There then began a fumbling series of denials and evasions by the Department of Commerce which resulted in the withdrawal of Mr. Erpf from the assignment.

Speeches made on the floor of the Senate, and published in all of the Nation's newspapers, attacked this very worst kind of conflict of interest. It was the loud public outcry of the press and of the elected representatives of the people which forced this retreat by the designee of Mr. Strauss.

In the light of the debate in Congress and the reports in the press of the United States, it seems more than passing strange that the President has said he has heard no criticism whatsoever of the nomination of Mr. Strauss during the past 8 months.

The hearings before the Committee on Interstate and Foreign Commerce also brought to a head the question of

the veto by Mr. Strauss of an export of steel pipe. In answering a critical newspaper article, Mr. Strauss stated that "There was absolutely no difference between the State Department and the Department of Commerce on this"—the export license. We have positive proof that Mr. Strauss acted in the very opposite way from the State Department's recommendation.

Mr. President, I am not attempting to express an opinion concerning the merits of a controversy between the Secretary of Commerce and the Department of State on the export of steel pipe, because the nominee is so sensitive to press attacks that he will misrepresent the facts. But in the light of the controversy, it seems strange that we are told by the President that there has been absolutely no question raised during the past 8 months. So I am again forced to come back to the question: Who is misleading the President, and misleading him into loyalty to associates in preference to loyalty to the public?

I think it can be said most definitely that if the President has seen no criticism of Mr. Strauss' work as Secretary of Commerce, millions of other people have. I have. The criticism has been reported in all the newspapers of the country.

AGRICULTURAL APPROPRIATIONS

Mr. PROXMIRE. Mr. President, I yield to the Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, I was not in the Chamber a few minutes ago, but I understand the Senator from Georgia [Mr. RUSSELL] took exception to a statement I placed in the RECORD yesterday in which I said that the agricultural appropriation bill as passed by the Senate yesterday carried expenditures of $220 million over and above the budget estimates, and provided loan authorizations for the Farm Home Administration of $33 million above the budget estimate.

Mr. RUSSELL. No; that was not what I said.

Mr. WILLIAMS of Delaware. The appropriation bill does call for these appropriations over the budget estimates, and the figures to which I have referred were not in the tabulation appearing in the report submitted by the committee.

I said I would discuss the first figure, on page 12, which called for a cut in the ACP estimate next year of $150 million. I know the Senator from Georgia's reasoning is that this is not an expenditure right at the moment; it is only a commitment for next year. But I call attention to the fact that last year the administration recommended $100 million for this item. The Senate increased it to $250 million. As a result, this became a contractual arrangement. Once Congress passed the bill, there is a contractual arrangement and the payment must be made.

In the same bill there is a request for $241,500,000. This amount was incorporated as a request of the Budget Bureau. That is correct. But the Budget Bureau was forced to ask for $141,500,000 in that instance over and above what they wanted to spend as a result of the earlier action of Congress.

As a result of the action of the Senate yesterday when it rejected the amendment to cut the $250 million item back to $100 million, the Budget Bureau will have no alternative next year except to ask for an appropriation of $240 million or $250 million to pay for the contractual arrangements which must be made under that section of the bill.

I ask the Senator from Georgia if I am not correct in my understanding that yesterday was the last chance which the Senate had to vote on this item.

Mr. RUSSELL. No; I do not think the Senator is at all correct.

Mr. WILLIAMS of Delaware. When can we vote on it again?

Mr. RUSSELL. We can vote on it again when the conference report comes before the Senate. I think the Senator's statement just now is as much in error as the statement which the Senator from Delaware made yesterday.

Mr. WILLIAMS of Delaware. No; it is not anything of the kind. What was the amount in the House bill? Was it not $250 million?

Mr. RUSSELL. That is correct.

Mr. WILLIAMS of Delaware. What was the amount as passed by the Senate?

Mr. RUSSELL. The Senate can vote against the whole bill; the Senate can vote against the conference report.

Mr. WILLIAMS of Delaware. Yes; but this figure is not in conference and therefore cannot be changed. So if it cannot be changed, it will go to the White House providing for a direct payment of $150 million which was not recommended by the Bureau of the Budget.

Mr. RUSSELL. The Senator from Delaware still has not replied to my statement.

Mr. WILLIAMS of Delaware. I will reply to the rest of the statement in a moment. Will the Senator speak about the $150 million?

Mr. RUSSELL. The $150 million, the Senator says, will be expended next year.

Mr. WILLIAMS of Delaware. That is correct.

Mr. RUSSELL. I say it will not be expended in the next fiscal year.

Mr. WILLIAMS of Delaware. I said it will be expended.

Mr. RUSSELL. No; the Senator did not. I have the RECORD of what was said.

Mr. WILLIAMS of Delaware. I know what I said, too.

Mr. RUSSELL. Perhaps the Senator was misquoted by the reporter.

Mr. WILLIAMS of Delaware. Let us discuss the question without any fancy shenanigans.

Mr. RUSSELL. I am willing to stand on the RECORD as to whose figures are shenanigans in this instance.

Mr. WILLIAMS of Delaware. If the bill goes to the White House with this figure, it will be the last chance Congress will have to do anything about the matter because the administration will be under a directive to commit that expenditure, and it will be committed in the first half of next year because, as the Senator very properly said in debate yesterday, we could not offer an amendment to cut all the $241,500,000 yesterday because of other contractual relations.

The integrity of the U.S. Government is involved. It will be involved next year. And this time next year we will still be operating in fiscal 1960.

This is the last time that Congress will have an opportunity to operate on this matter so far as this particular item is concerned. There can be no doubt about that. Even the committee report says that the amount is $150 million over and above that which was recommended by the Bureau of the Budget. Also, there is no question that that item is not included in the tabulation on the first page of the committee report. If there is any difference, I will yield to permit the Senator from Georgia to take exception to my statement.

Mr. RUSSELL. I take exception to it because this is an authorization, not an appropriation. These bills have been carrying appropriations for one year and authorizations for another year. The Senator has lumped the two together for the next fiscal year. He has done it time and again. The Senator says the bill provides an expenditure next year of $220 million additional. The bill does not do any such thing.

Mr. WILLIAMS of Delaware. They are mandatory expenditures. It is the same line of reasoning in reverse from that of the Senator from Georgia. The $241,500,000 item in this bill would have only been $100 million had the Bureau of the Budget recommendation last year been carried out. But Congress overrode the Budget Bureau last year, just as the Senate did yesterday. As a result, yesterday the Senate was confronted with no alternative; all the Senate could do then was vote to pay the $241,500,000.

If this year we say we take no responsibility for exceeding the amount of the budget estimate and if we say the same thing next year, then I ask the Senator from Georgia when will the Congress take the responsibility for exceeding the amount of the budget estimate?

On this program we are now spending $150 million in excess of the recommendation by the administration. There is no argument about that.

Mr. RUSSELL. Mr. President, there certainly is a great deal of argument about it. The facts are greatly different.

Mr. WILLIAMS of Delaware. But I do not think the Senator from Georgia, in operating a business of his own, would make any such distinction. In other words, on yesterday the Senate in effect signed a note committing the Government to these payments. Following that action, next year the Senator from Georgia would be the first to rise on this floor and object to a proposal, not to make the full payment of $250 million but to allow only $100 million because in May of this year the Bureau of the Budget asked for only $100 million. In that event, the Senator from Georgia would argue next year, just as he did yesterday in regard to the $241,500,000, that it was a commitment of the Government and that the Government should not then attempt to dishonor its commitment.

I agree fully that once the Congress takes this action and once the bill is signed by the President, from that time on, the Secretary will have no authority under the law except to expend these funds as best he can under the instructions given by Congress. In other words, he will not then be at liberty to impound any of the money in this fund.

If all the money in the fund is not to be spent at one time or another, why did the Senator from Georgia include in the report a claim that the bill as reported to the Senate by the Senate Appropriations Committee represents, in connection with the item for restoration of the capital of the Commodity Credit Corporation, a reduction of $100 million in the budget item? That estimate in regard to restoration of the capital of the Commodity Credit Corporation is based upon actual losses incurred, as reported. Those losses have actually been incurred, the commodities have been sold, and the losses have been established. So there is no possibility of any recovery. Therefore, under the law the Congress is required to restore to that extent the capital of the Commodity Credit Corporation.

I fully agree that it would make no difference whether the capital of the Corporation was restored yesterday or next year or exactly when. In any event, it must be restored. Such an item does not actually constitute a saving; it does not constitute a saving of $100 million because that money has been lost. Whether the loss is recognized by us today, tomorrow, or next year is immaterial.

If that point is contested, then I ask why not remove or eliminate the entire item for $1,500 million, which is the estimated loss. In that event there would really be a saving. But the Senator from Georgia and I know that that loss has occurred; the money has been spent and is gone regardless of when we say the loss occurred. In any event we must agree that there is no basis on which the loss could be recovered.

I agree that the Corporation could operate without our making this restoration at this time, for as of the moment the Corporation has additional borrowing authority which it has not yet used. So the Corporation could continue to make these obligations so long as it continued to have unused borrowing authority and so long as it continued to have an inventory which it could use. Once that authority was exhausted and once that inventory was used up, however, the Corporation would not be able to continue to operate unless further provision were made by the Congress.

In any event, certainly we agree that there is no need for Congress to recognize that loss at this particular time. In other words, the transaction is a bookkeeping transaction only; and I believe the Senator from Georgia admitted that only yesterday.

Mr. RUSSELL. Mr. President, the Senator's statement would seem to indicate that I have been charged with something. As a matter of fact, I have previously stated that the transaction was a bookkeeping transaction.

Mr. WILLIAMS of Delaware. And that it was not a bona fide saving.

Mr. RUSSELL. I said earlier that we would have to make an allowance for it in a subsequent appropriation bill. I made no claim about a saving in the case of the $100 million.

Mr. WILLIAMS of Delaware. On the first page of the committee report, the Senator from Georgia claimed there is a saving of $105 million——

Mr. RUSSELL. Mr. President, I did not make such a claim. I said that the bill as reported to the Senate by the committee called for appropriations which were $105 million under the budget estimates. But on the front page of the report there is no statement that we claim any saving of $100 million.

Mr. WILLIAMS of Delaware. On the front page of the report there is a statement that the amount of the bill, as reported, is $105 million under the estimates for 1960.

Mr. RUSSELL. That is correct.

Mr. WILLIAMS of Delaware. Does not that include the $100 million?

Mr. RUSSELL. It does. But the report does not say that there is a saving.

Mr. WILLIAMS of Delaware. I know that.

Mr. RUSSELL. We say the recommended appropriations are under the estimates. And they are under the estimates, despite the contention of the Senator from Delaware.

Mr. WILLIAMS of Delaware. But the Senator says they are $105 million under the estimates.

Mr. RUSSELL. Yes.

Mr. WILLIAMS of Delaware. But $100 million of that item alone is not a saving. Will the Senator from Georgia admit that?

Mr. RUSSELL. No, Mr. President; I do not admit that. I stated that. The Senator from Delaware would seem to seek to give the impression that he had dug into this matter and had made some wonderful discovery. However, everyone who knows anything about the bill has known all along that if there is any impairment of the capital of the Commodity Credit Corporation, Congress at one time or another must make it good.

Mr. WILLIAMS of Delaware. That is correct.

Mr. RUSSELL. And we will make it good.

Mr. WILLIAMS of Delaware. And that is the point I made.

But in the last line of the committee report, the committee states that the bill as reported by it to the Senate is under the estimates for 1960 by $105 million. But $100 million of that represents what the Senator from Georgia now admits—well, I shall state that both of us now agree—was not a saving.

The reason I corrected the record or the story which went out over the wires of the press is this: They very properly looked at the report, which states that the bill as reported to the Senate, and as subsequently passed by the Senate, represented a saving under the 1960 estimates of the budget of $105 million plus.

Now the Senator from Georgia and I are in agreement—I will not say by means of an admission, but I will say it is by means of a statement—that at least $100 million of that amount was not a true saving and that in fact that figure should have been changed to $5 million.

Mr. RUSSELL. No, Mr. President; I do not admit that.

Mr. WILLIAMS of Delaware. I do not ask the Senator from Georgia to admit it. Will he state it?

Mr. RUSSELL. And I do not state it that way. I state that we shall have to make good whatever deficiency exists.

Mr. WILLIAMS of Delaware. That is correct.

Mr. RUSSELL. And undoubtedly it will be more next year.

Mr. WILLIAMS of Delaware. That is correct; there can be no doubt about it.

Mr. RUSSELL. Next year there will be before us an item, in the bill for 1961, for an additional amount for this purpose, but I was not referring to that. I was referring to the statement made by the Senator from Delaware—and he stated it four or five times.

Mr. WILLIAMS of Delaware. And I will state it four or five times more.

Mr. RUSSELL. And the Senator from Delaware will be in error every time he states it. He stated that the bill provides for expenditures in 1960 which are $220 million above the budget estimates. But the bill does no such thing.

Mr. WILLIAMS of Delaware. I said the bill provides for these expenditures, and I said we will be committed to them; and I still say so.

Mr. RUSSELL. Yesterday, the Senator from Delaware did not use the word "committed." He said, "That leaves an increase of $220 million which this bill, just passed by the Congress, will call for in expenditures in the next year——"

Mr. WILLIAMS of Delaware. That is right.

Mr. RUSSELL. "Over and above the administration request."

Mr. WILLIAMS of Delaware. Yes; and there is no question about it.

Mr. RUSSELL. There is no question about the fact that the statement, as made by the Senator from Delaware, is wrong.

Mr. WILLIAMS of Delaware. After all, both the Senator from Georgia and I expect to be here next year and the following year. And when the appropriation bill for the Department of Agriculture comes before the Senate next year, and when the item for the ACP is under discussion in the Senate next year, the Senator from Georgia will argue for the appropriation of $250 million to pay for what the Senate voted yesterday, and he will say that that was a commitment and that it constitutes a contractual obligation which the Senate cannot ignore. But the Senator from Georgia is ignoring the fact that when one signs a contract for the purchase of an automobile at a total price of $3,000, he really makes a $3,000 purchase at the moment he signs the contract, even though the contract calls for a deposit of only $200 on that particular day.

Of course, it might be argued that after the $200 payment was made, the $2,800 remaining would not actually have to be paid until a later time. But the fact is that the purchase in the amount of $3,000 would really have been made at the time when the contract for

purchase of the automobile for a total price of $3,000 was signed.

Mr. RUSSELL. Mr. President, the Senator from Delaware did not previously say anything about this matter in terms of the purchase of an automobile. He used the term "expenditures," and he used that term three or four times.

Mr. WILLIAMS of Delaware. And I say that again because when a contract for the purchase of an automobile for a total price of $3,000 is signed, the purchaser is committed to payments totaling $3,000, even though he does not necessarily pay all of the $3,000 on the day he signs the contract.

None of the appropriation the Senate voted on yesterday will be spent until various times in 1959 and 1960—at periods scattered through those 2 years.

But I say that yesterday was the last chance the Senate or the Congress had to vote on that item, unless the item is taken up in the conference report.

The soil bank payments—the other item to which I referred—are $75 million. That item is to be found on page 19, in line 6. But in the committee report the Senator from Georgia clearly states that that amount is $75 million over the budget estimate.

In addition, under the soil bank provisions, if the Government, under the provisions of the bill as passed by the Senate, signs contracts under this program with farmers to pay them "X" amount an acre for placing their land in the soil bank, next year those commitments will have to be met and those payments will have to be made.

If Senators wish to be very technical in regard to expenditures, I may point out that although I spoke of $75 million, the Senator from Georgia knows that approximately half of that particular item is in long-range contracts, which can run for 10 years; and, in reality, about half of those payments can be recurring payments which the Government will have to make 6, 8, or 10 years from now. I think the Senator from Georgia will have to admit that the soil bank payments are not limited to next year. They can be recurring payments, coming back year after year, for the life of the contract, for whatever period of time it is signed.

The House limited the period to 5 years. The subcommittee of which the Senator from Georgia is chairman struck out that limitation and provided that contracts could be made for 10 years, aggregating up to $450 million a year. The Budget suggested that these contracts be for only $375 million a year.

I say that once the Congress authorizes the U.S. Government to sign contracts for payments to an American farmer or an American industry, it becomes just as much an obligation of the U.S. Government as it would be if a check had been written and delivered.

Yesterday was the last chance we had to deal with the matter. It is not like authorizing construction of a dam or something that Congress can rescind the next year, or can slow down. These are contracts actually authorizing money. Altogether these contracts come to $325 million. There is an additional $75 million for the soil bank according to the statement which appears on page 9 of the committee report, where it is stated that the committee exceeded the budget estimate by $75 million.

On page 6 of that report it is stated that the budget estimate was exceeded by $150 million.

By our statements—I do not like to use the word "admission," but by statements made on the floor—we both stated that the allegation of a saving of $100 million was a false claim for savings.

Mr. RUSSELL. Nobody ever claimed it was a saving.

Mr. WILLIAMS of Delaware. I did not understand the Senator from Georgia.

Mr. RUSSELL. No one has ever claimed it was a saving.

Mr. WILLIAMS of Delaware. I beg the Senator's pardon. That is stated in the committee report. It states that is the amount below the budget estimate, and it is included right in the Senator's estimate as he submitted it to Congress.

The point I am making is that they are not savings. I say the committee has not saved that amount of money. The best evidence of that fact is, if this amount did not increase the figure above the budget estimate, why did the Senator reject the amendments to reduce the amount to the budget estimate?

The only statement I wish to make is that if we continue to save money as it is purported it has been saved in the committee report, we are going to save ourselves into bankruptcy. Perhaps that is the reason why we have such a large debt.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Georgia.

Mr. RUSSELL. After first referring to the soil bank item, the Senator from Delaware turned to another item, which I had not discussed yesterday, and wound up with a strong statement on the general dangers of a deficit. I am in hearty agreement with the Senator's last statement. While I did not approve of his amendments to the bill, I have been rather consistent in my insistence on reducing the expenditures of the Government, and for that reason I earnestly labored, in the consideration of this bill, to bring the appropriation of funds for expenditures to be made in the next fiscal year below the amount of the budget estimate that was submitted by the administration.

I think it will be conceded by any person who has any familiarity with this item, and who desires to approach it in a fair manner, that so far as appropriations for expenditures in fiscal 1960 are concerned, this bill is, according to any standard, even conceding the $100 million for the restoration of the capital impairment of the Commodity Credit Corporation still $5½ million below the budget estimates submitted by the executive branch of Government in the annual budget request for fiscal 1960.

However the budget for this item was created, whether it grew out of contracts entered into 1 year ago, 2 years ago, 3 years ago, or out of contracts sought to be entered into for performance in the future, the budget estimates were submitted pursuant to law. Incidentally, most of these items, such as the soil bank item, to which he has made reference, came from the committee of which the Senator from Delaware is a member. I am not a member of the Committee on Agriculture and Forestry. These are programs proposed by the present Secretary of Agriculture, Mr. Ezra Taft Benson, and by the President of the United States. They were presented to the Congress and urged on the Congress by the present administration.

For my part, I never had any great confidence in any part of the soil bank program. I never believed it could be effective in achieving a balanced agriculture, and I have no such belief today. But the administration asked for it, and the bill was enacted by the Congress. Under this law many contracts have been entered into and, so far as I am concerned, I shall undertake to see that adequate funds are appropriated to discharge those contracts.

I shall not undertake to correct all of the very obvious errors the Senator from Delaware made in the course of his discussion. One more illustration is reference to a $25 million error in connection with the agricultural conservation program. He stated at least four times, and I think more, that last year the administration sent to the Congress an estimate of only $100 million authorization for the agricultural conservation program. The fact of the matter is, and I have the figures before me, that last year the administration was a little more generous than it was this year, and sent to the Congress an estimate of $125 million for the program authorization for the 1959 program.

That is one of the minor errors in the Senator's statement.

Mr. WILLIAMS of Delaware. The committee granted $250 million that year, did it not?

Mr. RUSSELL. The Congress did. The Senator is correct in that figure, and I am delighted that he is.

Mr. WILLIAMS of Delaware. If the——

Mr. RUSSELL. If the Senator will indulge me——

Mr. WILLIAMS of Delaware. Very well.

Mr. RUSSELL. The Senator stated that every dollar of authorization for contracts requires the same amount of appropriations to be made the next year, to meet the obligations. The truth is there is nothing in the history of this legislation to show that is a correct statement. We came about as close to it on the ACP program this year as we ever have. There was a $250 million authorization for the 1959 program, which requires an appropriation of $241.5 million to meet the estimated commitments under it.

Last year we authorized $375 million for the soil bank, and this bill carries only $340 million to meet the program and operating costs. So the Senator's crystal ball showing that we are going to spend every last dollar authorized for these programs—even conceding that he is right when he says it will take place in the same year—is certainly one that

informed men might look at with amazement.

Last year, for the soil bank program we authorized $375 million, and appropriated $200 million, and only about $145 million of this will be needed to meet actual costs of contracts' payments and administrative expenses. About $30 million was transferred for pay and other costs, and about $20 million of the sum remaining will be carried forward to fiscal 1960. So, by any standard used to gauge it, when the Senator says the authorization requires an expenditure of $220 million above the budget for next year, that kind of a statement simply is not sustained by the facts.

Mr. WILLIAMS of Delaware. I only wish the Senator from Georgia had been as enthusiastic yesterday about this money not being spent as he is today, in which event he would have voted with me to cut the amount back to the budget request.

The Senator mentioned that the soil bank in the minds of many Members of Congress has not been a success. I agree with him and so stated yesterday. Only 2 days ago I heard one of the prominent orators on the other side of the aisle make reference to one of the Eisenhower "golf course" programs. It was interesting to note yesterday that those who think the program has been such a tremendous failure and who have talked about Benson's failure not only endorsed the program by their votes but actually added to it another $75 million and said, "The only trouble is that we are not spending enough money on this program. All the money we have been saying we have been throwing away involves an error in that we have not been throwing away enough."

Even the Senator from Georgia yesterday not only voted for the continuation of the program as recommended by the administration, but he said in effect, "I want to give you more than you think you need. Go out and spend another $75 million."

As I said yesterday, if we want to cut and balance the budget, there is only one time the Members of the U.S. Senate can do so, and that is when the vote is taken. Unfortunately, speeches on the floor of the Senate in favor of balancing the budget do not mean anything.

The only time we ever get anywhere is when we answer the call of the roll.

I say again that when the two yea-and-nay votes were taken yesterday we added $225 million over and above the President's budget estimates, and neither of those items was included in the tabulation in the committee report as it came from the Committee on Appropriations. Both those items will be conveniently dropped from the report this year. However, when the request comes in next year for the payment of those items, since they are over and above the budgetary estimates it will be said, "The administration requested it." It is the same as when the administration was forced to request the $241½ million to pay for the $100 million estimate of the preceding year.

I do not say that I did the right thing when I offered the amendments to cut these amounts yesterday. I recognize I could have been in error. I recognize that there are good arguments in favor of the programs.

On the other hand, when we vote to increase these appropriations, let us not be ashamed of it. Let us put it down and tell the taxpayers, "We are raising the amounts above the budget estimates because we think these are good programs and more money should be spent on them."

I say again that the bill carried a total of $253 million, including the $33 million loan authorization, over and above the amounts recommended by the President. However, the loan authorization should not be counted, even though that money may be expended from the Treasury as a direct expenditure because those loans will be secured by mortgages and will be repayable. I merely include them as items in the committee figures.

With regard to the other items—the $75 million for the soil bank program over the budget estimates, the $150 million for the ACP payments over the budget estimates, and the $100 million with regard to restoration of capital for the Commodity Credit Corporation, which was claimed to be a savings—they are found in the report on pages 6, 9, and 12, and are identified by the committee itself, rather than by the Senator from Delaware, as being over the budget estimates.

Mr. RUSSELL. Mr. President, if the Senator from Delaware had made the statement yesterday which he has made today, I would never have taken the floor. The statement the Senator has just made is very extravagant, but the Senator did not repeat his error of yesterday, in stating two or three times that these were provisions calling for the expenditure in the next fiscal year of these funds. I am surprised the Senator from Delaware will not admit that was an incorrect statement.

Mr. WILLIAMS of Delaware. I will admit that the provisions do not call for expenditure in entirety. I will call this a statement since the Senator will like the word better. I will say that 90 percent of the money will be required, and yesterday was the last chance we had to effect a saving.

What the Senator pointed out with regard to the soil bank appropriations is true. A year or two ago those appropriations were lowered, but we should not forget that the Congress made a major change in the soil bank law when we put a limitation on the amount which any one individual could receive. We cut out some of the million-dollar pyaments under the soil bank program by providing a $5,000 ceiling. I commend the committee for carrying that ceiling forward and for even tightening it up. That will save some money for the taxpayers.

I think the ceiling which we put in the bill yesterday by providing a $50,000 limitation will save a lot of money for the taxpayers. It will bring the payments down next year below the estimates.

I say again, so far as the soil bank payments and administration are concerned, when the Department signs a contract, whether we pay for it today or tomorrow, it must be paid for. Once we buy a car, take title, and sign the finance papers, we either pay for it or we owe for it.

Mr. RUSSELL. Mr. President, there is no question that the Congress has authorized the soil bank program. I would certainly be the last to challenge the statement that if the Government of the United States enters into a contract it will have to fulfill the contract at one time or another and by some means or another.

I do not know all the answers. I imagine before it is over, and over a period of years a large amount of money will need to be appropriated to pay for the contracts under the conservation reserve. Probably over a period of 10 years a billion dollars will have to be paid. The Senator certainly would not say that is an expenditure for next year.

Mr. WILLIAMS of Delaware. I did not say it was an expenditure for next year.

Mr. RUSSELL. That would cover a 10-year period. That would be the total cost of the program.

Mr. WILLIAMS of Delaware. However, we are committed to pay it. The payments could increase over a 10-year period. There will be no recourse whereby we can get out of the commitments unless we renege on them, and neither the Senator from Georgia nor I would agree to that.

Mr. RUSSELL. I see that the Senator's complaint is against the soil bank program. In that case the Senator's position is completely justified.

The point I wish to make, Mr. President, and which I want to state this again—is that with regard to the expenditures in the next fiscal year, even allowing the $100 million which was discussed by the distinguished minority leader, the bill calls for $5½ million under the budget estimates.

Mr. President, I ask unanimous consent to have printed in the RECORD the statement made by the House Subcommittee on Appropriations for the Agriculture Department, relating to why the subcommittee reduced the item for the restoration of the impairment of the capital stock of the Commodity Credit Corporation.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXCERPT FROM HOUSE REPORT

As discussed in considerable detail earlier in this report, the committee recommends a cut of $100 million in this item for 1960. This reduction is made to encourage the Corporation to make greater efforts to sell commodities in world markets at competitive prices. Such a sales effort will result in great savings in storage, interest, and handling, and will enable the Corporation to meet its obligations from sales proceeds rather than from appropriated funds.

Mr. RUSSELL. Mr. President, I also ask unanimous consent to have printed in the RECORD the very brief statement of the Senate committee in the report, which states our reason for following the House action.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXCERPTS FROM SENATE COMMITTEE REPORT

The committee recommends an appropriation of $1,435,424,413, which is $100 million under the budget estimate, and the amount of the House allowance.

The committee shares the views expressed in the House report that the Secretary of Agriculture and the officials of the Corporation should make greater efforts to dispose of Government-owned commodities in the world markets and to thereby reduce the cost of storage, interest, and handling charges.

Mr. RUSSELL. Mr. President, this is not extremely important, but I simply wish to keep the record straight and to show that there was a reasen for the action taken by the committee and it was not simply a juggling of the figures.

The payments must come out of the pockets of the taxpayers in the long run, whether the money is appropriated now, whether the Commodity Credit Corporation borrows the money, or whether the Treasury Department borrows it. The taxpayers will ultimately pay any cost involved. This is an obligation, as I stated on yesterday, and it will have to be met.

Mr. President, I also ask unanimous consent to have printed in the RECORD the budget estimate of this year for the funds with which to meet the soil bank authorization of $375 million of last year, as well as the record of authorizations and appropriations since the inception of the conservation reserve program.

There being no objection, the authorizations and appropriations were ordered to be printed in the RECORD, as follows:

Conservation reserve[1]—Advance authorization

Estimate:	
1956	$450,000,000
1957	450,000,000
1958	450,000,000
1959	450,000,000
Enacted:	
1956	450,000,000
1957	450,000,000
1958	325,000,000
1959	375,000,000
Estimates:	
1958	298,826,660
1958 (pay-transfer out)	−9,752,478
1959	350,000,000
1960	360,370,000
Appropriations:	
1958	$162,940,000
1958 (pay-transfer out)	−9,752,478
1959	[2]200,000,000

[1] Public Law 85-352, 2d Supp. 1958, to reimburse CCC for costs incurred for 1956-57 programs amounting to $38,845,780. Law provided $450 million each year 1956-60 programs.

[2] Less $28,668,107 pay cost transfer out in Public Law 86-30; and estimated carryover to 1960 of $20 million.

Mr. RUSSELL. Mr. President, I do this because it happens that the budget estimate was about $360 million. Even in the Department's view—which is the most roseate—they have not been able to obligate all the money provided for this program in prior years. In spite of this the Senator has insisted that the appropriation and the increased authorization all represent an expenditure in the same year.

The Senate committee recommended an appropriation of $35 million less for expenditure in fiscal 1960 than the authorization carried in last year's bill.

The figures with respect to the ACP program speak for themselves. There was an authorization last year of $250 million. The budget estimate for this year is $241.5 million. As a rule, the actual out-of-pocket expenditures run somewhat below the amount estimated as needed in the appropriations. It would be the first time in the history of the program if the actual expenditures should amount to the $241.5 million authorization which is appropriated this year for the 1959 program.

Mr. President, in order to show that these appropriations are not always expended, as the Senator stated on yesterday, I ask unanimous consent to have printed in the RECORD the estimates for the advance authorization for the agricultural conservation program commencing with the year 1951, the amounts which were actually authorized by the Congress in the appropriation bill, and the amounts which were actually appropriated year by year to meet these authorizations.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

ACP—Advance authorizations

Estimates:	
1951	$285,000,000
1952	285,000,000
1953	256,500,000
1954	140,000,000
1955	[1]250,000,000
1956	175,000,000
1957	250,000,000
1958	250,000,000
1959	125,000,000
Enacted:	
1951	285,000,000
1952	256,500,000
1953	250,000,000
1954	195,000,000
1955	[1]250,000,000
1956	250,000,000
1957	250,000,000
1958	250,000,000
1959	250,000,000
Appropriations:	
1951	$256,500,000
1952	260,000,000
1953	251,747,866
1954	211,982,000
1955	191,700,000
1956	214,500,000
1957	227,500,000
1958	212,000,000
1959	235,000,000

[1] $55,000,000 earmarked for use under diverted acres program.

Mr. RUSSELL. Mr. President, these figures indicate that although we have authorized $250 million, on occasion it has only required an appropriation of $191 million to meet the commitments made under the authorization. There has been a carryover of more than $40 million.

I certainly do not wish to be charged with responsibility for every statement made by every Senator on the floor, about golf links, or other matters irrelevant and immaterial in connection with this appropriation bill. I shall state why I shall gladly vote the full amount of the authorization for the soil bank, and $250 million for the agricultural conservation program authorization for 1960. Appropriations will be made next year for that purpose. If the full amount of the authorization is required, I shall support such an appropriation. I rather apprehend that we shall not have any $450 million program for the soil bank. I wish we could have it. But, knowing some of the dangers of legislative procedure, I say that in my judgment we shall not have that large a sum. A very substantial reduction will be made before the bill is finally enacted. But if the entire $450 million were authorized, and if the Department were able to enter into contracts—which it has never been able to do—for the full amount of the authorization, I would support an appropriation in that amount. I would do so because that is the only farm program today which actually reaches the farmer and assures him of getting some good from it. Other programs have fallen apart because of maladministration and for other reasons. Today the farmer occupies the most unenviable position of any group in the American scheme of life. I shall be glad to support the programs referred to.

I hope the Senator from Delaware will not take any exception to these statements. The administration has requested that the soil bank be extended for 3 more years. I am opposed to that proposal. In my opinion Congress does not intend to extend it. That is another reason why I think the authorization by the Senate—even though it will not finally be approved in that amount—is justified.

I merely rose to point out that the statement that expenditures for the fiscal year 1960 had been increased by $220 million was not justified by the facts.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Wisconsin yield to me?

Mr. PROXMIRE. I yield 1 minute to the Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, I do not intend to prolong this discussion. There is a difference of opinion between the Senator from Georgia and myself. The Senate has voted, and that is the end of the dispute.

There is agreement that the $100 million item should not have been included as a deduction, and that the figure in the committee report should have been $5 million instead.

As to the other two items with respect to which the Senate voted by a yea and nay vote and added $150 million to the ACP payments and $75 million to the soil bank, I can only say that next year, when the appropriation bill comes before us, we can pick up this record and continue from there. We can then see who is right and who is wrong.

MR. STRAUSS' INTEGRITY

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a letter to the editor of the Washington Post, published in the June 4, 1959, issue of that newspaper, on the editorial page, under the heading "Mr.

Strauss' Integrity." The letter is signed by Rabbi Norman Gerstenfeld, minister of the Washington Hebrew Congregation.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MR. STRAUSS' INTEGRITY

For weeks now I have been observing the debate over the confirmation of Lewis Strauss with a sense of deep frustration.

By temperament and philosophy I am strongly disinclined to involve myself, however, indirectly in any political controversy; but by conviction and sense of duty, I feel I must offer my personal witness to the integrity of Lewis Strauss in the face of the unceasing attacks on him. Your editorial recommending that Mr. Strauss withdraw can serve only to encourage these unfair attacks.

I am constrained to write you now only because I feel I must in good conscience and simple justice present the evidence based on years of association and friendship with Lewis Strauss. I do not want to be neutral while a man's most precious asset, his good name, is being callously sacrificed.

He has not asked my help and I have no idea of whether he will welcome this letter. But I think you ought to know that in a score of ways over many years Lewis Strauss has demonstrated to me and to many, many others a high sense of civic and social responsibility.

You have only to look at the record to see the variety of his civic and spiritual contributions and commitments. Believe me he has served these causes well and honorably.

It is simply inconceivable that the Senate should permit a record of attainment and character established over many years to be torn down.

Lewis Strauss will live in history as a splendid example of integrity and ability. If the Senate gives true weight to his qualifications—and indeed to the precedents it has established and followed for a hundred years—it will confirm him.

Rabbi NORMAN GERSTENFELD,
Minister,
Washington Hebrew Congregation.

Mr. JAVITS. Mr. President, I offer this letter for the RECORD because there is already in the RECORD a sermon from another spiritual leader, rather going in the other direction, against Mr. Strauss.

Normally we would not place such material in the RECORD, but it seems to me that in the light of the fact that one such statement has already been placed in the RECORD, it is in order to offer an affirmative statement, stating in the most direct terms the greatest confidence in his integrity, and that it is only fair to include it in the RECORD.

POSTAL POLICY WITH RESPECT TO PUBLIC SERVICE ITEMS

Mr. JOHNSTON of South Carolina. Mr. President, last year this Congress approved Public Law 85–426. Included in this law as title I was a statement on postal policy.

This title is very clear. Certain items are listed as public service items—the total loss of which shall be earmarked and paid for from general appropriations.

The appropriation bill passed by the Senate and House yesterday failed miserably to conform with these sections. The statements included in the Senate report and the conference report on the part of the House on public policy are in direct conflict with the law.

Regardless of these statements in committee and conference reports—Public Law 85–426 still is the law—and will remain the law until an amendment has passed this Congress and has been signed by the President.

Public service costs in third- and fourth-class post offices do apply to fourth-class mail. To say otherwise, indicates complete unfamiliarity with the public law.

NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

Mr. ENGLE. Mr. President, the National Association of Secondary-School Principals, by action of its executive committee and its officers, has advised that this organization strongly opposes the confirmation of Admiral Strauss as Secretary of Commerce.

The association is a department of the National Education Association with headquarters in Washington. They claim they represent 28,600 secondary school enrolling 8 million students, 2 million of whom are new each year.

Their principal objection to Mr. Strauss is that he refused to accept correct information after he had used incorrect and inadequate facts in an address before Thomas Alva Edison Foundation. This was while Mr. Strauss was Chairman of the Atomic Energy Commission.

Mr. President, I ask unanimous consent that the letter from the National Association of Secondary-School Principals be printed at this point in the RECORD. The officers of the association are president, Mr. Cliff Robinson, director of secondary education, Eugene Public Schools, Eugene, Oreg.; first vice president, Mr. James E. Nancarrow, principal, Upper Darby High School, Upper Darby, Pa.; and second vice president, Mr. James D. Logsdon, superintendent-principal, Thornton Township High School and Junior College, Harvey, Ill. The members of the executive committee are Mr. Eugene S. Thomas, principal, Central High School, Kalamazoo, Mich.; Mr. Calloway Taulbee, principal, Artesia High School, Artesia, N. Mex.; Mr. John M. Sexton, principal, Northeast High School, St. Petersburg, Fla.; and Mr. Samuel M. Graves, principal, Gamaliel Bradford High School, Wellesley, Mass.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL ASSOCIATION OF SECONDARY-SCHOOL PRINCIPALS,
Washington, D.C., May 12, 1959.

Hon. WARREN G. MAGNUSON,
U.S. Senate, New Senate Office Building, Washington, D.C.:

By action of the executive committee and its officers of this association, representing 28,600 secondary schools enrolling more than 8 million students with a revolving pattern of 2 million new students each year, I am authorized to convey to you for admission to the records their attitude on the selection of Rear Adm. Lewis L. Strauss as Secretary of the Department of Commerce. This representative group strongly opposes the confirmation of Rear Admiral Strauss as Secretary of the Department of Commerce.

In November 21–22, 1955, Rear Admiral Strauss, at that time Chairman of the Atomic Energy Commission, made an address at the sixth annual conference of the Thomas Alva Edison Foundation Institute in West Orange, N.J., which received the headlines of the press, including the New York Times the following day. Rear Admiral Strauss berated the quality of the teaching of science and mathematics, and based his opinions and conclusions on incorrect and inadequate facts. Any citizen is entitled to express his opinion on the quality of teaching in the American public schools. We, however, believe that when such a personal appraisal is propounded for the public press it should be based on facts that are thoroughly substantiated and established from authoritative sources. The main point of his declamation was the lack of teaching of science and mathematics supported by inadequate and shabby statistics which he submitted in his address and which were repeated in the press.

A short time after this address, officials in the National Education Association called his attention to the incorrect facts and statistics which were the basis of his presentation at the Edison Foundation. He, however, was entirely unwilling to go into conference or to acknowledge any assistance which would put him into possession of the full facts and information.

Any man can make an honest mistake; but if he continues to make the same mistake in public presentations after the error of his ways are called to his attention by responsible officials and after the full and correct facts and information are offered to him, we feel such a man is operating in a vindictive manner and on an unethical basis.

Rear Admiral Strauss' address was the forerunner of many such addresses throughout the country; and whenever a suggestion was made to other prominent persons regarding the inaccuracy of the statements, we were always told that the authority was Rear Admiral Strauss, which in itself, as far as the general public was concerned, seemed adequate and acceptable.

As prominent a man as ex-President Herbert Hoover addressing a group of engineers, Vice President NIXON, and others used Rear Admiral Strauss' half-true, inadequate facts to berate the inadequacies and quality of the teaching of mathematics in the preparation of engineers and scientists.

Rear Admiral Strauss did inestimable damage in shattering the public confidence people normally have in their schools and was unwilling by his future actions to make any correction, even though no public retraction was ever requested of him.

We, speaking from secondary education, do not believe that such a man, a purveyor of half-truths, operating in an unethical manner, and unwilling to correct what may have been an inadvertent or an honest error, should hold such a prominent position as Secretary of the Department of Commerce. The Secretary must always be above suspicion to all people and at no time should there be any question of the pronouncements, the reports, or the work of the Department of Commerce to the educational authorities of this country or to the public in general by the Secretary of Commerce.

We trust that you will give this full consideration and enter this statement on the records of the committee.

PAUL E. ELICKER,
Executive Secretary.

MEMORIAL DAY ADDRESS AT ANTIETAM BY SENATOR BEALL

Mr. GOLDWATER. Mr. President, I ask unanimous consent to have printed

in the RECORD the eloquent address delivered on Memorial Day, Saturday, May 30, by the junior Senator from Maryland [Mr. BEALL] on Antietam Battlefield.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY HON. J. GLENN BEALL, OF MARYLAND

On the hallowed grounds of the Battle of Antietam, on this Memorial Day of the year 1959, we who are here honor all Americans who have fallen in battle. In this observance, we are joined by hundreds of similar gatherings throughout our land.

One lesson which history—and especially our own—should have taught us is that we should work together—united. However, it sometimes appears that this lesson has been lost. A case in point is the present squabble between the units of our armed services.

We are now witnessing the sorry spectacle of the Army and the Air Force fighting publicly over whose antimissile missile is the better. The Army says that its Nike-Hercules is better than anything the Air Force can produce. The Air Force says: "No, no, our Bomarc is far better—no more money should be spent on the Nike-Hercules." And now, the Navy makes it a three-way fight by saying that both missiles would be obsolete by the time they could get into production.

One staff officer tells us that we have nothing to worry about—that we can break the back of any foe with present weapons. Another tells us we are way behind—that without new weapons in production at once we are in danger.

I am getting a little tired of the conflicting statements being made by supposedly responsible officers of our armed services. As a member of the Senate Committee on Armed Services, I shall demand some straight answers. The American people are entitled to know facts. We should not be the victims of fanciful tales based on petty jealousy. To get at the truth we may have to knock some heads together.

We members of the Armed Services Committee are briefed in advance on all plans for new weapons. Some are almost fantastic.

Certainly, they are different from those used in the Battle of Antietam. Instead of the battleax and the muzzle loader with the ramrod, we have all kinds of electronic and atomic weapons of war.

Here are a few new weapons of war:

A huge, semirigid atomic-powered airship that can zip along, with several hundred troops aboard, at a pace of 400 miles an hour.

Rocket planes, like the X–15 which has a speed of 4,000 miles an hour.

The Hound Dog, a new and powerful weapon. In combat, a single B–52 plane could carry four of the missiles aloft and hurl their hydrogen warheads at targets 500 miles away.

Missiles, like the 90-foot intercontinental Titan, with a 9,000-mile range.

A rocket train from which the solid-fuel Minuteman ICBM can be fired.

New mines that can be dropped from fast, high-flying planes and sink to the bottom to escape detection.

The *Skipjack,* the new atomic submarine, which can go deeper and faster than any other submarine.

An antisub torpedo capable of seeking out fast subs at great depth.

A seagoing flying saucer. This is to be officially tested this summer. It can float, rise 20 to 50 feet above the surface of the ocean, hunt out submarines by flying at low altitudes and high speeds.

Back on land, we'll have a flying tank able to skim a few feet above the earth's surface at terrific speed.

We are also to have a flying platform—a troop carrier designed to fly at high speed just above the tree tops.

All of this is not much like Antietam, is it?

An agency of the Government is now working on the project to put man into outer space—Project Mercury, the project of the NASA, the Space Administration. The object is to put an expedition on the moon, and eventually on the other planets of the solar system, Venus and then Mars. The successful rocket launching and recovering of a nose cone with two live monkeys as passengers only this week is a long step forward for Project Mercury.

Scientists believe the outer-space ships may be driven by engines powered by the sun's rays. Necessary in this plan would be a universe mirror, orbiting with the earth's rotation. With such a universe mirror, the scientists say we could free icebound harbors, give to cities heat for the winter and light for night, and could change the deserts into fertile lands.

Yes; things are changing.

In case of another war, the Department of Defense will be directed from a hole in the earth under the Cheyenne Mountains.

And, in this pushbutton war, what about the so-called foot soldiers? Well, Major General Stubbs tells us that the soldier of the future will hurdle obstacles and jump ditches with a rocket booster strapped on his back. His helmet will have a built-in radio and a screen to protect him from chemical and atomic attack. He won't even be digging his own foxholes. All he'll have to do is ram a pencillike foxhole digger into the ground, detonate it, and then crawl in. And when he's not jetting over streams or strolling over housetops, he will scud about in a saucerlike air jeep.

But wait. There's another side to this.

Despite all progress, despite the advances in science, despite the idea of pushbutton war, warfare seems to remain a person-to-person conflict. The fighting in Korea just 7 short years ago was not much different from the fighting in the War Between the States, or, for that matter, in the American Revolution.

A few nights ago, Mrs. Beall and I were guests at a special showing of a motion picture about the Korean war—"Pork Chop Hill," starring Gregory Peck. This is a grim, realistic picture of the horrors of war.

Cy Bartlett, the producer, wanted me to see the picture to get my reaction. To say the least, I was deeply impressed. It is a stirring story of exactly what happened on Pork Chop Hill in Korea. It is stark drama.

I recommend that everyone see the picture when it is released. You will see that in this modern time it is still hand-to-hand fighting. (One of the several soldiers in a tough situations asks, "What happened to the pushbutton war?")

In the picture, you will see that the actions of one soldier here and another there may have decided an issue with international implications.

This is, in fact, the story of all warfare throughout history.

Individual men and boys have won or lost.

We must never discount the supreme sacrifices of our hero dead—at Antietam, at Pork Chop Hill, at Valley Forge, wherever they fell.

Here, at the Battle of Antietam, the spirit of patriotism and faithfulness to a cause was nobly demonstrated. History tells us that General Lee withdrew his forces to make a desperate stand here at Sharpsburg. There followed the bloodiest battle of the War Between the States—Lee losing 12,000 men and McClellan 13,000. Neither gained a victory. The men were brave, and seemingly fearless.

We honor those—of both sides—who fell.

Lincoln exemplified this spirit when he came here and visited the wounded of both sides. Memorial Day had its origin with the decoration of the graves of both Union and Confederate soldiers while the war still raged.

Memorial Day is for honoring all Americans who have died in battle. God forbid that the time will ever come in this great land of ours when our people shall turn away from the patriotism of our forefathers.

The struggle for enduring peace with justice and liberty for all is a continuing one.

Let us rededicate our lives to support the ideals and principles which we know are right.

MESSAGE FROM THE HOUSE—ENROLLED BILL AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the President pro tempore:

H.R. 5805. An act making appropriations for the Treasury and Post Office Departments and the Tax Court of the United States for the fiscal year ending June 30, 1960; and

H.J. Res. 254. Joint resolution to authorize participation by the United States in parliamentary conferences with Canada.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Wisconsin [Mr. PROXMIRE] may yield to me temporarily for the purpose of moving that the Senate proceed to the consideration of executive business, with the understanding that at the conclusion of the action which we anticipate today with respect to the Executive Calendar, which will include a treaty, the Senator from Wisconsin will be recognized.

Mr. PROXMIRE. I yield with that understanding.

Mr. JOHNSON of Texas. I wish to express my deep appreciation to the Senator from Wisconsin. His courtesy will be very helpful to several Senators who are present, and who desire a yea and nay vote on the treaty. I understand that this arrangement will work a hardship and inconvenience on the Senator from Wisconsin. I am grateful for his understanding.

Mr. PROXMIRE. I am glad to yield.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. If there be no reports of committees, the clerk will state the nominations on the Executive Calendar.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the call begin with nominations in the Department of Defense.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk

will state the nominations on the calendar, beginning with the Department of Defense.

DEPARTMENT OF DEFENSE

The legislative clerk read the nomination of Thomas Sovereign Gates, Jr., to be Deputy Secretary of Defense.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DEPARTMENT OF THE NAVY

The legislative clerk read the nomination of Fred A. Bantz to be Under Secretary of the Navy.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. JOHNSON of Texas. Mr. President, may we now proceed to the nomination in the Department of the Air Force?

The PRESIDING OFFICER. Without objection, it is so ordered, and the intervening nominations will be temporarily passed over.

DEPARTMENT OF THE AIR FORCE

The legislative clerk read the nomination of Joseph V. Charyk to be an Assistant Secretary of the Air Force.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. JOHNSON of Texas. Mr. President, I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

APPOINTMENTS IN THE NAVY AND IN THE MARINE CORPS

The legislative clerk proceeded to read sundry nominations of midshipmen (Naval Academy) to the rank indicated in the restricted line of the Navy, subject to qualifications therefor as provided by law.

Mr. JOHNSON of Texas. Mr. President, I ask that the appointments in the Navy and in the Marine Corps be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

DEPARTMENT OF COMMERCE

The legislative clerk read the nomination of Frederick Henry Mueller to be Under Secretary of Commerce.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Carl F. Oechsle to be an Assistant Secretary of Commerce.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

FEDERAL COMMUNICATIONS COMMISSION

The legislative clerk read the nomination of Rosel H. Hyde to be a member of the Federal Communications Commission.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

FEDERAL POWER COMMISSION

The legislative clerk read the nomination of Frederick Stueck to be a member of the Federal Power Commission.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

FEDERAL TRADE COMMISSION

The legislative clerk read the nomination of Earl W. Kintner to be a Federal Trade Commissioner.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

U.S. COAST GUARD

The legislative clerk proceeded to read sundry nominations in the U.S. Coast Guard.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

Mr. JOHNSON of Texas. Mr. President, I should like to suggest the absence of a quorum, merely for the purpose of having the yeas and nays ordered on the treaty. I suggest the absence of a quorum, and I appeal to the Senate attachés on both sides of the aisle to request Senators to return to the Chamber, because we shall have a yea and nay vote very shortly on the treaty.

It is expected that we shall proceed to the consideration of the nomination of George M. Johnson, to be a member of the Commission on Civil Rights; and I am hopeful that we shall be able to act on the nomination of Mr. Ogden R. Reid, to be Ambassador to Israel, before the session shall have been concluded today.

The PRESIDING OFFICER. The absence of a quorum is suggested, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on the treaty which is about to be considered.

The yeas and nays were ordered.

CONVENTION BETWEEN THE UNITED STATES OF AMERICA AND CUBA FOR THE CONSERVATION OF SHRIMP

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Executive B, (86th Cong., 1st sess.), a convention between the United States of America and Cuba for the conservation of shrimp.

The motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the treaty (Executive B, 86th Cong., 1st sess.), a convention between the United States of America and Cuba for the conservation of shrimp, signed at Havana on August 15, 1958, which was read the second time, as follows:

CONVENTION BETWEEN THE UNITED STATES OF AMERICA AND CUBA FOR THE CONSERVATION OF SHRIMP

The Government of the United States of America and the Government of Cuba, considering their common interest in maintaining the maximum sustainable productivity of stocks of shrimp of common concern in waters of the Gulf of Mexico off the coast of Cuba and the Florida coast of the United States, and in promoting the scientific studies necessary to ascertain the conservation measures required for this purpose, and desiring to establish procedures for coordinating such studies and for placing in effect such conservation measures as may be necessary, agree as follows:

ARTICLE I

The area to which this Convention applies, hereinafter referred to as "the Convention area", shall be the waters of the Gulf of Mexico off the coast of Cuba and the Florida coast of the United States including territorial waters, in which are found stocks of shrimp of common concern.

ARTICLE II

1. The contracting parties agree to establish and operate a commission, to be known as the Commission for the Conservation of Shrimp in the Eastern Gulf of Mexico, hereinafter referred to as "the Commission," which shall carry out the objectives of this Convention. The Commission shall be composed of two national sections, a United States section consisting of three members appointed by the Government of the United States, and a Cuban section consisting of three members appointed by the Government of Cuba.

2. Each national section shall have one vote. Decisions of the Commission shall be made only by approval of both sections.

3. The Commission may decide upon and amend, as occasion may require, rules for the conduct of its meetings and for the performance of its functions and duties.

4. The Commission shall meet at least once each year and at such other times as may be agreed by both national sections. The date and place of the first meeting shall be determined by agreement between the Governments.

5. The Commission shall decide on the most convenient place for the establishment of its headquarters.

6. At its first meeting the Commission shall select a chairman from the members of one national section and a vice chairman from the members of the other national section. The chairman and vice chairman shall hold office for a period of 2 years. In each succeeding term, the office of chairman and vice chairman shall alternate between the respective national sections.

7. Each section of the Commission may appoint its own advisers who shall be invited by the Commission to attend all nonexecutive sessions of the Commission.

8. Each section of the Commission may hold public hearings within the territory of its own country.

9. The official languages of the Commission shall be English and Spanish, and members of the Commission may use either language during the meetings. The minutes, official documents, and publications of the Commission shall be in both languages, but official

correspondence of the Commission may be written in either language.

10. The expenses incurred by each national section shall be borne by its government. The share of each country in the joint expenses incurred by the Commission shall be related to the proportion of the total catch from the shrimp stocks of common concern in the Convention area taken by vessels which belong to that country.

11. The budget of joint expenses and the share of each government shall be determined by the Commission and submitted to the governments for approval.

12. The Commission shall authorize the disbursement of funds for the joint expenses of the Commission and may employ necessary personnel for the performance of its functions and duties.

13. The Commission shall designate a technically competent Director who shall serve at the pleasure of the Commission. Subject to such rules and procedures as may be determined by the Commission, the Director shall have full power and authority over the staff of the Commission.

ARTICLE III

1. The Commission shall have responsibility for:

(a) Obtaining scientific information regarding the abundance, life history, and ecology of stocks of shrimp of common concern in the Convention area in order to determine the measures necessary for their conservation.

(b) Publishing or otherwise disseminating reports relative to the results of its findings and such other scientific reports and statistical data as fall within the scope of this Convention.

(c) Adopting, with respect to the Convention area, such regulations, based on scientific findings, as are necessary to achieve the objectives of this Convention.

2. Each of the regulations adopted pursuant to paragraph 1(c) above shall become effective with respect to the contracting parties 60 days following notification of the regulation by the Commission to each of the contracting parties, except that either of the contracting parties may prevent entry into force of a regulation by lodging objection thereto with the Commission before the expiration of such 60-day period.

3. The Commission shall notify the other contracting party immediately upon receipt of objection to a regulation.

4. In discharging its responsibilities the Commission may establish working relations with any international, public, or private institution or organization, or any individual.

5. The Commission shall submit annually to the respective parties a report on its work, together with any recommendations, and shall also inform them, whenever it is deemed advisable, on any matter relating to the objectives of this Convention.

ARTICLE IV

The contracting parties agree to keep as far as practicable all records requested by the Commission and to furnish compilations of such records and other information upon request of the Commission. No contracting party shall be required hereunder to provide the records of individual operations.

ARTICLE V

The contracting parties agree to cooperate with each other in taking appropriate and effective action to enforce any regulations which enter into force pursuant to article III of this Convention. Accordingly, the contracting parties agree as follows:

1. Any national or vessel of a contracting party which engages in operations on the high seas in violation of regulations which enter into force pursuant to article III of this Convention may be seized by duly authorized officers of the other contracting party and detained by the officers making such seizure and delivered as soon as practicable to an authorized official of the country to which such person or vessel belongs, at the nearest point to the place of seizure or elsewhere as may be agreed upon.

2. The authorities of the country to which such person or vessel belongs alone shall have jurisdiction to conduct prosecutions for violation of the regulations which enter into force pursuant to article III of this Convention and to impose penalties for such violation, and the witnesses and proof necessary for such prosecutions, so far as any witnesses or proofs are under the control of the seizing country, shall be furnished with all reasonable promptitude to the authorities having jurisdiction to conduct the prosecutions.

3. Each contracting party shall be responsible for the proper observance of this Convention and of any regulations adopted under the provisions thereof in the portions of its water covered thereby.

ARTICLE VI

The contracting parties agree to meet, during the 6th year of the operation of this Convention, to review the effectiveness of the provisions of this Convention and, if desirable, to consider means by which they may more effectively be carried out.

ARTICLE VII

Nothing in this Convention shall be construed as preventing either of the contracting parties or in the case of the United States, any of the States, from making or enforcing laws or regulations which in the absence of this Convention would be valid relative to any fisheries of the Convention area so far as such laws or regulations do not preclude the discharge of the Commission's responsibilities.

ARTICLE VIII

1. This Convention shall be ratified and the instruments of ratification exchanged at Habana as soon as practicable.

2. This Convention shall enter into force on the date of exchange of instruments of ratification and shall remain in force for a period of 10 years and thereafter until 1 year from the date on which either contracting party shall have given written notice to the other of its desire to terminate the Convention.

In witness whereof the respective plenipotentiaries have signed the present Convention.

Done in duplicate, in the English and Spanish languages, each of which shall be of equal authenticity, at Habana this 15th day of August, 1958.

For the Government of the United States of America:

EARL E. T. SMITH.

For the Government of the Republic of Cuba:

GÜELL.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FULBRIGHT. Mr. President, this convention with Cuba for the conservation of shrimp follows the general pattern of fisheries conventions to which the United States is a party. It covers shrimp resources of common concern—principally those in the Tortugas fishery—in the waters of the Gulf of Mexico off the coast of Cuba and the Florida coast of the United States, and it provides for a Commission to investigate and carry out the means to develop maximum sustainable productivity of those resources. The convention was signed at Havana in August of last year and promptly ratified by Cuba in the following month.

Let me say that the background of the convention is most interesting and pertinent to consideration by this body. After indications in 1955 that a large proportion of the shrimp catch was undersized, the State of Florida adopted unilateral measures to conserve the Tortugas' resources, which yielded $38 million worth of shrimp to American boats from 1950 through 1956. However, the area involved extends well beyond the territorial waters of the United States and is also used by Cuba, although to a relatively minor degree at present. Believing that Cuban cooperation was essential, leaders of the U.S. shrimp industry in 1957 asked the Federal Government for help. Extensive discussion took place between the Department of State, the Department of the Interior, and interested groups in the gulf area, including State officials, before negotiations were entered into with Cuba.

The United States and Cuba will have an equal voice, and decisions will have to be unanimous in the Commission established by the convention. The Commission will determine necessary conservation measures and will adopt regulations to give them effect. The joint costs arising from the convention will be divided on the basis of the proportion of the catch, and are estimated at not more than $200,000 annually. The convention will continue in force for 10 years, and thereafter until terminated on 1 year's notice by either party.

The Committee on Foreign Relations heard testimony from representatives of the Departments of State and Interior, and received written statements of support from four organizations representing business interests in six Southern States. It was noted that Florida State legislative and conservation officials were consulted and gave their concurrence on the convention. The committee further noted that Cuba had promptly ratified the convention, and had carefully observed a "gentlemen's agreement" regarding Florida's regulations pending ratification by the United States.

Mr. President, there seems to be unanimous support for the convention from interested groups in the Gulf States; the committee received no objection from any source. I wish to add that the senior Senator from Florida [Mr. HOLLAND] has carefully investigated the matter and has given his full support. I hope, therefore, that the Senate will give its advice and consent to the ratification of this convention with Cuba.

The PRESIDING OFFICER. Without objection, the convention will be considered as having passed through its various parliamentary stages up to the point of consideration of the resolution of ratification, which will be read for the information of the Senate.

The legislative clerk read as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive B, 86th Congress, 1st session, a convention between the United States of America and Cuba for the conservation of shrimp, signed at Havana on August 15, 1958.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the resolution of ratification?

The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Rhode Island [Mr. GREEN], the Senator from Alaska [Mr. GRUENING], the Senator from Indiana [Mr. HARTKE], the Senator from Missouri [Mr. HENNINGS], the Senator from Louisiana [Mr. LONG], the Senator from Utah [Mr. MOSS], and the Senator from Montana [Mr. MURRAY] are absent on official business.

The Senator from New Mexico [Mr. CHAVEZ], is absent because of death in the family.

The Senator from Tennessee [Mr. KEFAUVER], is absent on official business as a member of the U.S. Committee of the Atlantic Congress.

The Senator from Arkansas [Mr. MCCLELLAN], is absent because of illness.

I further announce that if present and voting, the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Rhode Island [Mr. GREEN], the Senator from Alaska [Mr. GRUENING], the Senator from Indiana [Mr. HARTKE], the Senator from Missouri [Mr. HENNINGS], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Louisiana [Mr. LONG], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Utah [Mr. MOSS], and the Senator from Montana [Mr. MURRAY], would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Connecticut [Mr. BUSH], the Senator from Indiana [Mr. CAPEHART], the Senator from South Dakota [Mr. CASE], the Senator from Kentucky [Mr. MORTON], and the Senator from Massachusetts [Mr. SALTONSTALL], are absent on official business, and, if present and voting, they would each vote "yea."

The Senator from Arizona [Mr. GOLDWATER], is necessarily absent and if present and voting, would vote "yea."

The Senator from Delaware [Mr. WILLIAMS], is detained on official business.

The yeas and nays resulted—yeas 80, nays 0, as follows:

YEAS—80

Aiken	Cotton	Holland
Allott	Curtis	Hruska
Anderson	Dirksen	Humphrey
Bartlett	Dodd	Jackson
Beall	Douglas	Javits
Bennett	Dworshak	Johnson, Tex.
Bible	Eastland	Johnston, S.C.
Bridges	Ellender	Jordan
Butler	Engle	Keating
Byrd, W. Va.	Ervin	Kennedy
Cannon	Frear	Kerr
Carlson	Fulbright	Kuchel
Carroll	Gore	Langer
Case, N.J.	Hart	Lausche
Church	Hayden	Magnuson
Clark	Hickenlooper	Mansfield
Cooper	Hill	Martin
McCarthy	Prouty	Stennis
McGee	Proxmire	Symington
McNamara	Randolph	Talmadge
Monroney	Robertson	Thurmond
Morse	Russell	Wiley
Mundt	Schoeppel	Williams, N.J.
Muskie	Scott	Yarborough
Neuberger	Smathers	Young, N. Dak.
O'Mahoney	Smith	Young, Ohio
Pastore	Sparkman	

NAYS—0

NOT VOTING—18

Bush	Green	McClellan
Byrd, Va.	Gruening	Morton
Capehart	Hartke	Moss
Case, S. Dak.	Hennings	Murray
Chavez	Kefauver	Saltonstall
Goldwater	Long	Williams, Del.

The PRESIDING OFFICER. Two-thirds of the Senators present having voted in the affirmative, the resolution of ratification is agreed to.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of the action taken today by the Senate on the treaty and on the nominations previously confirmed today by the Senate.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). Without objection, it is so ordered.

COMMISSION ON CIVIL RIGHTS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to consideration of the nomination on the executive calendar to the Commission on Civil Rights.

The PRESIDING OFFICER. The nomination will be stated.

The Chief Clerk read the nomination of George M. Johnson, of California, to be a member of the Commission on Civil Rights.

The PRESIDING OFFICER. Without objection, the Senate will proceed to consideration of the nomination.

Mr. JOHNSON of Texas. Mr. President, I ask that on the question of confirmation of this nomination, a voice vote be taken.

The PRESIDING OFFICER. The question is, will the Senate advise and consent to this nomination? (putting the question) The "ayes" appear to have it; and the "ayes" have it, and the nomination is confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

Mr. TALMADGE. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I yield to the Senator from Georgia.

Mr. TALMADGE. I thank the Senator from Texas for yielding to me.

Mr. President, I desire to state that I voted against confirmation of the nomination of George M. Johnson, of California, to be a member of the Commission on Civil Rights. I opposed the creation of the Commission. I have opposed confirmation of all nominations of appointees thereto.

It is the opinion of the junior Senator from Georgia that a Commission of this type can only do irreparable harm, and no good. For that reason, I opposed the creation of the Commission and I opposed confirmation of the nominations of appointees thereto.

Again I thank the Senator from Texas for yielding to me.

Mr. EASTLAND. Mr. President, will the Senator from Texas yield to me?

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Does the Senator from Texas yield to the Senator from Mississippi?

Mr. JOHNSON of Texas. I yield.

Mr. EASTLAND. Mr. President, I wish the RECORD to show that I voted against confirmation of the nomination of George M. Johnson, of California, to be a member of the Commission on Civil Rights; and I did so on the same grounds as those outlined just now by the distinguished junior Senator from Georgia [Mr. TALMADGE].

I also wish to state that I thought the nomination would be confirmed by this body by a large majority; and, therefore, I did not ask for a yea-and-nay vote on the question of confirmation of the nomination.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. Mr. President, I want to go on record, also, as having voted against confirmation of the nomination of George M. Johnson, of California, to be a member of the Commission on Civil Rights. In the subcommittee, I voted against favorably reporting the nomination; and in the full committee, I voted against favorably reporting the nomination. I want the RECORD to show that today I voted against confirmation of his nomination.

My reasons are as follows: When the Commission members appeared before the subcommittee, we could not get the members of the Commission to which Mr. Johnson has been nominated to come out strongly in favor of having the Commission continue in existence at this time. So, if the Commission is not to continue, certainly there is no need for any additional person to be appointed now to the Commission.

Another reason is that all along I have been opposed to the Commission. Therefore, for that reason, if for no other, I believe I should vote against confirmation of additional appointees to the Commission; and I have voted accordingly.

Mr. THURMOND. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I yield to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I want the RECORD to show that I was opposed to confirmation of the nomination of George M. Johnson, of California, to be a member of the Commission on Civil Rights.

I think my position on this question is well known. In my opinion, the Civil Rights Commission is without foundation in the Constitution. In addition, I believe its establishment was both unwise and unnecessary.

I would vote against confirmation of the nomination of any person appointed by the President to be a member of the Civil Rights Commission.

Mr. DOUGLAS. Mr. President, will the Senator from Texas yield one-half a minute to me?

Mr. JOHNSON of Texas. I yield to the Senator from Illinois.

Mr. DOUGLAS. Mr. President, I wish the RECORD to show that I voted in favor of confirmation of the nomination of George M. Johnson, of California, to be a member of the Commission on Civil Rights. I am not a member of the Judiciary Committee. But had I been a member of that committee, I would have approved his nomination.

I think this Commission should be in existence, and that it can perform a very valuable function although its record to date has not been very effective. It has been slow in getting started and excessively timid in its actions.

Furthermore, let me state that it gave me a great deal of pleasure to vote in favor of confirmation of the nomination of George M. Johnson, of California, to be a member of the Commission on Civil Rights.

Mr. KUCHEL. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I yield to my friend, the Senator from California.

Mr. KUCHEL. Mr. President, it is a pleasure to me to say a few words in support of Dr. George M. Johnson, the nominee of President Eisenhower to be a member of the Commission on Civil Rights.

I have known my fellow Californian's work for many years, particularly his outstanding labors as dean of the Howard University Law School, here in Washington.

Before coming to Washington, Dean Johnson was engaged in the practice of law in Berkeley, Calif., following his graduation from the University of California's College of Arts and Sciences and its school of jurisprudence. Dean Johnson has received the A.B., LL.B., and S.J.D. degrees from the University of California.

His law practice was with a distinguished Californian, Walter A. Gordon, who recently was appointed a Federal judge to the Virgin Islands, and whom I have known for many, many years. Prior to his judicial appointment, Mr. President, Judge Gordon was Governor of the Virgin Islands.

Dean Johnson's legal specialization was in the field of taxation, the course he taught at both the University of California and Howard University.

But he did not permit personal considerations to transcend his sense of responsibility to the public service. During the war, for example, Dean Johnson took leave from the law faculty, to serve as Deputy Chairman and Acting General Counsel of the wartime-created Fair Employment Practices Committee.

He again took leave of the law faculty to which he had returned in 1946, as dean, to serve as Director of the Office of Laws, Plans, and Research, of the Commission on Civil Rights. In recognition of his outstanding work in this Office, the President recommended Dean Johnson to fill the vacancy created by the untimely death of my good friend, and distinguished American, J. Ernest Wilkins.

One of the finest tributes paid to Dean Johnson was that sent to him by Dean Robert G. Storey, Vice Chairman of the Commission on Civil Rights, dean of the Southern Methodist University Law School, a former member of the Hoover Commission, and a past president of the American Bar Association, who wrote to Dean Johnson as follows:

MY DEAR DEAN JOHNSON: Although I have extended personal congratulations to you upon your nomination as a member of the Civil Rights Commission, I want to record my delight at your appointment.

You are not only eminently qualified by reason of your knowledge, devotion to the sacred principles of our constitutional form of government, and your experience, but what I admire about you is that you are very calm, deliberate, and consider both sides of any question in a very admirable and lawyer-like manner. It has been a pleasure to work with you as one of the leading members of the staff, and I look forward to a pleasant association with you on the Commission.

With every good wish and kindest personal regards, I am,

Very sincerely yours,

ROBERT G. STOREY.

Mr. President, the Commission on Civil Rights is an important segment of the American Government. It cannot effectively discharge the responsibilities Congress gave to it unless it is at full strength. As you, Mr. President, who so devotedly favored the Commission's enactment into law, know well, the Commission is bipartisan. In order to hold hearings, subcommittees are authorized, provided one member is a Democrat and the other is a Republican. At present, there are three Democrats on the Commission: Former Governor Battle, of Virginia; former Governor Carlton, of Florida; and Dean Storey, of Texas. The Chairman, Dr. Hannah, of Michigan, is the only Republican. Father Hesburgh, the president of Notre Dame, is an Independent. Dean Johnson would be the second Republican member on the Commission.

It should be noted that J. Ernest Wilkins, a former Republican member of the Commission, died on January 19, 1959. Dean Johnson's nomination was sent to the Senate on March 10, and hearings on the nomination were held on April 21 before the Subcommittee on Constitutional Rights of the Senate Judiciary Committee. On May 19, the Senate Judiciary Committee reported that the committee voted 11 to 4 to approve the nomination of Dean Johnson; and on May 20, 1959, the nomination was placed on the Executive Calendar.

Mr. President, I am delighted that no one has raised the slightest question regarding the character, the ability, or the integrity of the nominee.

I believe that the President of the United States merits congratulations for his nomination of Dean Johnson; and I am delighted that his nomination has been confirmed by the Senate.

Mr. KEATING. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I yield to the Senator from New York.

Mr. KEATING. Mr. President, it was a privilege to me to be able to support in the Committee on the Judiciary, and also, to support and to vote for, in this Chamber, the President's nomination of Dean George M. Johnson, of California, to be a member of the Commission on Civil Rights.

With the establishment of the Commission on Civil Rights, the Congress of the United States for the first time created an independent, bipartisan agency to study and think about the great problem of protecting the civil rights of all Americans. In selecting the members of the Commission, the President chose men from different parties, different regions, different religious groups, and different races. Three of the six members came from the South and Southwest; three came from the North and Middle West. Three were educators: The president of Michigan State University, John Hannah; the president of Notre Dame, Father Theodore Hesburgh; and the dean of the Southern Methodist University Law School, Robert Storey. Three were lawyers experienced in government: Former Gov. John Battle, of Virginia; former Gov. Doyle Carlton, of Florida; and J. Ernest Wilkins, Assistant Secretary of Labor. The conditions were set for fruitful deliberations by reasonable men.

The death, last January 19, of Mr. Wilkins was a great loss to the Commission. His careful questioning of witnesses in the Commission's hearing, last November, on alleged denials of the right to vote in Alabama, had won the respect of the country. As former president of the Cook County Bar Association, not only was he a strong representative of Negro-American citizens, but he was also an outstanding member of the legal profession.

Now, with the nomination of Dean Johnson, who is both an educator and a lawyer, the vital work expected of the Commission can continue with full vigor. As dean of Howard University Law School from 1946 until he resigned last year, to become Director of the Office of Laws, Plans, and Research, of the Commission on Civil Rights, he made a great contribution to legal education. Under his leadership, the law curriculum was expanded, the Howard Law Journal was inaugurated, Howard students began participating, and with distinction, in the Inter-Law School Moot Court competition; the student organization joined the American Student Bar Association; a modern, $2 million law school building was erected and dedicated; and the school reached a new level of achievement. During this time, he was a teacher, as well as dean.

Dean Johnson has an outstanding academic and professional background. He received his LL.B. degree from the University of California, at Berkeley, in 1929, and was awarded the Sheffield-Sanborn Scholarship for graduate study.

For his work in taxation, the University of California awarded him the J.S.D. degree, the highest academic degree in the legal profession. He practiced law in California, and served as an attorney for the California State Board of Equalization. In 1936, he became the senior assistant tax counsel to the board. In 1941, after teaching a year at Howard Law School, he took leave, to serve with the President's Committee on Fair Employment Practice. By 1945, when he returned to teach at Howard, he was serving as Acting General Counsel of the F.E.P.C.

I emphasize his work as a lawyer, because the problem of civil rights is one aspect of the rule of law, the great principle on which this Republic is founded. I was happy to read Dean Johnson's brief remarks before the Subcommittee on Constitutional Rights. He said that "as a lawyer, as an American, and as a representative of America's largest racial minority, I am of the opinion that this problem can be solved within our democratic processes and under the rule of law."

It was in part his deep devotion to our fundamental legal processes that earned him the respect of his colleagues on the Commission. The staff director of the Commission, Gordon Tiffany, testified that he spoke in support of Dean Johnson's nomination on behalf of the entire staff and all the members of the Commission. Father Hesburgh, the president of Notre Dame, telegraphed to the committee that "All of us who have worked with him have a high regard for his character, intelligence, and judgment." Former Governor Carlton, of Florida, also sent a telegram in support of this nomination. Dean Storey, the former president of the American Bar Association, and the vice chairman of the Commission, wrote that Dean Johnson was "eminently qualified by reason of his knowledge, devotion to the sacred principles of our constitutional form of Government, and his experience," adding that what he admired about Dean Johnson was that he was "very calm and deliberate and considered both sides of any question in a very admirable and lawyer-like manner."

Thus, this is a good and important nomination which should receive not only our consent, but our enthusiastic approval. Here is a man, eminent in his profession, a leader among Negro Americans, who enjoys the respect of the men with whom he is going to work. What could have been an irreparable loss to the Commission is made up in the only way it could have been made up by the appointment of one who has been intimately familiar with the Commission's work from the beginning. Dean Johnson will not need to try to catch up with his colleagues. He has been directing their legal office since the Commission first went into action. He has helped plan or has participated in all of their hearings. He has studied all the documents. It is obvious he has had excellent on-the-job training for the important post for which he has been nominated.

Mr. President, I hope we shall not be forced to fight the civil-rights battle all over again, every time one of these nominations comes up.

The majority of the Congress spoke on the subject when we enacted the Civil Rights Act of 1957. While much more remains to be done in this field, there is no justification for undermining the laws which already have received approval.

The Civil Rights Commission is required to study and appraise the policies of the Federal Government with respect to equal protection of the laws under the Constitution, and to investigate allegations that citizens of the United States are being deprived of their right to vote. The act explicitly requires that the Commission submit to the President and to the Congress a final and comprehensive report of its activities. Under the terms of the present law, this report must be filed in September of this year. It is of vital importance that this date be extended, since delays in organizing the Commission and the obstructionist tactics with which it has been faced since it began its operations, have substantially impeded its work. We would be doing a great disservice to the people of the country if we adjourned this session of Congress without taking action to extend the life of the Commission and, in other ways, further to protect the civil rights of the people.

Regardless of one's views as to the merits of the Commission, however, I believe it is incumbent upon all Senators to judge nominations to the Commission on the basis of the qualifications of the nominees. The Senate's power to give its advice and consent with respect to nominations should not be utilized as a means of preventing the President from doing his duty to execute the law. Any such course would be an abuse of our powers, and would weaken public confidence in the work of this body. We would certainly strenuously object if the President, after the passage of a law, refused to take whatever action was necessary to implement its provisions. Any such action by the President would violate his duty under the Constitution. It would be no less a violation of constitutional requirements for the Senate to attempt to make it impossible for a willing President to carry out his responsibilities.

Mr. President, I am hopeful that the nomination will receive the overwhelming approval of the Senate. I am eagerly looking forward to the report that the Commission will soon submit to the President and to the Congress. I know that the quality of that report will be enhanced by the contribution which Dean Johnson will be able to make as a full member of the Commission. I strongly urge the support of every Member of this excellent appointment.

Mr. JAVITS. Mr. President——

Mr. JOHNSON of Texas. I yield to the Senator from New York. But before I do so, I should like to inform the Senate that we expect to have the Senate proceed in a very few minutes to consideration of the nomination of Ogden Rogers Reid, of New York, to be Ambassador to Israel. I do not expect that a yea-and-nay vote will be taken on the question of confirmation of that nomination. So if Senators will remain on the floor, perhaps it will be possible for the Senate to take action on that nomination this afternoon.

I yield now to the Senator from New York.

Mr. JAVITS. Mr. President, I shall be very brief.

I identify myself with the views of my colleague from New York [Mr. KEATING] and the Senator from California [Mr. KUCHEL].

I know personally about the excellent service of Dr. Johnson as Dean of Howard University Law School. The senior Senator from California [Mr. KUCHEL] and my collegaue, the Senator from New York [Mr. KEATING], and I supported the nomination of Dean Johnson to be a member of the Civil Rights Commission. I believe Dean Johnson will make a splendid member of the Commission; and I have been glad to vote today for confirmation of his nomination.

Mr. MANSFIELD. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I yield.

Mr. MANSFIELD. Mr. President, the senior Senator from Arkansas [Mr. MCCLELLAN] asks that he be recorded against the Johnson nomination, just as he has voted against all nominations to the Commission, because he is opposed to the Commission itself.

Mr. HUMPHREY. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I yield.

Mr. HUMPHREY. Mr. President, I wish to make a brief statement: I favored confirmation of the nomination of George M. Johnson, of California, to be a member of the Commission on Civil Rights; and I voted for confirmation of his nomination. I join my friend, the Senator from Illinois [Mr. DOUGLAS], in favoring the appointment of Mr. Johnson to the Commission on Civil Rights.

Mr. COOPER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement by me in connection with the nomination of George M. Johnson, of California, to be a member of the Commission on Civil Rights.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR COOPER

It was a privilege to support and cast my vote for the Honorable George M. Johnson, of California, to be a member of the Commission on Civil Rights.

I have met Mr. Johnson, and from every report I have had of his character, his experience, and his large abilities I am sure that he is eminently qualified to be a member of the Commission on Civil Rights.

A few weeks ago I had the honor of taking part in a symposium at the University of Notre Dame dealing with the various aspects and problems arising under the Brown decision of the Supreme Court of the United States, a decision which I support. At the meeting I met many of Mr. Johnson's colleagues in law, education, and other fields, who spoke of him with respect and admiration.

The Commission on Civil Rights is doing a necessary and fine work. Its life should be extended. I am sure Dean George Johnson will make an able and distinguished member of the Commission.

DIPLOMATIC AND FOREIGN SERVICE

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to consider the nomination of Ogden Rogers Reid, of New York, to be Ambassador to Israel.

The PRESIDING OFFICER. The nomination will be stated.

The Chief Clerk read the nomination of Ogden Rogers Reid, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Israel.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the nomination.

Mr. FULBRIGHT. Mr. President——

Mr. JOHNSON of Texas. Mr. President, I yield 3 minutes to the Senator from Arkansas [Mr. FULBRIGHT].

Mr. FULBRIGHT. Mr. President, I wish to say a few words about the nomination of Mr. Ogden Reid to be our Ambassador to Israel. The vote in the committee was 10 in favor of confirmation, and 4 against. I voted against the nomination.

I deeply regret having to differ with the judgment of a majority of my colleagues on the Committee on Foreign Relations. It is only because this matter is of great importance to the future security of our country that I feel compelled to draw attention, in a public statement, to this difference of view.

One source of serious danger to our security is to be found in the explosive and unstable conditions prevailing in the Middle East. To send an untried and inexperienced representative to this area is, I believe, improvident and irresponsible.

Early in February, I wrote to the Department of State, and indicated that henceforth the Committee on Foreign Relations would examine more closely than it had in the past the qualifications of all ambassadorial nominees. If the Senate is to discharge its responsibilities under the Constitution, it must, in my view, satisfy itself that the Ambassadors whose nominations to sensitive oversea posts it confirms are fully competent to discharge their duties. This concern of mine is neither recent, nor superficial, nor partisan in spirit. Since 1945, when I opposed confirmation of the nomination of a Democrat who had been nominated to be a delegate to the United Nations, I have stated and restated this concern so many times—and to so little apparent effect—that I feared I was growing tiresome to my colleagues on the subject.

The nomination of Mr. Ogden Reid has, if anything, strengthened my conviction that posts such as the one to which Mr. Reid has been nominated should be filled by the most able career men, or by exceptionally qualified noncareer appointees. I should add parenthetically that I have been fortified by a heavy volume of mail supporting this view. In a statement made at the beginning of this hearing, I said:

In every part of the world we are struggling in one way or another against the ever growing strength of Sino-Soviet expansionism. This struggle must be directed by people who, whether career or noncareer, are qualified by experience and competence. The Middle East, as we have seen, is an especially troublesome area, more given to shifting political passions and outright violence than any other.

I also said:

There is a presumption that career foreign service officers nominated for ambassadorial posts are qualified. There is, however, I believe, no such presumption, especially in diplomatic circles, that noncareer nominees are qualified to serve the Nation in ambassadorial posts.

Let me add that both viewpoints are certainly rebuttable. However, the burden on noncareer people is to prove to the committee that they are qualified. This can be done. It has been done. We have had some extremely able noncareer Ambassadors from both political parties, including such individuals as David Bruce, Douglas Dillon, John Sherman Cooper, and Chester Bowles. We have had some other individuals who have not always served the best interests of our country.

The issue before the Senate in acting on the nomination of Mr. Reid to be Ambassador to Israel clearly turns on the question of his qualifications. The nominee is 33 years old. He has had no diplomatic experience. He has no special knowledge of the area that might have been gained either by special study or by visiting and living in the Middle East. Indeed, he has never been either to Israel or to any of the countries in the Middle East. Given the opportunities he has had to travel anywhere he chose, this indicates a lack of any compelling interest on his part in this area of the world.

I am at a loss to know why the President should have selected Mr. Reid for this extremely challenging, highly sensitive job. Perhaps it is because he became president and editor of a large newspaper at the age of 29. However, as my colleagues all must know, this was a family enterprise, which Mr. Reid joined immediately after graduating with some difficulty from Yale University. Mr. Reid did not in any sense work his way up. And the nomination can hardly be attributed to his success as executive director of the Herald Tribune.

In his letter justifying this appointment, Secretary Herter noted that Mr. Reid has been a member of the first Hoover Commission and a staff member of the Committee on the National Security Organization. Actually, these were one and the same and amounted to a 6-week summer-vacation job, secured for Mr. Reid, while he was still a student at Yale, by a family friend.

The central issue here is that of qualifications. One qualification for a position of this kind is a sensitiveness to what is appropriate to any given set of circumstances. It seems to me that Mr. Reid demonstrated that he lacks such sensitiveness in trying to influence the Senate's decision regarding his appointment by calling upon nine Senators, and by having friends telephone or call on other Senators, including me. This is the first case of an ambassadorial nominee soliciting approval of his own appointment that has come to my attention. I realize any Senator has a right to see or not to see nominees for ambassadorial posts. I suggest, however, that the purpose of committee consideration of nominees is to measure the qualifications and character of nominees objectively, in the environment of a public hearing. This purpose is frustrated if nominees seek personally to lobby for their confirmation.

The record of the hearing shows Mr. Reid to have been less than forthright in many of his answers. On pages 67 and 68, for example, I asked him about his relationship with General Trujillo. In his first answer, Mr. Reid conceded visiting Trujillo, but added that he left with the impression that his newspaper should not print a special section devoted to the Dominican Republic and that "we did not do so."

This was either 1956 or 1957, according to Mr. Reid. However, the Herald Tribune did print a special section in June of 1958, which Mr. Reid did not acknowledge until I raised the question again. Asked why he had tried to leave a false impression on the record, Mr. Reid answered:

Well, I don't think the one that was published should have been published, but it was.

In conclusion, I deeply regret that a majority of the Committee on Foreign Relations has voted to approve this nomination. A few weeks ago I hoped—perhaps I partly hoped and partly believed—that at long last the Senate had awakened to the need for having experienced, first-rate people in our first line of defense. For all its faults, a book called "The Ugly American" has surely awakened a great many of the American people to this need. And recently, I have heard this book discussed by many Senators.

Yet now I must conclude that, while we may be in the process of absorbing the quite unoriginal message contained in this book, apparently we are still not ready to apply the lesson. It seems we must endure still more unqualified people demanding diplomatic jobs, and still further attrition of Foreign Service morale before we finally act. Perhaps it will take a really dramatic failure to dramatize our responsibility under the advice and consent clause of the Constitution.

I shall conclude by quoting a few paragraphs of a letter written, by a former Ambassador, to the New York Times not long ago:

The U.S. Senate itself should also take more seriously its constitutional responsibilities to give its advice as well as its consent when the President presents it with an ambassadorial nominee.

The cavalier notion, that despite personal objection it is the duty of the Senate to ratify all nominations, regardless of their logic or absurdity, is counter to the public interest and a trespass on the spirit, if not the letter of the Constitution.

It is clearly the duty of the President, as well as the Congress, to always keep it in mind that the appointment of Ambassadors should be regarded with the same concern as the appointment of commanding generals for theaters of military operations.

Military generalships swing into operation only after ambassadorships fail.

Mr. STENNIS. Mr. President, I am not a member of the Foreign Relations Committee of the Senate, but the nomination before the Senate presents clearly to me a matter about which I have thought for some years. We know not only that world conditions are now unsettled and uncertain, but I think they will be for years to come; and this country is certainly called upon to play a leading role in world affairs.

We are spending more than $40 billion a year on a worldwide military program. As a member of the Committee on Armed Services, I am necessarily thrown into close contact with that program year after year. We must continue this military preparedness. However, it seems to me we are doing far too little in trying to build up our foreign service, our diplomatic corps.

After all, I believe our success in this field and in related fields as well as in trade relations, is where hope lies.

This is not simply a theory with me. As I have visited a few foreign countries, I have tried to view things with this thought in mind. I have had a growing realization of what our diplomatic corps and Foreign Service personnel are up against. I have had a growing realization of how highly important it is to have experienced and trained men in those important positions.

On occasion I have discussed this matter with the Senator from Arkansas for a period of some 2 years. I do not refer to the particular nomination before the Senate, but to the general subject matter. Especially after my experiences last fall, I made up my mind it was my duty as a Senator to try to do something, at least, to support the idea of providing a professionally trained and experienced Foreign Service and diplomatic corps, as an inducement to men of talent and character to devote their lives to such careers. We shall have a growing need for men of training and experience in this increasingly important role.

I briefly discussed this general subject with an Ambassador to our Nation a few days ago. He told me of his experiences in various areas of the world and how unthinkable it would be to him to be assigned to some country as a top level diplomat if he had not served there, or near there, in former years and had experience to back him up.

I am really not passing upon Mr. Reid as an individual. I do not know him. I know nothing about him except in a general way. My vote against the confirmation of his nomination will be no reflection on his character, on his integrity, on his general capacity or on his ability. I have decided that it is my duty, as one Member of the Senate, to vote for, or use my influence, for those who serve in the diplomatic corps as a career and who have the background and experience I have briefly outlined. This is not a rigid rule of course, and highly exceptional cases should doubtless be made an exception.

Under my responsibility and because of that idea I shall cast my vote against the confirmation of the nominee.

Mr. MORSE. Mr. President, I had not intended to discuss this nomination on the floor of the Senate until I heard the speeches just made by the Senator from Arkansas and by the Senator from Mississippi.

I discussed the nomination in the Committee on Foreign Relations, both in the public hearings and in executive session. I made the motion in the committee to report the nomination favorably to the Senate. In view of my participation in the committee, in the discussion of this nomination, I think I owe it to the record to make some brief remarks.

Mr. President, first, I desire to raise what seems to be a very important constitutional question which is involved in connection with this nomination and all other nominations. We are exercising our constitutional duty as a Senate this afternoon, with respect to this nomination, as we do with respect to others, under the advice and consent clause of the Constitution.

I have been heard to say, but I think it needs repeating, that the advice-and-consent clause of the Constitution does not give the Senate power of appointment. If the Constitutional Fathers had so intended, they would have used, not language of limitation in the Constitution in regard to the function of the Senate in connection with nominations, but broader language conferring the power to appoint. The Constitutional Fathers did not so do. They gave the power of appointment to the President of the United States, with the advice and consent of the Senate. The advice-and-consent language, I respectfully submit as a lawyer, is what we call language of limitation.

As we study the constitutional history of the President's power of appointment, including the debates in the Senate of the United States with respect to the application of the advice-and-consent clause, I think it is perfectly clear it was intended that the President should have not only the power of appointment but that the presumption was in favor of his selection. However, it is a rebuttable presumption. The President's appointment should be accepted by the Senate unless it can be shown, in the case of an individual nominee, that the nominee fails to meet one or more of the historic criteria which the Senate has applied throughout its history in respect to a given nominee.

I have never varied from those criteria, Mr. President since 1945, when the first debate on a nomination in which I participated, under the advice-and-consent clause, was conducted by the Senate; namely, in regard to the nomination of Henry Wallace to be Secretary of Commerce. At that time I did my best to make a study of all the nomination controversies in the history of the Senate on which there was any written record available.

My first major speech in the Senate was in regard to those criteria. As I have said many times and as I said in the committee in respect to this particular nomination—and I think it needs to be restated—the history of the advice-and-consent clause shows that the criteria are as follows: First, character and mental soundness; second, freedom from conflict of interest; third, loyalty to our form of government; fourth, general competency to perform the tasks of the particular assignment for which the President has made the appointment.

In regard to Ambassadors, Mr. President, there is not a word in the Constitution to the effect that the President must select his ambassadorial nominees from the Foreign Service or the so-called career service. If that had been the intention of the constitutional fathers, they could have so stated.

I do not think this is the time or the place to engage in a legal argument whether we would have the legislative authority to lay down such a criterion, although I wish to say, in my judgment, we would not have such authority. To the contrary, the writers of the Constitution provided that the President should make the appointments, and they did not place any such limitation upon a President of the United States.

Alexander Hamilton, in Federalist Paper No. 76, as I recall, discussed this question somewhat. He pointed out that the advice-and-consent clause was written into the Constitution as a check upon the President, but only as a check, and only, I respectfully submit, Mr. President, in connection with the applicable rebuttable presumption.

In my service in the Senate since President Eisenhower has been President, I think the RECORD will show I have supported 98 percent or more of his nominations, because I believe that those nominations have met the four historic criteria I have just related.

I remember that not so many years ago—I think it was in 1955—there was a very interesting debate on the floor of the Senate with regard to a nomination by the President of the United States to the position of Chief of the Bureau of Locomotive Inspection. It seemed to me at the time that some partisan considerations were being given weight in that debate. The RECORD will show that I sought to find out in what respect that particular nominee did not meet one or more of these historic criteria. When the roll was called—I think the final vote was 43 to 41, with the nominee confirmed by a 2-vote majority—I was one of those on this side of the aisle who voted for confirmation, because I found nothing in the debate which disqualified the nominee under the advice-and-consent clause, in the light of the criteria to which I have referred.

Applying that principle to the specific case before us, I do not know of a single one of the four criteria which this nominee does not fulfill. There is no question about his character and mental soundness; at least I have heard no question raised in that respect. Certainly there is no question as to his loyalty to our form of government. There is not a scintilla of evidence in the record which would reflect upon him so far as the conflict-of-interest criterion is concerned.

When we come to the question of general competency, sincere men may differ on that qualitative judgment. I came to the hearing when Mr. Reid was under

examination by the Senator from Arkansas [Mr. FULBRIGHT]. I thought it was a very fair, thorough, penetrating, and able examination to which the Senator from Arkansas subjected the nominee. I sat there in judgment, as one does when given that high trust, and I listened to the nominee. I thought he did a remarkably fine job of forthright, frank, intellectually honest response to the questions put to him by the Senator from Arkansas.

I know that when an interrogator has a witness before him, and he proceeds to ask him a great many questions about events which occurred several years before in his life, as was the case with regard to this questioning, he cannot have at the tip of his tongue an immediate answer to every question. Nor can it be expected that he will answer every question with complete accuracy. But if a witness does not accurately recall some detail of some event in his life which may be involved in a question, or if it becomes necessary to refresh his recollection in regard to some detail, that does not make him a dishonest witness. That does not make him a less-than-frank witness. I was sitting there weighing this witness' answers to the questions in order to form an impression as to the intellectual honesty of the witness. I was delighted with his forthrightness, and with what I thought was obvious intellectual honesty.

Moreover, I was well impressed with the general competence of the witness. We cannot ask the President, no matter how much we favor the selection of ambassadors from the career service, to follow such a rule without exception. We have no right to say to the President, "Unless you appoint someone from the career service we will not vote for him." We have no right to do that, so far as the duty imposed upon us under the advice-and-consent clause of the Constitution is concerned, because the President is under no such constitutional mandate.

But let us face the question as to whether or not the President of the United States should be required to follow such a rule, or whether we should lay down such a rule as a Senate-imposed requirement on the President of the United States, even if we had the constitutional authority to do so—and I deny that we have such authority. Would we then be following a course of action necessarily in the public interest? I deny it, because, as I said in the committee, the principle of checks under our Constitution is the great balance wheel of democratic government.

I think it would be a great mistake, even if we were to look at this question from the standpoint of a check on the Foreign Service, to have a rule that only career diplomats could be appointed to ambassadorial posts. I believe that a President of the United States, carrying out his Executive duties and powers, ought to have, as the Constitution gives to him, the right to select a person for an ambassadorial post who he thinks is particularly desirable for the particular post at the particular time.

When we check that rebuttable presumption against the criteria which have generally been followed in the history of the United States, I think the record is clear. Some names have been mentioned this afternoon, and I should like to mention them again, because some of them were mentioned in the committee. I think the record is clear that some selections of so-called political appointees by our President in times past have been very wise. Sitting as a member of this body today, as I mentioned in the Foreign Relations Committee, and have mentioned elsewhere, is one of the great Ambassadors of our time, John Sherman Cooper, of Kentucky, who was appointed as Ambassador to India. I thought it was an excellent appointment. But it certainly was not an appointment based upon selecting someone from the career service.

There is in Russia at the present time, on a sort of roving correspondent mission, another great American who was appointed as Ambassador to Russia at one time. I refer to Averell Harriman. He was not selected from the diplomatic career service, but he made a great record as Ambassador to Russia, and later as Ambassador to the Court of St. James.

I cite also the example of Chester Bowles, who served as Ambassador to India. Throughout our history we have had a series of very able men and women who have served in ambassadorial posts. I think it would be a great mistake to impose upon this President, or any other President, a restriction that, unless a person has been selected from the career service, his nomination shall not be confirmed by the Senate. I think we have done all we should do as a Foreign Relations Committee. We have notified the State Department—and I have shared in that notification—that we think it is good policy, as a general rule, to make nominations for ambassadorships from the career service. But we do not believe that such a rule should be exclusive. I think it would be a mistake to adopt any such restrictive rule.

So for many reasons, and for one which I wish to stress, I do not believe that it would be in the best interest of the Foreign Service to have a rule that only persons in the career service should be selected as Ambassadors. I think that such a rule would destroy a very much needed check on the career service itself.

I believe it is good for the career service to know that the President has the right to go outside that service in selecting ambassadors.

Thus, in closing my remarks, I wish to say, as I check off each one of these criteria, I reach the value judgment that Mr. Reid meets all of these criteria. Therefore, he is entitled to have his nomination confirmed, and I hope it will be confirmed. He is certainly deserving of the motion I made in committee that his nomination be favorably reported to the Senate.

Particularly in view of the fact that I have been involved in what I consider to be some controversial nominations, in which the nominee has not met all these tests, I am pleased to stand on the floor this afternoon and support this nomination of President Eisenhower, because I believe it to be a qualified and good nomination.

Mr. CLARK. Mr. President, the task of each Senator in determining whether or not to give his individual advice and consent to the nomination for an ambassadorial post is a heavy one, and our collective responsibility is also heavy.

I do not share some of the views expressed by my good friend from Oregon [Mr. MORSE], who has just spoken. I shall, nonetheless, support the nominee in the vote, which will shortly take place. I see no great constitutional questions involved. To me, it is clear that the Senate's duty is to weigh each nominee carefully, testing him or her, as the case may be, by the normal standards of competency, and to render our vote accordingly.

No one, so far as I know, has suggested that nominations should be confined to the Foreign Service. It is good that they should not be.

I believe that the distinguished chairman of the Committee on Foreign Relations was quite correct when he said that if a nominee is proposed by the President of the United States who is not in the Foreign Service, there should be, if not a presumption that he is not qualified, at the very least the burden of going ahead with evidence to show that he is qualified. I believe that every nominee who is not in the Foreign Service should meet the burden of going ahead with such evidence, if he is to be confirmed by the Senate.

I ask unanimous consent to place in the RECORD at this point in my remarks, two letters, the first dated April 3, 1957, from the former distinguished chairman of the Committee on Foreign Relations, the Senator from Rhode Island [Mr. GREEN], and presently the chairman emeritus of that committee, to Secretary Dulles; the second, a letter dated February 5, 1959, to Secretary Dulles, signed by the present distinguished chairman of the Committee on Foreign Relations, the Senator from Arkansas [Mr. FULBRIGHT]. These letters appear at pages 4 and 6 of the hearings with respect to this nomination.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

APRIL 3, 1957.

The SECRETARY OF STATE,
Washington, D.C.

DEAR SECRETARY DULLES: I desire to express to you in a completely nonpartisan spirit my deep concern about ambassadorial appointments.

In view of the heavy responsibilities of the United States throughout the world and the importance to us of relations with other countries, we should have first-rate ambassadors in every post. We choose ambassadors both from the ranks of the career service and from outside the Government service, and the benefits of this practice can be readily demonstrated. We should not, however, accept the conclusion that some years of satisfactory service either in the Foreign Service, or in some nongovernmental activity, automatically qualify a man to be a good ambassador. The test in every case should be whether a nominee for a particular post is the American who can best serve the interests of this country there.

There are special problems arising from the fact that certain posts are very expensive. I am glad to have the Department's

letter of March 6, 1957, stating that a study of the matter is under way. The Committee on Foreign Relations will no doubt give sympathetic consideration to such recommendations as you may make.

It is generally known that Presidents and Secretaries of State of both political parties have been under pressure from those who feel that an ambassadorship is a reward for past service or help. In my opinion, we can no longer afford to give away to such pressure in appointment making.

The Committee on Foreign Relations has always recognized the primary responsibility of the Executive in making such appointments and has been reluctant to refuse consent to a nomination unless there is an obvious reason to do so. The committee has on occasions given the benefit of the doubt to nominees. It seems to me, however, an insufficient reason that there is no real objection to the nomination; there should also be an affirmative reason for it—namely, that the nominee has outstanding qualifications for the position. It should be obvious in each case, whether the nominee is a career man or not, that his record, his intelligence, his background and his attitude are such that he will ably serve our country in his assignment.

I have made this letter the subject of discussion in executive session by the Committee on Foreign Relations and it represents the consensus of the views of all the members of the committee.

Sincerely yours,

THEODORE FRANCIS GREEN,
Chairman.

FEBRUARY 5, 1959.

The Honorable JOHN FOSTER DULLES,
Secretary of State, Washington, D.C.

DEAR MR. SECRETARY: As you know members of the Committee on Foreign Relations have been concerned for several years that some of our ambassadorial appointments have not been up to the standard that should be maintained if our interests abroad are to be fully promoted. Indeed, on April 3, 1957, Chairman GREEN wrote to you stating:

"In view of the heavy responsibilities of the United States throughout the world and the importance to us of relations with other countries, we should have first-rate ambassadors in every post. * * * The test in every case should be whether a nominee for a particular post is the American who can best serve the interests of this country there. * * *

"It is generally known that Presidents and Secretaries of State of both political parties have been under pressure from those who feel that an ambassadorship is a reward for past service or help. In my opinion, we can no longer afford to give way to such pressure in appointment making.

"It should be obvious in each case, whether the nominee is a career man or not, that his record, his intelligence, his background, and his attitude are such that he will ably serve our country in his assignment."

It has seemed to me that if the committee is properly to exercise its advice and consent function in connection with ambassadorial appointments, it is important that it have not only the usual biographic data and statement regarding security clearances, but that it also receive for its confidential use certain other information which the President must consider prior to filling one of these important posts. Frankly, I do not know precisely what form this information may take. I would assume, however, that prior to submitting such appointments, the Department and the President must have information before them of the kind which would normally be utilized by a corporation—or perhaps a college president—prior to filling important positions. With respect to ambassadorial appointments, for example, I would think the authorities concerned with the appointments would want to know of the candidate's language ability, his ability as an administrator, his ability to make friends, the nature and depth of his interest in foreign affairs generally, as well as specifically in the country to which he is being sent, the interests which may be brought to bear on him in his post, and similar matters.

Because the President and the Senate share the power to appoint ambassadors, it seems to me that when the Senate confirms a nomination it should have before it the same kind of information which the Executive had in making the nomination. I hope, therefore, that you will be able to supply me with background information on candidates of a more nearly complete nature than has been available to us in the past.

I suggest that such information might be supplied beginning with the nomination of Mr. Reid to be Ambassador to Israel.

Sincerely yours,

J. W. FULBRIGHT.

Mr. CLARK. Mr. President, those letters, I believe, lay down the standards which should govern the Senate in passing on these nominations. Those standards are high. I believe they should be high. I for one, have, in my brief period of service in the Senate, insisted that the nominees should be thoroughly and competently qualified before my advice and consent as a Member of the Senate is given. I believe firmly that that advice and consent should not be lightly given. Let me say, however, that when all the evidence is in, and when we are at the point of appraising a nominee, if there should be any doubt in a Senator's mind, he should resolve the doubt in favor of the nominee of the President. That is what I, for one, will do. Certainly, under such circumstances the President is entitled to have the nomination confirmed.

My list of qualifications which a nominee should meet is perhaps substantially the same as that of my friend from Oregon, but I would put it a little differently. The first is: Has the nominee's integrity been called into question? Second, has he demonstrated in his life and in the hearings before the committee emotional stability? Third, is there some evidence, at least, that he has good judgment? Fourth, what is the extent of his experience which would qualify him for a diplomatic post? Fifth, is there anything in his association which would make it inadvisable for him to be sent to a post of responsibility in our Foreign Service?

I have read with great care the testimony which was taken before the Committee on Foreign Relations. I have never met Mr. Reid. I am not a member of the committee. Exercising to the best of my ability the task of determining whether to vote for or against the confirmation of the nomination, I have concluded that there is no creditable evidence which might lead to the conclusion that he is other than a man of integrity. In his conduct before the committee, as I read his testimony, he showed substantial emotional stability under some stress, because, as the Senator from Oregon has said, the distinguished chairman of the Committee on Foreign Relations conducted a very vigorous cross-examination of the nominee. I would say that the nominee handled himself with judgment. I would say also that there is nothing in his previous career, other than a few boyish pranks when he was in the Army—pranks such as I am sure any one of us in the Senate might easily have indulged in under the same circumstances—which would cause any substantial doubt that Mr. REID is a man of good judgment. His experience, I suggest, is substantially greater than appears from the mere fact that he has never been in the diplomatic service. Beginning at the bottom of page 23 and carrying over to the middle of page 25 of the hearings, is Mr. Reid's own statement as to why he considers himself qualified to fill this post. I ask unanimous consent that that excerpt from Mr. Reid's testimony be printed in the RECORD at this point in my remarks.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

NEWSPAPER EXPERIENCE AS QUALIFICATION FOR POST

Mr. REID. Now, with reference to the second question, let me try to answer briefly, not in a rambling fashion, and as seriously as possible.

First of all, my undertsanding of a diplomat is that he is concerned with reporting the facts in a given country, the state of mind, public opinion, the positions of the various members in this case, of Knesset government, business facts, reporting as accurately as he can to the State Department and to the President.

This suggests, to my mind at least, that a newspaper discipline, precision, and accuracy in reporting, is totally perhaps not irrelevant.

Second, the responsibilities, as I understand it, of an envoy are to calmly, quietly but firmly, represent the policies of this Government, and to clearly and articulately, wisely and judiciously, if you will, with a sense of timing and perception, present these views to the Government to which he is accredited. Again partly a question of exposition.

Now, you have asked, as I understand it, somewhat more directly what are my qualifications or experiences relative to an extremely important part of the world. What have I been doing these last 6 or 7 years? Why do I have the presumption to believe in the slightest degree that perhaps I could do one or two things that would usefully serve?

PERSONAL RELATIONS WITH HIGH GOVERNMENT OFFICIALS

Here I would like to mention one or two things. I have had occasion during the last month or two to review the Herald Tribune during the last 6 years. I wanted to see that almost on a day-to-day basis there was a heavy news file from the Middle East and frequent editorials, one of which you were kind enough to allude to.

In the European edition of my responsibility when I was there specifically for a year, but in touch with it for a longer period than that, I had personally, relations with a number of principals, the officials, the Foreign Ministers, of the countries of Europe, Middle East, north Africa, over a period of time. I have had some occasion to get to know them as individuals as well as an opportunity to learn something of their public policies and the way in which—the principle and the method in which—these views and principles are presented.

As you perhaps know, the Herald Tribune has, I think, done more than any other paper in connection with special sections. We have done a number on Israel; we have had discussions on other countries in the Middle

East. We have also published special sections on other countries in the Middle East.

These sections dealt with the business facts of life, the opportunities for capital; they did not touch on the political side.

I have had some opportunity, as you know, to see, and upon occasion to try to work closely with some of the senior officials of the United Nations, and I think I know something of their views. This is true also to a limited degree of some of our banking institutions, both of a private and of an international character.

You referred rather specifically, as you remember, to the situation at the time of Suez, and I might add, and I don't think this is breaking any confidence, that I had more than one discussion at that particular juncture with Selwyn Lloyd and Golda Meir about some of the problems and their views at that time.

I also had occasion in trying to formulate with the other senior executives of the paper a policy, as to the paper, on the Middle East at that time; I was in touch not only with the State Department, but with the White House, with Cabot Lodge at the U.N., and others. I have had some occasion, therefore, to follow the development of the policy prior to Suez and post-Suez.

As a matter of fact, I believe I spent the last evening that Sir Anthony Eden was in this country discussing with him some of the problems of the Middle East. That was the time when he was here to see President Eisenhower.

So I have tried for a period of some 6 years or so to talk and principally to listen to the views of the principals responsible not only in the area but to others who have had a collateral or a direct interest in the Middle East.

The paper has long supported the Charter of the United Nations and the principles that it embodies. I went to the 10th anniversary ceremonies in San Francisco, for example, in connection with the U.N., and I have tried to follow their views, the views of Secretary, former Secretary Dulles, President Eisenhower, and as a newspaperman, follow on a day-to-day basis the developments in the area.

But I do feel that having worked somewhat closely with some of these governments, and occasionally discussing matters with them that they felt they had not completely registered with some of the officials in this country, I believe I have had some slight opportunity to know their views, their principles, and their high purposes.

I have valued that opportunity; I have tried to absorb it. We have tried to bring some of that thinking to bear in editorials, in news stories and in special sections, and rather continual visits with these individuals or through the medium of the telephone.

Mr. CLARK. On the basis of that statement, I have concluded that Mr. Reid meets the tests which I have laid down as the criteria in determining whether his nomination should be confirmed.

As I look at the final test, that of association, it occurs to me that this gentleman is obviously a member of the political party which is opposite mine. He is a member of a wealthy family. He is from New York, and he has conducted for many years a strongly Republican newspaper. These do not seem to me to be disqualifications which would overcome the presumption in favor of the nominee whose nomination I believe, in the last analysis, the President is entitled to have confirmed. While I do not believe that, if I had the difficult task of making such a selection, I would have selected Mr. Reid as my nominee, I believe the President of the United States was well within his rights, considering his political philosophy, and the fact that the President has been elected twice to high office by the people of the United States. Accordingly I shall support the nomination.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. DOUGLAS. The Senator from Pennsylvania is familiar with Gilbert and Sullivan. I wonder if he remembers the line from one of the Gilbert and Sullivan operas which runs like this:

> Hearts just as pure and fair
> May beat in Belgrave Square
> As in the lowly air of Seven Dials.

Mr. CLARK. The Senator's quotation from Gilbert and Sullivan rings a familiar bell with me. I should like to add that merely because he is a man who happens to have attended an Ivy League college does not mean that he is disqualified to be an Ambassador or a Member of the Senate.

Mr. DOUGLAS. It is probably something against him, but it can be lived down.

Mr. CLARK. Mr. President, I yield the floor.

Mr. SYMINGTON. Mr. President, it is seldom I disagree with the very able chairman of the Committee on Foreign Relations. There is no one in whose capacity and integrity I have more confidence. I would rather hear his opinions with respect to our foreign policy than those of any Member of Congress or this administration.

In this case, however, I am forced to disagree with him. I believe that Ogden Reid will make a good Ambassador. I have known Mr. Reid for many years. He is a man of character and of great energy, and is a dedicated patriot. I hope the Senate will confirm his nomination.

Mr. KEATING. Mr. President, Ogden R. Reid, although a comparatively young man, has had an extraordinarily broad experience in the field of international relations and in the business world as well. He strikes me as being uniquely qualified to be U.S. Ambassador to Israel.

For 6 years he directed the production of the New York Herald Tribune's European edition, which circulated to 70 countries, and during that time he lived, for the most part, in France. He is personally acquainted with the leading political and governmental figures of virtually all the principal countries of Europe and the Middle East.

Mr. Reid's nomination to be Ambassador to Israel has been extremely well received in Israel. The fact that he is young has not been regarded as any bar, for Israel is a young country, with new and fresh ideas; Israel will welcome a young man with new and fresh ideas. Moreover, it might be pointed out that Abba Eban, the Israeli Ambassador to the United States who was such a success in this important post, was only 33 years of age when he came to this country as Ambassador—and this happens also to be the present age of Mr. Reid.

Mr. Reid was elected president of the New York Herald Tribune in 1955 and served in this capacity until the end of 1958. He has served as a Director of the Panama Canal Company, the Massachusetts Mutual Life Insurance Co., and of Loew's, Inc., serving as chairman of the executive committee of Loew's.

In that connection, I have received, upon my inquiry, a letter from the president of the Massachusetts Mutual Life Insurance Co., Mr. Leland J. Kalmbach, in which he comments upon the services of Mr. Reid upon the board of that company. Mr. Kalmbach points out that in his business relationships with the New York Herald Tribune, he became well acquainted with Mr. Reid and soon became very favorably impressed with his judgment, his objective thinking, and his inquiring mind. Mr. Kalmbach then said:

> During the period in which Mr. Reid has served on our board, my respect for him has continued to increase.

Mr. President, I ask unanimous consent that the entire letter from Mr. Kalmbach may be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. KEATING. Mr. President, both Mr. Reid and his charming wife are studying Hebrew. I might note that neither of our two previous career Ambassadors to Israel spoke the language. Both the Reids are fluent in French. I may observe that Mrs. Reid, a Phi Beta Kappa who was graduated from Barnard College summa cum laude, would certainly be a considerable asset to the United States in this post.

The point has been made that Mr. Reid is not a career diplomat. Our career foreign service usually, although not always, gives us much cause for pride. A career diplomat is not automatically a genius; some of ours have been pretty awful stuffed shirts and dunderheads. Political appointments have included some horrible mistakes, too, both in this administration and in previous administrations, as well. The principal point I wish to make is that noncareer appointees are not necessarily bad, career appointees are not necessarily good, and in both cases, vice versa. The point is that we must decide whether a nominee's previous experience has helped to fit him for the post to which he is nominated.

Mr. President, I submit that extensive newspaper experience, both domestic and international, certainly does help to equip a man for a role in diplomacy, particularly when that man is vigorous, attractive, and extremely able to get along well with all sorts of people.

A diplomat is concerned with reporting the facts in a given country, and with communicating accurately and fully, to the State Department and the President, the events, state of mind, and coming events which would have a significant bearing upon this Nation's relations with the nation to which the diplomat is accredited.

Further, a diplomat must represent the views and policies of his own coun-

try; he must communicate them to the government to which he is accredited, and insofar as he can properly do so, to the people of the country to which he is accredited.

It seems to me that newspaper experience, and particularly newspaper experience of the far-ranging variety Mr. Reid has been privileged to enjoy, is most excellent training for diplomacy. In fact, I can think of some diplomats I have met who would have benefited considerably from early training in the newspaper business if only for the purpose of enriching their skepticism.

The assertion has been made that Mr. Reid may have some political ambitions which might prompt him to desire this appointment. Mr. Reid has flatly denied that this nomination has anything to do with any domestic political ambitions on his part; in fact, he has stated categorically that he has no political ambitions, and is interested only in serving his country as best he can.

I think the hearings before the Committee on Foreign Relations have demonstrated Mr. Reid's maturity, his judgment, and his calmness under trying conditions. I am entirely satisfied that Mr. Reid would make a most excellent Ambassador to Israel, just as his grandfather was an outstanding Ambassador to the Court of St. James. I hope the Senate will proceed without undue delay to confirm the nomination of Mr. Reid.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. KEATING. I yield.

Mr. LANGER. I am very much distressed that the distinguished Senator from New York has brought up the matter of the political ambitions of Mr. Reid. I was in attendance when Mr. Reid appeared before the committee. He made a very fine presentation. As I stated at the time, I think it is fine when a young man has political ambitions. So far as I am concerned, Mr. Reid could be a candidate for Governor of New York, President of the United States, or any other position.

I do not like to have the impression created that in order to be appointed ambassador a young man must promise to forego political ambitions, because I think Mr. Reid is the kind of man of whom all Americans can be proud.

Mr. KEATING. I share the general principles enunciated by the distinguished Senator from North Dakota. However, this argument has been advanced as a reason for not confirming the nomination of Mr. Reid. I have full confidence in Mr. Reid's categorical statement that he does not have any political ambitions to run for any elective office. I cannot change his ambitions.

Mr. LANGER. Mr. President, will the Senator further yield?

Mr. KEATING. I yield.

Mr. LANGER. If Mr. Reid decides to change his mind, he will not be violating any of the rules or traditions of the Senate.

Mr. KEATING. I entirely agree with the distinguished Senator from North Dakota.

Mr. President, I have in my hand a copy of a letter dated March 28, 1957, sent to Mr. Reid by the President of the United States, long before there was any consideration of Mr. Reid for nomination to an ambassadorial post. At that time Mr. Reid had received the Eternal Light Award. I shall read the letter from the President:

THE WHITE HOUSE,
Washington, March 28, 1957.

Mr. OGDEN REID.

DEAR BROWNIE: Both as an American citizen and as the publisher of a great American newspaper, your voice has been eloquently and persuasively raised in the championship of freedom for mankind and in the enunciation of this Republic's role of responsible leadership among the nations that cherish human freedom with justice in a world at peace.

The Eternal Light Award, presented to you by Rabbi Louis Finkelstein, symbolizes in the most worthy fashion the admiration and respect you, though young in years, have already earned by your courage, dedication, and leadership.

With all joined in its presentation to you, I congratulate you and wish you many more years of achievement and fruitful contribution to the enduring good of your city, your country, and the world.

With warm personal regard,

Sincerely,

DWIGHT D. EISENHOWER.

EXHIBIT 1

DEAR SENATOR KEATING: I noted with interest that during the hearing of the Senate Foreign Relations Committee on the nomination of Mr. Ogden R. Reid as Ambassador to Israel he was questioned regarding his business connection with the Massachusetts Mutual Life Insurance Co. On the bare possibility that this matter may come up for discussion when Mr. Reid's nomination is considered by the Senate, I am taking the liberty of writing you regarding some of the questions which were raised. You are entirely free to use the statements contained in this letter in any manner which you consider desirable if this question should become an issue.

In 1954 the Massachusetts Mutual granted a mortgage loan on the assets of the New York Herald Tribune in the amount of $2,250,000, and through regular amortization payments the amount of the loan has been reduced to $1,478,000. This loan was consummated before Mr. Reid was elected president of the Herald Tribune and before he was elected a member of our board. In view of this business relationship between our two companies, I became well acquainted with Mr. Reid after he was elected the chief executive officer of his company. I soon became very favorably impressed with his judgment, his objective thinking, and his inquiring mind. Also, I felt that the many constructive changes which he brought about in the operations of the Herald Tribune were evidence of good business judgment. In view of my high regard for Mr. Reid, I invited him to become a director of the Massachusetts Mutual after a discussion with the other members of our board; he was elected a director as of January 23, 1957, to fill the vacancy resulting from the death of one of our former directors.

When Mr. John Hay Whitney granted a loan to the Herald Tribune and finally bought stock control, the Massachusetts Mutual directors were not displeased in view of the increase in the value of our collateral. On the other hand, at no time prior to the change in the stock control of the Herald Tribune was I concerned about the adequacy of the collateral back of our mortgage.

During the period in which Mr. Reid has served on our board, my respect for him has continued to increase. He has taken a real interest in the affairs of the company, and he is now a member of the salary committee of the board. He appeared on the program of our latest general agents' convention and the ovation which he received was evidence of the very favorable impression which he has made on the officers of the company and on our entire general agents' organization.

I am sending a similar letter to the Honorable JACOB K. JAVITS.

Sincerely yours,

Leland J. Kalmbach.
LELAND J. KALMBACH.

Mr. JAVITS. Mr. President——

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from New York. I hope that at the conclusion of his statement and, perhaps, a statement by the Senator from Alaska [Mr. GRUENING], the Senate will take action on the nomination of Mr. Reid.

I think the Senate is disposed to confirm the nomination of Mr. Reid today, if it is possible to reach, during today's session, a vote on the nomination. The hour is growing rather late, and I would not like to have consideration of the nomination go over until tomorrow, unless that is forced upon us.

I yield now to the Senator from New York.

Mr. JAVITS. Mr. President, I shall be brief in commenting on the pending nomination.

The nominee is going to an important country, both in terms of the United States and in terms of the entire free world. Therefore, I believe we should make the record on the nomination as complete as we can within the bounds of reason.

Mr. President, we are a sporting country; and the nominee was given a sporting proposition when he appeared before the committee and was introduced by me and my colleague, Mr. KEATING. That is shown on page 7 of the committee hearing, where the chairman of the Foreign Relations Committee is recorded as follows:

> The burden on noncareer people is to prove to the committee that they are qualified.

Mr. President, it seems to me that the nominee proved to the committee that he is qualified, because the committee voted 10 to 4 in favor of reporting the nomination favorably to the Senate.

I respect greatly the views of the chairman of the committee. Being an enlightened person, he would be the first, I am sure, to admit, however, that he, too, must be guided by the preponderant view of persons of sound judgment who are competent to hear the facts and to pass on them; and I know the chairman of the committee does take that view.

Mr. President, I have known the nominee a long time, in connection with his work on the New York Herald Tribune. At that time I had no legal connection with the management of that newspaper, although today my law firm does have some legal connection with its management.

I think the nominee has clearly demonstrated, over a considerable period

of years, great ability and entire integrity and very high character.

At the hearings, it was pointed out by my colleague, the Senator from Oregon, that Israel is a young country, and that therefore it is appropriate that a young man with youthful ideas be appointed as our Ambassador to that country.

Mr. President, the refreshing approach of the nominee is shown by the fact that when he was appointed, he began to study the language of the country to which he has been appointed. In fact, the book entitled "The Ugly American" demonstrates that too few of our diplomats speak the language of the country in which they serve.

Furthermore, at the hearings, when they began, it appeared—and the nominee so realized—that a number of the members of the committee might be opposed to confirmation of his nomination—notably among them, my colleague, the Senator from North Carolina. But when the hearings were over, the Senator from North Carolina said he was satisfied that the nominee was qualified for this task.

Furthermore, Mr. President, my colleague, the Senator from New York [Mr. KEATING], has made the point that the nominee will be well received in Israel; in fact, the Ambassador from Israel to our country made a strong point of that fact, before he returned to Israel.

In addition, Mr. President, there is organic in the hearings the fact that the nominee is a serious young man who understands his business. On that point, I should like to make three brief comments.

First, as appears at page 34 of the hearings, the nominee himself stated his conception of the correct definition of an ambassador. It seems to me that he defined it in the finest terms, as we understand the duty of an ambassador-to-be, when he said that an ambassador heads a country's team of experts, and that "it is the ambassador's function to help coordinate some of this thinking."

That is exactly what we have been trying to teach our ambassadors—both career and noncareer.

Furthermore, the nominee picked out the two most signal and important elements of the foreign policy of Israel, as they relate to the United States and the rest of the free world; for example, he pointed out that one of the most needling problems there is that of the Arab refugees. Certainly it is one of the most needling problems in Israel, today, Mr. President; and the nominee has his eye exactly on the right target.

The nominee also pointed out that one of the greatest services which Israel could render, and is rendering, to the free world is in giving technical assistance to a number of other new countries which it believes can, by means of the giving of such technical assistance, be saved for the free world—among them Ghana, Burma, and similar countries in Africa and Asia. Certainly the contribution which Israel is making in that connection is most useful and helpful.

Mr. President, when a young man is able to see as clearly as that his function in connection with his service to our country, it seems to me that in addition to his other attributes and in addition to his very high level of experience, we must recognize that not only has he shown that he has learned that, but also he has shown that he has learned that lesson very well, indeed.

I deeply hope that his nomination will be confirmed. I believe he will make not only a creditable Ambassador, but also an excitingly helpful and inspiring Ambassador from the United States to Israel. I believe he will serve our cause superbly well, to the satisfaction of all the people of the United States.

Mr. GRUENING. Mr. President——

Mr. PROXMIRE. Mr. President——

Mr. NEUBERGER. Mr. President——

Mr. JOHNSON of Texas. Mr. President, I wish to yield the floor to the Senator from Wisconsin [Mr. PROXMIRE], who has been waiting patiently for a long time.

But, first, I yield briefly to the Senator from Alaska [Mr. GRUENING].

Mr. GRUENING. Mr. President, I shall take only a moment to support most warmly the proposed confirmation of the nomination of Mr. Reid.

I have known the Reid family for many years, and I warmly support confirmation of the nomination.

I have read the record of the hearings. I think the nominee will make an excellent Ambassador. He is not too youthful in age. He has maturity and vision. I think he has shown an admirable attitude by the studies he has made.

I very greatly hope the nomination will be confirmed; and I heartily support confirmation of the nomination.

Mr. NEUBERGER. Mr. President——

Mr. JOHNSON of Texas. I yield to the Senator from Oregon.

Mr. NEUBERGER. I thank the majority leader for yielding to me.

Mr. President, in the case of any nomination before the Senate, my inclination is to go along with the position taken by the committee which has jurisdiction of the nomination. The Members of the Senate who serve on the committee which has jurisdiction over the nomination have far greater knowledge, familiarity, and intimacy with the qualifications of the person nominated than do Members of the Senate who do not serve on the committee.

I followed that particular policy in connection with the nomination of Mrs. Clare Boothe Luce to be our Ambassador to Brazil; and I intend to follow the same policy today, in regard to the nomination of Mr. Reid.

I do not know Mr. Reid personally; but I know his family, and I consider it to be an outstanding family, dedicated to public service of a very high caliber and order.

In this country we have a tradition that journalists and writers who have served as our ambassadors have served illustriously. For example, I have in mind Josephus Daniels and Claude G. Bowers. Both of them were journalists and writers, and both of them were great ambassadors.

I think Ogden R. Reid has the ability to carry on in that tradition, bringing with him, to the post of ambassador, the attributes of distinguished journalism and literary work.

I intend to vote for confirmation of the nomination of Mr. Reid. I wish him well in his very important responsibilities in Israel, in particular, and in the Middle East, in general.

Mr. COOPER. Mr. President, it is a privilege to support and to vote for the Honorable Ogden Rogers Reid, of New York, to be Ambassador to Israel. It is not necessary for me to dwell on his qualifications. His testimony in the hearings held by the Senate Committee on Foreign Relations confirmed the intellectual quality and judgment which his career has displayed.

Mr. Reid is the son of distinguished parents and a member of a family which has devoted itself to public service. His mother, Mrs. Ogden Reid, is yet engaged in public service and patriotic work for our country.

Ogden Rogers Reid in his mission to a new but great country, Israel, will serve our country well and will strengthen our friendly relations with Israel.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). The question is, Will the Senate advise and consent to this nomination. [Putting the question.]

The "ayes" appear to have it; and the "ayes" have it; and the nomination is confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

DEPARTMENT OF COMMERCE

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the nomination of Lewis L. Strauss to be Secretary of Commerce. The report on the nomination will be filed at 8:30 or 9 o'clock this evening. There will be no debate on the nomination today; I expect the further consideration of the nomination to go over until tomorrow.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the nomination.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

EMILE F. LEVIN

Mr. LANGER. Mr. President, the Immigration and Naturalization Service, headed by General Swing, is one of the most efficient of our Government agencies; and one of the most outstanding employees of the Immigration Service is Mr. Emile F. LeVin, an investigaor in the Boston office.

In April of this year, Mr. LeVin won the Service Incentive Award for his work

in connection with the annual alien address program for 1959. I offer for the RECORD the letter to Mr. LeVin from General Swing.

The Commissioner of Immigration is to be congratulated for surrounding himself with men of Mr. LeVin's caliber.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF JUSTICE,
IMMIGRATION AND NATURALIZATION SERVICE,
Washington, D.C., April 23, 1959.

EMILE F. LEVIN,
Investigator, Immigration and Naturalization Service,
Boston, Mass.

DEAR SIR: The Service Incentive Awards Committee has recommended that you be granted a cash award of $100 for your outstanding performance in connection with the annual alien address program for 1959. Enclosed is check, less tax deductions.

I want to take this opportunity to join with the committee in expressing our thanks and appreciation to you for a commendable contribution to the Service.

Sincerely,

J. M. SWING,
Commissioner.

ORDER FOR ADJOURNMENT UNTIL NOON TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until noon, tomorrow.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President——

Mr. JOHNSON of Texas. Mr. President, I desire to express to the Senator from Wisconsin [Mr. PROXMIRE] my appreciation for his cooperation this afternoon. He has waited long and patiently to address the Senate. I now yield the floor to him.

Mr. PROXMIRE. I thank the majority leader.

POSITION OF SENATOR MORSE ON THE NOMINATION OF MRS. CLARE BOOTHE LUCE TO BE AMBASSADOR TO BRAZIL

Mr. MORSE. Mr. President——

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield to the Senator from Oregon.

Mr. MORSE. Mr. President, I ask unanimous consent to have printed individually at this point in the RECORD, a series of editorials which support my position on the recent controversy in the Senate on the nomination of Mrs. Clare Boothe Luce.

As my colleagues have undoubtedly noted, Time magazine and some other periodicals, as well as some newspapers, have made a special point of quoting from editorials which opposed my position on the Luce nomination. From reading their writings, one would assume there was no support across the country for my position.

The fact is there was a considerable amount of journalistic support of my position; and my mail showed an overwhelming support at the grassroots of America.

Therefore, I am requesting that the editorials which I now send to the desk be printed at this point in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Baker (Oreg.) Record-Courier, May 7, 1959]

MORSE VICTORY

The resignation of Clare Boothe Luce as Ambassador to Brazil following the furor of her row with the Senate was in the best interest of the country's Latin American policy. This policy at best has not been moving forward in recent years and to have had a weak political appointee in a key spot in our South American corps would have been no good.

The blocking of the Luce ambassadorship is a victory for Senator MORSE of Oregon, although partisans may attempt to make personal criticism out of it for the Senator as usual.

Mrs. Luce as well as her publisher husband had a background of inflammatory partisan and foreign affairs statements. Her service, if any, could have been embroiled in distrust both at home and abroad. Furthermore, word from Washington indicates that privately the Senate as a whole is glad she resigned, even though the customary confirmation was voted out of party loyalty and custom. It fell to Senator MORSE to interpret this undercurrent and oppose the confirmation. It was indeed a strong argument he had that the woman who said that Roosevelt and this country were responsible for World War II—in a world of power-bound dictators—was not the best Ambassador of the American people abroad. Actually the partisan reactionary, wealthy political appointee would not have been the best spokesman for the heart of America among the good neighbors to the south. Big business and the dollar sign must not determine our foreign policy.

Furthermore, the subcommittee named by the Senate to include Senator MORSE as its chairman to handle Latin American affairs could have expected no harmony out of the partisan Mrs. Luce. President Eisenhower should not have disregarded the need for bipartisanship in our foreign affairs in making so crude an appointment.

[From the World, Coos Bay, Oreg., May 2, 1959]

LUCE QUIT IS GOOD FOR ALL

Senator WAYNE MORSE's personal triumph in almost singlehandedly forcing Clare Boothe Luce to give up her ambassadorship to Brazil is a beneficial development. Our envoyships overseas, which have always been subject to being made into prizes for political favor, have seldom been as badly used in the appointment of Mrs. Luce as Ambassador to one of America's most critically needed friends, Brazil.

Senator MORSE hung his criticisms of President Eisenhower's appointment on the record of the Time-Life favors, financial and journalistic, to the Republican Party cause, and upon Mrs. Luce's exceedingly wicked, almost traitorous, utterances against the President of the United States when the country was in the grips of a terrible war.

These things were accurately used by MORSE. But what is even more important against Mrs. Luce than the obvious political favor-flavor of the appointment, was the miserable mistakes she made while Ambassador to Italy, by managing to get herself embroiled in Italian politics and, through the extremely poor taste left in the mouths of Italian voters by her antics, getting enemies of the United States elected by the dozens.

The debate between MORSE and Mrs. Luce eventually sank into name calling and suggestions by each that the other was "emotionally unstable." Mrs. Luce proved her emotional instability by resigning in a pique over MORSE's attacks, even though she had gained substantial Senate confirmation to the post.

But let's not look gift horses in the mouth. At least she will not be Ambassador to Brazil. In that the nations, both the United States and Brazil, are lucky.

[From the Capital Press, Salem, Oreg., May 15, 1959]

PASSING IN REVIEW

(By Dewey Rand)

President Eisenhower said at his news conference this week that he searches for the finest people he can get; people with competence, character, and integrity, for appointment to public office. There is no reason to doubt the President's sincerity in making this statement but his choices, at times, raise a question as to his definition of the words "competence, character, and integrity."

Two of the recent selections of the President illustrate this. These are Mrs. Clare Luce, whom the President named Ambassador to Brazil and who resigned after she was confirmed by the Senate. The other is Lewis L. Strauss, former Chairman of the Atomic Energy Commission, who is now serving as Secretary of Commerce and whose confirmation is now being debated by the Senate.

The difficulties Mrs. Luce had with Senator WAYNE MORSE and 10 other Senators who opposed her confirmation hardly need reviewing. But lost in the rather sensational uproar the incident produced was the plain and important fact that Mrs. Luce was not particularly competent nor does her character qualify her for an important ambassadorial post. Her integrity was not at issue but if the President claims three requisites, it is reasonable to expect the candidate to have them all.

Strauss, who is now facing the same scrutiny Mrs. Luce experienced, is competent enough but both his character and integrity is being questioned. Strauss has no less power in his corner than had Mrs. Luce who was backed by her husband-owned $100 million publishing empire of Time, Life, and Fortune, and the President of the United States. Strauss is a multimillionaire banker and operator in the stratosphere of high finance. He is typical of the rich, and sometimes arrogant, men the President admires most and has chosen for so many important posts.

Outside of the millionaire clique surrounding the President, Strauss has won few admirers during his years in Washington. His wealth does not disqualify him for the post of Secretary of Commerce nor does the fact that his popularity is limited. There are, however, a number of things in his record which leave his integrity in doubt. Chief of these is the notorious Dixon-Yates case.

Dixon-Yates has been compared by Washington observers to the Teapot Dome scandal of the Harding administration, and it is generally agreed that Strauss was at the center of the affair. With the full support of the President an attempt was made to give Dixon-Yates a $100-million-plus power producing plant in the TVA area and a substantial part of the cost would have come from the pocketbooks of the taxpayers.

The Dixon-Yates deal blew up in the President's face when it was discovered that an employee of the banking firm backing the project was also on the Government payroll and holding a position from which he could

influence the enterprise. Strauss, then Chairman of the Atomic Energy Commission, was holding the key position of power and supported the plan, it is reported, up to the point of deceiving the President. Since the exposure Strauss has claimed executive immunity and has refused invitations to appear before investigating committees.

Dixon-Yates was exposed and averted. But what about the integrity of the key figure in the conspiracy, Strauss? Are his ethics those of a man who should represent the public interest as Secretary of Commerce with control of the many boards and commissions which can, if the Secretary permits them, hand out millions of dollars in valuable concessions?

Admittedly, it is not easy for a President to bring men of competence, character, and integrity into Government service. But President Eisenhower has had more difficulty finding men of integrity than have most of his predecessors. His administration has had more conflict-of-interest scandals than any since Harding or, perhaps, the days of General Grant.

It is understandable that a complete amateur in the political field, as the President was when elected, would find himself betrayed by his appointees when even the most honest and skilled politicians have this experience. But what puzzles the observer is how the President, after 7 years in office and many bitter experiences, would name a man with Strauss' record and, at the same time, talk of character and integrity as though there was no question of Strauss' fitness for this new and high responsibility.

[From the Washington Teamster, May 15, 1959]

WHAT PAPER DO YOU READ?

Through the comments in the liberal, limited circulation magazines on the case of Clare Boothe Luce runs the thought that it would have been better if the matter had never come up. There's no getting around it, though. Mrs. Luce was appointed by the President to go to Brazil as Ambassador; Senator MORSE did protest vigorously; she was confirmed; her husband, the publisher of Time magazine, suggested she resign; the President urged her to stay on; but she quit. It was all real as life.

The news magazine owned by Mrs. Luce's husband devoted almost eight columns to her fight, but it still didn't seem to find room for some rather important facts. Although there was room for excerpts from 16 U.S. and Brazilian newspapers, Time couldn't manage to get in some relevant reflections. There was space for criticism of Senator MORSE by the New York Times, but not space enough for other observations by columnists in the same paper. We will attempt to overcome that deficiency by advancing those comments here:

Washington Correspondent Russell Baker: "For several years now there have been rumblings from within the Senate about the political character of appointments made in the State Department. * * * The Luce incident, however, was a close brush with disaster. The emotional current produced in the Senate Tuesday afternoon by her gratuitous reflection on Senator MORSE'S sanity was a spontaneous outburst of passion that might have easily resulted in some sort of on-the-spot censure. * * * What should now be clear, however, is that senatorial objections to partisan appointments in the foreign-policy area and insistence on professional diplomatic qualification can no longer be dismissed as hollow platitudinizing."

James Reston: "Senator WAYNE MORSE was certainly the main reason why Clare Boothe Luce quit her job as Ambassador to Brazil, but he was not the only reason. She was caught in a whirl of personal and political problems she could not hope to resolve in the time available to her. Brazil is in the midst of a desperate financial crisis. The * * * Government needed * * * foreign credits. * * * Mrs. Luce would have been expected to produce that credit. * * * Yet she had no chance of persuading her own administration to provide the credits under any foreseeable circumstances."

It is possible that Time will not have room this week for publishing excerpts from the current Reporter magazine. So we offer several: "We cannot help saying just a few parting words about the two protagonists. WAYNE MORSE has proved once more that he is a fearless man, always ready to carry out the duties that his passionate mind assigns him. We don't imagine he is in any way happy to have defeated the ambition of a woman, particularly since he could not have done it without the assistance of that woman. With her bitter gibe at Senator MORSE, Mrs. Luce exhibited that compulsive inclination to verbal violence which she has overabundantly exhibited in her multifarious career."

There is much more, too, that Time did not have room for. Missing are the remarks made on the Senate floor by seven Senators who joined MORSE in opposing the appointment. Pertinent comments they were. They show that MORSE had strong support. It is no wonder there was no Time for them.

[From the St. Louis Post-Dispatch, Apr. 27, May 3, 1959]

THE COUNTRY WILL SURVIVE

The U.S. Foreign Service will not, in our opinion, be irreparably damaged by Clare Booth Luce's decision to resign her ambassadorship to Brazil.

As a matter of fact, President Eisenhower now has a splendid opportunity to do what he must wish he had done in the first place—appoint to this post a top-quality career officer with Latin American experience, a knowledge of Brazil's language and people, deep sympathy for and understanding of the acute problems that face the country.

Mrs. Luce says in effect that she has decided not to take the post because of what Senator MORSE or unidentified political elements might do in the future. They could, she says, water the seeds of hostile suspicion planted by the Senate debate on her confirmation, and thus impair the usefulness of her mission to Brazil.

Well, maybe they could, but would it not make more sense for Mrs. Luce to wait until they did? She is convinced that Senator MORSE would subject her mission to continuing harassment. But a resignation would be more explicable as a result of harassment than it is in anticipation of it. One suspects that her public statement does not tell the whole story as to why she felt it best to give up the post for which the Senate confirmed her by 79 to 12. And it is certainly understandable that Senate leaders would "laugh off" Senator CAPEHART'S proposal to reprimand Senator MORSE.

Like her husband, Mrs. Luce is convinced that all the trouble stems from the determination of Senator MORSE and others to undermine her usefulness. It may just be possible that her usefulness was undermined not entirely by a few unfriendly Senators, but in part by the mixing of politics, foreign policy and journalism which she and her husband had come to stand for.

[From the Wallowa County Chieftain, Enterprise, Oreg., May 7, 1959]

NO GREAT LOSS

The resignation of Clare Boothe Luce, wife of the publisher of Time, Fortune, Life, and other magazines, as Ambassador to Brazil is not resulting in any general laments. What particular qualifications this lady has for a post of this kind have never been tabulated. Presumably, in line with a number of other appointments to diplomatic posts, the principal qualification was that Mrs. Luce is the wife of a very wealthy and influential supporter of the Republican Party. Her knowledge of Latin America and her acceptability to the people of Brazil have not been stressed.

It offended some people when Senator MORSE raised questions about the fitness of this admittedly charming lady for the important post to which President Eisenhower had appointed her. It is always unpleasant and never seems quite gentlemanly to question the abilities of a woman who possesses poise and grace and perhaps other significant attributes. But it is the job of the U.S. Senate to see that the United States is represented abroad by men and women who have sympathy and understanding for the countries in which they represent us, and who have the stability and the diplomacy to avoid arousing ill will. Mrs. Luce, with her intemperate, and wholly unnecessary comments about the sanity of Senator MORSE, and her references to the "dirt" alleged by her to have been stirred up over her nomination, were hardly in keeping with the dignity of a U.S. Ambassador.

Critics of Senator MORSE may counter with the observation that the Senator's investigations into the mental stability of Mrs. Luce were not very kind, but in the Senator's case there was a responsibility to determine the fitness of Mrs. Luce. In Mrs. Luce's swinging accusations against MORSE there was no purpose other than anger.

We have never seen anything in the comments of Mrs. Luce or in the magazines edited by her husband which indicate any real understanding of the problems of Latin America, and the insulting language used in a recent issue of Time magazine about Bolivia did more damage to good relations between this country and our South American friends than anything which has occurred in a long time.

Perhaps an honorary post can be found for Mrs. Luce as an envoy to Monaco or Luxembourg where where she can be a charming hostess without hurting anybody. But if we need representation abroad by women of charm, however, perhaps we should look for material in Hollywood.

Anyway, it is a pretty safe bet that we will wind up with a better Ambassador to Brazil, and nobody in Brazil seems to be taking the loss of Mrs. Luce too bitterly.

[From the Milwaukie (Oreg.) Review, May 21, 1959]

DISTANCE OBSCURES DETAIL

Latin Americans will not be voting in Oregon's 1962 election, but, if they were, the U.S. Senator who tripped the almost-Ambassador Clare B. Luce would have a nearly-unanimous vote.

In the perspective of remote distance the details of name calling and the physical process of upending a lady of diplomatic stature are obscured by the end result. In this instance Oregon's Senator WAYNE L. MORSE almost singlehandedly brought about the set of circumstances which halted her trip to Rio de Janeiro. Latin Americans everywhere deeply resented the role of the Luce publications in defaming Bolivia in a recent incident almost unnoticed by Americans. This was certainly not Mrs. Luce's doing, but it besmirched her availability. Furthermore, when Senator MORSE cited Mrs. Luce's wild attacks on President Roosevelt, the fact they were made in the heat of the 1940 campaign and that Senator MORSE and others had been almost equally biting, became details of no importance. All the Latinos saw was that this woman, now about to be sent to Brazil had vilified FDR—who is as much a hero to many South Americans as to North Americans.

Most of the Nation's press has assailed Senator MORSE'S leadership against Mrs.

Luce, notwithstanding the fact in Oregon that Senator MORSE has improved his political position with the average vote by this incident. In the Nation, as in the hemisphere, he has enhanced his prestige.

Oregon Republicans, having already conceded Senator DICK NEUBERGER'S election by default in 1960, have pinned their hope on the defeat of Senator MORSE in 1962—probably with Gov. Mark Hatfield, the "Golden Boy" of Oregon Republicanism as the Saturday Evening Post has dubbed him.

We have just this word of warning for the Republican Party leaders: No man in American politics has shown the bounce and resiliency of Oregon's WAYNE MORSE. In perspective he looms big on the horizon of history, even if some of the detail along the way is not so magnificent. It is the big contrasts, not the detail, which usually wins elections—and in the perspective of history, too, distance obscures details. Only the black and the white, the dark and the light, remain.

[From the Benton County Herald, Corvallis, Oreg., May 7, 1959]

A QUESTION OF FITNESS

Some of the Portland newspapers have had letters to the editor from persons (no doubt Republicans) who are critical of Senator MORSE'S action in objecting to appointment of Clare Boothe Luce as our Ambassador to Brazil.

We often wonder how many people who write such letters ever bother to write the person they are criticizing—we would venture a guess that the majority have never written their elected officials in their life. They would much rather see their compositions in print.

Be that as it may, we do not deny that every citizen has a right to air his own views. Likewise, we do not see how anyone can deny our legislators or our Senators and Representatives the right to air their views on matters of public importance.

There has been a great "to-do" in the press about Senator MORSE'S opposition to Mrs. Luce's appointment. We have seen little explanation, if any, of the sound reasons on which he based his argument; what little there has been gave rather a distorted view in that it was taken out of context—and this we know to be true, because we have read his speech in the CONGRESSIONAL RECORD, word for word.

Evidently most of the letter writers believe that Mrs. Luce was picked on by our Senator because of past castigation by her of President Roosevelt and President Truman and because the magazines her husband controls have attacked Senator MORSE at various times.

Actually, these were not essential reasons for our Senator's opposition to her confirmation * * * although certainly the defamation of character attacks on our Presidents speak none too well for someone who is going to represent our country abroad. Mrs. Luce's tongue more than once has caused a great deal of trouble for her—for example, the "GI Joe" talk she gave at the Republican Convention.

In fact, her vicious rejoinder to Senator MORSE'S objections caused many Senators to publicly state that if they had it to do over again they never would have voted to confirm her appointment.

As for her connection with Life and the other magazines published by the Luce interests, it must be pointed out that it was the articles in Life magazine which fomented anti-American riots in South America, to which she was to be sent as Ambassador. Certainly this was not going to make her very acceptable to Brazilians; in fact, quite the opposite.

The real objection to Mrs. Luce's appointment on Senator MORSE'S part stems from his very real determination that our country shall send only the best qualified people as our official representatives to other nations, no matter whether it be a big country or a tiny one in some remote corner of the world.

He has long fought for the appointment of our officials abroad on a basis of qualified personnel rather than paying off a political debt. And Clare Boothe Luce is no career diplomat trained for many years and in various posts in the Foreign Service for the important post of ambassador. Never for a moment.

Why is it we have been losing ground to the Russians in the cold war? One reason, and perhaps the most important of all, is that in far too many instances our ambassadors have been mere political hacks whereas the Russians make sure that every person in their diplomatic delegations is so well trained that each knows the language, the history, the culture, the economic and political situation, everything in fact about the country to which he or she is sent. They would never make the mistake we do of sending people abroad who make enemies for us rather than friends, and it is high time we stopped this foolish practice.

Clare Boothe Luce can be gracious and charming—when she wants to be—and has a quick wit, though not always a tactful one. She and her husband and the powerful chain of magazines they control gave considerable support to the Eisenhower campaign and to the present administration. And she wanted very much to go to Brazil as our ambassador. But would she be a good one?

As ambassador in Rome, Mrs. Luce had none too good a record. Her record of absenteeism is astonishing—156 days in 1955 and 202 days in 1956. Her actions were not stable. As ambassador in Italy she should not have shown partiality in domestic elections but was extremely partisan; she astonished people by bursting into tears and leaving the diplomatic box when it was announced that the candidate she had backed had lost in the election.

We would not like it if ambassadors from other nations took such partisan interest in our elections while serving here. Yet Mrs. Luce meddled in this way, as did her husband who spent much time advising her and trying to influence President Eisenhower about Italian affairs. Apparently she cannot disassociate herself from her husband's activities.

As chairman for Latin American relations on the Senate Foreign Relations Committee, Senator MORSE quite naturally was vitally interested in whom we would send to represent our interests in Brazil. He wanted the best person possible to fill this important post. Should he have let Mrs. Luce be appointed, with no questions asked? Just kept quiet and hoped for the best despite her lack of training, her outspoken attacks on our former Presidents, her connection with Life magazine which Brazilians could but view with distaste?

In Senator MORSE'S opinion—and in our opinion—the appointment of our ambassadors is a question of fitness, and Mrs. Luce did not qualify on many counts. The friendship of the people of Brazil, or of any country, must not be sacrificed to political obligations * * * no matter at what cost to the individuals involved.

Senator MORSE is not one to sidestep his responsibilities, and he did not do so in this case. He asks no favors of anyone, and we are glad of it, because he is free to speak out in the interests of the people. Even though it may be the unpopular course to take, WAYNE MORSE does not hesitate to take it. We only hope that our other Senators will follow his lead in helping us make our foreign policy the effective influence it should be—not only for our own benefit, but on behalf of world peace.

One American diplomat—and we mean diplomat in every sense of the word—is worth far more to us than thousands of dollars when it comes to winning friends for us abroad.

We hope Senator MORSE continues to speak out in these matters concerning foreign relations, with which he has years of experience through serving on the Senate committee. If we know our WAYNE, he will—though knowing full well it will not win him any friends. But then, he is not interested so much in winning friends for himself as in winning friends for the American people.

[From the Seattle (Wash.) Argus, May 15, 1959]

Senator WAYNE MORSE may be intemperate. But he found a public figure even more so in Mrs. Clare Boothe Luce.

As a Congress Member, she exercised her caustic wit (always at the expense of others) in a way that was sometimes amusing, always a novelty. But, in the long run, this constituted a record which left much to be desired.

As chairman of the Foreign Affairs Subcommittee on Latin American Affairs, MORSE was quite within his rights to question the woman's fitness to represent us in Brazil. He convinced me that the President could (and ought to) make a better choice.

[From the Washington Teamster, Seattle, Wash., May 8, 1959]

THE LUCE PLUM

The resignation of Mrs. Clare Boothe Luce as Ambassador to Brazil came as a great relief last weekend. For a while it looked as though the woman behind the man at Time, Life, Fortune, Sports Illustrated, and other publishing ventures was established in the U.S. diplomatic mission to the South American country. This was no prospect to be received joyously by anyone who was distressed by the record of Mrs. Luce as Ambassador to Italy, or by anyone familiar with Time and its distorted news policies.

The man who deserves credit for saving Brazil from Mrs. Luce is, of course, Senator WAYNE MORSE, one of the few in Congress not afraid to stand up to the queen in the Time empire. In her letter of resignation only a few days after her appointment was confirmed by the Senate, Mrs. Luce acknowledged that the opposition of Senator MORSE had hastened her decision to withdraw from the post. She chose to phrase her reason in different terms. Senator MORSE had "poisoned" the climate of good will necessary for her to carry out the assignment, she asserted. Her selection of words is enough to condemn her as a mighty poor selection as a diplomat.

During the days that debate waged over her appointment, Senator MORSE endured criticism not only from Mrs. Luce, but from Republican Senators and the press. This was to be expected, since MORSE does not yield in his beliefs simply to endear himself to the wives of magazine publishers, the opposition party, or powerful news outlets. We were surprised, and dismayed, with the size of the vote Mrs. Luce won. It reflects more the respect Senators hold for the influence of the press than their regard for Mrs. Luce. That is our suspicion.

The arguments given by MORSE would have convinced more Senators if the nominee under consideration had been a career diplomat. As MORSE declared, "Her statement that Roosevelt had 'lied the country into war' is a monument to her qualifications in political demagogery, but the Senate should not be asked to confirm such a person for an important diplomatic post."

While defendants of Mrs. Luce have risen to support her accusation against Roosevelt, one of the sources cited by her, Prof. Basil Rauch, informed MORSE that her statement misrepresented his book.

"My book proves on the basis of the documents that those who make charges against President Roosevelt such as those by Mrs. Luce have abused the facts of history," the author said.

It was obvious that the appointment of Mrs. Luce was based on other than diplomatic considerations. Senator MORSE has detailed how the Luces contributed Time and money on behalf of Eisenhower in the 1952 and 1956 campaigns; he has described how opinions enunciated in Life and Fortune eventually came to be public policies.

MORSE warned the Senate that nomination of Mrs. Luce was a result "of the downgrading of diplomatic missions into political plums."

We can thank Senator MORSE for creating the climate that will keep this plum from falling into the march of Time.

INTEREST RATES ON GOVERNMENT BONDS

Mr. PROXMIRE. Mr. President, on Monday night of this week there was held at the White House a bipartisan, secret policy conference or meeting, involving the President of the United States and congressional leaders of both parties.

I shall now read very brief excerpts from a report of the New York Times about that meeting; the following are excerpts from an article written by Edwin L. Dale, Jr., and published in the New York Times of Tuesday, June 2:

A Presidential request to Congress to increase or abolish the legal ceiling of 4¼ percent on Government bonds is expected shortly, the Senate Republican leader said today.

Senator EVERETT MCKINLEY DIRKSEN, of Illinois, told of this prospect following a secret meeting last night at the White House attended by congressional leaders of both parties.

Senator DIRKSEN said the request would probably also include an increase in the ceiling on the national debt and some form of improvement in the return on savings bonds.

The Treasury continued to insist today that no final decision had been made on the interest ceiling. Outside of Senator DIRKSEN, the Members of Congress present were reluctant to talk about the meeting because they had been pledged to secrecy.

* * * * *

The ceiling applies only to securities maturing in more than 5 years. Senator DIRKSEN described last night's suggestion from the administration as for doing away with the ceiling altogether.

* * * * *

The reaction of the Democratic leadership was not known in detail, but Senator DIRKSEN quoted one of the House Democratic leaders as saying: "When there is a need, it is the responsibility of Congress to consider the matter seriously."

Mr. President, I ask unanimous consent that the entire article by Mr. Dale be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. PROXMIRE. Mr. President, the only other report of this meeting was made by the President of the United States at his press conference yesterday, when he answered two questions about the meeting. Mr. J. Anthony Lewis, of the New York Times, asked this question:

Mr. President, at a meeting the night before last the question of the ceiling on interest rates on Government bonds was discussed with congressional leaders. I wondered whether you had come to a decision yet, Mr. President, on asking for a raise in that ceiling.

The President's answer was not responsive, but I thought it was quite interesting as indicating the kind of meeting that was held. He said:

I said in my state-of-the-Union message that because of the very facts of that particular fiscal year, there would have to be a raise of some kind effected in the debt ceiling. There was a conference with the congressional leaders present, and with two or three of my own staff, with Secretary Anderson, and there was a general discussion of this whole problem, the problem of the debt and the management of our governmental finances.

Now, the purpose of the meeting was not to reach decisions then, but to see whether we could concert our thinking so that the Treasury Department would be in position to make specific proposals and give them to the Congress. And this has not yet been done, and no specific decisions made.

A little later in the press conference, Sarah McClendon, of the El Paso Times, asked the President this question:

Mr. President, sir, in these discussions on raising the interest rate that were held here the other night, will you please tell us what was said about the impact that this might have on the people generally?

The President replied:

I don't know that this particular point came up for discussion at that meeting for the simple reason that the impact ought to be well understood, I should think, by all our people, if the country—if the Nation cannot borrow money.

As of now, the rate is fixed for any money except below 5-year money, and if you put the total $283 billion, or $288 billion finally in short-range money, then the people will be so badly hurt that we have just got to do something.

Mr. President, I understand these meetings are necessary. I think they are desirable. Obviously, there should be communication between the President of the United States and congressional leaders. I think congressional leaders have a duty, as well as a right, to go to such meetings. But because these policy conferences are usually concerned with legislative action for which the majority party in the Senate is going to be responsible, it seems to me they raise the question of whether it might not be equally desirable to have some kind of regular Democratic Party conference—if only for information, so we too know what is going on, without simply reading the published reported declaration of the minority leader in the newspapers or the transcript of the President's press conference.

Secondly, as the Senator from Tennessee [Mr. GORE] suggested, some kind of party policy on these vital matters would be useful, especially in a matter in which our national party policy has been so explicitly stated.

Mr. President, any plea by President Eisenhower to ask for an increase in the statutory interest rate for Government bonds confronts the Senate with the issue on which those of us who oppose hard money and high interest rates will have to draw the line and make our fight.

This Democratic Congress has permitted its own creature, the Federal Reserve Board, to shove interest rates up, at breakneck speed, to the highest level in a generation.

Despite the overwhelming majority of my party in the Senate—it has a majority of 64 to 34—and despite the emphatic pronouncement in our Democratic platform, this has come about.

I should like to read now the specific pledge we made in our Democratic platform in 1956. We freely adopted this pledge:

The first time bomb of the Republican crusade against full prosperity for all was the hard-money policy. This has increased the debt burden on depressed farms, saddled heavier costs on small business, foisted higher interest charges on millions of homeowners (including veterans), pushed up unnecessarily the cost of consumer credit, and swelled the inordinate profits of a few lenders of money. It has wrought havoc with the bond market, with resulting financial loss to the ordinary owners of Government bonds.

I continue to read from that platform:

A fully expanding economy can yield enough tax revenues to meet the inescapable obligations of Government, balance the Federal Budget, and lighten the tax burden. * * *

The Republican debt management policy of higher interest rates serves only to benefit a few to the detriment of the general taxpayer, the small borrower, and the small and middle-class investor in Government bonds. We pledge ourselves to a vigilant reivew of our debt management policy in order to reduce interest rates in the service of our common welfare.

Mr. President, that was the Democratic pledge. It could hardly be more explicit, and it was freely arrived at in our last convention.

We Democrats promised lower interest rates and our leaders said why all over the country.

I read an excerpt from a speech by Harry S. Truman before the Amalgamated Clothing Workers 40th convention in Atlantic City on May 13, 1954:

The first big economic step the new administration took, in early 1953, was to tighten up on the money supply. This was the so-called hard-money policy. Making money harder to get for the average fellow, and paying higher interest rates to the banking fraternity has always been the policy of the trickle-down theorists. Andrew Jackson had to battle against the hard-money policy of the bankers of his day. The Harding administration tried the hard-money policy after World War I, and by the middle of 1921 it had started American agriculture on the road to the poorhouse. The same idea was held by Secretary Mellon in the Coolidge and Hoover administrations, and this helped to bring on the great depression.

When the present Republican administration took over in 1953, it started down the same old road and tightened up the money supply. The elephant hadn't learned a thing. The management of our national debt was imperiled, and Government bonds declined. The squeals of pain and fear could be heard all the way from the farmers of the Far West to the bankers of Wall Street. And

when the bankers commenced to squeal, the new administration started to loosen up on the hard-money policy. But a great deal of damage had already been done.

Former President Truman said, at a Democratic dinner in Washington, D.C., on May 4, 1957:

But I will tell you what can bring on a depression. It's the tight money policy and high interest rates. This is a reversion to the trickle-down theory that has guided the Republican Party from the time of its inception. It is a means of transferring income from the poor who need it to the rich who don't. The results are increasing maladjustments in our economy with danger signals rising higher on every hand. And of course one of the worst results of the tight money policy is that it increases the costs of the Federal Government.

The final excerpt I should like to read from a statement by former President Harry Truman, who is certainly an outstanding Democratic Party leader, is from a speech delivered only last year, April 21, 1958, also in Washington, at a campaign conference for Democratic women:

Higher interest rates on Federal borrowings have forced up all types of interest rates—the interest rates paid by the farmer, the veteran, the homeowner, and every family who buys on time an automobile or a TV set, a lawnmower, or a piece of furniture.

By the end of 1957 bank rates on short-term business loans were almost 39 percent higher than in 1952. By January 1958 the interest rates paid on State and local bonds were almost 43 percent higher than in 1952. This has injured the building of schools and practically every type of vital domestic improvement financed by State or local public funds.

Today the people of the United States are paying out in public and private interest charges about $4 billion more per year than if interest rates had been held at the 1952 levels. For about 50 million families this comes to an average of about $80 per family per year. If all outstanding public and private indebtedness were to be refinanced at the current Republican interest rates the American people would eventually be saddled with about $15 billion per year in additional interest burdens compared with 1952. This would amount to an average of about $300 per year per family.

In this same speech, Mr. Truman said:

Shylock was a gentleman compared to our Republican interest-happy government.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from West Virginia.

Mr. RANDOLPH. Mr. President, I have listened to the distinguished Senator from Wisconsin as he has discussed hard money. Presumably that is what the Senator believes is most popular now with the present administration. Is that a correct understanding?

Mr. PROXMIRE. That is absolutely correct.

Mr. RANDOLPH. I should like to tell a story. It will take only a minute. There was a banker who went to his physician and said, "I have not been feeling as well lately as I believe I should. I should like to have my condition checked." So a complete physical was undertaken, and a few days later the physician called upon the patient to render his verdict. He said to the banker, with a smile, "You need have no worry; you are in excellent condition. You are as sound as a dollar." The banker said, "Is it as bad as that?" And he fainted.

Perhaps the value of the dollar today is not what it once was.

Mr. PROXMIRE. I thank the Senator from West Virginia very much.

Of course, our good friends in the Republican Party claim that the high interest rates are going to preserve the value of the dollar. I am sure if they will reexamine the consequences of the hard money policy—if they will study what has happened when we have had a high interest rate policy, in regard to prices—they will see that the story told by the Senator from West Virginia is mighty true. I will show at a later date that for many people high interest sharply increases the cost of living.

Mr. President, I should like to read another brief comment from our party leaders. I refer to the Democratic Advisory Council statement with regard to the control of inflation. As I am sure everyone recognizes, the Democratic Advisory Council includes a former nominee for President, Adlai Stevenson; a former President, Harry Truman; and others such as Averell Harriman, some outstanding Democratic Senators, and many others.

In the most recent statement on the control of inflation the council said:

The Congress should give serious consideration to the following matters:

First, the impact of the monetary and high interest rate policies of the administration which repress production and cramp economic growth.

Second, the lack of public machinery to air the facts of pending inflationary steps in the private economy and of debt management policies that have raised the cost of financing the increasing public debt to all-time highs.

The council also stated, later:

A thoroughgoing review is urgently required of the fiscal and monetary policies of the administration and the Federal Reserve Board that have contributed to a gross imbalance of the national budget; to a serious recession with continuing rising prices; and to serious problems now arising in the refinancing of a sizable portion of the Federal debt at unreasonably high interest costs to the taxpayer. It should be the object of such an investigation to determine who the beneficaries of these policies have been, and what harm has been done to the future of the Nation's economic strength.

Mr. President, I should like to quote one further outstanding Democratic leader, who is the present majority leader of the Senate, the Senator from Texas [Mr. JOHNSON]. On November 7, 1958, immediately after the election, the Senator from Texas listed 12 issues which he considered of prime importance for the 86th Congress. One of these 12 was:

We need to face up to the high interest rates which are slowing the needed growth of our economy.

In opening the debate on the 1958 housing bill on March 11, 1958, the Senator from Oregon [Mr. MORSE] made a speech entitled "In Opposition to Hiking Interest Rates on Housing." He yielded to the Senator from Texas [Mr. JOHNSON], who, after discussing impounding by the Budget Bureau of funds authorized and appropriated by Congress for construction of conservation programs, went on to say:

As a result of high interest rates, and the impounding of funds Congress has authorized and appropriated, there was forced upon the people of the country a restrictive monetary policy which has resulted in great damage. Unless we cut high interest rates, loosen up the money markets, refuse to pay high premiums to money lenders, and pass some legislation needed by the whole Nation, we shall find ourselves in a situation perhaps not so bad as in 1932, but better only because of some of the cushions we have provided for the economy.

Mr. President, these are the statements of the leaders of the Democratic Party.

I will say further, there is clear direction in the Constitution that it is the Congress which must assume responsibility for borrowing money and regulating value of the money.

I wish to quote from the Constitution of the United States, article I, section 8, paragraphs 2 and 5, which state:

The Congress shall have power. * * *

To borrow money on the credit of the United States; * * *

To coin money, regulate the value thereof, and of foreign coin, and fix the standard of weights and measures.

In view of the fact that we have an overwhelming Democratic majority in the Congress; in view of the fact that our platform has pledged a reduction in interest rates, as specifically and emphatically as we could pledge it; in view of the fact that our outstanding party leaders have agreed this is the policy we should follow; and in view of the fact that the Constitution says the Congress of the United States shall assume this responsibility and gives the responsibility to the Congress; it seems to me we congressional Democrats have a clear duty to recognize what the Federal Reserve Board, as our own creature, has done—and to act.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Pennsylvania.

Mr. CLARK. I have listened with great interest to the very able speech being made by my good friend from Wisconsin. I am in complete accord with the views which the Senator has expressed, and with those of the distinguished leaders of our party whom he has quoted.

It occurs to me that we shall shortly have the opportunity to determine whether to consent to an increase in the interest rate on Government bonds. I, for one, should be very loath to do so. I assume my friend from Wisconsin feels the same.

Mr. PROXMIRE. I could not agree more with my good friend from Pennsylvania. I would also agree it looks as if we are going to have that responsibility, and to have it quite soon.

Mr. CLARK. Let me pose a problem for my friend, who also serves with distinction on the Committee on Banking and Currency of the Senate, to see how he will respond.

It is said, I think with some justice, that the interest rate, within certain wide limitations, is determined by the supply and demand for capital.

Capital consists largely of savings which are available for investment. Primarily, capital is in the hands of insurance companies, pension funds, and investment companies. Capital includes time deposits in banks, and also includes savings and loans balances and a number of other items, with which my friend from Wisconsin is familiar. Over all those normal fields of savings, the law of supply and demand I think would pretty well govern, so that if there were more savings available than there were demands for savings in a free market, the interest rate would go down.

If the reverse were true, and there were a greater demand for savings than could be met by the savings available, the interest rate would go up.

This situation is seriously affected by the powers of the Federal Reserve bank to influence the interest rate, at least to some extent, by determining the rediscount rate of commercial banks and by engaging in open market operations. However, whenever it is suggested that the Federal Reserve should exercise such powers for the purpose of bringing down the interest rate and supporting the Government bond market, the reply is always made that that would merely result in monetizing the Federal debt, loading up the commercial banks with Government bonds, and getting into a condition of glut, so that the banks would have far more bonds in their portfolios than would be sound, creating, with respect to each Government bond, the ability to loan to the tune of about 10 to 1; and that in the end the money supply would be so inflated that there would be a runaway inflation.

If the Federal Reserve continues with its present policy of tight money, and the Congress determines not to increase the permissible rate on Government bonds, I wonder if the end result will not be that Government bonds will be floated at the highest permissible interest rate, and will be sold at a substantial discount, so that we shall be no better off than we were before. I wonder how, in the long run, my friend would achieve the result which he and I both so much desire, of creating a low interest rate, without causing such an increase in the supply of money as to cause an unfortunate inflation.

Mr. PROXMIRE. I thank the Senator from Pennsylvania. I think he has made a brilliant analysis of a process which is very little understood. I think he is completely correct in his analysis, except that I would change the emphasis. The interest rate is what the Federal Reserve Board wants it to be, at any time. That has been made so emphatically clear again and again that it cannot be denied. The interest rate was low in early 1958. Why? Because the Federal Reserve Board decided that a monetary policy which would lower the interest rate was necessary in view of the recession. Then later last year it anticipated that we would get into an inflationary situation. That was its judgment, although there were and are many unemployed, and although there was and is a great deal of idle plant capacity. The Board felt that the thing to do was to tighten the monetary screws by using the measures to which the Senator from Pennsylvania has referred. There are three measures which can be used, namely, open market operations, the rediscount rate, and reserve requirements. The Board can use those at any time to make the interest rate what it wishes to make it.

What the Senator from Pennsylvania has asked me is whether policies which would lower the interest rate would not so inflate and increase the money supply as to have an inflationary effect. My answer is that, within reason, I believe that both the supply of money and the interest rates have a very modest, moderate, and perhaps no significant effect on the cost of living and on prices generally.

At present I am in the process of attempting to obtain from economists and businessmen specific evidence—concrete, hard evidence, not the Ricardian theory, or what they learned in money and banking classes in colleges, but hard evidence as to how an increase in the supply of money and the lowering of interest rates could actually contribute to inflation. I have never seen any proof of it. No one has ever been able to convince me. I do not believe that that is the effect.

Mr. CLARK. Mr. President, will the Senator further yield?

Mr. PROXMIRE. I yield.

Mr. CLARK. My understanding is that the Joint Economic Committee, under the chairmanship of the distinguished senior Senator from Illinois [Mr. DOUGLAS], will this summer hold a series of hearings dealing with this specific subject. It seems to me that it would be of the greatest possible importance for those of us who advocate low interest rates and the promotion of an expanding economy to see to it that the best possible expert testimony is adduced before that committee, to prove the point which my friend from Wisconsin has made, that further activity by the Federal Reserve Board, through the powers already given to it to decrease interest rates, would not have the disastrous result which so many of the classical economists, including most of our friendly economists from Wall Street and the majority of our friends on the other side of the aisle who discuss this subject, seem to think would result. That is what might be called the conventional wisdom. Does the Senator not agree with me that we on our side of the aisle have an obligation to make the case that the Federal Reserve Board could exercise its existing powers without the threat of inflation, which our friends across the aisle so very much fear?

Mr. PROXMIRE. Indeed I do; and I should like to emphasize the timing of the Senator's statement. I believe that the colloquy we are having may be subject to dispute later in the session.

Mr. CLARK. I have no doubt that it will.

Mr. PROXMIRE. I should like to point out that when the Senator from Tennessee [Mr. GORE] suggested that we take action on monetary policy, it was suggested that he go to the committee headed by the Senator from Illinois [Mr. DOUGLAS], the Joint Economic Committee, and discuss the subject with that committee.

The Senator from Pennsylvania has pointed out that the hearings to which reference has been made will be held this summer. The increase in the 4½-percent statutory limit on long-term Government obligations will occur very soon, within a matter of days or weeks. We must act now. This is a decision we must make in the near future. I believe the Senator has made an excellent suggestion. I believe that we have an absolute duty to appear before the committee. But this is not a legislative committee; and we are confronted with an immediate legislative challenge in the change in the statutory limit on long-term Federal bonds.

I am sure that there is no Member of the Senate, and few others in the country, who are better qualified than is the Senator from Illinois to head the committee. He is an expert economist. He thoroughly understands monetary policies. I have no fear at all that when all the evidence is brought before the committee, it will be seen that, within reasonable and moderate limitations, fluctuations in interest rates have a very secondary or tertiary effect on the cost of living.

Mr. CLARK. Mr. President, will the Senator further yield?

Mr. PROXMIRE. I yield.

Mr. CLARK. My concern is that, when the Senator from Wisconsin says we must act—and I agree with him—the only action we can take at present may be to hold the line on the interest rate on Government bonds.

Mr. PROXMIRE. The Senator is correct.

Mr. CLARK. Is there not, however, a still further step which can be taken by the Congress—by the Senate, in part—to require the Federal Reserve Board to exercise the powers which it has? I ask that question in all seriousness, because the present policy of the Board, as set forth by its Chairman, William McChesney Martin, for whom I have great personal admiration, but with whose economic views I do not find myself in accord, is to continue what is now being done. The Federal Reserve Board has substantially withdrawn its support from the Government bond market. To my way of thinking, this is a most serious defect in its policy, because it has resulted in a very extreme decline in the value of Government bonds.

The Federal Reserve bank is the only central bank in the entire civilized world which, in the last analysis, is not under the control of the Treasury of the country in which it operates. A divorce between the Federal Reserve bank and the Treasury was pushed through in 1951, under the kindly sponsorship of the distinguished Senator from Illinois [Mr.

DOUGLAS]. I think he still feels that he was right in that regard. I am not at all sure that he was.

I am wondering whether those of us who feel as the Senator from Wisconsin and I feel are under some obligation to come forward with a specific piece of proposed legislation which can change this unhappy condition before the country gets into further difficulties than it now faces. I wonder also whether the primary responsibility for developing such legislation is not in the Committee on Banking and Currency, on which we both serve.

Mr. PROXMIRE. We are indeed under that obligation. The instant speech was provoked by the action of the President, or this prospective action, as it has been reported, according to his press conference, that we are going to be faced with higher interest rates, and holding the line is the practical thing that we must do.

There is no question that the Constitution is explicit and clear. Congress has this obligation. Monetary policy is in our field. The Committee on Banking and Currency is the proper committee to consider it. I see no reason why our views should not be made as emphatically clear as possible to the Federal Reserve Board. I believe that the views of the Committee on Banking and Currency, in support of the position that the Senator from Pennsylvania and I take, would have some weight with the Federal Reserve Board. Furthermore, I believe we can go further than that. Of course it will take some hearings and some legislation, but we can affect the powers and policies of the Federal Reserve Board. I have been working on prospective legislation of this kind for some time.

Mr. CLARK. Mr. President, will the Senator yield once more? Then I shall not interrupt him again.

Mr. PROXMIRE. I am glad to yield to the Senator from Pennsylvania.

Mr. CLARK. I am wondering if some one of us should consider the desirability of submitting a resolution generally to the effect that it is the sense of the Senate that the Federal Reserve Board, as the agent of Congress, should exercise its powers in the direction of decreasing interest rates and supporting the Government bond market in order that this unfortunate condition may be remedied. Otherwise, it would be necessary to increase the interest rate legally permissible to be paid on Government bonds.

Mr. PROXMIRE. The Senator's suggestion comes as a surprise. I had not expected it. I think it is an extremely interesting suggestion. I should like to study it. I think that the kind of sense-of-the-Senate resolution which the Senator suggests would be extremely useful.

Congress has been trapped by technical sophistries into increasing the cost of financing veterans' housing. It is about to do the same with other Federal programs. Only recently, on the Committee on Agriculture and Forestry, on which I serve, I learned that the Farm Credit Administration found that it had to have an increase in the statutory interest rate limit on borrowings. Virtualy all or at least nearly all Government agencies are finding themselves in the same position.

I say it is time to stop. Here is why. If we change the law to push up interest rates on Government bonds, as the President is about to propose, we will encourage the Treasury to sell more long-term bonds at higher interest rates than the cost of short-term obligations. This is certain. The long-term rate is higher than the short-term rate. It is long-term financing, which is being restrained by the present 4¼ percent limit. This means the President's proposal would further increase the cost of financing the national debt.

Secondly, and even more important, it would freeze the obligation of the Federal Government into paying higher rates over a longer period of years, and would make it far more difficult for a new administration taking office in 1961 to take full advantage of lower interest rates to reduce the cost of servicing the national debt. This would mean that the new administration, Democratic or Republican, for that matter, which came into office in 1961, would be faced with the higher burden of servicing our national debt, because it would be many years before the obligations which are selling in 1959 and 1960 would mature.

In the third place, the action which the President seems to be proposing would put the Federal Government into greater competition for long-term capital with schools, hospitals, slum clearance projects, municipal building of all kinds, and homes. In doing so, it would drive up the cost of what this country most needs in its domestic economy.

Fourth and finally, by increasing the cost of financing local services, it would drive up local taxes, and of course by increasing the cost of servicing the national debt it would directly tend to unbalance the budget and drive up Federal taxes, or both.

Mr. President, I have a few insertions to make. They relate directly to what I am talking about. The first is an article published in the Wall Street Journal of Thursday, June 4, 1959.

The article was written by John Grimes and Richard Madden. It deals with the flight of gold from this country. In the course of the article—and I regard it as an excellent and extremely important article—the argument is made that interest rates may retard the loss of gold and the diminution of the value of the dollar. The argument is made that if we keep our interest rates high there will be less tendency for American capital to go abroad, and there will be a greater tendency for foreign capital to invest in this country. Obviously the effect of that would be to arrest the flight of dollars and increase the flow of foreign currencies here. That would mean that gold would flow into this country, rather than out of it. Furthermore, it would prevent what most or all of those who have studied this subject believe to be the prospective danger of devaluing the dollar.

However, the Wall Street Journal in this article states that the outflow of gold, which has so concerned economists and outstanding members of the Committee on Banking and Currency, and others, in their judgment might well be solved by an increase in our exports. I think it may also be solved by a diminution of foreign aid and a sharing in such aid and in the military burden of the free world with some of our allies, who are getting extremely prosperous.

This morning the New York Times published an editorial on this issue. The editorial talks about the objection to an interest rate rise as more sentimental than rational. The editorial is typical of the objection to the position taken by the Senator from Pennsylvania and myself during the colloquy and to the position that I am taking in my speech. The editorial argues that with free markets and free exchanges, ceilings on interest rates do not last very long. However, the editorial ignores the fact that the interest rate is established in accordance with our Constitution by the Federal Reserve Board as the agent of the Congress of the United States. The Federal Reserve Board can increase interest rates and it can decrease interest rates, and it can do so by the methods I have already discussed—by means of the rediscount rate, open market operations, and adjusting reserve requirements.

The Federal Reserve Board lowered the interest rate in 1958, and it increased it sharply in 1953 and 1954. It increased it very rapidly in the last year. This has nothing to do with the free market. It has everything to do with the policy of the Federal Reserve Board. This is the deliberate and premeditated plan and program of the Federal Reserve Board. In fact, the Chairman of the Federal Reserve Board has made several speeches on it, and he has justified hard money and high interest rates.

Many economists say more power to them, and that it is restraining what would otherwise be a sharp rise in the cost of living. It is stated that it is anti-inflationary. Those arguments are wrong. In another speech, at a later date, I shall dispute them. However, whether that is right or wrong, the New York Times editorial is wrong about the free market forces. It is at least 45 years out of date, ever since 1914, when the Federal Reserve Board was established, because since then the Federal Reserve, not free market forces have determined the interest rate. If that is not the job the Federal Reserve Board is doing, the Governors ought to be convicted of taking money under false pretenses, because that is what they are hired to do.

Mr. President, I ask unanimous consent to have printed in the RECORD an editorial entitled "Treasury Interest Rate."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TREASURY INTEREST RATE

It is an unfortunate reflection on the economic attitudes of some Congressmen that the Secretary of the Treasury, Robert B. Anderson, should have to hesitate about asking Congress for a law raising or abolishing the 4¼-percent ceiling on the interest that can be paid on Treasury bonds of 5 years or

more. The only right thing to do is raise the ceiling.

At the moment, the yields set by the marketplace—reflecting the supply of and the demand for long-term borrowed capital—are higher than 4¼ percent, meaning that today the Treasury could not sell a bond. This is an extremely unsound position to be in for any length of time. Funding of the national debt at appropriate moments is one important weapon in the battle against a new round of inflation.

Even though the leaders of Congress have been sounded out on the matter, Mr. Anderson and President Eisenhower continue to insist that no final decision to submit the necessary request has been made. It appears obvious that they fear a legislative Donnybrook over this ancient issue. There is a very deep-rooted strain in the American political conscience about interest rates, dating all the way back to Andrew Jackson and even earlier. While there is little outright "cheap money" sentiment any more, there remains a sort of elemental belief that things are not right with the world if the U.S. Government has to pay more than 4¼ percent to borrow money.

The attitude, however, is more sentimental than rational. In the first place, today's interest rates are high by comparison only with the recent past. There is no magic by which Congress or anyone else can force rates down for any length of time. In a system relying upon free markets and free exchange, ceilings on prices or interest rates simply do not work for long.

There will be no disaster from a rise in Government borrowing costs, but there could be serious trouble if the Government is foreclosed indefinitely from selling any security longer than 5 years to maturity.

Mr. PROXMIRE. Mr. President. I refer to another article, published in the Wall Street Journal of June 3, 1959. The article clearly concedes that a higher statutory limit would make private borrowing more costly, and that is a part of the burden of my remarks.

I ask unanimous consent to have the articles and editorial, which I have discussed, published in the RECORD at this point, as a part of my remarks, and I yield the floor.

There being no objection, the articles and editorial were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, June 4, 1959]

GOLD ON THE GO—U.S. HOARD STILL SHRINKS BUT MOST ECONOMISTS PREDICT A REVERSAL—THEY BANK ON EXPORT SURGE LATER IN 1959, DENY NEED FOR DOLLAR DEVALUATION—RX: BALANCE FEDERAL BUDGET

(By John Grimes and Richard Madden)

An armored truck pulls out through the double steel doors of the U.S. Assay Office near New York City's waterfront and purrs off to another fortress-like building in the city's financial district—the Federal Reserve Bank of New York.

The five-block trip, which is being made frequently these days, has significance because it represents the gold "outflow" from the United States that Governmental financial officials and business leaders all over the world are watching.

When a foreign government buys gold from the United States, the metal merely is taken out of the Treasury's stock at the Assay Office and toted over to the fifth subbasement of the Federal Reserve Building, where it is put in a locked cage earmarked for the foreign government. The gold doesn't physically leave the country—but that doesn't diminish the importance of the transfer of ownership.

RECORD LOSS IN 1958

In 1958 the United States in this way lost $2.3 billion of gold, a record for any one year. And this year the flow has continued, though more slowly, with some $350 million trickling out, about $235 million of it since mid-April. To assess the significance of this trend—and prospects for its continuance—the Wall Street Journal talked with Federal officials, bankers and other financial authorities both in the United States and abroad. The consensus:

The United States will continue to lose gold through 1959 and perhaps into 1960, but at a decreasing rate. The outflow then is likely to be reversed.

Contributing to the reversal will be a pickup in U.S. exports later this year, in the belief of most of the authorities interviewed. In addition as trade with the United States grows, foreigners will tend to retain somewhat larger dollar balances in the United States and will use fewer dollars to buy gold from Uncle Sam.

The current gold outflow is not likely to push the United States into boosting the price of gold and thus devaluing the dollar. And the dollar will remain the world's leading currency.

Why the gold outflow? "It's basically simple," says one New York money man. "As a nation, we're buying more from others and giving away to others more than we're selling." Put another way, while U.S. merchandise exports still exceed merchandise imports, the resulting net income isn't enough to pay for U.S. foreign aid, the Government's military expenditures abroad and the growing rate of new investments being made abroad by U.S. private interests.

SMALLER TRADE SURPLUS

Up to now, there's nothing in U.S. trade figures that points to a reversal of the gold outflow. In the first quarter of this year, the merchandise trade surplus fell to $600 million, compared with $1.2 billion in the like period a year earlier. Exports still were running below a year ago while imports were holding at a high level.

A minority of the authorities interviewed look for exports to continue at about the present level through 1959, or perhaps decline still more, causing the gold outflow to continue indefinitely. They point to growing competition from Germany, Japan, and other nations. And they argue that the United States, largely because of rising wage costs, is pricing itself out of many markets.

But most authorities take a more optimistic view.

U.S. SHARE IS STABLE

Edward M. Bernstein, an economist who was formerly an assistant to the Secretary of the Treasury of the United States and later director of research and statistics at the International Monetary Fund, has figured the percentage of the world's export trade done by the United States every year in the present decade. The percentage was 17.7 percent in 1950, and it was 17.2 percent in 1958. In between, the figure had been as low as 17 percent in 1953 and 1954, and as high as 19.4 percent in 1957, when the Suez crisis caused an abnormal bulge in oil exports.

"As business begins to expand in Western Europe (following a 1958 recession there) and continues to expand in Canada," says Mr. Bernstein, "U.S. exports will probably show a cyclical recovery later this year and perhaps a considerable expansion next year."

Arthur Marget, head of the Federal Board's Division of International Finance, agrees. He says, "It seems to me that it is difficult to speak with assurance of a widespread lack of competitiveness of U.S. exports when that competitiveness is not even being allowed to be tested as a result of discriminatory restrictions against U.S. exports" by other nations. Another financial authority predicts the decision of Great Britain to end or reduce import restrictions against U.S. goods next Monday will be reflected in some improvement in shipments to that country in the second half of this year.

AID FROM SMALL CARS?

One foreign trade specialist predicts that the new small cars which the big three auto makers here are going to bring out this fall and winter will cut into imports of foreign cars, and might stimulate auto exports.

Besides the hope for larger exports, two other factors are relied on to lower the outflow of gold this year. One is that borrowing here has become less attractive to foreigners than last year because interest charges have risen. The Federal Reserve discount rate, reflecting this, stands at 3½ percent, compared with only 1¾ percent a year ago. Floating of foreign securities issues here picked up last year to $950 million from less than $600 million in 1957, and any decline this year would reduce the funds going into foreign hands from this source.

The higher interest rates here also would tend to persuade foreign government officials to keep more of their foreign exchange reserves in U.S. Government securities and less in gold. "It's business-like from their standpoint," says a British official in London, "as gold earns nothing while U.S. Treasury 3-month bills earn 3 percent and 6-month bills almost 4 percent, as against only 1 percent for both a year ago."

No less an authority than Per Jacobsson, managing director of the International Monetary Fund, remarks that European countries are in stronger shape than last year and the year before, and are adopting expansionist policies, including lowered interest rates, while U.S. authorities seem likely to hold to tighter credit policies and continue efforts to balance the Federal budget. In this situation, he says, "the prospects are that the outflow of gold from the United States may be moderated, if not reversed."

BUILDING RESERVES

Another factor, which Washington experts count on to reduce the outflow this year, is that much of the 1958 accumulation of dollars abroad landed in the hands of governments that like to hold a high proportion of their hard-currency reserves in gold. The United Kingdom, especially, started 1958 with an unusually low proportion of reserves in the form of gold, but now has restored its balances to more than 90 percent gold.

The buildup of Britain's reserves also was motivated in part by an agreement of International Monetary Fund member countries to contribute additional gold to IMF capital funds. Britain paid its $162 million share last month.

Britain holds not only its own gold reserves but those of the sterling area nations which have close currency ties with the United Kingdom. These other sterling area nations were scheduled to contribute an additional $114 million of gold to the IMF, so they may have been adding to the sterling area gold reserves in anticipation of this payment. As far as is known now, no gold purchases for these purposes will be necessary again. On the other hand, the United States' own contribution to the Fund, when it is paid in a few months, doubtless will pull the U.S. gold stock below $20 million for the first time since 1940.

A GOLD PRICE RISE?

As the United States continues to lose gold, some financial authorities are predicting that one day the United States will have to raise the dollar price of the metal—a move that would require an act of Congress. "A price increase would make the foreigners less

eager to buy—just as you can cut down the demand for anything by increasing its price," says an advocate of this move. "In addition," he goes on, "it would automatically increase the value of our gold reserves as backing for our money and banking system."

Another argument advocates of such a move put forward is that, by increasing the number of dollars an ounce of gold could be exchanged for, it would cut American prices in terms of gold and other currencies. Such a change, they believe, would stimulate our exports and thereby improve our balance of payments. The gold outflow then would halt, they claim.

However, most international economists and officials dispute the need for any such action. Says one, in Washington: "The United States could pay off all foreign short-term dollar claims in gold and still have gold left. But look at Britain. It owes foreign balances amounting to three times its gold reserve."

These economists also disagree that a gold price boost would accomplish anything. In fact, they warn, it might do more harm than good. For one thing, they believe other nations would quickly devalue their currencies correspondingly, so that our supposed export advantage would be canceled. In addition, they insist it wouldn't even discourage gold buying, because it would destroy confidence in the dollar, built up over many years of stability, and make foreigners even more anxious to put their funds into gold, despite the higher price, than into dollars.

IMPACT OF DEVALUATION TALK

Some economists claim it would be especially foolish at the present time for the United States to consider devaluation. Even talk of devaluation could lead to a step-up in the gold outflow, they say.

"The expectation of a change in the price of gold would bring a run on gold," says a Government official. "The key to preventing a run is confidence in the U.S. dollar and confidence on the part of foreigners in a constant dollar price for gold."

As to whether there isn't already a sort of run, he snorts his disagreement. "Last year the foreigners bought $2.3 billion of gold but they also added $1 billion to their dollar assets here. And this year those dollar assets have increased further. Do you say a bank is suffering a run if its deposits increase?"

And Dr. Karl Blessing, president of one of West Germany's big banks, the Bundesbank, said in a speech the other day that "I do not share the view that the dollar might be devalued." Other nations and peoples, he went on, must keep a great part of their present $16 billion of short-term dollar funds in the United States as working balances for use in current business transactions, and therefore cannot convert them into gold. "Hence I am confident," he added, "that the dollar, in the future as in the past, will remain the leading world currency. America's productive capacity is so great that it can compensate for and overcome temporary financial or monetary weaknesses."

This matter of America's productive capacity, most economists agree, lies at the root of the question of how the dollar will stand up. But some economists disagree in part with Dr. Blessing, claiming in the currently popular phrase that inflation here has raised our costs so much "we are pricing ourselves out of world markets." The first evidence, it is said, came when our 1958 exports fell to $17.7 billion, from $20.7 billion in 1957.

If our exports fail to come back for some prolonged period of time, says a trade specialist, "we might get to the point where devaluation is needed." But he adds: "The United States wouldn't gain anything by devaluation to improve its competitive standing because other nations would just do the same and nothing would be changed." The conclusion of such analysts is that what we need is balanced Government budgets and stability in wages and prices to keep our costs and hence the prices of our exports from climbing all the time. That's the only real solution, they claim.

The drive of the Eisenhower administration to balance the Federal budget for 1959–60 has been based in part on the ground that this Nation's competitive position in export markets needs to be bolstered by stopping inflation at home. William McChesney Martin, Chairman of the Federal Reserve Board, was one of the first Washington officials to make this point publicly, and the President himself has used the argument.

There are a number of other possible steps the Government could take to try to curb the gold outflow.

The Government can impose new restrictions or tariffs on imports. The most recent such action was to set quotas on foreign petroleum coming into the country. However, this kind of thing is a double-edged sword, warns one trade specialist. "The United States can't block imports and then cry about restrictions on U.S. goods," he adds. "We're too rich a Nation for that."

Another possible move would be to cut foreign aid. This is composed of two kinds—foreign aid spent abroad and foreign aid spent here for goods to be shipped out. To the extent it's spent here, most officials object that such action would reduce exports to the same extent. And, of course, they're afraid of the political repercussions.

THE COMMON DEFENSE

One Government official who favors foreign aid cuts also suggests urging nations which are in improved financial shape—those that have been adding to their gold and dollar assets—to start helping the United States support the underdeveloped nations. "They should shell out more money for the common defense of the free world," he maintains.

Mr. Bernstein, taking much the same line, puts the principal blame for the U.S. gold outflow on the U.S. Government's military and other spending and grants abroad. These grew steadily, he shows, from less than $4 billion in 1950 to more than $8 billion in 1958. He favors greatly reduced aid and expenditures for Western Europe.

Also an important factor in the gold outflow is the investment of American private funds abroad. On a net basis this outflow has grown from a little more than $1 billion a year in the early nineteen hundred and fifties to around $3 billion in the last 3 years.

But no one advocates interfering with this trend. There is even a bill up in Congress now to encourage such investment by deferring the income tax on American businesses established abroad until they send their earnings back home. And the Treasury favors the bill if it is limited to investments in underdeveloped nations.

"The effect of these investments outside the country on the gold flow ultimately will be favorable," says an economist. "Most American companies with new foreign operations haven't yet brought back the profits but have plowed them back into the establishments over there. When they start bringing the money home it will make a big difference." He figures American assets abroad total close to $60 billion, including almost $20 billion of Government assets, while total foreign assets here, including those of foreign governments, are only $20 billion.

THIRD OUTFLOW SINCE 1949

The current gold outflow is the third since 1949, when the U.S. gold stock reached its record high of $24.5 billion. In 1950 America's merchandise trade surplus fell to $1.4 billion from $5.4 billion in 1949, and in 1950 the United States lost $1.7 billion of gold.

In 1951 and 1952 there was a small inflow, but in 1953 U.S. outlays abroad had risen so much that the Nation lost $1.2 billion of gold even though its merchandise trade surplus was $4.9 billion. There were only small losses for the next 2 years, and in 1956 and 1957, when the trade surplus climbed to $6.5 billion, and then to $7.8 billion, the trend was reversed and more than $1 billion of gold came in.

But in 1958, having gotten accustomed to spending abroad in the style of 1956 and 1957, the United States lost $2.3 billion of gold in spite of a merchandise trade surplus of $5 billion. That brought the U.S. gold stock down to $20.5 billion, a net loss since 1949 of $4 billion. The 1958 outflow has continued into this year.

The importance to the United States of the outflow of gold lies in the fact that our whole money and bank system by law is based on gold. The correct definition of a U.S. dollar is that it is one thirty-fifth of an ounce of gold. This rigid value for the dollar is maintained by the policy of the United States Treasury, which stands ready to buy gold at $34.9125 an ounce, and sell it at $35.0875, the difference being for the costs of handling.

On top of this, the banking law of this country requires that a reserve of gold be maintained in the Federal Reserve System equal to 25 percent of the system's liabilities, consisting of the cash deposits belonging to its member banks and the amount of paper currency issued. At present the U.S. gold reserve of $20 billion or so is 44 percent of the total of those two liabilities, far above the legal minimum.

STIFFER INTEREST RATES—CRASH PROGRAM TO JUGGLE U.S. DEBT MAY HAVE IMPACT ON ALL BUSINESS—LIFTING CEILINGS ON FEDERAL BONDS MAY MAKE PRIVATE BORROWING MORE COSTLY—SWITCH AWAY FROM STOCKS?

(By Alan L. Otten and John A. Grimes)

WASHINGTON.—The Eisenhower administration is putting together an urgent program designed to help solve Uncle Sam's mounting debt problem by allowing the Treasury to pay higher interest rates on Government securities.

These proposals which would be of broad significance to the general economy, may go to Congress this week. They would:

Eliminate, or at least increase, the 4¼ percent interest rate ceiling on marketable securities due in more than 5 years.

Remove, or at least raise the 3¼ percent ceiling on Treasury savings bond interest rates.

Raise the debt ceiling itself to $290 billion or $295 billion. Under present law the debt limit drops on June 30 to $283 billion from the existing temporary limit of $288 billion.

"TIGHT MONEY" DEBATE

President Eisenhower's request, if current thinking is followed through, would intensify the congressional debate on what Democrats call the Government's "tight money policy." But the best judgment in Congress yesterday was that, after all the shouting, the legislators will go along with some increase in the interest rate ceilings.

High officials insisted that no final decision has been reached on asking Congress for more leeway in fixing interest rates. But congressional leaders, after a secret White House meeting Monday night, agreed there was no doubt the administration, finally, has just about decided to ask Congress for higher interest rate limits.

If Congress approves and the Treasury then boosts the interest rates it offers on its securities, the impact could be broad:

Businessmen almost certainly would face higher bond borrowing costs; the Treasury competes directly with them for funds.

As interest rates rose on Treasury and corporate bonds, a growing number of investors might switch funds from the booming stock market into bonds.

Higher savings bond interest rates could stimulate lagging sales of these securities and perhaps induce banks and savings and loan associations to offer higher rates to savers.

Payment of higher interest rates would boost the Treasury's debt management costs, already a sizable budget item.

If the Treasury steps up sales of long-term securities, this action, like higher sales of savings bonds, would aid the administration's fight against inflation.

MORE LONG-TERM BONDS?

The administration's concern over inflation is one factor that is pushing it toward asking for higher interest rate ceilings. With higher ceilings, Treasury officials believe they would be able to sell substantial amounts of long-term securities to nonbank investors. In recent months, the Treasury has been relying chiefly on short-term issues, which are purchased largely by commercial banks.

When a nonbank investor buys a Government security, he pays for it by taking funds from his bank; the total money supply is unchanged. When a bank buys a U.S. security, it pays for it by setting up an account on its books for the Treasury. As the Treasury draws checks on this account to pay for goods and services, the money supply grows. If the money supply grows faster than the supply of available goods and services, the result is inflation.

Sales of more long-term securities also would benefit the Treasury in a highly practical way. As the average maturity of the debt increased, the Treasury would have to make fewer trips to the market to refinance existing securities. It also would have more control over the timing of new issues; with maturities spread farther apart, the Treasury would find it easier to step into the market to refinance an issue in advance if it decided market conditions were favorable. The whole debt management job would be simplified.

COMPETITIVE FACTORS

The Treasury in recent months has had difficulty selling long-term securities for two reasons: Investors' worry over inflation and growing competition from stocks and corporate bonds. For example, underwriters today are offering to the public $50 million of Public Service Electric & Gas Co. 30-year bonds at a price to yield the investor 5 percent—well above the top yield available on Treasury bonds.

Many private investors have been buying stocks heavily in preference to either corporate or Government bonds. Such investors reason that inflation would push up the prices of stocks along with the value of all other property.

With business recovering, the Treasury faces the prospect of increasing private competition for the lender's dollar. The Treasury also is running into growing competition from State and local borrowing in securities whose interest is free of Federal taxes. Interest on U.S. Government securities, of course, is taxed both by States and by Uncle Sam himself. Still another potent competitor for Treasury bonds is the Government-backed housing mortgage, which yields 5 percent or better.

If the Treasury offers long-term bonds at higher interest rates, the first result would be a drop in prices of existing Treasury bonds and a resulting rise in yields on such securities. "If the Treasury offers a 4½-percent long-term bond—and they'd have to offer at least that much to find many buyers—prices of other Treasury issues would fall by two to four points," predicts one New York City bond dealer.

"If the Treasury offers higher rates, businessmen will have no choice—they'll have to boost their rates if they want to sell any bonds," says a New York City banker.

"If the Treasury gets the authority, it will use it," says a New York bond market specialist. "I foresee a 4½-percent Government issue, and that will tend to boost yields throughout the bond market."

The competition between Government bonds and corporate bonds is direct. A rise in yields on Treasury bonds would induce many investors to buy such securities in preference to corporate bonds—unless there was a corresponding rise in yields on the corporate issues.

The competition between stocks and bonds is less direct, especially in a period such as the present when inflation fears are a major factor. But it is, nonetheless, present.

The stock market declined sharply yesterday on the news that the Government's interest ceilings might be lifted. The Dow-Jones industrial average fell 6.06 points from the previous close to 637.45. Brokers theorized that the selling pressure that pushed prices down yesterday came from investors and traders who were speculating on the impact of a boost in Government bond interest rates. According to the brokers, the investors and traders figure that higher Treasury interest rates would lead many investors to switch from stocks into bonds and thus put downward pressure on stock prices.

HIGHER YIELDS IN BONDS

Treasury bonds already offer higher yields than many common stocks. The most recent calculation showed that the 30 stocks comprising the Dow-Jones industrial average were selling to yield an average of about 3.14 percent, compared with the yield of well over 4 percent available on existing longer-term Government bonds.

Before the Government offers long-term marketable bonds at higher interest rates, it should first boost the interest rate on savings bonds, many New York City bankers say. "The savings bond structure, which is very important to the economy, is teetering," says one banker. "If all that money slips away, what does the Treasury do then?"

Savings bonds outstanding at the end of April totaled $50.8 billion, down $1.4 billion from a year earlier. Savings bond redemptions for some time have been exceeding sales as individuals have found more profitable ways to invest their savings.

Many savings and loan associations are offering 3½ percent and more to savers, compared with the 3¼ percent rate on savings bonds. "If the Treasury boosted the savings bond rate," says one New York banker, "it could put some pressure on savings and loan associations and banks to boost their rates, too."

CUTTING THE DEBT

In addition to considering higher Treasury interest rates, President Eisenhower and his subordinates are thinking more and more of using any Treasury surplus to reduce the mammoth debt rather than to provide tax relief. To a lesser extent, this same sort of sentiment shift is discernible in the House and Senate.

The switch to debt reduction can be gleaned between the lines of public pronouncements of Treasury Secretary Anderson, Budget Director Stans, and by Mr. Eisenhower himself. Just recently, Mr. Stans raised the quesion, "When will we ever begin to reduce our $285 billion public debt" if it isn't done in these prosperous times?

To a large extent, the debt program explains the administration's drive to balance the budget for the fiscal year that starts next July 1. And to some extent, it also accounts for the slowdown in Congress of Democratic determination to force the President to spend more than he wants to spend. Continued budget deficits would add to the Treasury's already heavy chores of refinancing present issues as they fall due.

The Treasury's idea of asking for a higher interest rate ceiling on marketable securities in itself indicates Mr. Anderson would like to begin selling long-term bonds again. But officials insisted yesterday that, even with complete freedom, they'd have no idea of a wholesale switch into long-term securities. And the Treasury, like any other borrower, likes to get its money as cheaply as possible. Interest rates on short-term securities are well below those on longer issues.

"We'll look largely at the short-term area for the next few months," remarks one Treasury official.

BEHIND THE PROPOSALS

A look at the Treasury's debt predicament explains the urgency behind the legislative proposals now being prepared. In calendar 1958 the Government had to borrow $19 billion in cash, in addition to issuing $50 billion of new marketable securities in exchange for maturing debt, excluding the regular weekly bill sales. Of this $69 billion, only $2.9 billion went into long-term bonds. So far this year the Treasury has borrowed $14 billion in cash, in addition to $14.1 billion to replace old securities. Of this $28.1 billion, only $1.5 billion has gone into long-term securities.

For the rest of this calendar year alone, the Treasury will have to borrow an estimated $10 billion just to bridge the gap between current expenses and tax revenues. In addition, about $29 billion—again excluding Treasury bills—comes due and has to be either paid off or refinanced.

Financial authorities, both in and out of the Government, agree the Treasury would be unable to borrow this kind of money without sticking largely to short-term securities.

When Mr. Eisenhower came into office in January 1953, one of his major financial aims was to tidy up the debt—to lengthen out maturities, for example, and to place more of the debt in nonbank hands. Candidate Eisenhower emphasized his debt aims during his 1952 campaign, including the debt problem in his summation of "the mess in Washington."

On June 30, 1953, a few months after Ike took office, the total debt stood at $226 billion. The average maturity of the marketable debt was 5 years and 4 months. Of the total $65.3 billion was to mature within 1 year. An additional $36.2 billion was to mature in 1 to 5 years.

On June 30 of this year, the debt is expected to total $285 billion. The average maturity of the marketable debt is now 4 years and 8 months, or 8 months shorter than when Mr. Eisenhower took over—and the Treasury is fighting to hold it there. Of the $285 billion, $76 billion will mature within 1 year. An additional $58.2 billion will come due in 1 to 5 years.

The Treasury insists it hasn't slipped backward quite so much when it comes to bank versus nonbank financing. On June 30, 1953, commercial banks held $58.8 billion, or 22 percent of the $266 billion. As of February 28, 1959, commercial banks held $66 billion of the outstanding total of $285.2 billion, or 24 percent.

EXHIBIT 1

PLEA TO CONGRESS ON DEBT EXPECTED—PRESIDENT BELIEVED READY TO ASK INTEREST RISE ON U.S. OBLIGATIONS

(By Edwin L. Dale, Jr.)

WASHINGTON, June 2—A Presidential request to Congress to increase or abolish the

legal ceiling of 4½ percent on Government bonds is expected shortly, the Senate Republican leader said today.

Senator EVERETT MCKINLEY DIRKSEN of Illinois, told of this prospect following a secret meeting last night at the White House attended by Congressional leaders of both parties.

Senator DIRKSEN said the request would probably also include an increase in the ceiling on the national debt and some form of improvement in the return on savings bonds.

The Treasury continued to insist today that no final decision has been made on the interest ceiling. Outside of Senator DIRKSEN, the Members of Congress present were reluctant to talk about the meeting because they had been pledged to secrecy.

Senator DIRKSEN quoted the Secretary of the Treasury, Robert B. Anderson, as having said last night that the need for action was urgent at the moment, market rates of interest are such that the Treasury could not sell a bond bearing only 4¼ percent interest.

The ceiling applies only to securities maturing in more than 5 years. Senator DIRKSEN described last night's suggestion from the administration as for doing away with the ceiling altogether.

This issue is by far the most controversial of the three involved in the expected proprosal. Congress has long known of the need to increase the debt limit again this year, at least on a temporary basis. Presumably there will be considerable appeal in the idea of sweetening savings bonds for small investors.

However, there is a bloc in Congress of considerable strength that feels strongly about the recent upward movement of interest rates generally and it can be expected to oppose any increase.

DEMOCRATIC LEADER QUOTED

The reaction of the Democratic leadership was not known in detail, but Senator DIRKSEN quoted one of the House Democratic leaders as saying: "When there is a need, it is the responsibility of Congress to consider the matter seriously."

Others at the White House last night included Senator LYNDON B. JOHNSON, of Texas, the Democratic leader, Representative SAM RAYBURN, of Texas, the Speaker of the House, and the chairmen and ranking minority members of the House Ways and Means Committee and Senate Finance Committee.

The ceiling of 4¼ percent on long-term Treasury bonds was set in 1918. The highest coupon on any outstanding bond is 4 percent.

However, these bonds—unlike savings bonds—are traded freely in the market. When they fall in price their effective interest rate to a new buyer is higher than the nominal rate. A number of outstanding issues are now selling at prices that yield new buyers 4¼ percent or more.

MUST ATTRACT BUYERS

Thus the Treasury would have to put an interest rate of more than 4¼ percent on a new issue to attract any buyers.

An increase in the national debt limit is needed, despite the reasonably good prospect of a balanced budget in the forthcoming fiscal year, because tax receipts are low in the July-December period of each year.

The Treasury expects to have to borrow $6 billion to $7 billion in the last half of this year to cover this seasonal deficit.

The present debt is $285,900 million. It is covered by a temporary ceiling of $288 billion, which reverts to a permanent ceiling of $283 billion on June 30. At that time the actual debt is expected to be about $285 billion.

The seasonal borrowing plus an allowance for contingencies would require a new "temporary" ceiling of about $295 billion.

An increase in savings bond interest, now 3¼ percent if held to maturity, would also require congressional approval.

Savings bond sales have fallen off slightly from last year's levels and redemptions have risen.

In April, purchases of bonds were $350 million against redemptions of $453 million. In April 1958, sales were $398 million and redemptions, $412 million.

NATIONAL DEFENSE

Mr. SMATHERS. Mr. President, for years the Senator from Missouri [Mr. SYMINGTON] has been bringing to the American people the truth about our national defense.

This has been done despite a smokescreen of misleading statements from this administration.

Last month, the Senator from Missouri brought out that the IRBM's in England are not operational, as they have been advertised. When confronted with this fact, the Department of Defense finally admitted to the press that what the Senator had said was true.

The chronological history of this situation is revealing. On November 27, 1957, Secretary of Defense McElroy told the Senate Preparedness Investigating Subcommittee:

By making use of the production capacity now available for both the Jupiter and Thor, an operational capability can be achieved by the end of 1958 in the United Kingdom (p. 194).

On December 17, 1957, Secretary of the Air Force Douglas told the Senate Preparedness Investigating Subcommittee:

In my prepared statement, I said that we would have an operational unit of IRBM's in December of 1958 (p. 869).

On November 18, 1958, Secretary of the Air Force Douglas told the Bankers Club of Chicago:

The first Thor missiles are already in England and the first squadron will be operational in December, as scheduled.

On January 23, 1959, General Twining, Chairman of the Joint Chiefs of Staff, gave the following testimony to the Defense Subcommittee of the House Appropriations Committee:

Mr. MAHON (chairman). * * * who is in the best position in 1959 from the standpoint of the employment of missiles in an all-out war?

General TWINING. The United States, by far. We have Thors up there which are just as effective or more effective than those ICBM's. They are located in England. An IRBM will no doubt be more accurate and carries just as big a warhead. We have them sitting there and ready to go.

On February 20, 1959, Admiral Burke, Chief of Naval Operations, in a speech to the Charleston, S.C., Chamber of Commerce, said:

The United States has the ability, right now, in being, to destroy the Soviet Union. We can do it in several ways and several times over with our powerful Strategic Air Command of the U.S. Air Force, with carrier striking forces of the U.S. Navy, with tactical air, and with intermediate range ballistic missiles.

On March 12, 1959, General White, Chief of Staff of the Air Force, told the Senate Preparedness Investigating Subcommittee:

They [the British] have the first of their missiles [IRBM's] on launch pads which they consider to be operational and ready to be fired (p. 111).

On March 16, 1959, President Eisenhower, in a radio-television address, listed the Thor IRBM as one of the "missiles now in use by our Armed Forces."

On April 28, 1959, the Senator from Missouri [Mr. SYMINGTON] told the National Press Club:

Last January the Chairman of the Joint Chiefs of Staff testified there were intermediate-range ballistic missiles in England "which are just as effective or more effective than those ICBM's" and that these American IRBM's were "sitting there and ready to go."

Ten weeks after that statement was made to the Congress, I visited that IRBM base of ours in England which was nearest to completion.

There was nothing "ready to go."

There was nothing which met operational standards.

There was nothing adequately dispersed.

The entire installation was literally a sitting duck for sabotage.

On April 30, 1959, the New York Times published an article which in part said:

A Defense Department spokesman said today that Pentagon officials had never meant to imply that the entire weapons installation in Britain was combat ready.

Mr. President, I ask unanimous consent to have the entire article printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IRBM, NOT BASES, SAID TO BE READY—PENTAGON SPOKESMAN HINTS SYMINGTON WAS CORRECT ON BRITAIN—DENIES DECEIT

WASHINGTON, April 29.—There are probably no complete intermediate-range ballistic missile installations in Britain, with weapons, launching platforms and trained crews ready to fire, it was indicated at the Pentagon today.

The Defense Department refused to comment officially on charges by Senator STUART SYMINGTON, Democrat of Missouri, that the Nation had been misled in believing that the U.S.-equipped IRBM bases in Britain were operationally ready.

The Senator specifically cited testimony by Gen. Nathan F. Twining, Chairman of the Joint Chiefs of Staff, who told a congressional committee last January that the 1,500-mile weapons delivered to Britain were "ready to go."

A Defense Department spokesman said today that Pentagon officials had never meant to imply that the entire weapons installation in Britain was combat-ready. In promising operational readiness of the missiles in Britain, officials here merely referred to the missile itself, and not to the allied equipment, the spokesman said.

The Defense Department spokesman noted that last September, at least 2 months before the original target date of December 1958, the first Thor IRBM was delivered by airplane to Britain.

It was a fully tested missile, capable of being launched with an atomic warhead. Its delivery, with those of an unspecified number of other missiles in the weeks that followed, fulfilled the implicit promise to the public in official statements, the spokesman declared.

Under the terms of the British-United States agreement, it was emphasized, the

British were responsible for the construction of the bases. Moreover, the terms of the agreement called for the firing by British crews, with the nuclear warheads in the hands of U.S. officials.

The British crews did not arrive for training in this country until March 1958. The first British crew did not successfully fire a test missile until last month at Vandenberg Air Force Base in California.

MAY NOT BE READY TILL 1960

One estimate at the Pentagon was that the IRBM installations in Britain would not be fully operational—in the sense that everything was ready—until perhaps the end of 1960.

The Thors, developed by the Air Force, are the first intercontinental range ballistic missile weapons to be completed and deployed to operating sites by the United States. Another weapon, the Jupiter, developed by the Army, has also been completed. It is slated for deployment to an IRBM base in Italy.

The arrangements for British IRBM bases were initiated at the end of 1956. The final agreement was not signed by the United States and Britain until February 24, 1958. Over the last few years, leading U.S. officials, including President Eisenhower, have referred to the operational readiness of the Thor missile.

Actually, the final test of the missile, declaring it a combat-ready device, was made last June at the testing center in Cape Canaveral, Fla. But most military officials stated simply that the Thors would be operational at the British bases by December 1958.

The prevailing impression here has been that by declaring the Thors operational in Britain, officials have indicated that these weapons were capable of being fired, should war break out suddenly.

The possibility that the deployment of the operational missiles to British sites did not mean that they could be fired at those sites appears not to have been brought out until Senator SYMINGTON'S speech yesterday.

The Senator had been a consistent critic of the administration's defense policies.

Mr. SMATHERS. Mr. President, on May 1, 1959, the Washington Post published a UPI story quoting Secretary of Defense McElroy to the effect that "none of these missiles is ready for immediate countdown and firing." The article goes on to say that Secretary McElroy "acknowledged that the missiles could be fired only after a number of hours had passed because they were in 'training condition.'"

Also on May 1, 1959, the New York Times published an article written by a Jack Raymond, which quoted Secretary McElroy's admission that the IRBM's were not ready and operational.

Mr. President, I ask unanimous consent that these two articles be printed in full at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 1, 1959]

BRITAIN HAS THORS, CAN'T FIRE THEM

Defense Secretary Neil H. McElroy acknowledged yesterday that U.S. 1,500-mile-range ballistic missiles based in England are not ready for immediate firing.

He said in a statement that the Thor missiles are "in training condition" and "can be fired only after the passage of a number of hours."

"Thus," he added, "none of these missiles is ready for immediate countdown and firing."

McElroy's statement was prompted by a charge made Tuesday by Senator STUART SYMINGTON (Democrat, Missouri), that the Chairman of the Joint Chiefs of Staff had misled Congress on whether the British-based missiles were operational.

SYMINGTON told the National Press Club that Gen. Nathan F. Twining testified last January that the missiles were "ready to go." Yet, SYMINGTON said, he personally discovered 10 weeks later by visiting the base most nearly completed that nothing was ready to go.

McElroy's statement said "there has been no problem in delivering the committed numbers of missiles to the British bases."

But he said there has been a "somewhat longer time required to prepare the bases and to install ground equipment than was originally anticipated.

"Moreover, the British Royal Air Force, which is the receiving agency, has determined that the best way to use the first missiles delivered and set up at the British bases is for training purposes."

He then acknowledged that the missiles could be fired only after a number of hours had passed because they were in "training condition." He did not specify how many hours.

[From the New York Times, May 1, 1959]

IRBM'S IN BRITAIN UNREADY FOR WAR—MCELROY CONFIRMS CHARGE—SAYS BUILDING OF BASES HAS DELAYED PROGRAM

(By Jack Raymond)

WASHINGTON, April 30.—None of the intermediate range ballistic missiles sent to Britain is ready for immediate combat use, Neil H. McElroy confirmed tonight.

The original target date for operational readiness of the British-based 1,500-mile range ballistic missiles was December 1958. The United States began sending the first of some 60 Thor IRBM's in September.

However, the Secretary of Defense said tonight that there had been somewhat longer time required to prepare the bases and to install ground equipment than was originally anticipated.

Mr. McElroy's statement was issued in response to a question based on a charge by Senator STUART SYMINGTON, Democrat of Missouri, that the U.S. public had been misled into believing that the British bases were operational.

In the last 2 days since the Senator made his charge some Pentagon spokesmen have said that a number of IRBM's in Britain were ready for war use, others said they were not. But no officials would be quoted.

Associates of Mr. McElroy and Gen. Nathan F. Twining, chairman of the Joint Chiefs of Staff, said that they had considered a reply to the accusation but had decided to "clam up" so that the story would quiet down. Murray Snyder, Assistant Secretary of Defense for Public Affairs, is understood to have persuaded Mr. McElroy to issue the statement.

It follows:

"Some questions have been raised as to whether the Thor intermediate range ballistic missiles on English bases are operational.

"There has been no problem in delivering the committed number of missiles to the British bases. There has, however, been somewhat longer time required to prepare the bases and to install ground equipment than was originally anticipated.

"Moreover the British Royal Air Force, which is the receiving agency, has determined that the best way to use the first missiles delivered and set up at the British bases is for training purposes.

"Missiles in training condition can be fired but only after the passage of a number of hours. Thus none of these missiles are ready for immediate countdown and firing.

"It is not intended that we in this country will announce when Thor missiles are operational in England, because the determination of this will naturally be made by the deploying service—the Royal Air Force."

Senator SYMINGTON, who criticized the lack of security and insufficient dispersal of the missile installations he visited at a base in Britain, charged tonight that the bases were so close to public areas that it would be hard to protect them against sabotage.

He said this was true, too, of the United States' own bases and elsewhere that have not been hardened or put underground.

The Senator, a former Secretary of the Air Force, has been a critic of administration defense policies.

This was that statement by General Twining to which Senator SYMINGTON took exception:

"We have Thors up there which are just as effective or more effective than those ICBM's. [A reference to Soviet long-range missiles.] They are located in England. An IRBM will no doubt be more accurate and carries just as big a warhead. We have them sitting there and ready to go."

General Twining said this in response to a question at a hearing January 23 by the House Appropriations Subcommittee on Defense Appropriations.

One of the chief reasons for earlier Pentagon reluctance to comment on Senator SYMINGTON'S charges, it was said, was that it might have provided him with political material as a potential presidential candidate.

Mr. McElroy planned originally to wait until called before the Senate Appropriations Subcommittee for Defense on Monday to present his comment on the IRBM charges.

Earlier, the Air Force said that its record indicated it had never declared the Thor operational.

Mr. SMATHERS. Mr. President, this is an astonishing situation. It is hard to understand why the top responsible officials of our Defense Department continued to assert that the IRBM's in England were operational, when they were not operational.

Despite this recent admission by the Secretary of Defense, the Washington Post and Times Herald, on May 8, published an Associated Press article bearing the headline, "Thors in Britain Now Ready, Douglas Says."

I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THORS IN BRITAIN NOW READY, DOUGLAS SAYS

Secretary of the Air Force James H. Douglas told Senators yesterday that Thor intermediate-range missiles—able to drop nuclear warheads on Soviet Russia—are now on launchers in England available for emergency use if needed.

Just back from a flying trip overseas, Douglas told a Senate appropriations subcommittee there had been delays in the original plan to have these 1,500-mile missiles operational last December.

Douglas said the powerful missiles have been delivered to England for use by the Royal Air Force, crews are busy training, and some weapons actually are on the launchers at one site.

The testimony was a follow-up to a recent disagreement between the Pentagon and Senator STUART SYMINGTON, Democrat, of Missouri, a frequent critic of administration defense actions.

Gen. Nathan Twining, chairman of the Joint Chiefs of Staff, said in a January report to Congress that missiles in Britain were "sitting there ready to go."

Ten weeks later SYMINGTON said in a National Press Club Speech that he was just back from a visit to the base most nearly completed and found nothing "ready to go," nothing that met operational standards or was adequately dispersed.

Secretary of Defense Neil McElroy conceded in a statement 2 days later that none of the weapons was ready for immediate firing. He said the British chose to set up the first missiles delivered for training purposes, and in that condition it would take some hours to fire one.

Douglas testified that the longer range intercontinental Atlas ballistic missile will be operational in June at Vandenberg Air Force Base on the Pacific Coast.

"The first Atlas will be deployed at Vandenberg in June of this year," Douglas said as he reported good progress on the Air Force missile and aircraft programs in general.

Mr. SMATHERS. Mr. President, the article was based upon the prepared statement which Secretary of the Air Force Douglas presented the Senate Defense Appropriations Subcommittee on May 7.

Under questioning about the language in his statement, however, Secretary Douglas admitted that the Thor missiles were not ready. A part of this testimony is as follows:

Senator SYMINGTON. On page 5 of your prepared statement * * * you say "an emergency capability to launch against targets after a period of preparation has existed and will continue to exist through the projected training phase." Apparently you are referring to the IRBM situation in England.

Secretary DOUGLAS. That is right.

* * * * *

Senator SYMINGTON. What do you mean by a "period of preparation"?

Secretary DOUGLAS. I would rather go into that in a security hearing, Senator, if I might. I think I could be quite accurate.

Senator SYMINGTON. You used the phrase. This is a matter I have studied at length. I would not want your opening statement to be misleading.

Secretary DOUGLAS. I certainly don't want my statements to be misleading.

Senator SYMINGTON. I want to know if you will give us a rough idea of the considerable "period of preparation."

Secretary DOUGLAS. Quite a few hours.

Compare this testimony with the fact that the Soviets have hundreds of ballistic missiles capable of hitting the British bases in a matter of a few minutes—in a surprise attack.

To assert or imply that the British-based IRBM's are operational as retaliatory or deterrent strength, when they could not be launched for "quite a few hours" after the surprise attack, is dangerously misleading.

It was for such reasons that the British press was denying assertions by American officials that the Thor missiles on their territory were operational.

In our form of government, public opinion is considered most important in the formulation of national policy.

Therefore the people are entitled to the truth.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. SYMINGTON. I am very grateful to the distinguished Senator from Florida for having seen fit to make his statement concerning these problems which are incident to our national defense. I know the Senator from Florida will agree with me that regardless of the decisions which may be made by the executive branch with respect to the national defense, it is important that the people be given all truth which will not help a potential enemy.

Mr. SMATHERS. There can be no question about that. It is outrageous and completely unjustified, at any time or upon any occasion, for the people not to have all the truth.

Mr. SYMINGTON. Again I express my gratitude to the distinguished Senator from Florida.

Mr. SMATHERS. Mr. President, I have many times said in my own State, and I have no hesitation to repeating the statement here, that in my humble judgment the people of the United States owe to the able Senator from Missouri [Mr. SYMINGTON] a great debt of gratitude. I do not know of any other person who has done quite so much to help the United States keep its guard up, and who not only has kept the people of America informed about the state of their preparedness, so far as it has been possible to do so, but at the same time has acted as a sort of needle in keeping the Department of Defense alert and on its toes, so that all of us might be better protected and the country better prepared.

THE VITARELLI CASE

Mr. THURMOND. Mr. President, during the debate on the confirmation of the nomination of Potter Stewart to be Associate Justice of the Supreme Court, I pointed out the dangers inherent in recent decisions of the Supreme Court concerning Communists and Communist sympathizers. I called attention to the fact that as a result of overzealous and unwarranted concern for the purported rights of those who look with contempt on our republican form of government, a series of recent decisions of the Court has, in effect, written a "Red Bill of Rights" in the United States. As a result of these decisions, I am firmly convinced that this country has immeasurably more to fear from Communist subversion within the United States than it has from armed attack from the Soviet Union. To substantiate this conviction, I shall refer to only a few of the recent pronouncements of the oversolicitous Supreme Court. In the Yates case, the Court said that anyone may advocate the forcible overthrow of our Government with impunity, so long as it is in the abstract and there is no time set for overt acts. In the Cole and Service cases, it was held that Federal employees may freely associate with Communists without fear of discharge if they hold nonsensitive jobs. Over the protests of practically all of the States of the Union, and of the Attorney General of the United States, the Supreme Court held invalid all State laws concerned with sedition in Pennsylvania against Nelson. These are only a few examples of the Court's utter disregard of legislative intention and attendance to judicial "nit-picking."

Mr. President, on Monday of this week the Supreme Court added another amendment to the "Red Bill of Rights" by ordering the Interior Department to reinstate an employee it had fired twice in the last 5 years on the ground that his continued employment was contrary to the best interests of national security. As a further result of this decision, the Federal Government will be required to pay $30,000 in back pay to one who has been classified as a "security risk," who has been in sympathetic association with Communists or Communist sympathizers, and who the courts said had lied about such associations before a Federal Loyalty-Security Board inquiry. And thus a department of the executive branch of our Government is ordered by the Supreme Court to reinstate an employee whom it has already determined is in such close association with Communists or Communist sympathizers that his continued employment is inimical to the best interests of our country. Judicial usurpation of power by the present Court is not confined to encroachments on the legislative branch; but, as the Court's decision in the case of Vitarelli against Seaton so well attests, it extends to the executive branch, as well.

Mr. President, Government employees sought to be dismissed should be given the benefit of all procedural protections required by applicable statute and regulation. Persons so situated should be entitled to be free from dismissal on unconstitutional or flagrantly abusive grounds. But no such dismissal occurred in the Vitarelli case. Vitarelli was at no time within the protection of the Civil Service Act, the Veterans' Preference Act, or any other statute relating to employment rights of Government employees. This man, who had been classified as a "security risk," could have been summarily discharged at any time by the Secretary of the Interior. The Lloyd-La Follette Act and the Veterans' Preference Act—the general personnel laws—authorize dismissals for "such cause as will promote the efficiency of the service." Thus, there was no want of substantive authority for the dismissal; and since Vitarelli was not in a sensitive position, he was not entitled to a hearing before a Loyalty-Security Board. The Supreme Court brazenly admitted that Vitarelli could have been summarily discharged had the Secretary of the Interior chosen to do so. It justified the order of reinstatement to the Department of the Interior and the payment of $30,000 on the ground that because the Interior Secretary informed Vitarelli of the grounds on which he was being discharged—notification of which he was not entitled to in the first instance—the employee was entitled to all of the procedural requirements of someone in a sensitive position. Mr. President, it is an impossibility to deprive a person of procedural due process unless he is entitled to it in the first instance. By its own admission, the Supreme Court recognized that in this case Vitarelli was not entitled to procedural due process. The rationale by which the Court reached the conclusion that this security risk must be afforded all of the procedural requirements of one in a sensitive position is typical of its rationalizations in other cases dealing with

those who would overthrow our form of government.

Lest there be any doubt that he was exercising his authority to summarily dismiss a subordinate in the Department of Interior, the Secretary expunged the Department's records of any reference to the Communist activity of Mr. Vitarelli, and notified him of his dismissal in October 1956, and omitted all reference to any statute, order, or regulation relating to security discharges. There is no question whatever, Mr. President, that the Secretary of the Interior had the authority to summarily dismiss this employee, for whatever cause he saw fit, and in a manner that saw him removed at the earliest possible opportunity from the ranks of Government employees. However, the Supreme Court, in a marvelous display of judicial gymnastics, held otherwise. A majority of the Court said that because the 1954 dismissal was abortive, no effect would be given to the 1956 dismissal, notwithstanding the fact that the letter of dismissal was clearly within the exercise of the Department's summary dismissal power. Even if it be conceded that the discharge of 1954 was invalid, the prior action did not deprive the Secretary of the power to discharge Vitarelli prospectively. It was a lawful exercise of the summary dismissal power; but the Supreme Court held that it meant, administratively, nothing. The Court has frustrated every attempt of the Interior Department to rid itself of this undesirable employee. On Monday of this week, the Supreme Court said that not only has Vitarelli not been validly discharged, but he is entitled to back pay of $30,000.

How is the Federal Government to rid itself of subversive elements within its very ranks, Mr. President?

Typical of its opinions in recent years, Mr. President, the Supreme Court has once again disregarded the actualities of the situation. The power of the Executive to discharge for untrustworthiness or deliberate misrepresentation is beyond dispute. The Secretary of the Interior had unfettered authority to summarily dismiss William Vincent Vitarelli, and did so, only to have this authority frustrated by the Court. In doing so, it gratuitously transformed itself into a factfinding body, criticizing the substance of the charges against Vitarelli and the form of the questions propounded at the security hearing. It is not the function of the Supreme Court to decide whether an employee is or is not untrustworthy or a "security risk." The Court's decision in the case of Vitarelli against Seaton is another example of an unreal interpretation by the Supreme Court resulting in disproportionate concern for Communist sympathizers and the attribution of illegality to a lawful exercise of governmental action.

Mr. KUCHEL. Mr. President, so long as I am sitting here as a Member of the Senate, I would be recreant to my sense of duty if I did not rise at this time to make the following very brief comment:

This is not the first time, either during this session or during previous sessions in which I have served in the Senate or, indeed, at other times during the long proud history of the United States, that the highest tribunal in our Nation has been attacked and abused and vilified.

Mr. President, one of the great freedoms the American people enjoy, both in the Senate and outside it, is the freedom to speak freely, regardless of whether one is right or is wrong in what he says. There is this difference, however: Far more freedom of speech is permitted a Senator, under the rules of the Senate, than a citizen enjoys outside this Chamber, under the laws which apply to him there.

In my opinion my colleague was wrong, wrong, wrong—completely wrong—in the accusations he made against the U.S. Supreme Court.

Let the intemperate pour their spleen upon the venerated Supreme Court of our country. It will live in history as the defender of the freedoms guaranteed the American people by their Constitution, for which the 180 million American people will ever be grateful.

ADJOURNMENT

Mr. SMATHERS. Mr. President, in accordance with the order previously entered, I move that the Senate adjourn until tomorrow.

The motion was agreed to; and (at 7 o'clock and 10 minutes p.m.), under the order previously entered, the Senate adjourned until tomorrow, Friday, June 5, 1959, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 4, 1959:

IN THE ARMY

The following-named officers for appointment in the Regular Army of the United States to the grade indicated, under the provisions of title 10, United States Code, sections 3284 and 3307:

TO BE MAJOR GENERALS

Maj. Gen. Leander LaChance Doan, O16839, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. John Bruce Medaris, O39554, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Parmer Wiley Edwards, O16775, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Martin Joseph Morin, O16911, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Thomas Fraley Van Natta, O17086, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Webster Anderson, O17101, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. William Henry Hennig, O17122, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Mercer Christie Walter, O17151, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. John Cogswell Oakes, O17160, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Ralph Joseph Butchers, O17242, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Stanhope Brasfield Mason, O17295, Army of the United States (brigadier general, U.S. Army).

Lt. Gen. Paul DeWitt Adams, O17306, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Walter King Wilson, Jr., O17512, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Paul Wyatt Caraway, O17659, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Russell Lowell Vittrup, O17681, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Ralph Copeland Cooper, O17741, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Eugene Fodrea Cardwell, O38662, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Briard Poland Johnson, O29393, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Robert Highman Booth, O18093, Army of the United States (brigadier general, U.S. Army).

The following-named officer for temporary appointment in the Army of the United States to the grade indicated under the provisions of title 10, United States Code, sections 3442 and 3447:

TO BE BRIGADIER GENERAL

Col. Jonathan Owen Seaman, O19385, U.S. Army.

CONFIRMATIONS

Executive nominations confirmed by the Senate, June 4, 1959:

DIPLOMATIC AND FOREIGN SERVICE

Ogden Rogers Reid, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Israel.

DEPARTMENT OF COMMERCE

Frederick Henry Mueller, of Michigan, to be Under Secretary of Commerce.

Carl F. Oechsle, of Massachusetts, to be an Assistant Secretary of Commerce.

DEPARTMENT OF DEFENSE

Thomas Sovereign Gates, Jr., of Pennsylvania, to be Deputy Secretary of Defense.

DEPARTMENT OF THE NAVY

Fred A. Bantz, of New York, to be Under Secretary of the Navy.

DEPARTMENT OF THE AIR FORCE

Joseph V. Charyk, of California, to be an Assistant Secretary of the Air Force.

THE COMMISSION ON CIVIL RIGHTS

George M. Johnson, of California, to be a member of the Commission on Civil Rights.

FEDERAL COMMUNICATIONS COMMISSION

Rosel H. Hyde, of Idaho, to be a member of the Federal Communications Commission for a term of 7 years from July 1, 1959.

FEDERAL POWER COMMISSION

Frederick Stueck, of Missouri, to be a member of the Federal Power Commission for the term of 5 years expiring June 22, 1964.

FEDERAL TRADE COMMISSION

Earl W. Kintner, of Indiana, to be a Federal Trade Commissioner for the unexpired term of 7 years from September 26, 1953.

U.S. COAST GUARD

The following-named persons to the rank indicated in the U.S. Coast Guard:

TO BE LIEUTENANT COMMANDERS

George W. Hardy, Jr.
Glenn L. Smith

TO BE LIEUTENANTS

Maynard Fontaine
Harold W. Doan

TO BE LIEUTENANTS (JUNIOR GRADE)

Merrill K. Wood
Barry P. Sebralla
Benjamin A. Ramsey
John R. Butler
Gerald C. Hinson
Royce R. Garrett

APPOINTMENTS IN THE NAVY AND IN THE MARINE CORPS

The following-named midshipmen (Naval Academy) to the rank indicated in the restricted line of the Navy, subject to qualifications therefor as provided by law:

TO BE ENSIGNS

James A. Kelly
Peter S. VanNort

The following-named midshipman (Naval Academy) to the rank indicated in the Supply Corps of the Navy, subject to qualifications therefor as provided by law:

TO BE ENSIGN

Daniel E. Ralston

The following-named person (Naval Reserve Officers' Training Corps to the rank indicated in the line of the Navy, subject to qualifications therefor as provided by law:

TO BE ENSIGN

Richard M. Krol

The following-named person (Naval Reserve Officers' Training Corps) to the rank indicated in the Supply Corps of the Navy, subject to qualifications therefor as provided by law:

TO BE ENSIGN

Alan G. Brown

The following-named (Naval Academy graduate) for permanent appointment to the rank indicated in the Marine Corps, subject to the qualifications therefor as provided by law:

TO BE SECOND LIEUTENANT

Arthur E. Archambault

The following-named (Army Reserve Officers' Training Corps) for permanent appointment to the rank indicated in the Marine Corps, subject to the qualifications therefor as provided by law:

TO BE SECOND LIEUTENANT

Robert M. Hall

POSTMASTERS

ALABAMA

George N. Chastang, Citronelle.
John E. Stallings, Cuba.
Talton A. Shaw, Jr., Langdale.
Marvin S. Ward, Pine Apple.
John F. Segrest, Jr., Tuskegee.

ALASKA

Ola M. Cosgrove, Delta Junction.
Martha R. Prater, Glenallen.

ARIZONA

Roberta M. Hill, Sells.
Bessie L. Pierce, Tumacacori.

ARKANSAS

James Overton Thomson, Aubrey.
Edgar L. Fergeson, Havana.
James A. Leighton, Helena.
C. Stewart Landes, Lewisville.
Helen G. Webb, Mountain View.

CALIFORNIA

Richard A. Wallace, Anderson.
Chester B. Schmill, Camarillo.
Norman Warren, Elk Grove.
Leslie B. Hall, Jolon.
Ada W. Stone, Lewiston.
Ralph W. Boyd, Norwalk.
Fred Judson Booth, Stockton.
Ernest G. Kuhn, Sunnymead.

COLORADO

George J. Ware, Aspen.
Robert Hayes Wardwell, Colorado Springs.
John C. Warren, Fruita.

CONNECTICUT

Clarence P. Meier, Cornwall.

FLORIDA

Sara Bryan Rogers, Live Oak.

GEORGIA

Jean H. DeLoach, Claxton.
Joseph H. Summerour, Duluth.
Oneita H. Barrett, McRae.
Edgar P. Faulkner, Tucker.

IDAHO

Leoren D. Anderson, Filer.
Inez A. Seagraves, Kingston.

ILLINOIS

Theron C. Tavenner, Freeport.
Richard D. Michael, Le Roy.
Ralph E. Wright, Rockton.
Herbert W. Danekas, West Brooklyn.

INDIANA

Alexander L. Zivich, East Chicago.
J. Clyde Garretson, Roaknoke.

IOWA

Donald L. Wilson, Colo.
Ewing E. Shiffer, Grimes.
Carl T. Ehen, Harcourt.
William C. Messinger, Menlo.
Phyllis J. Davis, St. Charles.

KANSAS

George E. Cox, Buffalo.
Oswald K. Klassen, Elbing.
George P. Shaw, Kanopolis.
Lee M. Fraker, Winchester.

LOUISIANA

Ruel Gene Roberson, Dubach.
Ora G. Thomas, Mooringsport.
Alice H. McWilliams, Princeton.
Claude T. Cox, Vivian.
Jacqueline F. Dunn, Westlake.

MARYLAND

Agnes L. Matthews, Hughesville.
Lee Munshour, Thurmont.

MICHIGAN

Menzo A. Chapman, Blanchard.
Verla V. Wolfgang, Dansville.
Bonnie L. Smith, St. Helen.

MINNESOTA

Marguerite D. Manders, Big Falls.
Ruth A. Campbell, Ellendale.
Eugene J. Grady, Hoyt Lakes.
Roland S. Sorvig, Winger.

MISSISSIPPI

Arlie A. Ramsey, Clarksdale.
Harry O'Cain, Durant.
Herbert M. Herman, Mayersville.
William R. Basden, Sherman.
Tommy V. Dillard, Stonewall.
Paul L. Parker, Water Valley.

MISSOURI

Warren C. Moser, Auxvasse.
Orpha Mae Bolin, Bois D'Arc.
John R. Allison, Marceline.

MONTANA

James M. Stout, Ballantine.
Donald A. Kleppelid, Circle.
Olaf Pederson, Huntley.

NEBRASKA

James R. Fleming, Cedar Bluffs.
Roy H. Clements, Riverton.

NEW HAMPSHIRE

William J. Driscoll, Plymouth.

NEW JERSEY

Francis A. Riopel, Marlboro.
Daniel Dietz, Stanhope.

NEW MEXICO

Virginia L. Alexander, Farmington.
Sibyl S. Griffin, Reserve.
Julius E. Fitzner, Tucumcari.

NEW YORK

Helen M. Hlavac, Bohemia.
David A. Wait, Burnt Hills.
Walter M. Paul, Clark Mills.
Edna M. Beach, Cottekill.
Edwin Craft, Ellenville.
Edward O. Wood, Ilion.
Betty P. Kanar, Porter Corners.
Gladys Behr, Rocky Point.

NORTH DAKOTA

Melvin L. Tofteland, Antler.
Harold D. Dunahay, Bismarck.
Myron J. Wallin, Crosby.
William T. Fassett, Dunseith.
Simon H. Gimbel, Hazelton.
Leo Ketterling, Lehr.
Arnold F. Fahrer, New Rockford.
John Boyko, Stanton.

OHIO

Lloyd Gardner, Dundee.
William A. Jordan, Fayetteville.
Richard J. Swain, South Zanesville.

OKLAHOMA

Virgil R. Hughes, Blanchard.
Hiram H. Wright, Paden.
Ida M. Doyle, Redrock.
Boyd A. Troop, Tuttle.

OREGON

Roger J. Thompson, Cutler City.
Juanita L. Hagen, Government Camp.
Reese D. Jenkins, Ontario.

PENNSYLVANIA

Harold H. Allshouse, Brookville.
Henry L. Bomberger, Elm.
Norman H. Fulton, Glenolden.
Merl W. Seavers, Hershey.
Vincent B. Segeleon, Leetsdale.
Richard C. Rader, Lititz.
Irvin V. Diffenderfer, New Holland.
Esther M. Moore, Rockhill Furnace.

SOUTH CAROLINA

Ruth L. Lawson, Buffalo.
Carl E. Burkett, Cayce.
Ralph H. Ellis, Little River.

SOUTH DAKOTA

Melvin R. Bollinger, Bowdle.
Dale A. Wiltfang, Mansfield.

TENNESSEE

Charles B. Gray, Afton.
Harold N. Tidwell, Bon Aqua.
Lloyd Dodson, Doyle.
Betty Greer Goddard, Louisville.
Erma J. Hall, Mayland.
William R. Allbritten, Puryear.

TEXAS

Arthur R. Main, Petersburg.
Trinidad Solis, San Diego.

VERMONT

Ernest A. Pike, Craftsbury.

VIRGINIA

George P. Grindstaff, Damascus.
Virginia B. German, Dunn Loring.
Wilmer J. Whitaker, Fries.
James E. Brunner, Riner.
James I. Whitlow, Sandston.
Roy M. Cleek, Warm Springs.

WASHINGTON

Dean M. Corliss, Port Orchard.

WISCONSIN

Clifford John Stuber, Cochrane.
Floyd R. Dixon, Elkhart Lake.
John R. Sargent, Gratiot.
Daniel H. Hutchison, Ontario.

WYOMING

Elizabeth L. Moore, Fort Washakie.
Hazel M. Bennion, Meeteetse.

HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 4, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Jeremiah 32: 17: *Ah Lord God! Behold, Thou hast made the heaven and the earth by Thy great power and there is nothing too hard for Thee.*

Almighty God, whose thoughts concerning us are those of love and of peace, grant that daily we may sense Thy presence with us and surrender ourselves to the sovereignty of Thy wise and holy will.

We earnestly beseech Thee to kindle within us a flame of wholehearted devotion and a faith that has the courage to follow the ways which Thou hast marked out for us.

Gird us with power to gain the victory over those subtle forces which are continually seeking to undermine our character and tempting us to betray our nobler and better self.

May the light of Thy countenance shine upon all whose lives are beshadowed by fear and foreboding and give unto their faltering spirits the assurance that Thou canst enable them to carry on victoriously and joyously.

To Thy name we ascribe all the praise. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 7175. An act making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. RUSSELL, Mr. HAYDEN, Mr. HILL, Mr. ROBERTSON, Mr. ELLENDER, Mr. YOUNG of North Dakota, Mr. MUNDT, and Mr. DWORSHAK to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5805) entitled "An act making appropriations for the Treasury and Post Office Departments and the Tax Court of the United States for the fiscal year ending June 30, 1960, and for other purposes.

THE LATE WILLIAM J. GRANFIELD

The SPEAKER. The Chair recognizes the gentleman from Massachusetts [Mr. BOLAND].

Mr. BOLAND. Mr. Speaker, I have the sad duty of announcing to the Congress the death of a former Member of this House, the Honorable William J. Granfield, of Springfield, Mass.

Judge Granfield, a one-time predecessor of mine in this body, died Thursday, May 28, of a heart attack, and funeral rites were held Monday, June 1.

Mr. Speaker, Mr. Granfield enjoyed a long and distinguished career of public service in his native city, his State, and this Nation.

It began in 1915, at an early age, when he was elected to the city council of Springfield, Mass., as a member of the common council, from ward 2. After serving in this office for 2 years, he was elected to the Massachusetts Legislature, and he completed several years of outstanding service. In 1918 he was a member of the constitutional convention. In 1924 and 1928, he was a delegate to the Democratic National Conventions. In 1930, in a special election, he was chosen by the people of the Second District to represent them in the Nation's Capital.

His success in this election was a remarkable and a personal victory, for it signaled the first time that a member of the Democratic Party had represented this district in Congress. His success, popularity, and service to his constituents were noted by his reelection to a full term in 1930, again in 1932, and to his final term in 1934.

In 1936 he was appointed as presiding judge of the Springfield District Court and held that distinguished post until he retired because of a disability in 1949.

During his service in this body, he was recognized as an able and outstanding Member. This, of course, was expected for he was one of the ablest members of the legal profession in the Commonwealth of Massachusetts, and he brought his great talent for reasoning and debate to the Halls of Congress.

Mr. Speaker, Bill Granfield enjoyed a varied and notable career. He was educated in the Springfield, Mass., schools, Central High School, Williston Academy, and the University of Notre Dame law school. At all of these institutions, he was an outstanding athlete in basketball, football, and baseball. Following his graduation from Notre Dame University, he joined the Cincinnati Reds of the National Professional Baseball League and spent the remainder of the season with them. But his ambition to be a lawyer overshadowed his desire to be a professional baseball player, and he returned to his native State and to a legal career of mounting success.

Attorney Granfield's legal efforts ran the gamut of the profession. A skilled courtroom advocate, he was a colorful figure as he pleaded the causes of his clients.

Mr. Speaker, I know I express the sentiment of this House in a deep expression of sympathy to Mrs. Granfield, to his children, Eleanor Jane, William J., Jr., John J., and to his brothers and sisters.

I include herewith a tribute by Governor Furcolo, of Massachusetts, and editorials from Springfield papers:

GOVERNOR FURCOLO'S TRIBUTE

He was one of the ablest lawyers I've ever known. As a judge, he was fearless and wise. He was always good to youngsters, and a youngster in trouble was always given the best of it.

As a councilman, State representative, and Congressman, he always fought hard and ably for what he believed.

Perhaps more than any one person, Judge Granfield was responsible for the long line of outstanding public servants from ward 2 who followed him in politics.

He had the unique distinction of serving in the executive, legislative, and judicial branches of government. In all three he served his city, State, and country long and honorably.

Mrs. Furcolo and I and my father, who was his best friend, join in extending sympathy to Mrs. Granfield and Judge Granfield's family.

[From the Springfield (Mass.) Daily News, May 29, 1959]

WILLIAM J. GRANFIELD

William J. Granfield got his education on 10th Street, the Springfield newspapers' mailing room, several local factories, the Boston & Albany Railroad shops, local schools, Williston Academy, University of Notre Dame, ward 2 politics, the common council, general court, and the Congress of the United States.

He brought all of this education to the district court bench, and, in judging criminal and civil matters, he considered not only his law school eduction but his 10th Street childhood, and his working teen years.

He understood the problems of juveniles, of working people, and those in need of money and friends. These people found him sympathetic. However, he could easily spot a phony or someone who would attempt to benefit unfairly from his good nature.

As is true of so many peacemakers and mollifiers, Judge Granfield was himself a bear when he was involved in a battle. Boys on 10th Street, college football players, competing lawyers, and political opponents were quick to learn that.

Friends he made and people he assisted during his long career are saddened today by the news of his sudden death. They will remember him as a successful politician, a brilliant lawyer and a wise judge.

[From the Springfield (Mass.) Sunday Republican, May 31, 1959]

WILLIAM J. GRANFIELD

William J. Granfield, former judge and Congressman, who died Thursday night at the age of 69, was an outstanding example of how any American boy can rise to high position through hard work, ambition, and perseverance. His family was of modest circumstances, and as a boy he had to work hard in order to get the education that he craved. Some of his earliest employment was in the mailing rooms of the Springfield newspapers, which have been an initial training ground for many local boys who later won high places in various fields of endeavor.

Largely through his own efforts, Judge Granfield successfully went through high school, Williston and Notre Dame, where he took his law degree. Despite his heavy work and study schedule the judge found time for much sports activity, and was outstanding in baseball, football, and basketball. His baseball talent was so good that he had an opportunity to play in the big leagues, but he decided in favor of the law instead.

His decision evidently was wise, for he advanced rapidly in the law and in politics, where he was a valued leader of the Democratic Party. He served as a member of the city council, as a representative in the State legislature, as Representative in Congress from the Second District, and as judge of the Springfield District Court.

In his public service, as in his private life, Judge Granfield exemplified the qualities of

courage, generosity, and friendship which made him a star in athletics and a friend of all who knew him. He combined the qualities of intelligence, fairness and mercy which, both in legal work and in legislative service, are so important in public office, and in this way he served well his city, State, and Nation.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Mr. Speaker, I am sorry to hear of the death of my close friend and former colleague, William J. Granfield.

Bill Granfield, as his friends called him, was highly thought of not only in the congressional district he so ably represented but throughout the Commonwealth of Massachusetts.

He first attracted national attention and prominence in February 1930, when he won an unexpected victory in a special election left vacant by his predecessor who had died in office.

The Second Congressional District of Massachusetts was considered a Republican stronghold, with no chance of a Democrat being elected. Up to Bill Granfield's first election, no Democrat had ever served that district.

From the time he first arrived in the House of Representatives he was recognized for his ability and his courage. He served with distinction until 1936, when he voluntarily retired to accept a judicial appointment in Massachusetts. The people of the western part of Massachusetts are deeply indebted to our late colleague, for it was while he was in Congress and under his leadership that many improvements were made in the Connecticut River Valley and the foundation laid for others that came later. Bill Granfield and I became close friends which continued throughout the years. I shall miss him very much.

I extend to Mrs. Granfield and to our late colleague's sons and daughters, and to his brothers and sisters, my deep sympathy in their bereavement.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from Massachusetts.

Mr. MARTIN. Mr. Speaker, those of us who had the privilege of serving in this body with William J. Granfield, of Springfield, were saddened over the past weekend to learn of his sudden death. During his terms of service from 1930 to 1936, I came to know him intimately, to have great affection for him as a friend, and great admiration for him as a conscientious, able legislator.

A distinguished lawyer, his personal inclinations led him to retire voluntarily from Congress in order to accept a judicial appointment in his home area to which he was intensely devoted.

A host of friends, who like myself appreciated his sterling character, join with his fine family in mourning his death. To his wife and family I extend my sincere condolences.

Mr. LANE. Mr. Speaker, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from Massachusetts.

Mr. LANE. Mr. Speaker, William Joseph Granfield served in this House from 1931 to 1936, first as a member of the Military Affairs Committee, later on the Committee on Appropriations, and also as chairman of the Special Committee To Investigate Campaign Expenditures.

It was 6 years later that I was sworn in as a Member, but even in those freshman days, I heard the name of Granfield mentioned so often that it seemed to be a legend. Then he dropped into my office on one of his many visits to Washington, and we became friends at once. That was the way with "Bill" Granfield.

This House was his home. He loved its customs, its procedures, the give-and-take of Members deliberating complex problems, and reaching those realistic compromises which are the stepping-stones to progress.

With his generous heart and good will, Bill had the genius for spreading oil on troubled waters and his friendly presence eased the tensions of debate. He was a good sport all the way. He learned it at Notre Dame. He practiced it as the guardian of the "hot corner" for the Cincinnati Redlegs of the National League. He lived it, every moment and month and year that he gave in service to his constituents and to the Congress.

As State representative, as delegate to the Democratic National Conventions of 1924 and 1928, as delegate-at-large to the conventions of 1932, 1936, and 1940, and as Congressman, he was a participant in stirring events where men fought with determination for their political beliefs. But never did he lose his composure or his faith in reconciliation. When the smoke of battle had cleared, he was the man who brought the factions together in the unity that has served the Congress and the Nation so well.

In 1936, he was appointed by Gov. James Michael Curley as judge of the Springfield district court in Massachusetts. He established a reputation for justice tempered by compassion over the active years that were terminated by his retirement in 1949.

But he continued his frequent visits to Washington.

Reliving the good old days of his service here.

Keeping in touch with things.

In this sense, he never left the Congress. For where a man's heart is, there is his immortal spirit.

The Book of Life has closed for William Joseph Granfield, former Congressman from Massachusetts.

May he rest in peace, blessed for the kindness that enriched the lives of the many who were honored to know Bill Granfield during his fruitful years on earth.

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that all Members who so desire may extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I join my colleagues today in high tribute to our former colleague from Massachusetts, the Honorable William J. Granfield. Those of us who were privileged to serve in this body with Congressman Granfield are truly saddened to learn that he has departed.

Congressman Granfield came to the House of Representatives February 11, 1930, and served continuously through the 73d Congress, retiring without seeking reelection January 3, 1937. His tenure included part of the 71st and all of the 72d and 73d Congresses.

He was an able lawyer, legislator, and jurist. He had a keen and discerning mind. He could think clearly and evaluate accurately. He ably served in this great body as a Representative from the great district he was privileged to represent.

Mr. Granfield was a dynamic and also pleasing personality. He could and did make friends quickly. I enjoyed my service with him. He worked with them diligently and ably. Our State of Massachusetts, and the Nation as well, has sustained a distinct loss in his passing. I extend deepest sympathy to his family, and the many relatives and friends who mourn, and join those who pay tribute to his memory.

Mr. PHILBIN. Mr. Speaker, I was deeply grieved and immeasurably saddened by word of the untimely passing of a former, very able, distinguished Member of the House, my valued friend, Congressman William J. Granfield.

Billy Granfield had a colorful and illustrious career. Outstanding athlete and student of Notre Dame, learned member of the bar, most beloved, able, and esteemed Member of this House, highly respected, distinguished judge on the Massachusetts bench, effective party and community leader dedicated to forward-looking government and humane causes, Congressman Granfield held a distinctive, enviable place in the life and affairs of city, State, and Nation.

He possessed marked traits of leadership, ability, character, and loyalty that won for him during his busy lifetime the admiration, confidence, and affection of the people.

His magnetic personality drew many to his side; his devotion to his friends won for him the love, respect, and esteem of very many people; his conspicuous public service brought him well deserved commendation and appreciation; his patriotism and militant Americanism gained for him great esteem in the Congress and wherever he was known.

Billy Granfield was a capable, conscientious, public servant who did his very best to promote the national interest and preserve the American way of life. The Nation can ill afford to lose great leaders like him and his memory will long remain with us.

I join his bereaved family and his multitude of friends in mourning his demise, and prayerfully extend to his lovely family my deepest, most heartfelt sympathy and condolence in their hour of sorrowful affliction.

May he find peace and rest in his eternal reward.

Mr. DONOHUE. Mr. Speaker, I desire to join with my Massachusetts colleagues and other Members in this united expression of tribute to the late

Judge William J. Granfield, of Springfield, Mass.

The Members here, who served with Judge Granfield, during the 7½ years he was a Member of this body, have fully described his superior ability as a scholarly legislator and his dedication to the highest quality of public service in the national interest.

Although I was not myself privileged to serve here at the same time as Judge Granfield, I knew him very well as an individual, as a lawyer, and as a judge.

As a person he endeared himself to all who ever knew him because he was ever willing to sympathetically listen and generously give of his wise counsel and inspiring encouragement. As a lawyer he was recognized and admired as a student of the law, zealous in the cause of his clients and relentlessly persevering in the cause of justice. As a judge he was universally respected by the profession as a man eminently qualified for such high position who demanded and received the dignity of the court while presiding in the fullness of human sympathy and a most expert knowledge.

Judge William J. Granfield was a man of extraordinary talent and resourcefulness and he gave of himself without stint in the public service of his city, State and Nation over a long and distinguished career.

It is our prayer that his good deeds and his good works have earned him a high place in the realm of everlasting peace and happiness.

PERSONAL EXPLANATION

Mr. THOMPSON of New Jersey. Mr. Speaker, on yesterday, on rollcall No. 64, I was in my office and because of a faulty elevator was delayed in reaching the House, missing the vote by a matter of seconds. I was here when the Clerk handed the tally to the Speaker. Had I been present, Mr. Speaker, I would have voted "yea."

FEDERAL WATER POLLUTION CONTROL ACT

Mr. COLMER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 277 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3610) to amend the Federal Water Pollution Control Act to increase grants for construction of sewage treatment works; to establish the Office of Water Pollution Control; and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COLMER. Mr. Speaker, I yield the usual 30 minutes to the distinguished gentleman from Illinois [Mr. ALLEN], and pending that I yield myself such time as I may consume.

Mr. Speaker, House Resolution 277 makes in order the consideration of H.R. 3610, which would amend the Federal Water Pollution Control Act to increase grants for construction of sewage treatment works, and would establish the Office of Water Pollution Control. The resolution provides for an open rule with 2 hours of debate.

The purpose of H.R. 3610 is to further stimulate construction of needed municipal waste-treatment facilities to prevent the discharge of untreated or inadequately treated sewage or other waste into the waters of the Nation.

The bill, as amended, would amend section 6 of the Federal Water Pollution Control Act dealing with grants for treatment-plant construction by authorizing, first, grants for projects in the amount of 30 percent of the estimated reasonable cost thereof or $500,000, whichever is the smaller, with the provision that no grant of more than $250,000 shall be approved for a project in any State until all previously filed applications from that State and political subdivisions thereof for grants not exceeding $250,000 have first been approved; second, municipalities to join together to build joint treatment facilities with the amount of grant allocable to each community as if it were a separate project; third, reallocation of grant funds from States not using funds because of lack of projects to States having projects approved for which grants have not been made because of lack of funds; fourth, $100 million to be appropriated for purposes of construction grants for any fiscal year; and fifth, an aggregate of $1 billion to be appropriated for such purposes.

Public hearings were held in March and April of this year, at which testimony was received from witnesses representing State, city, and interstate agencies; national organizations and conservation groups. Statements and communications received by the Committee on Public Works indicated wholehearted approval of the bill.

After only 2 full years of operation, the program has proved a great success resulting in construction which will clean up 14,000 miles of this country's streams for a multitude of water uses. The lion's share of the increase in construction during 1957 and 1958 came from projects receiving Federal aid. This amounted to $118 million in 1957 and $143 million in 1958. Communities of less than 100,000 population received 83 percent of the $250,000 grants, the great majority going to communities of less than 50,000 population.

With our relatively fixed water supply and our increasing population and expanding industry, more and more water is being used and more and more wastes are being discharged into our waters. These affect a variety of public uses including municipal and domestic water supply, industrial uses, agriculture, fish and wildlife, recreation, as well as protection of public health. In the matter of the latter, the Committee on Public Works has taken cognizance of the fact that two-thirds of the Nation's population get their drinking water from surface water supplies into which are discharged disease-carrying bacteria and viruses and toxic substances discarded by households and industries. This problem has become so severe that it appears to be prudent national policy for the Congress to respond to the need by providing direct stimulation to municipalities for the construction of waste-treatment facilities. The Committee on Public Works feels such stimulation would seem to be the best kind of economy by taking measures at the present time to protect one of our most vital resources—water. Water is as important as the soil or any other national resource. Due to increased uses of water at an ever increasing volume it is essential that every means be utilized to preserve the supply.

Therefore, Mr. Speaker, as much as I am concerned about the Nation's fiscal condition I am constrained to go along with this proposal. I hope, however, that this will be the end of Federal participation, and the States and communities will carry on hereafter.

Mr. ALLEN. Mr. Speaker, I am not going to object to the adoption of the rule, but I am unalterably opposed to the bill itself. The bill provides for the expenditure of a billion dollars by the Federal Government over a 10-year period. There is no State participation so far as these plants are concerned. The chief reason why I am opposed to the bill, of course, is the great cost to the Federal Government. The Federal Government owes $285 billion. The interest on the national debt itself is over $8 billion a year. As a matter of fact, the Federal Government is worse off financially than any State or municipality in the Union. The Government of the United States is having trouble at the present time in selling its bonds. I say before we give these handouts and give all this money away and Federal aid to airports and for housing and for the construction of sewage plants and other things, we should stop and consider and realize that we are getting into a pretty serious financial condition so far as the Federal Government is concerned.

Mr. COLMER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 65]

Adair	Durham	May
Alexander	Edmondson	Meader
Ashley	Evins	Miller, N.Y.
Ayres	Farbstein	O'Konski
Barrett	Forrester	Powell
Barry	Granahan	Quigley
Bass, Tenn.	Gray	Reece, Tenn.
Baumhart	Green, Oreg.	Riehlman
Bolling	Hays	Roberts
Breeding	Hemphill	Saylor
Canfield	Holifield	Scherer
Cannon	Jackson	Smith, Miss.
Casey	Kasem	Wallhauser
Celler	Kilburn	Walter
Chamberlain	Kluczynski	Weis
Coad	Knox	Withrow
Denton	McGinley	Zelenko
Devine	Macdonald	
Dingell	Machrowicz	

The SPEAKER. On this rollcall 379 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FEDERAL WATER POLLUTION CONTROL ACT

Mr. BLATNIK. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3610) to amend the Federal Water Pollution Control Act to increase grants for construction of sewage treatment works; to establish the Office of Water Pollution Control; and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 3610, with Mr. THOMPSON of Texas in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. BLATNIK. Mr. Chairman, I yield myself such time as I may require.

Mr. BLATNIK. Mr. Chairman, we have before us again a matter which has been discussed and debated in great detail over the last 5 years. The subject is the participation and responsibility of the Federal Government in a joint undertaking with the States, and particularly the municipalities of America, in abating and stemming, at least to some extent, the ever-increasing tide of pollution of the streams and rivers of America.

Mr. Chairman, it has been said that every human enterprise is the mixture of a little bit of humanity, a little bit of soil, and a little bit of water. Today, as we begin consideration of H.R. 3610, it is the "little bit of water" that we must deal with. The purpose of H.R. 3610 is to provide additional Federal financial assistance to communities for the construction of adequate waste treatment facilities in order to control and abate the dumping of untreated wastes into the Nation's water supply.

If we can control pollution, Mr. Chairman, we will be well on the way toward solving the very serious water resource problem confronting this Nation. Stated simply, the water resource problem is one of making the constant supply of water meet an increasing demand, and of providing the right quantity of the right quality at the places where it is needed. The very rapid rate of population and industrial growth in the United States is expected to continue for many years to come. Because of this continuing growth and development, water use is increasing at enormous rates for all purposes, but particularly for municipal and industrial water supplies, irrigation, fish and wildlife and recreation.

Today we are using our fresh water resources at the rate of 270 billion gallons per day, a nearly seven-fold increase over 1900. But even more important and dramatic, the predicted rate for 1980 is 600 billion gallons per day, a 120 percent increase in the next two decades.

The biggest single user of water, I might add, is industry. According to the National Association of Manufacturers, which is one of the few groups to oppose H.R. 3610, ironically enough:

> A shortage of water for industrial purposes—just as surely as a shortage of capital—could defeat our hopes for future growth and prosperity, and even imperil our national safety. No industry or business can long survive where water is unavailable or inadequate as to quantity or quality.

The NAM knows whereof it speaks, in this instance at least. In 1900 industry was using 15 billion gallons of water a day. By 1955 it was using 120 billion gallons. By 1975 it will be using 246 billion gallons—a 100 percent increase in only 20 years.

While our population between 1900 and 1955 doubled, domestic water use quadrupled. And while our population between 1900 and 1975 will have tripled, domestic water use in 1975 will be seven times greater than it was in 1900.

Facts like these must have prompted Secretary of Agriculture Benson to say recently that "we have got to stop wasting water." Facts like these cause Secretary of Interior Seaton to say, "we know that the availability of water—just plain, ordinary water—is rapidly becoming a major concern to America and the world. In fact, as early as 1975–80, it may be our number one domestic problem." And facts like these bring Secretary of Health, Education, and Welfare Flemming to the conclusion that "this matter of water, without question, is about to become, indeed if it is not already, a critically urgent national problem."

Three statements, Mr. Chairman, from three cabinet officers of the administration, all delivered within the past month, all pointing to the seriousness of the Nation's water resource problem.

I doubt that most people truly appreciate just how serious the problem is. Well it is this serious: By 1980 our supply of water will be equal to and will not exceed by one gallon estimated national demands and needs. Although 4,300 billion gallons of water fall on this country each day on the average, only 1,200 billion gallons remain in our lakes. Still worse, only half of this is available for our use before it runs back to the oceans. Water supply experts now estimate that the Nation's dependable fresh water supply cannot be maintained greater than 600 billion gallons per day—the exact amount which will be our estimated needs by 1980.

Since the estimated dependable fresh water supply is the same as the predicted use in 1980, it is obvious that nationally the gap between the water we have and the water we need is closing fast. If we are to avoid water bankruptcy, we must learn to live within our national income of 600 billion gallons from lakes and streams.

In short the situation is this. Today we are using about 270 billion gallons of water a day. That is seven times the use of water that took place in 1900, 59 years ago. By 1980 it is predicted that the consumption of water will require 600 billion gallons. It happens that is just about the water that is available all over America. The problem is already a critical one in many large metropolitan areas, and in the arid areas such as the West, where 17 States, with 60 percent of the land area of the United States, get only about 25 percent of the water fall.

What has this to do with the bill before us? Our water resources experts generally agree that the Nation's future water supply needs can be met only by using the water we have over and over again. Water reuse is already necessary in many areas. The greater the amount of reuse, the greater becomes the degree of pollution. Consequently, it is apparent that water reuse requires water pollution control, and that our future water requirements will be met only insofar as we are successful in meeting water quality requirements by controlling pollution.

Mr. Chairman, pollution is simply a waste of water. The greater the degree of pollution, the greater is the waste. Pollution, in other words, can be just as effective in reducing a water resource for use as is a period of drought. Pollution control, therefore, is the key aspect of the overall problem of water conservation. By 1980 we will not be able to waste 1 gallon of water. We must begin now to prepare for that day. That is the purpose of H.R. 3610—to give us the tools, the facilities, to cope with the problem.

Our existing facilities are totally inadequate. Not only in terms of 1980, but in terms of today as well. Through the years, construction of sewage and industrial waste treatment facilities has not kept pace with needs, and as a result a large construction backlog has piled up. The Public Health Service's recent Inventory of Municipal and Industrial Wastes Facilities reveals that the sewage treatment construction backlog now amounts to more than 6,000 projects which would cost $1.9 billion if constructed today. However, the backlog is not the entire picture. Our rapidly increasing population and urbanization is continuously creating new needs. Also these factors, plus time, are causing existing plants to become obsolete requiring replacement. Thus, construction needs to be dealt with include the backlog, new needs, and obsolescence. If we are to catch up by 1965, municipalities

will need to spend $1.9 billion for backlog, $1.8 billion for new needs, and $900 million to replace obsolete plants. This will require spending an average of $575 million per year. The purpose of H.R. 3610 is to stimulate and encourage this level of construction by the Nation's financially hard-pressed cities and towns.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield to the distinguished gentleman.

Mr. BAILEY. I know the gentleman from Minnesota attended the conference on water problems and recalls the very able presentation of this problem of the Nation's water supply which was made by Secretary Seaton at the banquet held some 10 days or 2 weeks ago. I am sure that the Secretary's presentation was a true one. This is a serious matter and requires the attention of the Congress at this time.

Mr. BLATNIK. I thank the gentleman. I had the pleasure of being seated at the head table with the gentleman on that occasion.

But enough as to the importance of water. I think we will find little disagreement on that. But for the record and to refresh your recollection, I have taken this little time to speak on it.

Now as to the history of Federal legislation on this subject. When I originally proposed the program in 1956 I recommended an annual Federal contribution of $100 million a year for 10 years to be allocated to the communities on a 50–50 matching basis. By the time the program finally passed Congress and was approved by the President the yearly authorization was cut to $50 million and the aggregate amount authorized over the 10-year period slashed in half. The 50–50 matching grant was reduced to 30–70, and the maximum project grant cut from $500,000 to $250,000. I said then that we were creating a program with only one leg and expecting it to carry the ball.

To the delight of those of us who sponsored the program and to the consternation of its opponents the progress made as a result of its enactment has far exceeded our most hopeful expectations. In the first full year of its operation construction of sewage treatment plants increased 58 percent over the previous annual 5-year average of $222 million so that in 1957 the level of construction nationally reached $351 million. The second year of the program brought an even greater increase in construction, with contract awards reaching $389 million—75 percent over the earlier 5-year average prior to the enactment of the program.

The lion's share of the increase in construction during 1957 and 1958 came from treatment plant projects receiving Federal aid. In 1957 construction increased by $129 million. Of this amount, $118 million—or 90-percent of the increase—represented investments in projects receiving Federal aid. In 1958, construction increased by $167 million. Of this amount, $143 million—or 85-percent of the increase—represented investments in projects receiving Federal aid. These facts point strongly to the conclusion that had it not been for Federal grants, sewage treatment works construction would have remained at about the average level experienced during the 5-year period preceding the grants program.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield.

Mr. MADDEN. I commend the gentleman from Minnesota and the committee for bringing this bill to the floor of the House. I think it was ex-Senator Watkins of Utah who made the statement before the Committee on Rules a couple of years ago that water is the most valuable commodity in the Nation today. He included all natural resources including oils and minerals. A great number of cities and towns in the Nation have already provided laws and disposal plants to prevent pollution of rivers, streams and lakes. A number of communities are not financially able to take care of this major health problem. Untold numbers of humans and animals, fishlife as well as vegetation are destroyed annually by reason of impure and polluted water. This legislation is necessary when considered as a health menace.

This bill has been too long delayed. I hope it is enacted into law and signed by the President. I submit to the Members a letter I received this morning from a national official of the Izaak Walton League of Indiana. It reads as follows:

HOBART, IND., *June 1, 1959.*

Hon. RAY J. MADDEN,
House of Representatives,
Washington, D.C.

HONORABLE SIR: Understand pollution control bill, H.R. 3610, is due for debate on the floor of the House, Thursday, June 4.

The Izaak Walton League passed a resolution favoring this bill at their annual convention in Philadelphia in April.

As a national director of the league and also as a representative of the 6,000 members in Indiana will thank you for your assistance.

With the increasing population in Indiana, pollution is also bound to increase; Federal help will therefore be appreciated.

Sincerely,

CLARE FLECK,
National Director, Izaak Walton League of America.

Mr. BLATNIK. Mr. Chairman, I thank the gentleman.

Mr. FOGARTY. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield to the gentleman from Rhode Island.

Mr. FOGARTY. I want to commend the gentleman for his persistence in his effort to bring this bill to the floor of the House, and also to commend him for giving us the history of the legislation and the agreements that have been reached.

I think that you and the other Members of the House who were here 2 years ago remember the effort that was made to cut back the $50 million appropriation, to cut it in half or cut it out completely. But 2 years ago by a record vote of the House, and a decisive vote, those cuts were restored.

Again this year the administration attempted to cut back the $20 million. You know our committee granted the full authorization under existing law by a unanimous vote, and that appropriation bill passed this House just about 4 weeks ago, unanimously.

I would also like to commend the gentleman for bringing to the attention of the House the fact that in the great West water is one of the primary needs. Not only is that true in the West, but it is also becoming increasingly true in the eastern section of the country. In very dry spells like that of 2 years ago one of the frightening aspects was the shortage of water in the city of New York. So it does not fall just in the West, but it falls also in the large metropolitan areas as well.

Water is one of the greatest needs of our civilization and I hope the bill is passed as recommended by the gentleman's subcommittee today.

Mr. BLATNIK. I not only thank the gentleman but I want the RECORD to show how deeply we are indebted to his effective and able leadership in carrying on the fight. Even after the Congress authorized the amount the administration consistently tried to strangle off the appropriation of funds, even the amount recommended last year, but finally grudgingly agreed to recommend $20 million. Only through the gentleman's leadership were we able to get the full authorization appropriated.

Mr. CEDERBERG. Will the gentleman yield?

Mr. BLATNIK. I yield.

Mr. CEDERBERG. Mr. Chairman, I rise at this time because I sit by the very able gentleman from Rhode Island [Mr. FOGARTY] on the subcommittee. While it is true we did place these funds in our appropriation bill this year, I want to say that I am one who is unequivocally opposed to this program. I think it is a program which should be handled by the States and the local communities. And so to keep the record straight I make this statement as a member of the subcommittee. I recognize that there is an honest difference of opinion here. I respect the opinion of the gentleman from Minnesota and the opinion of the gentleman from Rhode Island, and I trust they will respect my opinion. I just happen to be opposed to the program.

Mr. BLATNIK. We do respect the gentleman's opinion, but the fact remains that never in the history of the water pollution programs have the States ever been effective in taking care of the program.

In view of a $575 million annual need, that $222 million average expenditure referred to earlier between 1952 and 1956, is totally inadequate. And while the existing program has increased construction to record levels nearing the $400 million mark we still are falling short of the needed $575 million. The purpose of H.R. 3610 is to boost us up to that level.

These are not figures, Mr. Chairman, which have been pulled out of the proverbial hat. The $575 million figure is based on estimates of the Public Health Service and is amply supported by the results of a survey of sewage treatment needs sponsored by the Conference of

State Sanitary Engineers in February of this year.

The following is an explanation of this survey by one of the sanitary engineers who conducted it, Mr. David Lee of Florida:

The 34 States and Territories responding to this survey report that a total of $1,211 million in sewage treatment works can be constructed during the next 3 fiscal years if $211 million in Federal funds is provided.

In the 1958 survey, construction estimates and required Federal aid for these 34 States and Territories accounted for 72 percent of the national total. Projecting the $1,211 million in project costs for these 34 States and Territories on the basis of the 1958 reporting, we have an estimated national total of $1,700 million in construction which can move ahead during the next 3 fiscal years with Federal grant incentive. If grant needs of $211 million reported in the present survey are also projected nationally on the basis of the 1958 survey, we find that a total of $293 million in Federal grants will be required during the next 3 fiscal years to stimulate an annual average of $570 million in sewage treatment works construction during this period. This is the amount of Federal aid which would be provided by House bill 3610 and twice that authorized under Public Law 660. The construction level of $570 million per year is approximately equal to the Public Health Service estimates of $575 million required annually for an 8-year period for effective water pollution control to meet the expanding population and to catch up with the huge backlog of needed projects.

The following table, Mr. Chairman, summarizes the data collected by Mr. Lee and his associates for the purpose of showing sewage treatment plant construction needs and costs as related to the present $50 million authorization under existing law. It shows Mr. Chairman, that only seven States report that present Federal assistance is sufficient to support needed construction within their States. The other States report unmet needs ranging up to $27 million. Nine States report unmet needs exceeding $5 million:

[In millions of dollars]

State	Total construction needed during 3-year period	Total Federal grant needed to support construction	State's share of $150,000,000 ($50,000,000 per year)	Excess over needs	Unmet needs
Alabama	27.0	5.7	3.5	----------	2.2
Arizona	15.4	3.8	1.7	----------	2.1
Arkansas	20.0	4.9	3.1	----------	1.8
California	198.1	30.3	6.2	----------	24.1
Colorado	22.0	4.5	1.9	----------	2.6
Connecticut	7.7	2.0	1.9	----------	.1
Delaware	5.3	1.0	1.0	----------	----------
District of Columbia	12.9	1.4	1.4	----------	----------
Florida	28.3	6.8	2.7	----------	4.1
Georgia	(1)	(1)	(1)	(1)	(1)
Idaho	10.1	2.5	1.7	----------	.8
Illinois	178.8	[2] 32.6	5.3	----------	27.3
Indiana	62.2	10.4	3.1	----------	7.3
Iowa	29.2	7.3	2.6	----------	4.7
Kansas	38.6	4.1	2.2	----------	1.9
Kentucky	34.1	5.7	3.2	----------	2.5
Louisiana	29.4	4.6	3.0	----------	1.6
Maine	5.9	1.8	1.9	0.1	----------
Maryland	27.5	5.8	2.3	----------	3.5
Massachusetts	20.0	5.0	3.4	----------	1.6
Michigan	57.1	8.2	4.2	----------	4.0
Minnesota	40.0	10.3	2.8	----------	7.5
Mississippi	12.8	3.3	3.5	.2	----------
Missouri	70.5	7.9	3.2	----------	4.7
Montana	7.5	1.5	1.5	----------	----------
Nebraska	23.6	3.0	2.0	----------	1.0
Nevada	11.5	2.9	.9	----------	2.0
New Hampshire	4.5	1.4	1.6	.2	----------
New Jersey	59.0	9.1	3.3	----------	5.8
New Mexico	8.2	2.4	1.9	----------	.5
New York	164.0	17.5	8.3	----------	9.2
North Carolina	31.1	7.8	3.8	----------	4.0
North Dakota	13.1	3.3	2.1	----------	1.2
Ohio	126.1	20.0	5.0	----------	15.0
Oklahoma	12.9	3.4	2.6	----------	.8
Oregon	12.2	3.3	2.0	----------	1.3
Pennsylvania	124.3	30.1	6.3	----------	23.8
Rhode Island	9.6	1.5	1.6	.1	----------
South Carolina	5.0	1.3	3.0	1.7	----------
South Dakota	4.7	1.4	2.0	.6	----------
Tennessee	30.5	6.7	3.4	----------	3.3
Texas	51.8	11.4	5.1	----------	6.3
Utah	17.6	3.9	1.8	----------	2.1
Vermont	4.3	1.1	1.7	.6	----------
Virginia	25.9	5.9	3.1	----------	2.8
Washington	12.9	3.3	2.3	----------	1.0
West Virginia	52.6	7.0	2.7	----------	4.3
Wisconsin	18.0	4.6	2.9	----------	1.7
Wyoming	5.0	1.3	1.3	----------	----------
Alaska	11.1	2.3	1.3	----------	1.0
Hawaii	6.3	1.5	1.5	----------	----------
Puerto Rico	(1)	(1)	(1)	(1)	(1)
Virgin Islands	(1)	(1)	(1)	(1)	(1)
Total	1,806.2	328.8	[3] 140.8	3.5	191.5

[1] No report.
[2] Estimated using ratio of national total project cost to Federal grant funds needed.
[3] Allotments for Georgia, Puerto Rico, and Virgin Islands raise total to $150 million.

In order to better visualize the impact of this program I refer to these charts.

If you will look to the right, first the program of 1957, the yellow barred line jumps from a level of $222 million, as it was for the previous 5-year level, up to $351 million, and in the last year, 1958, it jumped up to over $389 million, the alltime high in America's history.

What does this show? It shows that this program of Federal grants does work, it shows that repeatedly and repeatedly what was said by the opposition that any Federal grants would slow up and retard the program was wrong. Do you remember how that theme was played over and over again like a one-groove record—it would slow the program? It has accelerated the program for the first time in history.

That is not the whole story for those of you who feel that this should be primarily local, and it is primarily a local problem, but one which requires Federal assistance to solve.

Now take a look at the second chart. It shows the same levels but it diagnoses them a little bit. The green bar, $222 million, spent per year entirely by municipalities. Very little State funds and no Federal funds.

The second green bar, 1957. What happened? The level of construction jumped to $351 million.

I want to say two things: First, the opposition said repeatedly our program would slow up construction. It has accelerated the program. President Eisenhower eventually signed the bill urging municipalities to carry on as much as they could without Federal funds when they were able to do so. They have done that. This green bar is entirely municipal funds—no Federal funds in that amount. The light green includes Federal grants with local funds. The light green on the shaded area is local funds. So out of the total of $351 million spent for pollution in 1957, 92 percent of it was municipal funds. That is a pretty good record. Eight percent was Federal funds. For every dollar spent on water pollution in the last 2 years 8 cents constituted Federal funds, a little more than for one airmail stamp. So the major burden is carried by municipalities to the extent of over 92 percent. It is almost as good as Ivory soap, which boasts 99.99 percent pure.

Mr. LANKFORD. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield to the gentleman from Maryland.

Mr. LANKFORD. It is only 8 cents of that top part of the green. It is not 8 percent of the $360 million.

Mr. BLATNIK. It is 8 percent of the total expenditure which is Federal money. That is all.

So this bears out our argument that this is not a boondoggling public works program. It is primarily a stimulator. It will stimulate, it will motivate, it will include municipalities that cannot get over the hump, encourage them to take care of their own pollution problems. It has worked. It has been operating 2½ years. For the first time in the history of America it has worked, and the

major responsibility is on the municipalities.

But we find that both the Public Health Service and the Nation's sanitary engineers confirm that our original proposal calling for $100 million a year for 10 years was what was needed in order to completely solve the problem of inadequate waste treatment facilities which contributes largely to the Nation's overall pollution problem.

H.R. 3610 would restore these funds. It would also increase the maximum grant per project from $250,000 to $500,000, while retaining the existing 30 Federal to 70 local matching ratio. The bill would also authorize communities to join together to build joint treatment facilities and would make each community eligible for a grant to help finance its share of the overall project. To digress for a moment, Mr. Chairman, this provision is of special importance. Sixty-nine million people reside in the 156 metropolitan areas of the country. The water pollution problems facing these metropolitan complexes are formidable and they cannot be solved on an individual community basis. Effective water pollution control, good engineering practice and economy require an integrated areawide pollution control program for each of these areas. Under the present law there is little inducement for the many small communities located in these areas to band together to construct areawide sewage disposal facilities since only one grant can be awarded each project, and that grant cannot exceed $250,000 or 30 percent of the cost of the entire project, whichever is the smaller. The provision contained in H.R. 3610 would encourage the construction of areawide projects rather than a helter-skelter collection of small plants throughout a heavily populated area. The bill would also permit reallocation of grant funds in those States not needing their total allotment to those States needing additional funds; it would make the provisions of the Davis-Bacon Act applicable to the projects receiving assistance; and it requires that the Secretary of Health, Education, and Welfare submit to the Congress within a year after its enactment a written report on the activities and future plans of the water pollution control program.

That is what we need to take care of the pollution problem. You can see that even with present expenditures that there will be more pollution next year. There will be more pollution in 1962 than in 1961, there will be more pollution in 1965 than there was in 1964. You cannot avoid the problem; you can postpone it, you can only delay. This same Congress, including the same Members who are quibbling about this 8 cents on the dollar, voted for $15 million to try this complicated new process of getting fresh water out of salt water. Water is now a problem and this Congress has recognized that fact. Let us strengthen and firm up the pollution control program because this pollution problem will be with us as long as we live and as long as people multiply and increase.

I understand, Mr. Chairman, that an amendment will be offered to this bill by the minority which provides that allocations be made only to those States providing financial assistance for treatment plant construction to the local communities located within the State. Unfortunately, experience has shown that the States have never exhibited a willingness to provide meaningful financial assistance to local communities for treatment plant construction. The seriousness of the Nation's water pollution problem makes it imperative that the Federal Government move as rapidly as possible in solving what has become more than a local or State problem. The lack of adequate treatment facilities is nationwide and contributes greatly to the overall pollution problem. Therefore, to stimulate construction on the local level as rapidly as possible the present program was enacted not requiring State financial participation, but requiring only that the local community qualifying for the grant be able to finance the non-Federal share of the cost.

Since the enactment of Public Law 660 three States have initiated financial assistance programs predicated on the Federal program. These States are to be commended for their foresight and willingness to participate in a true Federal-State-local partnership. I hope that other States will in the future enact similar programs, thereby further stimulating the construction of waste treatment facilities. I do not, however, see any good coming from denying funds to a community merely because the State in which that community is located does not provide similar financial assistance. Whether or not the Federal Government should meet its national responsibilities cannot be predicated on whether State governments are meeting their State responsibilities. The existing program has worked well. The suggestion to require State funds before Federal assistance could be made available would delay progress and what is worse put us in the same position as we were before the enactment of Public Law 660.

One final word and then I am done. There has been talk that this is a "budget busting" bill and that if passed it will be vetoed. The administration has chosen this bill and this time to do battle with the Democratic Congress. It is the budget versus the country's future. It is the budget versus the people's welfare. It is the budget versus an adequate supply of clean, fresh water. The greatest mistake we can make is to back off under the threat of veto. The greatest mistake we can make is to be scared off by this phony budget argument. The President knows, and I know and you know and we all know that his budget is not in balance and even if it were this bill, representing one fifteen-hundredth of the budget total, would not unbalance it. So let us call the bluff. On this simple, clear-cut issue let us show the people of this country we represent them and are concerned with their welfare. That we will not be intimidated. That we will not be put off. That we will never stop striving for what others consider unattainable.

I urge the adoption of H.R. 3610.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield to the gentleman from Michigan.

Mr. BROOMFIELD. I wonder if the gentleman from Minnesota would give us the total of what he estimates to be needed to take care of the problem nationally, to bring it up to date? What would be the amount of money necessary to bring our water pollution problem up to date?

Mr. BLATNIK. A total of around $575 million.

Mr. BROOMFIELD. Per year?

Mr. BLATNIK. Per year.

Mr. BROOMFIELD. For how long?

Mr. BLATNIK. Just for the next few years; 6 or 8 years; at least 8 years. The population will be even greater 20 years from now. The population will be 85 million people more. This will not be enough. However, you are not going to get rid of this problem as long as the population is increasing.

Mr. AUCHINCLOSS. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, this is an important piece of legislation. The objective of this measure is to be commended but the provisions in this bill leave much to be desired. We, on the minority side, will submit some amendments which I believe will strengthen this measure and will make it workable. I have great interest in this legislation because in the 80th Congress I was chairman of the subcommittee that wrote the original act. We had a great deal of discussion about it at that time, but the problem has grown tremendously. The provisions of this law have been welcomed by many people in the States and I hope that some legislation may be enacted that is sound and acceptable.

Mr. Chairman, I now yield 10 minutes to the gentleman from Washington [Mr. MACK].

Mr. MACK of Washington. Mr. Chairman, the press a few days ago reported that our distinguished Speaker, the gentleman from Texas [Mr. RAYBURN], had been disturbed by charges made over the Nation that this is a spending, budget-busting Congress. The Speaker said these charges are not true. The Speaker was quoted as saying that the record shows that the Committee on Appropriations of the House of Representatives has reduced every appropriation bill it has reported to the House of Representatives.

The Committee on Appropriations has reduced all of the appropriation bills which it has so far considered as stated by the Speaker, but the other legislative committees of the House of Representatives, which, like the Committee on Appropriations, are Democratic dominated and controlled, have in the mill bills that authorize the expenditure of many billions of additional dollars on new programs. Whereas the Democratic controlled Appropriations Committee is reducing some spending by a few millions in an effort to balance the budget other Democratic controlled committees are

bringing out bills that will cost hundreds of millions to billions of additional dollars to bust the budget. The Committee on Banking and Currency recently reported and secured the passage of a public housing bill that exceeded the Budget Bureau's and the President's recommendation by $800 million. This one bill probably will increase Federal spending by more millions than the Appropriations Committee will be able to trim from all of the appropriation bills it considers this year. The Committee on Banking and Currency also, I understand, is considering a bill like one it brought forth last year known as the community facilities bill. Under the community facilities bill the Federal Government would borrow $1 billion at 4½ percent interest and add that billion to the Nation's debt and then loan this billion to the municipalities at 3 percent or less than 3 percent interest with the taxpayers losing every year 1 percent interest on every dollar of the billion loaned. If a banker or savings and loan official were to pay 4 percent interest on deposits and then turn around and loan money to anyone and everyone who wanted it for 3 percent, his depositors would have him examined by physicians as to his sanity. When Congress proposes to do the same thing some call it statesmanship.

Another Democratic-controlled committee of the House, the Committee on Education and Labor, has brought forth a bill to provide $4.4 billion in Federal grants to States to pay for school construction and the salaries of school teachers. But if you think that the Committee on Education and Labor and the Committee on Banking and Currency are presenting to the Congress extravagant bust-the-budget spending measures, I say to you that what they are doing is peanuts and chicken feed compared to the measures that the Committee on Public Works, which sponsors this bill has done. The bill before us provides only for $50 million of additional money. It is the smallest of the budget-busting bills that have so far been presented to Congress. The Committee on Public Works not so long ago secured passage in the House of Representatives of a TVA bill that provides that the TVA Board may issue $750 million of TVA revenue bonds without the approval of the Secretary of the Treasury who must manage the national debt which now stands at $288 billion.

The Committee on Public Works also has approved a bill authorizing the expenditure of an additional $300 million next year on the interstate highways of the Nation.

In 1952 and prior years the Federal Government never gave the States more than $550 million in any one year. This year Congress is providing the States $3.1 billion for the construction of highways, 6 times as much Federal money as the States received in 1952. Now we are told that even this huge increase is not enough. The Works Committee has approved a bill for $300 million additional. And to the credit of the committee it must be said that this bill has been submitted to the Committee on Ways and Means to find out where the money is coming from. Usually such spending bills just provides that the money to finance them should be added to the Nation's debt.

Only yesterday the biggest budget-busting bill that has so far been submitted to the House of Representatives came out of the Committee on Public Works. It provides that the U.S. Government shall pay $4,295,600,000 to the States to reimburse them for money they have spent in building toll roads and building freeways. Under this bill eight States that have about 15 percent to 20 percent of the Nation's highway mileage will receive 65 percent of all of this, more than $4 billion. New York State alone, under this toll road reimbursement bill will receive $799,100,000 from the Treasury of the United States to buy its toll roads and its freeways. After the taxpayers of this country have put up, under this bill, $799 million to buy the New York toll roads and freeways. New York State will continue to own the toll roads and collect tolls on them, presumably to fill the coffers of that State's treasury. The people will pay taxes to buy these New York State toll roads and then, having bought and paid New York State for these roads, still will have to pay tolls to ride on these roads. If that isn't an absurdity, what is?

The money to buy the toll roads and free roads provided by this $4-billion-plus bill is not to be equally distributed among the States.

New York State, under the House Public Works Committee approved bill will receive $799 million of Federal money in the bill.

Montana will get $2,600,000 from this road-buying bill; Iowa, $3,900,000; Missouri, $4,700,000; South Carolina, $3,200,000; and Nebraska, which probably has about as many miles of interstate roads as New York, will receive only $700,000.

I would not think the citizens of 14 of our States which will receive $5 million or less each will be very delighted to vote New York a whopping $799 million to buy New York's roads while getting little or nothing for their States.

Connecticut, which is not as large as my State of Washington congressional district, will receive $278 million of this Federal road-buying money carried in this huge $4 billion budget-buster bill. This bill already has been reported out of the House Public Works Committee. I hope it dies in the Rules Committee and is not passed by Congress to add another huge tax burden on the people of the Nation or be added to the national debt to fan the fires of more inflation.

The financial pages of our daily newspapers today are crowded with alarming news about the financial condition of our Nation and its money if one reflects upon what the financial news means.

Government bond prices are the lowest in a quarter of a century. The investor who paid $100 for a Government bond a few years ago cannot sell that $100 bond on the open market today for more than $83 to $98, depending on its date of maturity. Of every $100 an investor put into a bond a few years ago he has lost $2 to $17.

Stocks of great well-established businesses with famous names—Standard Oil, General Motors, Sears, Roebuck—are selling at prices that return from dividends only 3 to 4 percent to the investor. U.S. Government bonds are traditionally considered the soundest and safest investment in the world. Why, then, do big and little investors buy common stocks when they can obtain what appears to be a larger return on Government bonds? The answer is they are afraid of Government bonds—fear they will go down, and instead of buying bonds they take the greater risk of buying common stocks which, if inflation comes, may be much safer than bonds.

Inflation is sapping the economic strength of the Nation and undermining the soundness of the American dollar. It is causing prices to go up, up, and up.

Some Congressmen blame the labor leaders who seek wage increases for their members. Other Members of Congress blame big business because it raises prices. Some say the moneychangers who are charging high interest rates are to blame. But we might as well face the fact honestly and fairly and admit that the people who are primarily and mostly responsible for inflation and rising prices and for Government bonds going down and interest rates up are the 436 Members of the House of Representatives and the 98 Members of the Senate. It is the extravagant spending of Congress that has put this Nation in the red. That is not only my own opinion. It is the opinion of a very distinguished and long-time Member of the House of Representatives who knows as much about the finances of this country as anyone else. He is not a Republican but a Democrat. He is the chairman of the House Committee on Appropriations, the gentleman from Missouri [Mr. CANNON]. Here is what Mr. CANNON said to you Members of the House of Representatives only a few months ago.

> When you (meaning the Members of the Congress) go home at the close of this session and your people complain about the high cost of living, do not pass the buck. Tell them, the people, the facts. Tell them that the national debt is higher because you (the Members of Congress) voted to make it higher. Tell them the dollar has gone down and the cost of groceries has gone up because you (the Congress) voted to depreciate the dollar and voted to raise prices.

Inflation is no Robin Hood who robs the rich and gives to the poor.

Inflation robs the poor—the widow living on insurance income, the veteran pensioner, the families on social security, those with savings in banks, insurance companies and savings and loan associations. Inflation makes their money worth less and less. Inflation keeps prices and the cost of living going up, up and up and the value of money and savings going down, down and down.

The only way to halt inflation and stop the dollar from further deflation is by eliminating needless spending and keeping the budget in balance.

I am convinced that on this subject of the dangers of inflation the thinking of the people at the grassroots is sounder than that of Congress.

I am taking a poll of public opinion among constituents of my district, the vast majority of whose people work in lumber mills, plywood plants, door factories, furniture plants, pulp and paper mills, aluminum plants and in logging camps. One of the questions I have asked my constituents is: "Do you think it essential that the national budget be balanced?" Five out of every six persons answering my questionnaire, and most of these are laboring men or laboring men's wives, reply that a balanced budget is essential.

I asked them also if the budget were balanced if they would prefer (1) a tax cut or (2) that the surplus be applied to reducing the national debt. Those who replied to the questionnnaire voted more than 2 to 1 in favor of reducing the national debt. Many Congressmen seem inclined to believe the people want a free-spending Congress even if the free spending unbalances the budget. I do not think the people do.

Mr. Chairman, we need to do more work on the problem of stream pollution. There are many things that the Congress should do in many fields of effort, but the thing this country needs most at the present time, in my opinion, is a balanced budget and the assurance Congress will keep it balanced. Extravagant spending must be curtailed and spending that can be postponed must be delayed until the budget is balanced.

A balanced budget will do more than anything else to keep the Government bonds bought by American savers worth 100 cents on the dollar and from selling as they are today at 83 to 98 cents on the dollar. This will halt inflation that is causing prices to go up and up and the buying power of American money to go down and down.

Until that budget is balanced I hope the President will use the big stick of the veto pen to veto every increased or unnecessary expenditure that the Nation can get along without. It is the only way to save the 48-cent dollar we now have in this country from becoming a 25-cent or a 10-cent dollar.

Something like that happened in our own time to the money of Germany, France, and Italy. We should employ sound fiscal policies to see that it doesn't happen in the United States.

Mr. AUCHINCLOSS. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. DOOLEY].

Mr. DOOLEY. Mr. Chairman, I have profound respect for the gentleman who has just addressed you. He is my friend and colleague on the Committee on Public Works. But I recall, and I think correctly, that he voted for the National Defense Highway Act of 1956 and he supported the provision calling for a 90 percent contribution on every dollar for interstate highways and 50 percent on every dollar for intrastate highways.

I think I favor as much as anybody in this House does the balancing of the budget.

Speaking of Federal revenue and expenditures, I think New York State contributes about $13 billion of the total tax revenue collected by the Federal Government. This represents about 19 cents of every dollar. I think it is entitled to the $800 million it is asking by way of reimbursement for the highways it has constructed in good faith and for which the Government said it would be reimbursed in funds or compensating mileage.

Mr. Chairman, I rise in support of H.R. 3610.

Of the numerous measures which have been given the studious attention of this distinguished body, none is more important—with the exception of legislation having to do with our defense—than H.R. 3610, introduced by the distinguished chairman of the subcommittee of the Public Works Committee, the Honorable JOHN BLATNIK, of Minnesota.

This bill, which would amend the Federal Water Pollution Control Act, by increasing grants for construction of sewage treatment works, and would establish the Office of Water Pollution Control under the supervision of the Secretary of Health, Education, and Welfare, is a well considered and valid answer to one of the gravest problems besetting the people of our country.

It may sound trite and like resorting to the scare technique to say that nations in the past have crumbled from high estate to complete extinction because they failed to properly protect or conserve their water supplies and water resources.

And it is frightening to contemplate that a little more than 50 years ago, as pointed out so ably by the distinguished Representative from Minnesota, our Nation used 41 billion gallons of water daily—1900; in 1945, we used 150 billion gallons of water daily; in 1957, 280 billion gallons of water daily; and reputable engineers calculate that by 1980, with our present industrial growth and population increase, we will use some 600 billion gallons of water daily.

The only way we can assure such a supply of potable water is by cleaning up our streams. The water, as you know, must be used over and over again. Right now, people in this fair land of ours are drinking water that has been used not less than 20 times or more before they themselves use it. Not until nuclear energy becomes cheap enough to motivate conversion plants which will permit the use of sea and backwater wells into water for drinking purposes will we be partly free of the need for pollution control and even then, certain areas remote from the sea will need the pollution controls referred to in the Blatnik bill.

Witness after witness before our committee supplied irrefutable testimony in support of the bill before us. They pointed out again and again that Federal grants to assist municipalities in financing sewage treatment works have greatly stimulated the installation of pollution control plants in various cities. That the program has been well received is demonstrated by the fact that during each of the years since the program was initiated in 1956, applications for eligible projects have been far in excess of the funds allocated under the present appropriations.

In North Carolina, for example, there are 36 projects supported by Federal grants and quite recently they were holding 39 applications requesting grants totaling in excess of $5 million for the construction of projects estimated to cost $28 million.

New York State received $2,749,675 in grants in 1956–57. Some 60 municipalities filed applications for these funds. Only 37 applications could be processed. The total cost of these Federally aided projects was approximately $14 million.

Under the law 50 percent of the grant money must go to communities of less than 125,000 persons. In the New York allocation, 85 percent of the funds went to communities of less than 125,000 population and $1,192,209 or 44.3 percent of the funds went to villages of under 5,000 population. However, we must remember that big cities are severe offenders in the area of pollution and the sum of $250,000 is not much of an inducement when a plant costs several millions of dollars.

Under the bill as amended by the gentleman from California, Representative JOHN BALDWIN, small communities will receive a priority but there is no reason to discriminate against the large cities which need the $500,000 subsidy provided in the Blatnik bill if they are to build adequate plants.

A. F. Dappert, executive secretary of New York State Water Pollution Control Board, in speaking of the program said that as a result of the program, there is action toward the construction of sewage treatment plants in places which it is believed would never have been forthcoming without the aid of the program. In places which would have gone ahead without Federal aid—the Federal aid has been a factor speeding progress.

I support H.R. 3610 not because it has any particular bearing on New York State or the section of the State which I represent. Fortunately, by a series of coincidences and natural phenomena, we have a fine supply of potable water from the mountains surrounding the area within a distance of 50 miles. But this problem is a national one as the rivers of our country flow through many States. It is logical to say that each community should handle its own waste with its own funds, or its own bond issues, but when you consider a community of 5,000 lying lower down a river from a city of 500,000 people, the inequities of the situation are apparent.

I urge full support of this legislation.

Mr. BLATNIK. Mr. Chairman, I yield such time as he may desire to the gentleman from Alabama [Mr. JONES].

Mr. JONES of Alabama. Mr. Chairman, my very distinguished colleague from Washington [Mr. MACK] rests his opposition to this legislation on the ground it is going to disturb the fiscal situation of the Central Government. He cited numerous examples of why this problem would arise in the consideration of this bill. Of course, we all have a great obligation to see that the fiscal soundness of the Government is maintained, but we have an equal responsibility to see that there is orderly and

prudent development of our great natural resources.

Let me remind my good friends on the left that this is not a Democratic program. The first pollution bill that was passed by the Congress was passed in the Republican 80th Congress, Public Law 845 of that Congress. It authorized the appropriation of $22,500,000 and from 1947 to 1956 not a single dollar was appropriated for the implementation of the Water Pollution Act of the 80th Congress.

The gentleman from Washington makes much ado about the highway program and the theory of reimbursement to those States that have, on the interstate system, toll or freeways already constructed and the gentleman says that reimbursement would jeopardize our road program. Yet in the committee the gentleman from Washington offered an amendment, which was accepted, that would provide for the reimbursement of a bridge that spanned the Columbia River from the State of Washington to the State of Oregon, making quite sure that his State would be the beneficiary of a reimbursement scheme. There is nothing new about reimbursement. In the Clay report reimbursement was advocated and the present Commissioner, Mr. Tallamy, says that the theory of reimbursement is sound. The only difference between the majority and the minority of the Public Works Committee is the time when we would apply the reimbursement for the States that had lost money under the 40,000-mile apportionment of their interstate system.

The gentleman complains about the fiscal disturbance in the minds of the people, and he points to the fact that the Flood Control and Rivers and Harbors bill reported out of our committee contained approximately $630 million. I wonder if the gentleman has examined the fact that under that bill there is $90 million for the great Columbia River?

I am finding no fault with that, but if we are going to be persuaded from carrying out these responsible programs of pollution abatement, on the basis that fiscal integrity comes before all other responsibilities of the Federal Government, then we ought to call a halt to all of the public works programs.

Mr. Chairman, this has been a highly successful and well-applauded program, accepted by the States and the municipalities, which has been attested by the fact that there has been haste on the part of the municipalities to initiate the abatement work as sought in this act.

I do not know of a greater test of legislative accomplishments than what the legislation actually does for the people. Not a single complaint was raised in the 80th Congress of 1950 regarding the need for this program. If the need is so well established, why would we discontinue a program of vast importance to the well-being and the protection of the health and welfare of the people of our Republic?

Mr. Chairman, in my opinion, the Congress has never passed a more important piece of legislation that has been integrated into our overall water resources development programs than the abatement pollution bill which is now operating and which, as I said, has proven over and over again its great capabilities and acceptance by the American public.

Mr. AUCHINCLOSS. Mr. Chairman, I yield 15 minutes to the gentleman from Florida [Mr. CRAMER].

Mr. CRAMER. Mr. Chairman, I am proposing to this bill an amendment which is contained in the minority report, which I trust each of you will read. The objective I propose in this amendment is just simply this, to require that the States match whatever Federal money is put up, and also to make available to the local communities combined Federal-State participating funds, 25 percent from each, in the total amount of 50 percent, meaning that the local communities in the future would only have to put up 50 percent as compared to the present requirement that they put up 70 percent. And, it would require that the States pass legislation accomplishing this objective by 1962. The year contained in the minority report has been changed from 1961 to 1962 in order to make certain that every State will have an opportunity to consider this matter in their legislative sessions and to enact the proper legislation. The amendment would also strike out the section in the bill calling for $50 million per year, total $500 million increase in the Federal share of the program, although the equal State matching fund provision in the amendment would result in a $100 million per year program when the States match it. Now, I am offering to the House in the form of this amendment a unique opportunity. It is a unique opportunity, in the first place, to exercise fiscal responsibility, because it will not require an increase in the Federal authorization. The authorization as the result of the amendment will remain at the present level of $50 million a year. It offers a further unique opportunity in that it will make this a much better long-range program.

Now, I have discussed this question of State participation with many of the conservation people, from whom you are getting telegrams today, and I will discuss the question in just a moment as to what extent this money is involved in actual water pollution abatement. A study just recently completed by the Health, Education, and Welfare Department of in excess of 400 projects shows that only 25 percent involved water pollution abatement as such. In the minds of many, it will result in a better program with State matching funds. In the first place, it will make money available in the amount of 50 percent matching money, 25 Federal and 25 State, where presently there is only 30 percent money available. It will bring into this program the smaller communities that need the help more, and that was the initial justification for this program, that it was going to help these smaller communities that do not have the financial ability and the fiscal soundness to finance sewage treatment programs themselves. But, we still do not help those communities that cannot finance up to 70 percent of the cost, and my amendment would help those between 50 and 70 percent of the cost. That is one reason it is a better approach.

I have discussed this matter with conservationists, and I do not take a back seat to anybody in the House when it comes to fighting for conservation measures or when it comes to a question of abating water pollution throughout this country and that something should be done about it. But, these conservationists and these people who are really interested in a long-range, sound program have privately admitted to me—at least, many of them—agree that until the States come into this program, that until the States take an active interest in this program to the extent of putting money into it, this program will never work on a long-range basis, and that is the type of program that I think it should be. So, my amendment will accomplish that objective as well. So, I suggest for your consideration that the minority offers a unique opportunity to make this a much better program than it presently is, and still recognize fiscal responsibility and bring the States into the program, which nearly everyone admits is a necessity if the program is going to work.

Let me say further that the justification for this program at the outset was because it involves interstate commerce, that is, the streams involved, the pollution that was supposed to be abated. That is the justification for the Federal Government getting into it from a jurisdictional standpoint. And, it also involves health. I ask this one simple question, Is the problem of water pollution abatement and the problem of basic health any more a Federal responsibility than it is a State responsibility? Is there any justification whatsoever for the States not getting into this program? I do not think there is any excuse whatsoever for the States not accepting their responsibility. And, I say this to you, that I am as much a States rights advocate as anybody in this House. I recognize that some States have financial difficulties, but none have a greater deficit or budget problem than the Federal Government with a $286 billion indebtedness. And, I am as much a States rights advocate as anyone else. But, I say, that the States, in having States rights, should equally acknowledge their State responsibilities. And, I say that one of the reasons why so many of these problems are being channeled to Washington is the simple reason that the States have refused to acknowledge their responsibility, and this is a way to require the States to get into it; this is a way to require the States to get into the program which they should be in, anyhow.

There has been a lot of discussion about incentives in this program. This is an equal opportunity for this Congress to provide an incentive to the States as well as local communities to get into this program. The chairman of the committee said that same kind of incentive to get the States into this program is needed, and there is no argument but what they should be in it.

Let me just trace for a minute the history of this legislation. This legislation started out in the 80th Congress as a water pollution, stream policing bill. It did not involve direct grants to the local communities for sewage treatment plants. Then in the 84th Congress it was brought up to strengthen the policing functions of the Federal Government and strengthen the water pollution functions of that body. At that time there was discussed the question whether or not actual grants to sewage treatment projects should be started, and a bill was introduced for that purpose.

Mr. BLATNIK. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the chairman of the subcommittee.

Mr. BLATNIK. In the original act, as I recall—I had just come to Congress at the time—in the 80th Congress there was a loan provision. I forget how many hundreds of millions of dollars were authorized under loan but, for some reason or other, the municipalities were never able to use that; it was never used. There was a financial loan provision. The principle of Federal aid was in it from the beginning. It was a very weak bill. There was almost no enforcement provision. We regarded it as a first step. But there was a provision for financial loans.

Mr. CRAMER. The gentleman and I are not in disagreement. I say that it was not a grant program in the legislation of the 80th Congress; and that is correct; is it not?

Mr. BLATNIK. That is right.

Mr. CRAMER. Very well. Now we come to the 84th Congress and the question of Federal grants, outright grants. When the proposed 50–50 matching formula was changed in the committee to 70–30, the amount of authorization was reduced as a result of reduced Federal percentage from $100 million as proposed to $50 million. That is the history of the legislation. Primarily it has been a water pollution policing piece of legislation. That was the primary objective of it.

Now we have gotten into this program of sewage treatment. Just what is the issue involved with regard to the bill and with regard to the bill as amended? The bill with my amendment would simply provide that the present program would go forward until 1962. The States would have the opportunity to pass necessary legislation to provide up to 25 percent to match the Federal money, and the local communities would be able to participate in the program up to 50 percent of the Federal-State matching and only 50 percent local money, where the criteria are met. That is what the amendment would accomplish.

Mr. Chairman, let me say further, there is not one thought in my mind when the minority suggests this amendment to in any way cripple the sewage treatment program of this country. As I have said before, this amendment, in my opinion, would substantially strenghen the entire program if we are going into it on a long-range basis because I repeat, unless you get the States in addition to the cities in, unless the States show a willingness to participate, and a need and incentive to do so—the Chairman admits that—then this program, on a long-range basis, is not going to accomplish the objective which the chairman of the subcommittee indicates is necessary.

Let me say this. I can accept every single argument that has been offered on the part of the majority chairman, every argument he has made to indicate a need for this program. I can accept every argument that he makes with regard to the public health need, the water pollution control need, and so forth; and the need for $100 million of funds to match local funds. And I come to the conclusion equally forcefully that my amendment should be supported, because you would still get $100 million into the program. The only difference is the entire amount of matching funds do not have to come from the Federal Government. Fifty percent comes from the States. I think that is a much sounder approach and a much better long-range approach.

We are not arguing the question whether you are for or against water pollution control. We are not arguing the question whether you are for or against sewage treatment plant construction. That is not the issue at all. We are all for trying to encourage the abatement of water pollution. We are all for encouraging these municipalities to build adequate sewage treatment plants. But we differ in the question of the responsibility we think the Federal Government has as compared to the responsibility of the States. And I say to you that that position is the position that is taken by the administration. I want to point out that all who appeared on behalf of the administration with regard to this legislation appeared in opposition to it. And with regard to State responsibility in this field, there is this question that I asked that appears on page 150 of the hearings on this bill. I asked Secretary Flemming as follows:

Mr. CRAMER. Do you feel that this additional $50 million would cause the States or more of them to go into this program, or fewer of them? Would it be an incentive or a deterrent for State grants?

Secretary FLEMMING. Let me put it this way: It ties right in with the basic position of the administration. I feel if the Federal Government is going to continue the process of making grants directly available to municipalities, that the result will be that the States will pay less attention to the possibility of getting in and developing grant programs of their own than would otherwise be the case.

That is exactly what is done in the amendment which I propose. It acknowledges what the State responsibility is in this field.

Mr. BLATNIK. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I am delighted to yield to the gentleman. I trust the gentleman will give me some additional time.

Mr. BLATNIK. I certainly will and I appreciate the gentleman yielding at this time.

The gentleman mentioned that the Secretary of Health, Education, and Welfare predicted that if we increase the Federal grant, then the States would pay even less attention than ever before. Tell me, when did the States ever pay less attention than they did until the year 1956 and when there were no Federal grants and no State participation.

Mr. CRAMER. Oh, I can answer that.

Mr. BLATNIK. There were only four States a year ago and at least we have more than ever before when there was no Federal participation. The States paid no attention then so how could they pay less attention now?

Mr. CRAMER. I can answer that very easily. I have the facts and figures in my hand. There are some 11 States that have participated to some extent in these programs and where all but 4 of them participated prior to the enactment of this legislation. So you had more activity within the States before this legislation was passed than you have at the present time. I think that is a matter of record which is not subject to being disproved, and I would be very glad to insert this information in the RECORD at this point.

STATE LEGISLATION PROVIDING FINANCIAL AID FOR SEWAGE TREATMENT FACILITIES

CALIFORNIA

State water pollution control fund of $1 million is available for making loans at 2 percent interest to municipalities and districts for the construction of sewerage and storm drainage facilities.

Loans are made by the State water pollution control board subject to the approval of the State director of finance. In order for such loans to be made, it must be determined that the facilities are necessary for health and welfare of the inhabitants, funds are not available, commercial sale of revenue bonds is impossible, and the proposed repayment plan is feasible (ch. 221, statutes of 1953).

Source of funds: Chapter 1551, statutes of 1949, appropriated $1 million to the water pollution control fund from the postwar unemployment and construction fund. The fund was continued in existence by chapter 221, statutes of 1953.

INDIANA

A revolving fund of $500,000 has been created to assist units of government to defray the cost of preparing surveys, plans, and specifications for the construction of public buildings, publicly owned and operated facilities, utilities, and services. Loans are made by the State board of finance upon the report and recommendations of the Indiana Economic Council which has the responsibility for review and investigation of the application and certification of the amount which may be loaned upon any said application.

Any amount loaned is an obligation of the unit of government and must be repaid within a period of time fixed by the State board of finance not to exceed 3 years. When facilities are constructed for which planning money was received, the loan is considered as a part of the cost of such project and constitutes a lien against the same; when bonds are issued for the project, the loan must be repaid in full immediately following the sale of bonds. (Acts of Indiana, 1945, ch. 136, amended by acts of 1951, ch. 200.)

Source of funds: The enabling act for the program, chapter 136, Acts of Indiana, 1945, appropriated the full amount of $500,000 to the revolving fund.

MAINE

State water improvement commission is authorized to pay up to 20 percent of the

total cost, or two-thirds of the Federal contribution under Federal Water Pollution Control Act (Public Law 660, 84th Cong.) whichever is less, of municipal sewage treatment works receiving Federal approval and Federal funds for construction. (Laws of 1957, house bill No. 257; sec. 7–B, revised statutes.)

Source of funds: The Supplemental Appropriation Act for fiscal years 1957–58 and 1958–59 appropriated $416,000 for each of the 2 fiscal years, a total of $836,000.

MARYLAND

A fund of $5 million is authorized (to be established by a State loan) to be used to supplement grants made under the Federal Water Pollution Control Act (Public Law 660, 84th Cong.). Any municipality which has received a Federal grant may petition the State for an equal or matching grant subject to the limitation that the State and Federal grants combined are not to exceed 40 percent of the total cost of the project. The petition is directed to the State board of health. When the board approves the plans it forwards the petition to the board of public works with its report that the project has been approved by the U.S. Public Health Service and the State department of health. The board of public works then makes the grant of State funds. (Maryland Senate bill No. 75, 1957 acts of Maryland.)

Source of funds: The sale of State bonds in the amount of $5 million for the establishment of the fund was authorized in June 1958. The State grants from the fund are being made at present to qualifying municipalities.

NEW HAMPSHIRE

The State is authorized to guarantee unconditionally a total aggregate sum for the entire State of $10 million of bonds issued by municipalities and other political subdivisions for construction of sewage treatment works.

All bonds or notes so guaranteed shall be sold (1) at public sealed bidding; (2) after advertisement for bids; (3) to the highest bidder.

Any and all of the bids may be rejected and a sale may be negotiated with the highest bidder. (Laws of New Hampshire, 1957, ch. 213.)

Source of funds: As indicated above, the program operates as a State guarantee of municipal bonds. State funds, therefore, are not required except in event of default by a municipality on the bonds it has issued.

NEW MEXICO

The sum of $150,000 appropriated for grants during the next 2 fiscal years to associations formed in rural, unincorporated communities to provide facilities for the development of adequate sanitary domestic water supply, sewage works, or both. The State department of public health administers this program.

As a prerequisite to the grant the community must agree to contribute all unskilled labor and such skilled labor as is available and desirable and to contribute all available materials such as stone, lumber, and sand. The community must have been in existence 25 years or longer.

Subdivisions adjacent to incorporated communities are not eligible.

The association must contribute one-third of the estimated cost. (Laws of 1957, ch. 122, senate bill No. 57.)

Source of funds: The enabling act for the program, chapter 122, Laws of 1957, appropriated $150,000 for the fiscal years 1957–58 and 1958–59.

NEW YORK

Municipalities having power to construct or operate a public sewerage system or sewage treatment works may apply to the State superintendent of public works for planning grants up to one-half of the cost of preparing plans, specifications, and estimates. However, in the case of grants for preliminary plans, the grant may not exceed one-half of 1 percent of the estimated cost of construction, and in grants for all plans, specifications, and estimates, the grant is not to exceed 2 percent of the estimated construction cost. (McKinney's Consolidated Laws of New York Annotated; Book 47–A, art. 2A, sec. 31.)

Source of funds: Appropriation laws from 1947 through 1950 were checked but did not reveal any line item for this program. In 1951, chapter 210 appropriated $250,000; in 1952, chapter 57 appropriated $150,000; in 1953, chapter 22 appropriated $150,000; in 1954, data not available; in 1955, chapter 51 appropriated $250,000; in 1956, chapter 59 appropriated $600,000; in 1957, chapter 33 appropriated $635,000; in 1958, chapter 217 appropriated $635,000.

OHIO

An emergency village capital improvement rotary fund created to be used to make advances to those villages only which do not have an existing municipal sewerage system, to pay all or part of the cost of preparing plans for construction, among other things, of sewage treatment works. When the bonds of the village for such construction are sold it must repay the advance. (Senate bill No. 265, 1957, Laws of Ohio.)

Source of funds: An appropriation of $100,000 was made to the fund for the fiscal years 1957–58 and 1958–59 by house bill No. 477, 1957, Laws of Ohio.

OREGON

Small municipalities (not more than 3,500 population) certified by the State sanitary authority (the pollution control agency within the State board of health) as being in need of sewerage systems and unable to sell their bonds on the public market or to obtain satisfactory offers therefor, may apply to the State bond commission for financing the costs of the projects (purchase their bonds). A State sewer bond revolving fund of $1,655,000 has been established for this purpose.

Small sanitary districts having an assessed valuation of not more than $250,000 and which are unable to sell their bonds at interest not exceeding 4 percent and certified by the State sanitary authority may apply to the State bond commission for financing the costs of the projects. A State sanitary district sewer bond fund of $95,000 has been established for this purpose.

Background: The Oregon legislation on this subject was first enacted in 1949, and has been amended and extended in 1951, 1953, 1955, and 1957.

Source of funds: The 1949 act applied to municipalities of not more than 2,500 population and appropriated the sum of $1,500,000 in a revolving fund known as State sewer bond revolving fund (ch. 500, Laws of 1949).

The act of 1951 transferred, as of October 1, 1951, from this fund the sum of $750,000 to the general fund of the State for general State purposes (ch. 299, Laws of 1951).

The 1953 act made it applicable to municipalities of not more than 3,500 population (ch. 287, Laws of 1953).

A further act in 1953 amended the appropriation sections of the 1949 and 1951 acts by appropriating to the revolving fund the total of $1,750,000 (ch. 459, Laws of 1953).

The act of 1955 transferred the sum of $60,000 from the State sewer bond revolving fund to the State sanitary district sewer bond fund to be used by the bond commission for investment in bonds of sanitary districts which have an assessed valuation of not more than $250,000 and which are unable to sell their bonds at interest not in excess of 4 percent (ch. 577, Laws of 1955).

An act of 1957 increased this amount to $70,000, and a further act of 1957 increased it to $95,000 (ch. 702, Laws of 1957, and ch. 14, Special Session Laws of 1957).

PENNSYLVANIA

Municipalities and municipal authorities which have provided sewage treatment facilities since 1937 are to receive from State funds annually an amount up to 2 percent of the cost of those facilities toward the cost of operating, maintaining, repairing, replacing and other expenses relating to sewage-treatment facilities. The program is administered by the State department of health. To date, $7,200,000 has been appropriated for this purpose. (Laws of Pennsylvania, 1953, Act No. 339; Laws of Pennsylvania, 1955, Act No. 128–A; Laws of Pennsylvania, 1957, Act 77–A.)

Funds have been appropriated to the department of health for grants of a share not to exceed 50 percent of the cost of planning waste treatment works by municipalities, municipal corporations, and private corporations. About $3 million has been made available for this purpose (about $2 million has already been expended). (Laws of Pennsylvania, 1945, Act No. 82–A.)

Source of funds: The enabling act for the program, Act No. 339, Laws of Pennsylvania, 1953, appropriated $2 million. To date total appropriations are $7,200,000.

VERMONT

A fund of $1 million (established by a State bond issue) was authorized to encourage water pollution control at the local level through State aid for the construction of sewage treatment plants by municipalities.

Each municipality after having voted funds in a specific amount to construct or substantially improve a sewage treatment plant may make application to the State water conservation board for State aid. After reviewing the application and plans and finding that the facilities are necessary and of proper type, the board shall award 20 percent of the cost of construction not including any amount derived from private sources. (Act No. 293, Laws of Vermont, 1957.)

The Vermont State Water Conservation Board may make available to any municipality in the State such assistance as may be requested of it in matters relating to surveys, studies, and plans for pollution abatement works. (Act No. 184, Laws of Vermont, 1957.)

Source of funds: The State sold a bond issue in the amount of $1 million to establish the fund on February 20, 1958.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I am delighted to yield to the gentleman.

Mr. PRICE. If what the gentleman says is true, what is there now to prevent the States from participating more fully in the program?

Mr. CRAMER. The point I am making, may I suggest to my distinguished colleague, is that the way the program is presently set up, there is no incentive for the States to go into it. As a matter of fact, the States know that we are today considering a $50 million increase in the Federal program so do you think the State legislatures are going into the program themselves when they think the Federal Government is going to accept the full responsibility? The answer is no. The legislation we are considering today, I submit, is one of the things that is going to kill off willingness on the part of the States to come in because they will figure, if we cannot do it with $100 million

a year, they know that we have some proponents who will ask for $180 million in 2 years or $200 million 2 or 3 years thereafter, and I say to you if we are going to keep this Federal spending within a reasonable balance and within the ability of the Federal Government to pay the bill and acknowledge the responsibility of the States, which is obviously equal to that of the Federal Government, then my amendment should be adopted.

Mr. PRICE. I do not think the Congress has reached the point yet where they are taking full responsibility.

Mr. CRAMER. So far as the States are concerned, I say to the gentleman we are accepting practically the entire responsibility. Now let me ask this question. If you assume that the responsibility of the Federal Government is primarily that interstate streams are involved—and there is no question about that because that is what the act says—and the initial legislation provided in connection with that, and I quote:

> The exercise and jurisdiction over waterways of the Nation and in consequence of the benefits resulting to public health and welfare by the preservation and control of water pollution in the waterways of the Nation.

I repeat, if you say that that is a national problem because of the interstate nature of it, then I say to you it is equally, if not more so, a State problem because none of these streams are limited to any given community but are within many communities within the States themselves.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. AUCHINCLOSS. Mr. Chairman, I yield 5 additional minutes to the gentleman.

Mr. CRAMER. Now what has happened to this present program so far as the Federal Government is concerned? The Bureau of the Budget testified to it and the Secretary of Health, Education, and Welfare recommended $50 million that is already authorized. I want to point this out concerning this legislation because a lot of misleading information concerning it has been given. There is no need for one bit of additional legislation at this point to continue the present program because it continues until $500 million is spent, that has already been authorized. So this program can continue for at least another 7 years without any additional legislative action again whatsoever. I know a lot of conservation people are under the impression, and erroneously so, that in order for this present program to continue, you have to have an additional authorization and, of course, that is not true. As a matter of fact, in this last session in the 1960 budget, the 1959 budget, to show you the fact that the administration does not even go along with the present program, let alone whether it would go along with this bill, and there is no question about it, the President recommended $25 million and the Congress upped it to $45 million both years. So there has been a surplusage of $5 million a year that the Congress has not even seen fit to appropriate under the present authorized program. So there at present remains $360 million in the present program available for appropriation. So I think that is a clear indication that there is no intention on the part of the Congress, even if this authorization increase is enacted—I do not think there is any intention on the part of the Committee on Appropriations, and I am confident there is none on the part of the administration, to recommend even up to the present $50 million authorization, let alone $100 million annually proposed in this legislation.

I see no reason to mislead these conservation people and these other people who think that the minute the authorization bill passes, automatically they are going to get the money because I am convinced that that is not the case. Now if my amendment is adopted, it would be the case. The States would be required to match the money with equal State money and this would result in doubling the present expenditures and matching funds available to the local communities. I am confident no State in this Nation where they really have a problem of water pollution control and where they have a problem of health control, where this is a serious problem—I say to you no State in this Nation would fail to enact this legislation.

So this is the way that the local communities will definitely get the money. I say to you further it will have the effect of giving the States more to say, with the States putting up half and the Federal Government half, and it will be a better program than the present one of 70 percent local and 30 percent Federal. So I say this is a much better program.

We have other programs in this area. The Housing and Home Finance Administration can make loans for planning and engineering to any community that wants to make application for planning and engineering to get the program off the ground. If there is fiscal soundness in the proposition and bonds can be issued, any community can go ahead with its program under the Housing and Home Finance Administration program for planning and engineering.

You can take the charts that were presented by the chairman of the subcommittee and argue just as powerfully with regard to those charts to show that the non-Federal participating projects have increased substantially during the last 3 years and that actually the Federal funds have not been an incentive so far as those projects are concerned. As a matter of fact two-thirds of the projects in 1958 were without Federal matching funds.

The program I am suggesting requiring that the matching funds be made available for a community up to 50 percent is a good one.

Mr. McFALL. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield.

Mr. McFALL. Will the gentleman explain briefly his matching proposal? Would it reduce the Federal share to 25 percent?

Mr. CRAMER. The Federal share is 30 percent now. It would reduce it to 25 to be matched by the States' 25, and 50 percent locally. I think if you will read the minority report which begins on page 12 you will see some fundamental reasons why this amendment is sound and should be adopted.

I repeat, this amendment offers to the Members of the House a unique opportunity to accomplish exactly the same objective by making available $100 million to local communities on a State-Federal-local matching-fund basis just as I have outlined.

Now what are some of the additional arguments in favor of this amendment, which convinces me, and I believe should convince you, that a State matching fund program is actually a better program to accomplish on a long range basis the objective of providing adequate matching funds for local communities in the construction of waste treatment plants? In the first place, this amendment would provide for 50 percent local contributions, rather than the present 70 percent contributions which is the requirement under the Blatnik bill, H.R. 3610. In other words, many of the communities that are in the 50 to 70 percent bracket that cannot now qualify because of their lack of financial ability, lack of population, lack of fiscal soundness to promote and finance a program, could qualify under the amendment. Thus, the communities that are in need of assistance, more of them will be brought under the bill if amended as I have suggested than they would under the bill as proposed under H.R. 3610. This I think is significant because of one of the principal justifications for the initial bill was that it would help communities and towns not capable of helping themselves. Thus an additional large percentage of the smaller communities would be brought under this grant program which cannot qualify today where 70 percent local money is required.

I believe that a program of State matching funds being required would result in more careful screening of applications and a closer alliance with the Federal standards established and that is if matching funds are to be made available they should be on the basis of the needs of the community, on the basis that it will be an incentive to the community to go into the project and also on the basis that an actual substantial water pollution control problem exists and therefore justifies matching funds. I have not been satisfied, as I am sure is the case of many Members of Congress with the present program in that these standards have not been strictly and closely observed and the actual objective of abating water pollution has not been properly accomplished. It has been called to my attention in many instances where very small insignificant streams that are not even navigable have municipalities constructing sewage treatment plants on these streams and I am confident that if the States are required to match the funds, that the standards set up will be more closely followed.

In addition to this, my amendment would put into effect the basic concept that the State has some rights concerning the administration of this program,

but of equal importance the State has some responsibilities. Now, I am as much a States rights advocate as any Member of this House, but I am also acknowledging that there are certain State responsibilities. And those who claim to be advocates of States Rights, but who fail to acknowledge that in asserting those rights the States have equal responsibilities, in my opinion, are not facing up to the real issue constructively. As a matter of fact, I have said often the justification which the Federal Government uses in getting into some of these programs is the failure on the part of the States to accept proper responsibilities, and my amendment is to present an assertion of that nature in this particular instance.

I have said before this amendment also conforms with many presently existing other laws that require State matching funds and is the carrying out of the policy of Congress established in those acts that require State matching funds and the acknowledgment of State responsibility in programs of this nature.

To state more simply some of the justifications for requiring State matching funds, I quote from the minority report on this bill as contained on page 12 thereof as follows:

First. State matching of the present $50 million authorization for Federal grants would result in doubling the grant-in-aid incentive program without any increase to the demand upon the Federal Treasury.

Second. The requirement of State matching of Federal grants would result in a more effective screening of project applications since the State would have a financial interest in every application. The State, under such a matching arrangement, would want to confine its grants to projects of outstanding merit, most urgent need, and which involved a real water pollution problem.

Third. Cooperation by the States with the Federal Government would greatly strengthen the water pollution control program.

Fourth. Local communities would financially benefit by State matching of Federal grants since the amount of local funds required on a project could be reduced to 50 percent of the total cost, instead of 70 percent under existing law and the provisions of H.R. 3610. This is based upon the assumption that the Federal grant amounts to 25 percent of the estimated total cost and equal State matching grant.

Fifth. Federal-State matching would give the State a more effective participation in the water pollution control program. Under such a program the rights of the States would be recognized and there would be a more wholesome atmosphere for Federal-State cooperation.

Sixth. Over a long period of years there has been State matching of Federal funds under the Federal-Aid Highway Acts and the system has been most satisfactory and the rights of the States in the highway matters have been recognized. The requirement of State matching of Federal grants is incorporated in a number of acts of Congress.

In further support of the amendment, and again let me repeat it is my intention to offer this amendment in a constructive manner in an effort to make this a better bill which might become law, let me say that the administration through the Health, Education, and Welfare Department upon the testimony of the Secretary stated unequivocally that it opposed this legislation in its present form. All agencies of the Federal Government oppose this legislation. Let me read to you from statements of the report of the executive offices of the President, the Bureau of the Budget, in which it very clearly indicates that the Department opposes the bill and further that it believes the State should participate in the program. I take the liberty to quote from a letter of April 6, 1959, from the Bureau of the Budget in which it quotes as follows:

It has determined—

Speaking of the joint Federal-State action committee—

that local waste treatment facilities are primarily of local concern and their construction should be primarily a local or State financing responsibility. The members of the committee have agreed that should communities require additional financing, the funds should be forthcoming from the State government and that, further, there is no evidence to demonstrate the continuing need for the present Federal subsidies.

It is to be pointed out that this committee was composed of 11 governors representing the States and 7 Cabinet members and Presidential assistants and certainly then it is clear that the States, as reflected by the opinions of the governors, admit that a very substantial State responsibility exists and my amendment merely incorporates into law that opinion.

Fiscal responsibility is also a basic issue—my amendment would result in equal treatment plants without further Federal money.

I trust the amendment will be adopted when offered.

Mr. BLATNIK. Mr. Chairman, I yield such time as he may desire to the gentleman from Mississippi [Mr. SMITH].

Mr. SMITH of Mississippi. Mr. Chairman, I am certainly delighted that the gentleman from Florida is in favor of the program. I wish, however, he would endeavor to show his support of the program by not attempting to kill it with kindness. I do not think the House likes this business of killing a program with kindness.

This program is a good one. The great President of the United States cited it as one of the major accomplishments of his administration in the 1956 campaign. However, the President of the United States did not even propose through his representative, the Cabinet officer, Dr. Flemming, anything along the line that the gentleman from Florida would suggest in his amendment.

Let us analyze the amendment the gentleman from Florida would propose. He said it is a States rights amendment. If it is a States rights amendment I will eat it. It makes the States have to do certain things to participate in the program, it makes the States have to legislate.

Mr. Lee, the sanitary engineer from the great State of Florida is one of the chief supporters of this program. He testified before our committee. Mr. Lee did not say that the State of Florida wanted anything like this; and I know certainly the State of Mississippi does not want anything like this. If the State of Mississippi had to participate under the conditions laid down in the amendment proposed by the gentleman from Florida we would not be able to participate.

I can best explain the incentive program involved by citing what happened back in my own State. There was not a single one of these programs for any community in the State in effect prior to the enactment of the 1956 law.

Since that time, with the incentive involved, virtually every community in the State that has any problem of this nature has begun to make some effort to cooperate and work out a program that will provide benefits along this line. A reasonable number of them have already qualified, but there are many more that should participate and can participate only with the incentive involved here.

If we adopt the amendment to be offered by the gentleman from Florida, it would not give the States any option in the matter of assistance and would require them to participate in a fashion completely contrary to any that they have so far adopted. Under these circumstances, we would virtually knock out 46 States from participation in the program. That means, of course, that there would be a program in which only four States could participate under existing law. Many others would be barred by act of their constitutions from ever participating. The result would be that such a proposition would not receive any support in the Congress. The more recent proposal offered by the Eisenhower administration to do away with this entirely would probably go into effect because the Congress would not be willing to appropriate Federal funds for a program that would be applicable to only a very small number of States.

Before anyone accepts the idea that has been proposed by the gentleman from Florida, let him understand that this proposition was never considered in the hearings before our committee. No State offered any type of participation like this. No State is in a position to have a program that would bring about this type of assistance. Therefore, the actual effect of the amendment would be to completely wipe out the program rather than creating a situation such as the gentleman has mentioned.

He makes it sound like this is only reducing Federal participation from 30 to 25 percent, but actually it would mean the program, as far as incentive is involved, would be eliminated. It would, as I said earlier, provide an ironclad requirement, and the States would have no option at all. The States would have no rights. The States would have requirements which would make it impossible for them to participate in this.

There is not any State in the Union that does not have some type of assistance which it gives individual municipalities, such as tax rebates, actual per capita payments, or other types. This is fully available for any other State aid in which they participate, and the 70 percent local retirement is fully available to any State that wants to use it.

If there is any logic in this program, there is no point in changing participation from 30 to 25 percent.

Let me ask each of you who come from an area where there has been previous to this legislation no sewage abatement or water pollution program under way to look at the story in his own district or in his own State and see the real progress that has been made under this program. I think then you will agree with me that the way to provide continuation of this incentive is to make the authorization big enough so the Congress through annual appropriations can provide for whatever is required within the authorization.

They talk about budget busting, and things like that. The money authorized under this bill would be appropriated by the Congress fully in accord with all of the normal appropriation means and methods. If the Members of Congress see no need for an appropriation any greater than it has been in the past, they would have no need to appropriate, but if the need is greater they will meet their responsibility.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Mississippi. I yield to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. I wonder where the gentleman is going to suggest we get the money to appropriate when we must recognize the fact that we are already expending well beyond the present revenues each year?

Mr. SMITH of Mississippi. I think there are a great many economies that can be made to bring about the revenues to be made available for this type of program. Perhaps we can start right with the White House, where there have been a great many increases and a lot of waste that have come about since the present occupant of the White House took office. We could start there, and we can do something to devote a greater part of our national investment to capital investment that must be made if we are going to keep alive in this country the framework of the free enterprise system of economy of which we are so proud. Unless we invest enough in the preservation, restoration and continued development of our natural resources each year within our annual budget or within our national gross product, we are going to face a situation more and more this machine of ours is wearing out and any type of business enterprise realizes we have to do something to keep up the capital investment. We in this country have sadly neglected our capital investment. This is a place where we can make a wise, prudent capital investment that will result in great benefits both immediately and in the future, in the preservation of our God-given natural resources that are irreplaceable.

Mr. AUCHINCLOSS. Mr. Chairman, I yield such time as he may desire to the gentleman from South Dakota [Mr. BERRY].

Mr. BERRY. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. BERRY. Mr. Chairman, the situation presented under this bill would be humorous were it not so serious.

In the WPA days I wrote yards of editorials in my newspaper poking fun at the program of the Federal Government building privies for everyone who made application. Today under this program we are building sewer systems for those for whom we built privies back in the WPA days.

This is not a stream pollution act; it is a bill which simply authorizes the granting of taxpayers' money to build sewage systems.

When the first authorization act was passed in the 84th Congress, the Department went into every congressional district and set up several programs in order that the cities to be affected would put the heat on the Member of Congress to vote for the appropriation. The first two communities that were chosen in my congressional district are not on an interstate stream and will in no way meet any of the criteria used as a selling point for this grant program. The first city in my district to get this free money is located on a watershed; the stream flows only when there is heavy rainfall; most of the year there is only water in pools along this river. There is not one living fish within 100 miles, and there are no towns or cities below this community that would in any way be affected for 100 river-miles.

The second town that was given free money was a town out in the edge of the Black Hills located about a mile from a stream used by the Homestake mine to carry the tailings of the mine. The water throughout the year is as black as any pair of shoes on this House floor. There is not a living worm in the water and certainly not a living fish within 15 miles of this community; yet it received the tax money from the people of the Nation.

Within the last month my hometown was granted some $20,000 to help in expanding its sewage disposal plant. It does not need the money; it would have made the expansion without the free money from the Treasury. There is not a living fish within 15 miles, and yet all they had to do was make application to get it.

Mr. Chairman, I am unable to understand how Representatives from rural areas can vote for this bill. In my district, which I assume is representative of most rural districts, a goodly percentage of the farmers and ranchers have installed their own water pressure system and their own cesspool. They have done this at their own expense with their own work and with the sweat of their own brow. Now you are asking me to go back and reach down in that ranchers' or farmers' pocket, take from him his tax money, send it to Washington, then send it back to the town near which he lives, and give it to those townspeople to help them build a community sewage disposal plant.

I do not see, Mr. Chairman, how any Member from a rural district can go back into his district and look those farmers in the face when he has voted to place a tax against them to pay for the sewage disposal plant of his neighbors in the adjoining town or city after that farmer has been required to put in his own system.

There may be communities in some parts of the country that need financial assistance in taking care of their sewage; there are none in my district or my State that cannot and would not take care of their own even without this free money. If there are such communities that need assistance, then possibly their State should assist them, but I certainly do not believe that you should go into my State and tax my people to pay for some sewage disposal plant in some community that is probably many times as able to pay for their own system as the people of my State.

No; as I indicated at the outset, this glorified "privy" bill would be humorous if it were not so very serious.

Mr. AUCHINCLOSS. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. BALDWIN].

Mr. BALDWIN. Mr. Chairman, many of us are anxious to see what actually can be done to solve the problem of water pollution in our streams. In the debate so far today various possible procedures to accomplish this objective have been set forth. I supported in 1956 Public Law 660, the original act to which this bill is an amendment or proposed amendment. The problem, it seems to me, is that we have got to work out some kind of legislation which we know has a reasonable chance of going into effect. I do not think anybody in this House would dispute the fact that if a bill is passed by this House today that is not going to become law, it will not solve any pollution problem anywhere. Many of us feel that there is little likelihood of the bill in its present form being signed by the President. The question, therefore, is, Can we work out a solution that will actually solve this problem and bring out a bill that may have a chance for signature by the President and still get the job done.

Now, there has been an amendment proposed by the gentleman from Florida [Mr. CRAMER]. That amendment would propose that the Federal program that now exists of $50 million a year would be continued. It proposes that in addition to that we would provide that the States should match the Federal contribution on a 50–50 basis; the Federal contribution on any specific project being 25 percent, the States matching it with 25 percent, and the remaining 50 percent coming from local sources. The gentleman from Mississippi [Mr. SMITH] expressed the thought that this was a very unusual type of procedure for the Federal Government to propose. Actually it is not unusual at all. The Federal Inter-

state Highway program, which has functioned for years, has exactly the same kind of matching requirements, as well as for primary and secondary roads. The Federal Highway Act says that the States will not receive a dime under any one of those programs unless the States provide a matching share of the program.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from Illinois.

Mr. PRICE. I think the gentleman might also cite that we may have precedents just the opposite. We also have grants to States on different programs where matching funds are not required.

Mr. BALDWIN. I will not dispute the point that has been made by the gentleman from Illinois, but it seems to me the issue is, How can we get the greatest funds per year made available for pollution control? Now, on the basis that many of us feel that the bill in its present form is not likely to be signed by the President, then the question is, What is the alternative proposal through which we can get the greatest amount of funds per year made available to solve the pollution problem? Based on the experience that the Federal Congress has had with the interstate highway program, when the Federal Government passed a law that required State matching, every State in the Union has taken steps to provide matching funds for the program. Every State in the Union has taken steps to match, in whole or in part, the Federal funds for State primary and secondary roads and Federal interstate highways. That indicates that if we pass the amendment offered by the gentleman from Florida, there is certainly a reasonable likelihood of the States taking similar steps in the field of water pollution.

Now, certainly the States should have an interest in this field. Actually, the pollution in most instances occurs within the State borders; some on interstate streams. But many of the communities aided by Public Law 660 are communities that border local streams within the State. Some actually are not on any streams at all; actually discharging their sewage into streams that have dried up. Some of the communities in the Western States are in that position. If the amendment offered by the gentleman from Florida is adopted, the Federal contribution would continue on the present basis, but we would provide a stimulus to the States to get into this picture. We have had experience with the interstate highway program that shows the States will get into this picture. Therefore, we would be in a position of providing to the local communities double the amount per year that has been provided for water pollution. After all, is that not the primary objective that we are seeking? Many of us belong to conservation organizations. I belonged to conservation organizations for years before I ever came to this body, and I have supported actively many bills that the conservation groups are for. But, if I understand it correctly, the conservation groups want to solve the pollution problem, so the question before us is how to get a bill that actually becomes law that will possibly solve this problem.

I think in that respect the Cramer amendment will actually result in a greater amount of funds coming yearly to local communities for this purpose than would otherwise be the case.

Mr. SMITH of Mississippi. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, I was on the Committee on Public Works when I first came to Congress, and I had the opportunity of watching our colleague, the gentleman from Florida, and some of his Republican brothers on this question of water pollution. They say they are for the program, and I think they are probably for some kind of program, as long as it requires no Federal money. But I have watched the behavior of the people on that side of the aisle, and I think their record on this subject speaks louder than what they say on the floor today. They have always sought to kill the program, by one means or another; they have sought to destroy the program.

What they say is that they want a State matching program, a States rights operation, where the Federal Government enacts a law which makes the States do certain things. In other words, they are for a States rights program in which the Federal Government commands the States to spend money. I am no States righter, but this is not States rights. But over and above that, I think we can recall that on every occasion on which we have had a fight over this program, and we have had many, the gentleman from Florida has been among the leaders opposing the expenditure of this money.

In the committee, as I recall it, 3 years ago, when Public Law 660 went through, the distinguished gentleman from Florida was one of the first to support amendments which cut and reduced and limited Federal participation in this program.

Mr. Chairman, ostensibly the Cramer amendment makes States participate in this program. Really what this amendment does is to kill the bill, because most States are either incapable of participating in an operation of this kind, or they are reluctant or absolutely unwilling to participate.

We had this sewage pollution problem for many years previous to the passage of the basic act, Public Law 660, and the States always refuse to do something on this unless prodded. It was not until Public Law 660 was enacted, that the States ever even got into this program and did anything worthwhile.

I should think if my colleagues on the Republican side would read the report, they would get some information which would make it impossible for any wise and thinking man to oppose H.R. 3610. The report says on page 2:

> During the 5-year period from 1952 through 1956 immediately preceding the Federal grants program, contract awards for sewage-treatment-works construction averaged $222 million annually. In the first full year of the program, 1957, construction expanded 58 percent over the previous annual average to reach $351 million.

That is, the first year of this program, it stimulated construction to increase by 58 percent.

> The second year of the program brought an even greater increase in construction, with contract awards reaching $389 million—75 percent over the earlier 5-year average.

If that is not argument enough for enactment of this program, without the Cramer amendment which seeks to gut this bill, then I am very gravely mistaken.

If you will read, for example, the U.S. News & World Report you will find in a recent issue they state that State budgets everywhere are badly strained; local communities, cities, all find their budgets strained in providing schools and roads and highways and sidewalks and sewers.

The gentleman says that there is a tremendous amount of Federal money in this operation. He says that there is 30 percent Federal money. That is not a fact. There is only 8 percent Federal money presently in the whole program. When you consider what is being done today only $50 million more in Federal funds will double the program and result in keeping pace with the need for clean water, with only 8 percent to 16 percent Federal funds.

We are told that we are going to have the States come into this operation. There is nothing presently in the law which prohibits the States from coming in, and making grants to clean up their water if they so desire. I have no objection to the States coming in and spending their money. Quite the contrary; I think I, like the gentleman from Florida, hope that States will come in. But I do not intend to allow myself to be lulled into supporting any kind of amendment which will actually cripple the bill to do something like this.

There is another fiction that our colleagues on the Republican side of the aisle engage in. They tell us that this program is aimed at getting State participation. When a municipality participates, the State does participate. The reason for that is very simple. A municipality is only a creature, a subdivision, an arm, a section, an administrative unit of the State. I think the laws of every State of the Union made that fact very clear. We have heard a good deal about this bill—both Public Law 660 and the present amendments as contained in H.R. 3610 as penalizing frugal communities.

Let me say that this is not the fact. The contention that the bill penalizes frugal communities which do their own bonding and conduct their cleanups without Federal assistance is without merit.

Everyone drinks the filth which is chucked into our waters by millions of persons, industries, mines, and other water users.

The provident community which cleans up its own filth must still drink that put into its water sources by its upstream neighbors.

Where a community cleans up its own filth it still must pay a tremendous toll to clean up the water it would use for its

people. Sewage, human feces, slaughterhouse wastes, industrial and mine wastes, toxic substances of all imaginable known and unknown kinds, effluent from mortuaries, hospitals, condoms and garbage all go into the water inlets of cities which have cleaned up their own pollution.

What this bill does is to permit everyone to have clean water, flow to them, past them, and below them. Not to pass this law is to penalize the provident community, which has acted to clean up its water by permitting its upstream neighbors to impose a horrible servitude on it, dirty, foul, disease ridden, and unsafe water on its citizens.

Mr. AUCHINCLOSS. Mr. Chairman, I yield 4 minutes to the gentleman from New York [Mr. ROBISON].

Mr. ROBISON. Mr. Chairman, among the more recent additions to Uncle Sam's ever-growing family of Federal aid programs, this one—the Federal Water Pollution Control Act—is perhaps the most attractive.

None of us can argue with what has been said here this afternoon about the pressing national need for water supplies of proper quality and quantity, nor with the fact that, as our population expands, the situation may well become crucial. The manner in which we have permitted our streams to become polluted by domestic and industrial wastes has been nothing short of a national disgrace. It gradually became obvious that the State and local interests most directly concerned were either unable or unwilling to tackle the problem in any effective manner. Something evidently had to be done, and I think it was appropriate for Congress to take the position that, besides our proper concern here in this matter involving the national general welfare, the interstate character of the rivers and streams involved gives the Federal Government an added reason for stepping part way into the picture.

Again, none of us can argue with the highly satisfactory results that have been here achieved by the stimulating effect of Federal aid, and I believe that we and the Nation owe a debt of gratitude to the gentleman from Minnesota [Mr. BLATNIK] for his leadership and continued interest in seeking a solution to this problem.

However, it has been a disappointing fact that, while Federal aid has stimulated many local communities into taking long overdue action, it has almost wholly failed to stimulate any greater State interest. This, I believe, is wrong, and indicates we should take a second look at our approach.

To my way of looking at it, the responsibility for pollution abatement is primarily a State and local affair—each having about an equal share of that responsibility. Perhaps the overpowering pressures by those local interests who resist paying the price for clean water and a general public apathy have been too much for most States to overcome. But, because they have temporarily abrogated their fair share of responsibility is the only alternative now one of more Federal control and authority? I think not.

The gentleman from Florida [Mr. CRAMER], will offer an amendment which the minority believes will have the effect of further stimulating the national attack on pollution, as this bill H.R. 3610 seeks to do, but without doubling the Federal financial burden.

I intend to support that amendment, and I urge my colleagues to give it serious consideration. I suspect that those of us who do support the Cramer approach will be charged as being for pollution, which is silly, because none of us are for pollution any more than we are for sin.

We just happen to believe that there are inherent dangers in the uncontrolled growth of Federal grants-in-aid of all shapes, kinds and varieties, especially where, as here, they seem to go beyond any legitimate Federal responsibility for stimulating State and local action. To stimulate action is one thing, to take over a greater share of responsibility which in the main rightfully belongs to another is a far different matter.

To do so, tends always to destroy local initiative and responsibility in solving local problems. In addition, the granting of Federal aid beyond the stimulus needed, penalizes those communities which have already financed their own projects and now must help pay the cost of grants to others. Of course, there is a demand for grant funds, but that is no proof that greater Federal financing is necessary, only the natural desire of a community to have others help pay its bills.

What is our situation, Mr. Chairman? We have a $280-billion-plus debt to which we are about to add an estimated $12 billion deficit. We face a new increase in a permanent debt ceiling which is no more permanent that what a hairdresser can do with your wife's hair. We face a request to increase the maximum allowable interest rate on Federal obligations, and, even at the highest interest rate in years, no one seems to want to buy those obligations as an investment.

I am not obsessed with the Federal fiscal dilemma. I am not budget blinded. But I believe all of us must be conscious of our responsibility to our future generations. I do not want my children and grandchildren to be required to pay for something I needed, during my lifetime, but was unwilling to pay for, do you?

Sometimes, I am not so sure I am proud of the generation to which I belong. We talk of meeting our national needs, but few of us are honest enough, or politically brave enough, to do anything but go on meeting those needs with deficit spending. Sure, I share the concern of the State and local taxpayer who groans over the possibility of increased State or local taxes on top of his ever-growing Federal tax burden, much of which is hidden and painless to pay but which he nevertheless pays. At the same time, I cannot forget that, as a people, we spend a billion dollars a year for radios, TV sets, and musical instruments; we spend $2½ billion for toys and sports equipment, and another $2 billion for movies, plays, and admissions to sports events. It is estimated that $32 billion a year is spent in the so-called leisure market. Did you know that pets have become $3½ billion annual business and that we spend over $27 million a year feeding pet cats and dogs alone? On top of these expenditures I have just enumerated, I wish to further emphasize that our Nation spends more for intoxicating beverages than it does on education. Is it morally right for us in Congress to go on and on making it easier for our people back home to evade their own responsibilities? I cannot answer that in the affirmative.

There will be those of us who will say the little bit extra called for by this bill will hardly matter. But whenever I hear that argument, I am reminded of the old poem that goes, "Little drops of water, little grains of sand" and so on—you know the rest.

And it is not just this year's budget we should worry about, it is the year after, and the year after that. Are we to go on thinking that because we may only live another year or 2, or 5, or 10, or 20 years, and by a miracle maybe 30, why worry about the hopelessness of the national debt? In a few short years we will all be dead and the debt will not mean a thing to us?

Will the succeeding generation of adults be confronted by an even greater debt and have the same idea about the entire matter? And can the same be said for all the generations of adults to follow? If so, our adult philosophy, then, may be summed up in these words: "Live well, every person for himself, and let debt take the hindmost."

Mr. AUCHINCLOSS. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. CEDERBERG].

Mr. CEDERBERG. Mr. Chairman, I rise in opposition to this legislation because I believe we have here a clear-cut example of local responsibility. It seems to me if we are ever going to require local communities to assume the burden of matters that are purely the responsibility of the local communities, it is in this legislation. I find no reason at all why the Federal Government should participate in the idea that you can bribe communities for 8 cents on the dollar as was pointed out here by the charts to do their job. In my opinion, that is unthinkable. In other words, it is said that the States would say, "If you give us 8 cents on the dollar, we will go forward with these projects." I say to you, I doubt very much if there are any projects that have been built under this program which would not have been built anyway. Many projects were planned and were due to be built before this program was enacted.

Mr. SMITH of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield.

Mr. SMITH of Mississippi. I will be very glad to list for the record at least two dozen projects that would not have been built without this program.

Mr. CEDERBERG. I might say to the gentleman from Mississippi that the State of Mississippi is noted for coming in here and getting plenty of money from the Federal trough. In addition to that, I

will say this to the gentleman. I have some communities in my own district that have received money, and I repeat it again publicly on the floor of this House that none of them received any money under these appropriations by the vote of their Congressman.

I want that strictly for the record.

Furthermore, we had an interesting experience in the State of Michigan when the last legislation went through. The Michigan Water Resources Commission sent a survey around the State of Michigan. In it they had a question which asked, "Should we or should we not allocate any money in a congressional district where the Congressman voted against this legislation?" Blackmail, if I have ever seen it!

We called this to the attention of the Administrator and that was stopped right there and then.

If you want to pursue it on that basis I will match my vote in reducing these expenditures. If you rebate taxes to my constituents for my votes to reduce spending then the proposal may make sense. But that is not the way it works.

Let me say just a word now about the cost of the administration of this program. In 1956 it cost $1,175,000 to administer department activities in this general field, and there were 157 positions.

In 1959, according to information I have just received from the Appropriations Committee, that cost has gone up to $3,738,800 to administer this program, and there are 419 positions. That shows you how bureaucracy grows.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield.

Mr. CRAMER. Does not the gentleman feel that it would be logical, bearing those figures in mind, to assume that the increase will be proportionately greater if the program is extended beyond the $50 million authorization?

Mr. CEDERBERG. Certainly it would be greater; the overhead is always greater on a larger program. If you are going to enlarge the program the cost of administering it is bound to go up; it has in the last 3 fiscal years. It went up from 157 to 419 positions.

It seems to me we are going to have to call a halt on some of these projects.

I think our experience in the past few years shows it can be taken care of more efficiently by local communities.

One thing we have never heard of in connection with the financing of these programs is the raising of taxes to do the job. There are always plenty who will vote to spend more money, but few who will vote to raise the necessary money to spend.

Mr. MEYER. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield.

Mr. MEYER. Is the gentleman aware that in the State of Vermont we are already by State appropriations covering 20 percent of the cost?

I would like to quote from a statement by the commissioner of water resources for the State of Vermont:

In summary Federal aid and State aid in the form of grants to municipal or intermunicipal agencies for the construction of necessary sewage treatment works required to prevent pollution of our waters has been most effective in encouraging Vermont communities to initiate construction. A very substantial State pollution control program has been developed using grants as an effective tool. It is my honest opinion that our sewage treatment plant construction program would collapse if construction grants under section 6 of the Federal Water Pollution Control Act were not continued to the full extent contemplated under this act.

Mr. CEDERBERG. Do you think that for a matter of 8 cents on the dollar you would close down pollution control projects in the State of Vermont?

Mr. MEYER. It amounts to about 30 cents on the dollar in many cases.

Mr. CEDERBERG. The average for the Nation is 8 cents on the dollar. It seems to me the States can do their share more efficiently than we can do it on the Federal level.

Mr. MEYER. I think our State is doing it very efficiently.

Mr. CEDERBERG. The gentleman's State is going to pay for it anyway.

Mr. BLATNIK. Mr. Chairman, I yield 3 minutes to the gentleman from Maryland [Mr. LANKFORD].

Mr. LANKFORD. Mr. Chairman, I rise in support of H.R. 3610 and wish to congratulate the committee for its diligent attention to one of the most distressing problems confronting our Nation today. Conservation of our water resources and the maintenance of its purity are becoming increasingly more difficult with each passing day. The gentleman from Minnesota was one of the first to recognize the need for prompt, vigorous action by all of us if our country is to avoid economic strangulation brought about by diminishing water resources. H.R. 3610, in doubling the present Federal grant program now in effect under the provisions of Public Law 660, in my opinion, will provide the very minimum amount essential for municipality needs.

In the 2 full years the Federal Water Pollution Control Act has been in effect, I have had an opportunity to judge its value to my congressional district. I am pleased to report that it has already provided the impetus needed to point out the way for several municipalities, sorely distressed by pollution problems, to find a solution. I am proud of the fact that the pollution program in Maryland was directly stimulated by the enactment of Public Law 660 and is predicated upon the existence of that act. The committee in its report has singled out Maryland, along with the States of Maine, Vermont, and New Hampshire, for commendation for their willingness to participate in a true Federal-State-local partnership. I agree that this program does represent such a relationship for I have received expressions of enthusiastic support from all State and local officials who are familiar with Public Law 660 in its daily application. Unanimously they urge passage of H.R. 3610 as reported by the committee in order that this program may continue on a much needed accelerated basis. There is no evidence to indicate Federal domination or control or any impairment of the State of Maryland's rights and responsibilities.

To my mind, to say that the responsibility for the construction of waste-treatment facilities is primarily local does not mean there is no Federal responsibility. Water resources can no longer be dealt with as an exclusively local problem. Pollution knows no political boundaries. Certainly the Potomac River presents a vivid example of why water pollution must be tackled by all units of government, including the Federal Government.

Another very distressing example of inadequate sewerage facilities exists today close at hand in the Fort Meade area of Anne Arundel County. Recently the National Security Agency completed its move to Fort Meade. Many of the Agency's employees are still living in Arlington, Va., spending nearly 3 hours a day commuting. Why is this necessary? The answer is inadequate sewerage facilities. Saturated septic-tank conditions preclude further residential construction. We welcome these fine, dedicated employees to Anne Arundel County. Many of them want to reside in the community where they work. Because of the Federal impact and, hence, responsibility in this instance, it is my belief that this problem might possibly be dealt with by special legislation. But the fact remains that Public Law 660 today offers the only hope to this area to provide the type community to which our Federal employees are entitled. The accelerated program provided for by H.R. 3610 will bring about only a partial solution. Anne Arundel County has demonstrated its willingness to accept its responsibilities in the past; the Federal Government must not now shirk its responsibilities. I am certain there are many other locations throughout the country where the Federal Government has contributed greatly to water-pollution problems. This alone is reason enough for the continuation of this fine program. But, beyond this, the water-pollution problem is of such a magnitude that the passage of this bill will insure that the Federal Government will continue to accept its share of responsibility in solving a national problem.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. LANKFORD. I yield.

Mr. FOLEY. I wish to commend the gentleman for his statement and associate myself with his remarks.

Mr. LANKFORD. I thank my colleague.

Mr. AUCHINCLOSS. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. GUBSER].

Mr. GUBSER. Mr. Chairman, if it rained last evening, if it were a hot and humid day, and if the House Rules would permit, I wish we could be holding this session at the Water Gate Theater on the shores of the beautiful and historic Potomac River. There we could enjoy the sight of a river dear to the heart of every American, and we could inhale the air made putrid from raw

human sewage flowing down our beautiful Potomac from our Federal City of Washington. We could reflect upon the ridiculous situation which confronts us here today.

The Congress of the United States is solving sewage disposal problems in Iowa, California, Colorado, and Pennsylvania, and all of the 49 States, and at the same time it tolerates under its very nose the dumping of raw sewage by the city it controls into the very stream which waters the roots of American history.

What are we saying if we pass this bill today? We are saying that the American people have come to the point where they are so lacking in self-respect, so lacking in personal pride, that they will not handle the treatment of their own sewage. I will not say that. I have too much faith in the American people.

The American people will solve this problem at home if we will just let them solve it and keep our noses out of it.

Some will say they cannot afford it and that Congress must help local municipalities.

Mr. Chairman, when are the blind going to stop leading the blind? This Nation is bankrupt. We are going to have to raise the permanent debt limit to $285 billion or $290 billion. We cannot sell our bonds; our currency is depreciating rapidly abroad. This Nation is bankrupt, and certainly no municipality in the whole of the United States is any worse off financially than the Government of the United States of America.

If you want to solve this problem, make it a Federal offense to dump untreated sewage into an interstate stream. A reserved cell in Sing Sing or Alcatraz will be a greater inducement than all of the Federal giveaway programs you can vote in a month of Sundays.

When are the American people going to realize that the Government is not a producer of wealth; it only consumes it? A government can only give to its citizens what it takes from its citizens in taxes, less a substantial handling charge.

It seems to me that the American people should realize the very basic truth that you do not get something for nothing from Washington unless you let your grandchildren pay for it.

Mr. Chairman, this is a local problem. I say, let Congress concern itself with cleaning up the city of Washington and let the rest of the country handle their own sewage problems.

Mr. LANKFORD. Mr. Chairman, will the gentleman yield?

Mr. GUBSER. I yield to the gentleman from Maryland.

Mr. LANKFORD. I am very glad to hear the gentleman speak of the pollution problem in the Potomac. That is one part of the gentleman's statement with which I agree. I take it from the gentleman's remarks he will give me at least moral support, and I hope voting support, on a bill that I have introduced to correct the pollution situation of the Potomac River.

Mr. GUBSER. I consider the city of Washington to be a Federal city created by Congress. It is our responsibility, and I shall most certainly support the gentleman.

Mr. AUCHINCLOSS. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Chairman, my little city of Oglesby, Ill., about 5,000 people, bonded itself to pay for its sewage system. It is complete. It has no pollution for the river running by it. The State of Illinois has required other cities to do the same thing. The city of Chicago spent $100 million to provide sewage treatment for its sewage. So, the cities will not pollute the rivers of Illinois. Now, are we going to be taxed again to take care of the sewage problems of those cities that have not taken care of their own? That is what this bill proposes.

Mr. BLATNIK. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. MCFALL].

Mr. MCFALL. Mr. Chairman, pollution of our rivers and streams is caused mainly by industrial and municipal wastes. Of the two, industrial wastes constitute the larger and more complex problem.

The present backlog of waste treatment works is a major roadblock to full use of our water resources.

The magnitude of the water pollution control problem is brought to our attention daily with the explosive growth of our population and industry, and their massive drain on our water supplies.

Our time is running out.

Population figures are daily being revised upward. The same is true of the amount of goods and services to sustain our industrial growth.

Within the past few months the estimated population for 1975 was raised from 210 million to 220 million by the Census Bureau.

During this same period estimated water use in 1975 was raised from 350 billion to 450 billion gallons per day by the Department of Commerce.

Water use generally means contamination. Our average rainfall is neither sufficient nor adequately distributed for everyone to have unused water. This means that most of us will have to depend more and more on water that will be used not once but several times. We must be sure that our fixed amount of water will be suitable in quality to support future population, and the economy on which it must depend.

The economic effects of pollution are being felt in more and more places. More and more new industries are refusing to locate on polluted waters. The water pollution load has increased at a faster pace than construction of waste treatment facilities. The present backlog is, in fact, greater than it was 35 years ago.

Except for emergency public works during the depression years, and for a few defense-connected projects built during World War II and the Korean conflict, cities and towns have borne almost all the cost of construction of sewage treatment plants. This has not done the job. Construction of treatment works at a level necessary merely to keep even with increasing pollution will require an estimated expenditure of 450–500 millions of dollars annually. Wastes being discharged into our water courses are equivalent to those from 165 million people. Pollution is constantly gaining on measures of abatement.

This Congress appropriates millions for water conservation. The program we are discussing today provides a small percentage of that total program to protect our investment in the water we develop.

The testimony before the committee was overwhelmingly in favor of an increased program in this field. Secretary Flemming, speaking for the administration, also was in eloquent agreement as to the need for an accelerated program, and he disagreed only as to the method of accomplishing this necessary purpose.

The accelerated program is necessary. Our experience with the present program shows it can do the job.

I urge your support of this legislation.

Mr. BLATNIK. Mr. Chairman, I yield 3 minutes to the gentleman from Colorado [Mr. JOHNSON].

Mr. JOHNSON of Colorado. Mr. Chairman, I first wish to object strongly to the pessimism of those who think that this Nation is bankrupt. If that be the case, let us close up shop and go home before we waste any more funds. I dissent strongly from that notion, and I invite the attention of the House to the fine statement of Webster which serves to inspire this Congress and, I trust, all succeeding Congresses in their duty to the American citizens in this Hall.

Webster said, "Let us develop the resources of our land, call forth its powers, build up its institutions, promote all its great interests and see whether we also in our day and generation may not perform something worthy to be remembered."

I want to say that I have listened to much discussion of stream pollution and I wonder if we remember that the pollution enters downstream below the city which is its source. The South Platte flows through my district. The city of Denver dumps sewage into this stream, and people in my district experience that same odor that was spoken of here some time ago. The suburbs around Denver contain a large number of sewage treatment districts. There are 55 sewage districts in the metropolitan area.

This is a good bill, in that for the first time it provides for economy and efficiency by encouraging districts to cooperate together in dealing with this problem. The present law unhappily discourages them from cooperation.

We cannot truly save money by cutting down this program, because the cities downstream, which must purify the sewage before they can serve it through their water mains, would be better served by investing a little money in stream pollution eradication in the cities upstream.

Coming from Colorado, I know, indeed, that this is a national problem. Four great water systems originate in my State, on the top of the Rockies, and those streams flow alongside or through

one-third of the States of this Nation. Therefore, one-third of the States are interested in how adequate a job Colorado does in cleaning up the streams flowing from it. I strongly dissent from the opinion that this is a local interest.

More than that, the people of the whole Nation enjoy or want to enjoy the streams, whether to sit at the watergate, to go swimming, or fishing, or boating. All of these uses are, unhappily, destroyed by pollution. I would like to see more money provided, not just because I would like to have my children enjoy the streams, but also because I would like to enjoy them before I die.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from Indiana.

Mr. HALLECK. Does the gentleman know that a majority of these grants that have gone for sewage disposal plants have no relationship with streams directly?

Mr. JOHNSON of Colorado. That may or may not be true.

Mr. HALLECK. I am quite sure that that is true. So, I think it is about time that we began to look at the matter in its true light.

Mr. JOHNSON of Colorado. The previous discussion here I think makes clear that this bill affects the streams.

Mr. BLATNIK. Mr. Chairman, if the gentleman will yield, in answer to the point raised by the gentleman from Indiana, in just the last 2½ years this program has cleaned up 14,000 miles of rivers and streams.

Mr. JOHNSON of Colorado. I think that is the key point to this discussion.

Mr. Chairman, I call to the attention of the Members Colorado testimony in support of this measure, at pages 180 and 181 of the House hearings. The operation of this law has trebled the annual volume of construction. The State health officer states that curtailment of this aid "would seriously impede water pollution abatement in Colorado for several years to come."

Mr. BLATNIK. Mr. Chairman, I yield such time as he may desire to the gentleman from Wisconsin [Mr. JOHNSON].

Mr. JOHNSON of Wisconsin. Mr. Chairman, I am happy to join with my good friend and neighbor, Congressman JOHN BLATNIK, in supporting H.R. 3610, the bill to expand and accelerate the present Federal program for water pollution control. State and local municipalities, health agencies, sanitary engineering officials, conservationists and interested citizens are vigorously supporting the Blatnik water pollution control measure.

As one of the authors of the original water pollution control measure, Public Law 660, I am deeply concerned that this worthwhile program go ahead with all possible speed. Since enactment of Public Law 660 in 1956, there has been an unprecedented increase in sewage-treatment plant construction. The only way we can hope to clean up the Nation's rivers and streams is to provide additional funds for the construction of waste treatment facilities.

In a message to Congress in 1939, President Roosevelt pointed to the great advances in water cleanup made possible by the public works and work relief programs during the preceding 6 years. He advocated a system of Federal grants-in-aid and loans for a balanced public works program covering all types.

Until enactment of Public Law 660 in 1956, the Federal Government had not provided vigorous leadership. The professionals in the field of sanitary engineering are unanimous in their conclusion that water pollution day by day and year by year has become progressively worse during the past 40 years, with the exception of the period when the WPA programs were in effect.

Two years ago, both a group of State sanitary engineers and the Public Health Service conducted surveys to determine the effectiveness of the Federal grant program and to find out what more needed to be done. Both surveys arrived at practically the same conclusion. They found that while the Federal grant program resulted in a 75 percent increase in treatment plant construction throughout the Nation, we are still falling about $175 to $200 million short of the required $575 million annual construction level. In order to reach this level of construction, it is essential that additional Federal assistance be granted. H.R. 3610 would provide this needed assistance of $100 million a year.

For every dollar of Federal funds provided, local sources have supplied $4. The American people want the water pollution control program expanded and stepped up. In what other dollar-sharing cooperative program have they spoken so clearly?

Mr. BLATNIK. Mr. Chairman, I yield such time as he may desire to the gentleman from Wisconsin [Mr. KASTENMEIER].

Mr. KASTENMEIER. Mr. Chairman, the pollution of our public waters is a black mark on America. Once clear-running streams, crystal lakes, and majestic bays and inlets along the seacoasts are now used as open sewers or cesspools for man's wastes—both industrial and human.

Surface waters have many uses, and these include our domestic and industrial water supply, navigation, power generation, irrigation, and recreation such as fishing, hunting, swimming and boating. The conditions of filth resulting from polluted streams and lakes damage or destroy the use of water for many of these purposes. In addition, they create obnoxious and acute problems of public health.

Clean waters are the product of waste treatment facilities, planned and constructed by local communities and industry under the guidance and leadership of State water pollution control agencies. These State agencies determine waste treatment needs, establish priority of grants-in-aid, and assist with the administrative phases of the program. Federal participation includes allotments of construction-grant funds to States as well as project review, inspection, and certification of payments.

Is this Federal program worth while? This is the way the Association of State and Territorial Health Officers answered the question in a resolution adopted November 9, 1957:

> Federal sewage-treatment-works construction program has been a highly satisfactory joint municipal, State, and Federal endeavor, achieving the goals set forth by the 84th Congress in Public Law 660 in abating water pollution. Increased activity in sewage-treatment plant construction due to the program has materially aided in the abatement of pollution problems throughout the Nation. Continuation of * * * program will eventually eliminate pollution problems.

Communities in every State and the Territories of Hawaii and Puerto Rico have been aided by the Federal construction grants. The increase in water-pollution-control activities, stimulated by the Federal program, has been remarkable but there is much that remains to be done.

Despite the progress resulting from this program, the President in his budget message of January 7 urged that Federal construction grants be terminated July 1, 1960. Instead, he urges a plan proposed by a so-called Joint Federal-State Action Committee, composed of White House and Cabinet officers and certain State Governors.

This committee recommends that the sewage-treatment plant construction and vocational-education grants programs be turned over to the States. To finance these unrelated programs, the Federal Government would be asked to relinquish to the States 40 percent of the 10-percent excise tax on local telephone service. As might be expected, telephone companies and their subscribers rightfully are questioning why they should pay for pollution control and vocational education.

In fact, the President's own Water Pollution Control Advisory Board unanimously rejected the Joint Action Committee's plans as unworkable. A spokesman for the board commented that the President was "ill-advised" to lend support to the plan.

Furthermore, if the construction grants program were turned over to the States, the plan would not succeed, because:

First. Few, if any, States would pick up the Federal telephone tax levy.

Second. Those States which would pick up this telephone tax levy probably would not earmark funds for sewage treatment construction grants, and

Third. Funds from this source would be inadequate to finance the needed construction.

I believe I can safely state that every congressional district has a pollution problem that will be solved only through a Federal construction grants program. The program, which offers 30 percent Federal aid, already has encouraged hundreds of communities to undertake much needed sewage treatment projects.

Gentlemen, there is need for more construction grants, not fewer. And I urge all of you, those who love the beauties of the outdoors as well as those practical-minded people who believe in conserving water for industrial and municipal use, to vote for H.R. 3610 which would double

Federal aid to cities for more and better water pollution control facilities.

Mr. BLATNIK. Mr. Chairman, I yield such time as he may desire to the gentleman from Connecticut [Mr. DADDARIO].

Mr. DADDARIO. Mr. Chairman, H.R. 3610 will allow for further progress in water pollution control. Although Congress first recognized its responsibility in this field in 1948 with the passage of the Taft-Barkley law, the preservation of our water resources has long been a problem of great concern.

Our country's population has grown much more rapidly than experts were able to estimate. Municipalities once separated by miles of vacant land have now been brought together by the growth of population which has obliterated political boundary lines.

H.R. 3610 has a provision which takes this explosive growth into consideration.

In my district, one of the major cities is New Britain. It has a population of 88,000, expected to grow to 103,000 by 1960. One of its contingent communities is Berlin, with an estimated population of 11,000, expected to grow to 40,000, by 1960. Next to Berlin—and in the Second Congressional District of Connecticut, ably represented by Mr. BOWLES—is the community of Cromwell, with a population of 6,000 expected to double in the next 40 years.

The total acreage of these three communities is 53.9 square miles—or about one-ninth the area of the city of Los Angeles. In addition, at the present time, another 14,000 people live in areas adjacent to these communities and depend on the sewerage facilities of New Britain.

Disposal of the sewage of New Britain has been a recurring problem for some years. The present disposal plant was built in 1937 and was expected to reach its capacity about 1950. This capacity load was reached in 1940 and the plant has been overloaded for the past 17 or 18 years. The changing character of the industrial waste load through the years has also had an adverse effect on the performance of the plant.

This has been a source of concern to New Britain as operator, to Berlin as couser, to the Connecticut Water Resources Commission, and the State health department because of the increasing pollution of the Mattabesett River, and to Berlin and Cromwell, through which the Mattabesett flows.

This represents an acute problem. Studies have been made which contemplate joint use of the new facilities by one or more communities. Yet these communities may be denied equal Federal assistance under present law, since it could not be regarded as a single project.

Teamwork in building such new community facilities should be encouraged. The efficiency that can be secured through a larger plant would benefit all the people of the area. Help must be afforded all these communities so that fresh water, which can sustain peoples and attract industry, will be available.

Certainly Federal aid is vital. In Connecticut in the last fiscal year, the only municipal sewage-treatment plants placed under construction were those where Federal funds were available.

We are all conscious of the tremendous tax load placed on every level of government. It is impractical to believe that cities can afford, with a limited tax base, to construct immediately pollution control projects that are desperately needed.

In many cases, the problem is not one that a city can afford to handle alone. Water courses cross many lines. As population has increased, water needs have gone steadily upward. By the year 2000, water needs in Connecticut will probably double, according to two authoritative studies. We must not only protect the sources we have, but we must make every effort to reclaim and conserve streams that have been polluted. This is an investment in the future.

Suppose, however, that one community recognizes it has a sewage-treatment problem or a water-pollution problem. The sums it must find are large. If it tries to cut corners, it may stunt the growth of the area. And there is wasteful duplication if each community within a metropolitan complex faces and tries to solve this issue on its own.

I urge passage without delay of H.R. 3610 to assist in construction of sorely needed projects.

Mr. BLATNIK. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. WRIGHT].

Mr. WRIGHT. Mr. Chairman, through a great part of the State which it is my pleasure to represent, courses a stream which is known as the Brazos River. When Coronado and his conquistadores were attempting to find the fabled Seven Cities of Gold, they wandered for days through the sun-baked prairies of New Mexico and West Texas. Finally, their water supply exhausted they faced a stark and terrifying prospect unless they could find water very quickly.

The leader of the expedition called his band together and asked the priest who always accompanied them as a chaplain to offer a prayer for divine intervention that they might find water to sustain their lives. They knelt together there on the dry prairie, the invocation was made, and the story is told that following this, they proceeded in a direction which seemed natural to them, and, rounding the crest of a gently rolling hill, looked down upon the waters of the Brazos River, then unnamed, glistening in the sunlight. When they had slaked their thirst, the leader of the expedition said, "We were saved by los brazos de Dios."—by the arms of God. And for many years that river on all the maps was known as El Rio de los Brazos de Dios, or the River of the Arms of God.

No less today, indeed infinitely more today, water is the one indispensable, basic commodity to human life. The premise of the gentleman from Florida that the States should do more to solve this problem of water pollution, which more and more is glutting the remaining streams, is a good premise. And with it I will agree. But it certainly does not necessarily follow, Mr. Chairman, that the States will do more if only the Federal Government will do less. If you follow that reasoning to its logical conclusion, you would have to say that for the Federal Government to do nothing in this field would evoke the maximum response from the States.

For years upon countless years, while our population was growing by leaps and bounds and our water needs and problems growing more and more urgent by the moment, the Federal Government did not lift a finger to solve this national problem. It is definitely a national problem both because of its enormity and for the reason that streams unfortunately do not respect State boundary lines. What is done in one State affects what happens in every downstream State, unavoidably. And in all those years that the Federal Government did nothing, the States, tragically, did next to nothing.

I recall some 3 years ago, when this authorizing legislation was first brought to the floor, it was the contention of the gentleman from Florida and others who now maintain his position that this entire program would result in a slowing down of the cleaning up of our streams and in fewer rather than more construction projects for water pollution control. And yet here are the facts.

Here is what it has done; here is what this legislation has done in the few years of its life. Through the years 1952 to 1956, the average amount of money annually expended throughout the entire United States on contract awards for sewage treatment plants and stream pollution control was $222 million. What is it today? Today, with the Federal Government participating only to the total extent of some 8 percent, we have encouraged the local communities to participate to such an extent that this greatly needed work has increased from an average of $222 million annually to a total of $389 million annually in 1958. But still this is short of our needs, tragically short.

With our population growing so rapidly that each day we see the equivalent of a new city of 10,000 among us, with industry growing so rapidly and burgeoning the needs for water, our needs in the next few years foreseeably will be for $575 million worth of work annually on sewage treatment plants and steam pollution control.

Yet it seems rather clear to me that the effect of this amendment would be to slow down the work rather than speed it up. It would have the effect of denying participation in this program to any community, no matter how farsighted and progressive that community may be, whose State legislature did not see fit or was not able to put up the additional contributory money. It would have the effect of permitting any State legislature to throw a roadblock across the program and, by simply refusing to act, to deny any city in that State the right to have any participation in the program. And it would have the effect of penalizing and punishing every State and every city that lay downstream from such a backward or irresponsible State legislature.

The entry of the Federal Government into this field was preceded by demonstrated unwillingness on the part of the States to act. I certainly agree with everything that the gentleman from

Florida has said to the effect that the States owe a greater responsibility, and I should certainly want to join with him in anything that would encourage the States to do more in this crucial field. I think some of the States are awakening from their Rip Van Winkle slumber. I know my State for example is attempting at last to do something in helping to solve this most crucial domestic problem in the United States which is the problem of usable water supply.

Yet, I cannot believe that we are going to encourage the States to do more simply by requiring the Federal Government to do less. When you speak of the cost of this program when compared to the cost of other programs in which we are engaged as a Nation, the cost of improving the one indispensable resource to the life of man, the resource that is more important and more indispensable than oil, coal, iron, sulphur, uranium or any other resource on earth, the total additional cost that we are authorizing in this legislation even if it were all appropriated and expended every year, would be less than 30 cents per year per person.

This I think we can afford. I do not think, in fairness to the future, that we can afford to do less.

The CHAIRMAN. The time of the gentleman has expired.

The Clerk will read.

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and nine Members are present, a quorum.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6 of the Federal Water Pollution Control Act (33 U.S.C. 466e) is amended as follows:

(1) Clause (2) of subsection (b) of such section 6 is amended to read as follows: "(2) except as otherwise provided in this clause, no grant shall be made for any project in an amount exceeding 30 per centum of the estimated reasonable cost thereof as determined by the Surgeon General, or in an amount exceeding $500,000, whichever is the smaller: *Provided,* That the grantee agrees to pay the remaining cost: *Provided further,* That, in the case of a project which will serve more than one municipality, the Surgeon General shall, on such basis as he determines to be reasonable and equitable, allocate to each municipality to be served by such project its share of the estimated reasonable cost of such project, and shall then apply the limitations provided in this clause (2) to each such share as if it were a separate project to determine the maximum amount of any grant which could be made under this section with respect to each such share, and the total of all the amounts so determined shall be the maximum amount of the grant which may be made under this section on account of such project;".

(2) The third sentence of subsection (c) of such section 6 is amended to read as follows: "Sums allotted to a State under the preceding sentence which are not obligated at the end of the fiscal year for which they were allotted because of a lack of projects which have been approved by a State water pollution control agency under subsection (b)(1) of this section or certified as entitled to priority under subsection (b)(4) of this section shall be reallotted by the Surgeon General, on such basis as he determines reasonable and equitable and in accordance with regulations promulgated by him, to States having projects approved under this section for which grants have not been made because of lack of funds. Any sum made available to a State by reallotment under the preceding sentence shall be in addition to any funds otherwise allotted to such State under this Act. The allotments of a State under the second and third sentences of this subsection shall be available, in accordance with the provisions of this section, for payments with respect to projects in such State which have been approved under this section."

(3) Subsection (d) of such section 6 is amended by striking out "$50,000,000" and inserting in lieu thereof "$100,000,000", and by striking out "$500,000,000" and inserting in lieu thereof "$1,000,000,000".

(4) Section 6 is further amended by adding at the end thereof the following new subsection:

"(f) The Surgeon General shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors or subcontractors on projects for which grants are made under this section shall be paid wages at rates not less than those prevailing on the same type of work on similar construction in the immediate locality, as determined by the Secretary of Labor, in accordance with the Act of March 3, 1931, as amended, known as the Davis-Bacon Act (46 Stat. 1494; 40 U.S.C., secs. 276a through 276a–5)."

SEC. 2. (a) That there is hereby established within the Department of Health, Education, and Welfare an Office of Water Pollution Control (herein referred to as the "Office"). The Office shall be headed by a Commissioner of Water Pollution Control (herein referred to as the "Commissioner") who shall be subject to the supervision of the Secretary of Health, Education, and Welfare. The Commissioner shall be appointed by the President by and with the consent of the Senate and shall receive compensation at the same rate as that provided for grade GS–18. There also shall be one Deputy and two Assistant Commissioners of Water Pollution Control who shall receive compensation at the same rate as that provided for grade GS–17.

(b) All functions and responsibilities concerning water pollution control placed in the Department of Health, Education, and Welfare or any official thereof by the Federal Water Pollution Control Act (33 U.S.C. 466–466j) shall be included among the functions and responsibilities of the Commissioner and shall be carried out under his direction pursuant to such procedures or delegations of authority as he may deem advisable and in the public interest.

(c) The first sentence of section 7(a)(1) of the Federal Water Pollution Control Act (33 U.S.C. 466f) is amended to read as follows: "There is hereby established in the Department of Health, Education, and Welfare a Water Pollution Control Advisory Board, composed of the Commissioner, who shall be Chairman, and nine members appointed by the President, none of whom shall be Federal officers or employees."

(d) Except as changed by the terms of this section or by subsequent laws or regulations, all laws and regulations now in effect relating to matters heretofore administered by the Department of Health, Education, and Welfare through the Public Health Service as heretofore existing shall remain in effect.

(e) In recognition of the need for authority to execute the purposes of this section effectively, the Secretary of Health, Education, and Welfare shall exercise such a general administrative authority consistent with the terms of this section as he shall find to be necessary to carry out the provisions of this section effectively and in the public interest. In order to allow sufficient time to place the reorganization under this section into effect, the Secretary is authorized to establish an effective procedure and date of such reorganization notice of change shall be published in the Federal Register. Such reorganization shall be accomplished as soon as practicable after the approval of this section, but not later than ninety calendar days after such approval.

SEC. 3. Within one year after the enactment of this Act the Commissioner shall submit a written report to the Congress on the activities and future plans of the Federal water pollution control program, including construction, enforcement, research, and State services.

Amend the title so as to read: "A bill to amend the Federal Water Pollution Control Act to increase grants for construction of sewage-treatment works, and for other purposes."

Mr. BLATNIK (during the reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with and that the bill be open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk read as follows:

Committee amendment: On page 2, line 3, after the word "cost:" insert the following: *"Provided further,* That no grant of more than $250,000 shall be approved for a project in any State until all previously filed qualified applications from that State and political subdivisions thereof for grants not exceeding $250,000 have first been approved."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Strike out on page 4 from line 6 to page 6, line 5 inclusive.

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: On page 6, line 6, strike out "SEC. 3" and insert in lieu thereof "SEC. 2."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: On page 6, line 7, strike out "Commissioner" and insert "Secretary of Health, Education and Welfare".

The committee amendment was agreed to.

Mr. HALLECK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it has been pointed out that first of all the administration did not approve of this program at the outset, and second, that an effort has been made in respect to Federal-State relationships to work out an arrangement by which this responsibility, if it is such, should be shifted back to the States with an arrangement under which certain Federal taxes would be reallocated back to the States and the whole matter could be carried on at the State level. It should also be pointed out that the legislation before us seeks, in effect, to double the proposed expenditures. Certainly, in that respect it calls for the spending of more money that we do not have. It has an impact

on our Federal budget that ought to be recognized by everybody.

We all hear about these projects having to do with stream pollution, cleaning up the streams of the country; and, of course, every one of us wants that objective accomplished; every one of us would like to have a clear, pure stream where we could fish, where we could boat; and I happen to be considerable of a fishing enthusiast and something of a boating enthusiast. But I went to the trouble of finding out just what are the Federal criteria involved in the making of these grants and what have been the criteria that have controlled.

An analysis of 571 projects of the total of 994 projects approved as of April 30, 1958, disclosed the following facts on the Federal criteria applicable as certified by the State water pollution control agencies, and that, of course, involves the State health department in most cases.

The Federal criteria they list as:

A. Interstate, coastal, and Great Lakes waters.

B. International treaty obligations.

C. Federal impact.

D. Public health necessity

E. Financial burden.

Of the 571 how many do you suppose are based on the Federal criteria of interstate, coastal, and Great Lakes waters? Twelve. The gentleman from Minnesota speaks about 14,000 miles of streams; I do not know how many miles are involved there, but that part of the Federal criteria was involved only in 12.

In respect to the item listed as D, public health necessity, 389 were justified on that part of the Federal criteria. In other words, many of these projects have no real or realistic relationship to water pollution in respect to the streams. Also, I am informed that only 25 percent of these projects will help to abate interstate, coastal, and Great Lakes water pollution.

Mr. BLATNIK. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. Yes, I yield, but for a question not a speech; I have only 5 minutes.

Mr. BLATNIK. Every one of these projects was approved by the HEW. Did the gentleman ask them why they approved them? Did they give the gentleman the reasons for it?

Mr. HALLECK. I will tell you; as best I can from the information I could get. I inquired about why these grants would be made for sewage disposal plants where they are miles away from any stream. The answer I got was that surface water would be polluted and possibly that surface water would get somewhere where somebody would drink it; hence, it would be a public health menace.

Down in Indiana we do not drink much surface water any more.

What I am getting at is that in my opinion the avoidance of pollution of streams and lakes of this country is an extremely important thing. It may have certain Federal aspects, but I think at this juncture this legislation that is here before us is ill-advised, seeking as it does to enlarge a program about which there is already serious question. But I challenge anybody to get up here and deny that project after project has been approved over the country that involved the construction of sewage disposal plants that had absolutely no connection with any sort of stream on which you could catch a fish or run a boat.

Mr. CRAMER. Mr. Chairman, I offer two amendments, and ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. CRAMER: On page 2, line 2, insert after "*Provided*," the following: "That in order to require the State wherein the project is located to match the amount of the Federal grant, no grant shall be made for any project from an allotment from sums appropriated for any fiscal year beginning after June 30, 1962, in an amount in excess of whichever of the following is the smallest: (A) 25 per centum of the estimated reasonable cost thereof as determined by the Surgeon General, (B) the amount of the State funds paid toward financing the cost of such project, or (C) $500,000: *Provided further*,".

On page 3, strike out lines 15–18, both inclusive.

Mr. CRAMER. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. CRAMER. Mr. Chairman, I will do my best not to be any more repititious than is necessary, but as there are additional Members here on the floor, I do want them to understand the proposed amendment, and why I believe it to be a sound one and why I believe it will result in a much better water pollution control program.

If you will read the amendment, it is found on page 13 of the minority report and it has the effect in line 2, page 2, of inserting a proviso. That proviso has the effect of requiring equal State matching funds, 25 percent Federal and up to 25 percent State, and it also has the effect of permitting the local communities to construct these projects with only 50 percent of matching local money as compared with the present requirement of 70 percent local money. I think that is extremely significant because this initial bill was proposed to help the needy communities, the communities that cannot presently finance their sewage treatment program because they do not have adequate population or they do not have adequate income of the people involved, therefore they do not have adequate fiscal soundness to float a bond issue. So for those smaller communities, principally where they do not have the ability to do it themselves, this bill was intended to help those people. All the figures show, of course, that under the present program the largest percentage of money is spent on the smaller communities.

My amendment has the advantage of making available to those smaller communities that cannot even qualify under the present legislation or under the bill which we have before us, which are between the 50 and 70 percent local participation bracket, the opportunity to qualify and make them a part of this program.

I say to you that if there is any justification for the program being amended in any respect whatsoever at this time, it certainly is with regard to bringing additional communities on a local level into the program by requiring less local participation.

The proponents of the committee bill talk about how it is going to help all these additional municipalities. I say to you that the amendment which I have suggested will bring in these more needy smaller communities, much more so than the legislation that has been reported by the committee.

Mr. BLATNIK. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from Minnesota.

Mr. BLATNIK. Did not the gentleman oppose the original 50 percent Federal and 50 percent local ratio and approve the 70 percent local and 30 percent Federal? We initially asked for 50 percent.

Mr. CRAMER. My position is completely consistent. My position is there is a limitation as to what the Federal responsibility in this field should be. There is a limitation on what the taxpayers of American can afford in the form of Federal expenditures; therefore, there should be a limitation on what the Federal Government ought to put into these projects. Therefore, naturally, I supported the 30 percent, and my amendment provides for a 25 percent Federal participation in the future, with a 25 percent State participation. There is nothing inconsistent in my position.

If my amendment is adopted, the Members of the House will be offered a unique opportunity today to practice, for one of the first recent times when it comes to authorizing legislation, some fiscal responsibility, where it is sought to increase the authorization and probably future budgets in the amount of $50 million a year, a total of $500 million under this program, which is presently underway on a $50 million basis. This provides for a 100 percent increase after only 2½ years' experience under the program.

Mr. Chairman, let us assume everything the proponents say is true with regard to the need for the program, let us assume everything they say is true as to how effective the program is, let us assume everything they say with regard to 14,000 miles of streams that have been polluted, which obviously is not correct, but I do not have time to go into the details, let us assume every position they take is absolutely correct, I say to you that the amendment which I have proposed will better accomplish the objectives which we all want to serve, and that is abating stream pollution, providing an incentive for the municipalities to get the job done, for those municipalities that cannot afford to do it at the present time. My amendment will go much farther to accomplish that objective than merely increasing by $50 mil-

lion the Federal participation program. It will require the States to get into this program.

You talk about incentive on the local level to the local municipalities; this would provide an incentive to the States. I have not discussed this with any of the conservationist people who do not admit that if this program is to be successful the States are going to have to take an interest in it, they are going to have to get into the program. The States are going to have to have every incentive to get the job done. My amendment would require the States to match the Federal money equally and, therefore, would provide the incentive and would get the States in it. I submit that, in my opinion, there is no doubt but what the States would enact legislation to do so. After all, how many States have not accepted and have not matched the highway program fund? How many States and communities have not matched the Hill-Burton funds? How many States have not matched the funds that have been made available from the Federal Government to accomplish these and other objectives where Federal matching funds are offered? If these conservationists and municipal governments who are bombarding us here today to spend $50 million per year more on a national level—if they are so effective in convincing this body for the need of this program, then I say they will be equally effective on a State legislative level. It is essential that we get the States into this program if it is to be a success.

Somebody said that the Department of Health, Education, and Welfare is opposed to this bill. Let us not kid ourselves. I do not think there is a person seated on the floor of this House who feels that if this bill passes the House, it will become law. I do not think there is any doubt about it, because the President even refused in the budget to recommend the $50 million authorized under the present legislation. He recommended $25 million in the last 2 years. So, who is really trying to help the conservationists? Who is really trying to clean up the streams of this Nation? Who is really trying to get a good, sound, long-range program? I will tell you who it is. It is the minority who propose this amendment, because in this form I believe that this bill can become law.

Now, may I acquaint you with the fiscal facts concerning this legislation. There is presently remaining authorized under existing legislation $360 million. So far as continuing for the next 7 years the present $50 million program, administered in the present manner, there is no question but what there is no need for legislation at this time whatsoever. The major justification for this legislation is to increase the authorization for Federal grants by 100 percent, from $50 million to $100 million. That is the objective of the legislation. There already is $360 million authorized, not spent to date, available at the rate of $50 million a year. Even this Congress has not seen fit in the last 2 years to appropriate the whole amount of money authorized under the present legislation. Only $45 million has been appropriated in the last 2 fiscal years under this program when there is $50 million available in authorization. And, I hope you remember that, those of you who are interested in getting a good bill out.

I want to suggest to you that this amendment was drawn in as reasonable a fashion as it could be in an effort to help this legislation and not cripple it. I personally suggested just today that the date for the effectiveness of this provision requiring State matching funds should not take place until June 30, 1962. The initial date was June 30, 1961. So, the program would go along on its present level until June 1962. The States would have adequate time between now and then to say whether or not they are going to pass legislation to match these Federal funds. So, the objective has been to make this a sound and a constructive program.

When the Secretary of Health, Education, and Welfare was before the committee, what did he have to say in regard to the proposal presently before us? I asked this question as appears on page 150 of the hearings:

> Do you feel that this additional $50 million would cause the States or more of them to go into this program, or fewer of them? Would it be an incentive or a deterrent for State grants?

Secretary Flemming replied:

> Let me put it this way: It ties right in with the basic position of the administration. I feel if the Federal Government is going to continue the process of making grants directly available to municipalities, that the result will be that the States will pay less attention to the possibility of getting in and developing grant programs of their own than would otherwise be the case.

I trust the amendment will be adopted.

Mr. SMITH of Mississippi. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we get a great deal of confused information from the minority side about how they feel about this program. Some of the distinguished Members, the Minority Leader and others, indicate they are against the whole thing. The gentleman from Florida [Mr. CRAMER] indicates he is for it, that he is the best friend it ever had. But, somehow or other these best friends and these people against it both have gotten together on an amendment, and the only reason I can figure that they are all together on the amendment is because they know the amendment would kill the program. I think it would be far simpler for the minority to express their opinion on this bill by simply voting against the bill rather than this back door approach to kill it.

The proposal that has been made by the gentleman from Florida is as great a violation of the principle of States rights as any that has ever been offered on any legislation in this field here. He would take away the present option the States have to act in this matter, to assist the communities in any way they see fit, and require that they participate before the community can have any participation whatsoever.

Some of the gentleman's colleagues have talked about how this is a local responsibility, how they should take care of it themselves 100 percent. The gentleman from Florida [Mr. CRAMER] says it is not so much a local responsibility. Instead of requiring the local people to provide 70 percent, he would require only 50 percent. That is all subterfuge. The whole effort of this amendment is to kill the program.

The gentleman has been kind enough to change his sentence of execution from 1961 to 1962, but that slow death is not to be preferred to a quick death. If you want to kill this program, kill this bill and then introduce a bill to repeal the existing authorization, instead of taking this devious method, which would result in its death.

Much has been made here about how the highway funds are matched by the States. Of course they are matched by the States, but the States initiated the proposal to the Congress, that they be allowed to participate. In the highway program the Federal Government contributes 50 percent and the interstate highway program 90 percent, instead of the 30 percent under this bill. Of course, if you had a law under which the Federal Government put up 90 percent, you may be sure the States would match it. But this is not what we are proposing. This is a 30-percent Federal participation.

The minority leader has talked about this program and said that it does not apply to the Mississippi River, the Ohio River, or some of these big interstate streams. Of course, all these grants do not apply to them, but they do apply to streams that count.

When I went fishing as a boy, I went fishing on a creek, a bayou, or a slough, as we call it in the Mississippi Delta. And every one of these 1,200 or so grants—I do not know how many have had grants—are in relation at least to streams of that type. There are still plenty of American boys who go fishing on that type of stream. In my district we are not all prosperous enough to go motorboating, or do things like that on those types of streams, but we still go fishing, and even today the boy with his cane pole and his worms who goes fishing on these streams is just as much in this American system of recreation as any other in the country.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Mississippi. I am glad to yield to the gentleman.

Mr. HALLECK. I looked over the list of these projects and some of the communities I know very well from firsthand knowledge. They are communities that are far removed from any sort of stream where you can catch even a small catfish.

Mr. SMITH of Mississippi. I do not presume to say that I know all of these 1,200 projects as well as does the gentleman from Indiana. But I do know in detail each of the communities in my own State. And every one of them is on some type of stream. And I know of a few in the great State of Indiana, where my sister happens to be a resident, and I know that they are related to streams.

This program has done great work in providing incentive for our individual

communities throughout the country to join in the water pollution abatement program that means so much to the welfare of our country.

Mr. Chairman, I hope the committee will not accept this proposal of the gentleman from Florida which would actually kill the program.

Mr. MACK of Washington. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, under the existing legislation $50 million is provided by the Federal Government on a 30–70 matching basis to municipalities. Under the proposed bill there will be made available $100 million, or double the present $50 million allotment on the basis of 30–70. If this bill for some reason should be defeated in the House, or if it should not succeed in passing the other body, if it should be vetoed by the President then the present $50 million a year figure will remain in effect. Fifty million dollars will remain available annually.

I think from what has been said by the majority here today during the debate that everybody in this House recognizes that the President is going to veto this bill if it is passed in its present form. If the President vetoes the bill, then $50 million is what will be available to carry on this program. There will be no increase for the program. If the program is to be expanded, as a good many think it should, then the one certain and sure way to obtain its expansion is to accept the Cramer amendment which provides that the Federal Government will contribute the sum of $50 million and that the States must match the Federal grants to get money. This will provide greater encouragement to the municipalities to go into the program because whereas now a city receives a grant of only 30 percent from the Federal Government, it can obtain 25 percent of a State grant and a 25 percent Federal grant or 50 percent altogether instead of 30 percent of the cost. That should encourage the building of more of these sewage disposal plants rather than the building of fewer The mere fact that the State is required to contribute is going to make for better management in these programs. I am reliably informed that in the State of Arizona 20 projects have been approved and that 17 of the 20 projects are nowhere near any river or stream. Some are on the desert and contribute nothing toward preventing stream pollution. Those who really want $100 million for stream pollution work have their best chance to get this increased money by voting for the Cramer amendment.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I am getting sick and tired of sitting in the House of Representatives and listening to Republican Members trying to browbeat and blackmail the Members of the House through the fear of a Presidential veto. When a bill reaches the President, after consideration, the President has the right to either sign the bill or veto it. But I do not recognize the right of anyone to try to intimidate both branches of the Congress before a bill passes the Congress and goes to the President. I remember, only a few weeks ago in the press conference, the President was asked that question, and he said in substance that no one has the right to state what he is going to do before a bill comes to him. Yet, we see Republican Members arising here and trying to intimidate the membership of the House.

Mr. HOFFMAN of Michigan. Mr. Chairman, I make a point of order on that statement. A moment ago he said we were trying to blackmail or intimidate the Members.

Mr. McCORMACK. If the gentleman from Michigan is going to make a point of order, then make it.

Mr. HOFFMAN of Michigan. I am making it, and I did make it.

Mr. McCORMACK. Then make the point of order.

Mr. HOFFMAN of Michigan. The point is, It is an insult to all the minority Members.

Mr. McCORMACK. Well, is that not wonderful.

Mr. HOFFMAN of Michigan. That is just exactly what it is.

Mr. McCORMACK. I did not think the gentleman from Michigan could be insulted.

Mr. HOFFMAN of Michigan. That is another one.

Mr. McCORMACK. Well, you butt in where you do not belong and then you get what you do not expect.

Mr. HOFFMAN of Michigan. All you do is abuse and misuse.

Mr. McCORMACK. Oh, I know you through the years. You are familiar to me.

May I continue, Mr. Chairman?

The CHAIRMAN. The gentleman will proceed in order.

Mr. McCORMACK. Well, I am in order, Mr. Chairman.

I can remember when the first bill came up in connection with water pollution not so many years ago. We had the same fight then. We had our Republican Members fighting vigorously to defeat the bill. It was one of the most hard-fought battles that I have ever seen in the House of Representatives when we put through the original legislation with respect to water pollution. Talking about vetoes, I remember when it was confidently predicted on the floor of the House, when we had the railroad retirement bill up, that the President would veto it.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Of course, I yield to the gentleman.

Mr. HALLECK. So far as I am concerned, I specifically refrained from making any assertion about the veto of the railroad retirement bill, and I certainly have made none with respect to this bill. I do not recall anyone asserting that the railroad retirement bill would be vetoed.

Mr. McCORMACK. Well, the gentleman's recollection is very dim. I do not say that the gentleman from Indiana made the statement, but certainly other Members made the statement.

Mr. HALLECK. Mr. Chairman, will the gentleman yield further?

Mr. McCORMACK. Of course, I yield further to the gentleman.

Mr. HALLECK. The gentleman has raised the point.

Mr. McCORMACK. Well, the gentleman advocated it.

Mr. HALLECK. All that I shall do is either look at the RECORD myself or have someone look at it and then talk to the gentleman about it. Then we will find out who is right and who is wrong.

Mr. McCORMACK. Yes; and I would suggest looking at the original RECORD, too, and not the revised RECORD. If you are going to look at the RECORD, let us get the original RECORD.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield, but let me say again, I am not saying that the gentleman said it. I am not saying that the gentleman from Indiana said that.

Mr. HALLECK. I want to be very sure about that.

Mr. McCORMACK. You had better, but I did not say that the gentleman did.

Mr. HALLECK. Just a minute. May I say to the gentleman that if I made such a statement on the floor, it will be found in the RECORD.

Mr. McCORMACK. I did not say the gentleman made the statement.

Mr. HALLECK. There was an implication to that effect.

Mr. McCORMACK. Oh, no, no. If the gentleman has a guilty conscience, I am not responsible.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I intended to make a few remarks about the bill—yes, I yield.

Mr. HALLECK. May I say to the gentleman I have no guilty conscience about that.

Mr. McCORMACK. Out of my respect for the gentleman I will find the gentleman not guilty of having a guilty conscience.

In any event, we are all aware of the fact that the newspapers paraded the statement that the President was going to veto it.

Now, the rumor got around that railroad management was for it. I do not say that, but I know that on the morning of the day we were told that we could expect a veto they were prepared to come to some offices to try to have us sustain the veto. They were here from all parts of the country, and were most disappointed and, according to the newspapers, there was a poll taken on the Republican side. I do not know whether there was or not, but according to the newspapers there was a poll taken. If that is so, that is one of the strangest vetoes I have ever seen, because the President apparently after the poll was taken found that too many Members of his own party were going to override the veto, and as a result——

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. As a result of the persuasiveness of some on the Republican side he recognized the practical situation in 1960 and signed the bill.

And now does the gentleman want me to yield?

Mr. HALLECK. Yes; I do.

Mr. McCORMACK. I will be very happy to yield.

Mr. HALLECK. May I say to the gentleman that I happen to know something about what I am talking about. I assured the President of the United States that if he vetoed the railroad retirement bill the veto would stick. I believed it. There is no question in my mind about it.

Mr. McCORMACK. I am very glad to hear that the gentleman from Indiana can speak for every Republican Member of the House. I know this much——

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I know that quite a number of Republican Members would have voted to override it.

Mr. HALLECK. Will the gentleman yield?

Mr. McCORMACK. I do.

Mr. HALLECK. I do not claim to speak for the full Republican membership, nor do I think the gentleman can speak for all the Democrats.

Mr. McCORMACK. No; I never undertook to. But one thing is certain, one thing is certain: I think I represent a vast majority of the Democratic Party.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. This is interesting; yes.

Mr. HALLECK. Very interesting. I do not know how much this helps in the discussion of the legislation before us.

Mr. McCORMACK. It might prove to be very helpful. The gentleman realizes that there is a law of action and reaction.

Mr. HALLECK. That is something some of us discovered a long time ago.

Mr. McCORMACK. Yes. The gentleman is a past master, and I try to take a few pages out of his book.

Mr. HALLECK. I would like to say to the gentleman from Massachusetts that I do not speak for all the Republicans or a majority of the Republicans.

Mr. McCORMACK. I did not say that.

Mr. HALLECK. The gentleman must remember that we are only 153 strong, and I think our record is pretty good.

Mr. McCORMACK. I admire the gentleman's boasting. The gentleman did very good on the Housing Act, very good, remarkably good. So when the gentleman starts to boast, you know you better be very careful. The humble and simple man does not boast.

Now, coming back to the bill, we have had all this before. The Cramer amendment, which the public health commissioners of most of the States do not want, changes the basic law. I have a telegram from Massachusetts opposing it. This changes the basic law and under it the Federal Government will be dealing with the local governments and they will have to go through the State. A lot of States do not have any law on this subject. The result is as was so well stated by the distinguished gentleman from Mississippi [Mr. SMITH] to indirectly kill the bill.

This is nothing new. In the case of every piece of progressive legislation throughout the years most of my Republican friends have tried indirectly to defeat the bill, and this is another attempt in that direction.

I hope the Cramer amendment is defeated.

Mr. BLATNIK. Mr. Chairman, in an effort to ascertain how much more debate there will be on this amendment, I would like to submit a consent request.

Mr. HOFFMAN of Michigan. Mr. Chairman, I offer a preferential motion.

The CHAIRMAN. The Clerk will report the motion.

The Clerk read as follows:

Mr. HOFFMAN of Michigan moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

The CHAIRMAN. The gentleman from Michigan [Mr. HOFFMAN] is recognized.

Mr. HOFFMAN of Michigan. Mr. Chairman, I was in some doubt about some of the provisions of this bill. With an annual interest charge of more than $8 billion there is doubt about our ability to pay the cost. Then someone over on our side said it was a water pollution bill, that is to lessening or ending pollution of our water supply. But I did not know anything else was involved until I listened to some of the language that was poured out against us when we were accused by the majority leader, the gentleman from Massachusetts, Mr. JOHN MCCORMACK, of—what was it? Blackmail? Intimidation? Not just one or two or a few Republicans, but Republicans as a body.

I will not say anything more about what the gentleman said. Did his charge not smell to high heaven? I think it did.

That is all I care to say about it.

Mr. BROWN of Missouri. Mr. Chairman, I rise in opposition to the motion.

Mr. Chairman, many years ago Jack Benny had a famous gag. It seems that a gunman met him on the street and said, "Your money or your life." There was a long pause. Pretty soon the gunman repeated it and said, "Your money or your life." Benny said, "I am thinking it over."

Mr. Chairman, there is not a fair-minded person in this House who should have to think twice about voting for this bill, if he fully realized that it may well be a life or death matter.

I sat in the committee hearings for many days on this subject of water supplies. Several years ago, William S. Paley headed a commission of the Government to study the critical resources and materials of this country, things that might be in short supply. The No. 1 resource soon to be in short supply is water—not steel, not any other metal. It is water. That Commission urged this Nation to take immediate action to combat this shortage and said that if we wanted to whip this problem, the first thing we have to do is to depollute some of the water resources that we have.

The 84th Congress passed a bill to encourage more depollution of water. In fact, I have here the CONGRESSIONAL RECORD in which the distinguished Senator from California, Mr. William Knowland, said that one of the major achievements of the 84th Congress was the water pollution bill.

He said:

The administration reached another milestone in water-pollution control when it submitted and obtained passage of legislation permitting a 10-year $500 million program to aid States and cities to purify streams and other water sources which might otherwise endanger the public health.

The present Secretary of Health, Education, and Welfare told our committee that within the next 10 years the need for water in this country will double. Our population is exploding. Towns and cities are trying to keep abreast of the need for water supplies, sewer systems, and other requirements.

We have a backlog of requests for water-pollution control that we are not meeting with the $50 million that the Federal Government is now authorized to spend to encourage the States and municipalities to clean up these polluted streams. We are trying to take care of some of that backlog by adding another $50 million to present authorizations. Incidentally it would help a little if the administration would spend the money they have. Of the $50 million provided only $20 million will be spent in the 1960 budget unless this Congress reverses the decision of the administration. If we get it up to $100 million, maybe they will then spend all of the $50 million.

Mr. Chairman, if you have ever been without water, if you have had to pay $5 for a little barrel of it or $60 for a tank of it, or if you have ever hauled water for livestock, you know the value of water. When this Nation becomes a Nation of 200 million people we are going to need a lot of it, and we cannot wait until the last minute. The gentleman from Florida [Mr. CRAMER] knows that, but he says, "Let John do it. Let the States pay for it."

Mr. Chairman, do you know that the State indebtedness in this country has increased 500 percent in the last 10 years while the Federal indebtedness has increased 11 percent? Those are the figures. The States are not any better able to meet this problem than the Federal Government. And, furthermore, there are only 11 States in this Nation that even have the facilities for handling the problem or have the enabling legislation authorizing them to do it. Only three States spend any money on water pollution control.

Under the program provided in this bill, $100 million a year will stimulate over $1 billion worth of water pollution control. The Federal Government's share is only 8 percent. Municipalities and States put up 92 percent. And the program gets results. Certainly we cannot let it go by the boards.

If it was good in the 84th Congress, if it was worth the praise of the great Senator from California, and if the Paley Commission says we have to have it or we may become a nation deficient in water supply, surely this Congress can provide an additional $50 million a year to prevent a national water shortage. It is vital to the future of our civilization.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

The question is on the motion.

The motion was rejected.

Mr. ARENDS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in my 25 years in the Congress I do not think I have ever heard anyone in a position of responsible leadership on either side of the aisle resort to the use of words that were used here this afternoon by the majority leader. I am sorry the gentleman used the words "intimidation" and "blackmail." It did not sound like JOHN MCCORMACK.

Of course, I am opposed to the bill. I originally opposed it, and I oppose it now.

I wish to call your attention to an article that appeared in the Wall Street Journal. I do so to emphasize exactly what you are doing here. In part, this is what the editorial says, and each of us, as American citizens, ought to pay some thought to what is involved in what is presently before us. This is the serious dilemma the Treasury finds itself in today:

Removing or increasing the statutory 4¼ percent interest ceiling on longer-term Government bonds; removing or raising the 3¼ percent interest rate ceiling on savings bonds; and increasing the public debt limit to $290 billion or $295 billion.

Savings bonds have been in difficulties for a long time, with the total outstanding declining as redemptions exceed sales. One reason is that people can get more for their money elsewhere, but a deeper reason is disillusionment with what inflation has done to these earnings in the past 20 years and the fear that the next 20 years will be equally dismaying.

But today the average maturity of the marketable debt is actually shorter than in 1953.

The Treasury has had to rely heavily on short-term offerings bought mainly by banks, a process which, apart from its other drawbacks, can be a direct generator of inflation. And, in the absence of correctives, this very bad situation will get rapidly worse.

The genesis of that problem is nowhere else but in uncontrolled Federal spending unmatched by revenues, resulting in the deficits which both cause inflation and are shooting the public debt toward the $300 billion mark.

The only way out of the vise is a sharp reduction in, and restoration of control over, Federal spending.

Perhaps now everyone will at last begin to realize that the laws of common sense have not yet been repealed. It should be clear by now that the penalty of fiscal irresponsibility is not only inflation but a situation where the Government's financial machinery finally can no longer function.

I want to ask you, with all the emphasis I can command, that when you pass an appropriation here for the amount of $100 million for 10 years, or $1 billion in all, what are you going to do when the problem inevitably arises with respect to raising the Federal debt limit? How many of you are going to stand up on the floor of the House and make speeches against increasing the national debt? By causing this spending you are indirectly voting to increase the debt. You become a party to creating this difficult situation pointed out by the Secretary of the Treasury. In all seriousness, I ask you to stop, look, and listen. Desirable as this program may be, it could be postponed. It could be reduced. Consider what you are doing to the Treasury of the United States today, to the people who have investments, to the people who are retired, to the people who are carrying bonds in their portfolios. How can you talk about increasing the national debt when you are the party who made it necessary by virtue of this? Let us face the facts.

I will insert the editorial. It should give you pause:

[From the Wall Street Journal, June 4, 1959]

FROM PROBLEM TO CRISIS

From all accounts President Eisenhower and Treasury Secretary Anderson must really have laid it on the financial line in their secret meeting with congressional leaders this week. It's about time. For the Treasury's difficulties, particularly with the public debt, are no longer just a problem but a crisis.

The upshot of the meeting, according to the best estimates from Washington, may be a package request to Congress comprising: Removing or increasing the statutory 4¼ percent interest ceiling on longer-term Government bonds; removing or raising the 3¼ percent interest rate ceiling on savings bonds; and increasing the public debt limit to $290 billion or $295 billion. Mr. Eisenhower told his press conference yesterday the administration is seriously considering some such steps.

Whether the package goes to Congress exactly that way or not, the discussion of such proposals represents a recognition of the plain reality that the Treasury cannot continue trying to compete in today's money markets under the crippling disadvantage of arbitrary interest rate limits. More important, the discussion puts a harsh spotlight on the elements of the Treasury's mess and reveals what the basic trouble really is.

Savings bonds have been in difficulties for a long time, with the total outstanding declining as redemptions exceed sales. One reason is that people can get more for their money elsewhere, but a deeper reason is disillusionment with what inflation has done to these earnings in the past 20 years and the fear that the next 20 years will be equally dismaying.

The market for other Government bonds has also been depressed. One reason is private competition for the lender's dollar, but again the deeper reason is fear of inflation and a resultant desire to hedge by buying stocks instead of bonds.

All this has enormously complicated the Treasury's management of the public debt, which has been getting more complicated anyway because the debt is soaring. The Eisenhower administration from the beginning wanted to put debt management on a much more orderly basis, specifically by shifting more of it into longer term obligations in nonbank hands. But today the average maturity of the marketable debt is actually shorter than in 1953.

The Treasury has had to rely heavily on short-term offerings bought mainly by banks, a process which, apart from its other drawbacks, can be a direct generator of inflation. And, in the absence of correctives, this very bad situation will get rapidly worse.

So we find inflation—past, present, or feared—dominating all aspects of the Treasury's mess. The genesis of that problem is nowhere else but in uncontrolled Federal spending unmatched by revenues, resulting in the deficits which both cause inflation and are shooting the public debt toward the $300 billion mark.

The Treasury is caught in a tightening vise not of its making. It has been unable to manage the debt on a noninflationary basis; ironically, indeed, it has been forced to foster the inflation Secretary Anderson wants to fight. The only way out of the vise is a sharp reduction in, and restoration of control over, Federal spending.

We think it a credit to Mr. Eisenhower and Mr. Anderson to try to do something now in the face of a Congress dominated by men who have a strong penchant for inflation and of a public that seems to have been almost persuaded the Nation can go on indefinitely that way.

Perhaps now everyone will at last begin to realize that the laws of common sense have not yet been repealed. It should be clear by now that the penalty of fiscal irresponsibility is not only inflation but a situation where the Government's financial machinery finally can no longer function.

Mr. BLATNIK. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

Mr. BOW. Mr. Chairman, I object.

Mr. BLATNIK. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 20 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from Minnesota.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, I wanted an opportunity to remind my colleagues here that the question before us really is whether we are going to have an effective water pollution law or not.

I want to recite to you some of the things that go into the water that you and I and our citizens downstream drink. If you have read some of the insertions I have put into the CONGRESSIONAL RECORD you will know what is being dumped by hundreds of thousands of tons into the waters of the United States. We find substances like dead cats, dead dogs, municipal waste, human feces, condoms, garbage, big gobules of fat, chicken feathers, entrails of animals from slaughterhouses and radioactive waste. These are some of the things that are in the water your constituents and mine are drinking. These are some of the things that this bill is aimed at taking out of the waters that your constituents and mine are drinking. The waters of the United States are so foul that it is really painful to drive along a river like the Potomac.

Let me tell you some of the other things that go into these waters; alkalis, acids, strong corrosive substances, substances so strong that they are eating up bridges and retaining walls, levees, canals and dams, poisons like phenol, a pea-sized bit of which will kill an elephant, substances which attack and enlarge the liver, other substances, which cause damages to body of a nature yet unknown.

When the House votes on this measure, these things should be borne well in mind.

At low water on the Ohio River one quart in every four has been through toilet, kitchen sink, mine dump or factory. One quart in every four of the water of the beautiful Ohio has been defiled with unspeakable filth, poison, and germs. What will the people of that great river valley, or any other river valley say to their elected representatives who oppose restoring, the water of our country to a safe, clean condition, especially when in the future they find, as some now do that 1 out of every 2 quarts of water is defiled by flowing through sink, toilet, or industrial system.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. DINGELL] has expired.

The Chair recognizes the gentleman from Iowa [Mr. WOLF].

Mr. WOLF. Mr. Chairman, I am happy to follow the leadership of the great majority leader.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. WOLF. I yield to the gentleman.

Mr. STRATTON. Mr. Chairman, in view of the somewhat partisan aspect that this debate has taken this afternoon, I wonder if the gentleman realizes that in the great State of New York this is not a partisan political issue. I wonder if the gentleman realizes, Mr. Chairman, that in the hands of the committee is a letter from the Republican Governor of the State of New York, Governor Rockefeller, saying, "I strongly endorse your bill," and indicating that the bill also has the endorsement of the major departments of the Government?

Mr. WOLF. Did the gentleman say the Republican Governor of New York is endorsing the position of the chairman of this committee?

Mr. STRATTON. He has endorsed the bill. And I might say to the gentleman, too, that the New York State Conference of Mayors has endorsed it.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. Bow].

(By unanimous consent, Mr. GUBSER and Mr. GROSS yielded their time to Mr. Bow.)

Mr. BOW. Mr. Chairman, I would like to say that I am opposed to this bill. I had hoped to have a chance to discuss it fully. May I point out that this bill would cost the State of Ohio $6,200,000 and Ohio would receive $3,300,000. If they would permit Ohio to use its money in Ohio, we could do a pretty good job.

Mr. Chairman, as I have said, it is going to cost Ohio about $3,300,000 more than Ohio is going to receive from this bill.

I am not charging any of those who favor this bill with any wrongdoing. I think it is a matter of philosophy of Government. I have the philosophy of Government that the States and communities can do a better job in these matters, if they handle them themselves than we can at the Federal level.

The gentleman from Michigan [Mr. DINGELL] has given a long list of things that are in the water that we are drinking.

Certainly, if that is the fact, I see no reason why local communities, why States, do not make the effort to clear them up. Why do they not? It is simply because we have been bringing so much into the Federal Government, there is so much money coming here, that the States and municipalities no longer have the opportunity. And may I say to you that the only money we have is that which we take from the pockets of the people back home. And if we leave it there, they are going to get more for their dollars than they will when it comes down here to Washington.

May I point out one further thing in this bill that impresses me. I told you how much more it is going to cost the State of Ohio to get their $3,300,000, but I notice here that Puerto Rico is going to get $2,343,000. Puerto Rico does not pay a single dime in Federal taxes. Some of you people in States that are getting less than $2,300,000 where you are paying in your taxes, remember that in this bill you have an area that does not pay a dime in Federal taxes and that area is going to get $2,343,000. That is one of the reasons why the tax bill for the State of Ohio and New York and Illinois is as high as it is. I think we can look also at the Virgin Islands. They are going to get $1,600,000. They have no Federal taxes, they pay nothing into the Federal Treasury, but in all these grant-in-aid programs, they receive the benefits. It is time we called a halt to this kind of spending.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. PRICE].

Mr. PRICE. Mr. Chairman, I oppose the Cramer amendment because I favor a water pollution control program. Those who do not favor such a program, I assume will support this amendment. The minority leader has made it clear that the administration did not approve of the program at the outset and I agree on that. However, there have been some outstanding Members of the House on the Republican side and Members in the other body who did favor this program. One of the original sponsors was another great Ohioan and my good friend and former colleague, Charles Elston, and the great Senator from Ohio, Mr. Taft, was one of the original sponsors of this program in the other body.

Mr. Chairman, I rise to support H.R. 3610, and I direct my remarks to the proposed amendments.

On pages 12, 13, and 14 of the Report No. 294, House of Representatives, 86th Congress, 1st session, entitled "Water Pollution Control," submitted on April 23 by the gentleman from Minnesota [Mr. BLATNIK] from the Committee on Public Works, in which is advocated an all-out attack on the social crime that is water pollution, you will find expressed the dissenting views on this legislation.

On page 14, the last sentence in the report states that "approval of the Federal-State matching amendments proposed in this statement will greatly improve H.R. 3610." It also states that an adoption of the amendments will "provide an effective incentive to a sound and substantial expansion of our water pollution control program."

Mr. Chairman, I affirm that exactly the contrary will result if the amendment is accepted.

The proposed amendment would destroy a working program, a going concern, that for the first time in the history of our country is successfully attacking the disgraceful water pollution problem of the United States. This is a problem which affects almost every stream—lively or sluggard—in our country, no less than our lakes, our inland waterways, and the farflung shores of our oceans and gulfs.

The dissenting views are outlined in six points. The first argument advanced is that State matching would result in doubling the present grant funds without an added drain on Federal funds. But to accomplish this end, the States would have to agree to it, they would have to pass enabling legislation in each State. Most State legislatures meet every 2 years. And most of these States are in session this year. They will, therefore, not be able to consider this proposal for 2 years hence, until after the election in 1960. Again, in 1960, only 18 States will be in session. We could go on for years trying to get States to agree to the minority proposal. It would be almost as bad as trying to get a constitutional amendment. Children could be born, grow to manhood and womanhood and die, before all of the States agree to this complicated proposal.

The second point of the argument is that there would be a more effective screening of project applications since the States would have a financial interest in every application. I can only point out that a recent study conducted by Mr. Milton P. Adams, executive secretary, Michigan Water Resources Commission, found universal agreement among State water pollution control agencies that State screening of projects is now very effective and that few complaints have been turned up anywhere along the line.

The third point in the so-called explanation reads as follows:

> Cooperation by the States with the Federal Government would greatly strengthen the water pollution control program.

This rhetorical flourish reminds me of the first sentence of one of ex-President Calvin Coolidge's columns many years ago. For the benefit of some of the younger Members of the House, I shall recall that after Mr. Coolidge left the Presidency, he engaged in writing. His newspaper columns were widely read. Some of them were noted for their profound revelation of the obvious. One of Mr. Coolidge's columns, if I recall correctly, began this way: "All church spires point to heaven."

I should like to emphasize that the States are cooperating with the Federal Government in the water pollution control program today, and they are cooperating in a very marked way. They are cooperating in a manner that merits the plaudits and the help of the National

Congress, and not its resistence and timidity and tight-fistedness.

The fourth point advanced is that the amendment would financially benefit communities throughout the United States, since they would need to raise only 50 percent instead of 70 percent of the total cost of a sewage treatment plant project. This is based upon the assumption that the Federal grant amounts to 25 percent, and that the State grant would also amount to 25 percent. It is difficult to understand this paradoxical point. Opponents of the Federal construction grant program have long and loudly been calling for increased local participation. Now they are turning around, and are calling for smaller amounts of money from communities. However, they make up the difference by taxing the State as a State. This itself, it seems to me, is a poor example of concern over States rights.

The fifth point is that Federal-State matching would result in recognition of the rights of the States, and there would follow, and I quote, "a more wholesome atmosphere" for Federal-State cooperation. I have here Document No. 86–4 entitled, "Hearings Before the Committee on Public Works, House of Representatives, 86th Congress, 1st session, on H.R. 3610." The hearings were held on March 18, 19, and April 8 of this year. The document comprises 241 pages. The merest glance at the statements made by almost 100 witnesses, or those who wrote in or telegraphed supporting testimony, would reveal that there was nearly unanimous agreement that a very close and wholesome atmosphere in Federal-State relations exists at the present time in the carrying out of the provisions of Public Law 660.

The final point of the minority proposal is that there has been State matching of Federal funds under the Federal-aid highway acts and that this system has been most satisfactory and the rights of the States in highway matters have been recognized. Mr. Chairman, this particular point is another prime example of the profound revelation of the obvious.

In conclusion, there is no sound argument against the present construction grants program under Public Law 660. A recent editorial in the New York Times stated, in commenting upon the report of the House Committee on Public Works in connection with H.R. 3610:

> The House committee heard the administration's appeal for the proposed transfer (of the construction grants program) to the States. Then it provided, by an overwhelming majority, to vote instead to double the program of Federal grants, from $50 million to $100 million a year. * * * The committee's reasoning was plain and persuasive: the program has worked.

Citizens all over America likewise know that the present program has worked. They know that it is getting late. Time is running out. They want this program not only continued, but expanded so that the social crime of pollution of our rivers, streams, lakes, and coastal waters may be stamped out.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. LINDSAY].

Mr. LINDSAY. Mr. Chairman, I had not intended to speak on this proposal, but I am constrained to take the floor for 1 minute to say I associate myself with the remarks made by my distinguished colleague, the gentleman from Florida [Mr. CRAMER]. To me, it was one of the most effective and persuasive arguments I have heard on the floor of this House since I have been here. As I see it, it is fundamental that if you want a workable program and one that will produce results, and those the best results, and squeeze the last drop of good out of whatever you are doing, you will provide a system of a partnership arrangement between the Federal Government and the local communities. It seems to me that the gentleman from Florida stated the case clearly and accurately and persuasively. The gist of his remarks, which weigh so heavily, I think, and which should be persuasive, is simply that if you want a sound, effective program, then support this amendment.

The gentleman from New York [Mr. STRATTON] has told us that he received a telegram from the Governor of the State of New York, the Honorable Nelson Rockefeller, and that Governor Rockefeller supports this bill. With deference to the gentleman [Mr. STRATTON], I think it less than accurate, indeed, incorrect, to infer that Governor Rockefeller opposes the amendment proposed so ably by the gentleman from Florida [Mr. CRAMER]. Quite the contrary, our Governor has often indicated his wholehearted support of the partnership approach to these grants, which the amendment would require here.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, I ask unanimous consent that the time allotted to me may be transferred to the distinguished gentleman from Minnesota [Mr. BLATNIK].

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. MACK].

Mr. MACK of Washington. Mr. Chairman, I ask unanimous consent that my time may be allotted to the gentleman from California [Mr. BALDWIN].

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. MOSS].

Mr. MOSS. Mr. Chairman, let me make just one point. We heard the distinguished minority whip try to impress upon us the dangers of inflation. I submit that this is not the main issue before us today. There has been a fair degree of stability in our price indexes for the past year. I think rather it is time to look here at the cost of failure to act. Pollution destroys property. Pollution destroys values. If there is any adverse effect, it is the adverse effect of the danger of pollution. We require capital to overcome the ill effects of pollution. We require encouragement for the local governments which are not as "fat" as some would have it appear.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. AVERY].

Mr. AVERY. Mr. Chairman, I yield my time back to the committee.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. FLYNN].

Mr. FLYNN. Mr. Chairman, I feel compelled to attempt to answer the argument made that the money being proposed to be spent by the majority side in the House of Representatives, money to be invested both in the people and in the country, is inflationary. Mr. Chairman, we do not have inflation to that extent. The real cause of what is termed inflation today is the failure of the administration to act. They have permitted the bonds of this country to rise about 2 percent, which costs the Nation about $5 billion more interest than was the case previously. That is inflationary. In doing so, they have set up a situation where every single bank in this country is able to avoid payment of taxes, and I believe a great majority of them are failing to pay 1 penny in income taxes, because by setting off the loss and selling their bonds at the depreciated value, they offset their profits and are able to take a 100 percent capital loss and thus they can and are avoiding paying taxes to the United States.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. BECKER].

Mr. BECKER. Mr. Chairman, I wish to associate myself with the gentleman from Florida [Mr. CRAMER] in offering his amendment. One thing I would like to say at the outset is that many reasons have been advanced here today as to why we should have this bill, principally because of the health of the American people. It is my humble opinion that the statements made by the distinguished minority whip are very true. Raising taxes and deficit spending certainly do not add to solution of the health problem.

When I had the honor of serving as a member of the distinguished Public Works Committee of the House at the time this matter was originally proposed it was understood to be a water pollution control bill. We were supposed to pass legislation that would control and penalize the States. Instead of having the courage to do that, the legislation that came out was a money bill. We cannot solve these problems in that way.

The CHAIRMAN. The gentleman from California [Mr. MCFALL] is recognized.

Mr. MCFALL. Mr. Chairman, I oppose this amendment.

Mr. Chairman, all that this amendment would do would be to throw a monkey wrench into the control of the program on water pollution.

It would require the legislators of each of the 50 States to go through the process of appropriating 25 percent of the total

project cost before any project now on the list could be approved. It would effectively prevent necessary nationwide action in cleaning up the rivers and streams of our country by the simple fact that scores of legislators in each State would have to be persuaded as to the necessity of this program.

If you were opposed to this desperately needed work, you could get State lobbyists to oppose this in every State and delay indefinitely, if not kill outright the antipollution program. This is a real and important reason for opposing the amendment.

But there is still another reason. This so-called matching provision provides only an illusion of increased assistance. It accomplishes very little except to require more red tape.

Presently, the Federal Government pays up to 30 percent on these approved municipal programs. The municipality pays the balance.

On the overall, this works out to be 18 percent Federal, and 82 percent local.

This amendment lowers the Federal contribution to 25 percent, and says the States must set up the machinery to match it—the balance to be paid by the municipality. What is the practical result? By reducing the Federal share by one-sixth; it would reduce the overall Federal contribution to 15 percent, but without reducing the total cost to the Federal Government. The State and municipality together would share the 85 percent, while the municipalities themselves now pay the entire 82 percent. In effect we are saying to each State, "It is wrong for you to permit these cities to pay this money. You must tax the people, if you can, run it through your administrative machinery, and give it back to them in grants in aid, less the administrative expenses."

I can see no necessary Federal purpose in distinguishing between local and state participation to accomplish this program. What is important is that local participation is had, not that State governments do or do not have some participation on paper.

This amendment would do nothing but set up more administrative machinery and get very little, if any, additional money in the program.

I urge the defeat of the amendment.

Mr. Chairman, I yield the balance of my time to the gentleman from Minnesota [Mr. BLATNIK].

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. BALDWIN] for 2 minutes.

Mr. BALDWIN. Mr. Chairman, the principle of the amendment that is before us is whether the States should be brought into the program of water pollution control on a financial basis. I do not think there is a Member of this House who has opposed the bills which have come out of the Public Works Committee to provide Federal-State matching for the ABC road system, the State primary and secondary roads. Nobody has challenged the question that the States will match the funds and participate in the program. A great number of arguments have been made against the Cramer amendment, predicated, in most cases, upon the false assumption that the States would not match these funds.

The facts are that whenever we have had a similar program, such as the ABC highway system I mentioned, the States have always matched the funds.

In the matter of stream pollution control legislation, State control boards have established regulations to prevent the excessive pollution of their streams, and there is no reason for anyone to believe that when we provide a matching system the States will not match the funds we make available and participate financially in this program if it is going to provide the maximum benefit to the local communities over the period of years ahead.

That is the issue in this case, and there is nothing that has been established here that disproves the proposition that the States will match the funds in a matching program.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield.

Mr. CRAMER. Mr. Chairman, I congratulate the distinguished gentleman from California because he has been a champion of water pollution control right from the outset. He and I have fought shoulder to shoulder in the last session of the 84th Congress, and the Congress passed the bill setting up a program that has worked. My proposed amendment would make the program more available and more effective.

The CHAIRMAN. The Chair recognizes the gentleman from Maine [Mr. COFFIN].

Mr. COFFIN. Mr. Chairman, I ask unanimous consent that my colleague, the gentleman from Maine [Mr. OLIVER] may extend his remarks on this following mine.

The CHAIRMAN. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. COFFIN. Mr. Chairman, I am somewhat amused by the amiable nonsense that this is really a States rights bill. We in Maine have been participating in this program as one of the four States where State appropriations are used in this program. It was our right to do so. We set up our own formula allocating a share to the local community.

Now we are being told under this amendment that this is the only way in which we can participate. Our Governor is against this amendment. Our Water Improvement Commission is against this amendment. Our Maine Municipal Association is against it. We are not a radical people. We in Maine regard this program as one of the best examples of mutual cooperation between State and local governments and the Federal Government, and we see no point or value in changing the present flexible assignment of responsibility within the States. I have three telegrams from responsible leaders in our State. The first is from Gov. Clinton A. Clauson, who strongly supports H.R. 3610.

The second message is from the Water Improvement Commission of the State of Maine:

Representative FRANK M. COFFIN,
House of Representatives,
Washington, D.C.:

Maine Water Improvement Commission urges support of Blatnik bill original unamended form. Amendment by CRAMER objectionable in that it would require change State statute before operatable in Maine. Also object changes in amount Federal and State participation.

R. W. MACDONALD,
Water Improvement Commission.

Finally, I have received this telegram from the Maine Municipal Association:

Representative FRANK M. COFFIN,
House Office Building, Washington, D.C.:

Urge that you strongly oppose Cramer amendment to H.R. 3610. This amendment would reduce sewage treatment program to chaos. Urge that you take firm stand in support of Blatnik bill.

FRANK G. CHAPMAN,
Executive Secretary, Maine Municipal Association.

This is the kind of enthusiastic support which the Federal Water Pollution Control Act has developed in Maine. In our State, towns pay 50 percent of the cost of approved projects, the State pays 20 percent, and the Federal Government pays 30 percent. We now have three projects with total costs of $1,508,982. State and local sources are contributing $1,057,059, and the Federal Government is contributing $451,954.

Under our present State water classification laws, 18 more towns are obligated to install waste-treatment facilities designed to serve 105,000 people, at a total cost of $7 million. Under new classifications, effective in September of this year, 7 more towns will be obliged to plan construction of waste-treatment facilities to serve 53,132 persons at a total cost of $4,260,000. In other words, under our State law, as of September of this year, we will have to plan on expenditures of $11 million for waste-treatment plants.

There are 29 more communities, which are not required at the present time to undertake this construction, but where facilities should be built. It is estimated that by 1980, these 29 communities will have a total population of 600,000, requiring facilities costing $21 million.

Maine's need for additional construction is reflected on the national level, where the estimated total cost of an adequate pollution control program is $575 million a year over the next 8 years. Obviously the program should be expanded as recommended in the Blatnik bill, to provide for Federal grants totaling $100 million a year. This seed money, invested in clean waters, will provide untold benefits in health and industrial development.

Unfortunately, there are those who refuse to recognize the need for the present program and who will not consider the improvements necessary to bring our antipollution activities to the level where they should be. Previously this group has offered outright opposition.

Today they suggest, under the superficially plausible argument of State responsibility that State governments should be required to match Federal grants. By some strange mathematical process they argue that this would double the grant-in-aid incentive program. My addition and subtraction tells me that this would only take away 5 percent of the present Federal contribution and add it to what the State and local governments now pay.

The adoption of this amendment would raise obstacles to the continuation of the antipollution program in many States and create confusion in others. This is a waste we cannot tolerate.

One final point. I say this as a member of the Foreign Affairs Committee. We have had under consideration the Mutual Security Act. We are going to bring it to the floor in the near future and ask the House to provide for certain projects in foreign countries. And among them what do you find? Projects to purify water. Is not the same purpose a legitimate one for us here at home?

Mr. OLIVER. Mr. Chairman, my distinguished colleague from Maine [Mr. COFFIN], who has just addressed this Committee, has stated, in most logical and persuasive terms, the interest which our State has in this vitally important subject of water pollution control.

Our able Governor of Maine, my good friend and the progressive leader of our State, Clinton Clauson, has stated his position of wholehearted support of this pending bill in these terms:

> I wish to give my full support to the Blatnik bill, H.R. 3610, which would do so much for water pollution control in Maine and the Nation. I hope that attempts to amend the bill in order to increase required State participation and lessen Federal participation and to impose additional Federal requirements will fail. To increase required State participation would mean that Maine would have to defer until 1961 because an act of the next legislature would be necessary.

Mr. Chairman, you will note from his words, not only his conviction that this basic approach to eliminate pollution, the destroyer of the real wealth found in our water resources, must be continued and expanded but you will also note his conviction that the pending amendment offered by the gentleman from Florida [Mr. CRAMER] must be defeated.

I support this position of our Governor. Although Maine is one of the four States of the Nation which now contributes as a State government to the program which is to be expanded under the provisions of this bill, and has done so voluntarily, I feel that the restrictive requirement of the Cramer amendment, compelling State matching funds, would in effect, eventually kill the entire program.

Certainly, States located downstream would not participate if States located upstream on the same stream refused to appropriate for antipollution projects. This kind of reaction would mean in the long run, a virtual stalemate and consequently, the liquidation of the entire program.

The program, as now operating, continued and expanded by the pending legislation, will lend to further abatement of the water pollution evil.

The judgment of Maine's Water Improvement Commission and the opinion of its chief engineer, R. D. MacDonald, adds to my feeling that this current approach must be supported without the changes advocated by those who wish to kill the entire program by "gutting" it with the Cramer amendment.

Maine will require more than $30 million for these pollution control projects in the foreseeable future. We have made a small start to meet this overwhelming problem—we must continue to act under the wise and farsighted provisions of the existing law, expanded to cope with the magnitude of the need.

I have felt that Maine's economic future is directly involved in protecting our abundant water supply. We can only accomplish this by acting in terms of the Blatnik proposal.

Mr. Chairman, I strongly oppose the amendment of the gentleman from Florida and urge the support of the committee bill, as written.

The CHAIRMAN. The Chair recognizes the gentleman from Colorado [Mr. JOHNSON].

Mr. JOHNSON of Colorado. Mr. Chairman, I rise in opposition to the Cramer amendment. I want to call to the attention of the Members of the House the current issue of Fortune magazine, of June 1959, because I think it puts a new perspective on certain financing. The State and local revenues in 1946 were some $12 billion. In 1957 they had trebled to $37 billion, and it is estimated that by 1970 they will be $75 billion.

The State and local governments are being hard pressed to meet necessary expenditures for education and other matters. I spent some time trying to assist in solving these problems in my own State, and I know the burden is very great.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. DERWINSKI].

Mr. DERWINSKI. Mr. Chairman, I do not suppose I will change anyone's mind, but let me say that a few moments ago we were all amused by the friendly discussion that took place between your distinguished majority leader the gentleman from Massachusetts [Mr. MCCORMACK], and our minority leader, the gentleman from Indiana [Mr. HALLECK]. In that friendly discussion the question arose as to who might have a guilty conscience as a result of certain statements made on the floor. If there are any guilty consciences here in the House, they lie on the Democrat side of the aisle, because a guilty conscience is part and parcel of what we rightly call the budget-busting and irresponsible spending of the Majority Members. If you do have time when you are not thinking of squandering the money of the taxpayers and you have time to think about a guilty conscience, think of the poor taxpayers rather than some of the deliberate wild spending schemes you advocate.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. STRATTON].

Mr. STRATTON. Mr. Chairman, I rise in opposition to the pending amendment.

As a representative from the great State of New York, I do not see how any Member from that State could vote for this amendment, regardless of party, for the very simple reason that was presented to me rather eloquently over the telephone just this morning by the executive secretary of the New York Conference of Mayors, who also happens to be the Republican mayor of the city of Saratoga Springs.

If this amendment goes through, New York State will be carrying some 20 percent of the cost of the antipollution program, and yet we will not be able to get a nickel from it. Amsterdam, Gloversville, Johnstown, and other cities which are today polluting the great Mowhawk River in my State would like to get some assistance in building needed sewage treatment plants. But they would be unable to get this help under this amendment, because New York State has so far refused to appropriate any matching funds.

I think as a nonpartisan matter New York should stand solidly against the amendment and support the great Republican Governor of the State of New York, Mr. Rockefeller, who has come out so strongly and so clearly in favor of this bill.

Let me, if I may, quote for the information of Members of the Committee the letter which Governor Rockefeller wrote the committee in support of the Blatnik bill:

> At my request several interested State departments and agencies have studied the bill and it is their concensus that it is sound and desirable. The operation of the Federal aid program under the previous legislation has provided an incentive which has been extremely helpful in attacking the pollution problem in New York State. The increased aid provided for under H.R. 3610 will result in the initiation of many much needed treatment projects which might not otherwise be undertaken. I strongly endorse your bill.

Mr. Chairman, if the Committee votes the pending amendment, New York State will be without funds under this program, even the limited funds already available in the past which, as Governor Rockefeller points out, have been so "extremely helpful in attacking the pollution problem in New York State."

Mr. Chairman, let us put aside narrow partisanship in this debate. I have many friends on the other side of the aisle. From time to time I have voted with them in the past, and I shall no doubt do so again in the future. Let us 43 members from the great Empire State of New York stand firmly together, regardless of our party, behind our elected Governor in support of this antipollution bill and let us roundly defeat any amendment like the pending one which would so cruelly discriminate against our great State.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. CEDERBERG].

Mr. CEDERBERG. Mr. Chairman, I recognize that there is an honest difference of opinion here. The majority on

this side feel that the Federal Government has a primary responsibility. We feel that it is a local responsibility.

I say if you feel it is a major responsibility, you ought to also have the intestinal fortitude to stand up and raise the money that is going to be required to pay the bill, in view of the fiscal situation of this country. If you want to spend the money, then you ought to pay for it. The gentleman from Texas [Mr. WRIGHT] advocates on the one hand an additional expenditure of money and, on the other, a 1-percent reduction of the national debt each year.

The gentleman from Colorado says we are not in debt. I say you cannot work both sides of the street at the same time, and if you want to spend the money you ought to have the nerve and the intestinal fortitude to raise the money to do the job.

The CHAIRMAN. The Chair recognizes the gentleman from Vermont [Mr. MEYER].

Mr. MEYER. Mr. Chairman, as one who has spent his life in natural resources and the like, may I say that my heart bleeds for those who say they favor this bill, and with an amendment would seek to destroy it.

The gentleman from Florida speaks about State participation. In my State of Vermont we are already participating with a 20-percent contribution. His amendment would destroy our program, because he would recommend a 25-percent contribution from the State, and under that we might have to wait until 1961 for a new session of the legislature. He says this is in the name of States rights, but he says nothing about those States which are now participating.

Mr. PORTER. Mr. Chairman, the purpose of H.R. 3610, as reported by the Committee on Public Works, is to "further stimulate contruction of needed municipal waste-treatment facilities to prevent the discharge of untreated or inadequately treated sewage or other waste into the waters of the Nation."

This is a good purpose. I support H.R. 3610 as reported, and I believe the amendments proposed by my colleague from Florida [Mr. CRAMER] would gravely injure the good program which was made possible by Public Law 660 of the 84th Congress.

If we approve legislation requiring that each State match the Federal grants as of July 1, 1961, we jeopardize what has been planned by many communities. Only two States, Maryland and Maine, have a matching program. Two other States, I am told, New Hampshire and Vermont, match on a partial basis.

It is my understanding that the States themselves would not impose on the remaining members of this Union a similar program. The legislatures of many States meets only once every 2 years. They have met this year and will not meet again until 1961. Even then the chance that these States could financially meet the Federal grant, as the amendment proposes, is small.

I believe this proposal robs Peter to pay Paul. I believe it deprives too many States of Federal funds designed to safeguard our most valuable natural resource—water.

Proponents of the requirement that States provide matching funds say it would result in a more effective screening of project applications. They say the State would be more careful because it has a financial interest in every application. I am familiar with the present system of screening projects in Oregon. I have never heard a complaint. The men and women I have talked to tell me it is done fairly.

What of the argument that a Federal-State matching program would mean more cooperation and a greatly strengthened water pollution control program? This is tantamount to saying "it is white, but let us make it whiter."

Were this amending legislation approved it would mean that local communities would then have to finance only 50 percent of the cost of the facility or, as its supporters tell us, 20 percent less than now is necessary. I think it has been demonstrated that communities interested in preservation of their water resources will provide financing for 70 percent of the cost of a project. There are more applications under the existing law in my State than there are funds.

This program should not deal in unknowns. Not when the known facts illustrate its value to this generation and those to come. I don't believe a change in the existing 70–30 ratio of financing to include the individual States would establish any States rights precedent. Witnesses who have testified before the Public Works Committee agree with me.

Support for H.R. 3610 as reported and for the water pollution control program as it is established comes from many groups in my State. The Oregon Wildlife Federation is a strong supporter. President Charles S. Collins wrote to me on May 29, 1959, that "in most cases where applications are pending for Federal grants, a dollar spent now will save at least $4 10 years from now." I don't believe any one of us want to spend money foolishly. President Collins also wrote, "please feel free to use our name in support of H.R. 3610."

Let me quote further from his letter:

> We agree wholeheartedly with your thinking when you say that "expansion of water pollution control is one of the best economies Congress could make this session."

He adds:

> I don't know of any specific material which might be of help in this project except to state that it is easy to see here at the grassroots level when we can save millions of dollars in the future by building pollution control works now. In looking backward, the cities of your district that are in the best financial condition at this moment are those who took advantage of every means at their disposal to build sewer treatment plants back in the thirties under Federal aid grants or through their own initiative. Those who have postponed the problem are having a difficult time financially to keep ahead of health problems.

My State of Oregon has benefited from the water pollution control program. The 3 years the program has been in effect the State has received $1,956,000 in allocations.

Let me list for the RECORD the status of applications as of June 1, 1959:

Status	Number	Estimated eligible project costs	Grant offer or request
Approved to date	26	$6, 137, 456	$1, 786, 447
Pending (Total)	57	15, 105, 769	3, 306, 786
In PHS regional office	9	2, 711, 200	804, 410
In State agency [1]	13	3, 020, 569	688, 176
In preparation in municipalities [1]	35	9, 374, 000	1, 814, 200

[1] As reported by the State agency.

And what of applications pending in the regional office?

There are four cities and districts in the Fourth Congressional District which would benefit. They are: Ashland, grant request of $105,000; Brookings, grant request of $46,530; Eugene, grant request of $153,000; Green Sanitary District, grant request of $36,000.

And what of applications pending in the regional office?

There is one pending for Medford—it is a grant request of $25,170.

I will not bother to list again the applications approved in my district, other than to say that five cities have received grants. The improved facilities for the cities of Albany, Drain, Lebanon, North Bend, and Roseburg are examples of the worth of this program and the wisdom of Congress in making the program possible.

I favor H.R. 3610 because I believe water pollution control to be essentially a Federal problem. It is too great a burden for local authorities. I believe the construction grants should be increased, that $100 million should be appropriated for the purposes of construction grants for any fiscal year and that an aggregate of $1 billion should be appropriated for these and other purposes.

Mr. O'HARA of Michigan. Mr. Chairman, section 6 of the Federal Water Pollution Control Act authorizes the Surgeon General "to make grants for construction of necessary treatment works to prevent the discharge of untreated or inadequately treated sewage or other waste." Subsection C of section 11 of the act defines "treatment works" as including "the various devices used in the treatment of sewage or industrial wastes of a liquid nature, including the necessary intercepting sewers, outfall sewers, pumping, power, and other equipment, and their appurtenances." Collection sewers are not included within the definition of "treatment works."

Mr. Chairman, Marine City, Mich., has had very serious pollution problems. In 1956 the Michigan Water Resources Commission obtained a court order requiring the construction of an adequate waste disposal system for a portion of the city. This the city immediately undertook to do. The program was begun 6 months before Federal assistance became available to municipalities under the act. Hence, Marine City received no such assistance and has experienced great difficulty financing this undertaking, which is in addition to substantial obligations the taxpayers have faced and will face with regard to school construction and other municipal functions.

It will shortly become necessary for Marine City to provide sewage facilities for the remainder of the city. This will involve construction of collection facilities and the project will not be eligible for Federal assistance under the definition of "treatment works" previously quoted. The obligations faced by the residents of Marine City impose a crushing burden upon them. I have discussed this situation at some length with the gentleman from Minnesota [Mr. BLATNIK] and he recognizes the difficult problems faced by these fine people which are of a type that often occur in connection with programs having definite starting or cutoff dates.

I would like to see the act amended to make Federal assistance available for the construction of collection facilities. Perhaps the amendment should be limited to apply only to municipalities which have undertaken the construction of "treatment works" without Federal assistance since the enactment of the Federal Water Pollution Control Act of 1956 or within the 2-year period preceding such enactment.

It goes without saying that stream pollution will not be abated without a fully integrated sewage collection and treatment system and that one part of such system is just as important as another.

My proposal would equalize the financial burden among communities that have undertaken such projects in recent years without throwing the door open to federally assisted public works construction not encompassed by the objectives of the act.

I have refrained from offering this amendment today because I feel that the subject is one that deserves the close attention of the committee members and staff before it is brought to the floor of the House. But I believe that an amendment of this nature would strengthen and improve the program and I therefore request that the committee take this matter under consideration at its earliest convenience in the interest of more adequately protecting our Nation's invaluable water resources.

Mr. ALGER. Mr. Chairman, as I see it, in the alternative viewpoints expressed in the committee report and minority report accompanying the bill, not enough stress is placed on returning this program entirely to the States. The administration has suggested this course of action for very sound reasons. It seems to me this side of the argument should be presented more thoroughly so that all Members can comparatively evaluate the pro and con arguments respectively.

We should get one thing straight, it seems to me, so that we do not once again debate under misleading labels. We are all for, not against, waste disposal. We are all for water conservation and the prevention of water pollution. So, the real argument is how this is to be accomplished.

Next, the money for any program comes from the people. The Federal grant comes from local pockets. The State matching funds come from local pockets. Local bond issues are financed from local pockets. It seems elementary to me, therefore, that more dollars can be secured from the local pockets from local programs and not from the long roundtrip of tax money through Federal Government.

In addition, we are well aware that the more the Federal entanglement, the more costly local projects become and the more control is imposed by the bureaucracy, gradually strangling local initiative, incentive, and local acceptance of responsibility.

The committee report on page 5, through devious and very questionable logic, endeavors to prove that sewage treatment construction by Federal aid strengthens local and States rights. This is just not so in my opinion. This belies the facts. This strained logic is as erroneous as last year's tag of "recession" aid as reason for public works projects.

The facts show that local communities are doing a good job in the construction of sewage-disposal plants and delay occasioned was the result of sound local thinking as our citizens assigned a lesser priority to such construction in their capital bond programs. Local governments are responsive of the citizens' financial wishes and thus are fiscally more responsible than the distant Federal Government. It would be well for us at the Federal level to better understand the caution exercised at the local level. Witness the fact that Federal money spent last year in this waste-disposal construction program was deficit financed, a fiscally irresponsible method of promoting local public works, it seems to me.

Constantly the phrase "the committee believes" is used in the report. For example, on page 3:

> While this amount has had a definite stimulative effect on construction of treatment works, the committee believes it is just doing half the job that needs to be done.

Or on page 5:

> The committee believes that on the basis of past history there is every evidence that the States would not, on a voluntary basis, institute a financial incentive program for municipal sewage-treatment works.

The committee is certainly entitled to express its opinion, but I respectfully suggest that the facts do not support these beliefs. Rather, the amount of construction before the Federal program started suggests that the States were doing a good job. The administration believes the entire job should be returned to the States, and I share this conclusion.

There are other controversial elements of this program that should be met head on. For example, how does each locality or State get back its share of money in this program, or is the whole idea that many communities must build their own sewage plants and, in addition, finance the construction in other communities? Or another, the fact that Federal grants and redtape increase the cost. One example is the imposition of the Davis-Bacon Federal wage-setting provision; and another, the fallacious assumption that municipal governments cannot afford sewage-disposal construction without Federal aid. I feel that the basic premises on which this bill rests are wrong.

The crux of the matter, as I see it, can be stated this way: If Federal coercion is needed to stimulate or accelerate construction and if the aim is to prevent water pollution, the Federal Government has the jurisdiction constitutionally over interstate waters to demand of the States that stream pollution be stopped. Such a Federal mandate does not require accompanying Federal funds.

I was a former member of the Public Works Committee at the time this Federal water pollution program was put into effect, which I opposed. I have studied this matter and feel that this program should be returned to the States.

Mr. Chairman, I do not believe the States will be encouraged to strengthen their program if they know they can get it from Uncle Sam. Now where does this money come from? It comes out of the taxpayers' pocket. We will not have more but less money to build these plants by getting back our own money via the route of Washington.

In depression times, much was said for the public works projects which were proposed to create work and build systems like this. But at a time like the present, in the most prosperous period in our history, surely we can leave it to the localities to build their own systems. Here is another case of conflict between States rights and the huge expanding Federal bureaucracy.

The second point I would like to raise is simply this to point out the fallacy of the new grant-in-aid. If we are going to grant money who is going to get the money? Are we in each of our respective States going to start a race with each other competitively? Should I check my district and State and tell them to be on the alert so that we may get our share of the number of projects to be made available, and, of course, there cannot be many projects of this nature even with the grant money available.

Let us not lose sight of one thing: Everyone here is deeply interested in the conservation of the Nation's water resources. And I think we all agree that control of pollution is one of the major means of achieving water conservation.

Let us see what the experts themselves say about grants for sewage treatment construction.

One of the Nation's outstanding engineering publications, the Engineering News Record, in 1956 called a group of experts together to consider this very question. Here is what one of these experts had to say about it. I quote:

> It is difficult to escape the kind of cynicism about the Federal grants-in-aid if you live long enough.
>
> As an old PWA director, I had considerable interest and considerable part in the initial legislation for public works grants-in-aid in the thirties.

And skipping a bit:

> It is very interesting to compare the thirties with 1956. In the thirties we went to Federal grants-in-aid because we were literally in the dumps financially. We now talk of Federal grants-in-aid in the most prosperous period that this country has ever seen, and I confess it is a little difficult for me to prove to myself the necessity of turn-

ing to Washington for help when I believe the resources of the country are at their maximum. I myself feel that both States and others would be retarded in installations, not necessarily by the grant-in-aid but by the promise of the grant-in-aid, which is held dangling in front of you, and which in quantity is not really much of a stimulant. Unless you move to the billion dollar level you don't get the shot in the arm.

This statement was made by one of the Nation's outstanding engineering authorities in the water resources field—Prof. Abel Wolman, of Johns Hopkins University.

Dr. Wolman knows better than to be taken in by the glittering promise of Federal assistance. To quote him again, very briefly:

I would remind you—

He told the conference—

that PWA grants increased costs of construction, did not decrease them. As a matter of fact, the record would show that the 45-percent grant just about represented the increased cost, and you would have been just as well off without it.

When a man of Abel Wolman's vast experience in the water resources field sends up a warning like that, I believe we should stop to take a long hard look before plunging into a program of the kind contemplated in the construction-grants section of the bill.

And let me say that a good many experts in the pollution-control field agree with Wolman.

Now, I would like to quote from the minority views accompanying H.R. 9540, the Water Pollution Control Act of 1956 which said:

First, we do not believe that general municipal need for financial aid—and particularly Federal aid—for this purpose has been established. In developing our own legislative proposals relating to water pollution control, we obtained the views of a number of municipal finance authorities and other persons familiar with this problem. We found no clear indication that municipal governments generally are unable to meet the costs of constructing waste treatment works. The problem appears to be primarily one of the priority assigned by municipalities to the construction of sewage treatment works in their capital financing programs, rather than one of financial inability.

Second, any justification for Federal construction grants in this field must, therefore, rest primarily on their value as an incentive to accelerate needed construction, rather than on a concept of financial aid to equalize the financial abilities of municipalities generally. Although a few States now have grant programs for this particular purpose, experience with such grants has been too limited to date to provide any clear evaluation of their advantages and limitations or of the most effective terms or conditions governing such aid.

Mr. Roswell B. Perkins, Assistant Secretary, Department of Health, Education, and Welfare, testifying on the subject, opposed, for the Department, section 6 of H.R. 9540. His testimony with respect to section 6 was as follows:

"As we pointed out in our report on H.R. 9540—which the chairman just submitted for the record—we would not favor this construction grant proposal for three principal reasons: First, we do not believe that a general municipal need for financial aid—and particularly Federal aid—for this purpose has been established. The inadequate level of municipal construction in this field appears to be due less to the inability of municipalities to finance such construction than to the fact that waste treatment facilities are commonly assigned a low priority in the capital financing programs of municipal governments. To state the problem simply, municipal officials—and local citizens voting on bond proposals—tend to give first priority to the construction of streets, schools, and other public works which provide direct benefits to the municipality itself rather than to waste treatment works required to protect the rights and interests of downstream water users.

"Second, any justification for Federal construction grants in this field must, therefore, rest primarily on the value of such grants as an incentive to accelerate needed construction, rather than on a concept of financial aid to equalize the financial abilities of municipalities generally. Financial incentives will not provide a substitute for other water pollution control measures, however, and great care must be taken to assure that any such incentive grant program will in fact supplement, rather than deter and weaken, State programs of enforcement, and public education. The primary responsibility for supporting and administering any such incentive grants should, therefore, rest with the States. Only in this way can incentive programs and enforcement policies be effectively correlated. Federal participation, if any, must be designed to stimulate and supplement rather than to replace State aid.

"Several States have initiated grant programs to stimulate the construction of sewage treatment works, and several other States have grant programs under active consideration. Although State experience with existing programs has been encouraging, we believe that further development and evaluation of State experience is an essential prerequisite to consideration of Federal participation in a grant program."

In fact it becomes increasingly apparent that local efforts are dampened, delayed, or abandoned while the localities await the next Federal move.

For the above reasons, Mr. Chairman, I strongly urge my colleagues to reconsider the merits and demerits of this measure in the light of the present fiscal situation. We have an uneasy balance of the budget following a $13 billion deficit year. Federal aid stultifies the local program and in a sense is self-defeating. The wiser course, it seems to me, is to return this program to the States.

Mr. GALLAGHER. Mr. Chairman, the Congress has before it many matters relating to the health and welfare of our citizens and the improvement and further development of our country. The tremendous postwar growth of the Nation's industry and its greatly increased population has brought many problems with it, most of which this legislative body must at one time or another consider.

In many areas it has not been possible to expand public facilities to meet the vastly increased needs of a still growing Nation. Committees are faced with many problems such as housing, transportation, and schooling.

There is before the House today a bill, H.R. 3610, designed to bring about improvement in one of the most neglected areas of our national and community life—the proper treatment of raw sewage. If we are to stem and eventually eliminate the flow of raw sewage into the Nation's rivers, lakes, and bays, the Federal Government must be prepared to render greatly increased support to communities where construction of sewage treatment facilities is imperative.

Certainly the cost of such projects is beyond the financial capacity of most communities, struggling as they are to meet demands for so many other community facilities, and only with the support of the Federal Government will it be possible to build the treatment facilities so badly needed in so many communities.

Communities in my district, many of which have already spent millions of dollars of local tax money for such facilities, find themselves still faced with the serious problems and with a need for additional facilities.

We are all aware of the great dangers to the health of a community that lurk in the stinking waters of a polluted lake or river. We have seen so many of our once splendid seashore and recreational communities wither and become deserted because of the polluted waters that wash the beaches and shorelines.

The good health and the continued economic growth of the entire Nation depend on action of the Congress in this vital matter. We must act before it is too late, for this is one of the really grave matters before this House.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. BLATNIK].

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield to the gentleman from Florida.

Mr. CRAMER. A statement by the gentleman just preceding is not correct, in that the States may match up to any percentage they may desire. The 20 percent in his State would remain in effect. Other States likewise would have to come in and match the program.

Mr. BLATNIK. The fact remains that any State can participate under the law as it now is. There is nothing to prevent any State from contributing to municipalities. Because of the success of this program, there are increased pressures by municipalities that are unable to get funds under this program even though they comply and meet the criteria, because we have waiting lists of two, three, or four times the amount available in any of these States. What I am trying to say is, why accept this restrictive amendment in only one category of projects?

I might also say, Mr. Chairman, that this is the last and most recent in a long series of attempts by the opponents of this program to destroy it. And when I see those groups and individuals who have consistently and persistently opposed this program from its inception suddenly support an amendment purportedly designed to strengthen it, I become suspicious, to say the least.

From the very beginning this program has had opposition at every stage of its development and operation. This is particularly surprising in view of the fact that it is necessary to meet the Nation's

No. 1 public works problem and it is designed to protect water—our vital natural resource—necessary for the future growth of the population of the country and that for the past several years we have had an effective, going program, which, for the first time, is beginning to meet the problem. As Al Smith used to say, "Let's look at the record":

First. When the Federal Water Pollution Control Act of 1956 was first proposed, opponents of the measure were ready to kill the entire bill. The National Association of Manufacturers proposed that the Federal program be limited to supporting research into treatment of industrial wastes.

Second. When the construction grants provision was added to the legislation, these opponents sought to kill the construction grant provision on the grounds that it might interfere with States rights.

Third. When the bill, including the construction grants provision, was enacted into law, the opponents of the bill sought to prevent the appropriation of any moneys for the implementation of construction grants. Every year since the program has been in effect has witnessed a severe struggle for minimum appropriations.

Fourth. When it became evident that the Congress was appropriating money each year, the Joint Federal-State Action Committee recommended an abortive proposal of returning the grant program to the States, which incidentally, never took it up before, in return for relinquishment of the Federal telephone tax.

Fifth. When the unworkability of the Joint Federal-State Action Committee's proposal became apparent, the Cramer amendment calling for State matching of Federal grants was proposed. This is merely the old strategy in new tactical dress. The proposal, to turn the National problem back to the States, which have never given it adequate attention, ignores the interstate character of our waterways.

Now that we have placed the amendment in its proper perspective, let us examine the reasons advanced by the minority in support of the amendment.

First. They claim that the amendment would result in doubling the grant-in-aid incentive program without any increase to the demand on the Federal Treasury. If this were true, Mr. Chairman, this would be a highly desirable thing; but it is not true. It is not true because it presupposes State matching without such being in existence, except in three States. There would be no grant-in-aid incentive at all after 1962 until each of the State legislatures had passed the necessary legislation. There is absolutely no reason to believe that State matching programs will be passed without many more years of intensive effort toward the development of public support to a point where sewage works can effectively compete with parks, playgrounds, schools, and hospitals for State financial aid.

Second. They claim that the enactment of the amendment would result in a more effective screening of project applications, since the State would have a financial interest in every application. This implies that the State screening of projects under the present program has not been everything that it should have been. I think the State Sanitary Engineer of Florida would be interested in knowing the views of the minority on that point. He and the other State sanitary engineers have done an excellent job in their screening and approval of projects and it is difficult to see how this could be improved. We have dedicated, hardworking, and able men in the States doing their jobs and they are screening the applications closely because their main concern is to clean up their State's rivers. That is their incentive, which goes much deeper than even a financial interest.

Third. They claim that the adoption of the amendment would result in cooperation by the States with the Federal Government. Mr. Chairman, States have been cooperating in a most commendable fashion with the Public Health Service in this program. It is the States which determine which project shall receive Federal aid, the type of treatment to be provided, and so on. They are a full partner with the Federal Government in the present program and cooperatively share its administration.

Fourth. They claim that if the amendment is adopted, local communities would financially benefit because of State matching grants. Again, Mr. Chairman, this presupposes the existence of these State matching grants. The minority is correct that the local communities would benefit, but this is true only if the State legislatures in the next 2 years approve such grants. Since this is very unlikely, based on past experience, it looks more like the local communities would lose all existing financial benefits and gain nothing in return.

As I stated at the beginning, this is an amendment that on its face appears to have merit but it is like an iceberg. The main purpose of the amendment is hidden beneath the surface. That purpose would throw this program completely out of gear, would in most cases stop the program because, as I have stated, there is no positive proof that in many cases the State would act.

Fifth. They claim that Federal-State matching would give the States a more effective participation in the water pollution control program. Mr. Chairman, the States could hardly have a more effective participation in the program than they have today. As stated before, they determine how the Federal aid will be used and are not burdened with the red-tape of its administration. If the rights of any of the States have not been recognized under the present program, as the minority implies, this is news to the Public Health Service and everyone else familiar with this program. The preamble to Public Law 660 establishes the primary rights of the States for the control of water pollution and the Public Health Service has carried out its administrative tasks in complete conformance with this policy. The fact that the State water pollution control administrators themselves vigorously support the Federal grant program is ample evidence that their rights have been respected and their relationship with the Federal Government has been a wholesome one.

Sixth. The minority compares this program with the highway construction program and claims that the requirement of State matching of Federal grants is incorporated in a number of acts of Congress. Their specific reference to highways is interesting, as we all are aware that the States match Federal highway grants, as well they should, inasmuch as they are the constructing agency in the highway program, but when it comes to airport construction, flood prevention and watershed protection, school construction in federally impacted areas, slum clearance and urban renewal, hospital and medical facilities construction, and health research facilities construction, the Federal grants for these programs are matched by the local construction units concerned and there is no requirement in any of these programs for State matching in order for the local unit to qualify for the Federal assistance.

The Federal Government grants directly to municipalities in several important project areas, for instance, school construction in federally impacted areas, slum clearance, urban renewal, hospital and medical facilities construction, health research facilities construction, airport construction, flood prevention, soil conservation. Why do you single out these facilities? And, what do you do with this program with your amendments? It sounds good. I hope in time it will be a reality, but it cannot be now. If this amendment is adopted, it becomes restrictive and punitive in this respect. It will tell these municipalities already on the waiting list that even though you are willing and making a special effort to carry over 80 to 85 percent of the burden on your shoulders, with the tremendous effort that you are exerting and the little help that we are giving you, you cannot proceed until your State moves. If you vote for this amendment, you are not putting the burden on the States, but you are restricting the municipalities and prohibiting them from moving ahead until that segment, which has been the slowest of all, the State government, moves. So, I do urge that these amendments be overwhelmingly defeated.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Florida [Mr. CRAMER].

The question was taken; and on a division (demanded by Mr. CRAMER) there were—ayes 60, noes 130.

So the amendments were rejected.

Mr. BROOMFIELD. Mr. Chairman, water and the lack of it is one of the most pressing problems our Nation faces. Our supplies of clean, pure water are too often in the wrong places at the wrong time.

So it is necessary for us to take all possible steps to assure that our present supply is kept as potable as possible, and that our streams, lakes, rivers, and other waterways are not permitted to become

open cesspools of industrial and human waste.

In our consideration today of H.R. 3610 to amend the Federal Water Pollution Control Act, I have little quarrel with most of the provisions of this bill, as I feel that it is an honest attempt to solve a most difficult problem.

However, I fear that this bill simply does not go far enough in the right direction, that further steps will be needed by Congress to bring about a systematic and concerted attack upon this problem of pollution and its control.

I had hoped that the Cramer amendment would have been adopted by the House today so that a more direct financial obligation would have been faced by our individual States and less would have been placed upon our individual communities. That is not to be, however, so we are faced with consideration of the bill in its present form.

It is true that this bill doubles the existing amount of money to be spent annually by the Federal Government in helping local communities control pollution. It is also true that this bill would permit Federal help to be extended to each individual community in a cooperative project in which a number of communities are participating.

But if the monetary provisions of this bill were increased tenfold or a hundredfold, we would just be beginning to attack our Nation's pollution problems on a basis which would help us see an end to it.

What is the answer then? Should we keep increasing the amounts of Federal grants for this purpose? Obviously, we do not have the funds necessary for this type of an attack at the Federal level. The cost would run into the tens of billions of dollars.

There also would be raised the question of Federal usurpation of still another facet of local government, and rightly so.

But there is a method by which our Federal Government could give a great deal of help to our States and local communities in their attacks upon pollution control, and it is my belief that this method would serve as further impetus to construction of sewage treatment plants, interceptor sewer systems and other facilities needed to clean up our lakes, harbors, streams and rivers.

Under this plan, which is incorporated in H.R. 2733, a bill which I introduced earlier this year and which is now before the House Committee on Banking and Currency, the full faith and credit of the Federal Government would be placed behind municipal bond issues for the construction of public water supply systems, sewage disposal systems and garbage disposal systems.

This bill I have introduced is a broad attack on the entire problem of pollution and water supply, and I believe that it should be enacted into law.

It does not in any way interfere with the provisions of H.R. 3610, which I believe is necessary at this time. It does supplement H.R. 3610, however, in that it provides an incentive to communities to go ahead with the financing of their own public sanitary facilities without waiting for Federal grants if they so desire.

It has been the experience in my own home State of Michigan that at times the Federal grant program has hindered rather than helped the construction of sewage treatment plants and sewerage systems.

Communities have used the excuse that they are waiting for Federal funds to delay construction of badly needed facilities. In some instances, these delays have been going on under one form or another for years, and it has placed the Michigan Water Resources Commission in a bad spot.

In still other instances, relatively new communities have had difficulties in floating bond issues at favorable rates because of the lack of assessed valuation at the time of the proposed bond sale, although every indication is that these same communities will encounter tremendous population growths if adequate public sanitary facilities are provided. Full faith and credit of the Federal Government behind such bond issues would permit these communities to expand, to use preventative medicine to build needed facilities before trouble actually occurs.

We need Federal help in this matter of water pollution and public sanitary facilities. Federal grants are not the whole answer. We could spend every cent of this year's Federal budget and still not see the problem licked. Grants should be only one weapon to combat pollution. Court orders against offenders are another. Federal help in the private financing of needed facilities is a third weapon which should be enacted into law.

As but one campaign in this war against misuse of our great natural resource of clear water, I intend to support H.R. 3610. But we in Congress should attack this problem on all fronts, in every possible manner, to bring an end to this problem.

Mr. CONTE. Mr. Chairman, everyone is agreed upon the great need of water conservation and treatment of pollution. By 1980, the United States will be consuming every bit of available water; it is obvious that we cannot waste a single drop. Yet, at present, we are wasting untold amounts of this precious resource because of insufficient sewage treatment. In order to meet the demands of an increasing population and expanding industry for water, we must have greater construction of municipal waste-treatment facilities, which in turn necessitates more money. Public Law 660, enacted in 1956, has been a great boon to such construction, jumping the amount spent annually from $222 million to $400 million; and yet, this amount is still a big $175 million shy of the $575 million which we are told must be spent annually on such treatment plants to satisfy the ever-increasing needs of the land. Inasmuch as we are spending all that has been allowed under said law, it is obvious that more money must be authorized as proposed in H.R. 3610.

The opponents of this bill have cited the fact that only 25 percent of the plants which have received Federal funds in the past 3 years have been on interstate, coastal, and Great Lakes waters and hence the program is undeserving of Federal attention. This same survey, however, revealed that a great 97 percent of all projects undertaken were based on the criterion of public health necessity. This latter is the criterion with which we must be chiefly concerned and it reveals that Public Law 660 is very definitely beneficial and crucial to the health and welfare of the Nation. Yet at the same time we know the present program is not meeting the amount which the Public Health Service tells us must be spent to insure the health and welfare of these United States. The only way that this increase in spending can be realized is through the adoption of H.R. 3610. The facts have shown that in this area of construction, Federal funds are definitely needed as a stimulant to encourage the local governments to undertake the sewage treatment projects that will one day save the lives of their children and even themselves; it is that pressing a problem.

There is another, less tangible motive for cleaning up our country's streams, namely the need for more and more recreational facilities. If the many streams which are polluted by raw sewage or industry were cleaned up, these streams would be made available for swimming, boating, fishing—all major forms of recreation which is so important to the well-being of all Americans. It would make you sick and disgusted to see the once beautiful and usable streams ladened with filth which make the waters unfit for consumption, recreation, or even scenery. Furthermore, this affects every one of us, not just those who live by these disgraces to America. It is a national problem and as such requires Federal aid and attention.

We are dealing with a matter which is vital to the welfare of the Nation. Our farms, industry, recreation, in fact our very lives, all depend on water. We cannot go on wasting it the way we are now. The disease must be cured before it takes its victim which, in this case, would be the United States. H.R. 3610 must be adopted as a step toward the conservation of perhaps our most vital resource—water.

Mr. GIAIMO. Mr. Chairman, it would seem that opponents of H.R. 3610 which would amend the Federal Water Pollution Control Act to increase grants for the construction of sewage treatment works feel that its only purpose is to spend money to throw the budget out of balance.

But they do not seem to consider that we as Representatives have an obligation to consider seriously the national problem of water conservation and pollution control that affects all parts of this Nation, regardless of artificial political boundaries.

The increasing problem of pollution control is seen daily in our metropolitan areas where municipalities and business concerns take the easy and inexpensive way of solving waste disposal problems.

The results are open sewers of rivers, unsanitary, filthy carriers of disease; the

destroying of fish and wildlife; the lowering of real estate values and in general, a backward step in the development of our communities as places where people can live decently.

Aside from drinking, the most important use of water, is for waste disposal. Yet it is considered only in passing by most of us. The Nation's use of water has in the past few years increased enormously, not only because of increased population, but because of higher standards of cleanliness, better living, rapid industrial expansion, have all contributed to an increase in per capita use from some 500 gallons a day 60 years ago, to about 1,500 gallons a day now. This includes all uses except hydroelectric power generation and recreation.

The increasing daily demand for water is dramatized almost every summer in large cities when droughts bring about shortages—shortages scarcely if ever felt not too many years ago.

Waste disposal in our rivers and streams prohibits the use of that water for other purposes without endangering health. Thus communities must start now to provide for more sanitary methods of waste disposal so that our streams can be utilized to meet the ever-increasing demand for water.

The lack of foresight on the part of communities in planning for adequate waste disposal has been detrimental to programs bent toward proper use and conservation of water resources. If not lack of foresight, then lack of funds has prevented proper treatment of the waste disposal problem.

Federal stimulus is needed to give States and local communities the impetus to correct their waste disposal methods; to bring them into conformity with standards that would relieve our waters of the dangerous wastes that are dumped into them. Enactment of H.R. 3610 would provide that stimulus.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. THOMPSON of Texas, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3610) to amend the Federal Water Pollution Control Act to increase grants for construction of sewage treatment works; to establish the Office of Water Pollution Control; and for other purposes, pursuant to House Resolution 277, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. CRAMER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. CRAMER. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. CRAMER moves to recommit the bill H.R. 3610 to the Committee on Public Works with instructions to report the same back to the House forthwith with the following amendment:

Page 2, in line 2, insert after "*Provided,*" the following: "That in order to require the State wherein the project is located to match the amount of the Federal grant, no grant shall be made for any project from an allotment from sums appropriated for any fiscal year beginning after June 30, 1962, in an amount in excess of whichever of the following is the smallest: (A) 25 percent of the estimated reasonable cost thereof as determined by the Surgeon General, (B) the amount of the State funds paid toward financing the cost of such project, or (C) $500,000: *Provided further,*".

On page 3, strike out lines 15 to 18 both inclusive.

The SPEAKER. The question is on the motion to recommit.

Mr. CRAMER. Mr. Speaker, on that I ask for the yeas and nays.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that further consideration of the bill be postponed until Tuesday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. GROSS. Mr. Speaker, reserving the right to object, may we have an explanation why it is necessary to put this vote over?

Mr. McCORMACK. In accordance with the agreement that we made, and which I announced last night.

Mr. HALLECK. Mr. Speaker, will the gentleman yield to me?

Mr. GROSS. I yield to the gentleman.

Mr. HALLECK. I think, as a matter of fact, there was a unanimous-consent agreement entered into that any record votes would go over until Tuesday.

Mr. GROSS. Mr. Speaker, I do not believe there was any unanimous-consent request requested of the House to put votes over until next Tuesday.

Mr. HALLECK. Mr. Speaker, if the gentleman will yield further, it is my recollection that the acting majority leader made such a request.

Mr. GROSS. Mr. Speaker, further reserving the right to object, this is a strange proceeding, when we cannot go to a vote on a proposition of this kind now, today. And I would like to know the reason why we cannot go to a vote now.

The SPEAKER. The Chair is waiting for somebody to answer that question.

Mr. HALLECK. Mr. Speaker, will the gentleman yield to me?

Mr. GROSS. Mr. Speaker, I yield to the gentleman.

Mr. HALLECK. Mr. Speaker, may I say that there were two very considerable delegations on our side of the aisle that had important affairs this evening that they wanted to attend. I think it is only fair to say that the arrangement was made largely because of a request that was expressed by myself.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. HOFFMAN of Michigan. Mr. Speaker, reserving the right to object, I would like to suggest that the minority leader, in the future, let some of us know when requests of this kind are coming up, because we have commitments to work on committee hearings.

Mr. HALLECK. Mr. Speaker, will the gentleman yield to me?

The SPEAKER. The gentleman from Michigan [Mr. HOFFMAN] has the floor.

Mr. HALLECK. I know that, Mr. Speaker; if I had it, I might yield it right quickly. Will the gentleman from Michigan yield to me?

Mr. HOFFMAN of Michigan. Mr. Speaker, let me state this first. The gentleman from Iowa [Mr. GROSS], who is my adviser, has suggested that we continue our work instead of adjourning over every week for social engagements, and so forth. I have no objection to whatever the minority leader wants. Of course, I shall go along. But I would like to know some time in advance.

Mr. HALLECK. I tried to disseminate the information. I think perhaps there was some statement about it in the RECORD; that is my recollection.

Mr. HOFFMAN of Michigan. On the floor?

Mr. HALLECK. Yes. I think perhaps the statement was made at the close of a vote. Unfortunately, the majority leader and I had tried to arrange a time when we could make some statement about it when everybody would be here, but, as the gentleman from Michigan knows, sometimes that is not possible. When a vote has been had, Members leave for their offices immediately to sign their mail and do the work that they have to do. And, of course, we are all for that.

Mr. HOFFMAN of Michigan. It is all right with me. I may have been off the floor. In view of the very happy relations that exist between the majority leader and the minority leader, Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts that further proceedings on the bill H.R. 3610 be postponed until Tuesday next?

There was no objection.

GENERAL LEAVE TO EXTEND

Mr. BLATNIK. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to extend their remarks on the bill H.R. 3610.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

ANNIVERSARY DAY—1959

Mr. KEOGH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEOGH. Mr. Speaker, the pleasant colloquy just had between the majority and minority leaders and others prompts me to think of Brooklyn—the sun always shines there and particularly on the first Thursday of June. That day is, in Brooklyn and Queens, Anniversary Day, commemorating this year the 130th anniversary of the founding of the Brooklyn Sunday School Union. It is a holiday of holiness—unique and, indeed, unparalleled—for on that day hundreds of thousands of men, women, and children of all Protestant faiths proudly and publicly pledge their faith in God and their allegiance to our country. The Anniversary Day parade has on occasions been reviewed by Presidents, Governors, mayors, and all prominent public officials, as well as high-ranking ecclesiastics and clergymen. It is a most inspiring sight and makes for a better Brooklyn, a better country, and, in fact, a better world. Would that the example of this day in Brooklyn take root in other darkened parts of the world. The theme of today is well expressed in the following editorial which appeared in the Ridgewood Times of May 28, 1959:

ANNIVERSARY DAY

Anniversary Day, always a significant occasion for Protestants in both Brooklyn and Queens, will be especially so next Thursday, June 4. In accordance with their custom, weather permitting, the church schools will conduct parades commemorating two outstanding milestones.

In Brooklyn, where the observance originated, this year marks the 130th annual parade, while the Ridgewood-Glendale Church School Union is conducting its 50th observance. The theme is "Christ Lives—Trust Him" (I Timothy 4: 10). Thus, as they march next Thursday, thousands of boys and girls and men and women of Greater Ridgewood, Bushwick, and other sections in the two boroughs will be witnessing to their faith.

Throughout the last few months there have been similar demonstrations by Roman Catholics through the medium of parades and rallies by the Catholic Youth Organization and the Holy Name Societies.

In these days of unrest and chaotic conditions throughout the world, with communism seeking to extend its power, Anniversary Day should serve to remind all of us to support the religious institutions of our choice in helping people to a steadfast faith in God.

LIBERALIZING SOCIAL SECURITY SYSTEM

Mr. FINO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FINO. Mr. Speaker, on numerous occasions in the past 7 years, I have taken the floor of this House to urge Congress to liberalize and improve our social security system. While we have made some progress in liberalizing our system, I still feel that we have not gone far enough in correcting some of the unfair and unrealistic provisions which still cause hardship in millions of American homes.

Three years ago Congress gave partial recognition to one of the serious inequities of our social security law. It provided disability benefits to those 50 years or older. While this improvement in our law was considered a step forward, it did not approach this serious problem with humane understanding.

We should amend the law at once to provide benefits at any age for earners and their dependents when the earner is forced to leave his job because he is totally and permanently disabled. Once again I ask for consideration of my bill, H.R. 5394, to make this simple but significant change in the Social Security Act. It is a logical and urgently needed culmination of our past actions to improve the lot of disabled workers and their families.

At present the law provides cash disability benefits, similar to retirement benefits, for disabled workers between the ages of 50 and 65 who meet eligibility requirements. Since September 1958, benefits have also been payable to the wife, dependent husband, or the minor or disabled child of an individual entitled to disability benefits.

But what about the younger men and women who become disabled? What about men and women in their twenties, their thirties, or forties, who have worked long enough to become fully insured and then have suffered total, hopeless disability? There are about 110,000 of these individuals in this country today.

As the law stands, these people are simply told to wait for age 50 before they or their dependents can draw benefits. True, the social security record in such cases is frozen, so that those ultimate rights to benefits will not melt away during the long period of enforced unemployment. Also, the 1958 amendments changed the test of attachment to the working force so that individuals whose disability came on gradually, rather than suddenly, can now qualify for the disability freeze—or, if over 50, for the benefits. But for these younger families the only other consideration given under present law is this dismal alternative: If the insured disabled worker dies before age 50, leaving children under age 18 or a disabled child of any age, his family may qualify immediately for survivors benefits.

Mr. Speaker, I am not referring to disabled persons who can go out and earn money in part-time work or in work of lesser skill than their earlier jobs. I am referring to the 85,000 persons under age 50 who, in every single case, have been determined by the social security authorities to be permanently and totally disabled, and the estimated 25,000 additional persons who soon will be thus identified under the 1958 amendments. This determination is made under present law for purposes of the disability freeze.

For each of these people several very harsh facts have been firmly established in accordance with the explicit requirements of existing law:

First. The period of disability has lasted at least 6 full calendar months before it is even recognized as disability.

Second. The individual is still alive and under a disability at the time of application.

Third. The individual is precluded from engaging in any substantial gainful activity by reason of a physical or mental impairment. The impairment must be medically determinable and one which can be expected to be of long-continued and indefinite duration or to result in death.

Fourth. The individual does not refuse, and will not refuse, to accept necessary rehabilitation services from the State vocational rehabilitation agency.

These are strict tests. That they are administered strictly will be attested by my many colleagues in this Congress who have had occasion to inquire into the operation of the disability insurance provisions of social security on behalf of their constituents. But I am not proposing that the test of disability be relaxed in any way, either in the law or in its administration. It is precisely because these strict safeguards are in the law that my proposed bill is a conservative and cautious one.

My bill deals simply and directly with the problem. It would remove from the present law the lower limit of age 50 as a qualifying condition for cash benefits. Under it, any worker, once he has worked under social security long enough to be insured, would have available to him at any age the same disability benefits that he now has available at age 50. He would still have to suffer unaided through the 6 months waiting period. He would still have to be alive and under a disability at the time of application. He would still have to show a medically determinable impairment that precludes his engaging in any substantial gainful activity—one that can be expected to be of long-continued and indefinite duration or to result in death. He would still have to agree to accept rehabilitation services. He would still have to qualify for the disability freeze. But one important fact would change: He would not have to wait until age 50 before he could draw monthly benefits under the social-security program.

The personal tragedy of a permanently disabling injury is at least as great in the case of younger workers as for those over age 50. Perhaps it is even greater, not only because it entails more years of misery, more dark years of frustration for each individual and his family, but also for even more objective and measurable reasons. The younger workers are more likely to have minor dependents. The medical and hospital bills may go on for a longer time. The chances are less that savings, property, and grown children are available to help pay the bills.

Mr. Speaker, when we in Congress wrote the disability provisions into the law, we very properly moved with caution. First we provided the so-called disability freeze. Later we made cash disability benefits available once the

helpless worker reaches age 50, and also for disabled dependents whose disability began before age 18 and continues beyond that age. Last year we added dependents' benefits in the very limited cases of the wife, the dependent husband, and the young or disabled children of the totally disabled worker who is 50 or older.

Before each step was taken we heard loud outcries about the cost and the administrative complexities of disability insurance. These fears have been demonstrated by experience to be groundless. We provided a special fund to finance the disability insurance benefits—and even with the 1958 provisions for benefits to dependents and other improvements, this fund is solidly financed without requiring any increase in that part of the payroll tax earmarked for disability. Both the Senate and the House reports on the 1958 amendments included this significant comment about the actuarial cost estimates:

> The actuarial experience to date under the very strict definition of "disability" in the law has been significantly lower in cost than the intermediate-cost assumptions would indicate.

I have no doubt that experience will likewise demonstrate that the payment of benefits to the permanently and totally disabled workers under age 50 is well within the capacity of the present social security system. If eventually this improvement should necessitate some small amount of additional financing for the disability insurance trust fund, that increase would be compensated in some measure by savings in public assistance and other public programs.

To those who profess to see administrative complications, I cannot emphasize too strongly that my bill introduces no new procedures or problems. There would be no determinations of disability beyond those provided in the present law. The only new administrative action would be the actual payment of benefits to individuals—the very same individuals who, under present law, are determined to be insured and disabled for purposes of the disability freeze. Deletion of the age-50 limitation would reduce the number of categories subject to different treatment; to this extent, it would simplify administration.

Above all, the adoption of this bill would remove an arbitrary and indefensible discrimination from our social security system. Cash benefits will enable these younger disabled workers and their families to pay more of their medical and hospital bills, to lead more nearly self-sufficient and self-respecting lives, and to clothe and feed their children more adequately. It would free many of them from dependence on public or private charity. It would show these people that our society values them as individuals and as families and that it has been sufficiently concerned to devise an effective social-insurance plan to help meet their needs.

Mr. Speaker, a society that aspires to the distant planets cannot shut its eyes to the personal tragedies of total disability here at home. Just as we possess skills that can overcome fantastic barriers in science and technology, so we have the skills necessary to devise and operate a social insurance system for dealing effectively with the needs of the disabled.

We have already demonstrated successfully that we can provide this disability insurance for people over age 50. Surely we have equal compassion for the suffering of the young and the middle-aged victims of total disability, and we have equal ability to meet the need. Only one further step is required. It is this next logical step that is proposed in my bill to eliminate the age barrier to disability insurance. Favorable consideration of my bill H.R. 5394 will bring us closer to the realization of a more humane, liberal and improved social security system.

SWEEPING REFORM WON BY RIBICOFF

Mr. IRWIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. IRWIN. Mr. Speaker, there has been a remarkable demonstration of executive leadership and legislative teamwork in my home State of Connecticut which I would like to call to the attention of the Congress.

Gov. Abraham Ribicoff, reelected last fall, has registered an outstanding legislative record in conjunction with the general assembly, under Democratic control for the first time since 1876.

The Governor and the legislature have given sweeping reforms to the State of Connecticut, enacting virtually all of the major governmental reorganization measures requested by Mr. Ribicoff in his inaugural message last January.

With your permission, Mr. Speaker, I would like to introduce into the RECORD an article from the New York Times for June 4 which pinpoints the achievements of the Democratic administration led by Governor Ribicoff.

SWEEPING REFORM WON BY RIBICOFF—HARTFORD LEGISLATORS PASS VIRTUALLY ALL MEASURES REQUESTED IN INAUGURAL MESSAGE

(By Richard H. Parke)

HARTFORD, June 3.—The Connecticut General Assembly worked tonight to dispose of nearly 200 bills before the adjournment deadline, set by law at midnight.

The last-minute legislation was largely routine. The biennial assembly, under Democratic control for the first time since 1876, already had approved sweeping statewide reforms in its 5-month session.

It gave Gov. Abraham A. Ribicoff, Democrat, virtually all the major governmental reorganization measures he requested in his inaugural message last January.

These included:

Abolition of the State's system of town and city courts, dating to 1639, and its replacement by a State circuit court system, effective January 1, 1961.

Abolition of county government, dating to 1666, and the assumption of its powers by the State, effective October 1, 1960.

Authorization for a $346 million bond issue to finance a 4-year State highway construction program. The bill includes provision for State acquisition of five Hartford area bridges, two of which would be made toll free.

Approval of a $57 million bond issue for capital improvements and payment of State building grants to towns.

Approval of the diversion of about $21 million a year from the State highway fund to the general fund. Governor Ribicoff had warned that the diversion was required to avoid tax increases.

Approval of a $536 million appropriations bill that included a $457 million general fund budget for the 1959–61 biennium.

OTHER MAJOR LEGISLATION

Other major legislation to win passage included a reorganization of the State health department. The assembly also voted to continue the State education grants to towns of $21 a pupil.

However, the Ribicoff administration suffered a few setbacks. One, ironically, was in the field of highway safety with which the Governor has long been identified. Democratic-sponsored bills that would have established a uniform traffic ticket, maximum speed limits, and standardized accident report forms were defeated.

The Governor also was unsuccessful in obtaining approval for an expanded unemployment compensation bill. The bill, a key administration measure, finally was passed but suffered crippling amendments. About all it provides for is a $5 increase in the present $40 weekly benefit pay.

The session was marked by many close votes. The Democrats control the Senate by 29 to 7, but have only a 140-to-138 margin in the House. The highway bond issue bill passed by only one vote, and the appropriations measure by only two.

Political observers gave much of the credit for the Democratic victories to John M. Bailey, the State leader, who worked closely with legislative leaders throughout the session.

PUBLIC-SPIRITED AND VOLUNTARY MOVEMENT BEGINS TO END THE USE OF PLASTIC BAGS

Mr. STRATTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point and include an article from the New York Times.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. STRATTON. Mr. Speaker, some days ago the Members of this House will recall that I introduced a bill, H.R. 7387, designed to ban from interstate commerce those innocent appearing but very deadly plastic bags used for laundry and drycleaning purposes which have taken such a heavy toll of human lives. The gentleman from Arkansas [Mr. HARRIS], chairman of the House Interstate and Foreign Commerce Committee, to which this bill was referred, has assured me that hearings will be held at an early date on this legislation so that we can deal with this critical safety problem. In the meantime, I have appealed to the drycleaning and laundry industries to give up voluntarily the use of these bags so that they will not continue to be introduced into the American home and continue to be a source of danger to small children.

I was particularly gratified this morning to read in the New York Times that one of the largest drycleaning chains in the great city of New York, Spotless Stores, Inc., with some 200 outlets, has

voluntarily discontinued use of the plastic bags, and the president of that firm, Mr. Harry Denberg, has derided the effectiveness of so-called safety campaign posters which have been urged by some as an effective means of dealing with this menace. In the words of Mr. Denberg, "You may be able to educate a customer, but I doubt you can educate a kid."

I want to commend Mr. Denberg and his organization in the highest possible terms for their statesmanship in this action and for their manifest willingness to place the lives of small children ahead of any consideration of minor and immediate personal convenience. This is certainly in the great tradition of American industry, and I hope that the action of Spotless Stores, Inc., will set the pattern for all other drycleaning and laundry outlets throughout the country.

Under leave to extend my remarks, I include an article which appeared in the New York Times this morning which reports the action of Spotless Stores, Inc., and also discusses the action of the Metropolitan Film Converters Association and E. I. du Pont de Nemours & Co., one of the largest plastic producers, in announcing their opposition to the legislation which I have introduced to protect our children.

The article follows:

INDUSTRY WARNS ON PLASTIC BAGS—TO ISSUE POSTERS ON THREAT TO CHILDREN—ABOUT 30 DEATHS ARE REPORTED—ONE CHAIN TO END USE—DRY CLEANER HERE DISCOUNTS VALUE OF SAFETY DRIVE ON SUFFOCATION PERIL

(By Morris Kaplan)

The plastics industry is issuing a warning on the plastic bags that have suffocated children who have used them as toys.

The plastic, four to six one-thousandths of an inch thick, has reportedly caused the deaths of about 30 children. Twenty deaths were recorded in the first 3 months this year, according to the National Safety Council. The plastic is widely used as a garment bag in drycleaning and tailoring.

Two suicides by plastic bag have been reported here recently. A magazine editor killed himself in Manhattan last week. A Jackson Heights, Queens, man used one as a means for suicide a week before.

As an important warning to parents, the Society of the Plastics Industry prepared this week to distribute placards for display. The placards will go to almost 9,000 members of the National Institute of Drycleaning.

However, one of the city's largest drycleaning chains, Spotless Stores, Inc., with 200 outlets, prepared to discontinue use of the plastic bags. Harry Denberg, president of Spotless, derided the use of safety-campaign posters.

"You may be able to educate a customer," he said, "but I doubt you can educate a kid."

INDUSTRY'S PLACARD

The industry's warning placard will read: "These bags should be kept away from small children. Don't permit small children to play with plastic film wrappings. Do not use them as covering in baby carriages, playpens, and cribs.

"Thin film can cause suffocation if brought into contact with a child's face so as to cover nose and mouth. Just as you don't permit children to play with matches, sharp objects, or medicine, take away plastic film wrappings from them. Destroy film wrappings when they have served their purpose."

The society's executive vice president, William T. Cruse, stressed the hazard of improvising playthings and mattress covers from the filmy plastic. He noted the appeal the bags had for young children, who pull the plastic bag over their heads. It is equally dangerous, he said, if a child should sleep face down on the plastic.

The limp plastic clings to the face and covers the mouth and nose. The more a child struggles, the tighter the plastic clings, according to a physician.

The Metropolitan Film Converters Association, representing 20 converters in Greater New York, met Tuesday to discuss an educational program.

The association went on record against a bill introduced by Representative SAMUEL S. STRATTON, Democrat of upstate New York, seeking to limit the use of the plastic bags. Last week he asked the drycleaning and laundry industries to stop wrapping garments in the material.

A spokesman for E. I. du Pont de Nemours & Co., one of the largest plastics producers, blamed parental carelessness in the deaths. He said that the plastic film was remarkably flexible and strong.

WEST VIRGINIA IS GETTING SHORT-CHANGED

Mr. HECHLER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. HECHLER. Mr. Speaker, in the past few days I have been presenting to the House some revealing figures which show that my home State of West Virginia is not getting a fair and even break when it comes to military personnel, civilian employees of the Department of Defense, and active military installations within the State of West Virginia.

It will of course be pointed out that West Virginia's population is only about 2 million people, and therefore she should not be entitled to have as many defense installations as States with larger populations. This is certainly true, but even when considering and taking into account the factor of population, West Virginia is grossly underprivileged.

Let me present a few illustrations, Mr. Speaker, drawn from the bordering States of Kentucky and Maryland. Yesterday, I pointed out the discriminations against West Virginia in contrast to the bordering States of Ohio, Pennsylvania, and Virginia; today I shall discuss Kentucky and Maryland.

Kentucky has a population of 1½ times that of West Virginia, yet has on active duty 74 times as many military personnel drawing 75 times as much money, 40 times as many civilian employees of the Department of Defense, and 6 times as many active major military installations.

Maryland has a total population 1⅓ times as great as the State of West Virginia, yet has on active duty 85 times as many military personnel, 40 times as many civilian employees of the Department of Defense, and 26 times as many active major military installations.

I did not dream up these statistics, Mr. Speaker; they were supplied to me officially by the Department of Defense, which knows whereof it speaks. Why should the State of West Virginia be overlooked? Why should an area with excellent transportation facilities, waterways, access to raw materials, and the advantage of certain mountainous areas for nuclear installations be discriminated against? These are questions no person can answer.

COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tomorrow, Friday, to file a number of privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

THE NATION'S WATER PROBLEM

The SPEAKER. Under the previous order of the House, the gentleman from Utah [Mr. KING] is recognized for 30 minutes.

Mr. KING of Utah. Mr. Speaker, I raise my voice today to compliment the Public Works Subcommittee of the House Appropriations Committee. I understand that this subcommittee recently recommended appropriations to start several new reclamation projects in fiscal 1960.

Such recommendations defy the "no new starts" policy which the administration proposed in its budget requests for the next fiscal year.

Of course, the "no new starts" declaration should, and must be defied. Such a position is entirely unrealistic. New starts in reclamation are clearly required by the pattern of our national growth. And I warmly and heartily commend the members of the Public Works Subcommittee, individually and collectively, for the wisdom and courage they displayed in recommending appropriations to launch several new projects.

I represent a State and a people who also deplore the "no new starts" policy, and I am confident that I speak for them, as well as for innumerable other westerners and Americans, when I express my appreciation to this committee.

Every westerner understands the importance of reclamation. But I am confident the day has arrived when every other American sees its importance also.

We are a growing nation—a nation with an exploding population. It would be suicidal to embrace any national policy which failed to reflect that fact.

Very recent studies have indicated that the national population may double by the turn of another century. Within a decade our population will pass 200 million; by 1975 it will likely reach 225 million; and in 40 years, or by the year 2000, it will, barring global calamity, approach, and possibly exceed, 350 million, these studies show.

In the face of burgeoning growth, can we postpone the new starts? Can we postpone projects and programs which

promise more jobs, new homes, more industries and better farms? Commonsense will allow only one answer to this question.

We postpone them only at the risk of economic jeopardy, at the risk of national peril.

It should be as obvious to the administration as it is to the Congress that we must continue to grow in every area which helps the economy expand, which produces new wealth and nourishes our prosperity. And reclamation, clearly, is one of these areas.

The record shows that reclamation already has made a notable contribution to the national wealth and prosperity and to the high standards of living which Americans enjoy. The reclamation program and the power and water supplies which reclamation generate are to the West what the blood bank is to the hospital. They sustain life; they give promise of a healthy future.

But let us also recognize that the need in reclamation today is a national need. And this need, in truth, embraces three needs.

We often think an expanded agricultural capacity to be the original objective in reclamation. Certainly it has been an important objective. As the national population soars, a growing capacity to produce food can only assume additional importance.

But improved and increased water supplies are also in great demand by industry and by the population itself. And, as the population grows, and even as the demand for foodstuffs grows, the culinary and industrial consumption of water also must grow.

The Nation must look to reclamation to provide the new water supplies which the expansion of our industrial capacity and to the growth of the population will demand.

Imagine, if you will, the enormous supplies of culinary water which a population of 350 million will require. In the near future, the need for culinary water easily may become the overriding objective in reclamation.

Some Americans imagine that reclamation has been largely responsible for the Nation's agricultural surpluses. This view has been widely cited by the opponents of reclamation.

I must state that this simply is not true. In few instances have the lands irrigated by reclamation developments been put to the cultivation of the crops which feed our surpluses.

Whereas some lands irrigated by reclamation have been sown in wheat, our principal surplus, others have been taken out of wheat. When the latter lands had been dry farms, their owners often had been compelled by circumstance to raise wheat. They had had no choice. When reclamation brought irrigation to these lands, the farmers were free to raise, and did raise, a much wider choice of commodities.

I am convinced our surpluses are a very temporary problem. I cannot forget that two-thirds of the world's people are undernourished and are, by the countless thousands, dying slow and agonizing deaths from malnutrition.

To those who see no end to our agricultural surpluses, I commend a very graphic report recently written by a man with expert knowledge of this problem, W. Preston Thomas, agricultural economist at Utah State University.

His report concluded that Utah, which traditionally produces more food than its population consumes, will by 1975 be consuming more food than it produces, despite remarkable progress in agricultural methods and in reclamation.

In 1955, with a population of 797,000, Utah produced some 2 billion pounds of food and consumed about 1½ billion pounds.

By 1975 its population will approach 1,500,000. By 1975 the current reclamation program will increase the irrigated farmlands in Utah by 80,000 to 100,000 acres, and another 175,000 acres will receive additional water.

Even so, consumption will overtake production. Mr. Thomas observes:

> Assuming that agricultural production will increase by 15 percent from technological improvements during the next 20 years, food production * * * will be about 2.5 billion pounds. This is about 400 million pounds under estimated needs.

Although his report centers on the production and consumption in Utah, I feel the outlook which it presents will apply to other States.

Let me also say that I am pleased that the appropriations which the subcommittee recommends for reclamation give the administration no cause to raise its familiar howl about budget busters. These recommendations will bust no budgets.

In fact, as a total, they exactly equal the administration's requests for fiscal 1960.

When we talk about spending, I think we must distinguish between the appropriations which are out-and-out spending and those which are loans. I find it quite disturbing and very irresponsible that the people who howl most often and most loudly about spending invariably ignore this distinction.

The appropriations we make for reclamation are not outright expenditures. For the most part, they are loans.

Only those projects which can be justified economically are authorized. Funds are appropriated only for the projects where the benefits, as shown by economic evaluations, exceed the costs.

The costs are repaid from the project revenues. In the case of the Upper Colorado Storage project, on which ultimate costs possibly will exceed a billion dollars, the costs are covered by 50-year repayment contracts. In other words, these costs are not costs to the Federal Government. They are costs to the people of the upper basin States. And these people shoulder them gladly.

The only cost to the Federal Government is the interest it loses on the money spent in the irrigation phases. The appropriations for the irrigation phases bear no interest, but they are repaid in full. And the power phases are repaid in full, with interest.

In conclusion, I again commend the subcommittee. Its members make a vital contribution to the future well-being of this great Nation by their support of reclamation. I eagerly look forward to a future which promises enormous and fantastic economic and technological strides for this land and its people. And I have no doubt that reclamation will play one of the prominent and vital roles in that future.

Mr. JOHNSON of Colorado. Mr. Speaker, will the gentleman yield?

Mr. KING of Utah. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. I first want to commend the gentleman for the very fine statement he is making about the reclamation program, and I would like to call the gentleman's attention to the statistics out of my own district where a very fine reclamation project is now in operation. That project cost about $150 million. It is paying its own way. The Treasury will get every dime back. Does the gentleman know that technically the irrigation features are only reimbursed at dollar amounts without interest? I would call to the gentleman's attention that the data for Delta County showed that the supplemental reclamation added $24 million to the value of the crops in that one county. That is only a portion of the area served. That means that the Federal Treasury, which gets about one-fourth of the income from all sources in this country, is receiving from that country alone $6 million in higher taxes as a result of this project in a single year. Yet, that sum is equal to the interest on the entire project for all purposes, irrigation, power, recreation, and so on. I submit that we have failed to identify the true value to the Federal Treasury of these sums, and that we embarrass ourselves, perhaps, when we say that we are not paying back more than dollar for dollar all of the investment in the project. Does the gentleman care to comment?

Mr. KING of Utah. I desire to thank the gentleman from Colorado for his valuable contribution. I concur in what he said and reaffirm that we in our State feel that reclamation holds not only the key to our future but the very key to our continued existence, because we have reached the point now where there can be no further healthy growth either in industry or in population unless the water problem is first solved.

Mr. JOHNSON of Colorado. I thank the gentleman, and I would say further that I do not believe any nation ever went broke in investing in its own resources. I am glad the gentleman is joining with the rest of us in the West in continuing to press for wise use of Federal funds to make this Nation a richer land.

Mr. KING of Utah. I thank the gentleman, and add the thought that I do not believe there is any substantial body of opinion in my State at all that would be at variance with the thoughts well expressed.

Mr. PORTER. Mr. Speaker, will the gentleman yield?

Mr. KING of Utah. I yield to the gentleman from Oregon.

Mr. PORTER. I want to commend the gentleman for his statement and say that out in Oregon we have a very serious water problem. We have lots of water at one time of the year and not

so much the rest of the time of the year, and these programs have meant a great deal in Oregon where they have paid off to the taxpayers far more than they have cost.

Mr. KING of Utah. I thank the gentleman.

PROPOSALS FOR A TRADE MISSION TO CHINA

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Oregon [Mr. PORTER] is recognized for 60 minutes.

Mr. PORTER. Mr. Speaker, I ask unanimous consent to extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. PORTER. Mr. Speaker, I appreciate the presence of certain Members of the House at this time who I know are interested and experienced in this area, and I may say, several who have had far more experience in this area than I. When I conclude my remarks I will be very glad to yield to them for comments and questions on this very important subject.

Mr. Speaker, the Post Office Department has just issued a new 8-cent postage stamp. It is a pretty stamp. On its face are emblazoned the words "World Peace Through World Trade."

Under date of January 21, 1959, the Honorable Lewis Strauss, the Secretary of Commerce, in a letter addressed to me, admits that "The Department of Commerce has no estimate of the potential trade with Communist China." Ponder that—not even an estimate of the potential trade.

Apparently Postmaster General Summerfield and Secretary of Commerce Strauss are on the same team but playing different games.

Our China policy is hopelessly confused and outmoded. By denying ourselves eyes and ears within the boundaries of Communist China, we force ourselves to rely on second-hand information and hearsay. We simply lack the fact on which to base an effective policy. This is willful ignorance.

RECOGNITION IS NOT APPROVAL

Many Americans have the idea that diplomatic recognition of any country implies approval of the politics and behavior of the existing regime in that country. If this were the criterion for maintaining diplomatic relations among countries there would be frequent ruptures of such relations and most of the countries of the world would be mad at each other almost all the time.

Recognition is not evidence that one country approves another's policies, programs, and behavior. Recognition implies only that the governments recognize each other as the actual administrators of the country and as the people in power with whom one must deal.

We Americans do not subscribe to any philosophy of tyranny, Communist or not, and we have no intention of subscribing to any. When, and if, we do recognize the Peking regime it will not mean that we have surrendered to the Communist philosophy. It will mean only that we have conceded that that regime is in fact the ruler of the Chinese people.

Specifically, recognition means three things; namely, one, that the government in power is in de facto control of the country, two, that it has the support of a majority of the people in the country—meaning, rather cynically perhaps, that there is no open rebellion in the country—and, three, that there is reason to believe that the government will honor its international agreements and obligations.

DEAL AT ARM'S LENGTH

Until now they have not honored their international obligations. They blame their failure on us. In my opinion we should give them a chance and proceed to deal with them at arm's length just as we do the Soviet Union and should do with other tyrannies, ranging from the Soviet Union through Spain to the Dominican Republic.

The present Peking regime is the de facto government of the 650 million Chinese occupying the mainland. To continue the pretense that the Nationalist Government of Generalissimo Chiang, on Formosa, is the de facto government of the Chinese people is to live in a world of fantasy at a time when we have no time for such illusions.

That the Peking Government has the support of the majority of the Chinese people is not as clear as the fact that it is the de facto government. There are indeed signs of growing resentment to the unparalled regimentation. However, there is no open revolt on the mainland against the government and there seems little likelihood that there will be at least for a while yet.

The fact that the present Chinese regime has not honored its international obligations and observed international amenities does not mean that it will necessarily continue to ignore them. Neither does it mean that it cannot, or will not, change its ways.

FACTS, NOT FANTASY

I certainly do not advocate that we move overnight from the inflexible extreme of ignoring the existence of Communist China to the opposite extreme of full recognition. All I ask is that we move in this direction and make our policies on the basis of facts, not fantasy.

One of our troubles is that in withholding recognition from the Chinese Government we give the impression of deliberately ignoring the unpalatable fact that China does exist. The International Olympic Committee, like the candid boy who pointed out that the Emperor was naked, has just told Chiang that he does not represent China.

By keeping our heads in the sand we are talking ourselves into believing that Communist China is only a flash in the pan. We like to think that the Communist regime in China will fall on its own dead weight.

This is wishful thinking, a natural result of fantasies and willful ignorance.

The fact is that Communist China is developing rapidly. According to all indications it is undergoing a truly phenomenal economic growth. Lord Boyd Orr, the famous British food expert, whose objectivity as an observer is unquestioned, recently reported, after returning from a trip to China, that China has succeeded in increasing its food production by 50 to 100 percent in the short space of 3 years.

After an extensive tour of the country he also expressed the opinion that Chinese advances in food production in the next 5 years will radically exceed those of the 5 years just elapsed. Food long has been one of the major problems of China and, once it is solved, the country is well along the road to broad economic development.

CHINA'S GROWTH

Other competent observers who have visited China have been impressed by the rapid mechanization, the building programs, the factory construction, and the relative abundance of consumer goods that have come into being in just a few years.

There is every reason to believe that in the course of the next decade China will become one of the world's leading powers. Under the circumstances we cannot afford to close our eyes and to pretend that China does not exist. Communist China is a reality and will be a potent economic, political, and military force for a long time to come.

Under the circumstances our need is not for a rigid policy. We need flexibility and maneuverability. As China develops economically, decreases its misery and increases its level of popular education, its government will inevitably change. This is happening in the Soviet Union. The direction of this change can be good and it can be bad.

Negotiation and coexistence have many frustrations but they are vastly preferable to hatred and war. They are the only route to peace and survival.

Neither recognition nor admission to the United Nations is the most pressing issue today. If we are to have an effective policy of flexibility, we must have reliable facts. This is the most pressing issue before us. We should actively encourage the exchange of newsmen and other measures, such as a trade mission, which will help us achieve a realistic appraisal of this awakening giant across the Pacific from us.

THE TRADE QUESTION

That successful trade relations could lead to eventual recognition is obvious—obvious, that is, provided that, with trade, the Peking regime mends its ways and recognizes the proprieties in its international behavior.

Trade by itself does not constitute recognition. The opposite is also true. The maintenance of a complete embargo on trade with China guarantees that there will be no recognition and guarantees the continuation of the unproductive and ominous status quo.

The embargo that we maintain against Chinese trade makes us appear ridiculous in the eyes of other nations, particularly in Asia. While we sit back and deplore China, the United Kingdom and our other allies carry on a profitable two-way trade with that country, displacing some of our production and exports. Western Germany increased her exports to China

from $45 million in 1957 to $165 million in 1958. Britain's exports more than doubled in that 1 year. France's sales skyrocketed.

I am appending to these remarks figures relating to the United Kingdom's trade with China for the years 1953 through 1958. In this period the United Kingdom's imports from China increased from $28,621,600 to $51,923,200, her exports to China from $17,547,600 to $76,260,800.

What we want, ideally speaking, and what we must do in the world of reality, are two different things. The choice is not between the ideal and the existing situation. The choice is between the existing situation and feasible alternatives.

It is time that we took a hard, close look at the China trade question and gave serious consideration to the desirability, from our own point of view, of reopening trade with that country.

At the present time we treat China differently from the way we treat the Soviet Union and other Communist countries. We impose a complete embargo against Chinese trade, but we permit trade in nonstrategic goods with Russia and other Communist countries. What good purpose does the continuation of this "China differential" serve? None that I can see.

The fact that we recognize the Moscow regime but do not recognize that of Peking is not a reason for this discrimination. We do not agree with the policies of the Soviet Union but we have not seen fit, in our own self-interest, to withdraw diplomatic recognition.

SENATOR ENGLE'S RECOMMENDATIONS

I agree emphatically with the able junior Senator from California, the Honorable CLAIR ENGLE, who said, on the Senate floor a few days ago:

> The challenge to our foreign policy in the next decade is to prevent the total marriage of China and the Soviet Union. * * * Our policy should move in the direction of preventing a complete dependence of Red China on Soviet Russia and a total marriage of the two on the basis of Chinese necessity. Our present policy does not move in that direction.

Our present policy is a dead end, offering nothing for honorable peace or victorious war. It refuses to face the facts and brings us perilously close to war. If we were to allow trade in nonstrategic goods we would at least have a chance of breaking the deadlock and of showing the Chinese people that we do not have horns. We might even rediscover what we already should know—that the Chinese people do not have horns either. The fear that is being generated on both sides of the new Chinese wall makes for dangerous tensions. The people of both countries need to know more of the truth.

TERROR AND LIES

We Americans whose country was born in a revolution against tyranny, detest tyrannical governments of any stripe, Communist or purportedly anti-Communist. The governments of the Soviet Union and China are tyrannies imposed on their respective peoples by terror and lies.

I am familiar with the recent report issued by the House Un-American Activities Committee and offering testimony to show the determined and violent methods used by the Chinese Communists to attempt to stamp out Christianity. Three of the five witnesses had left China 9 or more years ago. Two had never been there at all.

I am sure these witnesses were both sincere and able. I am sure, as I was sure before I read the testimony, that the Communists want to stamp out Christianity. I am also sure they will not succeed in this endeavor. And I am also sure that our knowledge of China ought to be based on first-hand reports from witnesses who have just arrived from there, not witnesses who have not been there at all or for at least 9 years.

FORMOSA

We have guaranteed the integrity of Formosa, just as we have guaranteed the integrity of South Korea. We intend to respect these guarantees.

We should realize, however, that protection of the integrity of the Free Chinese on Formosa does not mean that we are obliged to perpetuate the fiction that the Chiang Government is the government of all China. There are other ways of guaranteeing the integrity and independence of Formosa than to throw our lot in, blindly and forever, with Chiang and his handful of followers in their ambition to fight their way back to mainland China.

Chiang's troops are getting old. The idea of their invading the Chinese mainland, without assistance by the United States is ridiculous. Atomic war would be even more fantastic. Some persons mistakenly identify the freedom of Formosa with the Chiang regime. The fact is that there is considerable friction between the natives of Formosa and the Nationalists who migrated from the mainland.

NEED FOR A REALISTIC POLICY

Whether or not China will honor its international obligations remains to be seen. Diplomatic recognition hinges upon this fact, not on the fact of trade. Trade makes for peace, as our new postage stamp slogan proclaims. If we mean what we say we should not be afraid of trade.

Our businessmen are not dupes or fools. They are intelligent and experienced. They are worthy of our confidence and trust. They can handle themselves and their affairs quite adequately if the embargo on U.S. trade with China is removed.

CHINA'S TRADE POTENTIAL?

Nobody seems to know, not even our Secretary of Commerce, as I stated earlier, what China's trade potential is. China needs capital goods, and by denying these to her we continue to throw her into the arms of the Soviet Union.

The tremendous increase in Chinese production in 1958 proves that our embargo has not undermined the Chinese economy. In fact, it is clear that it has helped China to industrialize.

There is no doubt that China needs world trade. It is a potential market of great value, yet we are fast losing all possibility of sharing in it by our policy of embargoing trade. Our allies are establishing trade relationships that will give them a tremendous advantage over us in the Chinese market. As one man has written to me:

> What we are doing is forcing the manufacturer, in a country having abundant raw materials and labor, of goods which they might be content to import from us, had we adopted a more liberal trade policy.

The China trade used to be significant for my own State of Oregon. In 1931, more lumber was exported to China from Washington and Oregon than to all other nations in 1956. In 1931 about two-thirds of all the wheat exported from the Pacific Northwest went to China.

NO ONE KNOWS EXTENT

Given our present sources of information, it is true that no one knows how much trade in nonmilitary items would develop if such trade were to be permitted. However, there seems little doubt that trade would be a lifesaver to some industries and areas.

That prewar trade with China was significant is shown in the following tables, which, under unanimous consent, I include at this point:

U.S. trade with China, 1934–41

[Dollar amounts in millions]

Year	Exports	Percent of U.S. exports	Imports	Percent of U.S. imports
1934	$68.6	3.2	$43.2	2.6
1935	38.1	1.1	63.7	3.1
1936	46.8	1.8	73.6	2.1
1937	49.7	1.1	99.4	3.3
1938	34.7	1.2	47.2	2.3
1939	55.6	1.4	60.3	2.6
1940	77.9	1.1	87.4	3.4
1941	95.3	1.3	83.8	2.6

Source: U.S. Department of Commerce, Bureau of Foreign and Domestic Commerce.

United Kingdom trade with China

[Value: Pound sterling thousand]

UNITED KINGDOM IMPORTS FROM CHINA

Commodities	1953	1954	1955	1956	1957	1958
Total	10,222	8,959	12,361	12,549	14,225	18,544
Tea	71	298	703	273	812	1,084
Wool, hair, tops, etc	1,812	1,266	2,563	3,558	3,049	937
Miscellaneous textile manufactures	250	490	728	691	839	967
Dairy products	3,741	2,773	1,884	1,765	2,548	4,043
Animal and vegetable crude materials	511	1,247	2,038	1,126	1,279	1,998
Animal and vegetable oils, etc	2,023	1,082	1,034	1,094	745	772
Chemicals	328	776	1,458	1,587	1,486	1,864
Cotton	136	433	319	271	374	430
All other items	1,340	594	1,634	2,184	3,093	6,449

United Kingdom trade with China—Continued

[Value: Pound sterling thousand]

UNITED KINGDOM EXPORTS TO CHINA (INCLUDING REEXPORTS)

Commodities	1953	1954	1955	1956	1957	1958
Total	6,267	6,919	7,946	10,782	12,916	27,236
Wool, hair, tops, etc	3,558	3,565	5,177	5,115	4,218	6,617
Chemicals	347	1,470	1,775	1,283	2,788	3,015
All other items	1,862	1,884	994	4,384	5,190	17,604

For the Oregon customs district, the importance of trade with China is shown by the following figures:

Year	Exports [1]	Percent of total district exports	Imports [1]	Percent of total district imports
1934	$7,000,000	31.0	$152,000	.03
1935	2,000,000	11.4	288,000	.03
1936	1,200,000	7.0	237,000	.02
1937	1,800,000	6.6	264,000	.02
1938	1,500,000	5.1	840,000	11.30
1939	5,000,000	16.4	102,000	.01
1940	3,800,000	14.1	113,000	.01
1941	1,800,000	4.6	128,000	.01

[1] U.S. Department of Commerce. Bureau of Commerce. Trade with China for period 1934-41.

The administration contends that we should not trade with China because we do not know what the Chinese could use to pay for their imports from us. This is beside the point. Such arguments are futile. If China needs our products, means of payment will be found. Our businessmen will not give away their products.

Any nation that can increase her industrial and agricultural output in a single year, as China has done, can certainly find the means to acquire the necessary resources for further advances. We know that she needs capital goods of all kinds to aid her tremendous drive for economic development.

If we continued to deny to her these goods she will get them from other sources or from her own production. To deny her the goods has little effect on the pace of her development, as was shown by her tremendous advance in 1958, and merely postpones the day of our entry into a potentially lucrative market. Meanwhile, our competitors are becoming established.

WHAT HAS CHINA GOT?

To get down to particulars, let us see what Communist China might supply to us to pay for our exports to her.

Here are some items:

First. Tung oil used to be one of China's principal exports. Prior to World War II, we imported about 50 percent of China's output. Conceivably this product could become important again. We now grow tung trees in our Southern States, but there would seem to be a market for the Chinese product.

Second. Chinese chestnuts are also a possibility, although the size of the market for them is uncertain. If consumer taste could be built up for them the market might increase markedly.

Third. Edible apricot kernels have been sold in considerable quantities in the United States in past years. They are frequently mistaken for almonds.

Fourth. Although no longer a significant item, considerable quantities of tea, particularly high-grade quality, could command a ready market in this country.

Fifth. Much of China's production of carpet wool could be shipped to the United States for use by our carpet industry. Hooked rugs are sold readily in Canada today.

Sixth. In the past furs were an important item in trade with the United States. Undoubtedly, there would be a large market for all kinds of furs.

Seventh. Soybeans have been a significant export in the past. The insatiable demands of China's growing population make exportable quantities somewhat uncertain, but some could be marketed in this country in any year in which surpluses were available.

Eighth. Hog bristles have been exported in large quantities in the past, and despite the inroads of nylon and other substitute materials, could again become of minor importance as a source of revenue.

Ninth. Egg products continue to be significant and will probably remain so.

Tenth. Silk has been an important export product for China, although substitutes have eaten greatly into its markets.

These are a few. No doubt other items should be added to a list.

For example, other vegetable oils could be exported in some quantity by China, but the possible market in this country is uncertain.

Minerals may be China's salvation in world trade. She has supplies of tungsten, tin and antimony far in excess of her own needs. Wolfram could conceivably be exported in small quantities as could salt, gypsum and talc. However, the prospect of our importing significant quantities of these metals seems somewhat remote at least for the immediate future.

MARKET FOR LUMBER PRODUCTS

Timber would seem to be a requirement for the economic development of China. It is true that China has made tremendous strides in making her vast forest resources available to her people and that she has been exporting some wood products to other countries. However, this net export position does not reflect ample timber supplies, but rather the strict rationing of foreign exchange for the purchase of machinery and essential materials not available on the mainland. In the future we should have a ready market for lumber products.

On the import side China will need increased quantities of finished steel, nonferrous metals, heavy and precision instruments, high-capacity power generating equipment and agricultural machinery. Rolling mills to process the vast quantities of crude steel still being produced in primitive furnaces are likely to have high priority.

NEED FOR A MISSION

In the absence of facts on which to base rational opinion, we should find out for ourselves what the economic and trade situation is within China. We should go take a look for ourselves.

I propose that a mixed commission, representing Congress, the American business community, and technical and economic experts, as well as press representatives, be created and that it visit China. Such a commission, consisting of 35 to 50 members, should talk to the Chinese leaders and travel widely in China. It should try to ascertain what the trade potential and conditions would be.

There is little reason to doubt, if we were to make such a move, that the Chinese Government would cooperate. If they did not, at least we would then have a clear indication that China has no desire to change its ways and coexist in peace. It is in the American tradition to take the first step toward the establishment of peaceful relations. This is not softness, but commonsense. This is not the easy way.

I do not agree with the memorandum that I have just received from the State Department, by way of the White House, that "to send a trade mission to the Chinese mainland would be a major reversal of established United States policy without any compensating advantages to the United States. Such a reversal would be regarded throughout Asia—and would be so presented in Communist propaganda—as a major retreat in our policy toward the Chinese Communist regime and as a first step in its diplomatic recognition.

Here, once more, is the old, discredited policy of despair and war.

A POSITIVE STEP FOR PEACE

In my opinion, the sending of a mission would be an indication that we are willing to cooperate in trying to break the present stalemate. The sending of a mission, in and of itself, would involve neither any trade commitment nor any promise of diplomatic recognition. Members should include persons of all different views of our China policy. Whether we would follow a lifting of the trade embargo with recognition would depend on the performance of the Chinese Government.

It is my hope that one of the great committees of this Congress will consider the organization of such a fact-finding commission this year. If this is not possible, then private persons and organizations will take on the job. Indeed, they are already at work.

For an effective peace-seeking policy we need facts, not willful ignorance, not barefaced admissions by Cabinet officers that we don't even have estimates of the trade potential of China.

By doing nothing but hide behind a new Chinese Wall of complete embargo we guarantee that the deadlock will not be broken. This is the path to war.

EXCERPT FROM SPEECH BY THE HONORABLE ADLAI E. STEVENSON, UNIVERSITY OF ILLINOIS, URBANA, ILL., TUESDAY, MAY 12, 1959

Relations with the Communists means in effect relations with Russia and China. For the time being, they are bound together in a close alliance and community of interest. But I see no reason to suppose it immutable. If for no other reason, the Russians must have some reservations about the emergence of a new center of power in the Communist world in a nation lying on the borders of empty Siberia, a nation which by the year 2000 may have a population of 1,600 million. In other words, there is no inevitable long-term coincidence of interest between the two most powerful Communist states unless we continue to thrust Peiping into Moscow's arms. We want to keep Formosa free. Years ago I urged that instead of fighting over Quemoy and Matsu, we should be discussing the independence of Formosa together with the admission of China to the United Nations.

I am sure the Russians are delighted with our present policy of isolating China which makes them her spokesmen. And I believe we should not veto the admission of Communist China to the United Nations. I wish China had had to answer for Tibet before the forum of organized world opinion.

I believe Asian opinion would support independence for Formosa and an undertaking not to use force in settling its future. And I believe, too, that there would be widespread support in Asia for a declaration that the wishes of 8 million Formosans would be consulted in making any decision about their political future—especially after the tragedy in Tibet.

Could we go further? Could we urge the Asian nations to agree to the establishment of an atom-free zone in the Far East, as a preliminary to controlled disarmament? So much of Asian opinion has spoken out for pacification and noninvolvement, why not try to give some concrete meaning to this desire? Indeed, Mr. Khrushchev has himself suggested the possibility of an atom-free area. Is there a hint here to follow up? One of the problems in all our dealings with communism is to find grounds of common interest which guarantee that agreements will be observed.

[From the Albany (Oreg.) Democrat-Herald, May 27, 1959]

FAILURE TO RECOGNIZE RED CHINA ASSAILED

INDIANAPOLIS.—The retiring president of Princeton Theological Seminary charged Tuesday night that this country is turning its back on untold thousands of Christians in Red China while at the same time helping Spain's Francisco Franco "to perpetrate the worst tyranny in 400 years."

Dr. John MacKay, who is retiring this summer after 23 years as president of the famous seminary, told delegates to the 171st General Assembly of the United Presbyterian Church in the U.S.A. that Red China is one of the last great frontiers "not illuminated by the light of the gospel."

"How can we speak to China, unless we recognize her?" Dr. MacKay said. "How can the Chinese people learn?"

Dr. MacKay said he rejoices in the fact that nearly 1,000 delegates attending the general assembly adopted a moderate resolution looking with Christian hope for the recognition of Communist China under honorable circumstances.

"They may talk rough to us, and we may talk rough to them, but at least we will be looking eye to eye," Dr. MacKay told fellow clergymen and laymen.

"They (the Red China Government) have done some terrible things, but so have we. "Great Britain and the United States, the two great democracies, betrayed the Spanish Republic and let a despot like Franco enslave a nation. We talk about a free world. But can there be a free world as long as Spain is included?"

Dr. MacKay, who spent some time in China, said Christian friends asked him to plead for their cause as he caught the last airplane to Hong Kong when the Red regime tightened restrictions on travel.

STATEMENT

XI. The Eisenhower administration apparently opposes a complete cessation of trade with China. Robert J. Donovan, who wrote, "Eisenhower: The Inside Story" (New York, 1956, p. 131), reported:

"Then he (Eisenhower) turned to the question of cutting off all the free world's trade with China, which would have been a purpose of a blockade. It was naive, he said, to suppose that Red China could be defeated simply by the blocking of this trade. Instead, greatly to the detriment of the free world, he declared, it would compel China to rely to a greater extent on Russia for the products it needed. This, as he saw it, would have the bad effect not only of strengthening the bonds between China and the Soviet Union but at the same time of weakening the economies of free nations which customarily traded with China.

"Generally, the President's position has been that since commerce between the free world and the Communist world provides certain advantages for both, the United States should not fasten its gaze solely on that part of the trading that helps the Communists. Rather, he has held that American policy should be guided by consideration of the net advantage in East-West trade. Where such trade in nonstrategic goods yields a net advantage to the West, it should be allowed and should be used, if possible, as an instrument for extending Western influence beyond the Communist borders. To say there should be no East-West trade, he once told the Cabinet, would be a fallacy."

[From the U.S. News & World Report, June 14, 1957]

THE PRESIDENT COMMENTS ON TRADE WITH RED CHINA

Following is an excerpt from the transcript of President Eisenhower's news conference of June 5, 1957:

"EDWARD P. MORGAN (ABC). Mr. President, particularly since the Formosa riots, there have been an increasing amount—there has been an increasing amount of speculation on the possible need to reassess our position toward the two Chinas.

"Can you clarify this, particularly on two points: the possibility of some increased commercial relations with Peiping, and what this administration thinks of the durability of our relations with the Nationalist Government in the possibility of the disappearance of Chiang Kai-shek, either by death or other means?

"The PRESIDENT. Nobody—it has occurred to no one to ask an easy question this morning, has it?

"In the first instance, there is nothing in this particular case that would in itself require a reassessment of our relationships with the so-called two Chinas.

"The generalissimo has been very prompt in his expressions of regret and has, as a matter of fact, taken a great deal of blame for himself for not moving more rapidly.

"While the violence of the outburst was unexpected, there were also very many signs that there was some kind of organization behind it—no one knows what.

"But in any event, our relationships with Formosa are unchanged as a result of that incident as of this moment and, so far as I know, no one has suggested any change.

"With respect to the trade, there is a law on the books, I believe, preventing all shipments of American property to Red China.

"So long as that law is on the books, of course, that is that.

"Now, there is a very great division of opinion in America, as there is in the world, about the value of trade with Communists.

"There is—we have had this subject up here before—there is one school of thought that thinks any trade with the Communist countries is bound to be to their benefit; whereas there is another school of thought that thinks that the Yankee, for example, is a very fine trader, and that we got to be a great country by trade, and they assert that trade in itself is the greatest weapon in the hands of a diplomat and, if skillfully used, it can be used as a very great instrument of governmental policy.

"In this case the argument, or the point at issue, has been over the last many months: Should we maintain the differential between the shipments allowable to the western part of the Communist area in Eurasia, and the eastern part?

"Those that argue for the elimination quote several things: first, that it is foolish to say China can't have something, and then you ship it to Russia and can go on through.

"The opposing argument is that they have to do that and use up their transportation space. That costs them some money.

"Another argument on the side of this, of the liberation—the liberalizing of this trade—is that Japan, our friend, must make a living. She can't trade all around the world because too many people have some kind of bars.

"Here in this country, as you know, there is constant agitation to set up bars against textiles and light machinery, and all that sort of thing.

"Where is she going to trade? All right. They say we want Japan for our friend—95 million people. They should be allowed to trade somewhere and, therefore, we ought to liberalize the trade with China.

"The other side says if you let that happen, the next thing you know you are going to have Japan communized.

"So it is that kind of argument, going into numbers of factors, that goes on all the time.

"Now, frankly, I am personally of the school that believes that trade, in the long run, cannot be stopped. You are going to have either just authorized trade or you are going to have clandestine trade.

"You can stop the shipments from here, that is on the law, and that will be continued as long as it is on the law.

"But whether or not it should be—whether we should eliminate this differential—frankly, I don't see as much advantage in maintaining the differential, as some people do, although I have never advocated its complete elimination."

MAY 1, 1959.

The PRESIDENT,
The White House.

DEAR MR. PRESIDENT: It is recognized that your administration's policy at this time is opposed to the resumption of trade with China using the same list of nonstrategic items applicable to the Soviet Union. There are a number of us in Congress and many more outside of Congress, including leading businessmen, who believe that trade should be resumed on this basis.

The proponents and opponents of the present policy lack adequate information about the potentialities and conditions of trade with China. Your Secretary of Commerce

wrote to me on January 20, 1959, that his Department had no estimate of potential trade with China.

My respectful recommendation is that you establish a trade mission to China to gather facts about the conditions and potentiality of trade with the United States.

Assistant Secretary of State Walter Robertson told me recently that the embargo's purpose was to undermine the Chinese economy and that they had nothing to give us in exchange anyway. I submit that our embargo has not undermined the Chinese economy, that almost all other nations are trading with China, and that we really don't know what the facts are with respect to trade between the United States and China.

I do not at this time argue for a change in policy, only that it be conceded that this policy should be reexamined in light of facts obtainable only through the trade mission which I have proposed that you establish. It may be that the conditions and potentiality warrant no change at this time, although in my opinion these matters should be left to our businessmen in keeping with our free-enterprise system. The law now prevents our businessmen from gathering the facts which might well lead to a modification of policy.

This proposed trade mission, in my opinion, should be comprised of 60 to 100 persons under a chairman designated by you. It would include Members of both Houses, the State Department, businessmen, labor leaders, specialists from universities, and of course interpreters.

If the Chinese Government refused to admit the mission, it could carry on substantial factfinding in Hong Kong. I believe such a refusal would entail a considerable loss of face by the Chinese Government.

The Fourth District of Oregon, which I have the honor to represent, includes a portion of the western shores of the United States. The Oregon State senate recently passed a memorial in favor of trade with China as qualified here. There is growing sentiment for resumption. Yet we would not be urging resumption or even that the pertinent facts on the subject be gathered if we believed that the security of the United States and the free world required the continuance of the embargo.

We believe the embargo is not effective against the Chinese Government. We believe it penalizes our businessmen and hence our economy, especially in the western part of the United States. We agree with your distinguished wartime strategic expert, General Spaatz, that our position in the cold war would be strengthened by resuming commercial relations with China.

But at this time my only request is that a trade commission be established by you so that the facts can be gathered and weighed by all concerned.

Very sincerely yours,

CHARLES O. PORTER,
Member of Congress.

MEMORANDUM SENT BY WHITE HOUSE IN ANSWER TO MY LETTER OF MAY 1, 1959, TO THE PRESIDENT

REASONS FOR UNITED STATES EMBARGO ON TRADE WITH COMMUNIST CHINA AND COMMENTS ON THE PROPOSAL TO SEND A TRADE MISSION THERE

The U.S. policy of embargoing trade with Communist China is an integral part of our overall policy. A complete U.S. ban on trade and financial transactions was imposed, following the aggression by the Chinese Communists in Korea, in order to prevent that regime from obtaining badly needed foreign exchange and equipment with which to build up its industrial strength and warmaking capacity. Because of their entry into the Korean war, the Chinese Communists were branded as aggressors by the United Nations, an action which the UN has had no occasion to rescind.

The Korean war has been halted only by a cease-fire, and it has been impossible to negotiate a political settlement. The Chinese Communists have continuously violated the armistice agreement by bringing into North Korea jet aircraft and other modern weapons. They have maintained their forces in a state of combat readiness, able at any moment to renew hostilities. Their willingness to resort to force was again demonstrated by their attack in the Taiwan Strait last fall and even more recently in the destruction of Tibetan autonomy by force of arms, and there can be no doubt that they will attack again whenever they believe it in their interest to do so.

As Mr. Dulles said in San Francisco on December 4, 1958, "The Chinese Communist regime is bitterly hostile to the United States. It is dedicated to expelling all our influence from the Western Pacific. It is determined to take over the free peoples and resources of the area. It violates all established principles of international law and of civilized conduct. Why should we give aid and comfort to such a regime and to such policies?"

In considering foreign trade with Communist China, it should not be overlooked that, in accordance with well defined Leninist principles, the Chinese Communists have established a complete state monopoly over such foreign trade. This absolute state monopoly permits them to turn trade on or off and to shift its direction to suit the Communist strategy of the moment. Their ultimate objective is starkly simple: the achievement both of economic and military supremacy.

The Peiping regime's utilization of foreign trade as a weapon of political warfare is well illustrated by that regime's action in abruptly severing all trade relations with Japan, including existing contracts, in May 1958. Their reasons for this action were first the Japanese refusal to permit them to fly the Chinese Communist flag over their trade mission in Tokyo, and second, their desire to influence the Japanese elections of that month. The Chinese Communists followed this by demanding that the overseas Chinese in southeast Asia boycott all Japanese goods.

For these reasons it is clear that the sending of a U.S. trade mission to Communist China would be damaging to our national interest. Moreover, the United States recognizes the Government of the Republic of China in Taiwan as the legitimate Chinese Government as do 44 other nations of the free world as compared to only 21 which recognize the Peiping regime; we do not have diplomatic relations with the Chinese Communist regime; and it is our general policy not to authorize travel by American citizens to Communist China. For us now to send a trade mission to the Chinese mainland would be a major reversal of established U.S. policy without any compensating advantages for the United States. Such a reversal would be regarded throughout Asia—and would be so presented in Communist propaganda—as a major retreat in our policy toward the Chinese Communist regime and as a first step in the direction of its diplomatic recognition. This would dismay and dishearten our friends in Asia and would deal a crushing blow to the hopes of freedom-loving Chinese in Taiwan and on the mainland of China, as well as to the free peoples of Southeast Asia. The effect could only be to weaken gravely the security position of our country in the Far East with world-wide implications.

THE FIRST NATIONAL BANK OF PORTLAND,
Portland, Oreg., May 5, 1959.

Hon. CHARLES O. PORTER,
House of Representatives,
Washington, D.C.

DEAR MR. PORTER: I have read the copy you mailed to me, dated May 1, 1959, and addressed to the President at the White House.

I am in full accord with your statement and I hope that you will continue your endeavors in that direction.

Why the United States should maintain its present negative policy re proper trade with China when the great trading capitalistic nations exercise a more cooperative policy is beyond my comprehension.

You have my support in your efforts to bring about a change. Also, I will be interested to learn what you will get in reply from the President—if you can properly share it with me.

Yours truly,

E. B. MACNAUGHTON,
Chairman of the Board.

SITES SILVERWHEEL FREIGHTLINES,
Portland, Oreg., February 19, 1958.

The Honorable CHARLES O. PORTER,
House of Representatives,
Washington, D.C.

DEAR MR. PORTER: We are and have been considerably concerned with the State Department's past, present and apparently continuing policy with respect to Red China insofar as trade is concerned.

We would not be so presumptuous as to think we could or should determine what is a proper course of action relative to recognition of Red China or with respect to the complex issues of Formosa or North Korea for on these particular problems the solution probably lies in the long range picture with the State Department and perhaps the military. However, we strongly question the policy of adhering to a no-trade rule on nonstrategic items such as food and agricultural surplus commodities and lumber products for the following reasons:

1. All of our allies without exception, to my knowledge, are trading with Red China, including some trade in strategic materials.

2. China, Red or otherwise, is a problem that is not going to disappear and certainly some friendly ties can be maintained through trade that we might not want to extend on an official, formal basis or perhaps even should not, but equally true would not leave us acting with respect to trade, considering our allies approach, somewhat like the ostrich with his head in the sand.

3. Trade and loans have been arranged and consummated with Communist Poland, in fact a new loan was granted just the other day. Military aid and loans have been extended to Marshal Tito in Yugoslavia for the past several years.

4. Oregon as a surplus wheat State and the millers of Oregon in the Northwest in the prewar years were able to ship many tons of flour to the China mainland. If present barriers on trade were eased at least on nonstrategic materials, we are advised that there would once again be a considerable volume of business in this flour and probably also wheat which insofar as Oregon's economy is concerned would:

(a) Assist in maintaining the wheat farmer's economy by keeping a burdensome surplus low.

(b) By providing many man-hours of employment to those engaged in the milling and processing of flour.

(c) Provide more employment in transportation to individuals residing in Oregon and Washington in the movement of flour and wheat.

(d) Increase waterfront employment by bringing more boats to the Portland-Seattle

area, further assisting in another prop to Oregon's economy.

(e) Assist in additional market outlets for marine supply dealers and other suppliers of ships for their services and products.

Possibly even more important than the fact that the ability to trade with Red China in wheat and flour would help these problems, is the further fact that we would at least keep one small ray of light burning in a semifriendly manner with a country with whom in the past we have spent many millions of dollars in developing friendly relations and a country which in the future might be well to have a few friends located within the borders even though they may be only traders. Certainly if our allies whom we aid with several billion dollars annually do not feel it inherently wrong or even dangerous to allow trade with Red China, then it does not seem to us that we should continue to penalize the products and the commerce of our own country and of our wheat producing Oregon-Washington area by continuing to refuse a sanction for trading in these nonstrategic materials.

As we indicated in an earlier paragraph, it is our belief that while the more deep-seated and fundamental questions of formal recognition of Red China and the disposition of Formosa and the knotty problems involved with Korea should certainly be left in the hands of the State Department and the military, equally true we feel the voice of Congress should be heard with respect to items such as the one we are now writing you about which is trade, at least in nonstrategic fields with Red China. Congress should probably assist in seeing that through some trade we do keep our foot in the door and a small ray of light burning with the hope that some day we may once again be able to say the great mass of people comprising China are friends of the United States and one way we can keep this hope alive, in our opinion, is through trade.

Any assistance you may give in achieving this would be appreciated by many of us in the transportation, milling and farming industries as well as by others engaged in similar industries. With all of our allies involved in this type of trade, we can see no logic in our keeping the trade door closed so tight.

Sincerely,

HERMAN SITES,
President.

[From the Eugene (Oreg.) Register-Guard Feb. 22, 1959]

HATE CAMPAIGN FOUND AMAZINGLY EFFECTIVE—REMNANTS OF UNITED STATES-CHINESE AMITY RAPIDLY FADING

(EDITOR'S NOTE.—There was a time when mainland China considered the United States one of its best friends. That time seems remote now—and receding steadily through Peiping's continuing hate-America campaign as reported first-hand by a noted Indian social scientist. This article, based on 6 weeks travel through Red China, is distributed exclusively outside India by the Associated Press. Among other things, it weighs the Communist Chinese challenge from an Indian standpoint.)

(By Dr. Sripati Chandrasekhar)

An intriguing, if disconcerting, aspect of the contemporary Chinese scene is the tremendous nationwide political propaganda concerning who Red China's friends and enemies are.

The whole nation has been taught that there is one great socialist friend of China—the selfless Soviet Union—and one irreconcilable imperialist enemy—the United States.

The first is understandable, for it is the leader of the Communist camp. It is also true that this friendly Soviet Union, whether selfless or not, is responsible for 90 percent of the heavy machinery, an overwhelming majority of all technical experts and almost all the blueprints of China's industrial progress.

In fact, the Russians are almost exclusively responsible for such industrialization as has taken place in China in recent years.

It is no wonder that Russians receive special, preferential treatment all over China. The Chinese are now building special hotels for Russians so that they can have their own life without meeting or mingling with other foreigners from within or without the Communist world.

SOVIET GUESTS

At every hotel in which I stayed during my 6 weeks in Red China, from Canton to Harbin in Manchuria, I found that my fellow guests belonged to some Soviet delegation or other. These delegations range from geological teams and steel experts down to acrobats and dancers. China is being rapidly Russianized in dress and manners, language and culture.

The only foreign language recognized in China is Russian. From menus to theater notices, from directions at stations and airports to travel information, I found only two languages—Chinese and Russian.

Today Russian is taught at most universities in place of English, French and German. The English language was fairly widespread as a means of instruction before the Communists took over.

I have heard Chinese speaking Russian, but I discovered that English-speaking Chinese preferred speaking in Chinese rather than English. I have seen students using Russian textbooks in medical colleges and technical universities. All libraries that I visited were filled with Russian books, mostly technical.

AID FROM RUSSIA

In every factory I visited I was told the same story of the "selfless help" of the Soviet Union in giving technical aid and machinery. Whether it is the heavy machine tool factory in Harbin or the iron and steel complex at Wuhan or the great new bridge on the Yangtze River linking the north and south of China with the triple cities at Wuhan—all have been accomplished with Soviet assistance.

The Russians draw up the plans, bring the machinery, and raise the plant, with, of course, the help of Chinese engineers and workers. But the Russian engineers stay behind the scenes, and one sees only Chinese manning the machines and directing the factories.

Russian literature, Russian ballet, Russian teaching, and Russian thinking have invaded China from Mukden to Canton. In every city of importance the Chinese have erected massive structures in honor of Sino-Soviet cooperation, and these buildings usually house permanent exhibitions of the Soviet Union's technological achievements—which are extremely impressive.

The Communists have gone about this business of Russianizing China in a thorough fashion. In a word, China is fast becoming an image of Russia.

On the other hand, there is the painful contrast of China's attitude to America. America has acquired the permanent adjective of "imperialistic" in the Chinese language. Everyone, from a village schoolgirl to a cabinet minister, will tell you that China's enemy No. 1 is the United States.

In every town the visitor is greeted, at the station or in the marketplace or a busy thoroughfare, by a huge poster—some 40 by 60 feet—showing a picture of Communist China crushing America and Secretary of State John Foster Dulles.

The most common of these posters were of three kinds. One showed molten steel pouring out of mainland China on Dulles and President Chiang Kai-shek, of Nationalist China on the fast-sinking island of Formosa. The second type showed an American GI being pierced to death by a Chinese soldier's bayonet. The third showed a cringing Chiang and a shivering Dulles hanging from a Chinese noose.

All mass media—press, platform, radio, and the inevitable loudspeaker—have been harnessed to din into the Chinese that America is the greatest menace to peace and prosperity. One can see films and exhibits purporting to show American interference, espionage, and subversive activities on the mainland.

And, I believe they have largely succeeded in training a nation of 650 million to hate the United States.

Various American campuses have been renamed, and the American-educated Chinese staff has been de-Americanized. After going round in Tsing Hua University in Peiping I asked whether this was the campus run with the Boxer Indemnity Fund. I was told that only a paltry few thousand dollars had been spent on that campus in the past, but that this was just as well, as Tsing Hua trained only "lackeys of American imperialism."

They have also closed down the Peiping Union Medical College—donated and run by the Rockefeller Foundation for a number of years. This institution by all accounts, rendered valuable service to the people but it had to be closed to erase the memory of its past connection with America.

FEW HAPPY MEMORIES

I visited Union Medical and found that the college was no more but that the attractive hospital had grown enormously and continues to minister to the ill. The Union Medical College has now become the Chinese Academy of Medical Sciences.

I met a few members of the staff—Chinese graduates of American medical colleges. In our talks I discovered that none had any warm recollection of the United States. (This surprised me considerably, for I can remember how happy most of my Chinese fellow students at American universities were and how much they seemed to appreciate the warm and generous treatment they received on American campuses.)

But what is China's case against the United States? It is a simple on. America should withdraw the Seventh Fleet and get out of Formosa so that the Communists can occupy it. To them, the Formosa issue is purely a domestic problem.

"Taiwan (Formosa) is an internal problem. It is a continuation or and extension of our civil war, if you like. We know how to deal with Chiang Kai-shek. We may appoint him a governor or liquidate him for his past criminal acts. But the Americans are in the way." This, I think correctly sums up their attitude.

The second grievance is that the United States is preventing China from taking her place in the U.N. These twin grievances stem from the basic fact of America's nonrecognition of Communist China. If communism is the barrier, they ask, then how is it that America has recognized the Soviet Union, Czechoslovakia, Poland, etc.?

It is obvious that all this ignores numerous historical factors which account for the two Chinas of today. And even more basic is the recognition of regimes which come to power through force, violence, and bloodshed.

At any rate, the psychological need for creating anti-American hysteria is evident, from the Communist point of view. The cre-

ation of an external enemy, who threatens to destroy the very existence of China, is a powerful force to cement internal unity and secure support for the existing regime—a regime which is not entirely loved by all the 650 million Chinese.

It is interesting that one hears very little in China about the British possessions of Hong Kong, Kowloon, and the New Territories or Portugal's of Macao. Maybe the time is not ripe officially to brand them as imperialists and agitate against them on a national scale. It must be added, though, that the Chinese spontaneously agitated against Britain when her troops landed in Jordan during the Middle East Crisis.

There is no denying that the Chinese Communists feel strongly about their dispute with the United States. Peace in Asia may well be threatened by the way the Formosa problem is solved.

There are three ways to dispose of it. One is to declare the island independent and let the people of Formosa choose whatever government they like. The second is to make it a United Nations trust territory, as suggested recently by Lord Attlee, former British Prime Minister. The third way out is to hand it over to the Peiping regime.

Whatever the ultimate solution, the need for preserving peace in the area is imperative. Here is an area where India can exert its energies to enable the parties to reach agreements. But then, there is no guarantee that peace will endure, for the Communists may open the question of Kowloon, Hong Kong, and Macao.

Supposing that these issues are also settled, there is always the instinctive urge on the part of the Communists to spread their tentacles into other parts of Southeast Asia, "to liberate the poverty-stricken masses from their bourgeois, capitalistic, and reactionary native masters."

Before we in India realize what is happening, Red China may be breathing down our neck. And whether it will be the healthy breath of a welcome friend or the scorching breath of a Chinese dragon will perhaps be decided by the firmness with which we state our belief in freedom and democracy and the fervor with which we are able to build up our free institutions.

[From the Eugene (Oreg.) Register-Guard, Dec. 4, 1958]

WEST MAKING ERROR ON CHINA, ENGLISHMAN TELLS UO AUDIENCE

(By Jerry Uhrammer)

The Western World is making a mistake in not helping Communist China to look elsewhere than to Russia for help, an Englishman just returned from China said in Eugene Tuesday.

There's no sense in pretending the problem of Communist China doesn't exist by refusing passports and recognition, Felix Greene told a student assembly at the University of Oregon as World Affairs Week on the campus began.

It may not be feasible for 10 years, Greene said, but "one day we have to recognize that a nation like China, now our enemy, may become our friend."

Greene, a former British Broadcasting Corp. official, recently returned from a trip to Communist China—a trip undertaken with the acquiescence of both U.S. and British Governments and with the approval of the Chinese authorities.

POSSIBLE SPLIT

In his speech, he hinted that perhaps there are foundations of a possible split between Red China and Russia. There are "profound and subtle differences" between the two systems, Greene said, "and one day, we should be able to exploit those differences."

In talking with Chinese Government officials, he continued, "I didn't get a single hint that Russians and Chinese aren't the best of friends. But it is different on a human and everyday level."

Russians are everywhere in China, but they have their own hotels and remain apart, Greene said. "Both pay lip service to Lenin, but Mao Tse-tung interprets dogma much more liberally," he said.

The Chinese attitude toward political dogma seems to be this, he said: "Let's use it as long as it is helpful, but don't get caught with it."

SENSE OF OPTIMISM

Throughout China, Greene said he found a "sense of optimism * * * a release of a vast amount of energy * * * a tremendous sense of collective, unified effort."

But formidable problems face Red China, Greene added. One is food production. The other is "how to industrialize on a shoestring."

The Chinese are being held back by "lack of capital," even though Russia is providing long-term credit, barter schemes, and tools and machines, Greene said. "It has made China almost solely dependent on Russia. But it's only a drop in the bucket to what China could use," he said. Greene said he's been told by some economists that China will be the greatest industrial power in the world in 60 years, and will be ahead of Russia in 15 to 20 years.

The Chinese people, he found, were "spontaneous, humorous, and very affectionate among themselves." Added Greene: "It may prove to be the rock on which the brutality of Communist philosophy will break itself."

One of the major conclusions he reached during this China trip came early, Greene said. "We in the West have so isolated China that we have ourselves become ignorant about what's going on there."

Greene said it's his own conviction that the West "cannot let things go on as they are" in its lack of relationship with Red China.

[From the Library of Congress, Legislative Reference Service]

BENEFITS OF TRADE WITH RED CHINA

(Prepared at the request of Hon. CHARLES O. PORTER)

The following arguments favoring the full resumption of trade with Communist or Red China are based upon material gleaned from periodicals and reports of statements by various persons. The arguments are not given in the order of their relative importance nor as to the number of times used in public discussion, nor is any evaluation of these statements attempted.

Considerable impetus has been given to the contentions that restrictions on trade with Red China should be relaxed, by the recent action of the United Kingdom, and by several other European countries. They have placed their trade with Red China on the same basis as that with the Soviet Union. Failure of the United States to agree and to lift the restrictions on her trade is said to have caused a serious rift between England and the United States and damaged the effectiveness of the entire Western alliance of free nations. Therefore, in the interest of holding the Western alliance together, the United States should also resume trade with Red China on at least as liberal a basis as with the Soviet Union. In addition, these trade restrictions are said to have harmed U.S. relations with all its allies more than they have hurt Red China.

Restrictions on trade only serve to postpone, but cannot prevent, the development of the military power of Red China. Effects of embargoes are now evaded by purchase or barter from other countries of the items which we refuse to ship to Red China. To say that certain items cannot be shipped to Red China and then permit them to be shipped to Russia, from where they are forwarded to Red China, serves no purpose so far as hampering the Red China regime is concerned. What is accomplished is to strengthen the ties between the Communist countries. On the other hand, increased trade between the United States and Red China would be a means of weaning her away from the Soviet bloc.

Removal of barriers to trade with Red China would greatly benefit Japan, whose primary market has historically been the Asiatic mainland, mostly China. Resumption of trade with Red China would reduce the need for the export of many Japanese goods to the United States. Opening of the Chinese markets to Japan would remove from competition in the domestic markets of the United States many goods which are now a primary target for domestic protectionists.

There is feeling in some quarters that questions of trade and of diplomatic recognition of the Peiping regime can be considered separately. Trade should be considered on the basis of "trade for trade's sake" and trade questions not mixed with international politics. It is also pointed out that efforts of Yankee traders were prime factors in the greatness achieved by the United States and that trade should not be unduly hampered now, trade itself being the greatest weapon in the hands of the diplomat and, if skillfully used, can be a great instrument of government policy.

Some former China traders are of the opinion that U.S. machinery, trucks, automobiles, metals, specialized equipment of all kinds, petroleum, and certain agricultural products could now find a good market in Red China. The Peiping regime has indicated interest in the purchase of capital goods and petroleum. Trade is now conducted by the Peiping regime, which tends to bypass traders and warehouses to deal directly with governments, or, if that is impossible, directly with producers in the country from which they purchase goods.

Advocates of increased trade see a market for large quantities of capital goods continuing over many years and are dissatisfied with restrictions which keep them out of the trade and permit Great Britain and other European country traders to lay the foundations for possible future trade. U.S. trade with Red China would contribute to an improved standard of living for the Chinese people, creating a market for many of our consumer goods. Chinese people would be able to see how much better goods are produced in the United States.

The United States must create friendships with other peoples. Increased trade with Red China would remove a source of irritation, and the smoothing of trade relations would pave the way toward long-range adjustment of Asian problems. Hostility is determined by many factors other than economic strength; a strong industrialized Red China would not necessarily be an increased threat to the United States. Rather, Red China, through economic strength, will be in a position to assert independence of the Soviet Union and to oppose further Soviet penetration of the Red Chinese economy. Since trade with the West would not be a temporary, but a continuing, benefit to Red China, it would be difficult to see why she would endanger that benefit by action which would threaten the United States, since Red China would have so much more to lose by any such action.

American policy should be based on considerations of the benefits to the West from trade in nonstrategic goods as well as consideration of that portion of trade which benefits the Communist world. Certain goods, when sold, are strategic to the selling nations' economy. Where trade yields a net advantage to the West, it should be allowed and should be used, if possible, as an instrument for extending Western influence beyond the Communist borders.

THE ASSISTANT SECRETARY OF COMMERCE,
Washington, D.C., May 29, 1959.

Hon. CHARLES O. PORTER,
House of Representatives,
Washington, D.C.

DEAR MR. PORTER: Secretary Strauss has asked me to reply to your letter of May 25 in which you enclose an inquiry from Mr. Alfred Kohlberg.

I am attaching relevant issues of the Department of Commerce quarterly reports on "Export Control" which contain detailed information on the trade of the United States with the U.S.S.R. during the past 5 years. In each of the years 1954 and 1955, the value of our exports to the Soviet Union amounted to approximately a quarter of a million dollars. In the last 3 years, 1956–58, the value of exports in each year varied between $3½ and $4 million. This increase occurred after the Department of Commerce had established a new general license in April 1956 under which shipments of a selective list of peaceful goods could be made to European Soviet bloc destinations without requiring the filing of export license applications or the issuance of validated licenses. You will note from these same reports that American imports from Russia in the last 5 years have varied between $11½ and $24½ million. A very large proportion of this total value was accounted for by imports of three commodities—benzene, undressed furs, and platinum group metals.

There has been no trade between the United States and the U.S.S.R. in wheat or lumber during this period. The U.S.S.R. is normally a major exporter of both of these commodities. In this connection you may find of interest the enclosed copy of a recently published Commerce report on the foreign trade of the U.S.S.R., based on official Russian statistics. The value of Russian wheat and lumber shipped to principal countries of destination in the years 1956 and 1957 is shown in table 6.

If we can be of further assistance, please do not hesitate to communicate with us.

Sincerely yours,

HENRY KEARNS.

[From the Library of Congress, Legislative Reference Service]

UNITED STATES-RED CHINA TRADE: A SUMMARY OF ARGUMENTS

INTRODUCTION

Many pro and con arguments have been offered by different groups interested in the controversial subject of U.S. trade with Communist China. Broadly speaking, there are two types of arguments: economic and political. Following is a list of the most commonly used arguments on the question. The arguments are not marshalled in the order of their importance nor in the number of times used in public discussion. The list is merely the most quoted reasons—pro and con—for China trade.

PRO

I. The United States should agree to concessions in order to hold together the Western alliance.

II. Restrictions on China have hurt U.S. relations with its allies more than they have harmed China.

III. Restrictions or embargoes on trade can only slow up (it cannot prevent) the development of the military power of China.

IV. The United States should remove the embargo on trade with China because the people of China will get a chance to see how much better goods are produced in the United States.

V. The United States should trade with China as that would be one means of weaning her way from the Soviet bloc.

VI. The U.S. ban on trade with China is a policy of aiding one man (Chiang Kai-shek) at the expense of many people.

VII. Trade with Communist China would provide a new and expanding market for U.S. products.

VIII. China needs and will continue to need for years to come large quantities of capital goods. The United States is one of the nations which can best supply this need.

CON

I. China is in economic difficulties at present. If we were to offer trade to her we would help her out of her present economic troubles.

II. China actually has little of value to trade. She needs all of her present production for the expanding needs of her economy.

III. There is strong reason to believe that China would refuse to trade in any items (or in relatively small amounts of such items) except those that contribute to her war machine.

IV. American customers would be unfamiliar with Chinese products because of their long absence from world markets.

V. Customers would not have any knowledge of Chinese firms with which they were exchanging products because negotiations would be carried on through state trading organizations.

VI. The quality of goods produced by China is low.

VII. Experience has shown that even if controls were removed trade with China would not reach a large proportion of our total trade. When many controls were removed in 1954 for example, Western trade with the Soviet Union did not increase materially. This was particularly true of Soviet imports.

VIII. If we relax our controls on shipments to China, we are aiding a country which is an implacable foe of our democratic system.

IX. The United States embargoes all trade with and does not have other financial dealings with China except under unusual circumstances. These unusual circumstances are broad enough to cover trade with such an enemy.

X. Even if we were to consummate trade treaties with China, she, in all likelihood, would be either unwilling or unable to live up to the terms of the agreement.

XI. China still holds Americans as prisoners. The United States would lose face if she accepted a trade treaty with China in exchange for the freedom of American prisoners.

XII. The opening of trade with China might lead to renewed and more forceful demands for her admittance to the United Nations.

XIII. Largely because of our embargo of trade with China plus the less stringent restrictions of other countries, the Chinese have been forced to rely on the Soviet Union for most of their needs. To industrialize the Government of China has been forced to tread roughshod over the Chinese people. This activity has created resentment against the Government.

XIV. The objective of the Communists (both European and Asian) is to seize control of other peoples, lower their standard of living to subsistence levels and build a vast industrial complex, based on raw materials, western machinery, and slave labor. The United States should not provide any products to China that might help to achieve such an objective.

XV. It is a delusion to believe that we can reform the Communist regime in China by trade. There is little possibility of turning Communists into capitalists.

XVI. Another misconception, which is frequently believed, is that by trade we can drive a wedge between the Soviet Union and China. If such were the case we would not find the Kremlin working diligently to get recognition by other nations of Communist China.

XVII. China lacks and has little prospect of acquiring the foreign exchange necessary to trade with the United States.

XVIII. Payment difficulties are a barrier to trade with China. Sometimes the Chinese insist on payment as soon as goods are loaded aboard ship.

Mr. Speaker, all that I am asking the House at this time to agree to is that we should base our policy in China or any other place on reliable and recent facts. We do not have these facts today.

Whatever they may think about recognition or about trade or about admission to the United Nations, I think most of my colleagues will agree that we ought to examine these policies on the basis of recent and reliable facts.

With that in mind I have proposed that we send a trade mission there as a first step.

Of course, I am in favor of our newsmen going to China and I am glad that that seems to have been solved and some will go and bring us back firsthand information on what is going on in China today.

Mr. BENTLEY. Mr. Speaker, will the gentleman yield?

Mr. PORTER. I yield to the gentleman from Michigan.

Mr. BENTLEY. Mr. Speaker, the gentleman from Oregon has distinguished himself during his congressional career by his strong and able opposition to dictatorships, particularly in the Western Hemisphere, in some of the Latin-American countries to the south of us. For that reason I may say very frankly to the gentleman it not only surprises, but grieves me to hear him advocate a closer relationship with a nation that is more totalitarian, more bloody, more tyrannical with its people than any neighbor to the south of us could possibly be. I cannot help saying to the gentleman that I am surprised and grieved that he has taken this attitude toward what is probably the most totalitarian leadership in the world, when up to this moment in Congress the gentleman has distinguished himself by his strong and determined opposition to totalitarianism in any country south of the border. I cannot help but make that comment to the gentleman.

Mr. PORTER. I thank the gentleman for commenting. I respect the gentleman's integrity, his ability, and his experience in this field. Apparently I have not made myself clear. I will repeat, I in no way favor the Chinese Government, nor does what I have suggested here today mean any softening

of my attitude. I have not changed in my opposition to dictatorships. I have never advocated cutting off trade with the Dominican Government or Spain. I believe world trade makes for world peace. I am as firm in my opposition to tyranny as is the gentleman. I say this, and it is the only thing I would like to have the gentleman consider today: Do you believe we should base these important policies on recent and reliable facts instead of on hearsay and willful ignorance?

Mr. BENTLEY. I think the most graphic account that we have had as to the true situation in China and the different territories the Chinese Reds have under their control has been amply borne out by these recent refugees from Tibet who showed us why they preferred to either fight or die or escape from Communist slavery, whether Communist or any other variety. I tell the gentleman that those Tibetan refugees spoke more eloquently than any other witnesses we could possibly imagine.

Mr. PORTER. I want to make it clear to the gentleman from Michigan that we have no disagreement, he and I, in regard to the nature of the Red Chinese Government. It is an abhorrent government; it is a tyrannical government. But, that fact is not the question I am putting before the House today. The question I am putting before the House today is whether we should know about what direction that tyranny is taking from first-hand information, from our journalists, from businessmen and politicians, who go over and see for themselves what the situation is. We are doing that with Russia today. We have relationships with them. We are at odds with that Government, but we have maintained communications. And, I am saying to the gentleman that communication in circumstances like this is in our own best interest, and I do not just mean commercial interest.

Mr. BENTLEY. I am sure other Members of the House want to discuss this question with the gentleman, so I will not take more time except to say that not only do we have examples of these refugees, but some years ago we had the very graphic example of thousands of Chinese Communists, prisoners of war, who went to almost any length when they had the opportunity to choose freedom on Formosa rather than to return to slavery in their own country, even though it meant death to their families and their loved ones. I would much rather take the word of people such as the Tibetan refugees and the Chinese POW's rather than any number of people who may travel in China and be taken on a Cook's tour of just what the Communists want them to see and not see and sometimes come home with a grossly colored and biased impression.

Mr. PORTER. I think this is underrating the people who go there. Consequently the gentleman is beating a dead horse if he is trying to argue to me that this is a bad regime. I have said so before, and nothing I have said would indicate any softening in my attitude toward the Red Chinese Government.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. PORTER. I yield to the distinguished gentleman from Minnesota.

Mr. JUDD. I do not know what the gentleman's position was on Hitler when he was in power in Germany. I wonder whether he thinks the testimony regarding his regime of those who escaped from the gas chambers or concentration camps was more accurate or less accurate then the testimony of American businessmen and tourists who went over, looked around, and came back to report, "We can do business with Hitler."

Mr. PORTER. To answer the gentleman's question, I was in college in that era in 1940, and I headed two student groups, one in Harvard University, and one in the law school, bent on getting us into that war against Hitler.

Mr. JUDD. I wonder why, after all, Hitler was in firm charge of a de facto government that had total control. Did you not favor building him up and giving him prestige and respectability by expanding trade with him?

Mr. PORTER. Of course not.

Mr. JUDD. Because when you accept a tyrant into respectable society, you remove from him the stigma that his barbarous behavior has brought upon him, and thereby build him up.

Mr. PORTER. We are just concerned with nonstrategic goods, so we are not building up a war machine.

Mr. JUDD. I wonder if the gentleman advocated the recognition and initiation of commercial relations with the Quisling government in Norway. It had complete control. The legitimate Norwegian Government was in exile. It did not have even a Norwegian island under its control. It did not have a foot of Norwegian territory. Did you favor the recognition of Quisling and the resumption of trade with that government?

Mr. PORTER. I took no stand with respect to him at that time, because no one was particularly interested in any stand.

Mr. JUDD. Would you have taken such a position?

Mr. PORTER. The principle I am trying to explain today as best I can—and I believe it was recognized first in the Montevideo conference—is that recognition does not imply approval. And, Mr. Dulles, I believe, said so in his book published shortly before he became Secretary of State. He did change his mind somewhat after that, I think, due to some influence brought upon him by former Senator Knowland.

Mr. JUDD. Mr. Dulles changed when he learned from experience the hard fact that recognition did increase the prestige and power of a government.

The gentleman's speech emphasized repeatedly that we must get facts.

Mr. PORTER. I agree.

Mr. JUDD. What is the No. 1 fact? It is that Communist China exists and that it is a mortal enemy of the United States. This is a fact.

Mr. PORTER. No; it is not the central fact.

Mr. JUDD. On what does the gentleman base that statement?

Mr. PORTER. The present Communist Government is certainly anti-American, anti-Christian, anti-the things we hold dear. There is no question about that. But they are a large—I say large, they are a tremendous nation, as the gentleman well knows, he having been there for a long time. And they are important in this world and we have to keep in communication with them to see what is happening.

Mr. JUDD. Well, do we, if such action would be dangerous to ourselves? That argument is like saying, It is too bad or cruel to isolate tuberculosis patients. How are we going to help them unless we let the tuberculous associate with the healthy? Will not the healthy prevail over the diseased? No, they will not. The tuberculous will prevail over the healthy.

We do not say about unsound currency that we must associate with it or let it circulate freely, because that way the good currency will prevail over the bad. That is not so. The bad drives out or overcomes the good. The gentleman does not have history on his side.

Mr. PORTER. The gentleman's reasoning is usually better than his analogy to sick people. We still treat sick people. We do not isolate them and put them in a cage.

Mr. JUDD. And we are treating Communist China the way it ought to be treated to best protect the free world.

Mr. PORTER. We are treating Communist China by willful ignorance.

Mr. JUDD. No; the gentleman is just as inaccurate in that as in much of what he has said. He said we are hiding our head in the sand. He said we are ignoring Communist China; that we are closing our eyes to its existence; that we are pretending it does not exist. He made those four statements, and not one of them is accurate. We are not hiding our heads in the sand with respect to Communist China, or ignoring it. We are acutely aware of its existence; we have been dealing with it officially for years—87 times we have had conferences with its representatives in the last three years and a half.

We are not being unrealistic. We are being completely realistic. We know Communist China is an enemy and the most unrealistic thing to do with an enemy is to make it stronger. Does the gentleman want to build up the enemies of his country?

Mr. PORTER. We have not had diplomatic missions in China, where they could ascertain facts for themselves and talk to Chinese people.

Mr. JUDD. It is not necessary in order to get the really important facts, and it is not good sense to do so.

Mr. PORTER. I say that this is making ourselves ignorant and doing it willfully; not to have our journalists go there, not to have our citizens travel there and see for themselves.

Mr. JUDD. Who kept the journalists from going there? The Communist Chinese prevented our journalists from going. We issued, about 2 years ago, passports to some 28 reputable journalists. But Communist China would not give a visa to any of them, except one.

Mr. PORTER. If the gentleman would like to be corrected on that, I think I can correct him on it. We have not the time to go into all of this, but why did they not go? You will remember that Mr. Hagerty had a similar misapprehension when he was on television recently. He thought we were keeping our journalists from going at that time.

Mr. JUDD. We were not.

Mr. PORTER. I know; I know what happened exactly.

Mr. JUDD. So do I.

Mr. PORTER. Let us see if these facts coincide. Mr. Robertson and I discussed it. There was a misapprehension among many people, including Mr. Hagerty and, I suppose, many Members of Congress. What happened was this: The Chinese wanted us to admit an equal number of journalists to this country.

Mr. JUDD. They wanted us to violate our own laws.

Mr. PORTER. That is not exactly right.

Mr. JUDD. It is exactly correct.

Mr. PORTER. Mr. Dulles said to them—and I have the New York Times story in my file, which gives the impression—he said, "No, we won't make a deal to allow a like number to come in. We cannot do it by law."

Mr. JUDD. That is what I just said.

Mr. PORTER. Now, what was not mentioned at that time was that the Secretary of State could recommend to the Attorney General to let them in under the Walter-McCarran Act, if they were known not to be saboteurs or spies, which would, of course, have disqualified them by law. But the impression Mr. Dulles gave at that time was that we would not admit any Chinese journalists. That is what the New York Times story shows. And that is being corrected.

Mr. JUDD. The fact is that not a single Chinese Communist journalist has applied for a visa for admission to this country.

Mr. PORTER. There was not any point to it. Mr. Dulles said he could not allow it.

Mr. JUDD. He said we would authorize passports to 28 bona fide American reporters validated for travel to Communist China. They applied to Peking for visas. The Communists said, "We will not give you visas unless the United States will agree in advance to give 28 visas en bloc to Chinese reporters."

Well, our Government cannot operate on that basis. We have laws that require consideration of individual applications. The State Department said that they should submit individual applications for visas, as every other alien has to do who wants to come to the United States, and then the Department would consider each application. Not a Chinese reporter has applied—at least up to last week—for a visa for admission to the United States. What would happen if and when one did apply is a moot question; we do not know. None has asked to come.

Mr. PORTER. The gentleman's recital of the facts is essentially accurate except in the important respect about what Mr. Dulles' statement was and the impression that it gave the Chinese.

Mr. JUDD. I do not know what Mr. Dulles' every statement was. I know the facts are as I have stated them. We have had this up in our committee repeatedly. We know that the roadblock to journalists has not been the United States.

The point that I should like to have the gentleman consider more than anything else, is this: Communist China is there for the present—he says for a long time to come. No one can be sure of that. Hitler's regime was going to last for 1,000 years, too; but it did not.

Mr. PORTER. China as a big country, as an important country, is going to exist. I do not think the Chinese Red regime is by any means permanent.

Mr. JUDD. That is right. And that is why I do not believe we ought to do anything that would build up the Red Chinese regime. My main question is this: What would be the probable effect upon the countries around China, if we were to do what he recommends? Has the gentleman considered that? What would be the probable effect on other Asian countries if we were to follow his advice and send out a trade mission, thereby accepting Red China into respectable society?

Mr. PORTER. Let me comment on that, if I may. First, however, I would ask unanimous consent, Mr. Speaker, to include the tables in my talk.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. PORTER. Let me say, however, on this matter of what happened about the newsmen going to China, it is strange that Mr. Hagerty, who occupies a very important job, on this very important question was under a misapprehension and thought that our Government was keeping our newsmen out of China, and I am telling the gentleman that many people thought so too apparently on reading what Mr. Dulles had said.

Mr. JUDD. The gentleman should help correct misapprehensions, wherever they are, and not add to any misunderstandings or misapprehensions that may exist.

Mr. PORTER. I am doing my best. I am not here today asking that we immediately recognize Communist China. I am here merely saying that we should arrange to get the facts and that we should send a trade commission of people like yourself, able people, and get the facts firsthand.

Mr. JUDD. I asked the gentleman what he thinks the political effect of such a trade mission would be on other Asian countries.

Mr. PORTER. Of course, I have considered that and I have talked to people who are experts in this area and they tell me that the Chiang Kai Shek regime has been written off a long time. Indeed, Mr. Dulles wrote it off last fall so far as ever returning to the mainland is concerned.

Mr. JUDD. The gentleman is as far off base in that comment as he is in most of the rest of his statement. The fact is that out of the 13 countries in the Far East, only 3 of them recognize Communist China. The other 10 do not.

Mr. PORTER. Many of these countries follow our lead. If our lead be to remain willfully ignorant, then they will follow. They depend on us for large amounts of money and support, they are going to follow our lead however bad it be.

Mr. JUDD. Suppose we were to follow the gentleman's suggestions and go the other way from our present policies; would not the other 10 countries go that way too? What could they do except go to Peiping and make the best terms they could get? The Communists would have won, that is the point.

Mr. PORTER. Under the circumstances that exist in those countries now, the Communists are working underground. I am sure the gentleman will concede that. They are working underground there.

Mr. JUDD. Yes; they are doing that there just as they are here. It is better to have them only underground than aboveground, too.

Mr. PORTER. The fight is going to go on. Take Japan. What would happen with Japan? If Japan could trade with China, we would not have some of the present burden of supporting Japan. It would take some of that burden off the shoulders of this country. Would that not be true? Would the gentleman answer that question?

Mr. JUDD. It would doubtless be good for Japan and for us, too, if it were possible to trade with any Communist country on a regular commercial basis. But it is not. Communists trade for political reasons. The objective is not profits or commercial benefit, but to get control of you. Japan just last year tried it. She established trade relations with Communist China under strict promises by the Communists that they would not interfere in the internal affairs of Japan or its relations with other countries in the Far East. No sooner was the trade started, then the Chinese Communists issued what was practically an ultimatum to Japan that Japan had to do certain things in its relations with another government. Japan had to break off the new commercial relations with Communist China. The Communists do not trade for capitalistic reasons. They are Communists, which means their objective is and has to be not coexistence but conquest. Their purpose is to take over every free country and to destroy everything that we believe in and stand for. They trade in order to gain control, while we trade in order to satisfy the needs of people, those with whom we trade and ourselves.

But the big stake in Asia just now is not China, but the free countries around China—Japan, Korea, Formosa, the Philippines, and the seven countries of Southeast Asia. To keep them free is the great consideration at the moment. In some 8 of those countries there live 12 million Chinese, more than live on Taiwan. Most of those countries do not recognize Communist China. The Chinese Embassies and consulates are staffed by friends of the free world from Nationalist China, the legitimate Government of China. The minute we begin to normalize relations with Communist China, to accept that aggressor regime even on the informal commercial basis suggested by the gentleman, the oversea Chinese know that the show is over. They have to turn to Peiping also. The countries where these Chinese live cannot resist Red China's pressures, once the United States gives in. They have to recognize Communist China, which means that every consulate and every embassy in the Far East becomes a center of Communist intelligence espionage and subversion. To do what the gentleman suggests would be to aid the Communists in gaining control of the very countries that we are appropriating money to try to help keep free.

Mr. PORTER. The gentleman interprets every relation of our country with these countries in terms of opposition to communism. In my opinion, the gentleman see problems as developing from this situation which I do not think are borne out by the facts.

Mr. JUDD. I think they are. The gentleman from Massachusetts [Mr. McCORMACK] is not here just now but recently he gave a luncheon for a very eminent member of the Japanese cabinet. Both the majority leader and the minority leader of the House, the majority leader of the other body, Senator JOHNSON, and several others were present. Someone asked this minister about Japan's position on Communist China and he said, "Well, first I have to know what your position is going to be on Communist China. We would like to resist Communist China if we know the United States is going to stand firm." A recent labor leader here from Japan said the same thing. But if they think that the United States might, unfortunately, follow the advice given by the gentleman from Oregon, then Japan would have no choice but to come to terms with Communist China, which means the latter's terms. Does the gentleman want that?

Mr. PORTER. The gentleman is pushing against an open door if he is trying to argue to convince me that the present regime is a bad regime because I know it is. My information is that if we made it clear that our intention was not to have a policy of softness and that our opening of trade relations was based on the desire to coexist but not to approve of this government you would not strengthen the government. That is one of the arguments Mr. Robertson uses.

Mr. JUDD. What government?

Mr. PORTER. The Red Chinese government. It has been strengthened considerably as a nation without our trade because of its trade with some 35 other nations in the world.

Mr. JUDD. That is true. Does the gentleman argue that because it has great power, we should make it more powerful?

Mr. PORTER. No. We would also be getting something in return. I think the gentleman underrates our businessmen. I do not underestimate them at all. I am sure he does, because he says we will be dealing with a corporate government, as we would. He says they would take advantage of us. They will no doubt do very frustrating things to us, but I say let us send a trade mission there, let us see what the conditions and potentialities are for trade.

Now, I promised to yield to the gentleman from Michigan. I yield to the gentleman.

Mr. JOHANSEN. I understood the gentleman to observe that Red China has already been strengthened by their relations with other countries, yet the gentleman appears to contend that extending of trade relations by the United States would not strengthen Red China. I do not reconcile the two statements.

Mr. PORTER. May I remind the gentleman that we will get something in return, that if Red China is strengthened we will get something in return that will strengthen us.

Mr. JOHANSEN. Has the gentleman made up his mind as to whether trade relations on our part with Red China would strengthen Red China, or not?

Mr. PORTER. Not as between us. We would be strengthened also by such trade relations.

Mr. JOHANSEN. The fact, if we assume it is a fact, that we would be strengthened by it is foreign to the question I am raising. The question I raise is whether or not we strengthen Red China and the Communist regime that exists there by extending trade to them. The gentleman says they have been strengthened by trade with other countries. If that is so, then our extending trade to them would strengthen them too.

Mr. PORTER. Relatively there would probably be no change, because there is an exchange. Furthermore, we have not under our program apparently succeeded in weakening Red China. That was the purpose of this policy of ours.

Mr. BENTLEY. Mr. Speaker, will the gentleman yield?

Mr. PORTER. I yield.

Mr. BENTLEY. I accord to the gentleman all integrity and sincerity in advocating this line of action he is talking about, but I do not think the gentleman really understands possibly all the effects which would be bound to arise throughout the entire Far East in any such far-reaching change of policy as the resumption of trade relations, or even the exploration of the possibility of trade relations with Communist China.

The first impression that would be gained by all the countries in the Far East would be that we had abandoned, in effect, written off, the chances of the Chinese Nationalist regime on Formosa.

Mr. PORTER. I am willing to do that, by the way.

Mr. BENTLEY. Some 9 years ago one of our public servants at that time gave a similar impression, that there was a Far Eastern country which we had written off, or in effect were not interested in; to use the words of a particular individual of that time, it was outside of our defensive perimeter.

What happened? Five or six months later that country was attacked by its Communist neighbor to the north and we were involved along with our allies in a long and bloody war. I am just as sure as I am standing here that if we write off, as the gentleman seems to indicate——

Mr. PORTER. No, not Formosa; the Chinese Nationalist regime in Formosa.

Mr. BENTLEY. How can you separate the two?

Mr. PORTER. Because they are two separate things.

Mr. BENTLEY. In effect, if we gave the impression that we were writing off the Chinese Nationalist regime on Formosa an attack would be made by the Chinese Communists on Formosa, and inevitably then we would become embroiled by going to the aid of the Nationalists on Formosa, because Formosa is a most important part of our defensive perimeter.

I do not think the gentleman has explored the possible political implications that can arise from such a step as this. It is not so simple as a matter of trying to find out what could be done for our economy or otherwise by resuming trade with Red China; it is a question that would affect our prestige and would weaken our position in the entire Far East. And I say this, maintaining as I do, all due credit to the sincerity of the gentleman in making his statements. But I feel that the effect on us in the Far East would be immeasurably bad and irretrievable and would eventually mean that we would lose the entire Far East to the Chinese Communists.

Mr. PORTER. I said in my remarks that the protection of the free Chinese on Formosa does not mean that we are obliged to perpetuate the fiction that the Chiang government is the government of all China.

I cannot see what harm would come from sending a trade mission made up of people who had views on both sides of the question, to explore the possibilities of trade with China or to report back what conditions are like at the present time, as well as the potentiality of trade. Does the gentleman think such a mission would serve no good purpose in bringing us back some recent and reliable facts?

Mr. BENTLEY. I do not feel such confidence in the result that would flow from such a mission. It would only leave the impression that in effect we were going to write off the Chiang regime and abandon a friend and ally who fought the Japanese for 8 years, part of that time by itself, a government that

has fought communism in its part of the world, opposed communism longer than any other government anywhere. I say that an abandonment, as the gentleman advocates the writing off of the Nationalist Chinese regime on Formosa, would mean a shameful desertion of a friendly government. Whatever its failures or shortcoming were, it has nevertheless been one of our foremost allies, one of our strongest allies, one of our most loyal collaborators against any form of totalitarianism, whether Japanese or Chinese.

Mr. PORTER. We have spent several million dollars in fulfilling our commitments to Chiang, and I think maybe it is time to cut them off.

Mr. JUDD. We are hearing some of the old myths that we have heard all down the years, namely that we gave enormous postwar aid to China, that we did everything we could, that our aid was all wasted, that the Chinese would not follow our advice. Not a one of those myths is true. The biggest mistakes the Chinese Government made in the early postwar years were when it did follow our advice.

Mr. PORTER. I say $4 billion is a lot of money.

Mr. JUDD. We did not give any such amount of money.

Mr. PORTER. Those are the figures I got from the Library of Congress.

Mr. JUDD. During the war or since?

Mr. PORTER. Since 1947.

Mr. JUDD. Up to when?

Mr. PORTER. Up to that date, last fall. Some of them were estimates, but the estimates were good.

Mr. JUDD. That may have been the replacement value placed by our Government on a mass of abandoned surplus materials we both sold and gave to China. But much of it was not suitable aid, or it arrived too late to be really helpful. Whatever the figure, does the gentleman think we did that because of kindness?

Mr. PORTER. Of course not. I do not think we did it because of kindness, nor should we now continue support through kindness to Chiang.

Mr. JUDD. We gave it because it was of great value to ourselves. The gentleman, unfortunately, has revealed the weak spot in his position. He is prepared to violate our pledges and write off a loyal ally. He has confirmed the No. 1 fear of all the free peoples of Asia, namely that the United States, if some trade is offered it by the enemy, will sell out its allies, its proven friends, will abandon honor in order to get trade. The United States will not do that, but speeches like the gentleman's shake their confidence in us.

The gentleman spoke about getting something in return if we established trade with Red China. It reminded me of experiences I had in 1939 when I came home from China, where I had been under the Communists for 7 or 8 months. I went to the Los Angeles Chamber of Commerce and tried to get them to stop selling scrap iron. The head of the Los Angeles Chamber of Commerce said, "We are shipping $60 million worth of supplies a year to Japan through this harbor——."

Mr. PORTER. I hate to stop the gentleman. I will not let the gentleman make a wrong assumption that we are proposing to send any war materials such as scrap iron. That has no place in the proposal.

Mr. JUDD. This man talked about $60 million of trade. It was not all war materials by any means. He favored that trade because we also would get a lot of good things in return, silk, tea, and so on. We got a lot of other things too, in return at Pearl Harbor. It is the same sort of situation.

Mr. PORTER. It is not.

Mr. JUDD. The gentleman's proposal would inevitably build up an enemy of the United States. If such relations would not be of enormous value to the Communists, why do the Communists at every international meeting whether at the United Nations, or the International Olympic Games Committee, work with all their skill for one thing above all else—to get recognition, or acceptance, or admission into the United Nations? They know that if the West were to be so foolish from the standpoint of its own interests as to do that, it would be decisive in their favor. They would have won the ball game. Everyone in Asia knows that; if we do not.

They are not after just Quemoy, or even Formosa. Their goal is expulsion of the United States from the western Pacific. These are their own words, stated over and over again. They want to demonstrate to the people of Asia that we are a weak and undependable ally. If the people of Asia, from Japan to Turkey, become convinced by our actions that we are not a dependable ally, then, believe me, the United States will soon stand alone.

Does the gentleman think you can get any trade out of Red China or anywhere else that will compensate for such a disaster?

Mr. PORTER. I am sure I do not have time to comment on all of the things the gentleman has said.

Mr. JUDD. And I do not have time to take up all of the things the gentleman has said that I am sure are dangerous to our country, although I know full well the gentleman does not intend or expect them to be so.

Mr. PORTER. I hope the gentleman will continue his discussion with me at an early date. I think I understand the gentleman. However much he may agree with the Secretary of State about our policy in China, he does not agree with the Postmaster General with respect to the stamp's slogan "World Peace Through World Trade"?

Mr. JUDD. I do agree, when it genuinely is world trade. But not when it is called world trade, while in reality it is a means by which an enemy gains strength and influence in order to carry out its unchanging objective of winning a world conflict.

Mr. PORTER. Are we not powerful enough through our businessmen and through our State Department to fight our own battles in the field of trade? The gentleman wants to give up. He does not want to go out and try to get the facts about trade and deal and negotiate and try to develop business instead of having hatred and the stereotyped thinking that the gentleman is guilty of with regard to China and the Communists. Does not the gentleman believe our businessmen can take care of themselves?

Mr. JUDD. They have not done very well in dealing with dictatorships in the past. The gentleman himself has made a good many unflattering remarks about some of our commercial interests that have trade with certain Latin-American dictatorships.

Mr. PORTER. I have not said that we should not trade with them. I have not advocated an embargo. I said we should point out that we know a dictator when we see one. You take Chiang, he runs a very tight dictatorial ship, and the people of Formosa are not happy with him and would like very much to have a democratic regime.

Mr. JUDD. Has the gentleman been on Formosa?

Mr. PORTER. No; but I can talk about the moon, although I have not been there.

Mr. JUDD. The gentleman should go to Formosa.

Mr. PORTER. Is it the gentleman's contention that the people of Formosa are happy in its democracy, so-called?

Mr. JUDD. I am not arguing here about the people of Formosa. It is standard technique when one brings up something affecting the interests of the United States in the Far East to say, "What about Chiang?"

History will give Chiang his proper place. He was right on the most important issue of the 20th century—the nature of communism—when no other major leader in the free world was awake to it. Let history take care of him. My concern is for my own country. And, if it is stereotyped thinking to oppose everything that will build up an enemy of my country, then I am perfectly willing to have it called stereotyped. They are at war with us. They have declared it, repeatedly. And, I cannot see how the gentleman can advocate giving aid and assistance to that Communist government.

Mr. PORTER. I do not so advocate. I say we should get the facts and act on the basis of the facts.

Mr. JUDD. We have the facts.

Mr. PORTER. We do not. Of the five men who appeared before the Committee on Un-American Activities the other day, two of them had not been in China at all. They were talking about stamping out Christianity. One had been there 9 years ago, one 10 years ago, and one 11 years ago. The other two had not been there at all. That is the kind of facts on which we base a report about stamping out Christianity in northern Korea and China. I say we need the facts, recent and reliable facts.

Mr. JUDD. Who in the world suggests that our policy out there is based on the report of those gentlemen who just came here recently? Our policy was based on what the Communists did to U.S. soldiers and are doing now to American prisoners whom they promised at Panmunjom to release. It is based on what they have openly declared they are going to do to the United States as soon as they can. Our policy is completely realistic and hardheaded.

When any proposal is made, whether by the gentleman or myself or by whomsoever, please ask this one question: If we were to adopt this course, would it make stronger the oppressors? Or the oppressed? I say the only policy that gives hope for America is to stand unequivocally for and with the oppressed peoples of the world, and therefore I cannot advocate anything which I know will build up their oppressors. If it would not build them up, why do they work day and night——

Mr. PORTER. I am glad to have the gentleman on my side against Trujillo and Franco and the other dictators.

Mr. JUDD. I wish the gentleman would get on our side against incomparably the worst of them all, Mao Tse-tung.

Mr. PORTER. And I think the best way to fight him is to establish communications between our nations and to find out what is actually happening through our trained journalists and businessmen so that we know the nature of the enemy and his changes, so that we can do something to affect the directions of those changes.

Mr. JUDD. Mr. Macmillan a few weeks ago went to Moscow for 10 days to find out, so he said, what the Communists had in mind. He could have spent 10 days in the library and found out a great deal more than he could in Russia, listening to the words of men who are trained to use words to deceive, not to reveal.

Mr. PORTER. I am sure the gentleman, when he trained for medicine, spent time with books, but also carved a cadaver or two to get his facts directly.

The SPEAKER pro tempore. The time of the gentleman from Oregon has expired.

COMMITTEE ON BANKING AND CURRENCY

Mr. IRWIN. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report on S. 1094 for printing under the rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

THE SUPREME LAW OF WHOSE LAND?

Mr. SHELLEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SHELLEY. Mr. Speaker, it has traditionally been the announced policy and purpose of the United States to promote a privately owned American merchant marine composed of the best-equipped, safest, and most suitable type of vessels which is capable of carrying all of our domestic waterborne commerce and a substantial portion of our export and import waterborne foreign commerce. This policy is set forth, among other places, in our basic shipping act, the Merchant Marine Act of 1936, and it is the announced will of Congress and the supreme law of the land.

Because the vessels of our merchant marine must compete with foreign-flag vessels, which were constructed in low-cost foreign shipyards, and which employ foreign crews at sweatshop wages, often 20 percent or less than the fair and reasonable wages paid to our American seamen, it has been necessary for our Government to afford certain construction-differential and operating-differential subsidies, the purpose of which is to place the American-flag subsidized liner operator on a cost parity with his foreign-flag competitor. Of course, our tramp vessels and our tanker vessels receive no operating subsidies. In order to assure a fair participation by American-flag vessels in the carriage of Government-controlled cargoes, such as surplus grain moving under Public Law 480, Congress has also enacted the cargo preference law, section 901(b) of the Merchant Marine Act of 1936, as amended, which provides that at least 50 percent of these Government-sponsored cargoes shall be carried on privately owned U.S.-flag vessels. Such cargoes are carried primarily by tramp and tanker vessels. These statutory provisions are also, of course, the supreme law of the land, and without them the American merchant marine would disappear from the seas.

Despite the clear and specific purpose of these statutes, various administrative agencies of our Government, such as the Department of Agriculture, ICA, and the Department of State, have, for various reasons best known to themselves, engaged in actions inconsistent with and in derogation of the purpose of the legislation. I speak from personal experience and observation when I say that certain persons in these administrative agencies and executive departments, during the course of their dealings with foreign governmental representatives, have not fostered the interests of our American merchant marine, but have apparently been more concerned in furthering the interests of foreign merchant marines. These officials of our Government have continuously looked for loopholes in our shipping laws, which would allow for increased employment for foreign-flag vessels to the detriment of our American-flag vessels and American seamen. The situation is not only paradoxical, it is astounding.

Most recently, it has been announced that the Department of State of the United States will hold an international shipping conference with certain representatives of European shipping nations to discuss, among other things, whether U.S. policy under these long standing shipping statutes shall continue. Apparently other matters of vital concern to the American merchant marine will also be discussed. Such international conference is now scheduled to begin in Washington on June 8, 1959. In anticipation of this conference and in obvious preparation for it, several foreign shipping interests have already issued various preparatory statements soundly criticizing our subsidy statutes and our cargo preference law. Under what authority does our Department of State proceed to entertain such criticisms from foreign sources and to attempt to usurp the functions of Congress by holding an international conference to examine laws passed by our Congress?

Of course, if foreign governments or even private foreign shipping interests have legitimate complaints to make concerning our statutes, there is an accepted method of making their protests known through ordinary diplomatic channels. Their protests can be set forth in writing and transmitted in diplomatic notes to our Embassies abroad or through the Embassies for the foreign governments in Washington. They can then be followed up by meetings between diplomatic officers. If our State Department should agree with the merit of such protests, it can espouse them in the proper way before Congress in an effort to have new legislation enacted. This, I say, is the normal and accepted diplomatic protocol and legislative process, concerning protests of foreign sources against our statutes, not a multilateral diplomatic conference.

It is unthinkable that the Department of State at the forthcoming international conference would or could, in good conscience, enter into any agreement or commitment to amend or subvert our basic shipping laws. Such statutory amendments, if any, should be the function of Congress and its function should not be encumbered or impeded by any secret executive agreements to which our Nation may inadvertently, and against our public interest, become committed in such an international diplomatic conference.

If such international parley of foreign shipping representatives and our State Department does not have the status of a diplomatic conference, and if it is merely to air the complaints of the foreign shipping interests, then it should be open to the public. There are no star chamber proceedings in the United States. Furthermore, the Department of State is not the agency of this Government primarily responsible for the administration of our shipping laws. But the Department of State has announced that these meetings are not open to the

public and cannot even be attended by U.S. shipping representatives from either industry or labor.

This situation is incredible to me. A conference is being held concerning the laws upon which our American Merchant Marine and American seamen depend for their very existence. Foreign shipping interests, having a much greater influence on their governments than American shipping interests do upon our Government, can easily be and have been pointed as official diplomatic representatives of their respective countries. They will sit down with representatives of the State Department, unfamiliar with the problems of American shipping and perhaps not sympathetic to them, and discuss the shipping statutes, as well as the shipping policy, of this country. American shipowners and operators and American seamen will not even be in this diabolical ball game. They will be on the outside of the closed door, when the meeting takes place, and perhaps we may never know precisely what has taken place. While the door is closed, this group may sell the American Merchant Marine and American seamen down the river without a ship, a boat or a paddle and what's more, without a job.

I think that the time has come for some plain answers by the State Department concerning this amazing and unprecedented international conference. If it has the status of a diplomatic conference, I demand an accounting of the agenda of the conference subjects and of the precise position of the State Department on these subjects. Further, I strongly urge that the President should appoint members of the American shipping industry and from labor to attend this conference as special envoys or representatives of the United States. If the meeting is only informal to hear the complaints of foreign shipping interests concerning our shipping policies, then the door of the meeting should be opened and our own shipping interests at least should be allowed to be present.

We have now reached the crossroads of our maritime policy, and it is absolutely essential for our country to support the American Merchant Marine and American seamen against the insidious campaign of foreign interests to drive them from the seas. We need, as never before, a coordinated effort to promote the basic policy of our shipping statutes by all agencies of our Government. The Commerce of the United States virtually supports the merchant marines of all nations. Our foreign commerce is not only by far the largest in volume, but our shippers pay the highest ocean freight rates anywhere in the world.

The shipping statutes of this country have hardly succeeded in preempting the lion's share of the cargo, moving in the foreign commerce of the United States, because United States-flag vessels have carried far less than the substantial portion of our foreign commerce called for by the Merchant Marine Act. In the testimony of Hon. Clarence G. Morse, on Tuesday, May 5, 1959, before the House Subcommittee on Appropriations, of which committee I am a member, Mr. Morse made the following statement:

> We are the biggest importing and exporting Nation in the world and * * * in the overall on our imports and exports dry cargo, American vessels carry only 19 percent.

Mr. Morse went on to explain that our active oceangoing fleet is less than half the size of Great Britain's and that we also rank behind Liberia and Norway.

It is amazing that foreign shipping interests can cry "foul" when we take steps to put our liner operators on a parity of costs with foreign-flag liner operators, or when we take steps to insure that American-flag ships will carry a fair portion of our Government-aid cargoes. These statutes would not be necessary if foreign vessel operators paid their seamen wages anywhere in conformance with our standard of living.

For the few measures that we have taken to foster and promote our American merchant marine, foreign nations have insured that practically all cargo which their shippers control will be carried on vessels of their own national flags. Has an American steamship line ever carried one ounce of cargo moved by any European government for its own account? United States-flag vessels get very little cargo inbound to the United States from foreign destinations. Some foreign nations have placed discriminatory duties on goods carried by United States-flag vessels. Our State Department has done very little to remove these inequities. The government of Chile requires that the Grace Line share its earnings, from cargo carried into Chile from the United States, with the Chilean Line. France has a law that requires that at least 75 percent of all of its oil importations be carried on French-flag vessels. Other nations have taken more indirect steps to assure that vessels of their own merchant marines will carry the great preponderance of their cargo.

We have taken too much for granted in this country and have not offered enough support to our merchant marine and seamen. Certainly, at this time, we should be moving forward in our maritime policies, not backward. American-flag participation in petroleum and oil importations has dwindled from about 20 percent in 1956 to less than 5 percent at the present time. Manifestly this is not the "substantial portion" of our foreign commerce, which United States-flag vessels should carry, as envisaged by the Merchant Marine Act of 1936. I suggest that we must take prompt legislative action to prevent the extinction of the tanker segment of our American merchant marine, and I understand that Congressman SYD HERLONG of Florida has introduced such a measure, H.R. 6823.

The American merchant marine is now confronted with a desperate depression, and it should be receiving some additional, not less, encouragement from our Government. Foreign shipping interests, however, sensing the kill, have apparently gained the sympathetic ear of some members of our State Department in their final effort to eliminate our privately owned vessels from the seas. I think that the American public, including American-flag shipping companies and American seamen, deserve an explanation from the State Department.

THE TRAGEDY OF MEMORIAL-DAY WEEKEND

Mr. FRIEDEL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. FRIEDEL. Mr. Speaker, the people of our country have always been great ones for setting new records. New records in all sorts of fields. Well, we really set a fine record this past weekend. Banner headlines proclaimed this new record—a record of tragedy—"440 Die in Holiday Accidents."

Just think of it, 440 lives suddenly ended for no good reason. And this does not include the number injured, many of whom will suffer the rest of their lives.

This record of 440 dead was set in a 54-hour period from 6 p.m. Friday, May 29, to midnight Sunday, May 31. Simple arithmetic shows that this averages more than eight deaths per hour. This figure far exceeds the National Safety Council's preholiday estimate of 260 holiday deaths and is the result of 304 traffic accidents, 89 drownings, and 47 from miscellaneous causes. This figure also exceeds the previous alltime high for such a period set in 1953 of 241 traffic deaths.

Last Wednesday, May 27, I inserted in the RECORD a plea to the American people for traffic sanity and safety. I said that we, all of us, must be acutely aware of our responsibility; that we must not lose our patience, all sense of responsibility, courtesy, good manners, and reason. Evidently this plea fell on deaf ears.

There are many others who voiced similar pleas. Broadcasts on radio and television and the newspapers all admonished the public to take heed and drive sanely.

Mr. Speaker, at this point I have no new positive action or suggestion to offer. However, I do wonder what purpose is served by observing a national holiday, such as that just past, when one of the outcomes is an abnormal and unnecessary number of tragedies to so many people.

I stated last week that the area where the greatest effort is needed is that of educating the public so as to make them ever aware of highway safety. I reassert that opinion and urge every organization and group to join in this effort. Industrial accidents have been decreased through indoctrination of safety thinking. A similar program can be undertaken by every group. Safety consciousness must be preached and practiced by all.

I hope and pray that something can and will be done to stop the slaughter on our highways.

CONGRESS SHOULD TELL THE FEDERAL RESERVE: WE NEED YOUR HELP TO MAKE THE NATIONAL DEBT MANAGEABLE

The SPEAKER pro tempore (Mr. THORNBERRY). Under previous order of the House, the Chair recognizes the gentleman from Wisconsin [Mr. REUSS] for 40 minutes.

Mr. REUSS. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. REUSS. Mr. Speaker, the Congress continues to be concerned about the management of the national debt.

The current interest rate the Treasury has to pay—around 4 percent on relatively short-term obligations—is the highest rate it has had to pay since 1933, when the national debt was $19.5 billion as compared to the present $285 billion.

The annual interest charge on the national debt will be $8.1 billion in fiscal year 1960, the highest in history.

Despite a promise by the administration when it came to power in 1953 to keep the national debt out of the hands of the banks, because of its inflationary potential, the amount of the national debt held by the banks has increased from $58.8 billion in June 1953, to $63 billion today.

Despite a promise, for similar reasons, to lengthen the maturity of the national debt, the average length of the marketable interest-bearing debt has declined from 5 years and 8 months in 1953 to 4 years and 8 months today.

THE FOUR AND ONE-QUARTER PERCENT INTEREST CEILING

Although it is paying the highest interest rates in more than a quarter-century, the Treasury is having trouble refunding the debt as it comes due. Last month the Treasury had to offer a 4.05 percent 1-year note in exchange for a maturing issue of 1.25 percent 1-year securities. But even then, one-third of the securityholders spurned the new offering and demanded cash.

It is rumored that the administration is about to ask Congress to increase the permissible 4¼ percent interest which it may charge on long-term bonds. Because of the ceiling, the Treasury has just about given up attempting to issue long-term securities.

Each year, close to $80 billion of the national debt must be refunded. More than $22 billion comes due in the second half of this year alone, not counting the weekly "roll-over" in Treasury bills.

THIS IS CONGRESS' JOB, TOO

Congress cannot remain unconcerned about this crisis in debt management. The Committee on Ways and Means has jurisdiction over the Treasury's management of the debt. The Banking and Currency Committee has jurisdiction over the Federal Reserve System's monetary policies. The Joint Economic Committee has an over-all nonlegislative jurisdiction over the entire economy. But the House as a whole is likewise charged with the constitutional obligation of Congress "to coin money, [and] regulate the value thereof."

If Congress has anything to contribute to the vexing problem of debt management, it can effectively make that contribution only in the few weeks that remain between now and the end of the first session. Because I believe the Congress has a constructive contribution to make, Mr. Speaker, I take the floor this afternoon.

THREE WAYS IN WHICH OUR POLICIES HURT

Our present debt management practices, which involve paying ever-higher interest rates on ever-shorter maturities, contain three main items of damage:

First. They saddle the taxpayers with a higher interest burden on the national debt. The $8.1 billion carrying charge on the national debt for fiscal 1960 is the largest single nondefense item in the budget. With a $285 billion national debt, an additional average rise of only one-half of 1 percent would add nearly $1.5 billion to the taxpayers' annual burden.

Second. They communicate high interest rates through the entire economy. When the Treasury raises the interest rate on the national debt, interest rates for all types of borrowing quite promptly reflect such increases. This is because the Treasury completely dwarfs all other borrowers. As has been said many times, high interest rates choke off economic activity wherever interest charges are a major consideration—housing, schools and other local governmental activities, public utilities, small business.

Third. They frighten investors away from governments. Both individual investors and institutions—savings and loan associations, mutual savings banks, pension funds, insurance companies—as a group have been decreasing their holdings of both U.S. savings bonds and other U.S. securities, and have greatly increased their holdings of other types of fixed-income securities—insurance policies, savings and loan shares, savings accounts, corporate bonds, mortgages, State and local government securities. Certainly one of the reasons for investors' preferences for these other fixed-income securities is the drastic fluctuations downward in the market prices of governmental securities. The 2⅝-percent, 6-year bonds issued last June are currently selling at around 90, for a yield of 4.5 percent. A 2½-percent, 67–72 Victory bond is currently selling at 83. Investors might have been willing to stay by U.S. securities despite the tax-exempt character of local governmental securities, or the higher interest coupon on corporate bonds. They are plainly not willing to do so if U.S. securities have the additional disadvantage of dropping drastically in market value.

We should ask ourselves, Mr. Speaker, why it is that the Treasury, even at ever-higher rates and for ever-shorter maturities, finds fewer and fewer people who want to buy the national debt. The easy answer, and one frequently made by the administration, is that the public is frightened away from U.S. securities by budget deficits and the fear of inflation. Now, a budget balanced at high levels of production, and reasonable price stability, are indeed essential both for general economic reasons, and because debt management would become easier. But today's debt management crisis would be with us even with balanced budgets, and reasonable price stability.

INVESTORS HAVE BEEN SCARED OFF

For example, we had not only balanced budgets, but surpluses, in 1956 and 1957. Yet the Treasury even then could not issue any long-term debt. With interest rates on the increase, investors shied away from any but the shortest-term Governments.

Likewise, we have had no increase in the cost of living for more than a year now. Yet our debt-management crisis is more acute than ever. Investors are not being driven away from U.S. securities because of fear of inflation, since our dollar holdings of all forms of fixed income claims—insurance policies, savings and loan shares, savings accounts, corporate bonds, mortgages, State and local government securities, as well as U.S. securities—are the largest in history.

In a nutshell, what has turned investors away from U.S. securities is the constant increase in the interest rate, with a consequent drop in the price of Governments. Why, asks the sophisticated investor, should I buy a Government security at 100 when it is only going to be worth 90 a few months from now?

What can we do about it? Are we doomed to stand helpless, like a character in a Greek tragedy, while the interest rate on Governments goes up and up, the price goes down and down, and investors become even harder to attract?

THE FED INCREASES MONEY SUPPLY ALMOST EXCLUSIVELY BY LOWERING RESERVE REQUIREMENTS.

I am not here concerned primarily with the tightness or looseness of the money supply. During the period 1954–58, our money supply grew at the average annual rate of only 1.6 percent. The Federal Reserve now takes the position that it should grow at the rate of around 3 percent. I myself think that a rate of 4 to 5 percent a year is more consistent with the kind of economic growth that this country can properly attain without impairing price stability.

But let us take 3 percent, or whatever other figure the Fed says is the proper annual rate of expansion of the money supply to take care of the growing economy. From the standpoint of debt management, there is a right way of bringing about this increase in the money supply, and a wrong way. I am concerned because the policy now being followed by the Federal Reserve System of increasing the money supply—and a policy which the Fed says it will continue to follow—seems to me the wrong

policy. I think it should be changed, and I think that the Congress ought to suggest to its agent, the Fed, that the Fed ought to change it.

The Fed's general policy has been to create the necessary increases in the money supply by lowering reserve requirements, rather than by purchasing Government securities; and to decrease the money supply, where necessary, through selling from its portfolio of Governments, rather than by raising reserve requirements. From 1953 onward, the Federal Reserve has consistently, lowered the reserve requirements for member banks in recession, but has failed to increase them at other times. In the case of central Reserve city banks—New York and Chicago—they have been lowered from 24 to 22 to 21 to 20 to 19½ to 19 to 18½ to 18 as of today. In the case of Reserve city banks, they have been lowered from 20 to 19 to 18 to 17½ to 17 to 16½ today. In the case of country banks, they have been lowered from 14 to 13 to 12 to 11½ to 11 today.

THE "VAULT CASH" BILL

The Federal Reserve System is currently asking Congress for permission to lower the statutory minimum for central Reserve city banks from its present 13 to 10. In addition, it seeks to lower reserve requirements even more by permitting banks to count vault cash as reserves, thus increasing bank reserves by approximately $2 billion, which could give rise to an additional $16 billion of bank credit.

The statements of the Federal Reserve System before the House Banking and Currency Committee on April 7, 1959, in the hearings on S. 1120—the bill just referred to—set forth very clearly the Fed's future intention of creating needed additions to the money supply by lowering reserve requirements in deliberate preference over purchasing U.S. securities for its portfolio, or retaining existing U.S. securities in its portfolio. In the staff statement of the Board of Governors of the Federal Reserve System introduced at the hearing—hearings before Subcommittee No. 2, House Committee on Banking and Currency, "Member Bank Reserve Requirements," April 7, 1959—it is said:

For purposes of monetary policy, reserve requirements of member banks do not need to be as high as they have been in recent years. Federal Reserve holdings of Government securities are large enough so that they could be reduced to absorb a substantial amount of reserves released, without impairing the ability of the System to perform its essential functions. Requirements, moreover, may be lowered in the course of time to release reserves needed to cover growing monetary needs of the economy. Some reduction in requirements could help improve the earnings and capital positions of member banks without impairing their liquidity or soundness (p. 15).

GOVERNOR BALDERSTON'S TESTIMONY

At the same hearing, C. Canby Balderston, Vice Chairman, Board of Governors, Federal Reserve System, testified:

Growth (in the economy) calls for increases in the money supply at a rate which we hope and believe will make for sustainable growth, and since the economy needs an increasing money supply over the long term, the chances are that the reserve requirements of the commercial banks may need to be lowered in the course of years, rather than raised.

I can illustrate that by pointing to the currency. We have had an increase in currency outstanding of about 1 percent per year. That calls for added reserves of, say, $300 million.

Likewise, the growth in the economy calls for increases in bank deposits of perhaps 2 or 3 percent per year, with a corresponding growth in required reserves. So, in taking care of added needs for currency and the money supply as a whole, the reserves supply will need to go up, perhaps half a billion dollars to a billion dollars a year. What I am saying is that the drift of reserve requirements will probably need to be downward in the course of time rather than upward (p. 54).

And again, from the Federal Reserve staff report:

It may be concluded from this discussion of the appropriate level of reserves that, to permit effectuation of appropriate monetary policies, reserve requirements of member banks do not need to be as high as they have been in recent years. A lower level of requirements would improve the earning position of banks and aid them in building up their capital positions to levels commensurate with the more rapid expansion that has occurred in their liabilities during the past 30 years. Some reduction in reserve requirements would not necessarily impair the liquidity and safety of banks' assets if banks are prudent in the use of additional funds obtained. Any substantial reduction in requirements, however, might raise questions about the adequacy of safety or liquidity in the asset structure of banks, unless offset by other additions to liquidity.

To the extent necessary to avoid undue credit expansion, reserves released by any reduction in requirements could be absorbed by Federal Reserve sales of securities in the market. This would in effect shift earning assets from Federal Reserve banks to member banks. The present System portfolio is adequate to permit a substantial reduction and still leave enough to provide sufficient earnings to cover necessary expenses, as well as for current purposes of policy (pp. 27–28).

Apparently, the reason for the Federal insistence on decreasing reserves, rather than purchasing U.S. securities, as a method of increasing the money supply, is to increase bank earnings. Thus the Federal Reserve staff study says:

Any reduction in reserve requirements would permit banks to increase their earning assets and thus provide larger earnings. This in turn would help banks to improve their capital positions. Even if the reserves released were fully absorbed by Federal Reserve open market sales so that no excess reserves were created, member banks could buy additional securities or make loans in an amount equal to the reserves released and thus increase their earnings (p. 26).

IT IS THE DEBT THAT MAKES THE DIFFERENCE

Increasing banks' lending capacity—their money—creating powers—by lowering reserve requirements is substantially the same, from the monetary standpoint, as doing so by the Federal Reserve purchasing U.S. securities. In either case, bank reserves—so-called high-power dollars, capable of a six-fold—or much larger—credit expansion—are created.

If this country did not have the staggering $285 billion national debt that it has, it would be of no vast consequence whether the Fed adjusted the credit-creating capacity of the banking system by changing reserve requirements, or by purchases and sales of U.S. securities.

But the fact is that we do have a staggering national debt. And the management of the national debt is greatly facilitated by the means which the Fed uses to increase the money supply. If the Fed uses as its means the purchasing of U.S. securities, it can make debt management easier than if it uses as its means the lowering of reserve requirements. This is so for three reasons:

USING THE PROPER METHOD WOULD HELP IN THREE WAYS

First. By putting the Fed into the market for U.S. securities whenever monetary expansion is indicated, this raises at least somewhat the price of U.S. securities, and thus lowers the interest rate—both that on the national debt, and by communication to the rest of the interest structure, that paid by borrowers generally. It makes no sense for the Fed to shy away from giving the U.S. securities market some mild support at a time when it is sound monetary policy to increase the money supply anyway. True, since the Treasury-Federal Reserve accord of 1951, the Fed has quite properly been relieved of the duty of supporting the U.S. security market at par when to do so, because of full employment conditions, would result in the creation of an excess money supply, and thus contribute to inflation. But surely there is nothing in either the accord or in common sense which requires the Fed to refrain from giving the Government security market some mild support when this mild support is a necessary consequence of an otherwise appropriate expansionary monetary policy. Such support by cushioning fluctuations on the downward side would make Governments more attractive to investors.

Second. To the extent that the national debt is held by the Fed, rather than by the commercial banks, the interest paid goes back to the Treasury. Conversely, if the Fed sells its portfolio to the banks, the taxpayer must pay the interest charges. The Treasury's present holdings of U.S. securities are on the order of $25 billion. The interest charge on this, at the current 3-percent rate, is around two-thirds of a billion a year. Transferring this from the Fed to the banks would mean, therefore, that the public would have to carry this additional amount in taxes.

Third. The Treasury has recently been the repeated victim of attrition in refundings of the national debt. In May, for example, one-third of the holders of a maturing 1-year note suddenly demanded cash, rather than take a 1-year refunding note. To the extent that the Fed rather than the banks hold a given amount of the national debt, the

Treasury can be relieved of the frequent embarrassment of attrition.

IMPORTANCE OF PROPER METHOD

So it matters enormously from the standpoint of the taxpayers, and from the standpoint of sound debt management, whether the Fed expands the money supply by lowering reserve requirements, or by purchasing U.S. securities.

The desirability of using the method of purchasing Government securities, rather than lowering the reserve requirement, is well expressed in the authoritative work, "National Debt in War and Transition," published in 1950 by Henry C. Murphy, former Treasury expert now with the International Monetary Fund. In speaking of war and postwar finances, Mr. Murphy says:

There was universal agreement that the great bulk of the necessary reserves should be provided by Federal Reserve purchases of U.S. securities. To have provided them otherwise would have greatly complicated the problems of war and postwar finance. Heavy reliance on member-bank discounts would have so tightened the money market as to make the sale of U.S. securities extremely difficult. On the other hand, heavy reliance on reductions in reserve requirements would have unnecessarily transferred a large body of earning assets and so increased the cost of financing the war. Large reductions in reserve requirements would also have complicated the problems of postwar finance by increasing the expansion ratio between member-bank reserves and deposits in the postwar period. Principal reliance upon Federal Reserve purchases of U.S. securities as the means of supplying the bulk of the required reserves was, therefore, clearly indicated (pp. 125–126).

The Fed's avowed reason for using the reserve-lowering method is that it will help to increase profits of member banks. I certainly do not begrudge Federal System member banks adequate profits, and more than adequate profits. But the fact is that earnings after taxes of member banks have increased from $756 million in 1951 to $1,169 million in 1957, and to a recordbreaking $1,457 million in 1958. In the lengthy presentation by the Federal Reserve to the House Banking and Currency Committee in connection with S. 1120, continued concern was shown for the earnings of banks. Not a word was devoted, so far as I have been able to tell, to the problem of helping the taxpayer, or to the general task of debt management.

HOW TO MAKE RESERVE REQUIREMENTS EFFECTIVE

So far, Mr. Speaker, I have been discussing solely decreases in the reserve requirement, and making the point that this method does not help the management of the public debt, as does the method of purchasing, or at least retaining in the Fed's portfolio, U.S. securities. I do not understand that the Federal Reserve contends that purchases of U.S. securities by the Fed are any less effective a method of adding to the money supply than lowering reserve requirements. The Fed does, however, contend that raising reserve requirements is a less satisfactory way of tightening credit than to sell U.S. securities from the Fed's portfolio to the banks. This is so, it is said, because increases in reserve requirements may operate harshly upon certain individual banks, particularly those which are "loaned up" at the time the increase goes into effect.

If the Federal Reserve put its mind to it, I am sure that it can come up with some helpful suggestions to eliminate this harshness of application in raising reserve requirements, and thus make the raising of reserve requirements the useful anti-inflationary tool that it ought to be. Perfectly sound methods of smoothing off the rough edges of the Federal Reserve powers have been suggested in the definitive works, "Monetary Management" and "American Monetary Policy," published in 1949 and 1951, respectively, by the Committee for Economic Development, and written by the late E. A. Goldenweiser, for many years director of the Division of Research and Statistics for the Board of Governors of the Federal Reserve System. Here are some of Mr. Goldenweiser's lucid suggestions:

"DUAL RESERVE" PLAN

First. Set up a "dual reserve" plan, whereby the Fed could impose on deposit growth after a given date higher reserve requirements than those applicable to deposits in existence on that date. Says Goldenweiser in the CED study:

This would eliminate the ex post facto character of changes in reserve requirements. Under the prevailing practice, when reserve requirements are advanced, all banks in the group to which the ruling applies must have a higher ratio of reserves than they had before the change was made. Banks with excess reserves can meet the increase without difficulty. Banks which have only the required minimum of reserves, however, find themselves, without any fault on their part, deficient in reserves, as a result of legitimate activities prior to the change in requirements. This feature in changing reserve requirements makes it difficult for the authorities to make changes, since it has elements of inequity. If the emphasis is on preventing further bank credit expansion, a requirement that growth in deposits shall be subject to higher reserves is the logical approach. Because of the large number of banks in this country, this method would carry administrative difficulties. But the market for Federal funds would overcome most of these difficulties and methods for handling such a system of reserve requirements can be devised. Banks which experience an expansion in deposits could obtain in the market sufficient Federal funds from banks whose deposits are contracting to make it possible for them to adjust their position. Overall expansion of the money supply, however, would be made more difficult by subjecting it to a higher rate of reserve requirements. This rate does not need to be as high as 100 percent but it could be substantially above the rate required for existing deposits. (Monetary Management, pp. 92–93.)

And again:

The details of putting such a system into operation have been worked out and reveal no insurmountable difficulties. A very good plan, by Frederick Solomon of the Board's legal staff, is to handle these differentiated reserves—those for deposits in existence on a given date and those created after that date—through separate accounts on the books of the Reserve Banks. This variant has been labeled the dual reserve plan. It has stood up under careful scrutiny of the System's economic and operating staffs. (American Monetary Policy, p. 58.)

EXTEND TO NONMEMBER BANKS

Second. Make statutory reserve requirements against deposits equally applicable to all banks, in and out of the Federal Reserve System, that accept demand deposits. Says Goldenweiser:

This is power the Board should have if it is to be in a position to act promptly when the need arises, without waiting on ad hoc legislation, a slow and hazardous proceeding. (American Monetary Policy, p. 60.)

And again:

The need for uniformity of reserve requirements arises from the fact that, as conditions develop requiring higher and higher reserve requirements for System members, inducements for banks to leave the System and to find refuge under State law become increasingly pressing. To command with proper discipline an army which sanctions desertion as an inalienable right of every soldier would impose a superhuman duty on any general, yet this is in effect what the Federal Reserve Board is required to do. Chairman McCabe of the Board presented a table to the Douglas Committee showing that on June 1949, all member banks had cash assets amounting to 26 percent of their deposit liabilities and that for country member banks the ratio was 23 percent. This contrasts with a ratio of 18 percent for insured nonmember banks, five-sixths of which was held in the form of interbank balances. Such balances, though they are suitable reserves for individual banks, are not reserves at all for the banking group as a whole. That on broad grounds this condition needs to be changed can hardly be questioned. It may be argued that this condition so far has not done much harm, that few banks have voluntarily left the System. This is true, but there is no assurance that this will continue to be so, if occasion for further stiffening of requirements should arise. Furthermore, there is another way in which the existing condition is damaging, namely, by exerting a strong influence toward delay and hesitation by the Board in the exercise of such powers as it has over member-bank reserve requirements. The vision of an exodus from the System, and the feeling of inherent inequity of higher requirements for member as against nonmember banks, are obstacles to prompt action on reserves, and consequently a barrier to effective monetary management. The Douglas Committee report recommended extension of member-bank reserve requirements to all banks receiving demand deposits.

On the score of logic, it is obvious that all banks creating deposits, or money, should be required to observe uniform rules under uniform conditions. That this has not been adequately realized is due to tardiness in understanding the true nature of bank reserves as the medium through which the regulation of the money supply must function. As long as reserves were viewed merely as a way of assuring a degree of liquidity to banks for the protection of their depositors, the case for uniformity of requirements was not so compelling. But once it is granted, as it has been by all competent authorities, that the function of bank reserves requirements is to enable monetary management to regulate properly the volume of money, the need for uniformity becomes apparent and inescapable.

On a historic basis the case is also clear. When Congress wished to assure uniform value to currency, it gave a monopoly of bank-note issue to national banks by imposing a prohibitive tax on State bank notes. Since then deposits have become the principal form of money in use. Regulation of the volume of deposits by Federal authority is a logical modern equivalent to the regulation of bank-note issues undertaken almost a century ago.

Finally, a constitutionality of the imposition by Federal authorities of reserve requirements on State-chartered banks has been questioned. This is a question for lawyers and judges to decide. An authoritative opinion on the subject was given by Walter Wyatt, General Counsel of the Federal Reserve Board (Federal Reserve Bulletin, March 1933). But legal technicalities apart, it is clear that (1) the creation of money is a function of the Federal Government, (2) bank deposits are the principal form of money in use, and consequently (3) banks which create deposits, or money, must be subject in this respect to regulation by the Federal Government.

To summarize, therefore, the case for the same reserve requirements for member and nonmember banks receiving deposits: It is an important practical matter because it is necessary for effective regulation of the money supply; it is logical because clearly all institutions creating money should be governed by the same conditions; it is historically appropriate as a recognition of the emergency of deposits as the principal form of money; finally, it is legally feasible according both to expert opinion and to commonsense. (American Monetary Policy, pp. 287–289.)

MAKE CHANGES GRADUALLY

Third. Work out techniques of gradual changes in reserve requirements, with advance notice. Says Goldenweiser:

It would be possible to work out techniques of small, gradual changes in reserve requirements, with adequate advance notice, that could be used as effective instruments of current regulation of credit. One obstacle to such a use is its relative novelty and the consequent resentment by banks. Another is that changes in requirements under the law must be made by the Board, which is not adapted to making frequent and flexible decisions. (American Monetary Policy, p. 93.)

The thoughtful words of Dr. Goldenweiser require that the Federal Reserve make a wholehearted attempt to refurbish its reserve requirement weapon, instead of allowing it to rust unused. In its May 28, 1959, report on S. 1120, the bill having to do with member bank reserve requirements, the House Committee on Banking and Currency requested the Fed to give further study to this problem:

During the committee's consideration of this legislation, questions were raised as to the relative efficacy of changes in reserve requirements as compared with open market operations in effectuating monetary policy. Your committee firmly believes that the Board's monetary tools must be as efficient as possible. We are concerned over indications that increases in reserve requirements may be considered too blunt a weapon to use effectively. Accordingly, the Federal Reserve Board is requested to give further study to this problem, and to report to the committee as soon as practicable concerning possible improvements in the techniques of employing reserve requirements as an anti-inflationary tool, together with recommendations for any remedial legislation that may be necessary to put these improvements into effect. (Committee report, p. 6.)

HOUSE CONCURRENT RESOLUTION 196

Mr. Speaker, I have today introduced for appropriate reference House Concurrent Resolution 196:

CONCURRENT RESOLUTION EXPRESSING THE SENSE OF THE CONGRESS WITH RESPECT TO THE INTERRELATIONSHIP OF FEDERAL RESERVE MONETARY POLICY AND THE MANAGEMENT OF THE PUBLIC DEBT

Whereas the interest charge on the national debt has grown progressively higher, and now stands at more than $8 billion annually; and

Whereas the administration has been unable to reduce the amount of the debt held by the commercial banks below the amount held in 1953; and

Whereas the proportion of the national debt which is short-term, and thus of greater inflationary potential, has increased since 1953; and

Whereas the Federal Reserve System has consistently followed, and stated its intention to continue to follow, a policy of creating necessary increases in the money supply by lowering reserve requirements, rather than by purchases of Government securities, and necessary decreases through sales of Government securities rather than by raising reserve requirements; and

Whereas this method makes Government securities unattractive to investors by bringing about undue downward fluctuations in the prices of Government securities, adds to the interest burden on the taxpayer, and exposes the Treasury to almost constant refunding operations; and

Whereas greater reliance on purchase or retention of Government obligations by the Federal Reserve System, where sound monetary policy permits, is essential: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Federal Reserve System, while pursuing its primary mission of administering a sound monetary policy, should, to the maximum extent consistent therewith, utilize such means as will assist in the economical and efficient management of the public debt; that purchases of Government securities rather than further lowering of reserve requirements should be utilized to the greatest extent possible for attaining needed monetary expansion; and that the Federal Reserve System should promptly and fully explore methods whereby use of the power to set reserve requirements may become a more useful and effective anti-inflationary tool.

LEAVES OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BAUMHART (at the request of Mr. HALLECK), on account of official business as a delegate of the House of Representatives to the Atlantic Conference in London, England.

Mrs. MAY (at the request of Mr. HALLECK), from June 3 through June 9, on account of official business as a delegate of the House of Representatives to the Atlantic Conference in London, England.

Mr. WALTER (at the request of Mr. FLOOD), on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. REUSS, for 40 minutes, on today.

Mr. COOK, for 15 minutes, tomorrow, June 5.

Mr. BAILEY, for 45 minutes, for Tuesday next.

Mr. FLYNN, for 40 minutes, tomorrow.

Mrs. ROGERS of Massachusetts, for 10 minutes, tomorrow.

Mr. HIESTAND, for 60 minutes, on Monday, June 15.

Mr. PUCINSKI, for 20 minutes, on Friday, June 5.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mrs. KELLY (at the request of Mr. KEOGH).

Mr. ROGERS of Florida and to include an article.

Mr. METCALF and to include extraneous matter.

Mr. DAGUE.

(At the request of Mr. IRWIN, and to include extraneous matter, the following:)

Mr. MCMILLAN.

Mr. BARR.

Mr. SCOTT.

(At the request of Mr. ROBISON, and to include extraneous matter, the following:)

Mr. VAN ZANDT.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 5805. An act making appropriations for the Treasury and Post Office Departments and the Tax Court of the United States for the fiscal year ending June 30, 1960; and

H.J. Res. 254. Joint resolution to authorize participation by the United States in parliamentary conferences with Canada.

ADJOURNMENT

Mr. IRWIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 44 minutes p.m.) the House adjourned until tomorrow, Friday, June 5, 1959, at 12 o'clock noon.

OATH OF OFFICE, MEMBERS AND DELEGATES

The oath of office required by the sixth article of the Constitution of the United States, and as provided by section 2 of the act of May 13, 1884 (23 Stat. 22), to be administered to Members and Delegates of the House of Representatives, the text of which is carried

in section 1757 of title XIX of the Revised Statutes of the United States and being as follows:

"I, A B, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties of the office on which I am about to enter, so help me God,"

has been subscribed to in person and filed in duplicate with the Clerk of the House of Representatives by the following Member of the 86th Congress, pursuant to Public Law 412 of the 80th Congress, entitled "An act to amend section 30 of the Revised Statutes of the United States" (U.S.C., title 2, sec. 25), approved February 18, 1948: CHARLES E. GOODELL.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1065. A communication from the President of the United States, transmitting proposed supplemental appropriations in the amount of $295,285,072 for the fiscal year 1959 and $47,785,670 for the fiscal year 1960 for various agencies of the executive branch (H. Doc. No. 169); to the Committee on Appropriations and ordered to be printed.

1066. A letter from the Acting Secretary of the Treasury transmitting a draft of proposed legislation entitled "A bill to authorize the Coast Guard to accept, operate, and maintain a certain defense housing facility at Yorktown, Va., and for other purposes"; to the Committee on Armed Services.

1067. A letter from the Administrative Assistant Attorney General, transmitting a report required by Bureau of the Budget Circular No. A-23, in connection with the restoration of balances withdrawn from appropriation and fund accounts, pursuant to the act of July 25, 1957 (31 U.S.C. 701-708); to the Committee on Government Operations.

1068. A letter from the Clerk, U.S. Court of Claims, transmitting certified copies of the court's opinion in the case rendered June 3, 1959, re *The State of Oklahoma* v. *The United States* (Congressional No. 10-55), pursuant to House Resolution 278, 84th Congress; to the Committee on the Judiciary.

1069. A letter from the Administrator, General Services Administration, transmitting a draft of proposed legislation entitled "A bill to improve the administration of transfers of certain real property for wildlife or other purposes by repealing the act of May 19, 1948, and incorporating the essential provisions thereof in the Federal Property and Administrative Services Act of 1949, as amended"; to the Committee on Merchant Marine and Fisheries.

1070. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders entered under the authority contained in section 13(b) of the act as well as a list of the persons involved, pursuant to section 13(c) of the act of September 11, 1957; to the Committee on the Judiciary.

1071. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursaunt to the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

1072. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. O'BRIEN of New York: Committee on Interior and Insular Affairs. H.R. 3608. A bill to authorize the Secretary of the Navy to acquire certain land on the island of Guam; without amendment (Rept. No. 433). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORRESTER: Committee on the Judiciary. House Joint Resolution 310. Joint resolution to authorize the designation of the period of October 17 to October 24, 1959, as National Olympic Week; without amendment (Rept. No. 434). Referred to the House Calendar.

Mr. SPENCE: Committee of Conference. S. 1094. An act to amend the Bretton Woods Agreements Act (Rept. No. 435). Ordered to be printed.

Mr. MILLS: Committee on Ways and Means. H.R. 7523. A bill to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates; without amendment (Rept. No. 436). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT of Florida:

H.R. 7555. A bill to prohibit, under certain conditions, for 2 years, the employment of a former officer or enlisted man in the armed services, or a former civilian employee in the Department of Defense, by any person, concern, or foreign government with which certain transactions were handled by such officer, enlisted man, or employee; to the Committee on Armed Services.

H.R. 7556. A bill to prohibit, under certain conditions, for 2 years, the employment of a former employee of the Federal Government by any person, concern, or foreign government with which certain transactions were handled; to the Committee on the Judiciary.

By Mr. BOWLES:

H. R.7557. A bill to provide for the orderly marketing of poultry and poultry products and to assure consumers an adequate supply of poultry and poultry products of wholesome quality; to the Committee on Agriculture.

By Mr. CELLER:

H.R. 7558. A bill to authorize the establishing by the Surgeon General of an aftercare post-hospital treatment program for drug addiction; to the Committee on Interstate and Foreign Commerce.

H.R. 7559. A bill to provide for reasonable notice of applications to the U.S. courts of appeals for interlocutory relief against the orders of certain administrative agencies; to the Committee on the Judiciary.

By Mr. DAWSON:

H.R. 7560. A bill to provide protection of persons from lynching, and for other purposes; to the Committee on the Judiciary.

By Mr. DINGELL:

H.R. 7561. A bill to repeal the 3 cents per pound processing tax on coconut oil, and for other purposes; to the Committee on Ways and Means.

By Mr. DOWNING:

H.R. 7562. A bill to amend title VI of the Legislative Reorganization Act of 1946, as amended, with respect to retirement survivorship provisions for certain widows and widowers, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HAGEN:

H.R. 7563. A bill to provide for the orderly marketing of poultry and poultry products and to assure consumers an adequate supply of poultry and poultry products of wholesome quality; to the Committee on Agriculture.

By Mr. McDOWELL:

H.R. 7564. A bill to provide for a preliminary examination and survey of Broad Creek River from Portsville Landing to Laurel, Del., for navigation and flood control; to the Committee on Public Works.

By Mr. CLEM MILLER:

H.R. 7565. A bill to provide for the orderly marketing of poultry and poultry products and to assure consumers an adequate supply of poultry and poultry products of wholesome quality; to the Committee on Agriculture.

By Mr. GEORGE P. MILLER:

H.R. 7566. A bill to amend the Internal Revenue Code of 1954 to provide an amortization deduction for certain facilities for the control of air pollution; to the Committee on Ways and Means.

By Mr. MILLS:

H.R. 7567. A bill to extend for a period of 2 years the privilege of free importation of gifts from members of the Armed Forces of the United States on duty abroad; to the Committee on Ways and Means.

By Mr. SIMPSON of Pennsylvania:

H.R. 7568. A bill to extend for a period of 2 years the privilege of free importation of gifts from members of the Armed Forces of the United States on duty abroad; to the Committee on Ways and Means.

By Mr. O'HARA of Illinois:

H.R. 7569. A bill to provide for the recognition of the Polish Legion of American Veterans by the Secretary of Defense and the Administrator of Veterans' Affairs; to the Committee on Veterans' Affairs.

By Mr. PERKINS:

H.R. 7570. A bill to amend section 1 of the Railroad Retirement Act of 1937 to provide that an employee shall not lose his current connection with the railroad industry when he is furloughed to accept elective public office; to the Committee on Interstate and Foreign Commerce.

By Mr. ROGERS of Colorado:

H.R. 7571. A bill to amend section 7 of the act of July 28, 1950 (ch. 503, 64 Stat. 381; 5 U.S.C. 341f), to authorize the Attorney General to acquire land in the vicinity of any Federal penal or correctional institution when considered essential to the protection of the health or safety of the inmates of the institution; to the Committee on the Judiciary.

By Mrs. ST. GEORGE:

H.R. 7572. A bill to amend section 21 of the Second Liberty Bond Act to provide for the retirement of the public debt; to the Committee on Ways and Means.

By Mr. SISK:

H.R. 7573. A bill to provide for the orderly marketing of poultry and poultry products and to assure consumers an adequate supply

of poultry and poultry products of wholesome quality; to the Committee on Agriculture.

By Mr. TOLL:

H.R. 7574. A bill to provide financial assistance for the support of public schools by appropriating funds to the States to be used for teachers' salaries; to the Committee on Education and Labor.

Mr. WAINWRIGHT:

H.R. 7575. A bill to amend the Commodity Exchange Act to prohibit trading in potato futures in commodity exchanges; to the Committee on Agriculture.

By Mr. ABERNETHY:

H.R. 7576. A bill to create an Agricultural Research and Development Commission, to provide for more effective research programs designed to expand markets for agricultural and forestry products, to reduce surpluses, to increase farm income, and to benefit consumers, and for other purposes; to the Committee on Agriculture.

By Mr. CELLER:

H.R. 7577. A bill to amend title 28, entitled "Judiciary and Judicial Procedure," of the United States Code, to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment, and for other purposes; to the Committee on the Judiciary.

By Mr. GIAIMO:

H.R. 7578. A bill to amend section 501 of title 38, United States Code, to provide that under certain conditions service on the Mexican border before World War I may be included in determining whether a veteran meets the service requirements applicable to the payment of pension; to the Committee on Veterans' Affairs.

By Mr. CRAMER:

H.R. 7579. A bill to authorize the acquisition of land for donation to the Pan American Health Organization as a headquarters site; to the Committee on Public Works.

By Mr. FULTON:

H.R. 7580. A bill to provide that surplus personal property of the United States may be donated to the States for the promotion of fish and wildlife management activities, and for other purposes; to the Committee on Government Operations.

By Mr. BONNER:

H.R. 7581. A bill to amend section 4488 of the Revised Statutes, as amended, to authorize the Secretary of the Department in which the Coast Guard is operating to prescribe regulations governing lifesaving equipment, firefighting equipment, muster lists, ground tackle, hawsers, and bilge systems aboard vessels, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. PERKINS:

H.J. Res. 413. Joint resolution to provide for the acceleration of the various reforestation programs of the Department of Agriculture, and the Department of the Interior, and for other purposes; to the Committee on Agriculture.

By Mr. STAGGERS:

H.J. Res. 414. Joint resolution designating October 31 of each year as Youth Honor Day; to the Committee on the Judiciary.

By Mr. JOHNSON of Colorado:

H.J. Res. 415. Joint resolution to provide for the erection in the city of Page, Ariz., of an appropriate marker to commemorate the achievements of former Commissioner of Reclamation, John C. Page; to the Committee on House Administration.

By Mr. UDALL:

H.J. Res. 416. Joint resolution to provide for the erection in the city of Page, Ariz., of an appropriate marker to commemorate the achievements of former Commissioner of Reclamation, John C. Page; to the Committee on House Administration.

By Mrs. ST. GEORGE:

H. Con. Res. 194. Concurrent resolution expressing the sense of the Congress with respect to a program for paying the national debt; to the Committee on Ways and Means.

By Mr. FULTON:

H. Con. Res. 195. Concurrent resolution providing for the development through the United Nations of international educational programs; to the Committee on Foreign Affairs.

By Mr. REUSS:

H. Con. Res. 196. Concurrent resolution expressing the sense of the Congress with respect to the interrelationship of Federal Reserve monetary policy and the management of the public debt; to the Committee on Banking and Currency.

By Mr. DORN of New York:

H. Res. 283. Resolution expressing the sense of the House of Representatives that the people of all Ireland should have an opportunity to express their will for union by an election under the auspices of a United Nations Commission; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Florida, memorializing the President and the Congress of the United States to provide sufficient funds for commencement of construction of the West Coast Intracoastal Waterway from the Caloosahatchee River to the Anclote River, Fla., at the earliest possible time; to the Committee on Appropriations.

Also, memorial of the Legislature of the Territory of Hawaii, memorializing the President and the Congress of the United States to conduct an investigation of work stoppages and slowdowns of Capehart housing projects within the city and county of Honolulu, and more particularly at Kaneohe, Oahu; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. THOMSON of Wyoming introduced a bill (H.R. 7582) for the relief of Royce C. Plume, a member of the Arapahoe Tribe of Indians, which was referred to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

206. The SPEAKER presented a petition of Rudolph Harton, Rieger, Honolulu, T.H., relative to a redress of grievance relating to the "rights of the individual," which was referred to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Berlin, City of Crisis, Where Free Germans Must Trade With Communists

EXTENSION OF REMARKS

OF

HON. HARRISON A. WILLIAMS, JR.

OF NEW JERSEY

IN THE SENATE OF THE UNITED STATES

Thursday, June 4, 1959

Mr. WILLIAMS of New Jersey. Mr. President, in connection with the on-the-spot study of the Berlin situation which Representative CORNELIUS E. GALLAGHER made recently, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD, an article he wrote on his return to this country.

In his article, Congressman GALLAGHER depicts the close commercial relationship which exists between East and West Germany. This working relationship between East and West Germany must perforce continue if West Berlin is to survive. As Congressman GALLAGHER states—

This can be if the United States and her allies remain firm and make a determined stand in Berlin.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BERLIN, CITY OF CRISIS, WHERE FREE GERMANS MUST TRADE WITH COMMUNISTS

(By Congressman CORNELIUS E. GALLAGHER, member, Foreign Affairs Committee, House of Representatives)

Berlin is a city of crisis. The current maneuvers by the Soviet Union to change the status of the divided city is nothing more than refinement of Russia's crude and cruel attempts to starve out the city in 1948.

The only normal thing about Berlin is the calmness of its 2.2 million citizens as they live their lives surrounded by Communist forces which threaten their freedom. West Berlin is an island of freedom in a Red sea.

The great fear of the West Berliner is not the possibility of war, or an attack which could not be repelled by the meager, but efficient military garrisons of the Allied Powers. The great fear is that the Communists may succeed where they failed in 1948 and starve out the city.

You understand this concern when you learn of the degree to which the survival of West Berlin depends on the commercial transport that is controlled and passes through Communist-controlled East Germany.

The raw materials and fuel which feed the great industrial plants of West Berlin are brought into the city by rail, truck and canal routes running through East Germany. The manufactured product which is exported moves over these same routes.

Even a curtailment of this transport would seriously disrupt the life of the city. While the military garrison may be supported by supplies moving over certain access corridors, mainly three air routes, one rail route and the Autobahn running from Helmstedt to West Berlin, commerce and industry requires almost the whole net of transportation linking the city with West Germany.

It has been conceded, of course, that West Berlin with its greatly increased population could not possibly be sustained, even to the

point of meeting its minimum basic needs, by airlift as it was in 1948.

There exist close commercial relationships between the East and West German business communities and there is a free flow between East and West Germans across the border that divides the two sectors of the city.

The very procedures to which the United States and other occupying powers refuse to submit, such as inspection of motor vehicles, stamping of visas, inspection of cargo, etc., by the East German police, are agreed to by West German business firms and civilians.

All of the coal for heating and industrial use in West Berlin is mined in East Germany. An interesting example of complexities existing in the fields of commerce and economics between the free West Berliners and the Communists of East Germany can be found in the operation of Greater Berlin's important underground and elevated railroads. The underground railroad, the Ubahn, is owned and operated by West Berlin interests, but the powerplant for its operation is located in East Berlin. The elevated railroad, the Sbahn, is owned and operated by East Berlin. It originates its run in East Berlin, crosses into West Berlin, where it has station stops, and then continues into East Germany beyond the city line. The power for the Sbahn is furnished by plants in West Berlin where its maintenance shops also are located.

The West German Government underwrites the delivery of materials manufactured in West Berlin, which must be moved through East Germany, up to $125 million. This is a government guarantee of loss in any business venture in West Berlin.

Despite the expanding industry, this largest of industrial cities on the continent could not survive without the economic aid of West Germany.

This working relationship between East and West Germany must continue if West Berlin is to remain a healthy economic community.

The Germans say this can be if the United States and her allies remain firm and make a determined stand in Berlin.

Statement by Senator Byrd of West Virginia on Legislation To Expand Distribution of Food to the Needy

EXTENSION OF REMARKS
OF
HON. ROBERT C. BYRD
OF WEST VIRGINIA
IN THE SENATE OF THE UNITED STATES
Thursday, June 4, 1959

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement which I submitted this morning to Subcommittee No. 3 of the Committee on Agriculture and Forestry, during the course of its hearings on certain measures to expand the distribution of our food to the needy.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BYRD, OF WEST VIRGINIA, BEFORE SUBCOMMITTEE NO. 3, OF THE COMMITTEE ON AGRICULTURE AND FORESTRY, ON JUNE 4, 1959

Mr. Chairman, in your consideration of proposed measures to expand the distribution of Government food to the needy, it might be natural for you to think that perhaps the need for such legislation is becoming less urgent today. You might reason that, in view of the increasing number of indications that the economy of America is improving, there would be less necessity to broaden our national program to provide foods to welfare families.

But the plain truth is that, despite many indications of a general economic upturn, the need for an emergency foods program continues to be as great as ever. In fact, the number of Americans dependent upon Government food has just passed the highest peak in 17 years.

Figures from the Commodity Distribution Division of the Department of Agriculture show that, during the month of March, there were 6,552,592 Americans eligible for surplus commodities, and 5,741,298 actually receiving them (figures include Puerto Rico and Territories). These numbers represented an increase of more than half a million recipients in, roughly, 2 months. The Department of Agriculture states that March was the highest month in this regard since 1942.

The situation in my own State of West Virginia also was at its worst in March, when 332,085 West Virginians were eligible for foods, and 301,264 were receiving them. (The figure for March recipients includes 85,504 public assistance persons, and 215,760 nonpublic assistance persons * * * the unemployed, low-income families, etc.) The number of recipients represented 15.3 percent of the State's population.

However, West Virginia's condition was no worse than that of several other States. Mississippi led the Nation with 18.5 percent of its population receiving surplus foods, and Arkansas was second with 16.9 percent. West Virginia was third.

In the past week, new figures for the month of April show a slight decline in the need for surplus foods—to 6.2 million eligibles and 5.3 million recipients nationally, and to 331,641 eligibles and 299,037 recipients in West Virginia. But this still represents a staggering number of Americans, despite the slight decline.

I cite these statistics, Mr. Chairman, in an effort to show that America's needy family problem has not just magically disappeared at an upward wave of the economic wand. Much of our Nation may be enjoying a return of prosperity, but more than 6 million of our people have been certified eligible for surplus foods, and more than 5 million of them actually are receiving the foods.

The diets of those families dependent upon Government foods are appalling to normal, well-fed Americans. Let me give you an example: At the beginning of this year, in my State of West Virginia, the average needy family of four—father, mother, and two children—was receiving the following monthly quantities of surplus foods: 10 pounds of cornmeal, 9 pounds of dried skim milk, 20 pounds of flour, 2 pounds of rice, and 4 pounds of butter. Can you imagine a family of four trying to survive for a month on such rations? Our West Virginia department of health stated publicly that such quantities of food could not, by themselves, constitute an adequate diet, as they provide only 26 percent of the needed calories, 36 percent of the required protein, and 46 percent of the necessary calcium.

Since that time, the Department of Agriculture has announced that butter is to be dropped from the distribution list on June 30, the end of this month. This makes matters even more disheartening.

The families dependent upon Government food face a cheerless, half-starvation existence, unless they somehow manage to obtain additional foods. Children cannot be expected to grow healthily; fathers lack nourishment and energy to face the struggle of seeking work; mothers go hungry in order that their youngsters may have larger portions of food; sickness strikes easily; and general health conditions deteriorate.

Mr. Chairman, it was with these grim facts in mind, I am sure, that each of the special food bills which you now have under consideration was drawn up. Each of the measures, I believe, recognizes the need to do something more for the 6 million Americans in need of Government foods.

For my part today, however, I shall speak only of S. 663, the so-called emergency foods bill cosponsored by Senator RANDOLPH and myself and 24 other Senators.

I sincerely believe that S. 663 would provide an effective, workable approach to the problem. The bill is based on the assumption that the best method of improving the diets of families dependent upon Government food rations is to direct the Secretary of Agriculture to purchase from the open market quantities of supplemental foods to be added to the farm surplus commodities now being distributed. The bill also is designed to be only a temporary measure, in the hope that the economic conditions which have forced these families to rely upon Government foods may be greatly improved by the end of the period which the bill would cover.

The proposed legislation would authorize and direct the Secretary of Agriculture, during fiscal year 1960, to use $160 million of that money now available to him under section 32 of the act of August 24, 1935, to buy additional foods to augment those now distributed.

It is hoped that the Secretary would concentrate upon the purchase of basic, moderately priced, good protein items which might be effectively and efficiently transported, stored, and distributed. I am thinking of canned meats, dried beans, powdered eggs, shortening, and other such foods. These basic foods, while not elegant fare, would add tremendously to the bleak diet of flour, meal, rice, dried skim milk, and butter now available—and remember that butter is soon to be dropped from the list.

The bill is not a mandate to the Secretary of Agriculture to expend the full amounts of money authorized. It is expected that he would adjust this supplemental purchase program so that it will augment the varieties of foods available under the regular surplus donation program. Therefore, the need for expenditure for additional foods would be lesser or greater, depending upon the amount and variety of surplus foods available.

While the Secretary should take care to plan for orderly purchases to avoid market disruption, it is not believed that the levels of expenditure set forth in S. 663, if the purchases are carefully and wisely made, can significantly disrupt a food market that retails about $50 billion worth of food a year. In fact, I believe that such purchases would have a definite beneficial effect to the foods market, which I shall explain in just a moment.

Furthermore, it is the intent of this bill that these supplemental food items shall be made available to the States under the same terms and conditions now in effect governing the distribution of surplus commodities to needy families, these having been shipped in carload lots to points designated by the States.

One of the attractive features of this bill is the fact that no special appropriation would need to be made to put it into operation. More than enough money already is available through the provision of section 32 of the act of August 24, 1935. This act,

I believe, provides a permanent appropriation to the Department of Agriculture of 30 percent of the receipts of all U.S. custom duties. The section specifies that the money is to be spent on programs to encourage the export and domestic consumption of American farm products. Programs now being carried out are surplus removal, export, diversion of food products to nonfood uses, and other such undertakings. These section 32 funds normally amount to more than $200 million each year, but for the past several years the entire amount has not been used by the Agriculture Department. Although the Department is allowed a yearly carryover of $300 million of these funds, it still has had even greater excesses for the past 2 years, and the extra money has reverted to the U.S. Treasury. In 1958, a total of $83,585,000 was turned back, and this year it is estimated that $43,657,000 will be turned back. Therefore, ample funds are available for the new bill.

Now at first glance, it might appear that our new bill would cause a departure from the traditional interpretation of section 32—that interpretation being that the funds provided by the section should be used only to improve market conditions for foods which are in surplus supply. It might be argued that our bill, which calls for purchases designed primarily to improve the diets of undernourished families instead of designed to uphold crop prices, would constitute a departure from the primary purpose of section 32.

But this first-glance opinion would be incorrect. Upon closer study, it can be seen that this bill not only complies perfectly with the purposes of section 32, but that it actually would make a significant contribution toward improving market conditions for foods in surplus supply. In the first place, the language of section 32 specifies only that the money provided by the section be used to encourage the export and domestic consumption of American agricultural commodities. There can be no question that providing more food for half-starving American families would constitute an increase in domestic consumption. In the second place—and this is the important point—the proposed program would help in the effort to solve the dilemma of American farmers whose products are not bringing worthwhile prices.

At present, as you know, the Department of Agriculture conducts two major programs to uphold farm prices—the price-support program for basic, nonperishable foods, and the surplus removal program for perishable foods and other commodities not covered by the price support program. These two programs, in order to protect farmers' incomes when surpluses begin to flood the markets, carry out nationwide purchases of the excess products.

But, the condition of America's farm products market is rarely clear-cut, with a neat dividing line between products which are in surplus supply and products which are not. There always are a number of borderline food items which present a problem. They are in excessive supply to a degree that their prices are somewhat depressed, but not to a degree that they are deemed eligible for assistance under the surplus programs. Therefore, they continue to remain in a slightly sluggish condition on the market.

Now, it is in the matter of these borderline products that I feel that S. 663 would prove to be valuable. In putting the bill into effect, the Secretary of Agriculture would be expected to make judicious, economical purchases, with his decisions as to what type of foods to buy based largely on the prevailing market conditions. Therefore, it follows that the Secretary probably would choose to purchase mainly borderline commodities, as their depressed prices would make them good bargains. And the purchases would, in turn, help improve the status of these slightly surplus items. Thus, the overall objective of stabilizing and improving the Nation's farm prices would be well served.

Of course, gentlemen, this price-support aspect of the bill would be only a side benefit of the measure. Its basic objective still must be a humanitarian one. It is a crucially needed emergency step to alleviate the suffering and hunger of millions of American men, women and children. If we can continue to provide billions of dollars for hungry persons in foreign countries, it is unconscionable that we could refuse to give a small fraction of that amount for our own flesh and blood.

Lord Asquith once said: "The test of every civilization must be the point to which the lowest and most unfortunate are allowed to fall."

America is being put to that test today. I fervently hope that we shall not fail it.

Dedication of Albert Einstein Medical Center, Philadelphia

EXTENSION OF REMARKS

OF

HON. JOSEPH S. CLARK

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Thursday, June 4, 1959

Mr. CLARK. Mr. President, on behalf of the junior Senator from Pennsylvania [Mr. SCOTT] and myself, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement outlining the celebration to take place on the 11th of this month at the Albert Einstein Medical Center, Philadelphia. This center is one of America's great institutions for research.

I direct attention to the importance of this occasion. The city council of Philadelphia has adopted appropriate resolutions, and the mayor of Philadelphia is proclaiming Sunday, June 14, as Einstein Medical Center Day.

On behalf of my colleague and myself I congratulate the members of the board and of the staff for the great work they are doing in medical research.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

On the 11th of this month (June 1959) the Albert Einstein Medical Center, one of America's great institutions for research, medical education, and the care of the sick and injured, will begin a 5-day program of ceremonies and scientific meetings to dedicate, at its northern division, its fine new hospital facilities in the Greater Philadelphia area.

In recognition of the importance of this approaching occasion, the City Council of Philadelphia has adopted appropriate resolutions and the mayor of Philadelphia is proclaiming Sunday, June 14, as Einstein Medical Center Day.

On that day a message of congratulation from the President of the United States will be read at the formal dedication and the Governor of the Commonwealth of Pennsylvania will express our great State's special appreciation of an $8,500,000 expansion the medical center has completed.

This much-needed expansion includes the splendid new Paley Clinic Building, where remarkable progress in dental work for handicapped children is already being made and the ultramodern medical surgical building, offering the Philadelphia area efficient new facilities for patient care. The entire area below the main floor level of the two adjoining buildings is integrated with a new accident ward to provide a vast X-ray and operating room complex that could handle almost any community disaster. Altogether, the new facilities add more than 2,500,000 cubic feet of space to the medical center's northern division and bring its bed capacity up to 660. When its southern division is added, the Einstein Medical Center will become a 1,000-bed institution.

In this day and age it is of special interest to realize that the northern division of the Einstein Medical Center is an outgrowth of Philadelphia's old Jewish Hospital, and that the old Jewish Hospital was founded nearly 100 years ago for the relief of the sick and wounded without regard to creed, color, or nationality.

Mr. President, that pledge was engraved in the hospital's corporate papers several years before the 15th amendment to the Constitution was proposed and ratified. It was possibly the earliest formal expression of a pledge that is part of the American credo today.

In passing it should be mentioned that 2 days of scientific meetings in connection with the dedication will be featured by recollections on the part of a surgeon of old Jewish Hospital who began his career more than a half-century ago; by a venture into the future of surgery on the part of one of America's best-known experts in that field, Dr. Isidore Ravdin, and by an exploration into space medicine on the part of an Air Force medical officer.

The medical center's new buildings are designed to operate as a functional whole. Together they will house clinics that range alphabetically from allergy to vascular, a succession of laboratories far more extensive and well-equipped than has been possible in the past, a separate pediatric floor that features indoor and outdoor play areas, a central pharmacy geared to fill more than 340,000 prescriptions a year, a series of 14 operating rooms, one of which is fitted for color television transmission over a closed circuit, and finally floor after floor of efficient patient rooms, each with piped-in oxygen and individual temperature control.

The medical center embraces the old Jewish Hospital and the former Mt. Sinai Hospital, which now is its southern division. The center has been in the forefront of the fight against cancer, and it shares in several Federal research projects.

During all 5 days of the dedication celebration, which will be brought to a close with the medical center's annual dinner meeting, the public will be welcomed to the new facilities and escorted through them by specially trained guides. The public will see a clinic building that already is in full operation. The medical-surgical building will be integrated with the hospital routine in carefully planned stages.

Before the end of this year the medical center expects to complete and start using a great new research building that will still further augment its facilities. That new building will enable the medical center to expand its research activities by approximately 70 percent.

At present the medical center is pursuing more than 70 research projects at a cost of approximately $300,000 a year, financed in large measure by grants. In addition, its School of Nursing draws students from as

far as Egypt and Lithuania, while its medical education program embraces postgraduate training for practicing physicians and dentists as well as on-the-job training for residents, interns, and technicians.

Einstein Medical Center is one of the few teaching hospitals that have filled and continue to fill their annual intern quota. That alone, in the field of medicine, is a solid claim to fame.

The International College of Surgeons and the Health of Our People

EXTENSION OF REMARKS

OF

HON. LISTER HILL

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Thursday, June 4, 1959

Mr. HILL. I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address which I delivered to the Alabama section of the International College of Surgeons at its annual banquet at Huntsville, Ala., on May 21, 1959.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE INTERNATIONAL COLLEGE OF SURGEONS AND THE HEALTH OF OUR PEOPLE

(Address by Senator LISTER HILL to Alabama section, International College of Surgeons, Huntsville, Ala., May 21, 1959)

At the entrance to the International Surgeons' Hall of Fame in Chicago there is a symbolic statue called Hope and Help. This statute depicts a suffering patient whose eyes look upward into the comforting face of the surgeon.

From time immemorial, my friends, you doctors have played the key role in the alleviation of human suffering. Yours has been the truly international art, for as the great Louis Pasteur wrote, "Science does not belong to any country, because knowledge is a patrimony of humanity."

The history of surgery is shining evidence of the truth of Pasteur's dictum. Medical historians date the first document on surgery, known as the Edwin Smith papyrus, to I-Em-Hotep, the earliest recorded physician of ancient Egypt. The germination of surgery then followed a cosmopolitan trail through Hippocrates, Galenus, and Ambroise Pare to Andreas Vesalius, the father of the study of anatomy who from the gallows took corpses of executed criminals that he might study them.

Early surgery was decidedly on the rough side. In fact, in ancient and medieval times most of the cutting was done by barbers, butchers, dentists, stonecutters and herniotomists. Through most of the history of mankind, the surgeon has had to work under almost unbearable handicaps; he had to perform without an effective anesthetic, and with no knowledge of asepsis and antisepsis. Preoperative and postoperative care were virtually unknown.

The modern age of surgery really began with the work of William Harvey, an Englishman, who in 1628 published his findings that the heart pumped the blood continually in the body. Harvey was one of the great research scientists of all times—his animal studies over a 20-year period laid the groundwork for modern physiology. A generation later, the Italian Morgagni made many great contributions to the nature of disease, including the discovery that tuberculosis is a contagious disease.

The 19th century laid the precise groundwork for the miracles of 20th century surgery. It was in the 19th century that the Hungarian Semmelweis pioneered in the use of antiseptic methods in childbirth. A Frenchman, Louis Pasteur, after proving that germs cause disease, developed a process to kill them. Joseph Lister, whose honored name I am privileged to bear, one of the greatest surgeons in medical history, applied the basic ideas of Pasteur to surgery. His use of antiseptics in surgery revolutionized operating procedures. My father studied under Joseph Lister in England and much of what he learned from him prepared him for that eventful night—more than 50 years ago—when on a kitchen table in a Negro shack right here in Alabama, by the flickering light of two kerosene lamps, he performed the first successful suture of the human heart in America.

It is but fair to state that the 20th century has witnessed a golden age of surgery. In 1903 a Dutchman, Willem Einthoven, with his newly developed electrocardiograph first recorded the electrical impulses in the heart. The years since have brought nothing short of miraculous techniques in surgery. In 1939 Dr. Robert E. Gross repaired the first congenital heart defect to yield to surgery. In 1945 Drs. Alfred Blalock and Helen B. Taussig developed their famous blue baby operation to correct a combination of congenital heart defects which robbed the blood of oxygen and the tissues of nourishment. This blue baby operation has been demonstrated in all parts of the world, it has saved the lives of thousands of children.

It is impossible to summarize in a few moments the staggering advances of the past decade. In 1949, for the first time in the history of mankind, a surgeon, Dr. Charles Bailey, performed an operation inside the heart. Today open-heart surgery is almost a commonplace, and surgeons now remove the aorta, the main artery leading out of the heart, and replace it with a plastic substitute.

The International College of Surgeons, founded in Geneva a quarter of a century ago, has played a major role in many of the exciting surgical and medical developments of recent years. Your guiding principle, "Science has no fatherland," is exemplified in the fact that your 13,000 members represent 64 countries. Your general surgical congresses bring together outstanding medical minds and knowledge from all parts of the world. Your international postgraduate surgical clinics, which are held in a score of countries each year, bring the latest surgical techniques to your medical brethren around the globe.

In a truly international spirit of dedication, you have shipped supplies, instruments, sutures, material, gloves and drugs to impoverished countries whose surgical centers are most desperately in need of this vital equipment. You sponsor research grants to deserving scientists, and you give fellowships to surgeons desirous of improving their art through postgraduate study.

As you establish new chapters of the college in various parts of the world, you lift the standards of surgical practice, you bring the gift of extended life to many areas of the world where the Biblical three score and 10 years of life is still an unattainable goal. What this means, for example, to the struggling surgeons of Asia, far removed from large medical centers and struggling with staggering problems of infectious diseases which have been wiped out in the West, is told most movingly in the words of Dr. Muhammad S. Quereshi at the organization meeting of the Pakistan Chapter of the International College of Surgeons in 1952:

"The establishment of this chapter will enable us to render twofold service to our country: it will place Pakistan at once on the international map of surgery, and will greatly help in the improvement of our surgical standards which means better service to Pakistan nationals. * * * The college brings about wide, frequent and intimate contacts with the leading exponents of our art. Such contacts with men who have devoted their lives to the solution of surgical problems and have made lasting contributions to our profession are undoubtedly a source of great inspiration and will stimulate us to emulate them."

The late Dr. Elmer Henderson, that gifted and distinguished son of Kentucky who held the presidency of both the American Medical Association and the World Medical Association, probably best summed up your impact when in 1951 in his farewell address as president of the American Medical Association he said:

"The work of the World Medical Association and of the World Health Organization and that of other groups, such as the International College of Surgeons, has assumed importance far beyond the field of medicine. By serving as forums for the exchange of ideas between men and women of vastly different backgrounds and environments, they initiate a realization of brotherhood that seems beyond the best efforts of diplomacy. Medicine's high role in world affairs is firmly rooted in the very nature of its own work."

In this second half of the 20th century, America holds an increasingly solid position as the medical fountainhead of the world. Reversing the trend of the 18th and 19th centuries, the trek is now westward across the Atlantic to the United States to keep abreast of the latest developments in the art and science of medicine and surgery.

In a world which modern communication and transportation make smaller each day, we become increasingly aware of the plight of our fellow men in many parts of the world. At the turn of the century the great physician Sir William Osler wrote, "Humanity has but three great enemies: fever, famine, and war; of these by far the greatest, by far the most terrible, is fever." His words still ring true. We are aware of the fact that an underprivileged two-thirds of the human race is constantly afflicted by the ravages of disease. Millions of these people suffer from the age-old scourges of malaria, tuberculosis, and the various intestinal infections. In many countries of the world a third of the babies die during the first year of life, and life expectancy falls 30 and 40 years short of the Biblical three score and ten.

At present we are engaged in an effort to stop the spread of Communist imperialism, which is competing with us for the uncommitted peoples of the world. Communism finds a ready breeding place in the ill health and poverty of the submerged peoples of the world. Communist forces of militant medicine are on the march. We have reports that Russia is sending about 2,000 doctors a year to do medical missionary work in these underdeveloped areas.

Yet we who once fired the shot "heard 'round the world," and gave a new dimension to personal liberty in the founding of a Republic which guaranteed life, liberty, and the pursuit of happiness to all of its citizens, have been slow to meet this challenge.

In the closing days of the 85th Congress, I introduced a bill which would provide the mechanism through which this country would join with all the countries of the world in a united medical research offensive

against the major killers and cripplers of mankind. The bill would create, as part of the National Institutes of Health, a National Institute of International Health and Medical Research. This institute would be charged with the support of worthy medical research projects submitted by competent investigators from any part of the world. It would support the training of specialized research personnel here and abroad, it would encourage and support the rapid international exchange of research knowledge concerning disease and disability.

In introducing this bill on the Senate floor, I pointed out that the unfinished tasks facing medical research are truly staggering. For example, cancer, that most ancient enemy of man, is rising in its incidence in 33 countries of the world. What more priceless bounty could be given to the suffering peoples of the world than a cure for this universal and dread disease?

In the current session of the Congress, 63 Senators joined me in sponsoring this legislation. I am happy to say that on yesterday the Senate passed the bill by a vote of 63 to 17. During the last week in February of this year, hearings were held on this International Medical Research Act, and I think I may state that it received unprecedented and overwhelming support from doctors, scientists, voluntary health organizations, and civic leaders.

Testifying on behalf of the American Medical Association, its president, Dr. Gunnar Gundersen, told our Senate committee of a growing recognition that medicine with its resources and influence fully mobilized can perhaps do more for world peace than the billions of dollars being poured into armaments. Mr. John T. Connor, the president of one of the largest pharmaceutical companies in America, told the committee that "the International Medical Research Act stirs the imagination with its opportunities for a new breakthrough in international relations as well as in medical research."

Dr. I. S. Ravdin, the distinguished surgeon who is currently serving as vice president for medical development of the University of Pennsylvania, told us that "we who have gained so much from the research of our own scientists and those from other countries, where good research has been done and is being done, must realize that the more quickly we can assist those less fortunate to begin to achieve what we have so fortunately achieved, the more quickly universal understanding will be won in our troubled world."

Your own Dr. Ross T. McIntire, who serves you so capably as executive director of the International College of Surgeons, strongly endorsed the bill in a very fine presentation before our committee. Following his testimony, Dr. McIntire wrote me that "the International College of Surgeons is so organized that the program that you are proposing in the International Medical Research Act would be a natural, in that we have outstanding men in foreign lands who are in teaching institutions and who are presently engaged in forms of research."

In Chicago you have built the International Surgeons' Hall of Fame which does honor to those great men of all faiths and of all nations who have made immortal contributions to the art and science of surgery. On the day that the hall of fame was dedicated, Dr. Max Thorek, the father of the International College of Surgeons, pronounced these words, which truly epitomize the universality of all surgery:

"We shall honor these men, but not so much as they will honor us. As Agesilaus truly remarked, 'It is not the places that grace men, but men the places.' We are but paying another installment of our age-long debt to those who cleared the way for us, a debt to which we can never write 'paid in full.'"

Let me say that the International Medical Research Act is not only a payment on our debt to the physicians and surgeons of all nations but an affirmation of the ideals which motivate the International College of Surgeons. It states our belief that disease is a universal threat to the family of man, and that we must unite our medical research efforts to wipe out this threat. It accepts the fact that no nation has a monopoly on medical research, and that our own self-interest dictates a maximum effort toward the rapid pooling of the fruits of such research. It accepts the fact that we must raise a common banner under which the doctors and scientists of all lands can march to the goal of better health for all mankind.

Inspired by your devotion to the health of our people, by your courage, your faith, and your generous works for humanity, and moved by the high ideals and purposes of your International College of Surgeons, we shall press forward into the ever-widening horizons of medical discovery and medical knowledge. In the confidence of knowledge, in the strength of integrity, in the tenderness of sympathy, in the fellowship of humility, and in the love of God we shall continue to wage together the never-ending battle for the health of our people, for the health of all peoples, and for peace on this earth.

Memorial Day Address Delivered by Representative George M. Rhodes

EXTENSION OF REMARKS

OF

HON. HUBERT H. HUMPHREY

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Thursday, June 4, 1959

Mr. HUMPHREY. Mr. President, on Memorial Day, Representative GEORGE M. RHODES, of Pennsylvania, delivered a very fine address at Womelsdorf, Pa. The address cites many of the challenges before our Nation during this very perilous and difficult period. I commend it to the reading of my colleagues, and I therefore ask unanimous consent that it may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

MEMORIAL DAY ADDRESS BY CONGRESSMAN GEORGE M. RHODES, WOMELSDORF, PA., MAY 30, 1959

In common with our fellow Americans in 10,000 communities, we are assembled here today to honor the memory of those who gave their lives that this Nation might live and all of our loved ones who have passed on—and to pay homage to the countless dead who served our country on many far-flung battlefields throughout the world.

It is fitting and proper that we should, at such regular intervals, gather reverently, to remind ourselves of the service to their country and the sacrifices made by those who died for us. Such ceremonies are a solemn obligation—a pledge of remembrance, both to the dead and to their loved ones who survive.

Memorial Day always recalls Lincoln's words, delivered not a hundred miles away, at the battlefield of Gettysburg. Lincoln, of course, was brooding over the long struggle that still lay ahead before the Union and the cause of freedom could be secure. But even so, I think his words were directed not to any one party, not to any one State, not even to any one generation, but to all Americans who honor the memory of their fallen soldiers.

"It is rather for us," Lincoln said, "to be here dedicated to the great task remaining before us—that from these honored dead we take increased devotion to that cause for which they gave the last full measure of devotion—that we here highly resolve, that these dead shall not have died in vain—that this Nation, under God, shall have a new birth of freedom—and that government of the people, by the people, and for the people, shall not perish from the earth."

The meaning of Lincoln's words rings just as true today as it did almost 100 years ago.

It is our duty, on this and every Memorial Day, to give thought to the ideals for which they gave their lives. We must take this opportunity to rededicate ourselves to the never-ending services of citizenship that are necessary to the success of any democracy.

Our forefathers said that eternal vigilance is the price of human freedom. That is more than ever true today as we face the threat of Communist tyranny and totalitarianism; and as we face an equally dangerous threat of nuclear and biological warfare which could destroy our entire civilization. Overnight, two great opposing nations, using the latest weapons of destruction, could destroy the major population centers, each killing more than a hundred million people in one blow. The aftermath could be even more deadly from radioactive fallout contaminating our food supplies and affecting the normal growth and reproduction of future generations of our people.

Never before have we as Americans faced such a challenge to our security and our survival and to our good sense and intelligence. The problem is not only to prevent nuclear warfare but it is equally important that we strengthen our Nation morally—spiritually and economically, as well as militarily, and show the world that democracy is superior to dictatorship as a way of life.

We must prove to the other nations of the world, that we can find a way to translate the great abundance with which our great Nation is blessed into a force for the common good and for the public welfare. We must have the vision and the determination to end the waste of unemployment when there is so much work that needs to be done. We must not permit want and poverty at a time when we worry about what to do with what we have so much of in surpluses of food and other essentials of life.

Poverty is an ally of communism. We have the means to wipe out poverty in our own country, and by example and cooperation we can aid other free people in this fight against poverty and communism.

To win this fight we must end the waste of human and natural resources. The real wealth of our Nation is these human and natural resources, our know-how, our productive power, and the intelligence and health of our people.

We must end the waste of lost productivity, for heavy unemployment is contrary to the best interest of our country, as is the waste of the potential of our children because of limited educational opportunities.

Our future strength, as never before, depends upon developing the best talents in our young people. Yet there are many thousands of boys and girls who will graduate from our high schools during the next few weeks, who want to go to college, who have the capacity to learn, but who will be denied the opportunity because there are not sufficient facilities in classrooms and

teachers, or because of family difficulties and distress, much of which is the result of unwise and unjust fiscal and economic policies of our Federal Government.

This is more than a denial of opportunity to our children. It is a tragic loss to the Nation at a time when Communist Russia is moving ahead rapidly in this field where our Nation's future strength and leadership is being challenged.

This is a challenge to the best that is in us. The failure to provide adequate medical care and rehabilitation programs for the disabled is also wasteful and deprives these individuals and the Nation of productivity and the right of our aged and handicapped to lead more useful lives.

Our strength as a nation ultimately rests with our people—industrious, healthy, well-informed, creative Americans who fully understand the needs and objectives of our free society as a powerful force for good at home and throughout the world.

As we commemorate this Memorial Day, let us seek the vision and the courage to raise our moral, spiritual and intellectual standards which are as important as our military and economic strength in making our Nation strong and progressive and a powerful force for world peace and freedom.

The destructive powers of atomic energy are beyond human imagination. But as a force for good, it is even more fantastic in what if offers in creating abundance and a high level of living in the atomic age. It can be the servant of man as well as the destroyer.

The war against communism and other totalitarian evils requires a strong and united America.

People need to have the faith, ideals and principles of their forefathers. We need to raise moral, ethical, and spiritual standards in the home, in the community, in government and in our every day life. We must make decisions in the light of reason and understanding of the facts and basic issues. We must look through the fog of confusion, and the clash of narrow, selfish interests to advance the common interest we all share in good government and in a strong and progressive Nation.

A strong America requires full educational opportunities for our youth, decent homes for all our people, job opportunities for all who are willing and able to work, and adequate pensions for the aged and disabled. We must provide the best possible hospital and medical care for our war veterans.

We need to practice economy in government, but must guard against false economy which would undermine health and educational standards, destroy essential programs such as flood control and soil conservation, and which would permit great waste of human and natural resources.

We do rightly when we honor those who gave their all for their country. We can take just pride in the many beautiful monuments which serve to remind us of their sacrifices.

We can, however, best honor the memory of our beloved dead by striving faithfully to carry forward those ideals which motivated them—by remaining true to our faith—boldly proclaiming to a troubled, uneasy world that we are still a Nation united, that we will oppose Communist tyranny and totalitarianism everywhere and unite with the democratic nations in building for a free and peaceful world.

Let us, as Lincoln said, dedicate ourselves to those unfinished tasks remaining before us. The best memorial to our honored dead will be a vigorous, healthy, sound and strong America, abounding with hope and opportunity, insolubly linked with the like-minded peoples of the earth, for mutual well-being and for mutual defense against tyranny and aggression.

As we honor our soldier dead and all of our heroic war veterans, let us dedicate ourselves to the task of making our great Nation an even greater force in world leadership through understanding, unity and prosperity at home, free from internal, sectional, religious, or racial strife, setting the example for all mankind and all nations for a better tomorrow.

Balancing the Moral Budget

EXTENSION OF REMARKS
OF
HON. PAUL H. DOUGLAS
OF ILLINOIS
IN THE SENATE OF THE UNITED STATES
Thursday, June 4, 1959

Mr. DOUGLAS. Mr. President, at the 18th annual Century Club dinner of the Harlem YMCA, on last Monday evening, the Senator from Minnesota [Mr. HUMPHREY] once again gave voice to the hopes and determination of the great majority of the American people that basic human rights shall be denied to none by reason of race, color, religion or national origin.

In his speech entitled "Balancing the Moral Budget," Senator HUMPHREY eloquently reminded his listeners of the deficits in our democracy's human budget. He also renewed his appeals for action by this Congress to back up the desegregation decisions of the Supreme Court, to assist the States and localities in compliance, and to give the Attorney General authority to seek court orders enjoining violations of individuals' rights under the 14th amendment.

This speech is a timely reminder of the importance of these national goals, a realistic appraisal of the inadequacy of certain other programs, a frank facing of the legislative obstacles still to be overcome, and a clear summary of our most effective legislative proposals in this field. For these reasons I ask unanimous consent that Senator HUMPHREY's speech be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

BALANCING THE MORAL BUDGET

(Remarks of Senator HUBERT H. HUMPHREY at the 18th annual Century Club dinner of Harlem YMCA, New York City, May 25, 1959)

I am glad to be here at this 18th annual Century Club dinner on the occasion of your awards for achievement in sports and in the theater.

I remember the old song, "Reach down, reach down your hand, O Lord, and help this child along."

This is what the Harlem branch of the YMCA has been doing all these years.

This is what Jackie Robinson is doing—as a civic leader here in New York, as a member of the parole board in his adopted State of Connecticut, and as a newspaper columnist and TV personality.

I am proud to share your platform tonight with Jackie Robinson—very proud. For Jackie Robinson is a concerned person. Nothing human is alien to his interest. I know this because I have read his column and I have heard his broadcast. And I have talked with him.

He is soft-hearted but tough-minded. From his own personal experience and observation in breaking the color barrier into the big leagues, he learned the economics of integration the hard way.

He knows that it is our job—his, yours, and mine—to see that every American has the opportunity to develop into a useful and happy citizen.

As I read and listen to Jackie Robinson, I know he is pro-Negro but above all he is pro-American. In a recent column he defined his position clearly and in a way that, it seems to me, is a valid challenge to any person in, or candidate for, public office. I want to quote from his May 8 column in the New York Post:

"I certainly don't want to give the impression that during the elections Negro voters will be considering only what's best for Negroes alone. As Americans, we have as much stake in this country as anyone else. We, too, are concerned about foreign policy, farm policy, national defense, a balanced budget, and all the rest.

"Still, to effectively participate in a democracy, you must first enjoy the basic freedoms that democracy guarantees to everyone else. And since Negroes, North and South, have so long been deprived of many of the rights that everyone else takes for granted, it's only natural that we are especially interested in catching up on basic freedoms before we work up much excitement about protective tariffs or forest preserves or the like.

"Then, too, Negroes aren't seeking anything which is not good for the Nation as well as ourselves. In order for America to be 100 percent strong—economically, defensively and morally—we cannot afford the waste of having second- and third-class citizens.

"Negro citizens this year and next will be using their individual, unpledged votes as never before. No one party or candidate can lay safe prior claim to the so-called 'Negro vote.' It is for the parties and the candidates to demonstrate themselves that they are actually helping to make democracy work—not just for white people, nor just for colored people, but for each one of us separately and for all of us collectively.

"Certainly this is no more than any voter has a right to expect, and a duty to demand."

I propose to try to reply to that challenge tonight.

We have had much talk in recent months about a balanced budget—more talk about a balanced budget, in fact, than about the needs of our country and its citizens.

If we are to survive as a free people, we need to—we must—balance our human budget.

Only as we balance our human budget can we hope to balance our money budget over the long hard pull of the next 20 or 30 years or however long it may take to establish a genuine and lasting peace among freemen.

We must wipe out unemployment by balancing our production and consumption budget.

We must wipe out our slums by balancing our housing budget.

We must wipe out our appalling losses in preventable diseases and sickness by balancing our health budget, so that every person can have the care and skill now available to those who can pay big bills.

We must wipe out the terrific losses in family development by balancing our income budget through a fair minimum wage law applicable to all workers, adequate unemployment compensation, and a greater share

of our economic abundance for older citizens.

We must wipe out the shocking education deficit that was exposed to the world a year and a half ago when the first sputnik was put into orbit.

We must balance our education budget by seeing to it that every child—rich or poor, white, black, red, or yellow—in this Nation has full and equal access to education up to the limit of his potential in terms of ability and will. If we miss one Einstein, one Lise Meisner, one Nils Bohr, one George Washington Carver, we may miss the margin between survival and disappearance of freedom or civilization itself.

We must wipe out the manmade deficits in opportunities which now frustrate, blunt, or drive millions of our youth and our adult citizens to desperation and reckless dissipation of great ability.

FBI Director Hoover has recently reported that (1) crime is up, (2) crime by youth is up.

Why?

Of course the causes are many. But high on the list is the frustration, the indignities suffered by millions of our children, our teenagers and our adults because of discrimination and bigotry.

To balance the picture, let it be said that there has been progress, great progress, in the field of equal opportunity in education and employment. Great progress has been made in the past 10 years here in New York, in my home State of Minnesota, in New Jersey, in Connecticut, in Massachusetts, more recently in Michigan, in Ohio, and only a few weeks ago and at long last, a State antidiscrimination bill was made law in California. But even in these States, the job is far from complete.

More tragic, more dangerous to the strength, the security and the survival of our country is the brutal fact that we have made the least progress where the need is greatest, most urgent, most difficult to achieve. We must wipe out the shocking human deficit represented by these denials of full civil rights to all Americans whatever their race, color, religion, national origin, or ancestry.

We must balance the moral budget and do it before it is too late.

It is a peril to our survival that we shirk the balancing of our moral budget. It is folly to try to evade it by substituting for responsible legal action Presidential counsels of patience and education or even legislative gestures limited to conciliation or to other forms of exhortation not backed by the equal protection of the law guaranteed by the Constitution of the United States.

We must dare to hope that by 1963, the 100th anniversary of the Emancipation Proclamation, all Negroes, all Americans of whatever color, race, religion or national origin shall be truly free, in the sense that in their daily lives they shall have equal opportunity, security, and dignity.

In 1947, President Truman's Civil Rights Committee said the time for action is now. It is 12 years later and, except for the Civil Rights Act of 1957, pared down under threat of Senate filibuster, the Congress has done nothing to balance the moral budget.

Instead, it has been the courts, usually considered the combined rudder and sea anchor of our Ship of State, which have provided the most substantial progress toward wiping out our national deficit in the field of civil rights.

It is now more than 5 years since the Supreme Court, by unanimous opinion, held that separate but equal schools are unequal by the very fact of their segregation and ordered that they be integrated with all deliberate speed.

Compliance is general in the North; progress has been made in the border States; token integration is underway in the upper South; the back of massive resistance has been broken in Virginia, the intellectual and spiritual leader of the Old South. But the high schools in Little Rock are still closed.

In the simplest terms, using men as symbols of positions they represent, the issue was well stated by Senator PAUL DOUGLAS during the Senate debate on the anti-Supreme Court bills last August, when he said: "The issue is Warren or Faubus."

Of course, it is more than that, as he added instantly. But it expresses the essential truth.

The Supreme Court needs help. It is entitled to help. It should have had it long before now.

Congress should act now, in this session. We cannot again go home having done nothing. We cannot ignore the continued meaning of Little Rock, the example of unrebuked, unchecked defiance of the Constitution and the courts.

We must not ignore the deeper meaning and challenge of the lynching at Poplarville, the rape at Tallahassee and all the hundreds of unknown, unpublicized daily acts of discrimination in atmospheres of violence, threats, and chronic terror.

We made a serious mistake, I think, last January when, instead of changing the Senate rules so as to permit the breaking of a filibuster by a majority of all the Members of the Senate, the Senate voted to continue the power of the filibuster.

Now we must again legislate the hard way—subject to a double veto threat, the veto power of a filibustering minority of one-third-plus-one in the Senate and the veto power of the President, if supported by a minority of one-third-plus-one.

We cannot permit the threat of filibuster or Presidential veto to set the standards for civil rights legislation—or any other legislation.

No matter how rough the road to civil rights legislation, we must persevere and we must win. This is one fight the American people cannot afford to lose.

Recognizing the unlikelihood of getting the Douglas-Humphrey-Javits civil rights bill out of the clutches of Senator EASTLAND'S Senate Judiciary Committee, we must all help Chairman CELLER of the House Judiciary Committee get his bill, identical with ours, out on the House floor soon. If the House passes this bill and gets it over to the Senate in time for action before adjournment we will not tolerate having this bill tied up in Senate committee. Let the record be clear—we got a civil rights bill to the floor of the Senate in 1957 and we can do it again.

The Douglas-Humphrey-Javits bill is better than the 1957 bill in at least two vital respects:

1. It provides an understanding step-by-step support and implementation of the Supreme Court's 1957 school desegregation decisions;

2. It provides the Attorney General with authority to act when an individual cannot enforce his own constitutional right to equal protection of the laws. Titles V and VI of this bill are an improved version of the part III that was stricken from the 1957 bill at the insistence of the anticivil rights forces.

Although our bill is designed primarily to carry out the Supreme Court's school desegregation decisions, it is not limited to that purpose. Titles V and VI provide Federal assistance to any individual unable to obtain his constitutional rights by authorizing the Attorney General to file injunction proceedings, enforceable by contempt actions, more effective than the limited usefulness of criminal action.

The very least we must have in the way of a 1959 civil rights bill is the brain, heart and soul of the Douglas-Humphrey-Javits bill:

1. A declaration of support for the Supreme Court in its integration decisions;

2. The step-by-step help to States and local authorities in complying with all deliberate speed;

3. The authority for the Attorney General to seek court orders enjoining against violation of an individual's civil rights.

This is minimum justice in the field of civil rights in this year of 1959.

I suggest that all true friends of civil rights concentrate on promoting House and Senate action on such a bill well before adjournment.

I agree with the statement of Roy Wilkins and the Leadership Conference on Civil Rights that this is the No. 1 civil rights bill. But I go further. I say that this is not just a civil rights bill; it is something far bigger. The enactment of this bill now is an urgently needed demonstration of our democratic faith.

For the watching two-thirds of the world's peoples who are colored, for the watching one-third of the world's peoples who are today uncommitted in the contest between communism and democracy, the single act of adopting and carrying out this bill will revalidate our credentials as practitioners at home of the rights of the individual human being that we preach abroad.

I believe that the best politics, the best diplomacy, the most expedient course in the long run, is to do the right thing in the short run and to do it because it is the right thing.

If we may talk in the vocabulary of the moment, let us say that this bill, when made law, will have a blessed fallout that will be borne around the world on the winds of thought and human emotion.

As our example and our fresh proof of our belief in the rights of man takes hold, democracy will be better strengthened, better defended, and more secure here and everywhere in the world. It will penetrate where no weapon or missile can go—into the minds and hearts of the very people who today are uncommitted and who will either believe democracy's promise of both bread and freedom or accept communism's promise of bread now and a caricature of freedom later.

But, basically, I hope that Congress will act now in this session of Congress because it is the right thing to do. I hope that we will have the fortitude to surmount the difficulty of strong differences within the Congress. I hope we will lay this bill upon the President's desk before we go home to face and report to the American people upon our stewardship and our performance upon our promises to them.

In civil rights, as in defense and economic strength, we must not fail the Nation or the free world. We must be strong in all things now, or we shall be secure in none.

Let's Get Up to Date

EXTENSION OF REMARKS

OF

HON. JOSEPH W. BARR

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1959

Mr. BARR. Mr. Speaker, last night at 6:45 I answered "aye" when my name was called for the passage of the defense appropriation bill. With that vote I committed the people of my district to

a Defense Department appropriation of just about $39 billion. To prepare myself for this vote, I spent approximately 10 hours on the floor of the House listening to the general debate and the debate over the amendments. I took the bill home with me on Monday night and Tuesday night and put in about 2 hours' work each night. So I went into this vote with approximately 14 hours' study under my belt. I also had a few other qualifications to bring to bear on this decision. I hold a master's degree in theoretical economics; I have had 3 years' formal training in accounting; I have been treasurer of five small business corporations; I have been treasurer of several charitable and political organizations. I have spent my life with budgets and financial statements and probably know more about this one field than any other aspect of business. But with this background and all this study, when my name was called to vote I was forced to rely on the word of Congressman MAHON, of Texas, the Democratic chairman of the subcommittee, and Congressman FORD, of Michigan, the Republican minority leader of the subcommittee. These are two of the ablest men I have ever met in this Congress, but I was bitterly disappointed that I had no more valid reason for the "aye" vote that I cast.

What was the trouble? Why could not I make an intelligent decision after the hours of study and my years of preparation? Basically, the trouble is that the Defense Department still keeps its books just about the same way that they did during the Civil War. Essentially, they are on a cash bookkeeping system. Any good treasurer or comptroller can make a cash system do just about anything he wants or show anything he wants. It is an antiquated and almost useless method of accounting today.

Andrew Carnegie introduced cost accounting to the United States of America. I honestly believe that the introduction of cost accounting is one of the most important reasons for the industrial growth of this country, because through cost accounting anyone can get a true picture of what any operation will really cost. Under a good cost-accounting system, it is very difficult to conceal the truth or to distort the facts.

The 84th Congress passed a law stating that the President should require all of the 1,220 bureaus and agencies of the Federal Government to submit their budgets on a cost-accounting basis when prepared to do so. So far about 200 bureaus and agencies have complied. Unfortunately, these 200 do not spend much money. The Defense Department, insofar as I can learn, is paying only lipservice to this law and is making no real attempt to get their accounting on a cost basis.

The 85th Congress went even further and passed an expense accrual law. This law would give the Congress a positive control over just how much any agency would spend in any one year. However, there seems to be resistance to this vitally important law in the Appropriations Committee. There is no real attempt there to put this law into effect.

What has been the result of this negligence? When one of the taxpayers in Marion County asks me how much will the Defense Department spend in 1960, the only honest answer that I can give is, "I do not know." We voted them about $39 billion in new authority. But they had a carryover of $31 billion which they have not used. Now they can go in two ways. They can live off their inventory and probably spend as little as $25 to $30 billion. In other words, they can spend less than we gave them. On the other hand, if they want to use their obligational authority and the Secretary of the Treasury could sell the bonds, they could spend as much as $70 billion. So when my taxpayers ask me how much is the Defense Department going to spend in 1960, I can only answer, "I do not know—they can spend some place between 30 and 70 billion dollars." This is the most horrifying example of bad government that I have encountered in this Congress.

The Constitution of the United States gave to the House of Representatives the power of the purse. We are the ones who spend the taxpayers' money, and we have to go back to the taxpayers every 2 years to give them an accounting. This, in my opinion, is the way it should be. There is no reason for this Congress to let the executive department of this Nation squander the hard-earned tax dollars of our voters. But I want to warn everyone in my congressional district that unless we force the executive departments to bring their accounting system up to date, no Member of Congress will have the facts that he needs to safeguard the tax dollar. That appropriation yesterday amounted to about 50 cents out of every dollar in taxes that will be paid in Marion County, Indiana. I can only hope that it will be spent wisely. But I have found one real crusade. At every opportunity—on every appropriation vote—I am going to be on the floor yelling about the completely out-of-date accounting system used by this Government. The corrective laws are on the books, and I intend to do all in my power to force the President and the executive departments to use them.

Achievements of Elkdom Are Reflected in the 50th Anniversary of Philipsburg, Pa., Lodge No. 1173, Benevolent and Protective Order of Elks

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 4, 1959

Mr. VAN ZANDT. Mr. Speaker during the week of June 6 to 13 inclusive, the Philipsburg, Pa., Lodge No. 1173, of the Benevolent and Protective Order of Elks will celebrate its 50th anniversary.

As a member of Elks Lodge No. 386, Altoona, Pa., it is a pleasure to congratulate Philipsburg Lodge No. 1173 on the occasion of the observance of a half century of service to humanity, State, and Nation.

Patriotism and loyalty, combined with brotherly love, have marked the progress of the Philipsburg lodge from its inception in 1909 to the year of its golden anniversary. The principles and ideals of Elkdom have woven themselves into the very fabric of this lodge and have contributed strength and permanence to the life of the entire community.

It is a never-ending source of gratitude and pleasure to observe the deep roots of the Benevolent and Protective Order of Elks. In our large cities one sees massive lodge buildings, perhaps constructed at high cost, expressive of the progress of our organization. But, by the same token, when one turns off the main highways of this Nation and travels along the countryside and in the smaller towns, one finds more humble abodes of Elkdom where fraternalism also takes on a rich meaning within the community. Within the Elks lodge halls of this Nation, whether sumptuous or humble, one finds the existence of a fraternalism which has grown and prospered on the principles of friendship, love, and truth.

The record of Philipsburg Lodge No. 1173 is one of which we can be proud; a record written not by any one man or group of men, but by hundreds of loyal Elks. This represents the very essence of real Americanism—the sum of individual effort. The friendship and brotherhood found in Elkdom have few parallels in life. It typifies America at its best.

The record of the Benevolent and Protective Order of Elks is engraved indelibly on the tablets of our country's history. Among our brothers have been leaders in the outstanding accomplishments of our Nation. It is not strange that the Order of Elks, through the years, has attracted men with innate qualities of leadership. It offers a wide field for useful endeavor. To bring out the best qualities in men of different backgrounds is profoundly and constructively significant in our order.

When the Order of Elks was started approximately 91 years ago, the Golden Rule became its foundation. The eternal truth of this foundation has been proved by the growth and virility of our order.

Fifteen men founded the Elks in New York City on February 16, 1868. Little did the first members know that their idea would grow into a fraternal organization which today has a membership well over 1 million. Out of the good fellowship which characterized the first group of Elks developed a purpose and direction until it became a benevolent and patriotic order.

One of the most inspiring chapters in Elk history is the order's services in the defense of our Nation in two World

Wars. In World War I, the Elks War Relief Commission spent more than $1 million for hospitals and for the rehabilitation of disabled veterans. It helped the Salvation Army and afforded loans to 40,000 veterans, enabling them to receive rehabilitation training.

In World War II, the grand lodge alone spent $1,500,000 on national defense programs under direction of the Elks National Defense Commission and its successor after Pearl Harbor, the Elks War Commission. Subordinate lodges poured out hundreds of thousands of dollars more in war work.

In recruitment of flying cadets, more than 400 Elks lodges organized and conducted refresher-course schools to qualify for the Air Corps. Impressed by the Elks' flying-cadet program, the Army asked the order to help it recruit 45,000 men for Air Corps ground crews. In a brief period, 97,000 men were obtained. The Navy then asked for help in recruiting flyers, and the Elks responded with a campaign that obtained quick results.

When the Army and Navy desperately needed men for the Corps of Engineers and the Seabees, respectively, they turned the job over to the Elks exclusively. The quota was filled 3 months ahead of schedule.

Elks operated 135 fraternal centers adjacent to training camps and stations where military personnel received refreshments, recreation and entertainment in the traditionally hospitable Elk manner.

At the war's end, the Elks turned to the thousands of veterans in hospitals. Under the national service commission, the order carried on a continuous program of entertainment in hospitals.

Parties, variety shows, and athletic exhibitions are staged. Ambulatory patients are taken on picnics, fishing trips, and to ball games. Elks collect and present to veterans' hospitals each year tons of hides and leather, old clocks, watches, electrical appliances, and other materials used by patients in occupational therapy.

Accenting help to youth, Elks' activities range from sponsoring 1,000 small-fry baseball teams and conducting an annual National Youth Day on May 1 to recognizing the achievements of junior citizens and awarding several hundred college scholarships annually totaling thousands of dollars in value for deserving youngsters.

The Elks National Foundation is a perpetual trust dedicated to philanthropic work. Gifts from individual Elks, from local lodges and from State Elks associations have brought the foundation's assets to approximately $6 million.

The Elks National Foundation most valuable student contest for the past 23 years has been opening the doors of universities to brilliant students with empty purses who otherwise might have been lost to the country in times when the call for the United States to assume world leadership has been most insistent.

More and more, the warm humanitarianism of the Benevolent and Protective Order of Elks is becoming recognized in its youth and old-age programs that go beyond the social features of the organization.

Resting firmly upon the principles of charity, justice, and brotherly love, it is the mission of Elkdom to build up our country and ourselves.

On the altar of every lodge we find reverently spread the flag of our country. The founders of our order, with hearts full of lofty patriotism and brotherly love, showed the noble purposes to which man's efforts can be directed.

It was with these noble purposes before them that the founders of Philipsburg Lodge No. 1173 came into being 50 years ago. Through the years our brothers of this lodge have taught patriotism as the highest type of civic virtue. They have covered the shoulders of the poor, the weary, and the disheartened. Continually, they have spread the altruistic principles of brotherly love which are the foundation stones of any lasting civilization, and which will ever be the hope and highest destiny of man.

On the occasion of 50 years of achievement as a part of the great sphere of Elkdom, I congratulate the Philipsburg lodge. Through the years its members have sought the noble attainment of relieving human suffering. But beyond that, they have recognized at all times that there is an imperishable spirit in every man which is worthy of earnest development. And always the brother Elks of Philipsburg have been dedicated to the principles of our order, which are the principles of America.

The Trust That Is Left to Us

EXTENSION OF REMARKS

OF

HON. HARRISON A. WILLIAMS, JR.

OF NEW JERSEY

IN THE SENATE OF THE UNITED STATES

Thursday, June 4, 1959

Mr. WILLIAMS of New Jersey. Mr. President, Americans have dedicated one day a year for special remembrance of those who have died in defense of this Nation. Memorial Day, in this time of cold war, has a particular significance. As we remember conflicts of the past, we work every day to prevent conflict in the future.

The distinguished Senator from West Virginia [Mr. RANDOLPH] expressed the American determination to preserve freedom and justice when he gave an address at Memorial Day services May 31 before the Veterans of Foreign Wars of Pendleton County at Franklin, W. Va. Senator RANDOLPH'S summary of questions about our defense policies, and his declaration that we should build a true memorial in the future, are, I believe, meaningful to all freemen. I, therefore, ask unanimous consent to have printed in the CONGRESSIONAL RECORD, the address by the Senator from West Virginia.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE TRUST THAT IS LEFT TO US

(Address by Senator JENNINGS RANDOLPH, Democrat, of West Virginia, at Memorial Day services, Veterans of Foreign Wars of Pendleton County, Franklin, W. Va., May 31, 1959)

Commander George Sponaugle, members of the Veterans of Foreign Wars, and guests, we are gathered today to pay tribute to the lives of our departed comrades who have passed to that bourne from which no traveler returns, where faith assures us that they have entered into a more significant phase of the divine order of the universe.

Though we cannot hope to read in this life the cipher of the universe, nor of one man's place in this order, we hold to the faith that earthly existence is not all that is meant for man. And we can say with Ralph Waldo Emerson, that though "Our faith comes in moments * * * there is a depth in those moments which constrains us to ascribe more reality to them than to all other experiences."

Today offers us such an occasion when we pause to pay tribute to those who made the supreme sacrifice, for "to live in hearts we leave behind is not to die."

At such a time as this, when we join in memoriam to the gallant dead, we might well look to their lives for guidance in our own conduct and as testimony of the values which life offers to those who share with their fellows its joys and sorrows.

Our words can but revive the memories of our departed loved ones; but it is our actions and our lives which will continue to keep alive the meaning of their sacrifice. The courageous young men to whom we pay tribute today gave their blood and their lives in the cause of humanity, in the right of the individual to achieve for himself a life of freedom and dignity. This basic and primal idea has been the chief source of direction in our national history. More than any other idea, it gives meaning and vitality to present American life, and it has been the ultimate goal toward which man's constant progress through the centuries has been directed. Yet the struggle has not ended.

It has been a dispiriting and tragic disillusionment for Americans, and for citizens of other free nations as well, to see in the years since the end of World War II, the extinguishment of the ideals of freedom and individual dignity among the millions of people under the domination of the Soviet Union and Communist China. In the face of such terrifying repression and assaults upon the integrity of man, we might, in moments of weakness, wonder if it has been worth the cost in blood and treasure.

For those who gave their lives in the cause of human freedom, we might find assurance in the words of the Gospel (John iv: 14) that "Whosoever drinketh of the water that I shall give him, shall never thirst; but the water that I shall give him, shall be in him a well of water springing up into everlasting life." While this offers consolation to those of us who have lost friends and members of our families, it does not relieve us of the responsibility of carrying on their struggle and thus, in some measure, giving meaning to their sacrifice. Only in this way can we truly memorialize those who gave the full measure of devotion to their country.

When the great American poet, Walt Whitman, was confronted by the tragic death of President Lincoln he sought in some manner—as did the people of the Nation as a whole—to find a meaning in such an irrational and devastating event. For Whitman the problem is solved in the beautiful and

moving poem, "When Lilacs Last in the Dooryard Bloomed." Here he indicates that since Lincoln gave his life for the Union, the only meaningful manner in which one could acknowledge his death was to contribute to the growth of the Union and the ideals for which he had worked and died. These the poet symbolized in the sprig of green lilacs which he brought to the deceased President as a token of his commitment to the future and to the promise of growth and creativity that the future holds.

Thus, we too can best memorialize those we love, not by haunting regrets for a past that can be no more, but by building a true memorial in the future—a memorial made of our dedication to the ideals and values they served.

This we can best do by maintaining a strong and vital America for the preservation and extension of the ideals of human freedom and the dignity of men. And since the malevolent forces that oppose us respect only power—and the show of power—America must maintain her power, economically as well as militarily. This means also that we can no longer afford the luxury of giving only part-time attention to full-time problems, for the problem of combatting Soviet imperialism is indeed a full-time assignment which deserves the full application of all our resources.

Within the present century we have been involved in two major wars and one localized but extremely costly conflict. In each instance our military policy was one of punishing an aggressor nation which had disturbed the peace. And in each instance we acted as though all we needed do was punish the aggressor and peace would be restored, leaving us free to follow our own carefree pursuits. But we have learned through harsh and bitter experience that the uneasy condition of peace is not so easily restored.

It would seem, therefore, that we must reexamine the military policies that have guided our conduct in the wars of this century. We must recognize that the United States has interests that endure beyond the mere punishment of the aggressor nations, interests that involve the basic values and assumptions of Western civilization itself. And these interests, these values, can be maintained only so long as the United States is capable, in alliance with the other free nations of the world, of bringing a countervailing power to bear on the Soviet Union and Communist China, whenever and wherever their imperialistic designs lead them to encroach upon free nations. Such power cannot be provided by an unwise and unrealistic attitude toward our national budget.

We devoutly pray that the present foreign ministers conference—and the possible summit meeting to follow—will lead eventually to a world in which all men may live in honor and in peace with one another.

But until that day arrives the United States must maintain sufficient strength—now and in the foreseeable future—to deter the hunger for conquest among the Soviet and Chinese leaders. This cannot be done if we are to be preoccupied solely with a balanced budget. For, as I have said elsewhere, a balanced budget in financial terms may well bring about a deficit budget in larger and more human terms.

For example, early last March, in a memorandum setting forth their views on the budget, the chiefs of each of the armed services expressed doubt about its adequacy. Typical of their comments was the statement of Gen. Maxwell D. Taylor of the Army when he reported, "The reservations which I had in mind pertain specifically to four major Army programs. These are: (1) Army modernization; (2) the antimissile missile program; (3) the personnel strength of the active Army and Reserve forces; and (4) the Army surface-to-air missile program." The chiefs of each of the other services expressed similar concern about the adequacy of the allotment for his own branch.

Yet, in the face of growing criticism from experts in the field of science, from our military authorities, from economists and business executives, and from leaders in Congress, the President has apparently decided that we cannot afford to provide for what the experts consider to be a minimum defense level. While it is true, as the President avers, that the present deterrence of mutual terror prevails, what of 3 or 4 years from today? There are those who maintain that Russia, at the present rate of development, will have a 3-to-1 superiority over us in intercontinental ballistic missiles. By thus deliberately conceding a missile superiority to the Kremlin, we are gambling with the future and gravely limiting the range of our present diplomacy.

In addition, almost a year and a half ago the Preparedness Subcommittee of the Senate Committee on Armed Services issued its report after taking 7,000 pages of testimony. In this report the subcommittee made 17 specific recommendations covering the entire range of our defense system. These recommendations were unanimously approved not only by the subcommittee, but by every member of the committee itself and endorsed on the basis of testimony from the leading experts throughout the country.

Yet, not enough has been done, ladies and gentlemen, to implement these recommendations. The excuse has been that we cannot afford them. I say, the leaders of Congress say, and, I believe, the American people will say that we cannot afford not to have them. If we cannot afford them under our present system of priorities, then we had better reappraise our standards of priority.

As the richest Nation in the world we can afford and must provide the defense necessary for the preservation of those values which alone make our material wealth meaningful. To do less is to lose faith with and to violate the trust of those who gave their lives for human dignity and individual freedom.

Aid to Schools

EXTENSION OF REMARKS
OF
HON. LEE METCALF
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 4, 1959

Mr. METCALF. Mr. Speaker, the transcript of the President's news conference yesterday included the following exchange:

AID TO SCHOOLS

Question (George C. Wilson, Congressional Quarterly). Mr. President, since your 1959 Federal aid to schools proposals have not received much attention on Capitol Hill, would you support your 1957 school-aid proposals as an alternative to the Democratic——

The PRESIDENT. You are expecting my memory to be a little bit more perfect than it is at this minute. For 6 years I have been saying—7 years I guess now, putting in something on the education bill. I will have to look—the details of your question, let Mr. Hagerty answer.

Mr. Speaker, in order that Mr. Hagerty may refresh President Eisenhower's memory, I am sending him a copy of page 3079 of the CONGRESSIONAL RECORD of February 26, 1959, when I traced the President's wavering, and sometimes contradictory, course on aid to schools through his state of the Union messages.

Presentation of Purple Heart to Richard A. Brennan

EXTENSION OF REMARKS
OF
HON. EDNA F. KELLY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 4, 1959

Mrs. KELLY. Mr. Speaker, it is a privilege to insert in the CONGRESSIONAL RECORD a few remarks concerning a man who has been honored by the community in which he lives for his many contributions to the welfare of that community. It is more than a privilege to insert in the RECORD an account of this presentation to him of the Purple Heart of the United States of America.

Richard A. Brennan, to whom it pleases me greatly to hand a belated medal of the Military Order of the Purple Heart of the United States of America, is a man of national and international experience in banking affairs. It has become old fashioned to cite the legendary Horatio Alger in speaking of today's successful men of affairs; still here is a case of the messenger boy who became president of the successor company to the many-million-dollar corporation on which he had started as office boy 23 years earlier. That was the Mortgage Corp. of New York which he reorganized from the assets of the old Bond & Mortgage Guaranty Co., largest institution of its kind in the country.

As to Mr. Brennan's biographical record, he was born January 2, 1897, in Manhattan, the third of four brothers whose parents died while they were quite young. They were raised by an aunt in New York City. He attended New York City public schools and evening high schools, and took a course with the American Institute of Banking. He went into the Army in December 1917, was wounded at St. Mihiel on October 2, 1918. Hospitalization in various hospitals in France followed, after which he was returned convalescent to Fort Dix Hospital 6 weeks before the armistice. He was discharged from Fort Dix Hospital in March 1919 but still carries shell fragments.

Returning to banking, he in turn became a State bank examiner in 1925, many of his assignments being in Europe. He was made special deputy superintendent of banks in 1929 and from that post he was drafted by the State insurance department as deputy superintendent to handle the $3 billion liquidation and rehabilitation of all mortgage guarantee companies in the State after the bank holiday. He has been president of the Brevoort Savings Bank of Brooklyn

since 1938. Under his guidance the total deposits of that now 67-year-old institution have been more than trebled and the number of depositors increased threefold.

For several years he has been active in civic affairs in the Bedford-Stuyvesant area of Brooklyn which is in my congressional district. In particular, as I happen to know, he has headed various fund-raising campaigns. All of these activities add up to outstanding achievements in the cause of social justice. They include: the largest church loan ever made to Negroes; racial equality in handling mortgage applications; the first bank to adopt integrated employment; the organization of Teens-in-Industry, a concept designed to alleviate youth problems; and foundation of a four-team Little League of youthful baseball enthusiasts.

He is a trustee of the National Foundation for Infantile Paralysis and the Georgia Warm Springs Foundation; a director of the Bay Ridge Day Nursery; treasurer of the Urban League of New York; trustee of Mercy Hospital in Rockville Center; and a member of the fund-raising committee of Brooklyn Catholic Charities.

In 1956 his career was signalized by two cherished honors—the Archbishop Thomas E. Molloy Award for Interracial Justice and the William M. Moss Brotherhood of Concord Baptist Church of Christ Award for his outstanding contribution toward better human relations and understanding between all people.

And so I am glad to add this long overdue recognition of the sacrifice he made for his country, to the list of honors he has won since.

Address of Hon. John Lesinski Before the U.S. Chamber of Commerce Committee on Business Statistics

EXTENSION OF REMARKS
OF

HON. RALPH J. SCOTT

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1959

Mr. SCOTT. Mr. Speaker, pursuant to permission granted me, I am inserting in the CONGRESSIONAL RECORD the following address given by the Honorable JOHN LESINSKI, of Michigan, chairman of the Subcommittee on Census and Government Statistics, before the U.S. Chamber of Commerce Committee on Business Statistics at the Statler-Hilton Hotel in Washington, D.C., on June 3, 1959:

BUSINESS STATISTICS

I appreciate very much the cordial invitation that your chairman, Mr. Lester S. Kellogg, has extended to me and members of my staff to meet with your committee at this semiannual meeting of your group to briefly discuss with you the program of our Subcommittee on Census and Government Statistics. Mr. Kellogg's offer for your organization to be of assistance in our study of statistical activities in the Federal Government is most welcome. We realize that the cooperation of business and industry and labor groups, as well as the general public, will be necessary in order to achieve full benefits of the subcommittee's program.

Anyone who is interested in the Government's statistical program cannot help being aware of the contributions made by the U.S. Chamber of Commerce. Your work in giving the businessman a better understanding of the Government's program merits special mention. In explaining the desirability of prompt reporting, the chamber has been of inestimable help to the Government and, I might add, to the taxpayers, since prompt reporting reduces costs. Of major importance, however, is your work in reviewing and appraising the Government's statistical program.

Our subcommittee has been most favorably impressed with the accomplishments of the Advisory Council of Federal Reports, which is sponsored by the Chamber of Commerce and other national organizations. This Council, under the able direction of its Executive Secretary, Mr. Russell Schneider, serves most effectively as a two-way means of communication between Government and industry on problems relating to questionnaires and reporting forms and statistics generally.

I know that some of you have appeared before congressional committees to point out ways of improving the Government's statistical program. This is precisely what our subcommittee is interested in, and I feel that we can be of great assistance to each other.

The Post Office and Civil Service Committee of the House of Representatives has jurisdiction over Bureau of the Census activities and the collection of statistics generally, as well as matters pertaining to the Post Office, the Federal civil service, and manpower utilization throughout the Federal Government. Specific authority for the committee or its subcommittees to conduct investigations and studies is contained in House Resolution 78 of the 86th Congress.

The membership of the Subcommittee on Census and Government Statistics for the 86th Congress consists of Mr. PORTER of Oregon, Mr. SHIPLEY of Illinois, Mr. DULSKI of New York, Mr. PROKOP of Pennsylvania, Mr. JOHANSEN of Michigan, Mr. CUNNINGHAM of Nebraska, Mrs. ST. GEORGE of New York, and myself as chairman. Although the subject of Government statistics in general has been within the scope of the jurisdiction of the committee ever since the Reorganization Act of 1946, only limited efforts have been devoted to this important subject by the committee in the past due to the need for attention to other pressing matters having to do with postal operations and civil service matters.

In describing the plans of our subcommittee, I might go back and underscore a word I have just mentioned. That is "study." This is not a scandal-seeking investigation, with headlines in mind. We are interested in determining if the laws of Congress, with respect to statistical work, are soundly framed and properly administered. Furthermore, we intend to approach this study with a view to reducing the cost to Government of obtaining and processing information where possible and minimizing the burden upon business enterprise and the general public. As useful byproducts of our inquiry, we hope to provide helpful information to you and to those you represent, and to make of ourselves a well-informed body of legislators that can give continuing and intelligent attention to this important subject.

The subcommittee intends its study to be broad in scope. It will include not only those statistical activities which the Federal agencies conduct directly, but also those conducted by outside firms or organizations under contract. It will cover not only those activities which the agency may narrowly define as statistical by its own precepts, but all activities concerned with collecting and compiling information from the public, including, therefore, the demands of the regulatory and administrative agencies. These latter, we have already learned, impose more of a reporting burden upon the business community than the purely statistical agencies.

The subcommittee's study will also include the development of information on the number of employees and the cost involved, in all Federal departments, in the collection, compilation, preparation, and publication of statistical data. This phase, which is already well along, will give us a base from which to measure trends, and to examine the proportion of funds spent for each kind of statistical information. It will also give us a figure representing the total cost within the Government, to contrast with the undoubtedly larger figure representing the cost to the public of filling the Government forms.

One of the specific matters that the subcommittee will consider is the quarterly reporting requirement of the Federal Insurance Contributions Act. The Second Hoover Commission estimated that if the form 941-A were reduced to an annual report, a saving of possibly $22 million a year might be realized by business enterprises. Like some of the other problems that we are becoming acquainted with, this cannot be resolved by agency action alone, but requires changes in legislation.

Earlier this year our subcommittee held a hearing at which the Director of the Bureau of the Census and his associates discussed the Bureau's plans for taking the 1960 census. The Director discussed some of the important uses that will be made of the results of the 1960 census. He pointed out that the Census Bureau will make full use of modern equipment, including electronic computers, in its 1960 census operation.

In view of the increase in the use of electronic data processing equipment by Government agencies in many phases of the Nation's Government-wide statistical activities, and the committee's interest in the broader subject of how the use of such equipment affects manpower requirements throughout the Government, the subcommittee will make an overall review of the use of such equipment by Government agencies. It is important to stress that periodic reviews should be made to ascertain that reports produced by an electronic data processing system serve useful purposes. The equipment should not be allowed to become gigantic "paper mills" merely because they can process information at terrific rates of speed. Government officials should be aware of the fact that too much information, if it is not properly coordinated, can be as harmful as too little.

I would like to assure you that we recognize that Government statistics are a vital part of our system of economic and social intelligence, both for public policy formulation and for business planning. We appreciate that some programs may deserve building up, not tearing down. Our overall goal is to make the system better, not necessarily smaller or larger, giving considerable attention to getting the best possible product with the least burden.

To this end, we most cordially solicit your cooperation and that of your fellow organizations, such as the American Society of Association Executives, the National Industrial Council, the National Association of

Manufacturers, the American Retail Federation, and others. Specific, carefully considered recommendations, whether pro or con, can be of great help to us. You have access to us at any time by letter. At a later date, after the Congress has adjourned, we expect to hold open hearings at which representatives of business and industry and labor groups will be given an opportunity to testify. These hearings, which may be held in cities other than Washington, will supplement other hearings involving representatives of the Bureau of the Budget, the Bureau of the Census, and other government agencies. I hope that we can all work together to achieve really substantial improvements in this most important aspect of the Government's work.

Commencement Address of Hon. Robert W. Hemphill Before 1959 Graduating Class, Kershaw (S.C.) High School

EXTENSION OF REMARKS
OF
HON. JOHN L. McMILLAN
OF SOUTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 4, 1959

Mr. McMILLAN. Mr. Speaker, under leave to extend my remarks in the RECORD I include a copy of a speech delivered to the Kershaw (S.C.) High School graduating class by my colleague, Hon. ROBERT W. HEMPHILL.

I personally want to congratulate Congressman HEMPHILL on his fine address and hope that the other Members of Congress will be interested in reading Mr. HEMPHILL's very informative remarks:

COMMENCEMENT ADDRESS OF HON. ROBERT W. HEMPHILL BEFORE 1959 GRADUATING CLASS, KERSHAW, (S.C.) HIGH SCHOOL

Superintendent Graves, members of the faculty, parents who are justly proud, and last, but far from least, members of the outstanding graduating class of 1959, of Kershaw High School, it is an honor to be on your program. I share with your valedictorian and salutatorian the honors you have accumulated.

In this hour of triumph, I share your pride of a good job well done. You are Mr. and Mrs. America of tomorrow, and I am glad, I am confident. You will, I know, be equal to your responsibilities.

Today you accept the token and symbol of achievement—a diploma. Tomorrow, you accept the responsibilities of mature citizenship—I glory in anticipation of your good works.

Twenty-seven long, but exciting years ago, I stood in your place—thrilled, excited, and uncertain. I can almost hear the valedictorian as he spoke, "We are the children of the depression—this is a red-letter day in our life—we are equal to the task ahead—let us go forward with courage and determination."

About a month ago, along with classmates, I took a silent poll of our class. Scattered to the far corners of the earth, they had made their way—the American way—a dominant part of the life of the particular community—a productive life, and a beneficial existence.

A great teacher here—a successful but humble businessman there—a coach—pilot—wife of a mayor—executive—salesman—surgeon—many who know the satisfaction of motherhood and housewife—a cross-section of contribution to the past, present and future of the country. I catalog and judge with pride my class. You will, I am sure, be proud of yours through the years.

I suppose everyone who has talked to you has told you that you have a challenge. Be thankful you have. How meaningless would life be without a thousand challenges—economic—social—political? You can glory in the fact that you face an exciting tomorrow, and that will master your problems.

You will be tempted with a 35-hour week. You will be told you must spread the work—but you must realize you cannot substitute social desire for efficiency and production. When you spread the work you invite automation. You can not substitute spreading the work for doing the work.

You will be tempted to spread the dollar; you cannot have a wage-price spiral of inflation without losing dollar value.

Ultimately, if not presently, most of the young men here will be called on to give some measure of service in the defense forces of our country. Many of the young ladies will await their return. Those men who join either the National Guard or Reserves, or who enlist for or are drafted into the Army, Navy, Air or Marine Forces, will be told that we are maintaining our forces merely for purposes of peace and defense. Our progressive development in missiles, hydrogen, and space warfare capabilities, are classified as necessary for deterrent or retaliatory purposes. And the remarkable truth is that despite the magnitude of our defense effort and high cost to the American taxpayer, we prepare for war only that we may insure peace. Neither the American people, nor their leaders, have any desire for war, no ambition for any other territory, and no plan or scheme for world conquest. Every American knows this. The sad and real fact is that the world does not.

We have failed to carry our message of peace to the peoples of the world. I do not mean the leaders of our friends or our enemies—they know we want no war. But the peoples of the world have seen us send armies and ammunition around the world—how they must wonder that we speak so softly, while the rattle of our swords may sound of peace to us, but sound of aggression to others.

Today we witness a defense department torn with a fight over which missile we should develop. Some say Nike-Hercules is not adequate, because its range may be limited to 100 miles or less. Millions have been spent on a Bomarc missile yet unproved. While the controversy rages, have we convinced the world we build only for defense?

Why do I speak to this audience in such a manner—why not, oh, why not, my friends, make a regular little address on some moral issue. I will tell you.

You and I are partners in America today, America tomorrow. We must progress and work together.

You have graduated. The preliminary accomplishment of your education has been hailed and recognized. You have more supervised education already than Benjamin Franklin, Abe Lincoln, John Paul Jones, and many others. You get news from Paris quicker than your forefathers got it from Lancaster. You have light to dispense the the darkness, heat against the cold, cold against the heat, vitamins, wonder drugs—a thousand wonders to inspire and secure.

Now, my partners in freedom, what is our course?

While we speak of defense, we must not be on the defensive. I do not endorse a program of aggressive warfare—I believe we should be ready. Every athlete knows a ready opponent is hard to surprise, harder to defeat.

We must be aggressive in our demands for peace, freedom, and justice. You and I must defy those who endorse the tyrant, or dictator, because of his friendliness, because that endorsement countless times in the past has caused a people, a nation, to despise us.

There is no such thing as passive resistance to the socialistic trends that threaten our land. Remove the tinsel and the tarnish from any welfare state, and we find slavery, with state bureaucracy the master.

Great Britain tried nationalization of industry—the results were disastrous.

Great Britain tried socialized medicine. Today we find those who want major surgery wait an average of more than 30 days, minor surgery more than 60 days. Yes, it is free, but is it?

No, no, my friends, we do not want a Government as a parent, or guardian. I do not like for my Government to tell me what to do. Neither do you. Three million people are employed by our Government. Do you want them to be your bosses?

Only an aggressive attack against the forces seeking to undermine us can be productive. Year after year a passive America has witnessed the growth of our national indebtedness. It is now authorized at $288 billion, and we will owe $12 billion more by July 1, 1959. Common stocks, at inflated prices, are more in demand than Government bonds backed by the full faith and credit of the people of the United States.

Only an aggressive attack on these problems can produce. The time to start reduction of this debt is now. Partners in freedom, this is our task.

A clergyman once walked into a quarry where three men were working in a secluded area. He asked one man what he was doing and received the reply, "I am making little rocks out of big rocks." He asked the second, and received the reply, "Watch and you shall see me reduce this mighty rock to dust." He approached the third, who said pridefully, "I do not accept my job that way—I am helping to build a cathedral."

These vexing problems I have discussed briefly, and many others, challenge every talent of our possession. We cannot, we must not, pursue or adopt any attitude, or any policy, which causes us to stick our heads in the sand. We can neither ignore the facts of life, nor expect any accomplishment if we march out of step. The man or woman who thinks he can keep up by standing still is out of date; in fact, retreating.

Partners of freedom, you and I challenge anyone who advocates a retreat. We are capable, we are eager to meet and conquer the onslaughts of time, the crises of the hour.

We must, and we do, guarantee to your generation, and your children, and their children, a free America, free from socialism, and certainly, most certainly not a welfare state.

I have confidence in you to do your part.

Thomas S. Gates, Jr.

EXTENSION OF REMARKS
OF
HON. PAUL B. DAGUE
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 4, 1959

Mr. DAGUE. Mr. Speaker, in a recent article entitled "Salt at the Helm," Time magazine had this to say, in part, concerning the newly appointed Deputy

Secretary of Defense, Thomas S. Gates, Jr.:

Born April 10, 1906, in Philadelphia. Majored in English at Penn (1928). Joined Philadelphia's solid Drexel & Co. Served as a private in the National Guard. Commissioned in Navy intelligence in 1942, he sailed in major campaigns, performed gallantly (two Bronze Stars), was mustered out as a commander after 42 months, rose to captain in the Reserve and retired in 1953. Tapped by President Eisenhower as Under Secretary of the Navy in 1953, Republican Gates was promoted to Secretary in 1957. Anxious to return to his investment job, Gates early this year resigned his $22,000 Secretaryship, effective June 1. But Ike persuaded him to stay in Washington as Deputy Secretary. Said Gates, "It plays hob with my personal plans, but I guess it is my duty." Says a longtime banker friend from Philadelphia: "Tom Gates has an unusually high sense of public duty. It's in the nature of the man."

With that as a preface I am honored to add that Tom Gates is one of my most distinguished constituents—ninth district of Pennsylvania—a resident of my home county, a good friend and neighbor. And because of a personal and neighborly awareness of his great abilities, which should prove so valuable in the high position to which he has been appointed, I am reassured by the fact that Mr. Gates is remaining in the Defense Department.

I was genuinely sorry—and in this I know I was joined by officials in the Government, Members of the House and a large segment of the public—when it was announced a few months ago that Tom Gates was planning to retire as Secretary of the Navy. Consequently, it was with deep satisfaction that I learned that, at the request of President Eisenhower and Secretary McElroy, Mr. Gates had consented to remain in Government in a higher and very responsible position, that of Deputy Secretary of Defense.

There can be no question but what the interests of our national security have been strengthened by Tom Gates' acceptance of this new assignment. He brings to it a wealth of experience in national security matters. His tenure as Under Secretary and later as Secretary of the Navy has been marked by highly competent leadership. He was, in every sense of the word, a strong Secretary. While there was no question who was head of the Department of the Navy under his regime, he encouraged initiative and acceptance of responsibility by civilian and military leaders at all subordinate levels of the Navy Department.

I think it entirely appropriate to point out that while serving as Secretary of the Navy he made an historic contribution to the betterment of national security by laying the organizational foundation for an even closer relationship between the Navy and the Marine Corps within the Department of the Navy. While Under Secretary of the Navy, he supervised, under the overall direction of the then Secretary of the Navy, Mr. Robert B. Anderson, the redrafting of the basic orders and directives governing organizational relationships within the Department.

This was indeed an important contribution for, as the House has long recognized, the unique character of balanced American seapower stems from the integration of Marine landing forces into the fleet. This relationship between the Navy and the Marine Corps, which was regularized and improved through the leadership of Tom Gates, has produced great and continuing contributions from the standpoint of our defense capabilities.

During his tenure as Secretary of the Navy, there was also tremendous strides made in weapons and instruments of U.S. seapower. We moved into the age of the large fleet carrier. Atomic submarines became an operational reality. Prolonged and submerged submarine cruises became practical. The underwater passage to the North Pole was successfully negotiated. The Navy made operations in the Antarctic a routine. The Marine Corps brought to operational reality its vertical envelopment techniques. This concept, embodying the use of helicopter-carrying transports of a modified aircraft carrier type, constitutes what is probably the most important and revolutionary contribution to combat methods since the end of World War II.

It permits our balanced fleets to conduct amphibious operations in the thermonuclear age. Not only is this Marine Corps contribution another demonstration of the far-sighted and practicable thinking which has characterized the Marine Corps in its role of amphibious specialists, but it reflects the kind of progressive thinking which has been so deliberately encouraged within the Department of the Navy by Secretary Gates. Parenthetically, the understanding consideration given the Marine Corps by Mr. Gates would have assured him a place in my personal hall of fame were that the only thing to recommend him.

I would also like to point out that during the last few months of his tenure as Secretary he made another meaningful and lasting contribution for the betterment of the Department of the Navy. With his keen appreciation of the importance of organizational principals, he convened, a few months ago, a small but also highly selective Board to examine the functioning, operations, and concepts of the Department of the Navy. The membership of this Board is particularly noteworthy, as it demonstrates, again, Tom Gates' ability to recognize and utilize the great talent which exists within the Department of the Navy.

As senior member of the Board he appointed the Honorable William B. Franke, then Under Secretary of the Navy and now Secretary of the Navy. The two senior military members of the Board were Adm. James S. Russell, Vice Chief of Naval Operations, and Lt. Gen. Merrill B. Twining, USMC, Commandant, Marine Corps Schools, Quantico, Va. As Members of this House are well aware, the selection of these two officers to the Board was another example of Tom Gates' frequently demonstrated ability to fill top positions with officers of preeminent qualifications. Both Admiral Russell and General Twining have long been recognized as keen students of balanced seapower based upon a close relationship between the Navy and the Marine Corps.

Under the overall guidance of Secretary Gates, the Board—known as the Franke Board—met for 3 or 4 days a week over a period of almost 4 months. It is recognized within the Department of the Navy and the Pentagon that this was really a unique board, inasmuch as the senior members, Mr. Franke, Admiral Russell, General Twining, and Mr. John H. Dillon, administrative assistant to the Secretary of the Navy, were also working members of the Board. This fact in itself made the Board an unusual development on the Washington scene.

The report of the Franke Board, which has been read by many Members of the House and the Senate, has become recognized as one of the most concise, practical, and understandable reports of its kind ever to emerge from the Pentagon. As those who have read the report recognize, the first portion of the report which sets forth the organizational functions of the Navy Department and the balanced fleet constitutes the most rational and persuasive exposition on the philosophy of the Navy Department and seapower yet to appear in print. Congress and the Nation are indebted to Secretary Gates and Secretary Franke, and their assistants on the Franke Board, for such a major contribution to the understanding of and furtherance of our national security.

Tom Gates can leave the Navy Department with the secure knowledge that all those who are aware of his contributions and leadership extend him a sincere "well done" as Secretary of the Navy and look forward to even more accomplishments by him as Deputy Secretary of Defense.

How Your Congressman Becomes a Spendthrift

EXTENSION OF REMARKS
OF
HON. PAUL G. ROGERS
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 4, 1959

Mr. ROGERS of Florida. Mr. Speaker, in the June issue of the magazine Nations Business there appears an article entitled, "How Your Congressman Becomes a Spendthrift," which bears the byline of our colleague and my close personal friend, "CHARLIE" BENNETT.

This article presents a penetrating analysis of our spending program at a time when Government expenditures are rapidly approaching an all-time high.

That the good people of Florida's Second Congressional District have seen fit to return "CHARLIE" BENNETT to Congress repeatedly and in most instances unopposed, seems eloquent testimony to the esteem with which he is regarded.

I commend the reading of this comprehensive presentation to every Member of the Congress and am pleased to present it for inclusion in the RECORD:

HOW YOUR CONGRESSMAN BECOMES A SPENDTHRIFT—HERE'S A STORY OF PROSPENDING PRESSURES AND WAYS TO EASE THEM TO SAVE TAX DOLLARS

(By Representative CHARLES E. BENNETT)

Members of Congress are in a constant struggle to keep from becoming spendthrifts.

The Congressman who strives for Federal economy today is frustrated by a combination of loose fiscal practices and the ironic prospending attitudes of much of the public.

I've watched this phenomenon over the 10 years I have served in the U.S. House of Representatives. It has now reached alarmingly expensive proportions.

Though the cards seem stacked against saving and for Government spending, this could be corrected. Congress and our citizens could adopt a three-part program which, I believe, would give new vitality to the quest for thrift and save billions of the taxpayers' dollars. The program would strike at both the attitudes and the machinery that favor excessive Federal spending.

Unless we plan some action now, ever-mounting costs of Government could create further inflationary deficits, dilute our purchasing power, stunt our economic growth, and threaten our national strength and security.

Our troubles seem to be rooted, first of all, in public feelings about spending. Most people are for economy generally, but not specifically.

I remember well the tone of the mail that poured into my office a few summers ago when desire for Government economy was being fervently expressed. The letterwriters urged me in no uncertain terms to "cut the fat out of that outrageously high budget," and "keep that Federal spending to a bare minimum." At about the same time the House was considering a multi-million-dollar measure I felt was unnecessary in spite of its popular appeal. Following my convictions, I voted against the bill.

In the weeks that followed you would have thought that I was the most penny-pinching man alive. Scores of letters criticized my vote and not a single one recognized my action as a vote for economy.

This is not unusual in Congress. I have talked with many fellow lawmakers who tell of constituents who ask in the same breath for tax cuts and larger appropriations for their special projects.

Since each Member of Congress must not only vote his own convictions but also be mindful of his constituents, he must weigh carefully any proposal that could benefit them. Even if a measure only appears to benefit his constituents, a Member is under great pressure to support the idea. If the legislator fails to vote with his constituents, he can be replaced with someone who does take their views.

This leads to a system of survival of the spendingest. So the primary source of economy must be the public.

However, in the eyes of a large segment of the public, progress has become synonymous with more and larger Federal programs and benefits. Each new program is excitingly and attractively presented. In the dazzle, the ultimate cost to people in taxes is obscured.

It is now taken for granted that the Federal Government should be involved in such personal or local matters as health, education, and welfare. These words are powerful symbols. The programs under these general labels could become more costly than our national defense. In the broadest sense, "welfare" could even mean two Cadillacs in every garage—at taxpayer expense.

Another problem is that once a program is begun, it is nourished until it is thriving. To end a going Federal program is almost unthinkable, even though it may have become obsolete or undesirable.

I can recall only two Federal programs that have been abolished since I was first elected to Congress: Uncle Sam no longer stables stallions for breeding cavalry horses, and is now out of the rum-distilling business in the Virgin Islands.

Lobbies now exist for every conceivable spending cause. The appeal to Congress for dollar support is seldom based on self-interest, though. The selling pitch is usually couched in terms of the benefits of a program to national security, human welfare, or economic growth.

Sometimes a Member of Congress commits himself to a noble idea or project without realizing its potential cost in tax money. Once committed, it's difficult to wiggle off the hook. When I first came to Congress, I enthusiastically introduced a measure to permit tax deductions for certain types of employe compensation incentive plans. I was stunned to learn from the Treasury Department that the bill would cost an estimated $1 billion in tax revenue the first year and ultimately could cut U.S. revenues an estimated $8 billion a year. I dropped the idea as quickly as I could.

Unfortunately, the public memory is dim on heroes of economy battles, but people never forget a vote against their favorite cause. As one of my colleagues lamented at lunch the other day:

"Nobody ever gets a statue built for economizing. You don't even make a footnote in the history books."

The other major obstruction to economy in government today is the loose and clumsy system we use to pay for what we buy.

We are now spending about $80 billion without the best means for resolving competing needs, judging overall cost or knowing how much money we will have with which to pay our bills.

One problem is that we act on Federal spending in piecemeal fashion.

When an appropriation bill or other legislation comes up for action, my colleagues and I don't know whether voting for the measure will eventually unbalance the budget or not. We don't know how much will be spent for other programs still to be voted on or how the economic impact of other spending will affect revenues.

Another problem is that money matters are influenced by more than a dozen committees in each chamber of Congress, so central control is lacking. The major committees assigned to fiscal subjects are the House Ways and Means, House Appropriations, Senate Finance, Senate Appropriations, Joint Economic Committee, and Joint Committee on Internal Revenue Taxation. But other committees get in the act in a variety of ways.

Federal spending normally must be approved by the Senate and House Appropriations Committees. Legislative committees authorize programs, then the Appropriations Committees each year grant the Federal agencies the money to run them.

However, a sort of budgetary sleight of hand has come into practice by which the Treasury can be dipped into without the usual controls.

One of the most popular of these fiscal tricks is called "authority to spend from public debt receipts." With this device, Congress lets a Federal agency borrow directly from the U.S. Treasury rather than making it rely on congressional appropriations. It has become a popular method to finance the many Federal lending programs and dodge annual Appropriations Committee review. Already Congress has authorized agencies to spend about $150 billion by this method. Housing programs, farm price supports and Export-Import Bank lending, for instance, are financed this way.

Other doors to the Treasury go by the names of "contract authority," under which obligations can be incurred before appropriations are made; "revolving funds," which finance certain intragovernmental buying activities and "no-year" appropriations, under which many long-term defense projects are financed.

Add to this the fact that Uncle Sam already has billions of dollars promised each year to a number of basic programs or obligations, such as public assistance payments to the States, veterans' pensions and interest on the national debt. Control and choice over where and how public money will be spent, therefore, has been drastically limited.

In this era of towering defense costs as well as other burdensome Federal commitments, I don't think we can suddenly do away with big budgets. But I believe we can save billions of tax dollars as well as help create a fresh public attitude toward Federal spending. We can do it by adopting a three-part program aimed at rewarding economizers, tying taxes to spending and tightening or creating new controls over the purse strings.

1. Members of Congress and other Federal officials who fight for economy could be recognized through some system of thrift-ratings and awards. This could best be done by a private, national nonpartisan organization, which could devote singular emphasis to the fiscal aspects of any Federal proposal.

This organization should be a responsible and respected group. It should have the resources and facilities to estimate the cost and appraise the effect of new spending ideas or programs as soon as they are proposed. It should make known its findings quickly and lucidly to Government and the public.

Particularly, it should help Congressmen with cost data even as bills are drafted.

An organization such as this has operated on the State and local level in Florida for 20 years. It is the Florida Tax Information Association, Inc. Probably other States have similar nonprofit, nonpartisan groups to promote efficient spending of public dollars.

On the national level, through awards to effective and economy-minded public servants, and objective fiscal analysis, a similar organization could command widespread attention and stimulate a new respect for sound Government paid for with sound dollars.

2. Pay-as-you-go and user charge principles, I believe, could be more widely adopted, both to pay for Government services and to impress immediately on the public the cost of a program or activity.

The Federal highway construction program is materially paid for through the tax on gasoline. Social security is financed by a tax on prospective beneficiaries. I believe many of the supporters of the expensive Federal aid for school construction proposals would think twice if a broad-based tax to pay for the program were tied directly to the legislation.

A number of existing charges and fees could be raised so that the citizen who is served pays for the service and knows what it is costing him. The cost of the postage stamp, for example, was finally raised from 3 cents to 4 cents last year—the first increase in 25 years. The Postal Service is still short of paying its way by more than $500 million a year.

Since no formal overall consideration is given to the budget by Congress, a joint congressional budget committee, it seems to me,

could be set up for this purpose. It could also appraise public needs. It could determine whether an activity is a proper one for the Federal Government, or whether it should be done on a State or local level. It could coordinate and advise on the work of the tax-writing House Ways and Means and Senate Finance Committees and the Senate and House Appropriations Committees. And it could survey ways for putting more Federal activities on a direct pay-as-you-go basis.

3. Procedures could be tightened or new ones created for better control of Federal spending. Congress should accept a resolution sponsored by Representative HOWARD W. SMITH of Virginia, our Rules Committee chairman, aimed at stopping backdoor trips to the Treasury. Representative SMITH's idea is to require that all spending be routed through the Appropriations Committee. The legislative committees would still have the power to authorize programs, but any spending scheme would get the traditional annual check of the Appropriations Committee.

Legislative committees tend to favor their particular field of interest. The Agriculture Committee, for instance, wants to do all it can for the farmer; Merchant Marine and Fisheries Committee wants to serve maritime interests. The Appropriation Committees can appraise the worth of individual programs and balance one against another when all spending ideas go through this important unit. A like proposal to make sure all spending is channeled through the Appropriations Committees is also pending in the Senate.

A greater control over spending could be achieved if money bills were handled differently. Congress now acts on 12 to 15 separate regular appropriations bills plus other supplemental appropriations. Sometimes we increase, sometimes we cut; but we never know whether more has been appropriated than there are revenues to pay the cost until the last bills are voted on.

House Appropriations Committee Chairman CLARENCE CANNON of Missouri, Senate Finance Committee Chairman HARRY F. BYRD of Virginia and other congressional veterans have often proposed that all the regular appropriations bills be handled in one bill. An omnibus appropriations bill could give Congress new perspective, balance, and control over how public money is being spent.

Another related idea could have the same effect. Final action could be postponed each year on spending bills until all of them have been considered. The bills could be kept in a sort of deepfreeze until the end of a congressional session. Then individual bills could be revised up or down to keep total spending from spilling over the revenue coming in.

Congress, at the least, should have available a formal running account of its spending. In addition to the President's annual budget document and midyear revision, Congress should have up-to-the-minute information summarizing appropriations, expenditures, receipts, and the effect of pending bills on overall totals.

Finally, I'm sure untold amounts of money could be saved if the President had the power to veto separate items within appropriation bills rather than being limited either to signing or vetoing money bills as a whole. Since the item veto first appeared on the American scene in the Confederate constitution, 40 States have adopted the idea. With the item veto, the President could effectively cut the fat out of appropriations and assist materially in what all loyal Americans really want—an effective but economical government.

I am confident that the program I have outlined could help restore the respect for and safeguards over your tax money which are so sorely needed today.